



TRADE POLICY REVIEW

REPORT BY THE SECRETARIAT

BARBADOS

This report, prepared for the fourth 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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SUMMARY

1. Barbados is a relatively small and open economy with a GDP per capita of some USD 14,619 in 2020. Barbados is highly dependent on imports of goods and on exports of services, particularly tourism, and was thus strongly affected by the COVID-19 pandemic. In 2020, real GDP declined by 14%, and grew by 0.7% in 2021. This came after a period of already weak economic performance: real GDP declined in four of the years of the review period. Limited economic diversification, strong reliance on imported consumer and investment goods, and persistent fiscal deficits left Barbados vulnerable to exogenous shocks, even before the outbreak of COVID-19.

2. Against the backdrop of large current account deficits and mounting public debt, the authorities embarked on a programme of structural changes in order to restore growth and macroeconomic stability in the medium term. The Barbados Economic Recovery and Transformation (BERT) Plan, introduced in 2018, focuses on improving productivity and diversifying the economy, as well as achieving fiscal consolidation and debt sustainability. The original BERT Plan included a number of measures, such as increases in personal income and corporate tax rates, which were later revised and lowered as a result of the pandemic. Corporate taxes are now paid based on a sliding scale, at much lower rates. Similarly, income tax rates were lowered in 2019 and 2020. Other measures in the BERT Plan, such as charging VAT on online transactions by residents and introducing an Airline Travel and Tourism Development Tax, became effective on 1 October 2018. A levy on hotel rooms, a Product Development Levy on direct tourism services, and a Fuel Tax were also introduced, effective 1 July 2018. To support implementation of the BERT Plan, the IMF approved on 1 October 2018 a four-year Extended Arrangement under the Extended Fund Facility for an amount initially equivalent to USD 290 million. Barbados has also undertaken structural reforms to transform its state-owned enterprises (SOEs).

3. Barbados has been registering structural fiscal deficits for the last two decades, which have resulted in rising public debt and reduced the Government's ability to respond to exogenous shocks. During the period under review, the authorities undertook substantial efforts to cut the deficit and enter a fiscal consolidation path to stop the increase in public debt. The fiscal deficit peaked at 10.9% of GDP in FY2013/14, and has since been on a downwards path, particularly after FY2015/16, partly reflecting the effects of the BERT Plan. However, due to the sharp decline in revenue and the increase in expenditure caused by the COVID-19 pandemic, the fiscal situation deteriorated in FY2020/21, when a deficit of 5.1% of GDP was registered. As a result of the need to finance fiscal deficits, public debt rose during the initial years of the period under review to some 155.2% of GDP in FY2015/16. In 2018, in the context of the BERT Plan, Barbados engaged in its first debt-reducing initiative, which resulted in a rescheduling of debt payments and in debt alleviation. As a result, the public debt to GDP ratio fell, but due to the COVID-19 pandemic, it rose again to 150.3% in FY2020/21.

4. Barbados pursued a targeted fiscal response to the COVID-19 pandemic, partly due to the lack of fiscal space. Initial investments in health equipment and quarantine facilities in early 2020 were followed by expanded welfare payments to protect vulnerable households. A 12-month COVID-19 relief jobs programme was also rolled out, while targeted cash transfers were extended to small businesses and vendors affected by the second lockdown in February 2021. To support tourism, the authorities created the Barbados Employment and Sustainable Transformation (BEST) Programme in October 2020, focused mainly on the re-engagement of workers in the sector.

5. The main objective of monetary policy in Barbados is to maintain the exchange rate's fixed parity with the US dollar; promoting monetary stability and a sound financial structure and maintaining credit and exchange conditions that foster development are also monetary policy objectives. In December 2020, a new Central Bank of Barbados (CBB) Act was passed, which broadened the scope of action and functions of the CBB. To counter the negative effects of the COVID-19 pandemic, the CBB implemented measures to support the domestic banking sector effective 1 April 2020, which resulted in a considerable easing of the monetary stance. The measures included, *inter alia*, a reduction from 7% to 2% of the CBB's discount rate, a reduction of the securities ratio for banks from 17.5% to 5%, and CBB readiness to make collateralized loans for up to six months as liquidity support for financial institutions. These measures were accompanied by others taken by commercial banks, including an up-to-six-month moratorium on loan payments for firms and individuals directly impacted by the pandemic, adjusted loan terms to reduce monthly payments, and additional credit to existing customers to address short-term liquidity challenges.

6. Measures to relax exchange and capital controls were introduced during the review period, some of them with effect on trade flows. Although there is still a requirement for authorized foreign exchange dealers to surrender 5% of their gross foreign exchange purchases to the CBB, effective 1 August 2019 exporters no longer have to surrender their proceeds to authorized foreign exchange dealers. Prior to that date, exporters had to surrender 70% of their proceeds to dealers within six months. At the same date, restrictions regarding foreign exchange accounts were removed: residents are now allowed to open and hold foreign exchange accounts without CBB approval. As of February 2020, authorized dealers can approve and execute larger foreign currency transactions, and the limit for dividends and profits that may be remitted without CBB approval was raised. However, the foreign exchange fee of 2% on the value of foreign currency transactions, introduced in 2017, remains in place. Also, purchases of all securities abroad by residents require exchange control approval. Amid the COVID-19 pandemic, support from international financial institutions in 2020 enabled gross international reserves to rise to USD 2.7 billion, or 10 months of imports.

7. Inflation was moderate during most of the review period. As Barbados maintains a fixed exchange rate and imports most consumer goods, prices are largely influenced by shifts in foreign markets. However, wage changes also play an important role, and agricultural sector conditions have an influence on the price of food. In this respect, the increase in inflation experienced in 2019 was mainly caused by an increase in the price of food influenced by a drought. In 2020 inflation declined again, to 3%, compared with 4.2% one year earlier. In the second half of 2021, however, and due to a large extent to increases in international prices of energy and food, inflation rose to a year-end rate of 5%.

8. Barbados' current account deficit declined between 2014 and 2019, partly reflecting the fiscal consolidation path. The deficit fell from 9.2% of GDP in 2014 to 2.8% in 2019. The COVID-19 pandemic led to a sharp increase in the current account deficit in 2020, to 5.9% of GDP, mainly due to a plummeting of tourism receipts and despite declining imports. Between 2014 and 2020, both merchandise exports and imports declined. The current account deficit reached USD 528.5 million in 2021, or 5.4% of GDP. In 2020, the share of merchandise exports in GDP was some 13.2%, down from nearly 16.9% in 2014. The share of merchandise imports also decreased, from 35.2% of GDP in 2014 to 30.3% in 2020 due primarily to weak domestic demand over the period. Barbados' main merchandise exports are fuels, food, and chemicals. Imports are dominated by manufactured products, which accounted for some 60% of the total in 2020. The main items are machinery and transport equipment, and chemical products. Fuels and food and vegetables accounted for some 40% of total merchandise imports in 2020. Barbados' main export destination in 2021 was the United States, followed by Jamaica, Guyana, Trinidad and Tobago, the EU-27, and Saint Lucia. The United States remains Barbados' largest import supplier, with 47% of total imports in 2021, followed by Trinidad and Tobago and the EU-27.

9. Services, in particular tourism, are of utmost importance to Barbados' economy. In 2019, before the disruption caused by the pandemic, travel-related inflows totalled USD 1,250 million, or some 24% of GDP. In 2020, inflows plummeted to USD 577.4 million, some 12.3% of GDP. The traditional surplus in the services balance fell from 17.1% of GDP in 2019 to 10.6% in 2020. Barbados is a net recipient of foreign direct investment (FDI). Flows are mostly directed to the tourism sector and other travel-related activities, and to financial services. In the period from 2014 to end-June 2021, net FDI inflows totalled USD 1,046.3 million.

10. Barbados became a republic on 30 November 2021, the 55th anniversary of its independence. Nevertheless, the institutional framework for economic and trade policy formulation remains largely unchanged. The Ministry of Foreign Affairs and Foreign Trade has the overall responsibility for the formulation and coordination of trade policies, in consultation with other Ministries and with inputs from the private sector and civil society.

11. The Medium-term Growth and Development Strategy 2013-2020 recognizes the need to sustain private-sector and investment-led productivity and export-driven growth. The BERT Plan, apart from restoring fiscal and debt sustainability, also aims to rebuild reserves and increase growth. With regard to trade policy, Barbados' objectives are to promote and facilitate the development of international trade, improve competitiveness, and pursue the Small Vulnerable Economies agenda in the WTO. Barbados also has the objective of achieving a fossil-fuel-free economy by 2030.

12. Barbados grants at least MFN treatment to all trading partners. Barbados has never invoked the WTO's dispute settlement provisions as a complainant, nor have any complaints been lodged

against Barbados. Although Barbados has submitted various notifications to the WTO since its last Review, numerous notifications remained outstanding as at June 2022.

13. Barbados is a member of the Caribbean Community and Common Market (CARICOM). CARICOM members have sought to implement a common external tariff (CET) since 1991. However, as at June 2022 tariff schedules across countries still differed considerably, both due to the exceptions allowed and to mechanisms permitting the suspension of the application of the CET under certain circumstances. No progress was made in tariff harmonization during the period under review. Through CARICOM, Barbados has reciprocal bilateral trade agreements with Colombia, Costa Rica, Cuba, and the Dominican Republic.

14. An Economic Partnership Agreement with the European Union has been in force since 2008. Under the Agreement, Barbados committed to gradual reductions in its tariffs over a period of up to 25 years, until 2033. Exclusions and lengthier implementation periods apply mainly to agricultural goods. The Agreement is replicated by an agreement with the United Kingdom, which entered into force in January 2021. Barbados also benefits from various non-reciprocal arrangements, such as the United States' Caribbean Basin Initiative (CBI), the Caribbean-Canada Trade Agreement (CARIBCAN), and the CARICOM-Venezuela Agreement.

15. Foreign investors are generally granted national treatment with very few exceptions mentioned in sector-specific legislation, such as telecommunications services, tour operators, and travel guides. Private investment in broadcasting, banking, and insurance is subject to prior government approval. Water and postal services are government monopolies.

16. Since its last Review in 2015, Barbados has successfully streamlined customs procedures, including the transition to ASYCUDA World in September 2019, the initiation of a trusted trader programme, and a considerable reduction of processing times for import licences. Also, the use of reference prices for the customs valuation of certain imports was abandoned during the period under review. The use of a customs broker is recommended.

17. Barbados ratified the WTO's Agreement on Trade Facilitation in January 2018 and has notified its Category A, B, and C commitments to the WTO. As at June 2022, Barbados had implemented 44.5% of its commitments under the Agreement.

18. Barbados applies the CARICOM CET with numerous country-specific exceptions. Overall, applied MFN tariff levels are relatively high, with an average of 16.8% in 2022. Tariffs range from zero to 216% levied on some fruit, vegetables, and plants. The average MFN tariff is 35.0% for agricultural products (WTO definition) and 12.8% for non-agricultural products; 5.7% of tariff lines are duty-free. The average tariff in 2022 is higher than in 2014, when it was 15.9%; the difference is mostly explained by the change of HS nomenclature from HS07 to HS17. Some 99.2% of tariff rates are *ad valorem*; specific rates are applied on 59 lines, mostly alcoholic beverages.

19. All imports from other CARICOM members are duty-free. Preferential tariffs are granted to imports from Colombia, Costa Rica, Cuba, the Dominican Republic, the European Union, the United Kingdom, and the Bolivarian Republic of Venezuela. Detailed information to calculate tariff averages and preferential margins is not available.

20. Barbados bound all of its import tariffs in the Uruguay Round, with the exception of fish and fish products. On 17 tariff lines, applied rates exceed bound rates. It appears that, in practice, tariff and tax concessions on imports are very important, although there is no information on their coverage and on the amount of revenue forgone.

21. VAT is applied at four rates (22%, 17.5%, 10%, and 0%). The standard rate of 17.5% applies on all goods and services unless otherwise specified. Excise taxes apply on sweetened beverages, motor vehicles, spirituous beverages, tobacco products, and petroleum products.

22. Import prohibitions and licences are applied for monitoring, security, health, and environmental purposes, as well as for the protection of public morals. Licences are considered on a case-by-case basis and are processed within one to two working days. Import licence applications and related documentation are submitted and processed through the ASYCUDA World customs portal. There are no licence fees. Barbados did not apply any anti-dumping or countervailing

measures during the period under review. However, it invoked the agricultural special safeguards (SSG) mechanism and initiated SSG measures on more than 30 products, most of which were vegetables and fruits, such as beets, cabbages, cauliflower, carrots, lettuce, tomatoes, onions, and melons.

23. Barbados has also used ASYCUDA World since 2019 for the customs clearance of exports. The requirement to submit a Central Bank Exchange Control Form was abandoned in the same year. With the exception of a levy on cotton, no export taxes are applied. The revenues collected from the levy are reportedly to be used for research and development in the cotton industry. Export restrictions are applied for public morals and safety reasons or for the implementation of international agreements. Export Barbados is the Government's export promotion agency. There are no export processing zones. An export credit guarantee operated by the Central Bank was suspended in 2019.

24. The development of technical regulations and standards is the responsibility of the Barbados National Standards Institution (BNSI). As at July 2022, there were 44 technical regulations, 160 BNSI Specifications, 75 adopted CARICOM standards, 80 ISO adoptions, and 20 BNSI Building Codes. The responsibility for the formulation and implementation of SPS measures is spread over several institutions. No specific trade concerns were raised against Barbados' TBT and SPS measures during the period under review.

25. The Fair Trading Commission has the task of safeguarding the interests of consumers, regulating utility services and prices, and promoting and maintaining effective competition in the economy. As at July 2022, price controls apply to various refined petroleum goods. The Barbados Agricultural Development and Marketing Corporation (BADMC) has been notified to the WTO as Barbados' only state trading enterprise. The BADMC engages in the importation of chicken meat, turkey meat, brown sugar, and onions; it has the right to import these goods duty-free. As at mid-2022, there were 54 SOEs, of which 33 are being classified as commercial SOEs. With a view to reducing the fiscal drain caused by implicit subsidization, many SOEs are currently undergoing reform.

26. Barbados is not party to the WTO plurilateral Agreement on Government Procurement. New legislation on public procurement was adopted in 2021, but it was not effective as at July 2022 since implementing regulations were still under preparation. According to the new Act, open tendering shall be used for all procurement of goods or services exceeding BBD 300,000 (USD 150,000) and works exceeding BBD 500,000. Restricted tendering can be used when the goods, works, or services to be procured are available from 10 suppliers or fewer, or when there are cases of urgent need. There are no restrictions on the participation of foreign suppliers. Currently, all procurement above BBD 200,000 is centralized. For procurement below this threshold, every institution has its own procuring entity.

27. No major changes have taken place in the legal system for the protection of intellectual property rights since Barbados' last Review. The legislation on copyrights and geographical indications is currently undergoing a review. Barbados' patent legislation includes provisions on compulsory licensing, which may be granted by the High Court four years from the date of filing the patent application or three years from the date the patent was granted, and there has been a failure to exploit or sufficiently exploit the patented invention. No compulsory licensing has been issued since 2014.

28. The agricultural sector in Barbados is small and faces challenges such as scarcity of land and water supplies. It accounts for just slightly over 1% of GDP and 3% of employment. Sugar has lost its traditional dominance in the sector, and production has shifted to fruits and vegetables, as well as herbs and spices. The average applied tariff on agricultural products was 35% in 2021; certain products are subject to tariff rates above 100% (e.g. edible vegetables and certain roots and tubers, meat and edible meat, and peel of citrus fruit or melons). Agricultural policy focuses on food and nutrition security, and on encouraging the participation of more farmers. In this regard, the Government has implemented a three-year Farmers' Empowerment and Enfranchisement Drive (FEED) programme, with the aim of facilitating the vulnerable population's entry into agricultural and livestock activities. The FEED programme provides assistance to farmers who want to establish agricultural enterprises through subsidies for land lease and irrigation. During the review period, retail price controls on chicken wings, chicken backs and necks, and turkey wings were abolished. Currently, no price controls are applied on agricultural goods.

29. There are no restrictions on foreign capital participation in the electricity sector. The power generation segment is fully liberalized. In 2019, the Barbados National Energy Policy 2019–2030, which sets out a target for reaching 100% renewable energy and carbon neutrality by 2030, was adopted. To this end, the Government provides incentives: in FY2020/21, it granted independent power producers using renewable energy a special premium on top of the feed-in tariff. Also, with the aim of encouraging a reduction in the use of fossil fuels for automobiles, the 2022 Budget provides fiscal incentives for the purchase of electric vehicles and hybrid vehicles. Barbados has a small oil reserve onshore. Though there are apparently no restrictions or exclusive rights reserved for any operator in the market, the state-owned Barbados National Oil Company Limited is in practice the sole importer of refined oil products such as gasoline and diesel.

30. The manufacturing sector is small and concentrates on food processing and beverages production. The sector accounted for 4.7% of GDP and 6% of employment in 2021. Major changes with respect to incentives to the sector took place during the review period. The Fiscal Incentives Act was repealed in January 2019. The Act provided for a 15-year tax holiday for businesses engaged in the manufacturing of products exclusively for export outside of CARICOM, or of products containing a specified percentage of local value added. On the same date, the International Business Companies (IBC) Act and the Societies with Restricted Liability Act, which provided for lower taxation on companies registered in Barbados but doing business solely abroad as compared to companies doing business in Barbados, were repealed. Although there was a transition period, tax preferences accorded to IBCs and international societies with restricted liability were discontinued on 30 June 2021.

31. Services is the main sector in Barbados, accounting for over two thirds of GDP. During the period under review, the legal framework for financial services was overhauled and the separate regulatory regimes for offshore financial services were abolished. In their place, omnibus supervisory frameworks were created for the banking and insurance sectors. On 1 January 2019, the amended Financial Institutions Act and the amended Insurance Act entered into force. Under the amended legal framework, offshore banks were converted into foreign currency earning banks, while offshore insurance companies became Class 1 licensees. Foreign currency earning banks pay taxes at the same rates as domestic commercial banks. Class 1 licensed insurance operators are subject to income tax at zero rate, while a rate of 2% is applicable to other classes of insurance licensees. Only Barbadian citizens or nationals of CARICOM member States may be registered as insurance intermediaries, such as insurance brokers, agents, subagents, and salespersons.

32. Barbados has a relatively open telecommunications sector. The legal and institutional framework for regulating the sector has remained largely unchanged. During the review period, Barbados upgraded its telecommunications infrastructure, including the deployment of Mobile 5G and Long-Term Evolution networks, as well as the replacement of copper cables with fibre optics. The authorities are in the process of revising the Telecom Universal Service Regulation, with the aim of including broadband data services as part of universal service. As of end-May 2022, there were three carriers in the country providing cellular mobile services, including Internet services; all have foreign capital participation.

33. The tourism sector is of vital importance to the economy; the sector and related activities contributed, directly and indirectly, to over 50% of valued added. The COVID-19 pandemic had a devastating impact on the tourism sector in particular, and on the economy in general. In response, the Government launched the BEST programme, with a total of BBD 300 million (around USD 150 million). Under the BEST programme, tourism firms were offered grants and an investment via preference shares issued by them to fund the re-engagement of their workers at a level of 80% of their normal pay and investments in the transformation of tourism plans. These shares are held initially by the Government, but are marketable and redeemable at face value at any time; they pay a coupon if there are profits. The programme aims at enhancing the cash flow of businesses so as to allow them to continue hiring employees and transform their business model. The policy objectives for the tourism sector have remained unchanged, focused on customer retention and brand loyalty enhancement. In the aftermath of the pandemic, the Government launched the Barbados Welcome Stamp Initiative, targeting long-stay and loyal visitors. Foreigners may own land in Barbados to develop tourism facilities. Fiscal incentives are available for qualified owners of tourism projects or products.

34. Aviation is the main mode of transportation for people and goods entering in and departing from the country. Barbados maintains 30 bilateral air service agreements (BASAs); they offer up to

fifth freedom, with restrictions on ownership. Due to the absence of a national carrier, Barbados in its BASAs designates any CARICOM-based carrier as its national carrier. In order to be a national carrier, the airline must have its principal address registered within the territory of any CARICOM member State, and be effectively controlled by Barbadian/CARICOM nationals. All aviation and maritime transport infrastructure is owned by the Government, and it is managed by government-owned enterprises. Operations regarding infrastructure may be carried out by private operators under agreements signed with the Government, but not under concessions. There are no legal restrictions on private-sector participation in transportation.

1 ECONOMIC ENVIRONMENT

1.1 Main Features of the Economy

1.1.1 Characteristics of the economy

1.1. Barbados is a small and open economy with a population of approximately 271,000 in 2020 and a GDP per capita of USD 16,377 in 2019, which declined to USD 14,506 in 2020, following the effects of the COVID-19 pandemic. Barbados' relatively small size and island location make its economy highly dependent on imports of goods and export of services, particularly tourism. This is one of the reasons the country was particularly affected by the COVID-19 pandemic. Merchandise imports accounted for approximately 28.3% of GDP in 2019, while the share of merchandise exports was around 14.4% of GDP. Both of these shares declined due to the pandemic.

1.2. Barbados has a narrow economic base that depends considerably on services. While the direct contribution of the tourism sector to GDP was 11.8% in 2019, its overall contribution to value added was higher, considering its spill-over on related activities, as tourism-related activities are responsible for over 50% of economic activity in normal years. However, tourism's contribution to GDP plummeted in 2020, to just 4.1% of GDP, and fell even further in 2021, to 3.1%, due to the travel restrictions imposed as a consequence of the COVID-19 pandemic. Government and financial services are also important contributors to value added, with shares of 11.9% and 38.1%, respectively, in 2021 (11.9% and 37.8% in 2020), as well as transportation, storage, and communication (13.6% in 2021 and 13.3% in 2020). The contribution of manufacturing was 6.7% in 2021 (6.5% in 2020), while agriculture contributed to just slightly over 1.5% of value added in those years (Table 1.1).

Table 1.1 GDP by sector of activity based on total VA at basic price, 2014-22Q1

	2014	2015	2016	2017	2018	2019	2020	2021	2022Q1
GDP by sector (% of total VA at constant 2010 prices)									
Tradeables	21.4	22.3	18.2	18.4	18.8	19.2	12.1	11.2	15.5
Tourism	13.9	14.6	10.8	11.0	11.3	11.8	4.1	3.1	7.7
Agriculture	1.4	1.4	1.4	1.3	1.5	1.4	1.6	1.5	1.4
Sugar	0.1	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.0
Non-sugar agriculture	1.4	1.3	1.3	1.2	1.4	1.4	1.5	1.5	1.3
Manufacturing	6.1	6.3	6.0	6.0	5.9	6.0	6.5	6.7	6.4
Rum and other beverages	1.2	1.2	1.2	1.4	1.4	1.2	1.4	1.4	1.2
Food	1.6	1.6	1.5	1.5	1.4	1.4	1.4	1.5	1.5
Furniture	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Chemicals	0.4	0.4	0.4	0.3	0.3	0.3	0.4	0.3	0.4
Electronics	0.5	0.5	0.5	0.4	0.5	0.6	0.6	0.6	0.0
Other manufacturing	2.4	2.4	2.3	2.2	2.2	2.4	2.5	2.6	3.2
Non-tradeables	78.6	77.7	81.8	81.6	81.2	80.8	87.9	88.8	84.5
Mining and quarrying	0.4	0.5	0.4	0.5	0.5	0.6	0.8	0.8	0.9
Electricity, gas and water	2.9	2.8	2.7	2.7	2.7	2.7	3.0	3.0	2.6
Construction	6.6	6.3	6.0	6.1	5.8	5.7	6.7	6.6	6.1
Wholesale and retail	10.0	10.1	14.6	14.6	14.7	15.0	14.4	14.6	16.4
Transport, storage and communication	12.6	12.4	13.2	12.9	12.8	12.7	13.3	13.6	13.1
Finance and other services	34.5	34.6	34.3	34.3	34.2	34.1	37.8	38.1	34.6
Government services	11.7	11.0	10.6	10.6	10.5	9.9	11.9	11.9	10.8
Total VA at basic price	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
GDP by sector (% of GDP at constant 2010 prices)									
Tradeables	17.5	18.5	15.2	14.9	14.8	14.5	8.9	8.0	10.6
Tourism	11.3	12.1	9.0	9.0	8.9	8.9	3.0	2.2	5.3
Agriculture	1.2	1.2	1.1	1.1	1.2	1.1	1.2	1.1	0.9
Sugar	0.1	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0
Non-sugar agriculture	1.1	1.1	1.1	1.0	1.1	1.1	1.1	1.0	0.9
Manufacturing	5.0	5.2	5.0	4.9	4.7	4.5	4.7	4.7	4.4
Rum and other beverages	1.0	1.0	1.0	1.2	1.1	0.9	1.0	1.0	0.8
Food	1.3	1.3	1.3	1.2	1.1	1.1	1.0	1.1	1.0
Furniture	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Chemicals	0.3	0.3	0.3	0.3	0.2	0.2	0.3	0.2	0.3
Electronics	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.4	0.0
Other manufacturing	1.9	2.0	1.9	1.8	1.7	1.8	1.9	1.9	2.2
Non-tradeables	64.1	64.7	68.2	66.4	63.9	60.7	64.2	62.9	57.6
Mining and quarrying	0.3	0.4	0.3	0.4	0.4	0.5	0.6	0.6	0.6
Electricity, gas and water	2.4	2.3	2.3	2.2	2.1	2.0	2.2	2.1	1.8
Construction	5.3	5.3	5.0	4.9	4.5	4.3	4.9	4.7	4.1

	2014	2015	2016	2017	2018	2019	2020	2021	2022Q1
Wholesale and retail	8.2	8.4	12.2	11.9	11.6	11.3	10.5	10.4	11.2
Transport, storage and communication	10.3	10.3	11.0	10.5	10.1	9.5	9.7	9.6	8.9
Finance and other services	28.1	28.8	28.6	27.9	27.0	25.7	27.7	27.0	23.6
Government services	9.5	9.2	8.8	8.6	8.3	7.5	8.7	8.5	7.4
Total VA at basic price	81.5	83.2	83.4	81.3	78.7	75.1	73.1	70.9	68.2
Taxes less subsidies on products	18.5	16.8	16.6	18.7	21.3	24.9	26.9	29.1	31.8
Nominal GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: WTO Secretariat calculations, based on data from the Central Bank of Barbados (CBB); CBB, *Review of Barbados' Economic Performance, January to December 2021*, and information provided by the authorities.

1.1.2 Main policy actions

1.3. The limited economic diversification, strong reliance on imported consumer and investment goods, and persistent fiscal deficits have left Barbados extremely vulnerable to exogenous shocks, even before COVID-19 came along. Against the backdrop of considerable current account deficits and mounting public debt, which reached 155% of GDP in 2017, the authorities embarked in 2018 on a programme of structural changes in order to restore growth and macroeconomic stability in the medium term. The programme included an initial selective default of payments to external commercial creditors and the announcement on 1 June 2018 of a comprehensive debt restructuring, the first ever to be conducted in Barbados, which was part of the Government's medium-term strategic plan, the Barbados Economic Recovery and Transformation (BERT) Plan.¹ Through the BERT Plan, the authorities are focusing on improving productivity and diversifying the economy, as well as achieving fiscal consolidation and debt sustainability.

1.4. Faced with its first COVID-19 cases in mid-March 2020, the Government adopted actions including imposing limits on public gatherings, a curfew, the closing of non-essential businesses, restricting non-essential personnel to their residences, and establishing additional medical facilities. Measures were also adopted to control the flow of travellers into Barbados, including enhanced screening at all ports of entry and a mandatory 14-day quarantine for all inbound travellers, later replaced with a testing programme. Considering the importance of tourism and connected activities, these measures had serious effects on the economy, and resulted in widespread labour furloughs and temporary hotel closures. In general, domestic economic activity was significantly impacted by limited international travel, which depressed tourism and delayed investment projects.² The shutdown of hotels and businesses impacted consumer spending and led to a sharp increase in unemployment. The recession conditions had a negative impact on fiscal revenue and resulted in increasing public debt, although the Government engaged in alternative fund-raising schemes like the Barbados Optional Saving Scheme (BOSS) Programme (see below). Also, the assistance provided by the IMF under the Extended Fund Facility (EFF) enabled the financing of the gap and contributed to an accumulation of international reserves.

1.5. Given the limited fiscal space, and since the Government remains committed to the long-term reduction of its sizeable external debt, Barbados pursued a targeted fiscal response to the COVID-19 health crisis. Initial investments in health equipment and quarantine facilities in early 2020 were followed by expanded welfare payments to protect vulnerable households through the introduction of the Household Survival Programme. Support was extended to the National Insurance Scheme (NIS) via the repurchase of government bonds to ensure adequate resources were available to accommodate a surge in unemployment benefits and severance claims. To support tourism, the authorities created the Barbados Employment and Sustainable Transformation (BEST) Plan. A 12-month COVID relief jobs programme was also rolled out to generate contractual employment opportunities that promote health safety and boost food production, while targeted cash transfers were extended to small businesses and vendors affected by the second lockdown in February 2021. During the pandemic, the Government adjusted its BERT goals, while remaining committed to its long-term debt reduction goals. For instance, the pandemic response prompted the Government to

¹ Ministry of Economic Affairs and Investment, *Economic & Social Report 2018*, Appendix I. Viewed at: <https://www.barbadosparliament.com/uploads/sittings/attachments/5b5ae68fb3456dec74db1d5ed1973d3d.pdf>.

² Central Bank of Barbados (2020), *Review of Barbados' Economic Performance, January to June 2020*. Viewed at: <http://www.centralbank.org.bb/Portals/0/Files/Central%20Bank%20of%20Barbados%20Review%20of%20the%20Economy%20-%20January%20to%20June.pdf>.

lower its primary balance target to -1% of GDP for FY2020/21 (compared to a surplus of 6% of GDP envisaged prior to the pandemic, and a surplus of a 3% target announced during the March 2020 budget presentation). Also, the FY2021/22 budget targeted a primary surplus of about 0.25% of GDP, lower than originally forecast, due to weak economic conditions and ongoing expenditure needs as a consequence of the persisting effects of the COVID-19 shock.³ The authorities also introduced measures in the monetary and financial area, to help support commercial banks and other deposit-taking institutions (see below).

1.6. Barbados has also undertaken structural reforms to transform its state-owned enterprises (SOEs) that were a drain to its public finances. The IMF has noted that measures under the BERT Plan, supplemented by measures to strengthen oversight, have been successful in reducing SOE transfers by 1% of GDP in FY2019/20, while achieving a decline of SOE arrears. However, these gains have been temporarily offset by unanticipated transfer needs among large SOEs at the forefront of the COVID-19 response strategy. In the IMF's view, transforming the SOE sector is a process that will require sustained structural reform over the medium term that will require dealing with structurally weak profitability and high operating costs that give rise to transfer dependence.⁴

1.2 Recent Economic Developments

1.2.1 Real economy

1.7. Barbados' GDP performance was modest during the review period. In four of the years of the review period real GDP declined. Even discounting the effects of the COVID-19 crisis, the average annual rate of real GDP growth in the 2014-19 period was just 0.7% (Table 1.2).

Table 1.2 Basic macroeconomic indicators, 2014-22Q1

	2014	2015	2016	2017	2018	2019	2020 ^a	2021 ^b	2022 Q1 ^b
Gross domestic product									
Nominal GDP (constant 2010 prices, BBD million)	9,393	9,430	9,666	9,963	10,195	10,608	9,379	9,740	2,793
Real GDP (constant 2010 prices, BBD million) [Statistical Service]	8,821	9,039	9,268	9,311	9,215	9,159	7,878	8,430	..
Real GDP growth (%) [Statistical Service]	-0.1	2.5	2.5	0.5	-1.0	-0.6	-14.0	..	..
Real GDP growth (%) [Central Bank]	0.0	2.4	2.7	0.6	-1.0	-0.7	-14.0	0.7	..
Real GDP per capita (USD, based on constant 2010 prices)	13,816	14,185	14,595	14,743	14,655	14,637	12,596	..	..
GDP per capita (USD, based on market prices)	14,697	14,860	15,040	15,403	15,726	16,377	14,506	..	..
GDP by sector and activity (% of GDP at constant 2010 prices)									
Tradeables	17.5	18.5	15.2	14.9	14.8	14.5	8.9	8.0	10.6
Tourism	11.3	12.1	9.0	9.0	8.9	8.9	3.0	2.2	5.3
Agriculture	1.2	1.2	1.1	1.1	1.2	1.1	1.2	1.1	0.9
Sugar	0.1	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0
Non-sugar agriculture	1.1	1.1	1.1	1.0	1.1	1.1	1.1	1.0	0.9
Manufacturing	5.0	5.2	5.0	4.9	4.7	4.5	4.7	4.7	4.4
Rum and other beverages	1.0	1.0	1.0	1.2	1.1	0.9	1.0	1.0	0.8
Food	1.3	1.3	1.3	1.2	1.1	1.1	1.0	1.1	1.0
Furniture	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Chemicals	0.3	0.3	0.3	0.3	0.2	0.2	0.3	0.2	0.3
Electronics	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.4	0.0
Other manufacturing	1.9	2.0	1.9	1.8	1.7	1.8	1.9	1.9	2.2
Non-tradeables	64.1	64.7	68.2	66.4	63.9	60.7	64.2	62.9	57.6
Mining and quarrying	0.3	0.4	0.3	0.4	0.4	0.5	0.6	0.6	0.6
Electricity, gas and water	2.4	2.3	2.3	2.2	2.1	2.0	2.2	2.1	1.8
Construction	5.3	5.3	5.0	4.9	4.5	4.3	4.9	4.7	4.1
Wholesale and retail	8.2	8.4	12.2	11.9	11.6	11.3	10.5	10.4	11.2

³ IMF (2021) *Policy Responses to COVID-19*. Viewed at: <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#B> [19 August 2021].

⁴ IMF (2021), *Barbados: 2021 Article IV Consultation, Sixth Review Under the Extended Arrangement Under the Extended Fund Facility, and Request for Modification of Performance Criteria—Press Release; and Staff Report*, IMF Country Report No. 21/268, December. Viewed at: <https://www.imf.org/-/media/Files/Publications/CR/2021/English/1BRBEA2021002.ashx>.

	2014	2015	2016	2017	2018	2019	2020 ^a	2021 ^b	2022 Q1 ^b
Transport, storage and communication	10.3	10.3	11.0	10.5	10.1	9.5	9.7	9.6	8.9
Finance and other services	28.1	28.8	28.6	27.9	27.0	25.7	27.7	27.0	23.6
Government services	9.5	9.2	8.8	8.6	8.3	7.5	8.7	8.5	7.4
Total VA at basic price	81.5	83.2	83.4	81.3	78.7	75.1	73.1	70.9	68.2
Taxes less subsidies on products	18.5	16.8	16.6	18.7	21.3	24.9	26.9	29.1	31.8
GDP by sector and activity (% growth, constant 2010 prices)									
Tradeables	-0.3	6.5	-16.0	1.5	1.4	1.7	-45.8	-6.8	98.0
Tourism	1.9	7.8	-23.8	2.5	1.8	3.7	-70.4	-24.6	1,831.6
Agriculture	-2.6	0.5	-1.1	-3.2	14.7	-4.5	-5.7	-4.6	2.3
Sugar	-16.9	-20.3	-27.7	58.8	11.1	-48.3	19.4	0.0	-46.2
Non-sugar agriculture	-1.6	1.5	0.3	-5.3	14.9	-2.3	-6.3	-4.7	4.9
Manufacturing	-4.3	4.8	-1.2	0.5	-2.2	-0.5	-6.8	4.0	5.4
Rum and other beverages	-4.3	4.8	-1.3	22.2	-3.7	-15.3	-1.0	2.7	15.6
Food	-4.3	4.8	-1.3	-4.2	-4.9	-0.5	-14.9	8.4	5.7
Furniture	-4.4	4.7	-0.7	9.0	-7.5	-2.2	-4.5	6.3	0.0
Chemicals	-4.4	5.0	-1.4	-13.0	-1.6	-4.8	2.5	-1.2	10.8
Electronics	-4.3	4.8	-1.3	-3.8	21.0	3.7	-4.1	-2.6	-98.3
Other manufacturing	-4.3	4.7	-1.2	-4.8	-3.7	8.6	-6.8	4.4	26.0
Non-tradeables	0.1	1.4	8.0	0.4	-1.5	-1.2	-6.4	1.7	3.5
Mining and quarrying	39.1	29.9	-13.4	25.6	3.7	17.1	14.6	2.7	0.6
Electricity, gas and water	0.1	-1.8	0.7	-1.9	-0.3	-0.3	-4.7	2.1	2.0
Construction	1.4	-1.2	-2.6	2.1	-6.4	-2.0	1.1	0.0	5.1
Wholesale and retail	-3.7	3.4	48.0	0.6	0.0	1.3	-17.5	2.3	5.2
Transport, storage and communication	3.5	0.6	9.5	-1.7	-1.8	-1.6	-10.0	2.8	2.1
Finance and other services	2.1	3.0	1.6	0.8	-1.3	-1.0	-4.7	1.5	4.0
Government services	-6.8	-3.3	-1.2	0.1	-1.6	-6.0	2.8	1.4	1.0
Total VA at basic price	0.0	2.4	2.7	0.6	-1.0	-0.7	-14.0	0.7	11.8
Taxes less subsidies on products	2.2	-8.6	1.6	15.5	16.7	21.6	-4.3	12.4	26.9
GDP by expenditure (market prices, % growth)									
Consumption expenditure	1.3	-0.5	3.5	0.2	-0.3	0.8	-3.4	..	..
Personal	2.1	0.2	4.0	1.4	-0.2	1.4	-4.1	..	..
Government	-2.6	-4.6	0.9	-6.7	-0.7	-3.4	1.1	..	..
Gross capital formation	0.5	2.8	-0.8	-1.7	-6.6	6.2	10.0	..	..
Buildings	0.5	-0.6	-4.5	0.7	-1.9	2.7	-1.0	..	..
Machinery/equipment	0.4	7.7	4.2	-4.7	-12.8	11.3	25.1	..	..
Change in stocks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	..	..
Exports of goods and services	-1.8	0.7	-6.7	0.9	1.7	7.3	-28.5	..	..
Goods	1.5	0.3	8.6	-6.1	-7.7	-0.9	38.9	..	..
Services	-2.9	0.8	-11.8	3.8	5.2	9.9	-48.4	..	..
Imports of goods and services	-2.6	-4.4	-8.9	-0.4	0.4	-0.7	-15.0	..	..
Goods	-1.7	-7.7	0.6	-1.3	-1.4	-3.4	-0.3	..	..
Services	-4.7	3.8	-29.7	2.5	5.9	7.0	-51.8	..	..
Employment									
Labour force ('000) ^c	142.3	144.6	147.2	144.3	139.7	138.8	136.1	133.6	136.0
Employed persons ('000) ^c	124.8	128.2	132.9	129.9	126.2	124.9	117.6	114.3	123.7
Unemployment rate (% average) ^c	12.3	11.3	9.7	10.0	9.7	10.1	13.6	14.1	8.2
Distribution of employment by sector (%)^c									
Agriculture, forestry & fishing	2.7	2.9	2.8	3.1	3.1	2.9	2.5	1.9	..
Manufacturing	7.7	7.7	7.2	6.8	6.3	6.0	6.6	6.6	..
Electricity, gas, steam, water & air conditioning supply	1.9	2.2	1.8	2.3	2.4	1.8	1.6	1.8	..
Construction, mining & quarrying	9.6	9.4	10.7	10.3	9.7	9.3	10.0	8.8	..
Wholesale & retail trade	17.0	15.8	16.8	15.6	15.2	15.6	15.3	14.3	..
Accommodation & food services	12.3	12.2	12.4	11.5	13.1	12.7	8.3	10.2	..
Transportation & storage	4.5	4.9	5.2	5.4	5.6	5.1	5.0	5.2	..
Finance & insurance	4.6	4.2	4.2	4.3	4.5	4.3	5.2	4.9	..
Professional, scientific & technical services	3.4	3.6	3.4	3.2	3.6	3.8	5.0	4.1	..
Public administration & defence	7.0	7.4	7.3	7.4	6.9	6.1	8.9	10.2	..
Administrative & support service	5.8	5.4	5.7	5.7	6.5	6.7	7.4	6.3	..
Education	5.7	5.8	4.5	5.9	4.7	5.5	6.3	6.7	..

	2014	2015	2016	2017	2018	2019	2020 ^a	2021 ^b	2022 Q1 ^b
Human health & social work	5.3	5.4	4.9	5.1	4.7	5.1	5.2	5.4	..
Activities of households as employers	4.0	3.9	4.0	3.7	3.5	3.8	3.4	3.5	..
Other groups	5.6	5.9	6.1	6.2	6.8	7.2	6.2	6.4	..
Other services	2.8	2.9	3.0	3.6	3.2	3.9	3.0	3.5	..

.. Not available.

a Preliminary data.

b Estimates.

c Data until 2021Q3.

Source: WTO Secretariat calculations, based on data from the CBB; CBB, *Review of Barbados' Economic Performance, January to December 2021*; Barbados Statistical Service; and IMF International Financial Statistics.

1.8. Real GDP is estimated to have contracted by 14% in 2020, due to sharp declines in long-stay tourist and cruise passenger arrivals, and the significant weakening of investment and consumption spending as a result of the economic uncertainty caused by the pandemic. Although tourist arrivals recorded a modest improvement in the last quarter of 2020, this performance was insufficient to compensate for the major disruption to international travel experienced in the first half of the year. Total long-stay visitors fell by 72.6% in 2020 compared to the previous year, and cruise passenger arrivals by 63.5%. Moreover, the national lockdown during the second quarter of 2020 required business closures and adjusted working arrangements, which increased unemployment in the private sector and led to an upsurge in unemployment claims. The gradual reopening of the economy during the third quarter resulted in the return of some jobs, but unemployment remained high (see below).⁵

1.9. After a decline of 14% in 2020, GDP declined by a further 7% in the first half of 2021. Tourist arrivals in the first semester of 2021 were 96% lower than for the same period of 2020.⁶ In the second half of 2021, however, growth showed signs of reviving, with GDP growing by 8% with respect to the second half of 2020, indicative of an emerging but mild recovery partly reflecting the gradual easing of travel restrictions, as well as higher domestic private sector spending relative to 2020. This resulted in an estimated GDP average growth rate of 0.7% for 2021.

1.10. A positive contribution to GDP in 2021 has come from the manufacturing sector; particularly dynamic were the rum and other beverages industry, and the electronic components subsector, which benefited from increasing exports. Agricultural production contracted during the first semester of 2021, as it continued to be affected by the weakness in the tourism sector, which had a negative impact in particular on the demand for chicken. Crop production was affected by the ashfall from the eruption of the volcano on the nearby island of Saint Vincent. The sugar cane harvest registered better yields, but the shift towards the production of better-quality molasses led to lower sugar production. After being hard-hit by the lockdown in 2020, the non-traded sector registered a partial recovery during the second quarter of 2021, reflecting an upturn in the retail and general business services sectors. Although in the first quarter construction activity slowed down due to the lockdown, in the second quarter activity resumed, in particular due to the continuation of projects related to the upgrade of the hotel infrastructure, road works, the Grantley Adams International Airport runway repaving project, the Sagikor Retirement Village, and other small-scale projects.

1.11. Barbados' economy is characterized by the persistence of high unemployment rates. Even before the COVID-19 pandemic, the unemployment rate hovered around or exceeded 10%. The pandemic had a strongly negative impact on employment and raised unemployment levels considerably. The unemployment rate increased to 17.2% in the first quarter of 2021, when just 105,700 persons were fully employed. The NIS played a central role in helping to stabilize the situation. During the first 12 months of the crisis, claimants for NIS unemployment benefits received

⁵ CBB (2021), *Annual Report 2020*. Viewed at: <http://www.centralbank.org.bb/Portals/0/Files/Central%20Bank%20of%20Barbados%202020%20Annual%20Report.pdf>.

⁶ CBB (2021), *Review of Barbados' Economic Performance, January to June 2021*. Viewed at: <http://www.centralbank.org.bb/Portals/0/Files/Central%20Bank%20of%20Barbados%20Review%20of%20Barbados%20Economy%20-%20January-June%202021.pdf>.

payments estimated at almost 14 weeks.⁷ By the end of 2021, with growth resuming albeit modestly, the unemployment rate stood at 14.1% of the labour force. With the resumption of tourist arrivals, the unemployment rate declined to 8.2% in the first quarter of 2022.

1.12. As noted above, to help revive tourism and employment in the sector in response to the social and economic impacts of COVID-19, the Government launched the BEST Programme in October 2020. The programme is focused on the re-engagement of workers in the tourism sector. The emphasis on tourism is because it employs approximately 40% of the workforce, and there are strong linkages between tourism and the rest of the economy. Under the programme, tourism firms are offered grants and an investment via preference shares to fund the re-engagement of their workers at a level of 80% of their normal pay and investments in the transformation of the tourism plan.⁸ The BEST Programme gives companies the choice of paying severance to their workers in the new expedited process or accepting grants and a share investment from the Government to re-engage their workers, deliver real certifiable training, and invest now in order to command higher revenues and lower costs when tourism returns. An additional part of the BEST is a training programme to raise quality, value, and productivity, paid by and implemented with the assistance of the National Transformation Initiative (NTI).⁹

1.13. Under the BEST Programme, the Government's investment in tourism firms is done in two parts: first to cover their re-engagement with their workers and a limited Voluntary Separation Package (VSEP) programme; and subsequently to fund their investment plans. The Government invests primarily by way of purchasing BEST (Preference) Shares in the participating company. The Government provides a grant equivalent to 120% of the wages, VSEP, or investments the company can contribute in foreign exchange (sold to the Central Bank of Barbados (CBB)), or equivalent to 100% of these if the contribution is in BBD. The amount of the grant is capped at BBD 500,000 per property and not more than two properties per ownership group may benefit. The balance between the funds provided by the company plus the government grant and the total wage and VSEP bill and investment plan would be funded by the sale of BEST (Preference) Shares to the Government.

1.14. BEST (Preference) Shares are issued by the company and held initially by the Government. They are non-voting, marketable, redeemable, convertible, preference shares. The Government may sell its BEST Shares at any time, but the company will have the right of first refusal to buy those shares at a maximum price of their face value. The issuer may redeem its BEST Shares at their face value at any time at its discretion without penalty; the company's owners and shareholders cannot withdraw any dividends from the company until the BEST Shares have been fully redeemed or repurchased, with the definition of dividends including any additional fees and levies paid to related parties. Moreover, there can be no asset sales or increase in management compensation (other than cost of living adjustments) without the prior approval of holders of BEST Shares. The BEST Shares carry a 0% coupon for the first two years, after which they carry a 2% coupon to be paid out of profits where they exist, rising to 5% after year 5 and 7% after year 7. This coupon does not have to be paid if there are no profits. If a company has not paid the coupon on its BEST Shares in any two years out of four in which there was a coupon, the holder of BEST Shares will be entitled to convert their BEST Shares into the ordinary voting share capital of the company. The rate of conversion will be proportional to the net book value of the company, with fair value adjustment, as determined by external auditors.¹⁰

⁷ CBB (2021), *Review of Barbados' Economic Performance, January to June 2021*. Viewed at: <http://www.centralbank.org.bb/Portals/0/Files/Central%20Bank%20of%20Barbados%20Review%20of%20Barbados'%20Economy%20-%20January-June%202021.pdf>.

⁸ Under the BEST Programme, the Government offers companies an equity investment to enable them to offer their workers a re-engagement programme for 24 months, at 80% of their pay as at December 2019, up to the National Insurance and Social Security Scheme's maximum insurable earnings limit of BBD 4,880 per month. The duration of the employee re-engagement programme is 24 months, during which, if revenues return to over 90% of 2019 revenues, the Government and firm will enter into a negotiation to see if the wage support component of the BEST Programme may be reasonably reduced while maintaining employment levels. Participating firms will receive funds for wages monthly and these funds will include the employer's NIS contribution.

⁹ The NTI will assist firms with the preparation of tourism-specific training plans and will meet the cost of NTI-sourced training, with funds amounting to BBD 20 million.

¹⁰ Barbados Government Information System (GIS), *Barbados Employment & Sustainable Transformation Programme*. Viewed at: <https://gisbarbados.gov.bb/download/barbados-employment-sustainable-transformation-programme/>.

1.3 Monetary and Exchange Rate Policy

1.15. The CBB, established by an Act of Parliament in 1972, is responsible for conducting monetary policy. The main objective of monetary policy is to maintain the exchange rate's fixed parity with the US dollar, which involves ensuring there is a sufficient buffer of foreign exchange reserves to protect the peg. In addition, promoting monetary stability and a sound financial structure, developing money and capital markets, and maintaining credit and exchange conditions that foster development are also monetary policy objectives.

1.16. During the period under review, major changes to legislation took place. For the majority of the period under review, the CBB was governed by the Central Bank of Barbados Act, Cap. 323C. In December 2020, a new Central Bank of Barbados Act (Act No. 30 of 2020) was passed into law in the Parliament of Barbados on 14 December 2020 and repealed the Central Bank of Barbados Act, Cap. 323C. The new Act prescribes two objectives for the CBB. The primary objective is to maintain the value of the Barbados currency, as stated above, and the secondary objective is to promote financial stability that is conducive to the orderly and sustained economic development of Barbados. To reach these objectives, the Bank is authorized to execute a range of functions, as provided for under Section 13 of the new Act, including formulating and executing monetary policy, holding and managing official international reserves, acting as lender of last resort, and serving as fiscal agent and financial advisor to the Government. The CBB is also responsible for undertaking micro and macroprudential supervision of the payments and wider financial system.

1.17. According to the authorities, the new Act primarily intends to strengthen the Bank's internal governance and operational autonomy and to ensure compliance with internationally recognized accounting standards.¹¹ They consider that the new Act represents the most significant change to the Bank's governing legislation since its establishment, providing improved internal governance and operational autonomy, and ensuring compliance with internationally accounting standards.

1.18. Under the new Act, the CBB's governance framework is to be administered by two decision-making bodies: the Board of Directors and the Executive Committee. The former is responsible for the oversight of the executive management of the Bank, which is exercised by the Executive Committee, composed of the Governor, with a term of six years (with the option of reappointment), and two Deputy Governors. This Committee also has responsibility for the formulation, adoption, and implementation of monetary and financial stability policies.¹² The Board of the Bank consists of the Governor as Chair, the Director of Finance and Economic Affairs as an *ex officio* member, and five other nonexecutive Directors.¹³

1.19. The new Act prohibits the monetary financing of the Government or government-owned enterprises including the grant by the Bank of direct or indirect loans or short-term advances, and issuance of guarantees by the Bank for financial transactions. This does not apply to the banks that are owned by the Government. The Act prohibits that the CBB purchase securities issued by the Government or any government-owned enterprise on the primary market; it must do so in the secondary market. Despite the general government-financing prohibition, where, by an enactment it is declared that a public emergency has arisen in Barbados, the CBB may purchase marketable securities issued by the Government or any publicly owned institution on the primary market where the total amount of government debt acquired by the Bank pursuant to this section does not exceed 3% of GDP.¹⁴ The securities issued must have a specified maturity of a maximum of up to five years, be issued at prevailing market rates, be repaid in cash only, and must not have been rolled over or renewed. The Act also allows, and "notwithstanding any other provision to the contrary", the CBB to

¹¹ CBB (2021), *Annual Report 2020*. Viewed at: <http://www.centralbank.org.bb/Portals/0/Files/Central%20Bank%20of%20Barbados%202020%20Annual%20Report.pdf>.

¹² Act No. 30 of 2020, Sections 13, 14, and 15. Viewed at: <http://www.centralbank.org.bb/Portals/0/Files/Documents/Central%20Bank%20of%20Barbados%20Act%2020-30.pdf>.

¹³ CBB (2021), *Annual Report 2020*. Viewed at: <http://www.centralbank.org.bb/Portals/0/Files/Central%20Bank%20of%20Barbados%202020%20Annual%20Report.pdf>.

¹⁴ Central Bank of Barbados Act, Act No. 30 of 2020, Section 62. Viewed at: <http://www.centralbank.org.bb/Portals/0/Files/Documents/Central%20Bank%20of%20Barbados%20Act%2020-30.pdf>.

make temporary advances to the Government to permit the Government to manage its cash flow.¹⁵ The total aggregate amount of these temporary advances cannot exceed at any time 7.5% of the annual average (in the previous law it was 10%) of the ordinary revenue of the Government for the three fiscal years of the Government immediately preceding for which accounts are available. Additionally, repayment must be made in cash only within three months of the end of the fiscal year of the Government and must bear interest at a prevailing market rate.

1.20. The CBB's monetary policy field of action is limited by maintaining the peg to the US dollar. The Barbados dollar is pegged to the US dollar at BBD 2 per USD 1 (BBD 1.98/USD sale rate and BBD 2.02/USD purchase rate). The peg implies that monetary policy is not a fully-fledged independent instrument, as its main goal is maintaining the peg, leaving it ineffective to simultaneously attain other objectives. Consequently, the main policy thrust is placed on the fiscal area, as witnessed by actions undertaken in recent years. The main instruments available to the CBB to implement monetary policy are the discount rate on short-term liquidity loans to commercial banks, and the management of reserve requirements. Due to the peg, the size of the money base is largely influenced by the net inflow of foreign exchange reserves (Table 1.3), linked to a large extent to tourism receipts, and more recently to credits from multilateral institutions.

1.21. The level of financial intermediation is relatively high for the region and has increased during the period under review. The base money was equivalent to 37.9% of nominal GDP in 2020; the ratio of private sector credit to GDP was 91.8%, up from 82.5% in 2014, while the share of domestic currency deposits to GDP was 138.4%, up from 113.8%.

1.22. One of the main monetary policy instruments used by the CBB is the management of reserve requirements. An increase in the requirements implies less money is available for lending. During part of the review period, commercial banks were obliged to hold 2% of foreign deposits and 5% of domestic deposits in cash reserves, and 10% of deposits in government securities. In 2017, the CBB announced a tightening of its monetary policy stance through an increase in its securities reserve requirement ratio. The increase required banks to hold 15% of their domestic deposits in stipulated securities with effect from 15 June 2017. The cash reserve requirement for commercial banks remained unchanged at 5%. The reserve requirements for deposit-taking trust and finance companies and for merchant banks also remained unchanged. In late 2017, the CBB announced a further tightening of its monetary policy stance. The securities reserve requirement ratio for commercial banks licensed under Part II of the Financial Institutions Act was increased in two phases. Effective 1 December 2017, commercial banks were required to hold 18% of their domestic deposits in stipulated securities. From 1 January 2018, commercial banks were required to hold 20% of their domestic deposits in stipulated securities.¹⁶ The rate remained at this level until November 2018, when it was lowered to 17.5%. Effective 1 April 2020, the reserve requirement rate was lowered to 5% to help face the negative effects on the economy of the pandemic (see below).

Table 1.3 Monetary indicators, 2014-2022Q1

	2014	2015	2016	2017	2018	2019	2020	2021	2022 Q1
Money and credit									
Monetary base (BBD million)	1,585	1,990	2,482	2,376	2,659	2,939	3,552	4,133	4,490
Net international reserves (USD million)	862	821	575	335	833	1,131	2,195	2,595	2,536
Domestic currency deposits (BBD million)	10,354	10,727	11,098	11,224	11,365	11,631	12,283	12,688	..
Foreign currency deposits (BBD million)	462	645	740	755	602	654	693	911	..
Prices									
Retail price index (end of period, % growth)	2.4	-2.5	3.8	6.6	0.6	7.2	1.3	5.0	4.1
Retail price index (period average, % growth)	1.8	-1.1	1.5	4.4	3.7	4.1	3.0	3.1	..
Interest rates (%)									

¹⁵ Central Bank of Barbados Act, Act No. 30 of 2020, Section 62. Viewed at: <http://www.centralbank.org.bb/Portals/0/Files/Documents/Central%20Bank%20of%20Barbados%20Act%2020-30.pdf>.

¹⁶ CBB (2017), *Central Bank of Barbados Announces Monetary Policy Change*. Viewed at: <http://www.centralbank.org.bb/Portals/0/Files/Central%20Bank%20of%20Barbados%20Announces%20Monetary%20Policy%20Change.pdf>.

	2014	2015	2016	2017	2018	2019	2020	2021	2022 Q1
Central Bank policy rate	7.0	7.0	7.0	7.0	7.0	7.0	2.0	2.0	2.0
Savings rate	3.50	3.50	1.25	1.25	1.25	0.65	0.65	1.05	1.05
Treasury Bill rate	2.6	1.8	3.1	3.2	0.5	0.5	0.5	0.5	0.5
Implicit deposit rate	2.5	0.9	0.3	0.1	0.1	0.1	0.04	0.04	0.04
Implicit loan rate	7.1	6.7	6.5	6.5	6.4	6.2	5.7	5.6	5.4
Other indicators									
Excess cash ratio		11.1	15.7	14.2	16.1	18.5	22.8	25.6	..
Private sector credit growth (%)		1.6	1.5	3.2	0.4	0.9	-1.5	-1.1	..
Private sector credit (% of GDP)		82.5	81.7	81.9	80.4	79.4	91.8	94.8	..
Domestic currency deposits (% of GDP)		113.8	114.9	112.7	111.7	111.8	138.4	146.9	..

.. Not available.

Source: CBB.

1.23. Apart from the modification of reserve requirements, there were a number of changes with respect to monetary policy tools during the review period. A foreign exchange fee (FXF) of 2% on the Barbados value of the transaction was introduced in 2017. The FXF was introduced in two phases: on 17 July 2017 for purchases of foreign cash, wire transfers, and bank drafts and on 1 September 2017 for foreign credit, debit, and prepaid travel card transactions. The FXF applies to purchases of foreign currency and payments for foreign currency transactions; this included credit card transactions billed in BBD. There were also changes to foreign exchange surrender requirements. Although there is still a requirement for authorized foreign exchange dealers to surrender 5% of their gross foreign exchange purchases to the CBB, effective 1 August 2019 exporters no longer have to surrender their proceeds to authorized foreign exchange dealers.¹⁷ Prior to that date, exporters had to surrender 70% of their proceeds to dealers within six months, although they could apply for exemptions.¹⁸

1.24. The CBB buys and sells US dollars from authorized dealers and from the Government at the official exchange rate. It also buys and sells Canadian dollars, euros, and pounds sterling at officially quoted rates on the basis of their cross-rate relationships to the US dollar. A commission charge of 0.125% for purchase and 1.75% for sales are applied on US dollar transactions, and of 0.1875% and 1.8125%, on Canadian dollar, euro, and pound sterling operations. Current account transactions are largely liberalized and generally do not require CBB approval. Authorized dealers may approve current payments, including standard import payments. Additionally, authority has been delegated to commercial banks for current account transactions ranging from BBD 7,500 to BBD 250,000. Commercial banks may release up to BBD 250,000 in foreign exchange for advance payments for imports to Barbados. Also, commercial banks are permitted to approve all payments abroad for charges and fees with respect to granting and registration of patents, designs, and trademarks.

1.25. Restrictions regarding foreign exchange accounts were removed during the review period. Effective 1 August 2019, residents are allowed to open and hold foreign exchange accounts without CBB approval. Authorized exchange dealers may credit 100% of the foreign exchange earned related to current account transactions by residents to their foreign exchange accounts without CBB approval.¹⁹ Prior to this, only residents earning foreign exchange related to current account transactions were permitted to hold foreign exchange accounts; dealers were authorized to credit only up to 30% of the foreign exchange surrendered by residents to their foreign exchange accounts without CBB approval. Authorized dealers may open foreign exchange accounts for non-residents; CBB approval is not required remit abroad funds from these accounts that are not the proceeds of

¹⁷ As of 31 December 2018, eight institutions had been licensed to deal in foreign exchange with the public in the spot market. There were no foreign exchange bureaus. IMF (2020), *Annual Report on Exchange Arrangements and Exchange Restrictions 2019*. Viewed at: <https://www.imf.org/en/Publications/Annual-Report-on-Exchange-Arrangements-and-Exchange-Restrictions/Issues/2020/08/10/Annual-Report-on-Exchange-Arrangements-and-Exchange-Restrictions-2019-47102>.

¹⁸ IMF (2020), *Annual Report on Exchange Arrangements and Exchange Restrictions 2019*. Viewed at: <https://www.imf.org/en/Publications/Annual-Report-on-Exchange-Arrangements-and-Exchange-Restrictions/Issues/2020/08/10/Annual-Report-on-Exchange-Arrangements-and-Exchange-Restrictions-2019-47102>.

¹⁹ The authorized dealers are the Bank of Nova Scotia, CIBC FirstCaribbean, Citicorp Merchant Bank, Consolidated Finance, First Citizens Bank, RBC Royal Bank, Republic Bank, and SigniaGlobe Financial Group.

payment for trade or non-trade transactions. Commercial banks may approve all payments for insurance, freight, advertising, commissions, and fees relating to imports; however, they must report these transfers to the CBB. Regarding investment-related payments, approval is required for amounts above BBD 250,000 for payments of profits and dividends to residents outside of the Caribbean Community and Common Market (CARICOM). Exchange controls regarding money for travelling were also relaxed. As of 1 July 2019, residents are allowed BBD 20,000 per person per calendar year for private travel and BBD 1,000 per day up to BBD 60,000 per person per calendar year for business travel. Before that, there were no limitations for the release of foreign exchange to residents, for travel within CARICOM, but, for travel outside CARICOM, there were limits of BBD 7,500 per person per calendar year for private travel and BBD 750 per day up to BBD 50,000 per person per calendar year for business travel. There are no limits on payments for medical treatment or study abroad, but these payments require approval from a commercial bank.

1.26. In February 2020, the CBB introduced changes to the exchange rate regime, continuing the movement towards more relaxed exchange controls that it began in 2019. The new policy, which will impact several types of foreign currency transactions, went into effect as of 17 February 2020. As a result, authorized dealers can now approve and execute larger foreign currency transactions. The limit for dividends and profits that may be remitted without CBB approval was raised from BBD 250,000 to BBD 500,000. Authorized dealers are allowed to lend up to BBD 5 million proceeding from foreign sources to domestic companies. The FXF was capped at BBD 100,000.²⁰

1.27. Despite the liberalization, certain capital account restrictions remain in place. Purchases of all securities abroad by residents require exchange control approval. Earnings on these securities must be repatriated to Barbados and surrendered to an authorized dealer. All credit operations, as well as direct investments, require exchange control approval. The liquidation of proceeds of direct investments is permitted, provided the original investment was registered with the CBB, all liabilities related to the investment have been discharged, and evidence is submitted documenting the validity of the remittance. Some direct investments require exchange control approval. Prior permission of the CBB must be obtained for all remittances by residents of Barbados for overseas investments (except in CARICOM), including loans and credit enhancements. Capital account transactions with the Eastern Caribbean Central Bank (ECCB) area denominated in Eastern Caribbean dollars are free from controls, except for transactions in debt issues of Organisation of Eastern Caribbean States (OECS) governments. There are some repatriation requirements: earnings on securities and money market instruments purchased abroad by residents must be repatriated. The issuance and transfer to non-residents of securities registered in Barbados require exchange control approval. Purchases and sales of shares and securities of companies cross-listed and cross-traded on any CARICOM stock exchange are permitted without limit but purchases from outside CARICOM require CBB approval.

1.28. To counter the negative effects of the COVID-19 pandemic, the CBB implemented measures to support the domestic banking sector effective 1 April 2020, which resulted in a considerable easing of the monetary stance.²¹ The measures included: (i) reduction from 7% to 2% of the CBB's discount rate (rate at which it provides overnight lending to banks and deposit-taking non-banks licensed under the Financial Institutions Act); (ii) reduction of the securities ratio for banks from 17.5% to 5%; (iii) elimination of the 1.5% securities ratio for non-bank deposit-taking licensees; and (iv) readiness to make collateralized loans for up to six months as liquidity support for licensees, if necessary. These measures were accompanied by others taken by commercial banks previously to help affected borrowers on a case-by-case basis, including a moratorium on loan payments for firms and individuals directly impacted by the pandemic and resulting economic downturn, for up to six months; adjusted loan terms to reduce monthly payments and improve cash flows; and additional credit to existing customers to address short-term liquidity challenges.

1.29. Amid the COVID-19 crisis, support from international financial institutions in 2020 enabled gross international reserves to rise to USD 2.7 billion, approximately 40 weeks of imports, supporting the monetary base, which otherwise would have been severely affected by the sharp decline in foreign exchange receipts from tourism, leading to a much stronger economic contraction

²⁰ CBB, *Key Changes to Exchange Control Circulars, February 2020*. Viewed at: <http://www.centralbank.org.bb/Portals/0/Files/Exchange%20Control%20Circulars/Key%20Changes%20to%20Exchange%20Control%20Circulars%20-%20February%202020.pdf>.

²¹ CBB (2020), *Central Bank of Barbados Announces Monetary Policy Measures*, 30 March. Viewed at: <http://www.centralbank.org.bb/news/article/9856/central-bank-of-barbados-announces-monetary-policy-measures>.

and putting considerable pressure on the exchange rate. In the near future, a delay in the recovery of the tourism sector, weak demand for exports, rising oil prices, and reduced external borrowing from the international financial institutions could prevent further accumulation of international reserves and put pressure on the economy. The authorities consider that access to funding by SMEs remains critical in avoiding increased insolvencies.²²

1.30. The authorities remain committed to maintaining the exchange rate peg to the US dollar, which they consider has provided a key anchor for macroeconomic stability. They are intent on implementing the fiscal and structural policies necessary to support the peg and international reserves. The authorities are also committed to continue to reduce CBB financing to the Government, as mandated by the new Central Bank Act (to 7.5% from 10%).

1.31. Inflation, as measured by the retail price index (RPI), has continued to be moderate in recent years. As Barbados maintains a fixed exchange rate and Barbados imports most consumer goods, prices are largely influenced by shifts in foreign markets. However, wage changes also play an important role, and agricultural sector conditions have an influence on the price of food. After a decline in the RPI in 2015, this index followed an upward trend in 2016 and 2017 reflecting higher commodity prices. In 2017, inflation increased substantially, to 4.5% at the end of the year, reflecting the introduction at 2% in 2016 and increase to 10% in 2017 of the National Social Responsibility Levy (NSRL) on imports on domestic productions (see below). In 2018, the average inflation rate declined to 3.7% at the end of the year, reflecting the impact of weakened international oil and other commodity prices on the domestic prices of energy products, clothing, goods, and beverages, and the elimination of the NSRL. The IMF considers the abolition of the NSRL in the second half of 2018 was a major contributor to lower inflation.²³ There was a certain increase in inflation in 2019, especially in the second half of the year mainly caused by an increase in the price of food influenced by a drought in 2019. In 2020 inflation declined again. At the end of December, the 12-month moving average inflation rate was 3%, compared with 4.2% one year earlier. The decline in the inflation rate reflected primarily the impact of weakened international oil and other commodity prices on the domestic prices of energy products, clothing, non-vegetable goods, and non-alcoholic beverages.²⁴ As at June 2021, the 12-month moving average inflation rate was estimated at 2.0%, lower than in the previous years, as the pace of increase in food prices, especially vegetables, slowed down and there were price declines for other categories of non-food spending, including clothing, household furnishings, electricity, and transportation costs, which together represent almost half of the RPI.²⁵ Since then, however, and due to a large extent to increases in international prices of energy and food, inflationary pressures have been building, and the RPI edged up to a year-end rate of 5% in 2021.

1.4 Fiscal Policy and Debt Sustainability

1.4.1 Main developments

1.32. Barbados has been registering structural fiscal deficits for the last two decades. These deficits have resulted in rising public debt and have reduced the Government's ability to respond to exogenous shocks and crises due to lack of fiscal space. During the period under review, the authorities undertook substantial efforts to reduce the deficit and enter a fiscal consolidation path to rein in deficits and stop the increase in public debt. The emergence of the COVID-19 crisis, with the resulting fall in revenues and increase in expenses, has constituted a major challenge for this

²² CBB (2021), *Outlook for the Barbados Economy in 2021*, 30 April. Viewed at: <http://www.centralbank.org.bb/news/article/10307/outlook-for-the-barbados-economy-in-2021>.

²³ IMF (2019), *Barbados: 2019 Article IV Consultation, Second Review under the Extended Arrangement, Request for Completion of the Financing Assurances Review, and Modification of Performance Criteria—Press Releases; Staff Report; and Statement by the Executive Director for Barbados*, IMF Country Report No. 19/370, December 2019. Viewed at: <https://www.imf.org/en/Publications/CR/Issues/2019/12/18/Barbados-2019-Article-IV-Consultation-Second-Review-Under-the-Extended-Arrangement-Request-48886>.

²⁴ CBB (2021), *Annual Report 2020*. Viewed at: <http://www.centralbank.org.bb/Portals/0/Files/Central%20Bank%20of%20Barbados%202020%20Annual%20Report.pdf>.

²⁵ CBB (2021), *Review of Barbados' Economic Performance, January to June 2021*. Viewed at: <http://www.centralbank.org.bb/Portals/0/Files/Central%20Bank%20of%20Barbados%20Review%20of%20Barbados'%20Economy%20-%20January-June%202021.pdf>.

strategy. However, the authorities seem to be determined to resume the fiscal consolidation path in the medium term.

1.33. During the period under review, the fiscal deficit peaked at 10.9% of GDP in FY2013/14, and has since been on a downwards path, particularly after FY2015/16.²⁶ As a result of efforts, just 0.3% of GDP in FY2018/19 and a surplus equivalent to 3.6% of GDP was posted in FY2019/20. The latter reflects the effects of the ambitious deficit-reduction BERT Plan. However, due to the sharp decline in revenue and the increase in expenditure caused by the COVID-19 pandemic, the fiscal situation deteriorated in FY2020/21, when a deficit of 5.1% of GDP was registered. Tax revenue as a share of GDP increased during most of the period under review, due mainly to the increase in collection of direct taxes. Direct tax revenue increased from 9.3% of GDP in FY2013/14 to 14.2% in FY2019/20, before decreasing slightly to 13.4% in FY2020/21. Total tax revenue rose from 24.7% in FY2013/14 to 28.1% in FY2020/21, while total fiscal revenue rose from 26.8% of GDP to 30.2% (Table 1.4). The estimate fiscal deficit for FY2021/22 is equivalent to 4.8% of GDP, a slight improvement with respect to the previous year. Although expenditure was reduced as a share of GDP, total revenue remained weak, at 27.9% of GDP, mainly on account of lower revenue collection, while revenue from indirect taxes, especially VAT, increased. Import duties represented 2.2% of GDP, or some 8.4% of tax revenue.

Table 1.4 Summary of central government fiscal operations, FY2013/14-FY2021/22

(% of nominal GDP at 2010 prices)

	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22
Total revenue	26.8	25.7	26.1	28.5	28.4	29.1	29.3	30.2	27.9
Tax revenue	24.7	23.3	24.0	25.8	26.5	27.4	27.2	28.1	26.1
Direct tax revenue	9.3	9.6	9.3	10.0	11.0	10.6	14.2	13.4	11.3
Personal	4.2	4.4	4.2	4.7	4.5	3.6	4.5	3.4	3.8
Corporate	2.0	1.7	2.3	3.5	3.0	7.2	3.0	6.8	4.5
Property	1.8	1.8	1.4	0.0	0.0	0.0	2.1	2.0	2.0
Banks and other asset tax	0.0	0.3	0.3	0.0	0.0	0.0	0.5	0.5	0.5
Other	1.2	0.9	0.7	1.6	2.1	2.1	0.6	0.2	0.6
Indirect tax revenue	15.4	13.7	14.8	15.8	16.9	16.4	16.5	13.9	14.8
Stamp	0.1	0.1	0.1	0.4	0.5	0.5	0.1	0.1	0.1
VAT	10.4	8.6	9.1	9.2	8.9	9.2	9.5	8.3	8.7
Excise taxes	1.3	1.5	1.8	16.4	16.5	13.9	2.5	1.8	2.1
Import duties	2.2	2.4	2.5	2.2	2.1	2.1	2.3	2.3	2.2
Hotel & restaurant	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.0
Social Responsibility Levy	0.0	0.0	0.0	0.3	1.5	0.5	0.0	0.0	0.0
Other	1.3	1.1	1.3	1.2	1.9	2.2	1.6	1.3	1.5
Non-tax revenue & grants	2.0	2.4	2.0	2.7	1.9	1.81	2.1	2.1	1.8
Non-tax revenue	1.7	1.6	1.6	2.4	1.5	1.6	2.0	2.0	1.6
Grants	0.1	0.6	0.2	0.1	0.2	0.0	0.1	0.0	0.1
Post office	0.2	0.2	0.3	0.2	0.2	0.2	0.0	0.1	0.1
Total expenditure	37.7	33.3	35.2	33.9	32.9	29.4	25.5	35.2	32.7
Current expenditure	35.8	31.2	32.7	31.6	31.2	27.5	23.6	32.0	28.5
Wages & salaries	10.0	8.6	8.4	8.1	7.9	7.9	9.5	9.6	8.2
Goods & services	4.4	3.7	4.7	4.0	3.5	3.7	4.7	4.8	4.9
Interest	7.0	7.0	7.1	7.7	3.7	2.5	4.0	4.0	3.9
External	1.5	1.8	1.7	0.5	0.6	1.7	0.6	0.6	1.3
Domestic	5.4	5.2	5.4	3.3	1.8	2.3	1.8	1.8	2.6
Transfers & subsidies	14.4	12.0	12.6	11.8	12.4	9.6	13.7	13.8	11.5
Grants to individuals	4.2	3.6	3.6	3.5	3.8	5.0	3.8	4.7	4.5
Grants to public institutions	9.0	7.3	7.7	7.9	5.1	7.7	5.1	7.3	6.2
Subsidies	0.6	0.5	0.6	0.5	0.3	0.6	0.3	0.6	0.3
Subscriptions & contributions	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Non-profit agencies	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2
Capital expenditure	1.6	1.9	2.3	2.1	1.5	1.8	1.8	3.3	4.2
Net lending	0.3	0.2	0.2	0.2	0.2	0.1	0.1	0.0	0.0
Fiscal balance	-10.9	-7.5	-9.2	-5.4	-4.5	-0.3	3.8	-5.1	-4.8
Primary balance	-4.0	-0.5	-2.0	2.3	3.1	3.4	6.2	-1.0	-0.9
Government financing	..	..	9.2	5.4	0.3	-3.8	5.1	0.3	4.8
Domestic financing	..	..	8.9	-3.1	-2.8	-4.4	-3.1	-5.1	-0.5
Foreign financing	..	..	0.3	3.4	1.0	10.2	3.4	10.2	-5.3
Memorandum:									
Gross public sector debt (% of GDP)	137.6	145.1	155.2	148.4	122.6	120.8	142.4	150.3	137.2

.. Not available.

a Calculations based on fiscal year GDP estimates by the IMF.

²⁶ The fiscal year runs from 1 April to 31 March.

- b Calendar year.
c Includes gross central government debt, other public sector debt, and arrears.

Source: CBB, *Summary of Government Operations*; CBB, *Review of Barbados' Economic Performance, January to December 2020*; IMF Article IV Consultations, various issues; and IMF Barbados 4th and 5th Reviews.

1.34. Reflecting the policy of spending cuts and public sector reform, expenditure as a share of GDP declined substantially, from 35.8% of GDP in FY2013/14 to 28.0% of GDP in FY2019/20. However, due to the strong state intervention needed to face the COVID-19 pandemic and the decline of activity linked to it, expenditure ballooned in FY2020/21 and combined with a decline in GDP, brought the expenditure/GDP ratio to 35.2%, before declining somewhat to 32.7% of GDP in FY2021/22. Most of the expenditure correction between FY2013/14 and FY2019/20 corresponded to a reduction in current expenditure, particularly the wage bill, transfers and subsidies to SOEs, and a sharp reduction in interest payments as from 2018, following the renegotiation of the debt as part of the BERT Plan (see below). In FY2020/21 the COVID-19 pandemic gave rise to a sharp increase in transfers, which were equivalent to 13.8% of GDP; they declined to 11.5% of GDP in FY2021/22.

1.35. As mentioned before, SOEs have traditionally represented a net cost to the exchequer and have been contributors to the fiscal deficit, as most SOEs operate at a loss. Transfers from the Central Government to SOEs are very high, and a major contributor to fiscal risk; the true cost of SOEs for FY2018/19 was estimated at 12.4% of GDP.²⁷ The Barbados State Enterprises Oversight Committee was put in place to review the operations of SOEs in order to provide the Ministry of Finance with recommendations for improving the governance of these entities. In the context of the BERT Plan, in 2018, it was decided to remove the expenses of some of these SOEs from the government budget by entering into a public-private partnership between government and the private sector (e.g. in the case of the Barbados Tourism Marketing Inc. (BTMI) and Barbados Tourism Product Authority), or by funding them through earmarked contributions (see below).

1.36. As a result of the need to finance fiscal deficits, public debt (inclusive of NIS holdings) rose during the initial years of the period under review. In 2018, in the context of the BERT Plan, Barbados engaged in its first debt-reducing initiative (see below for details). This resulted in a rescheduling of debt payments and in debt alleviation. As a result, the public debt GDP ratio fell from a high of 155.2% in FY2015/16 to 120.8% in FY2018/19. However, due to higher spending and lower revenues as a result of the COVID-19 pandemic, the ratio rose to 142.3% in FY2019/20 and 150.3% in FY2020/21 but declined to 137.2% in FY2021/22.

1.37. The authorities estimate that the debt ratio will remain elevated because of the shock to economic activity. However, the authorities have reaffirmed their commitment towards medium-term fiscal stability and consolidation as well as for reducing public debt to sustainable levels so as to reinvigorate growth (see below).²⁸ The authorities have stated that the Government remains committed to attaining the targeted 60% debt-to-GDP ratio, but in the context of the lost GDP as a result of the pandemic, consideration of a new target date may be necessary.²⁹

1.4.2 Fiscal consolidation and public sector enterprises

1.38. Barbados intensified its programme of fiscal consolidation during the period under review. This follows attempts undertaken since 2010, when the authorities developed a medium-term fiscal strategy (MTFS) to reduce the fiscal deficit (to reach 92.4% of GDP in FY2014/15), balance the budget over the medium term and reduce the debt-to-GDP ratio, while at the same time achieving moderate growth. To this end, some measures were implemented in 2014, including increasing the excise tax on gasoline by 50%; eliminating some tax-free allowances on travel and entertainment, as well as reducing *ad hoc* tax waivers by 10%; and increasing fees and charges for some services. These measures were accompanied by institutional reform steps, such as improving the efficiency

²⁷ IMF (2018), *Barbados: Request for an Extended Arrangement Under the Extended Fund Facility-Press Release; Staff Report; Staff Supplement; and Statement by the Executive Director for Barbados*, IMF Country Report No. 18/290, 4 October. Viewed at: <https://www.imf.org/en/Publications/CR/Issues/2018/10/04/Barbados-Request-for-an-Extended-Arrangement-Under-the-Extended-Fund-Facility-Press-Release-46283>.

²⁸ IMF (2021), *Policy Responses to COVID-19*. Viewed at: <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#B> [19 August 2021]; and IMF Country Report No. 18/290, 4 October.

²⁹ CBB (2021), *Outlook for the Barbados Economy in 2021*, 30 April. Viewed at: <http://www.centralbank.org.bb/news/article/10307/outlook-for-the-barbados-economy-in-2021>.

of tax administration, and establishing the Barbados Revenue Authority in 2014. In the FY2015/16 June Budget Statement, the Government introduced a number of tax measures that were intended to raise BBD 200 million in additional taxes (2.3% of GDP) and excise duties in the full fiscal year; these included an increase in land tax rates designed to raise BBD 44 million (0.5% of GDP); reducing VAT exemptions and imposing VAT on betting and gambling (0.5% of GDP); increasing the VAT rate on mobile telephone usage, intended to raise BBD 32.7 million (0.4% of GDP); and reducing the carry-forward period for tax losses from nine years to seven years, estimated to increase annual receipts by BBD 19 million (0.2% of GDP).³⁰

1.39. Despite reform efforts, the deficits remained high, and the public debt kept mounting. In June 2018, the authorities launched their most ambitious fiscal reform programme to date, the BERT Plan, to be done in three phases. The BERT Plan was implemented through a revised FY2018/19 budget and seeks fiscal and debt sustainability as necessary conditions for macroeconomic stability and economic growth. The programme also includes measures to improve the business climate and strengthen the social safety net. The growth strategy of the BERT Plan rests on the following pillars: (i) investing in a high-skilled and knowledge-based economy; (ii) better mobilizing private domestic savings for local investment; (iii) making Government an enabler of growth by supporting, facilitating, regulating, and partnering with the traditional and non-traditional private sectors; and (iv) diversifying the economy into new areas such as renewable energy, high tech, and software development.³¹

1.40. The first phase focused on SOE reform, more concretely, on the imposition of user fees to take three Statutory Corporations completely off and one partially off consolidated fiscal accounts; this was expected to result in a reduction in expenditure of some BBD 215 million per fiscal year.³² Phase 1 also focused on a review of tax revenue effectiveness and compliance. Phase 2, which took place mostly in 2019, focused on expenditure reduction through a review and analysis of central government- and state-owned enterprises. Phase 3 would see a continuation of the review of all remaining SOEs and departments of the Government, and a classification of expenditure. The Government expected that upon completion of the three phases, together with other measures, the fiscal position would improve by some BBD 1.2 billion.³³ The main measures adopted, summarized in Box 1.1, included the repeal of the NSRL from 1 July 2018, at an estimated cost of BBD 145 million. The NSRL, implemented on 1 September 2016, was a tax applied to all imports at the border and to local/domestic production, to generate funds to address rising social costs in Barbados. The initial rate was 2%, but, effective 1 July 2017, the rate was increased to 10%.³⁴ The NSRL was not applied on exports. In the case of imports, the NSRL was imposed on the CIF value, while for domestic products it was applied on the production cost of goods manufactured or produced in Barbados. VAT was calculated inclusive of the NSRL. There were exemptions for goods manufactured or produced in Barbados sold by the manufacturer or producer to another manufacturer or producer in Barbados; goods imported by the tourism sector (within the meaning of the Tourism Development Act) where the goods are exempted from the payment of import duty under any enactment; goods imported to be used as part of a production process by the manufacturing and agriculture sectors that benefit from the Fiscal Incentives Act or any enactment that exempts the goods from import duties; kerosene imported for use as aviation fuel; Heavy Fuel Oil (Bunker C); food items listed in paragraph 20 of the First Schedule of the Value Added Tax Act; and goods supplied to or imported by a diplomatic mission or international organization.

³⁰ IMF (2016), *Barbados 2016 Article IV Consultation—Press Release; Staff Report; and Statement by the Executive Director for Barbados*, IMF Country Report No. 16/279, August. Viewed at: <https://www.imf.org/en/Publications/CR/Issues/2016/12/31/Barbados-2016-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-44205>.

³¹ IMF Country Report No. 18/290, 4 October. Viewed at: <https://www.imf.org/en/Publications/CR/Issues/2018/10/04/Barbados-Request-for-an-Extended-Arrangement-Under-the-Extended-Fund-Facility-Press-Release-46283>.

³² The Statutory bodies involved were the Barbados Tourism Marketing Inc and Barbados Tourism Product Inc, with savings estimated at BBD 96.3 million; Sanitation Services Authority, BBD 65 million, and the Queen Elizabeth Hospital, BBD 50 million.

³³ Government of Barbados (2018), *Budgetary Proposal and Financial Statement 2018*. Viewed at: <https://www.barbadosparliament.com/uploads/document/f1a4e01093a061da9b82e1f4fef8813e.pdf>.

³⁴ Barbados Revenue Authority, *Policy Note PPG No. 003/2017, National Social Responsibility Levy (the Levy or NSRL)*, *Budgetary Proposals 2017*. Viewed at: <https://bra.gov.bb/About/Tax-Types/NSRL/>.

Box 1.1 Main fiscal measures adopted as part of the BERT Plan and their impact

1. The top rate of income tax was raised to 40% on that part of income greater than BBD 75,000. The measure is applicable as of 1 July 2018 and is expected to increase tax revenue while making the tax system more progressive. This increase is expected to raise some BBD 40 million a year.
2. Also effective 1 July 2018, the highest corporation tax rate was increased from 25% to 30%. This is expected to raise some BBD 57 million a year. Effective 1 January 2019, the 30% tax rate was eliminated and replaced by a sliding scale.
3. The Road Tax was abolished effective 1 July 2018. It was replaced from that date with a Fuel Tax, levied at a rate of BBD 0.40 per litre of petrol and diesel and BBD 0.05 per litre of kerosene.
4. Effective 1 July 2018, the National Social Responsibility Levy (NSRL) was repealed.
5. The annual registration fee for commercial vehicles was reduced by 50% effective 1 July 2018; as from the same date, a fee of BBD 400 must be paid for the transfer/sale of a private vehicle and a fee of BBD 1,000 is levied on the purchase of a new or second-hand commercial vehicle.
6. Waiver of all interest and penalties payable on Income Tax, Land Tax, Corporation Tax, Value Added Tax owed to the Barbados Revenue Authority (BRA) for the tax years 2000 to 2016 on condition on subscribing to an agreed payment plan.
7. Introduction of a Health Service Contribution at a rate of 2.5% of incomes (1.5% paid by employers and 1.0% by employees), effective 1 October 2018. The measure is expected to raise some BBD 45 million a year.
8. Online transactions undertaken by residents were made subject to VAT effective 1 October 2018.
9. Effective 1 October 2018, introduction of an Airline Travel and Tourism Development Tax. The amount for passengers flying outside of CARICOM is USD 70; passengers flying within CARICOM pay USD 35. The revenue gain from this measure is estimated at BBD 95 million.
10. Introduction of a Room Levy on hotel rooms effective 1 July 2018. The rates per room per night are USD 2.50 for B Class hotels and apartments, USD 5.50 for A Class, and USD 10.00 for luxury hotels.
11. Introduction of a 2.5% Product Development Levy on Direct Tourism Services effective 1 July 2018.
12. Effective 1 August 2018, introduction of a 10% tax on all shared economy accommodation such as Airbnb, HomeAway, and Expedia.
13. Agreement between the Government and the Unions to allow for a 5% increase in wages and salaries for the period 1 April 2018-31 March 2019, following a four-year period of 0% increase, between 1 April 2014 and 31 March 2018.
14. Increase of the minimum non-contributory pension from BBD 155 to BBD 225 per week from 1 July 2018, at an annual cost of BBD 20 million.
15. Temporary increase of poverty alleviation initiatives of BBD 5 million per year until poverty rates decline.
16. Abolishment of the undergraduate tuition fees for persons attending the University of the West Indies; estimated cost BBD of 22 million per year.
17. Introduction of a Trust Loan Programme, consisting of loans for up to BBD 5,000 each to entrepreneurs without collateral on presentation of a viable, basic expenditure plan. The interest rate is the same as earned on Barbados government securities. The estimated cost of the programme is BBD 10 million per year.
18. Provision of a partial settlement for sugar farmers for 2018-19, costing some BBD 5 million.
19. Removal from the government budget the expenses of the Barbados Tourism Marketing Inc. (BTMI) and Barbados Tourism Product Authority from its budget by entering into a public-private partnership between the Government and this sector. The BTMI will now be led and managed by the private sector and funded through the proceeds from the Airline Travel and Tourism Development Tax.
20. From 1 August 2018, the expenditure of the Sanitation Service Authority (SSA) was removed from the budget by funding it through a new Garbage and Sewage Contribution (GSC) levied through Barbados Water Authority (BWA) bills. The GSC for households is BBD 1.50 per household per day. Commercial premises pay a GSC set at 50% of their existing water bills, with 25% going to the SSA and 25% to the BWA.
21. Allocation of BBD 2 million to strengthen revenue collection at the Customs Department and the BRA.
22. Implementation of the OECD regulations with regard to the residency of corporations, which is expected to result in an increase in corporate tax of some BBD 60 million per year, as new companies are made subject to the payment of corporation tax.

Source: Information provided by the authorities.

1.41. Other measures under the BERT Plan included the introduction as of 1 July 2018 of a Fuel Tax in replacement of the Road Tax, which was abolished. The Fuel Tax is levied at a rate of BBD 0.40 per litre of petrol or diesel and BBD 0.05 per litre of kerosene.³⁵ The authorities expected that the Fuel Tax would raise BBD 80 million per year, while the Road Tax brought in BBD 65 million. A new upper income tax band of 40% was introduced as from 1 July 2018. As a result, the first BBD 25,000 remained tax free, and income between BBD 25,001 and BBD 60,000 continued to attract a rate of 16%; income between BBD 60,001 and BBD 75,000 was subject to a rate of 33.5%; and income above BBD 75,000 was made subject to a new higher rate band of 40%. The authorities expected the tax hike to raise BBD 41 million per tax year, and to be in place until the debt-to-GDP ratio falls to 60%. In order to restore parity between income and corporation tax, the highest corporation tax rate was raised from 25% to 30%. This is expected to yield BBD 57 million in a full year. Considering the increase in online transactions for both goods and services, these transactions were made subject to VAT as from 1 October 2018. From that same date, a 2.5% Health Service Contribution must be paid: 1.5% of insurable earnings by employers and 1.0% by employees and self-employed persons. This measure is expected to raise BBD 50 million per year. Also, as of 1 October 2018, an Airline Travel and Tourism Development fee of USD 70 for passengers flying outside of CARICOM and USD 35 for those within CARICOM was introduced, in addition to the Departure Tax.³⁶ The BERT also included an increase in the VAT rate charged to hotels, from 7.5% to 15% from 1 January 2020. In the interim, a Room Levy was introduced, of USD 2.50 per room per night for "B" Class hotels and apartments; USD 5.50 for "A" Class; and USD 10.00 for luxury accommodation. In addition, a 2.5% Product Levy was levied on all direct tourism services (DTS), and a 10% Shares Accommodation Levy on Airbnb and similar shared accommodation. The Room Rate Levy was expected to raise BBD 47 million; the DTS Product Levy BBD 3.9 million; and the Shared Accommodation Levy, BBD 8 million.³⁷ On the expenditure side, the Government agreed with unions to a 5% across-the-board increase in wages and salaries for the period 1 April 2018 to 31 March 2019, at a cost of BBD 60 million. The minimum non-contributory pension was raised from BBD 155 to BBD 225 per week, at a cost of approximately BBD 18 million. Some social measures were also announced, such as a temporary increase in poverty alleviation and welfare initiatives.

1.42. The BERT aimed at achieving fiscal adjustment as the basis for economic reform. The programme aimed to achieve and maintain a primary surplus of 6% of GDP in FY2019/20, while protecting vulnerable groups through strengthened social safety nets, and increasing room for capital spending. It sought to improve taxation, increase compliance, and allow for a better distribution of the tax burden between residents and visitors. The BERT was committed to reducing transfers to SOEs by about 2% of GDP by stronger oversight, cost reduction, revenue enhancement, and mergers and divestment, and to eventually adopt a fiscal rule.³⁸ The BERT sought also to address weaknesses in the business climate and increase financial and labour market flexibility.

1.43. The BERT Plan was supported by the IMF under the EFF. The Executive Board of the IMF approved on 1 October 2018 a four-year Extended Arrangement under the EFF for Barbados for an amount initially equivalent to SDR 208 million (about USD 290 million, or 220% of Barbados's quota in the IMF), to help it in the implementation of the BERT. The arrangement enabled the authorities to purchase the equivalent of SDR 35 million (or about USD 49 million) immediately, and the remainder upon successful completion of seven semi-annual reviews. The IMF subsequently extended the amount to a total of USD 464 million (SDR 322 million). The IMF noted that the EFF-supported programme aimed to help Barbados restore debt sustainability, strengthen the external position, and improve growth prospects. The BERT Plan sought to address challenges including low growth, fiscal and external imbalances, high debt and low reserves, with a combination of fiscal consolidation, measures to boost growth, and debt restructuring, while protecting social spending.³⁹

³⁵ The net increase on gas and diesel was BBD 0.28 per litre, as the NSRL was BBD 0.12 per litre on gasoline and BBD 0.11 per litre on diesel. The Road Tax ranged from BBD 400 to BBD 1,600 per year.

³⁶ Of the estimated amount, BBD 75 million would go to BTMI and BTPI.

³⁷ IMF Country Report No. 18/290, 4 October. Viewed at: <https://www.imf.org/en/Publications/CR/Issues/2018/10/04/Barbados-Request-for-an-Extended-Arrangement-Under-the-Extended-Fund-Facility-Press-Release-46283>.

³⁸ IMF Country Report No. 18/290, 4 October. Viewed at: <https://www.imf.org/en/Publications/CR/Issues/2018/10/04/Barbados-Request-for-an-Extended-Arrangement-Under-the-Extended-Fund-Facility-Press-Release-46283>.

³⁹ IMF (2018), "IMF Executive Board Approves US\$290 Million Extended Arrangement Under the Extended Fund Facility for Barbados", Press Release No. 18/1370, 1 October. Viewed at:

1.44. Once the EFF was approved, Barbados relaxed some of the more stringent tax increases it had adopted in 2018. In this respect, the Income Tax (Amendment) Act, 2020 amended the Income Tax Act, Cap. 73 to implement the relevant proposals contained in the Budgetary Proposals and Financial Statement, 2019. The Act confirmed the reduction of the personal income tax rate to 12%, with effect from 1 July 2019 and the income years thereafter, for taxable income up to BBD 50,000, and from 40% to 33.5%, with effect from 1 July 2019 until 31 December 2019 for taxable income above BBD 50,000. The Act introduced compensatory income credit of up to BBD 1,250 for employed individuals resident in Barbados with annual income between BBD 25,000 and BBD 35,000; income below BBD 25,000 is not taxed. The maximum income tax rate was lowered to 28.5% from 1 January 2020. There was also a sharp reduction in the corporate income tax rate, from 30% to a maximum of 5.5% for taxable income of up to BBD 1 million; 3% for income in the BBD 1,000,001–BBD 20 million bracket; 2.5% for the BBD 20,000,001–BBD 30 million range; and 1% for income above BBD 30 million. Also, with effect from 1 September 2019, branch profits paid out of income earned outside of Barbados are exempt from the payment of income tax or corporation tax. The 2020 Act included a Sixth Schedule to provide incentives for the generation of foreign exchange, which consists in a foreign currency earnings allowance set off in the form of a rebate of income tax. The rebate increases with the amount of foreign exchange generated. For foreign exchange earnings of up to 20% of total earnings, the rebate is 26% of income tax on foreign earnings for the period from 1 April to 31 December 2019, and 24% from 1 January 2020; for earnings over 20% but under 41%, it is 34% and 31%, respectively; for earnings over 41% but under 61%, 48% and 45%, respectively; for earnings of 61% to 81%, 59% and 55%, respectively; and for earnings above 81%, 70% and 65%, respectively.⁴⁰

1.45. After the emergence of COVID-19, the Government adjusted its fiscal stance and BERT targets. The initially estimated primary balance target for FY 2020/21 of a surplus of 6% of GDP was revised downwards to a deficit of 1% (a primary deficit of 1.1% of GDP and an overall deficit of 5.1% of GDP were finally registered). This revision was necessary to take into account the sharp decline in revenue and the increase in expenditure to fund the COVID-19 relief initiatives.

1.46. The fifth review of the IMF's EFF for Barbados was concluded in May 2021. The completion of the review allowed the authorities to draw the equivalent of USD 24 million (SDR 17 million), bringing total disbursements under the EFF to USD 415 million (SDR 288 million). As a result of the review, the IMF concluded that Barbados continues to make strong progress in implementing the BERT despite major challenges from the ongoing pandemic, and that the authorities remain strongly committed to programme implementation. The IMF recommended sustaining primary surpluses over the medium and long term to help safeguard debt sustainability. Medium-term fiscal consolidation would be supported by reform of SOEs and pensions and the introduction of a fiscal rule.⁴¹

1.47. In the medium run, the Government intends to seek Parliamentary approval of a fiscal rule to enhance fiscal transparency, and lock in the gains of fiscal consolidation. This was originally set as a benchmark for end-June 2020, but had to be postponed due to the pandemic. The fiscal rule aims to limit the annual budgeted overall fiscal deficits of the public sector, to achieve a reduction in public debt to no more than 60% of GDP by 2033. The fiscal rule would take into account all fiscal activities associated with the public sector, including SOEs, and would establish an automatic correction mechanism that would be triggered by substantial cumulative deviations from the annual overall balance target. Once these deviations exceed a prespecified threshold, additional fiscal adjustment would be required in subsequent fiscal years to bring fiscal performance back in line with the fiscal rule. The rule would also include an escape clause, to be triggered with Parliamentary approval in case of major adverse shocks.

1.48. In May 2022, an IMF team reached a staff level agreement with the Barbadian authorities on the seventh and final review of BERT supported by the EFF. Upon completion of the review by the IMF Executive Board, SDR 17 million (some USD 23 million) will be made available to Barbados. The staff considered that, despite a challenging global economic environment, Barbados had continued to make good progress in implementing its economic reform programme. The staff noted that all

<https://www.imf.org/en/News/Articles/2018/10/01/pr181370-imf-exec-board-approves-us-290-million-ext-arr-under-ext-fund-facility-barbados>.

⁴⁰ Income Tax (Amendment) Act, 2020. Viewed at:

https://www.barbadosparliament.com/uploads/bill_resolution/337f5ed54040b316bb1270b5596c8e5c.pdf.

⁴¹ IMF Country Report No. 18/290, 4 October. Viewed at:

<https://www.imf.org/en/Publications/CR/Issues/2018/10/04/Barbados-Request-for-an-Extended-Arrangement-Under-the-Extended-Fund-Facility-Press-Release-46283>.

quantitative targets for end-December 2021 and end-March 2022 under the EFF had been met, and that international reserves, which had reached a low of USD 220 million (five to six weeks of import coverage) in May 2018 had increased to USD 1.5 billion. Progress in restoring macroeconomic stability prior to the onset of the COVID-19 pandemic had facilitated a countercyclical fiscal policy response in FY2020/21 and FY2021/22. Barbados had recorded a primary deficit of 1% of GDP for FY2021/22, unchanged from FY2020/21, and the authorities were targeting a primary surplus of 1% of GDP for FY2022/23.⁴²

1.49. In July 2020, the Government established the 18-month BOSS programme to help stabilize the economy and face the fiscal challenges occasioned by the COVID-19 pandemic. BOSS was implemented considering the strong financial needs of Barbados in the wake of the pandemic and the need to try to comply with BERT. BOSS, set up by the Ministry of Finance in consultation with labour unions, was implemented instead of a public sector salary cut as a means of offering people a savings cushion by lending to the Government in a moment of need. BOSS is open to all public employees; it is optional for all except public employees earning over BBD 36,000 who must participate in the scheme. Under the BOSS, public servants receive part of their salary in cash and part in a bond that can be converted into cash if needed. The bonds pay an annual interest rate of 5% and have a four-year maturity period. Public officers earning less than BBD 3,000 per month are not obliged to participate; those earning between BBD 3,001 and BBD 4,166 per month receive 7% of their wages in bonds; those with wages between BBD 4,167 and BBD 8,333 per month, 12%, and those earning over BBD 8,334 per month, 17%. Public servants can choose to increase the share they receive in bonds. The bonds are fully tradeable, protected from restructuring; no withholding tax is applied on the interest earned. The authorities consider BOSS as a way to help stabilize the country during the challenging COVID-19 situation, and to provide public servants with a savings/investment opportunity while allowing the Government to temporarily shift a portion of its wage bill to capital expenditure. The initial goal was to raise approximately BBD 100 million for capital spending.

1.5 Balance of Payments

1.50. Barbados runs persistent current account deficits. During the period under review, Barbados' current account deficit declined between 2014 and 2019, partly reflecting the authorities' fiscal consolidation path, which included debt restructuring (see below). The deficit fell from USD 430.3 million in 2014 (9.2% of GDP) to USD 146.8 million in 2019 (2.8% of GDP), reflecting a narrowing of the gap between gross domestic investment and gross national savings. The COVID-19 pandemic led to a sharp deterioration in the current account deficit, mainly due to a dramatic worsening of services balances, as tourism receipts plummeted due to the lockdown and travel restrictions. In fact, travel-related receipts declined from USD 1.25 billion in 2019 to USD 577.4 million in 2020 and USD 627.4 million in 2021 (Table 1.5). Between 2014 and 2019, both merchandise exports and imports declined; the decline sharpened in 2020 due to the negative effects on income and economic activity triggered by the pandemic. In 2020, the current account deficit increased to USD 277.6 million, or 5.9% of GDP, as inflows declined by one third, which was not completely offset by a 25% fall in outflows. The current account deficit worsened, mainly because of the reduction in travel expenditure and exports. While fuel imports fell, and imports of food and beverages were also lower partially due to depressed activity in the tourism sector, imports of capital goods rose, reflecting higher demands for power-generating equipment. The current account deficit reached USD 528.5 million in 2021, or 5.4% of GDP.

Table 1.5 Balance of payments, 2014-22Q1

(USD million)

	2014	2015	2016	2017	2018	2019	2020 ^a	2021 ^b	2022 Q1 ^b
Current account	-430.4	-289.2	-207.4	-190.3	-223.7	-146.9	-277.6	-528.5	-107.0
Inflows	2,228.8	2,299.6	2,397.8	2,416.0	2,430.5	2,580.0	1,762.8	1,843.4	599.2
Travel	886.8	947.5	1,039.6	1,080.7	1,118.3	1,250.0	577.4	627.5	255.1
Other services	214.9	206.1	209.2	215.0	222.4	229.3	198.7	220.6	30.4
Domestic exports	269.7	243.2	252.3	254.9	255.1	253.7	224.7	222.2	60.4
Rum	39.4	38.2	38.8	42.0	39.9	38.4	38.0	39.2	10.4
Food	35.0	32.6	31.4	32.3	32.7	33.2	30.7	30.2	8.6

⁴² IMF (2022), "IMF Reaches Staff Level Agreement on the Seventh Review of Barbados' Economic Program under the Extended Fund Facility", Press Release No. 22/152, 13 May. Viewed at: <https://www.imf.org/en/News/Articles/2022/05/13/pr22152-barbados-imf-reaches-staff-level-agreement-on-the-7th-review-economic-program-under-eff>.

	2014	2015	2016	2017	2018	2019	2020 ^a	2021 ^b	2022 Q1 ^b
Sugar	9.1	3.6	3.6	6.8	0.2	0.3	0.5	0.9	0.1
Chemicals	36.8	37.0	36.1	36.3	40.2	38.9	42.4	34.3	9.7
Printed paper labels	12.1	11.0	11.6	11.4	13.3	7.7	11.8	11.6	2.9
Construction materials	22.3	21.1	22.7	21.1	25.9	29.6	19.1	15.5	4.4
Other	115.2	99.9	108.3	105.2	103.1	105.7	82.5	90.6	24.5
Re-exported goods	204.7	239.8	264.6	230.6	192.9	190.4	120.5	118.9	80.5
Net exports of goods under merchandising	320.2	317.0	466.1	317.7	316.9	318.8	273.8	306.1	77.9
Income	262.6	256.0	257.7	264.9	271.5	282.7	169.4	206.2	44.8
Transfers	70.0	90.2	58.4	52.4	53.5	55.1	198.3	142.2	50.2
Outflows	2,659.2	2,588.8	2,605.2	2,606.3	2,654.1	2,726.8	2,040.4	2,371.9	706.1
Total imports of goods	1,652.2	1,537.2	1,540.5	1,520.2	1,498.9	1,501.9	1,422.0	1,588.7	515.7
Fuel imports	438.8	301.8	251.5	313.1	356.1	364.0	255.3	300.9	160.3
Other merchandise imports	1,213.4	1,235.4	1,289.0	1,207.1	1,142.8	1,137.9	1,166.7	1,287.8	355.3
Services	462.5	494.4	494.7	507.0	537.0	574.5	276.7	371.7	87.1
Income	460.0	469.0	479.2	488.8	521.3	549.6	236.9	302.4	66.5
General government	83.2	82.4	83.4	83.7	91.6	75.0	69.7	64.1	24.6
Other sectors	376.9	386.6	395.7	405.1	429.8	474.6	167.2	238.4	41.9
Transfers	84.5	88.2	90.9	90.3	97.0	100.9	104.9	109.1	36.9
Capital account	-8.4	-8.2	-2.9	-1.2	25.5	-2.7	-2.3	-2.6	-0.7
Financial account	372.8	221.2	42.1	43.2	443.8	396.4	826.1	619.3	88.6
Net foreign direct investment	817.3	80.1	188.4	234.1	232.4	187.7	254.6	208.9	53.5
Other investment flows	-444.5	141.1	-146.3	-190.9	211.4	208.7	571.5	410.4	32.6
Net long-term public	48.3	-35.6	-85.6	-67.5	225.5	193.9	484.1	407.8	-3.0
Net long-term private	-501.3	181.0	-22.3	-78.4	-1.9	56.5	125.7	24.8	33.7
Net short-term	8.6	-4.3	-38.4	-45.1	-12.2	-41.8	-38.4	-22.2	1.9
Net errors and omissions	16.6	44.0	49.0	34.0	48.6	-6.3	43.9	110.9	-0.7
Overall balance	-49.4	-32.3	-119.1	-114.3	294.2	240.7	589.9	199.1	-19.8
Change in GIR	49.4	32.3	119.1	114.3	-294.2	-240.7	-589.9	-199.1	19.8
Memorandum items									
Current account (% of GDP)	-9.2	-6.1	-4.3	-3.8	-4.4	-2.9	-6.2	-5.4	n.a.
GIR (USD million)	455.2	439.0	419.9	411.3	499.8	742.0	1,331	1,529	..
GIR weeks of import coverage	14.4	11.2	8.2	5.3	12.8	18.6	40.7	37.6	..
External debt (% of GDP)	34.1	34.0	31.3	28.3	33.4	29.8	44.1	48.2	..

n.a. Not applicable.

.. Not available.

a Preliminary data.

b Estimates.

Source: CBB, *Review of Barbados' Economic Performance*, various issues (January-December 2020; January-December 2021; and January-March 2022).

1.51. The level of gross international reserves declined between 2014 and 2017. Starting in 2018, as a result of the renegotiation of the public debt (see below) and the receipt new capital, the level of reserves resumed to increase. Amid the contraction of economic activity caused by the COVID-19 pandemic, gross international reserves rose by some USD 600 million to an unprecedented level of USD 1,331million in December 2020, or approximately 40 weeks of imports of goods and services, and some USD 1.53 billion at end-2021. The increase in international reserves was primarily due to the support from international financial institutions, to counter the negative impact associated with reduced foreign exchange inflows from tourism and foreign investment. The IMF increased available financial resources under the EFF programme, providing both balance of payments support (some USD 48.5 million) and budgetary support (USD 184 million). In addition, the Inter-American Development Bank (IADB) and the Development Bank of Latin America (CAF) provided supplementary budgetary support of USD 200 million and USD 100 million, respectively. Inflows from companies that paid corporate taxes in foreign exchange and the reduced private sector demand for foreign exchange also contributed to the growth in foreign reserves.⁴³

⁴³ CBB (2021), *Annual Report 2020*. Viewed at:

<http://www.centralbank.org.bb/Portals/0/Files/Central%20Bank%20of%20Barbados%202020%20Annual%20Report.pdf>; and CBB (2021), *Review of Barbados' Economic Performance, January to June 2021*. Viewed at: <http://www.centralbank.org.bb/Portals/0/Files/Central%20Bank%20of%20Barbados%20Review%20of%20Barbados%20Economy%20-%20January-June%202021.pdf>.

1.52. To complement its efforts regarding fiscal consolidation, and as a prerequisite to subscribing the EFF with the IMF, the authorities engaged in a comprehensive debt restructuring. Barbados' public debt had become unsustainable, having reached 155.2% of GDP in 2016 and 148.4% in 2017. With increasing public debt, international investors' confidence gradually deteriorated. Barbados' credit rating declined in several steps from investment grade (S&P's BBB+) to Selective Default in 2018. As a consequence, Barbados lost access to international capital markets.⁴⁴

1.53. On 1 June 2018, the Government announced a comprehensive debt restructuring, amounting to some 147% of that fiscal year's GDP. The debt to be rescheduled covered central government domestic debt including treasury bills and all other short-term claims such as overdrafts, central government debt to external commercial creditors, SOE external and domestic debt guaranteed by the Central Government, domestic expenditure arrears incurred by the Central Government, and external arrears that started accumulating after the external default. Only bilateral external debt and debt held by multilaterals was excluded. Debt service on external debt held by commercial creditors was stopped following the 1 June announcement, but the Government continued to pay interest on domestic debt. An exchange offer for domestic debt (BBD-denominated) to private creditors was launched in September 2018. An agreement with the majority of domestic creditors was announced in October 2018.⁴⁵ The transaction for the debt exchange closed on 19 November 2018 and triggered an upgrade to the credit rating from selective default to B- with a stable outlook by S&P's rating agency.⁴⁶ On 18 October 2019, the Government and the external creditor committee announced an agreement on the terms of a debt exchange offer. The agreement featured a 26% haircut on original principal and past due and accrued interest; the issuance of a new long-term debt instrument with a 10-year maturity, a 5-year grace period, and a 6.5% interest rate; and a USD 40 million repayment (USD 7.5 million in cash and USD 32.5 million in short-term bonds maturing in 2021 with a 6.5% coupon) in the period 2019-21.⁴⁷ In December 2019, the transaction closed with full creditor participation, leading to an improvement in Barbados' credit ratings.⁴⁸

1.6 Developments in Trade and Investment

1.6.1 Trends and patterns in merchandise trade

1.54. In 2020, the share of merchandise exports in GDP was some 13.2%, down from nearly 16.9% in 2014. The share of merchandise imports also decreased, from 35.2% of GDP in 2014 to 30.3% in 2020. This was due primarily to the weak performance of domestic demand over the period.

1.6.2 Composition of trade

1.55. In 2021, Barbados' main merchandise exports were fuels, food, and chemicals. During the period under review, the shares of food and chemicals rose, while that of fuels declined (Chart 1.1 and Tables A1.1 and A1.2). This reflects lower global prices for oil. The shares of manufactured goods, other than chemical products, declined. Imports are dominated by manufactured products, which accounted for some 60% of the total in 2020. The main items are machinery and transport equipment, and chemical products. Fuels and food and vegetables accounted for some 40% of total merchandise imports in 2020 (Chart 1.1 and Tables A1.3).

⁴⁴ IMF (2020), *Barbados' 2018–19 Sovereign Debt Restructuring—A Sea Change?* IMF Working Paper WP/20/34, February.

⁴⁵ Barbados passed legislation in this respect in October 2018. The Debt Holder (approval of debt restructuring) Act 2018-24, published in the Supplement to the Official Gazette of 29 October 2018, in its paragraph 5(1) states that the government debt restructuring proposal is deemed accepted by all holders of specified instruments if holders representing at least 50% of the aggregate outstanding principal amount of all specified debt instruments submit a voting form, and holders representing at least 75% of the aggregate outstanding principal amount for which a voting form is received, vote in favour of the proposal.

⁴⁶ Ministry of Economic Affairs and Investment, *Economic & Social Report 2018*, Appendix I. Viewed at: <https://www.barbadosparliament.com/uploads/sittings/attachments/5b5ae68fb3456dec74db1d5ed1973d3d.pdf>.

⁴⁷ IMF Country Report No. 19/370, December 2019.

⁴⁸ IMF (2020), *Barbados' 2018–19 Sovereign Debt Restructuring—A Sea Change?* IMF Working Paper WP/20/34, February.

Chart 1.1 Merchandise trade by main HS section, 2014 and 2021



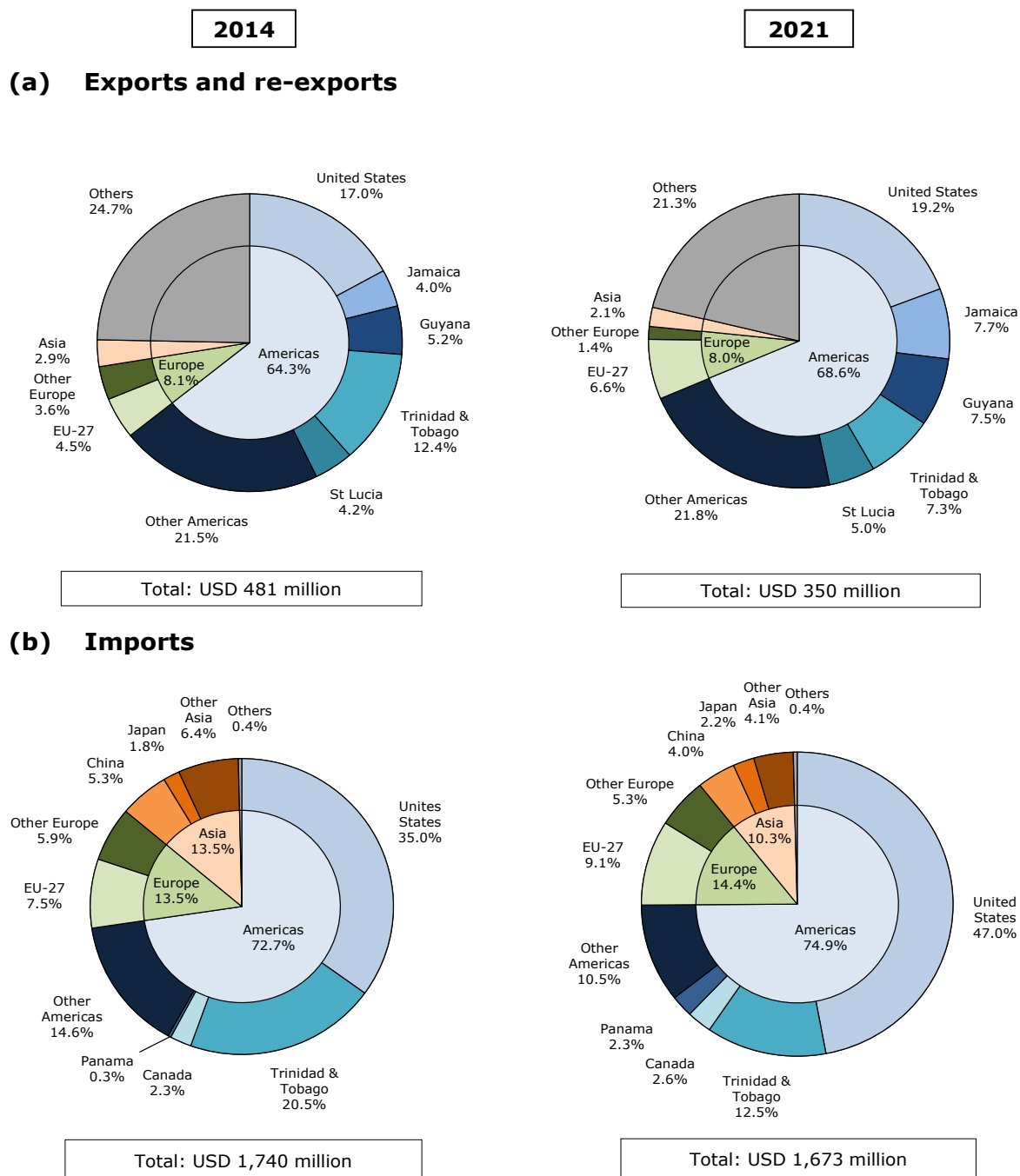
Source: WTO Secretariat calculations, based on data from UN Comtrade database.

1.6.3 Direction of trade

1.56. Barbados' main export destination in 2021 was the United States, followed by Jamaica, Guyana, Trinidad and Tobago, the EU-27, and Saint Lucia (Chart 1.2 and Tables A1.4 and A1.5). During the review period, the share of the United States and Trinidad and Tobago declined; on the other hand, the shares of Jamaica, Guyana, and Saint Lucia increased.

1.57. The United States remains Barbados' largest import supplier accounting for some 47% of total imports in 2021, followed by Trinidad and Tobago (12.5%) and the EU-27 (9.1%). During the period under review, the import shares of the United States increased, and the share of Trinidad and Tobago declined (Chart 1.2 and Table A1.6).

Chart 1.2 Merchandise trade by main commercial partner, 2014 and 2021



Source: WTO Secretariat calculations, based on data from UN Comtrade database.

1.6.4 Trade in services

1.58. Services, in particular tourism, are of the utmost importance to the Barbados' economy. In 2019, before the disruption caused by the pandemic, travel-related inflows totalled USD 1,250 million, or some 23.6/24% of GDP. In 2020, inflows plummeted to USD 577.4 million, some 12.3% of GDP. Inflows for other services were USD 148.5 million in 2019 and some

USD 125.6 million in 2020. Outflows, on the other hand, totalled USD 352.3 million in 2019 and USD 177.1 million in 2020, resulting in surpluses in the services balance of USD 904.8 million in 2019 (17.1% of GDP) and USD 499.4 million in 2020 (10.6% of GDP).

1.6.5 Trends and patterns in FDI

1.59. Barbados is a net recipient of foreign direct investment (FDI). Flows are mostly directed to the tourism sector and other travel-related activities, but there has also been considerable investment in the financial services industries. Net FDI flows have varied considerably in each of the years of the review period, since they are usually linked to specific projects or to acquisitions, and given the small size of the economy, one or a few acquisitions can cause a major shift in the number. Net FDI flows have hovered between USD 817 million in 2014 and USD 80 million in 2015. Overall, in the period from 2014 to end-June 2021, net FDI inflows totalled USD 1,046.3 million, of which USD 254.6 million in 2020 and USD 98 million in the first half of 2021.

2 TRADE AND INVESTMENT REGIMES

2.1 General Framework

2.1. Barbados became a republic on 30 November 2021, the 55th anniversary of its independence. Since then, the President is the Head of State, replacing the British Monarch and Governor-General. The President is nominated jointly by the Prime Minister and the Leader of the Opposition, in writing to the Speaker of Parliament.

2.2. The Government of Barbados is formed by the political party that gains a simple majority in the general elections. Executive authority is vested in the Prime Minister and Cabinet, who must collectively respond to Parliament. The Prime Minister is appointed by the President among the members of the House of Assembly and chosen on the principle of being the most suitable person to command the support of the majority of the members elected. Other Ministers are appointed from either House of Parliament by the President as advised by the Prime Minister.

2.3. Barbados' Parliament is bicameral, composed of the Senate and the House of Assembly. The Senate has 21 members; they are appointed by the President, 12 on the advice of the Prime Minister, 2 on the advice of the Leader of the Opposition, and 7 at the President's discretion. The House of Assembly has 30 members, all elected by popular vote. Although both Houses debate all legislation, the House of Assembly has generally decisive power since it may ultimately override the Senate's rejection of bills, with the exception of those amending the Constitution. At the end of a legislature, both Houses of Parliament are dissolved by the President acting on the advice of the Prime Minister. According to the Constitution of Barbados, elections must take place no later than every five years after the first sitting of Parliament; however, they may be called at any time by the Prime Minister. The last elections took place in May 2018.

2.4. The Constitution dating from 1966 is Barbados' supreme law. A 2021 amendment introduced a new Chapter IV, on the role of the President. Any law that is not consistent with the Constitution is void to the extent of its inconsistency. International agreements, including legislation and decisions emanating from the WTO and from the Caribbean Community and Common Market (CARICOM), can be invoked directly before national courts, to the extent that they have been incorporated in domestic legislation.

2.5. Requests for new legislation or for amendments of existing laws may stem from the Cabinet or from a Member of Parliament. The drafting of the corresponding bills is the responsibility of the Office of the Attorney-General. Bills may be introduced in either the House of Assembly or the Senate. In practice, most bills usually begin in the House of Assembly. A bill introduced in a House of Parliament must be passed at its third reading, with or without amendments, before moving onto the other House. Bills become law only after receiving the assent of the President.

2.6. Barbados' judicial system is based on English common law; there is no judicial review of legislative acts. The common law rules of conflict of laws apply. Magistrates' courts deal with civil and criminal cases. The Supreme Court of Judicature consists of the High Court and the Court of Appeal, and deals with the more serious criminal and civil cases and with issues related to interpretation of the Constitution. Judges are appointed by the President on the advice of the Prime Minister. The final Court of Appeal is the Caribbean Court of Justice (CCJ) in Port of Spain, Trinidad and Tobago; the decisions of the CCJ are binding on all parties.

2.2 Trade Policy Formulation and Objectives

2.7. Barbados' overall framework for economic and trade policy formulation has not been affected by the country's change of regime to a republic. The Ministry of Foreign Affairs and Foreign Trade represents the Government on trade policy matters and has responsibility for negotiating trade agreements and coordinating their implementation, and for representing Barbados in the WTO and other international and regional fora. The Foreign Trade Division formulates and oversees Barbados' foreign trade policy. These tasks are accomplished in consultation with other Ministries, within the framework of the Revised Treaty of Chaguaramas and other agreements to which Barbados is a party, and with inputs from the private sector and civil society. No formal consultation bodies have been established to this end; consultations take place as required.

2.8. Civil society bodies that participate in the policy formulation process include the Barbados Manufacturers' Association, the Barbados Chamber of Commerce and Industry, 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), the Barbados Coalition of Services Industries, the Barbados International Business Association (BIBA), and the CARICOM Private Sector Organization (CPSO).

2.9. The Fair Trading Commission is the body in charge of consumer protection, fair competition, and utility regulation.

2.10. The Medium-term Growth and Development Strategy (MGDS) 2013-2020 recognizes the need to sustain private-sector and investment-led productivity and export-driven growth. The Strategy states four goals, namely: (i) returning the economy to a sustainable growth rate of 3% while maintaining macroeconomic stability; (ii) facilitating broad-based adjustments and reforms in the economy; (iii) enhancing social and human development; and (iv) enhancing energy and environmental sustainability.

2.11. Economic policies are also guided by the BERT Plan, an economic reform programme supported by an arrangement under the IMF's Extended Fund Facility (EFF). The BERT Plan has as objectives to restore fiscal and debt sustainability, rebuild reserves, and increase growth (Section 1).¹

2.12. Barbados has set the objective to achieve a fossil-fuel-free economy and to strongly reduce greenhouse gas emissions across by 2030. Ultimately, the goal is to be the first 100% green and fossil-fuel-free island-state in the world.

2.13. With regard to trade policy, Barbados' objectives are to promote and facilitate the development of international trade, particularly exports, and to strategically position the country to operate in and derive the maximum trade benefits in a new liberalized global trade arena.² Specifically, Barbados intends to strengthen the capacities for increased exports and investment, improve competitiveness, and pursue the Small Vulnerable Economies agenda in the WTO. The MGDS and the BERT Plan recognize that trade liberalization provides Barbados with new market opportunities in a wide range of services and products. It also has as objectives the development of a national policy framework for the micro, small and medium-sized enterprises (MSME) sector, and the promotion of gender equality.

2.14. Barbados deems of utmost importance its participation in CARICOM, in tandem with bilateral trade agreements subscribed within the framework of CARICOM and CARIFORUM.

2.3 Trade Agreements and Arrangements

2.3.1 WTO

2.15. Barbados is an original WTO Member. It grants at least MFN treatment to all of its trading partners. Barbados is not a party or observer in any WTO plurilateral agreements. Barbados has not subscribed the Information Technology Agreement. Barbados ratified the Agreement on Trade Facilitation (TFA) in January 2018.³

2.16. Barbados has never invoked the WTO's dispute settlement provisions as a complainant, nor have any complaints been lodged against Barbados. However, Barbados reserved its rights to participate as third party in four cases: one dispute relating to US provisions on foreign sales corporations, and three cases relating to EC export subsidies on sugar.⁴ All of these cases were prior to the period under review.

2.17. Barbados has continued to actively participate in the WTO. It is a member of the African, Caribbean and Pacific (ACP) group; the group of small, vulnerable economies; the G-33; and the

¹ IMF Country Report No. 21/268, December.

² Ministry of Foreign Affairs and Foreign Trade, *Foreign Trade*. Viewed at: <https://www.foreign.gov.bb/foreign-trade/>.

³ WTO document G/TFA/N/BRB/1, 27 February 2018.

⁴ WTO document series DS108, DS265, DS266, and DS283.

"W52" sponsors. It also served as the coordinator of the CARICOM country group from 1 January 2021 to 20 July 2022. At MC10 in Nairobi, speaking on behalf of the ACP Group, Barbados called on Members to deliver on the development dividend of the Doha Development Agenda.⁵ Decisions should reflect proposals from developing countries, including LDCs and small vulnerable economies. At MC11 in Buenos Aires, also speaking on behalf of the ACP Group, Barbados underlined its support for the multilateral rules-based trading system and reiterated that the WTO's work on trade as a vehicle for development should not be denied.⁶

2.18. Since its last Review, Barbados has submitted various notifications to the WTO (Table 2.1). However, numerous notifications remain outstanding as at June 2022. Unfulfilled notification obligations include notifications of domestic support and export subsidies in agriculture, TRIMs measures, replies to the questionnaire on import licensing procedures, quantitative restrictions, national legislation and checklist of issues on customs valuation, pre-shipment inspection measures, and state trading enterprises.

Table 2.1 Notifications to the WTO, 2014-June 2022

Legal basis	Periodicity	WTO documents	Comment
Agreement on Agriculture			
Articles 10 & 18.2	Annual	G/AG/N/BRB/24, 20 June 2017	Export subsidies
Article 18.2	Annual	G/AG/N/BRB/23, 8 November 2016	Domestic support
Article 18.2	Annual	G/AG/N/BRB/26, 27 June 2017	Domestic support
Articles 5.7 and 18.2	Annual	G/AG/N/BRB/21, 3 March 2015	Special safeguards
Articles 5.7 and 18.2	Annual	G/AG/N/BRB/25, 26 June 2017	Special safeguards
Articles 5.7 and 18.2	Annual	G/AG/N/BRB/27 23 April 2018	Special safeguards
Articles 5.7 and 18.2	Annual	G/AG/N/BRB/22, 3 March 2015	Special safeguards
Agreement on the Application of Sanitary and Phytosanitary Measures			
Article 7, Annex B	<i>Ad hoc</i>	G/SPS/N/BRB/3-5, 8 April 2015	Emergency measures. Live birds; hatching eggs; fresh, frozen and chilled poultry meat and products including table eggs
Article 7, Annex B	<i>Ad hoc</i>	G/SPS/N/BRB/6, 2 August 2021	Animal health and veterinary public health
Article 7, Annex B	<i>Ad hoc</i>	G/SPS/N/BRB/7, 2 August 2021	Food safety and quality
Article 7, Annex B	<i>Ad hoc</i>	G/SPS/N/BRB/8, 2 August 2021	Plant and animal products
Agreement on Technical Barriers to Trade			
Articles 2.9.2 and 5.6.2	<i>Ad hoc</i>	G/TBT/N/BRB/10, 19 October 2021	Legislation
Agreement on Trade Facilitation			
Category A commitments	<i>Ad hoc</i>	G/TFA/N/BRB/1, Add.1 28 August 2019	Commitments under the TFA, addendum
Articles 10.6.2 and 12.2.2	<i>Ad hoc</i>	G/TFA/N/BRB/2, 4 January 2021	Use of customs brokers and contact points for the exchange of customs information
General Agreement on Trade in Services			
GATS Article V:7(a) and GATT 1994 Article XXIV:7(A) – Free-Trade Areas	<i>Ad hoc</i>	S/C/N/1025/Add.1; WT/REG420/N/1/Add.1, 5 May 2021	Regional trade agreement between the United Kingdom and the CARIFORUM States, addendum
GATS Article III, 4	<i>Ad hoc</i>	S/ENQ/78/Rev.21, 10 February 2021	Contact and enquiry points
Agreement on Implementation of Article XVII:4(a) of the GATT 1994 (state trading)			
Article XVII:4(a)	Annual	G/STR/N/13/BRB, G/STR/N/14/BRB, G/STR/N/15/BRB, 14 September 2016	State trading enterprises for 2008-13

⁵ WTO document WT/MIN(15)/ST/44, 18 December 2015.

⁶ WTO document WT/MIN(17)/ST/108, 5 January 2018.

Legal basis	Periodicity	WTO documents	Comment
Article XVII:4(a)	Annual	G/STR/N/16/BRB, 17 April 2018	State trading enterprises for 2014 and 2015
Agreement on Subsidies and Countervailing Measures			
Paragraph 1(a) of WT/L/691	<i>Ad hoc</i>	G/SCM/N/275/BRB, 9 September 2014	Transparency notification concerning the extensions provided for in Article 27.4 of the SCM Agreement of the Transition Period for the Elimination of Export Subsidies
Enabling Clause			
Paragraph 14 of WT/L/671	<i>Ad hoc</i>	WT/COMTD/RTA15/N/1/ Add.148/Suppl.1, 14 February 2022	Changes affecting the implementation of a Regional Trade Agreement - CARICOM and Colombia - Addendum
Paragraph 14 of WT/L/671	<i>Ad hoc</i>	WT/COMTD/RTA15/N/1/ Add.141 ^a , 20 March 2020	Changes affecting the implementation of a Regional Trade Agreement - CARICOM and Venezuela - Addendum
Paragraph 14 of WT/L/671	<i>Ad hoc</i>	WT/COMTD/RTA15/N/1/ Add.148 ^a , 20 March 2020	Changes affecting the implementation of a Regional Trade Agreement - CARICOM and Colombia - Addendum
Paragraph 14 of WT/L/671	<i>Ad hoc</i>	WT/COMTD/RTA15/N/1/ Add.156 ^a , 20 March 2020	Changes affecting the implementation of a Regional Trade Agreement - CARICOM and Colombia - Addendum

a Notified by CARICOM.

Source: WTO Central Registry of Notifications.

2.3.2 Regional and preferential agreements

2.3.2.1 CARICOM

2.19. Barbados is a founding member of CARICOM, established through the Treaty of Chaguaramas in 1973. The Treaty was revised between 1989 and 2000 to allow for the creation of the CARICOM Single Market and Economy (CSME), intended as a single economic space with free movement of goods, services, capital, and CARICOM nationals between member States.⁷ To facilitate the consolidation of the CSME, 10 Chapters were written; these form the legal basis for the establishment and operation of the CSME and were incorporated into the revised treaty.⁸

2.20. Fifteen countries and territories are part of CARICOM.⁹ Barbados, the Bahamas, Guyana, Jamaica, Suriname, and Trinidad and Tobago, are the more developed countries (MDCs) of the Community. In the WTO, Barbados has been acting as coordinator of the CARICOM country group since January 2021.

2.21. CARICOM member States have sought to implement a common external tariff (CET) since 1991. However, as at October 2021, tariff schedules across countries still differed considerably, due partly to the exceptions allowed (lists A and C), and partly to mechanisms permitting the suspension of the application of the CET under certain circumstances. However, no progress regarding tariff harmonization has been achieved since 2015; negotiations on tariffs and rules of origin are ongoing.

2.22. Within the CARICOM Secretariat, the Directorate of the CARICOM Single Market and Economy works to develop a cohesive framework for the coordination and management of CARICOM's negotiating resources. It also assists member States in preparing national positions, coordinates the

⁷ With respect to the free movement of goods, the Revised Treaty of Chaguaramas prohibits imposing export or import duties on other CARICOM members (but not customs service charges), quantitative restrictions on the importation of goods of CARICOM origin, and export subsidies or subsidies contingent upon the use of domestic over imported goods.

⁸ The chapters are One, Principles; Two, Institutional Arrangements; Three, Establishment, Services, Capital and Movement of Community Nationals; Four, Policies for Sectoral Development; Five, Trade Policy; Six, Transport Policy; Seven, Disadvantaged Countries, Regions and Sectors; Eight, Competition Policy and Consumer Protection; Nine, Disputes Settlement; and Ten General and Final Provisions.

⁹ Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago. The Bahamas is a full member of the Community but not of the CSME; Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, and the Turks and Caicos Islands are associate members.

formulation of unified strategies for the region, and undertakes and leads negotiations where appropriate.

2.23. The Conference of Heads of Government is CARICOM's highest decision-making body, while several ministerial councils deal with specific policy issues. The Council for Trade and Economic Development (COTED), composed of the trade ministers from all members, is responsible for the promotion of trade and economic development. COTED must approve any change in tariffs by a CARICOM member. 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 economic policy coordination and the monetary and financial integration of the members.

2.24. Under the Revised Treaty of Chaguaramas, member States may make use of safeguard measures in the event of serious balance of payments and external financial difficulties. The safeguard provisions allow for the adoption of restrictions on the rights to establishment, to provide services and to move capital, as well as permit the use of quantitative restrictions on imports. These restrictions must not discriminate among member States, must seek to minimize damage to any other member State, must not exceed those necessary to deal with the circumstances, and must be applied for no longer than 18 months. Barbados has not resorted to the use of CARICOM's safeguard provisions during the period under review.

2.25. The CCJ was established to ensure a single unified interpretation of the Revised Treaty of Chaguaramas, including the CSME. It has exclusive jurisdiction in contentious proceedings, and issues advisory opinions on the interpretation or application of the Treaty. The CCJ is also an appellate jurisdiction that considers and determines appeals in both civil and criminal matters from common law courts of member States. In the exercise of its appellate jurisdiction, the Court is a Superior Court in relation to national courts.

2.26. Several other regional institutions have allowed the deepening of trade-related integration. The CARICOM Regional Organisation for Standards and Quality (CROSQ) aims to harmonize and circulate regional standards. The Caribbean Agricultural Health and Food Safety Agency (CAHFSA) coordinates SPS measures in CARICOM. The Community Competition Commission, established in 2008, has the objective of promoting and protecting competition in the region. The CPSO represents the interest of private businesses.

2.27. Barbados is also a member of the Association of Caribbean States (ACS), a forum for economic and trade policy coordination at the regional level, comprising 25 Caribbean countries.

2.3.2.2 CARICOM bilateral agreements

2.28. CARICOM has reciprocal bilateral trade agreements with Colombia, Costa Rica, Cuba, and the Dominican Republic.

2.3.2.2.1 CARICOM-Colombia

2.29. The CARICOM-Colombia Agreement was signed in 1994 and amended in 1997. Colombia initially granted unilateral preferential access to its market for four years to a select group of products originating in CARICOM. After the four-year period, the preferential trade scheme became reciprocal for CARICOM MDCs. The agreement also provides for the phasing out of any non-tariff barriers and has its own rules of origin. The use of safeguard and anti-dumping measures is permitted.

2.3.2.2.2 CARICOM-Costa Rica

2.30. The Free Trade Area Agreement with Costa Rica was signed in 2003 and ratified in 2006. The Agreement is reciprocal with respect to CARICOM's MDCs. Tariffs on 95% of products have been phased out, while 3.9% of lines are excluded from any reduction. Duty continues to apply for CARICOM on meat, dairy products, fruit and vegetables, and a few manufactured goods, such as furniture, some paints, bottles, and candles. Imports of a number of agricultural products are subject to seasonal MFN duties, but are duty-free for the rest of the year. A system of rules of origin was established for this Agreement.

2.3.2.2.3 CARICOM-Cuba

2.31. The CARICOM-Cuba Trade and Economic Cooperation Agreement entered into force for Barbados in 2006. The Agreement provides for duty-free access of a limited list of specified goods. The concessions on the CARICOM side are limited to MDCs. Preferential market access for certain agricultural products is dealt with on a seasonal and specific basis.

2.3.2.2.4 CARICOM-Dominican Republic

2.32. The CARICOM-Dominican Republic Free Trade Agreement entered into force in 1999. The Agreement allows for duty-free access for a number of products. The exchange of concessions is between CARICOM MDCs and the Dominican Republic; CARICOM less-developed countries did not grant any concessions.

2.33. Barbados, as an MDC in CARICOM, provides duty-free access for products originating in the Dominican Republic other than various sensitive or excluded goods.¹⁰ Barbados under the FTA completed tariff reductions in 2008. Attachment III to the Protocol contains the rules of origin for the Agreement. In addition to trade in goods, the Agreement deals with services, investment, and government procurement.

2.34. A Joint Council meeting once a year was established under the Agreement, with representatives of both CARICOM and the Dominican Republic. The two parties have also established a CARICOM–Dominican Republic Business Forum to analyse trade and investment opportunities, exchange business information, and organize business engagements with the aim of encouraging the private sectors of the two parties to participate in the FTA. Under the Agreement, CARICOM and the Dominican Republic have set procedures for settling disputes emerging from trade under the FTA.

2.3.2.3 CARIFORUM-EU Economic Partnership Agreement (EPA)

2.35. The EPA between CARIFORUM¹¹ and the European Union was signed in Barbados in October 2008 and ratified on 27 July 2015. Between December 2008 and July 2015, the Agreement was applied provisionally. The Agreement seeks to liberalize trade and investment between 15 CARIFORUM States and the European Union on a reciprocal, but asymmetric basis. The EPA covers the areas of: (i) market access for both industrial and agricultural products; (ii) services and investment; (iii) trade-related issues (competition policy, environment, transparency in government procurement, innovation and intellectual property, social aspects, and personal data protection); and (iv) legal and institutional issues.

2.36. The Agreement essentially provides for free trade between the two sides in both goods and services, with CARIFORUM countries being allowed up to 25 years to liberalize their imports while the European Union provides duty-free, quota-free access for all CARIFORUM's exports from the first day of application. Certain transition rules, including quotas and minimum prices, applied for exports of rice and sugar to the European Union until September 2015. The Agreement also provides for development cooperation and financial and technical assistance.

2.37. CARIFORUM States committed to gradual reductions in their tariffs over a period of up to 25 years, until 2033. Exclusions and lengthier implementation periods apply to sensitive products, including poultry and other meat; dairy products; certain fruits and vegetables; fishery products; sauces; ice cream; syrup; beverages; ethanol; rum; vegetable oils; paints and varnishes; perfumes; cosmetics; soaps; shoe polish; glass or metal polishes; candles; disinfectants; furniture and parts; and some apparel, such as cotton pullovers/jerseys/cardigans. Most agricultural products have been either excluded from liberalization or subject to transition periods of 20 or 25 years. The authorities

¹⁰ Limited tariff reductions applied to 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 excluded from tariff reductions are mostly agricultural products.

¹¹ The Caribbean Forum (CARIFORUM) was established in 1992. Its membership comprises the 15 CARICOM States plus the Dominican Republic.

indicate that "due to a number of prolonged exogenous shocks", Barbados has been unable to implement the full range of the tariff reductions.

2.38. The EPA has led to the establishment of six joint CARIFORUM-EU institutions: (i) the Joint Council composed of the CARIFORUM Ministers, the EU Trade Commissioner, and European High Representatives and tasked with providing political direction and reviewing the main EPA implementation issues; the Council meets at least every two years; (ii) the Trade and Development Committee (T&DC), responsible for reviewing EPA implementation in detail; it meets at least once a year; (iii) the Parliamentary Committee, composed of Caribbean MPs, and Members of the European Parliament (MEPs); its meetings are convened *ad hoc*; (iv) the Consultative Committee, composed of business and civil society representatives; (v) the Special Committee on Customs Cooperation and Trade Facilitation, composed of customs and trade officials, and responsible for reviewing technical issues concerning customs and trade facilitation; and (vi) the Special Committee on Agriculture.

2.39. The EPA guarantees CARIFORUM countries MFN treatment in trade in goods with respect to preferences granted by the European Union to other countries. Any concession granted by the European Union to another trading partner through an FTA that goes beyond the CARIFORUM-EU EPA will immediately be extended to CARIFORUM States. The same applies with respect to the improvement or relaxation of rules of origin. CARIFORUM must provide MFN treatment to EU products only in case of an FTA signed with a major economy. In this respect, the European Union and CARIFORUM States must enter into consultations where any signatory CARIFORUM State enters into an FTA with a major trading economy that offers wider concessions than the EPA.

2.40. Within Barbados' Government, an EPA Implementation Unit analyses the impact of the Agreement, informs about EPA-related benefits and opportunities, and identifies EPA-related needs and possible sources of development assistance.

2.3.2.4 CARIFORUM-UK EPA

2.41. The CARIFORUM States and the United Kingdom concluded a free trade agreement in 2019, which was notified to the WTO in December 2020 and entered into force on 1 January 2021.¹² The CARIFORUM-UK EPA covers trade in goods, including rules of origin, preferential tariffs, and quotas, as well as investment and trade in services. It also contains provisions on current payments and capital movements, competition, innovation and intellectual property, public procurement, environment and social aspects, and development cooperation as well as dispute settlement and institutional provisions. The authorities indicate that the Agreement is essentially a rollover of the EPA with the European Union and its recent updates.

2.3.3 Non-reciprocal arrangements

2.42. Barbados benefits from the United States' Caribbean Basin Initiative (CBI), Canada's CARIBCAN, and the CARICOM-Venezuela Agreement, all of which are non-reciprocal.

2.43. Under the CBI, in effect since 1984, Barbados is eligible for duty-free access to the US market, subject to rules of origin. In October 2020, the United States extended preferential treatment under the CBTPA until September 2030.

2.44. In 2009, 2014, and, most recently, 2019, the United States requested, and was granted, a five-year extension of the WTO waiver for its Caribbean Basin Economic Recovery Act (CBERA).¹³ This waiver allows the United States to provide duty-free treatment for eligible products of Caribbean countries without having to extend the same treatment to like products of any other WTO Member.

2.45. Exports originating in Barbados are granted duty-free treatment by Canada under CARIBCAN, implemented in 1986. Eligible products exclude textiles, clothing, footwear, luggage and other leather goods, lubricating oils, and methanol. To qualify for duty-free access, 60% of the ex-factory price of eligible products must originate in a beneficiary country or in Canada. CARIBCAN was set to expire in 2011, but since negotiations between Canada and CARICOM towards an FTA were ongoing,

¹² WTO documents WT/REG420/N/1, 7 January 2021; and WT/REG420/N/1/Add.1, 5 May 2021.

¹³ WTO documents G/C/W/765, 27 June 2019; and WT/GC/M/180, 3 December 2019.

extensions were requested by Canada in 2011 and 2015 for the waiver of its obligations under paragraph 1 of Article I of the GATT, allowing it to extend duty-free treatment to imports from Commonwealth Caribbean countries until 31 December 2023.¹⁴ As at October 2021, no agreement has been reached on a reciprocal Canada-CARICOM Trade Agreement.

2.46. The Bolivarian Republic of Venezuela, through the CARICOM-Venezuela Agreement on Trade and Investment signed in October 1992, grants duty-free access or phased tariff reductions to various CARICOM export products. The Agreement also seeks to promote investment and facilitate joint ventures between the two parties. The Agreement has a limited scope: certified annual exports under the Agreement did not exceed USD 55,000 in 2020 and 2021.

2.47. Barbados' products are also eligible for the Generalized System of Preferences (GSP) schemes of Australia, New Zealand, and the Russian Federation.

2.4 Investment Regime

2.48. Barbados' overall policy is to attract foreign investment by offering a favourable business environment. In general, foreign investors are granted national treatment, with few exceptions mentioned in sector-specific legislation. These include telecommunications services, tour operators, and travel guides.

2.49. The establishment of companies in Barbados is regulated by the Companies Act 1982. The Companies Regulations 1984 establish registration fees for companies formed under the Act. Companies may choose to be established as public companies or private companies, comprising sole traders, partnerships, companies, or societies with restricted liability. The Franchise (Registration and Control) Act of 1991 provides for the licensing, registration, and control of businesses wishing to operate a franchise in Barbados.

2.50. Barbados does not have specific legislation with respect to foreign investment. No specific legal references are made with respect to any foreign investment restrictions, except those made in the context of the CARIFORUM-EU EPA and the CARICOM-UK EPA. Similarly, and despite liberal market access and establishment conditions in practice, there is no specific piece of legislation explicitly guaranteeing market access or national treatment to foreign investors, except for CARICOM nationals and companies, and the commitments made to the European Union and the United Kingdom under the EPAs. These guarantees, as well as MFN and national treatment commitments, are, however, specified in the different bilateral investment treaties signed by Barbados.

2.51. The responsibility for the formulation of investment policy lies with the Ministry of Industry, Innovation, Science and Technology. Invest Barbados is responsible for attracting international investment; it is also in charge of helping to develop and manage the Barbados international business brand. The state-owned Barbados Investment Development Corporation (BIDC) is responsible for analysing the impact of incentives and for operating Barbados' 10 industrial parks.

2.52. The BIDC and Invest Barbados also provide advisory services to companies looking to establish businesses in Barbados. Barbados Tourism Investment Incorporated (BTI) also participates in policy formulation. The Corporate Affairs and Intellectual Property Office (CAIPO) is responsible for the registration of businesses.

2.53. Registration is mandatory for both domestic and external (foreign) companies. A BBD 30 name reservation fee and an incorporation fee of BBD 750 is payable on registration with the CAIPO. External companies pay an incorporation fee of BBD 3,000. Barbadian companies must have a registered office. There are no minimum capital requirements.

2.54. In accordance with the Companies Act, all external companies – that is, companies originally established under the laws of another country – must also be registered in Barbados to do business there. There are different categories of companies that conduct "international" business and require

¹⁴ WTO documents G/C/W/657, 27 October 2011; and WT/L/958, 30 July 2015.

specific licences. International business companies (IBCs) are the most widely used modality of incorporation for offshore operations.

2.55. Barbados imposes corporation tax on all companies incorporated or registered in Barbados. Resident companies are taxed on their worldwide income. Non-resident companies are taxed only on income derived from Barbados. The corporate tax rate is between 1% and 5.5%, depending on revenue levels, except where certain entities benefit from special incentives. Branches pay an additional 5% 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. There is a 15% withholding tax for dividends distributed to individuals who are residents, but 0% for corporations. Barbados does not levy capital gains tax. A fee of 2%, capped at BBD 100 is charged on all foreign exchange transactions.

2.56. Barbados generally allows 100% foreign ownership. However, a few restrictions on foreign investment are in place. Water and postal services are government monopolies. Tour operators and travel agencies must be owned by CARICOM nationals. Private investment in broadcasting, banking, and insurance is subject to prior government approval in the form of licences.

2.57. Both domestic and foreign investors may benefit from a number of incentives administered by the Ministry of Finance, Economic Affairs and Investment and the Ministry of Tourism and International Transport, in coordination with the BIDC (Section 3.4).

2.58. Investment transfers and capital remittances are regulated by the Central Bank of Barbados (CBB) under the Exchange Control Act, Cap. 71. Exchange control permission is required for a non-resident to hold shares in a resident company incorporated in Barbados, except in the case of entities holding a foreign currency permit.¹⁵ It is recommended that foreign or non-resident investors register with the CBB all funds brought into Barbados in order to facilitate repatriation of these funds. Foreign currency funds may generally be freely repatriated for most current and capital account transactions. If substantial capital gains have been realized on the disposal of foreign investment, permission is granted for remittance of the full amount. However, in the case of the remittance of substantial profits, it may be required that these outflows are phased over a period of time as determined by the CBB, which can be up to five years. This is to ensure an orderly market for foreign exchange activity given that foreign exchange flows are highly seasonal. There are no immediate plans to fully liberalize the capital and financial accounts. However, the CBB recently introduced the Forex Online web portal, which is consistent with making the application and approval of foreign exchange transactions as seamless and efficient as possible, while also permitting improved monitoring of this market.

2.59. Expropriation requires the authority of a written law and is subject to compensation. No expropriation took place during the period under review.

2.60. Acquisition of real estate by foreigners is generally allowed.

2.61. Bilateral investment treaties (BITs) with the United Kingdom, the Bolivarian Republic of Venezuela, Germany, Switzerland, Italy, Canada, Cuba, China, and Mauritius were in place as at June 2022. Barbados also concluded investment treaties with Ghana in 2008 and Belgium-Luxembourg in 2009, which, however, were still not ratified as at June 2022 (Table 2.2).

Table 2.2 BITs signed by Barbados, June 2022

Partner	Date of signature	Entry into force
United Kingdom	7 April 1993	April 1993
Venezuela, Bolivarian Rep. of	15 July 1994	31 October 1995
Germany	2 December 1994	11 May 2002
Switzerland	29 March 1995	26 June 1995
Italy	25 October 1995	21 July 1995
Cuba	19 February 1996	13 August 1998

¹⁵ According to Section 2 of the Foreign Currency Permits Act, 2018-44, a qualified person that may apply for a foreign currency permit includes a company, firm, or society with restricted liability that earns 100% of its income in foreign currency.

Partner	Date of signature	Entry into force
Canada	29 May 1996	17 January 1997
China	20 July 1998	1 October 1999
Mauritius	28 September 2004	28 June 2005
Ghana	22 April 2008	Awaiting ratification
Belgium–Luxembourg Economic Union	29 May 2009	Awaiting ratification

Source: Invest Barbados.

2.62. As per the Revised Treaty of Chaguaramas, Barbados has taxation agreements with the other CARICOM countries. In addition, Barbados has adopted tax agreements with Austria, the Kingdom of Bahrain, Botswana, Canada, China, Cuba, the Czech Republic, Finland, Ghana, Iceland, Luxembourg, Malta, Mauritius, Mexico, the Netherlands, Norway, Panama, Portugal, Qatar, San Marino, the Seychelles, Singapore, Spain, Switzerland, Sweden, the United Arab Emirates, the United Kingdom, the United States, and the Bolivarian Republic of Venezuela. Treaties with Rwanda and Slovakia have been concluded, but not yet ratified.

2.63. On Transparency International's Corruption Perception Index, Barbados ranked 29th out of 180 countries in 2021, one of the best scores in the Caribbean region. The 2021 Prevention of Corruption Act, repealing the 2012 Prevention of Corruption Act, provides for the prevention, investigation, and prosecution of acts of corruption. It also provides for the United Nations Convention Against Corruption to have the force of law in Barbados. Enforcement measures include fines up to BDS 1.5 million and imprisonment up to 15 years.

2.64. In the case of investment disputes, foreign and national investors receive the same protection. The Barbados Arbitration Act (1976) and the Foreign Arbitral Awards Act (1980) contain provisions for arbitration of investment disputes. Barbados is a member of the International Centre 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. Barbados is also a member of the Multilateral Investment Guarantee Agency.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1 Measures Directly Affecting Imports

3.1.1 Customs procedures, valuation, and requirements

3.1. The main law governing customs issues continues to be the Customs Act, Cap. 66. A Bill entitled "An Act to reform the law on customs and repeal the Customs Act, Cap. 66" (Customs Act, 2021) was passed by both Houses of Parliament, but has yet to be enacted. The new Act will modernize customs legislation to incorporate commitments under the Agreement on Trade Facilitation (TFA) and other trade facilitation measures; it will also help compliance with customs laws and regulations, as it has increased penalties for non-compliance.

3.2. Importers must register with the Computer Department of Barbados Customs & Excise Department (BCED) to receive an import number before proceeding with the importation of any items. No registration fees are charged. Upon registration, importers have access to information and forms on the BCED website.

3.3. The use of a customs broker is not mandatory, but recommended by the authorities as familiarity with ASYCUDA World is required. All imports must be accompanied by an Import Declaration form (Barbados Customs Goods Declaration Form C63), as well as by a number of documents, as required: a commercial invoice; a carrier's bill of lading or airway bill; a declaration of value form (C60) for goods valued over BBD 2,500; and a certificate of origin for goods from CARICOM and from countries with which it has bilateral agreements. Depending on the goods, an import licence and a health and sanitary certificate may also be required. In cases where BCED requests goods to be physically examined, a packing list may be required. There is no requirement for pre-shipment inspection. A documentary fee of BBD 10 for each consignment applies.

3.4. Various initiatives to modernize the customs administration have been undertaken since the last Review. This includes the initiation of a trusted trader programme, the transition to ASYCUDA World in September 2019, and measures to strengthen verifications and audit processes. As part of the BERT Plan, BCED implemented the Trusted Trader Programme (TTP) in March 2020 with the goal of making cargo clearances quicker and easier without compromising revenue collection while promoting trade facilitation. Provisions to authorize this trade facilitation measure were included in the 2021 Customs Act. Twenty-three companies were selected to be part of the pilot TTP. All companies were required to have a risk assessment conducted by the Risk Management Unit (RMU) and a comprehensive compliance verification audit conducted by the Post Clearance Audit Unit (PCAU) of BCED. According to the authorities, the benefits of the TTP include: (i) significantly reduced customs intervention (inspection, documentary checks); (ii) a higher rate of green lane treatment for import and export shipments; (iii) allowing for the pre-release of consignments with checks performed only based on specific intelligence; (iv) faster customs processing of cargo resulting in better time release; (v) no requirement for submission of hard copy of supporting documents; (vi) reduced penalties for voluntary disclosure of errors and discrepancies; and (vii) the provision of prompt client assistance.

3.5. To qualify for the TTP, importers must have a satisfactory record according to BCED requirements and must allow BCED full access to records and systems when required; commit to retain originals of supporting documents for a period of seven years; implement adequate information technology security measures; demonstrate the effective management of all risks and proven current financial solvency; possess or implement an acceptable security screening system for employees and job applicants; comply fully with customs laws and regulations; and have a track record of compliance with BCED and other tax requirements for at least three years. Importers must also align company import accounting processes to BCED requirements. Final approval for participation in the BCED TTP is obtained when all requirements have been met. The entity will then be requested to sign a letter that is an agreement between BCED and the importer. After a trader has been issued a TTP authorization and begins to operate within the TTP environment, periodic monitoring may be conducted by BCED. Traders who do not comply with the requirements of the TTP may be subject to penalties under the BCED Administrative Penalty System.

3.6. A risk assessment system consisting of four channels is in place. The red channel provides for physical and documentary inspection, the yellow channel for documentary inspection only, and the

green channel for immediate clearance. The blue channel provides for post-import audit of documents. The authorities indicate that about 75% of consignments pass through the green channel.

3.7. On 31 January 2018, Barbados ratified the TFA. It had notified its Category A commitments on 2 July 2015, and its Category B and C commitments on 27 February 2019.¹ On 5 January 2021, Barbados notified its measures on customs brokers and its contact point for the exchange of information.² As at June 2022, Barbados had implemented 44.5% of its commitments under the Agreement. At that time, the authorities indicated that a new Customs Act was under preparation that would incorporate Barbados' commitments under the TFA.

3.8. In October 2021, the Government and UNCTAD signed a project agreement to implement a National Electronic Single Window. The project aims to reform Barbados' regulatory trading regime by transitioning 28 government agencies to an electronic and paperless processing environment, while satisfying all cross-border and regulatory requirements for trade.

3.9. The Second Schedule to the Customs Act, Cap. 66, contains the rules for determining customs value, which follow the sequence laid out in the Customs Valuation Agreement (CVA). The use of minimum values is prohibited under Barbados' laws. In the course of the current review, the authorities reiterated that, in practice, the transaction value is used on average for the vast majority of imports. Although there are no official statistics reporting the different valuation methods used, the authorities indicated that the transaction value is now used in 100% of the cases. Since 2019, no more exceptions to imports of used vehicles apply. If the transaction value cannot be accepted, the customs value is determined in accordance with the methods set out in the CVA.

3.10. To counter under-invoicing, the value of certain products is routinely verified on importation. These products include used motor vehicles, motor vehicle parts, and marine and sea craft. In these cases, prior to the determination of value, Customs may resort to documentary checks, requests for additional information, and the physical examination of goods. The authorities' main valuation concerns involve used vehicles.

3.11. As at June 2022, Barbados had not submitted replies to the checklist of issues on the implementation and administration of the CVA.

3.12. Customs decisions may be subjected to an administrative review by Customs via a prior request to the Comptroller of Customs by the interested party. Complaints may also be brought directly to the appropriate court, including the Administration Appeal Tribunal and the High Court. Decisions of the High Court may be appealed to the Court of Appeal. The authorities indicate that there was no court case during the review period, and that the new Customs Act would provide for appeal procedures.

3.1.2 Rules of origin

3.13. Barbados does not have non-preferential rules of origin; it maintains preferential rules of origin for CARICOM-origin imports. In general, and in accordance with these rules, goods are deemed to have CARICOM origin if they have been: (i) completely produced within CARICOM; or (ii) produced within CARICOM wholly or partly from materials imported from third countries, or from materials from undetermined origin, provided a substantial transformation has taken place within CARICOM. Substantial transformation may be achieved by change of tariff heading, or by complying with the requirements defined specifically for each tariff heading in Part A of the list in Schedule I of the CARICOM Treaty. Furthermore, under a "safeguard" mechanism, a manufacturer may use materials from outside the region when they are not available in a CARICOM State. The Council for Trade and Economic Development (COTED) may provide a waiver to authorize such imports. Additionally, a certificate of origin from the exporting country is required with verification taking place at the importing end. Barbados and other CARICOM member States were expected to implement the rules of origin contained in the Amended Schedule I of the Revised Treaty of Chaguaramas, based on HS12, as of 1 January 2014. Presently they apply rules based on the HS07 nomenclature.

¹ WTO documents WT/PCTF/N/BRB/1, 2 July 2015; G/TFA/N/BRB/1, 27 February 2018; and G/TFA/N/BRB/1/Add.1, 22 August 2019.

² WTO document G/TFA/N/BRB/2, 5 January 2021.

3.14. Rules of origin provisions are also contained in CARICOM's preferential schemes with third countries; these have remained unchanged since the last Review (Table 3.1). In most of these agreements, while goods must generally be shipped directly between parties, transit through third countries is permitted under certain conditions. There are also provisions regarding accumulation.

Table 3.1 Rules of origin applied by Barbados and other CARICOM countries

Agreement	Rules
CARICOM	<p>Wholly produced: A range of meat products; fish; vegetables (frozen, preserved or dried); fruits (frozen, preserved, or dried) and nuts; products of milling industry; oil seeds; vegetables materials; cocoa beans; sugar; molasses</p> <p>Produced from regional materials: A range of oils; animal products; sugar confectionery; vegetable, fruit, and nut preparations; mineral waters; liqueurs and other spirituous beverages; vinegar; wood, wood products, and carpentry work; wicker work; ceramic products; articles of cement; articles of plaster; steel products</p> <p>Produced by chemical transformation: A range of chemical products included in HS Chapters 28-39</p> <p>Non-regional material content must not exceed 10% of the export price of the finished product: A range of plastics products</p> <p>Produced from materials not included in HS 43.03 and not being fur skins assembled in plates, crosses or similar forms: Articles of apparel, clothing, accessories, and other articles of fur skin (HS 43.03)</p> <p>Value of extra-regional materials must not exceed 30% of the export price of the finished product: Dyed or printed fabrics</p> <p>Value of extra-regional materials must not exceed 50% of the export price of the finished product: Paper products; a range of products included in HS Chapters 73-96: copper, nickel, and aluminium and articles thereof; lead, tin, and zinc and articles thereof; other base metals; miscellaneous articles of base metal; tools; machinery and mechanical appliances; boilers; electrical machinery and parts; railway or tramway locomotives and parts thereof; vehicles other than railway and tramway locomotives and parts thereof; aircraft and parts thereof; ships and boats and floating structures; optical, photographic, cinematographic, measuring, checking, medical or surgical instruments and apparatus and parts and accessories; clocks and watches; musical instruments; furniture; jewellery; arms and ammunition; toys; miscellaneous articles</p>
CARICOM-Colombia	<p>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.</p>
CARICOM-Cuba	<p>Rules of origin on imports into Barbados (as a CARICOM MDC) from Cuba only apply to the specific goods listed in Annexes II and 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 that incorporate parts from third countries must undergo a change in tariff classification or the value of materials used from third countries must not exceed 50% of the f.o.b. price of the goods.</p>
CARICOM-Dominican Republic	<p>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 that 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 fertilizers, 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.</p>

Agreement	Rules
CARICOM-Costa Rica	<p>Rules of origin are spelled out in Chapter IV of the Agreement. Specific rules of origin are spelled out in Annex IV.03.</p> <p>A good is considered to be an originating good if the value of all non-originating materials used in the production of the good that do not undergo an applicable change in tariff classification set out in Annex IV.03 does not exceed 7% of the transaction value of the good adjusted on an f.o.b. basis.</p> <p>Except as specified in a product-specific rule of origin of Annex IV.03, the previous definition does not apply to a non-originating material used in the production of a good included in HS Chapters 1-24, unless the non-originating material is provided for in a different subheading from the good for which origin is being determined.</p> <p>A good provided in HS Chapters 50-63, which is a non-originating good because certain fibres or yarns used in the production of the component of the good that determines the tariff classification of the good do not undergo an applicable change in tariff classification set out in Annex IV.03, shall nonetheless be considered an originating good if the total weight of all such fibres or yarns in that material does not exceed 10% of the total weight of that material.</p> <p>Accumulation is permitted provided all non-originating materials used in the production of the good undergo an applicable tariff classification change.</p>
CARIFORUM-EU EPA	<p>Rules of origin are spelled out in Article 10 and Protocol I of the Agreement.</p> <p>Goods must either be wholly obtained or produced or sufficiently worked or processed in the territories of the parties. Accumulation among parties applies. Working and processing in other ACP States and neighbouring developing countries is, in principle, allowed. In general, goods are considered to be sufficiently worked or processed if the total value of non-originating inputs does not exceed 15% of the <i>ex works</i> price of the product. A list of operations that is considered as insufficient working or processing is provided.</p>
CARIFORUM-UK EPA	Same as CARICOM-EU EPA

Source: Information provided by the authorities; and OAS, *Trade Agreements*. Viewed at: http://www.sice.oas.org/agreements_e.asp.

3.15. Rules of origin in the EPA with the European Union are based on the Cotonou Agreement's Protocol on rules of origin, with some major amendments, including specific provisions regarding sugar, rice, and high-sugar-content products; amended provisions on accumulation with neighbouring countries; and the addition of Mexico to the list of countries that can benefit from accumulation. The Agreement calls for the review and further simplification of the Protocol on the Rules of Origin within five years of implementation of the EPA.

3.16. Rules of origin in the agreement with the United Kingdom are modelled after the EPA with the European Union.

3.1.3 Tariffs

3.1.3.1 Applied MFN tariffs

3.17. Barbados applies the CARICOM common external tariff (CET) with exceptions contained in Lists A and C. In accordance with the CET, there is a general tariff ceiling of 20% for non-exempt industrial goods and 40% for non-exempt agricultural goods. Goods in List A are often imported at rates lower than the CET, while rates for goods in List C may be modified at the national level and the goods may be imported at higher rates than the CET. Additionally, countries may request a suspension of the CET from CARICOM's COTED.³ Barbados has scheduled a number of minimum duty rates in List C of the CET, which contains products for which MFN (extra-CARICOM) duties are higher than CET rates. Furthermore, 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%; these rates were still applied in 2022. In accordance with Barbados' 2022 MFN tariff, there were 199 tariff lines with applied rates of 60%, which related mainly to HS Sections 10, 11, 14, and 20.⁴

³ A suspension of the CET may be requested from CARICOM's COTED in the following cases: (i) when there is no production of the good in the region; (ii) when the production of the good in the region is insufficient to satisfy regional demand; and (iii) when the quality of the domestically produced good is below the standard approved in the region for that product.

⁴ The main products in question were wheat; wheat flour; margarine; lard; sugar confectionery; biscuits; bread; pastry and cakes; potato, tortilla, and corn chips; cement; painters' fillings; glaziers' putty; aerosol insecticides; prepared additives for cements, mortars, or concretes; non-degradable plastic bags; satchels; shopping and travelling bags and knapsacks; wrapping paper; cards; boxes; note books; labels;

Consequently, Barbados' average applied tariff is higher than those applied by some other CARICOM countries.

3.18. In Barbados' tariff schedule, 99.2% of tariff rates are *ad valorem*; specific rates are applied on 59 lines, which correspond mostly to alcoholic beverages. *Ad valorem* equivalents of non-*ad valorem* rates were not provided by the authorities for this review. Barbados does not maintain any tariff quotas. *Ad valorem* tariffs are applied on the c.i.f. value of the goods.

3.19. Barbados' 2022 tariff schedule is based on HS17. The tariff, as applied in 2022, comprised 7,055 tariff lines at the 11-digit level (Tables 3.2 and 3.3). The simple average MFN tariff in 2022 was 16.8%, higher than in 2014 when it was 15.9%. The difference is mostly explained by the change of HS nomenclature (from 2007 to 2017), which increased the number of tariff lines by 8.4% (there are 548 more tariff lines in the 2022 tariff than in 2014). Only 5.7% of tariff lines are duty-free (Chart 3.1). The average MFN tariff for agricultural products (WTO definition) is 35.0% in 2022, slightly higher than the 33.9% reported in the previous review, while for non-agricultural products, the average applied MFN tariff was 12.8%, above the 12.3% reported for 2014 in the previous Review. Peak tariffs have remained in place compared to the situation in 2014: tariff rates continue to range from zero to 216% for agricultural products, and from zero to 145% for non-agricultural products.

Table 3.2 Structure of the tariff schedule in Barbados, 2014-22

	2014	2022
Total number of tariff lines	6,507	7,055
Non- <i>ad valorem</i> tariffs (% of all tariff lines)	0.7	0.8
Non- <i>ad valorem</i> with no AVEs (% of all tariff lines)	0.7	0.8
Lines subject to tariff quotas (% of all tariff lines)	0.0	0.0
Duty-free tariff lines (% of all tariff lines)	5.4	5.7
Dutiable lines tariff average rate (%)	16.8	17.8
Simple average tariff (%)	15.9	16.8
WTO agriculture	33.9	35.0
WTO non-agriculture (incl. petroleum)	12.3	12.8
Domestic tariff "peaks" (% of all tariff lines) ^a	6.5	5.6
International tariff "peaks" (% of all tariff lines) ^b	29.7	31.4
Overall standard deviation	24.8	25.4
Bound tariff lines (% of all tariff lines)	97.1	95.4

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.

Table 3.3 Summary analysis of Barbados' MFN tariff, 2022

Description	MFN					Bound range (%)
	No. of lines	Average (%)	Range (%)	Coefficient of variation (CV)	Bound average (%)	
Total	7,055	16.8	0 - 216	1.5	85.6	70 - 247
HS 01-24	1,532	37.0	0 - 216	1.2	111.3	100 - 223
HS 25-97	5,523	11.3	0 - 117	1.2	80.0	70 - 247
By WTO category						
WTO agriculture	1,280	35.0	0 - 216	1.3	110.9	85 - 223
- Animals and products thereof	189	60.9	0 - 184	1.1	134.7	100 - 184
- Dairy products	26	48.8	0 - 141	1.3	115.8	100 - 141
- Fruit, vegetables and plants	357	37.5	0 - 216	1.2	108.0	100 - 223
- Coffee and tea	29	17.4	5 - 40	0.8	100.0	100 - 100
- Cereals and preparations	147	20.1	0 - 135	1.1	100.5	100 - 135
- Oil seeds, fats and oils and their Products	108	19.3	0 - 158	1.4	130.4	100 - 158
- Sugars and confectionery	25	30.6	5 - 141	0.9	107.0	100 - 122
- Beverages, spirits and tobacco	228	49.2	5 - 141	0.9	102.6	100 - 141
- Cotton	6	5.0	5 - 5	0.0	100.0	100 - 100

machine rolls, brochures, and calendars; a group of clothing products, including suits, trousers, shirts, blouses, vests, bathrobes, dressing gowns, and nightdresses; clay tiles, jewellery; doors and windows and their frames; barbed wire; solar water heaters; lead-acid, lead-acid accumulators; upholstered seats; wooden furniture; mattress supports; and brooms and brushes.

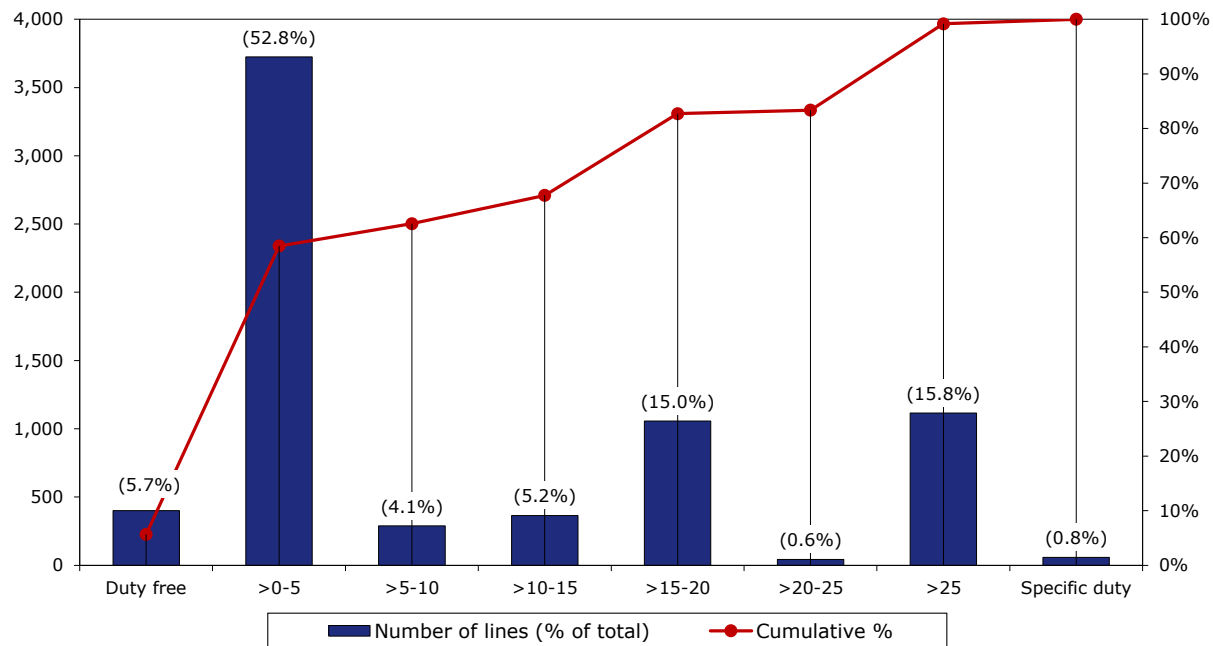
Description	MFN					Bound range (%)
	No. of lines	Average (%)	Range (%)	Coefficient of variation (CV)	Bound average (%)	
- Other agricultural products n.e.s.	165	10.1	0 - 40	1.2	99.7	85 - 158
WTO non-agriculture (incl. petroleum)	5,775	12.8	0 - 145	1.2	79.7	70 - 247
- WTO non-agriculture (excl. petroleum)	5,741	12.9	0 - 145	1.2	79.2	70 - 247
- - Fish and fishery products	330	37.1	0 - 145	0.8	100.0	100 - 100
- - Minerals and metals	1,107	9.5	0 - 60	1.2	73.1	70 - 158
- - Chemicals and photographic supplies	1,121	7.4	0 - 60	0.9	70.5	70 - 122
- - Wood, pulp, paper and furniture	370	12.5	0 - 60	1.0	70.0	70 - 70
- - Textiles	638	7.9	0 - 60	0.9	70.0	70 - 70
- - Clothing	293	36.1	5 - 117	0.6	70.3	70 - 117
- - Leather, rubber, footwear and travel goods	176	11.1	0 - 60	0.9	73.2	70 - 127
- - Non-electric machinery	601	6.5	0 - 60	0.9	73.4	70 - 117
- - Electric machinery	267	10.8	0 - 60	0.9	76.3	70 - 152
- - Transport equipment	360	17.5	0 - 45	1.0	174.8	70 - 247
- - Non-agriculture articles n.e.s.	478	15.7	0 - 70	0.9	77.9	70 - 162
- Petroleum	34	7.4	0 - 25	0.8	152.8	70 - 158
By ISIC sector^a						
Agriculture and fisheries	561	31.4	0 - 216	1.2	105.5	70 - 223
Mining	106	7.8	0 - 50	1.4	73.5	70 - 132
Manufacturing	6,387	15.6	0 - 184	1.5	84.4	70 - 247
By HS section						
01 Live animals & prod.	512	41.8	0 - 184	1.1	122.2	100 - 184
02 Vegetable products	461	29.3	0 - 216	1.3	105.4	100 - 223
03 Fats & oils	54	33.1	5 - 158	0.9	158.0	158 - 158
04 Prepared food etc.	505	39.8	0 - 184	1.2	106.9	100 - 184
05 Minerals	193	8.3	0 - 60	1.2	88.2	70 - 158
06 Chemical & prod.	1,048	7.0	0 - 60	0.9	72.0	70 - 158
07 Plastics & rubber	243	9.3	0 - 60	0.8	72.6	70 - 127
08 Hides & skins	84	14.4	5 - 60	1.1	73.6	70 - 100
09 Wood & articles	156	11.0	0 - 20	0.5	70.0	70 - 70
10 Pulp, paper etc.	173	10.0	0 - 60	1.3	70.0	70 - 70
11 Textile & articles	918	16.3	0 - 117	1.1	71.0	70 - 117
12 Footwear, headgear	59	16.3	0 - 20	0.4	70.0	70 - 70
13 Articles of stone	181	11.0	0 - 60	0.8	71.2	70 - 112
14 Precious stones, etc.	62	29.9	0 - 60	0.8	105.9	70 - 152
15 Base metals & prod.	710	7.9	0 - 60	1.0	70.3	70 - 117
16 Machinery	883	8.0	0 - 60	1.0	75.1	70 - 152
17 Transport equipment	371	17.2	0 - 45	1.0	171.6	70 - 247
18 Precision equipment	226	13.5	0 - 60	1.1	78.5	70 - 132
19 Arms and ammunition	22	37.5	0 - 70	0.7	116.0	70 - 162
20 Miscellaneous manufactures	186	19.1	0 - 60	0.8	70.3	70 - 115
21 Works of art, etc.	8	20.0	20 - 20	0.0	70.0	70 - 70
By stage of processing						
First stage of processing	1,005	26.7	0 - 216	1.3	95.9	70 - 223
Semi-processed products	1,995	6.7	0 - 60	1.0	71.6	70 - 158
Fully-processed products	4,055	19.3	0 - 184	1.4	90.4	70 - 247

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

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

3.20. Barbados' overall tariff levels remain relatively high. Although they are a source of revenue, high average tariffs may result in a weakening of productivity growth and contribute to a higher cost of living. They may also hinder an efficient resource allocation and the integration of Barbados into global value chains. It is unclear, however, to extent to which the use of tariff concessions (subsection below) reduces these effects.

3.21. Import duties collected in FY2021/22 totalled BBD 221 million, or some 2.2% of GDP, or some 6.5% of the value of imports. This is well below the 16.8% average applied rate, and reflects both trade with preferential partners and, especially, the wide scope of tariff concessions granted by Barbados. As economic activity recovered, collection in FY2021/22 was higher than in FY2020/21 (BBD 192 million), but lower than in FY2019/2020 (BBD 232 million).

Chart 3.1 Frequency distribution of MFN tariff rates, 2022(Number of tariff lines^a)

a The total number of lines is 7,065.

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

3.1.3.2 Tariff bindings

3.22. Barbados bound all of its tariffs in the Uruguay Round, with the exception of fish and fish products, so some 95.4% of lines are bound. Most agricultural products (WTO definition) are bound at final rates of at least 100%, with other duties and charges bound at 70%; some 40 items have been bound at rates ranging between 110% and 233%, with other duties and charges bound at rates of over 170%. In the case of non-agricultural products, tariffs have been generally bound at rates of at least 70%, with other duties and charges bound at 200%; certain items were bound at higher rates, including petroleum products, soap and detergents, fireworks, film, tyres, precious stones, and motor vehicles. Tariffs on motor vehicles were bound at 247%, with other duties and charges bound at 346%. Given the high level of Barbados' bindings, there is a huge gap between bound and applied rates, with the average bound rate (87%) being more than five times higher than the average applied rate.

3.23. Although most applied tariffs are within their bound rates, the Secretariat found that applied rates exceeded bound rates for 17 tariff lines, in 2022 (Table 3.4).

Table 3.4 Tariff lines where MFN applied rates exceed consolidated rates, 2022

MFN HS code	Bound HS code	MFN description	MFN rate	Bound rate
0207.27.10.100	0207.27.10	Wings	110	100
0210.99.10.100	0210.99.00	Of turkey, cured or smoked	184	100
0210.99.10.200	0210.99.00	Of the species <i>Gallus domesticus</i> , cured or smoked	184	100
0708.90.10.000	0708.90.00	Pigeon peas (<i>Cajanus cajan</i>)	109	100
1704.90.10.000	1704.90.00	Guava cheese	141	100
2009.12.20.100	2009.12.00	Other, in packages put up for retail sale, not concentrated, unsweetened	141	100
2009.12.30.100	2009.12.00	Other, not concentrated, unsweetened	141	100
2009.12.30.200	2009.12.00	Other, not concentrated, sweetened	141	100
2009.19.20.200	2009.19.00	Other, in packages put up for retail sale, sweetened	141	100
2009.19.90.100	2009.19.00	Not in packages put up for retail sale, unsweetened	141	100

MFN HS code	Bound HS code	MFN description	MFN rate	Bound rate
2009.19.90.200	2009.19.00	Not in packages put up for retail sale, sweetened	141	100
2009.31.12.100	2009.31.00	Other, in packages put up for retail sale, concentrated, unsweetened	125	100
2009.31.12.200	2009.31.00	Other, in packages put up for retail sale, concentrated, sweetened	125	100
2009.31.13.100	2009.31.00	Other, in packages put up for retail sale, not concentrated, unsweetened	125	100
2009.31.13.200	2009.31.00	Other, in packages put up for retail sale, not concentrated, sweetened	125	100
2009.31.19.100	2009.31.00	Not in packages put up for retail sale, unsweetened	125	100
2009.31.19.200	2009.31.00	Not in packages put up for retail sale, sweetened	125	100

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

3.1.3.3 Preferential tariffs

3.24. All imports from other CARICOM countries enjoy duty-free treatment.

3.25. As a more developed country within CARICOM, Barbados is expected to grant tariff preferences to countries with which CARICOM has preferential trade agreements (Colombia, Costa Rica, Cuba, Dominican Republic, and the Bolivarian Republic of Venezuela).

3.26. Barbados grants preferential tariffs to imports from the European Union and the United Kingdom.

3.27. The information on preferential tariffs that was made available to the Secretariat did not allow for the calculation of tariff averages and preferential margins.

3.1.3.4 Concessions and exemptions

3.28. Barbados reportedly offers a wide range of tariff and tax concessions to importers. Companies must register with the Approved Undertakings Division of Customs to benefit from concessions.

3.29. Agricultural companies may benefit from import duty concessions under the Agricultural Incentives Programme. Under the Programme, the following items can be imported duty-free: planting material, machinery and equipment, agricultural chemicals, veterinary medicaments, hand tools, irrigation machinery and equipment, organic farming, and some types of vehicles (under certain conditions), as well as special inputs.

3.30. Tourism activities can also benefit from exemptions from import duties and VAT. The Tourism Development Act and the Tourism Development Order 2013 provide for customs duty exemptions for the import of building materials and a range of furniture and fixtures. The Act also allows hotels with a restaurant on the premises to enjoy duty-free importation of stores of food and beverages. The authorities indicate that in some cases the concessions may also apply to VAT. No information on the procedures for obtaining and granting tariff concessions was made available to the Secretariat.

3.31. According to information provided by the authorities to the Secretariat, revenue forgone due to concessions is relatively high. Concessions on non-agricultural goods appear to be particularly high, with a strong impact on both the protection and income effects of the tariff. This would partly explain the large gap between the average applied tariff, and tariffs collected as a share of imports.

3.1.4 Other charges affecting imports

3.32. Barbados applies a VAT on the supply of goods and services by taxable persons in Barbados and on the importation of goods. Companies must register with the Barbados Revenue Authority. The threshold for VAT registration is an annual turnover of BBD 200,000, but voluntary registration

is permitted for persons with lower turnover. On imports, VAT applies on the c.i.f. value of goods plus the tariff.

3.33. VAT is applied at four different rates: 22%, 17.5%, 10%, and 0% (Table 3.5). The rate of 22% applies on mobile services of voice, data, and text messaging. The standard rate of 17.5% applies on all goods and services unless otherwise specified. The reduced rate of 10% (7.5% before January 2020) applies to holiday accommodation. The VAT rate of 0% is charged on supplies of exported goods. To qualify as zero-rated supplies, exports must be supported by evidence that confirms that the goods have left Barbados. Various medical, educational, transportation, and financial services are exempt from VAT.

Table 3.5 VAT rates, 2022

	Rate applied	Applied to
Special rate	22%	Mobile services of voice, data, and text messaging
Standard rate	17.5%	Most goods and services
Concessional rate	10%	Holiday or vacation accommodation
Zero rate ^a	0%	Exported goods and services; international freight transport services; supplies to international commercial ships and aircraft; livestock, poultry, bees, and fish used to produce food; prescribed goods for exclusive use by the fisheries enterprise in commercial fisheries; items under the Drugs Service Act; prescribed medical devices; crude oil; components of package tours except international travel; sugar cane sold by farmers to the Barbados Agricultural Management Company Ltd.; international cruises; electricity; telecommunications services; accounting services; legal services; rental of office space 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 sewage services by the Barbados Water Authority; various medical and educational services; supplies between trade unions; gaming and betting services; and others
Waivers	n.a.	Imports of building materials and equipment and supplies for the refurbishment of tourism establishments under the Special Development Areas Act (see Section 4)

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: Barbados Revenue Authority.

3.34. Excise taxes apply on five categories of goods: sweetened beverages, motor vehicles, spirituous beverages, tobacco products, and petroleum products. Most excisable goods are subject to the tax at a specific rate, with the exception of motor vehicles and sweetened beverages, which are subject to *ad valorem* rates.

3.35. Excises taxes are specific for all concerned goods with the exception of sweetened beverages, which is applied at a rate of 10%.

3.36. A fuel tax was introduced in July 2018. It is imposed on importations of gasoline and diesel at a rate of BBD 0.40 per litre and kerosene at a rate of BBD 0.50 per litre.

3.37. According to data from the Central Bank of Barbados (CBB), excise tax collected in 2021 totalled BBD 212 million (Section 1).

3.1.5 Import prohibitions, restrictions, and licensing

3.38. The list of prohibited and restricted items is included in the First Schedule to the Customs (List of Prohibited and Restricted Imports and Exports) Order, 2009. Import prohibitions apply to counterfeit coins, food unfit for human consumption, indecent or obscene articles, infected cattle, prepared opium, fictitious stamps, toy guns, fresh fruits and vegetables not accompanied by a

phytosanitary certificate, ozone-depleting substances (HS Ex 29.03), and goods banned by any other law of Barbados.

3.39. The import licensing regime is governed by the Miscellaneous Controls Act, Cap. 329, of 1985, the Miscellaneous Controls (General Open Import Licence) Regulations of 2014, and the Miscellaneous Controls (Importation and Exportation of Goods) (Prohibition) (Radioactive Materials) Regulations, 2004. The Miscellaneous Controls (General Open Import Licence) Regulations of 2014 contains 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 3.6). The authorities indicate that a revised list is under elaboration, with 11-digit product codes. Legislative approval is required in order to remove products from, or to add products to, these schedules; the list has been reduced several times during the period under review: no new products have been added and several products have been removed, including a number of oils (e.g. olive oil and palm and colza oils), pasta, biscuits, nuts, doors and frames, paper, bars and rods, accumulators, powdered laundry detergent, dishwashing liquids, and liquid bleaches.

Table 3.6 Imports requiring a licence under the Miscellaneous Controls (General Open Import Licence) Regulations of 2014

Tariff heading no.	Description of goods	1 st schedule (non-CARICOM imports) or 3 rd 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
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 (eschalots) fresh or chilled	1st
07.04	Cabbages, cauliflowers, kohlrabi, kale and similar edible brassicas, 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 vegetables, 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	Soyabean oil and its fractions, whether or not refined 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
20.07	Jams, jellies, marmalades, fruit puree and fruit paste	1st

Tariff heading no.	Description of goods	1 st schedule (non-CARICOM imports) or 3 rd schedule (CARICOM imports)
Ex 20.09	Orange juice, grapefruit juice, pineapple juice and apple juice	1st
2009.11	Orange juice frozen	3rd
2103.201	Tomato ketchup	1 st ; 3rd
2105.001	Ice cream	1st; 3rd
22.02	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured and other non-alcoholic beverages	1st
2202.101	Aerated beverages	3rd
2202.109	Other flavoured 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 36.04	Fireworks ^a	1st; 3rd
Ex 38.23	"Chemshield"	1st; 3rd
Ex 38.23	"Mace" and similar products ^a	1st; 3rd
Ex 39.26	Handcuffs of plastic ^a	1st; 3rd
Ex 61.09	T-shirts	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
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 racing 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 used 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, 2014, Cap. 329.

3.40. The authorities stated that the different application of automatic licensing to CARICOM and non-CARICOM countries reflects different monitoring requirements. Licences are non-automatic for imports where concerns relate to health and safety, public morals and security, namely: fireworks; chemshield; mace; handcuffs (of plastic or metal); ratchet and spring-loaded knives; radioactive materials; and jet skis and wave runners. For other products subject to licensing, licences are automatic.

3.41. 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 considered on a case-by-case basis. Import authorization for applications must be granted in advance of importation. Licences are processed within one to two working days (down from three to five working days in 2015), but can be granted within a shorter time-limit. Applications for goods that arrive owing to inadvertency may be facilitated depending on the particular circumstance. A licence can be granted immediately on request depending on the circumstance and/or the type of good. There are no periodic limits with regard to the time of year during which an import licence application may be submitted for authorization or a good may be imported. The authorities state that the legislation does not generally leave the designation of products subject to automatic licensing to administrative discretion. Non-automatic licences are subjected to administrative discretion.

3.42. In some cases, and depending on the type of imported good, the consideration of import licence applications is effected by a number of administrative bodies. Applications for meat and meat products must be reviewed by the Veterinary Services of the Ministry of Agriculture and Food and Nutritional Security before issuance by the Ministry of Energy and Business Development.

3.43. An application for an import licence is normally granted if it meets ordinary criteria. In the event of refusal to issue a licence, the applicant will be informed of the reasons for the refusal. Applicants have the right to appeal to the Director of the Department of Commerce and Consumer Affairs, the Permanent Secretary, or the Minister. Applicants are also entitled to request the Barbados Chamber of Commerce and Industry and/or the Barbados Manufacturers Association to mediate on their behalf; they may also seek redress in Civil Court. No licences have been refused since 2015.

3.44. Import licences are valid for a period of up to three months, and can be extended without the issuance of a new licence. There are no penalties for the non-utilization of an import licence. Import licences are not transferable between importers. There are no administrative charges levied and no additional documentary requirements.

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

3.46. Since 2019, import licence applications and related documentation have been submitted and processed through the ASYCUDA World customs portal. There is no licensing fee or administrative charge, nor is there any deposit or advanced payment associated with the issuance of the import licence. Licences are not required as a condition to obtain foreign exchange for goods to be imported.

3.47. Special requirements apply for the importation of certain products. The importation of dairy products and meat and meat products requires approval of the source country by the Veterinary Services department; this stamp must be affixed to the import licence verifying that the source is an approved one. For the importation of fireworks, handcuffs, chemshield, mace, and similar products, a letter from the Defence and Security Division of the Prime Minister's Office granting approval to import must be provided. The importation of used or reconditioned vehicles by dealers is also subject to specific rules. To be granted a licence, vehicles must be right-hand drive, not more than four years old, with less than 50,000 km, structurally and mechanically sound, and in generally good condition.⁵ Additionally, a guarantee for at least six months or 6,000 km must accompany each imported vehicle. The vehicle must also be accompanied by a certificate of roadworthiness from an authorized agent in the country of origin and it must be fitted with new tyres.

3.48. Commercial importers of meat and animal products must pay an annual fee of BBD 500. Non-commercial importers of animals and animal products must pay a fee of BBD 25 per consignment (BBD 5 for beneficial insects).

3.49. For the importation of jet skis or wave runners, licences are only granted for replacements, as their overall number is capped. A letter of application and a certificate of registration or a permit for operating the jet ski or wave runner must be provided.

3.1.6 Anti-dumping, countervailing, and safeguard measures

3.50. Barbados' legislation on anti-dumping (AD) and countervailing (CV) duties, the Customs Duties (Dumping and Subsidies) Act of 1 March 1959, Cap. 67, has remained unchanged since it was notified to the WTO in 1995.⁶ The Act defines dumping and subsidy, and provides for the application of duties. However, since it predates the Uruguay Round, it does not fully allow the implementation of the Anti-Dumping Agreement and the Agreement on Subsidies and Countervailing Measures. Also, although the Act allows the Ministry in charge of trade to apply duties, there is no competent authority to initiate and conduct an investigation, and, thus, no AD or CV measures were applied during the period under review.

3.51. Articles 125 to 133 of the Revised CARICOM Treaty provide the legal basis for adopting AD measures, but only against imports from other CARICOM member States. A model CARICOM AD

⁵ Exceptions to the four-year and 50,000 km maximum criteria are imports from returning nationals and people holding valid work permits, provided that they have owned the vehicle for at least four years prior to its importation. Also, the importation of vintage vehicles is allowed.

⁶ WTO document G/ADP/N/1/BRB/1, 30 October 1995.

and CV measures law has been considered for a number of years and was expected to be completed by 2015.

3.52. As notified to the WTO, Barbados does not have any national safeguards legislation and, accordingly, has never applied any safeguard measures.⁷ Barbados reserved the right to invoke the agricultural special safeguards mechanism in the Uruguay Round. The provision was last invoked in 2019 (Section 4.1).

3.2 Measures Directly Affecting Exports

3.2.1 Customs procedures and requirements

3.53. Exportation of goods from Barbados generally requires the following documents: a customs declaration form, a commercial invoice, a certificate of origin for preferential exports, a bill of lading, and a shipping instruction form. The requirement to submit a Central Bank Exchange Control Form was abandoned in 2019. Barbados has used ASYCUDA World for customs clearance since 2019; all documents can be submitted electronically. A documentary fee of BBD 10 applies for each consignment.

3.54. For exports, Customs uses a risk assessment system composed of three lanes: green, yellow, and red. For exports classified under the green lane, documentation processing is carried out online. For exports designated as belonging in the yellow or red lanes, all relevant documents must be presented at the Entry Processing Office of the port at which the goods are being shipped. Yellow lane procedures require document inspection only, while red lane procedures require document and physical inspection. Red lane procedures apply mainly to high-value goods such as rum. Exported goods may also be subject to physical examination when there is a VAT refund.

3.55. Special conditions apply for the exportation of goods benefiting from regimes such as ex-warehouse, transshipment, and temporary admission. In these cases, 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.

3.56. For exports under preferential conditions, certificates of origin are required. Export Barbados is the certifying authority for all trade agreements⁸ and unilateral arrangements⁹ except for exports under the Economic Partnership Agreements with the European Union and the United Kingdom, which are certified by the Customs and Excise Department. Certificates issued by Export Barbados cost BBD 17.50 per consignment (BBD 3.50 for exports under the Caribbean Basin Initiative (CBI)); certificates issued by Customs are free of cost.

3.57. The exportation of live animals requires a sanitary certificate from the Veterinary Office of the Ministry of Agriculture and Food and Nutritional Security. The Veterinary Office also issues Veterinary Export Health Certificates for the exportation of fresh and processed foods of animal origin, if required by the recipient country. Prior to this, the exporter must obtain a certificate of wholesomeness from the Ministry of Health and Wellness. This certificate is verified by Customs at the moment of exportation.

3.2.2 Export taxes, charges, and levies

3.58. A levy is charged on cotton exports at BBD 0.17 per pound. The levy was introduced in 1935 by the Cotton Export Levy Act, last amended in 1948. Its proceeds are directed to the Barbados Cotton Growers Association (Chapter 4.1). The authorities indicate that the proceeds of the tax are allocated "towards supporting the funding of research and development in the cotton industry". There are no plans at this time to abolish the levy. No information was available on annual proceeds.

⁷ WTO document G/SG/N/1/BRB/1, 26 October 2004.

⁸ CARICOM and CARICOM's agreements with Colombia, Costa Rica, Cuba, the Dominican Republic, and the Bolivarian Republic of Venezuela.

⁹ The United States' Caribbean Basin Initiative, Canada's CARIBCAN, and Barbados' exports under the GSP.

3.2.3 Export prohibitions, restrictions, and licensing

3.59. Barbados applies various export prohibitions and restrictions, which are included in the List of Prohibited and Restricted Exports of the Customs Act, as amended by the Customs (List of Prohibited and Restricted Imports and Exports) Order, 2009 (Statutory Instrument (S.I.) 2009 No. 127) and the Customs (List of Prohibited and Restricted Imports and Exports) (Amendment) Order, 2010 (S.I. 2010 No. 114).

3.60. Prohibited goods are listed in part I of the Second Schedule of the Customs Act. They include substances or chemicals listed under HS heading Ex 29.03, namely halons and other ozone-depleting substances.

3.61. Goods listed in part II of the Second Schedule are restricted exports; they include other ozone-depleting substances under HS heading Ex 29.03, as well as substances or chemicals under tariff heading Ex 38.24, mainly refrigerant blends capable of depleting the ozone layer.

3.62. All animals and animal products must be accompanied by a health certificate when exported. Furthermore, goods listed in the Third Schedule of the Miscellaneous Controls Act, 1985 could, in principle, be subject to export licences. The goods listed include tortoiseshell, 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. However, the exportation of most of these products is not restricted and the number of products subject to export restrictions is in practice more limited, mostly for public morals and safety reasons.

3.63. In practice, the following items are restricted for public morals and safety reasons, and hence their exportation requires a licence: 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).

3.64. Other products requiring an export licence include black coral, tortoiseshell (S.I. 2004 No. 2); and radioactive chemical elements (S.I. 2004 No. 158). These restrictions are generally maintained for the implementation of international agreements. Export licences are obtained from the Director of Commerce in the Ministry of Industry, Innovation, Science and Technology. These licences are not automatic and apply irrespective of destination.

3.2.4 Export support and promotion

3.65. Tax-funded Export Barbados is the Government's export promotion agency. Its objective is to contribute to the diversification and growth of Barbados' economy; it had 78 staff as at May 2022. It is governed by Chapter 340 of the Laws of Barbados; according to the Act, its functions are to advise on, promote, and facilitate the development of exports.

3.66. In 2021, against the background of a debilitating hit from the COVID-19 pandemic, Export Barbados also developed a new export strategy centring around the bioeconomy, the ocean economy, and the design economy. A tiered system for export promotion was introduced; companies are assigned to one of five tiers based on their export values in 2020. As at June 2022, 154 companies had received services from Export Barbados. Services offered by the Barbados Investment Development Corporation (BIDC) include trade advisory services, training, capacity building, rental of industrial estates, and certification. Fees are applicable only for certification services. Property rental rates vary by location.

3.67. Export Barbados also rents out 66 industrial buildings, 8 craft shop buildings (with a total of 27 craft shops), and 1 restaurant, with a total building space of some 1.5 million square feet. It also rents out 13 estate sites designated for industrial development.

3.68. Barbados does not have any export processing zones.

3.69. Caribbean Export, established in 1996, is the trade promotion agency of CARIFORUM. It assists businesses with export potential or helps those that are already exporting to increase their capacity and competitiveness.

3.2.5 Export finance, insurance, and guarantees

3.70. Export credit is provided by commercial banks. An export financing scheme operated by the CBB has been non-operational since 1992.

3.71. Until 2019, the CBB operated an export credit guarantee scheme for manufactured goods, which covered up to 75% of the amounts paid in advance of an export. Commercial and political credit risks after shipment were insured up to 90% of gross invoice value. The scheme, established in 1978, offered both pre-shipment and post-shipment coverage. Foreign-owned companies were eligible to participate in the scheme.

3.72. The BIDC is seeking to establish an Export Credit Agency. The authorities indicate that plans are still at an embryonic stage.

3.3 Measures Affecting Production and Trade

3.3.1 Incentives

3.73. Operational until January 2022, the Special Technical Assistance (STA) Fund and the Technical Assistance (TA) Fund, both financed by the Government and managed by the BIDC, had the objective to enhance the competitiveness of local manufacturers, service providers, and small businesses through the provision of grants. Activities funded under the STA Fund included training and productivity enhancement, marketing, operational redesign, product development, and international standards certification. To be eligible, non-exporting companies had to be 100% Barbadian owned, while exporting companies had to have a minimum of 51% Barbadian ownership. The maximum grant was BBD 100,000. The TA Fund was specifically geared to micro, small, and medium-sized enterprises (MSMEs) and provides grants of up to BBD 25,000.

3.3.2 Standards and other technical requirements

3.74. The development of technical regulations and standards in Barbados is the responsibility of the Barbados National Standards Institution (BNSI). The BNSI is a joint undertaking between the Government and the private sector, which was established in 1973 under the Companies Act and incorporated by private law as a non-profit organization. The BNSI oversees product standards development, metrology, conformity assessment, and certification activities in Barbados.

3.75. Since September 2019, the BNSI has been governed by a 13-member board of directors responsible for making policy decisions, comprising representatives from the Government as well as NGOs and national trade, industrial, and professional associations. The Board replaces the previous General Council of BNSI, which was found to have a cumbersome structure. The new Board reports to the Minister of Energy and Business Development.

3.76. The primary functions of the BNSI include: (i) the drafting and implementation of standards and technical regulations; (ii) the promotion of standardization, quality assurance, and simplification in industry and commerce; (iii) the certification of products, commodities, and processes; and (iv) conformity assessment and metrology activities. The BNSI is Barbados' enquiry point for all TBT-related matters.¹⁰

3.77. The BNSI has been a full member of ISO since 1999. It is also a member of the Pan-American Standards Commission (COPANT), the CARICOM Regional Organisation for Standards and Quality (CROSQ), and the Interamerican Metrology System (SIM). It is also a member of the IEC Affiliate Country Programme, and a correspondent member of the International Organization of Legal Metrology (OIML). The BNSI is the National Contact Point for Codex Alimentarius matters, as well as the Standards Enquiry Point for Barbados.

3.78. In addition to the BNSI, two other organizations are charged by law with standards-related issues. The Technical, Vocational, and Educational Training Institute (TVET) prepares guidelines for vocational training institutions, and provides competence-based certification (National Vocational Qualifications (NVQs) and Caribbean Vocational Qualifications (CVQs)). The BNSI participates in the

¹⁰ WTO document G/TBT/ENQ/30, 22 June 2007.

approval of these standards: its Director chairs the TVET Standards Approval Committee. The Fair Trading Commission (FTC) develops and evaluates standards for public utilities. The BNSI does not participate in the FTC's standards development process.

3.79. Barbados notified in 1997 its acceptance of the Code of Good Practice for the preparation, adoption, and application of standards.¹¹ Barbados has not notified any mutual recognition agreements with third countries.

3.80. The main legislation with respect to standards and technical regulations includes the Standards Act, 2006, Cap. 326A; the Weights and Measures Act, 1977, Cap. 331, and its Regulations (1985); the Control of Standards Regulations (1982); and the Barbados National Standards Institution (Certification Marks) Regulations. The latter two regulations remain in force until replaced by new regulations made under the Standards Act. The authorities indicate that they are applied when they do not contradict the provisions of the Standards Act. The Government has agreed to repeal the Weights and Measures Act, Cap. 331, with a comprehensive Metrology Act. A Barbados National Metrology Act 2022 has been drafted to provide the legal structure for the administration of metrology; adoption is expected for the remainder of 2022. The Government is also committed to the implementation of a National Quality Policy and to use the application of the National Quality Infrastructure.

3.81. Barbados National Standards are prepared by the BNSI; this may include the adoption of standards established by the CROSQ and by other standards bodies. The development of a standard may take place at the request of an interested party, or may be self-initiated by the BNSI. Barbados must adopt all standards formulated at the CARICOM level, while in the case of other international standards, adoption depends on their nature. Once formulated, the title of the national standard must be published in the *Official Gazette* and in a daily newspaper. Barbados National Standards are published in the Standards Catalogue.

3.82. The BNSI maintains an annual standards development agenda. Standards, including those under development, are publicized in the BNSI catalogue and circulated on the BNSI website. The areas currently considered include the development of standards for tourism, services, construction, energy, food, and safety in relation to the COVID-19 pandemic. The harmonization of regional standards is also an objective.

3.83. The procedures to adopt technical regulations are contained in the Standards Act (Part V). In accordance with the Act, the Minister of Commerce has the faculty to declare a BNSI standard compulsory, that is, to turn it into a technical regulation. A standard may be declared compulsory for human health or safety reasons; to protect plant and animal health and life; to ensure quality; to protect the economy of Barbados; to prevent fraud or deception; to provide adequate information to the consumer; to safeguard the public interest; and to safeguard the national security of Barbados. Procedures for the adoption of technical regulations include the publication of a notice in the *Official Gazette* and in a daily national newspaper, and the granting of a period of at least 60 days from the publication of the notice for comments. The notice must also specify the intended date of effect for the technical regulation. The notice does not contain the full text of the proposed regulation. The title of the regulation, but not the full text, is published in a daily newspaper. A list of the titles of the technical regulations is also published in the Standards Catalogue.

3.84. As at July 2022, a total of 44 technical regulations were in force, the same number as in November 2014.¹² They relate to food, labelling, health, public safety, and environmental protection. There are 160 BNSI Specifications, 75 adopted CARICOM standards, 80 ISO adoptions, and 20 BNSI Building Codes.

3.85. In October 2021, Barbados submitted its 10th notification to the TBT Committee, concerning test standards for electrical lamps.¹³ Between 2003 and 2006, Barbados notified nine draft technical regulations, mostly related to food.¹⁴ No technical regulations were notified to the WTO as urgent

¹¹ WTO document G/TBT/CS/N/77, 2 September 1997.

¹² BNSI 2022 Standards Catalogue.

¹³ WTO document G/TBT/N/BRB/10, 19 October 2021.

¹⁴ The technical regulations notified to the TBT Committee were: (i) requirements for brewery products; (ii) grading requirements for certain types of rice; (iii) requirements for pre-packaged eggs; (iv) requirements for safety matches; (v) requirements for match splinters; (vi) requirements for rum; (vii) labelling

measures. No technical regulations from trading partners have to date been recognized as equivalent. No specific trade concerns were raised against Barbados' TBT measures during the period under review.

3.86. The Department of Commerce and Consumer Affairs of the Ministry of Energy and Business Development is responsible for enforcing technical regulations and verifying compliance with them. Under the Standards Act 2006, the BNSI is responsible for conformity assessment procedures for products, commodities, processes, services, and quality systems in Barbados. The BNSI also has responsibility for publishing certification marks, maintaining testing laboratories, and granting licences to use a standard mark. The fees charged for conformity assessments are applied equally to imported and domestically produced products. Inspections may be carried out either at the border (for imported goods) or within Barbados by Trading Standards Officers. In general terms, guides and recommendations issued by international standards-setting bodies are used for national conformity assessment procedures. However, no mutual recognition agreements for conformity assessment have been signed with specific foreign bodies. The authorities note that in most cases third-party assessments are recognized. However, the authorities may still check for conformity in cases where they believe it is necessary.

3.87. Certification is based upon type-testing. The BNSI has the authority to certify products and processes and to issue certification marks for which a Barbados National Standard exists. As at June 2022, the BNSI had 164 applications for certification. As with conformity assessment, the BNSI in practice resorts mostly to third-party certification. Marks from reputable institutions are generally accepted; in other cases, verification may take place. The firm interested in having a mark accepted must submit the mark and relevant details to the BNSI for assessment. If the applicant wishes to obtain a BNSI mark, the procedures for product certification require the submission by the interested party of an application and a non-refundable application fee of BBD 50 to the BNSI. The BNSI then conducts a preliminary inspection of the manufacturing facility to assess the testing facilities and the quality assurance procedures for the manufacturing process. Also, testing samples are taken to ascertain conformity to a standard's specifications. A report of the preliminary inspection is then issued and a testing and inspection schedule is prepared. The costs of testing and inspection are borne by the applicant. Once these procedures are completed, a licence to use the BNSI mark can be issued. Licences are valid for one year and must be renewed annually; there is a BBD 100 annual licence fee. An application along with a BBD 20 application fee must be submitted in order to renew the mark.

3.88. There are currently no laboratory-accrediting organizations in Barbados. The BNSI functions as the country's National Accreditation Focal Point (NAFP), where accreditation requests are facilitated and processed through the Caribbean Cooperation for Accreditation (CCA).

3.89. Barbados, through the Ministry of Energy and Business Development, implements the CARICOM Rapid Alert System for the Exchange of Information on Dangerous Non-Food Consumer Goods (CARREX). CARREX functions as a rapid information exchange mechanism between members and the CARICOM Secretariat, on preventive and restrictive measures taken by the members on consumer products found on the market that pose a serious risk to the health and safety of consumers. Consumers may lodge a complaint on the CARREX website.¹⁵

3.3.3 Sanitary and phytosanitary requirements

3.90. The main institutions in the area of SPS measures in Barbados are the BNSI within the Ministry of Industry, Innovation, Science and Technology. It is also in charge of reviewing the existing legislation to ensure coherence with international agreements, standards, and codes of practice.

3.91. Barbados' main SPS-related legislation comprises the Animals (Diseases and Importation) Act, Cap. 253; the Animals (Diseases and Importation Control) Regulations, 1961; the Plant Protection Act (No. 53, 2007); and the Food Safety Regulations under the Health Services Act.¹⁶

requirements for pre-packaged meat and poultry parts/cuts, and fish and fishery products; (viii) requirements for carbonated beverages; and (ix) labelling requirements (WTO documents G/TBT/N/BRB/1-9).

¹⁵ CARREX. Viewed at: <https://carrex.caricom.org/>.

¹⁶ Subsidiary legislation to the Animals (Diseases and Importation) Act include the (Anthrax) Regulations, 1951; the (Epizootic Abortion) Regulations, 1951; the (Rabies) Regulations, 1951; the (Swine

3.92. Licensing requirements apply to many agricultural imports. All animals are subject to quarantine when imported.

3.93. Currently, a national consultation is in progress, seeking to update and harmonize the key pieces of legislation governing the SPS regime, namely: the Draft Plant Protection Bill, 2021; the Draft Animal Health and Veterinary Public Health Bill, 2021; and the Draft Food Safety and Quality Bill, 2021.

3.94. Fees are charged for SPS certificates required for the exportation of various animals and animal products: BBD 25 for each consignment of meat or meat products; BBD 5 per batch of poultry; BBD 50 per horse, donkey, or mule; BBD 30 per cat or dog; BBD 30 for a batch of three or fewer caged birds; BBD 35 for a batch of four or more caged birds; and BBD 35 for other animals. Since the last Review, three emergency measures have been notified by Barbados, all in 2015 concerning the importation of live birds.¹⁷

3.95. No specific trade concern has been raised against Barbados' SPS measures during the period under review. A specific trade concern raised in 2004, concerning the importation of citrus fruits, was declared as resolved in 2020.¹⁸

3.3.4 Competition policy, consumer protection and price controls

3.96. The authorities recognize low levels of competition and a generally high incidence of monopolistic and oligopolistic behaviour in their domestic market.

3.97. The FTC, established in January 2001, is tasked with safeguarding the interests of consumers, regulate utility services supplied by providers, monitoring and investigating the conduct of service providers and business enterprises, and promoting and maintaining effective competition in the economy. The laws enforced by the Commission are the Fair Trading Commission Act, Cap. 326B; the Fair Competition Act, Cap. 326C; the Consumer Protection Act, Cap. 326D; the Utilities Regulation Act, Cap. 282; and certain provisions of the Telecommunications Act, Cap. 282B, the Barbados Water Authority Act, Cap. 274A, and the Electric Light and Power Act, Cap. 278.

3.98. Under the Fair Competition Act, Cap. 326C, the FTC is tasked with prohibiting the prevention, restriction, or distortion of competition and the abuse of dominant positions in Barbados and within the CARICOM market. During the period under review, the FTC responded to a number of allegations of anti-competitive conduct. The ensuing investigations centred on allegations of refusal to supply, price squeezing, excessive pricing, and an abuse of dominance. These matters occurred across various sectors including petroleum, financial services, agriculture, telecommunications, distribution, and manufacturing. Many of the investigations were resolved without adjudication.

3.99. During the period under review, the FTC also examined 19 mergers, in the petrochemical, telecommunications, automotive, financial services, hospitality, and manufacturing sectors. The FTC also conducted a number of inquiries to determine whether the merging parties were required by law to submit an application for permission to merge. These inquiries were related to financial services, manufacturing, and professional services.

3.100. The CARICOM Competition Commission, established in 2008 and headquartered in Suriname, has the objective of promoting and protecting competition at the regional level. In particular, it shall apply the rules of competition in respect of anti-competitive cross-border business conduct. It may, in respect of cross-border transactions or transactions with cross-border effects, monitor, investigate, detect, make determinations, or take action to inhibit and penalize enterprises whose business conduct prejudices trade or prevents, restricts, or distorts competition within the

Fever) Regulations, 1951; the (Foot and Mouth Disease) Regulations, 1952; the (Diseases and Importation Control) Regulations, 1961; the Diseases of Poultry Regulations, 1949; the Infectious Keratitis Regulations, 1958; the Equine Encephalomyelitis Regulations, 1962; the Bovine Tuberculosis (Eradication) Regulations, 1968; the Bovine Brucellosis or Contagious Abortion (Eradication) Regulations, 1968; the Animals (Diseases and Importation) (Amblyomma Variegatum, Heartwater and Dermatophilosis) (Prevention and Control) Regulations, 1994; and the Animals (Diseases and Importation) (Slaughter Fees) Regulations, 1999.

¹⁷ WTO documents G/SPS/N/BRB/3-5, 8 April 2015.

¹⁸ WTO documents G/SPS/R/35, 13 January 2005; G/SPS/R/35/Corr.1, 21 January 2005; and G/SPS/R/35/Corr.2, 2 February 2005.

CARICOM market. The CARICOM Competition Commission cooperates with the FTC in the areas of policy development, capacity building, and monitoring of markets. However, it did not handle any cases in Barbados during the period under review.

3.101. The Consumer Protection Act, Cap. 326D of 2003 has the purpose of safeguarding the rights of consumers in areas such as unfair trade practices, unfair contract terms, and misleading and deceptive conduct. Officers of the FTC deal with around 1,000 annual consumer complaints and carry out some 130 annual unannounced store visits to verify compliance with the law. The FTC also provides public education awareness, investigates consumer complaints, and seeks amicable resolutions where possible.

3.102. The Ministry of Energy and Business Development is in the process of establishing a National Consumer Protection framework, which the authorities expect to be finalized at end-2022.

3.103. As at July 2022, price controls apply to various refined petroleum goods (diesel fuel, gasoline, kerosene, and liquefied petroleum gas). Prices are set at both the wholesale and retail levels, in line with the Control of Price (General) Regulation 1983 (S.I. 1983 No. 29) and administered by the Department of Commerce and Consumer Affairs in the MESBE. Prices are set based on import costs plus a mark-up.

3.104. Utility prices for consumers and companies are regulated by the FTC; tariff increases require its approval. Prices regulated by the FTC also include feed-in tariffs for small (below 1 MW) and medium-sized (between 1 MW and 10 MW) producers of renewable energy.

3.3.5 State trading, state-owned enterprises, and privatization

3.105. In 2016 and 2018, Barbados submitted notifications to the WTO with respect to its state trading enterprises.¹⁹ The notifications identify the Barbados Agricultural Development and Marketing Corporation (BADMC) as Barbados' only state trading enterprise for the years 2008-15. The BADMC is a statutory corporation established in 1993 through the Barbados Agricultural Development and Marketing Act 1993-12, to ensure the development of the local agricultural sector through innovative technological applications and technical and marketing research, and to create opportunities for investment that engenders enterprise, food security, and prosperity in the agricultural sector. The BADMC also provides support services to the non-sugar agricultural sector, collects data, and provides irrigation services to small farmers.

3.106. In 2015, the last year for which figures were provided, the BADMC engaged in the importation of chicken meat, turkey meat, and onions. Only the BADMC has the right to import these goods duty-free. During the reporting periods, the BADMC did not engage in exports.

3.107. As at mid-2022, there were 54 state-owned enterprises, of which 33 are classified as commercial SOEs, while the remaining 21 have public service and regulatory objectives and are classified as non-commercial SOEs (Table 3.7).

Table 3.7 State-owned enterprises, 2022

Company	Activities	Annual turnover or budget (BBD million)	Net profit/(loss) (BBD million)
COMMERCIAL			
Barbados Agency for Micro Enterprise Development Ltd	Financing of MSMEs	2.37	(1.4)
Barbados Agricultural Development and Marketing Corporation	Development of non-sugar agriculture	20.60	(4.1)
Barbados Agricultural Management Corporation	Assisting agricultural businesses	18.40	(18.3)
Barbados Agricultural Credit Trust	Management of debt of Barbados Sugar Industry Limited and certain heavily indebted plantations	0.54	(0.4)
Barbados Conference Services Ltd	Management of Lloyd Erskine Sandiford Centre and event management services	6.85	(3.1)

¹⁹ WTO documents G/STR/N/13-15/BRB, 14 April 2016; and G/STR/N/16/BRB, 17 April 2018.

Company	Activities	Annual turnover or budget (BBD million)	Net profit/(loss) (BBD million)
Barbados National Oil Co. Ltd/ Barbados National Terminal Limited	Economic exploration and production of hydrocarbons	466.22	(18.1)
Barbados Port Inc.	Port services	103.24	18.4
Barbados Tourism Marketing Inc.	Tourism development	48.35	8.3
Barbados Tourism Investment Inc.	Development of tourism-related properties	3.73	(0.0)
Barbados Water Authority	Water supply and of wastewater treatment	154.53	(19.6)
Barbados Revenue Authority	Collection of tax revenue and tax administration	36.54	7.1
Caribbean Aircraft Handling Co. Ltd	Airport ground handling and security services	9.34	(3.2)
Caribbean International Airways Ltd	Operation of VIP Meet and Greet service at the airport; holding of investment in Caribbean Aircraft Handling	1.13	0.3
Caves of Barbados Ltd	Ownership of rights for operation of Harrison's Cave	5.92	3.1
Caribbean Broadcasting Corporation	Public radio, television, and cable TV broadcaster	22.05	(10.5)
Enterprise Growth Fund Limited	SME financing	4.44	1.6
Grantley Adams International Airport Inc.	Airport management	41.74	(24.9)
Home Ownership Providing Energy (HOPE) Inc.	Provision of low-income housing	0.00	(1.8)
Hotels and Resorts Ltd	Operation of Blue Horizon Hotel	3.48	(1.1)
Kensington Oval Management Inc	Operation of Kensington Oval	2.93	(0.7)
National Conservation Commission	Natural and historic conservation	68.34	26.5
National Cultural Foundation	Cultural development	11.74	1.7
National Housing Corporation	Sales and rentals of lands and houses	47.20	(10.3)
National Petroleum Corporation	Distribution of natural gas	20.55	(15.3)
Needhams Point Holding Ltd	Land development	37.11	(3.9)
Needhams Point Development Ltd	Ownership and operation of Hilton Hotel	1.93	(1.7)
New Life Investment Co. Ltd	Holding company for Resolution Life and related investments	0.08	(0.7)
Queen Elizabeth Hospital	Operation of public hospital	288.63	37.8
Resolution Life Assurance Company Ltd	Holding of residual assets of Clico International Life Insurance Ltd, now in liquidation	1.62	(0.5)
Sanitation Services Authority	Sanitary and disposal services	79.97	20.1
Southern Meats Inc.	Slaughtering of animals	1.42	(0.2)
Student Revolving Loan Fund	Provision of study loans	5.63	2.0
Transport Board	Operation of public bus system	39.60	(8.0)
NON-COMMERCIAL			
Air Transport Licensing Authority	Air transport	2.05	1.9
Barbados Accreditation Council	Registration of educational institutions	2.15	0.1
Barbados Aircraft and Aviation Services Company Ltd	Development of the aviation sector	0.00	0.6
Barbados Community College	Tertiary education	0.00	0.0
Barbados Defence Force	Territorial defence and internal security	51.71	6.3
Barbados Investment and Development Corporation	Investment promotion and development	30.28	2.4
Barbados National Standards Institute	Standardization	2.72	1.3
Barbados International Business Promotion Corp.	Promoting foreign direct investment	6.30	(3.8)
Barbados Tourism Product Authority	Tourism development	0.09	(0.8)
Barbados Vocational Training Board	Provision of vocational training programmes	11.22	(0.6)
Child Care Board	Provision of child care	21.16	(0.0)
Community Legal Services Commission	Provision of legal aid to persons in need	1.72	(0.0)
Fair Trading Commission	Regulation of utilities and fair competition	3.91	0.0
Financial Services Commission	Regulation of non-bank financial sector	14.39	4.3
National Assistance Board	Support of elderly and homeless people	20.57	11.6
National Council on Substance Abuse	Education on drug and alcohol abuse	2.24	0.1
National Sports Council	Funding of sports programmes	14.91	(3.2)
Rural Development Commission	Rural development (housing, road improvement, etc.)	5.64	(3.2)

Company	Activities	Annual turnover or budget (BBD million)	Net profit/(loss) (BBD million)
Technical & Vocational Education & Training Council	Technical and vocational education and training	4.88	0.2
Transport Authority	Public transport	2.89	(0.1)
Urban Development Commission	Urban development and housing	17.62	3.4

Source: Information provided by the authorities.

3.108. With a view to reducing the fiscal drain caused by implicit SOE subsidization, 33 SOEs (22 commercial and 11 non-commercial) are currently undergoing reform under a memorandum of understanding between the Government and the IMF. Only limited privatization has taken place since 2014, such as the concession of Caves of Barbados and Barbados Conference Services Ltd to private companies.

3.3.6 Government procurement

3.109. Barbados is not a party to the WTO plurilateral Agreement on Government Procurement (GPA), nor does it participate or have observer status in the Working Group on Transparency in Government Procurement. The authorities indicate that Barbados is not presently considering acceding to the GPA.

3.110. Central government expenditure on goods and services totalled BBD 493.2 million in FY2021/22 (4.8% of GDP), while capital expenditure totalled BBD 419.2 million (4.1% of GDP).

3.111. The Public Procurement Act 2021 is Barbados' main legislation on government procurement.²⁰ The Act applies to all government agencies and SOEs. Implementing regulations were still under preparation as at June 2022. For this reason, the Financial Management and Audit (Financial) Rules 2011 were still being utilized as at June 2022.

3.112. According to the Act, open tendering shall be used for all procurement of goods or services exceeding BBD 300,000 and works exceeding BBD 500,000. Restricted tendering can be used when the goods, works, or services to be procured are available from 10 suppliers or fewer, or when there is an urgent need for the goods, works, or services to be procured and engaging in open tendering would be impractical. For all tenders, a notice is to be published in one daily newspaper with nationwide circulation, and on relevant government websites. There are no restrictions on the participation of foreign suppliers.

3.113. All procurement above BBD 200,000 is carried out by the Government Procurement Department in the Ministry of Finance, Economic Affairs and Investment. For procurement below this threshold, every institution has its own procuring entity.

3.114. Article 9 of the Act prohibits the use of offsets such as the application of margins of preference for the use of domestic content or domestic suppliers, requirements for the licensing or the transfer of technology, domestic investment requirements, counter trade, and similar actions.

3.115. Procurement decisions may be challenged administratively or judicially. Suppliers who participate in procurement proceedings and allege that they have suffered or are likely to suffer loss or injury because a decision or action of a procuring entity in relation to the proceedings does not comply with this Act may apply to the entity to reconsider the decision or action. Suppliers may appeal administrative complaints to the Tribunal. There were no court complaints during the period under review.

3.3.7 Intellectual property rights

3.116. There were no major changes in the legal system for the protection of intellectual property rights (IPRs) in Barbados during the period under review. Barbados is a member of the World

²⁰ While the Act was passed in December 2021, it had not been proclaimed as at June 2022.

Intellectual Property Organization (WIPO) and a signatory to various international IPR agreements.²¹ However, Barbados is not a member of the International Union for the Protection of Industrial Property (Paris Union) or of the International Union for the Protection of New Varieties of Plants (UPOV) Convention (1978). On 1 April 2020, Barbados accepted the Amendment to the TRIPS Agreement.²²

3.117. The Corporate Affairs and Intellectual Property Office (CAIPO) in the Ministry of Energy and Business Development is responsible for administering Barbados' IPR.²³ It advises the Government on IP-related issues and is responsible for granting patents and the registration of trade and service marks, industrial designs, and other IPRs, covering geographical indications, integrated circuits, and plant varieties.

3.118. Barbados' IPR legislation is made up of the Copyright Act, the Trademarks Act, the Patents Act, and the Geographical Indications Act. No changes have taken place in the legislation since the last Review. Most legislation was passed during the implementation period of the TRIPS Agreement, with amendments to some acts introduced in 2004 (copyright) and 2006 (patents, industrial designs, and trademarks).

3.119. Barbados' patent legislation includes provisions on compulsory licensing. Compulsory licensing may be granted by the High Court in circumstances where a period of four years has expired from the date of filing the patent application or three years from the date the patent was granted, whichever period expires later, and there has been a failure to exploit or sufficiently exploit the patented invention. Also, compulsory licensing may take place for the exploitation by the Government within Barbados of an invention protected by a patent, for national security, health, or nutritional reasons, as well as for the development of an essential sector in Barbados' economy, or for other reasons of public interest. The authorities indicate that there have been no cases of compulsory licensing since 2014.

3.120. An Advisory Committee on Intellectual Property was established in June 2019. The Committee was tasked with reviewing the provisions of the Copyright Act. The review, completed in 2021, aimed to bring the Act into conformity with the protocols relating to various international copyright treaties. The Cabinet has approved the paper outlining the necessary amendments; legislative instructions are now with the Chief Parliamentary Counsel. As at June 2022, legislation on geographical indications was also subject to review, but at an earlier stage.

3.121. Table 3.8 shows the registration numbers of various IPRs during the period under review. In addition, there was one application for a geographical indication. The authorities indicate that there is no register of copyrighted works.

3.122. There are no legal provisions with respect to parallel imports; however, the authorities indicate that in practice they are permitted.

Table 3.8 Number of IP registrations from 2014-2021

Year	Trademarks	Patents	Industrial designs
2014	770	42	0
2015	184	46	3
2016	499	0	1
2017	570	28	0
2018	511	14	4

²¹ 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; the 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 TRIPS Agreement (1995).

²² WTO document WT/LET/1466, 6 April 2020.

²³ CAIPO. Viewed at: <https://caipo.gov.bb/home/index.php>.

Year	Trademarks	Patents	Industrial designs
2019	257	2	3
2020	250	4	0
2021	331	4	0

Source: Information provided by the authorities.

3.123. Barbados' IPR laws include various provisions for criminal sanctions and detail a minimum fine or a minimum term of imprisonment for offences. Remedies available in civil proceedings include injunctive relief, the delivery of goods, the destruction of goods, imposition of fines, and payment of damages and expenses.

3.124. In the case of copyrights, offenders may be sentenced to a fine of BBD 500,000 or to a term of imprisonment of 10 years. Remedies also include impounding of infringing copies, and the forfeiture and seizure of the instruments or equipment used to produce them.

3.125. Upon application by the right-holder to the Comptroller of Customs or other authorized person, Customs authorities are authorized, under copyright and trademark legislation, to seize goods that infringe IPRs to prevent them from entering the country. There is no explicit legal provision with respect to *ex officio* action by Customs officials.

3.126. The police may seize, remove, or detain any article that appears to be an infringing copy of an illicit recording. Under Section 138 of the Copyright Act, police officers are empowered, once a warrant is issued, to enter any premises or place; stop, board, and search any civilian vessel or aircraft; or stop and search any vehicle in which the officers reasonably suspect there is an infringing copy of a copyrighted work, illicit recording, or any article used or intended for use in the production of infringing material.

4 TRADE POLICIES BY SECTOR

4.1 Agriculture and Fisheries

4.1.1 Agriculture overview

4.1. Barbados has a small agriculture and fisheries sector, which accounted for slightly more than 1% of GDP on average during the period under review (Table 1.1). The sector, together with fishing, accounted for some 3.5% of total employment in the first quarter of 2022.¹

4.2. Agriculture in Barbados faces challenges stemming from being on a small island – resources of land and water are scarce. The country has 43,000 hectares (ha) of land, about three quarters of which is arable. Since the beginning of the new millennium, the amount of agricultural land continues to shrink, in particular after the global financial crisis; the land area devoted to agriculture land declined from 16,000 ha in 2009 to 10,000 ha in 2019.² One of the challenges faced by the agricultural sector is water scarcity. Water availability is estimated at 300 cubic metres per citizen, placing it in the 15th position among the world's most water-scarce countries.³ This hinders agricultural competitiveness and limits the development of its agricultural production.

4.3. Competitiveness is also affected by the fact that agriculture is dominated by small farm operations, making it difficult to achieve economies of scale. According to the 1989 Agricultural Census, Barbados had a highly skewed land distribution pattern, with 94 holdings of less than 1% of the total, accounting for approximately 78% of total agricultural land, while the remaining 99%, some 17,000 holdings, accounted for just 22% of agricultural land.⁴ The 1989 Agricultural Census also revealed that approximately 90% of the farmers in Barbados operate on holdings of 0.5 ha or less. Landless farmers, classified as those with holdings of less than 0.025 ha, accounted for approximately 24% (4,161) of the total number of holdings.⁵

4.4. Sugar was traditionally the main agricultural commodity in Barbados and a major export crop, but it has lost much of its importance since 2008. As the production and profitability of sugar have declined, there has been an increased interest in other products that offer greater scope to farmers. The recent growth in crop production is mainly due to the development of non-traditional subsectors, such as fruits and vegetables, root crops, and herbs and spices (Table 4.1).

Table 4.1 Crop production, 2015-21

('000 kg)

	2015	2016	2017	2018	2019	2020	2021
Fruits and nuts	1,039.95	572.03	612.97	1,360.31	2,463.17	2,129.05	2,339.84
Vegetables	8,382.72	8,189.15	7,773.93	10,838.01	11,709.41	11,653.97	6,360.41
Herbs and spices	136.63	87.32	231.84	577.73	574.74	545.19	177.76
Grains	0	0.23	0.25	1.82	0.69	0	0.01
Cotton	34.65	18.42	5.53	6.64	14.87	12.63	..
Sugar cane	116,105.74	83,369.20	132,845.08	146,831.13	84,588.57	90,177.61	92,129.07

.. Not available.

Source: Information provided by the authorities.

¹ Barbados Statistical Service (BSS), *Statistical Bulletin. Continuous Household Labour Force Survey, Q1 January to March 2022*. Viewed at: https://stats.gov.bb/wp-content/uploads/2022/06/LFS_1Q2022.pdf.

² Food and Agriculture Organization, *Statistics: Barbados*. Viewed at: <https://www.fao.org/faostat/en/#country/14>.

³ UNCTAD (2003), *Turning Losses into Gains: SIDS and Multilateral Trade Liberalisation in Agriculture*. Viewed at: <https://unctad.org/webflyer/turning-losses-gains-sids-and-multilateral-trade-liberalization-agriculture>.

⁴ The large pieces of land were traditionally used for sugar plantations. As sugar became less dominant in the agriculture sector, some of the land originally for sugar was approved to change in use for other competing purposes (e.g. tourism and housing).

⁵ It should be noted that the average size of holdings in excess of 50 ha was 180 ha, which would be considered small by international standards. However, this plot size is considered large by local standards.

4.5. In addition to root crops and other high-value crops, Barbados also engages in the production of livestock products, including beef, pork, and chicken meat, and dairy products and eggs (Table 4.2).

Table 4.2 Production of livestock products, 2015-21

('000 kg)

	2015	2016	2017	2018	2019	2020	2021
Beef	170.60	176.22	156.87	174.97	172.47	182.25	161.24
Chicken	16,134.05	14,896.76	15,805.30	16,465.56	16,231.95	11,964.86	13,183.42
Eggs	2,395.24	4,260.58	3,366.89	2,871.62	3,749.85	3,471.54	6,879.21
Milk	5,227.43	4,549.38	4,862.16	4,799.38	4,318.17	3,977.95	4,340.66
Mutton	101.77	110.46	95.79	107.01	92.17	95.51	65.41
Pork	2,846.65	2,663.77	2,518.54	2,771.74	2,840.32	2,869.19	2,634.03
Turkey	190.32	261.83	127.01	217.07	397.55	141.48	298.08
Veal	1.96	1.19	6.21	0.60	0.43	43.61	0.60

Source: Information provided by the authorities.

4.6. Barbados remains a net importer of food. Imports of agricultural products and foods account for about 20% of total imports per year.

4.1.2 Agricultural policy

4.7. The Ministry of Agriculture and Food and Nutritional Security (MAFS) is the line ministry responsible for setting policies for the agricultural sector. There is no general legislation governing the sector as a whole. Principal legislation includes the Food Security Act, the Sugar Industry Act, the Dairy Industry Act, and the Praedial Larceny Prevention Act, each of which governs its relevant subsectors.

4.8. During the review period, a National Agricultural Policy⁶ was drafted and used as a reference document.⁷ The draft policy calls for an overhaul of the agricultural sector, including institutional and physical infrastructure enhancement, and for developing sectoral and complementary policies, as well as capacity building. The policy takes into account the high food import dependency that Barbados faces, and proposes to address non-trade concerns over food and nutrition security, rural development and employment, and farm incomes.

4.9. With regard to food and nutrition security, the policy is focused on feeding the nation, and on coordinating food imports, production, safety, quality, and security.⁸ The Government recognizes that as a small island economy with limited land and other resources, total self-sufficiency in food production is unattainable, and that Barbados will always depend on regional and international markets for a significant proportion of its food supplies. Nonetheless, the attainment of a desired level of domestic production is considered an indispensable component of food security, in addition to its capacity to import food.⁹ The authorities further note that the general agricultural policy objective is aimed at increasing the local supply of food through initiatives that aim to encourage and facilitate the participation of persons in agriculture who may not otherwise be in a position to do so.

4.10. In this regard and to facilitate participation in agricultural activities, the Government began to implement, as from April 2019, the three-year Farmers' Empowerment and Enfranchisement Drive (FEED) programme. The FEED programme aims at facilitating the entry into agricultural and livestock activities of key vulnerable people, including the young, women, and the unemployed, and at reducing agricultural imports so as to ensure national food and nutrition security. FEED, managed by the Barbados Agricultural Development and Marketing Corporation (BADMC), provides assistance

⁶ Ministry of Agriculture, Food, Fisheries and Water Resource Management (2013), *National Agricultural Policy: A Vision for the Future of Agriculture in Barbados*. Viewed at: http://www.sice.oas.org/SME_CH/BRB/Policy_Paper_Agriculture_2013_e.pdf.

⁷ The authorities confirm that the draft National Agricultural Policy was never formally instituted.

⁸ Ministry of Agriculture, Food, Fisheries and Water Resource Management (2013), *National Agricultural Policy: A Vision for the Future of Agriculture in Barbados*. Viewed at: http://www.sice.oas.org/SME_CH/BRB/Policy_Paper_Agriculture_2013_e.pdf.

⁹ UNCTAD (2003), *Turning Losses into Gains: SIDS and Multilateral Trade Liberalisation in Agriculture*. Viewed at: <https://unctad.org/webflyer/turning-losses-gains-sids-and-multilateral-trade-liberalization-agriculture>.

to farmers who desire to establish agricultural enterprises through subsidies for land lease and irrigation. The FEED programme guarantees a land lease of between 0.25 acres and 5 acres for eligible farmers¹⁰ at an annual rate of BBD 300/acre. The land is leased primarily from government-owned lands, and the land lease size is allocated based on the participant's planned production. Irrigation water is also provided at a reduced rate of BBD 0.6/M³ in most cases. The authorities also note that other services, materials, and infrastructure¹¹ are offered to FEED programme participants at subsidized rates, or free of charge, in order to assist them with the initial start-up of their enterprise; these start-up kits include clearing and preparation of land and provision of seeds and basic equipment. Except for 2019 when the programme was launched, the Government provides direct support for the FEED programme with funds of BBD 500,000 available per fiscal year.

4.11. Based on 2021 statistics, Barbados maintains self-sufficiency in root crops (e.g. sweet potatoes, yams, and cassava) and eggs (100%), and domestic production covers a large share of demand in the case of chicken (93%), and, to a lesser extent, pork (49%). There is no domestic food import policy currently in force. Nonetheless, together with its CARICOM partners, Barbados supports the "Twenty-five by 2025 Initiative", which aims at reducing agri-food imports from outside CARICOM by 25% by the end of 2025.

4.12. Barbados maintains state trading over poultry, onions, and brown sugar through the BADMC, which was notified as a state trading enterprise to the WTO, most recently in 2018.¹² The BADMC holds a statutory monopoly on the duty-free importation of the above-mentioned products. The authorities maintain that state trading activities are carried out on the grounds of social protection, as the Government seeks to provide affordable poultry protein and food to low-income households. In order to do so, the BADMC has established a specific distribution system to the vulnerable for these duty-free imported products. During the review period, retail price controls on chicken wings, chicken backs and necks, and turkey wings were abolished. The authorities note that no other price control measures are applicable to agricultural goods.

4.13. The average applied tariff on agricultural products (WTO definition) was 35% in 2021, which is considerably higher than for non-agricultural products. There are certain products subject to tariffs with rates above 100% (Table 3.3). These products are, *inter alia*, edible vegetables and certain roots and tubers (with tariffs up to 216%); meat and edible meat offal, certain fish (184%); peel of citrus fruit or melons (147%); and dairy products, eggs (141%). Barbados maintains tariff quotas for 24 products.¹³ All products sourced from the CARICOM region – whether sensitive commodities such as tomatoes, or less sensitive commodities such as yams – enter Barbados free of duty.

4.14. Under the WTO Agreement on Agriculture, Barbados reserved the right of applying special safeguard (SSG) measures for 36 products. During the review period, Barbados initiated SSG measures on more than 30 products, most of which were vegetables and fruits such as beets, cabbages, cauliflower, carrots, lettuce, tomatoes, onions, and melons. The latest notification to the WTO on the use of the SSG provisions was submitted in 2018, covering the SSG measures used in 2016.¹⁴ The authorities are of the view that the SSG mechanism is not achieving its original purpose, and call for its reform.

4.15. According to its latest ES:1 notification in 2017, Barbados notified to the WTO that no export subsidies were provided for agricultural products up until FY2015/16.¹⁵ The notifications concerning more recent years are pending. Currently, Barbados encourages the exportation of agricultural products under other schemes. Under the Export Promotion Policy, 30% of international transport costs (capped at BBD 10,000) for primary agricultural products are covered by the Government.

¹⁰ The FEED programme seeks to promote the establishment of farmers interested in one of the following 11 activities: open field crop production, horticulture, greenhouse farming, temperature-controlled container farming, livestock production with a special emphasis on blackbelly sheep production, fruit tree production/agroforestry, forage/fodder production, hydroponics, aquaponics, fish farming, and apiculture (bee-keeping).

¹¹ Services and materials that may benefit from the FEED programme include land preparation, irrigation infrastructure (e.g. driplines), seeds (crop production, hydroponics, aquaponics), personal protective equipment (boots, gloves, etc.), water pumps and filters (hydroponics, aquaponics), and beehive boxes.

¹² WTO document G/STR/N/16/BRB, 17 April 2018.

¹³ The latest notification on imports under tariff quotas was submitted in 2001 for the calendar year 2000. See WTO document G/AG/N/BRB/8, 9 November 2001.

¹⁴ WTO document G/AG/N/BRB/27, 23 April 2018.

¹⁵ WTO document G/AG/N/BRB/24, 20 June 2017.

Additionally, up to 75% of the costs of feasibility studies, new market evaluations, and the implementation of quality assurance schemes for agricultural products are compensated by the Government.

4.16. Under the Cotton Export Levy Act, exports of cotton are subject to a levy at the rate of BBD 0.17 per pound. The proceeds of the levy are paid to the Barbados Cotton Growers Association. The authorities note that the revenues collected from the levy are to be used for research and development in the cotton industry.

4.17. Barbados' latest notification to the WTO of its domestic support measures is for FY2015/16. Barbados notified to the WTO as belonging in the green box spending of slightly less than BBD 50 million for that fiscal year. The majority of the spending notified corresponds to infrastructure services (Table 4.3).

Table 4.3 Domestic support spending, FY2013-16

(BBD million)

	FY2013/14	FY2014/15	FY2015/16
Pest and disease control	4.80	4.41	4.32
Extension and advisory services	1.01	0.95	0.52
Inspection services	2.32	2.14	2.21
Infrastructural services	20.40	17.49	16.69
Other	53.79	89.96	26.03
TOTAL	82.32	114.95	49.77

Source: WTO documents G/AG/N/BRB/25, 26 June 2017; G/AG/N/BRB/26, 27 June 2017; and G/AG/N/BRB/27, 23 April 2018.

4.18. Several incentives are accorded to farmers and farming organizations under the Agricultural Incentive Programme (AIP). The main support provided by the Programme to eligible farmers takes the form of cost compensation and per-hectare payments. Assistance for on-farm irrigation investment is also provided through the AIP. The AIP is administered by the Ministry of Agriculture and Food and Nutritional Security. The Programme provided a total of BBD 660,147 for 522 projects in 2021, down from BBD 1.01 million in 2015 for 616 projects. In addition, the Agricultural Development Fund (ADF) offers preferential loans¹⁶ for working capital, new technology, and for implementing best practices in agriculture and fisheries. The size of the loan ranges between BBD 50,000 and BBD 1 million, with a maturity period of up to 10 years. During the review period, a total of BBD 4.2 million preferential loans were approved by the ADF (Table 4.4).

Table 4.4 Agricultural incentives support, preferential loans, and grants, 2015-21

(BBD million and number)

		2015	2016	2017	2018	2019	2020	2021
AIP	Project number	616	454	386	458	554	437	522
	Total value	1.01	0.92	0.33	0.85	0.96	0.60	0.66
ADF	Preferential loans	0.45	0.4	1.2	0.41	0	1.28	0.46
	Grants	1.46	0	0.5	0.9	0	0	0

Source: Information provided by the authorities.

4.19. Imports of agricultural inputs including live animals, planting materials, fertilizers and other chemicals, and machinery and equipment are duty-free. Also, agricultural businesses may claim a rebate on agricultural machinery (new or imported into Barbados for the first time) with the amount equal to the eligible income tax allowance. Income tax holidays up to 10 years are available for businesses in the cotton industry, and for business of fruit production in the Scotland District.

4.1.3 Fisheries

4.20. Although its contribution to GDP is small, the fishing industry is important both economically and socially. It comprises several types of small businesses engaged in activities such as fishing,

¹⁶ The loan portfolio is divided into so-called social and commercial loans, where support to farmers is considered a social grant and commercial loans are for for-profit activities for the fund. Collateral is required for all loans.

fish-processing, retailing and wholesaling, and fish export and distribution. The industry is also an avenue for earning vital foreign exchange through fish exports, in addition to being a major contributor to local food security.

4.21. The Fisheries Division, under the Ministry of Environment and National Beautification, is the competent authority for managing and developing the fisheries sector. The Division is responsible for formulating policies for sectoral development, enforcing the Fisheries Act, 1993, Cap. 391, which is the main law governing the fishing industry, and preserving fisheries resources.

4.22. New Fisheries Management Regulations were being drafted as at July 2022. The authorities indicate that the draft new Regulations aim to address the issues of endangered aquatic animal protection, such as for marine mammals and sea turtles, as well as other trade-related issues and to safeguard the market access of Barbadian fisheries exports.

4.23. Local fisheries are currently open to nationals, with Barbadian citizens or permanent residents having access to the resources. As of end-June 2022, there were 1,000 fishing vessels registered with the authorities, about 600 of which were operational. The authorities indicate that the current regulation does not provide effective control measures (e.g. fish licensing) against overfishing; the only means currently available to the authorities is the safety compliance inspection of fishing vessels. The authorities further indicate that the newly drafted regulations will rectify this shortcoming, by introducing activity licensing requirements, when they enter into force. In 2021, the Fisheries Division completed a fish stock assessment as a first step towards policy reform. According to the authorities, technical assistance may be needed for Barbados to continue its effort on fisheries policy reform.

4.24. Pursuant to the Fisheries Act, the Fisheries Division publishes the Fisheries Management Plan (FMP). According to the authorities, the FMP is drafted in close cooperation with other CARICOM partners, following the Caribbean Regional Fisheries Mechanism. The current FMP was published in 2020. The authorities note that the FMP is not a legal instrument, but a policy instrument for fishery resource conservation.

4.25. The Rural Development Fund provides preferential loans for fishing vessel owners to cover onboard equipment repairs. However, the authorities note that no other financial assistance is currently provided for upgrade of fishing gears or equipment.

4.2 Energy

4.26. The Ministry of Energy and Business Development is the line ministry responsible for formulating sectoral policies, overseeing regulatory functions, and licensing energy operators. The authorities note that no fuel subsidies are provided to household or businesses.

4.27. In 2019, Barbados adopted the Barbados National Energy Policy 2019-2030 (BNEP). The Policy sets out an ambitious target for the country to move away from fossil fuels to renewable energy, aiming at reaching 100% renewable energy and carbon neutrality by 2030.

4.28. In order to achieve the target, the Government took measures to address issues on both energy demand and supply sides. On the demand side, the Government encouraged the adoption of energy efficiency technologies and the promotion of energy conservation. In this respect and with this purpose, the Control of Inefficient Lighting Act was assented by the then Governor-General in July 2021. On the supply side, the Government is making plans to diversify the sources of energy, with an aim to increase supply from renewable energy. Reaching the target by 2030 may be a challenge, as just 2% of the energy consumed in the country came from renewable sources as of end-2018. As a step in this direction, the authorities note that an Integrated Resource and Resiliency Plan was submitted to the Cabinet for approval.

4.2.1 Electricity

4.29. According to the authorities, the electricity sector is fully liberalized, and there is no restriction on foreign capital participation in the sector. However, given the small size of the country, the Barbados Light & Power Company Limited (BLPC), a vertically integrated operator, is the dominant player in the sector. BLPC is a subsidiary wholly owned by Emera, a Canadian company.

4.30. With regard to power generation, BLPC operates three power plants, and a number of power-generating substations, with a total capacity of 252 MW. BLPC generates electricity using diesel, heavy fuel oil, and kerosene. Recently, BLPC installed a new photovoltaic (PV) plant with a capacity of 10 MW. The BNEP has set a target of having at least 35,000 buildings with rooftop or ground-mounted PV systems; the Government is also supportive of the development of bio energy (e.g. sugarcane) to generate baseload power.

4.31. When the Electric Light and Power Act (ELPA) entered into force on 4 May 2015, the BLPC lost its monopoly in the electricity generation market. The ELPA liberalized the segment of power generation, and introduced a licensing regime for the supply of electricity from independent power producers (IPPs). The feed-in tariff is regulated by the Fair Trading Commission (FTC). The authorities note that the liberalization of the power generation segment has facilitated the addition of 69 MW of renewable energy to be distributed on the grid. In FY2020/21, the Government, with the aim of encouraging the uptake of renewable energy, granted IPPs a special premium on top of the feed-in tariff. According to the authorities, a total of 84 GW electricity was generated by renewable energy in 2021, accounting for 8% of the total electricity generation.

4.32. The BLPC manages the national grid, and is the sole distributor and retailer under franchise. The franchise is due to expire in 2028.¹⁷ Electricity retail prices are regulated by the FTC.

4.2.2 Hydrocarbons

4.33. Barbados has a small oil reserve onshore. The Barbados National Oil Company Limited (BNOCL), a fully state-owned enterprise, took on oil exploration and production operations in 1982 after the Government acquired the assets of Mobil Oil when that company relinquished its onshore lease. BNOCL's capacity of production is 385 barrels of crude oil per day. In 2021, BNOCL produced 116,000 barrels, all of which were exported.

4.34. Barbados does not have oil refining capacity. All refined products are imported. With regard to the segment of fuel distribution, the authorities maintain that there are no restrictions/exclusive rights reserved for any operator in the market; however, BNOCL is the sole importer of refined oil products such as gasoline and diesel, while other entities may import heavy fuel for power generation on the island or for bunkering. The authorities indicate that the reason the private sector does not play a major role in the market might lie in commercial considerations, to avoid the risks associated with fluctuating energy prices. Under the Miscellaneous Controls Act, Cap. 329, the retail prices of gasoline, diesel, and kerosene are regulated; their maximum prices are reviewed and set on a monthly basis by the Ministry of Energy and Business Development. BNOCL does not own any gas stations for fuel retail.

4.35. With the aim of encouraging a reduction in the use of fossil fuels for automobiles, in the 2022 budget the Government provided fiscal incentives for the purchase of electric vehicles (EVs) and hybrid vehicles. These incentives include: (i) reduction of import duties on battery EVs and fuel cell EVs, and solar-powered vehicles, regardless whether they are new or used; (ii) import duty reduction for vehicles powered by liquefied petroleum gas and compressed natural gas; (iii) reduction of excise tax for new fuel cell EVs; and (iv) a 24-month excise and VAT holiday for buying EVs (effective from 1 April 2022). In addition, in April 2021 the Government introduced a policy for governmental agencies and state-owned entities to restrict the procurement of cars, sports utility vehicles, and light goods vehicles powered by fossil fuel.

4.3 Manufacturing

4.36. The manufacturing sector in Barbados accounted for 4.7% of GDP in 2021 and for over 6% of employment. The Barbadian manufacturing sector concentrates mainly on the food processing, beverage, and tobacco subsectors.

4.37. Among manufacturing activities, food and agricultural-linked products continue to be of particular importance. Among these, alcoholic beverages (traditionally rum) still account for a major part of export revenue. The agri-food sector benefits from tax incentives, which include an

¹⁷ In 2019, the Government and the BLPC commenced discussions to negotiate new non-exclusive public utility licences that replace the company's current franchise agreement, which is expected to lapse in 2028.

investment allowance of up to 40% on the value of imported machinery to be used in sugar manufacturing and refining, which is deductible from taxable income as capital expenditure.

4.38. During part of the period under review, the manufacturing sector could also benefit from a number of general incentive programmes that were provided by the Fiscal Incentives Act, Cap. 71A, as amended. These incentives included: (i) waivers of import duties (including VAT) on inputs such as raw materials, machinery, equipment, and spares (motor vehicles excluded); (ii) a tax holiday of up to 15 years on a manufacturing business deemed to be highly capital intensive; and (iii) an investment allowance of 20% on plant machinery that is new or imported into Barbados for the first time. The Fiscal Incentives Act was repealed on 2 January 2019, and on that date the Government abolished the fiscal incentive of a 15-year tax holiday for businesses engaged in the manufacturing of an approved product exclusively for export outside of CARICOM, or of an approved product containing a specified percentage of local value added. The authorities note that this was done to be in conformity with its obligations under the WTO Agreement on Subsidies and Countervailing Measures.

4.39. On 1 January 2019, the International Business Companies (IBC) Act, Cap. 77 was repealed. IBCs were companies resident in Barbados but deriving income solely from sources outside Barbados. They were taxed at lower rates than domestic companies, according to their taxable income. IBCs with taxable income of up to BBD 10 million were taxed at a rate of 2.5%; from BBD 10 million to BBD 20 million, at a rate of 2.0%; from BBD 20 million to BBD 30 million, at 1.5%; and those with taxable income above BBD 30 million, at 1%. IBCs were not subject to withholding tax on remittances of dividends, royalties, interest, management fees, fees, or other income paid by IBCs to persons outside Barbados. They were free from exchange controls, and enjoyed duty-free concessions on certain imports. Although the IBC Act was repealed on 1 January 2019, certain entities holding a valid licence issued prior to 17 October 2017 were grandfathered and continued to receive their benefits until 30 June 2021. The minimum rate of tax increased from 0.25% to 1% for those entities from income years commencing on or after 1 January 2019. The authorities confirmed that the incentives accorded to then IBCs and international societies with restricted liability were discontinued on 30 June 2021 as a result of repealing the International Business Companies (IBC) Act and the Societies with Restricted Liability Act.¹⁸

4.40. Under the Societies with Restricted Liability (SRL) Act, Cap. 318B, corporations or partnerships qualifying as SRLs could apply for a licence to operate as international SRLs and, as such, were taxed at the same rates as IBCs. The provisions of the SRL Act dealing with international SRLs were repealed effective 1 January 2019. However, as in the case of IBCs, certain entities holding a valid licence issued prior to 17 October 2017 continued to receive benefits until 30 June 2021.

4.41. The Small Business Development Act, Cap. 318C, accords small- and medium-sized enterprises (SMEs) a number of tax incentives. Under the Act, SMEs may be granted 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 the actual expenditure in technology and market research. SMEs may also apply for a loan guarantee cover. To obtain approval as a small business and benefit from the scheme, companies must be incorporated in Barbados under the Companies Act with at least 75% of their shares owned locally and must have share capital of not more than BBD 1 million, annual sales not in excess of BBD 2 million, and not more than 25 employees. Beneficiary companies pay corporate income tax at a reduced rate of 15% and are exempt from the payment of import duties on equipment imported for use in the business and from stamp duty in some instances. Also, they may deduct for tax purposes up to 120% of certain expenditures directly

¹⁸ Having implemented Action 5 of the OECD's Base Erosion and Profit Shifting (BEPS) Framework, Barbados on 31 December 2018 repealed the International Business Companies (IBC) Act and the Societies with Restricted Liability Act. Effective 1 January 2019, all IBCs and international societies with restricted liability (ISRLs) automatically became regular Barbados companies (RBCs) and societies (RBSs). Those IBCs and ISRLs that qualify for grandfathering are entitled to be so grandfathered until 30 June 2021. Also, from 1 January 2019 onwards, all RBCs and RBSs that earn their income exclusively in foreign exchange may apply for a foreign currency permit that will afford them practically the same benefits previously enjoyed by IBCs and ISRLs.

related to the development of the business. Investors in beneficiary SMEs are exempt from withholding tax on the interest and dividends earned on their investment.

4.42. In addition, the Special Technical Assistance Programme provides assistance with performance enhancement for businesses in the manufacturing sector (Section 3.3.1). The authorities note that this programme is currently being phased out and replaced with an Export Credit Agency providing loan financing arrangements at international market rates. The authorities also note that the Tourism and Manufacturing Guarantee Facility, which was designed to provide loan guarantees for the manufacturing sector, is not operational and that no assistance has been provided to manufacturers under this facility.

4.4 Services

4.4.1 Financial services

4.43. Financial services accounted for 38.1% of valued added (Table 1.1), and 4.9% of employment in 2021. Commercial banks continued to dominate the financial system, holding 54% of total financial assets in 2021, followed by the insurance sector (17%), and the credit union segment (13%). The share of Mutual fund in total asset also gradually increased, reaching 12% in 2021 (Table 4.5).

Table 4.5 Financial system structure, 2015-21

	2015	2016	2017	2018	2019	2020	2021
Number of institutions							
Banks							
Domestic banks (foreign-owned)	5	5	5	5	5	5	5
Branches	32	33	35	35	32	30	28
Bank holding companies	1	1	1	1	1	1	4
Non-bank financial institutions							
Credit unions	34	33	35	33	33	32	32
Insurance companies	21	21	23	22	22	22	24
Mutual funds	16	16	16	16	16	16	19
Assets (BBD billion)							
Banks							
Commercial banks (foreign-owned)	12.77	13.28	13.47	12.66	12.83	13.22	13.77
Non-bank financial institutions							
Part 3 institutions	1.65	1.54	1.57	1.02	1.00	0.99	0.95
Credit unions	1.88	2.04	2.21	2.42	2.60	2.79	2.94
Insurance companies	3.07	3.42	3.57	3.47	3.65	3.78	3.79
Mutual funds (net assets)	1.90	1.80	2.25	2.16	2.44	2.49	2.73
Miscellaneous							
Share of the three largest banks (%)	45.6	46.0	45.6	45.2	45.5	44.0	43.9

Source: Information provided by the authorities.

4.44. During the review period, the legal framework for financial services was overhauled – the separate regulatory regimes for offshore financial services were abolished; instead, omnibus supervisory frameworks were created for the banking and insurance sectors. On 1 January 2019, the amended Financial Institutions Act (FIA) and the amended Insurance Act entered into force; with the application of both amended acts, the International Financial Services Act, Cap. 325 (IFSA) that governed offshore banking services and the Exempt Insurance Act that governed offshore insurance services were repealed. The IFSA provided for the establishment of international banking, trust administration, and other related or ancillary services by eligible companies incorporated in Barbados or branches of qualified foreign banks. An annual licence fee of BBD 100,000 was payable by IFSA licensees receiving foreign money deposits, and of BBD 50,000 by IFSA licensees not involved in deposit-taking financial services. International financial service entities were exempt from exchange controls and are granted duty-free concessions on certain imports. They enjoyed the same tax advantages as IBCs. Although the Act was repealed on 1 January 2019, as noted above, certain entities holding a valid licence issued prior to 17 October 2017 continued to receive benefits

until 30 June 2021. The minimum rate of tax increased from 0.25% to 1.0% for those entities from income years commencing on or after 1 January 2019.

4.45. Under the new framework, commercial banks and trust and finance companies remain regulated and supervised by the Central Bank of Barbados (CBB), while the Ministry of Finance, Economic Affairs and Investment is responsible for their licensing. The Financial Services Commission (FSC) continues its responsibility for regulating, supervising, and licensing non-bank financial institutions such as insurance companies, credit unions, pension funds, and securities companies.

4.4.1.1 Banking

4.46. The banking sector is regulated by the FIA, Cap. 324-A. The FIA was amended in 2018 and repealed the IFSA on 31 December 2018. The authorities state that the amended legislation facilitates the continued regulation and supervision of those banking institutions conducting business solely on foreign currency, and it also addresses recommendations arising from previous assessments of the banking sector. The authorities consider that the amended legislation enhances its supervisory effectiveness of the banking sector.

4.47. In order to provide commercial banking services, a bank must be incorporated locally; foreign banks may be incorporated as either a subsidiary or a branch. Each licensee is required to have at least BBD 4 million as assigned capital, and at least one director of its board must be a citizen of a CARICOM country. There are no specific taxes on financial transactions. The authorities maintain that capital and reserve requirements are the same, regardless of the bank's ownership. Both domestic- and foreign-owned banks are required to seek written approval from the CBB to make any substantial changes in their structure, the organization of their business, or in their assigned capital.

4.48. The minimum securities requirement and the minimum savings deposit rates for banks were abolished during the review period; the cash deposit rate, set by the CBB, is retained as a monetary policy instrument. According to the authorities, the rate is set dependent on several factors including, *inter alia*, liquidity levels in Barbados and the region, and the desired path of economic activity.

4.49. Facing the economic disruption caused by the COVID-19 pandemic, the CBB attempted to stimulate credit growth by a combination of lower cash reserve requirements and regulatory forbearance on pandemic-induced non-performing loans. However, credit to the non-financial private sector has remained demand-constrained over that period and fell by 1.7% in 2021. Lending by commercial banks fell by 2.8%, but there were modest increases by other institutions. The decline in commercial bank lending was mainly reflected in personal loans for mortgages and credit cards.¹⁹ However, there were increases in credit to the business sector, particularly for utilities. Prudential indicators remained robust with non-performing loans of the banking sector stabilizing at 7.5% by the end of 2021, as banks wound down pandemic-related moratoria programs. Other prudential metrics, such as the provisions to non-performing loans and capital adequacy ratios, remained above generally accepted metrics at 59.9% and 16.3%, respectively.

4.50. The amended FIA introduce a new class of licensed banks – foreign currency earning banks.²⁰ A foreign currency earning bank is a bank only engaged in foreign currency earning activities, while foreign currency earning activities entail not only receiving and using foreign funds, but also accepting foreign assets, including foreign currency, securities, or property, in trust.²¹ The licensing requirements for a foreign currency earning bank are similar to those for commercial banks, including requirements of local incorporation, minimum assignment capital, and at least one board member being a citizen of a CARICOM State and residing in Barbados. Foreign currency earning banks pay taxes at the same rates as commercial banks (ranging from 5.5% to 1.0% based on levels of income). Nonetheless, foreign currency earning banks may apply for exemption from paying: (i) withholding tax on dividends payment or other payments to non-residents; (ii) stamp duty and property transfer tax other than nominal duty of BBD 200 on all instruments and

¹⁹ Total credit card balances outstanding to the personal sector declined by 13.9% in 2021, a deeper decline than the 9.8% in 2020. This reduction reflected repayments outpacing the growth in new credit extended, as consumers continued to reduce short-term credit balances throughout the year.

²⁰ Detailed licensing requirements are set out in Part IIB, the Financial Institutions (Amendment) Act.

²¹ Financial Institutions (Amendment) Act, Section 41H.

agreements; and (iii) import duties (including VAT) on plants and machinery. As of April 2022, there were 18 foreign currency earning banks licensed in Barbados, holding assets of BBD 36.2 billion (in 2021), three-fold of the assets held by commercial banks.

4.51. The Money Laundering and Financing of Terrorism (Prevention and Control) Act, 2011 governs anti-money laundering compliance in Barbados. Section 44 of the FIA allows information sharing on financial institutions to prescribed domestic agencies and foreign governmental agencies where there is a reciprocal arrangement. The CBB has a number of memoranda of understanding in place to facilitate reciprocal exchange of information with domestic regulators, regional regulators, the Canada Office of the Superintendent of Financial Institutions, and Guatemala's Superintendencia de Bancos.

4.4.1.2 Credit unions

4.52. Credit unions play a significant role in the Barbadian economy. Despite accounting for a small share of the financial sector's assets, three fourths of the economically active population are members of credit unions. As of March 2022, the sector consisted of 31 firms, but the sector is very concentrated, with the two largest credit unions accounting for approximately 75% of assets, loans, and members.

4.53. Credit unions are also regulated, supervised, and licensed under the FSC Act 2010-21. In addition, the Cooperative Societies Act, Cap. 378A and the Cooperative Societies Regulations 2008 are also applicable. Under the FSC Act, the FSC has the power to carry out onsite surveillance and reorganize and/or take over the management and operations of a credit union. In 2020, the FSC launched the risk-based supervision for credit unions.

4.54. Credit unions are relatively well capitalized, with the average capital adequacy ratio (CAR) being in excess of 11%, above the 10% benchmark set by the Act. On the other hand, with prudential norms being less strict than for banks, loan classifications and provisioning tend to be less stringent than in the banking sector. Non-performing loans increased from a pre-COVID-19 pandemic level of 12% to a peak of 14% as at June 2021. Credit unions offered moratoria or loan restructuring to members in good standing to mitigate the impact of the pandemic and resultant high unemployment. The FSC enhanced monitoring and reporting requirement for large credit unions.

4.4.1.3 Insurance

4.55. As the Exempt Insurance Act was repealed, the Insurance Act was amended in 2018 and entered into force on 1 January 2019. Under the amended Act, all insurance entities including those then exempt insurance companies and qualified insurance companies are now regulated under a comprehensive regime. The amendment removed references to qualifying insurance companies. However, certain entities holding a valid licence issued prior to 17 October 2017 were grandfathered and taxed at the rate of 2% of taxable income up to 30 June 2021 in the case of entities carrying on general insurance business and 0.35% of gross investment for entities carrying on life insurance business.²²

4.56. The amended Insurance Act provide three classes of licensed operators:

- Class 1 Licence: insurance companies that write related party business;
- Class 2 Licence: insurance companies that write third-party business; and
- Class 3 Licence: insurance intermediaries (e.g. brokers, salespeople, adjustors, loss assessors, agents, and subagents), insurance management companies, and insurance holding companies.

4.57. Class 2 licensed insurers were formerly classified as the "domestic/onshore" insurers. As of end-2021, there were 24 Class 2 licensed insurance companies, 15 of which are general insurance companies (one composite insurer). The life insurance sector is dominated by a single company that

²² Qualifying for exemption under the Act were companies registered under the Insurance Act that derived at least 90% of their premiums from sources outside of CARICOM and at least 90% of whose risks originated outside of CARICOM.

accounts for 90% of the total assets of the life insurance industry. The minimum capital requirement for a Class 1 or Class 2 licence is the same at BBD 250,000.

4.58. In order to write risks located in Barbados, insurers must be registered in Barbados, with various paid-up capital requirements depending on whether they are writing general insurance, long-term insurance, or a combination of both. Foreign-owned insurance companies that provide life insurance must be locally incorporated. In addition, insurers must pay to the FSC various deposits prior to them carrying on insurance; the amount of the deposit depends on the type of insurance writing.

4.59. There is no mandatory insurance coverage reserved for domestic insurers. Foreign insurers or their affiliates can provide coverage against risk associated in Barbados via an insurance company licensed by the FSC.

4.60. Class 2 and Class 3 licensed insurance operators are subject to a tax on their income at a rate of 2%, while the tax rate for Class 1 licensees is zero.

4.61. Only Barbadian citizens or nationals of CARICOM member States may be registered as insurance intermediaries, such as insurance brokers, agents, subagents, and salespersons. As of end 2021, there were 25 licensed brokers, 50 agents (including 1 subagent), and 514 salespersons. Brokers are required to be insured with a registered insurer against liability for not less than BBD 1 million or such greater amount as may be prescribed for claims arising out of any error or omission on the part of the broker or their employees or agents.

4.4.1.4 Securities

4.62. Barbados has a small securities market. Securities are governed by the Securities Act 2001-3. The FSC is the regulator for securities. The Barbados Stock Exchange (BSE), headquartered in Bridgetown, was established in 1987 as a statutory, privately owned, not-for-profit body.²³ The BSE is a secondary market for the trading of shares, operating fully electronic trading using the order-routing method. The Barbados Central Securities Depository Inc. (BCSDI) is a wholly owned subsidiary of the BSE. Securities traded include ordinary shares, preferred shares, government debentures, and government treasury notes.

4.63. Companies are listed with the BSE on the Regular Market, the International Securities Market, or on the Junior Market. The Regular Market is the BSE's main domestic market, while the International Securities Market facilitates the listing and trading of securities by issuers who may or may not be incorporated in Barbados and that would otherwise be listed and traded on other exchanges around the world. The Junior Market caters to smaller or newer public companies that may not meet all the necessary requirements for listing in the Regular Market. As of end-June 2022, there were 16 companies listed with the BSE, 14 of which were on listed as regular companies on the main market, and 2 on the international market. At that date, there were no listings on the Junior Market. During the review period, no new companies were listed on the Regular Market and two companies were listed on the international market. Furthermore, seven companies were delisted during the review period.

4.4.2 Telecommunications

4.64. The telecommunications sector has been liberalized since 2005. Barbados adopted the WTO Basic Telecommunications Agreement without any exceptions.²⁴

4.65. The legal and institutional framework for the telecommunications sector remained largely unchanged during the review period. The Telecommunications Unit, under the Ministry of Industry, Innovation, Science and Technology, remains as the sectoral regulator. The basic legislation is the Telecommunications Act, Cap. 282B, which entered into force in 2001. The Act was amended in 2012 and 2018; the amendments were introduced for the purpose of enhancing compliance and

²³ The BSE is administered through a board of directors and a general manager. The board consists of four designated members, four elected members, and one independent. The four designated members represent the CBB, the Bar Association, the Barbados Chamber of Commerce and Industry, and the Institute of Bankers. The elected members are chosen from Membership of the Stock Exchange.

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

accommodating the increasing number of amateur radio operators in Barbados. Table 4.6 presents selected telecommunications indicators for the 2015-19, the latest available information.

Table 4.6 Selected telecommunications indicators, 2015-19

	2015	2016	2017	2018	2019
Fixed telephone subscriptions ('000)	149.5	139.7	120.5	128.0	128.0
Fixed telephone subscriptions per 100 inhabitants	52.4	48.9	42.1	44.7	44.6
Mobile-cellular telephone subscriptions ('000)	334.80	332.20	329.60	329.30	329.30
Mobile-cellular telephone per 100 inhabitants	117.3	116.2	115.1	114.9	114.7
Internet users (%)	76.1	79.6	81.8	..	..
Fixed broadband subscriptions ('000)	78.3	86.9	89.3	89.3	106.8
Fixed broadband subscriptions per 100 inhabitants	27.4	30.4	31.2	31.2	37.2
Mobile broadband subscriptions ('000)	157.70	129.10	129.90	171.80	121.20
Mobile broadband subscriptions per 100 inhabitants	55.3	45.2	45.4	59.9	42.2
International bandwidth (Gbit/s)	52.9	49.5	60.6	60.6	45.2
International bandwidth per Internet user (Kbit/s)	234.5	217.6	258.7	..	..

.. Not available.

Source: ITU, *Statistics*. Viewed at: www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx.

4.66. During the review period, Barbados upgraded its telecommunications infrastructure. These efforts included the deployment of Mobile 5G and Long-Term Evolution networks, as well as the removal of all existing copper cables and replacing them with fibre optics.

4.67. Anyone who wishes to provide public telecommunications services must apply for a licence from the Minister for Telecommunications. In the case of a carrier, the applicant must be registered in Barbados, and at least 25% of the equity must be held by Barbadian natural/legal persons. The authorities note that mobile virtual network operators (MVNOs) are also subject to the same ownership structure requirement.

4.68. As of end-May 2022, there were three carriers in the country providing cellular mobile services, including Internet services; these carriers also handle international traffic.²⁵ All of these carriers have foreign capital participation, including from the CARICOM region. The authorities note that there are no legal provisions pertaining to any limits on the total number of carriers operating in the country. Cable and Wireless (Barbados) Limited is the sole licensee for domestic landline services including domestic fixed Wi-Fi services. Provision of Voice Over Internet Protocol (VoIP) services is allowed only by licence holders of Full Domestic Licence, Full Mobile/International Licence, or International Licence (i.e. the three carriers).

4.69. Telecommunications infrastructure, including satellite earth stations as well as submarine cable landing stations, is privately owned. In addition to the last mile connection to end users, each of the licensed carriers has its own telecom network. Nonetheless, infrastructure policies encourage operators to share properties, facilities, and infrastructure through, for instance, a co-location arrangement.

4.70. Barbados takes a technology neutral position, and adopts an equal access and indirect access policy. A licensed carrier must treat any other carriers connecting to its network on a fair, reasonable, and non-discriminatory basis; this obligation is also applied to the branches or subsidiaries of a dominant carrier.²⁶ A dominant carrier is the carrier determined by the Minister, and which is not effectively constrained by competitive forces in a particular telecommunication market;²⁷ Cable and Wireless (Barbados) Limited has been declared by the Minister as having dominance in fixed telecom services and international telecom services.²⁸ Interconnection agreements are negotiated between carriers; in the case that no agreement is reached, the FTC may intervene and the intervention is binding to all parties. The dominant carrier is required to submit its reference interconnection offer (RIO) to the FTC for approval.

²⁵ Telecoms Unit, *Major Licence Holders in Barbados*. Viewed at: https://www.telecoms.gov.bb/index18b1.html?option=com_content&view=article&id=28&Itemid=130.

²⁶ Telecommunications Act, Article 25.

²⁷ Telecommunications Act, Article 26(3).

²⁸ Telecommunications (Declaration of Dominance) Regulations, 2005, Article 4.

4.71. Telephone numbers are allocated to licensed operators according to the National Numbering Plan. Numbers may be portable across operators. The authorities note that the Local Number Portability Project is scheduled to be completed by March 2023. Regarding radio frequency allocation for telecommunications services, the spectrum is assigned to carriers based on their demonstrated needs and is allocated to allow for equality of spectrum over the various bands.²⁹ Spectrum is never auctioned. The authorities are of a view that their spectrum management scheme will enhance competition because no carrier has an inordinate monopoly on spectrum that gives them an unfair advantage over the other carriers.

4.72. Universal service is mandatory, and is provided by Cable and Wireless (Barbados) Limited. Currently, universal telecom service in Barbados covers only voice service. The authorities indicate that an amendment to the universal service regulation is being drafted; in the draft amended regulation, universal service is expected to cover broadband service, and a universal service fund is expected to be established to finance the universal broadband service once the amendment enters into force.

4.73. The Data Protection Act, which entered into force on 1 March 2021, is the legislation concerning data localization requirements for the protection of privacy of data at rest or in transit. The authorities indicate that the Data Protection Act follows principles similar to those provided in the General Data Protection Regulation (GDPR) of the European Union. There is no legislation concerning international data traffic restriction.

4.4.3 Tourism

4.74. The tourism sector is of vital importance to the economy; the sector and related activities contributed, directly and indirectly, to over 50% of GDP. Tourism is the main driver of economic growth, the largest recipient of foreign investment, and the most significant foreign exchange earner.

4.75. Tourists to Barbados arriving by air usually stay longer than 24 hours; those arriving via cruise ships are generally transit arrivals and usually visit the island over the time when the cruise ship is calling at the port (i.e. shorter than 24 hours). Visitors from the United Kingdom and the United States are the major source of revenues, with some two thirds of the total. During the review period, tourist arrival gradually increased until April 2020 when the COVID-19 pandemic hit the country; tourist arrivals further declined in 2021, standing at 21% of the pre-pandemic level (Table 4.7).

Table 4.7 Stayover arrivals by source, 2015-21

(Number)

	2015	2016	2017	2018	2019	2020	2021
United States	148,067	168,945	188,460	204,274	219,769	43,222	44,804
Canada	74,494	78,903	85,047	86,600	81,577	32,932	17,316
Europe	255,027	258,408	257,643	259,719	264,751	81,945	62,598
United Kingdom	214,175	218,638	217,441	221,167	226,992	63,923	53,639
Germany	12,338	11,492	11,243	10,595	12,271	1,280	2,062
Others	28,514	28,278	28,959	27,957	25,488	16,742	6,897
CARICOM	87,980	99,679	103,030	103,051	100,253	22,390	13,908
Trinidad and Tobago	29,659	34,000	35,822	32,674	31,571	6,819	4,908
Others	58,321	65,679	67,208	70,377	68,682	15,571	9,000
Others	26,304	25,578	26,980	25,834	26,308	14,613	6,207
Total	591,872	631,513	661,160	679,478	692,658	195,102	144,833

Note: Statistics of 2021 are preliminary figures.

Source: Barbados Statistical Service, *Visitor Arrivals Statistics*. Viewed at: <https://stats.gov.bb/subjects/social-demographic-statistics/visitor-arrivals-statistics/>

²⁹ Telecommunications (Spectrum Management and Licensing) Regulations, 2003.

4.76. As explained in Section 1, the COVID-19 pandemic had a devastating impact on the tourism sector in particular, and on the economy in general. In response, the Government launched the Barbados Welcome Stamp Initiative on 30 June 2020, which grants a 12-month visa to approved applicants and their dependents. The Initiative targets long-stay visitors and "loyal visitors". As of end-March 2022, the authorities approved 2,308 of 3,511 applications received, among which 39% were family applications and 61% for individual travellers. The authorities consider that the Initiative improved perception of Barbados' key brand attributes, and increased tourists' spending on the island.

4.77. For the purposes of job protection and investment attraction against the devastation caused by the pandemic, the Government also developed the Barbados Employment and Sustainable Transformation (BEST) Programme. A total of BBD 300 million was pledged in the Programme for supporting the tourism sector; support was provided through grants or preferential share investment, with an aim of enhancing the cash flow of businesses so as to allow these businesses to continue hiring employees and transform their business model to adapt to the new reality.

4.78. In the national agricultural policy, tourism is identified as having linkages with the agricultural sector (e.g. the sugar industry), particularly for agrotourism and community tourism. The authorities note that community tourism is not a tourism product, but a concept of tourism development, with the potential for empowerment. The authorities expect that the success of community tourism will attract more returning tourists.

4.79. During the review period, the legal and institutional framework for tourism remained largely unchanged. The main legislation governing the sector is the Tourism Development Act, Cap. 341 and the Special Development Areas Act, Cap. 273A. The Ministry of Tourism and International Transport is responsible for formulating sectoral development policies, while Barbados Tourism Investment Incorporated (BTI) is responsible for attracting and facilitating foreign investment in the sector. Barbados Tourism Marketing Incorporated (BTMI) is the tourism promotion entity responsible for marketing, market intelligence, and product development. The Barbados Tourism Product Authority (BTPA), under the Ministry of Tourism and International Transport, is the sectoral regulator, responsible for registering and licensing all products and operators, including classifying tourist accommodation and restaurants.

4.80. Foreigners may own land in Barbados to develop tourism facilities. The authorities note that there are no restrictions on foreign capital participation in the tourism sector, including hotel accommodation, restaurant and culinary services, recreational facilities, and tourism operators. Most requirements for investors in tourism are related to service qualification and prudence. These requirements are equally applied to foreign nationals and Barbadian/CARICOM nationals.

4.81. Shared accommodation services providers (e.g. Airbnb) are allowed, as long as the property owners satisfy the conditions on accommodation registration and are licensed with BTPA. The authorities are of view that shared accommodation has a unique position in Barbados' community tourism policy.

4.82. Under the Tourism Development Act, Cap. 341, a qualifying owner of a tourism project or of a completed tourism product may offset expenditures on construction or the provision of certain amenities against its profits. Under the Act, eligible businesses in the tourism sector, including tourism projects or products, may benefit from exemption (or refund) of import duties (including VAT) on building materials, a range of furniture, sports/recreational equipment, and other supplies that are required to manage efficiently the day-to-day operation of the tourism product. Hotels with a restaurant on the premises enjoy duty-free importation of stores of food and beverages (alcoholic and non-alcoholic). Beneficiaries may also enjoy income tax concessions with respect to the write-off of interest, accelerated deduction of expenditure, interest rate subsidy, equity financing, training, and marketing. They may also deduct approved capital expenditures from revenues for 15 years (except restaurants), for projects with a value of up to BBD 200 million. Hotels with capital expenditure over BBD 200 million are allowed one additional year to write off expenditure for each additional BBD 20 million expended, up to a maximum of 20 years.

4.83. As provided by the Special Development Areas Act, Cap. 273A, developers involved in constructing, renovating, or refurbishing buildings related to certain tourism activities in specific areas of the country are eligible for exemption 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. In addition, investors (including persons providing loans) are eligible for an investment tax credit to be offset against tax payable. Persons financing such work under the Special Development Areas Act are exempt from income tax on interest received. Approved developers are exempt from import duties and VAT on inputs for the construction or renovation of buildings, withholding tax on repatriation of interest for a period of 15 years, land tax, and property transfer tax payable by vendors on the initial purchase of the company. Approved developers are subject to a corporate tax rate of 15%. According to the authorities, the terms and conditions attached to tax concessions do not include requirements to employ Barbadian nationals. However, to employ foreign nationals, the employer must prove that the required skill is not available in Barbados.

4.4.4 Transport

4.4.4.1 Air transport

4.84. Aviation is the main model of transport for people and goods entering in and departing from the country. During the review period, Barbados experienced an expansion of air transport, until the onset of COVID-19 pandemic in 2020. Since May 2020, passenger traffic has declined sharply.

4.85. During the review period, the legal and institution framework for air transport remained unchanged. The principal legislation is the Civil Aviation Act, 2004, and its amendment in 2007. The Barbados Civil Aviation Department (BCAD), under the Ministry of Tourism and International Transport, is the sector's regulator. BCAD is responsible for formulating policies related to civil aviation, and performs regulatory oversight functions such as certifying operators and licensing operators' personnel. The Air Traffic Services within BCAD provides air navigation services and air traffic management for Barbadian air space. According to the authorities, the Government is undergoing a policy discussion on the overhaul of the aviation regulatory regime, including the creation of an independent civil aviation authority.

4.86. Anyone wishing to provide air transport services in Barbados must obtain an air operator certificate (AOC, for business authorization) and air operator licence (AOL, for safety compliance) from BCAD. AOCs are issued only to applicants who are Barbadian or CARICOM nationals; the applicants must have their principal business address registered within the territories of any CARICOM member State, and the business must be effectively controlled by Barbadian/CARICOM nationals. As of June 2022, there were two valid AOCs in operation, both of which are small operators providing short-distance commercial services such as air taxis. Barbados does not have a national airline/flag carrier. The Government remains a major shareholder of LIAT, an airline operating inter-island scheduled services in the Caribbean.

4.87. Barbados maintains 30 bilateral air service agreements (BASAs) with its trading partners; the BASAs offer up to fifth freedom with restrictions on ownership. Due to the absence of a national carrier, Barbados in its BASAs applies CARICOM ownership, designating any CARICOM-based carriers as its national carrier when enforcing the agreements. The authorities note that two BASAs are "open skies agreements", namely the ones with the United States and with the Bolivarian Republic of Venezuela. Barbados is a signatory to the CARICOM Multilateral Air Services Agreement (CARICOM MASA); this Agreement confers third and fourth freedom route rights to airlines owned and operated by Caribbean nationals, while fifth freedoms are exchanged on a bilateral basis, and day tour regimes may also be negotiated. Barbados also is a signatory to the Air Transport Agreement among the Member States of the Association of Caribbean States.

4.88. Grantley Adams International Airport is the only airport, and serves as the main international gateway to the country. The airport is government-owned; state ownership is represented by Grantley Adams International Airport Incorporated (GAIA Inc.), a fully government-owned enterprise. GAIA Inc. is the manager and operator of the airport. The authorities note that the airport's management and facilities operation by GAIA Inc. are not under concession from the Government. The authorities further indicate that the Government is also considering a reform of the airport's management and operation, as part of the aviation regulatory regime overhaul.

4.89. Private sector operators are allowed to provide ground handling services such as passenger processing, cargo handling, catering, and ramp operations. Ground handling service providers must

sign a licence agreement with BCAD to provide the service. Currently, all ground handlers are local services providers, though the authorities note that foreign services providers have expressed interest in participation. The authorities further indicate that contracting ground handling services is also included in the aviation regulatory regime overhaul.

4.90. The supply of jet fuel to foreign-registered aircrafts is considered as re-export.

4.4.4.2 Maritime transport

4.91. The Barbados Maritime Ships Registry (BMSR) deals with all foreign-going ships and all coastal and Caribbean ships over 150 tonnes. There are no restrictions on the ownership of vessels. Ships registered with BMSR benefit from a liberal tax regime. Shipping companies incorporated outside of Barbados may operate Barbados-registered ships; the ship's earnings are not subject to taxes in Barbados and there is no requirement for foreign companies owning Barbados-registered ships to be incorporated in Barbados. Companies not incorporated in Barbados that operate Barbados-registered ships are also not liable for any Barbados tax. The Shipping (Incentives) Act, Cap. 90A encourages the development of Barbados' shipping activities by granting relief from corporate income tax, import duty, withholding tax, and other concessions to approved shipping companies for a period of 10 years.³⁰

4.92. Bridgetown Harbour, the only port of the country, is owned by the State. Similar to the situation in aviation, Bridgetown Harbour is managed and operated by Barbados Port Incorporated (BPI), a fully government-owned enterprise. BPI's management and operation of the harbour is not under concession from the Government. Certain services are provided by the private sector on behalf of BPI, including depot services, maritime agency services, maritime freight-forwarding services, stevedoring, and maintenance and repair of vessels.

4.4.4.3 Land transport

4.93. Passenger transport service providers such as buses, vans, tourist coaches, and taxis are regulated by the Transport Authority, under the Ministry of Tourism and International Transport. All operators providing passenger transport services, regardless of whether they are fixed-route or not, must be registered with Transport Authority, and their vehicles must be licensed with the Barbados Licensing Authority. In the case that the land transporter is engaged in any tourism-related activities, the transporter must also be registered and licensed by BTPA. The authorities note that there are no restrictions on foreign (i.e. non-CARICOM) participation in land transport.

4.94. Currently, the scheduled service on fixed routes is operated by a state-owned operator, the Barbados Transport Board. Passenger transport on fixed routes is augmented with unscheduled demand-service operated by privately owned operators. Fares for passenger transport, including bus tickets and taxi fares, are regulated. Taxi operators charge passengers a fixed price based on the distance they travel. The authorities indicate that the structure of the taxi subsector and its fare structure are currently under review.

4.95. Ride-hailing services are currently not allowed. However, the authorities indicate that ride-hailing services are being considered as part of the review of taxi subsector structure.

4.96. According to the authorities, the land transport sector is set to undergo a major transformation to a fossil-fuel-free sector by 2030. The Barbados Transport Board began electrification of its bus fleet. The authorities further indicate that the large programme upgrading the country's road system over the 2022-26 period will support other investments in the decarbonization of road transport.

³⁰ An approved shipping company incurring in approved capital expenditure up to BBD 200 million in respect of an approved shipping activity may deduct this expenditure for income tax purposes over a period of 15 years. Also, an approved shipping company that is granted income tax concessions under the Act may, for the purposes of the assessment of income tax, carry forward, in respect of the first nine years of assessment after the expiration of the concession period, losses that were incurred during the concession period and were not written off.

5 APPENDIX TABLES

Table A1.1 Merchandise exports by HS section and main chapter, 2014-21

(USD million and %)

Description	2014	2015	2016	2017	2018	2019	2020	2021
Total exports	481	483	517	485	458	444	345	350
of which: re-exports	197	230	255	230	202	..	120	127
	(% of total exports)							
1 - Live animals; animal products	0.5	0.4	0.4	0.4	0.4	0.4	0.6	0.8
03. Fish and crustaceans, molluscs and other aquatic invertebrates	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.4
01. Live animals	0.2	0.1	0.2	0.1	0.2	0.2	0.4	0.3
04. Dairy produce; birds' eggs; natural honey; edible products of animal origin	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.0
2 - Vegetable products	1.0	1.0	0.8	0.8	0.8	0.8	0.8	0.8
11. Products of the milling industry; malt; starches; inulin; wheat gluten	0.9	0.9	0.7	0.7	0.7	0.7	0.8	0.8
3 - Animal or vegetable fats and oils; prepared edible fats	2.6	2.4	2.2	2.5	2.7	2.7	3.5	4.0
4 - Prepared foodstuffs; beverages, spirits and vinegar; tobacco	16.7	15.3	15.0	18.9	17.7	17.0	19.9	22.4
22. Beverages, spirits and vinegar	10.2	9.9	10.3	12.3	12.3	11.9	14.1	16.9
19. Preparations of cereals, flour, starch or milk	2.5	1.9	1.7	1.9	2.1	2.3	2.9	3.2
21. Miscellaneous edible preparations	0.2	0.3	0.2	0.3	0.3	0.4	0.8	0.7
20. Preparations of vegetables, fruit, nuts or other parts of plants	0.9	1.1	1.1	1.1	1.2	1.1	0.9	0.5
16. Preparations of meat, of fish or of crustaceans	0.4	0.4	0.3	0.4	0.4	0.5	0.3	0.4
5 - Mineral products	34.1	22.4	18.6	25.7	31.0	34.4	31.1	27.9
27. Mineral fuels, mineral oils and products of their distillation	30.0	18.7	15.0	22.2	26.4	28.7	26.5	23.8
2710. Petroleum oils and oils obtained from bituminous minerals, other than crude	24.2	15.7	13.1	19.5	23.8	24.4	23.4	20.9
2709. Petroleum oils and oils obtained from bituminous minerals, crude	5.5	2.9	1.7	2.6	2.4	3.4	2.7	1.7
2713. Petroleum coke, petroleum bitumen and other residues	0.0	0.0	0.1	0.1	0.1	0.9	0.4	1.2
25. Salt; sulphur; earths and stone; plastering materials, lime and cement	4.1	3.8	3.6	3.4	4.5	5.7	4.6	4.0
6 - Products of the chemical or allied industries	14.8	15.6	13.8	14.6	13.0	10.1	16.3	14.1
30. Pharmaceutical products	9.9	10.2	8.8	7.3	6.5	6.1	7.0	7.0
38. Miscellaneous chemical products	2.5	2.1	2.1	1.9	1.9	0.7	6.7	3.9
32. Tanning or dyeing extracts and their derivatives; dyes, pigments and paints	1.4	1.5	1.5	1.7	2.2	2.0	1.6	1.6
33. Essential oils and resinoids; perfumery, cosmetic or toilet preparations	0.7	1.4	1.1	3.6	2.1	1.1	0.5	1.2
7 - Plastics and articles thereof; rubber and articles thereof	1.0	1.0	1.1	1.2	1.3	1.2	1.5	1.9
39. Plastics and articles thereof	0.8	0.9	0.9	1.0	1.2	1.2	1.2	1.2
40. Rubber and articles thereof	0.2	0.2	0.2	0.2	0.1	0.1	0.3	0.7
8 - Raw hides and skins, leather, furskins and articles thereof; travel goods, handbags; articles of animal gut	0.9	1.4	1.2	2.0	0.7	0.3	0.1	0.3
42. Articles of leather; travel goods, handbags; articles of animal gut	0.9	1.4	1.2	2.0	0.7	0.3	0.1	0.3
9 - Wood and articles of wood; wood charcoal; cork and articles of cork	0.0	0.1	0.1	0.2	0.1	0.1	0.1	0.2
10 - Pulp of wood or of other fibrous cellulosic material; paper and paperboard and articles thereof	3.6	3.1	3.2	3.3	4.0	3.8	5.2	5.6
48. Paper and paperboard; articles of paper pulp, of paper or of paperboard	3.1	2.8	2.9	3.0	3.7	3.5	5.0	5.2
49. Printed books, newspapers, pictures and other products of the printing industry	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.4
11 - Textiles and textile articles	1.6	2.7	2.7	3.5	2.2	1.5	1.4	1.7
62. Articles of apparel and clothing accessories, not knitted or crocheted	0.8	1.5	1.6	2.0	1.3	0.7	0.7	0.8
63. Other made up textile articles	0.4	0.4	0.4	0.6	0.5	0.4	0.6	0.5
61. Articles of apparel and clothing accessories, knitted or crocheted	0.3	0.5	0.5	0.9	0.4	0.3	0.2	0.2
12 - Footwear, headgear, umbrellas; prepared feathers and articles; artificial flowers	0.4	1.6	1.4	1.9	0.8	0.5	0.4	0.6
13 - Articles of stone, plaster, cement, etc.; ceramic products; glass and glassware	0.6	0.5	0.6	1.2	1.1	1.4	1.0	0.6
14 - Natural or cultured pearls, precious or semi-precious stones, precious metals	3.4	8.5	18.0	4.9	6.1	4.9	1.2	2.9
15 - Base metals and articles of base metal	3.1	3.4	3.1	3.5	4.6	4.8	5.2	5.5
76. Aluminium and articles thereof	1.0	1.1	1.0	1.2	1.3	1.2	1.5	1.9
73. Articles of iron or steel	1.6	1.7	1.5	1.5	2.1	1.7	1.9	1.9
72. Iron and steel	0.4	0.3	0.3	0.4	0.7	1.4	1.7	1.5
16 - Machinery and mechanical appliances; electrical equipment; television image and sound recorders	3.5	4.4	4.4	4.3	3.5	2.6	4.8	3.9
85. Electrical machinery and equipment; sound recorders and reproducers	2.3	3.5	3.0	3.0	2.4	1.9	2.4	2.5
84. Nuclear reactors, boilers, machinery and mechanical appliances	1.2	0.9	1.4	1.3	1.1	0.7	2.3	1.4

Description	2014	2015	2016	2017	2018	2019	2020	2021
17 - Vehicles, aircraft, vessels and associated transport equipment	2.5	2.6	1.4	1.8	1.0	1.4	1.8	1.2
87. Vehicles other than railway or tramway rolling-stock, parts and accessories	1.0	2.2	0.7	0.6	0.6	0.6	0.8	0.7
88. Aircraft, spacecraft, and parts thereof	0.3	0.2	0.2	0.1	0.2	0.3	0.3	0.3
89. Ships, boats and floating structures	1.2	0.1	0.5	1.0	0.1	0.5	0.8	0.2
18 - Optical, photographic, precision, medical or surgical instruments; clocks and watches; musical instruments	8.3	11.7	9.9	7.3	6.3	8.6	2.8	4.2
90. Optical, photographic, precision, medical instruments and apparatus	5.3	5.6	6.1	5.3	4.6	4.4	2.6	3.4
91. Clocks and watches and parts thereof	3.0	6.0	3.7	2.0	1.7	4.2	0.2	0.8
19 - Arms and ammunition	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0
20 - Miscellaneous manufactured articles	0.4	1.2	1.5	1.2	2.1	1.3	1.3	0.8
94. Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings	0.3	0.9	1.2	0.9	1.9	1.1	1.2	0.7
21 - Works of art, collectors' pieces and antiques	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0
Others	0.9	0.8	0.7	0.6	0.7	2.3	0.8	0.7

.. Not available.

Source: WTO Secretariat calculations, based on data from UN Comtrade database.

Table A1.1b Merchandise domestic exports by HS sections and main chapters, 2014-21

(USD million and %)

Description	2014	2015	2016	2017	2018	2019	2020	2021
Total domestic exports	283	253	262	255	255	..	225	224
	(% of total domestic exports)							
1 - Live animals; animal products	0.8	0.7	0.8	0.8	0.8	..	0.9	1.2
03. Fish and crustaceans, molluscs and other aquatic invertebrates	0.1	0.2	0.2	0.1	0.2	..	0.1	0.6
01. Live animals	0.3	0.3	0.3	0.3	0.4	..	0.7	0.5
04. Dairy produce; birds' eggs; natural honey; edible products of animal origin	0.2	0.2	0.2	0.1	0.1	..	0.1	0.1
2 - Vegetable products	1.6	1.8	1.5	1.5	1.4	..	1.2	1.3
11. Products of the milling industry; malt; starches; inulin; wheat gluten	1.5	1.6	1.4	1.4	1.3	..	1.2	1.2
3 - Animal or vegetable fats and oils; prepared edible fats	4.3	4.5	4.2	4.7	4.9	..	5.4	6.2
4 - Prepared foodstuffs; beverages, spirits and vinegar; tobacco	26.5	26.6	27.2	29.9	26.9	..	29.2	33.5
22. Beverages, spirits and vinegar	16.4	17.5	18.8	19.8	19.0	..	21.1	25.2
19. Preparations of cereals, flour, starch or milk; pastrycooks' products	4.3	3.7	3.4	3.5	3.7	..	4.5	5.0
21. Miscellaneous edible preparations	0.3	0.5	0.4	0.5	0.5	..	0.8	1.0
20. Preparations of vegetables, fruit, nuts or other parts of plants	1.6	2.1	2.1	2.1	2.1	..	1.4	0.8
5 - Mineral products	16.8	12.9	10.7	11.7	12.7	..	11.8	10.9
25. Salt; sulphur; earths and stone; plastering materials, lime and cement	6.9	7.1	7.2	6.5	8.1	..	7.0	6.3
27. Mineral fuels, mineral oils and products of their distillation; bituminous substances	9.9	5.8	3.6	5.2	4.6	..	4.8	4.7
6 - Products of the chemical or allied industries	15.9	18.3	17.3	13.8	14.3	..	17.0	14.0
38. Miscellaneous chemical products	3.8	3.9	3.9	3.4	3.3	..	9.3	6.0
30. Pharmaceutical products	9.2	10.8	10.0	6.8	6.7	..	4.5	4.4
32. Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring matter, etc.	2.3	2.8	2.9	3.0	3.8	..	2.3	2.3
33. Essential oils and resinoids; perfumery, cosmetic or toilet preparations	0.4	0.5	0.4	0.4	0.5	..	0.7	0.9
7 - Plastics and articles thereof; rubber and articles thereof	1.3	1.3	1.3	1.4	1.8	..	1.6	1.7
39. Plastics and articles thereof	1.2	1.3	1.3	1.4	1.8	..	1.6	1.7
8 - Raw hides and skins, leather, furskins and articles thereof; travel goods, handbags; articles of animal gut	0.1	0.1	0.1	0.1	0.1	..	0.0	0.0
9 - Wood and articles of wood; wood charcoal; cork and articles of cork	0.0	0.0	0.1	0.3	0.2	..	0.1	0.2
10 - Pulp of wood or of other fibrous cellulosic material; paper and paperboard and articles thereof	5.8	5.7	6.0	6.0	6.9	..	7.5	8.2
48. Paper and paperboard; articles of paper pulp, of paper or of paperboard	5.0	5.1	5.4	5.4	6.4	..	7.2	7.5
49. Printed books, newspapers, pictures and other products of the printing industry	0.7	0.5	0.6	0.5	0.5	..	0.3	0.7
11 - Textiles and textile articles	0.8	1.2	0.8	1.0	0.8	..	0.7	0.9
63. Other made up textile articles; sets; worn clothing and worn textile articles; rags	0.6	0.7	0.7	0.8	0.7	..	0.7	0.7
52. Cotton	0.1	0.4	0.1	0.1	0.1	..	0.0	0.1
12 - Footwear, headgear, umbrellas; prepared feathers and articles; artificial flowers	0.0	0.0	0.0	0.0	0.0	..	0.0	0.0
13 - Articles of stone, plaster, cement, etc.; ceramic products; glass and glassware	0.7	0.3	0.2	1.0	1.5	..	1.3	0.7
68. Articles of stone, plaster, cement, asbestos, mica or similar materials	0.4	0.1	0.1	0.8	1.3	..	1.1	0.5
70. Glass and glassware	0.3	0.2	0.1	0.1	0.2	..	0.1	0.2
14 - Natural or cultured pearls, precious or semi-precious stones, precious metals	1.7	1.9	1.2	1.3	1.1	..	0.5	0.5
15 - Base metals and articles of base metal	5.1	5.9	5.2	5.7	7.7	..	7.8	8.2
76. Aluminium and articles thereof	1.7	2.0	1.8	2.1	2.3	..	2.2	2.9
73. Articles of iron or steel	2.6	3.0	2.5	2.6	3.6	..	2.9	2.8
72. Iron and steel	0.6	0.5	0.5	0.7	1.3	..	2.6	2.4
16 - Machinery and mechanical appliances; electrical equipment; television image and sound recorders	5.0	4.6	5.8	5.8	5.7	..	6.7	5.3
85. Electrical machinery and equipment and parts thereof; television image and sound recorders and reproducers	3.3	3.8	4.7	3.9	4.0	..	3.6	3.6
84. Machinery and mechanical appliances; parts thereof	1.7	0.8	1.1	1.9	1.7	..	3.1	1.7
17 - Vehicles, aircraft, vessels and associated transport equipment	3.0	1.0	1.9	2.8	1.0	..	2.2	1.0
88. Aircraft, spacecraft, and parts thereof	0.5	0.4	0.5	0.2	0.4	..	0.4	0.5
87. Vehicles other than railway or tramway rolling-stock and parts and accessories thereof	0.5	0.5	0.8	0.5	0.3	..	0.7	0.4
18 - Optical, photographic, precision, medical or surgical instruments; clocks and watches; musical instruments	8.4	9.8	11.7	9.4	7.6	..	2.9	4.2

Description	2014	2015	2016	2017	2018	2019	2020	2021
90. Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus	7.3	9.7	11.0	9.3	7.5	..	2.8	4.1
91. Clocks and watches and parts thereof	1.1	0.1	0.7	0.1	0.2	..	0.0	0.0
19 - Arms and ammunition	0.0	0.0	0.1	0.1	0.0	..	0.0	0.0
20 - Miscellaneous manufactured articles	0.6	1.6	2.3	1.6	3.3	..	1.8	1.0
94. Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings	0.5	1.5	2.3	1.6	3.3	..	1.8	1.0
21 - Works of art, collectors' pieces and antiques	0.1	0.0	0.1	0.1	0.1	..	0.0	0.0
Others	1.5	1.5	1.4	1.1	1.1	..	1.3	1.1

.. Not available.

Source: WTO Secretariat calculations, based on data from UN Comtrade database.

Table A1.2 Merchandise imports by HS section and main HS chapter, 2014-21

(USD million and %)

Description	2014	2015	2016	2017	2018	2019	2020	2021
Total	1,740	1,618	1,621	1,600	1,600	1,581	1,501	1,673
	(% of total imports)							
1 - Live animals; animal products	4.7	4.7	4.4	4.7	5.1	4.6	4.8	4.7
04. Dairy produce; birds' eggs; natural honey; edible products of animal origin	2.1	1.9	1.7	1.9	2.1	2.0	2.0	1.9
02. Meat and edible meat offal	1.6	1.8	1.6	1.8	1.8	2.0	1.8	1.9
03. Fish and crustaceans, molluscs and other aquatic invertebrates	1.0	1.1	1.0	1.0	1.1	0.6	0.9	0.9
2 - Vegetable products	4.2	4.5	4.6	4.6	4.7	4.7	5.0	5.0
08. Edible fruit and nuts; peel of citrus fruit or melons	0.9	1.1	1.1	1.1	1.1	1.2	1.2	1.3
10. Cereals	1.1	1.0	1.0	0.9	0.9	0.9	1.0	1.1
07. Edible vegetables and certain roots and tubers	0.8	0.8	0.9	1.0	1.0	1.1	1.0	1.0
12. Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit	0.8	0.9	0.9	0.8	0.8	0.8	0.8	0.9
11. Products of the milling industry; malt; starches; inulin; wheat gluten	0.4	0.4	0.5	0.4	0.4	0.5	0.5	0.5
09. Coffee, tea, maté and spices	0.2	0.3	0.2	0.3	0.3	0.2	0.3	0.3
3 - Animal or vegetable fats and oils; prepared edible fats	0.7	0.6	0.6	0.6	0.8	0.6	0.8	0.6
4 - Prepared foodstuffs; beverages, spirits and vinegar; tobacco	10.3	11.7	11.7	12.3	12.2	12.0	12.8	11.8
21. Miscellaneous edible preparations	1.9	2.2	2.3	2.3	2.4	2.6	2.7	2.6
22. Beverages, spirits and vinegar	2.4	3.0	3.0	3.0	3.0	2.8	2.7	2.4
19. Preparations of cereals, flour, starch or milk	1.5	1.8	1.7	1.8	1.8	1.9	2.0	1.8
20. Preparations of vegetables, fruit, nuts or other parts of plants	1.3	1.4	1.4	1.5	1.5	1.5	1.4	1.3
17. Sugars and sugar confectionery	1.2	1.1	1.1	1.3	1.2	1.1	1.4	1.3
16. Preparations of meat, of fish or of crustaceans	0.8	0.9	0.9	0.9	1.0	0.9	1.1	1.1
5 - Mineral products	25.7	19.1	15.9	19.9	23.7	20.3	18.0	21.0
27. Mineral fuels, mineral oils and products of their distillation	25.6	18.7	15.5	19.6	23.2	19.9	17.3	20.5
2710. Petroleum oils and oils obtained from bituminous minerals, other than crude	24.5	18.0	14.8	18.7	22.2	19.0	16.3	19.3
2711. Petroleum gases and other gaseous hydrocarbons	0.6	0.5	0.6	0.7	0.8	0.6	0.8	0.8
25. Salt; sulphur; earths and stone; plastering materials, lime and cement	0.2	0.4	0.4	0.2	0.5	0.4	0.7	0.5
6 - Products of the chemical or allied industries	9.7	9.8	9.7	9.4	9.0	8.1	9.5	9.1
30. Pharmaceutical products	4.0	3.9	3.8	3.2	3.1	2.9	3.0	2.8
38. Miscellaneous chemical products	1.3	1.2	1.3	1.3	1.2	0.9	1.9	2.1
33. Essential oils and resinoids; perfumery, cosmetic or toilet preparations	1.3	1.4	1.4	1.6	1.4	1.2	1.3	1.1
34. Soap, organic surface-active agents, washing and lubricating preparations	1.1	1.2	1.2	1.2	1.2	1.2	1.3	1.1
32. Tanning or dyeing extracts and their derivatives; dyes, pigments and paints	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.9
7 - Plastics and articles thereof; rubber and articles thereof	4.1	4.3	4.2	4.1	4.3	3.9	4.4	5.0
39. Plastics and articles thereof	3.3	3.4	3.4	3.3	3.5	3.2	3.7	4.2
40. Rubber and articles thereof	0.8	0.9	0.8	0.8	0.8	0.7	0.7	0.9
8 - Raw hides and skins, leather, furskins and articles thereof; travel goods, handbags; articles of animal gut	0.4	0.5	0.5	0.4	0.3	0.3	0.2	0.2
42. Articles of leather; travel goods, handbags; articles of animal gut	0.4	0.5	0.5	0.4	0.3	0.3	0.2	0.2
9 - Wood and articles of wood; wood charcoal; cork and articles of cork	1.8	1.8	1.8	1.9	1.6	1.3	1.8	2.1
44. Wood and articles of wood; wood charcoal	1.7	1.8	1.8	1.8	1.6	1.2	1.7	2.0
10 - Pulp of wood or of other fibrous cellulosic material; paper and paperboard and articles thereof	3.0	3.2	3.2	3.0	3.1	3.4	3.2	2.9
48. Paper and paperboard; articles of paper pulp, of paper or of paperboard	2.4	2.6	2.6	2.5	2.6	3.0	2.8	2.5
49. Printed books, newspapers, pictures and other products of the printing industry	0.5	0.6	0.6	0.5	0.5	0.5	0.4	0.4
11 - Textiles and textile articles	2.4	2.6	2.6	2.6	2.6	2.1	2.2	2.0
63. Other made up textile articles	0.6	0.6	0.6	0.6	0.7	0.6	0.8	0.7
62. Articles of apparel and clothing accessories, not knitted or crocheted	0.9	1.0	1.0	1.0	1.0	0.7	0.7	0.7
61. Articles of apparel and clothing accessories, knitted or crocheted	0.3	0.4	0.4	0.4	0.4	0.3	0.2	0.2
12 - Footwear, headgear, umbrellas; prepared feathers and articles; artificial flowers	0.9	1.0	1.0	0.9	0.8	0.7	0.5	0.5
64. Footwear, gaiters and the like; parts of such articles	0.8	0.8	0.8	0.7	0.6	0.5	0.3	0.4
13 - Articles of stone, plaster, cement, etc.; ceramic products; glass and glassware	1.9	1.7	2.1	2.0	1.6	1.3	1.6	1.8
70. Glass and glassware	0.9	0.8	1.0	0.9	0.8	0.7	0.8	0.8
14 - Natural or cultured pearls, precious or semi-precious stones, precious metals	1.3	1.6	4.8	1.4	1.4	0.8	0.0	0.0
15 - Base metals and articles of base metal	4.1	4.5	4.2	4.5	4.1	4.5	4.7	5.2
73. Articles of iron or steel	1.7	1.8	1.7	1.8	1.6	1.9	2.0	2.0
72. Iron and steel	0.7	0.8	0.6	0.8	0.7	0.8	0.7	1.0

Description	2014	2015	2016	2017	2018	2019	2020	2021
76. Aluminium and articles thereof	0.7	0.8	0.7	0.8	0.7	0.7	0.9	0.9
16 - Machinery and mechanical appliances; electrical equipment; television image and sound recorders	14.5	16.7	15.7	14.7	12.8	13.0	18.2	17.0
84. Nuclear reactors, boilers, machinery and mechanical appliances	6.9	9.4	8.8	8.5	7.4	8.2	9.6	10.3
85. Electrical machinery and equipment; sound recorders and reproducers	7.6	7.3	6.9	6.1	5.3	4.8	8.6	6.7
17 - Vehicles, aircraft, vessels and associated transport equipment	4.4	5.1	6.3	6.7	5.9	6.2	6.7	5.2
87. Vehicles other than railway or tramway rolling-stock, parts and accessories	4.1	4.8	5.9	6.1	5.5	5.8	6.5	4.9
89. Ships, boats and floating structures	0.2	0.2	0.3	0.5	0.2	0.2	0.0	0.1
18 - Optical, photographic, precision, medical or surgical instruments; clocks and watches; musical instruments	2.8	3.1	3.5	2.6	2.9	2.4	2.6	2.0
90. Optical, photographic, precision, medical instruments and apparatus	1.9	2.1	2.5	1.9	2.2	2.1	2.6	2.0
19 - Arms and ammunition	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
20 - Miscellaneous manufactured articles	2.6	2.8	2.8	3.5	2.7	2.5	2.6	3.0
94. Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings	1.9	2.0	1.9	2.7	1.9	1.7	1.9	2.2
95. Toys, games and sports requisites; parts and accessories thereof	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5
21 - Works of art, collectors' pieces and antiques	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Others	0.4	0.4	0.4	0.3	0.4	7.3	0.4	0.5

Source: WTO Secretariat calculations, based on data from UN Comtrade database.

Table A1.3 Merchandise exports and re-exports by trading partner, 2014-21

(USD million and %)

Description	2014	2015	2016	2017	2018	2019	2020	2021
Total exports	481	483	517	485	458	444	345	350
of which: Re-exports	197	230	255	230	202	..	120	127
	(% of exports)							
Americas	64.3	72.6	73.2	67.8	67.5	66.9	66.2	68.6
United States	17.0	32.6	34.4	25.8	22.7	20.9	13.3	19.2
Other America	47.3	40.0	38.8	41.9	44.8	46.0	52.9	49.4
Jamaica	4.0	4.6	4.2	5.9	5.0	7.0	8.2	7.7
Guyana	5.2	5.3	4.5	4.9	5.9	6.7	7.6	7.5
Trinidad and Tobago	12.4	8.2	7.7	7.5	6.9	6.5	6.8	7.3
Saint Lucia	4.2	3.7	3.7	3.8	4.6	3.9	4.9	5.0
Canada	2.5	1.8	1.8	1.8	2.8	3.4	4.4	3.5
Antigua and Barbuda	2.3	2.2	2.5	2.5	3.9	2.8	2.9	3.0
Saint Vincent and the Grenadines	2.7	2.6	2.7	2.6	2.7	3.0	3.5	3.0
Grenada	2.4	2.0	2.0	2.2	2.5	2.5	2.9	2.7
Saint Kitts and Nevis	1.5	1.5	1.5	1.7	2.0	2.1	1.7	1.7
Dominica	0.9	0.9	0.9	0.9	1.9	2.1	1.8	1.5
Bahamas	0.8	0.9	1.0	0.9	0.7	0.7	1.2	1.1
Dominican Republic	0.4	0.5	0.5	0.4	0.5	0.4	1.2	0.8
Curaçao	2.4	1.5	0.6	0.7	0.5	0.5	0.6	0.6
Suriname	0.5	0.6	0.7	0.9	1.1	1.3	1.0	0.6
Virgin Islands, British	0.7	0.7	0.6	0.7	0.9	0.9	0.5	0.6
Nicaragua	0.3	0.2	0.2	0.3	0.5	0.3	0.3	0.5
Europe	8.1	7.0	7.2	8.4	5.6	5.5	8.2	8.0
EU-27	4.5	3.9	3.7	4.5	3.6	3.2	5.5	6.6
France	2.1	2.2	2.1	2.5	2.0	1.7	3.0	3.3
Netherlands	0.3	0.5	0.6	0.7	0.7	0.7	0.9	1.2
Spain	0.4	0.4	0.2	0.1	0.1	0.4	1.0	1.0
Germany	0.6	0.2	0.4	0.3	0.1	0.1	0.2	0.5
Denmark	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.2
EFTA	0.2	0.2	0.2	0.4	0.0	0.2	0.0	0.0
Switzerland	0.2	0.2	0.2	0.4	0.0	0.2	0.0	0.0
Other Europe	3.4	3.0	3.3	3.5	2.0	2.1	2.7	1.4
United Kingdom	3.3	2.9	3.1	3.3	1.8	2.0	2.5	1.4
Türkiye	0.1	0.1	0.1	0.3	0.2	0.1	0.1	0.0
Commonwealth of Independent States (CIS) ^a	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Africa	0.0	0.0	0.0	0.0	0.2	0.2	0.1	0.0
Middle East	0.5	0.3	0.3	0.8	0.3	0.4	0.3	0.4
United Arab Emirates	0.3	0.2	0.2	0.8	0.2	0.2	0.2	0.3
Asia	2.9	4.4	6.2	3.4	2.6	2.5	1.6	2.1
China	2.2	2.6	4.3	1.2	0.3	0.0	0.8	1.2
Japan	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Other Asia	0.7	1.7	1.9	2.2	2.3	2.5	0.9	0.9
Thailand	0.0	0.1	0.1	0.0	0.1	0.0	0.0	0.5
Chinese Taipei	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1
India	0.0	1.2	1.4	0.0	0.1	0.1	0.1	0.1
Korea, Democratic People's Republic of	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Other	24.2	15.7	13.1	19.5	23.8	24.4	23.5	20.9
<i>Memorandum:</i>								
EU-28	7.8	6.7	6.9	7.8	5.4	5.3	8.0	7.9
CARICOM	37.5	33.1	31.9	34.2	37.7	39.0	43.5	41.9

.. Not available.

a Commonwealth of Independent States, including certain associate and former member States.

Source: WTO Secretariat calculations, based on data from UN Comtrade database.

Table A1.3b Merchandise domestic exports by trading partner, 2014-21

(USD million and %)

Description	2014	2015	2016	2017	2018	2019	2020	2021
Total domestic exports	283	253	262	255	255	..	225	224
	(% of domestic exports)							
Americas	85.1	81.3	77.0	81.9	86.7	..	85.8	84.8
United States	16.8	18.9	16.5	19.1	17.0	..	16.1	18.9
Other America	68.3	62.3	60.5	62.8	69.7	..	69.7	65.8
Jamaica	5.4	7.1	6.5	7.2	7.7	..	12.2	11.4
Guyana	8.8	10.0	8.8	8.8	10.3	..	11.0	11.4
Trinidad and Tobago	18.4	13.2	11.6	13.2	12.0	..	9.9	11.2
Saint Lucia	5.7	5.6	5.7	5.7	6.3	..	5.2	5.6
Canada	3.9	3.4	3.4	3.3	4.9	..	6.6	5.4
Antigua and Barbuda	3.3	3.2	3.2	3.2	5.7	..	3.3	2.9
Saint Vincent and the Grenadines	3.6	3.8	4.1	3.7	3.7	..	4.0	2.9
Grenada	3.3	3.0	3.2	3.2	3.6	..	2.9	2.8
Saint Kitts and Nevis	1.8	2.3	2.4	2.6	3.0	..	2.0	2.0
Dominica	1.1	1.3	1.3	1.4	2.9	..	2.0	1.8
Dominican Republic	0.7	0.9	0.9	0.8	0.8	..	1.8	1.2
Bahamas	0.8	1.0	1.4	1.0	1.0	..	1.4	1.2
Suriname	0.9	1.1	1.4	1.7	1.9	..	1.3	1.0
Curaçao	3.6	2.4	0.9	1.0	0.8	..	0.9	0.9
Nicaragua	0.6	0.4	0.5	0.6	0.8	..	0.4	0.7
Belize	0.5	0.6	0.6	0.7	0.4	..	0.6	0.6
Europe	9.4	10.1	10.4	11.0	7.9	..	11.1	11.3
EU-27	4.7	5.0	4.7	5.5	5.1	..	7.6	9.4
France	1.6	2.0	1.7	2.1	2.8	..	4.1	5.2
Netherlands	0.6	0.9	1.2	1.4	1.2	..	1.4	1.7
Spain	0.6	0.8	0.5	0.1	0.2	..	1.6	1.5
Denmark	0.0	0.0	0.1	0.2	0.3	..	0.1	0.4
Germany	0.4	0.4	0.8	0.6	0.3	..	0.1	0.3
EFTA	0.1	0.2	0.3	0.2	0.0	..	0.0	0.0
Switzerland	0.1	0.2	0.2	0.2	0.0	..	0.0	0.0
Other Europe	4.7	4.9	5.5	5.3	2.8	..	3.5	1.9
United Kingdom	4.4	4.8	5.2	4.8	2.5	..	3.2	1.9
Türkiye	0.3	0.1	0.2	0.5	0.3	..	0.2	0.1
Commonwealth of Independent States (CIS) ^a	0.0	0.0	0.0	0.0	0.0	..	0.0	0.0
Africa	0.0	0.0	0.0	0.1	0.3	..	0.2	0.0
Middle East	0.8	0.6	0.6	0.6	0.5	..	0.4	0.5
United Arab Emirates	0.5	0.4	0.5	0.5	0.3	..	0.3	0.5
Asia	4.7	8.0	11.9	6.4	4.6	..	2.4	3.2
China	3.7	4.9	8.4	2.2	0.6	..	1.2	1.9
Japan	0.0	0.0	0.0	0.0	0.0	..	0.0	0.0
Other Asia	1.0	3.0	3.5	4.2	4.1	..	1.2	1.3
Thailand	0.0	0.1	0.2	0.1	0.2	..	0.1	0.9
Chinese Taipei	0.5	0.3	0.1	0.2	0.3	..	0.2	0.1
Korea, Democratic People's Republic of	0.0	0.0	0.0	0.0	0.0	..	0.1	0.1
India	0.0	2.3	2.8	0.0	0.1	..	0.1	0.1
Other	0.0	0.0	0.0	0.0	0.0	..	0.0	0.0
<i>Memorandum:</i>								
EU-28	9.1	9.8	9.9	10.3	7.6	..	10.8	11.3
Caribbean Community (CARICOM)	53.8	52.4	50.4	52.6	58.9	..	56.3	55.2

.. Not available. No details on re-exports are provided for the year 2019. As a consequence, domestic exports could not be calculated.

a Commonwealth of Independent States, including certain associate and former member States.

Source: WTO Secretariat calculations, based on data from UN Comtrade database.

Table A1.4 Merchandise imports by trading partner, 2014-21

(USD million and %)

Description	2014	2015	2016	2017	2018	2019	2020	2021
Total imports	1,740	1,618	1,621	1,600	1,600	1,581	1,501	1,673
	(% of imports)							
Americas	72.7	70.0	65.9	70.0	70.7	64.6	70.5	74.9
United States	35.0	39.2	39.1	39.5	39.5	37.6	42.6	47.0
Other America	37.7	30.7	26.7	30.5	31.2	27.0	27.9	27.9
Trinidad and Tobago	20.5	15.8	13.4	16.8	17.9	15.0	13.8	12.5
Canada	2.3	2.3	2.3	2.4	2.1	2.3	2.4	2.6
Panama	0.3	0.3	0.4	0.3	0.5	0.4	3.3	2.3
Antigua and Barbuda	0.0	0.0	0.0	0.0	0.0	0.4	0.0	2.3
Jamaica	0.6	0.7	0.8	0.9	0.8	0.9	1.1	1.4
Dominican Republic	0.6	0.6	0.7	0.6	0.7	0.7	0.7	0.9
Mexico	2.4	2.4	1.7	1.7	1.7	1.8	0.9	0.7
Costa Rica	0.6	0.5	0.5	0.6	0.7	0.8	0.8	0.7
Brazil	1.1	1.4	1.4	1.1	1.1	1.0	0.5	0.7
Colombia	0.3	0.3	0.3	0.3	0.4	0.4	0.5	0.5
Guyana	0.8	0.9	0.9	1.0	0.6	0.6	0.5	0.5
Saint Lucia	2.3	2.5	1.8	0.4	0.2	0.3	0.7	0.4
Saint Vincent and the Grenadines	0.5	0.6	0.5	0.4	0.4	0.5	0.5	0.4
Europe	13.5	15.5	16.8	14.1	14.1	20.3	18.6	14.4
EU-27	7.5	9.7	10.1	8.6	8.3	14.5	12.6	9.1
Netherlands	1.0	1.5	1.9	1.5	2.4	8.3	5.5	3.2
Sweden	0.8	1.1	0.8	1.0	0.8	0.7	0.8	1.1
Germany	1.4	1.7	2.0	1.4	1.2	1.4	1.0	0.8
Spain	0.5	0.6	0.8	0.6	0.4	0.6	0.4	0.8
Italy	0.8	0.9	1.2	0.8	0.6	0.7	0.6	0.7
EFTA	1.5	1.3	1.3	1.1	1.2	1.0	0.2	0.3
Switzerland	1.5	1.3	1.3	1.0	1.1	1.0	0.2	0.3
Other Europe	4.4	4.5	5.4	4.4	4.7	4.9	5.8	5.0
United Kingdom	4.0	4.2	4.8	4.0	4.1	4.2	4.8	4.4
Türkiye	0.4	0.3	0.6	0.4	0.5	0.6	0.9	0.5
Commonwealth of Independent States (CIS) ^a	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Africa	0.2	0.3	0.3	0.2	0.2	0.2	0.1	0.2
South Africa	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Middle East	0.1	0.2	0.2	0.2	0.1	0.1	0.6	0.2
United Arab Emirates	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.1
Israel	0.1	0.2	0.1	0.2	0.1	0.1	0.0	0.1
Asia	13.5	14.0	16.8	15.4	14.8	14.8	10.2	10.3
China	5.3	5.7	7.3	5.8	5.9	5.8	2.6	4.0
Japan	1.8	2.1	2.7	2.8	2.6	2.5	3.1	2.2
Other Asia	6.4	6.2	6.8	6.8	6.4	6.4	4.5	4.1
New Zealand	1.6	1.2	1.1	1.3	1.4	1.3	1.1	0.9
Hong Kong, China	0.4	0.3	0.5	0.3	0.2	0.4	0.6	0.7
Thailand	1.1	1.4	1.6	1.7	1.6	1.3	0.7	0.6
Korea, Republic of	0.8	0.7	0.9	0.8	0.6	0.7	0.4	0.5
India	0.9	1.0	1.1	1.0	0.8	1.1	0.8	0.5
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Memorandum:</i>								
EU-28	11.5	13.9	14.9	12.6	12.5	18.6	17.4	13.5
CARICOM	29.1	21.6	18.1	22.2	22.7	18.3	17.2	18.1

a Commonwealth of Independent States, including certain associate and former member States.

Source: WTO Secretariat calculations, based on data from UN Comtrade database.