

# PRESS RELEASE

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## TRADE POLICY REVIEW: BARBADOS

### Trade boosts Barbados' standard of living

The Trade Policy Review Body of the World Trade Organization (WTO) concluded its first review of Barbados on 9 and 11 July 2002. The text of the Chairperson's concluding remarks is attached as a summary of the salient points which emerged during the discussion.

The review enables the TPRB to conduct a collective examination of the full range of trade policies and practices of each WTO member countries at regular periodic intervals to monitor significant trends and developments which may have an impact on the global trading system.

The review is based on two reports which are prepared respectively by the WTO Secretariat and the government under review and which cover all aspects of the country's trade policies, including its domestic laws and regulations, the institutional framework, bilateral, regional and other preferential agreements, the wider economic needs and the external environment. A record of the discussion and the Chairperson's summing-up together with these two reports will be published in due course as the complete trade policy review of Barbados and will be available from the WTO Secretariat, Centre William Rappard, 154 rue de Lausanne, 1211 Geneva 21.

**Since December 1989, the following reports have been completed:** Argentina (1992 and 1999), Australia (1989, 1994 and 1998), Austria (1992), Bahrain (2000) Bangladesh (1992 and 2000), Barbados (2002), Benin (1997), Bolivia (1993 and 1999), Botswana (1998), Brazil (1992, 1996 and 2000), Brunei Darussalam (2001), Burkina Faso (1998), Cameroon (1995 and 2001), Canada (1990, 1992, 1994, 1996, 1998 and 2000), Chile (1991 and 1997), Colombia (1990 and 1996), Costa Rica (1995 and 2001), Côte d'Ivoire (1995), Cyprus (1997), the Czech Republic (1996 and 2001), the Dominican Republic (1996), Egypt (1992 and 1999), El Salvador (1996), the European Communities (1991, 1993, 1995, 1997 and 2000), Fiji (1997), Finland (1992), Gabon (2001), Ghana (1992 and 2001), Guatemala (2002), Guinea (1999), Hong Kong (1990, 1994 and 1998), Hungary (1991 and 1998), Iceland (1994 and 2000), India (1993, 1998 and 2002), Indonesia (1991, 1994 and 1998), Israel (1994 and 1999), Jamaica (1998), Japan (1990, 1992, 1995, 1998 and 2000), Kenya (1993 and 2000), Korea, Rep. of (1992, 1996 and 2000), Lesotho (1998), Macao (1994 and 2001), Madagascar (2001), Malawi (2002), Malaysia (1993, 1997 and 2001), Mali (1998), Mauritius (1995 and 2001), Mexico (1993, 1997 and 2002), Morocco (1989 and 1996), Mozambique (2001), New Zealand (1990 and 1996), Namibia (1998), Nicaragua (1999), Nigeria (1991 and 1998), Norway (1991, 1996 and 2000), OECS (2001), Pakistan (1995 and 2002), Papua New Guinea (1999), Paraguay (1997), Peru (1994 and 2000), the Philippines (1993 and 1999), Poland (1993 and 2000), Romania (1992 and 1999), Senegal (1994), Singapore (1992, 1996 and 2000), Slovak Republic (1995 and 2001), Slovenia (2002), the

Solomon Islands (1998), South Africa (1993 and 1998), Sri Lanka (1995), Swaziland (1998), Sweden (1990 and 1994), Switzerland (1991, 1996 and 2000 (jointly with Liechtenstein)), Tanzania (2000), Thailand (1991, 1995 and 1999), Togo (1999), Trinidad and Tobago (1998), Tunisia (1994), Turkey (1994 and 1998), the United States (1989, 1992, 1994, 1996, 1999 and 2001), Uganda (1995 and 2001), Uruguay (1992 and 1998), Venezuela (1996), Zambia (1996) and Zimbabwe (1994).

**TRADE POLICY REVIEW BODY:  
REVIEW OF BARBADOS  
Concluding remarks by the Chairperson**

In this, our first Review of Barbados, we have gained what I believe to be a very constructive insight into Barbados' trade policies and practices. Our very much improved understanding of Barbados is due in no small measure to the whole hearted cooperation and frankness of the Barbados delegation, led superbly by the Deputy Prime Minister, and by the active involvement of Members. Barbados has brought to our attention the special characteristics of countries with small sizes and populations, and hence limited diversification capacity, and high infrastructure and social costs. These factors can result in considerable vulnerability to external shocks, as witnessed by the depth of past recessions experienced by Barbados. Members noted that, despite such challenges, Barbados has achieved high standards of living. They attributed this in good part to the country's remarkable social and institutional stability and its intensive participation in international trade despite its peculiar economic circumstances.

Despite the small size of the Barbadian bureaucracy and the consequent strain on trade policy and negotiating resources, Members appreciated Barbados' active and productive engagement in the WTO, as well as in regional trade liberalization initiatives. Some were clear that Barbados was an example that the WTO can be a true instrument of development if the Member involved knows how to approach and use it. Members expressed support for additional technical assistance, especially for capacity building, in implementing WTO commitments. It is my view that Barbados has been successful in balancing difficult and often competing interests and objectives.

The Government of Barbados has made clear that its future economic prosperity rests upon a successful integration into the world economy, but that this success was conditional on specific measures designed to avoid marginalization of small countries. Several Members were understanding of the request by Barbados for special consideration, anchored in the principle of special and differential treatment granted in the WTO to developing countries.

We have all recognized the concrete steps made by Barbados to reform its economy and further liberalize its trade regime during the 1990s, particularly through tariff reductions in the framework of CARICOM. Concerns were expressed, however, with respect to the recent increase in tariffs on certain food and other manufactured products, and the resurgence of non-automatic import licensing on sensitive agri-food imports. Members also noted that, although reduced, tariffs remained relatively high at over 16%, with several peaks at or above 60%. Such high tariffs and taxes may not complement efforts to stimulate growth in services, the most important sector of the economy. The adoption of a Value-Added Tax was welcome as an alternative revenue source to tariffs. Barbados was urged to lower tariff bindings to rates closer to the currently applied rates, and thus improve the predictability of its import regime.

The announced liberalization of the telecommunications services market was welcome, and Members noted the generally liberal market access and national treatment conditions in most of Barbados' services industries. Several Members encouraged Barbados to make further commitments under the GATS, as this would better reflect their current, relatively liberal practices. Specific questions were also asked on:

- WTO-consistency of anti-dumping legislation;
- use of quantitative restrictions on sensitive agricultural products;
- prospects for customs modernization and trade facilitation;
- assistance and promotion activities and their budgetary cost;
- government procurement procedures;
- new legislation on the protection of IPRs; and
- market access conditions and incentives in specific service sectors.

We appreciate the oral and written responses and explanations provided by the Barbados delegation, and look forward to receiving answers on outstanding questions.

In conclusion, it is my sense that this Review has amply fulfilled its main objective of understanding Barbados' trade regime in the framework of its development needs and objectives as well as of the external environment. Barbados has once again reaffirmed its full commitment to the multilateral trading system, and the presence of Her Excellency the Deputy Prime Minister is a strong testimony to this. But we have also been made aware of the problems and difficulties hindering the fuller participation of Barbados in the system. In this respect, I am convinced that small and open economies like Barbados can only benefit from predictable, transparent and fair multilateral trade rules, and I congratulate Barbados for their performance and for a successful Trade Policy Review.

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