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of Latin America and the Caribbean



Integration, Trade and
Hemispheric Issues Division

Barbados: Trade and Integration as a Strategy for Growth

Anneke Jessen
Christopher Vignoles

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ABBREVIATIONS

ACP	African Caribbean and Pacific States
ACS	Association of Caribbean States (includes all Caribbean and Central American countries, as well as Colombia, Mexico, and Venezuela)
AD/CVD	Antidumping and countervailing duties
BIDCO	Barbados Industry and Development Corporation
BNSI	Barbados National Standards Institute
BOPS	Balance of Payments Statistics
BTA	Barbados Tourism Authority
BTI	Barbados Tourism Investment Inc.
CACM	Central American Common Market
CAFTA	US-Central American Free Trade Agreement
CAIPO	Corporate Affairs and Intellectual Property Office
CARIBCAN	Caribbean-Canada preferential trade arrangement
CARICOM	Caribbean Community (Antigua & Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Suriname, Trinidad & Tobago)
CARTAC	Caribbean Regional Technical Assistance Center
CBI	Caribbean Basin Initiative (United States)
CBTPA	Caribbean Basin Trade Partnership Act (United States)
CDB	Caribbean Development Bank
CEDA	Caribbean Export Development Agency
CET	Common external tariff
CFD	Caribbean Forum for Development
CGCED	Caribbean Group for Cooperation in Economic Development
CIDA	Canadian International Development Agency
COMTRADE	Commodity Trade Statistics
COTED	Council for Trade and Economic Development
RNM	Caribbean Regional Negotiating Machinery
CSME	Caribbean Single Market and Economy (all CARICOM countries belong, except The Bahamas)
C&W	Cable & Wireless

DFID	Department for International Development (United Kingdom)
DOTS	Direction of Trade Statistics
EC	European Commission
ECLAC	Economic Commission for Latin America and the Caribbean
EDF	European Development Fund
EIB	European Investment Bank
EIU	Economist Intelligence Unit
EPA	Economic Partnership Agreement
EU	European Union
FDI	Foreign direct investment
FSC	Foreign Sales Corporation
FTAA	Free Trade Area of the Americas
FTC	Fair Trading Commission
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GDP	Gross domestic product
GSP	Generalized System of Preference
HCP	Hemispheric Cooperation Program
HS	Harmonized System
IDB	Inter-American Development Bank
ILO	International Labour Organization
INT/ITD	Integration and Regional Programs Department / Integration, Trade and Hemispheric Issues Division (IDB)
IMF	International Monetary Fund
LA	Latin America
LDC	Less developed country
LIAT	Leeward Islands Air Transport
MDC	More developed country
MERCOSUR	Southern Common Market (Argentina, Brazil, Paraguay, and Uruguay)
MFN	Most favored nation
MED	Ministry of Economic Development
MIIB	Ministry of Industry and International Business
MOT	Ministry of Tourism

NPD	Needhams Point Development Inc.
NTB	Non-tariff barrier
OAS	Organization of American States
OECD	Organization of Economic Co-operation and Development
OECS	Organization of Eastern Caribbean States
RCA	Revealed comparative advantage
RCD	Revealed comparative disadvantage
R&D	Research and development
REPA	Regional Economic Partnership Agreement
REER	Real effective exchange rate
RER	Real bilateral exchange rate
S&D	Special and differential (treatment)
SIDS	Small island developing states
SITC	Standard International Trade Classification
TBT	Technical barriers to trade
TC	Technical cooperation
TRIMS	Trade-related Investment Measures
TRIPS	Trade-related aspects of Intellectual Property Rights
UK	United Kingdom
UN	United Nations
US	United States
USAID	United States Agency for International Development
VAT	Value-added tax
WDI	World Development Indicators
WTO	World Trade Organization

BARBADOS: TRADE AND INTEGRATION AS A STRATEGY FOR GROWTH

Anneke Jessen*
Christopher Vignoles*

I. INTRODUCTION

Barbados is a small, open island economy with one of the highest trade/GDP ratios in the Western Hemisphere. Because trade plays such a dominant role in the Barbadian economy, it also substantially determines the country's development prospects. Exports are particularly important in this respect: export income is needed to create and sustain jobs, to finance imports, to pay off foreign debt, and to maintain a healthy balance in the country's external accounts, all of which is necessary to achieve sustainable levels of economic growth. Successful international insertion, through trade facilitation and related measures, should therefore be a central aim of the Bank's support strategy for Barbados, particularly at a time when the country is facing the rapid erosion of trade preferences long enjoyed by its exporters in major world markets.

This sector note discusses recent trends in Barbados's foreign trade, as well as related policy developments and economic integration efforts undertaken by the country both at the regional and global level. The aim is two-fold: to identify existing bottlenecks to the country's successful international insertion, and to inform the Bank's country strategy and programming process with a view to supporting the removal of such bottlenecks. Chapter II briefly highlights the importance of trade in the Barbadian economy. Chapters III and IV look at developments in merchandise and services trade flows over the past decade, using different indicators to measure the country's export performance. Chapter V discusses Barbados's trade and economic integration policies, focusing on the various trade agreements it has recently signed or is in the process of negotiating. Chapter VI examines the national trade policymaking process and the principal institutions involved in this process. Chapter VII summarizes the main difficulties faced by Barbados in its efforts to achieve successful international insertion, and points to some possible solutions. Chapter VIII discusses the Bank's support to Barbados in the area of trade and integration, briefly reviews the activities of other multilateral and donor agencies, and provides recommendations for future support. Two annexes complete the sector note: the first provides an overview of Barbados's trade agreements with partner countries and regions; the second presents detailed and complementary trade data.

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II. THE IMPORTANCE OF TRADE IN THE ECONOMY

One way of illustrating the crucial role of trade in the Barbadian economy is by looking at the value of the country's external transactions relative to its total output – a measure referred to as trade openness. Barbados displays a high degree of openness: its trade/GDP ratio is over 100 percent.¹ Openness renders the economy vulnerable to external shocks such as fluctuations in international commodity prices, a downturn in global demand for tourism, or policy changes abroad. It also means that any significant expansion – or contraction – in the country's foreign trade will have an immediate effect on its GDP.

Another way of illustrating the importance of trade in the national economy is by looking at how trade flows affect the country's balance of payments. From 1992-1996, Barbados recorded significant trade surpluses, with net earnings from services trade far outweighing persistent deficits in merchandise trade. As a result, the current account was positive throughout the period. From 1997-2002, this trend was reversed as a result of a continued deterioration in the merchandise trade balance coupled with weaker services exports in some years due to a slowdown in the tourism industry. The current account deficit reached 5.5 percent of GDP in 2002. Barbados financed this deficit with large capital and financial account surpluses resulting from heavy government borrowing and some income from privatization. While these sources of finance will likely continue to be available to Barbados in the short term (further divestment in the hotel and infrastructure sectors is certainly possible), it is worth noting that total external public debt has doubled to almost 30 percent of GDP since 1997. Ultimately, stronger export performance will be crucial to maintain a healthy balance in the country's external accounts.²

¹ Exports plus imports of goods and services, divided by GDP. By comparison, the average trade/GDP ratio for CARICOM is 97 percent, Andean Community 39 percent and Mercosur 26 percent.

² For more detailed BOP information, see IMF, *Barbados: Article IV Consultation – Staff Report*, February 2003.

III. MERCHANDISE TRADE: TRENDS AND PERFORMANCE INDICATORS

Similar to other Caribbean islands, Barbados exports mostly services. Goods account for only 20 percent of the country's total exports. They make up around two thirds of total imports, and just over 40 percent of the country's total trade. The following sections deal with merchandise trade only. Services trade will be covered in Chapter IV.

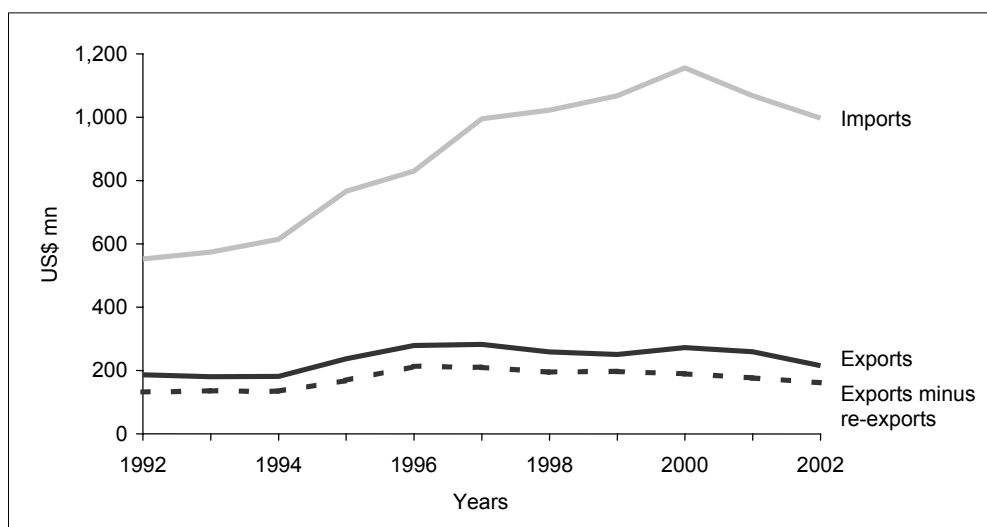
Growth and Direction of Trade

In the past decade, Barbados's merchandise exports have been characterized by close to zero overall growth and high volatility. From 1992-2002, total exports grew by just 1.4 percent a year on average, in a context of strong growth in world trade during that period (5.5 percent). Export growth fluctuated significantly from year to year, ranging from a high of +31 percent in 1995 to – 17 percent in 2002.

It is important to note that around one quarter of Barbados's total merchandise exports are in fact "re-exports", that is, goods previously imported into Barbados that are then exported in the same state, without any value added. Most of these are related to Barbados's role as transshipment and regional distribution center, with fuels representing around half of the total and medicaments, vehicles and other products for regional distribution accounting for another 20-30 percent. Luxury items sold in duty-free shops make up the remainder of the total. Excluding re-exports, growth in merchandise exports averaged 2 percent a year in the last decade, and –8 percent a year from 2000-2002.

Imports grew by 6.1 percent a year on average between 1992-2002, but fluctuated almost as strongly as export growth, from +25 percent in 1995 to –8 percent in 2001. This volatility is mainly related to imports of manufactured goods, led by cars from Japan. Figure 1 below illustrates these trends while, at the same time, highlighting Barbados's significant deficit in its merchandise trade with the world.

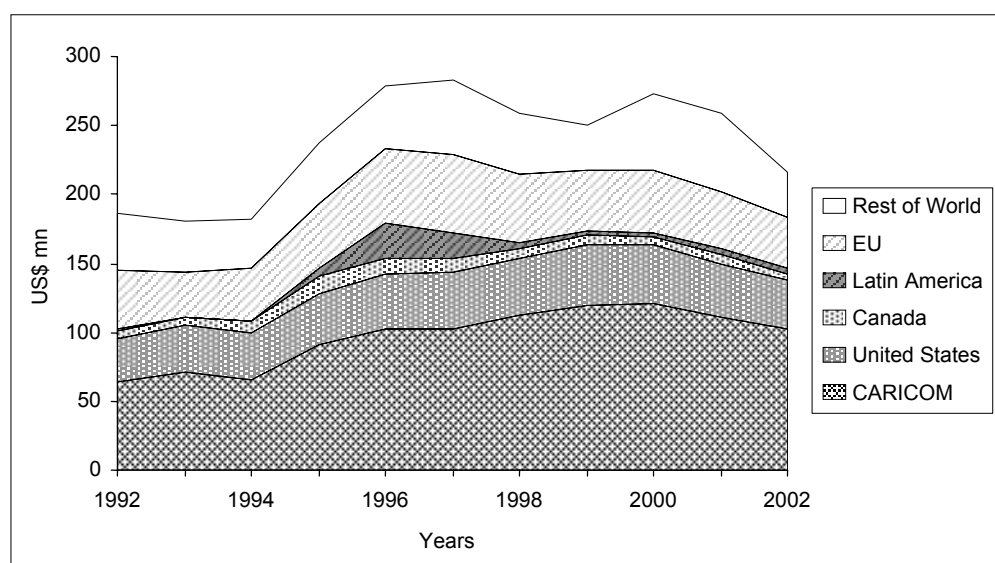
FIGURE 1
BARBADOS: MERCHANDISE TRADE, 1992-2002



Source: See Annex II, Tables 1,3 and 7.

Barbados relies increasingly on Caribbean markets as a destination for its merchandise exports (Figure 2). In the last three years, around 45 percent of those exports went to CARICOM, up from just over 34 percent in 1992. Barbados now exports more to its Caribbean neighbors than to the United States and the EU combined. These markets each absorb around 16 percent of the country's total exports. It is worth noting that, in contrast to what has happened in Trinidad and Tobago, the growing share of CARICOM in Barbados's total exports is mostly a result of declining exports to traditional destinations (Europe and Canada), rather than rapid export growth to CARICOM – although, at 4 percent a year on average, such growth was *relatively* fast compared to Barbados's overall export performance. While the US share has remained fairly constant, the EU has become a less important destination for Barbadian exports in recent years, and there is virtually no trade with the ten East and Central European countries that acceded to the EU on May 1, 2004. Canada and Latin America each absorb only about 2 percent of total exports, while exports to the rest of the world (share: 20 percent) consist mostly of re-exports in the form of fuels and other supplies to ships and aircraft transiting the island.³

FIGURE 2
BARBADOS: MERCHANDISE EXPORTS BY DESTINATION, 1992-2002



Source: See Annex II, Table 1. Note: including re-exports.

Imports are mainly sourced from the United States, which supplies over 40 percent of the total. Another 30 percent come from CARICOM (mainly Trinidad and Tobago) and other Western Hemisphere countries, while the EU supplies about 16 percent. Imports from the rest of the world make up the remaining share and originate mainly in Japan.⁴

³ The destination "Bunkers", which measures amounts of fuel delivered to ocean-going ships or aircraft engaged in international traffic, accounts for 75 percent of total exports to the rest of the world. Excluding re-exports, the share of Barbadian exports going to CARICOM is over 50 percent, the combined share going to the US and EU is 40 percent, and exports to the rest of the world are only 5 percent of the total (see Annex II, Table 3).

⁴ Similar to exports, which include "re-exports", imports include "re-imports". These, however, are not separated by statistics databases such as COMTRADE and can therefore not be analyzed separately.

Barbados's partners in the Free Trade Area of the Americas (FTAA) process account for almost two thirds of the country's total merchandise exports, and 70 percent of its imports. Among the various external trade negotiations in which Barbados is currently involved, the FTAA negotiations are thus a top priority. So is the implementation of the Caribbean Single Market and Economy (CSME), in which Barbados holds an important stake. After the United States, Barbados's main export markets in the Western Hemisphere are Trinidad and Tobago, Jamaica and St. Lucia, in that order. It is interesting to note that, within CARICOM, the small island economies of the Organization of Eastern Caribbean States (OECS) – Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines – constitute an important export destination for Barbados. In the period 1992-2002, these islands together absorbed \$463 million worth of Barbadian merchandise exports, equal to 44 percent of the country's total exports to CARICOM and far exceeding sales to Trinidad and Tobago (which took 25 percent) and Jamaica (18 percent). OECS members also accounted for over half of all re-exports from Barbados to CARICOM. Since Barbados imports very little from the OECS, it runs a significant trade surplus with these islands, in contrast to large deficits in its trade with the world and with major partners such as the United States, the EU, and the rest of CARICOM.⁵

Export penetration into Latin American markets is extremely weak. Barbados exports more than seven times as much to the OECS (population just over half a million) as to all Latin American countries combined (population 500 million). For more specific data on the growth and direction of Barbados's merchandise trade, see Annex II, Tables 1-8.

Market Access

Barbados's weak export performance in the area of goods trade is particularly worrying in light of the significant trade preferences it enjoys in its major export markets. Access to the EU and North American markets is very favorable. Apart from those goods entering duty-free under most favored nation (MFN) rules, many products exported to these markets face zero or reduced tariffs under the Cotonou Agreement (EU), CARIBCAN (Canada), the US Caribbean Basin Initiative (CBI) and the Generalized System of Preferences (GSP).⁶ In addition, exports to CARICOM face zero tariffs and are protected from foreign competition by the Community's common external tariff (CET). We have calculated that currently, more than 50 percent of Barbados's merchandise exports to the world (in value terms) enjoy some form of preferential treatment, in addition to the almost 40 percent that receive MFN duty-free treatment (Table 1).

⁵ Between 1992-1994 and 2000-2002, Barbados's merchandise trade deficit with the world, as well as with each of its main trade partners individually (USA, EU, CARICOM) more than doubled.

⁶ Apart from preferential access to the US, Canadian and EU markets, Barbados receives GSP preferences from Australia, Bulgaria, the Czech Republic, Hungary, Japan, New Zealand, Norway, Poland, Russia, the Slovak Republic and Switzerland. Recently, the US government announced that Barbados would graduate from GSP treatment starting in 2006, due to its high development level. Barbados's trade preferences in the US market will not be affected, given that the CBI treatment will remain.

TABLE 1
BARBADOS: TRADE PREFERENCES BY EXPORT MARKET, 2001

Market Access	EU	US	CARICOM	ROW	Total
MFN duty free	48%	40%	32%	27%	36%
Preference	52%	57%	68%	0%	53%
Duty	0%	2%	0%	73%	11%

Note: Calculations using HS 1996 8-digit for EU, US and CARICOM; 6-digit for Rest of World. For EU: using all imports (in value terms) from Barbados, includes GSP and ACP preferences; for US: using all imports and includes GSP and CBERA/CBTPA preferences; for CARICOM: estimates using top products imported from Barbados and their corresponding CET rate, with preference signifying products not entering duty-free under CET; for ROW: estimates using MFN rate only. Total is weighted by trade with each region.

Source: IDB Integration and Regional Programs Department using UN-COMTRADE.

In all these markets, however, preferences are being eroded by global tariff reductions resulting from the Uruguay Round of multilateral trade talks, and from bilateral trade initiatives such as US and Canadian free trade agreements with Latin American countries, CARICOM's own recent agreement with the Dominican Republic (see Chapter V) and the EU's *Everything But Arms* initiative for the least developed countries (LDCs). Under the latter initiative, for example, the EU will grant duty- and quota-free access to sugar imports from all LDCs starting in 2006. The expected increase in sugar exports from LDCs to the EU market as a result of this initiative is likely to push down internal EU prices, and might therefore encourage the EU to negotiate lower prices with ACP producers. The European Commission has already proposed a radical reform to the EU sugar regime, including a 37 percent reduction in the guaranteed price for sugar supplied under the ACP/EU sugar protocol – a measure viewed with considerable concern by CARICOM governments. Lower prices would erode the economic rent received by Barbados under its export quota. In anticipation of these problems, Barbados has already taken steps to adjust the sector to the new market realities but, along with its CARICOM partners, is urging the EU to honor its commitments under the Cotonou Agreement to support economic development and adjustment in the region.

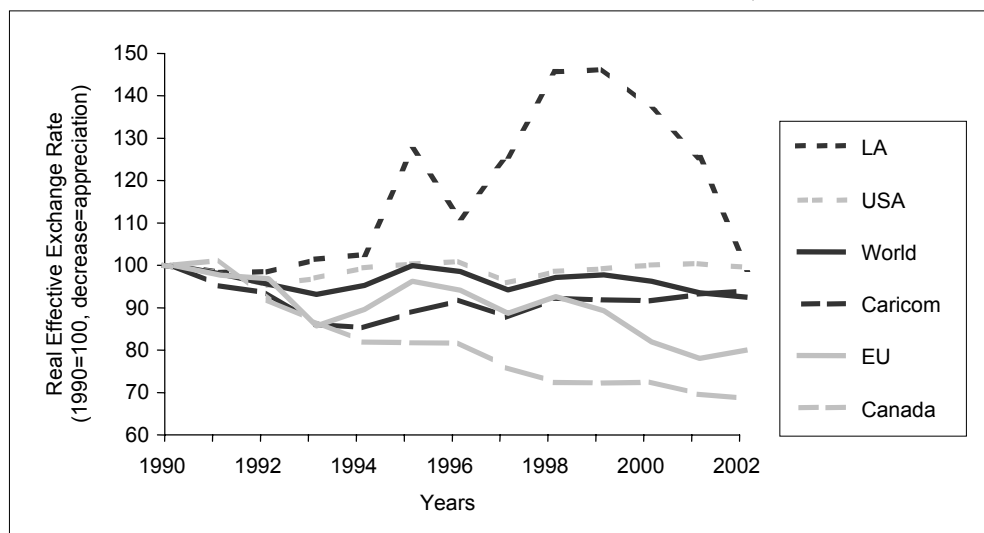
The coming years are likely to see not only the continued erosion, but also the phasing out of Barbados's trade preferences in its main export markets. This is because of expected further trade liberalization under the WTO; negotiations for a reciprocal free trade arrangement with the EU; and the entry into force of the FTAA, which would substantially reduce Barbados's market access advantages in the US/Canadian and Caribbean markets. In such a context, questions of export performance and competitiveness become even more relevant.

Exchange Rates and Trade Performance

Exchange rate movements are among the various factors influencing a country's export performance. To see how important this factor might be for Barbados, we will look at trends in the country's real effective exchange rate (REER) *vis-à-vis* the world, CARICOM, Latin America and the EU,

as well as its real bilateral exchange rate with the United States and Canada. It is important to note that Barbados follows a fixed exchange rate regime in which the Barbados dollar is pegged to the US dollar at 2:1, the same value as when it was introduced in July 1975. The prolonged period of appreciation of the US dollar against other major currencies in the period 1995-2002 is clearly reflected in developments in Barbados's REER.

FIGURE 3
BARBADOS: REAL EFFECTIVE EXCHANGE RATE, 1990-2002



Source: IDB Integration and Regional Programs Department using IMF-IFS and DOTS.

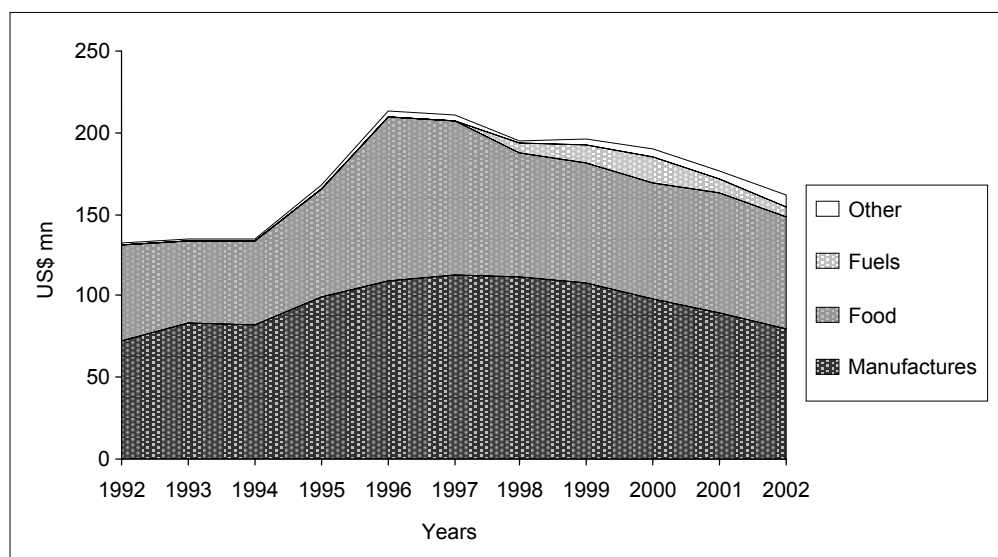
Figure 3 shows that, since 1995, the Barbados dollar has appreciated by 7.5 percent against the currencies of its main trading partners (REER - World). The appreciation is strongest *vis-à-vis* the EU and Canada (16 and 17 percent, respectively), with parity to the US dollar and a slight depreciation against other CARICOM currencies. Looking at Barbados's trade flows, there appears to be a correspondence between exchange rate movements and trends in trade flows. For the period in question, Barbados's exports to the EU and Canada showed negative growth, exports to the United States remained constant, and exports to CARICOM grew. Of course, other factors have influenced Barbados's export performance, but there does seem to be some reason to believe that the peg to the strong US dollar may have reduced the competitiveness of Barbadian products in the EU and Canadian markets. Conversely, the depreciation of the US dollar against major world currencies in the past year should help Barbados regain some of that lost competitiveness (not only in the area of goods trade but, more importantly, in tourism).⁷

⁷ The real bilateral exchange rate (RER) calculated for the US and Canada is defined as: $RER_{ij} = (E_{ij} * P_j) / P_i$, where E_{ij} is the cross nominal exchange rate with respect to the US dollar between country i and partner j , corrected by the ratio of the foreign price level (P_j) to the domestic price level (P_i), where P is the Consumer Price Index. The real effective exchange rate (REER) calculated for the Barbados dollar *vis-à-vis* the World, CARICOM, Latin America and the EU is defined as: $REER_i = \sum_j \delta_j RER_{ij}$, where δ_j is the relative weight based on trade flows between Barbados and its main trading partners in the region j .

Product Composition

Product composition is another determining factor of a country's export performance. Figure 4 shows the sectoral composition of Barbados's merchandise exports to the world (excluding re-exports). Manufactured goods account for the bulk of these exports – just over 50 percent on average in the period 2000-2002. Another 40 percent of exports are food products, with the remaining 10 percent divided among agricultural raw materials, fuels and non-specified goods. Despite significant year-to-year fluctuations, there has been no notable upward or downward trend in these shares in the past decade, and none of the sectors has done well in terms of growth.

FIGURE 4
BARBADOS: SECTOR COMPOSITION OF EXPORTS, 1992-2002



Source: See Annex II, Table 9. Note: exports do not include re-exports.

Analysis of export flows by destination shows that the share of food in total exports has risen in the United States, Canada and, less strongly, in CARICOM, while it has fallen in the EU and the rest of the world. Food products still account for the bulk of Barbados's exports to the EU (78 percent) and Canada (67 percent), while manufactures account for the bulk of exports to the United States (75 percent) and CARICOM (57 percent). For more specific data on the sectoral composition of Barbados's exports to these and other destinations, as well as a breakdown of imports by origin, see Annex II, Tables 9-10.

A closer analysis of the product composition of Barbados's merchandise exports reveals a high concentration in just a few products. Table 2, which excludes re-exports, shows that of a total of 853 products exported by Barbados in the period 1999-2002⁸, the top 20 – led by sugar and spirits – accounted for 75 percent of total exports (in value terms). The share of the top 20 in total exports has remained quite constant over the years, as has the list of products included in the top 20. Product

⁸ Includes all products exported in at least one year of period 1999-2002, aggregated at the SITC Rev. 2 leaf level.

concentration is high in all markets, but especially so in the EU market, where the top two products (sugar and spirits) make up almost 80 percent of total export value, and the share of the top 20 reaches almost 100 percent. Exports to the United States and Canada are also highly concentrated, with the top two products in each market representing 48 percent and 56 percent, respectively, and the share of the top 20 reaching almost 90 percent of total export value in both markets.

TABLE 2
BARBADOS: TOP 20 PRODUCTS EXPORTED TO THE WORLD AND CARICOM, 1999-2002

WORLD				CARICOM			
Code	Product Description	Share	Acc. Share	Code	Product Description	Share	Acc. Share
0611	Sugars, beet and cane, raw, solid	13.1%	13.1%	09809	Food preparations, n.e.s.	12.8%	12.8%
11249	Spirits & distilled alcoholic bev	8.6%	21.8%	3344	Fuel oils, n.e.s.	10.2%	22.9%
09809	Food preparations, n.e.s.	7.0%	28.8%	5911	Insecticides packed for sale	8.1%	31.1%
7723	Resistors, fixed or variable	7.0%	35.8%	6612	Portland cement, ciment fondu	7.6%	38.7%
3344	Fuel oils, n.e.s.	5.2%	41.0%	69241	Casks, drums, boxes	5.4%	44.1%
5911	Insecticides packed for sale etc.	5.1%	46.1%	09141	Margarine	4.2%	48.3%
6612	Portland cement, ciment fondu	4.7%	50.8%	54179	Medicaments containing other	4.1%	52.4%
69241	Casks, drums, boxes	2.8%	53.5%	64285	Sanitary towels & tampons	3.9%	56.2%
54179	Medicaments containing other	2.4%	55.9%	53342	Other paints & enamels	3.7%	60.0%
09141	Margarine	2.2%	58.1%	89281	Paper and paperboard labels	3.2%	63.2%
64285	Sanitary towels & tampons	2.0%	60.2%	04842	Pastry, biscuits, cakes wares	2.5%	65.7%
53342	Other paints & enamels	2.0%	62.2%	6912	Structures & parts; aluminum	2.3%	68.0%
89281	Paper and paperboard labels	1.9%	64.1%	5542	Organic surface-active agents	2.2%	70.2%
69532	Wrenches and spanners	1.8%	65.8%	0142	Sausages, of meat, offals, blood	1.7%	71.9%
04842	Pastry, biscuits, cakes wares	1.5%	67.4%	04601	Flour of wheat or of meslin	1.6%	73.6%
77884	Elect. capacitors, cond., fixed	1.3%	68.7%	6421	Boxes, bags & oth. containers	1.4%	75.0%
88523	Timeofday recording apparatus	1.3%	70.0%	3330	Petrol. oils & crude oils	1.3%	76.3%
7764	Electronic microcircuits	1.2%	71.2%	11102	Lemonade, flavoured waters	1.1%	77.4%
6912	Structures & parts; aluminum	1.2%	72.4%	11249	Spirits & distilled alcoholic bev	1.1%	78.5%
5542	Organic surface-active agents	1.2%	73.6%	6353	Builders' carpentry and joinery	1.0%	79.5%
Top 20		73.6%		Top 20		79.5%	
Total (853 products)		100%		Total (650 products)		100%	

Note: SITC Revision 2, leaf level of aggregation.

Source: IDB Integration and Regional Programs Department using UN-COMTRADE.

In exports to CARICOM, the product composition includes some food and manufactured items that are not among the main products exported to the world. The number of products exported to CARICOM is also significantly higher than that exported to Barbados's other major markets, and it has risen in the last decade. But even in that market, product concentration remains high, with the top 20 products accounting for 80 percent of total exports in value terms. For more information on top exports to these and other destinations, as well as the composition of re-exports, see Annex II, Table 11.

Barbados's narrow export base compounds the country's vulnerability to external shocks. Export diversification should therefore be a priority for Barbados, but it may be difficult to achieve this in merchandise trade. As indicated in Chapter IV, the future for Barbados appears to lie in the services sector, to which the country has already shifted most of its export activity. But even in the goods sector, there should be some room for diversification; there is a clear need to restructure agriculture and manufacturing activities in order to foster better export performance in these sectors. The best strategy in this regard would be to shift export supply towards products that face growing demand in world markets. This would increase Barbados's capacity to expand exports over time. Conversely, for a country whose exports are either uncompetitive or face mostly stagnant or declining demand in world markets, there is little opportunity for growth.

In the following section, we will look at some indicators that analyze both supply and demand conditions for Barbados's merchandise exports and, by doing so, shed light on the level of competitiveness of its exports. As explained further on, none of these indicators is perfect, and caution should therefore be exercised in using them. Most importantly in the case of Barbados, these indicators do not isolate policy-induced from real competitive advantages, and can therefore erroneously conclude that a country is competitive in exporting a specific product when the country's only competitive advantage stems from preferential market access. These rather crude measures should therefore be taken only as very broad indicators of competitiveness.

Competitiveness and Specialization

Winners and Losers

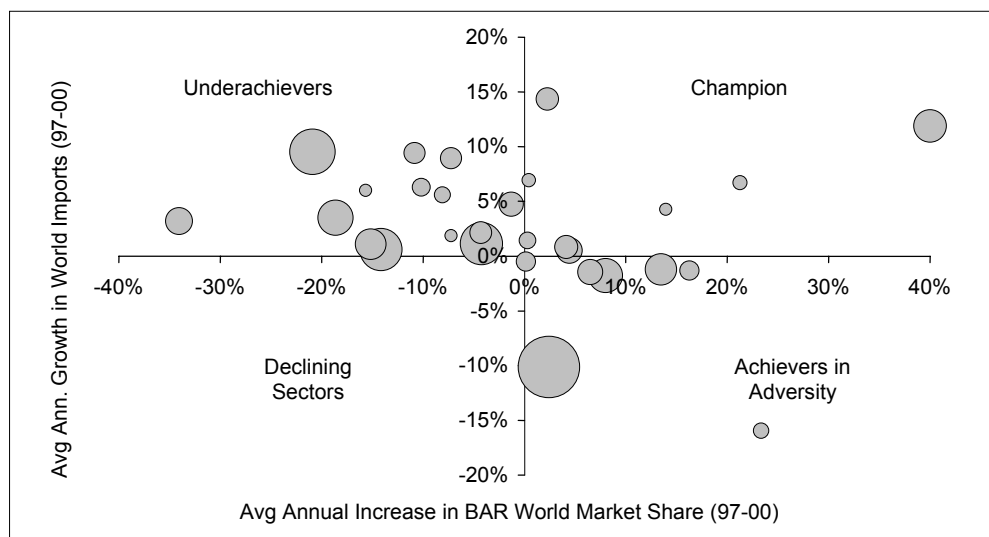
Figure 5 divides Barbados's top 30 exports (excluding re-exports) into four categories, with the size of each "bubble" depicting the corresponding product's export value:

- *Winners in growing markets* (upper right quadrant). These are the "champions": global demand for these products is expanding (for some goods, faster than the average growth in world trade) and Barbados has increased its share in world exports of these products. Promotional efforts for products in this category should focus on further expanding supply, as well as efforts to capture new export markets.
- *Winners in declining markets*, or "achievers in adversity" (lower right quadrant). In these products, Barbados has managed to increase its share of world trade, but demand for these products is declining. Niche marketing strategies may be the best way of expanding export opportunities in otherwise declining markets.
- *Losers in growing markets*, or "underachievers" (upper left quadrant). These products face growing demand in world markets, but Barbados has not been able to maintain its share of that market because its exports have either declined or grown less dynamically than world trade. Supply factors, rather than weak demand, are the bottleneck, and promotional efforts should aim at eliminating these.
- *Losers in declining markets* (lower left quadrant). These products face both supply and demand constraints. World demand has stagnated or declined, and Barbados has been unable to maintain its share of a shrinking market. Efforts to promote products in this sector may be the least cost-effective in terms of expanding export revenues.

As Figure 5 shows, half of Barbados's top 30 exports are "underachievers"; the other half is divided evenly between "champions" and "achievers in adversity".

A division of a country's exports along these lines can be useful in that it helps identify the varying degrees of global competitiveness that the country's exports have achieved, the nature of constraints faced by different export products (demand or supply-side), and possible export promotion strategies using the results of the above.

FIGURE 5
BARBADOS: COMPETITIVENESS OF TOP 30 EXPORTS, 1997-2000



Notes: To analyze Barbados's competitiveness, we measured International Demand by calculating the average annual growth rate in world imports from 1997 to 2000. Then, we looked at the average annual increase in country i's world market share, by taking its exports of product k as a share of total world exports (X_{ik} / X_w) for the same time period. The chart shows the relative values of the product group analyzed (size of bubble) and the concentration of those exports. The product description is as follows: *Champions* (8)- 014 Meat & Edible offals, prep/pres, 048 Cereal preparations, 091 Margarine and shortening, 334 Petroleum products, refined, 635 Wood manufactures nes, 658 Made-up articles wholly/chiefly, 776 Thermionic cold & photo-cathode, 874 Measuring checking analyzing instruments. *Achievers in Adversity* (7)- 046 Meal and flour of wheat and flour, 061 Sugar and honey, 591 Disinfectants insecticides fungicides, 661 Lime cement and fabricated construction, 691 Structures and parts of structures of iron, 692 Metal containers for storage, 885 Watches and clocks. *Underachievers* (15)- 034 Fish fresh or chilled, 098 Edible products and preparations, 111 Non-alcoholic beverages nes, 112 Alcoholic beverages, 533 Pigments paints varnishes, 541 Medicinal and pharmaceutical products, 554 Soap cleansing and polishing preparations, 642 Paper and paperboard, 695 Tools for use in hand or machine, 759 Parts of and accessories for office machinery, 772 Electric app such as switches relays, 778 Electrical machinery and apparatus, 846 Undergarments knitted or crotched, 892 Printed Matter, 893 Other articles of plastics. *Declining Sectors* (0). Note: Average annual increase in Barbados world market share for product group 334 exceeded 40 percent. Data is aggregated at SITC Revision 2, 3-digit level.

Source: IDB Integration and Regional Programs Department using UN-COMTRADE.

In Annex II, Table 12, we repeat the analysis for *all* product groups exported by Barbados in the period 1997-2000. The analysis shows that of a total of 190 groups exported during that period:⁹

⁹ This number excludes products that are exported only in 1998-1999, but not in either 1997 or 2000.

- 51 product groups, representing 17 percent of the value of the country's total exports, can be classified as "champions." It is interesting to note that more than two thirds of these exports (in value terms) go to the CARICOM market, with most of the rest going to the United States. There are few champions in exports to the EU.
- 35 groups, representing 31 percent of exports, are "achievers in adversity." Half of these go to the EU, another 40 percent go to CARICOM.
- 71 groups, representing 50 percent of exports, are "underachievers." Most of these go to CARICOM and the United States.
- Some 33 groups, representing 2 percent of exports, are "declining" products. Most of these exports go to CARICOM.

To obtain more specific data, the analysis can be repeated at the sector level (for example, by looking only at agricultural goods), or for different export markets. In all such research, the level of product aggregation is important. Here, we used an intermediate level of aggregation, the SITC 3-digit product group level. At this or higher levels, some important winners or losers may be missed. The disadvantage of using more detailed data, however, is that at that level, trade flows may be more sensitive to policy interventions such as restrictive (or preferential) trade policies in the importing country or industrial policies in the exporting country. Such interventions distort trade and may lead to false conclusions about competitiveness.

In addition to "declining" products, the high share of "underachievers" and "achievers in adversity" in Barbados's total merchandise exports raises concern because it points to either a lack of competitiveness (underachievers) or a concentration of export activity in products for which world demand is declining (achievers in adversity). A comparison with other Caribbean countries shows that in Trinidad and Tobago, over 70 percent of total exports fall into the category of "champions", while for The Bahamas the share is 81 percent, compared to 17 percent for Barbados and only 9 percent for Jamaica.

Export Specialization

Another way of analyzing Barbados's export performance is by looking at revealed comparative advantage (RCA), an indicator of international trade specialization. It measures a country's level of specialization in a particular product by dividing that product's share in a country's total exports by its share in world exports.¹⁰ The link with competitiveness is based on the assumption that if a given product's share in a country's exports is greater than its share in world exports (that is, $RCA > 1$), then the country is specialized in, and therefore a relatively efficient producer of, that product. Here, too, the level of aggregation is important. For purposes of consistency, we use the same level as above, namely the three-digit level of the SITC.

¹⁰ Revealed Comparative Advantage (RCA) is calculated: $RCA(X_{ijk}) = (X_{ijk} / X_{ij \text{ total}}) / (X_{wjk} / X_{wj \text{ total}})$; where X_{ijk} is the exports of country i to country/region j of product k , $X_{ij \text{ total}}$ is the total exports of country i to country/region j , X_{wjk} is the exports of the world to country/region j of product k , and $X_{wj \text{ total}}$ is the total exports to country/region j . Revealed comparative advantage measures how important each product (group) is in the exports from one market to another versus the total importance of that product (group) in world exports to the destination market. In this case, RCA was measured at the SITC Rev 2, 3-digit product group level of aggregation.

TABLE 3
BARBADOS: REVEALED COMPARATIVE ADVANTAGE, WORLD AND CARICOM, 90-93 & 99-02

World					CARICOM				
Code	Product Description	Share 99-02	RCA 90-93	RCA 99-02	Code	Product Description	Share 99-02	RCA 90-93	RCA 99-02
091	Margarine and shortening	2.6%	51.1	95.1	091	Margarine and shortening	4.9%	22.0	26.3
941	Animals, live, n.e.s., incl. Zoo	0.5%	26.8	86.5	591	Disinfectants, insecticides	8.3%	18.5	25.4
061	Sugar and honey	13.1%	62.8	75.7	001	Live animals chiefly for food	0.6%	11.4	20.6
046	Meal and flour of wheat	0.8%	0.7	28.1	692	Metal containers, storage	5.4%	24.0	20.0
661	Lime, cement	5.1%	5.4	27.5	098	Edible products & preps	12.8%	5.8	13.2
591	Disinfectants, insecticides	5.2%	17.6	27.1	661	Lime, cement,	8.4%	4.8	12.5
098	Edible products & preps	7.3%	7.3	25.8	533	Pigments, paints, varnishes	4.7%	12.8	11.3
692	Metal containers, storage	2.8%	19.6	23.5	014	Meat & edib. offals, fish	2.2%	3.7	8.9
047	Other cereal meals & flours	0.1%	10.4	18.7	941	Animals, live, n.e.s., incl. Zoo	0.0%	3.2	8.6
112	Alcoholic beverages	8.7%	8.5	16.3	642	Paper & paperboard	6.6%	9.6	7.9
264	Jute & other tex. bast fibres	0.0%	0.0	15.2	892	Printed matter	4.7%	3.9	7.7
014	Meat & edib. offals, fish	1.2%	3.8	11.3	046	Meal and flour of wheat	1.6%	0.2	6.2
642	Paper & paperboard	3.7%	7.1	8.3	691	Structures & parts, iron	2.7%	8.9	4.8
111	Non alcoholic beverages, nes	0.7%	15.2	7.3	047	Other cereal meals & flours	0.3%	4.6	4.6
048	Cereal preparations	2.2%	5.2	6.7	048	Cereal preparations	3.5%	4.7	3.9
892	Printed matter	3.0%	2.7	6.5	541	Medicinal & pharma prods.	4.2%	4.5	3.9
533	Pigments, paints, varnishes	2.5%	6.0	6.1	554	Soap, cleansing & polishing	2.2%	16.1	3.8
691	Structures & parts, iron	1.4%	4.8	5.6	111	Non alcoholic beverages, nes	1.1%	13.3	2.7
885	Watches and clocks	1.3%	0.2	5.3	423	Fixed vegetable oils	0.9%	0.0	2.6
772	Elect. apps, switches, relays	7.6%	6.2	5.1	693	Wire products & fencing grills	0.4%	3.5	2.5
695	Tools, use in hand machine	1.8%	4.3	5.1	058	Fruit, pres & fruit preps	0.9%	1.5	2.5
884	Optical goods, n.e.s.	0.8%	0.0	5.0	271	Fertilizers, crude	0.0%	0.0	2.3
554	Soap, cleansing & polishing	1.2%	14.9	4.9	842	Outer garments, men's, of text.	0.5%	2.6	2.2
423	Fixed vegetable oils	0.4%	0.0	3.2	598	Misc chemical products, nes	0.9%	0.9	1.9
658	Made-up articles, of text.	0.8%	2.2	2.9	273	Stone, sand and gravel	0.2%	6.2	1.7
693	Wire products & fencing grills	0.2%	2.6	2.8	893	Articles of materials in 58	2.1%	2.3	1.7
334	Petroleum products, refined	5.2%	7.8	2.4	635	Wood manufactures, n.e.s.	1.1%	2.2	1.7
058	Fruit, pres & fruit preps	0.5%	0.7	2.4	658	Made-up articles, of text.	0.3%	1.8	1.7
001	Live animals chiefly for food	0.3%	0.8	2.1	112	Alcoholic beverages	1.2%	2.9	1.5
635	Wood manufactures, n.e.s.	0.6%	1.4	1.9	334	Petroleum products, refined	10.2%	0.0	1.3
034	Fish, fresh (live or dead)	0.6%	0.2	1.7	512	Alcohols, phenols, phen.-alc.	0.2%	0.2	1.2
263	Cotton	0.1%	0.9	1.5	081	Feedstuff for animals	0.6%	0.5	1.0
273	Stone, sand and gravel	0.1%	2.1	1.5	553	Perfumery, cos. & toilet prep	0.5%	3.7	1.0
846	Under garments, knit, crochet	0.7%	2.0	1.3	Share of Exports with RCA>1 = 94.1%				
893	Articles of materials in 58	1.3%	0.9	1.2					
541	Medicinal & pharma prods.	2.4%	1.5	1.1					
Share of Exports with RCA>1 = 87.0%									

Note: Products with RCA > 1 in 1999-2002 (SITC Revision 2, 3-digit); ranked in descending order by RCA 1999-2002.

Source: See Annex II, Table 13.

Table 3 shows that of the 218 product groups exported to the world in the period 1999-2002, Barbados appears to be relatively efficient in 36 groups ($RCA > 1$). In ten of these, it did not have comparative advantage at the beginning of the 1990s, but developed it during the decade, while another 17 product groups increased their RCA over the period.¹¹ There was no change in RCA for two products, while RCA declined for seven. Together, the 36 product groups (which include most of the country's top 30 exports) account for almost 90 percent of the country's total exports in value terms. For the 182 remaining groups, Barbados shows no particular specialization ($RCA < 1$), although for nine of these, it did so at the beginning of the decade. It is quite possible, of course, that among these broader product groups, there are individual products that have an $RCA > 1$. We could identify these by repeating the analysis at a more disaggregated product level.

Trends in RCA can help identify emerging advantages in exports and thus point to areas where promotional efforts might render positive returns. They can also highlight variations in export performance across different markets. Table 3, for example, shows that in exports to CARICOM, Barbados is a relatively efficient producer in 33 products – fewer than at the world level. In this market, Barbados became specialized in seven new products during the 1990s, and increased its existing RCA in nine others, but saw an erosion of RCA levels for 14 product groups and lost RCA for an additional 19 products. This trend merits attention in light of the impending FTAA and the attendant opening of CARICOM markets to external competition, and could indicate that, unlike Trinidad and Tobago, Barbados has not been very successful in exploiting its preferential access to the CARICOM market to develop export competitiveness in new products.

In the US market, Barbados gained new RCA in six products and increased its RCA in another eight, while showing declining RCA in 6 products and losing RCA in 11 products. In the EU market, despite significant preferences, Barbados appears to be specialized in only 13 product groups, but it has gained in 11 products and lost in only 5. In Latin America, which represents only a tiny fraction of Barbados's total exports, Barbados has gained RCA in 14 product groups but lost it in 17. Table 4 below summarizes the RCA analysis for all five markets discussed above. Annex II, Table 13 has more detailed RCA data for these markets.

The same analysis of trade specialization can be done at the sub-regional level, by dividing a product's share in a country's intra-regional exports by its share in total intra-regional exports. Barbados's exports to CARICOM seem more specialized relative to intra-regional trade than to total world trade with CARICOM, with 59 product groups (of a total of 217 exported in the period 1999-2002), showing an $RCA > 1$. Of these, 15 did not have RCA at the beginning of the decade. In comparison, Trinidad and Tobago exhibits intra-regional specialization in 100 products, half of which did not have RCA a decade ago, while Jamaica specialized in 68 products, 19 them without RCA in the earlier period. See Annex II, Table 14 for detailed intra-regional RCA data.

¹¹ In our analysis, we define an "increase" in RCA as >10 percent growth in the RCA indicator, a "decrease" as >10 percent decrease in the indicator, and "no change" as no more than +/- 10 percent movement.

TABLE 4
BARBADOS: TRENDS IN GLOBAL & INTRA-REGIONAL RCA BY DESTINATION:
1990-1993 TO 1999-2002

	Global				Intra-Regional
WORLD	CARICOM	USA	LA	EU	CARICOM
Increase in RCA					Increase in RCA
27	16	14	14	11	36
(001,014,034,046,047, 048,058,061,091,098, 112,263,264,423,591, 635,642,658,661,691, 692,695,884,885,892, 893,941)	(001,014,046, 058,081,091, 098,271,334, 423,512,591, 598,661,892, 941)	(034,048,111, 112,263,269, 282,551,695, 778,874,884, 885,892)	(046,047,048, 058,075,112, 591,642,661, 692,724,778, 884,892)	(048,061,091, 098,112,264, 291,591,772, 884,941)	(001,014,022,037,046,047, 091,098,263,271,288,292, 333,423,512,531,532,533, 541,572,591,598,661,662, 666,672,676,692,727,783, 786,871,884,892,893,896)
No Change					No Change
2	2	2	1	1	8
(533,693)	(047,658)	(098,941)	(098)	(695)	(048,635,642,658, 691,842,885,941)
Decrease in RCA					Decrease in RCA
7	14	6	2	1	15
(111,273,334, 541,554,772, 846)	(048,111,112, 273,533,541, 554,635,642, 691,692,693, 842,893)	(091,122,658, 772,776,846)	(553,658)	(778)	(043,222,251,269, 582,664,693,741, 752,759,781,792, 881,898,951)
Others (no RCA)					Others (no RCA)
182	185	172	103	159	158
of which (9)*	(19)	(11)	(15)	(4)	(59)

Note: * These products had an RCA > 1 in the early period (1990-1993) but lost it later on (1999-2002).

Source: IDB Integration and Regional Programs Department using UN-COMTRADE.

As mentioned earlier, the two indicators used to determine the competitiveness of Barbados's merchandise exports – "winners" and "losers" and product specialization – may be subject to significant margins of error. The preferences that Barbados enjoys in its major export markets probably distort the analysis, at all levels of product aggregation.¹² We can nevertheless draw some important conclusions from the above analysis, both from the actual trade flows – and their product composition – and from the various competitiveness indices used to analyze those flows in more detail.

¹² Alternatives, such as looking at specialization in production rather than in exports, are available, but they are more demanding of data and have their own drawbacks.

- Barbados has not been a successful merchandise exporter in the past decade. Export values have remained stagnant or declined in most of its major export markets (except the OECS); and there has been little product or market diversification.
- Most of Barbados's merchandise exports are either uncompetitive (underachievers and declining products) or face dwindling demand in world markets (achievers in adversity). In its two main export markets (CARICOM and the United States), Barbados appears to have lost competitiveness in more products than it has gained, while exports to Europe are dominated by one highly protected agricultural commodity – sugar. In the absence of the trade preferences enjoyed by Barbados in these markets, the above indicators would probably reveal an even less promising picture for the country's merchandise exports.
- With the exception of the OECS market, Barbados does not appear to have exploited its CARICOM preferences to establish an important presence in the regional market. Trinidad and Tobago appears to have done better in that respect.

These are worrying trends, not least in light of the changing market access conditions that Barbadian exporters will face in the coming years, including the erosion and possible elimination of current preferences that undoubtedly have facilitated export growth into some of Barbados's most important markets.

Against this background, the government should assist the private sector with the implementation of a transition strategy involving (i) a gradual move away from the production of goods that depend mostly (or exclusively) on preferences for their "competitive" advantage in international markets; and (ii) targeted export diversification and promotion efforts, concentrating on products that face growing demand in world markets.¹³ Export promotion efforts should not only focus on identifying promising products and niche markets and fostering product innovation among local producers and exporters, but also target new markets. Efforts to achieve greater overall competitiveness in the economy should be strengthened, particularly in areas that are crucial to export performance (telecommunications, transport and services infrastructure, etc.). This would also facilitate growth in Barbados's services industries, which have become the fastest growing and most promising area of export growth in recent years.

¹³ One promising product is *sea island cotton*. Between 1999-2002, exports of cotton (SITC Rev 2, Code 2631) grew by almost 60 percent a year on average, while international demand also increased (1 percent a year over the same period). Although currently accounting for a small share of Barbadian exports, the island holds natural advantages necessary for production, making it a sector of potential growth.

IV. SERVICES TRADE

The effective provision of services is of crucial importance to economic growth in Barbados. The services sector accounts for over 70 percent of the country's GDP, almost 80 percent of exports and 75 percent of employment.¹⁴ The importance of services extends beyond the sector itself: because services industries provide important inputs into the domestic production of goods, they also crucially determine the level of competitiveness of the goods sector. The following chapter examines recent trends in the country's services exports. It is important to note, however, that the scarcity of reliable data on such trade – the result of a deficient system of data collection and dissemination in the country – does limit the scope of our analysis.

General Trends

Services exports represent a significant share of both total exports (79 percent average for the period 1990-2001) and GDP (42 percent for the same period).¹⁵ These shares have remained relatively consistent over time, demonstrating that Barbados's services exports have been and will continue to be a crucial contributor to the economy. Between 1990-2001, Barbados's services exports grew at an annual average of 4.7 percent, similar to the growth rate for CARICOM as a whole and just below the world's average growth rate of 5.9 percent for the same period.¹⁶ The value of services exports grew consistently in every year between 1990-2000, with only a 0.5 percent contraction in 2001.

Travel continues to represent the most important sector in the country's services portfolio. Commercial services, however, have recently increased their significance.¹⁷ From 1996-2001, travel receipts accounted for 68 percent of total services exports, down from 75 percent in the previous 6-year period. Commercial services increased their share in total services exports by 7 percentage points to 27 percent over the same period. The remaining areas, transportation and government services, have maintained small shares of around 2 and 3 percent, respectively. Figure 6 demonstrates general sectoral trends in services exports. For additional data on services exports see Annex II, Table 15.

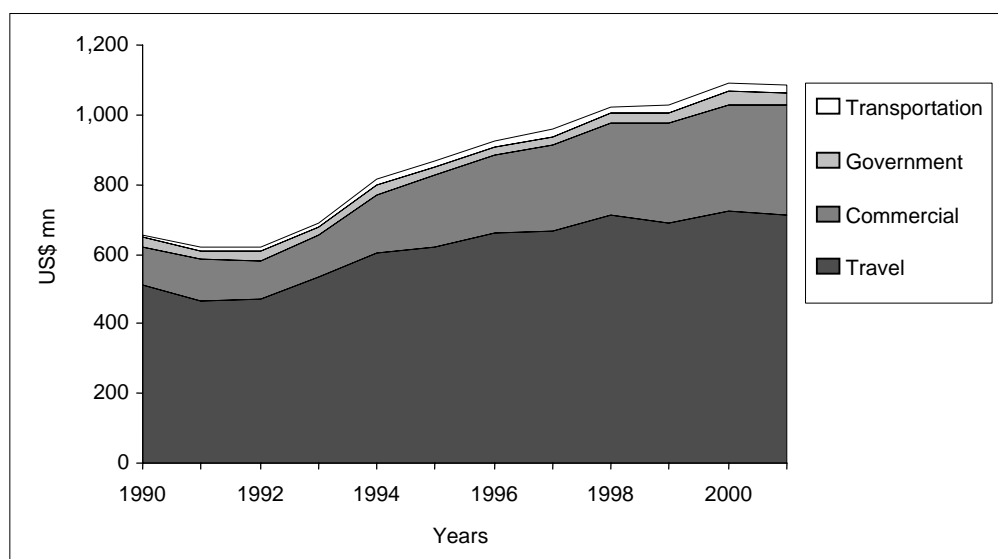
¹⁴ Data on the share of services in GDP, exports and employment are from World Bank, IMF and ILO, respectively.

¹⁵ In comparison, Jamaica and Trinidad and Tobago's services exports as a share of total exports equal 51 and 16 percent, respectively; services exports as a share of GDP equal 26 and 8 percent, respectively (same period).

¹⁶ Average annual growth rate in global services exports calculated using WTO, *World Commercial Services Trade by Region and Selected Economy 1980-2002*, August 2003.

¹⁷ Services include Transportation, Travel (Business and Personal), Commercial (Telecommunications, Insurance, Financial Services, Other Business), and Government.

FIGURE 6
BARBADOS: SERVICES EXPORTS BY AREA, 1990-2001



Source: See Annex II, Table 15.

As mentioned above, Barbados's services sector is not only an important foreign revenue earner, but also the leading source of employment on the island. From 1997-2002, three out of every four employed persons worked in services-related industries.¹⁸ These industries together created 11,700 jobs over the same period, while the manufacturing and agriculture sectors witnessed a net reduction of approximately 2,600 jobs.¹⁹ The tourism industry accounted for 11 percent of employment and added almost 2,000 net jobs to the economy (1997-2002). Tourism generated additional employment creation through its strong linkages to other services sectors, such as transportation and wholesale and retail trade. Together with tourism, these sectors accounted for almost 30 percent of employment and added 5,700 new jobs over the same period. The remaining jobs created were mainly in financial, insurance and business (+2,800 jobs), and government services (+2,500 jobs).²⁰ This shows the importance of services industries, many of them directly related to trade, as a promoter of economic growth, employment and poverty reduction.

Unlike goods, which are traded across borders, services exports can be exchanged through four different modes of supply. These are defined by the General Agreement on Trade in Services (GATS) and include: mode 1 (cross border trade) – the supply of a service from the territory of one country into that of another, such as an international telephone call; mode 2 (consumption abroad) – the movement of one country's consumer into the territory of the country providing the service, such as tourism; mode 3 (commercial presence) – the services provided by foreign suppliers (for example, a foreign-owned bank) who are established in the territory of the country concerned;

¹⁸ Services industries include: Wholesale and Retail Trade, Tourism, Transport and Communications, Finance and Insurance, Business Services, General Services, and Government Services.

¹⁹ Between 1997-2002, the economy as a whole created 12,500 net jobs, reaching 128,600 employed persons.

²⁰ Calculations using ILO, *Caribbean Labour Statistics*, 2004.

and mode 4 (presence of natural persons) – the services supplied by foreign nationals who enter the territory of the country concerned on a temporary basis (less than one year).

Because services trade is so important for Barbados, the stakes in the services negotiations currently taking place at the regional and multilateral level are high. Services liberalization has potentially positive effects on economic growth. A more efficient provision of services in, among others, the financial, telecommunications and transportation sectors drives down transaction costs and improves the performance of sectors (including goods) across the economy. One example is further opening to service suppliers via mode 3 (commercial presence/foreign direct investment), stimulating the transfer of technology and skills to improve national productivity.²¹ These effects are more pronounced in a small economy like Barbados, where the services sector employs a large share of the labor force. Services liberalization should therefore be a key element of such countries' trade policies, but the pace of liberalization must take account of the specific vulnerabilities of small developing countries. In the next section, we discuss the country's different services sectors and their medium-term prospects.

Travel Services

Figure 6 above shows the overwhelming importance of travel in the country's services export portfolio. Earnings in this sector come mostly from personal travel (tourism, health and education-related) rather than business travel, as the latter group represents only 9 percent of visitor arrivals and less than 1 percent of total travel receipts.²² Over the last six years for which data is available, Barbados experienced little growth in travel services exports, with average annual increases of just 2 percent. This slower than normal growth (4 percent annual average between 1990-1995) can be attributed to lower tourism receipts, which were affected by external events such as economic slowdown in major consumer markets like the United States and Europe and the events of September 11, 2001.

Britain is the most important consumer market for Barbados's travel industry, accounting for 40 percent of all stopover arrivals (average for 1998-2002). Arrivals from the UK nevertheless declined by an average 8 percent per year between 2000-2002 due to, among other things, the weakness of the pound against the US dollar (to which the Barbados dollar is pegged), which affected Barbados's competitiveness. The US market is the second most important, with a 22 percent share of all stopovers. From 1992-2000, arrivals grew by just 0.2 percent per year; they nevertheless rebounded in 2002 (16 percent average growth from 2001) due in large part to the "Best of Barbados" incentive program.²³ Barbados has benefited from growth in intra-regional arrivals, as CARICOM stopovers have increased by an average of 5 percent per year since 1992. The majority of these arrivals come from the OECS countries and Trinidad and Tobago.²⁴

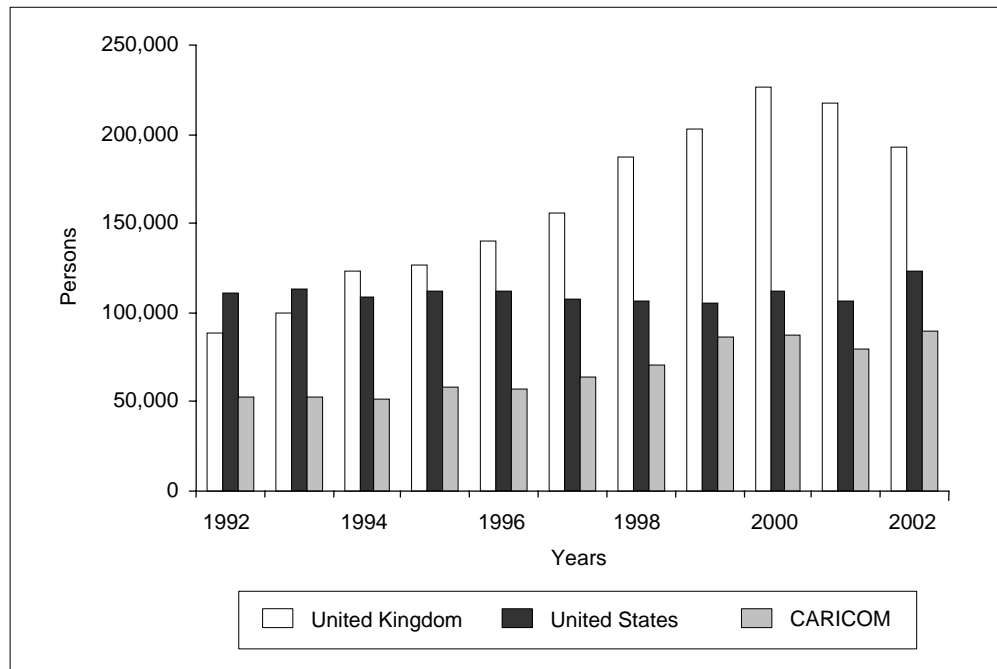
²¹ Mattoo, Aaditya *et al.* *Measuring Services Trade Liberalization and its Impact on Economic Growth*, 2001.

²² For the period 1996-2001.

²³ Launched in 2002, the "Best of Barbados" incentive program is sponsored by the Barbados Tourism Authority and includes such offers as US\$ 200 credits in airfare and first nights free at certain area hotels.

²⁴ Calculations using the Barbados Ministry of Tourism: *Annual Tourism Statistical Digest 2001* and *Annual Tourism Statistics 2002*.

FIGURE 7
BARBADOS: STOPOVER ARRIVALS BY ORIGIN, 1992-2002



Source: See Annex II, Table 16.

Tourism

Measuring the tourism sector's impact on services trade and GDP is difficult in the Caribbean given the absence of a reliable tourism satellite account (TSA).²⁵ This leads to the use of other – sometimes less precise – indicators such as visitor arrivals, expenditures, and hotel occupancy, to measure the importance of the sector. Barbados's tourism industry receives two types of visitors: stopover tourists who stay at least one night and up to a year, and cruise ship passengers who usually stay less than a day.²⁶ Stopover visits rose by an average 4 percent a year from 1992-2000, reaching 544,696 in 2000 (double the number of permanent residents on the island). The years 2000-2002 saw a 4 percent average annual contraction, partly due to falling global demand for tourism and a sharply appreciating currency *vis-à-vis* key export partners.

The other type of visitor is the excursionist who arrives by cruise ship. Between 1997-2002, cruise ship passenger arrivals accounted for just under 50 percent of total visitors; in other words, a number roughly equal to that of stopover tourists. However, cruise ship arrivals stay less than 24 hours and consume much less onshore than stopover visitors.²⁷ Over the 1990s, the excursionists' average share of personal travel earnings was just 7 percent (compared to a 92 percent share for stopovers). One bright note is that these receipts grew at an average annual rate of 5 percent,

²⁵ A TSA is an internationally recognized methodology to measure the economic contribution of tourism to GDP, through among others, tourism expenditure, export earnings and employment accounting.

²⁶ A third type is yachting excursionist: no data exists in Barbados distinguishing this type of tourist arrival.

²⁷ WTO, *Barbados - Trade Policy Review*, June 2002.

compared to a 3 percent annual growth in stopover tourist receipts over the same period. Barbados should develop strategies to increase income derived from cruise ship passengers while they are onshore. Among these should be attempts to improve the quality and quantity of services provided, thus creating the incentives for cruise ship passengers to spend money on the island. Other strategies could be increased cooperation with cruise lines, resulting in more preferred onshore businesses providing services; and/or more providers such as entertainers and craft makers onboard while the ship is in national waters. For more information on visitor arrivals in Barbados, see Annex II, Table 16.

Barbados is currently working on measures to increase tourist and cruise ship arrivals. In the short term, Barbados has agreed to be the homeport to a number of large cruise ships – an important measure evidenced by estimates that 270,000 cruise ship passengers visited the island this past winter season. Tourists arriving by air will also see increased capacity in the short term, with an expected 20 percent expansion in seat capacity from added flights by Continental Airlines and bigger planes operated by British Airways, Virgin Atlantic and Air Canada over the same period. In the medium term, a Bds\$50 million cruise ship pier project and a major airport improvement project will address growing capacity concerns. Developments are also in place to increase hotel capacity. The Bds\$120 million, 350-room Barbados Hilton, scheduled to open this year, is likely to attract more American tourists and business visitors given its brand-name appeal. New attractions are planned to increase the attractiveness of Barbados as a tourist destination. The government is supporting a Bds\$460 million redevelopment of the main cricket ground (Kensington Oval) for the 2007 Cricket World Cup. A museum will moreover be built to house the recently acquired British Airways Concorde that provided service between the island and the UK for many years.²⁸

In Barbados, private operators are the main providers of tourism services. The government's role is to provide the regulatory environment to attract investment in the tourism industry, and to assist in financing projects that are not attractive to foreign or domestic capital. The Ministry of Tourism (MOT) formulates and implements tourism policy in collaboration with the Barbados Tourism Authority (BTA), Barbados Tourism Investment Inc (BTI) and Needhams Point Development Inc (NPD). The BTA is in charge of marketing the island as a top vacation destination, the BTI is responsible for attracting the investment, while the NPD deals with the development of the hotel sector. Even though Barbados has not committed its tourism industry to liberalization under the WTO regime, market access conditions are fairly liberal for those foreign firms interested in establishing a commercial presence on the island.²⁹

The development of Barbados's tourism sector is important for future economic growth and stability. At the same time, the country must address some important bottlenecks to eliminate constraints. First, Barbados's southern location in the Caribbean and its high prices make it an expensive travel destination for consumers. Second, high operating costs – in factors like labor, land and equipment – have a direct impact on tourism given that most providers are small and medium size enterprises. Third, severe water scarcity on the island is a major roadblock for all development, and especially so in leisure activities such as golf. Finally, Barbados is under increased competition from cheaper regional tourist destinations like Mexico, Puerto Rico, the Dominican Republic and Cuba.

²⁸ EIU, *Barbados Country Report*, December 2003.

²⁹ See WTO [2002].

Barbados has been actively addressing these constraints. One strategy is to pursue the high-end tourist niche market more actively, which would increase Barbados's regional competitiveness and shield against future drops in demand.³⁰ Another is the government's implementation of the Tourism Development Act of 2002. This focuses on competitiveness by promoting foreign investment through fiscal and tax incentives; sustained government support through infrastructure and transportation projects; and the recognition of innovation and productivity based on the provision of high quality service. The MOT has set specific targets to measure the strategy's performance through 2010.³¹

Health

Another sector within travel services that merits attention is the provision of health and elder care-related tourism. Barbados has potential for growth in this sector because it enjoys the characteristics needed for successful development. These include an attractive climate, skillful health practitioners, reliable telecommunications and transportation infrastructure, and an established tourism services sector. The supply of health tourism in Barbados is mostly through consumption abroad (mode 2). Facilities on the island regularly treat foreign visitors who fall ill while on vacation, and Barbados is already an established medical destination for cruise ship lines traveling in the Caribbean. There is limited commercial presence in health tourism (mode 3), and some cross border trade (mode 1) mainly in laboratory shipments to the United States. The income from health tourism is negligible, and there is room for expansion. Potential for growth within the sector could be in preventative care methods such as holistic healing, and cosmetic surgery given the target high-end tourist market.³²

The demand for elder care is growing worldwide given the ageing population. In Barbados, visitor arrivals of seniors (over 50 years of age) have increased from a 28 to 31 percent share of total arrivals, while the number of visitors between ages 20-49 shrank from 59 to 56 percent (1997-2001).³³ These numbers could point towards a possible gradual shift towards an older population traveling to Barbados, and pose an excellent opportunity to market elder care facilities. However, like tourism, the health and elder care sector also faces constraints, particularly high costs of operation, a reliance on foreign investment, water scarcity, institutional capacity concerns in the Ministry of Health, and problems related to the portability of insurance limiting patient access. In addition, there is a sense among residents that the development of health and elder care travel will be at the expense of the national health care system.³⁴ Despite these challenges, the introduction of the right incentive structure coupled with government and donor support, could facilitate a diversification of travel services and stimulate additional export receipts.

³⁰ Research shows that the income elasticity of tourism exports – in the world and more so in the Caribbean – is high (See UN-ECLAC [2003]). In other words, when world income falls the demand for tourism falls sharply, and when income rises the demand rises sharply. However, the provision of high-end tourism services is more income inelastic, helping to dampen fluctuations in demand.

³¹ See UN-ECLAC [2003].

³² Gonzales, Anthony et al. *Health Tourism and Related Services: Caribbean Development and International Trade*, Report for RNM, 2001.

³³ See Barbados Ministry of Tourism. *Annual Tourism Statistics 2002*.

³⁴ See Gonzales [2001].

Education

International trade in education services is also a growing market, given the increased demand worldwide for higher education and a new push from international policymakers promoting this form of trade.³⁵ Barbados has participated in supplying these services since 1963, when the University of the West Indies Cave Hill campus was founded. Even though education-related travel receipts are relatively small (1 percent of travel services in the period 1996-2001), they have grown rapidly at 9 percent a year (over the same period). The future of Barbados's education services looks bright. Plans for a University College Barbados campus, for example, will add an internationally recognized institution to the island's existing higher education institutions and could attract a significant number of students from the Caribbean region and beyond. The development of educational services is also capacity enhancing as it attracts and develops domestic human capital. This is an interesting area of potential growth for Barbados's services exports and one that merits further research.

Transportation Services

Exports of transport services³⁶ in Barbados are very limited as they accounted for only 2 percent of total services earnings in 1990-2001. However, this sector has seen the most extensive growth during the same period, expanding at an average annual rate of 12 percent. Barbados consistently runs a negative balance on trade in transport services given that it does not house a national maritime or airline fleet.

There are currently 16 foreign-owned shipping companies offering maritime transport services to and from Barbados. The port at Bridgetown Harbour serves as a transshipment point for merchandise destined to smaller Caribbean islands. Barbados does not have any public or private sector shipping lines in operation. It would be interesting to research if this is a potential sector of growth for Barbados, given the island's geographical advantage and established port infrastructure. There is one international airport, fully owned by the Government of Barbados, with facilities to accommodate aircraft of any size. As mentioned before, the competitiveness of Barbados's publicly owned transport infrastructure should be evaluated against the possible benefits of privatization, especially given the sector's importance throughout the economy. There is no national airline in operation, but the Government does hold 10 percent ownership in Leeward Islands Air Transport (LIAT).

³⁵ Larsen, Kurt and Stephan Vincent-Lancrin. *International Trade in Educational Services: Good or Bad?* Higher Education Management and Policy, Vol 14, N° 3, 2002.

³⁶ Transportation services are international transactions via air, sea and other mode involving carriage of goods (freight), passenger services (fares), and cargo handling, navigation and maintenance fees.

Commercial Services

Communication and Information

The communication and information services³⁷ sector is attracting growing attention throughout the Caribbean region as a potential source of export revenue. In the past, this sub-sector of commercial services was not a very important one. Between 1996-2001, it accounted for only 10 percent of commercial services receipts or a little under 3 percent of total services exports. Since 1993, communications exports have grown by an average 3 percent a year. These earnings were primarily derived from incoming international calls (mode 1 – cross border supply), which, according to settled accounting standards, require the originating carrier to compensate one half of the total cost of completing the call to the terminating carrier.

Like many of the small Caribbean islands, Cable & Wireless (C&W) is the sole provider of communications services in Barbados. The government has not held any ownership in telecommunications firms since 1991, when it sold its industry shares to C&W and granted the company an exclusive license – monopoly status – to operate nationally and internationally until 2011. The Telecommunications Act of 2001 designated the Fair Trading Commission (FTC) and the Ministry of Economic Development (MED) as regulators, responsible for oversight and industry development, respectively.

Barbados has stated its commitment to telecommunications liberalization and, a few years ago, agreed with C&W on an opening of the sub-sector that would begin in December 2001. Phase I, slated for completion in October 2002, was to enable full competition in cellular telephone services, provision of telephone equipment, and use of equipment in call centers. Phase II would open local telephone services to competition before late July 2003; and Phase III would do the same for international telephone services starting in August of the same year.³⁸ The liberalization of telecommunications in Barbados is currently on hold while C&W and new cellular licensees dispute interconnection fees in judicial proceedings. While benefiting the incumbent provider C&W, this delay is hindering the industry's development and postponing any increased earnings that liberalization may bring.

The information services sub-sector is clearly on Barbados's economic development agenda. The island has a strategy to build an information sector around call and data processing centers, transcription services, credit processing and e-business transactions to cater to the regional information and communications industry. The prospect for implementing such a strategy is favorable. For this development to occur, the country needs to focus on four core requirements: (i) an infrastructure framework with good access, high capacity and low cost; (ii) human capacity with the required technical skills; (iii) a transparent and strong policymaking process; and (iv) the

³⁷ Communication and information services cover postal, courier and telecommunications services. The latter include services delivered via transmission of sound or images by telephone, telex, telegram, cable, broadcasting, satellite, email, facsimile, teleconferencing, and voicemail; and information services such as online storage and retrieval, data processing including transactions, transcription services, credit verification, etc.

³⁸ See WTO [2002].

appropriate legal framework to protect interests, yet facilitate access to capital. Barbados appears to fare well in all categories with the exception of relatively high costs.³⁹

Financial and Insurance

The financial services sector in Barbados is a well-regulated industry offering both domestic and international (offshore) banking services. Between 1996-2001, financial services earnings accounted for a 24 percent share of commercial revenues or over 6 percent of total services exports. Barbados is a net exporter of financial services, with the sector consistently performing as the second most important foreign exchange earner in the country, after tourism. During the same period, this sector has seen moderate average annual growth of 5 percent relative to other commercial services (7 percent for insurance and 9 percent for other business services).

Barbados's financial sector history is rooted in the 1965 International Business Companies Act, which in conjunction with subsequent legislation created the incentives for foreign nationals and firms to invest on the island. The industry is divided into two areas, those providing services to residents and those managing foreign funds for foreign persons (offshore). In 2001, there were 56 licensed offshore banks with assets equal to 11 times the country's GDP. Barbados's niche in financial services was the Foreign Sales Corporations (FSCs) market, with a reported 2,975 companies operating in 2001.⁴⁰ In that same year, the WTO ruled that, given US foreign income tax laws, Barbados's tax privileges towards US corporations mirrored a hidden export subsidy, limiting the prospects for the FSC market. Securities trading takes place through the Barbados Stock Exchange, with 22 companies listed and a market capitalization of Bds\$3.4 billion (2000). Cross border trading in securities is limited, with only 3 Barbadian companies listed in other regional stock exchanges. Deeper regional integration through implementation of the CSME is likely to promote more cross listing, and perhaps the creation of a regional stock exchange.⁴¹

The future holds some challenges for the development of financial services in Barbados, particularly in offshore banking. In 2000, an OECD report identified 35 jurisdictions (including Barbados) as tax havens with harmful tax practices. Barbados disputed the claim and campaigned to keep its taxation system in place as a tool for development of its financial services sector. The OECD has subsequently eliminated Barbados from its tax haven list, citing that Barbados does enjoy a wide international network of tax agreements with other countries and has passed legislation to increase transparency in its tax and regulatory regimes. Nevertheless, doubts of the extension of bilateral tax treaties and the introduction of a more level playing field in the incentive structures that countries can provide will affect Barbados's competitiveness *vis-à-vis* more developed financial services sectors. In addition, domestic banking institutions' access to extra-regional markets will be difficult,

³⁹ Cleland, Celene et al. *Prospects for CARICOM Services Exports in Information and Communications Technology: Trade and Investment Issues*. Report for RNM, 2003.

⁴⁰ Barbados was the largest FSC market in the Caribbean, with St. Kitts and Nevis as the second biggest market with 75 FSCs in operation, from Suss et al. *Caribbean Offshore Financial Centers: Past, Present, and Possibilities for the Future*. IMF, 2002. Also, see IMF, *Barbados: Financial System Stability Assessment*, January 2003.

⁴¹ See WTO [2002] and Henry, Lester. *Implications for CARICOM Countries of the Negotiations on Financial Services in the FTAA and GATS: Assessment and Strategic Options*. Report for CRNM, 2003.

given the high fixed costs of foreign entry and the relatively limited liquidity of these (small) institutions compared to the larger and more efficient firms in Canada, the US and the EU.⁴²

Preservation of offshore financial services in Barbados is very important given the sector's contribution to the economy. A deterioration of the sector would not only have a marked effect on foreign exchange earnings, but also on tax revenues. It is estimated that offshore activities contribute almost 40 percent of the government's corporate tax revenue. The outlook for offshore activities is uncertain. In the medium-term, development of Barbados's financial services seems to be linked to the implementation of the CSME. Planned liberalization of exchange controls, with the OECS first, and then with CARICOM as a whole, should provide efficiency gains and opportunities for diversification. Continued efforts to modernize and strengthen the financial sector would help solidify the country's regional position and prepare for increased competition.⁴³

As for insurance services, revenues in 1996-2001 were slightly higher than for financial services, accounting for 26 percent of Barbados's commercial services exports or 7 percent of its total services exports. Similar to financial services, the insurance industry is segmented into international and domestic providers. In 2000, there were 19 domestic and 200 active international insurance companies in Barbados. Between 1996-2001, insurance services grew at an average annual rate of 7 percent, largely due to a boom in life insurance and pension fund revenues. Barbados is fully committed to liberalization only in reinsurance services, and not in life or non-life insurance, under the WTO.⁴⁴ Within the Caribbean, insurance services are considered vulnerable and uncompetitive, mainly due to a shortage of quality long-term assets that leads to inflated premiums. This sector, like financial services, has potential for growth in Barbados if it can provide the environment for firms to compete at the regional level with foreign providers.

As mentioned earlier, it is difficult to obtain detailed and reliable data on services trade for the Caribbean countries, including Barbados. Comparisons across the region are moreover hampered by the fact that collection and reporting methods differ from country to country. A comprehensive system of data collection, management and reporting in services trade should be implemented to ensure that the region's policymakers have the most reliable and up-to-date information on which to base their decisions – not least in the region's external trade negotiations. Even with these constraints, some conclusions regarding Barbados's services trade can be drawn from the above analysis.

- Barbados is a successful exporter of services. Services exports have consistently accounted for an 80 percent share of total exports and more than 40 percent of GDP, clearly demonstrating their importance to the economy.
- The travel industry, particularly in the high-end tourism segment, appears to be internationally competitive. Recent legislation outlining a strategic plan for the industry's development is likely to facilitate further growth. Areas such as education and health-related travel have potential to become important sources of income.

⁴² See Henry [2003].

⁴³ See IMF [January 2003].

⁴⁴ See WTO [2002].

- Financial and insurance services have been prominent sectors in Barbados's export portfolio; however, they will face increased competition from other more efficient locations. It is perhaps within a regional context that these two sectors will be able to compete and bring further growth.
- Telecommunications liberalization is crucial to developing the commercial services sector and bringing down the costs of doing business on the island. A monopoly provider affects not only market access conditions but also consumer welfare. Resolution of the C&W dispute and conclusion of the liberalization agenda is necessary to improve the sector's efficiency and transparency.

Current external trade negotiations in services at the hemispheric and multilateral level have potentially significant implications for market access in this rapidly growing sector of the world economy. Barbados's engagement in these negotiations, and its general trade policy objectives and actions, are the subject of the next chapter.

V. TRADE POLICY OBJECTIVES: GLOBAL INTEGRATION, SPECIAL TREATMENT

Barbados's trade policy is shaped by both a firm belief in the merits of trade liberalization and global integration, and a strong conviction that the vulnerabilities of small island developing states (SIDS) must be recognized and sufficiently addressed in the pursuit of those goals. Following a prolonged recession in the early 1990s, Barbados took a number of steps to open up and deregulate its economy. It implemented unilateral trade reforms, gave growing support to multilateral and regional trade initiatives and became a leading force behind the revitalization of integration in CARICOM. At the same time, the government maintained high levels of protection for some import-competing industries, as well as various forms of financial support to domestic production. Coupled with a stable political environment characterized by regular, formal consultations between the government, trade unions and the private sector, these policies spurred almost a decade of economic growth and have helped sustain high living standards on the island, well above those of most developing countries.

In international trade fora, Barbados has actively argued in favor of special and differential (S&D) treatment for SIDS to compensate for their particular vulnerabilities to price and supply fluctuations, higher fixed costs of production and marketing, and susceptibility to natural disasters. Barbados has argued that S&D treatment should, among other things, involve longer transition periods for opening up domestic markets and the right to maintain domestic support for local production in order to promote non-trade objectives such as food security, rural development and poverty alleviation. Developed countries, meanwhile, should eliminate export subsidies and trade-distorting domestic support measures in their own markets. In addition, they should agree to binding provisions of technical and financial assistance to SIDS in order to facilitate their successful insertion into the global economy. Barbados has moreover insisted that unilateral trade preferences granted by developed countries play a vital role for small developing countries and should therefore be maintained. (As mentioned in Chapter III, however, existing preferences are being eroded by growing trade liberalization worldwide and, even if maintained, are likely to yield fewer benefits in coming years).

Barbados's trade policy is formulated within the context of its membership both of CARICOM and the WTO, as well as existing and planned trade arrangements with countries in Europe and the Americas (see Annex I for an overview of trade agreements and preferential arrangements governing the country's external trade relations).

CARICOM Membership

Barbados is a founding member of CARICOM, which was established in 1973 to foster economic integration, cooperation and foreign policy coordination among its now 15 members. CARICOM has a population of 14.8 million and a combined GDP of US\$33.7 billion.⁴⁵ The group, excluding The Bahamas, is currently in the process of establishing a Caribbean Single Market and Economy (CSME), which includes the free movement of goods, services, capital and skilled persons within the sub-region, growing harmonization of economic and regulatory policies, and a common external

⁴⁵ Calculations using World Bank-WDI.

tariff and trade policy. Thus, in the area of trade, CARICOM membership has important implications for Barbados.⁴⁶

Preferential Access to, and Participation in the CSME

CARICOM's free trade area in goods, in place since the early years of the integration process, allows virtually free – and preferential – access to the sub-regional market for Barbadian merchandise exports that meet CARICOM rules of origin. Current efforts in the region focus on the elimination of a few remaining non-tariff barriers (NTBs). Intra-regional trade nevertheless remains somewhat constrained, accounting for only 15 percent of the group's total exports, and only 8 percent of its imports. Inefficient regional transport facilities constitute a major bottleneck to the free flow of goods, as do the small size of the regional market and similar product specialization in a number of Caribbean countries. Only a limited number of companies in the region have thus far managed to overcome these constraints by establishing a lasting presence in the sub-regional market.

TABLE 5
BARBADOS: SHARE IN CARICOM COUNTRIES' IMPORTS

	Imports		Imports		BAR Market	
	from BAR		from World		Share	
(US\$ mn) ^{1/}	90-92	00-02	90-92	00-02	90-92	00-02
Antigua & Barbuda	10	22	1,001	2,113	1.0%	1.1%
The Bahamas	3	8	7,030	12,242	0.0%	0.1%
Belize	3	8	730	1,321	0.4%	0.6%
Dominica	10	13	350	487	2.8%	2.7%
Grenada	12	21	329	645	3.7%	3.3%
Guyana	8	24	991	1,904	0.8%	1.3%
Haiti	1	2	1,604	3,458	0.1%	0.0%
Jamaica	27	55	5,519	9,948	0.5%	0.6%
St. Kitts & Nevis	9	18	776	544	1.1%	3.4%
St. Lucia	24	38	728	1,316	3.3%	2.9%
St. Vincent & the Grenadines	16	27	400	891	3.9%	3.1%
Suriname	1	11	1,552	1,749	0.0%	0.6%
Trinidad & Tobago	59	90	4,307	7,999	1.4%	1.1%
CARICOM ^{2/}	183	338	25,316	44,617	0.7%	0.8%

Notes: ^{1/} Values in US\$ million and represent total for the period.

^{2/} CARICOM data does not include Barbados and Montserrat.

Source: IDB Integration and Regional Programs Department using IMF-DOTS.

⁴⁶ For a more detailed overview of progress achieved so far in the implementation of the CSME, see a recent CDB and DFID-financed consultancy report for the CARICOM Secretariat, entitled: *CARICOM Single Market and Economy: Assessment of the Region's Support Needs*, mimeo, June 2003.

As mentioned earlier, Barbados appears to have drawn some benefits from intra-regional trade liberalization and the tariff preferences resulting from the application of the CET to extra-regional imports. From 1990-2002, its merchandise exports to CARICOM grew by some 4 percent a year on average – much faster than overall export growth. But unlike Trinidad and Tobago, which doubled its share of the CARICOM market in the last ten years and is the origin of over 70 percent of all intra-group merchandise exports, Barbados has struggled to maintain its small share of the regional market, and has lost market share in several countries (see Table 5).

Among CARICOM countries, Barbados still accounts for the second-largest share of all intra-regional exports (9 percent), after Trinidad and Tobago. It is uncertain, however, whether the country will be able to maintain its share of the CARICOM market once the FTAA enters into force. Much will depend on its ability to pursue a successful transition towards freer trade, but, as indicated in Chapter 3 above, the outlook for its merchandise exports is not encouraging. The regional services market may provide more immediate opportunities for Barbados.⁴⁷ So would other aspects of the regional integration process.⁴⁸

The main provisions of the CSME relating to services trade, right of establishment and movement of capital and labor are to be in place by 2005 (Barbados, along with Jamaica and Trinidad and Tobago, has committed itself to full implementation in 2004). To reduce transaction costs in the CSME, member countries have moreover sought to accelerate the process of harmonizing and upgrading regulatory frameworks within CARICOM. The aim is to identify key areas affecting investment decisions and other sectors of economic activity where regional harmonization is most urgent. While a lack of technical and financial resources has thus far precluded concrete progress in this area, member states recognize it as vital for fulfilling one of the main objectives of the CSME, which is to strengthen the international competitiveness of Caribbean economies.⁴⁹

⁴⁷ Lack of reliable data on intra-regional services trade may in the past have led policymakers and analysts to underestimate the importance of the CSME for CARICOM countries. Anecdotal evidence suggests that services trade within the CSME is picking up, and that opportunities for such trade are growing. Barbados is relatively well placed to expand its participation in such trade. It appears to have a regional competitive advantage in professional services areas such as accountancy, legal services (especially business-related) and financial management, as well as construction and engineering services. Barbadian professionals have won many services contracts in OECS countries, which further illustrates the importance of the OECS sub-region to the Barbadian economy.

⁴⁸ Among other things, Barbados's stable political environment and relatively advanced social and physical infrastructure make it an attractive location for regional institutions and the provision of regional services in CARICOM. Many regional institutions are based in Barbados, among them the Caribbean Development Bank (CDB), the Caribbean Regional Negotiating Machinery (RNM), the Caribbean Export Development Agency, one of the three main campuses of the University of the West Indies, the Caribbean Regional Organization for Standards and Quality (CROSQ) and, albeit temporarily, the CARICOM Secretariat's CSME Unit. Several international donor organizations servicing the wider Caribbean region also have their central offices in Barbados. As mentioned earlier, moreover, Barbados has become an important regional distribution and transshipment center.

⁴⁹ Delays in the formal integration process have not stopped a budding process of private sector-led economic integration through growing intra-regional investment, mainly targeting the services sector. Large firms based in Trinidad and Tobago, Jamaica and Barbados are the main origin of such flows. Although specific data measuring these investments is not available, anecdotal evidence suggests that such flows are driven by the establishment of intra-corporate links, i.e. "brownfield", rather than "greenfield" investment. A prominent example is Goddards, a Barbadian firm involved in many areas but perhaps best known for its airline catering business. It has operations throughout the Caribbean and in South America. Sagicor – a financial services provider – has operations throughout the Caribbean and in the United States. These and other firms have "gone regional" for a variety of reasons, including diversification, market expansion, and competitive positioning. They are among the most successful firms in Barbados, perhaps further evidence of the importance of the intra-regional market. For more on this subject, see Trevor Farrell, *Caribbean Economic Integration – What is Happening Now; What Needs to be Done*. Monograph, 2003.

By fully participating in the CSME, Barbados is likely to benefit from opportunities in the travel and commercial services markets, given that it is relatively more efficient and developed in these sectors than other regional competitors. In addition, CSME integration can be used as a catalyst for greater global insertion – in terms of more effective penetration of external markets for high-end tourism services (Europe and North America), and educational services exports to Latin America and beyond. As one of the stronger economies in the sub-region, Barbados could gain much from the CSME, and has made timely implementation of its various provisions a key part of its trade policy agenda. To date, the implementation process has been rather slow across the region, perhaps understandably so given the large number of countries in the group and the varying levels of development among them. In light of the future FTAA, however, there is growing recognition among government leaders that more needs to be done to speed up the process, and there have been some encouraging signs to this effect in recent months.

Trade Policy Coordination and the CET

By signing on to the Treaty of Chaguaramas in 1973, Barbados committed itself to a progressive coordination of its trade policies with those of its CARICOM partners.⁵⁰ In line with the group's common market objective, member countries agreed to establish a common external tariff.⁵¹ In 1993, after much delay, they finally began a four-phased implementation of the CET, to be completed between 1994-1998. Given the new outward-oriented direction of the integration process, this process involved a substantial reduction in external protection levels (including those of Barbados), from an average 20 percent to 10 percent for CARICOM as a whole.⁵² The pace of implementation has varied greatly among CARICOM countries, with revenue concerns holding back the process in a number of countries. Only two countries, one of which was Barbados, met the 1998 deadline for full implementation of the CET; as of August 2004, all except Antigua and Barbuda, and St. Kitts and Nevis have implemented it.

There are some concerns regarding the CET in light of CARICOM's current external trade negotiations, particularly with respect to the FTAA.

- First, while considerably lower than a decade ago, CARICOM tariffs are still relatively high compared to those of some neighboring Latin American countries. This means that, when the FTAA enters into force, adjustment to free trade (even if gradual) will be all the more difficult for the small Caribbean economies, in terms of both lower fiscal revenue and greater competition in domestic markets. Barbados is in a better position than other CARICOM countries as regards potential revenue losses resulting from reduced tariff income, since tariff revenues currently represent only 8 percent of total government revenues.⁵³ It nevertheless retains high import

⁵⁰ See Chapter IV of the Treaty's Common Market Annex, Article 34: External Trade Policy, which states that "Member States shall seek a progressive co-ordination of their trade relations with third countries or groups of third countries... Member States undertake to transmit to the Secretariat particulars of any trade or aid agreements entered into after the entry into force of this Annex".

⁵¹ Ibid, Article 31.

⁵² Unweighted average tariff rate.

⁵³ Period average for 2000-2002.

tariffs for many products and will have to negotiate appropriate phase-in periods for tariff reductions in order to prepare its import-competing sectors for greater external competition.

- Second, even when uniformly applied throughout CARICOM, the CET will remain rather "uncommon". That is because, in its current form, there is broad scope for tariff suspensions and reductions, as well as for national derogations from the CET. This complicates the region's joint negotiating efforts *vis-à-vis* third parties and, given the application of rules of origin to avoid trade deflection, creates additional transaction costs and reduces transparency for exporters targeting the CSME market.
- Third, the level of tariff dispersion in the CET remains high, resulting in higher efficiency costs and further complicating the group's market access negotiations with other countries and regions.

Table 6 illustrates these three problems. It is worth noting that, among CARICOM countries, Barbados has one of the highest applied tariffs, almost five percentage points above the CET. Its weighted tariff, at 19.2 percent, is even higher – in fact, it is the highest among all countries in the Western Hemisphere. Despite efforts at liberalization over the past decade, Barbados remains a highly protected economy in many ways.

TABLE 6
CARICOM: CET AND APPLIED TARIFFS FOR SELECTED COUNTRIES, 2001
Simple Average of MFN Applied Tariff Rate (%) using HS 1996 Sections

Code	Description	CET	Barbados	T&T	Guyana	St. Kitts
01	Live Animals/Products	26.3	53.3	24.4	27.1	11.5
02	Vegetable Products	18.3	28.0	16.2	18.4	11.9
03	Animal/Vegetable Fats	23.8	32.1	24.0	25.8	21.9
04	Processed Foods/Tobacco	15.7	35.2	14.7	25.0	16.1
05	Mineral Products	3.4	6.9	2.9	6.2	2.4
06	Chemical/Industrial Prod.	3.3	6.6	2.3	6.1	5.6
07	Plastics/Rubber	6.3	9.1	6.3	8.7	6.7
08	Animal Hides/Skin	7.1	9.6	5.8	9.2	7.6
09	Wood/Wood Articles	7.4	10.6	6.9	9.5	9.7
10	Paper/Cellulose Material	5.2	8.9	5.2	8.0	8.1
11	Textiles	8.5	10.8	7.9	10.8	11.1
12	Footwear/Misc. Articles	15.4	16.2	15.2	16.0	18.5
13	Stone/Glassware	7.3	9.6	8.4	8.8	9.8
14	Precious/Semi-Prec Metals	11.4	29.7	14.6	28.6	14.4
15	Base Metals	3.6	6.8	4.5	6.7	6.2
16	Machinery/Electrical Equip.	4.0	7.8	4.7	7.5	7.7
17	Motor Vehicles/Vessels	4.8	10.0	7.1	9.4	9.7
18	Precision Instruments	7.1	14.4	9.9	14.2	10.8
19	Arms/Munitions	18.5	47.7	22.9	44.7	46.8
20	Misc. Manufactured Articles	14.5	16.2	15.6	15.8	19.3
21	Art/Antiques	20.0	20.0	20.0	20.0	25.0
22	Other (Chps 00,77,98,99)	n.a.	n.a.	n.a.	n.a.	n.a.
Average Tariff (%)		8.3	13.1	7.8	11.0	9.3
Standard Deviation		11.9	26.4	12.2	12.9	11.1

Memo: (Avg. Tariff %; Std. Dev.) for CACM (6.2;8.2); Chile (8.0;0.0); and Bolivia (9.3;2.6).

Source: IDB Integration and Regional Programs Department using UN-TRAINS and FTAA-HDB.

In addition to a somewhat uncommon CET, there are other loopholes in CARICOM's common trade regime that weaken the group's external projection as a single market. As indicated earlier, CARICOM's founding treaty sought no more than a "progressive coordination" of members' external trade policies (which, in the absence of a common services regime, focused exclusively on trade in goods), and allowed members freely to negotiate bilateral trade agreements with third countries. The revised treaty of 2001 goes somewhat further towards establishing a common trade policy, but falls short of fully committing member states to this goal. By creating a common services regime, the treaty extends CARICOM's capacity to negotiate and implement joint services agreements with third parties. It moreover reduces the flexibility that individual member states have to negotiate bilateral trade agreements, by obliging members who negotiate such accords to seek the approval of the relevant CARICOM Ministerial Council.⁵⁴ It does not, however, expressly prohibit the negotiation of such agreements and is thus at odds with the principle of a customs union (and, by extension, a single market), which requires a truly common trade policy in order to be effective.

The constraints imposed by CARICOM's *not so* common trade policy on national policymaking should be weighed against the benefits that preferential access to the CARICOM market, the creation of the CSME and functional cooperation are providing to Barbados. There is another advantage, namely that foreign policy coordination has given the countries a stronger voice in international trade negotiations. As experience in the FTAA process has shown, the voice of 14 countries, however small, is stronger than that of one small country on its own. The creation, in 1997, of the Caribbean Regional Negotiating Machinery (RNM) to formulate and implement joint Caribbean negotiating strategies has facilitated a more efficient pooling of the region's scarce human, technical and financial resources and thus led to more effective participation in external trade negotiations. For Barbados, there is an added benefit: as one of the stronger economies in the group, it is probably better able than many other member countries to shape regional positions in the negotiations.

Links with Latin American Countries

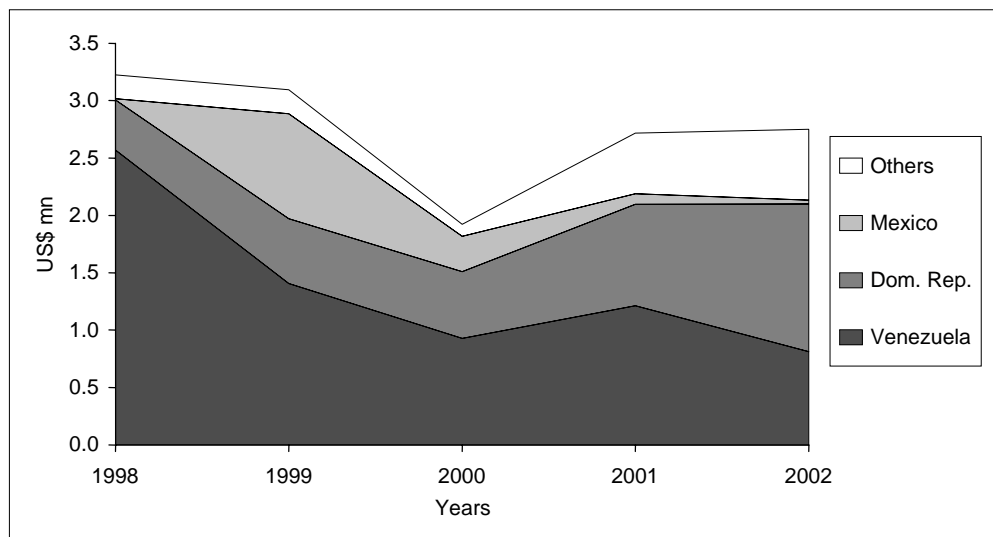
Barbados, through CARICOM, has signed trade agreements with five Latin American countries in the past decade (Venezuela, Colombia, Dominican Republic, Cuba and Costa Rica, see Annex I), allowing it improved, preferential access to some important markets in the region. Because the first two agreements are limited in scope, and the last three were only recently concluded, it is too early to determine the overall effect of these agreements on bilateral trade flows. Barbados trades very little with Latin American countries (the result of a long tradition of doing business primarily with the English-speaking world). In the last five years, its merchandise sales to Latin America (excluding re-exports) averaged less than US\$3 million a year. As shown in Figure 8, three

⁵⁴ Chapter V, Article 80 of the revised treaty states that: "The Member States shall coordinate their trade policies with third States or Groups of states. The Community shall pursue the negotiation of external trade and economic agreements on a joint basis in accordance with principles and mechanisms established by the Conference. Bilateral agreements to be negotiated by Member States in pursuance of their national strategic interests shall (a) be without prejudice to their obligations under the Treaty; and (b) prior to their conclusion, be subject to certification by the CARICOM Secretariat that the agreements do not prejudice or place at a disadvantage the position of other CARICOM States *vis-à-vis* the Treaty. Where trade agreements involving tariff concessions are being negotiated, the prior approval of COTED shall be required." Belize obtained certain derogations from these provisions with respect to negotiation of trade agreements with "neighboring economic groupings".

countries – Venezuela, the Dominican Republic and Mexico – accounted for almost 90 percent of this trade. Imports, mostly in the form of oil from Venezuela, have been higher, averaging just over US\$50 million a year over the same period. Consolidated data on services trade with Latin America is not available, but it is well known that Latin Americans account for only a tiny share of tourism arrivals in Barbados.

Considering the size and growth potential of the Latin American market, Barbados should explore possibilities for expanding its trade relations with these countries, particularly in the area of services. The Association of Caribbean States (ACS), established in 1994 with headquarters in Port of Spain, aims to facilitate closer relations among its members, which include all Caribbean and Central American countries as well as Colombia, Mexico and Venezuela. The Association's primarily consultative character nevertheless places limits on its role in fostering trade among its member countries – it is not a negotiating forum, and does not, of course, cover the whole of Latin America. Improved penetration of Latin American markets will therefore require a concerted effort by both the government and the private sector in Barbados, in terms of improved market analysis, promotional activities specifically targeted towards new Western Hemisphere markets and efforts to obtain better access to these markets. The latter is already being pursued through the current FTAA negotiations.

FIGURE 8
BARBADOS: MERCHANDISE EXPORTS TO LA, 1998-2002



Source: See Annex II, Table 2.

The FTAA Process

Negotiations for a hemisphere-wide free trade agreement were officially launched in 1998. The goal is a balanced and comprehensive WTO-consistent agreement covering trade in goods and services, investment, government procurement, dispute settlement, intellectual property, subsidies, competition policy, and antidumping and countervailing duties. The agreement must take into account the needs, economic conditions and opportunities of the smaller economies of the region, and can coexist with bilateral and sub-regional agreements (such as CARICOM) to the extent that

the rights and obligations under these agreements are not covered or go beyond those of the FTAA. The latter has implications for CARICOM in that, unless substantial progress towards the CSME is made in the next two to three years, the group's economic integration process could risk being overtaken (and made somewhat redundant) by the FTAA. Although the original deadline for concluding the FTAA agreements – January 2005 – will probably not be met given the current impasse in the talks, the pace of the negotiations could pick up in the coming months. It is worth noting that CARICOM countries negotiate as a group in the FTAA process, and have, with some exceptions, presented joint offers in the various negotiating groups.

Trade liberalization under the FTAA will affect real or relative market access conditions for over 70 percent of Barbados's merchandise exports. Most exports to the United States, Canada, CARICOM and those Latin American countries with which Barbados already has a free trade area will face tougher competition due to the erosion of current preferences enjoyed by Barbados in these markets – which makes it all the more urgent for Barbadian exporters to exploit their current window of opportunity in these markets. At the same time, however, access to the US and Canadian markets will be more secure under an FTAA, since it will no longer depend on unilaterally applied "preferences", but rather on contractually agreed rules. In addition, exports that do not currently enjoy preferences or enter duty-free under MFN rules in these markets will gain improved access, as will sales to many Latin American countries – but here, too, competition from other FTAA countries will be tough.

Barbados will have a particular interest in obtaining better market access for its services exports, and this is a real possibility in the FTAA. At the same time, it will have to liberalize its import market for both goods and services, with important consequences for import-competing industries and fiscal revenues, but also potentially significant benefits for consumers and the economy in general (FTAA countries account for around 70 percent of Barbados's merchandise imports).⁵⁵ The potential gains from trade liberalization (which go beyond trade creation by facilitating ongoing structural reforms and their subsequent "locking in", the establishment of a more transparent business environment, and higher inflows of FDI, among other things) could be significant for a small country like Barbados, but the adjustment process will be difficult even if the country succeeds in negotiating longer transition periods for its own market opening.

Given the complexity of the FTAA negotiating agenda and the large number of participating countries, delays in the process were to be expected. The dramatic slowdown in the talks since late 2003 has nevertheless created a great deal of uncertainty surrounding the process. While some Caribbean countries may be quite eager to prolong the negotiations (or reduce their scope) in order to gain more time for preparing their transition to freer trade, a prolonged delay could hurt their economies. This is because other countries in the hemisphere are pushing ahead with trade liberalization, and have shown themselves quite ready to pursue that goal even outside of the FTAA process. The United States, for example, has concluded free trade negotiations with Chile and five Central American countries (CAFTA). It has also completed market access negotiations with the Dominican Republic designed to integrate that country into the CAFTA agreement, initiated free trade negotiations with Panama (April 2004), as well as with Colombia, Peru and Ecuador (May 2004), and intends to negotiate a similar agreement with Bolivia. The CAFTA agreement, which could enter into force as early as 2005, would give Central American countries a "head start"

⁵⁵ Period average for 2000-2002.

in the US market before the FTAA comes into force, to the possible detriment of other US trade partners, such as the Caribbean countries.

Barbados, along with its CARICOM partners, must watch these and other bilateral negotiations with great care, as they could affect its relative market access conditions in the hemisphere. In the context of growing bilateral trade links and negotiations across the Americas (both among Latin American countries and between the US/Canada and these), a timely conclusion of the FTAA negotiations would seem to be in the interest of all Caribbean countries. It is imperative if CARICOM wants to keep its preferences under the US-Caribbean Basin Trade Partnership Act (CBTPA), which are set to expire in 2008 unless the FTAA or a comparable free trade agreement between the United States and CBTPA beneficiaries enters into force earlier.

Relations with Europe

Along with other African, Caribbean and Pacific (ACP) countries, Barbados is currently engaged in negotiations with the EU that will fundamentally alter the current provisions governing EU-ACP trade. The ACP-EU Partnership Agreement, signed in Cotonou in June 2000, foresees the entry into force of Economic Partnership Agreements (EPAs) between the EU and ACP countries or groups of countries by 1 January 2008 at the latest. These will include the progressive, two-way elimination of tariff and non-tariff barriers to trade, leading to the full implementation of reciprocal free trade by 2020. Formal EPA negotiations began in September 2002 between the EU and the ACP group as a whole. Phase I (September 2002-October 2003) focused on the general objectives and principles of the EPAs and issues of common interest to all ACP countries. In Phase II (October 2003-2007), negotiations are conducted on a "bilateral" basis between the EU and selected ACP groups in accordance with the geographical configuration of the EPAs. The Caribbean region began negotiations with the EU on April 16, 2004. Meanwhile, the unilateral trade preferences granted by the EU to imports from ACP countries under Lomé IV have been extended through the end of 2007.

The EPAs will be comprehensive agreements covering trade in both goods and services, as well as related areas such as competition policy, intellectual property rights, technical barriers to trade, and sanitary and phytosanitary measures. In a note explaining the EU's negotiating strategy, the European Commission recognized that although EPAs are designed to be "instruments of development" by establishing a stable, predictable and transparent framework for bi-regional economic and trade relations, they will require difficult social and economic adjustments in ACP countries, including CARICOM. The Commission therefore considers it "essential that EPA negotiations and implementation be accompanied by appropriate flanking policies of the ACP and that appropriate EU support measures are included in regular EDF financing".⁵⁶ To this end, the Commission recently approved Trade.Com, a €50 million trade-related assistance program for the ACP countries that is complementary to the trade assistance provided through the Commission's National and Regional Indicative Programs with these countries, as well as €20 million set aside

⁵⁶ See European Commission, "Explanatory Memorandum, Commission Draft Mandate 9 April 2002", at www.europa.eu.int/comm/trade. EDF refers to the European Development Fund, which has provided substantial aid to ACP countries since its creation in 1957 (see Articles 131 and 136 of the Treaty of Rome).

for ACP countries for capacity-building in preparation for EPA negotiations, which is managed by a Brussels-based Project Management Unit.

Since CARICOM countries – including Barbados – already enjoy duty-free access to the EU market for most of their merchandise exports, the benefits of the agreement for CARICOM will largely depend on the degree to which remaining non-tariff restrictions to such trade are eliminated; to what extent the EU opens up its services market to CARICOM; the timeframe and scope of reciprocal trade liberalization, which should allow CARICOM countries enough time to adjust to both increased competition and declining tariff revenues; and how generous and effective the EU's financial assistance in support of CARICOM's adjustment to freer trade will be.

The timing of the EPA negotiations is important. The Cotonou Agreement contains an MFN clause suggesting that the EU would expect certain trade preferences granted by ACP countries to non-EU developed countries to be extended to the EU. Until recently, this language was of little relevance given that CARICOM did not grant any preferences to imports from North America, but the current FTAA negotiations, which are expected to conclude earlier than the EPA negotiations, could change that situation. It is not certain how this issue will be resolved, but CARICOM negotiators are fully aware that whatever they "offer" in Western Hemisphere negotiations will likely affect the outcome of the EPA negotiations – or vice versa, depending on the sequencing of the negotiations.

CARICOM's trade relations with the EU will not only be shaped by a future EPA. As in the case of CAFTA and other bilateral trade initiatives in the Western Hemisphere, new trade arrangements entered into by the EU (either bilaterally with third countries or regions, or at the multilateral level) could weaken the position of CARICOM countries in the EU market, and thus erode the benefits of an EPA. Deterioration in relative market access is already underway as a result of the EU's decision to grant all least-developed countries duty-free access to its markets by 2005. The Cotonou Agreement states that, in response to this problem, the parties "agree to examine all necessary measures in order to maintain the competitive position of the ACP states in the Community market during the preparatory period." This implies a commitment, on the European side, to consult with the ACP group prior to implementing new (unilateral or reciprocal) liberalization measures. It does not, however, guarantee CARICOM continued "preferential" status in the EU market, either in the transition phase or following the implementation of an EPA.

Another factor influencing CARICOM-EU trade relations is the Community's recent eastward enlargement (1 May 2004). Since most trade between the EU and the ten new members is already liberalized, and because there is little overlap in CARICOM and East European exports to the EU, enlargement will probably not lead to significant trade diversion away from Caribbean countries, or erosion of CARICOM's existing trade preferences in the EU market. Upon joining the EU, moreover, the new members assumed all EU commitments included in the Cotonou Agreement; consequently, they must now offer CARICOM the same preferences it already enjoyed in the EU of 15.⁵⁷ Along with the acceleration of economic growth expected in the new member countries as a result of their accession, this translates into new export opportunities for CARICOM, not only in the goods sector but also – and perhaps most of all – in services (e.g. tourism). It is nevertheless important to point out that, as members of the EU, these countries will also be party to, and influence, the

⁵⁷ As mentioned earlier, the Czech and Slovak Republics, Poland and Hungary already grant reduced or zero tariff rates to selected imports from Barbados.

ongoing EPA negotiations. For political as well as economic reasons, therefore, it is important for Caribbean countries (including Barbados) to increase their engagement with the new EU members in order to facilitate dialogue, information-exchange and business links between both regions.

WTO Membership

Barbados has been a GATT contracting party since February 1967 and became a founding member of the WTO in January 1995. It accords at least MFN treatment to all its trading partners. As a result of the Uruguay Round of multilateral trade negotiations, it has bound all of its tariffs except on fish and fish products, albeit at ceiling rates. Agricultural tariffs are bound at a minimum of 100 percent, with some products bound at more than double that rate. Tariffs on manufactured goods are bound at rates of at least 70 percent, with considerably higher rates for some specific products.⁵⁸ There is a substantial gap between bound rates and applied tariffs (which are set in accordance with the CET and the national exceptions included therein, see Table 6 above). NTBs, such as quantitative restrictions, import surcharges and import licenses, have been progressively dismantled in line with commitments made in the Uruguay Round.

Under the General Agreement on Trade in Services (GATS), Barbados has scheduled a number of commitments in trade in services, with two horizontal exemptions applying to all sectors. First, it has imposed a restriction on all services delivered via commercial presence (mode 3) with the Property Transfer Tax Act, which levies taxes on purchases and sales of land, stocks, or shares by foreign investors.⁵⁹ Second, it has restricted the services delivered through the presence of natural persons (mode 4) with the Immigration Act regulating entry and residence of all foreign persons working on the island.

Barbados has also made some sector-specific commitments to services liberalization. These include unlimited market access and national treatment status to all foreign service providers of legal documentation services, specialized medical services, software implementation, courier services, reinsurance, and entertainment services. In addition, some commitments have been made on basic telecommunications services through the Telecommunications Act of 2001.⁶⁰ It is important to note that Barbados is one of the few developing countries in the WTO that has not included tourism in its schedule of commitments (partial or full). Even though the sector is fairly liberalized, an official commitment could help attract additional investment.

Currently, Barbados faces two challenges in the WTO. The first relates to the full implementation of Uruguay Round Agreements. Compared to other Caribbean countries, Barbados is relatively advanced in implementing its Uruguay Round obligations, a difficult process involving a number

⁵⁸ The vast majority of tariff rates are *ad valorem*. Specific rates apply to 57 lines, most of which alcoholic beverages, and correspond to high levels of protection. See WTO [2002].

⁵⁹ This legislation was amended in 1999 to eliminate any differentiation in treatment between foreign and local investors.

⁶⁰ The Telecommunications Act of 2001 has not yet been notified to the WTO. See Centre for Trade Policy and Law, *Summary Report: Implementation of Selected WTO Agreements in the Caribbean Community*, 2002.

of legislative and institutional changes (some of which are being handled at regional, rather than national level in CARICOM). There are, however, some pending implementation issues, for example with respect to notifications; actions needed to satisfy the Agreement on Technical Barriers to Trade (TBT), including upgrading of standards information centers and accreditation of laboratories; upgrading of antidumping laws and legislation on subsidies and countervailing measures; and compliance with the Agreement on Trade-related Investment Measures (TRIMS), including revision of incompatible fiscal and industrial incentives and other provisions.⁶¹

Participation in the Doha Development Round represents another challenge for Barbados. Launched in November 2001, the Doha negotiations cover a large number of areas, prominent among them agriculture and services, where countries are seeking substantial improvements in market access and, in agriculture, the elimination of distorting domestic support measures. WTO members also want to achieve further reductions in tariffs and NTBs on industrial goods, and reach agreement on new issues, such as establishing multilateral rules for competition policy and foreign direct investment, achieving greater transparency in public procurement, and trade facilitation. Implementation issues resulting from the Uruguay Round Agreements are also on the agenda – developing countries, in particular, have experienced problems in implementation and have asked for revisions of commitments undertaken in that earlier round of multilateral negotiations. The deadline for completing the Doha negotiations, originally set for January 2005, is unlikely to be met following the breakdown of talks at last year's Ministerial Meeting in Cancún, Mexico, where countries could not agree on crucial elements for moving the process forward. After a prolonged impasse, a package of framework agreements to guide future negotiations was finally concluded on August 1, 2004, providing renewed impetus to the talks and securing the continuation of the Doha Development Round. Given its potentially important outcome, the next phase of the negotiations will require a concerted effort by each member country to influence the process.

Barbados, along with its CARICOM partners, has specific interests in the Doha negotiations. Its main objective is to place the needs and interests of developing countries – in particular SIDS – at the center of the Doha Work Program, and to ensure that any agreement reached will facilitate the successful integration of small developing economies into the multilateral trading system. In the view of CARICOM countries, this would involve the establishment of trade rules that – through special and differential treatment – take full account of the difference in size and development among WTO members (particularly the lack of economies of scale and limited flexibility of small industries and suppliers to be internationally competitive), and offer adequate periods of adjustment to, and compensation for, the erosion of market access preferences and the attendant loss in earnings for developing countries. CARICOM countries – including Barbados – also insist that long overdue implementation issues be addressed before they assume additional commitments in the WTO.

⁶¹ The WTO's June 2002 Trade Policy Review for Barbados provides a comprehensive overview of the main trade policy instruments applied by the country, both general and sector-specific. For a more recent review of the status of implementation of WTO commitments in Barbados, see the documents that were commissioned by the CARICOM Secretariat under an IDB-financed TC project entitled "Support for the Implementation of WTO Commitments in the Caribbean Community" (ATN/SF-7075-RG). These reports are based on analysis conducted during the period January-December 2002.

In terms of market access, they are seeking exemptions from tariff reduction obligations, anti-dumping, countervailing and safeguard measures and, at the same time, binding commitments from developed countries on duty- and quota-free market access for all products from small developing countries. In the dismantling of tariffs, tariff escalation and non-tariff barriers, the export interests of small developing countries should, in their view, be accorded the highest priority.

On agriculture, Barbados and the other CARICOM countries seek trade rules that take into account their rural development and food security objectives and allow them to adequately insulate their domestic sectors from import surges and depressed import prices; they also insist that in the process of agricultural trade liberalization, the special needs of net food importing countries should be addressed. On services, the CARICOM countries have called on WTO developed country members to liberalize those sectors and modes of supply that are of specific export interest to developing countries, in particular Mode 4 (the movement of natural persons). On the so-called Singapore issues (competition policy, foreign direct investment, public procurement and trade facilitation), CARICOM countries, in their submission to the Cancún Ministerial, had requested a process of clarification of these issues before commencing negotiations; according to the recent framework agreement reached in the WTO, only trade facilitation will remain on the Doha negotiating agenda. The region also has an interest in improving the WTO's Dispute Settlement Mechanism, particularly the ability of small developing countries to access and use that system, and to improve the transparency and inclusiveness of the WTO negotiating and decision-making process more generally.⁶²

Given that most of Barbados's trade is with its FTAA partners (70 percent) and the EU (17 percent),⁶³ it would make sense for the country to focus, first and foremost, on Western Hemisphere talks and on EPA negotiations with Europe. Active participation in the WTO nevertheless remains important, not least because the multilateral negotiations, particularly in agriculture, are likely to influence both the pace and outcome of the FTAA negotiations. Some of the most contentious topics in agriculture, including high agricultural tariffs, export subsidies and, particularly, domestic support may have to be solved at multilateral level before an FTAA agreement on agriculture can be completed.

The Cost of Protection

As mentioned earlier, Barbados has taken a number of steps in recent years to liberalize and simplify its import regime, among others by reducing tariffs, eliminating quantitative restrictions and replacing multiple indirect taxes and levies with a value-added tax (VAT). Border protection nevertheless remains high for imports that compete with domestic production. Without stringent protection from external competition, most of the few existing agricultural and manufacturing activities on the island would likely contract significantly. In the agri-food sector, border protection (for example through non-automatic import licensing) is applied to decrease imports and enhance food security. Protection is also high in some industries where Barbados has no domestic production;

⁶² CARICOM positions in the WTO negotiations are summarized in the "Caribbean Declaration on the Fifth WTO Ministerial Conference", presented in Cancún, Mexico, in September 2003.

⁶³ Period averages for 1998-2002, exports plus imports.

in those cases, the aim is to raise government revenue and/or to protect domestic industries in other CARICOM member states (through the application of the CET, which encourages Barbadians to source their imports regionally).⁶⁴ Some import tariffs have actually risen since 1999, first as a result of the conversion of quantitative restrictions on agricultural imports into tariffs ("tariffication", which does not necessarily increase effective border protection), and subsequently, in November 2001, in response to the economic difficulties experienced in the aftermath of September 11th, 2001 (which led the government to raise tariffs on domestically produced manufactured goods from 15-20 percent to 60 percent). Special safeguard measures were moreover implemented in July 2002 to protect some sensitive products against import competition.

In addition to tariff protection, many domestic producers of goods and services benefit from tax incentives that provide for total or partial exemption of import duties on inputs needed for production. The government moreover provides financial assistance to domestic production, particularly in the agricultural sector in order to help the embattled sugar industry and, at the same time, promote diversification into new crops (cotton, vegetables, fruit, cut flowers). Support is provided through concessional financing, public funds set up for particular purposes, or technical cooperation and training. International or offshore companies also benefit from substantial tax rebates. There are no available estimates of the budgetary costs of all this support, nor of the cost of duty-exemptions. A comprehensive cost-benefit analysis of such support might be useful in order to determine its real value to the economy and the population as a whole. Meanwhile, barriers to food imports may have affected the international competitiveness of the island's tourism industry by restricting access to the best and most competitively priced inputs (and, in the process, raising the cost of restaurant meals to levels far beyond those of some competing tourism destinations in the Caribbean).

The government is cognizant of the high cost of protection and has already implemented a number of measures aimed at restructuring the economy and making it less reliant on trade preferences, old forms of protection and concessional finance. Such reliance nevertheless remains high and raises concern regarding the private sector's readiness for the CSME, the EPA and, particularly, the FTAA.

⁶⁴ As is well known, the formation of a common market and now the CSME has not prevented trade disputes among Caribbean countries. The current flying fish dispute between Barbados and Trinidad and Tobago is a clear example of this and points to remaining weaknesses in the legal set-up of the CSME.

VI. TRADE POLICYMAKING IN BARBADOS: INSTITUTIONAL ISSUES

The Foreign Trade Division of the Ministry of Foreign Affairs and Foreign Trade is responsible for formulating, negotiating and implementing trade policy, investigation of all anti-dumping and subsidies complaints and the administration of safeguard measures. The Ministry plays an important coordinating role in trade policymaking through close inter-ministerial collaboration and consultation with civil society.

Several ministries collaborate with the Foreign Trade Division in the development and implementation of trade policy:

- The Ministry of Finance and Economic Affairs is responsible for coordinating and implementing the government's overall economic policy. Its Customs and Excise Department administers the CARICOM CET, rules of origin and other customs procedures.
- The Ministry of Industry and International Business (MIIB) promotes growth in the international business and financial services sector. Its investment arm, the Barbados Investment and Development Corporation (BIDCO), is responsible for export promotion policies and the facilitation of business entry into Barbados, while its Corporate Affairs and Intellectual Property Office (CAIPO) is responsible for company registration and registration and maintenance of public records relating to trade marks, patents, industrial designs and other intellectual property categories.
- The Ministry of Tourism and International Transport formulates policies to develop sustainable tourism. Through its development agency, Barbados Tourism Investment Inc., it promotes investment in the island's tourism and hospitality industries.
- The Ministry of Agriculture and Rural Development is in charge of sanitary and phytosanitary standards, plant and animal quarantine, natural resources, soil conservation, irrigation, fisheries, and veterinary services.
- Finally, the Ministry of Commerce, Consumer Affairs and Business Development comprises different entities related to trade, among them the Barbados National Standards Institute (BNSI) and the Fair Trading Commission.⁶⁵

The trade policymaking process in Barbados enjoys a tradition of consultation between the government, the private sector and trade unions. One relatively new, yet important organization is the Barbados Private Sector Trade Team. Since its establishment in early 2003, it has been actively researching and promoting the private sector in all international negotiating arenas. It supports businesses and industries in assessing competitiveness, formulating strategies, and increasing awareness in trade issues. Other important consultative partners include the Barbados Chamber of Commerce and Industry, the Barbados Manufacturers' Association, the Barbados Coalition of Service Industries, the Barbados Hotel and Tourism Association, and the Barbados International Business Association. Each of these organizations represents the interests of its members in local, regional and international relations. The main trade union representative is the Congress of Trade

⁶⁵ See WTO [2002].

Unions and Staff Associations of Barbados. Since 1991, it has been an effective voice for union workers and staffers within the framework of Barbados's trade policymaking process.⁶⁶

Additional institutional players in the policymaking process are the embassies and trade missions representing Barbados around the world. Barbados has embassies or high commissions in the United Kingdom, Canada, the United States, Belgium, Switzerland, and Venezuela. In addition, there are permanent missions to the OAS in Washington, the UN in New York, and the EU in Brussels. Foreign missions play a crucial role in establishing and maintaining strong trade links with third countries. Given the impending FTAA and the importance of expanding trade links with Latin America, Barbados may want to consider the potential benefits of expanding its diplomatic presence in the region – perhaps jointly with other Caribbean countries. Although past efforts at regional coordination in this area have not proven very fruitful, the idea merits renewed attention in the context of the approaching FTAA.

At the regional level, the RNM and the CARICOM Secretariat participate in developing and implementing trade policy. The RNM is responsible for coordinating and representing the negotiating positions of CARICOM members, and works closely with the Ministry of Foreign Affairs and Foreign Trade and other relevant national entities in doing so. All positions presented by the RNM in the various negotiations have to be approved by the Community's Council on Trade and Economic Development (COTED), comprising Ministers of Trade and Foreign Affairs, including from Barbados. While benefiting from this regional pooling of resources, Barbados often sends its own national representatives to the negotiations to work alongside RNM officers. While the RNM has focused on FTAA, WTO and EPA negotiations, the CARICOM Secretariat has taken the lead in some bilateral negotiations concluded in recent years (Dominican Republic and Costa Rica). Apart from these initiatives, the Secretariat focuses mainly on intra-regional negotiations and on the implementation of trade agreements already signed by Caribbean countries (CSME, WTO). The Barbados Prime Minister's Office is the lead entity responsible for the administration of CSME policies, working closely with Secretariat personnel to achieve this objective.⁶⁷

For a small country like Barbados, maintaining a large public sector is unrealistic. All ministries and agencies engaged in trade policymaking have to work under significant human resource and budgetary constraints. Maximizing the efficiency of these limited resources is therefore crucial, particularly in the current context of multiple simultaneous and technically complicated trade negotiations and significant new obligations assumed in the WTO and the CSME. A comprehensive analysis of the country's institutional infrastructure in the area of trade may be useful in this respect, since it would focus attention on possible weaknesses or bottlenecks to efficient trade policymaking or administration. Institutional strengthening can be achieved, among other things, through more effective intra- and inter-agency coordination, human resource training, elimination of duplication of activities among government agencies, improved access to technical expertise and use of modern communications systems.

⁶⁶ Ministry of Foreign Affairs and Foreign Trade. *Barbados: National Strategy for Trade Related Capacity Building*. FTAA Hemispheric Cooperation Program, October 2003.

⁶⁷ Ibid.

VII. TRADE AND INTEGRATION: MAIN CHALLENGES AND POSSIBLE STRATEGIES

Export Growth and Diversification

In the area of trade, Barbados's first and foremost challenge is to achieve higher and sustained export growth. The potential for growth exists mainly in services exports. As discussed in Chapter IV, Barbados has already developed an internationally competitive travel industry (e.g. tourism) that is likely to remain the country's leading export in the foreseeable future. The continued development of the travel industry is of crucial importance to Barbados, but it will only be possible if the country remains competitive *vis-à-vis* other tourist destinations both in the Caribbean and worldwide. To do this, Barbados needs to address some development bottlenecks by improving price competitiveness, keeping operating costs down, developing a sustainable water policy, and improving infrastructure. It should continue focusing on and developing the high-end tourism segment, a proven competitive export in the past. Diversification within the travel industry is also an important strategy; here, Barbados has two areas of potential growth. One is education-related travel, linked to increased global demand in this sector; the other is the development of health-related services given the strong link between high-end tourism and preventative and cosmetic healthcare. The government can play an important role in facilitating this growth, and it has begun to do so. The Tourism Development Act of 2002 is an important initiative, with structured goals, to help the industry adapt and grow in the face of increased competition. Similar policies would be beneficial in other potential export sectors.

Diversification is important not only within the travel industry, but also with respect to exports as a whole. Barbados's dependence on the tourism sector is overwhelming – and therefore risky: in the last twenty years or so, tourist arrivals have largely determined changes in the country's real GDP. While recognizing the importance of the travel industry, Barbados should explore ways of decreasing the economy's dependence on this sector, for example by expanding export potential in other services sectors. One area that merits attention is Barbados's role as transshipment and regional distribution center. There could be potential to develop competitive advantages in this area, but available data is scarce and more thorough analysis would be needed to make specific recommendations in this respect. Financial and insurance services are another area of potential growth. Although Barbados does not appear to be competitive *vis-à-vis* developed countries in these services, it does enjoy a regional presence and could further develop that presence within the CSME.

As regards merchandise trade, continued efforts need to be made to move away from export activities that are not internationally competitive, and export promotion efforts should limit themselves to targeting products that face growing demand in world markets and which could be exported competitively even in a context of declining trade preferences. Apart from some niche products, possibilities in this area are likely to be limited.

Although the main actors in the process of diversification will be private companies, the government can support the process through targeted assistance to the various government agencies charged with assisting private sector development (particularly in areas such as development of niche markets and specialized products, consumer and market surveys, training in product development and

innovation, etc.). The government can also assist with development of the tourism industry and other services sectors, including further liberalization of the telecommunication, transportation and financial services markets. An opening of services sectors could encourage technology transfer, spur innovation, increase transparency and predictability and lower the cost of doing business across the economy, given that services are often key inputs both to the production of goods and the provision of other services.

A related challenge is to diversify and gain improved access to export *markets*, both in the Western Hemisphere and beyond. Again, it is important to remember that it is companies, not governments that trade. Companies, therefore, will have to do most of the work to reduce Barbados's dependence on its traditional export markets in North America, Europe and the English-speaking Caribbean. But the government can help by negotiating and implementing trade agreements that offer Barbadian exporters increased access to both existing and new markets, and by supporting market intelligence programs and private sector-led export promotion campaigns through BIDCO and the BTA and its foreign missions. Preparing for freer trade presents additional challenges, of course.

A Heavy Negotiating Agenda

For Barbados, active participation in all the negotiations currently underway between CARICOM and its various trade partners is of vital importance, and very difficult. Like other small Caribbean countries, Barbados faces significant resource constraints in this respect. The trade ministry is tiny compared to those of most of its external trade partners. With just a dozen or so trade specialists (compared to between 100-300 in the relevant agencies of the United States, Canada and the EU), the Foreign Trade Division of the Foreign Affairs Ministry is struggling to complete the necessary tasks for securing an effective voice in the negotiations: market/sector analysis to determine the country's competitiveness *vis-à-vis* its trade partners, studies on the implications of trade liberalization on domestic export and import-competing industries, review of partner countries' offers in the negotiations, preparation of national offers, and so on. The creation of the RNM has eased some of the pressures on CARICOM governments in terms of technical preparation for the negotiations, but the RNM can only be effective if member states contribute actively to the process.

Effective participation in complex negotiations such as the FTAA or Doha requires a considerable level of human, technical and financial resources. It would not, however, be realistic for a small country like Barbados to significantly expand the size of its trade policymaking apparatus. But through *efficient resource allocation*, targeted interventions aimed at *institutional strengthening* and some *external support*, the government could maximize its available resources without increasing its size. Under the FTAA Hemispheric Cooperation Program (HCP), Barbados has prepared a *National Strategy for Strengthening Trade-related Capacity* that calls for support in a number of areas related to the negotiations, including capacity-building for the private sector, institutional strengthening of the Barbados Coalition of Service Industries, strengthening of the Agricultural Planning Unit of the Ministry of Agriculture and Rural Development, and studies to determine the impact of liberalization on the agricultural, manufacturing and services sectors. Based on these needs, the government has identified a number of sector-specific projects that are outlined in the National Strategy. Some of these needs are likely to be addressed through donor-financed trade capacity-building programs.

In addition, Barbados and its CARICOM partners should further strengthen their efforts to pool scarce resources at the regional level, not just through continued support to such mechanisms as the RNM, but also through greater cooperation at the level of embassies and foreign trade missions.

It will be important for Barbados to regularly re-assess and, if necessary, modify its various *integration and market opening strategies*, including the way in which it uses alliances such as CARICOM to promote its national development agenda. For a small country with scarce resources, there are many benefits to be derived from political and economic cooperation with neighboring countries, but there are some costs, too.⁶⁸ The pooling of resources at the regional level is one way of overcoming the constraints of being small. Establishing clear priorities for policy intervention is another: since the Western Hemisphere accounts for around 70 percent of Barbados's merchandise trade, as well as a large portion of its tourism arrivals, then that is perhaps where most of the country's negotiating resources should go.

Implementation of Agreements

Once trade agreements are negotiated and signed, Barbados must ensure their effective and timely implementation in order to reap the benefits (and minimize the costs) for its economy. This involves complicated revisions to the country's legal and administrative apparatus. How difficult that process can be is illustrated by the fact that Barbados is still in the process of implementing the GATT Uruguay Round agreements, 10 years after they were signed. Along with these, Barbados will have to implement its commitments resulting from CARICOM's agreements with the Dominican Republic, Cuba and Costa Rica. With the FTAA and WTO/Doha negotiations scheduled for completion in 2005, and the EU/CARICOM negotiations in 2008, Barbados is likely to face tremendous difficulties in securing effective implementation without committing more resources to this endeavor. Again, this could be achieved through further public sector reform that would allow a more efficient allocation of existing resources, and through use of external assistance where possible, rather than an expansion of government, which is not a realistic option for Barbados.

Indeed, such assistance will be necessary for Barbados to meet the various challenges of implementation. Specific needs identified by the government include those related to sanitary and phytosanitary (SPS) issues (accreditation of the Ministry of Agriculture Laboratories for international trade, development of a fish inspection regime, needs assessment for animal and plant health inspection services); technical barriers to trade (upgrading the Mass Metrology Laboratory Facilities and renovating the Soil and Materials Testing Facility of the Barbados National Standards Institution

⁶⁸ As indicated in Chapter V above, membership of CARICOM has conferred a number of benefits on Barbados, principal among which are privileged access to neighboring markets and the benefits derived from the pooling of scarce resources across the region (greater leverage in international fora, cost savings, etc.). But preferences may in the long term prove to be a mixed blessing unless Barbadian companies use them to upgrade their export supply not only in quantity but also in qualitative terms. Meanwhile, however, there is much room to expand cooperation among CARICOM members in a number of strategic areas related to trade and economic integration, and, like other countries in the group, Barbados could benefit from this as it confronts the many challenges of globalization. In addition, timely implementation of the CSME is likely to provide tangible benefits for Barbados. All of this points to the importance for Barbados of developing and maintaining a clear strategy for its CARICOM membership.

(BNSI); and intellectual property (improvement of Corporate Affairs and Intellectual Property Business Facilitation Services). The government also wants to establish trade reference centers in strategic, easily accessible locations. As with the negotiating effort, some implementation issues (particularly those related to WTO) might be handled more efficiently – and at lower cost – at the regional, rather than the national level; Barbados should explore such possibilities with its CARICOM members as soon as possible.

Achieving Competitiveness in a More Liberalized Trading Environment

Product and market diversification, and the benefits deriving from free trade, will be neither achievable nor sustainable without a *business-friendly environment*, particularly one that encourages and rewards innovation, initiative and risk-taking, while at the same time offering transparent laws and regulations and a stable macroeconomic environment.

Both the government and the private sector must prepare themselves for the significant changes that will result from trade liberalization, not only within the country but in the global economy as well. Production and investment strategies in the Western Hemisphere are likely to change significantly once the FTAA enters into force. A similar process is already underway globally, and Barbados will have to compete more fiercely for both markets and capital. The country's heavy reliance on a limited number of export products, some of which are clearly not internationally competitive, raises some concerns in this respect – hence the importance of diversification. Once trade barriers come down, Barbados's import-competing sectors will have to adjust to greater competition at home, and many traditional exporters will be unable to compete once their preferences disappear. Barbados's presence in the CARICOM market, for example, is certain to come under attack once the group lowers its tariffs on imports from North America and Europe.

The government will have to play an active role in this transition process by facilitating enhanced productivity and export growth through prudent macroeconomic management, improvements in infrastructure (particularly in services and transport, but also in R&D) and, as mentioned above, more concerted efforts (with the private sector) at export diversification. The National Strategy identifies a number of projects aimed at facilitating the country's adaptation to more liberalized trade (competitiveness enhancement programs for private sector entities, Small Business Association 5-year project to expand markets, and an agricultural marketing enhancement program, among others).

Sharing the Costs and the Benefits

The creation of efficient social safety nets and other such services in order to soften the impact of adjustment will be critical to the government's efforts of supporting the transition to free trade. Equally important will be the way in which the benefits of free trade are distributed among the Barbadian population. Export diversification, access to new markets, regional cooperation and a strong trade policymaking process should all facilitate economic growth. But higher growth is a means to an end, not an end in itself. Any strategy to increase and diversify exports should have as

its ultimate goal the equitable and sustainable economic development of the country's population, which requires, but is not solely based on, growth itself.

In its effort to maximize the gains from trade for the majority of the population, should the government target and support specific export industries – those that produce the highest value added, create the greatest number of new jobs, pay the highest salaries? Or should it follow a more market-based approach, aimed at improving the general business climate without picking winners, and designing appropriate social and fiscal policies to encourage a better distribution of the gains from trade? Addressing these questions would go beyond the limits of this paper, but at the very least we want to raise them here.

VIII. BANK SUPPORT AND DONOR COORDINATION

The Bank's strategy for Barbados should be supportive of the country's efforts to achieve higher growth and development levels within an increasingly more liberalized and competitive global economic environment. Given the multiple trade-related challenges outlined above, and the fact that, among the Bank's Caribbean members, Barbados currently has one of the least active portfolios with regard to trade-related operations, we recommend that the Bank's strategy focus strongly on the area of trade, in particular the development of greater export competitiveness and activities aimed at preparing the country's private sector for the transition to more open trade.

The Bank currently has 10 active operations in Barbados, including loans, technical cooperation programs and grants from the Multilateral Investment Fund (MIF). Three of these operations have an indirect link to trade.⁶⁹ The first is a US\$17 million Coastal Infrastructure project (710/OC) aimed at improving the country's shoreline for leisure economic activity (tourism) and protecting the coastal ecosystem. The second is a MIF program focused on strengthening capital markets in Barbados (ATN/MT-7090 and ATN/MT-7091), approved in 2000 for US\$390,000. This program is expected to increase the capacity and transparency of Barbados's financial markets, leading to increased investor confidence and financial flows. The third is another MIF grant, set up to strengthen the Barbados National Productivity Council (ATN/MH-7725), approved in December 2000 for US\$416,000. The main objective is to provide technical support to the private sector with emphasis on achieving international productivity benchmarks and best-practices tools. Seven operations are not related to trade capacity building, and focus primarily on waste management, and the education and health sectors.

Apart from active operations, there are currently seven projects in the Bank's pipeline. Two of these include components indirectly supporting trade-related capacity building in Barbados. One is a MIF TC program to strengthening airport security (TC-s/n; US\$253,000) that will introduce regulatory reform and training, substantially increasing the security of tourist traffic. The other is also a MIF grant, "Strengthening of the Fair Trading Commission" (TC-0204022; US\$830,000), aimed specifically at the telecommunications sector. There are five other projects in the pipeline, mainly addressing waste management and community development issues.

Barbados has yet to take advantage of the Bank's various national lending and non-lending instruments that directly support trade and integration-related issues. One mechanism – already used by a number of Latin American countries and by Trinidad and Tobago – is a Trade Facility offering small loans of up to US\$5 million for comprehensive institutional strengthening of trade-related ministries and other agencies. A simplified approval and fast-track disbursement process provide immediate solutions to urgent needs in training and technical support for trade negotiations, institutional support for the implementation of trade agreements, mechanisms to foster trade policymaking coordination among agencies, consultation between public, private and civil society actors, and export promotion activities. Another mechanism is the Lending Program for Trade,

⁶⁹ The criteria we used to determine operations related to trade were the following: *directly linked* were instruments designed specifically for trade such as a Trade Facility or operations that highlighted sector reform/modernization of a trade related sector; *indirectly linked* were operations that included a component of competitiveness and/or private sector reform.

Integration and Competitiveness (GN-2266-1) offering a new approach to mainstreaming the different instruments and loan processing procedures needed to address the challenges of trade liberalization into one package, simplifying and expediting the programming process. Support is also available to the private sector from the MIF, particularly in areas that foster innovation, competitiveness and increased capacity to access traditional and new markets.

In addition to national programs, Barbados benefits from a number of regional projects financed by the Bank in the area of trade. One example is the on-going support provided to the RNM in its preparation of regional negotiating positions and training of national trade officials. The Bank also supports the CARICOM Secretariat in areas related to implementation of WTO commitments, harmonization of investment and government procurement rules in the region, revisions to the CET, and the creation of the Caribbean Court of Justice to oversee the implementation of intra-regional liberalization commitments. Two additional regional programs include support to the Caribbean Regional Technical Assistance Center (CARTAC) for tax and customs reform, and customs valuation and business facilitation in the Caribbean. The Bank also has various non-lending programs in support of trade and integration-related needs. These include technical and financial support to the FTAA process – including support to the operations of the FTAA Administrative Secretariat, which is of particular benefit to small countries like Barbados; and the Special Initiative to Support Trade and Integration that focuses on trade policy analysis, free trade impact studies and public outreach.

In order to maximize the potential benefit of such support, careful coordination between national and regional-level interventions will be needed. National interventions – for example, through a Trade Facility Loan or a MIF operation – should be consistent not only with the Bank's country strategy for Barbados but also with its regional strategy for CARICOM. The latter supports a regional approach to economic opening through: (i) improvement of regulatory frameworks to match international best practices, supporting appropriate regional harmonization; (ii) regional coordination of external trade negotiations and implementation of new trade agreements; (iii) development of human resources through more efficient education, training, and R&D activities oriented towards greater competitiveness in international markets; and (iv) improvement in the region's capacity to collect, analyze and disseminate relevant and comparable social and economic data, through both regional and national interventions.⁷⁰

Bank support to Barbados in the area of trade and integration should also be closely coordinated with that of other multilateral institutions and bilateral donors. Apart from the Bank, the European Commission (EC) is one of the most active donors in Barbados through its National and Regional Indicative Programs. Regional programs focus on the area of trade/export promotion (managed by the Caribbean Export Development Agency-CEDA), tourism development, and private sector development (through the BIDCO). The European Investment Bank (EIB) also plays an important role in private sector development with its facilitation of credit lines to the Barbados Development Bank (BDC) and the Industrial Credit Fund (ICF) to finance small and medium enterprises in industry and tourism.⁷¹ Other donors focus more on regional development programs such as training in trade negotiations, institutional strengthening in the implementation of trade

⁷⁰ IDB-Integration and Regional Programs Department, *Regional Programming Paper for CARICOM*, 1999.

⁷¹ EC, *Barbados Country Strategy and National Indicative Programme for the Period 2002-2007*, March 2003.

agreements, and support to the transition towards freer trade. They include the Caribbean Development Bank (CDB), the United States Agency for International Development (USAID), Britain's Department for International Development (DFID), the Canadian International Development Agency (CIDA), the WTO Secretariat, the Organization of American States (OAS) and some UN agencies.

The HCP initiative is expected to facilitate such donor coordination, as will the discussions on trade conducted under the auspices of the Caribbean Forum for Development (CFD), formerly the Caribbean Group for Cooperation in Economic Development (CGCED). As part of its National Strategy for Strengthening Trade-related Capacity, Barbados may want to consider setting up a mechanism by which its trade ministry and other relevant agencies – as well as donors – have regular access to updated information on the various trade and integration-related assistance programs currently underway in the country and, at the regional level, in CARICOM.

ANNEX I

BARBADOS'S TRADE ARRANGEMENTS WITH PARTNER COUNTRIES AND REGIONS

Country / Region	Date of signature	Type of Arrangement	Coverage	Status of Implementation	Share in Barbados Trade (%), 2002*		
	Entry into force				X	M	X+M
CARICOM ¹	July 1973	Broad integration arrangement including Single Market and Economy (CSME). Reciprocal with preferences for some Less Developed Countries (LDCs ²) of CARICOM.	Free movement of goods, services, capital and (skilled) people within sub-region; harmonization of economic and regulatory policies; common external tariff and coordination of external trade policy.	Intra-trade in goods fully liberalized; other CSME provisions to be implemented by 2005; less progress on harmonization of economic and regulatory policies. CET Phase 4 implemented by Barbados and 9 other members. Barbados action still required amending legislation for free movement of persons (university grads, artists, media workers, musicians, sports).	47.3	15.9	21.5
	Aug 1973						
Venezuela	Oct 1992	Preferential partial scope agreement with CARICOM, offering improved access to Venezuelan market.	Goods. Duty-free access for Barbadian exports and MFN treatment for Venezuelan exports. Some investment promotion instruments; recognizes importance of services liberalization.	In Nov 1998, Venezuela sought review of preferential tariffs to CARICOM More Developed Countries (MDCs ³) similar to May 1998 CARICOM-Colombia Protocol. The agreement has not yet been reviewed.	0.39	0.45	0.44
	Jan 1993						
Colombia	July 1994	Preferential partial scope agreement with CARICOM, offering improved access to Colombian market.	Goods. June 1999 modifying Protocol grants certain Colombian exports duty-free access, while similar treatment is granted to other CARICOM exports. Recognizes importance of liberalization of services.	The Bahamas, Haiti and Suriname are not party to agreement. Low levels of bilateral trade and market access problems have curbed interest in the agreement and in its possible expansion into a CARICOM-ANDEAN trade agreement.	0.04	0.35	0.30
	Jan 1995	Revised May 1998 to include reciprocity for CARICOM MDCs (including Barbados).					
Dominican Republic	Aug 1998	Reciprocal free trade agreement (FTA) with CARICOM MDCs (including Barbados) and non-reciprocal with LDCs (The Bahamas not party to agreement).	Goods trade: free for commodities, MFN for sensitive goods. Services: reciprocal and in accordance to GATS (no timetable set). Includes some investment and government procurement provisions.	Guyana and Suriname have not completed administrative procedures for implementation. LDCs preferential treatment will be reviewed in 2004.	0.69	0.30	0.37
	Dec 2001						

Country / Region	Date of signature Entry into force	Type of Arrangement	Coverage	Status of Implementation	Share in Barbados Trade (%), 2002*		
					X	M	X+M
Cuba	July 2000	Reciprocal trade liberalization (partial scope) agreement with CARICOM.	Goods. Trade liberalization according to positive list approach. Provisions for trade promotion and special treatment of goods from Export Processing Zones (EPZs).	Agreement signed into force in Dec. 2002, by all CARICOM member-states (less The Bahamas) and Cuba.	0.02	0.03	0.03
Costa Rica	CARICOM Mar 2004	Reciprocal free trade agreement (FTA) with CARICOM MDCs (including Barbados) and non-reciprocal agreement with LDCs. (The Bahamas and Haiti not party to agreement)	Goods trade: free with some exceptions (eg those covered under region's Oils and Fats Agreement); preferential treatment must satisfy Rules of Origin. Also provisions for dispute settlement, application of Anti-Dumping measures and enhancement of SPS regulations.	CARICOM FTA signed March 2004 and will enter into force as soon as Parties apply necessary internal procedures. Preferential duty on some products will be phased out by January 1, 2007.	0.08	0.24	0.21
	CARICOM [2004]						
United States	CBI 1983, amended 1990.	Preferential arrangements: Caribbean Basin Initiative (CBI) and Caribbean Basin Trade Partnership Act (CBTPA) offering Barbados improved access to US market.	CBI gives duty-free access to US market for exports with minimum 35% local value added. The CBTPA adds preferences for textile products produced with US inputs.	The CBI is permanent in duration; however, the CBTPA benefits of 2000 are legislated to expire on Sept. 30, 2008 or upon entry into force of FTAA or other free trade agreement between the parties.	16.5	44.1	39.2
	CBTPA 2000 GSP 1974	Preferential arrangement: General System of Preferences (GSP) offering Barbados improved access to US market.	The GSP gives 100 beneficiary developing countries (including Barbados) access to the US market with reduced or zero tariff rates over MFN rates.	The Trade Act of 2002 reauthorized the US GSP program through Dec. 2006. By US Presidential Proclamation, Barbados has become a "high income" country, thus terminating its beneficiary country status (effective Jan. 2006).	16.5	44.1	39.2
Canada	Jun 1986 (entry into force)	Preferential arrangement (CARIBCAN) offering Barbados improved access to Canadian market.	Mainly goods. 96% of CARICOM export products enjoy duty-free access, while the rest receive preferential treatment. Includes investment provisions.	Agreement in Jan. 2001 to expand CARIBCAN into a possible CARICOM-Canada FTA has lead to negotiations. The second round of negotiations took place in Sept. 2002.	2.1	3.7	3.4

Country / Region	Date of signature Entry into force	Type of Arrangement	Coverage	Status of Implementation	Share in Barbados Trade (%), 2002*		
					X	M	X+M
FTAA ⁴	[Jan 2005] [Jan 2006]	Reciprocal FTA between 34 democracies in Western Hemisphere.	Negotiations on agriculture, services, market access, government procurement, intellectual property, investment, AD/CVD, dispute settlement, and competition policy.	Deadline: the official deadline for completing negotiations is no longer realistic given the current impasse in the talks.	67.8	69.2	69.0
EU ⁵ / ACP Cotonou	Jun 2000	Partnership Agreement maintaining non-reciprocal trade preferences for CARICOM (as agreed in Lomé IV) until Dec. 2007, and introducing negotiations towards a Regional Economic Partnership Agreement (REPA), a reciprocal trade liberalization agreement.	Immediately abolishes STABEX (compensatory finance scheme to stabilize export earnings) and SYSMIN (mineral export assistance) mechanisms, as well as the Rum Protocol.	Negotiations towards EPA began Sept. 2002 and are expected to last 5-6 years. Phase I of negotiations with ACP group concluded in Oct. 2003. Phase II will be negotiated at regional level, with EU-Caribbean talks starting in April 2004. Negotiations are segmented into market access, rules-related issues, toolbox for integration, and procedures.	17.5	17.4	17.4
Leading to	April 2003						
EU / Caribbean REPA	[Jan 2008]	REPA of reciprocal trade between EU and Caribbean region, with provisions of aid.	Starting Jan 2008, REPA will impose WTO-compatible liberalization provisions to cover "essentially all trade." Trade provisions will be imposed over a period of 10-12 years.	To begin January 1, 2008.	17.5	17.4	17.4
WTO	Jan 1995	Global trade agreement on goods, services and trade-related issues.	All CARICOM (Barbados) trade commitments must be consistent with WTO norms, including GATT agreement on trade in goods, GATS (services), and MFN provisions and national treatment.	Current Doha Round of negotiations relevant to Barbados: agriculture, services, smaller economies, TRIPS, subsidies and countervailing duties, and technical barriers to trade. Implementation of Uruguay Round Agreements is ongoing.			

Notes: ¹ CARICOM includes: Antigua & Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Suriname and Trinidad & Tobago.

² CARICOM LDCs: Antigua & Barbuda, Belize, Dominica, Grenada, Haiti, Montserrat, St. Kitts & Nevis, St. Lucia and St. Vincent & the Grenadines.

³ CARICOM MDCs: The Bahamas, Barbados, Guyana, Jamaica, Suriname and Trinidad and Tobago.

⁴ FTAA: CARICOM (except Montserrat), Argentina, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, United States, Uruguay and Venezuela.

⁵ EU: Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden and the United Kingdom.

* IDB Integration and Regional Programs Department using UN-COMTRADE, December 2003.

ANNEX II

BARBADOS TRADE DATA

TABLE 1
BARBADOS: MERCHANDISE GROSS EXPORTS TO WORLD AND SELECTED PARTNERS,
1992-2002

Values (US\$ mn) ^{1/}	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002				
World	186.8	181.0	181.8	237.5	279.0	282.9	258.7	250.7	272.8	259.3	215.5				
United States	31.6	33.7	34.7	38.1	39.2	41.5	41.7	44.0	43.1	38.8	35.6				
Canada	5.1	5.9	8.0	12.6	12.2	10.0	7.2	6.8	5.6	7.1	4.5				
CARICOM	64.3	71.5	64.8	90.5	102.5	101.9	112.3	119.2	120.6	111.1	102.0				
Latin America	0.9	0.4	0.8	4.6	25.7	18.4	4.1	4.0	3.3	3.6	4.0				
FTAA	101.9	111.5	108.3	145.8	179.6	171.9	165.4	174.0	172.6	160.7	146.1				
EU 15 ^{2/}	43.3	32.8	38.5	48.2	53.2	56.7	49.8	44.2	44.5	40.8	37.6				
EU 25	43.3	32.8	38.5	48.4	53.3	56.8	49.8	44.3	44.6	41.1	37.8				
Rest of World ^{3/}	41.6	36.7	35.0	43.6	46.3	54.3	43.5	32.6	55.8	57.8	31.7				

Shares	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	92-02	92-95	95-00	00-02
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
United States	17%	19%	19%	16%	14%	15%	16%	18%	16%	15%	17%	16%	18%	16%	16%
Canada	3%	3%	4%	5%	4%	4%	3%	3%	2%	3%	2%	3%	4%	3%	2%
CARICOM	34%	39%	36%	38%	37%	36%	43%	48%	44%	43%	47%	41%	37%	41%	45%
Latin America	0%	0%	0%	2%	9%	7%	2%	2%	1%	1%	2%	3%	1%	4%	1%
FTAA	55%	62%	60%	61%	64%	61%	64%	69%	63%	62%	68%	63%	59%	64%	64%
EU 15 ^{2/}	23%	18%	21%	20%	19%	20%	19%	18%	16%	16%	17%	19%	21%	19%	16%
EU 25	23%	18%	21%	20%	19%	20%	19%	18%	16%	16%	18%	19%	21%	19%	17%
Rest of World ^{3/}	22%	20%	19%	18%	17%	19%	17%	13%	20%	22%	15%	18%	20%	17%	19%

Avg. Growth	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	92-02	92-95	95-00	00-02
World	n.a.	-3%	0%	31%	17%	1%	-9%	-3%	9%	-5%	-17%	1.4%	8.3%	2.8%	-11.1%
United States	n.a.	7%	3%	10%	3%	6%	1%	5%	-2%	-10%	-8%	1%	6%	3%	-9%
Canada	n.a.	15%	35%	58%	-3%	-18%	-28%	-5%	-18%	28%	-37%	-1%	35%	-15%	-10%
CARICOM	n.a.	11%	-9%	40%	13%	-1%	10%	6%	1%	-8%	-8%	5%	12%	6%	-8%
Latin America	n.a.	-56%	124%	451%	460%	-28%	-78%	-4%	-16%	9%	12%	17%	75%	-6%	10%
FTAA	n.a.	9%	-3%	35%	23%	-4%	-4%	5%	-1%	-7%	-9%	4%	13%	3%	-8%
EU 15	n.a.	-24%	17%	25%	10%	7%	-12%	-11%	1%	-8%	-8%	-1%	4%	-2%	-8%
EU 25	n.a.	-24%	17%	26%	10%	7%	-12%	-11%	1%	-8%	-8%	-1%	4%	-2%	-8%
Rest of World	n.a.	-12%	-5%	24%	6%	17%	-20%	-25%	71%	4%	-45%	-3%	2%	5%	-25%

Notes: 1/ Values include exports and re-exports.

2/ During period 1992-2002, the United Kingdom accounted for 82% share of gross exports to EU 15.

3/ During period 1992-2002 (excl. 1993), Bunkers accounted for 80% of gross exports Rest of World. Bunkers measure amounts of fuels delivered to ocean-going ships or aircraft engaged in int'l traffic. Consumption by ships engaged in transport in inland and coastal waters, or by aircraft engaged in domestic flights, is not included.

Source: IDB Integration and Regional Programs Department using UN-COMTRADE, December 2003.

TABLE 2
BARBADOS: MERCHANDISE GROSS EXPORTS TO LAC, 1992-2002

Values (US\$ mn) ^{1/}												Total 92-02
Latin America	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	
Argentina	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.2	0.4
Bolivia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1
Brazil	0.0	0.0	0.0	0.1	0.2	0.2	0.1	0.0	0.0	0.1	0.0	0.7
Chile	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.3
Colombia	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2
Costa Rica	0.3	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.3	0.2	1.1
Dominican Rep.	0.1	0.0	0.1	0.1	0.1	0.1	0.5	0.6	1.8	1.1	1.5	6.2
Ecuador	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
El Salvador	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.2
Guatemala	0.0	0.0	0.2	0.5	0.1	0.4	0.3	0.0	0.1	0.1	0.0	1.7
Honduras	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.2
Mexico	0.0	0.0	0.1	0.1	0.1	0.0	0.0	1.0	0.3	0.4	0.0	2.1
Nicaragua	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Panama	0.3	0.1	0.3	0.6	0.8	1.2	0.2	0.1	0.1	0.2	1.2	5.0
Paraguay	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Peru	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Uruguay	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Venezuela	0.1	0.1	0.1	3.1	24.2	16.3	2.7	2.0	1.0	1.2	0.8	51.4
Total	0.9	0.4	0.8	4.6	25.7	18.4	4.1	4.0	3.3	3.6	4.0	69.8

CARICOM	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Total 92-02
Antigua & Barbuda	3.9	3.9	4.2	7.4	6.0	8.8	8.5	8.3	6.9	6.1	7.2	71.2
The Bahamas	1.0	0.8	1.1	1.3	1.5	1.4	2.0	2.1	2.1	3.0	2.1	18.4
Belize	0.9	1.5	1.4	1.3	1.8	1.9	1.9	2.9	2.7	2.7	2.5	21.6
Dominica	4.1	3.9	3.1	5.4	4.9	5.1	5.3	5.6	5.0	3.6	4.1	50.2
Grenada	4.6	4.0	4.0	4.6	5.4	6.2	6.7	7.3	7.2	7.4	6.7	63.9
Guyana	3.8	3.5	3.8	7.2	8.5	8.2	6.4	6.4	7.1	6.4	8.5	69.9
Haiti	0.1	0.2	0.1	0.4	0.9	0.4	0.7	0.5	0.6	0.5	0.4	4.8
Jamaica	5.4	13.2	11.3	17.5	25.0	20.4	20.1	18.8	19.2	20.1	15.0	185.9
Montserrat	0.7	0.5	0.5	0.5	0.4	0.5	0.5	0.6	0.5	0.5	0.6	5.8
St. Kitts & Nevis	3.0	3.1	3.6	3.8	4.0	4.0	5.7	6.1	6.2	4.6	5.5	49.6
St. Lucia	9.9	10.1	9.2	11.9	12.4	12.8	13.3	14.6	14.5	13.8	11.4	134.0
St. Vincent & the Grs.	6.3	5.8	5.5	7.4	8.3	8.8	9.5	10.0	9.1	9.1	9.1	88.8
Suriname	0.1	0.1	0.0	0.2	2.9	4.5	4.4	3.4	3.5	4.7	5.3	28.9
Trinidad & Tobago	20.3	20.7	17.1	21.7	20.5	19.0	27.4	32.8	36.1	28.6	23.7	267.8
Total	64.3	71.5	64.8	90.5	102.5	101.9	112.3	119.2	120.6	111.1	102.0	1,060.7

Note: 1/ Values include exports and re-exports.

Source: IDB Integration and Regional Programs Department using UN-COMTRADE, December 2003.

TABLE 3
BARBADOS: MERCHANDISE EXPORTS TO WORLD AND SELECTED PARTNERS, 1992-2002

Values (US\$ mn)	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
World	132.7	135.4	134.5	168.5	213.0	210.5	195.4	196.5	190.2	176.3	161.3
United States	28.0	31.3	29.9	30.3	33.0	35.3	34.9	38.7	37.2	32.2	29.0
Canada	4.4	5.2	7.3	9.0	9.3	9.4	6.8	6.1	4.5	5.9	3.8
CARICOM	53.1	62.0	53.9	73.1	86.8	88.6	97.0	98.7	98.7	89.4	84.6
Latin America	0.4	0.2	0.5	3.9	24.5	13.9	3.2	3.1	1.9	2.7	2.7
FTAA	85.8	98.8	91.5	116.3	153.7	147.3	141.9	146.6	142.3	130.2	120.1
EU 15 ^{1/}	39.6	30.6	37.0	44.4	51.8	54.3	47.2	41.8	39.3	36.1	32.5
EU 25	39.6	30.6	37.0	44.4	51.8	54.3	47.2	41.8	39.5	36.4	32.6
Rest of World	7.3	6.0	6.0	7.7	7.6	8.9	6.3	8.2	8.5	10.0	8.7

Shares	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	92-02	92-95	95-00	00-02
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
United States	21%	23%	22%	18%	15%	17%	18%	20%	20%	18%	18%	19%	21%	18%	19%
Canada	3%	4%	5%	5%	4%	4%	3%	3%	2%	3%	2%	4%	5%	4%	3%
CARICOM	40%	46%	40%	43%	41%	42%	50%	50%	52%	51%	52%	46%	42%	46%	52%
Latin America	0%	0%	0%	2%	12%	7%	2%	2%	1%	2%	2%	3%	1%	4%	1%
FTAA	65%	73%	68%	69%	72%	70%	73%	75%	75%	74%	74%	72%	69%	72%	74%
EU 15 ^{1/}	30%	23%	27%	26%	24%	26%	24%	21%	21%	20%	20%	24%	27%	24%	20%
EU 25	30%	23%	27%	26%	24%	26%	24%	21%	21%	21%	20%	24%	27%	24%	21%
Rest of World	5%	4%	4%	5%	4%	4%	3%	4%	4%	6%	5%	4%	5%	4%	5%

Avg. Growth	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	92-02	92-95	95-00	00-02
World	n.a.	2%	-1%	25%	26%	-1%	-7%	1%	-3%	-7%	-8%	2.0%	8.3%	2.5%	-7.9%
United States	n.a.	12%	-5%	2%	9%	7%	-1%	11%	-4%	-13%	-10%	0%	3%	4%	-12%
Canada	n.a.	19%	39%	23%	4%	1%	-28%	-11%	-26%	32%	-36%	-1%	27%	-13%	-8%
CARICOM	n.a.	17%	-13%	36%	19%	2%	9%	2%	0%	-9%	-5%	5%	11%	6%	-7%
Latin America	n.a.	-31%	87%	756%	533%	-43%	-77%	-4%	-38%	41%	1%	23%	122%	-13%	20%
FTAA	n.a.	15%	-7%	27%	32%	-4%	-4%	3%	-3%	-8%	-8%	3%	11%	4%	-8%
EU 15	n.a.	-23%	21%	20%	17%	5%	-13%	-12%	-6%	-8%	-10%	-2%	4%	-2%	-9%
EU 25	n.a.	-23%	21%	20%	17%	5%	-13%	-11%	-6%	-8%	-11%	-2%	4%	-2%	-9%
Rest of World	n.a.	-18%	1%	27%	-2%	18%	-30%	31%	4%	17%	-13%	2%	2%	2%	1%

Note: 1/ During period 1992-2002, the United Kingdom accounted for 83% share of exports to EU 15.

Source: IDB Integration and Regional Programs Department using UN-COMTRADE, December 2003.

TABLE 4
BARBADOS: MERCHANDISE EXPORTS TO LAC PARTNERS, 1992-2002

Values (US\$ mn)												Total 92-02
Latin America	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	
Argentina	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.3
Bolivia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1
Brazil	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.1	0.0	0.5
Chile	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Colombia	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Costa Rica	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.2	0.2	0.5
Dominican Rep.	0.1	0.0	0.1	0.1	0.1	0.1	0.4	0.6	0.6	0.9	1.3	4.2
Ecuador	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
El Salvador	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Guatemala	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.2
Honduras	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Mexico	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.9	0.3	0.1	0.0	1.7
Nicaragua	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Panama	0.2	0.2	0.3	0.3	0.0	0.0	0.0	0.1	0.0	0.1	0.3	1.5
Paraguay	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Peru	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Uruguay	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Venezuela	0.0	0.0	0.0	3.1	24.2	13.5	2.6	1.4	0.9	1.2	0.8	47.8
Total	0.4	0.2	0.5	3.9	24.5	13.9	3.2	3.1	1.9	2.7	2.8	57.1

CARICOM	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Total 92-02
Antigua & Barbuda	3.1	3.3	3.4	4.4	5.0	7.6	7.2	6.2	5.4	4.4	5.0	55.0
The Bahamas	0.8	0.6	0.7	0.8	0.9	0.7	1.0	1.0	1.1	1.6	0.9	10.1
Belize	0.9	1.5	1.4	1.3	1.8	1.9	1.9	2.8	2.7	2.6	2.4	21.1
Dominica	3.3	3.3	2.5	4.8	4.4	4.4	4.6	4.6	4.2	2.9	3.6	42.4
Grenada	3.5	3.4	3.1	3.7	4.5	5.3	5.2	5.9	5.6	5.9	5.2	51.2
Guyana	2.7	3.2	3.5	6.5	8.1	7.9	6.2	5.9	6.7	6.1	6.9	63.7
Haiti	0.1	0.2	0.1	0.3	0.4	0.2	0.6	0.4	0.5	0.4	0.3	3.5
Jamaica	4.5	12.3	10.0	15.3	20.8	18.8	17.9	16.8	16.3	15.9	13.3	162.0
Montserrat	0.5	0.3	0.4	0.4	0.3	0.4	0.4	0.5	0.4	0.4	0.5	4.5
St. Kitts & Nevis	2.4	2.7	2.6	3.4	3.3	3.4	4.9	5.0	5.1	3.8	4.7	41.4
St. Lucia	7.6	8.5	7.2	10.3	10.5	10.5	10.5	10.9	10.0	9.6	8.5	104.3
St. Vincent & the Grs.	4.8	4.9	4.4	5.8	6.5	7.4	7.7	7.8	7.2	7.1	7.4	71.0
Suriname	0.1	0.1	0.0	0.2	2.8	4.4	4.2	3.1	3.4	4.5	4.9	27.7
Trinidad & Tobago	18.8	17.8	14.7	16.0	17.4	15.7	24.7	27.7	30.2	24.1	21.1	228.2
Total	53.1	62.0	53.9	73.1	86.8	88.6	97.0	98.7	98.7	89.4	84.6	885.9

Source: IDB Integration and Regional Programs Department using UN-COMTRADE, December 2003.

TABLE 5
BARBADOS: MERCHANDISE RE-EXPORTS TO WORLD AND SELECTED PARTNERS, 1992-2002

Values (US\$ mn) ^{1/}	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002				
World	54.0	45.6	47.3	69.1	66.0	72.5	63.3	54.2	82.7	83.0	54.1				
United States	3.6	2.4	4.8	7.8	6.3	6.2	6.8	5.3	5.9	6.6	6.6				
Canada	0.8	0.7	0.7	3.6	2.8	0.6	0.4	0.7	1.1	1.2	0.7				
CARICOM	11.2	9.5	10.9	17.4	15.7	13.3	15.4	20.5	21.9	21.8	17.4				
Latin America	0.5	0.1	0.4	0.7	1.1	4.5	0.9	0.9	1.4	0.9	1.3				
FTAA	16.0	12.7	16.8	29.5	25.9	24.6	23.5	27.4	30.3	30.5	26.0				
EU 15	3.7	2.2	1.5	3.7	1.4	2.4	2.5	2.4	5.1	4.7	5.2				
EU 25	3.7	2.2	1.5	4.0	1.5	2.4	2.6	2.4	5.1	4.7	5.2				
Rest of World ^{2/}	34.3	30.7	29.0	35.9	38.7	45.4	37.3	24.4	47.2	47.8	23.0				

Shares	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	92-02	92-95	95-00	00-02
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
United States	7%	5%	10%	11%	9%	9%	11%	10%	7%	8%	12%	9%	9%	9%	9%
Canada	1%	2%	2%	5%	4%	1%	1%	1%	1%	1%	1%	2%	3%	2%	1%
CARICOM	21%	21%	23%	25%	24%	18%	24%	38%	26%	26%	32%	25%	23%	26%	28%
Latin America	1%	0%	1%	1%	2%	6%	1%	2%	2%	1%	2%	2%	1%	2%	2%
FTAA	30%	28%	36%	43%	39%	34%	37%	50%	37%	37%	48%	38%	35%	40%	39%
EU 15	7%	5%	3%	5%	2%	3%	4%	4%	6%	6%	10%	5%	5%	4%	7%
EU 25	7%	5%	3%	6%	2%	3%	4%	4%	6%	6%	10%	5%	5%	4%	7%
Rest of World	63%	67%	61%	52%	59%	63%	59%	45%	57%	58%	42%	57%	60%	56%	54%

Avg. Growth	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	92-02	92-95	95-00	00-02
World	n.a.	-16%	4%	46%	-4%	10%	-13%	-14%	53%	0%	-35%	0.0%	8.6%	3.7%	-19.1%
United States	n.a.	-34%	102%	61%	-19%	-2%	10%	-23%	12%	11%	0%	6%	29%	-5%	6%
Canada	n.a.	-7%	3%	406%	-22%	-79%	-36%	94%	48%	12%	-42%	0%	69%	-21%	-20%
CARICOM	n.a.	-15%	15%	60%	-10%	-15%	16%	33%	7%	-1%	-20%	5%	16%	5%	-11%
Latin America	n.a.	-74%	197%	86%	61%	300%	-80%	-5%	61%	-37%	46%	10%	12%	15%	-4%
FTAA	n.a.	-21%	33%	76%	-12%	-5%	-5%	17%	11%	1%	-15%	5%	23%	1%	-7%
EU 15	n.a.	-40%	-33%	150%	-62%	72%	5%	-6%	113%	-8%	10%	3%	0%	7%	0%
EU 25	n.a.	-40%	-33%	165%	-63%	66%	5%	-5%	111%	-8%	10%	3%	2%	5%	0%
Rest of World	n.a.	-10%	-6%	24%	8%	17%	-18%	-34%	93%	1%	-52%	-4%	2%	6%	-30%

Notes: 1/ No re-exports data is available for 1990-1991.

2/ Bunkers make up 93% of re-exports to ROW during period 1992-2002 (excludes 1993 due to missing value).

Source: IDB Integration and Regional Programs Department using UN-COMTRADE, February 2004.

TABLE 6
BARBADOS: MERCHANDISE RE-EXPORTS TO LAC, 1992-2002

Values (US\$ mn)												
Latin America	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Total 92-02
Argentina	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2
Bolivia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Brazil	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.2
Chile	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.2
Colombia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Costa Rica	0.3	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.5
Dominican Rep.	0.1	0.0	0.0	0.0	0.1	0.0	0.1	0.1	1.2	0.3	0.2	2.0
Ecuador	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
El Salvador	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Guatemala	0.0	0.0	0.2	0.4	0.1	0.4	0.3	0.0	0.1	0.0	0.0	1.5
Honduras	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.2
Mexico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.2	0.0	0.4
Nicaragua	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Panama	0.0	0.0	0.0	0.3	0.8	1.2	0.1	0.1	0.1	0.1	0.9	3.5
Paraguay	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Peru	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uruguay	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Venezuela	0.0	0.0	0.1	0.0	0.0	2.8	0.1	0.6	0.0	0.0	0.0	3.7
Total	0.5	0.1	0.4	0.7	1.1	4.5	0.9	0.9	1.4	0.9	1.3	12.7

CARICOM	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Total 92-02
Antigua & Barbuda	0.8	0.7	0.8	3.0	1.0	1.2	1.2	2.1	1.5	1.7	2.2	16.2
The Bahamas	0.3	0.2	0.4	0.5	0.6	0.7	1.0	1.0	1.1	1.4	1.1	8.3
Belize	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.5
Dominica	0.8	0.6	0.6	0.7	0.5	0.8	0.7	1.0	0.8	0.7	0.5	7.8
Grenada	1.1	0.6	1.0	0.9	0.8	1.0	1.5	1.4	1.5	1.5	1.5	12.7
Guyana	1.2	0.4	0.3	0.7	0.4	0.2	0.2	0.5	0.4	0.3	1.7	6.2
Haiti	0.0	0.0	0.0	0.0	0.6	0.2	0.1	0.1	0.1	0.2	0.1	1.3
Jamaica	0.9	1.0	1.2	2.2	4.2	1.5	2.2	2.0	2.8	4.2	1.7	23.9
Montserrat	0.2	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.3
St. Kitts & Nevis	0.6	0.5	1.0	0.4	0.7	0.6	0.8	1.1	1.1	0.7	0.7	8.2
St. Lucia	2.3	1.6	2.0	1.6	1.9	2.3	2.8	3.7	4.5	4.2	2.9	29.7
St. Vincent & the Grs.	1.5	0.9	1.1	1.6	1.8	1.3	1.8	2.2	1.9	2.0	1.7	17.8
Suriname	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.1	0.2	0.4	1.2
Trinidad & Tobago	1.6	2.8	2.4	5.6	3.0	3.4	2.7	5.0	5.9	4.5	2.6	39.5
Total	11.2	9.5	10.9	17.4	15.7	13.3	15.4	20.5	21.9	21.8	17.4	174.7

Source: IDB Integration and Regional Programs Department using UN-COMTRADE, February 2004.

TABLE 7
BARBADOS: MERCHANDISE IMPORTS FROM WORLD AND SELECTED PARTNERS,
1992-2002

Values (US\$ mn)	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002				
World	553.0	574.0	614.4	766.0	829.0	995.2	1,022.1	1,067.3	1,155.5	1,068.1	996.6				
United States	211.4	219.4	247.0	312.0	360.8	451.8	427.5	453.6	480.2	449.4	439.8				
Canada	31.3	28.5	37.8	38.6	42.5	38.9	41.7	45.6	47.8	39.7	37.1				
CARICOM	99.6	109.6	116.9	123.0	123.6	123.7	163.0	163.2	229.8	218.4	158.3				
Latin America	41.0	39.2	40.2	51.9	64.1	76.4	52.3	54.6	60.4	49.6	54.8				
FTAA	383.3	396.7	442.0	525.6	591.0	690.9	684.5	717.0	818.1	757.1	690.0				
EU 15 ^{1/}	87.2	94.8	94.8	125.9	130.2	140.9	167.0	174.7	177.5	178.1	173.2				
EU 25	87.7	95.3	95.4	127.3	132.6	142.0	168.1	175.9	179.4	179.9	174.8				
Rest of World ^{2/}	82.4	82.5	77.6	114.6	107.8	163.5	170.6	175.7	159.9	132.9	133.4				

Shares	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	92-02	92-95	95-00	00-02
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
United States	38%	38%	40%	41%	44%	45%	42%	42%	42%	42%	44%	42%	39%	43%	43%
Canada	6%	5%	6%	5%	5%	4%	4%	4%	4%	4%	4%	4%	5%	4%	4%
CARICOM	18%	19%	19%	16%	15%	12%	16%	15%	20%	20%	16%	17%	18%	16%	19%
Latin America	7%	7%	7%	7%	8%	8%	5%	5%	5%	5%	6%	6%	7%	6%	5%
FTAA	69%	69%	72%	69%	71%	69%	67%	67%	71%	71%	69%	69%	70%	69%	70%
EU 15 ^{1/}	16%	17%	15%	16%	16%	14%	16%	16%	15%	17%	17%	16%	16%	16%	16%
EU 25	16%	17%	16%	17%	16%	14%	16%	16%	16%	17%	18%	16%	16%	16%	17%
Rest of World ^{2/}	15%	14%	13%	15%	13%	16%	17%	16%	14%	12%	13%	15%	14%	15%	13%

Avg. Growth	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	92-02	92-95	95-00	00-02
World	n.a.	4%	7%	25%	8%	20%	3%	4%	8%	-8%	-7%	6.1%	11.5%	8.6%	-7.1%
United States	n.a.	4%	13%	26%	16%	25%	-5%	6%	6%	-6%	-2%	8%	14%	9%	-4%
Canada	n.a.	-9%	33%	2%	10%	-8%	7%	10%	5%	-17%	-6%	2%	7%	4%	-12%
CARICOM	n.a.	10%	7%	5%	0%	0%	32%	0%	41%	-5%	-28%	5%	7%	13%	-17%
Latin America	n.a.	-4%	3%	29%	23%	19%	-32%	4%	11%	-18%	11%	3%	8%	3%	-5%
FTAA	n.a.	3%	11%	19%	12%	17%	-1%	5%	14%	-7%	-9%	6%	11%	9%	-8%
EU 15	n.a.	9%	0%	33%	3%	8%	19%	5%	2%	0%	-3%	7%	13%	7%	-1%
EU 25	n.a.	9%	0%	33%	4%	7%	18%	5%	2%	0%	-3%	7%	13%	7%	-1%
Rest of World	n.a.	0%	-6%	48%	-6%	52%	4%	3%	-9%	-17%	0%	5%	12%	7%	-9%

Notes: 1/ During period 1992-2002, the United Kingdom accounted for 54% share of imports from EU 15.

2/ During period 1992-2002, Japan accounted for 38% share of imports from Rest of World.

Source: IDB Integration and Regional Programs Department using UN-COMTRADE, February 2004.

TABLE 8
BARBADOS: MERCHANDISE IMPORTS FROM LAC, 1992-2002

Values (US\$ mn)												
Latin America	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Total 92-02
Argentina	1.0	0.8	0.8	1.0	0.9	1.1	0.8	0.9	1.1	0.8	1.0	10.1
Bolivia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.4
Brazil	6.9	6.9	7.5	7.6	6.7	17.3	10.5	10.9	19.0	12.3	16.7	122.3
Chile	0.4	0.4	0.5	0.5	0.8	0.8	1.2	1.1	2.6	1.3	2.3	11.8
Colombia	1.7	1.4	1.7	0.6	4.5	2.7	1.4	1.7	2.8	4.5	3.5	26.5
Costa Rica	0.7	1.1	0.8	1.0	1.0	1.1	1.4	2.8	3.3	2.3	2.4	17.9
Dominican Rep.	1.3	0.0	1.7	2.0	1.6	4.4	3.6	3.5	2.0	2.7	3.0	25.8
Ecuador	0.0	0.1	0.0	0.2	0.1	0.3	0.5	0.7	0.2	0.6	0.5	3.3
El Salvador	0.0	0.0	0.0	0.0	0.0	1.5	0.2	0.2	0.6	0.2	2.1	5.1
Guatemala	5.1	4.2	3.0	3.7	4.5	4.0	7.3	7.0	5.4	4.5	2.0	50.7
Honduras	0.3	1.9	1.4	1.4	0.2	1.0	2.7	2.5	2.8	2.1	3.1	19.3
Mexico	0.9	0.8	1.2	1.3	5.4	9.9	10.9	12.1	11.1	11.4	10.4	75.4
Nicaragua	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Panama	0.4	0.5	1.8	0.6	0.6	1.2	1.9	3.2	2.2	1.9	2.8	17.0
Paraguay	0.0	0.0	0.2	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9
Peru	0.1	0.1	0.3	0.3	0.2	0.3	0.4	0.4	0.2	0.3	0.2	2.7
Uruguay	0.3	0.1	0.1	0.2	0.2	0.4	0.3	0.1	0.0	0.1	0.1	1.8
Venezuela	21.9	20.9	19.3	30.9	37.4	30.4	9.4	7.6	6.9	4.4	4.5	193.5
Total	41.0	39.2	40.2	51.9	64.1	76.4	52.3	54.6	60.4	49.6	54.8	584.6

CARICOM	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Total 92-02
Antigua & Barbuda	0.5	0.2	0.1	0.1	0.2	0.3	0.2	0.1	0.1	0.1	0.1	1.9
The Bahamas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.2	1.0
Belize	1.5	0.9	0.8	0.9	0.7	0.6	0.8	1.0	1.1	1.0	2.0	11.3
Dominica	2.0	3.4	1.7	1.9	1.6	2.5	2.9	2.7	2.5	2.0	1.6	25.0
Grenada	1.2	1.4	1.9	2.4	1.5	1.5	1.6	1.7	1.7	1.5	1.4	17.8
Guyana	5.5	6.9	7.9	9.2	7.5	9.5	8.3	8.7	9.0	10.2	10.6	93.1
Haiti	0.0	0.0	0.0	0.1	0.1	0.2	0.1	0.2	0.2	0.2	0.0	1.1
Jamaica	14.6	15.0	18.0	16.6	13.6	12.0	10.6	11.3	9.8	9.9	9.3	140.8
St. Kitts & Nevis	0.4	0.2	0.1	1.1	0.1	0.1	0.1	0.0	0.1	0.4	0.2	2.8
St. Lucia	3.1	2.4	1.8	2.1	2.5	2.4	3.4	5.1	6.4	6.6	5.5	41.5
St. Vin. & the Grens.	3.4	3.0	5.6	5.8	4.9	3.9	3.6	3.1	4.1	3.7	4.4	45.5
Suriname	0.0	0.0	0.2	0.2	1.5	0.2	0.6	5.0	4.5	8.2	6.7	27.1
Trinidad & Tobago	67.3	76.0	78.7	82.7	89.3	90.6	130.8	123.9	190.1	174.2	116.2	1,219.9
Total	99.6	109.6	116.9	123.0	123.6	123.7	163.0	163.2	229.8	218.4	158.3	1,629.0

Source: IDB Integration and Regional Programs Department using UN-COMTRADE, February 2004.

TABLE 9
BARBADOS: COMPOSITION OF EXPORTS BY SECTOR AND DESTINATION, 1992-2002

World												Value (US\$ mn)												Market Share (%)														
Product	92	93	94	95	96	97	98	99	00	01	02	92	93	94	95	96	97	98	99	00	01	02	92-02	92-94	00-02													
Food	58	50	51	66	101	94	76	73	71	74	69	44	37	38	39	47	45	39	37	37	42	43	41	40	40													
Ag Raw Mat's	1	1	0	2	1	1	0	0	0	0	1	0	0	0	1	1	0	0	0	0	0	1	0	0	0													
Ores & Metals	1	1	0	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0													
Fuels	0	0	0	0	0	0	6	11	16	9	6	0	0	0	0	0	0	3	6	9	5	4	3	0	6													
Manuf Goods	73	84	82	99	109	113	111	108	98	89	80	55	62	61	59	51	54	57	55	52	51	50	55	59	51													
Goods n.e.s	1	0	0	1	1	1	1	3	4	4	5	1	0	0	0	1	1	1	2	2	2	3	1	0	2													
Total	133	135	135	168	213	210	195	197	190	176	161																											

USA												Value (US\$ mn)												Market Share (%)														
Product	92	93	94	95	96	97	98	99	00	01	02	92	93	94	95	96	97	98	99	00	01	02	92-02	92-94	00-02													
Food	4	4	2	5	5	7	7	6	6	8	9	13	11	8	16	14	19	19	15	16	26	32	17	11	24													
Ag Raw Mat's	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0													
Ores & Metals	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	2	1	1	1	1	0	0	1	0	1													
Fuels	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0													
Manuf Goods	24	28	27	25	27	28	28	31	30	23	17	86	88	92	83	83	79	80	81	81	71	59	80	89	71													
Goods n.e.s	0	0	0	0	1	0	0	1	1	1	2	0	0	1	0	2	1	0	2	2	2	8	2	0	4													
Total	28	31	30	30	33	35	35	39	37	32	29																											

Canada												Value (US\$ mn)												Market Share (%)														
Product	92	93	94	95	96	97	98	99	00	01	02	92	93	94	95	96	97	98	99	00	01	02	92-02	92-94	00-02													
Food	2	1	1	2	3	2	2	2	3	4	3	44	27	12	22	34	26	25	33	60	72	67	35	25	67													
Ag Raw Mat's	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	1	1	1	0	1	1	1	1													
Ores & Metals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0													
Fuels	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0													
Manuf Goods	2	4	6	7	6	7	5	4	1	1	1	53	72	87	76	64	73	73	61	28	20	20	61	74	23													
Goods n.e.s	0	0	0	0	0	0	0	0	1	0	0	2	1	1	1	2	1	1	6	12	8	12	3	1	10													
Total	4	5	7	9	9	9	7	6	4	6	4																											

CARICOM												Value (US\$ mn)												Market Share (%)														
Product	92	93	94	95	96	97	98	99	00	01	02	92	93	94	95	96	97	98	99	00	01	02	92-02	92-94	00-02													
Food	16	17	15	22	28	28	31	30	29	29	29	31	27	27	30	32	32	32	30	29	32	34	31	28	32													
Ag Raw Mat's	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0													
Ores & Metals	1	1	0	0	0	1	0	0	0	0	0	1	1	1	1	0	1	0	0	0	0	0	0	1	0													
Fuels	0	0	0	0	0	0	6	11	16	9	6	0	0	0	0	0	0	6	11	17	10	7	6	0	12													
Manuf Goods	36	44	39	50	59	60	60	57	53	51	49	68	71	72	69	68	68	62	58	53	57	57	63	70	56													
Goods n.e.s	0	0	0	0	0	0	0	1	1	1	1	0	0	0	0	0	0	0	1	1	1	1	0	0	1													
Total	53	62	54	73	87	89	97	99	99	89	84																											

Note: Values do not include re-exports.

TABLE 9 (continued)

LA	Value (US\$ mn)												Market Share (%)														
Product	92	93	94	95	96	97	98	99	00	01	02	92	93	94	95	96	97	98	99	00	01	02	92-02	92-94	00-02		
Food	0	0	0	3	23	12	1	0	1	2	1	60	62	72	67	94	84	17	15	38	63	42	75	66	49		
Ag Raw Mat's	0	0	0	0	0	0	0	0	0	0	0	3	0	0	2	0	0	0	0	0	0	0	0	1	0		
Ores & Metals	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	0		
Fuels	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	0	0	0
Manuf Goods	0	0	0	1	2	2	3	2	1	1	2	37	35	27	30	6	16	83	80	59	36	57	25	32	50		
Goods n.e.s	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	4	2	1	1	1	1	2		
Total	0	0	0	4	25	14	3	3	2	3	3																

FTAA	Value (US\$ mn)												Market Share (%)														
Product	92	93	94	95	96	97	98	99	00	01	02	92	93	94	95	96	97	98	99	00	01	02	92-02	92-94	00-02		
Food	22	22	18	32	58	49	40	38	38	43	42	25	22	20	27	38	33	28	26	27	33	35	29	22	32		
Ag Raw Mat's	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Ores & Metals	1	1	0	1	1	1	1	1	0	0	0	1	1	0	1	1	1	0	0	0	0	0	0	1	0		
Fuels	0	0	0	0	0	0	6	11	16	9	6	0	0	0	0	0	0	4	8	12	7	5	4	0	8		
Manuf Goods	63	76	72	83	93	97	95	94	85	75	68	73	77	79	72	61	66	67	64	60	58	57	66	77	58		
Goods n.e.s	0	0	0	0	1	1	1	2	2	2	3	0	0	0	0	1	0	0	1	1	1	3	1	0	2		
Total	85	98	91	116	153	147	142	146	142	130	120																

EU	Value (US\$ mn)												Market Share (%)														
Product	92	93	94	95	96	97	98	99	00	01	02	92	93	94	95	96	97	98	99	00	01	02	92-02	92-94	00-02		
Food	34	27	31	33	41	43	35	34	31	28	25	86	88	85	73	79	80	74	80	79	79	77	80	86	78		
Ag Raw Mat's	0	0	0	1	1	0	0	0	0	0	0	0	0	0	1	2	0	0	0	0	0	1	1	0	0		
Ores & Metals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Fuels	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Manuf Goods	5	4	6	11	10	11	12	7	6	6	6	14	12	15	25	19	20	26	16	16	17	18	18	14	17		
Goods n.e.s	0	0	0	0	0	0	0	1	2	1	1	0	0	0	0	0	0	1	3	5	4	5	1	0	4		
Total	40	31	37	44	52	54	47	42	39	36	32																

Rest of World	Value (US\$ mn)												Market Share (%)														
Product	92	93	94	95	96	97	98	99	00	01	02	92	93	94	95	96	97	98	99	00	01	02	92-02	92-94	00-02		
Food	2	1	2	2	2	2	2	2	1	2	2	29	23	25	22	22	25	24	19	15	21	21	22	26	19		
Ag Raw Mat's	0	0	0	1	0	1	0	0	0	0	1	6	6	5	15	3	7	4	2	2	2	6	5	6	3		
Ores & Metals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Fuels	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Manuf Goods	5	4	4	5	6	6	4	7	7	8	6	59	69	67	59	71	63	63	77	80	73	70	69	64	74		
Goods n.e.s	0	0	0	0	0	0	1	0	0	0	0	6	3	3	4	4	5	8	2	2	4	3	4	4	3		
Total	8	6	6	8	8	9	7	9	9	10	9																

Note: Sector Composition based on SITC Revision 2 aggregates, where Food is SITC 0+1+22+4, Agricultural Raw Materials is SITC 2-22-27-28, Ores & Metals is SITC 27+28+68, Fuels is SITC 3, Manufactured Goods is SITC 5+6-68+7+8, and Goods not elsewhere specified is SITC 9.

Source: IDB Integration and Regional Programs Department using UN-COMTRADE.

TABLE 10
BARBADOS: COMPOSITION OF IMPORTS BY SECTOR AND ORIGIN, 1992-2002

World		Value (US\$ mn)											Market Share (%)														
Product	92	93	94	95	96	97	98	99	00	01	02	92	93	94	95	96	97	98	99	00	01	02	92-02	92-94	00-02		
Food	120	114	126	140	146	176	171	174	178	183	188	22	20	21	18	18	18	17	16	15	17	19	18	21	17		
Ag Raw Mat's	12	14	17	18	22	27	28	29	27	24	26	2	2	3	2	3	3	3	3	2	2	3	3	2	2		
Ores & Metals	8	5	6	9	9	10	11	16	12	11	9	2	1	1	1	1	1	1	1	1	1	1	1	1	1		
Fuels	63	56	53	65	82	83	82	66	133	124	63	11	10	9	9	10	8	8	6	12	12	6	9	10	10		
Manuf Goods	348	382	409	532	566	698	728	781	802	723	707	63	66	67	69	68	70	71	73	69	68	71	69	65	69		
Goods n.e.s	3	3	3	2	3	2	3	2	3	3	3	1	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total	553	574	614	766	829	995	1,022	1,067	1,156	1,068	997																

USA		Value (US\$ mn)											Market Share (%)														
Product	92	93	94	95	96	97	98	99	00	01	02	92	93	94	95	96	97	98	99	00	01	02	92-02	92-94	00-02		
Food	41	38	45	53	61	75	69	65	69	74	71	19	17	18	17	17	17	16	14	14	16	16	16	18	16		
Ag Raw Mat's	9	9	12	13	17	21	18	21	18	16	15	4	4	5	4	5	5	4	5	4	3	3	4	4	4		
Ores & Metals	5	4	3	5	6	6	8	8	7	7	5	2	2	1	2	2	1	2	2	1	2	1	2	2	1		
Fuels	3	4	3	8	12	19	4	4	4	4	4	1	2	1	3	3	4	1	1	1	1	1	2	1	1		
Manuf Goods	152	163	182	231	264	330	327	355	381	346	343	72	74	74	74	73	73	76	78	79	77	78	76	73	78		
Goods n.e.s	2	2	2	1	1	1	2	1	2	2	3	1	1	1	0	0	0	0	0	0	1	1	0	1	1		
Total	211	219	247	312	361	452	428	454	480	449	440																

Canada		Value (US\$ mn)											Market Share (%)														
Product	92	93	94	95	96	97	98	99	00	01	02	92	93	94	95	96	97	98	99	00	01	02	92-02	92-94	00-02		
Food	9	8	10	12	11	12	13	13	13	12	13	28	28	26	30	27	30	31	29	27	30	35	29	27	31		
Ag Raw Mat's	1	1	1	1	1	1	1	1	1	1	1	3	3	2	2	2	3	2	2	2	2	2	2	3	2		
Ores & Metals	1	0	0	0	0	0	0	2	0	0	1	2	1	1	1	1	1	1	4	1	1	2	1	1	1		
Fuels	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	1	0		
Manuf Goods	20	19	27	25	29	25	27	29	33	26	22	64	67	70	66	68	65	65	64	69	66	60	66	67	66		
Goods n.e.s	0	0	0	0	1	0	0	0	0	0	0	2	1	1	1	2	1	1	0	0	1	0	1	1	1		
Total	31	29	38	39	42	39	42	46	48	40	37																

CARICOM		Value (US\$ mn)											Market Share (%)														
Product	92	93	94	95	96	97	98	99	00	01	02	92	93	94	95	96	97	98	99	00	01	02	92-02	92-94	00-02		
Food	32	31	33	36	32	36	35	40	41	45	44	32	28	28	29	26	29	22	25	18	20	28	25	30	21		
Ag Raw Mat's	1	1	2	2	2	3	3	3	3	4	5	1	1	1	2	2	2	2	2	2	2	3	2	1	2		
Ores & Metals	0	0	0	0	0	0	1	2	1	1	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0		
Fuels	22	30	35	30	38	31	69	61	129	119	59	23	28	30	24	30	25	42	38	56	54	37	38	27	50		
Manuf Goods	44	47	47	55	51	53	55	57	56	51	50	44	43	40	45	41	43	34	35	25	23	31	35	42	26		
Goods n.e.s	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total	100	110	117	123	124	124	163	163	230	218	158																

Note: For sector composition see Table 9.

TABLE 10 (continued)

LA	Value (US\$ mn)												Market Share (%)														
Product	92	93	94	95	96	97	98	99	00	01	02	92	93	94	95	96	97	98	99	00	01	02	92-02	92-94	00-02		
Food	8	5	7	5	10	12	10	8	8	7	11	19	14	17	10	16	15	19	14	13	15	19	15	17	16		
Ag Raw Mat's	1	3	2	2	1	1	4	3	4	3	4	2	7	5	4	1	2	7	6	6	5	7	5	4	6		
Ores & Metals	0	0	0	0	0	2	1	3	3	2	2	0	0	0	0	0	2	2	6	5	3	3	2	0	4		
Fuels	17	16	13	24	29	23	1	0	0	0	0	42	41	33	46	46	30	2	0	0	0	0	21	39	0		
Manuf Goods	15	15	18	21	24	39	37	40	46	38	38	36	38	45	40	37	51	70	74	75	76	70	56	40	74		
Goods n.e.s	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total	41	39	40	52	64	76	52	55	60	50	55																

FTAA	Value (US\$ mn)												Market Share (%)														
Product	92	93	94	95	96	97	98	99	00	01	02	92	93	94	95	96	97	98	99	00	01	02	92-02	92-94	00-02		
Food	90	82	95	106	114	134	127	126	130	138	139	23	21	21	20	19	19	18	18	16	18	20	19	22	18		
Ag Raw Mat's	11	14	16	18	21	26	26	28	26	23	25	3	3	4	3	4	4	4	4	3	3	4	3	3	3		
Ores & Metals	6	5	4	6	6	9	10	15	11	10	8	2	1	1	1	1	1	1	2	1	1	1	1	1	1		
Fuels	43	50	51	62	79	73	75	66	133	123	62	11	13	12	12	13	11	11	9	16	16	9	12	12	14		
Manuf Goods	231	244	274	332	368	448	446	481	516	461	453	60	61	62	63	62	65	65	67	63	61	66	64	61	63		
Goods n.e.s	2	2	2	2	2	1	2	1	2	3	3	1	1	0	0	0	0	0	0	0	0	0	0	1	0		
Total	383	397	442	526	591	691	685	717	818	757	690																

EU	Value (US\$ mn)												Market Share (%)														
Product	92	93	94	95	96	97	98	99	00	01	02	92	93	94	95	96	97	98	99	00	01	02	92-02	92-94	00-02		
Food	15	17	18	18	14	17	24	28	27	27	30	17	18	19	14	11	12	14	16	15	15	17	15	18	16		
Ag Raw Mat's	0	0	1	0	1	1	1	1	1	1	1	0	0	1	0	0	0	1	0	0	0	0	0	1	0		
Ores & Metals	2	1	0	1	0	1	1	1	1	1	1	3	1	0	0	0	0	0	1	0	1	0	1	1	0		
Fuels	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Manuf Goods	69	76	75	107	115	122	140	145	149	149	141	79	80	79	85	88	86	84	83	84	83	82	83	79	83		
Goods n.e.s	1	1	0	0	0	0	1	0	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	1	0		
Total	87	95	95	126	130	141	167	175	178	178	173																

Rest of World	Value (US\$ mn)												Market Share (%)														
Product	92	93	94	95	96	97	98	99	00	01	02	92	93	94	95	96	97	98	99	00	01	02	92-02	92-94	00-02		
Food	15	15	13	16	18	25	21	21	21	18	19	18	18	17	14	17	15	12	12	13	14	15	14	18	14		
Ag Raw Mat's	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0		
Ores & Metals	0	0	1	2	3	0	0	0	0	0	1	0	0	2	2	2	0	0	0	0	0	1	1	1	0		
Fuels	19	6	2	3	3	10	6	0	0	0	0	23	7	3	3	3	6	4	0	0	0	0	4	11	0		
Manuf Goods	48	61	61	93	84	128	142	155	138	114	113	58	74	78	81	78	79	83	88	87	85	85	81	70	86		
Goods n.e.s	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total	82	82	78	115	108	163	171	176	160	133	133																

Note: Sector Composition based on SITC Revision 2 aggregates, where Food is SITC 0+1+22+4, Agricultural Raw Materials is SITC 2-22-27-28, Ores & Metals is SITC 27+28+68, Fuels is SITC 3, Manufactured Goods is SITC 5+6-68+7+8, and Goods not elsewhere specified is SITC 9.

Source: IDB Integration and Regional Programs Department using UN-COMTRADE.

TABLE 11
BARBADOS: TOP 20 EXPORTS BY DESTINATION, 1990-1992 / 1999-2002

World 1990-1992					World 1999-2002				
		US\$	Acc				US\$	Acc	
Code	Product	000	Share	Share	Code	Product	000	Share	Share
0611	Sugars,beet and cane, raw, solid	90,690	16%	16%	0611	Sugars, beet and cane, raw, solid	95,218	13%	13%
33421	Kerosene (including kerosene type j	59,134	11%	27%	11249	Spirits and distilled alcoholic beverages	62,584	9%	22%
3344	Fuel oils, n.e.s.	37,816	7%	34%	09809	Food preparations, n.e.s.	50,855	7%	29%
7723	Resistors, fixed or variable and par	29,375	5%	39%	7723	Resistors, fixed or variable and par	50,595	7%	36%
11249	Spirits and distilled alcoholic beverages	23,147	4%	43%	3344	Fuel oils, n.e.s.	37,767	5%	41%
5911	Insecticides packed for sale etc.	18,715	3%	47%	5911	Insecticides packed for sale, etc.	36,918	5%	46%
3343	Gas oils	17,231	3%	50%	6612	Portland cement, ciment fondu, slag c	33,832	5%	51%
5542	Organic surface-active agents, n.e.s	16,602	3%	53%	69241	Casks, drums, boxes of sheet or plate	20,086	3%	54%
6421	Boxes, bags & oth. packing containers	10,637	2%	55%	54179	Medicaments containing other substa	17,370	2%	56%
69241	Casks, drums, boxes of sheet or plate	10,530	2%	57%	09141	Margarine	15,994	2%	58%
54179	Medicaments containing other substances	10,519	2%	59%	64285	Sanitary towels & tampons of paper	14,736	2%	60%
7764	Electronic microcircuits	8,943	2%	60%	53342	Other paints & enamels; varnishes	14,548	2%	62%
09809	Food preparations, n.e.s.	8,286	2%	62%	89281	Paper and paperboard labels	13,762	2%	64%
6612	Portland cement, ciment fondu, slag	7,720	1%	63%	69532	Wrenches and spanners	12,686	2%	66%
5530	Perfumery, cosmetics and toilet preparations	7,487	1%	65%	04842	Pastry, biscuits, cakes and other fin	10,988	2%	67%
53342	Other paints & enamels; varnishes &	7,240	1%	66%	77884	Elect. Capacitors, condensers, fixed	9,476	1%	69%
11102	Lemonade, flavoured spa waters & flavors	6,768	1%	67%	88523	Time of day recording apparatus	9,435	1%	70%
6912	Structures & parts of struc.; aluminum	5,295	1%	68%	7764	Electronic microcircuits	8,847	1%	71%
69539	Hand tools n.e.s. blow lamps, anvils	5,122	1%	69%	6912	Structures & parts of struc.; aluminum	8,765	1%	72%
77884	Elect. Capacitors, condensers, fixed	5,049	1%	70%	5542	Organic surface-active agents, n.e.s	8,342	1%	74%
Top 20 Exports		386,307	70%		Top 20 Exports		532,803	74%	
Total Exports		552,345			Total Exports		724,364		

TABLE 11 (continued)

United States 1990-1992					United States 1999-2002				
		US\$	Acc				US\$	Acc	
Code	Product	000	Share	Share	Code	Product	000	Share	Share
7723	Resistors, fixed or variable and par	26,721	32%	32%	7723	Resistors, fixed or variable and par	44,117	32%	32%
7764	Electronic microcircuits	6,987	8%	40%	11249	Spirits and distilled alcoholic beverages	22,315	16%	48%
11249	Spirits and distilled alcoholic beverages	6,297	7%	48%	88523	Time of day recording apparatus	9,428	7%	55%
84339	Dresses, women's, of other fibres	4,573	5%	53%	7764	Electronic microcircuits	8,456	6%	61%
7721	Elect. app. such as switches, relays,	4,010	5%	58%	77884	Elect. capacitors, condensers, fixed	5,191	4%	65%
84651	Brassieres	2,293	3%	60%	69532	Wrenches and spanners	5,149	4%	69%
7722	Printed circuits and parts thereof	2,109	3%	63%	8749	Parts, n.e.s. accessories for 873--	4,770	3%	72%
7763	Diodes, transistors and sim. semi-con	1,565	2%	65%	84651	Brassieres	3,336	2%	75%
7599	Parts of and accessories suitable	993	1%	66%	7599	Parts of and accessories suitable	2,494	2%	77%
77884	Elect. capacitors, condensers, fixed	867	1%	67%	7763	Diodes, transistors and sim. semi-conduct	2,252	2%	78%
77689	Parts of components of 776--	817	1%	68%	0341	Fish, fresh (live/dead) or chilled, exc	2,145	2%	80%
77886	Other elect. appl. Having individual	770	1%	69%	0342	Fish, frozen (excluding fillets)	1,715	1%	81%
5911	Insecticides packed for sale etc.	715	1%	70%	04842	Pastry, biscuits, cakes and other fin	1,178	1%	82%
84629	Other under garments, knitted, of cot	695	1%	71%	89281	Paper and paperboard labels	986	1%	83%
69539	Hand tools n.e.s. blow lamps, anvils,	694	1%	71%	7722	Printed circuits and parts thereof	986	1%	83%
8922	Newspapers journals, periodicals	692	1%	72%	88411	Lenses, prisms, mirrors, optical element	974	1%	84%
88529	Clock and watch parts, n.e.s.	680	1%	73%	71311	Internal combustion piston engines	753	1%	85%
69942	Springs & leaves for springs of copper	543	1%	74%	84629	Other under garments, knitted, of cotton	697	1%	85%
72123	Other harvesting and threshing machine	502	1%	74%	04841	Bread, ships, biscuits & other ordina	631	0%	86%
76499	Parts of apparatus of 763--	452	1%	75%	11102	Lemonade, flavoured spa waters & flavor	615	0%	86%
Top 20 Exports		62,976	75%		Top 20 Exports		118,187	86%	
Total Exports		84,143			Total Exports		137,192		

Note: Values do not include re-exports.

TABLE 11 (continued)

Canada 1990-1992		US\$		Acc	Canada 1999-2002		US\$		Acc
Code	Product	000	Share	Share	Code	Product	000	Share	Share
0615	Molasses, whether or not decolourize	3,687	22%	22%	11249	Spirits and distilled alcoholic beverages	9,047	45%	45%
11249	Spirits and distilled alcoholic beverages	2,967	17%	39%	7722	Printed circuits and parts thereof	2,300	11%	56%
7764	Electronic microcircuits	1,814	11%	50%	09804	Sauces; mixed condiments and mixed s	1,275	6%	62%
7722	Printed circuits and parts thereof	936	5%	55%	69532	Wrenches and spanners	854	4%	67%
7929	Parts of heading 792-, excl. tyres,	730	4%	59%	7929	Parts of heading 792-, excl. tyres,	803	4%	71%
05481	Manioc, arrowroot, salep, jerusalem	666	4%	63%	76481	Radiotelephonic or radiotelegraphic	605	3%	74%
7721	Elect. app. such as switches, relays, f	582	3%	67%	89399	Other articles, n.e.s. of mat. of div.	570	3%	76%
76491	Parts of apparatus of 764.1-	565	3%	70%	9410	Animals, live, n.e.s., incl. zoo-animal	366	2%	78%
7641	Elect.line telephonic & telegraphic	424	2%	73%	05459	Vegetables, fresh or chilled, n.e.s.	253	1%	80%
69539	Hand tools n.e.s.blow lamps, anvils,	329	2%	75%	7764	Electronic microcircuits	210	1%	81%
77689	Parts of components of 776--	227	1%	76%	11102	Lemonade, flavoured spa waters & flavor	210	1%	82%
05459	Vegetables, fresh or chilled, n.e.s.	211	1%	77%	54179	Medicaments containing other substances	186	1%	83%
05798	Other fresh fruit	207	1%	78%	05798	Other fresh fruit	169	1%	83%
0611	Sugars, beet and cane, raw, solid	172	1%	79%	71311	Internal combustion piston engines	145	1%	84%
7522	Complete digital data processing machine	163	1%	80%	72343	Other excavating, levelling, boring	130	1%	85%
9410	Animals, live, n.e.s., incl. zoo-animal	157	1%	81%	29271	Cut flowers & buds for bouquets/orn	128	1%	85%
7723	Resistors, fixed or variable and par	154	1%	82%	0344	Fish fillets, frozen	121	1%	86%
29271	Cut flowers & buds for bouquets/ornaments	128	1%	83%	87412	Surveying, hydrographic, meteorologic	100	0%	86%
88111	Photographic, cameras	117	1%	84%	7723	Resistors, fixed or variable and par	97	0%	87%
09804	Sauces; mixed condiments and mixed sauces	94	1%	84%	04842	Pastry, biscuits, cakes and other fin	95	0%	87%
Top 20 Exports		14,329	84%		Top 20 Exports		17,664	87%	
Total Exports		17,045			Total Exports		20,217		

TABLE 11 (continued)

CARICOM 1990-1992		US\$	Acc		CARICOM 1999-2002		US\$	Acc	
Code	Product	000	Share	Share	Code	Product	000	Share	Share
5542	Organic surface-active agents, n.e.s	16,540	9%	9%	09809	Food preparations, n.e.s.	47,349	13%	13%
5911	Insecticides packed for sale etc.	14,216	8%	16%	3344	Fuel oils, n.e.s.	37,767	10%	23%
6421	Boxes, bags & oth. packing containers	10,453	6%	22%	5911	Insecticides packed for sale etc.	30,220	8%	31%
69241	Casks, drums, boxes of sheet or plate	10,438	6%	27%	6612	Portland cement, ciment fondu, slag	28,213	8%	39%
54179	Medicaments containing other substances	8,901	5%	32%	69241	Casks, drums, boxes of sheet or plate	20,033	5%	44%
09809	Food preparations, n.e.s.	7,969	4%	36%	09141	Margarine	15,604	4%	48%
53342	Other paints & enamels; varnishes	6,969	4%	40%	54179	Medicaments containing other substances	15,224	4%	52%
11102	Lemonade, flavoured spa waters & flavor	6,666	4%	43%	64285	Sanitary towels & tampons of paper/	14,455	4%	56%
6612	Portland cement, ciment fondu, slag	6,651	4%	47%	53342	Other paints & enamels; varnishes	13,817	4%	60%
5530	Perfumery, cosmetics and toilet preparations	6,430	3%	50%	89281	Paper and paperboard labels	11,871	3%	63%
6912	Structures & parts of struc.; aluminum	5,228	3%	53%	04842	Pastry, biscuits, cakes and other fin	9,295	3%	66%
09141	Margarine	4,843	3%	56%	6912	Structures & parts of struc.; aluminum	8,704	2%	68%
11249	Spirits and distilled alcoholic beverages	3,932	2%	58%	5542	Organic surface-active agents, n.e.s	8,278	2%	70%
89281	Paper and paperboard labels	2,826	1%	59%	0142	Sausages & the like, of meat, meat	6,268	2%	72%
8931	Art.for the conveyance or packing	2,642	1%	61%	04601	Flour of wheat or of meslin	6,076	2%	74%
9149	Imitation lard & other prepatated edibles	2,475	1%	62%	6421	Boxes, bags & oth. packing containers	5,231	1%	75%
53341	Water-thinned paints	2,290	1%	63%	3330	Petrol. oils & crude oils obt. from	4,925	1%	76%
64285	Sanitary towels & tampons of paper/	2,244	1%	64%	11102	Lemonade, flavoured spa waters & flavor	4,100	1%	77%
6911	Structures & parts of struc.; iron/s	2,191	1%	66%	11249	Spirits and distilled alcoholic beverages	4,073	1%	78%
04842	Pastry, biscuits, cakes and other fin	1,782	1%	66%	6353	Builders' carpentry and joinery	3,890	1%	80%
Top 20 Exports		125,687	66%		Top 20 Exports		295,394	80%	
Total Exports		189,159			Total Exports		371,347		

Note: Values do not include re-exports.

TABLE 11 (continued)

Latin America 1990-1992					Latin America 1999-2002				
Code	Product	US\$ 000	Share	Share	Code	Product	US\$ 000	Share	Share
09809	Food preparations, n.e.s.	176	12%	12%	09809	Food preparations, n.e.s.	2,992	29%	29%
7810	Passenger motor cars, for transport	123	8%	20%	6421	Boxes, bags & oth. packing containers	1,377	13%	42%
72632	Printing type, impressed flongs & machine	74	5%	25%	5911	Insecticides packed for sale etc.	1,323	13%	54%
11249	Spirits and distilled alcoholic beverages	61	4%	29%	6612	Portland cement, ciment fondu, slag	1,273	12%	66%
89601	Paintings, drawings & pastels	47	3%	32%	11249	Spirits and distilled alcoholic beverages	847	8%	75%
77586	Electro-thermic domestic appliances	27	2%	34%	77832	Electr. lighting & signaling equipment	787	8%	82%
7239	Parts of the machinery of 723.41	24	2%	36%	89281	Paper and paperboard labels	425	4%	86%
65224	Oth. woven fabrics cont. 85% of cotton	20	1%	37%	64285	Sanitary towels & tampons of paper	170	2%	88%
72123	Other harvesting and threshing machine	18	1%	38%	7723	Resistors, fixed or variable and par	119	1%	89%
64171	Kraft paper, creped/crinkled, whether	16	1%	40%	72431	Sewing machines	84	1%	90%
54179	Medicaments containing other substance	15	1%	41%	8931	Art. for the conveyance or packing	74	1%	90%
29269	Other live plants (includ. trees, shrubs)	14	1%	42%	07528	Thyme, saffron, bay leaves; other spices	66	1%	91%
7416	Mach. Plant & sim. lab. equip.	12	1%	42%	54179	Medicaments containing other substances	64	1%	92%
8922	Newspapers journals, periodicals	10	1%	43%	5530	Perfumery, cosmetics and toilet preparations	63	1%	92%
72112	Seeders, planters fertilizer distrib	9	1%	44%	04812	Prepared foods obtain. by the swell	59	1%	93%
7831	Public-service type passenger motor	9	1%	44%	7810	Passenger motor cars, for transport	43	0%	93%
11212	Wine of fresh grapes; grape must	6	0%	45%	77812	Electric accumulators	28	0%	93%
26901	Clothing, cloth. accessories, travel	5	0%	45%	04232	Soya bean oil	26	0%	94%
89523	Pencils, pencil leads, slate p., paste	5	0%	45%	84652	Corsets, braces, garters	25	0%	94%
89284	Calendars of any kind of paper	4	0%	46%	69241	Casks, drums, boxes of sheet or plate	24	0%	94%
Top 20 Exports		674	46%		Top 20 Exports		9,869	94%	
Total Exports		1,480			Total Exports		10,484		

TABLE 11 (continued)

European Union 1990-1992					European Union 1999-2002				
Code Product		US\$	Acc		Code Product		US\$	Acc	
		000	Share	Share			000	Share	Share
0611	Sugars, beet and cane, raw, solid	90,083	76%	76%	0611	Sugars, beet and cane, raw, solid	95,218	64%	64%
11249	Spirits and distilled alcoholic beverages	6,198	5%	82%	11249	Spirits and distilled alcoholic beverages	20,543	14%	77%
77884	Elect. capacitors, condensers, fixed	3,301	3%	84%	69532	Wrenches and spanners	5,244	4%	81%
69539	Hand tools n.e.s. blow lamps, anvils	2,541	2%	87%	7723	Resistors, fixed or variable and par	3,396	2%	83%
7723	Resistors, fixed or variable and par	2,322	2%	89%	9410	Animals, live, n.e.s., incl. zoo-animal	3,376	2%	85%
7411	Producer gas and water gas generator	2,094	2%	90%	77884	Elect. capacitors, condensers, fixed	2,621	2%	87%
69534	Other hand tools, pincers, tweezers	1,543	1%	92%	7929	Parts of heading 792-, excl. tyres	2,578	2%	89%
7929	Parts of heading 792, excl. tyres	1,481	1%	93%	88411	Lenses, prisms, mirrors, optical elements	1,838	1%	90%
05481	Manioc, arrowroot, salep, jerusalem	1,149	1%	94%	7763	Diodes, transistors and sim. semi-conduct	1,807	1%	91%
72632	Printing type, impressed flongs	547	0%	94%	5911	Insecticides packed for sale etc.	855	1%	92%
5530	Perfumery, cosmetics and toilet preparations	403	0%	95%	69942	Springs & leaves for springs of copper	799	1%	92%
5798	Other fresh fruit	353	0%	95%	87202	Medical, surgical, veterinary instruments	674	0%	93%
05459	Vegetables, fresh or chilled, n.e.s.	343	0%	95%	04841	Bread, ships, biscuits & other	526	0%	93%
7810	Passenger motor cars, for transport	336	0%	96%	5530	Perfumery, cosmetics and toilet preparations	435	0%	93%
7139	Parts of int. comb. piston engines	315	0%	96%	89399	Other articles, n.e.s. of mat. of div.	381	0%	94%
69541	Interchang. tools for pressing, stamp	302	0%	96%	09804	Sauces; mixed condiments and mixed sauces	300	0%	94%
89211	Printed books,booklets,brochures	286	0%	96%	89281	Paper and paperboard labels	291	0%	94%
7599	Parts of and accessories suitable	256	0%	97%	09809	Food preparations,n.e.s.	269	0%	94%
5911	Insecticides packed for sale etc.	247	0%	97%	87109	Optical appliances and instruments	238	0%	94%
29271	Cut flowers & buds for bouquets/orn	160	0%	97%	6612	Portland cement, ciment fondu, slag	233	0%	95%
Top 20 Exports		114,258	97%		Top 20 Exports		141,621	95%	
Total Exports		117,957			Total Exports		149,659		

Source: IDB Integration and Regional Programs Department using UN-COMTRADE (SITC Revision 2, leaf level of aggregation).

TABLE 12
BARBADOS: INTERNATIONAL COMPETITIVENESS OF EXPORTS, 1997-2000

Memo item:

(1) Total number of product groups exported during the period 97-00: 190.

(2) Total number of CHAMPIONS: 51, representing 17% of total exports.

Total number of ACHIEVERS IN ADVERSITY: 35, representing 31% of total exports.

Total number of UNDERACHIEVERS: 71, representing 50% of total exports.

Total number of DECLINING SECTORS: 33, representing 2% of total exports.

Code	Product Description	AAGR ^{1/} of BAR share in World Exports 97-00	AAGR World Imports 97-00	Category
Food and Live Animals				
001	Live animals chiefly for food	3.16%	0.14%	Champion
011	Meat, edible meat offals, fresh, chi	-21.46%	-0.09%	Declining Sector
014	Meat & edib. offals, prep./pres., fish	0.29%	1.44%	Champion
022	Milk and cream	-20.75%	-0.14%	Declining Sector
023	Butter	100.00%	-7.34%	Achiever in Adversity
024	Cheese and curd	-33.60%	-2.10%	Declining Sector
025	Eggs and yolks, fresh, dried or other	100.00%	-6.82%	Achiever in Adversity
034	Fish, fresh (live or dead),chilled o	-7.24%	1.88%	Underachiever
035	Fish, dried, salted or in brine ; smo	-100.00%	2.02%	Underachiever
036	Crustaceans and molluscs, fresh, chil	112.25%	3.49%	Champion
037	Fish, crustaceans and molluscs, prepa	569.23%	1.02%	Champion
041	Wheat (including spelt) and meslin,	28.92%	-9.37%	Achiever in Adversity
042	Rice	-45.80%	-4.58%	Declining Sector
043	Barley, unmilled	100.00%	3.57%	Champion
044	Maize (corn),unmilled	100.00%	-5.65%	Achiever in Adversity
045	Cereals, unmilled (no wheat, rice, ba	-100.00%	-1.15%	Declining Sector
046	Meal and flour of wheat and flour o	23.32%	-15.94%	Achiever in Adversity
047	Other cereal meals and flours	8.66%	-3.83%	Achiever in Adversity
048	Cereal prepar. & preps. of flour of	4.13%	0.83%	Champion
054	Vegetab., fresh, chilled, frozen/pres.	-50.97%	-0.14%	Declining Sector
056	Vegetab., roots & tubers, prepared/pr	-57.93%	-0.67%	Declining Sector
057	Fruit & nuts(not includ. oil nuts),	-50.72%	-2.16%	Declining Sector
058	Fruit, preserved, and fruit preparati	4.34%	0.99%	Champion
061	Sugar and honey	2.43%	-10.12%	Achiever in Adversity
062	Sugar confectionery and other sugar	-5.67%	1.30%	Underachiever
071	Coffee and coffee substitutes	9.54%	-11.57%	Achiever in Adversity
072	Cocoa	100.00%	-7.28%	Achiever in Adversity
073	Chocolate & other food preptns. con	100.00%	-1.28%	Achiever in Adversity
074	Tea and mate	-37.37%	-0.80%	Declining Sector
075	Spices	-42.09%	3.81%	Underachiever
081	Feed. stuff for animals(not incl. un	-31.24%	-5.77%	Declining Sector
091	Margarine and shortening	4.44%	0.50%	Champion
098	Edible products and preparations n.	-14.16%	0.60%	Underachiever

TABLE 12 (continued)

Code	Product Description	AAGR ^{1/} of BAR share in World Exports 97-00	AAGR World Imports 97-00	Category
Beverages and Tobacco				
111	Non alcoholic beverages, n.e.s.	-15.66%	6.00%	Underachiever
112	Alcoholic beverages	-4.26%	1.16%	Underachiever
122	Tobacco manufactured	-18.37%	-2.09%	Declining Sector
Crude Materials except Fuels				
222	Oil seeds and oleaginous fruit, whol	-100.00%	-3.27%	Declining Sector
223	Oils seeds and oleaginous fruit, wh	-37.89%	-11.06%	Declining Sector
244	Cork, natural, raw & waste (includ. in	-100.00%	17.24%	Underachiever
248	Wood, simply worked, and railway slee	21.60%	-2.11%	Achiever in Adversity
251	Pulp and waste paper	-100.00%	11.31%	Underachiever
263	Cotton	-25.53%	-12.09%	Declining Sector
265	Vegetable textile fibres and waste	-100.00%	11.14%	Underachiever
269	Old clothing and other old textile	114.39%	-2.55%	Achiever in Adversity
273	Stone, sand and gravel	-38.61%	0.11%	Underachiever
278	Other crude minerals	-22.30%	-2.42%	Declining Sector
282	Waste and scrap metal of iron or st	-11.17%	0.30%	Underachiever
288	Non-ferrous base metal waste and sc	13.49%	0.95%	Champion
289	Ores & concentrates of precious met	100.00%	14.47%	Champion
291	Crude animal materials, n.e.s.	-69.32%	-1.64%	Declining Sector
292	Crude vegetable materials, n.e.s.	-10.34%	-1.42%	Declining Sector
Mineral Fuels				
334	Petroleum products, refined	1114.55%	11.90%	Champion
335	Residual petroleum products, nes. & r	8.53%	4.86%	Champion
Animal and Vegetable Oils				
411	Animal oils and fats	-100.00%	-9.59%	Declining Sector
423	Fixed vegetable oils, soft, crude, ref	34.06%	-12.73%	Achiever in Adversity
424	Other fixed vegetable oils, fluid or	70.48%	-5.93%	Achiever in Adversity
431	Animal & vegetable oils and fats, pr	133.13%	0.23%	Champion
Chemicals				
511	Hydrocarbons nes, & their halogen.&	-6.63%	9.30%	Underachiever
512	Alcohols, phenols, phenol-alcohols,&	-5.16%	0.68%	Underachiever
513	Carboxylic acids,& their anhydrides	-3.60%	2.42%	Underachiever
516	Other organic chemicals	148.31%	3.59%	Champion
522	Inorganic chemical elements, oxides	30.63%	-0.29%	Achiever in Adversity
523	Other inorganic chemicals	30.06%	2.07%	Champion
524	Radio-active and associated materia	-100.00%	4.53%	Underachiever
531	Synth. org. dyestuffs, etc. nat. indigo	6.02%	-5.38%	Achiever in Adversity

TABLE 12 (continued)

Code	Product Description	AAGR ^{1/} of BAR share in World Exports 97-00	AAGR World Imports 97-00	Category
Chemicals (continued)				
533	Pigments, paints, varnishes & related	-1.31%	4.74%	Underachiever
541	Medicinal and pharmaceutical produc	-10.84%	9.44%	Underachiever
551	Essential oils, perfume and flavour	38.86%	3.55%	Champion
553	Perfumery, cosmetics and toilet prep	-1.32%	4.73%	Underachiever
554	Soap, cleansing and polishing prepar	-34.07%	3.20%	Underachiever
562	Fertilizers, manufactured	-22.57%	-3.19%	Declining Sector
572	Explosives and pyrotechnic products	-66.57%	0.99%	Underachiever
582	Condensation, polycondensation & pol	-5.57%	4.58%	Underachiever
583	Polymerization and copolymerization	-7.25%	3.42%	Underachiever
591	Disinfectants, insecticides, fungicid	8.01%	-1.77%	Achiever in Adversity
592	Starches, inulin & wheat gluten; albu	-23.53%	1.16%	Underachiever
598	Miscellaneous chemical products, n.e	-1.75%	4.25%	Underachiever
Manufactures				
611	Leather	-100.00%	0.27%	Underachiever
612	Manufactures of leather/of composit	-100.00%	-2.87%	Declining Sector
621	Materials of rubber (e.g., pastes, pla	-19.39%	3.31%	Underachiever
625	Rubber tyres, tyre cases, etc. for whe	-31.75%	2.21%	Underachiever
628	Articles of rubber, n.e.s.	73.98%	5.71%	Champion
633	Cork manufactures	96.62%	2.41%	Champion
634	Veneers, plywood, improved or reconst	30.75%	-2.04%	Achiever in Adversity
635	Wood manufactures, n.e.s.	13.94%	4.29%	Champion
641	Paper and paperboard	-20.75%	2.77%	Underachiever
642	Paper and paperboard, cut to size or	-18.64%	3.53%	Underachiever
651	Textile yarn	52.48%	-2.49%	Achiever in Adversity
652	Cotton fabrics, woven	151.12%	-2.14%	Achiever in Adversity
653	Fabrics, woven, of man-made fibres	71.50%	-2.95%	Achiever in Adversity
654	Textil. fabrics, woven, oth. than cotto	-45.69%	-3.09%	Declining Sector
655	Knitted or crocheted fabrics	100.00%	4.42%	Champion
656	Tulle, lace, embroidery, ribbons,& oth	-40.09%	4.18%	Underachiever
657	Special textile fabrics and related	5.99%	1.19%	Champion
658	Made-up articles, wholly/chiefly of	0.44%	6.93%	Champion
659	Floor coverings, etc.	-58.68%	-3.89%	Declining Sector
661	Lime, cement, and fabricated construc	13.46%	-1.21%	Achiever in Adversity
662	Clay construct. materials & refracto	170.60%	-0.83%	Achiever in Adversity
663	Mineral manufactures, n.e.s	-34.22%	2.74%	Underachiever
664	Glass	2.00%	7.38%	Champion
665	Glassware	32.45%	1.47%	Champion

TABLE 12 (continued)

Code	Product Description	AAGR ^{1/} of BAR share in World Exports 97-00	AAGR World Imports 97-00	Category
Manufactures (continued)				
666	Pottery	-10.83%	0.11%	Underachiever
672	Ingots and other primary forms, of i	100.00%	1.61%	Champion
673	Iron and steel bars, rods, angles, sha	-82.84%	-1.38%	Declining Sector
674	Universals, plates and sheets, of iron	1.44%	0.95%	Champion
676	Rails and railway track constructio	107.20%	-5.88%	Achiever in Adversity
677	Iron/steel wire, wheth/not coated, bu	-85.76%	1.63%	Underachiever
678	Tubes, pipes and fittings, of iron or	28.13%	-4.56%	Achiever in Adversity
682	Copper	-78.90%	0.83%	Underachiever
683	Nickel	100.00%	12.23%	Champion
684	Aluminium	-49.60%	3.66%	Underachiever
685	Lead	100.00%	-6.45%	Achiever in Adversity
689	Miscell. non-ferrous base metals emp	-100.00%	-1.46%	Declining Sector
691	Structures & parts of struc.; iron,s	0.14%	-0.47%	Achiever in Adversity
692	Metal containers for storage and tr	6.49%	-1.44%	Achiever in Adversity
693	Wire products and fencing grills	3.05%	-1.03%	Achiever in Adversity
694	Nails, screws, nuts, bolts etc. of iron	-0.16%	7.05%	Underachiever
695	Tools for use in hand or in machine	-4.32%	2.16%	Underachiever
696	Cutlery	119.84%	4.01%	Champion
697	Household equipment of base metal, n	0.04%	5.00%	Champion
699	Manufactures of base metal, n.e.s.	-48.83%	6.52%	Underachiever
Machine and Transport Equipment				
713	Internal combustion piston engines	-82.24%	6.52%	Underachiever
716	Rotating electric plant and parts	-14.42%	4.34%	Underachiever
718	Other power generating machinery an	100.00%	4.76%	Champion
721	Agricultural machinery and parts	-51.64%	-4.43%	Declining Sector
724	Textile & leather machinery and par	151.26%	-5.85%	Achiever in Adversity
726	Printing & bookbinding mach. and par	-100.00%	-0.87%	Declining Sector
727	Food processing machines and parts	-72.17%	-6.40%	Declining Sector
728	Mach.& equipment specialized for pa	-11.32%	3.29%	Underachiever
736	Mach. tools for working metal or met	-71.33%	1.50%	Underachiever
737	Metal working machinery and parts	104.56%	-6.02%	Achiever in Adversity
741	Heating & cooling equipment and par	-2.81%	-0.33%	Declining Sector
742	Pumps for liquids, liq. elevators and	-48.33%	0.99%	Underachiever
743	Pumps & compressors, fans & blowers,	160.29%	4.29%	Champion
744	Mechanical handling equip. and parts	-53.61%	-0.62%	Declining Sector
745	Other non-electrical mach. tools, app	-59.17%	-0.81%	Declining Sector
749	Non-electric parts and accessories	-42.92%	2.67%	Underachiever

TABLE 12 (continued)

Code	Product Description	AAGR ^{1/} of BAR share in World Exports 97-00	AAGR World Imports 97-00	Category
Machine and Transport Equipment (cont.)				
751	Office machines	-13.72%	-6.02%	Declining Sector
752	Automatic data processing machines	-0.20%	8.34%	Underachiever
759	Parts of and accessories suitable f	-8.99%	10.79%	Underachiever
761	Television receivers	17.36%	9.66%	Champion
762	Radio-broadcast receivers	292.96%	2.67%	Champion
763	Gramophones, dictating, sound recorde	6.09%	11.04%	Champion
764	Telecommunications equipment and pa	-23.56%	16.97%	Underachiever
771	Electric power machinery and parts	8.73%	8.27%	Champion
772	Elect. app. such as switches, relays, f	-20.90%	9.53%	Underachiever
773	Equipment for distributing electric	-29.11%	4.88%	Underachiever
774	Electric apparatus for medical purp	182.04%	5.25%	Champion
775	Household type, elect. & non-electric	2.07%	3.31%	Champion
776	Thermionic, cold & photo-cathode val	2.24%	14.37%	Champion
778	Electrical machinery and apparatus,	-7.25%	8.96%	Underachiever
781	Passenger motor cars, for transport	-10.78%	6.16%	Underachiever
782	Motor vehicles for transport of goo	-100.00%	3.14%	Underachiever
783	Road motor vehicles, n.e.s.	-100.00%	1.31%	Underachiever
784	Parts & accessories of 722--,781--,	-12.70%	4.82%	Underachiever
785	Motorcycles, motor scooters, invalid	-29.95%	3.89%	Underachiever
786	Trailers & other vehicles, not motor	-48.26%	9.09%	Underachiever
792	Aircraft & associated equipment and	22.62%	6.46%	Champion
793	Ships, boats and floating structures	-62.47%	-0.90%	Declining Sector
Miscellaneous Manufactures				
812	Sanitary, plumbing, heating, lighting	43.95%	6.02%	Champion
821	Furniture and parts thereof	-27.59%	9.87%	Underachiever
831	Travel goods, handbags, brief-cases, p	-7.19%	3.26%	Underachiever
842	Outer garments, men's, of textile fab	-7.69%	1.51%	Underachiever
843	Outer garments, women's, of textile f	41.34%	2.96%	Champion
844	Under garments of textile fabrics	-0.32%	1.03%	Underachiever
845	Outer garments and other articles,k	-37.73%	4.83%	Underachiever
846	Under garments, knitted or crocheted	-8.09%	5.59%	Underachiever
847	Clothing accessories of textile fab	-68.96%	3.53%	Underachiever
848	Art. of apparel & clothing accessori	-22.10%	4.00%	Underachiever
851	Footwear	39.54%	-0.97%	Achiever in Adversity
871	Optical instruments and apparatus	34.27%	22.42%	Champion
872	Medical instruments and appliances	45.04%	7.04%	Champion
873	Meters and counters, n.e.s.	113.34%	1.33%	Champion

TABLE 12 (continued)

Code	Product Description	AAGR ^{1/} of BAR share in World Exports 97-00	AAGR World Imports 97-00	Category
Machine and Transport Equipment (cont.)				
874	Measuring, checking, analysing instru	21.26%	6.71%	Champion
881	Photographic apparatus and equipmen	-92.11%	8.74%	Underachiever
882	Photographic & cinematographic supp	-55.07%	-0.06%	Declining Sector
883	Cinematograph film, exposed-develop	-100.00%	3.21%	Underachiever
884	Optical goods, n.e.s.	305.33%	6.10%	Champion
885	Watches and clocks	16.26%	-1.30%	Achiever in Adversity
892	Printed matter	-15.15%	1.11%	Underachiever
893	Articles of materials described in	-10.16%	6.30%	Underachiever
894	Baby carriages, toys, games and sport	18.04%	3.40%	Champion
895	Office and stationery supplies, n.e.	11.65%	3.77%	Champion
896	Works of art, collectors pieces & an	6.01%	10.69%	Champion
897	Jewellery, goldsmiths and other art.	-41.46%	2.70%	Underachiever
898	Musical instruments, parts and acces	-13.75%	2.49%	Underachiever
899	Other miscellaneous manufactured ar	85.52%	6.06%	Champion
Commodities (not elsewhere specified)				
941	Animals, live, n.e.s., incl. zoo-anima	36.10%	0.07%	Champion
951	Armoured fighting vehicles, arms of	100.00%	-5.21%	Achiever in Adversity
971	Gold, non-monetary	100.00%	-10.19%	Achiever in Adversity

Note: 1/ Product groups with an AAGR of 100 or -100 percent, signify a group that had a zero percent share in 1997 or 2000, respectively, and does not reflect a true average annual growth rate.

Source: IDB Integration and Regional Programs Department using UN-COMTRADE (SITC Revision 2, 3-digit level of aggregation).

TABLE 13
BARBADOS: GLOBAL RCA VS. US, LA AND EU, 1990-1993 / 1999-2002

	United States	Share	RCA	RCA	Movement
Code	Product Description	99-02	90-93	99-02	90-93 / 99-02
885	Watches and clocks	6.9%	1.6	35.4	Increase
772	Elect. app. such as switches, relays, f	33.3%	33.5	23.4	Decrease
112	Alcoholic beverages	16.3%	11.3	23.3	Increase
091	Margarine and shortening	0.0%	27.0	19.2	Decrease
695	Tools for use in hand or in machine	3.9%	4.5	11.9	Increase
941	Animals, live, n.e.s., incl. zoo-anima	0.1%	11.6	11.5	No Change
282	Waste and scrap metal of iron or st	0.5%	1.3	11.2	Increase
034	Fish, fresh (live or dead),chilled o	2.8%	0.7	10.6	Increase
048	Cereal prepar. & preps. of flour of	1.3%	3.0	6.6	Increase
111	Non alcoholic beverages, n.e.s.	0.5%	0.3	6.5	Increase
658	Made-up articles, wholly/chiefly of	2.1%	6.6	5.5	Decrease
846	Under garments, knitted or crocheted	3.0%	8.7	4.8	Decrease
263	Cotton	0.0%	0.1	4.7	Increase
892	Printed matter	1.5%	3.7	4.6	Increase
884	Optical goods, n.e.s.	0.8%	0.0	3.8	Increase
874	Measuring, checking, analysing instru	3.8%	0.2	3.1	Increase
122	Tobacco manufactured	0.1%	6.8	3.0	Decrease
098	Edible products and preparations n.	0.4%	2.6	2.8	No Change
551	Essential oils, perfume and flavour	0.1%	1.0	2.5	Increase
776	Thermionic, cold & photo-cathode val	8.0%	4.2	2.5	Decrease
778	Electrical machinery and apparatus,	3.9%	2.1	2.3	Increase
269	Old clothing and other old textile	0.0%	0.5	1.1	Increase
	Share of Exports with RCA > 1 =	89.4%			

	Latin America	Share	RCA	RCA	Movement
Code	Product Description	99-02	90-93	99-02	90-93 / 99-02
661	Lime, cement, and fabricated construc	12.1%	0.0	116.1	Increase
098	Edible products and preparations n.	28.5%	61.8	56.0	No Change
112	Alcoholic beverages	8.1%	9.2	24.3	Increase
591	Disinfectants, insecticides, fungicid	12.6%	0.2	23.6	Increase
642	Paper and paperboard, cut to size or	14.8%	0.0	19.5	Increase
075	Spices	0.6%	0.0	17.9	Increase
892	Printed matter	4.3%	1.6	7.5	Increase
046	Meal and flour of wheat and flour o	0.2%	0.0	5.6	Increase
047	Other cereal meals and flours	0.1%	0.0	4.5	Increase
778	Electrical machinery and apparatus,	7.8%	0.2	4.2	Increase
658	Made-up articles, wholly/chiefly of	0.5%	7.8	2.2	Decrease
692	Metal containers for storage and tr	0.2%	0.0	1.7	Increase
884	Optical goods, n.e.s.	0.2%	0.0	1.7	Increase
048	Cereal prepar. & preps. of flour of	0.7%	0.0	1.6	Increase
058	Fruit, preserved, and fruit preparati	0.2%	0.0	1.5	Increase
724	Textile & leather machinery and par	0.8%	0.0	1.4	Increase
553	Perfumery, cosmetics and toilet prep	0.6%	6.1	1.1	Decrease
	Share of Exports with RCA > 1 =	92.4%			

TABLE 13 (continued)

	European Union	Share	RCA	RCA	Movement
Code	Product Description	99-02	90-93	99-02	90-93 / 99-02
061	Sugar and honey	63.6%	371.3	432.1	Increase
941	Animals, live, n.e.s., incl. zoo-anima	2.3%	11.6	333.5	Increase
264	Jute & other textile bast fibres, ne	0.0%	0.0	136.7	Increase
112	Alcoholic beverages	13.7%	8.2	20.7	Increase
695	Tools for use in hand or in machine	3.5%	8.6	8.9	No Change
884	Optical goods, n.e.s.	1.3%	0.0	7.7	Increase
091	Margarine and shortening	0.1%	0.0	4.5	Increase
591	Disinfectants, insecticides, fungicid	0.6%	0.8	2.7	Increase
291	Crude animal materials, n.e.s.	0.1%	0.6	2.3	Increase
772	Elect. app. such as switches, relays, f	2.4%	1.8	2.0	Increase
098	Edible products and preparations n.	0.4%	0.5	1.3	Increase
778	Electrical machinery and apparatus,	1.8%	2.3	1.2	Decrease
048	Cereal prepar. & preps. of flour of	0.5%	0.1	1.1	Increase
Share of Exports with RCA > 1 =		90.4%			

Note: Movement 1990-1993 to 1999-2002 defined as: "Increase">10%, "Decrease"<-10%, "No Change" no more than +/- 10%.

Source: IDB Integration and Regional Programs Department using UN-COMTRADE (SITC Revision 2, 3-digit level of aggregation).

TABLE 14
BARBADOS: INTRA-REGIONAL RCA VS. CARICOM, 1990-1993 / 1999-2002

	CARICOM	Share	RCA	RCA	Movement
Code	Product Description	99-02	90-93	99-02	90-93 / 99-02
271	Fertilizers, crude	0.0%	0.1	97.7	Increase
532	Dyeing & tanning extracts; synth. tan	0.0%	1.5	11.1	Increase
871	Optical instruments and apparatus	0.0%	6.8	11.0	Increase
047	Other cereal meals and flours	0.3%	5.4	10.7	Increase
288	Non-ferrous base metal waste and sc	0.0%	2.4	10.7	Increase
001	Live animals chiefly for food	0.6%	5.8	10.6	Increase
884	Optical goods, n.e.s.	0.0%	0.4	10.6	Increase
783	Road motor vehicles, n.e.s.	0.0%	1.9	10.2	Increase
591	Disinfectants, insecticides, ungid	8.3%	5.8	7.7	Increase
692	Metal containers for storage and tr	5.4%	6.3	7.7	Increase
091	Margarine and shortening	4.9%	3.9	7.4	Increase
541	Medicinal and pharmaceutical produc	4.2%	2.9	6.7	Increase
572	Explosives and pyrotechnic products	0.0%	4.8	6.1	Increase
098	Edible products and preparations n.	12.8%	1.8	6.1	Increase
941	Animals, live, n.e.s., incl. zoo-anima	0.0%	5.0	5.4	No Change
251	Pulp and waste paper	0.0%	7.1	5.4	Decrease
531	Synth. org. dyestuffs,etc. nat. indigo	0.0%	3.1	5.3	Increase
333	Petrol. oils, crude,& c.o. obtain. from	1.3%	0.0	5.0	Increase
727	Food processing machines and parts	0.1%	0.5	4.9	Increase
263	Cotton	0.0%	0.0	4.6	Increase
014	Meat & edib. offals, prep./pres., fish	2.2%	1.9	4.6	Increase
661	Lime, cement, and fabricated construc	8.4%	1.0	4.3	Increase
533	Pigments, paints, varnishes & related	4.7%	2.8	4.2	Increase
598	Miscellaneous chemical products, n.e	0.9%	2.4	3.9	Increase
892	Printed matter	4.7%	1.5	3.8	Increase
676	Rails and railway track constructio	0.0%	1.6	3.4	Increase
666	Pottery	0.0%	0.2	3.3	Increase
792	Aircraft & associated equipment and	0.0%	6.9	3.0	Decrease
842	Outer garments, men's, of textile fab	0.5%	3.2	3.0	No Change
691	Structures & parts of struc.; iron,s	2.7%	3.0	2.9	No Change
786	Trailers & other vehicles, not motor	0.0%	0.5	2.9	Increase
896	Works of art, collectors pieces & an	0.0%	1.2	2.9	Increase
512	Alcohols, phenols, phenol-alcohols,&	0.2%	0.6	2.9	Increase
752	Automatic data processing machines	0.1%	6.7	2.6	Decrease
292	Crude vegetable materials, n.e.s.	0.1%	1.4	2.6	Increase
423	Fixed vegetable oils, soft, crude, ref	0.9%	0.0	2.2	Increase
781	Passenger motor cars, for transport	0.1%	2.9	2.1	Decrease
662	Clay construct. materials & refracto	0.2%	1.1	2.1	Increase

TABLE 14 (continued)

	CARICOM	Share	RCA	RCA	Movement
Code	Product Description	99-02	90-93	99-02	90-93 / 99-02
672	Ingots and other primary forms, of i	0.0%	0.0	1.9	Increase
693	Wire products and fencing grills	0.4%	2.2	1.8	Decrease
269	Old clothing and other old textile	0.0%	3.8	1.7	Decrease
898	Musical instruments, parts and acces	0.0%	3.7	1.7	Decrease
664	Glass	0.0%	3.7	1.7	Decrease
222	Oil seeds and oleaginous fruit, whol	0.0%	3.2	1.7	Decrease
951	Armoured fighting vehicles, arms of	0.0%	2.7	1.6	Decrease
885	Watches and clocks	0.0%	1.7	1.5	No Change
642	Paper and paperboard, cut to size or	6.6%	1.7	1.5	No Change
658	Made-up articles, wholly/chiefly of	0.3%	1.3	1.4	No Change
037	Fish, crustaceans and molluscs, prepa	0.0%	0.1	1.4	Increase
046	Meal and flour of wheat and flour o	1.6%	0.1	1.3	Increase
022	Milk and cream	0.4%	0.4	1.2	Increase
582	Condensation, polycondensation & pol	0.1%	4.3	1.2	Decrease
043	Barley, unmilled	0.0%	6.8	1.1	Decrease
893	Articles of materials described in	2.1%	0.9	1.1	Increase
759	Parts of and accessories suitable f	0.0%	6.2	1.1	Decrease
048	Cereal prepar. & preps. of flour of	3.5%	1.1	1.0	No Change
741	Heating & cooling equipment and par	0.2%	1.4	1.0	Decrease
881	Photographic apparatus and equipmen	0.0%	3.9	1.0	Decrease
635	Wood manufactures, n.e.s.	1.1%	1.0	1.0	No Change
Share of Exports with RCA > 1 =		80.0%			

Note: See Table 13.

Source: IDB Integration and Regional Programs Department using UN-COMTRADE (SITC Revision 2, 3-digit level of aggregation).

TABLE 15
BARBADOS: SERVICES EXPORTS BY AREA, 1990-2001

(US\$ mn)	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001			
Transportation	7	9	9	10	14	16	18	21	21	23	25	22			
Travel	508	467	470	534	603	622	659	663	712	687	723	714			
Business	6	3	3	3	3	3	2	3	3	3	4	3			
Personal	503	464	467	531	600	620	657	661	709	683	719	711			
Commercial	112	118	111	119	168	205	224	249	262	287	308	313			
Communication	22	24	25	20	23	25	26	26	27	27	28	29			
Insurance	55	35	42	41	54	50	60	65	68	75	80	85			
Financial Services	...	...	...	...	...	50	55	59	64	68	75	71			
Other Business	35	59	44	58	91	80	83	98	102	117	125	128			
Government	27	24	28	27	29	23	26	27	29	32	35	36			
Total	654	618	619	689	814	867	927	959	1,024	1,029	1,090	1,085			

Shares (%)	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	90-01	90-95	96-01
Transportation	1	1	1	1	2	2	2	2	2	2	2	2	2	2	2
Travel	78	76	76	78	74	72	71	69	70	67	66	66	71	75	68
Business	1	1	1	1	0	0	0	0	0	1	1	0	1	1	0
Personal	99	99	99	99	100	100	100	100	100	99	99	100	99	99	100
Commercial	17	19	18	17	21	24	24	26	26	28	28	29	24	20	27
Communication	20	20	22	17	13	12	11	10	10	10	9	9	12	17	10
Insurance	49	30	38	34	32	24	27	26	26	26	26	27	29	33	26
Financial Services	...	...	...	...	...	25	25	24	25	24	24	23	...	...	24
Other Business	31	50	40	49	54	39	37	40	39	41	41	41	41	44	40
Government	4	4	5	4	4	3	3	3	3	3	3	3	3	4	3
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

AAGR (%)	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	90-01	90-95	96-01
Transportation	n.a.	32	7	3	51	13	7	17	2	10	7	-10	12	20	5
Travel	n.a.	-8	1	14	13	3	6	1	7	-4	5	-1	3	4	2
Business	n.a.	-40	-3	-5	-14	4	-13	16	7	13	9	-33	-7	-13	0
Personal	n.a.	-8	1	14	13	3	6	1	7	-4	5	-1	3	4	2
Commercial	n.a.	5	-6	7	41	22	9	11	5	10	7	2	10	13	7
Communication	n.a.	10	3	-20	13	11	3	1	3	2	2	6	3	3	3
Insurance	n.a.	-36	20	-4	34	-8	20	9	5	10	6	7	4	-2	7
Financial Services	n.a.	...	...	...	...	...	10	7	9	6	10	-6	...	...	5
Other Business	n.a.	68	-26	32	56	-12	4	18	4	14	7	2	12	18	9
Government	n.a.	-12	21	-5	6	-20	14	3	9	12	8	3	3	-3	7
Total	n.a.	-5.5	0.2	11.4	18.0	6.5	7.0	3.5	6.7	0.6	5.9	-0.5	4.7	5.8	3.2

Memo Items: Services Exports	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	90-01	90-95	96-01
as % of GDP	38.2	36.6	39.0	42.0	47.1	46.6	46.7	43.8	43.3	41.6	41.5	39.4	42.2	41.7	42.5
as % of total	75.4	75.0	76.8	79.2	81.7	78.5	76.9	77.2	79.8	80.4	80.0	80.7	78.7	77.9	79.2

Source: IDB Integration and Regional Programs Department using IMF-BOPS, August 2003.

TABLE 16
BARBADOS: VISITOR ARRIVALS BY TYPE AND ORIGIN, 1992-2002

Number of Persons	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
STOPOVER	385,472	395,979	425,632	442,107	447,083	472,290	512,397	514,614	544,696	507,078	497,899
UK	88,759	100,071	123,455	126,621	139,588	155,986	186,690	202,772	226,787	217,466	192,606
US	110,685	112,733	109,092	111,983	111,731	108,095	106,300	104,953	112,153	106,629	123,429
CARICOM	52,831	52,462	51,487	58,635	56,752	63,581	70,358	86,127	87,424	80,085	89,177
Canada	49,999	49,190	52,286	53,373	54,928	58,824	59,946	57,333	59,957	52,381	46,754
Others	83,198	81,523	89,312	91,495	84,084	85,804	89,103	63,429	58,375	50,517	45,933
CRUISE	399,702	428,611	459,502	484,670	509,975	517,888	506,610	432,854	533,278	527,597	523,253
TOTAL	785,174	824,590	885,134	926,777	957,058	990,178	1,019,007	947,468	1,077,974	1,034,675	1,021,152

	Share (%)			Avg. Annual Growth (%)		
	92-02	92-97	98-02	92-02	92-97	98-02
STOPOVER	49.1	47.8	50.5	2.6	4.1	-0.7
United Kingdom	34.2	28.6	39.8	8.1	11.9	0.8
United States	23.7	25.9	21.5	1.1	-0.5	3.8
CARICOM	14.6	13.1	16.0	5.4	3.8	6.1
Canada	11.6	12.4	10.7	-0.7	3.3	-6.0
Others	16.0	20.1	11.9	-5.8	0.6	-15.3
CRUISE	50.9	52.2	49.5	2.7	5.3	0.8
TOTAL	100.0	100.0	100.0	2.7	4.7	0.1

Source: IDB Integration and Regional Programs Department using Barbados Ministry of Tourism: *Annual Tourism Statistical Digest 2001* and *Annual Tourism Statistics 2002*.

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