

Opening Statement by Senator, the Honourable Maxine McClean,
Minister of Foreign Affairs and Foreign Trade
on the Occasion of Barbados' Third Trade Policy Review at the World
Trade Organisation
Geneva Switzerland
27 January 2015.

Madam Chairperson, Her Excellency Ms. Mariam MD Salleh
Madam Discussant, Her Excellency Tan Yee Woan
Excellencies,
Members of the Trade Policy Review Body,
Distinguished Ladies and Gentlemen

It is a distinct honour for me to be here at the World Trade Organisation, representing the Government and people of Barbados on this occasion of Barbados' Third Trade Policy Review.

Barbados welcomes the opportunity to discuss the trade policies which would have guided Barbados' economy over the last six years with you the members of the World Trade Organisation. We look forward to sharing with you our perspective on how we have managed to weather the challenges which we have encountered during this time period. We also look forward to hearing your comments on the Review.

Since Barbados' last trade policy review in 2008, the world has gone through an unprecedented economic recession and this has had deleterious effects on many countries, particularly small vulnerable economies like Barbados.

On the surface, if you only look at statistics, Barbados is a middle income country with a high human development index. The reality however is that Barbados is a small vulnerable open economy and we possess the characteristics of the same in terms of size, that is small size, limited resources, susceptibility to external economic and financial shocks and vulnerability to natural disasters. In this regard, it is evident that many of the larger developed countries are showing signs of economic recovery. Unfortunately, a time lag of a few years is required for us to show the same positive signs.

Barbados' economy was challenged during the period under review. The economic recession, to which I referred, which came about as a result of

circumstances beyond our control, has had a particularly huge impact on our major foreign exchange earner - tourism. There was a marked decrease in tourist arrivals and tourist spend.

We are beginning to see however modest improvements in the tourism sector. Government has used this time period to redefine our strategy for the sector. Barbados has developed a Tourism Master Plan, intended to be Government's blueprint for the industry and a guide for all state holders. The Barbados Tourism Authority (BTA) has been restructured to bring equal focus to product development and promotion. Major investments have commenced in this area and are contributing to the diversification of the sector. Barbados remains one of the most beautiful islands in the world, with very hospitable and sociable people, a relaxing environment with an enviable climate. The fact that Barbados has been able to weather this economic storm so well, is testimony to the resilience of the country and its people.

Our trade policies therefore have sought to bring balance to the economy and to diversify from the mainstay of sugar and Tourism. Barbados has done much to encourage the growth of manufacturing and the international business and financial services sectors. The Government is repositioning the BDC to make a more significant contribution to the development of the industrial sector, the focus being on developing a high value manufacturing sector. The Government has established the Business and Trade Facilitation Committee which seeks to ensure that there is greater efficiency in the system and to expedite the process of facilitating and operating business in Barbados.

At the national level, there is agreement on the way forward for the economy and the vehicles which are required to take us there. Barbados has instituted a Medium Term Growth and Development Strategy for the period 2013-2020. The theme for this strategy is "Adjustment, Reform, Recovery and Stability". It speaks to how the Government sees the process of achieving our growth targets.

At the national level, this Growth and Development Strategy 2013-2020 charts a clear direction for our sustainable green economic growth and development priorities over the next eight years. It defines government's plan to institute a sequence of managed structural adjustments and reforms

which are critical to the country's sustainable economic, human and social development over the planning horizon 2013-2020.

In response to the high energy costs that have plagued all sectors, the Government has instituted a comprehensive set of policies to encourage the use of more renewable energy and the development of energy efficient projects and programmes to reduce energy cost and insulate businesses from price volatility.

The positive economic impacts of the adjustment and reform activities will facilitate our recovery and return to a sustained path of growth. In this **Growth and Development Strategy**, it is proposed that growth should be managed on the basis of annual targets agreed to by the social partnership, with the progress and achievement of the aforementioned targets being closely monitored and controlled. The Social Partnership comprises the Government, the private sector, the labour movement.

I am pleased to inform that the development and the implementation of the Medium Term Growth and Development Strategy is bearing fruit and we are beginning to see light at the end of the tunnel. The short term fiscal consolidation programme which was a part of the Strategy has been effective in improving the foreign exchange market. Overall economic activity has improved and there are projections for positive growth to be recorded in the economy this year and beyond. Barbados remains highly vulnerable to the vagaries of the international economy but we made a commitment to productivity, efficiency, competitiveness and service excellence which will see us through the storm.

A pivotal element of the national medium term fiscal Consolidation and Economic Recovery Programme is Government's intention to build better operational synergies and efficiencies in the function of central government and statutory entities. This is being undertaken not only to assist in cutting Government's overall expenditure but to assist in building operational platforms to allow for a higher quality of service delivery to the public at less cost.

In spite of the challenges which Barbados has faced, as a result of the crisis, Barbados remains open to free trade. The country has not resorted to any protectionist measures. Barbados continues to show its commitment to free trade and trade liberalization both in its actions in the

WTO and through bilateral trade relations. Barbados joined with the CARIFORUM Region to negotiate, sign and implement the Economic Partnership Agreement with the European Union. The expected benefits from the full implementation of this Agreement are numerous and Barbados forges ahead with its full implementation of this and all other bilateral trading arrangements.

I am pleased to inform you that Barbados recently completed a review of its foreign policy, of which trade is a critical component. This review reinforced the importance of participation in trade at the global level. Even though Barbados produces a number of high quality goods and services, we are small and as such often unable to achieve the economies of scale which would enable us to better more favourably in the international market. This underscores the need for more effective Aid for Trade and for technical assistance in Trade Facilitation to enable small economies like Barbados to better intergrate into the global market place.

We made significant progress in Bali but our work is not finished. I implore fellow members to seek to urgently conclude the remainder of the Doha Development Agenda. We must employ additional effort to establish the Post-Bali work programme. Of great significance must be the work programme for Small and Vulnerable Economies. I know that all the members here recognize that SVEs require a special dispensation in order to allow us to actively participate in the global trading system. The level of trade of these small countries can in no way distort the overall trade of the world but the impact and effect of world trade on our small countries, like Barbados, is substantial.

Barbados, like all other small developing countries, has been confronted with difficult financial and economic circumstances during the review period. However Barbados still remains a preferred place from which to do business. We are an OECD approved domicile with a well-educated population, with over 98% literacy rate. A high quality of life has been maintained and Barbados remains a safe jurisdiction in which to live and operate.

In closing, I wish to reiterate that Barbados has instituted policies and programmes which are designed to stabilize the country and place it on a pathway to progress, growth and development. We are working to achieve

some of our targets this year as we pursue *Adjustment, Reform, Recovery and Sustainability*.

We take this opportunity to express our thanks to the staff of the Secretariat and commend them on a very comprehensive report. We would like to congratulate WTO Members on the valuable work which they are doing. We know arriving at consensus can be quite challenging and we note the progress in that regard. The Government of Barbados remains committed to the process of managed, fair and equitable trade liberalization and achieving better transparency.

Madam Chair, Ladies and gentlemen, I thank you and the people of Barbados thank you.