



**-Barbados-**  
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## GENERAL FEATURES OF TRADE POLICY

Barbados is a founding member of the WTO, having joined that Organization from its inception on 1 January 1995.

Barbados is currently engaged in trade negotiations in a number of international fora. It is one of the 34 countries seeking to create the Free Trade Area of the Americas (FTAA) by 2005.

Barbados was also one of the 15 signatories in the Caribbean region to the Cotonou Agreement, signed in June 2000 for a period of 20 years, and granting duty- and quota-free access for manufactured goods to the EU. As part of the African, Caribbean and Pacific Group of countries (ACP), Barbados will participate in negotiations between the ACP and the EU for the establishment of a new trade and economic relationship with Europe to be effective from 1 January 2008.

Barbados has, in all negotiating fora, joined other small developing economies in requesting special and differential treatment for small economies. In this regard, the Doha Ministerial decision to establish a Work Programme on the treatment of the small economies within the multilateral trade context is especially propitious. The effective participation of these countries in the multilateral trading system should be a priority concern of the WTO.

Within the multilateral context Barbados undertook specific commitments in the WTO negotiations on basic telecommunications, but did not make new multilateral commitments on financial services in the framework of the Fifth Protocol to the GATS. It has also enacted the necessary legislation to protect both local and foreign intellectual property rights. Given the importance which Barbados attaches to the WTO, it has, at considerable cost, established a Mission in Geneva, principally to deal with matters pertaining to the work of the WTO.

The Government considers that trade openness (with the exception of a small range of agricultural and service activities that are heavily protected) is crucial in order to overcome any constraints arising from the small size of the economy, its restricted capacity to diversify risk, and limited institutional capacity.

The services sector is the cornerstone of the economy, with tourism and financial services playing a particularly important role. Buttressed by a low tax environment, financial services now contribute to a significant share of GDP. The Government encourages investment in the tourism industry through tax incentives; there are generally no restrictions on market access for foreign companies.

*The following table is an overview of the trade flow between the European Union and Barbados*

Section	Year	Import(Euro)	Export(Euro)

<b>Animals &amp; animal products</b>	1996	430,590	1,845,580
	1997	662,960	1,620,180
	1998	660,130	3,099,510
	1999	629,140	4,966,840
	2000	885,130	5,083,130
	2001	1,244,560	4,497,910
	2002	1,113,820	4,413,440
	2003	406,450	5,399,160
<b>Vegetable products</b>	1996	1,285,880	987,340
	1997	212,600	1,433,280
	1998	455,620	1,343,090
	1999	48,880	1,798,680
	2000	59,530	2,475,490
	2001	228,760	3,281,840
	2002	27,180	4,594,620
	2003	8,670	5,124,980
<b>Animal or vegetable fats</b>	1996	0	32,680
	1997	0	43,780
	1998	0	77,640
	1999	1,530	25,570
	2000	0	50,770
	2001	0	35,030
	2002	0	41,000
	2003	0	47,440
<b>Prepared foodstuffs</b>	1996	31,557,040	3,956,280
	1997	38,394,350	6,050,930
	1998	30,571,480	10,401,930
	1999	32,285,580	12,431,940
	2000	33,735,570	13,413,160
	2001	32,256,330	14,782,870
	2002	27,112,370	14,464,150
	2003	26,940,300	16,901,560
<b>Mineral products</b>	1996	2,630	293,780
	1997	0	405,050
	1998	0	582,630
	1999	0	487,680
	2000	15,630	430,390
	2001	18,320	1,474,240
	2002	1,020	577,890
	2003	250	606,610
<b>Chemical products</b>	1996	127,430	10,628,130
	1997	690,960	11,186,130
	1998	660,560	12,058,060
	1999	257,030	13,014,500
	2000	357,330	15,947,040
	2001	413,660	16,173,640
	2002	365,200	17,554,830
	2003	721,270	15,500,060
<b>Plastics &amp; rubber</b>	1996	24,040	3,237,340
	1997	42,390	3,386,860
	1998	19,420	3,960,600
	1999	70,190	4,880,110
	2000	26,220	6,734,830
	2001	14,310	6,167,640
	2002	42,080	4,573,690
	2003	46,380	5,553,890
<b>Hides &amp; skins</b>	1996	700	155,720
	1997	0	221,650
	1998	0	123,940
	1999	710	89,070
	2000	0	270,200

	2001	0	94,360
	2002	550	80,130
	2003	1,240	180,760
<b>Wood &amp; wood products</b>	1996	0	676,280
	1997	57,800	1,699,180
	1998	85,890	3,368,190
	1999	95,680	2,204,890
	2000	129,190	1,467,220
	2001	84,880	2,604,410
	2002	9,900	1,473,410
	2003	9,940	783,870
<b>Wood pulp products</b>	1996	900,540	5,203,210
	1997	120,330	6,571,140
	1998	74,470	7,517,610
	1999	132,790	7,101,060
	2000	144,790	6,743,880
	2001	44,520	8,425,230
	2002	262,950	8,296,440
	2003	413,270	6,945,340
<b>Textiles &amp; textile articles</b>	1996	271,580	2,020,010
	1997	358,700	2,620,630
	1998	140,370	2,305,870
	1999	413,010	2,607,120
	2000	313,770	3,730,540
	2001	120,830	3,340,420
	2002	57,890	2,616,260
	2003	615,950	2,826,600
<b>Footwear, headgear</b>	1996	520	476,100
	1997	0	498,800
	1998	34,020	701,710
	1999	0	491,310
	2000	2,190	763,130
	2001	0	507,000
	2002	18,180	493,330
	2003	0	408,280
<b>Articles of stone, plaster, cement, asbestos</b>	1996	9,810	4,183,830
	1997	4,580	4,872,200
	1998	6,740	5,408,020
	1999	68,250	5,173,240
	2000	7,580	7,504,000
	2001	13,320	8,688,170
	2002	21,450	6,681,530
	2003	32,390	6,302,610
<b>Pearls, (semi-)precious stones, metals</b>	1996	1,650,800	1,893,030
	1997	2,320	212,740
	1998	490	117,340
	1999	7,280	396,070
	2000	3,940	220,530
	2001	57,530	368,390
	2002	7,840	355,090
	2003	0	1,686,300
<b>Base metals &amp; articles thereof</b>	1996	2,203,300	7,911,970
	1997	2,149,730	9,839,810
	1998	2,329,640	8,255,590
	1999	2,070,410	9,208,280
	2000	1,869,260	11,579,580
	2001	1,751,740	8,516,190
	2002	1,462,510	11,068,400
	2003	541,530	14,649,090
	1996	2,422,830	21,207,830
	1997	5,599,440	22,434,660

<b>Machinery &amp; mechanical appliances</b>	1998	12,208,670	24,461,030
	1999	8,727,260	27,995,200
	2000	4,557,760	32,923,990
	2001	32,303,980	42,258,130
	2002	10,414,310	32,570,630
	2003	2,731,650	44,728,060
<b>Transportation equipment</b>	1996	35,198,790	5,660,220
	1997	85,950	6,954,970
	1998	629,720	7,156,040
	1999	661,690	12,645,830
	2000	1,942,760	12,278,430
	2001	1,112,330	15,456,720
	2002	623,730	25,996,420
	2003	914,770	18,676,450
<b>Instruments - measuring, musical</b>	1996	77,520	1,267,470
	1997	496,110	1,875,360
	1998	186,300	2,114,280
	1999	2,420,830	3,079,240
	2000	2,642,170	2,782,450
	2001	4,218,980	2,474,740
	2002	4,215,680	2,713,220
	2003	4,268,090	1,887,200
<b>Arms &amp; ammunition</b>	1996	0	40,200
	1997	0	134,290
	1998	0	149,300
	1999	0	70,600
	2000	0	120,410
	2001	0	1,588,320
	2002	0	118,980
	2003	0	201,160
<b>Miscellaneous</b>	1996	71,590	1,256,990
	1997	119,140	2,324,380
	1998	143,360	3,647,940
	1999	493,820	4,088,120
	2000	79,550	9,557,410
	2001	94,060	9,381,210
	2002	163,370	4,660,970
	2003	189,890	5,181,010
<b>Works of art</b>	1996	44,440	68,950
	1997	97,240	342,640
	1998	72,470	289,880
	1999	244,390	992,330
	2000	79,310	260,060
	2001	36,970	251,500
	2002	42,300	28,290
	2003	36,640	162,840
<b>Other</b>	1996	318,110	778,650
	1997	456,900	1,760,700
	1998	538,490	1,179,470
	1999	474,410	925,910
	2000	1,155,950	1,154,280
	2001	957,590	1,362,300
	2002	904,870	2,261,900
	2003	1,286,680	1,879,230

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## TARIFFS AND DUTIES

In the Uruguay Round negotiations, Barbados bound all of its tariffs except on fish and fish products,

albeit at ceiling rates. Agricultural products are bound at least at 100%, with some specific items bound at rates ranging to over 220%; manufactured goods are bound at rates of at least 70%, with certain items at considerably higher rates. Barbados also made specific commitments under the GATS in a few subsectors. The average MFN applied tariff is 16.5%. Border protection is high for activities where there is domestic production, based on tariffs of 60% or more and import licensing. Domestic producers import most of their inputs duty free, under an array of waivers and exemptions, which adds to effective protection.

Border protection appears to be highest in the agri-food sector, notably for meat, dairy, and vegetables. As tariffs ranging to 240% have not been effective in deterring imports, the authorities reintroduced non-automatic import licensing on the most import-sensitive products in 2001, initially for three months. Special safeguards legislation was being drafted in early 2002 to support such measures. Imports of all poultry products are under government monopoly.

### Import Licenses and Tariffs

Traditionally, Barbados' trade policy focused on trade in goods, and emphasis was placed on an import substitution strategy for promoting economic development. That strategy was implemented through a system of tariff and non-tariff barriers designed to protect producers in the manufacturing and agricultural sectors until they were internationally competitive. A licensing system restricted the importation of competing imports.

In 1994, prior to the creation of the WTO, Government embarked on a liberalisation programme. To give legal effect to that programme the Miscellaneous Controls (General Open Import License) Regulation, the Importation and Exportation of Goods (Prohibition) Amendment Regulations and the Customs Tariff (Amendment) Order, were passed. Licenses imposed on imports of most competing manufactured goods were removed and a surtax was applied on those imports for a 5 year period. During 1996 Government commenced the phase out of the surtax, and it was removed in April 2000.

In April 2000 also, Government removed restrictions by way of license on all imports except those which are in place for health or safety reasons or to protect public morals. Most products involved in this exercise were agricultural items. For all items on which restrictions were removed, Government applied the WTO bound rates.

### Other Charges and Duties

Prior to the introduction of the Value Added Tax (VAT) in January 1997, "other charges and duties" levied on imports included: Consumption Tax, Stamp Duty, Surcharge, Excise Tax and an Environmental Levy. When a 15% VAT was introduced it replaced all these taxes with the exception of the Environmental Levy, and the Excise Tax which were levied on certain products. The net effect of this action was a marked reduction in the price of imported goods.

### Technical Standards

Government is aware that in order for Barbados to be internationally competitive, producers of goods and services must meet internationally recognised standards. Equally, it recognises the need to ensure that imports are of the highest quality and that the health and safety of all Barbadians are not compromised by the importation and use of inferior goods. It also has a duty to adequately protect the environment. Accordingly, Government, since the establishment of the Barbados National Standards Institution in 1973, has been seeking to ensure that both local and imported products adhere to international standards. There are currently over 200 domestic standards all of which are internationally compatible.

## Tariff Levels

### 020037-increases in customs duties [2003-04-01]

Under the National Emergency Economic and Financial Programme, drawn up by the Ministry of Economic Development on 29 October 2001, the Government of Barbados has taken a number of measures in response to the economic fall-out of the terrorist acts committed against the United States on 11 September 2001. The

package includes considerable increases in customs duties for certain manufactured products. Also, a “buy local” campaign is envisaged.

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## **NON TARIFF BARRIERS**

Among the border measures, licensing had been used as an instrument for protection. Import licences covered about 60 products, mainly food items, and could be made automatic or non-automatic by administrative decision. Non-automatic licensing seemed to have been the most effective means to curb imports of certain agricultural products. Open, public information did not seem to be available on applications for licences or quota allocation. Better transparency would be welcome. Barbados seemed to be in the process of complementing or replacing its non-automatic system of import licensing with a safeguard legislation.

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## **IPR**

Since joining the World Intellectual Property Organization in 1979, Barbados has embarked on a conscious policy of modernizing its intellectual property rights system in order to bring its legislative framework in line with international standards. Barbados is compliant with WTO requirements under the TRIPS Agreement. Barbados underwent a review of its intellectual property legislation and its implementation of the TRIPS Agreement in November 2001