

EU statement at the Trade Policy Review of Barbados, 27/01/15

The EU would first like to welcome the Delegation of Barbados, led by Senator the Honourable Maxine McClean, Minister of Foreign Affairs and Foreign Trade. I would also like to thank the WTO Secretariat and the Delegation of Barbados for their reports which form the basis for our discussion today. Let me extend my appreciation to the Discussant, Ambassador of Singapore, H.E. Ms Tan Yee Woan, for getting us started today with her interesting remarks.

Madame Chair, Barbados is a very small state, but a major diplomatic, economic and transport hub in the Eastern Caribbean region.

As recognized by the Secretariat report, Barbados' relatively small size and island location make the country highly dependent on imports which, together with a high level of debt, have left Barbados extremely vulnerable to exogenous shocks.

The EU acknowledges that Barbados has been seriously affected by the 2008 crisis, predominantly through the traded sectors – tourism, financial services and real estate investment - with significant negative spill over effects on local construction activity and other related sectors.

The EU notes the efforts undertaken by the Government to put in place a programme of economic reforms to stabilize and re-position the economy to realize growth, to diversify its economy and to continue on its path of development.

A word, Madame Chair, on the EU's bilateral relationship with Barbados.

Barbados and the EU share a long history, culture and a broad base of common values. The EU has traditionally been the third largest trading partner of Barbados. In 2013, the share of the total world trade amounted to 8.4%. Moreover, the EU companies are



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important foreign investors and have a major stake in the economic development of Barbados particularly in the service industries such as financial services and tourism.

Formal relations between the EU and Barbados are positive. They are currently underpinned by the Joint Caribbean-EU Partnership Strategy, the Cotonou Agreement and the EU Economic Partnership Agreement (EPA) between the EU and CARIFORUM (Caribbean Forum – Forum of the Caribbean Group of African, Caribbean and Pacific States)- Those agreements are the basis of a lively cooperation with Barbados in a wide range of fields going beyond the mere trade and investment aspects, such as for example in science and technology, higher education and people to people exchanges as well as public sector reform, energy and climate adaptation. Moreover, Barbados receives development cooperation funds under the Accompanying Measures for Sugar Protocol Countries (AMSP) and the European Development Fund.

In this respect, the EU was surprised to note that the CARIFORUM-EU EPA as a major instrument of economic cooperation between Barbados and the EU is not mentioned in the Government's report. At the multilateral level, the EU agrees with Barbados on the necessity to push for a speedy conclusion of all areas under negotiation under the Doha Round. Furthermore, considering that Barbados, in its Government report, declared that Trade Facilitation is an important issue for them, the EU expects Barbados to proceed speedily with its notification at the WTO with as many commitments in Category A as possible.

Madame Chair, despite these positive aspects, the EU submitted to Barbados a number of questions as regards Barbados trade and investment policy making. Today, I will list only a couple of them: First of all, I would like to refer to Barbados' dual-licensing regime that favours imports from other CARICOM partners. In our written questions, we ask Barbados to clarify which are the monitoring requirements applicable to CARICOM and non-CARICOM countries, highlighting the differences between the two sets of requirements.

Secondly, considering that the tourism sector and the related activities are responsible for over 50% of the economic activities in Barbados, the EU is interested to understand the licensing rules applicable for accommodations and restaurants as well as to receive more details on the existing regime for tourism services. Clear and non-discriminatory rules would not only remove current obstacles for international trade but also further integrate Barbados into the multilateral trading system and increase its commercial links with WTO Members.

In closing, the EU is confident that the current exercise will help Barbados in further reviewing its policies so as to ensure that they are most favourable for attaining its economic objectives while respecting their international commitments in this forum.

On behalf of the EU, I wish Barbados a very productive and successful review.