

*The Development of a Mechanism to Inform the Measurement of the
Contribution by the International and Financial Services Sector to the
Barbadian Economy*

Speaking points

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Stakeholders' Workshop

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1. **Acknowledgements:** Minister of International Business and International Transport-the Honourable Mr. George Hutson; Permanent Secretary of the Ministry of International Business- Mrs. Gabrielle Springer-Taylor (ag.), Madam Chairman- Ms. Sonia Foster; Delegates of the Ministry of International Business and International Transport; Specially Invited Guests, Distinguished Ladies and Gentlemen.
2. The EU is pleased to fund yet another Barbados project. Over the last decade, the EU has contributed grant funding in the amount of approximately EURO 37 million through the implementation of projects ranging from support to the Barbados Health Sector, modernisation of the International Business Sector, equipping the Forensic Science Laboratory, Expansion of the Barbados Language Centre and support of a comprehensive ICT strategy for the country. On this occasion, the EU is facilitating **the development of a mechanism that will measure the contribution of the International and Financial Services Sector to the Barbadian economy-** A project valued at EURO 185,000.
3. This project is but one of three ongoing technical assistance initiatives that the EU is funding in addition to a Sector Budget Support programme of **EURO 6.0 million** geared towards the International Business Sector. With regards to technical assistance programs, the EU is also facilitating **the establishment of an International Institute of Finance (EURO 456,000)** and there is another project aimed at **strengthening the International Business Division and the Corporate Affairs and Intellectual Property Office of Barbados (EURO 185,000)**. Moreover, the EU is providing grant aid to support a **Human Resource Development programme (EURO 23.1 million)** and an **Institutional Review of the Barbados Sugar Industry (EURO 2.3 million)**.
4. I must point out, given the importance of the International Business Sector to the Barbadian economy, the EU is especially happy to fund this particular project. For some time now, Barbados has been grappling with the task of measuring the contribution of the International Business Sector to the local economy. As is well known, the International Business Sector contributes approximately 60% of Government's corporate tax revenue and it employs a fairly significant portion of Barbados' labour force. Added to that, because of the need to establish places of work, the sector contributes significantly

through rents and it is often argued that international business attracts large amounts of foreign exchange through conferences and business meetings etc.

5. Unfortunately, at present there is no consistent database available to policy makers or technical personnel within the international business community that can provide an estimate of this sector's relative importance i.e its contribution to GDP. As we know, this information is crucial since a sector's importance will generally dictate Government's investment priorities.
6. With firm data on the International Business Sector and by extension, a clear idea of the sector's contribution to the Barbadian economy, the Government of Barbados will be in a better position to undertake the necessary economic policy analysis and to prioritise its sector development goals more accurately.
7. **Once achieved, this will be by no means a trivial accomplishment, as sound data should bring better decisions, and good decisions inevitably will lead to greater productivity and growth.**
8. From the consultants report it appears that the project is moving along as planned, albeit, not without some challenges. The first stage, which includes the development of a computer-based infrastructure, has been reasonably well-established but to our understanding, the task of data population is proving to be somewhat more difficult than envisaged. On this note, I want to take this opportunity to encourage all stakeholders-in particular: **the Inland Revenue Department, the Central Bank of Barbados and the Ministry of International Business and International Transport** to continue to give the consultants (Mr. Deo Ramprakash and Mr. Jean Francois Gregoire) their full support so as to ensure the success of this valuable project.
9. The accuracy and durability of the mechanism developed and maintenance of the data population procedures established will be especially important for the long-term sustainability of the International Business sector programme.
10. While the consultants have the difficult task of creating a sustainable-user-friendly-mechanism, it is important to note that the majority of responsibility thereafter will reside with Stakeholders. In essence, this cannot simply be a one-off exercise. Sustainability of the programme will require a considerable amount of stakeholder investment of time and resources. In particular, resources will be needed to support the automation of data generating processes, the submission of timely data from companies' financial statements as well as the installation of systems to guarantee a regular flow of data.
11. In a nutshell, both the private and public sectors will have to play their role if this project is to be a success.
12. It is worthy to mention that the Government of Barbados has full ownership of all International Business sector projects funded by the EU. This advantage cannot be understated, as research and experience has shown that beneficiary ownership is a critical element for the sustainability of development programmes.

13. The EU remains steadfast in its commitment to assist Barbados with its development efforts where possible, and as usual, we wish the Government and people of Barbados continued success.

Thank you for your attention!