



**PUBLIC/PRIVATE SECTOR CONSULTATION  
Full Report**

**Compiled by: the Barbados Private Sector Trade Team  
Date: June 17, 2008**

## Table of Contents

### Opening Ceremony

The Hon. David Thompson	3
Dr. Marion Williams	3
Mr. Terry Bascombe	5
Sir Roy Trotman	6
Mr. Ben Arrindell	7

### Break Out Sessions

Small Business	8
Agriculture	9
Construction	10
Retail and Distribution	11
Energy	12
Manufacturing	13
Tourism	14

### Discussion

Energy-related	15
Agriculture/Agri-Processing	15
Duties	16
Tourism	16
Telecoms	16

Consultation Summary	17
----------------------	----

Conclusion	18
------------	----

## **Introduction**

The "Cost of Living" consultation between public and private sector officials was convened on June 17, 2008 at the Sherbourne Conference Centre. The purpose of the meeting was to discuss the issue of the rising cost of living and for the private sector to put forward sector-specific recommendations to Government. The seven sectors are highlighted below.

### **Opening Remarks- The Hon. David Thompson, Prime Minister and Minister of Finance of Barbados**

The Prime Minister stated that the cost of living had risen by 5.2% between 2005 and 2007 and that increases were mainly seen in medical, education including the cost of books and insurance. He highlighted a number of regional policies which had either been implemented, namely the removal of CET on certain products or those which would soon be implemented, for example the Regional Integration Food Plan.

He also gave a list of strategies which will be used to deal with the cost of living. These included but were not limited to:

- tackling monopolies and increasing competition by removing the "middleman",
- addressing inefficiencies at the Port,
- working with the business community to source food from non-traditional markets and to establish cooperatives to benefit from economies of scale when purchasing food items
- addressing the consumption patterns of consumers
- creating a facilitative environment for private investment in agriculture
- intervening in the real estate market to make land and housing more affordable

These recommendations were among the medium to long term solutions put forward by the Cost of Living Sub-Committee, comprising technical persons from the relevant ministries and agencies from seven major sectors- *tourism, energy, agriculture, manufacturing, small business, retail & distribution and construction*. More detailed findings of this Sub-Committee were later highlighted by Terry Bascombe, Director of Commerce and Consumer Affairs in his presentation, " The Cost of Living in Barbados: Issues, Initiatives and the Way Forward".

### **Dr. Marion Williams, Governor of the Central Bank of Barbados**

The Governor of the Central Bank gave a Macro-Economic Overview and cited the following statistics:

- Tourism had grown by 10% for the first quarter which equated to a 4% growth in GDP.

- GDP growth for 2008 is projected at 2.3%.
- Foreign reserves are at a high -\$1.7B, highlighting that the current situation is not like that of 1991. (a period which was mentioned several times during the day).
- Liquidity in the system is high; the debt ratio low and the economy is relatively vibrant.
- The Governor talked about oil prices and queried whether it was oil futures which were manipulating the price, given the fact that the price at this time was expected to be around US\$95 per barrel and not the US\$140 which currently obtains.

In terms of Barbados' imports and the effect of inflation, the Governor informed Participants that 88% of Barbados' imports come from Trinidad whose inflation rates are in the double digits. She highlighted that these rates in Jamaica and Guyana were also very high but that Barbados' trade with them was not as significant.

She urged caution in wage negotiations and reminded the forum that wage settlements are permanent. She gave the scenario that, should inflation fall from the current level of 9% to 7% as was projected by some and higher wages have been negotiated without provisions for such an occurrence, the country could find itself dealing with over-anticipating future inflation which could send us into a price spiral. The Governor noted that this would have a negative impact on employment. She urged that the inflation rate situation not be aggravated at this time.

Against the backdrop of high oil prices, high global inflation- in particular among our trading partners, rising commodity prices, the falling US dollar and the lack of export capacity to benefit from this, the following policy options were given:

- the practice of restraint in general;
- the need for more competition in the retail sector;
- the need to maintain wage increases in line with productivity growth; and
- Efforts to provide targeted price support for key sectors and vulnerable groups should be continued.

These policies require cooperation from the private sector, public sector and consumers and she added that social partnership which had worked so well in the past would be called upon in the near future to discuss this. Retail/wholesale, changing our behaviour and generally cutting back.

### Monetary Policy

The Central Bank has tried to bring the rates down but has not had much response from the lenders. She cautioned that if there is a recession, rates

can be brought down further if there is no major wage increase but if there is a recession and a major wage increase, this would be very difficult to do because the economy would not be able to maintain it.

### Government Policies

The policies currently being implemented by the Government were cited as good ones. The Governor however expanded on the removal of the CET and said that one had to ensure that its removal does not render vulnerable companies uncompetitive; with regard to the Food Security Fund, she lauded this initiative but advised that production costs would have to be low to avoid the erosion of the advantages of the said food security.

### **Terry Bascombe, Director of Commerce & Consumer Affairs**

Mr. Bascombe presented the topic "Cost of Living in Barbados: Issues, initiatives and the Way Forward". A number of traditional policy options and outcomes were presented:

- Price controls- short term gains- unsustainable, inefficient, bureaucratic;
- Subsidies- short term gains- unsustainable, inefficient, bureaucratic;
- Tax reductions- short term gains- possible fiscal deterioration;
- Wage increases- short term gains- possible fiscal deterioration and potentially inflationary;
- Public consultation/education- consensus based decision making and fosters transparency & increases awareness; and
- Monitoring- promotes trust and respect.

Government has also devised a number of Initiatives to tackle the rising cost of living:

- A review of current basket of goods with a view to expanding it;
- Examine impact of price movements in basic food items;
- Assess feasibility of removing VAT from utility bill for households and business;
- Establish sub-committee on the cost of living;
- Direct fiscal interventions- short term domestic price stability of key items; and
- Re-evaluate and amend existing tariff and non-tariff structure.

### Sub-Committee Findings

There were a number of initiatives put forward by this sub-committee and these included:

- The urgent removal or reduction of the CET on certain items;
- The need to review operations at the Port in accordance with the initial findings of the Draft IDB logistics report, even though it had been stated that Port charges only accounted for 2% of the overall cost;

- The need to encourage lifestyle changes through public education; and
- The need to revamp business conduct in the distributive sector and the pricing structure. It was found that 3 out of 5 distributors accounted for 65% of the overall market at the retail level.

### **Sir Roy Trotman, President, CTUSAB**

Sir Roy began and concluded by advising the Prime Minister that any initiative proposed by Government would have to be put to the Constituents and the Board because he was not the authority and has to report to them. In this regard, he requested the information which had already been presented be made available in summary form so that it could be shared with members, especially given the complex nature of some of the information. He assured Government that comments would be forthcoming in a timely manner thereafter.

Labour, through Sir Roy, stated that they needed a clear expression of what was required by Government in these difficult times. He suggested that there needed to be consensus among the Parties as to what would be the most expedient manner to deal with this rise in the cost of living and which policies would be long lasting.

How will a balance that favours workers, employers' expectations and the responsibility of Government be struck? Labour will also seek to protect against the social fall out and that the "losers" are so few that they can be properly dealt with. He opined that labour would not like in 1992 accept any IMF interventions in the country and that they would not agree to terms of settlement whereby persons lost their jobs, houses, families and lives.

Sir Roy stated that the outcome of any talks had to include Decent Work Initiatives encompassing a voice in the work place, job satisfaction and decent wages and highlighted the first Protocol that states "labour should not be asked to surrender any of the benefits it now enjoys unless in doing so, it is able to contribute to the long term benefits of the entire nation or to provide employment for members of said nation". He added that these words were carried throughout subsequent protocols for a reason.

He stressed that the involvement of NGOs would be critical.

He reminded Participants that Labour has always practiced restraint and that certain non-wage benefits could be negotiated. He was also pleased with the suggestion to incorporate the Jagdeo Initiative to ensure food security.

Labour has long called on the Management of the Port to bring greater efficiencies. He noted that at least fifteen (15) years previously, Labour had agreed to a 24 hour work day and other initiatives within reason once workers were not marginalised in the process and suggested that this solution could still be considered.

Sir Roy sought a review of the CARIFORUM-EC EPA and the NAMA negotiations and stated that Government had sent Labour a letter regarding the review. He opined that Barbados now needs to be looking at Brazil, Argentina, India, South Africa and those other countries in the NAMA negotiations to boost trade.

Labour suggested that a programme for energy, water and housing and protection for Barbados and the practice of conservation must be pursued. Labour is also willing to support and participate in productivity negotiations and cautioned that it should be done differently from 1992 since employers were no longer interested in full disclosure etc after the crisis had passed.

Sir Roy stressed the need for national buy-in in order to achieve a successful outcome and urged that the private sector and the media should be used extensively in this effort to re-educate the public while being mindful that any import substitution needed to be pursued in a systematic, analytical way.

### **Ben Arrindell, Chairman, Barbados Private Sector Association**

Mr. Arrindell agreed that he would also have to go back to his constituents regarding any proposals to properly formulate policies. He also stated that he was pleased that Government had met with some of the PSOs before coming up with the Initiatives mentioned in Mr. Bascombe's presentation. Government was commended for its initiatives and it was stated that members of the private sector would be willing to review and even endorse them.

He mentioned that the private sector has already started to discuss cost of living issues and that the Barbados Chamber of Commerce and Industry had hosted a Private Sector Forum and advised that the BHTA, BMA and BAS were also hosting a forum that week. In this regard, he lamented that this consultation was held before the private sector had fully met and formulated its position.

Mr. Arrindell highlighted that while external pressures were driving costs, internal factors were driving high cost and presented a number of areas which were in fact under our control. These included, inter alia, increasing productivity, reducing costs to increase competitiveness through greater use of technology, forging a better understanding supply chain management, changing consumer habits, and practicing restraint in relation to price and income increases. He also stated that the private sector understood its social responsibility to society and would not seek to profit at its expense.

The BPSA Head also commended the Government for its decision to review the land use policy, tariff structure and VAT regime in order to determine the impact that these would have on the cost of living. He added that he was pleased about Labour's willingness to participate in measures to improve

productivity. He also welcomed the consensus to look at inefficiencies in the Port.

He invited Participants to discuss these issues in greater detail with the various BPSA representatives during the breakout sessions. Mr. Arrindell concluded by stating that this consultation would be an ongoing one as issues could not be fully resolved by the end of the day.

## **Break-out Sessions**

### **Small Business: Presenter Lynette Holder**

Ms. Holder informed the participants that more than 80% of SBA members were in fact micro companies, possessing a staff of less than 10 and generating an annual income of less than \$500,000.

The small business group addressed twelve (12) points to the body:

- The need for the creation of a Factoring Programme for funds. Those who provide services to Government and other major private sector companies can access a facility where they have funds available to them upon the completion of the work. In this way, they can manage their businesses while the designated agency deals with the government/company involved in order to collect the funds.
- The sector would like authorities to look at loans for debt consolidation and lowering interest rates. It was proposed that a Reserve Risk Pool amongst the commercial banks be set up who could lobby Government to have tax incentives for them to be able to provide these funds for debt consolidation for small businesses.
- A review of the process for paying VAT returns and receiving VAT refunds which is currently a tedious exercise and it affects the cash flow of the businesses.
- Technical assistance needs to be enhanced. The provision is arduous to access as the current State institution responsible needed to look at the process which is experiencing severe delays. Certain professionals can provide technical assistance for those accessing loans and who need this as part of their development and growth.
- Education: The programme offered by the Rural Development was lauded but it was felt that more could be done to strengthen it.
- Clustering: The need to form clusters among SMEs to help with administrative costs and the exportation of products and services. This would reduce the overhead costs and the input costs.
- Cooperatives: These need to be formed to allow persons to benefit from the sharing of costs and the provision of services in bulk.
- Procurement: Government's agreement to set aside a part of its procurement for SMEs was appreciated. She urged that macro

businesses do likewise. There is a need to look at the administrative process involved here so that it would be clear. It was suggested that BSTA should be identified as the private sector agency to assist with this.

- Small Business Status: They wished once more lobby for the application process to be revisited. The current administration of the policy does not endear SMEs to apply. The process takes too long eg 18 months. The point was made that despite having 10,000 SMEs, there were not even 100 with Small Business Status.
- Telecoms Act: To encourage SMEs to export, there is a need for a review of telecommunications to facilitate cost savings.
- E-Commerce: The development of this industry would greatly facilitate business activity.
- Business Support Organisations: Their core competencies need to be clearly defined so that stakeholders know exactly where to go to reap the benefits of their assistance.

It has subsequently been noted that the Credit Guarantee Scheme needs to be reviewed. Currently banks are approving loans for persons to access the Scheme but the Central Bank subsequently turns them down. It was suggested that representatives from the Central Bank should be a part of the initial application process.

### **Agriculture: Presenter Keeley Holder**

It was noted that no-one knows exactly how much land is available for agricultural use. Participants agreed that consensus has to be reached on what Barbados should be producing. The amount of money spent on the importation of food startled many especially when it was disclosed by the Ministry that more than 90% of the \$507M food bill was in fact spent on processed food; \$89M of which was Stoute, beer, water and rum.

The group advocated greater transparency so that Barbadians would know where money was being spent and would understand the need for restraint and adjustment in consumer habits.

Several issues were cited: the inadequate supply of water, market gluts and shortages, the high price of land, fuel and fertilizer and the lack of storage facilities for fish.

Suggestions tabled by this sector were divided into Government-led and Private Sector-led initiatives. On the part of Government, it was felt that:

- A Land Use Policy needed to be developed and it was suggested that it should include their ability to legislate the cost of agricultural land so as to arrest the current situation of it spiralling out of the reach of farmers;

- An audit be performed on the number and location of water wells especially in St. Lucy where the Land for the Landless programme is suffering due to water scarcity;
- Funding is also being sought to clean the afore-mentioned wells since farmers are generally only able to clear one or two per year because of the cost;
- They could look into the possibility of damming water and creating water catchments to assist farmers;
- They should spearhead education to include food traceability; conduct training and organise crop scheduling and crop rotation.
- Food substitution programmes should be launched to show locals what the possibilities are;
- Monopolies and cartels should be disbanded;
- The Cuba model needed to be researched to ensure food security and
- The war Act should be revisited where it was mandated that approx 12% of each person's land needed to be in agriculture.

The private sector in turn was asked to:

- Engage in recycling: e.g. fish offal and bagasse;
- Use improved technology to save water;
- Explore different methods of fertilisation;
- Improve post harvest techniques to improve longevity of food;
- Explore feed substitution e.g. the use of cassava which was done in the past;
- Coordinate their own neighbourhood watches in farming communities to reduce the incidence of praedial-larceny; and
- Invest in fisheries so that the industry would be able to bring in greater yields and explore waters to the North.

### **Construction: Presenter Keith Ifill**

Mr. Ifill mentioned the competition for land use stating that he believed that the country had 103,000 acres in total land mass.

The only factor contributing to cost was the price of imported items so the group focused on non-imported components. In doing so, they highlighted that:

- the use of modern technology for heat displacement and steel replacement in the building process would reduce cost;
- VAT reform was necessary on building materials but that this was already being looked at by the present administration;
- the monitoring of productivity of workers on projects in particular in residential housing should be carried out;
- Regulation of contractors needed to be stricter;

- The fact that a piece of equipment used to make pedestals et al had not functioned at the Polytechnic for years meant that no-one was being trained in this area which had led to the importation of certain related items;
- Government should allow for buildings higher than four floors to minimise land use;
- Incremental construction should be encouraged to lessen the burden on individuals and
- The regulation of the cost of land should be the role of Government.

It its response, the Hon. Christopher Sinckler on behalf of the Government expressed shock at the cost per square foot quoted to build a house- \$160 He was however informed by the general body that the actual cost was much higher- \$200. The Minister surmised that this had to be looked into as he found it prohibitive especially in light of the cost of land. He was particularly concerned since this would also impact on Government's ability to supply low income housing.

### **Retail and Distribution: Presenter Andy Armstrong**

Participants were assured that the sector was not treating the consumer unfairly. He said that there was agreement that information should be shared so that Government would realise that this common belief was unfounded but asked Government to appreciate that the sector comprises competitors and that protection of their individual information had to be guaranteed.

The following challenges were highlighted and possible solutions given:

- The high cost of energy could be mitigated by a subsidy for commerce or a reduction in the excise tax and a call was also made for a tripartite meeting with Government, private sector and BL&P.
- Shipping and Freight rates were also discussed and Government was asked to look at the bound rates and surcharges to ensure that the rates used are necessary based on empirical research.
- It was added that because Barbados is a one way port, freighting companies sought to make money on incoming containers. This being the case, manufacturing needed to be improved to provide a balance and that this would reduce costs.
- The group believed that customs duties should be standardised to international standards.
- It was suggested that the Duty free sector be expanded and opined that locals should be encouraged to shop at home with the ability to purchase duty free items using foreign exchange.
- The issue of the yellow lane at the Barbados Port Authority was expanded upon in this presentation and it was suggested that this is an unnecessary burden on importers because it caused an

unnecessary delay and negatively affected perishable items and should be eliminated.

The following points were also made:

- The sector, for the most part, welcomed greater competition
- It was felt that Barbadians lacked the entrepreneurial culture which is necessary and that this should be fostered and
- The Consumer Protection Agency requested that all price increases be negotiated with a degree of transparency before the final decision is made. The presenter however noted that that some of this is done through the Ministry of Commerce.

### **Energy: Presenter Mr. Weekes**

This group had a very pointed approach and listed their recommendations divided into a) short, b) medium and c) long term solutions.

#### Short Term

- Change the consumption patterns of those in the working community through a conservation approach. This would involve an education campaign undertaken by all persons (Government, companies and individuals).
- Energy efficiency programme to allow persons to know which appliances are energy efficient. It was suggested that the model in Jamaica could give some insight into a possible approach.
- Excise tax and/or VAT reduction.
- Review of the pricing mechanism since the current one is outmoded.
- Subsidy application for the more productive sectors; the manufacturers and exporters since these earn us valuable foreign exchange.
- The protection of the most vulnerable using 150kw per household as the benchmark.

#### Medium Term

- Increase in the use of renewable energy- the promotion of its usage is critical.
- Standards for appliances and equipment to ensure efficiencies in home and plant use.
- The vehicle population needs to be analysed in terms of car size and otherwise to ensure efficiency.
- The National oil company needs to boost production and it has said that it will do so towards the end of the year. The company has also indicated that it is pursuing oil futures etc.

#### Long Term

- Special consideration for the productive sectors since everything produced locally can be produced more cheaply elsewhere.

## Challenges

- The primary generator at the plant needs to be upgraded to a new type of technology and this will be a capital intensive project.
- The speed of migration of the population.

It was stated that policing and support will be needed regardless of the chosen approach to this issue of the cost of living. Mr. Weekes also mentioned that there should be a penalty for the breach of any energy conservation policy that Government implements.

## **Manufacturing: Presenter Ian Pick-Up**

Participants were advised that the sector had taken it upon itself to identify its own inefficiencies in an effort to correct them. It is hoped that this would allow them to mitigate high energy costs by saving in other areas.

The following issues were made and recommendations put forward:

- Import substitution has always been an effective policy for industrial development. It was pointed out that preference should be given to local manufacturers when it came to outfitting schools;
- The high cost of energy had impacted some and not all of the sector's players and said that those high energy companies needed to be identified and assisted by way of a short term subsidy in order to keep consumer prices down;
- Consideration needed to be given to labour and the use of more flexible hours and to the improvement of the equipment used to ensure greater productivity;
- Some manufacturers move between 10-20 containers per week and have been severely affected by the rise in the cost of fuel. The request was therefore made that the fuel subsidy be extended to the owners of these heavy good vehicles to ensure the viability of this trade;
- Handling charges for flour greatly exceed those charged for sand and other non-food items. This needs to be addressed;
- The yellow line at the Port needs to be eliminated; alternatively documents need to be perused in an efficient manner;
- Customs should not be allowed to schedule the majority of large container clearances after hours and then charge overtime for the service. Some of these payments go to Supervisors who are not even present during the operation;
- The hotel sector should be given more tax incentives if they purchase locally produced goods;
- In the US duties and taxes are applied to the FOB price of the goods that are imported. In Barbados and the rest of CARICOM, these duties are applied on CIF prices which means that the transportation charges

- are included for tax purposes. If this were changed, the impact on importers would be significantly less;
- The sector has requested that a survey be carried out to ascertain the wage levels in each sector of the economy. It is believed that this will show skilled persons that manufacturing is a viable sector and improve productivity through the attraction of higher skilled labour.
  - The school curriculum needs to be changed to educate about business and inculcate a productive state of mind;
  - Manufacturers should give each other a discount to help to reduce costs;
  - Grants are taking too long to be processed through the BIDC but this has been aired several times and this becomes particularly problematic when the funds are being sought for training to boost productivity within a firm;
  - The group urged all manufacturers to seek to export in an effort to increase sales;
  - Courier rates are prohibitive with as much as \$30 being charged for simple letters. The sector therefore believes that Government should assist in the negotiation of better rates for consumers; and
  - Tariffs need to be revised- some of the existing tariffs are applied to products that are not produced in Barbados.

The BMA advised that it would be willing to sit down with Government to discuss these concerns and initiatives.

### **Tourism: Presenter May Hinds**

The industry reminded participants that it is Barbados' most important sector in terms of foreign exchange earnings and job creation and urged Government to be mindful of this when their requests for support are being considered.

The following issues were raised and recommendations given by the sector:

- Retain the cap for the villas in the rental pool and ensure that reduced rates remain for hotels and condos;
- The use of technology as well as greater information sharing among the relevant departments would assist with tax clearance for goods;
- The sector requested a VAT-free month or two especially in Sept-Oct when the tourist season is most challenging;
- A call was made for the removal of the excise tax for water sports operators (pleasure crafts) especially since there is none for fisher folk. *The Minister of Transport intervened to say that the fishing industry has not had this tax for a long time and that it has been taken off PSVs because their fares are fixed.*

- The issue of productivity was also raised and its negative impact on building costs. It was felt that educating workers as to the importance of productivity would address this problem.
- The high cost of food could be mitigated by the use of a short term quota-based duty free concession;
- Companies that introduce energy saving methods should receive support and concessions and the Energy Audit Efficiency and Retrofit Fund, described as another piece of dormant legislation, should be revived;
- The sector is also seeking an expansion in the number of concessions contained in the Tourism Development Act and lamented that, although it had offered much relief, it was oft times difficult to access;
- The implementation of the Blue Flag Initiative could help to save our beaches which are experiencing serious erosion problems on the West Coast;
- The non-competitiveness of the tourism transport industry due to rising fuel prices;
- Insurance is needed for the cruise industry and
- The sector would like to see the introduction of the 24 hour economy as this would ease congestion in terms of the delivery times of goods.

The group requested to submit their proposal in terms of short, medium and long term issues/solutions in the near future.

## **DISCUSSION**

The forum was open to discussions when all groups had presented. The following highlights the main points raised and are grouped according to content and not speaker.

It was noted that:

### **Energy-related**

- Solar water heaters should be mandatory in condos and villas to reduce the island's energy bill- their use should be included in the Tourism Development Act;
- The Waste to Energy project is important. *Min. Sinckler mentioned that the study is being conducted and that the project would be implemented by the Ministry of Health;*
- Solar energy is being used in China and Australia to power air conditioning units and this technology should also be explored; and
- There should be an incentive for those who conserve energy in addition to the proposed penalty for those who waste it.

### **Agriculture/Agri-processing**

- There is a need for farms that produce what we have here in large quantities e.g. no breadfruit or lime farms exist. Aloe which is used all over the world has not been developed here either;
- There is a market for indigenous food and that locals are the only persons oblivious to this fact;
- Drainage patterns across the island needed to be addressed in light of the increase in urbanisation;
- Wind technology would be perfect for Barbados and the turbines could be located on farms;
- The lowering of tariffs should be viewed with scepticism because of the amount of competition between agricultural products and processed products which already exist;
- The Government should have direct control over certain commodities namely flour, rice, peas and legumes;
- Hotels can produce desalinated water for agriculture and the energy to power the plants could come from the wind turbines;
- The sector needs to be enhanced and move more into agri-processing; and
- The handling charge for bulk imports of food items needs to be reviewed since sand for example enjoys a much lower fee than wheat. It was felt that levelling the playing field would allow the savings to be passed on to the consumer. (Barbados Mills stated that this was brought to the attention of the BMA and the BCCI). **Government commended this** "very useful intervention from the monopoly".

## **Duties**

- For the most part these are too high and comprise a significant portion of the cost of the product to the consumer. **Government responded** that the issue is not to reduce duties across the board but to empirically assess which items needed protection and which ones didn't and that all sectors had to agree to work together on this. Min. Sinckler added that there is a lot of liquidity in the banking sector and wondered if financial institutions were willing to underwrite the risks of lending to small farmers.

## **Tourism**

- Taxi drivers are having an extremely difficult time with the rise in fuel prices and many are in danger of losing their businesses. This is particularly true of those who have contracts with Tour Operators. The suggestion was made that either Government allows them to raise their fares or a surcharge for fuel could be imposed as documented proof for Tour Operators so that the contracts can be re-negotiated. **Government responded** that this will be looked at closely as well as

the redistribution of work for those in the tourism transportation sector.

### **Telecoms**

- There is a need for a multi stakeholder committee to review the issues within this industry since there are several policies that are yet to be implemented;
- Competition would be fostered through the introduction of calling cards and alternative access for international calls;
- The current Interconnections offers need to be revisited;
- New players are constrained by the inability of patrons to keep their number when they change providers;
- Access to public information is needed so that consumers would be able to represent their rights; and
- The role of CBC in this modern era should be ascertained. An example of Columbus Communications whose Headquarters are here but does no business here. It has instead chosen to do business with Grenada, Trinidad and Jamaica.

### **CONSULTATION SUMMARY**

Senator Maxine McClean apologised for the absence of the Health sector from the agenda and mentioned that BAMP was represented by Dr. Durant who met with various Ministers including the Minister of Health and the Minister of Social Care.

The Senator advised Participants that there was a need to balance the demands made during the consultation. She stressed that health was the largest component of the Government's budget and that the system is extremely burdened at this time. The Senator added that as they address the cost of living, greater demands will be made on the health sector as it pertains to the provision of primary health care. She highlighted the issue of increased migration legal and otherwise and the fact that the Polyclinics were more stretched to provide their services and that greater emphasis needed to be placed on Polyclinics where the treatment of those under the age of 16 for communicable and non-communicable diseases was paramount.

In summation, Senator McClean noted that there was some degree of a plea for some level of subsidy and assistance from the Government on the part of all sectors and that she needed to introduce a note of caution. She expressed that Government would be using some of the increases in its revenues as a result of high costs to bring concessions to sectors in a targeted way.

She pointed out that the issue of land and competing demands for land were clear in both the construction and agriculture sectors and recognised and lauded the suggestion for greater use of technology because it is anticipated

that the use of hydroponics and green houses would increase productivity and the level of output. Critical to this would be initiatives at the level of the farming community to ensure that as they compete with construction for land, that they manage production in a way that smoothes out prices and minimises gluts and shortages. Government is pleased about the self-help component of the agriculture presentation.

The issue of low income housing and the cost of producing that and the suggested techniques in construction were also noted as important. She appreciated the call for the revisiting of VAT but said that in order to facilitate the wide range of service provision to the community that Government has to be very careful how this issue was addressed.

The critical issue in manufacturing goes beyond asking Government to look at duties and tariffs and streamlining the delivery of services and technical assistance and expediting the process of the times for delivery. Sen. McClean stated that it was time for players in the sector to seriously address issues of productivity in the pursuit for greater efficiencies and some of the recommendations which came out were the use of flexible working hours and the critical role of the BMA in supporting efforts to apply techniques and studies to identify areas for improvement.

The Small Business Sector highlighted the dominance of the micro-business sub-sector within the small business sector and Government noted its significance. The Senator stated that special attention needs to be paid to the peculiarities of the micro-businesses sector and the processes of graduating this sector to small and medium enterprises through technical support and the recognition of small business status. It was recognised that the mechanisms in place do not allow for the speedy approval of this status. Government will address this issue so that these entities can receive the benefits of small business status.

She noted that the impact of the current global climate on Tourism could not under-emphasised. Government is pleased to hear of efforts at joint sourcing of inputs as this demonstrates the sector's willingness to assist itself. The need for an e-commerce platform has been identified and Government has put this on the front burner because there is a great need for such a platform not only in tourism but in new business activities e.g. internet-based ones: artists, fashion designers etc. There is a need for the banking sector to prioritise this initiative.

Several challenges were highlighted within the Retail and distribution sector, in particular energy because of the sector's need for refrigeration and electricity in general and this is an issue which Government will bear in mind.

The Senator opined that unfair competition across the board needed to be addressed and that large and small players needed to get together to identify areas for greater collaboration.

## **CONCLUSION**

The presentations will provide Government with important information to work with. The Senator requested that presentations be emailed to her at [pmominister@barbados.gov.bb](mailto:pmominister@barbados.gov.bb) since this is the beginning of the process of consultation between Government and other social partners. She hoped that it would also be the beginning of consultation among sectors as it is important that we dialogue. She flagged the need to focus a lot more on what can be done within the sectors to come up with solutions in the same way that participants had been able to very easily articulate what is required on the part of Government. She closed by asking for the support of all involved as we all in turn support each other through this difficult time.