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1000's

of businesses that have benefited from our services and special programmes.

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- Penetrating new markets & developing export trade
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Barbados Investment & Development Corporation

"Pelican House", Princess Alice Highway
Bridgetown. 246.427.5350 | www.bidc.org
The Barbados Investment & Development Corporation (BIDC) is once again taking charge of services export. Government announced the transfer of the mandate for services exports from Invest Barbados to the BIDC, effective July 02, 2012.

All matters pertaining to the export development and promotion of services, with the exception of tourism-related and financial services, should now be directed to the Export Development & Promotion Division of the BIDC.

The Corporation has earmarked certain sectors for priority, namely, creative industries (fashion, film and entertainment), business development services (engineering, consulting, architecture), information and communication technology (ICT), health and wellness and education. These sectors are considered to have high potential for growth and foreign exchange earnings.

Services exporters will now benefit from the full suite of export development and promotion services which BIDC offers to manufacturing companies. These include technical assistance, advisory services, export marketing and assistance in accessing funding from other agencies.

Services exporters will now benefit from the full suite of export development and promotion services which BIDC offers to manufacturing companies.

Companies keen on accessing BIDC’s export services will be required to undergo a market readiness assessment. This is in a bid to better gauge the potential exporter’s status and determine the type and level of assistance most appropriate.
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Pressing On

Marketing Home Grown Products

New Standards

Agro Food Drive

Health and Safety Update

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The programme is continuing with favourable results.

This edition, under the theme, Approved for Export, focuses on Barbados as a producing, exporting nation. In addition to highlighting inspiring success stories, we have included coverage of issues related to trade, new market penetration and other requirements of going global.

This edition allows readers a peek into the operations of one of Barbados’ most successful export firms, Caribbean Label Crafts Limited. It also shares insights from another export giant, Automotive Arts and invites readers to celebrate with Banks Barbados Breweries in its successful launch into the UK market.

In addition to shining the spotlight on firm success, we also examine issues like meeting international standards, trade between Barbados and its free trade agreement partners with BIDC Director of Export Development and Promotion and look at Barbados’ progress in developing a National Agricultural Health and Food Control Programme (NAHFCP) that would allow the island to compete successfully in the global market with respect to agricultural produce and products. The BIDC’s efforts in developing export niches among the Diaspora communities are also included.

We’re eager to introduce new BIDC Chief Executive Dr. Leroy McClean. He shares his vision for the BIDC and local industry.

We hope you enjoy.

The BIDC, in collaboration with the UWI Department of Management Studies in the second quarter of 2011 launched an Export Readiness initiative with a view to:

- Increasing annual exports by increasing the number of companies which are actually exporting.
- Enhancing the level of management expertise available within the ranks of the SME manufacturing community.
- Increasing the number of manufacturing practitioners, who are trained and who have the expertise to conceive and execute export marketing plans.
- Providing practical export marketing experiences, to a number of post graduate students who are enrolled in management programmes at UWI, Cave Hill. It is felt that this training could increase the expertise available for the advancement of industry.

It has become increasingly evident that diversification, new sector and new product development are essential if Barbados is indeed to grow its exports. It will also require that Barbados increase its competitiveness at the sector and enterprise levels to levels comparable to that of its regional and global competitors.

Trade Shows, Expos and Conferences

BMA QUARTERLY B2B NETWORKING EVENT, NOVEMBER 21, 2012
The Barbados Manufacturers Association will host its next quarterly Business to Business Networking Event at the Harris Paints headquarters in Wildey. The format is drinks and networking on arrival. Presentation by Featured Speaker, CEO of the BIDC, Dr. Leroy McClean is scheduled for 6:15 pm followed by a question/answer period. Networking then resumes until 8:00 pm.

EFFECTIVE INTELLECTUAL PROPERTY MANAGEMENT, DECEMBER 6-7, 2012
The BIDC in collaboration with the World Intellectual Property Organization (WIPO) and the Corporate Affairs and Intellectual Property Office (CAIPO) is organizing this seminar on Effective Intellectual Property Management by Small and Medium-sized Enterprises (SMEs) at the Bagnalls Point Gallery, Pelican Industrial Park, St. Michael. The Hon. Denis Kellman, Minister of Industry, Small Business and Rural Development has been invited to be the featured speaker. The main objective of the Seminar is to train SMEs and SME support institutions in the effective management and strategic use of intellectual property, by providing a level of knowledge to participants that enables them to provide preliminary intellectual property (IP) assistance to students, entrepreneurs and micro, small and medium-sized enterprises (SMEs) on effective IP asset management to enhance the competitiveness and sustainability of the SMEs in the domestic and international markets.

Contact: Janice Forte or Mrs. Valerie Small at Tel 246 426-2300.

APPAREL SHOE & GIFT SHOW 2013, FEBRUARY 3-5, 2012
Trade Show of the Caribbean has been producing the Caribbean’s largest trade show events for over 30 years. The apparel shoe & gift show will be held on February 3, 4 and 5, 2013 within Puerto Rico Convention District.

Contact: http://www.tsc-pr.com

EXPOCOMER 2013, APRIL 17-20, 2013
Expocomer is a multi-sector trade exhibition scheduled for the Atlapa Convention Center, Panama City, Panama. The main categories of exhibits are: Foods, Textiles, Construction, Technology and Services. This is the ideal place for your company to exhibit products and services to local and regional markets, introduce new products to the market, evaluate the competition and use the Colon Free Trade Zone as a bridge to re-export products to the Caribbean, Central America and South America.

Contact: http://www.expocomer.com
New CEO On Board

Dr. Leroy McClean

Dr. Leroy McClean has been appointed Chief Executive Officer of the Barbados Investment & Development Corporation (BIDC). He took up the post on August 1, 2012. Dr. McClean, who previously served as Consul General of Barbados in Toronto, has a wealth of knowledge in science and diverse experience in academia, politics, business and the arts. He took time out during his first days in office to share his vision for the Corporation with the Barbados Business Catalyst.

Q. What prompted your decision to exit the diplomatic corps to take up the post of Chief Executive of a statutory corporation?

A. I was approaching the end of my four-year accreditation as Consul General and a number of persons suggested that I apply for the post. After some consideration of the portfolio which spans a mix of agriculture, investment and manufacturing, I thought these were areas where I could make a contribution. To be honest, not much persuasion was needed to exit the diplomatic corps. I had spent four years in that position and while I saw the job as one where I was able to do something for Barbados, it could at times be frustrating having to wait extended periods for people to react. So I welcomed the opportunity to be in a position where I could have more control over the outcome of what efforts I made towards the development of Barbados.

Q. Moving from a diplomatic profession, you will be assuming responsibility for key foreign exchange-earning sectors manufacturing and services in particular. Are you looking forward to this new challenge?

A. It’s a challenge I certainly welcome. As Barbadians we need to see and understand the value of maximizing our foreign exchange-earning capabilities. Foreign exchange is required for everything, from cars to clothes, food, fuel, medicine, the pens and pencils children use in school – everything. Therefore I welcome the opportunity to make some contribution in this regard.

Q. Manufacturing remains a vital component of economic activity but is faltering right now. Where would you like to see this sector headed?

A. I would like to see manufacturing regain the prominence that it had a few years ago and be counted as a major engine driving economic growth. If we do not manufacture and have to continue to rely heavily on imports, then we are merely consuming and are in effect only transferring wealth to somebody else or some other country. Without a tangible product at the end of economic activity, one is bound to run into trouble. I think we are already seeing that in many countries in developed world where there was an insistence on the financial services rather than reliance on a judicious mix of manufacturing and services. Manufacturing has to be seen as playing a major role in the development of the country.
Q. We have been making some inroads into services export growth. What would be your prescription to expand on that?

A. Services are indeed a key element in our development but for too long we’ve failed to recognize the importance of things Barbadian or Caribbean. Just looking at the success of some of our entertainers – Rihanna, Myles Robertson, Shontelle, Coverdrive - proves that we have something to sell to the rest of the world. Certainly no raw materials are required. Rather, all that is needed is a bit of help to build on raw talent. There is a lot of potential in the development of our entertainment, arts, film and animation sectors, for example, and we have to find a way to capture the latent talents in our people and convert that into economic activity.

Q. What areas of economic/productive activity do you consider as holding opportunities for growth?

A. That depends largely on a mix of traditional and new. We have not built on the link between industry and agriculture and we keep trying to reinvent the wheel when we have systems already in place that we can capitalize on. We have, for example, been taking sugar cane, cultivating it and processing it to make a finished product - sugar. We’ve also had some success in condiments where we utilise pepper and herbs to make pepper sauce and seasonings. But why can’t we do the same for other agricultural produce like sweet potato? Why shouldn’t we be producing sweet potato fries, sweet potato flour on a viable commercial scale and utilizing the skins and other by-products to make animal feed? Why can’t we develop our Barbados Black Belly sheep industry further by producing sheep skin leather and lamb burgers instead of hamburgers? And more than that, why instead of complaining about competition and a limited market for goat’s milk, can’t we consider producing goat cheese from the milk? If manufacturing can utilise more of the produce from agriculture, both sectors will be better positioned to make a more significant contribution to the economy.

Q. Considering your background in science and your wealth of knowledge and experience in international business, could you give some insight into how BIDC might be able to bring further gains to the country?

A. The English-speaking Caribbean currently has one of the highest ratios of Nobel laureates and I believe that, continuing in that vein, any future development is going to be knowledge-based. The paradigm for the measurement of the level of development of a country is rapidly changing. Those countries that can utilise scientific knowledge to develop new technologies and use that technology to generate wealth will be at the top of the ladder. Then there will be those that have the money to buy the technology and generate wealth…and the rest will be dependent on those two. We however have to decide where we are going to be in that scenario. We have a broad knowledge base and a high literacy rate here and we are in a position where we can develop technology. For a long time, however, we have been afraid to make a move, constrained by a culture of risk-aversion. Fortunately there is cadre of young people now who are not intimidated by technology and who don’t see themselves as different from or incapable of achieving the same things as those in developed countries. I am therefore hoping we can better utilise our scientific knowledge to move into new areas of development. Take the world of Apps for example, there’s no limit to what is possible. We however need to stop thinking that the world ends at the boundaries of these 166 square miles.

From what I’ve seen outside of Barbados I think we also need to look at developing strategic partnerships that would enable us to capitalize on emerging opportunities. We could be a lot more successful in winning business and penetrating market niches if we work through partnerships rather than third parties.

Apart from that though, one of the challenges for us is to get Barbadians to see both the foreign and local facets of investment. In the same way that investors come south and put their monies into projects in Barbados, we need to get Barbadian firms looking at investing in external ventures in the Caribbean and international market. It is certainly encouraging to see the efforts of companies like Automotive Art investing in countries like North America and Poland and we need more of that. What is required is a new thinking and our embracing the belief that we are just as capable as anybody else.

Q. Do you see the need for a change in the role or perhaps direction of the BIDC given the new challenges emerging within the trading environment and the local productive sectors of the economy?

A. I don’t see that there is a need to change the role of the BIDC. The Corporation was established to develop industry and attract investment but I think we’ve lost focus to some extent. What I do believe is that there is a critical need to get back on track.

Q. What is your personal vision for the BIDC and how do you intend to achieve that?

A. My vision for the BIDC is very simple. It is that the BIDC be seen as one of the most important drivers of growth and development of this country. That can be easily achieved by ensuring that the wealth of talent existing in the Corporation is given the scope and opportunity to see its true and full potential. The staff of the Corporation are well-trained, qualified and talented and I consider that it is my role to help them realize their true potential as a guide and a facilitator; not as a boss but as a team leader. I want to build a team that can fulfill our mandate and position the Corporation to play the role that it is capable of playing in the development of Barbados.

I certainly want to thank the staff of the BIDC for the warm welcome they have extended and the level of cooperation they have offered. I believe the environment exists and that the timing is right for us to really take the Corporation forward.
Merchandise trade between Barbados and its CARICOM Free Trade Agreement (FTA) partners accounts for less than 2% of total Barbadian trade. Exports under the Economic Partnership Agreement (EPA) have also not shown significant expansion. Statistics indicate a significant trade imbalance in most cases in favour of the partner country. The Barbados Business Catalyst examines the issues with the BIDC’s Director of Export Development and Promotion, Mrs. Sonja S. Trotman.

Q. Are you concerned any about the failure to grow exports under these agreements?

A. Yes, of course we are very concerned. Traditionally companies have been hesitant to export to new markets with trading requirements which differ from those with which they may be familiar within the region. In the case of trade with Latin America, there is the issue of language which persons may find difficult to work around. Then we have found that there are some companies operating quite comfortably within the region and not seeing the need to go after new markets. The local and regional markets may very well be satisfying their business objectives and goals. The truth is that those companies which venture outside the region are companies which see growth as a priority. These are companies with a goal of growth in mind. Government has recently taken a more serious approach at targeting Latin America, but yet, last year when we launched a new Latin America thrust, while a number of companies indicated interest in these markets, only a few participated in the fact-finding mission. So yes, we are really concerned about the failure to grow these markets, and we are working at implementing initiatives which could result in some export growth.

Q. What could possibly explain why Barbadian exports to these territories have remained minimal at best? Is it lack of knowledge on the part of our producers about the existence of possible market niches, the existence of non-tariff barriers (NTB) in the target market, cultural differences?

A. While all of the above reasons are legitimate areas of concern, the fact is that we live in a globalised world where information is readily available, and exporters must see it as their responsibility to seek out information on the target markets with reference to their products, so that the correct decisions can be taken. Non-tariff barriers may well be an issue, since they are legitimate rules or procedures which can work against imports into a country. However, exporters must be willing to address these matters as they arise and be willing to modifying procedures and products in response to market demands. In most developed countries the Sanitary and Phyto-Sanitary (SPS) and labelling requirements, while presenting some challenges for exporters in developing countries, are put in place to improve the standard of products traded, and are also designed to protect the final consumer. In an effort to effectively deal with these issues, producers must seek to become familiar with the ‘rules’ and implement these measures into their planning and production processes in an effort to gain market entry. For example, some major food retailers in the UK and North America have a requirement for the payment of listing fees.
Therefore companies which target these outlets for distribution of their products must analyse the cost of doing business in certain niche markets and early determine if it fits within their scope of operations.

Barbados' failure to penetrate new markets may also relate to a lack of effort on our part both in the public and private sector. While there may be some issues with the regulations and requirements, several producers do not see it as their role to get out there and go after new markets. While BIDC may be able to suggest and indicate areas of interest and new markets, it becomes then an issue of funding - not just funding to do market research but also financing for product research and development. Truth be told, in most instances the funding is just not there to support product development and export marketing for companies in the SME sector. There are limitations to accessing funding to do a lot of the things that are required to successfully penetrate international markets. Some producers may say that the financing arrangements are not in place, and often complain that the export financing arrangements available do not work in their favour. It is the small manufacturers especially who frequently talk about their limited access to finance. I think that is one of the biggest issues that must be addressed in an effort to see increased exports to non-traditional markets.

And then there is the issue of capacity. Even with the BIDC’s promotional initiatives, there is not a lot one can achieve unless there are companies with the capacity to supply the markets. There is a school of thought that our efforts should be targeted at helping the small companies to export, and several of our efforts are directed at this group. However, we often find that they cannot satisfy the market demands, and this may result from a range of things from the size of the order to the price being demanded for the product. As a government trade promotion agency therefore, we must find the right mix, where the large companies with the capacity to change the trade statistics are assisted, as well as the smaller ones. It is the big companies that are better poised to make the difference in export trade.

As it relates to the EPA and Barbadian exporters, I do not think it is a lack of knowledge of the agreement that limits trading with Europe. The question is, have we explored all of the opportunities through strategic market research and product development? In some of the European ethnic and speciality markets there is an interest in our products, but some companies here will tell you they don’t have the funds to manufacture at the large volumes companies there require. So it’s a working capital issue. While a manufacturer here may be able to produce a container load, when five containers are demanded they just do not have the money, and in some cases the capacity, to produce.

Q. What can be done to improve trade under these agreements?

A. In terms of the Latin American and European agreements, more investigations must be conducted to determine if we have products or can have products developed for these markets. To improve trade under these agreements, there must be more research conducted to guide our promotions and product development, as in some cases new products may have to be developed or modified to suit market demands. We therefore need companies to invest in doing their own product development and market research. Very often a lot of the companies within the sector are not, or cannot afford to spend time and money in these areas.

We at the BIDC will continue to intensify our efforts in the development of programmes that will help to change the export statistics. Efforts will have to be concentrated on education, market research to identify niches, and funding to support pursuit of new product development, new market exploration and promotion. We will continue to provide support to all exporters, but do realize that companies with the capacity to supply will have less difficulty penetrating new markets, so we must focus on helping to grow and develop companies into entities which can take on the challenges of exporting, and pursue new market niches.

Q. Is there any merit in continuing negotiations of new bilateral treaties?

A. Yes, there is merit. I believe we should continue to negotiate to ensure that we are not disadvantaged in the trading arena. While participating at this level we must also find ways of working on our own limitations as a country and factor this into the negotiation process, for consideration in the final agreement. Such agreements further contribute towards the building and development of relationships between countries. It is always beneficial to ensure that systems are put in place, even if the benefits to be derived may not be immediate but seen as long-term goals. I believe there is no limit to what we can achieve if we are systematic in our approach, with the involvement of all relevant stakeholders, working together to craft a common position as a country.
Barbados considers trade agreements as vehicles to obtain increased market access for its goods and services, at the multilateral, regional and bilateral levels. To this end, it deems of utmost importance its participation in the WTO and the CARICOM, complementing this with bilateral trade agreements. The Ministry of Foreign Affairs, Foreign Trade and International Business advises the Government on all trade policy matters and has responsibility for negotiating trade agreements and coordinating their implementation.

Through its CARICOM membership, Barbados maintains preferential trade agreements with Colombia, Costa Rica, Cuba, the Dominican Republic, and Venezuela.

Barbados' exports have also benefited from preferential market access under non-reciprocal preferential trade arrangements offered by a number of developed countries.

**CARICOM Single Market and Economy**

Barbados is a founding member of the Caribbean Community and Common Market (CARICOM) Treaty signed in 1973 (Treaty of Chaguaramas). CARICOM comprises 15 member states. Barbados is one of the five "more developed countries" (MDCs) of CARICOM, with Guyana, Jamaica, Suriname, and Trinidad and Tobago. In 1989 the CARICOM Heads of Government decided to revise the treaty of Chaguaramas to create the CARICOM Single Market and Economy (CSME), within which there would be free movement of goods, services, capital, and CARICOM nationals. The CSME project was launched on 1 January 1991, and a phased programme to revise the Common External Tariff (CET) approved (Chapter III(2)(iv)). The revision of the Treaty of Chaguaramas was completed in 2000, and Barbados enacted domestic legislation giving effect to the CSME; the Single Market became operational in 2006. The Single Economy is expected to be fully implemented by 2015.

**CARICOM/Venezuela Trade and Investment Agreement**

The CARICOM-Venezuela Trade and Investment Agreement, which entered into force on 1 January 1993, is a one-way preferential agreement granting most CARICOM exports to Venezuela preferential or duty-free access. Tariffs have been eliminated on 22% of products, while 67% of products enjoy tariff reductions.

**CARICOM/Colombia Agreement on Trade, Economic and Technical Cooperation**

The CARICOM/Colombia Agreement on Trade, Economic and Technical Cooperation was signed on 24 July 1994 and entered into force on 1 January 1995; it provides for trade liberalization and facilitation (including the exchange of preferences), as well as promotion and protection of investment. The agreement was revised in mid 1999 to become reciprocal in relation to the four CARICOM MDCs. The agreement phased tariff reductions on a list of selected products: Annex II of the agreement contains a list of products on which tariffs were eliminated in mid 1999, and Annex III a list for possible phased reduction of duties, which are already in effect. The agreement also provides for the phasing out of any non-tariff barriers. It contains its own dispute settlement provisions; disputes regarding subsidies and anti-dumping are to be taken to the WTO.

**CARICOM/Dominican Republic Free Trade Agreement**

CARICOM signed an FTA with the Dominican Republic (DR) in 1998, which provides for the mutual granting of tariff concessions between CARICOM MDCs and the DR. The agreement entered into force for Barbados on 1 December 2001. In the case of Barbados, as an MDC, the agreement calls for provision of duty-free access for all goods originating in the DR other than those set out in appendices II and III to the agreement; the phased

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1. The founding members were: Barbados, Guyana, Jamaica, and Trinidad and Tobago. Bahamas, Belize, Dominica, Grenada, Montserrat, St. Lucia, and St. Vincent and the Grenadines acceded in May 1974; Antigua and Barbuda and St. Kitts and Nevis in July 1974; Suriname in July 1985, and Haiti ratified the Treaty in 2004.
2. For information on the development of the CSME see CARICOM online information. Viewed at: http://www.caricom.org.
3. Details of CARICOM bilateral agreements may be viewed at: http://www.caricom.org/bilateral.htm.
reduction of the rate of duty on goods in Appendix II; and no duty reduction on goods in Appendix III.³ The phased duty reduction for goods in Appendix II was scheduled to start in 2000 and be completed by 1 January 2004 in the DR and in the MDCs; however, the schedule was subsequently reviewed.⁶ As at May 2008, Barbados had already completed all the necessary phased reductions as required by the Agreement. In addition to trade in goods, the agreement deals with services, investment, and government procurement.⁷

CARICOM/Cuba Agreement

A trade and economic agreement between CARICOM and Cuba was signed in July 2000, providing for duty-free treatment on specified goods agreed by both sides. The agreement outlines specific treatment for a seasonal list of agricultural products. It also provides for the elimination of tariffs on a list of products, through four annual reductions.⁸ The agreement also deals with taxation, trade promotion and facilitation, services, tourism, investment, intellectual property rights, and other topics. A Protocol for the Provisional Application of the Agreement was signed by Barbados and other CARICOM members in December 2002. The CARICOM/Cuba Trade and Economic Cooperation Agreement was incorporated into domestic law in Barbados in April 2006 and has entered into force.

CARICOM/Costa Rica Free Trade Agreement

The CARICOM-Costa Rica Free Trade Agreement was signed on 9 March 2004.⁹ The agreement, reciprocal in so far as CARICOM MDCs are concerned, provides for free trade or preferential access for a wide range of products, exclusive of sensitive products. As a consequence of the agreement, some 90% of imports from Costa Rica enter duty free (April 2006), some 4% are subject to a four-year phased reduction and 3.9% of lines are excluded from any reduction; it entered into force in Barbados on 1 August 2006. The CARICOM-Costa Rica Free Trade Agreement contains a list of CARICOM-wide excluded products for which no concessions will be made; these include a range of agricultural products, and a few manufactured goods. CARICOM products covered by the Oils and Fats Agreement is very high.

CARIFORUM/EC EPA

The EPA requires CARIFORUM to eliminate duties on 82.7% of its imports from the EC in the first 15 years of the agreement, and 86.9% after 25 years. CARIFORUM countries have a ten year moratorium on certain sensitive products before tariff reductions. A general moratorium of three years is in place for other products subject to duty elimination. Other duties and charges may also be kept during the first three years and then phased out in the following seven years. A standstill clause applies for tariffs and other duties and charges. CARICOM states will also grant the DR the same treatment they give the EC, and vice versa. CARIFORUM MDCs, such as Barbados, are expected to liberalize access to EC firms and service providers in some 75% of their service sectors. The EPA guarantees CARIFORUM countries permanent duty-free quota-free access to the EC market for its exports, with special transition periods for sugar and rice.

Canada Caribbean Technical Cooperation Agreement (CARIBCAN)

Under the Canada Caribbean Technical Cooperation Agreement (CARIBCAN), in force since 1986, products manufactured or assembled in Barbados can be exported to Canada free of customs duties under CARIBCAN. In this case, at least 60% of the ex-factory price of the product must originate in Barbados or Canada. Thus Barbadian input can be very low and the product still qualifies for duty free entry if the Canadian raw material input is very high.

Most products are eligible for duty-free treatment except textiles, clothing, footwear, luggage and other leather goods, lubricating oils, and methanol. CARICOM has also been exploring the possibility of concluding an FTA with Canada since January 2001.¹¹

Caribbean Basin Initiative (CBI)

Barbados enjoys preferential access to the U.S. market under the Caribbean Basin Initiative (CBI); this was revised in 1990 and became a permanent part of U.S. Law.¹² The United States upgraded the CBI through the Caribbean Basin Trade Partnership Act (CBTPA) of 2000, which provided additional

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5. Goods in appendix II include: coffee, sausages, bacon, pasta, biscuits, jams and marmalades, soups and broths, rum, perfumes, boxes, plastic sacks and bags, plastic tableware, crates and boxes of paper or paperboard, footwear with rubber soles, and mattresses. Goods in Appendix III of the agreement are mostly agricultural products.


preferential access; The CBTPA continues in effect through September 30, 2020. The CBTPA provides NAFTA-equivalent tariff treatment for certain items previously excluded from duty-free treatment under the CBI programme (footwear, canned tuna, petroleum products, watches and watch parts).\(^{13}\) Under the provisions of the Caribbean Basin Initiative (CBI), products made in Barbados are given complete duty-free entry into the U.S. market – provided that at least 35% of the products’ appraised value originated in Barbados. This origin requirement can be reduced to 20% if not less than 15% of the product value is represented by United States or Puerto Rican content. Barbados has enjoyed CBI benefits since June 2001.\(^{14}\) According to the authorities, some 98% of Barbados’ exports to the United States take place under the CBI.

### BARBADOS’ EXPORTS TO FTA PARTNER TERRITORIES

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* Certified by BIDC

### BARBADOS’ IMPORTS FROM FTA PARTNER TERRITORIES

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* Does not include imports of refined petroleum products

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14. For further information on the CBI, see WTO (2008), Chapter II(4)(iii).
Banks Caribbean Lager Beer and other Bajan brands are gaining increasing recognition in the UK.

The Honourable Denis Kellman, Minister of Industry, Small Business and Rural Development, and Permanent Secretary Ruth Blackman, travelled to London recently to view the increasing kudos for all things Bajan. Also in attendance was a delegation from the Barbados Investment and Development Corporation (BIDC), including Board member, Muriel Robinson and Business Development Officer Denise Lawrence.

Two action-packed evenings in London at the Barbados High Commission and the Banks Beer Launch at Cottons Caribbean Restaurant in Camden respectively, saw Minister Kellman address the companies successfully helping to export the finest beverages, food and crafts from Barbados.

“This is a momentous occasion, probably unsurpassed by any other export effort in recent history to this country,” declared Minister Kellman during the UK Banks Beer launch event. “The response to Banks Beer has been phenomenal and some would even say that it has exceeded expectations. This can be attributed to the efforts of all the stakeholders on the ground, including Mr. Peter Martin, Mr. Richard Bateson and Marstons PLC (in the UK), the Barbados High Commission and the Government of Barbados through the BIDC and other agencies. Your hard work has certainly paid off. But I think we all would agree that the biggest player in the field is Banks Barbados Breweries, which has produced a world-class product that all involved were proud to share with the rest of the world, including the people of the United Kingdom.”

The brands on display included Banks Caribbean Lager Beer, as well as a myriad of Bajan sauces, beverages, cakes and crafts under the Taste of Barbados banner. All drew plaudits from the Minister.

Richard Bateson of The Craft Beer Company, Banks’ UK distributor, said: “The Honourable Denis Kellman visited a number of supermarkets whilst in London to gain a better understanding of the UK retail sector, particularly relating to the market place that Banks Beer operates within. The Minister proved he hasn’t lost the salesman touch when he successfully sold the benefits of Banks Beer to a new Banks consumer who went home happy after taking the Minister’s advice and purchased a Banks whilst at TESCO.”

“Banks Beer is perceived as key in increasing the profile of all Bajan products, as well as the island in the UK and the EU. The uplift this offers to the Bajan economy cannot be dismissed with the potential for an influx of the all important foreign currencies,” he added.

“The launch of the lager in the UK with Tesco has satisfied the long held wish of the UK’s Bajan communities to be able to buy Banks in the UK. Banks is also crossing over into the mainstream consumers’ consciousness given the fact it is now available in over 290 TESCOs nationwide.”

The response to Banks Beer has been phenomenal and some would even say that it has exceeded expectations.”

The Minister’s four-hour tour saw him sampling a familiar mix of great Caribbean cuisine and Banks Beer in London.

Minister Kellman returned to Barbados safe in the knowledge that Banks Caribbean Lager is in the process of implementing stage two of its UK launch campaign. UK pubs Pitcher and Piano are now confirmed as being the first of what will hopefully be many pub outlets listing the lager, making the future look particularly bright for Banks.

Banks Beer’s export effort is lead by the Beverages Caribbean (Barbados) Ltd. team.
A little bit of Caribbean sunshine was enjoyed at the Barbados High Commission where the Barbados Investment and Development Corporation (BIDC) hosted a showcase of products, food, drinks and crafts from the island.

MINISTER of Industry, Small Business and Rural Development Barbados, Denis Kellman, was guest of honour at the recent ‘Taste of Barbados’ Showcase hosted by the Barbados High Commission in the UK.

A little bit of Caribbean sunshine was enjoyed at the Barbados High Commission where the Barbados Investment and Development Corporation (BIDC) hosted a showcase of products, food, drinks and crafts from the island.

His Excellency Hugh Anthony Arthur OBE, High Commissioner for Barbados was delighted to welcome over 100 guests from the Bajan community, the Barbados Tourist Board, British businesses and friends of the Barbados High Commission.

The Minister thanked the BIDC for its efforts in working to develop and maintain markets in the UK for producers of food, drink and craft brands from Barbados. Guests were treated to a showcase of the entire range of brands currently exported from Barbados and now available in the UK.

A procession of canapés based on popular Bajan delicacies, made with premium products from Barbados, kept all the guests well fed.

Popular Barbadian drinks were also on offer including Banks Beer, which is now available in certain retail outlets in the UK, as well as Mauby, Tiger Malt, Twist and Rum from St Nicholas Abbey.

Peter Martin, the manager of the Taste of Barbados project in the UK said: “Under the Taste of Barbados banner, we have developed markets and distribution for many of the popular and iconic brands from the island of Barbados.

“Initially appealing to Bajans that now reside in the UK and increasingly returning visitors to Barbados, we are now seeing Barbados products competing in markets where they are being discovered by ‘first time’ consumers from the UK.”
Minister Kellman complimented all those involved with the ‘Taste of Barbados’ project both in the UK and on the island of Barbados.

The efforts of both parties have been responsible for expansion of the Barbados export portfolio, which now includes rum, beer, soft drinks, cordials, fruit juices, rum cakes, sauces, seasonings, jams, jellies, gourmet chocolates, confectionery and biscuits.

Bajan products are now seen in retail stores across the UK and appear at some of the most prestigious trade and consumer food exhibitions.
I would like to start by explaining what we see as differences in overseas expansion strategies.

- **An Export Strategy**: When an organisation’s objective relates primarily to the home market but may include some overseas sales activity and therefore need an export strategy. For example, a dairy may sell some of its excess milk outside its home country. But its main strategic focus is still directed to the home market.

- **A Multinational Strategy**: When the organisation is involved in a number of markets beyond its home country. But it needs distinctive strategies for each of these markets because of customer demand or competition, are different in each country. Importantly, competitive advantage is determined separately for each country. For example, Toyota makes a huge amount of models: for the Japanese home market, very specialized cars with unique engines and finishes; for USA a different brand for the luxury market e.g. Lexus, higher price, absolute quality, also very large pickup trucks that are fully loaded; for the European markets, small diesel cars that are fuel efficient, and yet another for developing countries - simple, low cost cars and trucks.

- **A Global Strategy**: When the organisation treats the entire world as one market with little or no variation. Importantly, competitive advantage is based on the brands attributes alone. Examples are Apple and Luis Vuitton. Apple has very little, or no variations in their products. Apple sells exactly the same products, the only variations are in the power cords, and maybe small differences in price. While Luis Vuitton sells exactly the same products with no difference whatsoever in its price, before tax.
Automotive Art’s is a Multinational Strategy, in that we adjust our strategy based on the target market needs. However, whatever your organization’s strategy, there are a few things that I see as critical to global expansion.

1. **Plan Ahead:**
   The most important thing when considering international expansion for your business is figuring out which country or market is the best fit. First look to CARICOM where we have beneficial trading relationships and where our cultures, laws etc are similar. Then focus on other English-speaking countries as it will be the easier to understand and communicate. However, this is only one consideration, perhaps more important is to ensure that the market you are targeting will be open and hospitable to what you plan to sell.

2. **Market Your Business to Potential Customers:**
   Since it is unlikely that people will know your business in your target market, it is critical to market the heck out of it. This is where e-marketing skills will pay big dividends: Make sure your website is world class, and that your products or services look and feel world class. People respond better to visual stimulation than written.

3. **Find the Right People:**
   We all know that business is about relationships, this is even truer when it comes to going global. Personal contacts can make all the difference. Understand the culture and nuances of the country you are entering. If you have friends living in, or doing business in the country you are targeting, ask them to recommend a company or people you should talk to. I believe it the birds of feather theory, good people know who the good people are, and will point you in the right direction. E-mails can only take you so far. Websites can be deceiving. Visit the market, meet the potential customers, see their operations see how their staff interact with them, ask them for other references.

4. **Ensure Your Customer Will be Satisfied:**
   Before making a sale, do extensive market research, you better know how you will be shipping your goods and what it will cost, make sure you include duty taxes etc, everything that will be critical to the price you charge. All of this must be figured out ahead of time.

5. **Get the Strategy Right:**
   What is right for one business may not be right for yours. You need to identify the right strategy for your particular business, and test it to make sure it’s correct. Meaning try one country first, get it right before going into several.

6. **Grow at the Right Pace:**
   Make sure that your organization can support the growth both financially and structurally. Do you have the right people on your team, do you have the right systems etc.

**Bottom Line:** Going global opens up a world of opportunities. It’s time you took advantage, stop with the excuses.
That’s just a peek into the daily operations of Barbadian firm, Caribbean Label Crafts Ltd.

It’s a one-stop shop for premium quality labels, reeling out some of the biggest regional and international brands in spirits, gourmet food and beverages, cosmetics and pharmaceuticals. The Barbados Business Catalyst recently joined the Caribbean Label Crafts team on a tour of its Wildey Industrial Park property, where we got a firsthand look at the five-year, $8.5 million plant upgrade and expansion currently under way.

Managing Director, Paul Evelyn, said the investment would allow for improved operational efficiencies, with new areas of design and production technology which should result in significant growth and expansion of the business and customer base.

Operations Manager, Martin De Reus, explained that the entire plant layout would be modified to allow for better workflow. The company is now operating at its peak with three work shifts in the Pressroom being run over 24 hours, six days a week, as a means of spreading overhead costs and keeping up with workloads. Caribbean Label Crafts is constantly in pursuit of new business and new markets but this always has to be carefully matched against capacity. The upgrade will double the size of the plant and the proposed installation of two additional presses, De Reus added, will boost production capabilities.

Installation of a five-colour digital inkjet press in April last year, Evelyn said, has allowed the company to explore new market niches in the small business sector as it facilitates quick turnaround of orders and short print runs. “We’re very excited about it because it means we can now handle anything at the two ends of the scale and everything in between. We have in fact been working with the Small Business Association in helping cottage industry-type operations and small manufacturers, something that we previously were unable to do as it just was not cost effective.”

Manager of Sales and Customer service, Greg Coles, added, “We’re really hoping to get our local companies to upgrade their product packaging and we want to give them professionally designed labels. We try to focus on labels with value-added, particularly those in food and beverages and pharmaceuticals.”

He explained that with the digital press, Caribbean Label Crafts can now offer hybrid labels, made using a mix of traditional and digital printing technologies, as well as high-end finishing such as foil stamping, embossing and laminating. And so, in addition to pushing the sale of these in Barbados, he noted that they are also tackling the CARICOM market for digital printing.
Evelyn revealed that from the start of operations 26 years ago, “we recognised where our focus had to be high-end, high-quality. We concentrate a lot on innovation, research and development in raw materials, printing technologies and decoration ideas. Investments in machinery, equipment and employee training are also a part of the strategy geared at developing the high-quality stream of business.”

This certainly has proven a formula for success, distinguishing the company among Barbados’ export leaders, with 87% of its products destined for markets stretching across the English and French-speaking Caribbean, and Central and South America. It’s an operation where English, Spanish and French are spoken daily, where trading is done in local, US dollars and Euro currencies and travel is frequent. Its 110 staff are concentrated in Barbados, but sales representatives are also appointed and based in overseas territories of Jamaica, Martinique, Haiti, Puerto Rico and Trinidad. Everything from conception to finishing is done in-house at Caribbean Label Crafts. It is equipped with its own Design Studio, Pre-Press Department, and Plate-making facility, in addition to the digital and conventional printing presses.

Though it is the only local flexographic label printer, the company chief noted, “We are constantly looking to improve quality and service. It demands an awful lot of determination and hard work but we have a committed team and we have become recognised in the region for the top quality work that we do.

“We’re not the fastest and we’re not the cheapest, but we pride ourselves on quality,” he added.
Customer service has also played an integral role in growing the business, which has seen increasing competition from extra-regional firms in the US, Canada, China and India during the last four years. According to Evelyn, “economic realities are pushing printing companies to look outside of their comfort zone and we have seen an increasing number turning up on our shores.

“We have however been holding our own and continue to work closely with customers, developing and building relationships with them and providing personalised services and solutions. We recognised for example that customers want smaller orders, more frequently and more economically, and so we had to look at our technologies and gear up for that.”

With the new investments, which Evelyn said were made possible with assistance through the Central Bank of Barbados’ Industrial Credit Fund that allowed the company to borrow funding at a lower interest rate, he is confident of a better future for the company. “The packaging business will continue to be stable and we believe we will have the capacity to go beyond our existing markets. We’ve certainly proven we have the ability to do that already so that is not in doubt. We expect to be here growing our business and serving our customers for many years to come ” he said.
Automotive Art has signed a joint venture agreement with Multichem Sp. z.o.o., a manufacturer of automotive paint and ancillary products, with manufacturing facilities based in Pozna, Poland. The agreement, which was signed on July 9th, marks the conclusion of several months of intense negotiations and due diligence by senior executives of Automotive Art with one of the founders of Multichem.

Multichem currently employs a staff of fifty one, and exports to countries in the European Union, the States of the Former Soviet Union, Asia, Africa and Australia. Current Co-Founder and CEO of Multichem, Piotr Muszkieta says that he and his team are excited about the new partnership between the two organizations. In particular, Mr. Muszkieta said that Automotive Art will bring a new discipline of corporate structure and planning to the organization, as well as access to the North and Latin American markets where the company does not currently trade.

Executive Chairman for Automotive Art, Dereck Foster, is extremely optimistic about the new collaboration between the organizations. “The opportunity to buy-in and collaborate with a company like Multichem is a once in a lifetime opportunity; we are over the moon with the prospects we now have before us, and the synergies we will realize between the two companies in the short term.” He went on to say that the new collaboration had already resulted in some new product development, and that this would enhance Automotive Art’s footprint in the US. Foster was also very complimentary about the team at Multichem. He found them to be very professional in their respective roles, and they have embraced the new partnership with great enthusiasm and a view to building a stronger company in the future.

CEO for Automotive Art, Doug Armstrong, said that this deal, together with the company’s distribution and logistics company in Miami, will catapult the Group onto a truly international stage, allowing it to service markets across the globe. He went on to say that in addition to these market opportunities, Automotive Art can now control its R&D and production capabilities, which will allow the company to chart its own destiny in terms of product development and branding, and put Automotive Art firmly in control of its supply chain from point of manufacture to retail.

“I would also like to congratulate Chris Maloney, our Group CFO, Glenn Camacho, our President of US Operations, and our Executive Chairman, Dereck Foster for their tireless efforts in these negotiations, and for their contribution in securing what will turn out to be the cornerstone of our future global organization,” Mr. Armstrong closed by saying.

Automotive Art is a Barbadian owned and managed automotive aftermarket company which franchises and distributes in nearly 30 countries in the Caribbean, and North, Central & South America.
When FOROMIC XV, the region’s leading forum for supporting and financing microenterprises, SMEs, and small farmers in Latin America and the Caribbean, came to the Caribbean for the first time in its 14-year history, it presented somewhat of a challenge and at the same time, an opportunity for Barbadian artisans.

The challenge was to find an innovative way to present unconventional Barbadian craft and souvenirs to the hundreds of visiting conference delegates. The opportunity came in a window for our local artisans to showcase their work to many from across the region.

The Barbados Investment and Development Corporation (BIDC), seized the opportunity to push the work of several Barbadian entrepreneurs in the crafts and condiments sectors. And success of the initiative augurs well for the artisans whose products have now made entry into the more than 35 countries from which seminar participants originated.

Chief Executive Officer of the BIDC, Dr. Leroy McClean said “the conference served as a major platform for ‘onshore exporting’, where local companies got the opportunity to sell their products abroad. By onshore exporting what we are speaking of is being able to supply the visitors to Barbados with a wide range of locally produced goods. When the visitor buys an item, it is paid for with money that originated outside of Barbados, so in effect, we have ‘exported’ that item without shipping it anywhere.”

The BIDC was instrumental in showcasing some of Barbados’ successful entrepreneurs by organizing visits by delegates to their workshops and in selecting some of them as exhibitors during the event. The Corporation’s participation in the organisation of the crafts fair and activities for the Barbados/Caribbean Day also created further opportunities for putting Barbadian producers in the spotlight.

The stunning logo mosaic which greeted delegates at the Lloyd Erskine Sandiford Centre (LESC) from October 1-3, 2012, was also the result of efforts by the BIDC to push the work of local artisans.

The Mosaic, a medley of hand-crafted individual magnets, was conceptualized by the BIDC’s Design Advisor, Ms. Stella Hackett. She also orchestrated the design and production among the seven artisans who were required to render the Foromic logo icon in their respective media of clay, glazed clay, glass, wood, paper and fabric. The logo was created by BIDC Graphics Assistant, Mr. Paul Massiah, who explained that the iconic man at the centre represents the power of one - one country, one business, one entrepreneur, one idea.

Hackett noted that artisans for the project were chosen according to their capacity to produce high-quality items in a limited time frame, the techniques applied, materials used and designs that would allow vibrant colour reproduction. Each magnet represented the work of one artisan and one material, but together they created a dynamic network of cooperation and demonstrated the value of diversity.

The handmade paper magnets were produced by Christobel Ishmael who uses indigenous natural fibres from banana leaves, sugar cane bagasse, and West Indian Sea Island Cotton. Juliana Inniss, in collaboration with Jo-anne Johnson, opted to work with recycled Barbadian newspaper and popular tourist magazine pages for this project. Four different styled clay magnets were made by two companies: Earthworks, which employs a talented group of potters and produces functional pottery sets using whimsical designs; and Maggie Bell, a second-generation potter at Red Clay Pottery who mixes local red clay to produce a range of souvenirs, functional products and sculptures. Henderson Reece, who began his artistic career painting in oils and water colour, produced the cotton batik magnets while all of the mahogany, beech and micro-fibre pieces were engraved by Signature Graphics Inc., a company specializing in engraving Barbadian imagery onto charming wooden products. The glass magnets were created at Tropical Art Glasses which specializes in high-quality, fused glass-work that is food and dishwasher safe. Structural Systems Ltd. was also called on to build and install the galvanize structure that carried the mosaic, and Colour XL Inc produced and applied the vinyl logo around which the magnets were placed.

“An obvious lesson coming out of this for our artisans and producers is that there are market niches beyond the traditional sales avenues for craft, condiments and souvenir items just waiting to be explored and which should be pursued”, Dr. McClean concluded.
The BIDC is moving to penetrate several untapped ethnic niches within the UK, USA, Canada and Latin America. And the Barbados Network Consultation 2012 (BNC 2012) which took place August 7-10, 2012, has opened a gateway to reaching Diaspora communities in these countries.

The BIDC, as one of the main sponsors of the event, hosted an exhibitor’s booth where several companies had the opportunity to promote their locally made products and services to the Barbadian Diaspora and to establish linkages with them that will serve long term market interests.

The exhibitors included some of Barbados’ leading export firms, among them The BHL group, Armstrong Agencies, WIBISCO, C&G Star Trading, Aunt May’s, Roberts Manufacturing, Hanschell Inniss and Patisserie Flindt. Newcomers such as Coral Isle Foods - producers of an Instant Cou Cou Mix, and non-food manufacturers like Cheggins Beauty Products joined other long-standing companies like Medford Mahogany Creations to make their presence known.

The interactive showcase of freshly cooked food, cocktail drink mixes and product sampling was hailed by BIDC’s manager of Export Development and Promotion, Mr. Paul Waithe, as a success. He revealed, “A number of local manufacturers were able to attract the attention of influential persons in the retail and distribution sectors in key markets who expressed interest in their products.

Many of our clients also reported that the product sampling allowed for critical feedback regarding product taste, packaging and presentation, as well as recipe formulation.”

It is anticipated that as a result of the showcase, increased product awareness will translate into increased demand for Barbadian products in the target markets. A brochure detailing the location of current distributors and retailers in the major Diaspora market centers was made available to conference participants, many of whom were excited about the prospects of purchasing their favorite local brands overseas.

The Corporation’s efforts to penetrate the Diaspora market are largely driven through its Market Development Programs Toronto, New York and London.

Exports to the US under the Market Development Programme, came in at Bds$6.3 million for fiscal period April 2011 to March 2012 as compared to Bds$4.6 million in the previous year. This was a very positive performance by most of the 18 companies under the programme.

During that period, UK exports sales under the programme amounted to Bds$1.12 million as compared to Bds$1.09 million at the end of March 2011. Barbadian products from 12 companies, including seasonings, savoury sauces and marinades, jams, jellies, chutneys, bakery products, beverages and cordials and a board game were being promoted in the UK. Chocolates, confectioneries, Bajan cou-cou mix, and non-food products such as craft and jewellery, CDs on cricket icons and figurines are now being considered as potential products for the market.

In an effort to regain some share of the Canadian market, the BIDC sought to expand the placement of Barbadian foods in specialty stores and major retail chains there. This was in a bid to re-establish/strengthen distribution arrangements for Barbadian products in this key market. Our initiatives will continue into 2012-2013 to further expand the distribution network for Barbadian products in Canada. In particular, Nova Scotia, Quebec and British Columbia have been identified as provinces with potential.

And following the exploratory political/commercial mission to Panama and Costa Rica in which BIDC participated October 17–27, 2011, efforts are now underway to capitalize on interest expressed in those markets.
Creating a safer marketplace for consumers in Barbados continues to be the focus of the Barbados National Standards Institution (BNSI) which recently published 11 new standards.

While the documents, which are in accordance with Section 6 of the Standards Act, 2006-5, are voluntary, they offer a valuable guideline for specific commodities, processes, practices and services.

Chief Technical Officer (Specifications) at the BNSI, Fabian Scott, remarked that these standards reflected the demands of stakeholders for assistance and support in their respective fields.

Highlighting some of the products and services which now featured a standard, Mr. Scott noted that: "As Barbadian entrepreneurs and established manufacturers become more involved in the commercialisation of our tropical fruits, particularly coconut water, BNSI has put in place a CARICOM Regional Standard, BNS CRCP 2, Packaged natural coconut water to protect and assure consumers who want to purchase the product in its natural state."

"The product is becoming more mainstream with smaller producers taking the lead, but it is expected in the short to medium term that this product would begin to be exported and traded amongst CARICOM Member States and maybe further afield, as is the case with some imported coconut water products. The publication of this standard is, therefore, timely to support efforts in this emerging industry," the BNSI representative observed.

Management of energy in the industrial sector to reduce costs and improve the competitiveness of Barbadian manufacturers has also been addressed with BNS ISO 50001 Energy Management Systems. Mr. Scott revealed that "early adopters around the world who have implemented this standard can attest to reducing their energy consumption by at least 40 per cent. It provides practical guidance on how organisations can significantly reduce their energy costs."

Services, the BNSI officer noted, could also benefit from the guidance offered, and Mr. Scott acknowledged that the global economic crisis had led countries to establish new financial regulating systems. He explained that the standard BNS ISO 22222, Personal Financial Planning "seeks to establish a benchmark for individuals who provide the professional service of personal financial planning"; while the thrust towards adopting a Green Economy would be supported by BNS IEC/TS 61836 Solar Photovoltaic Energy Systems, which "was published to support those in the solar photovoltaic energy industry by consolidating a glossary for experts' common understanding.

"It is expected that this vocabulary would result in the reduction of incidence of misunderstanding of persons in the solar photovoltaic industry and result in a common body of knowledge," the Chief Technical Officer said.

One standard which he believes would be especially welcomed by businesses and customers alike, however, is BNS ISO 10002 Guidelines for Complaints Handling in Organizations. Mr. Scott explained that "this standard proposes to significantly reduce the incidence of complaints handling by offering: a structure for dealing with complaints; forms and procedures that are useful for handling complaints effectively; and processes for follow-up and tracking of the handling of complaints by the customer."


Additional information on standards may be obtained by contacting the BNSI at 426-3870 or visiting the website, www.bnsi.bb.
Barbados is making progress towards the development of a National Agricultural Health and Food Control Programme (NAHFCP).

The project will drive the domestic export thrust within the international market by ensuring that Barbados can compete successfully in the global market with respect to agricultural produce and products.

Dr. Beverley Wood, Project Co-coordinator of NAHFCP, speaking during a recent press conference to give an update on the project, revealed that a policy paper has been prepared as well as a draft bill which outlines the responsibilities of the various competent authorities to be involved. An institutional strengthening plan has also been developed in addition to a business plan, with economic and financial analyses.

Minister of Agriculture, Food, Fisheries and Water Resource Management, Dr. David Estwick, in officially announcing the initiative back in 2011, underscored the value of such a programme, noting that it was necessary to “support and safeguard animal, plant and human health in the conduct and facilitation of trade”.

“A modernised Agricultural Health and Food Control System will ensure that the food being consumed in Barbados, whether produced locally or imported, is safe for consumption. It will also ensure that the inputs into agriculture and the food manufacturing industry are of good quality. Barbados then, like any other country with a modernised system, will be able to market its produce on the international market, Dr. Estwick explained. The Minister added that another major benefit of such a system was the provision of preventative measures at all stages of food production and distribution, rather than merely inspection and rejection at the final stage.

“In this way, potential hazards and unsuitable products can be identified earlier along the chain, at the point of infection or contamination,” he noted.

Dr. Estwick said the programme would also facilitate oversight of all aspects of agricultural health, food safety and quality, including the roles and responsibilities of all stakeholders in the food chain such as farmers, fishermen, food manufacturers and operators, regulatory agencies and consumers.

The objective of the NAHFCP is to enhance the competitiveness of the local agricultural and fisheries sectors by raising the National Agricultural Health and Food Control System to international safety standards. It is being funded through an investment loan from the Inter-American Development Bank of US$20 million and US$8 million from the Government of Barbados.

The four-year funded project will consist of two components: Establishment of the institutional, legislative and regulatory framework of the National Agricultural Health and Food Control System, and the creation of the National Agricultural Health and Food Control Agency. The second will involve upgrading the agricultural health and food safety laboratories and related facilities, as well as providing adequate inspection and quarantine facilities at the air and sea ports.

In addition, the NAHFCP seeks to tackle issues such as outdated legislation, multiple jurisdictions and weaknesses in surveillance, monitoring and enforcement by employing a multi-agency approach. This will involve the Ministries of Agriculture, Food, Fisheries; Industry and Small Business Development; Health; and Trade and Commerce joining forces to manage issues related to the National Agricultural Health and Food Control Programme. The lack of an up-to-date regulatory framework governing food safety and animal and plant health, has hampered Barbados’ ability to grow exports. Sanitary and Phytosanitary (SPS) and food safety issues were identified as a major impediment to the expansion of exports from Barbados to the European Union (EU). According to representatives from the Economic Partnership Agreement (EPA) Implementation Unit in Barbados, “this is not so much on the EU side as it is on the Barbados side”. This was attributed to “the failure to enact modern legislation” in areas that would make Barbados-produced products acceptable in EU markets. It was argued that once legislation and the necessary facilities were in place, then Barbados would begin to see trade in agro-processed and agricultural goods.
The food safety and SPS challenges faced in Barbados and the Caribbean do not simply relate to the legislative framework for food safety and SPS controls. Although getting this basic component right is essential, critical constraints are also faced with regard to:

- investments at the enterprise level, to ensure the necessary compliance with the required SPS and food safety standards;
- establishing the necessary infrastructure for testing and verifying compliance; and
- the establishment of effective systems of public sector controls to verify and certify compliance with SPS and food safety standards.

This constitutes a substantial agenda for support. Given the size of financial allocations, it is unclear whether existing projects under preparation assist potential exporters in addressing all of these constraints on exports. Any shortcomings in food safety compliance - whether at company level, during testing in certified laboratories, or in public sector verification systems – can lead to the disruption of exports.

Sanitary measures are concerned with the life or health of humans or animals; phytosanitary measures are concerned with plant health. All SPS measures have the common purpose of protection — human, animal or plant life or health - against certain specified risks.

SPS measures take different forms and include any measure applied to protect:

- animal or plant life or health against entry, establishment or spread of pests, diseases, disease-causing organisms, etc.;
- human or animal life or health against risks from additives, contaminants, toxins or disease-causing organisms in foods, beverages, etc.;
- human life/health against risks from diseases carried by animals, plants or their products, or from pests; and
- prevent or limit other damage from pests.

Dr. Wood, in a recent presentation titled Overcoming Barriers to Trade Through a Modern Agricultural Health and Food Control System (AHFCS), reported on the shortcomings of Barbados and also outlined requirements for the EU and USA markets.

**Shortcomings of Barbados’ AHFCS:**

- System is fragmented resulting in gaps and overlaps;
- Legislation is dated, has several gaps and in some cases not in line with international norms. For example, there is no legislation that provides the Senior Veterinary Officer with regulatory oversight for meat inspection;
- Responsibilities are vested in many ministries with no formal mechanisms for collaboration;
- No regulatory requirements for the implementation of food safety management systems (for example Good Hygiene Practices (GHP), Good Manufacturing Practices (GMP))
- Inspection programmes need to be improved;
- No written protocols that ensure consistent and accurate inspection decisions;
- Monitoring and surveillance programmes are inadequate;
- No comprehensive and consistent monitoring of food at all aspects of the food chain;
- AHFCS not risk based;
- Laboratory services not accredited for the tests they conduct.

**EU requirements for imports**

- The national authority must be able to demonstrate before approval is considered:
  - The animal health situation of the country;
  - Provide rapid and regular information on certain infectious or contagious animal diseases;
  - Effective legislation on the use of veterinary medical products;
- An acceptable programme for the presence of certain substances and the residues thereof in live animals or animal products for export;
- Veterinary services are capable of enforcing the necessary health controls;
- Effective measures exist to prevent and control certain infectious and contagious diseases;
- Processing establishments satisfy EU requirements;
- Competent authority which is responsible for official control throughout the production chain from farm to fork;
- Competent authority must have the power, structure and resources to implement effective legislation and guarantee credible certification of hygiene conditions throughout the production chain;
- Country must satisfy an on-spot inspection by the Food and Veterinary Office.

**USA requirements for imports**

- Food Safety Modernisation Act (FSMA)
  - Onus on importer;
  - The importer must verify that the food is produced in compliance with USA requirements;
  - Food facilities registered biannually in the USA;
- The importer must know the safety risks of the country and the food;
- The importer must ensure the food safety programmes, systems and standards of the country of origin of the food are adequate to ensure food safety;
- Registered facilities must conduct hazard analyses and develop and implement written preventative control plans;
- Registered food facilities must maintain records including copies of hazard analyses and preventative control plans, and other records to assist in tracking and tracing high risk foods;
- Food testing to be conducted in accredited laboratories.
In 60 seconds, Facebook users share 684,478 pieces of content, brands and organizations receive 34,722 “likes”, Twitter users send over 100,000 tweets and 48 hours of video are uploaded to YouTube (Investors.com).

This is just a snapshot of how much data is generated with social media. Once upon a time social media channels like Facebook and Twitter were frowned on in the business world because it was thought that employees would waste time and consume valuable network resources while accessing them.

However, fast forward several years later and social media has evolved to be an integral part of our society. By now you may be asking yourself what social media is. If this question was asked to 100 different people, I guarantee you’d receive 100 different answers.

Social media allows people to interact with each other by sharing information, ideas, pictures, videos and other content via micro blogging or social networking websites (Merriam-Webster).

When used correctly it allows a business to reach customers in ways which weren’t possible before. You can establish new sales leads, engage customers, institute an additional layer of customer service, promote a brand and use it for recruitment purposes. Companies such as Dell and Starbucks have successfully used social media to increase their sales and to give their customers a voice in product development.

In order to be successful, channel owners should constantly engage their audience by asking questions, encouraging participation, responding in a timely manner and making sure all content published is relevant. Additionally, channels should also be analyzed on a regular basis to ensure they are performing as expected and to identify any potential advocates or threats to the business brand.

Despite the fact that a channel may not have a “direct” cost attached to it, it requires a significant investment in time, preferably by a person who has been trained in social media and who knows the company well. Setting up a channel may take as little as 20 minutes, although managing it on a daily basis is more demanding. Companies generally underestimate this investment which results in poor management and contributes to disgruntled customers or employees publishing negative content, which may lead to bad PR if not handled promptly and correctly.

Most email marketing programs designed to increase sales or promote brand awareness are easily measured. However, not all social media channels offer the same measurability. Facebook in particular has begun offering useful insights which allow businesses to examine a wide range of content which includes demographics, page views and the average number of likes or comments. While these tools are helpful, there is still no clear link between social media participation and buyer behavior. This creates a challenge when measuring Return On Investment (ROI).

To reap benefits from social media, a company should have a clear social media strategy. This should include information such as goals, objectives, metrics, reporting and analysis methods, intended audience and the risks associated with setting up a social media presence. Moreover, careful consideration should be given to ensure the right social media channels are targeted, e.g. Twitter, YouTube, Facebook, and so on.

Helpful websites to get you started:
http://www.pcworld.com/article/246757/five_tips_for_your_2012_social_media_strategy.html
(Five Tips for Your 2012 Social Media Strategy. PCWorld)

(4 Ways to Master Social Media Marketing. Inc.)

“We don’t have a choice on whether we do social media, the question is how well we do it” - Erik Qualman

Ashish Uttamchandani, MBA, is Team Leader for a leading ICT company in Barbados.
Are you a “Dollar for hour” salesperson posing as a service professional?

What is your real product - services or hours? Solutions or time? From doctors to reflexologists, dentists to podiatrists, coaches to dog trainers, most healers, fixers or ‘information sharers’ I have met are selling time. Last time I checked time was totally free. No wonder with all their good intentions to help transform, repair and heal, many service professionals hit a barrier when something like a downturn in the economy occurs. When money is tight, people need to see what they are paying for. That’s why some people even put off important medical appointments when they are low on cash.

So what can service professionals do? After all, the irony is that hard times are the exact times when people need care, maintenance and certainly healing from the worst effects of stress.

My personal and business philosophy is that you must seek first to serve people. I am not talking about a mere delivery in exchange for ‘thank you’ or a cheque. I am suggesting adding value that means something to your clients. This means that delivering the service is not enough, but that how and why you deliver must be noticed and felt by the client.

You may argue that you already do all of this yet people are not hiring you. There are good reasons for this phenomenon so let’s break them down step by step. Solve these issues and sell irresistible solutions instead of your time.

YOU HAVE NOT CONSIDERED “WHAT MAKES THEM BUY IN THE FIRST PLACE?”

People will pay for stuff they want right now. So your job is to create services that answer those immediate needs. Will people pay for it in the form in which you choose to deliver that service? Do they want time or do they want packaged solutions? Remember, any service can be reproduced.

Does your client recognize they need your service? While your client may need your service, they may not realize that they need it. This means you need to deploy two tactics:

1. **Listen to your client and decipher their wants from their needs. Figure out how they are related.**
2. **Once you have that figured out, then speak that language whenever you are interacting with your prospect in person and through marketing media.**

1. **Create What Clients Want.**
   a. Create solutions reflecting their wants and then as a responsible professional, guide them to their needs. For example, I know that my clients need to get unstuck from stressful jobs and they fear that becoming an entrepreneur means a lower lifestyle level. I also know that they want freedom from worries and tested income strategies to accomplish their goals. So as a professional I have to prepare programmes that first answer their wants and ultimately their needs.

2. **What Clear Benefits Will People Get?**
   a. My coach always harps that “nobody cares about the process you use to get the job done”. For example, resist explaining your dog-training process. Instead, state the benefits. Your client wants to know that their dog will sit when asked and their friends will be impressed by a very obedient dog.

3. **Are You Good at What You Do?**
   a. Since your leading goal is to serve your clients and because you are being paid well to do so, you must be good at what you do. Clients expect it. But there is more. You must actually care about being on top of your game. Truly serving our clients is incompatible with the theory that you just have to be a good marketer.

Cheryl Gittens is a Lecturer (UWI), Master Executive Life Coach, Business Coach and founder of Connect With Your Passion Coaching. Visit www.connectwithyourpassion.com or reach her on 1-243-3853 or 1-301-45-85-485.
EXPORT FINANCING

Export financing is often a key factor in a successful sale. You should therefore become familiar with the various government programmes − loans, guarantees, insurance grants designed to help your company finance its export transactions - and acquire the capital needed to carry out its export operations.

**EXPORT CREDIT INSURANCE SCHEME**

The Export Credit Insurance Scheme was established to promote and facilitate the growth of Barbados’ manufactured exports. Export credit insurance provides the exporter with protection against not only unforeseen losses in export markets, but also against recourse by commercial banks to recover unpaid pre-shipment or post-shipment credits. This Scheme provides insurance cover against losses as a result of the non-payment for Barbadian exports by foreign buyers and offers a number of facilities. Under the Scheme, four types of policies are available: the Global Shipments' Policy, the Specific Shipments' Policy, the Contracts' Policy and most recently, the Services Policy, which covers such areas as technical and professional contract services, royalty payments, patent fees, aircraft and dry dock repairs.

Exporters who have export credit insurance cover are able to:
- enter into new markets aggressively;
- offer more liberal payment terms to present and potential buyers;
- be more competitive in the international market; and
- obtain liberal discounting facilities from commercial banks.

Without the protection of export credit insurance, export losses could have serious consequences for the exporter.

To obtain an Export Credit Insurance Policy the exporter is required to submit a proposal on the prescribed form to the Central Bank. The proposal requires the exporter to describe the goods to be insured and the countries to which they will be exported, the value of exports for the ensuing year and the respective terms of payment. After processing the proposal, the Central Bank will send an Offer of Insurance Cover to the exporter. On confirmation by the exporter of acceptance of the offer, a policy will be issued.

**ENHANCED CREDIT GUARANTEE SCHEME**

The Central Bank of Barbados established an Enhanced Credit Guarantee Scheme for enterprises in the foreign exchange-earning sectors, under the following terms:

Any credit institution desirous of participating in the Scheme may apply to the Central Bank to do so and, upon approval, provide credit facilities to eligible borrowers.

The borrower may be an individual, partnership, a corporate body or an association of individuals, and must have the ability to contract loans and other credit facilities. To qualify, the borrowers must meet the following criteria:-
- The enterprise must be in the foreign exchange-earning sectors, or be a direct supplier to an enterprise earning foreign exchange.
- Sales in foreign currencies must be at least 75% of gross revenue, or at least 75% of gross revenue must be supplied to enterprises earning foreign exchange.

Under the scheme:
- Credit facilities to be guaranteed shall be the net amount of new credit advanced to the enterprise.
- The maximum amount of credit facilities to be guaranteed shall not exceed 80% of the loan from the credit institution or BDS$2.0 million, whichever is lower.
- Guarantees may be provided for working capital facilities up to a maximum maturity of three (3) years.
- Guarantees for medium-term facilities may be provided up to a maximum of ten (10) years.
- Credit facilities which may be guaranteed include demand loans, term loans, overdrafts, discounts, letters of credit, acceptances, payment guarantees, tender bids and contract bonds.

**EXPORT FINANCE GUARANTEE SCHEME**

The Export Finance Guarantee Scheme is designed to enable exporters to obtain liberal finance facilities from their bankers for the production of goods for export. The Scheme offers both pre-shipment and post-shipment coverage. Pre-shipment coverage is provided in respect of any credits granted by a commercial bank to an exporter for the purpose of manufacturing, processing and/or packaging of goods for export against a firm contract or agreement of sale with a foreign buyer. Post-shipment coverage is provided in respect of any credits granted by a commercial bank to an exporter through the purchase, negotiation or discount of export bills relating to the shipment of goods out of Barbados under contract or agreement of sale with a foreign buyer. Evidence of a firm contract or agreement of sale with a foreign buyer is required. Under an Export Finance Guarantee the following risks are covered:
- Failure of the exporter to repay the guaranteed debt due to insolvency.
- Non-payment by the exporter of the guaranteed debt due to protracted default.

Export manufacturers who require export finance guarantees to finance their export orders and/or export receivables should inform their commercial banks of their requirements and request them to obtain the necessary guarantee facilities from the Central Bank. Export manufacturers should supply commercial banks with copies of their export orders and all relevant financial information concerning their operations.

Export credit insurance is a prerequisite for obtaining export credit guarantee facilities.

**EXPORT REDISCOUNT FACILITY**

The Central Bank has sponsored this facility to assist in the promotion of non-traditional exports from Barbados. It will allow exporters to obtain export finance at minimum cost. All commercial banks operating in Barbados which maintain a reserve account with the Central Bank are eligible to participate. All exporters who possess bills receivable for the exportation of non-traditional goods, wholly or partially manufactured in Barbados, are eligible to participate in the facility. The Central Bank reserves the right to impose discount limits for individual exporters. Only bills with credit periods not in excess of 180 days will be considered for rediscount. Advances against sight bills will be considered upon request.

For further information on these programmes, please contact your banker or the Export Credit Insurance and Guarantees Department of the Central Bank of Barbados. Visit their website at http://www.centralbank.org.bb/
All food manufacturers exporting their product to the USA are required to renew registration of their facilities with the United States Food & Drug Administration Department (USFDA) in accordance with the new Food Safety Modernization Act (FSMA).

By the same token, any new exporters desirous of exporting food products to the USA must complete the registration process as well. Registration can be completed online as well as on paper — Form 3537; however, online registration is being encouraged by the USFDA. It is anticipated that the process should take approximately 20 — 30 minutes.

The window of opportunity for registration runs from October 1st — December 31st, 2012. The online facility will only be available during this time. Any attempts to register before October 1st will be unsuccessful. According to the USFDA, a specific window will be opened on their webpage for renewals at www.fda.gov under the “Food” header at the top of the page. If it is not obviously apparent under this tab, then you may find the renewal link under the “Food Safety Modernization Act” in the same Food header. Note that a company may already have an account number and password by virtue of having been registered previously with the Department. In this case, simply log in and update the existing information. If companies cannot remember or are unsure of their account numbers, they may call the FDA Help Desk at Tel. 1 (305) 575-0156 and answer some security questions in order to obtain the information. Registration thereafter i.e. renewal of registration, will have to be completed on a biennial basis, i.e. every two years. The next renewal date will therefore be October 1st — December 31st 2014. There is no renewal fee unless a private agent is contracted by the company to renew on their behalf, in which case the fee will be privately negotiated.

Email queries may also be made at email furls@fda.hhs.gov.

Local producers now have a firmer grasp on the ideal health and safety regimes required in today’s work spaces. This is as a result of a recently hosted Seminar/Workshop entitled “Industrial Health and Safety”.

The BIDC, in association with the UWI Department of Management Studies, designed the event to sensitize manufacturers and exporters on the health and safety requirements in today’s very competitive and yet environmentally sensitive marketplace.

Among the topics covered were: Importance of safety and health; Recognizing, preventing and controlling hazards in the workplace; Developing a jobsite safety and health program for small business - including worksite analysis, hazard prevention and control, and employee training; Role of management and employee involvement in creating a safety culture and Professional and ethical responsibilities regarding safety in industry.

The main resource person was Ms. Kerry Ann Jagassar, an Associate of the highly respected international firm ENVIRON, a US company, based in Massachusetts. Presentations were also made by Barbadian Occupational Health and Safety Specialist, Mr. Anthony Roachford.
Prime Minister Freundel Stuart opened Cell 4 of the Mangrove Pond Landfill at Vaucluse, St. Thomas, in July. The BDS$25 million sanitary engineered facility forms part of Government’s BDS$377 million integrated solid waste management programme.

In his address, the Prime Minister said that Barbados had come a long way in the area of waste management. He indicated that the commissioning of Cell 4 was another component of the green economy and represented another chapter in Government’s continued efforts to “realise a cleaner and greener Barbados” in a “safe and sustainable manner”.

“This newly constructed landfill at Mangrove is just one aspect of my administration’s continued commitment to the development of a green economy and a green society in Barbados. The green economy represents the key developmental path for our small island developing state and is deeply rooted in the ethos of sustainable development based on the three key pillars of economic, social and environmental sustainability,” he noted.

In addition to Cell 4, Mr. Stuart announced plans for the construction of a green energy, mass burn complex at Vaucluse that would generate electricity by converting the bulk of the waste that was currently disposed at the Mangrove Pond Landfill into energy. He explained that it would utilise wind and solar energy resources and would have a gas-to-energy component that would harness many of the harmful greenhouse gases produced by the landfill.

“These facilities will complement the already existing Mangrove Pond Landfill and the waste management facility known as Sustainable Barbados Recycling Centre, which is responsible for more than 70 per cent diversion of waste by weight to the landfill. Further, the local production of biodiesel, though still in its early stages, has the capacity not only to offset our dependence on fossil fuel and reduce our foreign exchange risks in that respect, but also to offer an environmentally sound alternative that would be kinder to the environment and reduce our potential contribution to the causes of climate change,” he stated.

Prime Minister Stuart also expressed the hope that the private sector would continue to play a key role in the development and expansion of waste recovery, recycling and reuse, including the conversion of waste to energy.

He said that although this country depended on such traditional sectors as tourism, agriculture, manufacturing and international business for its foreign exchange earnings, there was a need to diversify. Mr. Stuart noted that there was an emerging recycling sector that had enabled the country not only to eliminate various items from the waste stream, but also to earn valuable foreign exchange from exports.

“... As you are aware, our fuel bill represents the heaviest demand on our foreign exchange. Fuel is, of course, essential for the generation of electricity, the manufacture of goods, and for the transportation of goods and people. Taken together, these three development oriented activities account for over 80 per cent of our fuel consumption. We must, therefore, aim to diversify our energy resources to include more renewable and sustainable ones”.

The Prime Minister told those gathered that matters related to the environment were at the centre of the decision-making processes as far as the creation of a green economy was concerned. Furthermore, he said that it was essential to aim for some kind of equilibrium in the green economy and that could only exist if the three core pillars - economic, social and environmental sustainability were in balance. “When any one of these makes disproportionate progress at the expense of the other, the equilibrium is disturbed and the ideal of the green economy is put severely at risk,” he added.

Making reference to the recently concluded Rio+20 summit, Mr. Stuart emphasised that this country needed to forge innovative partnerships, locally, regionally and internationally, to arrest the harmful effects of climate change and because of Barbados’ small size and resource limitations, it had to pursue a greener path to economic development. (BGIS)
Modern business is global and demands people travel to foreign countries and mix with foreign clients, colleagues or customers. Each one of those cultures will also have their own etiquette rules, many of them unwritten. When two or more different cultures mix, it is easy for small etiquette mistakes to be made that could have negative consequences. Not understanding the etiquette of another culture can and does lead to soured relationships, lost deals and in the end poor business results. The Barbados Business Catalyst explains the etiquette behind business dealings with Costa Rica.

Language
An increasing number of Costa Ricans, particularly in business, are bilingual. However, knowledge of Spanish and some important moments in national history are viewed very positively. Costa Ricans call themselves Ticos (TEE-kos).

Greetings
Well-acquainted business associates and friends often greet with a kiss on the cheek (male-female, female-female). Touch cheek-to-cheek and kiss the air, being sure to make the smacking kiss noise well-audible. Male business associates shake hands, sometimes using the other hand to pat the other’s arm or shoulder if the relationship is close. Abrazos (hugs) are typically reserved for good friends and family. The handshake, particularly between men, is very important in showing solidarity and friendship, and it is used with great frequency. Handshakes are not only for first-time meetings, but should be used each time you meet a friend or business partner, and upon leaving as well. Titles are important and should be included on business cards. Address a person directly by using his or her title only. A Ph.D or a physician is called Doctor. Teachers prefer the title Profesor, engineers go by Ingeniero, architects are Arquitecto, and lawyers are Abogado. For persons who do not have professional titles it is common to call a gentleman Don (plus his first name) and a lady Dona (plus her first name). This is how children and subordinates refer to adults, and it is a sign of courtesy for people doing business with each other to refer to each other in this way unless otherwise requested by the person you are addressing. Most Hispanics have two surnames: one from their father, which is listed first, followed by one from their mother. Only the father’s surname is used when addressing someone. For example, address Senior Jose Alvaro Sanchez as “Senior Alvaro,” using only the last name inherited from the father. In this case Alvaro is his father’s name, and Sanchez is his mother’s.

Behaviour
Making a fist with the thumb sticking out between the middle and an index fingers is obscene. This gesture is known as the “fig”. Don’t put your feet up on any furniture except items expressly designed for that purpose. Fidgeting with your hands or feet is considered distracting and impolite.

Business Cards
Business cards are printed in both English and Spanish.

Business Attire
Costa Ricans take pride in their appearance and dress formally. A well-groomed look is important in establishing credibility and respect. A suit and tie are appropriate for men, but in warmer climates, such as on the coast, a jacket is optional. Women wear a dress or skirt and a blouse for formal meetings, but pants are common as well. Costa Ricans are much more formal and serious than other Latin Americans. Therefore, keep jackets on during business meetings.

Appointments & Punctuality
Advance appointments and courtesy are appreciated. Make appointments in advance by mail, fax, e-mail, or phone, and re-confirm by phone before your arrival. Costa Ricans, as with other Latin Americans, have a more flexible attitude toward time, particularly concerning social gatherings. A delay of 30 minutes is not unusual. However, concerning business meetings and events, Costa Ricans are by far the most punctual people in Central America. You are expected to be on time for appointments. This is especially true for lunch meetings, as Costa Ricans generally take short lunch breaks, and don’t participate in any sort of siesta, or midday nap. Most business entertaining takes place in the evening, since lunch is the main meal of the day. Spouses are welcome at business dinners. Don’t expect meetings to finish on time, however: It’s polite to indulge in a bit of personal chit-chat before diving into business, perhaps followed by an impromptu lunch. It is preferable to have some knowledge of Spanish, although many locals speak English. Best months for business visits are November and December. Avoid the last week of September, which is the end of the financial year.

Business Proceedings, Negotiation and Conflict
Initiate the conversation with small talk. When engaging in even the most daily and routine interactions, it is important not to get to the point too quickly. Costa Ricans appreciate being asked how they have been and about their families, especially if they have children. It would also be relevant to engage in small talk about the beauty of Costa Rica, as this is something they take great pride in, along with their peaceful history as a country. While Costa Ricans acknowledge the country has many imperfections, any comments that could be considered critical of the country are not taken lightly. Due to the political stability, politics are often freely discussed. Good conversation topics: children, history, art. Bad topics: any personal criticism, religion. Relationships are a key element in negotiations. They are often all about who you know and are connected to. Establishing connections can make a big difference. Even by knowing family members or knowing that a person is someone’s cousin, uncle, or aunt can help you get things done. In general, business negotiations proceed slower in comparison with North American culture, and a direct approach may not be viewed as favorably as one that is more indirect and political. Costa Ricans value “playing well with others” highly, and go to great lengths to avoid conflict. Foreigners who argue aggressively, raise their voices or directly criticize others are seen as socially inept or offensive and best avoided. Stay calm in negotiations and couch disagreements in such a way that the other party can save face, and your diplomacy will inspire further cooperation. Risky ventures rarely go over well in Costa Rica, so take time to discuss any safety nets backing up your business plan. Impatience is widely viewed as a weakness and can sometimes lower your credibility.

Gift Giving
Gifts are frequently exchanged on all kinds of special occasions. If you are invited for dinner at a home, a gift of wine, scotch, flowers or sweets is always welcomed. Flowers such as roses or carnations are appropriate, but avoid calla lilies, which are associated with funerals.
Barbados is forging ahead in negotiating a number of Double Taxation Agreements (DTAs) in order to strengthen its international business sector, with the most recent additions being Bahrain, Qatar and Singapore.

Minister of International Business and International Transport, George Hutson, said that the Qataris were excited about visiting and investing in Barbados, after having signed a number of DTAs.

Speaking during a cocktail reception to mark the start of International Business week, the Minister said: “I am hoping that they [Qatar] will have a delegation in Barbados during the course of November at which time we could have the formal signing of the agreement so it can come into effect,” he said.

He added that discussions were also ongoing to explore the possibility of establishing an air service agreement between Barbados and Qatar. “So the opportunities are there for business, and certainly it creates the environment for the local business sector to take advantage of,” he noted.

Mr. Hutson reminded members of the international business sector that the promised Private Trust Companies’ legislation would be taken to Parliament today, while the Foundations legislation was expected to go before the Lower House before the end of this session in December.

“That legislation is going to be significant because it opens up the opportunities that we have for investment within the Central and South American markets,” he said. The Minister explained that the South and Central Americans’ legal systems were based on civil law as opposed to the common-law legislation that existed in Barbados. “The Foundation legislation and the Trust legislation creates the sort of vehicle that persons engaged in the international business sector in Barbados should be able to take significant advantage of that particular initiative going forward,” Mr. Hutson underlined.

He noted that when Barbados lost its advantage with the Canadians over other jurisdictions like Bermuda and the Cayman Islands, practitioners in the industry were forced to look outside traditional markets.

Barbados and China have pledged to strengthen the already good relations that exist between the two countries. Minister of Finance and Economic Affairs, Christopher Sinckler, and Chinese Ambassador, Xu Hong, gave this assurance during a meeting at Government Headquarters recently.

Mr. Sinckler emphasized that government was committed to the One China Policy and lauded the collaboration with the Asian giant on a number of substantial projects such as expansion at the Barbados Community College and the construction of the Cheapside Public Market.

“I want to take this opportunity as the leader of the Ministry of Finance, to thank the Government and people of China, for their continued support and development assistance to Barbados. We cherish those relations and we remain committed as a people and a government to the One China Policy, and that has guided our policy since the 1970’s when we established diplomatic relations with China,” he added.

In turn, Ambassador Hong also praised the long-standing relationship with the country and expressed the hope for an even closer working relationship on new projects.

“We can cooperate in other areas such as climate change, the development of renewable energy and we also want to encourage Chinese enterprises to come to Barbados and invest. If there is an idea that the country wants to explore, China is willing to provide the assistance because we see this as a very important aspect of our diplomatic relations,” he underlined.

EMPLOYMENT IN MANUFACTURING SECTOR AT JUNE 2011/2012

<table>
<thead>
<tr>
<th>Sector</th>
<th>June 2011</th>
<th>June 2012</th>
<th>Net Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food, Beverages and Tobacco</td>
<td>3,658</td>
<td>3,498</td>
<td>-160</td>
<td>-4.37%</td>
</tr>
<tr>
<td>Textiles, Apparel and Leather</td>
<td>556</td>
<td>506</td>
<td>-50</td>
<td>-8.83%</td>
</tr>
<tr>
<td>Wood, Wooden Products and Fittings</td>
<td>394</td>
<td>314</td>
<td>-80</td>
<td>-20.57%</td>
</tr>
<tr>
<td>Paper Products, Print &amp; Publishing</td>
<td>724</td>
<td>624</td>
<td>-100</td>
<td>-13.89%</td>
</tr>
<tr>
<td>Chemicals and Chemical Products</td>
<td>387</td>
<td>386</td>
<td>-1</td>
<td>-0.26%</td>
</tr>
<tr>
<td>Plastic Products</td>
<td>198</td>
<td>176</td>
<td>-22</td>
<td>-11.14%</td>
</tr>
<tr>
<td>Non-metallic Mineral Products</td>
<td>862</td>
<td>920</td>
<td>58</td>
<td>6.73%</td>
</tr>
<tr>
<td>Fabricated Metal Products</td>
<td>908</td>
<td>990</td>
<td>82</td>
<td>9.14%</td>
</tr>
<tr>
<td>Precision Instruments</td>
<td>196</td>
<td>209</td>
<td>13</td>
<td>6.63%</td>
</tr>
<tr>
<td>Electronic Components &amp; Devices</td>
<td>334</td>
<td>325</td>
<td>-9</td>
<td>-2.70%</td>
</tr>
<tr>
<td>Handicraft</td>
<td>721</td>
<td>621</td>
<td>-100</td>
<td>-100.00%</td>
</tr>
<tr>
<td>Other Manufacturing</td>
<td>158</td>
<td>157</td>
<td>1</td>
<td>0.63%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>8,454</strong></td>
<td><strong>7,881</strong></td>
<td><strong>-573</strong></td>
<td><strong>-6.78%</strong></td>
</tr>
</tbody>
</table>

Source: Barbados Investment & Development Corporation

DISTRIBUTION OF INVESTMENT IN MANUFACTURING SECTOR AT JUNE 2011/2012 (BDS$)

<table>
<thead>
<tr>
<th>Sector</th>
<th>June 2011</th>
<th>June 2012</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food, Beverages and Tobacco</td>
<td>560,125</td>
<td>623,980</td>
<td>11.40%</td>
</tr>
<tr>
<td>Textiles, Apparel and Leather</td>
<td>623,990</td>
<td>0</td>
<td>100.00%</td>
</tr>
<tr>
<td>Wood, Wooden Products and Fittings</td>
<td>1,696,855</td>
<td>0</td>
<td>100.00%</td>
</tr>
<tr>
<td>Paper Products, Print &amp; Publishing</td>
<td>339,511</td>
<td>0</td>
<td>100.00%</td>
</tr>
<tr>
<td>Chemicals and Chemical Products</td>
<td>99,911</td>
<td>99,911</td>
<td>0%</td>
</tr>
<tr>
<td>Plastic Products</td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Non-metallic Mineral Products</td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Fabricated Metal Products</td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Precision Instruments</td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Electronic Components &amp; Devices</td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Handicraft</td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Other Manufacturing</td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>4,262,070</strong></td>
<td><strong>4,262,070</strong></td>
<td><strong>0%</strong></td>
</tr>
</tbody>
</table>
## Industry By Numbers

### Domestic Exports January - June 2011 / 2012

<table>
<thead>
<tr>
<th>Product Category</th>
<th>2011 BDS$</th>
<th>2012 BDS$</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rum</td>
<td>32,483,958</td>
<td>45,348,190</td>
<td>39.60%</td>
</tr>
<tr>
<td>Sugar</td>
<td>20,414,372</td>
<td>22,276,503</td>
<td>9.12%</td>
</tr>
<tr>
<td>Electronic Components</td>
<td>12,699,055</td>
<td>9,432,898</td>
<td>-25.72%</td>
</tr>
<tr>
<td>Disinfectants, Insecticides, etc.</td>
<td>8,179,651</td>
<td>7,431,334</td>
<td>-9.15%</td>
</tr>
<tr>
<td>Cement</td>
<td>11,744,957</td>
<td>10,546,196</td>
<td>-10.21%</td>
</tr>
<tr>
<td>Garments</td>
<td>3,839,135</td>
<td>4,030,818</td>
<td>4.99%</td>
</tr>
<tr>
<td>Paints &amp; Varnishes</td>
<td>4,699,739</td>
<td>5,931,448</td>
<td>26.21%</td>
</tr>
<tr>
<td>Metal Cans (cap &lt; 50 L)</td>
<td>1,819,814</td>
<td>2,350,788</td>
<td>29.18%</td>
</tr>
<tr>
<td>Paper Products</td>
<td>10,306,440</td>
<td>11,393,303</td>
<td>10.55%</td>
</tr>
<tr>
<td>Printed Material</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Selected Exports</strong></td>
<td><strong>193,226,347</strong></td>
<td><strong>217,249,739</strong></td>
<td><strong>12.43%</strong></td>
</tr>
</tbody>
</table>

**Total Domestic Exports**: 217,249,739

**Source**: Barbados Statistical Service
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