
THE

House of Assembly Debates

(UNOFFICIAL REPORT)

FIRST SESSION 2013 – 2018

HOUSE OF ASSEMBLY

Thursday, March 21, 2013

The House of Assembly resumed on Thursday, March 21, 2013, the Sitting of Wednesday, March 20, 2013 having been suspended.

PRESENT

The full list of Members present is to be inserted from the Votes and Proceedings. Members identified from the record of this Sitting:

His Honour M. A. CARRINGTON (Speaker)

Mr. G. A. CLARKE, J.P.

Hon. D. St.E. KELLMAN (Minister of Housing, Lands and Rural Development)

Hon. Miss M. A. MOTTLEY, Q.C. (Leader of the Opposition)

Miss C. Y. FORDE, J.P.

Dr. the Hon. D. C. ESTWICK (Minister of Agriculture, Food, Fisheries, Water and Resource Management)

Mr. D. D. MARSHALL, Q.C.

Hon. R. L. SEALY (Minister of Tourism)

Hon. J. D. E. BOYCE (Minister of Health)

Hon. A. D. BRATHWAITE (Attorney-General and Minister of Home Affairs)

Hon. S. A. LASHLEY (Minister of Culture, Sports and Youth)

Hon. D. O'N. INNISS (Minister of Industry, International Business and Commerce and Small Business Development)

Hon. C. P. SINCKLER (Minister of Finance and Economic Affairs)

Mr. K. D. SYMMONDS

Mr. E. G. HINKSON

Mr. D. G. SUTHERLAND

Miss S. J. O. BRADSHAW

Rt. Hon. O. S. ARTHUR

COMMITTEE OF SUPPLY

The House resumed in Committee of Supply, Mr. J. D. PAUL, Chairman of Committees, in the Chair.

Mr. CHAIRMAN: Good afternoon, honourable members. This sitting resumes from yesterday evening when the suspension was taken. We were in committee of supply and today we shall return. The House is now in committee.

HEAD 79 - MINISTRY OF INDUSTRY, INTERNATIONAL BUSINESS, COMMERCE AND SMALL BUSINESS DEVELOPMENT

Mr. CHAIRMAN: Honourable Member for St. James.

Hon. D. O'N. INNISS: Mr. Chairman, I rise to rejoin this debate in respect of Head 79, specifically the Ministry of Industry, International Business, Commerce and Business Development. I note of course the various comments made on both sides of the House yesterday evening in respect specifically of international business. And I am sensing that there is indeed mutual interest in respect of this sector and its contribution to Barbados, as well as clear recognition of many of the challenges that exist in the industry. Of course, related to that, many of the opportunities that also abound in this global environment. There have of course been calls for us to remove many of the impediments that affect this sector and my ministry will continue to work assiduously on such.

Let me say that I agree with all who subscribe to the view that the international business sector in Barbados needs also to become more Barbadian in the sense that there are greater opportunities for Barbadians to become entrepreneurs in related international business entities and areas. Perhaps Van Arabaro and the DLT back in 1965 created the first IBC or creating the IBCR. They certainly had a clear vision of the role Barbadians can play on the

global arena. But I thought then, in reflection of the debate then, that it was also designed in great part for Barbadians to move themselves onto the global stage and not just for Barbados to sit here and become the magnet to which it has attracted those entrepreneurs from further afield. Of course, with the coming of the offshore bank, and I believe in 1979 we saw a movement more towards solidifying our international business sector as one that attracts international investors to our shores to expand their global reach.

I believe the stage has really been set now for us as a people to look to move further afield, to venture outside of the comfort zone of this 166 square miles. We certainly have opportunities now with all the CARICOM arrangements, the issues relating to rights of establishment and such like, for Barbadian entrepreneurs to really see themselves now as real international players and move beyond the shores of Barbados. So certainly I join with those who have been calling for a redefining of the international business sector to make it a more indigenous entrepreneurial arena. As mentioned earlier, issues such as business facilitation, product development and marketing remain very key. And I don't need to reiterate a lot of the points that were made yesterday except to say that this financial year coming, my ministry will work closely with the Attorney General's chambers or Chief Parliamentary Counsel's office, as well as the Ministry of Finance in particular, to bring to the table new products. I know mutual funds and mutual fund legislation, attendant regulations thereunder, will of course be high on the list, as well as matters related to cells, limited partnerships, as well as changes to segregated cells-based physical isolation. So at the end of the day, we certainly will forge ahead a little more aggressively in creating new products that will be responding to demands of our client base around here.

Another area related to this ministry, of course, is the area of small business development, and we cannot feel uncomfortable moving from the debate that centres around international business to one that centres around small business. Because at the end of the day, as I said in the Appropriation Bill debate speech, there are inextricable linkages between international business and small business. There are fundamental tenets that abide within both sectors. From where we sit as a government, we recognise the importance of small, medium and large businesses in Barbados and the role that they have to play in reshaping this economy and making Barbados' economy and society more resilient than it ever has been.

Let me say that when we speak of the business community in Barbados, oftentimes we think of those who are running million-dollar enterprises and the ones who will therefore be active members of established private sector organisations. But this government holds steadfast to the view that a vendor plying his or her trade on the

sidewalks of Barbados is a critical player in our business development strategy and programme and is indeed a contributor to this economy and must be treated with the same level of respect, encouragement and support as one who may very well be running larger businesses from comfortable offices in and around Bridgetown, Barbados. So we certainly, as the government, intend to work closely with all aspects of the business community in Barbados and we recognise, as we zero back in on the area of small business to which my ministry has a level of responsibility, that there are several challenges that have continued to confront this sector.

One is the area of financing. And I know that in recent times - I think the honourable representative for St. Lucy has assessed that as the government we have provided a micro-grant scheme, I think there is up to \$3 000 for small entrepreneurs, which is rarely utilised. I think we may very well need to get some more funding in there. But we certainly have continued to hear the complaints of small entrepreneurs that financing is a major challenge. Now, I subscribe to the view that if you give an entrepreneur, whether it be small business or medium or big business, money, and they don't have a good plan - one that can be implemented - and they don't have a good product or good service, one that can get into market, then we are really throwing money away. And I am not prepared to support any programme that just wilfully or arbitrarily provides grants to businesses and says to them, we must do this for you just because you are a small black business. Small black businesses must also operate with a high level of professionalism, and I believe that while one may argue that money is critical for their work, also of great importance is the technical support that is necessary. And I note that this ministry works closely with other agencies to provide that level of technical support. So we are not just providing grants, seed money, but we are doing it after others have been able to vet the business plan and to be able to guide on an almost ongoing basis the work of many small entrepreneurs in this country. Everybody has a right to try. Everybody has a right to try to achieve their full potential. And the government will continue to provide the enabling environment and support necessary to make them thrive and succeed. So whether you are a vendor, a mechanic engaged in providing services, you can rest assured that my ministry - the Ministry of Industry and Commerce - will continue to give a listening ear and best advice wherever possible.

Of course, we will this year continue to work with Fund Access, the Micro Enterprise Lending Scheme, better known in short as Fund Access, that has really been out there in the last couple of years filling that gap and providing financing to small businesses, in particular medium-sized businesses, with up to \$100 000 in loan financing that they provide. And the good thing about it - I must commend the officers, and this transcends political

parties pretty much because it has been in existence for several years - I commend the officers in that particular agency for not just, as we said earlier, lending money, but being key participants in a business development model whereby not only are business plans seen, but they are well analysed, advice is given, and at the very end then appropriate financing is available. I am satisfied, having looked at their preliminary statements and their reports in recent times, that this financial year we may very well have to recapitalise Fund Access in order to provide it with some additional funds to meet the growing demands being placed upon that agency. I believe currently it has about \$5 million. There is a very low, or relatively low, failure rate within their loan portfolio, and that in a sense tells me that the officers certainly have been conducting themselves in a rather professional manner. They have been giving good advice and they have been lending judiciously and not in a really naïve fashion. And when you factor in the number of jobs that have been created through their lending policies, that more than well justifies a recapitalisation of that particular agency. And that is very much on the agenda for this coming financial year as well.

We also have, of course, as I mentioned earlier, Mr. Chairman, within the realm of business development, of small business and medium-sized development, to also address the issue of standards. And I know that this is a matter that oftentimes is frowned upon or not taken seriously or even discussed as we talk about business development among small and medium-sized enterprises in our domestic sphere. But we have to realise that this is a day and age where you cannot settle for mediocrity. So whether you are making guava jam or you are making shoes or providing a service, there have to be minimum standards which the society must insist on. And those people, those individuals who may have a good idea and may be able to have the skills to make a product, must at the same time be mindful of the fact that this society is more discerning now and will certainly be asking for standards to be set and to be adhered to across the board.

We also have to realise that gone are the days - almost gone are the days - where the state will provide a high level of protectionism. All of our borders will shortly be removed. And I am a little concerned that Barbados has not been marching towards that situation with a sense of urgency and purpose, and there is still, even if not subliminal, a mindset that persists in the business classes in Barbados that the state will continue to provide a high level of protectionism. I don't think that. I think that is a myth that needs to be dispelled. What we have to do, rather than sit and wait on the state to protect us, is to ensure that we produce products and services of the highest standards and at the best possible prices that can reduce the need for importation wherever possible. And of equal importance, get into the regional and international markets as quickly as possible. And that is an area that we have to work in. And

therein lies the importance of standards. Not just labelling, but also standards in terms of the quality of our products. And I know that my predecessors in office were starting through the BDC to look at the condiment industry. And that is a matter that we will be forging ahead with in the first quarter of the upcoming financial year as we seek to get more Barbadian condiments onto the regional and international market as well.

So, Mr. Chairman, there is much that this ministry has to do. The funds allocated under Head 79 we will work with judiciously to ensure that it spreads far and wide and reaches deep into the entrepreneurial class in Barbados as we seek to transform this economy and society. I look forward to coming back in on this debate. I am obliged to you, Mr. Chairman.

Mr. CHAIRMAN: Honourable Member for St. James Central.

Mr. K. D. SYMMONDS: Chairman, I thought that much that the minister just said is particularly useful. I thought, Mr. Chairman, that it might be best to begin by echoing the important observation made by the leader of the opposition yesterday that it might be a good thing, constructive thing, if we were able to revert to having a committee which was set up to look at matters related not only to international business but also international trade. And, sir, primarily because of the fact that right now, as the ministry is currently configured, it gives us for the first time an opportunity to, and the first time in the history of Barbados, quite frankly an opportunity to holistically on two sides of the house come to find a meeting of minds on issues not only touching international business but also manufacturing, touching domestic commerce, touching the small business enterprises as we move forward. And I'm sensing that there is some bipartisan interest in the idea of internationalizing indigenous services and service provision in Barbados. And ultimately, sir, as I said in my second reading speech in these estimates, that in my judgment is really a critical component of the way forward.

It is all too easy and has happened for far too long that we have on both sides railed against some of the realities of the world, sir. International capital in the north has extended its tentacles deep into the south and has, well, we all know the history. Europe underdeveloped Africa and Europe underdeveloped the Caribbean. And that is going to continue, sir, and that is not going to go away. And railing against that reality is as much as useful, sir, as railing about the fact that there's a sky over our heads or there's earth under our feet. It will not be wished away. What I think we have to do, Mr. Chairman, sir, is to be sufficiently adaptive to the challenges and to deal with the necessity for serious structural reforms domestically and regionally.

Now in that regard, Barbados can play in my judgment a fairly leading role and this minister is arguably perhaps one of the most powerful and influential ministers that these particular sectors that we're discussing today will ever have, largely because of the way in which the portfolio has now been structured. He spoke, sir, of the honourable member for St. James who spoke of the questions of standards and perhaps there is a good point for us to depart. We, sir, I think have to recognise, and you, Mr. Chairman, in your second reading speech, made a very important observation that companies come here, they set up here, they do business with Barbadians, but input into that which they do, they would prefer to bring from outside rather than giving Barbadians a first priority or even an equal opportunity.

Now you can approach that by two ways. You can bring them to the table and invite there be some meeting of minds on what we will wish to achieve. But there are also the trade rules that we now have on which I think we must use. Trinidad is understood internationally as being a difficult market and regionally as being a very difficult market. Why? Because the Trinidadians, sir, do not fear the fact that they will sit down and they will say to persons who are seeking to export into their territory that issues of standards, issues relating to the rules of origin in CARICOM, issues relating to the quality of packaging, issues relating to labelling, issues related to sanitary and phytosanitary concerns will be all arrayed against an exporter into their jurisdiction and will be held up against them. So you've got to pass those technical barriers before you get into Trinidad and Tobago. And that, sir, is something that we tend not to do in Barbados.

My judgment is, Mr. Chairman, that this is a way in which we can now be a lot more assertive in a trade defence posture, understanding that we too have industries which are vulnerable, which are developing, which we wish to see advance. We have service enterprises which we wish to see develop to world standards, but it's going to take a while to get there. In the interim period, you have to aggressively defend your territory and to make it clear that those who are coming into Barbados have to do so in accordance with certain critical standards that must be met.

I also feel, sir, that one of the things that the government might be well advised to consider is the question of clustering - bringing, especially, small businesses together. Many small businesses share a fairly common theme. They may be interested in doing one particular area of endeavour. But, sir, there is an obvious limit for small and micro enterprises to the amount of money they have to put into whatever it is that they're doing. They need to have assistance with marketing, research, market analysis, and some basic fundamentals like secretarial services and clerical services. And if you could put together, sir, not necessarily even physically, but

put together, sir, a means of businesses which are small and micro accessing those types of services and those types of technical assistance at a common cost - it is like attorneys coming under one roof and just sharing expenses. Each individual saves himself the overall large overhead, and therefore you make it possible to be a little bit more competitive. And I think that is one way in which government might seek to lend assistance to micro and small enterprises.

Going, sir, to the question of the internationalisation of services in Barbados, it is important, sir, that we understand that for a long time we've had a practice wicket which really and truly we have not been using very well. The CSME as it was created way back when, sir - at that time, and I think still now - we, sir, export 52 per cent to 53 per cent of all that we produce in goods and services in Barbados to CARICOM. CARICOM needs to work for Barbados because of that high percentage of dependency on CARICOM. Jamaica doesn't need CARICOM because Jamaica can function close as it is to North America and having, as it does, certain internationalised minerals and so on. Same thing with Guyana, sir, same thing with Trinidad and Tobago. The petrochemical base of the Trinidadian economy means that they could function comfortably without CARICOM. Guyana, because it is so close geographically to Brazil, could also function, and may have, sir, if they had to go into a regional agreement, may be better served to go into the South American grouping in Mercosur rather, sir, than to be in CARICOM or to rely on CARICOM. It is for us, sir, to make that which is advantageous to us work as best as it can.

And I think, sir, that one of the ways in which we could stimulate a lot of that which we should be doing by way of moving services, especially into the region, sir, is to make the taxation incentive a little better. Now, the Barbados Labour Party had promulgated the idea, and I do not know to what extent it can be taken on board by this government. We're not going to sit down here and just simply say, sir, well, we told you to do it so and you did it so, therefore we are the better party. That will be immature. What we will wish to see, sir, though, is that we understand the importance of saying to small businessmen, sportsmen, people in the cultural and creative industry, sir, if you are selling your services within CARICOM, that you should be treated for tax purposes in the same way as we would treat an international business company, so that you pay that very low rate of one or 1.5 per cent or something like that in taxation, rather than that which is now paid, therefore accelerating the impetus to penetrate that marketplace.

We feel, sir, that in the context of our regional trade and hemispheric trade, we have to be mindful of the fact that there are a number of agreements which were fleshed out, but which are underutilised. Costa Rica, Venezuela, Dominican Republic - all of them, sir, are places where on

paper we should be in the marketplace. In reality, we are hardly there, hardly visible at all. And we have to understand some of the reasons why we have failed to penetrate that marketplace. It is going to be, I think, sir, a useful exercise if at this level we were able to sit down and talk through these things. I have some of my own views about why, for example, we don't get into Latin America in a bigger way. Obviously, the language barrier is an issue. Obviously there's a cost attached to the market analysis and market research. Obviously, sir, there is a need for us to find a way to stimulate or to assist in the financing of making that type of transition so that you can establish a commercial presence. But sir, again, the rules now are certain and clear, and you can in fact lend a subsidy to a company which is seeking to do these types of things, so that the research is done, that the analysis of a marketplace is done and it is supported by the government. That is not an illegal subsidy. It is possible, sir, to retrain so that the linguistic skills of those who you're working with and the staff you may wish to employ or to move are there. But sir, unless we facilitate that movement at the policy level, it is never going to come to pass. And I fear, sir, that we're not doing enough of that.

In addition to that, Mr. Chairman, sir, I am strongly of the view that again, going back to the CSME, we created an internal market without internal frontiers, and so therefore there should be a free movement. But we are seeking, theoretically thinking in terms of Europe, where we have already signed agreements for liberalisation without having first liberalised amongst ourselves. I use my own profession - in the legal profession, sir, we should be able to have Surinamese lawyers in Barbados or Barbadians who are interested, for example, in being in Suriname. In Suriname that can't happen, sir, largely because of the fact that we have not worked out the fundamentals of bringing about compatibility between the two jurisdictions. It is not a difficult thing to achieve because you walked that road before, having to bring Dutch lawyers into England and French lawyers into England and vice versa. But some of the basic things, like periods of time already served and considerations of working in association with existing practitioners in the host country and familiarisation courses and that type of thing, we have not yet codified. It is true of the engineering profession as well. It is true of the pharmacies, it is true, sir, of almost every single one of our sectors.

When the right honourable member for St. Peter spoke yesterday about accreditation, sir, he was on a very important wicket - because, Mr. Chairman, sir, the question of enabling our professionals especially, but by extension, sir, those service providers who are seeking to penetrate these marketplaces where we've worked out the market access - one of the biggest obstacles we will continue to hit upon is the question, sir, of getting the accreditation right. It is there on paper. As I said, sir, we have an increased

level of interest being demonstrated in the eastern Caribbean in that place called Suriname, largely because Suriname has been growing at a rate between four and seven per cent since 2000 or so. They dipped a little bit around the recession time, sir, but continue to go at a good pace. Now, sir, to get to that market is something that a lot of people probably would be interested in being able to achieve. But again, there are those barriers which we have to remove.

And unless we get that right with them and then think in terms of the fact that we're into the Dominican Republic - we have a relationship with the Dominican Republic that again we never had, sir, when we negotiated a market access agreement with Europe. We did it as CARICOM plus one, which was the Dominican Republic. But the same issues of getting into the Dominican Republic by engineers, by dentists, by architects, by so many other service providers in Barbados will continue to haunt us because we have not worked out the necessary arrangements.

So that therefore, Mr. Chairman, sir, these are things that I think that we have to go through and I genuinely don't see that there is a divide or should be a divide in this house about some of these things. It comes down, sir, to a concern which again I begin to sense is common - implementation. The implementation issue, sir, is something that has dogged all of our parties when in office. I think, sir, it may have its peaks and its troughs, but it has dogged us all. And we have to find as a society, sir, a way of saying, look, these are some of the priorities which are indispensable to a modern Barbados and a set of priorities which are indispensable to taking Barbados down a certain predictable path of development. Without getting it right, sir, we run the risk of missing a glorious opportunity to build out small and medium enterprises which this minister now has responsibility for, to flesh out micro enterprises and transmogrify them into small and medium enterprises which this minister now has a duty to try to do. And therefore, sir, we miss the opportunity as a country to empower economically the bulk of our people who fall into those three categories and give them an opportunity to be the leaders of foreign exchange earning in this country and into the future. I'm obliged, sir.

Mr. CHAIRMAN: Honourable Member for St. Michael South Central.

Hon. R. L. SEALY: Mr. Chairman, I rise to contribute to this head - the Ministry of Industry, International Business, Commerce and Small Business Development. And like the last speaker, I think it is a very interesting combination that the Prime Minister has put together. And I don't think it was put together by accident either, for many of the reasons that the last speaker identified.

The member for St. James Central, who is the designated spokesman on these matters - let me commend him, for his contributions to date have carried with them a maturity. I wouldn't say uncharacteristic; I would say a maturity that really looks good. I know the member is doing this at a time when he's grieving the loss of his mother, and of course sympathies go to him, still contributing at this stage and making what I think are some very good observations.

The call for a joint select committee on this matter - international business - is something that I'm sure the minister will take on board, the leadership of the House. And if that is to happen, I'm sure that I certainly can speak for myself, and I dare say my other colleagues would be happy to participate. And I will assure the member that what happened to the Joint Committee on Foreign Affairs and Foreign Trade - when the former member for the City had tasked her junior minister to put together that committee that only met once in five years - but that was implementation deficit disorder, I'm sure, and we know that wouldn't happen again. And we look forward to having a committee, if that is the case, that is put together.

But as you say, both parties have had their peaks and troughs. I don't know whether that was a peak or a trough. But the one meeting was a very good meeting. You recall that we met in the Senate chamber and we were able to discuss what was happening in not one, not two, but three negotiating theatres at the time Barbados was engaged. And I thought it was a good decision to have a joint select committee at a time like that. Maybe the time is right to do a similar thing for the international business sector, or dare I say, business activity generally, because I too think that we have reached that point now where even as we defined this creature - international business - it has changed.

No longer is it a sector like the offshore sector, which is really - the two were used as similes. When you spoke of the international business sector, you meant the offshore sector. But we are in a time right now where foreign investors are incorporating local companies to do business here and within the single market, and Barbadians are incorporating international business companies, which they can do under our laws. And in fact the member for St. James Central should be aware of that, since it was his government that took that decision. I thought it was a very good one to allow Barbadians to incorporate IBCs. So indeed this thing has morphed into an entire field.

And I haven't even touched on the role of ICT - information communication technology - because you have a whole class of individuals, mainly young people, who are getting on with the international business sector. They're not interested in the laws or anything. Cyberspace has literally opened up the world for them and they have their websites and they're using social media to do their own

thing. I met two very progressive young men. They have a website to do with black women modelling, and they're advertising, getting ads and all kinds of things from all over the place. They're doing this thing - using cyberspace to offer services in Africa and North America. So these are exciting times and therefore quite appropriate that we now have a ministry, a single point, that has sort of put together the small enterprises, the medium-sized enterprises, and of course the international business sector - if you want to call it that - those big companies.

I think it was also good last night. I take note of what was said and some suggestion that we have been a little lethargic with respect to the sector. I can say - and I mean, I'm not necessarily taking digs here - but I think for the record it is worth mentioning that the foundational legislation that we brought in here was asked for a very long time. The legislation on trusts was talked about for a long time. They have come and we are looking at other instruments, other products that we can also bring as well to enhance the offerings of the sector. So you can't say that the Government has not done what it had to do for the sector. We have not stopped with the bilateral investment treaties, we have not stopped with the TIEAs - the tax information exchange agreements - and of course the DTAs. The network of DTAs has also been increased and all of that should continue.

But I do hold the view that it does need to be buttressed with the work that we are doing to build up the SMEs as well - the indigenously owned SMEs - because as I say, I don't necessarily see that the firewall that existed is necessarily there anymore. Gone are the days when this rarely defined thing called an offshore sector existed and only a few people were involved in that.

I will however agree totally with the member for St. Philip South when he speaks of the need for us to build a culture now towards the international business sector. As again I use the example of some of our neighbours - I think the average young Caymanian, the average young Bahamian perhaps has a greater understanding of the culture of that sector than the average young Barbadian. And of course we need to change that, not only for those who may want to pursue the careers that are available in that sector, but also understanding within the context of national development, because I too believe that there is a higher ceiling for that sector than any of the other productive sectors in Barbados.

I think the words the right honourable member for St. Peter used - that we've only scratched the crust but there's a higher ceiling - there's room in terms of creating movement of the GDP, creating economic growth. I think that sector has the most room for us to work with, and if we are going to benefit from that we have to have a national appreciation, as I say, develop a culture for the sector, and

not have this view of: oh, that's just a few foreigners that rent some office spaces over there and yonder and it's nothing to do with me. The simple reality is the taxpayer - the corporate taxpayer of that sector - has already surpassed tourism. That is where we get the majority of our corporation taxes right now. And we may reach a point where within many of our lifetimes it may even surpass tourism as far as foreign exchange earning.

So we have work to do in that regard. But I think the minister dealt with that matter very well yesterday and we look forward to the continued work in developing that area and, as I say, looking for avenues where the smaller and medium-sized enterprises use technology and of course creating a better appreciation for the public at large. I think someone - it may even have been the minister himself - spoke of an awareness campaign not too dissimilar from what we've done in tourism to increase levels of appreciation, because it is still a big mystery for too many people and I think we need to work on that.

I also think that there are opportunities to identify some fairly obvious linkages. A pretty natural one actually is with tourism itself, because your typical person who may want to come and participate in jurisdiction Barbados may also want to come and enjoy destination Barbados. It's a fairly obvious natural link and therefore those linkages will provide for us some opportunities - and of course, opportunities to market both at the same time. I recall a very successful mission that we had to China, to Shanghai, around the time of the World Expo in 2010, jointly sponsored with Invest Barbados and the Barbados Tourism Authority, because there are some natural connections that you can have between marketing the destination and marketing the jurisdiction at the same time.

I do believe, however, that the small businesses - and I was glad that the minister dedicated basically all that he had to say this afternoon to what we are doing for those businesses - because we talk about pulling out of the recession and the productive sectors, et cetera. But there are plenty of examples of where small enterprises are able to make a considerable difference in terms of pulling countries out. I remember in 1989 when the Berlin Wall fell and well, that was it for the eastern bloc, so to speak. Poland did extremely well - did better than any of the other former eastern bloc countries in terms of its economic development - because of a history of having a number of small entrepreneurial-minded people. So Poland did better than even Russia at the time, and Germany and the other former eastern bloc states, because of an entire group of entrepreneurs. That did well both in the Warsaw area and in the rural areas.

And we can see other examples - I suppose even China to some extent - in the history of being very entrepreneurial-minded, that they too have an economy that

has done well because of micro enterprises. And I think that the work of this ministry in deliberately working with them - the micro-grant funding, yes - but I am particularly happy to see that Fund Access will continue to receive this sort of attention and can lend the money, because we all know that equity financing and debt financing is very often the bugbear for most small businesses. And since 2008, it is worthwhile to note that the number of loans - at a time when the world economy, and should I say even Barbados, has had its challenges - Fund Access continues to lend at a very great clip. In fact, record levels of loans would have been seen in 2011 and 2012, over \$5 million in loans in each case. And that's important - we must continue to support these enterprises.

Mr. Chairman, I never agreed with closing down and shackling out the Barbados Development Bank. I think we had a very strong position on that as a party, and in fact our position was vindicated when BNB was then sold. But we spoke about that already. We should have never lost that Development Bank, and Fund Access. And the fact that this Government continues to push it and to encourage and to work specifically on reducing the number of closures - it is not just a matter of writing somebody a cheque and saying go and do your thing, but working with them, assisting them, guiding them, mentoring them, technical assistance. And that is what this Government is about. And I think that, of course, is something we should focus on now.

Well, Mr. Chairman, what I would also say then in respect to that is that these enterprises certainly should see CARICOM as their natural market - the single market. But again, I associate with the comments of the last speaker who at the very minimum said Cuba, with its population of 11 million, and the Dominican Republic, with its population of just under 10 million, which would then take the market to 40 million people added on. CARICOM seemed like a natural catchment point where we can benefit and see that there are opportunities. There's a huge market right at our doorstep and we would want to think that these enterprises can aspire towards offering their goods and their services to our neighbours.

And as I say, I do genuinely believe that there is a possibility that this sector, as we continue to foster it, can contribute meaningfully to economic growth, make a serious contribution to GDP, and not just provide cottage-level economic activity, but that you will feel it at the national level. And in a context where you are developing your international business sector and you're looking for ways to link everything all in, I think it can only go well as we try to develop this little country of ours. I'm obliged to you, Mr. Chairman.

Mr. CHAIRMAN: Honourable member for St. Joseph.

Mr. D. D. MARSHALL: Mr. Speaker, over the last few hours of today and yesterday in the evening we have been treated to a series of, I suppose you could almost call them soliloquies coming from the mouths of the members of the government benches, sir. They have spoken in very vague terms, very general terms about this sector, how important the sector is, how we have to foster it. I think the Minister of Tourism just used those terms. We have to foster it. The Minister of Culture yesterday evening spoke about how he was involved in the sector and there was a boast that in the last five years the Democratic Labour Party administration passed more legislation than the Barbados Labour Party ever did. A whole set of stuff, sir. Unfortunately, the people who struggle every day to stop Barbados from losing ground to our opponents, to our competitors are no wiser for it, sir.

During the last term of the Democratic Labour Party, companies started a mass exodus from this jurisdiction. The revenues from international business in terms of corporation tax plummeted. The numbers of people employed in the sector diminished. Now, sir, I do not understand how the Democratic Labour Party is able to say that during their stewardship over the last five years that anything about the international business sector could be considered to have been a success, sir. The Minister of Finance, in a mad dash to stop companies from leaving - and in fact it was a case where the horse had already bolted from the stable because major corporations had, by then, left. And this did not happen overnight, sir. This was not like the earth tremors that we had in 2007. Something unexpected, sir.

When the Attorney General wishes to engage the floor, sir, I'm sure you will entertain him. The point is that these were all things that were on the horizon. But the former Member for St. James Central, who was the Minister, when asked about the leaving, about the departure of Canadian Steamship, said that he did not even know that they were leaving, sir. Didn't know that they were leaving. He had to hear it from the press that they were leaving, sir. A company that was paying Barbados \$20 million a year in tax revenue left these shores without the Minister of International Business having a clue that they had planned to pick up their stakes and go.

And so, sir, faced with this mass exodus, the Minister of Finance hurriedly tried to get more companies to change their mind about leaving. Now, sir, you can't have your cake and eat it too. You cannot say that your stewardship of the sector over the last five years has been good when the results in the sector have been poor. You cannot say that you've done an extraordinary job in negotiating double taxation treaties with Seychelles and Panama and Iceland and the Czech Republic and that was a wonderful thing to do, unless you can come to this Chamber and tell the Chamber what precisely informed the

decision of the officers and the Minister to negotiate a treaty with the Czech Republic.

Sir, I have heard the Attorney General - the current Attorney General - opine to me that there were certain strategic jurisdictions that we needed to have double taxation treaties with, and he could set out a long rationale of the potential for investment and trade between Barbados and those countries. But the Czech Republic was not on that list. Czech Republic was not on that list. Iceland was not on that list. Seychelles wasn't on that list. But I remember, sir, when we negotiated the DTA and the bilateral investment treaty with China, that we were building on an already established commercial relationship and an already established investment and trade relationship that existed between Barbados and China, and we could see clearly the strategic advantage in going in that direction. And we went further, sir. We went further and started to put proposals in place for a trade office.

Sir, the question the Democratic Labour Party has to ask itself - simple question, sir - are we going to run around and incorporate and establish DTAs without putting the things that are needed to be put in place to take advantage of those DTAs, sir. Now they really can't claim to have negotiated with the UK, but that's a long-standing treaty relationship. Mexico, we were working on that for a long time, but we were blacklisted and that eventually came off and I'm very happy to see Mexico there, sir. Panama - we have an existing relationship with Panama that far exceeds the historical ties of Barbadians having gone to work on the Panama Canal. But tell me, sir, tell me, when you cut the budget of Invest Barbados, the agency that is intended to market Barbados, tell me, Mr. Chairman, who and how we are going to get business out of the Czech Republic.

I'm happy to hear the Minister of Tourism saying we can bring a supplementary, but you know, the challenge with that is the supplementary comes way down the line, and I believe that the sector that has served us so well is entitled to hear from the Ministry what exactly is proposed in terms of marketing support and marketing efforts to try to get these treaties to work. It isn't often that you turn and see eye to eye, and I see eye to eye - we used to - but of late, sir, we just can't manage. But I heard him say, sir, I heard him say yesterday - in fact, I thought he was giving a speech that really would have come from the opposition benches and not from the government trenches - because he declared, sir, he didn't say a word about the vast amount of legislation that they allegedly passed. He said, we have challenges in the sector. I'm happy he conceded that. He said, sir, now we need to train more people. We have 900 lawyers, but not enough of them are trained for international business. I didn't hear any of those things in the last five years. But I am happy that he's starting on this tone, sir.

He said, the OECD keeps changing the goalpost. What wicked people. They keep changing the goalpost, sir. You know what is interesting is that at the time when the OECD started to move the goalpost, in the year 2000, in March of 2001, in response to the OECD changing the goalpost, sir, Barbados spearheaded the establishment of an agency. I wonder if I asked the other side what the agency name was, if any of them would know. I thought they would, sir. You know why they wouldn't know, sir? Because they stopped funding it. They stopped funding it so it wouldn't appear on any of their radar. But for their benefit, sir, I will tell them that it is called - yes, sir, we call it affectionately - the International Tax and Investment Organisation. It was an organisation made up of all of the small states that were suffering at the hands of the OECD initiatives. And the then Prime Minister of Barbados, on March 4, 2001, made the announcement of the establishment of this organisation at the Commonwealth Secretariat in London. Barbados provided the permanent secretariat for the agency. Its first head was a lady who we have a lot of respect for - Lynette Eastman. And its sole purpose, sir, was to try to make a case on behalf of the small states who were suffering at the hands of the various OECD manoeuvrings. And that agency, sir, met year after year with representatives of all the small states and proved to be a reasonably effective counter and a sound and solid voice against the efforts of the OECD.

But this administration, sir, complains that the OECD keeps moving its goalposts. But they stopped funding that agency in the last five years, sir. Those are crocodile tears. Those are crocodile tears. Either we are serious about international business or we are not. You cannot be heard to say that the OECD is changing its goalposts and therefore we can do this and we can't do that, when, in point of fact, the OECD had been changing its goalposts and they were not even on the playing field to see what was going on. They did not know, sir - I seem to recollect that it was the opposition spokesman in the Senate, who had a press conference, who pointed out to the government that all of these things were happening around us, sir. We were in the middle of a hurricane and because all seemed calm, sir, we did not realise what was happening around us. If it did not suit the government, sir, to make disclosures about the difficulty. And they're running here and they changed our legislation so that we could now disclose information with England. And they've scurried around trying to chalk up numbers.

So, you know, sir, you know why Iceland and Seychelles and other people got on this list? It is not because they were strategic international business partners. It was because, sir, the industry was told that they had to meet a minimum number of double taxation agreements. They had to meet - I think the number was 12. They had to meet a minimum number. And, sir, instead of trying to see what DTAs met our strategic advantage, they scrambled

around with Iceland, scrambled around with the Czech Republic, sir, wherever they could find, just to get to that number, because it was the number of treaties that was important, but without any regard to what business could come from there, sir. I want the Minister to tell us how many companies have come in from the Czech Republic since the treaty was put into place. I want the Minister to tell us whether any trade missions have been sent to the Czech Republic since the treaty was put into place. How many times have Invest Barbados funded a trip to Iceland, sir, so that we could bring business to Barbados?

Mr. Chairman, all that we could see over the last five years have been a bunch of knee-jerk reactions - knee-jerk reactions which, instead of helping the sector, have in many respects created difficulty for the sector. And I hope we don't wrap up too soon. But I would remind you, sir, that for everything there's a context. For everything there's a context, sir. And the Minister of Finance, when he speaks, he has an even more powerful voice than the collective sound of everybody else on that side. And the Minister of Finance, in his financial and budgetary proposals in the year 2012, made what could be considered to be his seminal statement about the financial services sector. The only problem, sir, was that it was worthless, empty, and it caused all the members of the sector to shake their heads, sir. You know when you text people you put SMH. Everybody in the sector, sir, was shaking their heads.

So the Minister of Finance said this. While I'm on matters pertaining to this sector, Mr. Speaker, and I repeat, as somebody of the international business sector, I will also take the opportunity to alert - what a wonderful word, sir - to alert the House that very shortly after we return from the post-budget break,

the Minister of International Business and the Office of the Attorney General will be bringing four pieces of major international business legislation to the House for debate and passage in a special international business legislation day. Get that, sir? He wanted to alert the House that the Ministry of International Business and the Office of the Attorney General will be - not maybe, not might be - will be bringing four, sir. Not three, not two, not one. Four pieces of major international business legislation to the House for debate and passage in a special - not ordinary - in a special international business legislation day. That day has never come, sir. It never came. You know why, sir? Because at the time when the Minister of Finance was speaking and making this grand promise, one of them was the Societies with Restricted Liability Act that was passed by the Barbados Labour Party. It's worth repeating, sir - the Money Laundering and Financing of Terrorism Act, the International Corporate and Trust Providers legislation, and the Foundation legislation. Sir, the Minister of Finance did not even know that three of the pieces of legislation that he

promised they would be bringing had been passed in months and years past. And one of them as far back as 2001. Sir, that is the context. That is the context, sir, but I will hope to be able to speak again. I'm obliged to you.

Hon. D. O'N. INNIS: Thank you, Mr. Chairman. I guess that I can start by saying there goes all genuine efforts at a bipartisan approach to this. You almost felt a little joy yesterday when the Member for St. Peter and St. Michael North and even St. James Central said you need a bipartisan approach - the opposition benches should sit with the government and work through the issues. And here comes the former - never to be again - Deputy Leader of the Opposition, who gets up now and all of a sudden has declared war, that this government has done nothing for the international business sector. A parliamentarian and a Minister of International Business who, under his tenure - most unproductive tenure as Minister of International Business - had the sector been referred to as being comatose by the Governor of the Central Bank, because when the honourable Member should have been in his office working, he was in George Walton's law firm earning money. He did not function as Minister of International Business in this country. And has the mercy to come in here today and talk about these things?

I will answer you chapter and verse - take out your notepad and take notes thereafter. The young Member has given the impression that once you go and place and negotiate tax treaties, bilateral investment treaties, DTAs, and then they are not used - as a learned attorney at law in this sector, you know that because you establish a DTA in a particular country doesn't mean the business you gain originates in that country. And if it was, let me ask you this question, posed to you, Mr. Chairman. In 1989, Barbados signed a double taxation DTA with Finland, which came into force in August 1992. How many companies have we attracted from Finland? Remember, please, I asked somebody a question - how many companies have we attracted from Finland? You answer me again. So I tell you,

On June 17, 1999, we also signed an agreement with Cuba. How many businesses are we attracted from Cuba? So the principle, Mr. Chairman, is the learned member. A young member ought to know much more than anyone on that side that the establishment of a treaty with a particular country does not necessarily mean that you get business that originates in that country. Those agreements are used to facilitate business that way. So therefore, if a Chinese investor wishes to invest in Cuba, he may rather make use of the Barbados-Cuba treaty. It doesn't mean that we have the treaty with Cuba because they're going to get business from Cuba. What business do you expect to get from Cuba?

You talk about Seychelles. Seychelles, by the way, came into force in October of 2007. You also signed an agreement with Botswana in 2005. What business have you gotten from Botswana? The [Inaudible.] party spent about \$135 000 to get the Botswana agreement done and got \$1 750 from the Botswana agreement so far. What basis do we get from Botswana? So if your members are going to get up and raise these issues, please - just a moment.

Mr. D. D. MARSHALL: Mr. Speaker - [Inaudible.] Yes, because I happen to know that he received vast amounts of directors' fees from Botswana companies. I don't remember. I don't remember.

Mr. CHAIRMAN: Please. That is not a point of order.

Hon. D. O'N. INNIS: Mr. Chairman, I understand why the other side is going on. It wasn't Botswana, by the way. It was called [Inaudible.] and we never had an agreement with them. You see, sometimes when one speaks to be too malicious, one becomes malicious. And what have we gotten there? So it goes on and on.

I think the point must be made that when officers and advisors - and by the way, Mr. Chairman, let me remind the honourable member for St. Joseph that the advisors to the Barbados government on international business matters out of the US, UK, Canada and domestically remain the same advisors that advised the honourable member for St. Joseph when he was minister responsible for international business. The difference is that he did not listen; he did not go to his office. He should pay back the treasury for all the money he earned.

The member also made the point, Mr. Chairman, that corporation tax for the international business sector has plummeted. And I always advise a bit of caution when you make these statements, because if you have not been clear as to what constitutes the international business sector, then such a statement can be grossly misleading. As I said yesterday in the introduction of this head, the international business sector today does not comprise exclusively of those entities registered under any specific piece of legislation called international business entities. But also, as the honourable member for St. Joseph knows, today there are forming many regular Barbadian companies that actually engage in international business. Likewise, there have been a growing number of Barbadian professionals and Barbadian entities that have either created international business companies or are using domestic companies that earn foreign exchange tax credits and therefore really can be classified as being engaged in international business.

So I totally disagree with saying that - unless you have an accurate starting point, such comments can be misleading. And the truth of the matter is that if I were to

follow the argument of the member for St. Joseph and take the numbers of companies registered in the sector and extrapolate that to determine the corporation tax payable, I will tell you that in 2006 Barbados registered 391 new international business companies and in 2012 we registered 534 - considerably more than we had under your tenure. Clearly, as for insured companies, there were 21 registered in 2012 as opposed to eight previously. So if I wish to use that argument as put forward by the member for St. Joseph, then one would naturally conclude that the international business sector has indeed not been planted, but certainly has been growing.

Likewise, in 2006 there were a total of 2 714 licensed IBCs and by 2005 the number had crept up to 2 863. And therefore, Mr. Chairman - I beg your pardon, Mr. Chairman - the honourable member for St. Joseph really and truly must not come, or should not come, to this chamber and seek to provide statements that he knows cannot be adequately substantiated. This is a serious sector, one that has really made a meaningful contribution to this economy and society and we expect will continue to do so.

The member for St. Joseph, as usual in his usual style, will get up and criticise and say nothing happened under the former member for St. James Central, nothing happened on the AGM itself, et cetera, and find all sorts of faults with the sector. But yet after my five years in this chamber, he has yet to offer one suggestion as to how this sector can be moved forward - not one suggestion. And the reprehensible thing about it, Mr. Chairman - I need to really give the honourable member just a little lashing on this - because 99 per cent of his income as an attorney-at-law is dependent upon the international business sector and he has certainly profited tremendously, seen his income grow by leaps and bounds. Really, these six-figure incomes - and then he should say that we have not done so. I think the honourable member for St. Joseph ought to apologise and thank this government for ensuring that he has been able to earn a much larger income from the sector than ever before. Don't come with unclean hands.

Likewise, the member for St. Joseph has no way of measuring the number of employees employed in the sector. We do a guesstimate because of the number of registered entities - companies leave and companies come. What I will say to you, Mr. Chairman, is that we are not about to spend our time harping on the past. We have a bright future to look towards and we will continue to retool this sector; we will continue to ensure that we bring the right kinds of products to the market. We are very proactive.

I heard the honourable member talk about cutting Invest Barbados' budget. I believe Invest Barbados has some money sitting somewhere that we didn't need to therefore give them the full gamut of what they wished to

do. But see, here is where we make another mistake, because we constantly come into this chamber and believe that all the solutions to all the problems lie in giving a couple million dollars more. And the same honourable member for St. Joseph would have joined with his colleagues and said that under this administration the treasury is broke, we have no money, we need to cut here, cut there, et cetera. Where will the money come from? And let me say, Mr. Chairman, that the solution is not about more money all the time. It is about working smarter.

The member for St. Joseph presided over the sector at a point in time when he engaged consultants in the UK and other parts of the world at almost 30 000 pounds per month and not one iota of business came to Barbados - not one better business. So the honourable member for St. Joseph believes it is always about taking taxpayers' money and going to hire friends and family in far-flung places and business associates, paying them thousands of dollars per month or pounds sterling per month in consultancy fees so that they can live higher on the hog. That does not happen under this democratic administration. If we are going to pay you, we expect you to produce.

So I am satisfied that even if Invest Barbados is getting less today than it was getting several years ago, it can and it must do better. So we believe we have much work to do. We are not going to harp on the past. I thought I needed to correct some of these inaccuracies that the honourable member for St. Joseph continues to put out there. I am very grateful, Mr. Chairman. We will continue to create new products. We continue to work on our marketing strategy. Yes, we have to engage some partners abroad, but certainly with the right kind of budget. We certainly will ensure that we are very proactive and responsive. We know what our competitors are doing. We know where the dissatisfaction lies in terms of business facilitation. And these are low-hanging fruits that we are really starting to pick and address. So the honourable member for St. Joseph has my full assurance that his personal income is in no way jeopardised by my presence in this ministry. And as a matter of fact, it will be enhanced, I am sure, Mr. Chairman. I am obliged to you.

Miss C. Y. FORDE: A small intervention, sir, in the discussion. And while I am not going to be talking about the OECD and the various other agencies, I just want to make a small input in relation to the actual

small business sector in Barbados and we all know of the important role it has played for many generations and will continue to play. But there are some big challenges for them at this time. They have indicated, sir, that their biggest challenge now is financing. Because of lack of financing, they're getting challenges with the banks, they're getting challenges with the central bank in relation to matters associated with export and so on. That is

impacting on them in a serious way. We all know that efforts have been made by successive governments to assist the small business sector in preparing itself for the development of products for the export market, for providing us locally with various other products and services. And therefore a number of them have indicated the tremendous challenges that they have in continuing to survive in these really harsh economic times.

Now we know, sir, that there was a request for the national survey of the small business sector in Barbados at the Sir Arthur Lewis Institute of Social and Economic Studies to be able to bring to the fore what is happening in the sector and indeed how some of the challenges could be tackled. And the revelations are tremendous. And most of them, sir, have indicated that their challenges are associated with access to raw materials and of course the costs, rental fees for the facilities that they will most likely require, because not all small business people are able to use their homes because of a number of limitations. Many of them are talking about the crippling impact that the utility costs are posing when it comes to the telephone, the electricity and the water, depending on the products that they are providing, the training and development components that are very, very necessary. And of course, Mr. Chairman, the technology that is required if they are to really meet the international market in order for them to be able to provide their services at the kind of acceptable level that is necessary. Loans and access to loans in the banking system - I would have mentioned that a little bit just now. And of course, cash flows. I know that there are many small businesses that are employing individuals, many of them are family oriented. Others employ persons from communities where they are operating - the chicken farmers and so on, in the villages where they are set up, the various other farmers and the products that they are producing, and of course, marketing.

And I believe that we must continue as a government, as a people, to look after their needs. All over the world, Mr. Chairman, small businesses have an important role to play in the development of countries. And we see how people go out on a Saturday morning, on a Sunday morning in other parts of the world and they're plying their trade. And I'm not only talking cottage industries, but in a number of other areas. And I believe that we really must seriously, at this point in time, look at the training. I know that the Youth Entrepreneurship Scheme has been doing a fine job for many years now and the efforts that the Labour Party started in our primary and secondary schools to help to prepare our young, bright minds who are determined, who dream to become entrepreneurs, to start them at that early level. And I think that is really very critical and it must continue. But we all know, Mr. Chairman, that most young people say to us, I do not want a government job. I want to be self-employed.

And so when I study the plight of those artisans and other tradespeople in Temple Yard who suffered a fire about two years ago and are still suffering as a result - they have lost a couple of stalls and that is really their livelihood. They don't want to work for anybody. Many of them are of the Rastafarian faith. They need help now. They needed help two years ago and they're extremely concerned that their businesses are going absolutely nowhere because they cannot work beyond certain hours at night. If there's no lighting, then they cannot see. If there's no electricity, then they cannot operate the machines and the various other pieces of equipment that will help them with the craft that they want to prepare. We cannot lose sight of our people and the skills that they have and the efforts that they want to make as self-employed people to feed their family and to do the other various things. I encourage this government, sir, to offer that kind of assistance. They do not want handouts. They've made that very clear. They just want to get a hand up, according to what one of the other members spoke about earlier in the week, to be able to become viable and to fend for themselves, their family and, of course, to attract the visitors and the locals among us so that their businesses can grow.

Now, I was most appalled, Mr. Chairman, when I looked at the Auditor General's report. And I know we are talking small business and that is where we generally are - small business people, through the Barbados Vocational Training Board, through the Samuel Jackman Prescod Polytechnic, through the Barbados Community College, to the University of the West Indies and all the other private agencies that prepare young people for business or for other aspects of development. And when I saw what transpired in this document, sir, especially at page 116 - even though I had made note of what I saw on page 72 - the figures are startling, where young people who were offered training in a number of disciplines in the apprenticeship programme and so on have not really been receiving the necessary training to prepare them to become joiners, carpenters, Bobcat operators and other jobs in that area, so that they too can go to their villages and develop their own businesses, or they can come to Bridgetown or go wherever and become business people. Joiners do excellent work, and if there's only one joiner, the job takes longer. And therefore, if you can bring along three or four young men and women, then that will help them to meet the demands and help them to meet the time frame under which they are to deliver.

And when I saw these remarks, Mr. Chairman, it hurt my heart. On page 116: 257 apprentices scheduled to complete their programmes between April 1, 2009 to March 31, 2012. The audit selected a sample of 100 to determine whether visits were conducted by the inspectorate as recommended or required. 95 apprentices' files were presented for examination; five were not. And of

those 95 examined, 57 did not contain any forms, any indication of anything being done. It should also be noted that of the above sample, 12 apprentices were certified, but no evidence was on file to indicate that visits were carried out. Twelve out of 257, Mr. Chairman. That is 4.67 per cent on average - 4.67 per cent of 257, and only 12 of them certified. Where are we going with the millions of dollars that were invested in this programme to help ordinary Barbadians to be able to get an opportunity to climb the ladder of becoming young entrepreneurs or young business people, as the case would have been?

The other aspect of my concern, sir, has to do with the informal sector. People in the informal sector - coconut vendors. We are going into stores now. We are seeing coconut water in cans. We are seeing a lot of products coming in from overseas. We are seeing tamarinds that people are buying in the supermarket in packages, very well packaged, \$13 and some cents and so on. We have the fruits, we have the vegetables. We have people who are ready to take on, but because of the impediments that they're meeting, it cannot work for them in the way you would like. Lots of our people are using the regular fruit - golden apple, tamarind and so on - to make juices.

Mr. CHAIRMAN: Three minutes.

Miss C. Y. FORDE: And therefore, I want to ask that this government do the honourable thing of continuing with the rural and urban enterprise training, where the small business sector and other persons with the expertise, on an annual basis, will use school halls, pavilions, community centres and so on across the island to ensure that the necessary training would have been offered to individuals who really would not be able to go to the Community College in the daytime or to the Polytechnic or to the other institutions for the training in the way that they would like. And so bringing the skills and the knowledge and the expertise to the communities for me will be the best thing. It happened all through 2006, 2007 and in 2008 the programme would stop. Over 1 200 people every year received that training. I understand that no longer is happening. I think that is a retrograde step.

And finally, Mr. Chairman, I believe that as a people we should start again looking at Buy Local. I do go to the supermarket and I'm looking for local products as well. Yes, because of the expensive aspects of the preparation of various products some Barbadians cannot afford to buy. Our products are more expensive; our salaries and wages are higher than most of the other people in the region and so on. And therefore that impacts. But I believe that we must get back to the Buy Local slogans and help our people to understand that if we don't buy from the locals and the persons who are producing in the small businesses, then that will help to lead to our collapse. Perhaps, sir, in another intervention I will speak to the funds owed by

government that is helping to strangle many of the small businesses and they are waiting patiently for the assistance. Thank you, sir.

Hon. D. St.E. KELLMAN: I want to say from the outset we were given the impression that everything was well prior to the years 2008 and onwards to 2013. Mr. Chairman, it is no doubt that we were able to move the export market, sir - which means that whereas the Barbados Labour Party was quite prepared to ignore the local exports and focus on international business as they were well known for in this House, we recognised that we had to have the right mix. And that is, we were able to turn around the export sector and to increase the exports. But that was not all. We also recognised that in order to do that and to create the right business climate, we could not only depend on inviting people to come to Barbados and respecting foreigners as business people, but we also had to develop our own people. And that is why, sir, when they left government in 2008, they were only lending the small business sector - even though they claim that they had this abundance of money and they didn't know what to do with it - the small business sector on the fund access was only able to get \$3.9 million. But under the Democratic Labour Party, sir, under conditions they claimed were so bad, we were able to lend them over \$5 million on a yearly basis, sir. Which demonstrates, sir, that this party understood the importance of holding the hands of the small business sector. And we were quite prepared to work with them. And instead of having an economy where we allowed people from outside to dictate the economy, we empowered the small business people of Barbados and put them in a position that they could have increased the exports in this country.

But Mr. Chairman, you know, we speak a lot about cost of living and we always believe that what we need to do is to bring down the price of goods at a time when external costs are increasing. I want to say, sir, that I do not sit on that bandwagon because we cannot control the external prices. And the main things that will dictate whether an item will increase or not, sir, is the cost of fossil fuels, et cetera. And as you would know, Mr. Chairman, those things have been increasing. The labour prices overseas have been increasing. And if they have been increasing, it is obvious that the cost of living will have to increase. I want to make the point that we have to recognise that while the prices in the world are increasing, it would be foolish of us to try to bring down prices because what we will be doing is deflating our own economy. What we need to do is to increase output at all levels. And by increasing output at all levels and production, sir, then there's a possibility that we will be able to increase disposable income. And that is what we need to do - increased disposable income, but due to increased production, not simply increasing income. Because whenever we speak, we behave as if we are going to

stagnate our economy and we are going to be doing something good. That is foolishness, Mr. Chairman.

And we have to understand, sir, that we have to empower our people. And that is why we are also going to be changing the mindset of Barbadians to recognise that instead of going to school to look for a job, they go to school to create a job for themselves and their families and their friends. If we do not move towards innovation, sir, and allow people just to go to school to say that they have a degree, and then after getting a degree have to come and beg somebody to look for work, sir, we are not going to put this country anywhere. And that is why, sir, this progressive government has been able to demonstrate to people that we will put money with all the institutions. And that is why, sir, we are even moving

further to empower people by expanding the SJPP and the community college to empower those people and those institutions to strengthen our hands and to develop innovation and things like that, sir, so that we can create people who are employable and not people who will have to go and beg for jobs, sir. If we do not do that, sir, we are not going to take this country any place, sir. And that is why we have to take it somewhere. And that's why the Democratic Labour Party to its progressive policies has been able, even though they get in here and they brag and say manufacturing is down, I'm not worried about that. The people of others got to worry about that. You know why? Because manufacturing is down, but exports are up. And it is our job to demonstrate that we have a product that's capable for foreigners to use and the export market to buy. And if Barbados sees within themselves that the export can go up and local consumption can drop, well, then we have to ask ourselves, where is the problem? The problem cannot be with the producers. The problem will have to be with the consumers.

And I'm saying, sir, it means that we have to educate Barbadians of the importance of supporting their own. Because if we cannot support ourselves, then how can we expect others to support us? And I'm saying, sir, it is regrettable that we can get exposed up in this country, but yet still people can tell you all the different types of English potato, Canadian potato, Idaho potatoes and don't even know sweet potatoes in Barbados. And you got people, sir, working in supermarkets in Barbados that don't know yams and cassava. And you have a member saying, talking foolishness as usual, when, as usual, she would say that because she has lost her direction and when she should be joining me and making this call and supporting local, she is telling people eat Idaho potatoes when Idaho potatoes and other English potatoes are known to be unhealthy foods. But the honourable member is saying, don't eat local. So, Mr. Chairman, I am saying in this serious debate we have to understand, sir, that we have to educate our people and we have to understand, Mr.

Chairman, that if we do not support local, we are going to continue to have the economic problems that we saw in other countries.

And it is no doubt, sir, that this country is doing the right things. And that is why, sir, I support wholeheartedly, sir, the programme put in place by the Minister of Agriculture, sir, and I support wholeheartedly, sir, the policies I'm hearing from the new Minister of Industry and Manufacturing, et cetera, sir, for the simple reason, sir, that if we do not do that, sir, we will find ourselves in the same position that the Barbados Labour Party found themselves in. You know what, sir? They were so focused on international business that they did not understand the importance of manufacturing, rather the importance of agriculture. And that is why they were getting here and grumbling. Because all they have done is to fail the society. Because instead of depending on and supporting themselves, they allowed themselves to be led from outside. And that is why we are going to lead ourselves and allow the outsiders to join us because we have something for them to come and produce for us and we produce for them.

Mr. Chairman, it is no doubt that when you go on the international market now and you say Barbados in the marketplace, it means something, because previously we had no export items to demonstrate that we had the capacity to produce. But now, don't care whether you're going to England, you're going to Canada, you're going to America, the same thing, sir. You can see a demonstration that we have manufacturers once again. And that is why, sir, once we give the national support, sir, and use the educational base that we have, sir, we can once again, sir, command that place in the marketplace. And I'm saying, sir, that we as a people have always been able to create a product to make the outsiders want our products, sir. Nobody will believe that it was Barbados that was able to dominate the sugar market and was able to use sugar as an export item to put Barbados on the map today, sir. But they gave up that and came into this House and bragged about comparative advantage. You must go for comparative advantage, no import substitution. And that is why we are where we are today, sir, because instead of depending on import substitution, we allowed the honourable member for St. Peter to come in here and talk about comparative advantage - that we can buy this, we can buy that instead of producing - and that we are getting 60 per cent to 70 per cent of our corporation taxes from international business.

So we have the capacity to buy, not recognising that there is nothing wrong in having the capacity to buy while at the same time being able to produce those items that you can satisfy your people with. And that is the problem - that we behaved like we were so rich, we had an abundance of foreign exchange, and we did not recognise that going towards competitive advantage would allow you to dilute

your foreign exchange base. Whereas if you allow what was happening previously and continue with manufacturing and agriculture, you will continue to build your foreign exchange base. But there is nothing difficult about that. And I did not understand why the Barbados Labour Party did not understand that.

And we heard a lot also about these big pancake companies. We got to get pancake companies. You know what the big pancake companies are - they come and sell you more imported goods. Well, at the time, the opposition was saying that you don't need those type of companies. What you needed at the time was for a company to create capacity. And we said on this side that we had no problem supporting any Caribbean company where once it has an advantage, what should be occurring is that the Caribbean governments, once you see an advantage and it has export potential, the Caribbean governments should come together and invest in that company and push the export potential. But instead of doing that, we got back into bed with people who were interested only in importing goods. And it has gotten so far now that not only goods for consumption in terms of supermarket goods, all of our local manufacturers, because of the bad policy, the Barbados Labour Party were in trouble. And we had to rescue them. So much so that we even now recognise that they could not even sell goods in their own stores in Barbados. And we had to develop something called a showroom - a development of a showroom to protect local manufacturers - because they allowed outsiders to come and even take over the French market in Barbados.

For many years, since 1961, they were pooh-poohing us. We put a shoe factory in the manifesto since 1961. And they claimed that was one of the things we never delivered. But we are about to deliver on it. Because you know why, sir? Because they did not understand the vision of the late Walton Browne. They did not understand that the shoes that were being imported in Barbados were not made for people like us. And instead of seeing the vision of the man, they criticised the man. But we will demonstrate to you in a real way why you must have a custom shoe for people like us and why there is a good marketplace. And not only demonstrate that - we will even go further to show them how to utilise the best leather, the second best leather in the world. Because there is no doubt that the Barbados Black Belly sheep is the second best leather in the world. Something that they just ignored and dumped. So now we understand. Now we understand why the economy was left in that position. Because the Barbados Labour Party had no vision and because they were so caught up by their masters - because once they got an international dictate, they followed before studying it. But the Democratic Labour Party is not interested in getting international dictates. We have always given the dictates from Barbados and we have always sent them out. And that is the difference between the two parties.

Mr. CHAIRMAN: I thank you, Honourable Member. Honourable Member for St. George North.

Mr. G. A. CLARKE: Yes, Mr. Chairman. The member for St. Lucy always tried to make people believe his own ideas. He tried to make people believe, and especially this honourable House, that things are so good, that things are so wonderful. As Minister of Business, Small Business, the only success the member has in the ministry is to develop a small showroom that only could hold one sofa bed. Now, the only thing the member has. And he has distinguished himself. We need to focus on the presentation regarding Mr. Speaker, Mr. Chairman. So the member must not come in here and make us believe that he is this guru and that everything is so well under the Democratic Party. I am saying he says the manufacturing is up and export is up. He said that imports are up. Mr. Speaker, we know, we know because the facts are all here, that we are importing over \$600 million in foodstuff over the last year. And it has been going up and up. He talks about import substitution and he keeps talking about import substitution. But he must understand that we are living in an international arena and that the international trade is a reciprocity of ideas. So that when you buy my goods, I have to buy yours. So that we are importing a number of goods from the Caribbean islands and from other parts of the world and we have to continue importing. In fact, the Minister of Agriculture will show that the majority of foods that we import, many beverages and processed foods, we import these things. But how do you substitute them? We do not import a lot of chicken. We do not import a number of fish and so on from the local market. These are things, Mr. Speaker, Chairman, that are used mainly in the hotel industries that we have to import. What we have to do is to continue an exercise of manufacturing. And I agree with him that there must be, we must look at how do we get our producers to produce more for the export market? How do we get them to do so in this environment? Because there was a time when Barbadian furniture was demanded in Latin America. There was a time when Barbadian furniture was demanded in North America, but because we were not able to meet the standard and that will cause the problem. So we have to be able to educate, to train, we have to look at labelling in order to meet the international market.

It is important for us, however, to look at what is happening in this business environment in Barbados today. This is a super ministry and the minister under this head has a lot of room to help develop business from the idea because there are many ideas, many business people have ideas, many young people have ideas. But how do we move ideas from ideas into practice? It is true that there are a number of cases where small enterprises, micro enterprises have developed over time, but many of them soon go out of production. Many businesses are established, whether they are in the agriculture sector, they are in the service sector, they come to fruition, but very soon they go out. And what

is causing this? I believe the member for St. Thomas cited the need for adequate financing and that is a problem. Adequate financing, but adequate financing is not the only problem. I believe the biggest problem is the capacity to access financing. And I think that we need to set up within this ministry a technical support for small businesses in terms of accounting. How do we put plans into play? There are many businesses who have to pay a lot of money for accounting services to set up the businesses, to establish and get plans in order to go to the bank. Many people cannot do that.

And then when we look at our local industries, let us look at the shops, for example, the rum shop, let us look at the hairdressing, cottage industries, dressmaking, small contractors and hawkers. They have not moved very much over the past 20 years. And I believe that we need to do something about this. I am not talking about the Mutang exercise. I am not talking about the Mutang exercise where persons are able to access finances because of who you are. I am talking about the ordinary shops in the street. Do you realise, Mr. Speaker, that out of St. Philip, for example, I can tell you what happened in St. Philip? Because it was out of St. Philip that the idea of the shop lines came. Shop lines came established in St. Philip. Why? Because they were not getting finances. And this idea, this wonderful idea where people put together and said let us move and pool our resources together, I saw about making turn where the shop move around from one shop to another and they have these lines in order to finance, in order to help these businesses. And I am saying, despite the member from St. Lucy saying that things are so rosy, the picture in this society does not support this. The society does not support it because there are many businesses that are suffering and suffering badly out there, not only for finance, as I said, because that is an integral part, but they are suffering for - how do I get these finances?

Because I notice within this ministry you have a lot of funds for grants to individuals under Head 368, you have funds for the individuals, you have grants of professional services and grants to non-profit organisations under Head 461. And how do we access these funds? Because you talk about fund access now. Fund access has been around for some time, but there are still many businesses that cannot access. And when they try to access, it takes sometimes a year before you can access any funds at all. And even though I believe the officers may be doing a good job, there are still a number of small businesses that have applied to the fund but cannot get the fund because maybe the technical support is not there. So you definitely need the technical support.

There is another problem that I think the minister has to look at. The minister has to look also at research capacity. I think that many businesses also suffer from the need to research. And this may very well be a case in

which the Ministry of Education and Entrepreneurial Development has some need for this. This is actually taught in the school and in the university. I know that there are cases where the University of the West Indies usually lend a hand in terms of technical capacity and helping small businesses, doing the research and so on. But we definitely need to do more of this for small and micro enterprises. Research and marketing. Many businesses do not do marketing today. They cannot do marketing because it is very difficult. They do not have the money to do it. And of course it brings down the capacity again. I met a young lady recently who was making from her cottage industry jams and so on. But then the difficulty is how do I market this? How do I get the tourists to know? How do I get the Ministry of Tourism to interface with my business and so on and so forth. So that persons sometimes have to keep their follow-up for a long, long time and suffer from lack of sales. The question is to the banks. Banks - you owe the bank money because sometimes you get a loan from the bank but you cannot repay the bank because you are not selling. This is a big problem and I think the ministry needs to look at a case where persons have a good product but they get into sales difficulties. How do I repay the bank? What do I do? And I am not sure if within the ministry you have that capacity. In some jurisdictions, I know that you could rely on the ministry or the government agency to help you pay for these products. And then there is some sort of refund mechanism that is put in place.

Now, I think within the ministry there needs to be a more hands-on approach. I think there needs to be capacity building and I hope that the minister could put in place a situation where you have extension officers to go around and see what is happening out there, especially with small enterprises. I believe most of the big companies do have this capacity, but it is the small enterprises, Mr. Chairman, that have problems, whether it is in pig farming, whether it is in rearing of chickens and so on. I met a number of persons in recent times who want to get into the pig farming business but sometimes do not know how to get arrangements at the slaughterhouses and so on and so forth. We have therefore a lot of work to be done in this ministry and in this exercise. If the government is seriously going to tackle unemployment, if the government wants to tackle unemployment, we have to look at funding, we look at marketing, we look at market research and production. We have to be able to do a number of these things in order to push forward self-reliance and move those ideas into practicality. If we do so within the next decade or so, because it is going to take some time. It also has to be a mind change as well. It has to be a cultural shift, a cultural shift. We need to understand, Mr. Chairman, that a business must make profit. There are some people who believe that a business must always either be a service-oriented business and that profit is bad. We need to instil in our people that we must see business as a profit-making enterprise and also one that provides employment for

persons, the family and the community. And by doing so, Mr. Chairman, I believe that we will be setting the tone to move this idea and this cultural shift because it is going to take time. It is going to take time in Barbados because everybody wants a government job, but everyone will not be able to find a government job. So we have to be able to push self-reliance, we have to be able to push entrepreneurship and it has to be driven from the school right through the society.

Mr. CHAIRMAN: I am obliged to you, Member. Honourable Member for Christ Church West Central.

Hon. S. A. LASHLEY: Thank you very much, Mr. Chairman. I re-enter this debate on a very important issue in relation to enterprise empowerment and small business development, which I believe, Mr. Chairman, are very key components of the strategy of this government to further diversify the economy. And I must say that I am impressed with the strategies which have been adopted to date by the ministry. Of course, the ministry is now consolidated, bringing in one place under one minister a number of very important sectorial agencies, which are very key in terms of moving this vital sector forward. But I want to say, Mr. Chairman, that the focus in relation to empowerment of small businesses and enterprise development is perhaps one of the most important facets as we look towards how we can enhance the capacity of Barbados to earn foreign exchange. And I make this proposition not only in relation to traditional sectors. I believe that our approach in relation to expanding small business in Barbados has to be also seen within the context of the emerging sectors, particularly the cultural industry sector and of course the sporting sector as well. We have placed on the agenda our determination to transform sports into a major industry. And when we are talking about small business and enterprise development, we also have to capture into that net the whole question of how we are going to expand and empower small businesses, particularly in relation to sports development. And the areas, Mr. Chairman, are very exciting. There are new areas which we believe have got to be put before our young people in order to widen their horizons in relation to the opportunities available for them. And very shortly, of course, we will be looking at very intensified efforts.

In this respect, I want to respond very quickly to some of the submissions made by the last speaker, the honourable member for St. George North. And when you carefully analyse sometimes some of the submissions made by the members of the opposition, particularly in this debate, sometimes you wonder whether the contributions of some members - not all, because I believe that some of the members have taken some time to bring, at least in this latter part of debate, some element of suggestions and a few recommendations which can have some merit in terms of analysis. But in relation to the last speaker, the

honourable member for St. George North, who lamented the need for technical support for small businesses and accounting services and so on, one wonders whether the opposition has really been analysing the performance of the government in this respect, because to a large measure these services are currently being provided by the relevant government agencies. And I can speak with authority on this as it relates to what the Ministry of Youth has been providing, particularly in relation to the Youth Entrepreneurship Programme, because that programme, Mr. Chairman, has been very successful in relation to empowering small businesses and providing technical support to them.

In fact, the YES Programme, the Youth Entrepreneurship Scheme, has been able to grow over the past five years. Some 50 new businesses were created in Barbados under that programme. Over the five years 2003 to 2007, they were only able to create 41 businesses under the Youth Entrepreneurship Scheme. So do not challenge me because I have my information before me which gives a comparative analysis. Over the period 2003 to 2007 under the Barbados Labour Party, they were able to create only 41 new businesses under the Youth Entrepreneurship Scheme. Under the Democratic Labour Party in 2008 to 2013, we created 50. And the income generation under that particular programme was in excess of \$12 million. The financing received was in excess of \$564 000. And the technical assistance - the assistance that the honourable members referred to - the technical assistance provided amounted to some \$179 662.20. They also accessed accounting services as well, and marketing services were also provided to these entrepreneurs. And I make this reference to statistics because I think before members of the opposition speak in these matters, they really need - and this is only the YES Programme. You have the Rural Development Commission with the microgrants,

right. The microgrants were provided under that programme and the Small Business Development unit as well, where assistance were provided in so many areas. So I'm satisfied, Mr. Chairman, that we have a structure in place that is working. Let us begin the debate from the perspective of how we can further develop how we can tweak these systems that we currently have to the benefit of the emerging focus that we need to have in Barbados when we are talking about empowerment of small micro businesses. Because in my view and in my submission, Mr. Chairman, these entities, these small micro businesses, those persons who are going to be utilising sometimes a small room in their homes and may not even go to any particular operational estate to operate - the world has passed some of the nuances and the ideas that I'm hearing from the opposition in that they've gone beyond that. We are now talking about an empowered young generation that are really seeking to create dynamic entities in which the resources and the inputs being made available to a large

extent are going to be highly specialised and very dependent on Internet and other access, our broadband services. We know we have to spend some more money to improve our broadband because many of these enterprises will require the use of broadband services.

So, Mr. Chairman, the other point I wanted to make too was that in that period which I refer - which is the period of 2008 to just 2012 - under the YES programme, we had about 731 YES Juniors trained and we had about 534 entrepreneurs trained in that programme alone. Now, I know that our national summer camp has been pilloried and criticised by the opposition, but that has been identified within the context of our emphasis on specialist camps, that has been identified as being a bedrock for training young people in the rudiments of entrepreneurship. Because I want us to avoid seeing this in an esoteric way and really avoiding to collide with the real issues that we have to be concerned with and so on. So all these things you're talking about - the members for St. George North are currently being provided research, marketing - and we talk about the shopkeepers to a large extent. The shopkeepers, many of them in Barbados, have been able to modernise their systems and many of them are getting technical and other expertise from the Government of Barbados.

Let us not go through some time war and I want members of the opposition to awaken to the fact that we are moving into a new era. I also want to refer to some other statistics because I don't want us to believe in this debate or to send abroad that somehow the ideas coming from the opposition are not things that we are doing now - we are doing them. What I would like to hear from the opposition are some serious initiatives and ideas and alternative strategies to help to propel us forward as opposed to the things that you have talked about. I believe I heard most of that in the last Estimates Debate and the last Budget. Let us hear more cogent submissions that could somehow stimulate the thinking of this Government in relation to how we are going to move forward.

I want to look at the performance of Fund Access because Fund Access remains one of the successful agencies in relation to providing financing to small and micro businesses in Barbados. So if you look at the figures, for example, in 2007 when of course the Barbados Labour Party would have been in office, the value of loans approved by Fund Access was \$2 513 331. In 2008 when we came into office that increased to \$3 981 812. In 2009 it went to \$3.5 million. In 2010, \$5.3 million and in 2012, \$5 031 000 was provided in loans. Fund Access - for example, in 1998 the Labour Party would have only provided \$1.9 million. So we have moved beyond where the opposition was many years ago and we are putting significant resources behind the empowerment of small micro enterprises.

And I want to refer to another statistic because I don't think that you can scoff at the efforts of this Government - and to a large extent these things were done within this very small short window of five years. We should not scoff at significant empowerment efforts made by this Government in relation to a sector that we have earmarked in all of our strategic policies to be part of the transformation of Barbados. And we have done it by means of putting in place systems that are designed to empower these enterprises and ensure that we can get to that point. And we recognise, Mr. Chairman, that there are numerous opportunities available. I'm happy with the efforts of the Ministry - of the Honourable Member for St. James South - to look, for example, at establishing a tannery. We have many opportunities. Each opportunity I get to go to a particular exhibition or whatever and I encounter small business players who are asking for the establishment of a tannery. We have the black belly sheep in Barbados - to a large extent the skins are not being utilised in a manner that can bring us significant foreign exchange earnings. Now the black belly sheep has been in existence for many years. The Labour Party probably had this opportunity sitting at its doorstep and did not take it anywhere. So at least complement the efforts of the Government for looking towards establishing a tannery in Barbados.

And I think if we really want to walk the walk in relation to the appeals by the Opposition Leader for bipartisan dialogue and discourse, let us understand where we are going. And the only problem I find is that when the opposition enters this discourse, it has to enter from the perspective and the point where the Democratic Labour Party has gone way beyond where they've ever gone before. And I wonder whether they are able to rise to the occasion in coming up with the kind of input that we require. Because we require input that will help us to transform an economy that has largely been dependent on tourism and financial services. But the opportunities are there and I am satisfied that this Government has set a platform for further progress.

Now, if we look at the exports, for example, in three of our major markets - the UK, USA and Canada - and you look at how those exports have grown under us in a short space of time. For example, in 2007 when the opposition was in office, the exports to the United Kingdom were \$1.1 million. In 2012-2013 they are \$1.14 million. Exports to the USA market when the Barbados Labour Party was in office in 2007 was \$4.1 million; in 2012-2013, \$6.25 million. Canada - under the Labour Party in 2007, \$455 000 was exported; in 2012-2013 under this Government, \$557 368. So these are statistics which point to the fact that there has been progress and that the policies of this Government have worked in very difficult economic circumstances.

I want to take the opportunity not only to applaud the efforts of the officers in my Ministry in the YES programme - the Youth Entrepreneurship Scheme - I also want to applaud the efforts of those officers in the BIDC and the other related agencies within the Ministry that is now the Ministry of Industry, International Business, Commerce and Small Business Development. And I am happy to know that we will continue in our efforts to train these officers so that they can help to propel vital sectors in this country.

So I really, Mr. Chairman, had to make this intervention because I keep hearing from the opposition generic language and I believe, yes, they know that they have to get up in here and say something and that it should sound sensible. But to a large extent, what I'm hearing from the opposition are ideas and interventions that basically represent the existing strategy of this Government. The only difference is that what they are suggesting - really, four or five years ago - these ideas that are coming from the opposition could have worked. We have gone beyond that and we are now into a completely new arena where we are going to see the transformation in vital areas of the economy, emerging sectors that will see small and medium-sized enterprises being seen in a completely different light. That is where we are at, Mr. Chairman, and with those remarks, I believe I'll come back again on some other matter of this Head. But really and truly, I had to make those points to allow this House to understand that we are on a course that is buttressed by a report - a report that suggests that we are actually making a difference in Barbados. I'm grateful to you, Mr. Chairman.

Mr. CHAIRMAN: Honourable Member for St. James North.

Mr. E. G. HINKSON: Thank you, Mr. Chairman. You know, Mr. Chairman, listening to the last two speakers on the other side, one wonders whether they realise that the Democratic Labour Party has been in office now for the last - going on five and a half years. Because remember, please, there is this inclination to chide the Barbados Labour Party Government for their failures. The international business sector - Head 79 - under which we're debating and giving our thoughts on, was a sector created 30 years ago under the Barbados Labour Party under the prime ministership of the late Tom Adams. And we need to move forward on this matter. It is clear that this Government is lacking in ideas as to how to develop this economy and this sector to move it into an international business centre.

But, Mr. Chairman, we need to educate the population of Barbados as to the importance of this sector. Previous speakers - a couple of them - have mentioned this issue: that we don't believe that the general population of Barbados understands that this is a very important sector in

the economy of Barbados, that in 2007 it was a factor of the economy that was bringing in 63 per cent of corporate taxes, it was employing about 3 000 people and it was contributing significantly to economic activity in tourism, in restaurant services, recreational services, real estate services, professional services. And I would really wish to see the Ministry of Education carrying out a programme whereby Barbadians are educated as to the importance of this industry. There is a significant need in my opinion to educate the population that this sector is important to the quality of life of Barbadians.

We need, for example, to promote Barbados as a country with a second language. I mean, we are surrounded here in CARICOM by Spanish-speaking countries. A policy position was taken by the Ministry of Education years ago to promote Spanish as a foreign language in Barbados - conversational Spanish. And in my opinion we haven't got off the ground on the issue. I am not convinced whatsoever that Barbadian-born people should really be at the forefront of teaching Spanish in Barbados. We should be bringing in people from Spanish-speaking countries on a wholesale basis. Mr. Chairman, I don't know why the Honourable Minister of Education - Mr. Chairman, when the Honourable Minister of Education was [Inaudible.]

Mr. CHAIRMAN: I didn't get in his business, please. I didn't get in his business then, sir - just a moment please. I would just ask you to please stick to your speech. I mean, ignore the other, please. Thank you.

Mr. E. G. HINKSON: We need to bring in people from Venezuela, from Cuba to speak towards conversational Spanish to educate our students in this area so that we can then be more competent in the international business sector and in promoting the industry within our neighbours in Latin America and in other Spanish-speaking countries with which we have double taxation agreements, bilateral investment treaties, et cetera. The Ministry of Education is now tied to science and technology and innovation. And this should not only be something that is cast in the minds of a political directorate but it should have real being within the school system, especially within our primary schools. And the Honourable Member of Parliament for St. Lucy spoke towards, for instance, the expansion of Samuel Jackman Prescod Polytechnic in St. Lucy, I believe, and we already spoke about that, the concept where the University College of Barbados in our submission would have been a better idea. But be that as it may, you don't start to train an individual into innovation and creativity and into creating small business enterprises and micro businesses. And all of this rhetoric that we're hearing from the other side at the stage of BCC and Samuel Jackman Prescod when they're 18 or 19 or 20 - we should start this in the primary schools. And to have real being we have to develop programmes within the primary school system that will train our children from age four, five and

six, that they should be able to be creative, innovative and to look towards employing themselves and employing others rather than just go into a system of education to lead to the government job, the job at the NCC, the job at the bushing campaign that the Minister of drainage has put hundreds of people within the last few months in an election ploy. But we need, if we are going to bring down this extremely high and unacceptable unemployment rate in which we find ourselves at present, to be able, from primary school, at the level of the Ministry of Education, at the level of the Ministry of Youth Affairs, to encourage and to bring in programmes which will encourage our young primary school students to be innovative and creative and to build our creative industries and to employ themselves. The Barbados Labour Party manifesto speaks clearly towards the need, Mr. Chairman, to develop programmes to make indigenous service providers to be in a position to become an increasingly large component of international business. And we need clearly to focus not only on increasing our foreign investment, Mr. Chairman, but on encouraging local businesses to export. And in this vein, Mr. Chairman, I am proud to say that I am a believer in the single market and economy, even though we've heard very little if anything from the other side on this concept since they came into office almost five and a half years ago. I, like my colleague the Member of Parliament for St. James Central who spoke earlier on the need to go forward on our CARICOM relations and on CSME - we in Barbados still export over 50 per cent, I think the figure is about 52 to 53 per cent of our exports to CARICOM countries and we have benefited greatly from our relationships with CARICOM even though the other side didn't seem to realise it and still doesn't seem to realise it ever. So a welcome-wait-for-a-call kind of philosophy that they evince really and truly, in my opinion, lost Barbados a lot in terms of not only economics but goodwill too, among our Caribbean relations. And we have a unique opportunity as a government, as a people, to lead this concept. We have always led the concept of Caribbean relations from the Right Excellent Grantley D. Adams right down to the Right Excellent Errol Barrow, Tom Adams, Owen Arthur - and it is only under the two administrations of the Democratic Labour Party that we Barbadians have lost the lead on developing our CARICOM relations. And this is really sad to think. This is really sad. We have, Mr. Chairman, in the last Barbados Labour Party administration passed legislation - the International Arbitration Act in 2007 - which was the basis of Barbados moving to be established as a reputable centre for international commercial arbitration. We need to enhance our jurisdiction, our reputation as a jurisdiction based on the rule of law. And we have the opportunity under this legislation to move Barbados into an internationally recognised commercial centre for arbitration. But yet we hear nothing from the other side. And the Minister for Youth Affairs, the Honourable Member of Parliament for Christ Church West Central, speaks every time - in the short time I've been

here, every time he gets up I realise he speaks towards the opposition: give us ideas. Well, he at least recognises no ideas and concepts are coming from their side. So he always says, opposition, give us some ideas. Here was an idea left on the platter by the Honourable Member of Parliament for St. Michael North East as Minister of Economic Development at the time, bringing in this legislation. But yet for six years now, this government has done nothing to move Barbados forward to take advantage of this legislation. So other countries like Singapore, like India now - and it's no use saying that we are too small. Once we have the political will, I believe anything can be achieved. And Singapore is a country - I've had the honour to spend a couple of weeks in it - not much bigger than Barbados. And we have to be able, in spite of our geographical size, to be able to take advantage of these opportunities which present themselves to us as a country in the international forum.

Mr. CHAIRMAN: Honourable Member, three minutes.

Mr. E. G. HINKSON: Mr. Chairman, we need as well, through the Ministry of Education, to encourage overseas universities to establish campuses in Barbados. This as well will enhance our reputation under the head in which we are speaking. Other Caribbean countries have these offshore universities. In Grenada, for instance, a significant part of the economy is channelled by having an offshore university - I think it is St. George's University. But we have not done anything really and truly to encourage universities from overseas to set up bases and campuses in Barbados. And this is an area that we need to develop in these hard times. All of these opportunities which we have - it is really shameful, in my opinion, Mr. Chairman, that we have totally lost the baton on the issue of being able to be competent in doing business in this country. That St. Lucia, a country that many Barbadians used to laugh at and scoff at, is now recognised as the best country in CARICOM to do business. And Barbados is not even on the radar, not even gauged in terms of quality and competence in doing business, not even in the ratings. The Minister responsible - he had the super ministry. He has the opportunity to change these issues. As I said in my contribution to the estimates, he is recognised as the most pro-business cabinet minister that they have. And we on this side, because we are all Barbadians, we are all here to try to improve the quality of life of our people - I really hope that he is able to move this sector forward, that he is not frustrated by the myopic minds of many of his cabinet ministers, and that he is able to move us forward. We need to establish a business facilitation unit because it is all well and good for us to have the rhetoric, but unless we implement all the schemes, we are forward.

Mr. CHAIRMAN: Time has expired.

Mr. E. G. HINKSON: And, Mr. Chairman, I look forward to intervening again on this issue, to speak on other matters.

Mr. CHAIRMAN: Time obliged. Just a moment. Our member for St. Philip South.

Hon. A. D. BRATHWAITE: Mr. Chairman, I wasn't really planning to speak on this head anymore, but after the intervention from the member for St. Joseph, I just thought I needed to say a few words because I thought that as a family we were going in the right direction in terms of this head. And then yet again, we went back into the blame game and the providing of misinformation out there to the public, which is unfortunate. And to the member for St. James North - I'm not going to say anything about you because you need to do some homework. You don't know that basic Spanish is taught at primary school.

For the benefit, then, of the member for St. James North - basic Spanish is taught at primary schools across Barbados. There are many ordinary Barbadians going to the Venezuelan Institute on afternoons learning Spanish. Since we've gone into Brazil, there are many more Barbadians learning Portuguese. So the Honourable Member needs to get up-to-date information about what is happening. He does not know, for example, that every year we have an international business suite. I've been asked by his leader, the Honourable Member -

Mr. CHAIRMAN: You address the Chairman.

Hon. A. D. BRATHWAITE: I will not be distracted. Sorry, Mr. Chairman, I will not be distracted. But I do want to say, Mr. Chairman, that one of the fundamental problems that we have had in our discussion is not understanding that international business is wider than these companies that are formed in Barbados - that we should accept that international business is any business that brings foreign exchange into this country. We need to broaden our mindset in terms of how we think of international business. Any type of business that brings foreign exchange into this country, we should consider to be international

business, and therefore our approach to that business should be the same. So it should not be whether or not it's an international business company or society with a liability. If, for example, sir, an investor is coming to Barbados to purchase the Ammon hotel tomorrow, we should consider that to be international business. And therefore, as far as I am concerned, it is how we approach all the components of international business. So that's where I want to spend some time, sir. That's where I want to spend some time because, sir, we have discussed this on many occasions, but the solutions does not all reside here in this parliament because we need to change the mindset

of many players in the industry and many of our service providers in Barbados.

So therefore, if you look at the lawyers in Barbados, for example, the international business sector continues to go to only a few attorneys at law because of the responsiveness, because they want individuals who are going to respond in a timely manner. Because if you do the transaction in Hong Kong today, when persons are asleep as we speak or about to go out to work, they want to ensure that when they get to their offices that in fact our response is there. And until we get into that mindset that in fact that Barbados is open for business 24 hours, then we will not be able to move international business as I've described forward.

One of the criticisms that you hear is that persons are afraid to engage in commercial transactions in Barbados because they're concerned about whether or not they can get into the courts in a timely manner and whether or not decisions will be delivered in a timely manner. That's the kind of thing that we need to disabuse and address. So that persons know that when they come to Barbados and engage in transactions of a commercial nature, that if they have to end up in courts in Barbados, that in fact that not only will they get a hearing in a timely manner, but they will have a decision in a timely manner. That's the kind of thing that we need to address. They need to know that if they place a work permit into the system, that indeed that immigration will respond in a timely manner.

And it doesn't matter whether or not it's an IPC or SRL, they just need to know that in fact that there is some system that makes sense, that there's certainty, that indeed, and that's why we may refer to Singapore, we may speak about the fact that it's a dictator, et cetera, at the helm, but maybe in some ways that's what we need. Because I'm not saying that we need to move to dictatorship, but what we do need is certainty in terms of our processes. So that you know that if you place an application into some planning today, than the fact that you have a response in seven days, even if your response says that you cannot get what you want, at least there is certainty. And that's what we need to move to as a country.

We need to be sure that if you get past some planning that you don't have to go to EPD and be told that you need to go and have some other studies, that there are certainty you need that if you deal with realtors, that in fact that when you speak to realtors and they say that this building is a good building, is worth 1.5 million or wherever, that you can trust their word. These are all the components that we need to address as a country and bring them together and see how they all fit in, in what we call international business. Because unless we do that then in fact we will continue to have this blame game in terms of who did what and who not doing what, et cetera. And that's

why yesterday I started on the tone that I started on that at this point in time of our history let us put our heads together and see how best we can come up with solutions. Because I've never pretended that all the answers resided in one place or the other.

But certainly when you listen to individuals who should know better, I won't just spend all of the time, and I'm not speaking in particular for the younger members to understand because for example I heard today about international business companies leaving Barbados and that the government did not respond, etc. Now the simple truth is that can they change their rules and give the same benefits of Bermuda and Bahamas, which are zero tax jurisdictions as Barbados where people are paying taxes at 2.5 per cent at the maximum. If you are paying 2.5 per cent on \$30 million in profit, work that out, somebody who know math and you can go to the Bahamas and conduct the same business and don't pay any taxes. Explain to me if you are director of the company which jurisdiction you will choose. Because at the end of day you have to make a determination as to what is best your company profit wise.

So it was never an easy thing for us as a government to come up with a solution. The solution certainly wasn't we will go zero tax automatically because we could not do that as a country overnight. And we certainly could not say to six companies you can pay no taxes and then you have all the other 5 000 or 6 000 say well if you offer them zero tax then you must offer a zero tax. I think other members of St. Joseph should know that. No, I don't think he knows it because you see, you have given him too much credit. The member for St. Joseph, remember, is a real estate attorney. He may be part of a firm that does international business, but he doesn't know much about international business. So I don't give him credit. But say by now, having heard other persons on his side, if he did not believe me, articulate the reasons why these companies left Barbados, why continue to perpetuate that misinformation? As I said, I'm doing it for the benefit of the younger members so they understand it wasn't a case of government not doing anything.

And that's why one of the things that we have done as a government is that we said we need to hasten product development, we need to have new products. And I say to my colleague and minister and friend that in fact, yes, there are a couple other areas that we need to do and we will work on them and that's why we need to go into additional markets. I said, for example, to Invest Barbados some time ago. I worked for a bank for five years, I believe, or ten years from 2001. Five years. Anyway, forget the math, five years. One of the things that they did is that they invited the best tax practitioners from across several jurisdictions every year to a retreat. So they brought the best practitioners from Canada, from the US, from South Africa, and they had this retreat and the only thing they

discussed was Barbados and how to use Barbados in structures.

I said to Invest Barbados, let us not reinvent the wheel. That is a strategy, for example, that we can do rather than take six persons to China, bring the best practitioners from Shanghai, as my friend from St. Michael North East likes to refer to, and bring them to Barbados along with practitioners from Mexico and from Vancouver, and sit down and let us discuss Barbados and everything that Barbados has to offer. Let us do that. Let us think of creative ways to get the Barbados name and brand out there. And that's what we should be discussing. How do we move Barbados forward? That's what I certainly want to discuss. I don't want to spend time on who did what and whether or not it was my initiative that gave us a Barbados-Mexico treaty and whether or not we need more Spanish-speaking individuals. We actually know most of the things that have to be done and indeed most of the things that are being said on the other side are being done. But the thing that we are not doing that we should do is have a better coordinated approach so that there is certainty of process.

And yes, we speak of some jurisdictions that are ahead of us. And yes, it saddens me because we can and should do better and that is our challenge. Our challenge is, how do you change 10, 15, 20 years of believing that the processes that we have been using are the only ones that we should use. Because if you give someone a job and for 20 years, that they believe that, in fact, that it should take seven days or 14 days to incorporate a company, and overnight, you come and say to them, by the way, come tomorrow. We want this company done in a day. It is difficult for that person to make a transition. And that's been part of our battle.

Now, one of the problems that we have had, if I can go back to immigration, for example, if you would have an officer who feels and decides, too many people come into Barbados and have high-paying jobs, et cetera, and taking their time on the files and ignoring the fact that there's a link between that person's work permit and their contribution at the end of the month. Because unless that person brings the business into the country, we have problems in terms of taxation, collection, to make a link so that they can understand. And that's part of why the managers that we have also must be better trained, so that they can transmit down to these employees that are sometimes the cogs in the wheels, the importance of what they do.

The simple thing of when you go into the registry, for example, to incorporate a company, the first thing you need to know is whether or not the name is available. And yes, you can go online, as I showed my colleague here to the left from Christ Church West, but you still have to go to the registry and ensure that the name is available. And

sometimes it takes two days or three days for an officer to say yes or no, in a case when they're only about ten or 20 companies being incorporated, to just look, click and say yes or no, sometimes two or three days. Now, there's something wrong with that, because at the end of the day, that simple task can make the difference between whether or not we are able to gain \$5 million in taxes or go somewhere else, that simple task, because there are times when people make decisions just like that. We need to know whether or not a name is available in Barbados. And if you cannot respond, they go somewhere else. Because at the end of the day, what's going to make the difference between us and all of our competitors has to be service.

So our focus, Mr. Chair, has to be on how do we revolutionise our service delivery. And to the minister responsible, I say to him that is what we need to place most of our emphasis on over the next couple of months. I know I have three minutes. I didn't plan to speak this long. So that's all right. How do we change how we've been doing things for so long? Because the playing field has been levelled. You can go to the same St. Lucia we are talking about and the Bahamas, et cetera, and obtain the same benefits. And at a time when our costs are more expensive, we in fact have to even be better in terms of service. We have to be better in terms of service.

But all is not lost. Another thing I mentioned, St. Lucia - in closing, the other side of the coin, sir, is don't let us shoot ourselves in the foot, don't let us stand up in this parliament and suggest that some place like St. Lucia is better than Barbados to do business, because that is far from true. That is not my information. You don't listen. If you were listening, you heard the member for St. James North say, but that's not my information. Yes, we are not perfect, but we are better than most. And my challenge to this parliament and to our people is how do we become the best at what we do? Thank you, sir.

Mr. CHAIRMAN: Honourable Member for -

Miss S. J. O. BRADSHAW: Thank you, Mr. Chairman. I rise to make my contribution to this particular head. I've listened attentively over the course of the well yesterday and this afternoon to the various contributions from both sides, and I found it quite interesting that for the most part, both sides are agreed in terms of the things and challenges to this particular industry. I think where we deviate is sometimes on the chronology of how we have gotten where we are in the international business sector and the small business sector, and perhaps the various channels which both administrations have used over the years to be able to empower the individuals who operate in this sector. But when we put aside the chronology and all of the statements that have been made with respect to who did what, how it was done, how much business was generated in the sector, I think the average Barbadian who is listening

to this debate is really interested only in finding out whether the estimates for expenditure under this particular head is going to transform their lives in any particular way.

Also, the people who are potential investors to this country are interested in hearing whether the ease of doing business in Barbados is going to be any greater as a result of the initiatives which the minister has indicated that he proposes to implement. I find it quite interesting that we can spend so much time on talking about the various things that both parties have done, but very little, I think, is being taken away in terms of what we are actually going to be doing to stimulate this particular sector.

I am not sure how many others in this chamber have had the opportunity to really create their own businesses and to be entrepreneurs in their own right. But I've had the opportunity from a very young age, not only to embark on a career in law, but to also be able to establish a business in the creative industries. And I therefore speak not from a position as a politician, but certainly from a position of someone who has actually expended significant sums of money and also had the opportunity to access various types of funding in order to be able to pursue a vision that I would have had as it relates to the creative sector. And therefore, I can tell this chamber that a lot of the difficulties facing the small business enterprises in this country primarily relate to the issue of funding.

It is not - for what is clear in this chamber - that there's an understanding on both sides that there needs to be more money attributed to the sector. But oftentimes it is very difficult to access the monies, even if you have a very good idea. Oftentimes the persons who you approach for the funding, apart from, in some cases, being particularly partisan in some situations, a lot of people are not even aware that the funding actually exists in the particular sector. You also have a situation where some of the people that you approach for funding at the various agencies do not, in some cases, understand a number of these small business enterprises, in particular the areas like the creative industries. A number of people have difficulty understanding the concept of an artist being able to move their product and their services, and trying to sell their services, not only locally, but also regionally and internationally. So we have significant difficulties at a technical level where we are trying to approach persons for funding, but the very technical persons whom we're approaching oftentimes do not understand the particular sector that they are dealing with.

I would say to this chamber, Mr. Chairman, that we can spend a lot of time discussing these particular heads, but if we do not solve some of the issues as it relates to access to funding, a lot of the ideas and the concepts and the great discussions that we're having here will never have the intended effects that we want on the people of this

country. Being able to access funds from commercial banks is often difficult, particularly for people in the creative sector. I think it has been alluded to by the Minister of Finance, and I regret that the honourable member for Christ Church West Central is not in his seat, but as he seeks to expound on the great benefits to be derived by the creative entrepreneurs in this country, I would certainly challenge the member and those on the other side to indicate how many people in the creative sector have actually benefited from funding from any of the funds that the current administration has had over the course of the past five to six years.

I think when we listen to what is being championed as one of the areas which the government would like to boast of, which is the Youth Entrepreneurship Scheme - a scheme which would have been started by the Barbados Labour Party - it is clear to me that a lot of the initiatives which we are now discussing as it relates to that particular scheme relate to the training of persons in the sector. But whilst I have no difficulty with persons being trained in this sector, because that is something that is always ongoing, what I have a difficulty with are the number of businesses that I've certainly seen decline in this sector because of the inability to access funds.

There were a number of businesses which the Barbados Labour Party would have helped to establish over the course of its tenure and there were a number of funds available to the creative industries. There was a Cultural Action Fund, there was a technical assistance fund from the BIDC, there was also the Enterprise Growth Fund as well. And there were several other funding agencies that you could have approached if you were interested in simple things like being able to record a song, being able to promote and market your videos, being able to create music videos in the industry, being able to create films. And the fact is that all of these things generate employment in this country. All of these things I've had direct personal involvement in. And I can tell you that apart from being able to simply see our artists being displayed on film and in the music arena, we've had the opportunity, through a number of those incentive programmes, particularly grant funding, to allow our cultural entrepreneurs to export their products beyond Barbados. And that has the potential for this country to generate significant foreign exchange earnings.

Unfortunately, whilst the Democratic Labour Party has gone to great lengths to speak about the creative industries, it has however not been able to articulate a clear policy as it relates to how the entrepreneurs in this country are in fact benefiting from any of the incentives that they speak about. And I've actually seen the decline of several businesses in this country as a result of the difficulties in accessing funding, as a result of the difficulties in even the inaccessibility of airlifts to the rest of the Caribbean and

also the increase in the cost of doing business in this country as well. The fact remains that if we are unable to address a number of these issues, not only do the creative industries suffer as a result of it, but all of the sectors and all of the persons - the hairdressers, the nail technicians, all of the small business entrepreneurs who rely heavily on assistance in the form of grant financing, but also in the form of venture capital as well - have been, in recent times, unable to access a lot of this funding.

My question to members in this chamber, though, is how do we move forward? Because my colleague on this side would have indicated earlier that it has a lot to do with education, and we can speak in glorious terms about the international business sector and generating employment in the small business sector. But a lot of our young people do not even understand the terminology of international business. When you speak to many young people today, they want to set up their own businesses. They're interested in learning a particular skill or a particular craft. But at the end of the day, our very educational system does not, in many cases, enable young people from very young to understand how to be entrepreneurial. We have a situation in this country where a number of our young people go around with sponsor walk sheets and they're taught to beg, they're taught to ask for monies. But in a lot of cases, we do not teach our people how to create and how to be able to set up a business, how to be able to sell the things that they create and they make with their hands.

So when we talk about education, I would hope that the minister responsible for this area is thinking not only in terms of education at the level of existing businesses, but also addressing his mind to education at the very minor level in the schools, because I believe it has to start there. And I'm glad to hear sentiments being echoed from the Minister of Education, because that brings me to the other point, which is that we cannot have our ministries existing in isolation. We have to have discussions with other sectors which have some kind of linkage with the further development of this country. And therefore, education must play a great part with the Ministry of International Business and Small Business Development, as does tourism as well. Because if we're unable to ease the flow of doing business in this country, it significantly impacts on us being an attractive destination not only to people who want to establish their businesses, but people who also want to come to Barbados to live in this country as well.

We have seen a number of people who set up businesses in Barbados also wanted to send their children to schools here, in particular the International Baccalaureate programme. And it is something that I think is frustrating to many of them because they find themselves in a situation where a number of the issues that were raised by the member for St. Philip South are high on the agenda. The issue of immigration and being able to have

applications for work permits processed quickly because, as he stated earlier in his presentation, a number of persons really have to - are waiting on these permissions in order to be able to invest and to conduct their business in Barbados.

I have had a number of clients who have wanted to locate to Barbados who see Barbados as a preferred destination, regardless of the statistics that are on the table, which many of us may want to deny and have difficulty accepting. But there are still people who see Barbados as an attractive destination, but in many cases they are disheartened by the slow pace at which the legal system operates. And it is also the local people who have a difficulty with the way in which the legal system operates. I hear the comments of the member for St. Philip South as it relates to what is needed in the judicial system, but I think we've been hearing it for quite some time and as an attorney I am particularly frustrated at the slow pace at which decisions are made by the judicial system, at the slow pace at which we have urgent matters attended to and also the number of adjournments that we have in the system. And these things - whilst a lot of us say, well, that is just the way it is - the fact is that if we are going to be competitive in the global environment and if we're going to be competitive with our neighbours in the Caribbean, we have to address these issues as a matter of urgency. It cannot just be anything that we continue to sweep under the carpet.

We're talking about it very frankly in this chamber, but the reality is we want to know as a people what are the next steps. What are the things that we're actually going to do to ensure that the judicial system moves a little bit faster, that with the budget cuts in the corporate affairs division, that a lot of the necessary things that need to be done to speed up the process will be done and not left undone. As we hear from the Minister of Finance, you don't come and tell the people of Barbados in a budget that things will be done this year, but then two years later they're still not implemented. The fact is, it sounds nice to say it in this chamber, but we have a responsibility to the people of Barbados to move quickly and to ensure that the people who are working in a number of the ministries understand the urgency of affecting change, that a number of the people who are working in our overseas missions as well understand that it cannot be business as usual, because I've also had the experience where a number of the people in these missions are not properly qualified to attract the international business sector.

I am obliged, Mr. Chairman. A number of them do not understand as well the importance of the sector to Barbados. And for those persons who want to export their services out of Barbados, we need to ensure that our missions overseas, whether it is Invest Barbados, whether it is in the actual foreign affairs ministries, that people understand the importance of being able to export the

products and the services of Barbadians to the rest of the world. It alarms me when I look at the Barbados Coalition of Service Industries special audits as well as the Invest Barbados audits that we can read of scenarios where there are a number of challenges and we've seen, as a result of the challenges, that there have been significant budget cuts. But the fact remains that we need to fix a number of the things that have arisen in these various ministries, these various boards, in order to be able to export the sectors that we have spent so much time in this debate focusing on. A number of those entities, as many of you may have had the opportunity to read the report, would realise that it's really down to checks and balances. A number of things have happened under both administrations, regrettably, that have led to the inefficiency of a number of the trade missions - lack of reporting, a lack of follow-up on the part of the particular administrators - and as a result we're unable to really say at this stage how much business we have attracted to Barbados as a result of having these particular entities.

And I think rather than cutting the amounts that are allocated to these sectors, given all that has been said here, perhaps what we need to do is have an urgent review of the procedural practices in these organisations to ensure that they are more efficient and that the accountability for a number of the monies that have been allocated to these various entities do not seem to just be a waste of expenditure by the Government of Barbados. Thank you, Mr. Chairman.

Dr. the Hon. D. C. ESTWICK: I want to make a short intervention in relation to the area specifically of business development, the challenges and the work of the IDC, small business, and elements of related funding. I think that my experience of having been a former minister with the responsibility for both industry and for small business development in Barbados, and having listened to the challenges suggested by many of the players in the industry and also players within the region as a whole, I think it becomes important for us to set this discussion about small business and business development in Barbados within not only the international context but also within the regional context.

So we really appreciate some of the fundamental issues in relation to the challenges - the discussion of those challenges that relate to market access, that relate to financing, that relate to international elements that affect those domestic realities. I think we need to appreciate, sir, how the systems are set up so that the challenges become a little bit clearer and the solutions.

Let me start by explaining what I mean, sir. A lot of this is set under a broad heading of multilateral international trading arrangements. That is really what it is about. And those large multilateral trading arrangements,

sir, are existing arrangements that are set up within the context of large conglomerates and countries that establish a pattern of systems that benefit themselves and benefit countries that are tied to them by some particular bloc.

Outside of that type of structure of that multilateral trading system, sir, would have defined within it two other large systems - the system of trade liberalisation and the system, sir, of financial liberalisation. And we have to understand that when we are talking about our business within Barbados and our business within CARICOM, that we are talking about two concentric cycles, but within a larger cycle, which is that of the international trade and systems, and international systems of financial liberalisation. We have to set it there first, Mr. Chairman, so that we understand what we are talking about. And why that becomes very important is because when you analyse how the trade liberalisation systems have always worked -

The member for St. Lucy was accurate. The member for St. Lucy spoke to the fact that this whole thesis of comparative advantage that would have been accepted by many countries within the region over the last 15 to 20 years essentially told us, look, what we should do is concentrate on sea and sand and concentrate on elements of services. And what you should do is accept the international thesis of this thing called trade diversion and trade creation, which underpin the trade liberalisation. That is, you should buy goods and services from where you can get them cheapest.

That is when it comes down to it - once you accept that, Mr. Chairman, you are caught. You are caught because the system has set up all of the parameters with respect to the trades, regulations and so on to make sure that that becomes entrenched. And once you start to challenge that in any way, you begin to get the rules-based systems coming against you, which is the WTO rules and all the other rules that will therefore come against you.

But falling behind that, Mr. Chairman, is the whole notion - if you accept that, then Barbados would import 90 per cent of everything that it needs for its domestic operation, even when it can produce tomatoes, because it can get them cheaper someplace else. If you follow that all the way through to its logical extension, you can see how the system is supposed to work. Those persons, therefore, who have large access to technology and access to land and capital will be the producers, and you will always be the consumers if you accept that thesis. And once we accept that, sir, and lock it into our so-called agreements, we are going to have some challenges.

And what follows after that, Mr. Chairman, is this whole notion of financial liberalisation that came into the system. What really happens is that you essentially open up, removing your current account and your capital account

controls, and you allow the money to come in freely, essentially for investment purposes. But once you are bought into that original thesis, then it means that the money is going to be coming in but it is going right back out, purchasing every single thing you need for your own country. Once you are set in that, you have two cycles and you are locked - you cannot get out.

And I am saying, sir, that one of the ways we have to break that cycle is to strongly understand the value of your domestic government procurement system. And we should not be afraid, sir, to utilise that procurement system in the interest of your own domestic industries, to drive the support of those industries and not depend largely upon imports from China or wherever else. I am confident that if we utilise our domestic procurement mechanisms, the majority - almost everything that we produce in Barbados - can be consumed in Barbados. Now there is a philosophy, obviously, on the negative side, which would be where you get your foreign exchange from. But what is important here is that you develop other systems for that. But on your productive side, which comes to manufacturing and agriculture and those basic things that can help you expand your economic base, it is important that we use our domestic procurement mechanisms to ensure that some significant portion that can support our domestic businesses, Mr. Chairman, is supported in that way.

And the other thing we want to say, sir, that links more to the international business side, is that we sometimes seem to believe that Barbados' strength as a jurisdiction relies around whether or not you are low tax or no tax. I have had the opportunity, when I was minister responsible for economic affairs and planning, to have gone to some of these international insurance operations and so on. And do you know, the majority of the investors that have come to Barbados in terms of business cite Barbados' infrastructure, quality of life, freedom to move around, access to telecommunications, health care, et cetera. I am really wondering if we are not setting our systems up - or the way we go about trying to get persons to come here - if we do not need to start re-looking at this and start evaluating in a more comprehensive way in terms of how we use Barbados as a centre for business itself. Understand that business is not only the final bottom line, and I think the member for St. Philip South is probably correct - it may very well be that the qualities that Barbados presents in the market may very well allow Barbados to charge a little bit more for those high-quality services and high-quality attributes.

So, Mr. Chairman, I just wanted to flag those particular areas because I think they are very important. And I want the minister responsible for small business and industry to understand that it is about time that we make some changes to the legislation that establishes and supports small business. I said to the minister that it is time

that we start to create legislation that empowers micro business. And just as you have special incentive systems in place for small business, you should have special incentive systems for micro business. Because if you look at industrialised countries, it is the individual micro and small business that represent about 85 per cent of the business activity in the country. In Barbados we have about 50 to 55 per cent. And part of that problem, sir, is because we are not creating the institutional framework - which includes the legislation as well as the financing dynamics - to be able to move those particular systems along. And so it is those particular areas, Mr. Chairman, that I have my concerns.

The question that Mr. CHAIRMAN do now report progress and ask leave to sit again was put and resolved in the affirmative without division, and Mr. SPEAKER resumed the Chair.

Mr. SPEAKER: Honourable Members, the sitting of the Chamber is resumed. Members, your Chairman has reported progress and asked leave to sit again.

SUSPENSION

The question that the House be suspended until 6.10 p.m. was put and resolved in the affirmative without division and Mr. SPEAKER suspended the House accordingly.

RESUMPTION

Mr. SPEAKER: The sitting of the House is resumed. When the suspension was taken, we were in committee and today we shall return.

Mr. SPEAKER left the Chair and the House went into Committee of Supply, Mr. J. D. PAUL, Chairman of Committees, in the Chair.

COMMITTEE OF SUPPLY

HEAD 79 - MINISTRY OF INDUSTRY, INTERNATIONAL BUSINESS, COMMERCE AND SMALL BUSINESS DEVELOPMENT

Mr. CHAIRMAN: The House is now in committee. Our member for St. James Central.

Mr. K. D. SYMMONDS: Mr. Chairman, sir. I would wish, sir, just to take a few minutes of your time allotted to me to make one or two observations and to echo and wholeheartedly support some of the very useful sentiments expressed by the honourable member for St. Philip South. The reality is that his outline of that which took place with respect to foreign-based affiliates of Canadian companies and the consequential pressure that it put on Barbados to

match that which was granted - or to better that which was granted - to competing jurisdictions in the eastern Caribbean, especially those which had no double taxation treaty with Canada, is a very vital point.

In addition to that, sir, there are some realities that we have to accept. We lost, a while ago, our preferential treatment, our preferential arrangements with Europe. We have also been signalled that the fiscal incentives which we relied on to the tune of approximately \$50 to \$60 million - the Barbados economy must come to an end within the next two years. I believe, sir, the reality is that the future of the Barbados economy, in order to distinguish ourselves from our competitors, has to rely on our ability to do things better than those competitors, to be more nimble, to make our attractiveness be rooted in exemplary performance more so than anything else. Because all of those things which previous parliaments enjoyed to set us apart, and upon which previous finance ministers and governments could rely - the unique tax benefits with Canada, the preferential arrangements with Europe and the United States, the fiscal incentives - all of those things, because of new rules of play, are going to be passed in a very short time. So that to set us apart, we simply have to be as best as we possibly can be in an increasingly competitive world.

Now, Mr. Chairman, sir, it takes me back to the very fundamental challenge about internationalising our indigenous services platform because, sir, the Barbados Labour Party feels very strongly that that has to be the way we go. The honourable member for St. Philip West made a number of useful observations with respect, sir, to the need to transform micro business and make it small business. And consequently, sir, we then also have to look obviously at transforming small business to medium size and medium to be able to reach international competitive stage.

How do you do this, sir? One of the key issues has to be our marketing effort and the support given. I firmly believe, sir, that we have to make use of that which is certain. The General Agreement on Tariffs and Trade in services does not view as a prohibitive subsidy the giving of support to sectors in services which will assist those sectors to develop and access new marketplaces, to analyse new marketplaces. The research and development that goes into the market access aspect of the thing - the researching of a market and analysis of the opportunities in a marketplace, sir - those are not prohibited. We need to find a way to channel budgetary support in that direction, sir. We also need, sir, to ensure that we are allowing our services enterprises to pursue new investments as best as possible, sir.

But the challenge that we face - because we have to understand, and the member for St. Michael South East made the point - is that one of the challenges that most of our small and micro businesses are going to face and

continue to face are financial. Now, Mr. Chairman, the obligations that you have to a supplier is something that you cannot get around. Many of our small businesses find themselves cash-trapped and they owe money to suppliers. If you cannot pay a supplier, then you are faced with a situation where you may not be able to access credit, you are not able to access the inputs to your business, and you consequently, sir, find yourself in a position where you are deferring fundamentals such as expansion and reinvestment. You may have to make serious decisions about how many staff you can actually retain, and the business goes into a state of haemorrhage. That is the challenge that this government has to confront because, quite frankly, it is a reality of Barbados today - that cash-trapped situation.

And there was a study, sir, done by the Ministry of Economic Affairs in July of 2009, where a project was done, sir, to collect data on small businesses. And it is useful sometimes, I think, in certain situations such as these, to look at the objective analysis that has been done with respect to some of the key concerns facing sectors. That particular study, Mr. Chairman, sir, looked at micro businesses - and they were defined as businesses employing between one and nine people - small businesses, defined, sir, as being between 10 and 49 people, and medium-sized businesses, those between 50 and 99 people. The study sought to come to an understanding of, first of all, how many jobs we are talking about in that type of sector. It is an interesting point to note that the value of that small business sector in Barbados is as much as 26 000 jobs. And we are therefore talking, when we talk about small and micro business, about one quarter of the labour force of Barbados.

We also learned from that study that considerable revenues are attained by a number of the subsectors within the small business enterprises in Barbados. Wholesale and retail, sir, in 2009 was bringing in \$87 million. Professional services, sir, across the board - professionals - \$52 million. Building and construction, sir, \$23 million. This is the kind of revenue that was being made. Garages and the likes, \$22 million. Agriculture, sir, which I know is an interest of great concern to you, \$16 million. There is therefore every reason to believe that the small business sector in Barbados is vitally important and that the players in it have to be supported as best as is possible and legally practicable in the context of promoting them into competitive status regionally, hemispherically, and internationally, which I think is where we want to see them go.

But, sir, there was also another study done by the Barbados Private Sector Association. They have, sir, a private sector trade team. And they took a look at 25 businesses arbitrarily chosen across a variety of sectors to come to an understanding, sir, of some of the financial challenges that those businesses face. Now, sir, what they

did was to try to identify, on the basis of the constant recurring complaint we hear about access to capital and access to financing, what is the challenge that these businesses face specifically? One of the concerns that came out of that study, sir, was that between the period of 22 to 48 months, many small businesses in Barbados - and of those 25 companies looked at, sir, all of them were able to say that there were arrears due and owing to them by government for a period of minimum 22, maximum 48 months.

Now, what was the nature of the arrears that we are talking about? Payments for goods provided to government, \$12 million. Payments for services provided to government, \$14 million. Payments, sir, for works done, \$5 million. Now, I personally, sir, share the view of the honourable member for St. Philip West that the procurement process of government should ideally be a way in which we lift small and micro business out of the doldrums and make them as competitive as possible. You almost give a small business a guaranteed market if its services or its goods produced are procured from it by the Government of Barbados. But the flip side of that coin - and the challenge that we as legislators have, sir, and this is a challenge that existed when we were in government on this side, and is a challenge that faces honourable members on your right-hand side, sir - is that there is a difficulty in meeting the arrears or paying the small businesses with whom we do business in a timely manner. To have, for 22 months at a minimum, looking at 25 companies arbitrarily chosen, at a minimum 22 months, at a maximum 48 months - and you have sums of money due, sir, in the context of \$12 million due, \$14 million and so on - it tells a tale.

And that tale, Mr. Chairman, sir, is that those businesses are not going to be in a position to pursue new investments which they would need in order to maintain themselves. It means, sir, that they would not in all likelihood be able to adequately service obligations to suppliers which they must do because there is no inflow of money. It puts them in a position, sir, where they are cash-trapped and may therefore have challenges in accessing credit which they ought to be able to do if they are going to expand. It puts them in a position, sir, where they may actually have to think in terms of what they do about their staffing levels and whether they can retain levels of staffing. So that in a sense we stop the development of the same entities that we are hoping to transform into regionally competitive and perhaps hemispherically and internationally competitive entities, if we are not in a position to fast-track financing for them from the goods and services that they have sold to the government. And that is a challenge, sir, which, as I said, has transcended political parties. But I think it is one of the real issues that we have to face if we are going to get ourselves out of the situation we are in.

The other question, sir, goes back to the issue of business facilitation, and the honourable member for St. James South has spoken about it at length. We honestly feel, sir, that the duplication of information required by departments is one of the things that Barbados perhaps could see as a low-hanging fruit where we could get it corrected. Early solutions, sir - if agencies were integrated one with the other, so that you come to the point where at Town Planning there is a one-stop shop and all the other types of permissions and applications that need to be done are immediately accessible under one roof - it might serve, sir, to go a long way in fast-tracking the process that you have to go through to get fundamental permissions. The question of an e-business platform where you can go online, you can download, sir, or submit relevant forms, you can get your responses from government departments equally online, sir - the building of databases which would mean that we flesh out the Corporate Affairs and Intellectual Property Office - and to do that we are going to have to dedicate a little bit more resources, technical and financial. But those are things, Mr. Chairman, which I think we must come now to accept as being fundamental parts and components in transforming the way in which we facilitate business in Barbados.

If we cannot get it done amongst ourselves, Mr. Chairman, then we will always be hearing the complaint from visitors to our shores who are coming from jurisdictions which see that type of electronic facilitation being done on a daily basis and are accustomed to it. To come here and find that you have to go and line up for an hour, an hour and a half, at the Ministry of Transport and Works to get a driver's licence or to renew insurance is something that is unheard of in other parts of the world. But those are things, sir, which detract from the attractiveness and competitiveness of the jurisdiction.

Mr. Chairman, sir, I honestly feel as well that there is a challenge that we face in terms of under-publicised government and administrative support for financing. It is true that there is a question or a challenge of accessing financing. It is also true that there are opportunities for financial assistance which are out there but that you often do not know anything about. It is, quite frankly, sir, a problem across the civil service of Barbados. This is not to knock the civil service but it is just to knock the system under which they work. And I have seen it, sir - when in cabinet, for example, you come across several instances, I am sure members on this side have come across it - where people are trying to find out about educational assistance of a financial nature for their children. And there may be several avenues of financing open, known to the Ministry of Education and those specialists within the ministry, but people out there do not know, do not know how to access the information. And you find that there are Barbadians who are calling around trying to find out what they may do

in order to help a child who is going overseas to study, but they simply do not get access to the information.

In the context of the business environment, sir, we have a lot - and I think this perhaps is the solution the minister may wish to look at. We have a lot of advocacy and representative organisations - for example, BANGO, the Association of Non-Governmental Organisations, the Coalition of Service Industries, sir, the Small Business Association, the Youth Business Trust in Barbados, several of them - rural development, urban. Sir, if there are financial opportunities out there for the businesses, small and micro, then, sir, it may be a good thing to have a database which all can access, so that wherever you go as a Barbadian entrepreneur seeking that which all entrepreneurs seek - capital assistance - you are in a position, sir, to get an idea as to what can readily and realistically be accessed and the avenues through which you go. I had promised you, Mr. Chairman, sir, given the hour, that I was not going to delay the House much further. But those are a few concerns that I wanted to share.

Mr. CHAIRMAN: I am obliged. Honourable member for St. Michael South Central.

Hon. R. L. SEALY: We had an advanced stage of debating this head, but I thought it would be remiss of me to allow us to conclude the debate without speaking to, in my view, one of the more exciting initiatives of this ministry. And it has potentially some very significant positive, or can have a positive impact on the portfolio for which I have responsibility for tourism. And of course, I'm speaking to the decision to establish a free trade zone in Barbados. I had the pleasure of working with the former minister on this - the member for St. Lucy - when he had responsibility for much of the same ministry. The portfolio was differently structured at the time and we went as far as to even travel to Panama to see how they're doing them there. But we feel that this is an area where Barbados can gain significantly. Having a special economic zone or free trade area is not new. It's done in other parts of the Caribbean. The Dutch protectorates of St. Martin and Curaçao come to mind right away. But certainly we have seen it, as I mentioned, in Panama already, where significant movement of business people can come into a destination or jurisdiction just to trade, and Barbados can do it.

But what we are talking about is going a step further because of some natural infrastructural advantages that we have. So it's not merely people coming flying in to buy duty-free goods in a wholesale manner and fly back out, but if you have the broadband and the like, it can also become a high-tech free trade zone area. And that is what we have been looking at and I am looking forward. The locations are being looked at. I will concede that only coincidentally, the locations we were looking at were in the

constituency of the former minister in St. Lucy. But that was just a coincidence. I'm sure that the locations were in St. Lucy. Frankly speaking, this is potentially so exciting. It could be anywhere in Barbados because we would all benefit tremendously from it. And the movement of people here to participate would do very well. You have, as I said, examples of where it has worked well and we look forward to this initiative.

There's some work to be done. There's work to be done by this chamber because the necessary legal framework would have to be developed - the free trade zone law - and of course, the appropriate other arrangements that would have to be done, and it is obviously necessary to bring everyone on board, the state actors and non-state actors, to make this initiative a reality. It would give us a significant comparative advantage, a world-class platform for which not only our local producers of goods and services could benefit, but also become a hub of sorts for activity. And that in itself can be located in something we talked about at least two budgets ago, where Barbados becomes a logistics hub. And not merely just offering tourism services and international business services, but we can become a hub of sorts for the full range of business services occurring here. And it is in that light that we have to see this.

The truth is that, as was mentioned earlier, all of the subsidisation has to come to an end - I believe in December next year, December 2015. So the fiscal incentives, all the export subsidies - all of that has to come to an end. And what we are saying is, what are we globally competitive on at the moment? Tourism services, international business services. We need to look for other arenas of activity, other economic axes from which we can revolve around. And I think developing ourselves as a logistics centre is something we can do. And this free trade zone can be key in that exercise. And that initiative, I think, should be lauded. And I believe it will have even significant benefit for tourism. And that's why I get up to support it.

The truth is that, yes, while I hear what's happening with respect to having to comply with the gaps and the like, I must admit I am a little torn. This idea that we are all one big market - the truth is the North Atlantic countries, when it suits them, they talk about the single market, the one market, the big global market that sets its own rules. But nobody encourages more protection than some of these countries. You would know that very well in the agricultural sector - the European countries' protectionist measures would really boggle the mind. So, of course, in the wake of 9/11, you heard that you had to put all of that on hold because of security concerns. Now you're hearing that because of the fiscal crises, you can't move full-fledged ahead with that. So I only say, let us - while I support these efforts at becoming globally competitive - I don't necessarily say we are being driven by this neoliberal

Milton Friedman nonsense that the world is one big giant market. We have to do it because it makes sense to be globally competitive.

Our main industry - we are globally competitive, as was stated by the Prime Minister. As a matter of fact, we're the most globally competitive after Canada and the UK in tourism. We are globally competitive according to the Travel Competitiveness Index. But we have to become globally competitive in other arenas as well. And I still believe that there are some other things, and credit must go to the ministry for seeing this. I think that it's also exciting. I know you are very excited about working with the establishment of a tannery here to see that Black Belly sheep skins can be made into high-end leather goods. Now that is something that is fundamentally unique to Barbados. We have to look at our rum. The Leader of the Opposition spoke about it during her second reading speech and it is a fact that we are the home of rum. And have we owned that fact like how the Mexicans have owned tequila? No, we have rum. Things that we can do - other things as well - as simple as it may sound, the pottery in St. Andrew, that's something that's fundamentally unique to us. And I know that the Ministry of Industry is doing that, but you have to look for these opportunities where you have something different, something that sets you apart.

And in that context I believe that even those micro industries, if I can call them that, can also benefit from the existence of this free economic zone. And it is therefore a very positive and potentially exciting initiative by this ministry that will make a difference in people's lives. And I am once again very happy to be part of it because of what it will do for improving the lives and the livelihoods here.

And while I'm on my feet on that issue, it also does in fact dovetail with both of our ports of entry and with respect to the development of our airport and our seaport. We must now also see it as potentially being, yes, a hub for business people, a hub for cargo transshipment and all of those other things, and not simply see our development of those ports as merely being about tourism. There are other areas of economic activity and I believe the thinking is at this ministry, and certainly the thinking in the ministry I hold - Tourism and International Transport - is that there is some very real potential here. Barbados' infrastructure, being so advanced relative to so many of our neighbours, makes it natural. It's an obvious decision, and I'm not suggesting that we are going to be a Panama City overnight, but if we can start the process, get the laws in place, we can become a natural free zone for that economic activity and we would have our own bulwark in the event, as I say, that this new world order that has been promised ever does come into realisation - where you have this giant market that sets its own rules and so on.

I don't necessarily like it or believe in it. I still think that there's a role - a market still needs to be guided. And that is why I have always associated with a party that believes that yes, people should be free to practise free enterprise, but at the same time there's still a role for the state. But nonetheless we have to prepare ourselves well into the future. And I think that this bold initiative is something that we are happy to be part of and we look forward to seeing its realisation, certainly if not come to a completion during this financial year. The fact that it's in the programme documents and the funds have been set apart and much of the groundwork was done already by the Honourable Member for St. Lucy and myself and so on when we did the Panama trip and all the research around it - we look forward to seeing that this is developed. I'm obliged to you, Mr. Chairman.

Mr. CHAIRMAN: Honourable Member for St. Lucy.

Hon. D. St.E. KELLMAN: I believe this is my last intervention. It's directed at the Honourable Member for St. Peter who is always prepared to make some caustic remarks when I speak. But it's quite clear that he is missing the connection, because in the 1990s, when the Small Business Act was brought to this Parliament, he was told - the Honourable Member was told - that it could not succeed for the simple reason that you do not set about to have a Small Business Act and limit the development of a small business. And there were three points made. And if you were to go back to the records, you will see that the opposition at the time warned the government that you cannot be encouraging small business development and limiting it at the same time. For example, we were told that they should only have a \$1 million capital share capital and that they should only employ up to 25 employees and that their gross sales should be only \$1.5 million. We said at the time that it would have been better for you to compensate them when they achieved these things. But instead of that occurrence, what you got was punishment. And that is - if they happen to achieve two out of three, they stopped being a small business and they could not claim the incentives that you would have

wanted them to claim. And I'm saying, sir, that we have to be more proactive because for some reason the opposition at that day would seem to be more interested in foreign companies and rewarding foreign companies based on what they were bringing. But they could not recognize that we should have been encouraging small local companies to grow. But instead of encouraging local companies to grow, we were punishing them for achieving certain achievements. And I'm saying, sir, that is one of the things that we were looking to change because as I've always said and the opposition have always been making the point that we have to learn to reward production. But instead of rewarding production, we always want to punish

production in Barbados. And that is why we are having this debate today. Because every time somebody flies into Barbados, even before they can invest the money. Good. They only got to talk about they want to invest and we can find all the concessions in the world to give them. But when it comes to our own local people we can pass the small business here and then talk about we want to empower small businesses. I am saying that, sir, it's very clear that all I had done was to frustrate the small business sector and that is why we were moving to make the necessary change.

Mr. Chairman, in this assembly one must admit that we have to move beyond talk. And that is exactly what this government has been able to do in a crisis time. Even though we did not have money we were able to hold the hands of small business people, the manufacturers and the players in the industry. And that is why you did not hear one complaint from this sector because they understood that we were interested in what they were doing and that we were prepared to back them. And that is why you can see the growth and that is why the opposition cannot believe that in a crisis time that we were able to increase exports. And they came and they asked, is it true? And we had to show them the statistics to demonstrate that we are not here pulling something, as it were. They would do that. We actually have actual figures to demonstrate that we were able to increase the export market.

And I'm saying, Mr. Chairman, that one of the things that we also have to understand is that it is okay to talk about increasing the export market. That is good. But the main thing we have to do is to educate Barbadians that if we have a market of over \$700 million that is a captive market that we should go after. And I'm saying that the only way we can do that is if we have appreciation for the things we produce. And if we do not have appreciation for the things we produce it means that we do not like ourselves. And I'm saying, sir, that we have to understand that we have to first learn to appreciate our things because when we appreciate what we produce then it is a sure sign that we are appreciating what we have been able to produce and that we appreciate ourselves. But if we continue to import over \$700 million in goods in Barbados and at the same time have no appreciation for what we are producing it tells a story about ourselves. And I'm saying to the public of Barbados that we cannot continue to complain about cost of living when we are not prepared to support what we are producing. Because if we really want to export and really export we must first be able to satisfy the local manufacturers and give them the market, the ability to be able to export.

And that is one of the reasons why the story of Banks is such a successful story, because the first thing they were able to do was to satisfy the local market and take charge of the local market. And after taking charge of

the local market, they were able to make a command on the export market. And you know, Mr. Chairman, the biggest lie that has been told in this country has been told of the hotel sector. And let me explain that. We are given the impression that the tourists do not want local goods when they come to Barbados. But yet the same tourists that do not want local goods are the same tourists that are now promoting the local goods on the foreign market when they go to their homes - like for example, they go and ask in the supermarket for the items because they came to Barbados, saw them and liked them. But yet still the hoteliers want you to believe that they had no appreciation. And the most important thing also, sir, is that they are prepared to pay a premium price for the local items made in Barbados that are exported. And I asked the question, how come they do not want these items when they are staying in hotels in Barbados, but when they go back to their country, they want the items.

I remember sometime before I went off to do the launch of Banks beer, I was talking to some well-known visitors of Barbados and I said to them, you know, I'm going to London next month to launch Banks beer. And they said, I'm very happy to hear that because now I know where to get a proper beer. And the truth is all of the persons who walk about and bad-mouth Banks do not know what they are doing. If you want to test a true beer, I ask everybody here to put all the beers they know in the freezer, let them freeze, let them freeze and then let them thaw. And tell me what is the result of that. I am telling you, sir, if you want to test a beer, put it in the freezer, let it freeze and then let it thaw. Because once it is thawed, you will not drink any other beer different from Banks beer. I'm telling you that once it is thawed, you will not drink any other beer different from Banks beer. Because once you see the end result, you will not want another beer. And that is why I have always said there's only one beer and that's Banks beer. The others cannot be a beer because a true test of a beer is to be able to freeze the beer and have an appreciation of beer after it's thawed. And I can tell you this, that caused the Ambassador of the United States to be the biggest supporter now of Banks beer because he has been able to test it and he has now recognized that the only beer that he can appreciate is truly a Banks beer. So all the bad-mouthing about our local products, sir, I'm saying stop it.

And let me tell you something. If you were to stay in hotels in Barbados today, sir, and you were to include the Crane and all other hotels, and you were to ask yourself which hotel room was the best, you can only admit it has to be the Crane hotel. And it's because the Crane hotel has gone out of its way to ensure that the furniture that we have in the rooms - our local mahogany furniture - are well polished and it adds to the room. It adds to the room. So we have to learn to appreciate what we have and stop bad-mouthing what we produce, because we produce the best,

but then we pretend it's the worst. And when we do that, all we are doing is sending a negative message about ourselves. And I beg you all, do not do it.

When we start to produce the black belly products, leather products, because all the people in the world will know that the leather from the black belly sheep is the second best leather in the world. But you will hear people say, you mean that sheep that will open the pasture and that's different. I am saying no, we have to learn to have an appreciation for what is local and appreciate what we can. Because if we don't appreciate it, how can we ask others to appreciate it? And that is a problem. Like for example, we have the sweet potato, which is the closest thing to a person's health, but we go and eat the English potato that keeps you in the doctor's office all the time. But yet still you would tell somebody that the sweet potato is expensive and the English potato is cheap. How can it be cheap? When you eat it, you go to the doctor and when you eat the sweet potato it keeps you away from the doctor. How do you measure the cost? We do not look at the total picture. We just look at these things and we talk and we have no merit in what we're saying, but we believe that what we're saying makes sense.

So, Mr. Chairman, I'm saying that we have to be prepared to advance the products that we produce and brag about them. Local products have bragging rights, but we are not prepared to give them the bragging rights that they have. And we do not have an appreciation because we talk a lot about costing less. But when you check, the first persons that shop at the places that cost less are the same people that criticize them - the same people that criticize them for costing less were the first people there, shopping and bragging about the prices.

Mr. CHAIRMAN: Honourable Member for St. Philip South.

Hon. A. D. BRATHWAITE: Mr. Chairman, thank you very much. I just want to make two points before the minister takes back over, which is that there is indeed a disconnect between us, I think, as a political directorate, and some of the functionaries, in particular in the area of lending. And it's one of the things that we need to get right. I remember a couple of months ago, for example, one of my constituents - unemployed - and simply wanted to borrow, I think it was \$2 000 to purchase some leather craft so that she could make some shoes and belts, et cetera, and had tremendous difficulties borrowing \$2 000 from a government agency. As a government, one of the things that we're supposed to do is create employment opportunities. But to make the connection between advancing that loan and the fact that this person would then be able to make her leather craft and be able to feed herself and her children - you have someone who sits behind a

desk and disillusioned them - and we need to make that connection.

Again, I said to the member for St. Philip West just now, can you remind me again where one goes if you want to have some venture capital funding, which is the Enterprise Growth Fund? Again, I can only relay bad stories that I've received, not only from constituents, but from others that I've known in business in terms of approaching that institution, and how difficult it was for them to obtain the funding - they need to have the security, and they need to have a mortgage on the house. And at the time, it was a second mortgage, and by the time the mortgage is done, they have lost their goals, because the person I'm thinking about, for example, is an importer of stock. So we really need to get it right. A venture capital organisation, by its very nature, is there to accept part of the risk. And I'm not saying that every business that comes up you say, okay, fine, we're here supporting. But certainly you need to make the transition between your role as creating opportunities for our people and get it done, and we need to get that drilled down into the functionaries. So that's one area that I also think that we need to pay particular attention to, because I cannot imagine, if funds are available, why it should be difficult to lend someone \$2 000 to purchase some leather. But even if you are concerned about whether or not they're going to purchase leather, then go and buy the leather and say, here is the leather, make the shoes. But certainly we need to do better.

The other point I want to make, sir, is this. Over the last couple of years we have been hearing so many stories of large conglomerates coming into Barbados that one might have the impression that there are no Barbadian businesses doing well - and doing well not only in Barbados but doing well outside of Barbados. And the Goddard's group comes to mind, for example, just to share with you - they presently operate not only here but in Grenada, Antigua, Bermuda, the Netherlands, Cayman Islands, Colombia, Curaçao, Ecuador, El Salvador, Guatemala, Jamaica, Paraguay, St. Kitts and Nevis, St. Lucia, St. Thomas, Virgin Islands, St. Martin, St. John, Uruguay, Venezuela, Trinidad and Tobago. The point I'm making here is that we tend to focus on the businesses that come into Barbados and ignore the fact that there are also successful Barbadian businesses that have gone out internationally - not only regionally, but internationally - and do well. And we need to emphasise that because we need to encourage more of our people into the realisation that, in fact, businesses born in Barbados can also be successful internationally.

But whilst I say that, I also want to say that part of the reason why I like the Goddard's group is because I think that they are one of the groups that recognised from early that they needed to expand the pool of individuals that they brought in, in particular at the management level.

And there are one or two other organisations that were probably born around the same time, that are now owned by others, that did not heed - did not follow that track. In other words, they did not expand. They did not recognise that, in fact, the days of family-owned businesses in a true sense were past, that, in fact, they needed to look at the pool of talent available to them - in other words, not just cousins and aunts and brothers and sisters, but certainly all Barbadians who were available. And that's why I like the Goddard's organisation, because I have seen them buy into that fact and the fact that they could not have done it by themselves and needed to expand their pool of persons employed within them. So I will add Salicoa as another example, as a Barbados-based business that has expanded internationally successfully.

So I don't want us, and I don't want the public to go away with the impression that we need as a country to look only at what's coming into Barbados, but to recognise that, in fact, Barbadian-born and -owned businesses can indeed move out regionally and internationally, but they have to start somewhere. And we need to give them the support. And we need not only to put the institutions in place, but to ensure the functionaries in these institutions carry out our vision - that is, execute, create opportunities and not create stumbling blocks to prevent businesses from moving forward. Thank you, sir.

Mr. CHAIRMAN: Honourable Member for St. George South.

Mr. D. G. SUTHERLAND: Chairman, good afternoon. I rise to make a contribution to Head 79. And before I start, I must start by saying I have the confidence that the minister with the responsibility for international business and small business would do an excellent job in propelling this country to the place that we all think that it ought to be at. He is someone that I know personally, and that is where he starts. But while I sat here, I am one who will not rise to say that I am no expert in the area, but having taught in this area for some time - in the international business area, not in the financial services sector area, but in the international business area. And I know the Honourable Member for St. Philip South was able to distinguish between the two. And I support his notion of what international business is. The only thing I would add to that is to say that international business, in my view, is doing business across borders, which is similar to generating foreign exchange.

But I have a few areas that I think we can add value in as an honourable House, not being partisan. And these are issues in the area of small business. And one of the things that I liked and that I saw work for us was the Pelican Village, where Pelican Village moved from being a small shop to a spot tourist shop, whereby we would have benefited from tourists coming to this country generating

foreign exchange. And I think those are some of the things that we ought to look at - go back to creating another Pelican Village somewhere, if not in the city somewhere, whereby these small entrepreneurs from in the country, from in the urban areas, they can benefit from marketing the product. And I think they need a lot of assistance in the area of funding and access to funding.

And that brings me to the point of the credit union. I am one who strongly believes that the sector Head 79 ought to work with the credit unions, whereby the funding - it is okay to say that there is funds there, but in terms of accessing the funds and making the funds available to the small businessmen. And I think it is an opportunity whereby the international business sector can work with the credit unions to allow these small businesses to create that financial stimulus that can propel them in terms of marketing products, in terms of exporting products and in terms of starting businesses, because when I travel the length and breadth of rural Barbados - and I have a love for rural Barbados, because that is where my value system will shift - there are a number of small business people who don't have any idea as to how to access funds. They don't have any help as to how to start small businesses, but yet they are very bright people, people who want to move on in life. And I think this is the place that we ought to start.

And I implore the members on the other side to use the constituency councils as a basis whereby we can go into rural Barbados and also urban Barbados to train - not just to execute projects like football and stuff like that, but go into rural Barbados and train people. I am saying if you have it there, let it work. We are moving towards a collaborative approach towards propelling business in this country, small businesses. And if you have something there and we don't see the value in it, I am saying it is there - so add value to it and you can take it to the next level, Mr. Minister, and you can let it work for your Head.

Those are some of the things that I think we ought to do. We need to also start redefining, Mr. Chairman - our members, please - Mr. Chairman, we need to start redefining what is a small business. I think that too often we have some of the bigger players getting caught up in small businesses and accessing funds, and that is taken away from some of the micro enterprise business people. So we need to really create that block of what is a small business so the larger players do not get caught up in it. Because what you find too often is that the largest players in the small business sector are able to access the fund because they have what it takes to go to the bank, but those real small businesses don't have that. So, Mr. Chairman, through you to the Minister, I think you really need to redefine what a small business is, so we don't have those larger businesses getting caught up.

One of the things that I noticed too, in terms of generating growth, there are quite a number of businesses in this country who have been successful, but yet they are scared to venture across borders. I often wonder why. And there is a case that I would have thrown to some students years ago as to why what I call one of the most successful businesses in this country - in a product - why don't they go overseas? When I say overseas, I mean in the CSME region. And when the case was done, it is the fear, and it is also the actual regulatory issues that impact these businesses. Some of what I heard coming from the Honourable Member for St. Philip South - as you move towards business in certain regions, the actual regime moves further so that you keep moving, and then there is a long delay and process in terms of registration. So these are also some of the factors that I think can help this country in terms of generating foreign exchange, where you have businesses who would have done well in this country on these shores, but yet they have that fear of venturing across borders.

And I think we have a CSME region that we as small states would have benefited from. And I think that is where we ought to start our discussions with these medium-sized and small business firms who we, quote unquote, say are successful in our waters, but yet they don't want to venture across borders in the region. Whereas on the other hand, you get an influx of businesses within the region coming into this country and doing business.

The other thing, Mr. Chairman, through you, that we would have seen - the old aspect of the Small Business Development Act - you have a number of businesses within the small business sector, and some of them don't really benefit from the low corporation tax. And I think it is an educational process also, as well as the approval process, because I speak on the correction - the whole approval process does not reside with Head 79. I think that is part of central government. So I am saying the whole process of becoming a small business, we ought to move from central government into Head 79 so that the whole process - as the representative for St. James Central spoke about - you have a one-stop shop. You don't have to go to the Ministry of International Business, then you have to go to central government, then you have to go to the Ministry of Agriculture. If you are looking in terms of health and food standards, we need to have the multidisciplinary approach to enabling small businesses. And these are some of the things that I think we need to focus on if we are to move Barbados forward, whereby we generate foreign exchange from these small and micro enterprises.

The other thing - I often reference again to rural Barbados because in terms of people having the space to conduct their business and services, we find that rent nowadays is very high in these tough economic times. And it is something that I think the Government ought to look

into, whereby rental of space ought to be linked to some level of productivity. Give the guys a grace period - as soon as you start making a certain amount of income, then you pay the full rent. But while you are a startup, there ought to be a startup rental cost given to these micro small businesses coming from rural Barbados, whereby they have an incentive not only to start the business but to make money.

Also, we are living in a digital age and I think the time has come now whereby the Government ought to lobby with the telecom giants to allow the small businesses to benefit. These are some of the things that would help the small businesses to carry out business across borders and earn foreign exchange. With a digital age, everything now is either through bandwidth, ICT, and we have telecom giants here who could assist the international business sector by helping the small businesses lower the costs - commercial rates for people who want to set up businesses. And these are some of the things that I would ask the Minister, the Honourable Member for St. James South, who I know is capable. And that is my contribution to Head 79, Mr. Chairman.

Mr. CHAIRMAN: Honourable Member for St. James South.

Hon. D. O'N. INNISS: Thank you, Mr. Chairman. As I bring this debate on this side to a close, I want to start by thanking all Honourable Members from both sides for their contribution to the debate on Head 79. Clearly I think that there is strong agreement and acceptance that the private sector, generally speaking, including international business, industry and small business, have a pivotal role to play in the restructuring of Barbados' economy going forward. Certainly on the Government side, I believe that we readily accept this and this is why we place certain incentives in place, and certainly the manifesto speaks to this. Pointedly, in the recent times I note the genuine expressions of support from members of the Opposition bench. Of course, there are some who, despite offering words of encouragement and asking for a bipartisan approach, certainly would have gone on to make comments which can only be construed that their support counts for strong attachments to it and perhaps are not as genuine as one would like it to be.

A kiss is a gentle reminder that two heads are better than one and there were two members who certainly, however, offered a kiss of death. And I certainly get that on board. I believe for those who would have offered for the opposition benches to partner with the government to address frontally the issues of international business, commerce, trade and small business development, that we take their offer seriously and I invite you to continue not only in this forum, but certainly wherever possible, to lend your voice. We will not turn a deaf ear to anyone. You are

free, certainly to make your comments and to participate wherever possible. We've never behaved as though we have all the answers on our side but we however will not be distracted by those who may not always genuinely well.

I wish to commend Mr. Chairman the honourable member for St. George South who clearly understands many of these issues in small business in particular and I want to thank him for recognising the contribution that the constituency council can make to small business development in Barbados. I believe as the first order of business we can start with the constituency council in St. Thomas because I often hear the representative for the constituency of St. Thomas lamenting that her constituents are not getting much help and I thank her colleague from St. George South for identifying and enlightening her and the opportunity that abounds in her constituency council and the wisdom of having the constituency council. So let me thank you there. I'm sure the member for St. Thomas will continue to take note of the wisdom that can flow occasionally from her colleague.

And you've begun to sound, Mr. Chairman, the honourable member for St. George South is certainly beginning to sound like a young man who has great potential to join the Democratic Labour Party. We have taken on board all members from the St. James section in the past. I know he longs to come back on this side but there will be very strong conditions attached, that is that he stays as a public supporter.

Mr. Chairman, though we have, based on the debate both yesterday evening and again today, the recognition that - if I may start with the international business sector quickly - we certainly have done well but there is no time for us to rest on our laurels. I think there have been some great opportunities, some strong suggestions made that we take on board. As I mentioned, I quickly say again, issues of business facilitation, product development and marketing are key areas that we certainly work on as soon as in this upcoming financial year. And in that light let me say that we certainly work closely with the Ministry of Tourism and the Ministry of Foreign Affairs and of course Invest Barbados to really get Barbados back to having a country team approach in our international locales.

I well remember back in the mid-nineties, 1994, under the then administration of former Prime Minister Sandiford, where we took a policy position of having a country team approach where our foreign service officers, our Investment Development Corporation officers and our Barbados Tourism Authority officers did not function in a silo environment. When you were in the marketplace if you worked with the BTA you also promoted Barbados as a place to do business and you also did a bit of diplomacy as well. I certainly worked with the Barbados Investment and Development Corporation but also worked as a foreign

service officer and wherever possible on every trip I made through the USA I certainly promoted Barbados as a place of business. I'm sad to say I think we moved away from that a bit and gone back to a situation where we have many kingdoms. Barbados is a small island. We cannot afford to have on our diplomatic postings abroad, officers or situations where individuals feel that they are so tunnel-minded they can only function and report directly or deal only with matters that their head office deals with exclusively. And that has to change. And I believe this is an opportunity now for us to do that.

I also wish to see in our international marketplace trade officers, whether they are officers who can be currently dispatched from the existing agencies or posted abroad, or if we have to be bold enough to take some of our officers from other ministries and place them in the marketplace to focus - not exclusively, but focus in great measure - on pushing Barbadian goods abroad, particularly in the UK and US and Canada where opportunities exist. We certainly, Mr. Chairman, have to address the issue of Barbadian companies expanding, recognising that they too have to take their business and services further afield, as some mention has been made of existing companies. Goddard's Group, I think, was mentioned. But we have to get quickly to the stage where we understand what it is and why it is that Barbadian companies may not be doing as well in moving and expanding their operations outside of Barbados. Is it a fear, is it the fear of losing control? Is it a level of distrust? Or is it more fundamental operational challenges that may exist, including human resource issues, financing issues and whatever?

My ministry certainly in this coming year will make great efforts at working a lot closer with Barbadian companies that have the potential not just to export goods and services from Barbados, but to expand their operations and locate some of those operations in other jurisdictions, particularly in the CARICOM single market. Too often we in Barbados sit here and complain about others coming into Barbados - I don't mean those who, beyond me and St. James Central, come in occasionally for a holiday or two - I talk about those who come in here to either purchase shares or businesses or expand their operations into Barbados. We have to be far more aggressive and feel that we must not exist in this comfort zone. We have to do much more together, take advantage of the single market economy, and get more of our businesses outside of Barbados and the region.

Of course, the economic partnership agreement as we signed with the EU presents wonderful opportunities and we have only but a few months left to get it right there. And I'm very concerned, as I said earlier, that many Barbadian companies, many Barbadian entrepreneurs and investors are not seized of the opportunities that present themselves. Only this morning I was reminded that

countries in South America that may have signed onto it after the CARICOM region are now doing exceptionally well in the EU market. We must stop behaving as though we have to wait on others to come and pull us out of this when we can do it pretty much on our own.

One of the areas, as we look towards the future, Mr. Chairman, in relation to business - whether it's international, domestic, small business, medium-sized business - in terms of opportunity, resides in the area of ICT, e-commerce, web development and the whole gamut of information and communication technology. And this is an area that we used to talk quite a bit about. If you follow the history of the industrial development of Barbados, going back to the days of, say, Intel and Camnet Online, when we had large software development companies like PRT Sank International and others. And I asked myself, why is it that we don't have many Barbadian entrepreneurs seemingly involved in ICT activities? And this is one area - the area of e-commerce - that presents itself with wonderful opportunities for Barbados. There are no borders in respect to the Internet today, as the member for St. James Central quite rightly said earlier, there are no borders. There are tremendous opportunities for us to earn foreign exchange. They are clean businesses. We have the intellectual capacity to do it. And this is a particular area that the Prime Minister tasked my ministry with - the area of e-commerce. And it's one that we'll be working diligently on to pull together those Barbadians, particularly young Barbadians, who have a passion for this area, but who see several obstacles in the way. And we have within my ministry to work closely with them, to partner with them, help them remove these obstacles and really create that wonderful opportunity.

You never know where the next Bill Gates will come from. You never know where the next Apple or the next Facebook or any of these new technologies may emerge from. And it's amazing how young people in particular can sit in a small room, write their programme and market it in their own very creative ways, perhaps in a matter of six months, push it to a \$50 million business, and then even folks doing the IPO come and have it be gobbled up by some large entity for perhaps two or \$300 million. This is where the opportunity lies in Barbados as well.

And let me add, Mr. Chairman, that our educational institutions must come fully on board. I'm very concerned about what's happening in respect to this area. I heard comments earlier in terms of entrepreneurial training within our school system and whatnot, but we also have certainly at the university and the Barbados Community College to start to work closely on identifying those potential entrepreneurs and the particular areas that they venture into and start working with them from inside the school system. There's nothing wrong with us talking about business incubators, having them within a tertiary

education institution. That is where a lot of good ideas are sprung. When you look at Bill Gates and where he started, he didn't start in any large software development firm. He started in an academic institution. Pretty much so too did the founders of Facebook who were school friends. And I think we have to stop seeing our educational institutions as just places of learning and start seeing them as places where business opportunities can abound. And we perhaps from our end have to step inside and help bring that innovation to the fore and help create some entrepreneurs therein as well.

Another area, of course, that presents itself with wonderful opportunities for Barbados lies in the creative industries and the honourable member for Christ Church West Central has been speaking about this for quite a while now. I'm happy to see that we have a creative industries bill - a cultural industries bill - before the committee. I know the honourable member for St. Michael South East has also spoken on it and being very much a practitioner in the field, and this is an area where many opportunities abound. Artists, whether they be musicians or all of our performers, songwriters - these are all men and women with great skills that need to be owned and need to be supported. Of course the intellectual property has to be protected and certainly respected.

We never know where the next Rihanna will come from, and there are those who may criticise Rihanna for her attire and her comments occasionally, but the bottom line is that she has been doing so much to push and keep Barbados on the world map that I don't think we can ever compensate her financially for the contribution that she's made. And I certainly hope that we can perhaps in the not too distant future have many more Rihannas. There's Cover Drive, there are several others. I don't pretend to know them all. I'm sorry to say that I, a typical BLP boy, am perhaps more familiar with Red Plastic Bag and John King to some extent. The honourable member for St. Michael South East is far more familiar with them. But I enjoy a wide variety of music, certainly speaking. But we have that wonderful opportunity in terms of the cultural industries to create many more opportunities for business in Barbados, earning foreign exchange, creating jobs - and of course not just the performers, but the fact that you have the guys behind the scene who produce the albums and all that fills in as well.

One of the issues that was raised by both sides of the chamber here today, Mr. Chairman, relates to the issue of financing for business and this is an area that my ministry certainly will not only reign on but help to find solutions. Of course I wish to reiterate my view that to build a successful business doesn't just call for money alone. And sometimes when we keep saying all the time that businesses in Barbados are not growing and not succeeding because of lack of adequate financing, we may be sending

the wrong message out there - that it is primarily just an idea and money that they need to get it going. We have to really help our entrepreneurs in this country realise that they have to have the stamina or the stickability. They have to be prepared to engage others who can offer technical advice. Because you may have the idea, it does not mean that you have to want to run with it solely to bring it to fruition and to keep it growing. There are also many individuals who have started good businesses but for fear of sharing ideas and sharing some of the profits with someone who perhaps can bring the synergy that is needed to move to the next level, their business stalls there.

I'm also very concerned about the one-generation businesses in Barbados. And let's be very frank about it - too many Black-owned businesses in Barbados do not survive beyond one generation and that is a matter that should be of concern to all of us who currently sit in this honourable chamber. I don't know if it's a lack of succession planning. I don't know if it's distrust. I don't know if it's because of the way they structure their business and don't want to issue shares. I don't know if it's because we spoil our children and tell them that they must not work as hard as we have worked. I don't pretend to have all the answers, but I know it is a matter of concern that we as a government - collectively, opposition and government on this side - have to wrap our minds around because we are talking here about building a stronger and brighter future for younger generations and that has to include a debate about intergenerational businesses in Barbados as well. Let us not be afraid or ashamed to talk about these matters. We certainly have the ought to build these enterprises and pass them on.

Let me also say that beyond the manufacturing sector there are other industries - as I mentioned, creative and cultural industries, electronic commerce-based industries - that I firmly believe must get the same level of incentives, whether it be fiscal incentives or the kinds of incentives you get in the traditional manufacturing sector. These enterprises earn foreign exchange.

They create jobs, they save for an exchange and believe that wherever possible, we from the government end have to be bold enough and ensure that they get the same tax incentives, or generally speaking, as they call the same fiscal incentives as those in the traditional manufacturing sector. Again, we also, Mr. Chairman, as we march towards a brighter future, have to be realistic and look at the areas that Barbados has a natural strength. We cannot do everything. I know there are individuals who have good ideas and they pressure you and they feel that because of who they are and because they have an idea, we must put all of our resources behind it. That is not going to cut it all the time. So yes, we can say buy Barbadian and buy, support Barbadian, et cetera. But we also have to be realistic, both in terms of economies of scale as well as fair

market competition, what really and truly we can do within Barbados as opposed to what we have to do elsewhere. And we have some niche areas that we really have to zone in on. We don't have the resources. We never had it, and we never have the resources to do everything for everyone. We cannot fool ourselves in that respect. Therefore, there may be some who will be rather unhappy. But we have to ensure we put the human and financial resources behind those areas that we know will yield the kind of results in society that we want to have.

And Mr. Chairman, beyond that, of course, it all has to be augmented, supported well by a strong regulatory environment. Despite all that I may say about the role of the private sector in expanding and diversifying the economy, we will have sheer chaos in this society if you do not have strong regulations. That is why my ministry is well poised to continue to strengthen the work of the Fair Trading Commission, the FTC. Certainly a lot of debate has been held about their role in utility regulation. I don't think we've had enough discussion about fair trading, the Consumer Protection Act and the powers that lie therein as well. Because at the end of the day, our role in containing the cost of living, our role in terms of diversifying this economy, also has to reside in how we, as the government, seek to protect our consumers. A good chunk of that success will rely on how we are able to push our educational programmes. Because at the end of the day, just as I used to say when I was elsewhere a few weeks ago, that an intelligent and enlightened patient builds a strong health care system, so too does an enlightened and educated consumer help to build a strong society and economy for us as well. So I am satisfied that we have to make greater use of the work of the Fair Trading Commission and the various pieces of legislation that come thereon. They will certainly be, as reflected partly in the heads of the estimates, strengthened with the human capacity to meet this demand, which will include a great educational component.

We also have the Office of Public Counsel and, as I said to the gentleman in charge of it when I met it for the first time, there is much more work that that department can do. But of course therein they have their own challenges, likewise in the Office of Insolvency as well and the work they are doing. So we have some strong, well-structured departments, well-defined departments, good legislation. But sometimes it is a level of ignorance in the general sense among the ordinary consumer and the public that makes this happen. We cannot wait on the current consumer body - the current one-man-show body, the vibrant consumer body that exists today, where the president is also the general secretary and the treasurer and the recording officer - we cannot wait on that multipurpose one-man entity to advise our consumer affairs. The state has its role and we execute that judiciously to ensure that the public is informed there as well.

The other point, Mr. Chairman, as I conclude shortly on this head - as was mentioned, reminded by the honourable Member for St. Michael South Central - the free trade zone. I know quite a bit of work has gone into this. I thank the honourable Member for St. Lucy in particular for this work and the honourable Member for St. Michael South Central, where they have reached the stage where potential sites will be located. But of course we have to look at free zone legislation as well as a free zone direct investment programme and more of the rollout on this in the coming weeks as we get settled in this Ministry of International Business, Industry and Commerce.

Mr. Chairman, let me also say quickly that I was a little disappointed yesterday. I think our honourable Member for St. Michael North - it may not be strange to me to say I am disappointed with the comments that honourable member made, because I am highly impressed with what he says. But he certainly spoke yesterday to make a statement which I construed as saying that it is almost a hopeless cause for Barbados to push renewable energy. I think that is regrettable because the truth of the matter is that it is the way to go. To dismiss the government's drive on renewable energy is perhaps a little wrong - very wrong, to say the least. And we will not be distracted in this quest. We are satisfied that it is the way to go. We have done quite a bit of work, as was mentioned earlier. The Ministry of Energy and the Chief Parliamentary Counsel's office and I believe other ministries are working on getting legislation shortly which will address this issue in a very meaningful way - that would deal with the issue of independent power producers as well. I also believe that we have to address the issue of wheeling, which should be talked about in other quarters. But this government is very committed to ensuring that a strong and sustainable renewable energy policy is brought to the fore and that we can roll out renewable energy programmes that will see Barbadians depending a lot less on fossil fuel. It will reduce our dependency on fossil fuel and foreign exchange expenditure in that area. It will certainly reduce electricity bills at the residential level and certainly drive the cost of doing business in Barbados down. It is a matter that the investment we believe we have to make is small in comparison to the returns we get on that investment.

So, Mr. Chairman, let me once again thank all honourable members for their contributions in this debate. I think that it was one that certainly was filled with ideas, certainly one that came with deep thought and certainly one that really came close to being a very good bipartisan debate on matters. It really shows that at the end of the day, all 30 of us, despite our differences in political parties, certainly have this country's interests at heart. We may just differ a little bit in terms of the way in which we see implementation going and we certainly, on the government's end, will continue to work to ensure that the

sector of international business, industry, commerce and small business development does play a meaningful role in restructuring this economy. So, Mr. Chairman, I beg that Head 79 stand part.

The question that Head 79 stand part was put and resolved in the affirmative without division.

Hon. J. D. E. BOYCE: Mr. Chairman, sir, I beg to move that you do now report progress to the honourable Speaker and ask for leave to sit again.

The question was put and resolved in the affirmative without division, and Mr. SPEAKER resumed the Chair.

Mr. SPEAKER: The sitting of the House is resumed. Honourable Members, your Chairman has reported progress and asks for leave to sit again.

SUSPENSION

Hon. J. D. E. BOYCE: Mr. Speaker, sir, I beg to move that the sitting be now suspended for one hour until 15 minutes past eight o'clock.

The question that the House be suspended until 8.15 p.m. was put and resolved in the affirmative without division and Mr. SPEAKER suspended the House accordingly.

RESUMPTION

Mr. SPEAKER: Good evening, honourable members. This sitting is resumed. Members. When the suspension was taken we were in committee and with that we shall continue. We shall return.

Mr. SPEAKER left the Chair and the House went into Committee of Supply, Mr. J. D. PAUL, Chairman of Committees, in the Chair.

COMMITTEE OF SUPPLY

Mr. CLERK: Committee Head 72, Ministry of Agriculture, Food, Fisheries and Water Resource Management in the amount of \$59 663 732.

HEAD 72 - MINISTRY OF AGRICULTURE, FOOD, FISHERIES AND WATER RESOURCE MANAGEMENT

Mr. CHAIRMAN: St. Philip West.

Dr. the Hon. D. C. ESTWICK: Chairman, let me at the outset thank the Ministry of Finance for the allocation through the Ministry of Agriculture, Food, Fisheries and Water Resources Management. Let me also say that we

intend to put these resources to good use. Mr. Chairman, the Ministry of Agriculture is a very diverse ministry. Its diversity relates to the fact that it is integrated, sir, with almost all of the other ministries in one way or the other. Its integration firmly within the economic fabric of the country has not only a strong historical perspective, but it has a modern perspective which allows it to be able to utilize the present nexus of linkages with the tourism sector to allow for growth. In addition, the present nexus, sir, with the energy sector allows for growth and development. The present nexus, sir, and linkage to the health sector in terms of food and nutrition and its relationship to chronic non-communicable diseases is another fundamental nexus that allows for growth. In addition to this, Mr. Chairman, the linkage to agribusiness and manufacturing is another relationship, a nexus that we need to build on that allows for significant growth and development within this particular sector.

Therefore, I strongly believe, sir, that after having been the Minister for about two years that I begin to firmly understand not only the importance of the sector, but the capacity of the sector, sir, to be a significant contributor to the Barbados economy and to the creation of opportunities in terms of jobs and well-paying jobs as well, sir, as evolving relationship and establishing food security in Barbados. So, therefore, on that background, sir, I intend to speak to agriculture in the context of the development of a food and agriculture sector in this country and to evolve that by establishing a modern agricultural platform on which to achieve those particular goals.

Mr. Chairman, a few years ago within CARICOM it was recognised that the importation of food within CARICOM amounted to over \$10 billion. Mr. Chairman, and out of that realisation the CARICOM heads, led largely by the then President of Guyana, came up with this Jagdeo Initiative, which was an initiative, sir, that sought to evolve a new modern agricultural infrastructure within the region. And from that basis, sir, we evolved out a set of food and nutrition policies that informed the development of the type of modern agricultural structures that each individual country ought to have, as well as the new food and nutrition policies that these particular individual countries ought to have as part of CARICOM.

I say that to say this, Mr. Chairman, because what was recognised in that discourse was the fact that individual countries within CARICOM were not utilising effectively many of the provisions within the revised Treaty of Chaguaramas that would allow for a more effective trade amongst the various countries in regards to produce that are produced within the CARICOM countries, outside of the normal issues with regards to transportation and some of the issues with respect to sanitary and phytosanitary measures. What was set up was an appreciation that the economic space and the new regional

market was not being effectively exploited by the individual countries. And as a result of that, one of the things that became obvious, Mr. Chairman, was that one of the things that we would need to do within Barbados is to be able to look at a new marketing strategy to take advantage of the CARICOM market and those provisions under the revised Treaty of Chaguaramas.

And in particular, sir, I speak to the articles that allow for a CARICOM member state to be able to apply to the Secretary General for permission to import any item or product into the CARICOM region. But in order to do this, you have to establish that another CARICOM country does not have the capacity to produce, it does not have the capacity to produce all of the quantities or cannot meet the specific specifications. Now, Mr. Chairman, that provision, if effectively used and effectively managed, can be a significant fillip in regards to driving some of our exports that we now have difficulty in regards to getting into the extra-regional markets, because we now have a framework - which is a legal structural framework - that allows us to take advantage, and we need to start taking advantage of these provisions.

One of the things, therefore, I intend to do is to utilise that mechanism of the quota system to start working with the various farming organisations, not only in Barbados but under the CARICOM umbrella, to be able to let us see how these programmes can be used to help drive not only our sugar exports within the regional context but also to drive our non-sugar crop production within the regional context. And that is one of the things, Mr. Chairman, that I am going to spend some time pushing assiduously on within the next few months.

And to do this, Mr. Chairman, one of the things I intend to do, as I spoke earlier, to the type of linkages that become necessary to create the new modern agricultural infrastructure, I think it becomes not only important but critical that we take heed from many larger countries and make full use of a state trading enterprise that will deal with the agricultural trade within the CARICOM context and also within the domestic market. New Zealand has one, Australia has one, Canada has one for its wheat, Singapore has one, China has one, America has one, and the list goes on. The fact of the matter, Mr. Chairman, is that we have the nucleus of such an entity in the form of BADMC. But what needs to happen is that the type of upgrades we are now trained to put in place so that we create within the BADMC the type of human resource and technical capacity that now understands the whole concept of marketing, branding, and to be able to create the capability within that institution, Mr. Chairman, to be able to help our local farmers utilise the BADMC to be able to bring their produce to market.

And I say that, Mr. Chairman, because many of the farmers' organisations in this country would lament that part of the major issue that the farmers tend to have on the ground is that they don't have a marketing mechanism that allows them to get their particular product from the ground or from the farm to the table. Now to move the product from the farm to the table, you have to work backward. So it means that you first have to know where your market is. You have to get to understand how much of a market you have, and you have to get to appreciate when your market is needed. To be able to do this, Mr. Chairman, it is necessary that we engage our developmental partners to assist us with establishing the type of marketing strategy and infrastructure in order to accomplish this.

Now, we have started this process, sir, in that we are now working with the Food and Agricultural Organisation on a national agricultural marketing strategy. And that particular programme should start in October this year, so that we can start to put in place a system of marketing that will allow us to know, one, the number of farmers that you have, the type of product the farmer is producing, the quantities of any particular item, whether it is livestock or non-livestock product that the farmer is producing. And then, sir, that is going to be linked within that marketing framework to the demand side of the equation, sir - that would be how much of a particular product is utilised by hotels, restaurants, et cetera. Now, Mr. Chairman, this particular project will be managed under the BADMC. And I say that will now give us the nucleus by which the state trading enterprise can now start to interface effectively between the farmer and the consumer. And that, Mr. Chairman, from my experience now as minister for the last two years, is probably the most fundamental difficulty that the individual farmers in Barbados now have. And I am confident that once we can get the project off the ground with the FAO this year, sir, that this will redound significantly to assisting the development of the agricultural platform in Barbados.

I also want to say this, Mr. Chairman, part of the other critical platform is the development of our agricultural food and food safety and control systems. What is important here, Mr. Chairman, is this. This particular system again would have been set under the WTO and the WTO agreements on sanitary and phytosanitary measures which would establish standards set by the World Organisation of Animal Health as well as the Codex Alimentarius system. In addition to that, you have the International Plant Protection Convention systems of the FAO. And all of these systems would be important to help us to establish standards for trade in animal products and plant products.

When it becomes important, sir, is because this project was launched in Barbados about two and a half to three years ago, and the Agricultural Health and Food

Safety system that we are trying to establish in Barbados was being funded by the Inter-American Development Bank. Why this is important is because it establishes a system that helps you to monitor and track and trace any particular item from the farm to the table, irrespective of where that item is produced. What is critical, sir, in understanding this is that this helps your national standard structure to be able to manage things like foodborne outbreaks, contamination outbreaks and other types of pest outbreaks, et cetera, once you have the traceability system in place.

Now, we have gone pretty far over the last two years in establishing this national Agriculture, Health and Food Safety system in Barbados. But what we have found out, sir, in putting the system together is the following. That we are trying to correct, Mr. Chairman, a number of weaknesses that were present within the Barbados system. The weaknesses that were identified are as follows. One, our agricultural food safety system is a very fragmented one. Many of the areas of control, sir, are under several ministries. So, for example, when you deal with inspection of meat, when you deal with inspection of abattoirs and that type of inspection, it is being done, Mr. Chairman, under the Ministry of Health. When you are now dealing, sir, with areas of importation of products that need to be possibly taken off the market, et cetera, it involves the Ministry of Commerce and Trade. And then when you are dealing now, sir, with importation of animal products, you need a sanitary and phytosanitary certificate from the Senior Veterinary Officer in the Ministry of Health.

Now, under the WTO rules, in particular the World Organisation of Animal Health, there is a single competent authority that has responsibility for all these functions. And the authority that is recognised worldwide, sir, is that of the Senior Veterinary Officer. So as a result of that it meant that we had to look at our entire regulatory framework and create new legislation so as to bring our systems that are now so fragmented in line with those that would be set under the WTO system agreements for sanitary and phytosanitary measures. And as a result of that, Mr. Chairman, this is one of the reasons why, at this particular point in time, we are not able to export to the European Union and to the United States, et cetera, animal products and parts of animal products, et cetera. Now, it is a hindrance that obviously undermines our capacity to drive our exports.

But I would want to say this, that we have gone thus far where we have established part one of the system. The project is implemented in two components - component one and component two. Component one deals with the new policy framework that outlines all of the changes that you would need to put in place, legislative-wise, regulatory-wise, surveillance systems, et cetera, and the type of surveillance mechanism you need at the port and at

the airport, things like quarantine systems and so on, to be able to manage them, police them, et cetera. Now, the improvements in the legislation and the regulatory drafting and so on, updating legislation, is essentially completed, Mr. Chairman, in terms of assessment of all the quality control mechanisms that are required - all of those systems are already completed. All of the work in relation to the type of upgrades of all the five laboratories that we need to have to make the system work - that work is already being completed, Mr. Chairman, and we have already had the development of what is known as good agricultural practices, good manufacturing practices, and good practices in relation to agricultural general practices. Mr. Chairman, all of those would already be upgraded - that is, looking at things like beef, poultry, dairy, fresh fruit, et cetera. And what we have also been able to do is to be able to develop at this particular stage all of the data that is necessary for the development of good manufacturing practices for the food industry. Outside of this, we have also developed the programmes to improve the regulatory services for plant health, animal health and veterinary public health, and food safety. All that work has been done already, which is component one.

Component two, sir, speaks to the laboratory systems themselves, which is the actual infrastructure, and so on. Now, I think a few months ago, the Cabinet has agreed on the specific location for the laboratory. All of the laboratory technical work has been completed. I think our work is being done by Stantec. All of that work is now finished. And now that we know where the labs have to go, all the geotechnical work is done. All the design work is already completed. Therefore we can move ahead with component two within this particular financial year and we should be able to bring the national Agriculture, Health and Food Safety system online in the very near future.

I think this will be of great significance to Barbados because I said not only would it allow us to execute the exports of animal products worldwide, but I think it will also protect us because once we can put in the laboratory system, sir, we will allow us to execute the type of carrying out the laboratory investigations to protect us when it comes to things like contamination risk and also quarantine elements that we have to put in at the airport and at the seaport. Sir, I think that is going to do a whole lot in regards to our agricultural system in Barbados. And I raised that fact, sir, because that question was asked by the member for St. Michael North East in her presentation to this House. So I thought it was important to at least give a little update in the background in relation to that particular situation.

Also, Mr. Chairman, what was also raised was a question on the matter of land use. Let me just say this, Chairman, you don't practise agriculture in the sky. Agriculture is practised largely on the earth and there is

finite space on the earth. In the Barbados context, we have very limited space. We have 106 000 acres of land, of which 53 000 acres is considered non-arable and yet 53 000 acres essentially considered arable land. Out of that 53 000 acres as arable, Mr. Chairman, what we have is at this particular point in time, we have 28 to 30 000 acres of that already allocated to sugar cultivation and the rest is allocated to non-sugar production. That is all that we have. Therefore, it becomes important that if we are to move our food production, increase our food production and reduce the food import bill, either one or two things would have to happen. One, we have to use the land that we have more efficiently; we have to introduce technology in relation to the usage; and we have to start utilising proper scientific management systems in relation to agriculture.

How are we going to get that done in Barbados? Mr. Chairman, I think I have to thank Sir Hilary Beckles for working with the Ministry of Agriculture in establishing the University Centre for Food Security and also entrepreneurship. Because it is through that centre, Mr. Chairman, that the intention is to teach Barbadian agriculturalists and farmers how to utilise modern technology in agriculture, how to practise best management techniques, et cetera, and how essentially to take it as a scientific endeavour, as opposed to simply that you may have lost your job today and you want to become a farmer tomorrow.

And when it becomes also important, sir - in 1994, I think Professor Beckles wrote on the land tenure systems in Barbados, and he identified two land tenure systems in this country: one which he called the plantation land tenure system, and the second one, the small holding land tenure system. What he was able to identify as one of the fundamental challenges with respect to our development of agriculture is that the small holding systems, sir, represent 99 per cent of the land holdings in Barbados, but they only control 14 per cent of the land, whereas the plantation system that represents 1 per cent of the population controls 86 per cent of the land in Barbados. When that becomes significant is because we have to understand that in his same studies, what we had over the last 15 to 25 years was actually a consolidation and amalgamation of estates, while at the same time you had very little movement in relation to the small holdings.

This becomes very important, Mr. Chairman, when we analyse agriculture in Barbados, because it means that the majority of our farmers in Barbados are essentially small farmers. Some of them might not even be considered medium-sized farmers. So part of the challenge, Mr. Chairman, is how do you get those small farmers brought into a major system of production that is organised? And when this becomes important is because if you go back and look at when your small farmers were important in sugar production, sugar production took more technical skills.

But if you want to go there and plant carrots and get into other types of agriculture, it becomes more technical, calls for more knowledge and costs more training. And that is the reason why many of the smallholder plots are exactly where they are. That is why you need the system to be able to take an individual and create the training. What we now have, Mr. Chairman, sending out an extension officer cannot do. What you need is a much more rigorous approach to dealing with the problem. And what you have to do is that you have to now start essentially putting in some means test. You just cannot wake up one morning and say because you lost your job you are going to be a farmer. You have to want to be a farmer. You have to understand that there is some training and some skill inputs that are going to be necessary, and you have to be prepared to put in time and effort to be able to do the job that is required.

Now, Mr. Chairman, this becomes important because the modern agricultural platform that we are proposing is one where we are going to concentrate, sir, on the establishment of what we call food production zones in Barbados. It is a concept that has been put together by the National Agricultural Commission and has the endorsement of the ministry. We believe strongly, sir, because of the large number of small holdings, if we establish food production zones in the country - and we are looking, sir, at food production zones in four particular areas. The areas under consideration are the St. George Valley, the St. John Valley as well as the St. Philip plains. And in addition to the grey and brown soils, I think there is a Scotland District area. But I would say, because the member for St. Peter would always mention the Scotland District in relation to it being an integral part of the food basket of Barbados - I don't disagree. What I would say to the member, which I know he knows, is that out of the several thousand hectares of land, only 1 000 are owned by the Government; the other 6 000 are privately owned. So therefore, you have to be very careful. It calls for a whole set of different regulatory mechanisms and so on because you are still dealing with a private sector interest.

What we have decided to do - which I would explain further, sir, in relation to how we will use the Scotland District in a meaningful way - would do two things: enhance its output agriculturally and, at the same time, Mr. Chairman, execute the sort of management of the land slippage and so on that we would want to have happen. I will speak to that when I speak to how we intend to create additional biomass for the multipurpose factory at Andrews. And we would explain how we intend to use the Scotland District, et cetera. And I would expect the member to ask a question on the Scotland District Authority, which I am prepared to answer because I am very aware of some of the weaknesses as to why it was not implemented and why it was not proclaimed after the

debate. And if you want to get involved in that, that is fine with me.

But what I am really here to speak to, sir, is another element of the modern agriculture platform apart from the food zones and production zones I speak to. The structure of those zones, sir, would be that each zone would have a manager. That manager for each zone is

going to be a person that is an employee of the Ministry of Agriculture. And that manager of each individual zone will work directly with the Deputy Chief Agricultural Officer that has responsibility for crop production as well as the Deputy Chief Agricultural Officer that has responsibility for livestock, all coming under the aegis of the Chief Agricultural Officer. We are confident, Mr. Chairman, that if that structure is executed, that manager will now have responsibility for bringing the extension services required to all of the farmers in that zone. And those farmers in those zones will be the ones who would have met the means test - that is, they are serious farmers, not fly-by-night farmers that want to farm; they have some skills. You are putting in the technical capabilities. You then would allow those managers, sir, to interact with the state trade enterprise in relation to movement of the products now to the demand side, which is going to be your import substitution side, your hotels, your restaurants and so on. Mr. Chairman, we are confident that that type of infrastructure and planning will move the agricultural sector forward significantly.

Another linkage that becomes important, sir, as you would appreciate, is the aspect - the element of water usage in relation to agricultural production. And it is a hindrance in a major way, sir, not only to the quality of production but to the volume. One of the things that we have to be able to do is that we have started to work with the Environmental Protection Department and the Ministry of Agriculture itself and the Barbados Water Authority to create a regulatory framework that will allow for water harvesting and will allow for catchment areas to occur. This becomes important, sir, not only because of our scarce water designation nationally and internationally, but also from the fact that too much runoff enters the sea. One of the things that we have to do is that we have to make use of upgrading the technical capacities of our sewage treatment systems so that they themselves would be able to produce grey water that would allow for aquifer recharge and to be utilised in some elements of agriculture. But it would require some amendments.

Mr. Chairman, I got your signal and I therefore beg to move that Head [Inaudible.] stand by.

Mr. CHAIRMAN: Honourable Member for St. Michael North East.

Hon. Miss M. A. MOTTLEY: Thank you very much, Mr. Chairman. Mr. Chairman, I just have a few comments to make. I think the honourable minister tried to answer one or two of my concerns that I will raise in second reading. But I genuinely feel that I can appreciate much of what the minister said and I don't think a lot of people can quarrel with the objectives. But the difficulty is that when I look back at the estimates, I'm not necessarily seeing the resources to allow the minister to do the job. And I think it is a fundamental issue that has to be addressed because we on this side have made the point that we cannot tax our way out of this austerity, this recession, that we need to have a growth path. The growth path is not only going to come from the foreign exchange earnings sectors, but that if you accept that 76 per cent of the Barbados economy comes from domestic production, then the extent to which you can increase food production and the extent to which you can do other related activities in agriculture becomes an essential component for us being able to stimulate growth in this economy again and for us to be able to ensure that there is employment available.

Given the virtual doubling of unemployment in the last five years, the honourable minister has effectively been given less money this year than he would have received. He is being voted just one million more - one million more - which, by the time you take into account inflation, is effectively less money than he would have received. The honourable Minister of Finance gave us an inflation figure of about 5 per cent. So that, in truth and in fact, we may well just be in a holding pattern in agriculture again. And I think that it is critical that these estimates should have been showing support for specific programmes that would have allowed a boosting of food production. At the very least in Barbados at this point in time, food may well become one of the critical issues as you get deeper into a recession - access to food. But if jobs can flow from it and revenue can flow from it, all the better.

Similarly, Mr. Chairman, the reality is that I don't think there's any difference between the two sides of the House as to the fact that the future of agriculture in Barbados is going to depend on technology and how technology is deployed in respect of agriculture. And to the extent, therefore, that we have so many small farmers, the only way we can look to improve yield and to improve production generally is through the use of greenhouses and other forms of technology, as well as access to water, which, as the minister correctly pointed out just before he finished his speech, continues to be a major, major issue for Barbados in respect of food production.

Let me say why I'm saying what I'm saying. Barbados has the capacity - I think we all agree - to be self-sufficient in poultry and in fresh pork. And to that extent, the ability for us to ensure that more persons are allowed access into this sector, have access to the funding, can get

access to the animals, can get access to the feed - all of that is critical. In respect of the dairy industry, there are some serious issues because the dairy industry, for example, we have seen this year broke out with a clear divide between the farmers and the Pine Hill Dairy. But it has always been our position that what is needed is the Dairy Board so as to ensure that Pine Hill Dairy is not a judge in its own cause and that therefore you have that insulation by an independent entity who will then be able to make determinations on quotas and pricing. But once again, you can't set up a Dairy Board without it being reflected in the estimates to be able to pay for it.

Similarly, Mr. Chairman, and I'm told - I'm not an expert in agriculture - but I'm told that Barbados is one of the few countries. In fact, Barbados and New Zealand are the only two countries in the world that currently do not subsidise dairy production, milk production.

Similarly, Mr. Chairman, we have a concern, as the minister correctly pointed out, in relation to the Scotland District. I believe that ultimately the issues of the Scotland District not only relate to how it can contribute to food security, but also in relation to how we can stabilise that part of Barbados. I suspect that over the next decade, the stabilisation of the Scotland District will come to be one of the biggest charges on the public sector investment programme in respect of the cost that it is going to take to stabilise the Scotland District. I have a particular love for Glenburnie, and when I go into Glenburnie now, it is tragic to see what has happened - and I'm sure the Member for St. John can confirm this - what has happened with the rocks and the land falling into the water, such that you really have to wonder where else that level of erosion is taking place further up in the parish of St. John, St. Joseph and St. Andrew.

And I think, therefore, that given the experience of countries across the world where farming and forestation have been critical parts of land stabilisation, the question is where are the funds to support the minister's efforts to be able to stabilise the Scotland District - not only as an agricultural matter, but as a matter of fundamental protection of our environment, given that it is one-seventh of our land area. I would be interested in hearing why the Scotland District Authority legislation was not proclaimed. If there are substantive issues, then I think we ought to amend the legislation. We ought to amend the legislation if there are substantive issues. But I do think that there is merit in ensuring that the Scotland District Authority is brought into existence. But once again, that will require the application of public funding.

And I'm saying this here because the minister made it very clear, and I am aware of this as well from our own former ministers of agriculture, that the majority of the land in the Scotland District is in fact privately owned, that you

would require to deal with farming. But if you have an authority that is in existence and is capable of regulating in a transparent manner the resources available, the types of activities to be undertaken - because I believe that the FAO did a study that showed clearly that only about 1 000 acres of the available 15 000 acres in the Scotland District is available for livestock farming, about 321 acres for food crop production and about 548 acres for food tree production.

Now, sir, we've known this information, but unless we can put it in - I almost feel I'm talking to the converted with you in the chair because I'm sure that you will feel the frustration for the lack of resources being placed in the agricultural sector. And if you want, I can speak on your behalf too, for the lack of resources being placed in the agricultural sector. Recognising that apart from the swiftness of tourism being able to stabilise this economy, agriculture - perhaps even more than manufacturing - has the ability to put money in people's pockets in the short to medium term in Barbados, if we can get them involved between livestock and food production.

Fishing is an area, sir, that is very dear to my heart. I have struck a relationship with fishermen all across the island. In fact, the Member for St. Thomas says that she was given some fish for me today. The reality is that we need to move our fishing industry to the next level. But in order to move our fishing industry to the next level and to ensure that there is access to the technology that will reduce the amount of energy that fishermen currently have to spend - now with diesel prices as high as they are, it means that we will have to find some kind of low-interest fund so that they can upgrade the technology on their boats. There is all kind of sonar technology today, sir, that can carry you almost immediately to where the fish are gathering. So that rather than having to motor a boat literally in the sea to try and find the fish, you can be far more efficient by reducing the cost of diesel by having access to that kind of technology. And whatever else we say, Barbados still has the most advanced indigenous fishing industry in the eastern and southern Caribbean. But we continue to marvel as others come into our waters and literally fish to their hearts' content and carry the fish back out to export to other parts of the world.

Now, one of the reasons, sir, that we put in the radar system in 2007 and one of the justifications for putting in the radar system was not only to fight crime, but also to be able to protect our marine environment from illegal fishing and illegal poaching. And as you know, within the context of the Law of the Sea Convention, the rules are very, very clear as to what we can have access to in terms of our exclusive economic zone. And to the extent, therefore, that the radar system is largely non-operational - and let me be specific - I believe that it is only the radar system at South Point that is working fully. The one by Ragged Point is

spotty, and the one in St. Lucy and the one by the Met Station at Husbands are not functioning. But we are repaying the loan for those radar systems every month for the last five years, and we've never had all four systems up and running for reasons that do not relate to the technology of the radar, but relate to positioning, planning issues, construction issues - issues that ought not to have bothered us.

And in fact, I believe, sir, that I've said in here already that we ought to be amending our legislation - our marine boundaries legislation - to ensure that we can charge and fine persons who are poaching in our waters three to five times the value of the catch. And if we do that, we will in fact find that we will recover the cost for the radar stations in no time at all. In eastern Canada, that has been their experience. But once you have the radar system, you can efficiently deploy the Coast Guard - particularly now that it is appropriately manned - in order to be able to catch those who may come out of another Caribbean country for proximity purposes but will continue to fish in our waters illegally. We hear about our people being arrested, but we are not aware of the extent to which non-Caribbean people are fishing in our waters. And particularly recognise this, sir, that tuna fetches a price of about - if it is of the particular grade that is necessary for sushi and sashimi - and I believe that if we also can get a greater share of the market of snappers, which particularly is abundant as you go up to Martinique and Guadeloupe, then I think that we can do far better.

The other major point here, sir - and this may require more medium-term planning for the benefit of the minister - the Bridgetown Fisheries Complex is way beyond its life capacity. You cannot find appropriate docking facilities inside the Bridgetown Fisheries Complex. And that is one of the major things that we should be looking at in the medium to long term to be able to expand.

The last point that I want to make, sir, is this. I noticed that the Agricultural Development Trust Fund still has about \$10.2 million in it. It is not by any means close to the height of what it would have had in the past, but it is still \$10 million. The difficulty is this - I am not sure how many people who are existing farmers are accessing it to be able to improve the technology that they use, even though that was the original intention of the Agricultural Development Fund. And I suspect that you're going to need a new young crop of farmers to come about before you see that full embrace of technology. Regrettably so. But to that extent, given that the Government is no longer continuing with the project that the Barbados Labour Party would have left in hand, is there an alternative site that has in fact been identified to be able to get more young people into agriculture and to embrace the greenhouse technology and by extension the yields?

The Member for St. James Central was with me, I believe, when we went to China and in the middle of dead winter we saw some of the most beautiful tropical plants growing in China outside of Xi'an, in respect of massive greenhouses, even though outside was easily cold. And it therefore begs the question, why is there not a greater use of greenhouses and the technology associated with them in Barbados, particularly given the difficulty of the shallowness of our soil and particularly given the declining production of sugar cane, which is necessary - I am told - for the rotation with non-sugar agriculture, with the crops, in order to get the most effective use out of our soils.

So I would be grateful, sir, if the minister can first and foremost tell me how we are going to achieve some of these things, if there is a likelihood that he is going to get additional funding to be able to allow agriculture to be a major platform for stimulating economic activity in this financial year. And if not, where else can we find the funding to be able to ensure that we do not have declining agricultural production - not just in sugar; I haven't spoken about sugar at all in this intervention - but in respect of food production and in respect of the other aspects which we know are necessary, in particular the Scotland District. I'm obliged, Mr. Chairman.

Mr. CHAIRMAN: Honourable Member for St. Peter.

Rt. Hon. O. S. ARTHUR: Mr. Chairman, I begin by recognising that the contribution to the agricultural sector has not been cut. And that is important because a similar thing cannot be said about other sectors of the economy. But that said, effectively, these estimates reflect the putting of the sector in a holding pattern at a time when it is facing a crisis that is extremely real. This sector has, through its history, lurched from crisis to crisis. And in many respects, the resilience of the Barbados agricultural sector in the face of recurring crises has been one of its most amazing attributes. But the crisis that is now at hand, Mr. Chairman, is, as you would know, particularly acute.

The most recent central bank economic review indicates that the non-sugar agricultural sector declined in 2012, the third consecutive year of decline, and this would have been a decline after considerable expenditure of incentive and supports over a number of years. We have a situation as well where this year, 2013, I believe that the sugar industry is now producing perhaps one of its lowest levels in history - 23 000 tons. Tonight, industry will put the industry in a position where perhaps it no longer has the critical mass to be a viable industry. And fundamental issues in respect of the future of the sugar industry have to be addressed. And as you know, sir, the food import bill of Barbados is as large now as the energy import bill. The energy import bill is receiving crisis attention; the food import bill - and the minister spoke about it - we do need to

put food security on the front burner in a way that has never before been done.

I want to say, Mr. Chairman, that this sector has been on the front burner, on the front line of divide in respect of liberalisation for perhaps two decades. Our agriculture sector has known crises throughout its history. Agriculture is not an easy exercise. Our sugar industry in the 18th, 19th, and 20th centuries went from crisis to crisis. The industry is one that had been continually being brought out of chancery. But the crisis that began in 1994 exposed this sector to travails beyond anything that it has ever known.

In April 1994, when Barbados joined the WTO, the fortunes of the agriculture sector were destined to change forever. Joining the WTO meant that the things that used to be done in the past to protect agriculture - especially production for the whole market - could no longer be done. The use of import licences and quotas had to be abandoned and, in fact, what the country had to do was to quantify the value of the protection that was afforded, convert them into licences, and use those resources productively.

The sector has been under intensive care for many decades. And when we became the government in 1994, we converted the non-tariff barriers into tariffs and put the resources into an Agriculture Development Fund - and we did not put it into the general revenue. The agriculture sector has benefited from a significant injection of incentives through the Agriculture Development Fund. They have had it to restructure and recapitalise. This sector has benefited from more tax concessions than any other sector of the economy. There are no taxes on agricultural inputs, no taxes on agricultural outputs. This sector has also benefited from more debt relief than any other sector of the Barbados economy. Twice now, in less than 20 years, the Government of Barbados has had to take over the debt of the sugar industry - \$250 000 000. And in the last term, this government effectively guaranteed a debt of the sugar industry that the industry will not be able to repay - \$250 000 000 again. That is a \$500 million debt relief programme that governments of Barbados have provided to the sugar industry.

The range of incentives given to the agricultural sector is so wide that in 2008, in his presentation to the House, the then Minister of Finance said that the sector has such a plethora of incentives that he sought to try to invent one - he said that you can get rebates in advance. You cannot get a rebate in advance; a rebate is a refund. In terms of debt relief, incentives, and supports, this sector, Mr. Chairman, has been the subject of vast generosity, but it faces a very difficult situation.

Our agricultural sector, because of the application of WTO rules, has been exposed to international competition

in the domestic market. And unlike other countries all across the rest of the developed world, agriculture survives only because it is subsidised. Agriculture in the United States of America, Europe, and Japan receives at least a trillion dollars of subsidies. Commercial agriculture, therefore, even in the best technologically advanced societies, cannot operate unless it is subsidised. We have done our best - debt relief, incentives, direct injections - we have sought to do the right thing. But the sector has reached a moment where the sugar industry is coming close to failure. And let us not forget: in Antigua, the sugar industry has been closed; in St. Kitts, the sugar industry has been closed; in Trinidad it has currently been closed.

The economics of the sugar industry, Mr. Chairman, is very distressing. The reality is that if you look at the numbers, the cost of producing a ton of sugar is \$3 400 a ton. The revenue is \$917 a ton. That is sobering. It costs Barbados \$3 400 to produce a ton of sugar to get \$917. Can you continue? That equation is a sobering thought. So fundamental issues have to be addressed in relation to dealing with food security. Fundamental issues have to be addressed in relation to dealing with the export sector.

If the minister spoke in terms of the efforts that are going to be accelerated to deal with food and health safety issues - the biggest constraint to exports of Barbados protein products has been the inability to meet international standards. We negotiated with the IDB to modernise the standard-setting and enforcing institutions. The project was slow in being executed. I am pleased to see that provision is being made in these estimates, Mr. Chairman, to accelerate it. But agriculture exports have been hampered because of the inability to meet standards.

And what I perhaps wanted to say, sir, is that since it has been put in a holding pattern, what needs to be done is not being provided for in these estimates. Perhaps the minister could give us the comfort of outlining what are the things that we can expect in terms of future initiatives that will convert this present holding pattern into a very active programme to deal with domestic food security, to deal with domestic non-sugar agricultural exports, and to deal with the future of the sugar industry.

We have very clear views on the issue of the sugar industry, Mr. Chairman. We feel that the age of Barbados producing export sugar for commodity exports - that age has passed. Sugar cane can only be used now to produce sugar if you are going to have it as a branded product, being sold as a premium product. There is a value in having a sugar cane industry to produce molasses as well. The byproducts of the sugar industry have to be optimised by a research programme which in some respects has been stalled. But with the sugar industry, Mr. Chairman, at 23 000 tons -

– we are reaching the stage where a critical mass of production may no longer be available. I believe that a serious discussion about the future of the sugar industry now has to be engaged.

Now, the minister spoke in terms of the CARICOM initiative and the TAG Deal initiative. I am glad that action is being taken because the reality is that food security in the Caribbean cannot be undertaken as a domestic activity. The virtue of having a single market and a single economy is that it allows the movement of capital, labour, and the rights of establishment that allow those critical resources to go into the Caribbean into the empty spaces where activity can be undertaken to enable the countries together to reduce the food import bill. The regional food import bill is about \$3 billion, and I am happy that it is happening because many people do not seem to understand that the reason why we had a single market at all was not that it was intended to be an end in itself, but that it was intended only to be a platform on which you move towards a single economy. Integrated Caribbean food production in the context of the JAGUAR Plan was part of the vision.

The notion that Barbadian capital, Barbadian technology, the best technology from all across the world, can be put together and have pan-Caribbean companies go to the empty spaces in the Caribbean and produce food and commodities - that is the way forward for Barbados and the Caribbean. Thank you, sir. I did have a little hand in helping to put together the project that is now coming on stream again after I left those responsibilities. But I would like to hear if there are additional similar plans to allow Barbados to address its food security issues not within our domestic space, but in the wider context of our region. Sir, because I know there was also a time when Barbadian enterprises owned the citrus industry of Belize. I believe that is no longer necessarily the case. But we have to see Barbados' agriculture involving the export of capital to enable us to do that which we cannot do at home.

But the essential point that I really want to make is that I understand where the minister is speaking of in terms of the zones and whatever else, but the resources have not been provided. This is only a holding pattern - it has not declined, but it is not enough to get the job done. And clearly the minister therefore has to be having in mind a three or four year programme which has to have credibility if it is to address a decline in non-sugar agriculture production, a crisis in the sugar industry, and a food import bill of the vast proportions that we now have. I look forward to speaking more this evening.

Mr. CHAIRMAN: Honourable Member for St. Philip West.

Dr. the Hon. D. C. ESTWICK: Mr. Chairman, there are some elements of the presentations of the two members

from the other side that I concur with, but I want to assure them that simply because there is not a specific line item within the estimates in relation to the areas that they have considered, that means that there is not a provision for funding through another mechanism. I can assure you of that. The Minister of Finance, I think in the statement of financial proposal, did speak at the time about a special food promotion and development fund. And that fund is being established to be operationalised very shortly and those funds are going to be utilised to execute many of the areas that I would have been discussing at this particular point in time.

But I would want to say, sir, in relation to the sugar, let me start there because the Member for St. Michael North East went into fishing and then spoke to some elements in relation to the Scotland district and then spoke also to other areas. But let me start on the sugar side. Let us be honest with each other. The decline in the yield in terms of a ton of sugar that is produced from a ton of sugar cane did not start in 2008. It did not start in 2000. It started way down the line. The reality is that without recognising - that is why science and technology is so important. Because if we had applied science and technology judiciously, we would have recognised that part of the problem is that our soil qualities have been degrading over time. We would have recognised that by planting sugar and sugar with the same rotations all the time, that the organic content of our soils moved from five percent of a quality solid down to less than one percent. It is now about 0.4 of a percent. So therefore, what has been happening is that the yield profile would have been changing negatively, not only in regards to the type of canes that you would have bred, because we had a wonderful cane breeding station. They have been trying their best to produce the best canes that you can find in terms of sucrose content and pest resistance and so on. But the other factor is what is happening down in the soil.

And I am saying to you, sir, that this is a recognition now, and we are working with SDRC and a few scientists in order to determine how best we can rebuild our soils utilising those mounds of compost and other types of organic waste that are down there through the BAMC. I think the Ministry of Finance would have put money in the estimates for mulch machines and those types of machines that will be used to sequentially spread those types of products into the ground over a period of time. That is one of the functions that is happening at the BAMC and BAMC, Mr. Chairman, is one of the important points. Now, the other element relates to a sustainable recyclable centre, and the other element relates to farm management practices. And you are not wrong in that the international preferential trade arrangements that we would have lost and pricing arrangements that we would have lost resulted in a deterioration in the price of a ton of sugar.

It has now gotten to the point where we used to produce, on a good farm management practice, about 28 to 30 tons of cane per acre. It is now in some plantations down as low as 15 to 20. Part of the problem is, because of a declining price that is obtained for sugar, the return to the farmer also declines. So we are in a situation now, sir, where we know that what is required at the farm level is a subsidy to the tune of at least \$100 to \$110 per eight tons of canes planted. We know this now, and we also know that at this stage the farmers would not, I think, be getting \$52 for that process. We know that it is not appropriate at this particular point in time and that we have to make some adjustments. And that is why the funds are going to be made available through the fund that I would have just spoken to you about. So the farmers in the sugar industry can move out of the holding pattern and start getting back into proper plantation management practices, and we can start looking at better yields.

Why that becomes important, Mr. Chairman, is this. We are holding firm to our decision to create a multipurpose sugar factory in Barbados. And I am very well aware of what has happened in Jamaica in regards to the investment by the Asians. I am very well aware of what happened throughout the region in many of the so-called joint venture arrangements in the sugar industry. But we are confident that we can get not only the yields up, but we are also confident that the decision to move the sugar cane industry from simply utilising the sugar cane plant to produce sweetener and to produce value-added products up the chain of production is the way to go. We are also confident that those products that we are going to produce include electricity to the grid. We are also confident that we are going to produce alcohol. We are confident that we will produce all the molasses that is required for the rum industry in Barbados, at least 85 per cent of it.

We are also confident, from the last report that we have received from the private sector interest that is marketing special sugars for us, that right now the amount of special sugars that they want, we cannot even produce it right now. That is a growth market. And they are only in England at this stage. Only in England. They are not tapping into the diaspora in the United States, the diaspora in Canada, et cetera. They are only operating in England. And I can tell you, when I started the ministry, I saw when they were looking for 750 tons; I moved to 3 500, approximately 12 000. So we are confident that if Barbadian sugar is packaged properly - because it has a name that is linked to its tourism relations, it has a historical brand relationship to it - that those kinds of sugar, sir, can be a revenue stream in addition to the energy and also in addition to the molasses. Once we can do that at that factory, sir, we are confident that the industry could become profitable.

But I say to you, and I was speaking to the farmers in Barbados, I understand that they have been carrying forward losses for a long time. We also understand - and I have, because of my responsibility - there are several of them that would want the BAMC to lease their lands. And I have been advising the management of BAMC when they come in that pattern: take the land. If BAMC has to lease all of it in order to keep the lands for the plans that we have, then so be it. It is in the interest of Barbados for us to do that. And it would also enhance our capacity not only to produce non-sugar agricultural outputs, which is one of the recommendations of the land and mill study that would have been done under the European Union over the last four or five years, whose recommendation is saving the industry. And not only them - the ICP did one through KPMG with the same outputs: save the industry. And the way to do it is exactly the way that we are proposing to do it.

So again, I would take this opportunity to say to the farmers, those who are prepared to say they are going to give up sugar because they are not getting the returns - give us an opportunity to get the industry turned around. And I can only speak without giving out certain specific information. I am sure the Ministry of Finance is working hard right now in relation to determining which particular financing package we should accept that will be able to give us the funding that we need to address the needs of the farm side in relation to BAMC and the independent sugar growers, and also the factory side. And I am confident therefore, sir, that the overall investment to deal with both sides is something like \$250 000 000. The transformation of the factory itself is only \$85 million. But if you do not do that, then we are back into what had to happen back in the 1990s. You would have to go and take over the debt of the sugar factories and spend \$300 million. It is better to try to transform it and bring it into a modern reality of value-added than to go back into that situation, just paying off all debt. So I think the decision that we are taking is the right decision.

When I come back, Mr. Chairman, I will speak to the fishing industry and our plans in relation to looking at a completely new fishing harbour and fishing development in Barbados, and the limitations that were put on us by the ICCAT convention and other conventions that limited the size of our boats and size of our fleet in Barbados. I will speak to that afterwards.

Mr. CHAIRMAN: Honourable Member for St. James Central.

Mr. K. D. SYMMONDS: Chairman, I want to begin by saying that the initial presentation by the minister I thought was a useful one because it gave us an overview as to the state of the general sector. The minister, sir, however, has some vintage. He is not new to the office, has

been there, sir, for approximately three years, if not more. And he, therefore, sir, has to understand and must appreciate as well as anyone else that the sector has been plagued by a number of missed opportunities. And that, in my judgment, sir, has led to some of the lack of dynamism and, quite frankly, some of the underperformance that we see in agriculture and by extension in the Barbados economy.

Now, Mr. Chairman, sir, my real concern in this contribution is that I am unclear as to why we are where we are specifically with the sugar industry in Barbados. And I'm not satisfied, Mr. Chairman, that there has been any satisfactory evidence that the sector - the sugar sub-sector - has been adequately managed. Now, sir, I hear the minister; I believe that he is sincere when he suggests to this House that he would like to have an opportunity to get the industry turned around. But the fact of the matter is, sir, the inescapable fact is that it starts to ring hollow when one understands the full history of what we are confronting.

We, Mr. Chairman, sir, came to a situation where long before the European Union made its adjustments to the sugar regime, Barbados had settled on a path which was pretty much to say that we were looking at the long-term future of the sugar industry and the direction that it could be taken. That, sir, led to the creation of a draft national strategic plan 2005–2025, sir. And out of that was born the adaptation strategy to which I referred in my second reading speech. Now, sir, the adaptation strategy was a 2006 to 2014 document speaking about a nine-year project of transforming the sugar industry into a sugar cane industry - in specifically the same, almost identical, the same terms that the Minister of Agriculture is now speaking to. And sir, that is an inescapable reality.

The adaptation strategy, 2006 to 2014, sir, speaks of restructuring the sugar cane processing facilities, first of all taking Andrews and Portville out of production and using then, sir, a multipurpose facility. And that multipurpose facility, sir, would then be used to generate electricity. Specifically, sir, the strategy speaks to 30 per cent electricity by way of co-generation, which is just what the minister is speaking to, sir, and that co-generation, sir, would be fuelled by gas and natural gas. And there had actually, sir, been a protocol devised so that the Barbados Light and Power would buy into the electricity produced from the multipurpose facility. The intention, sir, clearly defined in the strategy, was for the Light and Power to buy the produced energy from the multipurpose factory. And that, sir, would then be fed into the national grid.

What is more, sir, the development of a local market for ethanol was also outlined in the strategy. These things are not new. Mr. Chairman, sir, the next intervention of the minister - perhaps if the minister will let me, because I heard him in silence - perhaps, sir, by holding the

adaptation strategy in my hand. The Barbados adaptation strategy 2006 to 2014. The minister, sir, speaks to exactly what is in the strategy, as though he is discovering this for the first time with all the excitement of recent discovery, sir, when it was made - sir, I'm sure this is already a document. I remember standing on that side of the House in 2004 and 2005 talking about the plans that the government had, sir, for this development.

Now, Mr. Chairman, sir, the domestic requirements for specialty refined sugar, sir, were outlined in the strategy. And for the benefit of the Minister of Finance who said that there are only 20 packages of specialty sugar or five per producer - the truth of the matter is that an initial trial amount of 700 tons was actually marketed. 700 tons was actually put on the market. The minister must know, sir, that in the Ministry of Agriculture itself, there was a pilot project for the same. People have to know about it, sir, so that to come to the chamber in 2013 - and this is where the difficulty I have lies. Because as I said, I believe that the minister is sincere when he says that he would like to have time to point to the achievement. But it rings hollow, sir, when one comes to the understanding that pretty much all that the government is now telling us they would do - from the multipurpose facility, through, sir, to the co-generation of electricity, through, Mr. Chairman, sir, the development of a market for ethanol, through, sir, to the specialty sugars which were to be marketed in the United Kingdom - well, sir, we even know - I can stay here and tell him, sir, that there were businesses in the United Kingdom that were prepared to take these specialty sugars as part of a special commitment to the diaspora of the Caribbean. So these things, sir, are not new.

And the point that I'm trying to make is that when one understands that since 2005–2006 this was in the works, then the challenge that the government has is to overcome the charge that they have been hearing now for the last few years - the charge of lethargy and inertia - that there are things that are clearly good ideas. And I said this in my second reading speech, that we can give the government the benefit of the doubt as to the quality of some of the ideas that are being discussed. But the point is, sir, that even when it is there in black and white, the implementation continues to fail us.

Now, Mr. Chairman, sir, the chamber needs to also be aware that we in 2006, after this had been prepared, then spent the first year doing some fundamentals. And I would want the minister to update us, sir, as to the status of the fundamentals. Because as you go through the strategy, you realise, sir, that the first year was supposed to be dedicated to pre-project activities - financing and investment, sir, needed to be sorted out; the ongoing varietal testing of high-fibre cane variety, sir, all of that was supposed to be done in the first year and the minister came and found it; the conduct, sir, of the necessary environmental impact

assessment. All of those things are put into the advanced project preparation, sir.

Mr. CHAIRMAN: If I could be allowed, sir. Honourable members, please remember. Continue.

Mr. K. D. SYMMONDS: Sir, the development, sir, of the engineering works and project design - all of those things, sir, were separated as part of the first year issues. So that in 2007, sir, these were the things that an outgoing Barbados Labour Party government was putting into place. So that in 2008 January, when a new government came into office, all of the pre-project preparation should properly have been completed.

Now, what I would want to hear - therefore, that is the point - what I want to hear therefore, sir, is why is it now in 2013 that we are coming back to say that a project that was defined, designed, pre-project implementation begun before the Democratic Labour Party government commenced in 2008, that this is now being treated like manna fallen from heaven? A brand new idea that had been written down, theoretically understood, project proposed and designed. And all of a sudden, sir, we are back to this fair one again.

So what we are faced with, Mr. Chairman, is a government that quite frankly is either extremely lethargic or virtually schizophrenic. Because the truth is, Mr. Chairman, sir - there is nothing unparliamentary about schizophrenia; the truth is there is nothing unparliamentary in saying that a policy is schizophrenic - sir, you cannot jettison the same project in 2008 that you come back to in 2013. And I listened attentively to the minister, sir; the minister said nothing different about his 2013 proposals than that which existed. And the government came up in 2008 virtually word for word and step by step - really talking about the multipurpose facility, sir, and it being co-generated from other things. Tell me what the other things are. And it was supposed to be fed also by natural gas and you are going to use pallets and cardboard. All of that is written into it.

So that, Mr. Chairman, sir, there is no copyright on this. There is no copyright. And the Barbados Labour Party is not going to stand in the way of its own idea. But what we want to hear from the minister, sir, is that you should come clean. Say that the project was frustrated by members of the Democratic Labour Party; say the project is a good project and that they want to re-implement it; tell the whole tale. But the reality is, Mr. Chairman, that at this rate we are going to be spinning top in mud because, as I said, the real concern here is that you cannot begin by asking stakeholders in the industry to give you a chance to implement when the same stakeholders were party to the consultation and know about this chapter and verse, because the first thing the stakeholders are going to want to

tell you is: but you are the people who stopped it from happening in the first place.

Now, Mr. Chairman, I don't want to beat upon the minister, sir, because I began by saying that I believe that he has some sincerity on the matter. But there is another matter, sir, that I want to speak to very briefly and that is what he described as a mechanism - sir, and I made a note - a mechanism available to allow him to do certain things that apparently he thought he could not do before. Now again, I don't understand it when the minister speaks, sir, about the revised treaty allowing you, sir, in circumstances where there is non-production of a good or set of goods and in certain circumstances, sir, the quantity is too low to meet the demand or the quality too poor to meet the demand in the region. The minister, sir, is speaking to Article 83 of the revised treaty and it is an article, sir, speaking to the use of the common external tariff. But it has been there all along for the minister. To open his presentation, sir, on the terms that this is what he has discovered and this will now be used - but, sir, he did not know it was there last year and the year before. What is it about the common external tariff that is so new, sir? We used it.

Mr. Chairman, I may suggest to you, Mr. Chairman, sir, there is nothing about the common external tariff that is going to be amended that is going to help agricultural development in Barbados, because that section, sir, speaks to lifting the tariff so as to allow goods from outside of the region to come into the region at a cheaper price to compete, sir, with that which may be here already. So therefore,

sir, the reality is that the minister is speaking again across purposes - he likes to tell people things so that they don't understand. But I am satisfied - so that he himself may not understand - I am satisfied with that. You take time. We can go through this. We can be in this till about 6.00 tomorrow night. Don't worry. The reality is, Mr. Chairman, sir, that I am satisfied that he himself does not understand. And the basic point is that there is nothing in that aspect of the treaty other than that the capacity exists to lift the common external tariff, or to amend it so as to allow external goods into the region at a cheaper price. How on earth does that help to protect or promote the development of agriculture in Barbados?

Mr. CHAIRMAN: Honourable Member for St. Michael North West.

Hon. C. P. SINCKLER: I wanted to just add a few things to the debate at this very late hour. I was truly entertained by the performance of the last honourable member and I really do consider it to be a very good performance in the sense that - 42 days straight - the honourable member for St. James Central has delivered two performances on his return to the House of Assembly.

The first, obviously, was to advertise his leadership qualities for the Labour Party and this one was actually almost performed for his political godfather.

All of what the honourable member just said, Mr. Chairman, sir, could be summed up quite simply by saying that there is a saying: where was the money? Or where is the money? And that is the fundamental issue with the argumentation of the honourable members on that side, particularly the honourable member for St. Peter, the right honourable member, and the honourable member for St. James Central. All of what the member spoke to there was the optics of the intent of the Barbados Labour Party to pretend that they were going to do something about the sugar industry when in truth, in fact, they really did not intend to do so. After ten long years in office, it dawned on them somewhere around 2003, 2004 that there was a sugar industry that required restructuring and, to keep up with all of the optics, they rushed to get this study done and that study done and to go through the motions of establishing.

Rt. Hon. O. S. ARTHUR: Yes, sir, you are right. The adaptation plan was written precisely because under the changes in the European Union's protocol, as stated here, the foreign exchange losses - true to the cuts in the European Union price for sugar between 2005 and 2009, sir - would have been in the vicinity of \$49 million a year. And as a result, sir, in 2006, because of a change in the pricing arrangement under the European Union protocol, there was an adaptation plan done not only in Barbados but in every other country where there was going to be affected by the change in the European Union protocol. This was an adaptation to the change in the European Union protocol. It could not have been done before 2006.

Hon. C. P. SINCKLER: Mr. Speaker, sir, look, I don't want to detain the House. I really don't want to get into any cross, Mr. Chairman, with any cross band with the Honourable Member for St. Peter. Look, I have said in this Honourable House before that we - the Democratic Labour Party - started a restructuring of the sugar industry in the 1991 to 1993 period. We always knew, Mr. Speaker, sir, that given the fundamental structure of how the sugar industry was put together, that the changes which we sought to implement and implemented in relation not only to the management but the financing of the industry, meaning at least 10 years of consistent application - which did not occur under the Barbados Labour Party administration. In fact, they abandoned the restructuring process and it has only been jolted into reality by the common agricultural policy changes, the CAP changes that the Honourable Member is speaking about, that they picked up and tried to resume a restructuring of the sugar industry.

But you have to ask yourself how it takes. And I heard all of these crocodile tears about agriculture. Where were these tears being shed for the agriculture sector when

the Honourable Member for St. Peter was presiding over a cabinet that spent almost \$80 million on their dump? Up to now, not a toxic paper has gone to that dump. That \$80 million could have gone into restructuring the agriculture sector in Barbados. You ask yourself that question. You ask yourself that question.

In fact, Mr. Speaker, sir, the very adaptation strategy - as the Honourable Member for Agriculture can confirm - the very adaptation strategy that the Honourable Member for St. Peter is speaking about, Mr. Chairman, sir, had no financing proposal attached to it of significance. This is no lie. The Honourable Member for the rest can confirm that the land and mill study which was done - we had to do a study to put a cost into the recommendations for that, for the same adaptation strategy to be put in place for the cane industry project. And it is a different project to what you all were implementing because there were fundamental flaws in relation to how that was built out.

I hear all these things about arguing. I don't intend to spend all this time on this continuing harangue from the Member for St. James Central about laziness of the Government. I want to go back, Mr. Speaker, sir - you settle down, you settle down - I want to go back, sir. When we speak about this, we got to be honest when we are dealing with these things. We got to be honest when we are dealing with these things. We all know on both sides that there are fundamental structures within the process of government that cause delays in implementation of initiatives and proposals. And both administrations fight and struggle to do reform processes to ensure that we can expedite and speed up these things. We know anything that involves legislation usually takes time. We know. Things that involve the arrangement of high levels of finance usually take time. We know that.

I want to read a quote, Mr. Speaker, sir, from the late Honourable David J. H. Thompson speaking in the Estimates Debate of 2003, March 17 - page 31 of the Hansard report, Estimates 2003. The Honourable D. J. H. Thompson. And I quote: he says, I remember some years ago, sir, the Honourable Member for Christ Church South made it very clear that there were big concerns which he had about the way in which initiatives in here were announced, both in the budget and the estimates. These were initiatives announced, Mr. Chairman, by the Barbados Labour Party government. This is a Barbados Labour Party member speaking about the Barbados Labour Party - how they were announced in both budget and estimates debate - and had been the inability of the Government to implement its initiatives in a timely and efficient manner. He called on the Government, the Barbados Labour Party government, to set up a committee after the budget to focus on the implementation of the initiatives outlined.

And this is the late Member speaking: Sir, you have a situation in the Estimates Debate - no, it's going to rattle them, sir, it's going to rattle them - Sir, you have a situation in the Estimates Debate where ministers get up. Listen to this, Mr. Speaker, sir, Mr. Chairman, sir - where ministers get up and regale you with stories of all of the things that they have provided for in these estimates. And six weeks later, six months later, the Minister of Agriculture gets up and says that he is completely frustrated by the inability of the officials to implement the projects that he had outlined, frustrated by the inability of the private sector in the economy to respond to the incentives that he had outlined, and that nothing has been done to focus the Government's policies on implementing those initiatives in the public service. Unquote.

So all of this latter-day-ism, all of these latter-day-isms about Government not being able to implement this and Government not being able to implement that, trying to impress the public that they had this stellar record of implementation of proposals and projects that they outlined - it is absolutely amazing. So I don't see the point that is being made. The Minister has outlined a comprehensive strategy. Is it? Yes. Land in a land bank - nobody knows where it gone. Bumblebee, Lady Bird House - nobody knows where that gone. The flare fish drill wells - nobody. Get all of them. The dump - not a toffee paper ain't gone yet. And all that is the stellar implementation of the Barbados Labour Party. Let us start with the child missionists and get on to serious points.

The reality is, Mr. Chairman, sir, as you well know, and the Honourable Member for St. Peter said in his presentation - I can agree with that. We have given - Mr. Chairman, I know that. I know it is the problem. They don't like the home troops. They get restless when they get the home troops.

The problem, Mr. Chairman, sir, is this. The Barbados Labour Party government cannot lecture the Opposition, cannot lecture anybody in this Parliament or anywhere in Barbados on the question of agriculture, because when they had the opportunity for 14 years with all of the resources at their disposal, they did absolutely nothing to transform that sector, to move it from point A to point B. And therefore, rather than sit down, I will try to engage in a discussion constructively on how we can now do what was supposed to be done 10 to 15 years ago. We are getting a lot of petty things, trying to criticise the Minister for things which they did not do when they had the opportunity to do.

When you look at the financing of the sugar industry, no appropriate or sustainable plan was put in place. No sustainable plan, Mr. Chairman, sir, was put in place for the financing of the sugar industry. None whatsoever. What the Labour Party government did was to

flow a bond through BAMC to finance the sugar operations. BAMC clearly was not going to be able to generate the kind of resources to service the bond. So it had to come from the Consolidated Fund to be serviced, and that was their plan. Anybody would understand that could not be sustainable because you cannot come every year and throw out another bond. And that is what they left in place as the financing strategy for the sugar industry. It could not work.

And what we now have to do between Agriculture and the Ministry of Finance is to try to find - not only in terms of operational, at the operational level, factory and otherwise, for the industry, but the entire process - and to put an appropriate financing plan in place that allows it not only to stabilise, to be able to continue to exist at least at some minimum level, but also to transform the sector in a way that it can now then contribute not only to the development of the production of sugar in Barbados, but also to generate electricity, as we have proposed to do with the one-factory option, the multi-factory option in the industry. Nothing at all you hear in this debate so far about the fundamental linkages between the production of sugar both to the environment but also to other aspects of the agriculture sector, other than coming from the Minister himself.

So this is what we are looking at. Well, it depends on how you interpret it. You get a political lexicon, you will see an entirely different intervention. Again, the reality is, Mr. Chairman, sir, that I hope that we can return to the debate and get back to serious discourse - how we can transform agriculture in this country to reduce the food import bill, to increase our level of production, and to be able to put the thing on a more sure footing. And that I think is a better contribution than what we have heard tonight coming out of the Opposition as these petty criticisms about the Minister of Agriculture and the Ministry of Agriculture. And I have a pledge to you, Mr. Chairman, sir, I think my time has expired.

Dr. the Hon. D. C. ESTWICK: I remember I love the provider of the member for St. James Central, sir. But the member for St. James Central is absolutely wrong when he attempts to compare the Barbados cane industry restructuring project with a project in a so-called sugar adaptation strategy. There are two completely different projects and I don't want to embarrass him. The project has nothing to do with using cardboard gas. It is using 150 000 tons of biomass that will be agriculturally farmed in the Scotland district to go along with other outputs. And so it had nothing to do with that.

In addition to that, it has a component that has to do with an issue that we tried to resolve for years, which used to be called an onion drain facility. We are using a thermal output steam to establish a first-line thermal drain facility

for the entire country. When you talk about initiative strategy, in addition to that, the project has to do with our overall transformation, sir. That has to do with the farm side in addition to the factory side. Your strategy speaks to the factory transformation. There are two completely different projects. And in addition to that, I have read the adaptation strategy, sir. And the adaptation strategy has to do with building capacity. It has to do with building human resource capacity and technical capacity. It has nothing to do with funding for infrastructure. In relation to that, I know what is in the document. I read it. I hope you learn a lesson.

Let me proceed, sir. I want to speak, sir, to the member for St. Michael North East in relation to the fishing industry. And what I want the member to understand is this - that it was 1982, I think it was, sir. All right, hold on, please. I have difficulty hearing and understanding what the members say. Bearing in mind that we are trying to get clarity, we need to hear what is being said.

Mr. Chairman, I think what we have to do is to understand when the Barbados Bridgetown Fisheries complex was established and the footprint within which that facility was established. That facility - I think probably one of the older members might remember the exact date - I think it is 1982 or 1983 when that facility was established. But I think also, sir, that the facility was established to manage 67 boats, and those were 67 boats in Barbados in the 1980s. The union at the time did not even have iceboats and other larger boats and long liners, et cetera. What I am saying, Mr. Chairman, is that the Bridgetown market facility essentially cannot work in relation to advancing a modern fishing industry in Barbados. The reality is not only the footprint outdated, but the fact of the matter is that large boats cannot essentially berth in that particular area and so on.

Now in addition to that, there are many sanitary and phytosanitary issues in relation to when the boat stock is offloading, icing, preparing and therefore selling and so on. That has to be considered. In addition to that, Mr. Chairman, we have to find a way to deal with the International Convention for the Conservation of Atlantic Tunas report and agreements that we would have signed on to. Fundamentally, sir, that prevents Barbados - I think that would have happened in the early nineties - that prevents Barbados from having a fishing boat that is longer than 27 meters. Now if under the ICCAT agreements you are locked in to that type of arrangement, it means that even though we are a sovereign state and we have a number of regulatory frameworks that would have come down from ICCAT in addition to FAO, one of the ways we will have to deal with this, sir, is to create new legislation and a new set of regulatory frameworks that would allow us to be able to manage larger fleets, that would be able to use proper

ICT infrastructure that we would need to put in place at some central location to be able to manage, Mr. Chairman, not only where the boats go, but to be able to manage sizes of the catches and to be able to handle that type of information.

Mr. Chairman, we are not in a position at this particular point in time to deal with that. And I am confident, sir, that it might make better sense if we are looking to develop our fishing industry to possibly look at the establishment of a completely new fishing harbour in Barbados, and that fishing harbour would be so developed that it can handle the larger ships, the medium-sized ships and the smaller fishing vessels, et cetera. I think there are one or two areas in Barbados that some fishermen have identified where it is very possible to do this, but it cannot be done within the footprint at the Bridgetown Fisheries market. It just cannot be done there. That footprint has outlived its basic utility.

And as a result of that, Mr. Chairman, it is from that perspective that I would want to say to the member for St. Michael North East that it is important that the infrastructure is corrected and new regulations be put in place, new legislation, in order to be able to move this industry forward. I would say, sir, the member for the south would also have spoken to me on several occasions about the challenges they are having at Oistins in relation to being able to move boats out of the water, especially during turbulent weather periods. And part of that solution, sir - we have sent a team of persons that visited Trinidad and Tobago about a couple of months ago, and that trip was to go and look at a scheme that allows for one to stack boats utilising a particular crane mechanism, so that on a small footprint, like the footprint of the Oistins boat yard, you can easily be able to safely manage about 50 boats or so on a stack. And that facility we were taken to by Mr. Greg Rollins, somewhere on the south of Trinidad. And we have looked at that because that has been an issue in relation to many areas where fishing boats land, and they have issues in relation to the space required for storing those particular vessels.

Mr. Chairman, the other issue that was raised by the honourable member related to the cost and matter of diesel. What I want the honourable member to recall is that prior to 2011, there was a private concessionaire who had responsibility for providing diesel for the fishermen at the Bridgetown Fisheries market, as well as in Oistins. The private concessionaire placed a tax - I would call it a tax or profit - on top of the base price of the diesel. And when we came into office, the boat owners made representation to us in relation to giving them the opportunity to be able to manage their own diesel supplies. And that is something we agreed to, so that the price of diesel to the fishermen could be managed by the boat owners and could necessarily therefore be at a lower rate. That was done.

That was done. And today the boat owners are still in control of that. So in relation to that aspect, I would want the honourable member to check on the facts of that and that matter can be put to rest.

What I will say on that - investment of solar technology. To do what? Thank you very much. I remember the solar technology that was used in the ice maker in Skeete's Bay. You see, sometimes a little knowledge is a bad thing when it comes to science, because when you have a technology like sonar technology, you are talking about large-scale fishing with a different issue. We have to learn to pronounce the word properly. But the reality is, part of the problem that we have - not only because of the small size of our boats, but the boats themselves, when they go through inspection - one of the things in the new regulations that we would have to put in place is that we now put training in place for official fisheries personnel to go out. We make sure that the boats are inspected and they have all the necessary technology on board in terms of safety, et cetera. Now, as you go into larger vessels, where you are going to be out in the ocean, hundreds of miles out, well, obviously, your technology will change in terms of the capacity

to be able to reach shore, but in terms of how you use technology to monitor fish catches, to monitor the movement of fish, and to understand the technology in relation to currents and fish migratory patterns and so on, that knowledge, sir, is something that the average person who goes 25 miles out would not have. That comes with training. And I would say, sir, as we move the fleets forward in terms of size, that will come along in the training as part of the regular programme. So I hope that satisfies the honourable member. Mr. Chairman.

Now, another issue was raised in relation to the stabilisation in the Scotland district. I will come back on that, because right now, sir, when I went to the ministry, I found a system. I found that the Scotland district is a unit. There is a manager and a board. This board is comprised of persons from the Ministry of Public Works. It comprises persons from the Town and Country Planning Department. It is made up of other technical experts, men from the people of the Ministry of Agriculture, et cetera, et cetera. And part of their responsibility, Mr. Chairman, is to advise the minister in relation to Scotland district issues. And those issues in general would essentially revolve around landslip issues, flooding issues that precipitate landslip issues, what type of housing or structures can be placed where and when, and what conditionalities are necessary to make sure that you can protect a facility being put in place at location A or location B. Outside of that type of recommendation - which goes out in every single application that comes out of the Scotland district - it goes to Town Planning, it comes to the Ministry of Agriculture,

it goes to the Soil Conservation Unit. All of them come in. And for me, sir, that has worked reasonably well.

What has happened, sir, is the usual problem that we have. You say to a person, do not build there, you go back next week and a structure is going up there. That is part of the problem. And when the area slips and your house is holding the sea, then the problem becomes government's problem. Now, when you have a bigger issue that occurs because of a geological event - that is a natural event - those types of events now require a deeper scientific evaluation, like what would have occurred when we had Tomas and we had some other issues in relation to Dunscombe and other areas of Newcastle, et cetera.

Mr. Chairman, what we recognise is that you could not go inside there with a small team of persons not armed with the technical expertise and equipment that you require to carry out the type of geological studies that are required. So what you have to do is that you have to ask your international partners, your developmental partners, for assistance. So we have now put in place, Mr. Chairman, a team that is now ready, that has the technical experience that would have come in from our partners, in addition to having the equipment, so that we can now do a proper evaluation and find out exactly what really happened. To have such a large portion of that horseshoe zone essentially move away by a matter of a few feet - it could not be done any sooner because of the technical expertise required, et cetera, et cetera. And all I can say to the members here is that team will start its work very shortly. I will do that, Mr. Chairman.

Mr. CHAIRMAN: Honourable Member for St. Peter.

Rt. Hon. O. S. ARTHUR: Mr. Chairman, the Barbados sugar industry, like the sugar industry in all ACP countries, existed because of guaranteed prices paid by the European Union that bore a direct relationship with the price paid to European sugar producers. In 2004, the European Union took a decision that it was going to, over a period of time, change the guaranteed price paid to Barbados and other exporters to Europe. Those changes were going to take place beginning in 2005, where the guaranteed price was going to fall from €523 to €496 in 2006 to €335 by 2009. It was a fundamental change in the price that allowed a sugar industry in this country to exist at all. It was something that did not happen in 1994, which an adaptation had to be made in 1994. It was an adaptation to be made between 2004 and five onward. The guaranteed price was to change. The report says that as a result of the change in that guaranteed price alone - not because of any management or anything else, but because of the change in the price paid by Europe as a guaranteed price for sugar - Barbados will stand to lose \$100 million from that change in the price alone. And therefore, a plan for the adaptation

of the sugar industry resulting from the change in the European guaranteed price for sugar, to be implemented over a number of years, had to be undertaken with the support of the European Union.

That adaptation plan, therefore, Mr. Chairman - of which we speak and was introduced so wonderfully well by the Member for St. James Central - has nothing to do with long-term issues in the sugar industry. It arose precisely because of a factor that could be measured, and the report says at page 19 that the loss would be 50 million US dollars - \$100 million alone. And as it does, therefore, not just Barbados, but all countries affected and to be affected by the European change - all countries that used to have a sugar industry only because of its guaranteed price - could prepare a plan for the adaptation of the sugar industry, to transform the industry, to prevent them from suffering the kind of losses over that period. And yet we got a loss in one year that was projected because of the change in the price alone. The measures that the Member for St. James Central spelled out, Mr. Chairman, were precisely because of this development and this development alone.

And contrary to what the Minister of Finance, who does not know what he is talking about on this matter, as so many others said - the plan was costed. Sources of funding were identified. The programme was costed. The European Union -

Mr. CHAIRMAN: Members, please. Any member, please. Proceed, please, Mr. [Inaudible.]

Rt. Hon. O. S. ARTHUR: I was the Chairman of CARIFORUM that negotiated the Economic Partnership Agreement with Europe and the change in the Sugar Protocol. As the Member for - the Minister of Finance, who fancies himself as an expert on international trade, should know that there was an expanded financial package offered to the Caribbean, including Barbados, for all of the changes that would have had to be introduced because of our changed relationship with Europe, including the change in the Sugar Protocol. He should have been at a meeting in Montego Bay that we held with representatives from England. That was one of the stormiest meetings that was ever held between the Caribbean and Europe, because we made it very clear - all of us - including the substantial reduction in the guaranteed price for sugar. The Barbados sugar industry had therefore to undergo a complete transformation, not only because of long-standing factors, but precisely because the guaranteed price for sugar would drop. You hear how much was dropped - from €523 per tonne to as low as €335.

Hon. C. P. SINCKLER: Deliberately misleading the House. But I know the Honourable Member knows better. And it is incorrect to say that under the financing protocols for the EPA - the extended financing protocols - that any of

the money identified for the transition out of sugar was assigned to the restructuring of the sugar industry itself. In fact, the resources - the countries were specifically asked to identify the sectors that you would like the resources to go into that can bring you out of sugar, because the Common Agricultural Policy changes, including the reduction of the price, will cause you to lose sugar as a major contributor to economic development. By way of ICT, we say the human resource strategy, which we brought here, and the ICT, which we did - we did it. So go and read. If you were at the meeting, you were chairing the meeting, but you obviously do not remember what happened.

Rt. Hon. O. S. ARTHUR: A little learning can be a very dangerous and foolish thing, because the European Union - and this is called an adaptation plan - because it was not expected that the country would abandon the sugar industry; they would adapt it and transform it into something. The adaptation plan is as outlined by the Member for St. James Central. And Mr. Chairman, a specific change in a guaranteed price - you say adapt the industry. It was. The adaptations were going to cost €440 000 000 over a ten-year period, with part of the resources - not all - coming from the European Union. And the European Union committed to support all countries affected by the changes in its guaranteed price to help them to adapt their sugar industry, to do other things to enable them to accommodate the change in the guaranteed price. And that is why there was an adaptation plan. There would have been other plans for the sugar industry, but this adaptation plan was a plan to adapt the industry in the light of the change - not out of abandoning it, but adapting it into something else. And all of the items referenced by the Member for St. James Central were part of the adaptation plan from the very outset.

What happened, sir, is that the Democratic Labour Party formed the government in 2008. The sugar industry was not under the Ministry of Agriculture. The sugar industry was put under the Ministry of Finance, and the decisions were taken to review this, among other things. And all of these things that should have been done - including having a sugar factory, beginning the process of the generation of electricity in 2008, because agreement was being put in place with Emera Power, that there was going to be a change of equipment at the Lamberts power plant in 2008 - all of that was part of the adaptation plan. So that when you speak about the adaptation plan, it has a specific meaning. I must tell you, great damage - great damage - was done by putting this on pause. Great damage was done. And you will notice every day I speak in this debate, I speak to the fact - I spoke last year, speaking to the fact - that Barbados, like the rest of the Caribbean, is not accessing the resources provided under the EPA for us to transform our economies, whether the sugar industry or the other parts of the economy that are affected by our different relationship with Europe. Because I know that

Europe does not only involve changes in the trade terms, but we fought hard to get Europe to agree that if we had to change our terms of trade with Europe, that there had to be substantial financial resources to enable us to make that transition. That is a fact, Mr. Chairman.

And so this has a specific meaning. It is not to be confused with other plans that might have been conceived of to adjust the sugar industry. The adaptation plan, as it says, arose solely as a result of a change in the guaranteed price - the industry will lose \$100 million over a number of years. Adapt it - start producing electricity, deal with this, deal with that. So there might be other plans as well; I am not going to deny that. But the adaptation plan has a specific meaning, and the notion that there was no funding for it is a joke. And it is not just funding for Barbados - all other countries that were affected by the change in the sugar price protocol were entitled, if they carried through with the programme, to access resources from the European Union to help. Now, I am not saying that the European Union was going to give us everything, because this document says the full amount and the possible sources of the funding. But I do know that in Mauritius and other places that have successfully carried out adaptation to the changes in the European sugar price protocol, they have been accessing European resources and doing a wonderful job in transforming the economy and the sugar industry. I know that the Dominican Republic, among the CARICOM countries, because this is true - that while the rest of CARICOM, including Barbados, has stalled in making transitions in response to changes in our relationship with Europe, the Dominican Republic has been accessing the resources, achieving results, and making the adjustments.

So I thought I would speak to this because it has a specific meaning - that our sugar industry existed in large measure because it had a guaranteed quota at a guaranteed price with Europe. Europe says we are going to drop that guaranteed price over a number of years. You are going to lose a lot of money. We will help you to make the adaptation to your sugar industry. And this, therefore, sir, was the product of it. It was being implemented. Somebody in the Democratic Labour Party government took over the initiative, rather than proceeding full steam ahead, decided to put it on pause. And it is now being taken off pause. But the Member for St. James Central is absolutely correct when he says that what is now being contemplated is enlarged. It is not the same thing in exact terms, but in large measure it is what the adaptation plan was. And I make the point, sir, that many people got exercised about this adaptation plan - how it should have been done 14 years ago. It could not have been done 14 years ago if it was an adaptation plan purely in response to the change in the guaranteed price. So I hope that is the distinction - that there can be other reasons why the sugar cane industry will have to transform. The Minister spoke on it. Barbados says yields are too low because agronomy needs to be adjusted

in order to have a sugar cane industry. We have to address fundamental matters of yield, but we also have to address the fact that this industry existed largely because it used to have a guaranteed price, and that guaranteed price has been whittled down and whittled down and whittled down. In that context, Mr. Chairman, I will return.

Mr. CHAIRMAN: Honourable Member for St. Michael North West.

Hon. C. P. SINCKLER: Mr. Chairman, I want to make a couple of points contingent on what the last Honourable Member said. And the Honourable Member is fighting a battle that nobody is disagreeing with him fundamentally. So I do not know why he is arguing. We said - the Minister said, I say - we have said it before in this House: we knew that there were changes to the Common Agricultural Policy. The Europeans said that they were going to reduce the guaranteed price of sugar. Everybody knows that. That is on the record. We knew that. They said you had to say what you want to do. We want to do this. This is going to affect in a fairly calamitous way your sugar industry. What do you propose to do, or what do you suggest to us that you want to do, to assist in the transition? You go and read the documents. The Barbados Government proposed a number of strategies as part of the adaptation process to focus on other areas of the economy - international business, human resource development strategies, ICT infrastructure. It is your government that - not ours. We came in and found that and pursued all three of those strategies.

But there is a greater fundamental point here, Mr. Chairman, sir. The sugar industry was on a downward path long before the Europeans adjusted the price. And precisely - if you go and look at the Lomé Agreement, and particularly the last Lomé Agreement - because we always knew. We always knew that the sugar protocols with Europe, once banana had fallen, that sugar was going to go next. Because it was a preferential arrangement that ran against the grain of the MFN policies of the WTO. We knew that. We knew that the regional agreements under the WTO articles would run contrary to the most-favoured-nation principle. And when challenged, or if challenged, would have to be changed. But we all knew that. But even before that, Mr. Chairman, sir, we also knew that the sugar industry had fundamental problems - problems which, I might add, Mr. Chairman, were added to by the Honourable Member for St. Peter's policies in relation to land use. So when I hear these crocodile tears about yield and about land available for sugar - when the Honourable Member thought of the policy that land in Barbados should fetch its highest economic value, he did not have sugar in mind. Because he knew full well that sugar could not give him that return. So when all the golf courses and condominiums and so forth and so on - because the other Member had already put his adaptation plan in place - he

shifted Barbados. He shifted Barbados to a particular type of economy. Bushy Park - out of sugar production.

Mr. Chairman, I put it to the Honourable Member for St. Peter - did he plead guilty or innocent to the charge of changing the water zone designation of the new wealth?

Rt. Hon. O. S. ARTHUR: Mr. Chairman, sir, what the Minister of Finance cannot do is change a designation of a water zone. And he must know that because he is a Minister of Finance. Unless, as a Minister of Finance, he is breaking the law and doing what a Minister of Finance cannot do. No Minister of Finance can change a water zone.

Hon. C. P. SINCKLER: Mr. Chairman, indeed, a Minister of Finance can do it. But a Minister responsible for Town Planning makes the order - number one.

Rt. Hon. O. S. ARTHUR: As the records may show, I did not change the water zone designation. The Minister responsible for Town Planning has no such power. And when he checked the records - records produced to embarrass him - it was not done by me. It was done on the recommendation of people responsible for managing water. I am going to show that he is making the error that he is making. Our first piece tomorrow.

Hon. C. P. SINCKLER: Mr. Chairman. Mr. Chairman. Clearly confession is good for the soul. The Honourable Member called me on the floor of this House just -

Mr. CHAIRMAN: Just a moment. Just a moment. I remember. You have to - Honourable Member for St. Peter.

Rt. Hon. O. S. ARTHUR: I did not do it. As a Minister, I am going to say that to accuse me of having done it is to be a liar - I did not. As the business of a water zone, there was no rezoning. And for it to be said about me is to tell a lie.

Mr. CHAIRMAN: Just a moment, please. Just a moment, please. I think I am asking you to withdraw the remark.

Rt. Hon. O. S. ARTHUR: You may want the record, but I am telling you that as a Minister, I was not the entity that changed the designation. To say on the floor of this House that I did is to tell a lie.

Mr. CHAIRMAN: Just a moment. I am asking you to withdraw the remarks. Honourable Member, I am asking you to withdraw the remarks. There are a lot of connotations to that. Just a moment, Honourable Members, please. I would like to have silence.

Rt. Hon. O. S. ARTHUR: Mr. Chairman, I am in your hands, but I am telling you -

Mr. CHAIRMAN: Just a moment, please. When I said I would like to have silence, I would like to have silence from both sides of the House. I have asked the Honourable Member to withdraw the remark in relation to the aspect where he actually said the other Member is a liar. I want that remark withdrawn. I did not ask you anything, and I do not expect you to speak on this. I did not ask you anything. You are saying something now.

Rt. Hon. O. S. ARTHUR: And I am asking you also to agree that when I say that I did not change a water zone designation, I am saying that is the truth. And that for someone to say in this House that I did is not to be telling the truth about what I did. And I cannot have it stand in the record that I changed a water zone designation. That is not true.

Mr. CHAIRMAN: Honourable Members, please. All I am saying is that the language is unparliamentary. I want you to withdraw. That is all I am asking.

Rt. Hon. O. S. ARTHUR: Look, Mr. Chairman, if I am to say that the Member is not telling the truth - that should suffice - because he is not telling the truth.

Mr. CHAIRMAN: Honourable Member, can I take it that you are withdrawing the remark - that the Honourable Member is not telling the truth?

Rt. Hon. O. S. ARTHUR: I can say that the Member is not telling the truth and I am prepared to say that. I will not have it said of me that I changed a water zone designation.

Mr. CHAIRMAN: For the records of this House - I would take it that the remark has been withdrawn. Proceed, sir. It is withdrawn. You proceed. Honourable Members. Honourable Members, please.

Rt. Hon. O. S. ARTHUR: And I would be marking that.

Hon. C. P. SINCKLER: Yes, Mr. Speaker, sir, in the interest of the -

Let me say that the Honourable Member - I wish he was Chairman of the Cabinet. It is under his Government that for many years, Mr. Chairman, sir, as we know, the owner of that land had applied - the busy holders, the plantation - had applied for permission to develop that property. And one of the reasons provided for that not to have happened, apart from the fact that it was considered to be agricultural land, was that there was a major well source for the Barbados Water Authority. Miraculously, after the

land was sold to parties that I would not mention - the designation of that particular area was adjusted. We will put it that way.

Mr. CHAIRMAN: Are you raising a point of order, Honourable Member for St. Peter?

Rt. Hon. O. S. ARTHUR: The owner of the land applied to the Town Planning Department for permission to subdivide the land. The permission was not given to the persons who he eventually sold the land to. It was given to the owner of the land. And the agent applying on his behalf was a Mr. Clifton Neblett, a former Member for St. Andrew. No planning permission was given to the persons whom the owner sold the land to. The permission was given to the owner of the land.

Mr. CHAIRMAN: Proceed along. Proceed, sir.

Hon. C. P. SINCKLER: I am not going to let that pass. You said you did not change it. You did not change it.

Mr. CHAIRMAN: Honourable Members, please.

Hon. C. P. SINCKLER: Mr. Chairman, we know from the facts that the previous owner of the land had applied on several occasions to subdivide and to develop that land and was not given permission. Miraculously, after that land was sold - after that land was sold for what many people considered to be less than what it really was worth, both current and futuristic at the time - certain permissions were granted. Of course, I have the documents as well. So we knew this. But the point I am making, Mr. Chairman, sir, is that under the Honourable Member for St. Peter's strategy for economic development in Barbados and land use policy in particular, agriculture was up against - particularly sugar - a tremendous fight because, frankly, in my view, the Honourable Member turned his back on agriculture and did it in a very strong and fundamental way.

Now he must accept the responsibilities of the economic strategy that he followed - the responsibility for it. He said that they made a lot of money. You had \$2.7 billion in foreign reserves, lots of SBI. All of that has been paraded as part of the great economic strategy. Of course, it has now fallen into difficulty because of the global economy and the fall-back in investment and so forth and so on. But that was their strategy. So when I said in this House, in my presentation, that I am a little concerned with the crocodile tears that we are hearing about agriculture - how there was this great plan to transform agricultural production and the industry - I am saying that it ran contrary to the economic policy and indeed the economic philosophy of the Honourable Member for St. Peter pursued at the time. So let us get serious.

This Minister is now trying his best to reinvigorate agriculture. We consulted and we said we will establish, through the NIS - which the Opposition opposed - a \$50 million food production fund through the National Insurance. And that is where we are going to get the resources, because we have already identified, for example, Mr. Chairman, sir, those products which it is believed - I believe that great agricultural expert, Dr. Chelsea Rappett, a Barbadian who served all over the world - has himself identified those commodities that can be produced competitively in Barbados in a relatively short space of time where we can expand production: ten of them. And we have said that we are going to invest heavily in that. Part of that strategy has been to equip the BAMC with the requisite equipment and resources to be able to bring those idle lands back into production, as suggested by the land and mill study. So there is a strategy.

So I am saying that the lectures that we are getting I find a little disingenuous, because it runs contrary to what we know was the stated policy, the express philosophy, and the practice of the Barbados Labour Party when in office on agriculture. So we know that. And that is where we are at with this. So I am saying let us continue the discourse, let us bring out the ideas, let us explore how this can be done and where the funding can likely come from, and let us move on in a constructive way to see how we can lift our economy, because we all want to bring down the big food import bill that we have. And that is where we are at. Some of us fight over this thing about sugar when we know that sugar was long, long condemned to death even before the Europeans did what they had to do, because the restructuring process that we started in 1991, 1992 and 1993 was not fundamentally continued in a strong way by the last administration because they turned their back on the industry, and that is a fundamental reality. Mr. Chairman, sir, I am obliged to you. Thank you very much.

Mr. CHAIRMAN: Honourable Member for St. Philip West.

Dr. the Hon. D. C. ESTWICK: Mr. Chairman, we heard in here from the Honourable Member for St. James Central and the Honourable Member for St. Peter that this whole notion of an adaptation strategy would have come about because of price reductions over a particular time period. And that was the premise by which they moved to execute an adaptation to the sugar industry. Yes. Might I want to ask the Honourable Member if he remembers the manifesto of 1994 when it says - the BLP: Your Choice for Change - and on page 31, this is what you told the people of this country: 'A Barbados Labour Party Government will foster the use of renewable sources of energy as a way of preserving our physical environment while reducing dependence on imported forms of energy. In addition to revitalising the use of bagasse from sugar factories in the generation of electricity, we will also support projects with

the establishment of a coal generation plant for generation of electricity from garbage and the use of bank technology.'

I am making this point here, Mr. Chairman, because all I wanted to do was to demonstrate the fact that it was 1994 you had a plan to execute your first-generation plan to transform into a transmogrified industry and you did nothing for 14 years. You expect to come and tell Barbados that your plan materialised all of a sudden, covered in a document called a sugar sector strategy in 2007? It does not work like that, Mr. Chairman. The Honourable Member is not telling the truth, sir. You did nothing for the industry for 14 years and none of your promises - come and talk about that.

The question that Mr. CHAIRMAN do now report progress and ask leave to sit again was put and resolved in the affirmative without division, and Mr. SPEAKER resumed the Chair.

Hon. J. D. E. BOYCE: Mr. Speaker, sir, I beg to report that your Chairman has reported progress and asks for leave to sit again.

SUSPENSION

Hon. J. D. E. BOYCE: Mr. Speaker, sir, I beg to move that the sitting be suspended until 10.00 tomorrow morning.

The question that the House be suspended until 10.00 a.m. on Friday, March 22, 2013 was put and resolved in the affirmative without division and Mr. SPEAKER suspended the House accordingly.

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BRADSHAW, Miss S. J. O. (St. Michael South East)
BRATHWAITE, Hon. A. D. (St. Philip South)
CLARKE, Mr. G. A. (St. George North)
ESTWICK, Dr. the Hon. D. C. (St. Philip West)
FORDE, Miss C. Y. (St. Thomas)
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EDITORIAL NOTES — NOT PART OF THE REPORT

Prepared with the transcript; for checking against the recording and the Minutes.

EDITORIAL QUERIES

Points noted while correcting and preparing this report. Members are named as in the 2013–2018 Parliament.

Q1. Front matter. The source does not record the PRESENT list or the officiant at Prayers; the Members listed are those identified from the record. This is the resumed Sitting of Wednesday, March 20, 2013 in Committee of Supply on the Estimates. The source gives 10.00 a.m. as the time of meeting, but the recording begins with the Chairman's 'Good afternoon' and the morning proceedings, if any, are not recorded. Please supply the time of resumption and the PRESENT list from the Votes and Proceedings.

Q2. Throughout. The bracketed time-checks in the source are out of sequence (for example '[12.30 p.m.]' followed by '[1.00 a.m.]' in the afternoon) and have been omitted.

Q3. Throughout. The Chairman is not named in the source; the Chairman of Committees, Mr. J. D. Paul, is presumed. The source does not identify the Members who moved that progress be reported (Part 1, Part 3) or the suspension until 6.10 p.m. Please confirm from the Votes and Proceedings. Italic passages, where they occur, are uncertain readings from the recording.

Q4. Head 79, Hon. D. O'N. Inniss (second speech). Two short passages ('I asked somebody a question – how many companies have we attracted' and 'You answer me again. So I tell you,') are headed MR. CHAIRMAN in the source but continue the Minister's argument about the Finland treaty; they are printed as part of his speech. Please confirm.

Q5. Head 79, Miss C. Y. Forde. The speech beginning 'A small intervention, sir' is headed MR. CHAIRMAN in the source and its later part 'HON. DALE D. MARSHALL, M.P.', with no call from the Chair. Mr. Marshall had just spoken on the OECD, which this speaker says she will not discuss; Mr. G. A. Clarke later refers to 'the member for St. Thomas' having cited the need for adequate financing, the theme of this speech. Printed under Miss C. Y. FORDE. Please confirm.

Q6. Head 79, Hon. D. St.E. Kellman. Headed 'SPEAKER UNCERTAIN – REVIEW' in the source, with no call from the Chair. The speaker defends the Democratic Labour Party's record, and Mr. G. A. Clarke immediately replies to 'the member for St. Lucy'. Printed under Hon. D. St.E. KELLMAN. Please confirm.

Q7. Head 79, Miss S. J. O. Bradshaw. Headed 'HON. RALPH A. THORNE, M.P.' in the source; he was not a Member of the 2013–2018 House, and the Chairman's call is cut off ('Honourable Member for –'). The speaker, an Opposition Member, speaks of access to funding for the creative sector; Mr. K. D. Symmonds and Hon. D. O'N. Inniss later refer to the Member for St. Michael South East as having made the point on financing and as a practitioner in the creative industries. Printed under Miss S. J. O. BRADSHAW. Please confirm.

Q8. Head 79, Miss S. J. O. Bradshaw. The source has 'the member for St. Philip East', a constituency that does not exist. The reference is to the earlier remarks on immigration and work permits by the Member for St. Philip South, Hon. A. D. Brathwaite; corrected.

Q9. Head 79, Dr. the Hon. D. C. Estwick. The speech beginning 'I want to make a short intervention' is headed 'HON. KERRIE D. SYMMONDS, M.P.' in the source, with a passage headed 'HON. DENIS St. E. KELLMAN, M.P.' that refers to 'the member for St. Lucy' in the third person. The speaker describes himself as a former Minister with responsibility for both industry and small business development, and Mr. K. D. Symmonds later cites the Member for St. Philip West on government procurement, the subject of this speech. Printed as one speech under Dr. the Hon. D. C. ESTWICK. No call from the Chair is recorded. Please confirm.

Q10. Head 79, Mr. E. G. Hinkson and Hon. A. D. Brathwaite. Fragments of these speeches ('forum.', 'forward.', 'at primary school.') were attached to the Chairman's interventions in the source and have been restored to the speakers. A paragraph of Mr. Hinkson's speech following the Chairman's intervention is printed under his name.

Q11. Head 72, Rt. Hon. O. S. Arthur. In the source the Chairman's call ('for St. Peter') and the start of Rt. Hon. O. S. Arthur's speech run on from the end of Hon. Miss M. A. Mottley's speech without a new heading; the call and the speech are printed separately. Two later passages of Rt. Hon. O. S. Arthur that follow interventions by the Chairman are printed under his name.

Q12. *Head 72, Dr. the Hon. D. C. Estwick (second reply).* The source continues Hon. C. P. Sinckler's speech into a passage on the Barbados cane industry restructuring project and the fishing industry, with no call from the Chair; the recording marks a change of speaker to Dr. the Hon. D. C. Estwick at that point and the passage answers matters the Minister said he would return to. Printed under Dr. the Hon. D. C. ESTWICK. Please confirm where the change of speaker falls.

Q13. *Head 72, Rt. Hon. O. S. Arthur and Hon. C. P. Sinckler.* The Chairman asked Rt. Hon. O. S. Arthur to withdraw the remark that to say he had changed the water zone designation was 'to tell a lie'; the Chairman took it that the remark was withdrawn. The words 'Yes, Mr. Speaker, sir, in the interest of the –' are headed MR. CHAIRMAN in the source but open Hon. C. P. Sinckler's reply and are printed under his name.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The House of Assembly resumed on Thursday, March 21, 2013, the Sitting of Wednesday, March 20, 2013 having been suspended, and continued in Committee of Supply on the Estimates, with the Chairman of Committees presiding in Committee and Mr. SPEAKER resuming the Chair for the suspensions. The day was given to Head 79, the Ministry of Industry, International Business, Commerce and Small Business Development, and then to Head 72, the Ministry of Agriculture, Food, Fisheries and Water Resource Management, for which the Clerk read the amount of \$59 663 732.

On Head 79 Hon. D. O'N. Inniss called for a more Barbadian international business sector, new products, standards for small business and the recapitalisation of Fund Access. Mr. K. D. Symmonds supported a joint select committee on international business and urged clustering of small businesses and better incentives for exporting services. Hon. R. L. Sealy said the sector had outgrown the old idea of an offshore sector and noted loans of over \$5 million to small enterprises in each of 2011 and 2012. Mr. D. D. Marshall said companies had left Barbados during the Democratic Labour Party's term and questioned treaties with the Czech Republic, Seychelles and Iceland; Hon. D. O'N. Inniss replied that treaties did not guarantee business from the partner country, citing Finland, Cuba and Botswana, where he said \$135 000 had been spent and \$1 750 earned.

Miss C. Y. Forde raised small businesses' need for financing, the artisans of Temple Yard and an Auditor General's finding that only 12 of 257 apprentices had been certified. Hon. D. St.E. Kellman said Fund Access lending had risen from \$3.9 million to over \$5 million a year. Mr. G. A. Clarke called for technical support for small businesses, and Hon. S. A. Lashley cited 731 YES Juniors and 534 entrepreneurs trained from 2008 to 2012. Mr. E. G. Hinkson proposed promoting Spanish and overseas university campuses; Hon. A. D. Brathwaite stressed service delivery; Miss S. J. O. Bradshaw spoke on funding for the creative sector; and Dr. the Hon. D. C. Estwick on trade liberalisation and government procurement. After the suspension Mr. K. D. Symmonds cited government arrears of 22 to 48 months to small businesses, Hon. R. L. Sealy supported a free trade zone, and Hon. D. St.E. Kellman, Hon. A. D. Brathwaite and Mr. D. G. Sutherland also spoke. Hon. D. O'N. Inniss closed on ICT, the creative industries and one-generation businesses, and Head 79 stood part.

On Head 72 Dr. the Hon. D. C. Estwick described a CARICOM food import bill of over \$10 billion, a national agricultural marketing strategy with the FAO, the agricultural health and food safety system and food production zones. Hon. Miss M. A. Mottley said the Minister was being voted only one million more and raised the Dairy Board, the Scotland District, fishing and the \$10.2 million in the Agricultural Development Trust Fund. Rt. Hon. O. S. Arthur said the sector was in a holding pattern, with sugar costing \$3 400 a ton to produce against revenue of \$917 and output of 23 000 tons. Dr. the Hon. D. C. Estwick replied on the multipurpose sugar factory.

Mr. K. D. Symmonds said the measures proposed were set out in the Adaptation Strategy of 2006 to 2014. Hon. C. P. Sinckler quoted the late Hon. D. J. H. Thompson from the 2003 Estimates debate and cited a \$50 million food production fund through the National Insurance; Dr. the Hon. D. C. Estwick spoke on biomass from the Scotland District and the Bridgetown Fisheries Complex; and Rt. Hon. O. S. Arthur said the strategy arose from the fall in the European Union sugar price from €523 to €335. In an exchange over a water zone designation the Chairman asked Rt. Hon. O. S. Arthur to withdraw an unparliamentary remark and took it as withdrawn. After Dr. the Hon. D. C. Estwick spoke again, progress was reported and the House was suspended until 10.00 a.m. on Friday, March 22, 2013.