
THE

House of Assembly Debates

(UNOFFICIAL REPORT)

FIRST SESSION 2013 – 2018

HOUSE OF ASSEMBLY

Tuesday, May 12, 2015

Pursuant to the adjournment, the House of Assembly met at 10.00 a.m. on Tuesday, May 12, 2015.

PRESENT

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

Hon. M. A. CARRINGTON, Q.C. (Speaker)

Hon. R. L. SEALY (Minister of Tourism and International Transport)

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

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

Mr. J. D. PAUL (Chairman of Committees)

Lt. Col. J. D. BOSTIC

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

Hon. J. D. E. BOYCE (Minister of Health) (Leader of the House)

Dr. the Hon. D. S. LOWE (Minister of Environment and Drainage)

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

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

Prayers were read.

PRAYERS

MINUTES

Mr. SPEAKER: Good morning, Honourable Members. This House is now in session. Members, I have with me the minutes of our meeting held on Tuesday, May 5, 2015.

Hon. J. D. E. BOYCE: Mr. Speaker, I beg to move that the minutes be taken as read.

AN HON. MEMBER: I beg to second that, Sir.

The question was put and resolved in the affirmative without division.

Mr. SPEAKER: Members, you would be aware that at the commencement of this session the Public Accounts Committee would have been put in place with members nominated by the Leader of Her Majesty's Loyal Opposition. I am to inform that by letter dated April 29, 2015, the Leader of the Opposition has requested that a change be made to those nominated. Accordingly, the Honourable Member for St. Joseph, Hon. Dale D. Marshall, Q.C., M.P., will be the replacement for the Honourable Member for St. Peter, Mr. Arthur, on the Public Accounts Committee. Please be informed accordingly.

PAPERS

Mr. SPEAKER: Yes. Honourable Member.

Hon. J. D. E. BOYCE: I am commanded to lay the Report on the Audit of the Accounts of the National Insurance Fund, 2003.

Mr. SPEAKER: I am obliged. Yes. Honourable Member for St. Michael North West.

Hon. C. P. SINCKLER: Mr. Speaker, sir, I am commanded to lay the Duties, Taxes and Other Payments Exemptions (Citibank) Order 2015; the Annual Report and Financial Statements of the Auditor General for the financial year 2013–14; and the Annual Report of the Central Bank of Barbados, 2014.

Mr. SPEAKER: I am obliged.

FIRST READINGS OF BILLS

Mr. SPEAKER: Yes. The Honourable Member for Christ Church East.

Dr. the Hon. D. S. LOWE: Thank you, Mr. Speaker. I beg to move the First Reading of the Sanitation Service Authority Amendment Bill, 2015.

The question was put and resolved in the affirmative without division.

ORDERS OF THE DAY

SUSPENSION OF STANDING ORDERS

Mr. SPEAKER: Yes. Honourable Leader of the House.

Hon. J. D. E. BOYCE: Mr. Speaker, I beg to move the suspension of Standing Orders Nos. 6, 16, 18, 20, 42, 43 and 44 for the remainder of today's sitting.

AN HON. MEMBER: I beg to second that, Sir.

The question was put and resolved in the affirmative without division.

GOVERNMENT BUSINESS

Mr. CLERK: Number Two, sir, in the name of the Honourable Minister of Economic Affairs - to move the Second Reading of the Customs Amendment Bill, 2015.

ORDER NO. 2 – CUSTOMS AMENDMENT BILL, 2015

Mr. SPEAKER: Yes, Honourable Minister. Thank you very much.

Hon. C. P. SINCKLER: Mr. Speaker, sir, the matter that draws our attention this morning is an amendment to the Customs Act Cap. 66. Really, to permit for generally what we would consider in the course of customs administration, but also in the course of trade administration, to be an efficiency measure to permit for better trade facilitation. Of course, it portends to go a bit wider than that, in the sense that it also attaches some significance to the question of tax administration and the efficiencies which should appertain to the administration of and the implementation of this very vital revenue collection function of the Customs.

Of course, as you know, the Customs have many functions. Two of the principal functions of which, of course, Mr. Speaker, sir, is the whole question of border security, but also revenue collection. And in the context of a modernised and modernising global trading environment,

the movement, facilitation, costing and pairing of goods moving in and out of port is absolutely critical to economic development and, of course, to commercial activity. And in the context of that particular set of dynamics, the importance of having an effective system to allow for importers and traders of all types and varieties to be able to move their items into Barbados - or into any jurisdiction for that matter - and cross the border into the local and domestic economy is absolutely important. Important from the point of view that it allows for the smooth continuation of the business practice in the downstream elements of that business practice. Because of course the act of commercial trading does not begin at the border, it begins outside the border and it continues right up until it gets to the particular consumer and perhaps even beyond that if you were to take an even more holistic view of it.

So it is absolutely critical that in the context of that and in order to promote business development, to promote commercial activity and to allow economies to be able to trade and grow both among themselves and within themselves, an effective customs operation is absolutely critical. Now for many, many years now, the activities of local customs within their jurisdictions are not only governed by the legislation which has been built out over the years to facilitate that, but much of that legislation, sir, is now guided by international principles and conventions - either through the World Customs Organization, but also through the variant trading institutions and systems to which Barbados is an active member. The WTO is of course the principal global body for trade. Equally as well, all of the other agreements that we would have signed, whether there be full trade agreements as in the case with the European Partnership Agreement, the EPAs before that, the Lomé Conventions, whether it be the partial scope agreements that we would have with various Latin American countries and others, and equally as well, sir, with our own integration system in CARICOM and those partners of ours who are critical to our own survival within the context of the trading system - they expect and rely, as do domestic players in the market, on both the independence but also the reliability of Customs.

And one of the issues that has affected our Customs in relation to moving ahead and becoming even more flexible and adept to international trade and practices has been the issue of post-clearance audits, the way how goods are assessed. Now we currently under the system that we have in Barbados use the pre-release approach to dealing with goods. Goods come into the country. The importer of course has the responsibility within the system. In this case we are using ASYCUDA Plus but we are moving now within the transition to ASYCUDA World. But we have been using these global trade facilitation systems for a number of years. And of course we operate under the Harmonised System of tariffs as is the case for most countries who use that. Some others use the ICT system but

we use the Harmonised Tariff System, and the importer has the responsibility to log into the system and to best locate the tariff heading or lane under which the goods that he or she is importing will be located. And under that system, once they have identified that, they put it in, get the assessed value. And then after that the customs officers would go into the system, see what the submission is, determine whether or not that is the most likely place for the item to be located. Because of course there are many, many different items, many differentiation of items. So you can have one tariff heading with six or seven hundred iterations on each heading.

So the system operates such that there is a collaborative relationship between the brokers or the importers - the importers are brokers working on behalf of them, or both - with the Customs. And you identify which good is being brought in, which heading it is under, and what applicable duties and charges are attached to that item. Now, in the context of that, the Customs then do their regular inspection and valuations on the items when they arrive at port. So pre the arrival is the electronic system of logging in, identifying the tariff heading, applying a value and so forth and so on, which is done predominantly by the importer. And then when it lands, the Customs have the responsibility to check the manifest, identify the list, see that the items are what they are supposed to be, look at the assessed values chosen under the tariff heading by the importer, determine whether or not that is the applicable and correct one based on all of the information they would have had at their disposal at the particular point in time, have a valuation done by the valuation section and then declare on a pre-release basis that the goods can be withdrawn from the Customs.

Now, if there is a dispute in relation to that, normally two methods can be used. Several methods can be used, but two have been predominantly used over the years. The first being that you can post a bond, for example, if the information that the Customs require is not readily available to them. Because as you would imagine, goods can come from anywhere in the world and you may not be able to give an on-the-spot determination. A customs officer may have a concern about the valuation of a particular good, whether or not it is invoiced correctly or not. But the information may not be readily available to him or her because they have to send out now to some other part of the world. They go into the system, they test it, they look at the World Customs Organization values. They may contact other customs authorities in other countries, particularly those in the Caribbean first and then beyond. They may even go and contact the authorities in the country of origin of the particular item. All of this can be done. But as you would imagine, Mr. Speaker, sir, all of that cannot be done instantaneously. It will take time.

So on the basis of better judgment, or hopefully good judgment, an officer may pre-release the good - may say, look, let us agree that we are going to disagree about this. We have concerns about it. We are going to allow you to take these goods, or if you prefer and they instruct you, you can post a bond which is a percentage of the value of the items, of the value determined for customs purposes, and be allowed to withdraw your goods from the port with the intent that once that information becomes available and the Customs are able to give a complete assessment leading to a more accurate valuation, that can be done - you are allowed to take the goods out.

Now, the Customs Act that we have here is pretty dated. It is not a new act. It has been around for a very long time. And as I said, both trading practices in terms of information technology practices and interventions have come in. New trade agreements have been negotiated. So many things have happened since this act was first passed in its original form, even though amendments have been done over the years. We have had a situation where the modern-day practices do not quite fit - or I should say the other way around - the act and certain of its provisions do not necessarily cover appropriately for the new dispensation of international trade, trade facilitation and so forth and so on. And as is the want and as is the necessity from time to time, when that happens with any piece of legislation, Government on the advice of the authorities is duty bound to come back to the Parliament from which that act would have drawn its source of approval and ask for amendments to be done. And basically that is what we are doing today in relation to the whole question of post-clearance audits.

Currently the existing legislation Cap. 66 does not specifically iterate a process that leads to a proper post-clearance audit process to be conducted by Customs. There are some remnants of it because we operate on the pre-release basis - you release the goods and we will come back and if necessary we can come back and look at what you are doing. But it does not necessarily specifically state that the Controller of Customs and or his officers have legal coverage under the existing piece of legislation to be able to properly conduct a post-clearance audit in its full sense of the terminology and the practice, to allow for the appropriate dispensation of the valuations that are required for this piece of legislation.

So in 2006, under the last administration, the Ministry of Finance and Economic Affairs embarked on the reform of Customs inclusive of the Value Added Tax Division. And one of the initiatives that came under that particular body of work was the implementation of a better risk management and post-clearance audit process as a means of, as I said, improving that trade facilitation, but also giving better coverage and protection for the Controller of Customs in dealing with these particular

circumstances. So a consultancy was commissioned by the Government, undertaken, and one of the recommendations coming out from that consultancy was that we needed to have a very clear and properly demarcated provision within the existing legislation to cover for post-clearance audits.

So for those who are listening, Mr. Speaker, sir - and I know all Honourable Members are familiar with this - basically the post-clearance audit is an examination of the importers or the companies or whoever is responsible for bringing the goods. It is a post-withdrawal of the items examination of your books and records to verify that the valuations upon which were relied upon for the release of the items into the commercial sector of the domestic commercial sector were properly done, appropriately adjudged and applied necessarily appropriately for the purposes for which they were done. And that would mean, as you could imagine, that the Customs would need to have the opportunity or the capacity or the ability - both under law, but certainly also in administrative practice - to be able to properly examine records and books and whatever else is kept or should be kept in relation to those items which are released on the good faith by the Customs to allow for business to continue.

And remember always, Mr. Speaker, sir, as I said at the beginning, that the purpose of post-clearance audit is not for Customs to have the ability just merely to turn up at your premises or harass you to get information out of your system, but to facilitate trade. Because if the Customs has the capacity to be able to do this *ex post facto* - the goods being removed - it means that they can feel a degree of confidence to allow those goods to move out of the port, knowing that even if the valuation or the invoicing was incorrect for whatever purpose, they can come back and properly re-evaluate it and have the correct duties paid or indeed have the correct amount refunded to the person who may have paid. Because it can go both ways. You can either be undercharged or you could be overcharged too. Those circumstances have occurred before because the current system does not allow for that to happen.

So the reasons why we would want to have that situation dealt with: because it helps the Government of course to properly plan - certainly Customs in relation to the revenue collection function of the Customs - to ensure that it gets the correct amount of revenue for the Government. It allows for the proper quantification of errors in the system where possible, and to reduce the risk of error. It equally allows for, as I said, trade facilitation and improved compliance by importers. And of course, you can therefore offer advice to any importer in the system even before the goods are drawn or imported into the country, as to what to do.

So following that consultancy, a decision was taken that we should move to a post-clearance audit in 2009 and

a small department was set up within the Customs to allow for the beginning of the practice of post-clearance auditing. And that worked reasonably well to a point. But two issues occurred in that particular regard. The first issue was that, of course, the department was very small, given the volumes of goods that are imported into Barbados and those which are exported from Barbados. That unit also suffered because of realignments within the Civil Service, where officers from an already small department may have been moved out or up as they became promoted to going to other departments and were not replaced. So an already small personnel outlay was made even smaller, therefore making the task even more difficult.

But equally as well, in the context of the actual law, what we found in executing that unit - or the unit executing its work - was that it did not have the appropriate level of legal cover to allow the officers to do the job which post-clearance audit would portend for them to be able to do. And what does that really entail, sir? It entails the officers, certainly under the instruction of the Controller of Customs, to be able to go to the premises of any importer or company and requiring - hopefully, sir, politely - that the information relating to the items which may have been released be made available so that examinations can be done on site. Because what was happening in the current post-clearance audit desk is that information was being requested: bring the information and we will do it from a desk at the office. Now, you can imagine, Mr. Speaker, sir, the difficulties with that. Some people will readily agree and other people will just say, well, you know, I will come in - and never get there.

But the law does not currently allow for the Controller of Customs, outside of a writ of assistance from the High Court of Barbados, to seize that information as required or enter onto premises as is necessary or deemed appropriate to have that information available. And so it became a major problem where audits could not be completed fully or executed to their satisfactory completion by the Customs. And therefore it was determined that, given those particular difficulties, the deficiencies identified in Cap. 66 - particularly sections 100, 102, 250 to 252 of the parent act and of course section 36 of the Customs Regulation 1963 - as you can see the

date of them, that some amendments would have to be made to empower these officers and offices to be able to execute. The other vital point that must be made, sir, in relation to this matter is that, as I say, technology has gone. You know, we're now living in a substantially different technological world than we were living when these acts were put together. And these acts never contemplated the kind of technologies that are used now to store information. Information is not just stored in computers anymore. Information not just stored on USB sticks and whatever they call them, information is now stored in clouds

apparently, where you can upload information into some, whatever. I'm not a technology - not the real cloud. I know technology buffs, I don't know much about it, but there's a virtual cloud now to which information can be. These acts that we have, aged as they are, never really contemplated, not even by a stretch of the imagination, that you would have this kind of thing occurring and that these developments would have transpired. And so they do not speak properly to that. So the amendments which we are bringing will allow for that type of modernity to be incorporated into the legislation and for the legislation to empower those persons under the rubric of the reach of that legislation to be able to access information on a ready basis.

All trade information now, practically all trade information is done now on an electronic basis. Yes, people do keep physical records as they want to do, but a company that is savvy enough does not even need to have a paper trade anymore, do anything in hard copy. Everything could be done on soft copy now. And the act doesn't speak to the control of customs or his or her officers being able to access any of that because the act never contemplated any of it. So that is a critical issue that the amendments which we are seeking to this legislation will seek to permit.

And of course I spoke earlier about the difficulties with section 199. This speaks to the Controller of Customs having to apply to the High Court of Barbados, the Supreme Court of Barbados, for a writ of assistance permitting his, any appointed officer in the section to search, seize and bring away any customs goods or prohibited goods or any other documents relating to such or any other imported shipments for examination by the customs. So that particular problem, sir, causes delays in the system. And as I said, remember, the anchor of this is trade facilitation. Get your goods in, get them processed, get them out as quickly as possible. And this now will allow for the customs to say to people, okay, I am not absolutely certain that this is the right value. I'm not entirely comfortable with it. But you know what? The system allows you to take it. You go with it, but you keep the records. Because we are going to do some further investigation. And if we do further investigation and find out that it is on the invoice or that is not adjudged at the correct customs value, then we will have the right to come back and say to you, look, this is what we've adjudged, and therefore, let's go ahead.

It helps, sir, because we have had situations now in the last number of years, we've had major problems with the invoicing that happens at all customs jurisdictions. We know we've had situations where importers have had this wrangling with the customs over customs values - whether a good is at the price which a person says it is at. This will allow us to get around a lot of those problems. And I think to the extent that it does so, these amendments, sir, are

worth commending to this Honourable Chamber and certainly to the country for passage.

So the bill seeks to amend the Customs Act, Cap. 66, to the extent that the net persons for whom goods can be seized or investigations carried out will relate to not just the importer himself or herself or the company, but any persons directly involved in that process - financial controllers, traders, trade consultants, any person who is directly involved in the process of handling the data related to those items which are being imported and which are being disposed of, bookkeepers and so forth and so on. The amendment also provides for officers to exercise control over goods in electronic form, as I said, as well as to use modern technologies appropriate for scientific calculation of the value of the goods, and that notwithstanding the detention of books and records, for the importer company to still legally have access to such, where these are considered essential for the operation of the importer's business, and of course, for the Controller to be able to enter onto the premises without having to go through the High Court process and take all of that time to execute his business.

So the amendment widens the scope from which the required books of records for the business and company can be held - by electronic or any other form - gives the Controller of Customs the powers to enter and search the premises without recourse to the courts, which is very time consuming. And of course, Mr. Speaker, sir, I would imagine, and we would all expect, that this particular provision would not be one to be used lightly or abused by the Controller of Customs. Indeed, if there is anything that would be of concern, certainly for me as Minister of Finance, the Government, and for others in the general society, it would be the - I'm trying to choose my words correctly, sir - the possibility for a provision like this to be abused.

Now we know that this exists. Provisions similar to this exist already in other pieces of legislation. The Chief Labour Officer, for example, under the legislation in Barbados, is allowed to enter onto premises if he or she so believes that there have been breaches of the law, and to have records and data seized and taken within the jurisdiction and confines of his office for proper examination and determination of cases where there is suspected abuse and, subsequent to reasonable cause, where people have taken the opportunity to evade the detection or proper determination of what has taken place. That exists in that legislation. So it is not entirely new, but it is something that must be executed or utilised very soberly in relation to what one may permit an officer of this nature to do.

Of course, under the Administration of Justice Act there is of course an adumbration of the powers and

discretions of public officers - they cannot just do whatever they like. Of course, they have access to the law courts as well. Persons can access the law and if necessary, a public officer who is asked to give an explanation for an action is bound so to do. But situations arise. It's not to say that they will not arise, but you should really have reasonable probable cause for executing something of this particular nature. We operate in a voluntaristic system. So you would expect that if Customs requests information, the importer, in good faith, of course having nothing to hide, would supply that information as requested. But just in case it gets difficult, these amendments will allow the Controller of Customs to so act as to protect the right to protect the people of Barbados.

And then of course, as I said latterly, it gives the officers under the remit and instruction of the Controller of Customs the legal powers to be able to examine commercial records of all types directly relating to the goods which have been imported. So these amendments are few in number, but very, very important in terms of their impact - the impact on the administration of Customs in relation to its tax collecting function and its border security responsibility. Latterly important in the sense of putting Barbados Customs administration on a more modern footing in relation to what is taking place in the international commercial world. And then latterly, they also permit for an appropriate level of dispensation within the customs to permit for better trade facilitation.

So on all three or four grounds on which these amendments will be based, I can see no particular impediment standing in the way of me commending this to the Honourable Chamber for passage. Mindful of the fact that the decision to move to a post-clearance audit was first mooted and undertaken by the last administration, and to which I can say that we are in this particular regard grateful that that piece of work was started and of course continued by the officers in the Ministry of Finance under this administration. And with those few words, Mr. Speaker, sir, I therefore beg to move that this bill be read a second time.

Mr. SPEAKER: Yes, okay, fine. Yes, Honourable Member for St. Joseph.

Mr. D. D. MARSHALL: Mr. Speaker, there it arises occasionally that the Government and Opposition do not have any major differences of opinion in relation to pieces of legislation. And I am happy to say at the outset that this is one of them. As the Minister quite rightly pointed out, the post clearance audit arrangement is only possible because of the foundation work that was done by the Barbados Labour Party in modernising customs and moving it to a computerised basis. Because the whole point about post clearance audit, Sir, as I imagine learned friend would have intimated to the Chamber, is that it is

predicated on testing on a case by case basis the accuracy of information submitted online by importers. And therefore you would find no objection from us on this. It is a far more efficient system than the one that existed previously.

What is especially pleasing to people in the trade is that it will now hopefully facilitate the early and more speedy release of goods that have been imported. The Minister might not want to concede it, but there was a virtual go-slow in the Customs Department towards the end of last year. And whenever you have that kind of unrest, that kind of labour relations discomfort, perhaps even innocent individuals get caught in the crosshairs. As long as individuals' goods are stuck in the port for want of speedy dispatching by Customs, that individual loses money. There is especially great risk if the individual has imported perishable or time-sensitive goods. And therefore this is a salutary approach. So the Opposition has no difficulty in supporting this piece of legislation.

The Minister would not want to concede that it also allows for faster collection of duties by him. Because if the goods are dispatched within a 24-hour period, then of course the duties that will flow to the Crown's coffers would come in far sooner than if the goods are stuck in our Customs for a week awaiting the assessment by the Customs Department. So the Minister of Finance is of course quite happy for this. But I am happy that the Minister has signalled that there is the possibility of abuse. The post clearance audit depends on case by case analysis. And we have to assume, Mr. Speaker, that the Customs Department, like other informed enforcement departments, will operate on the basis of intelligence. The fact of the matter is that in most places in the world Customs departments will only do a post clearance audit if they have reason to believe that the entity that is being audited has either submitted false information to the Customs Department in the past or is likely to do so. It is intelligence driven.

But I have to ask the Minister, especially in the circumstance where the Customs Department is being enveloped in the BRA and is expected to lose 25 members of staff, whether the Customs Department is going to have sufficient staff to engage in these audits. You see, Mr. Speaker, under the existing regime the importer files his information and it goes through the process. The assessment is done by Customs, he takes his goods and he goes. In fact the trade operates on the basis that when once the container is cleared they really do not have to worry about Customs again. But in this new regime, Sir, in this new regime it contemplates different skills being employed. So for example, the Customs Department will have to dispatch officers to the place of business. They have to be technologically savvy enough to be able to extract the computer information that they want to extract.

They have to be savvy enough to be able to do an audit of this kind to begin with. And it requires training and it requires a certain investigative mindset that is not now generally employed by Customs.

So it is one thing to say we are going to empower Customs to do post clearance audits in law. But I would like the Minister's assurance of several things. Firstly, that the individuals in the Customs Department will have the necessary training to allow them to do post clearance audits. Because it is not going to be so simple as walking into a company and saying, well, let me see your books. It is, Mr. Speaker, an audit that is done and for this purpose you have to look through pretty much all of the company's operations. So for example, suppose a business imports goods and declares that the goods are worth \$15 000. What exactly is Customs going to be looking for? I presume, Mr. Speaker, that they will want to see - for example, well, if you declare that it is worth \$15 000, let me see how much money you paid the exporter in Miami. And if you paid the exporter \$30 000 then there is good reason to assume that in fact the goods, instead of costing what was on the invoice at \$15 000, perhaps the goods in fact cost \$30 000. So there is a lot of assessment that will have to be done. And I am concerned, Sir, that we put this in law but that we do not have a situation where the officers have the necessary training.

Equally, Sir, as I said, post clearance audits are intelligence driven. And you know, Mr. Speaker - and I am not going where the Minister has not gone; the Minister is concerned about abuse - there are some things that we like to talk about in Barbados, but there are a lot of small businesses who feel the pain of government agencies more than big businesses, Sir. For example, I am aware of a situation where a particular government department that deals with standards will go and seize an entire container - I am speaking in those terms but I am talking about matters that I am personally aware of in my profession - seize an entire container of perhaps toilet paper because the sheet count does not meet the standard that as far as they are concerned is required. But yet still you could go into larger enterprises in Barbados and see exactly the same toilet paper with the same sheet count as the content that they seized. I do not have an interest in the matter.

So the point I am making is, Sir, that we do not like to talk about these things but it also happens in relation to Customs. I again am aware of instances where somehow or another certain companies' goods are held up through slow process at Customs for a few days longer than another, bigger company bringing in the same goods. Somehow, Sir - and I am being careful in my language - somehow some entities are able to use the machinery of government to steal a march on other enterprises by way of getting their things out of the port faster, by way of having goods seized by other government departments when other enterprises

do not get their goods seized. And the fact is, Sir, that these things all represent a net loss to Barbados. Now the company who gets his goods out of the port four days sooner than the other fellow is happy because he has his goods on the shelf and he is selling. But the businessman - always a smaller businessman who is trying to compete - finds that he cannot compete against these things. And when he asks why Customs is treating him differently to how they treat one of the bigger businesses, nobody can give a satisfactory answer. And we could talk about recourse to the law all we like, but by the time you could bring any evidence to a court, years have passed.

So if there is to be one thing that I would like the Minister to consider, it is not to stop where he started by saying that there is the possibility of abuse. The fact is, Sir, that government exists to stop abuse and to stop unfair trade practices from taking place so that one individual has a benefit while the other one does not. In Parliament and in our courts we talk about equal treatment under the law. But somehow, Sir, somehow we forget that there are things that government regularly will turn a blind eye to simply because nobody wants to offend big business. It has to stop. So I do not want the Minister to say, well, there is the possibility of abuse. I would like the Minister to say there is a possibility of abuse and this is what I intend to see done. I do not think that is too much to ask the Minister. There is a reason he is the Minister. If he contemplates the possibility of abuse, do not leave it to people like me and other lawyers to have to come and fight a case two and three years later to try to stop it. And by the time you have gone to court with our snail-pace court system - which is a different speech for a different day - by the time you get to court with that, Sir, the matter is so stale that it is pointless.

So I would like the Minister to tell this Parliament what measure of oversight he intends, together with his Cabinet colleagues, to put in place so that these unfair practices that happen every day are gotten rid of. We cannot turn a blind eye to them anymore. So if government is going to seize one container of toilet paper, it must go to every single store in Barbados and seize all the rest. It must. And this legislation, I am sure, will assist at the very least in allowing businesses to get their goods out. But we cannot have one law for the Medes and one law for the Persians. Because I worry, Sir, I worry that the big businesses will be able to submit their filings and so on and they get a laissez-passer, as they say, and everything comes out. But the smaller fellow - his goods continue to get stuck in the port for five or six days.

Mr. Speaker, we do not have a difficulty with the legislation at all, but I would call on the Minister to try to use his every effort to ensure that certain unfair practices are weeded out of the system. Sir, individuals have spoken to us in the Opposition to say that their big concern is that having got their goods out, somebody from the Customs

Department can then come and torment them two months, six months down the line and require of them documentation, goods and all kinds of things that they cannot plan for. Because you can effectively shut down a business by coming and saying, well, I am seizing all of this - not just information.

We are also concerned, Mr. Speaker, about the functioning of the BRA, which we believe is directly relevant to what is before the Parliamentary table. The individuals in Customs have specialised training in border control and enforcement, and the fact of the matter is that they work significantly in tandem with the members of the Royal Barbados Police Force in trying to arrest the entry into Barbados of illegal drugs, firearms and things of that sort. They perform a very important enforcement function. We would like to be satisfied, Mr. Speaker - we have no difficulty with Customs going into the BRA; Government has taken the decision that all of its revenue collection will be done from one central body - but we would like to be satisfied, Sir, that the existing enforcement function is not jeopardised when you move it into the BRA. The fact is, Sir, that when you move Customs, as it is currently constituted, into a revenue collecting agency, there is the possibility, Sir, that Customs may lose sight of its enforcement function, which is vital for our border security. And I think it is only natural, because you are now putting them in the Barbados Revenue Agency, so their focus now becomes a revenue collection focus.

The person who is in charge of the BRA has no experience - and I say so without fear of contradiction - no experience whatsoever in relation to border control issues, in relation to the role that Customs plays with law enforcement. So when you have an enforcement function and you are reporting to an individual who has no training and for whom that enforcement function does not represent part of her vision, there is the possibility, Mr. Speaker, of - let us just say - inconsistent messaging. And I think that is a legitimate concern. So the Opposition wants to be satisfied that when this transition occurs, there must be no diminution in the focus of Customs when it comes to its enforcement responsibility and the role it plays in terms of border control and helping the Royal Barbados Police Force to arrest the importation of drugs, weapons and so on. People say that we criticise for criticising's sake, but I would really appreciate if these comments are not taken in that context. The head of the agency and the nature of the agency will always set the tone for the bodies

that function under it, and there is a risk of that happening in this instance. Mr. Speaker, we are generally concerned about the continuing function of the BRA. I am sure the Minister is probably happy with how they are working, but as somebody who has to have dealings with them on a day to day basis, Sir, we have concerns. We have concerns about the fact that the BRA is tying taxes due on

one transaction to taxes due on another. I was involved in a transaction recently where we wanted to get a VAT clearance certificate - a VAT clearance certificate to which our client was entitled because it had paid all of its VAT. But the BRA determined that there was money due on corporation tax and said it would refuse to give the VAT clearance certificate to which the individual was entitled until he went and paid his income tax. And the same thing I understand is happening in other instances - there is a bundling of these things which has never happened before, never happened before.

And I want to know what the BRA's position is going to be in relation to the release of goods. You see, Sir, if I apply for a VAT certificate and I cannot get it because of income tax, I wonder if the BRA will say to John Brown: we are not giving you your goods unless you go and clear off the VAT that you owe. There is no connection between the pieces of legislation - no connection between the VAT Act and the Income Tax Act - but the BRA has determined you do not get one until you satisfy your obligations under the other. And I am asking the Minister of Finance whether it is too remote a possibility to consider that the Customs Department may say this is one department, I am not giving you your goods until you go and pay your income tax - until you go and pay your VAT.

Mr. SPEAKER: Honourable Member, I am here listening to you. I understand what you are saying. I am just having some concerns with respect to the core question of relevance, though, so I would just caution you in that regard.

Mr. D. D. MARSHALL: And therefore, sir, and therefore Customs in the carrying out of its responsibilities, even though it is to go under the BRA, must not be hobbled by perspectives that come from within the BRA. And I don't consider it to be far-fetched. You are entitled not to consider it to be relevant, sir, but it is within the realm of possibility and, representing my constituents and others, I want to be satisfied that the Minister takes it into account and gives the appropriate direction to the agency whose responsibility it will be to deal with this post-clearance audit.

Sir, there is too much uncertainty. There is too much uncertainty in relation to how the revenue-collecting agency, whether it is in its customs portfolio, its land tax portfolio, its income tax portfolio - too much uncertainty as to how it is going to operate, sir. Government must be certain. People have to know what to expect when they deal with agencies, whether it is Customs or any other agency. It is our entitlement as citizens. And you cannot go one day and get one response and go another day and get another response. There is that saying that I am sure you are well familiar with, Mr. Speaker, that the law of equity was thought to be as long or short as the Chancellor's foot,

which meant that by nature it was capricious because, depending on which Chancellor you had, he may have a big foot or a short foot. And government must not find itself saddled with that particular criticism.

Mr. Speaker, I wish the Customs Department well. We think that they have a valuable role to play. But at this point in time, sir, we would like to see a very speedy resolution of the issue. We understand that one of the issues has to do with the appointment of customs officers before they move. And we think that is a reasonable request - nothing wrong with it. People have been there for a long time. How is the Ministry going to decide who are the twenty-five that are going to go? And in the context of the specialised skills that are now being required of the Customs Department, is it not a better idea, instead of letting go of people, sir, to ensure that some of those individuals have an opportunity for specialist training to perform the specialist duties that are required? Sir, with those remarks, I am obliged to you.

Mr. SPEAKER: Yes. Honourable Member for Christ Church West Central.

Hon. S. A. LASHLEY: Thank you very much. I entered this debate in support of this very important amendment to the Customs Act. And of course, unlike the former Speaker, I believe that this is certainly an amendment which has shown that there is still continuity in government - certainly an amendment that would have started in terms of some of the basic legwork under the former Barbados Labour Party administration and of course continued and brought to fruition and completion under the enlightened leadership of the Minister of Finance who has brought this particular measure to the House.

And I want to say to Mr. Speaker that this amendment, really in relation to the Customs Act, is an embodiment of the determination of the government to ensure that systems that are vital to the livelihood and the economic well-being of Barbados are updated and modernised, and that they are brought very swiftly into the realities of the twenty-first century. And this is one of those amendments which I am happy to say appears to have bipartisan support in the House, as it should be. And the broader picture, Mr. Speaker, is that these matters which are critical to the economic livelihood of Barbados really ought not to be seen as dividing the House. And therefore, in that context, I welcome the declaration of the Spokesperson for the Opposition, Barbados Labour Party, that this really is an amendment that enjoys the support of his side.

I believe, though, that this amendment speaks very widely to a number of critical areas. I am happy to hear the Minister of Finance make the point that underscoring this amendment is not simply a question of making provision

for the customs authorities to be able to widen their net in relation to the collection of customs duties. I think the bigger picture in this amendment is that we are providing for a system that paves the way for the facilitation of trade. And I think that is the biggest issue here. Facilitating trade requires our customs and our border security personnel to have a complete new vision and a worldview that links efficiencies at the level of our ports to efficiencies across the country. I recall hearing quite recently from the Governor of the Central Bank and certainly other public speakers raising the whole question as to the efficiencies that we are required to obtain in Barbados. And one of those efficiencies relates to what is happening now in terms of the global movement in terms of trade facilitation, so that no longer can it be the norm to have inordinate delays at our port of entry in relation to the entry of goods.

If suppliers, if our manufacturers, if our key players in relation to the economic agenda in Barbados are to get ahead with their businesses unimpeded, then of course it is known. And I think the genesis of this very desirable initiative would have been informed by a passion and a desire to create greater efficiencies in relation to the clearance of goods at all ports of entry. And I think, Mr. Speaker, that is a laudable intent. And therefore the issue before us speaks to a government that has seen the benefits of proceeding very, very rapidly from conceptualisation and initial planning to ensuring that this could be law and that this very laudable initiative can be utilised and made available to our customs officers.

And of course, Mr. Speaker, I do not believe that the passage of this particular amendment alone will necessarily create all that we need to do. I think that it is a start in the right direction. It sends a signal, and I think that is the role of the government and certainly the role of this Parliament - that if we are in very serious economic times, if our country is being challenged to be able to move beyond the economic challenges of the day and incorporate new economic principles in relation to solving our economic problems, that government, from time to time - and I certainly believe that it is the role of the government - should send the appropriate signal of where it stands in relation to critical aspects of its economy. And I think that this is one. It sends a signal that we are moving our Customs Department forward in relation to efficiencies.

Of course, the amendment does not suggest that we are throwing our hands in the air and compromising our border security. And I think certainly the word must go out that while we are seeking to create greater efficiencies, issues such as ensuring that fraud is caught, and that persons who perpetrate fraud in relation to our borders do not feel comfortable that because we are proceeding along lanes of efficiency and smooth clearance of goods, persons who are interested in fraudulent acts will be left to go scot-free. In fact, what I would say is that globally the trend has

been to underpin these kinds of audits with rather rigorous risk management processes. And I hope that the Customs Department would incorporate into this new régime a rather robust system of risk management, so that in ensuring efficiencies, we do not compromise vital areas in relation to fraud, which always is a major headache at our borders, whether in Barbados or otherwise. Customs officials - the role of our customs essentially is to ensure that those who perpetrate fraud, whether or not designed or orchestrated to avoid taxes owed to the revenue, are aware that their actions will not go without being punished.

So, Mr. Speaker, I believe that this brings us very squarely in line with international best practice. In fact, the practice which has been very closely followed by the World Customs Organization really and truly suggests that this is a viable means of proceeding. It is not the business of the customs, Mr. Speaker, particularly where there are particular issues to be investigated, where there are challenges that you always have in terms of the clearance of goods - it is not the business of the customs to hold up goods in the port for inordinate lengths of time while they investigate various issues. That is not the business of the port. Because what happens then is that in so doing we have not only increased charges where the importer is required to pay a huge amount of charges that they would not have budgeted for, but we have also the Crown or the state, by virtue of keeping items in the port for longer than necessary, creating a whole backlog and creating headaches in relation to having to pay persons to watch over them, issues in relation to insurance costs. And when you add up each of these costs, Mr. Speaker, you have unnecessary costs being tossed into the whole cost of doing business in Barbados.

And I dare say that if we attack each node, each area such as this in relation to the cost of doing business, we will be able to impact what is happening in terms of the national economy. Because every aspect of economic activity which is either useless or a waste of time adds to the bottom line, creates headaches for entrepreneurs and businessmen, and in my view needs to be removed. And we have to have the heart and the soul to relentlessly attack issues of wastefulness, unnecessary bureaucracy, and people who believe that because they have legal authority they may use their office to frustrate the legitimate activities of business. And I believe, Mr. Speaker, that is an issue in Barbados that we have got to address. We cannot be talking on the one hand that we need to reduce the fiscal deficit, that our debt ratios are too high, and yet still we are not going to be tackling head-on the issues that impact on the overall competitiveness of Barbados. Barbados has got to become more competitive to be able to withstand some of the shocks which are always going to come our way, whether or not depending on which way the international world agenda goes. And as a small open economy, I believe we have to proceed and forge ahead with all

necessary measures to ensure that we can become as competitive as possible.

So, Mr. Speaker, I put this particular measure in that context squarely, because I believe that we are going to have to tackle other measures in Barbados just as relentlessly as we are tackling this one. As a country, we have got to come together and make a decision - make a decision that each and every one of us will become more competitive, more efficient, and that we return Barbados to a growth path. And I am of the view, Mr. Speaker, that while we talk about returning Barbados to a growth path and while the government relentlessly brings measures to create the environment, we can do more across the broad spectrum of the economy; we can do more to inject the level of competitiveness and confidence that this economy requires.

I am happy, Mr. Speaker, that this matter is before the House because it gives us an opportunity to look at the very vital area of customs - and it is not only the port that we have to address, but it is the airport as well. I am not convinced that we are adopting the most modern practices in relation to facilitating the smooth movement of goods and services across our ports. And oftentimes some of the very archaic measures, mechanisms, and systems that are used, if not addressed, can really deter legitimate activity. So this particular measure, Mr. Speaker, before the House, I believe is timely. The World Customs Organization has put out guidance in relation to post-clearance audits. And I am happy to say that my review of that particular guidance put out by the World Customs Organization brings us in compliance with that particular guidance note and gives us confidence that Barbados is moving along the correct path.

I would like to say that included in this whole question of post-clearance audits has got to be the whole question of education. It certainly should allow for our customs officers to assist businesses, particularly in the area of risk management, because the early release of goods into the custody of importers - and of course this amendment allows for the customs the right of entry into premises - provides and gives very wide and sweeping powers to the customs in relation to enforcement, which is as it should be. But of course what we are seeing is that while those enforcement powers are given to the customs, the ethos or the philosophy surrounding this particular amendment does not end there, because it has to be where there is a partnership. And certainly internationally what has evolved in terms of the use of post-clearance audits by customs is clearly a partnership between the customs authorities and the business community, where to a large extent there is even the self-policing, the facilitation of self-policing of their own activities. And in a system where that works well, what you find, Mr. Speaker, is that there is a least-cost environment injected and certainly the customs authorities are able to even levy lower charges in relation to

the clearance of goods and so on. And that, Mr. Speaker, suggests to us that we are entering into an arena that can be a winner on all sides.

I know that the business community will welcome an environment in which there are low costs for the clearing of goods, because when that happens the spin-off benefit is that consumers are able to benefit from cheaper costs of goods. And I would urge that in implementing this particular régime which is being made possible by this amendment before the House, that we look - and certainly the customs officials look - at the whole question of self-assessment, where there could be voluntary compliance systems built into the arrangement, which to my mind ought to necessitate and lead to a more economical régime and cheaper prices of goods and services to the consumer.

And I did mention the whole question of education, because this ought to also facilitate education by the Customs - the whole question of risk management and risk assessment. The Customs being able to go to the premises of businesses and make inspections, gather any amount of information, because this provision allows for that to happen, should also operate in a way where the customs see themselves not only as enforcers but also as educators. And oftentimes, Mr. Speaker, business persons or persons who are importing are so busy involved in transactional activity that they do not recognise that unless they carry out proper risk management approaches or risk assessment, their bonds and so on, they are creating problems for themselves. Those problems are security problems, because oftentimes what may appear in a container or in a bill of lading is not necessarily the doing of the importer. But if your bonds are not secured, if your systems are not informed by proper risk assessment and proper risk management practices, then you may be susceptible to a host of risks which may be extremely costly when the customs officers come to visit.

So therefore there has always been an environment in which the role of the customs is one in which not only are they enforcers, but they are involved in the business of educating importers and making observations about the premises and giving advice so that the importer does not run afoul of the law. So this ought to enable our customs to gain better information and of course to even understand the client's businesses when they carry out these post-clearance audits. And of course the customs administrators' resources are better deployed, because at the crux of this, Mr. Speaker, is that if you are facilitating a system where you are moving more rapidly and items are moving through your ports, then your resources can better be deployed in ways that require them. And I think that is what we need to be cognisant of - that is what we need to achieve. There is also the benefit of being very quick to identify suspected fraudulent activities and therefore enforcement can be deployed much more rapidly to deal with that.

I believe, Mr. Speaker, that this ought to provide for a more effective customs management system in Barbados. And this amendment clearly should be seen as a tool in the hands of the customs to allow them to be more efficient. And therefore the spin-off benefits should be seen within that context where efficiencies create better management, better prices, and so on.

The amendment, of course, Mr. Speaker, if I may address a couple of provisions in more specific terms, also allows for the Customs to have access to more modern practices of detection and so on. I believe the provision makes mention of the use of scientific means of control and it defines those scientific means as including technical, chemical, biological, empirical, or factual medium for gathering information by structured process. This, to my mind, in terms of my review of the legislation, is a new mechanism being used. And it also allows - because each time, Mr. Speaker, that we embark on new methods of doing business and we talk here about the ability for the Customs to access scientific means of doing its work - oftentimes in Barbados we are guilty of not linking our activities across the spectrum of our economy and therefore opportunities are lost. And we are hell-bent on looking at distant countries overseas for these so-called scientific measures without recognising that we need to teach our young people, we need to have our polytechnics now geared up to inventing and being part of the process of developing scientific measures to help our customs do their job.

And it ought not to be, Mr. Speaker, that each time we are seeking more modern means of compliance or modern means of ensuring that our systems work better, we somehow look to foreign providers for these solutions. I think that our colleges, our institutions, our technical facilities - we talk a lot about innovation and invention, but I do not think we pursue as aggressively as we ought to the opportunities for allowing Barbados to be seen as a country where we are certainly hell-bent on being the first to invent, the first to innovate, and being a leader in these areas. Because we have to ensure that each time that we are moving in this direction, we give our young people a flavour of where they can be in the next five years or so. And I must say, Mr. Speaker, that to a large extent one of the things that we do not do well, or have not understood, is that the world has changed, the dynamics of trade have changed, the way of doing business has changed, the techniques have changed - all of that has changed. And therefore Barbados, our inventors, our young people, our business persons have got to change with that. And what is missing is that we have got now to be the ones creating systems that other countries can use. If the area of customs administration is being modernised,

if we are talking across the globe because the World Customs Organization have been involved in this business

of modernizing customs practices for a while, it has been discussed. So if this is where we are going, then I would want to hope that some young entrepreneur or some group of young people in Barbados, appropriately assisted, of course, can see themselves as inventing systems. And this will not be the only innovation. I believe that the management of our borders in relation to facilitating international trade, the World Trade Organization has put in place rules that by and large are designed now to make the whole movement of goods across the globe much more facilitatory, much more simple. And therefore I believe that there are opportunities for our young people, persons who want work. Because in Barbados, the end of the country, we are challenged because of our economic situation in terms of providing jobs and opportunities.

But there are opportunities, Mr. Speaker, each time that there is a development, there are opportunities for creating jobs, for creating entrepreneurial opportunities and so on that are clearly before our eyes. And I would just want to say that this is one of those particular opportunities that I would hope is not cast only within the context of the customs modernizing their systems by means of post clearance audits. It is not to my mind, Mr. Speaker, a simple case such as that. But implied and incorporated in all of that, Mr. Speaker, are opportunities for efficiencies, opportunities for the development of new systems within the context of Barbados' role in facilitating global trade. Barbados is only but one node in that whole approach arena. And therefore I believe that this particular measure before the House allows us to be part of that global conversation and therefore should create some awareness within Barbados as to what the opportunities are and also where we need to be in terms of being part of the evolving modern new world order.

In conclusion, there are opportunities implied in this for a host of things. The facilitation of goods moving in and out of the port, Mr. Speaker, this has been a conversation that we have been having for years. We have heard of the kind of backlog and so on that has been impeding the movement of goods and so on in the port. So I am hoping, Mr. Speaker, that with this amendment, with this change to the law and enhancement to the Customs Act, that we will have a better system. And therefore those complaints will be things of the past.

One of the areas of the amendment that I certainly appreciate and welcome is that issues such as confidentiality - because you are giving the customs officers wider powers of search, they can now ask any government department to provide information in relation to goods - and therefore implied in that, and I think wisely so, is the whole question of confidentiality. How do you protect the confidentiality of importers and clients? And the amending Bill does speak in a very comprehensive manner in relation to how confidentiality is maintained. And I am

happy that provision is in there because I think it should assure the business community that the role of the government is not to invade and to exploit confidential information. But of course there has got to be a balance in relation to how we proceed. And therefore that particular provision is there.

The other provision that is in the amendment is the whole question of the rule as it relates to attachment of goods, and what it safeguards is that where there are orders for attachment of goods which may be in the port, that the actions of customs officers in relation to post clearance audits - whether they require the officer to hold goods for a reasonable time - that those actions do not in any way invalidate attachment orders which may be given from time to time by the court in relation to goods. So wisely the provisions have been drafted in a way to ensure that those long-standing rights of persons, litigants and so on are not compromised. They have not been weakened. And therefore I think that those two measures which have been included in this amendment are very purposeful and I think should be applauded.

So Mr. Speaker, in winding up my contribution, I want to say once again that I believe, once appropriately administered and implemented, that this particular amendment ought to be a winner in relation to returning and facilitating efficiencies at our port and by extension I believe ought to be seen as a continuing action in relation to providing an environment in Barbados where business can thrive - not at the expense of the need to police our borders and to ensure compliance with the laws of Barbados. Mr. Speaker, I am obliged.

Mr. SPEAKER: Thank you. Yes, Honourable Member for St. Lucy.

Hon. D. St.E. KELLMAN: Mr. Speaker, I too rise to speak on this amendment and to say that we as a people have to be very careful and we might be back to the days of globalisation versus localisation. Because the focus since 2006 has always been the declaration of goods as they come into Barbados. But I think that our focus, considering now when we speak and we speak in a positive way about how much easier it will be to clear goods, I would prefer the emphasis to be on how much easier it will be to clear goods going out of Barbados.

But the reason why I am making this point - I was in here when this first was brought to the House and I was happy to hear the former Attorney General speaking the way he spoke this morning because he was the Attorney General at the time. But the point I want to make on this particular matter is that we have to be very careful. And this is something I said at that time and I will repeat it now: how the emphasis continues to be on how well we can import when the emphasis should be on how well we can

export. Because it is no doubt that we are speaking about how much easier it is to clear goods coming into Barbados. And in order for this to be profitable to Barbados, there must be the counter - how much easier it is to export goods out of Barbados. And I do not want this debate only to be a debate dealing with importing goods, but I want the emphasis to be to all exporters and manufacturers that this also allows goods to leave Barbados at a faster pace so that we can have the matching foreign exchange to pay for the goods that are coming into Barbados. We cannot have a one-sided equation where we focus only on how much goods can come in and how we can make access to the goods coming in without looking to see how we are putting in place systems for the contra to occur.

Mr. Speaker, the truth is that again, this is not an international dictate to look after the two sides. And when this first came to the House, it was not that the government at the time was doing anything that it wanted to do, but this was a request by the WTO because the exporters were seeing that small countries like Barbados were putting hindrances on the importers and stopping them from moving goods into the country at the rate that they wanted to move the goods. So they decided that they would use the WTO so that the goods that they are exporting from their countries could easily get into our ports with clearance without any hindrance. And they decided that the customs department had no authority to stop goods coming in and that if they had a problem, what they had to do was to allow the goods to come into the country and then investigate to see if the person did something wrong and then punish them. So it all had to do with the speed of moving external goods into the country. But what we need now to do is start focusing on the goods in and see it as an opportunity, as we now can use it for the goods out.

And you know, Mr. Speaker, I heard the Honourable Member for St. Joseph speaking. And when he was speaking I was tempted to tell him - and I quote - because the truth is what he said this morning was the exact thing I said to him when he first spoke on this particular matter in the House. The problem in this country - I am not condoning under-invoicing - but my comments, and those who sat with me in this House will tell you, I have always said that we have allowed people to make us believe that small importers - and I am not saying that some do not misrepresent their invoices - but what has occurred is that some small importers have given leverage for other importers, small importers who do the right things, to be punished. I remember a time when there were a lot of small importers and they were competing with large importers and because of a few doing a couple of things that were not correct, they were then able to allow certain people to push out those small importers by using invoices that were given to them by larger importers and telling them that was the right price.

But you know, Mr. Speaker, hindsight will show you that the problem in Barbados had nothing to do with under-invoicing. The problem in Barbados has to do with over-invoicing. You hear me tell you, Sir, the problem in Barbados has to do with over-invoicing. What does over-invoicing allow? It allows for foreign exchange that was not expended in the correct way to leave the country. And it allows people to develop foreign reserves outside of the country that were not earned by them. And that is - for example, a good example was price control. The argument was: if you have price control, what we would do is set up a company overseas. And what they did was set up the companies overseas, bill themselves, and then send out the appropriate foreign exchange and build up reserves overseas that really belong to Barbados. And then it allowed them to price the item at the rate that they wanted. So that when the good landed in Barbados and you said to them 10 per cent, they were getting 10 per cent on their price and not 10 per cent on the cost.

So I am saying, Mr. Speaker, that one has to be very careful how one focuses on the small business person without recognising that the bigger problem is not the revenue. And that is why I said we focus too much on the revenue aspect, but we do not focus on the foreign exchange aspect and the damage - because the major damage to our country is not revenue-based, but foreign exchange-based. I have said, and I have repeated it all the time in this Parliament, that a country without foreign exchange is a country in trouble. But a country that has a revenue problem can be corrected in a day by the Minister of Finance coming to the House and making the appropriate order. But he cannot dictate how much foreign exchange he will be able to collect in any particular day, though he might be able to do it for revenue.

So Mr. Speaker, I support this amendment, but as I said, I would like to show the other side of it so that we will not go down the negative road. But we also recognise that there is something positive about it and that we can use this in the interests of Barbados, by calling on our manufacturers and our exporters to understand that this is also an opportunity for them to export more goods.

I have also heard calls about making goods cheaper. But Mr. Speaker, I cannot in all honesty speak the way I have spoken and then come and say that I support cheap goods coming into Barbados. Because whenever you allow goods to come into Barbados at that cost, what you are doing is squeezing out your manufacturers, your exporters. And if you take it to its logical conclusion, you are also squeezing out your workers. So it is one thing to say that you want cheap goods - it sounds appealing. But one has to recognise that when you bring in an imported item and it squeezes out a local item that is being made, it is not only the good that you are impacting, but you are also impacting on your foreign exchange, your products and also your

jobs. So how can a man that does not have a job benefit from cheap goods? And that is a question one must ask oneself.

And you know, Mr. Speaker, too often I have heard people saying they would love everything in Barbados to be cheap. What they do not understand is that when the price is set at a particular level, it allows the local manufacturer and local exporter to have an opportunity to be able to compete. Because if you are talking about efficiencies and diverse market spending and so on, one must be able to appreciate that one must be able to do things differently and one must be able to compete. So as a small country, we do not have the market base - it is obvious that our production cost will be higher. So that is why I have always said that government-inflicted inflation, done the right way, can be an economic tool in the interests of Barbados because it allows government to save foreign exchange and it allows government to create a local industry within the marketplace.

So I am happy, Mr. Speaker, for this amendment and I am also happy to say this morning that we have a golden opportunity not only to look at the importation of goods, but to see how we can use this amendment to save the Minister of Finance some foreign exchange in terms of the exporters being able to export. And that is why I said that this is a good debate for localisation versus globalisation. And I look forward to the bigger debate on this particular matter. It is not a minor amendment, it is a major amendment, but it must be seen as a debate between localisation and globalisation. I thank you very much, Mr. Speaker.

Mr. SPEAKER: Yes, Honourable Member. Honourable Member for St. Michael West Central.

Mr. J. D. PAUL: Sir. Yes, sir. Member participate in the debate and to make a contribution. Because I think really the Customs Amendment Act in which actually makes an allowance for the post audits is something that I think will greatly benefit the country as a whole. Because again, taking into consideration what was being pointed out and the objective in that it helps increase the efficiency, certainly of goods entering Barbados and also to create a much more transparent process at the same time. Because, you know, one of the things that we have to be careful with - that in the attempt to facilitate efficiency, that we at the same time do not lose the question of transparency. Because we must admit that there have been indications in the past that because of the practices of some importers that government in some cases can lose considerable amounts of revenue as a result of those practices. And unless government has the ability to ensure that the products that are coming in are subject to the appropriate amount of duties, levies or whatever, it means therefore that government will lose revenue. But at the same time, you

want to be expeditious. In other words, you want to do it in such a manner that does not compromise the business of the importer.

And, you know, I heard the reference. You know, we talk about the fact that the world has changed, but, you know, is it so much that it has changed or that in many cases we actually have an arrangement now that accommodates the dominant players in world trade. And what we are seeing is that even from the point of view of - when we look at the whole question of how Barbados as a whole can benefit from this - I think that what we look at is that it helps Barbados to be more sure that the amount of revenues that should be collected from goods and services imported into this country can be collected, but at the same time it creates a process to ensure that it is transparent and it does not hold up the business of the importer in any way. And I think that in itself is important.

The focus, though - I think we also need to recognise that in the same way that we talk about importing, we also have to talk about export. And I think that in that way you have a kind of a balance here. And, you know, one of the things that we need to recognise, especially among firms that export - we also forget that the customs play a very critical role in ensuring that there is a level playing field. Because sometimes we do not also understand that the customs is also there to ensure that the rules of trade are actually enforced. You know, I heard the Member for St. Joseph referring to the issue of the toilet tissue. And there is a standard, and in some cases it has been shown in the past that some importers are not aware of the particular standard that we should have. And, you know, especially for us in developing countries, you tend to find that sometimes what happens is that we end up at the bottom when it comes to products. In other words, it seems as if sometimes the worst type of products are imported into our countries and the best products actually happen to be in the developed countries.

And that is something that we need to recognise - that the customs in itself represents a means of ensuring that the standard of product that comes into this country is one that does not break the laws that we have, because in many cases a lot of us are not even aware that in respect to certain goods that we have in this country there is a standard that has to be met. And the only way that we can actually ensure that it is being met is that the customs has to do its job in terms of ensuring that it is met. So we shall not gloss over the fact that when importers go out there, a lot of them are looking, yes, to make a quick buck, quick money. And you are looking, of course, to get the particular item that they are looking for at the lowest possible price. But at the same time, you will notice that when those products go on the shelves of supermarkets or wherever in this country, there is no difference, because it seems as if sometimes, despite the fact that they get these

products in at very low prices, the markup somehow does not change. And in some cases what they do is that they actually increase it. So you have a situation sometimes where instead of making a 50 per cent markup, you are making a 100 per cent markup. And I think we have to be honest about the debate when it comes to issues such as these. And I think we have to appreciate the fact that customs play a very critical role in this regard.

And I know one of the things that also this particular amendment permits is that it permits customs the opportunity to actually gather information. Because sometimes we have a situation where the product comes in at the port and sometimes you have a situation where the customs is actually battered. And sometimes they actually - something they call gully war. You know how these people - we call it gulliver. Okay. We are a fellow striker, exercise muscle that they have to do certain things. But I think that when you look at the provisions under this particular Bill, it shows you where customs has the necessary powers to actually go in, inspect the necessary documents. And also too, they can make reference because, you know, when you look at some of the products that come in and you look at the actual amount that is quoted in the document, you wonder - when you consider then the prices that you see on the international market - sometimes there is no relationship. And these are issues that, of course, again, allow customs the opportunity in these post audits to actually check and make sure that the submissions that are being made by the importer can be subject to scrutiny. And you know, I heard the excuse being made that the documents could be somewhere. But it also says that, you know, one of the things is that even if you are dealing in that business, you still have to retain the documents for a certain amount of time. And I think generally all of us are interested in trying to ensure that type of transparency obtains.

The other point I also want to make, Mr. Speaker, is this. It also helps to ensure a level playing field because one of the complaints that we have had, especially from domestic producers in this country, has been that in some cases they have been subject to unfair competition by importers bringing in cheap products. And in many cases we have seen even in the garment industry where the practices of importers have caused the demise of local producers. In this country, we have seen it where what they have done is that they have used their privileged position as importers in some cases to go out there and bring in a product which they know will deliberately undermine our local production. That is what they have done. And in that regard, again, we cannot underestimate the role that customs has to play because, you know, there is a feeling when you listen to some people that the customs is there to protect importers and to make sure the importers get to do what they want to do. But that is not the only reason why they are there. They are also there to ensure that there is a

level playing field between our domestic producers and those people who import, because if our domestic producers are told that they have to operate within a certain paradigm and then you have importers operating recklessly at the same time - operating outside of that, bringing products into this country which at times subject the products of those local producers to unfair competition - we have a problem. We do have a problem. And in that regard, I think again, the customs plays a critical role.

And that is why I think that this particular measure that has been introduced by the Minister of Finance is one that has great dividends. Because what it will do - it also has the opportunity, once it is done fairly, to give to local producers greater confidence that the rules will be enforced when it comes to the whole question of trade and it will not be one-sided or free. And I think that is something that we need to understand and that we need to ensure that we support as we go forward in this new dispensation. Because yes, we are living in a world in which generally we talk about efficiency, we talk about trade, we want to see basically that business is conducted in the most efficient manner. But at the same time we still have a world in which certainly fairness must play a role - that we should not have a situation where some people profit at the expense of others. Again, I make the point that once the rules are established, the customs department has a critical role to play in that regard. I really think that we cannot therefore diminish that role. And you know, we talk about the whole question of the capabilities of the customs department. I have seen the customs department in itself has embodied every single aspect of what we are speaking about in its functioning. Because you have extremely capable officers who do understand these issues and who will do the necessary research in

order to ensure that type of approach is given. In terms of when we are looking at the whole question of trade facilitation, how we treat imports and things such as these. And I think that in that regard I don't need to question the capabilities. One thing though, Mr. Speaker, I really want to mention in relation to exports - you know, there's a feeling out there that it is extremely easy to import products into this country. But when it comes to exporting, there seems to be some additional difficulty. In truth, and in fact, it may be a matter of perception, but in many cases I can think of some products which sometimes could only be exported under particular conditions. And this is not really the fault of Customs in itself. It might also be because of the fact that the way in which the Bridgetown Port in itself operates - where it does not understand the fact that certain conditions must obtain in order to export certain products that an exporter from Barbados might have. And you need to be more flexible in how the operations of the Port are conducted in order to facilitate the export of certain products.

Because what we don't appreciate is that in many cases when you are exporting a product, cost becomes extremely competitive. Because you hear very often the complaint of persons not only in Barbados, but in other countries, where sometimes they do not understand the price relations of a product produced in one country and how in another country the price is so much different - in some cases it is less. The fact of the matter is that when you look at the whole question of costings and market differentiation and segmentation, you need to understand that in a manufacturing process every single aspect of the cost of getting the product from the factory to the consumer plays a very significant role. And that is why I really think that if we are to be serious about facilitating exports in this country, we have to be more cognizant of the challenges that we face to export products. And therefore we also have to pay attention to the extent to which the operations that we have here, and how we treat exported products, are impacting on the final cost of the product being exported overseas. And therefore it goes back to the whole area of competitiveness.

Because if we are to be able - you know, we've heard recently, for instance, the complaints made against some countries in the OECS where what has happened in relation to certain products and Barbados, it seems as if they have reserved the right to impose certain levies or duties on these products. And we need to understand that because there is sometimes a feeling that Barbadian manufacturers are necessarily complaining about these things and that they should be able to get around them. But we don't understand that it is an acknowledged fact that Barbados in itself is a high-cost regime - because we treat our people well, we pay our people well as compared to other countries in the region. And generally that is what we live in. But if at the same time, to export a product we also face additional challenges, then our exporters have a particular problem which we have to pay attention to. And that issue raised by our Lone Bear company here in respect to the practices of certain countries in the OECS is something that we need to pay particular attention to.

And we therefore have to ask ourselves: how do we look at the current way in which we are exporting products and what can we do to help them to reduce the cost of the products being exported? We have to look sometimes at the type of charges and maybe the way in which we are operating to see whether or not we can reduce those costs. We really need to do that, because you will find that depending on the time of the day that you are transporting or exporting a product - once you go, for instance, to the Bridgetown Port, if you don't get down there by a certain time, an exporter will tell you: if you don't get through the gates by a certain time and it shuts behind you, God help you - go back the next day. Not only that, the question of overtime comes in; all of these factors come in. So we have to be very aware, in terms of this particular piece of

legislation, that Customs plays a very critical role in ensuring that there is some balance - that trade facilitation does not operate only from the point of view of importing goods into this country, but also from the point of view of exporting goods as well.

And when we look at the issue of standards, it goes beyond just collecting revenues, because we also look at the standard of the product being imported into this country. I remember once there was a lady I spoke to, and she was telling me that she had this brand of coconut oil - you have your normal brand, but there was one that came in that a supermarket had. She took up the cooking oil, poured it into the frying pan, and the whole thing went up in a blaze. She carried it back, of course, but of course could get no recompense. The point is really that it was a poor quality product, and we have to ensure - and Customs has to play a role in that too. Because if we have institutions here such as the Barbados National Standards Institution that sets standards on the types of products imported into this country, and those standards are not being met, why then are we allowing these products to be imported? They should not be imported. And we also talk about the question of health and things like that. A lot of consumers today don't even sometimes look at the package because, you know, you feel a full belly is everything.

But the point essentially I am trying to make is that Customs is the bulwark when it comes to our defences, when it comes to the question of standards also. They are part of it, and they should not underestimate that role that they have to play, because they are the ones who establish some balance between the importation of goods into this country and the export of goods from this country. And they are the ones who will give greater confidence to our exporters that if Government says that a particular duty is to be charged on a good, that duty will be charged.

Because we have not understood to date that the movement from border tariffs that we have had to make in this new dispensation, in many cases, is costing a lot of our developing countries money, largely because our institutions have not adapted at a fast enough rate to recognise the change. Because in the past, when it came to the port, there was no question - a duty would be paid, so you collect. The Government then was collecting its money up front, no question, without having to work through any third party. That is what it was. But in this great era of trade liberalisation, what has happened is that developing countries now have to develop institutions - which, by the way, the developed countries long ago had a head start on us in that regard. We now have to develop institutions and make them work to collect tax differently. In other words, we don't seem to recognise in this country that whereas before our import duties accounted for a significant proportion of Government revenue, today it is different.

And that is why many heard the Member for St. Joseph speaking about the role of Customs - it is a part of the revenue collection system, and an integral part of the revenue collection system of this country. And it is the way in which we can be subject to the greatest leakages from our system. And at this stage in our country, we cannot afford them. This Government gave the assurance to Barbadians that it will try to plug those holes that needed to be plugged, and it is living up to those assurances. And I think again, in the implementation of these amendments to the Customs Act, it clearly shows that Government is serious about trying to ensure that the necessary level of revenues required to run the institutions of this country are able to be collected. And that, I think, is the important message, Mr. Speaker, that we need to get over to the public of Barbados in this regard. And with that, sir, I wish to say that I will support the amendment wholeheartedly, and I wish the Finance Minister every success in terms of its implementation. Thank you very much, sir. God bless you.

Mr. SPEAKER: Yes. The Honourable Member for St. Michael North West.

Hon. C. P. SINCKLER: Mr. Speaker, Sir, thank you. I want to begin by thanking honourable members who spoke on this particular matter. Of course, it is clear that there is no political divide between both sides of the House in relation to this very critical matter. Everybody accepts that it is something that we ought to do. Both governments have played their part in bringing us to this particular juncture as far as this is concerned.

The issues that have been raised, particularly those raised by the Hon. Member for St. Joseph in relation to customs and the customs function - in relation both to its revenue function, but also in terms of its border security function. The issues that have affected not just Barbados customs, but customs administration across the world in relation to allegations or accusations that are made. These things are not new. We always get those statements being made, allegations being put about unfair, quote, unquote, as he put it, business practices in relation to the administration of customs.

There are very few people who customs would have to issue a judgment against, who they may have to put an enforcement on, who would be happy with it. I mean, all importers believe it is their right to import stuff and get it in at the least possible cost across the border and in the volumes that they would like to get it. And whenever there has to be an intervention by the customs, as is the customs responsibility as a first line of defence, border security wise, but secondly, in relation to a standard bearer in the revenue function of government - whenever there has to be an intervention, there is always contention.

But as I said, we operate on a voluntary basis, on a voluntary system. The importer purchases his or her goods overseas. They go into the system. The system is world renowned. It is used across the world by all jurisdictions at various levels. Some are using ASYCUDA Plus, some are Plus, and some are ASYCUDA World. The importer's responsibility is to identify the correct tariff heading. They put that in, they submit that to customs and customs then has the responsibility to evaluate whether or not that is the appropriate heading. That is how the system operates when the goods land. In addition to verifying that, you then have to inspect the goods to find out whether or not what was shipped is what you said was coming in, the amount, the quality required, of the standard expected - because that is also a function of the customs - and at the price for which you have said it is supposed to be. And therefore, in the context of that system of volunteerism, in relation to the roles and responsibilities of all of the stakeholders in the process, there is likely from time to time to be disputes.

That is why we have the Customs Committee, the panel on which both private sector and customs and other actors in the system sit in relation to disputes which may arise in relation to the valuation of goods or the classification of goods. And that committee functions. Now, it may not function as effectively and as efficiently as we all like because it takes time, but what this amendment will do is to eliminate a lot of those private disputes. You see, because the Classification Committee of Customs deals with how goods are classified. The importer says A, customs says B, there is a dispute, you post a bond, you take your goods, you do your business and the committee meets to determine - hopefully an independent review of the system - to issue a decision as to which one is correct, or if in fact both of them are wrong and they have both looked at it incorrectly. So this is how the system is supposed to work.

Now, post-clearance audit gives us an additional tool, by rather than having you have to go and find money to post a bond necessarily - even though that still exists - you can draw on the understanding that the customs can then take their time and go and investigate properly whether or not those goods are being properly entered into the system and appropriately valued. And that is absolutely critical because, regardless of whether we want to admit it or not, and it is not just for Barbados, it is for other jurisdictions, there is a major challenge of customs authority with under-invoicing of goods. Now we know that is a fact, so we cannot pretend that it does not exist. We also know that there are always challenges with customs authorities with the quality and extent of the items, and a system of control needs to be had, put in place, operated, executed, whatever you want to call it, that protects the country not only in relation to its revenue, but also in relation to security matters.

Now, I know the Honourable Attorney General has lamented and certainly commented not only publicly, but also within the confines and the portals of government about the challenges which we are having at Customs in relation to the border security issues that exist and the challenges that the Customs officers face on a daily basis with people bringing illicit items into the country, whether those may be narcotics or in fact weapons - illegal weapons which are then of course used for nefarious activities across the length and breadth of the country. And he is right. It is a very serious matter.

That is why I took with all seriousness the intervention of the Member for St. Joseph when he made the point that he said he hopes that the integration of Customs into the BRA does not compromise its border security function. It absolutely does not. Because the BRA is not responsible for border security functions of the Customs. Those functions remain as part of the function of customs as iterated under the appropriate customs legislation and the various other pieces of legislation that adjoin to the responsibility of border security. So what the BRA is actually bringing over into its operation, certainly in this first phase, is the revenue collection functions of the customs. And I think we should make that abundantly, abundantly clear. And therefore, the designation of control of Customs and all of the other designations that are there will exist. But there also is a border protection responsibility within tax administration too, that has to be appropriately addressed and dealt with and covered under the various pieces of legislation.

And I can give the assurance to this Honourable House that the government's responsibility in modernising its tax administration - particularly as it relates to Customs - should not, is not and will not affect the very serious responsibilities of border protection and security by the Customs in terms of that critical part of their functioning. Indeed, I can go even further to say that in the transition to the BRA, as far as the tax administration part of the Customs role in relation to revenue collection is concerned, that the country ought not to be concerned if they read in the newspaper that 25 officers may not be accommodating in the customs. And there are particular reasons why that may be so in relation to issues pertaining to timing, in relation to where people are positioned relative to retirement. But we will also be creating new positions within the BRA to execute specific tax administration and revenue collection functions that Customs currently does not have. So whilst you may be dropping some there, you are going to pick up others in the appropriate areas where the skill sets are more needed and applicable.

And I also give the House the assurance, as I give the country the assurance, that I will bring - so long as the Cabinet approves - a Ministerial statement to be issued in this House properly outlining the new organisational

structure for Customs, that part of Customs that is being integrated into the Barbados Revenue Authority, so that people are clear as to what we are doing. So they understand that the four divisions that we are proposing to create within the BRA for Customs will now properly cover all of their functions, especially in those areas where there are deficiencies as currently exist. When the Customs is a department of central government in the Ministry of Finance, they will get operational independence, they will get better transparency, they will get the appropriate skills necessary to cover the functions that they have to cover. And they will get the necessary divisions to ensure that coverage is provided in all of the functions - from HR and administration to Customs House operations, to coverage for the Bridgetown Port and the Grantley Adams International Airport, to mobile anti-smuggling units. All of these will be created so that the Customs functions in relation to tax administration and revenue collection are appropriately and properly covered to allow for a more efficient operation.

And I always make the point - we have done this in the past for several things. We did it at QEH, we did it at the airport, we did it at FSC. We are doing it with BRA with the other legacy agencies, we are doing it now for Customs into the BRA. And the standard principle has always been and will always be that nobody who transitions from a central government department into a statutory corporation by way of a reformation of the functions of those departments will be placed, or should be placed, at a disadvantage to where they are and what they are receiving at the present moment.

That too is a voluntary system. Nobody can force anybody who is appointed in the public service from leaving the public service to go anywhere because you have an appointment there. But an offer will be made to those persons and so long as they take up that offer, all the benefits which they receive, whatever level they are appointed at - and we have gone even further: persons who are acting in positions to which they are not appointed should be able to transition into the BRA at those acting levels. Not acting, because they get an appointment when they go over there, they get a contract - but not a contract at their potential substantive position, which may be lower than the one they are acting in. They get to go over at the level they are at now. If you stay in the public service and the person for whom you are acting comes back for their post, you may have to revert to yours, which may be much lower than the one you are acting in. So we asked people to consider all of these things, and we did not come up with this willy-nilly. A steering committee - as has been the case with all of these examples - a steering committee including especially representatives of all of the major unions, along with government, sat and designed the process. So if there are issues that arise in the latter days of the transition, then those issues can be dealt with.

And that is why as Minister of Finance, or minister for any of these situations - I have dealt with the FSC, I am dealing now with the customs and the BRA - I do not get involved in the personnel matters. Because it is not for a minister to get in the middle of that. That is a personnel issue. It is for civil service personnel administration and also for the workers' representatives to deal with. We set the policy at Cabinet and the policy is: the transition shall be as smooth and seamless as possible, not to disrupt the operations - or try not to disrupt too much in the transition process - the operations of these critical functions, and that those who are transitioning should be put at no disadvantage or less favourable position than they currently occupy. Those are the basics. And once those basics are followed, then we expect that it will go on.

Of course, in the context of change, a lot of people do not like change. People fight change because they are comforted by what they already have. Even if they admit that the system they are currently working in is flawed. They readily admit these things have problems - this needs changing, that needs changing. But when you say let us make the change to something, then the same people, many of them, turn around and say why. Because they want to get the comfort of the status quo, but want to complain that the system is flawed. And therefore we will work with them. But as I said, the position of this government is that no officer at customs who is transitioning to the BRA should be made less than they are currently. And whatever is due to them, they should get. They are hard-working officers, they work beyond the call of duty. They get a lot of abuse and quite most of it, if not all, unjustified. They have a critical function to perform and whenever they perform it, people do not like the fact that they are performing it.

And officers of government - for whatever people may think - should not be blamed for design or systemic flaws within the structure of government, because they can only work within the four corners of the laws and the systems they have. So if the system is flawed, do not beat the person who is appointed there to execute the flawed system. Fix the system. And that is what we are attempting to do. That is why I do not join in the chorus of people who believe - and a lot of it comes from the private sector and other places that it ought not to come from - that they can just beat up on public officers and say they are the worst things and give the impression that we have a whole set of incompetent people around here. Because the truth is that technically, when you sit down with these people in meetings, you realise that they know far more and have greater competence than a lot of the people who open their mouths and allow a lot of foolishness to come out just to make themselves sound good in the media. And of course, the media likes

to run with it. And some of them, not all, but some of them like to run with it and promote it. This department is inefficient. That department is inefficient. Mr. Speaker, I have heard a lot of it. I have heard a lot of it in relation to one of the areas of business facilitation that we always talk about - doing business. And I am going to have a lot to say about that because frankly, I am of the very firm view that Barbados gets a very, very bad knock in relation to doing business on a system in which proper empirical investigation would lead even a person with a modicum of common sense to question the basis upon which the scores that these people come up with are based. Indeed, sir.

And as I say, I am going to speak about it in the very near future because I have had an opportunity to question some of the people who put together that survey and who put out those rankings. And I am even less convinced by some of the things I see coming out of it - even less convinced that it gets the type of empirical and intellectual rigour that it deserves, that the formula and methodologies are as transparent and properly designed and given the necessary rating and point differential on a comparative basis, country to country, because you are comparing one country with the next and countries at varying levels of development with varying systems, to have a standard applied application across the board. And nobody can know where the ratings are and how they are done.

So you can judge Haiti with New York and Barbados with England and tell me that you come up with a mean score, and therefore it takes three months or a year to get a warehouse application approved by Town Planning. Nobody can tell you what type of warehouse it is - if it is a warehouse to have shoes or a warehouse to have chemicals - because the two are entirely different. So you just use a standard warehouse, whether it is in the country somewhere in some remote place, or if it is in the middle of Bridgetown, or if it is near to the sea, that will require EPD or Coastal Zone to be involved in it. So when you question them about these things, as I have had the chance to do along with the Attorney General and members of my staff and others, the level of responses that I got back left me very worried about that doing business report.

But the time will come when I am going to have a lot more to say about that, because that report is issued every year. It puts a stain on the country and a lot of private sector people snap it up. Some of them do not even understand what it is they are reading and they flag it all over the place - Barbados is the worst place in the world to do business. And some countries who have not really done anything particularly other than find themselves in IMF programmes are able to jump 40 notches up the table and nobody can point to what it is that they did from one year to the next. But Barbados, because we say that we are not doing one thing or another, could find ourselves dropping. So I have deep concerns about it.

But to the extent that it exists and that it could have serious damage on the perception of investors on your country, it is something that we have to deal with. But in the context of this particular set of amendments, these are appropriate to purpose. They have been designed in a way to allow for the better facilitation of business, which is the principal reason for having this. But it gives additional tools to Customs to be able to function in other areas, which makes it highly commendable, even more so on the basis that the World Trade Organization - the WTO - in passing the Bali Agreement and conventions, which the Cabinet of Barbados had to deal with only a few weeks ago and approve, has passed an agreement on new business facilitation rules and best practices and standards globally. Only four countries have signed on to it so far. Barbados has acceded to the trade facilitation process in relation to that, and we have dealt with it already. So we will be notifying them soon, I am sure, through the Ministry of Foreign Trade, of our decision to accede to them, because we want to be part of a global trading system that sets the best possible, highest standards and the best possible practice for commercial trade between countries and, of course, for the facilitation of that trade.

So it is very, very critical. It may be coincidental that it is happening at this time, but these amendments allow us to be able to say to the rest of the world - well, ahead of the majority of them anyway - that we are ahead of the game in this particular regard and that once again Barbados is providing leadership in relation to global trade when it comes to the issue of trade facilitation.

Now, the issues raised by the Honourable Member for St. Michael West Central are critical issues. And I have said in this House before, and I will say again - indeed I have been mindful to speak to some of the international agencies that deal with these issues either on a fiscal basis or on a trade basis - and we will be seeking the necessary technical advice to deal with this: that our entire tariff system needs to be reviewed. The entire system. We have signed a lot of trade agreements, both partial and full. We have done a lot of things over the years - taxes here taken off, put on, waived. We have done all of those things over the past few decades. The system needs to be significantly overhauled. We need to be able to identify which sectors are the ones that we consider to be most critical and sensitive and give them the maximum protection necessary under the law within the rules. And that makes sense.

But we also need to be able to be honest with ourselves and say that those sectors for which we currently offer generous levels of protection that frankly do not need it - we need to be able to say to those sectors that starting from a certain date we are not going to cut them off at the knees all at once, but they need to begin to work themselves into the understanding that they are going to have to go and compete in the rest of the world as we

reform that system. Bearing in mind, sir, that border taxes and duties are a major source of government revenue. And I know that the introduction of a value added tax was intended to help provide a cushion for that process of liberalisation of the duties and taxes, and the non-tariff barriers too that we put in place. And that has not necessarily worked out exactly as it was intended, but it is not a process which we can abandon. We have to deal with it sooner rather than later.

I am mindful as Minister of Finance - but also particularly interested as a student of finance, international trade policy, and a former Minister of Foreign Trade - that we have signed agreements for which we have commitments. The Economic Partnership Agreement is a classic example. We have commitments through the system of baskets of goods for liberalisation: basket five years, basket ten years, twenty, twenty-five years. We have a responsibility in law, because we have reduced the EPA now to domestic law, to reduce our border taxes and duties progressively, starting with the least sensitive sectors and moving to the most sensitive sectors over a twenty-five year period - the duration of that particular agreement. So I am mindful of that as Minister of Finance, that the moratorium period is over. We have started to implement, and then every period I should say, rather, we are going to have to intervene to lower taxes, and that loss of revenue has to be found somewhere else within the system, because you just cannot give up revenue and say, well, let us go on our own happy way - the country will find a way to run itself. That cannot happen.

So I am saying sooner rather than later - in fact, now, as a matter of urgency - we need to engage the necessary technical advice and assistance to ensure that we do a complete review of that tariff system to make sure that we are prepared for any ill effects from the agreements which we have entered into.

So again, Mr. Speaker, sir, I want to thank all Honourable Members for their contribution to this debate, and I beg to move, with those few words, that this bill be read a second time.

The question was put and resolved in the affirmative without division and the Bill was read a second time.

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

COMMITTEE

Mr. CHAIRMAN: The House is now in Committee.

Hon. C. P. SINCKLER: I beg to move, sir, that clause 1 do now stand part, with the amendment that there should be the Customs Amendment Act 2015.

Clause 1 was called and passed.

Clauses 2 and 3 were called and passed.

On the motion of Hon. C. P. SINCKLER, Mr. Chairman reported to His Honour, the SPEAKER, the passing of one Bill in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. C. P. SINCKLER, the Bill was read a third time, passed and cited as the Customs Amendment Act, 2015.

SUSPENSION

Hon. J. D. E. BOYCE: Mr. Speaker, I beg to move that the sitting be suspended for lunch until 2.30 this afternoon.

The question that the House be suspended until 2.30 p.m. was put and resolved in the affirmative without division and Mr. SPEAKER suspended the House accordingly.

RESUMPTION

Mr. CLERK: Order Number 15.

The question that Order No. 15 be withdrawn was put and resolved in the affirmative without division.

Mr. CLERK: Government Business. Order Number 17, sir, in the name of the Minister of Finance and Economic Affairs, to move the second reading of the Land Tax Amendment Bill, 2015.

ORDER NO. 17 – LAND TAX AMENDMENT BILL, 2015 – SECOND READING

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

Hon. C. P. SINCKLER: Mr. Speaker, sir, thank you very much. The matter that we are drawn to in relation to an amendment to the Land Tax Act relates to the rebate which was the first part - the rebate which was intended, as stated in the Financial Statement and Budgetary Proposals, for producers of alternative energy. In that Financial Statement and Budgetary Proposals of 2012, I had indicated that it was the intention of the Government to allow for a 50 per cent rebate on the land tax demanded for that year and for subsequent years for properties that could prove that they were engaged directly in the manufacturing

activity related to the production of solar energy. Indeed, it was indicated that approved manufacturers - sourced, certified, and verified by the Division of Energy - would need to certify that their exports to the value of a minimum of \$100 000 Barbados dollars in any one calendar year would allow them eligibility to access that benefit.

In the drafting of the legislation, to permit for this particular incentive, the Land Tax Amendment Number Two Act was prepared to amend the Principal Act and subsequently given effect in law by inserting two new sections - section 6I and 6J respectively - which stated at 6I: as you will see, with effect from April 1, 2012, where a company or an individual manufacturer of goods in any calendar year for export, the value of which is \$100 000 or more, the amount of tax payable by that company or individual under section 6I shall be calculated on 50 per cent of the tax demanded if: (a) the tax is paid in the prescribed manner as section 28B; (b) the Minister responsible for Industry certifies that the company or individual is engaged in the manufacture of goods for export, the value of which is \$100 000 or more; and (c) the Controller of Customs and the Commissioner of Inland Revenue - who of course would now be the Commissioner of the Revenue Commission of the BRA - certified that no tax is outstanding by the company or individual under the Value Added Tax Act and the Income Tax Act respectively.

And then at 6J: with effect from April 1, 2012, where a company or individual is engaged in the production of solar energy, or the manufacture of goods to be used for the production of solar energy, the amount of tax payable by that company or individual under section 6I shall be calculated on 50 per cent of the tax demanded if: (a) the tax is paid in the prescribed manner in section 28B; (b) the Minister responsible for Energy certifies that the company or individual is engaged in the production of solar energy or the manufacture of goods to be used in the production of solar energy; or (c) the Controller of Customs and the Commissioner of Inland Revenue certified that no tax is outstanding by the company or individual under the Value Added Tax Act or the Income Tax Act respectively.

Now, subsequent to the making of the Land Tax Amendment Number Two, the Ministry of Finance accepted the advice of the Commissioner of Land Tax, as he was then, that the provision in the Land Tax Amendment Number Two differed from the intent of that budgetary proposal which was announced in the budget proposals of 2011, in that it made reference, Mr. Speaker, sir, to individuals. And it did not in fact also state that the qualifying figure should have been \$100 000 in relation to as proposed. In other words, sir, it had the effect of allowing both individuals - as in persons like myself and yourself who put up a solar water heater on your house or

who install a solar photovoltaic system - and companies. So the intent of the budgetary proposal really was to target companies that produce alternative energy as opposed to individuals who produce it. And also that you should show that you had exports of \$100 000 or more. So there are not very many individuals who really would be exporting that much anyway. But the way in which it was drafted created some ambiguity by extending the benefit to individuals who it was not intended for in the first place.

Individuals, of course, under the changes we made to the Income Tax Act to allow for incentives to be given for persons who installed photovoltaic systems, those individuals could already claim from the expenditure on their income tax filings. They can claim back an allowance for the installation of the system. This was specifically to promote, one, both exports and, two, persons to use alternative energy, so that those manufacturers in our system that we know very well who are exporting items to earn foreign exchange, but who we have encouraged to go ahead and put in photovoltaic alternative energy systems, those persons will be incentivised and empowered to be able to get a benefit by only having 50 per cent of the tax demanded paid in the system.

And so what we are doing now, Mr. Speaker, sir, is really correcting a flaw - I should say - in the legal drafting. And so once we identified that it meant that if we left it alone, all persons, both those who put up photovoltaic systems or even a person who put up a solar water heater, could file and say that I am generating alternative energy and therefore I need to get 50 per cent off my land tax bill. And that was not the spirit or intention of the legislation. And therefore the then Land Tax Commissioner - of course, now Commissioner of the Revenue Commission of the Barbados Revenue Authority - asked that we make that correction so as to avoid any doubt or ambiguity in relation to what was intended.

In addition to that, the Revenue Commissioner of the Barbados Revenue Authority also, in looking as we were scanning through the legislation to make sure everything was correct, identified and expressed the opinion that section 6I in its current form could also be subject to ambiguous interpretation. The current reading gives a 50 per cent rebate to a company or individual who can satisfy the Ministry responsible for Industry that he is engaged in manufacturing goods for export of \$100 000 or greater. However, the wording of the legislation suggests that the rebate is given to the company and there is no direct linkage between any specific property per se and the company. Now, as you know, all of our taxes in this particular regard, when it comes to land taxes, are tied to the property as opposed to the individual. So therefore, the tax is levied on the property - whether it is site value or improved value - not to the individual. But this section here, the wording of this section could in fact create a

situation where an individual who has no connection to the land whatsoever may get a benefit from something that was not intended, or indeed a company.

So, for example, as you know, many companies and individuals rent their business spaces and there is no connection, in terms of the ownership of the property, between the person who is renting and the owner of the property. So the person who may be producing the alternative energy, who is really intended to get the benefit, may not get that benefit because the landowner or the property owner claims the benefit. Because the land tax bill is demanded - the tax is demanded on the land. So we had to come back and clean that situation up so that it does not create a situation where the people who are really intended and targeted to be given this particular benefit do not end up getting it in actual fact.

So those are the two anomalous situations that have occurred, and of course they could have a potential negative impact on revenue. But even beyond that, we have done a lot in alternative energy and we want to continue to do more. And the incentivisation that we are giving in this particular regard, we want it to go to the people who it was intended for. There are other ways in which individuals can benefit, and we will continue to do that. So contrary to what may have been said in some sections of the press, this is not a U-turn. We are not turning our back on alternative energy and incentivising alternative energy. This is simply to ensure that we get those persons and companies who are really in the business of manufacturing and producing alternative energy to get that benefit, rather than having this net cast as wide as these anomalous situations in the legislation would have provided. So with those basic and few words, Mr. Speaker, sir, I don't think this is something that anybody would really object to. I beg to move that this be read a second time.

Mr. SPEAKER: A seconder, please. Yes, the Honourable Member for St. Michael North East.

Hon. Miss M. A. MOTTLEY: Thank you, Mr. Speaker. As this is not going to be that contentious, there are just one or two questions I have for the Minister, given his explanations, and I take the point that the manner in which the legislation was drafted certainly casts the benefits far wider than what Government has announced as its intended initiative.

Having said that, I ask the Minister simply whether the benefit that is being extended in terms of the rebate could not be drafted in such a way as to make it absolutely clear that the land tax rebate is only available to the owner of a property who is in fact a producer of alternative energy, and to the owner of a property who is in fact an exporter of products in excess of \$100 000. Now, if that is the case, then it means that we are into a two-step process -

unless of course he uses the budget to make the announcement, in which case he will have the benefit of the four months under the Provisional Collection of Taxes Act, such that by the time the land tax bill comes out in September or October, those persons who are producers of alternative energy or those persons who are exporting in excess of \$100 000 as a manufacturer can still benefit.

Because the impact of what we are doing here today is a complete repeal of the two sections, and hence there will be no rebate of 50 per cent to any manufacturer exporting in excess of \$100 000 and no rebate to any producer of alternative energy. Now, I do accept, having said all of that, that there are some manufacturers who rent from Government and therefore they do not pay land tax. And there are some producers of alternative energy who rent and therefore do not pay land tax. But to the extent that we have them owning their property, then I believe that the initiative as announced and passed in 2012 - the intention was a good intention - to be able to ease the cost of business so as to make them more competitive in the export business as a manufacturer and more competitive in the business of producing alternative energy.

So I do not know if the Minister will reintroduce it, as I said, in the budget that he intends to bring sometime soon, in which case it will have the cloak of the Provisional Collection of Taxes Act such that when the land tax bills come out, they will not have to find 100 per cent of the tax levied if they fall within that very neat and discreet category of person. That is all I really have to say, Mr. Speaker.

Mr. SPEAKER: Yes, Honourable Member.

Hon. C. P. SINCKLER: Mr. Speaker, sir, I can give the Leader of the Opposition the assurance that we are in fact intending to not only reintroduce this properly, but also to extend it to have the entire thing brought within one set of proposals to clean this up. Our intention is to ensure that those persons who are genuinely into producing, manufacturing, and are exporting on top of that, can have the benefit. Individuals will claim theirs in the normal allowance under the Income Tax Act. We will keep that particular thing there so that individuals are given the benefit - not just for the photovoltaic producing, but also for the energy efficiency interventions - because we want to ensure that even though oil prices have abated a bit, and we do not know for how long, that we do not turn our backs on the alternative energy thrust, so to speak.

So I can give that assurance that it is not to take away that benefit, but to have it in place so that by the time the land tax bills are issued, they can progress to have the benefit that was intended for them. So with those words, Mr. Speaker, sir, I beg to move that the bill be read a second time.

The question was put and resolved in the affirmative without division and the Bill was read a second time.

Hon. C. P. SINCKLER: I beg to move that you do now leave the chair and let the House resolve itself into committee for further consideration of this bill.

The question was put and resolved in the affirmative without division and Mr. SPEAKER left the Chair and the House went into Committee, Mr. J. D. PAUL, Chairman of Committees, in the Chair.

COMMITTEE

Clauses 1 - 3, inclusive, were called and passed.

On the motion of Hon. C. P. SINCKLER, Mr. Chairman reported to His Honour, the SPEAKER, the passing of one Bill in Committee without amendment and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. C. P. SINCKLER, the Bill was read a third time, passed and cited as the Land Tax Amendment Act, 2015.

Mr. CLERK: Order Number 16, sir. In the name of the Honourable Minister of Housing, Lands and Rural Development, to move the passing of a resolution to approve, in accordance with Section 5 of the Crown Lands Vesting and Disposal Act, Chapter 225, the vesting in the Barbados Tourism Investment Inc. of a parcel of land, the property of the Crown, situate at Bay Street in the parish of St. Michael in this island, known as the Old Fish Market site, for tourism development.

ORDER NO. 16 – RESOLUTION – CROWN LANDS (VESTING AND DISPOSAL) ACT, CAP. 225 – VESTING IN THE BARBADOS TOURISM INVESTMENT INC. OF LAND AT BAY STREET, ST. MICHAEL, KNOWN AS THE OLD FISH MARKET SITE

Mr. SPEAKER: Honourable Member for St. Lucy.

Hon. D. St.E. KELLMAN: Mr. Speaker, the resolution before this Honourable House seeks permission to vest in a part of the land belonging to the Crown, measuring 1 235.9 square metres, a land situated at Bay Street in the parish of St. Michael known as the Old Fish Market, vested in the Barbados Tourism Investment Inc. for tourism development.

This demonstrates, Mr. Speaker, these changing dynamics as it relates to the land and as it relates to the urban area. Previously, as the resolution would have shown, sir, this land would have been used for the fishing

industry. But as things change in urban Barbados, which is quite different to many other urban areas, where previously this area would have been dominated, as stated, by fishing, manufacturing and retail and wholesaling, now you see a shift where the service industry is now taking over. And it means that this will also impact on how the job and the housing situation in these particular areas will be affected. Because previously most persons would have gravitated from rural Barbados to the urban area because of the type of jobs being offered. Now you will see, sir, that there will be a shift in the persons now seeking work where previously a lot of work would be had in the fishing industry, labour intensive. Now you will see it now of a different quality.

And this also means, Mr. Speaker, that in dealing with this particular matter, it will also shape the thinking of Government as it relates to how we have to deal with housing and job creation in this particular area. So this resolution demonstrates Government's commitment to the changing face of urban Barbados and also the changing face of the economy of Barbados and the diversity of the economy as it relates to the demands of the world. And it is clear that the Government is being proactive and reacting to what is occurring within this area and that we have to take a total approach to it and not a piecemeal approach, and recognise that things are not the same.

So this resolution, even though it is a vesting resolution, is very far reaching and is a resolution that will also dictate, or should dictate, not only the employment policy of Government, but also the housing and the social needs of the Government as it relates to the urban area. And you know, Mr. Speaker, I must say that unlike many Caribbean countries and many countries in Latin America, Barbados in a sense stands alone because whereas there are a lot of people still gravitating from rural areas in Latin America and the rest of the English-speaking Caribbean, you will find that in Barbados the reverse is occurring, because the demand for those types of jobs that would have previously attracted people to make that shift has changed. Now you understand that the reverse is happening where you find, like for example, the city, the decrease in population, because the city does not offer what it used to offer and you see a population shift.

So we have to be cognisant of that. We have to recognise that the way we have done things previously, we cannot continue to do it. And we have to acknowledge that we have to be proactive. For example, this Government has done a lot of work, even some that might have continued from the previous Government. Like for example, the work that was done by the Central Bank where you have the greens and so on, where the previous Government would have acquired the land and this present Government would have uplifted the area by putting in the greens and so on. We now have to ask ourselves whether we can allow the

Central Bank of Barbados to continue to have that whole landscape for itself, or whether we need to get proactive and look at the possibility of bringing housing to that area that suits the landscape of the area. Because I do not think it is fair for us to spend all the money that we have spent in that particular area and not to capitalise on that area by bringing some scale housing to that particular area.

I throw these things out, Mr. Speaker, because as I said, the dynamics of Bridgetown must change and we must be proactive. We have listened to what has been said by the private sector. They are saying that the Government offices are moving. But we must recognise that if the Government offices are moving and the bodies are moving, that we must do something to make a shift. And the shift cannot be how it used to be. We have to understand that the dynamics have changed and we must be proactive and recognise what is happening. Because one thing you cannot do is make the poor. You have to create the dynamics so that you make the shift, so that the poor now can move towards the opportunities, towards the opportunities, and they can have greater offerings. Sometimes people just say, do not do this, do not do that. But we cannot just look at it from a narrow political view. We have to look at the social impact and the impact that we have on the people. And that is why we have to look at the job creation, the social effects, et cetera, and ensure that we deliver and better the lives of those persons who previously would have been living in the area because opportunities were there for them. So with those few remarks, Mr. Speaker, I beg that this resolution do now pass.

Mr. SPEAKER: The Honourable Member for the City of Bridgetown.

Lt. Col. J. D. BOSTIC: Thank you, Mr. Speaker. Mr. Speaker, I have said in this Honourable Chamber before that the Barbados Labour Party would not oppose a resolution that relates to housing or, as in this case, a resolution dealing with the provision of land for development for the people of Barbados. In principle, that is a position that the Barbados Labour Party would always take. But on this occasion, even though I would continue along that vein, I find it difficult to really speak to an issue where the Honourable Minister, the Honourable Member for St. Lucy, really offered me no information in terms of what it is that is supposed to take place at the Old Fish Market. I do not recall, sir, at any time hearing anything telling me exactly what was going to be happening at the Old Fish Market complex. And that,

Mr. Speaker, I think, is something that the Honourable Member should address when he comes back the second time. And I say that, Mr. Speaker, because we have been hearing a lot of talk of developments within the City of Bridgetown. And as a Member of Parliament for the City of Bridgetown, I would always welcome that. I

would always welcome that, especially at a time when our capital city - people say the city is dying. And there is a lot of evidence to support that, certainly from the commercial side of life. So developments within the city would always be supported by the Member of Parliament for the City of Bridgetown. And I say that too, especially considering and recognising the fact that Bridgetown, the historic Bridgetown and its Garrison, is the UNESCO site, a site that we should be proud of. And so I think that any Government should move with alacrity in terms of maximising the benefits to be gained by this designation and certainly doing whatever is required to get Bridgetown up and running again.

Mr. Speaker, I am speaking in this vein because I recall, for example, hearing about a Pierhead development project which I believe - in fact, I am sure - was started under the Barbados Labour Party administration. But I am not certain as to what is happening with that project. Where is that project going, if it is indeed going anywhere? Has the project been reconstituted? Does it look like something else today in terms of what the present Government is thinking? What is exactly happening with this project? Mr. Speaker, that is something that I would certainly like the Honourable Member to say something about.

We also spoke in this House about the Sugar Point project, and we are now going on to the Old Fish Market project. But what is happening with the Sugar Point project? That is something that I would like the Honourable Member to be able to say something about, or at least if he can, speak to his colleagues and let this side know exactly what is happening in that regard. Land was also vested, I believe, in this Honourable Chamber dealing with a project at the Old General Hospital. And once again, nothing has been said where this project is concerned. And I know that bids were submitted and everything. There are people who were interested in developing this area. There is a UNESCO building, I believe, that is located on that site. And whenever I pass, I envisage a situation where something that you observe in Cartagena in Colombia, where a hotel, for example, was built within the walls of a very old fort there in Cartagena. And to me it was a very, very pleasing sight. And so this should not really obstruct progress. And anything that happens there can be developed while restoring and maintaining that aspect of the area there.

So I am asking the Honourable Member if he can say something with regards to what decisions have been taken in terms of the Old General Hospital site. And the same thing, Mr. Speaker, at places like Kings Village, City of Bridgetown - again, a housing development that we have not heard anything at all about. Mason Hall Street housing development. The Honourable Member came in here and promised me that he is doing all of these things for me and the City of Bridgetown. But we have not heard anything

about them. Nothing at all that has been mentioned in relation to developments in Bridgetown has actually come about, Mr. Speaker. And that is a concern for me, as it is certainly for those people whom I represent in this Honourable Chamber.

So, as I said, we have no objection in principle. But these are some questions that if the Honourable Member could provide some answers, I certainly would welcome those answers. When it comes to development within the City of Bridgetown and revitalising the city, Mr. Speaker, I would also like to see some collateral benefits going to the residents of the City of Bridgetown. Because as we seek to build up Bridgetown - words normally used by the Honourable Member for St. Lucy - as we seek to beautify Bridgetown, I believe, keeping within the whole question of the World Heritage Site, that those communities around these areas ought to benefit in some form or fashion. And so whatever development is going to take place at the Old Fish Market, I hope that it would take into account providing some collateral benefits for the communities within the area. Whether those benefits are jobs or assistance with housing, with roads, whatever - I am asking that be taken into consideration for the people that I represent.

So, as brief as the Honourable Member and the Honourable Minister, whilst I will be myself, I say that the Barbados Labour Party has no objections to the resolution. But we certainly would like to know exactly what is going to be happening along that stretch of Bridgetown which has great commercial value and is also an area where people tend to congregate very, very often on the beaches and so on. I think it is in their interest that we at least be able to say something about the project. With that I thank you, Mr. Speaker.

Mr. SPEAKER: The Honourable Member for St. Michael South Central.

Hon. R. L. SEALY: In keeping with both of the presentations we've had on this resolution, I too will also be brief. Before the House is a matter of vesting a rather small parcel of land, 1 200 square metres, vesting it in the Barbados Tourism Investment Inc. This is a piece of land that was a fish market that is now proposed to be integrated into the tourism offerings of the island. There has been an extended gestation period. The previous government had started the process. In fact, in their early days, 1996, as a young government, they started this process. So we've had an extended gestation period. But as we heard from the Member of Parliament, also a member of the opposition, they're not opposing what we are doing here. And so again, I don't think we need to prolong the House, but I just thought that since it is going to be vested in BTI and it will ultimately be integrated into our tourism offerings, that I should just say a few words and some words of assurance.

The Member of Parliament for the City did not directly raise it, but I'm certain his constituents would want the assurance. Because even though this piece of land is quite small and even though the fish market is no longer there, it is still a very busy parcel of land. There is a highly enterprising culinary operator that does a roaring trade on weekends. You see the long lines of people there getting freshly grilled protein - fish and so on - and long lines from six going right through to almost the next morning. And of course the dominoes and drinks and so on, and even a karaoke machine or so. So it's an area that is in fact used by constituents of the City of Bridgetown. And while we are not going to promise you that use will continue after it's been vested in BTI because of developmental opportunities, I think it is still important to make the point.

And I think I've heard the Member of Parliament for the City with this, albeit not in this debate, but in other places, and one or two activists, including a former aspirant for the City who is now again a Pan-Africanist and an activist, among other things, expressing a view that the Carlisle Bay area tourism should be off limits because it is heavily traversed by so many locals, including constituents of mine, actually, St. Michael South Central. I'm simply saying that with respect to the development plans, I reject this notion that it has to be for use of locals or visitors exclusively. Indeed, this very strength of our tourism product is that we allow ourselves to immerse among the communities and so on. This is how the south coast operates, this is how the west coast operates. And I know that this was raised with respect to this very area as well.

So I think that the existing use, while it may not be that identical use, I think it's important to appreciate that even though no decision has been made ultimately as to what will happen with this particular parcel, the idea is that we will be able to have a number of tourism offerings in that area. And indeed it has to dovetail with the community use of the beach also and those other areas. And I think it is a strength and not a weakness. And so I sincerely look forward to seeing what happens. A number of private sector entities in that corridor have expressed an interest in doing different projects on that land. No decision has been made yet. But suffice it to say, as the member alluded to, the old award along with this area have been earmarked a little further down.

Of course, what I can announce is that there will, with a bit of luck, be some hotel development that will be added to what is already a very significant offering for day trippers, cruisers, what's happening at the former Copacabana and of course Harbour Lights and the Boatyard, etc., mainly offering packages for cruise passengers. So in essence we will try to expand our offerings for day trippers, but also develop the accommodation offerings in Barbados. And so in essence we have another axis of tourism activity. You have the

south coast, you have the west coast and you can have Carlisle Bay, one of the best beaches in the Caribbean. And I think if we sensibly develop it with the appropriate windows, public accesses, etc., we don't need to imperil the fact that it is a favourite spot of so many residents from again, that City area, the Bay Line, Martindale's Road, Halls Road, Carrington Village, the full gamut. We know that it is heavily used and I think that will be kept in mind with respect to the physical planning of the area and the approvals to the various developments.

So I think I just wanted to add that - I thought it was important to mention those things. This also brings to mind some other opportunities for some government-owned land in the area and how that can be integrated again in this revised master plan for the area, fitting in perfectly with the historic Bridgetown and its Garrison being given the UNESCO inscription. So this is a good opportunity to really change the whole dynamic of that area. The plans to refurbish the Empire Theatre - a lot of good things happening in that area. And I just thought I would mention that with respect to what we are doing, we are moving very carefully. Obviously, yes, we want to see the Pierhead developed - that too had a very, very long run-up. And we are working with the circumstances and there is a private sector partner. So the questions of getting the right financing and the appropriate master planning in place, going through those exercises, not to mention of course the environmental concerns, the coastal protection issues, et cetera. So we are working on, in essence, an overall plan for the area.

This actual parcel is very small in the whole scheme of things. But because it is such a fine example of exactly what we're up against in terms of the existing use and what it may mean to the community - small piece of land but very, very important for some people - and we are not going to disregard that when we are looking at the development plan for the entire Carlisle Bay and for that matter the peninsula as well, Needham's Point peninsula, what we plan to do up there. That's the extreme end of Carlisle Bay of course and what we are doing in the overall area. So Mr. Speaker, again with those few words, like the two speakers before me, I not only support this resolution but I look forward to seeing all of the wonderful development that will occur, that will ensue from getting this parcel of land in the mix with the overall plans for Carlisle Bay. I'm obliged to you, sir.

Hon. J. D. E. BOYCE: Mr. Speaker, sir, just a few words in support of the resolution. As the last speaker indicated, both the mover and the Member for the City in their presentations alluded to the very important development profile which must accompany all our plans for indeed all the potential tourism areas in Barbados. It is therefore of course very fitting that the vesting of this land will be in the Barbados Tourism Investment Incorporated, a

company which has really distinguished itself in terms of the ability to transform potential tourism areas in Barbados into useful and profitable entities. It has also spread its wings into the whole area not only of physical development per se, but in terms of the whole investment around that physical development - attracting entrepreneurs, attracting large investors, local and foreign, to our shores to continue this very important development.

The Honourable Member for the City of course highlighted the unique location. The Member for St. Michael South Central reiterated the fact that all of this development around Bay Street, Bridgetown has to occur in a particular form which allows for the whole symmetry of Bridgetown and its Garrison to be continued. And I would want to take this opportunity of course to commend those who have worked so hard - the museum itself and the director of the museum and of course the non-governmental organisations also who have been very active in ensuring that the City of Bridgetown becomes known and becomes world renowned for the very rich heritage which it possesses.

So this again is another opportunity for us in Barbados to identify and execute a development project which ties in beautifully with the entire concept of what Barbados continues to offer to the world - a unique tourism product. As a matter of fact, the Minister of Tourism, I believe only last week in the press, was quoted as saying that the other territories in the region are now looking at the Barbados model and I dare say in particular the oistins fish fry model in terms of their continued development in the environs of this particular spot. As a matter of fact, today there is a very Barbadian experience which can be had every Friday and Saturday night. And whatever happens, one should make sure that opportunity is not lost. It may change in terms of the style, it may change in terms of the exact footprint. But I think that experience and that opportunity for Barbadians and visitors to mingle and to taste and to share the Barbadiana experience is extremely important.

So once these kinds of lands are identified, the rich heritage is recognised and the development is identified and executed, we must be sure that all the benefits that can be gained from retaining that rich tourism heritage are in fact gained. And so, with that comfortable assurance of the Minister of Housing and Lands and of course the Minister of Tourism, I want to also lend my support to this resolution. I'm obliged to you, Mr. Speaker.

Mr. SPEAKER: Yes, the Honourable Member for St. Lucy.

Hon. D. St.E. KELLMAN: Mr. Speaker, in answering the Honourable Member for the City about BTIA, I want to remind the Honourable Member that it was

the Barbados Labour Party that formed BTIA and took the responsibility of developing these lands under BTII. So the criticism of the mention of Housing and Lands - I think because BTIA was formed for tourism development, etc. So even though I said tourism development, the Honourable Member said I did not say what it was for. I honestly thought that he knew the Barbados Labour Party's policy and why they had set up BTII. But I realised that his heart was still in the right place and he did not understand that it was the Barbados Labour Party who set up BTII for tourism development, etc.

But Mr. Speaker, there is no doubt that the dynamics in this area have changed. And I was also very happy when the Honourable Member asked me about the Pierhead project because the history of the Pierhead project is so well known now to Barbados - it dates back as far as the nineties. And I am glad that the Honourable Member asked me why it is that the Barbados Labour Party did not complete this project from the nineties up to 2007. So Mr. Speaker, with those few words I want to say that I am happy that the Honourable Member for the City was able to raise more concerns about the Barbados Labour Party than I was able to raise when I introduced this Bill. And it's clear - yes, Honourable Member -

Lt. Col. J. D. BOSTIC: - misleading the House, and I was trying desperately not to get up and just to let it flow. But Mr. Speaker, I never questioned anything regarding the policy of the Barbados Labour Party. All I have done is to ask the Honourable Member to say what - or to update on projects. That's all.

Mr. SPEAKER: Please continue.

Hon. D. St.E. KELLMAN: I cannot update the House on the Barbados Labour Party's policy. So if you all remember, you asked me where the Barbados Labour Party formed the BTI - I could not answer it because I was not in their bosom. And then the Honourable Member turned and asked me why the Barbados Labour Party did not complete the Pierhead project and I could not answer that either. So Mr. Speaker, with those few words I would like to say that I would like to ask for this resolution to pass and to assure the Honourable Member that we are still working on the Mason Hall project. We have acquired both of the properties and the Honourable Member knows that not only are we working on those projects, but we are ensuring that when we make the decision on those projects we do not make the same error that occurred previously - and that was left for us - so that when we deal with them they will be completed projects and not works in progress. With those few remarks, Mr. Speaker, I beg that this resolution do now pass.

The question that the Resolution do now pass was put and resolved in the affirmative without division.

ADJOURNMENT

Hon. J. D. E. BOYCE: Honourable Member, with that we've come to the end of Government Business for today and I beg to move that the House be adjourned until Monday, June 15, 2015 at 4.00 p.m., when the Financial Statement and Budgetary Proposals for 2015 will be presented to the Chamber and to the country by the Minister of Finance, the Honourable Member for St. Michael North West. Monday, June 15, 2015 at 4.00 p.m.

The question that the House be adjourned until Monday, June 15, 2015 at 4.00 p.m. was put and resolved in the affirmative without division and Mr. SPEAKER adjourned the House accordingly.

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LASHLEY, Hon. S. A. (Christ Church West Central)

LOWE, Dr. the Hon. D. S. (Christ Church East)

MARSHALL, Mr. D. D. (St. Joseph)

MOTTLEY, Hon. Miss M. A. (St. Michael North East)

PAUL, Mr. J. D. (St. Michael West Central)

SEALY, Hon. R. L. (St. Michael South Central)

SINCKLER, Hon. C. P. (St. Michael North West)

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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 prayer itself is not reproduced. The Members listed are those identified from the record; the time of meeting, 10.00 a.m., is as stated in the source. Please supply from the Votes and Proceedings.

Q2. Throughout. The bracketed time-checks in the source are out of sequence (for example '[12.30 a.m.]' to '[2.30 a.m.]' during the morning debate and '[12.30 p.m.]' after the luncheon suspension) and have been omitted.

Q3. Throughout. The source places the words 'I beg to second that' at the start of Mr. SPEAKER's putting of the question. They are printed here as a separate seconding under AN HON. MEMBER; the seconders are not identified. Please confirm.

Q4. Minutes, Mr. SPEAKER. Mr. SPEAKER's announcement of the change in the membership of the Public Accounts Committee follows the confirmation of the Minutes in the source and is printed as his statement. He refers to 'Hon. Dale D. Marshall, Q.C., M.P.'; the Member for St. Joseph sat on the Opposition back bench in 2015 and is headed Mr. D. D. MARSHALL elsewhere in this report.

Q5. Government Business, Clerk. The Clerk reads 'Number Two, sir' for the Customs Amendment Bill, 2015, and refers to 'the Honourable Minister of Economic Affairs'. The Order is printed as ORDER NO. 2 as read; please confirm the Order number against the Order Paper.

Q6. Customs Amendment Bill, Mr. J. D. Paul. The speech opens 'Sir. Yes, sir. Member participate in the debate and to make a contribution.' The opening words appear incomplete in the source and are printed as given. Please check against the recording.

Q7. Customs Amendment Bill, Hon. C. P. Sinckler (reply). Mr. SPEAKER called the Member for St. Michael North West; the first words of the reply, 'Yes, Mr. Speaker, sir, thank you very', are headed 'HIS HONOUR NEIL G. H. ROWE, J.P., M.P. (St. Michael North West)' in the source. He was not a Member of the 2013–2018 House. The words have been joined to the reply of Hon. C. P.

SINCKLER, Member for St. Michael North West, which follows.

Q8. Customs Amendment Bill, Committee. The source records 'The House resolved itself into committee' without a motion or question for the Speaker to leave the Chair, and does not name the Chairman; the Chairman of Committees, Mr. J. D. Paul, is presumed. Hon. C. P. Sinckler moved clause 1 'with the amendment that there should be the Customs Amendment Act 2015'; the amendment is not otherwise recorded and the Chairman put the clause without reference to it. The Committee stage is condensed to the Official Report formulae. Please confirm whether clause 1 was amended.

Q9. Suspension. Hon. J. D. E. Boyce moved that the sitting be suspended 'until 2.30 this afternoon', but the source's closing line reads '[THE SITTING WAS SUSPENDED AT 2.30 P.M.]'. The time of suspension is not recorded and the resumption of the sitting is not recorded; RESUMPTION is supplied. Please confirm the times.

Q10. Resumption, Order No. 15. The source records only the Clerk's 'Order Number 15' and Mr. SPEAKER's 'Order Number 15 be withdrawn', without a mover or the title of the Order. Please supply from the Order Paper.

Q11. Order No. 17, Mr. SPEAKER. The call reads 'Honourable Member for St. Michael West Central' in the source. The Bill stood in the name of the Minister of Finance and Economic Affairs and was moved by Hon. C. P. SINCKLER, Member for St. Michael North West; the call is corrected.

Q12. Order No. 16, Hon. J. D. E. Boyce. No call from the Chair is recorded before the speech of Hon. J. D. E. Boyce, which follows that of Hon. R. L. Sealy.

Q13. Order No. 16, Lt. Col. J. D. Bostic and Hon. D. St.E. Kellman. In the source the words 'Mr. Speaker, in answering' appear at the end of Mr. SPEAKER's call and are joined here to the reply of Hon. D. St.E. KELLMAN. Lt. Col. J. D. Bostic's intervention begins '- misleading the House'; his opening words are not recorded. The words 'Please continue', which open the next passage under Hon. D. St.E. Kellman, are printed under Mr. SPEAKER. The words 'this resolution do now pass', at the start of Mr. SPEAKER's putting of the question, are restored to the end of the Minister's reply. Please check against the recording.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The House of Assembly met at 10.00 a.m. on Tuesday, May 12, 2015, with Mr. SPEAKER presiding. After Prayers the Minutes of May 5, 2015 were confirmed, and Mr. SPEAKER announced that, at the request of the Leader of the Opposition, the Member for St. Joseph would replace the Member for St. Peter on the Public Accounts Committee. Hon. J. D. E. Boyce laid the Report on the Audit of the Accounts of the National Insurance Fund, 2003, and Hon. C. P. Sinckler laid an exemption order, the Auditor General's Annual Report and Financial Statements for 2013-14 and the Central Bank's Annual Report, 2014. Dr. the Hon. D. S. Lowe moved the first reading of the Sanitation Service Authority Amendment Bill, 2015, and Standing Orders were suspended.

Hon. C. P. Sinckler moved the second reading of the Customs Amendment Bill, 2015, which amends the Customs Act, Cap. 66, to provide for post-clearance audit. He said the work began with the reform of Customs in 2006 under the previous administration and a small audit unit set up in 2009, and that the Bill would let the Controller of Customs enter premises and examine electronic records without first seeking a writ of assistance under section 199. Mr. D. D. Marshall gave the Opposition's support but asked whether Customs would have the staff for audits when it was expected to lose 25 officers on entering the Barbados Revenue Authority, and whether its border enforcement role would be protected. Hon. S. A. Lashley welcomed the provisions on confidentiality and on court attachment orders; Hon. D. St.E. Kellman urged equal attention to exports and spoke of over-invoicing; and Mr. J. D. Paul spoke of Customs' role in enforcing product standards.

Replying, Hon. C. P. Sinckler gave the assurance that border protection would not be affected, said new posts would be created in the Authority and that he would bring a Ministerial statement on the four divisions proposed for

Customs, and called for a review of the tariff system in light of the Economic Partnership Agreement. The Bill passed through Committee and was read a third time and passed as the Customs Amendment Act, 2015, and the sitting was suspended for lunch.

On the resumption Order No. 15 was withdrawn. Under Order No. 17 Hon. C. P. Sinckler moved the second reading of the Land Tax Amendment Bill, 2015, explaining that sections 6I and 6J, which gave a 50 per cent land tax rebate from April 1, 2012 to manufacturers exporting \$100 000 or more and to solar energy producers, had been drafted so as to extend the benefit to individuals and to persons with no connection to the property. Hon. Miss M. A. Mottley noted that the Bill repealed both sections and asked whether the rebate would be reintroduced in the Budget; the Minister said it would be reintroduced and extended. The Bill passed through Committee without amendment and was read a third time and passed as the Land Tax Amendment Act, 2015.

Under Order No. 16 Hon. D. St.E. Kellman moved a Resolution under the Crown Lands (Vesting and Disposal) Act, Cap. 225, to vest 1 235.9 square metres at Bay Street, St. Michael, the Old Fish Market site, in the Barbados Tourism Investment Inc. for tourism development. Lt. Col. J. D. Bostic said the Opposition did not object but asked about the plans for the site and for the Pierhead, Sugar Point, Old General Hospital and Mason Hall Street projects. Hon. R. L. Sealy said the site would form part of a master plan for Carlisle Bay with some hotel development, and Hon. J. D. E. Boyce supported the Resolution. In reply Hon. D. St.E. Kellman said work continued on the Mason Hall project. The Resolution was passed, and the House adjourned until Monday, June 15, 2015 at 4.00 p.m., when the Financial Statement and Budgetary Proposals were to be presented.