BARBADOS CHAMBER OF COMMERCE & INDUSTRY

CHAMBER BIZ

BCCI NEWSLETTER JUNE 2016

A Message From The President

The BCCI has just concluded its yearlong celebrations of its **190th anniversary on May 30, 2016**. I am truly humbled to be the president of this trusted and respected organisation and comforted to know that we have such a talented and diverse Council leading us into our 191st year.

The new Executive and Council are:

- **Mr. Eddy Abed - President**
- **Mr. Edward Clarke - Senior Vice President**
- **Mrs. Betty Brathwaite - Vice President - Finance**
- **Mr. Ezra Prescod - Vice President**
- **Mr. Norman Barrow- A&B Music Supplies**
- **Mr. Anthony Branker - Massy Barbados**
- **Mrs. Allison Browne Ellis - Duty Free Caribbean**
- **Mr. Jaggernauth Das - C&W Business**
- **Mr. Glyne Harrison - First Citizens Bank**
- **Mr. Mark Hassell - Eric Hassell Shipping**
- **Mr. Oliver Jordan - PwC**
- **Mrs. Louisa Lewis-Ward – KPMG**
- **Mr. Nicholas Mouttet - Ansa McAl**
- **Mr. Jim Reid - Caribbean LED Lighting**
- **Mr. Ryan Straughn - Abelian Consulting Services**
- **Ms. Tracey Shuffler - Immediate Past President**

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A Message From The President Cont'd

We are driven by our members' needs which are incrementally being resolved (albeit at a snail's pace). We have therefore set some goals aimed at:

- **INCREASING BUSINESS FACILITATION**
- **INCREASING PRODUCTIVIUTY IN BOTH THE PRIVATE & PUBLIC SECTORS**
- **EARNING & SAVING FOREIGN EXCHANGE**
- **GROWING THE ECONOMY**

We have agreed that the Chamber's advocacy is best aided when there is a greater focus on specific issues. Consequently, the following sub committees have been proposed and accepted by the Council:

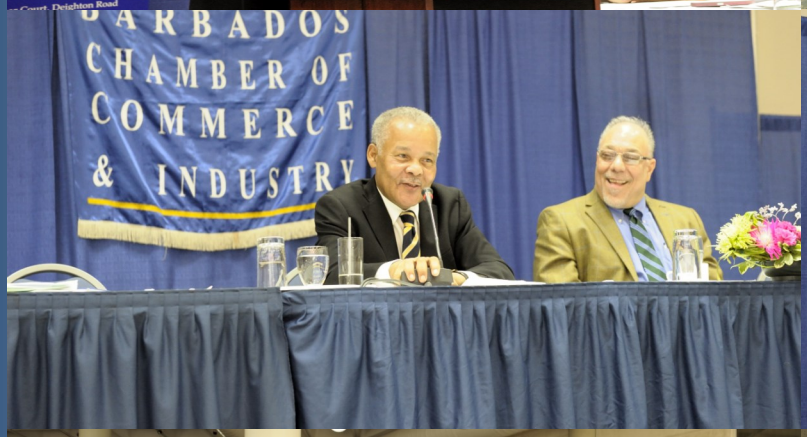
- **BUSINESS FACILITATION (SOLVING ISSUES ON CUSTOMS, BRA, VAT, TC&P, IMMIGRATION)**
- **TRADE & ECON POLICY (PRODUCTIVITY, ECONOMIC POLICY, INT'L TRADE, TAXATION, BUDGET)**
- **LEGAL & REGULATORY AFFAIRS (LEGISLATION, POLICY GUIDANCE,**
- **GREEN COMMITTEE (ENERGY & RENEWABLES)**
- **REVITALIZATION OF BRIDGETOWN INITIATIVE (TRBI)**
- **RETAIL & DISTRIBUTION (FOOD GROUP, DUTY FREE AND STANDARDS)**
- **MARKETING & SOCIAL COMMUNITY (PR, MARKETING, SOCIAL PROGRAMMES)**
- **INNOVATION & ENTREPRENEURSHIP COMMITTEE (E-COMMERCE & FUTURE BUSINESS NEEDS)**

The committee heads have been selected and I'm hopeful that these competent individuals will accept their positions so that the committees can be populated by month's end. These committees will require members that are willing and able to contribute of their time, so as to make them as effective as possible. Consequently, I ask all members to make their availability known by contacting the Secretariat.

The BCCI remains the most respected voice of the business community and it is incumbent on us to speak out on national issues that affect the quality of our society. It is in this regard that I am compelled to voice our concerns about the unacceptable increase in the amount of individuals and companies which openly disregard the authority of the law! Equally, the almost daily occurrence of senseless killings involving the youth cannot be accepted as part of our new landscape!

I am reminded of a quote that I recently heard: "When something bad happens, we can let it define us or destroy us…OR WE CAN LET IT STRENGTHEN US!". Crime, lawlessness, entitlement mentality, low productivity and discrimination have crippled many industrialised economies and their effect on ours as a tourist and international business destination will be utterly devastating! This is a fight which the Social Partnership of this country must agree to tackle collectively and not be tempted to blame others; as the fear of these scourges taking deeper root should be a major concern to all Barbadians.

BCCI May Business Luncheon



The BCCI culminated its 190th Anniversary with its AGM and May Business Luncheon.

" **The Stabilisation and Transformation of the Barbados Economy**" was the topic of the day and was described by many, including guest speaker the Rt. Hon. Owen Arthur M.P. as a fitting topic at this juncture given the country's Celebration of 50 years of Independence combined with the current state of the economy.

The Former Prime Minister of Barbados and noted economist appraised the attentive audience of the history behind decisions made on the Barbados Economy and went on to discuss possible solutions, in his opinion, to the current issues that the country is facing. This very informative session was then followed by a frank discussion. Newly elected BCCI President-Eddy Abed also addressed the crowd and in his speech highlighted the areas which the Council intends to continue their focus in the near future.

In the spirit of entrepreneurship, BCCI facilitated some of the entrepreneurs featured in the **Bank on Me Programme** who capitalised on the opportunity to showcase their products to the over 200 attendees at this BCCI Event.

Congratulations once again to the winner of the business card draw Mr. Uzzam Riaz-Deloitte, who received a VIP package to the SOL Rally compliments SOL (Barbados) Ltd and LEX Caribbean which was the winner of the BCCI Advertising Member package.

From the Desk of the Executive Director — Mrs. Lisa Gale

Discussions on the Economic Partnership Agreement (EPA)

I had a short chat with a former colleague last week and it encouraged me to reflect on this topic. Barbados signed the EPA in 2008 at the then Sherbourne Conference Centre. I was very proud to witness the signing after having worked closely with the negotiations in my previous job at the Foreign Trade Division as Senior Economist.

As part of CARIFORUM (CARICOM and Dominican Republic) the region entered into a new dispensation of trade. In my view the EPA should be thought of as a tool for economic development. It certainly presents not only opportunities but also challenges for Barbados. Under the Agreement, the European Community (EC) has provided new and enhanced market access for CARIFORUM imports and CARIFORUM has committed to liberalising up to 86% of its imports from the EC over a 25 year transition period. This transition away from preferential arrangements to a WTO compatible reciprocal, open trading regime presents a number of advantages to CARIFORUM states: 1) it widens access to EC markets for almost all Barbadian products; 2) it potentially lowers the price of EC inputs and intermediate goods to local industries here in Barbados; 3) it reinforces the current regional integration effort; and 4) it challenges the government to reduce the preferences and incentives that have protected certain industries forcing the private sector to become more competitive.

Whether we can benefit from it depends very much on the extent that we try to aggressively contest the market access and use the development package to deal with capacity constraints both in the private sector and public sector. Just the mere fact of having all of the will in the world does not translate market access into sales. Of course there may be elements beyond our control.

It is in this context that it is imperative that the export promotion agencies work closely with members of the private sector to assist in identifying and opening potential markets. We at BCCI must continue to advance the trade missions aimed at increasing awareness of products and services and also creating connections otherwise not made. In addition, where there are remaining barriers, these issues need to be flagged with the Ministries of Foreign Trade and Foreign Affairs and Commerce in order that they can be addressed in the consultative mechanisms established under the EPA.

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From the Desk of the Executive Director— Mrs. Lisa Gale

Added to these opportunities, it also brings a number of challenges: 1) the growing concern that Caribbean markets will be flooded by goods and services from the EC; 2) concern about non-tariff barriers (NTBs) to trade in the EC (Barbados already cannot export protein products to the EU because of inadequate SPS legislation—this is a big peeve of mine as we have a few members with market contestability in this sector); 3) uncertainty about the readiness of the business climate to support export-led growth and 4) insecurity about the private sector's capacity to compete, diversify and innovate in a global liberalised market.

I am fully aware that the benefits derived from free trade will be neither achievable nor sustainable without a business-friendly environment and a strong business sector; that is ready to face the significant challenges that will result from regional integration and international trade liberalisation.

In order to help the Barbadian private sector take advantage of regional and global integration, the Chamber plays a key role in advocating and lobbying for appropriate private sector development and competitiveness policy reforms; in order to helps our members understand and take advantage of the opportunities of the EPA and other trade agreements.

We have particularly been lobbying government for improved legislation, particularly SPS reform, public sector reform and improved business facilitation across the board. We have also successfully lobbied to sit on the steering committee of the Competitiveness Programme funded by the IADB and we have successfully lobbied for the removal of the Environmental Levy from imported goods. More recently, we have placed the green economy on the front burner and have worked with key players to advance this important agenda. We hope to, in short order, liaise with other key trade experts to put on short awareness seminars/workshops/business fora to engage our members on specific matters under the EPA. I must admit that the few times we have tried to advance this there has been very little interest.

We recognize that we cannot do it alone and have been collaborating with our other private sector colleagues. Credit must be given to the sterling work done by the BPSTT, who has worked tirelessly in keeping us (the various member agencies) informed, attending meetings, developing positions and ultimately defending the interests of the private sector in trade developments.

As it relates to awareness, I would say that the private sector is generally aware of the EPA. They understand that there will be some level of liberalisation and they understand that there has been access granted to domestic producers to the European and CARIFORUM markets. However, I contend that perhaps that level of awareness is superficial. There is a need for businesses to understand specifically how the agreement affects the markets (domestic, regional and European) for the products they produce and/or sell as well as the services they offer.

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Do Digital Financial Services (DFS) Promote Financial Inclusion?

"Imagine a future where everything is seamlessly paid for via your phone. It's a beautiful vision — with some dangerous unintended consequences." - Unknown

Does the progress towards more modern electronic payment mechanisms help to achieve the goal of financial inclusion? The objective of financial inclusion is simply to provide financial services and products to the unserved and the underserved persons in the economy.

So how do we reach these individuals? Some persons have proposed by Digital Financial Services (DFS). The system of banking is changing and new technologies are arising. Many are signalling that the death of cash is near as a result of DFS becoming more prevalent. Moving towards a cashless society is seen as an appeal to the unbanked and underbanked population, thus promoting financial inclusion. DFS offer convenient and less expensive ways to make payments and transfer funds.

It is said that the removal of cash eliminates the black market but at the same time, persons are concerned by the thought of all transactions being monitored.

Research has shown that the use of DFS has been launched in more than 80 countries (GSMA, 2014). It now provides individuals who were excluded or underserved with a number of benefits. These individuals, with the implementation of DFS, have access to formal financial services like payments, transfers and many others services at significantly lower costs. This platform also reduces the risk of theft and loss associated with cash-based transactions.

While the benefits promote financial inclusion, there are some associated risks that must be highlighted. Due to the lack of familiarity with the financial products, customers face the risk of being vulnerable to exploitation and abuse. There is also the risk directly related to technology malfunction. Though the risks may not seem to outweigh the benefits, there is still the need for appropriate regulation and supervision. Key regulatory issues which must be addressed include consumer protection, payment system regulation and risks related to operations, liquidity, money laundering and possibly terrorist financing.

As online shopping becomes yet more prevalent, and prepaid credit cards take the place of more and more low-value cash transactions, cash is seemingly becoming obsolete. Accessibility of these services should be supported through the financial education of clients in efforts of achieving the main goal of financial inclusion.

Article by BCCI Masters Intern— Ms. Ria-Ashlee Reifer

Join us at our next upcoming event!

BCCI JUNE 2016 BUSINESS LUNCHEON

BARBADOS CHAMBER OF COMMERCE & INDUSTRY

Caribbean LED Lighting Inc.
look on the BRIGHTER side

" Energy Security -The Game Changer"

Presentations from:

** Mr. Gerard Borely - Caribbean Led Lighting * Assistant Commissioner Erwin Boyce - RBPF*
** Mr. Dave McGregor - Barbados Light & Power* Ms. Joanne Edghill - Megapower*

WEDNESDAY, 29 JUNE 2016, HILTON BARBADOS RESORT, 12 P.M TO 2 P.M.

ADMISSION: Members $100, Non-Members $125

REGISTRATION FORM

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NAME & E-MAIL: ……

NAME & E-MAIL: ……

NAME & E-MAIL:……

Payment **MUST** be made on or before the event. Cheques should be made payable to **The BCCI.**
CANCELLATION POLICY: Fees will only be refunded or carried forward upon notification or cancellation **forty-eight (48) hours prior** to the start of the event. All bookings will be deemed as a commitment and billed unless cancelled within the aforementioned period. **ABSOLUTELY NO REFUNDS FOR NO-SHOWS.**
For more information contact us: Telephone: (246) 434-4750. **Fax:** (246) 228-2907. **Email:** bcci@barbadoschamber.com

To register contact the BCCI at 434-4750 or email us at bcci@barbadoschamber.com

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