

FEATURE ADDRESS BY THE
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ACTING PRIME MINISTER
OF BARBADOS

TO THE
INAUGURAL BARBADOS NETWORK
CONSULTATION AT THE
LLOYD ERSKINE SANDIFORD CENTRE

ON FRIDAY, AUGUST 6, 2010

"STRENGTHENING THE BONDS THAT UNITE US"

Cabinet Ministers, Members of Parliament, Members of the Senate, specially invited guests, fellow Barbadians:

I am honoured to be in the company of so many distinguished Barbadians, who have been making their contribution felt in diverse fields and diverse jurisdictions overseas, or who have returned with their skills and capital to contribute to the building of Barbados. I am especially pleased at the enthusiastic support you have given to this Inaugural Diaspora Conference, and the powerful signal you send, by your presence here today, that you are ready to take up the challenge to help Government redefine its relationship with Overseas Barbadians.

As Minister McClean has so clearly explained to you, this Consultation, and the philosophy that underpins it, are the brainchild of Prime Minister David Thompson. In his very first budget statement he spoke to the need to re-engage with Barbadians living overseas, and set this as one of the priority objectives of the CIEX, the Council he established to coordinate the efforts of our principal foreign exchange sectors. Prime Minister Thompson explained his thinking as follows: “the loss of revenue from the duty-free importation of one motor car per household is miniscule compared to the enormous contribution which our overseas nationals can make to national development through their remittances; their support of local products in the external market; their volunteerism and philanthropy towards the disadvantaged and their advocacy on behalf of Barbados’ vital interests in their adopted communities”.

The message which Prime Minister Thompson conveyed then, and which we carry forward today on his behalf, is simply this: we value the enormous contribution which generations of Barbadian migrants have made to the development and progress of their homeland. We believe that the contribution they have already made is deserving of much greater recognition than it has been accorded in the past. We also believe that more can be done to attract an even higher level of investment by Overseas Barbadians in the economic, social and cultural development of Barbados. With the right structures in place the creativity, entrepreneurship and goodwill of the Diaspora can be harnessed more effectively and in ways that are sustainable and mutually beneficial.

This Government recognizes that it does not hold a monopoly on good ideas, hence our intention to consult as widely as possible and to benefit from the unique perspective of those of you who have lived and worked overseas. That is the rationale behind the convening of this important Conference. We are convinced that Barbadians everywhere are proud of their beloved country, and committed to its progressive development. We are determined to work with you to open avenues for your full participation in that process. Barbadians abroad can and should be able to invest in viable projects in Barbados which bring them meaningful returns while at the same time furthering national development. The Government can and should encourage and facilitate such investment.

Whether you remain abroad or return to Barbados, we want you to be a part of the next phase of Barbados' development. If you build a house, or start a business, or invest in bonds, or remit foreign exchange to your relatives, or promote our niche products and our cultural industries in your communities, or encourage investors or tourists to choose Barbados, then you are contributing to the growth of a stable and prosperous society back home. Your efforts are of immense value to us, and can be further enhanced through supportive policies on the part of Government.

In this spirit the Cabinet has conducted a thorough review of the existing package of measures and concessions offered to returning residents and has approved a number of changes to make them more responsive to your needs and less cumbersome to

administer. I am pleased therefore to be able to announce that, with effect from September 1st this year, the following significant changes will be made to what is now called the Returning Nationals Policy, but which will henceforth be known as the Barbados Network Programme:

- The minimum age will be removed and Barbadians under the age of 50 and returning home will now qualify for the duty free concession. This will expand the target group of the Programme beyond the traditional retiree to encompass younger Barbadian entrepreneurs with marketable skills and viable business initiatives ;

- A Barbadian national who is a citizen by birth, descent, registration or naturalization will qualify for the programme once he was continuously resident abroad for ten years immediately prior to resettlement;
- The requirement that a Barbadian by descent or marriage must have resided at least 183 days in Barbados prior to emigrating in order to be eligible for the programme will also be removed;
- The Qualifying period for annual Barbados Network Renewal Status under the programme will however be increased from 3 to 5 years, to help reduce the incidence of abuse especially in respect of the motor vehicle concessions;

The Chief Parliamentary Counsel has been asked to expedite the relevant legislative amendments to reflect these changes. Amendments are also being drafted to Part 2 B of the Customs Tariff which will discontinue the current administrative processes with regard to the importation of personal effects and motor cars and empower the Comptroller of Customs to grant automatic exemptions from the payment of import duties and taxes to those returnees whose eligibility has been appropriately certified by the Ministry of Foreign Affairs. Similar exemptions will be incorporated into the Value Added and Environmental Levy Acts. It is expected that these legislative changes will significantly reduce the processing time for the granting of these concessions, which I know has been one of the biggest irritants for those who access the Programme.

We are committed to the creation of a welcoming environment for those of our nationals who seek to resettle in Barbados, but this is not the task of Government alone. Much remains to be done to sensitize Barbadian society as a whole as to the significant contribution which our returnees make to our economy and to our foreign exchange earnings, and to counter the unfortunate attitude of resentment and hostility that is too often meted out to them. They have more than earned the concessions that they are granted by Government, and they deserve our respect and support in their efforts at reintegration.

The Government also recognizes that there are a large number of overseas Barbadians who do not plan to return to Barbados, but who are keen to make financial investments in the country. We have listened carefully to the requests made by many of you to be given meaningful opportunities to invest in the various instruments issued by Government, which are often oversubscribed by the time word reaches you. We have responded by directing the Ministry of Finance to provide advance information to all Missions on the dates of forthcoming offerings so that these can be widely promoted to allow for real time access by overseas nationals through the Foreign Affairs and Central Bank web sites. In some instances the Central Bank and the Ministry of Finance are prepared, within a finite time frame, to reserve a percentage of the total issue for subscription by overseas nationals.

We have been advised that there are legal and administrative impediments to the notion of issuing bonds exclusively for the Barbadian Diaspora. Yet several other countries have managed to overcome these challenges and have issued instruments targeted directly at the Diaspora market, with great success. I do not accept therefore that we have done enough to thoroughly explore this possibility, and I am determined to bring the relevant expertise to bear in the search for creative new ways to access this vital but largely untapped segment of the market.

In the last few years you have witnessed an implosion of the banking sector in most of the jurisdictions in which you reside. The consequences of lax regulation, wild speculation and pure greed have brought the entire

international economy to its knees. As is so often the case in these matters, those who have contributed the least to the problem, particularly the small and vulnerable are the ones who suffer the most from its effects.

In this turbulent environment, the safety of your money is naturally of paramount concern to you. When you consider the choices open to you, it might be worthwhile mentioning that in 2008 the World Economic Forum ranked Barbados' Banking Sector as the third best regulated in the hemisphere, behind Chile and Canada, and as the 21st globally, 19 points above the United States of America. This is another area where I believe there is considerable scope for Government to work with the Commercial Banks in Barbados to further incentivize the holding of foreign exchange accounts in Barbados

by overseas nationals. Why continue to keep all of your investments in the volatile markets of the developed world, when you could probably get better rates of return in a safer jurisdiction like Barbados?

We have asked the presenters in tomorrow's session on Investment to give you practical advice on how you can position yourselves to take maximum advantage of the opportunities that exist in the Barbados economy. I ask you therefore to bring your own ideas and interests to the table. This will help us to tailor our responses to your identified needs and interests. The message that I hope you will take away from these encounters is that this Administration is indeed interested in encouraging capital investment in Barbados from its overseas nationals and that it is eager to create the enabling environment to make such investment worth your while.

There is of course another type of investment which is of equal interest to us, that of intellectual capital. Twenty-First Century methods of work allow you to contribute your skills and expertise to important projects, whether or not you physically relocate to the jurisdiction in which those projects are being undertaken. The modern Barbados economy requires a range of new skills, which must often be sourced outside of Barbados, but this does not mean that they cannot be provided by Barbadians. But we can only use your expertise if we know that it exists in the first place. That is why Invest Barbados has embarked upon an important project to create a Data Bank of skills that can help to respond to the requirements of the Barbados Labour market. I hope you will take the time while you are at this Conference to

register your skills and interests with the officials at the Invest Barbados booth.

Your expertise and local knowledge are being sought after not only by Invest Barbados, but also by the Barbados Tourism Authority and by the Ministry of Culture and the National Cultural Foundation. You are all well aware of the vital role which tourism plays in our economy, and many of you are also aware of the efforts being made by the Barbados Tourism Authority, through the Barbados Friends and Family Club, to involve Overseas Barbadians directly in the marketing of Barbados. The economic potential of the cultural industries is also the focus of considerable attention. Both of these sectors will be the subject of expert presentations and inter-active dialogue, which we expect

will produce innovative ideas on how we can work together to further their development.

I now turn to another area which this Government has defined as a priority, that of Philanthropy. In his 2008 budget statement, Prime Minister Thompson readily acknowledged that: “Barbadians living abroad are generous contributors to social development causes but there is no formal vehicle through which to channel their generosity.” We have therefore set about, as a matter of policy, to create an appropriate structure for philanthropic giving, and to examine ways in which the legislative, administrative and taxation frameworks in both Barbados and the jurisdictions in which you reside, can best be used to facilitate your efforts. The Consultation will give you an opportunity to hear more about our proposal to create the Better Barbados

Foundation and provide practical guidance on how to channel your good works.

Fellow Barbadians, and friends of Barbados, I firmly believe, as I said at the outset of my remarks, that the extraordinary contribution that generations of Barbadian migrants have made to the building of this country is deserving of far greater recognition than it has thus far been accorded. For centuries our people have been on the move, contributing to the strengthening of old societies and the founding of new ones. In the Carolinas and the Caymans, in Panama, Brazil and Cuba, in Bermuda and Botswana, and all across the United Kingdom, the United States of America and Canada, Barbadians have developed infrastructure; run major transportation networks; serviced the education health and judicial systems, and been proud responsible

citizens supporting both their adopted homes and their native land.

Perhaps the moment has come for us to establish a tangible memorial to the thousands of Barbadian migrants on whose shoulders our modern Barbados has risen. We have been in discussion for some while with the Panamanian Government about the proposal to build a suitable monument to the tens of thousands of Barbadians whose labour helped to build the Canal. This is an important project which we are determined to see to fruition. But beyond that there is also a need to recognize the sizeable contribution made by Barbadian migrants to other countries, and to hold up their achievements as a model for the new generation of modern Barbadians, who have little real understanding of this fundamental part of their history. Perhaps,

therefore, the concept of a Diaspora Museum is one whose time has come. It is an idea that I hope we can explore more fully during this Consultation and immediately thereafter.

Ladies and Gentlemen, as you begin this inaugural dialogue between the Government and Overseas Barbadians, I hope that you are as enthusiastic as I am about its prospects, and as determined to ensure that you distil from the discussions a set of positive proposals to guide our engagement now and in the future.

I thank you.