

# Joint Programme in Response to the Global Triple Crisis on Food, Energy and Finance

## Output 1.3: Trade Data Collection And Analysis - Barbados

Promotion of safe, cost-effective and resilient food supply chains

## Preliminary Findings

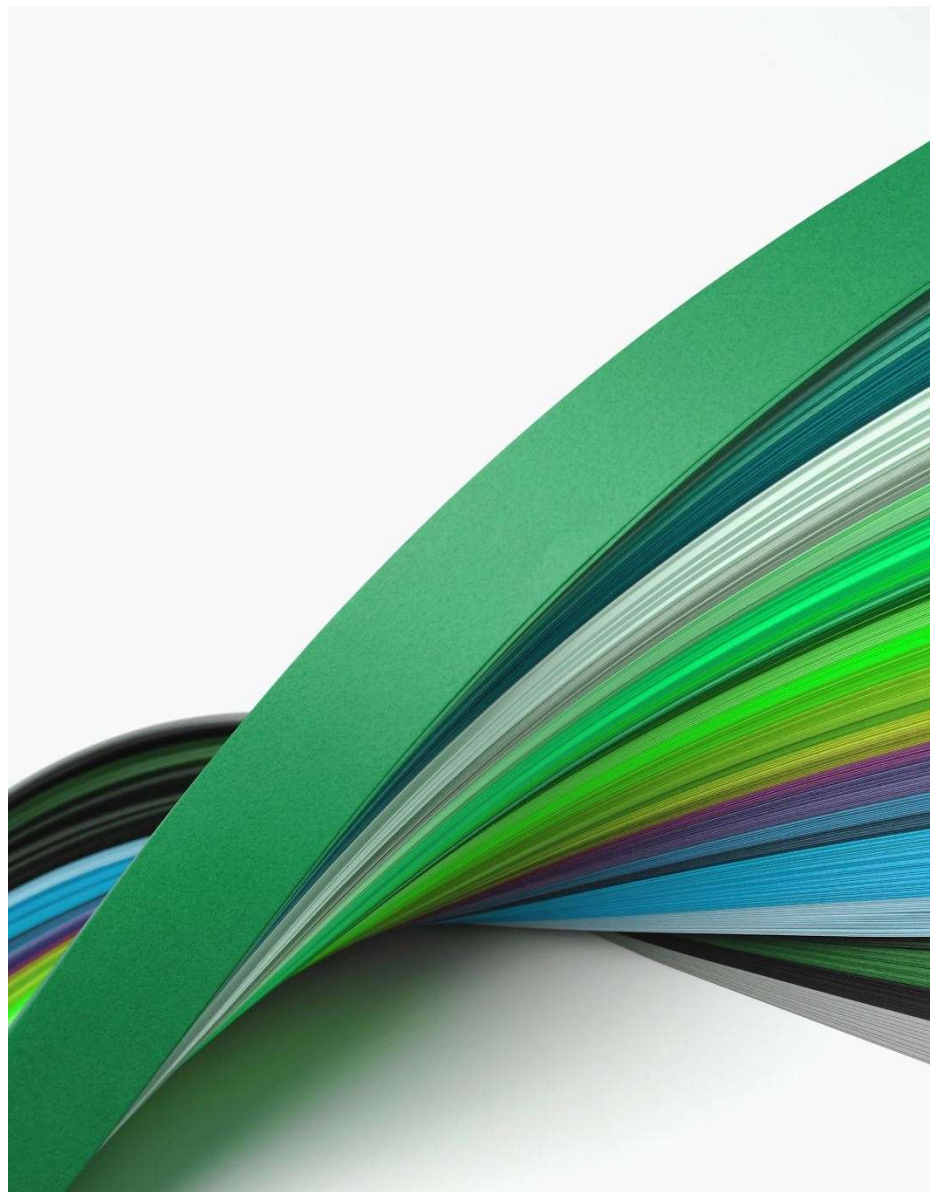
Terence Leonard, Regional Advisor/Programme Management Officer, ASYCUDA Office, Division on Technology and Logistics, UNCTAD



# Output 1.3

**Trade data collection and analysis with cost-effectiveness assessment of trade related regulations and consumer protection policies with the aim to protect the most vulnerable from external shocks impacting on food security and build resilient business environment.**

- i) UNCTAD – Analysis of non-tariff barriers, inefficiencies in trade logistics and customs clearance procedures that inhibit the promotion of safe, cost-effective and resilient food supply chains, which will lead to identifying short-term and medium-term measures for implementation in response to the findings (Barbados and OECS).
- ii) UNCTAD - Build aggregated dataset extractions on imports related to sensitive commodities which can feed the monitoring systems and provide reports to perform statistical analysis and monitor indicators (Barbados and the OECS).



## Activity i)

# Analysis Of Non-tariff Barriers, Inefficiencies In Trade Logistics And Customs Clearance Procedures

Specifically, discussions focused on the:

- I. Identification of current NTBs
- II. Global and regional trends in NTBs affecting the target countries
- III. Analysis of non-tariff barriers by product group



# Key Observations and Trends to date:

## **Government Participation in Trade**

The Barbados Agricultural Development and Marketing Corporation (BADMC) is the sole importer of raw poultry

**Government subsidies applied on livestock and poultry feed in the form of \$4 m in a price support mechanism (2021)**

Further \$2 m injected to facilitate another increase of BADMC's prices by 21 per cent (Oct 2022)

# Key Observations and Trends to date: **Other NTMs**

Customs procedures were very effective during pandemic. However Port operations including Cashier payments stop for lunch at 12 noon thus disrupting trade.

**Department of Statistics reported volume data quality issues in particular for petroleum imports. The department does not currently use the Eurotrace database.**

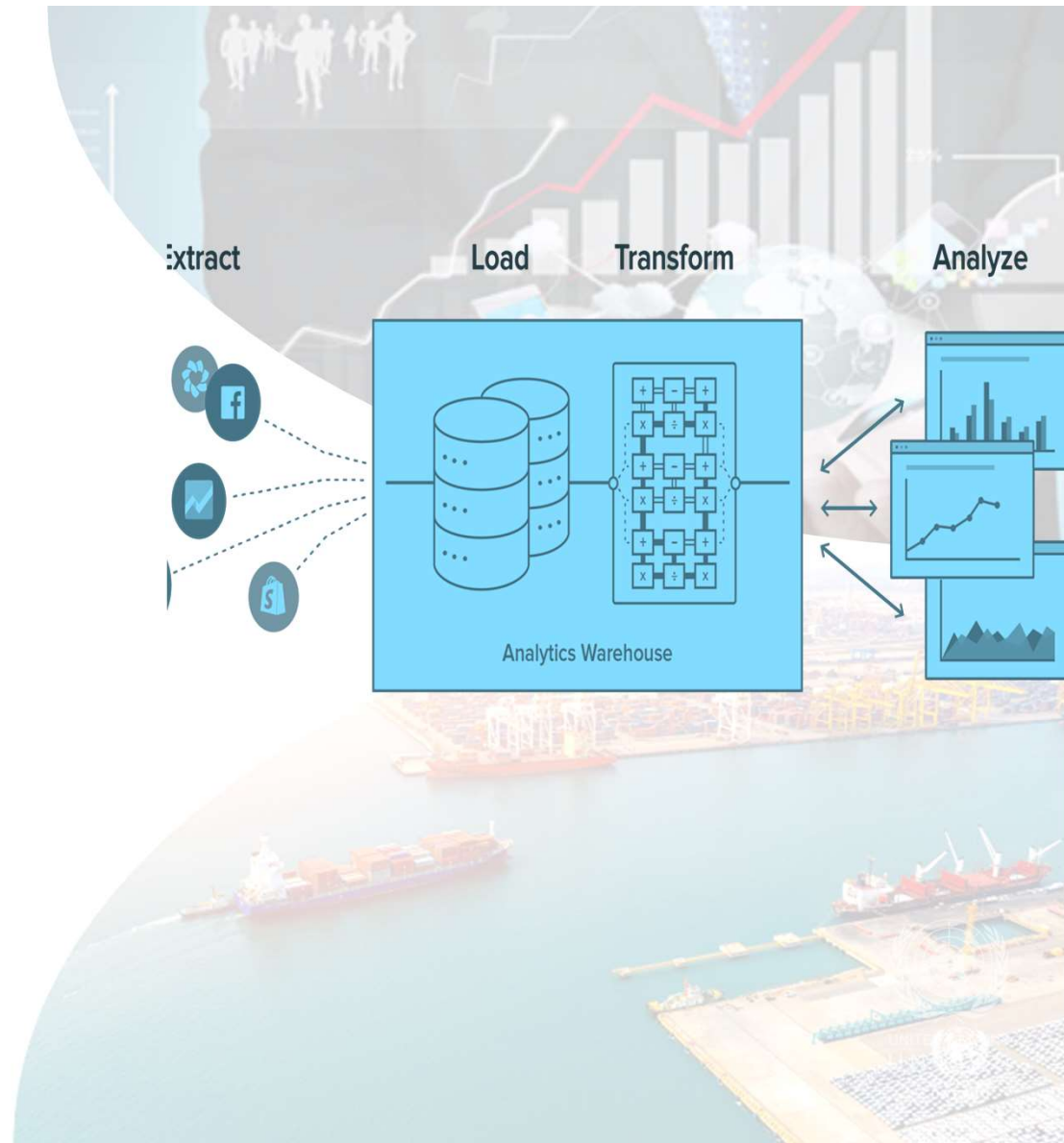
The only significant tariff changes over the last three years were on electric vehicles, honey and citrus. **{Percentages required}**

Selling prices for petroleum are set by the Government. Sustained price increase during the last 3 years. The prices of gasoline and diesel decreased a bit during the summer.

BNOC mandated to import gas and diesel as sole wholesalers. Company owns the only storage facilities on the island. The price structure is fixed monthly by the Ministry of Energy. No regulations at the wholesale side

## ACTIVITY II)

Aggregated dataset extractions on imports related to sensitive commodities which can feed the monitoring systems and provide reports to perform statistical analysis and monitor indicators.



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# HS Chapter 31- COMPARATIVE ANALYSIS OF CIF VALUE\_WEIGHT\_COST OF FREIGHT FOR FERTILIZER IMPORTS 2019 TO 2022

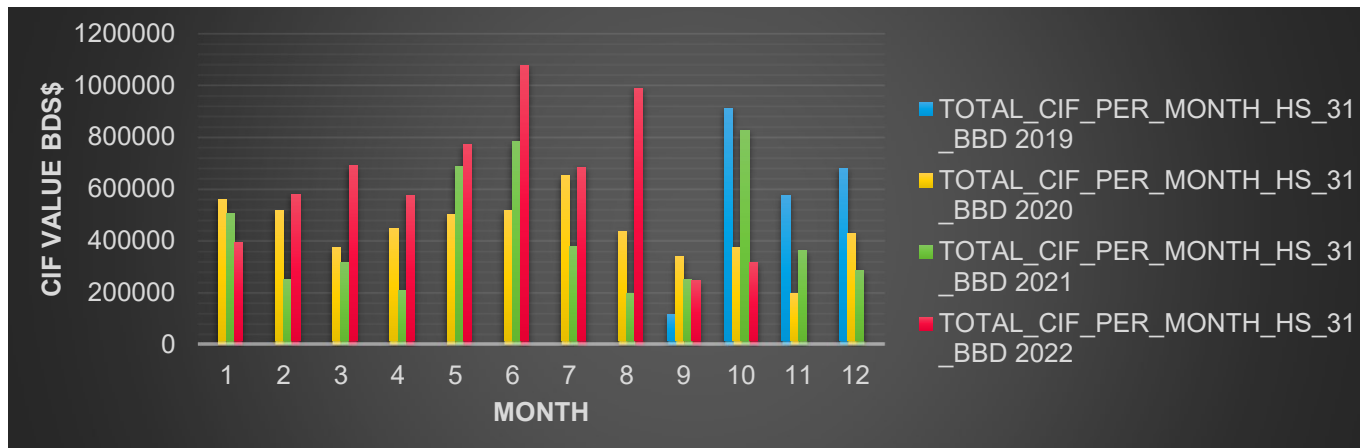
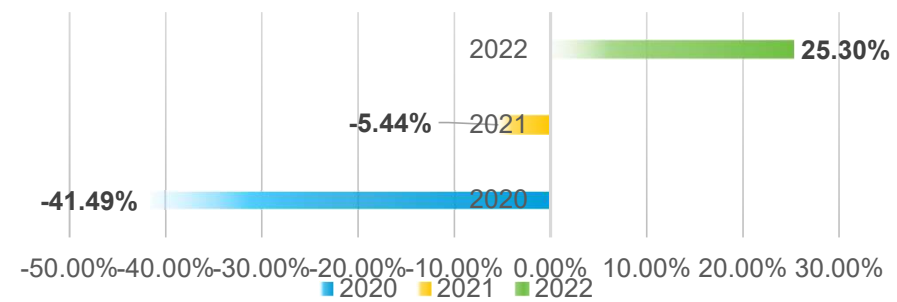


# HS Chapter 31- FERTILIZERS CIF\_CUSTOMS\_VALUE\_BDS\$

TOTAL\_CIF\_PER\_YEAR\_HS\_31\_BBD



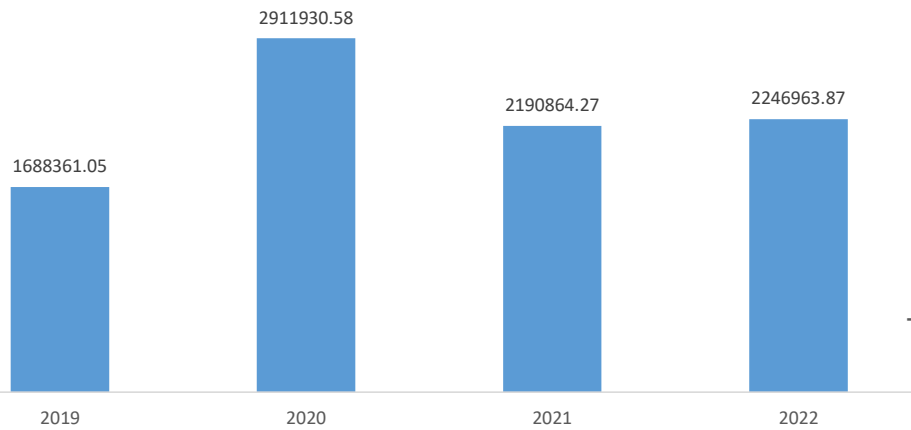
TOTAL\_CIF\_PER\_YEAR\_HS\_31\_BBD  
PERCENTAGE CHANGE\_CURRENT YEAR



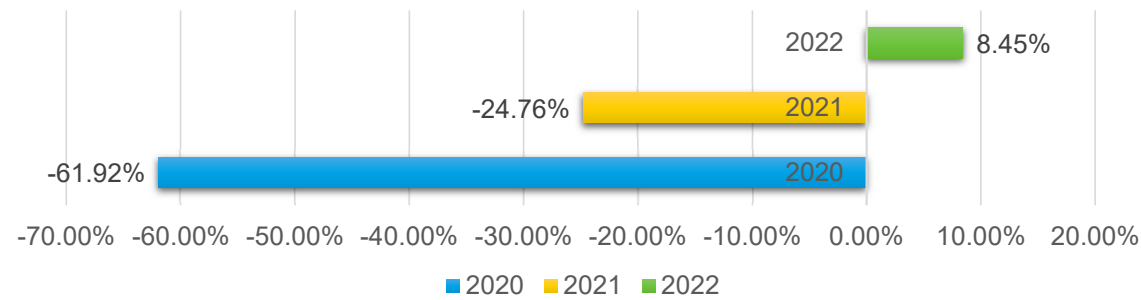


# HS Chapter 31- NET WEIGHT FOR FERTILIZER IMPORTS

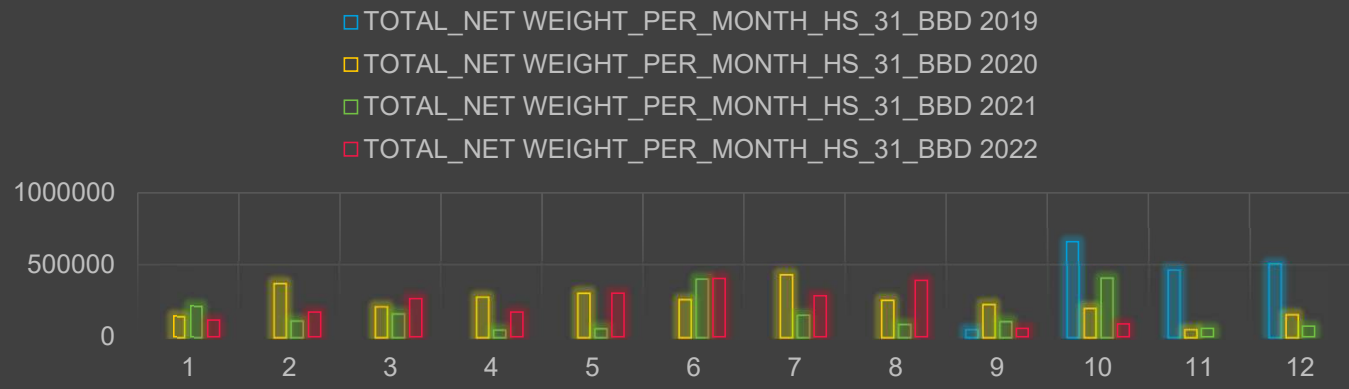
TOTAL\_NET WEIGHT\_PER\_YEAR\_HS\_31\_BBD



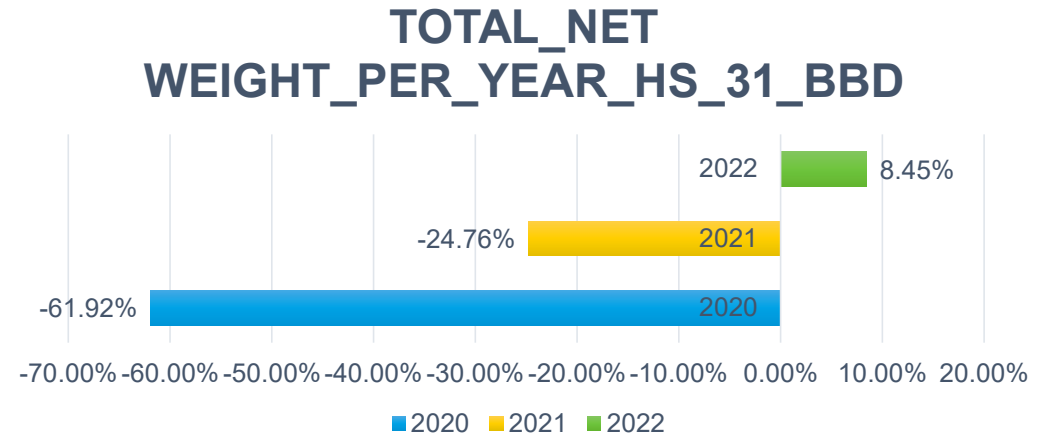
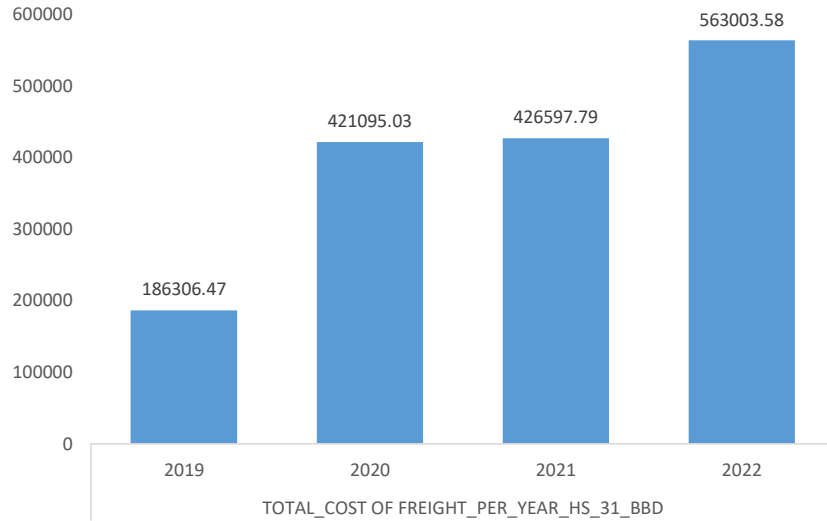
TOTAL\_NET WEIGHT\_PER\_YEAR\_HS\_31\_BBD\_PERCENTAGE CHANGE CURRENT YEAR



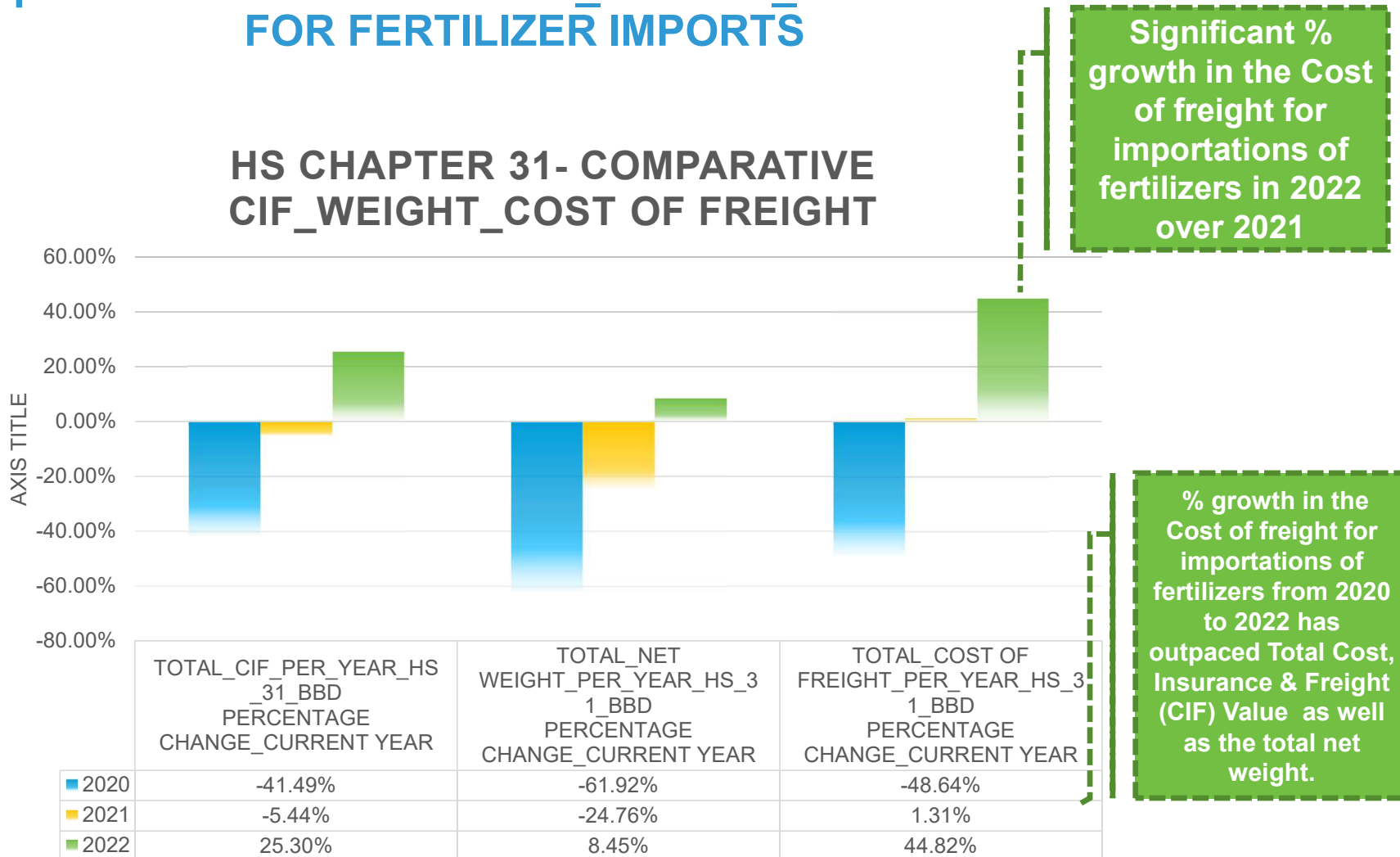
TOTAL\_NET\_WEIGHT\_PER\_MONTH\_HS\_31\_BBD



## HS Chapter 31- COST OF FREIGHT FOR FERTILIZER IMPORTS



# HS Chapter 31- COMPARATIVE CIF\_WEIGHT\_COST OF FREIGHT FOR FERTILIZER IMPORTS



# Summary of main issues observed thus far

Government's participation in trade

- significant inefficiencies in the application of subsidies provides limited benefits to SMEs and unequal distribution of gains.
- presents adverse impact on consumer prices and reliability of supplies in terms of quality and quantity/distorts supply and demand market dynamics.
- more likely to lead to excessive use of fertilizers In the medium to long term

Price control and Monitoring

- price control and monitoring mechanisms are limited and ineffective in application
- general absence of detailed analysis prior to the implementation of most NTBs as well as the appropriate monitoring mechanisms to effectively monitor their impact (on consumer prices, government revenue and other key areas in the economy).

# Summary of main issues observed thus far

Cost of freight

- Cost of freight on imported fertilizers has significantly increased from 2022 and has outpaced growth in CIF and Weight on imports over the last three years

Consumer prices

- Measures applied by the authorities to address the high costs of freight and fertilizers have had minimal impact on reducing the final consumer prices.

# RECOMMENDATIONS

Government should discontinue subsidies on fertilizers

Encourage local producers to invest in efficiency, innovation and sustainability via targeted grant funding and low cost agricultural loans

Explore alternatives to fertilizers such as nitrogen-fixing

Redirect Government subsidy support away from fertilizers to the fuel sector to reduce the prices of petroleum at the pumps (will achieve more significant economic impact for most vulnerable sectors)

BNOC's operational margin component of petroleum prices set by Government should be a fixed component



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# ADDITIONAL INFO REQUESTED FEBRUARY 6 2022





## 1. Adjustments on freight charges and/or duties/taxes on commodities

- Specifically, (for the period 2019 to 2022), during which months/years were the measure implemented?
- Specifically, which commodities were affected by the implementation of the measure (By HS Codes if possible)?
- How much revenue was foregone on each commodity as a result of the measure?
- What were the consumer retail prices as per each affected commodity immediately before, during and immediately after the implementation of the measure? (Kindly specify unit of measure - per lb/per kg etc).
- Is it possible to obtain a copy of the policy instrument (SI/Cabinet Conclusion) giving effect to the measure?





## 2. Subsidies for rice, milk, flour and sugar and others

- What was the \$ amount for each subsidy?
- Specifically, (for the period 2019 to 2022) during which months/years were the measure implemented?
- Specifically, which commodities were affected by the implementation of the measure (By HS Codes if possible)?
- How much revenue was foregone on each commodity as a result of the measure?
- What were the consumer retail prices as per each affected commodity immediately before, during and immediately after the implementation of the measure? (Kindly specify unit of measure - per lb/per kg etc).
- Is it possible to obtain a copy of the policy instrument (SI/Cabinet Conclusion) giving effect to the measure?



### 3. Subsidies for fertilizers

- Confirm if there was a cap on subsidies
- Specifically, (for the period 2019 to 2022) during which months/years were the subsidies on fertilizers implemented?
- Is it possible to obtain a copy of the policy instrument (SI/Cabinet Conclusion) giving effect to the measure?
- What were the import/selling prices of fertilizers immediately before, during and immediately after the implementation of the measure? (Kindly specify unit of measure - per lb/per kg etc).
- How much revenue was foregone on each commodity as a result of the measure?



#### 4. Subsidies on Petroleum

- Confirm that government subsidies are provided solely on LPG products - 20lb cylinders (Cap on prices and by how much?)
- How often is the price regulated and is it done in consultation with the petroleum dealers?
- If there was a cap on prices, what was the duration of the cap?
- What were the consumer retail prices per gal/lit on petroleum products immediately before, during and immediately after the implementation of the measure?

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Thank you!

