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**NOTE
ON
THE SITUATION IN BARBADOS**

Abstract:

Barbados enjoys political stability through a parliamentary democracy based on the Westminster model. It is also one of the richest ACP countries, with an economy that, from being primarily focused on agriculture, has become relatively broad-based and mainly turned towards tourism. Although something of a hub to drug-trafficking networks, Barbados has been applauded for its efforts in fighting this as well as for the fiscal reforms that, in 2002, saw it taken off the OECD's list of tax havens. Barbados is an influential regional actor and a strong proponent of Caribbean integration.

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Author: Alicia Wilmet under the authority of Armelle Douaud

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Copies can be obtained through: E-mail: cristina.calvo@europarl.europa.eu

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Main sources:

- Economist Intelligence Unit
- European Commission - DG Development and DG Trade
- Latin American and Caribbean Institute for Economic and Social Planning (ILPES)
- The Central Bank of Barbados
- The Foreign and Commonwealth Office
- San Diego State University website
- World Health Organization
- Amnesty International
- BBC News
- The Nation (Barbadian newspaper)

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Capital: Bridgetown
Area: 431 sq. km; the most easterly of the Caribbean islands
Population: 266,800 (2005)
GDP: US\$ 3,129 million (2005)
GDP growth rate: 4.1% (2004)
GDP per capita: US\$ 11,358 (2005)
Currency: Barbados dollar (Bd\$) which is pegged to the US\$ at an exchange rate of Bd\$2.00:US\$:1
Language: English
Religions: Protestant 67% (Anglican 40%, Pentecostal 8%, Methodist 7%, other 12%), none 17%
Human Development Index (HDI) in 2005: 0.878 (30th out of 177)
Trivia: The grapefruit originates from Barbados

Historical Background

Throughout its history, Barbados has been an oft-settled island, colonized by successive waves of Amerindians, Saladoid-Barrancoid populations (c.350 AD), Arawak (c.800) and Caribs, who in the 13th century displaced the earlier populations. The name 'Barbados' comes from Portuguese explorer Pedro Campos who, in 1536, named the island "Os Barbados" ("The Bearded Ones") after the long aerial roots hanging from the island's fig trees. Between Campos' sighting in 1536 and 1550, Spanish conquistadors seized many Caribs on Barbados and used them as slave labour on plantations; those remaining fled the island, leaving it deserted.

Barbados was first settled by English colonists in 1627 and rapidly developed an economy based on small sugar plantations for which slave labour was imported from Africa. Living conditions for slaves were somewhat better in Barbados than in other colonies and it was the only one of the British islands to support the act to abolish the slave trade. The island became a commercial centre for other British colonies in the region and Barbadians were employed frequently by the colonial authorities on other islands as policemen and public servants. In 1751, George Washington visited Barbados, making what is believed to have been his only trip abroad. It also enjoyed a large measure of local autonomy, with its House of Assembly first meeting in 1639. Black and mix-raced members were elected to it as early as 1843 although white planters and merchants dominated the island's government until the 1940s. Universal suffrage was granted in 1950, followed by internal self-government in 1961 and finally by independence in 1966 under the leader of the Democratic Labour Party, Errol Barrow.

Institutional Structure and Political Situation

Head of State: Queen Elizabeth II
Governor General: Sir Clifford Straughn Husbands
Prime Minister: Owen Arthur (since 1994), Barbados Labour Party
Opposition leader: David J.H. Thompson, Democratic Labour Party

Under the constitution promulgated in November 1966 the head of state is the British monarch, represented by a governor-general appointed on the advice of the prime minister. He in turn appoints the prime minister in accordance with the House of Assembly majority but takes no

direct part in government. The highest executive power is vested in the cabinet, members of which are chosen from both chambers of parliament by the prime minister while the legislature is bicameral, with an elected House of Assembly (30 members for a period not exceeding five years) and an upper body nominated by the governor-general, the Senate (21 seats). Divided into 18 ministries, the Barbadian public sector is characterized by a great deal of power concentrated in the central government, while local governments are practically non-existent (historically, the government reforms promoted since 1997 have called for the abolition of local governments). The island is divided into 11 administrative parishes. The judicial system is based on UK Common Law.

Since 2001, the government has repeatedly announced its intention of holding a referendum to allow Barbados to become a Republic within the Commonwealth, headed by a ceremonial president. Legislature has been drawn up to that effect but by mid-2006 it had still not been presented to parliament.

Barbados has developed a two-party system, with government alternating between the two since independence. The DLP, which led the country to independence, was in office from 1986 to 1994 when the Barbados Labour Party (BLP), led by Owen Arthur came to power. Mr Arthur won his third term in May 2003 with a convincing majority and the BLP currently holds 24 of the 30 seats in the House of Assembly¹. There are no real ideological differences separating the two parties which are broadly centrist and favour an active state role in social development and the expansion of infrastructure. As a result, rivalry centres on personalities and political competence. The next general election is due by August 2008.

Social Situation

Population growth: 0.3% (average rate between 1994 and 2004)

Life expectancy: 76.4 years (2005, *source UNDP*)

Fertility rate: 1.5

Infant mortality rate: 11/1,000

Adult literacy rate: 97.6%

Enrolment ratio*: 89

Population density: 620 people per sq kilometre

Urban population (2003): 51.7%

Unemployment rate: 8.1%

Total expenditure on health as percentage of gross domestic product (2003): 6.9

*Combined enrolment for primary, secondary and tertiary education 2001/02

Barbados presents the demographic profile of a developed country with a low birth rate, high life expectancy and a consequently ageing population. About 95% of the population is of African descent with the remainder comprising of a mixed-race population and small Asian and Middle Eastern minorities. Significant emigration to the UK took place between 1945 and 1962 and some population loss still occurs through emigration, primarily to North America, despite immigration from less prosperous countries in the region such as Guyana. All of means that the labour force is declining, reaching 142,000 in March 2006, which in turn is helping to bring down unemployment rates. These stood overall at 8.1% in the first quarter of 2006 (down from

¹ One of which it gained in January 2006 when a former leader of the DLP, Clyde Mascoll, crossed the floor after an internal dispute.

2005's record-low rate of 9.9%) with male unemployment at 7.4% (down from 8.6%) and female unemployment at 8.8% (from 11.3%). Despite this, the number of people in work is also falling, dropping from 135,600 in June 2005 to 130,600 in March 2006.

Health care is excellent and universally available, as are access to clean water and sanitation, and family planning is well-developed. Educational standards are high with universal access to primary and secondary education as well as free tuition up to and including university level. A Bd\$390m (€154m) project, Edutech 2000, has implemented the linking of all primary and secondary schools to the Internet and is currently working on providing personal computers in each classroom. Access to tertiary education is excellent, with the island's several campuses offering degree-level education as well as technical and skill-based courses, in particular with regards to tourism-related skills. 30th worldwide on the UN Development Program's human development index, Barbados holds the highest rating for Latin America and the Caribbean.

Major challenges in Barbados: drugs and AIDS

According to INTERPOL data, Barbados has a medium-to-low crime rate when compared to industrialized countries, and the incidence of most violent crimes decreased between 1995 and 2000. Violence against women however remains a significant social problem: in 2002, one official reported that one of every five injured women treated in the emergency room was there as a result of domestic violence. The UN Committee on the Elimination of Discrimination Against Women (CEDAW) has noted the problem with some concern¹. On a more positive note, a law against domestic violence both exists and is applied, women are well-represented in both the public and private sectors, and they are not discriminated against in public housing or other social welfare programs.

The Caribbean region is a major transit area for illicit drugs, primarily cocaine produced in South America and destined for markets worldwide. According to the UN Office on Drugs and Crime Caribbean co-ordination mechanism, around 216 tonnes pass through the Caribbean islands and the Guianas every year en route to the US and Europe, accounting for one-half of Europe's cocaine imports. Within this network, Barbados is a transit country for cocaine entering by sea from Colombia, Venezuela, and Guyana, and for marijuana brought in from St. Vincent and the Grenadines by private vessels. Domestic consumption of marijuana is high and that of cocaine has been rising in recent years. Due to its location east of the Lesser Antilles, the island experiences less maritime cocaine flow than its neighbours, though it remains a hub for commercial air passenger couriers moving cocaine to Europe.

It is also a leading figure in regional efforts to combat drug-trafficking, having long enacted domestic legislation affecting drug trafficking and use, devoting significant resources to drug control efforts and working actively to ensure greater cooperation among law enforcement agencies. On a regional level, it was a major contributor to the setting up of the Caribbean Drug Information Network (CARIDIN) in July 2001 and of a regional strategy on crime and security in July 2002. In the area of drug-trafficking, Barbados also cooperates closely with the US with which it has signed a maritime agreement with overflight authority, an extradition treaty, and a Mutual Legal Assistance Treaty (MLAT). The two countries also cooperate in counter-terrorism measures.

Concerning AIDS, the Caribbean is the second most-affected region in the world after Africa, with an HIV prevalence of 1.6%. Several of the Caribbean countries have however begun to

¹ CEDAW/C/BAR/4, The fourth periodic report on Barbados

register a decline in HIV prevalence in recent years, among which is Barbados. Annual AIDS deaths were halved from 1998–2003 and the number of pregnant women living with HIV was also reduced by half between 1999 and 2003, while expanded counselling and testing services, along with the provision of antiretroviral regimens have reduced mother-to-child transmission of HIV in both the Bahamas and Barbados. Nevertheless, at the end of 2005, national HIV prevalence still stood at 1.5%.

The Caribbean Court of Justice and the death penalty

The death penalty remains on Barbados' statute book although no execution has taken place since 1984. At the time of independence Barbados, in common with other former British Caribbean colonies, inherited the death penalty as a mandatory sentence for murder. However, the use of the death penalty declined in most Caribbean countries during the 1970s. The Judicial Committee of the Privy Council (JCPC), which sits in the UK, was the final Court of Appeal for many of the English-speaking Caribbean countries, including Barbados, and appeals regarding the death penalty were sent to the JCPC; it generally ruled in favour of more humane punishments.

Partly as a result of this, the JCPC became increasingly unpopular and the move was made to replace the JCPC with a Caribbean Court of Justice (CCJ). On 14 February 2001 11 Eastern Caribbean countries formally ratified an agreement to remove the JCPC as the final Court of Appeal and to replace it with a CCJ. Barbados and Guyana were the first to formally adopt it and the CCJ's first case, heard in August 2005, was the settling a decade-long libel court case from Barbados, involving a radio station's broadcast of calypso songs that had allegedly criticised the quality of a poultry farmer's produce.

Of more serious concern is the fact that in July 2005, Barbados was granted conditional leave to take the first death sentence appeal to the CCJ. In June of that year, the Barbados Court of Appeal commuted the death sentences handed down to two convicted murderers, Lennox Ricardo Boyce and Jeffrey Joseph, to life imprisonment, a decision the government wished to challenge. The CCJ heard the case in June of this year but, despite the government's appeal to reinstate the death sentence, has so far reserved its judgement.

Economic Situation

Part of GNP (2004):

Services: 76% (including Tourism for 12.4%)

Agriculture: 3.7% (including sugar sector for 0.9%) for 2003

Barbados is one of the most stable and prosperous states in the Caribbean, with steady economic growth and low inflation: since independence, Barbados has transformed itself from a low-income economy dependent upon sugar production to a middle-income and relatively broad-based economy relying mainly on tourism. In the first half of this decade however, public investment and higher spending on wages and salaries saw the central government deficit increase to an estimated 2.9% of GDP in 2005, and the public debt ballooned from just under 60% of GDP in 2000 to more than 85% for 2006, a trend that the government is actively fighting. Real GDP contracted by 2.6% in 2001, owing to a downturn in tourism, sugar and other sectors. Since 2004 however, the economy has recovered strongly.

Government policy envisages the eventual privatisation of most enterprises still in state hands, including seaports, airports and broadcasting, oil, banking and insurance companies, although as this is not viewed as a pressing matter, progress has been slow. The public sector remains the island's largest-single employer, providing work for approximately 18,000 persons (7.2% of the total population). The public investment budget stands at nearly €90 million per annum, equivalent to 11.2% of total government spending.

Tourism - As a warm climate and sandy beaches make up most of Barbados' natural resources, tourism has become its main industry. In 2004 the sector accounted for 12.4% of GDP and over half of foreign-exchange earnings from goods and non-factor services. Barbados was consequently hard hit by the dip in international demand for tourism in the wake of the terrorist attacks of September 11th 2001. The situation has since improved considerably (although 2006 has so far been slow) although cruise passenger arrivals are on the decline. The EU market is by far the largest: the UK alone accounted for 37% of total arrivals in 2005, making it the prime destinations for British tourists in the Caribbean, and the number of German tourists is on the rise. After a steady decline of several years, arrivals from the US, Barbados' second-largest tourist market, have also picked up. Marketing has emphasised sports tourism and major investment has been made in golf course and villa developments, with the tourist industry attempting to branch out from hotel tourism.

Construction - Rapid growth in earnings has stimulated investment in existing properties, as well as new construction, a sector that has been further stimulated by the Caribbean's hosting of the 2007 Cricket World Cup, although demand during the event is still expected to exceed availability. However, little land is available for new developments on the sheltered southern and western coasts.

Financial services - The financial sector contribute significantly to Barbados' economy, both through local services (the island is the proud possessor of no less than six banks and is developing as a regional centre for banking and insurance) and through offshore finance, although this last is smaller than those of some of its neighbours, such as Bermuda and the Bahamas. Barbados sees itself as a low-tax, rather than a no-tax, jurisdiction and, has a strong anti-money laundering regime. In January 2002, it was taken off the OECD's list of tax-havens.

Transport, Informatics and telecommunication - Barbados is an important air transport hub for the eastern Caribbean and enjoys good shipping connections. A high standard of education also makes Barbados attractive for middle-range "back office" operations such as the processing of insurance claims, database management and software development. Barbados is in the same time zone as the eastern US, which is an advantage for real-time interaction with financial sector clients. High labour and telecommunication costs are a setback but the informatics sector is growing. The telecommunications sector is also expanding, with a high telephone density by Caribbean standards, market competition and the installation of high-speed internet. Already available for commercial clients, residential internet will be offered to some parts of the island as of the end of 2006.

Agriculture - Sugar remains the most important agricultural product and, as an ACP country, Barbados benefited from the EU sugar regime which was based on high market prices, high custom duties on non preferential imports, limitation of EU production by quotas and exports subsidies for surplus EU production. However, the industry has long been facing severe problems and its future is uncertain. Shallow soils and broken terrains raise cultivation costs,

periodic droughts or (as in 2004) excessive rainfalls harm production, and output is both singularly low and dropping. Between 2000 and 2004, the cumulative contraction in sugar production was almost 50%; while at 33,648 tonnes, the output for the first half of 2006 was the lowest first-half figure on record for the modern sugar industry (records date back to 1946), 12% lower than the year-earlier figure.

With production falling, the guaranteed EU quota of 54,000 tonnes was reduced to 35,000 tonnes, a loss that was to some extent compensated by the appreciation of the euro against the US-dollar linked Barbadian currency in 2003-05. Even so, sales covered barely half of the production costs and the amount of land cultivated is diminishing. With the EU price paid for sugar due to be cut by a cumulative 36% in 2006-10 in the framework of the Sugar reform, losses will increase still further. Government proposals to restructure the industry focus on re-orientating it towards special sugars and energy (plans include the production of ethanol and of electricity through crushed sugar canes which would also cut energy imports) but for this last to work, there would have to be a considerable increase in yields. Should restructuring be set into motion however, some initial EU funding is likely to be forthcoming. Plummeting sugar production also raises concern in that the industry provides local employment and preserves the landscape for tourism.

Despite the 3,600-odd ha under cultivation for non-sugar agriculture, production in this area contracted by 5.1% year on year in the first half of 2006, following an average contraction of 3.3% in 2004 and 2005. Overall, Barbados' agricultural sector suffers from lack of competitiveness with other regional producers. The fishing industry, in which significant investments were made, has experienced a downturn, in part due to the settling in April 2006 of a long-term dispute with Trinidad and Tobago over fishing rights and the boundary of the Exclusive Economic Zone (EEZ) applying to Barbados. A ruling under the UN Law of the Sea recognized a large area of sea north of Tobago and rich in fish as part of Trinidad and Tobago's EEZ, but recommended that a fishing agreement be negotiated "in good faith"

Manufacture - The main agro-industries are sugar refining and rum distilling, each with substantial export production. However, Barbados has higher labour costs than most Caribbean islands, and is thus unattractive for manufacturing activities.

Energy - Oil and gas production exist but are low and expenses are high. Oil production in 2004, at 1,032 barrels/day, equated to around one-fifth of local consumption and production of both oil and gas are falling. Offshore oil drilling has so far been disappointing but with the delimitation of an EEZ boundary with Trinidad and Tobago, Barbados has been awarded waters which are thought to have considerable potential for oil and gas and several international companies have expressed an interest in drilling Barbadian waters. Locally-assembled solar panels are used widely for water-heating, supported by tax concessions.

Trade - Barbados runs a structural trade deficit which has widened since 1997 as import taxes have been lowered. Domestic exports equalled only 14.5% of retained goods in 2005 and a high proportion of consumer, intermediate and capital goods are imported. The US is Barbados' largest trade partner and the one with which it maintains its widest trade deficit, as in 2005 it accounted for 21% of the island's exports and 35% of its imports. Until 2004, sugar was the most important commodity export but it is now less significant than chemicals and rum.

Environment and natural hazards - Planning for sustainable development has been embarked on in Barbados and is pursued through three major mechanisms, the National Sustainable Development Commission (NSDC); The National Strategic Plan (in fact a series of Sectorial Strategic Plans which will be used to facilitate the incorporation of social, economic and environmental issues into national planning over a twenty-year period of 2005-25); and The Environmental Management and Land Use Planning for Sustainable Development (EMLUP) Project.

This last is important as steady population growth and demand for land for housing and commercial development are forcing small-scale agriculture and subsistence farming to shift to marginal lands, removing productive lands from agriculture.

Barbados is also confronted with difficulties with regards to water. Although rainfall is usually high enough for sugarcane and some crops to grow without irrigation, droughts are an occasional problem and low-levels of freshwater are a habitual one. Barbados has one of the lowest levels of freshwater resources in the world and increasing usage places supply under strain during drought years. Water conservation measures are being introduced and a privately-operated reverse osmosis plant provides additional supply through reverse osmosis of brackish groundwater. Also of concern is the increasing evidence of soil erosion, particularly in the Scotland District. Efforts made to control the problem include engineering works such as bench terracing; slope reduction; and excavation of silt dams at strategic locations as well as biological practices such as reforestation.

The island lies within the hurricane belt, but storm tracks generally pass to the north of the island, and there has not been a direct hit for almost 50 years. Responsibility for Disaster Management is spread among several agencies; however a comprehensive integrated disaster management plan is being developed by the Central Emergency Relief Organization (CERO), which responds to emergencies such as flooding, hurricanes and landslides.

Relations with the European Union

(Information provided by the European Commission)

As an ACP country, Barbados benefits from advantageous trade relations with the EU, which in 2005 accounted for 19% of Barbados' exports and 17% of its imports. Politically and economically, good relations with Europe are an important element of the island's foreign policy.

The EU has made available to Barbados a total of €24 million under the National Indicative Programmes of the 6th to the 9th EDF, with the 7th and 8th having focused on human resource development, particularly within the tourist industry.

Under the 9th EDF for Barbados, signed on 19 March 2003, €6.5 million have been earmarked for the development of Barbados' Health Sector Development. A further amount of unspent balances from previous NIP's has also been allocated to activities in this focal sector, bringing the programme's total funding to €10.5 million, the first €1 million of which was handed over on 8 March 2006. The need for health sector reform in Barbados arose from increasing concern at the nation's capacity to sustain current levels of health care amidst rising costs and increasing demand for services, within the context of an ageing population. As a first step in the design of

the programme of support to the health sector, the European Commission provided assistance for the finalisation of the Government's Strategic Plan for Health 2002-2012.

Also ongoing and carried over from the 8th EDF is the plan for the expansion of the Barbados Language Centre, a program aimed at improving the quality of human resources in Barbados through the development of foreign language capacity in support of competitive sectors.

Barbados has long benefited from the Sugar Protocol, permitting exports to the EU of 49,300 tonnes of sugar per year at guaranteed prices significantly higher than international prices. Given the adoption of the new sugar regime by the European Parliament and the Council in early 2006, accompanying measures for Sugar Protocol countries affected by the reform of the EU sugar regime will be established in 2006. A preliminary allocation of 2.074 million Euro has been made available for Barbados for 2006 (a share of 40 million Euro allocated to ACP sugar protocol beneficiaries, to which more significant assistance is to follow) conditional to the drafting of a multi-annual sugar adaptation strategy. The National Adaptation Strategy was presented on 27 April. The EU is at present considering its response in support of the Strategy.

In 2001 a 70 million Euro project was approved by the EU to support the Caribbean rum sector in facing the challenges determined by the liberalisation of the spirits market. Barbados being the location of some important distilleries is benefiting substantially from this programme.

The total funding made available to Barbados by the European Investment Bank (EIB) under the Lomé Conventions is almost 100 million Euro. Under Lomé I, II and III, the EIB made lines of credit available to the Barbados Development Bank, and to the Industrial Credit Fund in order to finance small and medium-sized enterprises in Industry and Tourism. Loans to the Barbados Light and Power Company under Lomé IV and Lomé IV have amounted to 50 million Euro, while loans totalling 25 million Euro have been made available for the South Coast Sewerage and the Airport Development projects.

Additional support to Private Sector Development in Barbados has been, and is available through the CDE and PROINVEST programmes which aim at increasing investments between the Caribbean and the European Tourism sector and at enhancing partnership between the two regions.

Barbados' External Relations

Barbados has an activist foreign policy, recognizing that its small size and limited resources oblige it to engage with other countries. Reflecting this, Barbados is a founding member of the Caribbean Community (CARICOM), the region's main decision-making body, participates in the Association of Caribbean States (ACS - 25 member states), and is committed to regional integration. It hosts the headquarters of a number of regional bodies, including the Caribbean Examinations Council (CXC), the Caribbean Development Bank (CDB), the Caribbean Export Development Agency (CEDA), the Caribbean Conference of Churches (CCC), and the Caribbean Tourism Organization (CTO). The influential role that the island plays at a regional level was further emphasized in August 2002 when CARICOM heads of government gave Mr. Arthur the task of setting up a regional stabilisation fund to mitigate the effects of external shocks to the region.

Barbados is at the forefront of efforts by CARICOM countries to create a Caribbean Single Market and Economy (CSME), which is intended to remove restrictions on the movement of labour and capital throughout the region. The key elements of this regional integration are: free movement of goods, services, labour, freedom of establishment, a common external tariff and a common trade policy. Furthermore the CSME should also adopt some other measures such as harmonisation of laws (company laws, intellectual property etc.) and economic and monetary coordination. The CSME is currently up and running in six countries and is expected to be fully implemented in 2008. Prime Minister Owen Arthur holds the CARICOM portfolio for the CSME.

In the international arena, Barbados is a member of the United Nations and its specialized agencies, and as such is the location of the UN House, the new Eastern Caribbean offices of six UN agencies. The WTO, the Organization of American States (OAS) and other agencies of the Inter-American system, the Commonwealth and the Non-Aligned Movement also rejoice in Barbadian membership. Although as a small nation, the primary thrust of Barbados' diplomatic activity has thus been within international organizations, it does maintain diplomatic missions headed by resident ambassadors or high commissioners in Canada, the UK, the U.S., Venezuela, and at the European Union.

Barbados has prioritised good relations with the US though it retains an independent stance when it judges it necessary to do so. Thus for example, Barbados has been unwilling to sign "Article 98" agreements exempting United States military and civilian personnel from action by the International Criminal Court. As a Caribbean country, it benefits from the US' Caribbean Trade Partnership, a textile program and a system of sugar import quotas. The two countries also cooperate closely on countering narco-trafficking. Up The US also provided Barbados with defence assistance but Barbadian rejection of "Article 98" meant that this came to an end in 2003; an agreement was recently reached with China - who is active in increasing its role in the region - that Beijing would provide US\$1.5m (about €1.2m) in assistance for the defence force.

Energy issues mean that among the South American countries, relations with Venezuela are of particular concern, although they can occasionally be dicey. One recent such case was Barbados' refusal to sign the PetroCaribe agreement, a Venezuela-Caribbean oil alliance launched by President Hugo Chavez in 2005. Of the 15 CARICOM members, only Trinidad and Tobago (itself a regional energy supplier) and Barbados refused to participate in the initiative, the latter because it both feared to increase its debt and because it already had an oil facility with Trinidad and Tobago. Recently, concerns over Venezuelan orimulsion supply to Barbados-based Arawak Cement have been growing. In July 2006, Barbados agreed to support Venezuela's candidacy for a position on the UN Security Council, against the US-backed candidate, Guatemala.

Despite its usually harmonious relations with its neighbours, Barbados' relationship with Trinidad and Tobago had been under strain in recent years following a disagreement over fishing rights and the boundary of the Exclusive Economic Zone (EEZ) applying between them. The dispute was finally settled in April 2006 with a ruling from a tribunal under the UN Law of the Sea which allocates to Barbados a large eastern area claimed by Trinidad and Tobago and which is thought to have potential for oil and gas, while Trinidad and Tobago received a large area to the north of Tobago where Barbados claimed traditional fishing rights. Since the ruling, relations between the two neighbours have improved and negotiations over a fishing agreement are underway.

As one of the richest and most stable countries in the Caribbean, Barbados has thus proven itself both willing and able to take on a regional leadership role and push for regional integration as well as keen to broaden its foreign relations in the international arena.