

industries. The 7.5% average annual growth rate in production in the manufacturing sector over the 1976-1980 period reflected successful years for the light industries and assembly activities of foreign as well as domestic investors in Barbados. In spite of the subsequent downturn in 1981, the electronics industry remained buoyant.

There are several major factors which have stimulated foreign (and domestic) investment in Barbados,

- (a) its record of political and economic stability,
- (b) its proximity to, and modern telecommunications links with North America,
- (c) its preferential access to CARICOM and European Community markets,
- (d) a relatively well-educated (English-speaking) labour force and, until more recently,
- (e) a history of calm industrial relations. However, over the last few years, concern has arisen regarding the worsening labour relations climate in the country and the high level of recent wage settlements. It is felt that, to some extent, such wage increases have eroded Barbados' competitive position, particularly within the region.

A variety of investment incentives are provided by the Government of Barbados for "approved" enterprises. These include duty-free importation of raw materials, equipment and spare parts; a 10 to 15 year tax exemption (plus 50% of taxes thereafter if the enterprise is primarily export-oriented); no capital gains tax; full repatriation of capital and profits subject to a 10% withholding tax on dividends; and subsidized factory space.

An agreement to avoid double taxation and a foreign investment insurance agreement are in place between Canada and Barbados.

Further information may be obtained from:

- Barbados High Commission  
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