

insurance, tourism, construction, electronics, food processing and other light manufacturing. New ventures are also being supported through mechanisms such as the Industrial Cooperation Program administered by the Canadian International Development Agency (see chapter 6).

In order to facilitate applications for repatriation of funds, foreign investors must register with the Central Bank of Barbados on arrival. Foreign currency is freely released through the Central Bank for transactions to cover overseas payment of goods and services.

## Foreign Trade

Some 70 per cent of consumables in Barbados are imported. Barbados' main trading partners are the United States, the European Economic Community, CARICOM and Canada.

The moderate downturn in import levels from US\$590 million in 1986 to US\$500 million in 1987 is expected to continue into 1988 due particularly to the sharp decline in manufacturing activity and the lower demand for intermediate goods. The market for capital and consumer goods should remain steady, with the U.S., U.K. and Canada as the major suppliers.

Canada maintains a solid trade relationship with Barbados with exports increasing by 23 per cent in 1986 to Cdn\$41 million (agriculture and food products, telecommunications and educational/medical/health care goods and services) while imports from Barbados were Cdn\$22 million (printed circuit boards, molasses, rum), an increase of some 200 per cent possibly resulting from the CARIBCAN initiative (see last section of this chapter). A similar level of two-way trade was maintained in 1987.

As a result of the closure of major labour-intensive firms in the electronics and garment industries and a downturn in regional trade there was a deficit in the current account in 1986 and 1987.