

Commerce Today

Ministry of Commerce, Consumer Affairs and Business Development

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Managing Change

The Ministry of Commerce, Consumer Affairs and Business Development has a clear mandate to oversee the changes current and anticipated that will impact Barbados' Commerce. Government has identified several strategic issues that must be addressed in order to meaningfully engage a world that is preoccupied with establishing new rules for the oversight of interstate commercial activity. These new rules will have a direct impact on Barbados' commercial affairs as nation states become more interdependent.

Barbados has agreed to participate in the quest for more liberalised markets globally through the World Trade Organisation Agreements which came into effect in 1994 and the Free Trade Area of the Americas agreements scheduled to come into effect in 2005. Virtually free market access is of course a feature of the CARICOM Single Market and Economy. In order to deal with the phenomenon of more liberalised trade Barbados has embarked upon a programme to ensure the enhanced regulation of the Barbados market in order to better facilitate existing and future consumer and commercial relationships.

Arguably, the most critical of these is the establishment and enforcement of product standards for the benefit of both consumers and businesses. This policy is also critical to the attainment of international standards by Barbados business as they look toward export opportunities. The Barbados National Standards Institution, Which is responsible for standard setting, will therefore be significantly improved through new plant and equipment and an enhanced human resources capacity. Similarly the enforcement arm of the Ministry, the Department of Commerce will be upgraded. Consumer matters are high priority issues and the establishment of new institutions such as the Fair Trading Commission, the Office of Public Counsel and the Consumer Claims Tribunal seeks to deal with such matters.



Senator The Honourable Lynette Eastmond

The Office of Supervisor of Insolvency is such another new institution critical to the new Barbados economy to ensure that insolvency situations can be determined in the best interests of both business and creditors.

With respect to promoting the business option for Barbadians, the Ministry oversees the Small Business Development Act and related financial programmes. It is also keen to see cooperatives, more widely utilised for business. As one would expect, the National Council for Science and Technology is a key component in ensuring that research and innovation become second nature to Barbadians. As part of our renewed technological thrust, a comprehensive information communication technologies policy is being developed to assist in ensuring greater efficiencies in all aspects of business in Barbados, as well as the wider society.

Our greatest challenge in all of this is to ensure that at the international level we work towards more effective participation in rule making for the provision of both goods and services. With greater interdependence these rules will become even more critical in determining our competitiveness and indeed our prosperity as a nation.

The Role of the Co-operatives Department in Promoting Safety and Soundness in the Co-operative Movement

After 43 years in existence, many persons still ask, what is the Co-operatives Department?

The Co-operatives Department is an arm of the Ministry of Commerce, Consumer Affairs and Business Development, charged with the responsibility of regulating Co-operatives and Friendly Societies. The Department is headed by the Registrar of Co-operatives and Friendly Societies.

With the responsibility of ensuring safety and soundness in the constituent system, the Registrar has adopted the PEARLS system of benchmarks as a major tool in this exercise. The acronym PEARLS represents, Protection, Effective Financial Structure, Asset Quality, Rates of Return and Cost, Liquidity, and, Growth.

PEARLS is a financial performance monitoring system designed to offer guidance for regulators and management of Credit Unions. It is therefore a supervisory and management tool. PEARLS can be used to compare and rank institutions; it can compare comparisons among peer institutions.

PEARLS is a set of financial ratios and indicators that help to standardize terminology between institutions. In total, there are 44 qualitative financial ratios that facilitate an integral analysis of

the financial condition of any Credit Union. The purpose of including a myriad of indicators is to illustrate how change in one ratio has ramifications for numerous other indicators.

Each indicator has a prudential norm or associated goal. The target goal or standard of excellence for each indicator is put forth by the World Council of Credit Unions, Inc. (WOCCU) based on its field experience working to strengthen and modernize Credit Unions and promote savings based growth. Depositors can have confidence that savings institutions that meet the standards of excellence are safe and sound. The benefits of utilizing the PEARLS benchmarks include the early identification of potential problems within the individual organizations by both the Registrar and the society's management, and, the ability to analyze institutions on an impartial basis.

The PEARLS system will therefore be integral in ensuring systemic integrity and contributing significantly to the safe growth of co-operatives and the protection of members' savings.

“PEARLS is a financial performance monitoring system designed to offer guidance for regulators and management of Credit Unions.”

Department of Commerce & Consumer Affairs

The Department of Commerce and Consumer Affairs is an amalgamation of the Price Control Division, the Standards Administration Unit and the Weights and Measurement Unit. At present the Department is fragmented with each of these Divisions being housed in separate buildings.

The main functions of the Department are:-

- i. The formulation and implementation of imports and exports policy through the licensing system;
- ii. To ensure that business places comply with Price Control Regulations;
- iii. To investigate consumer complaints in relation to items on price control;
- iv. Inspect and sample imported commodities at the air and seaports and at the importer's premises, to determine whether these items meet the mandatory standards;

- v. To examine locally manufactured goods to determine conformity with mandatory standards;
- vi. Verification of all weighing and measuring devices in all business entities;
- vii. To ensure the accuracy of the equipment used in the preservation of human life through the calibration of the balances and pharmaceutical measuring devices used by pharmacists;
- viii. Calibration and/or verification of all measuring instruments used in commercial activities.

The reorganization and restructuring of the Department of Commerce and Consumer Affairs is part of the process of institutional strengthening being undertaken in the Ministry of Commerce Consumer Affairs and Business Development.

The Business of Business

From the beginning of time man's quest for survival, success and significance has been inextricably interwoven with business and business activities. From Adam to Adam Smith, from Shakespeare's Shylock to Bill Gates the human story is the same, a drama unfolding day by day or decade by decade displaying man's innate desire to conceive, create and exchange.

Over the centuries each era has had its historical defining moment in time, there have been agrarian and industrial revolutions and ages of maritime exploration. Ours is the Information Age, an age which places knowledge and information at the apex of national, regional, hemispheric and global development. In today's world we stand on the edge of an unknown and as yet seemingly unfathomable future. New concepts, new theories and practices are becoming obsolete at birth as newer concepts and newer theories take their place in the panoply of ever-expanding scientific inventions, adaptations and innovations that daily impact on our lives.

The cell phone, the Internet and the microwave have replaced the carrier pigeon, the pony express and the kerosene stove. Each of these has had an immeasurable effect on the quality of life and on the lifestyles of persons across the globe. Each invention and each development is also having its impact on all aspects of business, business development, business concepts and business practices.

New products and services, new responses and new mechanisms are required on a daily basis to enable entrepreneurs, enterprises, consumers, governments and business support agencies to manage the ever changing changes that are taking place in the World around us.

This newsletter is one such response to the demands that have been placed upon us - we in the Business Development Unit of this Ministry of Commerce, Consumer Affairs and Business Development are responsible for keeping abreast of these demands and of providing guidelines and appropriate mechanisms to help government and businesses deal with change in a manner that is timely, competitive and profitable at both the national and enterprise levels.

Every quarter as we deal with the Business of Business we will seek to highlight some change, some challenge or some opportunity that presents itself to us or that we believe will be beneficial to someone browsing through our website.

Significant global changes are taking place. The World Trade Organisation, The Free Trade Area of the Americas, The Caribbean Single Market and Economy all have a direct bearing and impact on our lives. The products that we buy, the food that we eat and even the air we breathe are all influenced by what is taking place in the global economy.

A dominoes and karaoke evening at the corner shop in any one of our parishes may feature music and food

from Soweto in South Africa, or Tacarigua in Trinidad or the Stan Creek Valley in Belize. These are truly exciting times in which we live, times that offer us limitless possibilities, fears, anxieties and opportunities.

In the Business of Business we will keep you informed of things that are important in our lives and that will affect the way we do business and the way we will be required to do business if we are not merely to survive but to succeed and make some significant contribution on the stage of the human drama.

We will monitor and keep you informed of legislation, business practices, international agreements, shipping and transportation, modern business practices and any events that affect small, medium or large enterprises or have some impact on important aspects of business, business development or the business of doing business.

These articles will not only present an account or résumé of the work of the Business Development Unit but will reflect the current philosophical underpinnings which have begun to influence the transformation of the national entrepreneurial enterprise either from domestic efficiency to international competitiveness.

At present as managers of the Register of Approved Small Businesses under the Small Business Development Act, the Business Development Unit is closely monitoring the establishment of a select cadre of Small and Medium Enterprises whose corporate governance and operational practices are enabling them to restructure themselves to cope with the international competition of the global economy.

The corporate stimulus to employ international best practices in production and marketing management, coupled with overall improved managerial accounting and budgetary analysis and employee training is resulting in a fundamentally and markedly different approach to doing business.

Internationally accepted concepts and practices such as ISO 9000, HACCP and Sew-Safe are now included in the strategic planning of some of our Approved Small Businesses and in our next quarter's newsletter we shall cite the success story of one such Approved Small Business whose improved management and competitive niche marketing/trust has resulted in sales from Wildey to USA and several European Government outlets.

In addition we shall take a closer look at the benefits of our HACCP Programme and review the current work being done by a group of local consultants who are currently carrying out a series of GAP Audits within the Food Service Sector.

"The cell phone, the Internet and the microwave have replaced the carrier pigeon, the pony express and the kerosene stove."



CONSUMERS, DO YOU KNOW OF YOUR PROTECTION?

CONSUMERS, DO YOU KNOW OF YOUR PROTECTION UNDER THE CONSUMER GUARANTEES ACT 2002-21?

Do you know that the Consumer Guarantees Act (CGA) assures consumers' right to products of good quality and to products which meet their expressed requirements?

Do you know that this Act became operative from January 16, 2003, but does not apply to contracts for goods and services that were made before January 16, 2003?.

Do you know that this Act applies to the ordinary individual, not carrying on business, when he/she buys goods and services ordinarily acquired for personal, domestic or household use?

Do you know that if you purchased an item and it is faulty or it does not do what you were told it would do, or does not conform to a description or sample, then you can have redress? This could include repair or replacement of the item, refund of money paid or compensation **depending upon the particular circumstances**. Compensation may be paid for disappointment, distress, inconvenience, personal injury or vexation.

Do you know that a warranty given by a supplier or manufacturer is not absolute? Warranties are usually given for periods ranging from three months to two years, but the guarantees given under the CGA may extend beyond those periods.

Do you know if any item is

bought locally, given to you as a gift and it is discovered to be defective, then you can seek any of the available remedies against the supplier.

Do you know that if, e.g. I bought a vehicle from a dealer, sold it to you and it is later determined to be defective, then you have a claim against the supplier, even though you were not a party to the original contract of sale?

Do you know that there may be instances when, under the CGA, the limitation in the manufacturers warranty may be disregarded because, for example, the core issue could be whether the product or component was of acceptable quality?

Do you know that if the mediation efforts fail, there is a Consumer Claims Tribunal which functions like a small court? Consumers may be represented by Public Counsel, the rules of evidence are relaxed and there is virtually no cost to a complaining consumer.

Do you know that the Office of Public Counsel, Ministry of Com-

merce, Consumer Affairs and Business Development administers this Act and to date over 350 complaints have been settled by that Office? The wide variety of complaints included some relative to clothes iron, stoves and vehicle repairs, furniture, stereo equipment and computers.

You must know however that individuals must act as responsible and reasonable consumers. For example, the Act will not help you if you abuse or misuse the product. Be prepared to draw defects to the attention of the supplier and if the circumstances require that repairs be done, then await the repairs for a reasonable time.

You must know that for advice and direction, you can contact the Office of Public Counsel, NHC Building, Country Road, St. Michael; Tel: 467-7910; Email: publiccounsel@commerce.gov.bb.

Help us to ensure that the rights of consumers are protected. An informed consumer is a wise consumer. Let us hear from you.



The Importance of Science and Technology in a Country's Social and Economic Development: A Commentary

A country's social and economic development is bound up in its capacity and capabilities in the area of science, technology and innovation.

Up until recently economic and other forms of social development, in most countries was based on the country's intrinsic comparative advantages, such as natural resources.

This scenario has been altered dramatically, to the point where development now hinges on the ability to provide the various goods and services at competitive prices. In order to satisfy this demand countries must be able to adapt and commercialise the results of science and technology,

The successful execution of the above requires a high level of political and societal support and approval.

Activities in science and technology can create jobs for our citizens, make our food and water safe, improve our means of communication and greatly enhance our health care systems. It is very difficult for one to seriously challenge the unrivalled power of science and technology to

transform life, culture and entire economies.

In light of these facts it appears that we must move with alacrity to facilitate and stimulate research and development activities among our youth as well as our small scientific community.

The National Council for Science and Technology (NCST) has been at the forefront of this drive, through its Sci-TechXpo, which was started in 1998 and is held on a biennial basis. Every effort will be made to strengthen and expand this Exhibition. Further, it is anticipated that the Council will be expanded and given the requisite resources to execute its mandate effectively.

It has to be appreciated that Science and Technology must be encouraged at the highest level; research activities must be funded and science-based enterprises must be encouraged and nurtured.

Many countries in the developing world seem to hold fast to the erroneous notion that sci-

ence is a luxury that they cannot afford; the contrary is true.

Barbados has to develop its own cadre of scientist who are in tune with the needs of the society.

A disregard of the importance of sci-



ence and technology may result in Barbados being sidelined in the world economy, which is becoming more science and technology based. Let us work together to ensure that science is a priority.

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Upcoming Events

Fair Trading Commission

Electricity Standards of Service Survey [May 24, 2004]

Open House [June 16, 2004]

Barbados Manufacturing Association

BMEC 2004 International Trade Fair [May 29–31, 2004]

For more information: www.bma.org.bb

National Council for Science & Technology

School Debating and Lecture Series [December 2004–March 2005]

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