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SUMMARY OF CARIBBEAN ECONOMIC PERFORMANCE - 1998

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1. Economic policies: Structural reforms and General outlook and Synthesis

The issues that demand critical attention in the Caribbean remained the same and were related to the underlying structural weaknesses and macroeconomic constraints and the exigencies of external developments. A number of issues facing the countries demand cogent responses in order to strengthen previous reforms aimed at stabilization and sustained growth. These issues relate to the need to strengthen the structural reforms with a view to transforming the economies into dynamic and flexible entities and include, among others, continuing non-inflationary fiscal and monetary policies, improving production capacity efficiency, furthering trade liberalization, accelerating fiscal and public sector reforms, devising specific policies for improving equity and reducing poverty.

The stabilization and structural adjustment programmes of the 1980s and 1990s have helped to correct a number of macroeconomic imbalances and weaknesses in some Caribbean economies. These policies revolved around unlocking the incentives of the price system, promoting the market system as the major allocator of resources and fiscal and financial prudence. The more important among these policies were those geared towards tax and other fiscal reforms and the control of government deficits, which were often financed by printing money. Also vital were the privatization of virtually bankrupt State companies, the elimination of quotas and the lowering of tariffs, especially under the Common External Tariff (CET) regime of the Caribbean Community (CARICOM) and improved exchange rate management. In addition, many countries have implemented public sector reform programmes aimed at creating a public service able to carry out efficiently its role in largely market-oriented economies. Also, financial sector reforms were being strengthened further in many countries to create a better regulated and more efficient financial sector capable of playing its central role in the financing of the development of the countries.

As expected the reforms attained varying levels of depth and success in different countries. The larger countries, such as the Dominican Republic, Jamaica, Trinidad and Tobago, Guyana and Barbados, which were more handicapped by macroeconomic imbalances undertook more wide-ranging reforms than the Organization of Eastern Caribbean States (OECS) countries. The OECS countries, constrained by Eastern Caribbean Central Bank (ECCB) Agreement, had pursued fairly prudent macroeconomic policies over the period. This might have led to some complacency and, as a result, these countries undertook less ambitious reforms than their larger neighbours. One thing is clear though, and this is that the correction of macroeconomic disequilibria has reached a minimum threshold in the region. The question then is what is the next step in the process of achieving sustainable growth and improved equity in the region? The answer seems to reside in addressing those structural changes that could reorient existing production and facilitate the development of new systems of production and exchange that could galvanize the growth and distribution process.

A crucial structural problem that needs to be addressed is the restructuring of regional production systems to respond to the challenge of a competitive market place. In this regard, the trade reforms that have been undertaken to transmit appropriate price incentives, eliminate production and welfare distortions and enhance competition have not gone far enough. It is clear, though, that there is need for a strategy supported by appropriate policies to foster industries and services that could compete on the domestic and external markets. In industry, increased dynamism in production systems, including flexible specialization based on custom-made products and the targeting of niche markets, suggests that economies of scale might not be too important in these forms of production. In fact, economies of scope that allow for the production of different products in the same plant can be relatively more important than scale economies in some activities. Moreover, the use of diverse regions for different aspects of the production process, based on relative advantages, offers scope for regional industries to capture niches in the production chain of multinational corporations. Industries taking part in such operations need to move quickly to the international frontier of best practices in respect of production technology, operations and quality management and marketing to become dynamic and profitable exporters. In addition, the ability of regional manufacturers to produce more high value added, technology intensive goods for export will depend crucially on the knowledge and skills of the workforce and the business climate.

With the exception of tourism, financial and some business services, the regional services sector is largely non-tradable. The regional private sector needs to make better use of computer and information technology and relevant management strategies to enhance the export potential of other services. These include transport, construction and engineering, telecommunications, marketing and entertainment services. Given the vigorous standards and other demands of the international market, there is need for a regional marketing company to undertake marketing in a number of areas. Such a company could undertake market research for producers, carry out surveys, establish contacts with market makers and brokers and provide information on product and consumer requirements. These areas are vital for successful exporting.

Structural change must not only involve the drive to export more and higher value added products, but improvements in domestic, non-tradable output. The non-tradable sector is overwhelmingly the largest contributor to national product. This underscores the need for policies to strengthen productivity, entrepreneurship and dynamism in these sectors. Indeed, if producers for the domestic market can compete with foreign imports based on merit, as has occurred in some plastic and metal products in Trinidad and Tobago, this could provide an important avenue for saving foreign exchange. There is a need for research and development and better use of modern technology to improve the efficiency of domestic producer services, such as customs services, transport, electricity, financial and marketing services. In the world at large, low productivity in these services is often a major drag on productivity in manufacturing and consumer services, such as tourism and personal services. This is especially important for manufacturers, where upwards of 30 per cent of value added may be attributed to producer services in some cases.

Moving beyond structural transformation and growth, to improved equity in the distribution of the fruits of growth is no easy task. In fact, even in countries that have had suitable growth rates, equity has not improved commensurately. In the modern economy of

today, the individual's earning potential is strongly linked to his level of formal education, knowledge and skills. Consequently, differential access to education and training and the ability to acquire skills, especially those related to computer and information technology can impact importantly on the individual's welfare. Moreover, market failure means that private businesses are often unwilling to invest in 'general' education of workers that is not job related. This is so because businesses do not expect to appropriate the returns of such training in their specific line of activity. In many instances though, this general education is required to bring workers to a basic level of proficiency on the job. This demands strategies for partnerships between the public sector and private sectors to upgrade the education and skills of workers who cannot afford to provide for their training. Governments, for instance, can provide tax breaks to companies for investment in broad-based education of workers. In addition, businesses can set up training programmes based on counterpart funding for workers. This could provide an incentive for workers to make the best use of the training.

Empowerment programmes in education, training and retraining must be supported with a restructured system of safety nets. The system of safety nets must have a mechanism to ensure that the most vulnerable groups benefit most. For example, old age should not be the major criterion for the age pension, but ability to sustain oneself. Also, an appropriate welfare fund should be established in countries, with suitable contributions during boom years to maintain benefits in times of shocks and crises.

2. General outlook and synthesis

The pace of economic activity decelerated in the Caribbean in 1998. For the countries surveyed, growth slipped from an average of 4.0 per cent in 1997 to 3.1 per cent in the current year. Real sector activity suffered as a result of the decline in agricultural output, which was affected by hurricane damage and generally adverse weather conditions and worsening commodity terms of trade. The traditional agricultural commodities were particularly hard hit; sugar output, for instance, contracted by roughly 15.0 per cent. Similarly, banana production declined by an average of about 6.0 per cent, despite moderate growth in the OECS countries.

Among the countries, performance was relatively heterogeneous. **Agricultural** value added weakened in Belize, Guyana, Jamaica and Trinidad and Tobago, while output improved in the OECS countries. Strengthened activity in the OECS was explained by growth in banana output in response to measures to restructure and streamline the industry to improve its competitiveness. This is particularly important to these countries in light of the industry's substantial contribution to output and employment and the World Trade Organization (WTO) ruling against the European Union (EU) banana regime, which provided them with preferential access to the EU market.

Manufacturing performance, though mixed, was relatively weak. In most countries, the sector has not undertaken the restructuring that is necessary to face external competition. Productivity and efficiency levels are relatively low, as many producers still seek protection from competition.

Meanwhile, activity in the real sector was bolstered by relatively strong construction and tourism demands. **Construction** strengthened as a result of reconstruction and rehabilitation in the countries affected by hurricane damage and in response to strong private sector investment in most countries.

Generally, **money** growth quickened in 1998, on account of accelerated growth in credit to the public sector in some countries. In addition, liquidity in the banking systems remained fairly high. Moreover, the persistent slackening of money restraint in the latter part of the year to accommodate import demand continued, with its attendant adverse current account effects.

Government finances weakened on average in the region in 1998. Finances stabilized in Jamaica, though, and improvement was recorded in the Bahamas. Even where government finances showed improvements on the current accounts, these improvements were often offset by deteriorating capital accounts.

Prices remained relatively stable during the year benefiting from lower imported inflation in trading partners and the generally dampened economic activity in the region. Some impulses to higher prices were provided by the shortage of domestic agricultural output occasioned by unfavourable weather, but these did not outweigh the beneficial effects.

Although output declined in 1998, **unemployment** remained relatively stable. Unemployment declined moderately in Jamaica, Barbados and Aruba, but was up in Belize. Employment gains in the countries came primarily from construction, tourism and services. Meanwhile, youth and female unemployment remained at rather high levels.

The **external payments accounts** of the region worsened in 1998, largely on account of declining merchandise trade positions. The trade deficits of most countries shifted upwards in response to worsening commodity terms of trade and contracting commodity exports. The attendant weakening of the current account positions was only partially compensated for by capital inflows.

3. Economic activity, inflation and employment

In **Aruba**, real GDP is estimated to have grown by some 3 per cent in 1998 according to International Monetary Fund (IMF) rough estimates, while inflation increased by 2 per cent, largely reflecting the low rates of inflation in its major trading partner countries of Holland and the United States of America. This combination of satisfactory growth and low rates of inflation has continued from the mid-1990s when significant investment in the hotel sector completed the transformation of the country from a petroleum-based to a tourism-based economy.

Whereas in 1997 growth was driven by domestic demand, growth in 1998 was largely externally driven. The adoption of a contractionary fiscal policy led to a substantial decline in domestic demand.

Tourist arrivals increased by less than 1 per cent in 1997 and 1998. This represented a significant loss of momentum when compared with previous years. Adverse economic conditions in Colombia reduced airline service with Brazil and a decline in marketing efforts, resulting from reduced government funding, accounted for the weak performance. Since there was no increase in hotel rooms, the small increase in arrivals of stay-over visitors increased the hotel room occupancy rate in both 1997 and 1998. Tourism revenues increased in response to an increased average length of stay and expenditure per tourist (from data provided by commercial banks) as the country successfully marketed itself as an upscale tourist destination. The major part of tourism earnings was from tourists from Latin America, especially Venezuela.

Cruise tourism declined in 1998 for the second consecutive year as difficulties in St. Maarten, a popular cruise ship destination, caused a fall-off in arrivals and, consequently, a decline in calls at Aruba.

Whereas revenue earned per hotel room in Aruba is among the highest in the Caribbean, gross operating profits at 1.4 per cent of sales in 1998 are substantially below the Caribbean average of 13.6 per cent.

In the **Bahamas**, the pace of economic expansion picked up slightly in 1998. Real GDP grew by 3.2 per cent, compared with an increase of 3.0 per cent a year earlier. The marginal improvement in activity was largely driven by construction and the financial services sector, as tourism value added contracted during the year. Vibrancy in the construction sector carried over into 1998, buoyed by significant investment in the commercial sector. Of note, was Sun International's \$350 million Phase II hotel expansion project on Paradise Island. Commercial construction was complemented by residential activity that thrived on the hospitable interest rate environment. With these developments, housing starts for the first 10 months of 1998 increased by 21.6 per cent to \$104.5 million.

Output in agriculture and fisheries was mixed, following marginal growth in 1997. Fish production contracted by 6.5 per cent to \$65 million. However, farm output grew by 2.7 per cent to \$56.9 million, bolstered by strong poultry and meat production.

Meanwhile, tourism capacity declined as a result of large-scale investments in refurbishing, upgrade and expansion in the hotel sector which adversely affected capacity. Activity slackened in both the stopover and cruise subsectors, resulting in a decline of 3.1 per cent in total visitor arrivals to 3.35 million. This was on the heels of marginal growth of 1.1 per cent in 1997 and strong growth of 5.5 per cent in 1996. Cruise ship arrivals fell by 1.2 per cent to 1.73 million.

The non-tradable sector provided the impetus for fairly strong output growth of 4.4 per cent in **Barbados** in 1998. Value added in the non-tradable sector expanded by 5.8 per cent. Robust growth of 14.9 per cent in construction activity, more than twice the rate for 1997, boosted non-tradable output. This upsurge in construction was driven by private sector building activity. After six years of growth, however, capacity constraints in terms of equipment, materials and skilled labour became evident by year-end. Contrary to expectations, though, this does not seem to be fuelling inflationary pressures, as the rate of inflation actually declined in 1998.

Output in the tradable goods sector was up marginally by 1.3 per cent. The tourism sector registered growth of 6.5 per cent, compared with a sluggish 2 per cent in 1997. Tourism activity was bolstered by stopover visitor arrivals which shifted upwards by 8.5 per cent, mainly as a result of a 19.7 per cent growth in visitor arrivals from the United Kingdom market. Manufacturing output maintained growth, supported by domestic and foreign demand for products of the sector. The subsectors experienced variable growth, however, as strong demand in some sectors was offset by declining competitiveness in others. Growth was strongest in the 'other non-metallic mineral subsector', where demand was boosted by the construction boom. Meanwhile, sugar production contracted by 25.7 per cent, on account of lower yields and a decline in the area harvested. Growth in the international business sector continued in 1998. However, it could have been higher, but for the significant decline in the informatics industry.

Economic activity decelerated in **Belize** in 1998, with output growing by 1.4 per cent, compared with 4.0 per cent in 1997. Value added in the primary and secondary sectors contracted and was just offset by growth in activity in services. Following robust growth of 12.0 per cent in 1997, agricultural value added declined by 9.2 per cent. Sugar-cane deliveries fell by 2.5 per cent, reflecting lower cane quality, higher rainfall during the early part of the season and the continued closure of the Petrojam sugar processing facility. Citrus deliveries declined by 18.0 per cent, mainly due to agronomic and labour problems, which were compounded by the El Niño dry weather spell and low prices. The fall in prices was consistent with the slack demand for commodities on the international market. In 1998, 50,904 metric tonnes of bananas were produced. However, efforts by exporters to find alternative markets for the surplus above the European quota have been unsuccessful. As a result, acreage has been reduced to 3623 acres from 5,388 acres in 1997. Nevertheless, the reduction in value added in the primary sector was offset somewhat by a healthy 36.2 per cent growth in the fishing subsector, the result of a near doubling of farmed shrimp production.

Services value added grew by 4.0 per cent, with a strong contribution coming from the trade, restaurant and hotel subsectors, which expanded by 6.6 per cent. Tourism activity was quite vibrant, as was reflected in the 6.4 per cent increase in tourist arrivals. Output in the transport and communications and public administration subsectors was up by 2.5 and 1.9 per cent, respectively.

Output in **Cuba** continued its decline. Product grew by 1.82 per cent in 1998 compared to 2.5 per cent and 7.6 per cent in 1997 and 1996. This decline in growth was mainly accounted for by a decline of 5.2 per cent in the agriculture sector partly due to the El Niño weather phenomenon and hurricane Georges. On the other hand, tourism registered strong growth bringing in US\$1.86 billion in 1998 and together with the construction sector, which grew by 5.7 per cent, was largely responsible for the growth of the economy in 1998.

The pace of economic activity slowed in the **Dominican Republic** in 1998, relative to 1997 but remained high with output growing by 7.5 per cent, compared with growth of 8.2 per cent in the previous year. The agricultural sector registered a 1 per cent increase in the year because of the effect of hurricane Georges. On the other hand, the manufacturing sector grew by 5 per cent led by a strong growth rate of 8 per cent registered by the firms in the free trade zones

fuelled by robust growth of the United States economy, the main destination of these products. Also the construction sector grew strongly in 1998 registering a growth rate of 20 per cent mainly due to reconstruction activities related to hurricane damage. The tourism sector grew by 5 per cent in 1998 compared to a growth of 17 per cent in 1997. The slowdown was partly due to the hurricane.

In **Guyana**, real GDP declined by 1.3 per cent in 1998, following strong growth of 6.2 per cent in the previous year. The decline in real value added after an average growth of 5.3 per cent for the last five years was due to a number of unfavourable developments. Among these were the continued impact of adverse weather conditions, which affected agricultural output, declining commodity terms of trade and sluggish demand for the country's exports, as a result of dampened output abroad triggered by the Asian financial crisis.

Value added contracted in all sectors, except, fishing, gold production and construction. Agricultural output fell on account of declines of 7.6 per cent and 0.7 per cent in sugar-cane and rice production. Both crops were adversely affected by drought conditions, which impacted negatively on yield per acre. Forestry production plummeted by over 24 per cent, the lowest output in recent years, reflecting slack international demand and lower prices for forestry products. In contrast, the fisheries subsector recorded vibrant growth of 11.0 per cent.

Output in the mining and quarrying sector was up by 2.7 per cent, but among the subsectors performance was mixed. Production of gold rose by 4.2 per cent, while output of bauxite fell by 8.2 per cent. Manufacturing activity was down fairly substantially by 8.6 per cent. Production of sugar fell by 7.3 per cent and rice production also contracted. Output of refrigerators, laundry soap and corrugated cartons declined, but was somewhat offset by higher production of beverages and pharmaceuticals. Generally, the manufacturing sector experienced financial difficulties. These included the high cost of credit and weakened demand, brought about by lower incomes.

Construction value added was up by 4.7 per cent, driven by housing and residential activity, since there was a slowdown in public sector projects. Services value added increased, also, by 1.4 per cent, propelled by the rental and dwellings and financial services subsectors.

In **Haiti** output grew by 3.1 per cent in 1998 compared to 1.4 per cent in 1997 indicating that economic recovery was underway. This relatively strong growth was led by growth in the construction sector (9.4 per cent). Growth resulted largely from an increase in government and public sector buildings and major infrastructural work, including roads and irrigation systems. Also, the agricultural sector registered a growth rate of over 2 per cent due to higher levels of rainfall. On the other hand, the manufacturing sector declined by more than 4 per cent.

Real output declined in **Jamaica** for the third consecutive year, reflecting macroeconomic disequilibrium, which filtered through to affect aggregate supply. Output contracted by 0.7 per cent, compared with a decline of 2.1 per cent in 1997. Value added in the productive sectors was down by 2.3 per cent, after falling by 4.1 per cent in the previous year. Agricultural production declined by 0.3 per cent, an improvement on the 14.6 per cent contraction in 1997. As in 1997, value added weakened in both domestic and export agriculture. Domestic agricultural output fell by 1.0 per cent, while export agricultural output was down by

1.7 per cent. Reduced agricultural output resulted from drought conditions, industrial action, worsening terms of trade and increased competition from imports.

Exports of traditional crops slipped substantially by 30.0 per cent. Sugar cane production fell by 7.6 per cent, explained largely by drought and labour unrest. Banana output dropped by 8.9 per cent, reflecting adverse weather and the transitional impact of restructuring to enhance efficiency and competitiveness.

Manufacturing, which recorded an average rate of decline of 2.8 per cent between 1995 and 1998, was down by 4.2 per cent in 1998. Manufactured exports contracted by 11.4 per cent, largely as a result of an 11.8 per cent fall in garment exports. The sector continues to be affected by high interest rates, inadequate new and replacement capital and weak competitiveness. The impact of high interest rates on the affordability of credit was highlighted by the over 32 per cent decline in credit to the sector in 1998.

Value added in the mining and quarrying sector was up by 2.6 per cent, relative to the 3.3 per cent growth in the previous year. This bright spot in commodity performance was contributed to by stable industrial relations and a Memorandum of Understanding linking wage increases to improvements in performance. Bauxite output was at its highest level in a quarter century, up by nearly 6.0 per cent, relative to 1997. Receipts were affected, however, by a softening in metal prices, which were down by 7.0 per cent.

Services, which accounted for over 75 per cent of real output in 1998, grew marginally by 0.5 per cent. The impact of this rather modest growth in services was much greater than its size, though, given the significant weight of the sector in aggregate output. The performance of the subsectors was mixed. Electricity and water recorded growth of 6.4 per cent, with electricity generation and sales up by 6.5 per cent and 7.2 per cent. Water and sanitation services were up by 5.5 per cent. Transport, storage and communication maintained growth of 5.6 per cent in 1998, reflecting strong investment in communications systems. Meanwhile, finance and insurance services contracted by 1.4 per cent, attributable to the weak interest income and output of the fledgling Financial Sector Adjustment Company (FINSAC) and all-round weakness of the financial sector.

In the **Netherlands Antilles** an estimated drop in real GDP of 0.5 per cent in 1998 reflected a year of declining economic activity, as sluggish domestic spending related to uncertainty on the part of both consumers and investors regarding government's policy towards the financial-economic crisis persisted. The export sector registered a weak performance as a result of developments in the international financial and business services sector and the impact of hurricane Georges on the tourism sector in St. Maarten.

The overall weak export performance resulted from mixed sectoral developments. In the tourism sector, while an increase in the number of stay-over visitors was accompanied by an increase in foreign exchange income, the number of cruise passengers declined in response to lower cruise calls. The performance by island varied. In Curacao, a moderate growth in the number of stay-over tourists and an increase in foreign exchange income earned were observed, while cruise tourism declined. In Bonaire, the number of cruise tourists declined. St. Maarten

was affected by hurricane Georges in September 1998. Although the hurricane did not cause much damage, the growth in the number of stay-over and cruise tourists slowed, while foreign exchange earnings declined. The free zone in Curacao performed well and registered growth in both the re-exports and in the number of visits.

The transportation sector experienced a mixed performance. The national carrier, Air ALM, recorded growth in the number of passengers, but the amount of freight handled continued to decline. A recently established strategic alliance with two other airline companies is expected to increase the probability of the company's return to profitability. Activity in the Curacao harbour increased as measured by total cargo movements and the number of ships piloted. On the other hand, the port in Bonaire experienced a sharp decline in the number of ships piloted. A fall in the number of tanker arrivals was the main explanation for this performance. The opposite was observed in St. Eustatius where oil transshipment and storage activities increased significantly.

Real output grew by 3.8 per cent in the **OECS** countries in 1998, relative to a slightly weaker 3.1 per cent in 1997. Higher growth was built on the planks of expanded value added in agriculture, construction, distribution activities, communications and government services. The recovery in agricultural output was grounded in growth in banana production of 3.2 per cent to 141,839 tonnes, following a contraction of 28.2 per cent in 1997. The upswing in the banana industry resulted from measures to improve productivity and fruit quality. The quality rating of the exported fruit moved up to an average 88 Percentage Units Within Specification (PUWS) in 1998, from 84 PUWS in 1997. Cocoa production rebounded, with growth of 39.8 per cent, after a major decline in 1997. Meanwhile, sugar-cane output in St. Kitts and Nevis, which was affected by hurricane Georges, declined by 18.6 per cent following strong growth of 50.0 per cent in the previous year. Output of nutmeg in Grenada fell by 12.7 per cent, compared with growth of 15.2 per cent in 1997.

Manufacturing value added registered weaker growth of 0.8 per cent. Sectoral activity was mixed, however, with sugar production contracting by 25.1 per cent. The marginal growth in the sector, resulted mainly from a 20.0 per cent increase in soap production in Dominica and a 14.4 per cent expansion in the output of cardboard boxes used in the banana industry.

Vibrancy in construction was maintained in 1998, with growth of 9.24 per cent, compared with 7.35 per cent in 1997, and average growth of 5.68 per cent between 1994 and 1998. Construction activity was buoyed by private sector residential and commercial construction, while public sector projects included new investment in infrastructure and rehabilitation in St. Kitts and Nevis and Antigua and Barbuda, which were affected by hurricane Georges.

All subsectors of the services sector recorded growth in the current year, similar to the previous year. Activity in the hotel and restaurant subsector grew marginally by 0.48 per cent in 1998, following growth of 7.28 per cent in 1997. This reflected depressed value added in the tradable tourism sector. Meanwhile, growth was strong in banking and insurance (8.3 per cent) and communications (6.6 per cent).

Buoyed by improvement in the petroleum sector and continued vibrancy in the non-petroleum sector, economic activity picked up in **Trinidad and Tobago** in 1998. Real value added increased by 3.6 per cent, following growth of 2.9 per cent in 1997. Growth in goods-producing and non-goods-producing sectors was up by 3.1 per cent and 4.0 per cent. While all non-exportable activities registered growth, the performance of the foreign exchange generating sectors was dampened somewhat by the sharp decline in agriculture.

Output in the petroleum sector rebounded, growing by 5.0 per cent, after declining by 2.0 per cent in 1997. Output in the petrochemicals subsector rose significantly by 22.1 per cent, the highest rate in the previous four years, boosted by the start-up of two world-scale ammonia plants and one methanol plant. With a more than 77 per cent increase in the daily cracking capacity of the oil refinery and a 46.6 per cent rise in refinery throughput, refinery output rose by 46.2 per cent in 1998. Production of natural gas was up in response to higher demand. Meanwhile, output of methanol and nitrogenous fertilizers increased by 28.1 per cent and 20.7 per cent.

Growth in real value added in the non-petroleum sectors continued to be strong, at 3.2 per cent. Construction activity was up by 13.5 per cent, supported by large-scale investments in the energy sector. Value added in distribution and electricity grew by 12.8 per cent and 5.8 per cent. Agricultural output was down, however, by 14.7 per cent, reflecting largely the impact of adverse weather and froghopper infestation in the sugar industry. Manufactured output strengthened somewhat, with growth of 3.9 per cent, sustained by growth of 30.6 per cent in wood products, 19.0 per cent in drink and tobacco and 5.6 per cent in chemicals and non-metallic products. Performance would have been more vibrant, though, but for the 14.3 per cent and 6.2 per cent declines in output of garments and footwear and food processing. The regional garment sector has long been affected by relatively low productivity and production inefficiencies.

4. Monetary developments

Record foreign investment and strong bank capitalization supported robust monetary expansion in the **Bahamas**. The broad money supply (M2) grew by 15.3 per cent to \$2,843.5 million following slower growth of 10.7 per cent in 1997. Fixed deposits, which comprised 63.6 per cent of broad money, registered strong growth of 16.4 per cent (\$254.8 million), compared with 8.9 per cent growth in 1997. Savings deposits also showed robust growth of 11.5 per cent (\$37.8 million). Expansion in the overall money supply (M3) quickened to 15.8 per cent, up from 11.1 per cent in the previous year. Foreign currency deposits, which differentiate (M3) from (M2), increased significantly by 46.4 per cent, comparable to the 43.8 growth in 1997. Narrow money (M1) grew by 16.4 per cent, marginally slower than the year before.

Boosted by strong credit to the government, domestic credit expanded by 12 per cent (\$366.4 million), relative to 10.2 per cent in 1997. Net credit to the government moved up by 7.8 per cent (\$32.8 million), while disbursements to the rest of the public sector grew sharply by 54.1 per cent (\$47.9 million). The pace of expansion of credit to the private sector slowed to 11.2 per cent (\$285.7 million), influenced by a Central Bank directive which curtailed the annualized growth in credit in the first half of the year. Of note was the reduction in consumer

lending as a proportion of personal loans, at 66.8 per cent, relative to 88.4 per cent in 1997. Banking system liquidity remained buoyant, with a 34.1 per cent growth in net free cash reserves of the banking system. Average deposit interest rates moved up by 30 basis points to 5.6 per cent, while average loan rates fell by 50.0 basis points to 12.3 per cent, leading to a marginal decline in the interest rate spread.

Liquidity in the banking system in **Barbados** tightened in 1998, following strong accumulation in 1997. Contraction in liquidity was accounted for by increased investment in government paper by non-banks to benefit from better returns; a decline in foreign exchange earnings and quickened growth in credit, especially to the tourism and personal sectors, as a result of the buoyancy in economic activity. By year-end, the excess liquidity ratio stood at 10.0 per cent, down from 14.8 per cent in 1997. Domestic deposits were up marginally by 1.4 per cent, while credit to the non-financial private sector increased by 11.0 per cent. As is the trend with stable economic activity, the personal sector absorbed most of the increase, with loans to finance cars, home improvement and acquisition of real estate.

Broad money (M2) registered strong growth of 18.5 per cent, relative to 11.1 per cent in 1997. Meanwhile, growth in narrow money decelerated to 3.6 per cent, down from a strong increase of 22.6 per cent in 1997. Monetary policy remained largely unchanged, with the commercial banks' minimum deposit rate and the Central Bank's discount rate remaining constant at 4.0 per cent and 9.0 per cent, respectively. In response, commercial bank interest rates were relatively stable, with average deposit rates staying at 4.2 per cent, while loan rates fell by 40 basis points to 11.1 per cent.

Influenced by weakened growth in activity, especially in the export sectors, broad money (M2) growth in **Belize** slowed to 8.1 per cent, from 13.6 per cent in 1997. Similar to 1997, money growth was impelled by growth in domestic credit to the public and private sector. Narrow money (M1) expanded by 10.8 per cent, the largest rate for the previous five years. Demand deposits quadrupled, while currency with the public moved up by 6.0 per cent. Growth in quasi-money, however, slowed from 12.1 per cent to 7.1 per cent, related to the significant draw down of deposits for Christmas purchases. Such growth in consumer spending needs to be held in check since it feeds through to expand the current account deficit. Savings deposits grew by 4.1 per cent, relative to 6.7 per cent in 1997, while time deposits increased by 8.1 per cent - over 5 per cent lower than a year earlier. Average deposit rates slipped by 70 basis points to 6.0 during the year, while loan rates declined by 30 basis points.

Meanwhile, the net foreign assets of the banking system declined significantly by 27.6 per cent. Central bank foreign assets fell substantially by over 24 per cent to accommodate demand by commercial banks for payments for imports of goods and services.

Recognizing the nexus between stability and growth, monetary policy in **Guyana** maintained the pursuit of price stability and stability in the money and foreign exchange markets. Growth in broad money (M2) slowed to 6.6 per cent compared with 15.2 per cent in the previous year, on account of weakened economic activity and sluggish demand for credit by the private sector. Narrow money (M1) growth also decelerated to 2.1 per cent, relative to 20.9 per cent in 1997.

Credit absorbed by the private sector grew by 15.5 per cent, following growth of 23.6 per cent in 1997. Most of this credit went to the manufacturing sector, which has rebounded somewhat in recent times, and to mortgages. The Central Bank intervened in the financial system to sterilize the high level of excess liquidity through open market operations. With relatively firm monetary control, interest rates in the banking system remained fairly stable.

In the **Dominican Republic**, growth in broad money slowed to 21.4 per cent in 1998, relative to 23.2 per cent in 1997. This deceleration in the expansion of broad money aggregates was probably related to the dampened pace of economic activity. However, although the expansion in broad money outpaced growth in nominal GDP, this did not result in higher inflation. Inflation actually declined in 1998 from 8.4 per cent in 1997 to 7.8 per cent in 1998. The brunt of the slowdown in broad money seems to have come from currency with the public and demand deposits, leading to growth of only 7.8 per cent in narrow money, compared with 22.2 per cent in 1997.

In **Haiti**, restrictive monetary policies resulted in very modest increase of narrow money supply (M1) of 3 per cent. Also average real interest rates increased during the year to reach 10 per cent compared to 5 per cent in 1997. Inflation, although still high at 12.7 per cent, decreased from 16.2 per cent in 1997.

In **Jamaica**, a number of monetary policy targets were programmed for 1998 to contribute to the stabilization effort. Base money was targeted to grow at a slower pace to facilitate a reduction in inflation to a range of 6-8 per cent and to protect the value of the currency. Lower inflation was expected to induce a reduction in interest rates and boost productive investment. However, although the base money growth was constrained and prices fell, the anticipated interest rate and investment promotion effects did not materialize. This attests to the difficulty of macroeconomic management in small open economies. Further, it suggests that a well thought out policy strategy for balancing growth with price stability must be implemented.

During the year, base money contracted by 2 per cent, largely as a result of a fall in statutory reserves. In providing more coverage for imports, however, domestic assets had to be reduced to curtail growth in base money. In 1998, broad money supply (M2) grew at the slower pace of 7.2 per cent, around the same rate as inflation. This was indicative of the authorities' success in containing money growth and inflation. With respect to the components of broad money, quasi-money increased by 8.0 per cent, down from over 20 per cent growth in 1997. Savings deposits rose by 4.4 per cent, relative to rather strong growth of 31.0 per cent a year ago. Notably, time deposits expanded by 19.1 per cent, after contracting by 4.4 per cent in 1997. This rebound in growth reflected improved confidence of depositors in the financial system and growth in the interest rate differential between savings and time deposits. Narrow money (M1), however, was up by 5.4 per cent, compared with a decline of 0.5 per cent in the previous year. Currency with the public rose by 8.5 per cent, just over half the increase for the previous year, while demand deposits were up by 3.1 per cent.

The primary sources of money growth during the year was the more than 100 per cent (J\$46.7 billion) growth in credit to the public sector, and a build up of international reserves. Notably, private sector credit contracted by 18 per cent, largely as a result of FINSAC's purchase of J\$8.4 billion in non-performing commercial bank loans. The general growth in public sector credit, at the expense of the private sector, raises the important issue of crowding out of private investment. This is particularly important in light of the weight of the evidence that indicates that private investment is generally more growth inducing than public spending.

Net foreign assets contracted by 4.0 per cent, helping to contain growth in the money supply. The 10.7 per cent rise in the net international reserves of the Bank of Jamaica was more than offset by the 73.0 per cent fall in commercial banks' foreign assets. Monetary policy during the year relied primarily on indirect instruments to impact money and credit markets. Base money management was the main tool of short-term liquidity management. Cash reserve requirements were reduced, however, to encourage commercial banks to reduce interest rates to stimulate investment. Although the '30-day' reverse repurchase rate, the main signal rate of the Bank of Jamaica, fell by 7.0 per cent, the average weighted deposit rate shifted upwards by 1.4 percentage points to 15.5 per cent. The average loan rate fell by 2.0 per cent to 33 per cent, however. With growing uncertainty in emerging markets, the Jamaican dollar came under some pressure in the second half of the year, as local investors sought to increase their holdings of foreign assets. As a result, the Central Bank supplied US\$112.5 million to maintain confidence in the integrity of the local currency.

By the end of 1998, the broad money supply in the **Netherlands Antilles** grew moderately as a result of the increase in net international reserves in the fourth quarter of the year. Total Liabilities of the Bank Van De Nederlandse Antillen rose by 1.5 per cent in 1998, from Naf 774.2 million to Naf 785.7 million. Growth in private sector credit was marginal and well within the growth limit of 2.25 per cent of the monetary cash reserve arrangement. Government's objective of fiscal consolidation, as begun in 1998, is expected to continue into 1999.

In the **OECS**, broad money (M2), which averaged EC \$3883.3 million between 1994 and 1998, grew by 12.5 per cent to EC \$4,862 million in 1997, up from growth of 9.6 per cent in 1997. Quasi-money expanded by 12.3 per cent, supported by growth of 17.6 per cent and 9.8 per cent in time and savings deposits, respectively. Growth in narrow money (M1) accelerated to 13.2 per cent, from 9.2 per cent in the previous year. Demand deposits increased by 14.7 per cent, while currency with the public rose by 10.1 per cent.

Domestic credit expansion slowed to 7.2 percent, down from 13.3 per cent in 1997. This largely reflected a slow down in the pace of credit outstanding to the private sector which grew by 8.0 per cent, relative to 13.3 per cent in 1997. Credit channeled to businesses moved up marginally by 7.5 per cent as against 6.2 per cent in the previous year. Liquidity in the banking system slackened, with the loans and advances to deposits ratio falling to 86.0 per cent from 88.6 per cent in 1997. Overall monetary developments conduced to a strong accumulation of net foreign assets, up by 50.0 per cent to EC \$990.8 million, on the heels of a decline of 6.2 percent in the previous year.

The main plank of monetary policy in **Trinidad and Tobago** during the year was the management of liquidity and credit to maintain the stability of the currency. In keeping with this policy, the Central Bank imposed statutory reserve requirements on non-depository funding instruments for the first time. Monetary policy was generally less tight than in 1997, but the Bank persisted with liquidity management to dampen demand which could affect the exchange rate. Interventions in the foreign exchange market led to the Central Bank selling US\$35 million to commercial banks. Open market repurchase agreements were also introduced as an instrument of liquidity management.

Liquidity fluctuated during the year, ranging from a fairly high level during the first quarter to reduced levels during the third quarter, to some improvement in the final quarter. The Central Bank intervened in the market from time to time to mop up excess liquidity. In response to the Bank's liquidity management policies, interest rates shifted upwards. Commercial banks prime lending rate was raised from 15.0 per cent to 17.5 per cent, as a result of the increase in reserve requirements. Meanwhile, savings and time deposit median interest rates were up by between 29 and 90 basis points.

Commercial bank credit declined by 3.1 per cent, in contrast to robust growth of 23 per cent a year earlier, due in part to the rise in the cost of finance. Disbursements to the private sector (75 per cent of the total), were nearly 7.0 per cent below the level for the previous year. A disturbing trend has been the continued flow of the major part of credit into consumer lending, especially for the purchase of vehicles and consumer durables. Loans to consumers rose by 13.5 per cent, while loans to businesses were up by 13.0 per cent. Credit to the central government fell by 1 per cent, however.

Deposit inflows associated with improved economic activity led to growth of 12.3 per cent in broad money (M2), up from 11.6 per cent in 1997. Time deposits grew sharply by 22.9 per cent, relative to a decline of 2.3 per cent in the previous year. Savings deposits increased by 12.3 per cent, marginally stronger than a year earlier. Narrow money (M1) grew by roughly 6.0 per cent, after posting strong growth of 19.0 per cent in 1997. This largely reflected the 5.4 per cent decline in demand deposits, which was not compensated for by the 6.6 per cent rise in currency with the public. Foreign currency deposits recorded strong growth of about 32.0 per cent, compared with an increase of 10.6 per cent in 1997.

5. Public finance

By the end of 1998, total revenue received by the Government of **Aruba** had increased by 4.6 per cent to AFL647.6 million from 619.4 million one year earlier. Taxes collected were 7.2 per cent above the 1997 amount of AFL499.7 million. Non-tax revenue increased by 6.5 per cent in 1998 to a figure of AFL95.6 million. Total expenditure on a cash basis (including expenditure on projects funded through Dutch Development Aid) is estimated to have fallen by 2.3 per cent in 1998, possibly indicating payment arrears. The fiscal balance recorded a deficit of AFL28.5 million, a somewhat improved position from the deficit of AFL72.5 million at the end of 1997. Indications are that despite an increase in the collection of revenue, the collection system did not function efficiently, thus resulting in some escape from the tax net. The newly-

elected Government introduced a policy to restore fiscal discipline in mid-1998 and instituted cost-reducing measures. Strict monitoring of expenditure was introduced, which contributed to a decline in the fiscal deficit, to 0.9 per cent of GDP. The tightened fiscal discipline is projected to improve the tax take in 1999 and reduce the amount of arrears payments to suppliers.

At the end of 1998, government debt amounted to AFL1,304 million, or 34 per cent of GDP. One third of that debt was owed to external creditors, primarily the Netherlands Government. Most of the external debt is on concessional terms - at rates of 2.5 per cent or lower.

In the **Bahamas**, the fiscal consolidation objective for fiscal year 1997/98 was largely achieved through improved expenditure management and stronger revenue outturn. The overall fiscal deficit contracted sharply by 50.1 per cent to 1.7 per cent of product, down from 3.6 per cent in 1997.

Revenues and grants grew by 11.6 per cent, the first double-digit increase in five years, to reach roughly 18.5 per cent of GDP. The relatively strong revenue performance was built on economic growth and strengthened tax administration and collections. Recurrent revenues shifted upwards by 6.0 per cent to Bah\$731.4 million or 17.7 per cent of product. Tax performance was fairly homogeneous, with all the major categories recording growth in receipts. Revenue from selected taxes on services rose sharply by 26.5 per cent. Proceeds from taxes on international transactions, which comprised roughly 60 per cent of total revenue, grew by 10.4 per cent to Bah\$455.7 million. Business and professional fees also contributed with a 2.4 per cent increase in receipts. Other taxes which include property tax and motor vehicle tax registered a 12.0 per cent increase in proceeds.

Total expenditure, including the balance on lending to public entities, rose slightly by 1.0 per cent to Bah\$835.4 million, roughly 20 per cent of GDP. Recurrent spending shifted upwards by 5.0 per cent, but remained at about 17.0 per cent of Product. Recent wage increases contributed to an 8.6 per cent rise in outlays on wages and salaries. Interest payments rose marginally by 1.4 per cent, while transfers and subsidies were down by 6.0 per cent.

Capital outlays and net lending contracted by 17.3 per cent to 3.0 per cent of product, mainly due to scaled down investment in road, water supply and other infrastructure projects. The 1998 fiscal deficit was financed primarily from internal debt of \$127.0 million. Borrowings comprised domestic loans of \$6.0 million and government bonds of \$121.0 million.

Public sector foreign currency debt declined by 10.2 per cent to US\$348.7 million. Liabilities of the central government, 36.5 per cent of the total, contracted by 10.6 per cent. Public corporations also made net debt repayments. Debt service payments as a proportion of exports of goods and non-factor services fell to 3.9 per cent from 5.5 per cent a year earlier.

The fiscal position of the Central Government of **Barbados** weakened somewhat in 1998, following strong improvement a year earlier. Central government's fiscal deficit moved up by 1.3 per cent, but remained at 0.9 per cent of Product after falling by almost 70 per cent in 1997. A stronger 9.8 per cent increase in current expenditure that was matched by growth of only 7.2 per cent in current revenues led to a 7.3 per cent drop in the current account surplus to 4.5 per

cent of Product. In the expenditure account, spending on wages and salaries was up fairly sharply by 13.8 per cent to 12.5 per cent of Product, on the heels of a rise of 2.2 per cent in the previous year. This growth resulted largely from the wage settlement for public sector workers, which was retroactive to 1997. Interest payments resumed growth of 7.4 per cent after falling by 11.6 per cent in the year before. Transfers and subsidies increased by 10.5 per cent explained by growth in pensions and the settlement of outstanding obligations to the University of the West Indies.

Current receipts, which amounted to 33.3 per cent of Product, were up by 7.2 per cent, half the growth for the previous year. Direct tax receipts rose by 7.1 per cent, somewhat slower than in 1997, owing in part to a fall in property tax proceeds. Indirect tax revenues were up by 5.1 per cent, after significant growth in 1997. This probably reflected the lack of consumption taxes in 1998. VAT receipts showed vibrant growth of 10.1 per cent.

Deficit financing came from increased holdings of government paper by the National Insurance Scheme, to the tune of B\$126.2 million. Meanwhile, commercial banks reduced their lending to government by B\$32.6 million. Similarly, lending from the Central Bank was down by B\$30.2 million. Total external indebtedness fell by 1.8 per cent in 1998 to 7.4 per cent of Product, after a decline of 4.3 per cent in 1997.

The fiscal accounts weakened slightly in **Belize**, with the deficit rising from 2.1 per cent of GDP in 1997 to an estimated 2.3 per cent in 1998. This outturn resulted from growth in net capital spending, as the current account surplus strengthened in 1998. Capital expenditure grew by 16.2 per cent, almost twice the growth for 1997, to BZ\$95.1 million, 7.5 per cent of Product. In contrast, capital revenue declined by 11.8 per cent, following an increase of 9.7 per cent a year ago.

Recurrent spending grew moderately by 3.1 per cent, to reach roughly 20.6 per cent of Product. Public sector wages and salaries increased by 7.8 per cent, while transfers and subsidies were up by 6.2 per cent. Growth in these categories, however, was offset by a welcomed 10.8 per cent fall in interest payments.

Recurrent revenues were up by 5.0 per cent to 23.6 per cent of Product. Tax receipts, which averaged \$205.2 million between 1994 and 1998, grew by 2.5 per cent, largely on account of growth in taxes on income and profits (15.6 per cent), taxes on international trade (5.1 per cent) and taxes on property (7.0 per cent). Income taxes generated improved revenues following the introduction of the Income Tax Amendment Act, 1998. Higher receipts from taxes on international trade were in response to increased collections duties levied on fuel imports.

In **Cuba** the fiscal deficit deteriorated slightly in 1998 moving from 1.9 per cent of GDP in 1997 to 2.1 per cent of GDP in 1998. This was mainly due to an increase of current expenditure of 6 per cent, which was twice as high as the increase in recurrent revenues. On the other hand, capital expenditure decreased by 14 per cent. External debt increased from US\$10.1 billion in 1997 to US\$11.2 billion in 1998.

In the **Dominican Republic**, growth in recurrent revenues slipped badly to 13.4 per cent in the year under review, from 31.9 per cent in the previous year. Tax receipts, which were up

by 31.3 per cent in 1997 as a result of improved efforts to collect outstanding obligations, grew by 14.8 per cent, less than half the rate for the previous year. There were slippages in the rate of growth proceeds from taxes on goods and services and taxes on international trade. Non-tax receipts actually declined by 7.4 per cent, after robust growth of 41.7 per cent in the previous year.

Growth in recurrent expenditure slowed to 15.0 per cent, just over a quarter of the rate of growth in 1997. This was accounted for primarily by significant decelerations in growth of the wage bill and transfers and subsidies. Capital expenditure recovered in 1998 registering a growth rate of 5.5 per cent compared to a decline of 23.5 per cent in 1997. In general, the Central Government finances of the Dominican Republic strengthened further in 1998 with the fiscal surplus increasing from 1.4 billion pesos in 1997 to 2.3 billion pesos in 1998. The public and private guaranteed external debt remained at the same level in 1998 as it was in 1997 and amounted to US\$3.5 billion. However, the debt service ratio decreased slightly from 49.7 per cent in 1997 to 46.9 per cent in 1998.

The Central Government finances weakened in **Guyana** in 1998, with the fiscal deficit shifting upwards from 6.7 per cent of GDP in 1997 to 9.5 per cent in 1998. This deterioration in the fiscal position was explained largely by a relatively sharp decline in revenue, as total revenue and grants fell by 7.4 per cent to reach about 37 per cent of GDP. Recurrent revenue was down by 2.8 per cent or roughly 36 per cent of Product from 31 per cent of Product in 1997, reflecting the fall in Product. Tax revenue declined marginally by 1.5 per cent, while non-tax receipts slipped by almost 100 per cent. Capital revenue and grants contracted substantially by over 59 per cent, mainly owing to a 70.4 per cent fall in grant receipts. The overall reduction in revenue was primarily due to the disruption of economic activities and general administration during the political disturbances following the general election of 1997 and drought conditions associated with the “El Niño” weather pattern which adversely affected growth in sectors with high tax buoyancies.

Total expenditure declined by 3.1 per cent (half the rate for total revenue and grants) to stand at 46.5 per cent of Product, up from 40.4 per cent in 1997. Current expenditure grew by 7.1 per cent, compared with growth of 17.3 per cent in the previous year, to reach 32.5 per cent of Product. Allocations for wages and salaries were up by 9.6 per cent, four times the rate for a year earlier, to stand at about 11 per cent of GDP. Interest payments rose negligibly by 1.1 per cent to account for 11.2 per cent of Product, up from 9.3 per cent in the previous year. In contrast, capital expenditure declined significantly by 20.4 per cent to a level of 14.1 per cent of Product. The fall in capital expenditure reflected reduced capital spending by public enterprises that led them to realize a surplus.

Government financed the deficit through a mixture of domestic debt, external loans and balance of payments grants. Meanwhile, the stock of external debt, which averaged US\$1721.0 million between 1994 and 1998, contracted by 1.1 per cent in 1998 as a result of higher net outflows to multilateral and bilateral creditors. External debt as a percentage of GDP moved up from 196.4 per cent in 1997 to 271.5 per cent in the current year. This reveals the extent to which the debt overhang is a constraint on economic growth and development. Fortunately, the

country benefited from debt write-off of US\$253.0 million under the Highly Indebted Poor Countries initiative in 1998.

In **Haiti**, the public sector deficit worsened in 1998 increasing from 1 billion gourdes in 1997 to 1.4 billion gourdes in 1998 or 2.4 per cent of Product. This increase in deficit was mainly accounted for by an increase of 74.8 per cent in capital expenditure to cover the modernization and construction of basic infrastructure. In accordance with the government commitment to fiscal austerity, current revenues increased by 11.5 per cent in 1998 while current expenditures were kept in check, somewhat increasing by only 8.3 per cent. In 1998, Haiti remained one of the Highly Indebted Poor Countries (HIPC) of the world with a debt to export ratio of 238.1 per cent. However, the debt service ratio seemed more manageable at 7.6 per cent in 1998.

The Government of **Jamaica** espoused a number of fiscal objectives using benchmarks as guidelines. These included a reduction in the fiscal deficit to 4.6 per cent of GDP. This target did not materialize, however, as the fiscal deficit dropped by only 5.3 per cent, to stand at 8.2 per cent of Product, almost twice the planned figure. Total revenue and grants rose by 11.5 per cent to account for 32 per cent of Product. Current revenue expanded by 12.4 per cent, almost double the growth for 1997. Tax revenues, which averaged \$44,954.6 million over the last five years, moved up by 13.1 per cent to 28.9 per cent of GDP. On the other hand, non-tax receipts fell slightly by 0.4 per cent. In contrast, capital revenue, levy and grants were down by 1.7 per cent to 1.7 per cent of Product.

Total spending grew at the slower pace of 8.8 per cent in 1998 moving up to 39.5 per cent of Product as a result of the fall in Product. Recurrent expenditure registered stronger growth of 17.5 per cent, growing to 36.6 per cent of Product from 32.7 per cent in 1997. There was an encouraging reduction in growth in spending on wages and salaries, one of the most intractable outlays, which grew by 9.8 per cent just under half the rate for 1997. Interest payments, a significant claim on resources, rose by 40.8 per cent to 14.9 per cent of GDP, after declining by 10 per cent in 1997. Recurrent revenue and spending developments led to a sharp 50 per cent increase in the current account deficit to 6.3 per cent of Product.

With recurrent dissaving, resources were not liberated for capital spending. Capital expenditure contracted substantially by 43.1 per cent, to account for only 3.0 per cent of Product. Gross investment that averaged \$8,899.5 million for the five-year period up to 1998 was down substantially by 70.4 per cent to 3.0 per cent of Product from 10.6 per cent a year earlier. This reflected a return to trend growth in gross investment after the considerable outlays on debt acquisition under FINSAC in 1997. Outlays on debt amortization increased by 20.0 per cent, just over a third of allocations for 1997. Debt servicing which has been the bane of fiscal consolidation recorded quickened growth of 29.6 per cent, for a considerable ratio of 29.8 per cent of Product. In fact, one cannot foresee how fiscal consolidation and overall macroeconomic stabilization could take place without concerted efforts to alleviate the strain of debt service payments. This might be an urgent necessary condition for a return to long run stable growth.

Total external debt went up by a negligible 0.9 per cent to US\$3.3 billion, compared with a rise of 1.4 per cent in 1997.

In the **Netherlands Antilles**, General Government recorded a surplus on a cash basis in the fourth quarter of 1998. The figure was slightly higher than the surplus at the end of the corresponding period of the previous year. The favourable surplus was attributed to an increase in revenues that outstripped the increase in expenditures in the period. The increase in revenues was mainly due to an increase in import duties related to the growth in transshipment activities to the European Community and a windfall in inheritance and gift taxes. For the year, however, the cash deficit of the General Government deteriorated to NAF85 million, the result of increased expenditures. A considerable portion of the increase in expenditures was due to the reduction of arrears to the civil servants pension fund by the Central Government.

Most **OECS** Governments had fiscal reform and strengthened public sector finances as objectives of their 1998 budgets. Current account savings were to be used to partially finance capital projects, thereby reducing the extent of the need for debt instruments. The extent to which individual governments were able to achieve these objectives depended on the level of growth in activity and the buoyancy and revenue elasticity of taxes, also the extent of inertia in public spending which is sticky upwards. Aggregate finances weakened in the subgrouping in 1998. The overall fiscal deficit climbed by a significant 60.0 per cent to \$250.4 million or 3.6 per cent of GDP. Improvement in the recurrent account was offset by a deterioration in the capital account. The current account surplus moved up encouragingly by 31.9 per cent to 1.4 per cent of Product. Current revenues rose by 7.6 per cent, almost twice the pace for 1997, to stand at 25.3 per cent of Product. Tax receipts were up by 8.8 per cent, proceeds from taxes on income and profits grew by 6.6 per cent, the same pace as for 1997, while revenue from taxes on domestic goods and services rose, but at a slower pace of 8.5 per cent. Taxes on international trade which accounted for an average of 58.4 per cent of tax revenue for the last five years, increased by 10.0 per cent in 1998, reflecting the strong propensity to import basic consumer, intermediate and capital goods in these small open economies. Non-tax receipts rose marginally by 1.1 per cent to amount to 3.5 per cent of Product.

Recurrent expenditure grew by the slightly stronger pace of 6.5 per cent to a level of 23.9 per cent of Product. Spending on wages and salaries, which has averaged over 50.0 per cent of current expenses for the last five years, was up by 6.5 per cent or 23.9 per cent of Product. Growth in outlays on goods and services and interest payments accelerated to 8.3 and 8.4 per cent, respectively. Meanwhile, spending on transfers and subsidies grew at a slower rate of 7.7 per cent to account for 3.8 per cent of Product. Of this, pension payments grew by 9.7 per cent to 1.4 per cent of Product.

Capital revenues and grants went up by 41.7 per cent, over half the rate of growth for 1997. Capital spending and net lending, however, recorded quickened growth of 47.0 per cent to 8.6 per cent of Product. These developments led to a 51.1 per cent increase in the capital deficit, up to 5.0 per cent of GDP.

In **Trinidad and Tobago**, Central Government's finances worsened substantially in 1998, with the fiscal position moving from a surplus of 0.1 per cent of Product in the previous year to a deficit of 1.2 per cent of Product in the current year. Deterioration in public finances resulted largely from the reduction in total revenue, as growth in total spending was held in check. Recurrent revenues were up by 6.0 per cent to 29.2 per cent of Product, compared with a

decline of 4.3 per cent (27.1 per cent of Product) in 1997. Oil revenues moved down by 17.5 per cent, just over half the rate of decline for 1997. Tax receipts shifted upwards by 8.7 per cent to 27.0 per cent of GDP, with all tax categories showing improved returns. Proceeds from income and property taxes rose by 8.1 per cent and 6.0 per cent, respectively. Meanwhile revenues from taxes on goods and services and international trade taxes were up by 26.8 per cent and 29.9 per cent. Non-tax receipts, however, which stood at 2.1 per cent of product dropped by 18.6 per cent.

Growth in recurrent spending, which has been on an upward trajectory over time was contained at 2.0 per cent equivalent to 30.5 per cent of Product. After declining by 7.6 per cent in 1997, outlays on the wage bill grew fairly sharply by 9.4 per cent, presenting a major draw on resources. Interest payments grew at the slower pace of 3.3 per cent to 5.3 per cent of Product, while growth in transfers and subsidies turned upwards by 7.5 per cent after dropping by 6.8 per cent in 1997. The recurrent account surplus contracted by 13.4 per cent to 0.8 per cent of Product.

The capital account deficit moved up steeply by almost three times the 45.3 per cent rise recorded in 1997 to 2.1 per cent of Product. External indebtedness declined by 7.2 per cent in 1998 to stand at 24.7 per cent of product, relative to a more robust reduction of 17.8 per cent a year ago.

6. Prices

In **Aruba** the rate of inflation, as measured by the Consumer Price Index, continued its deceleration from 1993 through 1998, except for 1995 and 1996, when the rate of price increase remained unchanged. In 1998 the rate of inflation was of the order of 1.5 per cent. The fall in the rate of inflation was associated with a drop in oil prices with consequent decreases in the price of water, electricity and transport and communications. As much of Aruban consumption consists of imports, the low inflation rates in Holland and the United States of America also contributed to the low inflation recorded.

Real wage increases appear to have moderated within the years 1994 to 1998. Some labour force survey data indicated that the nominal average wage had increased by 4.2 per cent annually between 1994 and 1997, while the annual inflation rate for the same period averaged 3.0 per cent.

Consumer prices rose by 1.3 per cent in the **Bahamas**, in 1998 up from 0.5 per cent in 1997. Education costs recorded strong growth of 9.7 per cent, after declining by 3.5 per cent a year ago, in response to increases in tuition costs. Food prices were up by 2.2 per cent, while average prices of clothing and footwear rose by 1.7 per cent from 0.3 per cent in 1997. In contrast, the costs of entertainment and services (2.1 per cent) and transport and communications (0.7 per cent) remained stable.

Inflation fell by 1.2 per cent in **Barbados** in 1998, relative to an increase of 7.7 per cent in the previous year. Average prices declined in response to domestic and external developments. These included the zero-rating of a market basket of food items in October 1997

and a reduction in the Common External Tariff (CET) to 20 per cent from 25 per cent a year earlier. In addition, lower import prices as the US dollar appreciated and declining oil prices affected domestic prices favourably. The sub-index fuel and light was down by 9.0 per cent, compared with 1997, reflecting the beneficial impact of lower fuel prices.

Inflation in **Belize** slowed to 0.8 per cent in 1998, down from 1.0 per cent in the year before. The fall in inflation in 1998 reflected the general decline in the cost of living. For tradeable items, the list of zero rated commodities under the value added tax was increased and the maximum rate of import duties under the Common External Tariff of CARICOM was reduced to 25.0 per cent from 30.0 per cent. Importers also benefited from lower prices for goods imported from Mexico and CARICOM countries, and from the 2.7 per cent reduction in US export prices. All of these factors impacted favourably on domestic prices, given the openness of the economy. The prices of food, beverages, transport and communications which account for 51.0 per cent of the index, declined, pulling average prices downwards. Declines in prices were also recorded for clothing and footwear (3.7 per cent) and personal care (1.1 per cent).

In **Cuba** the price of goods and services provided by the State remained virtually the same in 1998. However, there were some increases in prices in the nascent liberalized market.

In the **Dominican Republic** the consumer price index declined slightly in 1998 from 8.49 per cent in 1997 to 7.8 per cent in 1998. Although there were increases in prices of food and drink, there were somewhat offset by decreases in the prices of housing, clothes and other consumer items.

Inflation as measured by changes in the consumer price index was contained at 4.8 per cent in **Guyana**, up slightly from 4.1 per cent in the previous year. Increases in the prices of food, communication and transportation and medical and personal care contributed to the marginal upward movement in inflation. Conversely, upward pressure was dampened by favourable changes in the prices of clothing and footwear and stable monetary policy. The rate of inflation decreased in Haiti from 16.2 per cent in 1997 to 12.7 per cent in 1998 mainly due to a 4 per cent decrease in the prices of food and drink.

Consumer prices slowed in **Jamaica** in 1998. The continued decline in inflation from 1997 was an important achievement of the stabilization strategy. Moderation of inflation was related to constrained money growth, relative exchange rate stability and low imported inflation from major trading partners. Moreover, the inflationary pressures that were triggered by shortages of domestic agricultural products in 1997 abated with the return of normal weather. Inflation during the year was associated with increases in the prices of food and drink (4.0 per cent), miscellaneous expenses (23.3 per cent) and transportation (26.8 per cent). The transportation sub-index rose on account of increases in bus fares, airfares, and gasoline prices, with the latter triggering widespread riots.

Consumer prices declined in the **Netherlands Antilles** in the fourth quarter of 1998, mainly as a result of a decline in oil, electricity and water prices and low inflation rates in the country's major trading partner countries of Holland and the United States of America.

Inflation was subdued in the **OECS** in the year under review. Average consumer prices drifted upwards by 2.3 per cent, reflecting low imported inflation from major trading partners and stability of the pegged exchange rate.¹ Among the member states, inflation ranged from a decline of -0.2 per cent in volcano affected Montserrat to an increase of 3.6 per cent in St. Lucia. Moderate price rises were recorded in St. Kitts and Nevis (0.9 per cent), Dominica 1.5 per cent and St. Vincent and the Grenadines (3.3 per cent).

Aggregate price pressures in **Trinidad and Tobago** during the year came from higher costs of some agricultural products that were affected by poor weather, and from the introduction of the national minimum wage in April. Implementation of the minimum wage triggered price increases in some sectors, which pushed up the overall index. Average inflation quickened to 5.6 per cent from 3.7 per cent a year ago. The heavily weighted food sub-index shifted upwards sharply by 15.1 per cent, reflecting the shortage of vegetables, citrus and other products that were affected by drought and then flooding. Drink and tobacco prices rose by 4.1 per cent. Conversely, wholesale prices moderated, with the all items producers index standing at 1.4 per cent, relative to 1.9 per cent in the previous year.

7. Employment

Most countries in the region have significant lags in carrying out labour force surveys. Employment and unemployment data are therefore, rather spare. Regional action is required to provide funding, establish fairly standardized methodology and manpower for conducting such all-important surveys. This section reports on the few countries for which data are available.

Labour force dynamics in **Aruba** are affected significantly by patterns of immigration. After a period of massive immigration in the earlier part of the decade, net immigration rose from less than 600 in 1989 to nearly 6000 in 1993, after which the flow slowed down to an estimated 3 per cent from 1994 to 1997. Indications are that the trend was maintained in 1998. The unemployment rate declined slightly in 1998 to a level of 0.6 per cent, down from 0.7 per cent, one year earlier.

Stronger economic activity in **Barbados** in 1998 contributed to job growth and reduced unemployment. Unemployment, which averaged 16.0 per cent over the last five years, fell to 11.8 per cent, from 14.5 per cent in 1997. The construction boom boosted male employment significantly, resulting in a 2.0 percentage points fall in the male unemployment rate, which was down to 8.3 per cent. Unfortunately though, female unemployment remained above 15.0 per cent, as many jobs that are mainly held by women - such as electronics and textiles and informatics- were lost as companies streamlined to improve competitiveness.

In **Belize**, dampened economic activity spurred an increase in the unemployment rate to 14.3 per cent, from 12.7 per cent in 1997. Weakened activity in the agriculture and manufacturing sectors led to increased unemployment in these sectors. These declines, however, were only partially compensated for by growth in employment in the vibrant services sector. In the **Dominican Republic** the higher growth rate recorded by the economy had a positive effect

¹ The EC\$ has been pegged to the US\$ at the rate of US\$1=EC\$2.70, for over 20 years.

on employment. The rate of unemployment decreased by more than one percentage point from 15.9 per cent in 1997 to 14.3 per cent in 1998.

A reduction in the labour force and a rise in the level of employment contributed to 1.0 percentage point decline in the unemployment rate in **Jamaica** to 15.5 per cent in 1998. The unemployment rate among males, with a participation rate of 73.9 per cent, fell to 10.0 per cent, from 10.5 per cent in 1997. Similarly, the unemployment rate among females who had a participation rate of 57.8 per cent declined to 22.1 per cent in 1998, from 23.5 per cent a year earlier. Youth unemployment, although high, fell from 33.4 per cent to 26.5 per cent.

The goods producing and service-producing sectors displayed mixed employment patterns. Employment in the service-producing sectors was up by 2.4 per cent, on account of improved job creation in wholesale and retail trades, hotel and restaurant services and personal services. On the contrary, the goods-producing sectors experienced job losses, with employment down by 1.8 per cent. This was associated with lower employment in manufacturing and agriculture. Manufacturing employment fell mainly in response to the closure or relocation of several apparel plants in the Free Zone. A disturbing labour market feature in 1998 was that a quarter of unemployed persons reported that they were out of a job for more than a year - in effect they were among the chronically unemployed.

The average weekly wage rate of workers rose by 16.2 per cent in seven of the eight sectors assessed. This far exceeded average inflation of 7.9 per cent and could undermine product competitiveness. Only in the construction and manufacturing sectors were increases in wage rate in line with government guidelines.

In the **Netherlands Antilles**, the unemployment rate rose to 15.8 per cent as a result of relative sluggishness in the economy.

Unemployment declined for the fifth consecutive year in **Trinidad and Tobago**, dropping from 15 per cent a year ago to 14.2 per cent in 1998. Youth unemployment fell to 29 per cent from 34.6 per cent in the previous year, but was still above the national average. Female unemployment remained relatively high at 18.9 per cent, while male unemployment stood at 11.4 per cent. Construction and services and manufacturing were the main generators of growth in employment, with construction absorbing more skilled workers. Conversely, agriculture suffered job losses on account of reduced activity.

8. International trade and payments

At the end of 1998 the Balance of Payments of **Aruba** closed with a US\$89.3 million surplus. This contributed to a 41 per cent increase in the net foreign assets of the banking system. As a result, the end-of-period non-oil merchandise import coverage ratio rose to 3.9 months.

The current account deficit moved to US\$28.3 million at year-end. This improvement was due largely to a significant decline in the deficit on transactions in the oil sector from US\$179.3 million in 1997 to US\$2.6 million in the current year.

The goods and services account of the free-zone sector moved from a surplus of US\$10.5 million in 1997 to a deficit of US\$3.9 million at the end of 1998, as export receipts were outstripped by payments for imports. A great portion of this deficit may be explained by stockpiling. Excluding the oil and the free zone sectors, the current account deficit contracted to US\$21.8 million, down from US\$ 27.3 million one year earlier.

The overall balance of payments surplus of the **Bahamas** more than doubled to US\$119.3 million, equivalent to 2.9 per cent of Product. Growth in the current account deficit moderated to 25.9 per cent, a third of the rate for 1997 to stand at 14.3 per cent of GDP. The deficit on goods and services, which averaged \$179.3 million over the previous five years, grew by 19.6 per cent, after more than doubling in 1997. Notably, net invisible receipts declined by 17.7 per cent, reflecting the decline in net tourism inflows, that resulted from reduced hotel capacity, and a doubling of net spending for construction services associated with tourism plant expansion and upgrade. This was partially compensated for by a 5.7 per cent drop in the trade deficit to 25.5 per cent of Product, related to a credit squeeze to dampen demand for consumer durables. In addition, exports were up by 5.5 per cent.

The deficit in the income account widened by 24.3 per cent. Net factor payments abroad moved up by 28.0 per cent to \$190.1 million, reflecting higher outflows of labour income, while net transfer receipts were down by 12.6 per cent, as Government's net inflows contracted to \$38.0 million from \$43.7 million in 1997.

The capital and financial account surplus reached a record \$490.9 million, equivalent to 11.9 per cent of Product. This was explained by robust investments in hotel facilities. Net private direct investment rose to \$234.6 million, while private sector borrowings more than doubled to 6.7 per cent of GDP.

In **Barbados**, the balance of payments recorded a deficit of US\$37.2 million equivalent to 1.8 per cent of Product, the first since 1991. Declining export receipts from sugar and beverage concentrates were primary contributors to the first current account deficit of US\$8.8 million or 0.4 per cent of Product, since 1991. The merchandise deficit widened by 5.4 per cent to 76 per cent of Product. Exports were down by 11.9 per cent, while imports rose by 2.7 per cent, associated with robust demand for consumer and capital goods, imports of which increased by 15.8 and 11.1 per cent, respectively. Further, although there was a slowdown in demand for intermediate goods, purchases of construction materials were up by 12.2 per cent, attributable to the vibrant growth in construction.

Net service receipts rose negligibly by 0.4 per cent, following strong growth of 12.5 per cent in 1997. Travel receipts were up by 5.8 per cent, underscoring the fairly vibrant activity in the tourism sector. Growth in net transfers decelerated to 2.8 per cent, after rising by over 19 per cent in 1997. On the other hand, the capital account surplus contracted substantially by 58.5 per cent. Net international reserves shrank to US\$14.1 million, equivalent to 13.5 per cent of Product. This decline reduced the import cover for goods and non-factor services to 12 weeks from 14 weeks a year earlier.

The overall balance of payments position for **Belize** which averaged a surplus of US\$1.2 million over the last five years, shifted from a surplus of US\$1.0m in 1997 to a deficit of US\$15.4 million in 1998, equal to 2.5 per cent of Product. This largely reflected errors and omissions of US\$-13.9 million, and may point to significant statistical discrepancies, or real flows being unaccounted for. The official international reserves were down by US\$43.9 million (7.1 per cent of Product), equivalent to 1.8 months of import cover, just over half the three months benchmark.

Reflecting quickened growth in imports and reduced growth in exports, the merchandise trade deficit widened by 17.1 per cent to US\$104.8 million, the equivalent of 17.0 per cent of Product. Exports were down by 3.8 per cent, largely due to declines in exports of volumes of sugar, citrus and bananas, highlighting the dependence on traditional primary exports. Sugar earnings were adversely affected by the appreciation of the Pound Sterling against the ECU, while depressed citrus prices in the first half of the year affected earnings. Imports rose by 2.8 per cent, associated with higher domestic demand, since activities in the Commercial Free Zone and bonded warehouses remained stable.

Increases of 8.8 per cent and 2.0 per cent in travel receipts and transfers, respectively, resulted in a 3.7 per cent improvement in the services account. Tourist arrivals were estimated to have increased by 6.4 per cent, providing inflows of US\$105.3 million, up by US\$10.3 million. Current account developments led to a 67.7 per cent rise in deficit to US\$53.5 million, equal to 8.7 per cent of Product. Meanwhile, the surplus in capital and financial account contracted by 10.1 per cent, less than half the rate of decline for 1997.

The surplus in the balance of payments of **Cuba** decreased slightly from US\$21m in 1997 to US\$17m in 1998. Also, the deficit on the current account decreased from US\$437m in 1997 to US\$396m in 1998 mainly due to the growth of exports, which outstripped that of imports. In addition, the country registered a large surplus of US\$2.1 billion in the services account, mainly due to increased tourist receipts and remittances, the latter amounted to US\$750m in 1998. The reorientation of Cuban trade away from the former socialist countries continued. Europe and Latin America accounted for 48 per cent and 36 per cent, respectively, of Cuban trade in 1998.

The Balance of Payments of the **Dominican Republic** registered a surplus of US\$38.7m in 1998 including a large amount of minus US\$242.2m of errors and omissions. The deficit on the current account worsened from US\$163m in 1997 to US\$387m in 1998. This is partly accounted for by a strong increase in imports during the year resulting from the high growth recorded by the economy. On the exports side, while there was strong growth of the free trade zones products, i.e. textiles, tobacco, electronics, in 1998 the traditional exports, such as sugar, coffee, etc., have decreased substantially during the year. The surplus on the financial account increased in 1998 to US\$667.9m from US\$451.8m in 1997. This was largely due to a strong increase in foreign direct investment, which amounted to US\$690.7m in 1998 compared to US\$420.6m in 1997.

External sector developments in **Guyana** led to a balance of payments deficit of US\$22.17 million, the equivalent of 4.1 per cent of GDP, from a surplus of US\$4.0 million in the

previous year. The current account which has been a weak aspect of the external accounts for many years improved somewhat, with the deficit which averaged US\$59.6 million over the previous five years, falling by 6.3 per cent to 17.9 per cent of Product.

Export receipts shrank by 7.8 per cent, attributable to reduced export volumes and lower prices for primary commodities. Imports were also down by 6.3 per cent, associated with reduced aggregate demand in a contracting economy. The goods position was partially compensated for by a reduction in the deficit on invisibles by 22.1 per cent. A slowdown in capital inflows resulted in a 34.9 per cent decline in the capital account surplus.

In **Haiti** the surplus on the balance of payments increased slightly in 1998 from US\$30.4m in 1997 to US\$34.5m in 1998, mainly due to the increase in current transfers, which amounted to US\$466.8m in 1998 compared to US\$448.6m in 1997. The deficit on the current account increased from US\$59.6m in 1997 to US\$77.1m in 1998 mainly due to large increases in imports of goods and services, which were encouraged by improved terms of trade and a robust increase in exports. The latter increased by 45.7 per cent in 1998 led by the products from the free trade zones, i.e. textiles, underwear, skirts, etc. Also traditional exports, including coffee and cocoa, increased in 1998.

Capital and financial inflows compensated fully for the current account deficit in **Jamaica**, resulting in a balance in the external accounts. The current account deficit was down by 15.3 per cent to US\$339.2 million, equivalent to 5.5 per cent of Product, from 6.5 per cent of Product in 1997. Improved performance reflected a contraction in outflows in the merchandise and income accounts, which was only partly offset by the fall in receipts from services and transfers.

The merchandise deficit, a protracted feature of the external accounts reflecting economic disequilibrium, was down marginally by 1.7 per cent to 17.8 per cent of Product. Exports shrank by 6.4 per cent to US\$1590.4 million, relative to a decline of 1.3 per cent a year earlier. All major export groups registered declines, except re-exports and goods obtained in domestic ports by foreign carriers. Major traditional export receipts fell largely due to depressed international prices for alumina exports. Earnings from alumina fell by US\$76.4 million, despite a 2.4 per cent rise in export volume. Bauxite earnings, however, were up by 11.4 per cent, related to higher export volumes. Sugar earnings fell by US\$7.3 million, attributable to a 5.4 per cent fall in the average price and a 1.8 per cent decline in volume. Sugar prices were affected by the appreciation of the United States dollar vis-à-vis the pound Sterling. Banana exports also fell sharply by 27.3 per cent, influenced by reductions of 21.9 per cent and 6.9 per cent in volume and price. The decline in banana exports reflected in part the temporary impact of adjustments to rationalize and improve the productivity and efficiency of the industry in light of the WTO ruling against the current European Union/African Caribbean Pacific (EU/ACP) regime.

Non-traditional export earnings declined by 2.1 per cent. Apparel export earnings maintained their downward trend, reflecting rising operational costs, relatively low productivity and weak competitiveness. These factors led to the relocation of a number of plants to Mexico, to benefit from the North American Free Trade Agreement (NAFTA).

Imports contracted by 4.5 per cent to US\$2692.3 million, equal to 43.4 per cent of product. General merchandise imports fell by 4.9 per cent. However, the categories showed heterogeneous patterns. Consumer goods imports were up by 3.3 per cent, a manifestation of the high propensity to consume imported commodities. Food imports rose by 8.2 per cent, while motor vehicle imports were down by 18.0 per cent, influenced by an increase in the Common External Tariff on motor vehicles and a prohibition of imports of reconditioned vehicles older than three years for non-commercial purposes. Fuel imports fell sharply by 28.2 per cent, the reduction in the fuel bill reflecting falling international fuel prices, resulting from excess supply by the Organization of Petroleum Exporting Countries (OPEC). Similarly, capital goods imports shrank by 16.1 per cent, reflecting the one time purchase of aircraft in the previous year.

Net services inflows contracted by 15.1 per cent in 1998, almost three times the rate of decline for 1997. Travel receipts fell by 4.2 per cent. The 5.9 per cent growth in gross tourism earnings, attributable to an increase in stopover visitors, was offset by higher spending by Jamaicans travelling abroad.

The surplus in the capital and financial account narrowed by 15.3 per cent, after robust growth of 68.5 per cent in the previous year. This was related to a falloff in grants to the official sector and net investment outflows. Although gross official investment inflows were up, supported by a US\$250 million Euro-bond placement, this was counteracted by US\$484.7 million in debt repayments. The shortfall in official receipts was offset by growth of US\$244.9 million in investment receipts by the private sector. The net result was growth of US\$41.6 million in net international reserves, compared with a draw-down of US\$154.4 million in 1997. By year-end, the total gross reserves stood at US\$712.3 million, providing cover for 12 weeks of imports.

In the **OECS** subregion, the balance of payments surplus more than doubled to US\$50.5 million, the equivalent of 2.0 per cent of Product. The trade deficit, which is somewhat structural in nature given the weak commodity export competitiveness, almost doubled to US\$1040.3million, over 40.0 per cent of Product. The decline in exports was contained to 4.0 per cent, down from 7.1 per cent in 1997. Banana export receipts were up by 11.9 per cent, after a 26.7 per cent fall in earnings in the previous year. Exporters of bananas benefited from a 6.5 per cent rise in the average green market price (AGMP) for their fruit. Saint Vincent and the Grenadines and Saint Lucia recorded increases of 49.6 per cent and 6.5 per cent in banana export earnings. In Dominica, however, receipts decreased by 10.7 per cent, as export volume was negatively affected by unfavourable weather. Sugar receipts from St. Kitts and Nevis slipped by 26.7 per cent to \$32.7 million, reflecting falling export volume and prices. In Dominica, receipts from soap exports went up by 5.8 per cent to \$50.0 million.

Imports increased by 9.3 per cent, almost three times the growth for 1997, to the equivalent of 52.1 per cent of GDP. Imports of consumer goods posted fairly strong growth, reflecting weak domestic supply, while imports of capital goods were up sharply in response to demand for a number of projects, including hotel construction, road improvement and home construction.

Net service inflows registered a scant 1.8 per cent growth, following an increase of 8.2 per cent a year earlier. Travel proceeds grew marginally by 0.9 per cent, since gross visitor spending in the region, excluding Montserrat, was up by only 1.8 per cent to \$2,365.0 million. Capital and financial inflows rose by 19.4 per cent to 18.7 per cent of Product.

Trinidad and Tobago saw a 56.5 per cent reduction in its balance of payments surplus to \$76.2 million, equivalent to over 1 per cent of Product in 1998. The country's terms of trade were adversely affected by the fall out from the Asian crisis, which led to sluggish international demand for commodities and flat prices. The current account deficit narrowed marginally, as the visible trade deficit, which widened sharply by 33.9 per cent to 11.4 per cent of Product, was compensated for by rather vibrant service inflows.

Exports were down by 6.4 per cent, following growth of 1.5 per cent in 1997. With the fall in international crude oil prices by almost 30 per cent, receipts from crude oil and mineral fuels contracted by \$157.8 million. Exports of chemicals declined by \$106.4 million, reflecting lower prices for urea, ammonia and methanol. Prices for the latter two commodities were at their lowest level in five years. Some respite was provided by growth of 6.8 per cent in manufactured goods exports.

Imports rose slightly by 0.1 per cent to 9.2 per cent of Product. The 11 per cent fall in imports of machinery and transport equipment, associated with the slow down in direct investment, was compensated for by a substantial increase of 22.0 per cent in imports of manufactured goods.

Notably, the combined services and income accounts registered its first surplus in 20 years. This welcomed performance was attributable to strong central government receipts from production-sharing contracts in the energy sector and vibrant growth in communication and tourism earnings. A record number of visitors visited Trinidad and Tobago in 1998, and this resulted in a 16.3 per cent increase in travel receipts. Net inflows from insurance services were up, while income accruing to foreigners from investments in Trinidad and Tobago fell by 5.3 per cent. Public sector interest payments fell marginally in 1998.

The capital account surplus contracted by 32.3 per cent in 1998, but was still strong enough to maintain an overall surplus. Direct foreign investment, which peaked at over \$1 billion in the previous year, amounted to \$719.5 million in 1998, consistent with the tapering off of large investment projects in the energy sector. Commercial banks accumulated foreign assets of \$49.7 million, following net inflows in 1997. Meanwhile, the deficit in the official account declined, consequent on a 38.7 per cent fall in total debt service payments. This resulted in the debt service ratio dropping to 9.3 per cent of goods and non-factor services, from 15.4 per cent in the previous year. At the same time, gross foreign assets were equivalent to 4.3 months of import cover, up from 4.1 months in 1997.

STATISTICAL ANNEX

ARUBA

	1992	1993	1994	1995	1996	1997	1998
GDP at current prices (Afl. M.)	1832.0	2070.0	2381.0	2524.0	2751.0	2949.0	3094.0
GDP at constant prices	...	...	...	...	1596.7	1659.7	...
GDP growth (constant prices)	...	...	...	...	5.7	3.9	3.0
Prices	4.5	6.4	4.7	3.1	3.1	2.8	1.5
Exchange Rate (Afl vis a vis US\$)	1.79	1.79	1.79	1.79	1.79	1.79	1.79
Unemployment Rate	0.6	0.5	0.5	0.7	0.7	0.6	...
GDP at current prices (US\$m.)							
Fiscal data (Afl. M.)							
Total Revenue	448.1	486.1	531.4	602.7	645.3	619.4	647.6
Taxes	338.1	401.8	440.6	458.6	491.6	499.7	535.5
Non-Tax revenue	91.9	69.0	70.5	117.0	125.8	89.8	95.6
Grants	18.1	15.3	20.3	27.1	27.9	29.9	16.5
Total Expenditure	486.0	466.5	526.9	596.7	730.4	691.9	676.1
Current Expenditure	...	...	...	556.5	625.7	600.4	593.7
Wages and Salaries	185.0	238.4	217.0	247.7	233.5	274.0	273.2
Goods and services	104.8	98.3	129.9	130.0	163.6	161.5	124.1
Transfers and subsidies	...	...	...	120.7	135.5	122.1	136.8
Capital Expenditure	...	...	...	57.2	59.0	91.5	82.4
Fiscal Balance	-37.9	19.6	4.5	6.0	-85.1	-72.5	-28.5
Fiscal Balance (% of GDP)	-2.1	0.9	0.2	0.2	-3.1	-2.5	-0.9
Money Supply (Afl. M.)							
(Relates to end of period)							
Narrow money (M1)	331.3	377.9	441.5	435.4	445.0	473.1	537.1
Broad Money (M2)	1000.7	1064.6	1198.7	1261.3	1301.1	1360.8	1538.8
Balance of payments (US\$m)							
Current Account Balance	21.0	22.0	60.3	-14.9	-62.3	-196.1	-28.3
Trade	-198.0	-187.0	-82.0	-249.0	-302.0	-391.2	-344.8
Oil sector	124.0	135.0	278.0	155.0	104.0	-179.3	-2.6
Free zone	12.0	29.0	13.0	16.0	40.0	10.5	-3.9
Other	-334.0	-351.0	-373.0	-420.0	-446.0	-222.4	-338.3
Services (net)	230.0	226.0	166.8	215.3	255.1	223.4	321.7
Income	-10.0	-12.0	-14.0	-9.2	-11.8	-17.2	0.3
Transfers	-1.0	-5.0	-10.5	28.0	-3.6	-11.1	-5.5
Financial and Capital Account	-4.0	10.0	-39.9	34.9	29.9	176.4	117.4
Errors and Omissions	5.0	2.0	-2.0	-3.5	6.8	-2.5	0.2
Overall Balance	22.0	34.0	18.4	16.5	-25.6	-22.2	89.3
International reserves (US\$m.)	...	...	...	216.7	187.6	...	...
Interest rates							
Deposit rate (average)	5.7	4.2	4.4	4.3	4.2	4.4	4.4
Loan rate (average)	10.6	10.6	10.6	10.6	10.3	10.0	10.0
Tourism Indicators							
Total Revenue (US\$m)	444.7	466.5	468.2	520.7	613.4	668.2	701.7
Stay-over Visitors ('000)	541.7	562.0	581.1	618.9	640.8	646.0	647.4
Cruise Ship Arrivals ('000)	216.6	251.1	257.1	294.0	316.7	297.7	257.8

Source: ECLAC, based on national data

BAHAMAS

	1994	1995	1996	1997	1998	%chg97 /96	%chg98 /97	Av.94- 98	GDP 97	GDP 98	%GDP 97	%GDP 98
GDP at current prices (IMF estimates)	3425.0	3504.0	3742.0	3939.0	4128.1	5.3	4.8	3747.6				
GDP at constant prices (IMF estimates)	2981.9	2991.2	3115.8	3209.3	3312.0	3.0	3.2	3122.0				
GDP growth (constant prices)	0.9	0.3	4.2	3.0	3.2	-28.6	6.7	2.3				
Prices	1.3	2.2	1.4	0.5	1.3	-64.3	160.0	1.3				
Exchange rate	1.0	1.0	1.0	1.0	1.0	0.0	0.0	1.0				
Unemployment rate												
Fiscal data (Bahamas \$ m)												
	1993/ 1994	1994/ 1995	1995/ 1996	1996/ 1997	1997/ 1998							
Current revenue	594.1	634.0	658.0	690.3	731.4	4.9	6.0	661.5	3939.0	4128.1	17.5	17.7
Selective tax on services	21.7	21.1	27.5	25.3	32.0	-8.0	26.5	25.5	3939.0	4128.1	0.6	0.8
Taxes on international trade	362.9	385.9	388.6	412.9	455.7	6.3	10.4	401.2	3939.0	4128.1	10.5	11.0
Business and professional fees	23.5	31.0	33.5	32.9	33.7	-1.9	2.4	30.9	3939.0	4128.1	0.8	0.8
Other taxes	136.0	132.5	143.2	149.3	167.2	4.3	12.0	145.6	3939.0	4128.1	3.8	4.1
Non-Tax revenue	59.4	65.0	66.3	67.3	78.5	1.5	16.6	67.3	3939.0	4128.1	1.7	1.9
Current expenditure	564.6	570.2	610.6	677.8	711.7	11.0	5.0	627.0	3939.0	4128.1	17.2	17.2
Wages and Salaries	313.7	329.5	321.7	350.2	380.2	8.9	8.6	339.1	3939.0	4128.1	8.9	9.2
Interest payments	76.1	79.2	85.1	93.4	94.7	9.8	1.4	85.7	3939.0	4128.1	2.4	2.3
Transfers and subsidies	60.2	56.2	71.4	87.2	82.0	22.1	-6.0	71.4	3939.0	4128.1	2.2	2.0
Current account balance	29.5	63.8	47.4	12.5	19.7	-73.7	58.4	34.6	3939.0	4128.1	0.3	0.5
Total revenue and grants	594.1	645.6	658.8	684.4	764.0	3.9	11.6	669.4	3939.0	4128.1	17.4	18.5
Capital expenditure & net lending	98.1	97.6	97.6	149.5	123.7	53.1	-17.3	109.5	3939.0	4128.1	3.8	3.0
Fiscal balance	-49.0	-22.6	-49.4	-142.9	-71.4	189.2	-50.1	-67.1	3939.0	4128.1	-3.6	-1.7
Total expenditure (*added on)	643.1	668.3	708.2	827.3	835.4	16.8	1.0	736.4	3939.0	4128.1	21.0	20.2
* Relates to calendar year												
Money Supply (Bahamas \$ m)												
(Relates to end of period)												
Narrow money (M1)	412.4	443.1	445.8	518.8	596.4	16.4	15.0	483.3	3939.0	4128.1	13.2	14.4
Broad Money (M2)	1962.3	2102.8	2228.0	2466.1	2843.5	10.7	15.3	2320.5	3939.0	4128.1	62.6	68.9
Balance of payments (US \$ m)												
Balance on goods and services	68.7	-26.4	-151.4	-358.5	-428.8	136.8	19.6	-179.3	3939.0	4128.1	-9.1	-10.4
Goods	-815.0	-931.4	-1013.8	-1115.4	-1051.9	10.0	-5.7	-985.5	3939.0	4128.1	-28.3	-25.5
Exports	198.5	225.3	273.2	295.2	311.4	8.1	5.5	260.7	3939.0	4128.1	7.5	7.5
Imports	1013.5	1156.7	1287.0	1410.6	1371.4	9.6	-2.8	1247.8	3939.0	4128.1	35.8	33.2
Services (net)	883.7	905.0	862.4	756.9	623.1	-12.2	-17.7	806.2	3939.0	4128.1	19.2	15.1
Travel (net)	1134.1	1133.1	1163.3	1166.2	1152.1	0.2	-1.2	1149.8	3939.0	4128.1	29.6	27.9
Income	-137.6	-135.9	-149.0	-152.9	-190.1	2.6	24.3	-153.1	3939.0	4128.1	-3.9	-4.6
Transfers	27.2	17.9	37.2	39.3	34.3	5.6	-12.7	31.2	3939.0	4128.1	1.0	0.8
Current Balance	-41.7	-144.3	-263.2	-467.8	-589.1	77.7	25.9	-301.2	3939.0	4128.1	-11.9	-14.3
Capital and financial account	55.2	90.6	160.3	399.2	490.9	149.0	23.0	239.2	3939.0	4128.1	10.1	11.9
Errors and omissions	4.3	50.6	95.3	129.4	221.1	35.8	70.9	100.1	3939.0	4128.1	3.3	5.4
Overall balance	9.3	-3.0	-7.6	56.5	119.3	-843.4	111.2	34.9	3939.0	4128.1	1.4	2.9
GDP (US\$m.)												
Intn'l. reserves (US\$ m.)	173.6	170.6	163.0	56.5	119.3	-65.3	111.2	136.6	3939.0	4128.1	1.4	2.9
External Public debt (US\$m.)	410.4	393.4	357.8	388.4	348.7	8.6	-10.2	379.7	3939.0	4128.1	9.9	8.4
Debt service ratio		5.0	5.3	5.5	3.9							
Interest rates												
Deposit rate (average)	4.4	4.2	5.1	5.3	5.6	3.9	5.7	4.9	3939.0	4128.1	0.1	0.1
Loan rate (average)	14.2	13.3	12.6	12.8	12.3	1.8	-3.8	13.0	3939.0	4128.1	0.3	0.3

ECLAC, based on national data

BARBADOS

	1994	1995	1996	1997	1998.0	%chg97/ 96	%chg98/ 97	Av.94-98	%GDP 97	%GDP 98
GDP at current prices	2920.0	3136.0	3377.0	4200.0	4620.0	24.4	10.0	3650.6		
GDP at constant prices	834.4	858.9	903.6	931.2	972.2	3.1	4.4	900.1		
GDP growth (constant prices)	3.8	2.9	5.2	3.0	4.4	-42.3	46.7	3.9		
Prices	0.0	1.9	2.4	7.7	-1.2	220.8	-115.6	2.2		
Exchange rate	2.0	2.0	2.0	2.0	2.0	0.0	0.0	2.0		
Unemployment rate	21.9	19.7	14.3	12.2	11.8	-14.7	-3.3	16.0		
GDP at current prices(US\$m.)		1568.0	1688.5	2100.0	2310.0					
Fiscal data (Barbados \$ m)										
Current revenue	1082.0	1155.5	1208.7	1437.6	1540.4	18.9	7.2	1284.8	34.2	33.3
Direct tax	410.4	454.0	473.3	512.0	548.6	8.2	7.1	479.7	12.2	11.9
Indirect tax	671.6	603.1	613.1	835.8	878.3	36.3	5.1	720.4	19.9	19.0
VAT	...	...	...	411.2	452.8		10.1	432.0	9.8	9.8
Non-Tax revenue	90.0	98.5	122.4	89.7	113.5	-26.7	26.5	102.8	2.1	2.5
Current expenditure	1181.0	1030.9	1157.1	1213.4	1332.5	4.9	9.8	1183.0	28.9	28.8
Wages and Salaries	400.0	447.8	495.7	506.4	576.5	2.2	13.8	485.3	12.1	12.5
Interest payments	164.4	173.0	214.6	189.7	203.7	-11.6	7.4	189.1	4.5	4.4
Transfers and subsidies	287.5	295.4	317.9	361.6	399.5	13.7	10.5	332.4	8.6	8.6
Current account balance	-99.0	124.6	51.6	224.2	207.9	334.5	-7.3	101.9	5.3	4.5
Capital expenditure	131.6	107.3	180.3	257.7	255.2	42.9	-1.0	186.4	6.1	5.5
Net Lending *		-12.1	-0.2	5.5	-7.4	-2850.0	-234.5	-3.6	0.1	-0.2
Fiscal balance	-38.5	29.5	-128.5	-39.0	-39.5	-69.6	1.3	-43.2	-0.9	-0.9
Financing	38.5	-29.5	128.5	39.0	39.5	-69.6	1.3	43.2	0.9	0.9
Domestic		-20.6	114.4	73.0	53.1	-36.2	-27.3	55.0	1.7	1.1
External		-8.9	14.1	-34.0	-13.6	-341.1	-60.0	-10.6	-0.8	-0.3
Total revenue *	1082.0	1155.5	1208.7	1437.6	1540.4	18.9	7.2	1284.8	34.2	33.3
Total Expenditure *	1312.6	1126.1	1337.2	1476.6	1580.3	10.4	7.0	1366.6	35.2	34.2
Money Supply (Barbados \$ m)										
(Relates to end of period)										
Narrow money (M1)	795.6	899.3	1036.7	1271.5	1317.4	22.6	3.6	1064.1	30.3	28.5
Broad Money (M2)	2239.1	2380.3	2844.2	3160.0	3745.1	11.1	18.5	2873.7	75.2	81.1
Balance of payments (US \$ m)										
Balance of Visible Trade	-354.6	-566.0	-1181.1	-1514.5	-1596.9	28.2	5.4	-1042.6	-72.1	-76.0
Exports	190.0	205.6	243.5	239.8	211.2	-1.5	-11.9	218.0	11.4	10.1
Imports	544.6	771.6	834.4	983.3	1009.7	17.8	2.7	828.7	46.8	48.1
Services (net)	494.7	622.5	655.4	737.6	740.7	12.5	0.4	650.2	35.1	35.3
Travel (net)	920.5	597.9	618.5	644.5	681.8	4.2	5.8	692.6	30.7	32.5
Transfers	35.4	33.6	39.7	47.4	48.8	19.4	2.8	41.0	2.3	2.3
Current Balance	134.7	90.2	104.3	0.1	-8.8	-100.0	-17700.0	64.1	0.0	-0.4
Capital and financial account	18.7	-66.4	6.4	13.9	5.8	118.1	-58.5	-4.4	0.7	0.3
Errors and omissions	-64.9	11.6	3.9	23.6	-35.7	505.1	-251.1	-12.3	1.1	-1.7
Overall balance	88.5	35.3	113.1	37.5	-37.2	-66.8	-199.2	47.4	1.8	-1.8
Official financing	-5.0	-24.9	-32.2	-15.7	0.0	-51.2		-15.6	-0.7	0.0
Intn'l. reserves (US\$ m.)	155.5	183.9	290.4	321.3	284.1	10.6	-11.6	247.0	15.3	13.5
External Public debt (US\$m)	357.2	358.9	365.1	349.3	343.0	-4.3	-1.8	354.7	16.6	16.3
Interest rates										
Deposit rate (average)	5.0	5.2	5.2	4.2	4.2	-19.2	0.0	4.8	0.2	0.2
Loan rate (average)	11.9	11.8	11.9	11.5	11.1	-3.4	-3.5	11.6	0.5	0.5

Source: ECLAC, based on national data

BELIZE

	1993	1994	1995	1996	1997	1998	%chg97 /96	%chg98 /97	Av.94-98	%GDP 97	%GDP 98
GDP at current prices	1062.0	1102.8	1174.3	1217.3	1230.9	1259.9	1.1	2.4	1197.0		
GDP at constant prices	672.1	682.2	707.9	718.5	745.3	167.1	3.7	-77.6	604.2		
GDP growth (constant prices)	4.3	1.5	3.8	1.5	4.0	1.4	166.7	-65.0	2.4		
Prices	1.5	2.6	2.9	6.4	1.0	0.8	-84.4	-20.0	2.7		
Exchange rate	2.0	2.0	2.0	2.0	2.0	2.0	0.0	0.0	2.0		
Unemployment rate	9.8	9.0	12.5	13.8	12.7	14.3	-8.0	12.6	12.5		
GDP at current prices (B\$000)		1102800	1174300	1217300	1230900	1259900					
Fiscal data (Belize \$ 000)											
	1992/93	1993/94	1994/95	1996*	1997*	1998					
Current revenue	263045	259226	282741	276568	282898	296908	2.3	5.0	279668.2	23.0	24.1
Tax revenue	231812	233154	251641	250181	258810	265189	3.4	2.5	251795.0	21.0	21.5
Income and profits	63709	59104	55922	59431	54107	62538	-9.0	15.6	58220.4	4.4	5.1
Taxes on goods and services	29154	28571	101305	83725	97272	97459	16.2	0.2	81666.4	7.9	7.9
Taxes on international trade	130739	137282	84517	97324	90957	95570	-6.5	5.1	101130.0	7.4	7.8
Non-Tax revenue	31234	26072	31100	26387	32018	31719	21.3	-0.9	29459.2	2.6	2.6
Current expenditure	2083.7	233800	239800	234700	252200	260000	7.5	3.1	244100.0	20.5	21.1
Wages and Salaries	131858	126989	126123	122571	127737	137730	4.2	7.8	128230.0	10.4	11.2
Interest payments	21827	23192	24548	24182	27812	24797	15.0	-10.8	24906.2	2.3	2.0
Current account balance	23186	26272	41165	41888	30666	36873	-26.8	20.2	35372.8	2.5	3.0
Capital revenue	4231	9977	24046	20353	22328	19693	9.7	-11.8	19279.4	1.8	1.6
Capital expenditure	111094	79344	76663	75370	81847	95089	8.6	16.2	81662.6	6.6	7.7
Fiscal balance	-70412	-37016	-7402	-4646	-25303	-27770	444.6	9.7	-20427.4	-2.1	-2.3
Financing	70412	37016	7402	4646	25303	27770	444.6	9.7	20427.4	2.1	2.3
Domestic financing (net)	39070	28673	-44992	-40879	17596	27571	-143.0	56.7	-2406.2	1.4	2.2
External financing (net)	19484	4922	46366	46613	5762	9832	-87.6	70.6	22699.0	0.5	0.8
Total revenue and grants		275282	310836	305404	308776	327354	1.1	6.0	305530.4	25.1	26.6
Total Expenditure		313144	316463	310070	334047	355089	7.7	6.3	325762.6	27.1	28.8
*Relates to calendar year											
Money Supply (Belize \$ m)											
(Relates to end of period)											
Narrow money (M1)	149.2	157.2	165.0	177.6	186.0	206.1	4.7	10.8	178.4	15.1	16.4
Balance of payments (US\$m)											
Balance of Visible Trade	-116.5	-88.4	-67.6	-54.2	-89.5	-104.8	65.1	17.1	-80.9	-14.5	-17.0
Exports	134.0	143.5	164.3	171.1	193.4	186.1	13.0	-3.8	171.7	31.4	30.2
Imports	250.6	231.9	232.0	225.3	282.9	290.8	25.6	2.8	252.6	46.0	47.2
Services (net)	38.2	28.7	47.6	46.8	46.2	47.9	-1.3	3.7	43.4	7.5	7.8
Travel (net)	48.8	52.7	62.3	66.9	77.2	84.0	15.4	8.8	68.6	12.5	13.6
Current Balance	-49.0	-30.5	-2.8	-2.3	-31.9	-53.5	1287.0	67.7	-24.2	-5.2	-8.7
Capital and financial account	43.4	1.9	1.4	37.2	26.8	24.1	-28.0	-10.1	18.3	4.4	3.9
Errors and omissions	-13.3	24.9	4.5	-14.1	6.1	-13.9	-143.3	-327.9	1.5	1.0	-2.3
Overall balance	-18.9	-3.7	3.1	20.8	1.0	-15.4	-95.2	-1640.0	1.2	0.2	-2.5
GDP (US\$m.)		551.4	587.2	608.7	615.5	630.0					
Intn'l. reserves (US\$ m.)	38.6	34.3	37.4	58.3	59.4	43.9	1.9	-26.1	46.7	9.7	7.1
External public debt (US\$m)	167.9	184.0	184.3	219.8	240.7	256.9	9.5	6.7	217.1	39.1	41.7
Interest rates											
Deposit rate (average)	6.0	6.1	7.2	6.2	6.7	6.0	8.1	-10.4	6.4	1.1	1.0
Loan rate (average)	14.6	15.0	16.3	16.2	16.6	16.3	2.5	-1.8	16.1	2.7	2.6

Source: ECLAC, based on national data

BRITISH VIRGIN ISLANDS

	1993	1994	1995	1996	1997	1998	%chg 97/96	%chg 98/97	Av.94- 98	%GDP 97	%GDP 98
GDP at current prices	422.0	434.0	479.0	511.0	573.7	612.0	12.3	6.7	521.9		
GDP at constant prices	672.1	682.2	707.9	718.5	745.3	167.1	3.7	-77.6	604.2		
GDP growth (constant prices)	5.7	13.6	10.4	10.4	7.8	6.7	-25.0	-14.1	9.1		
Prices	2.7	4.1	5.1	4.3	6.0	4.4	39.5	-26.7	4.8		
Exchange rate											
Unemployment rate	3.6										
Fiscal data (US \$ m)											
	1993	1994	1995	1996	1997	1998					
Current revenue	70.5	84.1	98.3	112.2	128.3	142.2	14.3	10.8	113.0	22.4	23.2
Tax revenue	30.8	34.9	39.2	44.1	44.5	50.2	0.9	12.8	42.6	7.8	8.2
Income and Property tax	16.5	18.3	21.1	24.5	24.0	28.2	-2.0	17.5	23.2	4.2	4.6
Passenger and Hotel accommodation tax	2.5	3.1	3.1	3.5	3.8	4.3	8.6	13.2	3.6	0.7	0.7
Non-Tax revenue (Financial services sector)	24.3	31.6	39.2	46.2	56.9	66.6	23.2	17.0	48.1	9.9	10.9
Other Non-tax receipts	15.4	17.6	19.9	21.9	26.9	25.4	22.8	-5.6	22.3	4.7	4.2
Current expenditure	59.2	67.8	76.3	84.1	85.7	106.4	1.9	24.2	84.1	14.9	17.4
Of which:											
Goods and Services	18.0	21.3	21.8	24.1	24.3	40.0	0.8	64.6	26.3	4.2	6.5
Wages and Salaries	28.2	30.2	35.5	38.9	41.3	45.8	6.2	10.9	38.3	7.2	7.5
Interest payments	1.3	1.8	2.1	1.4	1.1	1.2	-21.4	9.1	1.5	0.2	0.2
Subsidies and Transfers	11.7	14.5	16.9	19.7	19.0	19.4	-3.6	2.1	17.9	3.3	3.2
Current Balance	11.3	16.3	22.0	28.1	42.6	35.8	51.6	-16.0	29.0	7.4	5.8
Capital expenditure	18.2	21.3	15.6	13.4	23.0	17.7	71.6	-23.0	18.2	4.0	2.9
Overall balance	-6.9	-5.0	6.4	14.7	19.6	18.1	33.3	-7.7	10.8	3.4	3.0
Total revenue	70.5	84.1	98.3	112.2	128.3	142.2	14.3	10.8	113.0	22.4	23.2
Total Expenditure	77.4	89.1	91.9	97.5	108.7	124.1	11.5	14.2	102.3	18.9	20.3
Monetary Statistics (BVI \$ m.)											
Assets and Liabilities	350.9	434.6	484.3	538.6	741.7	...				129.3	
Demand Deposits	76.3	83.6	90.7	136.0	156.7	...				27.3	
Saving Deposits	70.7	98.3	113.0	129.1	143.6	...				25.0	
Time Deposits	179.2	222.1	247.4	331.2	425.6	...				74.2	
Total Deposits	326.2	404.0	451.1	596.3	725.9	...				126.5	
Loans and Advances											
Balance of Trade Statistics (US \$ m)											
Exports	18.0	17.8	19.2	20.7	22.4	23.1	8.2	3.1	20.6	3.9	3.8
Imports	122.9	128.4	130.8	158.4	166.4	164.7	5.1	-1.0	149.7	29.0	26.9
Balance of Visible Trade	-104.9	-110.6	-111.6	-137.7	-144.0	-141.6	4.6	-1.7	-129.1	-25.1	-23.1
Exports of services	299.0	351.9	363.2	410.6	444.4	84.0	8.2	-81.1	330.8	77.5	13.7
Imports of services	152.6	174.9	194.3	221.0	266.5	35.5	20.6	-86.7	178.4	46.5	5.8
Balance of Trade/Services	146.4	177.0	168.9	189.6	177.9	-53.5	-6.2	-130.1	132.0	31.0	-8.7
Overall Trade balance	41.5	66.4	57.3	51.9	33.9	24.1	-34.7	-28.9	46.7	5.9	3.9
Tourism indicators											
Tourism expenditure	185.1	215.0	211.1	227.6	210.2					36.6	0.0
Stopover arrivals	148.1	238.7	219.5	243.7	244.3	279.1				42.6	45.6
Cruise ship passenger arrivals	113.2	82.3	122.1	159.6	104.9	105.1				18.3	17.2
Average length of stay (nights)	7.0	6.5	7.3	7.6	8.3	8.4				1.4	1.4
Average hotel occupancy (%)	56.5	45.0	56.4	58.3	58.3	61.4				10.2	10.0

Source: ECLAC, based on national data

CUBA

	1994	1995	1996	1997	1998*
GDP at current prices	19198	21737	23259	23500	26112
GDP at constant prices	12868	13185	14218	14573	16307
GDP growth (constant prices)	0.7	2.5	7.8	2.5	1.8
Prices (December to December)	...	-11	-5	2	2.9
Exchange rate (Unofficial pesos per US\$)	60	25	19	23	21
Unemployment rate					
Fiscal data (millions of pesos)					
Recurrent revenue	...	11593	12242	12143	12014
Tax revenue	...	7973	7968	8491	9252
Sales taxes	...	5684	5079	4847	2784
Taxes on services	...	481	434	418	467
Taxes on utilities	...	205	468	870	1132
Personal income	...	118	216	263	275
Social security contributions	...	898	959	1029	1025
Other	...	587	812	1064	571
Non-tax revenue	...	3620	4274	3652	2762
Recurrent expenditure	...	12064	10771	10861	11481
Budgeted activities, of which:	...	6516	6751	7203	7082
Education	...	1359	1421	1464	1510
Health	...	1108	1190	1275	1345
Social Security	...	1594	1630	1679	1705
Current account balance	...	-471	1471	1282	533
Capital Revenue	...	1450	...	...	489
Capital Expenditure	...	1745	2043	1750	1581
Fiscal balance	...	-766	-572	-468	-560
Balance of payments (US\$m)					
Balance of visible trade	-796	-1485	-1760	-2471	-617
Exports	1315	1507	1850	1861	4182
Imports	2111	2992	3610	4332	4800
Services	585	846	1370	1593	-
Transfers	310	646	745	750	820
Current balance	-242	-518	-137	-428	-396
Capital and Financial account	240	596	145	438	413
Overall balance	-2	78	8	10	17
Ext. debt convertible currencies (US\$m)	9083	10504	10465	10500	11209

Source: ECLAC based on national data

* preliminary data

DOMINICAN REPUBLIC

	1994	1995	1996	1997	1998	% chg 97/96	% chg 98/97	Av.94-98
GDP at current prices	136206.0	160456.0	181466.0	212644.0				
GDP at constant prices	68742.0	72042.0	77301.0	83640.0	89952.0	8.2	7.5	78335.4
GDP growth (constant prices)	4.3	4.8	7.3	8.2	7.5	12.3	-8.5	6.4
Prices	14.3	9.2	4.0	8.4	7.8	110.0	-7.1	8.7
Exchange rate (Pesos per US\$)	12.6	12.9	2.9	14.0	14.7	382.8	5.0	11.4
Unemployment rate								
Recurrent revenue	20584.0	23990.0	25590.0	33757.0	38264.0	31.9	13.4	28437.0
Tax revenue	19220.0	22371.0	24031.0	31547.0	36219.0	31.3	14.8	26677.6
Income	3225.0	4142.0	4629.0	5936.0	6893.0	28.2	16.1	4965.0
Property	124.0	160.0	180.0	241.0	324.0	33.9	34.4	205.8
Goods and services	9707.0	11457.0	12169.0	16230.0	18443.0	33.4	13.6	13601.2
International trade	6064.0	6509.0	6946.0	9009.0	10404.0	29.7	15.5	7786.4
Other	101.0	103.0	107.0	132.0	155.0	23.4	17.4	119.6
Non-tax revenue	1364.0	1619.0	1559.0	2209.0	2045.0	41.7	-7.4	1759.2
Recurrent expenditure	10479.0	12677.0	14951.0	23780.0	27355.0	59.1	15.0	17848.4
Wages and salaries	4081.0	5343.0	6109.0	9892.0	11211.0	61.9	13.3	7327.2
Interest payments	1200.0	1488.0	1002.0	1065.0	1259.0	6.3	18.2	1202.8
Transfers and subsidies	1925.0	2938.0	4685.0	7837.0	8045.0	67.3	2.7	5086.0
Other	1619.0	1385.0	1776.0	3661.0	5340.0	106.1	45.9	2756.2
Current account balance	10105.0	11313.0	10639.0	9977.0	10909.0	-6.2	9.3	10588.6
Capital Revenue and grants	556.0	326.0	397.0	427.0	834.0	7.6	95.3	508.0
Capital Expenditure	11711.0	10513.0	11642.0	8911.0	9402.0	-23.5	5.5	10435.8
Fiscal balance	-1050.0	1126.0	-606.0	1493.0	2341.0	-346.4	56.8	660.8
Total revenue *	24316.0	25987.0	34184.0	39098.0	39.5	14.4	-99.9	24724.9
Total Expenditure *	23190.0	26593.0	32691.0	36757.0	35.6	12.4	-99.9	23853.3
Money Supply (Millions of pesos) (Relates to end of period)								
Narrow money (M1)	13467.0	15623.0	19769.0	24159.0	26047.0	22.2	7.8	19813.0
Broad money	32140.0	37924.0	45071.0	55511.0	67368.0	23.2	21.4	47602.8
Balance of payments (US\$m)								
Balance of visible trade	-1450.9	-1390.9	-1674.2	-1995.0	-2608.6	19.2	30.8	-1823.9
Exports	3452.5	3779.5	4052.8	4613.7	4988.7	13.8	8.1	4177.4
Imports	4903.4	5170.4	5727.0	6608.7	7597.3	15.4	15.0	6001.4
Services (net)	866.8	984.9	1018.6	1275.3	1189.2	25.2	-6.8	1067.0
Transfers	982.8	992.2	1167.7	1352.1	1968.5	15.8	45.6	1292.7
Profits	-681.9	-769.0	-724.8	-795.4	-936.1	9.7	17.7	-781.4
Current balance	-283.2	-182.8	-212.7	-163.0	-387.0	-23.4	137.4	-245.7
Capital and Financial account	455.4	176.0	73.8	451.8	667.9	512.2	47.8	365.0
Errors and omissions	-597.6	75.0	108.8	-193.6	-242.2	-277.9	25.1	-169.9
Overall balance	-425.4	68.2	-30.1	95.2	38.7	-416.3	-59.3	-50.7
Intn'l. reserves (US\$m.)								
External debt (US\$m.)	3946.4	3998.6	3807.3	3509.2	3507.0	-7.8	-0.1	3753.7
Interest rates								
Deposit rate (average)	13.6	15.8	13.8	13.3		-3.6	-100.0	14.1
Loan rate (average)	26.7	29.6	23.5	20.1		-14.5	-100.0	25.0

Source: ECLAC, based on national data

GUYANA

	1994	1995	1996	1997	1998	%chg 97/96	%chg 98/97	Av. 94- 98	% GDP 97	%GDP 98
GDP at current prices	75412.0	88271.0	100685.0	110050.0	92610.0	9.3	-15.8	93405.6		
GDP at constant prices	4452.0	4677.0	5047.0	5360.0	5290.0	6.2	-1.3	4965.2		
GDP growth (constant prices)	8.5	5.1	7.9	6.2	-1.3	-21.5	-121.0	5.3		
Per capita GDP (US\$)	373.8	431.0	510.9	552.8		8.2	-100.0	467.1		
Prices	16.1	8.1	4.5	4.1	4.8	-8.9	17.1	7.5		
Exchange rate	142.5	140.5	141.3	142.8	168.0	1.1	17.6	147.0		
Unemployment rate										
GDP at current prices (US\$m.)		628.3	712.6	770.7	551.3					
Fiscal data (Guyana \$ m)										
Current revenue	23653.8	29496.1	35117.3	34082.9	33121.2	-2.9	-2.8	25911.4	31.0	35.8
Tax revenue	22492.1	28144.2	32272.4	31539.2	31071.1	-2.3	-1.5	24252.8	28.7	33.6
Non-Tax revenue	1161.7	1351.9	2844.9	249409.0	2050.1	8666.9	-99.2	44247.4	226.6	2.2
Current expenditure	23538.3	23774.7	23943.7	28081.2	30067.2	17.3	7.1	21570.4	25.5	32.5
Wages and Salaries	4623.1	5740.5	6450.3	8931.0	9790.9	38.5	9.6	5929.0	8.1	10.6
Interest payments	12195.8	8633.0	8721.9	10257.5	10370.4	17.6	1.1	8366.0	9.3	11.2
Other	6719.4	9401.2	8253.8	8892.7	9905.9	7.7	11.4	7196.8	8.1	10.7
Current account balance	115.5	5721.4	11173.6	6001.7	3054.0	-46.3	-49.1	4336.7	5.5	3.3
Capital revenue	4484.1	1326.9	457.4	310.8	424.5	-32.1	36.6	1161.9	0.3	0.5
Grants	995.4	1605.1	2487.3	2662.8	786.9	7.1	-70.4	1424.1	2.4	0.8
Capital expenditure	10687.4	11539.5	15705.5	16379.0	13033.8	4.3	-20.4	11224.9	14.9	14.1
Fiscal balance	-5092.4	-2886.1	-1587.2	-7403.7	-8768.4	366.5	18.4	-4228.6	-6.7	-9.5
Financing	5092.4	2886.1	1587.2	7403.7	8768.4	366.5	18.4	4350.7	6.7	9.5
Domestic	-4394.1	1627.0	-7298.5	1783.0	1261.9	-124.4	-29.2	-1190.9	1.6	1.4
External	3675.2	1198.9	7023.5	4269.8	2031.9	-39.2	-52.4	3026.7	3.9	2.2
Other (BOP grants)	4362.0	8985.4	1689.0	3081.6	2001.6	82.5	-35.0	3367.0	2.8	2.2
(Total revenue and grants)	29133.3	32428.1	38062.0	37056.5	34332.6	-2.6	-7.4	28497.4	33.7	37.1
Total Expenditure	34225.7	35314.2	39649.2	44460.2	43101.0	12.1	-3.1	32795.3	40.4	46.5
Money Supply (Guyana \$ m)										
(Relates to end of period)										
Narrow money (M1)	12262.6	14006.9	16037.2	19388.7	19790.6	20.9	2.1	16297.2	17.6	21.4
Broad Money (M2)	39111.9	49339.6	57580.3	66319.2	70665.5	15.2	6.6	56603.3	60.3	76.3
Balance of payments (US \$ m)										
Balance of Visible Trade	-40.6	-40.8	-20.2	-48.2	-54.2	138.6	12.4	-10.9	-6.3	-9.8
Exports	463.4	495.7	574.8	593.4	547.0	3.2	-7.8	446.3	77.0	99.2
Imports	504.0	536.5	595.0	641.6	601.2	7.8	-6.3	481.0	83.3	109.1
Services (net)	-60.2	-54.1	-33.6	-56.9	-44.3	69.3	-22.1	-30.0	-7.4	-8.0
Transfers	32.0	39.0	41.0	40.0	44.0	-2.4	10.0	32.3	5.2	8.0
Current Balance	-100.8	-94.9	-53.8	-105.1	-98.5	95.4	-6.3	-59.6	-13.6	-17.9
Capital and financial account	22.9	28.0	59.5	125.7	81.8	111.3	-34.9	71.5	16.3	14.8
Errors and omissions	14.0	2.0	-7.1	-16.6	-6.0	133.8	-63.9	20.0	-2.2	-1.1
Overall balance	-63.9	-68.9	-1.4	4.0	-22.7	-385.7	-667.5	-89.8	0.5	-4.1
Official financing	63.9	68.9	1.4	-4.0	22.7	-385.7	-667.5	-38.8	-0.5	4.1
International reserves (US\$ m.)	89.5	86.4	153.9	149.9	122.2	-2.6	-18.5	99.9	19.5	22.2
External debt (US\$m.)	1999.5	2058.3	1537.0	1513.5	1496.5	-1.5	-1.1	1721.0	196.4	271.5
Interest rates										
Deposit rate (average)	11.2	10.5	7.7	7.4	7.1	-3.9	-4.1	8.8	1.0	1.3
Loan rate (average)	19.9	19.1	17.2	18.9	16.6	9.9	-12.2	18.3	2.5	3.0

Source: ECLAC, based on national data

HAITI

	1994	1995	1996	1997	1998	%chg 97/96	%chg 98/97	Av.94-98
GDP at current prices	31080	34900	41900	44900	-			
GDP at constant prices	10172	10618	10915	11040	11410			
GDP growth (constant prices)	-8.3	4.4	2.8	1.1	3.1			
Prices (Annual average rate)	39.3	27.6	20.6	16.2	12.7			
Exchange rate (Gourdes vis a vis US\$)	14.7	14.4	16.0	16.2	16.9			
Unemployment rate								
Fiscal data (Millions of gourdes)								
Recurrent revenue	801.8	2249.0	3197.9	4275.1	5258.4	25.2	23.0	3156.4
Direct taxes	159.8	254.6	547.5	688.4	845.0	20.5	22.7	499.1
Indirect taxes of which:	189.0	894.9	1080.6	1976.0	2332.5	45.3	18.0	1294.6
Turnover tax	162.8	389.3	621.1	1270.7	1422.5	51.1	11.9	773.3
Permits	26.2	505.6	459.5	705.3	910.0	34.9	29.0	521.3
International trade	105.1	426.5	499.0	1030.4	1102.9	51.6	7.0	632.8
Other	347.9	673.0	1070.8	1030.3	978.0	-3.9	-5.1	820.0
Recurrent expenditure	1766.2	3852.7	3979.7	5088.4	4885.8	21.8	-4.0	3914.6
Wages and salaries	954.5	1233.0	1947.7	2226.1	2809.0	12.5	26.2	1834.1
Interest payments	...	241.3	238.9	394.6	438.6	39.5	11.2	328.4
Transfers and subsidies	...	347.9	295.9	259.9	61.5	-13.9	-76.3	241.3
Current account balance	-964.4	-1603.7	-781.8	-363.3	372.6	-115.2	-202.6	-668.1
Capital revenue	0.0	0.0	0.0	0.0	0.0			
Transfers from public enterprises	10.9	201.7	238.2	57.2	123.8	-316.4	116.4	126.4
Capital expenditure	75.2	278.1	140.1	708.9	1239.1	80.2	74.8	488.3
Fiscal balance	-1028.7	-1680.1	-683.7	-1015.0	-742.7	32.6	-26.8	-1030.0
Financing	1028.7	1679.6	683.7	1015.2	743.3	32.7	-26.8	1030.1
Domestic	1026.4	-697.2	581.0	592.3	520.3	1.9	-12.2	404.6
External	2.3	2376.8	102.7	422.9	223.0	75.7	-47.3	625.5
Total revenue *	801.8	2249.0	3197.9	4275.1	5258.4	25.2	23.0	3156.4
Total expenditure *	1841.4	4130.8	4119.8	5797.3	6124.9	28.9	5.7	4402.8
Money Supply (Millions of gourdes) (Relates to end of September)								
Narrow money (M1)	4198.3	5283.6	5313.8	5939.5	6038.0	10.5	1.7	5354.6
Broad money	9859.2	11423.3	11568.8	13212.6	14139.1	12.4	7.0	12040.6
Balance of payments (US\$m)								
Balance of visible trade	-89.7	-379.9	-351.1	-319.5	-265.1	-9.9	-17.0	-281.1
Exports	107.8	137.3	147.5	192.7	214.4	23.5	11.3	159.9
Imports	197.5	517.2	498.6	512.2	479.5	2.7	-6.4	441.0
Services (net)	-60.3	-180.4	-174.2	-193.2	-154.0	9.8	-20.3	-152.4
Travel (net)	0.4	55.5	58.6	44.5	...	-31.7	...	39.8
Profits	-8.5	-30.6	-10.7	-13.6	-8.1	21.3	-40.4	-14.3
Transfers	163.7	552.9	462.5	448.6	315.7	-3.1	-29.6	388.7
Current balance	5.2	-38.0	-73.5	-77.7	-111.5	5.4	43.5	-59.1
Capital and financial account	-12.3	430.0	249.1	182.9	45.2	-36.2	-75.3	179.0
Errors and omissions	-25.8	-218.9	-222.2	-65.7	63.2	-238.2	-196.2	-93.9
Overall balance	-32.9	173.1	-46.6	39.5	-3.2	218.0	-108.1	26.0
International reserves (US\$m.)								
External debt (US\$m.)	875.1	897.6	914.3	1024.9	1099.9	10.8	7.3	962.4
Interest rates								
Deposit rate (average)								
Loan rate (average)								

NB: Blanks indicate no data available

Source: ECLAC, based on national data

JAMAICA

	1994	1995	1996	1997	1998	%chg 97/96	%chg 98/97	Av.94-98	%GDP 97	%GDP 98
GDP at current prices	132377.2	170133.0	203109.0	220556.0	231778.7	8.6	5.1	191590.8		
GDP at constant prices	18210.0	18294.4	17973.4	17548.8	17566.2	-2.4	0.1	17918.6		
GDP growth (constant prices)	1.1	0.5	-1.8	-2.4	-0.7	33.3	-70.4	-0.7		
Prices	26.9	25.5	15.8	9.2	7.9	-41.8	-14.1	17.1		
Exchange rate (US\$1=J\$)	33.1	35.1	37.1	35.6	37.4	-4.1	5.0	35.6		
Unemployment rate	15.4	16.2	16.0	16.5	15.5	3.1	-6.1	15.9		
GDP at current prices (US\$m.)		4847.1	5474.6	6198.9	6205.6					
Fiscal data (J\$m)										
	1994/1995	1995/1996	1996*	1997*	1998					
Current revenue	40002.0	53847.7	58501.7	62321.4	70055.6	6.5	12.4	47454.9	28.3	30.2
Tax revenue	38071.6	50262.6	55191.3	59224.3	66970.3	7.3	13.1	44954.6	26.9	28.9
Non-Tax revenue	1930.4	3585.1	3310.4	3097.1	3085.3	-6.4	-0.4	2500.3	1.4	1.3
Current expenditure	34454.6	44441.7	64225.1	72113.2	84743.0	12.3	17.5	49998.3	32.7	36.6
Wages and Salaries	11142.6	15805.7	24043.3	29065.6	31913.2	20.9	9.8	18665.2	13.2	13.8
Interest payments	15015.1	17971.1	27280.4	24563.7	34589.0	-10.0	40.8	19901.6	11.1	14.9
Current account balance	5547.4	9406.0	-5723.4	-9791.8	-14687.4	71.1	50.0	-2529.7	-4.4	-6.3
Capital revenue, levy and grants	4594.3	4728.3	4583.9	4104.4	4036.5	-10.5	-1.7	3672.8	1.9	1.7
Total revenue and grants	44596.3	58576.0	63085.6	66425.8	74092.1	5.3	11.5	51127.7	30.1	32.0
Capital expenditure	5882.0	7908.0	11156.1	12118.9	6900.4	8.6	-43.1	7329.0	5.5	3.0
IMF #1 Account	0.0	3293.2	2341.9	1009.1	602.8	-56.9	-40.3	1449.4	0.5	0.3
Unallocated	-533.7	-873.1	328.5	1147.0	757.9	249.2	-33.9	165.3	0.5	0.3
Gross investment	5882.0	7908.0	9209.9	23343.1	6900.4	153.5	-70.4	8899.5	10.6	3.0
Debt amortization	18034.6	15158.9	18073.0	28742.3	34476.5	59.0	20.0	19090.7	13.0	14.9
Debt servicing	33049.7	33130.0	45353.4	53306.0	69065.5	17.5	29.6	38992.3	24.2	29.8
Fiscal balance	4793.4	3806.2	-14966.0	-19962.4	-18912.0	33.4	-5.3	-7545.2	-9.1	-8.2
GDP at current prices	132377.2	170133.0	203109.0	220556.0	231788.7	8.6	948.2	607592.8	100.0	997.4
Deficit/GDP	3.6	2.2	-7.4	-9.1	-0.8	22.8	-91.0	#DIV/0!	0.0	0.0
(Total Expenditure - added)		52349.7	75381.2	84232.1	91643.4	11.7	8.8	57327.3	38.2	39.5
*Data refer to calendar year										
Money Supply (J\$m)										
(Relates to end of period)										
Narrow money (M1)	16374.0	23227.7	28491.3	28623.8	30177.2	0.5	5.4	21149.1	13.0	13.0
Broad Money (M2)	53150.0	73617.6	84272.3	95604.6	102531.6	13.4	7.2	68198.3	43.3	44.2
Balance of payments (US \$ m)										
Balance of Visible Trade	-648.7	-989.6	-994.2	-1120.8	-1101.9	12.7	-1.7	-810.1	-18.1	-17.8
Exports	1219.5	1436.8	1721.0	1699.1	1590.4	-1.3	-6.4	1277.6	27.4	25.6
Imports	1868.2	2426.4	2715.2	2819.9	2692.3	3.9	-4.5	2087.6	45.5	43.4
Services (net)	191.7	189.5	326.1	307.6	261.0	-5.7	-15.1	211.7	5.0	4.2
Travel (net)	854.0	939.6	935.2	949.5	909.8	1.5	-4.2	764.9	15.3	14.7
Current Balance	18.3	-192.3	-237.7	-400.6	-339.2	68.5	-15.3	-180.5	-6.5	-5.5
Capital and financial account	319.2	212.0	237.7	400.6	339.2	68.5	-15.3	262.9	6.5	5.5
Overall balance	337.5	19.7	0.0	0.0	0.0			82.4	0.0	0.0
% of GDP	0.3	0.0	0.0	0.0	0.0					
External debt (US\$m.)	3651.8	3451.9	3231.9	3277.6	3306.4	1.4	0.9	3383.9	52.9	53.3
Intn'l. reserves (US\$ m.)	398.6	418.6	694.9	540.5	582.0	-22.2	7.7	435.4	8.7	9.4
Interest rates										
Deposit rate (average)	27.9	26.2	20.8	14.1	15.5	-32.2	9.9	20.9	0.0	0.0
Loan rate (average)	45.8	48.6	42.2	35.0	33.0	-17.1	-5.7	40.9	0.0	0.0
Tourism earnings (US\$m)	973.0	1069.0	1092.0	1140.0	1197.2	4.4	5.0	1094.2	18.4	19.3
Stopover arrivals ('000)	1098.3	1147.0	1162.5	1192.2	1225.3	2.6	2.8	1165.1	0.5	0.5
Cruise ship arrivals ('000)	595.0	605.2	658.2	711.7	673.7	8.1	-5.3	648.7	0.3	0.3

Source: ECLAC, based on national data

NETHERLANDS ANTILLES

	1992	1993	1994	1995	1996	1997	1998
GDP at current prices (NAf. M.)	3582.5	3816.4	4111.5	4250.5	...	...	...
GDP at constant prices	...	...	...	...	...	...	...
GDP growth (constant prices)	3.3	4.6	5.7	0.5	...	...	...
Prices	1.4	1.9	1.9	2.8	3.4	3.1	1.2
Exchange Rate (NAf vis a vis US\$)	1.79	1.79	1.79	1.79	1.79	1.79	1.79
Unemployment Rate	14.2	13.6	12.8	13.1	14.0	...	...
GDP at current prices (US\$m.)	2001.4	2132.1	2296.9	2374.6	...	...	...
Fiscal data (NAf. M.)							
Total Revenue	372.9	452.3	467.4	477.3	498.2	542.5	...
Taxes	262.2	303.2	318.8	321.8	372.7	441.3	...
Non-Tax revenue	103.7	138.3	140.3	146.8	118.6	93.5	...
Grants	6.9	10.8	8.0	8.5	6.7	7.7	...
Total Expenditure	447.8	439.5	491.2	554.8	593.4	595.5	...
Current Expenditure	420.3	420.3	463.1	522.4	542.7	555.6	...
Personnel costs	230.0	264.8	273.5	305.5	314.5	310.3	...
Goods and services	74.7	69.8	80.9	93.3	89.9	92.6	...
Interest payments	42.0	36.5	43.9	48.1	54.4	74.9	...
Subsidies	0.0	3.0	5.0	1.5	8.3	5.5	...
Transfers	73.6	46.2	59.8	74.0	75.6	72.3	...
Capital Expenditure	27.5	19.2	28.1	32.4	50.7	39.9	...
Fiscal Balance	820.7	891.8	958.6	1032.1	1091.6	1138.0	...
Fiscal Balance (% of GDP)	...	...	...	...	...	...	...
Money supply (NAf. M.) (Relates to end of period)							
Narrow money (M1)	818.1	876.5	1011.2	1078.4	1024.3	1048.1	...
Broad Money (M2)	2078.6	2256.1	2448.0	2561.3	2532.8	2597.5	...
Balance of payments (US\$m.)							
Current Account Balance	33.1	20.4	-49.4	-2.3	-196.8	...	...
Trade (net)	-914.2	-906.1	-989.0	-1083.1	-1118.7	...	...
Services (net)	924.2	939.8	947.9	1065.4	853.4	...	...
Income	24.5	-9.7	50.1	10.7	57.7	...	...
Transfers	-1.5	-3.6	-58.4	4.7	10.8	...	...
Financial and Capital Account	11.8	27.9	-11.5	38.1	124.6	...	...
Errors, Omissions, Reserves	-45.0	-48.3	60.9	-35.8	72.2	...	...
Overall Balance	0.0	0.0	0.0	0.0	0.0	...	...
International reserves (US\$ m.)	...	...	...	...	...	...	...
Interest rates							
Deposit rate (average)	5.9	5.1	4.7	4.7	5.0	5.1	5.2
Loan rate (average)	12.0	12.6	12.7	13.0	13.4	14.0	13.9
Tourism indicators							
Total Revenue (US\$m.)	...	...	...	...	...	...	...
Stay-over Visitors	...	...	...	751773	648736	710838	...
Cruise Ship Arrivals	...	865454	902411	757190	855137	1132048	...

Source: ECLAC, based on national data

OECS MEMBER COUNTRIES

	1994	1995	1996	1997	%chg	1998	%chg 97/96	%chg 98/97	Av 94/98
GDP at current prices	5665.1	5872.6	6192.9	6510.5		6953.0	5.1	6.8	6238.8
GDP at constant prices	4188.7	4216.3	4328.9	4463.0		4630.9	3.1	3.8	4365.6
GDP growth (constant prices)	3.0	0.7	2.7	3.1		3.8	16.1	21.9	2.6
Prices	1.7	3.6	2.5	2.8		2.3	13.5	-15.8	2.6
Exchange rate (US\$1=E.C.\$)	2.7	2.7	2.7	2.7		2.7	0.0	0.0	2.7
GDP at current prices (US\$m.)		2175.0	2293.7	2411.3		2575.2			
Fiscal data (E.C.\$m)									
Current revenue	1344.2	1445.5	1567.3	1632.9	11.1	1757.6	4.2	7.6	1293.1
Tax revenue	1149.1	1234.5	1316.7	1392.2	15.0	1514.3	15.0	8.8	1103.6
Taxes on Income and Profit	272.7	282.0	295.3	299.1	6.6	318.7	6.6	6.6	240.3
Taxes on Property	15.6	19.2	20.9	20.6	-1.4	19.6	-1.4	-4.9	15.7
Taxes on dom. goods and services	194.2	220.1	232.3	257.6	10.9	279.6	10.9	8.5	199.1
Taxes on international trade	666.6	713.2	768.2	814.9	6.1	896.4	6.1	10.0	644.2
Non-Tax revenue	195.1	211.0	250.6	240.7	-4.0	243.3	-4.0	1.1	189.5
Current expenditure	1230.6	1352.6	1470.3	1560.1	6.1	1661.6	6.1	6.5	1213.6
Wages and Salaries	675.1	742.2	791.0	834.7	5.5	877.1	5.5	5.1	654.3
Goods and Services	277.1	308.7	338.6	356.6	5.3	386.3	5.3	8.3	278.8
Interest payments	89.6	105.5	118.8	125.9	6.0	136.5	6.0	8.4	97.0
Transfers and subsidies	188.8	196.2	222.0	243.0	9.5	261.6	9.5	7.7	186.8
of which Pensions	68.1	73.4	81.6	89.9	10.2	98.6	10.2	9.7	70.3
Current account balance	113.6	92.9	97.0	72.8	4.9	96.0	-24.9	31.9	79.5
Capital revenue and grants		103.2	99.3	175.2		248.2	76.4	41.7	148.8
Capital expenditure and net lending		331.2	307.8	404.5		594.6	31.4	47.0	392.9
Capital account balance		-228.0	-208.5	-229.3	0.0	-346.4	10.0	51.1	-203.5
Overall fiscal balance		-135.1	-111.5	-156.5	4.9	-250.4	40.4	60.0	-123.9
Financing	7.3	135.1	111.5	156.5		250.4	40.4	60.0	132.2
Domestic	-16.2	121.1	71.0	-45.6		39.6	-164.2	-186.8	34.0
External	23.5	9.1	46.5	171.6		103.9	269.0	-39.5	70.9
Total revenue and grants		1548.7	1666.6	1808.1	11.1	2005.8	8.5	10.9	1417.1
Total expenditure	1557.2	1683.8	1778.1	1964.6	6.1	2256.2	10.5	14.8	1541.0
Money Supply (E.C.\$m)									
(Relates to end of period)									
Narrow money (M1)	790.7	910.3	880.3	961.4		1088.5	9.2	13.2	926.2
Quasi-money	2339.2	2636.8	2719.5	2931.7		3296.2	7.8	12.4	2784.7
Broad Money (M2)	3329.7	3871.8	3945.9	4322.8		4862.0	9.6	12.5	4079.0
Balance of payments (US\$m)									
Goods	-762.3	339.9	-849.5	-914.0	0.0	-1040.3	7.6	13.8	-537.7
Exports	299.5	354.5	336.4	312.6		300.1	-7.1	-4.0	320.6
Imports	1061.8	14.6	1186.0	1226.6		1340.4	3.4	9.3	965.9
Services (net)	573.2	502.9	524.1	566.9		577.2	8.2	1.8	548.8
Travel (net)	730.9	690.0	710.4	752.7		759.2	6.0	0.9	728.6
Income	-117.8	-124.5	-125.9	-138.4		-119.4	10.0	-13.8	-125.2
Transfers	69.4	170.9	123.9	105.9		152.7	-14.5	44.2	124.6
Current Balance	-237.4	889.1	-327.4	-379.7	0.0	-429.8	16.0	13.2	-80.9
Capital and financial account	228.0	269.4	308.1	402.3		480.3	30.6	19.4	337.6
Overall balance	-9.4	1158.5	-19.3	22.6	0.0	50.5	-216.9	123.4	200.5
External debt (US\$)									
	699.4	723.8	735.4	767.6		787.6	4.4	2.6	742.8
Tourism indicators									
Tourism expenditure (US\$m)		766.9	809.8	815.2		816.6	0.7	0.2	795.4
Stopover arrivals ('000)		785.6	797.0	832.7		841.8	4.5	1.1	818.0
Cruise ship arrivals ('000)		1071.5	1167.1	1312.3		1506.7	12.4	14.8	1205.3

Source: ECLAC, based on national data

TRINIDAD AND TOBAGO

	1994	1995	1996	1997	1998	%chg97 /96	chg98/9 7	Av.94- 98	%GDP 97	%GDP 98
GDP at current prices	29311.7	31665.0	34077.9	36123.9	36491.4	6.0	1.0	33534.0		
GDP at constant prices	16630.3	17265.2	17872.6	18450.8		3.2		17554.7		
GDP growth (constant prices)	5.0	3.2	2.8	2.9	3.6	3.6	19.4	3.5		
Prices	8.8	5.3	3.3	3.7	5.6	12.1	33.9	5.3		
Exchange rate (TT\$ vis a vis US\$)	5.9	5.9	6.0	6.3	6.3	4.7		6.1		
Unemployment rate	18.4	17.2	16.3	15.0	14.2	-8.0		16.2		
GDP at current prices (US\$m.)		5330.8	5679.7	5748.6	5792.3					
Fiscal data (TT \$ m)										
Recurrent revenue	7504.8	8455.8	9536.8	9125.9	9678.0	-4.3	6.0	7382.8	25.3	26.5
Oil Revenue	1895.9	2535.9	3060.7	2069.8	1708.1	-32.4	-17.5	1873.0	5.7	4.7
Tax revenue	6690.4	7751.7	11752.9	8253.3	8968.0	-29.8	8.7	7231.1	22.8	24.6
Income	2286.6	2686.0	3035.5	3134.2	3387.4	3.3	8.1	2422.2	8.7	9.3
Property	109.6	61.0	58.9	56.8	60.2	-3.6	6.0	57.2	0.2	0.2
Goods and services	1819.5	1974.8	2101.6	2422.5	3072.0	15.3	26.8	1900.9	6.7	8.4
International trade	578.8	494.0	496.2	570.0	740.3	14.9	29.9	482.4	1.6	2.0
Non-Tax revenue	814.4	704.1	783.9	872.6	710.0	11.3	-18.6	649.4	2.4	1.9
Recurrent expenditure	7103.4	7836.0	9120.6	8770.0	9369.8	-3.8	6.8	7032.7	24.3	25.7
Wages and Salaries	2591.9	2884.4	3484.3	3218.9	3521.6	-7.6	9.4	2615.6	8.9	9.7
Interest payments	1575.4	1576.9	1580.6	1690.1	1746.1	6.9	3.3	1362.7	4.7	4.8
Transfers and subsidies	2183.3	2487.2	3136.8	2922.8	3142.3	-6.8	7.5	2310.9	8.1	8.6
Current account balance	401.4	619.8	416.2	355.9	308.2	-14.5	-13.4	347.8	1.0	0.8
Capital Revenue	59.9	56.0	5.7	827.8	29.0	14422.8	-96.5	2566.9	2.3	0.1
Capital expenditure	467.6	622.5	580.4	1142.3	738.7	96.8	-35.3	608.1	3.2	2.0
Capital account balance	-407.7	-566.5	-574.7	-314.5	-709.7	-45.3	125.7	1958.8	-0.9	-1.9
Fiscal balance	-6.3	53.3	-158.5	41.4	-401.5	-126.1	-1069.8	2306.7	0.1	-1.1
Financing	6.3	-53.3	158.5	-41.4	401.5	-126.1	-1069.8	57.6	-0.1	1.1
Domestic	-296.0	849.3	25.1	1459.1	837.3	5713.1	-42.6	1431.3	4.0	2.3
External	302.3	-902.6	133.4	-1500.5	-435.8	-1224.8	-71.0	-604.7	-4.2	-1.2
Total revenue	7564.7	8511.8	9542.5	9953.7	9707.0	4.3	-2.5	9949.7	27.6	26.6
Total Expenditure	7571.0	8458.5	9701.0	9912.3	10108.5	2.2	2.0	7640.7	27.4	27.7
Money Supply (TT\$m)										
(Relates to end of period)										
Narrow money (M1)	3072.3	3307.3	3316.2	3898.2	4052.7	17.6	4.0	2944.0	10.8	11.1
Broad Money (M2)	10100.5	10453.0	10368.3	11567.2	12989.1	11.6	12.3	9248.3	32.0	35.6
Balance of payments (US\$ m)										
Balance of Visible Trade	597.7	592.2	346.5	-493.9	-661.1	-242.5	33.9	23.1	-8.6	-11.4
Exports	1971.9	2477.4	2505.8	2542.3	2378.7	1.5	-6.4	1979.6	44.2	41.1
Imports	1374.2	1885.2	2159.3	3036.2	3039.8	40.6	0.1	1922.6	52.8	52.5
Services (net)	43.1	159.4	244.1	292.5	435.8	19.8	49.0	199.1	5.1	7.5
Travel (net)	-2.9	-5.9	32.2	121.0	140.7	275.8	16.3	67.7	2.1	2.4
Income (investment income)		-465.4	-515.3	-381.3	-357.4	-26.0	-6.3	-426.5	-6.6	-6.2
Current Balance	221.4	269.9	68.2	-578.9	-575.6	-948.8	-0.6	-257.3	-10.1	-9.9
Capital and financial account	-32.5	-27.5	43.1	840.8	569.1	1850.8	-32.3	540.6	14.6	9.8
Errors and omissions	-7.9	-209.9	102.2	-86.6	82.7	-184.7	-195.5	-50.7	-1.5	1.4
Overall balance	181.0	32.5	213.5	175.3	76.2	-17.9	-56.5	110.1	3.0	1.3
External debt (US\$m)	2063.5	1905.2	1875.8	1541.1	1429.8	-17.8	-7.2	1466.1	26.8	24.7
*Interest Payments	144.2	155.3	141.9	124.0	116.4	-12.6	-6.1	136.4	2.2	2.0
International reserves (US\$ m.)	514.5	460.2	701.1	854.4	980.4	21.9	14.7	588.7	14.9	16.9
Interest rates										
Deposit rate (average)		5.8	6.4	5.6		-11.9	-100.0	1.5	0.0	0.0
Loan rate (average)		13.4	14.2	13.9		-2.7	-100.0	9.7	0.0	0.0

Source: ECLAC, based on national data