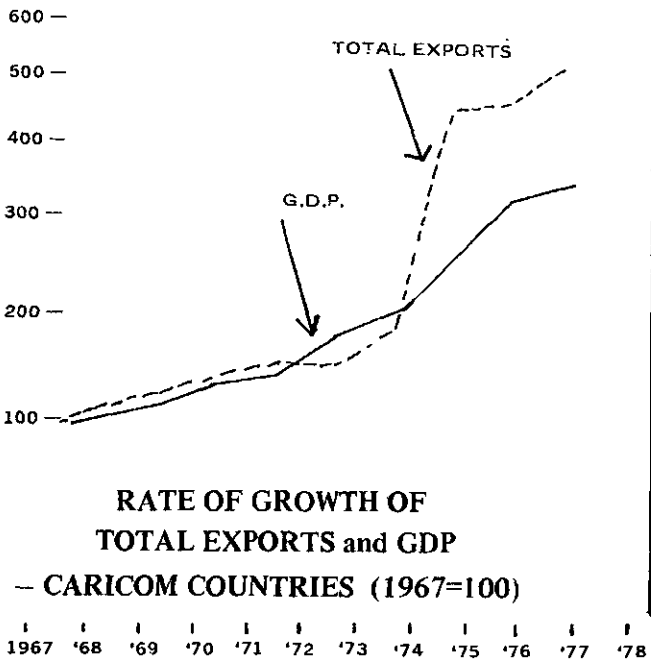
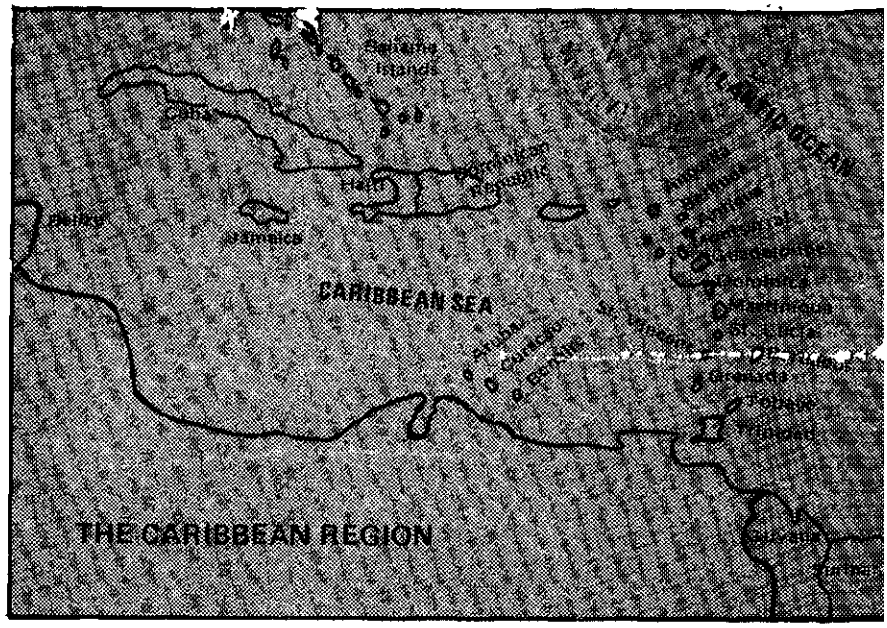


RATE OF GROWTH OF
TOTAL EXPORTS and GDP
– CARICOM COUNTRIES (1967=100)



CEPAL/CARIB81/1

ECONOMIC ACTIVITY 1980 IN CARIBBEAN COUNTRIES

UNITED NATIONS
ECONOMIC COMMISSION FOR LATIN AMERICA Office for the Caribbean

CEPAL/CARIB 81/10

Date: 15 September 1981

ECONOMIC COMMISSION FOR LATIN AMERICA
Sub-regional Headquarters for the Caribbean

ECONOMIC ACTIVITY 1980
IN
CARIBBEAN COUNTRIES

(A joint effort of the Professional and Research Assistant Staffs of the Economic Commission for Latin America, Sub-regional Headquarters for the Caribbean)

F O R E W O R D

This is the tenth in the series of publications. In this issue, separate notes appear for the first time in respect of Antigua, Montserrat, St. Kitts-Nevis and St. Vincent. It was not possible to compile notes on Belize and Dominica this year, but notes for these countries should appear in the next issue.

The CEPAL Sub-regional Headquarters for the Caribbean remains grateful to the various National Statistical Offices and Agencies for their co-operation in furnishing the relevant data, without which the production of this report would not have been possible.

S. St. A. Clarke

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INTRODUCTION

In this tenth issue of the publication "Economic Activity in Caribbean Countries", the 1980 performance of the Caribbean Countries is treated. The staffing problems of the various statistical offices persist at a time when the need for timeliness and accuracy of statistical data is greatest. In at least one country, the conduct of a population census engaged the time of all the personnel employed at the statistical office, with the result that statistical series for major economic variables were unavailable up to mid-1981.

The Country Notes in this publication are revisions of the texts that were prepared earlier for inclusion in Economic Survey of Latin America, 1980, published by the Economic Commission for Latin America (CEPAL), Santiago, Chile. The revisions incorporate revised data for earlier years and additional data for 1980.

These Country Notes examine current economic trends and developments in the countries and seek to identify the determinants of these trends.

The countries covered in this document are: Antigua, Bahamas, Barbados, Grenada, Guyana, Jamaica, Montserrat, St. Kitts-Nevis, St. Lucia, St. Vincent, Suriname and Trinidad and Tobago. The countries that were formerly included in the West Indies Associated States have been given separate identity in the interest of greater meaningfulness of the notes.

The main sources of the economic and statistical information used in the preparation of the Country Notes are listed at the end of this document.

The symbols used in this report are the following:

...	:	not available
.	:	category not applicable
-	:	nil or negligible
0, 0.0 or 0.00	:	less than half final digit shown
e	:	estimated figure
p	:	provisional figure
r	:	revised figure
*	:	government estimate
**	:	CEPAL estimate

PART I

SUB-REGIONAL SUMMARY

A. SUMMARY OF ECONOMIC ACTIVITY

A. SUMMARY OF ECONOMIC ACTIVITY

Major Trends and Changes in GDP Aggregates - Total and Sectors

The Caribbean economic performance in 1980 was severely affected by the adverse external circumstances prevailing in that year. Generally, industrialized countries experienced accelerated inflation rates, falling productivity and heightened unemployment. Except for Trinidad and Tobago whose petroleum sector helped to inflate its foreign exchange receipts, the economies of the region experienced some measure of inertia. Gross Domestic Product growth estimates at current prices were generally positive, but reflected very meagre growth in real terms. Such vulnerability grew out of continued dependence on imports of food, fuel and other crucial requirements for economic and social sustenance. Further, unrelenting inflationary pressures and uncertainty in international markets defeated most efforts at economic diversification.

Traditional internal problems persisted, especially high unemployment rates, inequalities in income distribution and low productivity levels. There was also a high incidence of natural disasters.

In summary, the economic situation in the region was characterized mainly by rising prices and efforts to protect consumers, increased government expenditure especially on wages and salaries, depressed output and continued foreign debt. There have also been some initiatives in assessing traditional and alternative sources of energy encouraging energy conservation and in grappling with the fuel import bill.

Agriculture

During 1980 the Agricultural sector experienced mixed fortunes with a general tendency towards decline. Overall production continued to fall inspite of some attempts at diversification and expansion of capacity in the sector. This performance was undoubtedly occasioned by natural disasters, diseases, improper land-tenure systems, inefficient marketing systems, lack of equipment and labour shortages. It is evident, however, that such growth as there was, related mainly to price increases. The export sub-sector was affected in a marked degree especially in the Eastern Caribbean where the

devastating effects of Hurricane David in 1979 were not yet overcome when Hurricane Allen destroyed most of what was left of the crops and livestock in 1980. Nevertheless, the buoyancy of the sector in Barbados, Belize and Guyana contrasted greatly with the more impropitious circumstances in the rest of the region.

Sugar - Total production of sugar in the region continued its downward trend falling by some 7 per cent. The sub-sector's traditional problems prevailed so that the decline was still attributable to inclement weather, diseases resulting in poor quality cane, unavailability of equipment, fires and industrial and marketing problems.

Barbados was again exceptional being the only country where the sugar industry's output increased by 18 per cent over the 1979 production level to 135,000 tonnes of sugar in 1980. This was mainly a result of favourable weather and increased acreage devoted to sugar-cane cultivation.

Indeed 1980 was a year in which projected shortfall in world production did come to pass and speculative behaviour pushed up the price of sugar tremendously. The ceiling price set by the International Sugar Agreement of $0.23 per pound almost doubled by November 1980 and the London Daily price of raw sugar rose as high as £395 per tonne, while the EEC offered £222.04 per tonne for shipments between July 1980 and June 1981. Unfortunately, full advantage of this situation could not be taken by the major sugar-exporting countries where production was low. Their increases in earnings were modest compared with the 79 per cent increase received in Barbados.

Bananas - Banana production in the Windward Islands, Jamaica and Belize was adversely affected by hurricanes, flooding, diseases and in the case of Belize, long spells of drought and the closure of one farm. Lack of full year data prevents definitive conclusions on the extent of losses due to hurricanes but present estimates reflect average losses of 40 per cent or more. The formidable leafspot disease continued to retard possible recovery in banana production especially in Jamaica where production fell by 52 per cent to 33,000 tonnes in 1980. The ensuing uncertainty about supply poses a threat to the future of the Caribbean as a major supplier of bananas to the U.K. in the face of the superior quality fruit produced in Central and South America.

Citrus - Performance in this sub-sector was more promising than in others in 1980. Although the industry suffered from drawbacks such as inadequate transportation facilities, high cost of inputs, praedial larceny, absenteeism, poor distribution of rainfall and labour shortages, citrus production in Jamaica increased by over 30 per cent over 1979 levels. This was due in part to some resuscitation carried out on more than half of the 717 acres planted. Over 1.5 million boxes of citrus were produced in Belize, almost three times the amount produced in 1979. The industry thus received greater earnings which could have been yet greater but for fluctuations in the market price.

Rice - Rice production and earnings expanded in all the major rice-producing countries. Guyana produced 168,000 tonnes of milled rice, 22 per cent more than the previous year which increased its earnings by 28 per cent. This occurred inspite of mechanical and technical setbacks and adverse weather. Expanded acreage in Belize was partly responsible for a 70 per cent increase in production and limited information hints at a similar situation in Suriname.

Cocoa and Coffee - Both cocoa and coffee production have been steadily declining over the last decade and both commodities have been experiencing reductions in their export prices. By June of 1980 cocoa and coffee production in Trinidad and Tobago had declined by 24 per cent and 12 per cent respectively with corresponding reductions in earnings. In Jamaica 250,000 boxes of coffee were delivered to the Coffee Industry Board - approximately half the amount delivered the year before. This reduction was the combined effect of Hurricane Allen, the Berry Borer and poor cultural practices. However, a resuscitation programme has added over 400 acres to the existing fields and a modest increase in the export price has yielded some increase in earnings.

Cocoa production and exports in Jamaica have decreased. Despite heavy rains and Black Pod disease, production rose to 1,350 tonnes - 28 per cent more than the 1979 production. Cocoa prices dropped by £100 to £600 per ton in 1980 yielding very mediocre earnings.

Mining and Refining

Crude Petroleum - Available data indicate that for the second consecutive year, crude petroleum production declined in Trinidad and Tobago as no significant discoveries of new deposits occurred to fill the vacuum left by matured fields. However, new wells and improved recovery technology slowed down the decline to 1 per cent as opposed to the 6.6 per cent decline in 1979. The 77.6 million barrels of locally produced crude were derived in the main from marine wells.

Consonant with the fall in production was a decline in the volume of exports but export earnings recorded an increase of some 61 per cent reflecting notable price increases. Refinery throughput is expected to continue on its downward trend as crude petroleum imports are also diminishing.

In Barbados, production of crude petroleum and natural gas increased by 7.8 per cent from 1979 and production of natural gas alone in both Trinidad and Tobago and Barbados grew by 13.6 per cent and 16.6 per cent respectively.

Bauxite/Alumina - Indications are that bauxite/alumina production increased in Guyana, Jamaica and Suriname in 1980 in contrast to the general decline in 1979, and that for the most part, the mining sector maintained its importance to the economies. However, despite fluctuations during the decade, production in all three countries was still below the levels of the early 1970's. Guyana experienced an overall growth in production in the sector despite a fall in production of dried bauxite and alumina hydrate. Of positive benefit to the sector was a 64 per cent increase in alumina output from 129,000 tonnes in 1979 to 211,000 tonnes in 1980.

Increased world demand for aluminium, revision of the bauxite production levy and renewed co-operation between government and the foreign bauxite companies were instrumental in the acceleration of activity in this sector in Jamaica. There were promising signs of recovery from the stagnation in the previous year, especially attributable to a 17 per cent increase in alumina production to almost 2.5 million tonnes. Bauxite produced reflected a 5 per cent rise.

The sector's performance in Suriname was less promising but available estimates point to increases of 3 per cent in bauxite production, 12 per cent in alumina and 5 per cent in aluminium.

Manufacturing

Except for Jamaica, Barbados, Guyana and Trinidad and Tobago, manufacturing in the Caribbean accounts for a very insignificant part of overall economic activity. In 1980, the sector's contribution to GDP in Barbados, Guyana, Jamaica and Trinidad and Tobago ranged from 7 per cent in Trinidad and Tobago to 15 per cent in Jamaica. The US$155 million earned by the sector in Jamaica represented a decrease of 12 per cent from the previous year's earnings. It is estimated that this decline has been accelerated in 1980 by the scarcity of foreign exchange and raw materials, frequent industrial unrest and a cut back in construction and the production of petroleum products.

Trinidad and Tobago gained US$424 million from manufacturing activities even though its importance in total domestic production has been falling. This meant a 25 per cent increase (in current prices) over the 1979 figure. But the 8 per cent increase in the Index of Manufacturing Production inferred that a major part of the increase of the sector's GDP was due to prices.

Promotional drives by the Barbados Industrial Development Corporation conduced to a 6 per cent increase in the Index of all industrial production and 22 per cent growth in the GDP since 1979. The most significant contribution was a 65 per cent increase in the quarrying sub-sector. A 43 per cent increase in the sector's foreign exchange earnings gave expression to the intentions of the Barbados Export Promotion Authority to encourage export of local manufactures.

Despite mixed performances of the various sub-sectors, the manufacturing sector in Guyana managed to increase its earnings by 14 per cent inspite of foreign exchange scarcity and power outages.

Tourism

Data in respect of 1980 indicate a general deceleration in Tourism activity throughout the region. In the light of economic depression and

balance of payments problems experienced in North America and Europe, there was a noticeable reduction in air-traffic arrivals and stay-over visitors. On the other hand, notable increases in cruise ship arrivals managed to fill some gaps left by the decrease in air-arrivals.

The tourism sector showed most buoyancy in the Bahamas where the largest absolute increase in total visitors to the region brought the number to almost 2 million tourists. Although only 9 per cent greater than the number in 1979, this contributed positively to foreign exchange earnings which increased by 6 per cent to US$596 million in 1980.

In Barbados, tourism activity remained relatively high although external conditions discouraged long stay. There was a 48 per cent increase in cruise ship passengers over the 1979 figure and the sector's earnings which were boosted by a 20 per cent increase in hotel rates went up by 25 per cent to US$249.6 million in 1980.

Data for tourism in Jamaica imply a decrease in the total number of arrivals. Apart from the negative effects of international economic recession, Jamaica's image as an unsafe, politically unstable island deterred traditional North American visitors. Nevertheless, European visitors were responsible for increases in average length of stay and consequently average per capita expenditure which pushed foreign exchange earnings above the 1979 level by 24 per cent.

THE INFLATIONARY EXPERIENCE OF THE CARIBBEAN COUNTRIES

Changes in Retail Price Indexes evinced a generalized and intensified acceleration in the inflationary prices throughout the region in 1980. Indeed, there exists some variation in the inflationary level from country to country. However, differences in weight bases and base year limit comparability and some very old indexes have been producing figures of doubtful usefulness.

According to these Indexes, the rate of inflation for 1980 ranged from 12.1 per cent in the Bahamas to 29.8 per cent in Montserrat. The rising price of oil coupled with general inflation in industrialized countries were major causes of price increases in the region. Evidence of this imported inflation

lay in the fact that the highest relative price increases related to items and activities of highest import-content, namely: fuel and petroleum products, food, manufactured goods and transportation. In many countries, the cost of these goods and services increased by more than 40 per cent.

Despite price control efforts, domestic events including increased domestic demand, shortages of goods and higher wages and rents also influenced prices.

Money supply in narrowly and broadly defined terms increased throughout the region, although in most cases slower than in 1979. This increased liquidity resulted largely from higher wages, credit expansion, tax concessions and greater earnings from the external sector. But the introduction of higher interest rates and heightened tendencies towards saving served to dampen the rate at which the money supply increased. In a few cases, where no Central Bank exists, little assessment could be made of money in circulation but it is apparent that the money supply increased only modestly.

Particularly exceptional were Jamaica and Guyana where the money supply increased twice as fast as in 1979. In Jamaica, a 41 per cent increase on demand deposits helped push total money supply to approximately US$1 billion. The US$333.3 million estimated as total supply for Guyana reflected increased economic activity especially in the external sector and improved credit facilities.

Most governments realized budgetary surpluses on their Current Account. Increased wages and salaries took the major portion of government expenditure but income from higher import duties, licences and levies generated surpluses. These surpluses could not, however, finance ambitious capital expenditure programmes. Rising wages, debt charges and the failure of some corporations to pay taxes resulted in current deficits of US$105 million and US$379 million in Guyana and Jamaica respectively.

SOCIO ECONOMIC POLICY

Socio-economic conditions in 1980 were marked by still unacceptable unemployment levels, persisting balance of payments deficits, falling productivity, spiralling inflation and foreign debt. In broad terms, the

development strategies adopted by Caribbean governments addressed themselves to all these problems. As each concentrated on the effects of international economic developments, especially inexorable inflationary pressures, most budgets sought to reduce burdens and increase benefits to tax payers.

This was especially the case among the LDC's who sought to increase government revenue without increasing taxation. It was the opinion of these governments that altering the tax structure was the only practical measure if government must meet its developmental commitments. Alterations included lowering or abolition of personal income taxes and augmentation of corporation and indirect taxes. For St. Vincent and Montserrat there were no new tax measures but improvements in machinery for tax assessment and collection. Antigua, like the Bahamas, does not have a personal income tax system. Heavy reliance was placed on trade taxes, consumption taxes and indirect taxes.

Barbados and Suriname have demonstrated a similar thrust not yet asserted by the others in 1980, namely increased awareness and formulation and implementation of definite policies on energy use and conservation. Much of Barbados' socio-economic policy addressed itself to problems of inflation and employment. Some major issues were:

1. Restructuring of the taxation system to increase incentives to earn resulting in greater productivity and larger disposable incomes.

2. Greater indirect taxes to protect local industry.

3. Protection of balance of payments by controlling public sector deficits and restraining the level of imports.

4. An institutional capability in the energy sector to conserve conventional energy and explore alternative sources.

The Government of Suriname embarked on a number of projects to develop new sources of energy. Plans were formulated to increase generation of hydro-electricity to 800 mw of hydro-power and for the construction of micro-dams to substitute for hydro-carbon energy. The government also concentrated on providing low-cost housing and on realizing a Health Insurance Scheme for most of the population.

The Trinidad and Tobago government's development strategy in 1980 was much the same as in previous years. It concentrated on increasing employment opportunities, improving infrastructure, expanding educational opportunities, providing low-cost housing, developing the energy sector, assisting small and medium businesses and fighting inflation with selective credit controls.

Jamaica's socio-economic policy emphasized the government's commitment to tight financial and monetary control. Monetary measures were adopted to restrain consumer credit. The policy was intended to protect the balance of payments and limit demand for bank credit. Trends in Jamaican socio-economic policy in 1980 must be viewed in the light of the general elections that took place in the latter half of the year. Opposing economic positions of the major parties had some impact on policy and by the end of 1980 the new government had already reversed policies on foreign financing. Negotiations with the IMF and other funding institutions were re-opened. Nevertheless, the broad objectives remained, namely: improvement in the standard of living, more equitable distribution of income and conservation and development of national assets and physical environment.

B. DEVELOPMENTS AT REGIONAL PROJECT LEVEL

A major development in regional co-operation was the Sixteenth Meeting of the CARICOM Council of Ministers at which the Council recognized the need for formulating a strategy for Caribbean Integration for the present decade. To this end, a group of Caribbean experts was commissioned to review integration patterns to date and make recommendations, taking into account economic and political trends both in the national and international spheres.

The Caribbean Alternative Energy Programme was formed in a CARICOM/CDB/USAID Agreement and its goals were to assist member states in assessing their national energy resources and to set up regular guidelines for national energy planning, training and policy-making. To implement this, an Energy Unit was set up in the CARICOM Secretariat to work in conjunction with a similar unit at the Caribbean Development Bank.

Early in 1980, a study on Regional Industrial Development Planning was completed. Twenty-five priority projects on specific industries were specified for pre-feasibility study. Funds provided by the Federal Republic of Germany facilitated work on thirteen of these projects. It is hoped that aid from additional sources would help in completion of work on the other projects.

Also in 1980, there were continued attempts facilitating economic development of the LDC's. At the Fifteenth Session of the Common Market Council of Ministers, it was proposed that:

1. The work of the CARICOM Secretariat in each country would be implemented by a CARICOM Country Officer Scheme which would also liaise with the ECCM Secretariat.

2. There should be no restrictions to LDC merchandise exports within the region.

3. Investment funds should be channelled from LDC's to MDC's.

4. The CARICOM and ECCM Secretariats should initiate a strategy on a system for promoting the flow of raw material and intermediate goods from MDC's to LDC's.

The Government of Trinidad and Tobago created an oil facility of US$86.7 million which would assist some member states in meeting their expenses on oil, fertilizer and asphalt for three years.

There was further discussion of the Organization of Eastern Caribbean States (OECS) which would replace WISA and the Council of Ministers.

The Caribbean Group for Co-operation in Economic Development monitored the progress of their current programmes which were generally retarded by technical issues.

C. SUB-REGIONAL
STATISTICAL APPENDIX
1980

TABLE IA

CARIBBEAN COUNTRIES

PERCENTAGE CHANGES IN RETAIL PRICE INDEXES

Country	1977	1978	1979	1980
Antigua	...	6.1	16.4	19.0
Bahamas	3.1	6.2	9.1	12.1
Barbados	8.3	9.5	13.2	18.4
Dominica	9.5	7.7	17.9	...
Grenada	...	...	...	20.6
Guyana	10.8	19.5	15.6	...
Jamaica	11.2	34.9	29.1	27.1
Montserrat	17.5	9.4	16.0	29.8
St. Kitts-Nevis	...	...	...	17.9
St. Lucia	8.9	10.0	10.3	19.5
St. Vincent	10.2	8.4	15.6	17.2
Suriname	9.8	8.8	14.9	14.1
Trinidad and Tobago	11.8	10.2	14.7	17.5

N.B.: These changes are based mainly on averages of official monthly or quarterly retail price indexes.

Source: Calculated from data in the Country Notes.

TABLE IB

CARIBBEAN COUNTRIES

PERCENTAGES CHANGES IN RETAIL PRICE INDEXES - FOOD

Country	1977	1978	1979	1980
Antigua	...	6.2	13.1	17.1
Bahamas	1.9	8.2	10.9	15.1
Barbados	8.5	10.1	11.1	...
Dominica	9.5	...	...	...
Grenada	-	-	-	17.6
Guyana	10.1	22.9	15.1	...
Jamaica	9.4	36.8	33.4	33.4
Montserrat	14.9	10.0	21.9	23.8
St. Kitts-Nevis	21.2	...	...	14.2
St. Lucia	...	...	...	...
St. Vincent	19.6	6.7	12.2	14.4
Suriname	7.3	4.9	12.8	12.2
Trinidad and Tobago	6.9	9.1	13.8	19.3

Source: Derived from data in the Country Notes, and Some Macro Indicators of the Caribbean Countries 1950-1979 - Selected Years.

TABLE II

SELECTED CARIBBEAN COUNTRIES

PERCENTAGE CHANGES IN MONEY SUPPLY

Country	Total Money Supply			Demand Deposits and Currency in Circulation (M_1)		
	1978	1979	1980	1978	1979	1980
Bahamas	12.1	18.1	19.2	15.6	27.2	4.1
Barbados	15.7	23.9	17.9	21.7	39.6	11.4
Belize	28.7	2.4	13.2	50.8	0.8	12.7
Grenada	14.9	18.4	7.6	21.1	31.4	4.2
Guyana	10.6	7.0	19.0	5.7	- 4.4	13.7
Jamaica	18.3	11.4	35.0	8.3	13.1	32.7
St. Kitts-Nevis	23.9	20.6	15.1	30.7	28.8	24.1
St. Lucia	24.0	20.0	14.5	26.4	24.4	13.8
Suriname	12.0	10.4	10.2	12.2	11.1	7.6
Trinidad and Tobago	23.8	32.4	14.5	27.6	27.9	24.5

Source: Relevant tables of various countries' Statistical Appendices and Commercial Banking Statistics, East Caribbean Currency Authority, St. Kitts.

TABLE III

CARIBBEAN COUNTRIES

EXCHANGE RATE - NATIONAL CURRENCIES VIS-A- VIS US$

(Par rate used)

National Currencies		In terms of US$				
		1976	1977	1978	1979	1980
Antigua	- EC$1.00	1.410239	0.370370	0.370370	0.370370	0.370370
Bahamas	- Bah$1.00	1.00	1.00	1.00	1.00	1.00
Barbados	- Bd$1.00	0.499051	0.495308	0.497191	0.497191	0.497191
Belize	- Bze$1.00	0.451550	0.451550	0.451550	0.451550	0.451550
Dominica	- EC$1.00	0.410239	0.370370	0.370370	0.370370	0.370370
Grenada	- EC$1.00	0.382453	0.370370	0.370370	0.370370	0.370370
Guyana	- G$1.00	0.392156	0.392156	0.392156	0.392156	0.392156
Jamaica	- J$1.00	1.10	1.10	0.5959	0.5613	0.5613
Montserrat	- EC$1.00	0.410239	0.370370	0.370370	0.370370	0.370370
St. Kitts-Nevis	- EC$1.00	0.410239	0.370370	0.370370	0.370370	0.370370
St. Lucia	- EC$1.00	0.410239	0.370370	0.370370	0.370370	0.370370
St. Vincent	- EC$1.00	0.410239	0.370370	0.370370	0.370370	0.370370
Suriname (Central rate)	- Sf.1.00	0.560244	0.560224	0.560224	0.560224	0.560224
Trinidad and Tobago	- TT$1.00	0.410239	0.41666	0.41666	0.41666	0.41666

Source: International Financial Statistics, International Monetary Fund, Washington D.C.

TABLE IVA

CARIBBEAN COUNTRIES

SUMMARY OF CENTRAL GOVERNMENT REVENUE AND EXPENDITURE
SELECTED COUNTRIES
PART I - CURRENT REVENUE
(US$'000 equivalent)

Country	1977	1978	1979	1980
Antigua	12,221.5	13,702.2	16,067.6	19,762.4
Bahamas	139,700.0	166,300.0	203,800.0	246,100.0
Barbados	122,961.2	142,196.6	169,144.4	209,267.7
Belize	...	23,525.8	28,267.0	33,505.0
Grenada	12,432.0	17,390.0	32,883.8	34,174.7
Guyana	139,372.2	142,666.4	155,450.6	178,038.8
Jamaica	582,010.0	463,133.5	468,236.5	541,542.2
Montserrat	3,405.7	3,497.1	4,749.3	6,032.9
St. Kitts-Nevis	10,240.7	12,815.6	14,939.6	20,260.7
St. Lucia	18,739.3	21,423.0	26,608.5	...
St. Vincent	10,723.7	12,141.8	14,501.8	15,987.4
Suriname	172,380.9	203,305.3	216,190.4	235,294.1
Trinidad and Tobago	1,242,063.5	1,284,646.1	1,682,056.4	2,574,708.8

Source: Derived from data in the Country Notes.

TABLE IVB

CARIBBEAN COUNTRIES

SUMMARY OF CENTRAL GOVERNMENT REVENUE AND EXPENDITURE
SELECTED COUNTRIES
PART II - CURRENT EXPENDITURE
(US$'000 equivalent)

Country	1977	1978	1979	1980
Antigua	16,261.1	16,249.7	21,177.7	...
Bahamas	136,000.0	157,600.0	178,800.0	208,100.0
Barbados	114,005.9	127,082.0	150,450.0	184,756.2
Belize	...	20,003.7	23,616.1	26,460.8
Grenada	11,920.7	18,056.0	19,943.0	22,866.0
Guyana	163,293.8	190,313.3	227,960.3	283,528.8
Jamaica	922,790.0	693,448.8	695,675.2	920,307.8
Montserrat	3,109.5	3,614.2	4,486.6	5,841.9
St. Kitts-Nevis	10,583.3	12,033.7	14,233.3	17,083.7
St. Lucia	18,555.5	18,444.1	24,516.6	...
St. Vincent	9,938.9	11,028.1	15,208.1	18,347.8
Suriname	203,585.4	220,672.2	...	...
Trinidad and Tobago	484,533.9	617,906.8	936,443.4	1,174,522.9

Source: Derived from data in the Country Notes.

TABLE V

CARIBBEAN COUNTRIES

PRODUCTION IN MINING AND REFINING

Country	Commodity	Volume of Production				
		Units	1977	1978	1979	1980
Guyana	Bauxite	'000 MT	1,737	1,753	1,597	1,616
	Alumina	'000 MT	260	230	129	211
	Aluminious Cement	'000 MT	-	36.0	9.0	51
Jamaica	Bauxite	'000 MT	11,434	11,736	11,505	12,053
	Alumina	'000 MT	2,049	2,114	2,096	2,458
Suriname	Bauxite	'000 MT	4,856	5,025	4,769	...
	Alumina	'000 MT	1,215	1,316	1,312	...
	Aluminium	'000 MT	50	59	53	...
Trinidad and Tobago	Crude Petroleum	Mill litres	13,041.6	13,072.8	12,214.8	12,105.6
	Natural Gas	Mill M^3	4,235.9	4,471.8	4,806.5	5,601.4
Barbados	Crude Petroleum	Mill litres	19.7	43.5	45.1	48.6
	Natural Gas	'000 M^3	4,700	9,599	11,667	13,252

Source: Compiled from relevant Statistical Appendices, and data supplied CEPAL.

TABLE VI

CARIBBEAN COUNTRIES

CARIBBEAN DEVELOPMENT BANK

Loans Approvals

(US$'000)

Year	Total Loan Approvals 1970-1979 1/			Loan Approvals from 'Soft' Funds 1/ Between MDC's and LDC's 1970-1979		
	More Developed Countries 2/	Less Developed Countries 3/	Total	More Developed Countries 4/	Less Developed Countries	Total
1970		534	534	-	-	-
1971	1,096	3,998	5,094	-	3,729	3,729
1972	2,518	9,171	11,689	-	7,657	7,657
1973	8,629	9,323	17,952	-	7,341	7,341
1974	9,597	17,192	26,789	1,100	15,148	16,248
1975	7,348	15,949	23,387	1,074	15,013	16,087
1976	13,731	11,157	24,888	3,085	9,571	12,656
1977	6,324	23,661	29,985 5/	1,085	20,588	21,673
1978	19,159	20,575	39,734	19,986	16,940	36,926
1979	57,703	18,732	76,435	19,527	15,678	35,205
1980	14,025	22,590	36,615	4,025	22,707	26,732
TOTAL	140,130	152,882	293,012	49,882 6/	134,372	184,254
% Distribution	47.8	52.2	100	27.1	72.9	100

1/ Amounts in other currencies for the period 1970-1976 were translated at exchange rates which were effective on 31 December 1976. Amounts for subsequent years were translated at rates effective on 31 December, of the respective years.

2/ Includes regional projects with MDC focus. Loans to WISCO-1st. loan $2,045,435, 2nd. Loan $3,911,355 and Government of Guyana, St. Kitts-Nevis-Anguilla and Trinidad and Tobago re-Corn Soyabean $1,074,118.

3/ Includes regional projects with LDC focua. Loans to LIAT (1974) Ltd. of $5,499,624 and $5,338,000 and Caribbean Investment Corporation of $1,260,000 respectively.

4/ Includes regional projects with MDC focus. Governments of Guyana, St. Kitts-Nevis-Anguilla and Trinidad and Tobago re-Corn Soyabean $1,074,118.

5/ The value of loan cancellations in years 1970-1977 is deducted from loan approvals in the year of approval of the particular loan. For 1978 and 1979, loan cancellations during each year are deducted from loan approvals of that year.

6/ Include loans granted through the CDF: Loans to Governments of Jamaica, Guyana and Barbados, $21.1 million, $10.4 million and $4.0 million respectively.

TABLE VII

SELECTED CARIBBEAN COUNTRIES

BALANCE OF PAYMENTS FOR SELECTED COUNTRIES
(US$ Mill.)

	TRINIDAD AND TOBAGO			BARBADOS			JAMAICA 1/		
	1978r	1979r	1980p	1978	1979	1980	1978	1979	1980
MERCHANDISE TRADE (NET)	330.9	573.8	1,165.7	-202.1	-281.4	-315.2	44.5	- 67.9	- 78.2
Exports	1,518.1	2,072.7	2,886.4	110.9	131.5	206.3	794.5	814.7	961.0
Imports	1,187.2	1,498.9	1,720.7	-313.0	-412.9	-521.6	-750.0	-882.6	1,039.2
SERVICES (NET)	- 256.9	- 476.0	- 763.3	154.1	225.8	272.5	-156.9	-154.7	- 194.0
Transportation	92.6	138.6	...	...	...	...	...	...	...
Travel	42.9	18.1	...	127.9	172.9	234.2	136.4	184.5	230.0
Investment Income	- 368.7	- 586.9	- 824.6	...	...	...	-178.6	-202.6	- 265.3
Other Services	- 23.8	- 45.7	...	26.2	52.9	38.3	-114.7	-136.6	- 158.7
TRANSFER PAYMENTS (NET)	- 38.0	- 45.6	- 45.1	16.7	21.8	26.8	25.7	80.0	90.8
Private	- 21.1	- 27.2	- 27.0	...	...	...	15.2	70.0	81.8
Official	- 16.9	- 18.4	- 18.1	...	...	...	10.5	10.0	9.0
CURRENT ACCOUNT (NET)	36.0	52.2	357.3	- 31.3	- 33.8	- 16.0	- 86.7	-142.6	- 181.4
CAPITAL ACCOUNT (NET)	297.6	314.9	207.2	30.3	46.6	44.0	9.8	- 10.4	147.7
Private	180.4	223.7	...	6.1	5.4	22.0	-169.1	- 81.6	27.4
Official Borrowing	117.2	91.2	...	...	...	...	178.9	71.2	120.3
SDR's	-	-	-	...	...	- 0.5	-	10.0	10.0
Other	-	-	-	...	...	- 7.5	...	...	...
CURRENT AND CAPITAL ACCOUNT	333.6	367.1	564.5	- 1.0	12.8	28.1	- 76.9	-143.0	- 23.7
NET ERRORS AND OMISSIONS	- 10.0	19.7	- 64.5	20.0	17.8	- 8.0	- 0.6	2.1	0.6
SURPLUS (+) OR DEFICIT (-)	323.6	386.8	500.0	19.0	11.1	20.0	- 77.5	-140.9	23.1

1/ Source: International Financial Statistics, Volume XXXII, January, 1979.

PART II

ANTIGUA COUNTRY NOTES

ECONOMIC ACTIVITY 1980

ANTIGUA
(East Caribbean dollars used throughout)[1/]

There was no available information on Gross Domestic Product (GDP) for 1980. It was expected that the growth achieved over the last few years would continue in 1980 with improved performances in the Agricultural, Manufacturing and Construction sectors. However, real growth was expected to be only slightly higher than 1979.

In the Agricultural sector, the demise of the sugar industry continued to overshadow the performance of the Agricultural sector. Although the overall agricultural production increased during the year, the failure of the corn and grain-sorghum project together with adverse weather conditions and lack of equipment resulted in a lower level of earnings than was anticipated.

The Manufacturing sector continued to be centered around assembly-type production, clothing being the main item produced. The sector has not yet fully recovered from the closure of the oil and sugar refineries, though efforts are being made to introduce new industries. Most industries were affected by short supplies of raw materials and electricity. Tourism continued to expand resulting in increased earnings to the Service sector.

Prices remained high in 1980 with the rate of inflation averaging 19 percent compared to 20 percent in the previous year. The rapid growth in petroleum prices and tariff increases in public utilities were among the factors causing this continued high rate of inflation.

1/ Since July 1976 US$1.00 = EC$2.70 or EC$1.00 = US$0.37.

N.B. Antigua's country notes were previously included in the section on West Indies Associated States.

The finances of the Central Government and public enterprises improved considerably during the year. The Central Government current account has improved noticeably during 1980 with the resulting deficit decreasing from $10.1 million in 1979 to $3.8 million in 1980. The main factors for this improvement were the substantial increase in current revenue and decreasing level of current expenditure in 1980. The public utilities should have improved net operating surpluses as a result of increased tariffs.

While government policy has continued to reflect the importance of tourism to the economy, there are indications that the worldwide economic recession is having serious far-reaching effects. While capital expenditure to the sector remains high the number of overnight visitors was lower than anticipated. However, this has been somewhat ameliorated by the sharp rise in the number of cruise ship visitors. This was caused by the increased price of fuel in the Southern Caribbean and resulted in a switching of schedules. However, if cheaper fuel again became available in the Netherlands Antilles, cruise ship visitors might decline rapidly.

PERFORMANCE IN THE MAIN SECTORS

Agriculture

The Agricultural sector, which at one time played a dominant role in the economy, now has a minor role contributing only 7 percent to GDP at factor cost in 1979. It was expected that this contribution would deteriorate even further in 1980, even if only marginal increase was shown in the sector's earnings for 1980. This increase in earnings was expected from increased production spurred on by the higher prices paid to farmers by the Antigua Marketing Corporation under the Guaranteed Minimum Prices Scheme (GMP) and expansion of available credit facilities.

Once the mainstay of the economy, with the production of sugar and cotton, the sector is now no more than a token activity of scattered farming. The steady decline of the cotton production and the demise of the sugar industry have left vast areas of land uncultivated. In 1978 and 1979, an attempt was made to utilize 3,500 acres of the more than 12,000 acres once under sugar, for the production of corn and grain-sorghum. However, this project undertaken

with private capital, has not been successful due to the shortfall in financial returns to the Company. An attempt was made in 1980 to restart the project on a smaller scale with Government funding. In an effort to re-establish the sugar industry, more than 750 acres have been replanted for harvesting in 1981. It is hoped to restart the sugar refining operations on a scale sufficient to satisfy the domestic market.

During 1980, as a result of the intensification and expansion of the small holder activity, the small farmers experienced increased output for some crops. However the mixed performance of the small farmers continues to reflect the cyclical nature of production patterns which have been influenced by generous subsidies. An attempt has been made to monitor the production and marketing of some of the crops. The main crop under production is expected to be pineapples with an estimated output of about 140,000 lbs. in 1980. This increase in production came about as a result of the increased acreage under cultivation.

Production of avocadoes, ginger and mangoes is increasing in order to satisfy both the domestic and export markets.

An attempt was initiated in 1980 to control agricultural prices to reduce the problem of over-production. A committee has been appointed to monitor the level of production of the items which are to be placed on the GMP list to ensure wider coverage.

Also in 1980 the disbursement rate of credit from the Antigua and Barbuda Development Bank has been increased and now more than EC$500,000 is available to farmers. Credit is extended for the purchase of farm equipment and planting materials.

Overall, the amount of uncultivated land, and the unreliable rainfall together with other factors such as the lack of equipment and shortage of supplies for land preparation were the causes for the lower earnings in this sector for 1980.

The livestock subsector is largely centred on non-commercial activities and mainly for domestic use. The export potential of

the fishing industry continues to be constrained by the inadequate onshore facilities, and improperly managed and inadequately exploited lobster banks.

During the year, the Public Sector expenditure in agriculture amounted to $4,642,000, an increase of 64 percent from the $2,828,000 spent in 1979.

Mining and Manufacturing

The Industrial Sector in Antigua continues to feel the effects of the closure of the oil and sugar refineries and the continued low output from the cotton ginning plant. In 1979, the contribution of the combined Mining and Manufacturing Sectors accounted for only $14.9 million and a contribution of only 8 percent to GDP at factor cost. However, both sectors showed rapid increases in earnings during 1979, making the outlook for 1980 as favourable as in 1979.

Despite the availability of only few production statistics for the Manufacturing Sector, indications are that most of the sub-sectors would show improved results. It was expected that the output of the garment sub-sector would be increased with the increase of clothing establishments. Over the last few years this sub-sector has achieved rapid increases in earnings and with increases in domestic demand, mainly for the Tourism Sector the rewards are anticipated to be higher. This increase would have been evident in other types of manufacturing since it was estimated that more than $6 million were loaned to the Manufacturing Sector. Most of the loans were made available to the clothing and food and beverages sub-sectors.

The Manufacturing Sector operates within the constraint of a small domestic demand market and having the prospect of regular shortages of raw materials and electricity supplies. However, there continued to exist in Antigua a number of assembly-type and final-processing industries which are able to operate on this smaller scale of production. Operators in this class include the assembly of household appliances, assembly of furniture, some food processing plants, a motor vehicle component assembly plant, a building materials factory and various clothing manufactures.

There was no new major industry established in 1980, though efforts are being made to win newer industries as well as to expand existing

concerns. During the year, government has started work on the provision of more factory shells for expanded industrial activity. This venture was financed mainly by Caribbean Development Bank (CDB) and British Development Division (BDD) with credits through Antigua and Barbuda Development Bank. At the same time, the industrial sector continues to be encouraged by the existence of a number of production incentives. These include exemption from profit taxes, and import and export duties provided for under the 1975 Fiscal Incentives Act and the Approved Products Order of 1976. There is also the benefit of a low 40 percent corporation tax. It is hoped that the reactivation of the sugar industry and the petroleum industry would increase the sector's contribution to GDP. The rehabilitation of the oil refinery would assist in the development of the sector, offering crude and refined products at preferential prices.

Transport and Communication

Generally this sector is the largest single contributor to the total GDP, accounting for 17 percent of GDP in 1979 while increasing its earnings by about 11 percent from 1978. With the growth of air transport and an apparent increase in tourist arrivals during 1980, it was expected that the earnings from this sector would be increased during 1980. Though no quantitative data are available, it is expected that there was a growth in volume of cargo handled by the Port Authority and thus an increase in earnings also partly attributable to increased charges effective as of 1980.

Government has about doubled its Public Sector expenditure in the area of public utilities, and efforts are being made to improve the airport and runway, provide additional port equipment and upgrade the Public Works Department with external funding.

Construction

Increased earnings in construction were expected in 1980, especially through heavy Public Sector investment, increases in private construction and the continued expansion of the hotel industry. Earnings in 1979 rose by 23 percent with the sector's contribution to GDP being 7 percent.

Indications for 1980 show a continuation of the pattern set in 1979 with expanded expenditure in construction, catering for anticipated increase in tourist arrivals. It was estimated that more than 500 rooms were being added to existing hotels while rehabilitation of others were taking place. Figures from the commercial banks show a rapid rise in demand credit for the sector and over $6 million have been earmarked for the Public Sector expenditure in construction.

Electricity and Water

Following increased Public Sector expenditure tarrifs were increased by the Public Utility Authority (PUA) and this was evident in 1980. This should serve to raise earnings from this sector. Added to this, the size of PUA earnings would have been increased with the expected settlement of unpaid bills by the Government. In 1979 the sector's contribution to GDP was just over 2 percent yet earnings rose by over 36 percent from 1978.

At the same time, efforts are being made to seek out new areas of energy. So far the most likely fields would be the non-conventional solar and wind-energy. Already plans are underway to set up three (3) 50-watt turbines generating additional energy for the National Grid. All this is expected to cut down on the traditional dependence of oil as the basic energy source.

Tourism

Indications are that the rate of growth in the Tourism Sector levelled off in 1980. Estimated current earnings to this sector rose by 9 percent to $104 million in 1980. However, pet capita expenditure fell by some 8 percent in the same period, reflecting the relatively large number of cruise ship visitors.

It was estimated that more than 194,000 visitors entered Antigua in 1980 - an increase of some 14 percent over 1979. This increase was attributable mainly to the 52 percent growth in the arrivals of cruise ship visitors from 70,266 passengers in 1979 to 107,094 in 1980. It is apparent that the drop in air arrivals has seriously affected the growth in total earnings, although visitors by sea have increased rapidly over the past four years.

The decrease in tourist arrivals by air can be attributable to the fall

in visitors from North America. Apparently, the recession in that area and attractive packages to visit elsewhere have reduced the total number of visitors from this source. Arrivals by air from the United States of America amounted to 34,401 in 1980, and 8,826 from Canada, representing a decline of 11 percent and 4 percent respectively. Visitors to Antigua by air from the United Kingdom rose some 6 percent to 10,774 in 1980, possibly because of the high exchange value of the pound sterling; making it relatively cheaper to holiday in the Caribbean than formerly. It was expected that visitors from other Caribbean countries increased in the same period. A factor which has contributed to this drop in air arrivals has been the high cost of air fare to Antigua.

The rise in the number of cruise ship visitors to Antigua, resulted from the increased number of ships into Antigua. This growth in visits can be directly attributed to the increased price of fuel charged to the ships' operators by the ports traditionally visited, thus resulting in less visits to Southern Caribbean ports and more to the Eastern Caribbean. This has greatly assisted the tourism industry in Antigua, filling the gap left by the reduction in air arrivals.

The additional visitors and size of the sector's earnings were possible through the efforts of lengthy promotion tours in Europe, United Kingdom and North America offering some attractive holiday packages. This venture was supported by improvements in hotel facilities and other tourist services.

An attempt has been made to increase the number of off-peak season visitors, thereby improving the relatively low occupancy rates which normally exist during this season. To this end the government and the Hotels Association have decided on a schedule to keep private hotels open during the summer months. This is in keeping with the policy set in 1979 to have all government-owned hotels opened year-round, where possible. This has been moderately successful with increases in the summer visitors to Antigua in 1980.

February continues to be the peak visit month of the year, and August the peak summer month. However, the availability of hotel rooms in 1980 during the peak months continues to be at a premium with expansions of hotels taking place in Antigua during this period for the low income group.

EMPLOYMENT

No absolute figures are available for 1980 but indications are that unemployment continues to be around 20 percent with most of the unemployed being former agricultural or refinery workers. The government has continued to absorb some of these workers in government projects with heavy public sector expenditure. In 1978 about 6,000 workers were employed in the Public Sector mainly in the community, social and personal services. At the end of 1979 the figure had fallen from 5,930 in 1978 to 5,902, again mostly in personal and community services. This figure was expected to be slightly higher in 1980. In 1978 the labour force was estimated at 26,767 whereas the 1979 estimates were 27,592, an increase of 3 percent.

THE EXTERNAL SECTOR

There is no up to date information on the actual position of the External Sector. However, indications are that the sector continues to deteriorate. This would be the result of increased expenditure on imports and the estimated reduction in the size of the export earnings. Increased deficits of net factor service payments and an anticipated negative balance on merchandise trade was expected to reduce further the Current Account Balance. The External Debt was also expected to be increased with foreign capital loans being sought to finance domestic public sector investment.

As regards merchandise trade, indications are that the food and fuel continue to be the main items of imports, followed by machinery and manufactured items. Clothing, rum and lobsters continue to be the main exports. It should be noted that some semi-furnished manufactured items brought in for assembly were also re-exported items.

The volume of most petroleum products imported increased in 1980.

Statistics shown in Table VI of the Statistical Appendix reveal that there were increases in the volume of mogas and kerosene/jet fuel imports rising by 17 percent and 10 percent respectively. Whereas, the volume of liquified petroleum gas rose 6 percent, the imports of gas oil fell some 23 percent in 1980.

On the export side, the exported quantity of gas oil rose by about 424 percent in 1980, as a result of releases of previously stockpiled supplies. At the same time, exports of kerosene/jet fuel and mogas rose by 8 percent and 21 percent respectively. There were no exports of liquified petroleum gas.

The closure of the oil refining and sugar industries has had a great influence on the low levels of export earnings over the last few years. Clothing, comprising mainly the finishing items for re-shipment to North American markets. Rum and manufactured commodities continued to be the main exports.

The demands of the Tourism Sector have placed a heavy toll on the import side of the merchandise trade with large imports of food and beverages, fuels, manufactured items and machinery. The anticipated effects of the manufacturing incentives were not expected to contribute increased earnings in 1980, due to the long-term benefits given to foreign capital.

PRICES

The rate of inflation as measured by the Consumer Price Index rose significantly by about 19 percent in 1980, compared to the more moderate 6 percent increase in 1978. Increases in petroleum prices, freight rates and housing costs were the main causes of this growth.

It is quite evident that the age of the index does not represent a true situation as some of the items included in the basket are no longer obtainable. Nevertheless, it is certain that increases in the prices of petroleum products had a drastic effect on the overall level of prices in 1980. Added to this there was increased domestic demand

caused by the increased number of tourists visiting the island. In fact the Utilities component showed a 42 percent rise during the year, as a result of increased rates and tariffs to its customers. Food and alcoholic beverages index increased by 17 percent attributable to increased import costs of these items. The housing index rose 21 percent reflecting the higher prices of houses due to the rising cost of building materials. Clothing increases were more moderate than the other components of the index, possibly because of the smallness of the industry and the incentive given to local garment manufacturers. It is evident that the real effects of the level of prices are subject to significant external influence.

It was obvious that the price of petroleum on the external market adversely affected the structure of Antigua's domestic pricing of petroleum products. The price of gasolene rose from $3.13 per gallon in early 1979 to $4.77 in mid-1980. Kerosene prices almost doubled in the same period from $2.27 in early 1979 to $4.44 per imperial gallon. Diesel fuel rose by about 72 percent in the same period to $4.35 per gallon with the 100-lb. propane tank increasing in price by about 63 percent.

FISCAL AND MONETARY ACTIVITIES

Fiscal Developments

During 1980 the Central Government was able to steady the rapid deterioration of its finance. However, the 19 percent increase in the level of current revenues was not sufficient to offset the size of recurrent expenditures, which fell some 2 percent during the same period. Nevertheless, this was enough to close the existing deficit in the fiscal current account. The deficit was reduced from $10.1 million in 1979 to about $3.8 million in 1980.

The increase in the Central Government current revenue comes from a 37 percent increase in import duties and 138 percent rise in company taxes. Added to this, the implementation of new tarrif rates by the Public Utilities Authorities resulted in a 39 percent increase in consumption taxes. At the same time the level of income taxes fell some 18 percent, and local receipts decreased by over 43 percent in 1980.

No income tax was levied on domestic incomes.

Indications are that there continues to be a high level of expenditure on personal emoluments since the Government continues to act as the employer of last resort in order to relieve the economy of its high unemployment rate. In other expenditures Government has increased spending in the public utilities, in construction and agriculture.

No information on the size and structure of the external debt is available. In 1980 more than 24 percent of current expenditure of the Central Government or $13.5 million was spent on debt servicing. However, this was about 9 percent less than the 14.9 million spent in 1979.

Monetary Developments

The monetary activity in Antigua continued to be monitored by the East Caribbean Currency Authority (ECCA). The absence of a National Central Bank makes it difficult to correctly assess the amount of money in circulation.

During 1980, it was evident that the flow of deposits into the commercial banks continued to grow from 1979 with attractive interest rates and increased tourist activity. The level of demand deposits grew by 33 percent while the volume of savings deposits showed only an 8 percent increase a decline in the rate of increase from the previous years. This contributed to the expansion of credit demand mainly for Public Sector requirements and personal loans. Indications are that a large proportion of total loans were granted on a long-term basis.

STATISTICAL APPENDIX

ANTIGUA

1980

ANTIGUA

TABLE I

GROSS DOMESTIC PRODUCT AT CURRENT PRICES 1975-1979
(EC$ Mill.)

	1975	1976	1977	1978	1979	Annual Growth Rate 1977/1976	1978/1977	1979/1978
Agriculture	9.6	10.9	11.6	12.8	13.5	6.4	10.3	5.5
Domestic Agriculture	(1.1)	(1.3)	(0.8)	(1.2)	(1.2)	(-38.5)	(50.0)	(0.0)
Livestock	(5.9)	(6.2)	(7.3)	(7.9)	(8.5)	(17.7)	(8.2)	(7.6)
Fishing	(2.6)	(3.3)	(3.5)	(3.7)	(3.8)	(6.1)	(5.7)	(2.7)
Mining and Quarrying	0.7	1.1	1.0	1.2	1.6	-9.1	20.0	33.3
Manufacturing	11.0	5.1	6.9	9.3	13.3	35.3	34.8	43.0
Construction	9.0	10.4	10.9	11.0	13.5	4.8	0.9	22.7
Electricity and Water	1.4	1.3	2.1	3.6	4.9	61.5	71.4	36.1
Transport and Communication	20.1	22.0	26.0	29.7	32.9	18.2	14.2	10.8
Road	(7.6)	(7.3)	(8.3)	(9.2)	(11.0)	(13.7)	(10.8)	(19.6)
Sea	(1.0)	(1.0)	(1.7)	(3.1)	(3.9)	(70.0)	(82.4)	(25.8)
Air	(6.9)	(8.2)	(9.1)	(10.1)	(11.7)	(11.0)	(11.0)	(15.8)
Communication	(4.6)	(5.5)	(6.8)	(7.3)	(6.3)	(23.6)	(7.4)	(-13.7)
Trade	15.3	14.0	17.1	19.2	24.3	22.1	12.3	26.6
Hotel and Restaurants	11.2	14.1	18.5	22.2	29.1	31.2	20.0	31.1
Banking and Insurance	8.5	7.5	9.7	10.6	13.1	29.3	9.3	23.6
Ownership of Dwellings	15.5	16.5	18.4	19.8	23.3	11.5	7.6	17.7
Government	15.3	16.6	19.4	23.5	26.0	16.9	21.1	10.6
Other	3.0	1.2	0.3	1.3	1.8	-75.0	333.3	38.5
GDP at Factor Cost	120.6	120.8	142.0	164.2	197.3	17.5	15.6	20.2
GDP at Market Prices	135.2	135.7	162.1	190.4	227.0	19.5	17.5	19.2

N.B. Totals may not agree due to roundings.

Source: Statistical Division, Ministry of Finance, Antigua.

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TABLE II

ESTIMATED OUTPUT OF SELECTED COMMODITIES

	Unit	1976	1977	1978	1979	1980 1/
Raw cotton	'000 lbs.	523	449	528	36	...
Sweet potatoes	"	558	136 2/	414	615	147
Yams	"	134	86 2/	179	240	75
Tomatoes	"	241	78 2/	358	300	65
Onions	"	160	16 2/	62	279	134
Carrots	"	300	112 2/	278	323	60
Pineapples	"	88	57	66	120	140
Bananas	"	98	212	113	134	120
Ginger	"	3	7	11	6	13
Lobsters	"	300	350	...	...	...
Animal Feed	"	...	164	298	93	128
Rum	'000 proof gals.	178	84 3/	...	...	137
Cotton Lint	'000 lbs.	179	149	174	12	...
Cotton seed oil	"	...	3	2	...	18
Clothing (outerwear and underwear)	Dozens	27,180	37,000	...	...	...

1/ Data for small farmers.
2/ Data for January to November.
3/ Data for January to May.
Source: Statistical Yearbook, 1977, Ministry of Agriculture and Supplies.

ANTIGUA

TABLE III

SELECTED DATA ON TOURISM 1976-1980

	1976	1977	1978	1979	1980
Total overnight visitors	57,191	68,279	76,895	99,536	86,571 1/
Cruise-ship visitors	32,385	35,795	51,942	70,266	107,094
Total visitors	89,576	104,092	128,837	169,802	193,665 2/
Average length of stay in hotels (days)	...	...	...	...	...
Occupancy rate (%)	...	...	...	...	...
Number of hotels and guest house beds	2,372	2,372	2,609	2,747	3,475
Number of new hotels	-	-	-	-	-
Number of new guest houses	2	5	3	...	4
Total tourist expenditure	49,116	66,593	76,135	95,000 e	104,000 e
Number of cruise-ship calls	62	59	96	120	164
Number of yacht calls	1,036	2,131	2,731	2,040	...
Passengers on yachts	...	7,211	4,819	8,957	...
Number of wind cruiser calls	...	32	34	72	...
Passengers on wind cruisers	...	2,677	3,091	7,356	...
	As % of Total Visitor Arrivals (Air only)				
By Country of Origin					
United States of America	40.7	42.9	46.7	45.0	39.8
Canada	14.3	12.5	11.8	10.6	10.2
United Kingdom	8.8	7.8	9.5	11.7	12.4
Caribbean	25.9	26.3	21.7	22.1	...
Other	10.3	10.5	10.3	10.6	37.6 3/
Total Air Arrivals	56,398	67,412	75,562	86,459	86,571

1/ Visitors by air only.

2/ Excludes visitors by sea.

3/ Includes % for Caribbean.

Source: Antigua Department of Tourism and data supplied CEPAL.

ANTIGUA

TABLE IV

EMPLOYED LABOUR FORCE CLASSIFIED ACCORDING TO INDUSTRIES
(Wage Earners and Self-employed)

Industries	1974	1975	1976	1977[p]	1978[p]	1979[p]
Agriculture, Livestock and Fishing	2,194	2,349	2,291	2,366	2,099	2,092
Quarrying	55	55	61	26	71	75
Manufacturing	1,510	1,417	1,345	1,355	1,447	1,539
Electricity, Gas and Water	321	575	491	392	392	319
Construction	2,201	2,131	1,906	2,044	2,369	2,476
Distributive Trade with Hotels and Restaurants	3,758	3,833	3,849	3,866	4,571	4,867
Transport, Storage and Communications	2,342	2,253	2,219	2,294	2,427	2,596
Finance, Banking and Business Services	803	814	849	864	699	742
Community, Social and Personal Services	6,070	6,334	7,002	7,026	7,231	7,322
TOTAL	19,254	19,761	20,013	20,233	21,306	22,028
Labour force total	...	...	...	...	53,798	53,853
Unemployment	...	...	...	...	20.4%	20.1%

Source: Statistics Division of the Ministry of Labour.

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TABLE V

ESTIMATED NUMBER OF PERSONS EMPLOYED (WAGE EARNERS AND SELF-EMPLOYED) IN THE PRIVATE AND PUBLIC SECTORS (BY INDUSTRY) AT END OF PERIOD

Industries	1978			1979		
	Public Sector	Private Sector	Total	Public Sector	Private Sector	Total
Agriculture, Livestock and Fishing	1,548	1,551	2,099	527	1,565	2,092
Quarrying	16	55	71	16	59	75
Manufacturing	10	1,427	1,447	17	1,522	1,539
Electricity, Gas and Water	392	-	392	319	-	319
Construction	553	1,816	2,369	567	1,909	2,476
Wholesale and Retail Trades Restaurants, Hotels and Guest Houses	56	4,515	4,571	55	4,812	4,867
Transport, Storage and Communications	460	1,967	2,427	540	2,056	2,596
Finance, Insurance, Real Estates and Business Services	41	658	699	41	701	742
Community, Social and Personal Services	3,844	3,387	7,231	3,820	3,502	7,322
TOTAL	5,930	15,376	21,306	5,902	16,126	22,028

Source: A Synoptic Picture of the Employment Situation in the years 1978 and 1979, M. Lewis and V. Grosman. March 1981. Ministry of Labour, Antigua.

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TABLE VI

SELECTED DATA ON EXTERNAL TRADE
(EC$'000)

	1976		1977		1978	
	Imports	Exports	Imports	Exports	Imports	Exports
Food	20,891	865	26,003	492	31,723	836
Beverages and Tobacco	1,907	1,385	12,861	1,394	3,935	1,574
Crude materials	602	395	636	663	2,068	772
Minerals, Fuels and Lubricants	22,876	7,480	311	11	1,007	26
Animal and Vegetable Oils and Fats	463	1	686	1	605	0
Chemicals	7,596	326	9,381	577	9,604	1,156
Manufactured Goods	14,246	1,240	18,695	999	23,697	3,872
Machinery and Transport equipment	16,662	8,032	22,489	7,162	24,258	7,516
Miscellaneous manufactures	6,310	3,058	9,321	3,098	10,219	17,783
Miscellaneous transactions	282	832	322	1,578	6,644	892
TOTAL	91,837	23,614	100,705	15,935	113,760	34,427
Balance of Trade	-68,223		-84,730		-79,333	

Source: Data supplied CEPAL.

N.B. 1977 and 1978 data exclude Oil and Petroleum.

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TABLE VII

IMPORTS AND EXPORTS OF SELECTED PETROLEUM PRODUCTS 1977-1980
(Barrels)

	1977 1/	1978	1979	1980	Annual Growth Rate 1978/1977	1979/1978	1980/1979
			IMPORTS				
Mogas (Motor Gasolene)	148,161	125,210	141,799	165,474	-15.5	13.3	16.7
Kerosene/Jet fuel	321,614	281,674	342,094	376,805	-12.4	21.4	10.1
Gas Oil	200,648	173,125	286,370	219,617	-13.7	65.4	-23.3
Liquified Petroleum Gas (LPG)	14,552	14,031	15,255	16,144	-3.6	8.7	5.8
			EXPORTS				
Mogas (Motor Gasolene)	62,776	31,737	52,006	63,165	-49.4	63.9	21.5
Kerosene/Jet fuel	24,106	16,147	14,914	16,127	-33.0	-7.6	8.1
Gas Oil	40,780	6,935	18,608	97,561	-83.0	168.3	424.3
Liquified Petroleum Gas (LPG)	-	-	-	-	-	-	-

1/ 120,324 barrels of Bunker C were imported in October 1977.

Source: Statistical Division, Ministry of Finance, Antigua.

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TABLE VIII

CONSUMER PRICE INDEX
(1 January 1969 = 100)

	1976	1977	1978	1979	1980	Annual Growth Rate 1978	1979	1980
			Annual Averages					
All Items	224.0	254.8	270.4	314.6	374.4	6.1	16.4	19.0
Food and Beverages	270.8	306.5	325.5	368.0	431.1	6.2	13.1	17.1
Alcoholic beverages and Tobacco	210.7	229.1	243.3	289.7	339.3	6.2	19.1	17.1
Housing	165.4	168.6	177.2	190.5	230.6	5.1	7.5	21.0
Utilities	160.7	215.0	226.9	315.9	448.4	5.5	39.2	41.9
Clothing and Accessories	242.5	284.3	291.9	322.7	365.2	2.3	10.5	13.2
Transportation	195.7	255.4	269.4	385.0	454.7	5.5	42.9	18.1
Household operations and Miscellaneous	209.4	240.8	270.1	310.6	360.8	12.2	15.0	16.2
			December Averages			% Change December to December		
All Items	240.4	267.1	284.5	344.5	400.4	6.5	21.1	16.2
Food and Beverages	287.8	331.3	350.9	402.0	468.2	5.9	14.6	16.5
Alcoholic beverages and Tobacco	224.9	232.4	251.1	317.5	355.6	8.1	26.4	12.0
Housing	168.6	168.6	177.4	207.6	239.2	5.2	17.0	15.2
Utilities	161.7	223.2	230.9	368.6	463.8	3.4	59.6	25.8
Clothing and Accessories	259.6	293.8	293.7	349.2	388.1	0.0	18.9	11.1
Transportation	250.7	261.9	276.8	410.0	486.1	5.7	48.1	18.6
Household operations and Miscellaneous	224.1	234.7	295.5	338.7	386.7	25.9	14.6	14.2

Source: Statistics Division, Ministry of Finance, Antigua.

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TABLE IX

PRICE CHANGES OF PETROLEUM PRODUCTS
(1973-1980)

Date	Gasolene IG	Kerosene IG	Diesel IG	Propane 100-lb.	Propane 20-lb.	Propane (Bulk) USG
	$0.84	$0.55	$0.55	$19.60	$5.89	$ -
25/ 7/73	-	0.64	0.69	24.45	6.00	0.80
5/12/73	1.36	1.04	1.11	32.00	7.25	1.23
15/ 5/74	1.59	1.20	1.32	35.00	8.50	1.50
1/ 3/76	1.86	1.48	1.54	42.00	10.20	2.25
13/ 9/76	2.20	1.66	1.80	45.00	11.80	2.39
1/ 8/77	2.41	1.78	1.94	50.00	14.22	2.66
5/ 6/78	2.69	1.88	2.20	58.00 1/	-	-
4/12/78	2.87	2.01	2.34	60.00 1/	14.62	2.75
5/ 2/79	3.13	2.27	2.53	65.00 1/	15.16	2.92
25/ 4/79	3.54	2.67	2.85	74.00 1/	17.04	3.20
5/ 6/79	3.63	2.74	2.92	75.18	17.28	3.25
1/ 8/79	3.95	3.26	3.42	81.00 1/	18.50	3.51
1/ 2/80	4.63	4.26	4.21	95.50 1/	18.70	3.84
27/ 5/80	4.77	4.44	4.35	105.75 1/	20.90	4.39

1/ Includes $8.00 cylinder rental.
IG = Imperial gallon
USG = United States gallon
Source: Statistical Division, Ministry of Finance, Antigua.

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TABLE X

SELECTED ACCOUNTS OF COMMERCIAL BANKS
(EC$ Mill.)

	Outstanding at 31 December					Annual Growth Rate		
	1976	1977	1978	1979	1980	1978	1979	1980
Liabilities to the Private Sector								
Demand deposits	15.8	22.6	19.5	26.2	32.4	-13.7	34.4	23.7
Savings deposits	40.1	44.7	47.4	54.8	59.0	6.0	15.6	7.7
Time deposits	51.5	33.8	47.0	53.7	64.0	39.0	14.3	19.2
Net foreign assets	-17.6	-21.9	-25.2	...	...	...	...	...
Assets	37.6	11.0	17.4	33.0	24.9	58.2	89.7	-24.5
Claims on banks in territores	(35.3)	(8.5)	(9.5)	(25.1)	(19.0)	(11.7)	(164.2)	(-24.3)
Claims on banks abroad	(2.3)	(2.5)	(7.9)	(7.9)	(5.9)	(216.0)	(-)	(-25.3)
Liabilities	-55.2	-32.8	-42.6	...	...	...	...	...
Balances due to banks in territories	(15.9)	(6.9)	(8.3)	(8.2)	(10.2)	(20.3)	(-1.2)	(24.4)
Balances to banks abroad	(25.4)	(11.8)	(18.5)	(12.0)	(11.0)	(56.8)	(-35.1)	(-8.3)
Non-resident deposits	(13.9)	(14.1)	(15.8)	(...)	(...)	(12.1)	...	...
Assets of Commercial Banks								
Loans and advances	89.3	97.6	103.9	117.5	136.7	6.4	13.1	16.3
Investment	19.8	9.5	10.4	8.9	11.4	9.5	-14.4	28.1
Cash	2.7	3.1	3.9	5.6	7.0	25.8	43.6	25.0

Source: Commercial Banking Statistics, period ended December 1980, Research Department. East Caribbean Currency Authority (ECCA).

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TABLE XI

QUARTERLY ANALYSIS OF BANKS' LOANS AND ADVANCES
(EC$'000)

	Dec. 1976	Dec. 1977	Dec. 1978	Dec. 1979	Dec. 1980
Agriculture	7,196	959	1,840	1,838	3,741
Manufacturing	11,213	8,633	12,693	10,580	6,821
Food and Non-Alcoholic Beverages	(821)	(913)	(987)	(1,324)	(172)
Alcoholic Beverages and Tobacco	(337)	(660)	(1,634)	(1,925)	(1,907)
Clothing and Accessories	(867)	(968)	(1,826)	(1,598)	(1,875)
Other Industries	(9,188)	(6,091)	(8,246)	(5,733)	(2,867)
Distributive Trades	14,580	29,486	16,249	11,402	23,137
Tourism	9,793	6,118	7,913	6,550	3,575
Transport	2,343	2,478	3,862	4,063	3,555
Public Utilities (gas, electricity and telephone)	1,045	1,340	1,687	428	66
Building and Construction	7,281	6,702	8,289	5,836	5,030
Government and Other Statutory Bodies	14,992	12,834	12,314	30,844	29,260
Personal	15,068	21,233	23,958	27,280	49,693
Other Advances	5,700	7,785	15,047	18,717	11,795
TOTAL LOANS AND ADVANCES	89,311	97,569	103,852	117,538	136,673
% of Long Term Loans to Total Loans	32.5	35.8	30.9	49.4	48.7
TOTAL LONG TERM LOANS	29,026	34,930	32,090	58,064	66,560

Source: Commercial Banking Statistics, period ended December 1980, Research Department. East Caribbean Currency Authority (ECCA).

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TABLE XII

SUMMARY OF GOVERNMENT REVENUE AND EXPENDITURE
(EC$'000)

	1976	1977	1978	1979	1980
Recurrent Revenue	28,343	33,031	37,033	48,453	53,412
Recurrent Expenditure	35,187	43,949	43,918	58,553	57,237
Savings/deficit on current account	-6,844	-10,918	-6,885	-10,100	-3,825
Capital Revenue	8,113	11,084	7,848	5,831	...
Capital Expenditure	5,826	7,131	5,156	...	...
Total Revenue	36,456	44,115	44,981	49,257	...
Total Expenditure	41,013	51,080	49,074	...	...
Fiscal surplus/deficit	-4,557	-6,965	-4,093	...	...
Debt Servicing	4,024	5,560	3,164	14,935	13,540

Source: Ministry of Finance, Antigua.

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TABLE XIII

CENTRAL GOVERNMENT REVENUE
(EC$'000)

	1976	1977	1978	1979	1980[e]
Current Revenue					
Import Duties	6,627	7,858	10,444	11,863	16,265
Export Duties	12	11	11	10	20
Excise Duties	18	8	7	2	5
Consumption Duties	4,331	6,290	6,678	8,349	11,606
Income Tax					
Personal	7,972	2,147	1,058	771	630
Company		2,193	2,817	3,041	7,240
Other taxes	3,340	5,518	8,109	11,712	13,300
Other local receipts	6,043	9,007	7,909	7,678	4,346
TOTAL RECURRENT REVENUE	28,343	33,031	37,033	43,426	53,412
Capital Revenue					
Other local receipts	359	1,905	1,522	1,798	3,030
Development Aid	3,199	3,819	4,028	3,696	...
Local borrowing	4,555	5,360	2,398	337	1,600
TOTAL REVENUE	36,456	44,115	44,981	49,257	...

N.B. 1978 and 1979 are unaudited actuals.

Source: Ministry of Finance, Antigua.

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TABLE XIV

CENTRAL GOVERNMENT EXPENDITURE
BY ECONOMIC CATEGORIES
(EC$'000)

	1976	1977	1978	1979	1980[e]
Agriculture	1,931	2,308	2,764	2,828	4,642
Construction	2,622	3,887	4,052	2,553	6,422
Public Utilities	1,676	2,196	1,210	1,946	3,353
Social[1/]	13,795	15,983	17,344	17,676	27,080
Administration[2/]	11,139	14,015	15,384	18,615	27,079
Sub-total	31,163	38,389	40,754	43,618	68,576
Debt servicing of which:					
Repayment of loans[3/]					
Foreign) Local)	4,024	5,560	3,164	14,935	13,540
Interest charges					
Foreign) Local)	-	-	-	-	-
TOTAL EXPENDITURE	35,187	43,949	43,918	58,553	82,116

1/ Includes expenditure on education, health and other community services.
2/ Includes all expenditure on civil administration including central civil service, police and courts.
3/ Includes interest charges.

Source: Ministry of Finance, Antigua.

PART III

BAHAMAS COUNTRY NOTES

ECONOMIC ACTIVITY

BAHAMAS

(Bahamas dollars used throughout - B$1.00 = US$1.00)

Official preliminary Gross Domestic Product (GDP) estimates for the years 1973-1979 have recently become available for the Bahamas[1/]. Selected GDP data are shown in Tables I and II of the Statistical Appendix. The preliminary estimate for the year 1979 shows that GDP at current factor cost was $1,080 million. This figure represents an 11 percent increase over the 1978 estimate which itself is approximately 11 percent higher than the figure a year earlier. Estimates are not available for 1980 but performance trends of the available partial indicators suggest that GDP increased at a somewhat higher rate than in 1979.

Agriculture is estimated to have increased in 1979 and 1980 but mainly as a result of price increases, although there was an increase in the fish catch. Fruit and vegetable crops suffered from the effects of the 1979 hurricanes. Tourism was the sector mainly responsible for growth in 1979 and 1980 as the number of visitors increased by approximately 6 and 8 percent respectively, and tourist expenditures grew even faster. The indicators suggest that construction activity increased in real terms during 1979 and 1980. Major construction projects initiated at the end of 1979 progressed during 1980 and should gain increased momentum in 1981. Indirect indicators also point to increased contribution of utilities and "other services" sectors.

The outcome of the External Sector transactions, as indicated by preliminary balance of payments data up to December 1980, can be characterized as satisfactory. Net increase in reserves was approximately $14 million, raising the level of foreign reserves to approximately $92.6 million - a slight decrease from the $20

1/ These estimates are considered to be very tentative, especially at the sector level, and as such should be considered as merely indicative and used with appropriate caution.

million recorded a year earlier. The major unfavourable influence was the rise in value of imports affected by the large oil price increases during 1980. On the positive side, tourism receipts, local expenditure of off-shore companies and capital inflows increased and the net outflow on investment, dividends and profits were reduced.

The rate of growth of inflation continued to accelerate during 1980 as indicated by the 12 percent increase in the average level of retail prices. One major development in the field of money and finance was the increase of the Central Bank's rediscount rate to 11 percent in an attempt to narrow the differential with United States rates (inducing sympathetic movements in other interest rates) in order to restrict demand for Bahamian dollar credit and curb outflows of funds, part of which were responding to higher returns existing elsewhere which created considerable pressure on the foreign exchange reserves.

It should be noted that implementation of previously enunciated policies such as diversification of the economic structure, improving housing and social services, particularly for the poor, elderly and handicapped and improving the infrastructure of the outlying islands were intensified during 1980.

PERFORMANCE IN THE MAJOR SECTORS

Agriculture

Provisional GDP estimates by type of economic activity for the period 1973 to 1978 have been made available recently. For 1978 the figure for agriculture was given as $42 million in current prices. Unofficial estimates put the growth rate at approximately 5 percent during 1979 and 7 percent during 1980. These rates of growth are lower than the growth rate estimated for 1978 and reflect the effects of hurricane "David" which affected mainly the output of fruits and vegetable crops. One major dairy farm ceased operations during 1978/79, further depressing growth of this sector. These reductions were offset by substantial increases in fisheries and smaller increases in livestock products.

Fisheries is the major component followed by livestock and dairy products. Fruits and vegetables and forestry together now account for less than 10 percent of the total sector contribution to GDP. Data in Tables II, III, IV and V of the Statistical Appendix are illustrative. Volume of fish landed in 1980 increased by approximately 25 percent. Value of livestock products increased by just over 4 percent, well below the average increase in the price index for foodstuff during the year. On the other hand, output of dairy products and fruits and vegetables were relatively small during 1979 and 1980.

Employment in agriculture was estimated at some 4.5 thousand persons during the census of 1978. Preliminary estimates place the figure at over 5 thousand or more than 5 percent of the labour force during 1979. The Bahamas is increasing its self-sufficiency in many crops. These are mainly vegetables and fruits including citrus and pineapples. The country is almost self-sufficient in poultry and eggs and is rapidly moving towards self-sufficiency in pork.

There are a large number of problems and challenges facing the agriculture sector. These problems can be divided into two areas, namely production and marketing. On the production side inputs are important. Three of these are: adequate credit, which has not always been readily available on terms many farmers can afford; fertilizers and animal feed-stuff which are sometimes scarce and always expensive in the international market, and scarcity of agricultural labour. There is also a need to expand production not only to replace some imports but also for the export market. This will require upgrading of agricultural practices, including irrigation and appropriate mechanization, and ensuring adequate farm labour. This latter is particularly significant in the context of Caribbean countries where there is a scarcity of agricultural labour existing side by side with significant unemployment. On the marketing side, the problems include transportation, the limitations of the distribution itself and the need to develop the export markets. The multi-island nature of the Bahamas requires sea transport. This is inadequate at the moment with too much reliance being placed on the

mail boats that are not very suitable for transporting and storing agricultural cargo. The marketing system is being improved with the creation of new terminals and produce exchanges. However, it would seem useful if the machinery for payment of goods could be speeded up and if a system of adequate insurance of produce could be introduced.

Realizing the inherent problems of dependence on a single economic activity, tourism, a major policy-decision of recent years has been to diversify the economy and expand agriculture. Part of the rationale is to obtain benefits of inter-sectoral linkages and to reduce expenditure on food imports. This policy has been implemented through a number of strategies including improvement of the institutional framework, training of manpower, expansion of credit through the Bahamas Development Bank and increased government expenditure on agricultural activities.

Expenditure by Government during 1979 in support of agriculture has been estimated at $4.7 million. This figure is more than three and one half times as large as the $1.3 million spent during 1974. A preliminary estimate of similar expenditure for 1980 was approximately $6 million.

Tourism

The total number of visitors to the Bahamas increased by approximately 9 percent in 1980, compared with increases of 5 percent in 1979 and 23 percent in 1978. Increases in the most important stop-over visitors category were approximately 5 percent in both 1979 and in 1980 and were supplemented by large increases in cruise-ship visitors especially in 1980. Total expenditure by all visitors has been estimated at $596 million for 1980, an increase of $33.6 million (6.0 percent) over 1979. It should be noted also that average hotel room occupancy rate which reached a high of 83 percent during 1979 declined to 75 percent during 1980. Hotel accommodation also increased during 1980 following initiation of a programme during 1979 to build 2,000 rooms.

Despite the recent availability of GDP estimates it has not been possible to estimate precisely the contribution of tourism. It is clear, however, that tourists make a major contribution to the restaurant and hotel sector and a somewhat smaller contribution to wholesale and retail trade, transport and communication, finance and miscellaneous services.

The level of tourism activities also continued to be the major influence on other sectors of the Bahamian economy during 1980. Tourism taxes, comprising departure taxes, passenger ticket taxes, hotel occupancy fees and Nassau water tower fee amounted to nearly 6 percent of total Government tax revenue in 1980, at approximately $12 million compared with $6.3 million in 1978. Visitors also make a significant contribution to import duty revenues through their puchases of imported goods. Government spending on tourism has grown from $12.7 million in 1978 to an estimated $19.8 million in 1980. This increased expenditure reflects greater emphasis on marketing in the light of increased competition for visitors in the context of economic recession affecting several major developed countries.

It may be noted that efforts are being made to increase tourism in the family islands where the greatest potential exists at present. Realization of this objective depends to a large extent on increased transportation facilities. At present, hotel occupancy rates in the family islands are significantly lower than in the two major centres of New Providence and Grand Bahama.

Construction

The GDP estimates already referred to include a construction component which on average has accounted for only about 2.3 percent of total GDP between 1973 and 1978. Estimates for 1978 put the figure at approximately $22 million. The trends of available indicators of construction activity suggest that the sector grew in real terms during 1979 and 1980.

The major components of construction are residential buildings and Government construction projects. Data on building starts and completions given in Table VI of the Statistical Appendix show the rising trends during 1979 and 1980. Analysis of available Government expenditure data indicate also a rise in outlays on construction activity during this period and for 1980 the Government sub-sector appeared to supply the greater dynamism.

Government projects currently planned or being implemented include a major market plaza; hospital, educational buildings and other Government structures; airport buildings and landing strips, the fishing complex mentioned in the section on agriculture and roads and other physical infra-structure.

The objective of current construction policy is to provide adequate housing for all citizens and to this end a large urban re-development project is in the early stages of implementation. Financing, both local and international, is being negotiated. Meanwhile, several building lots and areas for development have been identified and the programme will eventually be extended to islands other than New Providence. It should be noted that considerable potential for inter-sectoral linkages and domestic employment exists. The cement factory, which has experienced difficulties in recent years would receive a boost by this higher level of activity.

There are several problems to overcome if the sector is to perform adequately. Among these are shortage of craftsmen, shortage of building materials, inadequate transportation, the prevailing high mortgage rates and scarcity of financing. The Government's efforts to improve technical skills in this area have been given a boost recently with the granting of a $7 million loan by the World Bank for its vocational and technical education project.

THE EXTERNAL SECTOR

The structural characteristics of the External Sector of The Bahamas are quite interesting. With respect to merchandise trade, there is a notable division between petroleum and non-petroleum trade. Balance of payments statistics exclude the movement of petroleum into and out of The Bahamas not destined for local final consumption[2/]. Non-oil exports

2/ These statistics differ from those published in External Trade Statistics Report, Department of Statistics, Bahamas. The petroleum refinery is a foreign subsidiary receiving crude and producing for designated foreign markets. The refinery is required to supply local consumption requirements.

consist mainly of fish, selected pharmaceutical products, alcohol, crude materials, miscellaneous manufactured goods and cement. Imports on the other hand, consist of a wide range of foodstuffs and manufactured goods including nearly all the investment and consumption goods required.

The services account of the balance of payments comprises mainly foreign travel, which includes the expenditure of residents abroad and receipts from the 1.8 million visitors now arriving annually. The other major categories of services are: interest, dividends and profits; transportation and local expenses of offshore companies. It should be noted that The Bahamas is a tax shelter accommodating large numbers of foreign financial enterprises thus large inflows and outflows of funds occur annually. However, all such transactions which have no impact on the local economy are excluded from the balance of payments.

Capital account transactions are mainly private sector, long-term capital movements, involving real estate and loan receipts and repayments. Government and public corporations borrow infrequently in the external market. Since 1975 the debit side of the account has shown the larger annual movements.

Balance of payments data for the period 1976 to 1980 are given in Table VIII of the Statistical Appendix[3/]. The merchandise trade deficit increased sharply in 1979 to $452 million as the increase in imports continue to exceed the increase in exports. This trend continued into 1980 with the merchandise trade deficit reaching a high of $632 million. The services account surplus increased substantially in 1980 to $608 million on the strength of the larger receipts on foreign travel and transportation. During this period, outflows on transportation and the net outflow of interest, dividends and profits were both reduced while local expenses of off-shore companies (inflows) increased sharply.

3/ The figures for 1976-1979 shown in last year's Economic Survey have undergone considerable revisions.

Net capital transactions during 1980 improved compared with full-year 1979. Net official capital outflows and net private capital inflows increased. As of end December 1980 there was a net positive change in reserves of $14 million and the level of foreign reserves reached $92.6 million, equivalent to less than two months imports.

PRICES

The average level of retail prices in the Bahamas[4/] during 1980 was approximately 12 percent higher than during 1979. Except for 1974 this increase is the largest since computation of the index started and continues the trend of higher rates of price increases every year.

The data are given in Table IX of the Statistical Appendix. As in 1979, food prices again exerted major impact on price levels in 1980, increasing on a year-to-year basis by nearly 16 percent. The transport index reflecting increases in oil prices also gave a strong upward boost to the overall index.

There are close links between the economies of the Bahamas and the United States of America so that prices in New Providence are strongly influenced by price trends in the United States. It is noteworthy that for the second consecutive year the Bahamas has experienced a lower rate of price increase than the United States.

MONETARY AND FISCAL DEVELOPMENTS

Money supply in the Bahamas, measured by the narrowly defined concept, the so-called M_1, grew at the relatively slow rate of 4.1 percent during 1980, compared with a 27.2 percent increase in the earlier year. This relatively low rate of increase in 1980 resulted from the slow growth in demand deposits of 1.9 percent, supplemented by a 12.1 percent growth in currency outside banks. Contrasted with this position is the 14.1 percent increase in savings deposits and the 33.3 percent growth in time deposits.

4/ Represented by the index for New Providence.

Rates of interest on time deposits are several points higher than savings deposits rates and both increased during 1980. As of September 1980 interest rates on 12-month deposits averaged 8.3 percent while rates on savings deposits averaged 6.4 percent.

Domestic credit expanded during 1980 to over $523 million, a 12.9 percent increase. This increase was entirely accounted for by private sector credit which grew by 19.1 percent while net borrowings of Government and loans to other local financial institutions from the banking sector declined. It should be noted that the bulk of loans to the private sector has been classified as "personal and other local loans" in Table XI. Since 1978 the level of borrowing of public utilities has increased substantially but its share of the total of loans and advances of the commercial banking system is small. Real estate loans and loans to establishments serving tourists were relatively stable during 1980.

The credit expansion occurred, partly because of the existence of a market for transactions in both foreign and domestic currencies in The Bahamas and the differential interest rates. During the period 1978-1979 loans in Bahamian dollars increased while loans in foreign currency declined. The increase in interest rates in the United States and other Euro-dollar countries influenced, upward, interest rates in The Bahamas for foreign currency loans. It became profitable, therefore, to borrow in Bahamian dollars, at the lower rates, and lend or invest at the higher rates after converting.

Early in 1980, the Central Bank increased the Bank rate from 9 percent to 11 percent. The clearing banks in concurrence with the Central Bank increased the prime interest rate from 9 percent to 11 percent. At the same time interest rates on savings deposits was raised by 2 percent points from 4 percent to 6 percent. Even at 11 percent the Bank discount rate and the prime rates at the time were still below comparable rates in the United States. With the supply of foreign exchange lagging behind the demand after mid-year, the Central Bank adjusted its buying and selling rates of U.S. dollars

to encourage commercial banks to sell more foreign exchange to the Central Bank. In November 1980, the Central Bank added a 3 percent surcharge to the discount rate to discourage frequent use of this facility for credit expansion purposes. Toward the end of 1980, the outflow of funds and the rate of increase in domestic credit were being slowly retarded.

With respect to operations of the Central Government, both income and expenditure increased by more than 21 percent and 16 percent respectively over the 1979 figure representing a real increase in income of around 8 percent. The national debt increased during 1980 to $293.3 million, an increase of $18.5 million over 1979.

The Bahamas is a tax haven, consequently there is no income tax and special tax concessions exist to induce foreign companies to base their headquarters in that country. In the absence of an income tax, main reliance for Government revenue is on import duties and to a lesser extent on various indirect taxes, such as fees on services, etc. Late in 1980 a Business License Act came into effect. All businesses, unless specifically exempted, are required to secure a license in order to conduct their operations. Preferential treatment is specified in the Act for selected types of business. The amount of the fee payable is calculated on the basis of total gross receipts less costs, which are defined in the Act and varies directly with the size of the business. Licenses expire at the end of the year in which they were granted and must therefore be renewed annually. It is expected that fees accruing under this Act will provide additional revenue of $4 million annually.

ENERGY

Currently there is no known indication of hydro-carbon resources in the Bahamas. With respect to new and renewable sources of energy there is abundant sunshine during the greater part of the daylight hours throughout most of the year. Some use is made at present of solar energy for the production of salt. There is also considerable wind power potential. As the ocean slopes rapidly off the coast of New Providence Island to depths of 6,000 feet very near to the shore, it has been suggested that it may be

possible to locate ocean thermal energy conversion (OTEC) facilities to utilize this potential source of energy. Energy resources in the Bahamas therefore consist mainly of imported petroleum products.

There are both a petroleum refinery and a petroleum trans-shipment terminal in the Bahamas. The refinery "imports" crude specifically for refining for its overseas-based parent company. However, the company is obliged to provide for local needs from its production. Petroleum products are used for generating electricity, for bunkering, for air and sea transport as well as for land transport, commercial, industrial and household use.

Recent Trends

A distinction has to be made between crude petroleum entering the country for refining or trans-shipment and products provided by the refinery for local consumption[5/]. The latter is considered here as imports into the local economy. Value of imports of petroleum products has moved from about $129 million in 1975 to approximately $177 million in 1979. For the year 1980 these imports amounted to approximately $292 million, a 68 percent increase over the figure for the comparable period in 1979. This increase was entirely due to price rises as volume of imported petroleum products was lower by 25.2 percent in 1980. This increased value of petroleum products is reflected partly in the increased production of electricity in the Bahamas. These data are given in Table XIII which shows that between 1976 and 1979 total electricity production increased by 39 percent. Installed capacity of electricity generation establishments has been increasing in the last two years and now stands at an estimated 371 MW. Electricity generation data are not available for 1980 but are projected to exceed the 829 million kWh generated in 1979.

Retail prices of selected petroleum products 1972-1980 are given in Table XV. These prices have increased at a slower rate than the price of crude petroleum. For example, diesel oil prices increased by

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5/ Includes oil imported for domestic consumption plus that amount sold as bunkers to foreign ships and airlines.

some 211 percent, the price of domestic kerosene increased by 150 percent, while the price of gasolene and LPG increased by approximately 112 percent. On the other hand one index of crude petroleum prices[6/] shows increases more than seven-fold. Government has therefore not passed on the full increase in oil prices to consumers.

Rapidly increasing prices have not dampened energy demand in the Bahamas in recent years. Except in the immediate post-1974 period, consumption and imports of petroleum products have continued on an upward trend following the growth in economic activity. The selected data shown below indicate that the country has absorbed reasonably well the increases in price of oil and other commodities. It would appear that some level of accommodation (not to say equilibrium) has been found to the higher prevailing levels of oil and other prices.

In 1979 the Bahamas seemed in a relatively better position than in 1975 when some economic magnitudes are compared. For example, petroleum imports were only 3 percent higher than domestic exports in 1979, compared with 11 percent in 1975. However, the position worsened in 1980. Petroleum imports have advanced to approximately 40 percent of total (local) imports and to 1.46 times domestic exports during 1980. Also the ratio of imports and foreign currency debt to domestic exports and net tourism receipts was 0.47 in 1980 compared with 0.35 in 1979 and 0.51 in 1975. The level of foreign debt has remained relatively low and has actually decreased after 1977. The absolute numbers of persons employed have increased even though unemployment has also increased up to 1979 and the balance of payments have been favourable in most years since 1974. However, the constant rise in imported prices is so far not being matched by increases in total output.

6/ World Export Price Indexes of Primary Commodities and Non-Ferrous Base Metals, Table 59 in United Nations, Monthly Bulletin of Statistics.

Table 1

Comparison of Selected Aggregates

	1975	1979	1980
Petroleum Imports/Total Imports[1/]	0.354	0.318	0.388
Petroleum Imports/Domestic Exports	1.114	1.034	1.479
Petroleum Imports/GDP	0.172	0.163	...
Total Foreign Currency Debt/GDP	0.085	0.050	...
Total Foreign Currency Debt/Domestic Exports	0.551	0.316	0.203
Petroleum Imports and Foreign Currency Debt/Domestic Exports and Net Travel Receipts	0.505	0.345	0.472

1/ Exclude petroleum "imports" not for local consumption.

Source: Calculated from data in the Statistical Appendix.

STATISTICAL APPENDIX

BAHAMAS

1980

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TABLE I

PRELIMINARY ESTIMATES OF EXPENDITURE ON THE GROSS DOMESTIC PRODUCT (CURRENT VALUES)
(B$ Mill.)

	1973	1977	1978	1979
Final consumption expenditure of resident households	345.9	509.2	553.4	617.8
Government final consumption expenditure 1/	78.6	114.0	132.0	147.2
Gross fixed capital formation of which:	106.7	86.8	93.2	120.3
Building and construction	(21.0)	(30.2)	(34.7)	(54.4)
Machinery and equipment	(76.0)	(48.7)	(50.0) 2/	(55.0) 2/
Other 3/	(9.7)	(7.9)	(8.5)	(10.9)
Exports of which:	465.7	702.5	820.4	947.4
Tourism	(302.0)	(407.2)	(489.0)	(565.2)
Less: Imports	432.1	536.5	628.5	753.2
Gross Domestic Product (GDP)	564.8	876.0	970.5	1079.5

1/ Includes administrative expenditures of the National Insurance Board from October 1974. The expenditures for last quarter of 1974 are included in those for 1975. Government other non-tax revenue deducted.

2/ Guesstimate.

3/ Estimated at 10 percent of the other items of gross fixed capital formation. Includes land clearance, breeding stock, dairy cattle and the like and may also be assumed to reflect increase in stocks.

Source: Data supplied CEPAL by Department of Statistics, Bahamas.

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TABLE II

PRELIMINARY ESTIMATES OF GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY, AT CURRENT FACTOR COST
(B$ Mill.)

	In Current Value				Percentage Breakdown		Annual Growth Rate		
	1973	1977	1978	1979	1973	1979	1977	1978	1979
Agriculture	21	35	42	...	3.7	4.3	-6.2	20.7	...
Mining) Manufacturing) 1/	79	91	117	...	14.0	12.0	1.2	28.6	...
Construction	13	19	22	...	2.3	2.3	-4.5	15.2	...
Sub-total Goods	113	145	181	...	20.0	18.6	-1.3	24.8	...
Electricity, Gas and Water 1/	...	...	...	...	...	...	...	...	...
Transport, Storage and Communications	71	86	113	...	12.6	11.7	1.2	32.2	...
Sub-total Basic Services	71	86	113	...	12.6	11.7	1.2	32.2	...
Commerce	44	79	86	...	7.8	8.9	14.9	8.0	...
Finance and Ownership of Dwellings 2/	173	240	287	...	30.6	29.6	12.6	19.6	...
Public Administration and Defence) Miscellaneous Services 3/)	102	163	163	...	18.1	16.8	13.2	-0.3	...
Sub-total Other Services	319	482	536	...	56.5	55.3	12.9	11.2	...
Import Duties and Statistical Discrepancy	62	163	141	...	11.0	14.5	8.0	-13.5	...
TOTAL GROSS DOMESTIC PRODUCT	565	876	971	1,080	100.0	100.0	8.3	10.8	11.2

1/ Electricity and water included with Mining and Manufacturing.

2/ Financing, real estate, business services, restaurants and hotels.

3/ Community, social and personal services.

Source: Data supplied to CEPAL by Department of Statistics, Bahamas.

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TABLE III

ESTIMATED VALUE OF FARM PRODUCTION

Items	B$ million				Annual Growth Rate		
	1977	1978	1979	1980[p]	1978	1979	1980[p]
Fruits and vegetables	4.73	5.66	...	3.87	19.7	...	...
Dairy Products	2.46	2.54	0.47	0.32	3.3	-81.5	-31.9
Meat (Beef and Mutton)	0.45	0.37	0.56	0.52	-17.8	51.3	-7.1
Poultry Products	11.18	10.14	13.27	13.92	-9.2	30.9	4.9
TOTAL	18.82	18.71	...	18.63	-0.6	...	...

Source: Data supplied CEPAL.

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TABLE IV

PURCHASE OF SELECTED COMMODITIES BY THE GOVERNMENT PRODUCE EXCHANGE

Commodity	Quantity Unit	1976	1977	1978[P] 1/	New Quantity Unit	1979	1980[P]
Oranges	'000 fruit	714.6	809.2	707.6	MT	139.8	165.8
Limes	"	1,815.3	1,533.3	1,158.9	MT	68.3	105.7
Bananas	MT	240.0	346.3	319.4		367.4	730.0
Pineapples	Dozen	3,658.0	765.0	5,242.0	MT	91.9	93.7
Watermelons	MT	175.5	32.8	162.4		256.9	478.3
Pigeon Peas (green and dry)	MT	59.8	18.9	25.1		53.2	104.1
Tomatoes (fresh)	'000 L	1,560.2	731.1	1,452.0	MT	546.8	333.3
Onions	MT	290.3	11.0	291.0		297.9	222.2
Sweet Potatoes	MT	89.4	39.5	77.1		45.2	68.6
Tangerines	'000 L	-	68.4	46.8	MT	...	51.7

1/ For the period January to September 1978.

N.B. From 1979 all data in metric tons.

Source: Agricultural and Fishing Statistics Report (several issues): Department of Statistics, Bahamas, and data supplied CEPAL.

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TABLE V

VOLUME OF MARINE PRODUCTS LANDED

	Tonnes				Annual Growth Rate			
	1977	1978	1979	1980[p]	1977	1978	1979	1980[p]
Crawfish	450	504	547	493	39.3	12.0	8.5	-9.9
Conch	239	170	224	262	-16.7	-28.9	31.8	17.0
Turtle	33	42	20	23	10.0	27.3	52.4	15.0
Other	874	963	865	1,289	6.3	10.2	-10.2	49.0
TOTAL	1,596	1,679	1,656	2,067	9.9	5.2	-1.4	24.8

Source: Agricultural and Fishing Statistics Report, Fourth Quarter, 1977, Department of Statistics, Bahamas, and data supplied CEPAL.

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TABLE VI

CONSTRUCTION INDICATORS

	1977	1978	1979	1980[p]	Annual Growth Rate 1977	1978	1979	1980
Building Permits								
Number	1,704	1,835	2,182	2,679	9.9	7.7	18.9	22.8
Value 1/	63	65	118	230	14.5	3.2	81.5	94.9
Building Starts								
Number	756	953	1,107	1,121	18.7	26.0	16.2	12.6
Value 1/	27	42	72	136	-20.6	55.6	71.4	88.9
of which:								
Residential Building starts								
Number	600	765	900	...	20.2	27.5	17.6	...
Value 1/	20	29	56	...	11.1	45.0	93.1	...
of which:								
Commercial and Industrial Buildings start 2/								
Number	150	182	197	...	21.0	21.3	8.2	...
Value 1/	7	13	15	...	-33.2	92.4	15.4	...
Building Completions								
Number	489	540	692	733	1.9	10.4	28.1	5.9
Value 1/	19	21	34	34	14.9	11.0	61.9	0.0

1/ Millions of current Behamas dollars.
2/ New Providence and Grand Bahama Islands only.
Source: Quarterly Review, September 1980, Central Bank of Bahamas, and data supplied CEPAL.

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TABLE VII

SELECTED DATA ON TOURISM

	1977	1978	1979	1980	Annual Growth Rate 1978	1979	1980[p]
TOTAL NUMBER OF VISITORS - '000 1/ of which:	1,320	1,640[r]	1,735	1,873	24.2	5.8	8.0
Stop-over Visitors ('000) (includes Excursionists)	965	1,176	1,235	1,295	21.9	5.0	4.9
Cruise Visitors ('000)	353	450	476	578	27.5	5.8	21.4
Hotel Rooms available Maximum during year (Licensed Accommodation)	11,442	11,175	11,411	11,427	-2.3	2.1	0.0
Average Hotel Room Occupancy Rate (New Providence Island only) 2/	66.6	76.9	83.0	75.4	15.5	7.9	-9.2
STOP-OVER VISITORS							
Average Length of Stay (Nights)	7.0	7.0	7.0	7.1	0.0	0.0	1.4
Per Diem Expenditure (B$)	58.75	57.61	62.53	62.84	-1.9	8.5	0.5
Per Visit Expenditure (B$)	408.90	401.54	434.58	435.00	-1.8	8.2	0.0
Total Expenditure (B$ Mill.)	394.8	472.3	536.9	563.7	19.6	13.6	5.0
CRUISE VISITORS							
Per Visit Expenditure (B$)	50.00	50.00	52.00	55.00	0.0	10.4	5.8
Total Expenditure (B$ Mill.)	17.6	22.5	24.8	31.8	27.4	10.2	28.2
GRAND TOTAL EXPENDITURE OF STOP-OVER AND CRUISE VISITORS (B$ Mill.)	412.4	494.7	561.7	595.5	20.0	13.5	6.0

1/ Excludes transits. 2/ Occupancy rate for Grand Bahama in 1978 and 1979 = 65.4 and 62.5; Family Islands = 41.6 and 48.1.

Source: Annual Report on Tourism, 1979; Tourism Statistics, December 1980, Ministry of Tourism, Bahamas; and data supplied CEPAL.

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TABLE VIII

BALANCE OF PAYMENTS
(Millions of Current Bahamas Dollars)

	1976[r]	1977[r]	1978[r]	1979[p]	1980[p]
Merchandise	-261	-274	-346	-452	-632
Exports	149	136	146	171	201
Imports c.i.f.	-410	-410	-492	-628	-833
Services	339	347	394	461	608
Travel	319	353	428	498	513
Other	20	-6	-35	-37	95
Net Transfer Payments	-12	-13	-15	-4	-1.9
Balance on Current Account	66	60	33	5	-26
Capital Account	-4	50	-25	-27	7
Long-term Capital	9	40	-26	4	5
Official	-10	4	-11	-	-3
Private Sector	21	36	-15	4	8
Short-term Capital	-	-	-	-	-
Other Capital 1/	-13	10	1	-31	2
Errors and Omissions	-68	-90	-17	-42	-33
Reserve Movements (minus sign indicates an increase)	6	-20	8	-20	14

1/ Includes net transactions of authorized dealers and other financial institutions.

N.B. Totals may not agree because of rounding.

Source: Data supplied to CEPAL by Central Bank of Bahamas.

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TABLE IX

RETAIL PRICE INDEX (NEW PROVIDENCE ISLAND)
(Nov/Dec 1971 = 100)

	1977	1978	1979[p]	1980[p]
	Annual Averages			
Consumer Price Index	147.5	156.5	170.7	191.3
Food	153.9	166.4	184.6	212.5
Housing	131.8	135.9	144.7	158.4
Clothing and Footwear	157.1	166.9	187.8	216.9
Transport	157.2	169.2	180.2	201.1
Health and Personal Care	145.0	153.9	165.6	180.9
Recreation and Reading	151.1	157.1	170.6	181.4
Other Goods and Services	146.8	153.5	166.5	178.6
	Annual Average Variation 1/			
Consumer Price Index	3.1	6.2	9.1	12.1
Food	1.9	8.2	10.9	15.1
Housing	3.3	3.1	6.5	9.5
Clothing and Footwear	2.8	6.2	12.5	15.5
Transport	6.7	7.6	6.6	11.6
Health and Personal Care	4.0	6.1	7.6	9.2
Recreation and Reading	4.7	4.0	8.6	6.3
Other Goods and Services	4.1	4.5	8.5	7.3
	% December to December Variation			
Consumer Price Index	4.6[r]	6.6	11.6	12.1
Food	5.3	8.3	15.0	15.4
Housing	2.8	4.8	6.9	10.5
Clothing and Footwear	2.2	8.5	16.8	12.1
Transport	8.0	4.2	9.4	12.1
Health and Personal Care	4.8	8.3	7.0	12.4
Recreation and Reading	3.7	7.2	6.7	6.4
Other Goods and Services	5.6	3.6	10.5	5.8

1/ Percentage changes in the averages of the twelve-monthly indexes.

N.B. New Providence Island contains some 60 percent of the total population and attracts more than half the number of tourists.

Source: Retail Price Index (Monthly), Department of Statistics, Bahamas, and data supplied CEPAL.

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TABLE X

MONETARY BALANCE
(B$ Mill.)

	1976	1977	1978	1979	1980[p]	Annual Growth Rate 1977[r]	1978[r]	1979[r]	1980[p]
1. Money Supply (M_1)	83.7	92.3	106.4	135.4	141.0	10.2	15.2	27.2	4.1
a) Currency outside banks	20.3	23.1	26.4	29.7	33.3	13.8	14.3	12.5	12.1
b) Demand deposits	63.4	69.2	80.0	105.7	107.7	9.1	15.6	32.1	1.9
2. Factors of Expansion	286.5	324.2	358.9	439.1	518.6	13.2	10.7	22.3	18.1
a) Foreign assets (Net)	(75.3)	(70.4)	(73.4)	(24.5)	(4.8)	-(6.5)	(4.3)	(-66.6)	(-80.4)
b) Domestic credit	361.8	394.6	432.3	463.6	523.4	9.1	9.6	7.2	12.9
i) Government (Net)	89.0	81.6	99.0	87.1	79.8	-8.3	21.3	-12.0	-9.1
ii) Other local Financial Institutions	2.5	1.8	2.2	7.4	4.0	-28.0	22.2	236.4	-45.9
iii) Private sector	270.3	311.2	331.1	369.1	439.6	15.1	6.4	11.5	19.1
3. Factors of Absorption									
a) Quasi money of which:	187.5	195.5	216.1	245.6	313.3	4.3	10.5	13.7	27.6
i) Savings deposits	48.8	54.6	66.5	83.0	94.7	11.9	21.8	24.8	14.1
ii) Time deposits	110.2	116.7	123.3	134.1	178.7	5.9	5.7	8.8	33.3
iii) Deposit in foreign currency	22.0	18.1	22.3	21.5	34.2	-17.7	23.2	-3.6	59.1
iv) Due to other local Financial Institutions	6.5	6.1	4.0	7.0	5.7	-6.2	-34.4	75.0	-18.6
4. Other Items (Net)[1/]	15.3	36.4	36.4	58.1	64.3	137.9	-	59.6	10.7

1/ Other Items = 2. a) + 2. b) - 1. a) - 1. b) - 3. a).

Source: Quarterly Review, September 1980, Central Bank of the Bahamas, and data supplied CEPAL.

BAHAMAS

TABLE XI

QUARTERLY ANALYSIS OF LOANS AND ADVANCES
(As of December each year)
(B$ Mill.)

Sector	1977	1978	1979	1980	Annual Growth Rate 1978	1979	1980
Agriculture	1.2	1.5	2.6	3.4	25.0	73.3	30.8
Manufacturing	12.5	6.7	1.2	0.6	-46.3	-82.1	-50.1
Hotels, Clubs, Restaurants and Nightclubs	51.1	39.0	38.0	29.4	-23.7	-2.6	-22.8
Trade and Commerce	32.3	44.3	50.0	55.7	37.2	12.9	11.4
Utilities (Water, Electricity and Transportation)	7.2	22.4	21.5	38.1	200.1	-4.0	77.2
Building and Construction	36.0	35.4	36.6	44.5	-1.7	3.4	21.6
Real Estate	35.0	54.5	42.8	46.1	55.7	-21.5	7.7
Personal/Other Local Loans	131.2	124.0	170.8	214.1	-5.5	37.7	25.4
TOTAL	306.7	327.8	363.5	431.0	6.9	10.9	18.8

Source: Quarterly Review, September 1980, Central Bank of the Bahamas and data supplied CEPAL.

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TABLE XII

CENTRAL GOVERNMENT REVENUE AND EXPENDITURE
(B$ Mill.)

	1977	1978	1979	1980[p]	Annual Growth Rate 1978	1979	1980[p]
RECURRENT INCOME	139.7	166.3	203.8	246.1	19.1	22.5	20.7
Tax revenue	118.7	139.9	175.6	201.1	17.9	25.5	14.5
of which: Import	81.2	96.8	119.0	140.0	19.2	22.9	17.6
Services	9.2	10.9	15.9	16.1	18.5	45.9	1.3
Stamp	8.3	11.3	14.3	15.8	36.1	26.5	10.5
All others	20.0	20.9	26.4	29.2	4.5	26.3	10.6
Non-tax Revenue	21.0	26.4	28.2	45.0	25.7	6.8	59.6
RECURRENT EXPENDITURE	136.0	157.6	178.8	208.1	15.9	13.5	16.4
Personal Emoluments	79.6	91.3	98.9	114.7	14.7	8.3	20.0
Goods and Services	32.1	38.3	48.0	57.3	19.3	25.3	19.4
Transfer Payments and Subsidies	24.3	28.0	31.9	36.1	15.2	13.9	13.2
Savings on Current Account	(3.7)	(8.7)	(25.0)	(38.0)	(135.1)	(187.4)	(52.0)
CAPITAL EXPENDITURE	23.7	28.3	26.3	38.8	19.9	-7.1	47.5
Capital Formation	18.4	11.0	15.4	22.7	-39.9	40.0	47.4
Acquisition of Assets	0.1	11.8	-	-	-	-	-
Other	5.2	5.5	10.9	16.1	5.8	98.2	47.7
TOTAL EXPENDITURE	159.6	185.9	205.1	246.9	16.5	10.3	20.4
Net Lending (- = repayment)	9.4	16.3	6.9	7.0	73.4	-57.7	1.4
Deficit (-) or surplus (+)	-29.3	-35.9	-8.2	-7.8	22.5	-77.1	-4.9
Total National Debt at end of period	218.7	233.0	260.6	243.1	6.5	11.9	-6.7

Source: Quarterly Review, September 1980, Central Bank of the Bahamas, and data supplied CEPAL.

BAHAMAS

TABLE XIII

INSTALLED CAPACITY AND PRODUCTION OF ELECTRICITY

Year	Industrial and Public			Industrial[1/]			Public		
	Total	Thermal	Hydro	Total	Thermal	Hydro	Total	Thermal	Hydro
				Installed Capacity ('000 kW)					
1976	...	...	-	...	...	...	250.2	250.2	-
1977	297.8	297.8	-	49.6[2/]	49.6[2/]	-	248.2	248.2	-
1978	295.4	295.4	-	49.5	49.5	-	245.5	245.5	-
1979	310.1	310.1	-	49.9	49.9	-	260.2	260.2	-
1980	371.6[p]	371.6[p]	-	...	...	-	...	...	-
				Production (Million kWh)					
1976	608.6	608.6	-	...	...	-	608.6	608.6	-
1977	699.0	699.0	-	57.8[2/]	57.8[2/]	-	641.2	641.2	-
1978	787.5	787.5	-	94.9	94.9	-	692.6	692.6	-
1979	828.6	828.6	-	92.9	92.9	-	735.7	-	-
1980	...	...	-	...	...	-	...	...	-

1/ Include foreign Government bases. 2/ Cement plant out of operation most of the year.

N.B. Total and Public production exclude some generation at Government installations on family islands - 0.5 MW of capacity in 1978.

Source: Annual Report (several issues), Bahamas Ministry of Works and Utilities, Bahamas.

BAHAMAS

TABLE XIV

OIL IMPORTS FOR LOCAL CONSUMPTION

Year	Propane	Motor Gasolene	Aviation Gasolene	DOMESTIC Kerosene (Jet Fuel)	Bunker "C"	Gas Oil	Lubricants and Other	TOTAL Domestic Consumption	Foreign Bunkers	TOTAL Local Consumption
				Volume '000 Barrels						
1977	96	709	31	166	829	919	9	2,758	4,600	7,357
1978	101	800	42	183	1,351	973	33	3,484	5,417	8,900
1979	116	888	42	192	1,626	1,098	35	3,998	6,280	10,278
1980	125	851	41	134	1,315	1,164	36	3,666	4,543	8,209
				Value (B$ Million)						
1977	1.4	13.3	0.8	2.8	10.8	14.7	0.7	44.5	60.6	105.1
1978	1.2	15.3	1.1	3.1	16.5	16.0	1.4	54.7	73.5	128.3
1979	1.8	25.3	1.7	5.5	28.4	29.3	1.8	93.8	83.0	176.8
1980	2.6	34.6	2.7	5.8	31.1	47.0	2.3	126.3	170.4	296.6

Source: Quarterly Review, December 1980, Vol. 7 No. 4, Central Bank of Bahamas.

BAHAMAS

TABLE XV

RETAIL PRICES OF SELECTED PETROLEUM PRODUCTS
(Cents per imperial gallon)

Period	Gasolene Hi-test	Gasolene Octane	Kerosene	Diesel Oil	Fuel Oil	LPG per 100 lbs
1972	0.71	-	0.54	0.47	-	13.00
1976	1.07	1.12	0.96	0.79	-	20.00
1977	1.07	1.15	1.01	0.80	-	20.00
1978	1.09	1.18	1.02	0.80	-	20.00
1979	1.30	1.38	1.20	1.02	-	23.00
1980	1.50	1.56	1.35	1.46	-	27.50

Source: Data supplied to CEPAL by official sources.

PART IV

BARBADOS COUNTRY NOTES

ECONOMIC ACTIVITY 1980

BARBADOS
(Barbados dollars used throughout)[1/]

Real growth of the Barbadian economy slowed down to about 5 percent in 1980 as output did not keep pace with price increases. Government estimates put the Total Gross Domestic Product (GDP) at factor cost in current prices for 1980 to be of the order of $1,461.1 million. Per capita GDP at factor cost, and in current prices was estimated at some $5,868.

The 18 percent increase in the production of sugar was to some extent attributable to favourable weather conditions during the cropping season, which in turn favourably affected the sucrose content of the canes. The effects of higher prices for the commodity in the face of a shortfall in world production and increased output combined to procure for Barbados, foreign exchange earnings of some $112.5 million from the sale of sugar.

In the Tourism Sector, the slight drop in tourist arrivals seemed to have been associated with economic recession in North America and Balance of Payments problems in Europe. Mainly as a result of price increases, revenue earnings are estimated to have increased by some 22 percent.

The sugar bonanza and the increased revenue from tourism did not prevent an increase in the deficit position of Merchandise Trade which worsened by 12.0 percent from the 1979 level. An estimated near 26 percent increase in the value of imports put the import bill at some $1,049 million, and contributed to a negative balance on Current Account of some $32 million. Capital account transactions, however, secured for the economy a Balance of Payments surplus of $40 million, and an increase in international reserves of $25.1 million.

1/ Subsequent to July 1975, the Barbados dollar has been linked to the US dollar at the rate of US$1.00 = Barbados $2.00.

The Central Bank sought to neutralize the adverse effect of the salary increases on the general price level by encouraging savings and at the same time discouraging commercial banks from seeking temporary advances from the Central Bank.

Manufacturing production as measured by the Index of Industrial production increased by some 6 percent in 1980, with a significant increase in the production of chemicals having been observed. Construction activity increased somewhat in 1980 in response to private sector activity, especially the provision of more tourist accommodation.

In recognition of the increasing cost of conventionally derived energy, and its adverse effects on the Balance of Payments, Government moved to develop institutional capabilities in the energy sector by the creation of an Energy and Natural Resources Division. This Division has begun the tasks of collating all data pertinent to Energy and acting as catalyst to the implementation of Government policies in this area. Much activity in the areas of exploration for petroleum and natural gas and of researching the viability of alternative sources of energy was undertaken, the quest being to achieve cheaper sources of energy.

Government implemented the personal income tax reform as articulated in the Budget Speech of 1980. The tax reliefs in addition to wage and salary increases were major determinants of the 17.9 percent increase in the Total Money Supply at year end 1980.

PERFORMANCE IN THE MAJOR SECTORS

Agriculture (including sugar manufacturing)

Agricultural GDP at current prices of 1980 is estimated to have been of the order of $143.7 million - a 31.7 percent increase over the 1979 figure. The sugar industry recorded its highest output since 1971, producing some 135,000 tonnes of sugar, despite the late start of harvesting operations.[2/]

2/ The harvesting season was longer in 1980 than in previous years. Mechanical harvesting was relied on to a greater extent than previously, in the face of shortages of labour.

This improved performance was due in part to favourable weather conditions for the crop, and a slight increase in acreage reaped. A continued high incidence of unplanned cane fires detracted from the 1980 performance. Total loss from cane fires was estimated at approximately $3.0 million. The average cost of production of sugar rose by some 7 percent in 1980, pushed by a 28 percent wage increase granted to sugar workers. Higher prices on the world market resulted in an increase in the average export price of some 25.5 percent above the level of the previous year of $714.0 per tonne. An analysis of the non-sugar agricultural sector would indicate stagnation or a possible fall in output of the sector in 1980, due in part to unseasonal weather conditions. Production of onions increased some 23 percent to 671,000 kg. in 1980. Average yields improved as a result of greater precaution taken against blast. Production of root crops was estimated to have fallen below the level of 1979, with the output of carrots, tomatoes, beans and sweet potatoes estimated at having been below the level of the previous year.

Pork deliveries to the processing plant increased to 337,498 kg. - a 60 percent rise over the 1979 figure. By mid-year 1980, chicken and milk production had shown signs of at least maintaining the level of the previous year. By year end, milk production was estimated to have increased very slightly over the level of the previous year, while chicken production fell by an estimated 35 percent.

Fishing output (in the coastal waters off Barbados) was relatively low, with shrimping continuing for about the third year to show little or no signs of activity. Some of the equipment procured for these operations was converted and is being used as coastguard vessels. Additionally, a substantial part of the fishing fleet, as well as much equipment, were damaged or lost in the hurricane of 1980. The net result was a 20 percent drop in fish landings.

Table 1

Sugar Production - Hectares and Average Yields

	Hectares reaped	Canes Milled '000 tonnes	Average Yields M.T. Canes per hectare	Average Yields M.T. Sugar per hectare	Sugar produced ('000 tonnes)
1976	15,890	919	57.8	6.5	104
1977	15,765	1,046	66.3	7.6	120
1978	15,854	895	56.8	6.3	101
1979	15,880	1,052	66.3	7.1	114
1980	16,096	1,205	74.9	8.2	135

Source: Barbados Sugar Review, No. 41, September 1980, Barbados Sugar Producers' Association, and data supplied CEPAL.

Manufacturing

Prepared data on the sector's contribution to GDP indicate a 22 percent increase over the 1979 figure of $130.6 million. This increase was due mainly to increased exports of manufactured products.

The preliminary indications are that the Index of all industrial production increased to 175.4 points - an increase of about 6 percent. Significant increases were noted in the production of chemicals (25.2 percent), quarrying (64.5 percent), electronic products (15 percent), and beverages and tobacco (9.4 percent). Smaller increases occurred in food processing, petro-products and non-metallic products. The production of wearing apparel was the least dynamic subsector of manufacturing in terms of rate of growth in 1980. The appreciable growth in the output of chemicals was to a great extent the result of increased demands for chemically-based products.

Promotional drives by the Barbados Export Promotion Agency boosted the export of local manufactures to $337.6 million, 43.8 percent above that of 1979. The Barbados Industrial Development Corporation, according to its

comprehensive action plan for 1978-1982, continued promoting industrial development by means of fiscal concessions, training and research. All these activities were responsible for the increased growth in the level of the sector's activities.

Developments in Energy and Energy Policy

The pressures deriving from the international petroleum situation, combined with a keen national governmental will to conserve conventional energy and expand alternative forms of energy, resulted in accelerated formulation and implementation of energy policies. Despite these policy implementations, the import bill for Petroleum and Petroleum products rose by 36.5 percent in 1980. Table XVII refers.

Hydrocarbon-derived energy continued to be the major source of energy. Drilling operations by Mobil Exploration Corporation continued, with a concentration of activity in the Woodbourne area. By year end 1980, some 48.6 million litres of Crude Petroleum had been produced. Natural gas to the extent of 13,252 million cubic metres were produced - an increase of some 13.6 percent. Production of Gasoline fell slightly, while that of diesel oil increased some 16.1 percent above the level of the previous year. Fuel oil production increased by some 5.4 percent to 96.4 million litres. Import prices of crude petroleum increased some 35 percent in 1980. Retail prices of selected products appear at Table 2 below.

Government continued to grant concessions by way of lower interest rates on loans to taxi drivers importing diesel-engined vehicles for use in the tourist industry. These concessions sought to encourage the shift away from the high priced gasoline to the lower-priced dieselene, and thus minimize the energy bill.

A seismic survey was undertaken by Mobil Corporation in order to determine the hydrocarbon potential of the island. An aeromagnetic survey and a gravity survey also sought to determine the petroleum and natural gas resources. Funding was provided by the Inter American Development Bank to assist in the analysis of the results of the seismic survey.

In 1980, the Barbados Government continued to receive technical assistance in the organization and analysis of geological and geophysical data, the control of drilling practices, the review and development of petroleum legislation, and the estimation and analysis of oil and gas reservoirs.

In October, a considerable amount of the natural gas previously vented was taken up by the Barbados Light and Power Company for use in the generation of part of its electricity output, the effect being to lessen the dependence on imports of fuel.

Table 2

Retail Prices of Selected Petroleum Products
(Dollars per imperial gallon)

Commodity	1977	1978	1979	1980
Gasoline	2.00	2.42	3.52	3.82
Kerosene	1.05	1.10	2.19	2.47

Source: Barbados Statistical Service.

In Alternative Sources of Energy, the Government, through the Energy and Natural Resources Unit has been researching new and renewable sources of energy including solar, wind, wave, bagasse and biogas.

The Hotel Sector has been studying the use of solar energy as a means of supplementing traditionally generated electricity. The Barbados Government and the Light and Power Company have applied for a grant from the Inter American Development Bank for procuring a 50-kilowatt wind generator The Government will use expertise from the Barbados Light and Power Company to install, operate and maintain the equipment for a period of not less than one year. The electricity generated will be fed into the National Grid. After 1983 larger wind generators of 200-kilowatt will be introduced on the basis of the performance of the 50-kilowatt generator, and on the basis of a study of its effect on the noise level and on television

interference, among other factors. At least two foreign-based companies have expressed interest in setting up wind turbines at their own expense and selling the electricity at a reasonable price to the local power company.

Experiments conducted in mid-1980 successfully fed electricity derived from bagasse into the national grid. One conclusion is that an exhaustive feasibility survey of the use of bagasse for energy production vis-à-vis its alternative uses needs to be undertaken.

Biogas as an alternative source of energy gained the attention of Barbados farmers during 1980. Farmers have recognized the potential of the use of animal wastes for the generation of methane gas for farm use. The commercialization of this means of production of energy is being pursued.

Government moved to develop institutional capabilities in the energy sector, and created an Energy and Natural Resources Division. This Division will co-ordinate and manage all activities related to energy and natural resources.

Construction

Real growth in the sector levelled off somewhat in 1980, with the increased value of the sector's output being due mainly to higher prices.

Public Sector activity included continuation of work on roads, public utilities and housing. Encouragement was given for increased private sector activity in construction while rising incomes promoted greater demand for housing, and expectations in the tourism industry reinforced construction of tourist accommodation. A 3 percent increase in beds available to tourists resulted to a great extent from the construction of new accommodation units, and the renovation of existing units.

The effect of these circumstances was a general increase in the level of the sector's activity which ultimately inflated the

prices of already scarce building materials. Moreover, the relative inadequacy of skilled labour to service this sector, as well as wage demands and industrial action contributed somewhat to higher costs in the industry.

EMPLOYMENT AND UNEMPLOYMENT

Two quarterly labour force surveys were conducted in 1980 and yielded an estimated labour force of 114.8 thousand - an increase of 5.3 percent over the previous year's total. Of the total labour force, 52,700 were females - a percentage of 45.9 of the total. Of the female labour force, some 83.3 percent were employed.

Unemployment as a percentage of the total labour force for both sexes fell to 12.6 percent in 1980 from 12.8 percent in the previous year. In order to upgrade the level of skills of the labour force, the Government, through the Ministry of Labour, embarked on a Skills Training Programme under which training centres were established to upgrade worker skills in Construction and Manufacturing.

THE EXTERNAL SECTOR

Exports

Sugar and tourism remained the leaders in foreign exchange earnings. Of the total production of some 135,000 tonnes of sugar some 116,000 tonnes of sugar were exported. This coincided with a shortfall in world sugar production for 1979/1980, resulting in sharp increases in the price of sugar.[3/] Foreign exchange earnings were $106 million - an estimated increase of 82 percent above its export earnings in 1979.

As regards tourism, though there continued to be high numbers of arrivals, they were not of the order to sustain the previous year's rate of

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3/ As at 30 June 1980, sugar to EEC countries was priced at 341 E.C.U's (£211.15) per tonne. Shipments after that date yielded some 358.9 E.C.U's (£222.04) per tonne.

growth of some 17 percent. In 1980, tourist arrivals are estimated to have fallen slightly below the previous year's level by less than 1 percent, and this slight drop has been attributed to the recession and balance of payments problems in North America and in Europe. One major European market was adversely affected, but, the CARICOM and United Kingdom tourist markets continued to grow. Although winter arrivals in 1980 were estimated to have been some 4 percent greater than in 1979, arrivals began to decline in the summer of 1980. To some extent the estimated 20 percent increase in hotel rates in 1980 might have adversely affected arrivals, and certainly contributed to an estimated tourist expenditure of $502 million.

Table 3

Tourist Arrivals by Month 1976-1980
(Excluding Cruise Ship Passengers)

	1976	1977	1978	1979	1980
January	20,487	25,151	28,563	33,182	34,549
February	24,567	28,211	31,327	33,950	37,928
March	22,196	25,807	32,996	34,063	35,663
April	21,837	26,141	25,064	34,432	33,430
May	13,425	14,914	17,671	22,752	25,292
June	11,259	13,260	16,221	21,694	22,441
July	18,807	22,440	26,894	31,340	32,782
August	21,516	26,305	31,058	37,662	36,484
September	12,228	15,958	19,614	23,958	21,422
October	15,662	18,758	23,279	26,938	25,516
November	18,739	24,002	30,055	34,358	30,884
December	23,591	28,367	34,141	36,587	33,524

1/ $\bar{x}$ = 18692.8 $\bar{x}$ = 22442.8 $\bar{x}$ = 26406.9 $\bar{x}$ = 30909.7 $\bar{x}$ = 30826.3

2/ σ = 4338.31 σ = 5120.9 σ = 5810 σ = 5340.46 σ = 5440.48

1976	1977	1978	1979	1980
C.V.3/	C.V.	C.V.	C.V.	C.V.
.23208	.22818	.22002	.17278	.17649

1/ $\bar{x}$ = Mean

2/ σ = Standard deviation

3/ C.V = Coefficient of Variation.

Source: Data supplied CEPAL by Barbados Statistical Service.

The graph (see Graph 1 of the Statistical Appendix) shows that the monthly distribution of tourist arrivals is bi-modal, with one peak in arrivals in February, March or April, and the other in August. This seems to support the assertion that tourist promotion activity has succeeded in creating two markets, with the traditional Northern market resulting in a peak in tourist arrivals in the first quarter of the year, while the relatively more recently acquired Southern and Caribbean market yields a peak in arrivals around the month of August. Coefficients of variation indicate that the relative dispersion of monthly tourist arrivals has been diminishing over the period 1976 to 1980.

BALANCE OF PAYMENTS

The year 1980 proved to be a substantially progressive year, recording an overall Balance of Payments surplus of $40 million. This resulted mainly from a remarkable increase in capital inflows almost four times that of the previous year. Foreign reserves rose by $25.1 million.

The value of total imports increased by 26 percent over 1979, to a figure of $1,049 million. This was due in part to the increased price of petroleum and petroleum products, as well as of capital and intermediate goods destined for the Construction Sector.

As regards intra-CARICOM trade, imports from other CARICOM countries reached some $177 million and exports $118 million, increasing by approximately 16 percent and 33 percent of total imports and exports respectively over the previous year. Trinidad and Tobago remained the major CARICOM trading partner followed by Jamaica and then Guyana. Together they provided almost 94 percent of imports and absorbed some 53 percent of the total exports. Exports increased in value by 35 percent in response to a vigorous export promotion drive, to record a value of $357 million.

The intense activity in the Tourism Sector produced a net surplus of $471.0 million on the travel account. Most of this was attributed to tourist expenditures which increased as a result of increased hotel rates, together with a slight increase in the average length of stay of tourists. A deficit on Current Account amounting to $32 million was the net results of transactions in the Merchandise Trade and Travel accounts.

A marked increase in long-term borrowing was observed, with the Government raising a loan of some $40 million on the Trinidad and Tobago market. Private sector borrowing of some $44 million reaffirmed that sector's faith in the economic future of the country. A favourable balance of payments surplus of $40 million was observed, as well as a $25 million increase in foreign reserves.

Table 4

Total Trade - CARICOM Countries January-November 1980

	Imports	Domestic Exports	Re-Exports	Total Exports
Antigua	1,924,831	2,730,591	17,555,609	20,286,200
Belize	1,494,414	37,024	30,512	67,536
Dominica	1,366,088	2,980,050	2,775,433	5,755,483
Grenada	518,401	3,464,140	1,498,525	4,962,665
Guyana	8,014,932	1,080,454	981,971	2,062,425
Jamaica	19,677,941	10,450,404	1,625,755	12,076,159
Montserrat	58,896	608,120	355,814	963,934
St. Kitts-Nevis-Anguilla	509,394	2,177,050	819,691	2,996,741
St. Lucia	3,390,987	7,226,168	4,194,572	11,420,740
St. Vincent	2,418,829	5,259,198	3,745,030	9,004,228
Trinidad and Tobago	137,874,390	43,064,407	5,377,737	48,442,144
TOTAL	177,249,103	79,077,606	38,960,649	118,038,255

Source: Data supplied CEPAL.

WAGES AND PRICES

Wages

Increases in wages were granted in 1980 as a result of trade union demands predicated on movements in the rate of inflation. In the Sugar sector an average wage increase of 28 percent was granted. A 32 percent increase in wages in the Tourist sector compensated for incomes eroded by rising prices; and wage increases in the Public sector ranging from 20 percent to 38 percent and averaging some 33 percent, accompanied by an income tax revision in favour of the income recipient, left households with more personal disposable income, with contributory upward pressure on the prive level. The Central Bank adopted measures to confront the problems of the substantial increase in liquidity. Seasonal end of year expenditures in 1980 nevertheless exceeded those of the previous year by some 40 percent.

Prices

The Statistical Service published a new Retail Price Index with a base of March 1980, and discontinued publication of the old index. The scope of the new index was widened to include several items that more accurately reflect the present consumption pattern in the country.

The consumer price index in terms of its annual average growth rate, rose by some 14.5 percent. Fuel prices and substantial wage increases were among the major determinants of the general escalation in prices. Prices in the food section of the Index were in December of 1980, some 12.6 percent greater than the January 1980 figure. The 14.9 percent increase in the fuel and light index reflected to some extent the increase in petroleum prices between January and December 1980. Over the same period an 18 percent increase in the price of clothing and footwear was observed. Tables XVI and XVII indicate the extent of the increases in fuel prices.

FISCAL AND MONETARY ACTIVITIES

Fiscal Developments

Government implemented the personal income tax reform as articulated in the Budget Speech of 1980. The wage increases in the Public sector pushed Central Government's Recurrent Expenditure to $371.6 million to register a 22.5 percent increase over the previous year's figure. At the end of December, the National Debt stood at an estimated $493.2 million. The external debt stood at $163.9 million, reflecting the $40 million loan raised on the Trinidad and Tobago market.

Monetary Developments

The wage increases granted in 1980, in addition to the implementation of the revised income tax structure which worked in favour of the income recipient, enabled individuals to demand more goods and services with adverse effects on the domestic price level and on the balance of payments. These phenomena, among others, conduced to a negative balance on goods and services of $86 million, and a Current Account deficit of $32 million by year end 1980.

The Central Bank moved to encourage greater savings on the part of individuals. At the same time it sought to discourage commercial banks from seeking temporary advances from the Central Bank, and also to realign the interest rates structure. A summary of the monetary measures adopted is as follows:-

i) The minimum deposit rate was increased from 5 percent to 7 percent;

ii) the average lending rate was increased from 11 percent to 12 1/2 percent;

iii) the prime lending rate was increased from 9 1/2 percent to 11 percent;

iv) the Central Bank's general discount rate was increased from 7 percent to 10 percent;

v) the ceilings on credit to the Personal and Distributive sectors were maintained at the existing levels until 31 March 1981;

vi) The Central Bank stated its intention to limit its credit for the marketing of sugar to $50 million. The rate of discount for Agricultural Paper was raised to 7 1/2 percent; and

vii) the ceiling on the mortgage rate remained at 10 percent.

In the second half of the year, the Central Bank engaged in open market operations, raising some $40 million from the floating of a bond issue on the Trinidad and Tobago market, in order to finance Public sector works.

As a result of the salary increases and the income tax concessions implemented in 1980, the total money supply is estimated to have increased some 17.9 percent over the level of the previous year, to attain a total of $826.8 million. Of this, the money supply (M_1) increased by 11.4 percent to $255.4 million, creating the conditions for the observed 40 percent increase in last quarter spending. By year end 1980, total outstanding Commercial Bank Credit rose to $546.6 million. The sectors, Manufacturing, Distribution, and Tourism, apart from the Household sector, accounted for the majority of the loans outstanding.

STATISTICAL APPENDIX

BARBADOS

1980

BARBADOS

TABLE I

MAIN ECONOMIC INDICATORS

	1977	1978	1979	1980
A. BASIC ECONOMIC INDICATORS				
Gross domestic product at factor cost (current prices) $M	874.6	980.3	1,189.7	1,461.1
Per capita gross domestic product (current prices)	3,555[r]	3,967[r]	4,793[r]	5,868[r]
Population ('000) (mid-year)	246	247.1	248.2	249.0
		Annual Growth Rates		
B. SHORT-RUN ECONOMIC INDICATORS				
Gross domestic product	11.0	12.1	21.4	22.8
Per capita gross domestic product	...	11.6	20.8	22.4
Current value of exports of goods and services	26.0	25.1	30.0[r]	26.9[p]
Current value of imports of goods and services	14.1	16.4	31.7	29.9[p]
Consumer price index December-December	9.9	11.3	16.8	19.3[p]
Variation between annual averages	8.3	9.5	13.2	14.5
Money supply (M_1)	14.3	21.7	39.6	11.4
Wages and salaries[1/]	15.2	15.5	...	30.0
Rate of unemployment (%)	15.3[2/]	12.4	11.8	...
Current income of Government	16.6	24.6	18.9[r]	27.9[p]
Total expenditure of Government	22.3	6.7	19.6[r]	22.0[p]
Fiscal deficit as a percentage of total expenditure of Government	25.9	12.0	13.5	11.2

TABLE I (CONT'D)

MAIN ECONOMIC INDICATORS

	1977	1978[r]	1979	1980[p]
		BDS$ Million		
C. EXTERNAL SECTOR				
Trade balance (goods and services)	-124	-97	-112[r]	-86
Balance on current account	-92	-63	-68[r]	-32
Variation in net international reserves $	16	55.7	31.9	30.7
External debt $M	55	89	112.1	163.9

1/ Data relate to rough average annual percentage increase.

2/ Data relate to July-December.

Source: Barbados Economic Report 1978, Ministry of Finance and Planning April 1978. Annual Statistical Digest 1977, Central Bank of Barbados. Economic and Financial Statistics January 1981, Central Bank of Barbados. Balance of Payments of Barbados 1978, Central Bank of Barbados, and data supplied CEPAL.

STATISTICAL APPENDIX

GRENADA

1980

BARBADOS

TABLE II

GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY AT FACTOR COST
(BDS$ Mill.)

ECONOMIC ACTIVITY	In current-value National currency			Percentage Breakdown		Annual Growth Rate		
	1978 r	1979 r	1980 p	1975	1980	1978	1979	1980
Agriculture	91.7	109.1	143.7	13.3	9.8	-0.1	19.0	31.7
Mining and Quarrying	7.1	9.3	12.2	0.2	0.8	53.5	31.0	31.2
Manufacturing	108.1	130.6	159.4	10.3	10.9	24.4	20.8	22.1
Construction	75.1	88.1	104.5	6.6	7.2	24.9	17.3	18.6
Sub-total goods	282.0	337.1	419.8	30.4	28.7	15.8	19.5	24.5
Electricity, gas and water	15.7	18.3	22.0	1.5	1.5	11.4	16.6	20.2
Transport, storage and communication	64.2	70.1	86.9	7.2	6.0	7.0	9.2	24.0
Sub-total basic services	79.9	88.4	108.9	8.7	7.5	7.8	10.6	23.2
Wholesale and Retail Trade	204.8	259.4	319.0	18.2	21.8	12.5	26.7	23.0
Tourism	109.7	144.0	175.0	9.3	12.0	25.0	31.3	21.5
Finance, Insurance, Real Estate and Business Services	115.6	135.0	162.5	14.0	11.1	4.9	16.8	20.4
General Services	37.8	46.1	57.6	4.4	4.0	8.0	22.0	24.9
Government Services	150.6	179.6	218.2	15.1	14.9	5.9	19.3	21.5
Sub-total other services	618.5	764.1	932.3	61.0	63.8	11.0	23.5	22.0
TOTAL GROSS DOMESTIC PRODUCT	980.4	1,189.7	1,461.1	100.0	100.0	12.1	21.3	22.8

Source: Barbados Statistical Service and Barbados Economic Report 1980, Ministry of Finance and Planning.

BARBADOS

TABLE III

INDICATORS OF AGRICULTURAL PRODUCTION

	Unit (Metric)	1977[r]	1978[r]	1979[r]	1980[p]	Annual Growth Rate 1978[r]	1979[r]	1980
Production of main crops								
Sugar-cane	'000 tons	1,045	895	1,052	1,205	-14.6	17.5	14.5
Cotton	'000 kg	27	15	17	7.7	-44.4	+13.3	-54.7
Root crops								
Sweet potatoes	'000 kg	4,989	4,989	2,219	4,631	0.0	-55.5	108.7
Yams	"	5,896	6,851	5,909	7,700	16.2	-13.7	30.3
Vegetables								
Tomatoes	'000 kg	386	726	702	1,636	88.1	-3.3	133.0
Cucumbers	"	1,633	1,755	2,104	818	7.5	19.9	-61.1
Cabbages	"	980	816	1,130	1,717	-16.7	38.5	51.9
Onions	"	693	743	545	671	7.2	-26.6	23.1
Indicators of stock-raising								
Production								
Slaughtered (meat)								
Beef and veal	'000 kg	170	249	324	414	46.5	30.1	27.8
Pork	"	1,587	1,336	802	918	-15.8	-40.0	14.5
Mutton	"	34	21	40	...	-38.2	90.5	...
Poultry	"	3,711	4,261	5,273	5,248	14.8	23.8	-0.5
Eggs	"	1,701	1,814	1,600	1,040	6.6	-11.8	-35.0
Milk	"	2,641	2,933	3,192	...	11.1	8.8	...

Source: Ministry of Agriculture, Food and Consumer Affairs, Bridgetown, Barbados.

BARBADOS

TABLE IV

INDICATORS OF INDUSTRIAL PRODUCTION

	Weight 1970 = 100	1977[r]	1978[r]	1979[r]	1980	Annual Growth Rate 1978	1979	1980
I Production Index								
Total all industries	1,000	144.8	159.2	165.3	175.4	9.9	3.8	6.1
Quarrying	29	81.6	83.7	66.2	108.9	2.6	-20.9	64.5
Manufacturing	800	145.4	158.1	160.9	170.7	8.7	1.8	6.1
Food	151	152.0	160.4	168.0	173.7	5.5	4.7	3.5
Beverages and Tobacco	170	124.4	139.4	114.4	125.1	12.1	-17.9	9.4
Wearing apparel	111	169.1	159.7	169.2	165.4	-5.6	5.9	2.3
Chemicals	29	109.9	119.0	119.7	149.9	8.3	0.6	25.2
Petro-products	38	115.5	118.8	127.7	133.3	2.9	7.5	4.4
Electronic products	40	-	498.4	598.0	687.7	-	20.0	15.0
Other non-metallic products	42	76.8	81.2	98.7	105.4	5.7	21.6	6.8
Other manufactures	259	165.3	134.9	131.4	134.0	-18.4	-2.6	2.0
Electricity and Gas	171	153.0	176.9	199.5	208.9	15.6	12.8	4.7

TABLE IV (CONT'D)

INDICATORS OF INDUSTRIAL PRODUCTION

	Unit (Metric)	1977	1978	1979	1980	Annual Growth Rate 1978	1979	1980
II Production of some Manufactures								
Sugar	'000 tonnes	120	101	114	132	-15.8	12.9	15.8
Rum	'000 litres	10,656	10,683	7,464	10,170	0.3	-30.1	36.3
Beer	"	7,310	9,046	7,383	8,578	23.7	-18.4	16.2
Margarine	'000 kg	1,965	2,361	2,074	2,238	20.2	-12.2	7.9
Lard	"	1,240	1,481	1,259	1,453	19.4	-15.0	15.4
Malt beverages	'000 litres	3,150	4,332	2,914	3,300	37.5	-32.7	13.2
Non-alcoholic beverages	"	18,225	19,761	19,916	18,916	8.4	0.8	-5.0
Animal feeds	'000 tonnes	38	35	40	39	-7.9	14.3	-2.5
Milk products[1/]	'00 tonnes	97	97	98	100	-	1.0	2.0
Cigarettes	'000 kg	190	229	230	224	20.5	0.4	-2.6
Crude petroleum	Mn. litres	19.7	43.5	45.1	48.6	120.8	3.7	7.8
Natural gas	Thousand m^3	4,700	9,599	11,667	13,252	104.2	21.5	13.6
Gasoline	Mn. litres	52.1	52.9	55.4	55.1	1.5	4.7	-0.5
Diesel oil	"	33.9	40.1	42.8	49.7	18.3	6.7	16.1
Fuel oil	"	82.3	78.9	91.5	96.4	-4.1	16.0	5.4

TABLE IV (CONT'D)

INDICATORS OF INDUSTRIAL PRODUCTION

	Unit (Metric)	1977	1978	1979	1980	Annual Growth Rate 1978	1979	1980
III Other Indicators of Manufacturing Production								
Electricity generated	Mn. KWh	246	269	296	310	9.3	10.0	4.7

1/ Production of milk products converted to the fresh milk equivalent.

Source: Monthly Digest of Statistics, Statistical Services, Barbados. Barbados Economic Report 1980, Ministry of Finance and Planning.

BARBADOS

TABLE V

SELECTED DATA ON EMPLOYMENT AND UNEMPLOYMENT

	January-December 1978[r]	January-December 1979[r]	January-December 1980
	Both Sexes	Both Sexes	Both Sexes
	Number ('000)	Number ('000)	Number ('000)
Total number of adults	168.3	171.0	174.2
Labour force	102.6	109.0	114.8
Employed	88.8	95.0	100.3
Unemployed	13.8	14.0	14.5
Not in the labour force	65.7	62.0	59.4
Unemployed as percent of labour force (%)	13.4	12.8	12.6
Labour force as percent of total adults (%)	61.0	63.7	65.9

Source: Economic Report 1980, Ministry of Finance and Planning, Barbados.

BARBADOS

TABLE VI

SELECTED DOMESTIC EXPORTS BY TYPE OF PRODUCTS

Category	Bds$ Mill.				% Breakdown		% Change		
	1977	1978	1979	1980	1977	1980	1978	1979	1980
Main Traditional Exports									
Sugar	50.6	47.0	58.0	104.3	33.5	30.9	-7.1	23.4	79.8
Molasses	5.8	6.7	7.8	11.9	3.8	3.5	15.5	16.4	52.6
Rum	5.7	6.0	4.8	3.5	3.8	1.0	5.3	-20.0	-27.1
Lard and margarine	3.7	5.4	4.3	6.1	2.4	1.8	45.9	-20.4	41.9
Sub-total	65.8	65.1	74.9	125.8	43.5	37.3	-1.1	15.1	68.0
Non-traditional Exports									
Clothing	37.2	40.6	45.9	49.3	24.6	14.6	9.1	13.1	7.4
Electrical components	16.5	37.9	40.4	61.1	10.9	18.1	129.7	6.6	51.2
Sub-total	53.7	78.5	98.8	110.4	35.5	32.7	46.2	25.9	11.7
Petroleum Products	0.5	0.5	0.6	0.6	0.3	0.2	0.0	20.0	0.0
Total Selected Domestic Exports	120.0	144.1	174.3	236.8	79.1	70.1	20.1	21.0	35.9
TOTAL DOMESTIC EXPORTS	151.1	187.8	234.8	337.6	100.0	100.0	24.3	25.0	43.8

Source: External Trade Publications, Statistical Service and data supplied CEPAL. Economic and Financial Statistics (various issues), Central Bank, Barbados.

BARBADOS

TABLE VII

RETAINED IMPORTS BY ECONOMIC FUNCTION AND/OR USE 1977-1980

	Bds$ Mill.				% Breakdown		% Change		
	1977	1978	1979	1980	1977	1980	1978	1979	1980
Consumer Goods	204.6	228.1	279.8	342.3	40.5	36.8	11.5	22.7	22.3
Food and beverages	103.2	122.7	137.2	163.5	20.4	17.6	18.9	11.8	19.2
Other non-durables	51.5	54.0	74.8	140.0	10.2	15.0	4.9	38.5	87.2
Durables	25.6	21.6	29.5	38.8	5.1	4.2	-15.6	36.6	31.5
Intermediate Goods	167.3	166.0	283.9	323.6	33.1	34.8	-0.8	71.0	14.0
Fuels	47.4	23.1	92.3	108.0	9.4	11.6	-51.3	299.6	17.0
Textiles	25.6	27.1	37.8	39.3	5.1	4.2	5.9	39.5	4.0
Others	48.8	63.7	153.8	176.3	9.7	18.9	30.5	141.4	14.6
Capital Goods	116.9	142.1	206.9	267.6	23.2	28.7	21.6	45.6	29.3
Machinery	79.6	100.9	150.5	187.4	15.8	20.1	26.8	49.2	24.5
Construction and Materials	37.3	41.2	56.4	80.3	7.4	8.6	10.5	36.9	42.4
Unclassified Goods	15.9	17.8	8.9	2.5	3.1	0.3	11.9	-50.0	-71.9
TOTAL RETAINED IMPORTS	504.9	353.9	779.5	931.0	100.0	100.0	9.7	120.3	19.4
TOTAL IMPORTS	545.1	628.2	850.7	1,049.1	-	-	15.2	35.4	23.3

Source: Economic and Financial Statistics, June 1979, Central Bank of Barbados, and data supplied CEPAL.

BARBADOS

TABLE VIII

BALANCE OF PAYMENTS: 1976-1980
(BDS$ Mill.)

	1976	1977	1978[r]	1979[p]	1980[p]
MERCHANDISE (Net)	324.4	-363.2	-406.5	-566.0	-634.0
Exports	152.6	182.4	223.1	264.5	415.0
Imports	477.0	545.6	629.6	-830.5	-1,049.0
SERVICES (Net)	170.6	239.3	309.9	454.2	548.0
Travel	150.2	204.5	257.3	347.7	471.0
Other	20.4	34.8	52.6	106.5	77.0
BALANCE ON GOODS AND SERVICES	153.8	-123.9	-96.5	-111.8	-86.0
NET TRANSFER PAYMENTS	25.4	31.9	33.6	43.9	54.0
BALANCE ON CURRENT ACCOUNT	-128.4	-92.0	-62.9	-67.9	-32.0
CAPITAL ACCOUNT					
Long term	44.2	38.9	24.2	20.0	88.0
Official	5.4	11.1	12.0	10.5	52.0
Private sector	38.8	27.8	12.2	10.8	44.0
Short term	4.7	10.0	30.6	79.5	-14.5
Other capital	1.1	10.9	6.2	-9.6	-8.0
Errors and Omissions	42.5	26.2	40.3	35.7	-16.0
Balance for official financing	-36.0	-6.0	38.3	22.1	40.0
Allocation of SDR's	-	-	-	4.5	-1.0
Official financing (loans)	...	35.1	20.0	-4.0	-15.0
Reserve movements (- increase; + decrease)	36.0	-29.2	-58.3	-18.1	-25.1

Source: Balance of Payments of Barbados 1978, and data supplied CEPAL.

BARBADOS

TABLE IX-A

SELECTED TOURISM STATISTICS

	1977	1978	1979	1980
Number of stop-over visitors ('000)	269.3	316.9	370.9	370.0
Cruise ship visitors ('000)	103.1	140.1	110.1	156.5
Average number of hotel beds available ('000)	10.2	11.1	11.9	12.6
Hotel bed occupancy rate	54.1	58.2	68.8	68.9
Estimated Tourist Expenditure (Bds$ Mill.)	221.0	270.0	403.0	502.0
Hotel and Restaurant Tax (Bds$ Mill.)	7.2	9.5	11.0	14.6
Average length of stay (days)	10.3	11.6	11.7	12.0

Source: Economic Report 1980, Ministry of Finance and Planning, Barbados, and data supplied CEPAL.

BARBADOS

TABLE IX-B

TOURIST ARRIVALS AND CRUISE SHIP VISITORS 1977-1980
BY COUNTRY OF ORIGIN

Unit = 000 arrivals

Country of origin	NUMBER OF ARRIVALS 1977	1978	1979	1980	Annual Growth Rate 1978	1979	1980
U.S.A.	70.4	85.5	91.4	86.0	21.4	6.9	-5.9
Canada	83.7	91.0	92.7	85.0	8.7	1.9	-8.3
United Kingdom	25.5	36.3	49.4	56.2	42.4	36.1	13.8
Europe	22.9	29.2	40.8	38.4	27.5	39.7	-5.9
CARICOM countries	47.3	55.1	76.0	85.4	16.5	37.9	12.4
Other countries	17.5	19.8	20.6	19.0	13.1	4.0	-7.8
TOTAL STAY-OVER VISITORS	269.3	316.9	370.9	370.0	17.7	17.0	-0.2
Cruise ship visitors	103.1	140.1	110.1	156.5	35.9	-21.4	42.1

Source: Barbados Economic Report 1980, Ministry of Finance and Planning.

BARBADOS

TABLE X-A

CONSUMER PRICE INDEX (OCTOBER 1965 = 100)

	% Weight	1976	1977	1978	1979	1980*
			ANNUAL AVERAGES			
TOTAL: All Items	100.0	317.4	343.9	376.5	426.1	487.9*
Food and Beverages	58.7	349.2	379.0	417.1	463.4	...
Housing	9.1	285.1	321.3	346.3	398.2	...
Household operations and furnishings	8.9	279.5	287.0	309.0	418.6	...
Clothing	6.9	276.0	292.1	301.2	335.9	...
Medical and personal care	5.3	246.9	285.1	322.2	364.7	...
Transportation	5.5	241.9	237.2	272.1	310.7	...
Education and Recreation	5.6	287.6	327.1	353.7	374.8	...
			ANNUAL AVERAGE CHANGE			
TOTAL: All Items		5.0	8.3	9.5	13.2	14.5
Food and Beverages		4.2	8.5	10.1	11.1	...
Housing		6.5	12.7	7.8	15.0	...
Household operations and furnishings		2.0	2.7	7.7	35.5	...
Clothing		9.3	5.8	3.1	11.5	...
Medical and personal care		4.4	15.5	13.1	13.2	...
Transportation		8.8	-2.0	14.7	14.2	...
Education and Recreation		10.7	13.7	8.1	6.0	...
			% Change December-December			
TOTAL: All Items		3.9	9.9	11.3	16.8	16.1*
Food and Beverages		4.3	8.5	12.8	12.2	...
Housing		11.6	11.4	8.8	19.6	...
Household operations and furnishings		-1.4	5.0	14.2	49.2	...
Clothing		6.5	6.6	-0.7	35.8	...
Medical and personal care		-0.7	26.1	11.7	13.4	...
Transportation		-10.9	17.4	10.7	23.5	...
Education and Recreation		8.1	17.3	6.2	4.3	...

Source: Economic and Financial Statistics, January 1980, Central Bank of Barbados and data supplied CEPAL by Barbados Statistical Service.

BARBADOS

TABLE X-B

CONSUMER PRICE INDEX (MARCH 1980 = 100)

Months 1980	Food	Alcoholic Beverages and Tobacco	Housing	Fuel and Light	Household Operations and Supplies	Clothing and Footwear	Transpor-tation	Medical and Personal Care	Education, Recreation, Miscellaneous	All Items
	WEIGHT									
	432	84	131	62	96	51	46	60	38	1000
JANUARY	98.2	99.3	97.9	93.7	98.8	98.1	99.9	100.2	98.3	98.5
FEBRUARY	99.0	99.3	97.9	95.2	99.3	98.5	100.0	100.0	100.0	98.3
MARCH	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
APRIL	101.3	102.6	100.1	97.8	100.0	100.6	102.5	101.4	100.0	100.9
MAY	101.7	103.7	100.1	99.4	100.3	99.6	102.5	102.5	100.2	101.3
JUNE	104.1	106.8	100.8	99.3	102.6	107.7	102.7	103.0	100.2	103.4
JULY	105.6	107.8	100.8	99.4	103.3	105.7	102.6	103.4	100.2	104.1
AUGUST	105.1	109.4	101.1	103.4	103.7	107.4	104.7	104.0	100.5	104.5[r]
SEPTEMBER	105.4	110.2	101.2	103.4	105.8	107.9	105.1	104.2	105.2	105.2[r]
OCTOBER	106.9	112.1	101.2	103.4	106.5	112.9	105.3	105.0	105.2	106.4[r]
NOVEMBER	108.0	114.5	101.2	107.7	107.8	113.3	105.3	105.6	107.3	107.6
DECEMBER	110.6	112.9	122.1	107.7	108.2	115.8	105.4	106.4	107.3	111.6

Source: Economic and Financial Statistics, January 1980, Central Bank of Barbados and data supplied CEPAL by Barbados Statistical Service.

BARBADOS

TABLE XI

MONETARY BALANCE: 1977-1980

	Balance at end of December				Annual Growth Rate		
	1977	1978	1979	1980	1978	1979	1980
Money:							
Currency outside banks	55.2	65.9	80.2	101.5	19.4	21.7	26.5
Demand deposits adjusted	79.7	98.3	149.0	153.9	23.3	51.7	3.3
Total (M_1)	134.9	164.2	229.2	255.4	21.7	39.6	11.4
Quasi Money:							
Time deposits	150.9	170.4	193.8	223.4	12.9	13.7	15.3
Savings deposits	203.5	231.3	278.3	348.0	13.7	20.3	25.0
Total Quasi Money	354.4	401.7	472.1	571.4	13.4	17.5	21.0
Total Money Supply	489.3	565.9	701.3	826.8	15.7	23.9	17.9

Source: Economic and Financial Statistics, January 1981, Central Bank of Barbados.

BARBADOS

TABLE XII

COMMERCIAL BANKS' CREDIT-SECTORAL DISTRIBUTION
1977-1980
(As at December)
(BDS$ Mill.)

Sectors	1977	1978	1979	1980
Agriculture (including fisheries)	20.0	20.0	17.6	20.3
Mining and Quarrying	4.3	0.3	0.5	1.4
Manufacturing	31.3	38.8	63.2	94.6
Distribution	63.9	68.5	68.4	87.6
Construction	38.2	36.1	44.7	39.4
Tourism (including entertainment)	50.8	50.1	51.8	71.1
Government	22.2	18.2	6.2	4.7
Public utilities	20.5	18.4	32.9	30.4
Personal	93.4	106.9	131.9	135.0
Other	27.6	35.3	53.0	62.1
TOTAL	372.2	395.5	470.3	546.6

Source: Economic and Financial Statistics, January 1981, Central Bank of Barbados, and data supplied CEPAL.

BARBADOS

TABLE XIII

SELECTED DATA ON GOVERNMENT OPERATIONS - 1977-1980
(BDS$ Mill.)

	1977[r]	1978[r]	1979[r]	1980
Recurrent revenue	227.2	286.0	340.2	420.9
Recurrent expenditure	229.3	255.6	302.6	371.6
Capital expenditure	77.4	69.4	90.8	102.6
Surplus (+) or Deficit (-) (to be financed)	-79.5	-39.0	-53.2	-53.3
National debt (as at end of year)	334.6	372.1	426.3	493.2
Internal	279.5	282.9	314.2	329.3
External	55.1	89.2	112.1	163.9
Treasury bills and debentures outstanding				
Treasury bills	114.4	132.1	149.4	164.2
Debentures	121.9	127.0	125.4	130.6

Source: Compiled from data in Economic and Financial Statistics, February 1981, Central Bank of Barbados; and data supplied CEPAL.

BARBADOS

TABLE XIV

CENTRAL ADMINISTRATION - CURRENT REVENUE - 1977-1980
(BDS$ Mill.)

Head	1977/78 r 1/	1978/79 r 1/	1979/80 r 1/	Calendar Year 1977 r	1978 r	1979 r	1980
TAX REVENUE	218.6	271.7	318.3	203.1	251.7	306.0	373.1
of which:							
Taxes on Income and Profits	106.0	132.7	139.7	91.4	127.3	131.5	158.7
Taxes on Property	11.5	13.1	17.8	16.1	7.6	21.8	20.4
Taxes on Goods and Services	50.6	62.0	78.2	46.5	57.4	75.2	98.0
Taxes on International Trade	48.1	54.9	74.4	47.0	52.4	69.6	86.3
Other Taxes	2.4	9.0	8.2	2.1	7.0	7.9	9.7
NON TAX REVENUE	27.6	34.8	36.0	24.1	34.3	34.2	47.8
Employers' Levy 2/	(-)	(6.0)	(4.1)	(-)	(4.1)	(3.9)	(5.2)
Special Receipts 2/	(5.9)	(9.2)	(9.2)	(4.5)	(9.2)	(10.4)	(15.8)
Loans and Advances 2/	(1.0)	(1.9)	(2.2)	(0.9)	(1.4)	(1.9)	(2.8)
TOTAL REVENUE	246.2	306.5	354.3	227.2	286.0	340.2	420.9

1/ Fiscal Year - April-March.

2/ Memorandum Item.

Source: Economic and Financial Statistics, February 1981, Central Bank of Barbados, and data supplied CEPAL.

BARBADOS

TABLE XV

CENTRAL GOVERNMENT - CURRENT EXPENDITURE
(BDS$ Mill.)

	1976/77 1/	1977/78 1/	1978/79 1/	1979/80 1/	1977	1978	1979	1980
General public services	35.1	38.5	42.9	50.7	37.5	41.3	49.5	58.2
Education	51.2	57.2	61.1	77.7	55.3	60.1	71.9	93.3
Health	37.3	40.6	46.2	50.1	38.7	44.0	49.8	58.0
Social security and welfare	27.0	33.4	35.3	39.0	31.8	34.2	38.2	43.6
Economic services	38.9	40.5	41.8	48.4	39.2	31.3	45.0	67.2
Charges of debt	14.2 r	18.4 r	22.7	28.4	16.0	21.0	28.2	28.5
Other	8.6	11.6	14.1	20.3	10.8	23.7	20.0	22.8
TOTAL	212.3	240.2	264.1	314.6	229.3	255.6	302.6	371.6

1/ Fiscal year - April-March.

Source: Economic and Financial Statistics, February 1981, Central Bank of Barbados, and CEPAL estimate.

BARBADOS

TABLE XVI

VOLUME AND VALUE OF CRUDE OIL AND REFORMATE IMPORTED INTO BARBADOS - 1979-1980

1979	Volume (Barrels)	Value ($ U.S.)	Value ($ BDS)
Crude oil	721,626	15,940,722	31,881,444
Reformate	207,118	7,743,994	15,487,988
Total	928,744	$23,684,716	$47,369,432

1980[p]	Volume (Barrels)	Value ($ U.S.)	Value ($ BDS)
Crude oil	736,890	22,112,863	44,225,726
Reformate	232,087	9,208,936	18,417,872
Total	968,977	$31,321,799	$62,643,598

Percentage increases over 1979-1980 period

	Volume	Value
Crude oil	2.12%	38.72%
Reformate	12.06%	18.92%
Total	4.33%	32.24%

Source: Ministry of Trade, Energy Division.

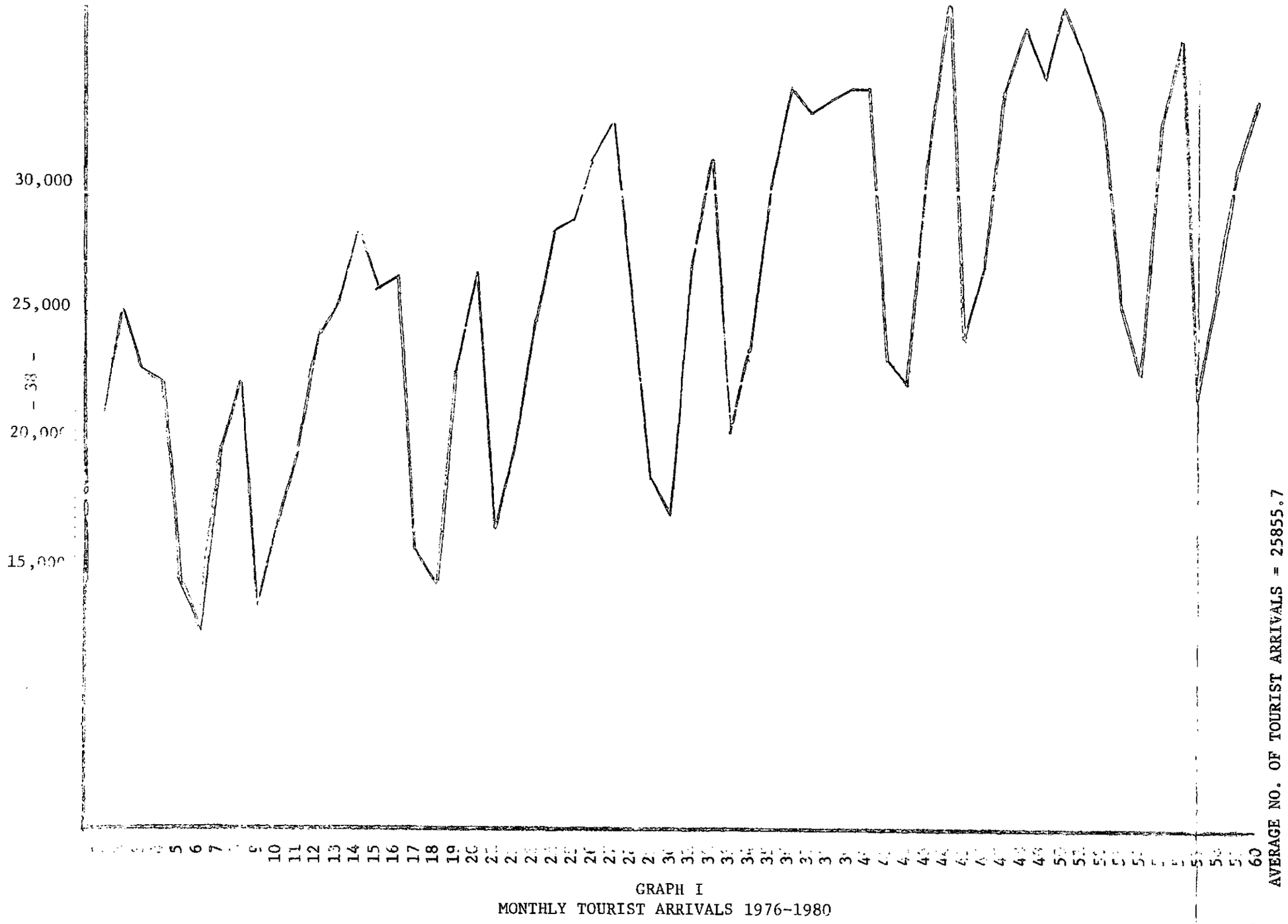
BARBADOS

TABLE XVII

VALUE OF IMPORTS OF SELECTED HYDROCARBONS
($ Mill.)

Commodity	Classification No. SITC Rev.2	1976	1977	1978	1979	Jan-Nov 1980
Crude Petroleum	331.01	21.4	26.6	24.8	42.4	32.4
Natural Gas Liquids		-	-	-	-	-
Natural Gas		-	-	-	-	-
Aviation Gasolene	332.11	0.2	0.4	0.6	0.3	1.3
Motor Gasolene	332.13	-	-	-	-	-
Kerosene	332.22	0.0	0.0	0.0	0.0	0.0
Jet Fuel	332.21	15.8	18.2	17.8	33.0	58.1
Diesel Oil	332.32	4.7	7.2	6.3	9.9	12.2
Other Fuel Oil		5.4	6.6	6.9	10.9	15.7
Liquified Petroleum Gas	341.11	3.4	3.5	4.0	5.2	7.2
Other Gases	341.19	0.0	0.0	0.1	0.3	0.7

Source: Statistics of Monthly Overseas Trade, Barbados, Statistical Service, February 1978, and data supplied CEPAL.



GRAPH I
MONTHLY TOURIST ARRIVALS 1976-1980

PART VII

GRENADA COUNTRY NOTES

ECONOMIC ACTIVITY 1980

GRENADA
(East Caribbean dollars used throughout)[1/]

Gross Domestic Product (GDP) for 1979 increased by 15.3 percent at market prices. The recently initiated retail price index showed that prices increased by 12.3 percent in 1979.[2/] The major areas of growth were Agriculture, Forestry and Fisheries at 22.6 percent and the Wholesale and Retail Trade sector at 27 percent. Construction also showed an increase of 12.9 percent and Manufacturing, of 10.2 percent.

For 1980, GDP is estimated to have grown by approximately 10 percent at market prices but is estimated to have declined in real terms as prices increased by an average of 20.6 percent. Agriculture, Manufacturing and Tourism have all shown declines, whereas only the Government sector was estimated to have registered an increase. All other economic activities are estimated to have shown little change from 1979, so that the overall picture for 1980 was one of decline.

In the External sector, in 1979 gains were made in export agriculture and to a lesser extent in some industrial products, thus showing an increase in domestic export earnings of approximately 24 percent. At the same time imports increased by 22.9 percent. In 1980 export earnings declined by 19.2 percent mainly because of reduced output in agriculture, and imports increased by 15.5 percent.

The excess of the deficit on visible trade over domestic exports had been declining steadily from 25 percent in 1977 to 13 percent in 1978 to 5.7 percent in 1979. For 1980, however, the trend was reversed and the deficit now stands at 102 percent of domestic exports.

1/ US$1.00 = EC$2.65.

2/ Average of twelve months.

Progress made towards improving the balance of payments in past years was therefore negated in 1980.

Government activity increased significantly in 1979 with current income increasing by 89 percent and capital expenditure by 964 percent. Current expenditure was maintained at a modest 10.4 percent. As a result of the massive increase in capital expenditure, however, the overall budget deficit increased by 262.5 percent in 1979. For 1980, current income increased by 3.9 percent, and current expenditure by 12.8 percent. Capital expenditure declined from the previous year by 22 percent as did total expenditure, by 1.2 percent. As a result the budget deficit was reduced by 61.5 percent, although it still stood at a high level and would have serious implications for the balance of foreign payments in the future, particularly as domestic output fell in 1980.

Agriculture, Livestock, Forestry and Fishing

The islands of Grenada and Cariacou are estimated to have 84,000 acres of land with less than 30 percent defined as arable. Medium and large scale farms defined as those having over 5 acres, account for 4.9 percent of total farm population, while farms of less than 5 acres comprise 95.1 percent of that population. Medium and large farms together produce mainly for the export market, accounting for 81.5 percent of banana production and 45 percent of nutmeg output. Small farms produce 55 percent of nutmeg output and 18.5 percent of the banana crop. They are also producers of 85 percent of the root and vegetable crop, a portion of which enters the export market through the inter-island huckster trade, and a portion of which enters the domestic marketing system. It is estimated that 30 percent of such production does not enter the formal market.

The relative importance of the Agricultural sector has increased since 1972, when it contributed 20.5 percent of GDP to 1979 when it accounted for 32 percent. It provided employment for 25 percent of the formally employed Grenadian population in 1980. The Agricultural sector contributed in excess of 87 percent of earnings of total domestic exports in 1980.

For 1979 the production of main export crops showed increases over 1978. The production of sugar cane and domestic crops all showed declines from the 1978 performance. Nutmegs, cocoa beans and banana showed increases of 35 percent, 15 percent and 21 percent respectively. The major decreases were in vegetables where cabbages, tomatoes and carrots registered declines of 31 percent, 23 percent and 19 percent respectively. The root crops also showed small declines.[3/]

For 1980 all agricultural crops have shown significant decreases. The smallest decreases were registered by traditional export crops with declines of 12 percent on average. Domestic crops have shown dramatic decreases ranging from 40 percent to 90 percent. The low output levels have been attributed to adverse weather conditions, flood rains in the last half of the year, and the destructive effect of hurricane "Allen" in August 1980. Further investigation indicates that planting of vegetables was reduced in 1980 because of reduced demand by hotels. The accuracy of the figures relating to domestic crops is also open to some question, although the method of collection has not changed since 1979.

Present conclusions regarding the fact of substantial decline in agricultural output are confirmed in other areas such as export figures, foreign earnings and a significant reduction in investment in 1979; but an accurate analysis of the precise magnitude of the decrease will have to await the availability of fuller data. Suffice it to say that recorded agricultural output for 1980 declined in all crops.

The number of acres under forestry production in 1980 was approximately 3,966 hectares comprising natural forest and cultivated forest. Approximately 30,000 forestry seedlings were produced in nurseries in 1980 A Forestry Development Corporation has been established to co-ordinate the development of forests and market its products.

3/ See Table II in Statistical Appendix.

The Government of Grenada currently operates thirty estates. Six of these farms have recently been consolidated to be run as a commercially viable enterprise. They consist mainly of tree and vegetable crops and are to provide a steady supply of raw materials for the Government's Agro-industrial complex. The other twenty-four farms will at a later stage be assimilated and operated on a similar footing.

Recent land use surveys indicate that the land under production has declined from 24,371 hectares in 1961 to 18,847 hectares in 1975. Estimates are that further reduction has taken place since then. In an attempt to increase the land under production, a series of initiatives has been identified for action as follows:

i) an inventory of land capability is to be made;

ii) infrastructure such as water, electricity and road development has to be provided in agricultural areas; and

iii) measures to reverse the trend away from agricultural employment, such as improved agricultural training and increased incomes for rural populations are to be given priority.

It is hoped that the provision of infrastructure in rural areas will of itself make agriculture more attractive to workers, but the National Agricultural Co-operative Development Agency (NACDA) has also been established to assist in the creation of agricultural, fishing and other types of co-operatives. The rationale for co-operative development is to make maximum use of idle lands and idle manpower.

Fish production in 1980 was approximately 3.6 million kilos, a decline from 4.0 million kilos in 1979. A fisheries training school has been established to improve fishing techniques and a project negotiated with the International Fund for Agricultural Development (IFAD) in 1980 is designed to boost the production of artisanal fishermen. A national fishing corporation has been established to co-ordinate the overall production and marketing of fish.

Manufacturing Sector

The Manufacturing sector in Grenada is relatively small and at an early stage of its development. The main activities are the production of sugar, flour and animal feed; edible oil, coconut meal and soap from copra; fruit and vegetable processing, beer, rum, cigarettes, furniture and garments.

Manufacturing contributed approximately 2.7 percent of GDP in 1979 and is not expected to change significantly in 1980. The sector provided employment for 10 percent of the labour force in 1980, an increase from 8 percent in 1970. The enterprises are predominantly small scale, since 75 percent of them employ ten workers or less and 50 percent employ five workers or less. Industrial production is based on a small range of products and a small number of enterprises, with twenty-five firms accounting for 80 percent by value of total industrial production in 1980.

In 1979, Manufacturing showed increases in all areas except sugar and the garment industry, with decreases of 11.5 percent and 4.9 percent respectively. The main growth areas in 1980 were the furniture industry and clothing. All other sectors which were dependent upon local agricultural inputs declined, no doubt as a result of reduced agricultural production. A case in point is the processing of copra where output of edible oil declined by 27 percent, coconut meal declined by 17 percent and laundry soap declined by 40 percent, because of lack of copra. Similar trends are evident where declining production of sugar cane has reduced sugar and rum production in 1980 by 5.7 percent and 3.5 percent respectively over 1979.[4/]

The two activities showing growth - furniture and garment production - are doubly significant as they also show rapid growth rates in export earnings of 122 percent and 123 percent respectively.

4/ See Table III in Statistical Appendix.

They are also labour intensive and are activities warranting further expansion.

Growth in the Industrial sector has been constrained by a number of factors including clear and consistent government policies, market size, skills and a conducive investment climate. In the past two years some of these constraints have been addressed.

The Peoples' Revolutionary Government has clarified its policy in an attempt to remove uncertainty and improve the investment climate. It has indicated that it is in favour of a mixed economy and is prepared to participate in joint ventures with local and foreign private investors. Foreign investment projects are judged in accordance with their capacity to transfer foreign capital rather than to bid away domestic capital from local entrepreneurs; to transfer appropriate technology; to improve the skills and responsibilities of Grenadians; to reduce the cost of the output to local consumers; to provide access to new markets.

Sectors and projects are favoured that substitute for imports through the use of indigenous, natural and human resources. Accordingly, priority is given to Agro-industry, Forestry and forestry products, fish processing, local handicraft, and other light industries. The highest priority is now given to fruit and vegetable processing. A factory within the Agro-industry Division of the Ministry of Agriculture, Forestry, Fisheries and Tourism has been engaged since 1979 in processing nectars, fruit syrups, jams and jellies, condiments and sauces and vegetable soup. Further processing of other crops such as limes, coffee, coconuts and sugar cane is proposed, and nutmegs and cocoa will at a later stage be processed.

The opening of forests and the processing of forestry products is expected to reduce timber import requirements from the present 85 percent to 50 percent and increase the local component of the export furniture industry, which Government proposes to encourage through export credits and some duty-free raw material inputs.

The impetus towards diversification is also evident in other sub-sectors. Fish processing activities have already begun with the canning of small local fish; and the salting, dehydration and smoking of fish is proposed for the expanding fishing industry. Similarly, handicraft produced in cottage industry type operations is being encouraged for sale to tourists.

While policies to expand those import substitution industries linked to established agricultural production are logical, there is still need to diversify the manufacturing base to incorporate those activities which are important earners of foreign exchange and which provide a hedge against poor years of agricultural output, as was the case in 1980.

Tourism

In 1979 the Caribbean accounted for 3 percent of world tourism. In that year Grenada accounted for 0.4 percent of the Caribbean total. During the decade of the 1970's, while the Caribbean as a whole showed an upward trend in tourist arrivals from 4.26 million in 1970 to 8 million in 1979, Grenada fluctuated between growth and decline. Stopover visitors amounted to 30,436 in 1970, 37,933 in 1972, 14,723 in 1974 and 29,418 in 1980.

Statistics related to cruise ship visitors during this period also showed a large fluctuation from 41,261 in 1970 to 132,297 in 1973; a significant decline in 1974 to 57,644 and a gradual upward trend to a peak year in 1980 of 145,594. But while the total number of arrivals has shown a steady increase from 1974, 1980 shows an 8.8 percent decrease from the 1979 total stopover visitors of 32,252.

For 1979, gross tourist expenditures were estimated at $53.5 million. Expenditures for 1980, however, declined by 2.2 percent to $52.4 million. Despite the fact that retained earnings are significantly reduced by the high import content of the industry, the contribution of tourism to the Grenadian economy is significant. Moreover, the Grenada Tourism Department estimates that approximately 10 percent of the employed labour force is employed directly or indirectly by the industry.

Grenada's traditional tourist markets have been in USA, Canada, Europe, and the Caribbean which together account for over 98 percent of stopover visitors. Recently, however, continental Europe shows the most rapid growth area, particularly the Federal Republic of Germany which recorded a 39.6 percent increase between 1977 and 1980 while the United States and Canada recorded a decline in stopovers of 19 percent over this period.

While small in overall terms, Grenada has a high rate of repeat business, surveys indicating that 30 percent of summer respondents had visited the island before, 11 percent of which had visited the country four or more times. The figures for winter respondents were 31 percent and 15 percent respectively. At the same time there is still underutilized hotel capacity. The industry had an occupancy rate of 32 percent in 1978, but indications are that this has declined slightly since then. One can conclude that those visiting Grenada are reasonably satisfied with the tourist facilities they find, but there is clearly the need for a greater promotional effort and the removal of other constraints to procuring a larger quantity of stopover visitors. The available evidence seems to indicate that independent tourists still form the bulk of the travellers to that island, in the face of the trend elsewhere for Charter operations to predominate.

While the independent traveller is often influenced by the reactions of other visitors, or previous visits in the case of Grenada's high repeat traffic, and is therefore less susceptible to the adverse press publicity arising from subjective judgments, it is clear that if the number of stopover visitors is to grow quickly, means will have to be found to catch the eye of the casual tourist and direct him to Grenada. This implies special efforts with travel writers and large travel agencies. While this will entail a greater volatility in the market the effort is worth the risk since the industry is at this stage building on a solid base and must attempt to increase the levels of occupancy rather than to expand capacity of the industry.

The Grenada Tourist Authorities have already moved to meet some

of these concerns as follows:

i) the re-organization of the tourist sector with Cabinet representation in 1979;

ii) introduction of a planned marketing programme: - the appointment of a North American Public Relations Agency to publicize the tourist potential; diversification of marketing efforts away from North America, to the high growth area in Europe;

iii) the construction of an international airport closer to the main tourist areas which will be able to accommodate wide-bodied aircraft and night arrivals;

iv) the provision of improved intransit facilities in Barbados for travellers to Grenada.

At the same time, policies have been laid down to upgrade the quality of tourism, to improve the transportation facilities for tourists, and to upgrade the skills of persons operating in the sector.

Finally, Government has decided to integrate tourism into the overall planning system in order to ensure higher retained earnings and a balanced process of growth for the sector.

External Trade Developments

During 1979 and 1980, the deficit on visible trade account increased by 19.9 percent and 50 percent respectively. While the value of domestic exports increased by 24 percent between 1978 and 1979, it decreased by 19.2 percent between 1979 and 1980. At the same time the import bill decreased by 22.8 percent between 1978 and 1979, and by a further 15.5 percent between 1979 and 1980.

The reduction in export earnings in 1980 was due to the poor performance of the major agricultural export commodities particularly cocoa and nutmegs, the earnings of which declined by 33.7 percent and 31 percent respectively from those of 1979. Whereas earnings from the main traditional export crops as a group grew by

26.3 percent in 1979 they contracted by 25.7 percent in 1980. At the same time, however, some non-traditional exports showed good performance although their impact on export earnings as a whole is still small. Cinnamon showed a 100 percent increase in 1980 over 1979, and although this followed years of decline, its overall contribution to total domestic export earnings has increased from 0.1 percent to 0.16 percent, between 1974 and 1980.

Clothing showed a 123 percent increase in 1980 and has been a consistently good performer with the exception of 1979, when it declined by 2.0 percent. Long term performance is, however, consistent, with this product moving from 2.3 percent of domestic exports in 1974 to 5.0 percent in 1980. Policy measures such as preferential access to raw materials are now in force for this sector because of its growth potential as well as the positive social impact of such growth.

Furniture exports have shown steady growth with the exception of 1979 when the factory was offstream for some months. In 1980 it showed growth of 122 percent over 1979, but more meaningfully, a 13.4 percent growth over 1978. It has moved from 1.6 percent to 1.8 percent of the value of total domestic imports between 1974 and 1980.

Long term trends show a steady decrease in the importance of the traditional export products from 91 percent of total domestic exports in 1974 to 87 percent in 1980. Non-traditionals moved in this time period from 5.3 percent to 7.5 percent. Unfortunately, this shift is taking place with an overall decline in the output of the traditional export crops. If the performance of traditional exports had sustained the same rate of growth in 1980 as in 1979, the deficit on visible trade would have grown by 6.5 percent instead of the figure of 52 percent actually registered.

The major destination for exports was the EEC, accounting for 84 percent of exports in 1979 and 75 percent in 1980. The United Kingdom was the major destination within the EEC; CARICOM was the second most important area for exports, and while the magnitudes were relatively small, growth has been steady, showing a 41 percent increase over 1978

and a 29 percent increase in 1980.

On the import side, total imports in 1979 increased by 22.8 percent over 1978 and by 15.5 percent in 1980 over 1979. The increase in the deficit on visible trade in 1979 was due to increased imports while in 1980 it was due mainly to decreased output of traditional export products since unit prices, with the exception of cocoa which increased, remained relatively stable.

Among imports in 1979 the greatest increases were in capital goods, of 130.8 percent, 80 percent of which was for airport development. Consumer goods increased by 34 percent and intermediate goods declined by 25 percent, most significantly in fertilisers.

For 1980, intermediate goods increased by 23.6 percent, consumer goods by 19 percent and capital goods declined by 4.7 percent from the huge increase of the year before. Once again, a significant proportion of capital goods imported, over 30 percent, was related to be the new airport construction.

The deficit on visible trade was financed by a favourable balance on the service account, net transfers from governments and international agencies, and dealings with IMF and ECCA. In this respect, transfers in the form of grants increased by 1513 percent in 1979 and remained at a high level in 1980, though decreasing by 6.5 percent from 1979. External debt increased by 30.3 percent in 1979 over 1978 and by 15.5 percent in 1980.

Transport

There are approximately 600 miles of primary, secondary and tertiary roads in Grenada. The road system has suffered from long-term neglect, added to which, unusually heavy rains in the latter part of 1980 did further damage. It presents a serious constraint to production, particularly agriculture, where it is estimated that produce to the market might increase by 40 percent if farmers had reasonably priced, efficient and available transportation. At the same time, it significantly increases the depreciation of existing motor vehicles.

Examination of the Grenada Government Project list for 1980-1984 shows an acute awareness of the need to upgrade the road system and to train operatives in skills to ensure continued road maintenance, and six projects valued at US$14.75 million are proposed to that end.

The existing airport, Pearls, is located on the eastern side of the island and is approximately one hour by car from the capital. It is incapable of accepting jet aircraft or of handling night flights. The country is dependent on the feeder service LIAT to transport its tourists.

Efforts have been made to upgrade the LIAT service to Grenada and to improve the speed of handling intransit international tourist traffic mainly in Barbados. Negotiations are also currently underway with other airlines in the region to fly to Grenada.

A new jet airport is currently under construction at Point Saline in the south west of the island which is near to St. George's, the capital and main tourist activity. The first phase is expected to be finished at the end of 1981, with completion scheduled for 1983. It is expected that the new airport will increase tourist arrivals significantly since the main growth area in international tourism is the charter business based on fuel-efficient jet aircraft, presently precluded from entering Grenada. It is also hoped that rapid and efficient freight handling will open new export possibilities.

Port handling facilities are deemed to be inadequate particularly in the light of increased cruise ship arrivals and increasing use of containers. Proposals exist to upgrade the St. George's Port by the addition of a two-acre container handling yard, provision of one additional acre for two-schooner births, construction of a roll-on/roll-off ramp and a cruise ship birth. The jetty in Carriacou also needs upgrading with the improvement of landing facilities and the provision of storage areas.

Developments in Employment and Unemployment

Total population of Grenada is estimated to be 110,740 at the end

of 1980. Approximately 47 percent of the population is estimated to be below fifteen years old.

Total employment for 1980 is estimated to be 30,520 persons. No data exist on unemployment but a significant proportion of the eligible population is not formally employed, or is underemployed. This is particularly true of the Agricultural sector which is estimated to employ approximately 25 percent of the employed population, and is exceeded only by the Service sector at 30 percent as the largest employer of labour. Following these activities are Trade and Commerce, employing 11 percent and Industry 7 percent.

Given the significant increase in capital expenditure of 964 percent in 1979 over 1978, particularly in the construction of the new airport at Point Saline, employment would be expected to increase significantly. This would be particularly true as the performance of the agricultural sector was good, showing increases in the main export products. For 1980, however, this performance was not sustained in Agriculture, and its effect upon the industrial processes dependent upon agricultural products would also manifest itself in lower levels of employment.

For the two year period, employment rates in tourism activities would have remained relatively stable and not have changed significantly from 1978.

While construction and tourism remained stable, therefore, agriculture and industry declined so that the levels of employment in these key areas would have declined. It is fair, therefore, to conclude that the level of national unemployment increased in 1980 over 1979.

One method being used to ameliorate the problem of unemployment is support for co-operatives among young people. This initiative, however, is not yet mature enough to have had significant impact upon employment. It would seem that to obtain significant improvement in the employment situation, it will need to be generated first in the Agricultural sector, through the training and upgrading of skills and

productivity of agricultural workers.

Monetary Developments

For 1979, total money supply increased by 18.4 percent over 1978, comprising of growths of 31 percent in money and 15 percent in quasi-money. Third quarter figures for 1980 show once again an increase of total money supply, but the rate of expansion falling to 7.6 percent comprising growths of 4.2 percent in money and 8.7 percent in quasi-money. Currency outside banks showed a reduction of 20 percent at the end of third quarter of 1980, as compared with the end of third quarter of 1979.

Although there continues to be an expansion of bank credit, the sectoral distribution shows some adverse developments particularly as it relates to the Agricultural sector.[5/] Credit to that sector contracted in 1979 from 1978 by 62.4 percent. It showed further contraction at the third quarter of 1980, at a time when increased investment in the sector is necessary. Industry, however, received increased credit in 1979 and 1980 by 240 percent and 123 percent respectively. Public utilities and building construction showed contraction in 1979 but increased in 1980, as a result of the opening of two housing schemes and a project to provide finance for rural housing repairs. Credits to the Tourism sector also showed increases in both years. It is worth noting that bank crediting to merchandising (i.e. distributive trades and personal loans) has expanded by nearly 50 percent since 1977, while there has been a contraction in agriculture and manufacturing taken together, over the same period.

Fiscal Developments

Government services accounted for 22 percent of GDP in 1979. It grew by 6 percent between 1978 and 1979, and is expected to show further growths in 1980. This sector accounted for 10.4 percent of GDP in 1972.

Tax revenues showed increases of 19 percent in 1979 and were expected to increase further by 11 percent for 1980. Major increases were of income tax, 20 percent in 1979 and 45.6 percent in 1980 due to new methods of tax

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5/ See Table X of Statistical Appendix.

collections, though rates remained the same. In 1980, import duties and export duties show decreases of 16 percent and 40 percent respectively, due to the reduced economic activity and the decline in agricultural exports.

Current expenditure showed modest increases of 10.4 percent and 12.8 percent for 1979 and 1980. Of this, increases in wages and salaries were 0.3 percent and 4.4 percent for 1979 and 1980 respectively. Capital expenditure was budgeted to increase by a massive 964 percent in 1979 and to decline slightly by 21 percent in 1980. There has traditionally been difficulty in absorbing much smaller expenditures and it is unlikely that these levels of budgeted expenditure were met in 1979 or 1980.

If aid funds are excluded, there was a deficit on current account of $525,000 in 1979 and of $2.64 million in 1980.

Prices and Wages

A detailed retail price index was compiled for Grenada with January 1979 as the base period. Food which is given a weight of 59 percent showed an increase of 13.5 percent for 1979 and 17.6 percent for 1980. The All Items index showed increases of 12.3 percent for 1979 and 20.5 percent for 1980. In view of the well known problems of petroleum importing countries, it is not surprising that the components fuel and light, and transport had increases of 43.6 percent and 37 percent over 1979 respectively. Other areas of above average increase were clothing and footwear, and household supplies, both of which have large import components. Conversely, furniture and appliances and housing, showed below average price increases.

Comprehensive wage statistics are difficult to obtain. A brief examination of wage contracts, signed for 1979 indicates an increase of, on average, 21 percent, 13 percent and 8 percent for the usual three year contract. For 1980, increases were on average lower, reflecting a realization on both sides of the bargaining table that economic performance was not comparable to 1979. Agreements averaged 16 percent, 12.5 percent and 8 percent for the three year period. For 1980, therefore, wage increases were restrained below the rate of inflation.

GRENADA

TABLE I

GROSS DOMESTIC PRODUCT - BY ECONOMIC ACTIVITY
AT FACTOR COST - 1976-1979

	In Current Factor Cost EC$ million				Percentage breakdown		Annual Growth Rate		
	1976	1977	1978	1979	1972	1979	1977	1978	1979
Agriculture	33.8	36.7	40.6	49.8	20.5	31.9	9.1	10.6	12.9
Mining and Quarrying	0.1	0.1	0.1	0.1	0.2	0.1	0	0	0
Manufacturing	2.6	3.1	3.9	4.3	4.1	2.7	19.2	25.8	10.2
Construction	2.5	3.0	3.1	3.5	9.3	2.2	20.0	3.3	12.8
Sub-total	39.0	42.9	47.7	57.6	34.1	36.9	10.0	11.2	20.7
Electricity and water supply	2.0	2.1	2.4	2.8	1.3	1.8	5.0	14.3	16.7
Transportation and communication	5.4	8.1	8.9	9.9	9.0	6.3	50.0	9.9	11.2
Sub-total	7.4	10.2	11.3	12.7	10.3	8.1	37.8	10.8	12.4
Wholesale and retail trade	11.2	16.3	18.5	23.5	1/	15.0	45.5	13.5	27.0
Hotels and restaurants	2.6	3.7	4.4	4.5	1/	2.9	42.3	18.9	2.3
Government services	21.3	20.5	32.7	34.6	10.4	22.1	-3.7	59.5	5.8
Miscellaneous services	15.3	17.3	20.9	22.9	13.1	14.6	13.1	20.8	9.6
Sub-total	50.4	57.8	76.5	85.5	1/	54.7	14.6	32.3	11.8
TOTAL GROSS DOMESTIC PRODUCT	96.8	110.9	135.5	156.3	1/	100.0	14.6	22.2	15.3

1/ Figures not available for 1972.

Source: Ministry of Finance, Ministry of Planning, Grenada.

GRENADA

TABLE II

INDICATORS OF AGRICULTURAL PRODUCTION

	Unit	1977	1978	1979	1980	Annual Growth Rate 1978	1979	1980
Production of main export crops								
Nutmegs	Tonnes	2,455	2,087	2,819	2,488	-15.0	35.1	-11.7
Mace	"	331	271	336	293	-18.2	23.9	-12.8
Cocoa beans	"	2,046	2,413	2,774	2,131	17.9	14.9	-23.2
Bananas	"	15,240	15,656	18,991	16,536	2.7	21.3	-12.9
Production of domestic crops								
Sugar cane	"	16,452	15,726	13,452	9,773	-4.4	-14.5	-27.3
Root crops								
Yams	'000 kg	511	496	506	34	-3.0	2.0	-93.3
Sweet potatoes	"	405	391	371	23	-3.5	-5.1	-93.8
Tannias	"	273	280	271	15	2.6	-3.2	-94.5
Dasheen and Eddoes	"	173	166	164	36	4.0	-1.2	-78.1
Cassava	"	181	164	...	...	-9.4	-	-
Vegetables								
Carrots	"	44	42	34	8	-4.5	-19.0	-76.5
Tomatoes	"	76	55	42	24	-27.7	-23.6	-42.9
Cabbages	"	56	57	39	23	1.8	-31.6	-40.0
Fruits								
Oranges	"	893	961	1,000	26	7.9	4.1	-97.4
Mangoes	"	1,454	1,445	1,517	-	-0.7	4.9	-
Grapefruits	"	1,555	2,009	2,109	53	29.2	4.9	-97.6
Limes	"	445	499	488	42	12.1	-2.2	-91.5
Avocado	"	989	1,240	1,236	151	25.4	-0.3	-87.8

Source: Statistical Unit, Ministry of Agriculture
Statistical Office, Grenada.

GRENADA

TABLE III

INDICATORS OF MANUFACTURING PRODUCTION

	Unit	1977	1978	1979	Jan-Oct 1979	Jan-Oct 1980	Annual Growth Rate 1978	1979	1980 1/
Production of some important manufactures									
Sugar	Tonnes	522	592	524	-	494 2/	13.4	-11.5	-5.7
Rum	'000 litres	398	337	359	282	272	-15.3	6.5	-3.5
Beer	"	1,133	1,447	1,674	1,357	1,133	27.7	15.6	-16.5
Malt	"	272	187	485	411	429	-31.2	159.3	4.4
Edible Oil	"	244	290	308	278	202	18.9	6.2	-27.3
Coconut Meal	'000 kg	106	153	296	259	215	44.3	93.5	-16.9
Laundry Soap	"	25	26	27	25	15 3/	4.0	3.8	-40.0
Clothing 4/	EC$'000	743	1,012	991	-	2,213 2/	36.2	-2.1	123.3
Furniture 4/	"	393	716	365	-	812 2/	82.2	-49.0	122.5

1/ On partial data.

2/ Production for 12 month period, January-December 1980.

3/ Factory offstream, January-June, due to lack of raw materials.

4/ Data relate to exports.

Source: The Statistical Office, Grenada.

GRENADA

TABLE IV

SELECTED TOURIST STATISTICS

	1977	1978	1979	1980	Annual Growth Rate 1978	1979	1980
Stop-over visitors	28,536	32,336	32,252	29,418	13.3	-0.3	-8.8
Cruise-ship visitors	108,465	116,331	138,654	145,594	7.3	19.2	5.0
Number of cruise-ship calls	184	188	200	236	2.2	6.4	18.0
Average length of stay of stop-over visitors (days)	14.4	18.7	19.7	18.0	29.9	5.3	-8.6
Number of yacht calls	1,609	2,079	926	1,863	29.2	-55.5	101.2
Number of hotel and guest house beds	1,500	1,500	1,500	1,500	0.0	0.0	0.0
Estimated visitors' expenditure ($'000)	21,565	39,438	53,594	52,416	82.9	35.9	-2.2

1/ Data supplied by Statistical Office, Grenada. CTRC studies for 78/79 included average length of stay for summer visitors at 7.3 nights and for winter visitors at 9.4 nights.

Source: Data supplied by Statistical Office, Grenada; Grenada Tourism Department.

GRENADA

TABLE V

EXPORTS, IMPORTS AND BALANCE ON VISIBLE TRADE: 1976-1980
(EC$'000)

Year	Domestic Exports	Total Exports	Imports	Balance of Visible Trade
1976	32,121.0	34,121.0	66,215.0	-32,094
1977	37,031.6	38,451.6	84,763	-46,312
1978	44,388.0	45,663.0	95,770.0	-50,107
1979	55,167	57,631	117,692	-60,061
1980	44,552	45,814	135,893	-90,079

GRENADA

TABLE VI

AVERAGE EXPORT UNIT VALUES OF SELECTED PRODUCTS
(EC$ Per lb.)

Commodity	1977	1978	1979	1980	Annual Growth Rate 1978	1979	1980
Bananas	0.28	0.29	0.33	.40	3.6	13.8	21.2
Nutmegs	2.42	2.46	2.44	2.54	1.7	-0.8	4.1
Mace	3.32	2.96	2.93	3.32	-10.8	-1.0	13.3
Cocoa	1.94	3.72	5.14	4.38	91.8	38.0	-14.7
Cloves	9.65	9.61	9.52	6.85 1/	-0.4	-0.9	...

1/ Figure of 6.85 includes cloves and stems. No figure is available for cloves alone.

Source: The Statistical Office, Grenada.

GRENADA

TABLE VII

EXPORTS OF GOODS
(EC$'000)

	1977	1978	1979	1980	Breakdown 1974	Breakdown 1980 1/	Annual Growth Rate 1978	Annual Growth Rate 1979	Annual Growth Rate 1980
Main-traditional Exports									
Nutmegs	16,007	10,739	12,413	8,567	34.2	19.2	-33.0	15.6	-31.0
Mace	1,628	1,741	2,313	1,775	8.0	4.0	6.9	32.8	-23.2
Cocoa	8,891	19,574	27,078	17,959	30.7	40.3	120.2	38.3	-33.7
Bananas	8,639	9,314	10,460	10,525	18.6	23.6	7.8	12.3	0.6
Sub-total	35,165	41,368	52,264	38,826	91.4	87.1	17.6	26.3	-25.7
Other Exports									
Cloves 2/	19	521	751	194	1.2	0.4	2,642.1	44.1	-74.2
Cinnamon	69	44	37	74	0.1	0.2	-36.2	-16.0	100.0
Nutmeg oil	209	-	-	-	-	-	-	-	-
Clothing	743	1,012	991	2,213	2.3	5.0	36.2	-2.1	123.3
Furniture	393	716	365	812	1.6	1.8	82.2	-49.0	122.5
Sauces and condiments	24	30	40	39	0.1	0.1	25.0	33.0	-2.5
Sub-total	1,457	2,323	2,184	3,332	5.3	7.5	59.4	-5.6	-52.6
Total Selected Domestic Exports	36,622	43,691	54,448	42,158	98.5	94.6	19.3	24.6	-22.6
Total Domestic Exports	37,032	44,388	56,016	44,552	100.0	100.0	19.9	26.2	-20.5
Total Exports	38,451	45,663	58,479	45,814	-	-	18.8	28.1	-21.6

1/ Percentage breakdown in relation to Total Domestic Exports. 2/ Includes cloves and stems.

Source: Statistical Office, Grenada.

GRENADA

TABLE VIII

TRADE BY MAJOR TRADING PARTNERS
(EC$'000)

	1976	1977	1978	1979	1980
		Domestic Exports by Destination			
U.K.	12,782	14,408	18,752	21,463	19,055
U.S.A.	1,427	1,408	1,146	950	1,838
CANADA	...	...	...	1,603	1,457
LATIN AMERICA	...	...	...	477	886
EEC	14,437	14,371	17,485	24,764	14,619
CARICOM	1,007	1,236	2,442	3,428	4,421
(ECCM)	...	...	...	77	72
OTHERS	...	...	...	2,393	2,205
TOTAL	32,121	37,031	44,388	55,167	44,553
		Domestic Imports by Origin 1/			
U.K.	...	...	...	...	...
U.S.A.	...	...	...	...	...
CANADA	...	...	...	...	...
LATIN AMERICA	...	...	...	...	...
EEC	...	...	...	...	...
CARICOM	...	...	...	...	...
(ECCM)	...	...	...	...	...
OTHERS	...	...	...	...	...
TOTAL	66,215	84,763	95,770	117,692	135,893

1/ Breakdown not available.

Source: The Statistical Office, Ministry of Planning, Grenada.

GRENADA

TABLE IX

MONETARY BALANCE
(EC$'000)

	BALANCE AT END OF DECEMBER			BALANCE AT END OF		Annual Growth Rate		
	1977	1978	1979	Sept 1979	Sept 1980	1978	1979	1980 1/
Money:								
Currency outside banks	3,207	4,045	6,547	4,928	3,903	26.1	61.8	-20.8
Demand deposits	13,780	16,525	20,484	24,986	27,257	20.0	24.0	9.1
Total (M1)	16,987	20,570	27,031	29,914	31,160	21.1	31.4	4.2
Quasi-money:								
Time deposits	28,519	30,336	30,538	34,672	37,853	6.4	0.7	9.2
Savings deposits	41,348	48,885	60,607	53,108	57,580	18.2	24.0	8.4
Total Quasi-money	69,867	79,221	91,145	87,780	95,433	13.4	15.1	8.7
Total money supply	86,854	99,791	118,176	117,694	126,593	14.9	18.4	7.6

1/ On partial data.

Source: Ministry of Finance, Trade and Industry, Grenada.

GRENADA

TABLE X

COMMERCIAL BANKS' CREDIT-SECTORAL DISTRIBUTION
(EC$'000)

	1977	1978	1979	Sept 1979	Sept 1980	Annual Growth Rate 1/ 1978	1979	1980
Agriculture	6,033	6,322	2,397	2,147	2,056	4.8	-62.4	-4.2
Manufacturing	1,897	1,134	3,866	2,921	6,537	-40.2	240.9	123.8
Distributive Trades	15,275	18,456	22,547	22,688	23,226	20.8	22.2	2.4
Tourism	4,400	4,454	4,919	4,762	5,872	1.2	10.4	23.3
Transportation	2,019	2,776	4,302	5,172	5,265	37.5	55.0	1.8
Public utilities (gas, electricity and telephone)	1,270	1,063	530	573	1,407	-16.3	-50.0	145.5
Building and Construction	4,898	4,130	3,274	3,422	4,950	-15.7	-20.7	44.6
Personal Loans	12,666	14,122	18,014	17,173	19,147	34.4	27.5	11.5
Other advances	9,486	12,753	11,601	10,347	13,345	34.4	-9.0	29.0
TOTAL	57,914	65,210	71,432	69,205	81,805	12.6	9.5	18.2

1/ On partial data.

Source: The Ministry of Finance, Trade and Industry, Grenada.

GRENADA

TABLE XI

CENTRAL GOVERNMENT REVENUE AND EXPENDITURE
(EC$'000)

	1977	1978	1979	1980	Annual Growth Rate 1978	1979	1980
Current Revenue	33,600	47,000	88,875	92,364	39.9	89.1	3.9
Tax Revenue of which:	32,006	44,800	53,375	59,164	40.0	19.1	10.8
Income Tax	6,075	8,903	10,720	15,609	46.5	20.4	45.6
Consumption Tax	2,227	2,761	2,655	2,226	24.0	-3.8	-16.1
Import Duties	8,160	9,931	10,816	12,057	21.7	8.9	11.5
Export Duties	4,549	5,745	7,632	4,559	26.3	32.8	-40.3
Other Taxes, Fees and Licences	10,945	17,460	21,552	24,713	59.5	23.4	14.6
Aid Funds	1,594	2,200	35,500 1/	33,200 1/	38.0	1513.6	-6.5
Current Expenditure	32,218	48,800	53,900	61,800	51.5	10.4	12.8
Wages and salaries	16,100	31,700	31,800	33,200	96.9	0.3	4.4
Other current expenditure	16,118	17,100	22,100	28,600	6.1	29.2	29.4
Savings/deficit on current account	1,382	-1,800	34,975	29,886	-130.2	...	-14.5
Capital Expenditure	3,630	3,900	41,500	32,400	7.4	964.1	-21.9
Total Expenditure	35,848	52,700	95,400	94,200	47.0	81.0	-1.2
Gross National Debt	43,871	51,600	57,200	58,300	17.6	10.8	1.9
Domestic Debt	24,513	30,800	30,100	27,000	25.6	-2.3	-10.2
External Debt	19,358	20,800	27,100	31,300	7.4	30.3	15.5

1/ Grants made to the Government of Grenada.

Source: Ministry of Finance, Trade and Industry, Grenada.

GRENADA

TABLE XII

CONSUMER PRICE INDEX (JANUARY 1979 = 100)

Group	% Weight	1979	1980	Average annual % change 1980	% change Dec 1979 and Dec 1980
Total - All Items	100.0	112.3	135.4	20.6	21.8
Food	59.0	113.3	134.7	18.9	17.6
Alcohol and tobacco	2.5	104.1	125.5	20.5	28.8
Clothing and footwear	8.0	116.3	140.8	21.0	33.1
Fuel and light	6.0	124.5	178.8	43.6	31.8
Housing	6.5	101.5	111.4	9.7	10.4
Furniture and appliances	3.0	100.1	105.3	4.1	5.7
Household supplies	3.5	119.7	154.1	28.7	11.6
Transport	4.0	118.5	162.4	37.0	26.9
Miscellaneous	7.5	102.3	128.5	25.6	35.2

Source: The Statistical Office, Ministry of Planning, Grenada.

PART VIII

GUYANA COUNTRY NOTES

ECONOMIC ACTIVITY 1980

GUYANA
(Guyana dollars used throughout)[1/]

Preliminary estimates for 1980 reveal an improvement in the general economic situation with an increase in the Gross Domestic Product (GDP), at current prices, of 2 percent in real terms or a nominal GDP increase of 17 percent above 1979. During the year a higher level of investment and an increased money supply reflected a rise in external activity, mainly in the Export sector. However, these increased export earnings were insufficient to offset other current account expenditure resulting in a further worsening of the balance of payments situation.

The key productive sectors demonstrated a much improved and stable performance in 1980 despite lower outputs in sugar and dried bauxite. This improvement was the result of an export led stimulation of the economy, higher prices for exports, availability of more investment capital for both the Public and Private sectors and the significant reduction in the number of man-hours lost due to industrial disputes.

The real performance in the External sector thus deteriorated further with a "tentatively estimated" balance of payments deficit of $311 million. This position was mainly the result of a deficit in the merchandise trade account which rose by 57 percent in 1980 despite a 32 percent growth in the earnings of goods exported. There were increases in the volumes and values of exports. At the same time the total merchandise trade rose by about 33 percent with the level of imports representing 53 percent of the total trade. This is the result of the higher cost of fuel and lubricant imports and the sustained level of imports of capital goods. Overall, the current account continued to be in a deficit position estimated to be 51 percent higher in 1980.

1/ G$2.55 = US$1.00 as from October 1975.

Emphasis continued to be placed on heavy Public sector expenditure, mainly in Agriculture and Industry, thus creating a strain on the banking system for private investment financing. This resulted in the level of the money supply increasing by over 19 percent in 1980. The renewed activity in the money market did not totally result in the rapid upward movement in the level of domestic prices as measured by the Urban Consumer Price Index. The conservative estimates available point towards some restraint in any rapid inflationary growth mainly through strict government control on price increases. It is anticipated that mark-up margins between the period of acquisition and actual disposal of stock would be monitored to curb excess profits thus ensuring that prices of essential commodities remain as low as possible. However, the inflation rate for 1980 was of the order of 14 percent.

Total Government Income was expected to rise by 14.5 percent but Total Government Expenditures were expected to increase by 34 percent.

The money supply (M_1) increased by 15.7 percent and the Fiscal Deficit by 57 percent. (See Table I).

TRENDS IN ECONOMIC ACTIVITY

GLOBAL SUPPLY AND DEMAND TRENDS

Data presented in Table II suggest that there was increased economic activity in 1980. There was a significant increase in the level of imports which rose by an estimated 37 percent. GDP at market prices was estimated to have grown by about 16 percent.

The increase in economic activity was reflected in the growth of domestic demand by over 22 percent. Both the Public and Private sector levels of fixed investment were expected to rise appreciably during the year. It was estimated that there would be a 24 percent growth during the period under review. An anticipated 22 percent increase in the level of consumption resulted from the continued rise in central government and Private sector consumption. In parallel with this increased level of investment, the level of exports also rose to record an anticipated increase in earnings of more than 31 percent in 1980. However, these increased earnings were insufficient

to offset the increased level of investment resulting in a deterioration of the Trade Balance and an increase in the level of external debt.

GROWTH IN THE MAIN SECTORS

Introduction

Valued at factor cost, the GDP in 1980 was estimated to have increased to about 17 percent above the level achieved in 1979. However, the real output index rose by about 1.5 percent in 1980. The substantial growth in export earnings was the result of higher prices in export markets rather than increased volumes of exports. Sugar exports were expected to decline by 6 percent while bauxite exports were about the same as in 1974. Only alumina was expected to increase significantly. As a consequence of these developments, the sectors Agriculture and Mining and Quarrying contributed to GDP increases of 20 to 30 percent respectively above the 1979 levels. Present estimates indicate that there was also a continued favourable performance in the Service sectors with an increased GDP of over 11 percent in 1980. This performance was achieved because of renewed activity in the Financial sector with a GDP growth of 15 percent and increased Public sector development. However, there was a general slowing down in the growth of the Distribution sector, whereas the Transport and Communication sector increased by about 13 percent, benefiting from the rise in construction activity. Despite these increases the contribution of the Services sector to GDP decreased marginally from 42 percent in 1979 to 40 percent in 1980. (See Table III).

Agriculture

In spite of the mixed performance in the Agriculture sector in 1980, earnings were provisionally estimated to have increased by about 19 percent. The importance of agriculture as measured by its contribution to GDP, rose very slightly in 1980, yet the sector remained the largest single contributor to the total GDP.

Sugar cane and rice (paddy) sub-sectors continued to dominate, jointly accounting for about 62 percent of the agriculture contribution to GDP, representing an increase of 23 percent to the agriculture GDP total.

The contribution of sugar cane to total GDP was about 11 percent or 49 percent of agriculture GDP, while the physical output of sugar cane harvested was estimated to have declined by more than 14 percent in 1980 - some 19 percent below the 1978 production. This indicates that problems continue to plague the industry. The main causes for this poor performance were the adverse weather conditions during the planting and harvesting seasons, the presence of the rust and smut diseases, reduction in the acreage harvested, and the continued incidence of unplanned cane fires. These factors considerably affected the yield, the estimated average ton cane to ton sugar ratio being 13 to 1. However, overall performance showed improvement due to increased earnings from the higher export prices for sugar. There was also a significant reduction in industrial disputes. (See Table IV).

Earnings from rice (paddy) were estimated to have increased by about 28 percent in 1980 with output being about 22 percent higher than in 1979 after two years of reduced production. Despite the level of output the industry was plagued with problems which affected a higher physical output. Output might have been higher but for the shortage of tractors and other machines, lack of spare parts, the absence of adequate water control facilities, adverse weather conditions and other technical problems during the planting and harvesting stages. However, it is expected that the recent increase in the price of milled rice and paddy would keep the output of rice at a high level.

As regards other agricultural sub-sectors, earnings were estimated to have increased by 13 percent to attain some 38 percent of total agriculture GDP. Earnings from non-traditional crops fell by 5 percent. Data for root and tree crops indicated increased production in 1980, mainly in coconuts. Pineapple production continued to increase while corn production continued to decline.

Earnings from fishing were estimated to have shown a 14 percent growth in 1980 mainly due to the 9 percent increase in the production of shrimp, although output of fish fell by over 18 percent in 1980. Both the shrimping and the artisanal fishing fleets were considerably reduced during the year, severely affecting the volumes landed. Main causes for the reduction were shortages of finance, lack of spare parts and inadequate supply of other fishing requisites. The cost of fuel rose by 153 percent over the 1978 level which further aggravated the situation.

The estimated earnings from forestry rose by 8 percent due to new marketing areas, and processing techniques, improved road transportation and other facilities. On the other hand, there was a considerable reduction in numbers of livestock resulting in lower production of pork, mutton and goat. Nevertheless, livestock earnings rose by 8 percent because of higher prices. The causes for the poor performance of the livestock sector are varied, but all livestock output was affected by shortages of animal feed. The short supply of hatching eggs affected poultry output, and pork production suffered unduly with the over-slaughtering of breeding stock in the previous year, while beef output was severely hampered by the lack of transport between the main breeding areas and the capital.

The government continues to work towards a strategy of increased agricultural production. To this end, there have been some improvements in the irrigation and drainage facilities together with improvements in transportation.

Mining and Quarrying

Valued at current prices, Mining and Quarrying generated 19 percent of GDP in 1980, with earnings increasing by 33 percent. Preliminary data in Table V show that considerable improvement was made in the bauxite industry, mainly in the production of alumina. Overall the production went up by roughtly 8 percent in 1980, despite a decline in the production of dried bauxite and alumina hydrate. There was a 64 percent rise in the production of alumina. Extraction of cement

grade bauxite continued to show rapid increases in output. Nevertheless, the sector continued to suffer from a number of technical problems which affected the quality of calcined bauxite and alumina produced in 1980.

Estimates show that there continued to be a decline in the output of diamonds, although gold output remained steady albeit at a lower level than 1978.

Manufacturing

Manufacturing accounted for just over 12 percent of GDP in 1980. This sector showed an estimated increase in earnings of 14 percent, about level with the inflation rate. This is an improvement over 1979.

Earnings from the rice and sugar sub-sectors increased by 25 percent and 16 percent respectively and jointly contributed roughly 36 percent to manufacturing GDP. However, the output of manufactured sugar continued to fall and registered a decrease of 20 percent in the 1980 crop year. On the other hand, the physical output of milled rice rose 22 percent.

Despite the mixed performances of the other manufacturing sub-sectors, total earnings rose 11 percent in 1980. Soap production increased 31 percent and margarine by 46 percent due to increased production of coconuts. Rum production increased by about 13 percent to take advantage of new shipping facilities and the in-roads made into newer markets. Significant decreases were recorded in the production of flour and stock-feeds, while the output of timber and paints reflected continued poor performance.

Production of stoves, refrigerators and plywood increased as a result of more private investment during the year. Some spare parts and other components for industries were also produced locally during the year. Nevertheless, there continued to be problems of frequent power outages and a lack of sufficient foreign exchange for the purchase of much needed spares and other manufacturing inputs. These problems affected the total level of production in the Manufacturing sector.

Construction

There was a 14 percent growth in earnings in this sector during 1980. The main impetus of this activity continued to be concentrated in government

capital development programmes and road building projects. It was estimated that over 100 community projects were completed during the year and that on-going work continued on the Mahaica-Mahaicony Abary project and the Tapakuma projects. Emphasis continued to be placed on expansion of housing construction activity with the development of pre-fabricated timber houses; however, other basic materials for housing were in short supply.

Other Sectors

The rise in the volume and value of imports, together with increases in the capital expenditure programme of government has generated the demand for basic services. The Services sector showed considerable improvement in 1980, accounting for 40 percent of total GDP. This represented a growth of over 11 percent in earnings from 1979 as a result of increases in the Financial and Transport sectors, although the Distribution sector increase was less than in 1979.

The emphasis of government investment policy continued to be on the improvement of infrastructural development in the Agriculture and Industrial sectors with the programme geared towards self-sufficiency and efficient production practices.

PRICES AND WAGES

The level of domestic prices, as measured by the urban Consumer Price Index, rose some 14 percent from 1979. However, this growth was somewhat slower than the price movements in 1978 and 1979 when prices rose by 15 percent and 18 percent respectively. This improvement was attributable to the curtailment of the rapid upward trend of the Food and Clothing categories of the Index. In the last two years these two categories showed substantial growth resulting in large price movements of the All Items Index. Nevertheless, the inflation rate as shown in Table XII of the Appendix was pushed up by large increases in the normally slower rising Housing category and the continued price increase in the miscellaneous category.

In an effort to contain the level of prices the government has established a programme whereby the mark-up policy on about 4,000 basic items can be monitored. So far indications are that this policy has had some measure of success in the curtailment of the rapid growth in prices evident over the last few years. This decision stemmed from a commitment "to defend the wages of the workers by ensuring that the mark-up on essential commodities bears a reasonable relationship to acquisition and selling costs". It is now expected that increases in retail prices would be justified only on the grounds of increased costs, thus allowing for reasonable prices to be charged for basic commodities. This measure should help to cut down the level of subsidies.

However, despite these policy decisions on the control of prices, the rising cost of imported fuel weighed heavily on the level of domestic retail prices of petroleum products, even though Government continued to subsidise them. The cost per imperial gallon of domestic kerosene rose 64 percent in 1980 directly affected by the 53 percent growth in the imported value of the product. Although motor gasolene unit imports costs went up by almost 37 percent the internal prices rose by only 19 percent and 17 percent for regular and premium gasolene respectively, with retail prices of $5.11 and $5.34 per imperial gallon. At the same time internal prices of diesel oil rose 28 percent while fuel oil rose 58 percent, reflecting increases in the unit costs of the respective imports of 55 percent and 43 percent during 1980. It is not yet known what benefit will accrue from the Trinidad Oil Facility. (See Tables XV and XVII).

As regards wages and salaries no full-year data were available for 1980, however, indications are that there were increases in the level of wages and salaries, especially in the Public sector. Further, in an effort to increase the national productivity level the government has advocated an incentive scheme to supplement the incomes of efficient workers. This scheme was apparently successful, though not fully applied throughout the economy, resulting in the considerable reduction of man-hours lost through industrial disputes. There was a decrease in hours lost from 324,473 in 1979 to only 67,620 in 1980.

EXTERNAL SECTOR

Preliminary data indicate the continued deterioration in the Balance of Payments situation in 1980. The current account continued to deteriorate despite a rapid rise in the value of total exports of 32 percent to $1,033 million in 1980. This deterioration was attributable to an estimated 57 percent drop in the Merchandise Trade account, mainly due to the 34 percent increase in the level of imports. Net transfer payments improved considerably in 1980 indicating the extension of external lines of credit for certain imports. Consequently, indications are that the Balance of Payments deficit was tentatively estimated at $311 million in 1980 or 23 percent of GDP. As a result foreign investments increased by $215 million.

Merchandise Trade

Provisional estimates for 1980 indicate a 33 percent increase in the total value of the merchandise trade, amounting to $2,067 million, with export earning accounting for over 47 percent of this total. Total value of traditional exports increased by 36 percent in 1980 with a slower growth of 4 percent in the main non-traditional exports.

There was considerable improvement in the external performance of the bauxite industry, with the total volume of bauxite and by-products exported increasing by about 5 percent and export earnings going up more than 47 percent in 1980. The main contribution of this performance came from the greatly improved export situation of alumina and alumina hydrate with an increase in export volume of 49 percent: earnings increased by over 100 percent in 1980. Though the exported volume of dried and calcined bauxite rose insignificantly in the period under review, the export values rose by over 36 percent in the same period. At the same time, export earnings of sugar recovered from 1979 shortfall earnings with a total export value in 1980 of $294 million, representing an increase of about 30 percent from 1979, despite a further decline in the exported volume of the commodity. On the other hand, the volume of rice exported was much improved over last year resulting also in increased export earnings. Both export

volume and value of rice rose by about 8 percent. (See Tables VII and VIII).

There was a small increase in the value of non-traditional exports mainly with the improved performances in rum and timber exports. The relative growth of export earnings of these two items in 1980 were 92 percent and 12 percent respectively. Added to this, there were marked decreases in the exports of shrimps and molasses.

Indications are that the total imports of merchandise goods estimated at $1,084 million increased by 34 percent in 1980 and total goods and services imported increased by about 37 percent to $1,363 million. These increases took place in spite of the continued shortage of foreign currency and the government's monitoring of imports, reflecting the increase in the price of fuels and lubricants, the total payments of which rose from 31 percent of merchandise exports in 1979 to 37 percent in 1980. It was expected that the imports of fuels would be increased by about 57 percent with an estimated value of $360 million in 1980. At the same time, the growth in the value of other merchandise imports was estimated to have increased by 25 percent, mainly in intermediate and capital goods items.

MONETARY AND FISCAL DEVELOPMENTS

Monetary Developments

The general increase in economic activity accounted for a 19 percent growth in the total money supply estimated at $850 million in 1980. The expansionary effects of domestic credit contributed to the growth in the total money supply with the level of quasi-money (M_2) moving up by 23 percent to $527 million and the level of the more narrowly defined (M_1) increasing by 13 percent in 1980 to $167 million. This situation reflects the increase in the activities of the External sector despite the continuing contraction of the monetary's system net foreign assets. However, the deficit in net foreign assets more than doubled in 1980, being put at $396 million (some 117 percent higher than 1979), whereas the expansion of domestic credit continued in the same period and totalled about $1,464 million - an increase of about 35 percent.

Indications are that savings and time deposits continued to show increases

mainly due to higher interest rates on savings and also increases in wages and salaries. Accordingly, savings grew by about 17 percent, with time deposits going up almost 31 percent in the period under review, jointly accounting for 62 percent of the total money supply. At the same time, the volume of currency outside the banks increased by 13 percent and demand deposits by 16 percent over 1979 levels. Demand deposits grew to $156 million in 1980. The availability of more resources; investment; increases in prices; and other internal developments were factors contributing to these increases.

Similarly, domestic credit both to the Public and Private sectors increased in 1980 by 35 percent. This increase reflects a more liberal lending policy for continued developments in the Agricultural and Industrial sectors. Data presented in Table XIV indicate that the lines of credit extended to the Public sector amounted to $1,256 million and to the Private sector $199 million.

Fiscal Developments

Preliminary estimates show a substantial increase of 15 percent in current income for 1980, mainly attributable to the growth of 24 percent in the earnings from tax revenue. However, the simultaneous growth in the current expenditure of 24 percent resulted in an overall deficit of about $269 million on the current account.

The considerable growth in current income earnings came about with rapid changes in the tax structure resulting in the relatively large returns from tax revenue. Whereas, in the past years the increases in tax revenue were marginal, 1980 saw a rapid increase in the size of the earnings. This came about mainly through substantial increases in the amount of returns from direct and indirect taxes, having increases of 16 percent and 32 percent respectively. On the other hand, other revenue was expected to show a drastic 30 percent reduction in earnings - a turnaround from the previous years.

The failure of certain corporations to pay taxes resulted on

a shortfall in revenue. This coupled with increased wages and salaries expenditure were the factors mainly responsible for the continued deficit on the current account. Additionally, estimates show that debt charges rose by about 18 percent.

Capital expenditure was estimated to have increased by about 61 percent in 1980. This appreciable growth was possible because of the availability of more investment capital, both internal and external, for infrastructural development. More specifically it was necessary for government to increase Public sector expenditure in order to avoid the retrenchment of workers and to speed up the on-going developmental activities. As a result, total expenditure grew by about 34 percent to about $1,056 million in 1980 leaving a considerable deficit on the fiscal performance during 1980.

Indications are that the fiscal deficit amounting to over $602 million was expected to be financed mainly from the banking system. The contribution from Public sector surplus, other internal borrowing and net capital inflow was expected to be $132 million with $117 million coming from the renegotiated Extended Fund Facility with the IMF. This amount was drawn down in two tranches in 1980 out of a possible $300 million available for a three-year period.

STATISTICAL APPENDIX

GUYANA

1980

GUYANA

TABLE I

MAIN ECONOMIC INDICATORS

	1975	1976	1977	1978	1979	1980[p]
BASIC ECONOMIC INDICATORS						
Gross Domestic Product at Factor Cost (millions of Guyana dollars at current prices)	1,098	1,038	1,013	1,126	1,170	1,371
Population (thousands)	787	799	812	824	842	859[e]
Per Capita Gross Domestic Product (Guyana dollars at current prices)	1,395	1,299	1,247	1,366	1,389	1,596
			ANNUAL GROWTH RATES			
SHORT-RUN ECONOMIC INDICATORS						
Gross Domestic Product at Current Prices	26.2	-5.5	-2.4	11.1	3.9	17.2
Per capita gross domestic product at current prices	24.1	-6.9	-4.0	9.5	1.7	14.9
Current value of exports of goods	41.1	-17.3	-6.1	13.4	-1.0	32.3[e]
Current values of imports of goods	43.0	14.4	-13.2	-11.6	13.9	34.3
Consumer Price Index Annual Average Variation	7.9	9.0	8.2	15.2	17.8	14.1

TABLE I (CONT'D)

MAIN ECONOMIC INDICATORS

	1975	1976	1977	1978	1979	1980[p]
Money (M_1)	60.6	7.4	28.9	5.7	-4.4	13.7
Current income of government	48.6[r]	20.9[r]	-11.9[r]	9.5[r]	9.3[r]	14.5
Total expenditure of government	69.3	23.0	-21.6	8.1	24.6	34.0
Fiscal deficit/total expenditure of government (percentage)	19.7	49.6	43.5[r]	42.7[r]	49.7	57.0
			MILLIONS OF DOLLARS			
EXTERNAL SECTOR						
Trade balance (goods and services)	-26	-335[r]	-242[r]	-55[r]	-209	-330[e]
Balance on Current Account	-35.2[r]	-350.8	-251.1	-72[r]	-208	-315[e]
Variation in net international reserves	-92.3	+226.9	+70.6	-49.2	+131.7	...
External debt	533[r]	662	690[r]	739	804	898

GUYANA

TABLE II

TOTAL SUPPLY AND DEMAND

At Current Prices

	G$ Millions				Annual Growth Rate		
	1977	1978	1979pe	1980pe	1978	1979pr	1980pe
TOTAL SUPPLY	2,069	2,096	2,317	2,893	1.3	10.5	24.9
Gross Domestic Product at Market Prices	1,121	1,246	1,320	1,530	11.1	5.9	15.9
Imports of Goods and Services	948	850	997	1,363	-10.3	17.3	36.7
TOTAL DEMAND	2,069	2,096	2,317	2,893	1.3	10.5	24.9
Domestic Demand	1,294	1,245	1,454	1,780	-3.8	16.8	22.4
Gross Fixed Investment	290	241	335	415	-16.9	39.0	23.9
Public	(230)	(194)	(275)	(345)	(-15.6)	(41.7)	(25.4)
Private	(60)	(47)	(60)	(70)	(-21.7)	(27.7)	(16.7)
Total Consumption	1,004	1,004	1,119	1,365	-	11.4	22.0
Central Government	300r	335	355	435	11.7	6.0	22.5
Private	704r	669r	764	930	-5.0	14.2	21.7
Exports of Goods and Services	708	798r	788	1,033	12.7	-1.2	31.1
Net Factor Income Payments	67	53r	75	80	-20.9	41.5	6.7

Source: Statistical Bureau, Ministry of Economic Development, Guyana.

GUYANA

TABLE III

GROSS DOMESTIC PRODUCT BY KIND OF ECONOMIC ACTIVITY AT FACTOR COST

	G$ Million			Percentage Breakdown		Annual Growth Rate		
	1978	1979[p]	1980[pe]	1970	1980	1978	1979	1980
Agriculture	264	259	308	19.3	22.5	25.1	-1.9	18.9
Sugar Cane	(127)	(123)	(150)	(9.2)	(10.9)	(64.9)	(-3.1)	(21.9)
Rice	(40)	(32)	(41)	(2.8)	(3.0)	(-18.4)	(-20.0)	(28.1)
Mining and Quarrying	171	193	257	20.4	18.7	4.3	12.9	33.2
Manufacturing	141	148	168	12.2	12.2	14.6	5.0	13.5
Sugar manufacturing	(45)	(43)	(50)	(3.2)	(3.6)	(66.7)	(-4.4)	(16.3)
Rice milling	(10)	(8)	(10)	(0.8)	(0.7)	(11.1)	(-20.0)	(25.0)
Construction	75	76	87	7.9	6.3	-2.6	1.3	14.5
Sub-total Goods	651	676	820	59.8	59.8	13.2	3.8	21.3
Transport and Communication	60	62	70	5.9	5.1	3.4	3.3	12.9
Distribution	96	106	115	11.5	8.4	4.3	10.4	8.5
Rent, Financial and Other Services	89	92	106	9.6	7.7	3.5	3.3	15.2
Government	230	234	260	13.2	19.0	14.4	1.7	11.1
Sub-total Services	475	494	551	40.2	40.2	8.7	4.0	11.5
TOTAL GROSS DOMESTIC PRODUCT	1,126	1,170	1,371	100.0	100.0	11.3	3.9	17.2

Source: Statistical Bureau, Ministry of Economic Development, Guyana.

GUYANA

TABLE IV

INDICATORS OF AGRICULTURAL PRODUCTION
(Tonnes)

	Unit	1977	1978	1979[p]	1980[pe]	Annual Growth Rate 1978	1979	1980
Sugar Cane	'000 tonnes	3,301	4,042	3,821[e]	3,262[e]	22.5	-5.5	-14.6
Rice (milled)	"	213.4	185	138	168	-13.3	-24.3	21.7
Root Crops	"	24.5	28.2	28.2	29.0	15.1	-	22.8
Plantains	"	19.5	21.3	21.3	22.0	9.2	-	3.3
Coconuts	Millions	25	25	26	29	-	4.0	11.5
Citrus	'000 tonnes	15.4	15.4	10.3	10.7	-	-33.1	3.9
Bananas	"	5.0	6.5	6.5	6.8	30.0	-	4.6
Corn	Tonnes	3,268	2,086	1,670	1,419	-36.2	-19.9	-15.0
Tomatoes	"	2,495	2,856	2,716	2,812	14.5	-4.9	3.5
Pineapples	"	1,905	1,632	1,797	1,860	-14.3	10.1	3.5
Beef	"	3,130	1,860	1,770	1,633	-40.6	-4.8	-7.7
Pigs, sheep, goats	"	2,359	1,724	1,815	1,417	-26.9	5.3	-21.9
Poultry	"	7,393	10,387	10,571	10,433	40.5	1.8	-1.3

Source: Statistical Bureau, Ministry of Economic Development, Guyana.

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TABLE V

INDICATORS OF MINING PRODUCTION
(Tonnes)

	Unit	1977	1978	1979	1980[p]	Annual Growth Rate 1978	1979	1980
Dried Bauxite	'000 tonnes	1,017	1,174	1,020	1,002	15.4	-9.8	-1.8
Calcined Bauxite	"	720	579	577	614	-10.0	-0.2	6.4
Alumina	"	260	230	129	211	-11.5	-39.6	63.6
Alumina Hydrate	"	17	10.1	23	14	-40.6	127.7	-39.1
Aluminous Cement Grade Bauxite	"	-	36.0	9.0	51	-	-75.0	466.7
Gold	'000 ozs	12	15	11	11	-25.0	-6.7	-
Diamonds	'000 carats	17	17	16	10	6.3	-11.8	-37.5

Source: Statistical Bureau, Guyana.

GUYANA

TABLE VI

INDICATORS OF MANUFACTURING PRODUCTION

	Unit	1977	1978	1979	1980	Annual Growth Rate 1978	1979	1980
Sugar	'000 tonnes	246	330	303	242	34.1	-8.2	-20.1
Edible Oil	'000 litres	1,555	1,409	1,159	...	-9.4	-17.7	...
Margarine	Tonnes	2,033	1,937	1,983	2,888	-4.7	2.4	45.6
Flour	'000 tonnes	35	36	40	36	2.9	11.1	-10.0
Molasses	Million litres	90	117	63[e]	...	30.0	-53.8	...
Stock Feeds	'000 tonnes	37	50	57	55	35.1	14.0	-3.5
Rum	'000 proof gallons	3,249	3,380	3,546	3,997	4.0	4.9	12.7
Cigarettes	Millions	558	519	549	567	-7.0	5.8	3.3
Soap	Tonnes	1,916	1,653	1,569	2,053	-13.7	-5.1	30.8
Paints	'000 litres	1,718	1,473	1,200	522 1/	-14.3	-18.5	-56.5
Timber	'000 cubic metres	176[r]	169[r]	154[r]	138[r]	-4.0	-8.9	-10.3

1/ February-December 1980.

Source: Statistical Bureau, Ministry of Economic Development, Guyana.

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TABLE VII

VOLUME OF SELECTED EXPORTED PRODUCTS

	Unit	1977	1978	1979	1980[p]	Annual Growth Rate 1978	1979	1980
MAIN TRADITIONAL EXPORTS								
Bauxite (dried/calcined)	'000 tonnes	1,600	1,601	1,578	1,587	0.1	-1.4	0.6
Alumina/alumina hydrate	"	267	251	146	225	-6.0	-41.8	54.1
Sugar	"	211	286	268	252	35.5	-6.3	-6.0
Rice	"	67	107	86	92	59.7	-19.6	7.0
MAIN NON-TRADITIONAL EXPORTS								
Rum	'000 proof gallons	1,510	1,847	2,103	...	22.3	13.9	...
Molasses	'000 tonnes	89	124	95	...	39.3	-23.4	...
Timber	'000 M^3	36	36	49	...	-	36.1	...
Shrimp	Tonnes	684	763	744	...	11.6	-2.5	...
Diamonds	'000 carats	10	11	11	...	10.0	-	...

Source: The Statistical Bureau, Ministry of Economic Development and data supplied CEPAL.

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TABLE VIII

VALUE OF EXPORTS OF SELECTED PRODUCTS

	Millions of Dollars				Annual Growth Rate		
	1977	1978	1979[p]	1980[pe]	1978	1979	1980
MAIN TRADITIONAL EXPORTS							
Bauxite (dried/calcined)	252.7	250.3	273.8[r]	373	-0.1	9.4	36.2
Alumina/alumina hydrate	78.6	78.0	53.7	108	-0.7	-31.1	101.1
Sugar	185.7	234.6	226.3	294	26.3	-3.5	29.9
Rice	66.8	96.0	80.8	87	43.6	-15.8	7.7
Sub-Total	583.8	658.9	634.6	862	12.8	-3.7	35.8
MAIN NON-TRADITIONAL EXPORTS							
Rum	7.6[r]	9.6[r]	12.5[r]	24	26.3	30.2	92.0
Molasses	6.0[r]	8.9	13.1[r]	12	48.3	47.2	-8.4
Timber	9.1	10.9	14.3	16	19.8	31.2	11.9
Shrimp	12.3	12.4	17.6[r]	9	0.8	41.9	-48.9
Diamonds	0.9	1.5	2.0	2[e]	66.5	33.3	-
Sub-Total	35.4[r]	43.3	59.5	63	22.3	37.4	5.9
Other Exports	32.8[r]	34.1[r]	38.8	...	4.0	13.8	...
TOTAL DOMESTIC EXPORTS	652.5[r]	736.3	732.9	...	12.8	-0.5	...
Re-Exports	9.3	13.9	9.8	...	49.5	-29.5	...
TOTAL EXPORTS	661.8	750.2	742.7	983	13.4	-1.0	32.3

Source: The Statistical Bureau, Ministry of Economic Development, Guyana.

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TABLE IX

DOMESTIC EXPORTS BY SITC SECTIONS

	Millions of Dollars					Annual Growth Rate		
				January-May				
	1977	1978	1979	1979	1980	1978	1979	1980 1/
Food and Live Animals	274.3	354.0	340.6	117.1	108.1	29.1	-3.8	-7.8
Beverages and Tobacco	9.1	11.6	15.4	6.2	9.7	27.5	32.8	56.4
Crude Materials, Inedible except Fuels	341.5	340.8	342.8	157.0	187.6	0.2	0.6	19.5
Mineral Fuels, Lubricants and related Materials	-	-	-	-	-	-	-	-
Animal and Vegetable Oils and Fats	-	-	-	-	-	-	-	-
Chemicals	7.7	8.9	11.5	5.1	4.5	15.6	29.2	-11.8
Manufactured Goods classified by Materials	5.1	4.9	6.0	2.7	2.9	-3.9	22.4	7.4
Machinery and Transport Equipment	3.4	7.3	7.2	1.2	0.8	114.7	-1.4	-33.3
Miscellaneous Manufactured Articles	10.8	8.3	8.0	2.3	2.7	-23.1	-3.6	17.4
Commodities and Transactions not classified according to kind	0.5	0.5	1.4	0.3	0.8	-	180.0	166.7
TOTAL DOMESTIC EXPORTS	652.5	736.3	732.9	291.9	317.0	12.8	-0.5	8.6
TOTAL RE-EXPORTS	9.4	13.9	9.8	...	...	47.9	-29.5	...
TOTAL EXPORTS	661.9	750.2	742.7	...	...	13.3	-1.0	...

1/ January-May.

Source: Statistical Bureau, Ministry of Economic Development, Guyana.

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TABLE X

IMPORTS OF GOODS

	Millions of Dollars					% Breakdown		Annual Growth Rate		
				January-May						
	1977	1978	1979	1979	1980	1970	1980 1/	1978	1979	1980 1/
Consumer Goods	143.0	131.1	147.3	51.3	49.5	34.8	12.6	-8.3	12.4	-3.5
Food	(65.0)	(62.6)	(62.6)	(21.2)	(22.0)	(11.4)	(5.6)	(-3.7)	(-)	(3.8)
Raw Materials and Intermediate Goods	410.9	421.2	511.8	168.4	254.7	29.0	64.9	2.5	21.5	51.2
Capital Goods	226.5	153.6	145.9	55.8	86.1	36.3	21.9	-32.2	-5.0	54.3
Miscellaneous	24.0	5.2	5.1	2.6	2.2	0.0	0.6	-78.3	-1.9	-15.4
TOTAL GOODS IMPORTED	804.4	711.1	810.1	278.3	392.5	100.0	100.0	-11.6	13.9	41.0

1/ January-May.

Source: Statistical Bureau, Ministry of Economic Development, Guyana.

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TABLE XI

IMPORTS BY SITC SECTIONS

	Millions of Dollars (Guyana)					Annual Growth Rate		
				January-May				
	1977	1978	1979	1979	1980	1978	1979	1980 1/
Food and Live Animals	100.1	93.3	107.3	37.8	44.6	-6.8	15.0	18.0
Beverages and Tobacco	4.2	3.6	4.4	1.6	1.7	-14.3	22.2	6.2
Crude Materials, Inedible except Fuels	9.0	7.0	7.0	2.7	3.3	-22.2	-	22.2
Mineral Fuels, Lubricants and Related Materials	160.7	170.2	230.7	54.9	129.0	5.9	35.5	135.0
Animal and Vegetable Oils and Fats	14.9	18.2	20.1	9.4	4.4	22.1	10.4	-53.2
Chemicals	73.1	79.2	82.2	35.4	24.4	8.3	3.8	-31.1
Manufactured Goods, Classified by Materials	152.9	155.3	168.4	66.2	63.8	1.6	8.4	-3.6
Machinery and Transport Equipment	223.1	146.5	145.5	54.8	102.3	-34.3	-0.7	86.7
Miscellaneous Manufactured Articles	43.4	33.6	40.3	13.5	17.6	-22.6	19.9	30.4
Commodities and Transactions not classified according to kind	22.9	4.1	4.3	1.9	1.2	-82.1	4.9	-36.8
TOTAL IMPORTS	804.3	711.1	810.1	278.3	392.5	-11.6	13.9	41.0

Source: Statistical Bureau, Ministry of Economic Development, Guyana.

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TABLE XII

EVOLUTION OF URBAN CONSUMER PRICE INDEX
(1970 = 100)

	All Items Index	SUB-GROUP INDICES			
		Food 1/	Clothing	Housing	Miscellaneous
1975	144.5	168.9	153.4	113.2	135.2
1976	157.5	192.2	162.5	113.4	147.6
1977	170.5	208.7	185.9	115.3	164.5
1978	196.5	244.7	240.7	116.6	195.4
1979	231.4	291.0	313.2	125.3	228.6
1980	264.0	326.2	365.6	140.7	273.4
			ANNUAL GROWTH RATE		
1975	7.9	8.3	10.5	5.9	8.1
1976	9.0	13.8	5.9	0.2	9.2
1977	8.2	8.6	14.4	1.7	11.4
1978	15.2	17.2	29.5	1.1	18.8
1979	17.8	18.9	30.1	7.4	17.0
1980	14.1	12.1	16.7	12.3	19.6

1/ Includes Beverages and Tobacco.

Source: Annual Report 1979, Bank of Guyana; Statistical Bulletin, April 1981, Bank of Guyana.

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TABLE XIII

MONETARY BALANCE
(G$ Mill.)

	Balance at end of Period				Annual Growth Rate		
	1977[r]	1978	1979	1980[p]	1978	1979	1980[p]
MONEY (M_1)	281	297	284[r]	323	5.7	-4.4	13.7
Currency outside banks	143	156	148	167	9.1	-5.1	12.8
Demand deposits	138	141	135	156	2.2	-4.2	15.6
FACTORS OF EXPANSION	661	794	897	1,068	20.1	13.0	19.1
Foreign assets (net)	-109	-59	-182	-396	54.1	-208.5	-117.6
Domestic credit	770	853	1,084[r]	1,464	64.9	27.1	35.1
Government (net)	(534)	(603)	(743)[r]	(1,029)	(12.9)	(22.2)	(38.5)
Official entities	(123)	(127)	(177)	(236)	(3.2)	(39.4)	(33.3)
Private sector	(113)	(123)	(164)[r]	(199)	(8.8)	(33.3)	(21.3)
FACTORS OF ABSORPTION	380	497	620[r]	741	30.8	24.7	19.5
Quasi-money (M_2) (savings and time deposits)	322	370	430[r]	527	14.9	16.2	22.5
Other items (net)	58	127	190[r]	214	118.9	49.6	12.6

Source: Annual Report 1979, Bank of Guyana, and data supplied CEPAL.

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TABLE XIV

CENTRAL GOVERNMENT INCOME AND EXPENDITURE

	1977[P]	1978[P]	1979[P]	1980[P]	Annual Growth Rate 1978	1979	1980
1. Current Income	331.0	362.4	396.1	453.9	9.5	9.3	14.6
Tax Revenue	298.3	309.6	328.1	406.4	3.8	6.0	23.9
Direct	157.6	161.2	165.9	193.0	2.3	2.9	16.3
Indirect	140.7	148.4	162.2	213.4	5.5	9.3	31.6
Other Revenue	32.7	52.8	68.0	47.5	61.5	28.8	-30.1
2. Current Expenditure	416.4	485.3	581.3	723.0	16.5	19.8	24.4
Wages and Salaries	157.9	182.0	178.1	196.0	15.3	-2.1	10.0
Other Current Expenditure 1/	258.5	303.3	403.2	527.0	17.3	32.9	30.7
3. Saving on Current Account (1-2)	-85.4	-122.9	-185.2	-269.1	...	...	...
4. Capital Expenditure	169.1	147.5	207.0	333.0	-12.8	40.3	60.9
Real Investment	104.2	88.6	...	...	-15.0	...	...
Other Capital Expenditure	64.9	58.9	...	...	-9.2	...	...
5. Total Expenditure (2+4)	585.5	632.8	788.3	1056.0	8.1	24.6	34.0
6. Fiscal Deficit (or surplus (1-5))	-254.5	-270.4	-392.2	-602.1	...	...	...

1/ Includes amortization on public debt.

Source: Statistical Bulletin, April/May 1981, Bank of Guyana and Statistical Bureau, Ministry of Economic Development, Guyana.

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TABLE XV

RETAIL PRICES OF SELECTED PETROLEUM PRODUCTS
(Cents per imperial gallon)

Period	GASOLENE Regular	GASOLENE Premium	Kerosene	Diesel Oil	Fuel	LPG per 100-lb.
1972	.79	.91	.51	.48	.30	...
1976	2.10	2.21	1.18	1.36	1.10	...
1977	2.50	2.71	1.26	1.56	1.19	...
1978	2.97	3.25	1.26	1.56	1.25	39.85
1979	4.30	4.56	2.28	2.89	1.90	63.00
1980	5.11	5.34	3.75	3.69	3.00	63.00

Source: Energy Unit, Ministry of Energy and Natural Resources, Guyana.

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TABLE XVI

VOLUME OF IMPORTS OF SELECTED HYDROCARBONS

Commodity	Classification Number	Unit	1976	1977	1978	1979	1980 1/
Crude Petroleum	331.01		-	-	-	-	-
Natural Gas Liquids			-	-	-	-	-
Natural Gas			-	-	-	-	-
Aviation Gasolene	332.11	'000 gals.	950	950	530	540	355
Motor Gasolene	332.13	"	13,300	11,860	11,400	12,130	8,874
Kerosene, illuminating	332.23	"	6,920	5,760	6,000	6,550	3,982
Jet Fuel	332.21		-	-	-	-	-
Diesel Oil 2/	332.32	"	41,600	40,210	35,000	35,710	28,149
Gas Oil 2/	332.31	"	-	-	-	-	-
Liquified Petroleum Gas		'000 lbs.	12,750	11,940	14,300	10,510	10,134
Other Gases 3/	341.11		-	-	-	-	-
Bunker "C" Fuel Oil	332.41	'000 gals.	74,560	88,056	105,100	72,080	54,551

1/ January-September 1980.

2/ Includes gas oil.

3/ Liquid butane and propane.

Source: Energy Unit, Ministry of Energy and Natural Resources, Guyana.

GUYANA

TABLE XVII

VALUE OF IMPORTS OF SELECTED HYDROCARBONS
('000 dollars)

Commodity	Classification Number	1976	1977	1978	1979	1980 1/
Crude Petroleum	331.01	-	-	-	-	-
Natural Gas Liquids		-	-	-	-	-
Natural Gas		-	-	-	-	-
Aviation Gasolene	332.11	1,610	1,650	1,000	1,860	1,672
Motor Gasolene	332.13	14,000	13,610	13,700	25,500	25,457
Kerosene	332.23	7,710	6,670	7,100	13,500	12,728
Jet Fuel	332.21	-	-	-	-	-
Diesel Oil 2/	332.32	44,150	44,250	41,800	64,760	80,745
Gas Oil 2/	332.31	-	-	-	-	-
Liquified Petroleum Gas		3,060	2,930	3,800	4,050	5,695
Other Gases 3/	341.11	-	-	-	-	-
Bunker "C" Fuel Oil	332.41	58,910	80,310	88,300	84,890	90,014

1/ January-September 1980.

2/ Includes gas oil.

3/ Liquid butane and propane.

Source: Energy Unit, Ministry of Energy and Natural Resources, Guyana.

GUYANA

TABLE XVIII

INSTALLED CAPACITY AND PRODUCTION OF ELECTRICITY

Year	INDUSTRIAL AND PUBLIC			INDUSTRIAL			PUBLIC		
	Total	Thermal	Hydro	Total	Thermal	Hydro	Total	Thermal	Hydro
				INSTALLED CAPACITY ('00 kW)					
1976	180[e]	180[e]		75[e]	75[e]		95[e]	95[e]	
1977	180[e]	180[e]		75[e]	75[e]		95[e]	95[e]	
1978	180[e]	180[e]		75[e]	75[e]		95[e]	95[e]	
1979	180[e]	180[e]		75[e]	75[e]		95[e]	95[e]	
1980	...	...		...	...		...	...	
				PRODUCTION (Million kWh)					
1976	392	392							
1977	431	431							
1978	405	405							
1979	407	407							
1980									

Source: Quarterly Statistical Digest, January-December 1978, the Statistical Bureau, Ministry of Economic Development.

Installed Capacity data from World Energy Supplies, 1973-78 UN Statistical Office.

GUYANA

TABLE XIX

ELECTRICITY GENERATION AND CONSUMPTION
(Hundred thousand kWh)

	1976	1977	1978	1979	1980
Total Electricity Generated	391.7	430.7	404.9	407.0	...
Total Consumed (sold)	353.4	386.8	361.6	351.5	...
Residential (households)	82.9	86.8	82.0	94.5	...
Commercial Industrial	260.6	288.7	271.2	245.4	...
Street lighting	...	...	...	...	...
Other	10.0	11.3	8.4	11.6	...
Own Use	...	...	...	...	...
Transmission losses	38.3	43.0	43.3	55.5	...

N.B. Data exclude sugar estates and small private plants.

Source: Statistical Bureau, Ministry of Economic Development, Georgetown, Guyana.

PART IX

JAMAICA COUNTRY NOTES

ECONOMIC SURVEY 1980

JAMAICA

(Jamaican dollars used throughout except where otherwise stated)

Recent Trends in Economic Activity

The Gross Domestic Product for 1980 in terms of constant purchasers' value (1974) amounted to approximately $1848 million, a decline of 8.4 per cent from the 1979 figure which itself represented a decline of approximately 1.4 per cent below the 1978 figure.

During 1980, most economic sectors contributed to this decline in the total Gross Domestic Product. Notable among them were Manufacturing and Construction, the GDP of which fell by 12 per cent and 30 per cent respectively. Agriculture GDP declined by 3 per cent. On the other hand, financing and insurance services and mining increased in the order of 9 and 10 per cent respectively, while electricity and water remained close to its 1979 level. The major contributor to the total product was the sector "Producers of Government Services"which contributed 19.6 per cent.

High unemployment prevailed during 1980 although the figure for the year represented an increase slightly above 2 per cent of the previous year's level. At the same time, the number of persons employed rose by 5 per cent due to a recovery over abnormally depressed labour market conditions existing at the end of 1979. However, this apparent improvement was shadowed by the significant overall fall in production.

In the external sector, although the balance of payments deficit persisted, the increase was far less than that of the previous year. In 1979, the deficit grew by 53 per cent but rose by a mere 6 per cent in 1980. This improved situation may be attributed to the markedly increased capital inflows to the Central Government, the accumulation of arrears on current transactions of the private sector due to the lack of foreign exchange as well as the deferment of debt payments of the public sector.

The rate of inflation stood at approximately 27 per cent above the 1979 average level of the consumer price index. Inflation was stimulated by developments in the external sector as well as by the relatively substantial increase in the money supply and increases in Government expenditure. Money supply increased by approximately 33 per cent while Government expenditure grew by 36 per cent to the end of fiscal year 1980-1981. Table XIV refers.

Determinants of Recent Trends

Because of the open nature of the economy, domestic and external determinants are closely interrelated and it is very difficult to classify each factor into a distinct category. The following determinants may be considered as mainly of external origin:

a) the high prices of petroleum and petroleum products;

b) prices of commodity exports and the related unfavourable long-run terms of trade;

c) high prices of imported goods in general;

d) drying up of foreign investment, loans and credits; and

e) shortage of raw materials unavailable locally.

The factors that may be considered mainly of domestic origin are:

a) lack of growth of private domestic investment;

b) natural disasters, hurricanes, severe flooding and drought and plant diseases;

c) sluggish growth in Government revenues; and

d) socio-economic problems including violence and praedial larceny and industrial disputes.

Certain other factors which appear inseparable as to origins are scarcity of foreign exchange to purchase raw materials, tools and other inputs for use in agriculture, industry, etc.; migration of skilled personnel; and the general decline in tourism.

Certain socio-political developments also strongly influenced economic activity during 1980, among these are: escalation of political and criminal violence, including crimes such as praedial larceny; election year trauma,

characterized by economic malaise and violence; growing unemployment and enforced reductions in social services.

The severe balance of payments position of Jamaica in recent years resulted in drawings on the IMF ordinary credit facilities such as the credit tranche and compensatory drawings. The worsening position resulted in agreement during 1978 to make use of the Fund's Extended Facility with its attendant tests of conditionality to determine whether continued drawings under the Fund would be permitted. By the end of 1979 because of upward revisions of key import prices, Jamaica could not meet one conditionality test and this required a special waiver if drawings under the Fund were to continue. This waiver was conditional on more stringent public expenditure criteria and as these were rejected by the Government as being too onerous, the agreement was terminated in March 1980. This decision and the consequential shortfalls of foreign funding obviously had further severe impact on the Jamaican economy during 1980. The "go-it-alone" policy was designed to be only slightly more moderate than the stringent policy of fiscal restraint required under the conditions set by the Fund. In fact, machinery was introduced after mid-year by the Government to monitor fiscal control on a day-to-day basis.

In addition to pursuing tight fiscal restraint, policies were implemented with varying degrees of success, to encourage domestic production, to stimulate production of export industries with high foreign exchange earning potential, to economize on foreign exchange use and to stablize wages and prices by keeping closely within the guidelines established under the previously instituted incomes and price policies.

ACTIVITY IN THE MAIN SECTORS

Agriculture

National Accounts data show that in terms of constant (1974) prices, agriculture GDP grew by 9 per cent during 1978 but declined by 11 per cent during 1979. Preliminary estimates for 1980 indicate a decline of approximately 3 per cent to approximately $161 million. The share of agriculture of total GDP, 8.7 per cent, is about the same as at the beginning of the 1970's.

All agriculture sub-sectors except domestic agriculture contributed to the 1980 decline, but in terms of volume of output export agriculture appeared to be worst affected. Only citrus and cocoa of the major crops registered increases. Production of the important sugar-cane and banana crops declined by 8 and 52 per cent respectively. In terms of gross earnings, the decline in export agriculture was much smaller, but only because of more favourable prices of some agricultural commodities during 1980. Available data show that the domestic agriculture sub-sector increased by 7 per cent in real terms due mainly to increases in vegetables and non-export tree crops. Fishing and forestry did not appear very buoyant during the year.

The multiplicity of factors which have affected agriculture during the past several years persisted in 1980. These include the unavailability of planting materials, limited availability of imported inputs owing to the foreign exchange shortage, high cost of inputs, inclement weather and praedial larceny. During 1979-1980, strikes, natural disasters and plant diseases also took considerable toll. For example, virtually the entire sector was affected by Hurricane Allen in early August 1980. Economic losses were estimated at $514 million and foreign exchange loss at $54 million. Banana cultivation damage varied from 50 to 90 per cent in different locations. In 1979, massive flooding had affected some areas of the country and along with droughts in other sections of the country in 1979 (and earlier) reduced production of some crops coming to maturity during 1980. The important sugar-cane industry was affected by both sugar-cane "rust" and "smut" diseases in 1979 and 1980; bananas were affected by "leaf-spot" disease and tobacco by "blue-mould" disease.

A programme for agricultural rehabilitation estimated at $48 million was being implemented during the last quarter of 1980. Replanting of disease-resistant sugar-cane varieties programmed at 20,000 acres (8,094 hectares) per year over a six-year period went into effect during 1980 and the target was exceeded for that year. Replanting of devastated banana cultivation was initiated also before the end of the year.

Mining

Mining GDP reached $148 million (in 1974 constant prices) during 1979, a decrease of 1.6 per cent below the 1978 total. However, during 1980,

mining GDP rose to $163 million, an increase of 10.3 per cent above the figure for 1979.

The mining sector is dominated by the bauxite/alumina sub-sector which has contributed over 95 per cent of the sector's GDP in recent years. Bauxite and alumina production had declined slightly and gypsum significantly during 1979 as shown in Table IV. During 1980, production of these three commodities increased - bauxite by 5 per cent, alumina by 17 per cent and gypsum by 44 per cent. However, the level of production in 1980 was still below the average levels of the earlier years of the 1970's.

Two major factors influenced expansion in the bauxite/alumina sub-sector during 1980. These were: increased world demand for aluminium, apparent since 1978-1979, and the revision of the bauxite production levy. World consumption of aluminium had increased more than production so that inventory levels had declined and prices had risen. At the same time, the bauxite production levy had operated apparently as a disincentive to production since its imposition in 1976. Effective since mid-July 1979 is a revised levy which includes a production incentive formula while at the same time guaranteeing the Government a basic minimum level of revenue. During 1980, production capacity was utilized more fully but the Bauxite Production Levy intake was 5.4 per cent below the figure for 1979.

In the quarrying sub-sector a general slight increase in production was experienced. The gypsum sub-sector depends largely on activity in construction which declined sharply.

During 1980, several new projects were initiated by the Government. Joint venture agreements involving partial acquisition of mining lands and operations were entered into with several bauxite companies. Particular note should be taken of the agreement between the Government of Jamaica and one bauxite enterprise whereby 100 per cent of the farming assets, and all lands apart from that on which mining facilities are located, were to be acquired by Government.

Policy measures outlined by the Government in the latter part of 1980, regarding the bauxite/alumina industry focussed on the attainment of maximum production. With the renewed co-operation between Government

and locally-based foreign companies, it is expected that there will be further growth of the mining sector during 1981, if prices remain firm.

Manufacturing

Official GDP estimates for this sector for 1980, show a decrease of 12 per cent in real terms to $276 million. During the previous three years manufacturing GDP, measured in constant (1974) prices, declined, on average, by more than 5 per cent per year.

Most of the quantum indicators of production, including those for the important food, tobacco products, petroleum products and non-metallic mineral products sub-sectors declined during 1980. The few exceptions include flour and bakery products and beverages. Prices however, were quite buoyant for sugar and other export items and some prices were also higher in the domestic market as indicated by the positive growth in current price GDP.

As far as other other indicators are concerned, during 1980 loans and advances owed by the sector to commercial banks had increased by 39 per cent. Electricity sales by public utilities to industry (and commerce) had declined but the average numbers of persons employed during the year in manufacturing increased.

This sector suffered during 1980 from the factors affecting the economy outlined above. In addition, there was a scarcity of some domestic agricultural inputs such as sugar-cane and tobacco. Industrial disputes reduced the number of man-hours worked. Production of petroleum products was deliberately restrained under the national energy conservation policy and production of some construction materials was lower, induced by the lower level of activity in the construction sector.

Construction

The sector had been one of the most dynamic up to the early 1970's accounting for more than 13 per cent of GDP (in constant prices) during 1970. Since then the trend of activity has declined and has had considerable impact on the general decline in overall economic activity.

Real construction activity which had increased by about 4 per cent in 1978 declined slightly in 1979 but decreased sharply in 1980 by an estimated 30 per cent to $96 million. In other words, construction activity in real terms during 1980 was only about 37 per cent of the level achieved during 1970. Nearly all of the indicators of construction activity shown in Table VI of the Statistical Appendix reflect the decline, notably domestic production of selected important building materials. The value of imports of building materials declined by 25 per cent but the decline is larger in terms of constant prices. Mortgage loans of building societies 1/ increased by 30 per cent but loans for new houses increased by only 8 per cent. In addition, employment in the sector fell by approximately 20 per cent.

It appears that government's construction projects dominated the sector once again but the level of government activity declined. Both the number of starts and completions of housing units in the public sector declined sharply during 1980. However, mortgage disbursements of the major public sector housing finance institutions increased significantly. This increase contains a large element of price rises as a result of increased construction costs.

This sector has been affected considerably by the prolonged down-turn of economic activity, the shortage of foreign exchange (both of which have reduced investment in the sector), reduced availability of building materials, as well as the steep rise in construction costs. Public construction expenditure has been providing the bulk of activity recently owing to the rapid decline in private construction. However, even this expenditure has had to be curtailed in the light of the slow growth of Government revenue and scarcity of foreign funds.

1/ Major co-operative non-bank mortgage financing institutions.

THE EXTERNAL SECTOR

Balance of Payments 2/

Preliminary balance of payments data for 1980 show that once more the net result of external transactions was negative, although the overall position was better than in 1979. The Balance of Payments deficit in 1980 was approximately $34 million compared with $153 million in 1979. (Data are given in Table XI of the Statistical Appendix and Table 1 below).

The main features during 1980 were: an increase in the deficit on mechandise trade, further improvement in net transfer payments, a significant improvement in foreign travel which, however, was more than offset by a larger outflow of investment income and other service items, so that the net services deficit was larger than in 1979, and a large increase in net capital inflow.

With respect to merchandise trade, both exports and imports increased but the value of imports increased by a larger figure resulting in the slightly larger net deficit in 1980. The positive features of merchandise trade were: the solid performance of the bauxite/alumina sector, the performance of beverages and tobacco products, increased exports of non-traditional commodities, higher prices notably for some agricultural commodities and a deliberate restraint of imports owing to the serious foreign exchange position. Bauxite and alumina exports were about 28 per cent higher than during 1979. Non-traditional exports have been stimulated by the government through certain special programmes, including recently established Export Development Fund and the Certified Exporters Scheme. (These programmes give preference to the firms involved in obtaining access to scarce foreign exchange. On the other hand, there were several offsetting factors.

2/ Value figures in this sub-section are given in US dollars.

Agricultural exports were lower in terms of volume and value though in most cases prices were higher. In this connection sugar and banana exports were particularly responsible. The value of imports (f.o.b.) during 1980 increased by about 18 per cent to more than $1039 million aided mainly by mineral fuels and machinery and transport equipment. Higher prices were responsible for much of this increase because the volume of imports was restrained by the shortage of foreign exchange and the relatively weak external credit position.

Imports of crude petroleum for the oil refinery and the smaller imports of petroleum products have strongly influenced the upward movement of total imports. Petroleum imports moved from $57 million in 1972 to approximately $287 million in 1979. (Data are given in Table XVI of the Statistical Appendix). The petroleum import figure reached $418 million during 1980 although major conservation programmes were implemented during the year and industrial activities had declined. On the other hand, the volume of oil imports which exceeded 20 million barrels during 1973 has declined almost continuously thereafter. The volume of petroleum imports for 1980 was recorded at 15.6 million barrels.

The importance of petroleum imports and the impact of changes in the petroleum market on the economy of Jamaica are evident. During 1980, the value of imports of petroleum as a share of total imports rose to approximately 36 per cent. During 1972, the share was only 9 per cent. In terms of ability to pay for petroleum imports, it should be noted that oil imports exceeded 35 per cent of the value of total exports in 1979 and 43 per cent in 1980. The situation stands out in sharper relief when it is realized that the period since 1972 has been one of general decline in domestic economic activity.

With respect to the services account, the overall deficit for 1980 of $194 million represents an increase of 25 per cent over the 1979 deficit. This adverse balance resulted mainly from the significantly higher investment income outflow - 31 per cent higher than the figure for 1979. Net foreign travel receipts increased by about 25 per cent to $230 million. Transfer payments which have become quite substantial, increased again in 1980 by 17 per cent.

The net inflows on the capital account have been relatively small in recent years, declining to a net outflow position of $10.4 million in 1979. Net capital inflows increased significantly to $148 million in 1980. Official capital inflows increased by 69 per cent to $120 million, while private capital inflows moved to $27 million. The improvement on the capital account was largely due to a general decline in outflows on government direct and guaranteed debt as a result of government's negotiated debt deferral on principal payments falling due, the partial suspension of payment on private debt as well as a marked increase in special financing. The latter included additional assistance from bilateral sources, a special IBRD loan of $24.7 million for the Export Development Fund (E.D.F.) and also commercial bank refinancing and unscheduled debt relief lines of credit extended to the private sector rose by over 50 per cent.

Provisional data on foreign exchange reserves indicate a deficit of approximately $454 million as at December 1980. This figure represents a moderate decline of only 5 per cent compared with the decline of 49 per cent recorded in 1979.

Table 1

Selected External Sector Data
(J$ Mill.)

	1979	1980	% Change 1979-1980
Imports (f.o.b.)	883	1039	17.7
Mineral Fuel Imports	287	418	45.6
Total Exports (f.o.b.)	815	961	17.9
Balance	- 68	- 78	14.7
Net Foreign Travel	185	230	24.3
Net Investment Income	-203	- 265	30.5
Government Foreign Debt Payments	317	335	5.7
International Reserves (end of period)	-426	- 452	6.1

Source: Derived from official statistics.

External Debt

External debt has grown rapidly in the last four years. At the end of fiscal year 1977-1978, the figure was $627 million, but had reached $1545 million by December 1980. Foreign debt servicing costs have also grown very rapidly and amounted to $465 million during 1980 while export receipts have grown slower and real GDP had declined.

In recent years, due to the decrease in private capital inflows and marked rise in outflows, it became necessary to increase borrowing overseas. However, despite this, domestic borrowing has continued to exceed foreign borrowing.

PRICES

The average level of prices [3/] during 1980 exceeded the level prevailing during 1979 by 27 per cent. The monthly indexes for 1980 showed an irregular pattern, the largest increases, approximately 4 per cent, occurring during January and May, and the smaller monthly increases (around 1 per cent and lower) occurring in March, April, September and December. An important factor in price increases during 1979 was the monthly devaluation of the currency up to May. Though devaluation did not occur during 1980, the price increase was not substantially lower than in 1979.

Fuels and food and beverages were the items which exerted the major upward pressure on prices during the year. Between December 1979 and December 1980, fuel prices increased by 56 per cent, starchy food and cereals by 65 per cent and meals away from home by 34 per cent. On the other hand, rent increased only by 0.4 per cent, other recreation expenses by 5 per cent and transportation by 12.3 per cent. (Data on prices are given in the table below and in Table XV of the Statistical Appendix).

Average price paid per barrel of imported crude oil moved from US$2.91 to US$30.37 per barrel between 1972 and 1980. Data given in Table 2

3/ As measured by the average of the monthly Consumer Price Indexes.

below show increases in prices of various petroleum products. It is notable that these prices have moved differently from the import prices of crude oil. For example, between 1972 and 1974 the retail price of premium gas increased by 108 per cent while the average price of imported crude increased by 259 per cent. In more recent years, however, the trend has been reversed and retail prices of petroleum products has increased faster. This has come about because the direct subsidies were completely removed during 1979 when the pricing structure of petroleum products was rationalized. Indirect subsidies were to be phased out gradually.

Table 2

Petroleum Product Prices 1972-1979
Prices (in cents) of Petroleum Products (in gallons)

Year	Premium Gas	Regular Gas	Kerosene	Retail Diesel
1972	57.7	47.2	18.0	17.0
1973	66.4	55.2	18.0	17.0
1974	120.0	110.0	36.0	35.9
1975	126.0	116.0	36.0	38.0
1976	126.0	116.0	36.0	38.0
1977	198.0	188.0	36.0	52.6
1978	300.0	285.0	63.0	68.0
1979	385.0	375.0	147.0	170.0
1980	465.0	455.0	257.0	290.0

Source: Economic and Social Survey, 1979 and 1980, National Planning Agency.

FISCAL AND MONETARY SECTORS

The activities of these sectors during the last two to three years have been influenced not only by socio-economic policies of the Government and the course of economic developments but also by the evolution of efforts between the Government and the International Monetary Fund in attempting to cope with the severe economic problems facing Jamaica.

Use had been made of IMF credit (drawings on credit tranche and compensatory drawings) since the mid-1970's. However, the Extended Fund Facility was not used until during the second quarter of 1978 and the Supplementary Financing Facility not until the middle of 1979. Use of these two latter facilities was intended to mobilize foreign exchange resources to help overcome the serious structural problems affecting the country. The May 1978 Agreement provided for a loan of approximately US$240 million over a period of three years, contingent on the fulfillment of certain periodic conditionality tests. Successful completion of the conditionality criteria during the first twelve months led to agreement in May 1979 for a larger loan for the next two years of US$338 million but under revised conditions. It was expected that conclusion of these agreements would facilitate the inflow of foreign exchange resources from other sources.

By the end of 1979, about US$190 million had been drawn under the agreement with the Fund. However, the country had failed to meet one major criterion, that is, maintaining the established ceiling on net foreign assets of the Bank of Jamaica. Subsequently, agreement could not be reached, the Government concluding that the revised conditions were too onerous, and negotiations were halted in March 1980. Government's policy however, was committed to "financial discipline and restraint" and fiscal controls were tightened during the year. As the year ended, the newly constituted government reversed the "go-it-alone" policy and re-opened negotiations with the IMF.

Fiscal Operations

Government activity as a share of total economic activity has increased significantly during the past decade. In 1970, that share was about 8 per cent while during 1977-1980 the share averaged more than 14 per cent. This outcome is the result of the 862 per cent increase in Government total expenditure from around $251 million in fiscal 1970-1971 to $2415 million in 1980-1981. Government's expenditure as of the end of the decade was also higher in real terms than at the beginning of the decade. These trends reflect the increased direct involvement of the Government sector in economic activity.

As recently as 1975-1976, a small surplus was realized on Government current account transactions [4/]. However, as economic activity continued to decline, attempts to reflate the economy resulted in higher annual deficits. At the end of fiscal 1980-1981, the deficit amounted to $675 million. The increasing deficits result directly from the faster growth of expenditure than revenue. This is of course on the one hand the consequence of lower economic activity which depressed the potential recurrent revenue intake despite the tax revisions which resulted in higher income, and consumption taxes in fiscal 1978-1979 as shown in Table XIV. On the other hand, the expenditure budget has built-in inflationary features: annual increments to employees' compensation, cost-of-living increases, interest and amortization payments previously deferred but becoming due in current years, plus higher prices for indispensable goods and services.

Total expenditure in fiscal 1980-1981, was about 94 per cent more than in fiscal 1977-1978. However, in real terms expenditure appears to have declined judging from the 113 per cent increase in the average level of the consumer price index between these fiscal years [5/]. During fiscal year 1978-1979 capital expenditure exceeded 36 per cent of total expenditure while Government economic services on capital and recurrent account amounted to about 27 per cent of total expenditure. Thus capital expenditure and expenditure on economic services have both declined as increased pressures on revenue meant that development expenditures had to be foregone. Essential recurrent expenditures that had to be met include debt repayment and servicing charges which have grown from about 18 per cent to 21 per cent of total expenditure between fiscal 1977-1978 and 1980-1981.

4/ Including transfers from the Capital Development Fund.

5/ From April 1977 to March 1980.

The 1980 deficit was financed by Central Bank credits, domestic bank and non-bank sources as well as foreign borrowing from governments and international institutions. The Bank of Jamaica provided financial support to the extent of $401 million to the Central Government. The Gross National Debt increased from approximately $1808 million to $4038 million between 1977 and 1980. Of this amount, borrowing from external sources grew from 26 per cent to approximately 40 per cent of the total national debt. An increasing amount of the locally held portion of the debt has been financed by the banking system in recent years with all the inflationary consequences implicit in such action.

The trend in governmental operations during 1980 must be interpreted in the light of general elections of which announcements were made early in the year. Undoubtedly, both the early announcement and the vigorous election campaigns and the clear-cut economic positions of the parties contesting the elections had an impact on activity during the year.

Table 3

Selected Ratios

Ratios	1977-1978	1978-1979	1979-1980	1980-1981[P]
Government GDP/Total GDP	14.6	13.6	13.4	14.7
Government Expenditure/Total GDP	41.6	48.7	41.5	51.0
Government Capital Expenditure/ Total Expenditure	32.5	36.3	30.3	32.1
Expenditure on Economic Services/ Total Government Expenditure	27.6	27.3	22.6	20.5
Total Debt/Total GDP	57.7	72.4	72.5	82.1
Foreign Debt/Total Debt	26.2	41.9	41.5	39.8
Debt Payments/Total Exports	17.7	22.6	28.9	29.7
Government Employed/ Total Employed	19.6	19.2	20.0	19.1

Source: Calculated from official data.

Monetary Transactions

Banking sector transactions may be characterized as generally inflationary during 1980. Comprehensive full-year data indicate a substantial upward push as shown in Tables XII and XIII of the Statistical Appendix.

Of the major aggregates, money supply, particularly demand deposits and domestic credit increased considerably during 1980. As at December 1980, Government credit had increased by approximately 14 per cent compared to the total one year earlier while credit to the private sector grew by approximately 20 per cent. One non-expansionary element was the trend in net foreign assets, as the large negative decreases registered in the two earlier years were not repeated. As of December 1980, the position was almost the same as at end 1979.

Another offset to these inflationary tendencies was the 37 per cent rise in savings and time deposits between end 1979 and 1980. The growth in these deposits reflected in part, response to interest rate increases which were granted during January 1980. The interest rate on savings deposits, for example, increased by about two percentage points to 9 per cent. Time deposit rates were variable but in some instances were as high as 16 per cent during 1980. It may be noted that net excess liquidity of the commercial banking system increased more significantly during 1980 than the previous year.

Reflecting the increases in overall domestic credit, loans and advances of commercial banks continued to grow during 1980 at 21 per cent in comparison to the 17 per cent rate observed during the last three years. Major shares of these loans have been extended to individuals for personal reasons, to agriculture, manufacturing and construction. Loans outstanding to agriculture and manufacturing increased significantly during 1980 followed by personal loans and loans to the distributive trades. There was a very small rise in loans allotted to the construction industry and a marked decrease in loans to the Government sector. Instalment credit outstanding increased by nearly 20 per cent but new instalment credit grew by only 10 per cent, a rate substantially below the rate of inflation.

STATISTICAL APPENDIX

JAMAICA

1980

JAMAICA

TABLE I

MAIN ECONOMIC INDICATORS

	1977[r]	1978[r]	1979	1980[p]
Basic economic indicators				
Gross Domestic Product (Millions of dollars at 1974 prices)	198.7[r]	198.2[r]	195.3[r]	184.8
Population (Millions of inhabitants)	2.11[r]	2.14[r]	2.16	2.18
Per capita Gross Domestic Product (dollars at 1974 prices)	941.7[r]	926.2[r]	904.2	847.7
	Annual Percentage Change			
Short-run economic indicators				
Gross Domestic Product (constant prices)	- 1.9[r]	...	- 1.4	- 5.4
Per capita Gross Domestic Product (1974 prices)	- 1.6	2.2[r]	- 2.4	- 6.2
Terms of Trade (income)	- 2.4	16.2	- 3.1	...
Value of Domestic Exports	22.6	64.7	26.9	17.3
Value of Imports	- 5.8	61.2	39.2	19.6
Consumer Price Index (annual average)	11.2	34.9	29.1	27.1
Money Supply (M_1)	48.1	8.3	13.1	32.7
Wages and salaries	...	...	...	...
Rate of unemployment	8.0	1.2	13.1	2.3 1/
Current Income of Government 2/	1.5	46.9	37.4	28.7
Total Expenditure of Government 2/	- 5.0	47.0	- 2.6	35.8
Fiscal deficit/total expenditure of Government 2/	- 21.1	- 9.7	- 7.2	9.0

TABLE I (CONT'D)

MAIN ECONOMIC INDICATORS

	1977[r]	1978[r]	1979	1980[p]
	Millions of US Dollars			
External Sector				
Trade Balance (Balance of Payments)	37.9	-47.0	-252.6	-15.2
Balance on Current Account	-88.6	-50.6	- 64.5	-27.2
Variation in net International Reserves	...	-22.1	- 53.3	- 6.1

1/ Average April and November 1980 compared with average April and October, 1979.

2/ Rates refer to the fiscal years beginning in April of year under which figure is shown. Thus 1977-1978 is shown under 1977. 1976-1977

Source: National Income and Product, 1979 and 1980, Department of Statistics, Jamaica, tables in this Statistical Appendix, and data supplied CEPAL.

JAMAICA

TABLE IIA

GROSS DOMESTIC PRODUCT

BY ECONOMIC ACTIVITY - AT CURRENT PRICES
(J$ Mill.)

				Percentage Breakdown		Annual Growth Rate		
	1978	1979	1980	1970	1980	1978	1979	1980
Agriculture, Forestry and Fishing	313.9	320.0	392.2	6.7	8.3	19.3	1.9	22.6
Mining and Quarrying	510.4	622.5	678.0	12.6	14.3	65.7	22.0	8.9
Manufacturing	636.2	681.6	721.2	15.7	15.2	16.9	7.1	5.8
Electricity and Water	84.2	89.6	79.4	1.0	1.7	43.9	6.4	-11.4
Construction and Installation	252.1	310.5	269.8	13.3	5.7	39.1	23.2	-13.1
Distributive Trade (wholesale and Retail)	634.9	772.8	932.7	19.0	19.7	34.5	21.7	20.7
Transport, Storage and Communication	227.8	250.9	252.3	5.5	5.3	18.6	10.1	0.6
Financing and Insurance Services	146.2	166.0	198.5	3.8	4.2	27.2	13.5	19.6
Real Estate and Business Services	319.8	368.8	407.1	9.4	8.6	7.0	15.3	10.4
Producers of Government Services	509.2	575.7	693.4	7.8	14.7	16.6	13.1	20.4
Miscellaneous Services	172.5	186.0	203.5	5.6	4.3	13.7	7.8	9.4
Household and Private Non-Profit Institutions	50.4	47.1	44.2	1.6	0.9	- 5.3	- 6.5	- 6.2
Less imputed service charges	104.0	102.5	141.4	2.0	-			
Total Gross Domestic Product	3,753.6	4,289.0	4,730.9	100.0	100.0	25.7	14.3	10.3

Source: National Income and Product 1980, Department of Statistics, Jamaica.

JAMAICA

TABLE IIB

GROSS DOMESTIC PRODUCT

BY ECONOMIC ACTIVITY - AT CONSTANT PRICES (1974)
(J$ Mill.)

				Percentage Breakdown		Annual Growth Rate		
	1978	1979	1980	1970	1980	1978	1979	1980
Agriculture, Forestry and Fishing	186.7	166.4	161.5	7.6	8.7	9.2	-10.9	- 2.9
Mining and Quarrying	150.4	148.0	163.3	7.0	8.8	2.6	- 1.6	10.3
Manufacturing	332.9	314.6	275.5	17.6	14.9	- 4.9	- 5.5	-12.4
Electricity and Water	23.7	23.3	23.6	0.8	1.3	1.3	- 1.7	1.3
Construction and Installation	138.3	137.2	95.6	13.2	7.2	3.6	- 0.8	-30.3
Distributive Trade (wholesale and Retail)	313.7	299.2	279.2	21.3	15.1	- 5.1	- 4.6	- 6.7
Transport, Storage and Communication	129.4	129.9	125.5	5.5	6.8	- 0.5	0.4	- 3.4
Financing and Insurance Services	97.7	91.6	99.5	4.0	5.4	0.1	- 6.2	8.6
Real Estate and Business Services	210.4	216.0	215.4	9.8	11.7	- 2.9	2.7	- 0.3
Producers of Government Services	344.1	366.7	362.4	9.0	19.6	4.8	6.6	- 1.2
Miscellaneous Services	101.0	96.5	95.0	5.4	5.1	0.1	- 4.5	- 1.6
Household and Private Non-Profit Institutions	21.7	19.0	18.2	1.4	1.0	-24.9	-12.4	- 4.2
Less Imputed Service Charges	68.0	55.0	66.7	2.6	3.6	...	-19.1	21.3
Total	1,982.0	1,953.4	1,848.0	100.0	100.0	0.3	- 1.4	- 5.4

Source: National Income and Product, 1980. Department of Statistics, Jamaica.

JAMAICA

TABLE IIC

EXPENDITURE ON GROSS DOMESTIC PRODUCT
(Current Purchasers' Value)
(J$ Mill.)

Item	1977[r]	1978[r]	1979[r]	1980[p]
Final Consumption Expenditure	2,672.6	3,145.0	3,581.5	4,165.7
a) Private	2,060.2	2,395.1	2,735.2	3,174.0
b) Government	612.4	749.9	846.3	991.7
Gross Fixed Capital Formation	349.4	502.1	724.6	698.9
Increases in Stocks	24.0	52.2	50.5	45.5
Exports of Goods and Services	914.4	1,579.5	2,065.0	2,348.5
LESS Imports of Goods and Services	971.8	1,525.2	2,132.6	2,527.7
Gross Domestic Product (GDP)	2,988.6	3,753.6	4,289.0	4,730.9

Source: National Income and Product, 1980.
Department of Statistics, Jamaica.

JAMAICA

TABLE III

PRODUCTION OF SELECTED AGRICULTURAL ITEMS

Commodities	Units	1977	1978	1979	1980[p]	Annual Growth Rates 1978	1979	1980[p]
Sugar-cane (milled)	'000 MT	3,252	3,641	2,965	2,744	12.0	-18.6	- 7.4
Bananas 1/	'000 MT	80	75	69	33	- 6.3	- 8.0	52.2
Citrus 2/	'000 MT	63	69	50	66	9.5	-27.5	32.0
Pimento	'000 MT	2,022	2,585	1,255	943	27.8	-51.5	- 24.9
Copra	'000 MT	3,090	1,927	1,835	1,577	-37.6	- 4.8	-14.1
Cocoa	'000 MT	4,502	4,493	3,416	4,379	- 0.2	-24.0	28.2
Coffee	'000 MT	1,208	1,504[r]	2,267	1,310	24.5	50.7	-42.2
Cattle Slaughtered	'000 heads	67.5	57.7	58.0	64.4	-14.5	0.5	11.0
Hogs Slaughtered	'000 heads	130.8	126.3	109.7	123.1	- 3.4	-13.1	12.2
Poultry Meat	'000 MT	30.2	30.7	31.8	29.8	2.3	3.6	- 6.3
Eggs	Million	152	157	150	102	3.3	- 4.5	-32.0

1/ Export only.

2/ Statistics for Oranges and Grapefruits only.

Source: Production Statistics, 1980. Department of Statistics, Jamaica and data supplied CEPAL.

JAMAICA

TABLE IV

PRODUCTION IN MINING AND REFINING

Commodities		1977	1978	1979	1980[p]	Annual Growth Rate 1978	1979	1980[p]
Bauxite (mined)	'000 MT	11,434	11,736[r]	11,505	12,053	2.6	- 2.0	4.8
Alumina	'000 MT	2,049[r]	2,116[r]	2,096	2,458	3.3	- 0.9	17.3
Gypsum (Mined)	'000 MT	209	135	66	95	-35.4	-51.1	43.9
Petroleum Products:								
Fuel Oil	Mill. L	378.0	364.1	530.8	403.2	- 3.7	45.8	-24.0
Diesel Oil	Mill. L	286.5	296.7	310.7	232.9	3.6	4.7	-25.0
Gasolene	Mill. L	298.4	293.5	277.2	229.3	- 1.6	- 5.6	-17.3
Kerosene/Turbo/ Jet Fuel	Mill. L	130.1	168.2	194.7	163.5	29.3	15.8	-16.0
Asphalt, Propane and Butane	Mill. L	62.3	50.7	57.9	50.3	-18.6	14.2	-13.1

Source: Production Statistics, 1980. Department of Statistics, Jamaica.

JAMAICA

TABLE V

INDICATORS OF MANUFACTURING ACTIVITY

	Units	1977	1978	1979	1980[p]	Annual Growth Rate 1978	1979	1980[p]
I. GOODS PRODUCED 1/								
Sugar	'000 MT	295.2	291.5	283.1	231.8	- 1.3	- 2.9	-18.1
Flour (Wheat)	'000 MT	53.9	48.6	37.8[r]	48.8	- 9.8	-22.2	29.1
Animal Feed	'000 MT	198.0	210.7	203.4	204.3	6.4	- 3.5	0.4
Rum and Alcohol	Mill. L	17.7	16.8	18.0	20.5	- 5.1	7.1	13.9
Paints	'000 L	4,683	5,513	5,782	3,887	17.7	4.9	-32.8
Fertilizers	'000 MT	21.3[r]	29.5[r]	30.8	28.6	38.5	4.4	- 7.1
Petroleum Products	Mill. L	1,155.3	1,173.2	1,371.3	1,079.3	1.5	16.9	-21.3
Textile Fabrics	'000 M	8,018.4	9,330	5,943.6	4,552.8	16.4	-36.3	-23.4
Cement	'000 MT	333.1	293.6	225.4	144.5	-11.9	-23.2	-35.9
Steel	'000 MT	10.3[r]	14.2	9.9	9.4	37.9	-30.3	- 5.1
II. ELECTRICITY SALES TO INDUSTRY AND COMMERCE BY PUBLIC UTILITIES	Mill. kWh	634.6	634.7	588.3	568.3	0.0	- 7.3	- 3.4
III. EMPLOYMENT 2/	'000	76.3	79.0	73.8	76.7	3.5	- 6.6	3.9

1/ Data relate to production of large manufacturing enterprises.

2/ Average of April and October data April and November in 1980 from Report on the Labour Force, Department of Statistics, Jamaica.

Source: Production Statistics, 1980. Department of Statistics; Statistical Digest, June 1981. Research Department, Bank of Jamaica.

JAMAICA

TABLE VI

SELECTED INDICATORS OF CONSTRUCTION ACTIVITY: 1977-1980

	Unit	1977	1978	1979	1980[p]	Annual Growth Rates 1978	1979	1980[p]
Construction GDP Constant (1974) prices	$ Mill	133.5	138.3	137.2	95.6	3.6	- 0.8	-30.3
Employment	'000	33.0	32.9	31.9	25.4	- 0.3	- 3.0	-20.4
Imports of Construction Materials	$ Mill	70.3	111.0[r]	112.6	84.1	57.9	1.4	-25.3
Production of Selected Building Materials:								
Cement	'000 MT	333	294	225	144	-11.7	-23.5	-36.0
Paint	'000 L	4,683	5,513[r]	5,782	3,887	17.7	4.9	-32.8
Steel	'000 MT	10.3[r]	14.2	9.9	9.4	37.9	-30.3	- 5.1
Bagasse Board	'000 m^2	329	56	557	-	-83.0	894.6	...
Loans and Advances Outstanding to Commercial Banks 1/	$ Mill	109.3	127.8	125.0	127.3	16.9	- 2.2	1.5
New Mortgage Loans of Building Societies	$ Mill	24.9	43.7	46.7	60.8	75.5	6.9	30.2

1/ Construction, land acquisition and development at end of period.

Source: Production Statistics, 1979 and 1980. Department of Statistics, Jamaica; Economic and Social Survey, 1980, National Planning Agency, Jamaica and Statistical Digest, June 1981, Bank of Jamaica, Jamaica.

JAMAICA

TABLE VII

SELECTED TOURISM STATISTICS

	1977	1978	1979	1980[p]	Annual Growth Rates 1978	1979	1980[p]
Number of Rooms (units)	11,044	10,538	10,466	10,092	- 4.6	- 0.7	- 3.6
Number of Beds (units)	22,438	20,818	20,877	20,128	- 6.8	0.3	- 3.6
Total Visitors 1/ ('000)	386.5	532.9	593.6	543.1	37.9	11.4	- 8.5
Long Stay 1/ ('000)	254.6	369.8	400.5	384.5	45.3	8.3	- 4.0
Short Stay 1/ ('000)	10.5	12.0	26.1	10.8	14.3	117.5	-58.6
Others 1/ ('000)	121.4[r]	151.0[r]	167.0	147.7	24.4	10.6	-11.6
Hotel Room Occupancy Rate Average (%)	28.9[r]	40.0[r]	48.0	44.2	38.4	20.0	- 7.9
Average Length of Stay (nights)	8.7	8.5	8.8	10.2	- 2.3	3.5	15.9
Estimated Expenditure 2/ (US$ Mill)	104.5	148.2	194.3	241.7	41.8	31.1	24.4
Direct Employment - Hotels, Guest Houses and Cottages (units)	8,421	10,296[r]	11,707	9,527	22.3	13.7	-18.6
Outstanding Loans and Advances owing Commercial Banks - end of period (J$ Mill)	10.7	25.8	35.6	60.3	141.1	38.0	69.4

1/ Excludes nationals residing abroad - a large % of arrivals. Long stay - 3 or more nights; "Others" include cruise ship passengers and members of the armed forces; "Short stay" - 1 or 2 nights.

2/ Jamaica Tourist Board Estimates.

Source: Economic and Social Survey, 1979 and 1980, National Planning Agency, Jamaica and Statistical Digest, February 1981; Research Department, Bank of Jamaica and data supplied CEPAL.

JAMAICA

TABLE VIII

DOMESTIC EXPORTS (F.O.B.) BY SITC SECTIONS

(J$ Mill.)

	SITC Sections	1977	1978	1979	1980[p]
0	Food	114.6	165.2	193.7	177.3
1.	Beverages and Tobacco	25.7	30.7	47.2	52.7
2.	Crude Materials	485.2	840.1	1,034.7	1,318.9
3.	Mineral Fuels, etc.	15.8	27.2	56.4	32.0
4.	Animal and Vegetable Oils and Fats	0.2	0.2	0.5	0.2
5.	Chemicals	14.5	20.7	29.6	26.7
6.	Manufactured Goods	11.9	18.2	27.5	25.1
7.	Machinery and Transport Equipment	4.2	6.9	11.6	10.8
8.	Miscellaneous Manufactured Articles	12.5	18.1	29.6	35.1
9.	Other Goods, n.e.s.	-	0.2	0.2	0.2
	TOTAL:	684.7	1,127.5	1,430.9	1,679.0

N.B.: Currency devaluations occurred during 1977-1979.

Source: External Trade, 1978 and 1980, Department of Statistics, Jamaica.

JAMAICA

TABLE IX

IMPORTS BY ECONOMIC FUNCTION OR END USE: 1977-1980

Category	Value (J$ Mill.)				Percentage Breakdown		Annual Growth Rate		
	1977	1978	1979	1980	1970	1980	1978	1979	1980
CONSUMER GOODS	100.0	184.8	211.6	234.9	30.0	11.2	84.8	14.5	11.0
Food	52.3	105.8	114.9	129.5	12.3	6.2	102.3	8.6	12.7
Other Non-Durables	24.7	40.6	45.4	57.0	9.0	2.7	64.4	12.0	25.6
Durables	23.0	38.4	51.3	48.4	8.7	2.7	67.0	33.5	- 5.7
RAW MATERIALS	510.0	787.9	1,169.7	1,510.4	31.9	72.0	54.5	48.5	29.1
Fuel	223.2	300.0	579.5	807.5	6.4	38.5	34.4	93.2	39.3
Other Raw Materials	286.8	487.9	590.2	702.9	25.6	33.5	70.1	21.0	19.1
CAPITAL GOODS	171.6	287.3	373.1	353.4	37.3	16.8	67.4	29.8	- 5.3
Construction Material	70.3	110.9	105.6	84.1	7.1	4.0	57.8	- 4.8	-20.4
Transport Equipment	15.3	31.1	96.6	62.0	4.6	3.0	103.3	210.7	-35.8
Other Machinery and Equipment	72.6	120.8	159.9	187.4	25.4	8.9	66.4	32.4	17.2
Other Capital	13.4	24.5	10.9[r]	19.8	0.8	0.9	82.8	- 55.5	81.7
TOTAL:	781.6	1,260.0	1,754.4	2,098.7	100.0	100.0	61.2	39.2	19.6

Source: Economic and Social Survey, 1978 and 1980. National Planning Agency, Jamaica.

JAMAICA

TABLE X

SELECTED EMPLOYMENT DATA

	Unit	1977	1978	1979	1980
Labour Force	'000	910.0	939.0	953.6	991.2
Employed as % of Labour Force	%	75.8	75.5	72.3	72.7
Employed	'000	689.8	708.5	689.0	720.4
Of which:					
Agriculture	'000	244.0	257.0	232.0	263.5
Manufacturing	'000	76.3	79.0	73.8	76.7
Construction	'000	33.0	32.9	31.9	25.4
Commerce	'000	88.4	93.2	90.0	91.2
Public Administration	'000	111.3	108.8	110.1	108.7
Unemployed	'000	220.2	230.5	264.6	270.8
Unemployed as % of Labour Force	%	24.2	24.5	27.7	27.3

Note: Annual data are averages of April and October, except 1980 (average of April and November).

Source: The Labour Force, 1979 and 1980. Department of Statistics, Jamaica, and data supplied CEPAL.

JAMAICA

TABLE XI

BALANCE OF PAYMENTS: 1977-1980
(US$ Mill.)

	1977[r]	1978[r]	1979[r]	1980[p]
MERCHANDISE (Net)	83.9	44.5	67.9	- 78.2
Exports (f.o.b.)	750.6	794.5	814.7	961.0
Imports (f.o.b.)	666.7	750.0	882.6	1,039.2
SERVICES (Net)	-138.5	-156.9	-154.7	-194.0
NET TRANSFER PAYMENTS	20.0	25.7	80.0	90.8
Private	15.1	15.2	70.0	81.8
Government	4.9	10.5	10.0	9.0
BALANCE ON CURRENT ACCOUNT	- 34.6	- 86.7	-142.6	-181.4
ALLOCATION OF SDR's	-	-	10.0	10.0
NET CAPITAL MOVEMENT	56.9	9.8	- 10.4	147.7
Private	62.8	-169.1	- 81.6	27.4
Official	- 5.9	178.9	71.2	120.3*
TOTAL SURPLUS (+) OR DEFICIT (-)	22.3	- 76.9	-153.0	- 33.7
Net International reserves	-227.6	-277.8	-426.0	-452.1
Foreign Exchange	-211.9	-289.4	-430.3	-453.5
SDR's	- 15.7	11.6	4.3	1.4
Change in Reserves (increase = -)	...	77.5	140.9	23.1
Reserve position in IMF	...	-	-	- 8.3
Government	...	- 4.3	- 7.5	- 12.7
Capital Development Fund	...	0.5	- 0.3	- 0.3
Export Development Fund	...	-	-	- 8.5
Bank of Jamaica	...	77.0	159.7	64.5
Other Banks	...	- 7.3	- 15.3	- 13.0
Net Errors and Omissions	...	- 0.6	2.1	0.6

Source: Bank of Jamaica and Economic and Social Survey 1980, National Planning Agency, Jamaica.

JAMAICA

TABLE XII

MONETARY POSITION
(J$ Mill.)

	Balance at End of				Annual Growth Rates		
	1977	1978	1979	1980[p]	1978	1979	1980[p]
1. Money	508.1	550.4	622.5	825.8	8.3	13.1	32.7
Currency Outside Banks	181.0	172.4	218.7	257.5	- 4.8	26.9	17.7
Demand Deposits (adjusted)	327.1	378.0	403.8	568.3	15.6	25.8	40.7
2. Factors of Expansion							
Foreign Assets (net)	- 221.7	- 484.2	- 793.9	- 776.3	-118.4	-64.0	2.2
Domestic Credit (net)	1,680.8	2,139.2	2,552.2	3,249.6	27.3	19.3	27.3
Government (including official entities)	744.4	1,021.9	1,249.9	1,693.5	37.3	22.3	35.5
Private sector	936.4	1,117.3	1,302.3	1,556.1	19.3	16.6	19.5
3. Factors of Absorption							
Quasi-money (Savings and time deposits)	687.9	864.2	953.0	1,301.7	25.6	10.3	36.6
Bonds	...	...	...	...	...	...	...
Long-term Foreign Borrowing	...	...	...	...	...	...	...
Other Items (net)	...	...	...	...	...	...	...

N.B.: Data relate to the banking system, Central Government, Official Institutions, Jamaica Mortgage Bank, Jamaica Development Bank, merchant banks and trust companies. Foreign Assets (net) = Foreign Assets held by the banking system, Central Government, Official institutions, merchant banks and trust companies less short-term foreign liabilities of the banking system, merchant banks and trust companies.

Source: Statistical Digest, Table 1, May 1981. Research Department, Bank of Jamaica.

JAMAICA

TABLE XIII

SELECTED MONETARY STATISTICS
(J$ Mill.)

	As at end of Period				Annual Rate of Change		
	1977	1978	1979	1980p	1978	1979	1980p
COMMERCIAL BANKS							
Loans and Advances Outstanding	658.7	767.6	900.9	1,088.1	16.5	17.4	20.8
Of which:							
Agriculture	88.9	81.9	93.1	117.8	- 7.9	13.7	26.5
Manufacturing	118.9	132.8	154.1	213.9	11.7	16.0	38.8
Construction and land development	109.3	127.8	125.0	127.3	16.9	- 2.2	1.8
Central and local government	28.4	27.8	28.5	23.5	- 2.1	2.5	-17.5
Personal	117.0	119.4	167.6	188.0	2.1	40.4	12.2
Distribution	71.3	80.7	80.4	89.6	13.2	- 0.4	11.4
Net excess liquidity 1/	90.2	107.2	108.9	128.3	18.9	1.6	17.8
Holdings of Central government securities	249.0	317.2	356.9	357.8	27.4	12.5	0.3
Prime lending rates (%)	11.0	11.0	11.0	13.0	0.0	0.0	18.2
CENTRAL BANK							
Holdings of Central government securities	406.7	506.2	515.9	904.1	24.5	1.9	75.2
INSTALMENT CREDIT OUTSTANDING	104.7	123.3	146.9	175.8	17.8	19.1	19.7
INSTALMENT CREDIT NEW BUSINESS	103.8	128.2	173.5	190.0	23.5	35.3	9.5

1/ Average liquidity less the sum of required minimum liquidity and loans from Central Banks.

Source: Statistical Digest: May 1981. Research Department, Bank of Jamaica.

JAMAICA

TABLE XIV-A

CENTRAL GOVERNMENT REVENUE AND EXPENDITURE
(J$ Mill.)

	1977-1978[r]	1978-1979[r]
RECURRENT REVENUE	529.1 1/	777.2 2/
Tax Revenue	487.4	750.4
Of which:		
Income	193.9	281.2
Land and Property	23.8	25.0
Consumption	131.5	262.0
Customs	30.3	49.0
Non-tax Revenue	41.7	26.7
RECURRENT EXPENDITURE	838.9 3/	1,163.7 3/
Economic Services	119.2	146.9
Public Debt and Fiscal Services	151.5	241.7
Other	568.2	775.1
Current surplus (+) or Deficit (-)	-309.8	- 386.5
CAPITAL REVENUE	17.3 1/	3.8 2/
CAPTIAL EXPENDITURE	403.1 3/	662.6 3/
Economic Services	223.3	351.0
Public Debt and Fiscal Services	68.6	171.5
Other	111.2	140.1
CAPITAL DEVELOPMENT FUND TRANSFERS	110.0	268.0
TOTAL RECEIPTS	656.4	1,049.0
TOTAL EXPENDITURE	1,242.0	1,826.3

TABLE XIV-A (CONT'D)

CENTRAL GOVERNMENT REVENUE AND EXPENDITURE
(J$ Mill.)

	1977-1978[r]	1978-1979[r]
FISCAL SURPLUS (+) OR DEFICIT (-)	- 585.6	- 777.3
FINANCING OF DEFICIT		
Of which:		
Domestic Financing 4/	391.5	457.9
External Financing 4/	143.6	770.9
(External Financing in US$ Mill.)	(- 67.3)	(336.0)

N.B.: Fiscal year covers the period April to March and Expenditure figures exclude "appropriations-in-aid".

1/ Actual accounts.

2/ Consolidated fund receipts.

3/ Preliminary out-turn.

4/ Change in Gross Internal and External debt outstanding. Converted at rates of exchange prevailing at end of each period.

Source: 1977-1978 - 1979-1980 - Economic and Social Survey, 1979. National Planning Agency, Jamaica; 1980-1981 - Financial Statements and Revenue Estimates for 1980-1981, Ministry of Finance and Planning, 19 May 1980, Jamaica; and April-December figures supplied to CEPAL.

JAMAICA

TABLE XIV-B

SUMMARY OF CENTRAL GOVERNMENT REVENUE AND EXPENDITURE
(J$ Mill.)

	1979-1980 Actual Expenditure (Provisional)	1980-1981 Revised Estimates 1/
TOTAL EXPENDITURE	1,778.3	2,415.1
Recurrent Expenditure 2/	1,239.4	1,639.6
Capital Expenditure 2/	538.8	775.5
TOTAL REVENUE	1,068.2	1,375.2
Recurrent Revenue	834.2	964.8
Tax Revenue	782.4	923.6
Non-tax Revenue	51.8	41.2
Capital Revenue	1.5	180.4
Transfers from Capital Development Fund	232.5	230.0
LOANS	811.0	970.9
Foreign	232.8	319.9
Local non-bank and Commercial Bank	195.7	250.0
Bank of Jamaica Advance	382.5	401.0
TREASURY BILLS NET RECEIPTS	5.2	0.04
OTHER 3/	9.2	63.7 4/
CURRENT SURPLUS (+)/DEFICIT (-)	- 405.2	- 674.8
OVERALL SURPLUS (+)/DEFICIT (-)	- 702.4	-1,039.9

1/ Consolidated Fund Statement.

2/ Net of Appropriations-in-Aid.

3/ Includes Over issues and Cash Balances Brought from previous year.

4/ Excludes Over issues.

Source: Economic and Social Survey, 1980. National Planning Agency, Kingston, Jamaica.

JAMAICA

TABLE XV

CONSUMER PRICE INDEX (JANUARY 1975 = 100)

Group	% Weight	1977	1978[r]	1979[r]	1980[p]
		ANNUAL AVERAGES			
TOTAL	100.00	130.2	175.6	226.7	288.2
Food and drink	53.28	129.2	176.7	235.8	314.5
Fuels and other household supplies	5.13	121.5	168.9	245.9	345.2
Housing	8.87	127.4	141.7	165.6	184.6
Household furnishings including furniture	3.18	139.3	215.7	273.3	324.0
Clothing and Accessories	8.15	127.2	178.5	225.0	269.9
Personal Expenses	8.43	122.7	167.4	209.9	255.0
Transportation	4.86	120.8	193.7	244.7	276.3
Miscellaneous Expenses	8.10	157.4	189.5	211.3	257.4
		ANNUAL AVERAGE CHANGE %			
TOTAL		11.2	34.9	29.1	27.1
Food and Drink		9.4	36.8	33.4	33.4
Fuels and Other Household Supplies		8.1	39.0	45.6	40.4
Housing		5.3	11.2	16.9	11.5
Household Furnishings including Furniture		14.9	54.8	26.7	18.6
Clothing and Accessories		9.7	40.3	25.4	20.0
Personal Expenses		9.5	36.4	25.9	21.5
Transportation		13.3	60.3	26.3	12.9
Miscellaneous Expenses		30.2	20.4	11.5	21.8
		% CHANGE DECEMBER-DECEMBER			
TOTAL		14.1	49.4	19.8	28.6
Food and Drink		12.3	54.1	24.5	33.7
Fuels and Other Household Supplies		12.6	60.4	31.4	36.0
Housing		3.3	17.1	17.7	7.3
Household Furnishings including Furniture		25.6	65.8	12.6	23.5
Clothing and Accessories		14.2	52.4	15.6	25.5
Personal Expenses		11.7	52.7	9.7	32.5
Transportation		12.5	85.3	7.5	12.3
Miscellaneous Expenses		35.4	19.7	7.9	16.2

Source: Consumer Price Indices, Annual Review 1980, Department of Statistics, Jamaica.

JAMAICA

TABLE XVI

SELECTED PETROLEUM DATA

Year	Average Price Per Barrel Crude Oil US$	Petroleum Imports (million barrels)	Cost of Petroleum Imports		Ratio Oil Imports: Total Exports	Ratio Oil Imports: Total Imports
			J$M	US$M		
1972	2.91	16.1	44	57.3	14.7	9.0
1973	3.77	20.3	65	71.5	18.3	10.6
1974	10.45	18.5	177	194.7	27.6	20.8
1975	11.29	17.5	196	208.2	25.3	19.2
1976	11.77	15.6	185	200.4	32.2	22.3
1977	13.33	16.4	223	219.6	32.5	28.5
1978	13.51	16.3	320	208.8	26.7	24.1
1979	18.87	16.6	523	286.8	35.2	28.6
1980	30.37	15.6	761	418.0	43.5	35.6

Source: Economic and Social Survey, 1979 and 1980. National Planning Agency, Jamaica.

PART X

MONTSERRAT COUNTRY NOTES

ECONOMIC ACTIVITY 1980

MONTSERRAT[1/]
(East Caribbean dollars used throughout)[2/]

An upsurge in economic activity brought on by the establishment of an American medical school on the island, a drive towards further industrialization and a Government policy geared towards a more productive Agricultural sector resulted in an estimated 6.5 percent increase in Gross Domestic Product (GDP) at current factor cost in 1980, despite the lack of official statistics to support the assertion. A CEPAL estimate puts the GDP figure at some $27.6 million in 1980.

In 1980, Government policy continued to encourage activity in Agriculture, Industry and Tourism, and continued to encourage the vertical integration of industry, especially in cotton and some food processing. Because of the switch to local processing of agricultural produce, the export Agricultural sector did not procure foreign exchange earnings of the magnitude of previous years. Government's direct involvement in the Industrial sector created in 1980 over 110 new jobs. The prognosis is that even more jobs will be created in 1981. The purchase by Government of a new aircraft, and the provision of night landing facilities gave expression to Government's intention to develop tourism. Further investment on the part of both the public and the private sector is needed if the programmes as outlined by the tourist board are to become effective and increase the tourist expenditure on the island to beyond the estimated $11.6 million of 1980.

An estimated $2.6 million in personal income tax receipts in 1980 represented a 32 percent increase in Government tax takings over the previous year. This was largely because of higher incomes and a greater number of employees entering the tax net. An increase in the Customs Service tax from 1 percent to 4 percent of the value of all

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1/ Prior to this report, Montserrat's country notes were subsumed in the notes for the West Indies Associated States.

2/ US$1.00 = EC$2.70.

imported items brought the tax taxings on this item to some $1.5 million.

Funding for several major public works projects came from external sources such as the European Development Fund, United Kingdom grants, the Canadian International Development Agency, and the Caribbean Development Bank.

The increased economic activity was accompanied by an estimated increase of some 10 percent in the money supply in 1980.

The rate of inflation as measured by the Retail Price Index (annual average) increased by 29.8 percent in 1980.

Agriculture

Montserrat's Agricultural sector revolved around the cultivation of sea island cotton, and the production of vegetables, some of which are exported under the Agricultural Marketing Protocol of CARICOM. The real problems as faced by the farmers include poor port facilitation which results in tremendous losses to farmers. The system of land tenure under which many farmers rent the lands that they cultivate, discourages agriculture in long-term crops and fruit orchards. Government policy is oriented towards the purchase of estates which are rented out on a short-term basis. These estates are subdivided into parcels of 5-25 acres and leased to farmers for a period of 25 years. This policy is expected to encourage the planting of long-term crops. Recently, interest in the revival of the lime industry on a large scale for export, has been registered. At present also, Government has been fostering the planting and cultivation of mangoes, citrus and avocado.

The severity of the dry season has in the past served as a drawback to agricultural production. Government has sought to construct dams with external assistance, but in many parts of the island soil conditions dictate the need for lined dams. The results of government's efforts at improving the supply of irrigation water will be measurable only after a "normal" dry season is again experienced.

Training, research and extension activities in agriculture have intensified with a view to promoting the Agricultural sector as a major engine of

economic growth. Three regional projects in agriculture operated in the island in 1980, all aimed at improving crop yields and the quality of life of the small farmer. The problem of erosion has been attacked with a project to establish tree cover over some 50 acres of land in the north of the island. The species planted include timber, ornamental trees and trees which will provide food for wildlife.

The export Agricultural sector did not register an excellent performance in 1980 because of poor port facilitation and partly because of the shift towards agro-based industries locally. Much economic activity centred around the cotton industry and the manufacturing of pepper sauce, thus resulting in downward shifts in foreign exchange earnings of these two commodities.

Cotton

Having declined over fairly recent years, the acreage under cotton fell to as low as 10 acres in 1976/77. The crop ceased to be an "estate crop" in the late 1950's, and small farmers grew whatever little cotton was left, on an acreage vastly reduced from the 1,200 acres of the mid-1950's. Later attempts to revive the industry saw private sector funding channelled through the Ministry of Agriculture for this purpose, but factors such as pricing, weather conditions, low fertility of the soil, and comparatively high costs of production led to further decline. Within the last three years, spinning equipment was introduced into Montserrat, and in 1979, spinning became a facet of economic activity in the island. Weaving on hand looms was later introduced, and personnel are being trained in the art.

After the success of a pilot cotton production scheme managed by the Land Development Authority in 1980, and after the success of the experimental weaving and spinning project, Government undertook to grow 150 acres in 1980. Of the entire acreage earmarked, about 130 acres of land were actually cleared and planted for the 1980/81 cotton crop.

The future of the revived industry looks bright, as can be seen from performance and employment generated. The output of the 1979/80

crop was some 20,000 lbs, of which some 13,000 lbs were produced by the Government pilot project. The remaining 7,000 lbs were produced by small farmers. In 1979/80, the labour employed on the pilot project was of the order of 20 persons. Employment for the 1980/81 crop was of the order of 150 persons for field operations, and some 24 persons at the spinning and weaving stages. At present a stock of 120 looms exceeds skilled labour to operate them. Expansion in spinning is planned, and plans are to expand the acreage to the targetted 150 acres, necessitating a further 20 persons for field operations. Completely vertical integration of the industry is planned, as final products are expected to be tablecloths and selected items of outerwear. Regional and extra-regional markets are expected to be serviced by these products.

Much of the activity in weaving and training has been facilitated by CIDA funding. The spinning aspect of the operation has been funded by the British Development Division, while funding for the integrated project has been provided by the Caribbean Development Bank.

In order to ensure adequate supplies of raw material, Government more than doubled the purchasing price of seed cotton to $1.75 per lb. Government plans also to grow some 200 acres of cotton through the Land Development Authority, both to ensure an adequate supply of raw material and to give practical demonstration of the benefits to be derived by farmers from improved cultural practices.

Hot peppers

Hot peppers continue to be a major cash crop. There are some 60 acres of land under the crop. The production of peppers suffered a serious setback in 1979 as a result of hurricane "David", which occasioned the loss of some 35 percent of plants and an estimated corresponding reduction in output. Production recovered in 1980, but the emphasis has been to increase the local value-added by crushing the peppers locally and exporting the higher-priced semi-processed pepper.

Other Agriculture

Not very much activity in other agriculture is evidenced. There are some three or four poultry farms that produce in the main, eggs. The high cost of poultry feed has been cited as the main reason for low activity in the area of

production of poultry meat. Much the same situation occurs with pigs. Government is improving the strain of sheep by selectively importing certain species with a larger meat yield.

The absence of official National Accounts estimates makes it impossible to quantify the net effect of economic activity in the sector, but indications are that the net effect of natural disasters, price increases and other factors has been to increase GDP at factor cost in Agriculture to an unofficial estimate of some $1.6 million in 1980.

Activity in agriculture in 1980 reflected the implementation of Government policy as enunciated in the Government's Development Plan, the objectives of which were:

- to develop and implement a strategy for the conservation of natural resources;
- to replace imports and achieve self-sufficiency in a wide range of food products;
- to create a community of commercially-minded farmers and settling them on viable farming units;
- to upgrade nutritional standards and generate employment;
- to produce raw materials for the expansion of agro-industry.

Manufacturing

Government continued in 1980 to concentrate its efforts on the promotion of industrial development. Through the Montserrat Industrial Enterprises Limited (M.I.E.L.), government has committed considerable resources to direct involvement in some ventures, especially those that are based on local resources. Some of these include the ginning, spinning and weaving of Sea Island Cotton, pepper processing, pottery, leathercraft and the tanning of hides and skins. The moves to achieve vertical integration in cotton have progressed with the obtention of a loan of some $1.7 million from the Caribbean Development Bank. Government has further taken a 30 percent shareholding in a company formed by a Canadian group for the production of knitted clothing.

Current work in peppers is aimed at producing substantial amounts

of finished pepper sauce for export by the end of 1981.

A joint-venture bag-making project has contributed significantly to the export earnings of the island. In 1980, estimated value of exports of plastic bags grew by 192.4 percent to some $143,000. Most of these exports were to CARICOM countries.

A joint venture in the manufacture of outer garments promises to contribute much by way of employment and export earnings as great expansion in operations is envisaged in 1981.

Industrial production statistics have not in the past been compiled. In 1980, a survey of business establishments was conducted with a view to determining the extent and kind of economic activity taking place, as well as a quantification of production. Table IV gives some idea of economic activity in industry. Table 1 below supplements.

Table 1

Selected Exports by Commodity - 1979 and 1980
($'000)

Commodity	1979	1980
Manufactured sand	20.8	-
Gravel	12.0	-
Plastic Bags	48.9	143.3
Rayon ribbon bows	.4	-
Electric machinery,etc.	335.3	351.5
T - Shirts	14.1	2.8
Polythene bags	-	580.7

Source: Data supplied CEPAL.

In 1980, Government policy in the area of industrial development was concentrated on the promotion and fostering of industrial activity locally.

Government's direct involvement in the Industrial Sector created in 1980 over 110 new jobs. Even greater employment generation is expected in 1981. Much of the output of the Manufacturing sector went to the CARICOM market.

Tourism

A significant number of retirees from North America and Europe have constructed homes in Montserrat where they reside either permanently or for part of the year. Much construction has therefore resulted from this type of tourist activity. While this type of tourism is likely to continue, there exists the potential to diversify into the more conventional type of tourism. Promotional and Marketing activities designed to increase tourist traffic have been embarked on. By way of facilitation of tourism to the island, a Montserrat desk was established at Coolidge airport in Antigua, and a twin-engined Otter has replaced the previous aircraft. Night landing capabilities have been added to the runway, Government is examining the possibility of expanding the routes of its aircraft, and day tours are being planned. Because of limited air links, mass tourism in Montserrat cannot be pursued. Promotion is therefore aimed at a very small portion of the total tourist market. In order to accommodate tourism, a certain minimum infrastructure must be put into place, including the provision of conference facilities to accommodate international meetings. Optimally, both Government and the private sector should come together in the provision of these facilities. Indications are that the Tourist Board is in need of financial backing for its tourist site development ideas. Due emphasis should therefore be attached to the importance of investing in adequate tourism infrastructure.

The number of passenger arrivals as well as the annual rate of increase of their arrivals rose steadily from 1977, from a figure of 19,025 in 1977 to 25,681 in 1980. The general trend in arrivals of cruise-ship visitors was an upward one, although a decrease in arrivals was noted in 1979. Other indicators such as the number of hotel and guest-house beds and employment in hotels showed no signs of net increase

over the last three years.

Of the tourists arriving in Montserrat in 1980, some 51 percent were holiday visitors, 23 percent were business visitors and 24 percent were day excursionists. Of the hotel visitors, some 12 percent stayed in hotels or guest-houses, 5 percent rented apartments or villas, and about 34 percent stayed in private homes. About 80 percent of business visitors stayed at hotels or guest-houses.

Table 2 below provides some idea of the "direction of trade" in the sector.

Table 2

Visitor Arrivals from Selected Countries - 1979 and 1980

Country of Origin	1979	1980
United States of America	7,073	8,657
Canada	1,838	1,815
United Kingdom	1,469	1,651
Caribbean	4,807	5,212

Source: Data supplied CEPAL.

The arrival of some 1,542 medical students to attend the American University of the Caribbean has exerted an upward influence on tourist expenditure which was estimated in 1980 to have been of the order of $11.6 million.

FISCAL AND MONETARY DEVELOPMENTS

An observed $1.9 million surplus on Government's current account in 1980 was the result of an upsurge in economic activity in the country. Whereas no amendments to the personal income tax structure were made, higher incomes and a greater number of PAYE employees resulted in higher tax takings on the part of Government. A 1980 Personal Income tax receipts estimate is put at $2.6 million - a 32 percent increase over the previous year's figure of $2.0 million.

New sources of revenue were procured in 1980. The students' levy attached to students of the medical school was estimated to have amounted to close to $0.5 million. In 1980, a Customs Service tax of 4 percent on the value of all imported items replaced the previous 1 percent tax. This service tax was levied on all imported items regardless of their duty exempt status. This tax was of the order of $1.5 million in 1980 - outstripping the forward looking estimate of $1.1 million for the same year.

The offshore medical presence on the island has exerted some upward pressure on the Retail Price Index in the area of rents, and on the general price level of goods and services whose increase in demand was not met by a pari passu increase in production. At the same time several service type and clerical jobs were created by the presence of the medical school. The construction industry received a boost from the activity connected with the erection of physical plant attached to the medical school.

Several major public works projects were executed in 1980. In the area of road construction, 14 miles of first class roads linking the Northern and Eastern parts of the island began. This activity was funded by European Development Fund and U.K. grants. The supply and price of building materials varied in accordance with their sporadic delivery due to late orders and shipping problems. As an incentive to the construction industry, duties on building materials were removed for a two-year period. In the area of transportation, Government purchased a Twin Otter aircraft in a move to improve the Antigua to Montserrat service, and to forge new air links with Montserrat and the rest of the Caribbean.

A loan in the sum of $1.7 million from the Caribbean Development Bank was utilized for the establishment of the integrated cotton project. In the short to medium term, integration of the industry will produce outer garments and other finished products, while in the longer term, bye-products in the form of cattle feed will help improve the efficiency of the livestock sub-sector.

The Money Supply (as supplied by the East Caribbean Currency Authority) to Montserrat rose by 8.9 percent and 13.5 percent in 1978 and 1979 respectively. Preliminary office estimates indicate a 10 percent increase in the Total Money Supply in 1980. This variable continued to be positively correlated with economic activity.

PRICES AND EMPLOYMENT

Price increases originating mainly from trading partner countries as well as domestic events, helped to push the All Items index of retail prices to an average of 272.2 points in 1980 - a 29.8 percent increase over the level of the previous year. Mainly responsible for this increase were increased prices of gas, electricity and water, rents, services and miscellaneous household goods.

Retail prices of all petroleum products increased in 1980 in response to the new supply prices of these commodities. An estimated increase of 68.9 percent in the retail price of premium gasolene was noted in February 1980, over the price prevailing a year earlier. In February 1980, the retail price of kerosene stood at $4.35 per imperial gallon - an increase of some 145 percent over the price that obtained in March of the previous year.

The growing number of visitors associated with either the new American University of the Caribbean, or with tourism, or with business contributed to the increase in rents as indicated by the index. The increase in the Services index also in part reflects this phenomenon.

Concomitant with the expansion of the manufacturing sector has been the increase in employment.[3/] In March 1980, the number of PAYE taxpayers stood at 2,100 as opposed to 1,620 of a year earlier, while the number of own-account workers rose from 225 in 1979 to 470 in March 1980. While these figures do not make definitive pronouncements on the rate of employment or unemployment because of the absence of a labour force survey, they are useful in that they indicate the direction of the employment variable in the economy.

3/ Figures presented in Budget Speech, March 1980.

TRADE AND THE BALANCE OF PAYMENTS

Because of greater domestic economic activity, exports of goods and non-factor services increased by some 15 percent while the value of imports is estimated to have fallen slightly in 1980. The effect of these two transactions was a slight reduction in the trade deficit from the observed $24.3 million of 1979 to $20.0 million in 1980. The Current Account deficit fell correspondingly from $19.8 million in 1979 to $17.6 million in 1980.

Major items of domestic export were manufactured goods. The manufacturing sector contributed $1,311,599, or 74.1 percent of the total value of exports in 1980 as compared with $636,110 in 1979. Mainly responsible for the increase in export earnings in 1980 was an increase in production and export of plastic and polythene bags.

The increased local demand for agricultural produce that followed an increased tourist presence in 1980, as well as a shift towards agro-industry resulted in lower export earnings of the agricultural sector.

A significant increase in exports to CARICOM countries was largely explained by an increase in the exports of polythene bags and plastic bags. Tables X, XI, XII and XIII refer.

STATISTICAL APPENDIX

MONTSERRAT

1980

MONTSERRAT

TABLE I

MAIN ECONOMIC INDICATORS

	1977	1978	1979	1980
A. BASIC ECONOMIC INDICATORS				
Gross domestic product at factor cost (current prices) $M	22.2	24.4	25.9*	27.6*
Population ('000) (mid-year)	11.5	11.3	11.2	11.5*
Per capita gross domestic product (current prices)	1,930	2,159	2,312	2,400
		Annual Growth Rates		
B. SHORT-RUN ECONOMIC INDICATORS				
Gross domestic product	...	9.9	6.1	6.6
Per capita gross domestic product	...	11.9	7.1	3.8
Domestic Exports	40.7	74.7	-22.5	18.9
Total Imports	-9.0	42.2	...	...
Consumer Price Index December-December	16.9	11.9	33.6	17.8
Variation between annual averages	17.5	9.4	16.0	29.8
Money Supply (by ECCA) (M_3)	...	8.9	13.5	...
Money Supply M_1 (by ECCA)	...	21.5	41.5	...

Source: Various tables presented in this Statistical Appendix.

MONTSERRAT

TABLE II

GROSS DOMESTIC PRODUCT BY SECTOR 1977-1980

(Current factor cost) $ Million

Sector	1977	1978	1979	1980
Agriculture	1.3	1.2	...	...
Mining and Quarrying	0.3	0.3	...	...
Manufacturing	0.5	0.5	...	...
Construction	3.2	3.5	...	...
Sub-total goods	5.3	5.5	...	...
Public utilities	0.8	0.9	...	...
Transport, communication	3.1	3.5	...	...
Sub-total basic services	3.9	4.4	...	...
Wholesale and retail	3.0	3.4	...	...
Hotels, Restaurants, Bars	1.7	1.9	...	...
Government Services	4.9	5.4	...	...
Financing, Insurance	1.6	1.7	...	...
Real Estate	0.8	0.9	...	...
Miscellaneous Services	1.0	1.2	...	...
Sub-total other services	13.0	14.5	...	...
TOTAL GROSS DOMESTIC PRODUCT	22.2	24.4	25.9*	27.6*

Source: Eighth Statistical Digest 1979, Statistics Office, and CEPAL estimates.

MONTSERRAT

TABLE III

QUANTITIES OF MAIN CROPS PURCHASED BY THE DFMC[1/]

Items	Unit	1976	1977	1978	1979	1980	Annual Growth Rate 1977	1978	1979	1980
White Potatoes	'000 kg	222.2	66.9	2.9	3.7	...	-69.9	-95.6	27.6	...
Sweet Potatoes	"	5.7	1.7	1.8	3.0	...	-70.2	5.9	66.7	...
Tomatoes	"	32.5	34.9	24.9	41.9	...	7.4	-28.7	68.3	...
Carrots	"	31.5	3.4	...	8.3	...	-89.2	...	...	...
Cabbage	"	3.2	2.6	-	3.4	...	-18.8	...	...	...
Onions	"	45.2	3.5	0.5	5.1	...	-92.3	-85.7	920.0	...
Pumpkin	"	3.3	2.1	0.5	0.6	...	-36.4	-76.2	20.0	...
Pineapple	"	6.8	3.6	-	1.9	...	-47.1	...	...	...
Lime	"	13.7	11.8	4.0	3.9	...	-13.9	-66.1	-2.5	...
Mangoes	"	2.6	5.5	-	0.3	...	111.5	...	...	...
Cucumbers	"	-	-	-	18.1	...	...	...	...	...
Lime juice	Litres	984.1	2566.2	454.2	3974.3	...	160.8	-82.3	775.0	...

1/ Development Finance and Marketing Corporation

Source: Eighth Statistical Digest 1979.

MONTSERRAT

TABLE IV

VALUE OF MAJOR DOMESTIC EXPORTS

EC $

Unit = $'000

Commodity	1976	1977	1978	1979	1980
Tomatoes	39.5	77.3	60.3	57.0	18.2
White potatoes	171.1	26.6	25.1	8.9	1.5
Sweet potatoes	2.4	16.6	24.0	20.1	6.1
Mangoes	10.6	6.5	3.7	3.6	...
Carrots	20.3	1.5	0.6	8.8	0.5
Other vegetables	35.6	3.1	18.0	19.0	16.9
Limes	5.1	8.8	15.5	8.7	8.9
Lime juice	61.9	5.0	8.2	10.0	4.1
Hot peppers	.	0.2	92.3	357.5	113.0
Cotton lint	215.7	135.4	58.0	0.8	-
Live plants	-	-	25.1	157.3	234.0
Plastic bags	-	-	31.6	48.9	143.0
Polythene bags	-	-	-	...	580.0
Electronic circuits and parts	-	-	574.4	222.2	350.0
Cattle	103.4	88.0	31.4	124.3	...
TOTAL EXPORTS	781.5	1,099.2	1,921.1	1,488.6	1,770.6

Source: Eighth Statistical Digest 1979, Central Statistics Office.

MONTSERRAT

TABLE V

TOURISM

	1977	1978	1979	1980	Annual Growth Rate 1978	1979	1980
Total number of passenger arrivals	19,025	20,125	21,639	25,681	5.7	7.5	18.7
Of which							
Cruise-ship visitors	(1,840)	(3,819)	(3,082)	(4,953)	106.5	-19.3	60.7
Average length of stay in hotels	...	...	...	11.6	...	...	...
Occupancy rate	...	...	...	...	...	...	...
Number of Hotel and Guest-house beds	...	237	237	237	...	-	-
Number of new hotels and guest houses	-	-	-	-	-	-	-
Total Tourist expenditure ($ million)	...	8.4	10.4	11.6	...	23.8	11.5
Of which stay-over visitors' expenditure	...	...	...	11.4	...	...	...
Number of cruise ship calls	...	...	...	35	...	...	...
Number of yachts calling	...	...	...	170	...	...	...
Number employed in hotels	100	125	125	125	25.0	-	-

Source: Eighth Statistical Digest 1979, and data supplied CEPAL.

MONTSERRAT

TABLE VI

GOVERNMENT SECTOR
TOTAL REVENUE AND EXPENDITURE
($ Mill.)

	1977	1978	1979	1980
Local Recurrent Revenue	7.1	8.0	11.6	15.7
Budgetary Aid	2.0	1.7	0.8	1.1
TOTAL RECURRENT REVENUE	9.1	9.7	12.4	16.8
TOTAL RECURRENT EXPENDITURE	8.4	9.8	12.2	14.9
Surplus (+)/Deficit (-) on				
Current Account	+0.7	-0.1	+0.2	+1.9
Capital Revenue	3.4	1.9	2.5	...
Capital Expenditure	3.4	2.5	3.5	...
Surplus (+)/Deficit (-) on				
Capital Account	-	-0.6	-1.0	...
Overall Surplus (+)/Deficit (-)	+0.7	-0.7	-0.8	...

Source: Eighth Statistical Digest 1979, Statistics Office. Estimates of Revenue and Expenditure 1981, Ministry of Finance.

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TABLE VII-A

GOVERNMENT SECTOR
Revenue ($'000)

Details of Revenue	1977	1978	1979	1980
Import Duties	(	(	1,767.4	2,220.9
Consumption Tax	(2,368.0	(2,823.0	1,816.1	2,424.5
Stamp duties and licences	404.0	343.3	425.4	834.5
Fees of court etc.	103.8	82.8	118.4	163.4
Direct Taxes - TOTAL	2,639.4	3,066.0	4,970.1	7,251.5
Of which Personal Income Tax	(...)	(1,705.3)	(1,977.6)	(2,615.1)
Company Tax	(...)	(314.5)	(758.3)	(750.0)
Other Government Revenue 1/	1,655.1	1,417.1	2,305.7	1,810.5
Loan Repayments	23.9	47.0	78.6	123.5
Project Revenue	-	-	-	126.0
Grant-in-Aid	1,953.2	1,672.0	1,300.0	1,068.0
Retainable Surplus	-	-	54.3	282.6
TOTAL REVENUE	9,447.8	9,451.5	12,836.0	16,305.4

1/ Includes Revenue from Government Property, Earnings of Government Departments, Interest and Similar Revenue, and Miscellaneous receipts.

Source: Estimates of Revenue and Expenditure 1981, and data supplied CEPAL.

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TABLE VII-B

GOVERNMENT SECTOR
Expenditure ($'000)

Main Sector	1977	1978	1979	1980	Annual Growth Rate 1978	1979	1980
Agriculture, Trade and Housing	582	450	557	826	-22.7	23.8	48.3
Communication and Works	1,374	1,632	1,877	2,679	18.8	15.0	42.7
Education, Health and Welfare	3,227	3,353	3,522	5,424	3.9	5.0	54.0
Administration	282	298	341	545	5.7	14.4	59.8
Chief Minister's Office	218	327	370	632	50.0	13.1	70.8
Finance	459	1,060	3,051	1,797	130.9	187.8	-41.1
Police	576	603	623	999	4.7	3.3	60.4
Other	1,686	2,045	1,785	2,887	21.3	-12.7	61.7
TOTAL RECURRENT EXPENDITURE	8,404	9,768	12,126	15,789	16.2	24.1	30.2

Source: Estimates of Revenue and Expenditure 1981, and data supplied CEPAL.

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TABLE VIII

MONEY SUPPLY /BY ECCA[1/] TO MONTSERRAT/ - 1977-1980
(Unit $'000)

	Balance as at end of December Sept.				Annual Growth Rate		
	1977	1978	1979	1980	1978	1979	1980
Money:							
Currency outside banks	2,376	2,538	2,596	...	6.8	2.3	...
Demand deposits	3,956	5,158	8,297	8,641	30.4	60.9	4.1
Total (M_1)	6,332	7,696	10,893	...	21.5	41.5	...
Quasi Money:							
Time deposits	2,848	2,776	3,238	3,977	-2.5	16.6	22.8
Savings deposits	15,991	16,929	16,981	19,012	5.8	0.3	12.0
Total Quasi Money	18,839	19,705	20,219	22,989	4.6	2.6	13.7
Total Money Supply ($M_1 + M_2$)	25,171	27,401	31,112	...	8.9	13.5	...

1/ East Caribbean Currency Authority.

Source: Eighth Statistical Digest 1979, Statistics Office, and data supplied CEPAL.

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TABLE IX

RETAIL PRICE INDEX - 1976-1980
(1974 = 100)

	Weight	1976	1977	1978	1979	1980
			ANNUAL AVERAGES			
TOTAL: All Items	1,000	140.5	165.1	180.7	209.7	272.2
Food and non-alcoholic beverages	401	148.1	170.2	187.3	228.2	282.4
Alcohol and Tobacco	46	140.4	168.0	195.3	226.2	260.7
Miscellaneous household goods	114	148.6	160.4	183.6	210.8	266.2
Gas, electricity and water	120	177.5	245.8	260.9	291.6	444.0
Rent	211	100.0	102.9	108.7	110.6	153.9
Clothing	51	156.5	218.3	244.1	306.8	354.2
Other including Services	57	129.1	145.4	156.6	182.7	224.6
			ANNUAL AVERAGE CHANGE			
TOTAL: All Items		...	17.5	9.4	16.0	29.8
Food and non-alcoholic beverages		...	14.9	10.0	21.9	23.8
Alcohol and Tobacco		...	19.7	16.3	15.8	15.3
Miscellaneous household goods		...	7.9	14.5	14.8	26.3
Gas, electricity and water		...	38.5	6.1	11.8	52.3
Rent		...	2.9	5.6	1.7	39.2
Clothing		...	39.5	11.8	25.7	15.4
Other including Services		...	12.6	7.7	16.7	22.9
			% Change December-December			
TOTAL: All Items		...	16.9	11.9	33.6	17.8
Food and non-alcoholic beverages		...	31.5	8.8	25.8	6.6
Alcohol and Tobacco		...	7.5	21.4	17.9	5.4
Miscellaneous household goods		...	44.5	0.0	22.3	21.4
Gas, electricity and water		...	8.7	0.0	3.2	47.7
Rent		...	10.7	16.4	23.2	31.3
Clothing		...	13.2	7.0	26.2	8.1
Other including Services		...	18.7	9.1	24.7	13.0

Source: Eighth Statistical Digest 1979, Statistics Office, and data supplied CEPAL.

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TABLE X

VALUE OF IMPORTS BY SITC SECTION (c.i.f.)
(Unit = $'000)

Section	Description of Goods	1976	1977	1978	1979	1980
0	Food	5,191	5,176	6,237	...	...
1	Beverages and Tobacco	1,270	1,375	1,845	...	...
2	Crude materials, inedible, except fuels	1,301	1,052	478	...	...
3	Mineral fuels, lubricants and related materials	1,597	1,326	1,982	...	...
4	Animal and vegetable oils and fats	158	167	223	...	...
5	Chemicals	1,228	1,244	1,648	...	...
6	Manufactured goods, classified chiefly by materials	4,202	3,422	4,789	...	...
7	Machinery and transport equipment	3,689	2,946	6,653	...	...
8	Miscellaneous manufactured articles	2,144	2,211	3,060	...	...
9	Miscellaneous transactions and commodities n.e.s.	21	14	12	...	...
	TOTAL	20,803	18,933	26,927	...	...

Source: Eighth Statistical Digest 1979, Statistics Office.

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TABLE XI

VALUE OF DOMESTIC EXPORTS (f.o.b.)
(Unit = $'000) EC $

Section	Description of Goods	1976	1977	1978	1979	1980
0	Food	453.0	257.2	279.2	637.6	...
1	Beverages and Tobacco	4.9	10.1	10.4	22.0	...
2	Crude materials, inedible, except fuels	230.9	188.0	258.4	191.0	...
3	Mineral fuels, lubricants and related materials	-	-	-	-	...
4	Animal and vegetable oils and fats	-	-	-	-	...
5	Chemicals	6.6	9.7	7.5	-	...
6	Manufactured goods, classified chiefly by material	75.6	107.6	42.2	32.7	...
7	Machinery and transport equipment	0.8	-	574.4	392.9	...
8	Miscellaneous manufactured articles	9.0	526.2	748.9	210.4	...
9	Miscellaneous transactions and commodities n.e.s.	0.6	0.4	-	2.0	...
	TOTAL	781.5	1,099.2	1,921.0	1,488.6	...

Source: Eighth Statistical Digest 1979, Statistics Office.

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TABLE XII

VALUE OF DOMESTIC EXPORTS BY COUNTRY OF DESTINATION
1979-1980

	1979 EC$	1979 %	1980 EC$	1980 %
CARICOM				
E.C.C.M.[1/] STATES				
Antigua	137,217	9.2	75,771	4.3
Dominica	58,345	4.0	165,621	9.4
Grenada	1,240	0.1	112,277	6.3
St. Kitts, Nevis	18,901	1.3	43,288	2.4
St. Lucia	15,182	1.0	69,210	3.9
St. Vincent	4,557	0.3	285,718	16.1
TOTAL E.C.C.M.	235,442	15.9	751,885	42.5
OTHER CARICOM STATES				
Barbados	44,935	3.0	132,498	7.5
Guyana	-	-	-	-
Jamaica	-	-	-	-
Trinidad and Tobago	261,534	17.6	191,975	10.8
TOTAL M.D.C.'s	306,469	20.6	324,473	18.3
TOTAL CARICOM	541,911	36.5	1,076,358	60.8
OTHER CARIBBEAN				
Anguilla	-	-	-	-
British Virgin Islands	4,148	0.3	10,565	0.6
United States Virgin Islands	49,600	3.3	890	0
French West Indies	106,541	7.2	31,038	1.8
St. Maarten	66,183	4.4	8,577	0.5
Other	1,419	0.1	1,700	0.1
TOTAL OTHER CARIBBEAN	227,891	15.3	52,770	3.0
NORTH AMERICA				
Canada	132,828	8.9	2,610	0.2
United States of America	275,760	18.5	389,547	22.0
TOTAL NORTH AMERICA	408,588	27.4	392,157	22.1
EUROPEAN ECONOMIC COMMUNITY				
United Kingdom	310,251	20.8	248,952	14.1
Spain	-	-	388	0
GRAND TOTAL =	1,488,641	100	1,770,625	100

1/ East Caribbean Common Market.

Source: Data supplied CEPAL.

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TABLE XIII

BALANCE OF PAYMENTS
($ Mill.)

	1977	1978	1979	1980
Exports of Goods and non factor services	9.1	10.7	13.1	15.0
Imports of Goods and non factor services	19.0	26.7	37.4	35.0
Resource Balance	-9.9	-16.0	-24.3	-20.0
Net factor service payments	-0.1	-0.1	-0.1	-0.1
Transfers (net)	2.9	4.0	4.5	2.4
Current Account Balance	-6.9	12.0	-19.8	-17.6
Private Capital	2.7	9.1	16.3	8.3
Public Capital	6.7	1.6	3.5	9.6
Grants	6.1	1.6	3.5	7.7
Loans	0.5	0.0	0.3	1.9
Amortization	-	0.0	-0.3	-
Financial System	-0.1	-	-	0.3
Capital Account Balance	9.3	10.7	19.8	12.8
Change in International Reserves (- = increase)	-2.4	1.3	-	-

Source: IBRD Mission estimates, converted to EC$ at rate of US$1.00 = EC$2.67.

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TABLE XIV

RETAIL PRICES OF SELECTED PETROLEUM PRODUCTS
(EC$ per imperial gallon)

Period	Gasolene Regular	Gasolene Premium	Kerosene	Diesel oil	Fuel oil	LPG per 100 lbs.
1972	-	...	...	...	-	...
1973	-	...	...	...	-	...
March 1974	-	1.68	1.17	1.27	-	36.00
March 1976	-	1.90	...	...	-	36.00
March 1977	-	2.27	1.70	1.91	-	42.00
March 1978	-	2.41	1.77	2.05	-	48.00
March 1979	-	2.80	1.77	2.05	-	55.00
Feb. 1980	-	4.73	4.35	4.20	-	80.45

Source: Energy file - Ministry of Agriculture, Trade and Housing.

PART XI

ST. KITTS-NEVIS COUNTRY NOTES

ECONOMIC ACTIVITY 1980

ST. KITTS-NEVIS
(East Caribbean dollars used throughout)

Foreign earnings in both merchandise account and invisibles grew in 1980. Sugar earnings grew because of high prices although output in fact fell. Performance in the Tourist sector was good, a small decrease in stopover guests being more than compensated for by an increase in cruise ship arrivals. The balance on foreign travel account at commercial banks showed an increase. In the Industrial sector the only significant increase was in footwear, while other areas showed small declines.

Increases in imports were substantial and grew at a faster rate than exports, the deficit on merchandise trade account growing at an increasing rate.

Retail prices increased overall by 15.7 percent and wage settlements negotiated in the year showed increases in excess of that figure.

The budget for 1980 showed a fiscal surplus, with increases in current income of 35 percent caused by increased returns from the sugar levy and increased revenues from import and consumption duties. Current expenditure increased by 20 percent but capital expenditure, at the same time, fell by 62 percent. Capital revenue amounted to $2.2 million and elevated the budget surplus to approximately $6 million.

Agriculture

Agriculture in St. Kitts relates primarily to the cultivation of sugar cane, which in 1978 - the last year for which Gross Domestic Product (GDP) estimates were prepared - accounted for approximately 53 percent of the contribution of the Agricultural sector. Other crops include coconuts, from which copra is produced, cotton, fresh vegetables and recently, the cultivation of groundnuts.

Preliminary indications are that sugar cane production decreased

by 8.5 percent in 1980 from the level of 1979[1/]. Prior to this, there had been a steady increase in the volume of sugar cane reaped although sugar output had been decreasing. Sugar output for 1980 shows a decrease of 12.9 percent below the level of 1979, caused by a decrease in the tonnage of sugar cane reaped as well as a decrease in the sugar content of the cane. It should be noted that in 1977, 358,000 tonnes of sugar cane produced 42,300 tonnes of sugar, whereas in 1980 357,000 tonnes of cane produced 34,400 tonnes of raw sugar.

During 1980, sugar prices were high so that despite a reduction in export volumes, final figures are expected to show export earnings to be buoyant. As a result of this, sugar workers were provided with two bonuses at the end of 1980 in addition to an increase of 25 percent in wages at the beginning of 1980 - the year the new government took office.

Employment in this industry fluctuates over the season from a peak of 4,700 workers to approximately 3,450. The fluctuation is reduced by Government policies to find employment for cane cutters in the off-season in other areas such as vegetable production on National Agricultural Corporation (NACO) lands. The sugar industry is, therefore, highly labour intensive and it has been officially recognised that costs of production are high. Since all sugar production is controlled by Government through its agent NACO a strong case exists for investment in the industry to increase yields and reduce costs of production and to provide alternate sources of employment for displaced sugar workers, through a policy of diversification. This is necessary to supplement current efforts on the refinery side to increase productivity.

The remaining traditional export crops are coconuts for copra and cotton. First quarter figures for copra show an increase in export earnings of approximately 4.8 percent over a similar period in 1979. Details of production for 1980 are not available but previous figures show a fluctuation of between 100-150 tonnes. Two projects were proposed for budget year 1980

1/ See Table II in Statistical Appendix.

related to coconut production and the coir and copra products industry. Funding was not available for these projects.

Cotton production has shown a steady decline from 71,200 kg in 1976 to 4,300 kg in 1979. Figures are not available for 1980. The cultivation and ginning of cotton has been concentrated in Nevis, and the Government has placed a high priority on the resuscitation of the industry. It has promised to make government lands available to farmers for cotton production and to provide loans, subsidies and machinery for that purpose. It also proposes to establish demonstration plots for farmers and to examine the feasibility of establishing a weaving industry.

A wide variety of root, vegetable and fruit crops is currently grown in St. Kitts. Sales from small farmers to the Central Marketing Corporation (CEMACO) - one of the functions of which is to stimulate, facilitate and improve the production, marketing and processing of produce in the state, particularly for the benefit of the producer - have increased by 158 percent between 1979 and 1980. On the other hand, exports by CEMACO have grown by 2.0 percent due to an increase in sales of unshelled peanuts which increased by 5.6 percent. Peanuts have moved from 95 percent to 99 percent of CEMACO exports between 1979 and 1980. While the value of peanut exports has only increased by 5.6 percent it should be noted that output increased by 39.6 percent.

Land surveys indicate that St. Kitts and Nevis have adequate quantities of good and medium quality land for the production of fruit and vegetable crops[2/]. Markets with high purchasing power exist in close proximity to St. Kitts, provided that a steady quantity of good quality products is available. The major constraint to effective export performance is currently a reliable water supply which will need to be provided by artesian wells. The techniques used by small farmers will also need to be upgraded by more effective

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2/ Source: IFILL, Max - Marketing in St. Kitts-Nevis CEPAL/CARIB 80/3.

extension services, and land tenure practices will need to be examined to ascertain whether they create a disincentive to small farmers to upgrade the long term productivity of the land.

Manufacturing

In 1978 Manufacturing contributed 11.7 percent of GDP, and absorbed about 8 percent of the labour force. The sector is expected to retain this percentage of its contribution to GDP in 1980.

Traditionally, Manufacturing has concentrated on the processing of agricultural raw materials of the main agricultural products, hence sugar and molasses from sugar cane, and cotton lint from raw cotton. The soft drink industry developed later and recently production of garments, footwear and electrical appliances, have been pursued in order to take advantage of the availability of competitive labour rates.

Details of the sugar industry have been given in the analysis dealing with Agriculture. It should be noted briefly that the output of sugar and molasses fell by 12 percent[3/] and 7 percent respectively below the 1979 levels observed, due to reduced output of sugar cane and diminished sucrose content.

The most recent entrants to the Manufacturing sector - footwear, garments and electrical appliances - produce primarily for the export market, and are primarily chosen because of their capacity to absorb unskilled female labour. Together they now employ 57 percent of the industrial labour force - more labour than all other occupations except the sugar estates, and 86 percent of those employed in these three trades are women. Based on first quarter figures[4/] for 1980, footwear exports increased by 281 percent over 1979. Export value for clothing and electrical appliances decreased by 17 percent and 23 percent respectively over the same time period.

Government is anxious to develop industry, especially light labour-intensive industry, as the means of absorbing surplus unskilled labour. To this end, it has an industrial incentives programme and in 1980 made a slight reduction in the rate of company tax. Bearing in mind comments made with

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3/ Table II.

4/ Table VI.

regard to improving productivity in the Agricultural sector and the fact that the non-traditional manufacturing occupations currently operating favour female labour, special emphasis will need to be made to find occupation for the unskilled male labour force.

Development in Employment and Unemployment

The registration of all firms in St. Kitts has only just started. It is therefore difficult to get precise details of fluctuation in the levels of employment and unemployment.

It is estimated that in 1980 the population in the age group 14-64 would be approximately 27,000. The latter figure is difficult to establish with any degree of precision because of the seasonal nature of employment in the sugar cane and tourism industries. No developments have, however, taken place that are likely to have changed the overall employment figures significantly. Trade union pressures to reduce the seasonal fluctuation in these industries have been rewarded by guaranteeing workers a three day week in the slack season. As has been alluded to elsewhere, recent developments in light manufacturing favour female workers and emphasis will need in future to be placed on projects to absorb unskilled male workers.

Construction

Construction activity is estimated to have continued at a high level in 1980 due mainly to on-going public sector capital expenditure projects. These projects included the Basseterre Deep-water harbour, resurfacing of thirty-two miles of St. Kitts main road and Extension of the Golden Rock airport terminal, main construction of which was completed at the end of 1980. Work was also carried out on the Nevis pier, and the New Castle airport terminal building. In addition to these projects from the capital budget recurrent expenditure on Public Works was increased by 26 percent for 1980,[5/] mainly for the maintenance and refurbishing of public buildings in St. Kitts and Nevis. No record of private housing starts is available but an analysis of

5/ Budget Estimates, St. Kitts-Nevis 1980.

bank loans and advances shows an increase of 5.6 percent[6/] at December 1980 over December 1979, for building construction.

Government capital expenditure was biased heavily towards improving the transport and communications system of the twin island state. In addition to the projects listed above, a new ferry was purchased to upgrade the communications between St. Kitts and Nevis.

THE EXTERNAL SECTOR

St. Kitts is a small open island economy that is highly vulnerable to external economic developments. It is dependent upon imports for a significant proportion of the goods it must consume and must export a major proportion of its output. It is dependent upon imports for almost all of its energy.

Merchandise Trade

St. Kitts has been running a growing deficit on visible trade[7/]. In 1976 the deficit amounted to 25 percent of domestic exports. In 1979 the deficit had risen to 95 percent of exports. Complete figures for 1980 show an increase in the deficit on visible trade of 53 percent over the corresponding period for 1979.

Earnings from domestic exports remained relatively stagnant in money terms between 1976-79. For the first quarter of 1980, sugar shows an increase in earnings of 66 percent[8/] over the corresponding period in 1979 due in part to higher prices and a favourable rate of exchange between the pound sterling and the U.S. dollar (to which the EC$ is tied). For the corresponding period gains were also made in exports of footwear of 281 percent and in exports of beer and ale 24 percent. Reduced earnings were recorded for exports of fish, clothing and electrical appliances. First quarter earnings on the whole have increased by 21 percent in 1980 over 1979, mainly due to the influence of sugar on the export basket.

6/ Table XII in Statistical Appendix.
7/ Table VII of the Statistical Appendix.
8/ Table VI of the Statistical Appendix.

The value of imports has increased steadily since 1976. First quarter figures show an increase of 43 percent in 1980 over 1979. This is a faster rate of increase than in 1979 which registered an increase of 32 percent over 1978. For 1980 all items showed increases except machinery and equipment. Significant increases were registered in expenditure for petroleum products 72 percent, and for food 50 percent. Largest increases were posted for manufactured articles 114 percent and for manufactured goods 97 percent. Since the United Kingdom and other EEC countries are the major sources of imports the upward movement of the pound sterling could account for some of the increases in the latter two items.

Private Remittances

A significant source of foreign exchange is obtained by remittances from citizens living abroad[9/]. While there might be some imprecision in distinguishing between earnings on travel account and remittances, commercial bank returns indicate that more was earned by the latter than by the former. Funds obtained from personal remittances decreased by 13 percent from the 1979 level although it was still 11 percent greater than funds obtained on the foreign travel account in 1980. Earnings from both accounts amounted to more than EC$30 million in 1980, an increase of 18 percent. Details of other foreign currency transactions for 1980 are not currently available, and detailed balance of payments accounts for St. Kitts are just being compiled.

Tourism

Total visitor arrivals to St. Kitts-Nevis increased by 6.6 percent in 1980[10/]. The increase, however, conceals the fact that the number of stop-over visitors decreased by 1.2 percent over the period while cruise-ship visitors increased by 93.2 percent. The number of cruise ships visiting the country increased by 33 percent.

9/ Table IX of the Statistical Appendix.

10/ For details see Table IV of the Statistical Appendix.

The decline in stop-over visitors is in line with trends throughout the Caribbean. The number of stop-over visitors originating from the United States decreased by 8 percent whereas visitors originating in the EEC increased by 18 percent over 1979. Visitors from Canada increased by 5 percent. The decline in arrivals from the United States is believed to be linked to economic factors in the United States, with potential travellers either deferring travel, taking vacations nearer home or choosing cruise-ship vacations.

Room occupancy rates in St. Kitts-Nevis are low at around 27-28 percent, and fluctuate seasonally from a high of 56 percent in February to 14 percent in September. Occupancy rates in Nevis are on the whole lower than those in St. Kitts.

Average length of stay of stop-over visitors is higher in Nevis at 6 days than in St. Kitts at 5 days, but there is greater seasonal fluctuation from 8 days in February and March to 3 days in September and October in Nevis than in St. Kitts which fluctuates from 7-4 days during the same periods.

The number of cruise-ship visitors shows healthy growth from 1977 of 50 percent. During the same period stop-over visitors increased by 111 percent. Facilities for tourists, however, are underutilized, particularly in the summer months and efforts will need to be made to induce more guests to visit in the summer months.

For 1980, budget allocations for Tourism increased by 103 percent, a portion of which was allocated to increased promotion abroad,[11/] Government is no doubt cognizant of the fact that after the Public sector and the Sugar Industry, Tourism is the largest employer of labour and that foreign exchange earnings on the travel account amounted to EC$14.4 million,[12/] a figure which is surpassed only by the sugar industry and foreign remittances.

11/ Table IX of the Statistical Appendix.

12/ 1980 Budget Address and Estimates.

PRICES AND WAGES

Prices of all items increased on average by 17.9 percent in 1980[13/]. The increase was fastest in the first quarter declining progressively towards the end of the year. The most rapid price increases were measured in those groups - transportation, and fuel and light, which increased by 42 percent and 29 percent respectively. In the case of transport, greatest gains were made in the first and last quarters. The category - fuel and light - made its greatest gains in the second quarter and moderated towards the end of the year. In fact there was a price decrease in December. Household supplies and Furniture and Appliances increased slightly more than average. The category housing decreased in the second quarter, with a slow increase towards the end of the year.

Food prices which are given a weight of 50 perc ent in the overall basket, increased by 14.6 percent over the previous year. This rate of increase was lower than that of the All Items index which increased by 15.7 percent over the figure of the previous year.

Inflation was in the main imported, with those items having the highest import content also having the highest rate of price increase. Thus below average increases were registered in food, alcohol and clothing and especially in housing.

A licencing and price control unit was established in 1980 as Government has indicated its determination to keep price rises as small as possible on basic items.

A formal wages policy does not exist in St. Kitts, either in terms of wage ceilings or guidelines, or in terms of relative movements of wages between sectors. Increases are in the main determined by negotiating procedures between the unions and management, with Government officials as observers or arbitrators. There is a general awareness that too rapid wage increases might militate against a rapid solution of the unemployment problem, but no formal policy exists in that regard.

13/ Table X of the Statistical Appendix.

Minimum wage rates are established for domestic and shop workers. As these rates are revised infrequently, there is a tendency toward redundancies whenever revisions do occur, and an awareness that these categories are highly susceptible to wage increases. For this reason Government has been cautious in accepting proposals for the establishment of minimum wages for eight other categories of workers.

Sugar workers form the largest single category of workers in St. Kitts. They received a 25 percent salary increase in early 1980, which was greater than the amount originally decided, of 17 percent. In addition they received an end of year bonus in December 1980. A number of industrial workers also received wage awards ranging from increases of 18 percent to 33 percent. Some of these were for periods of more than one year.

FISCAL AND MONETARY ACTIVITIES

Fiscal Developments

Current income of Central Government increased by 35.6 percent over 1979[14/]. The main reasons for this gain were: increased earnings from import duties, increases in the category "Other Taxes", which include the sugar levy and other local receipts. The returns from the sugar levy increased by 35 percent to EC$11.6 million from EC$8.6 million in 1979. This was achieved despite the fact that the base price above which the levy would be collected was raised from EC$696 to EC$800 per tonne. It reflects the fact that sugar prices were particularly high rather than increased output. Revenue from import duties increased by 37 percent and did not reflect a change in rate, but rather an increase in the value of imports[15/]. Income tax revenues showed a slight increase. This is noteworthy because personal income tax was abolished after May 1980. Company income tax rates were at the same time consolidated to one rate of 50 percent from a previous two-tier rate, which (Government claimed)

14/ Table XI of the Statistical Appendix.

15/ Table VII of the Statistical Appendix.

previously meant that most companies paid a rate of 55 percent. A tax of 10 percent was also levied on the value of remittances abroad made by companies. A hotel tax of 5 percent of the total bill of each guest was also collected. A tax of 2 percent on outgoing foreign currency was levied and the 1 percent tax on incoming foreign currency was abolished, a change which is consistent with Government policy of inducing and retaining foreign currency.

Current expenditures increased by 20 percent over 1979 due mainly to increased wages and salaries paid to government employees. The savings on current account was nevertheless a healthy EC$8.6 million or an increase of 350 percent over the previous year.

On the capital side, expenditure was down by 62 percent from the previous year and a 90 percent reduction on that which was projected for the year. This was due in part to difficulty in finding the finance to carry out projects previously proposed. The funds spent went to provide local counterpart funding for existing projects at the airport, and the St. Kitts main road, as well as the purchase of a new ferry boat for communications between St. Kitts and Nevis.

Earnings on capital amounted to EC$2.2 million. Added to the fiscal surplus of EC$3.8 million, the overall budget surplus therefore amounted to almost EC$6 million. This compares with the previous year which recorded a deficit of EC$10.7 million.

Monetary Developments

Total money supply increased in 1980 by 15.1 percent[16/]. This comprised an increase of 24.1 percent of M_1 and an increase in quasi-money of 12.9 percent.

Currency outside banks remained constant but demand deposits increased by 42 percent. Time deposits increased by 20 percent and savings deposits by 9.1 percent. The latter shows a declining trend since 1978.

16/ Table XI of the Statistical Appendix.

Commercial Banks' loans and advances showed a 42.8 percent increase in December 1980 over December 1979[17/]. Major increases were registered in the sectors Public Utilities 186 percent, Government 106 percent and Transport 95 percent. Personal advances increased by 52 percent.

The directly productive sectors Agriculture, Manufacturing and Tourism did not feature on the overall increase in loans and advances. Only Manufacturing expanded in this respect with an increase of 14 percent for the sector as a whole. Loans and advances to Agriculture contracted by 33 percent and follows a year of great contraction of 87 percent in 1979. Loans and Advances to Tourism also contracted but the figure was less at 10.7 percent.

17/ Table XII of the Statistical Appendix.

STATISTICAL APPENDIX

ST. KITTS-NEVIS

1980

ST. KITTS-NEVIS

TABLE I

GROSS DOMESTIC PRODUCT AT FACTOR COST 1977-1980
(EC$ Mill.)

	Year				Percentage change		
	1977	1978	1979	1980	1978	1979	1980
Agriculture, Total	14.8	14.6	...	...	-1.3	...	...
Sugar cane	8.6	7.8	...	...	-9.3	...	...
Other	6.2	6.8	...	...	9.7	...	...
Mining and Quarrying	0.2	0.3	...	...	50.0	...	...
Manufacturing, Total	12.1	11.7	...	...	-3.3	...	...
Sugar and Molasses	8.6	7.3	...	...	-15.1	...	...
Other	3.5	4.4	...	...	25.7	...	...
Electricity and Water	0.7	0.9	...	...	28.7	...	...
Construction	4.6	4.9	...	...	6.5	...	...
Wholesale and Retail Trade	6.2	7.0	...	...	14.7	...	...
Hotels and Restaurants	0.8	2.2	...	...	175.0	...	...
Transport and Communications	5.7	6.3	...	...	10.5	...	...
Government Services	10.8	16.4	...	...	51.8	...	...
General Services	12.8	14.5	...	...	13.3	...	...
Gross Domestic Product at Factor Cost	68.6	78.8	...	...	14.9	...	...

Source: Statistical Office, St. Kitts-Nevis, and CEPAL estimates.

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TABLE II

ESTIMATED OUTPUT OF AGRICULTURAL COMMODITIES

Commodities	Metric Units	1976	1977	1978	1979	1980	Percentage Change 1977	1978	1979	1980
Sugar cane	'000 tonnes	326.1	358.0	368.0	390.0	357.0	9.6	2.8	6.0	-8.5
Sugar	"	36.2	42.3	40.4	39.5	34.4	16.8	-4.5	-2.2	-12.9
Molasses	"	9.1	12.1	10.6	12.2	11.3	33.0	-12.4	15.1	-7.4
Cotton (raw)	'000 kg	71.2	32.1	20.2	4.3	...	-54.9	-37.0	-78.7	...
Cotton lint	"	21.5	9.5	6.3	...	...	-55.8	33.7	...	...
Copra	Tonnes	94.6	111.7	101.6	...	155.4	18.0	-9.1	...	...
Unshelled peanuts	"	-	-	-	112.8	214.4	-	-	-	90.0

Source: Data supplied by Statistical Office, St. Kitts-Nevis.

ST. KITTS-NEVIS

TABLE III

MANUFACTURING PRODUCTION

Volume of Principal Products	Metric Units	1976	1977	1978	1979	1980
Sugar	'000 tonnes	36.2	42.3	40.4	39.5	34.4
Molasses	"	9.1	12.1	10.6	12.2	11.3
Aerated water	'000 litres	2,127	2,118	2,291	2,486	...
Beer and Malt	"	922	1,226	1,085	1,323	1,359
Cotton, Lint	'000 kg	21.5	9.5	6.3	-	-
Electricity generated	'000 kwh	21,926	12,837	22,969	24,809	...
Electricity sold	"	17,087	17,322	20,217	19,684	...
Footwear 1/	$'000	...	...	...	2,047	...
Clothing 1/	"	...	...	...	4,026	...
Electrical Appliances 1/	"	...	...	...	3,920	...

1/ Data relate to exports.

Source: Statistical Office, St. Kitts-Nevis.

ST. KITTS-NEVIS

TABLE IV

SELECTED TOURISM STATISTICS

		1977	1978	1979	1980	Annual Growth Rate 1978	1979	1980
Stop-over visitors		15,438	20,234	32,980	32,585	31.1	63.0	-1.2
Cruise-ship visitors		953	2,092	2,993	5,782	119.6	43.1	93.2
TOTAL VISITORS		16,391	22,326	35,973	38,367	36.2	61.1	6.6
Number of cruise-ship calls		5	10	18	24	100.0	80.0	33.0
Average length of stay of stop-over visitors (days):	St. Kitts-	4	5	5	5	25.0	-	-
	Nevis	6	7	6	6	16.7	-14.3	-
Room Occupancy Rate %		18.3	21.9	27.0	28.7 1/	19.5	23.5	6.3
Number of hotel beds		820	860	881	900 e	4.9	2.4	2.2

1/ Figure relates to St. Kitts only.

Source: Data supplied by Statistical Office, St. Kitts-Nevis.

ST. KITTS-NEVIS

TABLE V

SELECTED EXPORTS BY VOLUME

Commodities	Quantity Metric Units	1976	1977	1978	1979	1980	Percentage changes 1977	1978	1979	1980
Sugar	'000 tonnes	31.5	38.6	37.7	37.6	...	22.5	-2.6	0.0	...
Molasses	'000 litres	4,537	6,728	7,514	6,419	...	48.3	11.6	-14.5	...
Copra	Tonnes	102	152	102	152	...	49.0	-33.0	49.0	...
Non-alcoholic beverages	'000 litres	209	145	232	255	...	-30.6	60.0	9.9	...
Beer and ale	"	218	341	236	227	...	56.4	-30.8	-3.8	...
Fish (including lobster)	'000 kg	84	99	117	92	...	17.8	18.2	-21.4	...
Live animals	Number	499	452	518	490	...	-9.4	14.6	-5.4	...

Source: Statistical Office, St. Kitts-Nevis.

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TABLE VI

SELECTED EXPORTS BY VALUE
(EC$'000)

Commodities	1976	1977	1978	1979	1st Quarter 1979	1st Quarter 1980	Percentage changes 1977	Percentage changes 1978	Percentage changes 1979	Percentage changes 1980
Sugar	27,000	25,000	32,000	30,521	1,704	2,833	-7.4	28.0	6.0	66.2
Molasses	666	959	436	876	-	-	44.0	-54.5	100.9	-
Copra	64	113	108	144	174.7	183.1	76.6	-4.4	33.3	4.8
Non-alcoholic beverages	128	120	146	298	75.7	73.5	-6.2	21.6	104.0	-2.9
Beer and ale	315	511	391	389	149	185	62.2	-23.5	-0.5	24.2
Fish (including lobster)	262	419	484	346	89	79	59.9	15.5	-28.5	-11.2
Live animals	120	97	158	157	25	43	-19.2	62.9	-0.6	73.0
Electrical appliances	...	...	...	3,920	1,377	1,055	...	...	...	-23.4
Clothing	...	...	...	4,026	1,114	920	...	...	...	-17.4
Footwear	...	...	...	2,047	308	1,174	...	...	...	281.2
Mineral manufactures	...	...	...	215	70	134	...	...	...	91.4

Source: Statistical Office, St. Kitts-Nevis.

ST. KITTS-NEVIS

TABLE VII

EXPORTS, IMPORTS AND BALANCE ON VISIBLE TRADE 1976-1980
(EC$'000)

Year	Domestic Exports	Total Exports	Imports 1/	Balance of Visible Trade	Percentage changes in balance 2/
1976	44,690	46,402	57,711	-11,309	...
1977	38,287	40,535	59,178	-18,643	64.8
1978	42,637	45,211	65,366	-20,155	8.1
1979	43,940	45,474	86,659	-41,185	104.0
1979 3/	5,143	5,420	19,318	-13,898	...
1980 3/	6,257	6,476	27,734	-21,258	53.0

1/ Imports c.i.f.

2/ Figures indicate growth in deficit

3/ First quarter figures

Source: Statistical Office, St. Kitts-Nevis.

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TABLE VIII

IMPORTS BY SITC SECTIONS
(EC$'000)

	1977	1978	1979	First Quarter 1979	First Quarter 1980	Percentage changes 1978	1979	1980
Food and Live Animals	13,629	16,039	18,158	4,900	7,386	17.7	13.4	50.8
Beverages and Tobacco	1,356	1,700	1,940	407	577	25.4	14.1	41.8
Crude Materials, inedible except Fuels	1,772	1,415	1,138	412	430	-20.1	29.4	4.4
Mineral Fuels, Lubricants and related Materials	5,086	5,455	7,313	1,561	2,687	7.3	34.1	72.1
Animal and Vegetable Oils and Fats	481	440	511	75	140	-8.5	16.1	86.6
Chemicals	4,597	5,949	6,711	1,324	1,879	29.4	12.8	41.9
Manufactured Goods Classified by Materials	10,902	12,446	20,742	3,173	6,252	14.2	66.6	97.0
Machinery and Transport Equipment	16,788	14,661	19,201	5,644	4,890	-12.7	31.0	-13.3
Miscellaneous Manufactured Articles	4,498	6,922	9,733	1,630	3,491	53.9	40.6	114.2
Commodities and Transactions not classified according to kind	68	339	492	191	1	398.5	45.2	-99.5
TOTAL	59,178	65,366	86,659	19,318	27,734	10.4	32.6	43.6

Source: Data supplied by the Statistical Office, St. Kitts-Nevis.

ST. KITTS-NEVIS

TABLE IX

FOREIGN EXCHANGE TRANSACTIONS BY COMMERCIAL BANKS
(EC$'000)

	1979	1980	Percentage change
Balance of Travel Account	7,134	14,390	101.7
Foreign Travel Purchases	10,819	18,037	66.7
Foreign Travel Sales	3,685	3,647	-1.0
Balance on Personal Remittances Account	18,587	16,070	-13.5
Personal Remittances Purchases	21,968	20,381	-7.2
Personal Remittances Sales	3,381	4,311	27.5
Balance on Foreign Exchange Transactions	25,721	30,460	18.4

Source: Data supplied by East Caribbean Currency Authority (ECCA).

ST. KITTS-NEVIS

TABLE X

INDEX OF RETAIL PRICES (JAN. 1978 = 100)

Group	% Weight	1979	1980	Average annual % change 1980	% change Dec 1979 and Dec 1980
Total - All Items	100.0	117.0	137.9	17.9	15.7
Food	50.0	116.6	133.2	14.2	14.6
Alcohol and Tobacco	5.6	118.9	137.4	15.6	11.7
Clothing and Footwear	7.5	111.7	130.9	17.2	5.2
Fuel and Light	6.6	118.2	152.8	29.3	25.0
Housing	7.6	118.1	121.4	2.8	2.5
Furniture and Appliances	3.7	121.5	145.5	19.7	22.4
Household supplies	5.7	123.6	147.7	19.5	12.3
Transport	4.3	121.2	171.8	41.7	42.8
Miscellaneous	9.0	112.3	147.0	30.9	22.6

Source: Annual Index of Retail Prices, 1979 and 1980.

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TABLE XI

MONEY SUPPLY
(EC$'000)

	Balance at end of December					Annual Growth Rate			
	1976	1977	1978	1979	1980	1977	1978	1979 1/	1980
Money:									
Currency outside banks	6,444	6,821	8,620	10,406	10,406	5.8	26.4	20.7	...
Demand deposits	7,481	7,494	10,084	13,678	19,491	0.2	34.6	35.6	42.5
Total (M_1)	13,925	14,315	18,704	24,084	29,897	2.8	30.7	28.8	24.1
Quasi-money:									
Time deposits	17,566	22,250	31,216	34,612	41,536	26.6	40.3	10.3	20.0
Savings deposits	39,971	46,449	52,918	65,295	71,255	16.2	13.9	23.4	9.1
Total Quasi-money	57,537	68,699	84,134	99,907	112,791	19.4	22.5	18.7	12.9
Total money supply	71,462	83,014	102,838	123,991	142,688	16.2	23.9	20.6	15.1

1/ On partial data.

Source: East Caribbean Currency Authority (ECCA).

ST. KITTS-NEVIS

TABLE XII

QUARTERLY ANALYSIS OF BANKS' LOANS AND ADVANCES
(EC$'000)

	Dec. 1976	Dec. 1977	Dec. 1978	Dec. 1979	Dec. 1980	Percentage change 1977	1978	1979	1980
Agriculture	852	2,127	5,019	638	429	149.6	136.0	-87.3	-32.7
Manufacturing	1,373	3,246	3,264	2,445	2,808	136.4	0.5	-25.1	14.8
(1) Food and Non-Alcoholic Beverages	320	420	271	201	246	31.3	-35.5	-25.8	22.4
(2) Alcoholic Beverages and Tobacco	383	672	918	285	383	75.5	36.6	-68.9	34.4
(3) Clothing and Accessories	113	1,357	766	700	800	1100.8	-43.5	-8.6	14.4
(4) Other Industries	558	797	1,309	1,259	1,379	42.8	64.2	-3.8	9.5
Distributive Trades	6,269	8,174	7,116	10,456	12,082	30.4	-12.9	46.9	15.5
Tourism	1,813	2,162	5,127	5.215	4,655	19.2	137.1	1.7	-10.7
Transport	2,592	4,092	8,745	7,856	15,321	57.9	113.7	-10.2	95.0
Public Utilities (gas, electricity, telephone)	285	56	67	14	40	-80.3	19.6	-79.1	185.7
Building Construction	466	1,117	4,593	8,396	8,865	139.7	311.2	82.8	5.6
Government and Other Statutory Bodies	3,617	4,756	2,961	10,939	22,548	31.5	-37.7	269.4	106.2
Personal	11,976	13,633	13,064	13,094	19,905	13.8	-4.2	0.2	52.0
Other Advances	1,388	1,918	3,686	5,590	5,693	38.2	92.2	51.6	1.8
Total Loans and Advances	30,634	41,281	53,642	64,643	92,346	34.7	29.9	20.5	42.8
% of Long Term Loans to Total Loans	42.2	41.3	40.2	62.5	63.8	.	.	.	.

Source: East Caribbean Currency Authority (ECCA).

ST. KITTS-NEVIS

TABLE XIII

CENTRAL GOVERNMENT REVENUE AND EXPENDITURE
(EC$'000)

	1977	1978	1979	1980 1/	1980 2/	Annual Growth Rate 1978	1979	1980
1. CURRENT REVENUE	27,650	34,602	40,337	47,065	54,704	25.1	16.6	35.6
Import duties	3,979	4,706	5,527	5,500	7,597	18.3	17.4	37.5
Export duties	339	385	395	397	397*	13.6	2.6	0.5
Excise duties	32	58	56	76	76*	81.2	-3.4	35.7
Consumption duties	5,065	5,900	6,440	7,500	8,242	16.5	9.1	28.0
Income tax	6,012	8,435	7,026	6,500	7,200	40.3	-16.7	2.5
Other taxes	3,877	7,301	10,751	11,359	14,459*	88.3	47.2	34.5
Other local receipts	8,329	7,817	10,128	15,732	16,700*	-6.1	29.6	64.9
2. CURRENT EXPENDITURE	28,575	32,491	38,430	46,987	46,126	13.7	18.3	20.0
Wages and Salaries	9,679	13,091	14,981	17,344	...	35.2	14.4	...
Other current expenditure	18,896	19,400	23,449	29,643	...	2.7	20.9	...
3. SAVINGS ON CURRENT A/C (1-2)	(925)	2,111	1,907	78	8,578	...	-9.7	349.8
4. CAPITAL EXPENDITURE	4,235	7,863	12,673	49,144	4,781	85.6	61.2	-62.3
5. TOTAL EXPENDITURE (2+4)	32,810	40,354	51,103	96,131	50,907	23.0	32.8	-0.4
6. FISCAL DEFICIT (or surplus)(1-5)	-5,160	-5,752	-10,766	-49,066	+3,797	11.5	87.2	-135.3
7. FINANCING OF DEFICIT	...	...	13,258	49,144	...	...	...	...
Capital Revenue	...	...	927	1,317	2,202	...	...	...
Loans (incl. unspent balances)	...	...	7,326	20,846	...	...	...	...
Development aid	...	...	2,442	12,835	...	...	...	...
Other grants	...	...	3,262	14,146	...	...	...	...

1/ Data relate to budget estimates April 1980.

2/ Data relate to estimates April 1981 for 1980.

Source: Statistical Office, St. Kitts-Nevis.

PART XII

ST. LUCIA COUNTRY NOTES

ECONOMIC ACTIVITY 1980

ST. LUCIA
(East Caribbean dollars used throughout)[1/]

No official figures of sectoral contribution to Gross Domestic Product (GDP) are available for 1980, but performances in the various sectors all indicate a decline in real terms. This was principally due to the devastation of hurricane "Allen" which struck on 2 August 1980.

Prior to the hurricane, the Government pursued its policy of diversification and rehabilitation of traditional export crops. The hurricane however, caused a great setback in this sector. Rehabilitation programmes took on a greater urgency since most of the crops were ruined. The Manufacturing sector reflected a slower rate of investment and was also adversely affected by the hurricane.

The lack of investment in the Manufacturing sector also reflects the political instability within the island since 1979. A CEPAL estimate puts the 1980 GDP at current Market Prices at $229 million.

The performance of the tourist industry also declined. The decrease in hotel occupancy rates by 13.9 percent between 1979 and 1980 is one of the main indicators of the slump in tourism activity. Public sector activity is estimated to have risen in 1980 but Government expenditure had to be met mainly from revenue earned from traditional sources. After August, much of Government revenue had to be channelled into hurricane rehabilitation projects and reconstruction activities.

PERFORMANCE IN MAJOR SECTORS

Agriculture

The Agricultural sector remains one of the most important goods-producing and employment generating sectors in St. Lucia, but during

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1/ Since July 1976, the EC dollar has a fixed parity with the US dollar, namely, US$1.00 = EC$2.70.

1980 it faced a serious setback as a result of hurricane "Allen". In general, estimates of production prior to August 1980 show consistency with the previous year. Production of the main agricultural products - bananas, cocoa beans, spices, coconuts and vegetables - was completely halted or drastically reduced from August 1980.

The Agricultural sector has suffered a number of setbacks due to climatic variations for a number of years. It has been subject to hurricane "David" in 1979 and previous to that, a continuous series of drought years within the decade 1970-1980. Production figures for bananas over the period 1976 to 1980 show a fluctuation.

Table 1

Banana Production
(Weight and Value)

Year	Tonnes	F.O.B. Value (EC$)
1976	43,429	22,487,083
1977	39,274	24,752,629
1978	50,864	36,123,147
1979	47,512	35,526,457
1980 1/	30,117	26,069,658

1/ Data January to August 1980.

Source: Windward Islands Banana Growers' Association reports.

The general decline in the Agricultural sector has led to a number of enquiries by the present Government in order to rationalise the sector.

In 1980, prior to hurricane "Allen", the Government's policy of diversification was pursued with emphasis on tree crops and livestock production. The projects of tree crop diversification emphasised the production of mangoes, avocadoes and grapefruit. The livestock project - specifically cattle rearing - is located at Beausejour and is intended to boost the production of meat and

milk. The project has been on stream since 1978. On completion of a feasibility study it was formed into a company owned by government through the National Development Corporation. Between 1979 and 1980 livestock was imported and there has been progress in the development of facilities. The emphasis on livestock production led to the formation of a Pig Producers' Co-operative in 1980, the main object of which is to promote pig production.

In order to boost agricultural production of the traditional export crops, rehabilitation programmes were continued. Emphasis was placed on both coconuts and bananas. However, the need for rationalisation of the banana industry led the Government to initiate an Inquiry into all aspects of the Banana Industry. An Interim Report was produced in June 1980. A full Report has since been completed.

The need for rationalization of the agricultural sector led to a Commission of Inquiry into Land Tenure. During 1980, the inquiry continued but a report on its findings and recommendations was not completed by year end. Meanwhile, an experimental farmer resettlement scheme is being pursued. During 1980, progress on this project - the Roseau Resettlement Scheme - was limited to the establishment of the criteria for recruiting the farmers, and the creation of a central management supervisory unit which is now setting up the structure, i.e. the infrastructural development and other prerequisites. Two categories of farms have been established:

1. Valley farms at five acres per farm for the production of bananas and vegetables.

2. Hillside farms at eleven acres per farm for the prouction of bananas and tree crops.

Some infrastructural developments were pursued to assist marketing in the agricultural sector. In 1980, there were provisions of additional facilities by the expansion of existing buildings. However, the marketing system for domestic agriculture is still in need of improved organization.

In general, farmers' real incomes continue to decline as a result of increased costs of inputs. Farmers faced increased costs of fertilizers, insecticides and transportation. There have also been increases in costs of equipment and labour costs, as higher wages are demanded to meet the increasing cost of living.

Fisheries

Although much was projected for the development of fisheries in the 1980 budget, not much was actually achieved. The Government attempted the provision of cold storage facilities at Vieux Fort, but efforts at establishing these facilities ceased since the hurricane. Provision of the facilities is part of an attempt to accommodate the large catches during the first half of the year - the peak catching season - and hence increase the availability of fish during the rest of the year.

On 2 August 1980, Hurricane Allen devastated the agricultural sector. A government-initiated inquiry into the effects of the hurricane produced a report in September 1980. It is a comprehensive study of the Agricultural sector and contains proposals for Agricultural Rehabilitation 1/.

Throughout the island, banana fields were destroyed. Other crops which were seriously affected were coconuts, mangoes, avocadoes and root crops - estimated damage being 40 - 50 per cent of these crops. There was also destruction to farm buildings and livestock.

Bananas: No appreciable exports of bananas were expected before April 1981. For 1980, losses were estimated at EC$24.6 million. On the basis of pre-hurricane projections for the period 1980-1983, it was estimated that the net cost of the hurricane damage to the banana industry over this period is EC$47.68 million. The immediate loss of income from banana exportation in 1980 had a debilitating effect on the economy. Banana growers also suffered from loss of income.

1/ Government of St. Lucia, Ministry of Agriculture, Lands, Fisheries, Co-operatives and Labour, Hurricane Allen, Agricultural Rehabilitation/ Development Programme, September, 1980.

Coconuts: It is estimated that it would take a period of six years before pre-hurricane production levels are attained.

Citrus: Destruction of citrus fruit was estimated at EC$3,422,000. Total destruction of trees was estimated at 20 per cent of total stock.

Mangoes: Sixty per cent of the current annual crop was lost. Approximately 15 per cent of tree stock was totally destroyed. Based on annual production figures, losses for 1980, were estimated at EC$7.7 million.

Avocadoes: The 1980 crop was totally destroyed. This was valued at EC$1.2 million.

Coffee: Ninety per cent of total acreage under cultivation was damaged.

Nutmeg: The losses for 1980 were valued at EC$3000,000, as ninety per cent of the trees were damaged.

Cocoa: Crop losses for the year were valued at EC$800,000 and were estimated at 90 per cent of the yearly output.

Plaintain/Macambon: Fruit damage was 100 per cent, valued at EC$1.9 million.

Breadfruit: The entire crop on the trees was destroyed. The value of this was estimated at EC$12.9 million. Twenty-five per cent of the trees were also destroyed.

Root crops: Yams - 25 per cent of total crop valued at EC$280,000.
Cassava - 90 per cent of total crop valued at EC$71,000.
Dasheen and Tannia - 20 per cent of total crop valued at EC$560,000.

The total root crop losses were valued at EC$911,000.

Vegetable crops: Estimated loss was 75 per cent of the total crop, valued at EC$2.8 million.

The analysis of the agricultural sector clearly reveals that it will take a number of years for recovery to pre-hurricane production levels. The sector is therefore in need of a massive injection of capital as well as technical assistance, in order to recover. By the end of 1980, intensive rehabilitation projects were planned for the sector.

Fisheries: The fisheries industry also suffered heavy losses as a result of the hurricane. It is estimated that fifty fishing boats were damaged and forty lost. Other fishing equipment was also lost.

Manufacturing

In 1980, there was a small expansion of industrial development in terms of the number of industries. Government's policy continues to be one of encouragement of industrial development through foreign investment. The slower rate of such investment in St. Lucia, has been attributed to the general international economic depression, the decreasing interest in the region, and what has been seen as political instability in St. Lucia since late 1978. The manufacturing sector was adversely affected by Hurricane Allen, and several factories were closed as a result. The effect of this natural disaster was to depress economic activity in the sector.

Energy

The rising prices of imports of petroleum products continue to be reflected in the rise of retail prices of these products (See Table III). The rate of increase of LPG, diesel oil, gasoline and kerosene ranged from 29 per cent to 33 per cent over 1979 retail prices.

Although figures are only available for January to September 1980, the volume and value of imports of selected hydrocarbons reflect the increased costs of the products as compared with full-year figures for 1979. These increases are reflected in all products except jet fuel (See Table III).

Government's interest in alternative sources of energy have been limited to support for research on biogas. There has also been experimentation with the development of a wood stove. The principle by which the wood stove operates is more economical than the use of charcoal which is consumed at a high rate by the rural population.

Construction

The heavy construction activity of the previous years declined in 1980 because of the slowing of activity on the Hess Terminal. Hurricane Allen caused a further setback in this construction activity. Net increases in the construction of tourist accommodation units were noted. Reconstruction

activity in the post-hurricane period sought to redevelop infrastructure - schools, public buildings and housing, in areas extending from Castries through Vieux Fort to Canaries, The cost of these initial repairs was estimated at EC$2.5 million. Other major construction activity was the construction of the Air Cargo warehouse at Vieux Fort which began in 1980, to facilitate Caricargo - an air cargo company formed by the Governments of Trinidad and Tobago and Barbados. Airport facilities at Hewanorra, the international airport, were expanded, and other infrastructural developments such as bridges and roads were continued.

THE EXTERNAL SECTOR

Trade

The balance of trade continued to show a deficit in 1980, as in previous years. Visible imports exceeded visible exports but the statistical data suggest some slight improvement.

Table 2
Balance of Trade

(EC$'000)

	1978	1979	1980 - January to September
Imports	223,469	273,180	240,262
Exports	72,400	86,100	101,700
Balance	151,069	187,080	138,562

Source: Data supplied, Government of St. Lucia.

Statistics reveal that exports for 1980 (January to September) increased 17 per cent over 1979. Banana exports indicate some increase up to the third quarter of 1980. The average price per tonne up to the third quarter of 1980 was EC$864.4 million, an increase of 14 per cent over the price in 1979. Some 753,647 litres of unrefined coconut oil were exported up to September 1980, at an average price of $2.00 per litre.

Refined coconut oil earned EC$3.3 million in 1980 (January - September). The average price per litre rose from $3.00 in 1979 to $4.30 in 1980. Other exports from the agricultural sector contributing to export earnings to a lesser extent were: cocoa, beans, ginger, coconuts and coconut meal.

As a result of Hurricane Allen, exports of agricultural produce declined drastically after August 1980. Coconut oil exports were not seriously affected but the exports of cocoa and coconut, bananas and other agricultural crops were virtually ceased. Even the exportation of banana boxes declined. This has become a large export item but because the main importers i.e. Dominica, St. Vincent and Grenada were also adversely affected by the hurricane, banana boxes were not in demand. Exports from the manufacturing sector with the exception of flour, were not seriously affected by the hurricane.

The situation of other manufacturing exports was as follows: beer and ale exports valued at EC$2.2 million up to the third quarter of 1980; lemonade and other flavoured waters valued at EC$2 million for the same period, which was equivalent to total income from these products in 1979.

An analysis of sectoral contributions of exports indicates that agriculture is gradually being replaced by the manufacturing sector as the dominant export sector.

Of total exports, agriculture contributed 46 per cent in 1978, 43 per cent in 1979 and 27 per cent in 1980; manufacturing contributed 42.5 per cent, 41.3 per cent and 38 per cent over the same three year period.

The importation of goods continued to increase in value, reflecting the unabated price rises of imported goods. The food import bill remains high. In 1980, food accounted for 18.2 per cent of total imports. The value of petroleum imports also increased as a result of oil price rises on the international market. Petroleum products accounted for 10.1 per cent of total imports. Government sources noted that whereas the volume of petroleum products imported dropped by 30 per cent an average price increase of 95 per cent - 43 cents per litre in 1979 to 84 cents per litre in 1980 - had the effect of increasing the cost to the economy of imported petroleum by $6.5 million. The situation of reduced volume of imports of meat and meat products and clothing also reflected increased unit prices.

The contribution of other selected items to the import bill for 1980 was as follows: motor vehicles - 5.6 per cent, electrical machinery and appliances - 10.2 per cent, capital goods - 19.9 per cent. In 1979 capital goods accounted for 14.4 per cent of imports.

The direction of trade remained the same for 1980 (See Table V1). The United Kingdom remains the main importer of St. Lucia's fresh fruit and vegetables and the United States of America, the major overall import partner. Although the trade with Latin America has been erratic, Government has been encouraging the development of this trade link. Trade with CARICOM countries consists of both imports and exports. The bulk of St. Lucia's manufactured goods (garments, beverages, edible oils, margarine, shortening, lard and animal feed, cooking butter and snack foods, fruit and vegetables - fresh and canned, etc.) were exported to CARICOM countries.

Tourism

There were difficulties in obtaining statistical data on tourism for 1980. It is apparent however, that the performance of this sector was poor, even though government revenue from Hotel Accommodation Tax 1979-1980 (EC$2.5m) showed an increase of EC$0.9m over the 1978-1979 revenue. On the other hand, the number of visitors, especially in the category 'stop-over' declined. Statistics show that only 63.8 per cent occupancy rate was achieved for the first eight months of the year and reports from hoteliers reveal that there was not much improvement in the latter months of the year. In the previous year, hotel occupancy rates had reached an all time average of 87.7 per cent. The number of cruise ship visitors, however, tended to increase over stop-over visitors. From January to December, the number of cruise ship calls increased by 83 per cent over the full year figure for 1979. The contraction of stop-over visitors has caused hotels to decrease the numbers of employees and job offers to persons involved in the entertainment field.

In spite of this depression in the industry, a number of projects were completed in 1980. The completion of three locally owned facilities and one foreign owned, added 61 self-catering units and 12 double units to the number of available rooms and apartments. The construction of tourist recreation facilities added greater diversity to the facilities available.

Government involvement in the tourist industry increased during the year and reflected the importance of the sector to the economy. Government purchased 50 per cent of the equity of a major hotel. Government policy has also assisted in the promotion of St. Lucia overseas. During the year, Government missions visited New York, Toronto and Frankfurt. At home, Government has actively pursued the improvement of tourist facilities and recreation sites.

PRICES AND WAGES

The rate of inflation as measured by the annual average growth rates of the retail price index rose by 19.5 per cent in 1980. This has been mainly due to the price increases of imports of fuel, the price of which has risen 31 per cent since 1977. The items of food, clothing, services, show price increases of over 20 per cent between 1979 and 1980.

Wage demands, particularly in the urban sector, continue to be made to combat the rising cost of living. Detailed information on wage increases are not available. However, within the public sector wages accounted for 53 per cent of the Government's recurrent expenditure in 1979-1980 as opposed to 46 per cent in 1978-1979 and 45 per cent in 1977-1978.

Employment

The economic decline for 1980 is reflected in increased unemployment. The Hurricane left thousands of St. Lucians without income for many months. Organizations involved in agriculture were severely affected. The Banana Growers' Association laid off large numbers of workers after heavy financial losses. The first of these were workers at the boxing plants which are spread throughout the island. Truckers and casual labourers were affected as well. Some employees at Geest estates were also laid off. The Windward

Islands Packaging Company (WINERA) at Vieux Fort which manufactures corrugated cartons for the Windwards Banana Industry also temporarily laid off about one third of its 100 workforce.

The closure of other establishments, both local and foreign, as a result of the general economic decline, has added to the rate of unemployment for 1980. The oldest and largest retail outlet in the island closed down. In August, the last 162 employees received notices terminating their employment with the company. A number of foreign-owned companies including a Bank, ceased operations during the year, thus further impacting on the worsened employment situation.

MONETARY AND FISCAL ACTIVITIES

St. Lucia does not have a Central Bank and therefore money supply is accounted for by the commercial banking system under the control of the Eastern Caribbean Currency Authority. Although the balance of both money and quasi-money increased in value in 1980, the figures reveal that the rate of growth of money supply has decreased. It is apparent that inflation is decreasing the growth rate of savings. The effect of inflation has also been to decrease the growth rate of demand deposits.

During 1980, there has been an increase in credit for financing economic activity. The increased credit for agriculture and public utilities, however, must reflect the injection of capital in the post-hurricane period, in those vital areas. The increased credit for tourism, reflects its construction activity within the year.

However, the pattern of the high percentage of credit allowed for personal loans persisted. Personal loans represented 32 per cent of total outstanding loans and advances. This is followed by the distributive trades which obtained 14 per cent, Manufacturing 13 per cent, Government 8.7 per cent, Tourism 7.1 per cent. The Agricultural sector continued to record the lowest percentage of outstanding loans from the commercial banks.

STATISTICAL APPENDIX

ST. LUCIA

1980

ST. LUCIA

TABLE I

SECTORAL ORIGIN OF GROSS DOMESTIC PRODUCT
AT CURRENT MARKET PRICES, 1977-1980
(EC$ Mill.)

	1977	1978	Estimated 1979	1980**
Agriculture, Fisheries, etc.	21.1	28.5	30.8	29.3
Mining	1.9	2.3	2.9	2.9
Manufacturing	12.6	14.1	16.4	15.4
Electricity and Water	4.0	4.6	5.2	4.9
Construction	17.1	32.4	22.1	24.5
Wholesale and Retail Trade	23.1	27.7	34.7	34.1
Hotel and Restaurants	8.6	13.2	17.1	18.2
Transport and Communication	12.2	12.8	16.6	16.4
Government Services	26.2	28.1	33.6	36.7
Banking, Insurance, Real Estate, including Rents	22.1	24.4	31.7	35.7
Miscellaneous Services	8.1	9.2	12.0	11.6
GDP at Factor Cost	157.0	197.3	223.1	229.7

Source: World Bank Report, No. 2936-CRG.

ST. LUCIA

TABLE II

RETAIL PRICES OF SELECTED PETROLEUM PRODUCTS
(cents per imperial gallon)

Period 1/	Gasolene		Kerosene	Diesel Oil	Fuel Oil	LPG per 100 lbs.
	Regular	Premium				
1977	2.50		1.77	2.15		48.00
1978	2.75		2.20	2.40		48.00
1979	3.68		3.21	3.48		70.00
1980	4.83		4.28	4.53		90.00

1/ Figures should be in respect of end of December in each year; otherwise specify period.

ST. LUCIA

TABLE III

VOLUME AND VALUE OF IMPORTS OF SELECTED HYDRO CARBONS

Commodity	Classification No. SITC Rev. 2	Unit	1979 Volume	1979 Value (EC$'000)	1980 1/ Volume	1980 1/ Value (EC$'000)
Crude Petroleum	331.01	Litres	400.0	5.5	-	
Natural Gas Liquids			-		-	
Natural Gas 2/	341	Kilos	91.0	0.1	102.0	0.1
Aviation Gasolene	332.11	Litres	226,949.0	133.4	178,970.0	174.2
Motor Gasolene	332.13	'000 Litres	16,223.9	7,596.1	11,768.6	8,489.1
Kerosene Illuminating	332.25	'000 Litres	1,548.8	608.2	813.0	541.3
Jet Fuel	332.21	'000 Litres	768,968.0	416.7	83,722.0	61.4
Diesel Oil and Gas Oil	332.3	'000 Litres	37,943.4	14,994.0	22,527.6	14,849.1
Other Fuel Oil (Bunker 'C')	332.41	'000 Litres	1,217.3	367.1	770.7	323.1
Other Gases (Hydrocarbons)	512.12	'000 Litres	2,070.5	1,399.5	1,009.6	1,258.3

1/ January - September, 1980

2/ Manufactured

Source: Department of Statistics, St. Lucia

ST. LUCIA

TABLE IV

EXPORTS OF GOODS (FOB)
(EC$ '000)

	1978	1979	Jan-Sept 1980	Annual Growth Rates 1978	1979	1980
Bananas	32,705.3	36,503.1	28,372.3	21.9	11.6	...
Cocoa Beans	973.8	913.3	556.4	9.3	- 6.2	...
Nutmegs and Mace	88.1	45.6	9.7	32.7	- 48.2	...
Ginger	122.1	279.1	220.5	68.9	128.6	...
Coconut Meal	344.1	491.3	236.8	13.1	42.8	...
Coconuts	330.2	214.5	214.4	78.0	- 35.0	...
Coconut Oil (raw)	2,621.3	4,392.8	1,470.1	12.5	67.6	...
Coconut Oil (refined)	2,650.0	2,818.3	3,320.4	- 17.7	6.4	...

Source: Statistical Office, St. Lucia, and data supplied CEPAL.

ST. LUCIA

TABLE V

TRADE BY SITC SECTIONS
(EC$'000)

Year	0	1	2	3	4	5	6	7	8	9	Total
					IMPORTS C.I.F.						
1978	46,116.0	5,427.4	5,045.7	14,645.0	1,865.7	18,575.4	54,672.1	58,546.9	18,440.5	134.4	223,469.1
1979	52,215.9	6,775.9	7,104.1	27,052.8	1,075.3	23,210.6	79,710.7	54,504.9	21,350.3	177.7	273,178.2
1980 1/	43,676.9	6,140.9	6,093.2	27,001.7	460.7	22,720.4	55,921.5	59,190.2	18,974.6	81.2	240,262.0
					EXPORTS OF DOMESTIC PRODUCE						
1978	36,692.6	5,990.3	539.8	...	5,409.4	604.4	8,617.5	283.1	6,876.0	0.5	67,013.6
1979	43,461.0	6,987.6	515.5	...	7,211.2	796.9	7,842.3	2,277.9	6,504.7	2.0	75,599.0
1980 1/	33,614.4	4,881.3	533.0	4.8	4,790.5	675.8	6,351.4	9,518.7	10,220.4	2.5	70,592.8
					EXPORTS OF FOREIGN PRODUCE						
1978	101.0	4.5	64.0	12.0	...	195.4	660.4	3,342.0	989.7	6.0	5,375.8
1979	182.2	...	98.3	33.7	...	147.1	1,233.4	7,600.3	1,217.0	23.5	10,535.5
1980 1/	171.8	...	94.7	11.3	...	193.3	12,706.4	16,219.2	1,657.4	3.6	31,057.8

1/ Preliminary data - January to September.

Source: Statistical Office, St. Lucia.

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TABLE VI

TRADE BY MAJOR TRADING PARTNERS
(EC$'000)

Trading Partners		1978	1979	1980 3/
		EXPORTS BY DESTINATION		
U.K.		35,530.7	39,136.5	30,452.2
U.S.A.		2,329.4	6,936.0	26,099.9
CANADA		180.3	157.4	183.7
LATIN AMERICA 1/		493.7	1,037.7	370.1
EEC 2/		311.1	660.6	523.8
CARICOM		30,836.6	33,946.6	27,634.0
(ECCM)		...	...	...
OTHERS		2,707.6	4,259.7	15,586.0
	TOTAL	72,389.4	86,134.5	101,650.7
		IMPORTS BY ORIGIN		
U.K.		43,443.1	45,316.1	38,107.0
U.S.A.		81,132.9	81,138.4	77,302.2
CANADA		7,949.2	10,757.9	9,568.7
LATIN AMERICA 1/		9,745.7[R]	11,134.4	4,564.8
EEC 2/		14,664.1	16,651.6	11,692.7
CARICOM		37,966.7	54,853.6	53,955.3
(ECCM)		...	...	...
OTHERS		28,567.4[R]	53,326.2	45,071.3
	TOTAL	233,469.1	273,178.2	240,262.0

1/ Continental Latin America 2/ Excluding United Kingdom

3/ Period January to September 1980

Source: Statistical Office, St. Lucia

ST. LUCIA

TABLE VII

TRADE WITH CARICOM COUNTRIES
(EC$'000)

Countries	IMPORTS			TOTAL EXPORTS			DOMESTIC EXPORTS		
	1978	1979	1980 1/	1978	1979	1980 1/	1978	1979	1980 1/
MDC's									
Barbados	5,554.1	7,292.0	8,009.9	6,491.2	5,843.2	3,801.3	6,026.8	4,639.5	2,980.6
Guyana	3,504.8	3,385.3	3,214.2	425.1	1,890.3	2,247.8	424.5	1,338.5	486.6
Jamaica	3,615.9	6,216.2	5,038.1	4,159.3	5,472.5	5,896.2	4,142.6	5,435.5	5,863.7
Trinidad and Tobago	21,800.4	33,980.5	32,182.7	6,129.7	6,756.2	5,055.4	5,887.7	6,439.4	3,938.5
Total MDC's:	34,475.2	50,874.0	48,444.9	17,205.3	19,962.2	17,000.7	16,481.6	17,852.9	13,269.4
ECCM									
Antigua	1,856.9	1,693.6	1,112.6	1,817.9	1,926.7	1,412.9	1,711.3	1,841.3	1,040.0
Dominica	561.1	740.9	1,017.6	4,657.5	3,723.4	3,919.7	4,493.0	3,406.6	3,287.1
Grenada	185.9	5.9	25.5	2,435.3	2,467.8	2,515.3	2,348.8	2,314.5	2,397.6
Montserrat	17.1	20.1	57.2	235.5	392.3	225.6	231.2	291.3	221.7
St. Kitts	210.9	475.7	192.9	242.2	375.0	278.7	222.7	280.0	268.6
St. Lucia	-	-	-	-	-	-	-	-	-
St. Vincent	659.6	1,043.1	2,837.0	4,242.9	5,098.7	2,247.1	3,918.9	4,622.9	1,976.5
Total ECCM:	3,491.5	3,979.3	5,242.8	13,631.3	13,983.9	10,599.3	12,925.9	12,756.6	9,191.5
Belize	-	0.3	271.6	-	0.5	-	-	-	-
Total LDC's:	3,491.5	3,979.6	5,514.4	13,631.3	13,984.4	10,599.3	12,925.9	12,756.6	9,191.5
TOTAL CARICOM:	37,966.7	54,853.6	53,959.3	30,836.6	33,946.6	27,600.0	29,407.5	30,609.5	22,460.9

1/ For period January-September 1980

Source: Statistical Office, St. Lucia

ST. LUCIA

TABLE VIII

SELECTED MAJOR IMPORTS
(EC$'000)

Commodities	1978	1979	1980 1/
Live animals chiefly for food	176.2	123.9	60.2
Poultry, live	175.2	123.9	59.4
Meat and meat preparations	11,553.6	14,442.7	10,208.6
Poultry, killed or dressed	4,710.0	2,836.4	5,345.2
Meal and flour of wheat	627.1	931.1	3,552.5
Rice, not in husk	1,515.5	865.7	390.1
Fish and fish preparations	2,132.7	2,640.1	2,022.8
Milk and cream, all kinds	3,602.5	4,798.3	4,143.3
Coffee and Cocoa powder	842.5	1,088.6	557.5
Butter, fresh and salted	755.5	850.8	590.6
Margarine and Lard	1,566.3	744.0	826.2
Sugar, refined	2,030.6	1,023.6	1,974.4
Alcoholic beverages	3,916.2	5,138.5	4,247.7
Tobacco, unmanufactured	556.0	584.0	891.2
Cigarettes	682.7	779.7	638.0
Motor spirits and fuel oils	12,516.3	24,116.3	26,999.7
Fertilizers, manufactured	2,276.8	3,538.4	2,179.2
Rubber tyres for cars, trucks, buses	1,641.6	1,606.4	1,559.9
Cotton piece goods	212.2	241.7	1,176.1
Artificial, silk piece goods	...	...	8.3
Passenger road motor vehicles	11,861.7	16,786.8	11,581.8
Clothing, outwear not knitted	1,470.7	1,854.6	1,212.9
Footwear	2,430.2	3,272.7	2,698.9
Refrigerators, mechanical self-contained units	1,543.4	1,777.4	1,244.5
Vegetable oil	122.6	112.3	216.1

1/ Period January to September
Source: Statistical Office, St. Lucia

ST. LUCIA

TABLE IX

TOURISM

	1978 * P	1979	1980 1/
Total visitors	143,071[E]	142,255	115,964
Of which: Stop-over visitors in hotel	75,033	87,906	57,582
Cruise-ship visitors	68,038	54,349	58,382
Average length of stay in hotels (days)	...		
Occupancy rate	72.4 1/	83.5	63.8
Number of hotel and Guest and Apartment Rooms	1,230	...	...
Number of hotel and Guest house beds	2,822	...	...
Number of new hotels	-	...	...
Number of new Guest-houses	-	...	...
Total Tourist Expenditure (EC$'000)	...	...	...
Of which: Stop-over visitors expenditure	21,993	23,770	...
Intransit visitors expenditure	680	543	610
Yacht	...	...	...
Number of cruise-ship calls	269	107	196
Number of yachts calling	3,200	2,793	...
Number employed in Hotels	...	2,500[E]	...

* For periods less than one year; please specify period and if estimated or preliminary data.

1/ January to August 1980.

Source: Statistical Department, the St. Lucia Tourist Board, and the St. Lucia Hotels Association, St. Lucia.

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TABLE X

RETAIL PRICE INDEX
(April 1964 = 100)

Items	1977	1978	1979	1980 1/	Annual Growth Rates 1978	1979	1980
	% VARIATION DECEMBER TO DECEMBER						
All Items	348.0	378.0	436.2	530.2	8.6	15.4	21.6
Food	374.0	403.5	464.1	568.5	7.9	15.0	22.5
Drink and Beverages	282.4	306.7	405.1	443.9	8.6	32.1	9.6
Housing	340.3	406.7	413.3	494.3	19.5	1.6	19.6
Fuel and Light	304.8	307.2	491.5	648.0	0.8	60.0	31.8
Household and Miscellaneous	376.3	405.9	470.6	507.5	7.9	15.9	7.8
Clothing and Footwear	274.5	299.5	326.4	406.3	9.1	9.0	24.5
Services	316.6	332.1	342.4	433.3	4.9	3.1	26.6
	ANNUAL AVERAGE VARIATIONS - ALL ITEMS						
	332.6	365.7	403.5	482.3	10.0	10.3	19.5

1/ Provisional Figures

Source: Statistical Office, St. Lucia

ST. LUCIA

TABLE XI

MONETARY BALANCE OF COMMERCIAL BANKS
(EC$'000)

	Balance at end of				Annual Growth Rates		
	1977	1978	1979	1980	1978	1979	1980
Money:							
Cash	3,980	6,175	7,371	8,569	55.2	19.4	16.1
Demand Deposits	19,773	23,846	29,986	33,928	20.6	25.7	13.1
Total (M_1)	23,753	30,021	37,357	42,497	26.4	24.4	13.8
Quasi Money:							
Time deposits	34,046	46,445	53,335	64,589	36.4	14.8	21.1
Saving Deposits	48,423	55,209	67,221	73,646	14.0	21.8	9.6
Total Quasi Money	82,469	101,654	120,556	138,235	23.3	18.6	14.7
Total Money Supply	106,222	131,675	157,913	180,732	24.0	20.0	14.5

Source: Commercial Banking Statistics, Dec. 1980, Research Department, ECCA.

ST. LUCIA

TABLE XII

COMMERCIAL BANKS CREDIT - SECTORAL DISTRIBUTION
(EC$'000)

	Balance at end of				Annual Growth Rates		
	1977	1978	1979	1980	1978	1979	1980
Agriculture	5,288	8,027	4,281	8,715	51.8	- 46.7	103.6
Manufacturing	14,878	19,662	22,349	23,289	32.2	13.7	4.2
Distributive Trades	18,586	19,562	23,326	26,797	5.3	19.2	14.9
Tourism	9,030	9,578	9,534	12,752	6.1	- 0.5	33.8
Transport	8,740	9,976	11,974	12,247	14.1	20.0	2.3
Public Utilities (gas, electricity, telephone)	1,775	2,459	1,037	2,393	38.5	- 57.8	130.8
Building and Construction	8,576	9,745	9,827	9,871	13.6	0.8	0.4
Government and Other Statutory Bodies	9,992	9,256	19,615	15,557	- 7.4	111.9	- 20.7
Personal Loans	24,938	32,202	42,316	57,075	29.1	31.4	34.9
Other Advances	4,630	6,980	8,331	9,889	50.8	19.4	18.7
Total Loans and Advances	106,433	127,447	152,590	178,585	19.7	19.7	17.0
Percentage of Long-term Loans to Total Loans	28.3	32.2	37.3	36.0	13.8	15.8	- 3.5

Source: Data supplied, Commercial Banking Statistics, Dec. 1980, Research Department, ECCA.

PART XIII

ST. VINCENT COUNTRY NOTES

ECONOMIC ACTIVITY 1980

ST. VINCENT[1/]
(East Caribbean dollars used throughout)[2/]

During the years 1976-1980, economic performance in St. Vincent has tended to fluctuate. Gross Domestic Product (GDP) averaged approximately 6.3 percent in 1976 and 1977, rising to an estimated 15 percent in 1978 when the highest level of economic activity was recorded.

Official figures are not available for 1979 and 1980. However, a severe setback in the form of the eruption of La Soufriere Volcano in April 1979 resulted in a decline in overall economic performance, agricultural production being the hardest hit for that year. Efforts made by the Government in 1980 to restore economic growth to pre-1979 levels have met with limited success but economic performance is estimated to have been satisfactory, real GDP possibly increasing by about 5 percent.

Agriculture, the mainstay of the Vincentian economy, has continued to contribute an estimated 20 percent of total GDP despite the mixed performance displayed by this sector over the past five years. The pattern followed is similar to that experienced by changes in total GDP. In 1978 the most significant increase in agricultural production was recorded but the following year this sector experienced a 40 percent decline in output. Bananas, the major crop, was the most severely affected. The hurricane of 1980 caused a slight decrease in agricultural production. All indications for 1981 suggest a reasonable level of output within this sector. The Manufacturing, Construction and Tourism sectors have remained in the preliminary stages of development, making a small but steadily increasing contribution to total GDP, particularly since 1979.

1/ Prior to 1980, St. Vincent's economic performance was included in the West Indies Associated States Country Notes.

2/ US$1.00 = EC$2.70.

The Public Sector Investment programme initially implemented by the Government in 1979/1980 focused on the expansion and development of key sectors of the economy in an effort to generate employment and economic growth and provide for the fundamental needs of the population. Within the Agricultural sector, the programme involved a strong agricultural extension thrust, the distribution of land to small farmers and the availability of more credit in an attempt to eliminate the problem of poor agronomic practices on the part of peasant farmers who have played the dominant role in the development of agriculture. The encouragement of the establishment of co-operatives is intended to combat the problems of marketing and storage.

Emphasis was also placed upon improved infrastructural facilities throughout the crucial areas of the economy. This has been evident in the dynamism displayed within both the Public and Private sectors of the construction industry.

The diversification of the economic base is also an important part of the entire programme. The crop diversification programme aims at increasing vegetable and tree crop production.

The Government embarked upon the rehabilitation of arrowroot and bananas as another major area of the Public Sector Investment Programme following the volcanic eruption. The programme met with limited success as yields remained below projected levels. However, this has been compensated for, to a certain extent, by the higher prices obtained for agricultural exports in 1980 as compared with previous years.

Additional public credit has been extended to certain priority areas, particularly agriculture and industry. Unfortunately, this has not been adequate to meet the growing demand caused by increased sectoral activity. Expanding heavy capital outlays have resulted in the continued reliance by the Government on external funding through capital grants and concessional loans.

AGRICULTURE

Agriculture, the mainstay of the Vincentian economy, has accounted for approximately 20 percent of total GDP in recent years, despite reductions in the value of agriculture GDP, particularly during the last two years, 1979 and 1980.

Growth in the Agriculture sector has been retarded by several factors. These include natural disasters, diseases sometimes the result of poor agronomic practices on the part of small farmers who have played the dominant role in the development of agriculture, the lack of guaranteed marketing outlets, inadequate transportation and feeder roads for peasant farmers.

However, despite the decrease in volume of agricultural production, there has been an increase in terms of current value because of higher prices in 1980.

The banana sub-sector has been the major contributor to agricultural GDP, contributing over 50 percent of total export earnings. The largest output of bananas was recorded in 1978 with a 14 percent increase over production levels for the previous year. The fall in production levels by 12.4 percent in 1979 below that of the 1978 figure resulted in a drastic decline in revenue accruing to the agricultural sector. Full year data for 1980 are not yet available but banana production is being rapidly restored to normal levels.

This improvement in the industry has been made possible by way of a rehabilitation programme involving prompt and efficient measures which commenced shortly after the devastation of the volcano.

Arrowroot

The island continues to hold a virtual monopoly of international trade in arrowroot despite the fact that there has been a considerable decline in production levels since the 1960's, particularly over the past five years.

This downward trend has been evident in the substantial reduction in output of arrowroot starch. Although data are not yet available for

1980, a further notable decline in production is expected.

The production/supply of arrowroot has not been adequate to meet demand, as large quantities are required for the manufacture of computer stationery. Consequently, at the same time, prices have risen fairly rapidly during the last three years.

The drawbacks to the industry continue to be the shortage of labour at the reaping stage, competition of other crops for the use of land, and bottlenecks at the manufacturing stage.

Other Agriculture

Lack of full year data for 1980 prevents definitive statements about the performance of Other Agriculture,[3/] but indications are that a mixed performance continued to be experienced in these crops, with a general downward trend having been observed. Production of tobacco has increased since 1978 in response to the decline in production of the commodity in Trinidad and Tobago and the consequent demand from a manufacturer of cigarettes in that country. Acreages under tobacco have accordingly increased.

Renewed interest in the sugar industry was registered with the acquisition by Government of plant and machinery to produce sugar for domestic consumption.

The livestock sub-sector continues to be small, mainly because of the high cost of feedstuffs. The implementation of a feed mill should assist in containing the cost of production and should result in an expanded activity.

Government Agricultural Policy

Following the recent natural disaster, Government moved to rehabilitate the sector to pre-1979 levels. At the core of this effort was a strong agricultural extension effort which gained the support of several international agencies, both technical and financial.

3/ This is defined to include ground provisions, coconuts, mace and nutmegs, ginger, peanuts, tobacco, sugar cane, livestock and fishing.

Government has moved to re-distribute land in favour of small farmers through the purchase and re-distribution of unused private estates. A longer and more secure tenure will foster the increased cultivation of tree crops.

Other Government initiatives in Agriculture include the extension of credit to small farmers and the encouragement of cooperatives to deal with the problem of storage and marketing.

Manufacturing

The Manufacturing sector has not developed substantially over the past five years. It has made a small but increasing contribution to total GDP, particularly during the last three years. In 1978, output grew significantly because of the establishment of a new flour mill and boxing plant, the sector's contribution to GDP rising from 7 to 12 percent. The following year, an estimated 14 percent of total GDP accrued to the Manufacturing sector.

The expansion of the Industrial sector, particularly since 1979, is intended to stimulate economic growth, and alleviate the problem of unemployment to a considerable extent, most emphasis being placed on the production of imported materials for re-export mainly to the North American market. During 1979/1980, factories for the production of garments, electronic equipment, yachts, corrugated cardboard and industrial gloves were established, as well as a dairy products factory.

Over the years, the majority of industries have been agro-based although much effort has been made to diversify the Manufacturing sector, particularly since 1979. The principal sub-sectors within the industrial sectors have continued to be arrowroot starch and coconut meal while there was increased production of coconut oil and flour. The latter has shown significant progress, registering a growth rate of 51 percent in 1979 above the 1978 total. Considerable quantities of flour have been exported to the Eastern Caribbean.

4/ Flour production commenced in December 1977.

Construction

The construction industry continued in 1980 to make a small but growing contribution to the total GDP. This has been due to the dynamism displayed in both the Public and Private sectors of the industry - a result of the effort diverted towards the development of the crucial areas of the economy by the government since 1979. Construction oriented towards the development of the Agriculturally based industrial sector included the arrowroot factory, a dairy plant and a sugar factory as well as the agricultural feeder road programme which is currently in progress. Major strides have been made in the improvement of transportation facilities over the last three years. In July 1978, Phase I of the Windward Highway reconstruction project commenced. Its goal is the improved access of villages and agricultural areas to the capital and the port.

Improvement of the social infrastructure has taken the form of an extension to the hospital and several school projects which began in late 1980. The second phase of the programme is expected to commence in January 1981. Funds for the repair of homes damaged during the volcanic eruption were granted during 1979. Satisfactory progress has been made in the Aided Self-Help Housing project which is intended to foster the spirit of self-reliance.

Much emphasis was placed upon tourism-cum-construction during 1979-1980 in the form of additional tourist accommodation and the Fort Charlotte renovation project still in progress. Data for the private sector have not been obtained.

Further improvement in the social infrastructure and transport sector, in particular, is expected in 1980/1981. The feasibility of low-cost pre-fabricated wooden houses for sale to the lower and middle-income groups is being considered. It is anticipated that the Construction sector will have a strong impact on the economy, contributing indirectly to the growth of GDP within its key sectors.

PRICES

On the basis of the Retail Price Index, the maximum rates of inflation were recorded in 1979 and 1980 respectively at 15.6 percent above the 1978 level and 17.2 percent above the previous year's level. These significant increases are attributable to the escalation of oil prices above the already high prices existing during the 1976-1978 period and to a lesser extent, the greater volume and value of imports of raw materials, capital and intermediate goods required for the expansion and rehabilitation of the infrastructure throughout all sectors of the economy since 1979.

The inflationary effect of oil prices was clearly revealed in the Retail Price Index as fuel and light proved to be the major contributor to price rises in 1980, registering the highest rate of increase of 34.6 percent over the 1979 level. Fuel and light displayed another marked increase of 30.3 percent in 1979, the second highest rise for that year above that of 1978. In 1980, housing also exerted much influence on price increases by way of a 27.8 percent growth rate above the 1979 level.

MONETARY AND FISCAL POLICY

Money and Banking

Monetary statistics for the five-year period, 1976-1980, are limited. However, data available reveal that, in December 1979 commercial banks' deposits totalled $102.9 million of which 24.8 percent or $25.5 million accrued to the National Commercial Bank.

Increased governmental activity evident in the development of key sectors of the economy since 1979 has stimulated a growing demand for credit which governmental sources are unable to accommodate although public credit facilities have been expanded to certain priority areas, particularly agriculture and industry. Information outlining commercial banks' credit to various sectors is unavailable for 1979 and 1980. However, adequate data for 1976-1978 indicate

that most credit was directed towards the distributive trades and personal loans. In 1977, less emphasis was placed on the distributive trades with increased focus on the government sector. Throughout the three-year period (1976-1978) agriculture and tourism seem to have received little credit, judging from the loans outstanding.

Loans to the Manufacturing sector rose by 522.2 percent in 1977 above the 1976 figure but this accounted for only 12.3 percent of the total. A slight rate of increase of 13.7 percent above that of 1977 occurred in 1978.

Public Finance

The steady growth in total revenue has not been adequate to meet the increase in total expenditure and alter the persistent deficit position. Data for 1978/1979 are incomplete. Draft estimates for 1980/1981 suggest a fixed surplus of $835,000. However, it is suspected that a surplus may not be attained due to two factors:-

i) sufficient revenue may not be received from external sources; and

ii) despite the anticipated increase in GDP, economic activity may not increase significantly.

Recurrent revenue recorded the highest growth rate of 19.1 percent in 1978/1979, greater than that of 1977/1978. This was largely attributed to the additional receipts received from income tax and import duties. A 13 percent rise over the estimated figure for 1978/1980 is expected during 1980/1981.

The components of recurrent revenue have experienced an overall increase with the exception of 1979/1980 when there was a mixed performance. Income tax and export duties registered a fall in earnings while consumption tax, import duties and other taxes increased marginally.

The major contributor to recurrent revenue over the period 1976 to 1980 was import tax. The Income Tax Act was amended in 1979/1980 with the intention of distributing income in favour of salaried workers.

Recurrent expenditure has increased over the past five years, except for 1980/1981 when estimates indicated a slight reduction of 3.3 percent.

Capital expenditure has acquired a larger share of total expenditure over the past five years, ranging from 38.8 percent in 1977/1978 to 48 percent in 1979/1980 and finally, 53.6 percent in 1980/1981 over the figures for the previous years. This may be attributed to increasingly heavy capital outlays, particularly since 1979, due to the expansion and development of infrastructural facilities throughout the crucial areas of the economy coupled with rehabilitation programmes, all outlined under the Public Sector Investment Programme. Consequently, the government has remained heavily dependent on capital grants and concessional loans to finance its development programme.

ENERGY

In recent years, energy policy has focused upon the provision of additional generation. Capacity is to be expanded from 3 units of 1.2 megawatts to 5 units of 1.2 megawatts and more reliable thermal capacity as well as the development of wine and micro hydro-power stations. A micro-hydro pilot project is currently being established with a proposed capacity of 40 kilowatts, mainly to operate an arrowroot factory, the surplus power to be sold to a neighbouring village. Another hydro-power project involving two sites with a capacity of 1.5 megwatts each, is to be studied.

Due to the extremely high and rising cost of imported petroleum and petrochemicals, efforts have been directed towards the utilization of alternative energy sources. It is envisaged that solar power will be used for heating water for house use in the future. A biogas sub-project which forms a part of a major livestock project is expected to begin in the second half of 1981 and a wind pilot project is currently being analysed.

THE EXTERNAL SECTOR

Tourism

Tourism has continued to contribute modestly to total GDP over the past five years.

Total visitor arrivals have displayed an upward trend, accompanied by a marked increase in the rate of growth, except for 1979 when a mere 13 percent rise over the 1978 figure was recorded. The steady increase in visitor arrivals was largely the result of promotion campaigns conducted throughout Europe and North America.

The number of stop-over visitors in hotels has tended to fluctuate during the five-year period. A marked improvement of 28.3 percent above the 1979 figure was recorded in 1980.

Information relating to visitor air arrivals is restricted to the period 1978-1980. A significant increase of 21 percent was registered in 1979 over the 1978 figure of 35,249. In 1980, about 50,000 intransit tourist air arrivals were estimated. The number of cruise-ship visitors has grown steadily during the past five years, with the exception of 1979.

During 1979/1980, emphasis was placed on the construction of additional tourist accommodation. There exists a government tax on hotels of five or more rooms and meals in restaurants attached to the hotels at the rate of 5 parcent of the total value.

Tourist receipts grew significantly in 1978 by 89.8 percent over the 1977 aggregate. Although no data are available for 1979 and 1980, an increase in total tourist expenditure for 1980 and 1979, the former exceeding the latter, is indicated by the 28.3 percent rise in total visitors in 1980 as well as the general price increase.

The major problem confronting the tourist industry in St. Vincent is that of transportation. The Leeward Islands Air Transport (LIAT), the principal carrier, is deficient in the size of its fleet (particularly during the peak summer and winter months). The entire budget for tourism, below half a million U.S. dollars, is inadequate for promotion on a larger scale as well as the provision of other facilities. This sector also

suffers from a shortage of skilled personnel.

In an effort to overcome the problems facing the industry, training seminars are being held for those employed in the industry at all levels. The Department of Tourism, through St. Vincent Tourist Board has established two sub-committees to study:-

i) The Development of Cultural Attractions; and

ii) The Development of Physical Attractions.

Trade and the Balance of Payments

Data on the Balance of Payments for the entire five-year span (1976-1980) are unavailable. However, information has been provided for the period 1978-1980.

The current account deficit increased substantially from $5.4 million in 1978 to $42.1 million in 1979 and was projected to be $24.3 million in 1980. A higher figure is expected for 1980 as the economy has not yet been restored to pre-1979 growth levels although it is anticipated that this figure will be cushioned by higher net inflows on the current account due to the 28 percent rise in number of stop-over visitors over the 1979 total. Over the years, the adverse balance on the current account has largely been financed by external sources of loans and grant funds.

The acute inbalance on merchandise trade may be attributed to the fact that export earnings were outstripped by foreign exchange outflows for imported goods. The latter has been strongly influenced by certain structural factors, above all, the marked openness of the economy. There has been a steep rise in the volume of imports of raw materials, capital and intermediate goods for the development of the infrastructure in the construction, manufacturing and agricultural industries and to a lesser extent, food and manufactured goods for the expanding tourism sector. Moreover, the cost of imports, particularly petroleum products and petrochemicals, has escalated, as the transnational corporations respond to OPEC's

decision to raise oil prices and obtain a larger share of oil revenues.

In 1977, the value of imports rose by 32 percent above the 1976 figure to about 81.9 million. Foreign exchange outflows for imports in 1980 climbed steeply by 149 percent over the 1976 total to a figure of approximately $154.6 million.

On the other hand, the revenue from exports increased from about 24.7 million in 1976 to a mere 42.8 million in 1980, a 74 percent rise. A slight revival of the Export sector occurred in 1980 with an increase in export earnings of 7.5 percent more than 1979 figures as signs of recovery were evident in the Agricultural sector to rehabilitation programmes implemented.

In general, trade has been oriented towards the United Kingdom, CARICOM and the United States of America, in that order and all indications point to the fact that this remained the same for 1980. The bulk of trade with CARICOM has been conducted with the MDC's, mainly Trinidad and Tobago. Further expansion of trade with the LDC's and non-traditional markets including Martinique, Antigua and the British Virgin Islands, has been hampered by an inadequate shipping service and high freight rates.

STATISTICAL APPENDIX

ST. VINCENT

1980

ST. VINCENT

TABLE I

GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY AT FACTOR COST
(EC$ Mill.)

	1976	1977	1978	1979	1980	Annual Growth Rate 1977	1978	1979	1980
Agriculture, forestry and fishing	14.0	11.5	13.6	10.2	...	-17.9	18.3	-25.0	...
Mining and quarrying	0.2	0.2	0.3	0.2	...	-	50.0	-50.0	...
Manufacturing	4.4	5.3	8.6	9.7	...	20.5	62.3	12.8	...
Electricity and water supply	2.1	2.5	2.5	3.1	...	19.0	-	24.0	...
Construction	7.7	9.1	9.0	9.8	...	18.2	-1.1	8.9	...
Wholesale and retail trade	9.6	9.8	9.6	9.5	...	2.1	2.0	1.0	...
Hotels and restaurants	1.2	1.3	1.6	1.8	...	8.3	23.1	12.5	...
Transport	6.0	7.2	8.0	8.6	...	20.0	11.1	7.5	...
Communications	3.8	3.8	5.9	4.3	...	-	55.2	-27.1	...
Finance, insurance, real estate and business services	9.7	9.9	12.0	12.6	...	2.1	21.2	5.0	...
Other services	2.4	2.4	2.5	2.7	...	-	4.2	8.0	...
Government services	13.7	14.9	15.5	16.4	...	8.8	4.0	5.8	...
LESS Imputed banking service charges	-3.7	-4.1	-4.6	-5.1	...	-10.8	-12.2	-10.9	...
TOTAL GROSS DOMESTIC PRODUCT	71.1	74.0	84.5	83.8	...	4.1	14.2	-0.8	...

Source: National Accounts of St. Vincent 1975 to 1979. UN/CARICOM Statistics Project, CARICOM Secretariat, Guyana, December 1980.

ST. VINCENT

TABLE II

EXPENDITURE ON GROSS DOMESTIC PRODUCT
(EC$ Mill.)

	1976	1977	1978	1979	1980	Annual Growth Rate 1977	1978	1979	1980
Final Consumption Expenditure	85.2	...	...	...	...	...	...	...	...
a) Government	19.1	20.5	27.2	30.8	...	7.3	32.6	13.2	...
b) Private	66.1 1/	...	...	...	...	...	...	...	...
Gross Fixed Capital Formation	17.1	26.5	27.8	34.1	...	55.0	4.9	22.7	...
Increases in Stocks	0.7	2.6	1.9	2.6	...	271.4	-26.9	36.8	...
Exports of Goods	24.7	26.8	44.0	39.8	...	8.5	64.2	-9.5	...
LESS Imports of Goods	-62.0	-81.9	-97.7	-125.2	...	-32.1	-19.3	-28.1	...
Exports of services including tourist expenditure less imports of services	17.6	...	...	...	...	...	...	...	...
TOTAL GROSS DOMESTIC PRODUCT	...	...	...	...	...	...	...	...	...

1/ Estimate based on Household Budget Survey 1976.

Source: National Accounts of St. Vincent 1975 to 1979. UN/CARICOM Statistics Project, CARICOM Secretariat, Guyana, December 1980.

ST. VINCENT

TABLE III

AGRICULTURAL PRODUCTION

Commodity	Unit	1976	1977	1978	1979	1980 1/
Arrowroot starch 2/	Tonnes	791.1	833.7	845.1	699.5	...
Bananas	'000 Tonnes	31.4	28.6	32.6	28.6	16.9
Carrots	Tonnes	825.6	343.8	410.1	289.4	236.0
Ginger	"	793.3	569.3	868.6	1195.4	...
Mace	"	28.1	20.9	16.8	21.0	...
Nutmegs	"	171.5	121.6	101.6	92.0	117.3
Peanuts	"	66.7	20.4	68.5	68.0	...
Sweet Potatoes	"	2136.0	734.4	1584.4	1451.9	1227.2
Tobacco 2/	"	...	12.6	38.2	72.9	86.4
Yams, Tannias and Eddoes	"	2109.7	2632.7	3326.7	3083.9	...
Coconuts (dry)	'000 nuts	...	...	...	14296.4	6332.0

1/ Data relate to period January to June.

2/ Crop year.

Source: Digest of Statistics for the year 1979. No. 29. Statistical Unit, St. Vincent and the Grenadines, West Indies and Agricultural Statistics Unit, Ministry of Trade and Agriculture.

ST. VINCENT

TABLE IV

INDICATORS OF MANUFACTURING PRODUCTION

Manufacturing Products	Units	1976	1977	1978	1979	1980
Rum	'000 litres	450.1	424.5	322.8	313.7	...
Farine	Tonnes	45.4	...	80.8	26.5 1/	...
Coconut Oil (Refined)	"	683.8	690.9	...	...	...
Coconut Meal	"	525.5	670.2	324.4	..	...
Flour 2/	'000 tonnes	-	..	10.2	15.4 1/	...

1/ Exports only.

2/ Flour production started in December 1977.

Source: Agricultural Statistics Unit, Ministry of Trade and Agriculture, 8 December 1978, and data supplied CEPAL.

ST. VINCENT

TABLE V

SELECTED DATA ON TOURISM

	1976	1977	1978	1979	1980	Annual Growth Rate 1977	1978	1979	1980
Total visitors	33,545	39,844	56,137 1/	63,440 1/	92,233 1/	18.8	40.9	13.0	45.4
Of which: Stop-over visitors in hotel	17,953	18,200	10,310	10,438	13,387	1.4	-43.4	1.2	28.3
Cruise ship visitors	13,887	20,478	20,888	20,726	42,479	47.5	2.0	-0.8	105.0
Average length of stay in hotels (days)	8	9	5	7	7	12.5	-44.4	40.0	0.0
Occupancy rate	...	...	...	...	...	...	...	...	...
No. of Hotel and Guest House beds	...	...	746	775	983	...	...	3.9	26.8
No. of Hotel and Guest House rooms	474	498	517	...	...	5.1	3.8	...	...
No. of new hotels	1	1	1	3	3	0.0	0.0	200.0	-
No. of new Guest Houses	...	...	...	...	-	...	-	...	...
Total Tourist Expenditure (EC$ Mill.)	12.5	14.7	27.9	...	...	17.6	89.8	...	...
Of which: Stop-over visitors	...	...	...	...	...	...	...	...	...
Intransit visitors	...	...	...	...	...	...	...	...	...
Yacht	...	...	...	...	...	...	...	...	...
No. of cruise ship calls	34	46	25	19	25	35.3	-45.7	-24.0	31.6
No. of yachts calling	338	749	357	278	...	121.6	-52.3	-22.1	...
No. employed in hotels	375	425	...	...	...	13.3	...	...	...

1/ Includes guest houses, apartments and private homes.

Source: Ministry of External Affairs and Tourism, St. Vincent and the Grenadines.

ST. VINCENT

TABLE VI

EXPORTS, IMPORTS AND BALANCE ON VISIBLE TRADE 1976-1980
(EC$'000)

Year	Imports	Exports	Domestic Exports	Re-Exports	Trade Balance
1976	62,020	24,651	23,673	978	-37,369
1977	81,923	26,999	24,885	2,114	-54,924
1978	97,678	44,316	42,100	2,216	-53,362
1979	125,202	39,825	38,156	1,669	-85,377
1980	154,558	42,825	40,545	2,280	-111,733

Source: Statistical Unit, St. Vincent and the Grenadines.

ST. VINCENT

TABLE VII

TRADE WITH CARICOM COUNTRIES

	IMPORTS				TOTAL EXPORTS				DOMESTIC EXPORTS			
	1977	1978	1979	1980	1977	1978	1979	1980	1977	1978	1979	1980
MDC's												
Barbados	3,434,300	3,772,835	...	...	1,547,124	3,571,034	...	...	1,460,522	3,247,964	...	...
Guyana	3,819,763	3,920,992	...	...	12,782	162,169	...	...	2,655	155,044	...	...
Jamaica	1,788,009	1,805,844	...	...	86,292	53,907	...	...	100	53,907	...	...
T'dad and Tobago	13,047,969	12,035,754	...	...	4,907,664	7,733,469	...	...	3,550,146	6,555,434	...	...
Total MDC's	22,090,041	21,535,425	...	...	6,553,862	11,520,579	...	...	5,013,423	10,012,349	...	...
ECCM												
Antigua	162,727	482,493	...	...	43,422	1,661,140	...	...	12,360	1,627,492	...	...
Dominica	428,426	556,114	...	...	118,236	1,857,585	...	...	94,525	1,799,366	...	...
Grenada	60,329	12,828	...	...	327,042	635,177	...	...	202,764	465,224	...	...
Montserrat	0	5,445	...	...	5,992	204,882	...	...	4,000	204,632	...	...
St. Kitts	26,242	54,645	...	...	64,589	1,531,949	...	...	3,579	1,526,777	...	...
St. Lucia	5,027,867	4,473,122	...	...	335,257	887,749	...	...	191,754	718,138	...	...
St. Vincent	-	-	...	...	-	-	...	...	-	-	...	...
Total ECCM	5,705,591	5,584,647	...	...	894,538	6,778,482	...	...	508,982	6,341,629	...	...
Belize	0	0	...	...	500	3,194	...	...	0	3,194	...	...
Total LDC's	5,705,591	5,584,647	...	...	895,038	6,781,676	...	...	508,982	6,344,823	...	...
Total CARICOM	27,795,632	27,120,072	...	...	7,448,900	18,302,255	...	...	5,522,405	16,357,172		

Source: Statistical Unit, St. Vincent and the Grenadines.

ST. VINCENT

TABLE VIII

SELECTED AGRICULTURAL EXPORTS
(EC$'000)

Commodities	1976	1977	1978	1979	1980[p]	Annual Growth Rate 1977	1978	1979	1980
Arrowroot	1,145.0	1,325.0	1,894.7	1,784.7	2,290.3	15.7	43.3	-5.8	28.3
Bananas	14,632.0	15,107.0	19,933.0	15,883.5	16,836.3	3.2	31.9	-20.3	6.0
Carrots	725.0	351.0	326.0	176.9	170.8	-51.6	-7.1	-45.7	3.4
Cocoa Beans	31.8	32.2	200.0	147.4	...	1.3	521.1	-26.3	...
Coconut Oil	424.0	407.0	393.0	575.0	1,134.0	-4.0	-3.4	46.3	97.2
Coconuts	642.2	1,060.5	1,569.8	1,410.4	1,500.4	65.1	48.0	-10.2	6.4
Ginger	499.3	350.8	460.4	576.4	...	-29.7	31.2	25.2	...
Mace	110.0	79.0	97.0	115.0	106.0	-28.2	22.8	18.6	-7.8
Nutmegs	338.0	286.0	266.0	343.0	394.0	-15.4	-7.0	28.9	14.9
Sweet Potatoes	859.8	477.0	971.0	920.3	1,321.6	-44.5	103.6	-5.2	43.6

Source: Digest of Statistics, 1979, No. 29 Statistical Unit, St. Vincent and and the Grenadines and data supplied CEPAL.

ST. VINCENT

TABLE IX

CONSUMER PRICE INDEX (MARCH 1964 = 100)

Group	Weight	1976	1977	1978	1979	1980
			ANNUAL AVERAGES			
TOTAL: All Items	1000	290.2	319.8	346.8	400.9	469.9
Food	551.6	277.6	332.0	354.4	397.8	455.0
Alcoholic Drinks and Tobacco	53.1	246.4	270.9	309.0	357.0	408.1
Housing	110.9	279.4	294.3	307.6	353.7	452.2
Fuel and Light	64.0	262.7	284.4	349.1	454.9	612.4
Household and Miscellaneous Items	54.0	309.1	388.8	428.7	480.0	565.4
Clothing and Footwear	69.4	293.5	321.6	360.0	482.3	529.5
Services	97.0	261.2	314.8	309.4	360.2	419.7
			ANNUAL AVERAGE CHANGE			
TOTAL: All Items		11.3	10.2	8.4	15.6	17.2
Food		3.1	19.6	6.7	12.2	14.4
Alcoholic Drinks and Tobacco		9.9	9.9	14.1	15.5	14.3
Housing		9.6	5.3	4.5	15.0	27.8
Fuel and Light		4.5	8.3	22.7	30.3	34.6
Household and Miscellaneous Items		21.2	25.8	10.3	12.0	17.8
Clothing and Footwear		9.8	9.6	11.9	34.0	9.8
Services		7.1	20.5	-1.7	16.4	16.5
			% Change December-December			
TOTAL: All Items		12.2	7.4	11.1	17.5	18.9
Food		13.8	5.6	9.3	11.9	23.8
Alcoholic Drinks and Tobacco		8.8	10.8	18.3	12.1	15.6
Housing		6.7	5.6	1.0	41.2	9.4
Fuel and Light		7.3	15.7	26.5	31.6	11.8
Household and Miscellaneous Items		29.2	9.4	12.6	14.4	16.7
Clothing and Footwear		8.8	6.9	29.9	16.4	12.2
Services		6.7	13.4	4.0	23.4	16.7

Source: Digest of Statistics 1976 and 1979, Statistical Unit, St. Vincent and the Grenadines and data supplied CEPAL.

ST. VINCENT

TABLE X

COMMERCIAL BANKS' CREDIT - SECTORAL DISTRIBUTION
(EC$ Mill.)

	At end of December				
	1976[r]	1977[r]	1978	1979	1980
Agriculture	2.3	2.1	2.7	...	...
Manufacturing	0.9	5.6	8.3	...	...
Distributive Trades	9.6	7.7	9.4	...	...
Tourism	1.4	1.7	1.7	...	...
Transportation	1.1	1.7	2.5	...	...
Government and other statutory bodies	3.5	7.3	8.7	...	...
Building and construction	3.4	2.1	5.0	...	...
Personal loans	8.8	14.2	16.9	...	...
Other loans and advances	1.7	3.2	4.8	...	...
TOTAL - loans and advances	32.7	45.6	60.4	...	...

Source: Data supplied CEPAL.

ST. VINCENT

TABLE XI

CENTRAL GOVERNMENT REVENUE AND EXPENDITURE
(EC$'000)

	1976/77	1977/78	1978/79 r 1/	1979/80 2/	1980/81 3/
Current Revenue	28,954	32,783	39,155	43,166	48,729
Tax Revenue of which:	19,976	24,387	27,795	27,970	34,995
Income Tax	4,766	5,714	8,790	7,300	10,750
Consumption Tax	2,571	3,012	3,328	3,400	4,000
Import Duties	5,587	6,871	8,031	8,350	10,000
Export Duties	712	624	704	700	900
Other taxes 4/	6,339	8,165	6,942	8,220	9,345
Non-Tax Revenue	5,175	6,242	6,876	11,950	13,234
Aid Funds	3,803	2,154	4,484	3,246	500
Current Expenditure	26,835	29,776	41,063	49,539 5/	47,894
Wages and salaries	...	...	...	...	22,629
Other expenditure	...	...	...	...	25,265
Savings/deficit or current account	+2,119	+3,007	-1,908	-6,373	+835
Capital Revenue	6,458	8,444	...	47,344	55,294
Capital Expenditure	13,297	18,906	...	47,344	55,294
Total Revenue	35,412	41,227	...	90,510	104,023
Total Expenditure	40,132	48,682	...	96,883	103,188
Fiscal deficit/surplus	-4,720	-7,455	...	-6,373	+835
Debt servicing	1,978	2,017	3,378	2,821	3,261

N.B. Fiscal year data July-June.
1/ Actual. 2/ Approved estimate. 3/ Draft estimate.
4/ Includes Excise Duties. 5/ Revised estimate.

Source: Estimates of St. Vincent and the Grenadines 1980-81 and data supplied CEPAL.

PART XIV

SURINAME COUNTRY NOTES

ECONOMIC ACTIVITY 1980

SURINAME
(Suriname Guilders used throughout) 1/

Whereas no National Accounts data are available for 1980, indications are that Gross Domestic Product (GDP) at factor cost and in current prices rose to some SF. 1,620 million in 1980, partly because of the effects of the Dutch Aid to Suriname, partly in reflection of the increased cost of hydrocarbon energy, and partly reflecting the performance in bauxite and its derivatives.

Expansion in acreage under rice continued as Government moved to profit from increased foreign exchange earnings from the sale of the commodity. Expansion in acreage under oil palm continued in 1979 with indications of further expansion in 1980. Indications are that mixed performances were observed in the rest of the Agricultural sector, with the trend in production being generally downward.

Bauxite production is estimated to have increased by 3 per cent in 1980. The volume of exports in 1979, though some 22.6 per cent below the level of the previous year, produced a near 3 per cent increase in foreign exchange earnings. The estimate for 1980 is that foreign exchange earnings from the sale of this product increased by some 12 per cent over the 1979 level. Increases in the production of alumina and aluminium in 1980 have been indicated.

The Manufacturing sector, judging from movements in the Index of Manufacturing Production, registered a general drop in production despite rising consumption. This phenomenon derives from Suriname's liberal trade policy (the absence of a negative list of competitive imports) and greater cost-competitiveness of imported competitive products.

1/ The rate of exchange in 1980 was SF. 1.789 = US$1.00.

The Government sector dominated economic activity, making the highest contribution to total GDP, both in Current and in Real terms. The inflow of Dutch Development aid and the numerous public sector projects undertaken as a consequence, have explained the sector's recent dominance in the economy. Estimates put this Sector's relative contribution to total GDP at current 1978 prices at 22 per cent.

The new Government of Suriname introduced an inter-disciplinary Energy Group to address itself to the problem of supply and cost of energy. The lack of synchronization of the project activities in Western Suriname was observed, and modifications to the original projects recommended. The activities aimed at constructing dams are designed to more fully utilize existing natural resources and reduce Suriname's dependence on imports of petroleum.

Apart from Public sector activity in Energy, Government set about the completion of a low-cost housing project in the Marienburg area, and the improvement of road links in the country. Progress was made in the Government's Health Insurance Scheme, the aim of which is to cover some 80 per cent of the population, on a phased basis. Government realized a budgetary surplus on Current Account in 1980, largely as a result of more efficient spending.

SECTORAL TRENDS

Agriculture

An analysis of GDP at Factor Cost (1974 prices) reveals that in 1978 (the last year for which firm data are available), the Agricultural sector 2/ contributed Sf. 73.5 million to total GDP - over 8 per cent of the total GDP. Preliminary data indicate that the sector employs some 14 per cent of the employed population, and utilizes only a very small fraction of total potential arable land. Much potential exists for the establishment of agro-based industry once the problems of labour shortages and credit have been solved.

2/ Defined as Agriculture and Fisheries (does not include forestry).

Over the last ten years there has been expansion in the acreage under rice, with corresponding increases in production. The techniques of a number of rice farmers who had previously worked in Indonesia have been acquired by the Surinamese farmers, with resultant improved yields. Mechanization has lowered the cost of production and has partially compensated for the shortage of labour. The result is that the middle-size farmer has profited and has now become a manager because of his interplay with other entrepreneurs and providers of services in sowing, fertilizing and spraying. The small farmers have formed a co-operative and at the same time have been given larger acreages. In 1979, the acreage under rice grew by some 6.6 per cent, with a total of some 235,772 tonnes of paddy rice being produced. Preliminary figures suggest increased production in 1980 of the order of 13 per cent.

The Government-owned rice farm grows an estimated 60 per cent of all rice exports. Government is pursuing a vigorous rice expansion programme to profit from increased exchange earnings from the sale of the commodity.

Within the past four years, palm oil has gained prominence as an item of export. In 1979, the acreage under oil palm increased by 17 per cent to a total of 2,372 hectares, and preliminary evaluations are that acreage further increased in 1980, although statistical data were not yet available.

The rehabilitated sugar estate at Marienburg continued in operation. Compared to output in 1979, production of sugar cane fell by 10 per cent in 1980 to register a total of 146,339 tonnes. The sugar output estimate for 1980 is that production also fell.

Agricultural cropping continues to suffer from high labour costs and a scarcity of workers. If the sector is to expand, then adjustments will need to be made to accommodate greater use of mechanization, fertilizer, and agricultural extension services, supplemented by improved storage and marketing facilities.

The number of livestock increased by 15 per cent in 1979, continuing the observed upward trend. Greatest relative increases were observed in cattle and pigs, while the numbers of goats and sheep which are

relatively less significant for the livestock sub-sector, decreased by nearly 7 per cent. The number of animals slaughtered increased. This is believed to have been partly in response to price controls due to the differentials between the costs of inputs and returns from output, which affect the profitability of private farming.

The indications are that fish production declined in 1980 as a result of the exodus of fishermen and a loss of access to Brazilian shrimping grounds. Shrimpers concentrated more on local shrimping to profit from the favourable prices of shrimp.

Statistical information systems in agriculture must be improved if they are to inform the decision-making process on a timely basis. At the time of writing, data on agricultural production in 1980 were not available. However, taking into account the relative importance of the sub-sectors and the visible trends, there would have been no real growth for the Agriculture sector in 1980, measured in 1974 prices.

Mining

The Mining and Bauxite sector continued to dominate the goods producing sectors in terms of economic activity. The most recent GDP data (1978) indicate a 14.7 per cent increase in the Gross Domestic Product accruing to the sector, while in constant prices, the increase was of the order of 9.3 per cent. The Index of Mining production shows an increase of 8.2 per cent in 1978 over the 1977 level of production, followed by a 4 per cent decline in 1979.

Indications are that Bauxite production increased in 1980 by an estimated 3 per cent, after the 5 per cent drop in production experienced in 1979, so that it still would be below the peak output of 5 million tonnes recorded in 1978. The volume of bauxite exported in 1979 fell by some 22.6 per cent but increased export prices procured a near 3 per cent increase in foreign exchange earnings, the figure rising to Sf. 114 million in 1979. The prognosis for 1980 is that the increase achieved in production, would at current prices enhance the export earnings for this product.

Alumina production fell very slightly in 1979, though export prices helped to increase the foreign exchange earnings by some 59 per cent in 1979. The outlook for 1980 is an increase over the 1979 level, of some 12 per cent in production and, consequently better export receipts.

Aluminium production fell by 10 per cent in 1979 below the previous year's output to register a production level of 53,000 tonnes; and export volume fell by some 18 per cent, but again the effect of price produced for the economy a 27 per cent increase in export earnings from the commodity. An increase in production of about 5 per cent is estimated to have been achieved in 1980.

Generally, the Mining sector maintained its importance to total economic activity in Suriname. The sector is still dominated by two subsidiaries of multinational companies, with most of the actual mining activity being done in the eastern part of the country. Despite occasional upsurges in the years since 1977, production has generally not attained the 1973 level. This may be due in part to the companies' marketing arrangements surrounding bauxite and alumina in response to introduction of the bauxite levy which is an excise tax; and which being correlated to the world market price for aluminium, has been a factor influencing the rate of growth of bauxite extraction and alumina production. The relatively high cost structure of the industry in Suriname has served in addition, to render the products of the industry less cost-competitive than those of some other producers. If costs of production of bauxite and its derivatives can be restrained in the Western Suriname activities, the buoyancy of the economy based on bauxite would be more assured. Table V presents data on exports by Value, Volume and Price, 1977-1979, and part-year data for 1980.

Manufacturing

The Manufacturing sector, except for a few agro-products, is geared to the domestic market, and Table VI of the Statistical Appendix reflects the situation in 1979. The indications for 1980 are that the sub-sectors experienced varying fortunes, with indications of a fall in the general output taking the sector as a whole. While basic items like sugar and

flour show fluctuations, there are others like butter and alcohol where output has followed a declining trend, despite rising domestic consumption. This phenomenon is explained by the virtual absence of restrictions on imports combined with the traditional orientation of consumer preference towards the imported competitive counterpart product. In part also, this consumer preference is related to the greater cost-competitiveness of the imported product.

PUBLIC SECTOR ACTIVITIES

Since its attainment of Independence in 1975, Suriname has been the recipient of Dutch development aid which was promised to the extent of Sf. 2,500 million at 1978 exchange rates. Since this grant contains no provision for inflation, there was a tendency towards policies aimed at a rate of disbursement that has proven to be incompatible with the absorptive capacity of the country, given its administrative and physical infrastructure. At the end of the period of receipt of the Dutch aid, the country is expected to be able to propel itself through Government budget surpluses and through bi-lateral or multilateral aid or external commercial sources. Important steps toward the accomplishment of this capability are improvements in the system of tax collection, and strict controls on increases in current expenditure in the Public sector. It has to be borne in mind that in terms of contribution to GDP the Government sector share had risen to 22 per cent in 1978 when it overtook the bauxite sector.

In 1980, the Government realised a budgetary surplus on Current Account, reportedly largely as a result of more efficient spending. Administrative controls sought to produce a high degree of positive correlation between hours worked and wages and salaries paid. At the same time, Capital Account activities continued with all the major construction and Public Health initiatives being financed by the Dutch aid.

Government, in addition to its activity in the area of energy, set about the completion of a low-cost housing project in the Marienburg area which had begun some three years previously. Additional construction identified as priority tasks include the building of a bridge over the Suriname river and a road to Nickerie. A major problem of labour still exists despite the influx

from Guyana over recent years. The narrow human resource base has set an upper limit to the extent to which the country can absorb investment. The result is that of the quantum of funds committed from 1975 to 1979-1980, only about one-third has been utilized.

Government moved one step nearer to the realization of its Health Insurance Scheme, the aim of which is to cover 80 per cent of the population on a phased basis, and starting with the members of the Civil Service and pensioners thereof. The estimated number of persons in this group is of the order of 100,000. In Phase II of the project, persons now in receipt of free medical treatment from Government (members of the lowest income groups numbering some 125,000), will be incorporated into the scheme. Phase III will see the incorporation of the self-employed and small enterprises on a voluntary basis. An estimated 60,000 persons fall into this category.

The Health Insurance Scheme offers the services of a physician, a specialist, hospitalization and free drugs. Other treatment will be provided only when it is clinically needed. Polyclinical services will not be supported by the scheme. The scheme will cost an estimated Sf. 19 million in Phase I, with a per capita cost per year of some Sf. 190.

The Dutch grant has enabled Government to embark on a number of projects aimed at reducing the dependence on petroleum as a source of energy, and at creating the prerequisites to an improved quality of life for the citizenry. The Government sector has therefore been able to lead in economic activity, contributing (in current prices) Sf. 192 million to total GDP in 1976, Sf. 248 million in 1977, and Sf. 291 million in 1978 when the percentage contribution to total GDP was 22 per cent.

ENERGY AND ENERGY POLICY

The energy production sector, Gas, Water and Electricity has been expanding consistently since 1975, in large part stimulated by official government policies to increase very substantially the generation of hydro-electricity. The initial objective of providing electricity so

that a larger percentage (than the 10 per cent of 1978) of bauxite output could be processed locally, was given greater urgency by the increases in price of crude petroleum.

The seven-man Energy Commission appointed in 1979 to examine the energy situation ceased to function after the submission of its recommendations. The new Government of Suriname introduced an inter-disciplinary Energy Group to address itself to the problems of supply and the cost of energy. The group endorsed the Commission's recommendation that an energy bureau should be established to collect and harmonize the different activities in the field of energy. The Multiannual Development Plan which had looked at economic development from the point of view of the theory of growth poles was re-examined by the new Government of 1980. Included in that plan were the Kabalebo and Apoera projects in Western Suriname, originally intended to supply 800 MW of hydropower, which would have made the country virtually self-sufficient in energy, and thus reduce the petroleum import bill. The new Government observed the lack of synchronization of the project activities in Western Suriname, and began discussions with the World Bank and the OAS to determine the financing of the projects. The uncertainties surrounding the extent of future mining activity in the Bakhuis region have inclined the Government to think in terms of a first phase in the development of the hydropower project which would satisfy projected industrial demand. The Kabalebo project seeks to put in place 250 MW capacity at Devis Falls dam, and should permit a switch from the existing thermal capacity, further including a reduction of about 50 per cent of petroleum imports in 1986.

In addition, the Government has submitted plans to the Belgian Government for the investigation of promising sites for micro-dams throughout the country, which will substitute for hydro-carbon derived energy. The sizes of the plants will vary depending on site, topography and hydrology and will also be determined by Government's view of the location of industries and the decentralization of manufacturing activity out of Paramaribo.

In addition, action has been taken on a further recommendation of the Commission in that offshore exploration for oil has begun, an American firm having been contracted for offshore drilling near the coast.

In the area of alternative sources of energy, the Government, the University and the OAS are interested in embarking on a number of concrete activities. There is current interest in solar energy projects deriving from the usefulness of this source of energy for heating water, refrigeration of foodstuffs and the drying of crops. Demand conditions are to be ascertained and depending on the results, feasibility studies will be carried out with interested economic activity groups such as Agriculture, Fisheries and Forestry. Statistical Appendix Table XIV presents an analysis of energy consumption for the years 1976 to 1979, in thousand barrels of oil equivalent.

THE EXTERNAL SECTOR AND THE BALANCE OF PAYMENTS

The characteristics in the current account of surpluses on merchandise trade being more than offset by deficits on services, continued to be evident. As in former years, the surplus on the Merchandise trade account, Sf. 59.2 million in 1979 and Sf. 23.9 million in 1980, reflected the strength of the Bauxite sector as well as that of part of the Manufacturing and Agricultural sectors geared towards the export market. However, the deficit on services, Sf. 64 million in 1979 and Sf. 102 million in 1980, resulted in negative balances on current account reaching a figure of Sf. 66.1 million [3/] in 1979, and Sf. 97 million in 1980.

In 1980, total exports of goods rose by 15.8 per cent over the 1979 figure of Sf. 792.7 million to a figure of Sf. 918.2 million in 1980. Main items of export were bauxite and its derivatives, rice, and manufactured products based on the Agriculture and Forestry sectors, which together account for two-thirds of total export earnings. In 1980, exports of bauxite and its derivatives accounted for foreign exchange earnings of Sf. 740.8 million. Bearing in mind that the 1978 figure of Sf. 551.3 million was 41.7 per cent of that year's total GDP at current prices, the very substantial increases in 1979 and 1980 would represent an even higher percentage.

3/ The Balance of Payments table presented is on a cash basis.

There has not been a significant change in the direction of trade. The major export markets continued to be the U.S.A., the Netherlands, the United Kingdom and Scandinavia with the exception of Denmark. The greater part of Suriname's imports originated in the Netherlands, the United States, the United Kingdom and the Caribbean Islands, mainly Trinidad and Tobago. Imports of goods rose to some Sf. 617.9 million in 1977, to Sf. 702.4 million in 1978, and an estimated Sf. 884.3 million in 1980.

Estimates of the Export Price Index, the Import Price Index and the Terms of Trade Index show terms of trade that are generally adverse, but which are heavily influenced by the prices of bauxite and its derivatives. Table 1 below refers.

Table 1

Terms of Trade 1973-1978

(1977 = 100)

	1973	1974	1975	1976	1977	1978
Export Price Index	49.1	71.2	84.2	92.4	100.0	106.5
Import Price Index	62.2	77.8	89.7	91.2	100.0	115.2
Terms of Trade Index	78.9	91.5	93.9	101.3	100.0	92.4

Source: World Bank Estimates.

Of the other items in the balance of payments current account, net transfer payments have been positive since 1976, reflecting for the most part remittances from Surinamese who migrated to the Netherlands during 1975 and after.

The current account deficit has always been financed by inflows of Government grants and loans, almost entirely from Holland, these inflows invariably being larger than the deficit on current account 4/. After

4/ See table VIII of the Statistical Appendix.

1975, most of these inflows have taken the form of Dutch aid pledged upon Suriname's attainment of independence. The fluctuations from year to year are reflective of the extent of absorptive capacity of the domestic economy in the disbursement of the funds, and to a certain extent difficulties in the interpretation of the rules for the administration of the grant. The outflows of Public and Private Capital represent both Private sector and Government amortization of loans.

The net effects of movements in the Current and Capital Accounts have been overall balance of payments surpluses of Sf. 41.1 million in 1978, Sf. 48.4 million in 1979 and an estimated Sf. 44.3 million in 1980. Net International reserves rose by an estimated Sf. 52.2 million in 1979 5/.

PRICES, LABOUR AND WAGES

The 14.1 per cent increase in the general price level indicated a slight deceleration in the rate of inflation in 1980, as measured by the retail price index. Strict price controls served to restrain the free upward price tendency of several commodities. Housing and furnishings experienced a price increase of 16.2 per cent, while the rate of price increase in Food and Beverages was 12.2 per cent. Petroleum prices which continued to increase in 1980 exerted upward influences on manufactured goods.

The inflation in prices was maintained by continuing high wages, with the bauxite sector performing the role of leader, with the high wages in this sector inducing demands for wage increases in other sectors. The increase in employment and spending in the Public sector with no pari passu increase in the production of goods has been another important determinant of the rate of inflation. The high level of Government spending was reflected in an increased money supply. No data on wages are yet available for 1980. Table 2 below presents preliminary data on Average gross wages per worker in 1978, by Sector.

5/ See table X-B of the Statistical Appendix.

Table 2

Average Gross Wages per worker by Sector - 1978 P

Sector	Numbers employed	Percentage	Average Gross Annual Wages per worker, 1978 - Sf.
Agriculture and Fisheries	14,200	14.0	2,451
Forestry and Wood Industry	1,800	1.8	9,167
Mining and Bauxite	6,200	6.1	20,000
Manufacturing	10,500	10.3	6,752
Gas, water and electricity	1,100	1.1	14,727
Construction	4,200	4.1	10,762
Trade and Commerce	15,300	15.1	6,660
Transport, Storage and Communication	3,600	3.5	9,944
Financial Services	2,000	2.0	15,300
Government	39,000	30.4	6,179
Other general, social and personal services	3,700	3.6	3,945
TOTAL:	101,600	100	7,199

Source: General Statistics Office.

MONEY AND BANKING

The continued influx of Dutch aid and the foreign exchange earnings from the main exports were responsible for the greater liquidity which helped the economy to the 14.1 per cent rate of inflation as observed. The restricted money supply (M_1) comprising currency outside banks and demand deposits, rose by 7.6 per cent in 1980 to record a much lower rate of increase than the 11 per cent increase in the previous year 6/. The factors of expansion were primarily foreign assets and Domestic credit, the latter increasing from Sf. 472.1 million to Sf. 491.4 million in 1980.

The banks continuing to act as financier to many entrepreneurs, granted loans and advances to most sectors of the economy with the largest shares going to agriculture and manufacturing. Table XI presents data on outstanding loans and advances of Commercial Banks for the period 1976 to 1980. At the end of 1980, of a total of Sf. 477.6 million, some Sf. 192 million were owed by the productive sector, while the amount outstanding to the Services sectors was of the order of Sf. 285.6 million. Of this amount, not quite Sf. 109.6 million was owed by households and individuals from building loans procured by them.

6/ See table X-A of Statistical Appendix.

STATISTICAL APPENDIX

SURINAME

1980

SURINAME

TABLE I

MAIN ECONOMIC INDICATORS

	1975	1976	1977	1978	1979	1980
A. Basic economic indicators						
Gross Domestic Product at factor cost (millions of guilders at 1970 prices)	493	530	633	699	700	...
Population (thousands)	365	354	362	367	364	352
Per capita gross domestic product (guilders at 1970 prices)	1,353	1,497	1,749	1,905	1,923	...
			Annual Growth Rates			
B. Short-run economic indicators						
Gross Domestic Product (real growth)	- 3.4	+ 5.2	+ 16.9	+ 9.0	+ 0.8	...
Per capita gross domestic product (real growth)	- 7.7	+ 7.5	+ 19.4	+10.4	0	...
Current value of exports of goods 1/	+ 2.9	+ 9.5	+ 13.9	+13.7	+12.9	+15.8
Current value of imports of goods 1/	+14.7	+ 7.1	+ 27.2	+ 6.0	+ 7.7	+21.9
Consumer price index December-December	+ 4.3	+14.6	+ 4.1	+10.9	+15.7	+10.9
Annual average variation	+ 8.6	+ 9.8	+ 9.7	+ 8.8	+14.9	+14.1
Money	20.5	17.8	10.8	12.2	11.1	7.6
Current income of government	47.7	- 4.2	9.9	14.3	...	...
Total expenditure of government	40.3	21.7	21.4	22.3	...	...
Fiscal deficit/total expenditure	16.1	34.0	40.3	44.2	...	...
			Millions of Guilders			
C. External sector						
Trade balance 1/	23.7	37.2	- 24.8	21.1	59.2	23.9
Balance on current account 1/	-85.2	-23.7	-144.8	-82.1	-66.1	-97.0
Variation in net international reserves	+61.8	+36.8	- 31.1	+66.2	+53.6	+52.2
External debt 2/	22.0	19.7	17.4	55.3	52.3	49.4

1/ On a cash basis

2/ External debt - governments and international organizations and private sector.

SURINAME

TABLE IIA

GROSS DOMESTIC PRODUCT

BY KIND OF ACTIVITY - AT FACTOR COST - AT 1974 PRICES

	Millions of Suriname Guilders			Percentage Breakdown		Annual Growth Rate	
	1976	1977	1978 pe	1974	1978 pe	1977	1978 pe
Agriculture and Fisheries	61.6	72.9	73.5	9.7	8.2	18.4	0.8
Forestry and Wood Industry	11.2	14.3	20.4	1.7	2.3	27.7	42.7
Mining and Bauxite	144.8	164.3	179.6	28.3	20.0	13.5	9.3
Manufacturing	50.4	57.2	60.5	5.3	6.8	13.5	5.8
Gas, Water and Electricity	16.0	16.4	19.7	2.3	2.2	2.5	20.1
Construction	24.8	68.6	47.0	2.0	5.2	176.6	-31.5
Sub-total goods	308.8	393.7	400.7	49.3	44.7	27.5	1.8
Trade and Commerce	109.6	125.0	146.3	14.4	16.2	14.1	17.0
Transport, Storage and Communication	32.0	37.1	40.1	3.3	4.4	15.9	8.1
Transport	30.4	31.4	60.5	4.7	6.8	3.3	92.7
Household Services	36.0	35.0	37.4	4.9	4.1	- 2.8	6.9
Government	153.6	177.1	198.0	21.1	22.0	15.3	31.6
Others	12.0	14.3	16.3	2.3	1.8	19.2	13.9
Sub-total services	373.6	419.9	498.6	50.7	55.3	12.4	18.8
TOTAL GROSS DOMESTIC PRODUCT	682.4	813.6	899.3	100.0	100.0	19.2	10.5

Source: Data supplied CEPAL by General Statistics Office.

SURINAME

TABLE IIB

GROSS DOMESTIC PRODUCT

BY KIND OF ACTIVITY - AT FACTOR COST - AT CURRENT PRICES

	Millions of Suriname Guilders			Percentage Breakdown		Annual Growth Rate		
	1976	1977	1978 pe	1973	1978	1976	1977	1978
Agriculture and Fisheries	77	102	108	8.3	8.2	16.8	32.5	5.9
Forestry and Wood Industry	14	20	30	1.8	2.3	16.7	42.9	50.0
Mining and Bauxite	181	230	264	32.1	19.9	1.1	27.1	14.7
Manufacturing	63	80	89	7.1	6.7	40.0	27.0	11.2
Gas, Water and Electricity	20	23	29	2.6	2.2	11.1	15.0	26.1
Construction	31	96	69	1.9	5.2	106.7	209.7	- 28.1
Trade and Commerce	137	175	215	13.6	16.3	10.5	27.7	22.9
Transport, Storage and Communication	40	52	59	3.2	4.5	25.0	30.0	13.4
Financial Services	38	44	89	2.8	6.7	26.7	15.8	102.3
Household Services	45	49	55	4.2	4.3	50.0	8.9	12.2
Government	192	248	291	20.3	22.0	23.9	29.2	17.3
Other general, social and personal services	15	20	24	2.1	1.8	- 16.7	33.3	20.0
	853	1,139	1,322	100	100	16.8	33.5	16.1

Source: Data supplied CEPAL by General Statistics Office.

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TABLE III

INDICATORS OF AGRICULTURAL PRODUCTION

	Production					Annual Growth Rate			
	1976 r	1977 r	1978 r	1979 r	1980 p	1977 r	1978 r	1979 r	1980 p
Index of Agricultural Production (1970 = 100)									
Agriculture, Livestock and Fishing	138.7	142.8	...	...	...	3.0	...	...	...
Agricultural Production	132.0	149.0	...	...	...	12.9	...	...	...
Livestock	118.0	117.7	...	...	...	−0.3	...	...	...
Fishing	141.5	130.6	...	...	...	- 7.7	...	...	...
Production of Agricultural Crops (Tonnes)									
Paddy rice	172,500	202,866	223,946	235,772	266,334	17.6	10.4	5.3	13.0
Maize	132	230	273	264	...	74.2	18.7	- 3.3	...
Sugar cane	146,685	135,325	119,760	163,060	146,339	- 7.7	- 11.5	36.1	-10.3
Oil Palm	1,330	1,840	2,804	4,856	4,157	38.3	52.4	73.2	-14.4
Bananas	42,906	31,508	33,063	31,214	31,659	-26.5	5.0	- 5.6	1.4
Plantain	1,572	1,700	2,850	3,280	...	8.1	67.6	15.1	...
Root Crops	1,699	2,200	2,742	3,287	...	29.5	24.6	19.9	...
Other Vegetables 1/	3,035	3,587	3,746	4,328	...	18.2	4.4	15.5	...
(Of which peanuts)	(290)	(338)	(250)	(286)	(...)	(16.6)	(-26.0)	(14.4)	(...)
Coffee	76	90	25	59	...	18.4	- 72.2	136.0	...
Cocoa	58	61	47	83	...	5.2	- 23.0	76.6	...

TABLE III (CONT'D)

INDICATORS OF AGRICULTURAL PRODUCTION

		Production					Annual Growth Rate		
		1976[r]	1977[r]	1978[r]	1979[r]	1980	1977	1978	1979
Indicators of Livestock Production									
Number of Livestock		48,394	46,884	61,648	70,967	...	-3.1	31.5	15.1
Cattle	(Stock)	25,850	24,000	34,495	42,239	...	- 7.2	43.7	22.4
Pigs	"	17,619	18,259	18,000	20,179	...	3.6	- 1.4	12.1
Goats and sheep	"	4,500	4,200	8,888	8,294	...	- 6.7	111.6	- 6.7
Other	"	425	425	265	255	...	0.0	- 37.6	- 3.8
Poultry	(1,000 Stock)	4,312	4,400	4,500	4,500	...	2.0	2.3	0.0
Number of Animals slaughtered 2/		18,948	19,160	21,568	22,466	...	1.1	12.6	4.2
Cattle	(Stock)	7,375	6,986	7,929	8,002	...	- 5.3	13.5	0.9
Pigs	"	11,219	11,759	12,981	13,710	...	4.8	10.4	5.6
Goats and sheep	"	354	415	658	754	...	17.2	58.6	14.6
Poultry	(1,000 Stock)	3,800	3,900	4,000	4,180	...	2.6	2.6	4.5
Production	('000 kg)								
Beef		980	943	1,194	1,098	...	- 3.8	26.6	- 8.0
Pork		774	811	948	1,069	...	4.8	16.9	12.8
Indicators of Fishing Production 3/	('000 kg)								
Shrimps		81	189	338	321	...	132.4	79.1	- 5.0
Fish		3,230	3,400	2,885	2,618	...	5.3	- 15.1	- 9.3
Crabs		32	26	23	30	...	- 18.8	- 11.5	30.4
TOTAL Shrimps, Fish and Crabs		3,343	3,615	3,246	2,969	...	8.1	- 10.2	- 8.5

1/ Includes green vegetables, peanuts, pulses and cabbages, tomatoes and other vegetables.

2/ Excludes poultry.

3/ Local fishing activity.

Source: (1) Agarish - Statistische gegevens 1970-1979. Ministry of Agriculture, Livestock and Fisheries, Suriname. (2) Graadmeter van de Surinaamse Skonomie, (Basisgegevens over producktie, arbeidsplaatsen, lonen en prijzen). Bureau of Statistics, Suriname.

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TABLE IV

AGRICULTURAL AREA UNDER CULTIVATION
(Planted Area)

	HECTARES				Annual Growth Rate		
	1977[r]	1978[r]	1979[r]	1980	1977[r]	1978[r]	1979[r]
Paddy Rice	49,700	55,200	58,855	...	2.7	11.1	6.6
Maize	110	140	185	...	17.0	27.3	32.1
Sugar cane	2,188	2,303	2,429	...	3.2	5.3	5.5
Oil Palm	1,880	2,025	2,372	...	9.9	7.2	17.1
Bananas	1,739	1,694	1,683	...	- 0.2	- 2.6	- 0.6
Plantains	250	216	272	...	24.4	-13.6	26.0
Root Crops	400	452	525	...	- 0.5	13.0	16.1
Other Vegetables 1/	867	939	1,284	...	11.0	8.3	36.7
Cocoa	390	208	214	...	0.0	-46.7	0.3
Coffee	360	209	199	...	0.3	-41.9	- 4.8

1/ Includes Green Vegetables, Peanuts, Pulses, Cabbage, Tomatoes and other Vegetables.

Source: Agarisch - Statistische gegevens 1970-1977, Ministry of Agriculture, Livestock and Fisheries, Suriname and CEPAL, on the basis of official information.

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TABLE V

INDICATORS OF MINING PRODUCTION

	1977[r]	1978[r]	1979[r]	Jan-Sept 1979	Jan-Sept 1980	1980[P]	Annual Growth Rate 1977	1978	1979	1980
Index of Mining Production (1970 = 100)	98.0	106.0	98.1	73.0	77.0	...	5.8	8.2	-4.2	...
Production ('000 metric tons)										
Bauxite	4,856	5,025	4,769	3,569	3,668	...	5.9	3.5	- 5.1	(2.8)
Alumina	1,215	1,316	1,312	956	1,073	...	4.5	8.3	- 0.3	(12.2)
Aluminium	50	59	53	41	43	...	8.9	18.0	-10.2	(4.9)
Export volume ('000 metric tons)										
Bauxite	2,206	2,284	1,767	...	...	...	9.6	3.5	-22.6	...
Alumina	1,059	1,124	1,329	...	...	...	1.8	6.1	8.9	...
Aluminium	58	55	45	...	...	...	26.1	- 5.2	-18.2	...
Export value (Sf. million)										
Bauxite	102	111	114	...	...	131	21.4	8.9	2.7	14.9
Alumina	260	297	473	...	...	499	9.7	14.2	59.3	5.5
Aluminium	96	91	116	...	...	...	47.7	- 5.2	27.4	...

Source: Kwaartaal Statistiek van de Industriale Produktie 1970-1977, Bureau of Statistics, Suriname, and data supplied CEPAL.

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TABLE VI

INDICATORS OF MANUFACTURING PRODUCTION

	1976	1977	1978	1979	Jan-Sept 1979[r]	Jan-Sept 1980	Annual Growth Rate 1977	Annual Growth Rate 1978	Annual Growth Rate 1979
Index of Manufacturing Production (1974 = 100)									
Butter	1,173	2,374	1,763	1,328	942	916	102.4	-25.8	-24.7
Sugar	100	87	70	118	96	36	- 13.0	-19.6	68.6
Wheat flour	210	201	206	231	172	103	- 4.3	2.5	12.1
Cattle fodder	133	162	200	225	170	103	21.8	23.4	12.5
Margarine	125	94	115	132	99	68	- 24.8	22.4	14.8
Milk (in consumption)	135	149	158	146	108	111	10.4	6.0	- 7.6
Alcohol	74	66	64	59	43	26	- 10.8	- 3.0	- 7.8
Molasses	93	106	65	87	71	39	13.9	-38.6	33.8
Cigarettes	124	129	128	131	95	103	4.0	-	2.3
Cigars	127	97	89	93	74	52	- 23.6	- 8.2	4.5
Shoes (male)	155	133	155	155	113	99	- 14.2	16.5	-
Shoes (female)	105	77	117	89	67	104	- 26.7	51.9	-23.9

TABLE VI (CONT'D)

INDICATORS OF MANUFACTURING PRODUCTION

		1976[r]	1977[r]	1978[r]	1979[r]	Jan-Sept 1979	Jan-Sept 1980	Annual Growth Rate 1977	1978	1979
Specified Industrial Production										
Butter	Kilograms	130,209	263,525	195,713	147,391	104,594	101,676	102.4	-25.9	-24.7
Sugar	Tonnes	8,688	7,597	6,122	10,246	8,363	3,130	- 12.6	-19.4	67.4
Wheat flour	"	9,257	8,834	9,071	10,164	7,572	4,543	- 4.6	2.7	12.0
Cattle fodder	"	28,730	35,057	43,017	48,466	36,666	22,237	22.0	22.7	12.7
Margarine	'000 kilograms	768	576	709	814	615	424	- 25.0	23.1	14.9
Milk (in consumption)	'000 litres	7,311	8,090	8,592	7,901	5,850	6,013	10.7	6.2	- 8.0
Alcohol	"	1,913	1,714	1,656	1,539	1,109	678	- 10.4	- 3.4	- 7.1
Molasses	"	3,645	4,144	2,549	3,384	2,763	1,511	13.7	-38.5	32.8
Cigarettes	Millions	342	354	353	361	260	283	3.5	- 0.3	2.3
Cigars	Thousands	228	174	161	167	134	93	- 23.7	- 7.5	3.7
Shoes (male and female)	'000 pairs	340	276	354	321	236	262	- 18.8	28.3	- 9.3
Shoes (male)	"	214	184	214	214	156	137 1/	- 14.0	16.3	0.0
Shoes (female)	"	126	92	140	107	80	125 1/	- 27.0	52.2	-23.6

1/ Two factories out of the four.

Source: Kwartaal Statistiek van de Industriale Produktie 1970-1977; Bureau of Statistics, Suriname, and data supplied CEPAL.

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TABLE VII

EXPORTS OF GOODS

	Millions of Suriname Guilders				Percentage Breakdown		Annual Growth Rate			
	1977	1978	1979	1980[P]	1970	1979	1977	1978	1979	1980
Bauxite and processing	494.4	551.3	609.1	740.8	86.9	76.8	19.4	11.5	10.5	29.3
Bauxite	(117.1)	(128.7)	(117.1)	(131.4)	(25.7)	(14.8)	(16.1)	(9.9)	(-9.0)	(5.9)
Alumina	(271.3)	(314.1)	(358.4)	(498.8)	(46.3)	(45.2)	(11.5)	(15.5)	(14.1)	(43.3)
Aluminium	(106.0)	(108.5)	(133.6)	(110.6)	(14.9)	(16.8)	(52.7)	(2.4)	(23.1)	(12.9)
Agriculture and fishing	87.6	92.8	130.0	...	4.1	16.4	- 8.4	5.9	40.1	...
Rice	(30.0)	(48.0)	(68.0)	...	(2.7)	(8.6)	(-28.1)	(60.0	(41.7)	...
Bananas/Plantains	(6.0)	(7.0)	(7.3)	...	(1.4)	(0.9)	(- 7.7)	(16.7)	(4.3)	...
Shrimps and fish	(51.6)[1/]	(37.8)	(54.7)	...	(-)	(8.9)	(6.9)	(-26.7)	(44.7)	...
Wood and processing	11.0	12.3	19.4	...	2.7	2.5	- 6.0	11.8	57.7	...
Others	24.9	46.0	34.2	...	6.3	4.3	100.8	84.7	-15.6	...
TOTAL	617.9[2/]	702.4[2/]	792.7[2/]	918.2[2/]	100.0	100.0	13.9	13.7	12.9	15.8

1/ Shrimps only

2/ Derived from the Balance of Payments on a cash basis

Source: General Bureau of Statistics/Central Bank of Suriname.

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TABLE VIII

BALANCE OF PAYMENTS 1975-1980
(On a cash basis; in Sf. mill.)

Description	1975	1976	1977	1978	1979	1980
CURRENT ACCOUNT						
- Merchandise Trade	23.7	37.2	24.8	21.1	59.2	23.9
Of which non-monetary gold)	(- 1.4)	(- 1.5)	(- 2.1)	(- 2.3)	(- 5.5)	(- 5.1)
- Services	- 80.4	- 39.0	-62.5	-55.0	-64.1	-101.9
(of which Transport and Insurance of goods)	(. .)	(.)	(-13.5)	(-17.6)	(-20.6)	(- 27.5)
(of which Foreign Travel)	(- 47.4)	(- 9.5)	(-10.0)	(- 9.1)	(-19.4)	(- 26.4)
(of which Government n.i.e.)	(+ 10.3)	(- 18.9)	(-10.7)	(+ 0.7)	(- 2.7)	(- 15.4)
- Primary income	- 25.3	- 65.6	-61.3	-55.2	-73.7	- 30.7
(Of which direct investment income)	(.)	(.)	(-66.4)	(-61.6)	(-88.5)	(- 65.6)
(Of which Salaries)	(- 4.3)	(- 2.5)	(- 5.3)	(- 5.4)	(- 6.9)	(- 6.3)
- Unrequited private transfers	- 3.2	+ 43.7	+ 3.8	+ 7.0	+12.5	+ 11.7
(Of which private grants and migrants transfers)	(- 3.4)	(+ 38.1)	(+ 0.6)	(+ 1.3)	(+ 5.4)	(+ 4.1)
(Of which subsistence remittances)	(+ 0.2)	(+ 5.6)	(+ 5.5)	(+ 8.3)	(+ 9.0)	(+ 8.9)
BALANCE ON CURRENT ACCOUNT (I)	- 85.2	- 23.7	-144.8	-82.1	-66.1	- 97.0
CAPTIAL ACCOUNT						
- Private capital	+ 70.1	- 93.5	- 21.1	- 8.2	-30.6	+ 33.0
(Of which direct investments)	(.)	(.)	(-24.8)	(-16.5)	(-34.1)	(+ 13.3)
- Government Grants	+319.5	+159.1	+138.4)	+99.0	+144.1	+124.6
- Government loans received	+ 24.9	-	-	+40.0	-	-
- Repayments on Government loans	-270.3	- 2.4	- 2.3	- 2.0	- 2.9	- 2.9
- Other Government Capital	+ 2.8	- 2.7	- 2.1	- 1.2	+ 2.1	- 1.2
- Capital movement of deposit money banks	-	- 0.1	-	- 4.4	+ 1.8	- 12.2
BALANCE ON CAPITAL ACCOUNT (II)	+147.0	+ 60.4	+112.9	+123.2	+114.5	+141.3

TABLE VIII (CONT'D)

BALANCE OF PAYMENTS 1975-1980
(On a cash basis; in Sf. Mill.)

	1975	1976	1977	1978	1979	1980
ALLOCATION OF SPECIAL DRAWING RIGHTS (III)	-	-	-	-	-	...
NOT YET CLASSIFIED AMOUNTS (IV)	-	-	+ 0.7	+ 0.6	...	...
BALANCE ON TOTAL ACCOUNT (V=I-IV)	+61.8	+36.7	-31.2	+41.7	+48.4	+44.3
BALANCING ITEMS:						
(Increase = -)						
- Monetary gold	-	-	-	+31.5	...	4.0
(Of which valuation changes)	(-)	(-)	(-)	(+24.5)	...	...
- Special Drawing Rights	-	-	-	-	...	10.4**
- Reserve position in the IMF	-	-	-	-11.0	...	-19.6**
- Foreign exchange	-61.8	-36.7	+31.2	-62.2	-48.4	-44.3
(Of which Central Bank)	(-42.3)	(-25.3)	(+27.4)	(-51.5)	...	...
(Of which Central Government)	(-)	(- 7.9)	(+ 1.3)	(+ 1.8)	...	...
(Of which Deposit Money banks)	(-19.5)	(- 3.5)	(+ 2.5)	(-12.5)	...	...

Source: Central Bank of Suriname.

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TABLE IX

EVOLUTION OF DOMESTIC PRICES
(Base: 1 April 1968 - 31 March 1969 = 100)

	Weights	1976	1977	1978	1979	1980
Consumer Price Index - All Items	100.0	170.1	186.7	203.2	233.4	266.3
Food and Beverages	40.0	183.9	197.4	207.1	233.7	262.2
Housing and Furnishings	23.6	159.7	171.7	200.8	225.9	262.4
Clothing and Footwear	11.0	162.1	196.2	225.2	280.1	306.6
Other Items	25.4	161.6	178.6	189.8	219.3	258.8
			Variation December to December			
Consumer Price Index - All Items		14.6	4.1	10.9	15.7	10.9
			Annual average variation			
Consumer Price Index - All Items		9.8	9.8	8.8	14.9	14.1
Food and Beverages		9.9	7.3	4.9	12.8	12.2
Housing and Furnishings		6.7	7.5	17.0	12.5	16.2
Clothing and Footwear		18.0	21.0	14.8	24.4	9.5
Other Items		10.2	10.5	6.3	15.5	18.0

Source: Prijsindexcijfers van de Gezinsconsumptie - Bureau of Statistics.

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TABLE X-A

MONETARY BALANCE

	Sf. Millions of Guilders				Annual Growth Rate		
	1977 1/	1978 1/	1979 1/	1980 1/	1978	1979	1980 1/
1. Money (M_1)	219.3	246.1	273.5	294.2	12.2	11.1	7.6
Currency outside banks	125.3	145.1	156.4	177.8	15.8	7.8	13.7
Demand deposits	94.0	101.0	117.1	116.4	7.5	15.9	- 0.6
2. Factors of Expansion	577.0	712.4	805.7	889.4	23.5	13.1	10.4
Foreign assets (net) 2/	211.2	218.8	333.6	398.0	33.4	18.4	19.3
Domestic credit	365.8	430.6	472.1	491.4	17.7	9.6	4.1
Claims on Government (net)	(70.3)	(57.7)	(36.3)	(14.7)	(-17.9)	(-37.1)	(-59.5)
Claims on the private sector	(295.5)	(372.9)	(435.8)	(476.7)	(26.2)	(16.9)	(9.4)
3. Factors of Absorption	357.7	466.3	532.2	595.2	30.4	14.1	11.8
Quasi-money	33.1	36.7	38.8	49.8	10.9	5.7	28.4
Long-term deposits and foreign-borrowing 3/	296.4	364.2	421.3	454.9	22.9	15.7	8.0
Other items (net)	28.2	65.4	72.1	90.5	131.9	10.2	25.5

1/ Including Suriname Postale Bank

2/ Includes Government Foreign Assets

3/ Includes capital and reserves, time deposits for more than one year plus genuine savings plus long-term borrowings

Source: Central Bank of Suriname.

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TABLE X-B

INTERNATIONAL RESERVES
(Sf. Mill.)

	1976 1/	1977 1/	1978 1/	1979 1/	1980 1/
Central Bank	198.0	170.6	224.8	292.9	338.6
Foreign Exchange 2/	(187.0)	(159.6)	(220.8)	(288.9)	(334.6)
Gold	(11.0)	(11.0)	(4.0)	(4.0)	(4.0)
Central Government	7.9	6.7	4.8	1.1	0.6
Commercial Banks (net)	36.6	34.1	48.0	37.2	44.2
Total Reserves (net)	242.5	211.4	277.6	331.2	383.4

1/ Includes Suriname Postale Bank

2/ Includes Reserve Position in the I.M.F. and Special Drawing Rights

Source: Central Bank of Suriname.

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TABLE XI

LOANS AND ADVANCES OF COMMERCIAL BANKS (BY SECTORS)
(Sf. Mill.)

	1977 1/	1978 1/	1979 1/	1980 1/	Annual Growth Rate 1978	1979	1980
Agriculture	30.3	39.2	54.1	68.3	29.4	38.0	26.3
Fishery	1.5	0.4	0.5	0.6	- 73.3	25.0	20.0
Forestry	0.7	1.4	1.6	1.6	100.0	14.3	-
Mining	28.3	25.4	27.6	24.2	- 10.2	8.7	-12.3
Manufacturing	30.5	37.2	44.3	49.9	22.0	19.1	12.6
Construction and Installation	11.0	15.4	21.3	22.7	40.0	38.3	6.6
Electricity, gas and water	13.4	20.3	19.2	24.7	51.5	- 5.4	28.7
Sub-total productive sector	115.7	139.3	168.6	192.0	20.4	21.0	13.9
Commerce	94.7	122.5	136.0	150.3	29.4	11.0	10.5
Transport	7.5	9.4	12.6	9.3	25.3	34.0	-26.2
Service	10.0	9.2	16.5	16.4	- 8.0	79.4	- 0.6
Other (including building loans)	74.2	93.9	105.0	109.6	26.6	11.8	4.4
Sub-total Services	186.4	237.0	270.1	285.6	27.2	14.0	5.7
TOTAL	302.1	376.3	438.7	477.6	24.6	16.6	8.9

1/ Including Suriname Postale Savings Bank

Source: Central Bank of Suriname.

SURINAME

TABLE XII

GEOGRAPHICAL DISTRIBUTION OF EXPORTS AND IMPORTS
1974-1980

	1974	1975	1976	1977	1980
Exports to:					
United States	43	42	33	41	...
EEC:	30	31	32	33	...
Netherlands	(17)	(21)	(15)	(24)	...
United Kingdom	(3)	(3)	(12)	(7)	...
Germany	(6)	(4)	(2)	(1)	...
Other EEC Countries	(4)	(3)	(3)	(1)	...
Scandinavian (excluding Denmark)	12	13	17	8	...
Other European Countries	1	1	1	4	...
Caribbean Islands	4	4	4	4	...
French Guiana and Guyana	1	1	1	1	...
Venezuela	-	-	5	2	...
Canada	3	3	1	1	...
Japan	2	4	3	5	...
Other Countries	4	1	3	1	...
TOTAL	100	100	100	100	...
Imports from:					
EEC:	...	32	31	33	...
Netherlands		(18)	(20)	(21)	
United Kingdom		(5)	(4)	(4)	
Germany		(4)	(4)	(4)	
Other EEC Countries		(5)	(3)	(4)	
United States	...	33	34	31	...
Caribbean Islands	...	20	15	16	...
South American Countries	...	...	3	3	...
Japan	...	5	8	7	...
Other Asian Countries	...	3	3	4	...
Other Countries	...	7	6	6	...
TOTAL	...	100	100	100	...

Source: Bureau of Statistics, World Bank Report, 1980.

SURINAME

TABLE XIII

GOVERNMENT REVENUES
(Sf. Mill.)

	1977	1978	1979	1980
Current Revenue				
Taxes	175.0	228.9	254.0	272.3
Revenue from government-owned land and intangible assets	82.6	86.6	88.7	96.5
Administrative fees and licences	1.3	1.3	1.7	1.6
Government contributions	1.9	2.8	2.6	3.3
Net profits from government and profit enterprises	14.1	12.0	11.5	11.5
Issues from government storage	6.1	1.2	1.1	1.2
Other receipts	26.7	30.2	26.3	33.6
I. TOTAL CURRENT REVENUE	307.7	362.9	385.9	420.0
Extraordinary Revenue	2.8	4.2	3.3	4.0
II. TOTAL CURRENT AND EXTRAORDINARY	310.5	367.1	389.2	424.0
Development Revenue	230.7	256.0	157.0	130.5
III. TOTAL REVENUES (I + II)	541.2	623.1	546.2	554.5

Source: Financiële Nota 1980, Ministry of Finance.

SURINAME

TABLE XIV

GROSS DOMESTIC CONSUMPTION OF ENERGY
1976-1980
(In '000 bbls. of oil equivalent)

Product	1976	1977	1978	1979	1980
Aviation gas	12	19	27	27	...
Aviation kerosene	92	102	106	124	...
Premium gasolene	156	211	243	261	...
Regular gasolene	92	106	104	106	...
Kerosene	29	27	26	22	...
Diesel oil	1,056	1,275	1,269	1,128	...
Fuel oil	2,639	2,106	3,358	3,190	...
LPG	59	72	74	76	...
Lubricating oil	36	39	44	42	...
Grease	2	2	-	-	...
Others	2	2	-	-	...
Sub-total	4,175	3,961	5,251	4,976	...
Hydro	1,570	1,760	1,370	1,533	...
TOTAL	5,745	5,721	6,621	6,509	...

Source: Energy Planning Unit, Planning Bureau.

PART XV

TRINIDAD AND TOBAGO COUNTRY NOTES

ECONOMIC ACTIVITY 1980

TRINIDAD AND TOBAGO
(TT Dollars used throughout)

A 22.5 percent increase in total Gross Domestic Product (GDP) at current prices moved the absolute level of GDP to $14,081.9 million in 1980, as the various sectors of the economy responded to increased prices and situations in which supply could not satisfy demand conditions. An estimated near 17 percent increase in the general price level indicates that real growth was of the order of 5 percent.

The Agricultural Sector continued to perform with mediocrity in 1980 in response to the external stimuli of shortages of labour, crop diseases, crop losses due to flooding, and an inefficient marketing system. The worst performance in the modern history of the Sugar Sector was recorded in 1980 when a level of production 21 percent less than the previous year and 45 percent below the level of 1976 was recorded. A general downward trend in other agriculture was observed. Price movements, however, influenced the observed increase in the Agricultural Sector's contribution of $286.1 million to total GDP - an increase of 7.2 percent over the 1979 level.

The Petroleum Sector, with a contribution of $4,933.7 million to total GDP, continued to dominate the economy in 1980, though its percentage contribution to total GDP continued to fall, reaching in 1980 a figure of 35 percent, as compared with 43 percent in 1977. Crude petroleum production declined in 1980 for the second successive year, the decline in production being largely the result of the maturing of existing fields and the absence of new significant deposits of oil.

Whereas the Manufacturing Sector's GDP increased by some 24.6 percent in 1980, most of this increase was due to prices. Although

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1/ The Trinidad and Tobago dollar exchanges with the US dollar at the rate of US$1.00 = TT$2.40.

this sector's contribution to total GDP rose to $1,017.9 million in 1980, its percentage contribution to total GDP remained substantially unchanged. Activity in the Construction Sector was restrained by shortages of labour and materials, restrictions in the availability of credit from the Banking Sector, and more selective lending on the part of financial institutions.

The pattern of trade continued to be influenced by the export of petroleum and petroleum products, and the importation of raw materials, food, manufactured goods, machinery and transport equipment. Estimates of the balance of payments yielded a surplus on Merchandise Trade of some $2,797.7 million, and an overall balance of payments surplus of $1,199.3 million in 1980.

The policies of credit restriction and selective credit controls continued in 1980 as the Central Bank sought to control inflation and re-direct the flow of financial resources towards the priority productive sectors of the economy. Despite these efforts, the rate of inflation as measured by the Retail Price Index increased in 1980, the index increasing by 17.5 percent. In the previous year the rate of price increase was 14.7 percent.

Capital expenditure of the Central Government rose by 62 percent in accordance with the rate of growth of industrial and infrastructural development in the economy, and in accordance with the government's policy of establishing industries that would make use of the abundant supplies of natural gas.

PERFORMANCE IN THE MAJOR SECTORS

Agriculture

The Agricultural Sector continued to perform with mediocrity in 1980 in response to the external stimuli of shortages of labour caused for the most part by shifts of the labour force to service-type occupations, crop diseases, crop losses due to the effects of flooding, and an inefficient marketing system. Additionally, much agricultural land has been utilized for housing and industrial purposes. Domestic production of agricultural

commodities has therefore stagnated or declined, giving rise to increased imports of food.

The sugar industry experienced its worst ever performance in 1980, registering a production of 112.7 thousand tonnes of sugar - some 21 percent lower than the previous year's production level, and 45 percent below the level of 1976. The acreage under cane cultivation decreased by 3 percent in 1980 from the 1979 acreage, and 12 percent below the 1976 acreage. Efficiency as measured by ratios of tonnes of sugar per hectare, declined in 1980, as a result of a number of causes. Among the major reasons for the continued decline in sugar production were:

i) poor quality canes resulting from disease and insect attack;

ii) unreliable factory performance, stemming from unavailability of vital equipment, absenteeism and inability to recruit technical staff;

iii) high incidence of unauthorized fires; and

iv) unsatisfactory transport situation caused by bad roads and non-availability of mobile units.

Local consumption of domestically produced sugar declined by 14.6 percent in 1980 to register a total of 38,414 tonnes, and continued the downward trend that had begun since 1977. Exports of raw sugar declined by 9 percent in 1979, dropping to a level of 92,309 tonnes, to fall by a further 31 percent in 1980. At the same time, imports of refined sugar rose drastically in 1980 to a level of 18,484 tonnes - more than three times the imports of 1979.

The fall in the production of sugar meant that the country was not able to fulfil its export quota of 74,000 tonnes of raw sugar to the European Economic Commission (EEC) market according to the provisions of the Lomé Convention. The fall in production deprived the country of benefiting from the increased price of sugar which was in 1980 the highest price in five years, because of a shortfall in world production

of the commodity. By the first week in October 1980, the price of raw sugar on the London market had reached £384 per tonne as compared with £125 per tonne of the previous year. Table 1 below represents data on sugar production, exports, imports and local consumption of domestically produced sugar for the period 1975-1980.

Table 1

Sugar production, Exports, Imports and Local Consumption

Unit = '000 tonnes

Year	Production (raw)	Exports (raw)	Imports (refined)
1975	162.6	110.0	1.8
1976	203.6	157.0	0.8
1977	175.9	139.6	3.6
1978	147.0	101.6	6.9
1979	142.6	93.1	6.1
1980	112.7	63.7	18.5

Source: Review of the Economy, 1980, with metric equivalents by CEPAL, and Sugar Manufacturers' Association.

Other Agriculture

Cocoa production which had been on the decline during the 1970's continued on a downward trend in 1980 as indicated by the data, production falling by 23 percent in 1979 and by an estimated 24 percent in 1980. Since 1978 the price of cocoa on the international market has fallen continuously. Towards the end of 1979, the price of the commodity on the London market was $5,976 per tonne. Exports of cocoa from Trinidad and Tobago averaged in 1979, $8,190 per tonne.

Coffee production, like that of cocoa, has been on the decline. A mid-year 1980 production figure indicates a 12 percent drop in output.

This commodity has experienced a decline in its average export price from $9.42 in 1978 to $6.88 per kg. in 1979.

Copra production continued to fall, its movement being inversely correlated with the demand for green coconuts for drinking purposes. Crop diseases and reductions in the acreage under cultivation have contributed to the reduced production.

Tobacco production fell in response to a reduction in both the acreage under cultivation and the number of farmers in the industry. The major factor explaining the poor performance of tobacco has been a failure of the farmers and the manufacturers to agree on a supply price of tobacco.

The performance in sugar and in Other Agriculture along with the element of price, secured an increase of 7.2 percent in GDP of the sector. This relative increase was however not large enough to reverse the decline in the relative importance of the Agricultural Sector which accounted in 1980 for only 2 percent of total GDP.

Except for beef and veal all the non-crop agriculture (including fishing) have failed to show expansions commensurate with the higher levels of income and demand in the economy.

Mining and Refining

The Petroleum Sector continued to dominate the economy in 1980, with GDP in the sector growing from $4,093.5 million in 1979 to $4,933.7 million in 1980 - an increase of some 20.5 percent. This increase reflects price movements rather than real increases. Despite the performance of the sector, its percentage contribution to total GDP has been falling since 1977 when it contributed 43 percent of total GDP. In 1980 the contribution of this sector fell to 35 percent, reflecting the relatively faster growth of the non-oil sectors.

The preliminary indications are that crude petroleum production declined in 1980 for the second successive year. This decline in production was largely the result of the maturing of existing fields

and the still modest output from new wells coming on stream. A number of new wells brought into production raised the output of one of the petroleum companies, thereby cushioning the extent of the fall in production in 1980. Marine wells continued to account for the greater part of domestic crude petroleum. On land, new wells and improved recovery techniques have boosted this part of production.

Exports of crude petroleum have moved in accordance with the production of crude by one transnational company operating locally. This company exports all of its crude petroleum production, and is the largest producer of the commodity. The proportion of domestic crude petroleum exported increased from 57 percent in 1976, to 61 percent in 1978, falling to 55 percent by mid-year 1980. Tables 2 and 3 below refer.

Table 2

Local Crude Petroleum: Exports and Locally Refined Crude
1975-1980
(Million cubic metres)

Year	Total production	Local crude export	% of Total	Locally refined local crude Amt.	Locally refined local crude % of Total
1975	12.5	7.7	62	4.8	38
1976	12.3	7.0	57	5.3	43
1977	13.3	7.9	59	5.4	41
1978	13.3	8.1	61	5.2	39
1979	12.4	7.0	56	5.4	44
Jan.-June, 1979	6.2	3.5	56	2.7	44
Jan.-June, 1980	6.2	3.4	55	2.8	45

Source: Ministry of Energy and Energy Based Industries.

Table 3

Percentage (%) Distribution of Local Crude Petroleum Production by Company, 1975-1980

Company	1975	1976	1977	1978	1979	Jan.- June 1979	Jan.- June 1980
Amoco	57.9	55.3	59.1	60.0	56.3	56.1	56.6
Trinidad Northern Areas ...	22.2	22.5	20.2	19.3	20.7	20.8	19.2
Texaco	8.6	9.9	8.6	7.8	8.7	8.8	8.9
Trinidad Tesoro	8.3	8.7	8.5	8.9	10.0	9.9	11.2
TRINTOC	2.8	3.3	3.6	3.8	4.2	4.3	4.1
Premier Consolidated Oilfields ...	0.2	0.2	0.2	0.2	0.1	0.1	0.1

Source: Ministry of Energy and Energy Based Industries.

Refinery throughput continued to fall throughout the decade of the 1970's. From a level of 18.7 million cubic metres in 1976, throughput fell to 13.2 million cubic metres in 1979. Little further decline is expected in 1980. The decline in throughput means that an increasing proportion of local refinery capacity is not utilized. The decline in throughput in the latter half of the decade of the 1970's is to be associated with the decline in imports. Two major reasons for the decline in imports of crude petroleum are the United States tax on refinery exports from Trinidad and Tobago as well as from other non-United States sources, and the world shift away from the production of heavy fuels towards the more profitable lighter fuels. This latter fact has impacted on local refining activity in that the local plant has been geared towards the production of the less profitable fuel oil. The United States tax, combined with the fact of higher costs of crude petroleum have made it less attractive for United States multinationals to maintain production levels in refineries outside of the United States

and its dependencies. Table IV-C of the Statistical Appendix illustrates the production bias towards the heavier fuels.

Table 4 below shows that the movements in refinery throughput, output and exports of refined products are highly and positively correlated. Tables IV-A and IV-B carry absolute figures from which Table 4 was derived.

Table 4

Percentage Annual Growth Rate of Refinery Throughput, Crude Petroleum Imports, Refinery Output and Refined Exports, 1975-1980

	Refinery throughput	Crude Oil imports	Refinery Output	Refinery products exported
1975/1976	37.5	46.7	37.9	13.8
1976/1977	-15.0	-22.2	-15.9	-20.6
1977/1978	-13.8	-14.3	-13.7	-12.2
1978/1979	-3.6	-8.9	-3.8	-7.8
1979/1980 1/	13.1	22.9	15.3	11.8

1/ January-June.

Source: Ministry of Energy and Energy Based Industries, Review of the Economy 1980.

Natural gas production has risen continuously since 1975, rising from 3.6 million cubic metres in 1975, to 5.6 million cubic metres in 1980. The availability of the gas in such abundance has provided the basis for introducing diversification in the economy. The major purchasers of natural gas are the Trinidad and Tobago Electricity Commission, and two petrochemical firms. The Iron and Steel Company of Trinidad and Tobago (ISCOTT) has more recently become a major purchaser of natural gas.

Manufacturing[2/]

A 24.6 percent increase in this sector's GDP at current prices hides a moderate performance in 1980, as a great portion of the increase had been due to price increases, and not real growth. The sector's contribution to total GDP rose to $1,017.9 million in 1980 to register a share of 7.2 percent of total GDP. The Index of Manufacturing Production (excluding oil and sugar) rose by 8.4 percent in 1978, by 6.1 percent in 1979 and by an estimated 7.8 percent in 1980. The inference is that some 16 percent of the increase in GDP was due to prices. The performance of the sub-sectors was uneven, with greatest buoyancy having been observed in printing, publishing and paper converters, drink and tobacco, textile, knitted garments and footwear, chemical and non-metallic products, and assembly-type and related industries.

Activity in the Drink and Tobacco Sector declined by 3 percent in 1979. Acreage under tobacco fell to some 14 hectares in 1979 from the 1975 level of 219 hectares, as agreement could not be reached between the farmers and the manufacturers as to what constituted a reasonable price for farmers' tobacco. Imported tobacco kept cigarette production levels at a reasonable level.

Output in the textiles, knitted garments and footwear sub-sector rose by an estimated 11.7 percent in 1980 after a near 3 percent decline in the previous year, as revealed by the Index of Manufacturing Production. The chemical and non-metallic products (including petro-chemicals) sub-sector experienced a near 10 percent increase in production in 1980, glass and plastic products for construction, petro-chemicals and pharmaceuticals being the major areas of significantly increased production.

Industrial disputes led to cessation of work in most plants and the eventual closure of one motor assembly plant contributed to the lower 1979 performances. Appendix Table VI refers. Indications are

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2/ Excludes petroleum.

that by mid-year 1980, production of motor vehicles had fallen by 11 percent below the figure for the corresponding period of the previous year.

Production of household appliances is estimated to have increased in 1980 after registering decreases in 1979. Much of this production satisfied domestic demand.

Construction

Provisional estimates put the sector's contribution to total GDP at current prices at $1,135 million - a relative contribution of 8.1 percent. A steady increase in the output of this sector was observed, contribution to GDP rising from $652.1 million in 1978 to $785.1 million in 1979, and registering a 44.6 percent increase in 1980 over the figure of the previous year. The absence of constant price estimates of GDP prevents an analysis of real growth in the sector, but a CEPAL estimate puts real growth in the vicinity of 18 percent. Activity in this sector was restrained by shortages of labour and materials, restrictions in the availability of credit from the Banking Sector, and more selective lending on the part of financial institutions.

Public Sector activity in construction intensified in the areas of low and medium-income housing. The National Housing Authority (NHA) underwent a change of orientation in 1980, with its main area of activity being the facilitation of capital improvements on existing housing estates, and the provision of low income and emergency housing. The Housing Task Force, established in 1978 to work in collaboration with the NHA to expedite the construction of houses in the country, completed Phase I of a housing project comprising 350 housing units. The Task Force also moved to develop land for housing purposes.

Government allocated funds to the Sugar Welfare Labour Committee under its Housing Development Programme, to the Trinidad and Tobago Mortgage Finance Company Limited, and through the National Insurance Board to designated agents including trust companies, building societies and mortgage financing companies. The value of mortgages granted by the National Insurance Board in 1980 was some 33 percent above the 1979 figure. The surge was evident too in the private sector, not only in housing but also in commercial building.

Work on the East-West corridor (a highway linking the North-West to the North-Eastern part of the island) and on the Priority Bus Route (a road dedicated to buses and selected Government vehicles plying between Port-of-Spain and the North-Eastern villages) continued despite the problems common to the Construction Sector.

THE EXTERNAL SECTOR AND THE BALANCE OF PAYMENTS

The pattern of trade continued to be influenced by the export of petroleum and petroleum products, and the importation of raw materials, food, manufactured goods, machinery and transport equipment. A Balance of Payments estimate puts the total import bill for 1980 at $4,129.7 million and total exports at some $6,927.4 million, yielding a surplus on Merchandise Trade of some $2,797.7 million, which was more than twice as great as the surplus of the previous year. Much of the increase in export earnings derived from the increased price of petroleum on the international market. Appendix Table VII shows significant gains only in exports of petroleum and petroleum related products. An examination of the balance on visible trade excluding petroleum provides a good indicator of the weakness of the other exporting sectors of the domestic economy. Appendix Tables VIII-A and VIII-B provide data on Terms of Trade, 1974-1979. Whereas Table VIII-A shows fluctuating but generally favourable net terms of trade, Table VIII-B presents slightly fluctuating but deteriorating terms of trade for the non-petroleum section of the domestic economy. The 1980 figures are not expected to differ from the observed trend.

Table XV of the Statistical Appendix presents an analysis of Trade with CARICOM countries under the CARICOM Agreement for the period January to August 1979 and a corresponding period in 1980. No significant change in direction of trade was noted in 1980, with Jamaica, Guyana and Barbados being the major CARICOM sources from which imports into Trinidad and Tobago originated. The major portion of domestic exports proceeded to Barbados, Guyana, Antigua and

Jamaica, these four countries accounting for nearly 77 percent of total domestic exports in the period January to August 1980.

In the case of total trade, the United States of America, the United Kingdom and Japan were countries that provided most of the imports into the country in 1979. Although the United States of America has remained the most important market, the proportion of exports going to this market has fallen from 74 percent in 1977 to 58 percent in 1979. The EEC as a group has, on the other hand, gained importance as a major foreign market.

Estimates indicate a net deficit of $1,832.0 million on the Services account of the balance of payments, as outflows of investment income rose from $1,408.7 million in 1970 to some $1,979.1 million in 1980. The balance on the transfer payments account remained substantially unchanged in 1980, the deficit of $108.2 million having been observed, as compared with the 1979 figure of $109.5 million. Private transfers abroad exceeded official transfers, indicating some degree of liquidity in the system. The net effect of these movements was a surplus on current account of $857.5 million - several times that of the previous year when the current account surplus stood at $125.2 million. Most of this increase was attributed to the increased price of petroleum and petroleum products.

For the first time in four years, net capital inflows fell, registering a figure of $497.3 million in 1980, after a level of $755.9 million in the previous year. The overall surplus on the balance of payments rose to $1,199.3 million in 1980, reflecting a 29 percent increase over the figure of the previous year.

PRICES

The Retail Price Index provides evidence of intensification of inflationary pressures that affected the economy in 1980. Whereas the rate of price increase in 1979 was of the order of 14.7 percent, it rose to 17.5 percent in 1980, despite official instruments aimed at containing the rate of inflation.

Every section of the index registered price increases which ranged from 9 percent in Clothing to 23 percent in Services. The Food and, Drink and Tobacco sections contributed to the increased price level, the indexes for these sections registering a 19.3 percent increase respectively, and surpassing the previous year's rates of increase of 13.8 percent and 11.6 percent. The recorded rate of price increase was observed in the face of periodic shortages of commodities that resulted either from demand-supply lags, or from hoarding. The continued inability of the Agricultural Sector to respond to demand has influenced price increases upward with price being the adjuster between demand and supply. A system of price controls on certain basic commodities helped to temper the increase in prices.

Other significant increases were noted in Housing which rose by 17.6 percent and household supplies which showed a 13.6 percent increase. Increased costs of construction and building materials, and increased rents explained the movements in the Housing Index.

FISCAL AND MONETARY ACTIVITIES

Fiscal Developments

The Government Sector contributed some $1,150.3 million to total GDP in 1980, surpassing its contribution of the previous year by 10.4 percent. Revised estimates of Total Government revenue indicated a figure of $6,228 million, with an estimated surplus of approximately $253 million. Of the total revenue figure, the revised estimates show recurrent revenue to have increased by $2,142.4 million, while capital receipts increased by $48 million, and the unemployment levy to have contributed $136 million. Because of the progressive nature of the tax on incomes, and because of increased incomes, this element of revenue continues to increase its relative contribution to total revenue in the inflationary situation. Recent tax reliefs by way of increased personal allowances are estimated to have resulted in a relative stagnation of the contribution of the Unemployment Levy to total revenue. Corporation tax, on the other hand, has shown an

increase, reflecting the greater profitability of the corporate sector.

Central Government's total expenditures are estimated to have risen to approximately $5,975 million in 1980, representing a 43 percent increase over the 1979 total, the bulk of this increase due to rises in capital expenditure. Main items of recurrent expenditure were Wages and Salaries, Goods and Services, Transfers to Local Authorities, and Subsidies, and its increase is accounted for by price rises. Government capital expenditures are estimated to have increased by 62 percent in 1980 to $3,156 million, in accordance with the efforts towards industrial diversification and infrastructural development in the economy. The financing of these expenditures were met from Government net debt transactions in the domestic and external markets and changes in its cash balances. The external debt stood at the end of 1980, at some $1,040.5 million - some 62 percent of the Total Public Debt.

The Central Government also pursued its policy of assisting industry through various financial intermediaries. Government's programme of assistance to industry is seen as constituting the basis for sustained activity in the sector and sustained growth in the economy.

Monetary Developments

The policy of credit restriction continued through 1980 as part of the struggle against inflation. The Central Bank, in addition to attempting to curb inflation, sought to re-direct the flow of financial resources towards the priority productive sectors of the economy. To this end, moral suasion and specific policy measures were implemented. A variation in the reserve requirement of commercial banks with the Central Bank drew off a substantial portion of liquidity from the economy. The policy of selective Credit Controls instituted in November 1979, sought to limit new credit to individuals for non-business purposes to a maximum of 25 percent of total new lending, using 30 September 1979 as a base date, thereby freeing funds for use by priority productive sectors.

Progress was made on the institutional reform of the financial system during 1980. Several areas of progress are as follows:-

i) Government enacted legislation giving the Central Bank power to regulate the business of the Non-Bank Financial Institutions. The legislation provides for licensing, portfolio disclosures, and the determination of equity levels. It is generally intended to protect depositors' funds placed in these institutions, as well as to ensure that the institutions conform with overall monetary and credit policy.

ii) Work on the establishment of a Unit Trust which will facilitate the sale of equity particularly to investors in the low and medium-income groups, reached an advanced stage.

iii) The Capital Market Project Policy Group submitted its First Interim Report along with guidelines for a Securities Industry Act providing for the establishment of a stock exchange.

iv) Efforts continued to be aimed at the localization of the banking sector.

STATISTICAL APPENDIX

TRINIDAD AND TOBAGO

1980

TRINIDAD AND TOBAGO

TABLE I

MAIN ECONOMIC INDICATORS

	1976[r]	1977[r]	1978[r]	1979[r]	1980[r]
Basic economic indicators (constant prices)					
Gross domestic product at factor cost ($ Mill. at 1970 prices)	2,100.2	2,317.2	2,519.0	2,661.8	...
Population (thousands of inhabitants)	1,098.2	1,114.8	1,134.5	1,148.6	...
Per capita GDP ($ at 1970 prices)	1,914	2,078	2,200	2,317	...
Short-run economic indicators		ANNUAL GROWTH RATES			
Gross domestic product (current values)	...	11.1	11.1	21.0	22.5
Per capita gross domestic product	...	11.1	11.1	21.0	22.5
Terms of Trade	-1.9	5.9	-3.7	16.0	...
Current value of exports of goods and services	20.0	16.1	...	...	...
Current value of imports of goods and services	29.3	22.2	...	...	...
Consumer price index December-December	12.0	11.4	8.8	19.6	16.6
Variation between annual averages	8.7	11.8	10.2	14.7	17.5
Money	38.1	31.7	43.2	17.2	32.1 1/
Rate of unemployment	...	...	-12.9	-16.4	...
Current revenue of government	26.8	25.6	3.4	31.0	53.1
Total expenditure of government	55.6	20.6	28.2	44.9	42.6
External Sector		MILLIONS OF DOLLARS			
Trade balance (goods and services)	518.3	406.1	69.3	161.0	965.7
Balance on current account	445.2	331.4	-21.8	51.4	856.9
Variation in net international reserves (- means increase)	-401.7	-1,049.1	-766.5	-937.3	-1,199.3
External debt	128.9	499.6	748.9	898.5	1,040.0

1/ Data refer to position at end October 1980.

Source: Review of the Economy 1980 and data supplied CEPAL.

TRINIDAD AND TOBAGO

TABLE II

GROSS DOMESTIC PRODUCT, BY ECONOMIC ACTIVITY, AT FACTOR COST
(Current prices: TT$ Mill.)

	1978[r]	1979[r]	1980[p]	Percentage Breakdown 1973	Percentage Breakdown 1980	Annual Growth Rate 1978[r]	Annual Growth Rate 1979[r]	Annual Growth Rate 1980[p]
Agriculture	256.6	266.8	286.1	4.4	2.0	-1.9	4.0	7.2
Petroleum	3,566.8	4,093.5	4,933.7	27.4	35.0	-3.6	15.0	20.5
Manufacturing excluding Petroleum	666.6	816.8	1,017.9	9.5	7.2	18.2	23.0	24.6
Construction	652.1	785.1	1,135.0	6.9	8.1	13.7	20.4	44.6
Sub-Total Goods	5,142.1	5,962.2	7,372.7	48.2	52.3	0.8	15.9	23.7
Electricity and Water	125.0	157.7	152.1	1.9	1.1	32.0	26.0	-3.6
Transport, Storage and Communications	1,058.9	1,367.9	1,792.3	11.4	12.7	27.1	29.2	31.0
Sub-Total Basic Services	1,183.9	1,525.6	1,944.4	13.3	13.8	28.0	28.8	27.5
Commerce, Restaurants and Hotels	1,004.4	1,173.9	1,381.1	15.3	9.8	19.1	17.0	17.7
Finance, Insurance and Real Estate	998.9	1,290.0	1,596.7	7.8	11.3	41.2	29.1	23.8
Government	720.6	1,041.5	1,150.3	9.1	8.2	22.2	45.0	10.4
Education and Culture and Community Services	262.1	303.5	369.3	3.0	2.6	19.2	16.0	21.7
Personal Services	189.7	203.0	267.4	3.3	2.0	15.5	7.0	31.7
Sub-Total Other Services	3,175.7	4,011.9	4,764.8	38.5	33.9	25.8	26.3	18.8
Total Gross Domestic Product	9,501.7	11,499.7	14,081.9	100.0	100.0	11.1	21.0	22.5

Source: Data supplied CEPAL by Central Statistical Office.

TRINIDAD AND TOBAGO

TABLE III

AGRICULTURAL PRODUCTION

	Unit	1977	1978	1979	Jan-June 1979	Jan-June[p] 1980	Annual Growth Rate 1978	1979	1980
Sugar	'000 tonnes	176.0	147.0	143.0	143.0	...	-16.5	-2.7	...
Cocoa beans	'000 kg	3,344.9	3,397.9	2,627.5	2,378.7	1,796.0	1.6	-22.7	-24.5
Coffee beans	"	2,918.5	2,499.7	2,497.2	2,390.8	2,102.0	-14.4	-0.1	-12.1
Oranges	"	743.0[p]	2,211.4	2,999.4	2,966.2	...	197.6	35.6	...
Grapefruit	"	2,671.6	5,604.6	3,938.1	3,379.5	...	109.8	-29.7	...
Copra	'000 tonnes	9.0	7.4	6.8	3.8	...	-17.8	-8.1	...
Tobacco	'000 kg	87.5	119.5	119.1	119.1	...	36.6	-0.3	...
Meat									
Beef and Veal	'000 kg	1,312.1	1,436.6	1,969.0	841	974	9.5	37.1	15.8
Pork	"	2,615.0	2,158.6	2,418.2	1,116.0	848	-17.5	12.0	-24.0
Mutton	"	71.8	79.4	93.9	44	33	10.6	18.3	-25.0
Poultry (live weight)	"	33,029.0	33,663.0	26,745.0[e]	16,513.6	...	1.9	-20.6	...
Fish	"	3,162.9	2,944.1	2,545.0	1,304.0	...	-7.0	-13.6	...
Eggs	"	2,998.0	3,519.8	2,850.6[e]	1,894.8	...	17.4	-19.0	...
Milk	'000 litres	5,868.1	5,926.7[r]	6,253.0	2,954.0	2,954.0	1.0	5.5	0.0

Source: Quarterly Economic Report October-December 1979; Review of the Economy 1980 and data supplied CEPAL.

TRINIDAD AND TOBAGO

TABLE IV-A

CRUDE OIL PRODUCTION, IMPORTS AND EXPORTS
(Million Barrels/Cubic Meters)

Year	CRUDE OIL PRODUCTION		CRUDE OIL IMPORTS		CRUDE OIL EXPORTS	
	Barrels	Cubic Meters	Barrels	Cubic Meters	Barrels	Cubic Meters
1975	78.6	12.5	58.1	9.2	48.8	7.7
1976	77.8	12.3	84.8	13.5	44.4	7.0
1977	83.6	13.3	65.8	10.5	49.4	7.9
1978	83.8	13.3	56.8	9.0	51.2	8.1
1979	78.2	12.4	51.6	8.2	44.3	7.0
1979 1/	38.7	6.2	22.3	3.5	22.1	3.5
1980 1/	38.8	6.2	26.8	4.3	21.3	3.4

1/ January to June.

Source: Ministry of Energy and Energy Based Industries.

TRINIDAD AND TOBAGO

TABLE IV-B

REFINERY THROUGHPUT, OUTPUT AND EXPORTS OF REFINED PRODUCTS
(Millions Barrels/Cubic Meters)

Year	REFINERY THROUGHPUT		REFINERY OUTPUT		REFINERY PRODUCTS EXPORTED		Imports as % of Refinery throughput
	Barrels	Cubic Meters	Barrels	Cubic Meters	Barrels	Cubic Meters	
1975	85.7	13.6	82.9	13.2	91.4	14.5	67.6
1976	117.6	18.7	114.3	18.2	103.5	16.5	72.2
1977	99.3	15.9	75.5	15.3	82.2	13.1	66.0
1978	85.9	13.7	83.0	13.2	72.6	11.5	65.7
1979	82.9	13.2	79.6	12.7	66.8	10.6	62.1
1979 1/	38.4	6.1	37.0	5.9	32.3	5.1	57.4
1980 1/	43.4	6.9	42.8	6.8	35.9	5.7	62.3

1/ January to June.

Source: Ministry of Energy and Energy Based Industries.

TRINIDAD AND TOBAGO

TABLE IV-C

PRODUCTION IN MINING AND REFINING

Production	Unit	1977	1978	1979	1980	Annual Growth Rate 1978	1979	1980
Petroleum	Mill. barrels	83.6	83.8	78.3	77.6	0.2	-6.6	-1.0
Natural Gas	'000 cu. metres	4,235.9	4,472.9	4,806.5	5,602.2	5.6	7.5	16.6
Asphalt	'000 tonnes	43.6	58.2	59.7	39.9	33.5	2.6	-33.2
Liquid petroleum gases	Mill. barrels	0.5	0.6	0.8	0.9	20.0	33.3	12.5
Motor gasolene	"	18.9	16.8	14.8	15.2	-11.1	-11.9	2.8
Aviation gasolene	"	0.4	0.4	0.3	0.4	0.0	-25.0	33.3
Aviation turbine fuel	"	2.5	2.2	2.5	3.2	-12.0	13.6	28.0
White spirit	"	0.01	0.02	0.02	-	100.0	0.0	-
Desulphurised crude	"	-	-	1.1	1.2	-	1/	9.0
Kerosene	"	5.8	4.5	3.2	3.2	-22.4	-28.9	0.0
Gas/diesel oil	"	10.7	10.1	11.7	14.0	-5.6	15.8	19.7
Fuel oils/flux	"	56.4	45.5	43.5	42.0	-19.3	-4.4	-3.5
Lubricating oil/greases	"	0.9	0.7	0.7	1.0	-22.2	0.0	42.9
Asphaltic products	"	0.2	0.2	0.3	0.3	0.0	50.0	0.0
Petrochemicals	"	0.9	0.8	1.0	1.2	-11.1	25.0	20.0

1/ The item "desulphurised crude" has been accounted for as of July 1979.

Source: Quarterly Economic Report, October-December 1979; data supplied by Ministry of Energy and Energy Based Industries.

TRINIDAD AND TOBAGO

TABLE V

INDICATORS OF MANUFACTURING PRODUCTION (EXCLUDING OIL AND SUGAR)
(1977 = 100)

	1977[r]	1978[r]	1979	Jan-Sept 1979	Jan-Sept 1980 1/	Annual Growth Rate 1978	1979	Jan-Sept 1980 1/
Index of Manufacturing Production - TOTAL	100.0	108.4[r]	115.0	114.1	123.0	8.4[r]	6.1[r]	7.8
Food processing	100.0	105.8	116.1	116.7	120.8	5.8	9.7	3.5
Drink and Tobacco	100.0	96.3	93.4	93.0	108.8	-3.7	-3.0	17.0
Textile, knitted garments and footwear	100.0	99.1	96.3	96.5	107.8	-0.9	-2.8	11.7
Printing, publishing and paper converters	100.0	97.7	111.6	110.4	129.5	-2.3	14.2	17.3
Wood and related products	100.0	88.7[r]	119.0[r]	117.3	110.4	-11.3[r]	34.2[r]	-5.9
Chemical and Non-Metallic products	100.0	126.1	128.6	128.0	140.6	26.1	2.0	9.8
Assembly-type and Related Industries	100.0	112.4[r]	114.8[r]	113.2	123.4	12.4[r]	2.1[r]	9.0
Miscellaneous manufactures	100.0	103.8	120.9	115.8	107.9	3.8	16.5	-6.8

1/ Includes unpublished data July-September.

Source: Economic Indicators Report, April-June 1980, and data supplied CEPAL.

TRINIDAD AND TOBAGO

TABLE VI

OUTPUT OF SELECTED INDUSTRIAL PRODUCTS

	Units	1977	1978	1979[r]	Jan-June 1979	Jan-June 1980	Annual Growth Rate 1978	1979	1980[e]
Sugar	'000 tonnes	176.0	147.0	143.0	143.0	...	-16.4	-2.8	...
Rum	'000 proof gallons	4,225.9	4,665.0	5,417.8	1,975.6	...	10.4	16.1	...
Beer and stout	'000 liquid gallons	6,699.0	5,437.2	6,569.8	3,102.4	...	-18.9	20.8	...
Cigarettes	'000 kg	1,003.1	1,016.9	889.3	466.8	...	1.4	-12.5	...
Edible oil	'000 litres	8,652.0	7,315.0	8,104.0	3,231.0	...	-15.5	10.8	...
Margarine, lard and butter substitute	'000 kg	6,799.2	7,559.6	7,429.0 1/	3,821.0 1/	...	11.1	-1.7	...
Soap	"	4,449.0	4,422.0	3,904.0	2,149.0	...	-0.6	-11.7	...
Cement	'000 tonnes	218.1	223.5	217.7	129.9	103.3	2.5	-2.6	-20.5
Bricks and blocks	'000	25,655	25,450	...	12,422	13,005	-0.8	...	4.7
Fertilizers	'000 tonnes	342.0	632.0	677.5	...	693.0 2/	84.8	7.2	...
Assembly industries (n.e.s.)									
Motor vehicles	Numbers	14,320	16,161	15,247	7,345	6,536	12.9	-5.7	-11.0
Radios	"	15,050	10,029	7,991	3,681	4,402	-33.4	-20.3	21.7
TV's	"	13,482	12,022	10,541	5,735	8,535	-10.8	-12.3	48.8
Gas cookers	"	27,071	22,346	15,254	6,129	9,042	-17.5	-31.7	47.5
Refrigerators	"	22,960	25,025	21,124	9,040	13,402	9.0	-15.6	48.3

1/ Include margarine and lard only. 2/ January to December 1980.

Source: Quarterly Economic Report, October-December 1979; Review of the Economy 1980. Data supplied by Ministry of Energy and Energy Based Industries.

TRINIDAD AND TOBAGO

TABLE VII

SELECTED EXPORTS OF GOODS

	Millions of Dollars (F.O.B.)					Percentage Breakdown		Annual Growth Rate		
	1977	1978	1979	Jan-June[p] 1979	Jan-June[p] 1980	1970	1980	1978	1979	1980
Main traditional exports										
Petroleum products	2,730.9	2,343.2	3,287.8	1,443.2	2,565.6	70.8	58.2	-14.2	40.3	77.8
Crude Petroleum[1/]	2,055.8	2,029.0	2,348.8	910.0	1,464.5	9.1	33.2	-1.3	15.8	60.9
Sugar[2/]	83.4	53.7	84.4	71.5	67.0	4.5	1.5	-35.6	57.2	-6.3
Rum	7.8	10.2	14.4	5.7	5.1	0.2	0.1	30.8	41.2	-10.5
Natural asphalt	3.1	0.4	3.4	1.5	0.5	0.4	-	-87.1	...[3/]	-66.7
Main non-traditional exports										
Petrochemicals	67.2	56.3	92.0	40.6	51.2	2.5	1.2	-16.2	63.4	26.1
Fertilizer and ammonia	61.0	121.6	117.0	68.6	80.8	4.5	1.8	99.3	-3.8	17.8
Cocoa beans	20.8	26.7	21.9	20.1	14.1	1.0	0.3	28.4	-18.0	-29.8
Coffee beans	9.6	11.2	9.0	5.2	4.0	0.3	0.1	16.7	-20.0	-23.1
Citrus and citrus juice	1.9	3.1	4.2	2.6	3.4	0.4	0.1	63.2	35.5	30.8
Cement	0.0	-	0.0	0.0	-	0.5	-	-	-	-
Total Domestic Exports	5,189.0	4,802.7	6,175.2	2,659.2	4,405.3	100.0	100.0	-7.4	28.6	65.7

1/ Crude and partly refined petroleum.

2/ Refined and unrefined sugar.

3/ Because of the relatively low base at 1978 the value for 1979 yields an enormous growth rate of 750.0 percent.

Source: Quarterly Economic Report, October-December 1979. (Central Statistical Office) and data supplied by Central Statistical Office.

TRINIDAD AND TOBAGO

TABLE VIII-A

TERMS OF TRADE, 1974-1980
1974 = 100
Average Unit Value

	Exports	Imports	Terms of Trade (net)
1974	100	100	100
1975	115.6	114.8	100.7
1976	133.6	135.3	98.7
1977	145.6	135.3	104.5
1978[r]	146.4	145.5	100.6
1979[p]	192.4	164.9	116.7
1980	...	...	...

Source: Central Statistical Office.

TRINIDAD AND TOBAGO

TABLE VIII-B

TERMS OF TRADE (EXCLUSIVE OF PETROLEUM), 1974-1980
1974 = 100
Average Unit Value

	Exports	Imports	Terms of Trade (net)
1974	100	100	100
1975	128.0	121.6	105.3
1976	124.2	147.9	84
1977	126.1	155.6	81
1978[r]	164.2	169.8	96.7
1979[p]	162.0	236.7	68.4
1980	...	...	...

Source: Central Statistical Office.

TRINIDAD AND TOBAGO

TABLE IX

BALANCE OF PAYMENTS
(TT$ Mill.)

	1976	1977	1978[r]	1979[r]	1980[p]
CURRENT ACCOUNT					
MERCHANDISE (NET)	921.5	1,190.5	794.2	1,377.1	2,797.7
Exports	3,022.5	3,537.2	3,643.5	4,974.5	6,927.4
Imports	2,101.0	2,346.7	2,849.4	3,597.4	4,129.7
SERVICES (NET)	-229.7	-600.2	-616.6	-1,142.4	-1,832.0
Transportation	295.2	337.6	222.3	332.6	...
Foreign travel	94.2	94.7	103.0	43.5	...
Investment Income	-700.0	-1,056.0	-884.8	-1,408.7	-1,979.1
Other Services	80.9	23.5	-57.1	-109.8	...
TRANSFER PAYMENTS (NET)	-73.1	-74.7	-91.1	-109.5	-108.2
Private	-26.1	-38.8	-50.6	-65.4	-64.7
Official	-47.0	-35.9	-40.5	-44.1	-43.5
BALANCE ON CURRENT ACCOUNT	618.7	515.6	86.5	125.2	857.5
CAPITAL ACCOUNT					
Capital Inflows (net)	-142.6	676.0	714.2	755.9	497.3
Private	240.0	344.3	433.0	537.0	...
Public	-382.6	331.7	281.2	218.9	...
ERRORS, AND OMISSIONS	87.0	-119.5	-24.0	47.3	-154.9
OVERALL SURPLUS OR DEFICIT	563.1	1,072.1	776.7	928.4	1,199.9
NET COMPENSATORY FINANCING (increase -)					
CHANGE IN NET INTERNATIONAL RESERVES (increase -)	-563.1	-1,072.1	-776.7	-928.4	-1,199.9
Foreign exchange	548.5	1,060.7	-750.7	-845.9	...
I.M.F. Gold Tranche	-8.9	-	-10.0	-34.7	...
S.D.R's	-5.7	-11.4	-16.0	-47.8	...

Source: Central Statistical Office.

TRINIDAD AND TOBAGO

TABLE X

INDICATORS OF EXTERNAL INDEBTEDNESS
(TT$ Mill.)

	1975	1976[r]	1977[r]	1978[r]	1979[r]	1980
Total external public debt	222.6	128.9	499.6	756.5	898.5	1,041.0
Servicing of external debt	50.8	104.9	25.2	59.0	102.1	521.2
Amortization and sinking fund	31.1	89.8	15.2	14.0	14.8	427.5
Interest payments	19.7	15.1	10.0	45.0	87.3	93.7
Management of Loan	0.2	0.3	2.1	3.0	1.0	2.8
Servicing of debt as a percentage of total exports	1.3	1.9	0.5	1.1	1.5	9.0

Source: Central Bank of Trinidad and Tobago, and the Ministry of Finance.

TRINIDAD AND TOBAGO

TABLE XI

EVOLUTION OF CONSUMER PRICE INDEX
(September 1975 = 100)

	% Weight	1977	1978	1979	1980
		ANNUAL AVERAGES			
TOTAL	100.0	121.5	133.9	153.6	180.5
Food	33.4	113.2	123.5	140.6	167.8
Drink and Tobacco	6.4	123.3	141.8	158.2	188.8
Housing	9.3	119.5	138.6	166.6	196.0
Services	2.1	117.9	139.5	163.8	200.7
Household supplies	6.7	123.3	136.7	155.4	176.6
Clothing	18.0	125.9	136.4	148.4	161.8
		% VARIATION DECEMBER TO DECEMBER			
TOTAL		11.4	8.8	19.6	16.6
Food		11.2	6.8	22.9	17.9
Drink and Tobacco		10.6	11.7	19.3	17.5
Housing		14.8	14.1	21.8	18.5
Services		13.9	13.9	26.8	17.9
Household supplies		10.7	11.3	15.1	13.9
Clothing		10.4	6.1	13.0	7.2
		ANNUAL AVERAGE VARIATIONS			
TOTAL		11.8	10.2	14.7	17.5
Food		6.9	9.1	13.8	19.3
Drink and Tobacco		10.5	15.0	11.6	19.3
Housing		12.8	16.0	20.2	17.6
Services		10.6	18.3	17.4	23.0
Household supplies		12.2	10.9	13.8	13.6
Clothing		14.7	8.3	8.8	9.0

Source: Quarterly Economic Report, October-December 1979. Trinidad and Tobago Gazette (extraordinary) February 1981 (Vol. 20, No. 51).

TRINIDAD AND TOBAGO

TABLE XII

EVOLUTION OF WAGES[1/] AND SALARIES
(Indexes 1976 = 100)

	1978	1979	May 1979	May 1980
Wages and Salaries				
Nominal	140.8	170.4	163.6	202.0[2/]
Real	114.3	120.6	115.9	117.1
		ANNUAL GROWTH RATES		
Wages and Salaries				
Nominal	24.4	21.0	19.6	23.5[3/]
Real	12.8	5.5	18.4	1.0

1/ Data are in respect of Average of May and November.

2/ Data in respect of May.

3/ Rates calculated on Basis of May 1980/May 1979: CEPAL estimate.

Source: Economic Indicators Report, April-June 1980 and data supplied CEPAL.

TRINIDAD AND TOBAGO

TABLE XIII

CENTRAL GOVERNMENT REVENUE AND EXPENDITURE
(TT$ Mill.)

	1977	1978	1979	1980 1/	Annual Growth Rate 1978	1979	1980
Recurrent Revenue							
Tax revenue of which:							
Income Tax	1,837.8	1,833.0	2,488.2	4,138.9	-0.3	35.7	66.3
Royalty	263.4	273.1	416.8	541.4	3.7	52.6	29.9
Customs and Excise	247.7	287.7	330.9	438.6	16.1	15.0	32.5
Purchase Tax	56.7	66.5	82.1	107.4	17.3	23.5	30.8
Total Recurrent Revenue	2,981.0	3,083.2	4,037.0	6,179.4	3.4	31.0	53.1
Recurrent Expenditure							
Wages and salaries	594.5	716.3	899.5	1,077.8	20.5	25.6	19.9
Goods and services	200.9	258.3	395.1	527.0	28.6	53.0	33.4
Transfers to persons	78.9	124.2	152.1	177.7	57.4	22.5	16.9
Transfers to local authorities and others	141.6	161.4	290.0	365.2	14.0	79.7	26.0
Interest on the Public debt	42.6	80.3	125.7	143.4	88.5	56.5	14.1
Subsidies	51.2	77.4	167.7	297.0	51.2	16.7	77.1
Unemployment fund	53.2	65.1	218.4	230.8	22.4	235.4	5.7
Total Recurrent Expenditure	1,162.9	1,483.0	2,247.5	2,818.9	27.5	51.6	25.4
Current surplus	1,818.1	1,600.2	1,789.5	3,360.5	12.0	11.8	87.8
Current receipts	6.0	2.5	0.1	48.2	-58.3	-96.0	... 2/
Capital expenditure	1,094.0	1,409.6	1,943.6	3,155.9	28.8	37.9	62.4
Total expenditure	2,256.9	2,892.6	4,191.1	5,974.8	28.2	44.9	42.6
Total revenue	2,987.0	3,085.7	4,037.1	6,227.6	3.3	39.6	54.3
Fiscal surplus (+) or Deficit (-)	730.1	193.1	-154.0	252.8	-13.6	-179.8	264.2

1/ Revised estimates. 2/ Small base yields sizeable increase (48,100.0).

Source: Monthly Statistical Digest, January 1981, Central Bank of Trinidad and Tobago.

TRINIDAD AND TOBAGO

TABLE XIV

MONETARY BALANCE
(TT$ Mill.)

	Balance at end of			Jan.-Oct.	Jan.-Oct.	Annual Growth Rate		
	1977[r]	1978[r]	1979[r]	1979	1980	1978	1979	1980
Money	881.8	1,262.9	1,480.4	1,311.6	1,732.8	43.2	17.2	32.1
Currency outside banks	230.9	295.6	411.7	353.8	450.5	28.0	39.3	27.3
Demand deposits (adjusted)	650.9	967.3	1,068.7	957.8	1,282.3	48.6	10.5	33.9
Factors of Expansion								
Foreign assets (net)	3,501.3	4,225.2	5,076.2	4,426.2	5,993.3	20.7	20.1	35.4
Domestic credit								
Government (net)	-2,692.9	-3,211.2	-3,319.9	-2,838.2	-4,116.7	19.2	3.4	45.0
Official entities								
Private sector[1/]	1,798.1	2,414.2	2,854.8	2,823.6	3,580.3	34.3	18.3	26.8
Factors of Absorption								
Quasi-money (savings and time deposits)	-1,660.8	-2,027.3	-2,725.5	-2,530.4	-2,898.9	22.1	34.4	14.6
Long-term foreign borrowing	139.6	247.8[p]	300.5	...	...	77.5	21.3	...

1/ Includes public bodies.

Source: Monthly Statistical Digest, January 1981, Central Bank of Trinidad and Tobago.

TRINIDAD AND TOBAGO

TABLE XV

ANALYSIS OF TRADE WITH CARICOM COUNTRIES
(UNDER CARICOM AGREEMENT)
(TT$'000)

Country	IMPORTS (CIF) Jan-Aug 1979	% 1980	% Growth	Jan-Aug 1980	DOMESTIC EXPORTS (FOB) Jan-Aug 1979	% 1980	% Growth	Jan-Aug 1980
Guyana	32,893.6	22.8	13.5	37,345.5	43,101.4	21.4	30.0	56,034.7
Grenadines	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dominica	740.6	0.6	30.3	965.2	3,335.7	1.3	4.5	3,487.4
Grenada	953.3	0.9	51.3	1,442.5	8,779.5	5.9	75.3	15,389.7
St. Vincent	2,751.1	3.3	96.0	5,391.2	6,565.6	3.9	53.7	10,093.3
St. Lucia	3,617.2	2.2	-1.0	3,582.2	14,145.9	8.9	64.4	23,253.5
Montserrat	77.7	-	-83.7	12.7	1,299.4	0.6	23.3	1,602.6
Antigua	6,023.0	4.5	23.6	7,444.2	19,909.6	17.5	129.8	45,758.9
St. Kitts-Nevis-Anguilla	2,897.0	2.0	10.0	3,185.8	4,140.7	3.0	85.8	7,693.8
Barbados	25,043.6	21.8	39.7	35,825.3	44,069.3	24.1	43.5	63,259.1
Jamaica	56,186.5	34.5	0.8	56,653.7	11,765.5	13.5	200.5	35,360.4
Belize	1,327.0	7.4	819.1	12,196.6	310.5	-	58.1	130.1
TOTAL	133,110.6	100.0	23.2	164,044.9	157,423.2	100.0	66.5	262,063.7

Source: Statistical Bulletin Vol. 9 no. 38, Central Statistical Office.

TRINIDAD AND TOBAGO

TABLE XVI

DOMESTIC EXPORTS EXCLUDING PETROLEUM
AND PETROLEUM PRODUCTS
(TT$'000)

Country	DOMESTIC EXPORTS (FOB) Jan-Aug 1979	Jan-Aug 1980	%	% Growth
Guyana	13,305.5	11,149.1	11.9	-16.2
Grenadines	0.0	0.0	0.0	0.0
Dominica	1,737.6	2,328.1	2.5	34.0
Grenada	3,716.3	4,928.9	5.3	32.7
St. Vincent	3,530.7	4,433.7	4.7	25.6
St. Lucia	3,839.0	3,514.3	3.8	-8.5
Montserrat	443.2	494.6	0.5	11.6
Antigua	2,400.3	2,424.3	2.6	1.0
St. Kitts-Nevis-Anguilla	1,237.3	1,517.0	1.6	22.6
Barbados	27,013.9	28,380.8	30.3	5.1
Jamaica	9,563.8	34,236.0	36.6	258.0
Belize	310.4	129.4	0.2	-58.3
TOTAL	67,098.6	93,536.2	100.0	39.4

Source: Statistical Bulletins, Vol. 9, no. 38 and Vol. 8, no. 31, Central Statistical Office and data supplied CEPAL.

TRINIDAD AND TOBAGO

TABLE XVII-A

DIRECTION OF TRADE (IMPORTS), 1976-1980
($ Mill.)

Area	Imports from 1976	%	1977	%	1978	%	1979	%	1980
United States of America	953.1	19.4	900.4	20.8	968.7	20.5	1,310.1	25.9	...
Canada	124.9	2.5	150.0	3.5	179.1	3.8	333.6	6.6	...
European Economic Community	513.0	10.4	629.8	14.5	923.3	19.6	838.8	16.6	...
Of which									
United Kingdom	365.8	7.5	456.8	10.5	589.2	12.5	553.0	10.9	...
Other	147.2	2.9	173.0	4.0	334.1	7.1	285.8	5.7	...
European Free Trade Association	34.9	0.7	38.3	0.8	42.2	0.9	57.5	1.1	...
Commonwealth Non-Caribbean (other than United Kingdom and Canada)	101.0	2.1	89.5	2.1	98.0	2.1	102.7	2.0	...
Commonwealth Caribbean	131.2	2.7	138.8	3.2	166.8	3.5	231.3	4.6	...
Non-Commonwealth Caribbean	13.9	0.3	13.4	0.3	19.7	0.4	24.2	0.5	...
Latin America	161.2	3.3	120.4	2.8	137.0	2.9	137.7	2.7	...
Rest of the World	2,875.7	58.6	2,259.6	52.0	2,186.1	46.3	2,015.2	39.9	...

Source: Central Statistical Office.

TRINIDAD AND TOBAGO

TABLE XVII-B

DIRECTION OF TRADE (EXPORTS), 1976-1980
($ Mill.)

Area	Exports to 1976	%	1977	%	1978	%	1979	%	1980
United States of America	3,547.7	68.8	3,674.4	74.0	3,288.3	68.6	3,478.0	58.1	...
Canada	41.8	0.8	56.4	1.1	51.8	1.1	27.6	0.5	...
European Economic Community	446.0	8.7	242.1	4.9	346.1	7.4	837.3	14.0	...
Of which									
United Kingdom	248.9	4.8	102.7	2.0	137.5	2.9	230.6	3.9	...
Other	197.1	3.9	139.4	2.5	208.6	4.4	606.7	10.1	...
European Free Trade Association	15.6	0.3	11.2	0.2	18.7	0.4	19.3	0.3	...
Commonwealth Non-Caribbean (other than United Kingdom and Canada)	31.1	0.6	16.8	0.3	33.0	0.7	17.8	0.3	...
Commonwealth Caribbean	406.9	8.0	374.0	7.5	372.0	7.9	515.4	8.6	...
Non-Commonwealth Caribbean	370.2	7.2	365.7	7.4	434.2	9.2	671.7	11.2	...
Latin America	195.3	3.7	124.0	2.5	102.4	2.2	231.7	3.9	...
Rest of the World	99.3	1.9	104.0	2.1	119.9	2.5	186.1	3.1	...

Source: Central Statistical Office.

TRINIDAD AND TOBAGO

TABLE XVIII

SUGAR PRODUCTION - HECTARES AND AVERAGE YIELDS

Year	Hectares under Cane Cultivation	Hectares Reaped	Cane Milled ('000 tonnes)	Tonnes Canes per hectare reaped	Tonnes Sugar per hectare reaped	Sugar produced (tonnes)
1975	40,947	33,241	1,736	52.2	4.89	162,590
1976	41,037	36,754	2,265	61.6	5.54	203,649
1977	39,959	35,990	2,018	56.1	4.89	175,986
1978	39,612	35,641	1,763	49.5	4.13	147,058
1979	37,541	33,766	1,710	50.6	4.23	142,692
1980	36,340	30,474	1,499	49.2	3.70	112,681

Source: Data supplied by Sugar Manufacturers' Association.

SELECTED LIST OF
STATISTICAL PUBLICATIONS AND SOURCES

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STATISTICAL PUBLICATIONS AND SOURCES

ANTIGUA	Annual Trade Report. Digest of Foreign Trade Statistics. Cost of Living Index.	Statistics Division, Ministry of Planning, Development and External Affairs.
BAHAMAS	External Trade Statistics Report (Annual). External Trade Statistics Report (Quarterly). Statistical Abstract. Summary Report of External Trade Statistics (Quarterly). Quarterly Statistical Summary. Annual Review of Prices Report. Retail Price Index (Monthly). Agricultural Statistics Report (Quarterly). Vital Statistics Report.	Department of Statistics.
	Quarterly Review.	The Central Bank of the Bahamas.
BARBADOS	Annual Abstract of Statistics. Quarterly Digest of Statistics. Digest of Statistics (Monthly). Annual Overseas Trade Report. Quarterly Overseas Trade Report.	Statistical Service.
	Economic Survey.	Ministry of Finance and Planning.
	Economic and Financial Statistics.	Central Bank of Barbados.
BELIZE	Economic Survey. Annual Abstract of Statistics. Annual Trade Report.	Central Planning Unit, Ministry of Finance and Economic Development.
DOMINICA	Annual Overseas Trade Report. Annual Statistical Digest.	Statistical Division, Ministry of Finance.
GRENADA	Annual Overseas Trade Report. Quarterly Overseas Trade Report.	Statistical Department, Ministry of Finance.
GUYANA	Economic Survey of Guyana. Annual Account Relating to External Trade. Monthly Account Relating to External Trade.	Statistical Bureau, Ministry of Economic Development.

GUYANA (Cont'd)	External Trade with CARICOM and CARIFTA Territories.	Statistical Bureau Ministry of Economic Development.
	Quarterly Review of Financial Statistics.	
	Quarterly Statistical Digest.	
	Annual Statistical Abstract.	
	Economic Bulletin.	Bank of Guyana.
JAMAICA	External Trade.	Department of Statistics.
	External Trade Annual Bulletin.	
	External Trade Bulletin (Monthly).	
	Statistical Abstract.	
	Production Statistics.	
	Consumer Price Indices.	
	The Labour Force.	
	Economic and Social Survey.	National Planning Agency
	Economic Bulletin.	Bank of Jamaica.
	Balance of Payments of Jamaica.	
	Statistical Digest.	
	Travel Statistics.	Jamaica Tourist Board.
MONTSERRAT	Overseas Trade Report.	Statistical Office.
	Statistical Digest.	
ST. KITTS-NEVIS-ANGUILLA	Digest of Statistics.	Statistical Unit, Ministry of Trade, Development, Industry and Tourism.
	External Trade of St. Kitts-Nevis-Anguilla.	
ST. LUCIA	Annual Statistical Digest.	Statistical Department, Ministry of Development, Planning and Statistics.
	Overseas Trade of St. Lucia.	
	Quarterly Overseas Trade Report.	
ST. VINCENT	Annual Trade Report.	Statistical Unit.
	Quarterly Overseas Trade Report.	
	Digest of Statistics.	
SURINAME	Annual Report.	Central Bank of Suriname
	Multi-annual Development Programme for Suriname.	Stichting Planbureau.

TRINIDAD AND TOBAGO	Annual Statistical Digest. Annual Overseas Trade Report. International Travel Report. Balance of Payments. Economic Indicators. Quarterly Economic Report.	Central Statistical Office.
	Statistical Digest.	Central Bank of Trinidad and Tobago.
GENERAL	Economic Survey and Projections (for most of the Associated States).	British Development Division in the Caribbean, Ministry of Overseas Development (UK)
	Economic and Financial Review. Annual Report and Statement of Accounts.	East Caribbean Currency Authority.
	Digest of External Trade Statistics.	East Caribbean Common Market Secretariat, Antigua.
	Annual Report.	Caribbean Development Bank, Bridgetown, Barbados.
	A Digest of Trade Statistics of Caribbean Community Member States.	Caribbean Community Secretariat, Guyana.