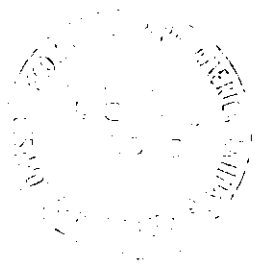
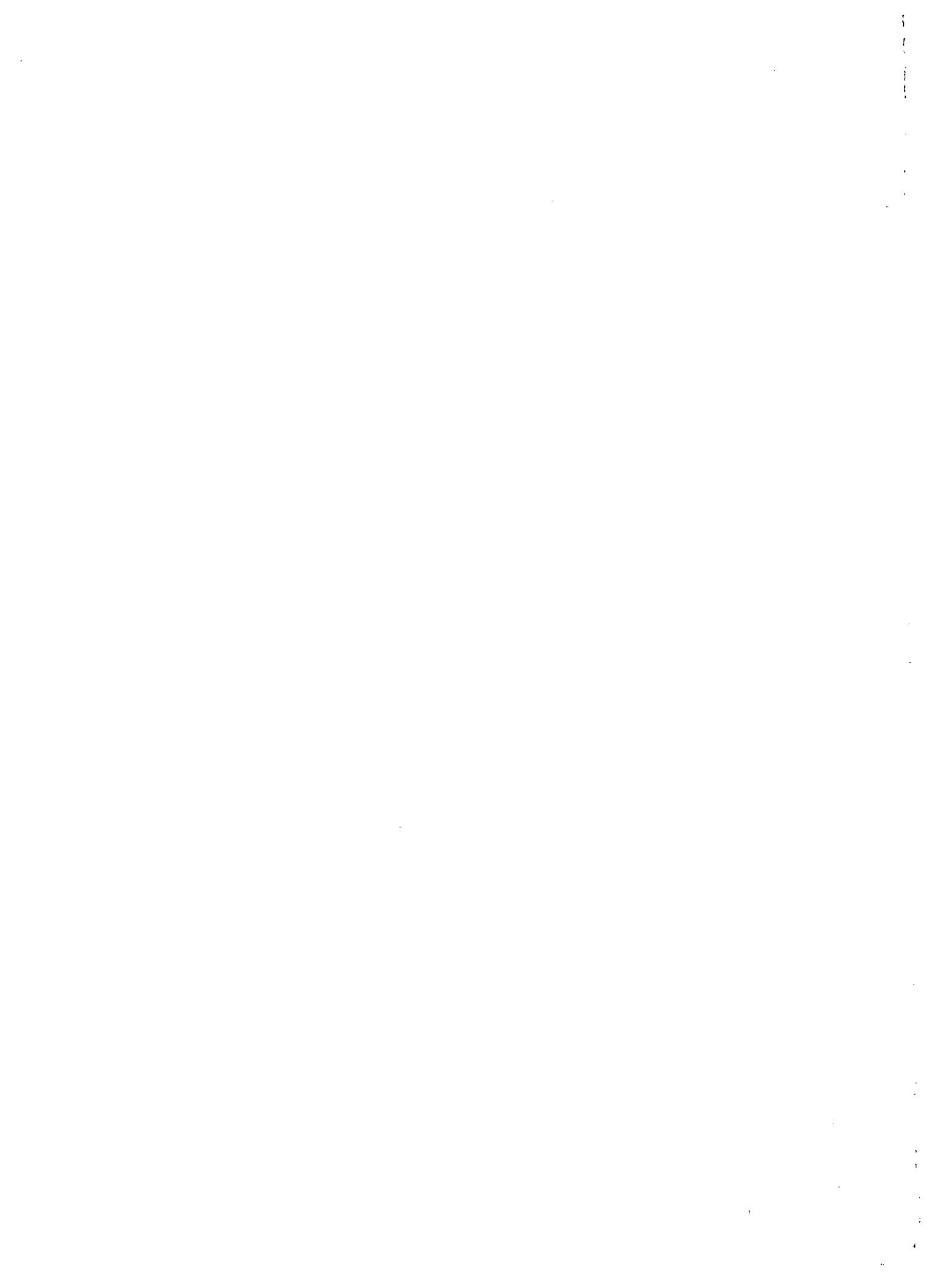


CEPAL/CARIB 82/10

ECONOMIC ACTIVITY 1981 IN CARIBBEAN COUNTRIES





CEPAL/CARIB 82/10

Date: 15 October 1982

ECONOMIC COMMISSION FOR LATIN AMERICA
Subregional Office for the Caribbean

ECONOMIC ACTIVITY 1981
IN
CARIBBEAN COUNTRIES

(A joint effort of the Professional and Research Assistant Staff
of the Economic Commission for Latin America, Subregional Office
for the Caribbean)



F O R E W O R D

This is the eleventh in the series of publications. In this issue, ten countries of the Caribbean are surveyed. Manpower constraints have prevented a complete coverage of the Caribbean countries, but efforts are being directed towards this goal.

The ECLA Office 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. At times, the lack of statistical data has prevented a deeper analysis and commentary of events in the period under review. It is hoped that the several countries would see fit to strengthen their statistical systems with a view to better understanding, the evolution of their economies.

J. A. Spence



TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	
PART I : SUB-REGIONAL SUMMARY	
A. SUMMARY OF ECONOMIC ACTIVITY	1 - 7
B. DEVELOPMENTS AT REGIONAL LEVEL	7 - 8
C. SUB-REGIONAL STATISTICAL APPENDIX	9 - 12
PART II : ANTIGUA AND BARBUDA COUNTRY NOTES	1 - 23
PART III : BAHAMAS COUNTRY NOTES	1 - 30
PART IV : BARBADOS COUNTRY NOTES	1 - 46
PART V : BELIZE COUNTRY NOTES	1 - 24
PART VI : DOMINICA COUNTRY NOTES	1 - 29
PART VII : GRENADA COUNTRY NOTES	1 - 26
PART VIII : GUYANA COUNTRY NOTES	1 - 44
PART IX : JAMAICA COUNTRY NOTES	1 - 32
PART X : SURINAME COUNTRY NOTES	1 - 46
PART XI : TRINIDAD AND TOBAGO COUNTRY NOTES	1 - 37
SELECTED LIST OF STATISTICAL PUBLICATIONS AND SOURCES	1 - 3

INTRODUCTION

The Country Notes in this publication are revisions of the texts that were prepared earlier for inclusion in Economic Survey of Latin America, 1981, published by the Economic Commission for Latin America, Santiago, Chile. The revisions incorporate revised data for earlier years and additional data for 1981.

These Country Notes are largely descriptive of the developments in the economies in the period under review, and identify or comment on the determinants of the movements.

The countries covered in this document are: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Suriname and Trinidad and Tobago.

The major sources of the economic and statistical information used in the preparation of the Country Notes are the various Statistical Offices and Central Banks or similar institutions.

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
**	: ECLA estimate



PART I
SUB-REGIONAL SUMMARY
A. SUMMARY OF ECONOMIC ACTIVITY

A. SUMMARY OF ECONOMIC ACTIVITY

Major Trends in GDP Aggregates - Total and Sectors

The Caribbean Countries continued to be affected in 1981 by the economic events in the industrial economies. The susceptibility of these economies to the vagaries of the developed economies demonstrates the continued dependent relationship on the advanced economies. The recession in the developed economies adversely affected the export sector of the Caribbean economies and worsened the Balance of Payments position of these countries. Employment and earnings were in turn affected at a time when prices continued to rise, albeit not as rapidly as before. The foreign exchange problems that affected most of the economies, also continued to adversely affect the supply of both raw materials and finished goods, thus generally limiting domestic production. Only in very isolated cases was an increase in real domestic production noted.

In at least one country, rising expectations and heavy trade union pressure led to salary increases agreed to for a three-year period to be in excess of fifty-five percent, at a time when production of the major earner of foreign exchange continued to decline, and at a time when the industrialized economies began to see signs of an impending economic recession.

No significant reduction in the rate of unemployment was achieved. The increasing price level and low production levels exacerbated by declining overseas markets set the scene for increased foreign debt as the Caribbean countries prepared to face the effects of the downturn in economic activity.

Agriculture

Agriculture continued to perform unevenly across the islands in 1981, as it responded to the external stimuli of adverse weather conditions, labour unrest, falling commodity prices, factory inefficiency, poor cultural practices and plant disease.

Producers of sugar in the region suffered a loss of foreign exchange as the US dollar appreciated vis à vis European currencies, while the sugar prices under the Lomé convention remained quoted in

European Units of Account (EUA). The non-EEC sales of sugar were even more affected, as the world price quoted on the London market fell drastically between the beginning of 1981 and the end of the year, in response to a relatively abundant supply. Apart from the negative price effects, a decline in regional output of sugar was noted, with some 830,600 tonnes having been produced in 1981 as compared with some 868,400 tonnes in the preceding year. In Barbados, a 30 percent drop in sugar production was largely the result of the late start of the crop, unseasonal rains and unplanned cane fires. The extension of credit assisted in the realization of the level of production of sugar in 1981, as the financing was used in some countries, notably Belize, to rehabilitate sugar lands and to fight crop disease. The Guyanese increased output of sugar in 1981 was in part due to the successful fight against smut disease, and in part, to improved drainage and cultural practices.

Bananas - A speedy recovery in the islands of St. Vincent, St. Lucia, and Dominica after the hurricanes of 1979 and 1980, inspite of a significant drop in production in Jamaica in 1981, helped to procure for the sub-region, an increase in export volume of some 21 percent over the 1980 figure, but some 25 percent below the level of 1979. Exports from the Windward Islands in 1981 were some 67.5 percent higher in volume than the corresponding figure of a year earlier. The appreciated US dollar via à vis the pound sterling resulted in lower revenues for banana exports, as banana prices are quoted in pounds sterling, while the sub-regional currency is tied to the US dollar.

Citrus - Production of grapefruit in Belize was estimated to be some 44.6 percent greater than in 1980, while oranges produced were 14 percent less than the 1980 output, as the industry continued to recover from the effects of hurricane Greta in 1978. Indications are that the industry will experience a bumper year in 1982 as a result of the frosts that affected the citrus industry in North America. The industry fared well in Dominica in 1981, with estimated increases of 3 percent, 8.6 percent and 2 percent in limes, grapefruits and oranges respectively, over the production levels of the previous year. In Jamaica, 54,000 tonnes of citrus produced in 1981 represented 82 percent of the production of 1980.

Once the problems of transportation are surmounted, citrus can more fully be assimilated into agro-industry in the sub-region.

Rice - A 2.5 percent increase in the production of rice in Belize was the result of new initiatives in the industry, which included mechanization of some rice farming, new varieties of rice, and increased acreages under cultivation.

In Guyana, production of milled rice in 1981 did not measure up to the 1980 level of production, as farmers refused to harvest a part of the crop in protest against a guaranteed price that was considered by them to be too low. The result of this action was the production of 165,000 tonnes of milled rice in 1981 as against 169,000 tonnes in 1980.

The overall performance of the agricultural sector, through its relative stagnation, is indicative of a general trend towards economic activity in the manufacturing sector. The demand for housing has also accounted for some lands being shifted out of agriculture. In situations where guaranteed prices are offered to farmers, every care must be taken to ensure that the prices offered are in phase with the system of relative prices operating in the economy.

Mining and Refining

Trinidad and Tobago, the main producer of crude petroleum, suffered declines in the production of the commodity since 1979. After a drop in production of 8 percent in 1980, the 1981 performance revealed a further drop of 12 percent in the number of barrels of crude produced. The capping of several wells that produce natural gas in association with crude petroleum, pending the arrangement for the capture and ducting of the natural gas, was a major factor contributing to the reduced output. Crude oil exports continued to fall in 1981, exports falling by 8.5 percent to a total of 37.6 million barrels. Production of natural gas continued to be very profuse in 1981, despite the capping of several wells. Sales of

natural gas are likely to increase with the coming on-stream of a number of energy-based industries.

In Barbados, the government pursued its main objective of achieving self-sufficiency in petroleum by embarking on an expanded programme of petroleum and natural gas exploration. Production of natural gas, however, fell by some 45 percent. Production of crude oil declined some 31 percent below the 1980 level because of the longer drilling and completion times of the deep wells and the low oil productivity in the deeper zones.

In Guyana, the current value of output in the mining and quarrying sector decreased by 54 percent, thereby generating 7 percent of GDP in 1981. The reduced output of the bauxite industry because of weak foreign markets and labour, technical and management problems, accounted for a decline in the real value of output in the mining sector of more than 63 percent. The production of gold increased by almost 73 percent to a reported 19,000 ounces. A slight drop in the reported production of diamonds was noted.

In Suriname, the mining and bauxite sector accounted for 16 percent of GDP at factor cost in 1981, as well as 18 percent of government revenue. Official preliminary estimates indicate a 15.7 percent drop in the production of bauxite, and 13.6 percent and 25.5 percent drops in alumina and aluminium respectively. The facts of weak foreign markets and of high local costs of production no doubt helped to produce a situation in which the fall in the export volume of bauxite and aluminium was greater than the fall in production of these two commodities.

The bauxite and aluminium industry continued to be Jamaica's most important sub-sector of mining, and accounted for 78.4 percent of principal domestic exports in 1981. The performance in this sub-sector helped to procure for the Mining sector an increase in real GDP of 1.3 percent in 1981.

Although the production and exports of bauxite ore declined by 3.2 and 13.4 percent respectively, the industry remained buoyant through the increased volume and value of exports of alumina.

Manufacturing

This sector's contribution to GDP ranged from some 5.6 percent in the case of Dominica, to 15 percent in Guyana and Jamaica. An estimated US\$415.3 million accrued to the sector in 1981 in Trinidad. In Barbados, the earnings of this sector were of the order of US\$101 million.

In Guyana, despite reduced earnings from the sugar sub-sector, the current value of output from manufacturing and processing rose by 24 percent in 1981. Total output, however, fell as a result of difficulties in obtaining much-needed inputs for the expansion of the industrial sector. This, together with problems in the supply of electricity and the lack of skilled labour, contributed to the low levels of production and productivity observed. Generally, the manufacturing sector did not appear to be as buoyant as might have been expected. Those countries that produce indexes of production showed a tendency for the index to drop in 1981. Indeed, other indicators taken into consideration, it appears that productivity declined in 1981. This reckoning led to one government hosting a national consultation on productivity in early 1982, and establishing a Productivity Council.

Tourism

An office estimate on the basis of the three largest tourist economies indicates that there was a near 6 percent decline in tourist arrivals in 1981. Recession in the major tourist markets combined with rising prices, and impacting on the price elasticity of demand for tourism, saw a 7.2 percent decline in tourist arrivals in Barbados and a 3.4 percent decline in arrivals in Antigua.

DEVELOPMENTS IN INFLATION, FISCAL AND MONETARY POLICIES

A general deceleration in the rate of inflation was observed in 1981, as the Caribbean countries reacted to movements in the international economy. The variability in recency of the indexes

utilized to measure the price changes has no doubt militated against the comparability of the indexes. Governments should see fit to support the efforts of the statistical offices to revise the relevant indexes.

The indexes report on rates of inflation that range from 9 percent in Suriname to 22.1 percent in Guyana, with the average being a rate of approximately 13.6 percent. Because of the high weight of the Food section of the Index, the average rate of growth of the price level in Food was very close to the rate of growth of the All Items Indexes, and reflected in most cases, the effects of rising imports of food items.

Governments continued to depend on price control and subsidies to contain the rate of inflation, even though it began to be apparent that subsidies should be removed in order for the economy to adjust to an unmodified system of relative prices.

The Socio-economic conditions of 1980 to a great extent persisted, with the recession in the industrialized economies and the loss of markets aggravating the Balance of Payments and foreign debt positions of the countries. No significant reduction in the unemployment rate was noted.

Governments sought to neutralize the effects of a high propensity to import and the slower rate of growth of foreign exchange earnings. Open market operations were employed to drain off excess liquidity. In Barbados, an issue of National Savings Bonds, an increase in minimum interest rates on savings deposits as well as an increase in lending rates were the monetary measures adopted to produce the desired effort. In terms of fiscal policy, the Government of Barbados perceived the problem of a rapid increase in disposable incomes and a widening government deficit, as wage increases granted were of the order of 30 percent over two years, while the rate of growth of government revenue was sluggish because of reduced economic activity and tax deductions.

The continued and increased Government fiscal deficit in Guyana led that country to seek financial assistance from the IMF and other external sources. The poor performance of the public sector corporations led to financial support from Government which was forced to borrow heavily from the domestic banking system in addition to the external sources of borrowing.

The Government, unable to meet its debt commitments overseas, had to seek revised payment arrangements with its creditors.

B. DEVELOPMENTS IN THE CARIBBEAN INTEGRATION
MOVEMENT AND AT THE REGIONAL LEVEL

In 1981, new strategies to strengthen the economic integration movement were made. The Report of the Group of Caribbean Experts underlined the need for greater production and regional import-substitution. The report highlighted the need to utilize, more fully, existing trade and other instruments to encourage regional production.

A new Rules of Origin system governing trade among member states became effective on 1 June 1981. The new system is designed to increase local value-added and to foster the deepening of the industrialization process.

The CARICOM/CDB Energy project, undertaken with financing from USAID continued in 1981. The energy balance sheet being compiled by the CARICOM Secretariat is the first step towards the derivation of a regional solution to energy problems before seeking support from extra-regional sources.

The Working Party on the Harmonization of Company Law in the Caribbean Community, circulated its Report and drafted laws to governments of member states for comment prior to adoption by member states.

On 4 July 1981, the Organization of East Caribbean States (OECS) came into being, replacing the West Indies Associated States (WISA) Secretariat. The OECS has established its administrative headquarters in St. Lucia and its Economic arm in Antigua. The OECS Secretariat will assist the countries in harmonizing their foreign policies and co-ordinating their external economic relations, generally, harmonize policies and efforts at collective defence and security, and promote functional co-operation at both the OECS and the wider CARICOM levels.

The Caribbean Food Corporation (CFC) became fully operative in 1981 and sought to discharge its duty of implementing the Regional Food Plan. The CFC will undertake joint ventures with the private sector in the areas of agriculture, agro-industry and marketing.

In 1981, two of the projects agreed to under the Memorandum of Understanding between the Governments of Barbados and Trinidad and Tobago were implemented in whole or in part. Under joint ownership of Trinidad and Tobago and the Government of Barbados, a regional air-freight carrier, CARICARGO began commercial operations. Construction of the joint cement plant began in Barbados.

The United States of America, along with Canada, Mexico and Venezuela offered greater financial and other assistance to Caribbean and Central American countries through what has been termed "The Caribbean Basin Initiative". This initiative purports to reflect and respond to development needs and priorities of the countries in the described "basin". The Foreign Ministers of the "basin" countries appointed a Technical group to prepare a statement of Caribbean needs and norms for Official Development Assistance and trade liberalization.

The Caribbean Group for Co-operation in Economic Development (CGCED) established in 1981 a Project Identification and Development Facility. This Facility purports to identify, promote, prepare and package medium-sized projects up to US\$5 million in agro-industry, manufacturing, industry and tourism in CGCED beneficiary countries, with special attention being paid to the needs of the LDC's.

C. SUB-REGIONAL
STATISTICAL APPENDIX
1981



TABLE IA
CARIBBEAN COUNTRIES
PERCENTAGE CHANGES IN RETAIL PRICE INDEXES

Country	1978	1979	1980	1981
Antigua	6.1	16.4	19.0	11.5
Bahamas	6.2	9.1	12.1	11.1
Barbados	9.5	13.2	...	14.6
Dominica	7.7	17.9	32.8	13.3
Grenada	...	...	20.6	17.7
Guyana	15.2	17.8	14.1	22.2
Jamaica	34.9	29.1	27.1	12.6
Montserrat	9.4	16.0	29.8	...
St. Kitts-Nevis	...	...	17.9	...
St. Lucia	10.0	10.3	19.5	...
St. Vincent	8.4	15.6	17.2	...
Suriname	8.8	14.9	14.1	9.0
Trinidad and Tobago	10.2	14.7	17.5	14.3

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	1978	1979	1980	1981
Antigua	6.2	13.1	17.1	12.6
Bahamas	8.2	10.9	15.1	14.8
Barbados	10.1	11.1	...	14.8
Dominica	...	...	37.6	15.8
Grenada	-	-	18.9	19.5
Guyana	17.2	18.9	12.1	27.6
Jamaica	36.8	33.4	33.4	10.3
Montserrat	10.0	21.9	23.8	...
St. Kitts-Nevis	...	...	14.2	...
St. Lucia	...	...	...	...
St. Vincent	6.7	12.2	14.4	...
Suriname	4.9	12.8	12.2	3.5
Trinidad and Tobago	9.1	13.8	19.3	16.6

Source: Derived from data in the Country Notes.

TABLE II
 SELECTED CARIBBEAN COUNTRIES
BALANCE OF PAYMENTS FOR SELECTED COUNTRIES
 (US\$ Mill.)

	TRINIDAD AND TOBAGO			BARBADOS			JAMAICA		
	1979r	1980p	1981p	1979r	1980r	1981p	1979	1980r	1981p
<u>MERCHANDISE TRADE (NET)</u>	<u>573.8</u>	<u>552.9</u>	<u>679.7</u>	<u>- 266.5</u>	<u>- 312.6</u>	<u>- 374.4</u>	<u>- 67.9</u>	<u>- 75.4</u>	<u>- 327.8</u>
Exports	2,072.7	2,540.1	2,472.7	146.4	209.8	194.9	814.7	962.7	980.4
Imports	1,498.9	1,987.2	1,793.0	- 412.9	- 322.4	- 569.3	- 882.6	1,038.1	1,308.2
<u>SERVICES (NET)</u>	<u>- 476.0</u>	<u>- 90.5</u>	<u>- 88.0</u>	<u>225.8</u>	<u>285.5</u>	<u>267.9</u>	<u>- 154.7</u>	<u>163.5</u>	<u>- 204.0</u>
Transportation	138.6	221.0	...	...	...	...	...	...	...
Travel	18.1	10.0	...	193.8	233.2	240.6	184.5	...	...
Investment Income	- 586.9	- 295.7	- 304.4	...	...	...	- 202.6	...	...
Other Services	- 45.7	- 25.8	...	32.0	52.3	27.3	- 136.6	...	...
<u>TRANSFER PAYMENTS (NET)</u>	<u>- 45.6</u>	<u>- 65.6</u>	<u>- 84.0</u>	<u>21.8</u>	<u>21.4</u>	<u>21.4</u>	<u>80.0</u>	<u>90.8</u>	<u>105.0</u>
Private	27.2	- 45.2	58.8	...	...	...	70.0	81.8	95.0
Official	18.4	- 23.1	25.2	...	...	...	10.0	9.0	10.0
<u>CURRENT ACCOUNT (NET)</u>	<u>52.2</u>	<u>396.6</u>	<u>507.7</u>	<u>- 18.9</u>	<u>- 5.5</u>	<u>- 85.1</u>	<u>- 142.6</u>	<u>- 148.1</u>	<u>- 426.8</u>
<u>CAPITAL ACCOUNT (NET)</u>	<u>314.9</u>	<u>290.3</u>	<u>170.8</u>	<u>15.3</u>	<u>31.5</u>	<u>109.6</u>	<u>- 10.4</u>	<u>60.2</u>	<u>271.9</u>
Private	223.7	271.2	...	6.5	9.1	31.8	- 81.6	- 147.2	12.7
Official Borrowing	91.2	24.1	...	11.4	25.8	48.1	71.2	207.4	249.2
SDR's	-	5.0	12.5	2.2	0.5	0.2	10.0	10.0	10.0
Other	-	-	...	- 4.8	- 2.9	29.5	...	...	...
<u>CURRENT AND CAPITAL ACCOUNT</u>	<u>367.1</u>	<u>686.9</u>	<u>678.5</u>	<u>- 3.6</u>	<u>2/ 26.0</u>	<u>3/ 19.7</u>	<u>- 143.0</u>	<u>- 87.9</u>	<u>- 154.9</u>
<u>NET ERRORS AND OMISSIONS</u>	<u>19.7</u>	<u>- 68.4</u>	<u>23.5</u>	<u>17.6</u>	<u>- 11.8</u>	<u>- 27.2</u>	<u>2.1</u>	<u>... 1/</u>	<u>1/</u>
<u>SURPLUS (+) OR DEFICIT (-)</u>	<u>386.8</u>	<u>618.5</u>	<u>702.0</u>	<u>- 14.0</u>	<u>14.2</u>	<u>- 7.5</u>	<u>140.9</u>	<u>- 87.9</u>	<u>- 154.9</u>

1/ Net errors and omissions included in private capital.

2/ Net errors and omissions includes short-term capital.

Source: Country Notes.

TABLE III
 CARIBBEAN COUNTRIES
EXCHANGE RATE - NATIONAL CURRENCIES VIS-A-VIS US\$
 (Par rate used)

National Currencies	In terms of US\$				
	1977	1978	1979	1980	1981
Antigua - EC\$1.00	0.370370	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	0.495308	0.497191	0.497191	0.497191	0.497190
Belize - Bze\$1.00	0.451550	0.451550	0.451550	0.451550	0.451550
Dominica - EC\$1.00	0.370370	0.370370	0.370370	0.370370	0.370370
Grenada - EC\$1.00	0.370370	0.370370	0.370370	0.370370	0.370370
Guyana - G\$1.00	0.392156	0.392156	0.392156	0.392156	0.333333
Jamaica - J\$1.00	1.10	0.5959	0.5613	0.5613	0.5614
Montserrat - EC\$1.00	0.370370	0.370370	0.370370	0.370370	0.370370
St. Kitts-Nevis - EC\$1.00	0.370370	0.370370	0.370370	0.370370	0.370370
St. Lucia - EC\$1.00	0.370370	0.370370	0.370370	0.370370	0.370370
St. Vincent - EC\$1.00	0.370370	0.370370	0.370370	0.370370	0.370370
Suriname (Central rate) - Sf1.00	0.560224	0.560224	0.560224	0.560224	0.560224
Trinidad and Tobago - Tt\$1.00	0.41666	0.41666	0.41666	0.41666	0.41666

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

PART II

ANTIGUA AND BARBUDA COUNTRY NOTES

ECONOMIC SURVEY 1981

ANTIGUA AND BARBUDA

(East Caribbean dollars used throughout)

Antigua attained political independence on 1 November 1981. The new nation consists of three islands: Antigua with the central government is 280 sq. km., Barbuda is 160 sq. km. and Redonda, an uninhabited rocky islet is 2.5 sq. km. The population was estimated to be 75,235 at mid-1981 with 74,000 residing on Antigua and 1,235 on Barbuda. The crude birth rate is 16.0 and the death rate 5.1 per 1,000; net population increase is 1.2 percent.

The GDP for 1980 was \$223.4 million with a per capita average of \$2,969 (US\$1,100) at current prices; the annual average growth rate in GDP during the five years 1976 to 1981 was 13.3 percent, also at current prices. However, the high growth rate of 21 percent recorded during 1979 declined to 12.4 percent in 1980; growth in terms of constant prices is not available but allowing for inflation real growth during the last year is likely to have been marginal.

Changes in the 1980 GDP for various sectors of the economy show that agricultural output increased by 6 percent, manufacturing by 3 percent and mining and quarrying by 12 percent; construction grew by 12 percent; water and electricity by 15 percent and transport and communication by 12 percent. Even at current prices, the value of goods and services provided by hotels and restaurants increased by only 9 percent, whereas government services at 19 percent showed the highest rate of growth.

Analysis of the performance of the various sectors of the economy during 1981 cannot be completed at this time due to the inadequate data base. However, significant changes in the relative performance of the various sectors is not anticipated. Available information indicate that

costs and prices increased more slowly in 1981 than in 1980. This may be a direct result of more stable oil prices. The production sector is expected to show marginal changes only whereas the service sectors, in particular government services are expected to maintain average growth in terms of current prices.

Agriculture

Agricultural GDP at current prices was EC\$14.3 million in 1980, an increase of 5.9 percent over the 1979 figure. However, the contribution to GDP decreased from 7 to 6 percent. Increased agricultural earnings were expected during 1981 from expansion of local food production and increases in commodity prices. Vegetables, root crops and livestock are the mainstay of the agricultural sector in terms of stability, employment and contribution to the economy.

The reactivated sugar industry now makes significant demands on land area and other resources, in particular capital. However, contributions to the economy are for the future. Fishing is also important but relates directly to relatively small numbers of people.

Agricultural production and levels of productivity are constrained by low, unreliable rainfall and factors common to many poorly financed, developing island economies viz., insufficient machinery, inadequate storage, poorly developed markets, inadequate technical services and the inability of large numbers of farmers to qualify for available lines of credit. Most farmers operate a totally integrated system from production through marketing with no storage or holding facilities. Such conditions result in brief gluts and prolonged periods of scarcity during which time the island is dependent on imports. Efforts have been made to reduce these problems by taking measures to improve the purchasing and storage capacity at the national Central Marketing Corporation and to expand credit facilities through the National Development Bank.

Small farmers dominate the agricultural sector accounting for approximately 75 percent of locally produced vegetable and food crops, virtually all fruits (excepting pineapples), 75 percent of animal products including all milk, and 50 percent of cotton and 25 percent of

sugar cane acreage. Government agencies and corporations account for 75 percent of the sugar cane acreage, 50 percent cotton, the residue of vegetables, root crops and fruits and also some cattle.

The total acreage used for vegetable and food crop production increased from approximately 530 hectares in 1980 to 610 hectares in 1981 with the total volume of output increasing from approximately 770 to 1,000 tonnes.

The sugar industry was restarted during 1981. The production target is 5,000 tonnes raw sugar and 1.1 million litres molasses for local consumption from 12,000 hectares of sugar cane. During 1981 raw sugar amounted to 45 tonnes with 250 hectares of cane being cultivated by the state-owned Sugar Industry Corporation and 80 hectares by small farmers.

Cotton production declined further to 6,000 kg. of clean lint from 135 hectares during the 1980-1981 season. Small farmers accounted for 2,870 kg. from 50 hectares and government agencies 3,130 kg. from 85 hectares. Although the current price is US\$5.50 f.o.b. per kg. clean lint, the outlook is for continued low levels of production. The major constraints are insufficient machinery to effect timely cultivation, poor pest control and severe problems with harvesting which is done by hand.

Fruit production increased marginally during 1981, the total output being estimated at 198,000 kg. of which pineapples contributed 132,000 kg. during the period January to November, mangoes 35,500 kg., avocados 12,700 kg., citrus fruits 15,800 kg., and miscellaneous fruits 2,000 kg. In addition production of bananas was estimated at 179,000 kg. Except for marginal exports of pineapples and mangoes, the total production was sold on the local market.

The livestock sub-sector is the main contributor to the agricultural share of GDP. The animal population is estimated at 10,800 cattle, 15,200 sheep, 16,500 goats and 2,000 pigs. Animals are kept mainly for meat production, there are no specialized dairy units and milk is virtually a by-product of the livestock industry.

Efforts are being made to promote agro-industrial activity linked with local production of fruits and vegetables. The Ministry of Agriculture operates a small food processing unit which uses seasonally available material using bottles and jars as containers. A pilot food processing plant is to be commissioned during 1982. In addition to the production of raw sugar, there is a state owned edible oil facility which processes locally produced cotton seed and copra imported from the CARICOM region. A privately owned milk processing facility recombines imported constituents and handles small quantities of locally produced whole milk.

The fishing industry is based on small boats which exploit inshore areas. Although the numbers of operating boats remained at 250 during 1980 and 1981, and crews increased from 500 to 550, the fish landed declined from 1,106,532 kg. to 850,906 kg.; and lobster from 63,991 kg. to 38,499 kg.. Likewise, the value of the landed fish decreased from an estimated EC\$4,878,966 in 1980 to EC\$3,751,852 in 1981 and lobster from EC\$846,456 to EC\$509,256. It is estimated that 50 percent of the total catch was exported during 1980 but only 354,555 kg. fish and 9,878 kg. lobster were exported during 1981.

Although fish and lobster are exported, the island suffers chronic shortages of these products. The Government and the Caribbean Food Corporation have financed a fishing venture as a part of the Caribbean Food Plan to exploit fish resources beyond the 50 fathom limit. Operations are to commence during 1982, and when full output capacity is achieved, the island should approach self-sufficiency in fresh fish.

Most small farmers make limited use of credit. This may be attributed to poorly developed marketing systems, low levels of technology and inadequate support services which result in low yields and a situation of high risk. The Antigua and Barbuda Development Bank is now the main source of credit for small farmers. During 1981, this bank approved some 66 loans for crop production, 10 for livestock improvement and 16 for fishing; total disbursements amounted to EC\$550,000.

Table 1
Fish Landing 1980-1981

	1980	1981	1981-1980
No. of boats	250	250	
No. of crew	500	550	11 %
Fish landed	1,107 tonnes	851 tonnes	-23 %
Lobster landed	64 tonnes	38 tonnes	-41 %
Fish exported	500 tonnes (e)	355 tonnes	
Lobster exported	30 tonnes (e)	10 tonnes	
Value of fish	EC\$4.9 m	\$3.8	
Value of lobster	\$0.85	\$0.51	

Source: Ministry of Agriculture, Lands and Fisheries.

Tourism

The tourist sector continued to dominate the economy; the contribution to GDP, at current prices, increased from \$29.1 million in 1979 to \$31.8 million in 1980. The value of earnings during 1981 is not yet available.

Arrivals by air declined by 13 percent while cruise ship visitors increased by 10 percent giving a net decrease of 3 percent from 1980 levels. It is estimated that visitor arrivals on yachts and wind cruisers increased marginally from 11,330 in 1980 to approximately 12,000 during 1981.

The composition of the tourist market, in particular air arrivals, has shown a decline in numbers from the United States and Canada, and an increase from the United Kingdom, and other destinations. Visitors from Europe registered a 40 percent increase during 1980 but declined during 1981 to the 1979 levels.

Tourist arrivals show marked seasonal fluctuations. The peak season for arrivals by air is January through April and for cruise ship visitors November through April. Concerted efforts are being made by the government and local tourism interests in co-operation with regional tourism associations to promote the island as a year round destination and to secure new markets.

Industrial

Although efforts have been made to promote industrial development by offering incentives such as rental of factory shells at concessionary rates, tax rebates and opportunities to repatriate profits, this sector remains small, providing some 6 percent of available jobs. It is also relatively weak as it has not shown significant growth or stability in output and employment opportunities.

Enclave and assembly type operations are dominant with almost total dependence on imported materials and on markets in North America and in the CARICOM area. The product range includes rum, garments, beds, stoves, refrigerators, household and office furniture, doors and windows. Reactivation of the oil refinery and production of raw sugar will strengthen this sector.

The enclave industries registered decreases in both output and employment during 1981 when the number of employees fell from 1,065 at mid-year to 825 at the end of the year. This decline in activities may have been caused by a direct reaction to market conditions in North America.

Basic Services

The Antigua Public Utilities Authority is the sole supplier of electricity, water and internal telephone services to the public. Generation of electricity is based exclusively on imported diesel. The installed capacity at the public utilities is 15,000 kW and the industrial sector 5,300 kW. Electrical output by the public utilities increased from 52.7 million kWh in 1980 to 56.2 million kWh in 1981 with industrial production constant at 1.0 million kWh. It is estimated that the public utilities consumed 102.1 thousand barrels of oil equivalent (kboe) in 1980 and some 114.3 kboe in 1981. Electrical energy sold to various categories of users, in hundred thousand kWh, during 1981 was: households 42.75, commercial enterprises 19.0, industrial operations 14.0, municipal lighting 6.0, government offices and institutions 2.15, public utilities consumption including energy to supply water was 1.25, transmission and unaccounted losses 12.2 kWh.

Municipal water supplies are derived from surface catchments and sub-surface sources, the latter being located mainly in the southern part of the island. The demand to supply ratio for water is at a critical level and an additional surface reservoir is to be constructed. During 1981, the north shore pipeline was installed to improve supplies to that part of the island where tourist facilities are concentrated. The telephone service is being upgraded and expanded but is yet to supply the basic needs of population centres.

Employment

There are no recent data relating to national employment. The Ministry of Labour estimates the total labour force at 29,229 with 23,159 persons employed and an unemployment rate of 21 percent.

The public sector is the largest direct employer with estimates of 2,658 employees in the central government civil service, 920 in statutory bodies plus fluctuating numbers of weekly and daily paid workers. Although absolute numbers are not available, it is indicated that the tourist and service sectors are of greatest importance in terms of direct and indirect employment. Seasonal employment is a characteristic of agriculture, the hotel industry and the transportation service.

Positive indicators in the employment sector during 1981 include reactivation of the sugar industry, rehabilitation of the oil refinery, increased construction activity particularly by the public sector and also in the service sector during the independence period. However, such gains were offset in part by declines in cotton production and in employment by enclave industries.

EXTERNAL SECTOR

Balance-of-payments statements are not available beyond 1979, when the visible trade deficit was \$137.2 million, the current account balance in deficit by \$22.4 million and the overall balance in deficit by \$6.2 million.

The visible trade deficit for the first five months of 1981 was \$92.7 million during which period imports were valued at \$125.7 million and exports \$33.0 million. Petroleum, foodstuffs, construction materials and machinery and equipment for the transport sector continue to dominate the import sector while clothing, rum, fish and lobster are the main exports.

PRICES

Inflation was approximately 12 percent in 1981 compared with 19 percent in 1980. The reduced level of inflation was due to a combination of circumstances, including stabilization of world petroleum prices, a slow down in the inflation rate of countries from which most imports are derived and the relative strength of the US dollar - to which the EC dollar is linked.

The January to January price changes for gasoline, diesel, kerosene and LPG were 20, 25, 29 and 30 percent for the 1980-1981 period and 5, 9, 4 and 8 percent respectively during 1981-1982 period. These changes resulted in smaller changes in the consumer price index for utilities, transportation and housing. Food items, clothing and household operations showed higher levels of inflation than other components of the consumer price index.

FISCAL AND MONETARY DEVELOPMENTS

Direct taxes on wages and salaries were abolished in 1976 and a number of indirect taxes introduced. The total collected by the Inland Revenue Department increased substantially during 1981. This resulted from a revision in tax structures and measures, collection efficiency and some economic growth. As a result, company tax increased from \$5.4 million in 1980 to \$9.6 million in 1981. Taxes of 20 percent on external telecommunications yielded \$998,700, an increase of 53 percent, foreign currency levies of 1.0 percent yielded some \$4.0 million and stamp duties on sales and legal transactions amounted to \$2.1 million, an increase of 17 percent. The licensing categories were extended and fees increased during 1981 to yield some \$1.5 million, an increase of 126 percent over 1980. Property tax levied on buildings amounted to \$0.922 million.

Hotel and guest taxes increased by 12 percent to \$4.3 million and a 10 percent tax on all airline tickets realized \$0.721 million. Embarkation fees paid by airline passengers yielded \$0.68 million, a marginal decrease from a high of \$0.710 in 1980. Cruise ship passengers tax had its first full year of operation and yielded \$0.734 million.

Duties on imported commodities amounted to \$17.4 million, while the consumption taxes associated with those imports yielded \$16.0 million.

Data relating to commercial banking activities at the end of December 1981 show that time demand deposits amounted to \$26.2 million, a decrease of \$6.2 million; time deposits \$60.9 million, a decrease of \$3.1 million; and savings deposits \$77.5 million, an increase of \$18.5 million relative to December 1980. Total deposits increased by \$9.2 million over the 1980 figure.

Total loans and advances to 31 December 1981 amounted to \$188.2 million, some \$51.5 million over the 1980 annual figure.

With regard to public financing, treasury bills held by commercial banks increased from \$8.485 million at end of 1980 to \$8.795 at 30 September 1981. Loans and advances to government and statutory bodies increased from \$29.260 to \$32.098 million during the same period. Government deposits with commercial banks amounted to \$8.059 million and the net foreign assets of the treasury \$1.749 million at 30 September 1981.

STATISTICAL APPENDIX

ANTIGUA AND BARBUDA

1981

ANTIGUA AND BARBUDA

TABLE I

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

	1975	1976	1977	1978	1979	1980 ^P
Agriculture	9.6	10.8	11.6	12.8	13.5	14.3
Domestic Agriculture	(1.1)	(1.3)	(0.8)	(1.2)	(1.2)	(1.4)
Livestock	(5.9)	(6.2)	(7.3)	(7.9)	(8.5)	(9.0)
Fishing	(2.6)	(3.3)	(3.5)	(3.7)	(3.8)	(3.9)
Mining and Quarrying	0.7	1.1	1.0	1.2	1.6	1.8
Manufacturing	11.0	5.1	6.9	9.3	13.3	13.7
Construction	9.0	10.4	10.9	11.0	13.5	15.6
Electricity and Water	1.4	1.3	2.1	3.6	4.9	7.8
Transport and Communication	20.1	22.0	26.0	29.7	34.9	38.4
Road	(7.6)	(7.3)	(8.3)	(9.2)	(11.0)	(12.3)
Sea	(1.0)	(1.0)	(1.7)	(3.1)	(3.9)	(4.0)
Air	(6.9)	(8.2)	(9.1)	(10.1)	(11.7)	(11.7)
Communication	(4.6)	(5.5)	(6.8)	(7.3)	(8.3)	(10.4)
Trade	15.3	14.0	17.1	19.2	24.3	28.4
Hotel and Restaurants	11.2	14.1	18.5	22.2	29.1	31.8
Banking and Insurance	8.5	7.5	9.7	10.6	13.1	14.0
Ownership of Dwellings	15.5	16.5	18.4	19.8	23.3	24.9
Government	15.3	16.6	19.4	23.5	26.0	30.9
Other	3.0	1.2	0.3	1.3	1.2	1.8
GDP at Factor Cost	120.6	120.8	142.0	164.2	198.7	223.4
GDP at Market Prices	135.2	135.7	162.1	190.4	227.0	...

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

Source: Statistical Division, Ministry of Finance, Antigua.

ANTIGUA AND BARBUDA

TABLE II

GROSS DOMESTIC PRODUCT AT 1975 PRICES
(EC\$ Mill.)

	1975	1976	1977	1978	1979	1980
1. Agriculture						
1.1 Agriculture	1.1	1.8	1.0	1.5	1.0	0.9
1.2 Livestock	5.9	6.4	7.1	7.8	8.4	8.5
1.3 Forestry and Logging	-	-	-	-	-	-
1.4 Fishing	2.6	2.6	2.8	2.6	2.0	2.0
1.5 Total	9.6	10.8	10.9	11.9	11.4	11.4
2. Mining and Quarrying	0.7	1.0	0.9	1.1	1.2	1.3
3. Manufacturing	11.0	4.9	6.1	7.8	10.4	10.6
4. Construction	9.0	9.1	8.9	8.5	9.4	9.4
5. Electricity and Water	1.4	1.4	1.5	1.9	2.2	2.0
6. Transport and Communication						
6.1 Road Transport	7.6	6.8	7.3	7.6	8.2	8.5
6.2 Sea Transport	1.0	0.9	1.1	2.0	2.6	2.6
6.3 Air Transport	6.9	5.8	7.0	8.8	10.1	10.1
6.4 Communication	4.6	3.4	3.9	3.9	4.6	4.6
6.5 Total	20.1	16.9	19.3	22.3	25.5	25.8
7. Trade	15.3	13.3	14.0	15.5	17.2	17.4
8. Hotels and Restaurants	11.2	10.6	12.5	14.1	16.4	17.5
9. Banks and Insurance	8.5	8.8	8.4	8.5	8.5	8.6
10. Real Estate and Ownership of Dwellings	15.5	15.2	15.6	16.0	16.3	16.1
11. Producers of Government Services	15.3	16.6	19.4	18.5	18.5	22.1
12. Other Services	6.7	5.6	5.5	6.3	6.4	6.6
13. <u>Less</u> Imputed Banking Service Charges	-3.7	-4.5	-5.2	-5.3	-5.7	-6.1
14. GDP at 1975 Prices	120.6	109.8	117.8	127.1	137.7	142.7

Source: Organisation of East Caribbean States,
Economic Affairs Division.

ANTIGUA AND BARBUDA

TABLE III

ESTIMATED OUTPUT OF SELECTED COMMODITIES

	Unit	1976	1977	1978	1979	1980 ^{1/}	1981
Raw Cotton	000 kg.	237	204	240	16	...	15
Sweet Potatoes	"	253	72	170	279	59	110
Yams	"	61	42	80	109	31	20
Tomatoes	"	109	39	140	136	26	35
Onions	"	73	8	16	127	5	7
Carrots	"	136	21	88	147	24	39
Pineapples	"	40	26	30	28	...	132 ^{2/}
Bananas	"	44	11	232	152	136	179
Ginger	"	1	3	9	3	6	9
Lobster	"	136	175	120	101	64	38
Animal Feed	"	...	74	135	42	58	37
Cotton Lint	"	81	74	79	5	16	6
Cotton Seed Oil	"	...	1	1	...	8	6
Rum	000 proof litres	809	414	923	823	623	736 ^{3/}
Clothing (outerwear and underwear)	Dozens	27180	37000	30440 ^{4/}	156869 ^{4/}	265296 ^{5/}	...

^{1/} Data for small farmers only.

^{2/} Data for January to November.

^{3/} Accounting year: September-October.

^{4/} 3 of 5 factories: Eagle, Arli, Rachael, Needlecraft.

^{5/} 1 of 5 factories: Rachael Needlecraft.

Source: Ministry of Agriculture, Antigua.

ANTIGUA AND BARBUDA

TABLE IV

INSTALLED CAPACITY AND PRODUCTION OF ELECTRICITY

Year	<u>Industrial and Public</u>			<u>Industrial</u>			<u>Public</u>		
	Total	Thermal	Hydro	Total	Thermal	Hydro	Total	Thermal	Hydro
<u>INSTALLED CAPACITY</u> ('000 KW)									
1976	17E	17E	-	4	4	-	13	13	-
1977	18	18	-	5	5	-	13	13	-
1978	16.5	16.5	-	5	5	-	11.5	11.5	-
1979	20	20	-	5	5	-	15	15	-
1980	20.3	20.3	-	5.3	5.3	-	15	15	-
1981	20.3	20.3	-	5.3	5.3	-	15	15	-
<u>PRODUCTION</u> (Million kWh)									
1976	47.4	47.4	-	7 ^e	7 ^e	-	40.4	40.4	-
1977	51.6	51.6	-	7 ^e	7 ^e	-	44.6	44.6	-
1978	53	53	-	7 ^e	7 ^e	-	46	46	-
1979	52	52	-	7 ^e	7 ^e	-	45	45	-
1980	53.7	53.7	-	1	1	-	52.7	52.7	-
1981	57.2	57.2	-	1	1	-	56.2	56.2	-

Source: Electricity Department, Public Utilities Authority, Antigua.

ANTIGUA AND BARBUDA

TABLE V

PUBLIC ELECTRICITY GENERATION AND CONSUMPTION
(Hundred thousand kWh)

	1976	1977	1978	1979	1980	1981
<u>Total Electricity</u> <u>Generated</u>	40.4	44.6	46	45	50.2	56.2
<u>Total Consumed (sold)</u>	-	34.3	35.5	34.6	37.7	42.8
Residential (households)	-	14	15	15	17	19
Commercial	-	12	12	10	12	14
Industrial	-	5	5	7	5	6
Street lighting	-	1.3	1.4	1.6	1.6	1.6
Other - Government	-	2	2.1	2.0	2.1	2.8
Own Use	1.4	1.6	1.5	1.1	1.2	1.3
Transmission losses and Unaccounted	-	8.7	9	9.3	14.4	12.2

Source: Electricity Department, Public
Utilities Authority, Antigua.

ANTIGUA AND BARBUDA

TABLE VI

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

Industries	1974	1975	1976	1977 ^P	1978 ^P	1979 ^P	1980 ^P	1981 ^P
Agriculture, Livestock and Fishing	2,194	2,349	2,292	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	22,491	23,159
Labour force total	...	...	...	...	26,767	27,592	28,378	29,229
Unemployment	...	...	...	...	20.4	20.2	20.7	20.8

Source: Statistics Division of the Ministry of Labour.

ANTIGUA AND BARBUDA

TABLE VII

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

Industries	1 9 7 8			1 9 7 9		
	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	20	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.

ANTIGUA AND BARBUDA

TABLE VIII

SELECTED DATA ON TOURISM 1976-1981

	1976	1977	1978	1979	1980	1981 ^P
Total overnight visitors	57,191	68,297	76,895	99,536	97,901	84,724 ^{1/}
Cruise-ship visitors	32,385	35,795	51,942	70,266	107,094	113,357
Total visitors	89,576	104,092	128,837	169,802	204,995	198,081
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	3,644
Number of new hotels	-	-	-	-	-	2
Number of new guest houses	2	5	3	...	4	3
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	177
Number of yacht calls	1,036	2,131	2,731	2,040	2,707	...
Passengers on yachts	...	7,211	4,819	8,957	9,894	10,800 ^e
Number of wind cruiser calls	...	32	34	72	47	...
Passengers on wind cruisers	...	2,677	3,091	7,356	1,436	1,500 ^e
<u>As % of Total Visitor Arrivals (Air only)</u>						
<u>By Country of Origin</u>						
United States of America	40.7	42.9	46.7	45.0	39.8	38.0
Canada	14.3	12.5	11.8	10.6	10.2	9.7
United Kingdom	8.8	7.8	9.5	11.7	12.4	15.4
Caribbean	25.9	26.3	21.7	22.1	23.7	37.9 ^{3/}
Other	10.3	10.5	10.3	10.6	13.9	...
Total Air Arrivals	56,398	67,412	75,562	86,459	86,571	84,724 ^{1/}

^{1/} Visitors by air only. ^{2/} Excludes visitors by sea. ^{3/} Includes % for
Source: Antigua Department of Tourism and data supplied CEPAL. Caribbean.

ANTIGUA AND BARBUDA

TABLE IX

CONSUMER PRICE INDEX
(1 January 1969 = 100)

	1976	1977	1978	1979	1980	1981	1981/80
	<u>Annual Averages</u>						
All Items	224.0	254.8	270.4	314.6	374.4	417.3	11.5
Food and Beverages	270.8	306.5	325.5	368.0	431.1	485.6	12.6
Alcohol beverages and Tobacco	210.7	229.1	243.3	289.7	339.3	379.2	11.8
Housing	165.4	168.6	177.2	190.5	230.6	250.0	8.4
Utilities	160.7	215.0	226.9	315.9	448.4	475.2	6.0
Clothing and Accessories	242.5	284.3	291.9	322.7	365.2	426.6	16.8
Transportation	195.7	255.4	269.4	385.0	454.7	494.9	8.8
Household operations and Miscellaneous	209.4	240.8	270.1	310.6	360.8	409.2	13.4
	<u>December Index</u>						
All Items	240.4	267.1	284.5	344.5	400.4	428.5	7.0
Food and Beverages	287.8	331.3	350.9	402.0	468.2	500.5	6.9
Alcohol beverages and Tobacco	224.9	232.4	251.1	317.5	355.6	380.7	7.1
Housing	168.6	168.6	177.4	207.6	239.2	258.0	7.9
Utilities	161.7	223.2	230.9	368.6	463.8	474.7	2.3
Clothing and Accessories	259.6	293.8	293.7	349.2	388.1	436.9	12.6
Transportation	250.7	261.9	276.8	410.0	486.1	497.9	2.4
Household operations and Miscellaneous	224.1	234.7	295.5	338.7	386.7	436.5	12.9

Source: Statistics Division, Ministry
of Finance, Antigua.

ANTIGUA AND BARBUDA

TABLE X

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

	1976	1977	1978	1979	1980	1981 ^P
Recurrent Revenue	28,343	33,031	37,033	48,453	62,200	77,245
Recurrent Expenditure	35,187	43,949	43,918	58,553	57,237	93,319
Savings/deficit on current account	<u>-6,844</u>	<u>-10,918</u>	<u>-6,885</u>	<u>-10,100</u>	<u>-3,825</u>	<u>-16,074</u>
Capital Revenue	8,113	11,084	7,848	5,831	11,000	12,200
Capital Expenditure	5,826	7,131	5,156	...	23,700	18,500
Total Revenue	36,456	44,115	44,981	49,257	73,200	89,445
Total Expenditure	41,013	51,080	49,074	...	72,665	112,819
Fiscal surplus/deficit	<u>-4,557</u>	<u>-6,965</u>	<u>-4,093</u>	...	<u>-10,741</u>	<u>-23,374</u>
Debt Servicing	4,024	5,560	3,164	14,935	15,567	16,213

Source: Ministry of Finance, Antigua.

ANTIGUA AND BARBUDA

TABLE XI

CENTRAL GOVERNMENT REVENUE
(EC\$'000)

	1976	1977	1978	1979	1980	1981 ^P
<u>Current Revenue</u>						
Import Duties	6,627	7,858	10,444	11,863	16,281	17,000
Export Duties	12	11	11	10	84	100
Excise Duties	18	8	7	2	1	1
Consumption Duties	4,331	6,290	6,678	8,349	11,584	16,000
Income Tax						
Personal	7,972	2,147	1,058	771	630	650
Company		2,193	2,817	3,041	7,240	9,581
Other taxes	3,340	5,518	8,109	11,712	13,300	13,490
Other local receipts	6,043	9,007	7,909	7,678	4,346	20,423
TOTAL RECURRENT REVENUE	28,343	33,031	37,033	43,426	53,466	77,245
<u>Capital Revenue</u>						
Other local receipts	359	1,905	1,522	1,798	3,030	2,500
Development aid	3,199	3,819	4,028	3,696	3,020	6,703
Local borrowing	4,555	5,360	2,398	337	1,600	...
TOTAL REVENUE	36,456	44,115	44,981	49,257	61,116	86,448

N.B. 1978 and 1979 are unaudited actuals.

Source: Ministry of Finance, Antigua.

ANTIGUA AND BARBUDA

TABLE XII

SELECTED DATA ON EXTERNAL TRADE
(EC\$ '000)

	1978		1979 ^P		1980 ^P		1981 ^{1/}	
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports
Food	31,911.2	861.0	70,609.0	716.3	90,222.3	7,007.8	49,359.0	451.1
Beverages and Tobacco	2,942.0	1,554.6	6,047.7	145.4	9,324.8	1,884.3	4,493.8	609.5
Crude materials	2,065.8	772.1	2,952.6	31.9	5,904.0	353.2	3,503.2	11.2
Minerals, Fuels and Lubricants	1,634.7	104.0	799.9	59.9	4,835.7	48.2	2,799.6	19.2
Animal and Vegetable Oils and Fats	479.3	-	333.0	-	386.7	0.3	284.8	-
Chemicals	9,688.9	1,338.0	8,495.6	89.4	21,307.9	1,239.7	6,664.0	1,341.6
Manufactured Goods	24,461.4	3,996.1	21,438.9	1,351.8	48,980.6	5,203.7	21,051.9	2,312.4
Machinery and Transport Equipment	26,005.2	6,807.3	36,843.6	6,916.6	56,119.0	18,898.0	28,425.5	11,083.8
Miscellaneous Manufactures	10,076.0	17,546.0	20,959.5	17,949.1	25,744.5	40,356.7	8,996.9	17,113.7
Miscellaneous Transactions	455.0	903.5	99.1	0.5	111.9	1.8	77.3	10.1
TOTAL	110,719.5	33,853.2	168,578.9	27,440.9	262,947.4	74,994.0	125,656.0	32,952.6
Balance of Trade	-76,866.3		-141,138.0		-187,953.4		-92,703.4	

N.B. 1978 data excludes oil and petroleum.

Source: Data supplied CEPAL. Statistics Division, Ministry of Finance, Antigua.

ANTIGUA AND BARBUDA

TABLE XIII

SELECTED ACCOUNTS OF COMMERCIAL BANKS
(EC\$ Mill.)

	Outstanding at 31 December					
	1976	1977	1978	1979	1980	1981 ^{1/}
Liabilities to the Private Sector						
Demand deposits	15.8	22.6	19.5	26.2	32.4	26.2
Savings deposits	40.1	44.7	47.4	54.8	59.0	77.5
Time deposits	51.5	33.8	47.0	53.7	64.0	60.9
External liabilities	<u>-17.6</u>	<u>-21.9</u>	<u>-25.2</u>	...	...	<u>-10.8</u>
External assets	37.6	11.0	17.4	33.0	24.9	18.5
Claims on banks in territories	(35.3)	(8.5)	(9.5)	(25.1)	(19.0)	14.2
Claims on banks abroad	(2.3)	(2.5)	(7.9)	(7.9)	(5.9)	4.2
Liabilities	-55.2	-32.8	-42.6	...	...	-88.2
Balances due to banks in territories	(15.9)	(6.9)	(8.3)	(8.2)	(10.2)	22.8
Balances to banks abroad	(25.4)	(11.8)	(18.5)	(12.0)	(11.0)	14.8
Non-resident deposits	(13.9)	(14.1)	(15.8)	(...)	(...)	42.1
Assets of Commercial Banks						
Loans and advances	89.3	97.6	103.9	117.5	136.7	188.2
Investment	19.8	9.5	10.4	8.9	11.4	6.3
Cash	2.7	3.1	3.9	5.6	7.0	14.4

^{1/} Research Department, Ministry of Finance, Antigua.

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

PART III

BAHAMAS COUNTRY NOTES

ECONOMIC SURVEY 1981

BAHAMAS (Bahamas dollar used throughout)^{1/}

Official Gross Domestic Product (GDP) estimates have not been published since the preliminary estimates for the years 1973-1979^{2/} were calculated. Indicators of economic activity for 1980 and 1981 are very incomplete both in scope and coverage and as a result quantification of changes in the level of overall activity has not been possible. However, indications are that there was real growth during 1980. Some growth appears to have taken place during 1981 but at a significantly reduced rate. Increased activity in agriculture and capital inflows into construction made positive contributions during 1981.

Agriculture GDP is estimated to have increased as a result of increases in the livestock sub-sector, particularly poultry production. Fisheries output appeared to have declined but fruits, vegetables and rootcrops at least maintained their combined level of output. Significant infrastructure changes were in progress during 1981 and the various programmes appear already to have made a positive impact on the sector. Available data suggest relatively small growth in the construction sector during the year. The main support was from the erection of new manufacturing and commercial structures, including hotels, and government buildings and other construction activities.

Tourism, still the dominant sector in the Bahamian economy, declined after several years of increase. The growth rate of this sector had already been declining since 1979 with the general economic weakness in the economies of many industrialized countries. Tourism seems to be facing several problems

^{1/} B\$1.00 = US\$1.00

^{2/} The estimates appearing in National Accounts Manual of the Bahamas, Department of Statistics, Bahamas, are considered to be very tentative, especially at sectoral level, and as such should be considered as merely indicative and used with appropriate caution. A revision exercise is currently underway.

but there is an obvious appearance of confidence that the situation will improve. This is exemplified by the intensified promotion and hotel construction activities underway.

Data are scarce for the productive sectors excluding agriculture for recent years, but it appears that some sub-sectors such as building materials and quarrying have experienced difficulties. The petroleum refinery, an offshore company, continued to make positive contributions to the economy, but throughput appears to have declined in 1981 affected by the reduced world market demand for petroleum products. Increases in manufacturing production are expected to be realized during 1982 when establishments under construction during 1981 come on stream. Major institutional changes are en train as part of a programme to further stimulate these sectors.

Double-digit price increases continued during 1981 but at 11 percent, only one percentage point below the 1980 level. In the context of current world inflation, these levels must be considered as moderate. Interest rates paid by banks for savings and time deposits have increased, apparently providing the stimulus for the increases that have become apparent in these deposits. By contrast, rates charged on loans have increased at a slower pace however, loans and advances to private borrowers have not increased by much during 1981. Government transactions also must be considered somewhat anti-inflationary in 1981 as a surplus has been generated. Government borrowing increased during 1981 and most of the loans were from external sources. Even so, external debt as of December 1981 at \$46 million, was still quite small compared with the total national debt at the same date of \$281 million.

The external sector is predominant in the Bahamas. During the last five years a balance-of-payments surplus, though small, has been realized in all except two years. This has occurred because the large merchandise trade deficits have been offset by large net inflows from tourism and, in some years, from foreign capital transactions. There was Current Account deficit in 1981 of \$73 million and of \$14.0 million in 1980. At the end of 1981 international reserves totalled approximately \$103 million.

No new policy thrust was initiated during 1981 and effort was concentrated on execution of programmes previously outlined. Government programmes were directed towards the strengthening and diversification of the economy,

accelerating economic growth and provision for the material needs of all the people. Emphasis is continuing on tourism, agriculture, construction, manufacturing and petroleum exploration.

Agriculture

Sectoral GDP data are not available after 1978 and in that year the contribution of agriculture estimated on a preliminary basis at \$42 million in current prices, was just over 4 percent of total GDP.

Preliminary information up to 1980 suggests that the share of agriculture may have increased since 1978. The performance of available indicators for 1981 is mixed. There appears, however, to be an increase in terms of current value GDP resulting mainly from price increases but little growth in real terms.

The fishing sub-sector continued to be the most dominant during 1981 but its contributions in real terms may be slightly lower than in 1980. One of the major indicators, value of total landings of marine products at Nassau, the capital city, declined by about 3 percent in terms of volume. Volume of the high-priced crawfish was affected most, but this effect was partly compensated for by price increases of all fish and increases in volume of landings of some varieties. Data are unavailable for exports of fish which are not all landed at Nassau.

The livestock sub-sector, the second largest in agriculture, appears to have improved slightly in real terms compared with 1980 and offset somewhat the lower output of fishing. This resulted mainly from an increase in cattle slaughtered and from increases in poultry production. It is reported that the poultry industry, although performing better than in 1980, was affected by dumping of United States poultry products on the local market.

The fruits and vegetables and forestry sub-sectors are relatively small, together accounting for less than 10 percent of the sector. Indicators are not available for forestry for recent years, but there are some indications that production of fruits and vegetables may have been higher in 1981 than in 1980.

The agricultural sector continued to be beset by problems of production and marketing during 1981. In a drive to solve these problems the Government has embarked on a programme to establish a \$125 million industry in 10 years.

The objective is to increase foreign exchange earnings from agriculture, provide significant employment and develop links between agriculture and industry. One of the major initiatives is the establishment of the Agricultural and Industrial Corporation. Through this corporation increased credit is to be made available and Government is prepared to participate in joint-venture arrangements with private companies in establishing large-scale farming enterprises.

A number of agricultural projects have been prepared and implementation of some has already begun. Among these projects are construction of a modern fishing complex, upgrading of the Government abattoir, construction of a new wholesale produce exchange and the establishment of a sheep project, designed to provide improved technology and expertise to enable the traditional sheep-producing areas to increase production. Government also plans to re-acquire lands that had been leased for farming but which are not being effectively used.

During 1981 an improved produce marketing system was introduced and it appears that more fruits, vegetables and rootcrops entered the produce exchange. Better transportation facilities - larger and faster boats and increased refrigerated cargo space - have also made a contribution. Work on the fishing complex has begun and should be completed by year end 1982. This modern facility is expected to contribute significantly to exploiting the rich fishing areas in the archipelago.

Preliminary figures indicate that Government expenditure on agriculture increased by 8 percent in the period January to September 1981, compared with the corresponding period of the previous year. Outstanding loans and advances to the agricultural sector by commercial banks at the end of September 1981 was still relatively small, but was more than double the amount outstanding at the end of the same period in 1980.

All these factors point to a more buoyant agricultural sector in 1982.

Tourism

The tourist industry continued to be the major contributor to the Bahamian economy during 1981 despite the decline in total visitor arrivals and expenditure. Available data are given in Table VII of the Statistical Appendix. Visitor arrivals have increased every year beginning 1978 and peaked in 1980

when nearly 1.9 million visitors arrived (including 1.3 million "stop-over" visitors). Comparison of definitive data for January to September 1981 with that of the corresponding period for 1980 shows that the total tourist arrivals declined by 4 percent while a decrease of 11 percent was recorded for "stop-over" visitors. In contrast, cruise-ship arrivals increased by nearly 10 percent to September 1981 but the full-year increase is estimated to have been lower than the 1980 total. For the year as a whole the total number of visitors is estimated to have declined by 7 percent. Estimates of tourist expenditure for full-year 1981 were placed at \$639 million, \$43 million (7 percent) above estimates for 1980.

Major problems which have confronted the tourist industry and resulted in the decline include:

- i) the significant increase in vacation costs to non-United States visitors due to the steady appreciation of the US dollar recently;
- ii) the air traffic controllers' strike in the United States which resulted in a reported reduction of 25 percent in flights to the Bahamas;
- iii) adverse criticisms in the local and overseas press regarding Government's land and development policies, the hallucinogenic drug problem and the inconveniences of frequent electricity black-outs during 1981;
- iv) inflation and slow-down of the pace of economic activity in the United States and other major markets;
and
- v) rabid competition among countries for the scarcer tourist dollar.

The Government has proposed the implementation of several measures in a strategy to revive the tourist industry. In this connection, a ten-year development plan for tourism has been completed. A major objective of the strategy is to increase the domestic content of the sector. During 1980 Government spent some \$20 million on monitoring researching, servicing and promoting tourism according to available data on expenditure. The figure for 1981 is estimated to be only slightly higher, but for 1982 planned expenditure of \$23 million was requested in the Government's budget speech. These figures indicate the continued confidence being placed on that sector in developmental activities.

To this end, promotion of Tourism is being intensified and an additional allocation of \$3 million has been provided for this purpose in the 1982 budget. Scheduled and charter airline services out of the United States and Europe are to be increased and additional cruise lines induced to stop in the Bahamas. New resort developments and major infrastructural improvements are being carried out by private investors and government. At the end of 1981 some 1700 new hotel rooms were either under construction or at a very advanced stage of planning.

Construction

Available indicators point to very slight growth in this sector during 1981. As noted elsewhere, hotel construction increased and Government construction appeared to have given the major boost during the year.

With respect to building construction, the data in Table VI of the Statistical Appendix show that the value of building completions has increased during the year compared with 1980. The decline in number of building permits issued, in commercial building starts and in number of completions combined with the large value of commercial buildings in progress indicate the large-scale projects underway. These projects include a 750-room hotel in New Providence, a 200-room hotel in Freeport and 100 hotel rooms in the "family islands", two large chemical plants and several Government educational facilities.

Despite the overall reduction in residential building starts, construction on Government housing projects was very active during the year. Work commenced on lower income housing schemes, both to build new houses and to repair and up-grade housing and related facilities in certain poorer communities. Persons who could not meet the normal commercial loans eligibility criteria and the terms of repayments are being assisted with loans, loan guarantees at more favourable rates of interest and other concessions. Government has also increased its expenditure on non-building infrastructure construction activities. These increases are reflected in expenditure data for public works and water supply given below:

Table 1
Government Expenditure - Public Works and Water Supply
\$ Million

	Current	Capital	Total
1979	7.3	8.9	16.2
1980	8.6	13.0	21.5
1981 ^P	9.4	22.3	31.7
1981 (Jan-Sept) ^P	6.8	11.5	18.2
1982 ^{e1}	10.7	14.5	25.2

Totals may not agree with breakdowns because of rounding.

Source: Quarterly Review, September 1981, Vol.8 No.3, December 1981; Central Bank of the Bahamas, and data furnished CEPAL.

Data on loans and advances of commercial banks are given in Table XI. These show a decline for building construction for 1981, following an increase in 1980 and reflect the situation with private building activity mentioned above. Mortgage interest rates have increased on average by only about 0.25 percentage points during the first three quarters of 1981. It is not clear whether this increase made a severe impact on decisions of many private individuals to build.

For 1982 the hotel projects and Government construction activities will continue to support the sector but there will probably be a decline unless the pace of construction of Government's low income housing projects and urban renewal activities can be accelerated.

Mining, Manufacturing, Electricity, Gas and Water

Together these sub-sectors of economic activity contributed about \$117 million (crudely estimated) to total GDP during 1978. (See Table I of the Statistical Appendix). At that time the sector's share was 12 percent. Later estimates are not available, but there are indications of higher contributions since 1978.

Table 2
Ratios of Selected Aggregates

	1975	1979	1980 ^F	1981
Petroleum Imports ^{1/} /Total Imports ^{1/}	0.354	0.318	0.336	0.282
Petroleum Imports ^{1/} /Domestic Exports	1.114	1.034	1.491	1.550
Petroleum Imports ^{1/} /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	.497
Petroleum Imports and Foreign Currency Debt/Domestic Exports and Net Total Receipts	0.505	0.345	0.476	...

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

Source: Calculated from official data.

Mining and Manufacturing

Reliable GDP data are not available but on the basis of the preliminary estimates for 1978 referred to above, this sub-sector of economic activity accounted for less than 5 percent of total GDP. Indications are that the share of the sector has remained about the same level in later years.

Mining products consist mainly of salt, aragonite and quarrying of construction materials. Manufacturing consists of a wider range of commodities of which petroleum products is the most significant. The rest are really light goods industries except for a small volume of metal products and building materials including cement. Important product groups are food and beverages and printing and publishing.

Volume of output in manufacturing, other than petroleum, appeared to have increased slightly in 1981. Increased fixed capital formation put into place during 1981 should result in higher manufacturing output during 1982. Included among these are two chemical plants. Prospects for the near-term future include a brewery and factories manufacturing PVC pipes, clothing, leather, jewellery and plastics. These new enterprises were registered under

the New Industries Encouragement Act of 1981. Further encouragement to industry is expected from the merging of the Bahamas Development Corporation and the Bahamas Agricultural Corporation. The "new" corporation will promote establishment of industrial and agricultural enterprises. In addition, a private sector initiative has been launched in the form of a development foundation to assist in setting up small-scale manufacturing establishments.

Energy

Currently available data are given in Tables XIII to XV of the Statistical Appendix. Data are not available on the petroleum refining operations, the bulk of which is essentially an off-shore operation which, however, is required by law to meet domestic consumption requirements. Indications are that refinery throughput operations declined in 1981. Oil imports (petroleum products for local consumption and for foreign bunkers) declined in 1980 in terms of volume while prices increased substantially.

Data for the period January-September 1981 compared with January-September 1980 show that the value of petroleum products imported for local consumption declined by 15 percent to \$200.5 million owing to a decrease in volume. This decline is consistent with the slowing down of growth in the economy during 1981, as noted elsewhere, and energy conservation consciousness.

Domestic prices of petroleum products remained relatively stable, reflecting more moderate international price increases during 1981. End of year retail prices of selected petroleum products given in Table XIV of the Statistical Appendix show increases in prices of diesel oil and LPG of 6 and 28 percent respectively for 1981. Local production of LPG reportedly decreased during 1981 and some imports were necessary to meet local demand. Despite the moderate price increases and the decrease in volume, oil imports for local consumption accounted for an estimated 35 percent of total imports.

Oil exploration

As a result of the petroleum situation (see Table 2 above) government has embarked on a programme of oil exploration which is gaining momentum. Some traces of oil and gas had been found in the past and activities were

accelerated in 1981. At least two major oil companies are involved in preliminary exploration and permits to conduct seismic surveys have been issued. Some 8,500 line kilometres were under seismic survey during 1981. Several proposals were placed before government during that year and it is anticipated that exploration will increase during 1982 as the second phase of activity, granting of exploration licences to companies which satisfy government requirements, gets underway.

On the institutional side a small unit in the Ministry of Economic Affairs, with the aid of consultants, is responsible for monitoring (and regulating) the petroleum exploration activities.

It is expected that soon the Bahamas will accede to the San José Accord and thus be eligible to benefit from the Mexico/Venezuela Oil Facility.

Electricity

Data on electricity generation for the entire Bahamas are available only up to 1979 and are given in Table XIII of the Statistical Appendix. Part-year preliminary data for New Providence only show that up to the end of the third quarter 1981 electricity generated was at a lower rate than in the year before reflecting the slowing down of the rate of growth of the economy.

Alternative energy

During 1981 a small energy unit was established in the Ministry of Works with responsibility for all areas of energy except petroleum. (Electricity generation and distribution were already in the portfolio of this Ministry). Current and near-term initiatives include: utilization of photovoltaics for shallow-well pumping and in telecommunications; wood gassification to generate electricity for water pumping; development of plastic solar water heaters; conducting energy audits and energy assessments.

THE EXTERNAL SECTOR

The Bahamas is an extremely open economy with its great dependence on tourism, on "off-shore" companies operating mostly in the field of banking and finance but also in the goods-producing sector. The foreign dependency is also reflected in the relatively large imports and exports of merchandise. Gross receipts from tourism were 50 percent of estimated GDP in 1978. Imports

(excluding the off-shore petroleum trade) accounted for roughly 50 percent in 1978 but appeared to have increased after that. Total exports (excluding the off-shore petroleum trade) accounted for only 15 percent of GDP in 1978 but the share seems to be higher since that date. Obviously the coefficients are significantly higher when off-shore petroleum imports and exports are included. The earnings to the domestic economy of these off-shore companies include wages, fees, licenses, local purchases etc.

Balance-of-payments data are given in Table VIII of the Statistical Appendix. These figures show a small surplus in every year except 1978.

As indicated above, merchandise trade dominates the external accounts. As of 1980 imports reached some \$836 million and exports only \$201 million resulting in a large deficit of some \$635 million. Preliminary data for 1981 show a marginal widening of the trade deficit to \$649 million. This is so because the goods-producing sector has not increased activities to any great extent during 1981 and exports have been declining. One major exporting company was phasing out activities as early as the first quarter of the year.

The services account had increased sharply in 1980 to \$623 million as a result mainly of increases in receipts from transportation and local expenses of off-shore companies. For 1981 a decline of 27 percent was recorded on the services account. This was partly due to lower receipts from transportation and higher outflows on account of interest and dividend payments to foreigners. Net transfer payments continue to be in deficit but the figure is very small. The current account deficit for full-year 1981 is placed at \$73.0 million.

Net capital transactions have been relatively small in recent years except for 1977 when the figure was some \$50 million. At year-end 1981 the credit balance in the capital account amounted to about \$145 million. Long-term capital accounted for almost all of this figure. Of the total long-term capital, private sector transactions amounted to 62 percent or \$87 million and Government loans accounted for the rest. Real estate transactions and loans comprise the bulk of private long-term capital transactions. There were some fears that the drafting of the Acquisition of Immoveable Property Act would affect property sales to foreigners. During most

of 1981 the value of property sales compared favourably with sales in 1980. The capital account was strongly supported by short-term capital inflow to the Bahamas which was fairly substantial during the first nine months of 1981. Government foreign borrowing had been low (prior to 1981). As a result, however, of expansion of its hotel facilities official loan receipts were higher during 1981. At the end of 1980 total reserves stood at \$92 million and preliminary figures indicate an \$11 million increase as of end 1981 to approximately \$103 million.

Table 3
Total International Reserves
(Million US Dollars)

	1978	1979	1980	1981 ^P
Foreign Exchange	51.8	66.8	77.3	85.0
Reserve position in IMF	6.3	6.2	11.3	7.7
SDR's	-	4.5	3.5	7.1
TOTAL	58.1	77.5	92.1	99.8

Source: International Financial Statistics, February 1982; IMF, Washington, D.C.

Prices

The general price level, as measured by the annual averages of the Retail Price Index for New Providence Island, rose by 11 percent in 1981 over the 1980 level. Mainly responsible for this increase were higher prices of Food, Health and Personal Care, Recreation and Reading and Miscellaneous goods and services.

The rate of price increase fell somewhat in 1981, partly as a result of an abatement in the rate of increase in the price of petroleum and petroleum products. Evidence of an abatement in the rate of increase in oil prices can be seen in the Transport section of the index where the rate of increase was only 6 percent in 1981 after an increase of nearly 12 percent in 1980. Table IX of the Statistical Appendix shows the more detailed data.

MONETARY AND FISCAL DEVELOPMENTS

Available data are given in Tables X, XI and XII. Money supply, the narrowly defined M_1 , had grown relatively slowly in 1980 following periods of substantial growth between 1975 and 1979, a period when economic activity was more buoyant.

For the year 1980 M_1 , increased by 4 percent, but by year-end 1981 it fell by some 1.6 percent. Of the total narrow money supply of approximately \$140.8 million at the end of 1981, currency outside banks amounted to about 26.5 percent. In 1977 and 1978 the shares were approximately 25 percent but in 1979 the share fell. Since that time the rate of increase in currency outside banks had exceeded the rate of increase in demand deposits. It should be noted that demand deposits exclude Government deposits. Government deposits in the Central Bank and in commercial banks averaged \$21 million monthly during the period January-September 1981.

By contrast, savings and time deposits together have increased more rapidly than M_1 during the last two years; time deposits increasing more than twice as fast as savings. However, even for time deposits the growth rate has slowed during 1981. It would appear that holders of funds have been moving from more to less liquid type of bank deposits, no doubt stimulated by the higher rates of interest available on savings and fixed deposits after the end of 1979. Between that date and September 1981 the interest rate paid on saving deposits increased by 2.5 percentage points while the interest rates on fixed deposits (varying by length of maturities) increased at least by 2.6 percentage points. Funds have also been moving rapidly into deposits of non-bank financial institutions where interest rates traditionally are higher than at commercial banks. Between the end of 1980 and September 1981 these deposits increased from \$4.8 million to \$7.2 million - a rise of nearly 50 percent. Foreign currency demand deposits and other deposits (permitted under the Bahamas liberal banking laws) were much lower in September 1981 than a year earlier though the balances have fluctuated almost monthly suggesting no definite trend. There was, however, a pronounced dip of 41 percent between August and September 1981.

It should be noted also that the spread between the rates paid on deposits and the rates charged to borrowing customers had narrowed. This

would appear to be in line with the Central Bank's policy to keep lending rates relatively low in order to stimulate borrowing for domestic investment yet high enough to prevent funds moving outside to seek higher returns in the North American financial markets.

Loans and advances of commercial banks with the public at the end of 1981 at \$443 million was 6.6 percent higher than at the end of 1980. More than \$350 million were loans in Bahamian dollars, on the other hand, foreign currency loans decreased from approximately \$85 million to \$67 million. This decline may be due to the Central Bank's policy to discourage loans in foreign currencies while encouraging loans to finance domestic investment.

Forty-eight percent of loans outstanding to the private sector were in the Personal/Other Local Loans category. Trade and commerce accounted for the second highest share, approximately 18 percent. Increases were recorded in all categories of borrowers except tourism establishments, public utilities and in real estate and construction activities. Loans outstanding to the agricultural sector, though still relatively small, increased considerably during the last year and indicate the growing confidence in agriculture investment.

Net Government borrowing excluding contingent liabilities for the year ending September 1981 amounted to \$60 million. Government loans from local sources increased during the year by \$22 million and consisted mainly of foreign currency loans concentrated in the third quarter of 1981. As a result, the total internal national debt stood at \$237 million as of end September 1981. Loans from external sources increased by \$38 million, most of it during the third quarter of 1981 when external debt outstanding increased sharply to \$48 million. These increases are the result of loans for the purpose of financial hotel construction. The total direct national debt increased by 26 percent to \$285 million, however, contingent liabilities of Government increased only slightly during the year 1981. Government borrowing from the domestic monetary authorities can be considered as restrained and to the extent that proceeds from foreign loans have been deposited in local commercial banks until they are needed have tended to minimize pressure on liquidity in the financial system.

The level of required reserves in the banking system has been moving

steadily upward as the money supply increased but excess reserves have been declining since 1979 (almost coinciding with the contrasting trend in savings and time deposits) as the resources of the banking system have not grown rapidly. As of September 1981 the level of excess reserves, adjusted for loans from the Central Bank, amounted to only just over \$6 million.

Government revenue and expenditure data are given in Table XII of the Statistical Appendix and show that total revenue for Central Government was \$244 million and total expenditure \$247 million for 1980. By the end of 1981, recurrent revenue at \$278 million had exceeded the figure for the corresponding period of the previous year by some 14 percent. Tax revenue collected by the end of December 1981 increased by less than 2 percent, while non-tax revenue increased by 71 percent over the figures for the corresponding period of the previous year. Total expenditure at \$284.2 million increased by 15 percent by the end of 1981.

The significant increase in non-tax revenue was due largely to payments made by the petroleum refinery and petroleum transshipment companies and from transfer of profits of the Central Bank as required by law. The greater part of tax revenue was derived from import duties, about 70 percent during 1980 roughly the same share as in recent years. Personal emoluments continue to account for the largest share of Government's recurrent expenditure about 55 percent in 1980 but the share is declining. On the other hand, expenditure on goods and services has been increasing very rapidly. Capital expenditure averaged more than \$33 million during the last three years ending 1980 and was \$41.8 million for the full-year 1981.

STATISTICAL APPENDIX

BAHAMAS

1981



BAHAMAS

TABLE I

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

	1978	1979	1980	1981
Final consumption expenditure of resident households	553.4	617.8	...	...
Government final consumption expenditure <u>1/</u>	132.0	147.2	...	...
Gross fixed capital formation of which:	93.2	120.3	...	...
Building and construction	(34.7)	(54.4)	...	...
Machinery and equipment	(50.0) ^{2/}	(55.0) ^{2/}	...	...
Other ^{3/}	(8.5)	(10.9)	...	...
Exports of which:	820.4	947.4	...	...
Tourism	(489.0)	(565.2)	...	...
Less: Imports	628.5	753.2	...	...
Gross Domestic Product (GDP)	970.5	1,079.5	...	...

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.

BAHAMAS

TABLE II

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

	<u>In Current Value</u>					<u>Percentage</u>		<u>Annual Growth Rate</u>			
	1977	1978	1979	1980	1981	<u>Breakdown</u>		1978	1979	1980	1981
						1978	1981				
Agriculture	35	42	...	...	...	4.3	...	20.7	...	...	...
Mining) Manufacturing) <u>1/</u>	91	117	...	...	...	12.0	...	28.6	...	...	...
Construction	19	22	...	...	...	2.3	...	15.2	...	...	...
<u>Sub-total Goods</u>	<u>145</u>	<u>181</u>	...	...	...	<u>18.6</u>	...	<u>24.8</u>	...	...	...
Electricity, Gas and Water ^{1/}	...	...	...	...	...	...	...	...	...	...	...
Transport, Storage and Communications	86	113	...	...	...	11.6	...	32.2	...	...	...
<u>Sub-total Basic Services</u>	<u>86</u>	<u>113</u>	...	...	...	<u>11.6</u>	...	<u>32.2</u>	...	...	...
Commerce	79	86	...	...	...	8.9	...	8.0	...	...	...
Finance and ^{2/} Ownership of Dwellings ^{2/}	240	287	...	...	...	29.6	...	19.6	...	...	...
Public Administration) and Defence) Miscellaneous Services) <u>3/</u>	163	163	...	...	...	16.8	...	-0.3	...	...	...
<u>Sub-total Other Services</u>	<u>482</u>	<u>536</u>	...	...	...	<u>55.3</u>	...	<u>11.2</u>	...	...	...
Import Duties and Statis- tical Discrepancy	163	141	...	...	...	14.5	...	-13.5	...	...	...
<u>TOTAL GROSS DOMESTIC PRODUCT</u>	<u>876</u>	<u>971</u>	<u>1,080</u>	...	...	<u>100.0</u>	...	<u>10.8</u>	<u>11.2</u>	...	...

1/ Electricity and water included.

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.

BAHAMAS
TABLE III
ESTIMATED VALUE OF FARM PRODUCTION
(B\$ Million)

Items	1978	1979	1980	1981 ^p	Annual Growth Rate ^p		
					1979	1980	1981 ^p
Fruits and Vegetables	5.66	3.30	3.87	...	-41.7	17.3	...
Dairy Products	2.54	0.43	0.47	0.55	-83.1	9.3	17.0
Meat (Beef and Mutton)	0.37	0.55	0.52	0.72	48.7	-5.5	38.5
Poultry Products	10.14	13.24	15.38	19.62	30.6	16.2	27.6
TOTAL	18.71	17.52	20.24	...	-6.4	15.5	...

Source: Data supplied CEPAL.

BAHAMAS

TABLE IV

PURCHASE OF SELECTED COMMODITIES BY THE GOVERNMENT PRODUCE EXCHANGE

Commodity	Qty Unit	1977	1978 ^{1/}	New Qty Unit	1979	1980 ^r	Jan-Nov. 1980	Jan-Nov. 1981 ^p
Oranges	'000 fruit	809.2	707.6	MT	139.8	183.8	106.7 ^{2/}	64.7 ^{2/}
Limes	'000 fruit	1533.3	1158.9	MT	68.3	105.7	75.9	123.1 ^e
Bananas	MT	346.3	319.4		367.4	503.0	401.8	524.0
Pineapples	Dozen	765.0	5242.0	MT	91.9	87.6	81.6	129.5 ^e
Watermelons	MT	32.8	162.4		256.9	243.3	242.9	327.3
Pigeon Peas (Green and Dry)	MT	18.9	25.1		53.2	124.3	...	...
Tomatoes (Fresh)	'000 L	731.1	1452.0	MT	546.8	395.2	...	...
Onions	MT	11.0	291.0		297.9	163.5	...	...
Sweet Potatoes	MT	39.5	77.1		45.2	42.0	...	...
Tangerines	'000 L	68.4	46.8	MT	...	46.9	...	...

1/ For the period January to September 1978.

2/ Sweet oranges only.

NB: From 1979 all data in metric tons.

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

BAHAMAS

TABLE V

VOLUME OF MARINE PRODUCTS LANDED

	<u>Metric Tons</u>				<u>Annual Growth Rate</u>			
	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981^p</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981^p</u>
Crawfish	504	547	493	273	12.0	8.5	-9.9	-44.6
Conch	170	224	262	353	-28.9	31.8	17.0	34.7
Turtle	42	20	23	19	27.3	-52.4	15.0	17.4
Other	963	865	1,289	1,367	10.2	-10.2	49.0	6.1
TOTAL	1,679	1,656	2,067	2,012	5.2	-1.4	24.8	2.7

Source: Data supplied CEPAL.

BAHAMAS
TABLE VI
CONSTRUCTION INDICATORS

	1978	1979	1980	1981 ^P	Annual Growth Rate			
					1978	1979	1980	1981 ^P
Building Permits								
Number	1,835	2,152	2,332	2,581	7.7	17.3	8.4	10.7
Value <u>1/</u>	65	118	232	144	3.2	81.5	96.7	-38.0
Building Starts								
Number	953	1,107	1,120	1,228	26.1	16.2	1.3	9.7
Value <u>1/</u>	42	72	136	125	55.6	71.4	88.9	-8.1
Of which:								
Residential Building starts								
Number	765	900	913	1,035	27.5	17.6	1.4	13.4
Value <u>1/</u>	29	56	55	49	45.0	93.1	-1.8	-11.0
Of which:								
Commercial and Industrial Buildings Starts <u>2/</u>								
Number	182	197	196	180	21.3	8.2	0.5	-8.2
Value <u>1/</u>	13	15	80	71	85.7	15.4	433.3	-11.3
Building Completions								
Number	540	692	729	724	10.4	28.1	5.4	-0.7
Value <u>1/</u>	21	34	39	44	10.5	61.9	14.7	12.9

1/ Millions of current Bahamas dollars.

2/ New Providence and Grand Bahama Islands only.

Source: Quarterly Review, September 1981; Vol. 8 No.3, December 1981, Central Bank of the Bahamas.

BAHAMAS
TABLE VII
SELECTED DATA ON TOURISM

	1978	1979	1980	1981	Annual Growth Rate		
					1979	1980	1981
TOTAL NUMBER OF VISITORS - '000 ^{1/}	1,640	1,735	1,873	1,745	5.8	8.0	-6.8
Of which:							
Stop-over Visitors ('000) (includes Excursionists)	1,177 ²	1,235	1,295	1,148	4.9	4.9	-11.4
Cruise Visitors ('000)	450	476	578	597	5.8	21.2	3.3
Hotel Rooms available Maximum during year (Licensed Accommodation)	11,175	11,411	11,427	11,903	2.1	0.0	4.2
Average Hotel Room Occupancy Rate (New Providence Island only) ^{2/}	76.9	83.0	75.4	59.8	7.9	-9.2	-20.7
STOP-OVER VISITORS							
Average Length of Stay (Nights)	7.0	7.0	7.1	7.3	0.0	1.4	2.9
Per Diem Expenditure (B\$)	57.61	62.53	62.84	...	8.5	0.5	...
Per Visit Expenditure (B\$)	401.54	434.58	435.00	...	8.2	0.1	...
Total Expenditure (B\$ Mill)	472.3	536.9	563.7	608.0	13.6	5.0	7.9
CRUISE VISITORS							
Per Visit Expenditure (B\$)	50.00	52.00	55.00	...	4.0	5.8	...
Total Expenditure (B\$ Mill)	22.5	24.8	31.8	31.1	10.2	28.2	-2.1
GRAND TOTAL EXPENDITURE OF STOP-OVER AND CRUISE VISITORS (B\$ Mill)	494.7	561.7	595.5	639.1	13.5	6.0	7.3

^{1/} Excludes transits. Due to minor processing losses the figures do not add up to the original count of total foreign travels.

^{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; Bahamas Tourism Statistics September 1981, Ministry of Tourism, Bahamas and data supplied CEPAL.

BAHAMAS
TABLE VIII
BALANCE-OF-PAYMENTS
(Millions of Current Bahamas Dollars)

	1977	1978	1979 ^r	1980 ^r	1981 ^p
Merchandise	-274	-346	-454	-635	-649
Exports	136	146	171	201	176
Imports c.i.f.	-410	-492	-625	-836	-825
Services	354 ^r	403 ^r	474	623	578
Travel	358	434	508	525	548
Other	-4 ^r	-31 ^r	-34	98	30
Net Transfer Payments	-13	-15	-4	-2	-2
Balance on Current Account	66 ^r	42 ^r	17	-14	-73
Capital Account	50	-14 ^r	-11	12	145
Long-term Capital	40	-26	4	10	141
Official	4	-11	1 ^r	2	54
Private Sector	36	-15	3 ^r	8	87
Short-term Capital	-	-	-	-	-
Other Capital ^{1/}	10	12 ^r	-15	2	4
Errors and Omissions	-96	-36 ^r	14 ^r	16	61
Reserve Movements (minus sign indicates an increase)	-20	8	-20	-14	-11

^{1/} Includes net transactions of authorised dealers and other financial institutions.

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

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

	1978	1979	1980	1981 ^P
	<u>Annual Averages</u>			
Consumer Price Index	156.5	170.7	191.3	<u>212.6</u>
Food	166.4	184.6	212.5	<u>244.0</u>
Housing	135.9	144.7	158.4	<u>171.3</u>
Clothing and Footwear	166.9	187.8	216.9	<u>234.6</u>
Transport	169.2	180.2	201.1	<u>213.5</u>
Health and Personal Care	153.9	165.6	181.0	<u>200.1</u>
Recreation and Reading	157.1	170.6	181.4	<u>203.3</u>
Other Goods and Services	153.4	166.5	178.6	<u>198.0</u>
	<u>Annual Average Variation^{1/}</u>			
Consumer Price Index	6.2	9.1	12.1	<u>11.1</u>
Food	8.2	10.9	15.1	<u>14.8</u>
Housing	3.1	6.5	9.5	<u>8.1</u>
Clothing and Footwear	6.2	12.5	15.5	<u>8.2</u>
Transport	7.6	6.5	11.6	<u>6.2</u>
Health and Personal Care	6.1	7.6	9.2	<u>10.6</u>
Recreation and Reading	4.0	8.6	6.3	<u>12.1</u>
Other Goods and Services	4.5	8.5	7.3	<u>10.8</u>
	<u>% December to December Variation</u>			
Consumer Price Index	6.6	11.6	12.1	<u>8.3</u>
Food	8.3	15.0	15.4	<u>12.1</u>
Housing	4.8	6.9	10.4	<u>6.1</u>
Clothing and Footwear	8.5	16.8	12.1	<u>5.1</u>
Transport	4.2	9.4	12.1	<u>4.2</u>
Health and Personal Care	8.3	7.0	12.4	<u>7.8</u>
Recreation and Reading	7.2	6.7	6.4	<u>13.7</u>
Other Goods and Services	3.6	10.5	5.8	<u>10.8</u>

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

NB: 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.

BAHAMAS
TABLE X
MONETARY BALANCE
(B\$ Mill.)

	As of end of period				Annual Growth Rate		
	1978	1979	1980	1981	1979	1980	1981
1. <u>Money Supply (M₁)</u>	106.4	135.5	143.1	140.8	27.3	4.1	-1.6
a) Currency outside banks	26.4	29.7	33.3	37.3	12.5	12.1	12.0
b) Demand deposits	80.0	105.8	109.8	103.5	32.3	3.8	-5.7
2. <u>Factors of Expansion</u>	362.9	431.6	512.4	581.8	18.9	18.7	13.5
a) Foreign assets (Net)	(47.8)	(13.5)	2.5	13.8	-71.8	-81.5	452.0
b) Domestic credit	410.7	445.1	509.9	568.0	8.4	14.6	11.4
i) Government (Net)	99.0	87.6	80.7	111.8	11.5	-7.9	38.5
ii) Other local financial Institutions	2.2	3.9	5.8	6.9	77.3	48.7	19.0
iii) Private Sector	309.5	353.6	423.4	451.0	14.2	19.7	6.5
3. <u>Factors of Absorption</u>							
Quasi money of which:	216.1	238.4	291.1	331.8	10.3	22.1	14.0
i) Savings deposits	66.5	83.0	94.6	100.6	24.8	14.0	6.3
ii) Time deposits	123.3	134.1	173.7	213.2	8.8	29.5	22.7
iii) Deposit in foreign currency	22.3	16.8	18.0	10.2	-24.7	7.1	-43.3
iv) Due to other local Financial Institutions	4.0	4.5	4.8	7.8	12.5	6.7	62.5
4. Other Items (Net) ^{1/}	40.4	57.7	78.2	109.2	42.8	35.5	39.6

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

Source: Quarterly Review, September 1981, Central Bank of the Bahamas, and data supplied CEPAL.

BAHAMAS
TABLE XI
LOANS AND ADVANCES OF COMMERCIAL BANKS
(as of December each year)
(B\$ Mill)

Sector	1978	1979	1980	1981	Annual Growth Rate		
					1979	1980	1981
Agriculture and Fisheries	1.5	2.6	3.4	6.4	73.3	30.8	88.3
Manufacturing and Quarrying	6.9	1.2	0.6	0.9	-82.6	-50.0	200.0
Hotels, Clubs, Restaurants and Nightclubs	39.0	38.1	29.4	29.3	-2.3	-22.8	-
Trade and Commerce	44.3	50.0	55.7	82.0	12.9	11.4	47.3
Utilities (Water, Electricity and Transportation)	21.7	20.0	36.8	22.3	-7.8	84.0	39.5
Building and Construction	30.4	36.6	44.5	41.1	20.4	21.6	-7.7
Real Estate	49.5	42.8	46.1	46.8	-13.5	7.7	1.6
Personal/Other Local Loans	113.9	163.0	199.1	214.2	43.1	31.7	15.1
TOTAL	307.1	354.3	415.7	443.0	15.3	17.3	6.6

NB: Exclude loans to Government but include loans to public corporation.

Source: Quarterly Review, September 1981, Central Bank of the Bahamas.

BAHAMAS
TABLE XII
CENTRAL GOVERNMENT REVENUE AND EXPENDITURE
(B\$ Mill)

	1978	1979	1980	1981 ^P
<u>RECURRENT INCOME</u>	<u>164.0</u>	<u>202.1</u>	<u>244.1</u>	<u>278.2</u>
Tax Revenue	139.9	175.6	201.1	204.6
Of which: Import	96.8	119.0	140.0	143.6
Services	10.9	15.9	16.1	15.6
Stamp	11.3	14.3	15.8	16.0
All others	20.9	26.4	29.2	29.4
Non-tax revenue	24.1	26.5	43.0	73.6
<u>RECURRENT EXPENDITURE</u>	<u>157.6</u>	<u>178.8</u>	<u>208.1</u>	<u>242.4</u>
Personal Emoluments	91.3	98.9	114.7	134.0
Goods and Services	38.3	48.0	57.3	68.6
Transfer Payments and Subsidies	28.0	31.9	36.1	39.8
<u>SAVINGS ON CURRENT ACCOUNT</u>	<u>6.4</u>	<u>23.3</u>	<u>36.0</u>	<u>35.8</u>
<u>CAPITAL EXPENDITURE</u>	<u>28.3</u>	<u>26.3</u>	<u>38.8</u>	<u>41.8</u>
Capital Formation	11.0	15.4	22.7	32.4
Acquisition of Assets	11.8	-	-	-
Other	5.5	10.9	16.1	9.4
<u>TOTAL EXPENDITURE</u>	<u>185.9</u>	<u>205.1</u>	<u>246.9</u>	<u>284.2</u>
Net lending (- = repayment)	11.1	5.2	5.0	55.2
Deficit (-) or surplus (+)	-33.0	-8.2	-7.8	-61.1
Total National Debt at end of period (Include contingent liabilities)	233.0	274.8	292.4	343.1

Source: Quarterly Review, September 1981; Vol.8, No.3, December 1981,
Central Bank of the Bahamas and data supplied CEPAL.

BAHAMAS

TABLE XIII

INSTALLED CAPACITY AND PRODUCTION OF ELECTRICITY

Year	<u>Industrial and Public</u>			<u>Industrial 1/</u>			<u>Public</u>		
	<u>Total</u>	<u>Thermal</u>	<u>Hydro</u>	<u>Total</u>	<u>Thermal</u>	<u>Hydro</u>	<u>Total</u>	<u>Thermal</u>	<u>Hydro</u>
	<u>Installed Capacity</u> ('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	-	...	...	-	...	...	-
1981	...	...	-	...	...	-	...	...	-
	<u>Production</u> (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	735.7	-
1980	...	...	-	...	...	-	...	...	-
1981	...	...	-	...	...	-	...	...	-

1/ Include foreign Government bases.

2/ Cement plant out of operation most of the year.

NB: 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 and data supplied CEPAL.

BAHAMAS

TABLE XIV

OIL IMPORTS FOR LOCAL CONSUMPTION

Year	Propane	Motor Gasolene	Aviation Gasolene	D O M E S T I C				TOTAL Domestic Consumption	Foreign Bunkers	TOTAL Local Consumption
				Kerosene (Jet Fuel)	Bunker "C"	Gas Oil	Lubricants and Other			
<u>Volume '000 Barrels</u>										
1978	101	800	46	188	1,351	974	35	3,495	5,437	8,932
1979	116	888	47	200	1,626	1,098	37	4,012	5,580	9,592
1980	125	851	48	143	1,315	1,164	38	3,684	4,573	8,257
1981	141	924	38	103	768	1,100	47	3,121	4,576	7,697
<u>Value (B\$ Million)</u>										
1978	1.3	15.3	1.2	3.2	16.5	16.0	1.6	55.1,	74.0	129.1
1979	1.8	25.3	1.9	5.7	28.4	29.3	2.0	94.4	83.8	178.2
1980	2.6	34.7	3.1	6.2	31.1	47.0	2.6	127.3	171.6	298.9
1981	3.8	40.7	2.6	4.4	22.0	45.2	3.4	122.1	150.8	273

Source: Quarterly Review, September 1981. Vol. 8, No. 3, December 1981, Central Bank of Bahamas.

BAHAMAS

TABLE XV

RETAIL PRICES OF SELECTED PETROLEUM PRODUCTS
(Cents per US Gallon)

Period	Gasolene		Kerosene	Diesel Oil	Fuel Oil	LPG per 100 lbs
	Hi-test	Octane				
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
1981 ^P	...	...	...	1.55 ^{1/}	-	35.18

1/ Not including sea freight.

NB: Average of prices in New Providence and Grand Bahama and other family islands.

Source: Data supplied to CEPAL by official sources.



PART IV

BARBADOS COUNTRY NOTES

ECONOMIC SURVEY 1981

BARBADOS (Barbados dollars used throughout)^{1/}

The economy of Barbados experienced a decline in real growth of the order of 2.6 percent, ending five successive years of real growth. Gross Domestic Product (GDP) measured at factor cost in current prices indicates an increase of 10.5 percent to \$1.647 billion in 1981 from \$1.490 billion in 1980. However, when measured in constant prices, GDP declined from an imputed value of \$803,763 million in 1980 to \$783,000 million in 1981. Per capita GDP at factor cost, and in current prices in 1981 was \$6,574, an increase of 9.9 percent over the adjusted figure of \$5,983 for 1980.

The decline in real production was concentrated almost entirely in the major export sectors; sugar, tourism and manufacturing, whose strong performance had been the driving force behind the expansion of the economy, in recent years. All three major producing sectors recorded significant drops in output during the year. Tourist arrivals fell by 5 percent. The decline was sharpest in the North American markets with arrivals from the U.S.A. and Canada falling by 17.7 percent and 13.5 percent respectively. Only the strong performance of the United Kingdom market which recorded an increase of over 28 percent, and to a lesser degree, a growth in arrivals of 6.3 percent from CARICOM countries (excluding Trinidad and Tobago), saved the industry from disaster. Manufacturing output was estimated to have declined by three (3) percent after six years of growth averaging 7.8 percent. Sugar production, fell by 30 percent to 94,000 tonnes, the lowest level of output since 1948, as compared with an increase of over 18 percent in 1980. Export prices increased by some 2.2 percent, while production cost increased by 38.8 percent. The industry's performance was characterized by a late start to the 1981 harvest, pending settlement of an industrial dispute,

^{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.

bad weather and a shortage of labour, all of which militated to prolong the harvest, and reduced the quality of the canes delivered to the factories. In addition, domestic oil production also fell by almost a third as greater emphasis was placed on exploration during the year.

The domestically-oriented sectors, particularly the public construction and distribution sectors, generally remained buoyant, although the real rates of growth recorded were lower than those in recent years. Real growth in the Public and Construction sectors during 1981 was estimated at 3.9 percent and 4.5 percent respectively. The buoyancy of the construction sector enabled it to surpass agriculture as a generator of income and the Government services sector continued to be the second largest contributor to GDP. Activity in the Distribution sector increased significantly in nominal terms, rising from \$319 million in 1980 to \$368.8 million in 1981 - an increase of 15.6 percent. Real growth, however, was 2.1 percent. The sector maintained its position as the leading income generator in the Barbados economy with a contribution of 22.4 percent of GDP.

As regards the financial sector, during the review period, liquidity fell sharply as deposit growth failed to keep up with the expansion of credit. The growth in saving deposits was lower in 1981 than in 1980, and the National Insurance Scheme (NIS) withdrew large sums from its time deposit to purchase Treasury bills. The slow-down in economic activity reduced the borrowing needs of the manufacturing sector, and Central Bank restrictions limited credit to the personal and distribution sectors. In contrast, there was a sharp rise in credit to agriculture and tourism.

High capital expenditure and weak revenue led to serious deterioration in Government finances. Provisional estimates placed capital expenditure at \$186.6 million for 1981, representing an increase of \$84.0 million or 81.8 percent over the 1980 figure. This rapid upward movement reflected considerable cost overruns in many projects and delays in the implementation of others. Current expenditure for 1981 was provisionally estimated at \$442.0 million or an increase of 18.9 percent over the Revised 1980 figure of \$371.6 million.

Current revenue on the other hand, was estimated at \$446.9 million. The estimated surplus on the Current Account amounted to \$4.9 million compared with a surplus of \$49.3 million in 1980. As the year progressed, the payment imbalance and the fiscal deficit caused the Government to take certain measures including borrowing heavily from the Central Bank, introducing additional revenue and floating a loan on the Eurodollar market. At the end of the year, the national debt stood at \$683.4 million - an increase of \$190.2 million or 38.6 percent over 1980.

PERFORMANCE IN THE MAJOR SECTORS

Agriculture (including sugar manufacturing)

Agricultural contribution to GDP at current prices in 1981 was estimated at \$126 million - a drop of 12.3 percent when compared with \$143.7 million in 1980. The sector's share in GDP also declined during 1981 to 7.7 percent from a level of 9.8 percent in 1980. The GDP value of sugar fell from \$94.1 million in 1980 to \$70.7 million in 1981, while non-sugar agriculture and fishing grew by \$5.7 million to reach \$55.2 million. Sugar's share of GDP fell to 4.2 percent from 6.4 percent.

Total sugar production decreased by 30.3 percent from 135,000 tonnes in 1980 to 94,065 tonnes in 1981. The principal factors responsible for this poor performance include in particular: the late start of the crop by some four weeks and unseasonal heavy rains during April to June which resulted in canes not being harvested by the end of the season. The rains also affected the sucrose content, which meant that the tonnage of canes required to produce a tonne of sugar was increased. A number of cane fires also caused damages to 2,596.7 hectares or about 16 percent of the total crop. This compared favourably however, with the number of hectares burnt the previous year, when 3,837 hectares were damaged amounting to approximately 25 percent of the crop. The tonnes/cane to tonnes/sugar ratio moved from 8.9:1 in 1980 to 10.2:1 in 1981, indicating a drop in yield. There was also a drop in the yield of canes per hectare in 1981 from 74.9 tonnes in 1980 to 61.1 tonnes in 1981.

Table 1
Sugar Production - Hectares and Average Yields

Year	Hectares reaped	Average Yields M.T.		Sugar per Hectare	Sugar produced ('000 tonnes)
		Canes milled '000 tonnes	Canes per Hectare		
1977	15,765	1,046	66.3	7.6	120.0
1978	15,854	895	36.4	6.3	101.0
1979	15,800	1,052	66.3	7.1	114.0
1980	16,096	1,205	74.9	8.2	135.0
1981	15,800 ^{*/}	966	61.1	5.9	94.0

^{*/} Approximate value.

Source: Barbados Sugar Producers' Association and Central Bank of Barbados.

Sugar revenues were considerably lower in 1981 as reduced output coincided with a weakening of the pound sterling. Total sugar exports dropped by 31.9 percent from 119.3 thousand tonnes in 1980 to 80.4 thousand tonnes in 1981. Sugar earnings fell approximately \$31.4 million from \$106.4 million in 1980 to \$74.6 million in 1981.

Non-sugar agriculture and fishing grew an estimated 8 percent. Live-stock products and fish landed increased by 12 percent and 18 percent respectively.

Heavy rains during the year were mainly responsible for the drop in output of yams (a decrease of 48 percent) to 4,000 metric tonnes; sweet potatoes (35.2 percent) to 3,000 tonnes and onions (16.1 percent) to 396,000 kgs. Production of beans, carrots, cabbages, tomatoes and egg plant also registered decreases. On the other hand, substantial increases were recorded in beet, cucumber and pumpkin production. Beet production increased by 42 percent to 507,000 kg., production of cucumbers and pumpkins rose to 1.8 million kgs. (39 percent) and 527,000 kg. (2.9 percent) respectively.

There was no cotton production during 1981 as the Government, the principal producer, ceased production. The main problems facing the industry appeared to be a shortage of labour and poor management.

Poultry production rose during 1981 by 15 percent to 6 million kilograms over the previous year, as the industry replaced birds destroyed during the hurricane of 1980. Egg production declined by 8.5 percent to 1.35 million kg. as compared with 1.48 million kg. over the same period. Milk production also declined by 5.3 percent, to 7.1 million kg. from 7.5 million kg. in 1980.

Increases were recorded in the production of beef and veal by 6 percent and 16.3 percent (or 409,400 kg. and 32,400 kg. respectively), while mutton production fell by 18.9 percent to 50,500 kg. Pork production increased by 2.3 percent to 941,900 kg. in 1981, up from 919,733 kg. in 1980.

As regards fish catches, the upgrading of the fishing fleet, which took place after its depletion by Hurricane Allen in August 1980, may have contributed to the increase of 17.4 percent in fish landed in 1981.

Manufacturing

As stated above, performance of the manufacturing sector in 1981 was moderate in nominal terms, but reflected a sharp negative change in real terms. The value of output in this sector, at current prices, rose from \$186.6 million in 1980 to \$201.9 million in 1981, an increase of 8.2 percent, as compared with relative increases of 20.8 percent and 42.9 percent in 1979 and 1980 respectively. When account is taken of rising prices, the value of output fell in real terms by 5.5 percent. The contribution of the sector to GDP, however, remained stable at 12.3 percent slightly below the high of 12.5 percent in 1980, but in excess of the 11.7 percent share of 1979.

The index of all industrial production indicates a decline of 3.6 percent, from 175.4 points in 1980 to 169.1 points in 1981. As a result of weak export markets on account of international recession, food processing, electronic and other manufacturing products declined

by 5.1 percent, 6.5 percent and 11.3 percent respectively, compared with growth rates of 3.5 percent, 15 percent and 2 percent respectively in the previous year. The production of beverages and tobacco also declined by 5.2 percent in contrast to an increase of 9.4 percent in 1980.

Growth rates were recorded in quarrying (11.4 percent) and non-metallic products (10.3 percent); the rates of increase in 1980 were 64.5 percent and 6.8 percent respectively. Although the output of chemicals did not fall between 1980 and 1981, (from 149.9 points in 1980 to 151.1 points in 1981), there was a marked slowing of growth from 25.2 percent in 1980 to 0.8 percent in 1981. Wearing apparel which recorded a 2.2 percent decrease in 1980 increased slightly by 0.7 percent in 1981.

For the period 1977 to 1981, the manufacturing sector's contribution to GDP at factor cost, averaged 11.9 percent.

Industrial Development

During 1981, the Industrial Development Corporation continued its efforts to promote the industrial development of Barbados by expanding its overseas promotional activity to North America, Europe and Asia and stimulating the flow of local private capital by the identification of viable manufacturing opportunities, by undertaking some projects itself and by promoting joint ventures between the domestic and the foreign private sector.

In keeping with its policy to provide factory space as an incentive to industry, the IDC now provides eight industrial estates throughout the country. It was reported that in 1981 the corporation provided 20,026.5 square metres of factory space and awarded approved enterprise status to nine industries which were engaged in various lines of production, including electronic assembly; cosmetics, footwear, household and industrial detergents, typewriter ribbons and packaging. In addition, an industry, already in production gained approval for production of processed meats.

Credit outstanding to the manufacturing sector at year end 1981 from commercial banks increased by \$9.0 million to \$103.6 million in 1981. 16 percent of total credit outstanding to all sectors, or a decrease of 1 percent from the sector's share of 17 percent in 1980. Credit from the Barbados Development Bank to the industrial sector stood at \$8.8 million. This was the

main source of credit to the small business sector amounting to \$6 million or an increase of 15 percent over the previous year in keeping with the objective of Government of employment creation and its commitment to entrepreneur development through the support of small enterprises.

Developments in Energy and Natural Resources

During 1981, the Government accelerated the expansion of activities in the areas of conventional and alternative forms of energy, in the development of mineral resources and in the level of involvement and co-operation of the private sector in energy matters. In June, the Government centralized and streamlined energy responsibilities by transferring the Energy and Natural Resources Division from the Ministry of Trade and Industry to the Planning Section of the Ministry of Finance and Planning and increasing its status.

In October 1981 the Government, in its attempt to widen the scope of the input in energy planning, created an Energy Advisory Group comprising various organizations which are suppliers, distributors and large consumers of energy, as well as financial development and scientific institutions concerned with energy matters. It is envisaged that the Group will assist the Government in defining major energy issues and their relative priorities, provide advice on a range of options and ensure participation and co-operation in their respective areas of responsibility.

Another major policy development was the establishment of a National Petroleum Corporation. The Petroleum Corporation as a statutory body will be responsible for the development of the Natural Resources of the country, including petroleum and natural gas.

Throughout the year, the Energy and Natural Resources Division carried out a comprehensive national energy assessment, as part of the Caribbean Alternative Energy System Project, which was executed jointly by the Caribbean Community Secretariat and the Caribbean Development Bank (CARICOM - CDB) and funded by the United States

Agency for International Development. The goal of the assessment was to gain a better understanding of the national energy system, in order to permit a better design of programmes to conserve scarce energy, manage its supply and use, develop indigenous resources and anticipate energy problems. As part of the assessment, interviews were conducted with public and private sector energy consuming entities, including Government ministers, business associations, public utilities and oil suppliers.

In the final report of the assessment, conservation was identified as the one energy option for Barbados which would achieve tangible results in terms of energy savings in the very short term. The report contained other information including a compilation and review of historic, current and projected data on energy supply, price and demand, and identification and evaluation of major energy policy issues; and an outline of a follow-up programme to assist in the implementation of the recommendations.

Hydrocarbons

The Government pursued its main objective to achieve self-sufficiency in petroleum by embarking on an expanded programme of petroleum and natural gas exploration. Emphasis was shifted from conventional shallow well drilling to deep drilling and exploration. During the course of the year, Mobil Explorations Barbados Limited completed a programme of sinking six (6) deep wells, over 10,000 feet, which had begun in 1980. In addition, a further five wells tapering off at 8,000 feet were also completed, bringing the total to 50 wells being drilled. Because of the longer drilling and completion times of the deep wells and the low oil productivity in the deeper zones, daily oil production dropped from an average of 800 barrels per day in 1980 to an average of 650 barrels per day in 1981.

Production of crude oil during 1981, was 211,375 barrels or 30.8 percent lower than the 305,454 barrels produced in 1980. Natural gas also recorded a decline of 45 percent to 9,879.1 million cubic metres as compared to 17,027 million in cubic metres produced in 1980. The shortfall in supply of petroleum was made good by an increase in imports. Total imports reached one million barrels at a cost of \$92.5 million - one and a half times the 1980 energy import bill.

Under previous arrangement between the Government and the Barbados Light and Power Company, in an effort to reduce imports, natural gas produced locally, was piped into the power company. Total electricity consumed increased by 6.5 percent over 1980, largely as a result of on-going hotel and industrial expansion and increases in the number of electricity consuming units. Revenue from electricity increased by 9.1 percent, reflecting an increase of about 2 percent mainly in fuel prices. Tariffs remained unchanged throughout the year. During the course of the year the Barbados Light and Power Company entered into a series of loan agreements totalling \$126 million.

Mobile Corporation undertook seismic surveys of Barbados, to determine its hydrocarbon potential. These surveys were completed early in 1981 and the data analyzed and interpreted. The report which was subsequently forwarded to the Government now forms the basis of any agreements with Oil Companies relating to future exploration rights and production practices.

During the year, the Government received technical assistance from the United Nations Development Programme in the organization and analysis of energy data; the control of exploration and production practices and the review and development of petroleum legislation. It also received assistance from the Inter-American Development Bank (IDB) in the development of petroleum resources.

The Government of Barbados (together with a number of Caribbean and Central American countries) reached an agreement with Venezuela and Mexico under which its total crude oil requirements for 1982 would be guaranteed on concessionary terms. Under the provision of this facility, Venezuela and Mexico would provide oil to the participating countries on a 50-50 basis. A rebate of 30 percent of the cost of the oil could be used as a loan over five years at four percent interest. However, if the proceeds are to be used for energy related capital projects, the loan will be converted to a soft loan of twenty years duration at 2 percent. The latter option was adopted by Barbados.

Following extensive studies, it was discovered that it would be disadvantageous for the refinery in Barbados to process the Mexican crude oil and in this connection discussions were held between the Government of Venezuela and Mexico, with a view to reaching an arrangement whereby Barbados could increase its benefit from the facility. At present, Venezuela provides 100 percent of the crude oil under the programme.

The Governments of Barbados and Trinidad and Tobago are also holding consultations on a programme similar to the Venezuela-Mexico oil facility.

Alternative Sources of Energy

The Government of Barbados, while focusing attention on oil and gas activities, continued to place emphasis on the examination of various forms of new and renewable sources of energy, primarily in solar wind, wave and biomass.

The major advancement in this area is in the production of solar-powered water heating appliances. Three local firms are engaged in this industry and market a variety of systems, which are being used by an estimated 2 percent of local households and 15 percent of hotels. Government has also been proceeding with plans to utilise solar-powered space cooling systems. The first such unit was installed in the Government Analyst Laboratory in September and a second unit is in the process of being installed in the Ministry of Agriculture. The performance of the unit in operation is being monitored by the Barbados National Standards Institute. If solar-powered cooling is shown to be reliable and economical, its adoption could result in substantial fuel and operating costs savings for a wide range of public and private users.

As regards wind energy, IDB funded a programme for the installation, maintenance and operations of a wind turbine. The programme will be for a period of four years at a cost of \$3.7 million.

The Government has provided \$112,000 to finance the second phase of a feasibility study on the potential of generating electricity from wave energy. This phase would concentrate on instrumental wave data collection and analysis.

Bagasse, a by-product of sugar cane has traditionally been a source of energy in sugar factories, to generate steam to provide electricity, drive machinery and boil sugar. The Government of Barbados, as the major shareholder has secured funds from the Caribbean Development Bank to build and equip a

modern sugar factory that would, among other things, safeguard the participation of small farmers in the sugar industry and at the same time channel excess electricity from burning bagasse into the national power grid. However, the poor performance of the sugar industry resulted in that and other plans for bagasse utilization being shelved during 1981. It was hoped that in future crops, full use would be made of this source of energy.

Construction

The construction sector expanded for the fourth consecutive year, growing by 24.8 percent compared with a growth rate of 18.6 percent in 1980 and 17.3 percent in 1979. The continued shortage of skilled workmen, and high labour costs delayed the completion of some projects. Mortgage loans from Trust companies and commercial banks increased at the same rate as in 1980, but higher construction costs slowed activity in the private sector. Housing and commercial starts declined from 193 and 36 respectively in 1980 to 144 and 15 in 1981. The sharp expansion in public works completely offset the reduction in private sector construction, existing ones overlapping new ones. Public sector capital expenditure reached \$186.6 million, an increase of 81.8 percent over the 1980 amount. Government's major projects included initiatives in Health, Town Development, School construction and the construction of a Cement plant.

POPULATION AND EMPLOYMENT

Preliminary results of the 1980 Population Census reveal that the resident population was 248,983 persons of whom 118,565 or 47.6 percent were males and 130,418 or 52.4 percent were females. The male/female distribution was about even between ages one and 29 years, and gradually increasing disproportionately in favour of females as the ages increased. Some 67.7 percent of the total population fell into the age groups below 35 years. By the end of December 1981 the resident population was estimated to have reached 250,500 persons, an increase of 1,100 or 0.4 percent over 1980. The birth rate showed an increase of 1.0 per thousand, while the death rate of 7.4 per thousand was the lowest in eleven years.

The size of the labour force remained virtually unchanged at 114,300 persons during 1981 compared to 114,800 in 1980. The level of employment in Barbados is analyzed on a quarterly basis from data collected from the Continuous Household Survey, which is carried out by the Barbados Statistical Service. In the period January to December 1981 there was a net expansion in employment by 1,600 persons. From 100,300 persons in 1980 to 101,900 persons in 1981, of whom 58,200 were males and 43,700 were females.

The total number of persons unemployed decreased from 14,500 in 1980 to 12,400 in 1981, representing a decline of 14.5 percent in the unemployed. Unemployment as a percentage of the total labour force for both sexes fell from 12.6 percent in 1980 to 10.8 percent in 1981. Male unemployment fell from 9.2 percent in 1980 to 7.3 percent in 1981, and the corresponding figures for females were 16.7 percent and 15.1 percent respectively.

The number of persons not in the labour force over the review period grew from 59,400 persons to 62,500 persons.

THE EXTERNAL SECTOR

Exports

Sugar and tourism retained their leadership in foreign exchange earnings, albeit at a lower level than in previous years. Sugar revenue was lower in 1981 as reduced output coincided with a weakening of the pound sterling. Sugar export earnings in 1981 amounted to \$74.6 million compared to earnings of \$106.4 million in 1980. A 2 percent increase in the average export price of sugar could not offset the foreign exchange loss due to the 32.6 percent decline in exports.

As regards tourism during 1981, the industry was again adversely affected by the recession in the major tourist markets. There was an overall decline in the number of long stay visitors which numbered 352,555 down by 4.7 percent from the previous year. Canada and the USA recorded the greatest declines in arrivals by 13.4 percent and 17.7 percent respectively. Despite this decline, the USA still supplied the greatest percentage of total arrivals (21.1 percent). The number of arrivals from the United Kingdom increased by a record 28.2 percent to reach 72,092 visitors or 20.4 percent of the total

Table 2
Sugar Production - Exports and Earnings

	1977	1978	1979	1980	1981
Sugar (Value) (Current price Barbados \$M)	54.1	51.6	61.5	94.2	70.8
Sugar Value (% GDP)	6.4	5.5	7.0	7.9	4.2
Sugar Exports ('000 tonnes)	106.2	86.4	98.6	119.3	80.4
Average Export Price (Barbados \$)	644.1	722.5	714.0	896.2	916.0
Total Export Earnings (Barbados \$M)	68.4	62.5	70.4	106.0	74.6
Production Costs (per tonne Barbados \$)	600.0	663.4	706.8	857.4 ^r	1,106

number of arrivals. In addition, from CARICOM countries excluding Trinidad and Tobago, arrivals increased by 6.3 percent. Arrivals from Trinidad which account for some 50 percent of the CARICOM tourist arrivals, declined by 2.3 percent following currency control measures taken there. Cruise ship visitors to the country declined by 13.2 percent. The average length of stay of visitors dropped from 10.2 days in 1980 to 9.5 in 1981. Tourist expenditure, however, increased from \$502 million in 1980 to an estimated \$526.9 million. This increase reflected the rise in hotel rates during the summer and winter seasons of 1981.

The Barbados Board of Tourism, in association with the Barbados Hotel Association, continued its promotional activities during the year, into the country's major and other tourist markets, concentrating on promoting the industry through organized tours and local awareness programmes. Promotional tours were undertaken to the United States, Canada, the United Kingdom, Trinidad and Tobago and Puerto Rico.

The industry incurred 81 new loans totalling \$8.4 million from the Barbados Development Bank - an increase of 62 percent over the amount of loans for 1980. Priority was given to small hotels with less than 24 rooms, seeking extension. Outstanding Commercial Bank credit to the sector at year end 1981 amounted to \$86.6 million or 13.3 percent of total outstanding credit. Accommodation increased by 1,244 hotel beds during the review period, bringing total capacity to 13,864 beds. The rate of bed occupancy dropped from 68.9 percent in 1980 to 53.0 percent in 1981.

The total value of exports in 1981 was \$442.2 million, of which \$306.9 million or 69.4 percent were domestic exports which fell by 9.1 percent from \$337.6 in 1980. This reversed the trend of steadily growing domestic exports since 1976. Re-exports increased by \$17.1 million or 14.5 percent to reach \$135.2 million. Sugar, electronic components and clothing accounted for 59.5 percent of export earnings in 1981.

BALANCE OF PAYMENTS

The balance-of-payments recorded a deficit of \$37.6 million in 1981 as compared with a surplus of \$40.3 million in 1980 and \$22.1 million in 1979. Foreign reserves increased by \$16.3 million at the end of 1981 as compared with a growth of \$25.4 million at the end of 1980.

The value of total imports increased by 9.9 percent to reach \$1,145.0 million compared to increases of 31.9 percent and 26.5 percent in 1979 and 1980 respectively. The main items in this category were machinery and transport equipment which accounted for \$278.3 million or 24.7 percent; manufactured goods, \$211.8 million or 18.8 percent and petroleum and petroleum products of \$193.8 million or 17.2 percent.

The United States of America and CARICOM remained the two major sources of imported goods as well as the major export markets for Barbadian goods. Imports from the USA totalled \$381.4 million or 33.9 percent of total imports, an increase of \$21.9 million or 6.1 percent over 1980. Exports to the USA reached \$164 million or 37.1 percent of total export earnings in 1981 compared to \$165.1 million in the previous year.

The value of imports from CARICOM countries increased from \$189.5 million in 1980 to \$191.7 million in 1981. The relative share of this market to the import bill dropped from 17.8 percent to 17.0 percent. Exports to CARICOM fell from \$126.7 million in 1980 to \$124.7 million in 1981. Trinidad and Tobago, the largest market for Barbados goods introduced restriction in licences when it became evident that some exporters in the region were not satisfying the area origin criteria for duty concessions. Sales to Jamaica increased but Barbadian exporters were forced to extend substantial credit to their clients as that country continued to experience severe foreign exchange shortage.

The deterioration in the current account of the balance of payments was further aggravated by the recession in North America and the United Kingdom. Net earnings from Tourism increased from \$471 million in 1980 to \$484 million in 1981 by 2.8 percent. Gifts and funds sent back by Barbadians living abroad remained at almost the same level as in 1980. Although private foreign investment and public sector project borrowings more than doubled during 1981, they were insufficient to cover the current account deficit. Government was forced to borrow on the Euro-dollar market to the amount of \$60 million and the Central Bank drew heavily on its short and medium term lines of credit. These include \$3.1 million in concessional financing from the CARICOM Oil Facility of the Government of Trinidad and Tobago and \$7 million from the Venezuela Oil Facility.

WAGES AND PRICES

Wages

The number of wage negotiations in 1981 was minimal since most of the negotiations which were concluded in 1980 covered a two-year period. Only certain sub-sectors received increases during the year and the average wage increase of this group was 3.9 percent. However, the average wage increase for all sectors was 8.4 percent.

Prices

At the end of 1981, the Retail Price Index stood at 125.3 representing a point to point increase over the figure for the previous December of 13.7. This represented a 12.3 percent increase. The fastest monthly rate of increase occurred in November when the index rose by 4.1 points to reach 125.4.

An examination of the annual averages reveals a rate of inflation as measured by the Index of 14.6 percent, indicating a quickening of the pace of price increase. Most significant increases were observed in Housing, Clothing and Footwear and Food. Other less significant increases were noted in the other sections of the index. Whereas a slightly lower rate of increase in the price of fuel and light was observed, there was a slight acceleration in the rate of price increase in the Transportation section.

FISCAL AND MONETARY ACTIVITIES

Fiscal Developments

One of the major concerns affecting fiscal policy during 1981 was that the rapid increase in disposable incomes together with the widening Government deficit might generate excessive demands for imports and create serious balance of payments difficulties. Wage settlements during 1980 had given workers increases of 30 percent over two years. Further increases were granted during 1981. In addition, generous income tax concessions were granted to lower income workers in the 1980 Budget. The rate of growth of Government Revenue was more sluggish than anticipated because of the general decline of economic activity and tax reductions. As a result, an estimated revenue of \$483.7 million was revised to \$454 million. Recurrent expenditure was provisionally estimated to have increased by \$47.1 million or 11 percent to \$473.0 million (which includes a supplementary provision of \$16.3 million). At the end of December 1981, the total national debt was estimated to have been \$683.4 million, an increase of \$190.2 million or 38.6 percent over the previous year. The domestic component amounted to \$424 million or 28.8 percent over that of 1980 (\$329.3 million). The external debt at the end of 1981 stood at \$259.4 million or 58.3 percent over the 1980 figure of \$163.9 million.

Monetary Developments

Both the Government and the Central Bank moved to neutralize the effects of a high propensity to import and the slower rate of growth of foreign exchange earnings. The Government instituted a number of revenue-raising measures which included an issue of National Savings Bonds. The policy of the Central Bank was designed to:

- a) encourage savings;
- b) influence the private sector to economize in their use of credit;
- c) encourage the Government to take measures to reduce spending and to increase Government revenues; and
- d) warn trade unions of the dangers of inordinately high increases in wages.

Monetary measures adopted to achieve the above aims included:-

- i. An increase on minimum interest rates on savings deposits from 5 percent to 8 percent.
- ii. An increase in prime rates first from 11 percent to 12.5 percent and then 13 percent.
- iii. An increase in the average lending rate from 11 to 12.5 to 14.5 and eventually to 15 percent.
- iv. An increase in the Central Bank's general discount rate from 10 percent to 18 percent and eventually to 22 percent.
- v. An increase in the reserve requirement of commercial banks, from 20 percent to 25 percent, effective 4 November. Of the additional 5 percent, 4 percent was to be held in Treasury Bills and the remaining 1 percent in Government or other approved debentures.

The bank, pursuing its policy of encouraging the development of the productive sectors, tourism, manufacturing and agriculture, almost entirely exempted this group from any quantitative restrictions, and in this regard, subsidized the cost of credit to the sugar

industry by its re-discount to the Agricultural Division of the Barbados National Bank from \$17.8 million in 1980 to \$40.6 million in 1981. The bank also kept open its special re-discount windows to export manufacture, non-sugar agriculture and to small-scale retail business.

The narrowly defined money supply at the end of December 1981 was \$269.7 million, an increase of \$14.3 million or 5.6 percent above the \$255.4 million recorded at the end of 1980. Commercial Bank deposits stood at \$821.6 million, an increase of \$79.1 million or 10.6 percent over the 1980 level. Total outstanding Commercial Bank Credit rose from \$546.6 million at the end of 1980 to \$649.1 million at the end of 1981.

STATISTICAL APPENDIX

BARBADOS

1981

BARBADOS

TABLE I

MAIN ECONOMIC INDICATORS

	1978	1979	1980	1981 ^P
<u>A. BASIC ECONOMIC INDICATORS</u>				
Gross domestic product at factor cost (current prices) \$M ^r	984.4	1,197.6	1,489.8	1,646.7
Per capita gross domestic product (current prices) ^r	3,984	4,825	5,983	6,857
Population ('000) (mid-year)	247.1	248.2	249.0	250.0
	<u>Annual Growth Rates</u>			
<u>B. SHORT-RUN ECONOMIC INDICATORS</u>				
Gross domestic product	12.1	26.3 ^r	24.4 ^r	10.5
Per capita gross domestic product	11.6	21.1 ^r	24.0 ^r	10.1
Current value of exports of goods	30.3	32.1	42.3	- 7.1
Current value of imports of goods	15.4	31.9	- 26.5	9.0
Consumer price index December-December	-	-	14.0	12.3
Variation between annual averages	-	-	6.9	14.6
Money supply (M ₁)	21.7	39.6	11.4	5.6
Wages and salaries ^{r1/}	13.9	14.3	26.1	8.4
Rate of unemployment (%)	12.4	11.8	...	10.7
Current income of Government ^r	24.6	15.0	24.8	0.2
Total expenditure of Government ^r	6.7	19.0	25.1	11.0
Fiscal surplus/deficit as a percentage of total expenditure of Government	12.0	13.5	11.2	(4.1)

TABLE I (Cont'd)

	1978	1979	1980	1981 ^P
	<u>BDS\$ Million</u>			
C. EXTERNAL SECTOR				
Trade balance (goods and services)	-97	-82 ^r	-55 ^r	-219
Balance on current account	-63	-38 ^r	-12 ^r	-176
Variation in net international reserves \$	-58.3	-18.1	-25.4	- 16.3
External debt \$M	89.2	112.1	163.9	259.4

1/ Data relate to rough average annual percentage increase.

Source: Barbados Economic Report 1981, Ministry of Finance and Planning February 1982. Annual Statistical Digest 1981, Central Bank of Barbados. Economic and Financial Statistics February 1982, Central Bank of Barbados. Balance of Payments of Barbados 1981, Central Bank of Barbados, and data supplied CEPAL.

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		
	1979 ^r	1980	1981 ^p	1975	1981	1979	1980	1981
Agriculture	109.1	143.7	126.0	13.3	7.7	19.0	31.7	-12.3
Mining and Quarrying	9.3	13.8 ^r	17.3	0.2	1.0	31.0	48.4	25.4
Manufacturing	130.6	186.6	201.9	10.3	12.2	20.8	42.9	8.2
Construction	88.1	104.5	130.4	6.6	7.9	17.3	18.6	24.8
<u>Sub-total goods</u>	337.1	448.6	475.5	30.4	28.9	19.5	33.1	6.0
Electricity, gas and water	18.3	22.0	23.2	1.5	1.4	16.6	20.2	5.5
Transport, storage and communication	70.1	86.9	99.1	7.2	6.0	9.2	24.0	14.0
<u>Sub-total basic services</u>	88.4	108.9	122.3	8.7	7.4	10.6	23.2	12.3
Wholesale and Retail Trade	259.4	319.0	368.8	18.2	22.4	26.7	23.0	15.6
Tourism	144.0	175.0	194.4	9.3	11.8	31.3	21.5	11.1
Finance, Insurance, Real Estate and Business Services	135.0	162.5	191.1	14.0	11.6	16.8	20.4	17.6
General Services	46.1	57.6	69.4	4.4	4.2	22.0	24.9	20.5
Government Services	179.6	218.2	224.9	15.1	13.7	19.3	21.5	3.1
<u>Sub-total other services</u>	764.1	932.3	1,048.6	61.0	63.7	23.5	22.0	12.5
TOTAL GROSS DOMESTIC PRODUCT	1,197.6^r	1,489.8	1,646.7	100.0	100.0	21.3	24.4	10.5

Source: Barbados Statistical Service and Barbados Economic Report 1981, Ministry of Finance and Planning.

BARBADOS
TABLE III
INDICATORS OF AGRICULTURAL PRODUCTION

	Unit (Metric)	1978	1979	1980	1981	Annual Growth Rate		
						1979	1980	1981
<u>Production of main crops</u>								
Sugar-cane	'000 tonnes	895	1,052	1,205	966	17.5	14.5	-19.8
Cotton	'000 kg.	15	17	7.7	7.7	13.3	54.7	0.0
<u>Root crops</u>								
Sweet potatoes	tonnes	4,989	2,219	4,631	3,000	-55.5	108.7	-35.2
Yams	tonnes	6,851	5,909	7,700	4,000	-13.7	30.3	-48.1
<u>Vegetables</u>								
Beans	'000 kg.	-	-	521	510	-	-	- 1.9
Beets	"	-	-	356	507	-	-	42.4
Cabbage	"	816	1,130	1,717	1,399	38.5	51.9	-18.5
Carrots	"	-	-	2,395	2,145	19.9	-61.1	-10.4
Cucumber	"	1,755	2,104	1,300	1,808	-	-	39.1
Onions	"	743	545	473	396	-26.6	23.1	-16.0
Pumpkin	"	-	-	512	527	-	-	2.9
Tomatoes	"	726	702	1,636	1,055	- 3.3	133.0	35.5
Other vegetables	"	-	-	1,296	1,400	-	-	8.0

TABLE III (Cont'd)

	Unit (Metric)	1978	1979	1980	1981	Annual Growth Rate		
						1979	1980	1981
<u>Indicators of stock-raising production</u>								
Eggs	'000 kg.	1,814	1,600	1,476	1,350	-11.8	-35.0	-8.5
Milk	"	2,933	3,192	7,500	7,100	8.8	135.0	-5.3
<u>Slaughtered (meat)</u>								
Beef and veal	"	249	324	414	442	30.1	27.8	6.8
Pork	"	1,336	802	918	942	-40.0	14.5	12.6
Mutton	"	21	40	62	51	90.5	55.0	-17.7
Poultry	"	4,261	5,273	5,248	6,026	23.8	-0.5	14.8

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

BARBADOS

TABLE IV

INDICATORS OF INDUSTRIAL PRODUCTION

	Weight 1971 = 100	1978 ^r	1979 ^r	1980	1981	Annual Growth Rate		
						1979	1980	1981
I <u>Production Index</u>								
Total all industries	1,000	159.2	165.3	175.4	169.1	3.8	6.1	-3.6
Quarrying	29	83.7	66.2	108.9	121.3	-20.9	64.5	11.4
Manufacturing	800	158.1	160.9	170.7	162.1	1.8	6.1	- 5.0
Food	151	160.4	168.0	173.7	164.8	4.7	3.5	- 5.1
Beverages and Tobacco	170	139.4	114.4	125.1	118.6	-17.9	9.4	- 5.2
Wearing apparel	111	159.7	169.2	165.4	166.6	5.9	2.3	0.7
Chemicals	29	119.0	119.7	149.9	151.1	0.6	25.2	0.8
Petro-products	38	118.8	127.7	133.3	136.5	7.5	4.4	2.4
Electronic products	40	498.4	598.0	687.7	643.2	20.0	15.0	- 6.5
Other non-metallic products	42	81.2	98.7	105.4	116.3	21.6	6.8	10.3
Other manufactures	259	134.9	131.4	134.0	118.9	- 2.6	2.0	-11.3
Electricity and Gas	171	176.9	199.5	208.9	299.3	12.8	4.7	0.2

BARBADOS

TABLE V

SELECTED DATA ON EMPLOYMENT AND UNEMPLOYMENT

	<u>Jan-Dec. 1979</u>	<u>Jan-Dec. 1980</u>	<u>Jan-Dec. 1981</u>
	<u>Both Sexes</u>	<u>Both Sexes</u>	<u>Both Sexes</u>
	<u>Number ('000)</u>	<u>Number ('000)</u>	<u>Number ('000)</u>
Total number of adults	171.0	174.2	176.8
Labour force	109.0	114.8	114.3
Employed	95.0	100.3	101.9
Unemployed	14.0	14.0	12.4
Not in the labour force	62.0	59.4	62.5
Unemployed as percent of labour force (%)	12.8	12.6	10.7
Labour force as percent of total adults (%)	63.7	65.9	64.7

Source: Economic Report 1981, Ministry of Finance
and Planning, Barbados.

BARBADOS

TABLE VI

SELECTED DOMESTIC EXPORTS BY TYPE OF PRODUCTS

Category	Bds\$ Mill.				% Breakdown		% Change		
	1978	1979	1980	1981	1978	1981	1979	1980	1981
<u>Main Traditional Exports</u>									
Sugar	47.0	58.0	106.4	74.6	25.0	24.3	23.4	79.8	-28.5
Molasses	6.7	7.8	11.9	8.3	3.6	2.7	16.4	52.6	-30.3
Rum	6.0	4.8	3.5	4.3	3.2	1.4	-20.0	-27.1	22.9
Lard and margarine	5.4	4.3	6.1	5.0	2.9	1.6	-20.4	41.9	-18.0
Sub-total	65.1	74.9	125.8	92.2	34.7	30.0	15.1	68.0	-26.7
<u>Non-traditional Exports</u>									
Clothing	40.6	45.9	49.3	52.0	21.6	16.9	13.1	7.4	5.5
Electrical components	37.9	40.4	61.1	56.2	20.2	18.3	6.6	51.2	- 8.0
Sub-total	78.5	98.8	110.4	108.2	41.8	35.2	25.9	11.7	- 2.0
Petroleum products	0.5	0.6	0.6	0.5	0.2	0.2	20.0	0.0	-16.7
Total selected domestic Exports	144.1	174.3	236.8	200.9	76.7	67.5	21.0	35.9	-15.2
TOTAL DOMESTIC EXPORTS	187.8	234.8	337.6	307.0	100.0	100.0	25.0	43.8	- 9.1

Source: External Trade Publications, Statistical Service and data supplied CEPAL Economic and Financial Statistics, February 1982, Central Bank, Barbados.

BARBADOS

TABLE VII - A

RETAINED IMPORTS BY ECONOMIC FUNCTION AND/OR USE 1978-1981

	Bds\$ Mill.				% Breakdown		% Change		
	1978	1979	1980	1981	1978	1981	1979	1980	1981
<u>Consumer Goods</u>	228.1	279.8	342.3	372.8	41.2	35.4	22.7	22.3	8.9
Food and beverages	122.7	137.2	163.5	179.2	22.1	17.0	11.8	19.2	9.6
Other non-durables	54.0	74.8	84.3	92.3	9.8	8.8	38.5	12.7	9.5
Durables	21.7	29.5	38.8	50.6	3.9	4.8	36.6	31.5	30.4
Other manufactured goods	29.7	38.3	55.7	50.7	5.4	4.8	29.0	45.4	- 9.0
<u>Intermediate Goods</u>	166.0	283.9	323.6	368.9	30.0	34.9	71.0	14.0	14.0
Fuels	23.1	92.3	108.6	143.8	4.2	13.6	299.6	17.7	32.4
Textiles	27.1	37.8	39.3	43.5	4.9	4.1	39.5	4.0	10.1
Others	115.8	153.8	176.3	181.6	20.9	17.2	32.8	14.6	3.0
<u>Capital Goods</u>	142.1	206.9	267.7	309.9	25.6	29.4	45.6	29.4	15.8
Machinery	100.9	150.5	187.4	224.6	18.2	21.3	49.2	24.5	19.9
Construction and materials	41.2	56.4	80.3	85.3	7.4	8.1	36.9	42.4	6.2
<u>Unclassified Goods</u>	17.8	8.9	2.5	2.6	3.2	0.3	- 50.0	-128.1	204.0
TOTAL RETAINED IMPORTS	554.0	779.5	931.0	1,054.2	100.0	100.0	40.7	19.4	13.2
TOTAL IMPORTS	628.2	850.7	1,049.1	1,126.9	-	-	35.4	23.3	7.4

Source: Economic and Financial Statistics, February 1982, Central Bank of Barbados, and data supplied CEPAL.

BARBADOSTABLE VII - BVALUE OF TRADE IMPORTS FROM PRINCIPAL COUNTRIES 1978-1981

Country	Bds\$ Mill.				Annual Growth Rate		
	1978	1979	1980	1981	1979	1980	1981
United Kingdom	115.2	139.2	165.5	140.2	20.8	18.9	-15.3
Canada	46.2	64.4	77.1	95.8	42.5	19.7	24.3
U.S.A.	175.3	269.0	359.5	381.5	53.4	33.6	6.1
Venezuela	21.9	40.2	47.3	61.4	83.6	17.6	29.8
Japan	21.5	29.1	45.9	58.8	35.3	57.7	28.1
CARICOM	92.0	136.7	189.5	191.7	48.6	38.6	1.2
EEC (Other than U.K.)	52.2	64.4	58.5	42.6	23.3	-9.1	-27.2
Other	106.6	109.6	120.7	154.9	2.8	10.1	28.3
TOTAL	628.2	828.2	1,064.1	1,126.9	31.8	28.5	5.9

Source: Barbados Economic Report 1981

BARBADOS

TABLE VII - C

VALUE OF EXPORT TRADE WITH PRINCIPAL COUNTRIES
1978-1981

Country	Bds\$ Mill.				Annual Growth Rate		
	1978	1979	1980	1981	1979	1980	1981
United Kingdom	32.5	39.1	29.9	23.8	20.3	-23.5	-20.4
Canada	12.1	15.1	18.3	21.5	24.7	21.2	17.4
U.S.A.	65.7	111.2	165.1	164.0	69.2	48.7	-0.7
Venezuela	0.6	2.3	0.8	0.2	283.3	-65.2	-75.0
Japan	0.1	0.2	0.2	0.2	100	0	-85.0
CARICOM	64.2	76.7	126.7	124.7	19.5	65.2	-1.6
EEC (Other than U.K.)	16.0	21.7	33.0	1.5	35.6	52.0	-95.5
Other	70.4	39.8	81.8	97.3	-43.5	105.5	18.9
TOTAL	261.1	306.0	455.7	442.2	17.2	48.9	-3.0

Source: Barbados Economic Report 1981.

BARBADOS

TABLE VII - D

TOTAL TRADE - CARICOM COUNTRIES JANUARY-JUNE 1981
(Bds\$)

	Imports	Domestic Exports	Re- Exports	Total Exports
Antigua	766,534	930,356	1,384,825	2,315,181
Belize	550	19,652	4,073	23,725
Dominica	692,005	1,209,709	748,424	1,958,133
Grenada	438,938	1,779,974	682,223	2,462,197
Guyana	3,684,121	1,043,674	520,289	1,563,963
Jamaica	10,586,979	9,506,416	978,821	10,485,237
Montserrat	237,904	247,418	128,790	386,208
St. Kitts/Nevis	341,671	1,103,080	522,916	1,625,996
St. Lucia	2,424,969	4,117,836	1,705,477	5,823,313
St. Vincent	1,687,008	2,575,595	1,243,899	3,819,494
Trinidad and Tobago	3,684,121	21,988,308	4,263,789	26,252,097
TOTAL	24,544,800	44,522,018	15,193,526	55,308,024

Source: Barbados Economic Report 1981, and data supplied CEPAL.

BARBADOSTABLE VIIIBALANCE OF PAYMENTS: 1977-1981

(Bds\$ Mill.)

	1977	1978	1979 ^F	1980 ^F	1981 ^P
<u>MERCHANDISE (Net)</u>	-363.2	-406.5	-536.0	- 628.8	- 753.0
Exports	182.4	223.1	294.5	422.0	392.0
Imports	545.6	629.6	-830.5	-1,050.8	-1,145.0
<u>SERVICES (Net)</u>	239.3	309.9	454.1	574.2	534.0
Travel	204.5	257.3	389.7	469.1	484.0
Other	34.8	52.6	64.4	105.1	55.0
<u>BALANCE ON GOODS AND SERVICES</u>	-123.9	- 96.5	- 81.9	- 54.6	- 219.0
<u>NET TRANSFER PAYMENTS</u>	31.9	33.6	43.9	43.1	43.0
<u>BALANCE ON CURRENT ACCOUNT</u>	- 92.0	- 62.9	- 38.0	- 11.7	- 176.0
<u>CAPITAL ACCOUNT</u>					
<u>Long term</u>	<u>38.9</u>	<u>46.0</u>	<u>33.9</u>	<u>70.1</u>	<u>160.7</u>
Official	11.1	46.0	22.9	51.8	96.7
Private sector	27.8	34.0	13.0	18.3	64.0
Short term	10.0	30.6	44.3	51.5	-
Other capital	10.9	6.2	- 9.6	5.8	59.4
Errors and Omissions	26.4	12.0	- 8.9	- 75.3	- 54.7 ^{*/}
Balance for official financing	- 14.9	31.9	22.1	40.3	- 37.6
Allocation of SDR's	-	-	4.5	1.0	0.5
Official financing (loans)	35.1	20.0	- 4.0	- 15.0	54.4
Reserve movements					
(- increase; + decrease)	- 20.2	- 58.5	- 18.1	- 25.1	- 16.3

*/ - includes short-term capital

Source: Barbados Economic Report 1981

BARBADOS

TABLE IX - A

SELECTED TOURISM STATISTICS

	1978	1979	1980	1981
Number of stop-over visitors ('000)	316.9	370.9	370.9	352.6
Cruise ship visitors ('000)	126.0 ^r	110.1	156.5	135.8
Average number of hotel beds available ('000)	11.1	11.9	13.4	14.1
Hotel bed occupancy rate ^r	59.3	76.4	65.3	53.0 ^p
Estimated Tourist Expenditure (Bds\$ Mill.) ^r	271.0	369.7	473.7	526.9 ^p
Hotel and Restaurant Tax (Bds\$ Mill.)	9.5	11.0	14.6	14.5
Average length of stay (days) ^r	9.1	9.9	9.8	9.5 ^p

Source: Economic Report 1981, Ministry of Finance and Planning, Barbados, and data supplied CEPAL

BARBADOS

TABLE IX - B

TOURIST ARRIVALS AND CRUISE SHIP VISITORS 1978-1981
BY COUNTRY OF ORIGIN

Unit = 000 arrivals

Country of Origin	Number of Arrivals				Annual Growth Rate		
	1978	1979	1980	1981	1979	1980	1981
U.S.A.	85.5	91.4	86.0	74.5	6.9	- 5.9	-13.4
Canada	91.0	92.7	85.0	70.0	1.9	- 8.3	-17.6
United Kingdom	36.3	49.4	56.2	72.1	36.1	13.8	28.3
Europe	29.2	40.8	38.4	29.6	39.7	- 5.9	-22.9
CARICOM countries	55.1	76.0	85.4	86.7	37.9	12.4	1.5
Other countries	19.8	20.6	19.0	19.7	4.0	- 7.8	3.7
TOTAL STAY-OVER VISITORS	316.9	370.9	370.0	352.6	17.0	- 0.2	- 4.7
Cruise ship visitors	140.1	110.1	156.5	135.8	-21.4	42.1	-13.2

Source: Barbados Economic Report 1982, Ministry of
Finance and Planning

BARBADOS

TABLE IX - C

TOURIST ARRIVALS BY MONTH 1977-1981
(Excluding Cruise Ship Passengers)

Month	1977	1978	1979	1980	1981
January	25,151	28,563	33,182	34,549	34,643
February	28,211	31,327	33,950	37,928	34,532
March	25,807	32,996	34,063	35,663	30,556
April	26,141	25,064	34,432	33,430	31,163
May	14,914	17,671	22,752	25,292	24,588
June	13,260	16,221	21,694	22,441	22,794
July	22,440	26,894	31,340	32,782	35,462
August	26,305	31,058	37,662	36,484	33,100
September	15,958	19,614	23,958	21,422	20,592
October	18,758	23,279	26,938	25,516	23,855
November	24,002	30,055	34,358	30,884	26,647
December	28,367	34,141	36,587	33,524	34,659

1/ \bar{X} = 22442.8 \bar{X} = 26406.9 \bar{X} = 30909.7 \bar{X} = 30826.3 \bar{X} = 29382.6

2/ σ = 5120.9 σ = 5810 σ = 5340.46 σ = 5440.48 σ = 5385.7

<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
C.V. ^{3/}	C.V.	C.V.	C.V.	C.V.
0.22818	0.22002	0.17278	0.17649	0.18340

1/ = Mean

2/ = Standard deviation

3/ C.V. = Co-efficient of Variation

Source: Data supplied CEPAL by Barbados Civil Aviation
and Tourism Division, Visitor Statistics December 1981

BARBADOS

TABLE X - A

CONSUMER PRICE INDEX (MARCH 1980 = 100)^{1/}

	%			
	Weight	1979	1980	1981
		<u>ANNUAL AVERAGES</u>		
TOTAL: All Items	100.0	96.8	103.5	118.6
Food	43.2	97.5	103.9	119.3
Alcohol Beverages and Tobacco	8.4	96.0	106.6	115.0
Housing	13.1	98.7	102.1	126.9
Fuel and Light	6.2	89.5	100.9	107.9
Household Operations and Supplies	9.6	99.2	103.1	114.4
Clothing and Footwear	5.1	90.6	105.6	124.2
Medical and Personal Care	6.0	98.6	107.2	116.1
Transportation	4.6	92.6	103.0	117.0
Education, Recreation and Miscellaneous	3.8	98.2	102.0	115.2
		<u>ANNUAL AVERAGE CHANGE</u>		
TOTAL: All Items			6.9	14.6
Food			6.6	14.8
Alcoholic Beverages and Tobacco			11.0	7.9
Housing			3.4	24.3
Fuel and Light			12.7	6.9
Housing Operations and Supplies			3.9	11.0
Clothing and Footwear			16.6	17.6
Medical and Personal Care			8.7	8.3
Transportation			11.2	13.6
Education, Recreation and Miscellaneous			3.9	12.9

TABLE X - A (Cont'd)

	%			
	Weight	1979	1980	1981
			<u>% CHANGE DECEMBER-DECEMBER</u>	
TOTAL: All Items			14.0	12.3
Food			12.4	12.6
Alcoholic Beverages and Tobacco			17.2	2.6
Housing			24.7	21.1
Fuel and Light			14.9	- 2.1
Household Operations and Supplies			9.8	8.7
Clothing and Footwear			18.5	12.7
Medical and Personal Care			7.3	18.2
Transportation			11.9	17.4
Education, Recreation and Miscellaneous			9.2	14.0

1/ The previous series based on October 1965 = 100 has been discontinued as of February 1980.

Source: Economic and Financial Statistics February 1982,
Central Bank of Barbados.

BARBADOS

TABLE X - B

CONSUMER PRICE INDEX (MARCH 1980 = 100)

Months 1980	Alcoholic Beverages and Tobacco	Housing	Fuel and Light	Household Operations and Supplies	Clothing and Footwear	Trans- port- ation	Medical and Personal Care	Education, Recreation, Miscell- aneous	All Items	
	<u>W E I G H T</u>									
	432	84	131	62	96	51	46	60	38	1000
JANUARY	113.7	113.4	122.1	107.8	108.6	117.7	105.4	106.4	107.3	113.1
FEBRUARY	114.4	114.0	122.2	112.2	109.1	118.1	106.9	111.5	111.2	114.3
MARCH	115.1	113.3	122.2	112.1	112.0	118.8	106.9	110.5	111.8	114.8
APRIL	116.3	112.5	122.4	112.5	114.1	121.2	107.1	113.6	111.8	115.8
MAY	116.0	113.9	122.5	113.4	115.0	120.4	117.9	114.2	111.9	116.5
JUNE	119.7	115.2	122.6	113.5	115.4	121.9	117.9	114.6	111.9	118.3
JULY	119.3	113.2	122.6	113.8	115.8	126.9	121.0	115.3	115.2	118.8
AUGUST	120.5	115.4	122.7	100.9	115.6	127.0	121.1	119.0	116.4	118.8
SEPTEMBER	122.9	117.5	122.8	100.4	115.8	129.0	124.8	120.2	120.4	120.5
OCTOBER	124.4	117.5	122.8	100.9	116.6	128.6	124.8	120.4	120.4	121.3
NOVEMBER	125.3	117.4	148.7	101.8	117.4	130.1	125.7	120.9	121.7	125.4
DECEMBER	124.5	115.8	148.6	105.4	117.6	130.5	125.8	123.8	122.3	125.3

Source: Economic and Financial Statistics, February 1982, Central Bank of Barbados, and data supplied CEPAL by Barbados Statistical Service.

BARBADOS

TABLE XI

MONETARY BALANCE: 1978-1981

	<u>Balance at end of December</u>				<u>Annual Growth Rate</u>		
	1978	1979	1980	1981	1979	1980	1981
Money:							
Currency outside banks	65.9	80.2	101.5	111.2	21.7	26.5	9.6
Demand deposits adjusted	98.3	149.0	153.9	158.5	51.7	3.3	3.0
Total (M ₁)	164.2	229.2	255.4	269.7	39.6	11.4	5.6
Quasi Money:							
Time deposits	170.4	193.8	223.4	244.6	13.7	15.3	9.5
Savings deposits	231.3	278.3	348.0	403.1	20.3	25.0	15.0
Total Quasi Money	401.7	472.1	571.4	647.7	17.5	21.0	13.4
Total Money Supply	565.9	701.3	826.8	617.4	23.9	17.9	11.0

Source: Economic and Financial Statistics, February 1982, Central Bank of Barbados.

BARBADOS

TABLE XII

COMMERCIAL BANKS' CREDIT-SECTORAL DISTRIBUTION

1978 - 1981
(As at December)

(Bds\$ Mill.)

Sectors	1978	1979	1980	1981
Agriculture (including fisheries)	20.0	17.6	20.3	26.5
Mining and Quarrying	0.3	0.5	1.4	2.7
Manufacturing	38.8	63.2	94.6	103.6
Distribution	68.5	68.4	87.6	95.0
Construction	36.1	44.7	39.4	45.3
Tourism (including entertainment)	50.1	51.8	71.1	97.3
Government	18.2	6.2	4.7	7.4
Public Utilities	18.4	32.9	30.4	33.6
Personal	106.9	131.9	135.0	139.3
Other	35.3	53.0	62.1	98.4

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

BARBADOSTABLE XIIISELECTED DATA ON GOVERNMENT OPERATIONS: 1978-1981

(Bds\$ Mill.)

	1978	1979	1980	1981
Recurrent revenue	286.0	340.2	420.9	446.9
Recurrent expenditure	255.6	302.6	371.6	442.0
Capital expenditure	69.4	90.8	102.6	186.6
Surplus (+) or deficit (-) (to be financed)	↖ 39.0	↖ 53.2	↖ 53.3	↖ 181.7
National debt (as at end of year)	372.1	426.3	493.2	683.4
Internal	282.9	314.2	329.3	424.0
External	89.2	112.1	163.9	259.4
Treasury bills and debentures outstanding				
Treasury bills	132.1	149.4	164.2	228.1
Debentures	127.0	125.4	130.6	143.0

Source: Compiled from data in Economic and Financial Statistics,
February 1982 Central Bank of Barbados, and data supplied
CEPAL.

BARBADOS

TABLE XIV

CENTRAL ADMINISTRATION - CURRENT REVENUE: 1978/79-1981/82
(Bds\$ Mill.)

Head	1978-	1979-	1981-	1981-	Calendar Year			
	1979 <u>1/</u>	1980 <u>1/</u>	1982 <u>1/</u>	1982 <u>2/</u>	1978 ^r	1979 ^r	1980	1981
TAX REVENUE	<u>271.7</u>	<u>318.3</u>	<u>387.5</u>	<u>276.3</u>	<u>251.7</u>	<u>306.0</u>	<u>373.1</u>	<u>366.7</u>
of which:								
Taxes on Income and Profits	132.7	139.7	161.5	108.7	127.3	131.5	158.7	164.4
Taxes on Property	13.1	17.8	21.6	12.6	7.6	21.8	20.4	15.0
Taxes on Goods and Services	62.0	78.2	106.3	83.6	57.4	75.2	98.0	99.0
Taxes on International Trade	54.9	74.4	89.8	69.0	52.4	69.6	86.3	82.9
Other Taxes	9.0	8.2	8.3	4.0	7.0	7.9	9.7	5.4
NON-TAX REVENUE	<u>34.8</u>	<u>36.0</u>	<u>53.7</u>	<u>33.4</u>	<u>34.3</u>	<u>34.2</u>	<u>47.8</u>	<u>47.2</u>
Employers' Levy ^{3/}	(6.0)	(4.1)	(3.1)	(2.1)	(4.1)	(3.9)	(5.2)	(2.2)
Special Receipts ^{3/}	(9.2)	(9.2)	(17.1)	(11.2)	(9.2)	(10.4)	(15.8)	(15.2)
Loans and Advances ^{3/}	(1.9)	(2.2)	(2.4)	(0.8)	(1.4)	(1.9)	(2.8)	(2.9)
TOTAL REVENUE	306.5	354.3	441.1	309.7	286.0	340.2	420.9	413.7

1/ Fiscal Year - April-March

2/ April-December

3/ Memorandum Item

Source: Economic and Financial Statistics, February 1982, Central Bank of Barbados,
and data supplied CEPAL.

BARBADOS

TABLE XV

CENTRAL GOVERNMENT - CURRENT EXPENDITURE
(Bds\$ Mill.)

	1977- 1978 <u>1/</u>	1978- 1979 <u>1/</u>	1979- 1980 <u>1/</u>	1980- 1981 <u>1/</u>	1981- 1982 <u>2/</u>	1978	1979	1980	1981
General public services	38.5	42.9	50.7	61.6	48.4	41.3	49.5	58.2	56.5
Education	57.2	61.1	77.7	92.9	73.0	60.1	71.9	93.3	86.3
Health	40.6	46.2	50.1	61.7	50.3	44.0	49.8	58.0	56.2
Social security and welfare	33.4	35.3	39.0	47.8	44.2	34.2	38.2	43.6	45.1
Economic services	40.5	41.8	48.4	74.1	54.4	31.3	45.0	67.2	64.9
Charge of debt	18.4 ^r	22.7	28.4	30.5	30.0	21.0	28.2	28.5	36.5
Other	11.6	14.1	20.3	26.4	28.0	23.7	20.0	22.8	23.8
TOTAL:	240.2	264.1	314.6	395.0	328.3	255.6	302.6	371.6	369.3

1/ Fiscal year - April-March

2/ April-December

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

BARBADOSTABLE XVIVOLUME AND VALUE OF CRUDE OIL AND REFORMATE
IMPORTED INTO BARBADOS - 1980-1981

1980	Volume (Barrels)	Value (\$ U.S.)	Value (\$ Bds)
Crude Oil	736,891	22,144,423	44,288,846
Reformate	228,451	9,209,049	18,419,098
Total:	965,342	31,353,472	62,706,944

1981 ^P	Volume (Barrels)	Value (\$ U.S.)	Value (\$ Bds)
Crude Oil	1,007,488	34,479,696	68,959,392
Reformate	259,874	11,783,861	23,567,722
Total:	1,267,362	46,263,557	92,527,114

Percentage increases over 1980-1981 period

	<u>Volume</u>	<u>Value</u>
Crude Oil	36.7%	55.7%
Reformate	13.8%	28.0%
Total:	31.3%	47.5%

Source: Ministry of Trade, Energy Division, and data supplied CEPAL.

BARBADOSTABLE XVIIVALUE OF IMPORTS OF SELECTED HYDROCARBONS

Commodity	Classification No. SITC Rev.2	1977	1978	1979 ^P	1980 ^P	1981 ^P
Crude Petroleum	331.01	26.6	24.8	42.4	36.9	59.6
Natural Gas Liquids	-	-	-	-	-	-
Natural Gas	-	-	-	-	-	-
Aviation Gasolene	332.11	0.4	0.6	0.3	1.3	1.7
Motor Gasolene	332.13	-	-	-	-	-
Kerosene	332.22	0.0	0.0	0.0	0.0	0.0
Jet Fuel	332.21	18.2	17.8	33.0	58.1	55.0
Diesel Oil	332.32	7.2	6.3	9.9	13.9	10.7
Other Fuel Oil	-	6.6	6.9	10.0	15.7	16.5
Liquified Petroleum Gas	341.11	3.5	4.0	5.2	8.5	8.1
Other Gases	341.19	0.0	0.1	0.3	0.8	0.1

Source: Statistics of Monthly Overseas Trade, Barbados, Statistical Service, February 1982, and data supplied CEPAL.

PART V

BELIZE COUNTRY NOTES

ECONOMIC SURVEY 1981

BELIZE
(Belize dollars used throughout)^{1/}

Although data on trends in economic activity are not available for all sectors of the economy with respect to 1981, indications are that there was some growth in the Belizean economy in 1981. A very crude CEPAL estimate puts the growth at less than 3 percent in real terms over the 1980 level. The economy continued to recover after the hurricane of 1978 and the heavy rainfall and flooding of 1979.

Favourable weather conditions and generally increased agricultural output contributed to the increase in GDP. The Development Finance Corporation, through the granting of loans to farmers, assisted in the rehabilitation of large acreages of sugar lands, and was instrumental in the realization of an output of 104.9 thousand tonnes of sugar in 1980 and 99.3 thousand tonnes in 1981.

In rice, the combined effects of improvements in the technology of production, increased acreages and a better marketing structure sustained the increase in the production of paddy rice. Other Agriculture also benefited from the supportive efforts of the Caribbean Development Bank and the Development Finance Corporation.

Construction activity in 1981 picked up somewhat after the stagnation of 1980, with the major part of construction activity reflecting Government activity. Construction of a water treatment plant which was completed in 1980, has resulted in the supply of an extra 800 gallons of water per minute to Belize City.

Whereas tourism continues to be a potentially significant earner of foreign exchange, there has been no major Governmental thrust into that sector. More dialogue between the Tourist Industry and the Central Government should identify a development path for the Industry.

The Government sought to finance from its own revenue, a number of projects in the areas of education, housing and agriculture. Accordingly,

^{1/} Belize \$1.00 = US\$0.50.

the Income Tax Ordinance was amended to achieve a more equitable distribution of Income, and to realize more revenue to finance Government expenditure.

The Balance on Current Account of the Balance-of-Payments was negative in 1980, to the value of \$33.3 million. Increased outflows to finance the purchase of petroleum products, accounted to a great extent for the deficit.

ACTIVITY IN THE MAIN SECTORS

Agriculture

Agriculture continued to be the major sectoral determinant of growth in the Belizean economy in the years 1980 and 1981, contributing some 24 percent to GDP at factor cost and at constant 1973 prices, for the two years.

Generally favourable weather conditions helped to produce an increased output of Sugar in 1980, despite falling prices of the commodity. Estimates of tonnage of sugar produced place the 1980 output at some 104.9 thousand tonnes while the 1981 output fell to 99.3 thousand tonnes from a slightly increased acreage. It is worthy of note that the acreage harvested in 1980 was more than double that harvested at the beginning of the decade of the 1970's. The Development Finance Corporation of Belize was directly responsible for the rehabilitation of some 6,000 acres of sugar lands that had been affected by smut disease, and is poised to administer funds from the CDC for the rehabilitation of a further 12,000 acres. Roughly 60 percent of the sugar exported went to the U.K. through the EEC; some 30 percent of sugar exports proceeded to the U.S.A. under a guaranteed quota agreement, while the remaining 10 percent was purchased by Canada at the World market price.^{2/} Sugar export earnings, however, fell from \$95.5 million in 1980 to \$82.7 million in 1981.

^{2/} Sugar prices in 1981 were:

To EEC - \$800 (Bze) per ton - roughly .35¢ per lb.

To USA - \$492.80 (Bze) per ton - roughly .22¢ per lb.

Rice continued to be produced in two main areas - the Belize district, and in Toledo. Some 2,500 acres of rice were cultivated in 1980 and 1981, under American ownership. At least 220,000 lbs. of polished rice were exported per month to Jamaica from the Belize district. The high output of this holding resulted from two crops per year and full mechanization including aerial sowing. In the Toledo district, more traditional cultural practices prevailed, with one crop per year being produced by a mixture of mechanized and "slash and burn" methods. Some 8 million pounds of rice were produced in the Toledo district in 1981, totally exhausting storage facilities. In 1981 the price offered to farmers for rice increased from 21¢ per lb. to some 26¢ per pound. The combined effects of improvements in the technology of production, increased acreages and a better marketing structure have conducted to the sustained increase in the production of paddy rice, the production of which is estimated to have been 10,840 tonnes in 1981 - a 25 percent increase over the previous year's output.

After a drop in citrus production in 1979 as a consequence of hurricane "Greta" of 1978, the production of oranges peaked in 1980 at some 45.3 thousand tonnes, and settled at an estimated 43.4 thousand tonnes in 1981. Grapefruit production increased from 14.8 thousand tonnes in 1980 to an estimated 21.4 thousand tonnes in 1981. The outlook for the industry in 1982 is promising in the wake of the frosts that affected the citrus industry in North America.

Banana production fell in 1980 and in 1981 from the 1979 figure of 16,000 tonnes. At present, about 1,600 acres of land are utilized for the cultivation of bananas, with plans being formulated to develop another 2,400 acres. A line of credit for irrigation has been extended by the Development Finance Corporation. In 1981 the industry declined in terms of production and export earnings, from the 1980 volume figure of 785,000 boxes to 550,000 boxes in 1981. The export earnings fell from \$7.0 million in 1980 to \$4.2 million in 1981.

Forestry continued to contribute to the country's earnings of Foreign exchange to the value of some \$3.8 million in 1980, when production was of the order of 4 million cubic metres of timber. Partial data indicate a slight increase in production in 1981, with the chance of a small drop in foreign exchange earnings from the commodity.

Generally, the rest of the Agricultural Sector experienced an improved performance in 1980 and 1981, partly on account of generally favourable weather conditions, and partly in response to the supportive efforts of the Government and the Caribbean Development Bank, through the Development Finance Corporation.

Exports of marine products rose in 1981 to \$13.4 million, from the previous year's figure of \$7.4 million, in response to significant increases in both volume of production and price. After an apparent decline in the volume of exports of marine products, the volume of exports rose by 10 per cent to some 1.1 million pounds in 1981. The combined effects of training in fishing and a peak in the landings of fish contributed to the boom in 1981. The lobster market was favourable, as the price of lobster tails rose from \$7.00 in 1980 to between \$14.00 and \$18.00 in 1981. Lobster exports in 1981 totalled some 674,000 pounds, with a value of \$11.1 million. The 1980 figures revealed a production of 390,000 lbs. with a value of \$5.5 million. In order to maintain some balance in the marine ecosystems, the Government of Belize has described open and closed seasons to control overfishing. Deep-sea scale fishing has not yet been fully developed, although some funding in this area has been given by the D.F.C.

Over the last two years, the availability of markets in terms of price and demand, proved to be the major constraint to Agricultural production. Government has given incentives for rice and corn, by way of guaranteed prices and subsidies. Now there is a surplus of production over local demand. Belize is actively seeking export markets for all major commodities, while seeking to improve quality. Production in general has been on the increase due in part to good weather. Problems of storage and marketing have therefore surfaced. Government is keen on promoting investment in Agro-industry.

Manufacturing

The manufacturing sector continued to be very small, contributing an estimated 10.5 percent to total GDP at constant 1973 prices in 1980, and growing by some 3.5 percent over the 1979 figure. Manufacturing activity is dominated by the production of sugar, with a number of agro-industrial establishments^{3/} contributing to local value added. The Government through the DFC,

^{3/} These include the manufacture of citrus products, flour, tobacco and cigarettes.

is the major shareholder in an establishment that processes jams, jellies, pepper sauce and fruit juices. As the shelf-life of the products is increased, so too will the prospect of competing on the international market. A cheap source of packaging material will contain the cost of production and increase the viability of the establishment.

Estimates of manufacturing production indicate an increase in 1980 in the production of cigarettes, clothing, fertilizers, batteries for motor vehicles and lumber. Production fell in 1980 in molasses, beer and stout and flour.

The production of garments increased in 1980 and 1981, and foreign markets are now being sought.

Construction

Some modest construction activity continued in 1980 and 1981. Very preliminary estimates of GDP at factor cost suggest a virtual stagnation of activity in the sector in 1980, however. It is evident that most construction activity has reflected Government activity. The DFC in 1976 began to loan funds for middle-income housing, prompted by the CDB secondary-mortgage scheme. The USAID has since de-obligated part of its responsibility in 1980, and the CDB has reduced its secondary-mortgage activities.

The DFC in 1980 and 1981 constructed an industrial estate near to the international airport, close to the site of an existing estate, through a line of credit from the CDB. Shortages of building materials, especially cement, have checked the rate of increase of economic activity in the Sector. Construction of an expanded road network between Belize City and Belmopan continued in 1981. The Construction of grain silos was completed in the Toledo district, and silos for the Cayo district were completed in 1981. Construction work on a water treatment plant was completed in 1980. The plant now supplies some 800 gallons of water per minute to Belize City. The Canadian International Development Agency (CIDA) is providing \$20 million for a modern water and sewerage system for Belize City.

Much data on private sector construction are to date not available, but indications are that construction of hotels, guest-houses and some factories has been achieved, despite the problems of supply of building materials. An indicator of activity in Construction can be gleaned from a time series of the Value of loans approved by the DFC for Tourism, Industry and Housing as presented in Table I below:

Table I
Loans approved by selected sectors
1978 - 1981 - (\$000)

SECTOR	1978	1979	1980	1981
Tourism	438	347	661	370
Industry	580	173	88	164
Housing	2,275	1,726	3,217	542

Source: Development Finance Corporation.

At the end of the third quarter of 1981 Commercial Banks' loans outstanding to the Building and Construction sector stood at \$12.1 million. Whereas this figure is a stock variable, it can be used as an indicator of sorts of lending to the sector, when juxtaposed to the corresponding balance at the end of an earlier period. The construction activity is even greater when one considers that there might very well have been a significant construction content in the loans made to other sectors.

TABLE IX of the Statistical Appendix is an indicator of sectoral activity on the basis of commercial bank loans. °

Tourism

Tourism continues to be a potentially significant earner of foreign exchange in Belize, with the major tourist attractions being the marine life found on the continental shelf, the archaeological sites of Mayan origin, the cayes and the scenic beauty of the rural areas and the hinterland. There has to date been no major Governmental thrust into Tourism, despite the country's proximity to the US mainland. The tourist accommodation profile is typified by small hotels, most of which are family-type operations with their consequently modest facilities. Within recent times a substantial amount of foreign investment has been attracted in the San Pedro district which is the hub of the tourist activity, and a number of twenty-room hotels are being constructed. The view of major operators in the tourist industry is that there must be some notion of a balanced development of tourist facilities with infrastructural development which is

essentially the province of the Central Government. Between the years 1978 and 1981 there has been a general increase in tourist arrivals, with a substantial number of arrivals from North America, and a very large proportion of arrivals overland. The estimated number of tourist arrivals in 1981 fell somewhat from the 1980 estimate of 63,735 to some 62,262.

Developments in Energy and Energy policy

Belize is to a great extent dependent on imported petroleum and petroleum products for its energy supply. In the last decade, rising oil prices have meant increasing energy costs. Increased costs of production have jeopardised the chances of winning foreign markets. Government moved to minimize the effects of price increases of petroleum and petroleum products by looking into the possibility of exploiting alternative sources of energy, such as hydroelectricity, wood and gasohol, at the same time granting licenses to companies for oil exploration.

Institutionally, Government moved to confront the energy problem with the establishment of an energy unit within the Ministry of Energy and Communication. This unit coordinates the work of the National Energy Commission.

The staff of the energy project have collected a comprehensive range of statistics of supply and disposition of energy within the context of the actual and projected needs of the economy, given its expansionary path. Data provided by the Statistical Office indicate the increased burden caused by the rising price of petroleum and petroleum products. By the end of 1981, retail price per gallon of premium grade gasolene had almost doubled when compared with the price in 1978. Tables XIII and XIV of the Statistical Appendix provide indicators.

The capacity and supply of electricity as supplied by the Electricity Board is as appears in Table 2 below. Very modest increases in installed capacity have been noted between 1979 and 1981, while availability in terms of kilowatt hours showed a slightly faster rate of growth. Peaks in demand have nevertheless led to much load-shedding, with substantial loss to the commercial sector as a result of electrical outages.

Table 2

Installed and available capacity (kw)

Year	Capacity Installed	Capacity Available	Maximum Demand
1978	17,000	11,748	9,470
1979	20,040	12,038	9,922
1980	20,040	12,038	10,160
1981	20,751	14,727	...

Source: Data supplied by Energy Unit.

THE EXTERNAL SECTOR

Partial 1980 and 1981 estimates represent the data available up to the time of writing. Indications are that the Deficit on Current Account rose in 1980 to some \$33.3 million in 1980 from a deficit figure of \$21.8 million in the previous year. The value of external trade continued to expand in 1979, with Total Imports rising by 25.6 percent over the 1978 estimate, and Total Exports rising by 27.5 percent over the previous year's estimate. Export earnings from Sugar fell from \$95.5 million in 1980 to \$82.7 million in 1981 as a result of poor commodity prices. An additional factor explanatory of the Current Account Deficit was the escalation in oil prices. Preliminary data indicate that in 1979 Belize imported 552,000 barrels of oil at a cost of \$34.8 million. In 1980, 532,000 barrels of oil were imported at a cost of \$39.8 million. In 1981, an estimated 447,000 barrels were imported at a cost of \$38.5 million. This represents an increase of 36.6 percent in the average unit value of the commodity between 1979 and 1981.

A steady increase in the net travel item indicates the modest effects of the Tourist Board to promote tourism in Belize. As a consequence of activity in the External Sector, Foreign Reserves fell to \$7.0 million at the end of 1981, as compared with the 1980 year end figure of \$13.8 million.

MONETARY AND FISCAL POLICY

Public Finance

The Central Government, with effect from 1980, changed the fiscal year to run from April to March, instead of January to December. The Government's budget was in deficit in the period 1980/81 and also in 1981/82, to the extent of \$3.6 million, and \$4.1 million by June 1981 respectively. A small surplus is expected at the end of 1981/82. In the fiscal years 1979/80 and 1980/81 total revenue amounted to \$93.2 million and \$85.7 million respectively. The Government sought to finance from its own revenue, major governmental projects, among these being:

- (a) primary schools including teachers' houses;
- (b) housing development;
- (c) the payment of guaranteed prices to small farmers;
- (d) assistance to the banana industry;
- (e) land development.

Total Government Expenditure for the period 1981/82 was estimated at \$175.5 million, of which \$86.6 million was allocated to Recurrent Budget, and \$5.2 million for public debt charges. The revenue-raising proposals as outlined in the 1981/82 Budget Speech prescribed increases in Customs and Excise duties, stamp duties and motor vehicle licenses. The Income Tax Ordinance was amended to achieve a more equitable distribution of Income. Recipients of an income of less than \$3,000 per annum were exempted from taxation. At the same time, levels of personal and dependency allowances were increased.

The deficits on the Total Budget were of the order of \$3.9 million in 1979/80 and \$3.6 million in 1980/81. For the period April to June 1981, the deficit stood at \$4.1 million. The financing of the overall deficit was made possible through increased borrowings from the domestic system. Credit to the Public Sector is analyzed in Table X of the Statistical Appendix.

Monetary Activities

At the end of December, 1980, currency outside banks was some 5 per cent higher than the corresponding figure for the previous year. By the end of December 1981, currency outside banks rose to \$19.0 million - an 8.6 percent increase over the December 1980 figure. Demand deposits, after

increasing by 16 percent in December 1980 over the previous December's figure, stood at \$23.1 million at the end of December 1981. Money Supply (^M1) defined as Currency with the public plus demand deposits less Central Government deposits, increased by 11.5 percent to \$42.9 million at the end of 1980. At the end of December 1981, the figure stood at \$42.1 million - a decline of 1.6 percent over the end of year figure for 1980.

Money Supply (^M2) increased by 12.8 percent to \$111.3 million at the end of 1980. By the end of December 1981, the figure had risen to \$124.5 million - an 11.8 percent increase over the 1980 end of year figure. The increase in liquidity appears to have moved almost pari passu with a notional^{4/} 12 percent increase in the general price level.

Commercial Bank credit financed much economic activity. In 1980, as measured by the end of year figures, Commercial Banks' loans outstanding rose to \$91.9 million - a 6.2 percent increase over the figure for the previous year. By the end of December 1981, the total amount outstanding had risen to \$108.9 million - an increase of 18.5 percent over the 1980 end of year figure. Whereas the Distributive trades accounted for the largest single amount of loans outstanding, followed by Agriculture in 1980 the highest rate of increase in credit apparently went to the Forestry and Fishing Sector. However, in absolute terms, credit expansion in the Manufacturing Sector appeared to have been the largest, followed by Forestry and Fishing and Agriculture including Land Development.

The Development Finance Corporation (DFC) which provides loans to a maximum of \$200,000, approved in 1980 loans to a value of \$8.1 million, and in 1981 loans to a value of \$5 million. An analysis of the profile of loans approved is provided in Table XI of the Statistical Appendix.

^{4/} Notional in the absence of a Retail Price Index.

SOCIAL INFRASTRUCTURE

A social security scheme was introduced in June 1981. It is contributed to by both employer and employee. The scheme offers coverage of the insured and their dependents against loss of income from employment, retirement from work, illness and maternity.

PRICES, WAGES AND EMPLOYMENT

No official measurements of these variables exist at present. Any development of the Statistical Service must address these areas and put in place an information infrastructure to better inform policymakers.

STATISTICAL APPENDIX

BELIZE

1981

BELIZE

TABLE I

GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY
(FACTOR COST)

(CONSTANT 1973 PRICES)
Provisional estimates

SECTOR	1978	1979	1980	\$Bze '000	
				Annual Growth Rate 1979	1980
Agriculture	23,433	24,136	24,860	3.0	3.0
Forestry	2,410	3,133	2,040	30.0	-34.9
Fishing	2,555	2,728	2,865	6.8	5.0
Mining	377	377	377	-	-
Sub-Total	28,775	30,374	30,142	5.6	-0.8
Manufacturing	12,593	12,782	13,230	1.5	3.5
Electricity	1,494	1,621	1,760	8.5	8.6
Construction	9,935	9,061	9,061	-8.8	-
Sub-Total	24,022	23,464	24,051	-2.8	2.5
Trade and Restaurants	20,538	20,325	21,340	-1.0	5.0
Transport	11,223	12,073	12,675	7.6	5.0
Finance and Insurance	7,086	7,675	8,290	8.3	8.0
Real Estate	7,630	8,559	8,990	12.2	5.0
Government	12,628	12,947	13,270	2.5	2.5
Other Services	12,017	12,485	12,920	3.9	3.5
Sub-Total	71,122	74,064	77,485	4.1	4.6
Less Banking Charges	4,980	5,152	5,390	3.5	4.6
G.D.P.	<u>118,939</u>	<u>122,750</u>	<u>126,288</u>	<u>3.2</u>	<u>2.9</u>
G.D.P. at Current Prices	212,069	245,500	280,640	15.8	14.3

Source: Statistical Office.

BELIZE

TABLE II

ESTIMATES OF AGRICULTURAL PRODUCTION

	Unit	1978	1979	1980	1981
<u>Production of main crops</u>					
Sugar Cane	000 tonnes	1,140.9	1,005.0	1,030.0	985.6
Citrus:					
Oranges	000 tonnes	28.0	23.2	45.3	43.4
Grapefruit	000 tonnes	10.9	4.7	14.8	21.4
Timber ^{1/}	000 m ³	2,662	3,151	3,955	4,217 ^{**}
Rice (paddy)	tonnes	6,350	6,670	8,620	10,840
Corn	000 tonnes	19.5	15.4	18.8	20.4
Honey	tonnes	187	173	212.6	225.0
Bananas	000 tonnes	9.9	16.0	15.0	10.5
Red Kidney Beans	tonnes	980	1,020	1,390	1,720
<u>Indicators of Livestock</u>					
Production: (meat)					
Beef	tonnes	1,169	1,130	1,050	1,000
Pork ^{2/}	tonnes	225	217	206	164
Poultry	tonnes	1,451	2,008	2,324	2,500

1/ Converted from 1,000 board feet to 1,000 m³ by a factor of 2.3597.

2/ Excluding slaughtering on farms.

Source: Economic Survey, 1978-79, Central Planning Unit, Belize, Ministry of Agriculture, and data supplied CEPAL.

BELIZE
TABLE III
INDICATORS OF MANUFACTURING PRODUCTION

Selected Manufactures	Unit	1978	1979	1980	1981
Sugar	000 tonnes	115.3	100.2	104.9	99.3 ^e
Molasses	tonnes	37,490	32,810	32,760	32,490
Cigarettes	million	68.8	62.8	63.4	...
Clothing	pieces	1,238	1,400	1,564	...
Fertilizers	tonnes	3,275	3,362	3,595	...
Beer and Stout	000 litres	2,919	3,325	3,127	...
Flour	tonnes	7,031	7,175	6,601	...
Batteries	units	3,156	3,431	4,000	...

Source: Data supplied CEPAL.

BELIZE
TABLE IV
INDICATORS OF CONSTRUCTION ACTIVITY

	Unit	1977	1978	1979	1980 ^E	1981
<u>Number of building plans approved</u>	Number	119	506	181	182	...
Of which: Residential		105	...	...	...	...
Commercial		8	...	...	...	...
Industrial		3	...	...	...	...
Institutional		3	...	...	1	...
Floor area of plans	'000 sq.metre	1,062	...	...	...	...
Approximate cost	Mill. \$	2.8	...	...	8.0	...
<u>Production of building materials</u>						
Nails	'000 kg.	101	146	157	137	...
Roofing	'000 kg	172	342	344	263	...
<u>Imports of building materials</u>						
Cement	'000 tons	16	14.6	16.8	14.6	...
	'000 \$	1,773	1,659	1,725	2,269	...
Nails	'000 kg.	25	46	34	53	...
	'000 \$	54	72	68	107	...
Paints and paint products	tons	449	364	367	564	...
	'000 \$	1,003	1,031	1,100	1,625	...
Iron and Steel (plates and corrugated sheets)	tons	1,086	380	392	1,745	...
	'000 \$	988	405	422	1,873	...
Iron and Steel (bars and rods)	tons	1,052	2,280	5,568	1,062	...
	'000 \$	693	405	726	743	...

Source: Economic Survey 1975; Central Planning Unit, Belize; and data supplied CEPAL.

BELIZE
TABLE V
SELECTED DOMESTIC EXPORTS BY TYPE OF PRODUCT

	<u>Millions of Belize Dollars</u>				1981
	1977	1978	1979	1980	
<u>Main traditional exports</u>					
Sugar (unrefined)	47.7	62.1	62.8	95.4	65.0
Molasses	2.4	6.8	4.6	5.0	6.0
Bananas (and plantains)	3.1	3.5	6.8	6.5	6.9
Citrus	3.0	4.2	5.1	5.0	...
Citrus juices and concentrates	2.1	3.0	4.9	4.1)	
Grapefruit segments	0.9	1.1	0.1	1.0)	16.4
Grapefruit and orange oil	0.1	0.1	0.1	0.2)	
Logs and Lumber	1.9	2.1	2.8	3.8	3.4
Fish, crustaceans and molluscs	5.9	5.5	7.9	8.3	...
Sub-Total	64.0	85.4	86.4	123.9	...
<u>Non-traditional exports</u>					
Garments	18.7	18.8	20.2	19.8	...
Honey	0.3	0.3	0.4	0.4	0.4
Live animal for food	0.1	...	...	...	...
Meat (chicken and bovine)	2.1	1.7	2.5	0.7	...
Sub-Total	21.2	20.8	23.1	20.9	...
Total selected exports	85.2	106.2	113.11	144.8	...
Total domestic exports	89.0	110.0	115.0 ^E	156.1 ^E	...
TOTAL EXPORTS	124.2	159.5	201.6 ^E	337.8 ^E	...

Source: Data supplied CEPAL.

BELIZE

TABLE VI

VALUE OF IMPORTS BY SITC SECTIONS
(Bze \$'000)

SITC Sections	1977	1978 ^P	1979 ^P	1980 ^{1/}	1981
0 Food and Live animals	40,110	51,516	64,506	33,708	...
1 Beverages and tobacco	3,810	5,823	6,632	3,234	...
2 Crude materials, inedible except fuels	1,376	1,122	2,040	932	...
3 Mineral fuels, lubricants and related materials	23,359	22,039	33,140	25,056	...
4 Animal and vegetable oils and fats	357	479	698	456	...
5 Chemicals	12,648	15,188	20,697	9,638	...
6 Manufactured goods	28,616	37,999	38,831	19,987	...
7 Machinery and transport equipment	45,319	45,833	56,785	31,558	...
8 Miscellaneous manufactured articles	23,752	31,891	39,232	19,896	...
9 Commodities and transactions, n.e.s.	804	1,101	1,114	1,071	...
TOTAL	180,151	212,991	263,675	145,535	...

1/ Provisional figures - January to June.

Source: Data supplied CEPAL.

BELIZE

TABLE VII

BALANCE OF PAYMENTS
(Bze \$ million)

	1977	1978	1979	1980 ^e
<u>CURRENT ACCOUNT</u>				
Merchandise (net)				
Exports (f.o.b.)	124.4	159.6	203.4	200.4
Imports (c.i.f.)	180.2	212.0	266.3	298.9
Visible Trade Balance	-55.8	-52.4	-63.0	-98.5
Invisibles				
Net factor income	-3.5	-3.7	-4.0	-4.5
Net travel	5.6	6.0	6.5	6.7
Transfers				
Overseas aid (United Kingdom)	18.0	19.0	29.0	27.3
Other aid (Canada, United Nations)	3.2	3.6	4.2	5.0
Remittances (net)	3.5	3.6	1.8	2.4
Other (net)	1.4	1.5	1.6	1.8
BALANCE ON CURRENT ACCOUNT	-27.6	-26.0	-21.9	-33.3

Source: Economic Survey 1978-1979,
Central Planning Unit,
and data supplied CEPAL.

BELIZE

TABLE VIII

MONETARY BALANCE 1978-1981
(Bze \$'000)

	Balance at end of December			
	1978	1979	1980	1981
<u>Money</u>				
Currency outside banks	16,724	16,675	17,506	19,009
Demand deposits (unadjusted)	21,524	21,746	25,241	23,105
Monetary Authority deposits (unadjusted)	517	25	111	34
Total Money Supply (^M ₁)	38,766	38,446	42,858	42,148
<u>Quasi-Money</u>				
Time deposits	29,557	30,401	36,862	54,492
Savings deposits	28,059	29,838	31,573	27,835
Total Quasi-Money	57,616	60,239	68,435	82,327
Total Money Supply (^M ₂)	96,382	98,685	111,293	124,475
Total Deposits ^{1/}	79,316	83,293	94,143	105,634
Demand Deposits as a % of ^M ₁	56.3	56.6	58.9	54.8
Commercial Banks' loans and advances as a % of total deposits	81.9	103.9	97.6	103.1

1/ Exclude Monetary Authority deposits unadjusted.

Source: Quarterly Review, Research Division,
Monetary Authority of Belize,
and data supplied CEPAL.

BELIZE

TABLE IX

COMMERCIAL BANKS' CREDIT - SECTORAL DISTRIBUTION
(Bze \$'000)

	Balance at the end of December				
	1977	1978	1979	1980	1981
Agriculture including land development	16,680	18,139	23,444	24,059	24,080
Forestry and Fishing	2,294	4,277	1,752	3,808	3,100
Manufacturing	4,832	7,191	10,272	12,494	11,850
Building and construction	5,969	7,228	9,379	9,242	11,870
Tourism	540	543	739	685	1,000
Distributive trades	13,595	14,879	23,563	25,173	36,250
Government and Statutory bodies	1,425	1,015	2,730	2,675	4,990
Other	10,980	11,724	14,671	13,756	15,720
TOTAL	59,515	64,996	86,550	91,892	108,960

Source: Quarterly Review (Several issues)
and data supplied CEPAL.

BELIZE

TABLE X

CREDIT TO THE PUBLIC SECTOR
(Bze \$'000)

Year	Treasury Bills	Other Securities	Direct Advances (Net) from Authority	Direct Advances (Net) from Commercial Banks	Total	PERCENTAGE CHANGE OVER THE PREVIOUS YEAR				
						Treasury Bills	Other Securities	Direct Advances (Net) from Authority	Direct Advances (Net) from Commercial Banks	Total
1978	12,100	1,819	(492)	5,160	18,587	231.5	-5.2	-118.2	20.9	52.6
1979	7,700	1,688	2,963	8,672	21,023	-36.4	-7.2	702.2	68.1	13.1
1980	15,000	1,598	4,240	8,633	29,471	94.8	-5.3	43.1	-0.5	40.2
1981 ^P	16,885	1,659	7,292	12,761	38,597	12.6	+3.8	72.0	47.8	31.0

Source: Monetary Authority.

BELIZE

TABLE XI

VALUE OF DFC LOANS APPROVED BY ACTIVITY 1978-1981

(Bze \$'000)

<u>Activity</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
Livestock	331.4	267.8	735.8	73.8
Citrus	25.0	149.1	279.0	176.5
Sugar cane products	363.7	1,079.8	1,376.0	137.4
Sugar cane Machinery	354.6	210.5	249.5	134.5
Corn	14.8	36.5	101.3	262.3
Rice	140.3	61.9	214.7	113.6
Poultry	3.7	34.0	6.2	40.0
Bananas	714.8	-	-	2,000.0
Fishing	446.3	480.0	93.1	127.5
Forestry	-	-	220.0	-
Mixed Farming	63.9	346.4	69.2	309.7
Vegetables	7.5	27.9	17.6	19.0
Bees	20.8	-	-	11.0
Dairy	32.4	3.7	-	-
Agro-Industry	136.6	36.0	202.1	290.0
Other Agriculture	25.1	201.7	47.8	70.8
Tobacco	350.0	-	-	-
Red Kidney Beans	-	-	-	93.5
Sub-total	3,030.6	2,935.4	3,612.4	3,250.0
Tourism	438.4	346.5	661.3	370.2
Industry	580.4	172.9	88.3	163.6
Services	236.1	376.2	361.8	555.0
Student Loans	113.5	67.2	114.3	125.1
Housing	2,275.2	1,726.3	3,216.9	541.7
Sub-total	3,643.7	2,689.1	4,442.6	1,755.6
GRAND TOTAL	<u>6,674.4</u>	<u>5,624.5</u>	<u>8,055.0</u>	<u>5,005.6</u>

Source: Data supplied by DFC.

BELIZE

TABLE XII

CENTRAL GOVERNMENT - REVENUE AND EXPENDITURE
(Bze \$'000)

<u>Item</u>	<u>1979/80</u>	<u>1980/81</u>	<u>April-June</u> <u>1981/82</u>	<u>Estimates</u> <u>1981/82</u>	<u>April-Sept.</u> <u>1981/82</u>
Recurrent Revenue	77,737	77,829	15,946	86,687	32,672
Capital Revenue	15,455	7,849	693	73,274	876
TOTAL REVENUE	93,192	85,678	16,639	159,961	33,548
Recurrent Expenditure	67,921	62,811	16,399	71,052	31,752
Capital Expenditure	29,219	26,440	4,334	88,544	9,811
TOTAL EXPENDITURE	97,140	89,251	20,733	159,596	41,563
Deficit (-) or Surplus	-3,948	-3,573	-4,094	+365	-8,015

Source: Data supplied by Monetary Authority

BELIZE

TABLE XIII

VALUE OF IMPORTS OF SELECTED HYDROCARBONS
(Bze \$'000)

<u>Commodities</u>	<u>Classifica- tion Number</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
Aviation Gasolene	332.11	207.5	394.5	708.7	...	...
Motor Gasolene	332.13	5,390.6	6,594.0	10,244.8	17,426.0	...
Kerosene ^{1/}	332.23	4,351.7	5,079.6	6,720.2	...	...
Jet Fuel	332.21	15.7	-	-	-	...
Diesel Oil	332.32	8,830.2	5,859.6	10,526.2	17,918.2	...
Other Fuel Oil ^{2/}	332.41	918.7	962.5	1,094.2	867.9	...
Liquified Petroleum Gas	341.11	842.7	587.8	1,336.4	1,646.9	...
Other Gases ^{3/}	341.19	6.7	5.6	1.0	1.0	...

1/ Illuminating kerosene

2/ Bunker "C" Fuel

3/ Other Natural Gas

Source: Trade Reports and data supplied CEPAL

BELIZE

TABLE XIV

RETAIL PRICES OF SELECTED PETROLEUM PRODUCTS^{1/}
(Dollars per Imperial Gallon)

PERIOD	Gasolene		Kerosene	Diesel	Fuel	LPG per 100 lbs.
	Regular	Premium		Oil	Oil	
1976	1.30	1.57	1.10	1.25	...	36.00
1977	1.35	1.57	1.15	1.33	...	36.00
1978	1.43	1.65	1.20	1.36	...	36.00
1979	2.13	2.34	2.10	2.04	...	36.00
1980	2.82	2.95	2.50	2.63	...	50.00
1981	3.08	3.21	2.50	2.82	...	50.00

1/ As at 31 December of each year.

Source: Data supplied CEPAL.

PART VI

DOMINICA COUNTRY NOTES

ECONOMIC SURVEY 1981

DOMINICA^{1/}
(East Caribbean dollars (EC\$) used throughout)^{2/}

Economic activity in Dominica during 1981 responded fundamentally to the natural disasters of 1979 and 1980. On 29 August 1979 the island was ravaged by "Hurricane David", followed in that same year by "Hurricane Frederick" and in August 1980 by "Hurricane Allen". Agriculture and housing were severely damaged as well as roads and other main elements of the island's infrastructure. The country was forced to rely on heavy inflows of international aid and grants for social and economic reconstruction. These tremendous but timely inflows seem to have averted total distress, and total Gross Domestic Product (GDP) which fell in 1979 showed a mild increase in 1980. Unofficial estimates point in the direction of a further increase in 1981.

Much emphasis was placed on Agriculture whose performance only started to improve during 1981 not without dependence on STABEX and other grants. Construction activity intensified and efforts at economic diversification resulted in a higher contribution to GDP of the more dynamic though small manufacturing sector. The Balance of Payments continued to be unfavourable and deficits had to be financed by foreign budgetary and capital grants. Domestic revenues could not cover expenditure and the termination of United Kingdom budgetary aid, coupled with wage demands from the Civil Service Association, aggravated the already poor situation of Government expenditure. The principal objectives of economic activity in Dominica in the period concerned have been expanding investment efforts to increase employment and productive capacity, mitigating Balance of Payments problems and effecting structural changes in public finances.

^{1/} Until 1979 Dominica's economic performance was included in the West Indies Associated States' Country Notes.

^{2/} US\$1.00 = EC\$2.70.

PERFORMANCE IN THE MAJOR SECTORS

Agriculture

Agriculture has always been the mainstay of Dominica's economy accounting for almost 40 percent of total GDP before the hurricanes of 1979 and 1980. In the immediate post-hurricane period, production fell drastically as major export crops were seriously damaged. Estimates of hurricane damage to agriculture quote losses of 75 percent of banana acreage, 40 percent of grapefruit trees and a similar amount of coconut trees. Official statistics indicate that the sector's contribution to total GDP at constant prices stood at 23 percent in 1980 and 25 percent in 1981. Its contribution to exports and employment also fell. Unprocessed agricultural products which constituted over 60 percent of total exports in 1978 equalled only about 35 percent in 1980. While 28 percent of registered employed persons worked in agriculture in 1978, by 1980 they made up 23 percent of these. (See Table IX of the Statistical Appendix).

Since banana is Dominica's single most important export crop, trends in total export earnings have been consonant with those in the sub-sector. After contributing over 50 percent of export earnings in 1978 and 1979, banana earnings fell to approximately 30 percent in 1980. Banana production in 1980 declined 41 percent below the level of 1979, but as a result of programmes initiated by the Dominica Banana Growers' Association (DBGA) the 1981 output in turn has shown signs of recovery. However, official sources revealed that the 34,750 tonnes quoted for 1981 (Table IV of the Statistical Appendix) were not actually produced and that in fact only about 22,000 tonnes were produced on about 10,000 acres of land. Apart from contracted acreage and low productivity per acre, farmers faced a situation of price disincentives. Furthermore, the DECA in 1981 was forced to impose strict quality measures and as much as 40 percent of the bananas produced were rejected by the Association, resulting in lower exports of bananas.

Coconut production which has been second to banana over the years also declined in 1980 and the nine million nuts produced in 1980 constituted only half of the amount produced in 1979. However a replanting programme financed by the Canadian International Development Agency (CIDA) has begun with the aim of replanting three thousand acres by 1982. Because of the reduced number of nuts, industrial problems and an illicit trade in coconuts to the French islands, expansion in copra production was impossible.

Citrus production has followed the general trend in the sector as a whole. After the hurricane in 1979, production fell by about 50 percent and has since shown very mild improvement. Although recent projections imply that lime production increased in 1980 and 1981, the export earnings from lime juice fell by over 90 percent in 1980. It is claimed that during 1981 there was some improvement. Projects for the rehabilitation of the existing 2,000 acres of lime lands and expansion of 1,000 more have not yet been financed. The government has recently purchased the lime processing plant from private concerns and has made initial steps towards rehabilitation. There were no significant changes in grapefruits and oranges produced in 1980 and 1981. Nevertheless, there have been some marketing difficulties. Grapefruit, exported mainly to Europe, obtained premium prices for only eight weeks during September and October at which time supply from the major producing countries was low. The 1981 market was estimated to have been smaller than anticipated and the situation was further aggravated by low prices, competition from Cuba and unfavourable exchange rates between the pound sterling and the EC dollar. A loan from the Caribbean Development Bank (CDB) has been earmarked for the expansion of packaging facilities.

A major drawback to the sector's performance has been the serious financial position of the DBGA. A number of funding agencies have promised finance but the adequacy of these is questionable. The Dominica Agricultural Marketing Board (DAMB) has not been very effective in handling domestic crops especially due to poor management. Until proper management is established the marketing of agricultural goods will remain a bottleneck.

Livestock production continued to lag behind demand since there has been a general lack of interest in financing projects in that area. A small programme has been started involving stud servicing, fattening and importation of new breeds of sheep, goats and pigs.

Manufacturing

In absolute and relative terms, this sector is very small, as is evidenced by its modest contribution to overall GDP and employment. Between 1978 and 1981 its share of total GDP has fluctuated between

5 and 6 percent and there has been a noticeable decline in the number of people employed in the sector during this period.

Manufacturing activity in Dominica has traditionally centred around labour intensive industries employing simple technology and consuming little energy. The major enterprises are typically agro-processing (coconuts and citrus) but there exists a promising garment industry in addition to small establishments producing rum, cigarettes and soft drinks. The sector's GDP increased significantly by about 19 percent in 1980 and by 2 percent in 1981. Much of this growth has been attributable to the production of soap. From a decline of 30 percent in 1979, soap production increased by 138 percent in 1980 and a further 20 percent in 1981. Although the production of coconuts which constitute a major input into the production of soap has been negatively affected by the hurricane, the importation of tallow from the United States of America has proven to be a very economical substitute and was responsible for the relatively high rates of growth in the production of soap in 1980 and 1981.

The Dominica Government has embarked on an incisive industrial promotion campaign to complement its efforts in agriculture. Through a new Industrial Development Corporation (IDC) it has been attempting to encourage the private sector into a more active role. To this end, new legislation is being worked out and the IDC is charged with encouraging and assisting both local and foreign investors in establishing labour intensive assembly operations, industries to produce agricultural inputs and the development of their marine resources to meet domestic as well as foreign demand.

Industrial Development Corporation (IDC) efforts since 1979 began with the provision of infrastructure. Two buildings have been constructed to house garment industries and plans have been made for the establishment of industries in tyre-retreading, production of mattresses and pepper sauce, establishment of a multipurpose agro-processing unit, production of ornamental plants in a joint venture with Venezuela and shipping of fresh water to the Middle East.

Construction

Construction activity during 1980 and 1981 was heightened due to several emergency rehabilitation projects. In 1980 Construction GDP rose approximately 70 percent to register some \$11 million and in 1981 it rose a further 9 percent

to just over \$12 million. The volume and value of building materials rose significantly. A further reflection of the sharp increase in construction activity is found upon examination of the distribution of loans by commercial banks. At the end of 1979 loans outstanding to this sector stood at \$785,000 - some 38 percent below the figure for the previous year. At year end 1980, the outstanding loans to the sector stood at \$1,526,000 and by the end of September 1981, the figure stood at \$1,606,000.

Construction was oriented towards rehabilitation in priority areas - roads and houses, and further plans were made for the improvement of main roads and agricultural feeder roads. Designs have been completed for reconstruction of the port and bridges, while the reconstruction of public buildings is still at the concept stage. The Caribbean Development Bank (CDB) has been approached for help in the construction of factory skills to accommodate new enclave industries. Of considerable importance has been the maintenance, reconstruction and development of educational, health and housing facilities for which negotiations are still in progress.

Energy

Dominica's relatively low dependence on imported petroleum makes her somewhat unique among the smaller Caribbean islands. Her precipitous topography and abundant forest resources affords her the opportunity of economically generating power from hydroelectric installations, wood and charcoal. Approximately 90 percent of power needs are satisfied by hydroelectric installations.

After the hurricanes, electricity consumption fell as a result of the destruction of installations and transmission lines. Power was subsequently diesel-generated until the facilities were restored during 1981. Consequently the sector's GDP fell in 1979 and 1980 by 22.1 percent and 34.5 percent respectively. By the end of 1981 the GDP had increased by 28.9 percent.

During 1980 imports of petroleum products increased and so did prices. These price increases were felt immediately by consumers. There were substantial increases in import duties as well as in the retail price of gasoline.

There has been some speculation about Dominica's potential in respect of alternative sources of energy and studies have been made of the island's potential in hydro and thermal energy generation but to date, no projects have materialized.

THE EXTERNAL SECTOR

Tourism

Compared with most other Caribbean islands, tourism in Dominica remains largely underdeveloped. In relation to other economic activities, this sector has always been very small and can still be considered embryonic. Moreover, the natural disasters of 1979 and 1980 thwarted efforts to develop what little tourism potential existed at that time.

As far as total GDP is concerned, this sector's contribution has consistently totalled about 1 to 2 percent. The total number of visitors declined in 1980 and 1981 although the decline was less rapid in 1981. The greatest decline in 1981 was in the category of cruise passengers. Concomitant with the decline in total visitors has been the decline in visitor expenditure of about 11.5 percent in 1980. To date, no data are available for 1981. The hurricane destruction of some of the major hotels was responsible for the 23 percent reduction in the number of beds but there are signs of rehabilitation.

Despite its limited potential, the government of Dominica and the Dominica Tourist Board (DTB) recognize that there is room for expansion of the sector. The government's tourism strategy attempts to integrate tourism into national life, to ensure better spending of tourism funds, to develop new and existing tourist attractions, to establish more efficient air-links and deepwater facilities and to apply further impetus by encouraging foreign investment in the sector.

During 1980 and 1981 the Board spent most of its funds on overseas promotion. Local efforts included motivational surveys, increasing of local awareness, hospitality training seminars, revival and support of cultural entertainment and maintenance of natural beauty spots. The Board is fairly confident about the prospects for the industry.

TRADE AND PAYMENT

No official Balance of Payments statistics have been prepared by Dominica. In spite of the 4 percent increase in export earnings in 1980, the trade deficit almost tripled because of the heavy foreign exchange outflow from increased imports. The latter was due to rehabilitation and reconstruction requirements for coping with the current emergency situation.

For 1981, preliminary data imply that export earnings almost doubled. No statistics are available to determine the source of this increase but it has been verified that soap has become a major contributor. Export earnings from soap almost doubled in 1980 and it has been suggested that this trend continued in 1981. Imports in this year increased by about 6 percent.

Dominica still maintains major trading links with the United Kingdom and the United States of America who together supplied 50 percent of her imports and absorbed 36 percent of her exports. Trade within the region is conducted mainly with the CARICOM MDC's and Dominica is especially dependent on Trinidad and Tobago for her imports, and on Jamaica for her exports.

PRICES, WAGES AND EMPLOYMENT

Inflationary world price developments are a major determinant of price movements in Dominica. However, since the latter half of 1979, price increases have been largely a result of dislocation and shortages ensuing from the hurricanes, and a system of price control that is not enforced.

The consumer price index increased by 32.8 percent in 1980 compared to 17.9 percent in 1979, the highest since 1974. In 1981 the increase was of the order of 13 percent. Increased food prices and energy costs contributed significantly to those increases. In addition to the scarcity of food and its high import prices, the island lost some of its hydroelectricity generating capacity and fuel and light surcharges rose by 70 percent for the greater part

of 1980. During 1981 food prices rose by 15.1 percent, and the hydro-electric plants were rectified. Notable declines also occurred in the housing and drink and tobacco sectors. These movements resulted in a decline in the rate of inflation during 1981.

Dominica provides no official index from which changes in wages can be measured. Wage agreements during this period were hinged on Government's grant of an average 82 percent wage increase to civil servants in December 1979. In December 1980 a new wage agreement was made between the Government and the Civil Service Association whereby public servants would receive 10 percent increases per annum between 1982 and 1984. Moderation in the remuneration practices of the private sector would help contain the rate of cost-pushed inflation.

Although exhaustive data on employment are not available, official statistics collected by the Social Security Scheme indicate that the services sector accounted for almost 50 percent of total employed persons in 1980, with agriculture ranking second with an employment rate of 23 percent. It is to be noted that the statistics collected by the Social Security Scheme exclude own-account workers, and results in an undercount, possibly in both the Services sector and the Agricultural sector. It is thought that a large proportion of the agricultural labour force consists of own-account workers. The possibility is that with their inclusion, the relative importance of Agriculture to total labour force will surpass that of any other sector. Consequent upon the hurricanes of 1979 and 1980, employment in the Trade and Hotels sector fell from 2,651 in 1979 to 1,921 in 1980.

MONETARY AND FISCAL ACTIVITIES

Monetary Developments

The absence of a National Central Bank in Dominica renders difficult the exercise of accurately measuring the money supply. The East Caribbean Currency Authority which acts as a regulator of currency for the Less Developed Countries (LDC's) estimates the quasi-money to have increased by 13.6 percent at the end of December 1980 over the figure of the previous year. Data available to the end of September 1981 put this figure at \$71.8 million.

The relative increases in both time and savings deposits hint at an increase in the money supply.

An analysis of Commercial Banks' credit through data on loans and advances outstanding indicates generally higher amounts outstanding at year end 1980 and at the end of September 1981. Indications are that apart from the Government and the Household sectors, the Distributive sector and the Agricultural sector were the major recipients of credit from the banking sector.

Fiscal Developments

Official estimates of Government fiscal operations during 1980 and 1981 reveal heavy increases in total revenue and expenditure... While the current account deficit for the fiscal year 1981/82 grew by 283.4 percent of the previous year's deficit the total fiscal deficit grew by 5 percent.

Government current revenue showed minimal growth during fiscal year 1981/82, most of which came from consumption taxes. A general strike among civil servants ended with Government granting an 82 percent increase in personal emoluments over three years in December 1979. Current expenditure during the fiscal year 1980/81 increased by about 27 percent.

In the wake of the hurricane devastation in 1979 and 1980, government transfers to statutory bodies more than doubled, but by the end of 1980 government decided to monitor more closely the activities of these bodies in order to minimize overspending. The sector's share of the GDP at current prices was 22 percent, equal to \$32 million for 1980.

Heavy concentration on rehabilitation projects financed by external sources has increased capital outlays and this is expected to continue in the immediate future. Capital grants virtually finance the entire investment effort by the government.

Dominica's fiscal development has been invariably limited by the constraints of revenue resources against her costly expenditure programmes. Thus the 1980/81 and 1981/82 budgets embody concerted efforts at planned improvement in public finances. Measures to restrain spiralling current expenditure include:

- (1) A new wage policy whereby increases in public sector wages would be spread over a period of three years rising at 10 percent per annum. A call has been made for moderation in trade union demands and private sector adjustments.
- (2) A freeze in public sector recruitment, a cut in travel allowances and encouragement of early retirement.
- (3) Improvement in management and accounting practices of statutory bodies.

Revenue measures include:

- (1) Increased import duties and consumption taxes especially on lubricating oils, beer and softdrinks.
- (2) Removal of import duty concessions on building materials and vehicles.
- (3) Introduction of taxes on telephone and telegraphic services, postal rates and airport landing taxes, and property and land taxes. This package is expected to improve the financial situation necessary for sustained efforts in production and investment especially since the United Kingdom ended its budgetary support payments in 1981.

STATISTICAL APPENDIX

DOMINICA

1981

DOMINICA

TABLE I

MAIN ECONOMIC INDICATORS

	1978	1979	1980	1981
<u>A. BASIC ECONOMIC INDICATORS</u>				
Gross Domestic Product at Factor cost (current prices) \$M	113.6	100.9	148.3	...
Per capita Gross Domestic Product (current prices)	1,392	1,220	1,772	...
Population (thousands of inhabitants)	81.6	82.7	83.7	74.1
<u>ANNUAL GROWTH RATES</u>				
<u>B. SHORT-RUN ECONOMIC INDICATORS</u>				
Gross Domestic Product	19.7	-11.2	47.0	...
Per capita Gross Domestic Product	18.4	-12.4	45.2	...
Terms of Trade	...	...	...	...
Current value of exports of goods and services	...	...	...	...
Current value of imports of goods and services	...	...	...	...
Consumer price index December-December	9.3	34.1	21.4	8.1
Variation between annual averages	7.7	17.9	32.8	13.3
Money supply (M ₁)	...	...	...	...
Wages and Salaries	-33.7	32.4	67.6 ^{r e}	3.4 ^e
Rate of unemployment (%)	...	...	...	...
Current income of Government ^{1/}	9.6	26.2	30.7 ^{r e}	2.9 ^e
Total expenditure of Government ^{1/}	-13.2	59.8	52.7 ^{r e}	71.0 ^e
Fiscal deficit ^{1/}	...	-247.1	-41.5 ^{r e}	283.4 ^{r e}

TABLE I (CONT'D)

MAIN ECONOMIC INDICATORS

	1978	1979	1980	1981
	<u>EC\$ Million</u>			
C. <u>EXTERNAL SECTOR</u>				
Trade balance (goods and services)	...	...	...	...
Balance on current account	...	...	...	...
Variation in net international reserves \$	...	...	...	...
External debt \$M	...	...	...	...

1/ Data relate to fiscal year July of year indicated to June of the following year.

DOMINICA

TABLE II

GROSS DOMESTIC PRODUCT AT FACTOR COST: 1978 TO 1981
(At current prices EC\$M)

I N D U S T R Y	1978	1979	1980	1981	Percentage breakdown		Annual Growth Rate		
					1976	1980	1979	1980	1981
Agriculture (field crop)	46.2	37.2	51.5	...	37.2	34.7	-19.5	38.4	...
Livestock	1.2	1.6	1.9	...	1.0	1.3	33.3	18.8	...
Fishing	2.7	1.5	3.3	...	3.0	2.2	-44.4	120.0	...
Mining and Manufacturing	6.2	5.3	8.4	...	5.6	5.7	-14.5	58.5	...
Construction	5.6	7.7	15.2	...	5.4	10.2	37.5	97.4	...
Electricity and Water Supply	2.0	2.4	4.0	...	1.3	2.7	20.0	66.7	...
Transport and Communication	6.4	8.0	9.8	...	6.5	6.6	25.0	22.5	...
Trade, Hotels and Restaurants	12.0	8.6	11.4	...	11.4	7.7	-28.3	32.6	...
Banking and Insurance	4.4	4.7	8.4	...	4.0	5.7	6.8	78.7	...
Real Estate and Ownership of Dwellings	6.5	4.9	6.9	...	6.6	4.7	-24.6	40.8	...
Public Administration and Defence	22.3	21.1	32.1	...	19.6	21.6	-5.4	52.1	...
Other Services	1.2	1.2	1.5	...	1.3	1.0	0.0	25.0	...
<u>LESS:</u> Imputed Banking Service Charge	-3.1	-3.3	-6.1	...	(2.9)	(4.1)	6.5	84.9	...
Gross Domestic Product at Factor Cost	113.6	100.9	148.3	...	100.0	100.0	-11.2	47.0	...

Source: Data supplied CEPAL.

DOMINICA

TABLE III

GROSS DOMESTIC PRODUCT AT FACTOR COST: 1978-1981
(At 1977 prices EC\$M)

	1978	1979	1980	1981 ^e	Percentage Breakdown		Annual Growth Rate		
					1977	1981	1979	1980	1981 ^e
Agriculture (field crop)	37.53	23.66	20.45	24.99	35.6	25.2	-37.0	-13.6	18.8
Livestock	1.05	1.30	1.47	1.61	1.1	1.7	23.8	13.1	9.5
Fishing	2.46	1.48	2.62	2.74	2.5	2.8	-39.8	77.0	4.6
Mining	1.06	0.72	0.72	0.74	1.1	0.8	-32.1	0.0	2.8
Manufacturing	5.51	4.47	5.31	5.42	4.3	5.6	-18.9	18.8	2.1
Construction	5.32	6.48	10.99	12.01	6.2	12.5	21.8	69.6	9.3
Electricity and Water	1.90	1.48	0.97	1.25	1.9	1.3	-22.1	-34.5	28.9
Transport and Communication	5.84	5.60	6.11	6.79	5.7	7.1	-4.1	9.1	11.1
Wholesale and Retail Trade	10.76	7.15	9.38	10.56	9.5	11.0	-33.6	31.2	12.6
Hotels and Restaurants	1.33	0.99	0.90	0.98	1.2	1.0	-25.6	-9.1	8.9
Banking and Insurance	3.85	4.20	4.32	4.60	3.7	4.8	9.1	2.9	6.5
Real Estate and Ownership of Dwellings	5.01	3.80	5.27	5.27	5.6	5.5	-24.2	38.7	0.0
Public Administration and Defence	21.92	21.92	21.92	22.50	23.1	23.4	0.0	0.0	2.6
Other Services	1.09	0.95	0.95	0.97	1.1	1.0	-12.8	0.0	2.1
<u>LESS:</u> Imputed Banking Service Charges	-2.79	-3.04	-3.13	-3.51	2.6	3.6	9.0	3.0	12.1
Gross Domestic Product at Factor Cost	101.84	81.16	88.25	96.22	100.0	100.0	-20.3	8.7	9.0

Source: Data supplied CEPAL.

DOMINICA
TABLE IV
INDICATORS OF AGRICULTURAL PRODUCTION

	Metric Unit	1978	1979	1980	1981 ^e	Annual Growth Rate		
						1979	1980	1981
<u>Production of main crops</u>								
Bananas	Tonne	49,031	23,159	13,717	34,750	-52.8	-40.8	153.3
Coconuts	'000 Nuts	20,789	19,890	9,563	10,520	-4.3	-51.9	10.0
Limes	Tonne	8,505	3,401	5,103	5,262	-60.0	50.0	3.1
Grapefruits	"	10,024	6,015	6,350	6,895	-40.0	5.6	8.6
Oranges	"	3,239	1,943	1,943	1,982	-40.0	0.0	2.0
Dasheen	"	13,946	10,372	10,433	10,614	-25.6	0.6	1.7
Tannia	"	6,437	5,191	6,532	6,804	-19.4	25.8	4.2
Yam	"	4,096	2,838	4,082	4,355	-30.7	43.8	6.7
Plantains	"	2,754	2,061	1,219	1,341	-25.2	-40.9	10.0
<u>Other Crops</u>								
Mangoes	"	239	96	120	126	-59.8	25.0	5.0
Cocoa	"	706	388	388	388	-45.0	0.0	0.0
Sweet Potatoes	"	1,404	1,285	1,452	1,422	-8.5	13.0	-2.1
Cabbage	"	948	849	996	1,036	-10.4	17.3	4.0
Cucumbers	"	1,626	1,723	2,068	2,276	8.4	20.0	10.0
Cassava	"	1,049	734	763	774	-30.0	4.0	1.4
Coffee	"	269	155	148	152	-42.4	-4.5	2.7
Pumpkins	"	366	387	447	469	5.7	15.5	4.9
<u>Indicators of livestock production - Slaughtered</u>								
<u>Meat</u>								
Beef	"	159	162	163	204	1.9	0.6	25.2
Pork	"	161	164	191	227	1.9	16.5	18.8
Mutton	"	53	53	53	55	0.0	0.0	3.8
Poultry Meat	"	28	27	25	27	-3.6	-7.4	8.0

Source: Data supplied CEPAL.

DOMINICA

TABLE V

INDICATORS OF MANUFACTURING PRODUCTION

	Metric Unit	1978	1979	1980	1981	Annual Growth Rate		
						1979	1980	1981
<u>Production of some important manufactures</u>								
Laundry Soap	Tonne	2,712	1,933	4,420	4,950	-28.7	28.7	12.0
Toilet Soap	"	699	466	1,289	1,946	-33.3	176.6	51.0
Animal Feed	"	784	865	210	218	10.3	-75.7	3.8
Copra	"	2,710	2,747	847	743	1.4	-69.2	-12.3
Crude Coconut Oil	'000 Litres	1,799	1,945	554	503	8.1	-71.5	-9.2
Edible Coconut Oil	"	698	450	127	95	-35.5	-71.8	-25.2
Rum	"	...	404	527	...	...	30.4	...
Soft Drinks	'000 Cases	287	240	262	...	-16.4	9.2	...
Cigarettes	Tonne	39	30	25	25	-23.1	-16.7	0.0
Pipe Tobacco	"	5	5	4	4	0.0	-20.0	0.0
Preserves	"	...	210	336	...	...	60.0	...
Electricity	'000 kWh	17,358	12,131	6,701	...	-30.1	-44.8	...

Source: Data supplied CEPAL.

DOMINICA

TABLE VI

IMPORTS OF SELECTED BUILDING MATERIALS
(EC\$'000)

SITC (O) No.	SITC (R) No.	Commodity	Unit	1979		1980		1981	
				Quantity	Value	Quantity	Value	Quantity	Value
243	243	Wood shaped or simply worked	Cubic metres	1,517	1,257.0	5,186	5,464.8	...	...
272-01 to 04,08,11	273.1,.3,.4; 276.1,.2	Crude materials, e.g. sand, stone, gravel	Tonnes	2	0.1	189	227.8	...	...
533-03	533.3	Paints, enamels, etc.	Kg.	75,460	368.4	55,534	1,186.4	...	...
631	631	Veneers, plywood and other wood worked	Tonnes	97	271.7	616	1,282.2	...	...
632-03	632.4	Builders' woodwork	"	11	26.2	101	780.8	...	...
632-09	532.8	Manufactures of wood, n.e.s.	Kg.	6,850	39.5	11,313	72.7	...	...
661-02	661.2	Cement	Tonnes	216	78.3	7,396	1,698.4	...	...
662	662	Clay and refractory construction materials	Kg.	54,189	92.8	182,092	241.8	...	...
664-03 to 06,08	664.3,.4, .5,.6,.8	Glass in mass, sheet plate	"	45,093	145.5	11,310	175.7	...	...
68	68	Base metals	"	11,455	105.5	...	...	...	...
699-1 to 5	691.1,.2; 693.1;693.2	Manufactures of base metals	Tonnes	78.9	443.3	621	3,449.3	...	...
699-07	694	Nails, bolts, nuts, washers, rivets, screws and similar articles of all base metals	Kg.	78,270	355.2	160,063	667.3	...	...
699-18	698.1(1) .1(2)	Hardware of metal (e.g. locks, padlocks, safety bolts, keys, fitting for doors, windows, furniture, etc.)	Kg.	7,973	130.6	13,741	272.1	...	...
812-1,2,3,4	812.1,.2, .3,.4	Manufactured building materials e.g. sinks, washbasins	Kg.	8,765	153.8	66,670	512.8	...	...

Sources: Annual Overseas Trade Report 1979 and Ministry of Finance and data supplied CEPAL.

DOMINICA
TABLE VIIA
TRADE BY SITC SECTIONS

	0	1	2	3	4	5	6	7	8	9	Total
<u>IMPORTS C.I.F.</u>											
1977	16,824.2	2,569.5	2,274.3	3,834.9	1,229.4	7,584.0	13,257.6	6,980.4	4,524.8	1.9	59,081.0
1978	22,334.2	3,188.9	1,331.1	4,470.9	1,304.5	9,623.2	16,223.9	12,438.2	5,842.1	12.5	76,770.0
1979	15,011.5	3,509.2	1,487.6	3,738.1	1,060.4	8,055.4	11,292.2	12,163.2	3,615.6	36.4	59,970.1
1980	25,694.8	5,075.7	6,354.8	11,345.6	4,389.4	14,971.8	26,078.3	25,934.6	8,872.9	12.4	128,730.3
1981	...	...	...	...	...	...	...	...	...	...	136,823.5
<u>EXPORTS OF DOMESTIC PRODUCE</u>											
1977	24,856.3	60.3	26.7	-	1,914.0	3,978.2	161.5	-	604.5	0.1	31,601.6
1978	32,160.0	242.3	234.9	-	2,225.3	6,922.0	242.0	-	374.7	0.0	42,401.2
1979	15,683.0	124.1	384.9	-	1,750.2	6,409.7	238.4	-	110.2	0.5	24,701.0
1980	10,450.0	0.5	30.4	-	1,044.5	13,389.2	218.6	-	76.3	2.0	25,211.5
1981	...	...	...	...	...	...	...	...	...	...	49,713.6
<u>EXPORTS OF FOREIGN PRODUCE</u>											
1977	25.9	0.1	0.1	0.1	-	68.0	198.5	269.9	130.5	-	693.1
1978	106.8	11.9	0.1	2.5	0.1	15.6	70.9	249.6	28.7	-	489.3
1979	10.9	0.2	6.0	-	-	78.7	47.1	458.0	86.8	2.1	689.8
1980	44.2	4.7	52.0	-	-	34.5	57.4	866.8	30.3	0.4	1,090.3
1981	...	...	...	...	...	...	...	...	...	...	1,194.5

Source: Data supplied CEPAL.

DOMINICA

TABLE VIIB

SELECTED EXPORTS
(Value in EC\$'000)

	1978	1979	1980	1981	Annual Growth Rate		
					1979	1980	1981
Bananas	24,748.4	11,920.4	7,977.1	...	-51.8	-33.1	...
Cocoa, raw	196.4	129.2	19.3	...	-34.2	-85.1	...
Citrus fruits (Fresh)	2,745.0	883.9	1,243.3	...	-67.8	40.7	...
Coconuts in shell	718.3	480.4	55.4	...	-33.1	-88.5	...
Lime juice	726.5	418.6	26.4	...	-42.6	-93.7	...
Grapefruit juice	951.9	638.2	...	...	-32.9	...	...
Coconut cake and meal, etc.	153.6	185.0	57.1	...	20.4	-69.4	...
Coconut oil	482.2	1,750.2	1,007.6	...	263.0	-42.4	...
Lime oil	396.4	412.4	3.0	...	4.0	-99.3	...
Bay oil	1,477.2	1,306.4	264.5	...	-11.6	-79.8	...
Toilet soap	1,867.9	2,062.5	5,775.5	...	10.4	180.0	...
Laundry soap	3,167.6	2,617.8	7,335.5	...	-17.4	180.2	...
TOTAL	42,890.5	25,390.8	26,301.8	50,908.1	-40.8	3.6	93.9

Source: Annual Overseas Trade Reports, 1978, 1979,
Ministry of Finance; Data supplied CEPAL.

DOMINICA
TABLE VIIC
SELECTED MAJOR IMPORTS
(EC\$'000)

<u>Commodities</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
Live animals chiefly for food	11.3	13.9	193.9	...
Poultry, live	(11.1)	(13.7)	(14.7)	...
Meat and meat preparations	4,833.7	3,142.5	4,350.0	...
Poultry, killed or dressed	(2,447.3)	(1,865.2)	(2,517.8)	...
Meal and flour of wheat	3,354.7	2,575.9	4,586.1	...
Rice, not in husk	559.2	385.5	175.6	...
Fish and fish preparations	1,596.7	1,349.7	963.8	...
Milk and cream, all kinds	2,808.1	2,290.2	3,071.1	...
Coffee and Cocoa powder	174.1	85.9	754.3	...
Butter, fresh and salted	181.1	92.5	56.0	...
Margarine and Lard	1,006.4	792.1	1,052.7	...
Sugar, refined	746.1	187.3	1,607.9	...
Alcoholic beverages	2,380.3	2,195.2	3,475.2	...
Tobacco, unmanufactured	322.6	270.6	293.5	...
Cigarettes	109.8	73.5	134.7	...
Motor spirits and fuel oils	3,913.9	2,813.2	10,605.2	...
Fertilizers, manufactured	2,419.6	2,993.8	3,748.6	...
Rubber tyres for cars, trucks and buses	693.6	294.7	1,000.5	...
Cotton piece goods	652.0	475.0	323.3	...
Artificial silk piece goods	-	-	-	...
Passenger road motor vehicles	4,455.1	5,541.5	10,527.9	...
Clothing, outerwear not knitted	169.4	404.6	257.0	...
Footwear	914.7	522.6	1,084.2	...
Refrigerators, mechanical self-contained units	577.1	503.1	505.0	...
Vegetable oil	62.9	100.6	938.3	...

Source: Data supplied CEPAL.

DOMINICA

TABLE VIID

QUANTUM AND UNIT VALUE INDEXES AND TERMS OF TRADE

Year	QUANTUM		UNIT VALUE		TERMS OF TRADE	
	Imports	Exports	Imports	Exports	Commodity 1/	Income 2/
1976	90.5	104.5	93.4	85.7	91.8	95.9
1977	100.0	100.0	100.0	100.0	100.0	100.0
1978	114.8	122.9	108.2	108.9	100.6	123.6
1979	83.5	63.8	121.7	121.1	99.5	63.5
1980	143.3	52.7	162.3	150.7	92.9	49.0
1981	...	...	...	...	...	...

1/ Commodity Terms of Trade = $\frac{\text{Unit Value Index of Exports}}{\text{Unit Value Index of Imports}} \times 100$

2/ Income Terms of Trade = $\frac{\text{Commodity Terms of Trade} \times \text{Quantum Index of Exports}}{100}$

100

Source: Annual Overseas Trade Report 1979,
Statistical Division, Ministry of
Finance and data supplied CEPAL.

DOMINICA

TABLE VIII

CONSUMER PRICE INDEX
(April 1964 = 100)

	Weight	1979 ^{1/}	1980	1981
		<u>ANNUAL AVERAGES</u>		
TOTAL	1,000.0	392.1	520.7	589.7
Food	569.2	379.5	522.3	605.0
Drink and Tobacco	82.6	300.5	388.0	398.9
Housing	89.2	362.3	487.9	501.6
Fuel and Light	53.7	305.6	521.2	557.0
Household Supplies	46.4	510.9	644.5	747.0
Clothing and Footwear	95.2	445.1	518.9	595.5
Services	63.7	502.1	636.0	727.4
		<u>% VARIATION DECEMBER TO DECEMBER</u>		
TOTAL		34.1	21.4	8.1
Food		45.4	24.6	6.6
Drink and Tobacco		9.2	12.3	2.3
Housing		27.3	13.9	1.3
Fuel and Light		36.9	36.8	9.1
Household Supplies		21.6	19.6	16.2
Clothing and Footwear		18.4	12.4	14.7
Services		21.9	17.5	16.6
		<u>ANNUAL AVERAGE VARIATIONS</u>		
TOTAL		17.9	32.8	13.3
Food		...	37.6	15.8
Drink and Tobacco		...	29.1	2.8
Housing		...	34.7	2.8
Fuel and Light		...	70.5	6.9
Household Supplies		...	26.1	15.9
Clothing and Footwear		...	16.6	14.8
Services		...	26.7	14.4

^{1/} Due to the devastation of Hurricane "DAVID", it was not possible to compile the index for September and October 1979.

Source: Data supplied CEPAL.

DOMINICA

TABLE IX

EMPLOYMENT AND UNEMPLOYMENT^{1/}

INDUSTRY GROUP	1 9 7 8		1 9 7 9		1 9 8 0	
	Nos. Employed	% of Total	Nos. Employed	% of Total	Nos. Employed	% of Total
Agriculture	4,680	28.7	3,383	22.9	3,536	23.4
Manufacturing	1,445	8.9	685	4.6	575	3.8
Construction	875	5.4	507	3.4	631	4.2
Utilities	704	4.3	488	3.3	636	4.2
Trade and Hotels	2,665	16.4	2,651	17.9	1,921	12.7
Transport and Communications	346	2.0	277	1.9	219	1.4
Services	5,286	32.5	6,526	44.1	7,327	48.4
Banking Insurance	287	1.8	267	1.9	285	1.9
TOTAL	16,288	100.0	14,784	100.0	15,130	100.0

^{1/} This is a new series of employment data, derived from the records of the Social Security Department. This represents a more meaningful measure of the changes in the level of employment. The old series were based on rough estimates of total labour force and outdated labour force participation rates and outdated industry breakdown. The new series exclude self-employment persons who are not covered by the Social Security Scheme. The unemployment rate is not available.

Source: Data supplied CEPAL.

DOMINICA
TABLE X
CENTRAL GOVERNMENT REVENUE AND EXPENDITURE^{1/}

	1978/79	1979/80	1980/81 ^{re}	1981/82 ^e	Annual Growth Rate		
					1979/80	1980/81	1981/82
<u>CURRENT REVENUE</u>	34,391	43,395	56,698	58,354	26.2	30.7	2.9
Tax Revenue of which:	23,036	26,741	38,900	48,790	16.1	45.5	25.4
Income Tax	5,431	8,212	12,700	14,950	51.2	54.7	17.7
Consumption Tax	6,525	10,429	17,000	21,000	59.8	66.8	20.7
Import Duties	4,056	3,897	6,150	7,500	-3.9	57.8	21.9
Export Duties	358	104	75	800	-70.9	27.9	966.6
Other taxes, fees and licences	6,666	4,099	2,575	4,500	-38.5	-37.2	76.3
<u>Non-Tax Revenue</u>	2,574	4,707	5,610	5,964	82.9	19.2	6.3
<u>Aid Funds</u>	8,781	11,947	12,188	3,600	36.1	2.0	-70.5
<u>CURRENT EXPENDITURE</u>	32,784	45,759	58,082	63,660	39.6	26.9	9.6
Wages and Salaries	14,913	19,757	33,121	34,254	32.5	67.6	3.4
Other expenditure	17,871	26,002	24,961	29,406	45.5	-4.0	17.8
Saving/deficit on current account	+1,607	-2,364	-1,384	-5,306	-247.1	-41.5	283.4
Capital Revenue	2,216	5,943	21,569	81,557	162.3	262.8	278.1
Capital Expenditure	3,051	11,526	29,404	85,930	277.8	155.1	192.2
Total Revenue	36,607	49,340	78,267	139,911	34.8	58.6	78.8
Total Expenditure	35,835	57,285	87,486	149,590	59.9	52.7	71.0
Fiscal deficit/surplus	-772	-7,945	-9,219	-9,679	929.1	16.0	4.9
Debt servicing	...	...	...	...	...	...	...

1/ Fiscal year data July-June.

Source: Data supplied CEPAL and Estimates of the Commonwealth of Dominica 1981/82, Government of Dominica.

DOMINICA

TABLE XI

MONETARY BALANCE AS AT END OF DECEMBER
(EC\$ '000)

	1978	1979	1980	Sept 1980	Sept 1981	Annual Growth Rate		
						1979	1980	1981
Money (M ₁) of which:	...	...	...	...	...	...	...	...
Currency outside banks	...	...	...	...	...	...	...	...
Demand deposits adjusted	12,618	25,538	21,663	22,743	23,317	102.4	-15.2	2.5
Quasi-Money (M ₂) of which:	46,299	57,643	65,454	65,548	71,785	24.5	13.6	9.5
Time deposits	12,331	15,428	17,523	17,675	21,445	25.1	13.6	21.3
Savings deposits	33,968	42,215	47,931	47,873	50,340	24.3	13.5	5.2
M ₁ + M ₂	...	...	...	...	...	...	...	...
Cash as % M ₁	...	...	...	...	...	...	...	...
Loans and advances as % of total deposits	...	61.5	78.6	75.0	79.4	...	27.8	5.9

Source: Commercial Banking Statistics, December 1981, East Caribbean
Currency Authority and data supplied CEPAL.

DOMINICA

TABLE XII

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

S E C T O R S	1978	1979	1980	Sept	Sept	Annual Growth Rate		
				1980	1981	1979	1980	1981
Agriculture	4,169	12,101	10,985	11,295	11,165	100.9	-9.2	-1.2
Manufacturing	3,146	2,973	4,791	5,276	4,170	-5.5	61.2	-21.0
Distributive Trades	9,361	8,300	10,273	9,533	12,443	-11.3	23.8	30.5
Tourism	2,991	2,632	2,292	2,131	1,972	-12.0	-12.9	-7.5
Transportation	2,348	2,887	5,552	5,041	6,959	23.0	92.3	38.0
Public utilities (gas, electricity and telephone)	49	193	212	203	298	200.9	9.8	46.8
Government and other statutory bodies	8,219	9,277	13,836	14,180	17,466	12.9	49.1	23.2
Building and construction	1,255	785	1,526	1,421	1,606	-37.5	94.4	13.1
Personal loans	9,297	9,462	14,381	12,042	15,465	1.8	51.9	28.4
Other advances	1,431	2,581	4,644	5,086	3,976	80.4	80.0	-21.8
TOTAL - loans and advances	42,266	51,191	68,492	66,208	75,520	21.1	33.8	14.1
Long-term loans as a % of total loans	36.3	33.5	49.2	44.5	43.9	-7.7	46.9	-1.3

Source: Commercial Banking Statistics, December 1981, East Caribbean
Currency Authority and data supplied CEPAL.

DOMINICA
TABLE XIII
TRADE WITH CARICOM COUNTRIES
(EC\$'000)

	<u>Imports (c.i.f.)</u>			<u>Total Exports (f.o.b.)</u>			<u>Domestic Exports</u>		
	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
<u>MDC's</u>									
Barbados	2,419	5,224	...	1,190	1,431	...	1,022	1,377	...
Guyana	1,145	2,617	...	3	5	...	3	-	...
Jamaica	1,563	2,250	...	2,101	8,115	...	2,101	8,114	...
Trinidad and Tobago	<u>4,562</u>	<u>10,674</u>	...	<u>1,202</u>	<u>1,210</u>	...	<u>1,199</u>	<u>1,204</u>	...
Total MDC's:	<u>9,689</u>	<u>20,765</u>	...	<u>4,496</u>	<u>10,761</u>	...	<u>4,324</u>	<u>10,695</u>	...
<u>ECCM</u>									
Antigua	1,520	4,954	...	761	856	...	751	837	...
Grenada	26	482	...	648	1,064	...	630	1,064	...
Montserrat	34	169	...	54	111	...	49	62	...
St. Kitts	258	247	...	516	559	...	513	558	...
St. Lucia	3,054	4,600	...	792	1,675	...	619	984	...
St. Vincent	<u>2,035</u>	<u>3,583</u>	...	<u>822</u>	<u>1,135</u>	...	<u>772</u>	<u>1,096</u>	...
Total ECCM:	<u>6,928</u>	<u>13,675</u>	...	<u>3,593</u>	<u>5,400</u>	...	<u>3,333</u>	<u>4,601</u>	...
Belize	18	60	...	-	-	...	-	-	...
TOTAL LDC's	6,946	13,735	...	3,593	5,400	...	3,333	4,601	...
TOTAL CARICOM:	16,635	34,500	...	8,089	16,161	...	7,657	15,296	...

Source: Annual Overseas Trade Report 1979, Ministry of Finance. Data supplied CEPAL.

DOMINICA

TABLE XIV

TRADE BY MAJOR TRADING PARTNERS
(EC\$ '000)

<u>Trading Partners</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
	<u>EXPORTS BY DESTINATION</u>			
U.K.	28,843.1	14,094.4	9,118.0	...
U.S.A. (including Puerto Rico and U.S. Virgin Islands)	1,650.8	1,490.1	225.8	...
CANADA	604.5	223.5	3.8	...
LATIN AMERICA ^{1/}	6.1	5.5	-	...
EEC	350.7	314.9	34.9	...
CARICOM (ECCM).	9,559.0 (3,306.4)	8,089.9 (3,592.9)	16,170.7 (5,411.6)	...
OTHERS	1,876.3	1,173.2	748.6	...
TOTAL:	42,890.5	25,390.8	26,301.8	50,908.1
	<u>IMPORTS BY ORIGIN</u>			
U.K.	20,658.8	15,016.6	29,774.6	...
U.S.A. (including Puerto Rico and U.S. Virgin Islands)	13,543.7	9,884.5	34,473.1	...
CANADA	3,989.8	2,981.6	5,342.8	...
LATIN AMERICA ^{1/}	2,126.8	1,414.2	3,333.2	...
EEC	4,144.2	3,128.2	6,712.4	...
CARICOM (ECCM)	22,051.9 (10,622.6)	16,636.1 (6,927.9)	34,499.1 (13,674.4)	...
OTHERS	10,254.8	10,908.9	21,307.5	...
TOTAL:	76,770.0	59,970.1	128,730.3	136,823.5

^{1/} Continental Latin America.

Source: Data supplied CEPAL.

DOMINICA

TABLE XV

SELECTED DATA ON TOURISM

	Unit	1978	1979	1980	1981
TOTAL VISITORS	Number	35,579	28,075	24,782	23,212
Of which stop-over visitors	"	21,177	15,458	14,307	15,182
Cruise passengers	"	7,635	7,770	7,377	5,806
Excursionists	"	6,767	4,847	3,098	2,225
Cruise calls	"	14	16	22	24
Tourist accommodation	Number of beds	380	410 ^{1/}	315	353
Hotel occupancy rate	%	...	...	...	...
Average length of stay	Days	...	3	3	3
Estimated Tourist Expenditure	EC\$'000	6,266.4	6,286.8	5,562.0	...

1/ Until Hurricane "DAVID" 29 August 1979.

Source: Quarterly Bulletin of Statistics,
4th Quarter 1981, Statistical
Division; Data supplied CEPAL.

PART VII

GRENADA COUNTRY NOTES

ECONOMIC SURVEY 1981

GRENADA

(East Caribbean Dollars used throughout)

RECENT ECONOMIC TRENDS: INTRODUCTION AND SUMMARY

An examination of the Economic Performance of Grenada in 1981 shows a notable increase in the level of public sector activity, with public expenditure increasing by 40 percent over 1980 and by 151 percent between 1978 and 1981. While this increase has primarily been in capital expenditure, which recorded an increase of 168 percent since 1978, the main productive sectors have not grown commensurately.

This is particularly true of Agriculture, upon which the major responsibility for future expansion must rest. Agricultural output has not increased significantly and recent surveys show that land under cultivation has also shown a decline in earnings of 10 percent.

Despite an increase in grants-in-aid of 1,504 percent since 1978, the level of current economic activity has been financed by a rapid increase in the foreign debt which in 1978 represented 47 percent of merchandise exports, but in 1981 had grown to 140 percent of such exports.

TRENDS IN ECONOMIC ACTIVITY

Global Supply and Demand Trends

A detailed breakdown of the composition of Gross Domestic Product (GDP) has not been compiled since 1979. The Grenada Government estimates, however, that real GDP grew by 2 percent^{1/} for 1981.

An examination of the aggregates shows the public sector to have taken the lead in economic activity - a trend which was becoming evident in 1980. Gross Domestic Expenditure increased by 8.8 percent at current prices in 1981. Consumption increased by 2 percent overall, Government consumption registering an increase of 10.7 percent, while private sector consumption decreased by 0.5 percent. Gross Domestic Investment increased by 68 percent comprising an increase in public investment of 77.8 percent, but a decline of private sector investment of 25.9 percent. Investment has been mainly in

^{1/} See Table I in Statistical Appendix.

construction. Twenty-five percent of this was financed from local sources, the balance by capital inflows in the form of grants and loans.

Grenada continues to register a deficit on its balance of visible trade. Domestic exports grew by 9.4 percent over 1980, while imports increased by 6.9 percent. The balance-of-payments deficit has increased consistently although the rate of growth has declined to 6.4 percent in 1981, as compared with 47 percent in 1980.

Growth of the Main Sectors

(i) Introduction

Sectoral origin of GDP has remained relatively constant for the last decade. Agriculture, Forestry and Fisheries continues to be the main contributor to GDP and is estimated to have contributed 32 percent, Government Services 21 percent, Hotels and Restaurants in excess of 3.0 percent, Manufacturing 3 percent, Other Services 15 percent. The sector Agriculture, Forestry and Fisheries has recovered somewhat since the decline of approximately 1.5 percent in 1980 and is estimated to have grown by 5 percent for 1981. The Construction sector grew by 14.5 percent and Electricity and Water by 0.4 percent. Declines were registered in Tourism, by 20 percent, and the related wholesale and retail trades by 2.2 percent.

(ii) Agriculture

As has been stated, this sector contributes 32 percent to GDP. It employs 28 percent of the employed labour force directly and in 1981 contributed in excess of 28 percent of total export earnings.

The total land area of Grenada and Carriacou is estimated to be approximately 34,000 hectares. The Government Agricultural Census of 1981 shows that 13,858 hectares of this land is cultivated in 8,202 farms. This figure shows a decline in the acreage under cultivation, since the 1961 census showed that 20,500 hectares were then cultivated. The average size of farm holding is 1.9 hectares. Approximately 68 percent of the farms are of less than one hectare and 88 percent of less than 2 hectares.

Fifty percent of all farmers cultivate less than 7 percent of the farm land. At the other extreme one percent of all farmers cultivate over 40 percent of the farm land.

The average age of farmers in Grenada during 1981 was 51 years. Seventy-two percent of all farmers were over 40 years old.

Seventy-eight percent of the farmers identified five problems as crucial. In descending order of magnitude they are as follows: Praedial larceny 24.5 percent, shortage of labour 18.7 percent, plant diseases 12.3 percent, shortage of planting materials 11.4 percent and roads 11.2 percent.

Produce was marketed mainly in the nearest village, this method accounting for 41 percent, while central markets accounted for 29 percent, "traffickers" for 21 percent and the National Marketing Board for 8 percent of total farm produce.

Production of the main export crops in 1981 showed inconsistent performance. Output of nutmegs and mace showed considerable increase; in the case of nutmegs an increase of 40 percent for 1981 after a decline of 11.7 percent for 1980.^{2/} At the same time the export earnings of both commodities decreased by 4.9 percent and 8.6 percent,^{3/} although unit prices increased by 11 percent and 9 percent respectively.^{4/} In fact, only about half the nutmeg crop was exported due to marketing difficulties, the balance being stockpiled.

Cocoa production increased by 1.4 percent and earnings increased for the period by 4.3 percent. In fact, cocoa prices decreased by 27.6 percent and earnings were only maintained by running down stocks.

Banana production declined by 10 percent over 1980 and continues a downward trend since production in 1980 was a decline of 14 percent over 1979. Export earnings declined by approximately 10 percent in a market where prices remained relatively stable. Production shortfalls are attributed to moko and leaf spot diseases - the former appearing for the first time in 1978. Moko and leaf spot eradication programmes are underway, but production will continue to be sub-optimal until the diseases are contained and increased acreages can be put into production.

^{2/} See Table II.

^{3/} See Table VII.

^{4/} See Table VI.

Sugar cane production registered a decrease of 21 percent. Heavy rains hampered reaping and so a portion of production had to remain in the fields.

All other root, fruit and vegetable crops showed a modest increase over 1980 with the exception of limes, carrots, tomatoes and sweet potatoes.

Export earnings of cloves increased by about 200 percent due to increases in price and quantities sold.

Sales of fresh fruit showed a steady increase, amounting to \$1.3 million, mainly to Trinidad and Tobago.

A number of Agricultural sector projects have been placed on the Public Sector Investment Programme and include agricultural credit projects, feeder roads, a farm training centre and a banana development programme. Public Sector Investment in Agriculture was \$8.749 million for 1981.

If Agriculture is to continue to provide the engine for economic growth in Grenada, some of the other factors contributing to its decline will need to be remedied. The security of farm crops will need to be assured, and the increasing age of the farm population will need to be reversed. New entrants are needed and the training institutions to fit them to operate in an increasingly competitive and technologically complex environment will need to be an integral part of any agricultural plan.

Twelve new agricultural co-operatives were started in 1981, comprising young farmers. If these co-operatives were not counted in the Agricultural Census, the average age of the farm population would have moved from 51 to 62 years. At the same time they are evaluating a different model of Agricultural development from that pursued in the past. If the model is to succeed, however, and the co-operatives become viable, a high level of skill training will need to be integrated into the activities of the co-operatives.

The National Fisheries Corporation started its operation in April 1981 with seven fishing vessels. The catch for the three quarters of 1981 was 49,000 kilos of fish and 140 kilos of lobster. Problems with vessels, equipment and the availability of ice limited the operations of

the Corporation but significantly increased targets are being set for 1982. Over \$50,000 were earned in 1981 from the export of fish, including salted fish, which was exported primarily to Trinidad.

A Forestry Development Corporation was established in 1981, to exploit forestry resources. One thousand cubic metres of timber were produced for the construction of furniture and boats. Measures will need to be taken to improve access roads and capital equipment, if the industry is to grow at its optimum rate.

(iii) Manufacturing

Manufacturing contributes approximately 3 percent to GDP. It has traditionally engaged in production for local consumption, concentrating mainly on the elaboration of locally produced agricultural products. The fastest growing activities are, however, relatively new developments and are making a significant portion of their output available for export.

Preliminary data indicate that sugar production is down by 71 percent over 1980.^{5/} Final figures might not reflect a decline of this magnitude, bearing in mind the reduction of sugar cane output of 21 percent, although it should be noted that sugar output has declined steadily from 592 tonnes in 1978 to 143 tonnes in 1981. Sugar production provides less than 20 percent of local consumption and it is intended to expand production to satisfy local demand fully.

Rum production increased by 6 percent over 1980. This reflects the fact that the factory was off-stream for the final two months of 1980. The 1981 figure represents a decrease of 2.5 percent over 1979, the last full year of production.

Flour production which came fully on-stream in 1980, increased by 58.6 percent in 1981. Eighteen percent of flour output was exported to CARICOM countries during this period.

Figures for the production of coconut meal, edible oils and laundry soap are only available for the period January-July 1981. Comparison with the corresponding seven-month period for 1980 shows an increase in edible oil production of 51 percent but a decrease in coconut meal production

^{5/} See Table III.

of 12.7 percent. Seven-month figures for the production of laundry soap show an increase of 148 percent over production in 1980, but this reflects the fact that the soap factory was out of production for six months in 1980 due to a lack of raw materials.

The data available for furniture and garments relate to exports. Furniture did not sustain the growth recorded in 1980 which was 116.7 percent. For 1981 values declined by 18.1 percent. The clothing industry, however, continues to record impressive rates of growth in export earnings with figures of 139.5 percent in 1980 being almost matched for 1981 which recorded an increase of 132.2 percent.

The major thrust of government policy in Manufacturing is the development and expansion of the Agro-industry to process fruits and spices for local and CARICOM markets. The project which is in its early stages currently absorbs produce that is surplus and would normally go to waste. If it is to fully meet the existing market potential, the supply of raw materials and other inputs such as containers, will need to be secured by longer term contracts, and sporadic operation of the factory due to electrical outages will need to be corrected.

(iv) Construction

The construction sector continues its growth and registered an increase of 14.5 percent over 1980. This follows a massive increase of 208 percent in 1980 due mainly to the initiation of Point Saline International Airport project. A total of \$38.7 million was spent on the airport, \$27.1 million of which was in foreign grants and \$10.8 million in loans. This project is large in the Grenadian context and is a significant element in current economic activity. It is also a major reason for the increased role of Government in the economy.

Work on the repair of the Eastern Main Road absorbed \$4 million during 1981. Other road and bridge repair work as well as the construction of new feeder roads were also undertaken in this time period amounting to a total of \$4.2 million.

Expansion of the water supply by the construction of a dam to supply seven million gallons per month, improved shortage facilities and laying of distribution lines absorbed \$420,000.

In housing, 32 units started in 1980 were completed in 1981. During that period the house repair programme facilitated 973 households absorbing \$782,000.

Construction and repair to public institutions in the field of education, health and agriculture amounted to approximately \$347,000.

(v) Developments in Employment and Unemployment

A labour force survey^{6/} conducted for the Grenadian Government in October 1980 showed an active labour force of 38,000 comprising 34 percent of the population. Twenty-seven percent of the labour force, or 10,460, was unemployed, composed of 45.1 percent males and 54.9 females. Sixty-three percent of the total unemployed is to be found in the age group 15-24 years, which comprises 37 percent of the population.

The Public Sector, including state-owned companies, employed 35 percent of the working population, private companies 27.2 percent and the self-employed, partnerships or co-operatives accounted for 21.7 percent.

In view of the level of economic activity, particularly the level of public capital investment, it is reasonable to assume that employment increased over 1980, notwithstanding the fact that 140 persons were rendered unemployed by the Holiday Inn fire.

THE EXTERNAL SECTOR

During 1981, the deficit on visible trade increased by 6.4 percent over 1980.^{7/} This was a reduction in the rate of increase which for the previous year was 47.1 percent.

(i) Exports

Domestic exports increased by 9.3 percent in 1981. Despite this increase in export earnings over 1980, however, it should be noted that they are still 10.5 percent below the figure registered for 1979, and reflect the fact that the country has not recovered fully from the

^{6/} Grenada, Employment, Unemployment and Household Survey, 1980.

^{7/} See Table V.

significant decline in agricultural output registered in 1980. This does not represent the total picture, however, since nutmeg production increased by 40 percent, yet export earnings declined by 4.9 percent,^{8/} while prices increased by 11 percent.^{9/} The fact is that marketing difficulties were experienced for this product so that 50 percent of annual output could not be sold. Cocoa output increased by 1.4 percent while earnings increased by 4.3 percent. Prices however, declined by 27.6 percent so earnings were only increased by selling stocks at very low prices. Sales of non-traditional exports such as fresh fruits and vegetables, and textiles continue to register a healthy increase, this latter now ranking fourth in the volume of earnings after cocoa, bananas and nutmeg.

The EEC continues to take the major portion of Grenadian exports at 71.9 percent.^{10/} The United Kingdom alone provides 35.9 percent of earnings. These figures are, however, less than the percentages for 1980 at 77.2 percent and 43.9 percent respectively. On the other hand, the CARICOM share of Grenadian exports increased to 17.9 percent in 1981 from 9.9 percent in 1980. The Trinidadian contribution to this increase is most significant, however, moving from 7.7 percent to total exports in 1980 to 14.9 percent in 1981. It is now the third largest market for Grenadian exports from the United Kingdom and the Netherlands, and reflects a highly diversified package of exports. Most rapid growth was registered in exports of non-traditional food and vegetables and clothing. Exports to North America declined from 6.2 percent to 4.3 percent of total earnings.

(ii) Imports

Imports increased by 6.9 percent over 1980. The rate of increase is less than that registered in 1980 over 1979, which was 15 percent. Preliminary estimates indicate that CARICOM still provides the source of about 30 percent of all imports, petroleum accounting for nearly half of the CARICOM total. The EEC and North America each provide the source for about 25 percent

^{8/} See Table VII.

^{9/} See Table VI.

^{10/} See Table VIII.

of Grenadian imports.

Food accounts for about 36 percent of all imports, with capital goods at 16 percent, petroleum at 15.6 percent, and airport-related imports at 8.6 percent.

(iii) Invisibles

Official balance of payments statistics are not prepared by Grenada. Some of the elements of this table can, however, be identified and are listed below.^{11/} No attempt is made to arrive at a balance, however, since all of the components are not known.

The deficit on merchandise account is partly financed by invisibles comprising remittances by Grenadians from abroad and earnings from tourism. The latter figure is estimated to be \$46.8 million in 1981, which is a reduction of 10.7 percent on the estimated earnings in 1980. Remittances are not estimated to exceed \$6 million for 1981. Aid inflows for 1981 amounted to \$35.3 million and borrowings abroad to almost \$33 million. As a result of this external borrowing, the external debt increased by 89.7 percent over 1980. The debt comprised borrowings of \$10.6 million from Libya to assist in financing the Point Saline International Airport project, and financing from the International Monetary Fund under its stabilization programme.

(iv) Tourism

The tourism sector is estimated to contribute approximately one-third of GDP and employ 10 percent of the employed labour force. In 1980 earnings from the sector were 15 percent higher than total domestic merchandise exports. Performance in 1981 was not as effective however, and earnings of the sector have declined to 94 percent of merchandise exports.

The number of stopover guests declined by 14.8 percent.^{12/} Guest counts from the United States declined by 24.3 percent, from Germany by

^{11/} See also Table XIII.

^{12/} See Table IV.

20.5 percent, from the United Kingdom by 13.5 percent. Guest arrivals from CARICOM increased by 11.2 percent and from Venezuela by 4.8 percent. Caribbean tourists now comprise 33 percent of all arrivals.

The number of cruise ship calls declined by 44.5 percent while cruise ship visitor arrivals declined by 53 percent. Estimated expenditure from cruise ship passengers, which in 1981 comprised 10 percent of total tourism earnings, declined by 46.7 percent and now contributes only 6 percent.

Yacht calls showed a decline of almost 40 percent for the first nine months of 1981 compared with the corresponding period in 1980.

Tourism throughout the Caribbean has registered a reduced performance due mainly to depressed economic conditions in the major industrial countries. Visitor arrivals to Barbados declined by 5.5 percent, and to the Bahamas by 4.2 percent.

Contributing to the decline in arrivals was a fire at the Holiday Inn which reduced the availability of first class hotel rooms by approximately 50 percent and total room capacity by 24.8 percent. It is expected that re-building of the hotel will be completed in time for the winter season of 1982.

Unfavourable reporting of political developments in Grenada is also thought to have contributed to the decline in arrivals, particularly from the United States. The Grenadian response has been an intensified campaign to promote the more favourable aspects of the country as a tourist resort.

(v) Developments in Energy

Grenada is not a producer of petroleum, and imports 82.3 percent of its energy needs in this form. The remaining 17.7 percent of its energy is produced locally from firewood and other plant fuels.

Petroleum products are imported from Trinidad and Tobago and for 1981 increased in volume by 8 percent and in value by 14 percent.^{13/} Expenditure on petroleum products for 1981 amounted to 36.8 percent of merchandise exports as compared to 35.4 percent in 1980.

The sectoral consumption of petroleum products^{14/} indicates that road transportation uses almost 41 percent of all petroleum, mainly in the form of

^{13/} See Table XIII.

^{14/} See Table XIV.

gasolene, of which it consumes almost 89 percent. Electricity generation is the second largest consumer of energy at 35.3 percent, since Grenada relies completely on thermal plants for the generation of electricity. Electrical generation consumed 85 percent of the diesel fuel imported. Twelve percent of petroleum is used directly in households in the form of LPG and kerosene. Households use 99 percent and 84 percent of these products respectively.

An examination of the consumption of kerosene, LPG and firewood shows there is some degree of inter-fuel substitution taking place, with the more affluent households moving from kerosene to LPG, and the less affluent moving from kerosene to cheaper firewood. Recent changes in the price of kerosene as well as Government's policies of cross-subsidies have reduced its relative price to the consumer. This is expected to reverse these trends at least in the short run, and could help to reduce the rate of de-afforestation which is now facing a number of Caribbean countries.

PRICES AND WAGES

Prices increased by 17.25 percent on average for 1981.^{15/} The greatest increases were registered by Furniture and Appliances at 55.5 percent and Clothing and Footwear at 23.4 percent. Alcohol and Tobacco prices increased by 15.3 percent while Food - the major item in the index, having a weighting of 59 percent - registered a price increase of 19.5 percent. The sector Fuel and Light recorded an increase of 3.8 percent which contrasts with the increase of 43.6 percent in the previous year. Housing reflected a small increase of 3.3 percent. A number of wage agreements were completed in 1981, many of which were for three-year periods. Estimates of the changes for 1981, however, show that Central Government workers achieved a wage increase of 17.3 percent on average, comprising teachers, over a range of 14 percent-24.5 percent, nurses 17 percent-25 percent and civil servants 12 percent-17 percent. Port workers gained 15 percent and utility workers between

^{15/} See Table XII.

5 percent-20 percent.

In the private sector Agricultural workers gained 11.5 percent, manufacturing workers 12.5 percent-17.5 percent, motor repairers 15 percent, banking 15 percent-20 percent and increases in commerce ranged from 7.5 percent-32 percent.

It may be concluded from the foregoing that money wage agreements were in general keeping pace with inflation. It should be noted, however, that welfare benefits are also rising, medical and dental services, secondary education, free uniforms and school books, interest free loans for house repairs, are all now provided by the State. There has also been significant increase of university scholarships, with 200 being granted in 1981.

MONETARY AND FISCAL POLICY

(i) Monetary Policy

Grenada, as a member of the East Caribbean Currency Authority, has no central bank of its own. There are four major foreign commercial banks in operation and a locally owned National Commercial Bank (NCB), which is the second largest in the country.

Total money supply at 31 December 1981 increased by 5.8 percent^{16/} over the same month in 1980. Total M_1 increased by 1.9 percent due to a reduction of demand deposits of 2.4 percent. Total quasi-money increased by 8.3 percent.

Commercial bank credit outstanding at 31 December 1981 was 2 percent^{17/} less than existed at December 1980. These stock positions which exist at particular points in time do not necessarily imply the same changes in flows, although indications are that there is a high correlation between the two. The decline is influenced by an apparent reduction in credit, to the Distributive Trades by 10.4 percent, and of personal and other loans by 28.6 percent and 10.1 percent respectively, compared with the same period in 1980. However, credit for agriculture increased by 71.3 percent, for tourism by 31.7 percent and for transportation by 39.6 percent.

^{16/} See Table IX.

^{17/} See Table X.

(ii) Fiscal Policy

For 1981, if one excludes grants, Grenada accumulated a deficit on its current account budget in excess of \$6 million^{18/} or 10 percent. Tax revenue of \$60.6 million was a shortfall on projections of \$70 million, although 2.5 percent higher than realized revenue for 1980. Recurrent expenditure for which \$70 million had been targeted in the 1981 budget, was reduced to a realized figure of \$66.7 million. Recurrent expenditure was nevertheless 7.9 percent higher than in 1980.

Import duties declined by 12.9 percent and reflect the general reduction in economic activity, particularly in tourism. Actual receipts were 25 percent lower than originally budgeted for. Income Tax revenues increased by 2.5 percent. Consumption duty, while up to 48.2 percent over 1980 is nevertheless a shortfall of 10 percent from the original budget estimates. Export duties on the other hand, which declined by 40 percent in 1980, were 9.7 percent up on that year and 35 percent higher than targeted. Aid funds, i.e. grants increased by 6.3 percent over 1980. If one treats this item as current revenue, as is done in Table XI, there is a surplus on current account of \$29.2 million which is a reduction of 2.1 percent of the surplus obtained in 1980.

Recurrent expenditure increased by 7.9 percent. The Wages and Salaries account increased by 2.4 percent while other recurrent expenditure increased by 14.3 percent. Actual expenditure was 4.3 percent lower than the budget estimate.

The 1981 Budget made provision for Capital Expenditure of \$90 million. This was a figure 277 percent greater than the amount for the previous year. At the end of 1981 \$65.8 million was spent, 103.2 percent greater than the previous year. The reasons given for the shortfall include the late receipts of some of the project funds and bad weather, which had the effect of putting some projects behind schedule. It should be noted that expenditure on the new Point Saline International Airport project accounted for nearly 59 percent of total capital expenditure for the year.

^{18/} See Table XI.

STATISTICAL APPENDIX

GRENADA

1981

GRENADA

TABLE I

GROSS DOMESTIC PRODUCT -- BY ECONOMIC ACTIVITY
AT FACTOR COST -- 1978-1981

	In Current Factor Cost				Annual Growth Rate			
	EC\$ Million				1978	1979	1980 ^{1/}	1981 ^{1/}
	1978	1979	1980	1981	1978	1979	1980 ^{1/}	1981 ^{1/}
Agriculture	40.6	49.8	...	...	10.6	11.9	-1.5	5.0
Mining and Quarrying	0.1	0.1	...	...	0	0	...	0.1
Manufacturing	1.9	4.3	...	...	25.8	10.2	-3.3	-2.0
Construction	3.1	3.5	...	...	3.3	12.8	208.0	14.5
Sub-total	<u>47.7</u>	<u>57.6</u>	...	...	<u>11.2</u>	<u>20.7</u>	...	...
Electricity and Water supply	2.4	2.5	...	...	14.3	16.7	5.5	0.4
Transportation and Communication	8.9	9.9	...	...	9.9	11.2	...	0.5
Sub-total	<u>11.3</u>	<u>12.7</u>	...	...	<u>10.8</u>	<u>12.4</u>	...	...
Wholesale and Retail Trade	18.5	23.5	...	...	13.5	27.0	2.0	-2.2
Hotels and Restaurants	4.4	4.5	...	...	18.9	2.3	-6.2	-20.0
Government Services	32.7	34.6	...	...	59.5	5.8	...	2.5
Miscellaneous Services	20.9	22.9	...	...	20.8	9.6	...	2.0
Sub-total	<u>76.5</u>	<u>85.5</u>	...	...	<u>32.3</u>	<u>11.8</u>	...	...
TOTAL GROSS DOMESTIC PRODUCT	135.5	156.3	...	...	22.2	15.3	3.1	2.0

^{1/} Grenada Government and CEPAL estimates of growth, in real terms.

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

GRENADA
TABLE II
INDICATORS OF AGRICULTURAL PRODUCTION

	Unit	1978	1979	1980	1981	Annual Growth Rate			
						1978	1979	1980	1981
<u>Production of main export crops</u>									
Nutmegs	Tonnes	2,087	2,819	2,488	3,483	-15.0	35.1	-11.7	40.0
Mace	"	277	336	293	...	-18.2	23.9	-12.8	...
Cocoa beans	"	2,413	2,774	2,131	2,161	17.9	14.9	-23.2	1.4
Bananas	"	15,656	18,991	16,330	14,696	2.7	21.3	-14.0	-10.0
<u>Production of domestic crops</u>									
Sugar cane	"	15,726	13,452	9,773	7,686	-4.4	-14.5	27.3	-21.4
<u>Root crops</u>									
Yams	'000 kg	496	506	459	482	-3.0	2.0	9.3	5.0
Sweet potatoes	"	391	371	276	271	-3.5	-5.1	-25.6	-1.8
Tannias	"	280	271	276	284	2.6	-3.2	1.8	2.9
Dasheen and Eddoes	"	166	164	283	289	4.0	-1.2	72.6	2.1
Pigeon peas	"	...	...	902	830	...	...	...	-8.0
<u>Vegetables</u>									
Carrots	"	42	34	32	26	-4.5	-19.0	-5.8	-18.7
Tomatoes	"	55	42	48	45	-27.7	-23.6	14.3	-6.3
Cabbages	"	57	39	...	...	1.8	-31.6	...	...
<u>Fruit</u>									
Oranges	"	961	1,000	936	983	7.9	4.1	-6.4	5.0
Mangoes	"	1,445	1,517	1,805	1,841	-0.7	4.9	19.0	2.0
Grapefruits	"	2,009	2,109	2,093	2,197	29.2	4.9	-0.7	5.0
Limes	"	499	488	496	422	12.1	-2.2	1.6	-14.9
Avocado	"	1,240	1,236	1,356	1,423	25.4	-0.3	9.7	5.0

Source: Central Statistical Office, Grenada.

GRENADA

TABLE III

INDICATORS OF MANUFACTURING PRODUCTION

	Unit	1978	1979	1980	1981	Annual Growth Rate		
						1979	1980	1981
<u>Production of some important manufactures</u>								
Sugar	Tonnes	592	524	494	143 ^{2/}	-11.5	-5.7	-71.0
Flour	"	...	...	3,107	4,927	...	...	58.6
Rum	'000 Litres	337	359	330	350	6.5	-8.0	6.1
Beer	"	1,447	1,674	1,393	1,203	15.6	-16.8	-13.6
Malt	"	187	485	544	618	159.3	12.2	13.6
Edible Oil	"	290	308	240	198 ^{1/}	6.2	-22.0	...
Coconut Meal	'000 Kg	153	296	118	62 ^{1/}	93.5	-60.0	...
Laundry Soap	"	26	27	23	57 ^{1/}	3.8	-14.8	...
Clothing ^{3/}	EC\$ '000	1,012	991	2,373	5,511	-2.1	139.5	132.2
Furniture ^{3/}	"	716	365	791	648	-49.0	116.7	-18.1

1/ Production for 7-month period, January-July 1981.

2/ Preliminary data.

3/ Data relate to exports.

Source: Central Statistical Office, Grenada.

GRENADA
TABLE IV
SELECTED TOURIST STATISTICS

	1978	1979	1980	1981	Average Growth Rate		
					1979	1980	1981
Stop-over visitors	32,336	32,252	29,418	25,070	-0.3	-8.8	-14.8
Cruise-ship visitors	116,331	138,654	145,594	68,596	19.2	5.0	-53.0
Number of cruise-ship calls	188	200	236	131	6.4	18.0	-44.5
Average length of stay of stop-over visitors (days)	18.7	19.7	18.0	18.0	5.3	-8.6	...
Number of yacht calls	2,079	926	1,005	473 ^{1/}	-55.5	8.5	-39.9 ^{1/}
Number of hotel and guest house beds	1,500	1,500	1,500	1,128	0.0	0.0	-24.8
Estimated visitors' expenditure (\$'000)	39,438	53,594	52,416	46,808	35.9	-2.2	-10.7

^{1/} Yacht calls: January to September 1981 - 473
January to September 1980 - 787

Source: Central Statistical Office, Grenada Tourism Department, Grenada.

GRENADA
TABLE V
EXPORTS, IMPORTS AND BALANCE ON
VISIBLE TRADE: 1976-1981
(EC\$ '000)

<u>Year</u>	<u>Domes tic</u> <u>Exports</u>	<u>Total</u> <u>Exports</u>	<u>Imports</u>	<u>Balance of</u> <u>Visible Trade</u>
1976	32,121	34,121	66,215	-32,094
1977	37,031	38,451	84,763	-46,312
1978	44,053	45,298	96,452	-51,154
1979	55,614	57,716	117,979	-60,263
1980	45,510	46,946	135,574	-88,628
1981	49,761	50,675	144,943	-94,268

GRENADA
TABLE VI
AVERAGE EXPORT UNIT VALUES OF SELECTED PRODUCTS
(EC\$ per lb.)

<u>Commodity</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>Annual Growth Rate</u>		
					<u>1979</u>	<u>1980</u>	<u>1981</u>
Bananas	0.29	0.33	0.40	0.41	13.8	21.2	2.5
Nutmegs	2.46	2.44	2.54	2.26	-0.8	4.1	11.0
Mace	2.96	2.93	3.32	3.62	-1.0	13.3	9.0
Cocoa	3.72	5.14	4.38	3.17	38.0	-14.7	-27.6
Cloves	9.61	9.52	6.85 ^{1/}	11.76	-0.9	...	23.5 ^{2/}

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

2/ Increase over 1979 price.

Source: Central Statistical Office, Grenada.

GRENADA
TABLE VII
EXPORTS OF GOODS
(EC\$'000)

	1978	1979	1980	1981	Annual Growth Rate		
					1979	1980	1981
<u>Main traditional Exports</u>							
Nutmegs	10,739	12,413	8,543	8,126	15.6	-31.2	-4.9
Mace	1,741	2,313	1,845	1,687	32.8	-20.2	-8.6
Cocoa	19,574	27,078	18,239	19,021	38.3	32.6	4.3
Bananas	9,314	10,460	11,095	9,996	12.3	6.1	-9.9
Sub-total	<u>41,368</u>	<u>52,264</u>	<u>39,722</u>	<u>38,830</u>	<u>26.3</u>	<u>-24.0</u>	<u>-2.2</u>
<u>Other Exports</u>							
Cloves	521	751	199 ^{1/}	594	44.1	-73.5	198.5
Cinnamon	44	37	75	69	-16.0	102.7	-5.3
Clothing	1,012	991	2,373	5,511	-2.1	139.4	132.2
Furniture	716	365	791	648	-49.0	116.7	-18.1
Sauces and condiments	30	40	39	36	33.0	-2.5	-7.7
Sub-total	<u>2,323</u>	<u>2,184</u>	<u>3,477</u>	<u>6,858</u>	<u>-5.6</u>	<u>59.2</u>	<u>97.2</u>
Total Selected Domestic Exports	43,691	54,448	43,199	45,688	24.6	-20.7	5.8
Total Domestic Exports	44,388	56,016	45,510	49,761	26.2	-18.7	9.3
Total Exports	45,663	58,479	46,946	50,675	28.1	-19.7	7.9

^{1/} Includes cloves and stems

Source: Central Statistical Office, Grenada.

GRENADA

TABLE VIII

TRADE BY MAJOR TRADING PARTNERS
(EC\$'000)

	1978	1979	1980	1981
<u>Domestic Exports by Destination</u>				
U.K.	18,503	21,846	19,958	17,852
U.S.A.	1,151	898	1,396	770
CANADA	1,110	1,607	1,438	1,373
LATIN AMERICA ^{1/}	458	668	841	661
CUBA	-	-	216	189
EEC ^{2/}	17,801	24,836	15,116	17,920
CARICOM ^{3/}	2,752	3,402	4,506	8,931
OECS	348	70	717	1,274
OTHERS	1,930	2,287	1,272	791
TOTAL	44,053	55,614	45,510	49,761
<u>Domestic Exports by Origin</u>				
U.K.	21,266	26,878	24,221	...
U.S.A.	13,755	16,567	26,368	...
CANADA	7,730	8,128	7,697	...
LATIN AMERICA ^{1/}	3,856	2,818	3,903	...
CUBA	716	1,391	2,742	...
EEC ^{2/}	4,506	8,713	6,962	...
CARICOM ^{3/}	29,052	35,199	38,501	...
OECS	4,236	4,145	5,991	...
OTHERS	11,335	13,140	19,189	...
TOTAL	96,452	117,979	135,574	144,943 ^{4/}

^{1/} Figures from 1980 exclude Cuba.

^{2/} Excludes U.K.

^{3/} CARICOM MDC's.

^{4/} Breakdown not yet available.

Source: Central Statistical Office, Grenada.

GRENADA

TABLE IX

MONETARY BALANCE
(EC\$ '000)

	<u>BALANCE AT END OF DECEMBER</u>					<u>Annual Growth Rate</u>		
	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1978</u>	<u>1979</u>	<u>1981</u>
<u>Money:</u>								
Currency outside banks	3,207	4,045	6,547	32,581	37,414	26.1	61.8	14.8
Demand deposits	13,780	16,525	20,484	26,496	25,866	20.1	24.0	-2.8
<u>Total (M₁)</u>	16,987	20,570	27,031	62,077	63,280	21.1	31.4	1.9
<u>Quasi-money:</u>								
Time deposits	28,519	30,336	30,538	34,219	37,421	6.4	0.7	9.3
Savings deposits	41,348	48,885	60,607	59,511	64,124	18.2	24.0	7.7
<u>Total Quasi-money</u>	69,867	79,221	91,145	93,730	101,545	13.4	15.1	8.3
<u>Total money supply</u>	86,854	99,791	118,176	155,807	164,825	14.9	18.4	5.8

Source: Ministry of Finance, Grenada; ECCA returns.

GRENADA

TABLE X

COMMERCIAL BANKS' CREDIT-SECTORAL DISTRIBUTION^{1/}
(EC\$'000)

	1978	1979	Dec. 1980	Dec. 1981	Annual Growth Rate		
					1979	1980	1981
Agriculture	6,322	2,397	2,876	4,928	-62.4	20.0	71.3
Manufacturing	1,134	3,866	6,524	7,295	240.9	68.7	11.8
Distributive Trades	18,456	22,547	22,115	19,821	22.2	-1.9	-10.4
Tourism	4,454	4,567	4,654	6,131	10.4	1.9	31.7
Transportation	2,776	4,302	5,079	7,091	55.0	18.1	39.6
Public utilities (gas, electricity and telephone)	1,063	530	1,561	1,487	-50.0	194.5	4.7
Building and Construction	4,130	3,274	4,923	6,125	-20.7	50.4	24.4
Personal Loans	14,122	17,345	17,685	12,621	27.5	2.0	-28.6
Other advances	12,753	12,605	17,242	15,504	-9.0	36.8	-10.1
TOTAL	65,210	71,433	82,659	81,003	9.5	15.7	-2.0

^{1/} Figures relate to credits outstanding at 31 December of year indicated.

Source: The Ministry of Finance, Grenada
ECCA, St. Kitts-Nevis.

GRENADA
TABLE XI
CENTRAL GOVERNMENT REVENUE AND EXPENDITURE
(EC\$'000)

	1978	1979	1980	1981	<u>Annual Growth Rate</u>		
					1979	1980	1981
<u>CURRENT REVENUE</u>	47,000	88,875	92,364	95,947	89.1	3.9	3.9
Tax Revenue of which:	44,800	53,375	59,164	60,647	19.1	10.8	2.5
Income Tax	8,903	10,720	15,609	16,000	20.4	45.6	2.5
Consumption Tax	2,761	2,655	2,226	3,300	-3.8	-16.1	48.2
Import Duties	9,931	10,816	12,057	10,500	8.9	11.5	-12.9
Export Duties	5,745	7,632	4,559	5,000	32.8	-40.3	9.7
Other Taxes, Fees and Licences	17,460	21,552	24,713	25,847	23.4	14.6	4.6
Aid Funds	2,200	35,500 ^{1/}	33,200 ^{1/}	35,300 ^{1/}	1513.6	-6.5	6.3
<u>CURRENT EXPENDITURE</u>	48,800	53,900	61,800	66,700	10.4	12.8	7.9
Wages and Salaries	31,700	31,800	33,200	34,000	0.3	4.4	2.4
Other Current Expenditure	17,100	22,100	28,600	32,700	29.4	29.4	14.3
<u>SAVINGS/DEFICIT ON CURRENT ACCOUNT</u>	-1,800	34,975	29,886	29,247	...	-14.5	-2.1
<u>CAPITAL EXPENDITURE</u>	3,900	41,500	32,400	65,835	965.1	-21.9	103.2
<u>TOTAL EXPENDITURE</u>	52,700	95,400	94,200	132,535	81.0	-1.2	40.7
<u>GROSS NATIONAL DEBT</u>	51,600	57,200	69,068	105,592	10.8	20.7	52.9
Domestic Debt	30,800	30,100	32,377	35,990	-2.3	7.6	11.2
External Debt	20,800	27,100	36,691	69,602	30.3	35.4	89.7

^{1/} Grants made to the Government of Grenada.

Source: Ministry of Finance, Grenada.

GRENADA

TABLE XII

CONSUMER PRICE INDEX (JANUARY 1979 = 100)

<u>Group</u>	<u>% Weight</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
Total - All items	100.0	112.3	135.4	159.4
Food	59.0	113.3	134.7	161.0
Alcohol and Tobacco	2.5	104.1	125.5	144.7
Clothing and Footwear	8.0	116.3	140.8	173.7
Fuel and light	6.0	124.5	178.8	185.7
Housing	6.5	101.5	111.4	115.1
Furniture and appliances	3.0	100.1	105.3	163.8
Household supplies	3.5	119.7	154.1	164.0
Transport	4.0	118.5	162.4	183.1
Miscellaneous	7.5	102.3	128.5	143.6

Source: Central Statistical Office, Grenada.

GRENADA

TABLE XIII

BALANCE OF PAYMENTS

	1981
CURRENT ACCOUNT	-10,280
<u>Goods and Services</u>	-94,268
Exports	50,675
Imports	114,943
<u>Services Balance</u>	42,748
Travel Receipts	46,808
Travel Payments	-8,640
Interest on Public Debt	-1,900
ECCA profits	2,160
Other Services	4,320
<u>Transfers (net)</u>	41,240
Private (net)	5,940
Central Government Grants	35,300
CAPITAL ACCOUNT	
Central Government Borrowing	10,800
IMF Credits	22,111

Source: Ministry of Finance, Grenada;
and various other official documents.

GRENADA

TABLE XIV

VOLUME^{1/} AND VALUE^{2/} OF SELECTED HYDROCARBONS - IMPORTS

Commodity	1979	1980	1981	Percentage Change	
				1980	1981
GASOLENE					
Volume	62,657	62,161	60,944	-0.8	-1.9
Value	4,602	6,846	7,310	49.0	7.0
DIESEL					
Volume	58,325	61,201	73,238	5.0	20.0
Value	3,923	6,514	8,212	66.0	26.0
KEROSENE					
Volume	10,614	10,673	10,462	0.6	-2.0
Value	764	1,258	1,238	65.0	-2.0
L.P.G.					
Volume	10,639	10,803	11,505	1.5	7.2
Value	943	1,420	1,548	51.0	9.0
TOTAL					
Volume ^{3/}	18,309	18,672	20,237	2.0	8.0
Value	10,232	16,038	18,308	57.0	14.0

1/ Barrels unless otherwise specified.

2/ EC\$'000.

3/ Tons of oil equivalent.

Source: Energy Unit, Ministry of Planning, Grenada.

PART VIII

GUYANA COUNTRY NOTES

ECONOMIC SURVEY 1981

GUYANA

(Guyana dollars used throughout) 1/

The Guyana economy continued to deteriorate in 1981. The relative increase in the current value of its Gross Domestic Product (GDP) was attributable to the 18 percent devaluation made in mid-year and a 22 percent increase in the rate of inflation as measured by the consumer price index. Taking these two facts into account, the final result was estimated to produce an overall 20 percent decline in the real growth of the economy. (See Table 1).

The physical output of the key foreign exchange earning sectors was far below the projected targets and this situation was compounded by the prevailing low world prices for sugar and bauxite, unsure markets and high internal cost of production. These factors resulted in the lower levels of export earnings when compared with 1980. During the year, the country suffered from an acute shortage of hard currency to purchase raw materials and other supplies for local industries, resulting in overseas suppliers insisting that transactions be on a cash basis, thereby effectively shutting off credit to local importers. As a result of its foreign exchange difficulties, a 3-year Extended Fund Facility (EFF) arrangement was reached with the IMF to grant an increase in SDR's, early in 1981, for 50 million. This grant was conditioned on the need to increase local taxes, reduction in government spending and recommended a devaluation of the currency. The currency was devalued by 18 percent as part of the effort to correct the country's external imbalance. This action was insufficient to correct the worsening economic situation and a request for a further increase in SDR's was denied. This led to the government having to borrow heavily from the domestic banking system. At the end of 1981, the public debt stood at an estimated \$3.1 billion, with the net international reserves of the banking system being minus \$483 million.

1/ G\$3.00 = US\$1.00 as from June 1981.

Real income accruing to the Agriculture and Mining sectors was estimated to be 21 percent and 63 percent lower than 1980 respectively. The Agriculture sector was affected by the considerably lower world prices for sugar and the rising cost of producing the commodity. Added to the difficulties in sugar, the rice industry faced an internal problem which affected the harvesting of the grain. Local rice farmers refused to harvest the commodity because of the low prices being offered for the crop. This situation was checked by year-end, preventing a further decline in its real earnings for 1981. In the Mining sector, the advent of a world recession, heavy foreign competition for existing markets, substitute materials, lower productivity levels and the soft international markets for aluminium resulted in lower volumes of production and reduced earnings for the sector.

In 1981 it was evident that the economy continued to feel the effects of having to depend on the narrow resource base of traditional exports supported by a small group of resources which have been showing declining and unstable levels of output over the years. This has had severe effects on the volume and value of exports. There continued to be heavy demand for imported goods, mainly food and fuel. The failure of the key sectors to increase the level of export earnings has led to the creation of an acute shortage of foreign exchange, making it impossible for the government to settle overdue payments on international transactions, resulting in commercial creditors remaining unpaid. However, added to the IMF increase - in SDR's, some relief came from the \$170 million foreign exchange support through the Trinidad and Tobago oil facility obtained from the Caribbean Aid Council and a US\$23 million medium-term structural adjustment balance-of-payment support scheme with the World Bank. Nevertheless the deficit balances on merchandise trade and service widened in 1981 with the net position being a continued negative growth in the current account of the Balance of Payments and an increase in the overall deficit on the Balance of Payments.

Table 1
Summary of Main Indicators
(G\$ million)

	1978	1979	1980	1981
GDP at Current Prices	1,136	1,129	1,336	1,350
GDP at Market Prices	1,268	1,326	1,508	1,600
GDP at 1977 Prices	990	926	994	989
Rate of Inflation	19.5	15.6	12.8	22.1
Balance of Payments (+) or (-)	70.6	-123.5	-215.1	-86.0
Current Account Balance	-69.5	-208.5	-294.1	-522.0
Fiscal Current Revenue	365.4	394.9	449.9	558.1
Current Expenditure	474.5	580.1	748.7	828.8
Money Supply	666.9	713.3	850.4	997.2
Fiscal Deficit (-)	-223.9	-392.2	-646.8	-699.3
Exchange Rate US\$1.00 =	2.55	2.55	2.55	3.00

N.B. The currency was devalued 18 percent on 1 June 1981

The financial operations of the Central Government continued to deteriorate in 1981 despite the 24 percent increase in the size of current revenue. However, the increasing size of current and capital expenditure contributed to the net fiscal deficit of \$700 million in 1981. Nevertheless, increases in both current and capital expenditure were considerably slower than in 1980. More than half of the deficit financing came from external sources, with the remainder being realized through the issuing of short-term treasury bills.

It was expected that as a result of the deteriorating foreign exchange position there would have to be cuts in public expenditure, higher taxes and rising prices, large scale public sector layoffs, major cuts in essential imports with severe curbs on hard currency outflows and an overall reduction in subsidies. Added to this serious position it may be necessary to devalue again since the initial devaluation was made against an appreciating US dollar. It is apparent that there is the need to re-assess the economy and think about structural changes, moreso, due to the deterioration

in the level of foreign reserves and increasing unemployment caused by the downturn of activity in the principal sectors.

GROWTH IN THE MAIN SECTORS

Total domestic production in 1981, when valued at current prices, rose by 1 percent over the 1980 level although the economic situation was serious with a 22 percent inflation rate and an 18 percent devaluation, this performance reflected the continued downturn in economic activity. When consideration is given to the higher prices of the factors contributing towards the overall production and the 18 percent devaluation economic growth in real value terms was estimated to be about minus 30 percent in 1981. The 2 percent decline in the current value of exports at current prices (-10 percent in real terms) and the failure of the traditional foreign exchange earning sectors of the economy - Agriculture and Mining - to achieve better levels of performance in 1981 contributed towards these disappointing results.

Whereas the current value of output in the Agriculture sector declined 4 percent in 1981, the decline was even further, about 21 percent, in real terms. This substantial movement resulted from the decline in earnings from the main sugar sub-sector. Earnings accruing to the Mining and Quarrying sector decreased rapidly in 1981 due to low production, the effects of the current world recession and strong foreign competition for existing markets. The disastrous performance of the sector was evident in lower volumes and values of exports than in previous years. Indeed, the current value of export earnings fell some 54 percent from 1980, with value in real terms decreasing by 63 percent. As a consequence of these developments, the sectors, Agriculture and Mining and Quarrying, contributions to total GDP fell considerably, accounting for only 22 and 7 percent of the current values of GDP respectively - well below the 1980 levels. Despite the disappointing performance of the leading sectors in the economy, present current value estimates indicate good performances in the Manufacturing and Service sectors. Government and other Service sectors contributed more than 47 percent of total current GDP, whilst that of the Manufacturing sector accounted for 12 percent and the Construction share of the GDP was 8 percent. Activity in other manufacturing sectors, except sugar and rice, resulted in a 45.6 percent increase as measured by the

sector's contribution to GDP at current factor cost.

Agriculture

Current earnings in Agriculture, while amounting to over \$300 million in 1981, were about 4 percent lower than the level achieved in 1980. The value of output of the sugar sub-sector declined by 19 percent while all other major agricultural sub-sectors showed considerable improvements in earnings during the period under review. Sugar, however, remained the largest single contributor to overall GDP, accounting for over 22 percent in 1981. Sugar, rice and livestock contributed 69 percent of Agriculture's earnings and 15 percent of the total GDP in current prices.

The sugar industry physical output performances improved appreciably during the year in spite of labour shortages, work stoppages, indiscriminate burning of canes and the lower yielding varieties of canes presently harvested. The average ratio of one tonne of cane to one tonne of sugar was about 14 to 1. Although the actual current value of output was estimated to have declined by about 20 percent in 1981 because of falling sugar prices, the industry continued to be a major contributor to the national economy, accounting for some 9 percent of total GDP. Sugar-cane output rose some 26 percent to 4,128,000 tonnes in 1981, the third highest in the last decade. This increase in production came as a result of a variety of improvements implemented in the industry such as more controlled harvesting and planting techniques through improved drainage and tillage and planting programmes. Nevertheless, the increase in production did not result in the anticipated higher earnings because of a number of extraneous factors, such as the lower external prices for the commodity coupled with the increasing local cost of production. In fact it has been suggested that whereas the market price for the commodity was \$750 per tonne of sugar, the cost to produce a tonne was more than \$1,200. This has resulted in a substantial loss of earnings to the industry.

On the other hand, earnings from rice (paddy) were estimated to have increased by about 5 percent in 1981 in spite of a 2 percent drop in the physical output of the grain. The production of rice during the

early part of the year, was hampered by the rice farmers' refusal to harvest the commodity for a return considered unreasonable. The government subsequently offered to increase prices to offset incurred production costs. At the end of 1981 production of rice (paddy) fell to about 165,000 tonnes. During the year, the industry was plagued with the problem of a shortage of foreign exchange, making it difficult for farmers to obtain tractors and threshers/harvesters and necessary spares for repairing and maintaining equipment and plant.

As regards the other agricultural sub-sectors, performance continued to improve resulting in the relative increase in its current value of output by about 12 percent over the 1980 level, accounting for almost 46 percent of Total Agriculture GDP. The earnings accruing to the non-traditional export crops, such as root crops, rose 16 percent in 1981. This was mainly due to government's continued drive towards self-sufficiency in food, geared towards reducing the high cost of imported foodstuffs which made it necessary to utilize more local food, thereby increasing the local prices. Indications are that there was a drop in the livestock population with the production of meat and dairy produce in 1981 continuing to decline due to the shortages of animal feed, hatching eggs and dwindling herds. As regards the Forestry sub-sector, there was a rapid growth in the current value GDP of about 27 percent in 1981, continuing from the 29 percent growth reported in 1980. This good performance came as a result of a better transportation system from the interior, and improved saw mills and related techniques. Added to this, more use is being made of wood waste and renewed efforts are being made in charcoal production. Further, encouragement is being given to the use of timber in the building industry, especially housing.

Manufacturing

Despite reduced earnings from the sugar sub-sector, current value of output from manufacturing and processing rose 24 percent accounting for almost 15 percent of GDP in 1981. This resulted mainly from the increase in earnings from milled rice and other manufacturing sub-sectors. However, in real terms, there was a 7 percent decline.

Joint earnings from rice and sugar fell by more than 14 percent following the 25 percent growth in 1980. Whereas the value of output of rice milled rose 10 percent, that of sugar fell 18 percent in 1981. The sub-sectors (rice

and sugar) jointly contributed 25 percent of the sector's GDP for 1981. Earnings from all other manufacturing rose in 1981 improving by 45 percent from 1980. This position indicates the greater role being played by the non-traditional manufacturing sectors.

The output of manufactured sugar recovered moderately to a production level of 306 thousand tonnes in 1981, an increase of 12 percent over 1980. On the other hand, the physical output of milled rice fell some 2 percent after showing signs of recovery in 1980. The production of rice has been hampered by bad weather and the failure of the rice buying agencies to pay farmers more for the rice paddy, thus making it less profitable to produce the grain. This situation was being examined late in the year.

The value of output in current prices in the other manufacturing sub-sectors showed an increase of 45 percent in 1981, despite falling physical production of most manufactured items. The devaluation of the currency had led to a moderate growth in exports; thus pushing up the actual size of the sub-sector's earnings.

Only soap and cigarettes experienced any growth in production during 1981, with increases of 17 and 6 percent to 2,279 tonnes and 602 million cigarettes respectively. The physical output of margarine fell by 17 percent to 2,370 tonnes in 1981 after a record production of 2,847 tonnes in 1980. On the other hand, production of edible oil fell some 1,259 tonnes in 1981, about 47 percent lower than the production of 2,700 tonnes in 1980. The output of rum fell slightly after relatively good production in 1980, while the production of stockfeeds and flour continued to decline in 1981. Total output fell as a result of difficulties in obtaining much needed inputs for the expansion of the industrial sector. The lack of these imported resources, coupled with frequent electrical outages and lack of skilled technicians contributed to the lower levels of production than was expected. During the year, the country experienced an acute shortage of foreign exchange, making it difficult to pay for imported inputs and foreign creditors curtailed the extension of credit facilities to Guyanese importers and are now operating on a strictly cash basis. In another area limited production continued in the textile industry and indicators suggest that

there were improvements in the manufacture of gas stoves and refrigerators. An attempt has been made at assembling tractors for the local industry.

Mining and Quarrying

The current value of output in the Mining and Quarrying sector decreased by 54 percent, generating only 7 percent of GDP in 1981. However, the real value of output was estimated to have declined by more than 63 percent. This decrease resulted from the reduced output of the bauxite industry due to the weak foreign markets and persistent manpower, technical and management problems. Whereas earnings from bauxite and alumina fell considerably, earnings accruing to other mining and quarrying, mainly gold and diamonds, rose appreciably during this period. The Mining sector has failed to achieve the targets set.

Overall production in the bauxite industry fell some 9 percent in 1981, indicating an unstable pattern of production since 1977; output for 1980 rose only marginally. In recent times the low level of demand and low world prices for bauxite products have resulted in relatively lower levels of production. All areas of bauxite production declined substantially, with the exception of dried bauxite; calcined bauxite output went down 15 percent, alumina fell some 19 percent, the output of cement grade bauxite fell by 47 percent and there was little or no production of alumina hydrate during the year. The persistent shortage of foreign exchange to purchase the much needed inputs, spare parts and fuel, low prices on the international market and the soft international market for aluminium have pushed the estimated loss to the sector in the region of \$192 million. This represents about 15 percent of the import expenditure and a considerable loss of foreign exchange earnings.

The poor performance over the years has caused a shift in the supply side of the refractory industrial market with Guyana being unable to satisfy a constant market demand for calcined bauxite, a technically preferred material for making heat resistant bricks and lining for kilns and furnaces. Competitors have made significant inroads into the market in most cases supplying an inferior ore, causing many users to adapt technology to handle this new grade of ore. Added to the new suppliers, the industry is faced with the fact that there has been the introduction of alternative refractory

materials, one of which is a non-bauxite refractory substitute called "Andalusite", - a South African metal ore. The Guyana bauxite industry has been faced with the lower price offered by its competitors for the traditional refractory ore, and also the lower prices of the substitutes. Though the Guyana ore is the technically preferred material, its share of the world market for calcined bauxite fell from a near monopoly supply of 85 percent to below 57 percent in 1981.

The industry has also suffered loss in the overseas demand for its other bauxite products due to poor production resulting from technical difficulties, manpower and management problems. The global recession has caused the demand for aluminium to drop sharply, resulting in such reduced demand for primary inputs. Indicators have shown a marked increase in the recycling of aluminium scrap, mainly in the United States of America (USA). Further, the depressed price for aluminium has so far resulted in the closure of several smelter plants around the world and has caused a general cutback in bauxite production in other producing countries. The situation has now reached the point where "futures" buyers have decided to cancel orders and pay the monetary penalties thus incurred rather than accept delivery.

Whereas the bauxite industry has experienced low inputs in 1981, the reported production of gold rose by almost 73 percent with 19,000 ozs. of gold reported. This has resulted from the setting up of the Gold Board, where all gold mined or found must be reported. However, it has been estimated that this figure is only 25 percent of what was actually extracted during the year. This figure does not necessarily mean that in the past production was low but rather unreported. It is notable that over \$3 million worth of mining equipment was imported without the necessary release of foreign exchange during 1981. On the other hand, there was a slight drop in the reported production of diamonds.

During 1981 the Government of Guyana continued its exploration for other materials and ores. There have been searches for uranium, molybdenum and other base metals. Mining is continuing for new deposits of gold, diamonds and other semi-precious stones. The country is shortly to receive a loan from the International Development Association (IDA) -

to continue its search for oil deposits. At present, Home Oil Corporation is continuing its exploratory tests both in the interior and off-shore.

Other Sectors

The rise in government's capital expenditure programme, together with the rising level of imports has generated the demand for basic services. The services sector continued its favourable growth, accounting for over 47 percent of total GDP at current prices in 1981. Preliminary estimates indicate a 20 percent increase in the GDP contribution of the Distributive trades in 1981 after a 2 percent decline in 1980, and increases of 20 percent and 8 percent respectively in the transport and financial services sectors. Earnings from rent went up some 28 percent during 1981. Government investment policy continued to be geared towards the improvement and expansion of both the industrial and agricultural sectors, expecting to achieve improved efficiency and self-sufficiency. At the same time with the limited resources available and taking into account the inflationary process these services have had some effect on construction activities, where earnings rose 16 percent. These rates of increase on the basis of current prices must be interpreted against the backdrop of the combined effects of the devaluation of the currency and the on-going inflation.

Monetary Developments

While the total monetary resources placed with the Banking system moved up by \$255 million, or by some 24 percent in 1981, the 27 percent expansion in credit to \$1,812 million was in excess of monetary growth and resulted in the running down of net foreign assets of the Banking system by some 22 percent.

The Monetary Supply ($M_1 + M_2$) expanded rapidly in 1981, increasing by \$147 million - about 17.3 percent higher than in 1980. This growth in the banking system came mainly from placements by the private sector. The contribution of the public sector was expected to be less significant since most public sector enterprises hold only working balances with the banking system. In June 1978, the Bank of Guyana introduced a policy whereby an importer had the option to hold bank resources in the form of deposits (arrears deposits) for the payment of commercial arrears pending the availability of foreign exchange reserves for the release of such payments.

FISCAL AND MONETARY DEVELOPMENTS

The re-establishment of relations between the International Monetary Fund and the government of Jamaica resulted in the three-year Extended Fund Facility Arrangement which influenced fiscal and monetary developments during 1981. The new arrangement^{1/} stipulates that SDR 477.7 million be made available to Jamaica over a three-year period, of which US\$308 million is expected to be expended during fiscal year 1981-1982.

New fiscal and monetary policy measures to be implemented as part of the agreement include restrictions on net banking system credit extended to the public sector, ceilings on the net domestic assets of the Bank of Jamaica, restraint on new external debt accumulated by the public sector, the Bank of Jamaica and private sector debt covered by government guarantee; and finally, specific levels for the international reserves of the Bank of Jamaica.

The new agreement established a solid foundation for financial transactions with donor countries and debt refinancing negotiations with commercial banks as well as the renewed extension of trade credits to Jamaica. The foreign exchange resources obtained initially were expected to be used to cover deferred international payments.

Fiscal developments

Fiscal policy measures outlined in the Extended Fund Facility Arrangement were designed to facilitate the attainment of surpluses on the current account for financing after the first year and lesser strain on the domestic banking system in order that the maximum quantum of domestic financial resources be made available for the productive sector.

Fiscal strategies implemented as of April 1981, are as follows:

- 1) the control of recurrent expenditure;
- 2) a comprehensive review of the tax system including the removal of disincentives to production and investment and support for industrial and agricultural sectors, the introduction of ad valorem rates in place of specific duties and an internal taxation system as a substitute for frontier taxes as well as the execution of a programme to increase the yield of the Capital Development Levy from incremental sales of bauxite;

^{1/} April 1981

- 3) the adaptation of expenditure policies to limit consumption and focus expenditure on capital formation;
- 4) astute management of the public debt;
- 5) alleviation of the debt-servicing burden through re-financing;
- 6) divestment of selected enterprises.

The proposed fiscal objectives over the three-year period include the contraction of overall central government expenditure to no more than 30 percent of the Gross Domestic Product at the end of the three-year programme period, with the level of government expenditure expected to be held at 33 percent of GDP during Fiscal Year 1981-1982; a reduction of the current account deficit to 3.5 percent in 1981-1982 and eventually to a surplus of 1 percent of GDP by the 1983-1984 financial year; and a tightening of the overall deficit (net amortization) to 10 percent of GDP.

During fiscal year 1981-1982, there was an improvement in the financial position of the central government in compliance with the strategies and objectives stated in the new Extended Fund Facility Arrangement. More stringent administrative controls resulted in a more efficient tax take and a greater efficiency in recurrent expenditure.

The government effected some contraction in the national debt making foreign debt payments of US\$437.8 million. Despite careful management, however, gross national debt remained high due to the amount outstanding from the prior year for which payments had been re-scheduled as well as additional debt acquired during fiscal year 1981-1982. The latter resulted in a 29 percent rise in Gross National Debt above that for the previous year. The major portion of additional debt was accounted for by local sources and the major part of these loans was in the form of an advance by the Bank of Jamaica for the 1980-1981 budget which was later converted into local registered stock. Channels for the refinancing of principal payments on direct and guaranteed debts were secured, thereby easing the debt-servicing burden.

There was mixed performance regarding the attainment of goals outlined in the agreement. One target was surpassed during the period as the current account balance fell to 2.5 percent of GDP in place of the required 3.5 percent. The decline in government expenditure as a percentage of total GDP to 46.5 percent occurred but this proved to be greater than the 1979 ratio of 40.8 percent. The projected level of 33 percent for fiscal year 1981-1982 was not met. A reduction in the fiscal deficit by 9.7 percent to \$917.4 million in financial year 1981-1982 was recorded.

Overall government expenditure was tightly monitored during fiscal year 1981-1982. Total government expenditure grew by only 3.3 percent during the 1981-1982 financial year above the figure for financial year 1980-1981, while an increase of approximately 37 percent was recorded during fiscal year 1980-1981 above the fiscal 1979-1980 aggregate. Furthermore, there was a constriction in government expenditure. Throughout the period under review, government expenditure was restrained by the curtailment of recurrent expenditure as incomes guidelines based on the "ability to pay" principle with specific ceilings on the public sector wage bill were implemented and careful management of discretionary payments was pursued. However, total expenditure on economic services rose by 29.7 percent during fiscal 1981-1982 above the output for fiscal 1980-1981.

The balance on the current account also evinced a better situation during fiscal 1981-1982 than the previous fiscal year. A substantial reduction of the current account deficit by 62.3 percent below the deficit for fiscal 1980-1981 occurred in comparison to the decline of 12.3 percent in fiscal year 1980-1981. Therefore, with fiscal 1980-1981 and 1981-1982 revealed a reversal of the upward movement in the current account deficit which has been evident during former fiscal years.

The improvement on the current account may be attributed to the significant fall in the rate of increase of recurrent expenditure and to a lesser extent, the increase in recurrent revenue. Recurrent expenditure increased by 7.0 percent in fiscal year 1981-1982 above the figure for fiscal year 1980-1981 when a 24.3 percent increase above the aggregate for fiscal 1979-1980 was recorded. Recurrent revenue rose by 26.7 percent to \$122.4 million in 1981-1982 while a 15.7 percent increase was obtained in fiscal year 1980-1981 compared with recurrent revenue earnings for the previous fiscal year.

The major contributor to recurrent revenue continued to be the tax revenue component which grew by 24.5 percent above the total for fiscal year 1980-1981. The growth during fiscal year 1981-1982 may be attributed to the implementation of better tax collection measures, the upswing in imports and expansion in the production of some items locally which caused a marked rise in consumption and customs duties.

Data in Table XIV show a contraction of both capital revenue and expenditure for fiscal year 1981-1982. Capital revenue declined by 82.3 percent from \$180.4 million to 31.9 million in fiscal year 1981-1982. Funds were mainly directed towards ongoing projects with a minimum number of new projects financed on the basis of their potential contribution to the fulfilment of national goals.

The 1981 deficit was principally financed by external borrowing which accounted for some 60 percent of the total. Additional funds were provided by OPEC, the United States, the World Bank and the Venezuela/Mexico Oil Investment Facility. Domestic Financing was obtained by the expanded use of treasury bills as an alternative to increased taxation while no assistance was sought from the Bank of Jamaica. The Gross National Debt stood at \$520.4 million at the end of December 1980, an increase of approximately 29 percent above the figure as at December 1979. Heavy reliance on external financing persisted in spite of the decline from 39.5 percent of total debt to 38.5 percent in 1981. The Bank of Jamaica was responsible for covering 53.4 percent of the additional debt from internal sources.

Monetary developments

Monetary policy for the period covered by the Extended Fund Facility Arrangement was largely anti-inflationary focusing on the mobilization of savings in the effort to reduce spending, lessening the upward pressure on the price level and guaranteeing the availability of sufficient bank credit to priority sectors. During fiscal year 1981-1982, it was anticipated that as economic activity intensified, the demand for bank credit would influence the upward movement on interest rates.

Data given in Table XII describe the monetary position for the period 1978-1981. As at December 1981, a small increase in money supply (M_1), of 6.1 percent was recorded. This growth may be attributed to the contractionary influence of the marked decline in net foreign assets of the banking and financial system

which negated the expansionary effect of increased credit on the money and the shifting of funds from demand deposits into time deposits.

The substantial decline of 55.2 percent in net foreign assets in 1981 below the 1980 total arose because of (a) the utilization of a large percentage of funds acquired under the new agreement for debt servicing; (b) the massive contraction in export earnings; and (c) the significant rise in the volume and value of imports.

Of importance is the continued high increase in savings and time deposits of 34.4 percent at December 1981 compared with the figure as at December 1980. The 1981 situation was mainly due to the increasing interest rates on time deposits and the abolition of taxes on interest income from these deposits. Interest rates on six to twelve-month deposits rose by approximately 3 percentage points while remaining the same for savings deposits at 9.0 percent as was the case in 1980. The Bank and prime rates also remained unchanged at 11.0 and 13.0 percent respectively. This general stability in interest rates apparently assisted in containing inflationary pressures. With regard to net excess liquidity, the most significant expansion since 1977 was recorded during 1981, with an increase of 63.3 percent above the 1980 total. This was primarily the result of high liquidity of the commercial banks which was clearly evident in their holdings of treasury bills.

Indicative of the ample growth in domestic credit and efforts to reactivate key sectors of the economy was the largest increase in loans and advances outstanding since December 1976. At 37.4 percent, the percentage growth was almost twice the then highest rate recorded since 1976 of approximately 21 percent at the end of 1980.

The major portion of these loans accrued to the manufacturing, agriculture, personal and construction sectors. Funds were directed towards the rehabilitation programme for sugar and bananas and the increased production of other crops. A slight increase in loans extended to the government sector was evident. Instalment credit on new business, a fair percentage of which was utilised to purchase cars and commercial motor vehicles, grew by approximately 18 percent in 1981.

STATISTICAL APPENDIX

JAMAICA

1981

JAMAICA
TABLE I
GROSS DOMESTIC PRODUCT
BY ECONOMIC ACTIVITY - AT CONSTANT PRICES (1974)
(J\$ Mill.)

	1978	1979	1980	1981 ^P	Annual Growth Rate		
					1979	1980	1981 ^P
Agriculture, Forestry and Fishing	187.9	169.7	157.2	163.8	-9.7	-7.4	4.2
Mining and Quarrying	150.4	148.0	162.7	164.8	-1.6	9.9	1.3
Manufacturing	331.9	315.9	279.1	280.2	-4.8	-11.7	0.4
Electricity and Water	23.7	23.3	23.6	23.9	-1.7	1.3	1.3
Construction and Installation	138.3	137.4	98.3	100.7	-0.7	-28.5	2.4
Distributive Trade (wholesale and retail)	313.7	299.2	279.4	293.1	-4.6	-6.6	4.9
Transport, Storage and Communication	129.4	129.9	124.5	124.3	0.4	-4.2	0.2
Financing and Insurance Services	97.8	90.9	99.3	111.5	-7.1	9.2	12.3
Real Estate and Business Services	210.4	216.0	215.4	222.6	2.7	-0.3	3.3
Producers of Government Services	344.1	363.8	366.7	372.6	5.7	0.8	1.6
Miscellaneous Services	104.6	98.6	93.5	95.3	-5.7	-5.2	1.9
Household and Private non-Profit Institutions	21.7	19.0	18.2	18.9	-12.4	-4.2	3.9
Less Imputed Service Charges	68.0	54.9	67.1	83.2	19.3	22.2	24.0
TOTAL	1,985.9	1,956.8	1,850.8	1,888.5	-1.5	-5.4	2.0

Source: National Income and Produce 1981, Department of Statistics, Jamaica.

JAMAICA
TABLE II
GROSS DOMESTIC PRODUCT
SECTORAL DISTRIBUTION - PERCENTAGES

	1970	1975	1979	1980	1981
Agriculture, Forestry and Fishing	7.5	7.5	8.7	8.5	8.7
Mining and Quarrying	7.0	7.3	7.6	8.8	8.7
Manufacturing	17.6	18.4	16.1	15.1	14.8
Electricity and Water	0.8	1.1	1.2	1.3	1.3
Construction and Installation	13.2	9.8	7.0	5.3	5.3
Distributive Trade (wholesale and retail)	21.4	19.4	15.3	15.1	15.5
Transport, Storage and Communication	5.5	6.6	6.6	6.7	6.6
Financing and Insurance Services	4.0	4.4	4.6	5.4	5.9
Real Estate and Business Services	9.8	9.8	11.0	11.6	11.8
Products of Government Services	9.1	12.3	18.6	19.8	19.7
Miscellaneous Services	5.3	5.2	5.0	5.0	5.1
Household and Private Non-Profit Institutions	1.4	1.4	1.1	1.0	1.0
Less: Imputed Service Charges	2.6	3.2	2.8	3.6	4.4
TOTAL	100.0	100.0	100.0	100.0	100.0

Source: National Income and Product 1981, Department of Statistics, Jamaica.

JAMAICA

TABLE III

PRODUCTION OF SELECTED AGRICULTURAL ITEMS

Commodities	Units	1978	1979	1980 ^P	1981 ^P	Annual Growth Rate		
						1979	1980 ^p	1981 ^P
Sugar-cane (milled)	'000 MT	3,641	2,965	2,835	2,502	-18.6	-4.4	-11.8
Bananas ^{1/}	'000 MT	75	69	33	19	-8.0	52.2	-42.4
Citrus ^{2/}	'000 MT	69	50	66	54	-27.5	32.0	-18.2
Pimento	MT	2,585	1,255	943	3,140	-51.5	-24.9	23.3
Copra	'000 MT	1,927	1,835	1,577	805	-4.8	-14.1	-49.0
Cocoa	'000 MT	4,493	3,416	4,379	5,344	-24.0	28.2	22.0
Coffee	'000 MT	1,504 ^F	2,267	1,310	1,505	50.7	-42.2	14.9
Cattle slaughtered	'000 heads	57.7	58.0	64.4	61	0.5	11.0	-5.3
Hogs Slaughtered	'000 heads	126.3	109.7	123.1	135	-13.1	12.2	9.7
Poultry Meat	'000 MT	30.7	31.8	29.8	29.6	3.6	-6.3	-0.7
Eggs	Million	157	150	98	95	-4.5	-34.7	-3.1

1/ Export only.

2/ Statistics for Oranges and Grapefruits only.

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

Economic and Social Survey, 1981, National Planning Agency, Jamaica, and data supplied CEPAL.

JAMAICA
TABLE IV
PRODUCTION IN MINING AND REFINING

Commodities	Unit	1977	1978	1979	1980 ^P	1981 ^P	Annual Growth Rate		
							1979	1980 ^P	1981 ^P
Bauxite (mined)	'000 MT	11,434	11,736	11,505	12,053	11,673	-2.0	4.8	-3.2
Alumina	'000 MT	2,049	2,116	2,096	2,458	2,556	-0.9	17.3	4.0
Gypsum (mined)	'000 MT	209	135	66	105	180	-51.1	43.9	71.4
Petroleum Products:									
Fuel Oil	Mill. L	378.0	364.1	530.8	403.2)	491.9	45.8	-24.0)	-22.7
Diesel Oil	Mill. L	286.5	296.7	310.7	232.9)		4.7	-25.0)	
Gasolene	Mill. L	298.4	293.5	277.2	229.3	191.4	-5.6	-17.3	-16.5
Kerosene/Turbo/ Jet Fuel	Mill. L	130.1	168.2	194.7	163.5	105.0	15.8	-16.0	-35.8
Asphalt, Propane and Butane	Mill. L	62.3	50.7	57.9	50.3	37.0	14.2	-13.1	-26.5

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

JAMAICA

TABLE V

INDICATORS OF MANUFACTURING ACTIVITY

	Unit	1978	1979	1980 ^P	1981 ^P	Annual Growth Rate		
						1979	1980 ^P	1981 ^P
I. GOODS PRODUCED^{1/}								
Sugar	'000 MT	291.5	283.1	231.8	205.2	-2.9	-18.1	-11.3
Flour (Wheat)	'000 MT	48.6	37.8	48.8	47.7	-22.2	29.1	-2.3
Animal Feed	'000 MT	210.7	203.4	204.3	198.8	-3.5	0.4	-2.7
Rum and Alcohol	Mill. L	16.8	18.0	20.5	21.1	7.1	13.9	2.9
Paints	'000 L	5,513	5,783 ^R	3,887	6,042	4.9	-32.8	55.4
Fertilizers	'000 MT	29.5 ^R	30.8	28.6	24.9	4.4	-7.1	-12.9
Petroleum Products	Mill. L	1,173.2	1,371.3	1,079.3	859.6	16.9	-21.3	-20.4
Textile Fabrics	'000 M	9,330	5,943.6	4,552.8	1,899.2	-36.3	-23.4	-58.3
Cement	'000 MT	293.6	225.6 ^R	144.3 ^R	164.6	-23.2	-36.0	14.1
Steel	'000 MT	14.2	9.9	9.4	13.4	-30.3	-5.1	42.6
II. ELECTRICITY SALES TO INDUSTRY AND COMMERCE BY PUBLIC UTILITIES								
	Mill. KWh	634.7	588.3	568.3	557.2	-7.3	-3.4	-2.0
III. EMPLOYMENT^{2/}								
	'000	79.0	73.8	76.7	82.2	-6.6	3.9	7.2

^{1/} Data relate to production of large manufacturing enterprises.

^{2/} Annual data are averages of April and October, except 1980 (average of April and November).

Source: Production Statistics, 1980, Department of Statistics; Statistical Digest, February 1982, Research Department, Bank of Jamaica and Economic and Social Survey, 1981, National Planning Agency, Jamaica.

JAMAICA

TABLE VI

SELECTED INDICATORS OF CONSTRUCTION ACTIVITY: 1978-1981

	Unit	1978	1979	1980 ^P	1981 ^P	Annual Growth Rate		
						1979	1980 ^P	1981 ^P
Construction GDP Constant (1974) prices	\$ Mill	138.3	137.4	98.3	100.7	-0.7	-28.5	2.4
Employment	'000	32.9	31.9	25.4	29.1	-3.0	-20.4	14.6
Imports of Construction Materials	\$ Mill	110.9	105.6	84.1	119.4	-4.8	-20.4	42.0
Production of Selected Building Materials:								
Cement	'000 MT	294	226	144	165	-23.1	-36.3	14.6
Paint	'000 L	5,513	5,783 ^F	3,887	6,042	4.9	-32.8	55.4
Steel	'000 MT	14.2	9.9	9.4	13.4	-30.3	-5.1	42.6
Bagasse Board	'000 m ²	5.6	557.0	-	-	894.6	-100.0	-
Loans and Advances Outstanding Commercial Banks <u>1/</u>	\$ Mill	127.8	126.0	127.3	181.3	-1.4	1.0	42.4
New Mortgage Loans of Building Societies	\$ Mill	43.7	46.7	60.8	74.4	6.9	33.2	22.4

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

Source: Production Statistics 1980, Department of Statistics, Jamaica; Economic and Social Survey 1980 and 1981, National Planning Agency, Jamaica; and Statistical Digest, February 1982, Bank of Jamaica, Jamaica.

JAMAICA
TABLE VII
SELECTED TOURISM STATISTICS

	1978	1979	1980	1981	Annual Growth Rate		
					1979	1980	1981 ^P
Number of Rooms (units)	10,538	10,466	10,092	...	-0.7	-3.6	...
Number of Beds (units)	20,818	20,877	20,128	...	0.3	-3.6	...
Total Visitors ^{1/} ('000)	532.9	593.6 ^r	543.1	551.9	11.4	-8.5	1.6
Stop-Over	381.8	426.6	395.3	406.4	11.7	-7.3	2.8
Long Stay ^{1/} ('000)	369.8	400.5	384.5	...	8.3	-4.0	...
Short Stay ^{1/} ('000)	12.0	26.1	10.8	...	117.5	-58.6	...
Others ^{1/} ('000)	151.0	167.0	147.7	145.5	10.6	-11.6	-1.5
Hotel Room Occupancy Rate Average (%)	40.0 ^r	48.0 ^r	44.2	41.5	20.0	-7.9	-6.1
Average Length of Stay (nights)	8.5	8.8	10.2	10.1	3.5	15.9	-1.0
Estimated Expenditure ^{2/} (US\$ Mill)	148.2	194.3	241.7	290.0	31.1	24.4	20.0
Direct Employment - Hotels, Guest Houses and cottages (units)	10,296	11,707	9,527	8,403	13.7	-18.6	-11.8
Outstanding Loans and Advances owing Commercial Banks - end of period (J\$ Mill)	25.8	35.6	60.3	76.2	38.0	69.4	26.4

^{1/} Excludes nationals residing abroad - a large percentage 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/} Ministry of Tourism Estimates.

Source: Economic and Social Survey 1980 and 1981, National Planning Agency, Jamaica Statistical Digest, February 1982, Research Department, Bank of Jamaica.

JAMAICA
TABLE VIII
PRINCIPAL DOMESTIC EXPORTS BY TYPE OF PRODUCTS
(J\$ Mill)

Category	1978	1979	1980 ^P	1981 ^P	% Breakdown		Annual Growth Rate		
					1978	1981 ^P	1979	1980 ^P	1981 ^P
MAJOR EXPORTS	996.8	1,218.7	1,494.8	1,519.0	91.6	91.7	22.3	22.7	1.6
Of which:									
Bauxite	335.2	376.7	353.5	306.3	30.8	18.5	12.4	-6.2	-13.4
Alumina	499.0	651.1	957.2	1,047.9	45.9	63.3	30.5	47.0	9.5
Gypsum	0.6	0.2	0.4	1.8	0.1	0.1	-66.7	100.0	350.0
Sugar	92.5	100.4	97.4	82.8	8.5	5.0	8.5	-3.0	-15.0
Bananas	26.9	32.2	18.7	7.3	2.5	0.4	19.7	-41.9	-61.0
Citrus and Citrus Products	5.6	5.9	9.7	10.3	0.5	0.6	5.4	64.4	6.2
Coffee and Coffee Products	4.4	7.4	9.5	10.1	0.4	0.6	68.2	28.4	6.3
Cocoa and Cocoa Products	7.0	10.7	9.0	8.9	0.6	0.5	52.9	-15.9	-1.1
Pimento	8.1	7.2	6.9	7.8	0.7	0.5	11.1	-4.2	13.0
Rum	7.7	13.7	17.1	19.8	0.7	1.2	77.9	24.8	15.8
Cigars ^{1/}	8.8	13.2	15.4	16.0	0.8	1.0	50.0	16.7	4.0
Mineral Fuels, Lubricants and Related Materials	27.2	56.4	28.6	28.9	2.5	1.7	107.4	-49.3	1.0
Chemicals	20.7	29.6	26.7	28.2	1.9	1.7	43.0	-9.8	5.6
Manufactured Goods classified Chiefly by Materials	18.2	27.5	25.1	28.1	1.7	1.7	51.1	-8.7	12.0
Machinery and Transport Equipment	6.9	11.6	10.8	12.9	0.6	0.8	68.1	-6.9	19.4
Miscellaneous Manufactured Articles	18.1	29.6	35.1	39.1	1.7	2.4	63.5	18.6	11.4
TOTAL PRINCIPAL DOMESTIC EXPORTS:	1,087.9	1,373.4	1,621.1	1,656.2	100	100	26.2	18.0	2.2
TOTAL ALL DOMESTIC EXPORTS:	1,127.5	1,430.9	1,679.0	1,727.5	...	...	26.9	17.3	2.9

1/ First Grade Cigars and Cheroots.

Source: External Trade, 1980 and Statistical Review, Department of Statistics, Jamaica, and Economic and Social Survey 1981, National Planning Agency, Jamaica.

JAMAICA

TABLE IX

IMPORTS BY ECONOMIC FUNCTION OR END USE: 1978-1980

C a t e g o r y	Value (J\$ Mill)				Annual Growth Rate			
	1978	1979	1980p	1981p	1978	1979	1980p	1981p
CONSUMER GOODS	184.8	211.6	234.9	344.5	84.8	14.5	11.0	46.7
Food	105.8	114.9	129.5	186.9	102.3	8.6	12.7	44.3
Other Non-Durables	40.6	45.4	57.0	76.7	64.4	12.0	25.6	34.6
Durables	38.4	51.3	48.4	80.9	67.0	33.5	-5.7	67.1
RAW MATERIALS	787.9	1,169.7	1,510.4	1,769.4	54.5	48.5	29.1	17.1
Fuel	300.0	579.5	807.5	886.0	34.4	93.2	39.3	9.7
Other Raw Materials	487.9	590.2	702.9	883.4	70.1	21.0	19.1	25.7
CAPITAL GOODS	287.3	373.1	353.4	528.6	67.4	29.8	-5.3	49.6
Construction Material	110.9	105.6	84.1	119.4	57.8	-4.8	-20.4	42.0
Transport Equipment	31.1	96.6	62.0	113.5	103.3	210.7	-35.8	83.1
Other Machinery and Equipment	120.8	159.9	187.4	271.2	66.4	32.4	17.2	44.7
Other Capital	24.5	10.9	19.8	24.5	82.8	-55.5	81.7	23.7
TOTAL	1,260.0	1,754.4	2,098.7	2,642.5	61.2	39.2	19.6	25.9

Source: External Trade 1980, Department of Statistics, Jamaica and Economic and Social Survey, 1981
National Planning Agency, Jamaica.

JAMAICA
TABLE XII
MONETARY POSITION
(J\$ Mill)

	Balance as end of:				Annual Growth Rate		
	1978	1979	1980	1981p	1979	1980	1981p
1. <u>Money</u> ^F	494.7	541.1	647.4	687.1	9.4	19.6	6.1
Currency Outside Banks	172.4	218.7	257.5	280.7	26.9	17.7	9.0
Demand Deposits (adjusted) ^F	322.3	322.4	389.9	406.6	0.0	20.9	4.2
2. <u>Factors of Expansion</u>							
Foreign Assets (net)	-484.2	-793.9	-820.7 ^F	-1,273.4	-64.0	-3.4	-55.2
Domestic Credit (net)	2,139.2	2,552.2	3,257.2 ^F	4,365.6	19.3	27.6	34.0
Government (including official entities)	1,021.9	1,249.9	1,691.7 ^F	2,392.5	22.3	35.3	41.4
Private Sector	1,117.3	1,302.3	1,565.5 ^F	1,973.1	16.6	20.2	26.0
3. <u>Factors of Absorption</u>							
Quasi-money (Savings and time deposits)	864.2	953.0	1,292.3 ^F	1,737.4	10.3	35.6	34.4
Bonds	...	...	...	...	...	...	...
Long-term Foreign Borrowing	...	...	...	...	...	...	...
Other Items (net)	...	...	...	...	...	...	...

NB: 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, February 1982. Research Department, Bank of Jamaica.

JAMAICA
TABLE XIII
SELECTED MONETARY STATISTICS
(J\$ Mill)

	As at end of period:				Annual Rate of Change		
	1978	1979	1980	1981 ^P	1979	1980	1981 ^p
COMMERCIAL BANKS							
Loans and Advances Outstanding	767.6	900.9	1,088.1	1,494.8	17.4	20.8	37.4
Of which:							
Agriculture	81.9	93.1	117.8	192.9	13.7	26.5	63.8
Manufacturing	132.8	164.1 ^r	212.9 ^r	317.3	23.6	29.7	49.0
Construction and land development	127.8	126.0	127.3	181.3	-1.4	1.8	42.4
Central and local government	27.8	28.5	23.5	24.1	2.5	-17.5	2.6
Personal	119.4	167.4	188.0	192.6	40.4	12.2	2.4
Distribution	80.7	80.4	89.6	122.1	-0.4	11.4	36.3
Net excess liquidity ^{1/}	107.2	108.9	128.3	209.5	1.6	17.8	63.3
Holdings of Central Government securities	317.2	356.9	357.8	533.7	12.5	0.3	49.2
Prime lending rates (%)	11.0	11.0	13.0	13.0	0.0	18.2	0.0
CENTRAL BANK							
Holdings of Central Government securities	506.2	515.9	904.1	1,400.4	1.9	75.2	54.9
INSTALMENT CREDIT OUTSTANDING	123.3	146.9	175.8	215.5	19.1	19.7	22.6
INSTALMENT CREDIT NEW BUSINESS	128.2	173.4	190.0	223.3	35.3	9.5	17.5

^{1/} Average liquidity less the sum of required minimum liquidity and loans from Central Banks

Source: Statistical Digest, February 1982, Research Department, Bank of Jamaica.

JAMAICA
TABLE XIV
CENTRAL GOVERNMENT REVENUE AND EXPENDITURE
(J\$ Mill)

	1979- 1980	1980- 1981 ^P	1981- 1982 ^{1/p}
RECURRENT REVENUE	834.2	964.8	1,222.4
Tax Revenue	782.4	923.6	1,150.0
Of which:			
Income	273.2	471.0	524.8
Land Property	25.1	...	...
Consumption	279.3	271.0	354.6
Customs	64.4	42.5	91.0
Non-tax Revenue	51.8	41.2	72.4
RECURRENT EXPENDITURE	1,245.3	1,547.3	1,655.2
Economic Services	...	144.4	161.9
Public Debt and Fiscal Services	...	400.0	454.4
Other	...	1,002.9	1,038.9
Current surplus (+) or Deficit (-)	-402.1	-352.5	-132.8
CAPITAL REVENUE ^{1/}	1.5	180.4	31.9
CAPITAL EXPENDITURE	504.9	844.2	816.1
Economic Services	...	520.9	572.1
Public Debt and Fiscal Services	...	182.9	191.4
Other	...	140.4	52.6
CAPITAL DEVELOPMENT FUND TRANSFERS	232	230.0	300.0
TOTAL RECEIPTS	1,068	1,375.2	1,554.3
TOTAL EXPENDITURE	1,750	2,391.5	2,471.3
FISCAL SURPLUS (+) OR DEFICIT (-)	-682	-1,016.3	-917.4
FINANCING OR DEFICIT			
Of which:			
Domestic Financing ^{2/}	507.1	...	292.3
External Financing ^{2/}	164.8	...	625.1
(External Financing in US\$ Mill.)	...	...	...

^{1/} Fiscal Estimates.

^{2/} Change in Gross Internal and External Debt outstanding at end of fiscal year. Converted at rates of exchange prevailing at end of each period.

NB: Fiscal year covers the period April to March.

Source: Monthly Review, May 1981; Statistical Digest, February 1982, Bank of Jamaica, and Economic and Social Survey 1981, National Planning Agency, Jamaica.

JAMAICA
TABLE XV
CONSUMER PRICE INDEX (JANUARY 1975 = 100)

G r o u p	% Weight	1978	1979	1980 ^P	1981 ^P
TOTAL	100.00	175.6	226.7	288.6 ^F	325.0
Food and drink	53.28	176.7	235.8	314.5	347.0
Fuels and other household supplies	5.13	168.9	245.9	343.6	382.9
Housing	8.87	141.7	165.6	192.4	221.8
Household furniture including furniture	3.18	215.7	273.3	324.0	397.9
Clothing and Accessories	8.18	178.5	225.0	270.7	323.2
Personal Expenses	8.43	167.4	209.9	255.0	314.5
Transportation	4.86	193.7	244.7	266.2	283.9
Miscellaneous Expenses	8.10	189.5	211.3	239.1	265.8
		<u>ANNUAL AVERAGE CHANGE %</u>			
TOTAL		34.9	29.1	27.3	12.6
Food and drink		36.8	33.4	33.4	10.3
Fuels and Other Household Supplies		39.0	45.6	39.7	11.4
Housing		11.2	16.9	16.2	15.3
Household Furnishings including Furniture		54.8	26.7	18.6	22.8
Clothing and Accessories		40.3	25.4	20.3	19.4
Personal Expenses		36.4	25.9	21.5	23.3
Transportation		60.3	26.3	8.8	6.6
Miscellaneous Expenses		20.4	11.5	13.2	11.2
		<u>% CHANGE DECEMBER-DECEMBER</u>			
TOTAL		49.4	19.8	28.6	4.7
Food and drink		54.1	24.5	33.7	1.3
Fuels and Other Household Supplies		60.4	31.4	36.0	6.5
Housing		17.1	17.7	7.3	14.1
Household Furnishings including Furniture		65.8	12.6	23.5	14.6
Clothing and Accessories		52.4	15.6	25.5	7.3
Personal Expenses		52.7	9.7	32.5	12.9
Transportation		85.3	7.5	12.3	2.8
Miscellaneous Expenses		19.7	7.9	16.2	7.5

Source: Consumer Price Indices, Annual Review 1980, Department of Statistics, Jamaica and Economic and Social Survey 1981, National Planning Agency, Jamaica.

JAMAICA
TABLE XVI
SELECTED PETROLEUM DATA

Year	Average Price per Barrel Crude Oil US\$1/	Petroleum Products Imported (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	15.5	791	444.3	46.2	37.7
1981	34.39	15.6	883	495.6	50.6	33.5

1/ Exchange Rate. J\$1,7814 = US\$1.00.

Source: Economic and Social Survey, 1979, 1980 and 1981; National Planning Agency, Jamaica.

JAMAICA

TABLE XVII

PETROLEUM PRODUCT PRICES 1972-1981
Prices (in cents) per Imperial Gallon

End of Year	Premium Gas	Regular Gas	Kerosene	Retail Diesel	LPG ^{1/}
1972	57.7	47.2	18.0	17.0	...
1973	66.4	55.2	36.0	33.9	13.50
1974	120.0	110.0	36.0	35.9	15.80
1975	126.0	116.0	36.0	44.0	17.90
1976	126.0	116.0	36.0	48.0	17.90
1977	198.0	188.0	36.0	52.6	17.90
1978	300.0	285.0	63.0	68.0	28.95
1979	385.0	375.0	147.0	170.0	36.30
1980	465.0	455.0	257.0	290.0	53.50
1981	465.0	455.0	257.0	290.0	53.50

^{1/} Price per 100 lb.

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

JAMAICA
TABLE X
SELECTED EMPLOYMENT DATA

	Unit	1978	1979	1980	1981
Labour Force	'000	939.0	953.6	991.2	1,014.9
Employed as % of Labour Force	%	75.5	72.3	72.7	74.1
Employed	'000	708.5	689.0	720.4	752.4
Of which:					
Agriculture	'000	257.0	232.0	263.5	273.1
Manufacturing	'000	79.0	73.8	76.7	82.2
Construction	'000	32.9	31.9	25.4	29.1
Commerce	'000	93.2	90.0	91.2	102.0
Public Administration	'000	108.8	110.1	108.7	105.5
Unemployed	'000	230.5	264.6	270.8	262.5
Unemployed as % of Labour Force	%	24.5	27.7	27.3	25.9

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

Source: The Labour Force, 1980, Department of Statistics, Jamaica. Economic and Social Survey, National Planning Agency, Jamaica.

JAMAICA
TABLE XI
BALANCE OF PAYMENTS: 1978-1981
(US\$ Mill.)

	1978	1979	1980 ^r	1981 ^p
<u>MERCHANDISE (Net)</u>	<u>44.5</u>	<u>-67.9</u>	<u>-75.4</u>	<u>-327.8</u>
Exports (f.o.b.)	794.5	814.7	962.7	980.4
Imports (f.o.b.)	750.0	882.6	1,038.1	1,308.2
<u>SERVICES (Net)</u>	<u>-156.9</u>	<u>-154.7</u>	<u>-163.5</u>	<u>-204.0</u>
<u>NET TRANSFER PAYMENTS</u>	<u>25.7</u>	<u>80.0</u>	<u>90.8</u>	<u>105.0</u>
Private	15.2	70.0	81.8	95.0
Government	10.5	10.0	9.0	10.0
<u>BALANCE ON CURRENT ACCOUNT</u>	<u>-86.7</u>	<u>-142.6</u>	<u>-148.1</u>	<u>-426.8</u>
<u>ALLOCATION OF SDR's</u>	<u>-</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>
<u>NET CAPITAL MOVEMENT</u>	<u>9.8</u>	<u>-10.4</u>	<u>60.2</u>	<u>261.9</u>
Private	-169.1	-81.6	-147.2	12.7
Official	178.9	71.2	207.4	249.2
<u>TOTAL SURPLUS (+) OR DEFICIT (-)</u>	<u>-76.9</u>	<u>-153.0</u>	<u>-87.9</u>	<u>-164.9</u>
<u>Change in Reserves (increase = -)</u>	<u>77.5</u>	<u>140.9</u>	<u>77.9</u>	<u>154.9</u>
Reserve position in IMF	-	-	-8.3	-8.2
Government	-4.3	-7.5	-12.7	-14.0
Capital Development Fund	0.5	-0.3	-0.1	-0.1
Export Development Fund	-	-	-8.5	-2.0
Bank of Jamaica	77.0	159.7	119.1	146.9
Other Banks	-7.3	-15.3	-13.0	5.5
<u>Net Errors and Omissions</u>	<u>-0.6</u>	<u>2.1</u>	<u>...^{1/}</u>	<u>...^{1/}</u>

1/ Net errors and omissions included in private capital.

Source: Economic and Social Survey 1980 and 1981, National Planning Agency, Jamaica.

PART X

SURINAME COUNTRY NOTES

ECONOMIC SURVEY 1981

SURINAME (Suriname guilders used)

SUMMARY

Since Independence in 1975, the real Gross Domestic Product (GDP) at factor cost has risen at an average annual rate of approximately 7 per cent. This is partly due to the continued Dutch Aid to Suriname - approximately 165 million guilders ^{1/}granted every year, from 1975 onwards. In 1981 GDP in real terms fell by 9.3 per cent as a consequence of a marked fall in the mining, agriculture and manufacturing sectors, as well as a reduction in the services area (government, finances and banking and transport and communications).

Real per capita GDP has grown at a higher rate than average due to the decrease in population: some 68,000 migrants have left the country since 1975, more than offsetting the crude birth rate of around 3 per cent for the period, and representing 18 per cent of the total population of 1974. In 1981 emigration was the lowest in many years, reflecting government policy to attract expatriates to return to the country. The new government has shown increased interest in the social issues and planning efforts are underway to increase the country's self-reliance.

With respect to the trade balance, the deficit reached 167.9 million guilders and reflects a second year of increased imports over exports - 12.6 per cent in 1981. In effect, in 1981 exports decreased by 7.9 per cent.

^{1/} The rate of exchange in 1981 was 1.785 Suriname guilders equivalent to US\$1.00.

The public sector, which is the principal employer in the country (43.3 per cent of the working force) registered an increase in real wages during the last two years, which more than compensates for inflation. Inflation on the other hand, has slowed from a peak 14.9 per cent in the annual variation of the consumer price index during 1979, to 9 per cent in 1981.

External indebtedness during the last few years has increased from some 20 million guilders in 1975-1977 to more than 50 million in the period 1978-1980. Efforts are being made to diversify the sources of foreign credit and in 1981 there was a reduction of the external debt.

SECTORAL TRENDS

Agriculture

Agricultural production (at factor cost, 1973 prices) fell slightly in 1980 and more sharply in 1981 reflecting smaller sugar and oil palm crops. Thus the contribution of the sector to total GDP fell from 8.8 per cent in 1979 to 7.6 per cent in 1981.

Over the last few years there has been a shifting of land use with reductions in the areas planted with bananas, coffee, cocoa, peanuts and citrus and increases in the areas for palm oil and rice. The increase in total planted area is mainly explained by increased rice production on a large-scale, fully mechanized basis. Sugar production has decreased for several years due to falling yields. There is a notable decrease in coffee and cocoa production offset in 1981 by raw plantings. It is interesting to note that, according to figures provided by the Planning Bureau and the Ministry of Agriculture, while in 1975 some 42 per cent of the cultivated area was considered large scale farming, this type of farming represents almost 65 per cent of the cultivated land in 1980.

According to the 1980 Census, the sector employs about 12 per cent of the working force and provides 17.7 per cent of the jobs. According to official figures, the sector offers 17,200 posts and only 10,032 workers labour the land; this balance is covered in part by temporary migrants from the Caribbean region (mainly Guyana). Table 1 shows the migration movement of Guyanese citizens in the principal entry ports. There were 6,469 Guyanese registered as residents in Suriname in the 1980 Census.

TABLE 1
MIGRATION MOVEMENT BETWEEN SURINAME AND GUYANA
(Three Immigrations) ^{1/}
1980-1981

	1980	1981
A. Entries	54,017	59,662
B. Departures	53,968	66,239
C. Balance (A/B)	49	3,423

1/ Nickerie, Zanderij and Albeira.

Source: Planning Bureau and Statistical Office.

Agriculture continues to suffer because of high labour costs and a scarcity of workers. The government is undertaking efforts to upgrade research in order to make the necessary adjustments in its technical production function. The promotion of middle-sized farms and co-operatives has been carried out for some time. Enhanced agricultural extension services, storage and marketing facilities are seen as necessary in the case of oil crops - other than palm oil - fruits, root crops and vegetables, i.e. in production not geared primarily to the export market.

The livestock subsector has remained stagnant for some time and only an increase in the production of goat and sheep meat is notable in the 1978-1979 period.

Rice, shrimps, bananas and oil palm are the most important export products - representing some 15.5 per cent of total exports. Exports of shrimps gained momentum since 1973 and in 1977 its value exceeded rice exports. Since then catch has decreased at almost 15 per cent annually and only price increases have kept export value with a positive albeit slow growth. Forestry has been developed for a number of years and the linkages from production (which grew at 7.7 per cent in 1975/1980 and was the most dynamic area of the economy in 1981) to processing

are being established. Particle boards, triplex and other wood-derived products are coming increasingly into production.

A new emphasis on the processing of agricultural products is given in the present planning exercise. For this purpose, the government envisages assuring producers a pricing policy that balances costs of production and international prices. The following actions are part of the proposed sectoral programme for 1982-1986: ^{2/}

- a) establishment of a national institute for rice export;
- b) establishment of a national institute for the export of vegetables;
- c) development of vegetable and fruit processing both for the domestic and export markets;
- d) guaranteed prices for a number of selected products;
- e) regulation of the shrimp and fish industry concerning the number of trawlers, license obligation, fuel restitution and by catch: a levy on the export of shrimp is being studied;
- f) extension of beef and pork processing and attachment to a central wholesale agency that will be responsible for the purchase of slaughter animals and the sale of meat; and
- g) the further processing of products based on palm oil.

In 1981 an Agricultural Census was carried out thus improving the information available for decision-makers and providing more insight into the structure of land tenancy and composition of production.

^{2/} Ministry of Agriculture, Animal Husbandry, Fishery and Forestry, "A Proposal for an Agricultural Sector Programme 1982-1986", Paramaribo, November 1981.

Mining

Mining and bauxite in 1981 represented 16 per cent of GDP (factor cost) and 80 per cent of the exports as well as 18 per cent of government revenue. It employed only 6.5 per cent of the work force in 1980. Due to this, the short and medium-term outlook for the economy and its external position are critically linked to this sector. In 1980-1981 both a fall in volume produced and in prices plagued the bauxite subsector. The index of mining production shows a decrease of 15.1 per cent in 1981 following a very small increase in 1979-1980. The last few years show a relative tendency to increased processing of bauxite: from 1978 to 1980 production of alumina and aluminium has increased more rapidly than the exports of bauxite and in 1981 the decrease in exports exceeded the fall in production of these derivatives.

Bauxite mining started after the First World War when SURALCO (subsidiary of the Aluminium Company of America - ALCOA) opened the first mine in Moengo. Output was vastly expanded during the Second World War period when a second mine was opened at Paraman and a subsidiary of Shell of the Netherlands initiated exploitation of the Onverdacht deposits. By the mid-fifties production had reached 3.4 million tons (about 1/4 of total world production), and it continued to increase to a peak of 7.2 million tons in 1974. At the end of 1974 the Suriname government followed a similar action by Jamaica, the other Caribbean producer of bauxite, and introduced a levy on production which amounted to 6 per cent of the realized price of aluminium ^{3/}.

^{3/} U.S. producer price listed -99.5 per cent ingot, N.Y. Given an average conversion factor of 4.1 tons. However, since the companies were allowed to credit income taxes paid against the gross levy and because of discounts for deposits with higher production costs, the actual "net" levy amounted 60-80 per cent of the gross levy - or about 4 per cent of the realized price.

Concerned with the large production drop that occurred since the introduction of the levy, the Government agreed to a reduction of the levy in 1979 (to about 3.1-3.3 per cent of the international aluminium price).

The sector is still dominated by the two subsidiaries of multinational companies. Processing of bauxite on a major scale began in the mid 60's with the completion of a hydroelectric power plant at Afobakka and the construction of an aluminium smelter and alumina plant under a joint government venture agreement (the Brokopondo Agreement of 1958). By the early 1970's output of processed products had reached 57 thousand tonnes of aluminium, 1,300 million tons of alumina and 300 thousand tonnes of calcined bauxite. About 10 per cent of bauxite processed is used for calcined bauxite and 90 per cent for alumina production. Nearly 10 per cent of alumina is further processed into aluminium.

Despite occasional upsurges, since 1974 production has generally not attained the peak level. Since the introduction of the bauxite levy coincided with a drop in world demand for aluminium that has continued under the present world recession, the companies cut production in Suriname as well as in other countries, particularly those members of the International Bauxite Association (IBA).

Prior to the introduction of the levy, the sector's contribution to Government's revenue, primarily in the form of income taxes, amounted to 15 per cent of Government revenue. The levy's correlation to the world market price for aluminium has been a factor influencing the rate of growth of production and the government's revenue. In 1975 net levy payments amounted to 126.2 million guilders or about 40 per cent of current government revenue. During 1976-1977 net levy receipts remained at 65-70 million guilders as aluminium price increases offset declines in production. With further increases in price in 1978 receipts peaked in 1978 at 103.6 million guilders, representing nearly a quarter of current revenue. Since then stagnant production, and a further fall in 1981 have brought decreased contribution to about one-fifth of revenues.

The relatively high cost structure of the industry in Suriname has made production less cost-competitive than that of other producers. The potential for an expansion in the bauxite sector output lies in the exploitation of the Bakhuis deposits in Western Suriname. In order to seek a viable solution to the development of these deposits the government formed a commission with the mining companies. A report was issued in 1980 which concluded that two main alternatives were considered feasible:

- a) the establishment of a small bauxite mine in Western Suriname (430 thousand tonnes) and the establishment of a new calcined refractory bauxite plant to supplement present production process facilities in Eastern Suriname. This would result in doubling total calcined bauxite output; and
- b) the establishment of a larger bauxite mine (2 million tonnes per year) and a calcined refractory plant as well as the expansion of present existing alumina plant by about 50 per cent to process about 1.5 million tonnes of Western Suriname bauxite. The construction of a new alumina plant in Western Suriname, as envisaged in the Government's current Development Plan, was discarded in 1980 due to the higher costs of building a new plant vis-à-vis expanding existing facilities. Energy costs and the requirements of new hydroelectric plants for a much larger processing further increase these costs.

Energy

The energy production sector, along with gas, water and other public utilities has been expanding at an average annual rate of almost 6 per cent since 1975. Approximately 90 per cent of Suriname's present electric capacity belongs to the two private aluminium companies. Roughly half of this capacity is provided by the 189 M.W. Afobakka hydroelectric plant constructed 15 years ago. Under the concession agreement, the company is obligated to deliver a portion of the plant's output each year to the Government which in turn sells it to the Electricity Company.

This electricity plus diesel-generated energy services the Paramaribo area, which accounts for roughly one-half of the country's total population.

Peak demand in Paramaribo has been estimated at 39 M.W. excluding that of the industrial self-producers. This demand can be covered by as much as 41 per cent by hydro; the remainder is supplied by a diesel plant with a 32 M.W. capacity. In 1975-1981, 22 per cent of the gross domestic consumption of energy has been supplied by the Afobakka plant - most of it to the aluminium process (see Table 2). Other primary sources of energy (firewood, animal, plant) and charcoal have remained stagnant over the last few years. Energy consumption has grown at almost 5 per cent and since 1975 (Table 3) one of the country's sectoral development objectives is to cover with hydropower all of this demand and as much as possible to substitute the needs now being filled by industrial captive thermal generation. This objective was given greater urgency by the increases in the price of crude petroleum: while volume of imports grew at 4.2 per cent per annum in the period 1975-1980, its cost increased by 24.0 per cent per annum (Table 4). A seven-man Energy Commission was appointed in 1979. The new government of Suriname introduced an interdisciplinary Energy Group, which endorsed the Commission's recommendations. The Multi-annual Development Plan, which was re-examined by the new government in 1980 and is now being further analysed, includes two large hydroelectric projects in Western Suriname.

The uncertainties surrounding the extent of future mining activity in the Bakhuis region have inclined the government to develop hydropower to satisfy the projected industrial demand in a first phase. Eventual further exploitation of the country's hydroelectric potential for the production of aluminium is a second objective for the sector. Even if the expansion of the present aluminium production capacity in the Eastern region is not made, the possibility exists to substitute fuel now used for steam generation. In addition, it might be possible to sell electricity to Guyana while that country is developing its hydropower potential. The transmission line required could continue serving to inter-connect the two countries once Guyana begins its own hydro generation.

The industrial sector in 1981 represented 7.4 per cent of the GDP at factor cost (1973 prices) after experiencing a severe setback. In 1980 it provided 12 per cent of the GDP. This sector, mainly oriented to the internal market, had been one of the more dynamic areas of the economy in

SURINAMETABLE 2GROSS DOMESTIC CONSUMPTION OF ENERGY1976-1980

(In '000 bbls. of oil equivalent)

Product	1975	1976	1977	1978	1979	1980	1981
Aviation gas	10	12	19	27	27	9	25
Aviation kerosene	113	92	102	106	124	134	120
Premium gasolene	143	156	211	243	261	257	280
Regular gasolene	110	92	106	104	106	97	106
Kerosene	32	29	27	26	22	19	15
Diesel oil	1,094	1,056	1,275	1,269	1,128	1,200	1,280
Fuel oil	2,728	2,639	2,106	3,358	3,190	3,415	3,400
LPG	80	98	137	143	182	210	230
Lubricating oil	36	36	39	44	42	40	44
Grease	2	2	2	-	-	-	-
Others	2	2	2	-	-	11	-
Sub-total	4,318	4,175	3,061	5,251	4,976	5,392	5,355
Hydro	1,210	1,570	1,760	1,370	1,533	1,606	1,500
TOTAL	5,528	5,745	5,721	6,621	6,509	6,998	6,855

Source: Energy Planning Unit, Planning Bureau.

SURINAME

TABLE 3

GROSS DOMESTIC CONSUMPTION OF
ENERGY FROM NON-PETROLEUM SOURCES

Product	1975	1976	1977	1978	1979	1980	1981
PRIMARY ENERGY							
Firewood (ton x 10 ²)	849	845	842	841	843	839	-
Other plant/animal fuels (ton x 10 ²)	737	798	688	660	782	806	-
Hydro-energy (in '000 bbls. of oil equivalent)	1.210	1.570	1.760	1.370	1.533	1.606	1.500
SECONDARY ENERGY							
Charcoal (tonnes)	211	189	169	152	136	122	-

Source: Energy Planning Unit, Planning Bureau.

SURINAME
TABLE 4
IMPORTS OF OIL PRODUCTS
(Volume - '000 barrels, Value - US\$ million ^{a/})

	<u>1975</u>		<u>1976</u>		<u>1977</u>		<u>1978</u>		<u>1979</u>		<u>1980</u>	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Aviation Gasolene	10	0.2	12	0.3	19	0.5	27	0.8	27	1.2	9	0.7
Aviation Kerosene	113	1.8	92	1.6	102	1.9	106	2.0	124	3.6	134	6.0
Premium Gasolene	143	2.2	156	2.6	211	3.8	243	4.8	261	7.2	257	10.8
Regular Gasolene	110	1.6	92	1.5	106	1.8	104	1.8	106	2.8	97	3.9
Kerosene	32	0.5	29	0.5	27	0.5	26	5	22	0.7	19	0.8
Diesel	1,094	16.4	1,056	16.9	1,285	21.9	1,255	25.6	1,134	28.7	1,200	48.3
Fuel oil	2,728	29.9	2,895	31.4	3,206	41.1	3,384	43.9	3,190	54.5	3,415	88.8
Lubrication oil	38	3.8	38	4.3	41	4.9	42	5.2	42	5.7	40	7.0
Asphalt	38	1.1	30	0.9	26	0.9	12	0.6	19	1.0	11	1.5
LPG	80	1.0	98	1.3	132	2.0	143	2.4	182	3.2	210	4.0
TOTAL	4,386	58.5	4,509	61.3	5,155	79.3	5,342	87.6	5,107	108.6	5,392	171.8

a/ On c.i.f. basis.

Source: Ministry of Economic Affairs.

the period 1975-1980 along with construction and the growth of the financial services. Its employment generating capacity has been very limited: while 10.7 per cent of the work force was in this sector in 1975, only 8.4 per cent of those employed in 1980 worked in manufacturing.

In the period 1974-1980 it was the area of agro-products and processed foods that was the most dynamic. Of these the more dynamic was butter production followed by wheat flour production both of which are heavily dependent on imported inputs. The same is true of cattle fodder and animal feeds, soft drinks, cigarettes and shoes. Sugar production fell in this period, recovering somewhat in 1981, but remaining well below the 1974 production level. This trend is also seen in alcohol and molasses production which is also dependent on the historically declining cane production yields.

Production based on local raw materials, like wood processed products, cardboard and crude palm oil, has not gained momentum in recent years. The setback experienced in 1981 by manufacturer coupled with the smaller mining activity, adversely affected trade activities and the services: transport and financial services also declined.

PUBLIC SECTOR ACTIVITIES AND EMPLOYMENT

Expenditure on government services has grown at a steady pace of 3.7 per cent annually from 1975 to 1980, due in part to the continued Dutch Development Aid, and the availability of savings on the current account during the 1978-1980 period. Revenue from direct and indirect taxes grew at 18 per cent in the 1975-1980 period. Thus, the government has remained the largest employer in the economy, offering about 40 per cent of the jobs in the country and in poor performance years like 1981, acts as a buffer for the economy.

In 1981, the government faced a deficit in the current account which is mainly due to a 70.9 per cent increase in the purchase of goods and services and a 18.8 per cent increase in wages and salaries. Subsidies and transfers diminished in 1981 contrary to the 1975-1980 trend of dramatic increases in this government's expenditure.

Capital account or development activities have continued with the major construction efforts and public health initiatives being financed by the Dutch Aid. The recurrent problem of absorptive capacity for these investments has affected the pace of project implementation.

The lack of manpower at most skill levels and a shortage of technical and managerial staff are probably the most important constraints which Suriname now faces. Table 5 shows, according to the 1980 Population Census, how the total number of jobs in most sectors outnumber the economically active population. This should not be confused with lack of unemployment.

Emigration in the previous years has been particularly heavy among the educated and the skilled, thus presenting the country with the above mentioned shortage. But, according to the same Census figures (Table 6) there are a significant number of persons looking for work - some 17 per cent of the economically active population. They are mainly in very young age groups - 29.6 per cent of those looking for work are between the ages of 12 and 14. Those looking for work in the 15-59 age group represent, by contrast 5.4 per cent of the work force; and of these most would have a low level of administrative and technical skills.

THE EXTERNAL SECTOR

In 1981, for the first time in many years, Suriname faced a deficit in the merchandise trade, reflecting a faster growth of imports than exports for the second consecutive year. In effect, due to the fall in bauxite sales, exports fell at a rate of 7.9 per cent. Before 1980 the surplus in the merchandise trade would offset in part the deficits in services.

The capital account movement, mainly the continued Dutch Aid, has impeded a negative balance in the total account. In 1981, there was additionally a significant amount of net direct capital investment, representing 25.4 per cent of the total balance of the capital account.

The fast growth of imports during the years 1980 and 1981 should reflect increased consumer goods purchases, which in 1975-1979 represented over 20 per cent of total imports. The latest year for which figures are available (1979) shows that purchases of capital goods represented only 14.4 per cent of imports. In the intermediate goods category, the price increases of fuels must have upset the composition of trade. In 1975,

SURINAME

TABLE 5

JOBS AND ECONOMICALLY ACTIVE
POPULATION (EMPLOYED) IN 1980

Sector	Work Posts	Economically Active Population	Balance ^{1/}
1. Agriculture	17,200	10,032	+ 7,168
2. Mining	6,152	5,478	+ 674
3. Manufacture	9,658	7,049	+ 2,609
4. Utilities	1,270	1,248	+ 22
5. Construction	2,714	3,823	- 1,109
6. Commerce	14,872	11,360	+ 3,512
7. Transport	2,936	2,899	+ 37
8. Banking	2,293	1,964	+ 329
9. Government	37,964	36,153	+ 1,811
10. Other services (includes non-responses)	2,966	336 3,119	+ 2,630 + 3,119
TOTAL	97,925	83,461	+14,464

^{1/} A positive sign indicates posts exceed number of persons working in the sector; a negative sign indicates persons employed outnumber available posts (through double shifting, change in posts, etc.).

Source: Volkstelling, 1980, Bureau Vrijde Alg. Volkstelling.
ABS and Planning Bureau and Ministry of Finance.

35 per cent of the value of intermediate goods were fuels and more than 60 per cent of the value were raw materials, while in 1979, 57 per cent were fuels and 46 per cent were raw materials.

Direction of trade has not varied appreciably over the last few years. Major markets for both imports and exports continue to be the United States and the Netherlands (representing surveyors of 44 per cent of total imports in 1979 and buyers of 48 per cent of total exports). Nevertheless, there has

SURINAME

Table 6

ECONOMICALLY ACTIVE POPULATION AND
PERSONS LOOKING FOR WORK, BY AGE GROUP IN 1980

<u>Economically Active Population</u>		<u>Looking for Work</u>	
<u>Age Group</u>	<u>Persons</u>	<u>Age Group</u>	<u>Persons</u>
12-14	140	12-19	4,212
15-59	78,694	20-24	4,467
60-64	1,911	25-29	1,749
65-69	1,050	30-34	985
70 and Older	834	35-39	734
Non-response	832	40-44	626
TOTAL	83,461	45-49	486
		50 and Older	961
		Non-response	9
		TOTAL	14,229

Source: Bureau of the Census, Bureau Vijfde Algemene Volkstelling quoted by the Ministry of Finance, Ministerie van Financien.

been a slight decrease of these traditional markets ' importance in favour of new markets ^{4/}. In the case of exports, sales to Japan - mainly shrimps - have increased from 2 per cent to 6.8 per cent of total sales and business with other European countries (not members of the

^{4/} In the case of exports, sales to EEC and US in 1975 represented 73 per cent of the total while in 1979 they represented 59 per cent.

EEC) has increased from 1 to 3.6 per cent of total exports. Imports from other Caribbean countries (mainly in the CARICOM area) have increased from 20 per cent to 24 per cent of total purchases made between 1975 and 1979. (Table 7).

On the services, trade and factor payments, negative balances have been observed for several years. In 1981 total services costs were slightly under the 1980 figure and 1981 shows a positive balance in the investment account for the first time since 1975, thus having direct investment offset the remittances of profits and payments of interests.

Suriname is a net receiver of unrequited private transfers from migrants now living abroad and, although these represent only 2-3 per cent of total current account receipts, they are important sources of income for a vast number of low-income families.

Suriname's external debt situation is extremely favourable as is reflected by a positive balance in the total account since 1977. At the time of Independence in 1975, the Netherlands cancelled all outstanding debts and public investment since has been largely financed by Dutch Grant Aid ^{5/}.

^{5/} The Dutch Aid Agreement of 1975 provided for about Nfl. 3.1 billion in grants over the period 1976-1985/90, of which an amount of about Nfl. 2.5 billion remained undisbursed at the end of 1980.

SURINAME

REF

GEOGRAPHIC DISTRIBUTION OF EXPORTS AND IMPORTS1975-1979

	1975	1976	1977	1978	1979 ^{1/}
<u>Exports to</u>					
United States	42	33	41	39.7	35.5
EEC:	31	32	33	25.9	22.9
Netherlands	(21)	(15)	(24)	(19.3)	(12.4)
United Kingdom	(3)	(12)	(7)	(6.0)	(6.1)
Germany	(4)	(2)	(1)	(0.4)	(3.1)
Other EEC Countries	(3)	(3)	(1)	(1.4)	(1.3)
Scandinavian (excluding Denmark)	13	17	8	13.9	14.6
Other European Countries	1	1	4	3.1	3.6
Caribbean Islands	4	4	4	4.4	4.2
French Guiana and Guyana	1	1	1	0.7	0.8
Venezuela	-	5	2	1.3	4.9
Canada	3	1	1	0.2	0.2
Japan	4	3	5	6.6	6.8
Other Countries	1	3	1	0.3	1.2
<u>TOTAL</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
<u>Imports from:</u>					
EEC:	32	31	33	31.1	27.9
Netherlands	(18)	(20)	(21)	(18.6)	(16.4)
United Kingdom	(5)	(4)	(4)	(3.9)	(3.2)
Germany	(4)	(4)	(4)	(4.8)	(4.4)
Other EEC Countries	(5)	(3)	(4)	(3.7)	(3.8)
United States	33	34	31	30.6	32.5
Caribbean Islands	20	15	16	17.9	23.8
Latin American Countries	...	3	3	4.2	3.7
Japan	5	8	7	7.4	5.3 ^{2/}
Other Asian Countries	3	3	4	2.9 ^{2/}	3.3 ^{2/}
Other Countries	7	6	6	1.5	1.7
<u>TOTAL</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Source: Statistical Office, Trade Section

^{1/} Preliminary figures^{2/} Only China.

PRICES AND WAGES

In 1981 the rate of inflation as measured by the retail price index fell further from the already decreased rate of 1980 with respect to 1979. The effect of receding world prices - especially those basic foods that are imported - served more than strict controls to restrain the index variation. In food and beverages, this was only 3.5 per cent in 1981.

The prices of clothing and potatoes experienced the higher rise of 19.2 per cent followed by housing and furnishing costs during this year.

Wages and salary increases, especially in the case of the public sector which is the principal employer, more than offset the yearly inflation in 1980 and in 1981 amply compensating the 4 per cent loss in real wages experienced in 1979. The tight labour market for skilled workers and managerial staff, together with labour union activity has resulted in generalized substantial increases in real wages.

In the private sector, wage costs per employee are estimated to have nearly tripled during 1973-1980, and in a number of sectors, particularly plantation agriculture, construction and domestic services, employers have resorted to hiring foreign workers, particularly from Guyana to overcome shortages of unskilled labour.

MONEY AND FINANCING

After a restrictive monetary year in 1980 (money increased at 7.6 per cent for the year, the expansive factors having been mainly foreign assets while domestic credit expanded slowly and, on the other hand, savings and time deposits grew at more than 28 per cent, withdrawing about 50 million guilders from circulation), the monetary balance of 1981 was more encouraging. Money grew at 21.7 per cent in a climate of moderate inflation, as mentioned and the expanding effect of domestic credit growing 28.7 per cent, could offset the growth of quasi-money savings and time deposits.

Commercial credits went primarily to trading and commerce activities (including building loans). Of the productive sectors (which received less than 40 per cent of such loans), the principal recipients were agricultural and mining activities (Table 8). Resources available for construction and forestry decreased in the year, reflecting the slackening of activity in those areas.

The situation of international reserves remains favourable with foreign exchange available in the Central Bank at the end of 1981 representing more than 4 months of imports at this year's level.

As previously stated, fiscal policy is heavily dependent on the Dutch Aid present financing plan for the public investment programme, during 1981-87 envisages the disbursement of all those remaining Dutch grants, and total external borrowing requirements of about 970 million guilders.

Of these, about two-thirds will be on commercial terms, to be contracted largely in the latter part (1984-86) after the concessional contributions have been fully disbursed.

The prospect of an increasing resource gap and a sharp rise in debt service levels beyond the availability of concessional aid under present conditions should be borne in mind. would happen under present circumstances of reduced bauxite output and rising energy costs underscores the need for raising the long term overall export growth rate.

There is need to take early steps to rapidly increase domestic savings in order to prevent undue reliance on external funds, which will likely be on harder terms than at present; and, in the medium-term, to substitute fuel-based energy by hydropower.

SURINAME

TABLE 8

LOANS AND ADVANCES OF COMMERCIAL BANKS (BY SECTORS)

(Sf. Mill.)
(End of the Year)

	1977 ^{1/}	1978 ^{1/}	1979 ^{1/}	1980 ^{1/}	1981	Annual Growth Rate			
						1978	1979	1980	1981
Agriculture	30.3	39.2	54.1	68.3	88.5	29.4	38.0	26.3	29.6
Fishery	1.5	0.4	0.5	0.6	0.6	-73.3	25.0	20.0	-
Forestry	0.7	1.4	1.6	1.6	0.8	100.0	14.3	-	-50.0
Mining	28.3	25.4	27.6	24.2	37.0	-10.2	8.7	-12.3	52.9
Manufacturing	30.5	37.2	44.3	49.9	51.1	22.0	19.1	12.6	2.4
Construction and Installation	11.0	15.4	21.3	22.7	17.8	40.0	38.3	6.6	-21.6
Electricity, gas and water	13.4	20.3	19.2	24.7	26.2	51.5	- 5.4	28.7	6.1
Sub-total Productive Sector	<u>115.7</u>	<u>139.3</u>	<u>168.6</u>	<u>192.0</u>	<u>222.0</u>	<u>20.4</u>	<u>21.0</u>	<u>13.9</u>	<u>15.6</u>
Commerce	94.7	122.5	136.0	150.3	177.6	29.4	11.0	10.5	18.2
Transport	7.5	9.4	12.6	9.3	8.4	25.3	34.0	-26.2	- 9.7
Service	10.0	9.2	16.5	16.4	21.0	- 8.0	79.4	- 0.6	28.0
Other (including building loans)	74.2	93.9	105.0	109.6	138.5	26.6	11.8	4.4	26.4
Sub-total Services	<u>186.4</u>	<u>237.0</u>	<u>270.1</u>	<u>285.6</u>	<u>345.5</u>	<u>27.2</u>	<u>14.0</u>	<u>5.7</u>	<u>21.0</u>
TOTAL	<u>302.1</u>	<u>376.3</u>	<u>438.7</u>	<u>477.6</u>	<u>567.5</u>	<u>24.6</u>	<u>16.6</u>	<u>8.9</u>	<u>18.8</u>

Source: Central Bank of Suriname

^{1/} Including Suriname Postale Savings Bank

STATISTICAL APPENDIX

SURINAME

1981

SURINAME
TABLE I
MAIN ECONOMIC INDICATORS

	1975	1976	1977	1978	1979	1980	1981
<u>A. Basic economic indicators</u>							
Gross Domestic Product at factor cost (millions of guilders at 1973 prices)	571.1	626.8	728.8	811.6	800.9	819.6	743.4
Population (thousands)	365	354	362	367	364	351	357.7
Per capita gross domestic product (guilders at 1973 prices)	2,185	2,432	3,116	3,665	3,875	4,636	2,078
	<u>Annual Growth Rates</u>						
<u>B. Short-run economic indicators</u>							
Gross Domestic Product (real growth)	- 3.4	+ 9.8	+16.3	+11.4	- 1.3	+ 2.3	- 9.3
Per capita gross domestic product (real growth)	- 7.7	+11.3	+28.1	+17.6	+ 5.7	+19.7	-55.2
Terms of Trade	---	---	---	---	---	---	---
Current value of exports of goods <u>1/</u>	+ 2.9	+ 9.5	+13.9	+13.7	+12.9	+15.8	- 7.9
Current value of imports of goods <u>1/</u>	+14.7	+ 7.1	+27.2	+ 6.0	+ 7.7	+22.7	+12.6
Consumer price index December-December	+ 4.3	+14.6	+ 4.1	+10.9	+15.7	+10.9	+ 7.5
Annual average variation	+ 8.6	+ 9.8	+ 9.7	+ 8.8	+14.9	+14.1	+ 9.0

SURINAME

TABLE I (Continued)

MAIN ECONOMIC INDICATORS

	1975	1976	1977	1978	1979	1980	1981
	<u>Annual Growth Rate (cont'd)</u>						
Money	20.5	17.8	10.8	12.2	11.1	7.6	21.7
Wages and salaries (real growth) (public sector) <u>4/</u>	---	0.6	31.7	-8.3	-1.0	10.9	19.8
Current income of government	47.7	-4.2	9.9	14.3	-2.5	11.8	9.7
Total expenditure of government <u>3/</u>	40.3	21.7	21.4	22.3	3.9	11.7	23.7
Fiscal deficit/total expenditure	16.1	34.5	37.5	18.8	20.6	16.6	---
	<u>Millions of Guilders</u>						
C. <u>External Sector</u>							
Trade Balance <u>1/</u>	23.7	37.2	-24.8	21.1	59.2	18.0	-167.9
Balance on current account <u>1/</u>	-85.2	-23.7	-144.8	-82.1	-66.1	-104	-212.6
Variation in net international reserves	+61.8	+36.8	-31.1	+66.2	+53.6	+52.2	+28.7
External debt <u>2/</u>	22.0	19.7	17.4	55.3	52.3	49.4	38.4 ^P

1/ On a cash basis.

2/ External debt - governments and international organizations and private sector.

3/ From 1979 onwards it refers to current expenditures.

4/ Average end December of each year.

SURINAME
TABLE II
DEMOGRAPHIC VARIABLES

Year (end of period)	Number of Births	Number of Deaths	Natural Increase	Number of Immigrants	Number of Emigrants	Net Migration ^{1/}	Population Growth	Actual Population
	<u>A</u>	<u>B</u>	<u>C=A-B</u>	<u>D</u>	<u>E</u>	<u>F=D-E</u>	<u>G=C+F</u>	<u>H=(H-I)+G</u>
1972	12,557	2,602	+9,955	2,615	8,490	- 5,875	+ 4,080	383,687
1973	11,881	2,737	+9,144	2,442	11,098	- 8,656	+ 488	384,175
1974	11,809	2,460	+9,349	3,066	17,902	-14,836	- 5,487	378,688
1975	10,031	2,670	+7,361	3,959	39,699	-35,740	-28,379	350,309
1976	11,176	2,593	+8,583	5,345	5,757	- 412	+ 8,171	358,480
1977	11,099	2,516	+8,583	3,430	4,786	- 1,356	+ 7,227	365,707
1978	10,673	2,730	+7,943	2,688	7,398	- 4,710	+ 3,233	368,940
1979	10,586	2,699	+7,887	2,390	18,188	-15,798	- 7,911	361,029
1980	9,844	2,793	+7,055	2,290	18,994	-16,704	- 9,649	351,380
1981	10,034	2,442	+7,652	3,205	4,504	- 1,299	+ 6,353	357,733

Source: Population Census for Suriname and the Netherlands (Bevolkingsstatistieken (ABS) CBB Suriname and CBS Nederland). Figures provided by the Statistical Bureau.

^{1/} These figures refer to movements of population between the Netherlands and Suriname and do not include some 2,000-3,000 migrants estimated to arrive from Caribbean countries into Suriname.

SURINAME

TABLE III

(TOTAL SUPPLY AND DEMAND/CURRENT VALUES)
(Suriname Gldrs.Mill)

					<u>% Breakdown</u>		<u>Annual Growth Rate</u>	
	1978	1979	1980	1981	1980	1979	1980	1981
<u>Total Supply</u>	<u>2,404.4</u>	<u>2,584.9</u>	<u>3,044.0</u>	...	<u>100.0</u>	<u>7.9</u>	<u>17.8</u>	...
GDP at Market prices	1,556.9	1,663.3	1,864.8	...	61.3	6.8	12.1	...
Imports of goods and Services	847.5	921.6	1,179.2	1,252.0	38.7	8.7	28.0	6.2
<u>Total Demand</u>	<u>2,404.9</u>	<u>2,584.9</u>	<u>3,044.0</u>	...	<u>100.0</u>	<u>7.9</u>	<u>17.8</u>	...
<u>Domestic Demand</u>	<u>1,590.8</u>	<u>1,668.2</u>	<u>1,949.8</u>	...	<u>64.1</u>	<u>4.9</u>	<u>16.9</u>	...
Total Consumption	1,235.5	1,291.4	1,572.1	...	51.7	4.5	21.7	...
(General Government)	(284.3)	(240.1)	(305.6)	(...)	(10.4)	(-15.5)	(27.3)	(...)
(Private Households)	(951.2)	(1,051.3)	(1,266.5)	(...)	(41.3)	(10.5)	(20.5)	(...)
Gross Domestic investment plus changes in stock	355.3	376.8	377.7	...	12.4	6.1	0.2	...
Exports of goods and Services	<u>813.6</u>	<u>916.7</u>	<u>1,094.2</u>	<u>1,009.8</u>	<u>35.9</u>	<u>12.7</u>	<u>19.4</u>	<u>-7.7</u>

Source: Data provided CEPAL by the Ministry of Finance.

SURINAME
TABLE IV-A
GROSS DOMESTIC PRODUCT
BY KIND OF ACTIVITY - AT FACTOR COST - AT 1973 PRICES

Sector	Millions of Suriname Guilders						
	1975	1976	1977	1978	1979	1980	1981 ^{1/}
Agriculture and Fisheries	56.4	50.6	61.4	67.4	70.6	69.5	56.4
Forestry and Wood Industry	9.4	9.1	12.0	18.7	10.6	13.6	20.3
Mining and Bauxite	126.8	123.9	120.2	135.7	122.0	137.6	118.8
Manufacturing	35.2	46.2	54.7	57.9	67.1	99.3	55.0
Gas, Water and Electricity	14.1	14.7	15.7	18.4	19.6	18.6	20.8
Construction	11.0	19.6	51.2	33.4	29.0	34.3	45.3
Trade and Commerce	97.9	98.3	114.4	129.1	123.4	123.0	118.8
Transport, Storage and Communication	24.4	30.5	36.6	38.4	32.5	41.8	34.7
Financial Services	24.1	26.3	26.4	49.3	52.7	70.1	40.7
Household Services	23.7	32.3	32.0	33.0	34.0	36.3	34.2
Government	133.9	114.5	191.1	215.4	225.8	160.3	183.1
Others	14.2	10.8	13.1	14.4	13.6	15.1	15.3
TOTAL GROSS DOMESTIC PRODUCT	571.1	626.8	728.8	811.6	800.9	819.6	743.4

^{1/} Provisional estimates from data provided by the National Planning Bureau.

Source: Data supplied CEPAL by General Statistics Office.

SURINAME
TABLE IV-A (Cont'd)

Sector	Annual Growth Rate					
	1979	1980	1981 ^{1/}	1975/1980	1980	1981
Agriculture and Fisheries	8.8	8.5	7.6	4.3	- 1.6	-18.8
Forestry	1.3	1.7	2.7	7.7	28.3	49.3
Mining and Bauxite	15.2	16.8	16.0	1.6	12.8	-13.7
Industry (Manufacturing)	8.4	12.1	7.4	23.0	48.0	-44.6
Public Utilities	2.4	2.3	2.8	5.7	- 5.1	11.8
Construction	3.6	4.2	6.1	25.5	18.3	32.1
Trade	15.4	15.0	16.0	4.7	- 3.3	- 4.1
Transport and Communication	4.1	5.1	4.7	11.4	28.6	-17.0
Banking Insurance	6.6	8.6	5.5	23.8	33.0	-41.9
Household Services	4.2	4.4	4.6	8.9	6.8	- 5.8
Government	28.2	19.6	24.6	3.7	-29.0	14.2
Other Services	1.7	1.8	2.1	1.2	11.0	1.3
TOTAL	100.0	100.0	100.0	7.5	2.3	- 9.3

^{1/} Estimations from the National Planning Bureau.

Source: Data supplied CEPAL by General Statistics Office.

SURINAME
TABLE IV-B
GROSS DOMESTIC PRODUCT
BY KIND OF ACTIVITY - AT FACTOR COST - AT CURRENT PRICES

Kind of Activity	Millions of Surinamese Guilders							Annual Growth Rate		
	1975	1976	1977	1978	1979	1980	1981 ^{1/}	1975/1980	1980	1981
Agriculture and Fisheries	72	77	102	108	127	138	122	13.9	8.7	-11.5
Forestry and Wood Industry	12	14	20	30	19	27	44	17.6	42.1	63.0
Mining and Bauxite	190	181	230	264	275	273	257	7.5	0.7	- 5.9
Manufacturing	45	63	80	89	113	197	119	34.4	74.3	-40.0
Public Utilities	18	20	23	29	33	37	45	15.5	12.1	21.6
Construction	15	31	96	69	66	68	98	35.3	3.0	44.1
Trade and Commerce	124	137	175	215	236	244	257	14.5	3.4	5.3
Transport, Storage and Communication	32	40	52	59	60	83	75	21.0	38.3	6.0
Financial Services/Banking and Insurance	30	38	44	89	105	139	88	35.9	32.4	-36.7
Household Services	30	45	49	55	65	72	74	19.1	10.8	2.8
Government	155	192	248	291	313	318	396	15.5	1.6	24.5
Other general, social and personal services	18	33 ^r	20	24	26	30	33	10.8	15.4	10.0
TOTAL	741	871 ^r	1,139	1,322	1,438	1,626	1,608	17.0	13.1	- 1.1

^{1/} Estimacions from data supplied by the National Planning Bureau.

Source: Data supplied CEPAL by General Statistics Office.

SURINAME

TABLE V

INDICATORS OF AGRICULTURAL PRODUCTION

							Annual Growth Rate		
	1975	1976	1977	1978	1979	1980	1975/1980	1979	1980
Index of Agricultural Production (1970 = 100)									
Agricultural crops	128.8	132.0	149.0	117.0	127.5	152.7	3.5	8.2	19.8
Livestock	113.7	118.0	117.7	113.6	118.9	121.2	1.3	4.5	1.9
Fishing	...	141.5	130.6	191.1	176.2	147.5	...	- 7.8	-16.3
Production of Agricultural crops (tonnes)									
Paddy rice	174,845	172,500	202,866	223,946	235,772	257,629	8.1	5.3	9.3
Maize	365	132	230	273	264	290	- 4.5	- 3.3	9.8
Sugar-cane	159,543	146,685	135,325	119,760	164,060	149,399 ^{1/}	- 1.3	36.9	- 8.9
Oil Palm	625	1,330	1,840	2,804	4,856	4,091	45.6	73.2	-15.8
Peanuts	391	290	338	250	286	210	-11.7	14.4	-26.6
Coconuts	5,525	5,500	5,500	5,644	5,649	5,479	- 1.7	0.1	- 3.0
Bananas	44,192	42,906	31,508	33,063	31,214	39,226	- 2.4	- 5.6	25.7
Plantains	950	1,572	1,700	2,850	3,280	1,918	15.1	15.1	-41.5
Citrus ^{2/}	61,900	58,650	67,500	30,434	35,360	42,282	- 7.3	116.2	19.6
Root crops	2,300	1,699	2,200	2,742	3,287	3,578	9.2	19.9	8.9
Green Vegetables	1,600	2,100	2,150	2,445	2,859	3,401	16.3	16.9	19.0
Coffee	88	76	90	25	59	45	-12.6	136.0	-23.7
Cocoa	55	58	61	47	83	65	3.4	76.6	-21.7

^{1/} 1981 Production of Sugar-cane amounted to 146,327 tonnes.

^{2/} Includes oranges, grapefruits and others.

SURINAME

TABLE V (Cont'd)

INDICATORS OF AGRICULTURAL PRODUCTION

	Unit						Annual Growth Rate		
		1976	1977	1978	1979	1980	1978	1979	1980
Indicators of Livestock Production									
Number of Livestock		48,394	46,884	61,648	70,967	76,787	31.5	15.1	7.4
Cattle	Stock	25,850	24,000	34,495	42,239	46,575	43.7	22.7	10.2
Pigs	"	17,619	18,259	18,000	20,179	20,000	- 1.4	12.1	- 0.8
Goats and sheep	"	4,500	4,200	8,888	8,294	9,360	111.6	- 6.7	12.0
Other	"	425	425	265	255	357	-37.6	- 3.8	40.9
Poultry	'000								
	Stock	4,312	4,400	4,500	4,500	4,500	2.3	0.0	0.0
Number of Animals slaughtered <u>3/</u>		18,948	19,160	21,568	22,466	24,023	12.6	4.2	6.9
Cattle	Stock	7,375	6,986	7,929	8,002	8,069	13.5	0.9	0.8
Pigs	"	11,219	11,759	12,981	13,710	14,939	10.4	5.6	8.9
Goats and sheep		354	415	658	754	1,015	58.6	14.6	34.6
Poultry	'000								
	Stock	3,800	3,900	4,000	4,180	4,200	2.6	4.5	0.4
Production	'000 kg.								
Beef		980	943	1,194	1,098	1,179	26.6	- 8.0	7.3
Pork		774	811	948	1,069	1,135	16.9	12.8	6.1
Milk Production (fresh in Central Market)	'000 lts.	2,450	2,700	2,957	2,226	2,700 ^{4/}	9.5	-24.7	21.3

3/ Excludes Poultry.

4/ 1981 Production of fresh milk amounted to 4,400 lt.

SURINAME

TABLE V (Cont'd)

INDICATORS OF AGRICULTURAL PRODUCTION

	Unit						Annual Growth Rate		
		1976	1977	1978	1979	1980	1978	1979	1980
Indicators of Fishing Production <u>5/</u>	'000 kg.								
Shrimps		81	189	338	321	728	79.1	- 5.0	-28.9
Fish		3,230	3,400	2,885	2,618	2,127	-15.1	- 9.3	-18.7
Crabs		32	26	23	30	31	-11.5	30.4	3.3
TOTAL Shrimps, fish and crabs		3,343	3,615	3,246	2,969	2,386	-10.2	- 8.5	-19.6

5/ Local fishing activity.

Source: (1) Agarish - Statistische gegevens 1970-1979. June 1981, Ministry of Agriculture, Livestock and Fisheries, Suriname. (2) Graadmeter van de Surinaamse Skonomie, (Basisgegevens over produktie, arbeidsplaatsen, lonen en prijzen). Bureau of Statistics, Suriname and updated figures for 1980 from same sources.

SURINAME

TABLE VI

AGRICULTURAL AREA UNDER CULTIVATION (PLANTED AREA)

	1975	1976	1977	1978	1979	1980	1981	Annual Growth Rate		
								1975/1980	1980	1981
Paddy rice	47,500	48,400	49,700	55,200	58,855	64,956	67,001	6.5	10.4	3.1
Maize	146	94	110	140	185	183	206	4.6	- 1.1	12.6
Sugar-cane	2,286	2,120	2,188	2,303	2,429	2,392	2,422	0.9	- 1.5	1.3
Oil Palm	1,645	1,710	1,880	2,025	2,372	2,557	2,831	9.2	7.8	10.7
Soy beans	31	21	45	38	37	43	46	6.8	16.2	7.0
Peanuts	326	242	282	245	285	208	339	- 8.6	-27.0	63.0
Coconuts	1,105	1,100	1,100	1,000	973	1,097	1,340	...	...	...
Bananas	1,794	1,742	1,739	1,694	1,683	1,625	1,941	- 2.0	- 3.4	19.4
Plantains	124	201	256	216	272	284	601	18.0	4.4	111.6
Citrus	2,023	1,980	2,000	1,894	1,899	1,933	2,163	- 0.9	1.8	11.9
Root crops	371	402	400	452	525	567	706	8.9	8.0	24.5
Green Vegetables	397	456	485	538	586	718	1,402	12.6	22.5	95.3
Coffee	420	360	360	209	199	152	344	-18.4	-23.6	126.3
Cocoa	401	390	390	208	214	250	319	- 9.0	16.8	27.6
TOTAL CULTIVATED AREA	58,673	58,285	60,989	66,471	70,841	77,619	82,355 ^P	5.8	9.6	6.1 ^P

Source: Data provided CEPAL by the Ministry of Finance.

SURINAME
TABLE VII
INDICATORS OF MINING PRODUCTION

	1977	1978	1979	1980	1981	Annual Growth Rate			
						1978	1979	1980	1981
Index of Mining Production (1970 = 100)	98.0	106.0	98.1	104	88.0	8.2	- 7.4	6.0	-15.4
Production ('000 metric tons)									
Bauxite	4,856	5,025	4,769	4,093	4,125	3.5	- 5.1	2.6	-15.7
Alumina	1,215	1,316	1,312	1,444	1,248	8.3	- 0.3	10.0	-13.6
Aluminium	50	59	53	55	41	18.0	-10.2	3.7	-25.5
Export volume ('000 metric tons)									
Bauxite	2,026	2,284	1,737	1,767	1,260	3.5	-23.9	1.4	-28.2
Alumina	1,059	1,124	1,185 ^r	1,329	1,165	6.1	5.4	12.1	-12.3
Aluminium	58	55	64 ^r	46	31.6	- 5.2	16.3	-28.1	-31.3
Export value (Sf. million)									
Bauxite	102	111	117 ^r	131	96	8.9	5.4	11.9	-26.7
Alumina	260	297	359 ^r	499	449	14.2	20.8	38.9	-10.0
Aluminium	96	91	134 ^r	116	87	- 5.2	47.2	-13.4	-25.0

Source: Bureau of Statistics, Suriname and data supplied CEPAL by the Planning Bureau.

SURINAME

TABLE VIII

INDICATORS OF MANUFACTURING PRODUCTION

	Unit	1977	1978	1979	1980	1981	Annual Growth Rate		
							1974/1980	1980	1981
Index of Manufacturing Production (1974 = 100)									
Total Manufactures		146	158	175	165	...	8.7	- 5.7	...
Processed Foods		219	240	271	266	...	17.7	- 1.8	...
Consumer Goods		136	138	148	144	...	6.3	- 2.7	...
Other Light Manufactures		121	146	161	145	...	6.4	- 9.9	...
Butter	kg.	263,525	195,713	147,391	141,774	168,276	52.9	- 3.8	18.7
Wheat Flour	tonnes	8,834	9,071	10,164	9,249	9,998	13.1	- 9.0	8.1
Margarine	"	576	709	814	609	743	- 0.1	-25.0	22.0
Yoghurt	'000 lts.	376	277	221	191	181	0.4	-13.6	- 5.2
Peanut butter	kg.	154,500	185,900	318,384	198,359	65,947	-	-37.7	-66.8
Sugar	tonnes	7,594	6,122	10,218	7,122	7,851	- 3.3	-30.5	10.2
Milk	'000 lts.	8,091	8,592	7,901	8,107	8,753	7.0	2.0	8.0
Alcohol	'000 lts.	1,714	1,656	1,539	1,244	767	-11.5	-18.6	-38.3
Soft Drinks	'000 lts.	34,071	35,643	37,005	36,095	42,328	10.1	- 2.5	17.3
Cigarettes	millions	354	353	361	379	402	5.4	5.3	6.1
Cigars	thousands	174	167	167	117	133	- 6.9	-30.1	13.7

SURINAME
TABLE VIII (Cont'd)
INDICATORS OF MANUFACTURING PRODUCTION

	Unit	1977	1978	1979	1980	1981	Annual Growth Rate		
							1974/1980	1980	1981
<u>Other</u>									
Cement	tonnes	45,000	57,000	69,000	42,545	71,408	- 0.9	-38.2	67.8
Particle boards	M ³	6,502	6,411	6,664	5,964	6,200	-13.5	-10.5	4.0
Triplex	M ³	14,726	19,031	20,019	18,588	19,400	1.1	- 7.1	4.4
Shoes (male and female)	Pairs	276	354	321	364	357	5.9	13.4	- 1.9
Shoes (male)	"	(184)	(214)	(214)	(201)	(180)	(6.5)	(-5.0)	(-10.4)
Shoes (female)	"	(92)	(140)	(107)	(163)	(177)	(5.2)	(52.3)	(8.6)
Cardboard	'000 units	2,242	2,404	2,633	1,107	...	-13.3	-58.0	...
Crude palm oil	tonnes	1,840	2,804	4,429	4,090	...	-	- 7.7	...
Molasses	'000 lt.	4,144	2,549	3,384	3,104	2,419	- 3.8	- 8.0	-22.1
Cattle fodder and animal feeds	tonnes	35,057	43,017	48,466	42,717	49,790	12.0	-11.9	16.5

Source: Bureau of Statistics data supplied to CEPAL.

SURINAME
TABLE VIII-A
WHOLESALE PRICE INDEX^{1/} 1977-1980
(1977 = 100)

Sections	Weights	1977	1978	1979	1980
Agriculture	539.0	100.0	86.6	101.8	107.4
Manufacturing	461.0	100.0	107.7	115.2	125.4
All Sections Index	1,000.0	100.0	96.3	108.0	115.7

1/ This is in fact, a derived index. It was computed from data published by the Surinamese official sources. This Office, therefore, takes responsibility for the figures shown.

SURINAME
TABLE IX
EMPLOYMENT BY SECTOR (%)

	1975	1976	1977	1978	1979	1980 ^{1/}
Agriculture (including fisheries)	16.7	15.7	14.7	13.9	13.6)	
Forestry (including wood processing)	2.0	1.9	1.8	2.4	3.1)	12.0
Mining and bauxite	7.5	7.3	6.8	6.1	5.9	6.6
Industry and Manufacture	10.7	10.5	10.3	10.3	10.2	8.4
Public Utilities (gas, water, electricity)	1.2	1.2	1.1	1.1	1.1	1.5
Construction	4.7	4.9	5.3	4.1	3.4	4.6
Trade and commerce (including retail, hotels and restaurants)	15.5	14.9	15.2	15.0	14.6	13.6
Transport and communications	3.8	3.2	2.8	3.5	3.5	3.5
Financial Services	1.9	1.9	1.9	2.0	2.2	2.4
Government	32.2	34.9	36.5	38.1	38.8	43.3
Other general services	3.7	3.6	3.5	3.6	3.6	4.1 ^{2/}
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

^{1/} From the latest census (1 July 1981).

^{2/} Of which 3.119 are non-responses.

Source: Data supplied CEPAL by the Suriname Statistical Office.

SURINAME
TABLE X
EXPORTS OF GOODS

	<u>Millions of Suriname Guilders</u>				<u>% Breakdown</u>		<u>Annual Growth Rate</u>		
	1978	1979	1980	1981	1979	1980	1979	1980	1981
<u>Bauxite and processing</u>	<u>551.3</u>	<u>609.1</u>	<u>740.8</u>	<u>632.0</u>	<u>76.8</u>	<u>80.7</u>	<u>10.5</u>	<u>21.6</u>	<u>-14.7</u>
Bauxite	(128.7)	(117.1)	(131.4)	(96.0)	(14.8)	(14.3)	(- 9.0)	(12.2)	(-26.9)
Alumina	(314.1)	(358.4)	(498.8)	(449.0)	(45.2)	(53.1)	(14.1)	(39.2)	(-10.0)
Aluminium	(108.5)	(133.6)	(110.6)	(27.0)	(16.8)	(12.0)	(23.1)	(-17.2)	(-21.3)
<u>Agriculture and fishing</u>	<u>92.8</u>	<u>130.0</u>	<u>141.6</u>	...	<u>16.4</u>	<u>15.4</u>	<u>40.1</u>	<u>8.9</u>	...
Rice	(48.0)	(68.0)	(75.3)	...	(8.6)	(8.0)	(41.7)	(10.7)	...
Bananas/Plantains	(7.0)	(7.3)	(10.5)	(12.0)	(0.9)	(11.4)	(4.3)	(43.8)	(14.3)
Shrimps and fish	(37.8)	(54.7)	(55.8)	...	(8.9)	(6.1)	(44.7)	(2.0)	...
<u>Wood and processing</u>	<u>12.3</u>	<u>19.4</u>	<u>21.0</u>	<u>18.7</u>	<u>2.5</u>	<u>2.3</u>	<u>57.7</u>	<u>8.2</u>	<u>-11.0</u>
<u>Others</u>	<u>46.0</u>	<u>34.2</u>	<u>14.8</u>	...	<u>4.3</u>	<u>1.6</u>	<u>-15.6</u>	<u>-56.7</u>	...
TOTAL	<u>702.4</u>	<u>792.7</u> ^{1/}	<u>918.2</u> ^{1/}	<u>845.7</u> ^{1/}	<u>100.0</u>	<u>100.0</u>	<u>12.9</u>	<u>15.8</u>	<u>-7.9</u>

-37-

1/ Derived from the Balance-of-payments on a cash basis.

Source: General Bureau of Statistics/Central Bank of Suriname.

SURINAME
TABLE XI
MERCHANDISE IMPORTS

	<u>Millions of Suriname Guilders</u>				<u>% Breakdown</u>		<u>Annual Growth Rate</u>		
	<u>1978^{1/}</u>	<u>1979^{1/}</u>	<u>1980</u>	<u>1981</u>	<u>1975</u>	<u>1979^{1/}</u>	<u>1979^{1/}</u>	<u>1980</u>	<u>1981</u>
A. <u>Consumer Goods</u>	174.4	162.8	...	...	20.4	22.2	- 6.7	...	...
B. <u>Intermediate Goods</u>									
Fuels, lubricants, etc.	164.9	223.0	...	...	20.8	30.4	35.2	...	...
Raw materials and other intermediate goods	164.2	165.8	...	...	35.6	22.6	1.0	...	...
Fibres and threads	23.2	24.9	...	...	2.8	3.4	7.3	...	...
C. <u>Capital Goods</u>									
Investment goods	92.0	105.6	...	...	13.0	14.4	14.8	...	...
Transport goods (includes cars, trucks, etc.)	62.7	51.3	...	...	7.1	7.0	-18.2	...	...
TOTAL	681.3 ^{2/}	733.5 ^{2/}	900.3 ^{2/}	1,013.6 ^{2/}	100.0	100.0	7.7	22.7	12.6

1/ Preliminary figures.

2/ Derived from the Balance-of-payments on a cash basis.

Source: From data provided by the Statistical Bureau Trade Section and the Central Bank.

SURINAME
TABLE XII
BALANCE OF PAYMENTS
(On a cash basis, million sf)

	1978	1979	1980	1981
<u>Current Account</u>				
Exports of Goods and Services	845.1	916.7	1,094.2	1,009.8
Goods (f.o.b.)	733.9	792.7	918.2	845.7
Services	111.2	124.0	176.0	164.1
Transport and insurance	(5.8)	(6.5)	(14.2)	(10.9)
Passenger fares	(0.8)	(4.4)	(50.4)	(42.1)
Other travel	(31.9)	(37.5)	(33.5)	(31.0)
Other services	(50.2)	(53.4)	(51.6)	(56.2)
Government	(16.3)	(15.9)	(10.4)	(9.4)
Import of goods and services	<u>-847.5</u>	<u>-921.6</u>	<u>-1,179.2</u>	<u>-1,252.0</u>
Goods (c.i.f.)	681.3	733.5	900.3	1,013.6
Services	166.2	188.1	278.9	238.4
Transport and insurance	(23.4)	(27.1)	(41.7)	(39.3)
Passenger fares	(18.3)	(23.3)	(54.4)	(43.4)
Other travel	(41.0)	(56.9)	(59.9)	(51.5)
Other services	(66.0)	(57.8)	(56.9)	(52.7)
Net payment of profits and interest on foreign capital	- 49.8	- 66.8	- 24.4	+ 27.7
Profits (investment income)	(-49.4)	(-66.3)	(- 24.1)	(27.7)
Royalties and other income	(- 0.4)	(- 0.5)	(- 0.3)	(-)
Net private transfer payments	+ 1.6	+ 5.6	+ 5.4	+ 1.9
Labour income	(-514)	(- 6.9)	(6.3)	(- 4.2)
Unrequited private transfers	(+ 7.0)	(+12.5)	(+ 11.7)	(+ 6.6)
<u>Balance on current account</u>	<u>- 50.6</u>	<u>- 66.1</u>	<u>- 104.0</u>	<u>- 212.6</u>
<u>Capital Account</u>				
Net External financing	+123.8	+114.2	+ 149.7	+ 234.5
<u>Long-term Capital</u>	<u>+120.7</u>	<u>+113.8</u>	<u>+ 137.6</u>	<u>+ 228.1</u>
Direct investment abroad	-	-	-	-

SURINAME
TABLE XII (Cont'd)
BALANCE OF PAYMENTS
(On a cash basis, million sf)

	1978	1979	1980	1981
Direct Investment in Suriname	- 1.1	- 2.9	- 0.2	-
Portfolio investment	- 0.5	-	-	- 1.6
Changes in inter-company balances	-14.8	- 31.1	+ 15.6	+ 10.7
Official Sector				
Loans received (net)	+38.0	- 2.9	- 2.9	- 2.6
Public grants received	+99.0	+144.1	+131.6	+169.0
Other long-term capital	- 0.4	-	-	- 1.8
Deposit money banks (net)	- 0.4	+ 1.8	- 12.2	-
Other Sectors				
Loans received (net)	- 0.6	- 0.1	- 2.1	+ 71.5
Other loans (net)	+ 5.5	+ 4.9	+ 7.8	+ 4.3
<u>Short-term Capital</u>	<u>+ 2.5</u>	<u>+ 0.7</u>	<u>+ 10.7</u>	<u>+ 6.5</u>
Official Sector	- 0.8	+ 2.1	- 1.2	+ 4.7
Other Sectors	+ 3.3	- 1.4	+ 11.9	+ 1.8
<u>Not yet classified amounts</u>	<u>+ 0.6</u>	<u>- 0.3</u>	<u>+ 1.4</u>	<u>- 0.1</u>
International Reserves	-41.7	- 48.1	- 45.7	- 21.9
Monetary Gold	+31.5	-	-	-
Special Drawing Rights	-	-	+ 7.2	+ 0.3
Reserve position in the IMF	-11.0	-	- 7.3	- 1.3
Foreign exchange assets	-62.2	- 48.1	- 45.6	- 20.9

Source: Data provided CEPAL by the Central Bank of Suriname.

SURINAME

TABLE XIII

EVOLUTION OF DOMESTIC PRICES

(Base: 1 April 1968 - 31 March 1969 = 100)

	Weights	1975	1976	1977	1978	1979	1980	1981
Consumer Price Index - All Items	100.0	<u>155.3</u>	<u>170.1</u>	<u>186.7</u>	<u>203.2</u>	<u>233.4</u>	<u>266.3</u>	<u>290.3</u>
Food and Beverages	40.0	167.3	183.9	197.4	207.1	233.7	262.2	271.2
Housing and Furnishings	23.6	149.6	159.7	171.7	200.8	225.9	262.4	288.7
Clothing and Footwear	11.0	137.4	162.1	196.2	225.2	280.1	306.6	365.6
Other Items	25.4	146.7	161.6	178.6	189.8	219.3	258.8	289.2
		<u>Variation December to December</u>						
Consumer Price Index - All Items		9.4	14.6	4.1	10.9	15.7	10.9	7.5
		<u>Annual Average Variation</u>						
Consumer Price Index - All Items		8.9	9.8	9.9	8.8	14.9	14.1	9.0
Housing and Furnishings		8.8	6.7	7.5	17.0	12.5	16.2	10.0
Food and Beverages		7.4	9.8	7.3	4.9	12.8	(9.3)	3.5
Clothing and Footwear		12.9	18.0	21.0	14.8	24.4	9.5	19.2
Other Items		8.3	10.2	10.5	6.3	15.5	18.0	11.7

Source: Prijsindexcijfers van de Gezinsconsumptie - Bureau of Statistics. -
Algemeen Bureau voor de Statistiek (ABS).

SURINAME

TABLE XIV

EVOLUTION OF WAGES AND SALARIES IN THE PUBLIC
SECTOR

(Index (1975 = 100))

	1978	1979	1980	1981	Annual Growth Rate			
					1978	1979	1980	1981
Wages and Salaries								
Nominal	121.4	128.8	141.5	160.0	- 9.3	6.1	9.9	13.0
Real	92.8	85.7	82.6	85.6	-16.6	- 7.7	- 3.6	3.6

Source: Data supplied CEPAL by Ministry of Finance.

SURINAME
TABLE XV-A
MONETARY BALANCE

	<u>sf. Millions of Guilders</u>					<u>Annual Growth Rate</u>		
	1977	1978	1979	1980	1981	1976/1980	1980	1981
1. <u>Money (M₁)</u>	219.3	246.1	273.5	294.2	358.0	10.4	7.6	21.7
Currency outside banks	125.3	145.1	156.4	177.8	197.0	12.9	13.7	10.8
Demand Deposits	94.0	101.0	117.1	116.4	161.0	7.1	- 0.6	38.3
2. <u>Factors of Expansion</u>	577.0	712.4	805.7	889.4	1,059.1	16.0	10.4	19.1
Foreign Assets (net) ^{2/}	211.2	281.8	333.6	398.0	426.7	13.2	19.3	7.2
Domestic Credit <u>1/</u>	365.8	430.6	472.1	491.4	632.4	18.6	4.1	28.7
Claims on Government (net)	(70.3)	(57.7)	(36.3)	(14.7)	(70.1)	(17.9)	(-59.5)	(376.9)
Claims on the Private sector	(295.5)	(372.9)	(435.8)	(476.7)	(562.3)	(18.6)	(9.4)	(18.0)
3. <u>Factors of Absorption</u>	357.7	466.3	532.2	595.2	700.9	19.4	11.8	17.8
Quasi-money	33.1	36.7	38.8	49.8	68.3	11.5	28.4	37.1
Long-term deposits and foreign borrowing <u>3/</u>	296.4	364.2	421.3	404.9	525.6	18.1	8.0	15.5
Capital and reserves	(63.3)	(71.2)	(80.2)	(94.3)	(107.7)	(14.2)	(17.5)	(14.2)
Other items (net)	28.2	65.4	72.1	90.5	107.0	34.9	25.2	18.2

1/ Includes short-term claims on the government (net), claims on the private sector and investment on domestic capital market, minus short-term liabilities due to development co-operation.

2/ Includes short-term claims on the government and government investment on domestic capital market minus short-term liabilities due to development co-operation.

3/ Includes time deposits for more than one year (long-term, savings and other long-term domestic resources plus capital and reserves.

Source: Data provided by the Central Bank of Suriname.

SURINAME
TABLE XV-B
INTERNATIONAL RESERVES
(sf. Millions)

	1976 ^{1/}	1977 ^{1/}	1978 ^{1/}	1979 ^{1/}	1980 ^{1/}	1981
Central Bank	198.0	170.6	224.8	292.9	338.6	372.8
Foreign Exchange ^{2/}	(187.0)	(159.6)	(220.8)	(288.9)	(334.6)	(368.8)
Gold	(11.0)	(11.0)	(4.0)	(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	39.3
TOTAL Reserves (net)	242.5	211.4	277.6	331.2	383.4	412.1

1/ Includes Suriname Postale Bank.

2/ Includes Reserve Position in the IMF and Special Drawing Rights.

Source: Central Bank of Suriname.

SURINAME

TABLE XVI

GOVERNMENT INCOME AND EXPENDITURE

	<u>Million Suriname Guilders</u>					<u>Annual Growth Rate</u>			
	1977	1978	1979	1980	1981	1975/1980	1979	1980	1981
<u>Current Income</u>	<u>335.7</u>	<u>441.0</u>	<u>429.8</u>	<u>480.4</u>	<u>527.0</u>	<u>10.0</u>	<u>- 2.5</u>	<u>11.8</u>	<u>9.7</u>
Direct taxes ^{1/}	88.4	112.8	128.4	139.6	135.2	23.6	13.8	8.7	- 3.2
Indirect taxes ^{2/}	146.8	157.9	174.8	176.2	198.7	12.8	10.7	0.8	12.8
Bauxite levy (net)	64.8	103.6	85.0	92.5	96.3	- 6.0	-17.5	8.8	4.1
Profits from Central Bank	17.7	16.5	20.0	28.4	30.0	34.7	21.2	42.0	5.6
Other non-tax revenue	18.0	50.2	21.6	43.7	66.8	16.2	-56.7	2.3	52.9
<u>Current Expenditures</u>	<u>358.9</u>	<u>397.2</u>	<u>412.5</u>	<u>460.7</u>	<u>569.7</u>	<u>13.0</u>	<u>3.9</u>	<u>11.7</u>	<u>23.7</u>
Wages and salaries	202.8	234.5	245.0	258.0	306.5	12.7	4.5	5.3	18.8
Subsidies and transfers	52.0	45.0	60.0	107.0	101.7	21.1	33.3	78.3	- 5.0
Interest	1.5	2.7	4.5	5.6	8.9	38.5	66.0	24.4	58.9
Goods and Services	102.6	115.0	103.0	89.3	152.6	6.2	-10.4	-13.3	70.9
<u>Savings on Current Account</u>	<u>-23.2</u>	<u>+43.8</u>	<u>+17.3</u>	<u>+19.7</u>	<u>-42.7</u>	<u>-16.3</u>	<u>-60.5</u>	<u>13.9</u>	<u>-316.8</u>
<u>Development account</u>									
Grants received ^{3/}	138.5	99.0	144.1	131.5	169.0	...	45.6	- 8.7	28.5
Development expenditures and net lending	178.0	145.8	128.5	115.6	...	...	-11.4	-10.0	...
Surplus (+) or deficit (-)	-39.5	-46.8	15.6	15.9	...	...	...	...	...
<u>TOTAL Expenditure</u>	<u>536.9</u>	<u>543.0</u>	<u>541.0</u>	<u>576.3</u>	...	...	<u>- 1.8</u>	<u>6.5</u>	...

SURINAME
TABLE XVI (Cont'd)
GOVERNMENT INCOME AND EXPENDITURE

	Million Suriname Guilders					Annual Growth Rate			
	1977	1978	1979	1980	1981	1975/1980	1979	1980	1981
Fiscal Deficit (-) or Surplus (+)	-201.2	-102.0	-111.2	- 95.9	...	...	9.0	-13.8	...
<u>Financing or deficit</u>	<u>199.0</u>	<u>128.0</u>	<u>120.4</u>	<u>108.1</u>	...	...	<u>5.9</u>	<u>10.2</u>	...
Domestic financing (net) (Private non-bank financing) (Banking System)	64.9 (2.2) (62.7)	7.7 (4.8) (-12.5)	- 22.7 (- 1.2) (-21.5)	- 19.3 (- 2.4) (-21.7)	... (...) (...)	... (...) (...)	... ... ...	... ... ...	... (...) (...)
External financing (net) Grants received <u>3/</u>	- 4.4 138.5	36.7 99.0	- 0.9 144.1	- 4.1 131.5	... 169.0	... ...	... <u>45.6</u>	... <u>- 8.7</u>	... <u>28.5</u>

1/ Taxes on income on profit, personal corporate and corporate and dividend tax.

2/ Taxes on property, on goods and services (liquor, beer, tobacco, Motor vehicles, stamp duties and others) and taxes on international trade (import duties, statistical tax and wood export tax).

3/ Dutch Aid for the Multiannual Development Plan (MOP) the EEC and another sources.

Source: Data provided to CEPAL by the Ministry of Finance (Kern Gegevens, Financial Economische Statie, 1981).

PART XI

TRINIDAD AND TOBAGO COUNTRY NOTES

ECONOMIC SURVEY 1981

TRINIDAD AND TOBAGO
(TT Dollars used throughout) 1/

The substantial economic growth experienced over the last three years, influenced mainly by the petroleum sector, slowed down considerably in 1981. Preliminary estimates reveal that Gross Domestic Product (GDP) at factor cost, current prices, grew by only 11 percent in 1981 after increases of 34 percent and 21 percent in 1980 and 1979 respectively. Real growth was of the order of minus 2.8 percent when consideration is given to the 14 percent increase in the general price level.

The reduction in the physical output of petroleum was caused by varying factors including lower world demand for crude and refined petroleum, and closure of some wells in favour of gas conservation. These contributed to the 4 percent decline in earnings accruing to the petroleum sector. However, increased earnings in the non-oil sectors, mainly from construction and services more than compensated for the decline in petroleum.

Declines in domestic agricultural and manufacturing production and in productivity, coupled with the increasing money income levels, contributed to the 14 percent increase in the Retail Price Index in 1981, despite increased price control and subsidies.

The monetary authority continued a programme of tight monetary policy in an attempt to combat the high inflationary pressures in the economy. These programmes called for the continuation of selective credit controls which were introduced in 1979 and an increase in the marginal banking reserve requirements. As a result, the money supply (M_1) grew at a lower rate - from \$1478.3 million in 1980 to \$1716.6 million in 1981 - a growth rate of 16 percent. There was an overall lowering of the levels of liquidity in the system. At the same time, the management policy caused a slowing down in the expansion of credit and deposit liabilities, resulting in the upward movement of interest rates. During the year, a number of developments occurred in the banking

1/ US\$1.00 - TT\$2.40.

and financed sector. The Securities Industries Act and the Unit Trust Corporation of Trinidad and Tobago Act were promulgated and later in the year, the Trinidad and Tobago Stock Exchange was opened in an attempt to widen the domestic capital market. Some attempt has been made to control and monitor the non-banking financial intermediaries, placing them under the umbrella of the Central Bank.

The external position of the economy remains strong with increases in the net foreign exchange reserves and a 15 percent improvement in the overall surplus on the balance of payments. This situation was the result of a surplus of \$1631 million on visible trade, deriving from a 3 percent drop in export values from \$6096 million in 1980 to \$5935 million in 1981 and a 10 percent fall in expenditure on imports in 1981.

Government's overall fiscal operations at the end of 1981 were in a surplus position, in spite of reduced taxes accruing from the oil companies due to new oil tax policies, and an increase in total expenditure. The public debt at the end of 1981 stood at \$1714 million, largely due to an increase in the external debt.

In the budget address, the Government stated its intention to reintroduce formal national planning through the formation of a national planning commission and bring on stream the multi-billion dollar projects at Pt. Lisas - ISCOTT, FERTRIN and TRINGEN.

PERFORMANCE IN THE MAIN SECTORS

Agriculture

Despite a 23 percent growth in GDP, at current prices, agriculture continued to perform with mediocrity in 1981, with the real value of output increasing by only 7 percent in 1981. Whereas the current value of export crops grew by 6 percent, real value fell 10 percent as a result of the rapid decline in the earnings from sugar. The importance of agriculture to total domestic output continued to decline, accounting for only 3 percent of GDP in 1981. Whereas the current value of output of the agriculture sector rose appreciably in 1981, physical output was severely hampered by a number of factors. The main sub-sector, sugar, continued to perform below expectations, showing no signs of recovery and being severely affected by the high cost of production and low levels of productivity compounded with the falling price of sugar on the world market. In addition, severe constraints were placed on domestic agriculture to supply local market demands. Among the factors responsible for the failure of this sub-sector to improve its

position, was the acute shortage of labour available to agriculture, caused by a shift in the labour force to the more lucrative industrial and public sectors.

The sugar industry experienced a drop in output in 1981, with only 92,600 tonnes of sugar having been produced - substantially below the 1972 level of 235,000 tonnes and about 18 percent lower than that produced in 1980. The continued high incidence of unplanned cane fires, poor crop management and an unusually heavy unseasonal rainfall during the harvesting season caused an acute drop in the sucrose content of the sugar-cane, resulting in poor quality canes. Harvesting of the crop was made difficult due to the heavy rains and muddy terrain. These factors had a severe effect on the ratio of tonne cane per tonne sugar which has been on the decline over the past few years. Sugar factories continued to operate well below capacity due to poor pre-harvesting preparations and factory down time due to lack of spare parts on the one hand and an unsteady supply of cane on the other, caused by unsuitable awards of contracts for transport of canes from fields to factories. In addition, the company's operation was affected by sporadic work stoppages occasioned by insufficient notices to workers about changes in harvesting operations caused by the inclement weather and also interpretation of negotiated agreements between Company and Union. Further, the general lack of information as to the future of the sugar industry has caused some degree of apathy and generated a lack of motivation to work, as evidenced by the high incidence of absenteeism during the harvesting period - both in the fields and factories.

The decline in production has greatly affected the industry's ability to meet its export quota of raw sugar to the EEC market. It was expected that the exports of sugar would continue to decline further than the 27 percent decrease experienced in 1980. The value of exports for the first half of 1981 was about 3 percent less than the corresponding period in 1980, although 67,000 tonnes were exported. This represented a slight increase over the 1980 volume of exports. Indications are that the volume and value of sugar imports were expected to increase substantially in 1981, while the sales of locally produced sugar fell from 56,000 tonnes - 1980 to 39,000 tonnes in 1981.

Plans for the rationalization and diversification of the industry are being considered. This will admit the possibility of a wide range of crops being planted on some of the lands now under sugar.

Other Agriculture

Cocoa production which had been on the decline over the last decade showed a rapid reversal in output in 1981, with the production of 3.2 million kg of cocoa beans. This represented a substantial 32.1 percent increase from the 2.4 million kg produced in 1980.

This increased production can be attributed to the revival of the cocoa industry through the National Rehabilitation Programme, incorporating a system of established guaranteed prices for the crop. Some 2.9 million kg of cocoa beans were exported in 1981 about 31.8 percent more than the 2.2 million kg exported in 1980.

Coffee production has also been on the decline over the last decade, producing just 2.2 million kg in 1980. However, estimates for 1981 show that some 2.4 million kg were produced, some 8.7 percent more than the 1980 output. This sub-sector also benefited from the National Rehabilitation Programme. Exports of coffee were expected to be much improved in 1981, with preliminary estimates indicating the export of some 1.1 million kg of coffee beans in 1981, some 22.1 percent more than the 0.9 million kg exported in 1980.

The substantial increase in the output of both cocoa and coffee can be partially attributed to the heavy rains experienced early in 1981.

Citrus production in 1980 was about 4 percent lower than the 1979 level. However, data for the first six months of 1981 indicate a further 35 percent decline in output as against the corresponding period in 1980 with some 4.3 million kg being produced. Crop diseases, poor estate management, labour shortages and withdrawal of large parcels of citrus lands for housing have contributed to the fall in production. It was expected that there would be a corresponding decline in the level of exports of citrus. The local industry continues to face the effects of the importation of large quantities of concentrated juice from other Caribbean Community Countries, mainly Belize.

It was expected that due to poor local demand, crop diseases, reduction of acreage under cultivation, and labour shortages, other agricultural crops, such as copra and vegetables experienced declines in production in 1981. Output of tobacco was put at 43,000 kg in 1981 some 29,000 kg more than 1980.

As regards the livestock sector, full-year estimates indicate an overall growth of 6.3 percent in locally-produced meat, despite a lower level of production for pork and mutton and a substantial decline in the output of beef and veal. Table III-A refers. The net result of the drop in non-poultry meat production necessitated the importation of more than 10 million tonnes of beef and veal, pork and mutton in 1981. This was about 24.7 percent million more than the 8 million tonnes imported in 1980. The poultry sub-sector has shown a marked improvement in 1981 indicating, in part, the increase in the domestic demand for this type of meat, mainly catering to the fast food outlets. Also it is a lower priced meat than most imported meats.

The production of eggs fell some 4 percent below the 3.5 million dozen produced in 1980 as a result of flood damage. Expectations are that the country would be able to be self-sufficient in the production of table eggs in the near future. It should be noted that only 3,000 dozens of eggs were imported in 1981 compared to 24,000 dozens in 1980, though at a substantial cost - \$103,000 in 1981 versus \$57,000 in 1980. Whereas, the output of fish continued to fall, the production of milk showed rapid improvement in 1981.

Major factors affecting the meat industry have been the difficulties in obtaining adequate supplies of feed and also the high costs of the available supplies.

During the year, there was severe flooding in most agricultural areas, caused by improper drainage, resulting in massive crop losses and forcing the importation of foreign-produced vegetables. An ineffective agricultural marketing system, together with the inefficient transport system, has placed some degree of constraint on the production of perishable and seasonal crops. Production of these crops has in addition fallen, as farmers responded negatively to what they considered unsatisfactory guaranteed prices. Another factor for the decline in agricultural production was the fact that alternative uses are being made of prime agricultural lands, mainly for housing developments, new industrial activities and construction of roads. Although Government has increased its agriculture, many infrastructural prerequisites are not fully satisfied (roads, electricity, irrigation, etc.)

Petroleum. Although the petroleum sector continued to dominate the economy in 1981, contributing over 36 percent of total GDP, at current prices, its performances was considerably reduced from \$6420.7 million in 1980 to \$6139.2 million in 1981 - a decrease of over 4 percent. This decrease mainly reflects the further deterioration in local petroleum production.

Crude oil production has been on the decline since 1979, when it reached its peak production of 13.3 million cubic metres (MCM). Preliminary production estimates for 1981 were 12 percent less than 1980, largely due to the introduction of gas conservation measures in fields producing associated gas off the East Coast, maturing of existing wells and closure of wells off the East Coast to avoid the flaring of associated gas. Available data show Trinidad-Tesoro as the only major company to register any increases in crude oil production during the first half of 1981 over the corresponding period in 1980. This more than offset the decreases of the other companies. Indications are that Marine wells continued to account for the greater part of domestic production, though output declined after 1978 while land production has remained stable over the last few years as a result of fiscal incentives granted to producers, drilling of new wells and adoption of secondary recovery techniques.

Table 1

Local Crude Petroleum Exports
and Locally Refined Crude 1975-1981
(Million cubic metres)

Year	<u>Total Production</u>			Domestic crude exports	% of total	Domestic crude refined locally	% of total
	Total	Land	Marine				
1975	12.5	...	...	7.7	62	4.8	38
1976	12.3	2.6	9.7	7.0	57	5.3	43
1977	13.3	2.6	10.0	7.9	59	5.4	41
1978	13.3	2.6	10.7	8.1	61	5.2	39
1979	12.4	2.7	9.7	7.0	56	5.4	44
1980	12.3	2.7	9.6	7.3	59	5.0	41
1981	10.8	...	...	6.0	56	4.0	37

Source: Review of the Economy, 1981 and Quarterly Economic Bulletin, March 1982, Central Bank, Trinidad and Tobago.

Local crude petroleum exports have been declining, reflecting the pattern in domestic production. In 1980, just above 7.3 MCM^{2/} was exported, approximately 59 percent of domestic production. Data for 1981 reveal that 6.0 MCM or 56 percent of local crude was exported, some 18 percent less than in 1980. Domestic crude locally refined was expected to be 20 percent lower than the 5.0 MCM refined in 1980.

Table 2

Percentage (%) Distribution of Local Crude Petroleum Production by Company, 1975-1980

Company	1975	1976	1977	1978	1979	1980	Jan- June 1980	Jan- June 1981
Amoco	57.9	55.3	59.1	60.0	56.3	56.6	56.1	54.4
Trinidad Northern Areas	22.2	22.5	20.2	19.3	20.7	18.7	19.5	19.2
Texaco	8.6	9.9	8.6	7.8	8.7	8.8	8.9	8.4
Trinidad-Tesoro	8.3	8.7	8.5	8.9	10.0	12.7	11.2	12.8
Trintoc	2.8	3.3	3.6	3.8	4.2	4.0	4.2	4.0
Premier Consolid- ated Oilfields	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.2

Source: Ministry of Energy and National Resources.

Over the last decade, throughput at the refineries has been on the decline, and this trend continued into 1981, when throughput for 1981 was estimated to have declined some 19 percent below the 1980 level. This again resulted in significant excess refinery capacity, estimated at 45 percent in 1980. Throughput fell from 13.2 MCM in 1979 to 12.4 MCM in 1980; estimates for 1981 were 10.1 MCM. The substantial reduction of imported crude processed under agreement and the declining supply of spot imported crude has led to the overall decline in refinery throughput.

^{2/} MCM = Million cubic metres.

Imports of crude oil amounted to 6.1 MCM for 1981 some 27 percent below the 8.3 MCM imported in 1980. This represented some 60.4 percent of refinery throughput. This decline in imported crude is reflected in the lower volume of refined products exported. Estimates for the first half of 1981 show some 4.2 MCM of refined products being exported, which is 26 percent lower than the 5.7 MCM exported during the corresponding period in 1980. Exports for 1980 amounted to 10.7 MCM.

The output of refined crude at the local refineries has suffered from the shift away from heavy crude to the more profitable light crude. Added to this, United States (US) tax legislation has made it more profitable for US-owned companies to have their crude processed in the US and dependencies under agreement rather than elsewhere. Further, the deep recession in the US and a system of fuel-switching, together with the decline in international demand for petroleum products have resulted in local refineries having a large proportion of excess refinery capacity.

Production of natural gas reached a peak of 197,811 MCF^{3/} in 1980. However, indications are that the output for 1981 will be marginally lower due to Government conservation measures. Approximately half of the total gas production is used as fuel or processed gas, mainly for use by the refineries, the Electricity Commission and a few heavy energy-based industries. It is expected that the conservation measures introduced early in 1981 and the installation of gas pipelines will help to reduce the proportion of gas flared. To this end some wells off the East and North Coasts area were capped to avoid the flaring of high-pressure associated gas. This has resulted in lower oil production from these wells.

In April 1981, Parliament promulgated the Petroleum Taxes (1980) Act. This revised the taxation system for petroleum companies in keeping with international principles. One of the provisions involved the use of actual or realized prices in the computing of chargeable income, rather than the tax reference prices. There were also other production incentives.

In 1981 Government presented a White Paper on Natural Gas, establishing the National Energy Corporation as the sole purchaser or distributor of the country's natural gas. It also indicated that the country's proven reserves

^{3/} MCF = Million cubic feet.

were now 10.6 TCF^{4/} and estimated total reserves at 17.9 TCF.

Manufacturing^{5/}

The 9 percent growth in manufacturing GDP, at current prices indicates the slowing down of industrial activity after growth rates of 23 percent and 20 percent in 1979 and 1980 respectively. The sector's contribution to GDP decreased from 7 percent in 1980 to 6 percent in 1981, accounting for \$997 million of GDP at current value. This growth was due to price increase and not real growth, since real production, as reflected in the Index of Domestic Production (excluding oil and sugar) fell some 4 percent in 1981. The sub-sectors recorded mixed performances during the year with increases in printing and publishing and assembly-type industries which partially offset the considerable reduction in the output of textile, garments and footwear, wood and related products, chemical and non-metallic products, and drink and tobacco.

The upturn in all domestic production which began in the second quarter of 1981, after an 18 percent drop in the first quarter, was sustained throughout the rest of the year. For the year as a whole, the Index (including oil and sugar) was 94.9 - some 12 percent below that of 1980.

Activity in the Drink and Tobacco sector declined some 5 percent in 1981 after recording an 18 percent growth in 1980, mainly due to the decline in manufactured tobacco caused by the closure of one tobacco company, in spite of a rise in the domestic supply of raw tobacco, and the reduced supply of non-alcoholic beverages.

Output in the textile, knitted garments and footwear sub-sector declined by an estimated 21 percent after showing a 9 percent growth in 1981. This reduction in output can be attributed to labour disputes in the textile and footwear industries, thereby reducing the number of man-hours available for production, and the increased importation of garments and the closure of some firms. After two years of reported

^{4/} TCF = Trillion cubic feet.

^{5/} Excluding petroleum.

increases in production levels, output in the Wood and Related Products sector fell by 26 percent after increases of 3 percent and 34 percent in 1980 and 1979 respectively.

The 20 percent decline in production in the chemical and non-metallic products sector, was due to the low levels of production of fertilizers - despite the operation of two new fertilizer plants - components for the construction industry, glass and plastic for construction, petrochemicals and pharmaceuticals. The low output of 555,400 tonnes of fertilizers, which was some 19 percent below the 1980 output, was due to industrial unrest, unreliable supply of natural gas and numerous interruptions in the supply of electricity and water.

In the assembly-type manufacturing sub-sector, there was an upturn in the production of motor vehicles in 1981 after the 22 percent decline in 1980. Output rose by 13 percent with 13,436 units being assembled in 1981 as a result of increased demand and increased plant capacity. Production of household appliances was considerably lower than 1980 with only 14,855 units of refrigerators being produced - some 46 percent lower than in 1980. Output of gas-cookers was 15,265 units - some 8,121 less than 1980. However, production of television sets and radios rose marginally in 1981 by 4 and 3 percent respectively. Table VI refers. Overall, the Index of the Assembly-type and Related Industries rose some 2 percent, which was much slower than the previous two years.

Construction

The growth rate of real output in the construction sector was put at 5 percent in 1979, increased to 11 percent in 1980 and was estimated to be 13 percent in 1981. On the other hand, growth rates at current prices were much faster recording a 31 percent rise in the current value of output for 1981, accounting for some 10 percent of total output. The performance of this sector stands out in spite of the fact that there continued to be shortages of major building materials, labour - skilled craftsmen and managers and financial support for construction.

During the year, there was an inadequate supply of most building materials; this was worsened by the fall in domestic production of cement, bricks and blocks. Over the last two years, production of cement has fallen from a high

of 223.5 thousand tonnes in 1978 to 139.3 thousand tonnes in 1981 despite a substantial demand for the commodity. In order to meet the shortfall in production, more than 253,000 tonnes were imported in 1981. Local sales of cement amounted to 390,000 tonnes in 1981 compared to 354,000 in 1980 an increase of 10 percent. This is an indication of the sustained expansion of the construction activities in the economy.

Consequently, production of bricks and blocks declined by 18 percent to 23,992 million units in 1981 from 29,319 million units in 1980. The shortfall in production of these commodities placed some constraint on the building industry since importation cannot be made with the same ease as the importation of cement. To make up for this short supply of bricks and blocks, some construction firms adopted the precast system of building to speed up delivery of housing projects. The block making industry has suffered from under-utilization of plant capacity due to the insufficient supply of key components - cement, sand and gravel.

The Government has intensified its efforts to supply more housing units particularly to the low and middle income groups, however, it faces similar problems of inadequate supply of building materials.

The National Housing Authority continues to be the main source of funds for low income and emergency housing. Some \$59 million was expected to be disbursed during 1981 - about 17 percent less than in 1980 when the figure was \$71 million. The National Task Force set up to expedite the construction of houses continues to monitor housing needs and more than 2,684 houses were scheduled for completion in 1982 despite construction contractual problems.

Government has increased funds to the Sugar Industry Labour Welfare Committee to be disbursed to sugar workers at a reduced rate of interest. The authorized ceiling on loans was increased from \$8,000 to \$15,000 in 1981. However, the number of houses to be constructed under this programme was expected to decline in 1981.

During the year, the Trinidad and Tobago Mortgage Finance Company became a fully locally-owned company with Government holding 51.1 percent of shares and the National Insurance Board (NIB) the remainder.

Construction work commenced on the preparation of land sites and the construction of houses at the Point Lisas Housing and Urban

Development Programme and the Real Springs, Valsayn Housing Project.

THE EXTERNAL SECTOR
AND
THE BALANCE OF PAYMENTS

Provisional balance of payments estimates indicate a surplus of \$1,357 million on merchandise trade (excluding mineral fuel UPA) in 1981, about 16 percent less than in 1980. The pattern of trade continued to be dominated by the exports of petroleum and petroleum products. Indications are that there would be a general slowing down in the value of non-petroleum exports and data in Table VII (Statistical Appendix) reveal the continued domination of oil exports even at lower values. At the same time, the value of imports (excluding mineral fuel UPA) which has been increasing steadily up to 1980, was estimated to have increased by about 3 percent in 1981, as a result of tight monetary controls by the Central Bank. An overall surplus of \$1631 million was expected in 1981.

Indications are that exports (excluding fuels under processing agreement (UPA) will fall marginally in 1981 while imports (excluding UPA) would increase. The importation of food was put at \$237 million for the 4th quarter of 1981, amounting to over \$835 million in 1981. However, the importation of machinery and other raw materials suffered some decline during the year as a result of the lower growth rate of government capital expenditure.

Overall trade with CARICOM countries was estimated at \$1033.7 million in 1981 - an increase of 3 percent from 1980. This was as a result of the 14 percent increase in imports, since exports to this area fell by 1.5 percent in 1981. Further, if the petroleum trade is excluded, overall trade was estimated to have risen by 7 percent to \$429 million. It was estimated that Trinidad and Tobago would record a favourable trade balance on the CARICOM Market of \$422 million, 10 percent lower than the total surplus of 1980.

Estimates indicate a \$211 million net deficit on the Services Account, as a result of the contraction of the net outflow of investment income. The balance on Net Transfer Payment improved somewhat, resulting in a deficit of \$202 million in 1981, with private transfers abroad far exceeding official transfers increasing by some 38 percent in 1981. The net effect of these movements was a 28 percent rise in the surplus on current account of the balance of payments amounting to \$1,218 million.

The continued decline in net capital inflows was again evident in 1981 with the item decreasing by 38 percent to \$440 million from \$709 million in the previous year. Nevertheless, the overall surplus on the balance of payments rose 15 percent to a level of \$1,715 million in 1981, though considerably slower than the 61 percent increase registered in 1980 when the surplus amounted to \$1,497 million.

Net Foreign Exchange Reserves stood at \$7,677 million at the end of 1981, about 21 percent more than the \$6,337 million held at the end of 1980. IMF Reserve Tranche Position was \$213 million with holding of SDR's amounting to \$140 million.

The Government of Trinidad and Tobago continued its policy of financial assistance to CARICOM countries, giving balance of payments support, loans for development purposes and the purchasing of Bonds and Treasury bills. These funds have been issued (over the past two years) mainly through the "Facility for Financing Oil, Fertilizer and Asphalt Purchases by CARICOM from Trinidad and Tobago", (commonly called the CARICOM OIL FACILITY) and the Caribbean Aid Council. The CARICOM Oil Facility pays for the financing of the incremental costs of the commodities it covers with a base date of 1 January 1979. These concessionary loans (15-year maturity) amounted to \$140.4 million in 1980 and \$21.1 million at October 1981. More than 98 percent of this amount went to Guyana in 1980 while the entire \$21.2 million went to Guyana in 1981.

PRICES AND WAGES

Prices

The rate of inflation, as measured by the Consumer Price Index, abated somewhat in 1981, resulting in an increase of 14.3 percent after price rises of 14.7 percent and 17.5 percent in 1979 and 1980 respectively. There was an overall slowing down in the level of price increase. Nevertheless, inflation continued to be a source of concern within the domestic economy. The persistent inflationary situation in industrialized countries, increased cost of imported goods, poor performance of the local sectors, lack of growth in labour productivity and the impact of

increased government expenditure were among factors contributing to the increase in the general price level. However, the real impact of inflation was cushioned by a policy of price controls and the continuation of the subsidy programme, which amounted to over \$4.6 million in 1981.

The most significant decline in the rate of price increase in 1981 was observed in the Transportation section of the index where the rates of increase measured in 1979, 1980 and 1981 were 27.3, 24.0 and 10.6 percent respectively.

Table 3

Movements in the Index of Retail Prices 1975-1981
(September 1975 = 100)

<u>Year</u>	<u>All Items Index</u>	<u>Percentage Change</u>
1975	98.5	17.0
1976	108.7	10.4
1977	121.5	11.8
1978	133.9	10.2
1979	153.6	14.7
1980	180.5	17.5
1981	206.4	14.3

Source: Review of the Economy, 1981
and data supplied CEPAL.

Price control on foodstuffs accounted to some extent for the observed decline in the rate of price increase in the Food and Drink and Tobacco sections. The Food Section which carries 33 percent of the weight of the index, observed a 16.6 percent price increase - some 2.7 percent below the rate of increase of the previous year. A general decline in the rate of price increase in all the sections with the exception of clothing was noted.

The movement in domestic prices reflects in part the pressures, external in origin, that are brought to bear on a small, open economy such as that of Trinidad and Tobago.

During the year, wage negotiations for over 52,000 public servants were concluded, with a 59 1/2 percent wage increase being agreed on for a three-year period commencing 1981. No payments of the new salary were made until 1982. The fixity of the income tax structure would increase the Government Tax taken as a result of the tax creep.

Monetary Developments

During 1981, there was a further tightening of monetary supply in the domestic financial system as part of the Government's policy against inflation. The Monetary Authority's demand management policies together with the general slowdown of the economy, led to a decline in the rate of growth of the money supply and resulted in low levels of liquidity in the banking system. The rate of credit expansion and demand deposits have also slowed down and as a result, interest rates have moved upwards. Added to the need to curb inflation, there was an attempt to channel these financial resources into more productive investments.

Government continued its policy of selective credit, limiting new credit to individuals for non-business purposes and at the same time increasing the marginal reserve requirement of commercial banks. An additional 15 percent of all new deposits (now totalling 20 percent) was required to be placed with the Central Bank in order to dampen the rate of Monetary growth. At the end of 1981, Commercial Bank Reserves held with the Central Bank amounted to \$975.6 million, some 26 percent more than was deposited in 1980.

In other measures adopted to curb the growth of monetary resources, Government allowed some \$48 million of Barbados Government Bonds to be offered on the domestic market and at the same time sought to raise \$40 million in local treasury bills - (tax free bonds) during 1981. Additionally, in August 1981, the Caribbean Development Bank issued \$24 million in bonds on the local market.

A further development in the financial system was the proclamation of the Unit Trust Corporation of Trinidad and Tobago Act in October 1981; set up to offer small investors a wide participation in the securities market. Also, in October 1981 came the proclamation of the Securities Industries Act and the opening of this Exchange has resulted in a sharp

rise in the number of transactions for public company shares in 1981. The number of transactions rose by more than 3,170 to 5,276 accounting to a market value of \$140.3 million, being a nominal value of \$31.8 million. This represents a total of 32,018,000 shares sold during this period.

The aggregate money supply, the money supply (M_1) plus quasi-money; totalled \$5,409 million at the end of 1981, some 21 percent more than the \$4,480 million in 1980. The money supply (M_1), defined as currency in active circulation plus demand deposits, continued to rise at a slower rate than previous years and increased by \$238 million to \$1,717 million in 1981, up 16 percent compared with the 25 percent increase in 1980.

The growth of the money supply continues to be affected by the Government domestic budget deficit adding directly to the demand deposits savings and time deposits or as money in circulation. At the same time net outflows of foreign exchange helped to reduce the money supply as local currency is deposited with the Central Bank to purchase foreign exchange.

Fiscal Developments

Provisional estimates of the Government Sector's contribution to GDP were \$1,310 million, some 14 percent higher than in 1980, contributing some 8 percent to total GDP in 1981. Provisional revised estimates of total Government revenue amounted to \$6,692 million - approximately 8 percent more than the 1980 figure, realizing a surplus of about \$123 million. Of the total revenue figure, recurrent revenue grew by a modest 8 percent totalling \$6,660 million in 1981, while capital receipts amounted to \$32 million. Despite the introduction of tax reliefs on personal income, revenue from personal income grew some 24 percent, totalling \$820 million in 1981.

At the same time revenue from corporation tax rose by 14 percent to \$3,537 million in 1981 after showing an increase of 77 percent in 1980. This was the result of a revised tax policy on oil companies and also reflected the downturn in industrial activity during 1981. On the expenditure side, Central Government's total expenditure rose some 15 percent to \$6,815 million in 1981; this was somewhat more contained than the previous two years. Whereas, recurrent expenditure rose by 21 percent, capital expenditure grew by a moderate 9 percent to \$3,454 million.

Wages and salaries accounted for some 40 percent of recurrent expenditure with transfers to local authorities and others taking up 39 percent of the same account. The financing of these expenditures was met by Government's borrowing on the local and foreign market resulting in a Public Debt at the end of 1981 of \$1,714 million, slightly higher than the 1980 figure of \$1,710 million. The external debt at the end of 1981 stood at \$1,045 million, some 61 percent of total Public Debt.

The net current account for the Government Fiscal year 1981 was in a surplus of \$3,298 million - about 3 percent lower than 1981 giving an overall fiscal surplus of \$123 million which was about 55 percent lower than the 1980 fiscal position.

STATISTICAL APPENDIX

TRINIDAD AND TOBAGO

1981

TRINIDAD AND TOBAGO

TABLE I

MAIN ECONOMIC INDICATORS

	1977 ^r	1978 ^r	1979 ^r	1980 ^r	1981 ^p
<u>Basic economic indicators (constant prices)</u>					
Gross domestic product at factor cost (\$ Mill. at 1970 prices)	2,377.0	2,565.1	2,700.6	2,899.1	3,055.2
Population (thousands of inhabitants)	1,050.1	1,066.4	1,082.2	1,097.6	...
Per capita GDP (\$ at 1970 prices)	2,264	2,405	2,495	2,641	...
<u>Short-run economic indicators</u>		<u>ANNUAL GROWTH RATES</u>			
Gross domestic product (current values)	26.3	12.6	21.0	34.4	11.1
Per capita gross domestic product	9.3	10.8	19.2	32.5	10.9
Terms of Trade	9.3	-7.1	16.7	6.3	22.7 ^{1/}
Current value of exports of goods and services	16.1	...	33.9	26.6	...
Current value of imports of goods and services	22.2	13.7	29.0	13.4	...
Consumer price index December-December	11.4	8.8	19.6	16.6	11.6
Variation between annual averages	11.8	10.2	14.7	17.5	14.3
Money	31.4	27.6	27.9	24.5	16.1
Rate of unemployment	...	-12.9	-16.4	-13.7	5.9
Current revenue of government	25.6	3.4	31.0	54.1	4.9
Total expenditure of government	20.6	28.2	44.9	51.9	76.9
<u>External Sector</u>					
Trade balance (goods and services)	590.3 ^r	177.5	234.7 ^r	1,109.3 ^r	1,420.0
Balance on current account	515.6	86.5	125.2	951.9	1,218.3
Net Foreign Exchange Reserves (\$ Mill.)	3,204.1	3,950.8	4,837.8	6,336.7	7,677.2
Variation in net international reserves (- means increase)	-1,079.0 ^r	-746.7 ^r	-887.0 ^r	-1,498.9 ^r	-1,340.9
External Debt	499.6	756.5	898.5	1,047.9	1,044.7
National Debt	1,057.2	1,355.6	1,535.6	1,709.7	1,714.0

^{1/} January to June variation.

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.)

				<u>Percentage Breakdown</u>		<u>Annual Growth Rate</u>		
	1979	1980 ^r	1981 ^p	1979	1981	1979 ^r	1980 ^r	1981
Agriculture	355.1	361.8	443.4	3.1	2.6	4.0	1.9	22.6
Petroleum	4,052.7	6,420.7	6,139.2	35.5	36.0	15.0	58.4	-4.4
Manufacturing excluding Petroleum	760.5	911.9	996.7	6.7	5.9	23.0	19.9	9.3
Construction	927.7	1,263.3	1,655.9	8.1	9.7	20.4	36.2	31.1
Sub-Total Goods	6,098.8	8,957.7	9,235.2	53.4	52.2	15.9	46.9	3.1
Electricity and Water	159.0	180.2	201.4	1.4	1.2	26.0	13.3	11.8
Transport, Storage and Communications	1,367.9	1,572.4	1,938.0	12.0	11.4	29.2	14.9	23.2
Sub-Total Basic Services	1,526.9	1,752.6	2,139.4	13.4	12.6	28.8	14.8	22.0
Commerce, Restaurants and Hotels	1,173.0	1,438.1	1,717.5	10.3	10.1	17.0	22.6	19.4
Finance, Insurance and Real Estate	1,064.0	1,363.3	1,898.0	9.3	11.1	29.1	28.1	39.2
Government	1,002.1	1,145.9	1,310.4	8.8	7.7	45.0	14.3	14.4
Education and Culture and Community Services	303.5	381.8	399.4	2.7	2.3	16.0	25.8	4.6
Personal Services	239.6	287.8	333.1	2.1	1.9	7.0	20.1	15.1
Sub-Total Other Services	3,782.2	4,616.9	5,656.7	33.2	33.2	26.3	22.6	22.5
Total Gross Domestic Product	11,407.1	15,327.2	17,037.3	100.0	100.0	21.0	34.4	11.2

Source: Data supplied CEPAL by Central Statistical Office.

TRINIDAD AND TOBAGO

TABLE III-A

AGRICULTURAL PRODUCTION

	Unit	1978	1979	1980	1981	Annual Growth Rate ^{1/}		
						1979	1980	1981
Sugar	'000 tonnes	1,763	1,710	1,499	1,299 ^e	-3.0	-12.3	-13.3
Cocoa Beans ^{1/}	'000 kg.	3,397.9 ^r	2,627.5	2,380.5	3,145.0	-22.7	-9.4	32.1
Coffee Beans ^{1/}	"	2,499.7	2,497.2	2,239.5	2,433.0	-0.1	-10.3	8.6
Oranges ^{2/}	"	2,213 ^r	2,999	2,616	1,726	35.5	-12.8	-34.0
Grapefruit ^{2/}	"	5,602 ^r	3,939	4,049	2,576	-29.7	2.8	-36.4
Copra ^{3/}	'000 tonnes	7.4	6.8	4.4	...	-8.1	-35.3	...
Tobacco	'000 kg.	119.5	119.1	14.1	43.0	-0.3	-88.2	205.0
Meat ^{4/}								
Beef and Veal	"	1,436.6	1,968.9	2,012.2	1,746.0	37.1	2.2	-13.2
Pork	"	2,158.6	2,418.3	1,790.2	1,613.0	12.0	-26.0	-9.9
Mutton	"	79.4	93.9	79.2	76.0	18.3	-15.7	-4.0
Poultry (live weight)	"	33,663	26,745	23,464	25,646	-20.6	-12.3	9.3
Fish ^{5/}	"	2,944.1	2,546.9	2,229.0 ^r	1,912.0	-13.5	-12.5	-14.2
Eggs	"	3,519.8	2,850.6	...	...	-19.0	...	...
Milk	'000 litres	5,926.7	6,252.6	5,491.6	7,082.0	5.5	-12.2	29.0

^{1/} Deliveries to Principal exporters.

^{2/} Deliveries to Principal packers.

^{3/} Deliveries to Manufacturers of copra products.

^{4/} Animals slaughtered at Municipal and Government-controlled abattoirs.

^{5/} Fish delivered to principal markets.

Source: Quarterly Agricultural Report Jan-Dec. 1981; Central Statistical Office.

TRINIDAD AND TOBAGO

TABLE III-B

SUGAR PRODUCTION, EXPORTS, IMPORTS AND LOCAL SALES, 1976-1981
([']000 tonnes)

Year	Production	Exports	Imports	Sales
1976	204	158	1	46
1977	176	142	4	39
1978	147	89	7	50
1979	143	88	6	44
1980	113	64	...	56
1981	93	67	...	39

Source: Central Statistical Office and Sugar Manufacturers' Association.

TABLE III-C

COCOA, COFFEE, CITRUS: PRODUCTION AND EXPORTS, 1976-1981

Year	Cocoa		Coffee		Citrus	
	production	exports	production	exports	production	exports
('000 kgs)						
1976	3,249	2,982	2,671	1,783	14,996	1,339
1977	3,345	3,169	2,918	1,608	3,414	523
1978	3,398	3,228	2,500	1,157	7,815	439
1979	2,628	2,658	2,497	1,686	6,938	440
1980	2,381	2,159	2,239	865	6,665	464
1981	3,145	2,910	2,433	1,056	4,302 ^{1/}	66

^{1/} January-June.

Source: Central Statistical Office.

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	77.7	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
1980	77.6	12.3	52.4	8.3	41.1	7.3
1981	68.0	10.8	38.6	6.1	37.6	6.0

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	66.9
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
1980	78.3	12.4	82.5	13.1	67.4	10.7	66.9
1981	63.3	10.1	54.1	8.6	-	...	60.4

Source: Ministry of Energy and Energy Based Industries.

TRINIDAD AND TOBAGO

TABLE V

INDICATORS OF MANUFACTURING PRODUCTION

(1977 = 100)

	1977	1978	1979	1980	1981 ^P
Index of Manufacturing Production - TOTAL ^{1/}	100.0	108.4	115.0	123.3 ^F	117.8
Food Processing	100.0	105.8	116.1	126.1 ^F	126.0
Drink and Tobacco	100.0	96.3	93.4	110.3	104.5
Textile, knitted and footwear	100.0	99.1	96.3	104.9	82.6
Printing, publishing and paper converters	100.0	97.7	116.6	122.6	135.1
Wood and related products	100.0	88.7	119.0	122.5	90.2
Chemical and Non-Metallic products	100.0	126.1	128.6	139.2	111.6
Assembly-type and Related Industries	100.0	112.4	114.8	123.8	126.0
Miscellaneous Manufactures	100.0	103.8	120.9	107.2	124.6
Oil	100.0	86.3	82.6	86.8	64.1
Sugar	100.0	86.2	83.6	65.1	55.8
All Industry Index	100.0	99.0	101.4	107.2	94.9

^{1/} Excluding Oil and Sugar.

Source: Quarterly Economic Bulletin, Volume VII, No.3, March 1982, Central Bank of Trinidad and Tobago.

TRINIDAD AND TOBAGO

TABLE VI

OUTPUT OF SELECTED INDUSTRIAL PRODUCTS

	Unit	1977	1978	1979	1980	1981	Annual Growth Rate			
							1978	1979	1980	1981
Sugar	'000 tonnes	176.0	147.0	143.0	112.7	92.6	-16.4	-2.8	-21.2	-17.8
Rum	'000 proof gals.	4,225.9	4,665.0	3,212.2	4,927.4	2,615.0 ^{1/}	10.4	-31.1	53.4	15.7 ^{2/}
Beer and Stout ^{3/}	'000 litres	3,044.5	2,471.7	3,000.7	3,467.9	1,450.3 ^{4/}	-18.9	21.4	11.6	-14.0 ^{2/}
Cigarettes	'000 kg	1,003.1	1,016.9	889.3	950.0	484.8 ^{5/}	1.4	-12.5	6.8	-19.1 ^{2/}
Edible oil	'000 litres	8,652.0	7,315.0	8,104.0	9,161.6 ^r	...	-15.5	10.8	13.1	...
Margarine, lard and butter substitutes	'000 kg	6,790.5 ^r	7,556.3 ^r	5,711.0 ^r	5,519.0 ^r	...	11.3	-24.4	-3.4	...
Soap	"	4,449.0	4,422.0	3,904.0	3,707.0 ^r	...	-0.6	-11.7	-30.7	...
Cement	'000 tonnes	218.1	223.5	217.7	186.2	139.3	2.5	-2.6	-14.5	-25.2
Bricks and blocks	'000	2,565.5	2,545.0	2,740.7	2,931.9	2,399.2	-0.8	7.7	7.0	-18.2
Fertilizers	'000 tonnes	342.0	632.0	604.9	687.0	555.4	84.8	7.2	13.6	-19.2
Assembly Industries n.e.s. Numbers										
Motor vehicles	"	14,320	16,181 ^r	15,247	11,852	13,436	13.0	-5.8	-22.3	13.4
Radios	"	15,050	10,029	7,991	8,287	8,521	-33.4	-20.3	3.7	2.8
TV's	"	13,482	12,022	10,541	12,779	13,266	-10.8	-12.3	21.2	3.8
Gas cookers	"	27,071	22,346	15,254	23,386	15,265	-17.5	-31.7	53.3	-34.7
Refrigerators	"	22,960	25,025	21,124	27,550	14,855	9.0	-15.6	30.4	-46.1

- 25 -

^{1/} January to June 1980 production was: 2,259.9 proof gals. ^{2/} January to June data.

^{3/} Total production of which approximately 6% is lost in the process of manufacture. ^{4/} January to June 1980 production was: 16857 '000 litres.

^{5/} January to June 1980 production was: 579.4 '000 kg.

Source: Quarterly Economic Report, January-June 1981, Central Statistical Office
Quarterly Agricultural Report, January-December 1981, Central Statistical Office. Data supplied CEPAL.

TRINIDAD AND TOBAGO

TABLE VII

SELECTED EXPORTS OF GOODS

	<u>Millions of Dollars (F.o.b.)</u>					<u>Annual Growth Rate</u> ^{4/}			
	1978	1979	1980	Jan-June ^p 1980	Jan-June 1981	1978	1979	1980	1981
<u>Main traditional exports</u>									
Petroleum products	2,343.2	3,287.8	5,114.6	2,578.6	2,268.0	-14.2	40.3	55.6	-12.0
Crude Petroleum ^{1/}	2,029.0	2,348.8	3,924.7	1,734.6	1,679.2	-1.3	15.8	61.1	-3.2
Sugar ^{2/}	53.7	84.4	67.2 ^r	67.0	64.8	-35.6	57.2	-20.4	-3.3
Rum	10.2	14.4	12.7	5.1	5.2	30.8	41.2	-11.8	2.0
Natural Asphalt	0.4	3.4	3.3	1.2	0.5	-87.1	... ^{3/}	-2.9	-58.3
<u>Main non-traditional exports</u>									
Petrochemicals	56.3	92.0	143.6 ^r	75.8	77.0	-16.2	63.4	56.1	1.6
Fertilizer and ammonia	121.6	117.0	150.1	80.8	49.6	99.3	-3.8	28.3	-33.6
Cocoa beans	26.7	21.9	17.1	14.1	12.7	28.4	-18.0	-21.9	-9.9
Coffee beans	11.2	9.0	7.1	6.7	3.1	16.7	-20.2	-21.1	-53.3
Citrus and citrus juice	3.1	4.2	5.0	3.4	2.4	63.2	35.5	19.0	-29.4
Cement	-	0.1	0.0	-	0.0	-	-	-	-
<u>Total Domestic Exports</u>	4,802.7	6,175.2	9,715.7	4,692.9	4,306.9	-7.4	28.6	57.3	-8.2

^{1/} Crude and partly refined petroleum

^{2/} Refined and unrefined sugar.

^{3/} Because of the relatively low base at 1975 the value for 1979 yields an enormous growth rate of 750.0 percent.

^{4/} January-June.

Source: Quarterly Economic Report, October-December 1979, Central Statistical Office and Data supplied CEPAL.

TRINIDAD AND TOBAGO

TABLE VIII-A

TERMS OF TRADE - 1974 TO 1981

(1974 = 100)

Average Unit Value

(Base Weight)

				Exports	Imports	Terms of Trade (Net)
1974	...	...	...	100.0	100.0	100.0
1975	...	...	...	115.6	114.8	100.7
1976	...	...	...	133.6	135.8	98.4
1977 ^F	...	...	...	145.6	139.4	104.5
1978 ^F	...	...	...	145.5	145.5	100.0
1979	...	...	...	192.4	164.9	116.7
1980	...	...	...	307.3	247.6	124.2
1980 (January-June)				272.5	250.2	125.3
1981 (January-June)				341.0	221.7	153.8

Source: Central Statistical Office and Review of the Economy, 1981, Ministry of Finance, Trinidad and Tobago.

TABLE VIII-B

TERMS OF TRADE (EXCLUSIVE OF PETROLEUM) 1974-1981

(1974 = 100)

Average Unit Value

				Exports	Imports	Terms of Trade (Net)
1974	...	...	...	100.0	100.0	100.0
1975	...	...	...	128.0	121.6	105.3
1976	...	...	...	124.2	147.9	84.0
1977	...	...	...	126.1	155.6	81.0
1978	...	...	...	164.2	169.8	96.7
1979 ^P	...	...	...	162.0	236.7	68.4
1980 ^P	...	...	...	306.8	291.4	105.3
1980 (January-March)				177.4	277.2	64.0
1981 (January-March)				197.3	266.7	74.0

Source: Central Statistical Office, Trinidad and Tobago.

TRINIDAD AND TOBAGO

TABLE IX

BALANCE OF PAYMENTS

(TT\$ Mill.)

	1976	1977	1978 ^r	1979 ^r	1980 ^p	1981 ^p
<u>CURRENT ACCOUNT</u>						
<u>MERCHANDISE (NET)</u>	921.5	1,190.5	794.1	1,377.1	1,326.7	1,631.3
Exports (F.O.B.)	3,022.5	3,537.2	3,643.5	4,974.5	6,096.4	5,934.5
Imports (C.I.F.)	2,101.0	2,346.7	2,849.4	3,597.4	4,769.3	4,303.2
<u>SERVICES (NET)</u>	-229.7	-600.2	-616.6	-1,142.4	-217.4	-211.3
Transportation	295.2	337.6	222.3	332.6	530.4	...
Foreign travel	94.2	94.7	103.0	43.5	23.9	...
Investment Income	-700.0	-1,056.0	-884.8	-1,408.7	-709.8	-730.5
Other Services	80.9	23.5	-57.1	-109.8	-61.9	...
<u>TRANSFER PAYMENTS (NET)</u>	-73.1	-74.7	-91.1	-109.5	-157.4	-201.7
Private	-26.1	-38.8	-50.6	-65.4	-102.0	-141.1
Official	-47.0	-35.9	-40.5	-44.1	-55.4	-60.6
<u>BALANCE ON CURRENT ACCOUNT</u>	<u>618.7</u>	<u>515.6</u>	<u>86.5</u>	<u>125.2</u>	<u>951.9</u>	<u>1,218.3</u>
<u>CAPITAL ACCOUNT</u>						
Capital Inflows (net)	-142.6	676.0	714.2	755.9	708.8	440.0
Private	(240.0)	(344.3)	(433.0)	(537.0)	(651.0)	...
Public	(-382.6)	(331.7)	(281.2)	(218.9)	(57.8)	...
<u>ERRORS AND OMISSIONS</u>	87.0	-119.5	-24.0	47.3	-164.1	56.4
<u>OVERALL SURPLUS OR DEFICIT</u>	<u>563.2</u>	<u>1,072.1</u>	<u>-776.7</u>	<u>928.4</u>	<u>1,496.6</u>	<u>1,714.7</u>
NET COMPENSATORY FINANCING (increase -)						
CHANGE IN NET INTERNATIONAL RESERVES						
(increase -)	-485.1 ^r	-1,079.0 ^r	-741.7 ^r	-887.0 ^r	-1,498.9 ^r	-1,340.9
Foreign Exchange	-470.5 ^r	-1,067.6 ^r	-715.7 ^r	-804.5 ^r	-1,404.0 ^r	-1,274.9
I.M.F. Gold Tranche	-8.9	-	-10.0	-34.7	-83.0	-35.9
S.D.R.'s	-5.7	-11.4	-16.0	-47.8	-11.9	-30.1

Source: Data supplied to CEPAL by Central Statistical Office and the Central Bank of Trinidad and Tobago.

TRINIDAD AND TOBAGO

TABLE X

INDICATORS OF EXTERNAL INDEBTEDNESS

(TT\$ Mill.)

	1976	1977	1978	1979	1980 ^r	1981 ^p
Total external public debt	128.9	499.6	756.5	898.5	1,047.9	1,044.7
Servicing of external debt	<u>104.9</u>	<u>25.2</u>	<u>59.0</u>	<u>102.1</u>	<u>491.9</u>	<u>194.0</u>
Amortization and sinking fund	89.8	15.2	14.0	14.8	408.4	48.5
Interest payments	15.1	10.0	45.0	87.3	83.5	145.5
Management of Loan	0.3	2.1	3.0	1.0	2.6	2.8
Servicing of debt as a percentage of total exports	3.5 ^r	0.7 ^r	1.6 ^r	2.1 ^r	8.1	3.3

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)

	<u>% Weight</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
		<u>ANNUAL AVERAGES</u>				
Total - All Items	100.0	121.5	133.9	153.6	180.5	206.4
Food	33.4	113.2	123.5	140.6	167.8	195.6
Drink and Tobacco	6.4	123.3	141.8	158.2	188.8	216.4
Housing	9.3	119.5	138.6	166.6	196.0	226.0
Household Supplies	6.7	123.3	136.7	155.4	176.6	205.7
Services	2.1	117.9	139.5	163.8	200.7	225.8
Clothing	18.0	125.9	136.4	148.4	161.8	182.1
Transportation	11.1	131.1	144.5	184.0	228.2	252.3
		<u>% VARIATION DECEMBER TO DECEMBER</u>				
Total - All Items		11.4	8.8	19.6	16.6	11.6
Food		11.2	6.8	22.9	17.9	12.0
Drink and Tobacco		10.6	11.7	19.3	17.5	14.3
Housing		14.8	14.1	21.8	18.5	11.4
Household Supplies		10.7	11.3	15.1	13.9	7.6
Services		13.9	13.9	26.8	17.9	14.8
Clothing		10.4	6.1	13.0	7.2	11.8
Transportation		...	...	24.2	26.5	8.0
		<u>ANNUAL AVERAGE VARIATIONS</u>				
Total - All Items		11.8	10.2	14.7	17.5	14.3
Food		6.9	9.1	13.8	19.3	16.6
Drink and Tobacco		10.5	15.0	11.6	19.3	14.6
Housing		12.8	16.0	20.2	17.6	15.3
Household Supplies		12.2	10.9	13.8	13.6	12.5
Services		10.6	18.3	17.4	23.0	16.5
Clothing		14.7	8.3	8.8	9.0	12.5
Transportation		20.0	10.2	27.3	24.0	10.6

Source: Trinidad and Tobago Gazette (Extraordinary) Vol. 21, No.32,
3 February 1982 and data supplied from Central Statistical Office.

TRINIDAD AND TOBAGO
TABLE XII
EVOLUTION OF WAGES^{1/} AND SALARIES
 (Indexes 1976 = 100)

	1978	1979	1980 ^P	May ^P 1980	May ^P 1981
<u>Wages and Salaries</u>					
Nominal	140.8	170.4	208.2	201.0	238.1
Real	114.3	120.6	125.4	...	...

Annual Growth Rates

<u>Wages and Salaries</u>					
Nominal	24.4	21.0	22.2	22.9	18.5
Real	12.8	5.5	4.0	...	...

1/ Data are in respect of Average of May/November.

Source: Data supplied by Central Statistical Office, Trinidad and Tobago.

TRINIDAD AND TOBAGO

TABLE XIII

CENTRAL GOVERNMENT REVENUE AND EXPENDITURE
(TT\$ Mill.)

	1977	1978	1979	1980 ^r	1981 ^{re}	Annual Growth Rate				
						1978	1979	1980	1981	
<u>Recurrent Revenue</u>										
Tax revenue of which:										
Income Tax	1,837.8	1,833.0	2,488.2	4,244.4	4,918.2	-0.3	35.7	70.6	15.9	
Royalties	263.4	273.1	416.8	546.2	606.9	3.7	52.6	31.0	11.1	
Customs and Excise	247.7	287.7	330.9	465.6	506.5	16.1	15.0	40.8	8.7	
Purchase Tax	56.7	66.5	82.1	105.1	108.6	17.3	23.5	28.0	3.3	
Other	575.4	622.9	719.0	817.9	519.3	8.2	15.4	13.7	-36.5	
<u>Total Recurrent Revenue</u>	2,981.0	3,083.2	4,037.0	6,179.4	6,659.5	3.4	31.0	53.1	7.7	
<u>Recurrent Expenditure</u>										
Wages and salaries	594.5	716.3	899.5	1,084.8	1,346.8	20.5	25.6	20.6	24.2	
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		
Transfer to local authorities and others	141.6	161.4	289.8	352.6	1,416.2	14.0	79.6	22.3	301.5	
Interest on the Public debt	42.6	80.3	125.7	125.0	197.3	88.5	56.5	-0.5	57.8	
Subsidies	51.2	79.9 ^r	167.7	289.3	415.9	56.1	109.9	72.5	43.8	
Unemployment fund	53.2	65.1	218.4	213.6	266.5	22.4	235.4	-2.2	24.8	
<u>Total Recurrent Expenditure</u>	1,162.9	1,483.0	2,247.5	2,770.0	3,361.1	27.5	51.6	23.2	21.3	
Current surplus	1,818.1	1,600.2	1,789.5	3,409.4	3,298.4	12.0	11.8	103.9	-3.2	
Capital Receipts	6.0	2.5	0.1	24.0	32.2	-58.3	-96.0	... ^{1/}	34.1	
Capital expenditure	1,094.0	1,409.6	1,943.6	3,155.9	3,453.7	28.8	37.9	62.4	9.4	
Total expenditure	2,256.9	2,892.6	4,191.1	5,925.9	6,814.8	28.2	44.9	41.3	15.0	
Total revenue	2,987.0	3,085.7	4,037.1	6,203.4	6,691.7	3.3	39.6	53.6	7.9	
Fiscal surplus (+) or Deficit (-)	730.1	193.1	-154.0	277.5	123.1	...	...	...	-55.6	

1/ Small base yields sizeable increase (48,100.0).

Source: Monthly Statistical Digest, May 1982, Central Bank of Trinidad and Tobago.

TRINIDAD AND TOBAGO

TABLE XIV

MONETARY BALANCE

(TT\$ Mill.)

	Balance at end of					Annual Growth Rate		
	1977	1978	1979	1980	1981	1979	1980	1981
Money (M ₁)	<u>727.3</u>	<u>928.1</u>	<u>1,187.3</u>	<u>1,478.3</u>	<u>1,716.6</u>	<u>27.9</u>	<u>24.5</u>	<u>16.1</u>
Currency outside banks	230.9	295.6	411.7	467.3	533.3	39.3	13.5	14.1
Demand Deposits (adjusted)	496.4	632.5	775.6	1,011.0	1,183.3	22.6	30.4	17.0
<u>Factors of Expansion</u>								
Foreign Assets (net)	<u>3,501.3</u>	<u>4,225.2</u>	<u>5,076.1</u>	<u>6,481.6</u>	<u>7,779.7</u>	<u>20.1</u>	<u>27.7</u>	<u>20.0</u>
Domestic credit (net)	<u>-894.8</u>	<u>-797.0</u>	<u>-465.1</u>	<u>-949.3</u>	<u>-420.6</u>	<u>-41.6</u>	<u>104.1</u>	<u>-55.7</u>
Government (net)	(-2,692.9)	(-3,211.2)	(-3,319.9)	(-4,490.2)	(-4,792.5)	3.4	35.3	6.8
Official entities	(35.0)	(77.6)	(120.8)	(226.6)	(308.2)	55.7	87.6	36.0
Private Sector	(1,763.1)	(2,336.6)	(2,734.0)	(3,314.3)	(4,068.7)	17.0	21.2	22.8
<u>Factors of Absorption</u>								
Quasi-Money (M ₂)	-1,660.8	-2,027.3	-2,725.5	-3,001.8	-3,692.4	34.4	10.1	23.0
Savings deposits	(855.9)	(1,053.4)	(1,537.3)	(1,648.3)	(2,089.0)	45.9	7.2	26.7
Time deposits	(804.9)	(973.9)	(1,188.2)	(1,353.5)	(1,605.4)	22.0	13.9	18.6
Long-term Foreign borrowing	139.6	247.8	300.5	...	...	21.3	...	...
Other items	218.4	472.8	698.3	1,052.2	1,950.1	47.7	50.7	85.3

Source: Monthly Statistical Digest, May 1982 ; Central Bank of Trinidad and Tobago.

TRINIDAD AND TOBAGO

TABLE XV

ANALYSIS OF TRADE WITH CARICOM COUNTRIES
(UNDER CARICOM AGREEMENT)
(TT\$'000)

	IMPORTS (CIF)			DOMESTIC EXPORTS (FOB)		
	January - June		% Growth	January - June		% Growth
	1980	1981		1980	1981	
Guyana	25,677.6	29,531.0	15.0	44,545.1	48,536.0	9.0
Grenadines	0.0	0.0	0.0	0.0	0.0	0.0
Dominica	806.7	742.8	-7.9	2,495.1	2,054.6	-17.6
Grenada	1,042.1	1,714.6	64.5	12,321.5	10,563.6	-14.3
St. Vincent	4,429.8	4,148.6	-6.3	8,132.5	8,106.7	-0.3
St. Lucia	2,608.1	1,896.5	-27.3	16,399.5	18,183.7	10.9
Montserrat	12.7	39.7	212.6	1,006.3	2,140.8	112.7
Antigua	5,821.7	5,972.3	2.6	36,195.9	27,008.1	-25.4
St. Kitts-Nevis- Anguilla	2,548.8	1,993.2	-21.8	5,984.1	6,020.0	0.6
Barbados	25,392.3	27,426.4	8.0	49,742.6	39,925.1	-19.7
Jamaica	42,989.5	38,998.2	-9.3	25,912.7	26,724.9	3.1
Belize	11,797.8	3,925.5	-66.7	90.6	84.0	-7.3
TOTAL	123,127.2	116,388.8	-5.5	202,825.9	189,347.5	-6.6

Source: Data supplied CEPAL by Central Statistical Office.

TRINIDAD AND TOBAGO

TABLE XVI

DOMESTIC EXPORTS EXCLUDING PETROLEUM
AND PETROLEUM PRODUCTS
(TT\$ '000)

	DOMESTIC EXPORTS (FOB)			
	1980	1981	%	% Growth
Guyana	7,978.4	9,103.7	13.3	14.1
Grenadines	0.0	0.0	0.0	0.0
Dominica	1,912.6	1,541.8	2.3	-19.4
Grenada	3,402.6	3,318.4	4.8	-2.5
St. Vincent	3,460.3	3,380.7	4.9	-2.3
St. Lucia	2,689.1	3,068.9	4.5	14.1
Montserrat	391.4	223.1	0.3	-43.0
Antigua	2,053.9	1,673.9	2.4	-18.5
St. Kitts-Nevis-Anguilla	1,234.8	1,262.8	1.8	2.3
Barbados	20,636.2	19,650.9	28.7	-4.8
Jamaica	25,060.4	25,153.3	36.7	0.4
Belize	89.9	82.5	0.1	-8.2
TOTAL	68,909.7	68,460.0	100.0	-0.6

Source: Central Statistical Office and data supplied CEPAL.

TRINIDAD AND TOBAGO

TABLE XVII-A

DIRECTION OF TRADE (IMPORTS) 1976-1980
(\$ Mill.)

(C.I.F.)

Area	Imports from									
	1976	%	1977	%	1978	%	1979	%	1980	%
United States of America	953.1	19.4	900.4	20.7	968.7	20.5	1,310.1	25.9	2,020.8	26.5
Canada	124.9	2.5	150.0	3.5	179.1	3.8	333.6	6.6	300.2	3.9
European Economic Community	513.0	10.5	629.8	14.5	923.3	19.6	838.8	16.6	1,085.2	14.2
Of which:										
United Kingdom	365.8	7.5	456.8	10.5	589.2	12.5	553.0	10.9	773.9	10.1
Other	147.2	2.9	173.0	4.0	334.1	7.1	285.8	5.7	311.3	4.1
European Free Trade Association	34.9	0.7	38.3	0.9	42.2	0.9	57.5	1.1	105.8	1.4
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	142.2	1.9
Commonwealth Caribbean	131.2	2.7	138.8	3.2	166.8	3.5	231.3	4.6	272.0	3.6
Non-Commonwealth Caribbean	13.9	0.3	13.4	0.3	19.7	0.4	24.2	0.5	31.5	0.4
Latin America	161.2	3.3	120.4	2.8	137.0	2.9	137.7	2.7	188.3	2.5
Rest of the World	2,875.7	58.6	2,259.8	52.1	2,186.1	46.3	2,015.1	39.9	3,480.4	45.6
Total	4,908.8	100.0	4,340.4	100.0	4,720.9	100.0	5,051.0	100.0	7,626.4	100.0

Source: Central Statistical Office, Quarterly Economic Report, January-June 1981

TRINIDAD AND TOBAGO

TABLE XVII-B

DIRECTION OF TRADE (EXPORTS), 1976-1980
(\$ Mill.)

Area	(F.O.B.)									
	1976		1977		1978		1979		1980	
	1976	%	1977	%	1978	%	1979	%	1980	%
United States of America	3,547.7	68.8	3,674.4	74.0	3,228.3	68.6	3,478.0	58.1	5,465.9	58.5
Canada	41.8	0.8	56.4	1.1	51.8	1.1	27.6	0.5	68.5	0.7
European Economic Community	446.0	8.7	242.1	4.9	346.1	7.4	1,067.9	17.8	1,125.2	12.1
Of which:										
United Kingdom	248.9	4.8	102.7	2.0	137.5	2.9	230.6	3.9	152.7	1.6
Other	197.1	3.9	139.4	2.5	208.6	4.4	837.3	14.0	972.5	10.4
European Free Trade Association	15.6	0.3	11.2	0.2	18.7	0.4	19.3	0.3	17.8	0.2
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	84.5	0.9
Commonwealth Caribbean	406.9	8.0	374.0	7.5	372.0	7.9	515.4	8.6	857.6	9.2
Non-Commonwealth Caribbean	370.2	7.2	365.7	7.4	434.2	9.2	671.7	11.2	1,064.3	11.4
Latin America	195.3	3.7	124.0	2.5	102.4	2.2	231.7	3.9	344.0	3.7
Rest of the World	99.3	1.9	104.0	2.1	119.9	2.5	186.1	3.1	309.1	3.3
Total ^{1/}	5,153.8	100.0	4,968.9	100.0	4,706.3	100.0	5,984.8	100.0	9,336.9	100.0

^{1/} Excludes value of Stores and Bunkers.

Source: Central Statistical Office.

SELECTED LIST OF
STATISTICAL PUBLICATIONS AND SOURCES

GUYANA	Economic Survey of Guyana. Annual Account Relating to External Trade Monthly Account Relating to External Trade. External Trade with CARICOM and CARIFTA Territories. Quarterly Review of Financial Statistics. Quarterly Statistical Digest. Annual Statistical Abstract. Economic Bulletin.	Statistical Bureau, Ministry of Economic De- velopment. Bank of Guyana
JAMAICA	External Trade. External Trade Annual Bulletin. External Trade Bulletin (Monthly). Statistical Abstract. Production Statistics. Consumer Price Indices. The Labour Force. Economic and Social Survey. Economic Bulletin. Balance-of-Payments of Jamaica. Statistical Digest. Travel Statistics.	Department of Statistics. National Planning Agency Bank of Jamaica. Jamaica Tourist Board.
MONTSERRAT	Overseas Trade Report. Statistical Digest.	Statistical Office.
ST.KITTS/NEVIS/ ANGUILLA	Digest of Statistics. External Trade of St.Kitts/ Nevis/Anguilla.	Statistical Unit, Ministry of Trade, Develop- ment, Industry and Tourism.
ST.LUCIA	Annual Statistical Digest. Overseas Trade of St.Lucia. Quarterly Overseas Trade Report.	Statistical Department, Ministry of Development, Planning and Statistics.
ST.VINCENT.	Annual Trade Report. Quarterly Overseas Trade Report. Digest of Statistics.	Statistical Unit.

SURINAME	Annual Report. Multi-annual Development Programme for Suriname.	Central Bank of Suriname Stichting Planbureau.
TRINIDAD AND TOBAGO	Annual Statistical Digest. Annual Overseas Trade Report. International Travel Report. Balance-of-Payments. Economic Indicators. Quarterly Economic Report. Statistical Digest.	Central Statistical Office. Central Bank of Trinidad and Tobago.
GENERAL	Economic Survey and Projections (for most of the Associated States). Economic and Financial Review. Annual Report and Statement of Accounts. Digest of External Trade Statistics. Annual Report. A. Digest of Trade Statistics of Caribbean Community Member States.	British Development Division in the Caribbean, Ministry of Overseas Development (UK) East Caribbean Currency Authority. East Caribbean Common Market Secretariat, Antigua. Caribbean Development Bank, Bridgetown, Barbados. Caribbean Community Secretariat, Guyana.

