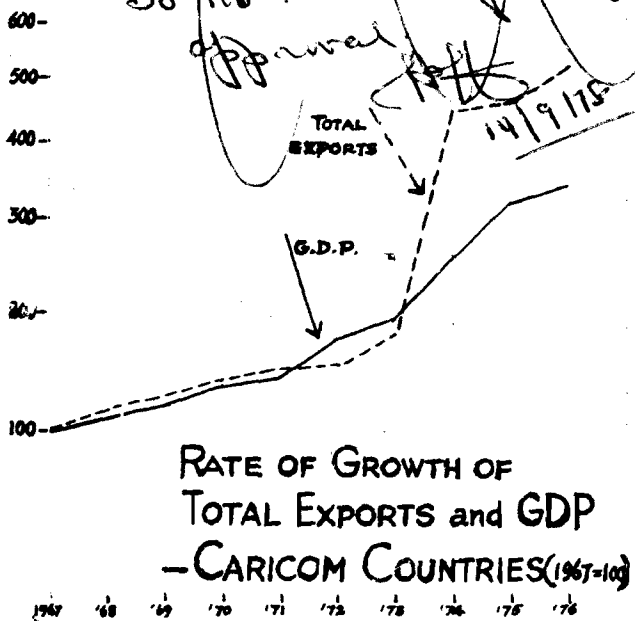


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# ECONOMIC ACTIVITY

— 1977 —

# IN CARIBBEAN COUNTRIES



**UNITED NATIONS**  
 ECONOMIC COMMISSION FOR LATIN AMERICA Office for the Caribbean



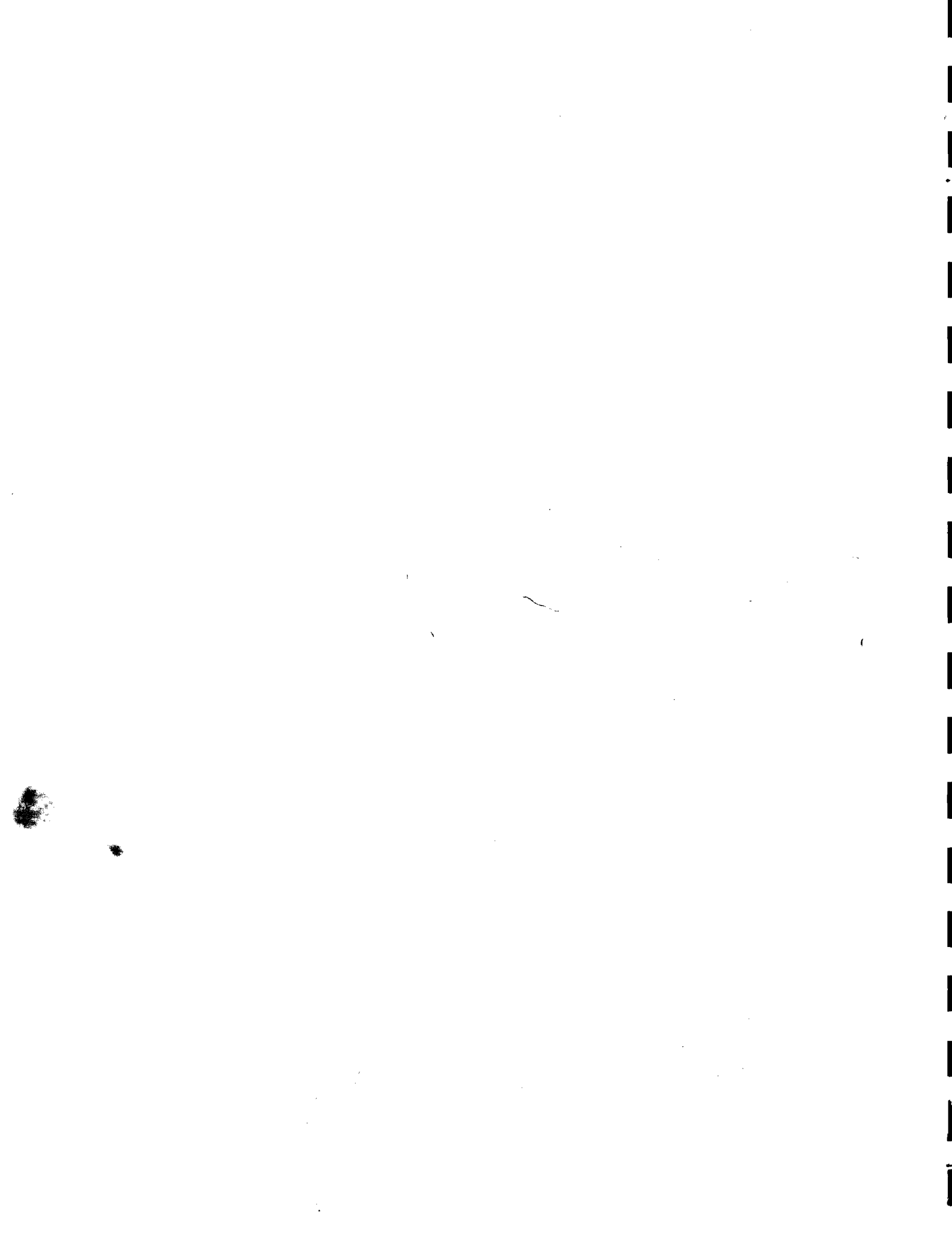
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Date: 28 August 1978

ECONOMIC COMMISSION FOR LATIN AMERICA  
Office for the Caribbean

ECONOMIC ACTIVITY  
- 1977 -  
IN  
CARIBBEAN COUNTRIES

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

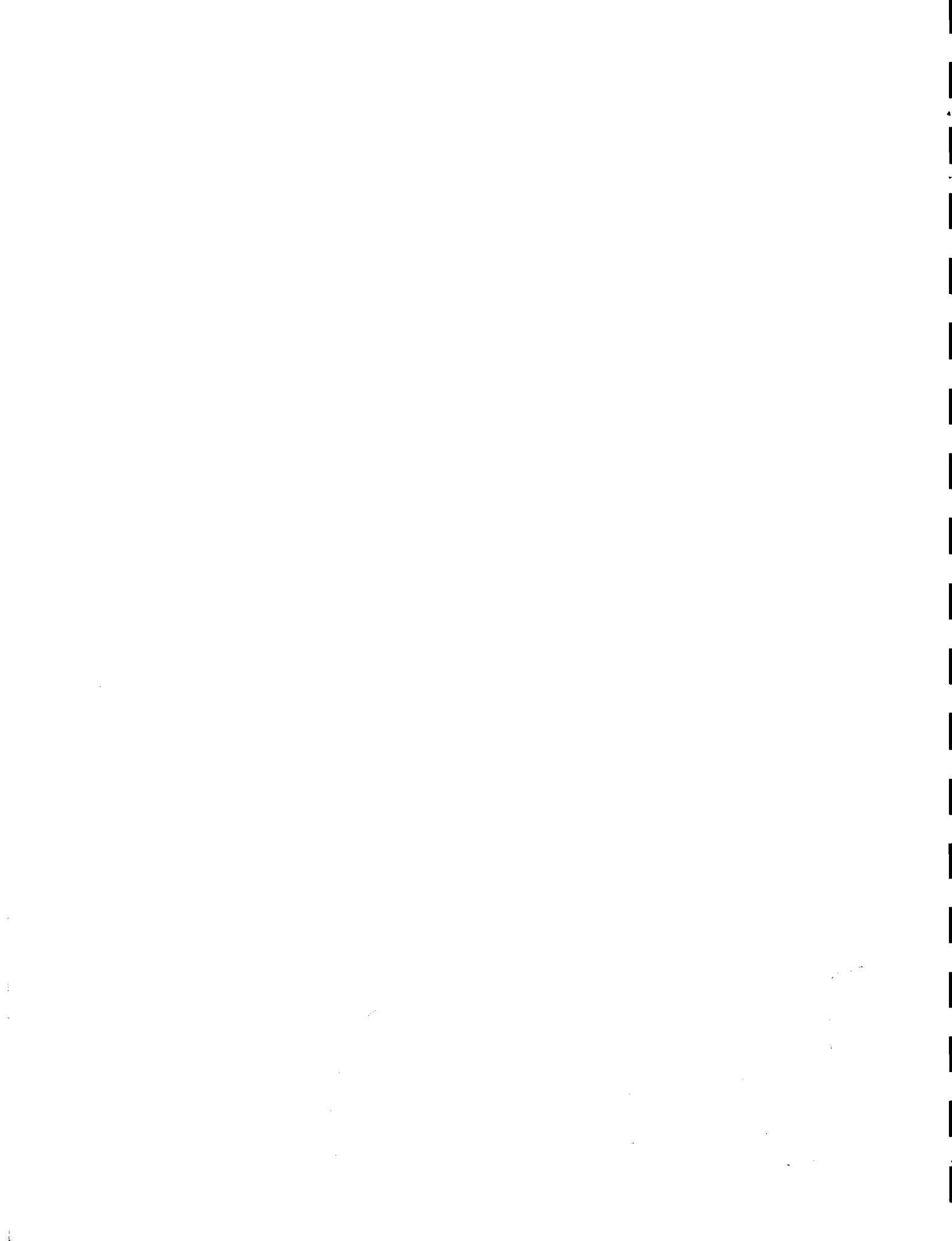


## F O R E W O R D

This is the seventh in this series of publications. The coverage of this publication has been widened over the years and now includes Suriname. The Secretariat plans to expand the coverage of the publication to include all the member countries of the Caribbean Development and Co-operation Committee (CDCC). In keeping with a recent decision, this Office will now be referred to as CEPAL, Office for the Caribbean.

The Office is grateful to the various National Statistical Offices and Agencies for their co-operation in furnishing data without which the production of this report would not have been possible.

S. St. A. Clarke



ECONOMIC ACTIVITY 1977 IN CARIBBEAN COUNTRIES

CEPAL/CARIB 78/4

ERRATA

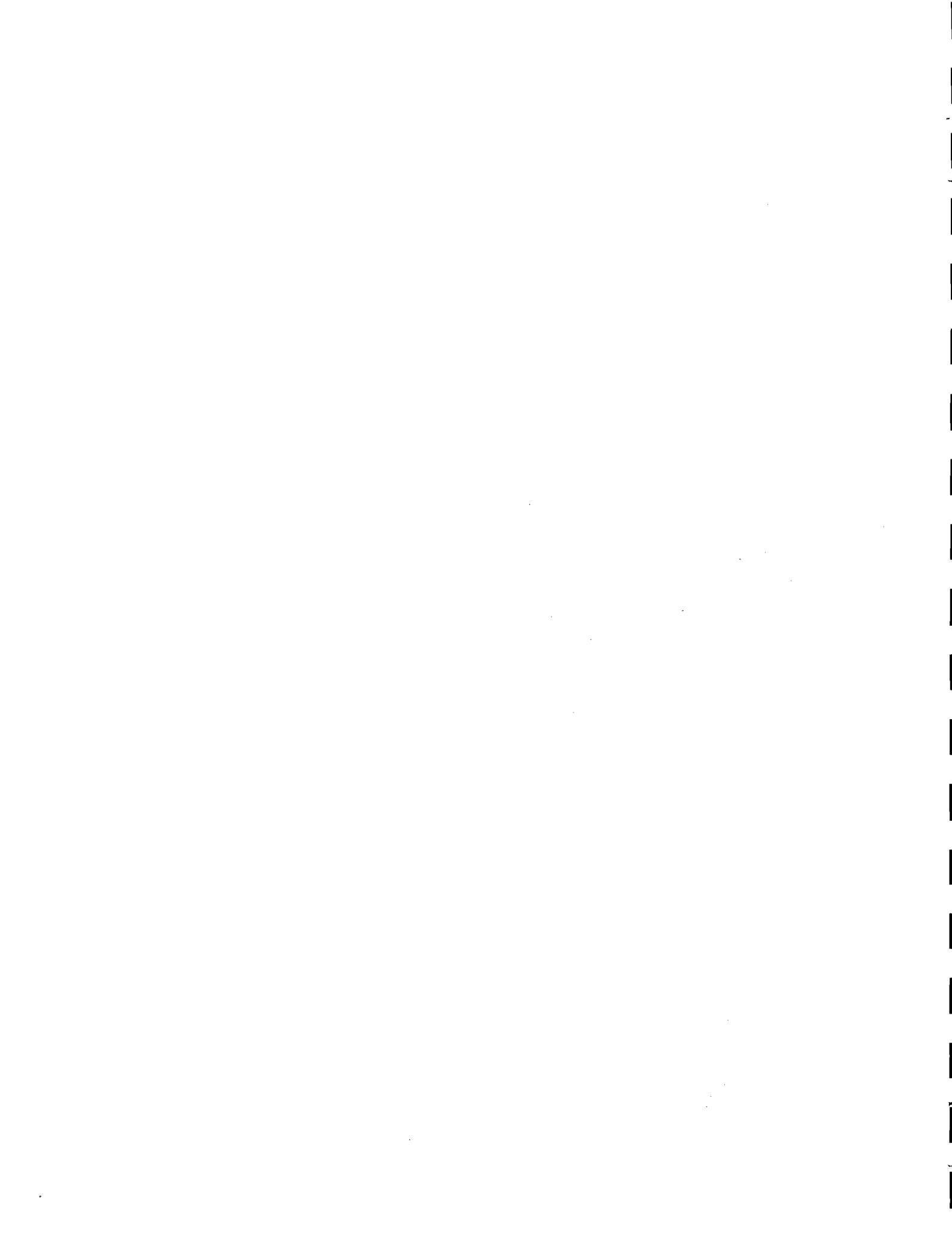
- BELIZE: Page 12, Table 5 - Loans and Advances of Commercial Banks, Amount Outstanding as of 31 December, last column should read "% Distribution 1977" instead of "% Change 1977/1976".
- TRINIDAD & TOBAGO: Page 1, paragraph 2, first line - Delete the first word of the paragraph "Official" so that the sentence would begin with "Estimates".

100



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## INTRODUCTION

The "Country Notes" in this publication are revisions of the texts that were prepared earlier this year for inclusion in Economic Survey of Latin America, 1977, published by the Economic Commission for Latin America (CEPAL), Santiago, Chile. The revisions were made to incorporate revised data for earlier years and additional data for 1977. In addition to Country Notes the publication contains a summary of sub-regional trends along with an outline of major developments in the process of Caribbean regional integration.

The objective of the Notes is to analyse and disseminate information on current economic trends and developments in the countries, and to identify the determinants of these trends. The major sectors of the various economies are highlighted, and the Statistical tables show data on the relative importance of sectors. The Summary Section focusses on problems and topics of current interest.

The Country Notes presented in this document are in respect of: Bahamas, Barbados, Belize, Grenada, Guyana, Jamaica, Suriname, Trinidad & Tobago and the West Indies Associated States (WISA). As used in this text, the West Indies Associated States include the non-independent countries of Antigua, Dominica, Montserrat, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent. Montserrat is included in the West Indies Associated States though strictly speaking its political status is not "...a State in Association with the United Kingdom", but a colony of the UK enjoying internal self-government. Together these six countries are one Associate Member of CEPAL.

Two major difficulties continue to be encountered in the preparation of this publication. One is the unavailability of current data, particularly on the less developed countries of the sub-region, in time to meet the publication deadline. The result of this is either the appearance of a "not available" symbol, or the production of a CEPAL estimate. The second major difficulty is the narrow scope of the statistics that are collected in most of the countries.

While Government revenue and expenditure data and retail price indexes are about the most up-to-date statistical series obtainable in the Caribbean Countries, these series are either in need of elaboration to provide more detailed information, or as in the case of most Retail Price Indexes, in need of revision to more accurately reflect current changes. Also in the area of Trade Statistics there is an absence of indexes of volume and value of trade. Estimates of National Accounts are still not prepared on a continuous basis in most of the less developed countries.

To facilitate aggregation and comparison, values in Part I, "Sub-regional Summary" have been converted to US Dollars.

The main sources of the economic and statistical information used in the preparation of the Country Notes are listed at the end of this document. Most of the data were supplied by Statutory Organizations and other quasi-government institutions such as Central Banks, Tourist Boards and Marketing Boards. In a few instances data were provided by private business firms and other private sector organizations.

Data have also been obtained from various Caribbean regional integration organizations including the Caribbean Community Secretariat (CARICOM), the East Caribbean Common Market Secretariat (ECCM), the Caribbean Development Bank (CDB) and the East Caribbean Currency Authority (ECCA).

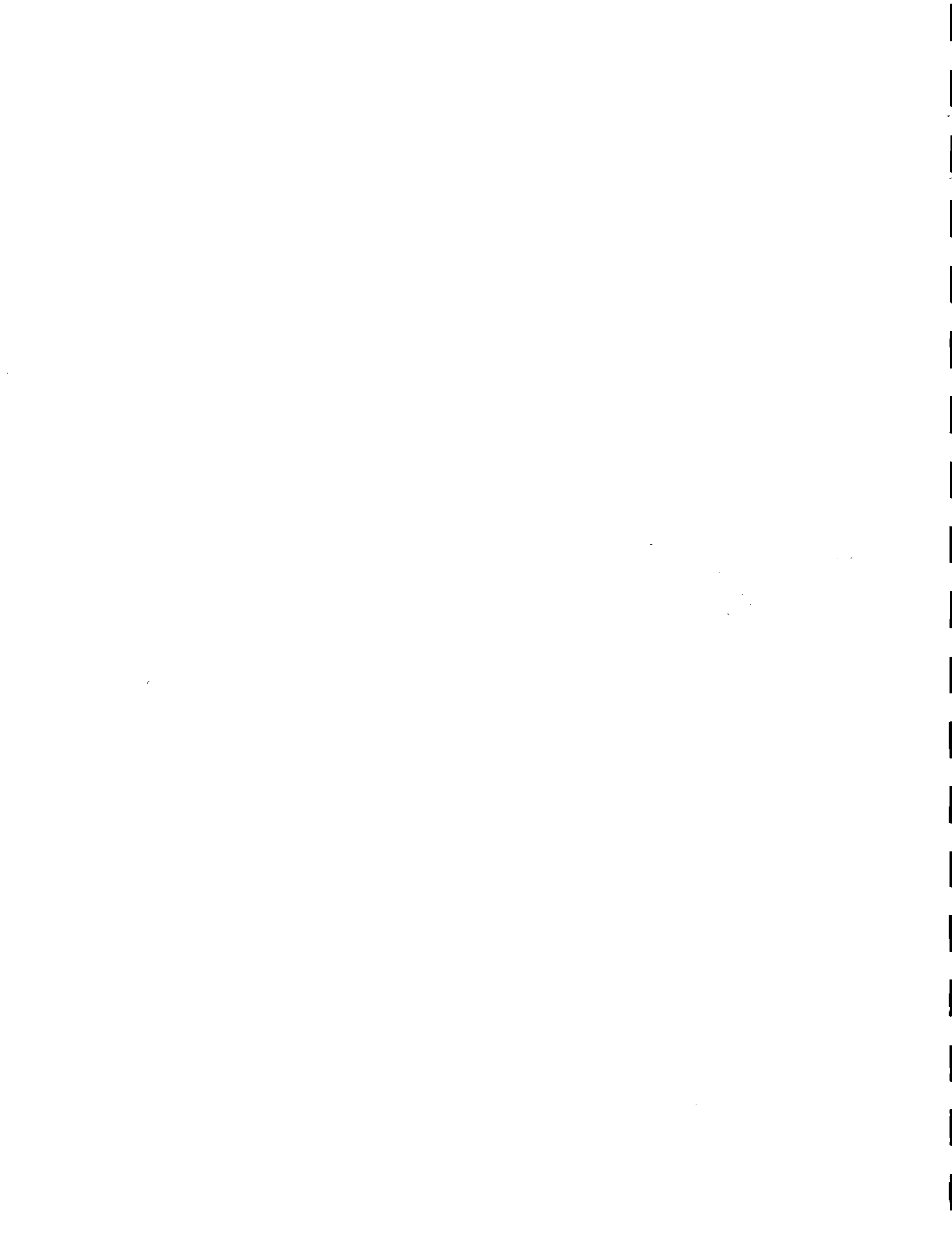
The symbols used in this report have been revised to bring them more in line with the notation generally used and are listed hereunder:

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

PART I

SUB-REGIONAL SUMMARY

A. SUMMARY OF ECONOMIC ACTIVITY



## A. SUMMARY OF ECONOMIC ACTIVITY

### Main Trends and Changes in GDP Aggregates - Total and Sectors

The year 1977 presented a challenge to economic planners in a variety of areas, some of the most significant problems being:

- (a) the persistence of high levels of unemployment,
- (b) increasing rates of inflation; and
- (c) the general persistence of Balance-of-Payments deficits in most countries.

The levels of unemployment in the Caribbean countries covered in this publication have been variously estimated at between 15 to 25 percent of the labour force in recent years, and have generally been increasing. Estimate of the under-employed are as high as 25 percent in addition. The negligible growth in real output of the countries taken together during 1977 suggest a worsening of the situation as not enough jobs could have been created to occupy the new additions to the labour force. This problem is magnified further when one realizes that the highest rates of unemployment are among the young and will increase in this age group as the average age of the populations are declining.

While the rates of population increase have been falling for a few years the actual additions to population annually are only recently beginning to decrease. This means that with fewer migration outlets the problem of unemployment and the resulting socio-economic problems will intensify in the next few years unless far more job opportunities than are now available are created.

The level of unemployment during 1977 may be attributed to a large extent to the several factors affecting production such as droughts, industrial disputes and socio-economic problems giving rise to reduced investment. The problems of gaining entry into foreign markets for local goods, the vulnerability of agricultural produce in international markets, and depressed prices worsened the situation. Thus, solution to the problem of unemployment will have to proceed on several fronts.

The level of inflation as measured by the several retail price indexes varied from country to country; the highest rate of 17 percent in Montserrat and the lowest 3 percent in the Bahamas. The price level was explained to some extent by the prices of imports which appeared to have increased on the basis of available indicators. Domestic factors also made a strong impact on retail price levels. Most retail price indexes do not cover adequately certain major elements in the inflation picture, such as housing, real estate and certain services and hence appear to understate the real level of price rises in recent years. Governments sought to restrain the rate of growth in the cost-of-living for the lower-income segment of the population by continuing to grant subsidies on certain essential commodities. However, in a few instances subsidies on certain items were reduced or eliminated in 1977.

International trade and payments problems continued to plague the region in 1977; the notable exception being Trinidad & Tobago. So far as the terms of trade is concerned, on balance, indicators point to a decline if petroleum products are excluded. The levels of prices of manufactured goods and raw materials important to the region appeared to have moved faster than such increases as are apparent in the major (agricultural) export commodities.

In addition to Trinidad & Tobago, the Bahamas, Barbados, Belize and Suriname appeared to have emerged on the favourable side of the Balance-of-Payments ledger; while Jamaica, Guyana and the smaller islands were in difficult situations. It should be noted that some countries in the first group benefited from improvement in tourism and others from inflows on government account during the latter part of 1977.

Table 1 below shows country and aggregated GDP estimates in US Dollars for the countries included in this publication.<sup>1/</sup> Although the trends are distorted to some extent by changes in exchange rates it is observed that the aggregate figure increased

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<sup>1/</sup> Caution should be utilized in using the totals because of certain incomparabilities in definitions, sector classifications, etc., and the varying rates of exchange.



between 1974 and 1977, at annual growth rates of 21.5, 3.0 and 12.0 percent respectively. The aggregated figure was estimated at \$8719 million in 1977 compared with \$6339 million in 1974. It will be observed that Jamaica and Trinidad & Tobago accounted for over 70 percent of the total in recent years. Around one half of the growth was accounted for by Trinidad & Tobago reflecting the impact created by the improved position of petroleum in that country's economy. For 1977, indications are that there may have been real growth in the economies of the region taken overall though most countries shown here recorded negative or zero growth in real terms.

Major contributing sectors to this growth was mining and refining of crude petroleum in Trinidad & Tobago and of bauxite in Jamaica. Manufacturing, transportation storage and communications, distribution and government also made useful contributions, at least in current value terms.

Construction and Agriculture did not fare very well in nearly all the countries in 1977. Agriculture performed reasonably well in Jamaica and Belize but the contribution was less satisfactory in most other countries. Construction which had been buoyant in the earlier years of the decade seems now to be affected by the relative stagnation of tourism and the restrictions imposed on imports in some countries.

Table 1  
Gross Domestic Product for Selected Countries  
 (At current values)  
 (US\$ Mill.)

Countries	1974	1975	1976 <sup>P</sup>	1977 <sup>P</sup>
Bahamas	660.0	630.0	700.0	...
Barbados	281.2	324.8	336.7	378.8
Belize	82.6	94.7	87.0 <sup>**</sup>	...
Grenada	31.9	37.3	35.0 <sup>**</sup>	38.0 <sup>**</sup>
Guyana	390.2	466.0	402.0	393.3
Jamaica	2,491.9	2,895.8	2,989.4	3,262.1
Suriname	359.8	412.3	460.9	...
Trinidad & Tobago	1,850.2	2,475.2	2,615.2	3,093.5
West Indies Associated States	191.4	194.9	204.1	198.8
<b>TOTAL:</b>	<b>6,339.2</b>	<b>7,531.0</b>	<b>7,830.0<sup>**</sup></b>	<b>8,719.0<sup>**</sup></b>

Note: Figures for Bahamas and Jamaica are not at factor cost so totals should be regarded as indicative only and were provided merely to give some idea of the magnitude and of overall trends in activity.

Exchange rates used affect the trend of the data. For more accurate trends the data in the Country Notes should be used.

Source: Official Gross Domestic Product Estimates and CEPAL estimates on the basis of Official and other statistical sources.

## Agriculture

Overall agricultural production was not buoyant in 1977 as shown in Table I of the Statistical Appendix; the estimated aggregated GDP figure increasing by only about 4 percent. The indications are that such growth as there was reflected only price increases which for the major crops were not large enough to offset production declines (on the basis of available data); the best performances were in Belize, Jamaica and Suriname.

The export sub-sector appears to have been the worse affected as output of most of the important export crops including sugar-cane declined. Though affected by drought as well, the domestic agricultural sector, including livestock, forestry and fishing, fared better.

The major sugar producing countries covered in this Survey are Jamaica, Guyana, Trinidad & Tobago, Barbados, Belize, St. Kitts (one of the West Indies Associated States) and Suriname. Though sugar-cane production fell during 1977, Belize, Barbados and St. Kitts experienced increased production. Sugar export prices received appeared to be somewhat higher in 1977 than in the previous year but did not seem to be high enough to offset the lower production. Major factors accounting for the decline in raw sugar output were prolonged drought in several countries and fires which reduced the production of sugar-cane in addition to strikes in the largest producing countries.

The text of a new five-year International Sugar Agreement was approved late in 1976 and came into force provisionally at the beginning of 1978. This agreement sets a minimum price of 11 cents US per pound and a maximum price of 21 cents US per pound, with prices being stabilized within these limits through the operation of export quotas and buffer stocks.

The European Common Market agreed on a price of 272.5 Units of Account per metric ton for sugar imported from the African, Caribbean and Pacific (ACP) countries for the year June 1977 to

May 1978. This is equivalent to a 2 percent increase over the guaranteed price of the previous year.

Total production of bananas in 1977 is not available but export data show increased quantities shipped for Jamaica and Belize and a reduction for the Associated States. Banana acreage has increased rapidly in Belize in the last two to three years since reintroduction of commercial scale cultivation. Of the other major export crops, citrus production was estimated to decline in 1977, cocoa and spices increased while coffee appeared to remain at about the previous year's level. Adverse weather conditions in 1977 and earlier years have affected the yield of tree crops in most countries.

With respect to the "Domestic" agriculture sub-sector, there seems to have been some improvements overall in 1977. Rice production increased considerably in Guyana and Suriname, as well as in a few of the smaller producing countries. Substantial increases in production of domestic food crops were reported in Suriname and Jamaica in particular and vegetable production and livestock seemed to have fared reasonably well in many of the countries.

In the agricultural sector generally, the cost of inputs continued to be high relative to farm earnings. Greater food processing activity and better marketing arrangements are seen as devices that can possibly improve agriculture in the region.

#### Mining (including refining)<sup>1/</sup>

Aggregated mining GDP estimates for 1977 in Table I of the Statistical Appendix indicate a growth rate in current value of more than 26 percent over the 1976 figure. Trinidad contributed the major share by far to this result though Jamaica experienced a significant recovery from the previous year.

Of the countries covered in this publication, mining (and associated refining activities) is important only in Barbados, Guyana, Jamaica, Suriname and Trinidad & Tobago. The important minerals are petroleum

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<sup>1/</sup> Includes petroleum and alumina refining. Petroleum and natural gas extraction is carried out in Trinidad & Tobago and Barbados, while Guyana, Jamaica and Suriname produce bauxite and alumina. Suriname's aluminium production is also included here.

and associated natural gas and bauxite and there are small quantities of gypsum, gold, diamonds and some earth minerals.

In 1977, the production of crude petroleum in Trinidad & Tobago amounted to 83.6 million barrels; an increase of nearly 8 percent over the 1976 production figure. Marine drilling accounted for over 80 percent of total production. Refinery throughput fell somewhat in 1977, as imports of crude declined by some 22 percent and exports of crude increased. Extraction of crude declined in Barbados but refinery output increased.

Natural gas production both in Barbados and Trinidad & Tobago increased only slightly in 1977.

Bauxite/alumina production increased in both Guyana and Jamaica in 1977. Available data for Suriname suggested that bauxite, alumina and aluminium production may have increased slightly. Improvements resulted mainly from increased demand in major consuming countries and in the case of Jamaica, also to improved industrial relations in the industry.

Other mining activity was not very buoyant and in any case is too small to influence the overall sector to any great extent.

### Manufacturing

Manufacturing GDP in the Caribbean countries covered by this report is larger than shown in Table I of the Statistical Appendix. This table shows Manufacturing to exclude refining of crude petroleum for Trinidad & Tobago and refining of bauxite in the producing countries. As defined, manufacturing GDP was estimated around US\$1,000 million in 1977 at which level it is still the second largest individual sector. The 1977 figure represents an increase of around 15 percent above the aggregated total for 1976, but these are in terms of current value only; in real terms a decline is estimated.

Available indexes of manufacturing production in respect of Trinidad & Tobago, Barbados and Jamaica are given in Table 2 below.

There were increases in 1977 of 12.1 and 2.8 percent respectively for the first two countries and a 3.6 percent decrease for Jamaica. Comparable indexes are not available for Guyana, but indications are that there was a decrease in real output in the Manufacturing Sector of that country also, brought about in both cases by the scarcity of foreign exchange and the resultant insufficiency of raw material.

Manufacturing activity is very small in the overall activity of the other countries though they have continued to build up the production of a range of light manufactures in the quest for greater self-sufficiency.

Table 2  
Selected Indexes of Manufacturing Production

Year	<u>Barbados</u> Avg. of 1971=100	<u>Jamaica</u> Avg. of 1976=100	<u>Trinidad &amp; Tobago</u> Average of 4 Qrs. 1971=100
1974	112.2	...	115.6
1975	121.9	...	119.0
1976	143.7	100.0	135.5
1977	145.1	96.4	151.9

Source: Economic and Financial Statistics, February 1978, Central Bank of Barbados; Economic Indicators, Central Statistical Office, Trinidad & Tobago; and data supplied CEPAL.

### Tourism

Data in respect of 1977 indicate that tourism activity, as indicated by number of stay-over tourist visitors and other aggregates, increased only slightly from the 1976 position. For certain countries the increase in number of visitors and overall activity was significant, while for others there was only slight improvement but for Jamaica there was another substantial reduction for the third successive year. It should be noted also that the number of cruise-ship passengers appear to have decreased in 1977 but this category of visitor is less important to the economy from the point of view of earnings per head.

The largest increase in absolute terms, about 25,000 occurred in the Bahamas but in relative terms the increase in stop-over visitors of approximately 3 percent nevertheless made an important contribution to the foreign receipts of that country.

The tourism performance in Barbados improved significantly over that of 1976, the increase in arrivals being about 19 percent above the figure for the previous year, while the average number of beds available increased by some 6 percent. It should be noted that arrivals in Barbados during 1977 followed two years of relative stagnation and exceeded by far the previous highest total achieved in 1974. Tourism arrivals in the WISA countries as a group have followed roughly the Barbados pattern although the growth in 1977 was much less significant in the Associated States.

Grenada stop-over tourist traffic also increased for the third successive year; but it should be noted that the total number of visitors is still substantially below the highest ever total recorded in 1972. In Trinidad & Tobago the annual improvements in visitor arrivals continued in 1977.

Hotel and guest house occupancy rates continued to be low in the summer period resulting in seasonal unemployment in tourist-oriented activities. There is need for achieving a steady flow of tourist to the Caribbean throughout the year. One solution would seem

to be fostering more domestic and regional tourism in addition to attracting more people from the developed countries.

At the technical level a number of seminars and research exercises on tourism were undertaken in 1977, with the objective of improving knowledge of the factors affecting the decision on where the tourist would like to go, how much is spent per visitor, the Balance-of-Payments implications of tourism, etc. This should result in obtaining more accurate tourism data.

Table 3  
Number of Stop-over Visitors: 1974-1977  
( '000 )

Countries	1974	1975	1976	1977
Bahamas	929	903	940	965**
Barbados	231	222	224	265
Grenada	15	21	25	29
Jamaica	433	395	328	265
Trinidad & Tobago	127	133	156	167
West Indies Associated States	180	172	177	184
Total:	1,915	1,846	1,850	1,875

N.B: Exclude Belize, Guyana and Suriname where tourism is quite negligible. There were about 48,000 stop-over visitors to Belize in 1974.

Source: See Country Notes of the respective countries.

The Caribbean Development Bank (CDB) extended five loans in 1977, to the extent of some US\$1.7 million, for tourism projects located in Antigua, the British Virgin Islands, Guyana and St. Vincent. These projects were for purposes of developing tourism infrastructure and for the encouragement of domestic tourism. In addition, out of the loans provided for Agricultural and Industrial Credit Programmes to



financial intermediaries, three sub-loans were made for tourism projects in 1977. Table 4 provides data on the number and cumulative value of sub-loans to tourism since the inception of the Caribbean Development Bank in 1970.

Table 4  
Sub-loans Approved for Tourism Projects  
to end of 1977

Countries	Number of sub-loans	Amount (US\$ '000)
Antigua	2	23
Belize	32	622
Dominica	3	80
St. Kitts-Nevis-Anguilla	1	96
St. Lucia	1	28
St. Vincent	1	18
Turks & Caicos Islands	2	175
TOTAL:	42	1,042

Source: Annual Report, 1977, Caribbean Development Bank.

#### Monetary Activities

Taking the period 1974 to 1977 the most common pattern was a decline in the rate of increase in the money supply, both the narrowly defined and the broader money supply. Barbados, Suriname and Trinidad & Tobago follow this pattern.

With respect to the year 1977, in particular, Jamaica was a strong exception to the general trends although Belize experienced a slightly similar but much milder increase in the money supply. In Jamaica demand deposits increased by 59 percent and savings by 29 percent; these were offset to some extent by a 35 percent de-

crease in time deposits. Cash balances also undoubtedly have been built up by the reduction in imports especially of non-essential goods and the severe limitations on funds granted to emigrants and travellers abroad. In Belize the 18 percent increase for 1977 actually reflects a reversal from the decline of 1976. For Trinidad & Tobago the increases in money supply is linked with increasing petroleum revenue and Government expenditure plus rapid increases in loans and advances of financial institutions.

These increases in the money supply have resulted in the extremely liquid asset positions of commercial banks in many countries particularly in Trinidad & Tobago and Jamaica. The relative position declined somewhat for Trinidad & Tobago in 1977 after being extremely high in the two previous years, but rose very sharply in Jamaica.

Interest rates like other monetary indicators showed a mixed pattern of behaviour in 1977 with a tendency for prime rates and rates on savings deposits to be much the same as in 1976 in most countries. Fixed deposits showed a different pattern tending to be lower in Barbados and Jamaica but higher in Trinidad & Tobago and stable in the Bahamas. On the other hand in the West Indies Associated States both the prime interest rates and the rates on savings deposits were somewhat lower in 1977 than in 1976. In general, in the Caribbean area, the influence of interest rates in influencing the demand for credit continues to be rather minimal. Thus in a deflationary situation the level of lending rates remain extremely high.

With respect to loans and advances of commercial banks and other financial institutions, the pattern was also mixed.<sup>1/</sup> Growth in loans and advances were the more general pattern; the growth rate being significantly higher in 1977 than in 1976 especially in the Bahamas, Trinidad & Tobago and the West Indies Associated States as a group. A lower growth rate was recorded in Suriname. On the other hand, commercial bank loans and advances declined in Belize and Jamaica.

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<sup>1/</sup> The brief details which follow reflect the situation with respect mainly to commercial banks for which institutions data are more readily available.

The Belize decline occurred despite a reasonably good economic performance in 1977. On the other hand, the decline in Jamaica reflected the general deflationary conditions.

With respect to borrowing by specific economic sectors the pattern was also mixed for 1977. The broad general trend indicated an increase in borrowing by the productive sectors notably manufacturing in Trinidad & Tobago and agriculture in Suriname. The level of loans to the distributive sector and services generally tended to increase. Borrowings by individuals were especially large in Trinidad & Tobago and borrowings by Government large in Jamaica. Borrowing by establishments engaged in construction activities seems to have declined in the majority of countries during 1977. Again the situation with respect to Jamaica was somewhat unique in that there was hardly any increase in loans to the productive sectors and a large decrease in loans to the distributive sector.

### Prices

In 1977, there was a wider variety of inflationary experiences compared with the previous year, as measured by changes in the respective indexes of retail prices for the various Caribbean countries.

In many countries the price indexes are based on pre-1974 inflation weighting diagrams which are most probably unrepresentative of the consumption patterns of 1977.<sup>1/</sup> Despite the limitations imposed on comparability by the different weight bases of the retail price indexes of the various countries, food comprises a relatively large portion of the total weight in all of the countries. A survey of weighting diagrams of a number of countries is presented in the following table.

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<sup>1/</sup> New Providence Island only.

Table 5  
A Survey of the Food Weight in Various  
Retail Price Indexes of Selected Countries

Country		Relative Food Weight - %
Antigua	(Jan. 1969 = 100)	46.5
Bahamas <sup>1/</sup>	(Nov/Dec. 1971 = 100)	34.3
Barbados	(Oct. 1965 = 100)	58.7
Dominica	(April 1964 = 100)	56.9
Guyana	(1970 = 100)	42.5
Jamaica	(Jan. 1975 = 100)	49.1
Montserrat	(April 1964 = 100)	59.6
St. Lucia	(April 1964 = 100)	56.6
Suriname	(April 1968-March 1969 = 100)	40.0
Trinidad & Tobago	(September 1975 = 100)	33.4

<sup>1/</sup> Since effective demand is partly a function of price and income and since the price and income levels have been increasing appreciably within recent years, it is reasonable to assume that households have been adjusting their patterns of consumption. Even if the selection of indicator items is still applicable and relevant, there is every likelihood that the total index would be distorted by the outdated weighting diagram. It seems necessary, therefore, that urgent attention be given to the revision of the price indexes now in use in many of the countries.

Of the eleven countries for which retail price indexes are shown<sup>1/</sup> the rate of increase was greater in 1977 than in 1976 for six countries while five countries experienced lower rates of increase in 1977. By way of comparison, in the previous year the rate of increase in the indexes had declined in nine countries. It can be concluded therefore that price rises have accelerated in 1977.

<sup>1/</sup> Data are given in Tables 6 and 7 below.

Such a conclusion is supported by the general acceleration of price increases world-wide in 1977 as indicated by international sources.<sup>1/</sup> As the region is a large importer of both raw materials and finished goods, increases in world import prices are a significant element beyond their control. Another factor operating in 1977 is the fact that some governments notably Guyana and Jamaica have reduced or eliminated, subsidies on some goods partly in response to budgetary constraints.

Data on productivity are not available for most countries but indications are that low productivity coupled with large wage increases were a significant determinant of the level of inflation in 1977.

Because of Governments' policies of subsidizing various elements of consumption, the "All Items" indexes contain a downward bias of the estimate of real increases in the consumer price level. The main thrust of the programme of subsidies has been in the direction of foodstuffs so that other sections of the index would more closely reflect actual price increases. Within recent times, the Clothing and Services groups have been experiencing rapid price increases; in most cases higher than the rate observed for Food.

Despite the existence of price control machinery in all countries, price increases continue to be much higher than in developed countries. Additional measures such as bulk purchasing and government operation of some marketing outlets are being utilized. The impact of these measures is mainly to maintain the purchasing power of lower income groups. One method of inflationary control that needs sustained effort is to increase production and productivity.

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<sup>1/</sup> See for example, "World Export Price Indexes of Primary Commodities", "Unit value Indexes of World Trade" and "Unit Value Indexes of Exports of Manufactured Goods" published by the United Nations New York, in its Monthly Bulletin of Statistics.

Table 6

A Comparison of the Price Changes in Selected Countries -  
All Items and Food Indexes 1974-1977  
 (1975 = 100)

Country	<u>1974</u>		<u>1975</u>		<u>1976</u>		<u>1977<sup>p</sup></u>	
	All Items	Food	All Items	Food	All Items	Food	All Items	Food
Antigua	89.7	...	100.0	100.0	109.6	108.6	124.6	122.2
Bahamas	90.8	89.4	100.0	100.0	104.3	102.9	107.7	104.8
Barbados	83.1	81.7	100.0	100.0	105.0	104.2	113.8	113.1
Dominica	84.5	84.7	100.0	100.0	110.9	110.7	121.4	118.4
Guyana	94.4	94.4	100.0	100.0	108.7	112.3	119.2	123.0
Jamaica	85.2	84.9	100.0	100.0	109.8	108.9	122.0	119.3
Montserrat	79.7	86.7	100.0	100.0	112.0	128.4	131.7	147.6
St. Lucia	84.9	...	100.0	100.0	109.7	...	120.5	...
St. Vincent	87.6	87.5	100.0	100.0	111.3	112.1	122.0	123.3
Trinidad & Tobago <sup>1/</sup>	85.5	96.4	100.0	100.0	110.4	107.2	123.3	114.6
Suriname	92.3	92.9	100.0	100.0	110.2	109.9	120.8	118.0

<sup>1/</sup> Index linked at September 1975.

Note: All indexes rebased to 1975 = 100.

Source: See Country Notes.

Table 7  
Percentage Changes in Retail Price Indexes

Country	1974/ 1973	1975/ 1974	1976/ 1975	1977/p 1976
Antigua	24.8	11.5	9.6	13.7
Bahamas	13.3	10.1	4.3	3.2
Barbados	38.9	20.3	5.0	8.3
Dominica	36.3	18.3	10.9	9.5
Guyana	17.5	8.0	9.0	9.6
Jamaica	27.2	17.4	9.8	11.1
Montserrat	18.6	25.4	12.0	17.5
St. Lucia	34.2	17.8	9.6	8.9
St. Vincent	35.5	14.2	11.3	10.2
Suriname	16.9	8.3	10.2	9.7
Trinidad & Tobago	22.0	17.0	10.4	11.7

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

Source: Calculated from data in the Country Notes.

Socio-Economic Policy

Present socio-economic conditions are characterised by high unemployment rates, huge balance-of-payments deficits, depleted foreign exchange reserves and large public debt, and inability of governments to continue to increase public revenue to meet growing needs.

Under these conditions the countries with the most acute problems have been at the forefront of introducing new policies or modifying existing ones and making institutional changes for their effective implementation. But everywhere governments have had to take a very active role in spurring economic activity and in trying to alleviate social conditions.

Consistent with policies to reduce the unemployment rate, to achieve a more equitable distribution of income, and to achieve greater economic self-reliance and control over domestic resources, has been the drive to mobilize, more effectively in 1977 than in the past, the domestic human and financial resources of the countries of the region, and to increase domestic production. The mobilization of domestic human and financial resources has been approached with differing degrees of urgency in accordance with the severity of immediate social and financial problems of the various economies. One general thrust in 1977 has been to foster greater local control and decision-making in areas of vital importance to the countries.

The Government of Trinidad & Tobago continued to acquire shares and controlling interest in a number of companies in the goods producing sector. That Government has started divesting shares through sales to the public in order to encourage the development of a local financial market. In this activity the Government biased its divestment in favour of lower income groups in an attempt to avoid concentration of the shareholding in the hands of a few individuals.

In 1977, the Trinidad & Tobago Government continued its policy of seeking joint ownership of major new industrial undertakings. The aim of these joint ventures has been to diversify its industrial base and at the same time to encourage the inward transfer or adaptation of foreign technology.



The Bahamas has made attempts to diversify economic activity from tourism to agriculture including fishing, and industry. It is hoped to increase employment as this diversification proceeds. There is also a concerted attempt to foster self-reliance and develop self-sufficiency and to improve infrastructure and production in the so-called family or out islands.

Guyana and Jamaica have, in common with other countries, emphasized self-reliance, effective mobilization of resources, participation in joint ventures, etc. They have also announced a policy of Democratic Socialism and have gone further in the creation of institutions and mechanisms to give effect to these policies. While these two countries have achieved different levels of government participation in economic activity they both aim to forge new attitudes and new patterns of behaviour including changes in patterns of consumption.

In matters of trade, most of the countries are looking towards non-traditional trading partners for intermediate technology, for cheaper goods and for export markets. In short, all countries are seeking to widen their options in an attempt to cope with the difficult economic problems they face.



PART I

B. DEVELOPMENTS IN REGIONAL INTEGRATION



## B. DEVELOPMENTS IN REGIONAL INTEGRATION

The year 1977 was not a particularly auspicious year for the Caribbean Regional Integration Movement (CARICOM). The Balance-of-Payments problems of most of the member countries evident since 1974, reached alarming proportions in 1976 and 1977. The first test of the strength of the Community was in 1976 when in response to crisis situations balance-of-payments support, budgetary aid support and special funds for use by the Less Developed Countries were provided from within the Community.

In 1977, the worsening Balance-of-Payments situation resulted in two CARICOM countries invoking Article 28 of the Chaguaramas Treaty, and imposing quantitative restrictions on all imports including those from member states. Article 28 prescribes that a Member State deciding to impose quantitative restrictions should notify Council of its intentions, if possible before such restrictions come into force. If the balance-of-payments difficulties persist for more than 18 months and the measures applied seriously disturb the operation of the Common Market, the Council will examine the situation and, by majority vote, devise special procedures to attenuate or compensate for the effect of such measures.

Because of the fact that the total productive capacity of the CARICOM countries is greater than necessary merely to satisfy regional demand for many commodities, there is always the need to maintain regional markets and to seek extra-regional markets. Any loss of regional markets, even temporarily, tends to create problems.

In such a situation, there is the question of resolving serious Balance-of-Payments problems without constricting the markets available to CARICOM partners especially when cut-back on imports are part of the prescribed remedy for Balance-of-Payments difficulties exacted by lending institutions. Furthermore, the absence of foreign exchange reserves dictate policies of foreign exchange budgeting limited to prospective foreign earnings or credit.

Despite the disturbances caused by the Balance-of-Payments problems, some progress was made in the following areas:

1. Rules of Origin

The Eleventh Meeting of the Common Market Council of Ministers agreed to the introduction of new rules of origin for goods traded between member countries, as of 1 January 1978.

2. Common External Tariff (CET)

The Council adopted the fully-integrated Common External Tariff based on the Brussels Tariff Nomenclature and set 1 January 1979 as the date on which it should come into effect. The new CET include changes in rate structure and greater product delineation.

3. Regional Food Plan

In 1977 work on the identification and preparation of projects for the Regional Food Plan continued. The Caribbean Food Corporation therefore advanced closer to full operation during the year.<sup>1/</sup>

4. Industrial Development in the LDC's

The Eleventh Meeting of the Common Market Council of Ministers agreed that:

- (i) a new strategy be devised to accelerate industrial development in the Less Developed Countries, and to prepare a programme for allocation of industries in pursuance of this objective;
- (ii) the Caribbean Investment Corporation will be the main organization for securing implementation of industries allocated under the programme;

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<sup>1/</sup> As of mid-1978 the earlier prospects seemed to have diminished.

- (iii) there should be some relaxation with respect to the application of Article 28<sup>1/</sup> to exports from the LDC's:
- (iv) the Governments of the MDC's will support and participate in all the measures proposed for accelerating the industrial development of the LDC's.

5. The CARICOM Multilateral Clearing Facility

The Agreement establishing the CARICOM Multilateral Clearing Facility came into effect on 16 June 1977. Signatories to the Agreement were the Central Banks of Barbados, Guyana, Jamaica, Trinidad & Tobago, the Monetary Authority of Belize and the East Caribbean Currency Authority.

Under this Agreement, the settlement of payments between participating countries up to a maximum of US\$40 million is provided for. Reckoning will be done in US Dollars, and transactions eligible for settlement will include all sales of CARICOM currencies to commercial banks as cover for transactions approved by each participant.

The new Facility replaced the bilateral clearing arrangements between each Central Bank or Monetary Authority.

6. Agricultural Marketing Protocol (AMP)

The Agricultural Marketing Protocol which was introduced to stimulate trade in agricultural commodities between the less developed countries and their more developed CARICOM partners has not had a particularly impressive record of success to date. However, a number of decisions were taken during the year to ease operational problems, for example, speedier reporting of surpluses and deficits and cost of production and quicker response at the country level to decisions taken under the AMP.

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<sup>1/</sup> Article 28 of the CARICOM Treaty permits the temporary imposition of import restrictions by member countries facing Balance-of-Payments difficulties.

7. The Caribbean Development Bank (CDB)

The Caribbean Development Bank continued to be the most important Development Agency of the Regional Integration Movement in 1977. The Bank's net approval of loans was to the value of some US\$30 million in 1977, as compared with some US\$24.9 million in the previous year. Disbursements in 1977 stood at US\$23.5 million - an increase of US\$1.1 million over the 1976 figure of US\$22.4 million, with more than 50 percent of the loans disbursed going to the Less Developed Countries.

The Bank also introduced a new Agricultural Production Credit Scheme of direct benefit to small farmers who could not benefit from short-term credit from the Farm Improvement Credit Scheme or any other source of credit. The Agricultural Production Credit Scheme widened the range of security normally acceptable as collateral and provided for very close supervision of the programmes funded.

Table 8  
Caribbean Development Bank  
Loan Approvals and Disbursements - 1976 & 1977  
( \$'000 )

Source of Funds	Approvals		Disbursements	
	1976	1977	1976	1977
Hard Funds:	<u>12,232</u>	<u>8,312</u>	<u>11,178</u>	<u>10,963</u>
Ordinary Capital Resources	8,725	2,532	7,501	7,914
Venezuelan Trust Fund	3,507	5,780	3,677	3,049
Soft Funds: <sup>1/</sup>	<u>12,656</u>	<u>21,673<sup>1/</sup></u>	<u>11,230</u>	<u>12,553</u>
Special Development Fund	6,709	15,036	7,604	9,103
Other Special Funds	5,947	6,637	3,626	3,450
Total:	24,888	29,985	22,408	23,516

<sup>1/</sup> Includes approvals in 1977 for equity investment amounting to \$771,000.



Table 9

Caribbean Development Bank

Cumulative Disbursements by Source of Funds: 1972-1977  
( \$'000 )

Source of Funds	1972- 1974 <sup>1/</sup>	1975 <sup>1/</sup>	1976 <sup>1/</sup>	1977 <sup>2/</sup>	Total <sup>2/</sup>
Hard Funds:	<u>2,772</u>	<u>6,620</u>	<u>11,178</u>	<u>10,963</u>	<u>31,659</u>
Ordinary Capital Re- sources	2,772	6,620	7,501	7,914	24,933
Venezuelan Trust Fund	-	-	3,677	3,049	6,726
Soft Funds:	<u>3,593</u>	<u>15,300</u>	<u>11,230</u>	<u>12,553</u>	<u>42,448</u>
Special Development Funds	2,347	13,117	7,604	9,103	32,210
Resources	1,246	2,183	3,626	3,450	10,238
<b>Total:</b>	<b>6,365</b>	<b>21,920</b>	<b>22,408</b>	<b>23,516</b>	<b>74,107</b>

<sup>1/</sup> Amounts in other currencies were translated at rates which were effective on December 31, 1976.

<sup>2/</sup> Amounts in other currencies were translated at rates which were effective on December 31, 1977.

Source: Caribbean Development Bank, Annual Report, 1977. Barbados.

Table 10

Caribbean Development Bank

Total Loan Approvals - 1970-1977<sup>1/</sup>

(\$'000)

Loan Approvals From  
"Soft Funds" Between MDC's  
and LDC's - 1970-1977 <sup>1/</sup>  
(\$'000)

Year	Total		Total		
	More Developed Countries <sup>2/</sup>	Less Developed Countries <sup>4/</sup>	More Developed Countries <sup>3/</sup>	Less Developed Countries <sup>4/</sup>	Total
1970	-	534	534	-	-
1971	1,096	3,998	5,094	-	3,729
1972	2,518	9,171	11,689	-	7,657
1973	8,629	9,323	17,952	-	7,341
1974	9,597	17,192	26,789	1,100	15,148
1975	7,438	15,949	23,387	1,074	15,013
1976	13,731	11,157	24,888	3,085	9,571
1977	6,324	23,661	29,985	1,085	20,588
<b>Total:</b>	<b>49,333</b>	<b>90,985</b>	<b>140,318</b>	<b>6,344</b>	<b>79,047</b>
% Dis-tribution	35.2	64.8	100.0	7.4	92.6

<sup>1/</sup> Amounts in other currencies for the period 1970-1976 were converted at exchange rates which were effective on 31 December, 1976. Amounts for 1977 were translated at rates effective on 31 December, 1977. Total loan approvals in this Table would not agree with figures in the accounts which were translated at exchange rates effective on 31 December, 1977.

<sup>2/</sup> Includes regional projects with MDC focus: Loans to WISCO: First Loan \$2,045,435, Second Loan \$3,911,355 and to Governments of Guyana, St.Kiitts-Nevis-Anguilla and Trinidad & Tobago re Corn/Soya Bean \$1,074,118.

<sup>3/</sup> Includes regional projects with MDC focus: Governments of Guyana, St.Kiitts-Nevis-Anguilla and Trinidad & Tobago re Corn/Soya Bean \$1,074,118.

<sup>4/</sup> Includes regional project with LDC focus: Loans to LIAT (1974) Ltd. \$5,499,624 and Caribbean Investment Corporation \$1,260,000.

Source: Caribbean Development Bank, Annual Report, 1977: Barbados

Table 11

Caribbean Development Bank  
Distribution of Cumulative Disbursement<sup>1/</sup> Between  
MDC's and LDC's - 1972-1977  
(\$'000)

Source of Funds	Total	MDC <sup>2/</sup>	LDC <sup>3/</sup>
Hard Funds:	<u>31,659</u>	<u>24,054</u>	<u>7,605</u>
Ordinary Capital Resources	24,933	17,533	7,380
Venezuelan Trust Fund	6,726	6,501	225
Soft Funds:	<u>42,448</u>	<u>1,590</u>	<u>40,858</u>
Special Development Fund	32,210	629	31,581
Other Special Funds	10,238	961	9,277
Total:	74,107	25,644	48,463
% Distribution of Total Funds	100.0	34.60	65.40
% Distribution of Soft Funds	100.0	3.75	96.25

<sup>1/</sup> Amounts in other currencies were translated at rates which were effective on 31 December 1977.

<sup>2/</sup> Includes regional projects with MDC Focus: Loan to West Indies Shipping Corporation (WISCO): First Loan \$2,033,803.

<sup>3/</sup> Includes regional projects with LDC Focus: Loans to Leeward Islands Air Transport (LIAT) 1974 Limited \$5,635,814 and Caribbean Investment Corporation (CIC) \$995,409.

8. Transportation: WISCO, LIAT

There were encouraging signs during 1977 that the performance of West Indies Shipping Corporation (WISCO) and Leeward Islands Air Transport (LIAT) would start to improve. While severe problems remain especially on re-equipment for LIAT, it is hoped that both companies can now strive for commercial viability.

West Indies Shipping Corporation (WISCO) 1977

Despite the depressed condition of World Shipping in general, and the decline in volume of Caribbean trade which has been brought about mainly by the economic difficulties of some CARICOM countries, 1977 turned out to be a year of encouraging financial recovery for the West Indies Shipping Corporation. Cargo carried for the year 1977 totalled 86,669 freight tons. This figure was 3,843 tons less than budgeted and 1,884 tons less than the corresponding figure for the previous year. The main factor responsible for the slight drop in cargo carried was the decision to discontinue shipments of cement from Haiti (which shipments accounted for some 3,950 tons in the previous year) and calls at Suriname (which provided 1,908 tons of the 1976 cargoes). When the 1976 Haiti and Suriname shipments are taken into account, it is clear that in spite of the difficult regional trade situation, WISCO managed to marginally increase its carryings of CARICOM exports during the year under review.

Small Vessel Shipping

While remaining an important link between the islands, especially in the Eastern Caribbean, the small vessel fleet continues to give cause for concern.

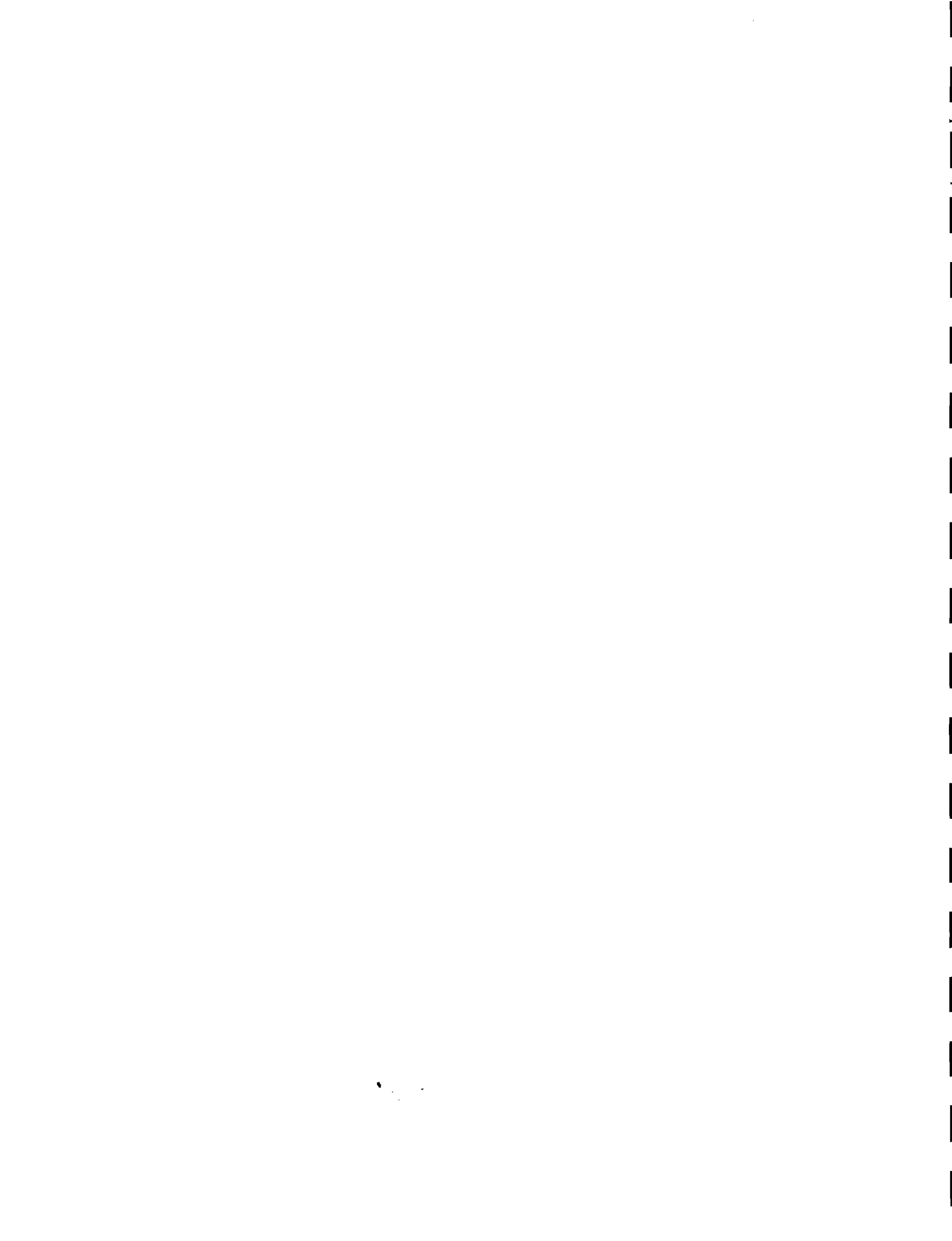
The safety standards remain extremely low and cargo, especially perishables is badly handled. At the same time the rates charged by the operators have continued to climb so that in some cases there is not much difference between small vessel rates and rates charged by WISCO.

Another factor is the over-supply of vessels. At a time of declining trade caused partly by economic conditions in Jamaica and Guyana, and partly by world-wide recession, it has become fashionable to bring old vessels from Europe to operate between the islands. As a consequence, there is now an over-supply of small vessels.

Leeward Island Air Transport (LIAT)

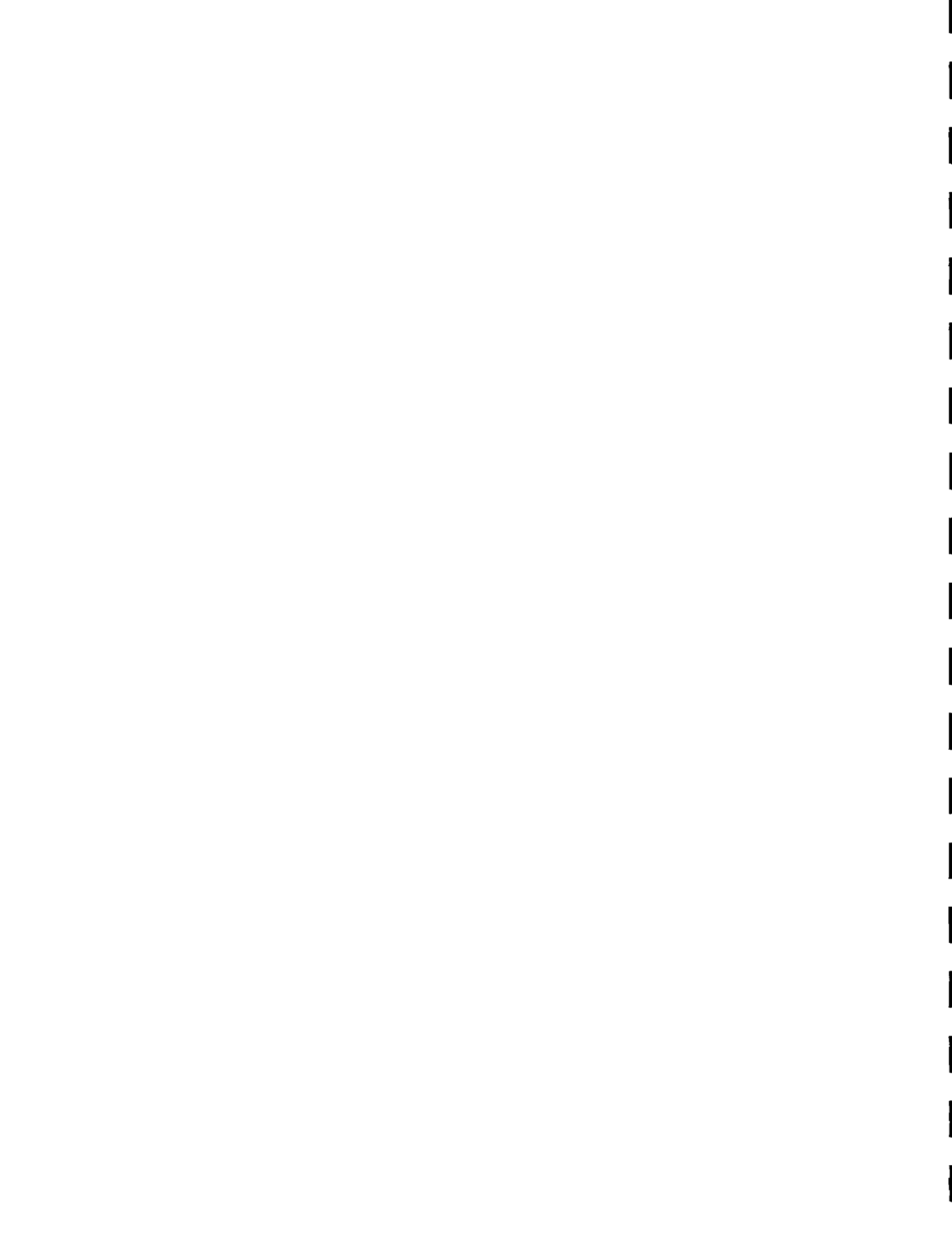
Rapidly increasing costs and the burden of maintaining increasingly old aircraft exerted severe pressure on the airline's operating costs. In addition, the Group's financial position, already weakened by prior years' losses and initial under-capitalization, did not benefit from the increased subventions that were anticipated following the Annual General Meeting held in May of 1977.

Costs are continuing to increase, and additional revenue-earning capacity is limited, both by anticipated low traffic growth rate and by the difficulties in planning for new services and/or increased share of market with a fixed fleet of five Hawker Siddeley 748's aircraft. Load factors are also very high. Therefore, in order to effect financial improvement, the Group must be able to look forward to new aircraft providing additional capacity.



PART I

C. THE EXTERNAL SECTOR AND THE BALANCE-OF-PAYMENTS





## C. THE EXTERNAL SECTOR AND THE BALANCE-OF-PAYMENTS

### Trends in External Trade

The External Trade position of the Caribbean countries continued to be depressed in 1977, despite slight improvement in the prices of some of the major export commodities. In 1977 the value of total external trade was estimated at approximately US\$13,800 million an equivalent of only 5 percent growth over the 1976 level. The projected figures show increases of 7 percent and 3 percent for exports and imports respectively. But the rate of expansion was less dynamic than in 1976, and particularly so in the case of imports which had grown by over 11 percent during 1976.

At the CARICOM sub-regional level, however, the trend was somewhat less consistent. Total exports from CARICOM countries indicated a 3.3 percent increase; there was, however, an estimated decline of 4.6 percent in the value of total imports. The value of intra-CARICOM trade similarly decreased during 1977; estimates of intra-regional imports in Table VII of the Statistical Appendix showed a decrease of about 2.3 percent.

The contraction in imports at both the CARICOM intra-regional and third countries levels was occasioned principally by severe balance-of-payments and foreign exchange crises in some countries resulting in import control measures. Trinidad & Tobago with its petroleum was the exception to the otherwise total picture of foreign exchange crises. Although preliminary data on the value of Trinidad & Tobago's total imports indicate a 9 percent decrease, this reduction must be associated, principally with a drop in imports of mineral fuels.

External trade transactions continued to be affected unfavourably by the trend in prices on the world market. On the export side, free world market sugar prices declined in 1977. However, the prices for bananas, cocoa beans and petroleum and petroleum products improved generally, while the prices of bauxite and alumina

remained more or less stable during the year in spite of a 15-20 percent rise in the price of aluminium. On the other hand, the import prices of some important commodities, namely some dairy products, soya beans, steel, lumber and vegetable oils, for example, increased.

Table 12  
Total Exports and Imports: 1973-1977  
(US\$ Mill.)

Year	Total Exports	Percent- age Change	Total Imports	Percent- age Change	Trade Balance Deficit
1973	2089.9	-	2947.0	-	960.0
1974	5298.8	153.5	5843.9	98.3	545.1
1975	5770.0	8.9	6226.1	6.5	456.1
1976**	6250.0	8.3	6925.0	11.2	675.0
1977**	6690.0	7.0	7125.0	2.9	435.0

Note: Data for the Bahamas and Suriname are excluded.

Source: External Trade Reports of the various States; and data supplied CEPAL.

#### The Balance-of-Payments

The aggregate Balance-of-Payments Account of the four CARICOM<sup>1/</sup> MDC's is merely an approximation to a sub-regional account, but notwithstanding the intra-regional transactions which are still included in the account, the figures, are illustrative of the adverse balance

<sup>1/</sup> See Table VIII of the Statistical Appendix.

of trade and payments facing most of the Caribbean countries. The data in respect of the more developed CARICOM countries show that the overall balance-of-payments position moved from a deficit in 1976 to a surplus in 1977. If one subtracts the Trinidad & Tobago surplus of US\$499.7 million, the result would be a deficit in 1977.

The two most developed countries, Trinidad & Tobago and Jamaica experienced surpluses in their balance of visible trade, though for different reasons. In the case of Trinidad & Tobago, most of the surplus is attributable to exports of petroleum and petroleum products, while in Jamaica, foreign exchange scarcity has forced a cut-back in imports by some 33 percent of the value of the previous year. In Guyana, the deficit in the balance of visible trade fell from US\$84.3 million in 1976 to US\$54.9 million in 1977, again largely because of the crisis in foreign exchange and the reduction of imports.

The aggregate balance of visible trade figure for 1977 was positive to the extent of US\$352.2 million for the four MDC's only. Despite foreign exchange crises, merchandise trade continues to be the dominant transaction area in the Caribbean.

The Caribbean countries have traditionally suffered from terms of trade adversities. A CEPAL estimate indicates that excluding petroleum, the average unit value index of exports rose by 2 percent above the 1976 level while that of imports grew by 5 percent over the 1976 level.

The very preliminary Trinidad & Tobago estimates support the view that 1977 saw a contraction in the volume of trade. If this behaviour is representative of that of the other countries, and there is some evidence to support such a view, then the contraction of trade was fairly significant.

There was an overall deficit of US\$274 million in 1977 on the Services Account for the MDC's. The major item was investment income for which the deficit figure increased from US\$425.2 million in 1976 to US\$450.6 million in 1977. Trinidad & Tobago and Jamaica

continued to be the major contributors to this item, which is related to the quantum of loans or investment from foreign sources. Whereas there was a slight decline in the deficit for this figure in respect of Jamaica, there was a 9.8 percent increase in the outflow for Trinidad & Tobago hinting at a higher foreign investment level in Trinidad & Tobago than in Jamaica.

The travel item, reflecting in great measure the net expenditure position on tourism, showed an estimated surplus of some US\$87 million in 1977. This was aided by the recovery in tourism in 1977 in most of the countries. There has been no substantial change in the ownership structure or composition of tourist consumption in most countries, therefore much of the net inflow on the travel account will flow back out in the form of investment income or some other item subsequently.

The aggregated table and other data indicate that the Caribbean is a net donor of transfer payments, though several countries are net receivers of transfers. With visible trade, Services and Transfers being negative, most countries find that their Current Account continues to be in deficit. When the performance of Trinidad & Tobago is included, one notes a dramatic swing to a positive Current Account Balance.

Against the background of Balance-of-Payments and foreign exchange crises, the countries most affected experienced inter alia a drop in industrial production because of a shortage of raw materials input. One country resorted to a system of multiple exchange rates to try to alleviate the problem.

#### Multiple Exchange Rate

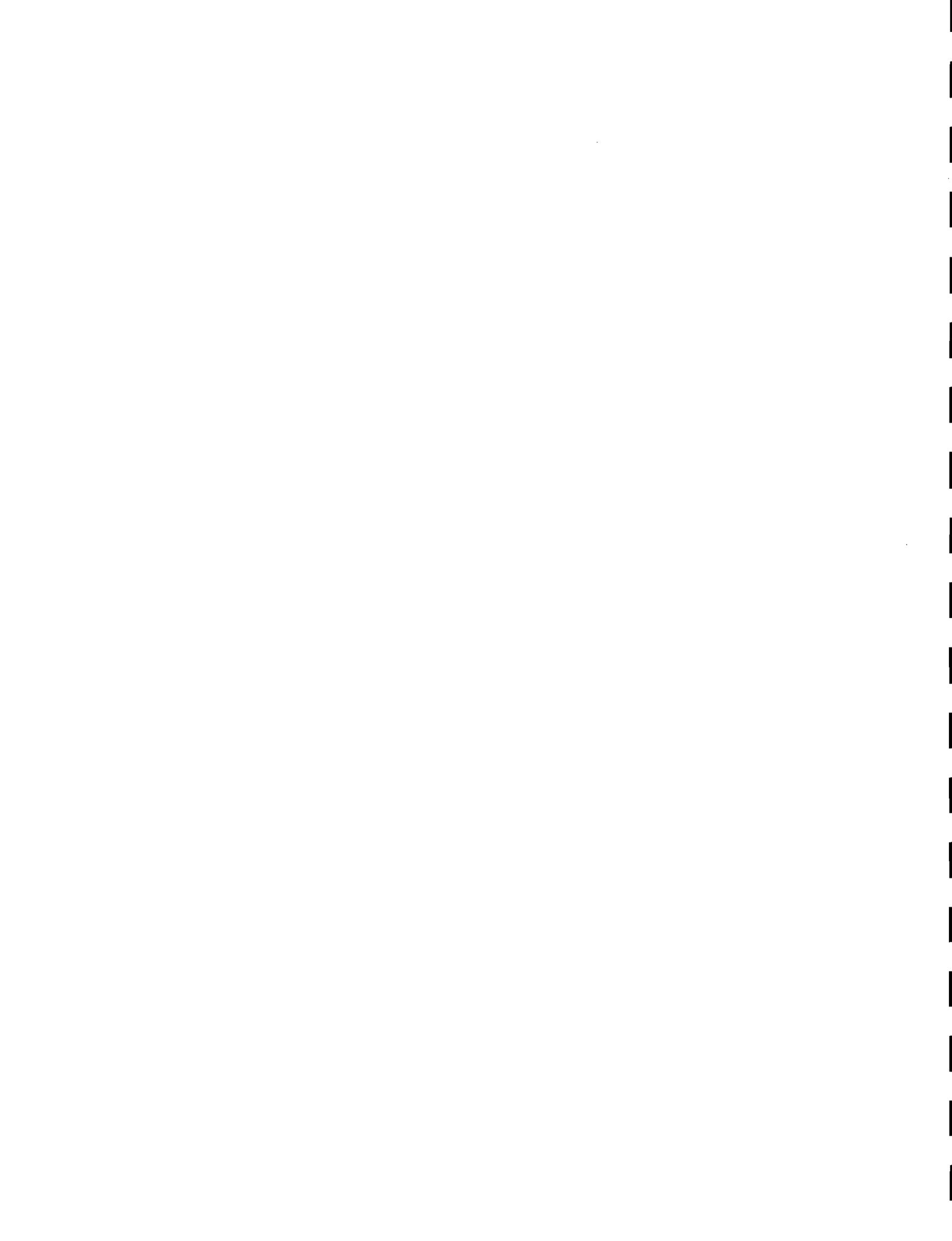
One possible partial solution to Jamaica's increasing foreign exchange problem was to devalue the Jamaican dollar. This would have had the effect of making imports into Jamaica relatively more expensive and exports relatively cheaper. But because of the high proportion of imports that go into consumption and into the manufacturing sector a multiple exchange rate strategy was devised to minimize the increase in the cost of living and at the same time encourage expansion in the goods producing sectors. Simultaneously, debt servicing would continue to be made at the basic rate.

The Jamaican system provided for two rates of exchange, one of which is applied to the importation of "basic" commodities of the kind that are consumed by the poor. This is the undepreciated exchange rate, which in 1977 was at the rate of J\$0.9091 = US\$1.00. The other rate of exchange which represents a depreciation from the basic rate, is applied to imports that are not "basic" in nature. The special rate was set at J\$0.80 = US\$1.00 later revised to J\$0.74 = US\$1.00. Government's foreign exchange transactions are conducted at the "basic" rate.

An important aspect of this system is the respective transactions to which each rate applies. In summary the Basic Rate applied to:

- i. Purchases and sales of foreign exchange by government and the bauxite/alumina industry;
- ii. Imports of basic raw materials by Jamaica Nutrition Holdings Ltd.
- iii. All "basic foods", animal feeds, fertilizers, essential medical and pharmaceutical products, and petroleum products; and
- iv. Certain transactions involving outstanding trade credits and certain swap arrangements between Commercial banks and the Central Bank.

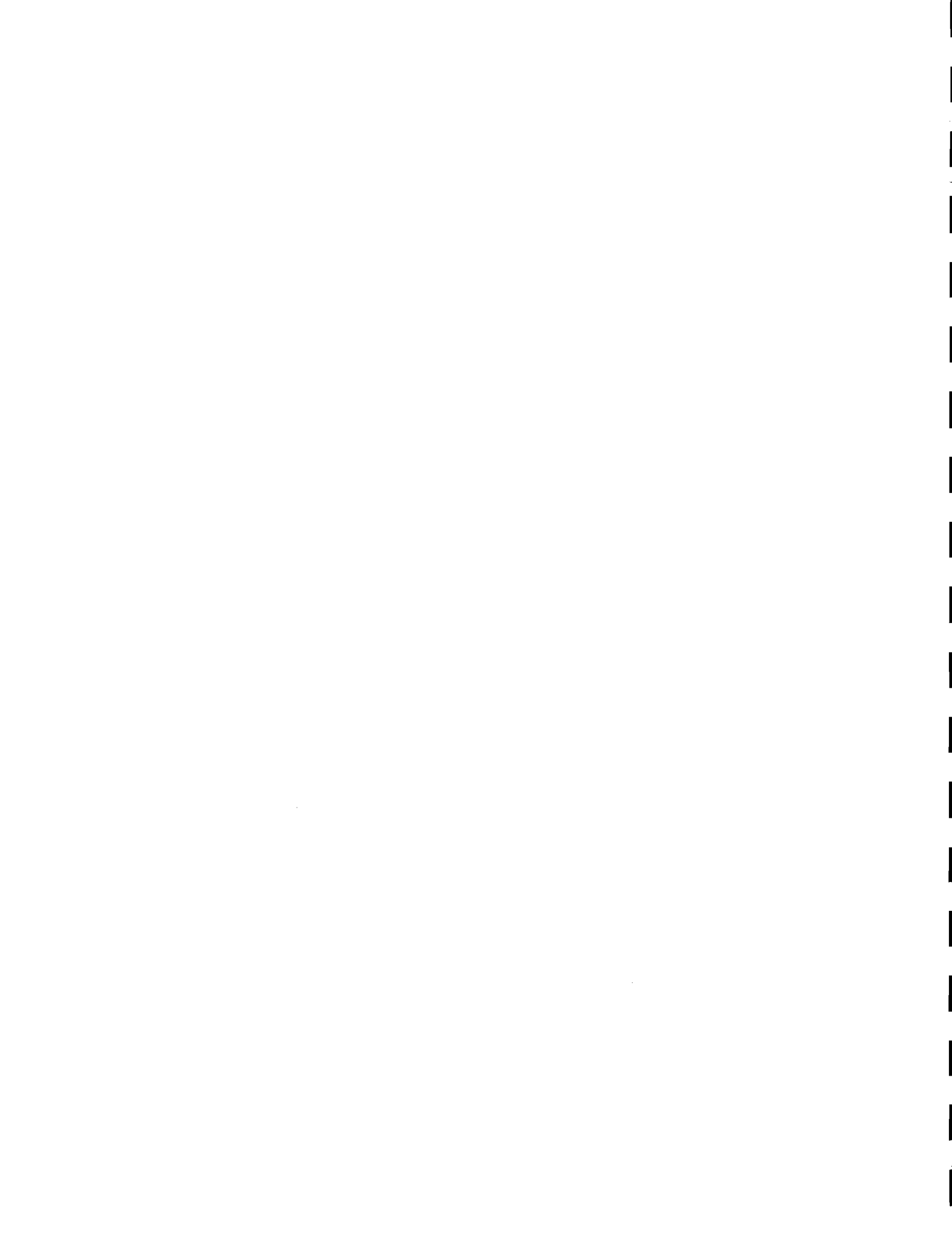
The Special Rate was to be applied to all other foreign exchange transactions.



STATISTICAL APPENDIX

CARIBBEAN COUNTRIES

1977





CARIBBEAN COUNTRIES

TABLE I

PERCENTAGE CONTRIBUTION TO GDP AT FACTOR COST

All Sectors	1974	1975	1976 <sup>i</sup>	1977
Agriculture, Forestry & Fisheries	9.2	9.6	8.4	7.6
Mining & Quarrying	22.7	22.3	21.8	26.1
Manufacturing	12.0	11.5	12.3	13.1
Construction	7.6	7.1	6.8	6.4
Transportation & Distribution	20.6	19.7	18.6	17.4
Government	10.6	11.5	12.6	11.8
All Others	17.3	18.3	19.5	17.8
TOTAL:	100.0	100.0	100.0	100.0

Note: Exclude the Bahamas. The percentage contributions and the rates of change for 1974 to 1975 differ from the figures shown in the 1976 edition of this publication owing mainly to significant revisions of the GDP estimates for Jamaica and Trinidad & Tobago.

Source: Derived from tables in the appendixes to the various Country Notes.

CARIBBEAN COUNTRIES

TABLE II

ANNUAL PERCENTAGE CHANGE OF GDP BY SECTORS

All Sectors	1974-75	1975-76	1976-77
Agriculture, Forestry & Fisheries	26.8	4.0	3.6
Mining & Quarrying	19.6	-	34.8
Manufacturing	11.6	9.0	15.3
Construction	10.1	- 1.0	-
Transportation & Distribution	15.9	- 3.0	7.0
Government	32.6	13.0	10.0
All Others	22.7	5.0	- 1.2
TOTAL:	21.5	3.0	12.0

(For Note & Source see Table I).

CARIBBEAN COUNTRIES

TABLE III

PERCENTAGE CHANGES IN MONEY SUPPLY

	<u>Total Money Supply</u>			<u>Demand Deposits and Currency in Circulation</u>		
	1975	1976	1977	1975	1976	1977
Bahamas	12.5	18.0	7.3	- 3.1	13.1	10.6
Barbados	19.7	8.5	10.5	16.2	12.2	14.3
Belize <sup>1/</sup>	16.8	3.7	1.6	6.5	-14.5	17.9
Grenada	30.3	11.1	8.7	15.6	51.0	8.3
Jamaica	19.9	8.0	13.3	25.5	6.9	48.1
Suriname	...	...	...	20.5	17.8 <sup>2/</sup>	10.3 <sup>2/</sup>
Trinidad & Tobago	32.2	31.7	28.2	50.7	38.1	31.7
WISA <sup>1/</sup>	16.9	16.1	5.0	- 4.0	35.2	17.0

<sup>1/</sup> Exclude currency in circulation.

<sup>2/</sup> Data relate to end of November.

Source: Calculated from data in the Country Notes except for Trinidad & Tobago taken from Statistical Digest, Central Bank of Trinidad & Tobago, April 1978.

CARIBBEAN COUNTRIES

TABLE IV

PERCENTAGE CHANGES IN LOANS AND ADVANCES<sup>1/</sup>

	1975	1976	1977
Bahamas	- 0.8	4.0	10.0
Barbados	7.9	11.6	13.0
Belize	10.7	24.2	- 7.2
Grenada	0.6	- 5.8	9.4 <sup>2/</sup>
Jamaica	19.7	1.0	- 6.2
Suriname	4.6	47.3	19.3
Trinidad & Tobago	30.2	34.8	40.8
WISA	5.6	12.5	20.0

<sup>1/</sup> Data relate to end of December.

<sup>2/</sup> End June 1977.

Source: See Table III above.

CARIBBEAN COUNTRIES

TABLE V

SELECTED INTEREST RATES

	1974	1975	1976	1977
<u>BAHAMAS</u>				
Prime Rate	...	9.5	9.5	9.5
Savings Rate	...	5.02	4.73	4.74
Fixed Deposits (over 12 mths.)	...	8.30	7.88	6.88
Other Loans & Advances	...	12.25	11.61	11.60
<u>BARBADOS</u>				
Prime Rate	10.0 - 12.0	9.0 - 10.5	7.5 - 8.5	7.5 - 8.0
Savings Rate	4.5 - 8.0	3.0 - 7.0	2.5 - 5.0	2.5 - 5.0
Fixed Deposits (12 mths.)	7.5 - 10.0	5.0 - 7.0	4.25 - 5.0	3.75 - 5.0
<u>JAMAICA</u>				
Prime Rate	11.0	10.0	11.0	11.0
Savings Rate	6.0	6.0	7.0	7.0
Fixed Deposits (6-12 mths.)	9.5 - 12.0	6.0 - 10.5	6.0 - 14.0	2.0 - 12.0
<u>TRINIDAD &amp; TOBAGO</u>				
Prime Rate	8.75- 9.50	8.25- 9.00	7.75- 9.00	7.75- 9.00
Savings Rate	3.00- 5.00	2.50- 5.00	2.50- 5.00	2.50- 5.00
Fixed Deposits (3 mths.)	5.00- 6.50	3.50- 6.00	3.00- 4.00	4.00- 7.00
<u>WEST INDIES ASSOCIATED STATES</u>				
Prime Rate, Leeward Islands	10.7	10.1	9.0	8.7
Savings " " "	4.5	3.7	3.1	2.9
Prime Rate, Windward Islands	10.6	10.5	8.9	8.6
Savings " " "	4.2	3.2	2.9	2.7

Sources: Quarterly Review, December 1977, The Central Bank of the Bahamas;  
Economic and Financial Statistics, May 1978, Central Bank of Barbados;  
Statistical Digest, April 1978, Bank of Jamaica;  
Statistical Digest, May 1978, Central Bank of Trinidad & Tobago;  
Economic and Financial Review, December 1977, East Caribbean Currency  
 Authority.

CARIBBEAN COUNTRIES

TABLE VI

EXTERNAL TRADE 1974-1977  
(US\$ Mill.)

Country	I M P O R T S				E X P O R T S			
	1974	1975 <sup>P</sup>	1976 <sup>P</sup>	1977 <sup>P</sup>	1974	1975 <sup>P</sup>	1976 <sup>P</sup>	1977 <sup>P</sup>
Antigua	70.8	66.9 <sup>r</sup>	37.7	...	32.4	27.6	9.7 <sup>r</sup>	...
Dominica	18.9	20.8 <sup>r</sup>	20.4	...	10.2	11.3	11.9	...
Montserrat	7.8	7.5 <sup>r</sup>	8.5 <sup>1/</sup>	...	0.5	0.5	0.5 <sup>1/</sup>	...
St. Kitts-N-A	19.2	23.7	18.0 <sup>1/</sup>	...	10.7	21.6	16.9 <sup>1/</sup>	...
St. Lucia	44.4	46.3 <sup>r</sup>	51.6	64.6	16.0	15.9	20.2	24.2 <sup>2/</sup>
St. Vincent	25.5 <sup>r</sup>	24.8 <sup>r</sup>	25.5	34.1	7.6	7.6	9.7	10.4 <sup>2/</sup>
TOTAL (Associated States):	<u>185.8<sup>r</sup></u>	<u>190.0</u>	<u>(161.7)</u>	<u>(98.7)</u>	<u>77.0</u>	<u>84.5</u>	<u>(68.9)</u>	<u>(34.6)</u>
Grenada	18.1	24.4	25.1 <sup>r</sup>	31.4 <sup>1/</sup>	9.4	12.5	12.9	14.2 <sup>1/</sup>
Belize	65.9 <sup>r</sup>	87.8 <sup>r</sup>	65.5	67.0 <sup>1/</sup>	57.4	71.9 <sup>r</sup>	47.7	46.3 <sup>1/</sup>
TOTAL (LDC's):	<u>269.8<sup>r</sup></u>	<u>302.2</u>	<u>(252.3)</u>	<u>(197.1)</u>	<u>143.8<sup>r</sup></u>	<u>168.9</u>	<u>(129.5)</u>	<u>(95.1)</u>
Barbados	203.7	216.4 <sup>r</sup>	236.6 <sup>r</sup>	279.1	85.2	106.3 <sup>r</sup>	86.1	87.2
Guyana	254.4	344.1	363.6 <sup>r</sup>	314.1	270.3	363.2	284.3	259.2
Jamaica	935.9	1,123.5	912.8 <sup>r</sup>	859.8	706.3	851.6	632.5	778.0
T'rad. & Tobago	1,840.0	1,495.1 <sup>r</sup>	1,980.2	1,806.5	2,029.0 <sup>r</sup>	1,787.3 <sup>r</sup>	2,212.4 <sup>r</sup>	2,179.8
TOTAL (MDC's):	<u>3,234.0</u>	<u>3,179.1<sup>r</sup></u>	<u>3,493.2<sup>r</sup></u>	<u>(3,259.5)</u>	<u>3,090.8<sup>r</sup></u>	<u>3,108.4<sup>r</sup></u>	<u>3,215.3</u>	<u>3,304.2</u>
TOTAL CARICOM:	<u>3,503.8<sup>r</sup></u>	<u>3,481.3</u>	<u>(3,745.5)</u>	<u>(3,456.6)</u>	<u>3,234.6<sup>r</sup></u>	<u>3,277.3<sup>r</sup></u>	<u>(3,344.8)</u>	<u>(3,399.3)</u>
Bahamas	2,111.2	2,482.1	2,892.6	1,417.3 <sup>3/</sup>	1,795.4 <sup>r</sup>	2,216.0	2,601.3	1,292.2 <sup>3/</sup>
Suriname	228.9	262.7	281.4	...	268.8	276.7	303.0	...
GRAND TOTAL	<u>5,843.9</u>	<u>6,226.1</u>	<u>(6,919.5)</u>	<u>(4,873.9)</u>	<u>5,298.8</u>	<u>5,770.0</u>	<u>(6,249.1)</u>	<u>(4,691.5)</u>

1/ January to September.      2/ Domestic Exports.      3/ January to June.

Source: Compiled from External Trade Reports of various States; and data supplied CEPAL.

CARIBBEAN COUNTRIES

TABLE VII

CARICOM INTRA-REGIONAL TRADE

(IMPORTS - C. I. F.)  
(US\$ Mill.)

	1970	1973	1974	1975	1976	1977 <sup>P</sup>
Barbados	13.5	21.8	35.2	35.6 <sup>r</sup>	41.0	31.9 <sup>1/</sup>
Guyana	18.9	38.7	67.3	73.6	81.7	80.9
Jamaica	9.1	35.3	71.5	94.4	63.7 <sup>r</sup>	42.3
Trinidad & Tobago	13.4	20.5	30.1	42.1	53.7	39.9 <sup>1/</sup>
SUB-TOTAL (MDC's):	54.9	116.3	204.1	245.7 <sup>r</sup>	240.1	(195.0)
Grenada	5.0	5.9	5.7	...	...	...
Belize	2.4	3.6	3.7	3.1	...	...
West Indies Associated States	19.3	25.1	33.8	49.7	...	...
SUB-TOTAL (LDC's):	26.7	34.6	43.2	58.8 <sup>**</sup>	62.0 <sup>**</sup>	64.0 <sup>**</sup>
TOTAL CARICOM:	81.6	150.9	247.3	304.5 <sup>**</sup>	302.0 <sup>**</sup>	295.0 <sup>**</sup>

<sup>1/</sup> Data for January-September.

Source: Compiled from External Trade Reports of the various States;  
and data supplied CEPAL.

CARIBBEAN COUNTRIES

TABLE VIII

AGGREGATED BALANCE-OF-PAYMENTS FOR CARICOM MDC's:  
1975-1977  
(US\$ Mill.)

	1975	1976	1977
<u>MERCHANDISE TRADE</u>			
Exports	2,353.4 <sup>1/</sup>	2,178.4 <sup>1/</sup>	2,498.8 <sup>1/</sup>
Imports	2,054.9 <sup>1/</sup>	2,017.0 <sup>1/</sup>	1,954.1 <sup>1/</sup>
Balance	+ 176.2	+ 2.0	352.2
<u>SERVICES (NET)</u>			
Transport	- 67.2 <sup>1/</sup>	- 49.7 <sup>1/</sup>	- 28.5 <sup>1/</sup>
Travel	115.5 <sup>1/</sup>	82.4 <sup>1/</sup>	87.0 <sup>1/</sup>
Investment Income	- 388.3 <sup>1/</sup>	- 425.2 <sup>1/</sup>	- 450.6 <sup>1/</sup>
Other	- 13.7 <sup>1/</sup>	6.3 <sup>1/</sup>	6.0 <sup>1/</sup>
<u>TRANSFERS (NET)</u>			
Private	1.3 <sup>1/</sup>	- 30.4 <sup>1/</sup>	- 13.5 <sup>1/</sup>
Government	9.8 <sup>2/</sup>	- 8.7 <sup>2/</sup>	3.6 <sup>2/</sup>
	- 4.7 <sup>2/</sup>	- 15.4 <sup>2/</sup>	- 13.2 <sup>2/</sup>
<u>CURRENT ACCOUNT (NET)</u>			
	- 67.9	- 314.6	65.7
<u>CAPITAL ACCOUNT (NET)</u>			
	451.3	109.1	265.4
Private	251.6 <sup>1/</sup>	25.9 <sup>1/</sup>	45.0 <sup>1/</sup>
Official Borrowing	181.9 <sup>1/</sup>	56.7 <sup>1/</sup>	196.5 <sup>1/</sup>
SDR's	1.2 <sup>3/</sup>	4.1 <sup>3/</sup>	- 15.7 <sup>3/</sup>
Other	79.8 <sup>3/</sup>	257.8 <sup>3/</sup>	31.8 <sup>3/</sup>
<u>CURRENT &amp; CAPITAL ACCOUNT</u>			
	382.4	- 205.5	331.1
<u>NET ERRORS &amp; OMISSIONS</u>			
	44.2	15.5 <sup>4/</sup>	65.2 <sup>4/</sup>
<u>SURPLUS (+) OR DEFICIT (-)</u>			
	+ 426.6	(-) 190.0	(+) 396.3

<sup>1/</sup> Data exclude Barbados.

<sup>2/</sup> Exclude Barbados and Guyana.

<sup>3/</sup> Data for Jamaica only.

<sup>4/</sup> Exclude data for Jamaica as data for errors and omissions for this country are included in private capital movements.

Source: Compiled from data in Table IX.

CARIBBEAN COUNTRIES

TABLE IX

BALANCE OF PAYMENTS FOR SELECTED COUNTRIES: 1975-1977  
(US\$ Mill.)

	1975 <sup>r</sup>	1976 <sup>r</sup>	1977	1975 <sup>r</sup>	1976 <sup>r</sup>	1977 <sup>r</sup>
	<u>TRINIDAD &amp; TOBAGO</u>			<u>GUYANA</u>		
<u>MERCHANDISE TRADE</u>						
Exports	1,178.7	1,239.5	1,438.9	364.3	279.2	259.2
Imports	740.9	861.9	995.8	344.3	363.5	314.1
Balance	+ 437.8	+ 377.6	+ 443.1	+ 20.0	- 84.3	- 54.9
<u>SERVICES (NET)</u>	- 146.5	- 164.9	- 203.1	- 30.1	- 46.7	- 35.3
Transport	54.8	50.5	60.0	- 3.0	- 6.3	- 4.7
Travel	41.8	38.6	31.1	- 2.5	- 3.1	- 0.4
Investment Income	- 271.4	- 287.2	- 315.3	- 14.0	- 22.4	- 20.8
Other	28.3	33.2	21.1	- 10.6	- 14.9	- 9.4
<u>TRANSFERS (NET)</u>	- 21.1	- 30.0	- 30.4	- 3.8	- 6.3	- 3.9
Private	- 11.2	- 10.7	- 12.6	...	...	...
Government	- 9.9	- 19.3	- 17.8	...	...	...
<u>CURRENT ACCOUNT (NET)</u>	270.2	182.7	209.6	- 13.9	-137.3	- 94.1
<u>CAPITAL ACCOUNT (NET)</u>	163.5	- 14.4	264.0	61.1	48.7	23.1
Private	188.6	94.8	127.3	- 21.7	- 38.0	- 6.7
Official Borrowing	- 25.1	- 109.2	136.8	82.8	86.7	29.8
SDR's	...	...	...	...	...	...
Other	...	...	...	...	...	...
<u>CURRENT &amp; CAPITAL ACCOUNT</u>	433.7	168.3	473.6	47.2	- 88.6	- 71.0
<u>NET ERRORS &amp; OMISSIONS</u>	10.6	- 3.5	26.1	- 1.3 <sup>1/2</sup>	-	2.4
<u>SURPLUS (+) OR DEFICIT(-)</u>	+ 444.3	+ 164.8	+ 499.7	+ 45.9	- 88.6	- 68.6

CARIBBEAN COUNTRIES

TABLE IX

BALANCE OF PAYMENTS FOR SELECTED COUNTRIES: 1975-1977 (Cont'd.)  
(US\$ Mill.)

	1975	1976 <sup>r</sup>	1977	1975 <sup>r</sup>	1976 <sup>r</sup>	1977 <sup>p2/</sup>
	<u>BARBADOS</u>			<u>JAMAICA</u> <sup>3/</sup>		
<u>MERCHANDISE TRADE</u>						
Exports	...	...	...	810.4	659.7	800.7
Imports	...	...	...	969.7	791.6	644.2
Balance	- 122.3	- 159.4	- 191.5	- 159.3	- 131.9	+ 156.5
<u>SERVICES (NET)</u>	80.8 <sup>4/</sup>	102.2 <sup>4/</sup>	112.1 <sup>4/</sup>	- 149.6	- 176.8	- 147.7
Transport	...	...	...	- 119.0	- 93.9	- 83.8
Travel	...	...	...	76.2	46.9	56.3
Investment Income	...	...	...	- 102.9	- 115.6	- 114.5
Other	...	...	...	- 4.0	- 12.0	- 5.7
<u>TRANSFERS (NET)</u>	<u>4/</u>	<u>4/</u>	<u>4/</u>	26.2	5.9	20.8
Private	...	...	...	21.0	2.0	16.2
Government	...	...	...	5.2	3.9	4.6
<u>CURRENT ACCOUNT (NET)</u>	- 41.5	- 57.2	- 79.4	- 282.7	- 302.8	29.6
<u>CAPITAL ACCOUNT (NET)</u>	17.8	26.5	24.0	208.9	48.3	- 45.7 <sup>5/</sup>
Private	...	...	...	84.7	- 30.9	- 75.6 <sup>5/</sup>
Official Borrowing	...	...	...	124.2	79.2	29.9
SDR's	...	...	...	1.2	4.1	- 15.7
Other	...	...	...	79.8	257.8	31.8
<u>CURRENT &amp; CAPITAL ACCOUNT</u>	- 24.7	- 30.7	- 55.4	- 73.8	- 254.5	- 16.1
<u>NET ERRORS &amp; OMISSIONS</u>	42.1	11.5	36.7	- 7.2	7.5	<u>5/</u>
<u>SURPLUS (+) OR DEFICIT (-)</u>	+ 17.4	- 19.2	- 18.7	- 81.0	- 247.0	- 16.1

1/ Include exchange loss of \$5.9 million.

2/ The original Balance-of-Payments data for Jamaica have been computed at the basic rate of exchange (i.e. J\$1.00 = US\$1.10).

3/ Jamaica's Imports and Exports are recorded fob.

4/ Include transfers.

5/ Net errors and omissions included in private capital movements.

Source: Official Publications and data supplied CEPAL.



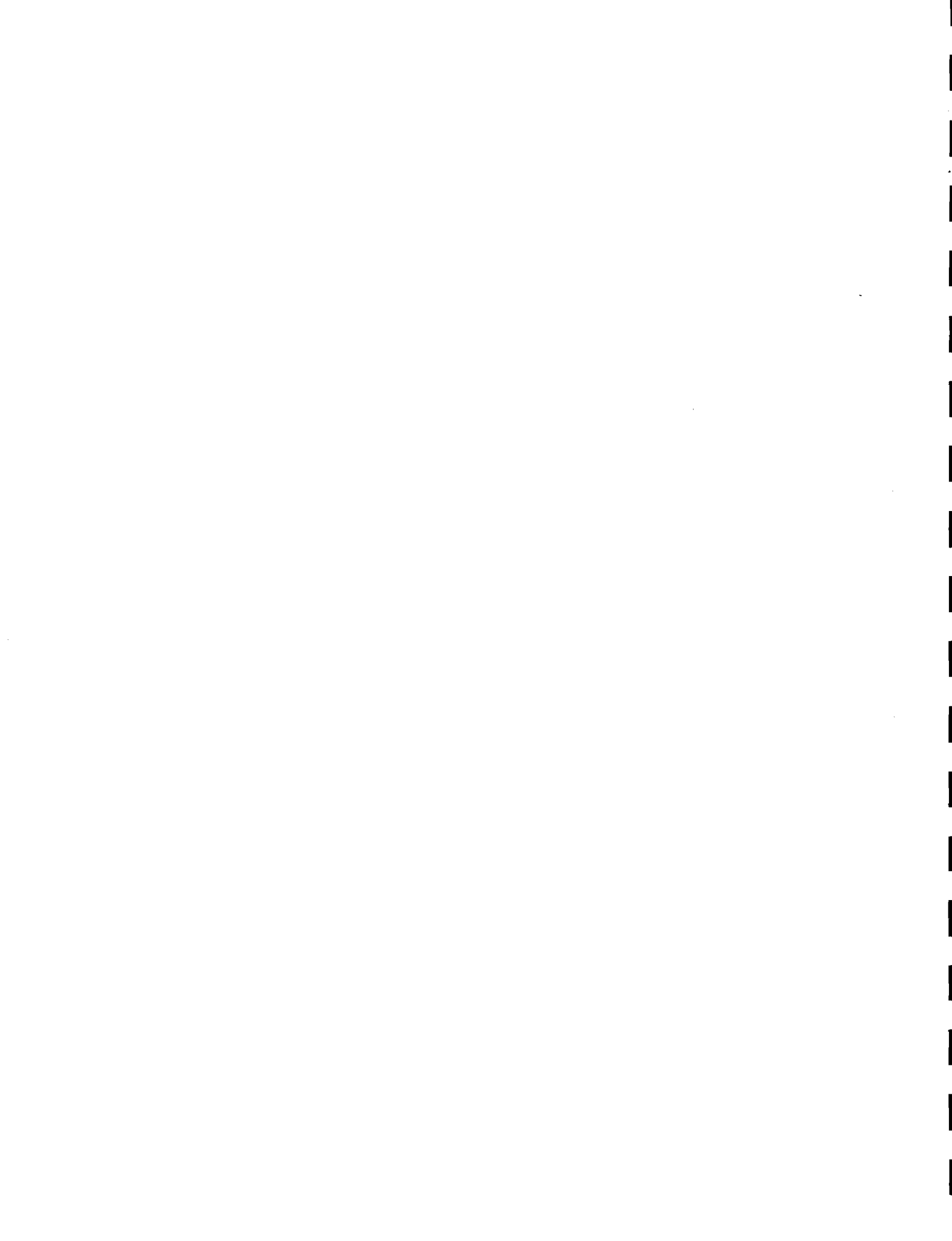
CARIBBEAN COUNTRIES

TABLE X

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

National Currencies		In terms of US\$				
		1973	1974	1975	1976	1977
Jamaica	- J\$1.00	1.10	1.10	1.10	1.10	1.10
Trinidad & Tobago	- TT\$1.00	0.510412	0.487044	0.460871	0.410239	0.41666
Barbados	- Bds\$1.00	0.510412	0.487044	0.495020	0.499051	0.498308
Guyana	- G\$1.00	0.470123	0.448591	0.424556	0.392156	0.392156
Bahamas	- Bah\$1.00	1.00	1.00	1.00	1.00	1.00
Belize	- Bze\$1.00	0.613050	0.584750	0.555450	0.451550	(0.451550)
Suriname (Central rate)	- Sf.1.00	0.558659	0.558659	0.558659	0.558659	0.558659
West Indies Associated States	- EC\$1.00	0.510412	0.487044	0.460871	0.410239	0.370370
Grenada	- EC\$1.00	0.510875	0.487291	0.462875	0.378740	0.370370

Source: International Financial Statistics, (several issues)  
International Monetary Fund, Washington D.C.



PART II  
BAHAMAS COUNTRY NOTES



## ECONOMIC SURVEY 1977

### BAHAMAS

(Bahamas dollars used throughout)

Available data on the economy of the Bahamas indicated a general rise in activity with some growth during 1977. Most significant was the apparent curtailment of inflation with the increase in the average level of consumer prices held to 3.2 per cent.

Tourism showed increased earnings even though the total number of visitors declined. A drop in cruise ship passengers was offset by a rise in air arrivals and hotel days were expected to show more than a 10 per cent rise over the 1976 level.

Agricultural output increased for the second year running in response to efforts to increase production and reduce the very large food import bill. The construction sector also was active with the policy of building low-cost housing beginning to affect the value of new housing starts.

Preliminary Balance-of-payments data show a positive position for 1977 due to an inflow on official account in the final quarter. No major change in trading partners or the commodity composition of trade occurred in 1977 although the closure of the cement plant caused cement to be imported.

Despite government policies to increase employment it was estimated that unemployment now stands at 21.9 per cent, most of it concentrated in the under-twenty age group. Economic policy continues to be concerned with increasing the level of economic activity and employment, concentrating on the reduction of the large food import bill and diversifying the base of the economy to offset the present dominance of the Tourism Sector.

## PERFORMANCE IN THE MAJOR SECTORS

### Tourism

Tourism remains the most important aspect of the Bahamian economy and therefore the economy remains potentially vulnerable to fluctuations in the tourist trade. The experience in 1977 was that while the total number of visitors declined by an estimated 1.9 per cent, the performance of the two main components, cruise arrivals and stop-over visitors, diverged. While cruise ship arrivals fell from 404,620 in 1976 to 352,940, a drop of 12.8 per cent, air arrivals rose by 2.9 per cent. The decline in cruise ship passengers is probably accounted for by the decline in the number of one night gambling cruises in 1977, and which were cancelled altogether as of 1978. When the marginal decrease in the number of visitors is viewed against the background of world tourism, it is observed that the 1.9 per cent decrease in tourism in Bahamas in 1977 represents a loss of market share, the 1977 estimated increase in world tourism being of the order of 10 to 12 per cent. Data on stop-over visitors by sales region (country of resident of tourist) reveal a slight drop in the percentage of visitors from the U.S.A. and from "Other" countries, a marginal increase in the traffic from UK/Europe, and no change in the traffic from Canada, in 1977 as compared with the 1976 pattern. The increase in the European traffic is a consequence of the increased promotion in this area.

As expenditure patterns of air arrivals are significantly higher than cruise ship passengers, overall there is expected to be a new record for earnings from tourism. For example, accepting that "hotel days" constitute a more reliable barometer than arrivals, it is anticipated that these will show an increase of more than 10 per cent over the 1976 figures. Revenue from tourism was estimated to be \$368 million in 1976 and is expected to be of the order of \$400 million for 1977.

The Government had declared its aim to increase tourist revenue to \$400 million as soon as possible and to reach a figure of \$500 million by 1980. In order to achieve this, the budget for the Ministry of Tourism in 1978 has been increased by 12 per cent to \$11.7 million. However, the Tourism Budget has not kept pace with the rate of inflation.

The Ministry of Tourism has gathered much information that suggests some areas of dissatisfaction from visitors. As a result of this, steps are being taken to improve the tourism infrastructure and raise the rate of repeat visits to the islands.

The potential damage that a drastic fall in tourism would cause, explains the long-term programme of the Government to make the economy more broadly based. Certainly the Ministry of Tourism has the confidence that it can increase earnings from tourism. But tourism is often affected by events outside the control of individual resort areas.

#### Agriculture

The agricultural sector is seen by the Government as being of fundamental importance. Self-reliance in food is being aimed at by 1980 in order to sustain economic growth, reduce the food import bill, diversify the economy, and improve the quality of life of the Bahamian population. It needs to be borne in mind that only some 6000 persons or 7.1 per cent of the work force are engaged in Agriculture, Fishing, Forestry and Hunting.

In 1975, it was estimated that the total National Food Bill amounted to more than \$74 million, while all food imports, c.i.f. amounted to almost \$59 million. Thus over 79 per cent of the country's food was imported. The progressive clearing and planting of agricultural land has raised the level of Agricultural output somewhat, but in the absence of more precise data on agricultural production,

it becomes difficult to evaluate the effect of the domestic agriculture drive on the extent of the dependence on food imports.

Enhancing the contribution of the agricultural sector is an important element in improving the balance-of-payments position and adding to the opportunities to create new jobs and diversify the national economy. Accordingly the Government has initiated a number of measures to improve the situation. Among these are:

- the construction of farm roads, which are vital for the more efficient marketing of produce;
- improvement in inter-island shipping services;
- the establishment of packing houses with chill space on the Family Islands for receiving produce;
- the Co-operative Development Programme, which is mainly concerned with organization, motivation and economics of scale in agricultural output;
- the establishment of the Bahamas Agricultural Research Training and Development Project and the Central Agricultural Station which conduct applied research in crop and livestock production;
- the holding of an agricultural census late in 1978, which will provide a frame for several surveys in the agricultural sector and provide benchmark information on acreages under certain crops;
- the imposition of protective tariffs when local products can supply the domestic market;
- new form of lease to allocate Crown Lands for farming;
- selection of prime agricultural land for leasing;



- The Farmer Settlement Plan which provides selected farmers with between 40-80 acres, home and facilities, technical support and one year's guaranteed income;
- The Land Improvement Subsidy;
- The Agricultural Loan Guarantee Fund to encourage private Banks to provide finance to farmers whose production plans are approved by the Department of Agriculture;
- The Farm Supplier Credit Scheme;
- Easing of restrictions on foreign workers in agriculture;
- A variety of education programmes at school and University level to enable Bahamians to acquire the professional and technical education, training and skills required for comprehensive agricultural development.

During the last eighteen months a comprehensive land clearing programme has been carried out resulting in 500 new acres of production. This has brought about an increase of tropical fruit and vegetable production. Amounts remitted to the Produce exchange increased from under \$0.7 million in 1975 to \$1.1 million in 1976. As it is assumed that the produce exchanges deal with a third of total production, the local production value of fruit and vegetables was estimated at \$2.03 million in 1975 and \$3.3 million in 1976. Figures for 1977 has not yet come to hand at the time of writing, but it is expected that they will show a modest increase. While this is encouraging, there is still a long way to go if substantial self-sufficiency is to be achieved.

Deficiencies in the linkages between activities continue to retard achievements of the best results. While chill space has been provided for the receipt of fresh fruit and vegetables and while the inter-island vessels operate under government contract, the vessels themselves are not equipped with chill space. This causes a high percentage of spoilage. Similarly, cattle are being fattened on Abaco Island but as yet suitable marketing processes have not been established. Also peppers, squash, cucumbers and tomatoes are produced for export to the United States and Canada, but again transportation difficulties have impeded the development of this potential.

#### Manufacturing, Mining and Quarrying

This sector though growing is not yet a major factor in the economy of the Bahamas. The structure of manufacturing is still heavily weighted in favour of light industries. In 1977, no appreciable addition to the scope of manufacturing activity was achieved. Crude indicators suggest an increase in manufacturing output of the order of 5 per cent.

Petroleum refining continues to be the dominant activity based on the importation of crude petroleum with the majority of refined products being exported and only a small portion being sold domestically. There is, however, much spare plant capacity, mainly because of the limited market for refined products from the Bahamas. Data<sup>1/</sup> reveal that the refinery operates at about 36 per cent of full capacity. Salt export for snow control in North America is also important. The local cement factory has ceased operations and cement is now imported from the United States, Cuba and Haiti.

#### Construction

In the Bahamas as a whole, construction starts for the first three quarters of 1977 were 587 at a value of \$22.8 million compared with 589 starts at a value of \$25.2 million for the same period in

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<sup>1/</sup> World Energy Supplies 1971-1975, Tables 6 and 8.

1976. The overall situation is dominated by the trend in New Providence, where there is evidence of greater fixed capital formation in private housing than in Commercial and Industrial buildings. In New Providence, up to the end of the third quarter of 1977, there were 470 starts compared with 406 in 1976. Total value, however, showed a decline from \$20.6 million in 1976 to only \$17.8 million in 1977. It seems unlikely that the value of starts in 1977 will reach the level of 1976 reflecting the change of emphasis to lower cost housing, and a decline in commercial building construction.

#### THE EXTERNAL SECTOR

At the end of 1976 there was a Balance-of-Payments deficit of \$5.9 million; and although this represented a break from the usual surplus position there was not much cause for concern, considering that there was a surplus on current account.

The position at the end of 1977 shows a projected surplus of some \$15 million following improvements in both the current and capital accounts. This change was mainly due to the issue of \$30 million in Government Securities and \$10 million raised in the European Dollar Market in the final quarter of 1977, coupled with liquidation and consolidation of some previous loans.

The Balance-of-Payments position is shown in Table XII of the Statistical Appendix. The following points should be noted:

- i) Under Goods and Services there is a known understatement of imports due to technical problems in reporting at Freeport.
- ii) Offshore companies Local Expenses, although a net item has declined mainly due to the closure of the cement plant.

- iii) The decline in the net Travel item is due to an increasing number of Bahamians travelling abroad, and it does not represent a drop in tourist earnings for the Bahamas.
- iv) Transfers continue to show a downward trend on private outflows due to a drop in Emigration. While the trend displayed is accurate, the levels themselves might be understated.
- v) On the Capital Account the decline in net inflows seen in 1976 has been arrested following some economic recovery in the United States and Europe.
- vi) Loans and Repayments show an increase due to the changing pattern of investment. Whereas formerly foreign investors were prepared to start up on their own, the pattern now is for new operations to be either "fronted" by Bahamians or operated as actual partnerships.
- vii) It should also be noted that the figure for Government Loans does not cover amounts borrowed from Local Banks which is included under the heading "Authorized Dealers".

#### PRICES

In 1977 the level of price increase as measured by changes in the annual average increase in the Retail Price Index for New Providence Island showed a rise of 3.2 per cent over 1976. Transport showed the largest rise of 6.7 per cent due in the main to increases in the prices for fuel, insurance and new cars. Recreation and reading showed the second largest rise of 4.7 per cent followed by other goods and services with 4.1 per cent and Health and Personal Care of 4.0 per cent. Food showed a rise of only 1.9 per cent while Housing rose by 3.3 per cent and Clothing and Footwear by 2.9 per cent.

These figures generally reflect that inflation is currently not a serious problem in the Bahamas.

Table 1

Percentage Changes in Retail Price Index  
New Providence  
(Nov/Dec. 1971 = 100)

Groups	Weights	1975/74	1976/75	1977/76
Food	.343	11.8	2.9	1.9
Housing	.250	6.4	3.7	3.3
Clothing & Footwear	.101	12.4	6.8	2.9
Transport	.091	12.9	5.3	6.7
Health & Personal Care	.070	10.2	6.9	4.0
Recreation & Reading	.044	10.4	6.4	4.7
Other Goods & Services	.101	9.8	4.1	4.1
ALL ITEMS	1.000	10.1	4.3	3.2

Source: Derived from Table XIII in the  
Statistical Appendix.

MONETARY AND FISCAL SECTORS

The Monetary and Fiscal Sectors continue to be very important in the economy in terms of both employment and impact on other sectors. Up to the end of December 1977 the money supply increased by some 11 per cent over the December 1976 position, compared with a 15 per cent increase between December 1975 and 1976.<sup>1/</sup> Currency in active circulation rose by 14 per cent while demand deposits increased by 9 per cent over the corresponding period of the previous year. Quasi-money balances increased by 6 per cent compared with 20 per cent between 1975 and 1976. Savings deposits rose by 12 per cent and fixed deposits rose by 4 per cent in the same period.

<sup>1/</sup> Data on Money Supply and Government are given in text Table 2 and in Tables III to IV of the Statistical Appendix.

As the Bahamas are an important tax haven, there are a large number of offshore companies maintaining registered offices. Their contribution to the economy includes the payment of fees, wages and local expenses. After averaging \$30 million for 5 years the figure rose to \$47.6 million in 1975 then declined to \$40.2 million in 1976. As noted elsewhere there was a further decline in 1977 due mainly to the cement plant closure.

The External Reserves of the Central Bank which stood at \$45.9 million at the end of 1976 and reached a high of \$75.8 million following the extension of foreign currency loans to the Hotel Corporation, settled at \$67.2 million by the end of December 1977.

During the year there was growth in the money supply mainly from increased savings and fixed deposits of the private sector, and also from the impulse from the foreign sector. Commercial Bank Loans and Advances outstanding rose by 7 per cent at the end of 1977 over the corresponding period in 1976. Outstanding loans to hotels, restaurants, night clubs, etc., rose by 102 per cent reflecting renewed confidence in the tourist sector, which contrasts with a decline of 7 per cent in Building and Construction. Credit to the private sector increased by \$3.3 million or 1.2 per cent, implying a total loan figure of \$279.3 million.

An increase in deposits of the National Insurance Board at first placed on short-term deposits with commercial banks caused the banks to hold excess liquidity balances at the Central Bank. These funds were later invested in the Government Stock Issue of \$30 million which was over-subscribed causing these liquid balances to be reduced.

Government revenues for 1976 totalled \$139.2 million, while expenditures were \$161.4 million. The 1977 Budget estimated a deficit on recurrent account of \$4 million and that figure appears to be realistic, even though revenues were less than expected, because expenditures were reduced by a comparable amount.

Table 2  
Selected Monetary and Fiscal Data  
(A - at 30 September)  
(B\$ Mill.)

	1974 <sup>1</sup>	1975 <sup>1</sup>	1976 <sup>1</sup>	1977
<u>MONEY SUPPLY</u>	76.4	74.0	83.7	92.6
Currency in active circulation	19.2	20.0	20.3	23.1
Demand Deposits	57.2	54.0	63.4	69.5
<u>QUASI MONEY</u>	135.9	164.5	197.7	209.4
Of which: Savings Deposits	( 45.6)	( 44.9)	( 48.8)	( 54.6)
Fixed Deposits	( 68.8)	( 89.8)	(110.2)	(116.8)
<u>TOTAL LOANS &amp; ADVANCES:</u> <sup>1/</sup> (Bahamian dollars and foreign currencies)	246.3	244.3	254.0	279.3
Hotels, Restaurants, etc. <sup>2/</sup>	( 29.3)	( 27.0)	( 11.8)	( 23.8)
Building & Construction <sup>2/</sup>	( 41.3)	( 35.8)	( 38.6)	( 36.0)
<u>CENTRAL GOVERNMENT</u>				
Recurrent Revenue	115.4	120.4	134.3	139.2
Recurrent Expenditure	105.5	111.7	125.0	137.9
Capital Expenditure	35.4	16.6	26.4	23.5

<sup>1/</sup> Commercial banks.

<sup>2/</sup> Data from 12 Authorized dealers; excludes loans to Government.

Source: Quarterly Review, December 1977, Tables 1.3, 1.6, 1.15 and 2.1, Central Bank of the Bahamas; and data supplied CEPAL.

#### GOVERNMENT ECONOMIC POLICIES

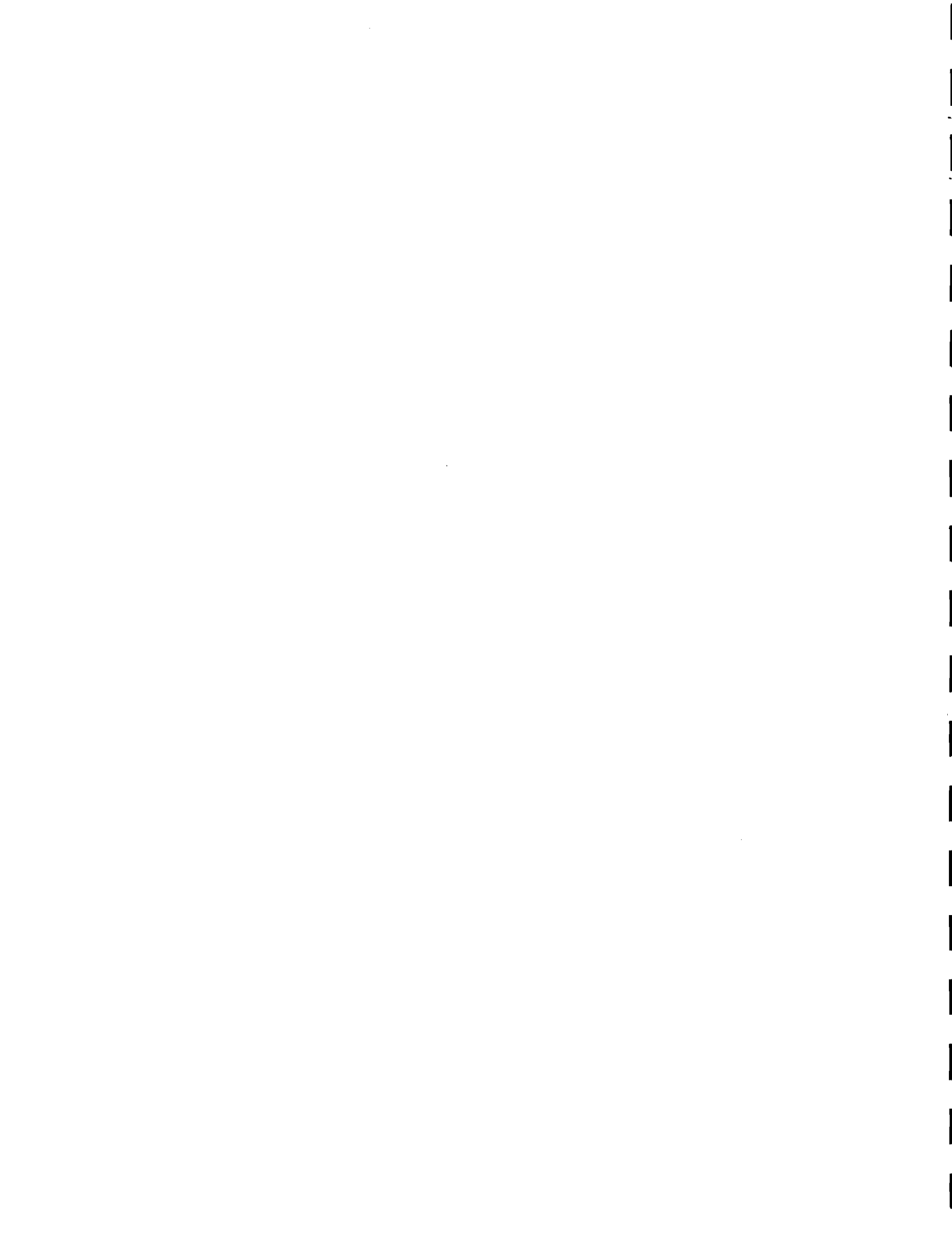
The main long-term aim of the Government is to broaden the base of the economy to make it relatively less dependent on Tourism. It has a number of programmes that foster self-reliance and aim to develop adequate measures for self-sufficiency to attain balanced social and economic growth.

In summary these aims are:-

1. The pursuit of national development through multilateral co-operation for economic and social development.
2. The protection of the marine and animal plant life as part of the natural heritage; this is the primary role of the Ministry of Defence which has been established although general awareness of conservation measures by the general public will also be encouraged.
3. Measures to increase economic activity and employment with emphasis on the industrial aspects of agricultural development.
4. Continuation of the provision of low-cost housing on a larger scale and to lower income earners.
5. Improvements of public facilities, including roads, electricity, water, airports and harbours. (During 1977 a new road was completed in New Providence, the design and construction of a new convention complex was initiated, an improved water supply system was finished and the Airport Police Station was opened).
6. Exploitation of agriculture and marine resources with the aim of achieving a measure of self-sufficiency in food by 1980. This will also reduce dependence on imports, preserve foreign exchange and employ resources more efficiently.
7. The extension and diversification of industry including tourism, banking, insurance and shipping.
8. Increased investment in tourist facilities in the Family Islands and a general improvement of infrastructure.



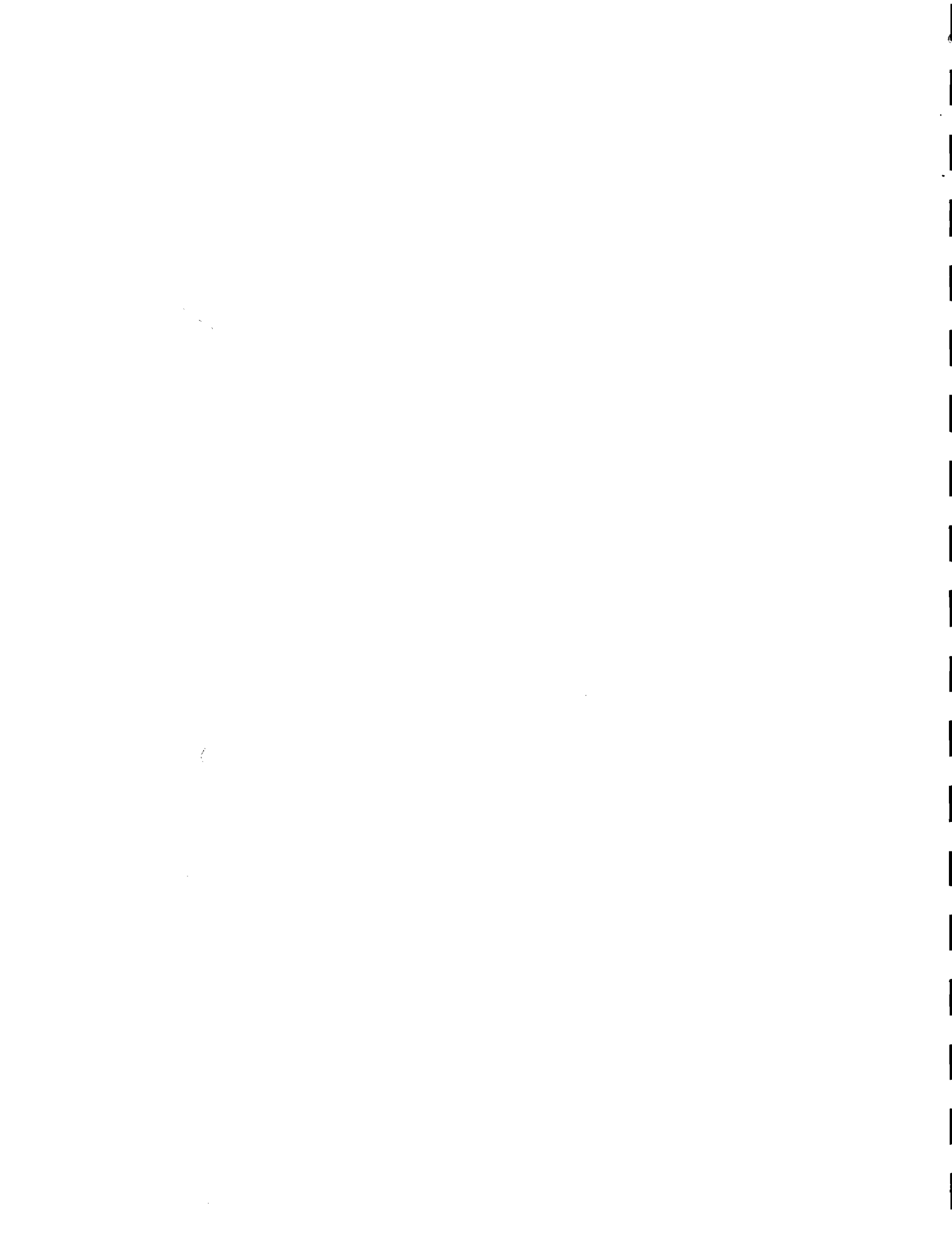
9. Re-assessment of education policy in order to produce a work force better tailored for development.
10. Increased activity in youth development with special emphasis on physical fitness and the provision of facilities for sport and recreation.
11. Continued expansion of health services to all sectors of the community.



STATISTICAL APPENDIX

BAHAMAS

1977



BAHAMAS

TABLE I

SELECTED DATA ON TOURISM: 1973-1977

	1973	1975	1976	1977
TOTAL NUMBER OF VISITORS (Excludes Transits)	1,439,150	1,324,350	1,344,530	1,318,360
Stop-over Visitors	976,760	903,050	939,910	965,420
Cruise Visitors	462,390	421,280	404,620	352,940
Hotel rooms available at end of year (Licensed Hotels)	11,561	9,639	11,007	...
Average Hotel room occupancy rate (Nassau) % 1/	59.3	60.4	64.3	...
<b>STOP-OVER VISITORS</b>				
Average length of stay (days)	6.53	6.9	6.7	...
Per diem expenditure (B\$)	44.09	47.91	55.72	...
Per visit expenditure (B\$)	287.91	330.60	373.90	...
Total expenditure (B\$'000)	281,219	298,548	351,414	...
<b>CRUISE VISITORS</b>				
Per visit expenditure (B\$)	45.00	45.00	41.00	...
Total expenditure (B\$'000)	20,808	18,958	16,541	...
Grand total expenditure of stop- over & cruise visitors (B\$'000)	302,027	317,506	367,955	...

1/ Occupancy rate for Grand Bahama in 1974 and 1975: 50.2 & 56.1;  
Family Islands: 39.6 & 35.4; 1976 Grand Bahama 53.1 & Family Islands 37.4.

Source: Tourism in the Bahamas 1976 - Statistical Review, Central Bank  
Quarterly Review December 1977 and data supplied CEPAL.

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TABLE II(a)

VALUE OF BUILDING STARTS 1973-1977  
(Values in B\$'000)

Period	New Providence			Grand Bahama			Other Family Islands			Bahamas		
	Res.	Comm. & Ind.	Total	Res.	Comm. & Ind.	Total	Res.	Comm. & Ind.	Total	Res.	Comm. & Ind.	Total
1973	11,340	2,622	18,543	144	729	873	1,217	27,529	28,763	12,701	30,880	48,179
1974	11,259	5,396	18,012	366	4,820	5,186	1,989	858	3,037	13,614	11,074	26,235
1975	12,009	3,221	15,246	1,316	2,089	3,406	...	...	641	13,325	5,310	19,293
1976	16,781	8,351	31,290	837	1,533	2,463	...	...	...	17,618	9,884	33,753
1977	18,989	4,332	24,013	1,190	2,288	3,478	...	...	...	20,179	6,620	27,491

Source: Quarterly Review December 1977, Central Bank of the Bahamas and data supplied CEPAL.

Res. = Residential.

Comm. = Commercial.

Ind. = Industrial.

BAHAMAS

TABLE II(b)

NUMBER OF BUILDING STARTS 1973-1977

Period	<u>New Providence</u>			<u>Grand Bahama</u>			<u>Other Family Islands</u>			<u>Bahamas</u>		
	Res.	Comm. & Ind.	Total	Res.	Comm. & Ind.	Total	Res.	Comm. & Ind.	Total	Res.	Comm. & Ind.	Total
1973	408	68	481	34	47	81	104	41	146	546	156	709
1974	325	72	402	24	43	67	117	41	165	466	156	634
1975	377	66	445	64	51	115	...	...	43	441	117	603
1976	451	86	548	48	38	89	...	...	...	499	124	637
1977	535	103	644	65	47	112	...	...	...	600	150	756

Source: Quarterly Review December 1977, Central Bank of the Bahamas and data supplied CEPAL.

Res. = Residential.

Comm. = Commercial.

Ind. = Industrial.

BAHAMAS

TABLE III

GOVERNMENT FINANCING: 1973-1977  
(B\$ Mill.)

	1973	1975	1976 <sup>r</sup>	1977
Revenue	108.8	119.1	134.3	139.2
Tax revenue	96.2	97.9	114.0	124.3
Non-tax revenue	12.6	21.1	20.3	15.0
Expenditure	107.0	136.1	151.3	161.3
Current expenditure	93.5	113.9	124.9	137.9
Capital expenditure	13.5	22.2	26.4	23.5
Net Lending <sup>1/</sup>	- 6.1	2.5	2.7	9.1
Deficit (-) or Surplus (+)	7.8	-19.5	-19.8	-31.2
Domestic borrowing	22.0	20.5	31.6	41.3
Treasury bills	0.3	2.8	- 0.9	1.0
Local loans	-	3.9	5.0	0.3
Other Government securities	21.7	13.8	27.5	40.0
Foreign borrowing	8.4	-	-	-
Government securities	-	-	-	-
Other	8.4	-	-	-
Debt Repayment	-24.4	-11.5	-10.0	-14.8
Domestic	-22.5	- 5.9	- 5.0	-11.3
Foreign	- 1.9	- 5.6	- 5.0	- 3.6
Other financing	- 9.1	17.2	- 4.8	12.2
Cash balance change (-) = Decrease	- 6.6	- 6.6	(2.8)	7.5

<sup>1/</sup> Net lending consists of the change in Government Advances over a period of time. Included in Net Lending are loans as given in Government Expenditure Account.

Source: Quarterly Review, December 1977, Central Bank of the Bahamas and data supplied CEPAL.



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TABLE IV

GOVERNMENT EXPENDITURE BY ECONOMIC CLASSIFICATION, 1973-1977  
(B\$ Mill.)

	1973	1975	1976 <sup>r</sup>	1977
CURRENT EXPENDITURE	93.5	113.9	128.1	137.9
Consumption	80.4	97.4	108.8	116.0
Purchase of Goods & Services	28.5	32.4	34.1	38.4
Personal Emoluments	51.9	65.0	74.7	77.6
Transfer Payments (3 + 4)	13.1	16.5	19.3	21.9
Interest Payments	5.7	10.1	10.1	13.2
Domestic	4.0	6.6	8.2	11.3
Foreign	1.6	3.6	1.9	1.8
Subsidies and Other Transfers	7.5	6.3	9.1	8.8
Subsidies	1.0	-	0.1	-
Reimbursable Transfers to Public Enterprises	0.2	0.2	0.6	0.4
Transfers to Households	3.8	2.9	3.7	4.2
Transfers to Non-profit institutions	1.7	2.5	3.7	3.2
Transfers Abroad	0.6	0.6	1.0	0.8
CAPITAL EXPENDITURE	13.5	22.2	21.6	23.5
Capital formation	11.5	11.1	15.9	18.3
Acquisition of Assets	0.2	3.0	0.2	-
Land	-	-	-	-
Equities	0.2	2.9	0.1	-
Capital Transfers to Non-Financial Public Enterprises	1.0	8.1	5.6	5.1
TOTAL EXPENDITURE	107.0	136.1	150.2	161.3

Source: Quarterly Review, December 1977, Central Bank of the Bahamas and data supplied CEPAL.

BAHAMAS

TABLE V

GOVERNMENT REVENUE: 1973-1977  
(B\$ Mill.)

	1973	1975	1976 <sup>r</sup>	1977
TAX REVENUE	96.2	97.9	116.3	124.3
Taxes on Property	1.8	3.5	3.8	4.4
Excise Taxes	3.2	3.0	-	-
Selective Taxes on Services	9.5	9.2	10.0	9.2
Business & Professional Licenses	4.4	3.7	7.2	6.4
Motor Vehicle Taxes	2.4	2.5	2.7	2.7
Departure Taxes	4.8	4.2	4.4	4.4
Import Taxes	64.1	64.1	74.6	83.9
Stamp Taxes	5.2	7.2	7.8	8.3
Other Taxes	2.3	2.0	6.9	6.4
NON-TAX REVENUE	12.6	21.1	21.1	15.0
Income				
Public Enterprises	0.9	0.2	0.6	0.7
Other Sources	1.8	10.0	3.8	5.0
Fines, forfeits and Administrative fees	5.7	4.7	5.3	6.0
Sales of Government Property	0.1	-	-	-
Other	4.2	6.2	11.4	3.3
TOTAL TAX AND NON-TAX revenue <sup>1/</sup>	108.8	119.1	137.4	139.2

<sup>1/</sup> Excludes Refunds in respect of Incentive Acts and Other Refunds.

Source: Quarterly Review, December 1977, Table 2.2, Central Bank of the Bahamas and data supplied CEPAL.

BAHAMAS

TABLE VI

NATIONAL DEBT: 1973-1977 - (END OF PERIOD)  
(B\$ Mill.)

	1973 <sup>r</sup>	1975 <sup>r</sup>	1976 <sup>r</sup>	1977
<u>DIRECT CHARGE</u>				
<u>External</u>				
Government Securities	10.3	9.2	7.7	14.6
Other	23.3	22.1	19.3	17.2
Total External	33.5	31.6	27.0	31.9
<u>Internal</u>				
Government Securities held by Central Bank	-	9.9	14.8	12.3
Treasury Bills	10.0	14.9	14.0	15.0
Other Government Securities	19.8	41.5	62.2	90.9
Local Loans	8.7	29.8	32.3	21.4
Total Internal	38.5	95.8	123.4	139.6
<u>TOTAL DIRECT CHARGE</u>	<u>72.0</u>	<u>127.2</u>	<u>150.4</u>	<u>171.5</u>
<u>CONTINGENT LIABILITIES</u>				
Bahamas Electricity Corp.	16.2	6.1	4.4	2.7
Bahamas Telecommunications	20.9	16.2	12.3	9.7
Bahamas Water & Sewerage Corp.	-	-	6.0	7.5
<u>TOTAL CONTINGENT</u>	<u>37.1</u>	<u>22.3</u>	<u>22.7</u>	<u>19.9</u>
<u>TOTAL NATIONAL DEBT</u>	<u>109.1</u>	<u>149.4</u>	<u>173.1</u>	<u>191.5</u>

Source: Quarterly Review, December 1977, Central Bank  
of the Bahamas and data supplied CEPAL.

BAHAMAS

TABLE VII

SUMMARY EXTERNAL TRADE DATA: 1973-1977  
(B\$ Mill.)

Year	EXPORTS (F.O.B.)			Total Imports (cif)	Balance of Trade
	Domestic	Re-Exports	Total		
1973	411.8	118.8	529.8	764.3	- 234.5
1974	<u>1,008.5</u>	435.3	<u>1,795.4</u>	2,111.2	- <u>464.5</u>
1975 <sup>r</sup>	1,050.5	1,457.9	2,216.0	2,482.1	- 188.6
1976 <sup>r</sup> <sup>1/</sup>	925.8	1,953.1	2,601.3	2,892.6	- 680.8
1976 <sup>2/</sup>	...	...	1,145.0	1,300.4	- 155.4
1977 <sup>2/</sup>	...	...	1,292.2	1,417.3	- 125.1

<sup>1/</sup> Excluding Bullion and Specie.

<sup>2/</sup> January to June only.

Source: Quarterly Statistical Summary, 1st quarter 1977, Department of Statistics; Quarterly Review, December 1977, Central Bank of the Bahamas and data supplied CEPAL.

BAHAMAS  
TABLE VIII  
IMPORTS (CIF) BY SITC SECTIONS: 1973-1977  
(B\$ Mill.)

SITC Section	1973	1975 <sup>r</sup>	1976 <sup>r</sup>	1976 <sup>1/</sup>	1977 <sup>1/</sup>
Food and Live Animals	59.5	59.7	69.9	37.3	27.2
Beverages and Tobacco	14.1	10.1	12.7	6.2	5.5
Crude materials, inedible except fuels	7.3	4.2	6.0	3.2	1.8
Mineral fuels, lubricants and related materials	470.3	2,466.2	3,280.8	1,248.8	1,309.6
Animal and Vegetable Oils and Fats	0.8	0.8	0.9	0.5	0.3
Chemicals	27.8	38.0	56.3	29.2	19.2
Manufactured goods classified by materials	68.6	36.7	46.9	22.9	15.8
Machinery and Transport Equipment	72.8	44.9	48.8	24.1	19.8
Miscellaneous manufactured articles	40.7	33.8	37.4	18.8	16.9
Commodities and transactions not classified according to kind	2.3	2.5	0.2	0.2	1.3
TOTAL	764.3	2,696.0	3,559.9	1,391.1	1,417.3

<sup>1/</sup> January to June only.

N.B. Discrepancies in totals are due to rounding.

Source: Quarterly Statistical Summary, 1st Quarter 1977, Department of Statistics; Quarterly Review, December 1977, Central Bank of the Bahamas, and data supplied CEPAL.

BAHAMAS

TABLE IX

DOMESTIC EXPORTS (FOB) BY SITC SECTIONS: 1975-1977  
(B\$ Mill.)

SITC SECTION	1975	1976	1976 <sup>1/</sup>	1977 <sup>1/</sup>
0 Food and Live Animals	3.3	6.1	2.8	2.2
1 Beverages and Tobacco	13.6	10.3	4.6	3.2
2 Crude Materials, inedible except fuels	7.9	13.7	7.2	2.8
3 Mineral fuels, lubricants & related materials	992.8	849.7	405.6	120.3
4 Animal and Vegetable Oils and Fats	-	-	-	-
5 Chemicals	26.0	38.7	17.7	16.7
6 Manufactured goods classified by materials	6.9	7.4	4.7	0.9
7 Machinery and Transport Equipment	-	-	-	-
8 Miscellaneous manufactured articles	-	-	-	-
9 Commodities and transactions not classified according to kind	-	-	-	-
TOTAL	1,050.5	925.9	442.6	146.2

<sup>1/</sup> January to June.

Source: Official data provided to CEPAL by Department of Statistics.

BAHAMAS

TABLE X

VALUE OF PRINCIPAL DOMESTIC EXPORTS  
AND TOTAL DOMESTIC EXPORTS: 1975-77  
(B\$ Mill.)

<u>Products</u>	<u>1975</u>	<u>1976</u>	<u>1976<sup>1/</sup></u>	<u>1977<sup>1/</sup></u>
Petroleum Products	992.8	849.7	302.7	75.8
Hormones	26.0	19.2	17.7	14.6
Cement	6.9	5.9	4.8	0.2
Rum	13.6	4.0	4.5	5.9
Pulpwood	0.8	1.8	...	...
Crude salt	4.0	8.9	4.5	4.2
Crawfish	2.8	4.8	1.8	1.9
<b>TOTAL DOMESTIC EXPORTS:</b>	<b>1,050.5</b>	<b>894.3</b>	<b>168.6</b>	<b>52.7</b>

<sup>1/</sup> January to June.

Source: Official data provided to CEPAL by Department of Statistics; Quarterly Review, December 1977, Central Bank of the Bahamas.

**BAHAMAS**  
**TABLE XI**  
**TRADE WITH MAJOR TRADING PARTNERS**  
**(B\$ Mill.)**

Trading Partners	1973	1975 <sup>r</sup>	1976 <sup>r</sup>	1976 <sup>1/</sup>	1977 <sup>1/</sup>
	<b>TOTAL EXPORTS</b>				
Canada	10.9	96.0	21.9	8.8	1.1
U.K.	12.4	30.6	20.5	4.7	1.6
CARICOM Countries	0.8	6.0	1.5	0.2	0.5
Other British Commonwealth Countries	1.4	16.2	84.3	14.1	7.8
U.S.A.	424.4	1,896.8	1,290.2	443.4	365.5
Other Countries	79.8	462.7	1,460.4	...	...
<b>TOTAL:</b>	529.7	2,508.3	2,878.8	515.6	395.7
	<b>IMPORTS</b>				
Canada	9.1	14.4	12.9	4.3	8.0
U.K.	53.3	29.4	48.0	13.3	10.9
CARICOM Countries	9.1	12.8	5.8	1.6	1.1
Other British Commonwealth Countries	125.4	494.1	20.6	3.9	3.6
U.S.A.	182.8	179.6	324.2	54.9	373.1
Other Countries	384.5	1,966.6	3,148.2	535.1	155.7
<b>TOTAL:</b>	764.3	2,696.9	3,559.7	613.1	552.4

<sup>1/</sup> January to March only.

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



BAHAMAS

TABLE XII

BALANCE OF PAYMENTS  
(B\$ Mill.)

	1974 <sup>F</sup>	1975	1976	1977
<u>GOODS &amp; SERVICES</u>	- 53.8	+ 46.3	+ 69.3	92.5
Oil Trade	-125.0	-151.7	-147.1	-129.4
Other Merchandise (f.o.b.)	-163.3	- 93.4	-116.9	-110.7
Freight & Insurance	- 23.6	- 17.3	- 20.9	- 17.2
Travel	+305.7	+289.9	+341.1	+355.7
Transportation	+ 50.0	+ 68.8	+ 64.4	+ 54.3
Interest Dividends & Profits	- 79.3	- 61.6	- 2.6	- 44.2
Of which: Government	- (3.4)	- (3.6)	- (4.2)	- (2.2)
Banks & Trust Co's.	-(19.1)	+(21.4)	+ (0.9)	+(25.8)
Offshore Co's Local Expenses	+ 34.6	+ 47.6	+ 40.2	+ 31.7
Other Government	+ 0.3	+ 1.7	+ 3.0	+ 2.6
Non-Merchandise Insurance	- 2.5	- 3.6	- 4.1	- 6.0
Other Services	- 50.7	- 34.1	- 37.7	- 36.4
<u>TRANSFERS</u>	- 12.5	- 10.2	- 11.6	- 13.2
Private	- 17.0	- 14.9	- 16.5	- 18.6
Government	+ 4.5	+ 4.7	+ 4.9	+ 5.8
<u>CAPITAL</u>	+118.1	+ 37.4	+ 5.4	+ 40.2
Private Long-term	+117.7	+ 50.9	+ 17.4	+ 35.9
Property purchase	+(17.6)	+ (8.7)	+ (7.1)	+(20.0)
Loans & Repayments	+ (7.0)	+ (2.4)	+ (5.3)	+ (7.5)
Other Investments	+(93.1)	+(39.8)	+ (5.0)	+(11.4)
Public Corporations Loans	- 2.9	- 7.8	- 7.0	- 3.6
Government Loans	+ 2.4	- 5.6	- 5.0	4.9
<u>ERRORS &amp; OMISSIONS</u>	- 69.6	- 60.3	- 45.0	-108.9
<u>AUTHORISED DEALERS (NET)</u>	+ 7.9	- 14.0	- 18.2	+ 11.4
<u>OTHER FINANCIAL INSTITUTIONS (NET)</u>	+ 16.6	- 2.1	- 5.8	+ 3.1
<u>CHANGE IN INTERNATIONAL RESERVES</u>				
(NET) = = Increase + = Debit	- 6.5	- 3.7	+ 5.9	- 19.7
Government	+ 1.1	+ 0.2	+ 0.4	+ 1.6
Central Bank	- 1.6	- 4.0	+ 5.4	- 21.0
Reserve Position in the Fund	- 6.0	+ 0.1	+ 0.1	- 0.3

Source: Quarterly Review, December 1977, Central Bank of the Bahamas and data supplied CEPAL.

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TABLE XIII

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

Period	Food	Housing	Clothing & Footwear	Transport	Health & Personal Care	Recreation & Reading	Other Goods & Services	All Items
Weights	0.343	0.230	0.101	0.090	0.070	0.044	0.101	1.000
1973	110.8	107.0	113.1	108.2	109.9	111.1	111.5	109.8
1974	131.3	115.6	127.3	123.8	118.3	122.8	123.3	124.4
1975	146.8	123.0	143.1	139.8	130.4	135.6	135.4	137.0
1976	151.1	127.6	152.8	147.2	139.4	144.3	141.0	142.9
1977 <sup>1/</sup>	153.9	131.8	157.2	157.1	145.0	151.1	146.8	147.5
<u>1977</u>								
QTR. I	150.3	130.4	155.9	152.6	142.6	148.4	143.7	144.7
QTR. II	153.4	130.9	157.3	154.8	144.3	151.6	144.5	146.7
QTR. III	154.9	132.4	156.6	158.9	145.8	151.6	148.2	148.3
QTR. IV	156.8	133.3	158.8	162.0	147.1	152.9	150.6	150.1

<sup>1/</sup> Average of Quarterly figures. N.B. New Providence Island contains some 60 per cent of the total population.

Source: Quarterly Review, September 1977, Central Bank of the Bahamas; Retail Price Index (Monthly). Department of Statistics Bahamas and data supplied CEPAL.

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TABLE XIV

PURCHASE OF SELECTED COMMODITIES BY THE GOVERNMENT PRODUCE EXCHANGE  
(Values in \$'000)

Commodity	Quantity Unit	1974		1975		1976	
		Quantity	Value	Quantity	Value	Quantity	Value
Oranges & Tangerines	'000 fruit	1,063.5	58.1	16,551.1	85.1	1,052.7	79.1
Limes	'000 fruit	824.9	19.1	1,155.5	31.9	1,815.3	37.7
Bananas	'000 lbs	302.9	27.8	42,298.6	26.5	518.8	73.4
Pineapples	doz.	1,157.0	8.3	3,182	26.5	3,658.0	23.4
Watermelons	'000 lbs	267.9	28.5	318.9	34.4	387.2	42.9
Pigeon peas (green & dry)	'000 lbs	40.9	12.7	93.6	34.0	132.1	43.3
Tomatoes (fresh)	'000 bushels	17.7	75.4	18.4	124.0	42.9	280.3
Onions	'000 lbs	899.9	118.6	419.0	60.0	640.4	91.2
Sweet potatoes	'000 lbs	104.7	14.7	212.5	32.5	197.2	33.7
<b>TOTAL (All Purchases):</b>		-	513.6		454.9		705.0

Source: Agricultural Statistics Report (several issues),  
Department of Statistics, Bahamas.

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TABLE XV

QUANTITIES AND VALUE OF MARINE PRODUCTS  
LANDED IN NASSAU: 1974-1977

Item	Weight: (Metric tons)					Value: (B\$'000)				
	1974	1975 <sup>P</sup>	1976 <sup>P</sup>	1976 <sup>1/P</sup>	1977 <sup>1/P</sup>	1974	1975 <sup>P</sup>	1976 <sup>P</sup>	1976 <sup>1/P</sup>	1977 <sup>1/P</sup>
Crawfish	317.2	220.0	323.2	91.3	124.8	2,380	1,569	3,312.3	990.1	1,367.2
Conch	244.9	276.1	281.5	55.3	47.3	424	457	534.1	107.6	97.3
Turtle	38.0	28.5	29.9	12.3	11.5	79	62	37.6	16.6	21.6
Other fish	969.2	860.8	822.2	166.4	202.1	1,477	1,268	1,237.4	284.9	321.9
<b>TOTAL</b>	<b>1,569.3</b>	<b>1,385.5</b>	<b>1,456.8</b>	<b>325.3</b>	<b>385.7</b>	<b>4,360</b>	<b>3,356</b>	<b>5,121.4</b>	<b>1,399.2</b>	<b>1,808.0</b>

<sup>1/</sup> January to March.

Source: Official data supplied CEPAL.

BAHAMAS

TABLE XVI

EXPORT OF MARINE PRODUCTS: 1974-1977

Item	1974		1975 <sup>P</sup>		1976 <sup>P</sup>		1976 <sup>1/P</sup>		1977 <sup>1/P</sup>	
	Quantity '000 lbs	Value '000 B\$	Quantity '000 lbs	Value '000 B\$	Quantity '000 lbs	Value '000 B\$	Quantity '000 lbs	Value '000 B\$	Quantity '000 lbs	Value '000 B\$
Crawfish	1,150.7	4,117.7	865.5	2,826.5	1,153.1	4,838.2	213.5	908.0	267.5	1,265.4
Scalefish	62.8 <sup>2/</sup>	233.9 <sup>2/</sup>	47.7	175.8	8.3 <sup>2/</sup>	7.4 <sup>2/</sup>	...	...	0.3	0.3
Conch shell	...	20.0	...	40.0	...	7.5	-	-	...	...
Turtle shell	...	22.7	...	30.4	...	41.0	-	-	...	2.8
Sponge	...	62.5	...	20.0	...	25.5	3.7	4.0	0.6	1.6
<b>TOTAL</b>	...	4,456.8	...	3,092.7	...	4,919.6	...	912.0	...	1,270.1

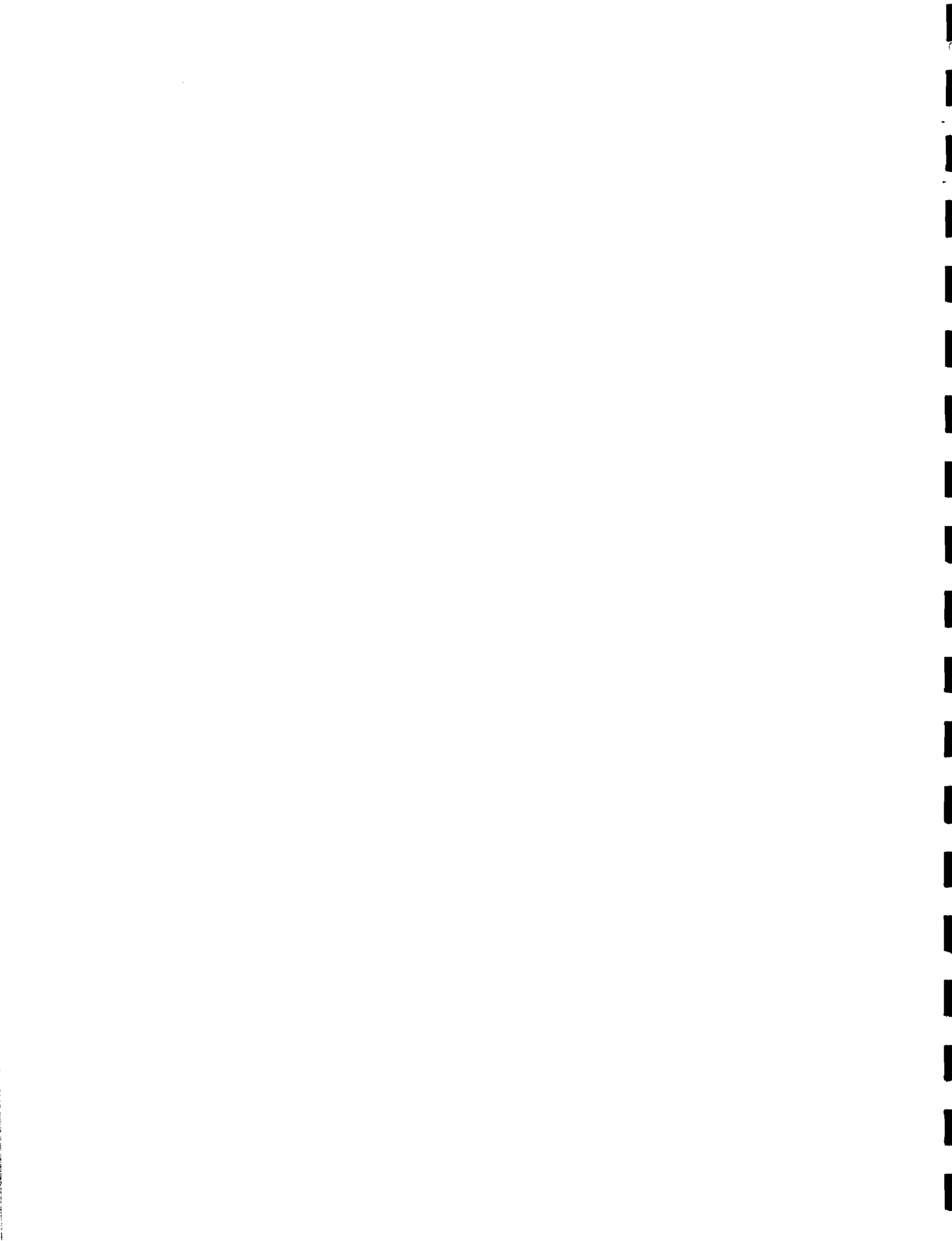
<sup>1/</sup> January to March.

<sup>2/</sup> Fish, fresh or frozen, SITC #03119.

Source: Official data supplied CEPAL.



PART III  
BARBADOS COUNTRY NOTES





## ECONOMIC SURVEY 1977

BARBADOS  
(Barbados dollars used throughout)<sup>1/</sup>

The Barbadian economy began what seems to have been a recovery in 1977, from the relative stagnation of 1976. Provisional estimates of Gross Domestic Product at current factor cost (see Statistical Appendix Table I) indicate an increase of some 13.2 per cent over the 1976 figure of \$674.9 million. The Index of Industrial Production rose by 2.8 per cent over the 1976 level to 144.7 at the end of 1977, while the Index of Retail Prices rose 8.3 per cent over the 1976 level. There has therefore been an increase in real GDP in 1977.

Agriculture experienced varying fortunes in 1977. Apart from cultivation of sugar cane and some vegetables and root crops, the agricultural sector did not perform to the standard of the previous year. Although Commercial Bank Loans to the agricultural sector increased in 1977, there is need for more credit to be extended to this sector to step up production, and there is need for more projects to be implemented. Sugar is estimated to have contributed 7.0 per cent to total GDP in 1977, while other agriculture and fishing contributed some 5.6 per cent.

A marked recovery in Tourism helped to increase that sector's contribution to GDP to an estimated 11.6 per cent in 1977. An estimated 20 per cent increase in the number of visitors to Barbados contributed to the success in this sector in 1977.

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<sup>1/</sup> Prior to July 1975, the Barbados dollar, was linked to the Pound Sterling at the rate of £1 = BDs\$4.80. As at that date, the currency was linked to the US dollar at the rate of US\$1.00 = BDs\$2.00.

Vigorous trade promotion activity in 1977 has resulted in the establishment of more markets outside of CARICOM. The improvement in the exports of textiles is a consequence of the export promotion drive.

There was an intensification in drilling activity in Petroleum in 1977, and indications are that further investment of some \$3 million for drilling explorations is planned for 1978.

Provisional Balance of Payments figures for 1977 indicate a deficit in visible trade of some \$384.3 million, and a deficit on current account of some \$159.3 million. Net capital inflows amounted to some \$66 million. The figures reveal an increase in reserves of some \$15.6 million.

Economic policy in 1977 has been generally expansionary, but has in the latter part of the year moved (through the Central Bank) to discourage expenditure on a host of consumer durables, by varying the hire purchase requirements on a number of commodities in an attempt to protect the Balance of Payments position.

#### PERFORMANCE IN MAJOR SECTORS

##### Agriculture (including sugar manufacturing)

Agricultural production in 1977 experienced mixed fortunes. There was an increased tonnage of sugar cane milled despite the continuation of the trend towards progressively smaller acreages. With 0.23 per cent cut back in acreage reaped, there were 1,029,000 tons of canes milled - an increase of 13.8 per cent over the 1976 tonnage. Also the average yield of canes per acre rose to 26.3 tons - the highest since 1970 when a yield of 28.7 tons of cane per acre was recorded. In addition, the yield of raw sugar per acre increased from 2.6 tons in 1976 to 3.0 tons in 1977. The net result was that the production of sugar in 1977 was 118,000 tons, exceeding the previous year's production by some 15.7 per cent. Coupled with this, the 1977 basic price of sugar was some 2 per cent.

higher than the 1976 basic price - 272.5 units of account per metric ton<sup>1/</sup> in 1977 as compared with 1976 basic price of 267 U.A. per metric ton.

Reaping conditions for sugar cane were good in 1977; there were no major breakdowns, nor any major labour problems; but a number of cane fires and an earlier period of drought resulted in the loss of some 2,000 tons of sugar. The return to green cane harvesting also influenced the relatively high yield. Published data indicate a steady decline in the deliveries of canes harvested by small holders. The percentage supplied by small farmers in 1977 was 15.6, as against 16.5 in 1976 and 18.1 per cent in 1975.

Table 1

Sugar Production - Acreage and Average Yields

Year	Acreage Reaped	Canes Milled (000 Tons)	Average Yields (Tons) <sup>2/</sup>		
			Canes per Acre	Sugar per Acre	Sugar Produced (000 Tons)
1974	41,439	941	22.7	2.6	109
1975	39,799	832	20.9	2.4	97
1976	39,265	904	23.0	2.6	102
1977	39,178	1,029	26.3	3.0	118

<sup>2/</sup> Tons refer to long tons (2,240 lbs).

Source: Barbados Sugar Producers' Association and the Sugar Export Control Board, Published in Quarterly Report, Vol. IV No. 3, September 1977, Central Bank of Barbados.

<sup>1/</sup> One long ton (2,240 lbs) is equal to 1.016047 metric tons. Conversely, 1 metric ton is equal to 0.984206 long tons.

Preliminary information suggests that the production of yams and sweet potatoes at least attained the levels of 1976; and onion production, estimated at 1.6 million pounds have increased over the 1976 level through improvements in the cultivation techniques of farmers. The major drawbacks continue to be spoilage and inadequate storage facilities.

As regards cotton, yield fell drastically in 1977. This poor performance is attributable to a number of factors, among them being:-

- a) the difficulty in obtaining high quality seed;
- b) poor cultural practices on the part of farmers in their failure to observe the cotton close season (1 May to 31 July);
- c) unfavourable weather conditions at the beginning of the year; and
- d) the withdrawal by the Agricultural Development Corporation of part of the cotton acreage to experiment the growing of sorghum for animal feed.

Fish catches declined in 1977 by some 25 per cent below the 1976 total, but shrimp trawling, mainly off the Brazilian coast, exceeded the 1976 performance. Some 700,000 lbs. shrimp were netted in 1977, as opposed to some 500,000 lbs. in 1976.

Livestock farming was boosted with the introduction in July 1977 of a black-belly sheep multiplication farm. The successful operation of this farm should establish Barbados as a regional supplier of top quality sheep breeding stock.

### Tourism

The recovery in tourism which began in 1976 continued in 1977. Excluding cruise ship visitors, there were just under 270,000 tourist arrivals; while tourist cruise ship visitor arrivals amounted to 103,077. This represents an increase of some 20 per cent in stay over visitors, which compares favourably with the world average increase of tourism in 1977 of ten to twelve per cent.

In addition, the average intended length of stay is estimated to have increased to 9.7 days per visit, while the bed occupancy rate is estimated to have increased to some 55.8 per cent, despite the increase in the number of beds. In 1977, the average number of beds available was 10,037 - an increase of 5.8 per cent over the 1976 figure<sup>1</sup>.

Tourist expenditure, a recognized important source of foreign exchange for Barbados, is estimated to have risen to some \$205.0 million, shown at table 2, an increase of 24 per cent. This significant increase was no doubt due to the more systematic approach to tourism and an intensified promotion campaign. However, a calculation of relative dispersion<sup>2/</sup> for January - October of both 1976 and 1977 does not indicate a significant change in the relative dispersion of tourist arrivals. There is therefore, still the need for promotion aimed at producing a more even flow of tourist arrivals throughout the year, and thus minimizing the amplitude of the seasonal fluctuations.

Table 2

Selected data on Tourism

Year	No. of Visitors	Arrivals from				Estimated Tourist Expenditure (Current \$BDs million)
		Canada	U.S.A.	CARICOM Countries	Other	
1974	230,718	77,246	66,237	38,139	49,096	156.6
1975	221,486	75,517	54,894	38,070	53,005	156.0
1976	224,314	73,005	56,041	35,515	59,753	165.3
1977	269,314	83,749	70,389	48,231	66,945	205.0

Source: Monthly Digest of Statistics, worksheets supplied by Statistical Service, Barbados; Economic and Financial Statistics, March 1978, Central Bank of Barbados.

<sup>1/</sup> Statistical Appendix table IV

<sup>2/</sup> Coefficients of variation

### Manufacturing, Mining and Quarrying

During 1977, the sector maintained its share of some 12.1 per cent of GDP, with real output in manufacturing increased by 1 per cent, as measured by the Index of Industrial Production<sup>1/</sup>.

Growth in manufacturing output was achieved mainly through a 14 per cent increase in beverages and tobacco, 6.6 per cent increase in Wearing Apparel output and 1.6 per cent increase in Food output. The real output of petroleum products increased marginally. Partly offsetting these increases were: a slight decrease in the manufacture of other non-metallic mineral products to the extent of 1 per cent, a fairly substantial decrease in Chemical production (18.6 per cent), and a decrease in Other Manufacturing Industries (5.3 per cent). Much of the increase in Wearing Apparel output can be attributed to the winning of new foreign markets in the face of quantitative restrictions within CARICOM.

In Petroleum, a new land drilling programme was started in September 1977, and by year-end, five wells were being tapped. Production increased from September, peaking in October, with the result that 7 per cent of total domestic requirements of crude were met from domestic production. The sales of natural gas to the Natural Gas Corporation fell by 1.9 per cent under the 1976 volume of 131.8 million cubic feet. So far sales represent only 65-68 per cent of the total volume of natural gas produced; and fuller utilization will require heavy capital investment for ducting.

Quarrying activity which had risen in 1976 by 81 per cent over the 1975 level, declined in 1977 by 15.4 per cent below the 1976 level.

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<sup>1/</sup> Table XV of the Statistical Appendix.

### EXTERNAL SECTOR

Deterioration in the balance of payments position of Barbados continued during 1977, due mainly to an increase in the merchandise trade deficit, rising to \$385 million from \$302 million in the previous year. The large increase in imports - some 18 per cent over the 1976 figure of \$474.6 million - coupled with a marginal increase in the value of exports, (1.3 per cent), seen against the background of measures of national income and of commodity prices, emphasizes the difference in determinants for imports and exports, imports being income elastic and price inelastic, whereas the value of exports is largely determined by international prices. Table 5 presents changes in the balance of Visible Trade, broken down by Imports and Exports.

Table 5  
Selected Data on External Trade  
(B'dos\$ Mill.)

Period	Imports	Exports	Visible Trade Deficit	% Change in Deficit over previous Year
1973	328.6	105.7	224.9	20.9
1974 <sup>r</sup>	417.8	172.4	245.4	9.1
1975 <sup>r</sup>	437.4	217.0	220.4	-10.2
1976 <sup>r</sup>	474.6	172.7	301.9	37.0
1977 <sup>p</sup>	560.0	175.0	385.0	27.5

Source: Overseas Trade, 1973 and 1974,  
Statistical Service, Barbados;  
and data supplied CEPAL.

In May 1977, the ACP Countries and the E.E.C. agreed on a basic price of 272.5 units of account per metric ton for sugar marketed from 1 May 1977 to 30 June 1978 under the Lomé Convention. This represents a two per cent increase on the 1976/1977 basic price of 267 units of account per metric ton. The increase in the value of merchandise exports was almost entirely due to the better price received for sugar in 1977; the sugar exports having been estimated at \$65 million in 1977 as compared with \$60 million in 1976.

Among the invisible items, the greatest gain came from the tourism sector through the substantial increase in tourist expenditures. (Table IV of the Statistical Appendix refers). On the other hand, it is estimated that the net outflow of investment income increased marginally in 1977 over the 1976 figure. The estimated net inflow of foreign exchange through transfer payments is estimated to have remained at the 1976 level of \$25 million at year end.

In an attempt to restrain consumption and curb deterioration in the balance of payments the Central Bank amended the Schedule to the Hire Purchase, Credit Rate and Hire Control Act of 1975, in September 1977. The equivalent Rate of Loan, Interest (Hire Purchase and Credit Sale) Order, 1977, raised the size of the minimum downpayment and shortened the maximum repayment period for the outstanding balance on a number of Consumer durables which are primarily imported<sup>1/</sup>. Up to September, the economy had realized a loss of international reserves, but by year-end the international reserve position had been reversed to one of net gain. A provisional estimate at year-end 1977 indicates a holding of international reserves of some \$39.1 million.

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<sup>1/</sup> Table XIV of the Statistical Appendix lists the commodities affected and shows the magnitude of the change in the hire purchase terms.



Table 4

International Reserves of the Banking System<sup>1/</sup>  
(B'dos\$ Mill.)

	1974 <sup>r</sup>	1975 <sup>r</sup>	1976 <sup>r</sup>	1977
MONETARY AUTHORITIES	62.8	81.0	56.4	74.0
of which: Central Bank	(50.6)	(69.1)	(40.1)	(58.6)
Government	( 3.1)	( 2.5)	( 5.8)	( 1.5)
COMMERCIAL BANKS (NET)	-33.5	-19.0	-32.9	-34.9
SAVINGS BANK	-	-	-	-
TOTAL BANKING SYSTEM (NET)	29.3	61.0	23.5	39.1

<sup>1/</sup> As at end December each year.

Source: Economic and Financial Statistics,  
December 1977, and CEPAL estimate,  
Central Bank of Barbados.

#### INTERNAL PRICES

During 1977, the average level of consumer prices rose 8.3 per cent over the 1976 level. This represents an increase in the rate of price change over the 1975-1976 relative movement of 5 per cent. Table III of the Statistical Appendix presents the Retail Price data.

Because of the predominant weight attached to the Food Section, the 8.5 per cent increase in the food and beverage price level in 1977 has been a major determinant of the overall 8.3 per cent rise.

Greater relative price increases were observed in the following sections:- Medical and Personal Care (15 per cent), Education and Recreation (13.7 per cent) and Housing (12.1 per cent).

Table 5

Consumer Prices

An Analysis of Selected Sections  
(October 1965 = 100)

Item	1974		1975		1976		1977	
	Index	% Change over previous Year	Index	% Change over previous Year	Index	% Change over previous Year	Index	% Change over previous Year
All items	251.3	38.9	302.3	20.3	317.4	5.0	343.9	8.3
Food & Beverages	273.8	44.3	335.0	22.4	349.2	4.2	379.0	8.5
Housing	246.6	32.1	269.0	9.1	286.6	6.5	321.3	12.1

Source: Derived from Table III of the Statistical Appendix; and data supplied by the Statistical Service, Barbados.

FISCAL AND MONETARY ACTIVITIES

Government Sector Gross Domestic Product at Factor Cost is estimated to have been \$118 million, - an increase of some 7.5 per cent over 1976, yielding an estimated share of 16 per cent of total GDP in 1977.

Data on Government Revenue and Expenditure as at the end of November 1977 are provided in Table 6 which shows the increase in the budgetary deficit since 1974. To finance the deficit, government has increased its National Debt, both from internal and external sources. The Government deficit derives in part from the fact that the main revenue instruments are rates and taxes enshrined in law. The rates are fixed, and the quantum collected does not keep pace with government expenditure which is very responsive to changes in the price level. Table 6 also shows the extent of the National

Debt and the extent of internal borrowing. Government expenditure grew at a faster rate than Government Revenue.

Table 6

Selected Data on Government Operations  
(\$ Million)

	1974	1975	1976	1977	1978 <sup>f</sup>	78 <sup>f</sup>
Recurrent Revenue	151.2	193.9	201.7	227.4	287.0	12.1
Recurrent Expenditure	150.3	175.3	206.6	243.2 <sup>x</sup>	272.0	12.0
Capital Expenditure	32.9	44.7	52.5	77.6 <sup>2</sup>	70.0	-8.7
Surplus (+) or Deficit (-) (to be financed)	-32.0	-26.1	-57.4	-93.0	-55.0	-40.9
National Debt (as of end of year)	179.0	202.1	258.8	334.6	377.6 <sup>2</sup>	12.1
Internal	136.3	158.0	208.6	279.5	286.0 <sup>2</sup>	2.3
External	42.7	44.1	50.2	55.1	91.6 <sup>2</sup>	6.2
Treasury Bills and Debentures outstanding:						
Treasury Bills	47.0	56.9	94.6	114.4	132.1	15.3
Debentures	63.9	82.4	93.2	121.9	127.0	4.2

Source: <sup>Data at end of November</sup> Compiled from data in Economic and Financial Statistics, March 1978, <sup>and January 1979</sup> Central Bank of Barbados, and data supplied CEPAL.

The estimated recurrent expenditures increased by 17.7 per cent from \$206.6 million in 1976 to \$243.2 million in 1977. The major components of this expenditure were Education, General Administration, Health and Economic Services. Interest payments increased by 84 per cent over the level of the previous year.

Recurrent revenue increased by some 12.7 per cent over the 1976 figure of \$201.7 million. The main contributors to total revenue were taxes on income and profit, import

duties, and taxes on goods and services. The structure of revenue is indicative of the country's dependence on foreign trade, import duties being a significant element of total revenue.

A Percentage analysis of Government's Current Revenue and Expenditure reveals some slight structural change due to fiscal revisions over the last five years. There has been revision of the rate of property transfer tax payable by a non-national purchaser from  $7\frac{1}{4}$  per cent to 10 per cent of the value of the property transferred. The import duty on motor vehicles was raised from 40 per cent to 45 per cent, bringing it into line with the Commonwealth Tariff, and additionally, the motor vehicle tax was increased from 20 per cent to 30 per cent. Also in 1977, Government increased the indirect taxes on some 39 items; and the Hotel and Restaurant Sale Tax which is a levy on the user of what are primarily tourist facilities, was increased from 5 per cent to 8 per cent in 1977, effective 1 June 1977.

The tax revisions as listed above have had the effect of modernizing to some extent the revenue base of the Government. In addition, the tax on goods and services has proved to be an important item of revenue, as it helps restore to Government some of the import duty foregone on CARICOM goods. Table 7 is an analysis of the structures of revenue and expenditure of Government.

Table 7

A Percentage Analysis of Current Revenue and Current Expenditure

a. Revenue

Source	1974/ 1975	1975/ 1976	1975	1976	1977
Tax Revenue	<u>85.9</u>	<u>89.1</u>	<u>88.6</u>	<u>88.6</u>	<u>89.3</u>
o/w Income and Profit	44.2	41.8	43.3	43.7	(40.2)
Property	5.3	4.4	2.4	4.8	(7.1)
Goods & Services	17.1	19.3	19.3	20.2	(20.4)
Import duties	18.5	15.8	15.7	19.2	(20.7)
Other taxes	0.6	7.8	11.4	0.6	(0.9)

b. Current Expenditure

Function	1973/ 1974	1974/ 1975	1975/ 1976	1977
General Public Services	17.0	19.7	18.8	(15.4)
Education	25.4	23.4	24.7	(22.7)
Health	18.8	18.3	18.0	(15.9)
Social Security and Welfare	11.5	11.0	11.1	(13.1)
Economic Services	15.2	13.8	14.7	(16.3)
Debt	8.6	8.7	8.7	(12.1)

Source: Economic and Financial Statistics,  
December 1977, Central Bank of  
Barbados.

Money supply data are given in Table XI of the Statistical Appendix. The preponderance of demand deposits in the money supply ( $M_1$ ), indicates the level of sophistication of the transactors in the economy and the importance of the banking system. Over the years, demand deposits have been of the order of 60 per cent, of the Money Supply ( $M_1$ ).

The Commercial Banks' loans and advances outstanding<sup>1/</sup> as at the end of December 1977 represents a 13 per cent increase over the corresponding figure at the end of December 1976, which indicates a significantly higher level of effective demand. By the end of December, personal loans were the highest to be disbursed by the Commercial Banks, the amount of \$93.4 million being 25.1 per cent of total Loans and Advances. Within this, loans and advances for instalment credit was in December 1977, 17 per cent higher than the December 1976 figure of \$46.0 million, which made necessary the Central Bank directive to restrict consumer credit and stem the negative drift in the balance of visible trade<sup>2/</sup>.

Distribution accounted for \$63.9 million in loans and overdrafts at the end of 1977 maintaining the consistently high level of borrowing in this sector. There was too an increase in borrowing for Construction as well as for tourism, no doubt stimulated by the buoyancy in the tourism sector. Loans outstanding to agriculture, however, remained more or less invariate in 1977, dropping in December 1977 which when related to the uneven performance of that sector would seem to suggest a need for modernization if its output is to increase.

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<sup>1/</sup> See Table 8.

<sup>2/</sup> See Appendix Table XII.

Table 8

Commercial Banks and Trust Companies Loans and Advances Outstanding and Annual Percentage Changes

End of Year	Commercial Banks						Trust Company Loans
	Total	of which:				Trust Company Loans	
		Instalment Credit					
Mill. \$ %	Mill. \$ %	Mill. \$ %	Mill. \$ %	Mill. \$ %	Mill. \$ %		
1974	273.7 3.9	28.8 -2.7			8.2 67.3		
1975	295.2 7.9	36.6 27.1			13.3 62.2		
1976	329.5 11.6	46.0 25.7			20.2 51.9		
1977	372.2 13.0	53.8 17.0			25.9 28.2		

Source: Economic and Financial Statistics, March 1978, Central Bank of Barbados.

In an attempt to continue to stimulate investment and at the same time prevent further deterioration in the balance of payments and to avoid the consequences of excess liquidity, a number of further initiatives were taken. An Import Licensing Review Committee was set up to review the existing structure of the granting of licences and recommending improvements for implementation. Parallel with this the Central Bank inaugurated an export promotion section to bring into operation an Export Credit Insurance and Guarantee Scheme to provide exporters with insurance at a nominal cost. By covering both commercial and political risks in the collection of export proceeds, businessmen would be able to sell on deferred payments basis and to borrow funds from the local commercial banks to finance their on-going operations while awaiting payments for their exports. The Central Bank has undertaken to refinance the commercial banks against export credits if the latter experience liquidity problems.

Also the Government revised the Export Promotion Agency which works through a number of export promotion missions to procure new markets beyond the CARICOM boundaries.



**GROSS DOMESTIC PRODUCT BY SECTOR OF ORIGIN 1975-1977**  
(Current Prices)

*(Provisional Estimates)*

	1975		1976		1977	
	\$'M \$	%	\$'M	%	\$'M	%
Sugar	95.0	14.5	44.9	6.6	49.4	6.5
Other Agriculture and Fishing	30.4	4.6	36.5	5.4	38.0	5.0
Mining and Quarrying	2.2	0.3	3.6	0.5	4.0	0.5
Manufacturing	69.4	10.6	78.2	11.6	86.8	11.4
Electricity, Gas and Water	13.9	2.1	14.5	2.2	16.5	2.2
Construction	36.9	5.6	43.9	6.5	49.2	6.5
Wholesale and Retail Trade	132.2	20.1	151.6	22.5	180.3	23.7
Tourism	66.5	10.1	69.2	10.3	83.0	10.9
Transportation, Storage and Communications	38.9	5.9	43.5	6.5	47.2	6.2
Government Services	94.1	14.3	109.7	16.3	120.7	15.9
Other Services	76.8	11.7	78.9	11.7	85.0	11.2
Gross Domestic Product at Factor Cost	656.1	100.0	674.6	100.0	760.1	100.0
Add: Net Indirect Taxes	88.9		84.2		97.4	
Gross Domestic Product at Market Prices	745.0		758.8		857.5	
Mid-Year Population	243,800		247,300		254,500	
Per Capita GDP (at Factor Cost)	\$2,691		\$2,728		\$2,987	

Source: facts on Bldos A 9+5  
Publication - August 1978



BARBADOS

TABLE I

GROSS DOMESTIC PRODUCT AT CURRENT FACTOR COST  
(BES\$ Mill.)  
(Provisional Estimates)

Sectors	1974 <sup>r</sup>	1975 <sup>r</sup>	1976 <sup>r</sup>	1977**
1. Sugar	52.2	95.0	44.9	52.0
2. Distribution	121.7	132.2	151.6	165.1
3. Government	89.5	94.1	109.7	117.9
4. Other	314.0	334.8	368.4	407.9
TOTAL:	577.4	656.1	674.6	742.9

Source: Quarterly Report, Vol. IV No. 2, June 1977, Central Bank of Barbados.

TABLE II

GROSS DOMESTIC PRODUCT

Sectors	SECTORAL GROWTH RATES OVER PREVIOUS YEAR		
	1975	1976	1977
1. Sugar	82.0	-52.7	15.8
2. Distribution	8.6	14.7	8.9
3. Government	5.1	16.6	7.5
4. Other	6.6	10.0	10.7
TOTAL:	13.6	2.8	10.1

Sectors	PERCENTAGE CONTRIBUTION			
	1974 r	1975 r	1976 r	1977 e
1. Sugar	9.1	14.5	6.7	7.0
2. Distribution	21.1	20.1	22.5	22.2
3. Government	15.5	14.3	16.3	15.9
4. Other	54.4	51.0	54.6	54.9
TOTAL:	100.0	100.0	100.0	100.0

Source: Derived from Table I.

BARBADOS

TABLE III

RETAIL PRICE INDEX  
(October 1965 = 100)

Period	All Items	Food and Beverages	Household Operations & Furnishings	Clothing	Medical & Personal Care	Transportation	Education and Recreation	Housing
Weights	100	58.7	8.9	6.9	5.3	5.5	5.6	9.1
1974	251.3	273.8	239.9	196.0	200.4	187.4	219.7	246.6
1975	302.3	335.0	274.0	252.5	237.4	222.3	259.9	269.0
1976	317.4	349.2	279.5	276.0	247.8	241.9	287.6	286.6
1977	343.9	379.0	287.0	292.1	285.0	237.2	327.1	321.3
Jan. 1977	327.1	363.5	278.4	281.9	243.2	218.6	294.1	309.1
Feb. 1977	329.0	364.1	279.8	292.3	243.4	218.7	307.4	309.1
Mar. 1977	323.8	355.2	283.2	288.9	246.8	218.7	307.4	306.5
Apr. 1977	331.5	365.6	290.2	288.5	248.1	223.6	314.9	308.3
May 1977	337.3	367.4	291.4	289.0	300.5	225.8	334.1	315.1
June 1977	350.9	388.5	289.0	297.7	303.3	229.3	334.0	320.9
July 1977	358.2	401.5	288.3	290.2	303.8	229.3	334.0	323.5
Aug. 1977	350.8	384.3	289.9	293.4	304.6	256.4	335.3	331.4
Sept. 1977	359.7	399.7	285.4	293.6	305.4	256.7	335.6	331.4
Oct. 1977	347.6	378.3	285.9	297.6	307.1	256.5	338.2	332.4
Nov. 1977	352.3	385.2	293.0	292.5	306.8	256.5	344.9	332.5
Dec. 1977	358.4	394.7	289.8	299.2	307.5	256.5	344.9	335.6

N.B. Annual indexes are the average of the monthly indexes.

Source: Economic and Financial Statistics, February 1977, Central Bank of Barbados, and data supplied by the Barbados Statistical Service.

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TABLE IV

SELECTED TOURISM STATISTICS

	1974	1975 <sup>r</sup>	1976 <sup>r</sup>	1977
1. Number of visitors	230,718	221,486	224,314	269,314
2. Cruise ship visitors	119,524	98,546	95,901	103,077
3. Average number of beds available	8,224	8,450	9,482	10,037
4. Bed occupancy rate <sup>1/</sup> %	55.6	49.5	44.7	55.8
5. Tourist Expenditure (B'dos\$ Mill.)	156.6	156.0	165.3	205.0
6. Average length of stay of guest (days)	9.1	8.6	8.5	9.7

<sup>1/</sup> Includes occupancy rates for Hotels, Apartments and Cottages and Guesthouses prior to 1974 exclude apartments and cottages.

Source: Monthly Digest of Statistics, (Various), Statistical Service, Barbados; and data supplied CEPAL.

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TABLE V

OUTPUT OF SELECTED INDUSTRIAL COMMODITIES

Commodities	Units	1974	1975	1976	1977
Sugar	'000 tons	110	97	102	118 <sup>1/</sup>
Lard	'000 lbs.	2,685	2,468	2,621	2,733
Margarine	'000 lbs.	3,684	3,859	3,810	4,333
Animal Feeds	'000 lbs.	46,168	62,699	76,295	84,524
Biscuits	'000 lbs.	7,966	8,312	8,741	8,475
Milk Products <sup>2/</sup>	'000 lbs.	9,949	19,774	22,125	21,337
Macaroni, Spaghetti, etc.	'000 lbs.	2,072	1,963	2,323	2,267
Rum	'000 proof gals.	1,739	1,790	1,916	2,344
Beer	'000 liq.gals.	1,366	1,300	1,324	1,608
Malt Beverages	'000 liq.gals.	856	614	596	693
Non-alcoholic carbonated beverages	'000 liq.gals.	3,670	3,655	3,752	4,009
Cigarettes	'000 lbs.	349	456	416	418
Natural Gas production <sup>3/</sup>	Mill.cub.ft.	68	75	147	148
Crude Petroleum	'000 USgals.	2,477	5,158	6,094	5,208
Gasoline	'000 USgals.	12,494	12,800	13,070	13,763
Diesel Oil	'000 USgals.	15,059	17,956	14,998	8,946
Fuel Oil	'000 USgals.	10,298	8,063	11,728	21,739
Electricity generated	Mill. kwh.	196	207	214	246

<sup>1/</sup> Barbados Sugar Industry Review, September 1977.

<sup>2/</sup> Production of milk products converted to the fresh milk equivalent.

<sup>3/</sup> Crude output from the recently opened oil wells.

Source: Monthly Digest of Statistics, Worksheets, Statistical Service, Barbados. Data supplied to CEPAL.

BARBADOS

TABLE VI

TRADE WITH CARICOM COUNTRIES  
(BDS\$ Mill.)

Countries	1973	1974	1975 <sup>P</sup>	1976	1976 Jan.-Sept.	1977 Jan.-Sept.
	<u>I M P O R T S</u>					
Guyana	5.7	8.1	10.1	9.7	7.2	7.9
Jamaica	7.3	10.5	11.5	13.8	9.5	11.9
Trinidad & Tobago	26.2	49.5	44.5	53.1	41.6	38.8
Others	3.6	4.2	5.8	5.6	3.8	5.5
<b>TOTAL</b>	<b>42.8</b>	<b>72.3</b>	<b>71.9</b>	<b>82.2</b>	<b>62.1</b>	<b>64.1</b>
	<u>E X P O R T S</u>					
Guyana	2.6	3.5	3.4	5.1	3.8	2.8
Jamaica	4.1	7.0	8.6	7.2	5.0	3.2
Trinidad & Tobago	8.1	10.0	12.2	18.0	11.1	14.6
Others	13.4	17.3	15.4	15.4	11.7	12.6
<b>TOTAL</b>	<b>28.2</b>	<b>37.8</b>	<b>39.6</b>	<b>45.7</b>	<b>31.6</b>	<b>33.2</b>

Source: External Trade Publications, Statistical Service, Barbados, and data supplied CEPAL.

BARBADOS

TABLE VII

SUMMARY BALANCE OF PAYMENTS  
(BDS\$ Mill.)

	1974	1975	1976	1977
1. CURRENT ACCOUNT				
2. Visible Trade	-280.8	-247.0	-319.5	-384.3
3. Invisibles	182.4	163.2	204.8	225.0
4. CURRENT BALANCE	- 98.4	- 83.8	-114.7	-159.3
5. CAPITAL ACCOUNT	24.0	35.9	53.1	48.2
6. Long-term capital	21.5	28.6	44.2	40.0
7. Short-term capital	0.7	6.8	4.7	} 8.2
8. Other capital	1.7	0.5	4.2	
9. ERRORS AND OMISSIONS	75.0	85.1	23.0	} 73.7
10. BALANCE FOR OFFICIAL FINANCING	0.6	37.2	- 38.6	
11. Allocation of SDR's	-	-	-	-
12. Gold tranche subscription to IMF	-	- 3.3	-	-
13. OFFICIAL FINANCING				
14. Net Transactions overseas Monetary Authorities	-	3.3	-	35.0
15. IMF	-	3.3	-	15.1
16. Other	-	-	-	20.0
17. RESERVE MOVEMENTS (-Increase)	- 0.6	- 37.2	38.6	- 15.6
				(+Decrease)

Source: Central Bank of Barbados, Balance of Payments of Barbados, 1976, and provisional 1977 data supplied CEPAL.



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TABLE VIII

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

Trading Partners	1975 <sup>P</sup>	1976 <sup>P</sup>	1976 Jan.-Sept.	1977 Jan.-Sept.
<u>EXPORTS BY DESTINATION</u>				
United Kingdom	58.7	5.6	4.8	17.4
U.S.A.	65.7	52.8	43.6	48.9
Canada	12.7	12.3	9.6	9.3
Latin America <sup>1/</sup>	0.7	0.8	0.6	0.7
EEC <sup>2/</sup>	5.4	26.2	25.8	20.1
CARICOM	39.6	45.7	31.6	33.2
(ECCM)	...	...	...	...
OTHERS	31.8	29.9	18.0	28.0
TOTAL:	214.8	172.5	134.0	157.6
<u>IMPORTS BY ORIGIN</u>				
United Kingdom	94.9	88.5	65.6	73.9
U.S.A.	83.2	108.9	78.1	100.5
Canada	38.1	40.7	29.9	27.8
Latin America <sup>1/</sup>	51.6	41.9	29.6	43.3
EEC <sup>2/</sup>	33.8	35.3	24.3	27.5
CARICOM	71.6	82.2	62.1	64.1
(ECCM)	...	...	...	...
OTHERS	64.0	76.6	51.5	64.0
TOTAL:	437.2	474.1	341.1	401.1

<sup>1/</sup> Continental Latin America.

<sup>2/</sup> Original six members.

Source: Trade worksheets of Statistical Service, Barbados.

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TABLE IX

SELECTED EXPORTS  
(BDS\$ Mill.)

Principal Domestic Exports	1975 <sup>r</sup>	1976 <sup>r</sup>	1976 Jan.-Sept.	1977 Jan.-Sept.
Sugar	96.1	53.6	46.9	48.1
Molasses	11.8	9.3	5.8	4.8
Rum	4.3	4.4	3.4	4.1
Lard & Margarine	3.1	3.2	2.2	2.6
Clothing	26.8	24.6	21.6	26.6
Electrical components	7.4	12.6	10.6	11.6
<b>TOTAL:</b>	<b>217.9</b>	<b>172.6</b>	<b>133.9</b>	<b>157.6</b>

TABLE X

TRADE WITH CARICOM COUNTRIES  
(BDS\$ Mill.)

Countries	1975 <sup>r</sup>	1976 <sup>r</sup>	1976 Jan.-Sept.	1977 Jan.-Sept.
<u>I M P O R T S</u>				
Guyana	10.1	9.7	7.2	7.9
Jamaica	11.5	13.8	9.5	11.9
Trinidad & Tobago	44.5	53.1	41.6	38.8
Others	5.8	5.6	3.8	5.5
<b>TOTAL:</b>	<b>71.9</b>	<b>82.2</b>	<b>62.1</b>	<b>64.1</b>
<u>E X P O R T S</u>				
Guyana	3.4	5.1	3.8	2.8
Jamaica	8.6	7.2	5.0	3.2
Trinidad & Tobago	12.2	18.0	11.1	14.6
Others	15.4	15.4	11.7	12.6
<b>TOTAL:</b>	<b>39.6</b>	<b>45.7</b>	<b>31.6</b>	<b>33.2</b>

Source: External Trade publications, Statistical Services, Barbados; and data supplied CEPAL.

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TABLE XI

MONEY SUPPLY  
(BDS\$ Mill.)

Period Ended Dec.	Currency in active circulation	Demand Deposits (Adjusted)	Money Supply (M <sub>1</sub> )	Time Deposits	Savings Deposits	Total Quasi- money	Total Money Supply
1974 <sup>r</sup>	33.9	56.6	90.5	130.5	107.9	238.4	328.9
1975 <sup>r</sup>	39.8	65.4	105.2	164.7	123.7	288.4	393.6
1976 <sup>r</sup>	46.7	71.3	118.0	163.0	146.0	309.0	427.0
1977	55.2	79.7	134.9	172.3	164.6	336.9	471.8

Source: Economic and Financial Statistics, March 1978,  
Central Bank of Barbados.

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TABLE XII

COMMERCIAL BANKS' CREDIT-SECTORAL DISTRIBUTION

(As at December)

(BDS\$ Mill.)

Sectors	1974	1975	1976	1977
Agriculture (including fisheries)	20.6	22.3	26.2	20.0
Mining and Quarrying	1.2	3.4	4.2	4.3
Manufacturing	26.9	28.4	24.9	31.3
Distribution	55.2	51.5	51.9	63.9
Construction	35.4	33.3	35.4	38.2
Tourism (including entertainment)	29.4	37.5	45.5	50.8
Government	10.8	9.3	10.2	22.2
Public Utilities	7.8	12.5	19.5	20.5
Personal	63.4	74.4	88.2	93.4
Other	23.0	22.5	23.3	27.6
TOTAL:	273.7	295.2	329.5	372.2

Source: Economic and Financial Statistics, March 1978,  
Central Bank of Barbados.

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TABLE XIII (a)

CENTRAL ADMINISTRATION - CURRENT REVENUE  
(BDS\$ Mill.)

Source	1974/75 <sup>1/</sup>	1975/76 <sup>1/</sup>	1975	1976	1977
TAX REVENUE	<u>136.7</u>	<u>176.3</u>	<u>171.8</u>	<u>178.7</u>	<u>203.1</u>
Of which:					
Taxes on Income and Profit	70.4	82.7	84.0	88.1	91.4
Taxes on Property	8.5	8.7	4.6	9.7	16.1
Taxes on Goods/Services	27.3	38.1	37.4	40.8	46.5
Import duties	29.4	31.2	30.5	38.7	47.0
Other Taxes	1.0	15.5	15.3	1.2	2.1
NON-TAX REVENUE	<u>22.5</u>	<u>21.6</u>	<u>22.1</u>	<u>23.1</u>	<u>24.3</u>
TOTAL:	159.2	197.8	193.9	201.7	227.4

<sup>1/</sup> Fiscal years April to March.

Source: Economic and Financial Statistics, March 1978,  
Central Bank of Barbados.

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TABLE XIII (b)

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

Function	1973/74	1974/75	1975/76	1977
General Public Services	24.0	31.4	33.0	37.5
Education	35.8	37.5	43.4	55.3
Health	26.6	29.3	31.5	38.7
Social Security & Welfare	16.2	17.6	19.4	31.9
Economic Services	21.4	22.1	25.7	39.7
Charges of Debt	12.1	13.9	15.4	29.4
Other	5.1	8.1	7.0	10.7
TOTAL:	141.2	159.7	175.4	243.2

Source: Economic and Financial Statistics, March 1978,  
Central Bank of Barbados.

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TABLE XIV

LIST OF COMMODITIES SUFFERING  
RESTRICTIONS ON CONSUMER CREDIT

Description and price of goods	Minimum percent- age payment		Maximum period of months for payment	
	Original	Amended	Original	Amended
1. Motor Cars (non- Commercial)				
Up to and including \$13,500	25	$33\frac{1}{3}$	36	24
\$16,000	$33\frac{1}{3}$	50	24	18
\$16,001 & over	50	50	12	12
2. Motor cycles				
Up to and including \$3,000	$33\frac{1}{3}$	$33\frac{1}{3}$	24	24
\$3,001 and over	40	40	18	18
3. Television sets				
Up to and including \$600	25	$33\frac{1}{3}$	24	18
\$601 to & including \$1,000	$33\frac{1}{3}$	50	18	12
\$1,001 and over	50	50	12	6
4. Stereo Equipment <sup>1/</sup>				
Up to and including \$250	10	25	18	18
\$251 to and including \$500	25	50	18	18
\$501 to and including \$1,000	$33\frac{1}{3}$	50	12	12
\$1,001 and over	50	50	6	6

Description and price of goods	Minimum percent- age payment		Maximum period of months for payment	
	Original	Amended	Original	Amended
5. Refrigerators				
Up to and including \$900	25	50	24	18
\$901 to & including \$1,500	$33\frac{1}{3}$	50	18	12
\$1,501 and over	50	50	12	6
6. Freezers (non- Commercial)				
Up to and including \$1,000	25	50	24	18
\$1,001 to and including \$1,500	$33\frac{1}{3}$	50	18	12
\$1,501 and over	50	50	12	6
7. Stoves				
Up to and including \$500	25	25	24	24
\$501 to and including \$1,000	$33\frac{1}{3}$	$33\frac{1}{3}$	18	18
\$1,001 and over	50	50	12	12
8. Washing Machines (including dish- washers)				
Up to and including \$1,000	25	50	24	18
\$1,001 and over	$33\frac{1}{3}$	50	18	12
9. Water Heaters (excluding solar)				
Up to and including \$500	25	25	12	12
\$501 and over	$33\frac{1}{3}$	$33\frac{1}{3}$	6	6
10. Cameras & Jewellery	50	50	12	12

1/ Stereo equipment includes amplifiers, tuners,  
receivers and turn tables.

Source: Central Bank, Barbados.



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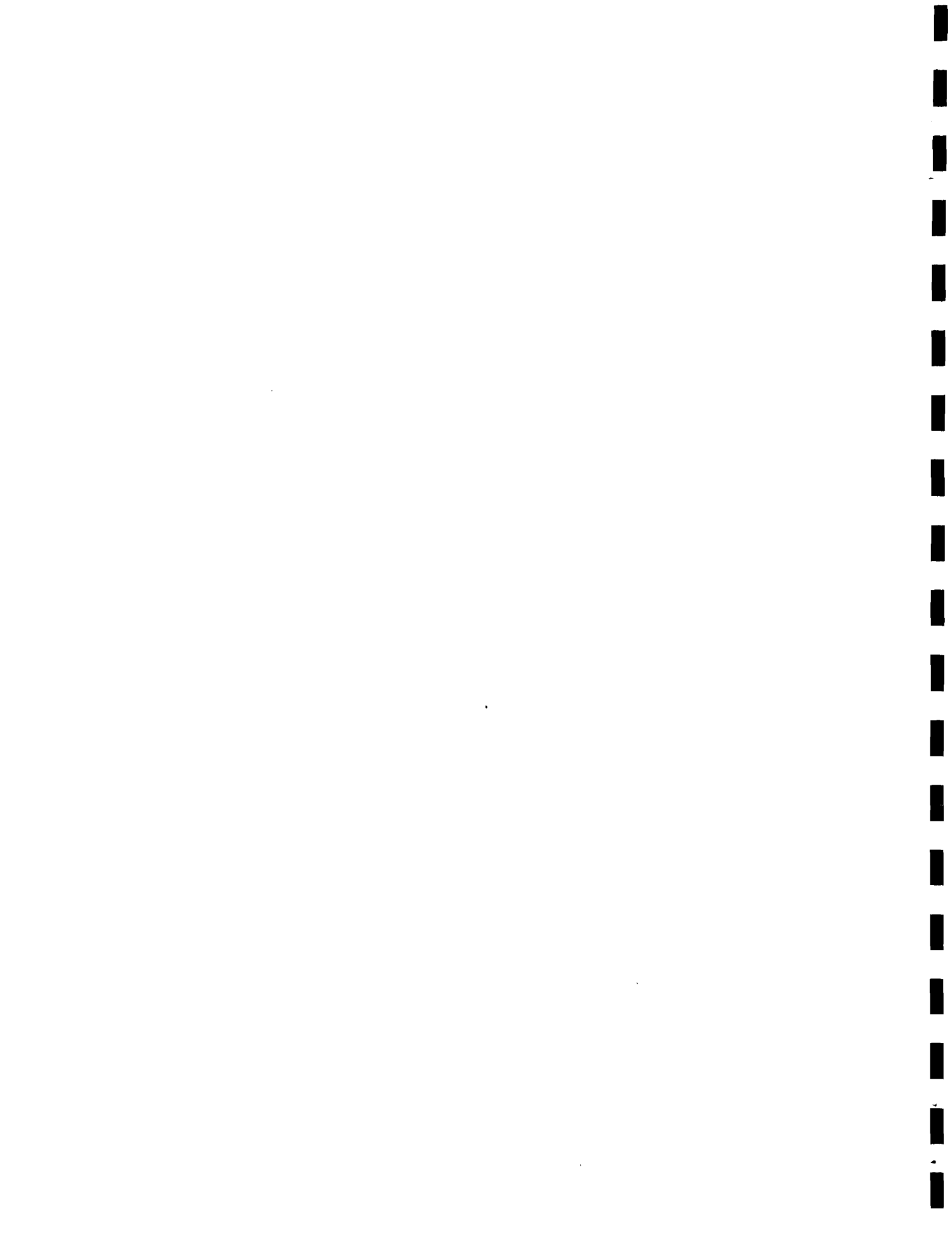
TABLE XV

INDEX OF INDUSTRIAL PRODUCTION  
(1971 = 100)

Year/ weights	Total all indus- 1,000	Quarry- ing 29	Total 800	Food 151	M A N U F A C T U R I N G						
					Bever- ages & tobacco 170	Wear- ing Appar- el 111	Chem- icals 29	Petro- leum Products 38	Other Non- metallic Mineral Products 42	Other Manufac- turing indus- tries 259	Elec- tricity and Gas 171
1975	120.7	53.1	121.9	132.0	110.3	128.2	119.5	116.3	80.4	129.2	125.7
1976	140.7	96.3	143.7	149.7	109.0	158.6	134.9	114.9	77.2	174.4	134.1
1977	144.7	81.5	145.1	152.0	124.4	169.0	109.8	115.5	76.7	165.1	153.0

N.B. Indexes are averages of the twelve monthly indexes.

Source: Monthly Digest of Statistics, December 1977,  
worksheets, Barbados Statistical Service.



PART IV  
BELIZE COUNTRY NOTES



## ECONOMIC SURVEY 1977

### BELIZE

(Belize Dollars used throughout)

Provisional estimates show Gross Domestic Product for 1977, in 1973 constant prices at \$126.0 million, representing a growth rate of 5 per cent over the 1976 figure of \$120.0 million. The growth rate for the previous year was more than 8 per cent. The main impetus for growth during 1977 was provided by the agricultural sector although the manufacturing and construction sectors were also fairly active.

Favourable weather conditions for most agricultural crops prevailed throughout the year and output of certain major crops increased significantly. The behaviour of agricultural prices was mixed, but overall prices appeared to have had a positive effect on the sector. Unlike previous years, the traditionally off-shore fishing industry began expanding into deep-sea activities.

While there are little definitive data available, there is some evidence to suggest an improvement in the manufacturing sector during 1977. There were major increases in the production of sugar, molasses and garments. Production capacity of some manufacturing establishments were increased during the year, and work has begun on some new establishments which should have an impact on production during 1978-1979.

With respect to Construction, the data are even more tentative. It does appear however, that the impressive growth rates of 1974-1975 tapered off somewhat in 1976 and moreso in 1977. Considerable funds are being channelled into housing and highways, and these apparently will continue into 1978-1979.

During 1977 imports and exports both recovered from the decline of the previous year. Crude estimates indicate that the balance on visible trade for 1977 should be around the \$40 million level as in 1976. Exports apparently tended to grow more rapidly than imports because of the high level of production of major crops and garments. It would appear that given the large size of the annual merchandise trade deficit, the level of imports are being restrained to some extent.

The rate of growth in money supply and quasi-money slowed during 1977. Time deposits increased fairly rapidly following a decline in 1976. Although savings increased in 1977, this increase was offset by a larger decrease in time deposits. It is notable that loans and advances of commercial banks have decreased; however, this may be due to the relatively high level of liquid funds in banks. A significant development during the year was the inauguration of the Belize Monetary Authority replacing the Currency Board.

In the Fiscal Sector, there was a definite slow down in the rate of increase in Government's recurrent revenue with a consequent effect on expenditure; however, there appears to be adequate inflow of funds for financing capital projects. Also the Government issued debentures and treasury bills during 1977 which enabled it to finance some of its expenditure commitments.

## PERFORMANCE IN THE MAJOR SECTORS

### Agriculture

Crude estimates indicate that the sector's contribution to GDP increased in 1977. Mainly responsible, were increases in output of some important crops such as sugar cane, beans and peas and bananas. Decreases in output were however registered in citrus and rice.<sup>1/</sup> Generally, prices were favourable although

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<sup>1/</sup> See Table III of the Statistical Appendix.

there were decreases in the prices of some principal export crops.

Sugar cane production increased by more than 51 per cent in 1977 compared with 1976. This higher production resulted from increased acreage planted, good weather conditions prevailing during the year, and the improved access to sugar cane fields made possible by the newly built access roads. The improved price for sugar plus the larger crop indicate that the value added in the sugar cane sub-sector would have increased substantially during 1977.

Production of red kidney beans increased by 25 per cent in 1976/1977 compared with the previous crop-year. Production of bananas, which is expected to total approximately 550,000 boxes, an increase of 54 per cent, benefited also from the good weather conditions and the government rehabilitation programme. Banana export prices were lower in 1977 than in 1976 thus dampening to some extent the effect of the increase in volume.

Production of oranges and grapefruit fell by 27 per cent and 71 per cent respectively due to financial difficulties which led to temporary closure of one of the two large processing plants. This decline in production was offset to some extent by higher citrus prices. Production of rice paddy and corn registered decreases in 1977; the former is expected to fall by an estimated 20 per cent and the latter by 8 per cent. This is as a result of declining rice yields and a phasing out of un-economic plots. Corn production suffered a decline of nearly 8 per cent in 1977, mainly because of storage problems and reduced prices which resulted from the record crop of 1976.

It is expected that the catch of fisheries which amounted to an estimated 1.7 million pounds in 1976, would increase only marginally in 1977.

### Manufacturing (including Processing)

GDP estimates are not available for 1977 but available production statistics indicate some overall increase in the manufacturing sector.

Production of garments increased during 1977 in terms of both quantity and range of products. Negotiations were concluded during the year to establish a new plant to produce fabric from imported yarn. Total output of sugar reached an all time high of 92,000 tons in 1977, an increase of 49 per cent over the 1976 figure. The higher production was attributed mainly to the larger sugar cane crop and the longer grinding season. Foreign earnings from sugar in 1977 are therefore projected to exceed considerably the 1976 figure of \$36.6 million, benefiting also from better prices. Molasses production also increased considerably from less than 21 thousand tons in 1976 to 30 thousand tons in 1977 - a 25 per cent increase. Because of the sharp decline in the orange and grapefruit crops the output of citrus juices, production of animal feed from citrus waste, as well as the canning of grapefruit segments also fell.

The production of paper products and batteries have made significant improvements in both quantity and quality. Production of beer and flour are also expected to show increases but cigarette production decreased.

### Construction

This sector has been gaining in importance in recent years as shown by the GDP estimates given in Tables I, II and IIA of the Statistical Appendix. In 1974 and 1975 the growth rates were, respectively, 19 and 21 per cent. Though more recent GDP estimates



are not available. indicators suggest that construction was very dynamic in 1976 but in 1977 the rate of growth tapered off.

One of the most dynamic sub-sectors during 1976 and 1977 was building construction, especially residential construction; the latter accounted for 77 per cent of the total floor area indicated in approved building plans during 1976. (See Table 1). Though similar data are not available for 1977 other available data show that the sector was fairly active. Three housing projects totalling 280 housing units were initiated and work also began on another project to provide some 2,000 housing lots on the outskirts of Belize City. Outstanding loans and advances of commercial banks for construction and land development increased by 15 per cent over the 1976 level. The comparable increase for the previous year was 16 per cent.

Data on imports of building materials for the period January to September 1977 are shown in Table 2 below; which with normal fourth quarter performance would result in full year figures approximately at the same level as in 1976. It should be noted, however, that cement imports, the most important of these items, had been increasing in 1977 at a slower rate than in the previous year. This situation, plus the general increase in prices, would suggest that the quantity of inputs available for the construction industry in 1977 would be somewhat lower than 1976.

Government was quite active in the construction field during the year as indicated by the approved estimates for 1977 which included projects for construction of roads and highways, buildings, schools, ports and a sewerage system. In addition, the Development Finance Corporation (DFC) has adopted a more liberal lending policy for home construction, thus making more funds available during 1977.

Table 1  
Building Plans Approved for 1975-1976

Type	Number of Plans		Floor Area ('000 sq. ft.)		Approx. Cost \$Mill.	
	1975	1976	1975	1976	1975	1976
Residential	190	149	146.5	124.6	2.2	2.6
Commercial	32	14	30.3	14.2	0.5	0.4
Industrial	12	13	22.5	18.5	0.3	0.4
Institutional	6	2	14.0	4.6	0.4	0.09
Recreational	-	-	-	-	-	-
TOTAL	240	178	213.3	161.9	3.4	3.5

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

Table 2

Imports of Building Materials 1974-1977  
(Bze \$'000)

	<u>1974</u>		<u>1975</u>		<u>1976<sup>P</sup></u>		<u>1977 Jan-Sept.<sup>P</sup></u>	
	<u>Quantity</u> ( <u>'000 lb</u> )	<u>Value</u> ( <u>\$'000</u> )	<u>Quantity</u> ( <u>'000 lb</u> )	<u>Value</u> ( <u>\$'000</u> )	<u>Quantity</u> ( <u>'000 lb</u> )	<u>Value</u> ( <u>\$'000</u> )	<u>Quantity</u> ( <u>'000 lb</u> )	<u>Value</u> ( <u>\$'000</u> )
Cement	20,191	678	25,671	1,080	33,150	1,666	22,576	1,133
Iron & Steel (bars & rods)	1,503	511	2,548	1,546	3,042	1,017	1,462	484
Iron & Steel (plates & corruga- ted sheets)	3,202	1,514 <sup>r</sup>	2,860	1,232	341	449	2,278	931
Nails	428	273	<u>714</u>	506	405	273	38	40
Paint & Paint Products	848	731 <sup>r</sup>	1,273	1,153	471	736	652	796
<b>TOTAL</b>	<b>26,172</b>	<b>3,707</b>	<b>33,066</b>	<b>5,517</b>	<b>37,409</b>	<b>4,141</b>	<b>27,006</b>	<b>3,384</b>

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

## THE EXTERNAL SECTOR

Revisions dating back to 1972 have been made to the Belize External Trade data. Table 3 below shows that unlike the increases in each year since 1972 imports declined to \$145 million and total exports to \$106 million during 1976, resulting in a visible trade deficit of almost \$40 million. Preliminary data for the first nine months of 1977 show total imports at \$134 million and domestic exports at \$93 million. On the basis of the nine-month data and the trend for previous years, the merchandise trade deficit as of September should be of the order of \$26 million, and a full-year deficit of about \$40 million, the same level as in 1976, seems likely for 1977.

Belize exports are dominated by a few agricultural items and garment manufactures, though preliminary data for 1977 show that Manufactured goods (SITC Sections 3-8) accounted for a much larger share of total imports than in the years 1973 to 1975. Foreign earnings from sugar exports in 1977 are projected to exceed considerably the 1976 figure of \$36.6 million as both the volume of exports and sugar prices were higher. Partial data on the value of banana exports during the first eight months amounted to \$2 million, an equivalent of 16 per cent over the full-year 1976 figure. It is reported that banana prices were lower in 1977 than in 1976, therefore volume of exports in 1977 must have increased sharply. Exports of garments were expected to improve considerably; by May 1977, the value of garments exported amounted to \$7.2 million as against \$12.7 million for the entire year of 1976. Citrus and honey exports also benefited from higher prices, but export volume of these commodities fell.

Detailed data on the import side are unavailable for 1977; however, part-year data indicate some changes at the SITC Section level. Up to September, imports of food and chemicals grew at a considerably slower rate than in the two earlier years, while imports of mineral fuels, lubricants and related materials,

machinery and transport equipment, and miscellaneous manufactured articles were increasing much more rapidly.

Table 3  
Imports, Exports and  
Balance on Visible Trade: 1972-1977  
(Bze\$'000)

Year	Imports	% Change	Exports <sup>1/</sup>	% Change	Balance of Visible Trade	% Change
1972	69,257	17.3	40,155 <sup>r</sup>	26.7	-29,102 <sup>r</sup>	6.3
1973	72,323	4.4	52,686 <sup>r</sup>	31.2	-19,637 <sup>r</sup>	-32.5
1974	112,693 <sup>r</sup>	55.8	98,135 <sup>r</sup>	86.3	-14,558 <sup>r</sup>	-25.9
1975	157,999 <sup>r</sup>	40.2	129,500 <sup>r</sup>	32.0	-28,499 <sup>r</sup>	95.8
1976 <sup>P</sup>	145,100	-8.2	105,600	-18.4	-39,500	38.6
1977 <sup>P</sup> (Jan-Sept.)	133,946	.	92,673 <sup>2/</sup>	.	...	.

<sup>1/</sup> Exports include ships' stores and bunkers.

<sup>2/</sup> Domestic exports only.

Source: Economic Survey, 1975, Ministry of Finance and Economic Planning, Belize, and data supplied CEPAL.

#### MONETARY ACTIVITIES

Provisional data, indicate that the banking sector was fairly active during 1977. Deposits in commercial banks shown in Table 4 below, grew at a much slower rate in 1977 than in the two earlier years. Demand deposits which had fallen in 1976 recovered to about the 1975 level; saving deposits also recovered from a decline in the previous year. Time deposits, on the other hand, declined in 1977. The overall increase in deposits seems to reflect what appears to be a relatively large increase in export receipts.

There was a preference for savings deposits compared with time deposits during 1977 as apparently depositors preferred to hold cash balances in the more liquid forms for investment opportunities and for other purposes.

Table 4  
Selected Data on Deposits by Type  
At Commercial Banks as of 31 December  
(Bze\$'000)

	1974	1975	1976	1977 <sup>P</sup>	% Change 1977/76
Demand deposits	12,266	13,056	11,174	13,158	17.8
Time deposits	18,439	21,773	26,745	23,266	-13.1
Savings	19,881	24,308	23,371	25,854	10.6
<b>TOTAL</b>	<b>50,586</b>	<b>59,137</b>	<b>61,290</b>	<b>62,278</b>	<b>1.6</b>

Source: Data supplied to CEPAL.

Outstanding loans and advances owing to commercial banks, at the end of 1977 amounted to roughly \$59.5 million, 7 per cent below the figures for 1976. (See Table 5 below for details). As a result, loans and advances outstanding at the end of 1977 were 96 per cent of total deposits compared with a ratio of 105 per cent at the end of 1976. The reduction occurred mainly in loans and advances to agriculture, manufacturing, distributive trade, and the public sector.

Despite the reduction in the level of loan balances owing by agriculture, excluding fishing and forestry, that sector continued to account for more than 30 per cent of the total. Distributive trades registered the largest decline. It is not certain why this decline occurred especially since the value of imports increased at a fairly rapid rate (at least up to the end of the third

quarter). However, the existence of large cash balances observed above may be one possible reason. Increased lending was made to establishments engaged in forestry and fishing, construction, and to individuals. The increase in loans to the forestry and fishing sector apparently reflects, in part, the new investment in deep-sea fishing activities mentioned earlier.

In addition to loans from the commercial banks, medium and long term credit are available from the Development Finance Corporation (DFC). This agency was reorganized in 1973 and since then has approved loans amounting to nearly \$19 million. The DFC obtains most of its funds from overseas sources, notably the Caribbean Development Bank, for on-lending. The bulk of loan funds are for agriculture and housing, though viable projects in other economic sectors are not neglected.

Like most of the Commonwealth Caribbean countries Belize previously had a Currency Board which performed the routine functions relating to issue and replacement of currency notes in conjunction with British banking institutions. In 1977 the Belize Monetary Authority became operational. This organization is empowered to perform functions very similar to those of a central bank, and gives the Government increased capacity for control of banking and monetary activities including foreign exchange.

Table 5

Loans and Advances of Commercial Banks,  
Amount Outstanding as of 31 December  
(Bze\$'000)

Sectors	1974	1975	1976 <sup>P</sup>	1977 <sup>P</sup>	% Change 1977/76
1. Agriculture, including land development	19,109	19,993	21,356	20,048	33.7
2. Fishing and Forestry	630	567	280	2,294	3.9
3. Manufacturing	1,727	2,893	5,542	4,664	7.8
4. Construction	3,302	3,769	4,357	5,015	8.4
5. Tourism	599	756	622	540	0.9
6. Distributive trades	11,651	14,270	18,150	12,829	21.6
7. Government and Statutory Bodies	5,267	<u>4,734</u>	4,489	3,145	5.3
8. Other	4,318	4,577	9,257	10,980	18.4
<b>TOTAL</b>	<b>46,603</b>	<b>51,559</b>	<b>64,053</b>	<b>59,515</b>	<b>100.0</b>

Source: Quarterly Review, June 1977 Vol. I No. 2;  
The Monetary Authority of Belize, and data  
supplied by the Central Planning Unit,  
Ministry of Finance and Economic Planning,  
Belize.

FISCAL ACTIVITIES

Increased activity of the Government sector is reflected in its contribution to Gross Domestic Product which has grown from \$8.8 million in 1972 to \$11.2 million in 1975. GDP estimates are not yet available for 1976 and 1977, but it appears that there have been continued increases in the sector's contribution.<sup>1/</sup>

<sup>1/</sup> Figures on Government Revenue are shown in tables 6 and 7 below and in Table IV of the Statistical Appendix.



Revenue data for 1976 are not final and recent indications are that the \$47 million originally estimated will not be realized; a revised figure of \$44.5 million seems most likely. This increase however is almost certain to be below the rate of price increases and implies that there must have been pressure to reduce spending and to find additional sources of financing during 1977.

Original estimates showed recurrent expenditure at \$38.3 million but this figure appears to have been raised to \$42.8 million. The estimates of capital expenditure to be financed from foreign sources, originally planned for over \$36 million, would not be realized on the basis of the preliminary figure of less than \$5 million at the half-year mark. Capital expenditure, financed from local funds, planned at \$9 million seemed closer to realization at the end of June 1977.

As of mid-1977, the budget deficit exceeded \$7.2 million. Recurrent revenue could have increased faster in the second half of the year with the usual seasonal spurt in economic activity. Also, government will be reimbursed for capital expenditures incurred on projects being financed from abroad; the amount reimbursable at mid-year was \$3.3 million, 46 per cent of the total deficit. However, the rate of expenditure should also increase in the second half of the year, so that the full year deficit could exceed the mid-year figure.

Table 6

Government Recurrent Revenue  
(Bze\$'000)

	1975 <sup>P</sup>	1976 <sup>P</sup>	1977 <sup>e</sup>
Import duties	13,146	15,643	18,500
Export duties	1,917	1,255	1,500
Income Tax	9,791	12,154	12,500
Other taxes, fees, licences, etc.	14,628	13,008	14,459
TOTAL	39,482	42,060	46,959 <sup>1/</sup>

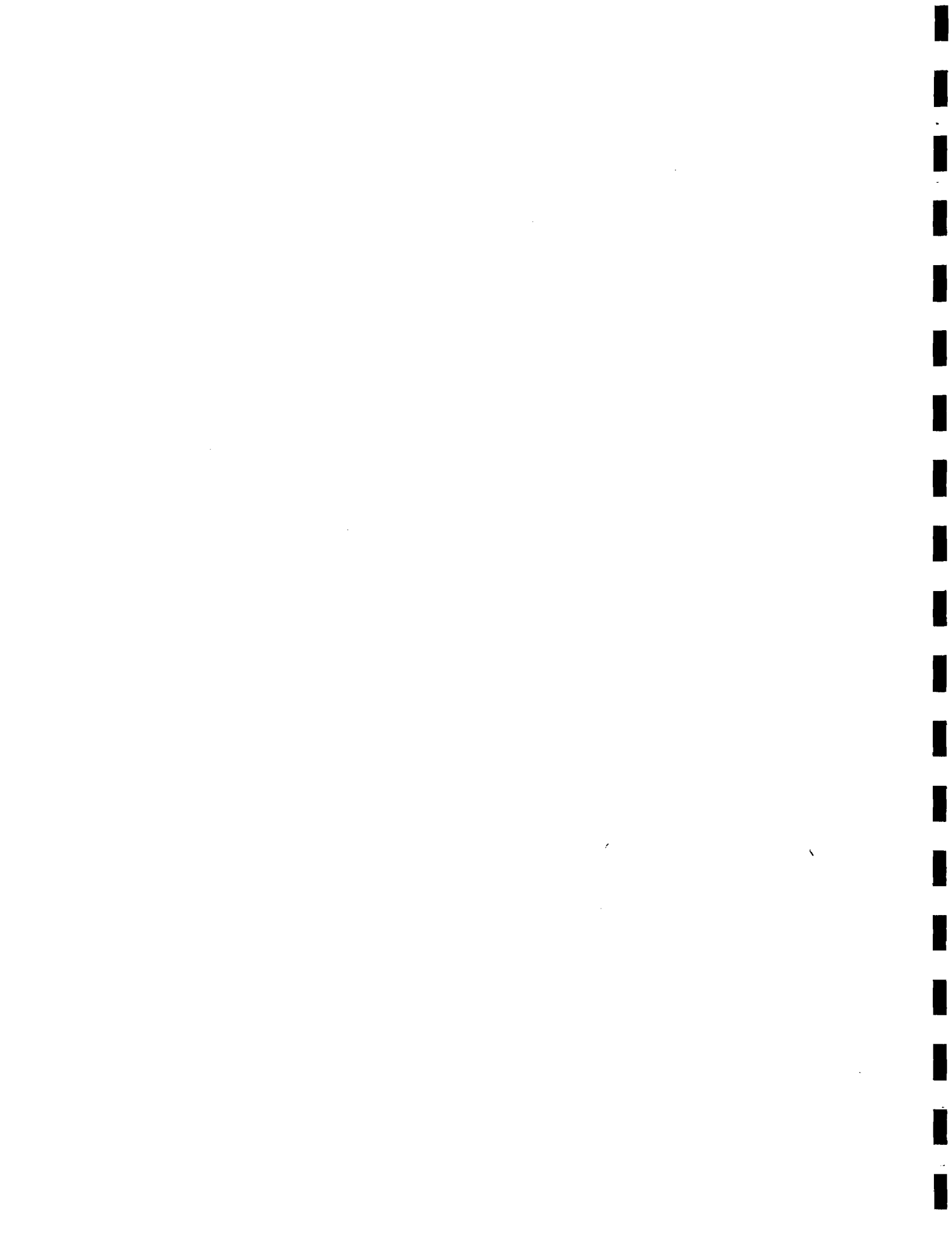
<sup>1/</sup> The approved estimates reduced this figure to approximately \$44.5m.

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

Table 7  
Selected Fiscal Data 1977  
(Bze\$'000)

	1st Quarter	2nd Quarter	Cumulative Total	Estimates 1977
Recurrent Revenue	8,629	10,098	18,727	46,959
Customs & Excise	4,296	5,445	9,741	23,350
Taxation	2,662	3,332	5,994	15,045
Licences	523	108	631	913
Rent & Royalties	178	139	317	687
Post Office	22	148	170	1,104
Other	948	926	1,874	5,860
Capital Receipts	998	877	1,875	36,956
Local	319	60	379	480
Foreign	679	817	1,496	36,476
Recurrent Expenditure	8,727	10,543	19,270	38,263
Capital Expenditure	4,400	4,167	8,567	45,652
Local	1,686	2,087	3,773	9,176
Foreign (overseas)	2,714	2,080	4,794	36,476
TOTAL EXPENDITURE	13,127	14,710	27,837	83,915

Source: Quarterly Review, June 1977 Vol. 1, Nos. 1  
and 2 The Monetary Authority, Belize.



STATISTICAL APPENDIX

BELIZE

1977



BELIZE

TABLE I

GROSS DOMESTIC PRODUCT AT FACTOR COST (IN 1973 PRICES)  
(Millions of Belize Dollars)

	1972	1973	1974	1975	1976 <sup>e</sup>	1977 <sup>e</sup>
Agriculture	17.1	18.4	19.1	18.2	...	...
Forestry and logging	2.4	3.0	4.3	3.0	...	...
Fishing	3.2	2.5	2.9	3.1	...	...
Mining and Quarrying	0.2	0.2	0.2	0.3	...	...
Sub-total primary	22.9	24.1	26.5	24.6	...	...
Manufacturing	9.0	10.2	11.8	10.9	...	...
Electricity and water	1.0	1.1	1.1	1.2	...	...
Construction	5.8	5.3	6.3	7.6	...	...
Sub-total secondary	15.8	16.6	19.2	19.7	...	...
Trade, restaurants and hotels	17.2	17.9	20.1	19.9	...	...
Transport, storage and communication	6.9	7.2	8.2	8.9	...	...
Financing and insurance	8.0	7.7	7.5	7.2	...	...
Real estate, ownership of dwellings and business services	7.4	7.6	7.8	8.3	...	...
Public administration	8.8	9.9	10.4	11.2	...	...

TABLE I (CONT'D)

	1972	1973	1974	1975	1976 <sup>P</sup>	1977 <sup>P</sup>
Other community, social and personal services	10.3	10.3	10.4	10.9	...	...
Sub-total tertiary	58.6	60.6	64.4	66.4	...	...
TOTAL	97.3	101.3	110.1	110.6	120.0	126.0

Note: Totals may not agree because of rounding.

Source: National Accounts Statistics, 1975, Central Planning Unit,  
Ministry of Finance and Economic Planning, Belize, and  
data supplied CEPAL.



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TABLE II

GROSS DOMESTIC PRODUCT AT FACTOR COST (IN 1973 PRICES)  
(Percentage shares)

	1972	1973	1974	1975	1976	1977
Agriculture	17.6	18.2	17.3	16.5	...	...
Forestry and logging	2.5	3.0	3.9	2.7	...	...
Fishing	3.3	2.5	2.6	2.8	...	...
Mining and Quarrying	0.2	0.2	0.2	0.3	...	...
Sub-total primary	23.5	23.8	24.1	22.2	...	...
Manufacturing	9.2	10.1	10.7	9.9	...	...
Electricity and water	1.0	1.1	1.0	1.1	...	...
Construction	6.0	5.2	5.7	6.9	...	...
Sub-total secondary	16.2	16.4	17.4	17.8	...	...
Trade, restaurants and hotels	17.7	17.7	18.3	18.0	...	...
Transport, storage & communication	7.1	7.1	7.4	8.0	...	...
Financing and Insurance	8.2	7.6	6.8	6.5	...	...
Real estate, ownership of dwellings and business services	7.6	7.5	7.1	7.5	...	...
Public administration	9.0	9.8	9.4	10.1	...	...
Other community, social and personal services	10.6	10.2	9.4	9.9	...	...
Sub-total tertiary	60.2	59.8	58.5	60.0	...	...
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Derived from Table I.

BELIZE  
TABLE IIA  
GROSS DOMESTIC PRODUCT SECTORAL GROWTH: 1971-1973, 1973-1977  
In 1973 PRICES  
(Percentages)

	A V E R A G E					
	1971- 1973	1972- 1973	1973- 1974	1974- 1975	1975- 1976	1976- 1977
Agriculture	5.8	7.6	3.8	-4.7	...	...
Forestry and logging	15.2	25.0	43.3	-30.2	...	...
Fishing	-8.3	-21.9	16.0	6.9	...	...
Mining and Quarrying	2.1	0.0	0.0	50.0	...	...
Sub-total Primary	4.5	5.2	10.0	-7.2	...	...
Manufacturing	13.0	13.3	15.7	-7.6	...	...
Electricity and water	11.1	10.0	0.0	9.1	...	...
Construction	2.0	-8.6	18.9	20.6	...	...
Sub-total Secondary	9.3	5.1	15.7	2.6	...	...
Trade, restaurants and hotels	7.7	4.1	12.3	-1.0	...	...
Transport, storage & communication	4.5	4.3	13.9	8.5	...	...
Financing and Insurance	0.0	-3.7	-2.6	-4.0	...	...
Real estate, ownership of dwellings and business services	2.8	2.7	2.6	6.4	...	...
Public Administration	12.7	12.5	5.1	7.7	...	...
Other community, social & personal services	0.5	0.0	1.0	4.8	...	...
Sub-total Tertiary	5.1	3.4	6.3	3.1	...	...
TOTAL	5.6	4.1	8.7	0.5	8.5	5.0

Source: Derived from Table I.

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TABLE III

OUTPUT OF SELECTED PRODUCTS C

Items	Unit	1974	1975	1976	1977 <sup>e</sup>
Sugar-cane	tons	824,074 <sup>r</sup>	813,000 <sup>e</sup>	607,022	917,064
Corn	'000 lbs.	28,200 <sup>r</sup>	28,000	40,000 <sup>r</sup>	37,000
Rice (paddy)	'000 lbs.	16,600 <sup>r</sup>	10,700	13,798	11,000
Timber	'000 cu.ft.	2,250	4,140	6,474 <sup>2/</sup>	...
Red kidney beans <sup>1/</sup>	'000 lbs.	2,750	2,750	3,300 <sup>r</sup>	3,500
Honey	'000 lbs.	364	298	665	368
Oranges <sup>1/</sup>	'000 lbs.	99,090	72,068	56,250	48,600
Grapefruits <sup>1/</sup>	'000 lbs.	34,160 <sup>r</sup>	42,791	30,720	28,800
Sugar	tons	88,887 <sup>r</sup>	82,874	61,699	92,000
Molasses <sup>1/</sup>	tons	27,042 <sup>r</sup>	28,068	20,799 <sup>2/</sup>	30,000
Rum	liq. gals.	23,000	...	...	...
Cigarettes	'000	84,300 <sup>r</sup>	91,700	85,000	46,000 <sup>3/</sup>
Clothing (outerwear)	1,000 pieces	1,070	879	1,128	...

<sup>1/</sup> Crop year ending in year shown.

<sup>2/</sup> Metric tons.

<sup>3/</sup> January-June 1977

Source: Appendix to Budget Speech 1978 and data supplied CEPAL.

BELIZE

TABLE IV

FUNCTIONAL CLASSIFICATION OF GOVERNMENT EXPENDITURES  
(Capital and Recurrent, 1974-1976)  
(Bze\$'000)

Details	1 9 7 4 <sup>r</sup>		1 9 7 5 <sup>r</sup>		1 9 7 6 <sup>r</sup>	
	Recurrent	Capital	Recurrent	Capital	Recurrent	Capital
General Administration Defense, Legal, etc.	<u>5,452</u>	<u>2,326</u>	<u>6,445</u>	<u>3,102</u>	<u>9,169</u>	<u>1,035</u>
<u>Economic Services</u>	<u>6,796</u>	<u>9,626</u>	<u>8,871</u>	<u>8,123</u>	<u>10,705</u>	<u>9,286</u>
Agriculture, Forestry & Fisheries	1,994	1,215	2,379	2,149	2,944	1,797
Lands and Surveys, Communications, Roads, Public Works	3,883	3,445	4,463	5,943	6,211	7,239
Other Miscellaneous	919	4,006	2,029	31	1,550	250
<u>Social Services</u>	<u>8,006</u>	<u>1,138</u>	<u>9,459</u>	<u>2,234</u>	<u>12,477</u>	<u>2,802</u>
Health	2,392	531	2,967	689	3,617	616
Education	3,982	384	5,364	11,411	7,301	1,111
Housing and Social Welfare	342	223	380	134	498	527
Other Miscellaneous	1,290	-	784	-	1,061	548
<u>Other</u>	<u>4,351</u>	<u>566</u>	<u>4,282</u>	<u>3,170</u>	<u>4,737</u>	<u>5,877</u>
Interest and Repayment Annuities and Sinking Fund	2,829	-	2,464	-	2,572	-
Pensions	1,522	-	1,818	-	2,049	-
Rural Water Supply, Water and Sewerage, Ports and Harbours	-	536	-	476	116	1,727
Electricity Dev. (loans)	-	-	-	1,391	-	2,141
Banana Dev. (loan)	-	-	-	1,047	-	1,295
Other loans	-	-	-	256	-	714
TOTAL	<u>24,605</u>	<u>13,656</u>	<u>29,093</u>	<u>16,629</u>	<u>37,088</u>	<u>19,000</u>
TOTAL GOVERNMENT EXPENDITURE	38,261		45,722		56,088	

Source: Central Planning Unit, Ministry of Finance and Economic Planning, Belize.

BELIZE

TABLE V

VALUE OF PRINCIPAL DOMESTIC EXPORTS  
(Bze\$ '000)

Items	1973 <sup>r</sup>	1974 <sup>r</sup>	1975	1976 <sup>r</sup>	1977
Sugar (unrefined)	20,842 <sup>✓</sup>	57,222 <sup>✓</sup>	79,444 <sup>r</sup>	36,620	...
Molasses	1,433 <sup>✓</sup>	1,198 <sup>✓</sup>	2,039	1,595	...
Lobster	}	}	}	}	}
Shrimp					
Conch					
Fish, fresh or dried					
Bananas and Plantains	-	-	51	1,726	2,000 <sup>3/</sup>
Citrus juices and concentrates	3,697 <sup>✓</sup>	3,873 <sup>✓</sup>	4,461 <sup>r</sup>	4,100	...
Grapefruit segments	641 <sup>✓</sup>	1,511 <sup>✓</sup>	760	...	...
Grapefruit and orange oil	121 <sup>✓</sup>	535 <sup>✓</sup>	64 <sup>r</sup>	70	...
Live animals for food	280	422	183 <sup>r</sup>	...	...
Logs and lumber	3,469	4,312	2,321 <sup>r</sup>	1,537	...
Outer garments <sup>1/</sup>	6,216	8,292 <sup>2/</sup>	7,420 <sup>2/r</sup>	12,700	7,200 <sup>4/</sup>
Honey	150	229	241	292	...

<sup>1/</sup> May include re-exports.

<sup>2/</sup> Data for clothing.

<sup>3/</sup> Data to January-August.

<sup>4/</sup> Exports of textiles products for January-May.

Source: Economic Survey, 1973, 1975, and data supplied CEPAL.

BELIZE

TABLE VI

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

SITC Sections	1973	1974	1975	1976 <sup>P</sup>	1977 <sup>P</sup> <u>1/</u>
0 Food and Live animals	31,638	68,844	92,359 <sup>R</sup>	...	60,210
1 Beverages and tobacco	-	2	-	...	969
2 Crude materials, inedible except fuels	4,017	5,591	2,825 <sup>R</sup>	...	1,864
3 Mineral fuels, lubricants and related materials	-	-	-	...	1,703
4 Animal and vegetable oils and fats	-	2	16	...	91
5 Chemicals	171	546	86	...	2,954
6 Manufactured goods	-	14	21 <sup>R</sup>	...	2,695
7 Machinery & transport equipment	6	3	72	...	4,047
8 Miscellaneous manufactured articles	6,278	8,409	7,489 <sup>R</sup>	...	17,724
9 Commodities and transactions, n.e.s.	60	29	60	...	416
<b>TOTAL</b>	42,170	83,440 <sup>V</sup>	102,858 <sup>R</sup>	75,600	92,673

1/ Data for January to September, relate to total exports.

Source: Data supplied CEPAL.

BELIZE

TABLE VII

VALUE OF IMPORTS BY SITC SECTIONS

(Bze\$'000)

SITC Sections	<del>x</del> 1973 <sup>r</sup>	<del>x</del> 1974 <sup>r</sup>	✓ 1975	✓ 1976 <sup>p</sup>	✓ 1977 <sup>p</sup> 1/
0 Food and Live animals	18,840	29,597	40,041	42,000	27,200
1 Beverages and tobacco	2,980	4,438	2,885	2,000	2,831
2 Crude materials, inedible except fuels	596	1,191	974	600	963
3 Mineral fuels, lubricants and related materials	4,870	11,450	13,483 <sup>r</sup>	14,000	17,099
4 Animal and vegetable oils and fats	134	227	284	200	217
5 Chemicals	6,609	11,428	18,805 <sup>r</sup>	15,000	9,537
6 Manufactured goods	14,132	19,556	28,592 <sup>r</sup>	24,000	22,395
7 Machinery and transport equipment	15,175	20,743	37,692 <sup>r</sup>	32,000	36,552
8 Miscellaneous manufactured articles	8,368	13,673	14,854	15,000	16,626
9 Commodities and transactions, n.e.s.	610	590	389	300	526
<b>TOTAL</b>	<b>72,323</b>	<b>112,693</b>	<b>157,999</b>	<b>145,100</b>	<b>133,946</b>

1/ Data for January to September

Source: Data supplied CEPAL.

BELIZE  
TABLE VIII  
BALANCE OF PAYMENTS FOR 1973, 1975, 1976  
 (Bze \$Mill.)

	1973	1975 <sup>r</sup>	1976 <sup>pe</sup>
<u>CURRENT ACCOUNT</u>			
Exports (f.o.b.)	52.7	129.5	105.6
Imports (c.i.f.)	72.3 <sup>r</sup>	158.0	145.1
Trade Balance	-19.6 <sup>r</sup>	-28.5	-39.5
Factor incomes (invisibles)	- 3.5	- 3.8	- 3.0
Travel	4.0	4.0	4.2
Overseas Aid (UK)	8.7 <sup>1/</sup>	9.0 <sup>2/</sup>	...
Other Aid (Canada and UNDP)	1.5	2.8	3.0
Remittances	3.6	3.4	...
Other	0.8	0.9	...
<u>BALANCE ON GOODS AND SERVICES</u>	- 4.5 <sup>r</sup>	-12.2 <sup>r</sup>	...
<u>CAPITAL ACCOUNT</u>			
Official Loans (net)	6.0	4.8 <sup>2/</sup>	...
Private capital inflows	10.0 <sup>e</sup>	...	...
Total Capital Account	16.0 <sup>e</sup>	4.8 <sup>3/</sup>	...
Errors and Omissions	...	...	...
Surplus (+) or Deficit (-)	7.7 <sup>e</sup>	...	...

<sup>1/</sup> Include British Military aid.

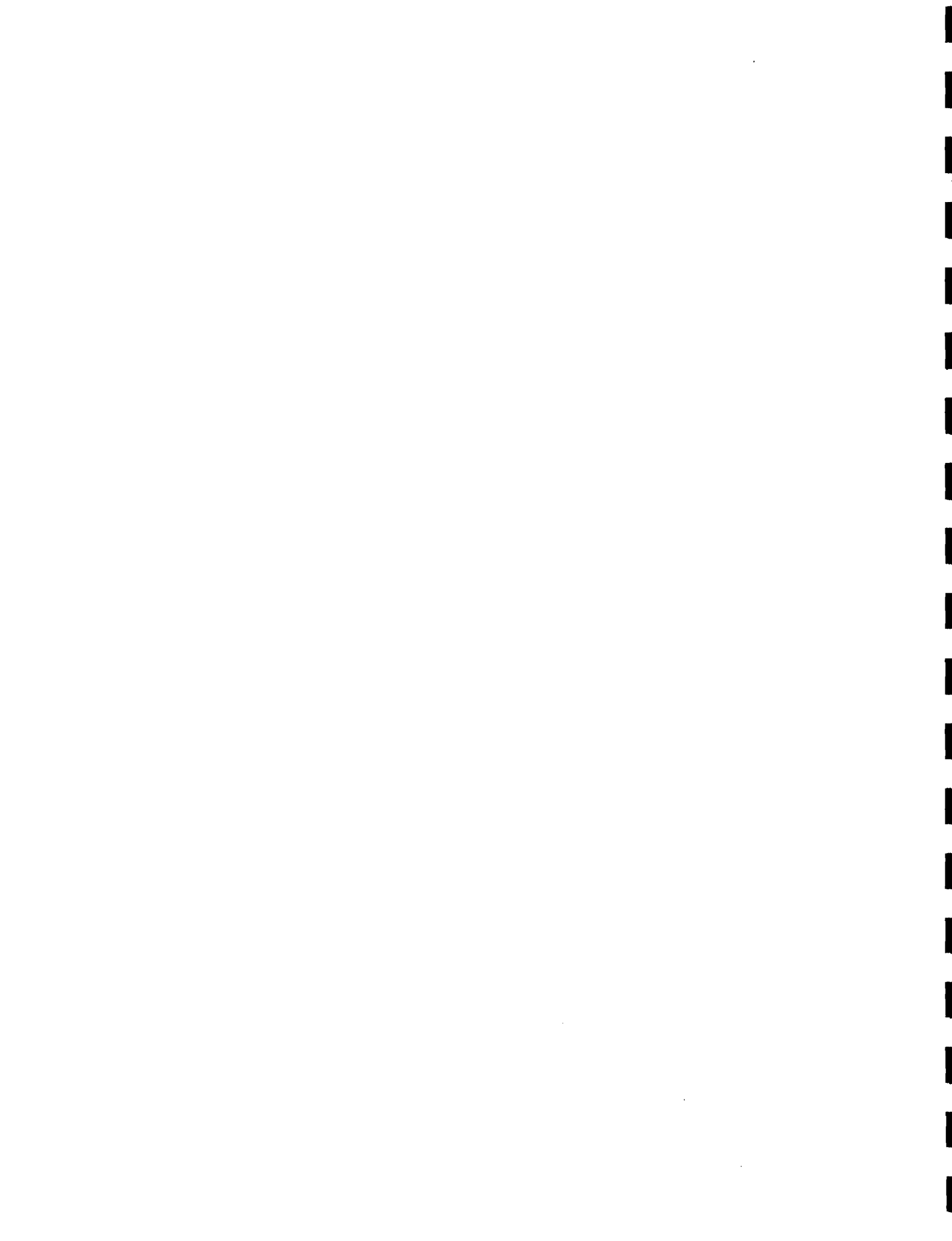
<sup>2/</sup> Data for UK and Canada Development and other aid schemes.

<sup>3/</sup> Data on loan receipts.

Source: Data extracted from Economic Survey, 1973; Estimates of Revenue and Expenditure for the year 1976, Government of Belize; and data supplied CEPAL.



PART V  
GRENADA COUNTRY NOTES



## ECONOMIC SURVEY 1977

### GRENADA

(East Caribbean dollars used throughout)

Official national income estimates are not available after 1975. In 1975 GDP at current factor cost was put at approximately \$80 million. Rough estimates of GDP for 1976 put the figure at about \$93 million. This represented an expansionary rate of about 15 per cent to 16 per cent. Preliminary projections of GDP for 1977 is tentatively expected to show a 7 per cent to 10 per cent growth.

Official price deflators are unavailable. However, rough indicators do not reflect any significant real growth in the economy during 1977. Firm data on retail prices, too, are not available, however, retail price increases have been variously estimated, unofficially at about 18 per cent in 1976, and 11 per cent to 14 per cent in 1977.

The Agricultural Sector which normally provided much of the stimulus for growth in the overall economy, showed reduced momentum during 1977. Growth in that sector was slow principally because of substantial shortfalls in volume of output of some crops. Construction and manufacturing activities were sluggish; however, tourism, though small in its contribution to total GDP, continued its recovery following its setback during 1973 and 1974.

Provisional data on external merchandise transactions revealed some growth, but the country's balance of payments position is estimated to have deteriorated in 1977. This situation is a reversal of the improvement trend during 1976. Exports for 1977 reached \$38.4 million, or an equivalent of 13 per cent growth, but imports grew more rapidly to reach almost \$85 million. This reflected an

increase in the order of 28 per cent. This situation resulted in a higher trade deficit than was experienced in 1976. It must be mentioned, that although prices were generally higher during 1977, volumes of export commodities fluctuated, and in fact, substantial decreases were recorded for some important commodities.

The most singular development in 1977 must be the projected surplus of about \$2 million on Government current account. This expectation is based primarily on adjustments in collection systems, new tax measures, higher import duties, budgetary control measures and a general increase in economic activity.

#### The Agriculture, Livestock, Forestry and Fishing Sector

Overall performance in the Agriculture, Livestock, Forestry and Fishing Sector was less satisfactory in 1977. The dynamic of the previous year was not sustained through 1977. However, the sector remained the mainstay of the economy in terms of its potential to earn foreign exchange and its absorptive employment capacity and consequently its ability to generate income.

The latest official estimates of Agriculture Gross Domestic Product in current prices was put at approximately \$23 million in 1975. However, in 1977, preliminary data on the major determinants of GDP in the sector would indicate a figure of about \$27.4 million. This reflects little or no real improvement on the previous year's indicated figure of about \$27 million. Unlike 1976, when the country's export agriculture sub-sector experienced bouyant outputs, in 1977, production in two major export commodities dropped too low to be compensated by generally higher prices.

In the current period, preliminary production data showed decreases of 23 per cent and 6 per cent for cocoa beans and bananas respectively. In the previous year, the same commodities grew by 13 per cent and 19 per cent respectively. In fact

1977 output of cocoa beans was only 86.5 per cent of the level of production in 1975. Higher production targets could not have been realized partly because of adverse weather conditions and managerial problems. On the other hand, nutmegs registered a 2.3 per cent increase. This represented a considerably slower rate of expansion than in the previous year. However, the 1977 level of nutmegs production was the highest attained. Since 1971, and this is true also for the volume of mace produced - nutmegs and mace being joint products.

Table 1  
Growth Rate in Production of  
Principal Agricultural Commodities  
(Percentage)

Principal Commodities	X 1973-1974	✓ 1974-1975	✓ 1975-1976	✓ 1976-1977 <sup>D</sup>	✓ 1977-1978
Nutmegs	19.4	-8.2	31.1 <sup>r</sup>	2.3 <sup>r</sup>	-15.0
Mace	32.0	-52.3	135.1 <sup>r</sup>	3.0 <sup>r</sup>	-18.0
Cocoa beans	-11.1	1.2	12.8 <sup>r</sup>	-24.6 <sup>r</sup>	17.9
Bananas	-20.1	53.0	18.8	-6.0	2.7
Copra	-78.3	51.1	5.7 <sup>r</sup>	27.8	40.0
Sugar cane	-39.8	106.4	74.0	35.0	-3.8

Source: Derived from Table ~~IV~~ in the Statistical Appendix.

The domestic agriculture sub-sector lacked the thrust of the previous year. Although volume of output in some commodities increased, the overall level was lower in 1977 than in 1976. Provisional data on some important root-crops, fruits and vegetables reaching the domestic markets show dramatic decreases. Copra production expanded for the

third successive year, but the volume of output remained relatively small and was still below the desired level. The rate of increase in the volume of sugar-cane reaped slackened but was still substantial in 1977. A target of 23,000 tons of sugar-cane is projected for 1978.

Prices for agricultural commodities on the local and external markets were generally higher in 1977. There were increases in the average export unit value for each of the country's four principal items. With respect to domestically consumed commodities, prices rose partly on account of short-fall in supplies.

It must be maintained, that the implementation of the agricultural programmes for non-traditional vegetables and root-crops had not progressed in accordance with expectations. Although varieties of planting materials have been tested and selected, the project is saddled with various financial and managerial problems. This programme was expected to be an integral aspect of the overall diversification drive in the country's development.

#### Tourism

Since the period of social unrest in 1973-1974, Grenada's tourism sector has been recovering steadily. Official estimates of Tourism sector GDP for 1975 was approximately EC\$1.9 million, compared with \$1.7 million and \$1.3 million in 1973 and 1974, respectively. The crude estimate for 1976 was about \$2.3 million. The figure for 1977 should be close to \$3.1 million. Using 1973 as the base (1973 = 100), the number of tourist visitors, excluding cruise passengers, was preliminarily put at 85.2 in 1977 as compared with 73.3 in the previous year. However, this is still only 75.2 per cent of the 1972 level, the period when tourist traffic to Grenada reached its peak.

It is evident too there is some change in the structure of the traffic, reflected in a 16.2 per cent growth in 1977 in stop-over visitors, while the provisional data on cruise passengers during the first nine months of 1977 indicated only a moderate increase.

Official estimates of expenditure of visitors for 1977 show an increase to \$19.4 million from \$16.6 million in the previous year, which would in large part be attributable to the increase in volume of visitors and an increase in the length of stay. These figures however may well be understated as they are based on out-dated estimators of the early 1960's.

Table 2  
Selected Tourist Statistics

	1974	1975	1976 <sup>P</sup>	1977 <sup>P</sup>
Stop-over visitors	14,723	21,059	24,551	28,536
Cruise-ship visitors	57,644	85,460	106,882	78,382 <sup>1/</sup>
Number of cruise- ship calls	117	153	187	138 <sup>1/</sup>
Average length of stay of stop-over visitors (days)	17.33	13.5	12.1	14.4
Number of yacht calls	968	1,258	1,436	...
Number of hotel and guest house beds	1,800	1,800	1,800	1,500 <sup>2/</sup>
Estimated visitors' expenditure (\$'000)	12,620	15,599	16,598	19,416

<sup>1/</sup> Data for January-September 1977.

<sup>2/</sup> The decrease in 1977 compared with 1976 is a result of the occupation of some rooms in certain establishments by medical students from the University of St. George's.

Source: Data supplied by the Grenada Tourist Board.

Low occupancy rate continues to be a serious problem facing the Grenada Tourist sector. The average occupancy rate for summer and winter seasons for 1976 was about 20 per cent and 40 per cent respectively, for all member hotels of the Grenada Hotel Association. A significant improvement is expected for 1977 considering both the increase in the number of stop-over visitors and their longer length of stay. In addition, there was a reduction in the excess room and bed capacity with the allocation of three hundred hotel beds for medical students at the University of St. George's.

Since 1974, the number of Caribbean visitors to Grenada has annually exceeded those from the U.S.A., the most important extra-regional market. During 1977 the percentage share of Caribbean visitors dropped to 28.3 per cent from 32.7 per cent in the previous year. But, although this category of tourist visitors remains the dominant share, in terms of visitors' spending power, extra-regional visitors particularly those from the U.S.A., by virtue of their higher per capita income would seem to have a greater impact on tourism activity in Grenada.

Stop-over visitors from the U.S.A. grew substantially faster in 1977 to register a 31 per cent increase contrasted with just over 10 per cent increase in 1976. The USA's share of total stop-over visitors reached 28 per cent, while the percentage share of visitors from Canada dropped slightly notwithstanding a 11.7 per cent growth in absolute numbers. Indications are that Grenada's tourist promotion programme is reaching non-traditional tourist markets. For example, more and more stop-over visitors from West Germany are selecting Grenada as a tourist resort. During 1977 the number of West Germans visiting Grenada accounted for approximately 8.6 per cent of total stop-over visitors; while visitors from U.K., a traditional market declined to 10.6 per cent. Recognizing the need to broaden the existing Grenada Tourist industry which is mostly concentrated in the South-western section of the country, the Grenada Tourist Authority with foreign assistance undertook an inventory of historic sites. The underlying



objective of the exercise is to make the country-side and historic sites attractive to tourist visitors.

#### THE MANUFACTURING SECTOR

Although the need to diversify the base of the manufacturing sector is recognized, the establishment of new industries has been proceeding somewhat slowly. Numerous factors have militated against rapid industry expansion including the lack of mineral resources to exploit commercially, the smallness of the domestic market, the unavailability of adequate indigenous investment capital, scarcity of entrepreneurial and managerial skill, the relatively poor infrastructural development, and socio-political stresses.

The result is that the manufacturing sector continues to be relatively small; in terms of GDP at current factor cost it was estimated at about \$3.6 million in 1975. Based on generally higher volume of output in most industries during 1976, an increase in manufacturing GDP was projected; but similar data for 1977, do not suggest any improvement above the level of 1976.

The performance of the sugar sub-sector was perhaps the most significant, as output of sugar grew from 8.1 tons in 1976 to about 513 tons in 1977; and a two-fold increase is projected for 1978. Data on output of syrup and molasses for rum production for 1977 are unavailable, however increases were expected in the level of output of these commodities. The volume of beer and malt output improved for the third successive year. On the other hand, there were sizeable decreases in the other traditional commodities.

Table 3

Percentage Changes in Volume of  
Output of Selected Manufactured Goods

	1973- 1974	1974- 1975	1975- 1976	1976- 1977
Malt	-40.9	352.7	102.0	19.1
Rum	47.5	9.5	3.3	-7.8
Beer	-51.8	88.1	52.9	84.4
Cigarettes	-13.8	15.8	-4.5	-19.6
Edible Oil	-71.7	53.3	82.4	-24.8
Coconut meal	-72.7	126.1	48.0	-21.3
Laundry soap	-74.1	-23.9	108.5	-24.2

Source: Derived from Table V in the  
Statistical Appendix.

Two new manufacturing enterprises namely a tyre recapping and retreading factory and a new foam rubber factory began operations during 1977. Although their capacities are relatively small, their successful operations will surely boost the sector's performance, and provide linkages to other sub-sectors. Also, during the year, concessions were granted for assembly of electrical equipment including transistor radios, television sets, electrical fans, and radiators for motor vehicles. These activities should come on stream during 1978.

Construction

Official estimates of construction sector GDP, at current factor cost from 1970 to 1974 reflect a considerable decline in construction activity since 1970. In 1975, construction GDP registered a strong resurgence to reach \$5.7 million, and activity in the sector improved further during 1976; but a decline is expected for 1977. Most indicators pointed to a downturn in the level of activity during 1977.

Government construction activity, which acts as the leader for overall construction activity in the country, was at a lower level during 1977. There was a lower trend in recurrent and capital expenditure with respect to the amounts allocated to public construction during the first ten months of 1977 compared with the same period of 1976, which reflects public sector financial stringencies that prevent implementation of several maintenance programmes or the stimulation of substantial new construction activity.

Table 4  
Annual Expenditure on Road Maintenance  
(EC\$'000)

	1975	1976	1977
Budget estimate	500	980	1,530
Actual Expenditure	990	1,360	...

Source: Ministry of Finance.

This sector suffered a serious setback in 1977, when the Caribbean Development Bank, the financier of the 30-mile feeder road programme for the period 1975-1977 temporarily halted the project at the end of 1976. By the end of 1976 only 6.8 miles of the projected 30-mile feeder roads were completed at a cost of almost 50 per cent of the \$3 million allocated for the project. The project faced numerous problems including transportation and management. However, satisfactory arrangements have been completed for the resumption of the feeder road development programme during 1978. Other assistance came from the British Development Division in the Caribbean. Their contribution was directed mostly to improvement to retaining walls and repairs to bridges.

Other initiatives are in the way of seeking commitment of foreign agencies to assist in the financing of projects consisting of airport works and other infrastructural development including sewerage disposal improvement in the South-western section of the country.

Private construction remained relatively slow during 1977. Since the setback in the hotel industry in the early 1970's, economic activity in the private sector has been restricted to slow growth in construction of dwelling houses and rehabilitation of existing buildings.

Grenada presently imports most construction materials including cement, bricks and blocks, metal manufactures and fittings; local inputs include small quantities of lumber, wood, sand and stone. The need to reduce the high import content of the sector is recognized. One possible strategy seems to be the development of small size plants to produce bricks and blocks, tiles and other products that can be used in other sectors also.

#### OTHER SECTORS

Based on the inter-relatedness of the distributive trade sector to the country's external activity including tourism, the level of GDP for the sector in 1977 would exceed the previous year's level. The growth during 1977 was determined principally by the rise in both import and export trade most of which is handled within the sector. In addition, the further improvement of the tourism sector during 1977 would have influenced the expansion of the distributive trade sector.

In spite of the small share of Banking and Insurance GDP to the total economy, the level of economic activity in 1977 is estimated to have risen above 1976 level. However, not all the indicators reflected a quickening in the rate of growth. Provisional data on commercial bank liabilities revealed an 11.6

per cent growth in 1977 as against a slower rate of almost 6.5 per cent during 1976. The 1977 rate was still below the 1975 increase of 14 per cent. Total bank deposits grew by 8.7 per cent as against almost 15 per cent and 32 per cent in 1976 and 1975 respectively. It is significant that savings deposits increased its share in total deposits (from 42.7 per cent and 45.7 per cent in 1975 and 1976 respectively), to 49.4 per cent in 1977, and registered the fastest growth with 17.7 per cent. Demand deposits increased only by 8.5 per cent, a rate which reflected considerable deceleration from 57 per cent in 1976. On the other hand, time deposits declined for the second successive year.

Available data on loans and advances by commercial banks pointed to a strong resurgence with 24.6 per cent increase in 1977 following the decline of 58 per cent in 1976. Most of this was in the form of personal loans and loans to the distributive trades and the transportation sector.

#### EXTERNAL SECTOR

For the second successive year, economic activity in the External Sector expanded below expectations. Historically, merchandise exports are the prime earners of foreign exchange, which in turn finance imports of essential inputs to other sectors, thus generating employment and income. The growth rate of domestic exports decelerated for the second year, in spite of higher prices for the major items of export. Total domestic exports rose by only 12.5 per cent compared with increases of 27 per cent and 47 per cent in 1976 and 1975, respectively. Provisional data on the value of imports for 1977, indicated a faster rate of increase of just over 2 per cent above the 25.4 per cent

rate of acceleration in 1976. These rates are significantly below the 42.0 per cent increase in 1975.

In 1976, the country's deficit on visible trade expanded less rapidly than in 1975, principally because of a substantially lower rate of growth in imports accompanied by a more rapid rise in exports. Preliminary data for 1977 show a reverse situation; with visible deficit growing by over 44 per cent.

Table 5

Exports, Imports and Balance on  
Visible Trade: 1974-1978  
(EC\$'000)

Year	Domestic Exports	Total Exports	Imports	Balance of Visible Trade
X 1970	10,953.2	12,074.9	44,631.8	-32,556.9
X 1971	9,290.8	10,193.2	46,051.2	-35,858.0
X 1972	9,954.6	10,530.3	43,811.7	-32,281.4
X 1973	13,637.0	14,512.0	42,487.1	-27,975.1
✓ 1974 <sup>Pr</sup>	17,650.0	19,265.0	37,080.0	-17,815.0
✓ 1975 <sup>P</sup>	25,888.1	26,915.4	52,818.0	-25,902.3
✓ 1976 <sup>P</sup>	32,121.0	34,121.0	66,215.0	-32,094.0
✓ 1977 <sup>P</sup>	37,031.6	38,451.6	84,763.3	-46,311.7
✓ 1978	44,388.0	45,663.0	95,770.0	-50,107.0

Source: Data supplied by the Statistical Office, Grenada.

The country's four principal export commodities namely, nutmegs, mace, bananas, and cocoa beans continued to dominate export trade. Together, they accounted for an annual average of 95 per cent of the value of domestic exports in the three year period 1975 to 1977. During 1974 they accounted for 91 per cent. The lack of diversification increased the

vulnerability of Grenada's export trade and in a more general sense, the economy. The percentage ratio of these major exports to imports, was 43.5 per cent in 1974; but in 1977 the ratio dropped to about 41 per cent, from an average of 47.2 per cent in 1975 and 1976.

Higher export prices, during 1977 had a greater impact on the growth of the domestic exports, than volume increases. In fact, the volume of exports of bananas, cocoa beans and mace fell by 9 per cent, 22 per cent and 47 per cent respectively. On the other hand, in quantity terms, exports of nutmegs increased by almost 11 per cent, but this was less than half of the rate of increase in 1976. In that year, there were volume increases for each of the major export items. Substantially higher average export unit value largely compensated for the drop in export volume of bananas and cocoa beans. However inspite of a 11 per cent increase in the unit value of mace, the export receipts for mace declined by about 41 per cent.

Official data on trade by major trading partners are not available after 1975. However, preliminary data on domestic exports indicate that the United Kingdom followed by the E.E.C. countries were the most significant importers of Grenada's exports. During 1977, the entire shipments of the Country's bananas went to the United Kingdom; while exports of nutmegs, mace and cocoa beans were shared principally among the United Kingdom, West Germany, Holland and Belgium. Imports into Grenada continued to originate from a wider cross-section of countries. However, in recent years, the CARICOM Countries, particularly the MDC's of the Group have become significant suppliers to Grenada.

It must be mentioned that Grenada's international credit position is relatively very weak and this has been aggravated by the poor fiscal position, which faces the Government.

Since Independence, capital inflows in the form of grants mainly from the United Kingdom have become extremely restricted. During 1977, Grenada was faced with the problem of redeeming its external debentures when they were due. Recognizing the financial hardships facing the country, a few financial institutions and inter-governmental organizations offered assistance to Grenada during 1977. Among the contributors were the International Monetary Fund, the East Caribbean Currency Authority, European Development Fund, United Kingdom, Canada, and OPEC.

Table 6  
Average Export Unit Values of Selected Products  
(EC\$ Per lb.)

Commodity	1975 <sup>P</sup>	1976 <sup>P</sup>	1977 <sup>P</sup>	1978
Bananas	0.226	0.226	0.28	0.29
Nutmegs	2.21	2.09	2.42	2.46
Mace	4.00	3.00	3.32	2.96
Cocoa	1.41	1.46	1.94	3.72
Lime juice	0.18	0.15	...	...
Cloves	5.25	5.85	9.65	9.61
Lime oil	11.00	10.50	...	...

Source: Calculated from External Trade data provided by the Statistical Office, Grenada.

#### FISCAL DEVELOPMENTS

Increased efforts made during 1977 to improve the budgetary situation centred round broadening of the tax base and other measures to boost revenue, coupled with greater control over expenditure. These measures and controls are expected to result in a small budget surplus in 1977.



In terms of current prices, GDP of the Government Sector was about \$7.2 million in 1975, the last year for which official estimates were available. In 1976, there were indications that economic activity within the sector accelerated at a rate of about 14 per cent to 16 per cent. The increase was largely influenced by an interim pay increase to public servants. However in GDP terms, preliminary data for 1977 revealed only a slight increase of about 1 to 2 per cent over the 1976 level.

Government's total expenditure for 1976 was provisionally put at almost \$39 million, of which recurrent expenditure accounted for over 89 per cent. Budgeted expenditure for the year 1977 was \$58 million with 61 per cent allocated to recurrent expenditure. However, preliminary data showed total expenditure to be \$27 million by October 1977, of which recurrent expenditure was 93 per cent. Based on these ten month data a lower level of recurrent expenditure is expected for 1977 as compared with 1976, due to lower levels of expenditure on agriculture, construction and debt-servicing. However, social and administrative expenditure were larger.

The budget estimates for recurrent revenue in 1977 was approximately \$37 million with special reimbursement accounting for 4.2 per cent. Capital budgeted receipts were not expected to be substantially above \$2 million. During the first ten months of 1977, the amount of local revenue collected reached \$27.2 million, which represented 76.2 per cent of the budgeted figure. The increase (as compared with the same period in 1976) was attributable to growth in most sources of revenue, with import duties and income taxes registering the greatest increases. Among the fiscal measures that were implemented in 1977 are:

- 2½ per cent tax imposed on the purchase of foreign exchange, (which was projected to yield \$1.5 million during 1977);
- 20 per cent levy on all interest paid by commercial banks; and
- Introduction of a single line tariff (or the elimination of Commonwealth preferential tariff under the Lomé Convention),

all aimed at attaining a balance between expenditure and revenue. This is most necessary in order to improve the country's international credit-worthiness and thus the ability to borrow from both local and foreign banks.

Table 7  
Percentage Changes in Selected Fiscal Data

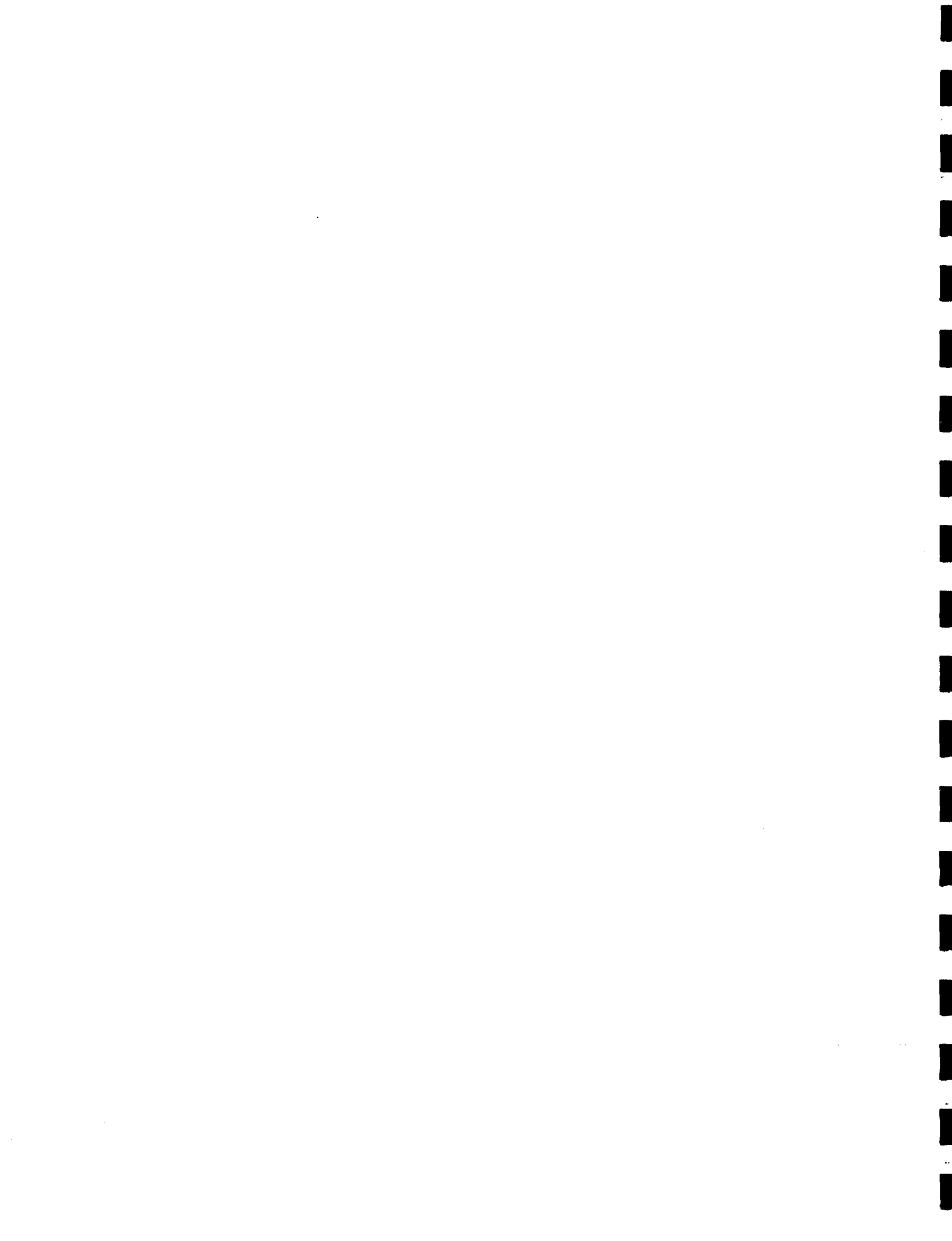
	1974	1975	1976	1976-1977 Jan.-Oct.
Recurrent Revenue	-16.0	23.8	54.3	15.5
Local Revenue	-16.0	23.5	51.9	17.4
Import duties	-31.5	28.5	20.1	44.6
Export duties	17.2	68.7	27.4	10.9
Consumption tax	-30.8	47.1	65.6	20.3
Income tax	-16.4	5.1	44.7	24.6
Recurrent Expenditure	0.7	19.0	43.7	-4.4
Agriculture	...	22.0	31.0	-0.5
Construction	...	119.5	89.8	-3.0
Administration	...	15.1	45.1	7.6
Social	...	8.9	39.7	12.6
Debt servicing	...	39.3	-9.4	-29.1
Capital Expenditure	-42.4	-53.8	-15.1	139.0
Surplus (+) or Deficit (-)	2,189.6	6.1	14.3	* /

Source: Derived from Tables VI and VII in the Statistical Appendix.

STATISTICAL APPENDIX

GRENADA

1977



GRENADA

TABLE I

GROSS DOMESTIC PRODUCT AT CURRENT FACTOR COST: 1972-1975  
(EC\$'000)

Sectors	1972	1973	1974	1975
Agriculture, Forestry, Fishing & Livestock	13,153	12,735	16,346	23,122
Mining & Quarrying	110	82	182	89
Manufacturing	2,622	3,165	2,987	3,614
Construction	6,019	5,478	2,871	5,713
Electricity & Water Supply	806	1,133	1,161	1,363
Transport & Communication	5,817	7,191	7,154	7,771
Trade	11,661	12,268	10,279	12,706
Hotels & Restaurants	1,327	1,668	1,253	1,870
Banking & Insurance	3,388	2,558	3,018	3,325
Ownership of Dwellings	5,518	5,573	5,629	5,685
Public Administration & Defence	6,678	6,515	6,792	7,207
Other Services	7,065	7,449	7,693	7,999
<b>TOTAL:</b>	<b>64,164</b>	<b>65,815</b>	<b>65,365</b>	<b>80,464</b>

Source: National Income Estimates of Grenada - Sources and Methods, Grenada.

GRENADA

TABLE II

GROSS DOMESTIC PRODUCT: ANNUAL PERCENTAGE CHANGE

Sectors	1972-1973	1973-1974	1974-1975
Agriculture, Forestry, Fishing & Livestock	- 3.2	28.4	41.5
Mining & Quarrying	-25.5	121.95	-51.1
Manufacturing	20.7	- 5.6	20.9
Construction	- 8.98	-47.6	98.98
Electricity & Water Supply	40.6	2.5	17.4
Transport & Communication	23.6	0.5	8.6
Trade	5.2	-16.2	23.6
Hotels & Restaurants	25.7	-24.9	49.2
Banking & Insurance	-24.5	18.0	10.2
Ownership of Dwellings	1.0	1.0	1.0
Public Administration & Defence	- 2.4	4.25	6.11
Other Services	5.4	3.3	4.0
TOTAL:	2.6	- 0.7	23.1

Source: Derived from Table I.

GRENADA

TABLE III

GROSS DOMESTIC PRODUCT AT CURRENT FACTOR COST:

PERCENTAGE SHARES

Sectors	1972	1973	1974	1975
Agriculture, Forestry, Fishing & Livestock	20.5	19.3	25.0	28.7
Mining & Quarrying	0.2	0.1	0.3	0.1
Manufacturing	4.1	4.8	4.6	4.5
Construction	9.4	8.3	4.4	7.1
Electricity & Water Supply	1.3	1.7	1.8	1.7
Transport & Communication	9.1	10.9	10.9	9.7
Trade	18.2	18.6	15.7	15.8
Hotels & Restaurants	2.1	2.5	1.9	2.3
Banking & Insurance	5.2	3.9	4.6	4.1
Ownership of Dwellings	8.6	8.5	8.6	7.1
Public Administration & Defence	10.4	9.9	10.4	9.0
Other Services	11.0	11.3	11.8	9.9
TOTAL:	100.0	100.0	100.0	100.0

Source: Derived from Table I.

GRENADATABLE IVPRODUCTION OF PRINCIPAL AGRICULTURAL COMMODITIES

Principal Commodities	Unit	1971	1972 <sup>P</sup>	1973 <sup>P</sup>	1974 <sup>P</sup>	1975 <sup>P</sup>	1976 <sup>P</sup>	1977 <sup>P</sup>
Nutmegs	cwt.	35,258	32,495	32,627	38,942	35,748	47,212 <sup>R</sup>	48,319
Mace	cwt.	4,806	4,194	4,260	5,624	2,680	6,300 <sup>R</sup>	6,510
Cocoa beans	'000 LBS	5,794 <sup>R</sup>	5,831 <sup>R</sup>	6,042 <sup>R</sup>	5,371 <sup>R</sup>	5,308 <sup>R</sup>	5,990 <sup>R</sup>	4,592
Bananas	tons	13,960	12,510.8 <sup>e</sup>	10,992.0	8,783.1 <sup>e</sup>	13,441	15,964	15,000 <sup>e</sup>
Copra	tons	723 <sup>R</sup>	599	621	134.6 <sup>R</sup>	203.4	215	274.8
Sugar-cane	tons	7,740	5,732 <sup>e</sup>	4,795.3	2,888.6	5,961	10,372	14,000

Source: Data supplied by the Statistical Unit, Ministry of Agriculture, Forestry & Fisheries; Statistical Office, Grenada; and data supplied CEPAL.



GRENADA

TABLE V

OUTPUT OF SELECTED INDUSTRIAL PRODUCTS

Commodity	Unit	1971	1972	1973	1974	1975 <sup>P</sup>	1976 <sup>P</sup>	1977 <sup>P</sup>
Sugar	tons	774.0	595.4	-	-	-	8.1	513.0
Rum	'000 proof gal.	93.1	80.3	56.9	83.9	91.9	94.9 <sup>R</sup>	87.5
Beer	'000 gal.	46.0	71.3	97.5	47.0	88.4 <sup>R</sup>	135.2	249.3
Cigarettes	'000 cartons	142.6	161.0	186.7	161.0	186.4 <sup>R</sup>	178.0	143.1
Malt	'000 gal.	9.0	9.2	9.3	5.5	24.9 <sup>R</sup>	50.3	59.9
Edible oil	'000 gal.	94.8	106.4	90.1	25.5	39.1 <sup>R</sup>	71.3	53.6
Nutmeg oil	'000 lb.	-	-	-	-	3.3	1.3	7.3 <sup>1/</sup>
Cotton	'000 lb.	6.5	-	24.6	-	29.0	...	...
Coconut meal	'000 lb.	351.0	408.1	325.1	88.8	200.8 <sup>R</sup>	297.1	233.7
Laundry soap	'000 lb.	76.7	188.6	174.0	45.1	34.3	71.5	54.2

<sup>1/</sup> Data relate to exports.

Source: Data supplied by the Statistical Office, Grenada; Customs Department, Grenada; and data supplied CEPAL.

GRENADA

TABLE VI

GOVERNMENT RECURRENT REVENUE  
(EC\$'000)

	1972	1973	1974	1975	1976 <sup>P</sup>	Jan-Oct 1976 p	Jan-Oct 1977 p
<u>SOURCE OF REVENUE</u>							
Import duties	6,000	5,570	3,818	4,908	5,893	4,363	6,307
Export duties	1,000	1,539	1,803	3,041 <sup>r</sup>	3,874	3,346	3,710
Consumption tax	600	1,210	837	1,231	2,038	1,548	1,862
Income tax	4,200	3,995	3,339	3,508	5,077	3,891	4,847
Other taxes, fees & licences, etc.	7,500	5,804	5,422 <sup>r</sup>	6,110 <sup>r</sup>	11,668	10,019	10,463
Aid funds	200	-	-	44 <sup>r</sup>	531	531	176
<b>TOTAL:</b>	<b>19,500</b>	<b>18,118</b>	<b>15,219</b>	<b>18,842<sup>r</sup></b>	<b>29,082</b>	<b>23,698</b>	<b>27,365</b>

Source: Data supplied CEPAL by the Ministry of Finance, Trade & Industry, Grenada.

GRENADA

TABLE VII

SELECTED FISCAL DATA  
(EC\$'000)

	1974	1975	1976 <sup>P</sup>	Jan-Oct 1976 p	Jan-Oct 1977 p
Recurrent Local Revenue	15,219 <sup>r</sup>	18,798 <sup>r</sup>	28,551	23,167	27,189
Recurrent Expenditure	20,230 <sup>r</sup>	24,068 <sup>r</sup>	34,576 <sup>r</sup>	26,054	24,921
Agriculture	972	1,186	1,554	1,149	1,143
Construction	1,398 <sup>r</sup>	3,068	5,822	3,841	3,724
Public Utilities	481 <sup>r</sup>	515	597	484	519
Social <sup>1/</sup>	8,330 <sup>r</sup>	9,074 <sup>r</sup>	12,672	9,676	10,897
Administration <sup>2/</sup>	7,302	8,406 <sup>r</sup>	12,201	7,030	7,564
Debt Servicing	1,368 <sup>r</sup>	1,906	1,726	1,440	1,021
Capital Expenditure	2,600	1,200 <sup>r</sup>	1,381	726	1,735
Surplus or Deficit	-4,968	-5,270 <sup>r</sup>	-6,025	-2,887	2,268
<u>Financing the Deficit:</u>					
Grants	-	44	531	531	176
Loans	-	...	...	...	...
Other	...	...	...	...	...
National debt	18,831	19,821	24,521	...	...

<sup>1/</sup> Includes expenditure on education, health and other community services.

<sup>2/</sup> Includes all expenditure on civil administration, including central services, police and courts.

Source: Data supplied by the Ministry of Finance, Trade & Industry, Grenada.

GRENADA

TABLE VIII

SELECTED COMMERCIAL BANKING STATISTICS  
AS OF 31 DECEMBER EACH YEAR  
(EC\$'000)

	1973	1974	1975	1976 <sup>r</sup>	1977
Cash in hand	2,639	2,203	2,274	3,048	3,207
Total deposit	51,978	50,851	66,917	76,941	83,647
Demand deposit	( 7,713)	( 6,833)	( 8,084)	(12,700)	(13,780)
Time deposit	(17,451)	(17,646)	(30,269)	(29,102)	(28,519)
Savings deposit	(26,814)	(26,373)	(28,564)	(35,139)	(41,348)
Balances due by foreign banks	2,487	8,136	13,395	928	144
Balance owing to foreign banks	14,826	20,525	14,985	2,525	2,437
Total liabilities	74,038	80,100	91,535	97,516	108,789

Source: Commercial Banking Statistics, July-December 1975, Research Department, East Caribbean Currency Authority, St. Kitts; and data supplied CEPAL.

GRENADA

TABLE IX

LOANS AND ADVANCES OF COMMERCIAL BANKS BY CATEGORY OF BORROWERS  
(EC\$ '000)

	<u>Amount Outstanding as of 31 December</u>					
	1973	1974	1975	1976 <sup>r</sup>	June 1976	June 1977
Agriculture	2,010	2,484	4,789	3,369	4,117	3,836
Manufacturing	2,347	2,570	2,165	1,608	1,250	1,981
Distributive Trade	17,549	17,251	14,991	13,821	10,546	16,129
Tourism	4,054	4,128	3,611	3,946	3,340	3,827
Transportation	1,478	1,132	1,554	1,509	918	1,368
Public Utilities (Gas, Electricity & Telephone)	1,021	872	919	1,235	965	891
Building & Construction	2,016	3,233	3,201	3,088	2,765	3,337
Personal Loans	8,197	7,258	6,784	8,156	6,878	10,596
Other Advances	15,338	12,609	13,804	12,101	12,095	11,463
TOTAL:	54,010	51,537	51,818	48,833	42,874	53,428
Long-term loans as % of total:	41.1	41.8	40.5	34.2	40.03	33.0

Source: Commercial Banking Statistics, July-December 1975, Research Department,  
East Caribbean Currency Authority, St. Kitts; and data supplied CEPAL.

GRENADA

TABLE X

SELECTED DOMESTIC EXPORTS  
(Quantity in '000 lb; Value in EC\$'000)

	1974 p		1975 p		1976 p r		1977 p	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Nutmegs	2,309.6	6,027.5 <sup>1/</sup>	4,490.0	9,943.1	5,968.5	12,482.0 <sup>1/</sup>	6,618.2	16,006.8
Mace	317.9	1,407.6 <sup>1/</sup>	356.3	1,424.4	921.1	2,766.0 <sup>1/</sup>	490.0	1,628.2
Bananas	18,618.5	3,276.9 <sup>1/</sup>	28,944.9	6,525.6	33,837.7	7,664.8 <sup>1/</sup>	30,888.5	8,638.6
Cocoa	5,351.1	5,423.0 <sup>1/</sup>	4,794.2	6,762.7 <sup>1/</sup>	5,880.0	8,576.9 <sup>1/</sup>	4,590.6	8,891.0
Lime Juice	16.4	17.1	403.8	73.9	197.9	29.1	...	...
Cotton	-	-	29.1	26.6	9.9	13.5	5.5	9.2
Cloves	52.1	204.6	5.6	29.1	26.1	152.6	2.0	19.3
Cinnamon	25.1	62.6	13.4	33.1	30.7	81.0	21.3	69.4
Lime oil	-	-	0.4	4.4	0.4	4.2	...	...
Nutmeg oil	-	-	3.3	80.6	1.3	18.6	7.3	209.0
Other spices	3.3	5.6	8.6	18.9	1.9	15.8	1.0 <sup>1/</sup>	1.9 <sup>1/</sup>

<sup>1/</sup> Data relate to pimento only.

Source: Data supplied by the Statistical Office, Grenada;  
and data supplied CEPAL.

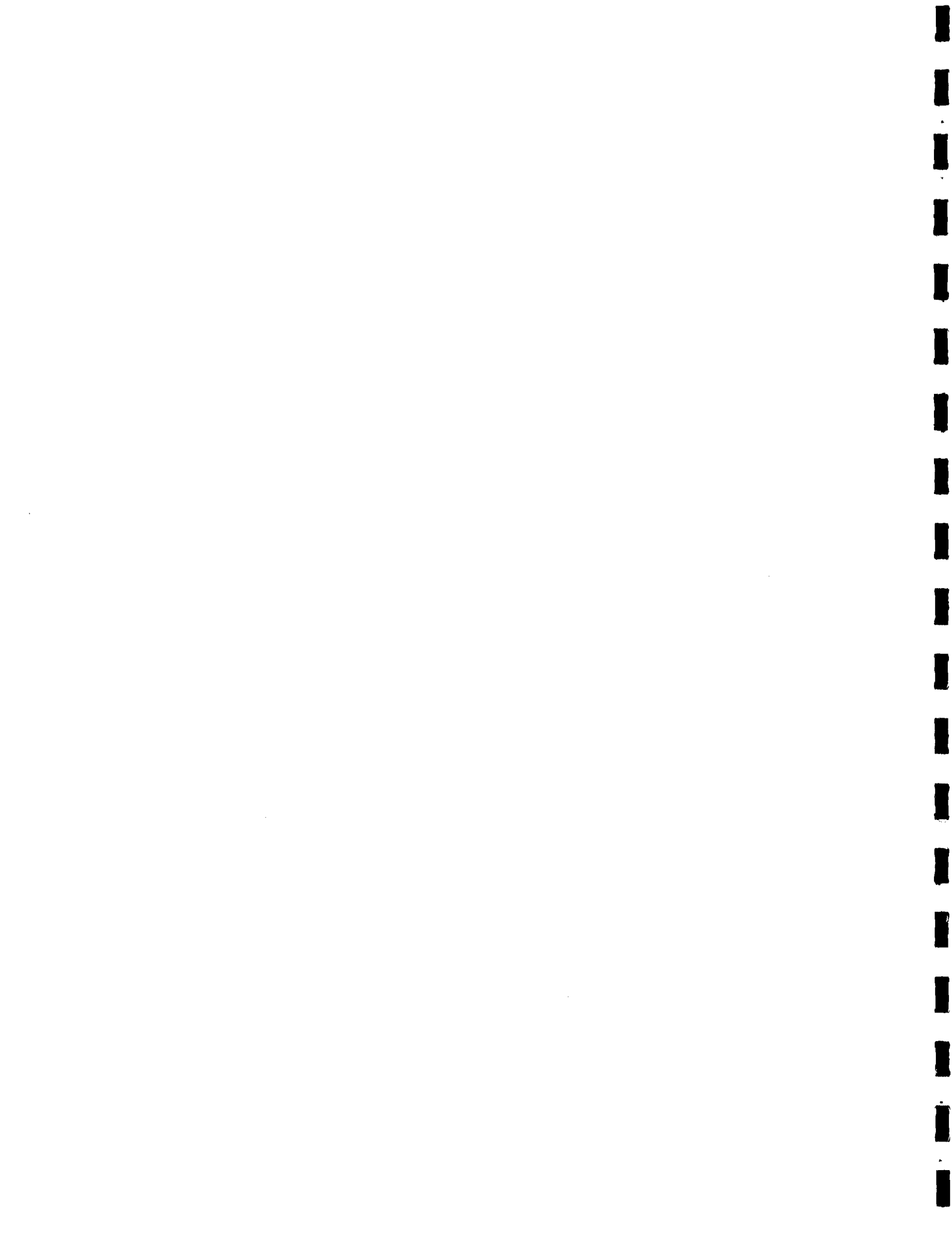
GRENADA

TABLE XI

SELECTED IMPORT ITEMS  
(Value EC\$'000)

	Units	1976		1977	
		Quantity	Value	Quantity	Value
Sugar	tons	2,329.5	2,294.9	2,440.9	2,315.6
Rice	tons	519.2	550.5	816.6	877.1
Flour	tons	4,415.9	3,491.3	4,747.9	3,732.1
Margarine	'000 lbs.	535.6	641.2	633.5	918.4
Shortening (Lard)	'000 lbs.	240.2	299.1	280.8	409.0
Edible Oils	'000 lbs.	21.0	208.9	28.3	324.8
Laundry soap	'000 lbs.	246.3	151.1	726.1	469.9
Toilet soap	'000 lbs.	30.2	36.9	154.2	275.5
Cement	'000 cwt.	153.1	850.6	161.4	1,049.5
Tobacco	'000 lbs.	73.2	177.3	106.3	285.0
Cigarettes	'000 lbs.	7.5	75.3	16.5	126.1
Rum	'000 gal.	13.9	170.3	25.4	320.5
Whisky	'000 gal.	1.7	391.0	51.8	1,396.1

Source: Data supplied by the Statistical Office,  
Grenada.





PART VI  
GUYANA COUNTRY NOTES



## ECONOMIC SURVEY 1977

### GUYANA

(Guyana dollars used throughout)<sup>1/</sup>

The Gross Domestic Product measured at current factor cost, has been officially estimated at approximately \$1003.0 million for 1977, which represents a 2 per cent decrease from \$1025 million in 1976.

This lack of growth in the GDP resulted mainly from decreases in the earnings of the agriculture sector, in the levels of output from the goods producing sector and marked internal price increases, accompanied by a reduction in the level of international trade. On the other hand, growth in some other sectors due to upward trends in output and prices almost counteracted those negative sectors.

Agricultural output was some 13 per cent below the estimated \$216.0 million in 1976, with the rice and sugar sub-sectors contributing about \$126.3 million or roughly 67 per cent of the sector's GDP. Output from the remaining agricultural sub-sectors improved by nearly 25 per cent above the 1976 level, and was estimated at \$61.7 million.

Mining and Quarrying was the only goods producing sector to show an increase in GDP during the year, an estimated growth of around 13.2 per cent, entirely the result of favourable export earnings of alumina/bauxite.

Activities in the Manufacturing sector were affected by periodic shortages of raw materials due to difficulties in obtaining foreign exchange for the purchase of many items, and unrest, mainly in the sugar and flour industries.

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<sup>1/</sup> The Guyana dollar which had a fixed parity with the pound sterling - £1 = G\$5.21 - was linked with the US dollar at the Central Rate of G\$2.55 to US\$1.00 as of October 1975.

As a consequence, output fell below the 1976 level. The Service Sectors also experienced a significant fall in activity, with the exception of the Transport sub-sector. The Construction and Distribution sub-sectors decreased their contribution to the GDP.

The Government sector received a set back from its expansionary process started in 1975 and recorded an estimated increase of only 6.7 per cent above the \$180.0 million in 1976, due to the absence of much needed financing, and difficulty in obtaining imported raw materials to continue and complete projects.

There was a general slowing down in the inflationary process as measured by the Consumer Price Index, with the global combined index (urban and rural) moving up by an estimated 10.8 per cent to 179.1 points.

In the external sector, there was an overall decline in the level of Merchandise Trade during the year, mainly because of a decrease in the export earnings of sugar and rice. Although there was a 14.8 per cent increase in the earnings of bauxite/alumina, the volume of this commodity exported fell only marginally. The level of imports fell by around 14 per cent resulting in an estimated trade deficit of about \$140 million for 1977, in addition to which there was a deficit of \$90 million on services in the current account. However, partly because of a lower deficit on trade, and partly because of a net inflow of capital, the net balance of payments position was considerably improved.

## PERFORMANCE IN THE MAJOR SECTORS

### Agriculture

Official estimated value of Agriculture Gross Domestic Product in 1977 was \$188 million, about 13 per cent lower than the 1976 level of \$216 million; and substantially lower than the \$323 million reached in 1975. Despite the reductions in the value of the agriculture GDP over the last two years, the sector remains the major

contributor to the total GDP of Guyana. In 1977 the contribution was of the order of 19 per cent and in 1976 it was over 21 per cent. This fall in the sector's contribution last year was due to the combination of adverse price movements, mainly in sugar, labour problems and fluctuations in the level of crop production.

The major crops, rice and sugar cane, experienced very favourable production conditions throughout the year. Although the sugar industry experienced a work stoppage for more than 4 months, the volume of sugar cane reaped was over 3,249,000 tons, which represents a fall of 19 per cent from the 1976 level. The production of rice milled, increased by over 91 per cent moving from 110,000 tons in 1976 to over 210,000 tons in 1977. This represents the highest production ever, surpassing the peak of 175,000 tons in 1975. The increase was due mainly to a bumper second crop of about 140,000 tons.

The increase in the level of rice production can be related to the increase in the acreage of rice harvested and improved harvesting practices. The acreage now planted is 348,126 acres, an increase of 67 per cent from last year. This increase in acreage, together with improved research activities, mechanization, water control facilities and cash payment incentives, has resulted in substantially improved rice output.

The data for domestic food crops show a substantial increase in output, also reflecting the more favourable production conditions. Vegetables showed a marked increase with a 34 per cent rise in the production of tomatoes. Production of root crops and bananas and plantains was generally high with increases of over 14 per cent, and about 32 per cent respectively. Over 2 million pounds of black eye peas were produced in 1977. Citrus production increased by 16 per cent over the 1976 level.

There was a notable drop in the general production situation of the livestock sub-sector. Output of beef and poultry were both 22 per cent below their 1976 levels, but there was an increase of 4 per cent in the production of pork, no doubt due to the increase of soft credits and improved marketing arrangements with the Guyana Marketing Corporation Ham and Bacon Plant. Poultry producers experienced some shortages of hatching eggs, chicks and poultry feed which seems in part attributable to restriction in the issuance of import licences. There was also restriction on the slaughter of cattle in the Rupununi area, geared toward improvement and increase of the female stock.

In addition work has proceeded on plans for the diversification of the rice and sugar industries, and the creation of two major drainage and irrigation projects costing over \$275 million. The expected result would be the addition of over half million acres of agricultural land.

#### Mining and Quarrying

Economic growth in this sector in Guyana is usually dominated by activities within the bauxite/alumina industry, mainly extraction and processing of bauxite and related products. Although overall output increased only marginally, because of price increases the official estimates reflect a 13.7 per cent growth in the sector's Gross Domestic Product during 1977. The contribution to the national GDP of the sector was \$164.2 million or roughly 16 per cent of the total GDP, while in 1976 it contributed only 14 per cent.

While the total output of calcined bauxite contracted and fell by approximately 3 per cent to 709 thousand tons, production of dried bauxite and alumina and alumina hydrate both moved upwards by over 3 per cent. The decrease in the volume of calcined bauxite was the result of slack demand derived from the continuing recession in the world steel industry.

The data for dried bauxite are made up of two grades of bauxite: the metallurgical grade bauxite (MAZ) and the chemical grade bauxite (CGB). Although there was a general increase in the

total output of dried bauxite, production of MAZ fell by about 11 per cent, due to a short-fall in demand during the year; while CGB's production rose by almost 44 per cent.<sup>1/</sup>

Nevertheless, the values of bauxite and alumina were relatively higher than in 1976 with revised estimates indicating an increase of the order of 23 per cent in the export average unit value in 1977 (for both commodities). Export earnings for alumina and alumina hydrate rose by 22 per cent and in the case of bauxite rose by almost 13 per cent.

Preliminary data show that the production of gold is on the decline from the recorded level of 18 thousand ounces in 1975. The decrease in 1976 (16 thousand ounces in that year) continued into 1977, further declining by nearly 24 per cent to a low production of 12 thousand ounces. Diamond on the other hand experienced a favourable production of 16 thousand carats in 1977, indicating a rise of about 14 per cent from the 1976 level of 14 thousand carats.

Overall, there are positive signs that the sector would continue to improve its GDP position, especially because of the bauxite industry; this is mainly because of the position taken by the International Bauxite Association (IBA) to have a minimum price policy for the aluminium ore. This proposed minimum price for "base grade" bauxite<sup>2/</sup> is fixed at G\$60 per metric ton<sup>3/</sup>. However

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<sup>1/</sup> Reference can be made to Table V in the Statistical Appendix.

<sup>2/</sup> Contains 45 per cent aluminium oxide, the powdery substance of which the metal is smelted.

<sup>3/</sup> One metric ton is equivalent to 2,204.6 lbs.

the current (1977) price for primary aluminium ingot is already relatively high, that is to say, 51 cents (US) per pound. In addition to this there is the possibility that the level of prices of bauxite would be linked soon to that of alumina by a process of indexation.

### Manufacturing

Data for the review period indicate that there was a general fall in the manufacturing sector. It was adversely affected by industrial unrest, unstable price levels and the need to tighten foreign exchange controls on importations. The sector's lower performance is reflected in absolute and relative terms. Estimate of Gross Domestic Product, in current prices, for the sector in 1977 was \$122.9 million, a decrease of 9 per cent from 1976. And the relative contribution to the total GDP amounted to 12 per cent in 1977, as against 14.7 per cent in 1975.

A fall in the production of sugar greatly affected the sector's growth. Nevertheless, rice and sugar processing contributed about 30 per cent to the manufacturing GDP in 1977, this combined percentage comprising a fall in the share of sugar by approximately 55 per cent, and a rise in the contribution of milled rice by about 104 per cent.

Industrial unrest affected many manufacturing establishments, especially the sugar and flour mills, and in both these instances there was a marked drop in the level of production resulting in unused capacities. Sugar production fell to 242 thousand tons, about 27.1 per cent lower than in 1976; while the production of flour was 77.8 million tons in 1977, a drop of 12 per cent when compared with the figure for 1976.

Generally, the tight control on foreign exchange limited the availability of some basic imported raw materials and some manufacturers had to scale down operations. In addition to shortages of some raw material, some difficulties were encountered in obtaining local financing in the face of the rising cost of



machinery. These problems in some cases led to retrenchment in the industries concerned.

In spite of the problematic foreign exchange situation the government is endeavouring to broaden the manufacturing base, and the measures include not only the imposition of quantitative restrictions on imported goods, but also the establishment of new manufacturing plants. The new industry sub-sectors are to produce locally: cheese, leather and shoes, bicycles, glass and textiles. Construction of the glass, textiles and bicycle plants had already started in 1976. Development of hydro-electric plant and planned infrastructural development projects will enhance the possibility of positive growth in this sector.

#### Other Sectors

The overall performance of the other sectors indicates that there was a considerable decrease in their estimated GDP values. The slowing down of Government's expenditures in 1977 had adverse effects on the growth of these sectors. However, transport and financial services experienced fair sectoral growth in that GDP increased in each case by approximately 6 per cent from 1976, while GDP in the Government sector, estimated at \$192.0 million, grew by over 6 per cent. On the other side, both the construction and distribution sectors suffered substantial reduction, falling by some 10 and 14 per cent respectively.

The pace set in 1976, with huge capital expenditure by Government, had to be slowed down because of difficulty in obtaining much needed financing to enable continuation and completion of Government projects. There was a 54 per cent reduction in the External Capital receipts and a 12 per cent rise in the Internal Capital receipts. The general policy to reduce the total Government expenditure was effected through lowering capital expenditure by about 47

per cent and recurrent expenditure by about 6 per cent. The result was a fall of about 22 per cent in the total expenditure.

The small change in the recurrent expenditure of the Government, from \$458 million to \$432 million, is due partly to the increase in the minimum wage bill agreed to with the Trade Union Congress, and the continued expenditure on the National Service Scheme for the development of the hinterland.

The situation was compounded with a 6 per cent fall in the Government Recurrent Revenue, which dropped to \$355 million in 1977 from \$377 million in 1976. However, there has been a 39 per cent rise in Direct tax.

The engineering and construction sectors were also impeded by difficulties in obtaining external financing, resulting in work stoppage on the main \$110 million highway construction project, leading to the hydro-electricity power plant. However, construction work continued on the river bridge across the Demerara River.

The Government is devising new methods to deal with the problems of external financing which are retarding the general economic growth of these sectors. The new policy of redeployment of persons from non-productive and unimportant jobs to more meaningful ones is part of the new strategy. This method of "tasking" is actually a system, geared for the utilization of maximum human resources for the development of the economy, by allocating a specific portion of work for a specific payment.

#### EXTERNAL SECTOR

Guyana continues to experience Balance-of-Payments problems derived mainly from the heavy dependence on external transactions and the difficulty of obtaining hard currency to pay for imported goods. Nevertheless, official estimates showed a favourable decrease in the total deficit of the Balance-of-Payments, which moved from \$226 million in 1976 to about \$175 million in 1977.

The level of Merchandise Trade dropped considerably during the year, apparently affected by the imposed foreign exchange control, strictly applied by the Central Bank. The value of domestic exports dropped by about 7 per cent decreasing to \$661 million; and imports fell to \$801 million, a 14 per cent decrease from 1976. Altogether, total merchandise trade in 1977 showed a deficit of \$140 million which reflects a fall of about 11 per cent in the total value of merchandise trade from the previous year.<sup>1/</sup>

When adjustments are made for Balance-of-Payments purposes, the deficit balance on merchandise trade approximates to \$140 million. Together with increasing deficits on the Services and Transfer Payments Accounts of respectively \$90 million and \$10 million, the overall deficit on the Current Account is estimated at \$240 million, i.e. 31 per cent below the 1976 estimated deficit of \$350 million.

A net inflow of about \$59 million on the Capital Account somewhat improved the overall position of the current and capital transactions taken together, with the result that the deficit was \$181 million in 1977 compared to the deficit of \$226 million in 1976. The outcome was that total foreign reserves position improved somewhat to an estimated \$175 million deficit when compared with the \$226 million in the previous year.

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<sup>1/</sup> Detailed data on the volume and value of merchandise trade are shown in Tables VI through Tables XII of the Statistical Appendix.

Table 1  
Selected External Trade Data  
(G\$ Million)

Period	Exports	Imports	Visible Trade Balance	Surplus or Deficit on Balance of Payment
1973	293.0	372.5	- 79.5	- 48.0
1974	602.5	567.0	35.5	68.0
1975	855.5	810.6	49.9	108.0
1976	724.9	927.5 <sup>r</sup>	-202.4	-226.0
1977	661.0 <sup>e</sup>	800.9 <sup>e</sup>	-139.9	-175.0 <sup>a/</sup>

a/ Includes arrears.

Source: Derived from Tables XI and XII  
in the Statistical Appendix.

There were increases in all sections of the Price Index, with the most significant upward movement, being observed in the clothing and miscellaneous groups.

Unlike the previous year, the Food, Beverages and Tobacco Sections had a relatively stabilising effect on prices, and showed an increase of 10.1 per cent. Further, it would seem that although the Government partly dismantled the existing structure of subsidies for various commodities, so that there were some increases in the unit cost of a few essential food items such as flour, rice and edible oils, there was not a substantial overall increase in the level of food prices. This apparently is the result of an efficient monitoring of price controls on a number of essential food items.

The main impact on the Consumer Price Index was made by the Clothing and Miscellaneous groups. The Clothing section showed a price increase of over 17 per cent while the Miscellaneous section

- motor vehicles, furniture, etc. - moved up also by 17 per cent. Both sections experienced large price increases, chiefly because they are comprised of imported commodities, whose prices are not controlled or subsidised.



STATISTICAL APPENDIX

GUYANA

1977





GUYANA

TABLE I

GROSS DOMESTIC PRODUCT AT CURRENT FACTOR COST

1974-1977  
(G\$ Mill.)

Sectors	1974	1975	1976 <sup>r</sup>	1977 <sup>e</sup>
Agriculture	247.9	323.0	216.0	188.0
of which: Sugar-cane	(184.7)	(245.8)	(141.6)	(77.3)
Rice-paddy	(25.4)	(35.6)	(25.0)	(49.0)
Fishing	8.6	9.9	10.0	12.8
Forestry	7.6	8.5	10.0	10.0
Mining and Quarrying	114.8	141.0	145.0	164.2
Manufacturing	120.3	161.6	134.9	122.9
of which: Sugar manufacturing	(65.0)	(86.4)	(49.4)	(27.1)
Rice milling	(5.8)	(6.2)	(4.5)	(9.2)
Transport and Communication	46.3	49.9	55.0	58.0
Engineering and Construction	52.7	74.4	85.0	76.9
Distribution	80.8	94.2	108.1	92.2
Rent of Dwellings				
Financial and Other Services	4.2	75.3	81.0	86.0
Government	126.6	159.8	180.0	192.0
<b>TOTAL:</b>	869.8	1097.6	1025.0	1003.0

Source: Information provided by the Statistical Bureau, Guyana.

GUYANA

TABLE II

ANNUAL PERCENTAGE CHANGE OF GROSS DOMESTIC PRODUCT BY SECTORS  
(1974/73 = 1977/76)

Sectors	1974/73	1975/74	1976/75 <sup>r</sup>	1977/76 <sup>e</sup>
Agriculture	165.1	30.3	-33.1	-13.0
of which: Sugar-cane	(271.6)	(33.1)	(-42.4)	(-45.4)
Rice-paddy	(98.4)	(40.2)	(-29.8)	(96.0)
Fishing	26.5	15.1	1.0	28.0
Forestry	26.7	11.8	17.7	0.0
Mining and Quarrying	42.6	22.8	2.8	13.2
Manufacturing	87.1	34.3	-16.5	-8.9
of which: Sugar manufacturing	(271.4)	(32.9)	(-42.8)	(-45.1)
Rice milling	(100.0)	(6.9)	(-27.4)	(104.4)
Transport and Communication	25.8	7.8	10.2	5.5
Engineering and Construction	12.1	41.2	14.3	-9.5
Distribution	25.5	16.6	14.8	-14.7
Rent of Dwellings	14.4	17.3	7.6	6.2
Financial and Other Services				
Government	4.5	26.2	12.6	6.7
<b>TOTAL:</b>	50.9	26.2	-6.6	-2.2

Source: Derived from Table I.

GUYANATABLE IIIPERCENTAGE CONTRIBUTION OF SECTORS TO  
(1974-1977)

Sectors	1974
Agriculture	28.5
of which: Sugar-cane	(21.2)
Rice-paddy	(2.9)
Fishing	1.0
Forestry	0.9
Mining and Quarrying	13.2
Manufacturing	13.8
of which: Sugar manufacturing	(7.5)
Rice milling	(0.7)
Transport and Communication	5.3
Engineering and Construction	6.1
Distribution	9.3
Rent of Dwellings	)
Financial and Other Services	
Government	14.6
TOTAL:	100.0

Source: Derived from Table I.

GROSS DOMESTIC PRODUCT

1975	1976 <sup>r</sup>	1977 <sup>e</sup>
29.4	21.1	18.7
(22.4)	(13.8)	(7.7)
(3.2)	(2.4)	(4.9)
0.9	1.0	1.3
0.8	1.0	1.0
12.8	14.5	16.4
14.7	13.2	12.2
(7.9)	(4.8)	(2.7)
(0.6)	(0.4)	(0.9)
4.5	5.4	5.8
6.8	8.3	7.7
8.6	10.6	9.2
6.9	7.9	8.6
14.6	17.6	19.1
100.0	100.0	100.0

GUYANA

TABLE IV

OUTPUT OF SELECTED AGRICULTURAL PRODUCTS  
(1974 to 1977)

Commodities	Units '000	Average 1968-70	1974	1975	1976	1977 <sup>P</sup>
Sugar-cane	tons	3,770	4,161	3,436	4,030	3,249
Rice (milled)	tons	130	154	175	110	210
Coconuts	nuts	31,887	26,400	31,300	32,400	25,200
Root crops	lbs.	38,800	49,000	51,500	47,100 <sup>r</sup>	54,000
Plantains	lbs.	39,600	22,000	32,500	30,000 <sup>r</sup>	43,000
Citrus	lbs.	21,533	22,000	22,500	22,500	26,000
Bananas	lbs.	11,100	10,200	10,000	11,000 <sup>r</sup>	11,000
Coffee	lbs.	1,537	1,500	1,500	1,500	...
Corn	lbs.	3,662	6,000	12,800	9,500 <sup>r</sup>	7,200
Tomatoes	lbs.	3,149	3,700	3,700	4,100	5,000
Pineapples	lbs.	2,928	3,000	3,000	3,900 <sup>r</sup>	4,200
Beef	lbs.	8,995	8,300	8,500	8,800	6,900
Other Livestock <sup>1/</sup>	lbs.	2,602	2,575	3,597	4,997	5,100
Poultry	lbs.	6,448	12,500	17,000	20,900 <sup>r</sup>	16,300

Note: Data from 1974 are not exactly comparable with earlier years because of changes in the method of estimation.

<sup>1/</sup> Pigs, sheep and goats.

Source: Economic Division of the Ministry of Agriculture, Guyana; and Statistical Bureau, Guyana.

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TABLE V

PRODUCTION OF SELECTED COMMODITIES  
(1974 to 1977)

Commodities	Unit	1974	1975	1976	1977 <sup>r</sup>
<u>Manufacturing Sector</u>					
Sugar	'000 l. tons	341	300	332	242
Edible oil	'000 gals.	335	634	757	350
Margarine	'000 lbs.	2,739	4,224	4,732	4,481
Flour	Mill. lbs.	81.7	90.3	88.4	77.8
Molasses	Mill. gals.	21.5	18.2 <sup>r</sup>	23.8	16.3
Stock Feeds	Mill. lbs.	58.2	80.4 <sup>r</sup>	93.0	80.7
Rum	Proof gals.	6,044	5,539	4,603	3,500
Cigarettes	Mill.	491.1	531.6	558.6	557.8
Soap	'000 lbs.	3,903	4,982	4,529	4,900
Paints	'000 gals.	329	450	447 <sup>r</sup>	378
Timber	'000 cu. ft.	8,806	7,867 <sup>r</sup>	7,521 <sup>r</sup>	6,800
<u>Mining Sector</u>					
Dried Bauxite	'000 l. tons	1,383	1,379 <sup>r</sup>	969 <sup>r</sup>	1,000
Dried Refractory	'000 l. tons	22	7	-	-
Calcined Bauxite	'000 l. tons	726	778	729 <sup>r</sup>	709
Alumina	'000 l. tons	311	294	247	256
Alumina Hydrate	'000 l. tons	9 <sup>r</sup>	20	19	17
Gold	'000 ozs.	12.2	18.0	15.6	11.9
Diamond	'000 carats	29	21 <sup>r</sup>	14	16

Source: Statistical Bureau, Guyana; and data supplied CEPAL.

GUYANA

TABLE VI

VALUE OF EXPORTS OF SELECTED PRODUCTS  
(G\$ Mill.)

Products	1974	1975	1976	1977 <sup>e</sup>
Bauxite <sup>1/</sup>	152.7 <sup>r</sup>	204.3 <sup>r</sup>	224.3 <sup>r</sup>	252.7
Sugar	284.8	413.1	258.7 <sup>r</sup>	185.6 <sup>r</sup>
Rum	14.5	16.7	12.9	7.6 <sup>r</sup>
Molasses	9.9	5.6	6.0 <sup>r</sup>	5.8 <sup>r</sup>
Rice	49.0	84.8	73.6	66.8
Timber	5.4	8.5	9.7	9.1
Shrimp	8.2 <sup>r</sup>	10.4 <sup>r</sup>	12.9 <sup>r</sup>	12.3 <sup>r</sup>
Diamond	1.8	1.2	0.8	0.9 <sup>r</sup>
Alumina & Alumina Hydrate	47.6 <sup>r</sup>	67.8 <sup>r</sup>	64.1 <sup>r</sup>	78.5 <sup>r</sup>

<sup>1/</sup> Dried and Calcined Bauxite.

Source: Statistical Bureau, Guyana and data supplied CEPAL.

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TABLE VII

VOLUME OF SELECTED EXPORTED PRODUCTS  
(1974 to 1977)

Products	Unit	1974	1975	1976	1977 <sup>e</sup>
Bauxite <sup>1/</sup>	'000 long tons	2,105 <sup>r</sup>	2,135 <sup>r</sup>	1,556 <sup>r</sup>	1,437
Sugar	'000 tons	302	285	297	208
Rum	'000 proof gallons	5,228 <sup>r</sup>	4,211 <sup>r</sup>	2,585 <sup>r</sup>	1,510
Molasses	'000 cwt.	1,404	1,099	1,229	1,812
Rice	'000 tons	51	82	71	66
Timber	'000 cubic ft.	1,386	1,342 <sup>r</sup>	1,112	1,204
Shrimp	'000 lbs.	2,379	2,050	1,456	1,507
Diamonds	'000 carats	26	20	12	10
Alumina & Alumina hydrate	'000 tons	310 <sup>r</sup>	320	265	263

1/ Dried and Calcined Bauxite.

Source: Statistical Bureau, Guyana and data supplied CEPAL.



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TABLE VIII

DOMESTIC EXPORTS BY SITC SECTIONS  
(G\$ '000)

SITC Sections	1974 <sup>P</sup>	1975 <sup>P</sup>	1976 <sup>P</sup>	1977 <sup>c</sup>
0. Food and live animals	354,448	515,547 <sup>r</sup>	353,305 <sup>r</sup>	273,733
1. Beverages and Tobacco	15,909	17,923	14,114	9,142
2. Crude materials, inedible except fuels	206,765	281,547 <sup>r</sup>	299,873 <sup>r</sup>	341,476
3. Mineral fuels, lubricants and related materials	1	3	-	-
4. Animal and Vegetable oils and fats	1	-	-	-
5. Chemicals	3,996	5,479	7,167	7,717
6. Manufactured Goods classified by materials	6,141	7,883	6,161	5,066
7. Machinery and Transport Equipment	11	607	1,909	3,421
8. Miscellaneous manufactured articles	6,691	7,824	12,149	10,775
9. Commodities and transactions not classified according to kind	1,964	3,857	271	516
<b>TOTAL</b>	<b>595,927</b>	<b>840,670<sup>r</sup></b>	<b>694,949<sup>r</sup></b>	<b>651,846</b>

Source: Statistical Bureau, Guyana.

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TABLE IX

IMPORTS BY SITC SECTIONS  
(1974 to 1977)  
(G\$'000)

SITC Sections	1974	1975	1976	1977 <sup>e</sup>
0. Food and live animals	72,513	90,637	113,604	100,051
1. Beverages and Tobacco	3,279	4,171	7,974	4,235
2. Crude materials, inedible except fuels	6,063	9,381	8,164	8,973
3. Mineral fuels, lubricants and related materials	103,457 <sup>r</sup>	135,037	138,122 <sup>r</sup>	160,682
4. Animal and Vegetable oils and fats	12,469	8,804	10,477	14,927
5. Chemicals	67,257	82,170	91,120	73,057
6. Manufactured Goods classified by materials	139,096	191,995	224,285	152,894
7. Machinery and Transport equipment	122,226	239,117	270,708 <sup>r</sup>	219,684
8. Miscellaneous manufactured articles	38,356	46,196	54,513	43,438
9. Commodities and transactions not classified according to kind	2,328	3,134	8,332	22,924
TOTAL	567,044 <sup>r</sup>	810,641	927,299 <sup>r</sup>	800,865

Source: Statistical Bureau, Guyana.

GUYANA

TABLE X

TRADE WITH MAJOR TRADING PARTNERS  
(1974 - 1977)  
(G\$ '000)

Trading Partners	1974	1975	1976	1977 <sup>e</sup>
<u>DOMESTIC EXPORTS BY DESTINATION</u>				
U.K.	124,260 <sup>r</sup>	241,346 <sup>r</sup>	212,398	218,381
U.S.A.	164,459 <sup>r</sup>	198,014 <sup>r</sup>	136,201	114,882
CANADA	31,218 <sup>r</sup>	30,710 <sup>r</sup>	17,243	32,717
LATIN AMERICA <sup>1/</sup>	25,651 <sup>r</sup>	16,266 <sup>r</sup>	23,749	32,809
EEC <sup>2/</sup>	35,009 <sup>r</sup>	68,296 <sup>r</sup>	86,068	56,240
CARICOM <sup>3/</sup>	67,870 <sup>r</sup>	103,608 <sup>r</sup>	106,911	102,952
(ECCM)	( 7,643)	( 10,379)	( 11,246)	( 12,391)
OTHERS	147,460 <sup>r</sup>	182,430 <sup>r</sup>	112,582	93,055
<b>TOTAL:</b>	<b>595,927<sup>r</sup></b>	<b>840,670<sup>r</sup></b>	<b>695,152</b>	<b>651,846</b>
<u>IMPORTS BY ORIGIN</u>				
U.K.	116,002	173,881 <sup>r</sup>	213,434	165,417
U.S.A.	145,869	237,692 <sup>r</sup>	263,886	214,895
CANADA	28,052	35,103	38,690	29,651
LATIN AMERICA <sup>1/</sup>	9,923	22,837	12,377	9,444
EEC <sup>2/</sup>	55,215 <sup>r</sup>	69,144	62,074	78,307
CARICOM	149,999 <sup>r</sup>	173,255	208,324	206,396
(ECCM)	( 3,127)	( 5,075)	( 2,621)	( 2,167)
OTHERS	58,983 <sup>r</sup>	98,733 <sup>r</sup>	128,534	96,755
<b>TOTAL:</b>	<b>567,043<sup>r</sup></b>	<b>810,645<sup>r</sup></b>	<b>927,299</b>	<b>800,865</b>

Note: Guyana's re-exports are quite small.

<sup>1/</sup> Continental Latin America.      <sup>2/</sup> Original six members.

<sup>3/</sup> Figures revised to exclude molasses and bauxite transhipped through Trinidad and Tobago.

Source: Statistical Bureau, Guyana

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TABLE XI

SELECTED DATA ON EXTERNAL SECTOR  
(1974 - 1977)  
(G\$ Million)

	1974	1975	1976	1977 <sup>e</sup>
<u>TOTAL EXPORTS</u>	<u>602.5</u>	<u>857.8<sup>r</sup></u>	<u>724.9<sup>r</sup></u>	<u>661.0</u>
Of which: Sugar	284.8	413.1	258.7 <sup>r</sup>	185.6
Rice	49.0	84.8	73.6	66.8
Bauxite/Alumina	200.3 <sup>r</sup>	272.1	288.4 <sup>r</sup>	331.2
<u>TOTAL IMPORTS</u>	<u>567.0</u>	<u>810.6</u>	<u>927.3</u>	<u>800.9</u>
Of which: Consumer Goods	106.7	130.0	165.2	143.0
Of which:				
Food	44.1	48.2	56.8	65.0
Raw Materials & Intermediate Goods	314.2	411.5	448.2	410.9
Capital Goods <sup>1/</sup>	146.1	269.1	314.1	223.0
Of which:				
Building materials	43.6	72.1	91.8	52.6
<u>SURPLUS (+) DEFICIT (-) ON MERCHANDISE TRADE</u>	<u>35.5</u>	<u>47.2</u>	<u>-202.4</u>	<u>-139.9</u>

<sup>1/</sup> Capital goods calculated as a residual.

Source: Data supplied CEPAL.

GUYANA

TABLE XII

BALANCE OF PAYMENTS  
(1974 to 1977)  
(G\$ Million)

	1974	1975	1976 <sup>r</sup>	1977 <sup>r</sup>
<u>MERCHANDISE TRADE</u>				
Imports	567.0	811.0	927.0	801.0
Exports 1/	602.0	858.0	712.0	661.0
<u>NET BALANCE ON MERCHANDISE TRADE</u>	<u>35.0</u>	<u>47.0</u>	<u>-215.0</u>	<u>-140.0</u>
<u>SERVICES</u>				
Transportation	- 6.0	- 10.0	- 20.0	- 16.0
Freight & Insurance on International shipment	+ 3.0	+ 3.0	+ 4.0	+ 4.0
Foreign Travel	-	- 6.0	- 8.0	- 1.0
Investment Income	- 48.0	- 33.0	- 57.0	- 53.0
Government Transactions	- 3.0	+ 1.0	- 2.0	- 2.0
Other Services	- 11.0	- 26.0	- 36.0	- 22.0
<u>NET BALANCE ON SERVICES</u>	<u>- 65.0</u>	<u>- 71.0</u>	<u>-119.0</u>	<u>- 90.0</u>
<u>NET BALANCE ON GOODS &amp; SERVICES</u>	<u>- 30.0</u>	<u>- 24.0</u>	<u>-334.0</u>	<u>-230.0</u>
<u>UNILATERAL TRANSFER PAYMENTS</u>	<u>- 8.0</u>	<u>- 9.0</u>	<u>- 16.0</u>	<u>- 10.0</u>
<u>BALANCE ON CURRENT ACCOUNT</u>	<u>- 38.0</u>	<u>- 33.0</u>	<u>-350.0</u>	<u>-240.0</u>
<u>NET CAPITAL MOVEMENTS</u>	<u>93.0</u>	<u>144.0</u>	<u>124.0</u>	<u>59.0</u>
Official borrowing 1/	(64.0)	(195.0)	(221.0)	(76.0)
Private borrowing	(29.0)	(- 51.0)	(- 97.0)	(- 17.0)
Exchange Profits and Losses	-	- 14.0	-	-
<u>TOTAL CURRENT AND CAPITAL TRANSACTIONS</u>	<u>55.0</u>	<u>97.0</u>	<u>-226.0</u>	<u>-181.0</u>
<u>ALLOCATION OF S.D.R s</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET ERRORS AND OMISSIONS</u>	<u>13.0</u>	<u>11.0</u>	<u>-</u>	<u>6.0</u>
<u>TOTAL SURPLUS (+) OR DEFICIT (-)</u>	<u>68.0</u>	<u>108.0</u>	<u>-226.0</u>	<u>-175.0</u>

1/ Adjusted to Balance of Payments basis.

2/ Includes arrears.

Source: Statistical Bureau, Guyana.

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TABLE XIII

CONSUMER PRICE INDEX  
(1970 = 100)

Period	SUB - GROUP INDEXES				
	All Items Index	Food Bever-ages and Tobacco	Clothing	Housing	Miscellaneous
<u>GUYANA CONSUMER PRICE INDEX</u>					
1974	140.3	157.4	154.1	110.1	122.0
1975	148.7	166.7	172.4	113.5	128.8
1976	161.7	187.2	186.7	114.9	135.1
1977	179.1	206.1	219.4	117.2	158.3
<u>URBAN CONSUMER PRICE INDEX</u>					
1974	134.0	155.9	138.8	107.3	125.1
1975	144.6	169.0	153.5	113.2	135.2
1976	157.6	192.3	162.5	113.4	147.6
1977	170.5	208.7	185.9	115.3	164.6
<u>RURAL CONSUMER PRICE INDEX</u>					
1974	142.3	157.3	159.7	110.8	120.3
1975	150.2	165.7	179.8	113.6	125.5
1976	162.9	184.3	195.8	115.3	129.8
1977	181.9	204.6	231.4	117.9	154.7

Source: Data supplied by the Statistical Bureau, Ministry of Economic Development, Guyana.

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TABLE XIV

PERCENTAGE CHANGES IN THE CONSUMER PRICE INDEX  
(1970 = 100)

SUB - GROUP INDEXES					
Period	All Items Index	Food Bever-ages and Tobacco	Clothing	Housing	Miscellaneous
<u>GUYANA CONSUMER PRICE INDEX</u>					
1973/72	9.8	13.0	16.8	1.0	7.0
1974/73	19.7	27.2	19.6	8.2	10.0
1975/74	6.0	5.9	11.9	3.1	5.6
1976/75	8.7	12.3	8.3	1.2	4.9
1977/76	10.8	10.1	17.5	2.0	17.2
<u>URBAN CONSUMER PRICE INDEX</u>					
1973/72	7.5	12.0	11.8	0.3	5.9
1974/73	17.5	26.4	15.8	6.4	12.4
1975/74	8.0	8.4	10.6	5.5	8.1
1976/75	9.0	13.8	5.9	0.2	9.2
1977/76	8.2	8.5	14.4	1.7	11.5
<u>RURAL CONSUMER PRICE INDEX</u>					
1973/72	10.5	13.2	18.7	1.2	7.1
1974/73	20.6	28.1	20.8	8.5	7.8
1975/74	5.6	5.3	12.6	2.5	4.3
1976/75	8.5	11.2	9.0	1.5	3.4
1977/76	11.7	11.0	18.2	2.3	19.2

Source: Calculated from Table XIII.

GUYANA  
TABLE XV  
SELECTED FISCAL DATA  
1973 ~ 1977  
(G\$ Million)

Item	1973	1974	1975	1976	1977
1. GOVERNMENT RECURRENT REVENUE	<u>153.0</u>	<u>305.2</u>	<u>487.3</u>	<u>376.6</u>	<u>354.9</u>
Tax Revenue	<u>136.0</u>	<u>278.1</u>	<u>458.8</u>	<u>323.4</u>	<u>300.4</u>
Direct Tax (Income Tax) <sup>1/</sup>	(57.3)	(75.2)	(103.1)	(105.6)	(147.0)
Indirect Tax (Excise & Other) <sup>2/</sup>	(48.3)	(169.7)	(314.3)	(165.8)	(114.3)
Foreign Trade (Customs Duty) <sup>3/</sup>	(30.4)	(33.2)	(41.4)	(52.0)	(39.1)
Non-Tax Revenue	<u>17.0</u>	<u>37.1</u>	<u>28.5</u>	<u>53.2</u>	<u>54.5</u>
2. TOTAL GOVERNMENT EXPENDITURE	<u>290.6</u>	<u>358.5</u>	<u>607.0</u>	<u>746.4</u>	<u>585.0</u>
3. GOVERNMENT RECURRENT EXPENDITURE	<u>207.4</u>	<u>254.7</u>	<u>318.6</u>	<u>457.7</u>	<u>432.2</u>
Wages and Salaries	(87.0)	(88.7)	(106.4)	(128.3)	(153.4)
Other Current Expenditure	(120.4)	(166.0)	(212.2)	(329.4)	(278.8)
4. SAVINGS ON CURRENT ACCOUNT (1 - 3)	<u>-54.4</u>	<u>50.5</u>	<u>168.8</u>	<u>-81.1</u>	<u>-77.3</u>
5. CAPITAL EXPENDITURE	<u>83.2</u>	<u>103.8</u>	<u>288.4</u>	<u>288.7</u>	<u>152.8</u>
6. CURRENT ACCOUNT FISCAL BALANCE (Deficit/Surplus) (5 - 4)	<u>-137.6</u>	<u>-53.3</u>	<u>-119.6</u>	<u>-369.8</u>	<u>-230.1</u>
7. FINANCING THE DEFICIT:					
Internal Capital Receipts	38.8	33.3	29.2	43.2	48.7
External Capital Receipts <sup>4/</sup>	39.4	56.8	82.2	80.9	36.9
8. SELECTED RATIOS:					
i) Tax Revenue as % of Total Expenditure	46.8	77.6	75.6	43.3	51.5
ii) Current Savings as % of Capital Expenditure	-	48.6	58.5	-	-
iii) External Capital Receipts as % of Capital Expenditure	41.9	54.7	28.5	28.0	24.1
iv) External Financing as % of Total External & Internal Capital Receipts	47.3	63.0	73.8	65.2	43.1

<sup>1/</sup> Income Tax = Income Tax on self-employed plus (+) Income Tax on Companies :  
Corporation Tax + Withholding Tax + others.

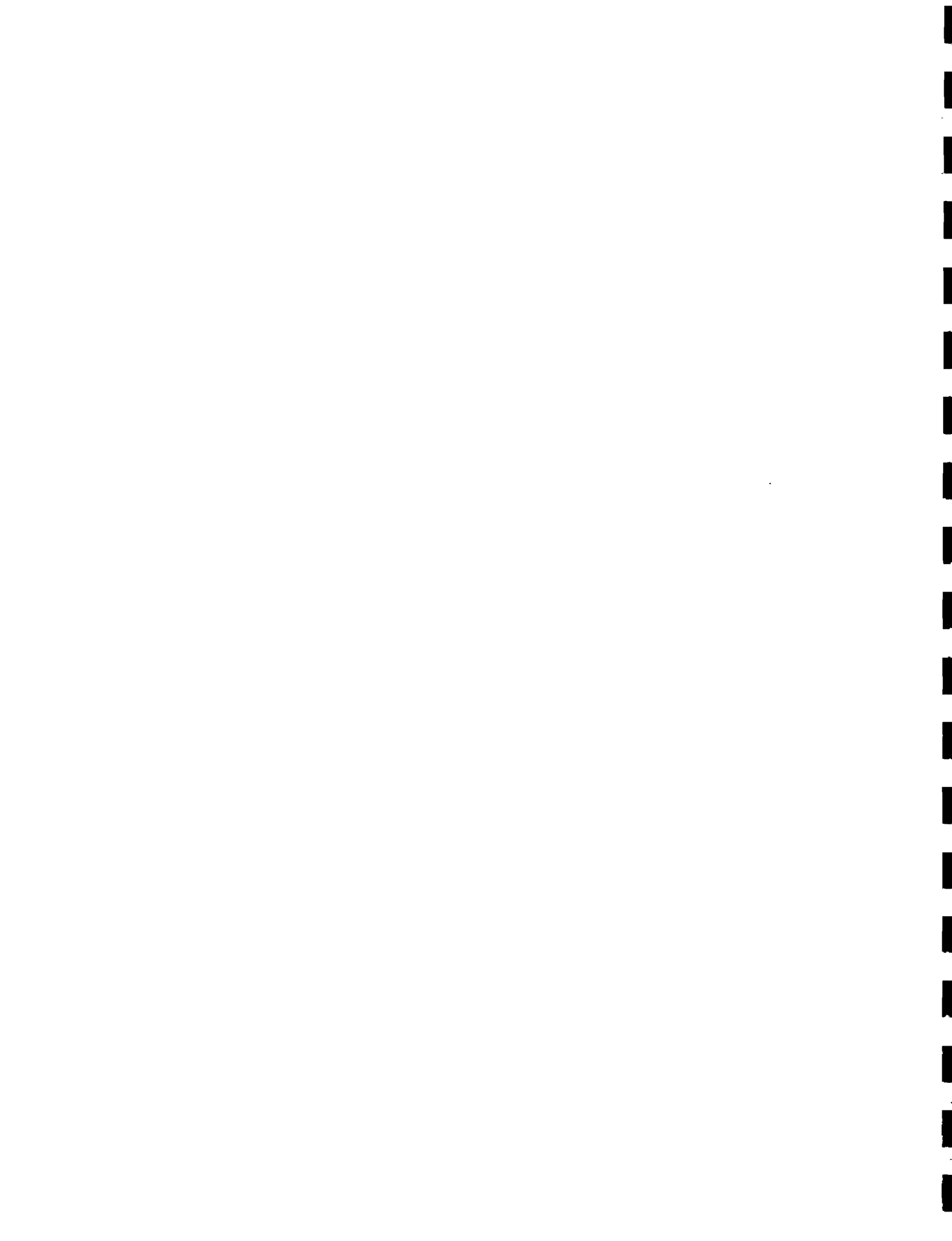
<sup>2/</sup> Excise Tax plus other Inland Revenue.

<sup>3/</sup> Import Duties.

<sup>4/</sup> External Capital Receipts = External Grants & External Loans & External Credits.

Source: Data supplied CEPAL.





PART VII  
JAMAICA COUNTRY NOTES



## ECONOMIC SURVEY 1977

### JAMAICA

(Jamaica dollars used throughout)<sup>1/</sup>

Performance of the Jamaican economy in 1977 was very disappointing for the most part. Preliminary official data for 1977 and revisions for earlier years (See Tables I and II of the Statistical Appendix) show that GDP in current values was only 9 per cent higher than in 1976. In real terms, however, GDP declined by an estimated 4 per cent during 1977.

In terms of sectoral performance reduced output was the general rule in 1977 although current value GDP increased for all sectors except construction. In terms of constant value GDP agriculture, mining and transportation, storage and communication registered increases estimated at 6, 17 and 4 per cent, respectively. Except for the poor performance of sugar, the agriculture sector gains would have been far more impressive. Mining which experienced the largest increase benefited from increased foreign demand for bauxite and alumina. The communications sub-group accounted for most of the real growth in the transportation, communications and storage sector. The large manufacturing sector performed disappointingly, declining by more than 5 per cent in real terms; price increases having inflated the current value GDP of this sector.

The important government, distributive trades and construction sectors all declined - Government, partly because of curtailed revenue receipts and distributive trade because of the large cut-back in imports. The state of industrial and social unrest during the year was not conducive to increased private sector construction activities.

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<sup>1/</sup> Two rates of exchange existed as of 27 April 1977. The basic rate (the previously existing parity rate) J\$0.9091 = US\$1.00 and the special rate J\$1.25 = US\$1.00; further devalued to J\$1.28 = US\$1.00 in October 1977.

Among the many factors influencing the economy during 1977 external sector developments seem most pervasive. Of major influence were: (i) the decline in imports; (ii) the decline in foreign capital inflow; and (iii) the continued lower level of receipts from tourism. These items have always been extremely important to the Jamaican economy but some of the indicators of foreign dependence had begun to move in the country's favour in recent years. However, since 1976 the importance of the external sector has once again come sharply into focus as illustrated by the large balance of payments deficit of \$238 million in this year. The position improved in 1977 the deficit reaching only \$15 million. These deficits have resulted in large negative balances in the level of international reserves since 1976. At the end of 1977 the balance stood at minus \$181 million.

The sharp curtailment of imports in 1976 and 1977 directly affected manufacturing and the distribution sectors with relatively little time lag. The decline in the level of capital goods imports is also reflected clearly in the decline in domestic fixed capital formation. (See Table III).

Foreign capital inflows, both direct and portfolio investment, have fallen drastically in the last three years and this is equally true of private as well as official capital. During 1977, the net capital inflow was negative. The low level of foreign capital investment and the severely reduced level of receipts from tourism in 1976 and 1977 have had major impact on employment and on the services sectors.

Favourable developments in the external sector include improvement in exports of bauxite and alumina in 1977 as a result of increased demand for aluminium and more favourable prices for some commodities. These are reflected in a 24 per cent increase in the value of domestic exports to about \$693 million for 1977.

The performance of the domestic factors was not much more buoyant. The domestic component of capital formation appeared to decline sharply again in 1977 and this decline was reflected in

the very rapid growth of liquidity in the banking system in the form of demand and savings deposits. Government recurrent revenue appears not to have increased in 1977 and expenditures were reduced, apparently in order to limit the level of deficit financing. Prices increased at a slightly faster rate than in 1976 despite price control measures and the existence of government subsidies on some commodities. The industrial relations climate has been an important factor in determining the level of performance in many economic sub-sectors. Indications are that the general state of industrial relations in 1977 may not have been much better than in 1976. A fundamental factor in the entire domestic situation during 1977 was the continuing existence of fairly serious socio-economic problems. While a quantitative assessment is not possible, it appears that there was some improvement in late 1977.

Two other important developments occurred during 1977 which would have had some effect on performance of the economy, however, the full effects will not be felt until 1978. One development was the establishment of a dual system of exchange rates - a special rate representing a 37.5 per cent devaluation<sup>1/</sup> applicable to most types of transactions and, for other transactions, a basic (undevalued) rate. The other development was the implementation of the Emergency Production Plan for 1977-1978. The new system of exchange rates represents a carefully chosen package intended to minimize cost of living impact yet gain benefits from inflows of foreign funds. The Production Plan was based on a thorough study of the economy and is essentially a programme to increase employment, production, domestic self-sufficiency and self-reliance.

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<sup>1/</sup> See footnote 1, page 1.

### Agriculture, Forestry and Fishing

Official estimates indicate that Agriculture GDP grew by approximately 13 per cent in 1976 and by approximately 24 per cent in 1975 in current values. Preliminary estimates for 1977 put the figure at approximately \$265 million in current values, an increase of nearly 17 per cent over 1976. In real terms, however, the increase is only about 6 per cent.

The official economic activity classification shows five sub-sectors of Agriculture: Export agriculture consisting of the traditional export crops, namely sugar cane, bananas, spices, citrus, coffee, cocoa, etc.; domestic agriculture which comprises vegetables, root and tree crops; livestock and hunting; fishing, and forestry. The domestic agriculture sub-sector has been the largest in terms of contribution to GDP since the beginning of the 1970's, but the export sub-sector earns much needed foreign exchange. Livestock and hunting has apparently taken over second place from the export sub-sector. Fishing has averaged about 10 per cent of total agriculture GDP in the last six years but forestry remains relatively small.

In the export sub-sector GDP declined by approximately 20 per cent in current values, and about 18 per cent in constant prices during 1977. There was an estimated 21 per cent reduction in the amount of sugar cane milled during the year. Banana production was estimated to have increased during the year but the volume of banana exports declined slightly while the value of exports increased significantly. It needs to be borne in mind that banana production has been at a considerably lower level since 1974 than in the late 1960's and early 1970's. Coffee and cocoa production also improved in 1977; production of spices and citrus are estimated to have declined sharply.

The domestic agriculture sub-sector performed extremely well in 1977, increasing by about 38 per cent in current value GDP terms and about 19 per cent in constant values. Nearly all of the major crops in this sub-sector showed increases in

production, but the major contribution were root crops and pulses such as potatoes, cassava, peanuts and onions and rice. Corn production was lower by some 17 per cent in 1977 but still considerably above the levels of the first half of the 1970's. Recent efforts to increase production of crops such as corn, peanuts, rice, onions and peas and beans have been very successful, stimulated undoubtedly by the foreign exchange crisis.

Livestock production also contributed importantly to the increases in the sector GDP; and while price increases were partly responsible, volume of output accounted for an estimated 55 per cent or more of the growth in 1977. Real activity in fishing did not increase very much but forestry performed very well during 1977 continuing the upswing which started in 1975.

Improved weather conditions was a major factor in agricultural production during 1977. The drought which had prevailed for some years was broken in April, and the heavy rainfall was beneficial to most crops. Sugar cane was an exception because the rains during the reaping season reduced the sucrose content; also, the rains were too late to be of major benefit to most tree crops during 1977. The improvement in livestock may also be partly attributed to the rains which improved pasturage.

Of more positive benefit to the agriculture sector were increases in foreign earnings. These increases have two components: a price increase for commodity exports and an increase as a result of the 37.5 per cent devaluation of the Jamaican dollar (see footnote 1, page 1); where prices are denominated in foreign currencies. Prices of the four major crops increased during 1977 compared with 1976. While the world market price for sugar was declining the negotiated price for sugar sold to EEC countries was increased during 1977 and the EEC countries took some 60 per cent of raw sugar exports in 1977. Jamaica also benefited from the higher prices for bananas, coffee, and cocoa prevailing during 1977.



Another important determinant is the replanting programmes (in previous years) of bananas, coffee, cocoa and timber trees without which production would have been lower in 1977. Plans to increase acreage more rapidly in these crops were implemented during 1977.

In recognition of the importance of agriculture in the process of economic development the sector continues to be the focus of increased attention. There was an apparent increased urgency during the year underscored by the deepening foreign exchange crisis and domestic deflation coupled with a large, although considerably reduced, food import bill of 1976 and 1977.<sup>1/</sup>

At the beginning of the second quarter of 1977, the Government introduced the "Emergency Production Plan", a large segment of which relates to agriculture. In addition to the other policy objectives, the Plan aims at achieving adequate nutritional standards and deriving optimum benefits from the maximum utilization of all agricultural lands. The programme for agriculture within the 1977-1978 fiscal year, requires an additional 26,000 acres to be brought under cultivation in cereals, roots and tubers, legumes and vegetables. Expansion of livestock, forestry and fishing is also planned.

One project "Project Food Farms" has been phased out and the government-owned farms converted to "Project Land Lease" where land is leased for six years to farmers to supplement their existing farm acreage, or for up to forty-nine years to provide large completely viable units. At the end of 1976, leases were held by about 23,000 persons; and in the 1977-1978 plan year, it was proposed to settle another 10,000 persons.

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<sup>1/</sup> The policy objectives and the programmes and projects have been discussed in earlier surveys. See UN ECLA Economic Survey of Latin America, 1976; also Economic Activity - Caribbean Countries, 1976 (ECLA/CARIB 77/5).

The micro-dams project<sup>1/</sup> is continuing - six dams were completed in 1976 and progress accelerated in 1977. These dams are to assist in irrigation and should help mitigate the effects of droughts.

The difficulties of bringing substantial new areas under cultivation has been recognized and the Plan visualizes four types of operating units:

- (i) Small farms - both privately owned and under the land-lease project;
- (ii) The Public Sector Agricultural Enterprise - encompassing large farms specializing in intensive cultivation of certain crops, particularly where risk capital is high;
- (iii) The Community Enterprise Organization - a co-operative organization intended to consist also of integrated productive activities other than agriculture such as handicraft, construction, distributive trades and small scale manufacturing and processing;
- (iv) Large land holders (over 100 acres), who are being requested to put 10 acres of their unused land into food crop production.

If most of the quantitative goals of the Plan in the area of agriculture could be realized by 1978, a significant break-through in attitudes and in general development would have occurred.

### Mining

The Mining sector recovered strongly in 1977 with GDP increasing by an estimated 31 per cent in current prices and a projected increase of around 17 per cent in real terms. By comparison there were reductions in constant price GDP of 23 and 19 per cent, respectively during 1975 and 1976.

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<sup>1/</sup> Op. cit.

Despite the 1977 performance real activity appears to have recovered only back to the levels of the early 1970's. It will be noted in Table V of the Statistical Appendix that during 1977 there was a reversal of the trend of production of bauxite and alumina. Both these commodities had attained peak production in 1974 but since then production had declined. The gain of 9 per cent in the case of bauxite in 1977 has brought production above the level of 1975, but alumina production although increasing by 25 per cent in 1977 is still below the 1975 level. Gypsum production which has been fluctuating since 1972 dropped by 16 per cent in 1977; and led the decline in the quarrying sub-sector.

The major influences on the bauxite/alumina industry were: (i) improved industrial relations compared with 1976; (ii) recovery of alumina production by a plant that had suffered damages from an explosion in 1976; and (iii) recovery of the industrialized countries from the effects of the 1973-1975 recession and, in particular, recovery of aluminium production, beginning in 1976, and the consequent need to replace inventories of bauxite and alumina.

These influences manifested themselves in increased volume and value of exports of alumina mainly, and bauxite to a lesser extent. On the basis of available aluminium price data, it would appear that the Bauxite Production Levy for 1977 would be higher than the \$116 million realized in 1976.

Production of gypsum and other quarry products were adversely affected by the depressed state of the construction sector.

Additional steps were taken during 1977 in furtherance of the Government's policy objectives for the bauxite/alumina industry. The basic objectives may be summarized as: (i) increasing the contribution of the sector to the national economy; (ii) re-acquiring control of unutilized and mined-out lands; and (iii) securing government's participation in mining,

processing and other operations related to bauxite and alumina. Between late 1976 and early 1977 joint venture agreements were concluded with three major companies. The provisions of the agreements include guaranteeing of a 40-year supply of ore by the government to the companies, and involvement of Jamaican interests in the transportation of bauxite between Jamaica and foreign ports.

On the institutional side, the Jamaica Bauxite Institute was established to conduct research, to monitor various developments in the industry, to evaluate proposals, prepare plans and to seek additional markets for bauxite and alumina. With respect to the last named, preliminary undertakings have already been made to supply bauxite and/or alumina to Algeria, Venezuela, Mexico and Trinidad & Tobago. During 1977 attempts were also made to secure markets for these products in the COMECON group of countries.

#### Manufacturing

Latest available estimates show Manufacturing GDP to have increased by 11 per cent in 1977 in current values to \$564 million. In real terms however, there was a decline of approximately 5 per cent in Manufacturing GDP in 1977, continuing a trend begun in 1975.

The recently available index of manufacturing production (base 1976 = 100) was lower by nearly 4 per cent in 1977. Production of principal items are given in Tables V and VI of the Statistical Appendix. Of these items only wheat flour, alcoholic beverages, cigars, detergents and textile fabric showed increases for 1977. The declines in sugar, steel, cement and petroleum products, would have had a decelerating impact on other manufacturing sub-sectors because of their importance as raw materials input.

Much the same factors influenced the level of manufacturing activity in 1977 as in 1976. The major influence appears to be the shortage of foreign exchange, the rationing of which set an absolute limit on the amount of raw materials<sup>1/</sup> and capital goods imports. Another factor is the increase in prices of imported goods which further reduced the quantity in real terms. It appears that prices of these goods increased at a faster rate than in 1976 and price effects were accentuated by the April 1977 devaluation. The decline in construction activities resulting in reduced demand for manufactured materials also had a dampening effect on output.

The number of industrial disputes also had a deleterious effect, though it is not clear at this time whether the number of lost man-days was larger in 1977 than in 1976. The fact that industrial disputes is a serious problem has been underscored by the strengthening of the Industrial Disputes Tribunal at the beginning of 1978.

Private sector confidence did not seem to have been restored fully during 1977, nor was there much private participation in implementing the policy of a mixed economy. It appears that inventories have been allowed to decline and new capital investment was only about three quarters of the level of 1976.

The Government's Emergency Production Plan for 1977-1978 places a high degree of reliance on the manufacturing sector. The basic objective was to maintain at least the 1976 level of production. The Plan sought to accomplish this objective by focussing on sub-sectors which are large net earners of foreign exchange and those which could produce or utilize domestic raw materials. Much attention, therefore, was devoted to small-scale manufacturing and handicraft.

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<sup>1/</sup> The data in Table X imply that volume of imported raw materials in 1977 was not much more than in 1976.

Certain institutional changes were also planned, these include: development of community enterprises all over the country in agro-industry and handicraft; reorganizing governmental agencies having to do with manufacturing to enable them to function more effectively; securing of greater governmental control (through legislation or ownership) of establishments which produce basic inputs for use in this and other sectors. As the Plan was presented only in April 1977, results will be more clearly discernable in 1978.

### Construction

Revisions in the system of national accounts have resulted in considerable lower levels of the construction GDP estimates. In terms of current prices the last increase, to the extent of 18 per cent, was realized during 1975. The decrease for both 1976 and 1977 was approximately 17 per cent, being fractionally lower in 1977. The selected indicators of construction activity, in Table VII of the Statistical Appendix, show that all except one indicator declined. The exception was value of construction materials imports which increased by eight per cent. However, when allowances are made for price increases and increases resulting from the April devaluation it becomes clear that the volume of construction materials imports would have declined.

Parallel with this development was lower borrowing by the sector. Outstanding loans and advances of commercial banks to the construction sector was 14 per cent lower at the end of December 1977 than one year earlier. Similarly, new mortgage loans of Building Societies<sup>1/</sup> totalled only \$10.5 million during January to June 1977 compared with \$16.8 million during the first six months of 1976.

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<sup>1/</sup> Mutually owned financial institutions engaged primarily in mortgage lending for housing construction.

The declining trend in real construction activity goes back some five years ago to 1973, though only in 1976 was the decline really very significant. Three factors seemed to have been very influential in 1977.<sup>1/</sup> First, there was the slowing down of government capital expenditure which would have had a dampening effect on road construction and other government building projects. Secondly, the decline in tourism, evident in falling room occupancy rates since 1973, has continued. Thirdly, there were apparent adverse effects on the general investment climate and thereby on private investment in construction deriving from the less buoyant economic conditions and the socio-economic problems of 1975-1977.

Recognizing the importance of the construction sector in generating employment (and income), in stimulating growth in other sectors, and as a relatively large user of local raw materials, Government's policy enunciated in the 1977-1978 Emergency Production Plan includes a strong stimulus to the sector. The Plan calls for more than 10,000 new building starts in the period and envisions over 3,200 private building starts. Obviously realization of these goals could only become possible in 1978.

#### Tourism

In 1976 tourism suffered a major setback when the total number of visitors declined by 15 per cent, the first decline in nine years. The deteriorating situation was already apparent in 1975, when, although the number of total visitors had increased, the number in the important "stop-over" category had decreased. Cruise-ship passengers increased significantly in 1975 but these contribute far less per-capita to the local economy.

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<sup>1/</sup> No judgement as to relative importance is to be implied from the order in which these factors are placed.

Preliminary data for 1977 (see Table VIII of the Statistical Appendix) indicate that the decline in number of visitors was greater than in the previous year. There are, however, a few favourable indications that a mild recovery may be occurring in the sector. In August 1977, for the first time since early 1975, there was an increase in the monthly visitor figures when compared with the same month in the previous year. This monthly improvement continued to the end of the year. In this connection the important "long-stay visitor" category showed the largest increase while the number of cruise-ship passengers have actually been declining.

The main factors influencing the trends in tourism appear to have been socio-political in origin. Fears for personal and property safety have been generated by unfavourable press reports in countries from which a large share of visitors originate.

The impact of a significant reduction in foreign exchange earnings have been forcefully dramatized in 1976 and 1977. Tourism's gross earnings of foreign exchange make an important contribution which took on added significance in the generally deflationary conditions of 1976 and 1977. Accordingly, under the Emergency Production Plan two strategies have been developed to reverse the recent unfavourable trends. The first seeks to improve the economic viability of the sector; the second, to encourage a greater degree of local participation in tourism from investment to entertainment, and to develop a larger local holiday industry. Consequently, the streamlining of the institutional structure of tourism gained momentum as 1977 progressed. Co-ordination is to be affected through a restructured National Tourism Council with emphasis on minimizing areas of overlap in operational responsibilities of various government and private agencies.



## THE EXTERNAL SECTOR

Summary external trade data are given in table 1 below. The main components are discussed later so at this point attention is drawn only to the decline in both imports and exports from the peaks of 1975. The two figures given for 1977 are respectively, the values based on actual exchange rates and the basic rate; that is, the rate before devaluation, and are shown for comparison purposes.

Table 1  
Imports, Exports & Balance of Trade  
(J\$'000)

	Imports (c.i.f.)	Exports (f.o.b.)		Trade Balance
		Total	Domestic	
1970	437,839	284,832	279,116	-153,007
1971	459,754	282,704	275,203	-177,050
1972	489,256	300,146	292,277	-189,110
1973	615,123	354,608	347,841	-260,515
1974	850,781	642,081	630,769	-208,700
1975	1,021,412	774,145	760,889	-247,267
1976	829,785	574,995	560,872	-254,790
1977 <sup>P</sup> (Mixed Rate)	781,639	707,313	693,411	- 74,326
1977 <sup>P</sup> (Basic Rate)	678,951	666,865	655,267	- 12,085

Note: Basic rate refers to the exchange rate existing prior to the April 27, 1977 introduction of the dual rate of exchange.

Source: External Trade, 1977 (Provisional),  
Department of Statistics, Jamaica.

It will be noted that whichever rate of exchange is used imports declined in 1977 but exports increased compared with 1976. Use of the actual exchange rates in 1977 gives higher values for both imports and exports, than if the previously existing rates are used. The difference in values is however significantly higher in the case of imports.

### Exports

Preliminary data showing total domestic exports and selected items are given in Table IX of the Statistical Appendix. On an actual transactions basis the value of domestic exports for 1977 is approximately \$693 million, a growth rate of nearly 24 per cent over the figure for 1976.

This turnabout in the fortunes of Jamaican export performance is very timely and can be traced to certain favourable developments in the commodity market which redounded to the advantage of Jamaica.

Bauxite, alumina, sugar and bananas together are estimated to account for over 80 per cent of the country's domestic exports in 1977. Preliminary data indicate that volume and value of exports of bauxite and alumina increased. While average unit value of exports of sugar, bananas and bauxite increased, the average unit value for alumina was somewhat below the 1976 level. There was also increased availability of bauxite and alumina for shipment; and with respect to sugar, export volume increased despite the lower level of production in 1977, and got the advantage of the higher ECM sugar prices which are calculated on the basis of a year beginning in July and ending in June of the following year.

Another factor that should not be overlooked is the effects of the existence of two exchange rates since the end of April 1977. Bauxite and alumina, about 67 to 70 per cent of total domestic exports were not affected since they continued to be converted at a pre-devalued rate of exchange. However, the other 30 to 33 per cent of export receipts were converted at the

devalued rate of exchange, that is, J\$1.00 = US\$0.80.

### Imports

Import data by economic function on a transactions basis are given in Table X. The 1977 figure declined by nearly 6 per cent below the 1976 level and at \$782 million was within the \$800 million ceiling set by the government to tie the level of imports to foreign exchange availability.

Consumer goods imports showed the greatest reduction, especially the durable goods category and food. Expenditure on imported raw materials in 1977 exceeded the 1976 level by about 9 per cent: the increase reflecting the policy to maintain supplies of raw materials at a sufficiently high level so as not to retard manufacturing activity. Fuels showed the largest increase, nearly 21 per cent over 1976. There seems to be two main causes - increases in the cost of crude petroleum and petroleum products and a larger volume of imports of petroleum products. Average unit value of imports of crude petroleum increased by more than 26 per cent. The increased volume of imports of petroleum products occurred at a time when crude petroleum imports and domestic production of refined petroleum product both decreased. The capital goods group also declined; among these the construction materials component was the least affected. This pattern reflects official policy, which ascribes highest priority to raw materials, including fuels, to construction materials and to necessary foodstuffs.

### Balance of Payments

Preliminary balance of payments figure are provided in Table XI of the Statistical Appendix for the years 1974 to 1977. For the sake of making comparisons the figures for 1977 are not shown on an actual transactions basis but on the basis of rates existing prior to the devaluation of 1977. Overall, a surplus

balance was recorded on current account for 1977. The merchandise trade account was the chief contributor showing a large surplus, though the services account and transfer payments also showed improvement compared with 1976. The capital account, on the other hand, performed worse in 1977 registering a net outflow which resulted in a relatively small balance of payments deficit.

(i) The Current Account

The net merchandise trade balance is provisionally estimated at \$142 million surplus, compared with deficits during the three previous years. The 1977 position results from a large increase in exports and a significant reduction in imports and the underlying factors are discussed in the sections on imports and exports above. It may be stressed here that foreign exchange constraints forced direct curtailment of imports which were limited to an official estimate of anticipated foreign exchange earnings for 1977.

The Services Account once again showed a net deficit position, however there was a decline below the 1976 level. The main contributors to this account in 1977, were freight and insurance and investment income payments. Freight and insurance payments declined because of the decline in imports, while investment income outflows remained at roughly the same level as in 1976.

Receipts on foreign travel, the major credit item of this Account, had been declining steadily during 1975 and 1976 but there was an estimated 20 per cent increase during 1977. While the number of visitors and the level of travel earnings had been decreasing, outflow of funds for travel had actually been increasing up to 1976. That is to say, that the worsening position in foreign travel resulted from both a reduction in receipts as well as an increase in payments. The general tightening of foreign exchange regulations, which further limited funds for residents to travel abroad had an ameliorating effect on foreign travel debits in 1977. Apparently price increases

played an important role in the increase in net travel receipts as did the partial devaluation which had the effect of increasing receipts from tourism when converted to Jamaican dollars.

(ii) The Capital Account

Net capital movements have been traditionally positive and had been increasing during the early 1970's. Since 1974, the level of inflow has fallen at an accelerating rate and in 1977 the net position became negative to the extent of nearly \$42 million. Direct private investment virtually ceased in 1975 and the net position of all private investment turned negative in 1976. The position of private capital transactions worsened in 1977 when the net deficit was nearly \$69 million. Official capital transactions which were more favourable than private transactions during the period 1975 to 1977 also registered a sharp decline in net inflows in 1977.

(iii) Overall Balance

The impact of the deficits since 1975 is reflected in the drastic decline in the holdings of international reserves, more or less continuously, since the middle of 1975. During the first quarter of 1976 reserves became negative and by the end of 1977 were nearly minus \$196 million compared with about minus \$181 million at the end of 1976.

It seems clear that the conditions dictating continued stringency and deflation have not abated. Additional measures to cope with the situation have been taken and are discussed below in the section on foreign economic policy.

External Debt

The level of Government External Debt at the end of 1977 stood at \$485 million, a figure which represents a 9 per cent increase above the 1976 figure. It will be observed from the table below that the debt which had increased very rapidly between 1972 and 1976 appeared to have slowed down slightly in 1977.

Table 2  
Gross Official External Debt, the Balance  
of Payments & External Debt Servicing  
 (J\$ Mill.)

Year	EXTERNAL DEBT				Bal- ance of Pay- ments	Exter- nal debt servic- ing <sup>1/</sup>
	Commer- cial Banks	Inter- national Institu- tions	Other	Total		
1972	22.3	33.8	71.5	127.6	-43.5	...
1973	61.2	47.5	68.6	177.3	-27.7	23.5
1974	150.7	53.8	67.8	272.3	+54.1	20.0
1975	232.4	64.4	84.9	381.7	-73.6	31.4
1976	228.2	145.9	69.9	444.0	-238.1	28.6
1977 <sup>P</sup>	209.9	201.8	73.0	484.7	-14.6	...

<sup>1/</sup> Relate to fiscal years April to March beginning in year under which figures are shown.

Source: Statistical Digest, April 1978,  
Bank of Jamaica; Economic and  
Social Survey, 1976, National  
Planning Agency, Jamaica; and  
 tables of the attached Statistical  
 Appendix.

Details on the maturity structure of the external debt are not available. However, a few loan agreements have been announced in recent months; typically the terms include long grace periods, concessionary interest rates and long maturity periods.

The fact that the 1976 debt servicing payments were lower than the similar payments in 1975 suggest that some debts may have been retired or "rolled-over" during 1975. These payments are relatively small compared with Government recurrent revenue or domestic exports or GDP; but have been much higher than the

level of foreign exchange reserves since the early months of 1976.

As of late 1977, approximately 94 per cent of the debt was denominated in US dollars. In terms of institutional nature of the lenders, and their shares in the external debt, commercial banks accounted for 45 per cent of the total in 1977; the rest by open market loans, loans from international institutions and loans from governments' and government institutions. The share of the external debt owing to commercial banks reached a maximum of 66 per cent in 1975, having risen from 23 per cent in 1972. Open market loans have declined absolutely since 1974 and were replaced in terms of relative importance by loans from both government and international institutions.

Government's policy in the last four years has been to reduce the external ownership share of the National Debt. It would appear though that in 1976 and 1977 the level of loans from external sources were affected by relative inability to meet loan requirements.

#### Foreign Economic Policy

Further development and articulation of foreign economic policy occurred during 1977. The basic background considerations to this further articulation were:

- (i) The extreme dependence on traditional external sources in areas such as trade, tourism, capital investment and other financing, to such an extent that problems in these sources are transmitted to the Jamaican economy;
- (ii) The commitment to a policy of political non-alignment and the subscription to the principles enunciated in the "New International Economic Order";
- (iii) The current foreign exchange crisis.

Consideration of the background situation led to formulation of objectives to create a greater degree of national self-reliance and to diversify foreign economic relations.

The objectives are to be realized through:

- (i) Maximization of opportunities inherent in existing external relationships and agreements. Examples of these include the Lomé Convention, the Generalised Scheme of Preferences, bilateral agreements, and opportunities existing under SELA and CARICOM;
- (ii) Extension of contacts with selected Third-World Countries;
- (iii) Development of economic relations with the centrally planned economies.

A major development in foreign economic policy during 1977 was the introduction of a dual system of exchange rates. The Jamaican currency had been under severe pressure for some time resulting in the severe depletion and finally negative level of international foreign reserves. Devaluation had been eschewed largely out of consideration for the cost-of-living impact. Other considerations such as survival of export-oriented industries eventually prevailed and on 27 April 1977 a dual rate of exchange was introduced, referred to as the Basic Rate and the Special Rate. The Basic Rate was the pre-existing rate up to 26 April, that is, J\$0.9091 = US\$1.00; the Special Rate, where J\$1.25 = US\$1.00, represented a 37.5 per cent devaluation. In October 1977 the Special Rate was further depreciated by 2.5 per cent to J\$1.28 = US\$1.00.

An important aspect of this system is the respective transactions to which each rate applies. The Basic Rate applied to:

- (a) all Government foreign exchange transactions;
- (b) all basic foods;
- (c) essential medical and pharmaceutical products;
- (d) imports of basic raw materials by Jamaica Nutrition Holdings Ltd. [a government corporation importing large quantities of commodities]



- (e) animal feeds;
- (f) fertilizers;
- (g) all petroleum imports;
- (h) all foreign exchange transactions of the bauxite and alumina companies;
- (i) settlement of outstanding trade credits on goods already cleared from the wharves and sold at prices based on the existing rate of exchange;
- (j) certain transactions (swap arrangements) between the commercial banks and the Bank of Jamaica.

The Special Rate is applicable to all other foreign exchange transactions.

#### PRICES

During 1977, the level of consumer prices increased at a slightly faster rate than in 1976. (See Table XII of the Statistical Appendix). The total Index calculated as the average of the 12 monthly indexes, grew by 11.1 per cent in 1977 compared with 9.8 per cent in 1976 and 17.4 per cent in 1975. By way of comparison the increase in the index for the three years, December to December, 1974/75 to 1976/77, were respectively 15.7, 8.1 and 14.1 per cent.

Examination of the average annual indexes for the various major groups in 1977 shows that the category "miscellaneous expenses" with a weight of more than 8 per cent and including such items as recreation, reading material and stationery, registered the largest increase - more than 30 per cent. Other categories showing large increases were household furnishings and furniture, with an increase of 15 per cent (the furniture component particularly influencing this sub-grouping), and transportation with an increase of 13 per cent.

The important food and drink group increased by a relatively modest 9.5 per cent, thereby serving to dampen the overall increase. Other items exerting a moderating influence on the index include meat, poultry and fish, dairy products, oils and fats, fuels and housing, all registering increases of less than 5 per cent.

Imported goods still play a very important part in the total package of goods consumed in Jamaica. Imported prices made a major contribution to increases in consumer prices in 1973 and 1974, but the situation was reversed in 1975 and 1976, when prices of domestic goods were rising faster than prices of imported goods.

For 1977, the situation is somewhat unclear as most of the detailed data are not yet available. On the one hand, prices of internationally traded products looming large in the Jamaican import basket appeared to have increased, on the basis of part-year data, at a faster rate than in 1976 and would have exerted an upward pressure on domestic prices.

In addition, the prices of imported goods to the local economy have been affected by the two devaluations of the exchange rate in April and October 1977 (see the discussion on foreign economic policy above). Sufficient details are not available to assess the precise effects even in static terms; it is clear however, that the dual system of exchange rates was introduced partly to minimize the impact on import prices.

A full devaluation of the Jamaica dollar would have exerted considerably greater upward pressure on the level of domestic prices. The decision on a partial devaluation where the cost of imports of basic foods and essential medical and pharmaceutical supplies, fuels, animal feeds and fertilizers are converted to Jamaican dollars at the basic rate (i.e. the undervalued or previously existing single rate), tended to keep prices lower than would otherwise have been the case. It was officially

estimated that 70 per cent of the items entering the "cost-of-living index" would be unaffected by the April 1977 devaluation.

Among other anti-inflationary measures taken during 1977 were:

- (i) the tightening of existing price control machinery to ensure that legal price levels were maintained; and
- (ii) implementation of an incomes policy for 1977 including guidelines on wages and salaries (extension of the 1976 guidelines to mid 1977) dividends and profits and freezing of rentals and professional fees.

During 1977 a State Trading Corporation was established. A number of existing organizations such as the Jamaica Nutrition Holdings Ltd. were to form the nucleus of this Corporation. It was planned also to form new companies to deal in essential items for various sectors of the economy. Mechanisms for co-operation between official organs and the traditional private traders were also being developed during the year.

The main objective of this organization, as well as of the Jamaica Nutrition Holdings Ltd. is to assure adequate supplies of selected essential items at the cheapest possible prices. The Jamaica Nutrition Holdings, established in 1974, has set up a Price Stabilization Fund financed from its operating surplus. This Fund has been used by government to finance subsidies on essential foodstuffs thus moderating the rate of price increases to consumers.

#### MONETARY AND FISCAL DEVELOPMENTS

In general, monetary and fiscal policy may be categorized as being reflationary during 1977. Such a policy was consonant with the overall economic policy to maintain employment and income levels and to achieve domestic self-sufficiency as far as possible. In pursuing these policies, the authorities were aware

of the inflationary possibilities and strove as far as possible to keep inflation within manageable limits.

#### Monetary Developments

Selected monetary statistics are given in tables XIII and XIV of the Statistical Appendix. One factor stands out; and that is the fairly substantial increase in the money supply. From the middle of 1976, there has been very rapid increase in the liquidity of the banking system. At the end of 1976, excess liquidity stood at just over \$18 million but by the end of 1977 the figure was nearly \$90 million. During this period deposit liabilities of Commercial Banks mushroomed.

In an apparent attempt to contain this increase in liquidity the required minimum liquidity ratio was increased from about 24.5 per cent in early 1977 to 29.5 per cent. Government also expanded its security issues placed with the Commercial banks and the Central Bank. Commercial banks' holdings of Central Government securities increased during 1977 by 155 per cent, and Central Bank's holdings increased by an almost astronomical 324 per cent to a combined total of more than \$650 million. Most of these securities were apparently of medium and long term maturity because the total holdings of treasury bills by the Bank of Jamaica and the Commercial Banks increased by only \$43 million.

The excess liquidity was caused by:

- (i) decline in loans and advances during 1977; repayments actually exceeding new loans;
- (ii) the relatively high level of government spending which tended to increase deposits;
- (iii) severe import restrictions on the amount of funds that could be taken out of the country; and
- (iv) increased deposits.

With respect to deposits, demand deposits increased by 59 per cent and savings deposits by about 29 per cent during 1977; on the other hand, time deposits were reduced by 35 per cent. Savings deposits were favourably influenced by the fact that government maintained the stipulated rate of interest at 7 per cent. Commercial banks, in view of their large liquidity, reduced the rates on time deposits but this action undoubtedly caused the decline.

In order to minimize the impact of fiscal and monetary activities on inflation, interest rates on personal loans and instalment credit were increased slightly. There was a small increase in personal loans by Commercial banks while instalment credit outstanding declined by 12 per cent. The prime interest rate of commercial banks remained unchanged at 11 per cent.

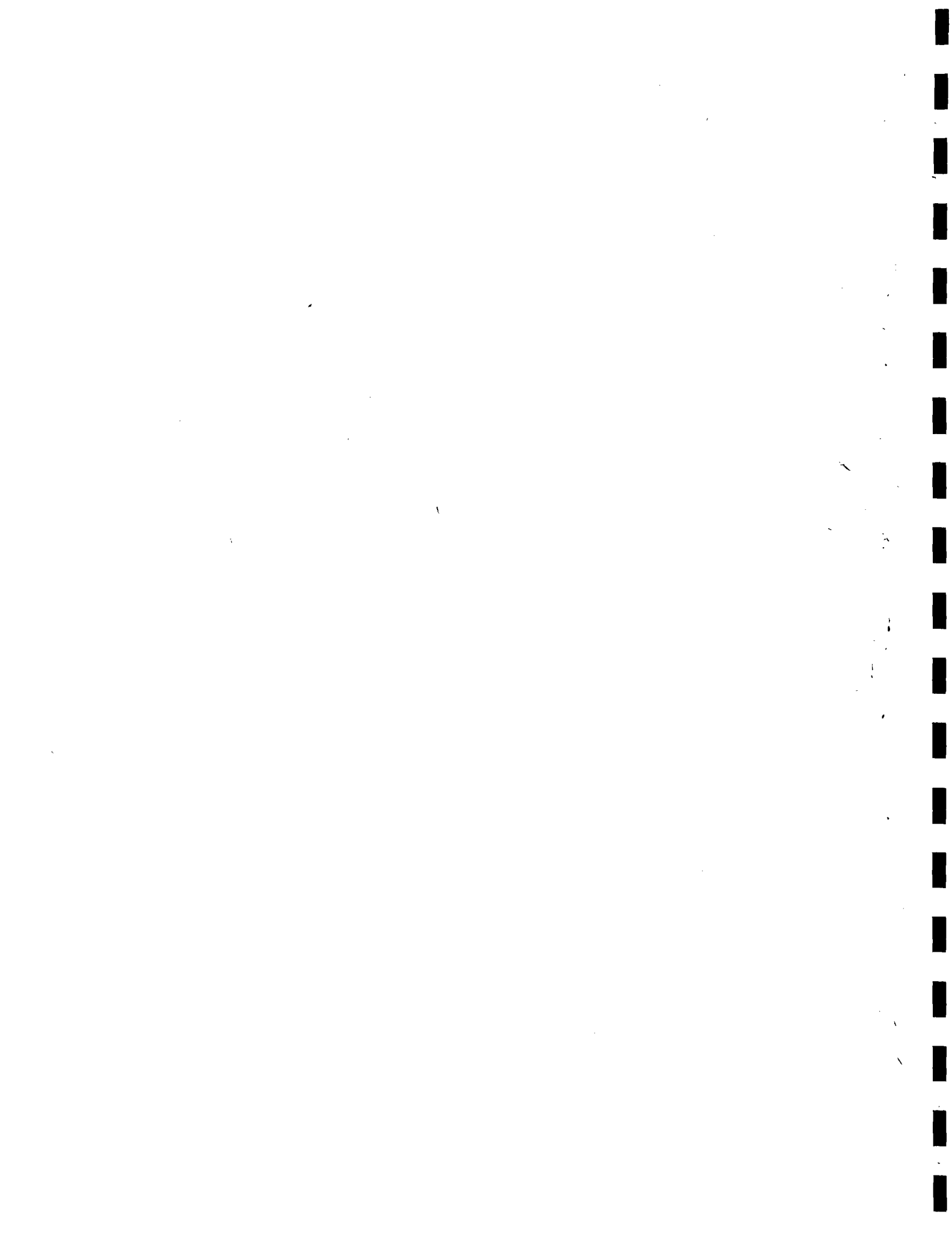
#### Fiscal Policy

Data on fiscal developments are given in Tables XV and XVI of the Statistical Appendix. It will be noted that the deficits are larger in each succeeding fiscal year. For the fiscal year April 1977 to March 1978 the projected deficit is \$604 million which represents a 23 per cent decline from the level of fiscal year 1976/1977. This projection was based on the realities of a slowing down in economic activity and slower growth in revenue collections. Even at this reduced level, the ability to meet the deficit is contingent on availability of domestic and foreign financing as well as transfers from the Capital Development Fund.

Preliminary data for the first eleven months of the current fiscal year, i.e. April 1977 to February 1978 compared with the same period of the previous year show that recurrent revenue decreased by 2 per cent while recurrent expenditure increased by nearly 9 per cent. Capital expenditure was down by 23 per cent and total expenditure declined by slightly less than 4 per cent. Consequently, the budget deficit had declined by around 5 per cent.

Comparison of the eleven-month preliminary fiscal data with the budgeted provisions for 1977-1978 show that revenue collections as well as expenditure were running well behind the budgeted estimates, and the level of the deficit had already exceeded the planned level.

This result occurred despite the fact that expenditure was deliberately restricted in view of the decline in recurrent revenue as well as the difficulty in attracting foreign loans - a situation which has existed since the latter part of 1976 and early 1977. Receipts from customs duties, income tax and non-tax revenue have declined sharply reflecting the decline in imports and overall economic activity.



STATISTICAL APPENDIX

JAMAICA

1977





NOTE FOR STATISTICAL APPENDIX - JAMAICA

National Accounts data have been revised back to 1969 by the Jamaica Department of Statistics. This revision is part of the gradual introduction of a new system of National Accounts. Readers are advised to consult the original source for comparable data for earlier years as the phased review programme is likely to result in constant changes to the aggregates until the completion of the revision scheduled for 1980.



JAMAICA

TABLE VII

SELECTED INDICATORS OF CONSTRUCTION ACTIVITY: 1974-1977

	Unit	1974	1975	1976 <sup>P</sup>	1977 <sup>P</sup>
Construction GDP (current values)	\$ Mill.	213.5	252.4	209.2	174.4
Employment	'000	40.7	44.6	38.0	...
Imports of Construction materials	\$ Mill.	88.9	89.2	65.2	70.5 <sup>1/</sup>
Production of Selected Building Materials					
Cement	'000 tons	393	399	359	328
Paint	'000 gals.	1,312	1,557	1,221	1,030
Steel	'000 tons	16.4	20.8	13.7	10.1
Bagasse board	Mill. sq.ft.	10.3	8.2	11.3	...
Loans & Advances outstanding - Commercial Banks <sup>2/</sup>	\$ Mill.	125.4	141.0	126.8	109.3
New Mortgage Loans of Building Societies	\$ Mill.	26.2	36.8	29.3	10.5 <sup>3/</sup>

<sup>1/</sup> Conversions at actual rate of exchange, reflecting 1977 devaluation.

<sup>2/</sup> Construction, land acquisition and development.

<sup>3/</sup> Data for January to June.

Source: Economic and Social Survey, 1976, National Planning Agency;  
Statistical Digest, April 1978, Bank of Jamaica; and data  
supplied by the Department of Statistics, Jamaica.

JAMAICA  
TABLE VIII  
SELECTED TOURISM STATISTICS

	1973	1974	1975	1976	1977 <sup>P</sup>	Percentage Change			
						1974/ 1973	1975/ 1974	1976/ 1975	1977/ 1976 <sup>P</sup>
Number of rooms (units)	10,069	11,071	11,235	12,066	...				
Number of beds (units)	19,897	21,827	22,201	23,092	...				
Total visitors <sup>1/</sup> ('000)	517.4	530.7	553.3	470.7	386.5	2.6	4.2	-14.9	-17.9
Long stay <sup>1/</sup> ('000)	384.4	406.9	377.5	313.6	254.5	5.8	-7.2	-16.9	-18.9
Short stay <sup>1/</sup> ('000)	33.8	26.1	18.3	14.1	10.5	-22.9	-22.9	-23.0	-25.5
Others <sup>1/</sup> ('000)	99.2	97.7	157.5	143.0	121.5	-1.5	+61.2	-9.2	-15.0
Hotel room occupancy rate - average ( % )	48.1 <sup>R</sup>	43.8	43.5	33.2	29.0 <sup>R</sup>	-12.9	-0.7	-23.7	-12.7
Length of stay (nights)	8.3	8.4	8.8	8.6	8.8	1.2	4.8	-2.3	2.3
Estimated expenditure (J\$ Mill.)	115.9	121.2	116.8	96.1	84.2	4.6	-3.6	-17.7	-12.4
Direct employment - hotels, guest houses and cottages (units)	10,177	10,740	9,673	8,482	...	5.5	-9.9	-12.3	...
Outstanding loans & advances owing Commercial Banks - end of period (J\$ Mill.)	15.1	16.1	12.1	13.0	10.7	6.6	-24.8	7.4	-19.5

<sup>1/</sup> Excludes nationals residing abroad - a large % of arrivals. Long stay = 3 or more nights; short stay = 1 or 2 nights; other include cruise-ship and members of the armed forces.

Source: Economic and Social Survey, 1976, National Planning Agency, Jamaica; and data supplied CEPAL.

JAMAICA  
TABLE I  
MAIN ECONOMIC INDICATORS

	1974	1975	1976	1977 <sup>P</sup>
A. <u>Basic economic indicators</u>				
Gross Domestic Product (millions of dollars at 1974 prices)	2,265 <sup>P</sup>	2,244 <sup>P</sup>	2,094 <sup>P</sup>	2,011
Population (millions of inhabitants)	2.01	2.04	2.07	2.09
Per Capita Gross Domestic Product (dollars at 1974 prices)	1,127 <sup>P</sup>	1,100 <sup>P</sup>	1,012 <sup>P</sup>	962
	<u>Annual Percentage Change</u>			
B. <u>Short-run economic indicators</u>				
Gross Domestic Product (constant prices)	- 0.3 <sup>P</sup>	- 1.0 <sup>P</sup>	- 6.7 <sup>P</sup>	- 4.0
Per Capita Gross Domestic Product (1974 prices)	- 1.7 <sup>P</sup>	- 2.4 <sup>P</sup>	- 8.0 <sup>P</sup>	- 4.9
Terms of Trade (income)	13.3	1.6	-26.8	...
Value of Domestic Exports	84.5	13.4	-22.8	23.5
Value of Imports	38.3	20.1	-18.8	- 5.8
Consumer Price Index (annual average)	27.2	17.4	9.8	11.1
Money Supply (M1)	23.2	25.5	6.9	48.1
Wages and Salaries	...	...	...	...
Rate of unemployment	...	...	...	...
Current Income of Government <sup>1/</sup>	22.9	20.6	0.0	- 2.1
Total Expenditure of Government <sup>1/</sup>	50.4	34.6	34.1	- 3.7
Fiscal deficit/total expenditure of Government	44.6	17.2	26.8	- 0.8

TABLE I (Cont'd)  
MAIN ECONOMIC INDICATORS

	1974	1975	1976	1977 <sup>P</sup>
	<u>Millions of Dollars</u>			
C. <u>External Sector</u> <sup>2/</sup>				
Trade Balance (Balance of Payments)	- 107	- 145	- 120	142
Balance on Current Account	- 152	- 257	- 276	27
Variation in Net International Reserves	54	- 74	- 238	- 15

1/ Rates refer to fiscal years beginning in April of year under which figure is shown; thus 1975-1976 is shown under 1975. Figure for 1977 is April 1977-  
1974-1975  
February 1978 over the same period of 1976-1977.

2/ 1977 data calculated at 1976 exchange rates for sake of comparability.

Source: National Income and Product, 1976, Department of Statistics, Jamaica; and tables in this Statistical Appendix.

JAMAICA

TABLE II

GROSS DOMESTIC PRODUCT BY KIND OF ECONOMIC ACTIVITY

(J\$ Million - Current Purchasers' Values)

	1975 <sup>P</sup>	1976 <sup>P</sup>	1977 <sup>P</sup>	% breakdown		Annual growth rates		
				1972 <sup>P</sup>	1977 <sup>P</sup>	1975 <sup>P</sup>	1976 <sup>P</sup>	1977 <sup>P</sup>
Agriculture	202.0	227.3	264.9	7.4	8.9	24.2	12.5	16.5
Mining <sup>1/</sup>	269.0	236.9	310.6	8.5	10.5	9.5	-11.9	31.1
Manufacturing <sup>1/</sup>	442.7	508.0	563.9	16.8	19.0	14.5	14.8	11.0
Construction	252.4	209.2	174.4	10.6	5.9	18.2	-17.1	-16.6
<u>Sub-total - Goods:</u>	1,166.1	1,181.4	1,313.8	43.3	44.3	10.0	1.3	11.2
Electricity & Water	36.6	54.3	61.2	1.2	2.1	64.4	48.4	12.7
Transport, storage and communications	155.8	164.5	203.2	6.2	6.9	13.7	5.6	23.5
<u>Sub-total - Basic     Services:</u>	192.4	218.8	264.4	7.4	8.9	20.8	13.7	20.8
Commerce, Restaurants and Hotels	560.0	478.6	481.2	23.0	16.2	22.3	-14.5	0.5
Financial Institutions, Insurance and real estate	330.3	366.5	381.1	12.8	12.9	20.4	11.0	4.0
Community, Social and Personal Services <sup>2/</sup>	462.1	551.9	610.7	15.9	20.6	21.7	19.4	10.7



TABLE II (Cont'd)  
GROSS DOMESTIC PRODUCT BY KIND OF ECONOMIC ACTIVITY  
(J\$ Million - Current Purchasers' Values)

	1975 <sup>P</sup>	1976 <sup>P</sup>	1977 <sup>P</sup>	% breakdown		Annual growth rates		
				1972 <sup>P</sup>	1976 <sup>P</sup>	1975 <sup>P</sup>	1976 <sup>P</sup>	1977 <sup>P</sup>
<u>Sub-total - Other Services:</u>	1,352.4	1,397.0	1,473.0	51.7	49.7	27.6	3.3	5.4
<u>Less imputed service charges</u>	78.5	79.6	85.5	2.6	2.9	12.8	1.4	7.4
<u>Total Gross Domestic Product 2/</u>	2,632.5	2,717.6	2,965.5	100.0	100.0	16.2	3.2	9.1

Note: Significant changes have been made to National Accounts figures for previous years to 1969 owing to the phased out comprehensive review in progress.

1/ Alumina processing included in Mining instead of Manufacturing.

2/ Include private non-profit institutions.

Source: National Income and Product, 1977, Department of Statistics, Jamaica.

JAMAICA

TABLE III

EXPENDITURE ON GROSS DOMESTIC PRODUCT IN PURCHASERS' VALUES

AT CURRENT PRICES  
(J\$ Mill.)

	1974 <sup>P</sup>	1975 <sup>P</sup>	1976 <sup>P</sup>	1977 <sup>P</sup>
Government final consumption expenditure	386.2	482.5	595.9	654.5
Private final consumption expenditure	1,479.0	1,700.5	1,878.1	2,057.0
Increase in Stocks	61.6	39.1	43.4	- 30.6
Gross fixed capital formation	478.2	611.8	449.2	343.0
Exports of goods and services	848.2	985.7	773.2	914.1
Imports of goods and services	985.7	1,186.1	1,021.7	972.0
Statistical Discrepancy	- 2.1	- 1.0	- 0.6	- 0.5
Total GDP in Purchasers' Values:	2,265.4	2,632.5	2,717.6	2,965.5
Net factor payments from the rest of the world	- 35.2	- 58.1	- 69.3	- 119.0
Gross National Product:	2,230.2	2,574.4	2,648.2	2,846.5

Note: Totals may not agree because of rounding.

Source: National Income and Product, 1977, Department of Statistics, Jamaica.

JAMAICA  
TABLE IV  
OUTPUT OF SELECTED AGRICULTURAL PRODUCTS

Commodities	Units	1974	1975	1976 <sup>P</sup>	1977 <sup>P</sup>
Sugar cane, milled <sup>1/</sup>	'000 long tons	3,786	3,523	3,571	2,837
Bananas <sup>2/</sup>	'000 long tons	72	68	77	76
Citrus <sup>1/ 3/</sup>	'000 boxes	1,007	1,028	2,066 <sup>6/</sup>	...
Pimento	long tons	3,792	2,331	4,009	1,991
Copra	short tons	9,411	6,856	5,674	...
Cocoa <sup>1/</sup>	long tons	1,593	1,771	1,573	...
Coffee <sup>4/</sup>	'000 boxes	240	381	230	...
Ginger	'000 lbs.	1,714	1,860	1,990	846
Milk production	mill. qts.	43.0	43.0	42.0	...
Eggs <sup>5/</sup>	mill.	139.0	147.0	162.0	...
Cattle, slaughtered	'000 heads	66.9	89.7	66.4	...
Hogs, slaughtered	'000 heads	99.7	87.9	125.1	...
Poultry meat	Mill. lbs.	50.8	59.8	59.1	65.7
Plantains	Mill. lbs.	58	39	34	...
Coconuts	Mill. nuts	102.6	89.5	86.2	122.3
Sweet potatoes	'000 long tons	20,287	14,844	16,089	20,639

<sup>1/</sup> Crop year ending in year shown.

<sup>2/</sup> Export only.

<sup>3/</sup> Deliveries to Packing and Processing Plants.

<sup>4/</sup> Crop year beginning in year shown, deliveries to Coffee Industry Board.

<sup>5/</sup> Commercial egg production.

<sup>6/</sup> Includes sweet oranges, grapefruits, mandarins or tangerines and other citrus fruits.

Source: Economic and Social Survey, 1976, National Planning Agency, Jamaica; Production Statistics, 1976, Department of Statistics, Jamaica; and data supplied CEPAL.

JAMAICA  
TABLE V  
PRODUCTION IN MINING AND REFINING

Commodities	Unit	1974	1975	1976 <sup>P</sup>	1977 <sup>P</sup>
Bauxite (Mined)	'000 long tons	14,848 <sup>r</sup>	10,981 <sup>r</sup>	10,308	11,240
Alumina	" "	2,828 <sup>r</sup>	2,223 <sup>r</sup>	1,613	2,015
Gypsum (Mined)	" "	230 <sup>r</sup>	236	245	206
Petroleum Products:					
Fuel oil	'000 imp. gal.	212,942	174,502	155,952	83,141
Gasoline	" "	60,050	62,164	66,893	65,636
Kerosene & Jet fuel	" "	45,325	35,180	33,693	28,620
Diesel oil (auto & marine)	" "	60,713	75,685	64,426	63,027
Asphalt	" "	6,582	8,171	7,411	4,934
Propane & Butane	" "	12,957	11,602	10,088	8,774
Lubricating oil	" "	4,653	5,130	...	...
Lubricating grease	'000 lbs.	4,757	5,487	...	...

Source: Economic and Social Survey, 1976, National Planning Agency, Jamaica; Production Statistics, 1977, Department of Statistics, Jamaica; and data supplied CEPAL.

JAMAICA  
TABLE VI  
INDICATORS OF MANUFACTURING ACTIVITY

	Unit	1974	1975	1976 <sup>P</sup>	1977 <sup>P</sup>
I. Production index	(1976 = 100)	...	...	100.0	96.4
II. Goods Produced					
Sugar	'000 long tons	366.5	354.9	362.9	290.6
Molasses	'000 long tons	121.2	119.7	118.1	116.1
Edible oil	'000 gals.	2,264	2,611	3,279	3,069
Condensed milk	Mill. lbs.	63.8	63.4	68.1 <sup>r</sup>	64.8
Flour (wheat)	Mill. lbs.	83.2	86.5	111.3	118.7
Animal feeds	Mill. lbs.	301.3	381.7	442.6	436.5
Rum & Alcohol	Mill. gals.	4.9	4.7	3.8	3.9
Beer & Stout	Mill. gals.	12.7	14.6	13.3	12.3
Cigarettes	Mill. pcs.	1,546	1,625	1,544	1,480
Cigars	Mill. pcs.	18.6	14.8	15.8	16.0
Soap	Mill. lbs.	11.8	13.2	14.2	12.1
Detergents <sup>1/</sup>	Mill. lbs.	11.3	11.2	13.5	18.3
Paints	'000 gals.	1,312	1,557	1,221	1,030
Fertilizers	'000 long tons	55.5	46.8	38.2	21.0
Textile fabric	'000 yds.	9,188	7,780	6,480	8,769
Tyres & tubes	'000	327.2	386.8	396.4	355.9
Cement	'000 long tons	392.8	399.1	359.4	327.9
Steel	'000 long tons	16.4	20.8	13.7	10.1
III. Electricity Sales to Industry & Commerce by Public Utilities	Mill. k.w.h.	575.2	607.4	639.8	634.6
IV. Employment <sup>2/</sup>	'000	81.2	74.0	75.6	...

1/ From 1976 include data for additional firms.

2/ Average of April and October data from the semi-annual Report on the Labour Force.

Source: Production Statistics, 1977, Department of Statistics, Jamaica; and data supplied CEPAL.

Table 4

Summary of Current Account

1972 to 1976  
(Sf Million)

	1972	1974	1975	1976
Exports	319.4	481.1	495.3	542.4 <sup>r</sup>
Imports	247.1	409.8	470.2	503.7 <sup>r</sup>
Trade Surplus	+ 72.3	+ 71.3	+ 25.1	+ 38.7
Deficit on Invisibles	-102.4	-112.6	-106.9	-110.8
Current Account balance	- 30.1	- 41.3	- 81.8	- 62.1

Source: Derived from Tables VI & VII of  
the Statistical Appendix.

Large outflows of investment income remain the major contributor to the substantial deficit on invisibles in the Current account. In addition Government Transfers normally in surplus went into deficit by 1976, and further deficits were incurred on foreign travel, transport and insurance, and other private remittances.

The Balance on the Capital Account continues to show a surplus although the levels in 1976 and 1977 were lower than in 1975. The Capital Account surplus was Sf 144 million in 1975, fell to Sf 99 million in 1976 and this trend continued into 1977. The main factor was that in 1975 there was net inflow of private capital of Sf 70 million, but this changed to a net outflow of Sf 56 million in 1976.

Government Grants which consist mainly of the Netherlands Government bi-lateral aid to Suriname has been the only credit item in the Capital Account showing a consistent positive balance.

The estimated deficit of Sf 35 million on the Total Account of the Balance-of-Payments for 1977 has been attributed to falling inflows of Government Grants and larger deficits on the Current Account due to lower export earnings. In previous years, 1974 and 1975, the surplus on the Balance-of-Payments was enhanced by the Bauxite Levy but during the years 1976 and 1977 the general level of this Levy fell considerably, when the Levy was revised, thus adversely affecting the Total Balance-of-Payments.

The apparent unfavourable turn in the Balance-of-Payments is also reflected in the decrease of the official net foreign exchange; and provisional estimates for 1977 show an estimated 13 per cent (Sf 31 million) decrease in Reserves from the 1976 level of Sf 243 million.

Table 5  
International Reserves at end of Period  
(1972 - 1977  
(Sf Million)

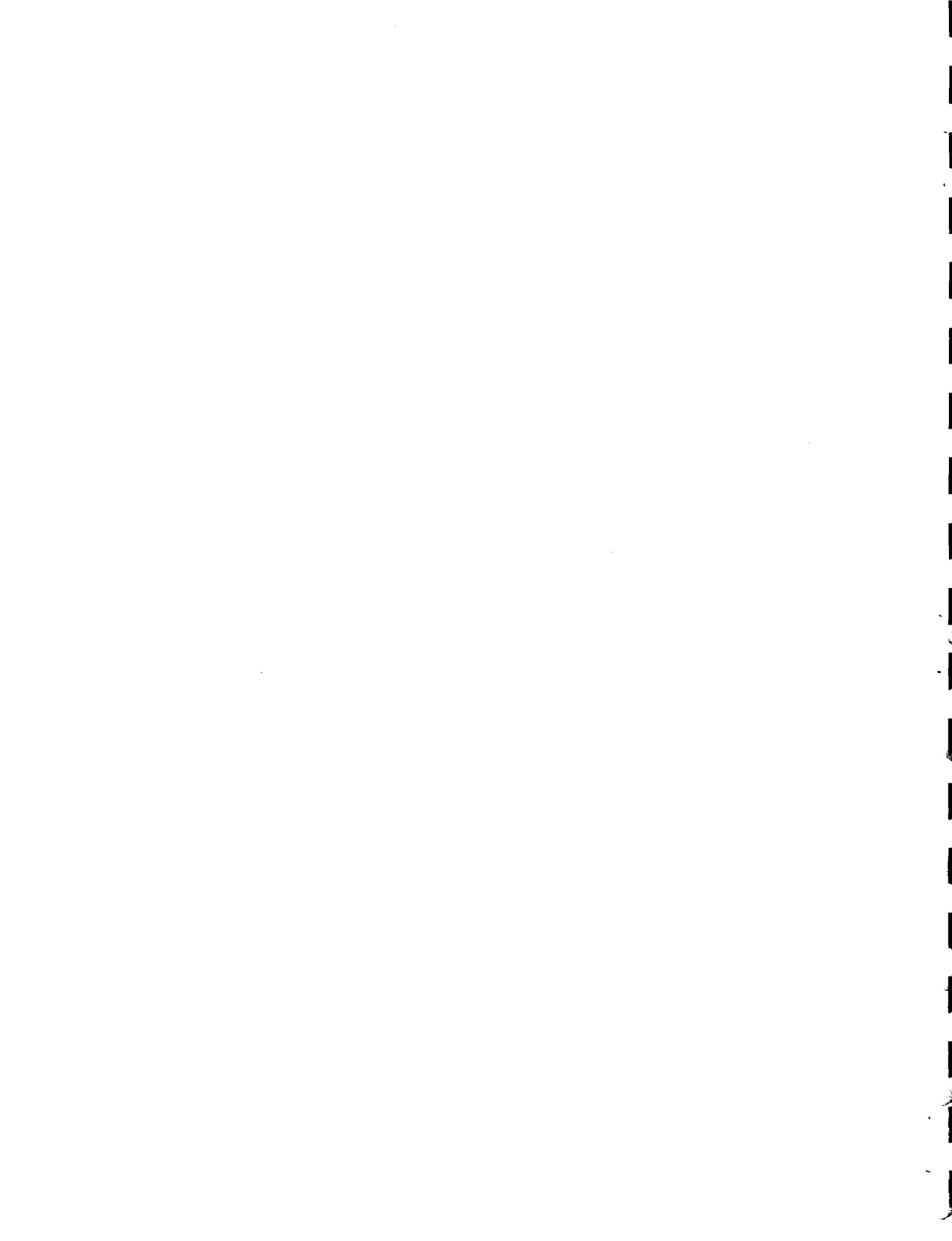
	1972	1974	1975	1976 <sup>a/</sup>	1977 <sup>a/p</sup>
Central Bank	79.4 <sup>r</sup>	130.4	172.7	198.0	170.6
Foreign Exchange (net)	(62.8)	(119.4)	(161.7)	(187.0)	(159.6) <sup>e</sup>
Gold	(16.6)	( 11.0)	( 11.0)	( 11.0)	( 11.0)
Central Govt.	3.8	-	-	7.9	6.7 <sup>e</sup>
Commercial Banks (net)	18.5 <sup>r</sup>	13.5 <sup>r</sup>	33.0 <sup>r</sup>	36.6 <sup>r</sup>	34.1 <sup>r</sup>
Total Reserves (net)	101.7 <sup>r</sup>	143.9 <sup>r</sup>	205.7 <sup>r</sup>	242.5 <sup>r</sup>	211.4

a/ Includes Suriname Postal Savings Bank.

Source: Central Bank of Suriname.

PART VIII  
SURINAME COUNTRY NOTES





## ECONOMIC SURVEY 1977

SURINAME  
(Suriname guilders used throughout)<sup>1/</sup>

As of 1976, the Gross Domestic Product, measured at current factor cost, was officially estimated at approximately Sf 825 million having grown from Sf 738 million in 1975. This increase of 12 per cent in 1976 was attributable to performance in the mining, distribution, agriculture and government sectors.

However, there are indications that in 1977, decline in the output and earnings of the Mining Sector have had adverse effects on growth of the GDP, although there were increases in the agriculture and government sectors. Mining continues to be the dominant sector of the economy accounting for about 24 per cent of the GDP.

External sector activity in 1976 was marked by an increased balance on merchandise trade mainly due to increased bauxite earnings; a lower deficit on balance of payments current account (Sf 62 million as against Sf 82 million in 1975); a surplus on the capital account; and a surplus on the net Balance-of-Payments of Sf 37 million. The preliminary data suggest that the net Balance-of-Payments for 1977 is less favourable with an estimated deficit of Sf 33 million.

As regards internal activity it is notable that despite a rapid increase in the price index for the Clothing and Footwear group there was a relative slowing down in the level of the Consumer Price Index in 1977. Decline

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<sup>1/</sup> The Suriname Guilder has a central rate of US\$1.00 = Sf 1.79 (approximately) since 1971. Prior to 1971 the rate may be taken as US\$1.00 = Sf 1.89.

of the labour force as a result of emigration, and acute shortage of skilled and unskilled labour was still evident, as also was the large disparity between the high wages in the mining sector compared with the general level of wages in other sectors.

Economic development policy has been increasingly geared to development of the national industrial productive machinery, with main emphases on geographical decentralization, creation of more employment opportunities, narrowing the disparity in wages, and establishment of further links with neighbouring Caribbean countries. The programme for stimulating geographical decentralization of economic activity, commenced with the selection of eight rural areas. In the largest one located in Western Suriname, bauxite mining, processing industries, forest-based industries, and general agriculture are the indicated activities; and construction of a railroad for the transport of raw materials and finished products is already under way. The decentralization plans envisage development of the areas as self-sufficient communities.

Decentralization forms part of a wider programme of development for exploitation of the country's natural resources besides bauxite, (which could include nickel, uranium, iron-ore and some oil), the encouragement of investment in industry, and the increase in the production of food.

#### THE NATIONAL ECONOMY

The Gross Domestic Product (GDP), at current factor cost, was officially estimated at 825 million Suriname guilders in 1976, an increase of about 12 per cent above the Sf 738 million of 1975. The level of change corresponds with the 15 per cent increase in 1975.<sup>1/</sup>

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<sup>1/</sup> National Accounts data are given in Table I of the Statistical Appendix.

The Gross National Product (GNP), at current factor cost, has also shown considerable increases over the last two years. In the first instance, increasing to Sf 716 million in 1975 and then by 11 per cent to a level of Sf 792 million in 1976. There have been substantial reductions in the balance on net factor income (historically a deficit account), which showed a deficit of only Sf 33 million in 1976, while the indirect taxes account was estimated to have a net balance of Sf 223 million. The results of these changes is that the GNP, at current market prices, increased by 12.8 per cent to Sf 1015 million in 1976 from the 1975 level of Sf 899 million. The outcome from these favourable changes was that the National Product per capita at market prices, showed an increase of Sf 287 in 1976, which represents a 13 per cent rise from Sf 2265 in 1975.

Detailed GDP sector data for 1976 and overall estimates for 1977 are not yet available. However, on the basis of partial information it appears that there were significant increases in some sectors in 1976, and a decline in the large mining sector in 1977 offset by overall improvement in nearly all other sectors.

#### PERFORMANCE IN THE MAJOR SECTORS

##### Mining (and processing)

This sector is dominated by the extraction and processing of bauxite up to the stage of aluminium, supplemented by some activity in the mining of gold. More recently, the bauxite industry has been experiencing severe drops in the level of output of aluminium ore, small increases in the production of alumina and aluminium, and also significant drops in the volume of exports of these commodities.

Data presented in Table II of the Statistical Appendix indicate that there is a steady decrease in the production of bauxite, falling from a high of just under 7 million tons in 1973 to just over 4.5 million tons in 1976; and with only 3.5 million tons being produced during the first three quarters a further decline is expected in 1977. However, there are signs that the growth in production of alumina and aluminium was maintained into 1977, alumina output having reached 905 thousand tons by September 1977, and production of aluminium at 37 thousand tons in September already above the full year figure for 1976.

Since the processing of bauxite into alumina and aluminium began in 1966 there has been a steady reduction in the annual level of bauxite exports. Approximately 51 per cent of the total production of bauxite is now exported, the remainder being retained for processing. In contrast, up to 1976 less than 10 per cent of the annual output of alumina was retained for smelting into aluminium, and only six per cent of aluminium was retained for use in local industries. There are however, some indications of a trend towards retention of larger proportions of alumina and aluminium for local consumption.

Mining, already the leading sector in the economy, is being further expanded by Government action to accelerate development in Western Suriname, where there are large deposits of bauxite and other mineral ores. Additional infrastructure being provided include a second hydroelectric power plant, and a 200 mile rail-road for linking the mining and smelting industries to Apoera from where the finished and semi-finished products would be exported.

#### Agriculture

Preliminary data for 1976 and 1977 indicate that there was an upward trend in the production of domestic crops as well as in the acreage under commercial agricultural production.<sup>1/</sup> The major crops,

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<sup>1/</sup> Data for area and production of the main agricultural crops are given in Tables III and IV of the Statistical Appendix.

rice and bananas, experienced very favourable production conditions throughout the year. The volume of paddy reaped in 1977 was about 199 thousand metric tons which represents an increase of 15 per cent from 1976, mainly attributable to expansion of the area under rice cultivation. The area planted was about 50 thousand hectares in 1977, and the indications are that the acreage would continue to increase considerably over the next few years with a number of banana estates being converted to rice cultivation. In addition there are plans to boost rice output by making the industry more mechanized.

Although there were increases in the production of bananas and plantains in 1977 the overall acreage cultivated has decreased somewhat from 1976, mainly because of the shortage of labour, and the shift to the more profitable rice cultivation. Production of plantains rose about 10 per cent in 1977, whilst production of bananas was marginally below the 1976 output.

The palm-oil industry which is highly mechanised and concentrated on large estates, has been growing since 1974, both in acreage and production. The output for 1977, estimated at 1870 tons, represents an increase of 41 per cent from 1976 and the area under cultivation, has increased by eleven per cent to 1880 hectares.

However, indicators show that there have been substantial decreases in the output of traditional crops - sugar, cocoa and coffee. Although the production level has been falling there are plans to keep at least 2000 hectares under sugar cultivation to meet the needs of local consumption and for exports to the European Economic Community (E.E.C.) countries. The output of sugar cane for 1977 was estimated at 6500 tons. The serious shortage of unskilled labour has adversely affected the operations of the cocoa, coffee and sugar industries despite the importation of unskilled

labour from Haiti, Guyana and other Caribbean countries.

In contrast, the preliminary data for domestic food crops show substantial increases in output, again reflecting favourable production conditions, and increases of acreage under commercial production during the last few years.

In addition, there was a notable increase in livestock population during 1977 with poultry rising by 75 per cent to 222,980, whilst cattle and pigs increased to 25,850 and 10,000 heads respectively. Overall these developments reflect the general thrust in the diversification of the agricultural sector toward improved production of domestic food crops and a movement away from dependency on the traditional export crops.

In 1977 government increased its capital and current expenditure to agriculture with the objective of creating more jobs and providing better physical amenities to the rural agricultural areas.

### Forestry

Although Suriname has an abundant supply of high quality commercial timber, the production of timber and other forest products has so far played only a minor role in the economy. Over 80 per cent, or more than 15 million hectares of the country is under tropical rain forest. The data in Tables 1 and 2 indicate an increased use of the commodity for fuelwood and charcoal, and the production of Sawnwood, Sleepers, Plywood and Particle Board. The production of timber is conducted under a joint-venture between the government and a private company, to provide inputs for the furniture and construction industries.

Table 1

Removal of Timber from Crown Lands  
1974 - 1976

M<sup>3</sup> Roundwood Equivalent

Products	1974	1975	1976
Sawlogs & Veneer logs	194,997	272,203	...
Sleepers (railroad)	1,480	2,196	5,384
Fuelwood	304	1,468	...
Others (n.e.s.)	978	1,333	808
Wood for Charcoal	2,313	6,432	...
Total Removals	200,072	294,317	...

Table 2

Production of Sawwood, Sleepers, Plywood  
and Particle Board  
1973 - 1976

M<sup>3</sup> Roundwood Equivalent

Products	1973	1974	1975	1976
Sawwood	...	48,536	77,295	...
Sleepers	...	1,480	2,881	5,384
Plywood	19,147	17,415	14,066	16,006
Particle Board	17,518	14,251	23,306	14,822

Source: Ministry of Economic Affairs.



### Other Sectors

Available data on manufacturing for the first three quarters of 1977 indicate higher production levels for most of the industries.<sup>1/</sup> Cement has shown considerable improvement with output of 48,568 tons in the first three-quarters of 1977, as against 34,700 tons for the year 1975. Output of shoes rose more than 20 per cent, and soap powder by 5 per cent while most other items showed marginal improvements. Similarly, there are signs too of higher production in the agro-industries during the period under review, with indicated increases in the output of flour and cattle fodder.

As regards the construction sector overall expansion has been hampered by insufficient capacities of the cement and other related industries, and shortage of skilled and unskilled manpower. The demands have grown with the needs for public and private housing and construction work on development projects.

### Energy

A relatively large proportion of the country's energy comes from hydropower sources, with the main supplies for domestic, commercial and industrial use being electricity and gas.

Over the 1973 to 1976 period there was a decline in the supplies of gas to the urban areas. In 1976 the gas supply was 1,789 thousand cubic metres, falling by 62 per cent from 1975. This decline is due to the replacement in phases of the town-gas system by supply of gas in steel bottles. However, the preliminary figures for the first three quarters of 1977 indicate a sharp increase with the level moving to 2,601 thousand cubic metres.

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<sup>1/</sup> The volume of production for specified industrial commodities is shown in Table V of the Statistical Appendix.

The data in Table 3 show that there are also substantial increases in the supplies of electricity, both by the public and private sectors during 1977. The supply of Public electricity rose in the first three quarters of 1977 to an output of over 124 million KWH which is about 114 per cent more than the 58 million KWH supplied in 1976, and private electricity supply was at three-quarter year 1977, 10 per cent higher than the all-year supply for 1976.

Table 3  
Supplies of Energy: 1973-1977

Item	Unit	1973	1975	1976	1977
Gas (town)	1000 m <sup>3</sup>	3,948	2,878	1,789	2,652
Electricity (private generators)	mls KWH	1,368	1,121	1,213	1,330 <sup>1/</sup>
Electricity (public generators)	mls KWH	76	80	58	107

<sup>1/</sup> Figure at end of Third Quarter.

Source: Statistics Department.

#### THE EXTERNAL SECTOR

Although the visible trade balance deteriorated in 1975 and 1976, the external sector was not a serious constraint on the economy since there were favourable capital movements to offset the unfavourable balance on the Current Account.<sup>1/</sup> The notable features in the balance-of-payments accounts for 1975

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<sup>1/</sup> See Table VI for Balance-of-Payments data.

and 1976 are the surplus on visible trade, deficits on the current account, substantial surplus on the Capital Account, and overall surplus on the Total Account for both periods (Sf 62 million in 1975 and Sf 37 million in 1976). The preliminary estimates for 1977 indicate a deficit of about Sf 33 million.

The general pattern in the last two years has been a reduction in the value of merchandise trade, both imports and exports, yet resulting in a moderate surplus balance (Sf 39 million in 1976). The absolute value of exports rose 9.5 per cent from Sf 495.3 million in 1975 to Sf 542.4 million in 1976, and the level of imports rose by about 7 per cent from an estimated Sf 470 million in 1975 to Sf 503.7 million in 1976. The increased surplus in 1976 was mainly the result of increased earnings of bauxite and its derivatives (mainly alumina), contributing about 79 per cent of total export earnings. Other important exports include agricultural products, such as rice, shrimps and bananas, and wood and wood products. The export value of shrimps has improved considerably over the last four years moving from Sf 8.5 million in 1972 to Sf 12.7 million in 1976.<sup>1/</sup>

Full data for 1976 and 1977 are not available but the summary reflects a rise in the level of imports in 1976, and indications are that this extended into 1977, with little significant change in the composition (raw materials, consumer and investment goods, and fuels and lubricants).

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<sup>1/</sup> See Table VII of the Statistical Appendix, for data on Domestic Exports.

TABLE XVI (Cont'd)  
CENTRAL GOVERNMENT REVENUE & EXPENDITURE  
Annual Growth Rates - Percentage

	1975/76 1974/75	1976/77 1975/76	1977/78 1976/77	Apr '77-Feb'78 Apr '76-Feb'77
TOTAL EXPENDITURE (2 + 5)	34.6	34.1	- 2.5	- 3.7
FISCAL SURPLUS (+) OR DEFICIT (-) (1 + 4 Minus 6)	57.5	69.9	-22.5	- 4.6
FINANCING OF DEFICIT Of which:				
Domestic financing <sup>5/</sup>	67.0	74.1	14.2	18.0
External Financing <sup>5/</sup>	81.6	-30.7		180.1
Capital Development Fund	47.1	-36.0	58.3	69.2

Note: Fiscal year covers the period April to March.

1/ Consolidated Fund receipts.

2/ Revised estimate, less appropriations-in-Aid; 1973-1974 actual expenditure.

3/ All transfers to Current Account.

4/ Not fully comparable to classification in earlier periods.

5/ Change in Gross Internal and External debt outstanding; note these figures are lower than loan receipts in any given year.

Source: Economic and Social Survey, 1974, 1975 and 1976, National Planning Agency; Statistical Digest, January 1978, Bank of Jamaica.

JAMAICA  
TABLE XVI  
CENTRAL GOVERNMENT REVENUE & EXPENDITURE  
Annual Growth Rates - Percentage

	1975/76 1974/75	1976/77 1975/76	1977/78 1976/77	Apr. '77-Feb'78 Apr. '76-Feb'77
RECURRENT INCOME <sup>1/</sup>	20.6	2.2	24.1	2.1
Tax Revenue	21.1	1.5	12.1	0.1
Of which: Income	5.3	12.4	9.9	4.0
Land & Property	86.7	6.3	90.5	11.9
Consumption	71.1	51.8	10.4	22.9
Customs	44.9	-53.5	-34.9	-33.9
Non-tax Revenue	14.5	13.0	187.4	-50.0
RECURRENT EXPENDITURE <sup>2/</sup>	22.6	27.3	7.0	8.9
Development Services	8.7	26.3	6.4	2.7
Public debt & fiscal services	16.4	36.4	28.9	15.5
Other	27.3	25.9	5.5	9.1
Current surplus (+) or Deficit (-)	32.7	148.9	-26.9	-27.9
CAPITAL REVENUE	-36.8	-4.5	268.8	-34.0
CAPITAL EXPENDITURE <sup>2/</sup>	61.6	45.5	-16.8	-23.3
Development Services	40.0	11.9	11.1	-12.3
Public debt and fiscal services	213.5	183.3	-46.7	76.0
Other	62.6	30.9	-23.0	-42.6

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TABLE XV (Cont'd)  
CENTRAL GOVERNMENT REVENUE & EXPENDITURE  
(J\$ Mill.)

	1974/ 1975	1975/ 1976	1976/ 1977	1977/e 1978	Apr. 1976- Feb. 1977P	Apr. 1977- Feb. 1978P
FISCAL SURPLUS (+) OR DEFICIT (-)	-291.4	-459.0	- 780.0	- 604.4	- 657.9	- 627.6
FINANCING OF DEFICIT <sup>1/</sup>						
Of which:						
Domestic financing <sup>2/</sup>	114.5	191.3	333.1	} 478.0	359.9	424.6
External financing <sup>2/</sup>	68.0	123.5	85.6		50.3	140.9
Capital Development Fund <sup>3/</sup>	85.0	125.0	80.0	126.6	65.0	110.0

Note: Fiscal year covers the period April to March.

- <sup>1/</sup> Consolidated fund receipts.
- <sup>2/</sup> Revised estimates less appropriations-in-Aids.
- <sup>3/</sup> All transfers to Current Account.
- <sup>4/</sup> Not fully comparable to classification in other periods.
- <sup>5/</sup> Change in Gross Internal and External debt outstanding; note these figures are lower than loan receipts in any given year.

Source: Economic and Social Survey, 1974, 1975 and 1976, National Planning Agency; Statistical Digest, January 1978, Bank of Jamaica.

JAMAICA  
TABLE XV  
CENTRAL GOVERNMENT REVENUE & EXPENDITURE  
(J\$ Mill.)

	1974/ 1975	1975/ 1976	1976/ 1977	1977/e 1978	Apr. 1976- Feb. 1977 <sup>p</sup>	Apr. 1977- Feb. 1978 <sup>p</sup>
RECURRENT INCOME <sup>1/</sup>	421.9	509.0	520.4	645.8	415.4	404.8
Tax Revenue	394.4	477.5	484.8	543.5	395.6	395.9
Of which: Income	(185.0)	(194.8)	(219.0)	(240.7)	(163.0)	(156.5)
Land & Property	(12.0)	(22.4)	(21.0)	(40.0)	(21.0)	(18.5)
Consumption	(43.9)	(75.1)	(114.0)	(125.9)	(94.0)	(115.5)
Customs	(57.9)	(83.9)	(39.0)	(25.4)	(34.5)	(22.8)
Non-tax Revenue	27.5	31.5	35.6	102.3	17.8	8.9
RECURRENT EXPENDITURE <sup>2/</sup>	501.1	614.1	782.0	837.1	653.1	711.5
Development Services	87.3	94.9	119.9	112.2	97.9 <sup>4/</sup>	100.6 <sup>4/</sup>
Public debt & fiscal services	70.6	82.2	112.1	144.5	75.3 <sup>4/</sup>	87.0 <sup>4/</sup>
Other	343.2	437.0	550.0	580.4	479.9	523.7
Current surplus (+) or Deficit (-)	-79.2	-105.1	-261.6	-191.3	-239.7	-306.5
CAPITAL REVENUE	10.6	6.7	6.4	23.6	5.0	3.3
CAPITAL EXPENDITURE <sup>2/</sup>	223.1	360.6	524.8	436.7	422.9	324.4
Development Services	135.7	187.3	209.6	232.9	141.2 <sup>4/</sup>	123.8 <sup>4/</sup>
Public debt & fiscal services	18.5	58.0	164.3	87.6	32.9 <sup>4/</sup>	57.9 <sup>4/</sup>
Other	70.9	115.3	150.9	116.2	248.8	142.7
TOTAL EXPENDITURE	724.2	974.7	1,306.8	1,273.8	1,076.0	1,035.7

1975

**JAMAICA**  
**TABLE XIV**  
**SELECTED MONETARY STATISTICS**  
**(J\$ Mill.)**

	As at end of Period				Annual Rate of Change		
	1974	1975	1976	1977 <sup>P</sup>	1975	1976	1977 <sup>P</sup>
<b>COMMERCIAL BANKS</b>							
Loans & Advances Outstanding	581.1	695.4	702.1	658.7	19.7	1.0	- 6.2
Of which:							
Agriculture	26.6	71.1	82.4	90.5	167.3	15.9	9.8
Manufacturing	112.8	117.7	123.1	118.9	4.3	4.6	- 5.4
Construction & land development	125.4	141.0	126.8	109.3	12.4	10.1	13.8
Central & local Government	8.7	16.9	16.1	26.7	94.3	- 4.7	65.8
Personal	106.9	131.9	114.7	117.0	23.4	-13.0	2.0
Distribution	85.6	97.5	107.6	71.3	13.9	10.4	-33.7
Net excess liquidity <sup>1/</sup>	12.1	- 2.7	18.4	98.9	-122.3	781.5	428.9
Holdings of Central Government securities	68.9	82.0	97.5	248.9	19.0	18.9	155.3
Prime lending rates (%)	11.0	10.0	11.0	11.0	- 9.0	10.0	-
<b>CENTRAL BANK</b>							
Holdings of Central Government securities	36.5	52.0	95.9	406.7	42.5	84.4	324.1
INSTALMENT CREDIT OUTSTANDING <sup>2/</sup>	107.0	133.5	118.5	104.7	24.8	-11.2	-11.6
INSTALMENT CREDIT NEW BUSINESS <sup>2/</sup>	116.8	145.8	106.7	103.7	24.8	-26.8	- 2.8

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

<sup>2/</sup> Includes loans by Commercial Banks.

Source: Statistical Digest, 1978, Research Department, Bank of Jamaica.



JAMAICA  
TABLE XIII  
MONETARY POSITION  
(J\$ Mill.)

	Balance at end of:				Annual Rate of Change		
	1974	1975	1976	1977 <sup>P</sup>	1975	1976	1977 <sup>P</sup>
1. <u>Money</u>	255.7	320.8	343.0	508.0	25.5	6.9	48.1
Currency outside banks	101.3	127.0	137.6	181.0	25.4	8.5	51.5
Demand deposits (adjusted)	154.4	193.8	205.4	327.0	25.5	6.0	59.2
2. <u>Factors of Expansion</u>							
Foreign assets (net)	92.8	3.1	- 222.7	- 221.8	-96.7	-7,083.9	0.4
Domestic credit (net)	928.1	1,241.0 <sup>I</sup>	1,531.1	1,699.1	33.7	23.4	11.0
Government (including official entities)	169.2	298.3	540.9	762.7	76.3	81.3	41.0
Private sector	758.9	942.7	990.2	936.4	24.2	5.1	- 5.4
3. <u>Factors of absorption</u>							
Quasi-money (savings & time deposits)	585.9	656.5	712.8	687.9	12.0	8.6	3.5
Bonds	...	...	...	...	...	...	...
Long-term foreign borrowing	...	...	...	...	...	...	...
Other items (net)	...	...	...	...	...	...	...

Note: Most of the figures in this table differ from those appearing in the Economic Survey, 1976. 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, April 1978, Research Department, Bank of Jamaica.

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

Group	% Weight	1973	1974	1975	1976	1977 <sup>P</sup>
<u>ANNUAL AVERAGES</u>						
TOTAL	100.0	71.4	90.8	106.6	117.1	130.1
Food & Drink	53.28	71.3	92.0	108.4	118.1	129.3
Fuels & other household supplies	5.13	65.9	90.2	103.8	112.4	121.4
Housing	8.87	70.1	92.6	106.8	121.0	127.4
Household furnishings, incl. furniture	3.18	64.7	82.1	104.8	121.2	139.3
Clothing & accessories	8.15	74.8	89.3	104.0	115.9	127.3
Personal expenses	8.43	71.3	87.9	102.9	112.2	122.7
Transportation	4.86	64.6	85.3	101.1	106.6	120.8
Miscellaneous expenses	8.10	81.9	92.1	107.2	120.9	157.4
<u>ANNUAL AVERAGE CHANGE</u>						
TOTAL		17.6	27.2	17.4	9.8	11.1
Food & Drink		24.6	29.0	17.8	8.9	9.5
Fuels & other household supplies		12.2	36.8	15.0	8.3	8.0
Housing		16.2	32.0	15.3	13.3	5.3
Household furnishings, incl. furniture		6.7	26.8	27.6	15.5	14.9
Clothing & accessories		8.0	19.3	16.4	11.3	9.8
Personal expenses		14.6	23.2	17.0	9.0	9.4
Transportation		4.5	32.0	18.5	5.4	13.3
Miscellaneous expenses		7.7	12.4	16.3	12.8	30.2
<u>% Change December-December</u>						
TOTAL			20.6	15.7	8.1	14.1
Food & Drink			19.8	15.5	7.7	12.3
Fuels & other household supplies			18.4	11.7	5.7	12.6
Housing			25.6	20.7	7.5	3.3
Household furnishings, incl. furniture			23.4	20.1	17.0	25.6
Clothing & accessories			21.3	13.6	10.2	14.2
Personal expenses			16.1	18.9	7.3	11.7
Transportation			50.8	0.1	11.9	12.5
Miscellaneous expenses			9.3	22.5	7.3	35.4

Source: Economic and Social Survey, 1976, National Planning Agency, Jamaica; Consumer Price Indices, December 1977, Department of Statistics, Jamaica; and data supplied CEPAL.

JAMAICA  
TABLE XI  
BALANCE OF PAYMENTS: 1974-1977

	1974	1975 <sup>r</sup>	1976 <sup>r</sup>	1977 <sup>p1/</sup>
<u>MERCHANDISE (Net)</u>	-106.9	-144.8	-119.9	142.3
Exports (f.o.b.)	630.7	736.7	599.7	727.9
Imports (f.o.b.)	737.6	881.5	719.6	585.6
<u>SERVICES (Net)</u>	- 66.2	-136.0	-160.7	-134.3
Freight and Insurance	-104.6	-130.7	-100.0	- 74.2
Other transportation	12.8	22.5	14.6	- 2.0
Foreign travel	88.6	69.3	42.6	51.2
Investment income	- 61.5	- 93.5	-105.1	-104.1
Government transactions	11.8	1.1	2.0	3.1
Non-merchandise Insurance	- 21.7	- 13.8	- 17.9	- 16.8
Other Services	8.4	9.1	5.0	8.5
<u>NET BALANCE OF GOODS &amp; SERVICES</u>	-173.1	-280.8	-280.6	8.0
<u>NET TRANSFER PAYMENTS</u>	21.3	23.8	5.4	18.9
Private	29.6	19.1	1.8	14.7
Government	- 8.3	4.7	3.6	4.2
<u>BALANCE ON CURRENT ACCOUNT</u>	-151.8	-257.0	-275.2	26.9
<u>NET CAPITAL MOVEMENT</u>	221.1	189.9	43.9	- 41.5 <sup>2/</sup>
Private	159.2	77.0	- 28.1	- 68.7 <sup>2/</sup>
Official	81.9	112.9	72.0	27.2
<u>ERRORS &amp; OMISSIONS</u>	- 15.2	- 6.5	6.8	2/
<u>TOTAL SURPLUS (+) OR DEFICIT (-)</u>	54.1	73.6	-238.1	- 14.6
<u>NET COMPENSATORY FINANCING</u> (Increase -)				
Change in net international reserves (increase -)	- 54.1	73.6	238.1	14.6
Foreign exchange	(- 58.5)	( 57.6)	( 76.1)	( 6.4)
SDRs	( 1.5)	( 1.1)	( 3.7)	(- 14.3)
Commercial banks	(- 10.7)	( 2.1)	( 5.0)	(- 7.7)
Other	( 13.6)	( 12.8)	( 153.3)	( 13.0)

1. Computed at the "Basic Rate of Exchange" (i.e. J\$1.00 = US\$1.00) existing at 31 December 1976.

2. Net errors & omissions included in private capital movements.

Source: Balance of Payments of Jamaica, 1976, Bank of Jamaica; and data supplied CEPAL.

JAMAICA

TABLE X

IMPORTS BY ECONOMIC FUNCTION OR END USE: 1974-1977

Category	Value (J\$ Million)				Percentage breakdown		Annual Rate of Change		
	1974	1975	1976 <sup>P</sup>	1977 <sup>P</sup>	1974	1977 <sup>P</sup>	1975	1976 <sup>P</sup>	1977 <sup>P</sup>
CONSUMER GOODS	182.3	212.6	149.5	100.0	22	13	16.6	-29.7	-32.1
Food	111.2	118.1	80.0	52.3	(13)	(7)	6.2	-32.3	-34.6
Other non durables	33.0	43.8	32.5	24.7	(4)	(3)	32.7	25.8	-22.0
Durables	38.1	50.7	37.0	22.9	(5)	(3)	33.1	-27.0	-38.1
RAW MATERIALS	439.4	494.3	467.6	510.0	51	65	12.5	-5.4	9.1
Fuel	177.4	195.5	185.0	225.2	(20)	(28)	10.2	-5.4	20.6
Other raw materials	262.0	298.8	282.6	286.9	(31)	(37)	14.0	-5.4	1.5
CAPITAL GOODS	229.1	314.5	212.6	171.6	27	22	37.3	-32.4	-19.3
Construction materials	88.9	89.2	65.2	70.3	(11)	(9)	0.3	-26.9	7.8
Transport equipment	34.2	78.7	24.2	15.3	(4)	(2)	130.1	-69.3	-36.8
Other machinery and equipment	98.3	137.4	108.9	72.6	(12)	(9)	39.8	-20.7	-33.3
Other capital	7.7	9.1	14.3	13.4	-	(2)	20.8	57.1	-6.3
<b>TOTAL:</b>	<b>850.8</b>	<b>1,021.4</b>	<b>829.8</b>	<b>781.6</b>	<b>100</b>	<b>100</b>	<b>20.1</b>	<b>-18.8</b>	<b>-5.8</b>

Source: Economic and Social Survey, 1976, National Planning Agency, Jamaica; and data supplied by the Department of Statistics, Jamaica.

JAMAICA

TABLE IX

DOMESTIC EXPORTS BY TYPE OF PRODUCTS  
(J\$ Mill.)

Category	J\$ Mill. at Current Prices				% Breakdown		Percentage Change		
	1974	1975	1976p	1977p	1974	1977p	1975	1976p	1977p
<u>Primary Products</u>									
Of which:									
Bauxite	118.5	98.7	112.6	145.9	18.4	21.0	-16.6	14.1	29.6
Bananas	11.5	14.7	11.9	16.7	1.7	2.4	53.6	-19.4	40.0
Pimento & Ginger	5.6	4.6	5.3	5.5	0.9	0.8	-17.9	15.2	3.8
Coffee beans	4.4	5.6	6.8	9.5	0.7	1.4	21.7	21.4	39.7
Cocoa beans & citrus)									
Others	6.2	5.3	3.8	...	1.1	...	-20.9	-18.3	...
Sub-total:	146.0	128.9	140.4	...	22.8	...	-11.7	8.9	...
<u>Semi-processed products</u>									
Of which:									
Alumina	350.9	382.9	276.8	343.3	54.7	49.5	9.1	-27.7	24.0
Sugar, unrefined	74.4	139.7	55.9	68.0	11.6	9.0	87.8	-60.0	21.6
Others	5.0	4.8	6.5	...	0.8	...	-0.4	35.4	...
Sub-total:	430.4	527.4	339.2	...	67.1	...	22.5	-35.7	...
<u>Manufactured Goods</u>									
Of which:									
Clothing	4.2	4.2	4.6	5.1	0.7	0.4	0	9.5	-32.6
Mineral fuel, lubricants, & related products	9.5	10.3	14.9	15.8	1.5	2.3	8.4	44.7	6.0
Rum & other alcoholic beverages	12.4	13.5	14.7	17.4	1.9	2.5	8.9	8.9	18.4
Manufactures of metals	2.6	2.3	2.5	...	0.4	...	-11.5	8.7	...
Others	36.5	40.6	45.3	...	5.7	...	-0.2	11.6	...
Sub-total:	65.2	70.9	82.0	...	10.2	...	8.7	15.7	...
TOTAL:	641.6	727.5	561.6	693.4	100.0	100.0	13.4	-22.8	23.5

Source: Economic and Social Survey, 1976, National Planning Agency, Jamaica,  
and data supplied by the Department of Statistics, Jamaica.

PRICES, LABOUR SUPPLY AND WAGES

Prices

The Consumer Price Index<sup>1/</sup> in 1977 showed an increase of just under 10 per cent which compares with the 10.2 per cent rise experienced in 1976. The percentages given in Table 6 show that the pattern and the annual rate of change for most categories of items was not much different from the previous year.

Clothing and footwear prices rose 21 per cent in 1977, while the Food and Beverages and the Housing and Furnishings categories had more moderate increases.

Table 6

Percentage Changes in Consumer Price Index 1969-1977  
(Base: 1 April 1968 = 31 March 1969 = 100)

	Food & Beverages	Housing & Furnishings	Clothing & Footwear	Other Items	TOTAL
Weights %	40.0	23.7	11.0	25.4	100.0
1969	2.7	0.8	0.4	1.9	1.8
1970	3.2	1.6	-2.0	4.3	2.6
1971	-1.2	1.4	-1.2	2.0	1.9
1972	4.0	3.4	0.4	3.8	3.3
1973	22.5	3.5	10.9	6.8	13.0
1974	16.8	23.9	12.5	12.7	16.9
1975	7.4	8.8	12.9	8.3	8.3
1976	9.9	6.8	18.0	10.2	10.2
1977	7.5	7.5	21.0	10.5	9.7

Source: Derived from Table XII in the  
Statistical Appendix.

<sup>1/</sup> Base 1/4/68 = 31/3/69 = 100.

An active policy of price controls on food items has been maintained by the government, and accounts for the relative stability in food prices. The mechanism of setting maximum prices for a wide range of commodities is combined with assuring a regular supply, especially of rice; and the Central Import Office of Suriname (C.I.S.) ensures the supply of imported products at controlled prices.

### Labour Supply

Definitive employment data are unavailable but indicators reflect a continued decline in the level of the labour force. Estimates of the labour force for 1975 and 1976 show decreases of 1 per cent and 8 per cent for the two respective years, which reflect the continued volume of emigration, mainly to the Netherlands.

Most marked is the acute shortage of unskilled labour in the Agricultural Sector, and this need is partly met by importation of labour from Haiti, Guyana and other small countries of the Caribbean, to harvest sugar cane and bananas. The fall in the labour supply to the Agricultural Sector is due not only to emigration, but also to internal migration (to the urban areas), the expansion of the government as a labour recruiting unit, and the more lucrative employment in the Mining and Manufacturing Sectors.

### Wages

The available qualitative information suggests that the lag in the rise of wages as against the rise in prices has narrowed somewhat, particularly for skilled categories of workers. Further the level of wages in the bauxite industry which has traditionally been significantly higher than in all of the other broad economic sectors, has continued to rise, thus increasing the gap between wages of the Mining Sector and wages in the other economic sectors. Wages in all other sectors are higher than those in agriculture.

THE BANKING SECTOR

Selected Monetary Statistics for the Banking System shown in Table 7, reflect a 14 per cent decrease in Net Foreign Assets for 1977, a substantial turnaround from the considerable 19 per cent increase in 1976. The levels of both the Money Supply ( $M_1$ ) and Quasi-money showed sizeable increases of 10.3 and 2.8 per cent respectively during the same period, while the level of long-term deposits and borrowings increased by over 51 per cent.

Table 7  
Selected Monetary Statistics  
(Sf Million)

	As of 31 December				
	1973	1974	1975	1976 <sup>a/</sup>	1977 <sup>a/</sup>
Gold	11.0	11.0	11.0	11.0	11.0
Net foreign assets <sup>1/</sup>	120.8	132.9 <sup>r</sup>	194.7 <sup>r</sup>	231.4 <sup>r</sup>	200.4
Claims on Government	25.9	11.3	8.7	7.6	42.1 <sup>b/</sup>
Money Supply ( $M_1$ )	133.1	140.0	168.7	198.8 <sup>r</sup>	219.3
Demand Deposits	(59.6)	(61.3)	(80.1)	(88.4)	(94.0)
Bank notes, treasury notes and coins	(73.5)	(78.7)	(88.6)	(109.6)	(125.3)
Quasi-money <sup>2/</sup>	16.2	17.4	21.9	32.2	33.1
Long-term deposits and borrowings <sup>3/</sup>	88.0	96.5 <sup>r</sup>	110.9	153.7 <sup>r</sup>	233.1

<sup>a/</sup> Including the Suriname Postale Bank

<sup>b/</sup> Data as of 30 November 1977

<sup>1/</sup> Excludes Government Foreign Assets

<sup>2/</sup> Time deposits with a remaining maturity of one year or less, liquid savings deposits (10 per cent of total savings deposits) plus some other short-term liabilities.

<sup>3/</sup> Time deposits with a remaining balance of more than one year. Genuine savings deposits and long-term borrowing.

Source: Central Bank of Suriname.



Loans and Advances Account of Commercial Banks went up by about 19 per cent to Sf 302 million in 1977<sup>1/</sup>, with the major portion going to the service sectors, mainly to commerce and services and others (including building loans). Although there was a 20 per cent increase in the level of loans to the productive sectors for 1977, its percentage share of the total loans and advances showed only a nominal increase from 1976.

The Manufacturing Sector received about Sf 30 million or about 10 per cent of the total loans and advances. The only other sectors to receive any substantial loans were mining receiving Sf 28 million, and agriculture Sf 30 million. But it is significant that the level of loans to agriculture rose by about 52 per cent from 1976, while the manufacturing and mining sectors showed only nominal increases.

Commerce remains the most important single sector in the loans and advances portfolio of the commercial banks. In 1977 this sector received about Sf 95 million or around 31 per cent of the total loans, whilst services and others (including building loans) was the second largest with total loans amounting to Sf 84 million or 28 per cent of the total loans and advances of the commercial banks.

Traditionally, Monetary Policy has been oriented towards protecting the Balance-of-Payments, with the Central Bank influencing the activities of the commercial banks. The system of credit ceilings remained in effect with the level of credit being closely monitored by the Central Bank. The interest rates during 1977 have shown only moderate increases and the banks continued to remain relatively liquid.

#### FISCAL DEVELOPMENTS

The official estimates of government current revenue and

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<sup>1/</sup> Tables X and XI of the Statistical Appendix.

current expenditure accounts show that there were considerable increases in 1977, moving up by 10 per cent and 27 per cent respectively. However, this resulted in a Sf 46 million deficit in the Net Government Revenue and Expenditure Account for the year. There continues to be an increase in the Government Capital Expenditure. Table 8 below shows the position for 1972 to 1977.

Table 8  
Selected Fiscal Data: 1972-1977  
(Sf Mill.)

	1972	1973	1974 <sup>P</sup>	1975 <sup>P</sup>	1976 <sup>P</sup>	1977 <sup>P</sup>
Current Revenue	164.9	158.6	204.1	301.5	288.9	317.4
Current Expenditure	149.4	172.4	198.7	249.8	285.3	363.4
Surplus (+) or Deficit (-)	15.5	-13.8	5.4	51.7	3.6	-46.0
Capital Development Expenditure	49.0	52.3	57.6	109.9	152.6	167.7
Public Debt	208.8	228.5	241.2	44.0	38.2	35.4
Internal	(21.3)	(31.2)	(30.4)	(33.0)	(28.3)	(26.5)
External	(187.5)	(197.3)	(210.8)	(11.0)	(9.9)	(8.9)

Source: See Tables in the Statistical Appendix.

### Revenue

The officially estimated Government Recurrent Revenue for 1977 was Sf 317 million or an increase of 10 per cent from 1976<sup>1/</sup>. This increase in revenue was mainly due to increases in income taxes and other taxes and import duties. It is estimated that there was an overall increase of Sf 37 million

<sup>1/</sup> See Also Table XV and XVIII.

or about 15 per cent on the total tax revenues for 1977. There was a considerable decline in the revenue from the Bauxite Levy with the reduction in the exports of raw and processed bauxite. Also, the level of non-tax revenues fell by about 18 per cent to Sf 39 million in 1977. This is a reverse from the 45 per cent increase in 1976. Most of capital expenditure is financed by development funds from the Netherlands Government.

Despite the agreement of the Dutch Government to supply over Dfl 2.7 billion in financial aid for the next decade and a half, the government is still faced with the problem of having to arrange its own funding. Revenue foregone as the result of fiscal incentives which provides for exemption from taxes and duties, combined with slow growth of export earnings from the main products results in additional pressure to find capital for investment. These circumstances stimulated introduction of the Bauxite Levy in 1974, but it has been showing lower rates of return than anticipated<sup>1/</sup>.

The Public Debt continues to fall from its 1974 level of Sf 241 million. In the period under review there was a moderate fall from 1976 by 7 per cent, with the debt balance of Sf 35 million in 1977. Since 1974 domestic sources of debt financing have become more important than external financing<sup>2/</sup>. In 1974 the external debt was about 87 per cent of the total public debt, but this account in 1977 was Sf 9 million and represented only 25 per cent of the total. Both external and internal debts decreased in 1977 by 10 per cent and 6 per cent respectively. The substantial decline in the external debts from 1975 to 1977 was the result of the cancellation of debts owing to the Netherlands Central Government.

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<sup>1/</sup> The Levy is calculated using a price formula based on bauxite and bauxite equivalents of alumina and aluminium exported and a fixed percentage of 6 per cent of the world market price of aluminium but not less than US\$0.35 per pound.

<sup>2/</sup> See Table XVI.

### Expenditures

The estimated expenditures in 1977 totalled Sf 531 million, as compared to Sf 438 million in 1976. Wages and salaries continue to dominate the current expenditure, with official estimates of Sf 218 million in 1977, an increase of 41 per cent from 1976. This is over 60 per cent of the total recurrent expenditure. The government current expenditure on purchases of goods and services increased by 33 per cent to Sf 115 million in 1977 and its share of the total current expenditure was some 32 per cent as compared with 30 per cent in 1976. There was a considerable overall reduction on the current expenditure on transfer payments.

Fixed investments continue to account for a large portion of the Capital expenditure having increased its share position from around 78 per cent in 1976 to approximately 80 per cent in 1977. This represents an absolute change of 15 per cent from Sf 119 million to Sf 135 million. Expenditures on Surveys and Research, and on Financial Investments rose substantially during the period by approximately 12 per cent and 75 per cent respectively. The latter type of investment is of increasing importance, while the expenditure on capital transfers fell by nearly 54 per cent to Sf 5 million in 1977.

In terms of functional classification Sf 201 million or 38 per cent of the total government's current and capital expenditure was spent on utilities and infrastructure, whilst Sf 129 million or 24 per cent of the total expenditure was on the Social Services. This represents changes of 15 and 19 per cent from 1976 in the estimated expenditure.

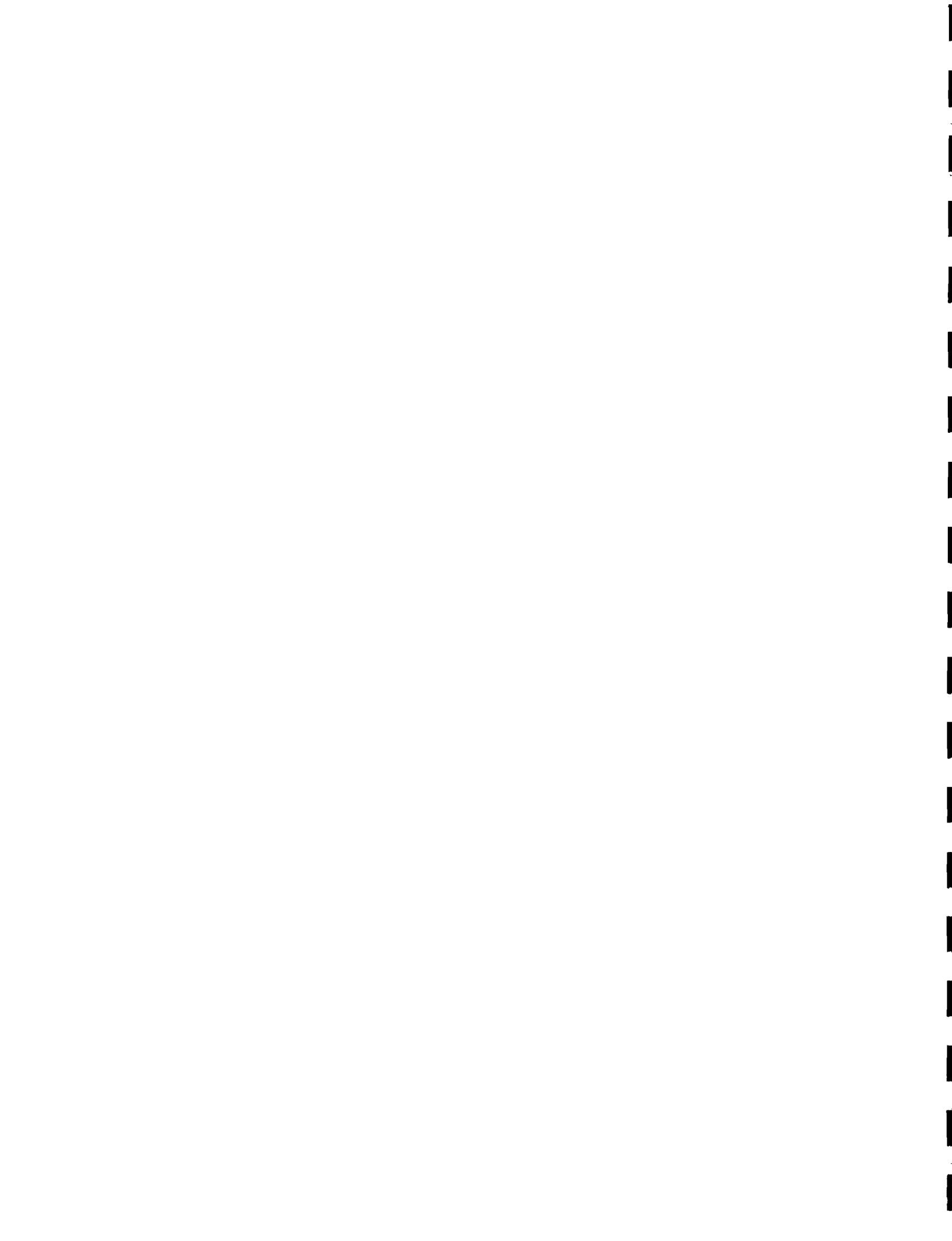
Aggregate expenditure on General Administration and Economic Services remained at about the same level with

24 per cent of the current expenditure on General Administration,  
and 35 per cent of Capital expenditure on General Services.

STATISTICAL APPENDIX

SURINAME

1977



SURINAME

TABLE I(a)

GROSS NATIONAL PRODUCT AGGREGATES: 1972-1976  
(Sf. Mill.)

	1972	1974	1975 <sup>P</sup>	1976 <sup>e</sup>
1. Agriculture, animal husbandry & Fisheries	44.7	62.0	72.0	...
2. Forestry & wood industry	13.9	11.0	12.0	...
3. Mining <sup>1/</sup>	181.5	182.0	179.0	...
4. Manufacturing	40.5	34.0	45.0	...
5. Gas, water & electricity	14.1	15.0	18.0	...
6. Construction	9.1	13.0	15.0	...
7. Commerce, hotels, restaurants & financial institutions	88.9	123.0	154.0	...
8. Transport, storage & communications	17.3	21.0	32.0	...
9. Housing	23.5	32.0	34.0	...
10. Government	109.7	136.0	159.0	...
11. Other transactions	11.6	15.0	18.0	...
Gross domestic product at current factor cost	554.8	644.0	738.0	825.0
Net income from abroad	-74.4	-42.0	-22.0	-33.0
Gross National product at current factor cost	480.4	602.0	716.0	792.0
Indirect taxes minus subsidies	64.7 <sup>r</sup>	239.9 <sup>r</sup>	183.3	222.6
Gross national product at current market prices	547.1 <sup>r</sup>	841.9 <sup>r</sup>	899.3	1,014.6
Mid-year population ('000)	389.1	396.0	397.0	397.6
National product per capita at market prices (Sf)	1,406.0 <sup>r</sup>	2,126.0 <sup>r</sup>	2,265.0	2,552.0

<sup>1/</sup> Include processing of bauxite into alumina & aluminium  
Source: Ministry of Finance & Financial Notes 1978  
 Ministry of Finance 1/9/77 Suriname.



SURINAME

TABLE I(b)

PERCENTAGE CHANGES IN THE GDP OF SPECIFIED SECTORS  
(Current Factor Cost)  
1972/71 to 1976/75

Sectors	1972/71	1973/72	1974/73	1975/74	1976/75
Agriculture, animal husbandry & Fisheries	8.5	13.1	23.6	16.1	...
Forestry and wood products	-10.3	-20.9	0.0	9.2	...
Mining & Bauxite Processing	- 2.8	9.1	- 8.1	- 1.6	...
Manufacturing	3.8	8.6	-22.7	32.4	...
Gas, Water & Electricity	4.4	13.5	- 6.3	20.0	...
Construction	- 5.2	31.9	8.3	15.4	...
Commerce, hotels, restaurants & financial institutions	5.7	13.6	21.8	25.2	...
Transport, storage & communications	29.1	15.6	5.0	52.4	...
Housing	17.5	10.6	23.1	6.3	...
Government	5.0	6.7	16.2	16.9	...
Other transactions	10.5	12.1	15.4	20.0	...
TOTAL	2.1	9.8	5.7	14.6	...

Source: Derived from Table I(a) of the  
Statistical Appendix.

SURINAME

TABLE I(c)

PERCENTAGE CONTRIBUTION OF SPECIFIED SECTORS TO THE GDP  
(Current Factor Cost)  
1971 - 1976

Sectors	1971	1972	1973	1974	1975	1976
Agriculture, animal husbandry & Fisheries	7.7	8.1	8.4	9.6	9.8	...
Forestry and wood industry	2.9	2.5	1.8	1.7	1.6	...
Mining & Bauxite Processing	34.7	32.7	32.5	28.3	24.3	...
Manufacturing	7.2	7.3	7.2	5.3	6.1	...
Gas, Water & Electricity	2.5	2.5	2.6	2.3	2.4	...
Construction	1.8	1.6	2.0	2.0	2.0	...
Commerce, hotels, restaurants & financial institutions	15.6	16.0	16.6	19.1	20.9	...
Transport, storage & communications	2.5	3.1	3.3	3.3	4.3	...
Housing	3.7	4.2	4.3	5.0	4.6	...
Government	19.4	19.8	19.2	21.1	21.5	...
Other transactions	2.0	2.1	2.1	2.3	2.4	...
TOTAL	100.0	100.0	100.0	100.0	100.0	...

Source: Derived from Table I(a) of the  
Statistical Appendix.

SURINAME

TABLE II

PRODUCTION AND EXPORTS OF BAUXITE  
ALUMINA AND ALUMINIUM: 1963-1977  
( '000 metric tons)

Year	Bauxite		Alumina		Aluminium	
	Production	Exports	Production	Exports	Production	Exports
1963	...	3,483	-	-	-	-
1964	3,992	3,985	-	-	-	-
1965	4,360	4,369	...	59	...	1.3
1966	5,566	4,585	407	347	27.4	25.5
1967	5,466	3,006	741	604	32.5	30.4
1968	5,660	3,786	900	702	43.4	43.2
1969	6,234	3,678	949	256	53.3	53.1
1970	6,011	3,410	998	893	54.5	52.8
1971	6,719	3,476	1,069	1,149	53.8	47.4
1972	6,778	3,476	1,352	1,219	43.7	52.8
1973	6,976	3,666	1,346	1,209	55.3	54.2
1974	6,864	3,974	1,196	1,077	57.0	54.8
1975	4,749	2,324	1,129	1,090	34.7	26.4
1976	4,585	1,976	1,162	1,060	45.9	46.3
1977 <sup>a/</sup>	3,532	1,583	905	746	37.0	26.4
I	1,117	504	317	229	11.0	14.7
II	1,163	493	331	254	12.0	9.7
III	1,252	586	257	263	14.0	20.0

<sup>a/</sup> For the First three quarters.

Source: Ministry of Finance.

SURINAME

TABLE III

AREAS UNDER MAIN AGRICULTURAL CROPS: 1972-1977  
(Hectares)

Crop	1972	1973	1974	1975 <sup>P</sup>	1976 <sup>P</sup>	1977 <sup>e</sup>
Paddy	37,409	44,985	44,353	47,500	48,400	49,700
Maize	140	149	120	146	94	...
Peanuts	360	358	238	371 <sup>r</sup>	402	...
Peas	335	444	180	306	...	...
Cabbage	50	48	41	36	...	...
Tomato	47	61	51	56	...	...
Green Vegetables	369	374	310	302 <sup>r</sup>	326	...
Plantain	151	254	139	124	201	250
Bananas	1,940	1,713	1,910	1,950	1,965	1,870
Sugar-cane	2,160	2,343	2,304 <sup>r</sup>	2,286	1,950	1,750
Oranges	1,399	1,401	1,319	1,479	1,450	1,480
Grapefruit	377	352	325	400	390	380
Other Citrus	65	93	181	141	140	140
Coconuts	1,160	1,198	1,200	1,105	1,100	1,100
Cocoa	396	403	396	401	390	390
Coffee	442	433	448	420	360	360
Oil Palm	840	1,215	1,435	1,645	1,710	1,880
<b>TOTAL AREA:</b>	<b>47,640</b>	<b>55,824</b>	<b>54,950<sup>r</sup></b>	<b>58,624<sup>r</sup></b>	<b>...</b>	<b>...</b>

Source: Ministry of Finance.

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TABLE IV

PRODUCTION OF MAIN AGRICULTURAL CROPS: 1972-1977  
(Metric Tons)

Crop	1972	1973	1974	1975	1976 <sup>P</sup>	1977 <sup>e</sup>
Paddy (14% moisture)	122,968	164,063	162,417	174,845	172,500	198,800
Maize	350	320	193	365	132	...
Peanuts	2,300	2,307	976 <sup>r</sup>	2,300	1,699	...
Peas	345	447	617	420	...	...
Cabbage	355	554	259	250	...	...
Tomato	311	390	266	380	...	...
Green Vegetables	2,300	4,232 <sup>r</sup>	2,016 <sup>r</sup>	2,230 <sup>r</sup>	1,063	...
Plantain	1,922	2,794	834	950	1,572	1,700
Bananas	42,312	38,811	39,605	43,095	41,425	41,000
Sugar-cane (Sugar 96 <sup>o</sup> pol)	12,050	9,000	9,000	9,000	8,688	10,000
Oranges	11,575	11,600	17,463	15,036	...	...
Grapefruit	6,821	6,000	5,123	5,530	...	...
Citrus n.e.s.	440	640	650	580	...	...
Coconuts	5,680	7,600 <sup>r</sup>	6,000	5,525	5,500	5,500
Cocoa	58	50	54	55	43	...
Coffee	98	89	91	88	76	...
Palm-oil (raw)	...	...	130	625	1,330	1,870

Source: Ministry of Finance.

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TABLE V

SPECIFIED INDUSTRIAL PRODUCTION; 1973-1977

Commodity	Unit	1973	1974	1975	1976	1977		
						I	II	III
Shoes	1,000 prs.	138	233	292	235 <sup>a/</sup>	181	204	285
Carton boxes	1,000 pc.	2,278	2,615	2,222	2,785	1,805 <sup>P</sup>	2,284 <sup>P</sup>	2,731 <sup>P</sup>
Matches	1,000 boxes	6,798	7,448	5,095	1,560	-	-	-
Soap powder	tons	751	805	895	738	958 <sup>P</sup>	1,270 <sup>P</sup>	1,096 <sup>P</sup>
Methylated Spirits	1,000 ltr.	215 <sup>a/</sup>	200	178	154	137	208	-
Cement	tons	62,200	33,800 <sup>a/</sup>	34,700	51,008	40,162 <sup>P</sup>	30,355 <sup>P</sup>	48,568 <sup>P</sup>
Gold	kg.	-	-	4,800	1,200	-	-	-

a/ Three quarters only.

Source: Bureau of Statistics.

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TABLE VI

BALANCE OF PAYMENTS: 1971-1976  
(Cash flow basis: in Sf Mill.)

	1971	1973 <sup>P</sup>	1975 <sup>P1/</sup>	1976 <sup>P</sup>
<u>CURRENT ACCOUNT</u>				
Merchandise Trade	+83.5	-47.1	+25.1	+38.7
Transport & Insurance	- 2.5	- 3.0	-20.2	- 1.5
Foreign Travel	-10.5	-19.1	-47.4	- 9.5
Salaries and Pensions	- 2.8	- 3.7	- 7.8	+ 3.1
Other private remittances	7.9	- 8.8	-19.4	- 9.1
Government transfers	+ 9.7	+ 9.3	+10.3 r	-19.2
Investment income	-89.0	-69.9	-21.0	-63.1
Non-monetary gold	- 0.6	- 1.1	- 1.4	- 1.5
Balance on Current Account	-19.8	-49.2	-81.8	-62.1
<u>CAPITAL ACCOUNT</u>				
Private Capital	- 5.8	+49.3	+70.1 r	-55.6
Migration & Private				
Grants	- 0.9	- 1.4	- 3.4	-
Government Grants	-24.2	+24.3	+319.5	+159.1
Government loans received	+ 7.5	+15.3	+24.9	-
Repayment of Government				
loans	- 2.4	- 5.5	-270.3	- 1.7
Other Government Capital	+ 3.2	- 3.0	+ 2.8	- 2.7
Balance on Capital Account	+18.0	+79.0	+143.6	+99.1
Balance on Total Account	- 1.8	+29.8	+ 61.8	+37.0
<u>BALANCES ITEMS: INCREASE</u>				
<u>(+) DECREASE (-)</u>				
Monetary gold	+ 0.4	- 5.6	-	-
Net official foreign				
exchange	- 2.1	+33.0 r	+ 42.3 r	+33.2
Foreign exchange held				
by Commercial Banks	- 0.1	+ 2.4 r	+ 19.5 r	+ 3.8

1/ Data reflect the new exchange rate vis-à-vis US\$.

Source: Central Bank of Suriname.

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TABLE VII

CLASSIFIED DOMESTIC EXPORTS

1972-1976

(Sf million)

	1972	1973	1974	1975	1976 <sup>P</sup>
<u>Bauxite, Mining &amp; Processing</u>	277.5	273.1	367.0	340.8	383.3
Bauxite	( 82.1)	( 85.0)	(127.9)	( 89.2)	( 85.0)
Alumina	(147.8)	(143.6)	(171.2)	(212.4)	(233.3)
Aluminium	( 47.6)	( 44.5)	( 67.9)	( 39.2)	( 65.0)
<u>Agricultural Products</u>					
Rice	8.6	20.6	21.4	33.0	27.0
Bananas & Plantains	4.6	3.8	4.7	6.1	6.5
Shrimps	-	7.0	13.0	17.3	18.0
<u>Wood &amp; Wood Products</u>	8.5	12.3	12.1	11.7	12.7
<u>Other Exports</u>	20.2	-2.7	62.9	86.4	37.5
<b>TOTAL DOMESTIC EXPORTS</b>	319.4	314.1	481.1	495.3	485.0

Source: Central Bank of Suriname, and  
Ministry of Agriculture.



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TABLE VIII

COMPOSITION OF DOMESTIC EXPORTS

1972-1976

(Percentage of Total Exports)

<u>Commodities</u>	1972	1973	1974	1975	1976 <sup>P</sup>
<u>Bauxite, Mining &amp; Processing</u>	86.9	87.0	76.3	68.8	79.0
Bauxite	(25.7)	(27.1)	(26.6)	(18.0)	(17.5)
Alumina	(46.3)	(45.7)	(35.6)	(42.9)	(48.1)
Aluminium	(14.9)	(14.2)	(14.1)	(7.0)	(13.4)
<u>Agricultural Products</u>					
Rice	2.7	6.6	4.4	6.7	5.6
Bananas & Plantains	1.4	1.2	1.0	1.2	1.3
Shrimps	-	2.2	2.7	3.4	3.7
<u>Wood &amp; Wood Products</u>	2.7	3.9	2.5	2.4	2.6
<u>Other Exports</u>	6.3	0.9	13.1	17.4	7.7
<b>TOTAL DOMESTIC EXPORTS</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Central Bank of Suriname, and  
Ministry of Agriculture.

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TABLE X

LOANS AND ADVANCES OF COMMERCIAL BANKS (BY SECTORS)  
(Sf Mill.)  
1972-1977

	1972	1973	1974	1975	1976 <sup>a/</sup>	1977 <sup>a/</sup>
Agriculture	6.5	7.6	10.0	11.0	19.9	30.3
Fishery	0.0	0.5	0.7	4.3	2.8	1.5
Forestry	0.	0.1	0.1	0.1	0.6	0.7
Mining	10.2	13.1	11.5	9.6	28.9	28.3
Manufacturing	14.3	15.3	28.6	32.2	25.1	30.5
Construction & Installation	0.5	5.5	3.7	4.8	8.1	11.0
Electricity, Gas & Water	8.0	4.2	8.3	9.7	10.8	13.4
Sub-total (Productive sector)	<u>39.6</u>	<u>46.3</u>	<u>62.9</u>	<u>71.7</u>	<u>96.2</u>	<u>115.7</u>
Commerce	57.8	49.7	52.9	54.9	73.3	94.7
Transport	0.8	1.5	2.5	2.8	5.4	7.5
Services	2.8	5.0	5.0	5.4	8.6	10.0
Other (including building loans)	22.0	31.8	40.9	37.0	69.6	74.1
Sub-total:	<u>82.4</u>	<u>88.0</u>	<u>101.3</u>	<u>100.1</u>	<u>156.9</u>	<u>186.3</u>
TOTAL	<u>122.0</u>	<u>134.3</u>	<u>164.2</u>	<u>171.8</u>	<u>253.1</u>	<u>302.0</u>

<sup>a/</sup> Including Suriname Postal Savings Bank.

Source: Central Bank of Suriname.

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TABLE IX

CONSUMER PRICE INDEX 1969 - 1977  
(1 April 1968 - 31 March 1969 = 100)

Year	ALL ITEMS	Food and Beverages	Housing and Furnishings	Clothing & Footwear	Other Items
Wgts. (%)	100.0	40.0	23.7	11.0	25.4
1969	101.8	102.7	100.8	100.4	101.9
1970	104.4	106.0	102.4	98.4	106.3
1971	104.6	104.7	103.8	97.2	108.4
1972	108.0	108.9	107.3	97.6	112.5
1973	122.0	133.4	111.0	108.2	120.1
1974	142.6	155.4	137.5	121.7	135.4
1975	154.5	167.3	149.6	137.4	146.6
1976	170.2	183.9	159.7	162.1	161.6
1977	186.7	197.4	171.7	196.2	178.5

Source: Bureau of Statistics.

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TABLE XI

DISTRIBUTION OF LOANS AND ADVANCES OF  
COMMERCIAL BANKS  
(Percent)  
1972-1977

Sector	1972	1973	1974	1975	1976 <sup>a/</sup>	1977 <sup>a/</sup>
Agriculture	5.5	5.7	6.1	6.4	7.9	10.0
Fishery	0.0	0.4	0.4	2.5	1.1	0.5
Forestry	0.1	0.1	0.1	0.1	0.2	0.2
Mining	8.3	9.7	7.0	5.6	11.4	9.4
Manufacturing	11.6	11.4	17.4	18.7	9.9	10.1
Construction & Installation	0.4	4.1	2.3	2.8	3.2	3.6
Electricity, Gas & Water	6.5	3.1	5.0	5.6	4.3	4.4
Sub-total (Productive sector)	<u>32.2</u>	<u>34.5</u>	<u>38.3</u>	<u>41.7</u>	<u>38.0</u>	<u>38.3</u>
Commerce	47.0	37.0	32.2	32.0	29.0	31.4
Transport	0.7	1.1	1.5	1.6	2.1	2.5
Services	2.5	3.7	3.1	3.1	3.4	3.3
Other (including building loans)	17.8	23.7	24.9	21.6	27.5	24.5
Sub-total:	<u>67.8</u>	<u>65.5</u>	<u>61.7</u>	<u>58.3</u>	<u>62.0</u>	<u>61.7</u>
TOTAL	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

a/ Including Suriname Postal Savings Bank.

Source: Central Bank of Suriname.

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TABLE XII

GOVERNMENT CAPITAL EXPENDITURE  
FUNCTIONAL CLASSIFICATION

1972-1977  
(Sf Million)

	1972	1973	1974	1975	1976 <sup>P</sup>	1977 <sup>P</sup>
<u>General Administration</u>	<u>1.7</u>	<u>2.4</u>	<u>2.7</u>	<u>2.9</u>	<u>4.6</u>	<u>5.0</u>
<u>Social Services</u>	<u>6.2</u>	<u>3.1</u>	<u>2.7</u>	<u>6.9</u>	<u>9.2</u>	<u>10.1</u>
Education & Training	5.9	2.8	1.8	5.9	7.6	8.4
Health	0.3	0.3	0.9	1.0	1.6	1.7
<u>Physical Services</u>	<u>22.3</u>	<u>22.2</u>	<u>15.1</u>	<u>22.6</u>	<u>22.1</u>	<u>25.3</u>
Transport	11.7	6.3	8.0	10.3	17.3	20.2
Energy	-	-	-	1.8	3.2	3.4
Communications	1.0	5.6	0.7	10.8	18.3	20.2
Housing & Urban Development	2.4	1.8	1.8	7.8	10.7	11.8
Water Supply & Sewerage	0.2	0.7	0.6	3.8	6.1	6.7
Irrigation & Drainage	1.7	1.6	0.7	3.9	6.0	6.5
Sea Defence	0.1	0.3	0.1	2.1	3.2	3.2
Other	4.6	6.2	23.6	12.1	14.0	15.4
<u>Economic Services</u>	<u>15.8</u>	<u>24.5</u>	<u>17.1</u>	<u>36.5</u>	<u>50.3</u>	<u>55.2</u>
Agriculture & Forestry	15.4	20.1	12.3	20.3	27.5	30.0
Trade & Industry <sup>1/</sup>	0.4	1.5	2.2	11.3	15.3	16.8
Other <sup>2/</sup>	-	2.9	2.6	4.9	7.5	8.4
<b>TOTAL</b>	<u><b>49.0</b></u>	<u><b>52.3</b></u>	<u><b>57.6</b></u>	<u><b>109.9</b></u>	<u><b>152.6</b></u>	<u><b>167.7</b></u>

<sup>1/</sup> Include Tourism.

<sup>2/</sup> Mining only.

Source: Ministry of Finance, Economic Department, Suriname.

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TABLE XIII

GOVERNMENT RECURRENT EXPENDITURE  
FUNCTIONAL CLASSIFICATION  
1972-1977  
(Sf Million)

	1972	1973	1974	1975	1976 <sup>P</sup>	1977 <sup>P</sup>
<u>General Administration</u>	<u>47.4</u>	<u>53.8</u>	<u>53.7</u>	<u>59.1</u>	<u>68.5</u>	<u>87.2</u>
Central Administration	30.1	33.8	33.6	36.7	48.5	61.8
<u>Social Services</u>	<u>67.9</u>	<u>61.6</u>	<u>78.4</u>	<u>83.5</u>	<u>101.3</u>	<u>129.0</u>
Education & Training	39.0	40.6	42.6	44.8	59.9	76.3
Health	16.9	12.7	15.6	15.1	21.4	27.3
Other	12.0	8.3	20.2	23.6	20.0	25.4
<u>Community Services</u>	<u>19.3</u>	<u>36.3</u>	<u>33.8</u>	<u>63.9</u>	<u>79.0</u>	<u>107.3</u>
Transport	8.7	15.9	15.1	21.0	22.8	29.1
Energy	1.3	2.0	2.0	4.0	5.2	7.3
Communications	4.1	5.4	6.0	5.6	7.1	9.1
Other	5.2	13.0	10.7	33.3	43.9	61.8
<u>Economic Services</u>	<u>10.1</u>	<u>9.5</u>	<u>11.0</u>	<u>10.9</u>	<u>27.1</u>	<u>37.7</u>
Agriculture & Forestry	7.5	7.2	8.2	8.1	9.0	12.7
Trade & Industry	2.0	1.9	2.1	2.2	10.3	14.1
Other	0.6	0.6	0.7	0.6	7.8	10.9
Unallocated & Extra-budgetary	<u>4.7</u>	<u>11.2</u>	<u>21.8</u>	<u>32.4</u>	<u>9.4</u>	<u>2.2</u>
TOTAL	<u>149.4</u>	<u>172.4</u>	<u>198.7</u>	<u>249.8</u>	<u>285.3</u>	<u>363.4</u>

Source: Ministry of Finance, Economic Department, Suriname.

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TABLE XIV

GOVERNMENT EXPENDITURE BY ECONOMIC CLASSIFICATION  
(Sf Million)

	1972	1973	1974	1975	1976 <sup>P</sup>	1977 <sup>P</sup>
<u>Current Expenditure</u>	<u>149.4</u>	<u>172.4</u>	<u>198.7</u>	<u>249.8</u>	<u>285.3</u>	<u>363.4</u>
Wages & Salaries	89.6	99.5	113.3	142.4	154.0	218.0
Purchases of goods & Services	35.5	23.7	38.9	53.3	86.4	115.0
Transfers	18.6	27.2	36.9	41.4	43.0	27.0
Public	( 0.2)	( 3.2)	( 8.1)	( 7.1)	( 8.0)	(13.0)
Private	(18.4)	(24.0)	(28.8)	(34.3)	(35.0)	(14.0)
Interest	0.5	2.8	3.1	3.8	1.6	1.4
Other	5.2	19.2	6.5	9.2	0.3	2.0
<u>Capital Expenditure</u>	<u>49.0</u>	<u>52.3</u>	<u>57.6</u>	<u>109.9</u>	<u>152.6</u>	<u>167.7</u>
Fixed Investment	40.4	43.5	49.7	86.2	119.0	135.0
Surveys & Research	5.8	5.6	5.3	7.7	10.7	12.0
Financial Investment	0.4	0.3	0.5	13.0	12.0	21.0
Capital Transfers	2.4	2.9	2.1	3.0	10.8	5.0
Less Public Sector	( 0.2)	( 0.3)	( 0.6)	( 0.3)	( 0.8)	( 0.4)
Private	( 2.2)	( 2.6)	( 1.5)	( 2.7)	(10.0)	( 4.6)

Source: Ministry of Finance, Economic Department, Suriname.

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TABLE XV

GOVERNMENT RECURRENT REVENUES  
(Sf Million)

	1972 <sup>P</sup>	1973 <sup>P</sup>	1974 <sup>P1/</sup>	1975 <sup>P1/</sup>	1976 <sup>P e</sup>	1977 <sup>P e</sup>
<b><u>Tax Revenues</u></b>						
Income Taxes	64.5	56.3	56.1			84.6
Of which:						
Corporate	( 50.6)	( 42.9)			156.0 <sup>2/</sup>	
Personal	( 13.9)	( 13.4)				
Import duties	46.6	50.9	63.6	127.6		140.6
Other taxes on external trade	4.9	5.7	7.3			
Property taxes	1.2	0.4	0.2			
Other taxes	15.5	18.9	39.7	140.8		
Of which:						
Royalties on taxes	( 4.1)	( 4.3)	( 4.3)	( 5.2)	85.0	57.0
Special bauxite levy	-	-	( 18.7)	(117.9)		
Alcohol, beer & tobacco taxes	( 5.7)	( 8.6)				
Other taxes on Production & Consumption <sup>2/</sup>	-	( 6.0)	( 17.2)	( 17.7)		2.2
<b>SUB-TOTAL:</b>	<u>132.7</u>	<u>132.2</u>	<u>166.9</u>	<u>268.4</u>	<u>241.0</u>	<u>278.4</u>

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TABLE XV (CONT'D)

GOVERNMENT RECURRENT REVENUES  
(Sf Million)

	1972 <sup>P</sup>	1973 <sup>P</sup>	1974 <sup>P1/</sup>	1975 <sup>P1/</sup>	1976 <sup>P e</sup>	1977 <sup>P e</sup>
<u>Non-Tax Revenues</u>						
Of which:						
Receipt of Government						
Enterprises	14.3	7.2	8.2	10.9	11.1	12.0
Other	18.0	19.2	28.5	22.2	36.8	27.0
SUB-TOTAL:	<u>32.3</u>	<u>26.4</u>	<u>36.7</u>	<u>33.1</u>	<u>47.9</u>	<u>39.0</u>
GRAND TOTAL:	<u>164.9</u>	<u>158.6</u>	<u>205.1</u>	<u>301.5</u>	<u>288.9</u>	<u>317.4</u>

Note: 1972-1974 are actual revenues, estimates for other years.

1/ Adjusted to include collection of bauxite levy of Sf 18.7 million in 1975 and Sf 117.9 million in 1976.

2/ Include other royalties.

Source: Ministry of Finance, Economic Department, Suriname.

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TABLE XVI

GOVERNMENT DEBT

(Sf Mill; at end of period)  
Per Dec. 31 - (end of year)

	1972	1973	1974	1975 <sup>1/</sup>	1976 <sup>1/</sup>	1977 <sup>1/</sup>
External Debt						
Governments	161.1	173.2	191.2	6.8	6.2	5.5
International Organizations	2.9	2.9	-	3.8	3.6	3.4
Private Sector	23.5	21.2	19.6	0.4	0.1	-
Total External Debt	<u>187.5</u>	<u>197.3</u>	<u>210.8</u>	<u>11.0</u>	<u>9.9</u>	<u>8.9</u>
Domestic Debt (total)	<u>21.3</u>	<u>31.2</u>	<u>30.4</u>	<u>33.0</u>	<u>28.3</u>	<u>26.5</u>
TOTAL DEBT	<u>208.8</u>	<u>228.5</u>	<u>241.2</u>	<u>44.0</u>	<u>38.2</u>	<u>35.4</u>

<sup>1/</sup> Ministry of Finance, Economic Department, Suriname.

Source: Central Bank of Suriname.

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TABLE XVII

PERCENTAGE CHANGES IN GOVERNMENT  
CAPITAL EXPENDITURE  
1971/72 ~ 1976/77

	1971/72	1972/73	1973/74 <sup>D</sup>	1974/75 <sup>D</sup>	1975/76 <sup>D</sup>	1976/77 <sup>D</sup>	Percentage Shares	
							1972	1977
General Administration	6.3	41.2	12.5	7.4	58.6	8.7	3.5	3.0
Social Services	40.9	-0.5	-12.9	155.6	53.3	9.8	12.7	6.0
Community Services	27.8	11.9	57.4	81.2	34.9	10.1	51.6	58.0
Economic Services	-9.7	55.1	-30.2	113.5	37.8	9.7	32.2	33.0
TOTAL	15.2	6.7	10.1	90.8	58.8	9.9	100.0	100.0

Source: Calculated from Table XII in the Statistical Appendix.

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TABLE XVIII

PERCENTAGE CHANGES IN GOVERNMENT  
RECURRENT REVENUE  
1971-72 to 1976-77

	1971-72	1972-73	1973-74 <sup>P</sup>	1974-75 <sup>P</sup>	1975-76 <sup>P</sup>	1976-77 <sup>P</sup>
Tax Revenue	9.0	0.4	26.3	60.8	-10.2	15.5
Income Taxes	10.4	-12.7	-0.4	...	...	...
Import duties	8.4	9.2	25.0	...	...	...
Royalties on bauxite	2.5	4.9	-	20.9	...	...
Bauxite levy	-	-	-	530.5	...	...
Non-Tax Revenue	0.1	-18.3	-39.0	- 9.8	44.7	-18.6
TOTAL	7.2	- 3.8	28.7	44.7	- 4.2	9.9

Source: Calculated from Table XV in the  
Statistical Appendix.

SURINAME

TABLE XIX

PERCENTAGE CHANGES IN GOVERNMENT  
RECURRENT EXPENDITURE  
1971-72 to 1976-77

	1971-72	1972-73	1973-74 <sup>P</sup>	1974-75 <sup>P</sup>	1975-76 <sup>P</sup>	1976-77 <sup>P</sup>	Percentage Shares	
							1972	1977 <sup>P</sup>
General								
Administration	2.8	13.5	-0.2	10.1	15.0	27.3	31.7	24.0
Social Services	6.8	- 9.3	27.3	6.5	21.3	27.5	45.4	35.5
Community Services <sup>1/</sup>	5.5	88.1	-6.9	89.1	23.6	35.8	12.9	29.5
Economic Services <sup>2/</sup>	8.6	- 5.9	15.8	-0.9	148.6	39.1	6.8	10.4
Unallocated extra-budgetary	-41.2	138.3	94.6	48.6	-71.0	-76.6	3.2	0.6
TOTAL	- 2.8	15.4	15.3	25.7	14.2	27.4	100.0	100.0

<sup>1/</sup> Utilities and infrastructure.

<sup>2/</sup> Agriculture, Livestock, Forestry, Fisheries, Trade, Industry and Tourism.

Source: Calculated from Table XIII in the Statistical Appendix.

PART IX  
TRINIDAD & TOBAGO COUNTRY NOTES



## ECONOMIC SURVEY 1977

### TRINIDAD & TOBAGO (TT Dollars used throughout)

#### Introduction & Summary

During 1977 the general economic performance of the country was very satisfactory. Oil continued to be by far the main agent of economic prosperity and the reported natural gas finds are substantial, so that the prospects for 1978 and ensuing years is expected to keep this favourable trend.

Official estimates<sup>1/</sup> show Gross Domestic Product at Current Factor Cost at approximately \$7,424 million in 1977, an equivalent of about 16.5 per cent increase compared with an 18 per cent rise in 1976. There are many indications of real growth in the economy, during the year, taking into account the trends of the output, in both agriculture, agro-industry, petroleum and petrochemicals, and stabilizing prices.

The factors that seem to have created the greatest impact on the economy during the year are:

- the relative success in the control of inflation reflected by the levelling-off in the average retail price level;
- developments in petroleum extraction and refining, as well as petro-chemical industries;
- significant growth in the Finance, Insurance, Real Estate and construction sectors;

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<sup>1/</sup> Official National Accounts Estimates are now available entitled: The Gross Domestic Product of the Republic of Trinidad & Tobago, 1966-1976.



the continuation and expansion of the subsidiary programme by Government, reflected an increase in Government's involvement in all aspects of the economy.

Agricultural production at large excluding sugar, experienced an improvement. Volume of Sugar production decreased by approximately 14 per cent. At the same time Sugar prices continued to decline, except for preferential prices on the European Economic Community (EEC) markets under the Lome Convention. Coupled with the lower prices in the world markets, unfavourable weather conditions and operational disruptions resulting from the capital rehabilitation programme, tended to depress overall contribution of the agricultural sector during the year. In spite of the ongoing efforts to achieve better profitability, particularly through irrigation and mechanical cutting, it seems certain that export earnings from sugar would still decline further.

Output of petroleum showed a marked improvement returning to normal production levels, following the fire which seriously affected production in 1976. Data for refinery output, shows a shortfall of about 15 per cent, which is also reflected in a substantial decrease in the refined products exported. Average price of crude and refined petroleum products also increased over the year by approximately 9 per cent.

The Manufacturing sector and some service sectors, although quite buoyant in the early part of the year, seem to have been dampened by severe export limitations. However, there was an overall increase of 12 per cent based upon the Index of Domestic Production (see Table 2).

Construction activity continued to be supported mainly by public sector construction, and the coming-on-stream of a number of industrial development projects by the government, gave an added impetus to the growth of this sector.

Data on the level of retail prices shows a rate of increase of 8.7 per cent in 1976 and 11.8 per cent for 1977. Unlike the previous years, food prices actually reflected a marginal increase while medical goods and services declined significantly. This helped to cushion the significant increases in the other components of the index - transportation, education and housing. (See Table 6).

Government's concern with the degree of liquidity in the System resulted in greater attention being focussed on control and effective mobilization of domestic financial resources, and its impact on rising prices, with particular reference to the increasing money supply. Data for 1977 indicate significant increases in both Commercial Bank deposits, and loans and advances made by these banks.

The cumulative impact of the developments noted above is reflected in the very substantial and favourable position on external transactions as far as the data show. Both the total values for imports and exports showed marginal declines, imports by 10 per cent and exports by 2 per cent. Data available on the balance of visible trade reflected a surplus position of \$891 million, with the petroleum sector accounting for 48.5 per cent of total imports and 91.3 per cent of total exports. Meanwhile the surplus position of the Balance of Payments continued to increase, reaching \$1,199.3 million by the end of 1977.

#### SOCIO-ECONOMIC PROBLEMS AND POLICIES

During 1977 Government remained concerned with the problem of reconciling the need for more rapid growth in the economy, particularly the process of industrialization, and the alleviation of persistently high levels of unemployment.

In the face of the pressing needs to reduce the unemployment level, provide new jobs for new entrants into the labour force, raise the average level of skills, Government has encouraged wider and more diversified use of training camps, composite and vocational schools. An apprenticeship programme was also instituted, covering both the private and public sectors, geared towards increasing and/or updating the level of available skilled personnel.

Considerable emphasis has also been placed on expanding and improving social services, health facilities, education, upkeep of public institutes and public places, in a continued effort to improve the quality of life. Particularly worth mentioning are the school building programmes at secondary level, the road expansion and the progress in the water expansion programme.

A number of fiscal measures were taken by Government during the year, including reduction of personal income taxes of individuals in the lower income groups; provisions for medical expenses allowances; and the purchase of bonds, allowing the first \$2,000 worth of purchase deductible as expenses for tax purposes. These measures were intended to benefit individuals in the lower income groups, as well as to stimulate mobilization of domestic financial resources.

To offset the influence of international commodity shortages on the country's domestic economy, Government has adopted a policy aimed at the attainment of greater economic self-reliance. Part of the strategy to achieve this goal involves inter alia greater participation of the population in the ownership of enterprises that control the means of production by the acquisition of shares, and divestment policies in unison with private foreign capital and financial institutions. Stress is also placed on the role of science and technology and its development, adaptation and transfer, to maximize its contribution to overall social and economic development, and to provide solutions to existing problems.<sup>1/</sup>

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<sup>1/</sup> A White Paper on a National Institute for Higher Education, with emphasis on Research Science and Technology has been made public. This White Paper, which serves as a guideline for the Government policy for the development of Research, Science and Technology puts the emphasis on Science and Technology in the education system while recognizing the need for an integrated Caribbean approach.

## PERFORMANCE IN THE MAJOR SECTORS

### Mining and Refining

The high rate of expansion in mining and refining activity that had been forecast for 1977, was achieved. Estimated GDP at current factor cost for the sector's contribution approximated \$3,601 million, reflecting an increase of 35 per cent over 1976. Petroleum remains the dominant sector, contributing 40 per cent of total GDP, and also accounting for some 48 per cent of total imports and over 90 per cent of exports.<sup>1/</sup>

Production of crude oil during 1977 amounted to 83.6 million barrels, an increase of 7.6 per cent over the 1976 production figure. Approximately 81 per cent of total crude production was derived from marine operations, which has now reached normal production levels of 130 thousand barrels daily, following the disastrous fire in 1976.

The imports of crude petroleum continued its downward trend in 1977, falling by 19 per cent from 84.8 million barrels to 68.9 million barrels (see Table 1), while exports of indigenous crude increased above the 1976 figure by 11 per cent or 5 million barrels. Both refinery throughput and refinery output declined by 15 per cent respectively as against the 1976 level, due to lower crude oil production from some land operations during 1977, the decline in imported crude, as well as cutbacks in refinery capacity.

Data on Natural Gas production shows an increase of 2.4 per cent over the amount produced during 1976, while the available data for 1977 indicate a real increase of 15.8 per cent in sales of natural gas. However, with the coming-on-stream of the Tringen Ammonia Plant in November of 1977 and the Trinidad and Tobago Electricity Commission's new generator plant at Point Lisas, it is expected that there will be substantial increases in both natural gas production and sales during the next years.

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<sup>1/</sup> Appendix Tables X and XI.

Table 1

Selected Data on Petroleum and Natural Gas

Year	Petroleum (Million Barrels)					Natural Gas Production (mill. cu. metre)	Natural Gas Sales (mill. cu. metre)
	Crude Production	Crude Imports	Crude Exports	Refinery Throughput	Refinery Output		
1972	51.2	107.1	14.4	144.3	138.9	...	930.1
1973	60.6	103.6 <sup>r</sup>	23.5	141.7	135.8	3,599.4	948.7
1974	68.1	95.5	31.8	130.8	127.1	3,848.8	898.7
1975	78.6	58.1	48.8 <sup>r</sup>	73.9 <sup>r</sup>	84.5 <sup>r</sup>	3,794.6	946.3
1976	77.7	84.8	44.4	117.6	114.3 <sup>r</sup>	4,138.7	1,623.8 <sup>r</sup>
1977 <sup>P</sup>	83.6	68.9	49.2	99.5	96.8	4,236.3	1,881.0

Source: Statistical Digest, Central Bank of Trinidad & Tobago, Vol. XI No. 4 April 1978, Quarterly Economic Report October-December 1977, Central Statistical Office, Trinidad and Tobago and data supplied by Ministry of Petroleum & Mines.

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Because of increased marine explorations, land extraction operations which had been hard hit by high production costs and dwindling accessible land resources have been on a general downward trend since 1971. Tax incentive legislation to encourage the use of secondary and tertiary recovery methods in land production of crude was introduced in October 1976, with the objective of increasing output and generating employment opportunities. The overall effect 1977 tends to reflect an upward trend in land production. Other developments within the sector during 1977, were the purchase through the National Petroleum Marketing Company of all petroleum marketing operations, and the completion of the 24" pipeline to transport natural gas from Texaco's Beach Field to Picton.

Manufacturing (excluding Petroleum refining)

All data indicate a slowing down of the dynamism which was experienced during the past five years when the Index of Domestic Production rose by 36 per cent over the period 1971-1976, and by 12 per cent between 1976 and 1977 (See Table 2). GDP at current prices was estimated to have increased in 1977 to approximately \$568.1 million or an equivalent of 23.1 per cent over the 1976 figure. The data available for 1977 shows the manufacture of metallic products, printing, publishing and paper converters, binding materials, assembly-type and related industries as achieving increases.<sup>1/</sup>

The production of building materials increased by 8.6 per cent during 1977 compared with 3.7 per cent during 1976. Mainly responsible for this was the 23 per cent increase in the production of bricks and blocks. Although the production of cement declined by 10 per cent, the shortfall in supply was made up for by imports. The production of alcoholic beverages and tobacco continued its upward trend. Production in the assembly-type and related

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<sup>1/</sup> Table 2 and Appendix Table IV.

Table 2

Index of Domestic Production<sup>1/</sup>  
(Average of 4 Quarters of 1971 = 100)

Industry	1973	1974	1975	1976	1977
Food processing industry <sup>2/</sup>	110.0	130.6	146.9	152.4	151.8
Drink and Tobacco	124.6	133.2	134.5	145.3	140.8
Textile, knitted garments & Footwear	69.4	78.9	77.6	86.0	79.5
Printing, publishing & paper converters	132.5	145.0	118.3	113.2	151.7
Wood products/mattresses	69.8	75.7	76.9	99.3	96.8
Chemical products	87.5	88.6	93.9	104.7	90.0
Building materials	110.7	101.2	93.7	102.4	111.2
Assembly-type and related industries <sup>3/</sup>	128.6	112.6	119.3	140.0	167.6
Manufacture of metallic products	131.6	138.9	158.6	276.1	433.9
Miscellaneous manufacturing industries	115.0	117.7	140.1	148.2	110.8
<b>TOTAL</b> <sup>1/</sup>	108.9	115.6 <sup>x</sup>	119.0	135.5	151.9

1/ Data exclude petroleum, sugar and ship and boat-building.

2/ Excludes sugar.

3/ Excludes ship and boat-building.

Source: Economic Indicators, October-December 1977,  
Central Statistical Office, Trinidad &  
Tobago; and data supplied CEPAL.

industries showed an overall 19.7 per cent increase, with motor vehicle assembly and gas cookers recording increases of 24 per cent and 45.7 per cent, respectively. A decrease of 10 per cent and a phenomenal 82 per cent increase were recorded in radio and television and refrigerator assembly, respectively.

Fertilizer production continued the decline evident since 1972; and textile, knitted garments and footwear production showed a 7 per cent overall decline.<sup>1/</sup>

To see the manufacturing growth in its true perspective the 1977 figures are to be compared with the past 1971-76 production trends, firstly for the fastest growing industries (metallic products, food processing, miscellaneous manufacturing, drink and tobacco and the assembly-type and related industries); secondly the slower growing industries (textiles, knitted garments and footwear, wood products and mattresses).

Over the period 1971 to 1976, manufacture of Metallic Products rose by 176 per cent, with an increase of 64 per cent over the 1975/1976 period. The fastest growing industry within the group is the manufacture of metal building materials which, boosted by the recent increase in construction activity already more than doubled between 1975-1976. Similarly,

- food processing increased steadily over the last five years, the general annual index of production having risen by 52 per cent between 1971 and 1976.

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<sup>1/</sup> To promote growth in the garment industry, (hard hit by restrictions on imports in the CARICOM market) Government has recently taken initiatives designed to facilitate access to the US markets.



- the Miscellaneous Manufacturing Industries including plastic, sole leather and jewellery, increased by 48 per cent over the period 1971-1976;
- the manufacture of Drink and Tobacco rose by 45 per cent over the period 1971-1976;
- textile, knitted garments and footwear reached their highest level in 1976 since 1971;
- wood production has been consistently below the 1971 level through the milling activity, rose by 51 per cent during the 1975/1976 period.

Support was given to industrial development in a number of ways. During the period January to September 1977, the Trinidad & Tobago Development Finance Company Limited committed an amount of TT\$21.9 million to 51 industrial enterprises. These enterprises are expected to generate some 1,400 direct jobs. Most of the enterprises financed were medium-sized firms producing light manufactured goods and involved new entrepreneurs who could not obtain adequate or appropriate financing from the commercial banking system.

The Industrial Development Corporation continued its programme of promoting industrial development, using as its principal instrument fiscal concessions to industrial enterprises including protection by way of "negative listing". Application of these measures covered a wide range of industrial activities and involved diverse sub-sectors such as garment manufacture, concrete products, assembly of electronic items, wire drawing (which will provide possibilities for future linkages with the projected Iron and Steel Plant) and the manufacture of jewellery. Efforts were also made to effect the widest possible geographical coverage in the promotion of such activities.

The Industrial Development Corporation also carried out a number of basic studies on new industrial projects both with its own resources and in collaboration with other agencies, local and foreign. These are related to markets and feasibility studies for a regional aluminium smelter, a polyester fibre-fabric plant, a petro-chemical complex, a methanol plant, a granular fertilizer plant, a refractories plant, pulp and paper industry, fermentation industries based on molasses, the cement plant extension, metal and plastic projects and assembly of small agricultural tractors. In addition a number of sectoral studies and investigations were undertaken for programmed developments in cosmetics, detergents, insecticide, paint, coir-fibre and footwear. In view of the establishment of energy-intensive projects, the thrust towards the deepening of the industrialization process and the general desire to diversify the country's industrial structure away from "screwdriver" type industries, the development of a Capital Goods Sector is now contemplated.

Government continued its programme of diversifying the industrial base of the economy by developing projects to exploit petroleum and natural gas. The major vehicle used has been the joint venture enterprise involving government on the one hand, and Regional governments or large foreign private sector concerns on the other. In this context the main achievements have been the completion and coming-on-stream of the fertilizer-ammonia plant, the acquisition and preparation of a site for the iron and steel complex, the putting into service of an 88 Megawatt power plant.

During 1977, the programme of direct government investment in industrial activities was extended, as a means of further deepening national ownership and control over key sectors of the economy, and of developing industries normally beyond the capacity of the local private sector.

## Construction

The Construction Sector has expanded significantly since 1970, the value of its output in current prices growing at a compound annual rate of 22.9 per cent between 1970/1976. The available data reflect a 21.9 per cent increase in the sector's contribution to real Gross Domestic Product in current prices, during 1977.

This Sector has emerged as one of the most critically important areas of economic activity in the country. Even given this rapid expansion its ability to meet the heavy demands generated by the acceleration in the process of industrialization, infrastructural development, housing and the provision of improved social amenities, has in fact been hampered by a number of factors. These include critical shortages of domestic supplies; marginal use of local raw materials; high cost as well as insufficiency of land for development; international shortages of building materials and their concomitant high prices.

The stimulus provided for domestic production of building materials was mentioned in the previous section; and with completion of the expansion of the cement plant it can be expected that the restrictive factors would ease considerably.<sup>1/</sup> Meanwhile, the importation of cement is continuing to supplement domestic production in an effort to offset shortages. The total value of cement imported during 1977 amounted to 35,789 tons, - 15 per cent of total local sales.

Building plans approved during the first 9 months of the year showed a substantial 44 per cent increase in total planned floor space for the comparable period in 1976, while construction of dwelling houses, commercial, industrial and other buildings

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<sup>1/</sup> Sales of cement, because of the high level of construction, increased to 249 thousand tons during the year compared with 219 thousand tons for the corresponding period in 1976, an increase of about 14 per cent.

registered increases of 25 per cent, 31 per cent and 344 per cent respectively. (See Table 3).

Construction costs have maintained their upward trend during the year. The index of minimum wage rates of manual workers in all industries rose by 13.7 per cent and by 9.3 per cent for manual workers in the construction industry, while the index of retail prices of building materials grew by 8.9 per cent during 1977.

The various problems mentioned above, coupled with shortages of trained personnel at all levels, have delayed the implementation of many construction projects in both, the private and the public sector, and as a consequence more and more contracts are being granted to foreign firms.<sup>1/</sup>

In addition fiscal measures have been introduced with a view to raising the lending limits for land acquisition, purchase of house and land, improvement and repairs, as well as mortgage guarantees with the National Housing Authority as agent. This is to enable individuals, particularly the lower-income groups, to acquire their own homes, through the provision of low-cost financing.

#### Agriculture

Preliminary estimates of the Sector's contribution to Gross Domestic Product in current values stood at around \$224 million - an equivalent of a 9 per cent decrease from the 1976 value. This was due to lower performances in the sugar sub-sector, which was not offset by the increases realised in domestic agriculture and other export agriculture.

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<sup>1/</sup> Plans are now underway for the University of the West Indies, St. Augustine and other training institutions to absorb additional trainees for courses to prepare them for top and middle-level management positions in this sector.

Table 5  
Approved Building Plans

Year	<u>All Buildings</u>		<u>Dwelling Houses</u> <sup>1/</sup>		<u>Commercial &amp; Industrial</u>		<u>Other Buildings</u> <sup>2/</sup>	
	No. of Plans	Floor space '000 sq. ft.	No. of Plans	Floor space '000 sq. ft.	No. of Plans	Floor space '000 sq. ft.	No. of Plans	Floor space '000 sq. ft.
1972	3,032	4,167	2,797	3,330	73	371	162	466
1973	3,280	4,441	3,112	3,721	61	391	107	329
1974	3,157	4,222	2,995	3,652	57	238	105	332
1975	2,456	3,744 <sup>r</sup>	2,322	3,104	49	330	85	311
1976	2,987 <sup>r</sup>	4,747 <sup>r</sup>	2,813 <sup>r</sup>	3,961 <sup>r</sup>	61 <sup>r</sup>	439	113	346 <sup>r</sup>
1976 <sup>3/</sup> p	2,039	3,129	1,924	2,695	42	224	73	210
1977 <sup>3/</sup> p	2,549	4,518	2,422	3,375	55	418	72	723
<u>% change</u>								
<u>1975</u> <u>1974</u>	-22.2	-11.3	-22.5	-15.0	-14.0	+38.8	-19.0	-6.4
<u>1976<sup>P</sup></u> <u>1975</u>	19.9	25.0	19.4	25.5	22.4	33.0	31.8	11.0
<u>1977<sup>P</sup></u> <u>1976<sup>3/</sup> p</u>	25.0	44.4	25.9	25.2	31.0	86.6	-1.4	344.3

<sup>1/</sup> Dwelling houses include private dwellings and commercial or industrial buildings combined.

<sup>2/</sup> Other buildings include churches, schools, hostels, cinemas and blocks of flats.

<sup>3/</sup> Data for January-September 1977.

Source: Quarterly Economic Report, October-December 1977, Central Statistical Office, Trinidad & Tobago: and data supplied CEPAL.

Sugar, the major export crop, suffered a decline, falling from 200 thousand tons in 1976 to 173 thousand tons in 1977, a decline of 14 per cent. Mainly responsible were increased fires, industrial action within the industry and operational disruptions resulting from the capital rehabilitation programme. Coupled with this, was a continued decline in world sugar prices. The conclusion in 1977 of the new International Sugar Agreement along with the Sugar Protocol of the Lomé Convention offers a slightly better price for sugar, than the 1976 price.

Of the other major export crops, volume data indicate that cocoa production amounted to 7.4 million pounds, an increase of 3 per cent over 1976; and that coffee production increased by 9 per cent from 5.9 million pounds in 1976 to 6.4 million pounds in 1977. Mainly responsible for these increases were improved weather conditions that existed throughout the year. At the same time export prices rose significantly by 83 per cent for cocoa and 67 per cent for coffee, respectively. Production of citrus continued its declining trend in 1977, because of unfavourable weather for this crop, problems of disease, labour shortage and a general reduction of the total acreage under cultivation. Coupled with this was the fact that increased prices on the local markets have resulted in a lesser quantity being delivered to principal exporters. The resulting shortage of canned citrus juices has been partly overcome by the importation of citrus concentrate from Belize.

The increase in the current value of domestic agriculture to GDP is attributed mainly to general improvement in local weather conditions as well as improvements in the prices for most of these products. Output performance was mixed. Preliminary estimates reflect a lower production figure for root crops, but an increase for vegetables. Although the

production of copra increased, reaching an estimated 9,100 tons in 1977, it still failed to reach the 1973 figure. The production of tobacco and cigarettes increased by 6 per cent in spite of the decline in the output of local tobacco by more than 59 per cent; no significant change in the level of milk production was observed; the production of meat, fish and eggs all showed increases - 3 per cent, 16 per cent and 28 per cent, respectively.

With reference to the international priorities on food production and agricultural development, the government has placed emphasis on subsidies and guaranteed prices. Active steps are being taken to encourage the greater utilization of natural gas in agriculture processing (namely dehydration of onions and vegetables). The possibility of the expansion of Sugar refining is also being investigated.

#### EXTERNAL SECTOR

The external sector of the economy continues to be dominated by the performance of the petroleum sector. Under the impact of higher oil prices, the Balance-of-Payments account moved into surplus in 1974, reached the record level of \$963.7 million in 1975, and settled back to \$401.7 million in 1976. As expenditures have been stepped up to stimulate activities within the economy, the pattern over the 1975-1976 period has been for the current account deficit on non-oil trade to increase, and the surplus generated by trade in petroleum to grow less rapidly, so that there is a smaller surplus in the overall current account position. For 1977, the surplus was of the order of \$1,199.3 million.<sup>1/</sup> There has been little change in the traditional pattern, with merchandise trade being the most important component. Within the services sector, continued increases in transportation and investment income outflows were noted, but

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<sup>1/</sup> Table XIII in the Statistical Appendix.

there was a decrease in foreign travel by 21 per cent. On the Capital Account net public sector borrowing which was negative in 1976, moved to a positive position of \$328.2 million. However, net private capital inflow rose from \$231.1 million in 1976 to \$305.6 million in 1977, still not as high as the 1975 figure of \$409.2 million. The overall effect is a net capital inflow of \$633.8 million in 1977 compared with - \$35.0 in 1976.

Available data unadjusted to balance-of-payments basis show that for 1977, total imports equalled \$4,340 million and exports \$5,232 million. These figures suggest decreases of some 10 per cent in imports and 3.3 per cent in exports, as compared with 1976, therefore recording a more favourable Balance of Visible Trade amounting to \$891.1 million or a significant 57 per cent increase over 1976. The Petroleum sector accounted for 48 per cent of total imports and 92 per cent of total exports. When this sector is excluded, imports amounted to \$2,274 million and exports \$439 million.

The principal commodities imported according to SITC Sections during 1977 were cereal and cereal preparations \$118 million; Dairy Products and Eggs \$59 million; Fruits and Vegetables \$60 million; Meat and Meat Preparations \$44 million; and Feeding Stuff for animals \$42 million. The Section "food and live animals" accounted for 8.4 per cent of total imports, and 3.1 per cent of all exports. Major items of exports were Sugar and Sugar preparations \$89 million; Coffee, Tea, Cocoa and Spices \$38 million; Fruits and Vegetables \$11 million and Miscellaneous Food Preparations \$8 million.

Comparison of the structure of total imports for 1977, with similar data for 1976, show that manufactured goods increased by \$114 million; Food and live animals by \$46 million; and Chemicals by \$30 million. However, there



were decreases of \$697 million in Mineral fuels, Lubricants and Related materials and \$23 million in machinery and Transport equipment. Similar comparison of 1977 with 1976 for total exports show that Mineral Fuels, Lubricants and Related Materials decreased by \$98 million, Food and Live Animals by \$27 million, and Machinery and Transport equipment by \$28 million. Tables VI through XI in the Statistical Appendix give additional information on the performance of the Sector.

With reference to the direction of external trade, the United States of America, Canada, EEC and CARICOM countries continue to be the main trading partners, both for imports and exports. Exports to USA and Canada during 1977 increased by 3.2 per cent and 34.9 per cent respectively when compared with the figures for 1976. A decrease of 59.8 per cent was registered with the United Kingdom, 22 per cent with Latin America, and 11 per cent with CARICOM countries. Imports from the UK and Canada increased by 24.9 per cent and 20.5 per cent, respectively during 1977 with imports from CARICOM increasing by 5 per cent. Meanwhile decreases of 4.6 per cent and 26.5 per cent respectively were registered with the USA and Latin America (see Table VII in the Statistical Appendix).

Table 4  
Imports, Exports & Trade Balance  
(TT\$ Mill.)

Period	Domestic Exports	Total Exports	Total Imports	Balance on Visible Trade
1972	1,052	1,071	1,471	- 400
1973	1,353	1,375	1,564	- 189
1974	3,934	4,166	3,778	+ 388
1975	3,840	3,878	3,244	+ 634
1976 <sup>P</sup>	5,332	5,393	4,827	+ 566
1977 <sup>P</sup>	5,197	5,232	4,340	+ 891

Source: Quarterly Economic Report, Oct.-Dec. 1977;  
Central Statistical Office, Trinidad & Tobago;  
and data supplied CEPAL.

### CARICOM TRADE

The indications are that there continues to be change in the broad commodity pattern of trade between Trinidad & Tobago and her CARICOM partners. The preliminary data on Trade by SITC Sections in Table IX of the Statistical Appendix also show that trade with the CARICOM countries has continued to increase in importance. The value of Imports in 1977 rose by 3.8 per cent to \$130 million when compared with total imports in 1976, which represents 3.0 per cent of Trinidad & Tobago total imports. However, domestic exports to the area amounted to \$263 million, or 9.2 per cent lower than the 1976 figure. Domestic exports to CARICOM accounted for 5.1 per cent of Trinidad & Tobago Total Domestic Exports and 5.0 per cent of total exports. This resulted in a surplus trade balance with CARICOM of \$133 million, a decrease of 50 per cent when compared with the 1976 trade surplus. The slower growth in Trinidad exports to CARICOM countries during 1977 was influenced by import restrictions implemented by some CARICOM trading partners. It is well worth noting that with the exclusion of the Petroleum Sector, imports from the CARICOM countries amounted to \$130.0 million, while domestic exports stood at \$111 million during 1977.

The main sources of Trinidad & Tobago's imports were Jamaica 40.5 per cent, Guyana 28.4 per cent, and Barbados 17.7 per cent. Of total domestic Exports to the CARICOM bloc, Guyana absorbed 40.0 per cent, Barbados 17.0 per cent, Jamaica 16.0 per cent and Antigua 7.8 per cent.

The structure of Trinidad & Tobago imports from CARICOM countries shows that the largest commodity sections are Food and live animals 27.3 per cent, miscellaneous manufactures 23.3 per cent, manufactured goods classified by materials 17.8 per cent, and

chemicals 15.1 per cent. Imports of some basic items such as vegetable oils and fats, and beverages, have been decreasing in importance over the years.

Within the domestic exports to CARICOM partner countries, there is the continued dominance of mineral fuels, lubricants and related materials 57.8 per cent, and chemicals 11.3 per cent (mainly fertilizers). The remainder comprise manufactured goods classified by materials 9.8 per cent; food 9.0 per cent (the main food sub-group being cereals).

#### PRICES AND WAGES

The annual rate of increase as measured by the retail price index, has experienced an increase of 11.8 per cent during 1977, when compared with a rate of increase of 8.7 per cent between 1975 and 1976. This means that if the purchasing power of the Trinidad & Tobago dollar is taken as \$1.00 in 1975 (i.e. September 1975 = 100) this fell to .92¢ in 1976 and to .82¢ in 1977.

With respect to the individual items of the index during the year, significant increases occurred in transportation 20.1 per cent; education 23.6 per cent; housing (particularly maintenance) 16.1 per cent; Clothing 14.7 per cent; and meals out 17.7 per cent (See Table 5). Unlike the pattern of previous years, the large food group has exerted a restraining influence on price increases by a relatively moderate increase of 6.9 per cent. Partly responsible for this, is the result of government action in monitoring the prices of food items as well as subsidy payments over a wide range of foodstuffs. Unlike the pattern of previous years, relatively low rates of increase were registered for fuel and light 1.7 per cent and medical goods and services 7.9 per cent.

The substantial increases in education costs could be accounted for mainly by increases in examination fees (for GCE "O" levels) private tuition and stationery. Rising transportation costs could be mainly attributed to an increase in the cost of motor cars and replacement parts.

Table 5  
Index of Retail Prices  
 Section Indexes (September 1975 = 100)

	All Items	Food	Meals Out	Drink & Tobacco	Fuel & Light	Housing Total	Main ten- ance	Rent	House- hold supp- lies	Ser- vices	Clo- th- ing	Trans- porta- tion	Edu- ca- tion	Medical goods & Services
1975														
Sept.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1976														
Ann. Av.	108.7	105.9	111.5	111.6	101.6	105.9	128.0	103.2	109.9	106.6	109.8	109.2	114.3	133.4
1977														
	121.5	113.2	131.2	123.3	103.3	119.5	148.6	116.0	123.3	117.9	125.9	131.1	141.3	143.9
% Change														
1976 1975	8.7	5.9	11.5	11.6	1.6	5.9	28.0	3.2	9.9	6.6	9.8	9.2	14.3	33.4
1977 1976	11.8	6.9	17.7	10.5	1.7	12.8	16.1	12.4	12.2	10.6	14.7	20.1	23.6	7.9

Source: Quarterly Economic Report, October-December 1977,  
 Central Statistical Office and data supplied CEPAL.

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The increase of 19.5 per cent in the housing component of the index does not realistically reflect the extent of observed price movement. During 1977 the price of houses continued to soar, with the market price bearing no relationship to construction costs. However, during the last quarter of 1977, there appeared to be a slowing down of activity in the real estate market. Mainly responsible were the tightening-up of lending policies by the financial institutions as well as the relative decline in liquidity in the banking system.

There appears to be some relationship between changes in the domestic price level and changes in the money supply, real imports and GDP. In 1975 the money supply increased by 50.7 per cent, and GDP increased from 2.4 per cent to 5.9 per cent; real imports fell by 2.1 per cent. The result was an increase of 17.0 per cent in the level of domestic prices. In 1977 the money supply rose by 57.3 per cent, GDP at current prices by 16.4 per cent and real imports fell by 10 per cent. The result was an increase of 11.7 per cent in the level of domestic prices. The factor that appears to have exerted the strongest and most consistent influence on the level of domestic prices has been the level of import prices. In fact there has been a parallel movement between the two variables, as import prices rose between 1971-1974 from 4.5 per cent to 32.0 per cent. In 1975 and 1976, import prices grew at a declining rate (by 27.5 per cent and 22.0 per cent, respectively), again paralleling the movement in domestic prices.

It is apparent that there is some relationship between wage rates and domestic prices. In 1975, 1976 and 1977, rates of increase in prices were declining to 17.0 per cent, 8.7 per cent and 11.8 per cent respectively, while wages rose by 29.9 per cent, 19.8 per cent and 13.7 per cent respectively. It appears therefore, that the high rates of inflation in 1975-1976 were exerting their full influence on wages in 1975 and 1976, but levelling off in 1977.

Available data reveal that during 1973-1977, minimum wage rates for all industries increased by 95.6 per cent, with wage rates in building and construction rising by 142.2 per cent; sugar manufacturing

115.0 per cent; mining and refining of oil and gas 111.0 per cent; other manufacturing industries 97.9 per cent; central and local government 96.5 per cent.

The movement of nominal wages, adjusted for increases in the price level, reveals that although real wages on average increased by 10.5 per cent between 1975 and 1977, there was a significant absolute decline in 1974 and 1977.

A significant development in the area of wage settlement relates to the agreement concluded between the Public Service Association and the Government in mid-1977. Under this agreement, there has been a departure in time-frame from previous agreements, in that it is spread over four (4) years, a totally new phenomenon in Trinidad and Tobago. With the present state of negotiations and opposition to 4-year agreements by the major unions, 1978 could be a very interesting one as far as industrial relations and wage agreements are concerned.

Table 6

Selected Indicators of Price Movements

Year	Index of Retail Prices (Sept. '60 = 100)	Per cent Change	Index of Retail Prices of food (Sept. '60 = 100)	Per cent Change	Index of Minimum Wage Rates <sup>1/</sup> (Feb. '56 = 100)	Per cent Change	Index of Retail Prices of Bldg. Mat'ls. ( '68 = 100)	Per cent Change
1972	151.7	9.5	155.0	11.5	302.7	-	129.5	8.1
1973	174.2	14.8	184.4	19.0	334.3	10.4	149.9	15.9
1974	212.5	22.0	259.7	30.0	374.1	11.9	201.1	34.2
1975	248.6	17.7 <sup>r</sup>	280.5	16.9 <sup>r</sup>	485.8	29.9	250.6 <sup>r</sup>	25.6
1976	277.6 <sup>2/</sup>	10.3 <sup>r</sup>	300.4 <sup>2/</sup>	7.2 <sup>r</sup>	581.9	19.8	293.9	17.5
1977	310.2 <sup>2/</sup>	11.7	317.2	6.4	661.4	15.7	320.0	8.9

<sup>1/</sup> Data for average of May and November for manual workers, all industries.

<sup>2/</sup> The index from 1975 is not fully comparable with the indexes for earlier periods owing to the introduction of a new index system (base September 1975 = 100). The indexes are however linked at September 1975.

Source: Quarterly Economic Report, October-December 1977;  
Economic Indicators, October-December 1977;  
Central Statistical Office, Trinidad and Tobago,  
and data supplied CEPAL.





STATISTICAL APPENDIX

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TRINIDAD & TOBAGO

1977

TRINIDAD & TOBAGO

TABLE 1

GROSS DOMESTIC PRODUCT AT FACTOR COST: 1973-1977  
(Current prices: TT\$ Mill.)

Sectors	1973	1975 <sup>P</sup>	1976 <sup>P</sup>	1977 <sup>P</sup>
Export Agriculture	9.5	19.8	15.7	23.7
Domestic Agriculture	61.6	94.1	102.8	107.3
Sugar	51.3	117.6	135.1	93.1
Petroleum	704.7	2,349.4	2,674.3	3,601.5
Food, beverages & Footwear	62.2	102.1	115.8	161.0
Textile, garments & Footwear	19.7	22.3	25.9	28.7
Printing, Publishing & paper converters	19.0	33.9	34.8	45.4
Wood & related products	13.5	24.8	33.4	38.2
Chemicals & non-metallic minerals	33.6	42.6	56.5	63.4
Assembly type & Related Industries	63.1	96.1	134.9	209.9
Miscellaneous manufacture	11.2	17.4	19.5	21.5
Electricity & Water	47.9	58.5	64.7	76.3
Construction including Quarrying	175.8	277.9	412.1	502.5
Distribution Services & Restaurants	292.1	321.9	449.7	486.5
Hotel & Guest houses	14.0	19.9	25.9	33.4
Transport Storage & Communication	292.5	352.3	376.0	399.7
Finance, Insurance & Real Estate	200.4	447.1	535.2	694.4
Government	233.0	424.2	467.8	500.9
Education & culture & Community Services	75.5	129.9	157.6	186.7
Personal Services	85.3	127.1	137.5	150.4
TOTAL:	2,465.8	5,370.6	6,374.8	7,424.4

Source: The Gross Domestic Product of the Republic of Trinidad & Tobago 1966-1976, Central Statistical Office; and data supplied CEPAL.

TRINIDAD & TOBAGO

TABLE II

PERCENTAGE CONTRIBUTION OF SECTORS TO THE GROSS DOMESTIC  
PRODUCT (AT 1970 PRICES) 1966-77

Sector	1973	1975	1976	1977
Export Agriculture	0.5	0.4	0.4	...
Domestic Agriculture	2.5	1.8	1.7	...
Sugar	2.0	0.9	1.5	...
Petroleum	28.1	47.4	48.3	...
Manufacturing Sub-total (4-10) <sup>1/</sup>	9.0	7.0	7.4	...
Food, Beverages & Footwear	2.5	2.0	1.9	...
Textiles, Garments & Footwear	0.8	0.5	0.5	...
Printing, Publishing & Paper Converters	0.8	0.7	0.8	...
Wood & Related Products	0.6	0.5	0.6	...
Chemicals & Non-Metallic Minerals	1.3	1.9	0.8	...
Assembly type & Related Industries	2.6	2.0	2.5	...
Miscellaneous Manufacturing	0.4	0.4	0.3	...
Electricity & Water	2.0	1.5	1.5	...
Construction including Quarrying	7.2	5.4	4.7	...
Distribution Services & Restaurants	11.7	6.5	5.9	...
Hotels & Guest Houses	0.5	0.4	0.4	...
Transport Storage & Communications	12.6	8.0	7.5	...
Finance Insurance & Real Estate, etc.	8.0	9.0	8.9	...
Government	9.2	6.3	6.3	...
Education & Culture & Community Services	3.0	2.6	2.8	...
Personal Services	3.7	2.8	2.8	...
<b>TOTAL:</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>...</b>

<sup>1/</sup> Refers to the Industrial Classification utilized - The TSNA classification (See GDP of Trinidad & Tobago, 1966-1976).

Source: The Gross Domestic Product of the Republic of Trinidad & Tobago 1966-1976, Central Statistical Office.

TRINIDAD & TOBAGO

TABLE III

PRODUCTION OF SELECTED AGRICULTURAL COMMODITIES

Commodities	Units	1973	1975 <sup>P</sup>	1976	1977 <sup>P</sup>
Sugar cane	'000 tons	1,974	1,709	2,229	1,986
Cocoa Beans <sup>1/</sup>	'000 lbs	6,971	11,552	7,163	7,374.2
Coffee Beans <sup>1/</sup>	'000 lbs	5,989	8,871	5,888	6,434.2
Citrus Fruits (whole) <sup>1/</sup>					
Oranges	'000 lbs	1,226	5,918	13,749	1,641
Grapefruits	'000 lbs	7,204	13,813	19,356	5,888
Citrus (juices)	'000 gals	313	769	1,425	626.4*
Meat					
Beef & Veal	'000 lbs	3,444	2,707	2,858	2,892.6
Pork	'000 lbs	5,335	3,463	5,252 r	5,765.2
Mutton	'000 lbs	107	117	172	158.3
Poultry <sup>2/</sup>	'000 lbs	40,068	59,611	59,725	72,818
Fish <sup>3/</sup>	'000 lbs	6,744	6,641	6,011	6,973.1
Eggs <sup>4/</sup>	'000 doz	3,938	4,068	3,902	4,996.7
Milk <sup>5/</sup>	'000 gals	1,592	1,703 <sup>r</sup>	1,390	1,290.8
Tobacco <sup>6/</sup>	'000 lbs	732	630 <sup>r</sup>	525.8	193.0
Copra <sup>7/</sup>	tons	11,614	8,767	8,963	9,100**

- 1/ Deliveries to principal exporters.  
 3/ Fish delivered to principal markets.  
 5/ Principal producers only.  
 7/ Deliveries to manufacturers of Copra products: Source - Ministry of Industry & Commerce.

- 2/ Live weight of poultry (broilers).  
 4/ Data shown represent commercial production.  
 6/ Figure represents "Flue-Cured" tobacco purchased by West Indian Tobacco Co. Ltd. from contract farmers.

Source: Quarterly Economic Report, Oct.-Dec. 1977, Quarterly Agricultural Report, Oct.-Dec. 1977, Central Statistical Office, Trinidad & Tobago and data supplied CEPAL.

TRINIDAD & TOBAGO

TABLE IV

OUTPUT OF SELECTED INDUSTRIAL PRODUCTS: 1973-1977

Products	Units	1973	1975 <sup>P</sup>	1976 <sup>P</sup>	1977 <sup>P</sup>
Sugar	'000 tons	181.1	160.0	200.4	173.2
Rum	'000 per gal.	2,443.7	3,837.3	4,098.9	4,225.9
Beer & Stout	'000 liq. "	5,230	5,420	6,637	6,694
Tobacco & Cigarettes	'000 lbs.	2,009.8	2,098.7	2,272.8	2,413.5
Edible Oil	'000 gals.	2,044.9	1,791.7	1,863.9	1,509.5
Margarine, Lard & Butter substitute	'000 lbs.	14,050.3	15,260.2 <sup>F</sup>	16,745.4	14,988.2
Soap	'000 lbs.	13,134.9	14,081.8	13,344.0	9,092.6
Cement	'000 tons	249.1	254.9	237.7	214.7
Bricks & Blocks	'000	25,774	20,101	20,877	25,655.3
Fertilizers	'000 short tons	459	381.4	372.6	358.1
Assembly Industries (nes)					
Motor Vehicles	No.	8,982	8,000	11,562	14,320
Radios & TV's	No.	33,528	27,160	30,393	28,532
Gas Cookers	No.	15,351	14,994	18,574	27,071
Refrigerators	No.	20,718	24,139	27,838	22,960

Source: Quarterly Economic Report, Oct-Dec 1977, Central Statistical Office, Trinidad; Statistical Digest, Vol. XI, Number 4, April 1978, Central Bank of Trinidad & Tobago; Review of the Economy, 1977, Ministry of Finance and data supplied CEPAL.

TRINIDAD & TOBAGO

TABLE V

DISTRIBUTION OF IMPORTS BY SITC SECTIONS  
(TT\$ Mill.)

SITC Sections	1974	1975	1976 <sup>P</sup>	1977 <sup>P</sup>
0 Food	250.3	284.9 <sup>F</sup>	319.6	365.7
1 Beverages & Tobacco	12.6	17.5	22.4	34.0
2 Crude Materials, inedible except fuels	25.0	27.3	49.4	71.2
3 Mineral fuels, lubricants and related materials	2,716.4	1,640.2	2,763.4	2,066.3
4 Animal & Vegetable oils & Fats	23.0	20.3	21.4	27.2
5 Chemicals	116.5	150.0	182.7	212.9
6 Manufactured goods classified chiefly by materials	312.9	456.5	482.7	572.9
7 Machinery & transport equipment	240.3	534.7	829.1	806.4
8 Miscellaneous manufactures articles	75.6	103.6	150.3	174.4
9 Miscellaneous transactions & commodities, n.e.s.	5.2	8.6	5.9	9.4
TOTAL:	3,777.8	3,243.6 <sup>F</sup>	4,826.9	4,340.4

Source: Quarterly Economic Report, Oct-Dec 1977, Central Statistical Office,  
Trinidad; and data supplied CEPAL.

TRINIDAD & TOBAGO

TABLE VI

DISTRIBUTION OF EXPORTS BY SITC SECTIONS  
(TT\$ Mill.)

SITC Sections	1974	1975	1976 <sup>P</sup>	1977 <sup>P</sup>
0 Food	158.8	232.1	190.2	163.6
1 Beverages & Tobacco	12.3	15.6	17.1	16.4
2 Crude Materials, inedible except fuels	9.4	7.8	7.4	5.0
3 Mineral fuels, lubricants and related materials	3,759.5	3,376.3	4,890.9	4,792.7
4 Animal & Vegetable oils & fats	0.1	0.4	1.6	1.1
5 Chemicals	140.9	136.9	151.6	153.1
6 Manufactured goods classified chiefly by materials	28.3	35.9	35.4	34.3
7 Machinery & Transport equipment	19.4	28.0	54.9	26.7
8 Miscellaneous manufactured articles	34.0	41.6	40.9	34.7
9 Miscellaneous transactions & commodities, n.e.s.	3.6	3.8	3.4	4.1
<b>TOTAL:</b>	4,166.3	3,878.4	5,393.4	5,231.5

Source: Quarterly Economic Report, Oct-Dec 1977, Central Statistical Office,  
Trinidad; and data supplied CEPAL.

TRINIDAD & TOBAGO

TABLE VII

DIRECTION OF EXTERNAL TRADE  
(TT\$ Mill.)

	1973	1975	1976 <sup>D</sup>	1977 <sup>D</sup>
<u>E X P O R T S (FOB)</u>				
United Kingdom	64.1	148.4	248.9	102.7
U.S.A.	722.7	2,574.6	3,561.5 r	3,674.4
Canada	21.8	44.9	41.8	56.4
European Economic Community 1/	29.3 r	98.4	197.2 r	139.4
European Free Trade Association	86.0 r	9.7 r	15.6 r	11.2
CARICOM	150.7	335.6 r	393.6	349.9
Latin America 2/	41.1	60.3	145.5 r	113.6
Others	345.8	605.4	755.1	783.9
<b>TOTAL:</b>	<b>1,375.3</b>	<b>3,878.4</b>	<b>5,393.5 r</b>	<b>5,231.5</b>
<u>I M P O R T S (CIF)</u>				
United Kingdom	176.1	285.8	365.7	456.8
U.S.A.	251.9	702.1	944.6 r	900.4
Canada	65.3	84.1	124.6	150.1
European Economic Community 1/	79.4 r	117.9 r	147.1 r	173.0
European Free Trade Association	15.2 r	39.8 r	34.9 r	38.3
CARICOM	40.2	91.4	131.8	138.8
Latin America 2/	216.2	60.0	161.2	118.6
Others	727.7	1,902.5	1,952.7	2,364.4
<b>TOTAL:</b>	<b>1,564.0 r</b>	<b>3,243.8</b>	<b>4,826.9</b>	<b>4,340.4</b>

1/ Excluding United Kingdom.

2/ Continental Latin America.

Source: Quarterly Economic Report, Oct-Dec 1977, Central Statistical Office, Trinidad & Tobago, and data supplied CEPAL.



TRINIDAD & TOBAGO

TABLE VIII

TRINIDAD & TOBAGO'S TRADE WITH CARICOM COUNTRIES  
(TT\$ Mill.)

Countries	I M P O R T S				E X P O R T S			
	1973	1975	1976 p	1977 p	1973	1975	1976 p	1977 p
TOTAL:	41.3	91.4	131.0	138.8	162.9	358.0	407.1	374.0
Jamaica	18.8	36.0	50.6	56.3	40.4 <sup>1</sup>	118.5	65.8	60.0
Guyana	10.1	35.9	44.7	39.4	49.4	120.4	169.0	149.6
Barbados	7.4	13.4	21.0	24.6	24.2	45.8	57.2	63.6
ECCM Countries	3.3	5.8 <sup>r</sup>	12.1 <sup>r</sup>	16.6	34.7	58.2 <sup>r</sup>	89.6	87.4
Others	0.5	0.9	2.7	2.9	14.2	15.1	25.5	13.4

Source: Quarterly Economic Report, Oct-Dec 1977, Central Statistical Office, Trinidad; and data supplied CEPAL.

TRINIDAD & TOBAGO

TABLE IX (a)

TRADE WITH CARICOM COUNTRIES IN ACCORDANCE WITH  
AREA OF ORIGIN CRITERIA: 1974-1977

Section	Values (\$'000)			
	1974	1975	1976	1977 p
	<u>I M P O R T S</u>			
0 Food & Live Animals	21,676.5	36,444.2	43,181.7	35,554.8
1 Beverages and Tobacco	3,820.4	5,113.1	4,800.9	6,231.0
2 Crude material inedible except fuels	334.7	584.4	1,258.7	1,918.3
3 Mineral fuels Lubricants and Related Materials	20.2	26.3	24.9	27.1
4 Animal & Vegetable Oils & Fats	631.9	554.3	867.4	767.3
5 Chemicals	9,482.0	14,158.4	18,011.0	19,630.2
6 Manufactured Goods Classified by Materials	9,179.0	13,271.8	21,172.4	23,160.9
7 Machinery & Transport Equipment	2,999.8	3,949.7	11,738.3	12,421.0
8 Miscellaneous Manufactured Articles	10,808.5	13,233.1	24,261.6	30,358.7
9 Miscellaneous Transactions & Commodities, n.e.s.	5.4	0.1	-	0.7
<b>TOTAL:</b>	<b>58,958.3</b>	<b>87,335.6</b>	<b>125,316.8</b>	<b>130,069.8</b>

Source: Quarterly Economic Report, Oct-Dec 1977; Central Statistical Office,  
Trinidad and data supplied CEPAL.

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TRINIDAD & TOBAGO

TABLE IX (a) (CONT'D)

TRADE WITH CARICOM COUNTRIES IN ACCORDANCE WITH  
AREA OF ORIGIN CRITERIA: 1974-1977

Section	Values (\$'000)			
	1974	1975 r	1976 r	1977 p
		<u>D O M E S T I C</u>		<u>E X P O R T S</u>
0 Food & Live Animals	20,855.2	29,512.4	31,482.6	23,781.7
1 Beverages & Tobacco	2,259.6	4,131.5	6,857.9	4,830.5
2 Crude Materials inedible except fuels	420.1	459.8	457.2	267.1
3 Mineral fuels Lubricants and Related Materials	127,299.0	99,163.5	149,593.0	152,387.9
4 Animal & Vegetable Oils & Fats	13.7	358.9	1,539.5	931.3
5 Chemicals	28,246.5	33,146.5	30,993.1	29,727.2
6 Manufactured Goods Classified by Materials	21,747.8	29,810.8	27,958.1	25,905.9
7 Machinery & Transport equipment	9,293.8	12,573.6	12,661.3	6,547.0
8 Miscellaneous Manufactured Articles	22,111.2	27,574.8	26,413.1	19,114.3
9 Miscellaneous Transactions & Commodities, n.e.s.	15.4	-	6.9	1.7
<b>TOTAL:</b>	<b>232,262.3</b>	<b>236,762.2</b>	<b>287,962.7</b>	<b>263,494.5</b>

Source: Quarterly Economic Report, Oct-Dec 1977; Central Statistical Office,  
Trinidad and data supplied CEPAL.

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TRINIDAD & TOBAGO

TABLE IX (b)

TRADE WITH CARICOM COUNTRIES IN ACCORDANCE WITH  
AREA OF ORIGIN CRITERIA: 1974-1977

Section	Percentage Shares			
	1974	1975	1976	1977
	I M P O R T S			
0 Food & Live Animals	36.8	41.6	34.5	27.3
1 Beverages & Tobacco	6.5	5.9	3.8	4.8
2 Crude Materials inedible except fuels	0.6	0.7	1.0	1.5
3 Mineral fuels Lubricants and Related Materials	0.03	0.03	0.02	0.002
4 Animal & Vegetable Oils & Fats	1.1	0.6	0.7	0.06
5 Chemicals	16.1	16.3	14.4	15.1
6 Manufactured Goods Classified by Materials	15.6	15.2	16.9	17.8
7 Machinery & Transport Equipment	5.1	4.5	9.4	9.5
8 Miscellaneous Manufactured Articles	18.3	15.2	19.4	23.3
9 Miscellaneous Transactions & Commodities, n.e.s.	0.01	-	-	-
TOTAL:	100.0	100.0	100.0	100.0

Source: Derived from Table IX (a).

TRINIDAD & TOBAGO

TABLE IX (b) (CONT D)

TRADE WITH CARICOM COUNTRIES IN ACCORDANCE WITH  
AREA OF ORIGIN CRITERIA: 1974-1977

Section	Percentage Shares			
	1974	1975	1976	1977
		D O M E S T I C		E X P O R T S
0 Food & Live Animals	9.0	12.5	10.9	9.0
1 Beverages & Tobacco	1.0	1.7	2.4	1.8
2 Crude Materials inedible except Fuels	0.1	0.2	0.2	0.001
3 Mineral fuels Lubricants and Related Materials	54.8	41.9	52.0	57.8
4 Animal & Vegetable Oils & Fats	0.0	0.2	0.6	0.003
5 Chemicals	12.2	14.0	10.7	11.3
6 Manufactured Goods Classified by Materials	9.4	12.6	9.7	9.8
7 Machinery & Transport Equipment	4.0	5.3	4.4	2.5
8 Miscellaneous Manufactured Articles	9.5	11.6	9.2	7.3
9 Miscellaneous Transactions & Commodities, n.e.s.	-	-	-	-
TOTAL:	100.0	100.0	100.0	100.0

Source: Derived from Table IX (a).

TRINIDAD & TOBAGO

TABLE X

VALUE OF BREAKDOWN OF SELECTED EXPORTS OF GOODS (FOB) AND  
PERCENTAGE CHANGE OVER THE PREVIOUS YEAR

	Millions of TT Dollars at Current Prices				Annual Percent Change		
	1973	1975	1976	1977 p	1975	1976	1977 p
<u>Main Export Products</u>							
<u>Agriculture:</u>							
Sugar 1/	44.4	166.3	116.9	83.2	55.2	- 30.0	- 28.9
Coffee beans	3.6	5.9	6.6	9.6	368.7	11.9	45.5
Cocoa beans	5.8	13.5	10.1	20.8	39.1	- 25.2	205.9
Citrus & citrus juice	0.9	2.4	3.6	1.9	32.2	50.0	- 47.3
<u>Industrial:</u>							
Rum	6.2	8.2	6.9	7.8	12.3	- 15.9	13.0
Natural Asphalt	3.9	4.2	4.4	3.1	- 9.1	4.8	- 29.6
Crude Petroleum 2/	263.9	1,439.1	1,820.2	2,055.8	41.8	26.5	12.9
Petroleum Products	856.5	1,925.8	3,063.9	2,730.9	- 24.0	59.1	- 10.9
Petrochemicals	21.9	45.3	64.1	67.2	- 30.2	41.5	4.8
Cement	4.9	4.8	1.3	0.0	9.0	- 73.0	- 97.7
Fertilizers & Ammonia	35.5	64.1	57.6	61.1	25.2	- 10.2	6.0
All Others	84.3	125.4	137.6	114.5	17.1	9.7	- 16.8
<b>TOTAL: Domestic Export</b>	<b>1,353.1</b>	<b>3,839.8</b>	<b>5,331.6</b>	<b>5,189.1</b>			

1/ Sugar refined and unrefined.

2/ Crude and partly refined.

- Means decrease.

Source: Quarterly Economic Report, Oct-Dec 1977, Central Statistical Office,  
Trinidad & Tobago and data supplied CEPAL.

TRINIDAD & TOBAGO

TABLE XI

VALUE OF BREAKDOWN OF SELECTED IMPORTS OF GOODS (CIF) AND  
PERCENTAGE CHANGE OVER THE PREVIOUS YEAR

	Millions of TT Dollars at Current Prices				Annual Percent Change		
	1973	1975	1976 r	1977 p	1975	1976 r	1977 p
<u>Consumer goods</u>							
Rice	12.7	31.5	30.9	32.6	- 9.0	- 2.0	5.5
Milk	17.9	29.2	23.1	35.6	19.2	-20.0	54.1
Meat & meat preparations	23.1	26.9	44.1	43.3	12.6	63.9	- 1.9
Unmilled wheat	16.4	47.2	50.3	34.5	40.1	6.6	-31.5
<u>Intermediate goods</u>							
Petroleum <sup>1/</sup>	793.7	1,628.6	2,740.7	2,047.8	-39.6	68.3	-25.3
Others <sup>2/</sup>	57.8	226.8	184.8	199.1	84.2	-18.6	10.1
<u>Capital Goods</u> <sup>3/</sup>							
All other products	399.9	735.2	975.9	1,099.3	42.9	32.7	12.6
TOTAL:	1,564.0	3,243.9	4,826.9	4,340.4			

1/ Crude and partly refined.

- Means decrease.

2/ Including Chemical materials and products, iron & steel pipes, plates & sheets.

3/ Includes mining, construction and other industrial machinery, electrical machinery, apparatus & appliances, road motor vehicles & parts knocked down & CDK for assembly.

Source: Quarterly Economic Report, Oct.-Dec. 1977, Central Statistical Office, Trinidad & Tobago and data supplied CEPAL.

TRINIDAD & TOBAGO

TABLE XII

TOTAL TRADE AND PETROLEUM TRADE UNDER PROCESSING AGREEMENT  
(TT\$ MILL.)

	IMPORTS				EXPORTS				Net Exports Minus Net Imports (9)
	Total (1)	Petroleum Under Processing Agreement (2)	% (2) (1) (3)	Net (4)	Total (5)	Petroleum Under Processing Agreement (6)	% (6) (5) (7)	Net (8)	
1969	968.5	486.5	49.8	482.0	950.3	446.9	47.0	503.4	+ 21.4
1970	1,087.0	529.9	48.7	557.1	963.3	476.1	49.4	487.2	- 69.9
1971	1,329.3	624.5	47.0	704.8	1,041.6	573.0	55.0	468.6	- 236.2
1972	1,471.1	666.6	45.3	804.5	1,071.5	546.5	51.0	525.0	- 279.5
1973	1,556.8	761.7	48.9	791.5	1,375.3	683.6	49.7	691.7	- 103.4
1974	3,777.8	2,688.8	71.2	1,089.0	4,166.3	2,398.3	57.6	1,768.0	+ 679.0
1975	3,243.8	1,628.6	50.2	1,615.2	3,878.4	1,697.8	43.8	2,180.6	+ 565.4
1976 <sup>D</sup>	4,826.9	2,789.5	57.8	2,037.4	5,393.4	2,751.8	51.0	2,641.6	+ 543.9
1977 <sup>D</sup>	4,340.4	2,016.0	46.4	2,324.4	5,231.5	2,340.0	44.7	2,891.5	+ 567.1

Source: Overseas Trade Report (several issues); Bi-monthly Overseas Trade Report, Vol. 27, No.4, August 1977. Central Statistical Office, Trinidad & Tobago and data supplied CEPAL.



TRINIDAD & TOBAGO

TABLE XIV

NATIONAL PUBLIC DEBT  
(TT\$ Mill.)

	1973	1975 <sup>1/</sup>	1976	1977 <sup>e</sup>
Total Debt	625.0	636.1	613.5 <sup>r</sup>	1,094.2
Internal	370.0	413.6	484.6	601.8
External	255.7	222.5	128.9	492.4
Total Debt charges	59.1	100.9	157.5 <sup>r</sup>	81.4
Public Debt charges (Capital)	16.2	35.5	95.1 <sup>r</sup>	17.3
Public Debt charges (Recurrent)	42.9	65.4	62.4 <sup>r</sup>	64.1

*see table xvii p 43  
for slight inconsistency.*

<sup>1/</sup> Data relate to revised estimates.

Source: Estimates of Expenditure for the year 1976 and 1977, Government Printery, Trinidad & Tobago; Review of the Economy, 1977, Ministry of Finance, Trinidad & Tobago.

TRINIDAD & TOBAGO

TABLE XV

GOVERNMENT REVENUE  
(TT\$ Mill.)

	1975 <sup>r</sup>	1976 <sup>r</sup>	1977 <sup>e</sup>
<u>RECURRENT REVENUE</u>			
Customs and Excise	134.2	186.4	227.0
Income Tax <sup>1/</sup>	1,182.3	1,374.4	1,771.5
Companies	(1,025.8)	1,153.2	1,499.9
Individuals	( 141.5)	202.7	251.7
Royalty on Oil	179.4	225.7	262.3
Purchase tax	49.6	61.0	54.5
Total Recurrent	1,686.5	2,125.0	2,639.0
Capital Revenue	82.5	89.9	464.5
<b>TOTAL REVENUE:</b>	<b>1,769.0</b>	<b>2,214.9</b>	<b>3,103.5</b>

<sup>1/</sup> Data include other royalties.

Source: Budget Speech, 1977, Ministry of Finance, Trinidad & Tobago;  
Review of Fiscal Measures in the 1977 Budget, Ministry of  
Finance.



TRINIDAD & TOBAGO

TABLE XVI

GOVERNMENT EXPENDITURE  
(TT\$ Mill.)

	1975 <sup>1/</sup>	1976 <sup>r</sup>	1977 <sup>e</sup>
TOTAL EXPENDITURE	1,681.5	2,058.4	2,431.4
Capital	1,008.5	1,210.5	1,382.8
Recurrent	760.3	893.3	1,048.5
Of which:			
General Services	215.6	219.1	263.8
Community Services	43.5	51.7	56.8
Social Services	284.7	384.6	425.0
Education	(129.9)	(179.4)	204.6
Health	(81.4)	(104.7)	111.9
Housing	(3.4)	(3.8)	7.2
Economic Services	109.5	147.6	160.5
Agriculture	(37.5)	(44.6)	52.6
Transport, storage and Communication	(20.2)	(27.1)	29.1
Unallocated expenditure	126.9	149.1	142.5
Public Debt Charges	(62.1)	(60.8)	61.7
Local authorities	(61.5)	(80.2)	76.5

<sup>1/</sup> Data relate to actual estimates.

Source: Estimates of Expenditure, for the year  
1975, 1976 and 1977. Government  
Printery, Trinidad & Tobago.

TRINIDAD & TOBAGO

TABLE XVII

CAPITAL EXPENDITURE  
(TT\$ Mill.)

	1975 <sup>1/</sup>	1976 <sup>1/</sup>	1977 <sup>e</sup>
TOTAL CAPITAL EXPENDITURE:	1,008.5	1,072.1	1,382.8
Of which:			
Capital Development programme	216.0	375.4	376.0
Works <sup>2/</sup>	56.6	58.7	93.8
Agriculture, Forestry and Fishing	24.1	30.9	44.7
Education, culture & Community Development	31.7	12.7	23.1
Water	13.9	5.6	-
Housing	13.7	6.7	-
Health	10.9	12.2	18.9
Urban & Rural Development	1.5	2.1	-
Funds for long-term projects	701.6	518.1	890.1
Public Debt charges	35.5	95.1	17.3

1/ Data relate to revised estimates.

2/ Include expenditure on roads, highways, bridges, buildings, equipment, drainage and irrigation.

Source: Estimates of Expenditure for the year 1975, 1976 and 1977; Government Printery, Trinidad & Tobago.

TRINIDAD & TOBAGO  
TABLE XVIII  
SELECTED MONETARY STATISTICS  
(TT\$ Mill.)

Description	1974	1975	1976	1977 <sup>P</sup>
<u>MONEY SUPPLY</u>	321.8	484.9	669.8	919.9
Of which:				
Demand deposit <sup>1/</sup> (adj)	223.4	346.7	492.6	684.4
Currency in active circulation	98.4	138.2	177.2	235.9
<u>DEPOSITS</u>	1,040.4	1,467.7	1,806.6	2,454.4
Demand <sup>1/</sup> (adj)	223.4	346.7	492.6	684.4
Time <sup>1/</sup> (adj)	478.3	649.1	636.9	848.6
Savings (adj)	338.7	471.9	677.1	921.4
<u>LOANS &amp; ADVANCES OF COMMERCIAL BANKS<sup>2/</sup></u>	712.3	927.2	1,186.2	1,670.7
Of which:				
Manufacturing <sup>3/</sup>	130.2	148.7	182.1	324.5
Construction	21.0	32.6	84.8	68.6
Agriculture & related activities <sup>4/</sup>	19.3	21.5	27.2	38.2
Mining & refining of petroleum & Gas	12.0	27.2	46.4	26.8
Transport, Storage & Communication	15.0	21.7	21.9	39.9
Distributive Trades	110.5	122.2	137.5	249.8
Individuals	237.4	376.2	554.2	752.0

<sup>1/</sup> Excludes Central Government.

<sup>2/</sup> Amount outstanding at end of period shown for all Sectors.

<sup>3/</sup> Asphalt mining and processing included in manufacturing.

<sup>4/</sup> Including agricultural credit and Co-operative Societies.

Source: Statistical Digest, Central Bank of T'dad. & Tobago, Vol.XI No.4 April 1978 and data supplied CEPAL. The source was formerly The Central Statistical Office's Quarterly Economic Report.

TRINIDAD & TOBAGO

TABLE XIII

BALANCE OF PAYMENTS: 1973-1977<sup>P</sup>  
(TT\$ Mill.)

	1973	1974	1975	1976	1977 <sup>P</sup>
<b><u>CURRENT ACCOUNT</u></b>					
(i) <b><u>GOODS AND SERVICES:</u></b>					
Exports f.o.b. <sup>1/</sup>	652.9	1905.6	2557.5	3021.3	3453.4
Imports c.i.f. <sup>2/</sup>	797.1	1084.2	1607.7	2101.0	2390.2
Balance of Visible Trade	<u>-144.2</u>	<u>821.4</u>	<u>949.8</u>	<u>920.3</u>	<u>1063.2</u>
<b><u>SERVICES:</u></b>					
Transportation <sup>3/</sup>	70.4	107.2	118.9	123.0	144.1
Foreign Travel	33.4	59.0	90.6	94.2	74.6
Investment Income	-170.6	-575.9	-588.8	-700.1	-756.7
Other Services	121.4	28.8	61.3	80.9	50.7
Balance on Services	54.6	-380.9	-318.0	-402.0	-487.3
(ii) <b><u>TRANSFER PAYMENTS (NET)</u></b>	<u>- 18.8</u>	<u>- 35.2</u>	<u>- 45.9</u>	<u>- 73.1</u>	<u>- 73.0</u>
Private	- 4.3	- 15.5	- 24.4	- 26.1	- 30.3
Official	- 14.5	- 19.7	- 21.5	- 47.0	- 42.7
<b><u>CAPITAL ACCOUNT</u></b>					
(iii) Capital Inflows (Net)	120.2	142.0	354.7	- 35.0	633.8
Private Sector (Net)	62.1	259.9	409.2	231.1	305.6
Public Sector (Net)	58.1	-117.9	- 54.5	-266.1	328.2
(iv) <b><u>NET ERRORS &amp; OMISSIONS</u></b>	<u>- 42.4</u>	<u>35.4</u>	<u>23.1</u>	<u>- 8.5</u>	<u>62.6</u>
(v) <b><u>SURPLUS OR DEFICIT (-)</u></b>	<u>- 30.6</u>	<u>582.7</u>	<u>963.7</u>	<u>401.7</u>	<u>1199.3</u>
<b><u>FINANCING THE DEFICIT</u></b>					
(vi) Net Foreign Reserve movement (- increase)	30.6	-582.7	-963.7	-401.7	-1199.3

<sup>1/</sup> Adjustments in "Overseas Trade" exports comprise addition of coverage adjustment and subtraction of ship stores and bunkers.

<sup>2/</sup> Adjustments in "Overseas Trade" imports comprise addition of coverage adjustment and subtraction of freight paid to resident carriers.

<sup>3/</sup> Includes freight.

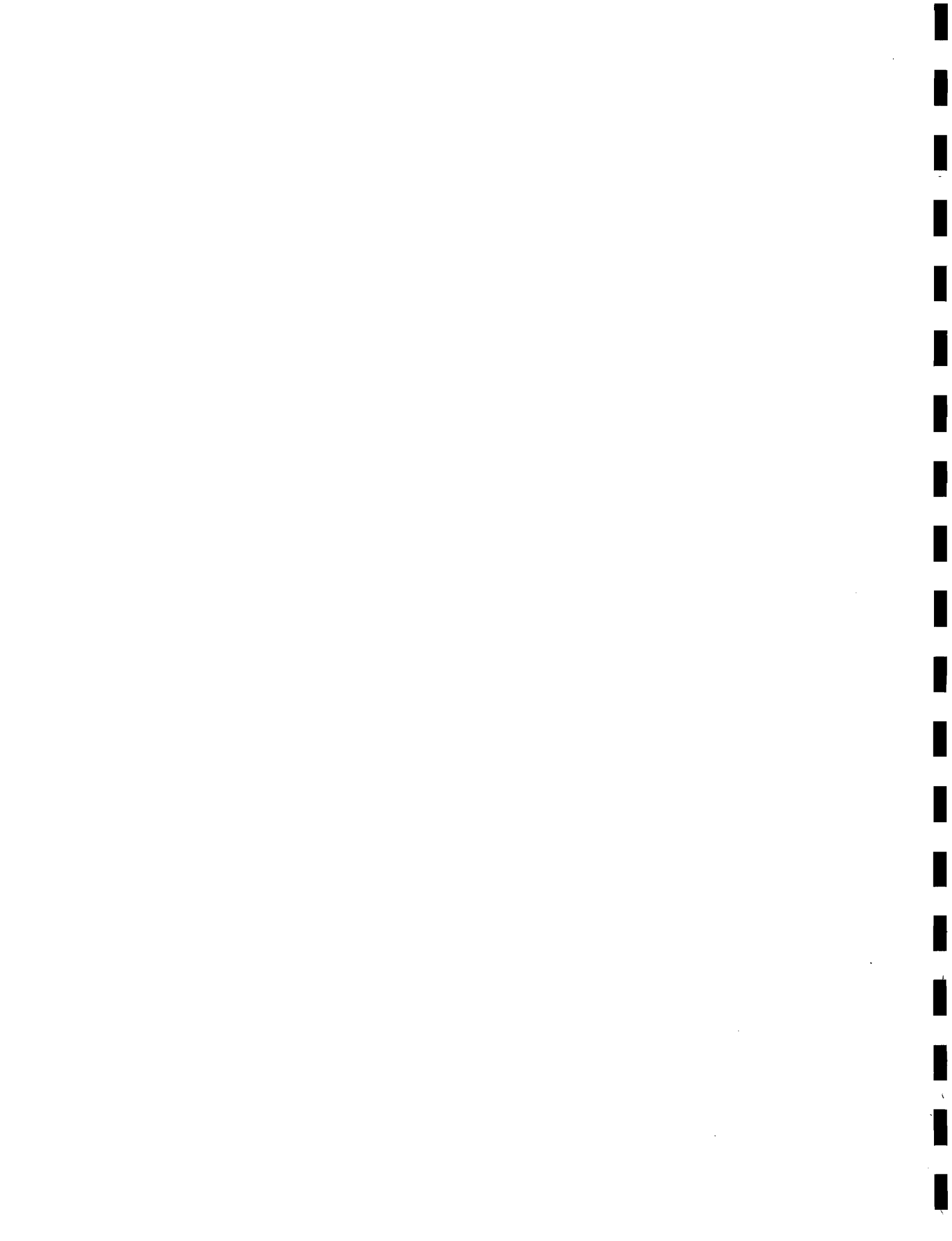
Source: Data supplied CEPAL by Central Statistical Office, Trinidad and Tobago.

PART X

WEST INDIES ASSOCIATED STATES

COUNTRY NOTES





## ECONOMIC SURVEY 1977

### WEST INDIES ASSOCIATED STATES

(East Caribbean dollars used throughout)<sup>1</sup>

#### GENERAL DEVELOPMENTS

Economic activity in the West Indies Associated States appeared to have expanded during 1977, but in comparison with the previous five years, the rate of growth was considerably reduced. However, the recovery, though relatively slow in 1977, was very important for the economies following the acute effects of the rapid price inflation of the 1973-1974 period. Significantly, there was a slow-down in the growth rate of consumer retail price indexes for three countries and an acceleration in the other countries.

Aggregated GDP in current value terms was provisionally estimated at \$537 million, reflecting an 8 per cent growth in 1977, as against nearly 18 per cent in 1976. The 1974-1976 momentum in the agricultural sector, one of the major determinants of the level of activity, was not sustained through 1977. In fact, volume of output and exports of some principal commodities were lower in 1977 than in 1976, sugar being a notable exception. On the other hand, export prices for most of the principal agricultural commodities, were generally higher than in the previous year.

GDP generated in the Government sector was estimated at 9 per cent above the 1976 figure. There was evidence of a sharp upturn in manufacturing activities, with the coming on-stream of additional manufacturing plants. Construction activity expanded in some States, while the distributive trades sector increased overall.

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<sup>1</sup>/ Since July 1976 the EC dollar has a fixed parity with the US dollar namely, US\$1.00 = EC\$2.70.

The preliminary data reflect an expansion in the external sector during 1977, with total trade estimated at \$680 million, 17 per cent above the 1976 level.<sup>1/</sup> Imports went up by an estimated 20-22 per cent, and exports by approximately 10 per cent. In addition, there was an estimated 8-10 per cent increase of tourist visitors above the 177 thousand in 1976. The gross earnings from tourism projected to increase by 20 per cent, made a sizeable contribution to invisible earnings during 1977.

At year end 1977 the money supply<sup>2/</sup> was \$112 million, a 16.3 per cent rise (contrasted to a 27.2 per cent increase in 1976); demand deposits influenced this slower rate of increase. On the other hand, time deposits decreased again as in the previous year. There was, however, a noted 20 per cent increase in Commercial Banks' loans and advances outstanding compared with a 12.5 per cent increase in 1976. In general the Commercial banks were in a somewhat less liquid position at year end 1977 than a year earlier.

#### Agriculture

Agriculture, taken collectively for the WISA countries, suffered a slight setback during 1977. Preliminary data indicated an overall decline of about 2-3 per cent in the aggregated estimates of agriculture GDP in current value terms, from the estimated figure of EC\$118 million for 1976. The percentage contribution of agriculture to the total GDP was also lower, about 21 per cent, compared with 24 per cent in the previous year.

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<sup>1/</sup> The revised data on total trade for 1976 was about 2 per cent below the 1975 level largely on account of a substantial reduction in imports into Antigua, that was not offset by the increase in imports into the other States.

<sup>2/</sup> That is the narrowly defined Money supply (M1).

The setback was attributable mainly to lower output in "export" agriculture, although "domestic" agriculture in a few countries also performed badly. Output of bananas fell by almost 6 per cent in 1977 as against a 29 per cent rise during 1976. Only in St. Vincent did banana output increase during 1977. The lower production led to declines in the volume of exports in all three major producing countries (9 per cent in Dominica and St. Lucia and 15 per cent in St. Vincent). However, the banana industry continued to dominate the "export" agriculture sub-sector and notwithstanding the problems of adverse weather conditions, higher costs of fertilizers and shortage of agricultural labour, farmers are gradually increasing their acreage under banana cultivation particularly in St. Lucia.

Provisional data showed that there was a further 10 per cent expansion in production of sugar-cane in St. Kitts-Nevis-Anguilla during 1977 to 352 thousand tons. Available aggregated data on copra output for Dominica, St. Kitts-Nevis-Anguilla and St. Lucia indicated a 13 per cent rise. On the other hand, production of citrus, cocoa beans, nutmegs, mace and cotton declined. Total cotton production in 1977 for Antigua and St. Kitts-Nevis-Anguilla was 13 per cent below the production level of 1976.

Preliminary country data on "domestic" agriculture revealed a mixed performance in 1977. Overall, production of vegetables and rootcrops were estimated to be below the level of 1976. Some important rootcrops such as sweet potatoes, ginger, arrowroot and carrots were seriously affected by drought. In addition, farmers were faced with the inadequacy of guaranteed marketing outlets for a number of these items.<sup>1/</sup>

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<sup>1/</sup> It is not an unusual practice for farmers to allow their produce to remain in the fields rather than harvesting and causing a temporary glut.

The drive towards agricultural diversification has shown success in some countries. During the year St. Vincent and Antigua were in the process of resuscitating the sugar industry with a view to satisfying some portion of local demand. In St. Vincent, roughly 59 acres of nursery materials were planted in the latter part of 1976 and early 1977 and negotiations to purchase a sugar mill from a CARICOM country have started. Cotton and onion cultivation was re-introduced recently into St. Vincent. In Dominica the recent thrust has been directed mostly to rootcrops and vegetables some of which are exported to the Virgin Islands and neighbouring French territories.

Firm data on the livestock sub-sector were not available for 1977; however, output was estimated to have been higher than in 1976.

Commodity export prices were generally higher during 1977 as indicated by higher average export unit values for bananas, cocoa beans, citrus, nutmegs and mace, copra, arrowroot, ginger and sweet potatoes.

### Manufacturing

Manufacturing activity in the Associated States is relatively small. During 1973 and 1974 this sector contributed 4.9 per cent and 4.4 per cent, respectively to the aggregated GDP. Since then there have been consistent attempts at widening the base of the sector, so that presently manufacturing contributes approximately 6 per cent.

With implementation of a few of the numerous manufacturing projects contemplated, new products now reaching the CARICOM and extra-regional markets include: flour, wheat middling and pork products from St. Vincent; and footwear, garments and television sets from St. Kitts-Nevis-Anguilla. These have had a significant influence on the uptrend in exports, for example, St. Lucia's exports of manufactured and processed goods grew from \$8.8 million

in 1974 to an estimated figure of over \$24 million in 1977; more than 40 per cent of that country's total exports.

Additional manufacturing sector expansion projects were in various stages of completion. For St. Lucia's petroleum refinery scheduled to be completed in 1980-1981, construction of an oil tank farm began during the year. Other projects under construction there during 1977 include a flour mill, a margarine and lard processing factory to come on stream commercially in 1978, and a plant for manufacture of fibre glass products.

In St. Vincent a box-plant to produce packaging materials for the domestic and CARICOM markets is scheduled to be completed in July 1978; and construction of a plant for fabricating fibre glass products with emphasis on boat-building, began during 1977.

#### Government sector

Projected estimates of aggregated Government sector GDP in current values put the figure at approximately \$100 million for 1977. This represented a rate of expansion of about 9 per cent compared with an estimated increase of 12 per cent in the previous year. During the period 1975 to 1977 the sector's share of total GDP averaged 19 per cent. Government sector activity continued to be important for generating employment and providing basic infrastructural needs and social services. But the necessary thrust for a higher rate of expansion has been limited by the inability to increase Government revenue, rapidly enough.<sup>1/</sup>

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<sup>1/</sup> Tables IV and V in the Statistical Appendix detail the levels of Government receipts and expenditure. Most of the data shown for 1976 and 1977 are budget estimates and/or revised estimates; when actual data become available, the levels of both estimated revenue and expenditure are invariably revised. Indications are that the capital expenditure figures shown for 1976 and 1977 in particular would be substantially reduced.

Recurrent revenue grew by just over 11 per cent to reach \$165 million in 1977, as contrasted with rates of increase in the two previous years of 14.1 and 15.5 per cent, respectively. Lower rates of growth in consumption taxes, miscellaneous taxes, fees and licences, and import duties contributed to the 1977 situation. At the same time, however, there has been a notable shift in the structure of revenue in the last four years. Whereas import duties comprised 24 per cent of recurrent revenue in 1974, by 1977 this item accounted for just over 19 per cent; consumption duties accounted for 11.7 per cent and 16 per cent, respectively in those two years; and income tax for 20.7 per cent and 26 per cent. In fact taxes from income rose by more than 30 per cent in 1977 as against an increase of 3.5 per cent during 1976.

Table 1  
Percentage Distribution of Aggregated Government  
Recurrent Revenue - WISA Countries

	1974 (%)	1975 <sup>r</sup> (%)	1976 <sup>r</sup> (%)	1977 <sup>e</sup> (%)
Import duties	23.9	19.6	19.6	19.0
Export duties	0.7	0.5	0.6	1.0
Consumption taxes	11.7	13.6	15.1	16.0
Income tax	20.7	23.6	21.5	26.0
Other taxes, fees, licences, etc.	35.4	35.7	36.2	34.0
Grants-in-aid	7.6	7.0	7.1	4.0
<b>Total:</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Calculated from Government Budget Estimates of the Six States; and data supplied CEPAL.

During 1977 aggregated recurrent expenditure was estimated at about \$187 million, an increase of some 15 per cent. While this rate represents a slackening from the 20.6 per cent increase in the previous year, the result was an increase in the aggregated deficit on recurrent budgetary account. After decreasing to only \$6.3 million in 1975 from \$12 million in 1974, recurrent deficit rose to \$16.7 million in 1976 and a further rise amounting to \$21.9 million is projected for 1977.

With deficits on the current budget, financing of capital development programmes for the Associated States has depended very much on external donor countries. Preliminary estimates of aggregated expenditure on the capital programmes were put at \$64 million in 1976 and \$94 million for 1977.

Table 2  
Trends in Governments Recurrent  
Revenue and Expenditure  
(EC\$ Mill.)

	Recurrent Revenue	Recurrent Expenditure	Deficit
1977	165	187	22
1976	148	165	17
1975	131	137	6
1974	114	127	13
1973	95	117	22

Source: See Tables IV and V of the Statistical Appendix.



### Tourism

With a measure of improvement in tourist facilities in some countries and an improved economic situation in major developed countries, the performance of the tourism sector showed an overall expansion in 1977. Preliminary estimates of the total number of tourist visitors reflected an 8-10 per cent rise over the previous year, the uptrend being evident in all but one country.

Antigua which is the main tourist centre, made a strong recovery during 1977 with a 19.5 per cent growth in the number of visitors. This resurgence enabled the country once more to account for over 36 per cent of the total number of visitors to the WISA region after its share had declined from 36 per cent in 1975 to 32 per cent in 1976.

But the most rapid growth occurred in Dominica where a 32.5 per cent rise in 1977 as against 11.8 per cent in 1976 was observed. Dominica's share of total visitors increased from 9.5 per cent in 1976 to 12 per cent in 1977. Other increases during 1977 were 11 per cent in Montserrat compared with a 7 per cent decline in the previous year, and an 8 per cent growth in St. Vincent.

Available 1977 data on cruise passengers for Antigua, St. Vincent and Montserrat also showed strong increases. When full-year data for the remaining countries become available, these too, are expected to exceed the level of 1976. Day tours increased in popularity in Dominica, St. Kitts and St. Lucia, and yachting continued to gain in importance in St. Vincent during 1977.

There was a combination of reactivation and expansion of tourist accommodation and other facilities; for example, hotels which had been closed in Dominica and St. Kitts re-opened in mid-1977; and in St. Kitts and St. Lucia some additional hotel construction was completed in 1977. Partial data for 1977 showed a 2.4 per cent increase in the number of available beds

over the full-year figure for 1976, the increase being attributable mainly to Dominica and St. Kitts. In addition airport terminal facilities improved appreciably in both St. Lucia and St. Vincent, and similar major improvement is underway in Dominica.

Though firm data on average length of stay per visitor and hotel occupancy rates are not available for all the countries, rough indicators suggest an overall increase in length of stay and occupancy rates for 1977; for example, average length of stay for tourist visitors to St. Vincent rose from 8 days in 1976 to 9 days in 1977.

Data on tourist expenditure were available only for the first eight months for St. Lucia; however aggregated tourism earnings for the full-year 1977 was estimated to rise above the \$31.6 million of 1976.

#### Other Sectors

Among the remaining sectors construction and distribution activity were estimated to show the largest increases. There was evidence of growth during 1977 in construction activity, particularly deriving from these capital development programmes which are generally dependent on the availability of financing from donor countries. Mention has been made of improvements to airport terminal buildings in Dominica, St. Vincent and St. Lucia which were only part of the public construction activity. There was only moderate advancement in private construction. As regards distribution, its contribution to the aggregated GDP is estimated to have grown 15 to 20 per cent.

The rate of growth in commercial banks' deposits slackened to 5 per cent in 1977 as compared with a growth of 15.9 per cent in 1976.<sup>1/</sup> However, loans and advances grew by 20 per cent to

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<sup>1/</sup> Financial statistics are shown in Table VII in the Statistical Appendix.

\$377 million registering a faster rate of increase than the 12.5 per cent achieved during 1976. It must be noted that loans to the agriculture sector declined by 33 per cent, while loans to manufacturing, tourism and distributive trade expanded. Despite the apparent increase in construction activities loans to this sector declined continuing a trend begun in 1975.

The different behaviour patterns of deposits and loans and advances contributed largely to a decline in the liquidity position of commercial banks thus reflecting the less vibrant economic situation in 1977. For the greater part of the year liquid assets, notably cash balances, were declining. In this connection it should also be noted that time deposits declined by about 15 per cent, the second consecutive annual decline, while earnings and demand deposits continued to increase fairly rapidly.

### Prices

Preliminary 1977 data on consumer retail prices in the Associated States indicate that prices rose everywhere but at widely differing rates. Increases of around 9 per cent were recorded for Dominica and St. Lucia while the rate of increase was nearly 18 per cent in Montserrat and St. Kitts.<sup>1/</sup> The rate of price increases in Dominica, St. Lucia and St. Vincent during 1977 reflect a considerable abatement from the double-digit levels of 1973 and 1974.

The slowing of price increases in these countries was due to a combination of some measure of price control, lower rates of imported inflation, and greater reliance on indigenous goods. On the other hand, the higher rates in some countries can be attributed partly to the fall in supply of indigenous goods, and partly by rising consumption, resulting in greater dependence

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<sup>1/</sup> Retail price indexes are shown at Table VIII of the Statistical Appendix.

on imports of consumer goods. Significantly, for the third successive year, the category food (or food and beverages) which is relatively heavily weighed in the retail prices indexes of all the Associated States, increased less rapidly than the All items indexes.

Table 3  
Price Indexes of Selected Countries 1976 and 1977  
and Percentage Changes

	1976		1977		Percentage Change 1976/1977	
	All Items	Food	All Items	Food	All Items	Food
Antigua	221.0	262.6	251.3	295.5	13.7	12.5
Dominica	281.8	279.2	308.6	298.8	9.5	7.0
Montserrat	140.5	148.0	165.1	170.2	17.5	15.0
St. Lucia	305.5	...	332.6	360.1	8.9	...
St. Vincent	290.2	301.8	319.8	332.0	10.2	10.0

Source: Official country publications; and data supplied by the respective Statistical Offices.

### External Trade

During 1977 economic developments in the Associated States continued to highlight the dependence of the economies of this sub-region on foreign trade. The ratios of total imports and total exports to aggregated GDP continued to be relatively high; imports rising from 82 per cent of GDP in 1976 to 92 per cent in 1977, while the exports to GDP ratio averaged 34 per cent in 1976 and 1977. As in previous years, external trade transactions consisted of a wide range of imported food items; petroleum products, chemicals and manufactured and semi-manufactured goods; and a

fairly narrow range of exported items, basically primary agricultural commodities and relatively small quantities of manufactured goods. New export items from the Associated States include electrical equipment, garments and footwear from St. Kitts-Nevis-Anguilla, flour from St. Vincent to CARICOM neighbours and garments from St. Lucia.

The 1976 level of imports, estimated at approximately \$408 million was 1 per cent below the 1975 level; but during 1977 the total value of imports projected at \$496 million, represents an increase of over 22 per cent. Import transactions in Antigua and St. Lucia were the major influence in increasing imports of the group during 1977.<sup>1/</sup> There were increases in imports estimated at between 20-25 per cent for both Antigua and St. Lucia. On the other hand, the value of exports estimated at \$171 million in 1976 (about 8 per cent below the figure for 1975)<sup>2/</sup> rose to an estimated \$185 million in 1977.

It is noteworthy that during 1977 the average export unit value of most export commodities<sup>3/</sup> increased. However, the Associated States did not benefit greatly from the advantage of high agricultural commodity prices as the volumes of production and exports of most of these declined.

Table IX in the Statistical Appendix gives a preliminary indication of the level of the aggregated deficit on merchandise

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<sup>1/</sup> In 1976 their share was 53 per cent of the total; Antigua's level of imports declined by 63 per cent and this was not entirely offset by the 25 per cent growth in St. Lucia's imports, plus increases for the other countries.

<sup>2/</sup> The 1976 decline was attributed principally to a 60 per cent reduction in exports from Antigua, on account of the halt in petroleum refinery activities in that country.

<sup>3/</sup> Banana, copra, cocoa beans, arrowroot, sweet potatoes, nutmegs and mace and ginger.

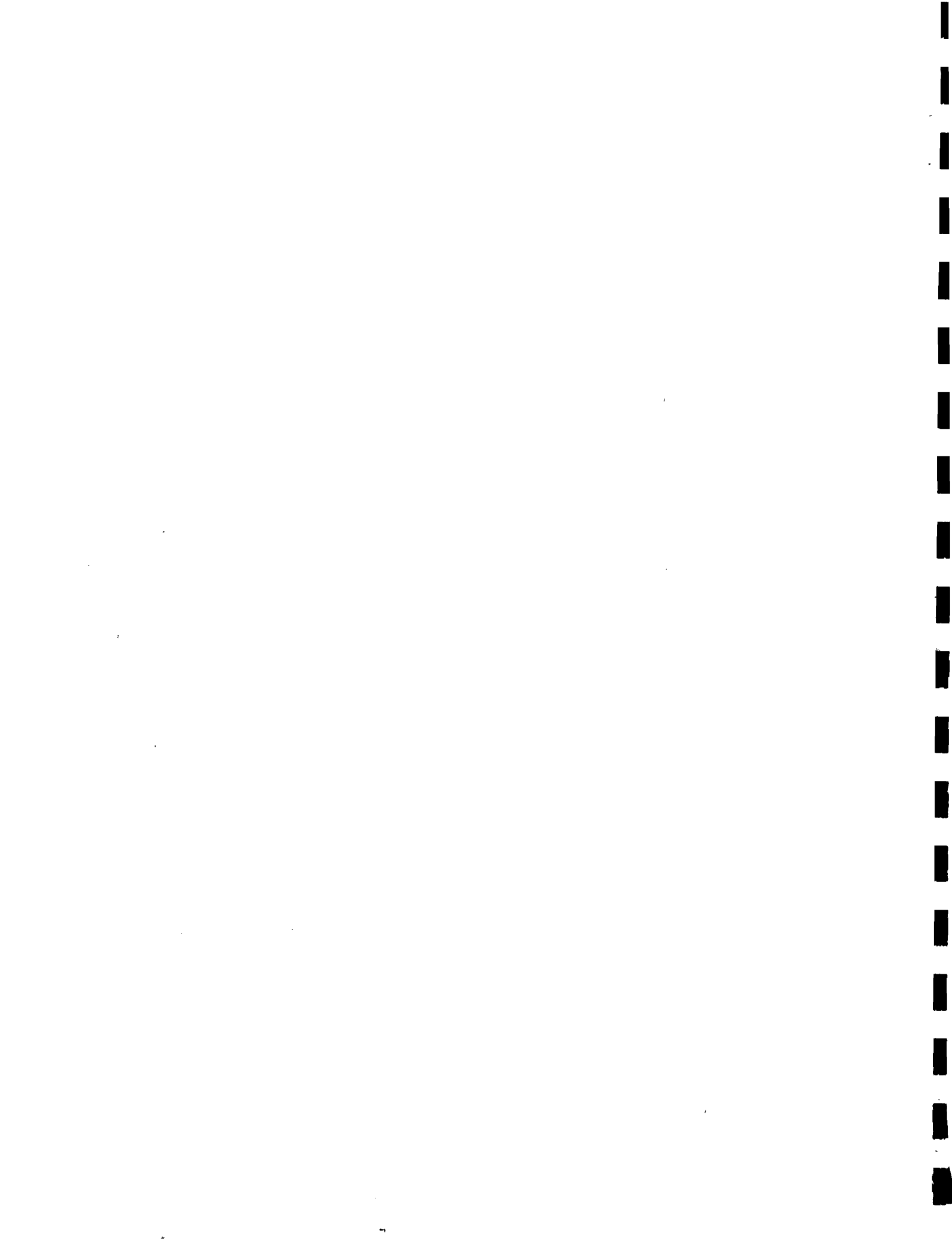
account. Estimates for 1976 put the level of the deficit at approximately \$240 million - an increase of 4 per cent over the level of 1975; and for 1977 at more than \$300 million.

As regards direction of trade in 1976 and 1977, the major trading partners on the export side were UK, CARICOM, USA, in that order, with an overwhelmingly large concentration to the UK. On the import side CARICOM followed by UK and USA, in that order, accounted for the largest shares.

Table 4  
Average Export Unit Value of Selected Commodities

	Unit	Average Unit Value - EC\$		
		1975	1976	1977
<u>BANANAS</u>				
Dominica	Per lb.	0.220	0.220	0.263
St. Vincent	Per lb.	0.230	0.230	0.268
St. Lucia	Per lb.	0.236	0.234	0.278
<u>COPRA</u>				
St. Vincent	Per lb.	0.367	0.249	0.391
<u>COCOA BEANS</u>				
St. Lucia	Per lb.	1.327	1.658	4.654
<u>ARROWROOT</u>				
St. Vincent	Per lb.	0.581	0.701	0.842
<u>NUTMEGS &amp; MACE</u>				
St. Vincent	Per lb.	1.078	0.989	1.129
St. Lucia	Per lb.	1.70	1.89	2.39
<u>SWEET POTATOES</u>				
	Per lb.	0.195	0.220	0.328

Source: Calculated from data supplied to CEPAL.



STATISTICAL APPENDIX

WEST INDIES ASSOCIATED STATES

1977





WEST INDIES ASSOCIATED STATES

TABLE I

ESTIMATES OF GROSS DOMESTIC PRODUCT AT CURRENT FACTOR COST  
(EC\$ Mill.)

Sector	1972 <sup>P</sup>	1973 <sup>P</sup>	1974 <sup>P</sup>	1975*	1976*	1977*
Export Agriculture	25.8	29.2	45.0 )			
Other Agriculture, Livestock & Fishing	25.5 <sup>1/</sup>	27.9 <sup>1/</sup>	2 <sup>2/</sup> )	95.4	117.9	115.5
Mining & Manufacturing	15.4	16.3	17.1	...	...	...
Construction	40.9	40.6	43.8	...	...	...
Distribution	60.6	63.0	75.9	88.6	90.0	109.0
Government <sup>3/</sup>	54.9	62.7	72.8	80.4	93.0	101.0
Others	83.1	91.6	140.3 <sup>2/</sup>	...	...	...
Hotels	(20.2)	(19.8)	...	...	...	...
<b>TOTAL:</b>	<b>306.2</b>	<b>331.3</b>	<b>392.9</b>	<b>422.8<sup>F</sup></b>	<b>497.4</b>	<b>536.7</b>

1/ Include Antigua's export agriculture.

2/ GDP data for Other Agriculture, Livestock & Fishing are included in Others.

3/ Include Public Utilities.

Source: Aggregated and compiled on the basis of data supplied CEPAL.

WEST INDIES ASSOCIATED STATES

TABLE II

ESTIMATES OF GROSS DOMESTIC PRODUCT

Sector Contribution

Sector	1972 <sup>P</sup>	1973 <sup>P</sup>	1974 <sup>P</sup>	1975*	1976*	1977*
Export Agriculture	8.4	8.8	10.9	} 22.1	23.7	21.5
Other Agriculture, Livestock & Fishing	8.3 <sup>1/</sup>	8.4 <sup>1/</sup>	2 <sup>2/</sup>			
Mining & Manufacturing	5.0	4.9	4.4	...	...	...
Construction	13.4	12.3	11.1	...	...	...
Distribution	19.8	19.0	19.3	21.0	18.1	20.3
Government <sup>3/</sup>	17.9	18.9	18.5	19.0	18.7	18.8
Others	27.1	27.6	2 <sup>2/</sup>	...	...	...
Hotels	(6.6)	(6.0)	(6.1)	...	...	...
<b>TOTAL:</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>1/</sup> Include Public Utilities.

<sup>2/</sup> GDP data for Other Agriculture, Livestock & Fishing are included in Others.

<sup>3/</sup> Include Public Utilities.

Source: Derived from Table I.

WEST INDIES ASSOCIATED STATES

TABLE III

ESTIMATES OF GROSS DOMESTIC PRODUCT

Annual Percentage Change

Sector	1971- 1972 <sup>P</sup>	1972- 1973 <sup>P</sup>	1973- 1974 <sup>P</sup>	1974- 1975*	1975- 1976*	1976- 1977*
Export Agriculture	15.7	13.2	47.3	... )	26.2	- 2.3
Other Agriculture, Livestock & Fishing	0.8 <sup>1/</sup>	9.4 <sup>1/</sup>	2/	... )		
Mining & Manufacturing	11.6	5.8	4.9	...	...	...
Construction	0.2	- 0.7	7.9	...	...	...
Distribution	8.4	4.0	20.5	16.7	1.6	21.1
Government <sup>3/</sup>	13.2	14.2	16.1	10.4	15.7	8.6
Others	9.2	10.2	2/	...	...	...
Hotels	(24.7)	(- 2.0)	(20.2)	...	...	...
<b>TOTAL:</b>	<b>8.3</b>	<b>8.2</b>	<b>18.6</b>	<b>7.6</b>	<b>17.6</b>	<b>7.9</b>

<sup>1/</sup> Include Public Utilities.

<sup>2/</sup> GDP data for Other Agriculture, Livestock & Fishing are included in Others.

<sup>3/</sup> Include Public Utilities.

Source: Derived from Table I.

WEST INDIES ASSOCIATED STATES  
TABLE IV  
RECURRENT AND CAPITAL EXPENDITURE  
(EC\$'000)

	1973	1974 <sup>P</sup>	1975 <sup>P</sup>	1976 <sup>P</sup>	1977 <sup>P</sup>
	<u>RECURRENT EXPENDITURE</u>				
Antigua	39,237	33,990	30,130	36,182	41,254
Dominica	17,583	15,916	20,557 <sup>1/</sup>	25,576 <sup>2/3/</sup>	28,611 <sup>4/</sup>
Montserrat	5,238	7,275	7,947	8,475	9,106*
St. Kitts-N-A.	15,507	18,419	21,944	30,364	29,100 <sup>3/</sup>
St. Lucia	21,806	31,679	32,323	37,422 <sup>3/</sup>	50,193*
St. Vincent	17,207	19,283	23,800 <sup>1/</sup>	26,835 <sup>2/</sup>	28,613 <sup>4/</sup>
<b>TOTAL:</b>	<b>116,578</b>	<b>126,562</b>	<b>136,701</b>	<b>164,854</b>	<b>186,787</b>
	<u>CAPITAL EXPENDITURE</u>				
Antigua	3,842 <sup>3/</sup>	4,260	1,032	5,826	...
Dominica	5,614	3,351	2,312 <sup>1/</sup>	5,407 <sup>2/</sup>	35,191 <sup>*4/</sup>
Montserrat	1,537	2,489	3,213 <sup>r</sup>	5,832 <sup>*</sup>	...
St. Kitts-N-A.	12,657 <sup>*</sup>	21,488 <sup>*</sup>	4,259	5,578	5,999 <sup>3/</sup>
St. Lucia	19,979 <sup>*</sup>	23,574 <sup>*</sup>	25,478	28,380 <sup>3/</sup>	34,262 <sup>*</sup>
St. Vincent	4,472	6,157	2,206 <sup>1/3/</sup>	13,297 <sup>2/</sup>	18,905 <sup>4/</sup>
<b>TOTAL:</b>	<b>48,101</b>	<b>61,310</b>	<b>38,500</b>	<b>64,320</b>	<b>(94,357)</b>
<b>GRAND TOTAL:</b>	<b>164,679</b>	<b>187,881</b>	<b>175,201</b>	<b>229,174</b>	<b>(281,144)</b>

Note: Figures are Actual Expenditure except where otherwise specified. Actual capital expenditure generally is much lower than the estimates.

<sup>1/</sup> Data for fiscal year 1975/76.

<sup>2/</sup> Data for fiscal year 1976/77.

<sup>3/</sup> Revised estimates.

<sup>4/</sup> Data for fiscal year 1977/78.

Source: Government estimates of the Six States; and data supplied CEPAL.

WEST INDIES ASSOCIATED STATES

TABLE V

GOVERNMENT RECURRENT REVENUE

(EC\$ '000)

	Import Duties	Export Duties	Consumption Taxes	Income Tax	Other Taxes Fees & Licences etc.	Grants in aid <sup>1/</sup>	Total
	<u>1 9 7 5<sup>P</sup></u>						
Antigua	6,595	13	3,646	8,461	10,956	...	29,671
Dominica <sup>1/</sup>	2,855 <sup>r</sup>	310 <sup>r</sup>	3,936 <sup>r</sup>	4,150 <sup>r</sup>	4,993 <sup>r</sup>	3,926 <sup>r</sup>	20,170 <sup>r</sup>
Montserrat	1,007	-	926	2,136	1,624 <sup>r</sup>	1,791	7,484 <sup>r</sup>
St. Kitts-N-A.	3,457	194	2,520	3,345 <sup>r</sup>	12,548 <sup>r</sup>	1 <sup>r</sup>	22,065 <sup>r</sup>
St. Lucia	7,493	163	4,796	8,629	8,883	-	29,964
St. Vincent <sup>1/</sup>	4,194 <sup>r</sup>	-	1,919 <sup>r</sup>	4,039 <sup>r</sup>	7,635 <sup>r</sup>	3,449 <sup>r</sup>	21,236 <sup>r</sup>
TOTAL:	25,601	680	17,743	30,760	46,639	9,167	130,590
	<u>1 9 7 6<sup>P</sup></u>						
Antigua <sup>e</sup>	6,500	12	3,500	7,500	9,510	-	27,022
Dominica <sup>2/ 3/</sup>	3,090	356	5,400	4,090	6,371	4,055	23,362
Montserrat <sup>P</sup>	1,185	-	1,088	2,000	1,555 <sup>r</sup>	2,647	8,475
St. Kitts-N-A.	4,115 <sup>r</sup>	292	4,254	4,975	15,731	7	29,374
St. Lucia <sup>3/</sup>	8,500	175	5,500	8,500	10,864	-	33,539
St. Vincent <sup>2/</sup>	5,587	-	2,571	4,766	9,705	3,803	26,432
TOTAL:	28,977	835	22,313	31,831	53,736	10,512	148,204



WEST INDIES ASSOCIATED STATES

TABLE VI  
SELECTED DATA ON TOURISM

	No. of <sup>1/</sup> Tourists	Estimated Expenditure (EC\$'000)	Tourist <sup>2/</sup> Accommodation (No. of beds)	No. of <sup>1/</sup> Tourists	Estimated Expenditure (EC\$'000)	Tourist <sup>2/</sup> Accommodation (No. of beds)
	1 9 7 4			1 9 7 5		
Antigua	69,854	12,252	2,388	62,114 <sup>r3/</sup>	...	2,496
Dominica	13,710	1,378	437	15,045	...	496 <sup>4/</sup>
Montserrat	10,754	1,562	228	12,055	...	237
St. Kitts-N-A.	13,251	3,300	691	19,407	3,300	550 <sup>e</sup>
St. Lucia	51,816	9,874	2,179	46,736 <sup>r</sup>	10,513	2,179
St. Vincent	20,822	5,115	897	16,579	...	897
<b>TOTAL:</b>	<b>180,207</b>	<b>33,481</b>	<b>6,820</b>	<b>171,936</b>	<b>...</b>	<b>6,855</b>
	1 9 7 6 <sup>P</sup>			1 9 7 7 <sup>P</sup>		
Antigua	56,398 <sup>3/</sup>	...	2,384	67,412 <sup>3/</sup>	...	2,372
Dominica	16,818 <sup>r</sup>	...	504 <sup>4/</sup>	22,277 <sup>3/</sup>	...	564 <sup>4/</sup>
Montserrat	11,211	...	237	12,447	...	237
St. Kitts-N-A.	17,817	3,300	587	16,391	...	698
St. Lucia	56,440	31,607	2,179	46,484 <sup>5/</sup>	25,888 <sup>5/</sup>	2,179 <sup>5/</sup>
St. Vincent	17,899	...	897	19,366	...	900
<b>TOTAL:</b>	<b>176,583</b>	<b>...</b>	<b>6,788</b>	<b>(184,377)</b>	<b>...</b>	<b>6,950</b>

<sup>1/</sup> Excluding cruise-ship passengers.  
<sup>3/</sup> Data relate to arrivals by air and include between 2,500 to 3,000 day tour visitors.

<sup>2/</sup> Refers to first class hotels & guest houses.  
<sup>4/</sup> Includes an estimate for beds in cottages in Dominica.  
<sup>5/</sup> Data relate to January to August.

Source: Annual Report & Statement of Accounts for the year ended 31 March 1975  
East Caribbean Currency Authority, St. Kitts; and data furnished by the States.



WEST INDIES ASSOCIATED STATES

TABLE VII

SELECTED FINANCIAL STATISTICS FOR SELECTED YEARS

(EC\$'000)

	At 31 December:					
	1972	1973	1974	1975	1976	1977
Commercial Banks' Liabilities	265,732	311,428	378,600	434,421	529,022 <sup>r</sup>	549,363
Total deposits	215,180	241,527	296,341	346,350	402,005 <sup>r</sup>	421,974
Time deposit	64,955	78,852	114,895	152,323 ✓	149,230 <sup>r</sup>	127,564 ✓
Savings deposit	119,506	126,094	133,268	148,243 ✓	190,839 <sup>r</sup>	222,008
Demand deposit	30,719	36,581	48,177	45,784	61,936 <sup>r</sup>	72,402
Commercial Banks' Loans & Advances	178,998	208,811	236,168	249,515 ✓	280,756	336,921
Manufacturing	10,951	11,604	11,223	18,641	28,935	35,327
Agriculture	13,750	17,956	18,660	18,582	21,632	14,442
Tourism	20,036	19,750	21,474	20,697	21,913	22,533
Building & Construction	20,724	20,903	27,457	25,521	24,480	22,663
Distributive trade	34,279	37,864	44,345	50,123	56,345	72,468
Loans & Advances as % of total deposits	83.19	86.45	79.69	72.04	69.81	79.8
Interest rates, prime lending in the Leeward Islands	8.5	10.1	10.7	10.1	9.0	8.7 <sup>1/</sup>
Savings deposit rate in the Leeward Islands	3.5	4.3	4.5	3.7	3.1	2.9 <sup>1/</sup>
Interest rates, prime lending in the Windward Islands	8.25	9.4	10.6	10.5	8.9	8.6 <sup>1/</sup>
Savings deposit rate in the Windward Islands	3.5	3.8	4.2	3.2	2.9	2.7 <sup>1/</sup>

<sup>1/</sup> Data relate to 30 September.

Source: Commercial Banking Statistics, July-December 1975 & December 1977, East Caribbean Currency Authority, Research Dept., St. Kitts; Economic & Financial Review, Vol. 7, No. 3, Dec. 1976, East Caribbean Currency Authority, Research Dept., St. Kitts; Annual Digest of Statistics, 1974, East Caribbean Common Market Secretariat, Antigua.

WEST INDIES ASSOCIATED STATES

TABLE VIII

RETAIL PRICE INDEXES AND PERCENTAGE CHANGE

Period	<u>ANTIGUA<sup>1/</sup></u>		<u>DOMINICA</u>		<u>MONTSERRAT<sup>2/</sup></u>		<u>ST. KITTS</u>		<u>ST. LUCIA</u>		<u>ST. VINCENT</u>	
	Jan.1969 = 100	% Change	Apr.1964 = 100	% Change	Mar.1974 = 100	% Change	Apr.1964 = 100	% Change	Apr.1964 = 100	% Change	Mar.1964 = 100	% Change
1970	108.0	-	130.0	-	64.5	-	135.2	-	132.9	-	132.6	-
1971	117.3	8.6	136.0	4.6	75.4	17.0	133.0	- 1.6	144.0	8.4	141.2	6.5
1972	127.8	9.0	140.7	3.5	76.8	1.8 <sup>3/</sup>	141.4	6.3	155.4	7.9	144.9	2.6
1973	144.9	13.3	157.6	12.0	84.3	9.8	155.9	10.3	176.3	13.4	168.5	16.3
1974	180.9	24.8	214.8	36.3	-100.0-	18.6	200.2	28.4	236.6	34.2	228.4	35.5
1975	201.7	11.5	254.1	18.3	125.4 <sup>4/</sup>	25.4 <sup>4/</sup>	221.6	10.7	278.6	17.8	260.8	14.2
1976	221.0	9.6	281.8	10.9	140.5	12.0	250.6	13.1	305.5	9.6	290.2	11.3
1977	251.3	13.7	308.6	9.5	165.1	17.5	295.1	17.8	332.6	8.9	319.8	10.2

Note: Indexes are averages of monthly figures except as indicated below.

1/ For Antigua (1969-73) price index is an average of January and July. Subsequently indexes are averages of January, April, July and October.

2/ Indexes for Montserrat relate to March in 1973 and 1974, April in 1972 and June in 1970 and 1971. Indexes base April 1964 = 100 linked to index March 1974 = 100 at 1974.

3/ June to March increase.

4/ Relate to March 1974 and March 1975.

Source: Official country publications and data supplied by the respective Statistical Offices.

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2  
1

WEST INDIES ASSOCIATED STATES

TABLE IX

VALUE OF IMPORTS AND EXPORTS AND TRADE BALANCE  
(EC\$'000)

	IMPORTS	EXPORTS	BALANCE	IMPORTS	EXPORTS	BALANCE
	1 9 7 4 p			1 9 7 5 p		
Antigua	143,750	66,468	- 77,282	145,141	59,920	- 85,221
Dominica	38,918	20,949	- 17,969	45,036	24,647	- 20,389
Montserrat	15,968	1,048	- 14,920	16,544	1,019	- 15,525
St. Kitts-Nevis-Anguilla	39,362	21,949	- 17,413	51,361	46,841	- 4,520
St. Lucia	91,115	32,909	- 58,206	100,425	34,453	- 65,972
St. Vincent	52,304	14,687	- 37,617	53,913 <sup>r</sup>	16,499 <sup>r</sup>	- 37,414 <sup>r</sup>
<b>TOTAL:</b>	<b>381,417</b>	<b>158,010</b>	<b>-223,407</b>	<b>412,420</b>	<b>183,379</b>	<b>-229,041</b>
	<u>1 9 7 6 p</u>			<u>1 9 7 7 p</u>		
Antigua	91,846	23,587	- 68,259	...	...	...
Dominica	49,832	29,054	- 20,778	...	...	...
Montserrat	20,803	1,122	- 19,681	...	...	...
St. Kitts-Nevis-Anguilla	43,778 <sup>1/</sup>	41,123 <sup>1/</sup>	- 2,655 <sup>1/</sup>	...	...	...
St. Lucia	125,710	49,194	- 76,516	155,000 <sup>e</sup>	58,000 <sup>e</sup>	- 97,000 <sup>e</sup>
St. Vincent	62,209	23,568 <sup>r</sup>	- 38,641	81,740	24,857 <sup>2/</sup>	- 56,883
<b>TOTAL:</b>	<b>(394,178)</b>	<b>(167,648)</b>	<b>(-226,530)</b>	<b>...</b>	<b>...</b>	<b>...</b>

1/ Data for January to September.

2/ Data for Domestic exports only.

Source: External Trade Reports; and data supplied CEPAL.

WEST INDIES ASSOCIATED STATES

TABLE X

EXPORTS BY SELECTED DESTINATIONS

(EC\$ '000)

	USA	UK	CANADA	EEC	LATIN AMERICA <sup>1/</sup>	CARICOM	OTHERS	TOTAL	
				<u>1 9 7 4</u>					
Antigua <sup>2/</sup>	22,468	3,785	93	12	1,378	7,175	31,557	66,468	
Dominica	656	16,759	27	481	6	2,858	162	20,949	
Montserrat <sup>3/</sup>	6.1	6.9	0.6	-	-	120.0	126.0	259.6	
St. Kitts-N-A.	7,967	10,422	-	1	-	721	2,838	21,949	
St. Lucia	606	22,139	103	337	451	8,841	452	32,909	
St. Vincent	474	9,690	243	4	-	4,187	89	14,687	
<b>TOTAL:</b>	<b>32,177</b>	<b>62,802</b>	<b>467</b>	<b>835</b>	<b>1,835</b>	<b>23,902</b>	<b>35,204</b>	<b>157,222<sup>2/</sup></b>	
				<u>1 9 7 5</u>					
Antigua <sup>2/</sup>	5,729	1,542	151	19	84	9,254	43,141	59,920	
Dominica	604	18,877	17	693	1	3,909	546	24,647	
Montserrat <sup>3/</sup>	2	89	-	-	-	236	163	490	
St. Kitts-N-A.	23,813	19,607	269	7	1	2,286	858	46,841	
St. Lucia	679	18,760	252	333	233	13,536 <sup>r</sup>	660 <sup>r</sup>	34,453	
St. Vincent	507	11,662	246	22	7.0	3,996	59	16,499 <sup>r</sup>	
<b>TOTAL:</b>	<b>31,334</b>	<b>70,537</b>	<b>935</b>	<b>1,074</b>	<b>326</b>	<b>33,217</b>	<b>45,427</b>	<b>182,850</b>	

WEST INDIES ASSOCIATED STATES  
TABLE X (Cont'd)  
EXPORTS BY SELECTED DESTINATIONS  
(EC\$'000)

	USA	UK	CANADA	EEC	LATIN AMERICA <sup>1/</sup>	CARICOM	OTHERS	TOTAL
				<u>1 9 7 6</u>				
Antigua	...	...	...	...	...	...	...	23,587.0
Dominica	1,329.0	20,812.0	47.0	1,221.0	60.0	5,452.0	133.0	29,054.0
Montserrat <sup>3/</sup>	12.3	5.0	0.5	-	-	408.7	355.0	781.5
St. Kitts-N-A.	...	...	...	...	...	...	...	41,123.0
St. Lucia	1,594.0	22,236.0	376.0	429.0	318.0	24,016.0	225.0	49,194.0
St. Vincent	...	...	...	...	...	...	...	23,568.0 <sup>3/</sup>
<b>TOTAL:</b>	<b>(2,935.3)</b>	<b>(43,053.0)</b>	<b>(423.5)</b>	<b>(1,650.0)</b>	<b>(378.0)</b>	<b>(30,285.4)</b>	<b>(713.0)</b>	<b>(167,307.5)</b>

Note: Some totals may not agree because of rounding.

1/ Continental Latin America.

2/ Excludes bunkering.

3/ Domestic Exports only.

Source: External Trade Reports; and data supplied CEPAL.

WEST INDIES ASSOCIATED STATES

TABLE XI

IMPORTS BY SELECTED AREAS OF ORIGIN  
(EC\$ '000)

	USA	UK	CANADA	EEC	LATIN AMERICA <sup>1/</sup>	CARICOM	OTHERS	TOTAL
	<u>1 9 7 4</u>							
Antigua	17,639	16,889	6,407	4,099	44,313	11,374	43,029	143,750
Dominica	5,738	11,315	3,829	3,826	1,434	9,730	3,046	38,918
Montserrat	3,558	4,030	1,540	1,176	491	4,007	1,166	15,968
St. Kitts-N-A.	6,964	9,510	3,104	4,083	279	7,730	7,692	39,362
St. Lucia	15,739	23,863	7,931	7,310	3,988	21,956	10,326	91,115
St. Vincent	4,691	15,875	6,871	3,860	947	14,739	5,321	52,304
<b>TOTAL:</b>	<b>54,329</b>	<b>81,482</b>	<b>29,682</b>	<b>24,354</b>	<b>51,454</b>	<b>69,536</b>	<b>70,580</b>	<b>381,417</b>
	<u>1 9 7 5 p</u>							
Antigua	22,873	27,694	7,898	5,255	13,755	39,023	28,643	145,141
Dominica	5,891	13,390	4,396	3,256	736	14,182	3,185	45,036
Montserrat	2,995	4,854	1,640	1,176	491	4,405	983	16,544
St. Kitts-N-A.	14,942	10,388	3,600	4,964	712	8,818	7,937	51,361
St. Lucia	16,813	27,728	6,703	10,471	5,605 <sup>r</sup>	22,622	10,483	100,425
St. Vincent	4,767	15,511	6,465	3,461	491	18,764	4,454	53,913
<b>TOTAL:</b>	<b>68,281</b>	<b>99,565</b>	<b>30,702</b>	<b>28,583</b>	<b>21,790<sup>r</sup></b>	<b>107,814</b>	<b>55,685</b>	<b>412,420</b>

WEST INDIES ASSOCIATED STATES  
TABLE XI (Cont'd)  
IMPORTS BY SELECTED AREAS OF ORIGIN  
(EC\$'000)

	USA	UK	CANADA	EEC	LATIN AMERICA <sup>1/</sup>	CARICOM	OTHERS	TOTAL
				1 9 7 6 p				
Antigua	...	...	...	...	...	...	...	...
Dominica	7,131	13,433	4,001	3,170	1,076	17,461	3,560	49,832
Montserrat	3,755	6,412	1,119	2,028	559	5,047	1,883	20,803
St. Kitts-N-A. <sup>2/</sup>	...	...	...	...	...	...	...	43,778
St. Lucia	24,948	30,802	14,544	7,042	6,581	30,032	11,761	125,710
St. Vincent	...	...	...	...	...	...	...	62,209
<b>TOTAL:</b>	<b>(35,834)</b>	<b>(50,647)</b>	<b>(19,664)</b>	<b>(12,240)</b>	<b>(8,216)</b>	<b>(52,540)</b>	<b>(42,962)</b>	<b>(302,332)</b>

<sup>1/</sup> Continental Latin America.

<sup>2/</sup> Data for January-September.

Source: External Trade Reports; and data supplied CEPAL.

WEST INDIES ASSOCIATED STATES

TABLE XII

EXPORTS OF SELECTED ITEMS

	1975 <sup>P</sup>		1976 <sup>P</sup>		1977 <sup>P</sup>	
	Quantity	Value	Quantity	Value	Quantity	Value
<u>BANANAS</u>						
(Quantity in '000 tons; Value in EC\$ Million)						
Dominica	27.9	14.4	33.4	17.2	30.4	18.3
St. Lucia	31.6	16.7 <sup>r</sup>	43.6	22.9	39.6	24.8
St. Vincent	16.4	8.1	29.6	14.6	25.1	14.8
TOTAL:	75.9	39.2 <sup>r</sup>	106.6	54.7	95.1	57.9
<u>SUGAR</u>						
St. Kitts	21.8	27.5 <sup>r</sup>	20.2 <sup>1/</sup>	17.1 <sup>1/</sup>	35.0 <sup>e</sup>	...
TOTAL:	21.8	27.5 <sup>r</sup>	20.2 <sup>1/</sup>	17.1 <sup>1/</sup>	35.0 <sup>e</sup>	...
<u>ARROWROOT</u>						
St. Vincent	0.648	0.8	0.737	1.2	0.699	1.3
TOTAL:	0.648	0.8	0.737	1.2	0.699	1.3
<u>NUTMEGS &amp; MACE</u>						
(Quantity in '000 lbs; Value in EC\$'000)						
St. Lucia	23.4	39.8	30.0	56.6	17.7	41.5
St. Vincent	306.7	330.9	437.5	432.7	323.5	365.5
TOTAL:	330.1	370.7	467.5	489.3	341.2	407.0



WEST INDIES ASSOCIATED STATES

TABLE XII (Cont'd)

EXPORTS OF SELECTED ITEMS

	1975 <sup>P</sup>		1976 <sup>P</sup>		1977 <sup>P</sup>	
	Quantity	Value	Quantity	Value	Quantity	Value
<u>SWEET POTATOES</u>						
(Quantity in '000 lbs.; Value in EC\$'000)						
St. Vincent	2,256	440	3,895	860	1,349	443
TOTAL:	2,256	440	3,895	860	1,349	443
<u>COCOA BEANS</u>						
(Quantity in '000 lbs.; Value in EC\$'000)						
Dominica	133.9	226.4	236.4	412.3	...	...
St. Lucia	224.6	298.1	234.1	388.3	161.7	752.6
St. Vincent	...	...	...	...	...	...
TOTAL:	(358.5)	(524.5)	(470.5)	(800.6)	(161.7)	(752.6)
<u>PETROLEUM PRODUCTS</u>						
(Quantity in '000 barrels; Value in EC\$ Million)						
Antigua	2,054	52.2	828	22.6	...	...
TOTAL:	2,054	52.2	828	22.6	...	...
<u>CITRUS FRUITS (FRESH)</u>						
(Quantity in Million lbs.; Value in EC\$ Million)						
Dominica	9.3	3.5	7.4	0.7	...	...
TOTAL:	9.3	3.5	7.4	0.7	...	...

1/ Data for January to June.

Source: Official External Trade Reports; and data supplied CEPAL.

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WEST INDIES ASSOCIATED STATES

TABLE XIII

ESTIMATED OUTPUT OF SELECTED COMMODITIES

ANTIGUA

Commodities	Unit	Average 1972-73	1974	1975	1976	1977
Raw Cotton	'000 lbs.	449	154	739	523	449
Sweet potatoes	'000 lbs.	718	29	518	558	136 <sup>1/</sup>
Yams	'000 lbs.	550	148	88	134	86 <sup>1/</sup>
Tomatoes	'000 lbs.	251	121	232	241	78 <sup>1/</sup>
Onions	'000 lbs.	...	...	144	160	16 <sup>1/</sup>
Carrots	'000 lbs.	...	...	88	200	112 <sup>1/</sup>
Lobsters	'000 lbs.	190.5	250	280	300	350
Animal feed	'000 lbs.	258.3	256.2	374.3 ✓	...	164
Rum	'000 Proof gals.	208.2	164.7 <sup>r</sup>	203.5 <sup>r</sup>	178.2	84 <sup>2/</sup>
Wine	Proof gals.	1,986 <sup>3/</sup>	3,105	3,780	12,404	5,000
Cotton lint	'000 lbs.	148.9	153.5	208.4	179.0	...
Cotton seed oil	'000 lbs.	362 <sup>3/</sup>	230	244	...	3
Petroleum products	'000 Barrels	4,699.4	2,157.0	1,071.0	...	...
Clothing (outerwear & underwear)	Dozen	EC\$833,000 <sup>4/</sup>	16,655	17,580	27,180	37,000

<sup>1/</sup> Data for January to November.

<sup>2/</sup> Data for January to May.

<sup>3/</sup> Data for 1973 only.

<sup>4/</sup> Value of clothing exported.

Source: Statistical Yearbook, 1975 and 1977, Statistical Division, Ministry of Planning, Development & External Affairs, Antigua; and data supplied CEPAL.

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*laundry soap*

*rice*

*malt*

*Coconut oil (raw)*

*Coconut oil (refined)*

WEST INDIES ASSOCIATED STATES

TABLE XIII (Cont'd)

ESTIMATED OUTPUT OF SELECTED COMMODITIES

DOMINICA

Commodities	Unit	Average 1972-73	1974	1975	1976	1977
Bananas	'000 lbs.	72,774	91,392	80,895 <sup>r</sup>	88,984	82,214
Cocoa beans	'000 lbs.	267 <sup>1/</sup>	431	640	705	...
Citrus fruits (fresh) <sup>2/</sup>	'000 lbs.	7,306.9	7,699.1	28,211	40,566	...
Limes	'000 lbs.	...	6,720	7,056	7,571	...
Oranges	'000 lbs.	...	72,000	4,355	4,435	...
Grapefruits	'000 lbs.	...	14,336	16,800	28,560	...
Copra	tons	2,275	2,090 <sup>r</sup>	2,455	2,421	2,622
Lime juice	'000 gals.	340	...	...	...	...
Lime oil	'000 lbs.	16.7	16.3 <sup>2/</sup>	20.6 <sup>2/</sup>	21.9 <sup>2/</sup>	...
Coconut oil (raw)	'000 gals.	177	163	230	184	275
Coconut oil (refined)	'000 gals.	4,608	...	179.3 <sup>2/</sup>	463.4 <sup>2/</sup>	271.6 <sup>2/</sup>
Coconut meal	'000 lbs.	3,567	1,658	1,805	1,660	1,809
Rum	'000 gals.	71.1	107.8	132.3	133.2	...
Soap	'000 lbs.	841.2	964.5	1,158	1,866.8	4,571
Bay oil	'000 lbs.	65.6	88.0	15.7 <sup>2/</sup>	50.5 <sup>2/</sup>	...
Tobacco	'000 lbs.	93.3	80.2 <sup>3/</sup>	67.7 <sup>3/</sup>	64.3 <sup>3/</sup>	18.5 <sup>4/</sup>
Pumice	'000 cu. yds.	120.7	...	...	...	...

<sup>1/</sup> Data for 1972 only.

<sup>3/</sup> Data for cigarettes.

<sup>2/</sup> Quantity exported.

<sup>4/</sup> Data for plain cigarettes only.

Source: Data supplied CEPAL.

WEST INDIES ASSOCIATED STATES

TABLE XIII (Cont'd)

ESTIMATED OUTPUT OF SELECTED COMMODITIES

ST. KITTS-NEVIS-ANGUILLA

<u>Commodities</u>	<u>Unit</u>	<u>Average 1972-73</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977<sup>P</sup></u>
Sugar-cane	'000 tons	227	217	216	321	352
Cotton (raw)	'000 lbs.	54 <sup>1/</sup>	76	99	157 <sup>r</sup>	71
Copra	tons	...	...	...	93	110
Sugar	'000 tons	25.5	26.1	25.1	35.6 <sup>r</sup>	41.6
Molasses	'000 tons	7	7	6.0	6.2 <sup>r</sup>	11.7
Aerated beverages	'000 gals.	596	501	478	468 <sup>r</sup>	...
Beer & Malt	'000 gals.	175.5	136	189	203 <sup>r</sup>	271
Cotton lint	'000 lbs.	27.5	26	33	49.5	20.9

*Handy 5 ref*  
*Beer*

<sup>1/</sup> Data for 1973 only.

Source: Digest of Statistics, No. 9, January to December 1973, Statistical Department; Annual Statistical Digest for 1976, Statistical Office, Planning Unit, St. Kitts-Nevis-Anguilla; and data supplied CEPAL.

*Malt*

*Coconut oil (new)*

*Coconut oil refined*

WEST INDIES ASSOCIATED STATES  
TABLE XIII (Cont'd)  
ESTIMATED OUTPUT OF SELECTED COMMODITIES  
ST. LUCIA

Commodities	Unit	Average 1972-73	1974	1975	1976	1977
Bananas	'000 lbs.	99,164	99,396	70,823	97,160	88,812
Nutmegs & Mace	'000 lbs.	26	28.4	23.4 <sup>1/</sup>	30.0	27.7 <sup>1/</sup>
Cocoa beans	'000 lbs.	241	265	226 ✓	223 ✓	176
Ginger	'000 lbs.	1,151	1,706	1,047 <sup>2/</sup>	608 <sup>2/</sup>	283 <sup>2/</sup>
Sweet potatoes	'000 lbs.	131	198	8.3 <sup>2/</sup>	34.8 <sup>2/</sup>	21 <sup>2/</sup>
Carrots	'000 lbs.	118	46	10.3	7.7 <sup>2/</sup>	28 <sup>2/</sup>
Avocado	Number	101,148	32,685	11.0 <sup>2/</sup>	12.1 <sup>2/</sup>	16.6 <sup>2/</sup>
Plantains	'000 lbs.	359	749	99.2 <sup>2/</sup>	105.6 <sup>2/</sup>	80 <sup>2/</sup>
Tomatoes	'000 lbs.	67	125.2	24.2 <sup>2/</sup>	9.3 <sup>2/</sup>	56 <sup>2/</sup>
Limes	'000 lbs.	67	68.6	12.7 <sup>2/</sup>	7.7 <sup>2/</sup>	6 <sup>2/</sup>
Copra	tons	6,351	5,300	6,080	4,660	5,438
Coconut oil (raw)	'000 gals.	984	822	933 <sup>r</sup>	747	820
Coconut oil (refined)	'000 gals.	316	460 <sup>r</sup>	472 <sup>r</sup>	465	391
Coconut meal	'000 lbs.	4,498	3,507	4,048	3,406	3,735
Laundry soap	'000 lbs.	709	1,784	1,324	938	1,058
Rum	'000 gals.	152	150	163	191	203
Batteries	Number	...	478	929	677	586

<sup>1/</sup> Quantity exported.

<sup>2/</sup> Data represents purchases by the St. Lucia Marketing Board.

Source: Data supplied CEPAL.

WEST INDIES ASSOCIATED STATES

TABLE XIII (Cont'd)

ESTIMATED OUTPUT OF SELECTED COMMODITIES

ST. VINCENT

Commodities	Unit	Average 1972-73	1974	1975	1976 <sup>P</sup>	1977 <sup>P</sup>
Bananas	'000 lbs.	50,337	48,032	41,003	62,269 <sup>r</sup>	63,096
Sweet potatoes	'000 lbs.	3,710	6,000 <sup>e</sup>	2,839	4,709	1,619
Nutmegs & Mace	'000 lbs.	254	327 <sup>e</sup>	304	440 <sup>r</sup>	284
Ginger	'000 lbs.	200 <sup>e1/</sup>	600 <sup>r</sup>	2,500 <sup>e</sup>	1,749	1,318
Carrots	'000 lbs.	650 <sup>e1/</sup>	1,600 <sup>e</sup>	1,400 <sup>e</sup>	1,820 <sup>r</sup>	871
Peanuts	'000 lbs.	162	200 <sup>e</sup>	240 <sup>e</sup>	232	55
Yams, tannias & eddoes	'000 lbs.	3,264	5,000 <sup>e</sup>	2,800 <sup>e</sup>	3,737	5,409
Copra	tons	5,354	6,233 <sup>e</sup>	...	1,248	...
Coconut oil (raw)	'000 gals.	62 <sup>1/</sup>	223	...	51.7	...
Coconut oil (refined)	'000 gals.	166.0 <sup>1/</sup>	207.3	125.0 ✓	167.4	48.3 <sup>2/</sup>
Arrowroot	'000 lbs.	1,903	1,800	1,899	1,744 <sup>r</sup>	1,657
Coconut meal	'000 lbs.	942 <sup>1/</sup>	400.6	386.5	...	...
Rum	'000 gals.	89.9 <sup>1/</sup>	92.8	45.1	98.6	93.4

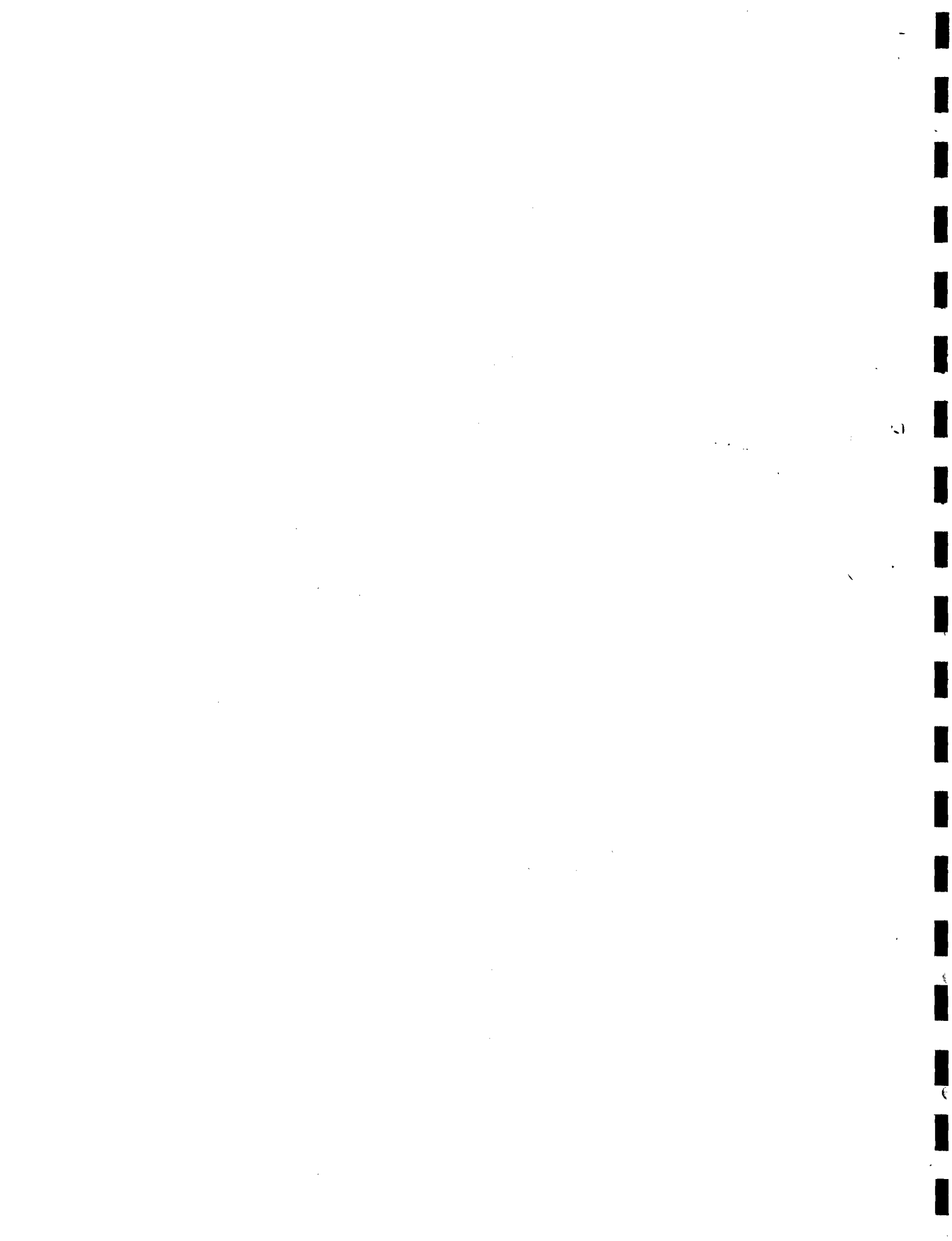
<sup>1/</sup> Data for 1973.

<sup>2/</sup> Quantity exported.

Source: Data supplied CEPAL.

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SELECTED LIST OF STATISTICAL PUBLICATIONS AND SOURCES







GUYANA (Cont'd)	External Trade with CARICOM & CARIFTA Territories Quarterly Review of Financial Statistics Quarterly Statistical Digest Annual Statistical Abstract Economic Bulletin	Statistical Bureau, Ministry of Economic Development.  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, Development, Industry & Tourism.
ST. LUCIA	Annual Statistical Digest Overseas Trade of St. Lucia Quarterly Overseas Trade Report	Statistical Department, Ministry of Development, Planning & 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 & 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 & 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.

