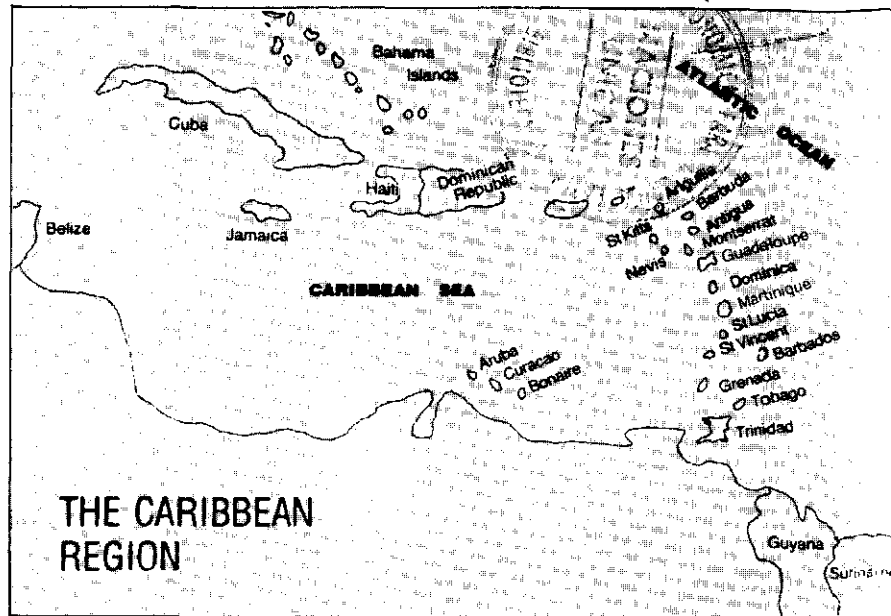
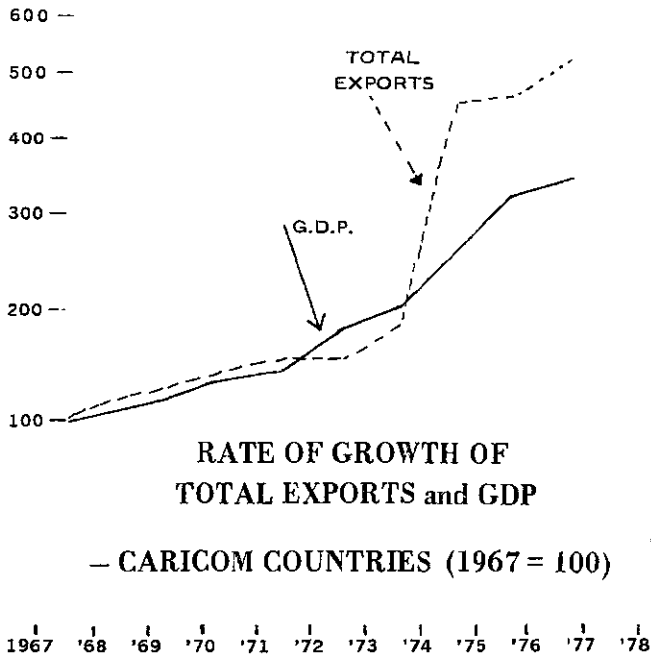


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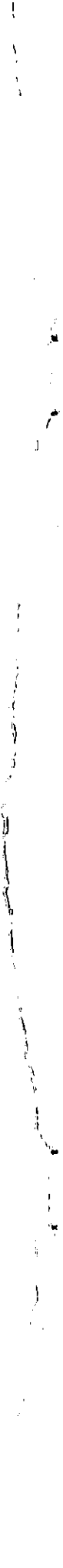
CEPAL/CARIB 80/

ECONOMIC ACTIVITY 1979 IN CARIBBEAN COUNTRIES



UNITED NATIONS

ECONOMIC COMMISSION FOR LATIN AMERICA Office for the Caribbean



CEPAL/CARIB 80/5

Date: 8 October 1980

ECONOMIC COMMISSION FOR LATIN AMERICA
Office for the Caribbean

ECONOMIC ACTIVITY 1979
IN
CARIBBEAN COUNTRIES

10 NOV 1980

(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 ninth in this series of publications. In this issue, St. Lucia has been included, but it was not possible to compile notes on Grenada.

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

S. St. A. Clarke

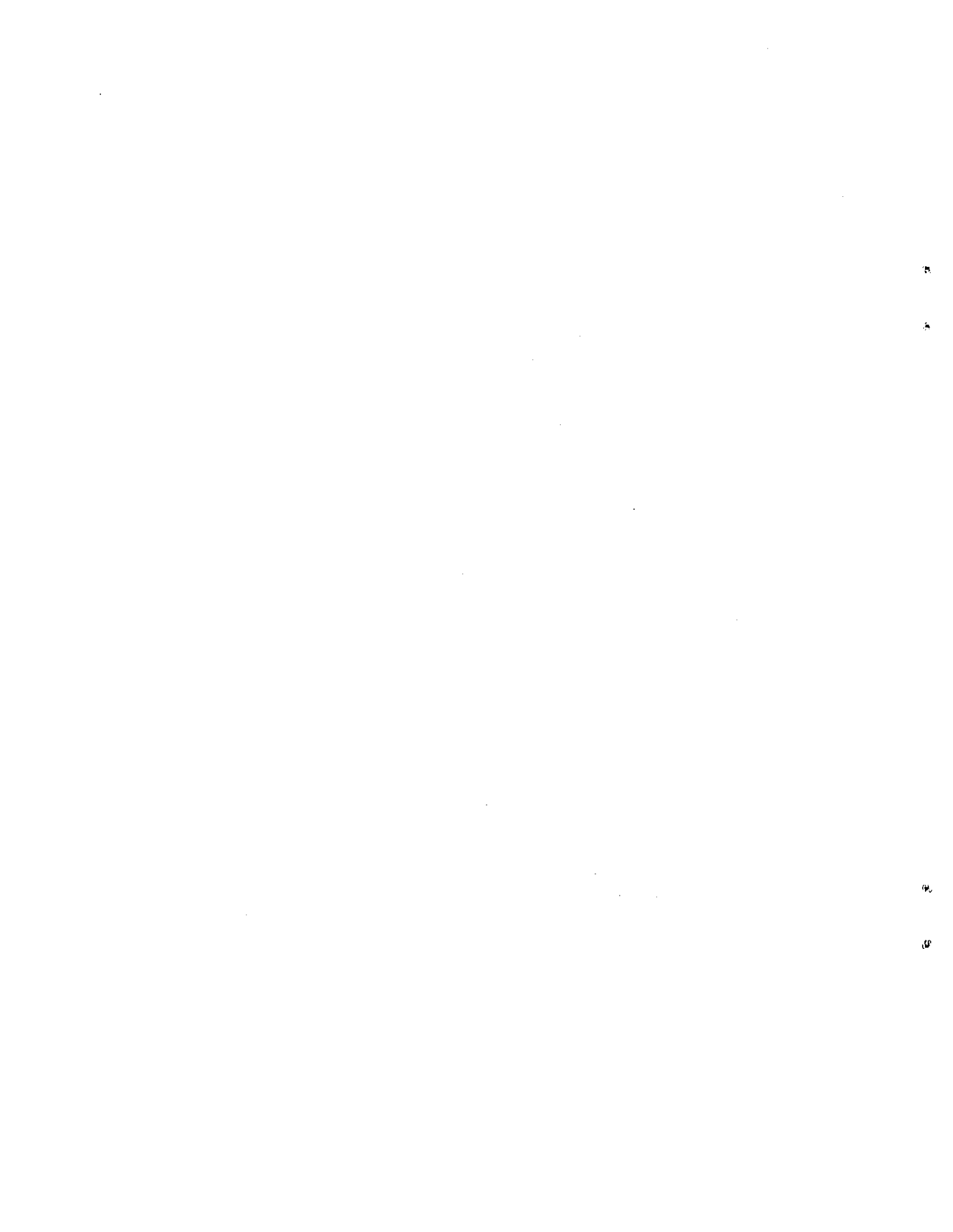
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INTRODUCTION

In this the ninth issue of the publication "Economic Activity in Caribbean Countries", the 1979 performance of the Caribbean Countries is treated. It is noted that the various statistical offices are still faced with problems of inadequate and lack of justified staff. As a result the range of statistics produced is limited and not up-to-date. At a time when there is an ever-increasing demand for timely statistics, delays in data availability must be viewed with concern, as timely analysis is impaired.

The Country Notes in this publication are revisions of the texts that were prepared earlier for inclusion in Economic Survey of Latin America, 1979, published by the Economic Commission for Latin America (CEPAL), Santiago, Chile. The revisions incorporate revised data for earlier years and additional data for 1979.

These Country Notes examine current economic trends and developments in the countries and seek to identify the determinants of these trends. Statistical tables help to substantiate descriptions of movement.

The countries covered in this document are:- Bahamas, Barbados, Belize, Guyana, Jamaica, St. Lucia, Suriname, Trinidad and Tobago, and the West Indies Associated States (WISA). As used in this text, the West Indies Associated States include the countries of Antigua, Dominica, Montserrat, St. Kitts-Nevis, 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 United Kingdom enjoying internal self-government.

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

The symbols used in this report are the following:-

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

PART I

SUB-REGIONAL SUMMARY

A. SUMMARY OF ECONOMIC ACTIVITY

2
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A. SUMMARY OF ECONOMIC ACTIVITY

Major Trends and Changes in GDP Aggregates - Total and Sectors

The substantial increases in oil prices, the resultant acceleration in the rate of inflation and the dampening of economic activity in the industrialized countries influenced the economic performance of the Caribbean Countries in 1979. In addition to these external factors stimuli, the problems of unemployment and poor distribution of income persisted. The Balance of Payments position of the Caribbean, with the exception of two countries, continued to be in deficit^{1/}. Natural disasters such as a volcanic eruption in St. Vincent, heavy rains and widespread flooding in Jamaica, and the devastating effects of hurricane "David" in Dominica further affected the 1979 economic performance of the Caribbean Countries^{2/}. In Guyana and Jamaica, industrial disputes adversely affected output in the leading sectors. These two countries continued to experience further deceleration of economic activity as a result of continued scarcity of foreign exchange for importing intermediate and capital goods. The level of inflation as measured by the several retail price indexes ranged from 9.1 percent in the Bahamas to 30 percent in Jamaica.

Agriculture

The Agricultural sector continued to experience varying fortunes as production was determined in 1979 to a greater extent than usual by weather conditions, natural disasters and poor marketing conditions. A general decline in the production of sugar was the result of industrial disputes, crop disease, unplanned fires and reduced acreages. The Barbados production of sugar registered an increase which contrasts with the otherwise dismal sub-regional performance of sugar. Flooding, and

^{1/} Agricultural production in all the major export crops registered a decline over the 1978 output.

^{2/} For a fuller treatment of the effects of hurricane "David" on Dominica, see document CEPAL/CARIB 79/11 - Report on Effect of Hurricane "David" on the island of Dominica.

other natural disasters accounted for the fall in production and exports of bananas in most of the countries except Belize. Citrus, rice, coffee and cocoa experienced similar downturns in production.

Sugar production in the sub-region declined by some 6.7 percent in the 1978/1979 seasons with a total production of 964,800 tonnes^{3/}. With the exception of Barbados, all of the Caribbean sugar-producing countries registered declines in the production of sugar. Work stoppages, crop disease, unplanned fires and reduced acreages in Guyana; floods, labour unrest, poor factory efficiency in Jamaica; poor quality cane, labour shortages and inadequate factory maintenance in Trinidad and Tobago; and smut disease and inefficient factory operations in Belize, accounted for a 3 percent drop in sugar. In Barbados, the 13 percent increase in sugar production was achieved despite labour problems and factory inefficiencies. A marked reduction in the acreage destroyed by fire was noted.

In response to a projected shortfall of some 3 million tonnes of sugar in the 1979/1980 crop, speculative purchasing almost doubled the price of sugar in 1979, although many of the countries could not take advantage of the increased price, as their output had been pre-empted at previous relatively low prices. If the present favourable price of raw sugar on the London market holds at the December 1979 price of £179 per tonne, the future of the Caribbean sugar industry is assured. The EEC awarded a 1.5 percent increase in the price of sugar for the 1979/1980 season, raising the price to 282.3 European Units of Account^{4/} for sugar delivered between 1 July 1979 and 30 June 1980. This new price was accompanied by the discontinuation of the Guaranteed Market premium of EUA 401 per tonne, thus producing no real increase in the per unit takings of exporters over the 1978/1979 season's prices. The EEC price emerges higher than the world price of sugar.

Bananas declined in production by some 16.5 percent during 1979 caused by the natural drawbacks of a volcanic eruption in St. Vincent

^{3/} Exclude Suriname.

^{4/} 282.3 European Units of Account = \$198.39.

and the effects of hurricane "David" in Dominica.

Exports of bananas from the Windward Islands fell by an estimated 26 percent in 1979 to a total of 99,100 tonnes, with Dominica's exports falling by some 61 percent.

Floods in Jamaica accounted for a 6.7 percent drop in exports to an amount of 70,100 tonnes. The foreign exchange loss was partly offset by an increase in the average Green Boat Prices, but early ripening occasioned by leaf spot disease and delays in shipping the fruit detracted from foreign exchange earnings. The vicious cycle of the shortage of foreign exchange leading to a cutback in the imports of fertilizer and other chemicals which in turn led to plant diseases and the consequential depression of foreign exchange earnings was noted.

In Belize, the banana industry recovered from the 1978 devastation of hurricane "Greta", exports rising some 23.5 percent in 1979 to 14,000 tonnes. The provision of funds for the purchase of fertilizer and irrigation equipment encouraged the recovery in banana output.

Citrus declined in Trinidad and Tobago and Jamaica in 1979, as a result of adverse weather conditions, labour shortages, reduction in acreage under cultivation and crop disease in Trinidad and Tobago, and lack of fertilizer, pesticides and insecticides in Jamaica. The improvement and expansion of the citrus orchards in Belize increased output from 30,000 tonnes in 1978 to 31,700 tonnes in 1979.

Rice production in Guyana suffered as a result of adverse weather conditions, inadequate water control facilities, lack of machinery for harvesting, and power shortages during the milling stages of the operation. Output fell by some 2.4 percent from 185,000 tonnes in 1978 to 140,000 tonnes in 1979, resulting in a 20 percent drop in the Gross Domestic Product (GDP) of this sector from G\$40 million in 1978 to

G\$32 million in 1979. In Belize, rice production increased some 9 percent from 5,400 tonnes in 1978 to 5,900 tonnes in 1979. Rice output in Jamaica fell by 25 percent to 1,800 tonnes in 1979. The severe foreign exchange shortage was felt in the inability to acquire machinery tools and chemicals to raise the level of production of this crop.

Cocoa production in the region continued on a downward trend at a time when favourable world prices prevailed as a result of a drop in production of cocoa in the West African countries. In Trinidad and Tobago, production of cocoa fell in 1979 by some 23 percent from the level of production of the previous year. The 1979 production stood at 2,620 tonnes, the lower production being in part attributable to adverse weather conditions, shortage of labour and crop disease.

In Jamaica production of cocoa declined by some 21 percent to 1,049 tonnes in 1979, the drop in production being attributed to poor cultural practices, labour shortages and to some extent, a shift out of cocoa plants into short-term crops.

Coffee production declined insignificantly in Trinidad and Tobago in 1979 with some 2,496 tonnes having been produced in 1979. A 40 percent decrease in deliveries of coffee to the Coffee Industry Board in Jamaica was to a great extent the result of crop pests. Exports declined in part because of damage to stocks and to coffee-processing equipment.

Mining (including refining)

Crude Petroleum production in Trinidad and Tobago fell by an estimated 7 percent in 1979 to a total of some 78.3 million barrels from 83.8 million barrels in the previous year. The decrease in production reflected decreased productivity of the existing wells and the absence of significant oil discoveries. Exports of crude petroleum declined by 18 percent from a level of 54 million barrels in 1978 to 44.3 million barrels in 1979.

In Barbados, the production of crude petroleum increased some 4.4 percent in 1979, while natural gas produced increased by 22 percent over the 1978 level of 9.6 million cubic metres.

Bauxite production declined in Guyana, Jamaica and Suriname in 1979. In Guyana, dried and calcined bauxite production was estimated to have dropped some 7 percent below the 1978 level of 1.75 million tonnes. Alumina production fell from 230,000 tonnes to some 139,000 tonnes in 1979. The drop in production was to a great extent explained by an industrial dispute which resulted in a prolonged strike. Production of calcined bauxite slightly surpassed the previous year's total of 579,000 tonnes. The opening in 1979 of a new mine with deposits of some 80 million tonnes of ore, promises to further boost Guyana's output of calcined bauxite.

In Suriname, production of bauxite, alumina and aluminium declined in 1979. Despite the fall in quantum, however, the export values of alumina and aluminium surpassed those of the previous year. Production of bauxite is expected to increase in 1980 as a new mine in West Suriname comes onstream. Production data appear in Table V of the Statistical Appendix.

In Jamaica, Mining which consists largely of bauxite and alumina production, while contributing merely one percent to the employed labour force, generated 73 percent of total export earnings. The stagnation in Mining activity was mainly due to idle capacity as companies adopted a "holding" policy as the reformulation of the production levy, on a production incentive basis, was negotiated with the Jamaican Government.

Manufacturing

Indicators of Manufacturing production point to an increase of 6 percent in Trinidad and Tobago in 1979. The major determinants of this growth were increases in food production, wood and related products, chemical and non-metallic products industries. In current prices, the Manu-

facturing sector's contribution to GDP rose to \$771 million in 1979 - an increase of some 17 percent over the 1978 figure. The Manufacturing sector excluding Petroleum, contributed an estimated TT\$770.6 million, or 7.5 percent of Total GDP at current prices in 1979.

In Barbados, the Manufacturing sector contributed Bdos\$125 million or 11.2 percent to total GDP. This performance represented a 17.9 percent increase over the GDP figure of the previous year and a 1 percent increase in real output in this sector over that of the previous year.

The indication is that Manufacturing activity continued to decline in Jamaica where decreases in the production of basic foodstuffs, chemicals and building materials were noted. The foreign exchange position, labour unrest and the implementation of government policy restricting aggregate domestic demand were the major factors behind the performance of the Manufacturing sector.

In Guyana, real output in the Manufacturing sector excluding sugar is estimated to have declined by some 10 percent. The rice and sugar sub-sectors jointly contributed 34 percent to the sector's GDP. Lack of investment and problems of availability of capital for the sector exacerbated the crisis of raw material shortages, while disruptions in the power supply helped to curtail production.

Tourism

In the region as a whole, tourism increased some 4 percent in 1979, as indicated by tourist arrivals. In the Bahamas, an increase of 5 percent in arrivals of stop-over visitors was noted. Estimated tourist expenditure in 1979 in the Bahamas was Bah\$524 million.

A 17 percent increase in stop-over visitors in Barbados in 1979 took the figure to 380 thousand and contributed to an estimated tourist expenditure of Bdos\$333 million, while in Jamaica an 11.3

percent increase in tourist arrivals was noted, pushing the number of tourist arrivals to an estimated 593.6 thousand.

The increased tourist traffic was also felt in St. Kitts and Montserrat, which countries registered tourist arrivals of some 33 thousand and 13 thousand respectively.

The overall improved performance in the Tourist sector is the direct result of more vigorous tourism promotion activities in North America, Western Europe and more recently in the South Caribbean, and the comparative strength of the currencies of these countries vis-à-vis those of the region.

THE INFLATIONARY EXPERIENCE OF THE CARIBBEAN COUNTRIES

Tables IA and IB of the Statistical Appendix present a picture of the inflation as measured by Consumer/Retail indexes, as it has affected the Caribbean over the last four years. The rate of inflation in 1979 ranged from 9.1 percent in the Bahamas to 30 percent in Jamaica. It is to be noted however, that the age of most of the indexes now in use increasingly detracts from the confidence that can be placed in them as measures of the rate of inflation.

Comprehensive data on 1979 international trade are not yet available, but it is safe to conclude that the increases in petroleum prices have to a great extent influenced the general price level. The decline in agricultural production and the consequent deficient supply exerted an upward pressure on the price level.

The money supply (M_1 and M_2) increased in response to increased wages and salaries and the resultant liquidity preferences. Significant increases in Government Recurrent Expenditure in most cases outstripped increases in Recurrent Revenue. The continued inflation, the shortages of foreign exchange in most countries, and the increased Government

deficits helped to increase the National Debt position of most of the countries under review. Tables I to IV of the Statistical Appendix refer.

SOCIO ECONOMIC POLICY

In 1979, socio-economic conditions continued to be influenced by high rates of unemployment, considerable balance of payments deficits, depleted foreign exchange reserves, low productivity, continued inflation, and a worsening distribution of income. Perceptions of social justice have become more acute and policies aimed at improving the circumstances of the poorest sections of society have been introduced. Most countries have introduced policy measures aimed at mobilizing more domestic resources to achieve greater domestic production.

The Government of Barbados enunciated as its major policy objectives:

- i) the mobilization of additional domestic savings into investment and employment-generating activities;
- ii) the encouragement of higher levels of productivity, and
- iii) the achievement of the greatest degree of conservation of energy.

After achieving a measure of success in feeding, clothing and housing its people, the Guyana Government declared its policy to be the following:

- i) careful management of resources and avoidance of waste;
- ii) intelligent exploitation of natural resources; and
- iii) greater production and productivity.

Economic policy sought to generate growth in the economy through the stimulation of the export sector, the receipts of which would provide foreign exchange which would purchase the imports of essential consumer, intermediate and capital imports.

Socio-economic policy in Jamaica sought to reverse the declining trend in real output, reduce the rate of inflation and improve the balance-of-payments position. The following measures were adopted:

- i) Government introduced a Certified Exporters' Scheme and an Export Development Fund designed to give eligible exporters access to import licences and foreign exchange to import raw materials and machinery spares and parts. Banks were encouraged to extend credit to export-oriented industries as a back-up to Government's aggressive export promotion activity in East Europe.
- ii) New wage guidelines were set restraining wage increases to a maximum of 10 percent, while at the same time giving incentives for business to increase productivity, with the proviso that the schemes led to increased employment and did not result in an inflation rate of over 10 percent per annum during 1980 and 1981.
- iii) To balance the wage restraints, Government elaborated a policy for restraining price increases between 1979 and 1981 to 10 percent per annum.

The Trinidad and Tobago Government enunciated a policy aimed at fostering sustained growth and continued improvement in the quality of life. The objectives are:

- i) Government will ensure that future financial commitments will be met by reviewing critically recurrent and capital expenditure for the next five years, and by strengthening and diversifying the revenue base away from the energy sector. Government will move to conserve energy while encouraging the development of industries linked to products of energy-based activities.
- ii) Government will work towards the acceleration of the development of the small business sector by means of increased financial assistance and a programme of assistance to small contractors and small service entrepreneurs.
- iii) Government has pledged to facilitate the construction of low-cost housing that must be

undertaken if an appreciable dent must be made in the demand for housing. Government will move towards a greater supply of condominium-type housing so as to maximize land area.

- iv) Government will continue its policy of restraining the rate of inflation by reducing subsidies on petroleum products and cement, with the objective of forcing a change in the pattern of consumption away from purchases that stimulate inflation.

Government policy in the Bahamas and the West Indies Associated States did not vary to an appreciable extent, as Governments strove to stimulate economic growth through the Agriculture, Manufacturing and Tourist sectors. In Dominica, in the wake of hurricane "David", new tax measures were introduced, increasing taxes on certain price inelastic consumer goods (foodstuffs). The consumption tax on motor-cars was increased while taxes on certain raw materials were either lowered or removed.

Much of Suriname's economic policy was directed to the problem of increasing petroleum prices. A Commission of Energy identified short-term measures aimed at reducing the consumption of petroleum products. The long-term measures identified were the establishment of a permanent Energy Bureau which would collaborate with the University of Suriname in developing alternative sources of energy, especially solar energy for application in the area of Agriculture and Public Health.

B. DEVELOPMENTS AT REGIONAL PROJECT LEVEL

No significant progress towards the deepening of the integration process was noted in 1979. At least one country took stock of its position in the movement, and observed the successes and failures of the movement over the years. It would appear that the Balance of Payments problems of two of the More Developed Countries (MDC's) have contributed to the lack of progress of the integration movement.

An exhaustive sector study leading up to a review of the Agricultural Marketing Protocol was completed as well as the beginning of the

review of the Oils and Fats Agreement. A review of the Special Regime for the Less Developed Countries (LDC's) was carried out between July and September. A study that would unearth the information necessary for the determination of production possibilities in the Region and which would facilitate pre-feasibility studies on some 20 industries was made with the Caribbean Development Bank (CDB) financing. The study is intended to provide a priority listing of sub-sectors that can admit of industrial programming, as well as a list of specific industries for pre-investment study, including pre-feasibility studies on at least 20 industries.

During 1979, a USAID grant of US\$7.25 million was agreed on by the CARICOM Secretariat, the CDB and the US Government, for the purpose of mounting a Caribbean alternative energy programme whose aims are to develop an institutional capability in the Region for energy planning, and to design, test and adapt alternative energy technologies and disseminate the information pertaining thereto. The CARICOM component of the project will comprise advice on national energy policy planning and technical training. The CDB component will comprise communications and the creation of energy information network, and field testing of Applied Energy technologies. The communications activities funded under this grant will be directed at strengthening CDB's existing networks and capabilities for dissemination of renewable energy information.

The Government of Trinidad and Tobago in a White Paper on CARICOM announced guidelines for its provision of economic and technical assistance to CARICOM Countries. The guidelines of the Caribbean Aid Council were to provide economic aid and technical assistance to CARICOM Countries and the Caribbean Committee of CEPAL, on the basis of the United Nations Objectives for developing countries in the areas of food, shelter, food processing, industrial development, infrastructure requirements and development and transfer of technology. The

types of projects that would not qualify for assistance were identified. Applications were received by the Trinidad and Tobago Government from a number of countries.

A Trade and Economic Cooperation Agreement was signed between Canada and CARICOM Countries in 1979. This Agreement outlines a framework for closer cooperation between Canada and CARICOM in the areas of external trade, execution of regional projects and programmes, and the diversification and expansion of the industrial base in CARICOM Countries.

The Caribbean Group for Cooperation in Economic Development which was established in December 1977 to serve as an agency for promoting and coordinating external financial and technical assistance to the Caribbean, met for a second time in June 1979. This meeting of donor and recipient countries identified a number of regional projects of highest priority. These were:-

- i) a programme to strengthen the joint promotion of tourism, particularly in ECCM countries;
- ii) the continuation of the technical assistance project in regional transportation;
- iii) strengthening of the energy sector through the development of indigenous resources and improved energy planning;
- iv) preparation of a long-term regional export promotion programme;
- v) development of the agricultural sector, particularly through improved agricultural research and marketing systems;
- vi) appointment of a task force to encourage more effective participation of the private sector in the development process;
- vii) establishment of a pool of experts, provision of certain common services and the establishment of special assistance programmes for ECCM countries.

C. SUB-REGIONAL
STATISTICAL APPENDIX
1979

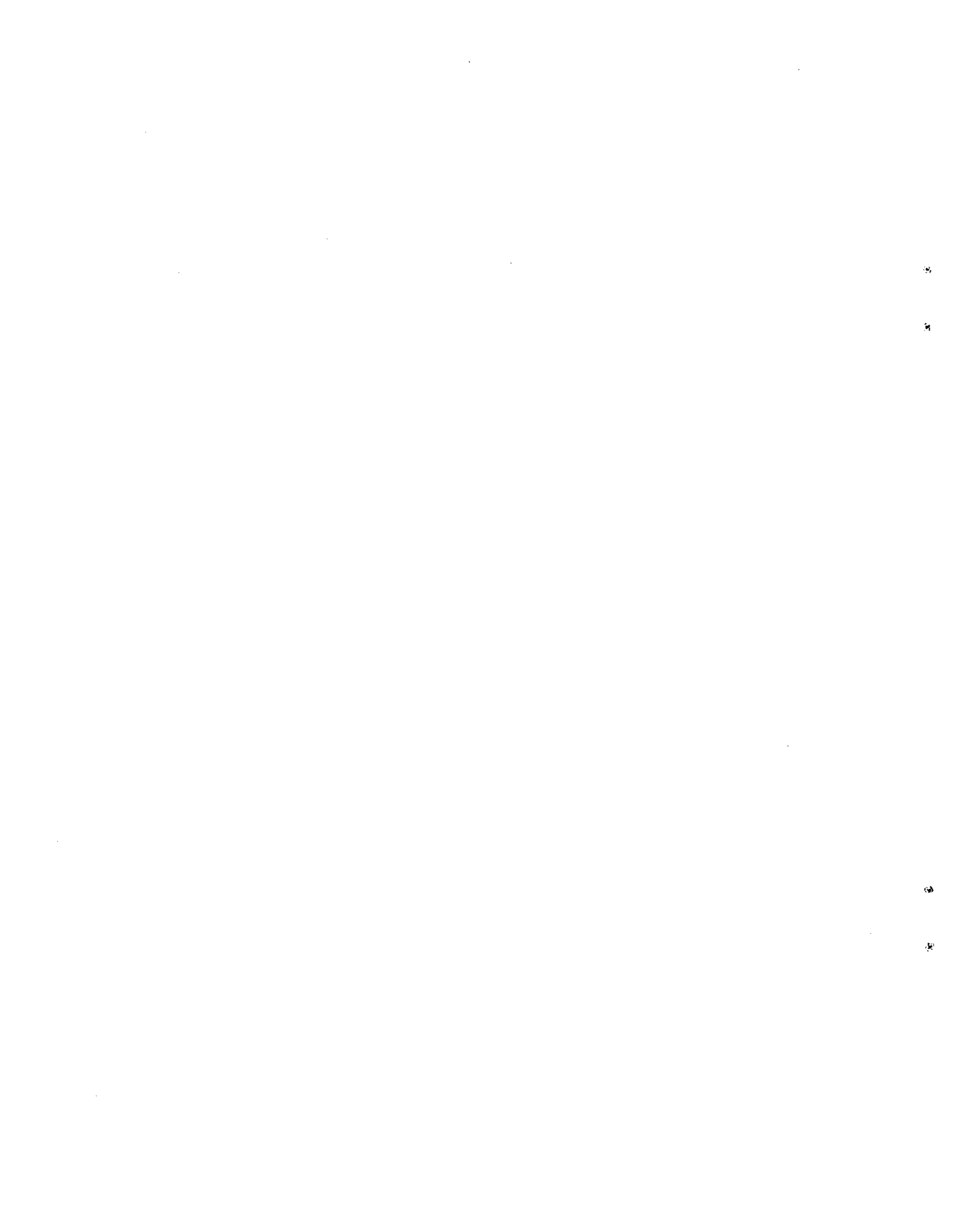


TABLE IA
 CARIBBEAN COUNTRIES
PERCENTAGE CHANGES IN RETAIL PRICE INDEXES

Country	<u>1976</u> 1975	<u>1977</u> 1976	<u>1978</u> 1977	<u>1979</u> 1978
Antigua	9.6	13.7	7.3	19.3
Bahamas	4.3	3.2	6.2	9.1
Barbados	5.0	8.3	9.5	13.2
Dominica	10.9	9.5	7.7	17.9
Guyana	9.0	10.8	19.5	15.6
Jamaica	9.8	11.1	34.8	30.0
Montserrat	12.0	17.5	9.4	16.0
St. Lucia	9.6	8.9	9.1	9.4
St. Vincent	11.3	10.2	8.4	15.0
Suriname	10.2	9.7	8.8	14.9
Trinidad and Tobago	10.4	11.7	10.2	14.7

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

Source: Calculated from data in the Country Notes.

TABLE IB
 CARIBBEAN COUNTRIES
PERCENTAGE CHANGES IN RETAIL PRICE INDEXES - FOOD

Country	1976	1977	1978	1979
Antigua	8.3	15.2	8.2	...
Bahamas	1.2	5.3	8.1	15.0
Barbados	4.2	8.5	10.1	11.1
Dominica	14.2	9.5	...	...
Guyana	12.3	10.1	22.9	15.1
Jamaica	8.9	9.4	36.8	33.4
Montserrat	0.8	15.8	8.7	...
St. Kitts-Nevis	12.1	21.2	...	...
St. Lucia	10.6	...	...	...
St. Vincent	13.1	...	...	...
Suriname	9.9	7.3	4.9	12.8
Trinidad and Tobago	5.9	6.9	9.1	13.8

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

TABLE II
 SELECTED CARIBBEAN COUNTRIES
PERCENTAGE CHANGES IN MONEY SUPPLY

Country	Total Money Supply			Demand Deposits and Currency in Circulation (M ₁)		
	1977	1978	1979	1977	1978	1979
Bahamas	2.3	12.1	18.2	10.3	15.3	28.0
Barbados	10.2	15.7	23.9	14.3	21.7	39.6
Belize	3.0	28.7	4.4	14.3	50.8	3.8
Grenada	11.6	14.9	18.4	7.9	21.1	31.4
Guyana	22.8	10.6	17.1	28.9	5.7	- 4.7
Jamaica	13.3	18.3	11.4	48.1	8.3	13.1
Suriname	9.6	12.0	10.4	10.8	12.2	11.1
Trinidad and Tobago	28.2	29.4	27.8	31.7	43.2	17.2
WISA	6.3	19.4	21.6 ^P	17.4	19.6	37.1 ^P

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

TABLE III

CARIBBEAN COUNTRIES

EXCHANGE RATE - NATIONAL CURRENCIES VIS-À-VIS US\$
(Par rate used)

National Currencies		In terms of US\$				
		1975	1976	1977	1978	1979
Bahamas	- Bah\$1.00	1.00	1.00	1.00	1.00	1.00
Barbados	- Bds\$1.00	0.495020	0.499051	0.498308	0.497191	0.497191
Belize	- Bze\$1.00	0.555450	0.451550	0.451550	0.451550	0.451550
Grenada	- EC\$1.00	0.462875	0.378740	0.370370	0.370370	0.370370
Guyana	- G\$1.00	0.424556	0.392156	0.392156	0.392156	0.392156
Jamaica	- J\$1.00	1.10	1.10	1.10	0.5959	0.5613
Suriname (Central rate)	- Sf.1.00	0.558659	0.558659	0.558659	0.560224	0.560224
Trinidad and Tobago	- TT\$1.00	0.460871	0.410239	0.41666	0.41666	0.41666
WISA	- EC\$1.00	0.460871	0.410239	0.370370	0.370370	0.370370

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

TABLE IVA

CARIBBEAN COUNTRIES

SUMMARY OF CENTRAL GOVERNMENT REVENUE AND EXPENDITURE

SELECTED COUNTRIES

PART I - CURRENT REVENUE

(US\$'000 equivalent)

Country	1976	1977	1978	1979
Antigua	10,008.1	11,728.9	15,824.1	18,798.9
Bahamas	137,400	139,700	166,400	179,100 ^{1/}
Barbados	105,106.2	122,507.9	152,637.6	170,536.5
Dominica	7,222.2	9,471.5	11,617.8	12,795.2
Guyana	146,666.3	139,215.4 ^e	147,450.7	...
Jamaica	...	703,010	1,153,790	1,206,590
Montserrat	3,138.9	3,498.9	3,510	3,660
St. Kitts-Nevis	10,879.3	10,240.7	12,815.6	14,074.1
St. Lucia	16,133.7	18,739.3	21,423.0	26,608.5
St. Vincent	8,575.6	10,723.7	12,141.9	12,595.6
Suriname	161,848.7	177,815.1	203,305.3	...
Trinidad and Tobago	885,402.5	1,145,440.0	1,154,023.2	1,501,892.6

^{1/} January-November figure.

Source: Derived from data in the Country Notes.

TABLE IVB

CARIBBEAN COUNTRIES

SUMMARY OF CENTRAL GOVERNMENT REVENUE AND EXPENDITURE

SELECTED COUNTRIES

PART II. -- CURRENT EXPENDITURE

(US\$ '000 equivalent)

Country	1976	1977	1978	1979
Antigua	13,400.7	15,279.2	19,696.3	21,175.2
Bahamas	129,000	136,000	157,600	151,000 ^{1/}
Barbados	106,597.8	123,651.4	131,705.9	154,228.6**
Dominica	7,592.6	9,472.6	12,950.4	12,696.7
Guyana	179,607.4	169,411.4	181,176.1	...
Jamaica	...	922,790	1,280,070	1,392,930
Montserrat	3,138.9	3,152.6	3,710.0	3,637.8
St. Kitts-Nevis	11,249.2	7,544.1	12,033.7	13,703.7
St. Lucia	17,100.4	18,555.5	18,444.1	24,516.6
St. Vincent	9,085.5	9,938.9	11,028.1	11,601.1
Suriname	159,831.9	203,585.4	220,672.2	...
Trinidad and Tobago	403,576.9	469,575.8	597,240.4	892,319.1

^{1/} January-November figure.

Source: Derived from data in the Country Notes.

TABLE V

CARIBBEAN COUNTRIES

PRODUCTION OF BAUXITE AND RELATED PRODUCTS

Country	Commodity	Production - '000 tonnes			
		1976	1977	1978	1979
Guyana	Bauxite	1,725.1	1,737	1,753	1,646
	Alumina	270	277	240.1	162
	Aluminious Cement	-	-	36.0	9.0
Jamaica	Bauxite	10,474	11,412	11,732	10,478 ^{1/}
	Alumina	1,639	2,048	2,141	1,726 ^{2/}
Suriname	Bauxite	4,587	4,856	5,025	4,769
	Alumina	1,163	1,215	1,316	1,312
	Aluminium	46	50	59	53

^{1/} January-November.

^{2/} January-October.

Source: Compiled from relevant Statistical Appendices.

TABLE VI

CARIBBEAN COUNTRIES

CARIBBEAN DEVELOPMENT BANK

Loan Approvals
(US\$ '000s)

Year	Total Loan Approvals 1970-1979 ^{1/}			Loan Approvals from 'Soft' Funds ^{1/} Between MDCs and LDCs 1970-1979		
	More Developed Countries ^{2/}	Less Developed Countries ^{3/}	Total	More Developed Countries ^{4/}	Less Developed Countries	Total
1970		534	534	-	-	-
1971	1,096	3,998	5,094	-	3,729	3,729
1972	2,518	9,171	11,689	-	7,657	7,657
1973	8,629	9,323	17,952	-	7,341	7,341
1974	9,597	17,192	26,789	1,100	15,148	16,248
1975	7,348	15,949	23,387	1,074	15,013	16,087
1976	13,731	11,157	24,888	3,085	9,571	12,656
1977	6,324	23,661	29,985 ^{5/}	1,085	20,588	21,673
1978	19,159	20,575	39,734	19,986	16,940	36,926
1979	57,703	18,732	76,435	19,527	15,678	35,205
Total	126,195	130,292	256,487	45,857 ^{6/}	111,665	157,522
% Distribution	49.2	50.8	100	29.2	70.8	100

1/ Amounts in other currencies for the period 1970-76 were translated at exchange rates which were effective on 31 December 1976. Amounts for subsequent years were translated at rates effective on 31 December, of the respective years.

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

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

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

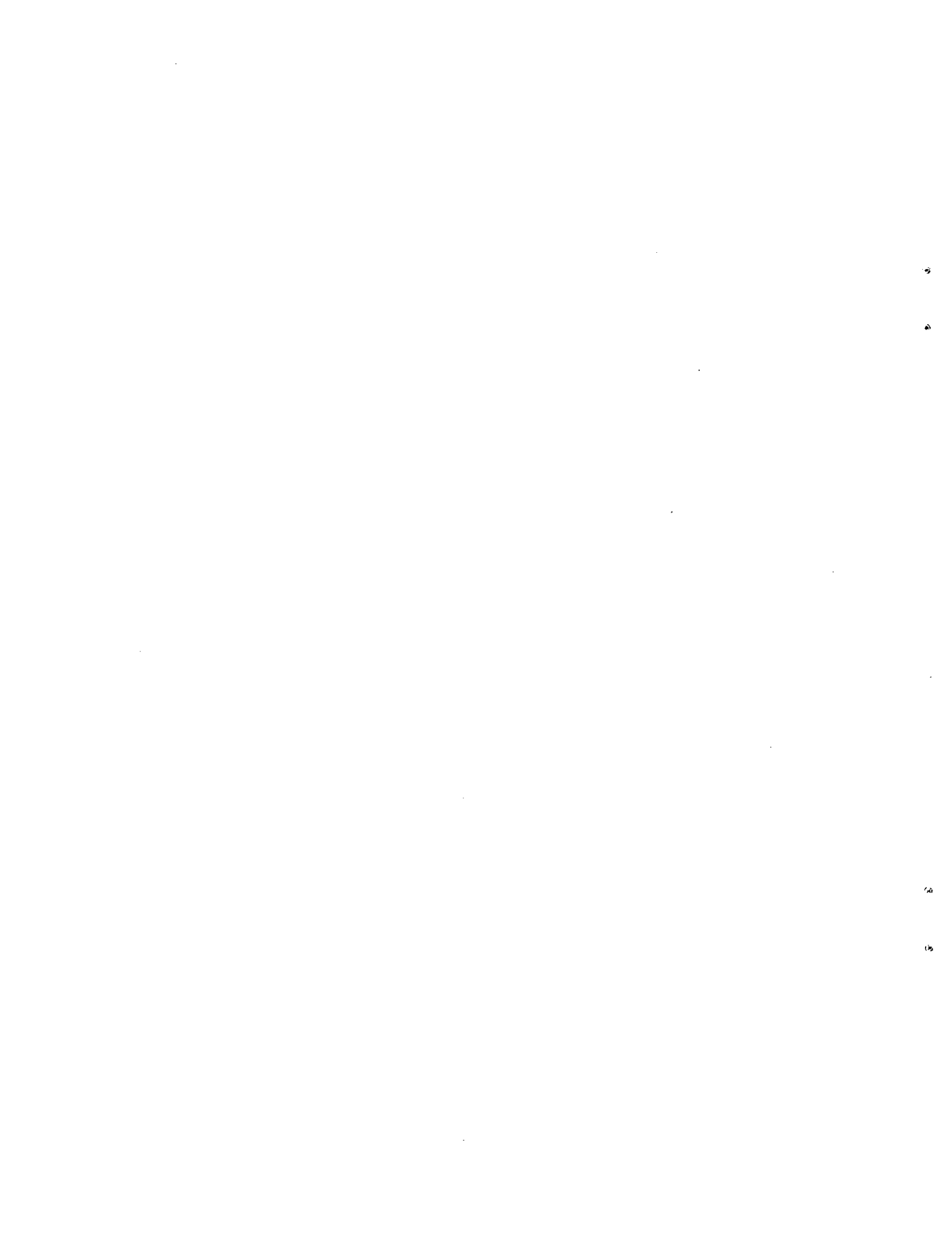
5/ The value of loan cancellations in years 1970-77 is deducted from loan approvals in the year of approval of the particular loan. For 1978 and 1979, loan cancellations during each year are deducted from loan approvals of that year.

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

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

	<u>TRINIDAD AND TOBAGO</u>			<u>BARBADOS</u>			<u>GUYANA</u>			<u>JAMAICA 1/</u>		
	1977 ^r	1978 ^r	1979 ^r	1977	1978	1979	1977	1978	1979	1977	1978	1979
<u>MERCHANDISE TRADE (NET)</u>	496.0	401.9	339.4	-180.6	-202.1	-258.5	-56.1	17.2	...	93.5	22.2	...
Exports	1,473.8	1,570.9	1,620.8	90.7	110.9	149.2	259.3	295.6	...	760.3	773.0	...
Imports	977.8	1,169.0	1,281.4	271.3	313.0	407.7	315.4	278.4	...	666.8	750.8	...
<u>SERVICES (NET)</u>	-326.8	-286.6	-210.2	119.0	154.1	185.0	-37.5	-38.7	...	-181.6	-181.2	...
Transportation	64.0	59.5	85.8	...	...	...	-7.6	-4.5	...	...	...	...
Travel	39.5	13.7	38.4	101.7	127.9	150.2	-0	-1.8	...	...	...	...
Investment Income	-440.0	-348.7	-310.9	...	...	...	-21.6	-22.9	...	...	...	...
Other Services	9.8	-11.1	-23.5	17.3	26.2	34.8	-11.0	-9.5	...	...	...	...
<u>TRANSFER PAYMENTS (NET)</u>	-31.1	-37.2	-42.8	15.9	16.7	18.4	-3.9	-5.7	...	20.1	21.1	...
Private	-16.2	-20.6	-26.4	...	...	...	...	...	...	15.1	16.3	...
Official	-15.0	-16.6	-16.5	...	...	...	...	...	...	5.0	4.8	...
<u>CURRENT ACCOUNT (NET)</u>	138.1	78.1	86.5	-45.7	-31.3	-55.2	-97.5	-27.3	...	-68.0	-137.9	...
<u>CAPITAL ACCOUNT (NET)</u>	285.5	244.7	223.2	29.7	30.3	69.1	24.0	39.7	...	53.5	104.5	...
Private	143.5	140.1	181.7	13.8	6.1	...	-6.7	37.7	...	...	...	...
Official Borrowing	142.0	104.7	41.5	5.5	...	...	30.7	1.9	...	...	...	...
SDR's	-	-	-	-	...	...	-	-	...	...	...	...
Other	-	-	-	5.4	...	...	-	-	...	...	...	...
<u>CURRENT AND CAPITAL ACCOUNT</u>	423.6	322.8	309.7	-16.0	-1.0	13.9	-73.5	12.4	...	-14.5	-33.4	...
<u>NET ERRORS AND OMISSIONS</u>	13.6	5.2	-27.2	13.0	20.0	-1**	-3.9	15.3	...	-1.5	-11.3	...
<u>SURPLUS (+) OR DEFICIT (-)</u>	437.1	328.1	282.5	-3.0	19.0	12.9	-76.2	27.7	...	-16.0	-44.7	...

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



PART II
BAHAMAS COUNTRY NOTES



ECONOMIC SURVEY 1979

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

Overall economic activity^{2/} in the Bahamas showed some increase during 1979 owing mainly to increased activity in construction and tourism supported to some extent by government activities. There seems to be a minor construction-led boom underway which should last for the next two to three years in the absence of disturbing factors such as reduction in the level of capital inflow, restraints on exports or reduction in the number of visitors and their expenditure.

All available indicators of construction activities showed strong increases. Although price increases are clearly evident, this was accompanied by an increase in the volume of construction put into place.

The tourism sector was again very active and the number of visitors and total expenditure increased by an estimated six percent, but this rate of increase was much lower than in the previous year. Government revenues were boosted by the buoyancy in the economy and combined with the successful flotation of a bond issue, facilitated increased government expenditure during the year.

While available data on the goods producing sectors are very incomplete, it does appear that for both agriculture and manufacturing there was no significant change in the level of activity. The need to improve agriculture rapidly in order to diversify the economy has been recognized but the projects that have been launched have not yet begun to make an impact.

^{1/} Bahamas dollar is on par with the US dollar.

^{2/} Official GDP estimates are not prepared. The World Bank Atlas, 1979 shows preliminary GNP estimates in current market prices of \$570 million and \$520 million for 1978 and 1977 respectively.

Although inflation affected the Bahamas like everywhere else in 1979, the rate of increase in the Retail Price Index did not quite reach the double-digit levels of 1974 and 1975. It is interesting to note that the 9 percent increase in the New Providence Retail Price Index was much lower than that of the United States. Up to 1978 the prices of energy products increased faster than the general level of retail prices and thus have contributed to the general upward movement of prices. It would appear that the same situation continued in 1979. However, increases in these prices which are subject to government control have been kept at a much lower rate than the rise in OPEC crude petroleum prices.

The external sector performed much better in 1979 than in 1978 and the net addition to external reserves should be of the order of \$30 million. This outcome resulted mainly from the increased inflows on the foreign travel and capital accounts but also from apparent increases in merchandise exports.

TRENDS IN ECONOMIC ACTIVITY

Tourism

The considerable increase in tourism which occurred in 1978 was not duplicated in 1979 as shown in Table I of the Statistical Appendix and as reflected by all available indicators.

Tourism however, continued to be the most important economic sector in the Bahamas and also a major engine of growth. The 6 percent increase in visitors during 1979 is estimated to have boosted gross tourist expenditure to \$524 million. This increased revenue stimulated employment and wages in the hotel, transportation, entertainment, personal services and retail sectors. Although a substantial portion of this amount would have been spent on import needs of the sector, the indication is that there was an increase in the amount retained within the local economy. Government's tax take from levies on hotels increased considerably

in 1978 and more so in 1979 with the introduction of the 3 percent tax on hotel room rates and the increases in departure (travel) taxes.

Economic performance of 1979 has generated an air of optimism about the future of tourism which seems to be supported by plans for new foreign investment. It would appear though that some caution is indicated in view of the less than buoyant economic situation in many developed countries, the increasing cost of fuels, and the high rates of inflation worldwide. Diversification around tourism must therefore be pursued with even greater intensity than heretofore.

Agriculture

Comprehensive data are not yet available for 1978 and 1979. The indicators suggest an increase in output of the sector during 1978 and that fisheries made an important contribution. Fewer indicators are available for 1979; there were, however, indications of a levelling off in activity including the important fisheries sub-sector. This situation may have resulted partly from the surge in tourism activity in both 1978 and 1979 which would tend to attract some resources away from agriculture. Also, the government's increased assistance in providing infrastructure to agriculture and additional credit facilities to aid farmers had not yet taken full effect.

Additionally, to counteract the lack of growth in the fishing sub-sector, several fisheries projects are in various stages of implementation, the objective being to improve the quality and number of the fleet and to provide better infrastructure and a larger number of trained personnel. Progress in all aspects of agriculture will tend to be very slow until some of the major infrastructural problems are relieved.

Table 1
Estimated Value of Local Farm Production
(B\$'000)

<u>Item</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978^P</u>
Fruit and Vegetables	1,738	2,173	3,279	4,727	5,662
Dairy Products	1,224	1,064	1,131	n.a.	n.a.
Meat (Beef and Mutton)	461	411	454	447	366
Poultry Products	7,074	8,698	9,600	11,184	10,140

Source: Ministry of Agriculture, Bahamas.

Construction

This sector was the most dynamic during 1979 when the recovery which was observed during 1978 continued at an accelerated rate. Tables IV and V of the Statistical Appendix refer.

Value of construction completions for the first half of 1979 exceeded the value for the same period of 1978 by 66 percent. The increase in number of units completed however, was only 17 percent during the same period. Data on construction starts and on building permits issued show even more substantial increases. Up to third quarter 1979 the value of buildings on which construction had started exceeded the full year 1978 figure by 73 percent. The bulk of this activity was in private residential construction. Detailed government expenditure data are not available, but there are indications that government construction activities continued to make a significant contribution during 1979.

Two points stand out in the available data; the apparent significant increase in building costs and the strong possibility for an extremely buoyant construction sector for the next two to three years at least. The increase in average unit value of construction

completions was significantly higher in 1979 than in 1978. Construction completions lag behind construction starts and both behind construction permits issued. While permits issued represent only an intent to build, a start is a concrete realization. Looking at the data for 1974 to 1978 there is a gap between starts and completion of more than 1,100 units or more than twice as many units as have been completed in any year to date. While few units may never be completed, the more recent higher level of economic activity, increased credit availability and government's assistance to the sector give considerable justification for the short-term rosy outlook for construction activities.

It should be noted that government expressed a policy decision late in 1979 to enlarge its housing programme. This programme includes the introduction of public housing (government ownership) and provision for assistance with private housing for low income earners. The measures to be introduced include channelling of social insurance funds at low interest rates into this type of housing.

THE EXTERNAL SECTOR

The out turn of the Balance of Payments appeared to be better in 1979 than in 1978. Preliminary Balance of Payments data to September 1979 are given in Table VI of the Statistical Appendix. Typically the Balance of Payments position is not very favourable in the fourth quarter and indications are that external reserves fell to below \$90 million by year end, suggesting a Balance of Payments surplus of close to \$30 million for the year compared with a provisional deficit of \$8 million for 1978.

As usual there was a deficit on merchandise trade and while the data are very preliminary it appears that net exports improved compared with 1978. Receipts on travel

continued to increase in 1979 and up to September of that year were able to offset considerably the increases in investment income outflow. Capital inflows were once again positive in 1979 following the 1978 net outflow and contributed strongly to the Balance of Payments surplus.

It should be noted though, that the estimated end of year level of reserves are equivalent to less than 3 1/2 months average imports and that in addition, interest, dividends and profits eligible for repatriation are substantial.

PRICES

The increase in the average level of retail prices in the Bahamas during 1979 was the highest experienced since 1975. (See Table IX). The New Providence index increased on average by 9 percent in 1979 compared with 10 percent during 1975. At the broad group level, prices of foodstuff and clothing and footwear showed the largest increases during 1979. The Housing component with its large weight also gave the price level a considerable upward push during the year. Price increases were most rapid during the third quarter of the year, though food prices also increased rapidly in the second quarter. Fourth quarter price rises were relatively small.

The rates of price increases in the Bahamas have been much lower than almost anywhere else in the Caribbean and in the last two years have been lower also than in the United States of America.

Table 2

Selected Data on Energy Prices

	Weights in Total Index of 1000	<u>1973</u> <u>1972</u>	<u>1974</u> <u>1973</u>	<u>1975</u> <u>1974</u>	<u>1976</u> <u>1975</u>	<u>1977</u> <u>1976</u>	<u>1978</u> <u>1977</u>	<u>1979</u> <u>1978</u>
Gas, propane	6.81	0.0	59.6	-3.2	0.0	0.0	0.0	n.a.
Electricity	13.82	0.0	22.2	34.4	0.0	1.3	1.3	n.a.
Kerosene, etc.	1.90	4.4	57.4	8.1	0.0	5.0	1.2	n.a.
Gasolene	21.91	6.8	9.3	11.2	0.0	1.6	3.2	n.a.

N.B. Relate to Retail Price Index of New Providence.

Source: Official publications.

Up to 1978 retail prices of fuel in the Bahamas grew at a far slower rate than the rise in OPEC crude petroleum prices. This is so because these items are either under price control, and/or because the local refinery supplies domestic requirements at special prices. It is interesting to note also that the price of fuel products has increased faster than the total price index. Between 1972 and 1978 however, at a weight of only 4.4 percent, its impact on prices would not have been extremely high. The pervasive nature of fuel as a basic input of so many sectors would certainly have significantly influenced upward movements in the overall price level.

GOVERNMENT FISCAL ACTIVITIES

The substantial increase in government revenues observed during 1978 continued in 1979. (Data are given in Table X of the Statistical Appendix). This trend reflects the resurgence in economic activity during these years. During 1979 the

only increases on taxes were on hotel rooms, visitors' departure and in fees of Banks and Trust Companies. During the two-year period recurrent expenditure has also been increasing but at a slower rate than revenue so that a modest surplus has been generated. The 1980 budget, introduced at the end of 1979, proposed no new taxes but the long deferred increase in business and professional licence fees will be taken up.

However, despite this surplus it has been necessary for government to borrow funds locally to finance its capital expenditure programme. A \$40 million government bond issue was successfully floated at mid-year 1979 and steps have been taken to create a secondary market in government bonds. Government took advantage of the favourable cash position during the year to reduce the level of its external indebtedness. Significant capital expenditure is planned for 1980 when several major projects outlined at the beginning of 1979 will enter an operational phase.

No major changes have been made in the government's policy summarized in last year's Survey. There seems to be greater concern for increasing agricultural production to offset the large food import bill. There has also been announcement of a "Social Revolution" as a follow-up to the "Political Revolution" inaugurated with the achievement of independence in 1973. Four major themes are included:

- a) A land policy restricting sale of land to foreigners and eliminating land speculation by foreigners;
- b) Significantly improved social services for the poor, elderly and handicapped;
- c) Government's embarkation on a public housing programme including subsidization of interest rates for low income earners and government ownership of low income housing; and
- d) Slum clearance and urban re-development in a highly populated section of the capital city, Nassau.

STATISTICAL APPENDIX

BAHAMAS

1979



BAHAMAS

TABLE I

SELECTED DATA ON TOURISM 1976-1979

	1976	1977	1978	1979 ^P	<u>Annual Rate of Change</u>		
					1977	1978	1979
TOTAL NUMBER OF VISITORS (excludes Transits ('000) of which:	1,348	1,320	1,639	1,735	- 2.0	24.1	5.9
Stop-over visitors ('000) (includes excursionists)	940	965	1,176	1,235	2.7	21.9	5.1
Cruise visitors	405	353	450	476	-12.8	27.5	5.8
Hotel rooms available maximum during year (licensed accommodation)	11,107	11,442	11,175	...	3.0	- 2.3	...
Average hotel room occupancy rate (New Providence Island only) <u>1/</u> %	64.3	66.6	76.9	...	3.6	15.5	...
STOP-OVER VISITORS							
Average length of stay (days)	6.7	7.0	7.0	7.0	4.5	0.0	0.0
Per diem expenditure (B\$)	55.72	58.75	57.61	...	5.4	- 1.9	...
Per visit expenditure (B\$)	373.90	408.90	401.54	...	9.4	- 1.8	...
Total expenditure (B\$Million)	351.4	394.8	472.3	500.0 ^e	12.3	19.6	5.9 ^e
CRUISE VISITORS							
Per visit expenditure (B\$Million)	41.00	50.00	50.00	...	22.0	0.0	...
Total expenditure (B\$Million)	16.5	17.6	22.5	24.0 ^e	6.7	27.4	6.7 ^e
GRAND TOTAL EXPENDITURE OF STOP-OVER AND CRUISE VISITORS (B\$'000)	368.0	412.4	494.7	524.0 ^e	12.1	20.0	6.0 ^e

1/ Occupancy rate for Grand Bahama in 1977 and 1978:
58.1 and 65.4. Family Islands: 37.3 and 41.6.

Source: Annual Report on Tourism, 1978; Tourism Statistics, December 1979,
Ministry of Tourism, Bahamas; and data supplied CEPAL.

BAHAMAS

TABLE II

PURCHASE OF SELECTED COMMODITIES BY THE GOVERNMENT PRODUCE EXCHANGE

Commodity	Quantity Unit	Q u a n t i t y				
		1975	1976	1977	1978 ^{1/}	1979 ^{2/}
Oranges	'000 fruit	1,655.1 ^r	714.6	809.2	707.6	...
Limes	'000 fruit	1,155.5	1,815.3	1,533.3	1,158.9	918.5
Bananas	MT	192.0 ^r	240.0	346.3	319.4	251.1 (Jan-Oct)
Pineapples	Dozen	3,182.0	3,658.0	765.0	5,242.0	...
Watermelons	MT	144.5	175.5	32.8	162.4	149.2
Pigeon Peas (green and dry)	MT	42.3	59.8	18.9	25.1	...
Tomatoes (fresh)	'000 L	669.2	1,560.2	731.1	1,452.0	345.9 ^{2/} (Jan-Jun)
Onions	MT	190.0	290.3	11.0	291.0	273.6 (Feb-Jul)
Sweet potatoes	MT	96.3	89.4	39.5	77.1	20.0 (Jan-Jun)
Tangerines	'000 L	-	-	68.4	46.8	...

1/ For the period January to September 1978.

2/ Data given in Metric Tons.

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

BAHAMAS

TABLE III

QUANTITIES AND VALUE OF MARINE PRODUCTS
LANDED IN BAHAMAS (1975-1979)

Item	1975		1976		1977		1978		1979 ^P	
	Quantity MT	Value B\$'000	Quantity MT	Value B\$'000	Quantity MT	Value B\$'000	Quantity MT	Value B\$'000	Quantity MT	Value B\$'000
Crawfish	220.0	1,569	323.2	3,312.3	450.1	4,278.3	496.0	5,269.3	537.9	5,880.5
Conch	276.1	457	281.5	534.1	237.6	548.1	167.5	408.9	220.7	629.8
Turtle	28.5	62	29.9	37.6	33.4	68.6	41.1	80.8	20.0	49.1
Other Fish	860.8	1,268	822.2	1,237.4	873.6	1,233.0	947.1	1,426.3	850.2	1,628.3
TOTAL	1,385.5	3,356	1,456.8	5,121.4	1,594.7	6,128.0	1,651.7	7,185.3	1,628.8	8,187.7

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

BAHAMAS

TABLE IV

SELECTED CONSTRUCTION DATA
(1975-1979)

PERIOD	PERMITS ISSUED		CONSTRUCTION STARTS		COMPLETIONS	
	Number	Value (B\$M)	Number ^{3/}	Value (B\$M)	Number ^{4/}	Value ^{3/} (B\$M)
1975	1,713	42.8	603	19.3	410	20.1
1976	1,551	55.3	637	33.6	480	23.1
1977	1,704 ^{2/}	62.8	756	27.5	489	19.0
1978	1,835	65.2	953	42.1	540	21.2
1978 ^{1/}	904	28.7	473	19.6	256	9.3
1979 ^{1/}	1,036	50.6	588	33.0	299	15.4

^{1/} Data refer to period January-June 1979

^{2/} Include 26 permits not classified by quarter.

^{3/} Excludes data on "Other Family Islands" except for 1974 and 1975.

^{4/} Totals exclude data on "Other Family Islands" except for the year 1974.

Source: Quarterly Review, June 1979 and data supplied CEPAL.

BAHAMAS

TABLE V

VALUE AND NUMBER OF BUILDING STARTS
(1975-1979)

Period	NUMBER OF BUILDING STARTS			VALUE OF BUILDING STARTS (B\$'000) ^{1/}		
	Res.	Comm. and Ind.	Total	Res.	Comm. and Ind.	Total
1975	441	117	603	13,325	5,310	19,293
1976	499	124	637	17,618	9,884	33,753
1977	600	150	756	20,179	6,620	27,491
1978 ^P	765	182	953	28,654	12,705	42,064
1979 ^{2/}	1,234	191	1,425	62,233	10,966	73,199

^{1/} Figures for value and number of buildings starts related only to New Providence and Grand Bahama, the most heavily populated islands.

^{2/} Data related to period January-September 1979.

Res. = Residential; Comm. = Commercial; Ind. = Industrial

Source: Quarterly Review, June 1979, Central Bank of Bahamas, and data supplied CEPAL.

BAHAMAS

TABLE VI

BALANCE OF PAYMENTS: 1976-1979
(B\$M)

	1976 ^r	1977 ^r	1978 ^r	(Jan-Sept) 1979 ^p
<u>MERCHANDISE (Net)</u>	-284.9	-278.6	-326.1	-196.3
Exports	134.9	138.7	155.2	156.7
Imports	-419.8	-417.3	-481.3	-353.0
<u>SERVICES (Net)</u>	+332.3	+350.8	+395.5	+270.8
Travel	+319.3	+352.8	+428.0	n.a.
Other	+ 13.0	- 2.0	- 32.5	n.a.
<u>BALANCE ON GOODS + SERVICES</u>	+ 47.4	+ 72.2	+ 69.4	+ 74.5
<u>NET TRANSFER PAYMENTS</u>	- 11.6	- 13.2	- 14.8	- 3.0
<u>BALANCE ON CURRENT ACCOUNT</u>	+ 35.8	+ 59.0	+ 54.6	+ 71.5
<u>CAPITAL ACCOUNT</u>	- 22.2	+ 59.1	- 23.9	+ 6.6
Long term	+ 7.1	+ 39.4	- 25.8	+ 15.5
Official	- 10.3	+ 4.6	- 10.2	- 7.5
Private Sector	+ 17.4	+ 34.8	- 15.6	+ 23.0
Short term	-	-	-	-
Other Capital ^{1/}	- 29.3	+ 19.7	+ 1.9	- 8.9
<u>ERRORS AND OMISSIONS</u>	- 19.5	- 98.4	- 39.0	- 34.8
<u>BALANCE FOR OFFICIAL FINANCING</u>	- 5.9	+ 19.7	- 8.3	+ 43.3
<u>RESERVE MOVEMENTS</u>				
(- = increase + = decrease)	+ 5.9	- 19.7	+ 8.3	- 43.3

^{1/} Includes net transactions of Authorized Dealers and other Financial Institutions.

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

BAHAMAS

TABLE VII

DOMESTIC EXPORTS

	<u>(B\$Mill) (FOB)</u>				<u>Annual Growth Rates</u>			
	<u>1976^r</u>	<u>1977^r</u>	<u>1978</u>	<u>1979</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Petroleum Products	850.1	1,400.9	...	...	-14.4	64.8	...	...
Hormones	45.4	26.0	...	...	74.6	-42.7	...	...
Rum	12.6	14.0	...	...	-10.0	11.1	...	...
Cement	6.1	1.0	...	...	-11.6	-84.9	...	...
Crude Salt	8.9	6.6	...	...	122.5	-25.8	...	...
Crawfish	6.3	8.7	8.9	8.4	125.0	38.1	2.3	-5.6
Other	5.7	18.2	...	...	29.6	219.3	...	...
COLUMN TOTALS	935.1	1,475.4	...	...	-11.0	57.8	...	...

Source: External Trade Statistics Report,
1977, Department of Statistics,
Nassau, Bahamas and data supplied
CEPAL.

BAHAMAS

TABLE VIII

IMPORTS (CIF) BY SITC SECTIONS: 1975-1978
(B\$Mill.)

SITC Section	1975	1976 ^r	1977 ^r	1978	% Breakdown		Annual Growth Rate		
					1970	1977 ^r	1976 ^r	1977 ^r	1978
Food and Live Animals	59.7	69.9	54.3	...	14.2	1.5	17.1	-22.3	...
Beverages and Tobacco	10.1	12.5 ^r	10.6	...	4.0	0.3 ^r	23.8	-15.2	...
Crude Materials, inedible, except fuels	4.2	6.0	3.9	...	2.3	0.1	42.9	-35.0	...
Mineral Fuels, lubricants and related materials	2,466.2	2,845.7 ^r	3,346.8 ^r	...	17.5	93.8	15.4	17.6	...
Animal and Vegetable Oils and Fats	0.8	0.9	0.6	...	0.2	0.0	12.5	-33.3	...
Chemicals	38.0	56.3	38.8	...	5.9	1.1	48.2	-31.1	...
Manufactured Goods, classified by materials	36.7	46.9 ^r	35.3	...	14.1	1.0	27.8	-24.7 ^r	...
Machinery and Transport Equipment	44.9	48.8	41.1	...	23.2	1.2	8.7	-15.8 ^r	...
Miscellaneous Manufactured Articles	33.8	37.4	36.7	...	18.2	1.0	10.7	-1.9 ^r	...
Commodities and Transactions not classified according to kind	2.5	0.2	0.2	...	0.5	0.0	-92.0	0.0	...
TOTAL	2,969.0	3,124.5^r	3,568.2	...	100.0	100.0	5.2	+14.2	...

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

Source: External Trade Statistics Report, 1977, Department
of Statistics, Bahamas and data supplied CEPAL.

BAHAMAS

TABLE IX

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

	1976	1977	1978	1979 ^p
	<u>Annual Averages</u>			
Consumer Price Index	142.9	147.4	156.5	170.7
Food	151.1	153.9	166.5	184.6
Housing	127.6	131.8	135.9	144.7
Clothing and Footwear	152.8	157.1	166.9	187.8
Transport	147.2	157.1	169.1	180.2
Health and Personal Care	139.4	145.0	153.9	165.6
Recreation and Reading	144.3	151.1	157.1	170.6
Other goods and Services	141.0	146.8	153.4	166.4
	<u>(%) Annual Average Variation</u>			
Consumer Price Index	3.6 ^r	3.1	6.2	9.1
Food	2.9	1.9	8.2	10.9
Housing	3.7	3.3	3.1	6.5
Clothing and Footwear	6.5	2.8	6.2	12.5
Transport	5.3	6.7	7.6	6.6
Health and Personal Care	6.9 ^r	4.0	6.1	7.6
Recreation and Reading	6.4	4.7	4.0	8.6
Other goods and Services	4.1	4.1	4.5	8.5
	<u>% December to December Variation</u>			
Consumer Price Index	3.2	4.6 ^r	6.6	11.6
Food	1.2	5.3 ^r	8.3	15.0
Housing	4.1	2.8 ^r	4.8	6.9
Clothing and Footwear	5.8	2.2 ^r	8.5	16.8
Transport	6.0	8.0	4.2	9.4
Health and Personal Care	1.2	4.8 ^r	8.3	7.0
Recreation and Reading	6.1	3.7 ^r	7.2	6.7
Other goods and Services	4.0	5.6 ^r	3.6	10.5

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

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

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

						<u>Percentage Change</u>			
			(Jan- Nov)	(Jan- Nov)		(Jan- Nov)			
	1976 ^r	1977 ^r	1978 ^p	1978 ^p	1979 ^p	1976 1975	1977 1976	1978 1977	1979 1978
<u>RECURRENT INCOME</u>	<u>137.4</u>	<u>139.7</u>	<u>166.4</u>	<u>147.8</u>	<u>179.1</u>	13.8	1.7	19.1	21.2
Tax revenue	116.3	124.7	147.1	129.4	152.9	18.4	7.2	18.0	18.2
of which: Import	71.4	81.2	96.8	...	...	11.4	13.7	19.2	...
Services	10.0	9.2	10.9	...	...	8.7	8.0	18.5	...
Stamp	7.8	8.3	11.3	...	...	8.3	6.4	36.1	...
All others	27.1	26.0	28.0	...	...	53.1	4.1	7.7	...
Non-Tax Revenue	21.1	15.0	19.3	18.4	26.2	- 5.2	-28.9	28.7	42.4
<u>RECURRENT EXPENDITURE</u>	<u>129.0</u>	<u>136.0</u>	<u>157.6</u>	<u>134.3</u>	<u>151.0</u>	13.2	5.4	15.9	12.4
Personal Emoluments	74.7	79.6	91.3	82.3	89.5	14.9	6.6	14.7	8.8
Goods and Services	34.0	32.1	38.3	29.9	35.8	13.3	5.6	19.3	19.7
Transfer Payments and Subsidies	20.3	24.3	28.0	22.1	25.7	6.8	19.7	15.2	16.3
Saving on Current Account	8.4	3.7	9.1	13.5	28.1	25.4	-56.0	146.0	108.2
<u>CAPITAL EXPENDITURE</u>	<u>22.5</u>	<u>23.6</u>	<u>28.3</u>	<u>22.3</u>	<u>20.1</u>	63.0	4.9	19.9	- 9.9
Capital Formation	15.9	18.3	11.0	7.0	10.6	211.8	15.1	-40.2	51.4
Acquisition of Assets	0.2	0.1	11.8	11.1	-	-93.7	-56.0	-	-
Other	6.4	5.2	5.5	4.2	9.5	16.4	-18.8	5.8	126.2
<u>TOTAL EXPENDITURE</u>	<u>151.5</u>	<u>159.6</u>	<u>185.9</u>	<u>156.6</u>	<u>171.1</u>	18.5	5.4	16.5	9.3
Net lending (- = repayment)	8.4	9.4	16.3	16.3	6.8	20.0	11.9	73.4	58.3
Deficit (-) or surplus (+)	-22.5 ^r	-29.3	-35.5	-25.1 ^{1/}	1.2 ^{1/}	59.6	30.2	21.2	95.2 ^{1/}
Total National Debt	172.5 ^r	218.7	233.0	234.0 ^{1/}	262.1 ^{1/}	15.3	26.8	6.5	12.0 ^{1/}

^{1/} Data relates to the period January to June; include contingency liabilities for Statutory Corporations.
Source: Quarterly Review, September 1978, Central Bank of the Bahamas, and data supplied CEPAL.

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

	1976 ^r	1977 ^r	1978 ^r	1979 ^p	Annual Growth Rates		
					1977	1978	1979
1. <u>Money Supply (M₁)</u>	83.7	92.3	106.4	136.2	10.3	15.3	28.0
(a) Currency outside banks	20.3	23.1	26.4	29.7	13.8	14.3	12.5
(b) Demand deposits	63.4	69.2	80.0	106.5	9.2	15.6	33.1
2. <u>Factors of Expansion</u>	312.2	326.9	360.5	437.8	4.7	10.3	21.4
(a) Foreign assets (net)	(49.6)	(67.7)	(71.8)	(23.2)	36.5	6.1	-67.7
(b) Domestic Credit	361.8	394.6	432.3	461.0	9.1	9.6	6.6
(i) Government (net)	89.0	81.6	99.0	86.8	- 8.3	21.3	-12.3
(ii) Official entities	2.5	1.8	2.2	6.4	-28.0	22.2	190.9
(iii) Private sector	270.3	311.2	331.1	367.8	15.1	6.4	11.1
3. <u>Factors of Absorption</u>							
(a) Quasi money	197.7	195.5	216.1	245.1	- 1.1	10.5	13.4
Of which:							
(i) Savings deposits	48.8	54.6	66.5	83.0	11.9	21.8	24.8
(ii) Time deposits	110.2	116.8	123.3	134.1	6.0	5.6	8.8
(iii) Long-term borrowing	-	13.3	-	-	-	-	-
4. <u>Other items (net)</u> ^{1/}	30.8	39.1	38.0	56.5	26.9	- 2.8	18.5

1/ (Other items = (2 (a) + 2 (b)) - (1 (a) + 1 (b)) - (3 (a)))

Source: Quarterly Review, June 1979, Central Bank of the Bahamas, and data supplied CEPAL.

BAHAMAS

TABLE XII

QUARTERLY ANALYSIS OF LOANS AND ADVANCES

(As of December each year)

(B\$ '000)

Sector	1976	1977	1978	(Jan-Sept)		Percentage Change (Jan-Sept)		
				1978	1979 ^D	1977 1976	1978 1977	1979 1978
				Agriculture	1,513	1,207	1,503	1,414	1,885	-20.2	24.5	33.3
Quarrying	118	35	15	18	5	-70.3	-57.1	-72.2
Manufacturing	17,377	12,546	6,656	6,884	7,450	-27.5	-47.0	8.2
Hotels, Clubs, Restaurants and Nightclubs	28,140	51,140	51,764	54,689	46,094	81.9	1.2	-15.7
Trade and Commerce	32,686	32,338	44,250	44,576	50,734	- 0.9	36.8	13.8
Utilities (Water, Electricity and Transportation)	10,794	7,200	9,624	8,341	9,167	-33.3	33.7	9.9
Building and Construction	38,574	35,989	35,413	39,273	43,193	- 6.7	- 1.6	10.0
Real Estate	36,086	35,005	54,521	51,135	54,755	- 3.0	55.8	7.1
Personal Loans	42,303	55,663	59,150	53,318	59,689	31.6	6.3	12.0
Other Local Loans	62,709	75,530	64,862	63,652	74,418	20.5	-14.1	16.9
TOTAL	270,300	306,653	327,758	323,300	347,390	13.5	6.9	7.5

Source: Quarterly Review, June 1979, Central Bank of the Bahamas, and data supplied CEPAL.

BAHAMAS
TABLE XIII

SELECTED ECONOMIC INDICATORS

Indicator	Unit	1975	1976	1977	1978	1979 ^P
Exports (FOB)	B\$Mill.	2,508.3	2,992.3	3,260.7	...	...
Imports (CIF)	B\$Mill.	2,969.0	3,124.5	3,568.2	...	...
Retail Price Index	Nov/Dec 1971 = 100	137.1	142.9	147.4	156.5	170.7
Total Tourist Arrivals	'000	1,381.0	1,404.0	1,381.0	1,707.0	1,789.0
Value of Construction Starts ^{1/}	B\$Mill.	19.3	33.6	27.5	42.1	33.0 ^{2/}
Electricity Generated	Mill. kWh	647.0 ^{3/}	610.0 ^{3/}	699.0	787.5	...
Government Revenue	B\$Mill.	120.7	137.4	139.7	166.4	179.1 ^{4/}
Government Expenditure	B\$Mill.	127.8	151.5	159.6	185.9	171.1 ^{4/}
Public Debt	B\$Mill.	127.2	149.8	184.1	202.2	227.1 ^{4/}
Money Supply (M ₁)	B\$Mill.	74.0	83.7	92.3	106.4	136.2
Money Supply (M ₂)	B\$Mill.	208.7	242.7	263.7	296.2	353.3
Bank Credit (all currencies)	B\$Mill.	334.6	361.8	394.6	432.3	461.0

^{1/} New Providence and Grand Bahamas only except for 1975.

^{2/} Data relates to period January-June 1979.

^{3/} Data for Public Establishments only.

^{4/} Data relates to period January-November: End of November for Public Debt.

Source: World Energy Supplies, 1973-1978, United Nations).



PART III
BARBADOS COUNTRY NOTES



ECONOMIC SURVEY 1979

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

The Barbadian economy expanded in 1979 for the fourth successive year. Estimates of Gross Domestic Product (GDP) measured at current factor cost were of the order of \$1,143 million in 1979 - an increase of some 20 percent over the figure for the previous year. Real growth was estimated to have been of the order of 7 percent despite the increase in prices aggravated by the rising prices of petroleum and other imports. Per capita GDP (at factor cost, current prices) rose some 19 percent in 1979, although this figure does not throw light on the distribution of GDP among households. Considerations of the ratio of exports, and the contribution of the externally oriented service sector to total GDP suggest that there is the need to lessen the dependence of the economy on the external sector. Policy should therefore consider ways and means of accelerating structural change in the economy.

Continued growth of Tourism and Construction, some of which was associated with the provision of tourist accommodation units, were major explanatory factors behind the 1979 performance. An all-time high of 370,900 tourists visited the island in 1979 and contributed to an estimated tourist expenditure of \$332.0 million - a 22.9 percent increase over the 1978 figure. Sugar activity and output contributed some \$62 million to GDP, and along with Tourism, procured for the economy a \$26 million Balance of Payments surplus. Indications are that the absolute level of employment might have

^{1/} Prior to July 1975, the Barbados dollar was linked to the Pound Sterling at the rate of £1 = Bds.\$4.80. As of that date, the currency was linked to the US dollar at the rate of US\$1 = Bds.\$2.00.

risen slightly in response to off-season hotel occupancy rates that were higher in 1979 than in previous years, and partly because of construction activity, much of which was undertaken by the Public Sector.

The 19 percent increase in the GDP accruing to the 1979 sugar crop was almost exclusively the result of a quantum increase in the tonnage of canes milled. In Other Agriculture, indications are that there was no significant growth.

The performance in the Manufacturing Sector was not appreciably better than that of the previous year. An increase of 3.5 percent in output coupled with the rate of inflation in the sector combined to push the sector's contribution to GDP to \$129 million. The expansion of Government's activity was largely due to construction for the provision of health, education and general infrastructural services. The 17.3 percent growth in this sector (construction) over the 1978 performance highlighted the inelasticity of supply of skilled manpower to meet the labour demands of the sector. A review of the provisional 1979 trade figures reveals that imports in value terms increased at a faster rate than exports, imports rising by some 35 percent, while domestic exports rose by 25 percent.

The increased domestic demand which accompanied increased commercial bank credit and an increased money supply, helped to augment the tax revenue of the Government through taxes on goods and services.

The effect of the increases in liquidity, the price of petroleum and petroleum products, and domestic prices among other variables, was a 13 percent rise in the Index of Retail Prices as measured by the change in the annual average increase in the Retail Price Index.

PERFORMANCE IN THE MAJOR SECTORS

Agriculture (including sugar manufacturing)

GDP in the agricultural sector increased some 15.9 percent over the 1978 figure of \$92 million. The overall performance, however, hides two different movements in the sub-sectors of agriculture - the sugar-cane and the other agriculture sub-sectors. Whereas the sugar-cane sub-sector played a major role in the economic expansion of 1979 with an increase of 18 percent in the tonnage of canes milled, the other agriculture sub-sector showed no substantial growth; production in this sub-sector might very well have declined. An insufficiently developed agriculture information system results in the probable exclusion of some elements of agricultural production from the estimates. This can make all the difference between the recording of an increased production and a decline.

Although the export price of sugar increased in 1979^{2/}, the country did not benefit from the new prices. The 1.5 percent price increase to European Economic Community (EEC) countries, the December to December increase of 90 percent in the price of sugar on the world market (London), and the 100 percent increase in the price of sugar on the New York market failed to affect the local economy as the 1979 production had been pre-empted at the earlier prices. The increase in earnings from sugar was therefore the result of a volume rather than a price increase. The significant increase in canes milled and sugar produced on a slightly greater number

^{2/} 1979 Price of sugar to EEC countries - 282.3 U.A. per tonne. 1979 end of December price of sugar on World Market (London) - £179 per ton. 1979 Price of sugar on New York market - 15.5¢ per lb.

of hectares than the previous year, was in part the result of favourable weather conditions during the growing period. However, the recovery rate (sugar per tonne of cane milled) was the lowest in a number of years. Swift action to minimize losses due to smut disease also contributed to the 1979 performance. In 1979, exports of sugar increased by 14.1 percent to 98.6 thousand tonnes.

The shortage of cane cutters resulted in the factories experiencing a significant increase in time lost because of lack of canes. The problem of shortage of cane cutters, if it persists, will have to be solved by mechanical harvesting.

Preliminary data on the other - agriculture sub-sector indicate a performance below the level of 1977. Adverse weather conditions for rootcrops and vegetables were largely responsible for the reduced output in these crops. Indications are that poultry and milk experienced increases in output of 15.3 and 8.8 percent respectively. Pork production declined by 50 percent in 1979 as a result of marketing problems.

The fishing industry improved in 1979 with a 6.4 percent increase in the number of registered fishing boats, bringing the total to 500. Total fish landings of 4.4 million kilograms in 1979 represented a 22 percent increase over the 1978 figure.

Table 1

Sugar Production - Hectares and Average Yields

	Hectares Reaped	Canes Milled '000 tonnes	Average Yields M.T.		Sugar produced ('000 tonnes)
			Canes per hectare r	Sugar per hectare	
1975	16,106	845	52.5	6.1	99
1976	15,890	919	57.8	6.5	104
1977	15,765	1,046	66.3	7.6	120
1978	15,854	895	56.8	6.3	101
1979	15,880	1,052	66.3	7.1	114

Source: Barbados Sugar Review, No. 41, September 1979, Barbados Sugar Producers' Association, and data supplied CEPAL.

Manufacturing, Mining and Quarrying

Manufacturing

Although the manufacturing sector's contribution to GDP rose in 1979, it lost some of the dynamism of the previous year, increasing in 1979 by some 3.8 percent as compared with 4.2 percent of the previous year. A vigorous export promotion programme was the main explanatory factor behind the growth in domestic exports of manufactured goods, with substantial sales to North America, Europe and Trinidad and Tobago. Exports of electronic components, processed food and wearing apparel increased significantly.

The Index of Industrial Production reveals increases in the Food, Wearing apparel, Chemicals, and Petroleum products sub-sectors. The completion of the flour mill and diversification in production of the Pine Hill dairy were the major factors accounting for the increased output in the Food sub-sector, while

increases in the number of establishments engaged in the production of electronic components, furniture and wearing apparel explained in part the significant increases in production of these items.

Crude Petroleum

Domestic production of petroleum rose to 284,000 barrels in 1979, representing a 3.8 percent increase over the 1978 production of 273,548 barrels, and now satisfies 30 percent of the country's demand. The increased domestic production resulted in a drop in imports of crude oil, imports falling to 929,000 barrels in 1979 from a 1978 figure of 1,000,000 barrels. The saving of foreign exchange from the lessened volume of imports was negated by the increase in the prices of crude and semi-refined oil. The oil import bill rose by 40 percent to \$47.3 million. The government enunciated as one of its objectives, the maximization of energy conservation, especially since the major part of the petroleum supplies required the use of foreign exchange earnings.

Natural Gas

In 1979, total sales of natural gas reached 4.1 million cubic metres - a 64 percent increase over the figure of the previous year. The steep increase in sales to a great extent represented a shift out of gasoline and fuel oils, as most of the increase was accounted for by commercial users. The total receipts from the sale of natural gas suffered an 8.3 percent drop despite an increased volume of sales. A change in the rate schedule of the Natural Gas Corporation effected a reduction in the unit cost of natural gas to commercial users.

Energy Policy

In an effort to combat the rising fuel prices, governmental support for research into alternative sources of energy has been given. The use of solar energy for water heating has been encouraged, while at the same time water heaters that utilize gas now attract a higher tax. The National Council for Science and

Technology which was formed in 1977, is at present researching the feasibility of wind and wave energy as an alternative source of energy. The comparatively high rate of increase in the production of fuel oil suggests a production policy that is inclined towards providing energy for industry rather than for private consumption. Table IV of the Statistical Appendix provides data on the production of crude petroleum, natural gas, and petroleum products.

Construction

Activity in this sector increased significantly in 1979, in response to both public and private sector initiatives. Construction's share in GDP (current prices) at factor cost in 1979 stood at 7.7 percent in 1979, compared with 7.1 percent in 1977 and 7.9 percent in 1978. Public sector activity in the construction of a new airport terminal, housing, health centres, secondary schools and the upgrading of the physical quality of primary schools helped to increase Government total expenditure to some \$400 million - some 19 percent over the figure for the previous year. At the same time the Sewerage project, the hotel project on the West Coast and a 3-mile road to serve the harbour area were begun in 1979. The continued expansion in tourism and confidence in its future fostered private sector construction of tourist accommodation units. Rising incomes and the consequent increase in the demand for housing have given further impetus to private sector construction activities. The maintenance of the 10 percent limit on mortgage interest rates which had been imposed by the Central Bank, further helped to sustain demand. The net effect of these factors was the production of a level of activity so high that building material prices were driven upwards by the competition for the relatively scarce building materials. The increased demand for skilled labour could not be met by the existing labour force in Construction. The result was a shortage of skilled labour and the consequent increase in costs in the industry.

EMPLOYMENT AND UNEMPLOYMENT

A modest increase in the labour force was observed in 1979, and although new jobs were created, they were not sufficient to absorb all the entrants into the labour force. Data indicate that the unemployment rate might have decreased from 13.4 percent in 1978 to 12.8 percent in 1979. There are indications that the 12.8 percent is largely made up of unskilled job seekers. The expansion in economic activity has probably resulted in a higher percentage of total adults being in the labour force in 1979. Employment in the tourist sector fluctuated less in 1979 than in previous years.

THE EXTERNAL SECTOR

Sugar and Tourism

Sugar and tourism continued to be the major earners of foreign exchange, and their receipts set the scene for a \$27 million Current Account surplus in 1979. Much foreign exchange generated by these two sectors financed the import of construction goods. Whereas better weather conditions and improved harvesting conditions accounted for the rise in production, shortages of cutters of cane detracted from a better performance. One of the decisions soon to be made about the sugar industry must be concerned with the more extensive use of mechanical harvesters.

Tourism

The continued increase in the influx of visitors from North America and Western Europe helped to raise the tourism sector's contribution to GDP to \$361 million in 1979, thereby reinforcing the importance of the sector in the economy.

The number of long stay visitors grew 17 percent over the 1978 level to record 370.9 thousand, with an average length of stay of 9.6 days as compared with an average of 8.7 days in the previous

year. The major markets continued to be Canada and the United States of America, the Commonwealth Caribbean, the United Kingdom and Europe.

The promotion efforts to increase hotel occupancy during the summer months continued to even the distribution of tourist arrivals. The markets south of Barbados were partly responsible for the near 21 percent increase in summer visitors in 1979. Estimates of tourist arrivals indicate a near 23 percent increase in the number of stop-over visitors in 1979. Tourist expenditure is estimated to have increased some 23 percent while hotel and restaurant tax increased to \$11 million.

Trade and Payments

The increased exports of manufactured goods was not strong enough to counteract the negative effects on the balance of visible trade of imports which increased an estimated 35.7 percent in 1979, mainly influenced by imports of building materials, higher prices of imported fuel and imports of consumer goods and raw materials. Trinidad and Tobago provided the country with its best Caricom Market. The country's main items of imports were in part responsible for the 13 percent inflation rate experienced in 1979. The fuel bill of some \$47.3 million - a significant increase over the previous year's figure, was entirely the result of higher prices. Consumer goods imports increased despite the Central Bank's regulations aimed at curbing consumer spending.

Government and private sector capital account transactions expanded with private sector long-term capital inflows doubling these of the government. The net effect of all these movements was an increase of \$31.9 million in international reserves.

PRICES

Prices

The consumer price index as measured by the annual average

growth rates, rose by 13 percent in 1979, pushed by the price increases of imports (mainly of fuel) and of construction materials, the latter becoming relatively scarce because of the competition between the public and private sectors for them. Manufactured articles (household furnishings), housing, clothing, transportation and food and beverages accounted for the observed 13 percent annual average increase in the index.

The Central Bank maintained its monetary and fiscal measures in the fight against inflation, while in an attempt to contain fuel price increases, more indigenous supplies of petroleum were sought.

FISCAL AND MONETARY ACTIVITIES

Fiscal Developments

The contribution of the Government sector to GDP at current factor cost rose from \$151 million to \$179.6 million in 1979; thus maintaining its percentage contribution to total GDP. Although by and large the 1977 Central Bank restraints on Consumer expenditure remained in force, the strong Balance of Payments position afforded the Central Bank to relax very slightly some of its controls. Government's increased activity, especially in the area of Construction, pushed recurrent expenditure for the calendar year 1979 up by 14.7 percent, while the increased capital expenditure helped to produce a deficit of some \$58.1 million.

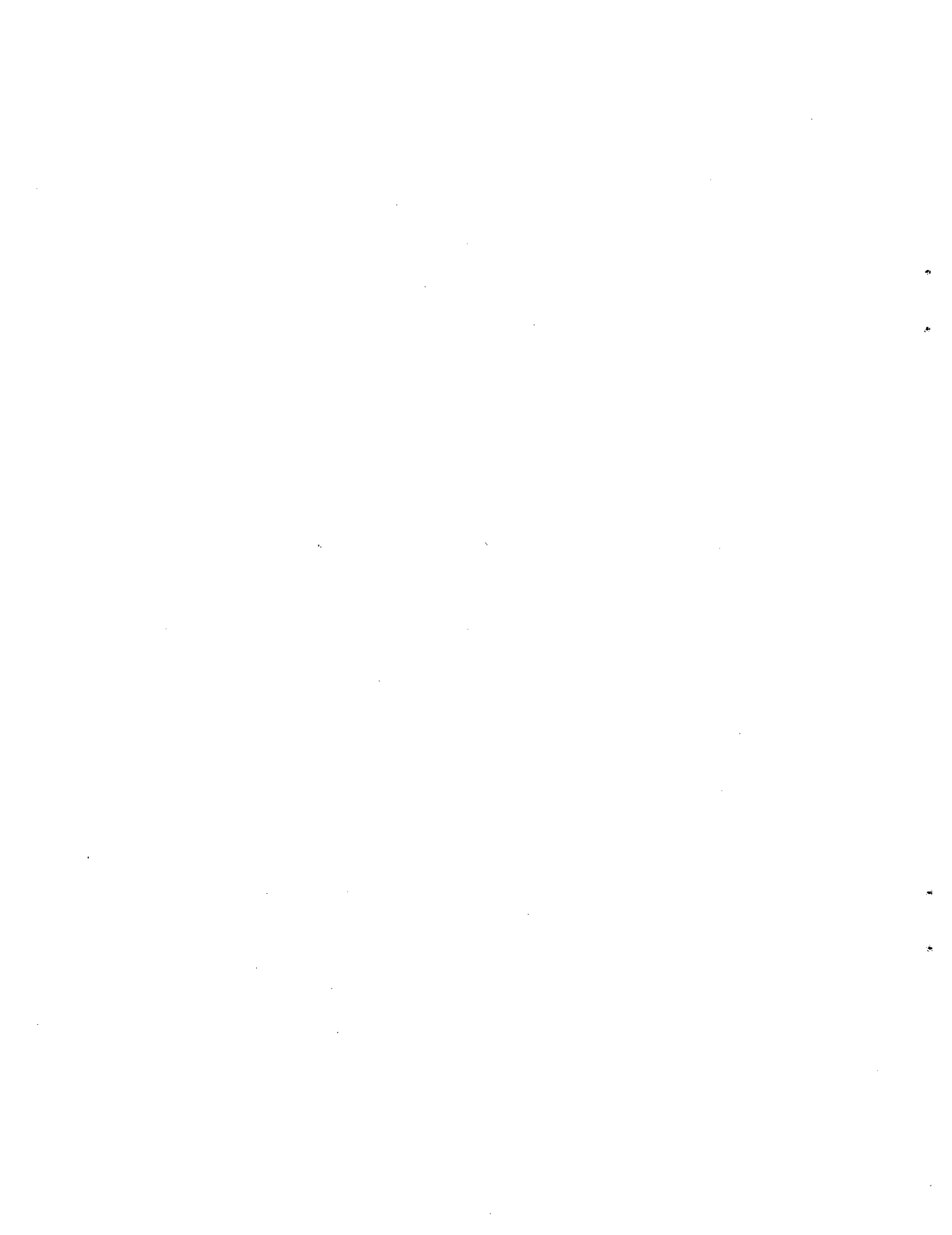
On the other hand, Government Revenue grew some 20 percent to \$343 million in the calendar year 1979, owing to increased takings on Income and Profit, taxes on goods and services and import duties, the increase in the latter being indicative of greater personal disposable income. In the fiscal year 1979/80, Current Revenue was estimated to have been \$366 million while Current Expenditure was estimated to have been \$339 million. The net effect of these two movements was a Government Surplus of \$27 million in 1979/80.

The government pursued its policy objective of mobilising domestic savings and channelling the resources so realized into productive avenues of investment for employment generation. Work preparatory to the issue of National Savings Bonds was done in 1979 and the Bonds will become available early in 1980. In the area of Mortgages and Housing development, government moved to establish a secondary market for mortgage so as to tap institutional savings and provide liquidity in this area. Government reviewed the tax system in order to shift the incidence of tax somewhat away from wages, salaries and pensions. The effects of these measures will be felt in 1980.

Monetary Developments

The expansion in economic activity and the resulting increase in foreign exchange earnings, superimposed on domestic production in the goods producing sectors that did not increase in the same proportion, might have contributed to the rate of inflation in that the increased liquidity chased too few goods and services. The money supply (M_1) was augmented to a significant extent by the increase in demand deposits. The increase in time and savings deposits indicated a very high level of excess liquidity in the banking system.

Although data on Commercial Banks' credit treat stock variables, they give some indication of the increase in credit for purposes of financing economic activity. At the end of 1979, outstanding bank credit stood at \$470.3 million - an increase of some 18.9 percent over the figure of the previous year.



STATISTICAL APPENDIX

BARBADOS

1979



BARBADOS

TABLE I

MAIN ECONOMIC INDICATORS

	1976	1977	1978	1979
A. <u>BASIC ECONOMIC INDICATORS</u>				
Gross domestic product at factor cost (current prices) \$M	763.9	849	953.1	1,143.2
Population ('000) (mid-year)	251.1 ^r	253.3 ^r	253.1 ^r	254.9 ^r
Per capita gross domestic product (current prices)	3,042	3,353	3,766	4,485
	<u>Annual Growth Rates</u>			
B. <u>SHORT-RUN ECONOMIC INDICATORS</u>				
Gross domestic product	...	11.2	12.2	19.9
Per capita gross domestic product	...	7.7	8.0	25.1
Current value of exports of goods and services	- 5.3 ^r	26.0 ^r	25.1	23.3 ^p
Current value of imports of goods and services	5.7 ^r	14.1 ^r	16.4	31.7 ^p
Consumer price index December-December	3.9	9.9	11.3	16.8
Variation between annual averages	5.0	8.3	9.5	13.2
Money supply (M ₁)	12.2	14.3	21.7	39.6
Wages and salaries ^{1/}	12.6	15.2	15.5	...
Rate of unemployment (%)	15.6 ^{2/}	15.3 ^{2/}	12.4	11.8
Current income of Government	6.9	16.6	24.6	16.3 ^p
Total expenditure of Govt.	23.9	22.3	6.7	19.3 ^p
Fiscal deficit/total expenditure of Government (%)	23.1 ^r	25.9 ^r	8.7 ^r	11.0 ^r

TABLE I (CONT'D)

	1976	1977	1978 ^r	1979 ^p
	<u>BDS\$ Millions</u>			
C. <u>EXTERNAL SECTOR</u>				
Trade balance (goods and services)	-154	-124	-97	-148
Balance on current account	-128	- 92	-63	-113
Variation in net international reserves \$	- 39	16	55.7	...
External debt \$M	50	55	89	109.9 ^{3/}

1/ Data relate to rough average annual percentage increase.

2/ Data relate to July-December.

3/ Figure as at end of November.

Source: Barbados Economic Report 1978, Ministry of Finance and Planning April 1978. Annual Statistical Digest 1977, Central Bank of Barbados. Economic and Financial Statistics, January 1980, Central Bank of Barbados. Balance of Payments of Barbados 1978, Central Bank of Barbados, and data supplied CEPAL.

BARBADOS

TABLE II - A
GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY AT FACTOR COST
(BDS\$ Mill.)

	In current-value National currency			Percentage Breakdown		Annual Growth Rates		
	1977 r	1978 r	1979 r	1970	1979 r	1977	1978	1979
Agriculture	92	92	106.6	13.9	9.3	16.5	0.0	15.9
Mining and Quarrying	3.0	7.1	9.3	10.8	0.8	50.0	136.7	31.0
Manufacturing	87	108	129.0		11.3	11.5	24.1	19.4
Construction	60	75	88.1	9.5	7.7	13.5	25.0	17.3
<u>Sub-total goods</u>	242	282.1	333.0	34.2	29.1	14.2	16.6	18.0
Electricity, gas and water	14	16	18.5	7.2	1.6	7.7	14.3	14.4
Transport, storage and communications	60	64	70.1		6.1	11.1	6.7	9.5
<u>Sub-total basic services</u>	74	80	88.4	7.2	7.7	10.4	8.1	10.5
Commerce, restaurant and Hotel (Tourism)	247	287	361.0	24.6 ^{1/}	31.6	15.4	16.2	25.8
Government Services	142	151	179.6	14.7	15.7	10.9	6.3	18.9
Miscellaneous services	145	153	181.1	19.3	15.8	5.8	5.5	18.4
<u>Sub-total other services</u>	534	589	721.7	58.6	63.1	11.5	10.3	22.5
TOTAL GROSS DOMESTIC PRODUCT	849	953.1	1,143.2	100	100	11.9	12.3	19.9

1/ Data relate to distribution only.

Source: Barbados Economic Survey 1972, prepared by the Ministry of Finance and Planning, and data supplied CEPAL.

BARBADOS

TABLE II - B

GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY AT FACTOR COST
CONSTANT 1974 PRICES
 (BDS\$ Mill.)

	1977	1978	1979	Percentage Breakdown		Annual Growth Rates		
				1970	1979	1977	1978	1979
Agriculture	72.4	72.4	79.9	14.6	10.8	2.0	0.0	10.4
Mining and Quarrying	1.1	1.6	1.6	0.2	0.2	-15.4	45.5	0.0
Manufacturing	81.0	82.5	83.4	8.3	11.2	0.9	1.9	1.1
Construction	43.1	46.3	52.7	7.3	7.1	-13.6	7.4	13.8
<u>Sub-total goods</u>	197.6	202.8	217.6	30.4	29.3	- 2.4	2.6	7.3
Electricity, gas and water	12.3	14.2	15.8	1.2	2.1	13.9	15.4	11.3
Transport, storage and communications	45.5	46.6	48.3	7.1	6.5	2.5	2.4	3.6
<u>Sub-total basic services</u>	57.8	60.8	64.1	8.3	8.6	4.8	5.2	5.4
Commerce, restaurant and Hotel (Tourism)	192.2	208.8	233.2	27.8	31.4	8.3	8.6	11.7
Government Services	97.0	99.5	102.0	13.6	13.7	0.0	2.6	2.5
Miscellaneous services	121.2	123.0	126.1	19.8	17.0	2.5	1.5	2.5
<u>Sub-total other services</u>	410.4	431.3	461.3	61.2	62.1	4.5	5.1	7.0
TOTAL GROSS DOMESTIC PRODUCT	665.8	694.9	743.0	100.0	100.0	2.4	4.4	6.9

Source: Barbados Economic Report 1979, Ministry of Finance and Planning.

BARBADOS
TABLE III
INDICATORS OF AGRICULTURAL PRODUCTION

	Unit (Metric)					Annual Growth Rate %		
		1976	1977	1978	1979 ^P	1977	1978	1979 ^P
<u>Production of main crops</u>								
Sugar-cane	'000 tons	919	1,045	895	1,052	13.7	-14.6	17.5
Cotton	'000 kg	88	27	15	17	-69.4	-44.4	+13.3
<u>Root crops</u>								
Sweet potatoes	'000 kg	2,874	4,706	4,990	6,604	63.7	6.0	32.3
Yams	'000 kg	5,783	8,424	8,528	8,315	45.7	1.2	- 2.5
<u>Vegetables</u>								
Tomatoes	'000 kg	449	386	728	1,456	-14.0	88.6	100.0
Cucumbers	'000 kg	744	1,633	1,755	968	119.5	7.5	-44.8
Cabbages	'000 kg	617	980	816	742	58.8	-16.7	- 9.1
Onions	'000 kg	680	693	743	545	1.9	7.2	-26.6
<u>Indicators of stock-rising</u>								
<u>Production</u>								
<u>Slaughtered (meat)</u>								
Beef and veal	'000 kg	180	170	249	194	- 5.6	46.5	-22.1
Pork	'000 kg	1,277	1,587	1,336	693	24.3	-15.8	-48.1
Mutton	'000 kg	70	34	21	40	-51.4	-38.2	90.5
Poultry	'000 kg	3,138	3,736	4,274	4,928	19.1	14.4	15.3
Eggs	'000 kg	1,681	1,701	1,814	1,722	1.2	6.6	- 5.1
Milk	'000 kg	2,541	2,641	2,933	3,192	3.9	11.1	8.8

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

BARBADOS

TABLE IV

INDICATORS OF INDUSTRIAL PRODUCTION

	Weight 1971 = 100	1976	1977	1978	1979 ^P	Annual Growth Rate %		
						1977	1978	1979
I <u>Production Index</u>								
Total all industries	1,000	140.7	144.7	144.5	146.1	2.8	- 0.1	1.1
Quarrying	29	96.3	81.5	83.7	66.2	-15.4	2.7	-20.9
Manufacturing	800	143.7	145.1	139.8	144.1	1.0	- 3.7	3.1
Food	151	149.7	152.0	160.4	168.0	1.5	5.5	4.7
Beverages & Tobacco	170	109.0	124.4	139.4	114.4	14.1	12.1	-17.9
Wearing apparel	111	158.6	169.0	158.8	169.2	6.6	- 6.0	6.5
Chemicals	29	134.9	109.8	118.8	119.7	-18.6	8.2	0.8
Petro-products	38	114.9	115.5	118.9	127.7	0.5	2.9	7.4
Other non-metallic mineral products	42	77.2	76.7	81.2	98.7	- 0.6	5.9	21.6
Other manufactures	259	174.4	165.3	134.9	131.4	- 5.2	-18.4	- 2.6
Electricity and Gas	171	134.2	153.0	176.9	199.5	14.0	15.6	12.8

TABLE IV (CONT'D)

	Unit (Metric)	1976	1977	1978	1979	Annual Growth Rate %		
						1977	1978	1979
II Production of some Manufactures								
Sugar	'000 tonnes	104	120	101	114	15.4	-15.8	12.9
Rum	'000 litres	8,710	10,656	10,683	7,464	22.3	0.3	-30.1
Beer	'000 litres	6,019	7,310	9,046	7,383	21.4	23.7	-18.4
Margarine	'000 kg	1,728	1,965	2,361	2,074	13.7	20.2	-12.2
Lard	'000 kg	1,189	1,240	1,481	1,259	4.3	19.4	-15.0
Malt beverages	'000 litres	2,709	3,150	4,332	2,909	16.3	37.5	-32.8
Non-alcoholic beverages	'000 litres	17,057	18,225	19,761	19,916	6.8	8.4	0.8
Animal feeds	'000 tonnes	35	38	35	40	8.8	-7.9	14.3
Milk products ^{1/}	'00 tonnes	100	97	97	98	-3.0	-	1.0
Cigarettes	'000 kg	189	190	229	230	0.5	20.5	0.4
Crude petroleum	Mn. litres	23.1	19.7	43.5	45.1	-14.7	120.8	3.7
Natural gas	Thousand m ³	4,163	4,191	9,599	11,751	0.7	129.0	22.4
Gasoline	Mn. litres	49.5	52.1	52.9	55.4	5.3	1.5	4.7
Diesel oil	Mn. litres	56.8	33.9	40.1	42.8	-40.3	18.3	6.7
Fuel oil	Mn. litres	44.4	82.3	78.9	91.5	85.4	-4.1	16.0

TABLE IV (CONT'D)

	Unit (Metric)	1976	1977	1978	1979	Annual Growth Rate %		
						1977	1978	1979
III <u>Other Indicators of</u> <u>Manufacturing</u> <u>Production</u>								
Electricity generated	Mn. KWh	214.1	263.7	287.1	315.4	23.2	8.9	9.9

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

Source: Monthly Digest of Statistics, Statistical Services,
Barbados, and data supplied CEPAL.

BARBADOS

TABLE V

SELECTED DATA ON EMPLOYMENT AND UNEMPLOYMENT

	<u>January-December 1978</u>		<u>January-December 1979</u>	
	<u>Number</u>	<u>Both Sexes</u> %	<u>Number</u>	<u>Both Sexes</u> %
Total number of adults	167.3	100.0	167.3	100.0
Labour force	100.4		107.9	
Employed	86.6	51.8	94.1	56.2
Unemployed	13.8	8.2	13.8	8.2
Not in the labour force	66.9		59.4	
Unemployed as percent of labour force		13.7		12.8
Labour force as percent of total adults		60.0		64.5

Source: Economic Report 1979, Ministry of Finance
and Planning, Barbados.

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TABLE VI

SELECTED DOMESTIC EXPORTS BY TYPE OF PRODUCTS

Category	Bds\$ Mill.				% Breakdown		% Change		
	1976	1977	1978	1979 ^P	1977	1979	1977	1978	1979
<u>Main Traditional Exports</u>									
Sugar	46.9	50.6	47.0	58.0	33.5	24.7	7.9	- 7.1	23.4
Molasses	9.3	5.8	6.7	7.8	3.8	3.3	-37.6	15.5	16.4
Rum	4.4	5.7	6.0	4.8	3.8	2.0	29.5	5.3	-20.0
Lard and margarine	3.2	3.7	5.4	4.3	2.4	1.8	15.6	45.9	-20.4
Sub-total	63.8	65.8	65.1	74.9	43.5	31.9	3.1	- 1.1	15.1
<u>Non-traditional Exports</u>									
Clothing	30.6	37.2	40.6	58.4	24.6	24.9	21.6	9.1	43.8
Electrical components	12.6	16.5	37.9	40.4	10.9	17.2	31.0	129.7	6.6
Sub-total	43.2	53.7	78.5	98.8	35.5	42.1	24.3	46.2	25.9
Total Selected Domestic Exports	107.0	119.5	143.6	173.7	79.1	74.0	11.7	20.2	21.0
TOTAL DOMESTIC EXPORTS	137.6	151.1	187.8	234.8	100.0	100.0	9.8	24.3	25.0

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

BARBADOS

TABLE VII

RETAINED IMPORTS BY ECONOMIC FUNCTION AND/OR USE 1976-1979

	Bds\$ Mill.				% Breakdown		% Change		
	1976	1977	1978	1979 ^{1/}	1977	1978	1977	1978	1979
<u>Consumer Goods</u>	182.1	204.6	228.1	269.0	40.5	40.0	12.4	11.5	17.9
Food and beverages	97.2	103.2	122.7	134.0	20.4	21.7	6.2	18.9	9.2
Other non-durables	41.1	51.5	54.0	111.0	10.2	9.7	25.3	4.9	105.6
Durables	23.1	25.6	21.6	24.0	5.1	3.4	10.8	-15.6	11.1
<u>Intermediate Goods</u>	147.8	167.3	166.0	249.0	33.1	31.6	13.2	- 0.8	50.0
Fuels	40.2	47.4	23.1	47.2	9.4	13.4	17.9	-51.3	104.3
Textiles	25.0	25.6	27.1	38.0	5.1	4.8	2.4	5.9	40.2
Others	41.9	48.8	63.7	163.8	9.7	11.5	16.5	30.5	157.1
<u>Capital Goods</u>	94.2	116.9	142.1	210.0	23.2	25.7	24.1	21.6	47.8
Machinery	60.8	79.6	100.9	161.0	15.8	18.4	30.9	26.8	59.6
Construction and Materials	33.4	37.3	41.2	49.0	7.4	7.3	11.7	10.5	18.9
Unclassified goods	15.1	15.9	17.8	17.0	3.1	2.8	5.3	11.9	- 4.5
TOTAL RETAINED IMPORTS	439.2	504.9	553.9	745.0	100.0	100.0	15.0	9.7	34.5
TOTAL IMPORTS	474.1	545.1	628.2	852.4	-	-	15.0	15.2	35.7

^{1/} Central Bank preliminary estimates.

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

BARBADOS

TABLE VIII

BALANCE OF PAYMENTS: 1975-1979
(BDS\$ Mill.)

	1975	1976	1977	1978 ^{1/}	1979 ^P
<u>MERCHANDISE (Net)</u>	-246.9	324.4	-363.2	-406.5	-520.0
Exports	190.8	152.6	182.4	223.1	300.0
Imports	437.7	477.0	545.6	629.6	820.0
<u>SERVICES (Net)</u>	148.6	170.6	239.3	309.9	372.0
Travel	142.1	150.2	204.5	257.3	302.0
Other	6.5	20.4	34.8	52.6	70.0
<u>BALANCE ON GOODS AND SERVICES</u>	-98.3	153.8	-123.9	-96.5	-148.0
<u>NET TRANSFER PAYMENTS</u>	14.5	25.4	31.9	33.6	37.0
<u>BALANCE ON CURRENT ACCOUNT</u>	-83.8	-128.4	-92.0	-62.9	-111.0
<u>CAPITAL ACCOUNT</u>					
<u>Long term</u>	<u>50.7</u>	<u>44.2</u>	<u>38.9</u>	<u>24.2</u>	<u>60.0</u>
Official	- 0.6	5.4	11.1	12.0	20.0
Private sector	51.3	38.8	27.8	12.2	40.0
Short term	6.8	4.7	10.0	30.6	79.0 ^{1/}
Other capital	- 0.8	1.1	10.9	6.2	... ^{1/}
Errors and Omissions	61.9	42.5	26.2	40.3	... ^{1/}
Balance for official financing	34.9	-36.0	- 6.0	38.3	26.0
Allocation of SDR's	-	-	-	-	4.2
Official financing (loans)	...	...	35.1	20.0	...
Reserve movements					
(- increase; + decrease)	-34.9	36.0	-29.2	-58.3	-31.9

^{1/} Data include other capital and errors and omissions.

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

BARBADOS

TABLE IX

SELECTED TOURISM STATISTICS

	1976	1977	1978	1979
Number of stop-over visitors ('000)	224.3	269.3	316.9	370.9
Cruise ship visitors ('000)	95.9	103.1	140.1	110.1
Average number of hotel beds available ('000)	9.4	10.2	11.1	11.9
Hotel bed occupancy rate	44.7	54.1	58.2	68.8
Estimated Tourist Expenditure (Bds\$ Mill.)	165.3	221.0	270.0	332.0
Hotel and Restaurant Tax (Bds\$ Mill.)	4.0	7.2	9.5 ^e	11.0 ^e
Average length of stay (days)	8.8	10.3	11.6	11.7

Source: Economic Report 1979, Ministry of Finance and Planning, Barbados.

BARBADOS

TABLE X

CONSUMER PRICE INDEX (OCTOBER 1965 = 100)

	<u>%</u> <u>Weight</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
		<u>ANNUAL AVERAGES</u>				
TOTAL: All Items	100.0	302.3	317.4	343.9	376.5	426.1
Food & Beverages	58.7	335.0	349.2	379.0	417.1	463.4
Housing	9.1	269.0	285.1	321.3	346.3	398.2
Household operations & furnishings	8.9	274.0	279.5	287.0	309.0	418.6
Clothing	6.9	252.5	276.0	292.1	301.2	335.9
Medical & personal care	5.3	237.4	246.9	285.1	322.2	364.7
Transportation	5.5	222.3	241.9	237.2	272.1	310.7
Education & recreation	5.6	259.9	287.6	327.1	353.7	374.8
		<u>ANNUAL AVERAGE CHANGE</u>				
TOTAL: All Items		20.3	5.0	8.3	9.5	13.2
Food & Beverages		22.4	4.2	8.5	10.1	11.1
Housing		9.0	6.5	12.7	7.8	15.0
Household operations & furnishings		14.2	2.0	2.7	7.7	35.5
Clothing		28.8	9.3	5.8	3.1	11.5
Medical & personal care		18.7	4.4	15.5	13.1	13.2
Transportation		18.6	8.8	- 2.0	14.7	14.2
Education & recreation		18.3	10.7	13.7	8.1	6.0
		<u>% Change December-December</u>				
TOTAL: All Items		12.3	3.9	9.9	11.3	16.8
Food & Beverages		13.4	4.3	8.5	12.8	12.2
Housing		1.9	11.6	11.4	8.8	19.6
Household operations & furnishings		8.1	- 1.4	5.0	14.2	49.2
Clothing		19.2	6.5	6.6	- 0.7	35.8
Medical & personal care		13.4	- 0.7	26.1	11.7	13.4
Transportation		20.1	-10.9	17.4	10.7	23.5
Education & recreation		8.9	8.1	17.3	6.2	4.3

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

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TABLE XI

MONETARY BALANCE: 1976-1979

	<u>Balance at end of December</u>				<u>Annual Growth Rates</u>			
	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	
Money:								
Currency outside banks	46.7	55.2	65.9	80.2	18.2	19.4	21.7	
Demand deposits adjusted	71.3	79.7	98.3	149.1	11.8	23.3	51.7	
Total (M ₁)	118.0	134.9	164.2	229.2	14.3	21.7	39.6	
Quasi Money:								
Time deposits	146.9	150.9	170.4	193.8	2.7	12.9	13.7	
Savings deposits	179.0	203.5	231.3	278.3	13.7	13.7	20.3	
Total Quasi Money	325.9	354.4	401.7	472.1	8.7	13.4	17.5	
Total Money Supply	443.9	489.5	565.9	701.3	10.2	15.7	23.9	

Source: Economic and Financial Statistics, January 1980,
Central Bank of Barbados.

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1

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TABLE XII

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

Sectors	1976	1977	1978	1979
Agriculture (including fisheries)	26.2	20.0	20.0	17.6
Mining and Quarrying	4.2	4.3	0.3	0.5
Manufacturing	24.9	31.3	38.8	63.2
Distribution	51.9	63.9	68.5	68.4
Construction	35.4	38.2	36.1	44.7
Tourism (including entertainment)	45.5	50.8	50.1	51.8
Government	10.2	22.2	18.2	6.2
Public utilities	19.5	20.5	18.4	32.9
Personal	88.2	93.4	106.9	131.9
Other	23.3	27.6	35.3	53.0
TOTAL	329.5	372.2	395.5	470.3

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

BARBADOS

TABLE XIII

SELECTED DATA ON GOVERNMENT OPERATIONS
(BDS\$ Mill.)

	1976	1977	1978	1979 ^P
Recurrent revenue	211.4	246.4	307.0	343.0
Recurrent expenditure	214.4	248.7	264.9	310.2**
Capital expenditure	60.4	83.7	71.3	90.9
Surplus (+) or Deficit (-) (to be financed)	-63.4	-86.0	-29.2	-58.1
National debt (as at end of year)	258.8	334.6	372.1	426.3 ^{1/}
Internal	208.6	279.5	282.9	314.2 ^{1/}
External	50.2	55.1	89.2	112.1 ^{1/}
Treasury bills and debentures outstanding				
Treasury bills	94.6	114.4	132.1	149.4
Debentures	93.2	121.9	127.0	125.4

^{1/} Figure as at end of November 1979.

Source: Compiled from data in Economic and Financial Statistics, January 1980, Central Bank of Barbados; and data supplied CEPAL.

BARBADOS

TABLE XIV

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

<u>Head</u>	<u>1976/77^{1/}</u>	<u>1977/78^{1/}</u>	<u>1978/79^{1/}</u>	<u>1979/80^{1/}</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979^P</u>
TAX REVENUE	<u>192.3</u>	<u>221.7</u>	<u>270.5</u>	<u>320.6</u>	<u>178.7</u>	<u>203.2</u>	<u>251.9</u>	<u>308.7</u>
of which:								
Taxes on Income & Profits	93.3	105.6	132.5	162.2	88.1	91.5	127.5	145.7
Taxes on Property	11.3	11.5	13.1	15.5	9.7	15.9	7.7	15.3
Taxes on Goods & Services	43.8	54.3	67.0	76.4	40.8	46.7	57.5	74.5
Taxes on International Trade	42.7	48.1	54.9	63.0	38.7	46.9	52.4	69.5
Other Taxes	1.2	2.2	3.0	3.5	1.2	2.2	6.2	3.9
NON TAX REVENUE	<u>18.8</u>	<u>23.4</u>	<u>28.0</u>	<u>28.7</u>	<u>23.1</u>	<u>24.3</u>	<u>35.0</u>	<u>34.3</u>
Employers' Levy ^{2/}	(-)	(-)	(6.0)	(6.6)	(-)	(-)	(4.1)	(5.9)
Special Receipts ^{2/}	(5.0)	(5.9)	(9.2)	(7.4)	(-)	(4.5)	(9.2)	(9.7)
Loans and Advances ^{2/}	(0.7)	(1.0)	(1.9)	(2.7)	(0.7)	(0.9)	(1.4)	(1.9)
TOTAL REVENUE	<u>211.1</u>	<u>245.1</u>	<u>298.5</u>	<u>349.3</u>	<u>201.7</u>	<u>227.4</u>	<u>286.9</u>	<u>343.0</u>

^{1/} Fiscal Year - April-March.

^{2/} Memorandum Item

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

BARBADOS

TABLE XV

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

	1978/79	1979/80	1976/77 ^{1/}	1977/78 ^{1/}	1977	1978	1979**
General public services	42.9	...	35.1	38.5	36.5	43.6	50.0
Education	61.1	...	51.2	57.2	55.3	60.1	72.9
Health	46.2	...	37.3	40.6	38.7	44.0	49.8
Social security and welfare	35.3	...	27.0	33.4	31.7	34.2	38.4
Economic services	41.5	...	39.1	40.7	39.5	41.6	45.9
Charges of debt	22.7	...	14.2 ^r	18.4 ^r	32.3	35.5	32.5
Other	14.1	...	8.4	10.5	8.9	10.7	20.7
TOTAL	263.8	339.0	212.3	239.3	242.9	270.4	310.2

^{1/} Fiscal year - April-March.

Source: Economic and Financial Statistics, January 1980,
Central Bank of Barbados, and CEPAL estimate.



PART IV
BELIZE COUNTRY NOTES



ECONOMIC SURVEY 1979

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

Although firm data on trends in economic activity during 1979 are unavailable, indications are that there was some growth in terms of Gross Domestic Product (GDP) as a result of overall increases in activities, in the sectors of Manufacturing, Construction and Services including Tourism. Much of this indicated increase however was the result of price increases, as real output seems to have stagnated at about the levels of 1978. Real growth of the economy during 1979 was undoubtedly retarded by the effects of a hurricane late in 1978 and extremely heavy rainfall and flooding during the latter part of 1979.

Production of agricultural crops and manufactured commodities was mixed, several declining from 1978 levels, others increasing. There are some signs of diversification and expansion of capacity in these two sectors as well as increased mechanization of agriculture. Tourism is becoming of increasing significance. During 1979 the numbers of visitors increased by an estimated 17 percent and the number of hotels by 25 percent. Construction activity appeared to contribute the major impetus for growth during 1979. The areas of housing, mainly government, and infrastructural facilities made significant gains. There were major additions to highways and roads and to public utilities including rural electrification and water supplies. Some new commercial facilities were also completed during the year.

Balance of Payments data for 1979 are unavailable, however, preliminary indications suggest an improvement on the 1978 position. The country's merchandise trade was

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

estimated to have expanded. Exports were estimated to have increased by 27 percent and imports by 26 percent. Merchandise trade deficit has therefore increased, but this deficit was expected to be more than offset by increased inflows on travel and on the capital account.

The level of government recurrent revenue and expenditure increased during the year even higher than the level planned at the beginning of the year. In the monetary sector, loans and advances increased quite sharply but deposits and the money supply increased moderately - more in line with the pace of economic activity. Curbs on personal credit have been instituted and interest rates have been increased in a bid to retain funds in the local economy.

ACTIVITY IN THE MAIN SECTORS

Agriculture

Agriculture, the mainstay of the Belizean economy had contributed approximately 24 percent to the country's GDP in recent years. Despite the ravages of hurricane "Greta" in September 1978 and flooding late in 1979, agricultural activity experienced a modest increase during 1979 in terms of current values although volume of output appeared to decline overall. Prices obtained for most of the major export crops appeared to have been higher during 1979.

Of the major crops during 1979, sugar-cane production declined by 13 percent, citrus production experienced a decline of approximately 18 percent, production of red kidney beans was lower by 17 percent and corn by 7 percent. The decline in sugar-cane production is attributed largely to pests, frog hopper disease, smut and prolonged machinery breakdown.

On the other hand, bananas and rice production were estimated to have increased. Judging from preliminary export data, production of honey also appeared to have increased. The sector

benefited from increased export prices for a number of commodities, especially sugar, molasses, bananas, honey, fish and timber.

During most of 1979 rainfall was significantly above average but the most adverse weather conditions occurred at/or near the end of major crops or early in the new crop years so that damages to bananas and citrus particularly were lower than would otherwise have been the case. Livestock, corn, red kidney beans and vegetable crops were severely affected by the heavy rains.

The production of timber increased by 18 percent from 6,281,903 board feet in 1978 to 7,436,527 board feet in 1979. Timber production from Ziricote and other hardwoods species increased from 2,325,517 board feet in 1978 to 4,528,873 board feet in 1979. Timber production from mahogany and cedar, however, fell from 3,047,762 board feet in 1978 to 2,846,850 board feet in 1979. Timber production from pine also declined from 908,624 board feet in 1978 to 804,096 board feet in 1979.

The export volume of fisheries products declined by 11 percent from 1,327,250 lbs. in 1978 to 1,177,384 lbs. in 1979. This decline was due mainly to continued lower landings of conch and shrimp catches which in 1978 were 460,750 lbs. and 64,450 lbs. respectively compared to 403,900 lbs. and 45,850 lbs. respectively in 1979. On the other hand, the export volume of lobster increased from 379,500 lbs. in 1978 to 443,274 lbs. in 1979. There were also lower landings of whole and fillet scale fish during 1979. Exports of fillet scale fish fell from 86,650 lbs. in 1978 to 24,720 lbs. in 1979. Exports of whole scale fish also fell from 330,750 lbs. in 1978 to 258,640 lbs. in 1979.

Manufacturing

Preliminary indications are that the sector experienced

a decline in real terms during 1979, though gross value of output in current prices appeared to have increased. The volume of output of some of the traditional manufactures, including sugar, molasses and cigarettes, recorded decreases as shown in Table III of the Statistical Appendix. In addition, indications are that lumber production did not increase by much. The decline in the production of some of these commodities is of course directly attributable to the fall in production of the related basic agriculture commodity. Export earnings from these commodities were higher in 1979 than in 1978. The local cigarette industry which depends to a large extent on the local tobacco crop is apparently finding it difficult to compete successfully with imports.

First estimates suggest that production of flour increased slightly during 1979. The mill installed around 1975 supplies almost all domestic requirements of the several different types of flour. There is excess capacity sufficient to meet the expanding consumption needs which now exceed 16 million metric tons per year.

The production of garments was projected to show substantial increase during 1979 following the recent expansion in capacity. Additionally, garments produced for the domestic market are reported as being favourably priced compared with imports. Production of beverages, batteries for motor vehicles, and paper products, also increased in 1979. Domestic production of paper products now supplies more than 75 percent of the total value of sales of these products. Factory capacity is being increased and new lines of products including plastic bags, facial tissues and paper napkins are to be introduced shortly.

Construction

Preliminary data indicate that construction activity increased moderately during 1979 with growth attributed mainly to the public sector activity in this area. Public sector construction expenditure covered a wide range including public housing, roads, and bridges, piers and harbour facilities,

buildings for education, health and public defence, and structures linked with agriculture and manufacturing.

With respect to housing, two low-cost projects were completed early in 1979, one of these being the Belmopan Villas Scheme undertaken by the Development Finance Corporation Housing Estate, and work continued on land reclamation for residential sites in the suburbs of Belize City for a third housing project.

Public utility projects include work on water and sewerage facilities in Belize City and in two towns. The deep water pier in Belize City was completed during 1979 and work continued on other harbour facilities. Structures linked with agriculture, manufacturing and commerce include construction of grain silos, an industrial park and a farmers' market. Other building works during 1979 include construction of a "Civic Centre" and preparation of the site for a new hospital.

In the commercial sector expansion of hotels and guest houses and some factories undertaken during the year helped to stimulate construction activities. Data are not available on private housing construction activity.

Various other indicators support the trends observed above. Preliminary data indicate an increase in the supplies of locally produced construction materials, including nails and to a lesser extent roofing, and of imported materials, mainly cement and steel during the year.

At the end of the third quarter of 1979, commercial banks loans outstanding to the construction sector was 16 percent higher than one year earlier while the Belize Development and Finance Corporation had granted forty-two housing loans, totalling \$848 thousand dollars.

THE EXTERNAL SECTOR

Data to assess the overall Balance of Payments position of Belize in 1979 are unavailable; however, partial information suggests that the situation may only be marginally worse than in 1977 and 1978. During 1978 exports reached \$160 million while imports totalled \$212 million. For 1979 the trade deficit continued to increase as the volume of imports exceeded exports. The projected value of exports for 1979 rose by 27 percent to \$203 million while the value of imports rose by 26 percent to \$266 million. Despite the greater 'jump' in exports, this was not sufficient to offset a trade deficit of \$63 million.

The increase in the number of visitors was estimated at 17 percent and suggests higher net inflows on the travel account. In addition, external loans and grant funds have been provided for on-lending for investment and to assist in rehabilitation due to the hurricane damage. These funds are expected to have offset considerably the current account deficit.

Although volume of production of sugar-cane and sugar declined during 1979, value of exports of sugar increased by 2 percent. Export value of fish also increased by 45 percent over the 1978 figure and this reflected the continued rise in the price of marine products on the export market. Value of exports of some other commodities also increased thus making a valuable contribution to offsetting the increase in imports.

Table 1
Imports, Exports and
Balance on Visible Trade: 1975-1979
(Bze\$'000)

Year	Total Imports	% Change	Total Exports	% Change	Balance on Visible Trade	% Change
1975	159,227	...	120,397	...	-38,830	...
1976	161,510	1.4	94,041	-21.9	-67,469	73.8
1977	180,151	11.5	124,164	32.0	-55,987	-17.0
1978	211,998 ^P	17.7	159,565 ^P	28.5 ^P	-52,423	-16.4
1979	266,300 ^{Pe}	25.6	203,400 ^{Pe}	27.5 ^P	-62,900	20.0 ^{Pe}

Source: Data supplied CEPAL.

MONETARY AND FISCAL ACTIVITY

Overall, monetary activity increased during 1979. However, available data indicate a deceleration in the rate of expansion in the money supply compared with the two previous years. (See Tables VIII and IX of the Statistical Appendix). On the other hand, commercial banks' loans outstanding as at end of September 1979 showed a 35 percent increase compared with the figure twelve months earlier. The distribution of these outstanding loans shows that funds were being put into the productive sectors notably manufacturing, reflecting the increase in capacity of some industries noted earlier. A significant part of the increase in loans went to the distributive trades which is heavily weighted in favour of imports and reflects international price changes as well as borrowing for the pre-Christmas holiday inventory build-up. A large portion of the increase in loans went to individuals

Commercial banks' deposits have grown at a slower rate than their loans. The loans to deposit ratio was 98 percent as at September 1979. Steps have been taken to reduce this ratio by

measures such as raising the relatively low rates paid on deposits and placing restrictions on individuals' borrowing.

The Belize Development Finance Corporation, the other main lending institution, approved loans totalling \$4 million between January and September 1979. This organization is the major recipient of loan funds from international institutions. For the entire 1978, \$6.7 million was approved and \$3.5 million disbursed. It is noteworthy that nearly 50 percent of the 1979 loan approvals were for the agricultural sector, mainly sugar, livestock and mixed farming activities.

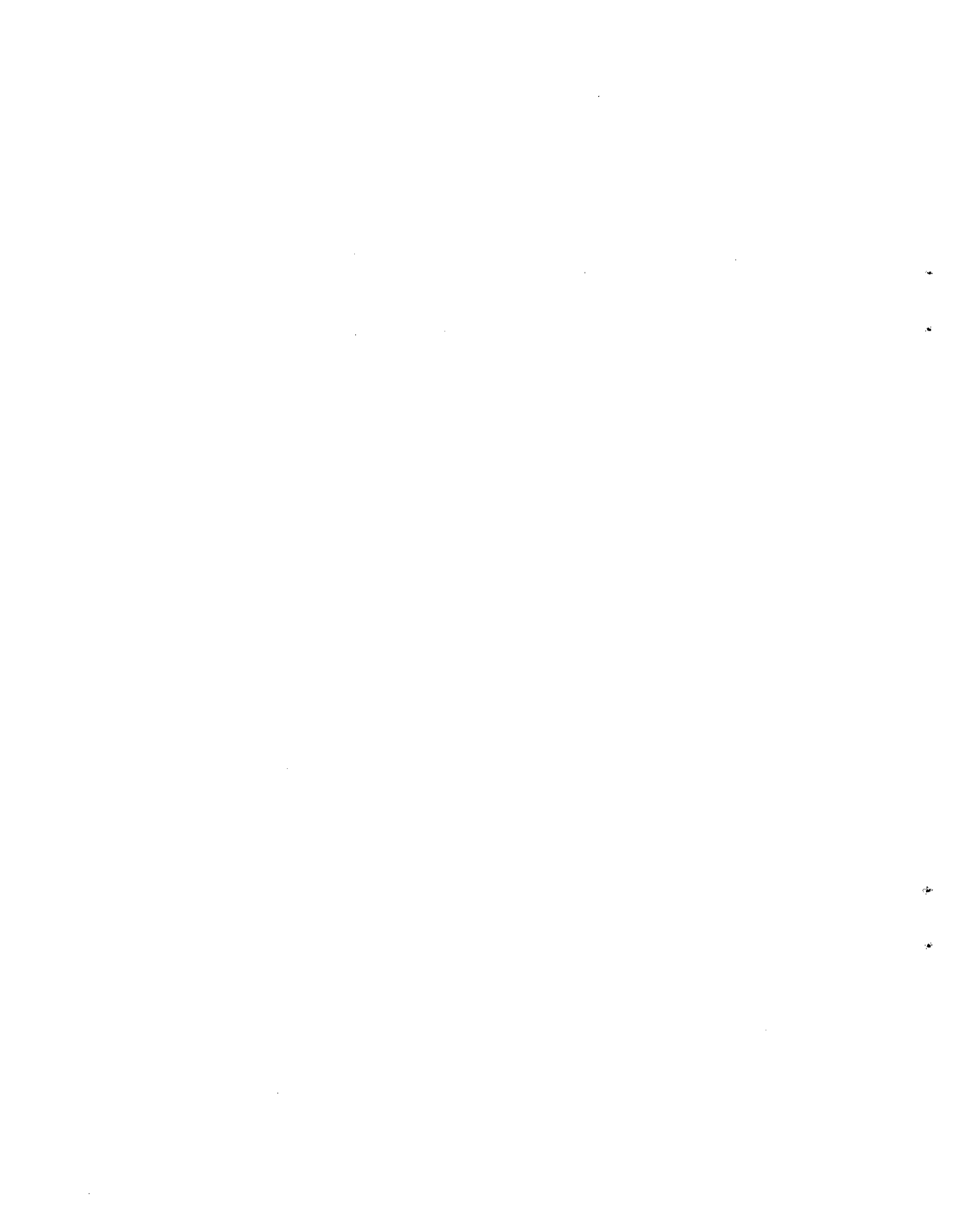
Summary data on the government's fiscal activity are given in Table X of the Statistical Appendix. It should be noted that figures for 1979 are approved, that is, planned, and therefore the final outcome can be significantly different. Preliminary indications are that the revenue outturn during 1979 was higher than estimated, although there were no new taxes or revisions in tax rates. Recurrent expenditure was also higher during the year partly as a result of increased salaries to public servants.

The Government budget year has been changed from a calendar year basis. As of 1980, the budget will be 1 April to 31 March and fiscal 1979 has therefore been extended to 31 March 1980.

STATISTICAL APPENDIX

BELIZE

1979



BELIZE

TABLE I

GROSS DOMESTIC PRODUCT, BY ECONOMIC
ACTIVITY (IN 1973 PRICES)
(Millions of Belize Dollars)

Over the last three years it has not been possible through problems of staffing and otherwise to continue The National Accounts estimates as had been earlier elaborated. This table will reappear as soon as the series is updated.

BELIZE

TABLE II

ESTIMATES OF AGRICULTURAL PRODUCTION

	Metric Unit	1976	1977	1978	1979 ^p	Annual Growth Rate %		
						1977	1978	1979
<u>Production of main crops</u>								
Sugar-cane	000 tons	617	951	1,141	992.7	54.1	20.0	-13.0
Citrus: <u>1/</u>								
Oranges	tons	32.7	25.9	28.0	25.0	-20.8	8.1	-11.7
Grapefruits	tons	13.9	8.6	10.9	6.8	-38.1	26.7	-37.6
Timber <u>2/</u>	000 m ³	3,213	2,218	2,662	3,151	-31.0	20.0	18.4
Rice (paddy)	tons	6,259	5,080	5,443	5,897	-18.8	7.1	8.3
Corn	tons	18,144	16,783	13,608	12,700	-7.5	-18.9	-6.7
Honey	tons	297 ^r	167	...	...	-43.8	...	...
Red Kidney beans <u>1/</u>	tons	1,009 ^r	1,361	1,360	1,134 ^e	34.9	0.0	-16.6
<u>Indicators of livestock</u>								
Production: (meat)								
Beef	tons	943	1,121	1,169	...	18.9	4.3	...
Pork <u>3/</u>	tons	168	257	347	...	53.0	35.0	...
Poultry	tons	1,545	1,656	1,451	...	7.2	-12.4	...

1/ Crop year ending in the year shown.

2/ Converted from 1,000 bd. ft. to m³ by a factor 2.3597

3/ Excluding slaughtering on farms.

Source: Economic Survey 1977, Central Planning Unit, Belize;
and data supplied CEPAL.

BELIZE

TABLE III

INDICATORS OF MANUFACTURING PRODUCTION

	Metric Unit	1976 ^r	1977 ^r	1978 ^r	1979 ^p	Annual Growth Rate %		
						1977 ^r	1978 ^r	1979 ^p
<u>Production of some Manufactures</u>								
Sugar	tons	62,791	93,327	115,376	100,589	48.6	23.6	-12.8
Molasses	tons	20,611	30,072	37,708	33,489	45.9	25.4	-11.9
Cigarettes	number: mill.	806	730	688	610	- 9.4	- 5.8	-11.3
Clothing	000 pieces	1,128	1,400	1,800 ^p	...	24.1	28.6	...
Fertilizers	tons	3,658	3,328	5,080 ^p	...	- 9.0	52.6	...
Beer and stout	000 litres	3,523	2,773	2,919	3,323	-21.3	5.3	13.8
Flour	000 kg	6,532	6,350	7,031 ^p	...	- 2.8	10.7	...
Batteries	number	2,198	2,978	3,156	3,431	35.5	6.0	8.7
Lumber	000 bd. ft.	7,581	6,214	...	...	-18.0	...	...

Source: Data supplied CEPAL.

BELIZE
TABLE IV
INDICATORS OF CONSTRUCTION ACTIVITY

	Unit	1976	1977	1978	1979	Annual Growth Rate %		
						1977	1978	1979 ^P
<u>Number of building plans approved</u>	Number	178	119	...	...	-33.2	...	...
of which Residential		149	105	...	...	-29.5	...	...
Commercial		14	8	...	...	-42.9	...	...
Industrial		13	3	...	...	-76.9	...	...
Institutional		2	3	...	...	50.0	...	...
Floor area of plans	'000 sq. metre	1,743	1,062	...	...	-39.1	...	...
Approximate cost	Mill. \$	3.5	2.8	...	...	-20.0	...	...
<u>Production of building materials</u>								
Nails	'000 kg.	58.1	101	146	157	73.8	44.6	7.5
Roofing	'000 kg.	43.0	172	342	344	300.0	98.8	0.6
<u>Imports of building materials</u>								
Cement	'000 tons	15	16	...	...	6.7	...	...
	'000 \$	1,358	1,773	...	...	30.6	...	...
Nails	'000 kg.	71	25	...	...	-64.8	...	...
	'000 \$	142	54	...	...	-62.0	...	...
Paints & paint products	tons	414	449	...	...	8.5	...	...
	'000 \$	1,105	1,003	...	...	-9.2	...	...
Iron and steel (plates and corrugated sheets)	tons	1,128	1,086	...	...	-3.7	...	...
	'000 \$	1,117	988	...	...	-11.6	...	...
Iron and steel (bars and rods)	tons	816	1,052	...	...	28.9	...	...
	'000 \$	676	693	...	...	2.5	...	...

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

BELIZE

TABLE V

SELECTED DOMESTIC EXPORTS BY TYPE OF PRODUCT

	<u>Millions of Belize dollars</u>				<u>Annual Growth Rate %</u>		
	<u>1976^R</u>	<u>1977^R</u>	<u>1978^R</u>	<u>1979^P</u>	<u>1977^R</u>	<u>1978^R</u>	<u>1979</u>
<u>Main traditional exports</u>							
Sugar (unrefined)	33.9	47.7	62.1	68.0	31.9	30.2	9.5
Melasses	2.0	2.4	6.8	...	20.0	183.3	...
Bananas and plantains	1.8	3.1	3.5	5.8	72.2	12.9	68.6
Citrus	5.5	3.0	4.2	...	-45.5	40.0	...
Citrus juices and concentrates	4.5	2.1	3.0	...	-53.3	42.9	...
Grapefruit segments	0.9	0.9	1.1	...	0.0	22.2	...
Grapefruit & orange oil	0.1	0.1	0.1	...	0.0	0.0	...
Logs and lumber	3.3	1.9	2.1	...	-42.4	10.5	...
Fish, crustaceans and molluscs	6.2	5.9	5.5	8.0	- 4.8	- 6.8	45.0
<u>Sub-total</u>	52.7	64.0	85.4	...	21.4	33.4	...
<u>Non-traditional exports</u>							
Garments	12.1	18.7	18.8	...	54.6	0.5	...
Honey	0.4	0.3	0.3	0.4	-25.0	0.0	33.3
Live animal for food	0.1	0.1	...	...	0.0	...	...
Meat (chicken and bovine)	0.1	2.1	1.7	...	21.0	-19.1	...
<u>Sub-total</u>	12.7	21.2	20.8	...	66.9	- 1.9	...
Total selected exports	65.4	85.2	106.2	...	30.3	24.7	...
Total domestic exports	68.2	89.0	110.0	...	30.5	23.6	...
TOTAL EXPORTS	94.0	124.2	159.5	...	32.1	28.4	...

Source: Data supplied CEPAL.

BELIZE

TABLE VI

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

SITC Sections	1976 ^r	1977 ^r	1978 ^p	1979	Annual Growth Rate %	
					1977	1978
0 Food and Live animals	38,940	40,110	51,516	...	3.0	28.4
1 Beverages and tobacco	3,332	3,810	3,333	...	14.4	-12.5
2 Crude materials, inedible except fuels	781	1,376	3,613	...	76.2	162.6
3 Mineral fuels, lubricants and related materials	18,742	23,359	22,039	...	24.6	- 5.7
4 Animal and vegetable oils and fats	587	357	478	...	-39.2	33.9
5 Chemicals	12,758	12,648	15,165	...	0.9	19.9
6 Manufactured goods	24,007	28,616	42,650	...	19.2	49.0
7 Machinery and transport equipment	40,411	45,319	45,138	...	12.2	- 0.4
8 Miscellaneous manufactured articles	21,325	23,752	28,864	...	11.4	13.1
9 Commodities and transactions, n.e.s.	627	804	1,192	...	28.2	48.3
TOTAL	161,510	180,151	211,988	...	11.5	17.7

N.B. Data for 1979 are not available.

Source: Data supplied CEPAL.

BELIZE

TABLE VII

BALANCE OF PAYMENTS
(Bze\$ Mill.)

	1975	1976	1977	1978 ^p	1979
<u>CURRENT ACCOUNT</u>					
Merchandise (net)	-28.5	-38.9	-55.7	-52.4	-62.9
Exports (f.o.b.)	129.5	120.3	124.4	159.6	203.4
Imports (c.i.f.)	158.0	159.2	180.1	212.0	266.3
Services (net)	0.2	1.0	2.1	...	...
Factor incomes	- 3.8	- 3.5	- 3.5	...	...
Travel	4.0	4.5	5.6	...	...
Transfers (net)	16.1	16.1	26.1	...	...
Overseas aid (U.K.)	9.0	9.0	18.0	...	...
Other aid (Canada, U.N.)	2.8	2.8	3.2	...	...
Remittances (net)	3.4	3.4	3.5	...	...
Other (net)	0.9	0.9	1.4	...	...
<u>BALANCE ON CURRENT ACCOUNT</u>	-12.2	-26.3	-33.1	...	...
<u>CAPITAL ACCOUNT</u>					
Domestic capital	0.4	...	...	...	...
External aid	7.9	9.7	15.4	...	...
Loans	2.8	4.5	5.1	...	...
Surplus (+) or Deficit (-)	- 1.1	...	...	...	...

Source: Belize Economic Survey 1975; and data supplied by the
Central Planning Unit of Belize; and data supplied CEPAL.

BELIZE

TABLE VIII

MONETARY BALANCE 1976-1979

(Bze\$'000)

	<u>Balance at the end of December</u>				<u>Annual Growth Rate %</u>		
	1976	1977	1978	1979 ^D	1977	1978	1979 ^D
<u>Money</u>							
Currency outside banks	11,274	12,548	16,724	18,060	11.3	33.3	7.9
Demand deposits (unadjusted)	11,174	13,158	21,524	22,167	17.7	63.6	3.0
Monetary Authority deposits (unadjusted)	50	-	517	25	-	-	-95.2
Total Money Supply (M ₁)	22,498	25,706	38,766	40,252	14.3	50.8	3.8
<u>Quasi-Money</u>							
Time deposits	26,745	23,266	29,557	30,595	-13.0	27.0	3.5
Savings deposits	23,371	25,854	28,059	30,072	10.6	8.5	7.2
Total Quasi-Money	50,116	49,120	57,616	60,667	- 2.0	17.3	5.3
Total Money Supply (M ₂)	72,614	74,826	96,382	100,919	3.1	28.8	4.7
Total Deposits ^{1/}	61,290	62,278	79,316	82,834	1.6	27.4	4.4
Deposits as a % of M ₁	49.8	51.2	56.3	55.1	2.8	10.0	- 2.1
Commercial Banks' loans and advances as a % of total deposits	104.3	95.6	81.9	98.0	- 8.3	-14.3	19.7

^{1/} Exclude Monetary Authority deposits unadjusted.

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

BELIZE

TABLE IX

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

	<u>Balance at the end of December</u>				<u>30 September</u>		<u>Annual Growth Rate %</u>		
	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978^P</u>	<u>1978^P</u>	<u>1979^P</u>	<u>1977</u>	<u>1978^P</u>	<u>1979^P</u>
Agriculture including land development	19,993	21,957	21,070	18,139	18,203	20,556	- 4.0	-13.9	12.9
Forestry and fishing	567	280	2,294	4,277	3,243	3,264	719.3	86.3	0.7
Manufacturing	2,893	5,542	4,664	7,191	4,088	12,365	-15.8	54.2	202.5
Building and construction	3,769	4,357	5,015	7,228	7,196	8,311	15.1	44.1	15.5
Tourism	756	622	540	543	351	806	-13.2	0.6	129.6
Distributive trades	14,270	18,150	12,829	14,879	16,154	19,317	-29.3	16.0	19.6
Government and Statutory bodies	4,734	4,489	3,745	1,015	1,190	2,923	-16.6	-72.9	145.6
Other	4,577	8,531	9,358	11,724	10,528	14,459	9.7	25.3	37.3
TOTAL	51,559	63,928	59,515	64,996	60,953	82,001	- 6.9	9.2	34.5

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

BELIZE

TABLE X

CENTRAL GOVERNMENT REVENUE AND EXPENDITURE

(Bze\$Mill.)

	1976	1977	1978	1979 ^{1/}	<u>Annual Growth Rates</u>		
					1977	1978	1979
Recurrent income	42.1	42.4	52.1	62.6	0.7	22.9	20.2
Tax revenue	37.1	38.2	46.1	55.2	3.0	20.7	19.7
of which: customs & excise	20.4	21.6	27.5	32.3	5.9	27.3	17.5
direct taxation	14.2	13.9	15.7	19.6	- 2.1	13.0	24.8
other	2.5	2.7	2.9	3.3	8.0	7.4	13.8
Non-tax revenue	4.9	4.2	6.1	7.5	- 6.7	45.2	23.0
Recurrent expenditure	36.4	39.1	44.3	52.3	7.4	13.3	18.1
Balance on recurrent account	5.7	3.3	7.8	10.3	-42.1	136.4	32.1
Capital revenue	14.8	21.1	41.4	61.9	42.6	96.2	49.5
Capital expenditure	19.0	28.7	51.9	69.5	51.1	80.8	33.9
Total expenditure	55.4	67.8	96.2	121.8	22.4	41.9	26.6
Fiscal Deficit or Surplus	+ 1.5	- 4.3	- 2.7	+ 2.7	-186.7	37.2	85.2

^{1/} Approved estimates for the year 1979.

Source: Estimates of Revenue and Expenditure, 1977-1979, and data supplied CEPAL.

PART V

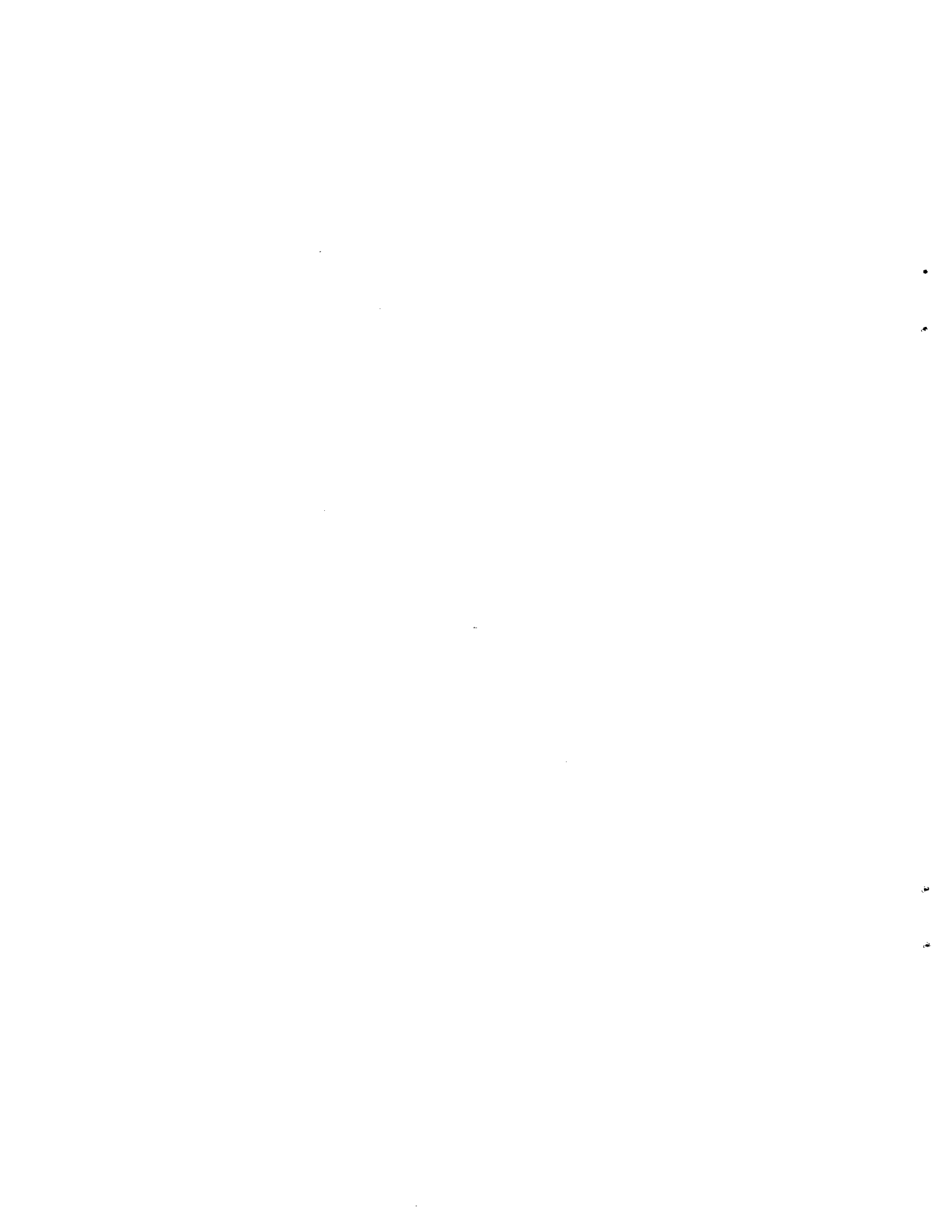
G R E N A D A

The Country Notes for Grenada
in respect of 1979
were not prepared this year.

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PART VI
GUYANA COUNTRY NOTES



ECONOMIC SURVEY 1979

GUYANA
(Guyana dollars used throughout)^{1/}

There was a general slowing down of economic activity in 1979 despite increases in the level of domestic investment and in the money supply. This produced a reduction in the level of exports and at the same time a significant rise in the size of imports. However, the Gross Domestic Product (GDP) of Guyana was estimated at approximately \$1,170 million or about 4 percent higher in current prices during 1979 than in 1978.

All major economic sectors with the exception of Agriculture experienced positive growth in 1979. There were increases in the Mining, Manufacturing and Construction sectors. The growth in the Distribution sector was mainly attributable to the increase in the money supply which resulted in part from the upswing in public sector investment.

Performance in the merchandise trade account produced a reversal of the favourable position gained in 1978, with a 15 percent increase in the value of imports during 1979. The lower level of domestic production was the main factor behind the decrease in the size of exports. Nevertheless, the higher values for bauxite and its by-products offset to a great extent the decrease in other export earnings.

There was a significant slowing down in the rate of growth of the All Guyana retail price index. Although the rate of inflation rose by about 16 percent it was lower than the 20 percent achieved in 1978. The rate of growth of urban prices continued to be high with a rate of 18 percent, exerting an upward influence on the rate of inflation. The food index rose at a much slower rate than it did in 1978.

^{1/} G\$2.55 = US\$1.00 from October 1975.

TRENDS IN ECONOMIC ACTIVITY
GLOBAL SUPPLY AND DEMAND TRENDS

Data presented in Table II of the Statistical Appendix suggest that there was increased economic activity in Guyana during 1979. The level of Total Supply rose by almost 9 percent, mainly through increased trade activity, with imports of goods and services rising some 13 percent from 1978 after decreases in imports over the past two years and a 6 percent growth in GDP.

On the demand side, Gross Domestic Investment rose some 28.6 percent over the level of the previous year, most of this being public sector investment. The Central Government consumption rose some 4.5 percent while private consumption experienced a 16.4 percent increase.

GROWTH IN THE MAIN SECTORS

Introduction

Guyana's economy continued to be dependent on the Mining and Quarrying, Distribution, Manufacturing and Agricultural sectors. The growth in GDP in 1979 was considerably slowed down from the substantial increase of 11 percent in 1978 to one of 4 percent in 1979. This deceleration in the growth rate of GDP was mainly due to the poor performance of the Agriculture and Manufacturing sectors plagued by inclement weather and frequent power shortages. However, despite a prolonged industrial dispute, the Mining and Quarrying sector showed a considerable increase from 1978. This trend continued to indicate constant growth in the development and stability of the sector, mainly due to the increased export prices of the mining products. GDP in distribution grew for the third successive year, and accounted for 9 percent of total GDP. This performance was considerably aided by the increased volume of imports and a sustained financial market. All other sectors showed a small increase mainly attributable to the increase in public expenditure on some public sector development.

Agriculture

GDP in Agriculture was provisionally estimated to have declined by 2 percent to \$259 million in 1979 from \$264 million in 1978. Although there was a decline in its growth, the sector remained the major contributor to total GDP, accounting for 22 percent.

Despite the substantial decrease in the level of output of rice and sugar cane, the sector's decline in GDP was cushioned somewhat by growth in the other sub-sectors of agriculture.

The rice and sugar cane sub-sectors jointly accounted for 60 percent of Agriculture's contribution to total GDP during the year, though the contribution of these two sub-sectors to Agriculture's total decreased by 7 percent. Sugar cane continued to be the main contributor to total GDP and alone amounted to about \$123 million or approximately 46 percent of the agricultural-sector's contribution. On the other hand, the volume of sugar cane harvested was estimated to have declined by over 5 percent, representing a sharp decline from the substantial increase in 1978. The chief factors for this decline were the high incidence of unplanned fires, resulting in the reduction of the sucrose content; the presence of the very destructive smut disease and; a marginal decrease in the acreage harvested. This was further aggravated by lower sugar prices, though mitigated by less work stoppages in the industry.

GDP in the rice sub-sector amounted to \$32 million - a decrease of 20 percent below the estimate of the previous year, while the output of milled rice fell to an estimated 140 thousand tons in 1979. The main reasons for this decrease in production were the absence of adequate water control facilities, unfavourable weather for harvesting,

and power shortages during the milling stages of the operation.

In Other Agriculture, the upward trend in production was evident in 1979, mainly in Forestry and Fishing. This resulted in a 7 percent rise in Other Agricultural GDP amounting to \$104 million in 1979. However, data for root and tree crops and vegetables with the exception of pineapples, indicate a substantial reduction in production. Forestry continued to benefit from the improvements in road access to the hinterland and with the expanded facilities for saw milling and logging. In the Livestock sub-sector there were favourable increases in the production of poultry and other livestock.

There continued to be a strategy towards increasing self-sufficiency in a wider range of food crops for domestic and export purposes. Government continued its policy to diversify the sugar industry with the production of black-eye peas and the establishment of processing plants for some crops. Subsidies were granted for the importation of agricultural equipment and the supply of fertilizers.

Mining and Quarrying

Mining and Quarrying GDP continued to show positive increases despite the drop in production over the last few years. The sector's GDP amounted to \$193 million, representing a 13 percent increase above 1978 and a contribution of 16 percent to total GDP. This indicates that the sector has performed satisfactorily with a higher growth rate and share in total GDP than in 1978, mainly through higher export prices.

Preliminary data in Table V of the Statistical Appendix indicate that only the production of Alumina Hydrate showed any increase during the year. The reduction in the output of the bauxite industry was mainly attributable to the prolonged industrial dispute early in 1979.

Although there were considerable decreases in the volume of bauxite and its by-products exported, there was a smaller

decrease in the value of these exports. This situation was buffered by the higher export prices offered for the commodities exported. Whereas the volume of bauxite exported declined by over 1 percent, its value rose by over 9 percent. On the other hand, the volume and value of alumina and alumina hydrate exported fell by 45 percent and 31 percent respectively. Nevertheless, there was some reprieve to the industry with the FOB unit prices of these exports rising considerably during the year. While calcined bauxite rose to \$396 per tonne - 16 percent more than in 1979, that of dried bauxite was estimated at \$53 per tonne or 10 percent higher than in 1978. The FOB export price of alumina was \$378 per tonne or a 20 percent increase, while alumina hydrate rose by 15 percent to \$239 per tonne.

One main element of governmental policy that has aided the economy was the introduction of a scale which is used for the adjusting of the price of bauxite sales in order to offset any increases in the price of fuels to the industry.

Estimated production of gold and diamonds experienced decreases of 7 and 12 percent respectively.

Manufacturing

The manufacturing GDP continued to show a positive growth, though somewhat slower than in 1978. The sector's GDP amounted to \$148 million - an increase of 5 percent over that of the previous year.

The main sub-sectors continued to be rice milling and sugar manufacturing jointly contributing about 34 percent of the sector's GDP. However, both the rice and sugar sub-sectors experienced difficulties during the year and recorded decreases of 20 percent and 4 percent respectively. The position of the other manufacturing sub-sectors was much improved showing an increase of 13 percent in 1979. Table VI

of the Statistical Appendix shows indicators of the uneven performance in the Manufacturing sector.

Although the sector experienced a relatively good year there continued to be difficulties in the expansion of the manufacturing base mainly through lack of investment and the slow pace at which funds were made available to the sector. Also, information suggests that added to the limited supply of investment capital and skilled labour, the lower level of foreign exchange, shortages of manufacturing inputs and frequent disruptions of the power supply helped to curtail some manufacturing production.

Government policy continued to be geared towards specified targets of production within the sector, especially with an investment code set up to monitor the manufacturing industry with the public sector becoming involved in some way with local manufacturing, the aim being to mobilize domestic resources (raw material and finance) and restrain domestic demand. To this end some degree of subsidization was introduced in some industries and also investment in the glassware, textile, liquor and flour factories. Encouragement was given to the agro-based industries especially the vegetable oil plant and the ham and bacon factory.

Construction

In 1979 the construction sector GDP, for the first time in the last two years, showed an increase of over 1 percent amounting to \$76 million while contributing 7 percent to the total GDP.

This increase was attributed to the high level of public sector expenditure on construction projects estimated to have been over \$343 million in 1979. Construction in Mining and Quarrying continued together with road-building projects mainly aimed at improving feeder roads for agricultural projects. Construction continued on the major projects such as the Fishing Complex, the Tapakuma Irrigation Project and the Mahaica Mahaicony-Abary Project. At the same time the housing sector

was boosted with the construction of over 2,000 homes in 1979 with finance made available by the Central Government's Mortgage Finance Houses. Although there is an attempt at self-sufficiency in materials for housing and other construction, there continued to exist shortages of building materials due to controlled prices on imported materials, shortages of cement and lack of skilled personnel.

Other Sectors

Aided by increased local finance and external finance for increased purchases of imports and the rise in the general demand for basic services, there were allround increases in the remaining sectors. The major increase was in the Distribution sector with a 10 percent growth; all other service sectors experienced small increases.

The Commerce sector was boosted with the granting of lines of credit for some imports together with the access to the IMF provision of \$15 million and access to the compensatory financing facility.

The Government sector continued to finance most of the ongoing projects with the emphasis on the Agricultural and Bauxite sectors. The whole programme is geared towards import substitution projects in consumer goods and food items, especially in the diversification of the sugar industry.

The Second Rice Modernization Project financed by USAID was put into operation with a view to minimizing post-harvest losses and improving the processing and marketing systems in order to increase the rice output for exports.

EMPLOYMENT

In general, the pace of economic development has been insufficient to generate an adequate employment rate for the expanding labour force in 1979. Because of this the level

of unemployment is expected to have increased over the last few years.

The single largest employer of labour continues to be the sugar industry and it is estimated that employment in this sector fell slightly in 1979 from the 1978 figure of 24,000, mainly through migration and movement to the more lucrative Mining sector.

The level of wages was estimated to have been higher in the Mining sector during 1979, increasing from the weekly average of \$130 paid in 1978. The average weekly wage in the sugar industry was expected to show a modest growth during the year over the weekly average level of \$74 earned in 1978, mainly due to adverse conditions in the industry.

PRICES

The rate of inflation as measured by the All Guyana Consumer Price Index rose by some 15 percent in 1979. All major components of the Index showed significant increases, with the most significant changes occurring in the Housing and Clothing groups. Whereas the Clothing group rose by 20 percent, the Housing group of the Index rose by 14 percent after moderate increases over the last three years. This growth was attributable to the encouragement given to citizens to own homes and also the provision of government-assisted finance through mortgage finance; these two factors produced an increase in demand which then raised the cost of obtaining building materials. Government's decision to remove the subsidies on most food items caused prices to rise significantly in 1978; however, the impact was much less severe in 1979 with the food, beverage and tobacco group showing a 15 percent increase. The main impact was felt in the urban areas, where the Index for this group rose by 19 percent over the same period. In the rural areas, prices showed a 14.6 percent rise, considerably less than in 1978, and cushioning the rise in the average Index for All Guyana.

The price increase of imported clothing was the main factor responsible for the higher prices of this component with a 30 percent growth in the urban areas.

EXTERNAL SECTOR

Preliminary data available up to September 1979 indicate a reversal of the favourable position of this sector in 1978. This situation was aggravated with the rise of imports by 15 percent and slight decline in exports for the corresponding period in 1978. The balance of payments position was expected to be somewhat worse than that of 1978 mainly because of the imbalance on merchandise trade. However, estimates indicated an increase in the net capital inflows and the establishment of external lines of credit for certain imports. There is the continued emphasis on the imports of capital and intermediate goods for the development of infrastructural work in industries and agriculture. To this end, lower import duties were extended to some machinery and equipment.

Merchandise Trade

Indicators for the first three Quarters of 1979 showed a net deficit on merchandise trade in contra-distinction to the favourable position experienced in 1978. The total value of merchandise trade rose by 7 percent, with imports accounting for \$548 million and exports \$496 million.

The performance in exports was below the level of 1978. Information presented in Tables VII and VIII of the Statistical Appendix for the full year indicate that there was an overall unfavourable performance of main traditional exports with their export volume showing marked decreases except for the modest growth of bauxite exports. The total value of these exports was estimated to have fallen by about 4 percent in 1979 with decreases in the export value of sugar

and alumina and alumina hydrate. The decline in the volume exported was attributable to lower production during the year, however, the values of these exports were influenced by higher export unit values mainly for the bauxite exports.

The situation in the exports of non-traditional commodities continued to be favourable with rapid increases in the export of these items from 1978. The volume of run exported rose by 62 percent whereas its value rose by 58 percent to \$15 million. On the other hand, the volume of molasses exported rose by 64 percent with a 58 percent growth in its value. There were also increases in the volume and value of timber, shrimp and diamonds exported. Nevertheless, the largest share of export earnings was expected to accrue to the bauxite industry.

On the other side, the value of imports for the first three Quarters of 1979 rose by 15 percent with major increases in the level of capital and raw materials and intermediate goods imported.

Preliminary data indicated (for the same period) a 27 percent rise in the value of imports for petroleum products which is expected to reach over \$213 million in 1979 and also an 18 percent growth in the value of other manufactures. However, the major share of imports was accounted for by manufactured goods and imports of fuels. These two categories of imports represent 28 percent and 21 percent respectively of total imports.

MONETARY ACTIVITIES

Preliminary estimates presented in Table XV of the Statistical Appendix indicate increases in the 1979 total money supply (resources) by 8 percent and a 13 percent in the disposition of these resources. Whereas there was a 5 percent decrease in the level of money proper (M_1), quasi-money (M_2) rose by 35 percent to \$614 million.

Both the level of currency and demand deposits declined, with decreases of 5 percent and 4 percent respectively. This was mainly

attributable to the policy of increased savings and increased lending rates for consumer non-durables. On the other hand, because of increases of interest rates on savings, there continued to be increased savings and time deposits. According to data supplied CEPAL, savings grew by 12 percent to \$263 million and time deposits to \$167 million - an increase of 23 percent - while arrears deposits estimated at \$68 million, grew by 20 percent.

Because of the overall growth in the factors of absorption there was a significant increase of 13 percent in the factors of expansion. The level of domestic credit increased by about 26.5 percent to \$1,079 million, with rapid increases to the Public and Private sectors. This situation reflects a fair growth of economic activity with more liberal lending policies for industrial and agricultural developments.

The size of the net foreign assets continued to be unfavourable and was estimated to be in the negative about \$182 million or almost 209 percent lower than 1978.

... to the policy of increasing savings and investment ...
 ... for longer non-durable ...
 ... of increases in interest rates on savings ...
 ... to be increased savings and investment ...
 ... by 12 percent ...
 ... has increased to 107 million ...
 ... while savings deposits increased by 23 ...
 ... by 30 percent.

... of the overall growth in the labor force ...
 ... a significant increase of 10 percent ...
 ... of equipment. The level of domestic credit ...
 ... by about 20.5 percent to \$1,070 million ...
 ... and ...
 ... growth of economic activity with ...
 ... and agricultural development ...
 ... of the ...
 ... and ...
 ... almost 200 percent lower than 1970.

STATISTICAL APPENDIX

GUYANA

1979



GUYANA
TABLE I
MAIN ECONOMIC INDICATORS

	1974	1975	1976	1977	1978	1979 ^{1/}
<u>BASIC ECONOMIC INDICATORS</u>						
Gross Domestic Product at Factor Cost (millions of Guyana dollars at current prices)	870	1,098	1,038	1,013 ^r	1,126 ^r	1,170
Population (thousands)	774	787 ^r	799 ^r	812 ^r	824	842
Per Capita Gross Domestic Product (Guyana dollars at current prices)	1,124	1,395 ^r	1,299 ^r	1,247 ^r	1,366 ^r	1,389
<u>ANNUAL GROWTH RATES</u>						
<u>SHORT-RUN ECONOMIC INDICATORS</u>						
Gross Domestic Product at Current Prices	50.8	26.2	- 5.5	- 2.4	11.1	3.9
Per capita gross domestic product at current prices	47.3	24.1	- 6.9	- 4.0	9.5	1.7
Current value of exports of goods	107.7	41.1	-17.3	- 6.1	12.8	- 0.2 ^{2/}
Current values of imports of goods	52.2	43.0	14.4	-13.2	-11.6	14.9 ^{2/}
Consumer Price Index Annual Average Variation	19.7	6.0	8.7	10.8	19.5	15.6
Money (M ₁)	31.3	60.6	7.4	28.9	5.7	- 4.7
Current income of government	99.5	57.7	-23.2	- 5.1	5.9	...
Total expenditure of government	23.4	69.3	23.0	-21.6	9.9	...
Fiscal deficit/total expenditure of government (percentage)	14.9	19.7	49.6	39.3	41.5	...

GUYANA

TABLE I (CONT'D)

MAIN ECONOMIC INDICATORS

	1974	1975	1976	1977	1978	1979 ^{1/}
<u>MILLIONS OF DOLLARS (GUYANA DOLLARS)</u>						
<u>EXTERNAL SECTOR</u>						
Trade balance (goods and services)	-14.5	...	-345	-240	-56	-176
Balance on Current Account	-38	-45.6 ^r	-360.5 ^r	-248.7 ^r	-69.5	...
Variation in net international reserves	...	...	...	...	...	...
External debt ^{3/}	404	523	662	689	739	783 ^{4/}

^{1/} Preliminary figures.

^{2/} January-September data.

^{3/} Statistical Bulletin, November 1979, Bank of Guyana.

^{4/} As at the end of June.

GUYANA

TABLE II

TOTAL SUPPLY AND DEMAND

	At Current Prices			Annual Growth Rate %		
	G\$ Millions			1977	1978	1979
	1977	1978	1979	1977	1978	1979
<u>TOTAL SUPPLY</u>	<u>2,069^r</u>	<u>2,096^r</u>	<u>2,283</u>	- <u>6.9</u>	<u>1.3</u>	<u>8.9</u>
Gross Domestic Product at Market Prices	1,121 ^r	1,246 ^r	1,325	- 0.8	11.2	6.3
Imports of Goods and Services	948	850 ^r	958	-13.1	-10.3	12.7
<u>TOTAL DEMAND</u>						
<u>DOMESTIC DEMAND</u>	<u>2,069</u>	<u>2,096</u>	<u>2,283</u>	- <u>6.9</u>	<u>1.3</u>	<u>8.9</u>
Gross Domestic Investment	290	241	310	-30.1	-16.9	28.6
Total Fixed Investment	290	241	310	-23.9	-16.9	28.6
Public	(230)	(194)	(250)	(-26.0)	(-15.7)	(28.9)
Private	(60)	(47)	(60)	(-14.3)	(-21.7)	(27.6)
Changes in Stock	-	-	-	-	-	-
Total Consumption	<u>1,004^r</u>	<u>1,005^r</u>	<u>1,130</u>	<u>1.0</u>	<u>0.0</u>	<u>12.4</u>
Central Government	325	335	350	1.5	3.1	4.5
Private	679 ^r	670 ^r	780	0.7	- 1.3	16.4
Exports of Goods and Services	<u>708^r</u>	<u>794</u>	<u>782</u>	- <u>6.8</u>	<u>12.1</u>	- <u>1.5</u>
Net Factor Income Payments	<u>67^r</u>	<u>56^r</u>	<u>61</u>	<u>17.5</u>	<u>-16.4</u>	<u>8.9</u>

Source: Statistical Bureau, Guyana.

GUYANA

TABLE III

GROSS DOMESTIC PRODUCT BY KIND OF ECONOMIC ACTIVITY AT FACTOR COST

	<u>(G\$ Million)</u>			<u>Percentage Breakdown</u>			<u>Annual Growth Rate %</u>		
	<u>1977</u>	<u>1978</u>	<u>1979^{pe}</u>	<u>1970</u>	<u>1975</u>	<u>1979</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Agriculture	211	264 ^r	259	19.3	31.1	22.1	-10.6	25.1	- 1.9
Sugar-cane	(77)	(127 ^r)	(123)	(9.2)	(22.4)	(10.5)	(-45.8)	(64.9)	(- 3.1)
Rice	(49)	(40 ^r)	(32)	(2.8)	(3.3)	(2.7)	(-96.0)	(-18.4)	(-20.0)
Mining and Quarrying	164	171	193	20.4	12.8	16.5	13.1	4.3	12.9
Manufacturing	123	141	148	12.2	14.8	12.6	- 8.9	14.6	5.0
Sugar manufacturing	(27)	(45 ^r)	(43)	(3.2)	(7.8)	(3.7)	(-44.9)	(66.7)	(- 4.4)
Rice milling	(9)	(10)	(8)	(0.8)	(0.5)	(0.7)	(80.0)	(11.1)	(-20.0)
Construction	77	75	76	7.9	6.7	6.6	- 9.5	- 2.6	1.3
Sub-total goods	<u>575</u>	<u>651^r</u>	<u>676</u>	<u>59.8</u>	<u>65.5</u>	<u>57.8</u>	<u>- 4.3</u>	<u>13.2</u>	<u>3.8</u>
Transport and Communication	58	60	62	5.9	4.6	5.3	5.5	3.4	3.3
Distribution	92	96	106	11.5	8.6	9.0	-14.8	4.3	10.4
Rent, Financial and Other Services	86	89	92	9.6	6.8	7.9	6.2	3.5	3.3
Government	201	230	234	13.2	14.6	20.0	4.1	14.4	1.7
Sub-total Services	<u>437</u>	<u>475</u>	<u>494</u>	<u>40.2</u>	<u>34.5</u>	<u>42.2</u>	<u>-</u>	<u>8.7</u>	<u>4.0</u>
TOTAL GROSS DOMESTIC PRODUCT	<u>1,012</u>	<u>1,126^r</u>	<u>1,170</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>- 2.5</u>	<u>11.3</u>	<u>3.9</u>

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

GUYANA

TABLE IV

INDICATORS OF AGRICULTURAL PRODUCTION
(Tonnes)

	Unit	1976	1977	1978	1979 ^d	Annual Growth Rate %		
						1977	1978	1979
Sugar-cane	'000 tonnes	4,095	3,301	4,042	3,821 ^e	-19.4	22.5	- 5.5
Rice (milled)	'000 tonnes	111.8	213.4	185	140	90.9	-13.3	-24.3
Root Crops	'000 tonnes	21.8	24.5	28.2	28.2	12.4	15.1	-
Plantains	'000 tonnes	14.1	19.5	21.3	21.3	38.3	9.2	-
Coconuts	Millions	32	25	...	26	-21.9	...	...
Citrus	'000 tonnes	15.4	15.4	15.4	10.3	-	-	-33.1
Bananas	'000 tonnes	4.1	5.0	6.5	6.5	22.0	30.0	-
Corn	Tonnes	2,495	3,268	2,086	1,670	31.0	-36.2	-19.9
Tomatoes	Tonnes	1,860	2,495	2,856	2,716	34.1	14.5	- 4.9
Pineapples	Tonnes	1,814	1,905	1,632	1,797	5.0	-14.3	10.1
Beef	Tonnes	3,992	3,130	1,860	1,770	-21.6	-40.6	- 4.8
Pigs, sheep, goats	Tonnes	2,268	2,359	1,724	1,815	4.0	-26.9	5.3
Poultry	Tonnes	9,480	7,393	10,387	10,571	-22.0	40.5	1.8
Livestock number	'000 head	575	601	...	...	4.5	...	...

Source: Statistical Bureau, Guyana.

GUYANA

TABLE V

INDICATORS OF MINING PRODUCTION
(Tonnes)

	Unit	1976	1977	1978	1979 ^P	Annual Growth Rate %		
						1977	1978	1979
Dried Bauxite	'000 tonnes	984.1	1,017	1,174	1,059	3.3	15.4	- 9.8
Calcined Bauxite	'000 tonnes	741	720	579	587 ^{1/}	- 2.8	-10.0	- 0.2
Alumina	'000 tonnes	251	260	230	139	3.6	-11.5	-39.6
Alumina Hydrate	'000 tonnes	19	17	10.1	23	-10.5	-40.6	127.7
Aluminous Cement Crude Bauxite	'000 tonnes	-	-	36.0	9.0	-	-	-75.0
Gold	'000 ozs	16	12	15	14	-25.0	-25.0	- 6.7
Diamonds	'000 carats	14	17	17	15.0	14.3	6.3	-11.8

^{1/} Annual Report 1979, Caribbean Development Bank.

Source: Statistical Bureau, Guyana.

GUYANA

TABLE VI

INDICATORS OF MANUFACTURING PRODUCTION

	Unit	1976	1977	1978	1979	Jan-June		Annual Growth Rate % ^{1/}		
						1978	1979	1977	1978	1979 ^{1/}
Sugar	'000 tonnes	337	246	330	303	...	...	-27.0	34.1	- 8.2 ^{2/}
Edible Oil	'000 litres	3,446	1,555 ^r	1,409 ^r	1,159	...	...	-54.9	- 9.4	-17.7 ^{2/}
Margarine	Tonnes	2,146	2,033	1,937	...	902	1,056	- 5.3	- 4.7	17.1
Flour	'000 tonnes	40	35	36	...	17	22	12.5	2.9	29.4
Molasses	Million litres	108	90	117	...	57	16 ^{3/}	-16.8	30.0	...
Stock Feeds	'000 tonnes	42	37	50	...	23	29	-11.9	35.1	26.1
Rum	'000 proof gallons	4,603	3,249	3,380	...	1,801	1,737	-29.4	4.0	- 3.6
Cigarettes	Millions	559	558	519	...	313	268	- 0.2	7.0	-14.4
Soap	Tonnes	2,054	1,916	1,653	...	1,339	897	- 6.7	13.7	-33.0
Paints	'000 litres	2,032	1,718	1,473	...	705	809	-15.5	14.3	14.7
Timber	'000 cubic metres	226	187	179	...	78	39 ^{3/}	-17.2	- 4.3	...

^{1/} January-June data.

^{2/} Full year data.

^{3/} First quarter.

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

GUYANA

TABLE VII

VOLUME OF SELECTED EXPORTED PRODUCTS

Products	Unit	1976	1977	1978	1979 ^D	Annual Growth Rate %		
						1977	1978	1979
<u>MAIN TRADITIONAL EXPORTS</u>								
Bauxite (dried/calced)	'000 tonnes	1,556 ^r	1,575 ^r	1,576 ^r	1,579	1.2	0.1	0.2
Alumina/alumina hydrate	'000 tonnes	265 ^r	263 ^r	247 ^r	146	- 0.7	- 6.1	-40.9
Sugar	'000 tonnes	297 ^r	208 ^r	281 ^r	268	-30.0	35.1	- 4.6
Rice	'000 tonnes	72	67	107	85	- 6.9	59.7	-20.6
<u>MAIN NON-TRADITIONAL EXPORTS</u>								
Rum	'000 Proof gallon	2,585	1,510	1,847	3,000	-41.6	22.3	62.4
Molasses	'000 tonnes	63	89	124	203	41.3	39.3	63.7
Timber	'000 M ³	33	36	36	...	9.1	-	...
Shrimp	Tonnes	660	684	763	907	3.6	11.6	18.9
Diamonds	'000 carats	12	10	11	11	-16.7	10.0	-

Source: Quarterly Statistical Digest January-December 1978.
The Statistical Bureau, Ministry of Economic
Development and data supplied CEPAL.

GUYANA

TABLE VIII

VALUE OF EXPORTS OF SELECTED PRODUCTS

	<u>Millions of Guyana Dollars</u>				<u>Annual Growth Rate %</u>		
	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979^{pe}</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
<u>MAIN TRADITIONAL EXPORTS</u>							
Bauxite (dried/calced)	224.3	252.7	250.3	273.1	12.7	- 0.1	9.1
Alumina/Alumina Hydrate)	64.1	78.6	78.0	53.7	22.5	- 0.7	-31.1
Sugar	258.7	185.7	234.6	226.3	-28.2	26.3	- 3.5
Rice	73.6	66.8	96.0	80.8	- 9.5	43.6	15.7
<u>Sub-total</u>	<u>620.7</u>	<u>583.8</u>	<u>658.9</u>	<u>633.9</u>	<u>- 6.0</u>	<u>12.8</u>	<u>- 3.8</u>
<u>MAIN NON-TRADITIONAL EXPORTS</u>							
Rum	12.9	8.8 ^r	11.6	15.2	-41.1	26.3	58.3
Molasses	6.0	5.8 ^r	8.9	14.1	0.0	48.3	58.4
Timber	9.7	9.1	10.9	14.3	- 6.2	19.8	31.2
Shrimp	12.9 ^r	12.3	12.4	15.0	- 4.7	0.8	21.0
Diamonds	0.8	0.9	1.5	2.0 ^e	12.5	66.7	33.3
<u>Sub-total</u>	<u>42.3</u>	<u>36.9</u>	<u>43.3</u>	<u>60.6</u>	<u>-12.8</u>	<u>22.8</u>	<u>33.8</u>
Other exports	31.9	32.2	35.4	...	1.5	9.2	...
<u>TOTAL EXPORTS</u>	<u>694.9</u>	<u>653.0</u>	<u>739.6</u>	<u>...</u>	<u>- 6.1</u>	<u>13.3</u>	<u>...</u>

Source: Statistical Bulletin November 1979, Bank of Guyana. Statistical Bureau, Guyana.

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TABLE IX

IMPORTS OF GOODS

Description	Millions of Guyana Dollars			Jan-Sept		% Breakdown ^{1/}		Annual Growth Rate % ^{1/}		
	1976	1977	1978	1978	1979	1970	1979	1977	1978	1979
Consumer Goods	165.3	143.0	131.1	96.0	108.7	34.08	19.8	-13.5	- 8.3	13.2
Food	(56.8)	(65.0)	(62.6)	(46.4)	(44.5)	(11.4)	(8.1)	(14.4)	(- 3.7)	(-4.1)
Raw materials and Intermediate goods	450.2 ^r	410.9	421.2 ^r	281.0	328.2	29.0	59.9	- 8.7	2.5	16.7
Capital goods	303.0 ^r	226.5	153.6	96.9	107.1	36.3	19.5	25.2	-32.2	10.5
Miscellaneous	8.9	24.0	15.2	33.9	4.9	0.0	0.7	169.7	-78.3	12.6
Total Goods Imported	927.3	804.4	711.1	477.8	548.9	100.0	100.0	-13.2	-11.6	14.9

^{1/} January-September data.

Source: Statistical Bureau, Guyana.

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ANNEX OF EXHIBIT OF THE ECONOMIC SURVEY

TABLE A117

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GUYANA
TABLE X
DOMESTIC EXPORTS BY SITC SECTIONS

	<u>Millions of Guyana Dollars</u>					<u>Annual Growth Rate %^{1/}</u>		
	1976	1977	1978	<u>Jan-Sept</u>		1977	1978	1979 ^{1/}
				1978	1979			
Food and Live Animals	353.3	274.3	354.0	224.8	218.8	-22.4	29.1	- 2.7
Beverages and Tobacco	14.1	9.1	11.6	8.0	11.4	-35.5	27.5	42.5
Crude Materials, Inedible except Fuels	299.9	341.5	340.8	242.7	241.2	13.9	0.2	- 0.6
Mineral Fuels, Lubricants and Related Materials	-	-	-	-	-	-	-	-
Animal and Vegetable Oils and Fats	-	-	-	-	-	-	-	-
Chemicals	7.2	7.7	8.9	6.4	8.7	6.9	15.6	35.9
Manufactured Goods Classified by Materials	6.2	5.1	4.9	3.8	4.8	-17.7	- 3.9	26.3
Machinery and Transport Equipment	1.9	3.4	7.3	4.5	3.9	78.9	114.7	-13.3
Miscellaneous Manufactured Articles	12.1	10.8	8.3	6.1	5.9	-10.7	-23.1	- 3.3
Commodities and Transactions not classified according to kind	0.3	0.5	0.5	0.4	1.0	66.7	-	150.0
TOTAL	<u>694.9</u>	<u>652.5</u>	<u>736.3</u>	<u>496.8</u>	<u>495.7</u>	- <u>6.1</u>	<u>12.8</u>	- <u>0.2</u>

^{1/} January-September.

Source: Statistical Bureau, Guyana.

GUYANA
TABLE XI
IMPORTS BY SITC SECTIONS

	<u>Millions of Guyana Dollars</u>					<u>Annual Growth Rate %^{1/}</u>		
	1976	1977	1978	<u>Jan-Sept</u>		1977	1978	1979 ^{1/}
				1978	1979			
Food and Live Animals	113.6	100.1	93.3	69.7	77.6	-11.9	- 6.8	11.3
Beverages and Tobacco	7.0	4.2	3.6	2.7	3.1	-40.0	-14.3	14.8
Crude Materials, inedible except Fuels	8.2	9.0	7.0	5.6	5.2	9.8	-22.2	- 7.1
Mineral Fuels, Lubricants and related Materials	138.1	160.7	170.2	93.3	118.7	16.4	5.9	27.2
Animal and Vegetable Oils and Fats	10.5	14.9	18.2	13.7	15.5	41.9	22.1	13.1
Chemicals	91.1	73.1	79.2	59.6	65.5	-19.8	8.3	9.9
Manufactured Goods Classified by Materials	224.5	152.9	155.3	114.3	126.9	31.9	1.6	11.0
Machinery and Transport Equipment	270.7	223.1	146.5	91.8	104.7	-17.6	-34.3	14.0
Miscellaneous Manufactured Articles	54.5	43.4	33.6	24.1	28.5	-20.3	-22.6	18.2
Commodities and Transactions not classified according to kind	8.3	22.9	4.1	3.2	3.3	175.9	-82.1	3.1
TOTAL	<u>927.3</u>	<u>804.3</u>	<u>711.1</u>	<u>477.8</u>	<u>548.9</u>	<u>-13.2</u>	<u>-11.6</u>	<u>14.9</u>

^{1/} January-September.

Source: Statistical Bureau, Guyana.

GUYANA
TABLE XII
BALANCE OF PAYMENTS
(G\$ Mill.)

	1976	1977	1978	1979
<u>MERCHANDISE TRADE</u>				
Imports	927.3	804.3	710.0	...
Exports	712.0	661.3	753.8	...
<u>NET BALANCE ON MERCHANDISE TRADE</u>	<u>-215.3</u>	<u>-143.0</u>	<u>43.8</u>	...
Transportation	- 20.0	- 15.8	- 15.4	...
Freight & Insurance on International Shipment	+ 4.4	- 3.5	+ 4.0	...
Foreign Travel	- 8.7	- 0.1	- 4.5	...
Investment Income	- 61.6	- 55.2	- 58.5	...
Government Transactions	- 2.1	- 2.8	- 1.5	...
Other Services	- 41.7	- 25.3	- 22.8	...
<u>NET BALANCE ON SERVICES</u>	<u>-129.7</u>	<u>- 95.7</u>	<u>- 98.7</u>	...
<u>NET BALANCE ON GOODS AND SERVICES</u>	<u>-345.0</u>	<u>-238.7</u>	<u>- 54.9</u>	...
<u>UNILATERAL TRANSFER PAYMENTS</u>	<u>- 15.5</u>	<u>- 10.0</u>	<u>- 14.6</u>	...
<u>BALANCE ON CURRENT ACCOUNT</u>	<u>-360.5</u>	<u>-248.7</u>	<u>- 69.5</u>	...
<u>NET CAPITAL MOVEMENTS</u>	<u>144.3</u>	<u>61.2</u>	<u>101.2</u>	...
Official Borrowing	(241.3)	(78.2)	(96.2)	...
Private Borrowing	(97.0)	(-17.0)	(5.0)	...
Exchange Profits and Losses	-	-	-	-
<u>TOTAL CURRENT AND CAPITAL TRANSACTIONS</u>	<u>-216.2</u>	<u>-187.5</u>	<u>31.7</u>	...
<u>ALLOCATION OF S. D. R.'s</u>	-	-	-	-
NET ERRORS AND OMISSIONS	-	- 9.9	38.9	...
<u>TOTAL SURPLUS (+) OR DEFICIT (-)</u>	<u>-216.2</u>	<u>-194.4</u>	<u>+70.6</u>	...

Source: Statistical Bureau, Guyana.

GUYANA

TABLE XIII

EVOLUTION OF CONSUMER PRICE INDEX

	1976	1977	1978	1979	<u>Annual Growth Rate %</u>		
					1977	1978	1979
<u>ALL GUYANA: CONSUMER PRICE INDEX</u>							
Index of Consumer Prices	161.6	179.1	214.0	247.5	10.8	19.5	15.6
Food, Beverages, Tobacco	187.2	206.1	253.2	291.5	10.1	22.9	15.1
Clothing	186.7	219.4	269.6	322.7	17.5	22.9	19.7
Housing	114.9	117.2	119.8	136.9	2.0	2.2	14.3
Miscellaneous	135.1	158.3	189.1	220.0	17.2	19.5	16.3
<u>URBAN: CONSUMER PRICE INDEX</u>							
Index of Consumer Prices	157.6	170.5	196.5	231.4	8.2	15.2	17.8
Food, Beverages, Tobacco	192.3	208.7	244.7	291.0	8.5	17.2	18.9
Clothing	162.5	185.9	240.7	313.0	14.4	26.8	30.0
Housing	113.4	115.3	116.6	125.3	1.7	1.1	7.5
Miscellaneous	147.6	164.6	195.5	228.6	11.5	18.8	16.9
<u>RURAL: CONSUMER PRICE INDEX</u>							
Index of Consumer Prices	162.9	181.9	219.9	252.1	11.7	20.9	14.6
Food, Beverages, Tobacco	184.3	204.6	255.3	290.0	11.0	24.8	13.6
Clothing	195.8	231.4	280.6	324.2	18.2	21.3	15.5
Housing	115.3	117.9	121.0	140.2	2.3	2.6	15.9
Miscellaneous	129.8	154.7	185.0	216.3	19.2	19.6	16.9

Source: Statistical Bureau, Guyana.

GUYANA

TABLE XIV

MONETARY BALANCE

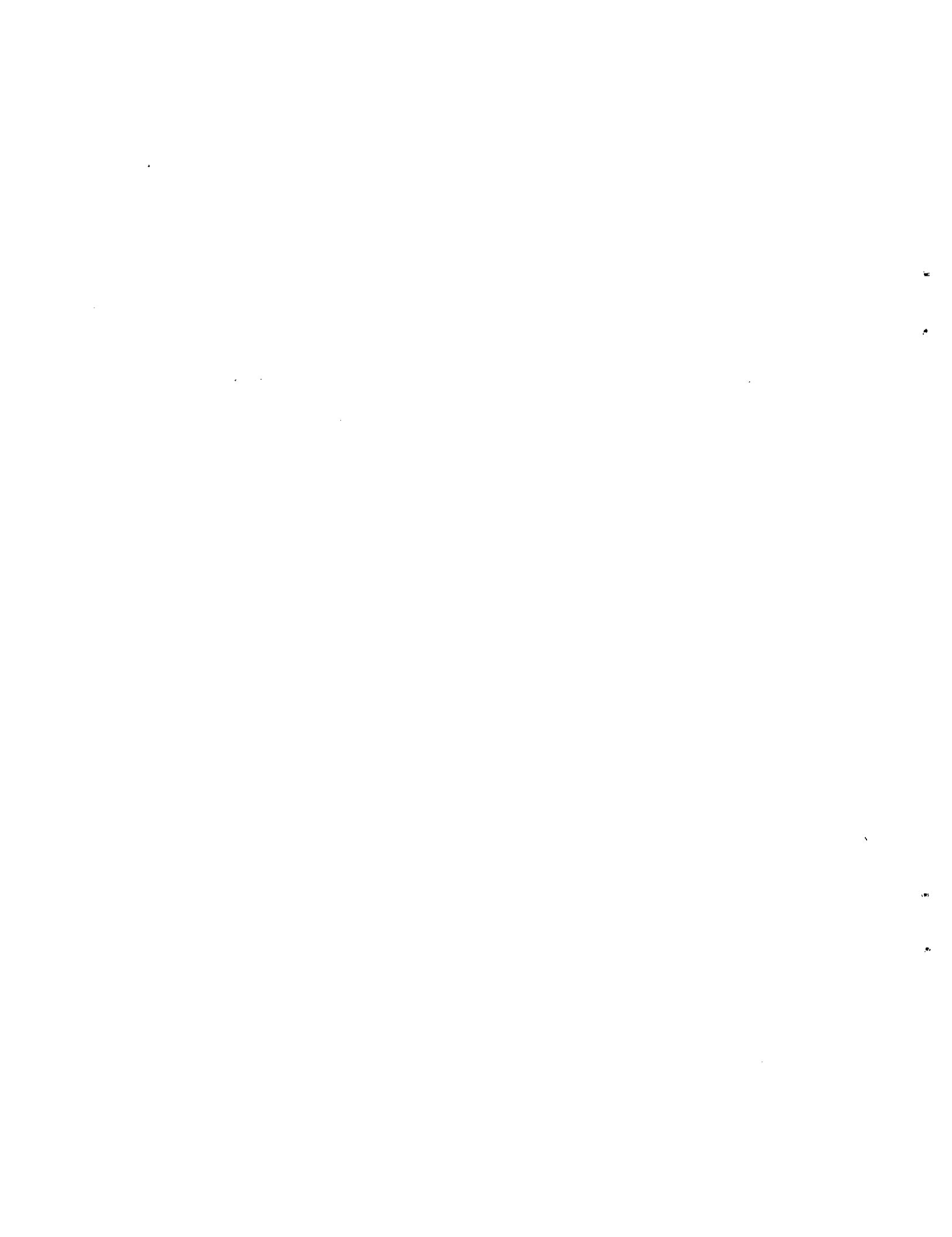
(G\$ MILL.)

	<u>Balance at end of Period</u>				<u>Annual Growth Rate %</u>		
	<u>1976^r</u>	<u>1977^r</u>	<u>1978</u>	<u>1979^{pe}</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
<u>MONEY (M₁)</u>	<u>218</u>	<u>281</u>	<u>297</u>	<u>283</u>	<u>28.9</u>	<u>5.7</u>	<u>- 4.7</u>
Currency outside banks	105	143	156	148	36.2	9.1	- 5.1
Demand deposits	113	138	141	135	22.1	2.2	- 4.2
<u>FACTORS OF EXPANSION</u>	<u>541</u>	<u>661</u>	<u>794</u>	<u>897</u>	<u>22.2</u>	<u>20.1</u>	<u>13.0</u>
Foreign assets (net)	-53	-109	-59	-182	-105.7	54.1	-208.5
Domestic credit	594	770	853	1,079	29.6	64.9	26.5
Government (net)	(391)	(534)	(603)	(740)	(36.6)	(12.9)	(22.7)
Official entities	(82)	(123)	(127)	(177)	(50.0)	(3.2)	(39.4)
Private sector	(121)	(113)	(123)	(162)	(-6.6)	(8.8)	(31.7)
<u>FACTORS OF ABSORPTION</u>	<u>323</u>	<u>380</u>	<u>497</u>	<u>614</u>	<u>17.6</u>	<u>30.8</u>	<u>23.5</u>
Quasi-money (M ₂) (savings and time deposits)	273	322	370	498	17.9	14.9	34.6
Other items (net)	50	58	127	116 ^e	16.0	118.9	- 8.9

Source: Bank of Guyana and data supplied CEPAL.



PART VII
JAMAICA COUNTRY NOTES



ECONOMIC SURVEY 1979

JAMAICA

(Jamaican dollars used throughout except where otherwise stated)

Economic activity in Jamaica as measured by National Accounts estimates appeared to have declined once again in 1979, continuing the downward trend of the second half of the 1970's. For 1978, Gross Domestic Product (GDP) was estimated at over \$3,700 million, in current prices, which in terms of 1974 prices represented a decline of 1.7 percent. Crude projections for 1979 suggest that the rate of decline was approximately the same as in 1978. However, because of price inflation, GDP in current prices may have exceeded \$4,600 million in 1979.

During the last few years gross fixed capital formation (and saving) has been declining while consumption expenditure has been increasing so that the share of investment in GDP has declined. In 1978 the trends were reversed and the share of consumption expenditure in GDP declined to 88 percent and gross fixed capital formation to 12 percent. The indications are that consumption expenditure was again restrained in 1979 but that there was not much change in the respective shares.

Levels of employment have been actually increasing (but the rate of employment declining relatively slowly) while production has been declining. This result is due to structural changes in production and employment as explained below. It would appear that the unemployment rate increased in 1979.

A number of factors have affected performance of the economy in recent years. Chief among these are the decline in foreign investment (and investment in general), the increase in prices of commodity imports accelerated by the very large increases in petroleum prices and currency devaluation, unfavourable terms of trade, shortage of industrial inputs, inclement weather which affected agriculture and certain areas of manufacturing and a

continuing series of socio-economic problems. Various policy measures have been introduced to ameliorate the situation but broad areas of success are not yet discernible.

Production in all the major economic sectors appeared to have declined in real terms during 1979. Agriculture, mining and tourism seemed to enjoy the best relative performance. Tourism could not sustain in 1979 the rapid rate of increase achieved in 1978 but nevertheless made a higher contribution to foreign exchange earnings.

Manufacturing has been declining consistently since 1975 and a further decline is projected for 1979. This sector has been adversely affected by the shortage of raw materials and by industrial disputes. Construction activities recovered slightly in 1978 but preliminary data suggested a reversal in 1979.

Inflation was another major problem in 1979 with the Consumer Price Index rising by 30 percent, somewhat below the 35 percent level of 1978. Despite efforts to reduce the impact of imported inflation, foreign prices still exert a dominating influence on the domestic price level. Currency devaluation and deliberate policy contributed to the price rises in both years.

The external sector continued, in 1979, to be characterized by serious balance of payments problems and a very low level of international reserves about the same size as in 1978. Even this low level of reserves was possible only because of special foreign assistance. This sector was also considerably affected by the currency devaluation.

A broad range of economic policy measures has been instituted in recent years in an attempt to achieve real growth in macro-economic terms. Late in 1977 the International Monetary Fund became actively involved as Jamaica became the beneficiary of a stand-by arrangement. Subsequently, under the terms of the Extended Fund Facility a stringent set of policy measures to restrict aggregate domestic demand and induce investment was instituted. These policies may need a longer time to show results or they may need modification, given the socio-economic context in which they are applied. As 1979 ended,

the indicators available did not show that real economic improvement had been achieved.

INVESTMENT, PRODUCTION AND EMPLOYMENT

The behaviour of investment, production and employment are the main determinants of economic performance. There is a high degree of interrelatedness among these three key variables intrinsically and in the Jamaican context the behaviour of investment and production are determined also to a large extent in the external sector. Employment is, however, a dependent variable reflecting decisions about production and investment. The rewards of employment and foreign demand become in turn the basis for the decisions to invest and produce. Because of the openness of the Jamaican economy, both foreign and domestic development play crucial roles in determining levels of investment and production. However, foreign investment capital seems to have played a decreased role in Jamaica during the last ten years. Net capital movements in the Balance of Payments account (though including portfolio investment) have been decreasing compared with gross capital formation.

Levels of production can be increased in the short-run without additions to capital stock, but given the resource base and the production structure, continued large increases in production will depend on increases in investment both for replacement and for additions to the capital stock. In its turn, investment will not be forthcoming unless increases in production (and sales) are achieved.

Production responds to demand for goods and services, and again in the Jamaican context a significant part of production is for overseas markets. Indeed, there is now renewed thrust to stimulate overseas demand for Jamaican goods in order to give a boost to production and employment.

Recent Trends in Investment

During 1978 gross fixed capital formation was estimated at approximately \$485 million compared with \$350 million in 1977. Though those figures indicate a growth rate of some 38 percent, the growth rate in real terms was less than one percent. Since 1973 the average annual rate of change has been 5 percent in current prices but negative in real terms as prices have increased at a much faster rate than the amount of capital put in place. During the same period the share of gross fixed capital formation in GDP, declined from about 21 percent to 12 percent.

The major component of fixed capital formation is building construction, a considerable portion of which originates locally when compared with machinery and equipment. Because of the local element, construction has also been the most stable and in fact shows an 8 percent average annual rate of change in current prices between 1974 and 1978 compared with the other volatile, import dependent sub-sectors.

Changes in inventory have been positive during the last 5 years but constitute an insignificant part of total investment.

Data for 1979 are unavailable but the indicators, on balance, suggest that there may have been some small increases in gross fixed capital formation in terms of current value but a decline in real terms. Increase in inventory was expected to be significantly below the 1978 level of \$64 million. It would appear that the policies introduced (see below) to stimulate investment were not effective.

Recent Trends in Production

In the last few years agriculture and mining have been the least sluggish of the major sectors while manufacturing and construction have lost ground. During 1978 construction reversed the trend to some degree and tourism and electricity and water increased rapidly. Preliminary indications for 1979 suggested a decline in output of most of the important sectors.

The Agriculture sector, of great economic importance to the country, has performed below its potential in recent years though it has been relatively more buoyant than most sectors. Real GDP of the sector in 1979 is estimated to have declined slightly below the \$316 million figure of 1978. This sector was affected by a number of factors foremost among which were the shortages of agricultural implements and inputs such as fertilizers and pesticides, owing to the weak foreign exchange position and the high costs of imports. Disastrous flooding during the months of April-June 1979 also contributed to the somewhat unfavourable performance in that year. Floods affected a considerable proportion of crops especially bananas, which experienced a 10 percent decline in shipments during the year, and citrus and vegetable crops, while diseases reduced the output of sugar and tobacco. A significant increase was projected for coffee production which was recovering from a relatively poor year.

To some extent, however, the poor performance of export crops was expected to be compensated for by production increases in domestic food crops, especially vegetable staples.

The contribution of the livestock sub-sector is expected to decline due in part to the shortage of feed, and to flooding. Indicative of this was the reduction of fresh milk production.

Mining, which consists largely of bauxite and alumina production, is critical to the Jamaican economy, especially in terms of foreign currency earnings. For example, in 1979, while accounting for only one percent of the employed labour force, the sector generated 73 percent of export earnings, besides providing substantial government revenue. Mining sector GDP data are given in Table II and production data in Table IV of the Statistical Appendix.

For 1979 there appeared to be relative stagnation as volume of production for the full year for bauxite and alumina was

projected at about the same levels as for 1978. However, current price GDP increased on the basis of increases in the price of aluminium in world markets.

The Manufacturing sector, one of the most dynamic sectors for many years, has been declining in real terms in recent years and a further decline is projected for 1979. The sector GDP, was estimated at \$627 million in current prices during 1978.

The 1979 downturn is reflected across a broad range of manufacturing activities. Only two of the sub-sectors namely, rum and alcohol and petroleum products showed positive growth rates during 1979. Production of important consumer staples such as sugar, flour and textile fibres decreased, and so did production of important raw materials such as cement, steel products and animal feeds. The 7 percent decline in electricity sales to business establishments between January and November 1979 compared with the 11-month figure a year before is very illustrative.

This sector has been plagued for many years by a number of unfavourable factors which have tended to retard output. Among these factors are: high price of inputs, scarcity of raw materials, labour disputes, import controls and failure of agriculture to produce up to its full potential, certain raw materials. During 1979 the difficulties intensified owing to hardships in the agricultural sector, the further currency devaluation which added to increases in import prices and the shortage of foreign exchange and foreign credits which tended to reduce the allocation of foreign funds for raw materials. Labour disputes and work stoppages in manufacturing, were also quite severe during 1979.

In terms of current values, construction GDP recovered to a level of about \$245 million in 1978, but was still below the \$252 million level of 1975. In real terms construction activity, which was booming in the mid-1970's fell by an average of 12 percent per year between 1975 and 1978. All indications point to another decline in real terms during 1979. At the sub-sector

level it appears that only government maintained a relatively high level of construction activity during 1979.

Available part-year indicators of construction activity shown in Table VI of the Statistical Appendix reflect the rather gloomy picture. There were substantial declines in production of major building materials. Value of imports of building materials were lower than in the corresponding period a year earlier. Loans to the sector were not increasing as in the previous year. In short, investment in the Construction sector suffered the same problems as investment in general.

EMPLOYMENT

Data on employment in recent years are given in the text tables 1A and B as well as in the tables in the Statistical Appendix.

As noted earlier, the period since 1974 has been characterized by declining economic growth. However, the absolute number of persons employed has been increasing annually though overall not as fast as the growth in the labour force so that between 1976 and 1978 employment as a percentage of the labour force declined from 79.5 to 75.5 percent. (Unemployment has increased absolutely and also as a percentage of the labour force). Preliminary data for the first half of 1979 indicated a slight increase in the level of employment but the second half year figures are expected to show a decline and for the year as a whole a higher rate of unemployment is projected.

Female participation in the labour force and female share of employment have been increasing faster than male participation and employment. However, the number of unemployed females is still appreciably higher than the number of males. It appears that more women have entered the labour force to

help maintain family income as the economy lost its buoyancy and male unemployment increased.

Data on employment by economic sector since 1974 show that employment in agriculture and public administration have increased significantly, while employment in commerce increased moderately, and in manufacturing only a slight increase was recorded. On the other hand, there were reductions in all the other major sectors especially "other services" and construction. Public administration registered a decline in employment in 1978 and also in 1979, under pressure of the severe constraints on Government's financial resources.

In 1978 agriculture accounted for 36 percent of total employment (compared with 33 percent in 1975); government accounted for nearly 16 percent; "other services" 14 percent and manufacturing 11 percent. Projections for 1979 indicate that mining employment, around 6.6 percent of total employment in 1978, has increased slightly; "other services" and construction were estimated to have increased their share, while agriculture, commerce and government declined. The apparent increase in construction employment reflects the mild resurgence of that sector observed since the latter part of 1978.

Employment by occupation groups presents an interesting pattern dictated by the trends of production in different economic sectors. For example, manufacturing production has been declining and so have activities in certain service sectors. It will be noted that the employment data show the numbers of craftsmen and production process workers to have declined in recent years. Professional and managerial personnel have barely increased in total since 1975 but their number has decreased sharply in some service sub-sectors of the economy while increasing in the public administration sector. Clerical and sales personnel have increased slightly paralleling increased employment in commerce and government.

The most important changes have occurred in self-employed and independent occupations. It would appear that these changes reflect the increases in agricultural employment and in commerce to some

extent. The shortage of foreign exchange which led to restrictions on imports especially of consumer goods seems to have created the opportunity to stimulate agricultural employment and production.

It should be noted that these shifts in production and employment structures are being reflected in a lower national wage bill when adjusted for price changes.

Wages

In current value terms compensation of employees, that is gross wages (cash and kind) including job perquisites and before deductions for income taxes and social security, has been increasing, substantially more than trebling between 1970 and 1978 but only increasing by 66 percent between 1974 and 1978. This latter period has been one of substantial price increases and it has been estimated that the level of real wages has fallen drastically by nearly 20 percent since 1975 and by about 13 percent during 1978 alone. Definitive data are not available for 1979 but another decline in the real wage is estimated, despite the increase in the money wage level. Constraints on wages in line with policies influenced by the IMF suggest that 1978 Minimum Wage levels would have been retained in 1979. The level of money wages in 1979 was further depressed by the migration of skilled workers and by the relative contraction in the numbers employed in certain areas such as the financial sector.

Table 1A
Selected Employment Data
Labour Force, Employment and Unemployment by Sex Distribution
(Unit = '000's)

	1975	1976	1977	1978	1979 ^{1/}
Labour Force	857.7	883.6	913.0	939.0	947.5
Male	472.4	484.8	494.0	...	...
Female	385.3	398.8	418.9	...	...
Employed	682.3	685.9	694.2	708.5	716.9
Male	418.1	419.9	418.7	429.7	...
Female	264.2	266.0	275.5	278.8	...
Unemployed	175.4	197.8	218.8	230.5	230.6
Male	54.4	64.9	75.3	...	...
Female	121.0	132.9	143.5	...	...

Table 1B
Employment by Occupational Groups
(Unit = '000's)

Groups	1975	1976	1977	1978	1979
Professional, technical administrative, executive etc.	60.6	61.5	61.9	62.3	...
Clerical and sales	85.4	83.7	83.7	86.3	...
Self-employed	242.1	251.8	259.9	279.2	...
Service workers	85.9	79.8	83.0	82.4	...
Craftsmen, production process and operat- ing occupations	102.0	96.0	91.2	89.7	...
Unskilled, manual etc.	104.0	111.2	108.5	106.0	...
Not specified	2.3	2.1	1.7	2.7	...

^{1/} April 1979.

Source: The Labour Force, Department of Statistics, Jamaica; and Economic and Social Survey Jamaica, 1978, National Planning Agency, Jamaica, and data supplied CEPAL.

Table 2
Compensation of Employees
(J\$ Mill.)

Selected Sectors and Total	1975	1976	1977	1978	1979
Agriculture, forestry and fishing	86.5	95.2	102.6	132.0	...
Mining	61.9	61.2	70.4	91.2	...
Manufacturing	205.3	233.5	249.8	295.8	...
Construction	212.8	180.6	150.7	210.9	...
Government	316.8	367.2	420.8	497.6	...
Distributive Trade	214.4	179.3	198.5	207.8	...
Total (All Sectors) Current prices	1,445.5	1,519.5	1,640.8	1,942.7	...

Source: Income and Output, 1978,
Department of Statistics,
Jamaica.

INFLATION

Recent Trends

The rapid rate of inflation experienced in Jamaica since the year 1977 continued during 1979 though at a somewhat reduced pace as shown in Table XV of the Statistical Appendix. The consumer price index registered a 29 percent increase on average, during 1979, compared with nearly 35 percent during 1978. This declining rate of price increase is further illustrated by the 21 percent upward movement in the price level for the twelve months ending November 1979. As a proxy for a comprehensive measure of inflation in Jamaica the Consumer Price Index has been fairly reliable. It should be noted however, that from 1974 to 1977 the implicit GDP price deflator calculated from National Accounts Estimates grew faster than the Price Index

but the positions were reversed in 1978.

As usual, the food and beverage group exerted the major pressure on the price level and, as is now customary (since the mid-1970's), imported fuels also gave the price level a considerable push through their effect on the cost of production in many sectors of the economy. Between January and August 1979 the fuels price index increased by 44 percent.

Imported Inflation - Jamaica is still a very open economy despite the efforts at increasing self-sufficiency in recent years. This fact holds true not only for merchandise trade but also for factor and business services and for fiduciary and investment funds. By way of illustration during the last few years, the Imports/GDP ratio exceeded 30 percent (34 percent in 1978). Also the Jamaican currency is tied to the US dollar and therefore has suffered from the general depreciation of that currency vis-à-vis stronger world currencies since the early years of the 1970's. For both reasons the country has been particularly affected by inflation imported from its major trading partners. For example, during 1978 and 1979 the average level of price rises in three leading partner countries were US 10 percent, UK 11 percent; Canada approximately 9 percent. In terms of average unit value of exports the changes have been on average: UK 7 percent, US 11 percent^{1/}. These price increases are multiplied as shipping and other charges are added and as they pass through the local distributive chain.

^{1/} Monthly Bulletin of Statistics, United Nations.

Table 3
World Export Price Indexes of
Primary Commodities
 Market Economies
 (1975 = 100)

	1977	1978	1979 ^{1/}
Primary commodities (world market economy)	117	119	152
Developed market economy	106	115	134
Food	120	122	136
Agricultural non-food	124	132	161
Crude Petroleum	117	117	164

^{1/} Average January to November.

Source: Monthly Bulletin of Statistics,
 February 1980, United Nations.

The high increases in world export prices of primary commodities for 1979 are shown in Table 3 above. Prices of crude petroleum and non-food agriculture, lumber, rubber, oil seeds, oils and fats increased substantially during 1979. With respect to capital goods a composite index of export prices for machinery and transport equipment for four countries, three of them major trading partners of Jamaica, show only a 7 percent increase for 1979 and 15 percent increase for 1978. It should be noted that a significant share of goods included in the Consumer Price Index Market basket are imported.

Shortages of Goods and Services - This is manifested by the lower level of real output of goods and services as discussed above (real GDP declined on average by about 3.5 percent per year between 1974-1978), and the reduced volume of imports. Projections for 1979 indicated further reductions. While the

ability to import was adversely affected, there appeared also to be some tightness in supplies of some commodities in foreign markets.

Levels of Liquidity - Reduced availability of goods combined with a high degree of liquidity are strongly associated with the significant price rises. Data in Table XIII of the Statistical Appendix show the significant levels of excess liquidity of the Commercial Banks in recent years (\$107 million at the end of 1978). There was a relatively small reduction as of September 1979 but this reduction may have been due to the raising of the liquidity ratio^{2/} of commercial banks to 40 percent. The table also shows the increase in deposits of commercial banks. It should also be pointed out here that money wages increased during the period though guidelines were established to try and restrict increases to 15 percent in 1978-1979 and 10 percent thereafter. The guideline figures were frequently exceeded.

Currency Devaluation - This subject is also discussed elsewhere and obviously has contributed to inflation through raising the price of imports in terms of Jamaican currency. In this sense therefore the impact would be identical to a rise in import prices (CIF) of the same size.

^{2/} i.e., the statutory percentage of deposit liabilities that must be kept in cash balances and certain prescribed short-term securities.

THE EXTERNAL SECTOR

During 1979 the external sector continued to be of paramount importance and the balance of payments situation remained difficult (as shown in Table XI of the Statistical Appendix). The payments position had deteriorated only slightly in 1978 after relative improvement in 1977. The deficit as at the end of 1978 was \$55 million and preliminary indicators suggested that the position for 1979 would reflect no real improvement. As at November of 1979 net international reserves stood at approximately US\$68 million compared with US\$59 million for 1978.

The critically low level of foreign exchange reserves during the last few years led to the continuation and intensification of a number of measures designed to ameliorate the situation. These measures included currency devaluation, export stimulation, import restriction and foreign exchange budgeting as well as measures to improve productivity. In the absence of marked improvement further resort was made to the IMF facilities. The use of IMF credit during 1979 increased by 94 percent up to the end of November compared with the full-year 1978 figure of US\$180.5 million. Drawings under the Extended Fund Facility were particularly heavy.

As seen in Table 4 below, the merchandise trade gap denominated in Jamaican dollars widened considerably during 1978 to \$187 million and may have exceeded this level in 1979. As of July 1979 the trade deficit was estimated at J\$134 million.

Table 4
Imports, Exports and Balance of Trade
(J\$ Mill.)

Year	Imports (c.i.f.)	Exports (f.o.b.)		Trade Balance
		Total	Domestic	
1974	850.8	664.4	630.8	-186.3
1975	1,021.4	774.1	760.9	-247.3
1976	829.8	575.0	560.9	-254.8
1977	781.6	707.3	698.4	- 74.3
1978 ^P	1,260.0	1,072.1	1,057.1	-187.9
1978 ^P 1/	602.4	566.2	...	- 36.2
1979 ^P 1/	927.5	794.0	...	-133.5

1/ Data relate to period January-July.

Source: External Trade, 1977 (Provisional), Department of Statistics, Jamaica and data supplied CEPAL.

Value of imports of consumer goods, particularly durables increased considerably during the early part of 1979 while the rate of increase in food imports declined. Raw materials imports led by the large increases in the price of petroleum products increased even more rapidly than consumer goods; other raw materials imports increased only moderately by comparison. Except for transport equipment, the value of capital imports increased at a relatively slow rate. This latter development reflects the previous prohibition on these imports which was eased both in 1978 and 1979.

Exports of alumina, bauxite, sugar and bananas, continued to predominate total export earnings. Although export volumes of alumina, sugar and bananas decreased by 2, 7 and 7 percent respectively. Bauxite exports expanded both in value and volume during this period. Both currency devaluation and some price increases were mainly responsible for the increases. Non-traditional exports appear to have fared reasonably well but other

traditional export crops did not seem to have done as well during 1979.

The services account is dominated by investment income outflows and net inflows on foreign travel. Data on the former are not available while the travel account which reflects mainly the tourist industry is discussed below. Gross receipts on the travel account during 1979 in Jamaica dollars are expected to exceed considerably the figures for 1978.

Data on capital account transactions are unavailable but all indications point to a worse position in 1979.

Tourism

The tourist industry, which has traditionally been an important source of foreign exchange, as well as employment in Jamaica experienced a sharp recovery during 1978. (Data are given in Table VII of the Statistical Appendix). The sector continued to expand during 1979 but at a slower rate. Part-year indications from January to September 1979 show an 8 percent increase in tourist arrivals, with short-stay visitors recording an unprecedented 137 percent increase. These figures are reflected in the higher hotel room occupancy rate which increased by 15 percent during the period.

Estimated gross expenditure from tourism as at end of September 1979 was J\$242 million which is a significant increase of 44 percent over the value of J\$168 million during the comparative period in 1978.

A significant development in the industry within recent times has been a major structural shift in the pattern of ownership, characterized by increased government participation. Under the severe need for foreign exchange earnings and in pursuit of the objectives outlined in the Five Year Development Plan: 1978-1982, the Jamaica Tourist Board has intensified its activities to attract more visitors to the island.

Foreign Exchange

Since 1974, the year in which the Bauxite Levy (a tax on bauxite/alumina exports linked to the world price of aluminium ingots) was introduced, Jamaica has experienced considerable balance of payments problems and the foreign exchange reserve position has been virtually in constant decline. In an attempt to help alleviate these problems, the exchange rate has been devalued several times in recent years. The first major reduction occurred late in April 1977. This and later devaluations are given in Table XVI of the Statistical Appendix. Between the beginning of April 1977 and May 1979 the Jamaican dollar was devalued by approximately 41.3 percent stated in terms of US dollar per Jamaican dollar or 41.4 percent in terms of Jamaican dollar per US dollar.

The devaluation of April 1977 was only partial in that a dual rate of exchange was established (See Table XVI of the Statistical Appendix below)^{3/}. The rates were fixed for specified types of goods transactions in such a way as to limit the cost of living impact while maximizing foreign currency inflows. For example, tourism qualified under the "special rate" ensuring that the same US dollar expenditure would result in higher Jamaica dollar earnings to the local economy. The bauxite/alumina industry is an interesting case and the "basic rate" i.e., no change in the pre-existing exchange rate was applied. Transactions of this industry are conducted in US dollars and, unlike "domestic" industries payments are not made for goods on a commercial basis. Exports are really intra-company transactions and import values are fixed to correspond with cash inflows of these transnational corporations to meet local expenses such as wages, taxes, etc. Consequently if the "special rate" had been applied, the inflow of US dollars would be reduced by the extent

^{3/} See also Jamaica Country Notes in Economic Activity in Caribbean Countries 1977, (CEPAL/CARIB 78/4).

of the devaluation and a larger Jamaica dollar outflow would have been required to yield a given amount of US dollar value of repatriated earnings. Cost of living considerations also entered into the reckoning in deciding items to be assigned the "basic rate". The list of items at the "basic rate" noticeably excluded capital goods.

The overall payments position worsened in late 1977 and 1978 and the rather considerable devaluations were effected in agreement with the IMF at the beginning of May 1978. At this time the dual rate of exchange was scrapped and one month later the monthly crawling peg of exchange rates was introduced for a period of twelve months from June 1978 to May 1979. During this period the Jamaica dollar was devalued by 13 percent in terms of the US dollar. This devaluation was part of an overall strategy to reflate the economy through increasing prices and reducing consumption thus paving the way for increased investment.

The view had been expressed in some circles that the Jamaica dollar had been overvalued. (Evidently the relatively large scale devaluation since early 1977 involved an attempt at correction especially in light of the weak post 1974 economic performance). The basic rationale behind currency devaluation is to make exports relatively cheaper in terms of the denominated currency. In the Jamaican context all receipts such as from tourism etc. would earn more local currency and the local component of foreign investment would stretch further. In addition imports (and payments abroad) would become dearer (including local investment, which typically contains a relatively high proportion of imported goods).

Institutional and other factors however frequently conspire to defeat realization of these objectives. For example, in Jamaica's case a significant part of exports is denominated in US dollars which would tend to remain

unaffected by devaluation. In tourism the development of package tours reduces the potential local inflow. The reliance on imports for a large part of capital and raw materials means that the potential advantage from cheaper exports is eroded immediately. A new supply of raw materials must be purchased. Government revenue may be increased in the short-run but will only add to the already higher import prices and increase the level of domestic prices.

Whether devaluation has been adequate and effective is very difficult to assess in view of the complex, dynamic nature of modern day economies and the plethora of institutional arrangements. Certain results are observable but they cannot all be clearly attributed to devaluation. For example, value of exports rose sharply in terms of Jamaica dollars both in 1978 and 1979 (projected) but much less so in terms of US dollars; moreover part of the increase included price rises. A considerable export promotion drive has been underway.

Receipts from tourism increased in both years but how much is due to devaluation or to the more stable socio/political situation is debatable. The latter situation had depressed tourism considerably in 1977. The foreign reserve position at the end of 1979 in terms of US dollars was not very much better than the position at the end of the two previous years and this has been buttressed by large uses of IMF credit facilities.

Value of imports decreased in 1977 and increased in 1978 and 1979. It would appear that it is mainly the lack of foreign exchange availability that is restricting the growth rate in imports.

Foreign Exchange Budgeting - had become extremely important with the worsening of the foreign reserve situation. Even before the institution of the dual rate of exchange a special unit had been set up to allocate foreign exchange receipts. Clearly this is a difficult undertaking based as it is on forecast of foreign

earnings, loan availability etc. and changes in the demand and production structures of the economy, not to mention the variable elements of price changes, shortages, production delays, changes in policy orientation etc. Complaints about lack of raw materials of various types, certain tools and capital goods over the years would seem to be attributable as well to the difficulties of correctly estimating specific needs, timing and other bureaucratic aspects as to the overall low level of foreign exchange.

ECONOMIC POLICY

In view of the worsening economic situation in Jamaica, by 1977 it was clear that there was urgent need to increase investment, production and employment, to contain inflation and to increase foreign exchange receipts.

Consequently, a number of policy measures including the establishment of a system of dual exchange rates have been instituted in an attempt to improve the position. Many of these measures have been introduced as conditions of qualifying for International Monetary Fund (IMF) assistance. The first such assistance under the IMF Stand-by Agreement was granted in October 1977 and carried implications for actions in several areas of economic policy. As the Balance of Payments position continued to worsen in 1978 another agreement was made with the IMF under the Extended Fund Facility with further policy implications. An idea of the use of IMF credit can be gained from the Balance of Payments table in Table XI of the Statistical Appendix.

These policies are discussed under the headings: foreign trade, prices, incomes, fiscal and monetary policy: though obviously there are areas of overlap. The package of strategies has been termed an "inflation model" designed to "redistribute income from labour to capital, and divert

resources from consumption to investment ..." in order to "reduce the fiscal deficit, contain import demand, stimulate exports and raise the global rate of savings and investment".^{4/}

Foreign Trade Policy

These measures were designed mainly to increase the low level of international reserves. The measures included devaluation, foreign exchange budgeting, stimulation of exports of goods and services and restrictions on imports. The two rates of exchange in existence since April 1977 were devalued at different rates so that one rate emerged and subsequently there were minor monthly devaluations during the period June 1978 to May 1979. During 1979 a range of financing and credit schemes were introduced to stimulate exports, including granting of priority claims on foreign exchange for raw materials for use in export production. The tourism "product" was also improved and marketing activities intensified.

Pricing Policy

The objectives of this policy were to raise prices (while keeping wage increases lower) so as to generate surpluses which would then be available for investment, employment creation and production and to free the price mechanism to make it more responsive to market forces. The measures are discussed above in the section dealing with inflation. An interesting aspect is the guaranteed rate of return on capital of 20 percent to be used as a guide by the Prices Control Commission in considering price increases. Revised price guidelines introduced during 1979 reduced the limit of permissible increases to 10 percent.

Government subsidies were reduced during 1979 and were related to a "basic needs basket" of goods including certain items of foodstuffs, drugs, fertilizers, fuels and bus fares. Rent control measures had been in operation prior to 1977. During a part of 1978 rents were

^{4/} Economic and Social Survey, 1978, National Planning Agency, Jamaica.

frozen but apparently levels have been allowed to rise within controlled limits during 1979.

Incomes Policy

This policy was directly instituted to depress the level of real wages and shift income to the producing sectors where it was assumed that the marginal propensity to save (and invest) was high. Voluntary guidelines were set during mid-year 1978 limiting wage increases to 15 percent. In this context wages include all types of allowances and compensation in addition to the basic wage level. Official assessments conclude that the wage guidelines were not severely breached during 1978. In May of 1979 revised wage guidelines were issued limiting increases to 10 percent, clarifying some of the administrative aspects such as determination of "ability to pay" criterion in wage settlements and intensified monitoring of wage agreements.

Fiscal Policy

The objective of fiscal policy measures instituted under the 1978 programme was to reduce the government budget deficit for fiscal year 1977/78 and generate a modest surplus in fiscal 1978/1979. This meant that the higher savings objective could be met as new taxation measures were instituted aimed at reducing personal consumption. In addition, a number of government subsidies were reduced, putting further pressure on the levels of consumption. Planned government expenditure for 1978/1979 was to have been kept at the real level of the previous fiscal year. Preliminary data suggest that expenditure levels were higher and government revenue lower than planned; thus the surplus was not realized during fiscal 1978/1979. No new taxes were proposed for fiscal 1979/1980 but tax reform measures were to be instituted. On the expenditure side subsidies have been reduced further and so has the share of the wage bill in total expenditure. The object was to balance the budget for that year.

Monetary Policy

Monetary Policy during 1978 was aimed primarily at restricting aggregate demand in line with foreign exchange availability. (The foreign exchange aspects have been covered elsewhere). The domestic measures instituted set ceilings on: commercial banks lending to the private sector; domestic assets of the central bank and total banking system credit to the private sector.

In 1979 while still maintaining the policy of restricting aggregate demand, monetary policy was further directed toward mobilizing domestic savings and providing adequate credit to certain priority sectors (notably those earning foreign exchange). Interest rates on deposits were increased and so was the Central Bank rate and the lending rate of certain mortgage financing institutions. At the beginning of 1979 the liquidity rate of commercial banks was raised voluntarily to 40 percent to meet the terms of the IMF agreement (the statutory rate was 29.5 percent) but the actual liquidity ratio was already higher.

As 1979 drew to a close it was apparent that despite the rather stringent measures introduced during the previous 18 months inflation was not fully under control. The increased income to producers did not appear to be inducing increased investment; consequently, production and employment were not increasing. Also exports and foreign purchases of services were not increasing fast enough to materially affect foreign exchange receipts. Some sentiments were being expressed that alternatives to the policies restricting aggregate demand so stringently should be instituted.

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.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is crucial for ensuring transparency and accountability in the organization's operations.

2. The second part outlines the various methods used to collect and analyze data, including surveys, interviews, and focus groups. It highlights the need for a systematic approach to data collection to ensure the reliability and validity of the findings.

3. The third part describes the process of identifying and measuring the key variables that influence the organization's performance. It notes that this process is iterative and requires ongoing communication and collaboration between different departments.

4. The fourth part discusses the challenges faced in conducting research, such as limited resources, time constraints, and potential biases. It suggests ways to overcome these challenges, such as seeking external funding and using a diverse range of data sources.

5. The fifth part presents the findings of the research, which show that there is a significant positive correlation between the variables studied. It also identifies some of the key factors that contribute to the observed results.

6. The sixth part discusses the implications of the findings for the organization's strategy and operations. It suggests that the results can be used to inform decision-making and to develop more effective policies and procedures.

7. The seventh part concludes the document by summarizing the main points and highlighting the key takeaways. It also offers some final thoughts on the importance of continued research and innovation in the field.

JAMAICA
TABLE I
MAIN ECONOMIC INDICATORS

	1975	1976	1977	1978 ^P	1979
<u>A. Basic economic indicators</u>					
Gross Domestic Product (Millions of dollars at 1974 prices)	2,212	2,028	1,989	1,955	...
Population (millions of inhabitants)	2.04	2.07	2.09	2.11	...
Per capita Gross Domestic Product (dollars at 1974 prices)	1,084	980	952	927	...
<u>Annual Percentage Change</u>					
<u>B. Short-run economic indicators</u>					
Gross Domestic Product (constant prices)	- 2.5	- 8.3	- 1.9	- 1.7	...
Per Capita Gross Domestic Product (1975 prices)	- 2.4	- 9.5	- 2.3	- 2.6	...
Terms of Trade (income)	2.6	-29.0	8.0	...	...
Value of Domestic Exports	13.4	-22.8	24.5	51.4	49.7 ^{1/}
Value of Imports	20.1	-18.8	- 5.8	61.2	38.1 ^{1/}
Consumer Price Index (annual average)	17.4	9.7	11.2	34.8	30.0 ^{2/}
Money Supply (M ₁)	25.5	6.9	48.1	8.3	8.2 ^{3/}
Wages and salaries	...	...	...	...	...
Rate of unemployment	21.2	24.2	23.8	...	...
Current income of Government ^{4/}	20.6	2.5	21.3	39.9	...
Total Expenditure of Government ^{4/}	34.6	34.1	- 3.4	41.0	- 0.8
Fiscal deficit/total expenditure of Government ^{4/}	17.2	26.8	-19.1	-21.8	12.1

TABLE I (CONT'D)
MAIN ECONOMIC INDICATORS

	1975	1976	1977	1978 ^P	1979
	<u>Millions of Dollars</u>				
C. <u>External Sector</u> ^{5/}					
Trade Balance (Balance of payments)	-161.0	-131.8	93.5	23.1	...
Balance on Current Account	-282.8	-302.7	-90.1	-172.1	...
Variation in net International Reserves	-125.6	-32.4	-48.3	-58.8	67.5 ^{2/}

1/ January to July.

2/ January to November.

3/ January to October.

4/ Rates refer to the fiscal years beginning in April of year under which figure is shown.

Thus 1975-1976 is shown under 1975.
1974-1975

1978 refers to April-October 1978/April-October 1977.

5/ 1977 data calculated at the 1976 exchange rates for the sake of comparability.

Source: National Income and Product, 1978, Department of Statistics, Jamaica, and tables in this Statistical Appendix, and data supplied CEPAL.

JAMAICA

TABLE II

EXPENDITURE ON GROSS DOMESTIC PRODUCT }
(Purchasers' value (1974-1978))
(J\$ Mill.)

<u>Item</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
Final Consumption Expenditure	1,871.2	2,199.9	2,438.4	2,647.9	3,125.8
a) Private	1,485.1	1,720.7	1,875.7	2,039.4	2,384.7
b) Government	386.1	479.2	562.7	608.5	741.1
Gross Fixed Capital Formation	478.2	611.8	453.7	350.0	484.6
Increases in Stocks	59.2	37.3	53.8	6.5	64.2
Exports of Goods and Services	848.2	985.7	773.2	937.0	1,483.6
<u>LESS</u> Imports of Goods and Services	985.7	1,186.1	1,021.7	972.0	1,442.5
Statistical Discrepancy	- 1.2	- 1.2	+ 1.4	+ 1.2	- 2.6
Gross Domestic Product (GDP) (in purchasers' value)	2,270.0	2,647.3	2,698.8	2,970.6	3,713.1

Source: National Income and Product, 1978,
Department of Statistics, Jamaica.

JAMAICA

TABLE III

PRODUCTION OF SELECTED AGRICULTURAL ITEMS

Commodities	Units	1976	1977 ^r	1978 ^r	1978	1979	Annual Growth Rate		
							1977	1978	1979
Sugar-cane ^{1/} (milled)	'000 MT	3,628	3,252	3,641	...	...	-10.4	12.0	...
Bananas ^{2/}	'000 MT	78	81	76	72.4 ^{3/}	65.1 ^{3/}	3.9	-6.2	-10.1
Citrus ^{4/}	MT	65.6	63.1	69.4	...	...	-3.8	10.0	...
Pimento	MT	4,248	2,022	2,585	...	...	-52.4	27.8	...
Copra	MT	5,102	3,090	1,927	...	...	-39.4	-37.6	...
Cocoa	MT	4,114 ^r	4,502	2,493	...	...	9.4	-44.6	...
Coffee	MT	1,929 ^r	1,208	1,521	...	...	-37.4	25.9	...
Cattle slaughtered	'000 Heads	66.4	67.5	57.7	...	...	1.7	-14.5	...
Hogs slaughtered	'000 Heads	125.1	130.8	126.3	...	...	4.6	-3.4	...
Poultry Meat	'000 MT	27	30	30.7	10.1 ^{5/}	10.3 ^{5/}	11.1	2.3	2.0

1/ Crop year ending in the year shown.

2/ Export only.

3/ Data relate to period January-November.

4/ Statistics for Oranges and Grapefruits only.

5/ Data relate to period January-June.

Source: Production Statistics, 1978, Department of Statistics, Jamaica; and data supplied CEPAL.

JAMAICA
TABLE IV
PRODUCTION IN MINING AND REFINING

Commodities	Unit	1976	1977 ^r	1978	(Jan- Nov)	(Jan- Nov)	Annual Growth Rate		
					1978	1979	1977 ^r	1978 ^r	1979 ^{1/}
Bauxite (Mined)	'000 MT	10,474	11,412	11,732	10,630	10,478	9.0	2.8	- 1.4
Alumina	'000 MT	1,639	2,048	2,141	1,752 ^{2/}	1,726 ^{2/}	25.0	4.5	- 1.5
Gypsum (Mined)	'000 MT	249	209	135	...	...	-16.1	-35.4	...
Petroleum Products:									
Fuel Oil	Mill. L	709.0	378.0	364.1)	...	...	-46.7	- 3.7)	...
Diesel Oil	Mill. L	292.9	286.5	296.7)	541.9 ^{3/}	737.4 ^{3/}	- 2.2	3.6)	36.1 ^{3/}
Gasoline	Mill. L	304.1	298.4	293.5	227.8	248.2	- 1.9	- 1.6	9.0
Kerosene & Jet Fuel	Mill. L	153.2	130.1	168.2	128.2	175.4	-15.1	29.3	36.8
Asphalt, Propane & Butane	'00 L	79.6	62.3	50.7	...	...	-21.7	18.6	...
Lubricating Oil	'000 L	...	...	...	...	...	...	...	...
Lubricating Grease	'000 L	...	...	...	...	...	...	...	...

^{1/} Period January-November.

^{2/} Data relate to the period January-October.

^{3/} Includes production of Fuel Oil.

Source: Digest of Statistics, January 1980, Bank of Jamaica, Jamaica;
Production Statistics, 1979, Department of Statistics, Jamaica;
and data supplied CEPAL.

JAMAICA
TABLE V
INDICATORS OF MANUFACTURING ACTIVITY

	Units	1976	1977	1978	(Jan-Nov)		Annual Growth Rate ^{1/}		
					1978	1979 ^P	1977	1978	1979 ^{P1/}
I. GOODS PRODUCED									
Sugar	'000 MT	369	297	292	282.5 ^{2/}	261.5 ^{2/}	-19.5	- 1.9	- 6.2 ^{2/}
Flour (Wheat)	'000 MT	50.5	54.0	48.6	40.9	34.5	6.9	-10.0	-15.7
Animal Feeds	'000 MT	200.7	198	211	172.2 ^{2/}	168.6 ^{2/}	- 1.4	6.6	- 2.1 ^{2/}
Rum and Alcohol	Mill. L	17.3	17.7	16.8	16.1	17.3	2.3	- 5.1	7.5
Paints	'000 L	5,551	4,683	5,513	26.3 ^{3/}	2,564.2 ^{3/}	-15.6	18.0	- 2.3 ^{3/}
Fertilizers	'000 MT	38.8	30.3	30.4	...	5.5 ^{4/}	-21.9	0.3	...
Petroleum Products	Mill. L	1,539	1,155	1,175	1,076	1,241	-25.0	1.7	15.3
Textile Fabrics	'000 M	5,925	8,018	7,838	...	...	35.3	- 2.2	...
Cement	'000 MT	365	333	294	271.3	203.1	- 8.8	-11.7	-25.1
Steel	'000 MT	13.4	10.4	14.2	13.8	9.9	-22.4	36.5	-28.3
II. ELECTRICITY SALES TO INDUSTRY AND COMMERCE BY PUBLIC UTILITIES									
	Mill. kWh	639.8	634.6	634.7	581.3	541.9	- 0.0	...	- 6.8
III. EMPLOYMENT^{5/}									
	'000	75.6	76.3	78.9	...	...	0.9	3.4	...

^{1/} Data relates to period January-November.

^{2/} Data relates to period January-September.

^{3/} Data relates to period January-June.

^{4/} Data relates to period January-March.

^{5/} Average of April and October data from the semi-annual Report on The Labour Force.

Source: Production Statistics 1978, Department of Statistics; Statistical Digest, January 1980, Research Department, Bank of Jamaica, Jamaica.

JAMAICA

TABLE VI

SELECTED INDICATORS OF CONSTRUCTION ACTIVITY: 1976-1979

	Unit	1976	1977	1978	1978	1979	Annual Growth Rate		
							1977	1978	1979
Construction GDP (current values)	\$ Mill	211.9	181.2	245.4	...	...	-14.5	35.4	...
Employment	'000	38.0	33.0	32.9	...	...	-13.3	- 0.2	...
Imports of Construction materials ^{1/}	\$ Mill	65.2	70.3	110.9	49.0 ^{2/}	48.4 ^{2/}	7.8	57.8	- 1.2 ^{2/}
Production of Selected Building Materials									
Cement	'000 MT	365	333	294	271.3 ^{3/}	203.1 ^{3/}	- 8.8	-11.7	-25.1 ^{3/}
Paint	'000 L	5,551	4,683	5,513	...	...	-15.6	18.0	...
Steel	'000 MT	13.4	10.4	14.2	13.8 ^{3/}	9.9 ^{3/}	-22.4	36.5	-28.3 ^{3/}
Bagasse Board	Mill dm ²	104.9	32.9	5.6	...	...	-68.6	-83.0	...
Loans and Advances Outstanding Commercial Banks ^{4/}	\$ Mill	126.8	109.3	127.8	122.8 ^{5/}	129.3 ^{5/}	-13.8	16.9	5.3 ^{5/}
New Mortgage Loans of Building Societies	\$ Mill	29.3	24.9	43.7	31.6 ^{5/}	31.2 ^{5/}	-15.0	75.5	- 1.3 ^{5/}

^{1/} Conversion at actual rates of exchange.

^{2/} Data relate to period January-June.

^{3/} Data relate to period January-November.

^{4/} Construction land acquisition and development.

^{5/} Data relate to period January-September.

Source: Economic and Social Survey, 1977, 1978, National Planning Agency, Jamaica;
Statistical Digest, January 1980, Bank of Jamaica, Jamaica.

JAMAICA

TABLE VII

SELECTED TOURISM STATISTICS

	1976	1977	1978	(Jan-Sept)		Annual Growth Rate ^{1/}		
				1978	1979 ^P	1977	1978	1979 ^{1/}
Number of rooms (units)	12,066	11,044	...	...	...	- 8.5	...	...
Number of beds (units)	23,092	21,898	...	...	...	- 5.2	...	...
Total visitors ^{2/} ('000)	470.7	386.5	532.9	416.9	448.7	-17.9	37.9	7.6
Long stay ^{2/} ('000)	313.6	254.5	369.8	287.7	303.6	-18.6	45.3	5.5
Short stay ^{2/} ('000)	14.1	10.5	12.0	9.5	22.5	-25.5	14.3	136.8
Others ^{2/} ('000)	143.0	121.5	151.1	119.7	122.6	-15.0	24.4	2.4
Hotel room occupancy rate - average (%)	32.2	31.3	39.5	40.6	46.5	- 2.8	26.2	14.5
Length of stay (nights)	8.6	8.7	8.5	...	...	1.2	- 2.3	...
Estimated expenditure (J\$ Mill)	105.6 ^r	101.1 ^r	223.6 ^r	167.8	242.2	- 4.3	121.2	44.3
Direct employment - hotels, guest houses and cottages (units)	8,482	8,421	10,196	...	...	- 7.2	21.1	...
Outstanding loans and advances owing Commercial Banks - end of period (J\$ Mill)	13.0	10.7	25.8	20.2	31.4	-17.7	141.1	55.5

^{1/} January to September.

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

Source: Economic and Social Survey, 1978, National Planning Agency, Jamaica and Statistical Digest, January 1980, Research Department, Bank of Jamaica.

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

Category	J\$ Mill. at Current Prices					% Breakdown		Annual Growth Rate		
	1976	1977	1978	1978 ^{1/}	1979 ^{1/}	1970	1978	1977	1978	1979 ^{1/}
Primary Products	141.5	184.9	260.0	...	...	35.1	24.6	30.7	40.6	...
Of which:										
Bauxite	113.7	145.9	202.2	106.4	159.4	3.0	19.1	28.3	38.6	49.8
Bananas	11.9	16.7	26.9	13.6	20.4	4.2	2.5	40.3	61.1	50.0
Pimento and Ginger	5.3	5.5	9.0	...	...	1.3	0.9	3.8	63.6	...
Coffee beans										
Cocoa beans & Citrus)	6.8	10.2	14.2	...	...	0.8	1.3	50.0	39.2	...
Others	3.1	5.6	7.0	...	...	1.5	0.7	80.6	25.0	...
Semi-processed Products	337.3	416.5	656.7	...	...	51.8	62.1	23.5	57.7	...
Of which:										
Alumina	274.9	343.3	554.9	283.0	390.4	39.6	52.5	24.9	61.6	38.0
Sugar (unrefined)	55.9	68.0	92.5	60.2	80.0	10.7	8.8	21.6	36.0	32.9
Others	4.2	4.0	6.0	...	...	1.5	0.6	4.8	50.0	...
Manufactured Goods	82.0	92.0	140.4	...	...	12.9	13.3	12.2	52.6	...
Of which:										
Clothing	4.6	3.5	5.4	...	...	2.2	0.5	-23.9	54.3	...
Mineral fuel, lubricants & related products	14.9	15.8	27.2	...	...	2.6	2.3	6.0	72.1	...
Rum & other alcoholic beverages	14.7	7.6	9.9	...	...	1.4	0.9	-48.3	30.3	...
Manufactures of metals	2.5	2.3	4.5	...	...	0.4	0.4	8.0	95.7	...
Others	26.0	30.8	53.4	...	...	6.3	5.0	18.5	73.4	...
TOTAL:	560.8	693.4	1,057.1	562.9^{2/}	794.0^{2/}	100	100	23.6	52.5	41.1

^{1/} Data relate to January-June.

^{2/} Total Exports.

Source: Economic and Social Survey, 1978, National Planning Agency, Jamaica; External Trade, Summary Tables, June 1978, 1979, Department of Statistics, Jamaica; and data supplied CEPAL.

JAMAICA

TABLE IX

IMPORTS BY ECONOMIC FUNCTION OR END USE: 1976-1979

Category	Value (J\$ Million)					Percentage Breakdown		Annual Growth Rate		
	1976	1977	1978 ^{1/}	Jan.-June		1970	1979 ^{2/p}	1977	1978	1979 ^{2/}
				1978	1979 ^p					
CONSUMER GOODS	149.5	100.0	184.8	78.8	110.8	30.0	14.0	-33.1	84.8	40.6
Food	80.0	52.3	105.8	47.5	65.7	12.3	8.3	-34.6	102.3	38.3
Other non-Durables	32.5	24.7	40.6	15.9	21.1	9.0	2.7	-24.0	64.4	32.7
Durables	37.0	23.0	38.4	15.4	24.1	8.7	3.1	-37.8	67.0	56.5
RAW MATERIALS	467.7	510.0	787.9	300.3	515.8	31.9	65.3	9.1	54.5	71.8
Fuel	185.0	223.2	300.0	95.9	232.3	6.4	29.4	20.7	34.4	142.2
Other raw materials	282.6	286.8	487.9	204.4	283.5	25.6	35.9	1.5	70.1	38.7
CAPITAL GOODS	212.6	171.6	287.3	120.3	162.8	37.3	20.6	-19.3	67.4	35.3
Construction material	65.2	70.3	110.9	49.0	48.4	7.1	6.1	7.8	57.8	- 1.2
Transport equipment	24.2	15.3	31.1	10.7	30.9	4.6	3.9	-36.8	103.3	188.9
Other machinery and equipment	108.9	72.6	145.3	49.0	64.8	25.4	8.2	-33.3	100.0	32.2
Other capital	14.3	13.4	-	11.5	18.7	0.8	2.4	- 6.3	-	62.6
TOTAL	829.8	781.6	1,260.0	499.3	789.4	100.0	100.0	- 5.8	61.2	58.1

^{1/} These figures understate the true total of imports, entering the country because of certain administrative delays in the documentation procedures.

^{2/} Relate to period January-June.

Source: Economic and Social Survey, 1978, National Planning Agency, Jamaica, External Trade, Summary Tables, June 1978, 1979, Department of Statistics, Jamaica.

JAMAICA

TABLE X

SECTORAL BREAKDOWN OF THE EMPLOYED

	Unit	1975	1976	1977	1978	1979
Labour Force	'000	857.7	883.6	910.0	939.0	...
Employed as % of Labour Force	%	79.5	77.6	75.8	75.5	...
Employed	'000	682.3	685.9	689.8	708.5	...
Of which:						
Agriculture	'000	226.9	244.0	244.0	257.0	...
Manufacturing	'000	74.0	75.5	76.2	79.0	...
Construction	'000	44.5	38.0	33.0	32.9	...
Commerce	'000	81.7	80.7	88.4	93.2	...
Public Administration	'000	98.5	106.4	111.3	108.8	...
Unemployed	'000	175.4	197.8	220.2	230.5	...
Unemployed as % of Labour Force	%	20.5	22.4	24.2	24.5	...

1/ Include mining and quarrying.

Source: The Labour Force, 1979, Department of Statistics, Jamaica; 1978 data from Economic and Social Survey 1978, National Planning Agency; and data supplied CEPAL.

JAMAICA

TABLE XI

BALANCE OF PAYMENTS: 1975-1979
(US\$ Mill.)

	1975	1976	1977	1978	1979 ^{1/}
<u>MERCHANDISE (Net)</u>	-161.0	-131.8	93.5	22.2	...
Exports (f.o.b.)	808.6	659.7	760.3	773.0	...
Imports (f.o.b.)	-969.6	-791.5	-666.8	-750.8	...
<u>SERVICES (Net)</u>	-149.5	-176.8	-181.6	-181.2	...
<u>NET TRANSFER PAYMENTS</u>	27.7	5.9	- 2.0	21.1	...
Private	22.7	2.0	5.0	16.3	...
Government	5.0	3.9	- 7.0	4.8	...
<u>BALANCE ON CURRENT ACCOUNT</u>	-282.8	-302.7	-90.1	-137.9	...
<u>NET CAPITAL MOVEMENT</u>	285.0	96.5	46.5	82.9	...
Private	...	...	...	...	...
Official	...	...	...	...	...
<u>ERRORS AND OMISSIONS</u>	-66.5	- 8.3	- 1.5	- 0.1	...
<u>TOTAL SURPLUS (+) OR DEFICIT (-)</u>	-643.0	-214.5	-45.1	-55.1	...
Net International reserves (increase -)	125.6	32.4	48.3	58.8	67.5 ^{1/}
Foreign exchange	120.6	31.5	30.9	53.8	67.0 ^{1/}
SDR's	5.0	0.9	17.4	5.8	0.5 ^{1/}
Use of IMF Credit	15.5	80.1	107.1	180.5	350.8 ^{1/}
Compensatory drawings	15.5	46.2	48.3	62.3	96.8 ^{1/}
Extended facility (ordinary)	-	-	-	54.7	100.9 ^{1/}
Extended facility (supplementary)	-	-	-	-	101.8 ^{1/}
Oil facility drawings	-	33.9	35.5	38.0	33.4 ^{1/}
Other	-	-	23.4	25.5	17.9 ^{1/}

^{1/} At end of November 1979.

Source: International Financial Statistics, Volume XXXIII,
January 1980, International Monetary Fund.

JAMAICA
TABLE XII
MONETARY POSITION
(J\$ Mill.)

	Balance at end of:			October		Annual Growth Rate ^{1/}		
	1976	1977	1978	1978	1979 ^p	1977	1978	1979 ^{1/}
1. <u>Money</u>	343.0	508.1	550.4	466.2	504.4	48.1	8.3	8.2
Currency outside banks	137.6	181.0	172.4	127.3	175.7	32.0	- 4.8	38.0
Demand deposits (adjusted)	205.4	327.1	378.0	338.9	328.7	59.0	15.6	- 3.0
2. <u>Factors of Expansion</u>								
Foreign assets (net)	-222.7	-221.7	-484.2	-435.1	-773.8	- 0.4	118.4	77.8
Domestic credit (net)	1,531.1	1,680.8	2,139.2	2,038.5	2,361.3	9.9	27.3	15.8
Government (including official entities)	540.9	744.4	1,021.9	966.9	1,115.8	37.6	37.3	15.4
Private sector	990.2	936.4	1,117.3	1,071.6	1,245.5	- 5.4	19.3	16.2
3. <u>Factors of Absorption</u>								
Quasi-money (savings and time deposits)	712.8	687.9	864.2	835.5	923.2	- 3.5	25.6	10.7
Bonds	...	...	...	...	...	...	...	...
Long-term foreign borrowing	...	...	...	...	...	...	...	...
Other items (net)	...	...	...	...	...	...	...	...

^{1/} October 1978 to October 1979.

N.B. Data relate to the banking system Central Government, Official Institutions, Jamaica Mortgage Bank, Jamaica Development Bank, Merchant Banks and trust companies. Foreign assets (net) = foreign assets held by the banking system, Central Government, Official institutions, merchant banks and trust companies less short-term foreign liabilities of the banking system, merchant banks and trust companies. Decline in the growth rate means improvement in the asset position.

Source: Statistical Digest, Table 1, January 1980, Research Dept., Bank of Jamaica.

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

	<u>As at end of Period</u>			<u>September</u>		<u>Annual Rate of Change</u>		
	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1978</u>	<u>1979</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
COMMERCIAL BANKS								
Loans and Advances Outstanding	702.1	658.7	767.6	726.1	858.1	- 6.2	16.5	18.2
Of which:								
Agriculture	82.4	88.9	81.9	83.7	78.0	7.9	- 7.9	- 6.8
Manufacturing	123.1	118.9	132.8	132.2	174.9	- 3.4	11.7	32.3
Construction and land development	126.8	109.3	127.8	122.8	129.3	-13.8	16.9	5.3
Central and local government	16.1	28.4	27.8	25.4	25.1	76.4	- 2.1	- 1.2
Personal	114.7	117.0	119.4	112.2	140.7	2.0	2.1	25.4
Distribution	107.6	71.3	80.7	77.6	86.8	-33.7	13.2	11.9
Net excess liquidity ^{2/}	18.4	90.2	107.2	98.9	88.3	437.5	18.9	-10.7
Holdings of Central government securities	97.5	249.0	317.2	...	...	155.4	27.4	...
Prime lending rates (%)	11.0	11.0	11.0	11.0	11.0	0.0	0.0	0.0
CENTRAL BANK								
Holdings of Central government securities	95.9	406.7	506.2	...	...	324.1	24.5	...
INSTALMENT CREDIT OUTSTANDING ^{3/}	118.5	104.7	123.3	113.9	136.5 ^{4/}	-11.7	17.8	19.8
INSTALMENT CREDIT NEW BUSINESS ^{3/}	106.7	103.8	128.2	101.7	137.1 ^{4/}	- 2.7	23.5	34.8

^{1/} Data relate to the period Sept. 1978 to Sept. 1979.

^{2/} Average liquidity less the sum of required minimum liquidity and loans from the Central Banks.

^{3/} Include loans by commercial banks.

^{4/} Data relate to end October.

Source: Statistical Digest, January 1980, Research Dept., Bank of Jamaica.

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

			Actual Estimates		Apr-Jun 1978	Apr-Jun 1979
	1977 1976	1978 1977	1979 1978	1980 1979		
RECURRENT REVENUE	521.5	632.5	1,022.9	1,182.7	423.9	493.2
Tax Revenue	488.2	484.9	723.5	819.9	...	...
Of which:						
Income	214.3	205.2	249.9	289.2	104.7 ^{1/}	117.2 ^{1/}
Land and Property	22.0	22.5	24.4	27.0	14.5	14.8
Consumption	120.4	131.5	269.0	270.7	118.9	138.3
Customs	39.4	26.8	49.5	67.1	18.2	25.0
Non-tax Revenue	33.3	37.2	26.7	57.2	5.0	- 4.0
RECURRENT EXPENDITURE ^{2/}	753.1	839.7	1,141.9	1,180.4	211.7	275.4
Economic Services	115.8	121.2	133.5	102.3	30.0	26.8
Public debt and fiscal services	113.3	150.6	212.3	277.0	38.2	65.8
Other	524.0	567.9	795.8	801.1	143.7	182.7
Current surplus (+) or Deficit (-)	-231.6	-207.2	-119.0	+ 2.3	-27.0	-47.9
CAPITAL REVENUE	6.4	19.8	-	5.6	...	...
CAPITAL EXPENDITURE ^{2/}	498.5	422.3	637.8	585.1	114.3	126.4
Economic Services	239.7	230.8	151.9	146.5	23.7	21.8
Public debt and fiscal services	144.7	69.6	238.1	183.1	50.9	53.2
Other	114.1	121.9	247.8	254.5	39.8	41.4
TOTAL EXPENDITURE	1,306.8	1,262.0	1,779.7	1,765.5	286.0	359.5

TABLE XIV (CONT'D)

CENTRAL GOVERNMENT REVENUE AND EXPENDITURE
(J\$ Mill.)

			<u>Actual Estimates</u>		<u>Apr-Jun</u> 1978	<u>Apr-Jun</u> 1979
	<u>1977</u> 1976	<u>1978</u> 1977	<u>1979</u> 1978	<u>1980</u> 1979		
FISCAL SURPLUS (+) OR DEFICIT (-)	-780.0	-610.0	-684.0	-462.4	-101.3	-132.0
FINANCING OF DEFICIT ^{1/}						
Of which:						
Domestic Financing ^{3/}	331.1	396.6	292.8 ^e	220.2	58.4	-21.8
External Financing ^{3/}	85.6	81.5	301.2 ^e	157.2	18.4	-10.6
Capital Development Fund ^{4/}	80.0	110.0	261.0 ^e	300.0	40.0	50.0

1/ April to September.

2/ Revised estimates less appropriation-in-aids.

3/ Change in Gross Internal and External debt outstanding; note these figures are lower than loan receipts in any given year.

4/ All transfers to Current Account.

N.B. Fiscal year covers the period April to March.

Source: Statistical Digest, January 1980, Bank of Jamaica.

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TABLE XV

CONSUMER PRICE INDEX (JANUARY 1975 = 100)

Group	% Weight	1975	1976	1977	1978	1979
<u>ANNUAL AVERAGES</u>						
TOTAL	100.0	106.6	117.1	130.2	175.6	226.7
Food and drink	53.28	108.4	118.1	129.2	176.7	235.8
Fuels & other household supplies	5.13	103.8	112.4	121.5	168.9	245.9
Housing	8.87	106.8	121.0	127.4	141.7	165.6
Household furnishings, including furniture	3.18	104.8	121.2	139.3	215.7	273.3
Clothing & accessories	8.15	104.0	115.9	127.2	178.5	224.9
Personal expenses	8.43	102.9	112.2	122.7	167.4	209.9
Transportation	4.86	101.1	106.6	120.8	193.7	244.7
Miscellaneous expenses	8.10	107.2	120.9	157.4	189.5	211.3
<u>ANNUAL AVERAGE CHANGE</u>						
TOTAL		17.4	9.7	11.2	34.8	29.1
Food and drink		17.8	8.9	9.4	36.8	33.4
Fuels & other household supplies		15.0	8.3	8.1	39.0	45.6
Housing		15.3	13.3	5.3	11.2	16.9
Household furnishings, including furniture		27.6	15.5	14.9	54.8	26.7
Clothing & accessories		16.4	11.3	9.7	40.3	26.0
Personal expenses		17.0	9.0	9.5	36.4	25.4
Transportation		18.5	5.4	13.3	60.3	26.3
Miscellaneous expenses		16.3	12.8	30.2	20.4	11.5
<u>% Change December-December</u>						
TOTAL		15.7	8.1	14.1	49.4 ^r	19.8
Food and drink		15.5	7.7	12.3	54.1 ^r	24.5
Fuels & other household supplies		11.7	5.7	12.6	60.4 ^r	31.4
Housing		20.7	7.5	3.3	17.1 ^r	17.7
Household furnishings, including furniture		20.1	17.0	25.6	65.8 ^r	12.6
Clothing & accessories		13.6	10.2	14.2	52.4 ^r	15.6
Personal expenses		18.9	7.3	11.7	52.7 ^r	9.7
Transportation		0.1	11.9	12.5	85.3 ^r	7.5
Miscellaneous expenses		22.5	7.3	35.4	19.7 ^r	7.9

Source: Economic and Social Survey, 1978, National Planning Agency, Jamaica; and Consumer Price Indices, Annual Review 1979, Department of Statistics, Jamaica.

JAMAICA

TABLE XVI

EXCHANGE RATE ADJUSTMENTS

Date of Adjustment	Revised Rate	% Change	Comments
April 1977	Basic: J\$1.00 = US\$1.10 Special: J\$1.00 = US\$0.80	-27.3	Adoption of dual exchange rate system.
October 1977	Basic: J\$1.00 = US\$1.10 Special: J\$1.00 = US\$0.78	- 2.5	Minor adjustments in special rate.
January 1978	Basic: J\$1.00 = US\$0.95 Special: J\$1.00 = US\$0.74	-13.6 - 5.1	Devaluation of both rates.
May 1978	J\$1.00 = US\$0.645	-47.3 -14.7	Unification of Special & Basic Rates.
June 1978	J\$1.00 = US\$0.636	- 1.5	Crawling Regular Adjustments.
July 1978	J\$1.00 = US\$0.626	- 1.5	" " "
August 1978	J\$1.00 = US\$0.617	- 1.5	" " "
September 1978	J\$1.00 = US\$0.608	- 1.5	
October 1978	J\$1.00 = US\$0.602	-1.0	
November 1978	J\$1.00 = US\$0.592	- 1.0	
December 1978	J\$1.00 = US\$0.589	- 1.0	
January 1979	J\$1.00 = US\$0.584	- 1.0	
February 1979	J\$1.00 = US\$0.578	- 1.0	
March 1979	J\$1.00 = US\$0.573	- 1.0	
April 1979	J\$1.00 = US\$0.567	- 1.0	
May 1979	J\$1.00 = US\$0.561	- 1.0	

N.B. 1½% adjustment June 1978 - September 1978; 1.0% adjustment October 1978 - May 1979.
Source: Data supplied CEPAL.

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PART VIII
ST. LUCIA COUNTRY NOTES

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ECONOMIC SURVEY 1979

ST. LUCIA

(East Caribbean dollars used throughout)^{1/}

St. Lucia became independent in February 1979, and became the 152nd member country of the United Nations. Prior to 1979, the economic survey of this country was included in the group referred to as the West Indies Associated States (WISA). The notes presented here are deficient in statistical substantiation reflecting the situation with statistics in St. Lucia.

While no official figures of Gross Domestic Product (GDP) are available for the years after 1977, a quick CEPAL global estimate puts the current price GDP figure for 1979 at some \$200 million, indicating a continued increase in economic activity during 1978 and 1979.

In the Agricultural sector, growth in production was accompanied by diversification and in at least one case, a change in the nature of the market for the product (coconuts) in favour of further local processing, thus raising the local value-added to the product. The net effect of a mixed performance in the Manufacturing sector brought about an estimated slight increase in the output of the sector. The expansion of some activities in the sector generated inter-industry linkages, with favourable consequences on employment and value-added.

No major Government Construction activities took place in 1979, the vast majority of construction being private-sector construction which included land reclamation as part of the Hess oil-transshipment terminal project.

An estimated 20 percent growth in the number of visitors

^{1/} Since July 1976, the EC dollar has a fixed parity with the US dollar, namely, US\$1.00 = EC\$2.70.

to St. Lucia, some 42 percent of whom came by charter tours, kept activity in the sector on the increase. In 1979 both hotel occupancy rates and hotel accommodation increased over 1978.

The level of inflation as measured by the Retail Price Index increased some 10.3 percent over the 1978 level. Although the rate of increase was greater than the previous year, the age of the index (Base year = 1964) and the undoubtedly outmoded weighting diagram have probably impaired the accuracy of the index.

Public Sector activity is estimated to have risen in 1979, but Government expenditure had to be met mainly from revenues earned by the traditional administrative instruments. Although income tax remained the largest single earner of revenue, the largest relative increases in revenue were registered by customs duties.

GROWTH IN THE MAIN SECTORS

Agriculture

The limited data available for St. Lucia for 1979 show that the performance of this sector was more or less consistent with that of 1978. The main agricultural products continued to be bananas, cocoa beans, spices, coconuts and vegetables.

A first phase to the rehabilitation programme for bananas was completed, but dry weather and the devastation of Hurricane David accounted for a fall in production of the crop and a drop in yields. An increasingly high cost of production narrowed profit margins to farmers despite their receipt of higher prices for their produce. Consequently, the banana cess rate^{2/} was not increased.

Coconuts, the second largest crop, are estimated to have increased in production as a result of greater use of fertilizer,

^{2/} This was set at $2\frac{3}{4}$ cents per pound of bananas.

improved cultural practices and the control of animal pests. The quantum of coconuts is estimated to have decreased in 1979 as the derivatives of coconuts - coconut meal and coconut oil (raw and refined) assumed greater importance as products for export than the coconuts themselves.

Copra production increased and continued to make an important contribution to export earnings. Preliminary estimates evaluated the exports of this commodity at EC\$5.5 million for 1979 at an estimated 40 cents per pound. For individual growers, however, the marketing of copra continued to provide difficulties. Spices (ginger, nutmeg and mace) remain important agricultural products of St. Lucia, but the production of ginger outstripped that of nutmegs and mace.

Non-traditional agriculture was not fostered to an appreciable extent in 1979, but current interest in the areas of production of exotic fruits, pigs, poultry and animal feeds has been manifested in the government's seeking technical assistance in these areas toward the end of 1979.

In Fishing, proper equipment and facilities continue to pose a barrier to further development. The completion of storage facilities and a dock at Castries will help to alleviate some of the problems faced by fishermen. In addition, an education programme should be directed at teaching the local fishermen how to farm the sea without inordinate damage to the marine environment and the possible upsetting of the delicate balance of the marine ecosystems.

Government appointed a Land Tenure Commission to formulate a new land tenure policy that would foster the development of Agriculture. The Government is researching the possibilities for the development of cooperatives in agriculture to realize increased productivity and economies of scale.

The policy of agricultural diversification was pursued

during 1979, with reductions in acreages under citrus and with shifts out of banana and into vegetable production. The inadequate marketing system for domestic crops militated against increased production, and the improvement of the operations of the Marketing Board are viewed as being an important priority.

Manufacturing

Firm data on the contribution of the Manufacturing Sector to GDP were not available at the time of writing, but there appeared to have been a slight increase in the sector's contribution to total GDP in 1979. The effect of higher oil prices has manifested itself in terms of higher transportation costs and in the latter part of the year, in increased raw material costs.

Some areas of expansion were in the manufacture of coconut oil (raw and refined), and the production of margarine and shortening. The increased production of the latter item was made necessary in order to supply the East Caribbean Common Market (ECCM) sub-region as a result of the invocation of Article 56 of the treaty establishing the Caribbean Community.^{3/}

The development of inter-industry linkages progressed in 1979. This was reflected in the increase in the production of refined coconut oil. The boxing plants began to supply packaging to factories in addition to their traditional function of supplying packaging to the banana industry.

The National Development Corporation (NDC) continued its industrial estate building programme. At least four foreign-owned firms began operations in 1979. The small industry credit programme of the NDC, under Caribbean Development Bank (CDB) financing continued to be constrained by bureaucratic processes, loan security requirements and a sizeable arrears problem.

^{3/} This Article deals with the promotion of Industrial Development in the Less Developed Countries.

Government plans to institute a development finance company to overcome these problems.

Construction

To a great extent difficulties in financing accounted for the little activity in construction that took place in 1979. The completion of the deep water harbour at Castries was however effected. At present construction activity is needed in the provision of a number of public utility and housing projects. Uncertainty of the future domestic situation militated against expansion of tourist accommodation units in 1979. The early part of 1980 saw the start of a number of projects aimed at expanding tourist accommodation. The most important construction activity continued to be the construction of the Hess Storage and Transhipment Terminal and related works. Progress in this activity was hampered by an industrial dispute. The Government has altered the terms of reference for a study of the Cul-de-Sac project under execution by United Nations Development Programme (UNDP) to provide an analysis of relative economic costs and benefits.

Construction activities in the Rodney Bay area have had adverse effects on tourism, with beach erosion having resulted from the construction of the causeway.

THE EXTERNAL SECTOR

The year 1979 was another year of continued growth for the tourist industry. The increased economic activity in this sub-sector was reflected in an estimated 20 percent growth in the number of visitors arriving in St. Lucia. Up to 1979, the industry suffered little from the international energy crisis, though the general inflationary trend is expected to have an adverse effect in the near future.

The industry is heavily dependent on chartered flights arranged in the United States and Europe. During 1979 there was an increase in the number of visitors from Europe. An estimated 42 percent of total visitors to St. Lucia came by charters and the average length of stay was approximately 12 days. It is apparent that this means of arrival played a major role in keeping the industry buoyant in 1979. Yachting has also gained in importance in St. Lucia as a means of arrival for visitors. This increased even further last year. As a result of its importance to the industry, yachting facilities were vastly improved in the Marigot and Rodney Bay areas and further improvements are underway.

Preliminary data estimates about 90,000 stay-over visitors, approximately 20 percent increase on the 1978 figure. The average length of stay for visitors increased from 8 days in 1978 to 9 days in 1979. The average occupancy rate of hotel rooms increased by 11.5 percent from 72 percent in 1978 to 83.5 percent (1979). Increased accommodation for the period was however minimal.

Hotel ownership remains largely foreign, but local participation showed some increase in 1979. Two projects in progress at Rodney Bay are locally controlled and the Government of St. Lucia has made a 50 percent take-over of one of the larger hotels. Government's policy is towards increased local participation throughout the tourist industry.

Employment in the industry continued to increase in 1979 i.e. in the hotels and in the auxiliary services. Estimates put the figure at 2,000 persons directly employed in the hotels and an equal amount in ancillary services. A policy of rotation of employees on a weekly basis was used to avoid actual layoffs of large numbers of staff.

Estimated tourist expenditure and, in general, earnings from the industry increased with the increase in visitors

however, the industry has had an adverse effect on the economy as a result of the tremendous increase in the food import bill.

Merchandise Trade

Data on balance of payments for 1979 have not yet been compiled. Preliminary unsubstantiated data however show little change in St. Lucia's trade position for 1979 in general, but a closer look at some areas of activity shows changes. Any improvement that occurred has apparently been due to the favourable activity in the tourist industry, but on the other hand, the great increase in the importation of food as a result of the activity in the tourist industry would have contributed greatly to the deficit on merchandise trade.

The total value of exports for the first six months of the year was approximately \$36 million, about 5 percent above that of the same period for 1978. The preliminary data available show, however, a 6 percent decrease in exports of domestic exports; a breakdown is unavailable to establish the reason for this. The increase in the exports of foreign produce owing to transshipment cargo, accounted for the general increase in the value of total exports.

The value of imports was estimated at \$106 million, for the period January to June - only slightly less than that for the same period in 1978. The instability of oil prices did have some effect on the prices of imports but this tended to be passed on through retail prices. Generally for the year, the increased quantity of food imported seemed poised to have the greatest impact on the escalating value of imports and the main reason for this increase has been cited in the Tourism Sector. All other items imported however remained more or less the same.

The direction of trade remained the same for 1979, the main partners being the U.K., CARICOM and U.S.A. in that order. The U.K. continued to be the main export market for

bananas, St. Lucia's major export commodity. For 1979, however, St. Lucia captured the ECCM market as the sole supplier of margarine and shortening. Attempts at increasing the export market for its garments extended to Trinidad and Martinique. So far however, entrance into the Martiniquan market has proved to be difficult.

Continuing attempts at diversification of agricultural exports had some success in 1979. Though banana exports remained steady, there was also exportation of fresh fruits and vegetables to the U.K. and CARICOM markets. This was facilitated by two established agencies, Geest Shipping and the St. Lucia Marketing Board and the trend is expected to continue as farmers continue to increase the production of short-term crops.

The Government has noted the need for projects aimed at promoting the efficient use of existing energy, and utilizing new sources of energy. In the short run, energy conservation programmes would assist in dampening the impact of the rising prices of petroleum.

PRICES AND WAGES

Based on the Retail Price Index, the rate of price increases continued to rise. In 1979, retail prices recorded a 10.3 percent rise, a higher increase than that recorded for the previous year. The highest increases occurred in the second half of the year.

The inflationary effects of oil price rises have influenced retail price increases. Government has not been able to afford subsidies but it has pursued a policy of price control of some basic food items such as rice, fish, sugar, meat; and other items such as motorcars (but not motorcar parts).

The new government also instituted short-term relief in its interim budget in April. There was a decrease in the consumption tax on fuel, gasoline, kerosene and cooking gas for homes and, a few other essential items.

Wages have not kept pace with inflation in 1979 except in the Public Sector. In August/September there was a wage settlement of 60 percent for all daily paid workers. In the Agricultural Sector, the increases have been minimal. There does exist however, a policy of minimum wages for non-unionised agricultural employees.

Employment

For 1979 the apparent slow rate of economic development has been insufficient to generate much employment for the St. Lucia labour force. Conservative estimates for early 1979 put the unemployment rate at 13 percent.

Though data are unavailable, the leading employer of labour continues to be the Agricultural Sector. In terms of numbers employed, the Civil Service ranks second, employing both monthly and daily paid workers and an estimate of over 5,000 employees in the Civil Service has been made. The Tourism and Manufacturing Sectors rank third. The other major area of employment is the construction industry in which the Hess reclamation project employed the largest number of construction workers for 1979. Although the Agricultural Sector ranks first in terms of numbers employed, the wages are considered the lowest in the economy.

FISCAL ACTIVITIES

A review of fiscal activities based on estimates for 1979 showed expansion as well as general changes which reflect the change in government and hence government policies in 1979. Public Sector activity was expected to increase for 1979. The interim budget estimates showed increases in expenditure under such categories as agriculture, social services and debt servicing. The net budgetary situation indicates a surplus of \$5.6 million,

a decrease on the surplus of \$8 million for 1978.

For 1979, budgeted revenue resources remained insufficient to match budgeted expenditure. Estimated recurrent revenue approximated \$72 million, 24.2 percent above that of 1978. Much of the increase has been attributed to the increase in revenue from import duties and consumption tax. The rates on import and excise duties and consumption tax remained unchanged in 1979, but the revenue was increased due to increased import activity. Income tax remains the highest single revenue earner in St. Lucia.

The estimate of recurrent expenditure for 1979 was \$66.2 million - a growth of 33 percent as contrasted with a decline of 0.6 percent between 1977 and 1978. The proportion of wages and salaries was expected to increase substantially as a proportion of total recurrent expenditure. This, however, may have increased beyond the estimate since there was a substantial wage settlement for daily paid public employees.

Budgeted capital expenditure approximated \$5.6 million which accounted for 8.5 percent of total expenditure, and represented a decline of \$2.4 million on the 1978 estimate. The final figure can be expected to be much lower, because of the change of government and the probability of a reversal of policy in certain aspects of the capital development programme.

STATISTICAL APPENDIX

ST. LUCIA

1979



ST. LUCIA

TABLE I

SECTORAL ORIGIN OF GROSS DOMESTIC PRODUCT
AT CURRENT MARKET PRICES, 1975-1979
(EC\$ Mill.)

	1975	1976	1977	1978	<u>Estimated</u> 1979
Agriculture, Fisheries, etc.	16.1	19.7	21.1	28.5	30.8
Mining and Quarrying	1.5	1.8	1.9	2.3	2.9
Manufacturing	7.4	10.6	12.6	14.1	16.4
Electricity and Water	2.8	3.1	4.0	4.6	5.2
Construction	11.2	15.8	17.1	32.4	22.1
Wholesale and Retail Trade	15.6	19.3	23.1	27.7	34.7
Hotel and Restaurants	2.7	6.3	8.6	13.2	17.1
Transport and Communication	8.5	10.0	12.2	12.8	16.6
Government Services	19.0	21.3	26.2	28.1	33.6
Banking, Insurance, Real Estate, including Rents	16.3	19.9	22.1	24.4	31.7
Miscellaneous Services	7.0	7.6	8.1	9.2	12.0
GDP at Factor Cost	108.1	135.4	157.0	197.3	223.1

Source: World Bank Report No. 2936-CRG.

ST. LUCIA

TABLE IIIA

EXPORTS OF GOODS (FOB)
(Values in EC\$'000)

	1977	1978	1979**	Annual Growth Rates		
				1977	1978	1979**
Bananas	25,526.2	32,705.3	27,840.0	10.4	21.9	-15.0
Cocoa Beans	883.6	973.8	1,600.0	56.1	9.3	64.3
Nutmegs and Mace	59.3	88.1	...	4.6	32.7	...
Ginger	...	...	...	...	...	...
Coconut Meal	299.0	344.1	688.2	33.0	13.1	100.0
Coconuts	72.6	330.2	...	5.4	78.0	...
Coconut Oil (raw)	2,293.0	2,621.3	2,883.4	-10.5	12.5	11.0
Coconut Oil (refined)**	3,180.0	2,650.0	2,650.0	...	...	-

Source: Statistical Office, St. Lucia, and data supplied CEPAL.

ST. LUCIA

TABLE III

RETAIL PRICE INDEX
(April 1964 = 100)

Items	1976	1977	1978	1979	Annual Growth Rates		
					1977	1978	1979
	<u>% VARIATION DECEMBER TO DECEMBER</u>						
All Items	320.0	348.0	378.0	...	8.8	8.6	...
Food	345.2	374.0	403.5	...	8.3	7.9	...
Drink and Beverages	254.6	282.4	306.7	...	10.9	8.6	...
Housing	335.8	340.3	406.7	...	1.3	19.5	...
Fuel and Light	264.4	304.8	307.2	...	15.3	0.8	...
Household and Miscellaneous	304.1	376.3	405.9	...	23.7	7.9	...
Clothing and Footwear	238.8	274.5	299.5	...	14.9	9.1	...
Services	308.9	316.6	332.1	...	2.5	4.9	...
	<u>ANNUAL AVERAGE VARIATIONS - ALL ITEMS</u>						
	305.5	332.6	365.7	403.5	8.2	9.1	9.4

Source: Statistical Office, St. Lucia.

ST. LUCIA

TABLE IV

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

					<u>Annual Growth Rates</u>		
	<u>1976/77^{1/}</u>	<u>1977/78^{1/}</u>	<u>1978/79^{1/}</u>	<u>Budget Estimates</u> <u>1979/80^{1/}</u>	<u>1977^{1/}</u>	<u>1978^{1/}</u>	<u>1979^{1/}</u>
<u>Current Revenue</u>	<u>43,561</u>	<u>50,596</u>	<u>57,842</u>	<u>71,843</u>	<u>13.9</u>	<u>12.5</u>	<u>19.5</u>
Income Tax	11,740	13,656	15,209	17,000	14.0	10.2	10.5
Consumption Tax	7,769	8,797	8,460	9,900	11.7	- 3.9	14.5
Import Duties	11,196	13,273	14,087	16,500	15.6	5.8	14.6
Export Duties	356	271	291	230	-31.4	7.4	-26.5
Excise Duties	831	679	626	781	-22.4	8.5	19.8
Other Taxes	4,438	8,583	9,888	10,390	48.3	13.2	4.8
Other Local Receipts	7,231	5,337	9,281	17,042	-35.5	42.5	45.5
<u>Current Expenditure</u>	<u>46,171</u>	<u>50,100</u>	<u>49,799</u>	<u>66,195</u>	<u>7.8</u>	<u>- 0.6</u>	<u>24.8</u>
Personal Emoluments	19,603	22,225	23,261	28,537	11.8	4.5	18.5
Other Expenditure	26,568	27,875	26,538	37,658	4.7	- 5.0	29.5
<u>Savings on Current Account -</u>	<u>2,610</u>	<u>496</u>	<u>8,043</u>	<u>5,648</u>	<u>-426.2</u>	<u>93.8</u>	<u>-42.4</u>
<u>Capital Expenditure</u>	<u>2,661</u>	<u>9,596</u>	<u>8,044</u>	<u>5,649</u>	<u>72.2</u>	<u>-19.3</u>	<u>-42.4</u>
<u>Total Expenditure</u>	<u>48,832</u>	<u>59,696</u>	<u>57,843</u>	<u>71,844</u>	<u>18.2</u>	<u>- 3.2</u>	<u>19.5</u>
<u>Fiscal Deficit (or Surplus)-</u>	<u>5,271</u>	<u>- 9,100</u>	<u>1</u>	<u>1</u>	<u>42.1</u>	<u>910.0</u>	<u>0.0</u>

^{1/} Fiscal year.

Source: Ministry of Finance, St. Lucia.

ST. LUCIA

TABLE V

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

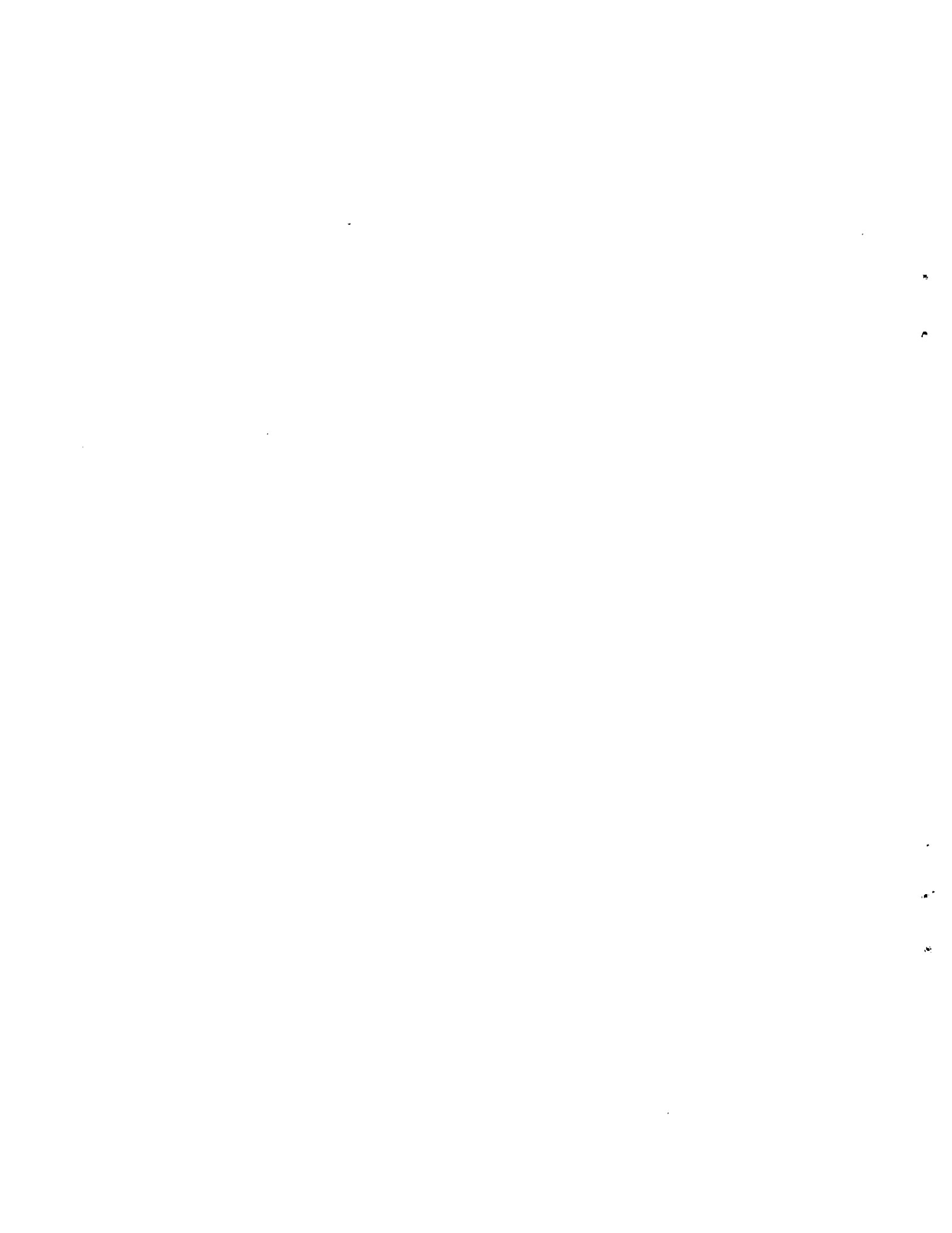
Sectors	As at					Annual Growth Rates		
	Dec. 1976	Dec. 1977	Dec. 1978	June 1/ 1978	June 1979	1977	1978	1979
Agriculture	4,885	5,288	8,027	6,068	8,826	8.2	51.8	45.5
Manufacturing	12,670	14,878	19,662	15,982	17,343	17.4	32.2	8.5
Distributive Trades	17,558	18,586	19,562	17,439	20,638	5.9	5.3	18.3
Tourism	5,452	9,030	9,578	7,927	12,817	65.6	6.1	61.7
Transportation	5,584	8,740	9,976	9,983	16,774	56.5	14.1	-32.1
Public Utilities (gas, electricity, telephone)	1,552	1,775	2,459	1,940	1,838	14.4	38.5	- 5.3
Building & Construction	6,948	8,576	9,745	6,843	10,532	23.4	13.6	54.0
Government & Other Statutory Bodies	9,664	9,992	9,256	18,187 ^{2/}	12,148	3.4	- 7.4	8.6
Personal Loans	16,478	24,938	32,202	32,059	34,635	51.3	29.1	8.0
Other Advances	3,304	4,630	6,980	...	7,608	40.1	50.8	-
Total Loans and Advances	84,205	106,433	127,447	116,428	133,159	26.4	19.7	14.4
% of Long Term Loans to Total Loans	28.7	28.3	32.2	39.4	41.9	- 1.4	13.8	6.3

1/ Source: A Survey of the St. Lucian economy 1978, prepared by Michael Nevin, Economist, Central Planning Unit, St. Lucia.

2/ Includes category - Other Advances.

Source: Commercial Banking Statistics, September 1979. Research Department and ECCA; data supplied CEPAL.

PART IX
SURINAME COUNTRY NOTES



ECONOMIC SURVEY 1979

SURINAME
(Suriname Guilders used throughout)^{1/}

Estimates of Gross Domestic Product (GDP) are not available for the years 1978 and 1979, but indications are that in current prices, GDP for 1979 must be of the order of some Sf. 1430 million, most of the growth outside the Government sector being attributable to the goods producing sectors, and to the Mining sector in particular.

Construction activities were widespread throughout the sectors, as funds from the Dutch Government continued to be disbursed for on-going developmental projects. There was a marked decrease in Government spending in the second half of 1979, and a consequent fall in households' consumption, mainly because of the institutional aspects of aid given and difficulties in the interpretation of the nature of the activities on which the grant should be disbursed.

An increase of some 10 percent in agricultural land under cultivation, fostered the estimated increase in agricultural production. Palm oil production is estimated to have risen in 1979, and will soon establish itself as a very important export item. The acreage under rice, as well as its production increased and a new export market was identified.

Output in the Forestry and Wood Products sub-sector is determined by the single large firm engaged in this activity. Over the last two to three years, output has been diversified to include pre-fabricated houses, and the company has improved and expanded its facilities. Despite the drop in production and exports of bauxite, alumina and aluminium, the export values of these commodities increased, reflecting

^{1/} The official exchange rate in 1979 was Sf. 1.792 = US\$1.00.

higher average unit values. An increase in production is expected in 1980 and continuing, when production of bauxite from the Bakhuis mountains in West Suriname comes onstream. Local value added will increase when greater refining activity is realized with additional power from the Kabalebo dam.

The combined effect of prices, domestic production and imports of goods and services produced a deficit on current account at the end of the third Quarter of 1979, of some Sf. 63.7 million. The Merchandise Trade surplus reflected the fortunes of bauxite, alumina and aluminium whose combined export value rose some 7 percent to Sf. 532 million. The Balance on Capital account stood at Sf. 105 million in 1979, and helped produce a Balance on Total account of Sf. 47.2 million.

SECTORAL TRENDS

Agriculture

The agricultural sector consists of a few modern large and medium sized highly mechanized enterprises producing mainly rice and palm oil, and a large number of small holdings producing various crops, most of them at subsistence level. More than 80 percent of the agricultural units are small holdings of 5 hectares or less.

Despite the absence of GDP figures since 1977, indications are that the GDP in Agriculture rose in 1979 in response to higher unit prices and to increased production which was attained mainly as a result of extensive cultivation, as generally more land was cultivated in 1979 than in the previous year. This is reflected at Table IV of the Statistical Appendix. An increase of some 10 percent in agricultural land was noted, with a 12 percent increase in the average under paddy rice, the production of which grew with greater acreages assigned to rice cultivation and with shifts of land from banana and plantains to rice. Major exports were made to the Netherlands, Germany. The Netherlands Antilles and Martinique.

Increased activity in sugar cane cultivation was noted, as Government re-vitalized the Marienburg sugar plantation in an attempt to make Suriname at least self-sufficient in sugar. Whereas in 1978 the area under sugar cane increased, the area harvested dropped, thus causing a drop in the production of sugar per hectare. The inability of the factory to mill the volume of canes produced in 1978 influenced the fall in production in that year. Indications are that sugar production increased substantially in 1979.

Palm oil production rose to account for 90 percent of domestic demand, and will soon become a very important export item. Government has donated 10,000 hectares to a leading estate for purposes of expanding production.

The production of peanuts and other root crops increased in response to more extensive cultivation.

In the livestock sub-sector, an increase in the supply price of milk had no great effect on the increase in dairy produce. Beef and pork production which had dropped in 1976, rose considerably in 1978, and indications are that the higher level was maintained in 1979. The livestock population increased considerably in 1978 through the importation of high-quality breeding stock, and has the potential of becoming a major activity in Suriname.

Local shrimping^{2/} continued to increase with an extraordinary high catch in 1978, representing a 79 percent increase over the previous year's catch. Marine shrimping^{2/} which has generally been on the increase stagnated somewhat in 1977 and suffered a drop in the size of catch in 1978, but still maintained its preponderance in total fishing activity.

Problems arising from the institutional aspects of the

^{2/} Local shrimping refers to inland and estuarine catches, while marine shrimping refers to coastal and oceanic activities.

disbursement of the Dutch grant, and the interpretation of the manner in which the aid should be disbursed, resulted in a shortage of funds to finance certain projects. The Agricultural Bank, instead of receiving Sf. 6 million, received only Sf. 1 million.

Forestry and Wood Products

Output in this sub-sector has been stimulated since 1974 by the completion of a road linking Paramaribo with many sites in West Suriname. The building of a railway from the Bakhuis mountains to Apoera has greatly improved access to forestry resources. The sub-sector is dominated by a single large firm which accounts for over 40 percent of local timber production and employs over 1,200 persons; it also produces and exports plywood, particle board and pre-fabricated houses, the latter product gaining prominence within the last two years. The company has recently improved and expanded its facilities, while at the same time admitting the government as a partner in the venture.

Mining

Indications show a drop in production and exports of bauxite, alumina, and aluminium; but data reveal that despite the fall in quantum, the export values increased in response to higher average unit values of the products. Production in the Bakhuis mountains, which was to have come on stream in 1979, did not do so. Although exploration is still being done, it is already estimated that there are at least 100 million tons of bauxite in that location. Extraction will be at a rate of 2 million tons per year. The exploration continues in West Suriname, and the government-owned aluminium company, GRASSALCO, which holds the mining concession in Bakhuis, is seeking partners at the mining or processing stages, or to assist in marketing if GRASSALCO exploits the deposits on its own. At the same time, the Government is proceeding with the construction of the 90 - kilometre rail link between the Bakhuis mountains and the river port at Apoera. Government's aim is that the Kabalebo

dam will supply power to refine the bauxite into aluminium and supplement the power from the Afobaka dam. In this way the percentage of bauxite refined can be increased from the present 10 percent of total production, thereby increasing the local value-added.

Manufacturing and Construction

Table VI of the Statistical Appendix gives an indication of the range of products manufactured. The Manufacturing sector shows the signs of fairly recent emergence, and the unclear production trend reflects the limited growth possibilities that can be ascribed to the limited size of the domestic market. Although within the last two years there have been no official estimates of GDP, it is safe to assume that rising prices and incomes have exerted an upward influence on Manufacturing GDP.

Much of the Construction activity undertaken has been Public Sector construction that has been associated with funding from the Dutch grant. Partly because of problems of administering the grant, a number of public sector construction activities in housing and road-building did not progress as planned. The construction activity in West Suriname is designed to facilitate production, as the mining project is the only one that has possibilities of improving substantially the current account position of the balance of payments. Construction activity was also directed towards the clearing of lands for use in agriculture, as this activity was conducted at the extensive margin rather than the intensive. The acreage under cultivation grew some 10 percent in 1979, with additional acreages going to paddy rice and palm oil.

Energy

No major improvements in the energy supply situation took place in 1979: indeed Suriname, because of its hydropower for the generation of electricity, has been spared the full effect

of petroleum price increases on the general price level, as has been the case in countries more dependent on petroleum products as a source of energy. Data in Table 1 indicate a continued increase in energy supplies. The Kabalebo dam will supply power to refine bauxite into aluminium and supplement the power supply from the Afobaka dam. In this way, the percentage of bauxite refined can be increased from the present 10 percent of total production.

Since 1976, the local gas company ceased production, and in subsequent years has merely purchased gas for re-sale to consumers. This explains the lack of a figure in the production table after 1976.

Table 1
Indicators of Energy Supplies

	1976	1977	1978	1979	Growth Rate		
					1977	1978	1979
Index of energy surplus ^{1/} (1970 = 100)							
Total	61	99	126	155 ^{2/}	62.3	27.3	...
Electricity (Public)	57	105	139	156	84.2	32.3	12.2
Supply of energy							
Gas ('000 m ³)	1,789	-	-	-	-	-	-
Water ('000 m ³)	7,272	8,708	9,828	6,984 ^{3/}	19.7	12.9	...
Electricity (Public) (Mn KWh)	58	106	140	157	82.8	32.1	12.1
Electricity (Private) (Mn KWh)	1,270	1,315	1,371	...	3.5	4.3	...

^{1/} Excludes index of private generators.

^{2/} First Quarter of 1979 only.

^{3/} Data for first three Quarters only.

Source: Kwartaal Statistiek van de Industriële Produktie, 1970-1977 and Kwartaal, 1978 (No. 86, July 1978); Bureau of Statistics, Suriname.

Energy Policy

Government reacted to the increase in the price of crude petroleum in 1979 by establishing a seven-man Commission of Energy, the terms of reference of this commission being to survey the energy situation and make proposals in respect of energy policy both in the short and in the long term. The short-term measures identified aimed at reducing the consumption of petroleum products through shortening hours and varying conditions of sale to the public. At the same time, certain oil companies, because of problems of supply, decided to sell 85 percent of their previous year's sales volume of petroleum products. Additionally a public campaign aimed at promoting the conservation of energy was supported by private companies. The result of these measures was a fall of 10 to 15 percent in the consumption of petroleum products. The Commission estimates that a further 10 percent drop in petroleum consumption can be effected, and recommended that experts should be contracted to devise conservation systems.

The long-term measures proposed the establishment of a Permanent Energy Bureau which should collaborate closely with the University of Suriname in developing alternative sources of energy, especially in respect of solar energy for applications in Agriculture and in Public Health. Two projects involving the use of solar energy have been drawn up and are awaiting technical and financial assistance. The likely cost of extraction of energy from biomass has precluded consideration of this alternative source at this point in time. The Commission also advised that the hydro-electric works at Kabalebo in West Suriname be expedited and come on-stream before 1985, by which time, this source of energy should substitute at least one quarter of the total amount of fuel imported. After the completion of the hydro project, exploration for oil in Suriname has been recommended.

THE EXTERNAL SECTOR

At the end of the third Quarter of 1979, the deficit on Current Account stood at Sf. 63.7 million - a deterioration of some Sf. 21.7 million from the corresponding date of the previous year. The Merchandise Trade Surplus of Sf. 38 million reflected the continuing favourable position in exports of bauxite, alumina and aluminium, whose export value rose to some Sf. 532 million in 1979, to register a 7 percent increase over the value of the previous year. The Merchandise Trade surplus increased by the end of the third Quarter of 1979 through the existence of higher average unit values of major items of export. When the new bauxite mine in the Bakhuis Mountains of West Suriname comes on stream, the Merchandise Trade Surplus will no doubt increase. Other important export commodities for 1979 were rice, (the production of which increased as new lands were brought under the plough, and also as lands under bananas and plantain were shifted over to rice production) shrimp and wood products.

The deficit in the Services figure derived from the lack of adequate nationally owned Transport facilities and a continuing high incidence of foreign travel, as many Surinamese migrated to Holland in preference to remaining in Suriname. Another factor influencing the deficit situation in the Services account is the net direct investment income payment, the magnitude of which (minus Sf. 68.4 million at the end of the third Quarter 1979), is indicative of the degree of foreign ownership in industry, as both profits and to a lesser extent, salaries, were repatriated in exchange for the job opportunities afforded by the investments.

Despite a slowing down in the rate of capital inflows from Holland by way of Government Grants, the Balance on Capital Account remained positive at the end of the third Quarter of 1979. The net effect of movements in this account was a balance of some Sf. 105 million in 1979, and a balance on Total Account of Sf. 47.2 million.

Table 2
International Reserves
(Sf. Mill.)

	At the end of period				
	1975	1976 ^{1/}	1977 ^{1/}	1978 ^{1/}	1979 ^{1/}
Central Bank	172.7	198.0	170.6	224.8	292.9
Foreign Exchange (Net)	(161.7)	(187.0)	(159.6)	(209.8)	(271.8)
Gold	(11.0)	(11.0)	(11.0)	(4.0)	(4.0)
Central Government	-	7.9	6.7	4.8	1.1
Commercial Banks (Net)	33.0	36.6	34.1	48.0	37.2
Total Reserves (Net)	<u>205.7</u>	<u>242.5</u>	<u>211.4</u>	<u>277.6</u>	<u>331.2</u>

^{1/} Includes Suriname Postale Bank.

Source: Central Bank of Suriname.

PRICES, LABOUR AND WAGES

Prices. The rate of inflation as measured by the Retail Price Index, accelerated in 1979 in response to increased import prices on the one hand, and on the other hand, of wage increases which outstripped production and productivity increases. The existence of price controls and the possible divergence between de jure and de facto prices, the question of reporting of de jure prices where de facto prices are the norm, and the age of the Retail Price Index^{3/}, militate against complete confidence in the rate of increase as yielded by the index.

^{3/} The General Bureau of Statistics has conducted a recent Household Budgeting Survey, the results of which will be used to construct a new index.

The 14.9 percent increase in the annual average price level over that of 1978 was due to sharp increases in the clothing and footwear, Food and beverages and Housing and furnishing sections. Increases in prices of these sections were cushioned to some extent by the fact that much of Suriname's energy sources are non-hydrocarbon based and were therefore not affected by petroleum price increases.

Labour. The mass pre-independence emigration to Holland of Surinamese has caused a change in the shape of the age pyramid and caused a deficiency of nationals in the middle to lower income bracket. The result is that some 10,000 foreign workers (mainly from Guyana) now perform mostly unskilled labour functions in agriculture and construction. The emigration continued in 1979 with many Surinamese opting for Dutch citizenship.

Wages in the bauxite sector set the pace for collective bargaining in other sectors. In recent years, wage rates have risen rapidly and have worsened the social and economic problems resulting from the rural to urban population shift. Small farm holdings have for the most part stagnated in terms of production.

STATISTICAL APPENDIX

SURINAME

1979



SURINAME
TABLE I
MAIN ECONOMIC INDICATORS

	1974 ^r	1975 ^r	1976 ^r	1977	1978	1979
A. <u>Basic economic indicators</u>						
Gross Domestic Product at factor cost (millions of guilders at 1970 prices)	543	528	546	582	...	...
Population (thousands)	397	388	371	381	...	...
Per capita gross domestic product (guilders at 1970 prices)	1,368	1,360	1,472	1,528	...	...
	<u>Annual Growth Rates</u>					
B. <u>Short-run economic indicators</u>						
Gross Domestic Product	- 1.7	- 2.8	3.5	6.5	...	...
Per capita gross domestic product	- 2.1	- 0.6	8.2	3.8	...	...
Current value of exports of goods	55.8	4.0	1.1	14.3	13.7 ^e	7.7 ^e
Current value of imports of goods	53.4	14.8	7.0	40.6	...	...
Consumer price index December-December	4.0	9.4	14.6	4.2	10.9	15.7
Annual average variation	16.9	8.6	9.8	9.7	8.8	14.9
Money	5.2	20.5	17.8	10.8	12.2	11.1
Current income of government	28.3	47.7	- 4.2	9.9	14.3	...
Total expenditure of govt.	14.2	40.3	21.7	21.4	22.3	...
Fiscal deficit/total expenditure	20.6	16.1	34.0	40.3	44.2	...
	<u>Millions of Guilders</u>					
C. <u>External sector</u>						
Trade balance	69.9	23.7	37.2	-24.8	21.1	38.0 ^{1/}
Balance on current account	-44.0	-85.2	-23.7	-144.8	-82.1	-63.7 ^{1/}
Variation in net international reserves	+11.1	+61.8	+36.8	-31.1	66.2	53.6
External debt ^{2/}	210.8	22.0	19.7	17.4	55.3	...

^{1/} End of March.

^{2/} External debt - governments and international organisations and private sector.

SURINAME

TABLE IIA

GROSS DOMESTIC PRODUCT

BY KIND OF ACTIVITY - AT FACTOR COST - AT 1970 PRICES

	Millions of Suriname Guilders			Percentage Breakdown		Annual Growth Rates		
	1975	1976 ^r	1977 ^{pe}	1970	1977 ^{pe}	1975	1976 ^r	1977 ^{pe}
Agriculture & Fisheries	46.2	48.6	51.1	7.7	8.8	15.2	5.2	5.1
Forestry & Wood Industry	13.8	14.8	13.7	2.8	2.4	11.3	7.3	- 7.4
Mining and Bauxite	145.7	145.9	159.5	33.1	27.4	-22.1	0.1	9.3
Manufacturing	58.1	59.3	67.7	7.8	11.6	10.9	2.1	14.2
Construction	6.1	9.8	11.0	1.4	1.9	-33.0	60.7	12.2
Sub-total goods	<u>269.9</u>	<u>278.4</u>	<u>303.0</u>	<u>52.8</u>	<u>52.1</u>	<u>-10.3</u>	<u>3.2</u>	<u>8.8</u>
Trade and Commerce	84.3	89.0	95.2	17.6	16.3	18.2	5.6	7.0
Banking	9.4	9.5	9.7	2.6	1.7	- 3.1	1.1	2.1
Transport	15.2	15.7	16.2	2.4	2.8	- 0.6	3.3	3.2
Government	109.3	112.6	116.0	19.2	19.9	3.0	3.0	3.0
Others	39.8	41.0	41.7	5.4	7.2	0.8	3.0	1.7
Sub-total services	<u>258.0</u>	<u>267.8</u>	<u>278.8</u>	<u>47.2</u>	<u>47.9</u>	<u>6.7</u>	<u>3.8</u>	<u>4.1</u>
TOTAL GROSS DOMESTIC PRODUCT	<u>527.9</u>	<u>546.2</u>	<u>581.8</u>	<u>100.0</u>	<u>100.0</u>	- <u>2.8</u>	<u>3.5</u>	<u>6.5</u>

Source: Table IV.1.2 Financiele Nota 1980, September 1979,
Ministry of Finance, Suriname.

SURINAME

TABLE IIB

GROSS DOMESTIC PRODUCT

BY KIND OF ACTIVITY - AT FACTOR COST - AT CURRENT PRICES

	Millions of Suriname Guilders			Percentage Breakdown		Annual Growth Rates		
	1975	1976	1977	1973	1977	1975	1976	1977
Agriculture & Fisheries	72	77	102	8.3	9.0	16.1	6.9	32.5
Forestry & Wood Industry	12	14	20	1.8	1.8	9.1	16.7	42.9
Mining and Bauxite	179	181	230	32.1	20.2	- 1.6	1.1	27.1
Manufacturing	45	63	80	7.1	7.0	32.4	40.0	27.0
Gas, Water & Electricity	18	20	23	2.6	2.0	20.0	11.1	15.0
Construction	15	31	96	1.9	8.4	15.4	106.7	209.7
Trade and Commerce	124	137	175	13.6	15.4	24.0	10.5	27.7
Transport, Storage and Communication	32	40	52	3.2	4.6	52.4	25.0	30.0
Financial Services	30	38	44	2.8	3.9	30.4	26.7	15.8
Household Services	30	45	49	4.2	4.3	- 6.3	50.0	8.9
Government	155	192	248	20.3	21.8	15.7	23.9	29.2
Other general, social and personal services	18	15	20	2.1	1.8	20.0	-16.7	33.3
	730	853	1,139	100	100	13.7	16.8	33.5

Source: Data supplied CEPAL by General Statistics Office.

SURINAME
TABLE III
INDICATORS OF AGRICULTURAL PRODUCTION

	Production					Annual Growth Rates		
	1975	1976	1977	1978	1979	1976	1977	1978
Index of Agricultural Production (1970 = 100)								
Agriculture, Livestock & Fishing	141.2	138.7	142.8	...	...	- 1.8	3.0	...
Agricultural Production	133.1	132.0	149.0	...	...	- 0.8	12.9	...
Livestock	114.9	118.0	117.7	...	...	2.7	- 0.3	...
Fishing	158.8	141.5	130.6	...	...	-10.9	- 7.7	...
Production of Agricultural Crops (Metric tons)								
Paddy rice	174,845	172,500	202,866	223,946	...	- 1.3	17.6	10.4
Maize	365	132	230	273	...	-63.8	74.2	18.7
Sugar cane	159,543	146,685	135,325	119,760	164,060	- 8.1	- 7.7	-11.5
Palm-oil	625	1,330	1,870	2,808	...	112.8	40.6	50.2
Bananas	43,095	41,425	31,568	32,675	...	- 3.9	-23.8	3.5
Plantain	950	1,572	1,700	2,850	...	65.5	8.1	67.6
Root Crops	2,300	1,699	2,200	2,742	...	-26.1	29.5	24.6
Other Vegetables ^{1/}	2,712	3,035	3,587	3,746	2,352	11.7	18.2	4.4
Cocoa	55	58	61	47	52	5.5	5.2	-23.0
Coffee	88	76	90	25	18	-13.6	18.4	-72.2

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TABLE III (CONT'D)
INDICATORS OF AGRICULTURAL PRODUCTION

	Production					Annual Growth Rates		
	1975	1976	1977	1978	1979	1976	1977	1978
Indicators of Livestock Production								
Number of Livestock	49,994	48,394	46,884	61,648	...	- 3.2	- 3.1	31.5
Cattle (stock)	26,200	25,850	24,000	34,495	...	- 1.3	- 7.2	43.7
Pigs (stock)	18,994	17,619	18,259	18,000	...	- 7.2	3.6	- 1.4
Goats and sheep (stock)	4,400	4,500	4,200	8,888	...	2.3	- 6.7	111.6
Other (stock)	400	425	425	265	...	6.3	0.0	-37.6
Poultry (1,000 stock)	4,087	4,312	4,400	4,500	...	5.5	2.0	2.3
Number of Animals slaughtered ^{2/}	21,136	18,948	19,160	21,568	...	-10.4	1.1	12.6
Cattle (stock)	7,854	7,375	6,986	7,929	...	- 6.1	- 5.3	13.5
Pigs (stock)	12,794	11,219	11,759	12,981	...	-12.3	4.8	10.4
Goats and sheep (stock)	298	354	415	658	...	18.8	17.2	58.6
Poultry (1,000 stock)	3,650	3,800	3,900	4,000	...	4.1	2.6	2.6
Production ('000 kg)								
Beef	1,045	980	943	1,194	...	- 6.2	- 3.8	26.6
Pork	883	774	811	948	...	-12.3	4.8	16.9
Indicators of Fishing Production^{3/}								
Shrimps ('000 kg)	226.2	81.2	188.7	338	...	-64.1	132.4	79.1
Other	2,408.1	2,295.7	2,104.7	...	...	- 4.7	- 8.3	...
TOTAL Fish and Shrimps	2,634.3	2,376.9	2,293.5	...	...	- 9.8	- 3.5	...

1/ Includes green vegetables, peanuts, pulses and cabbages, tomatoes and other vegetables.

2/ Excludes Poultry.

3/ Local fishing activity.

Source: (1) Agarish - Statistische gegevens 1970-1979. Ministry of Agriculture, Livestock and Fisheries, Suriname. (2) Graadmeter van de Surinaamse Skonomie, (Basisgegevens over productie, arbeidsplaatsen, lonen en prijzen). Bureau of Statistics, Suriname.

SURINAME

TABLE IV

AGRICULTURAL AREA UNDER CULTIVATION
(Planted Area)

	<u>H E C T A R E S</u>				<u>Annual Growth Rates</u>			
	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Paddy Rice	48,400	49,700	55,200	62,000	1.9	2.7	11.1	12.3
Maize	94	110	140	125	-35.6	17.0	27.3	-10.7
Sugar cane	2,120	2,188	2,303	2,428	- 7.3	3.2	5.3	5.4
Palm-oil	1,710	1,880	2,025	2,025 ^e	3.9	9.9	7.2	-
Bananas	1,965	1,870	1,760	1,710 ^e	0.8	- 4.8	- 5.9	- 2.8
Plantains	201	250	216	160 ^e	62.1	24.4	-13.6	-25.9
Root Crops	402	400	452	500	8.4	- 0.5	13.0	10.6
Other Vegetables ^{1/}	781	867	939	750 ^e	- 8.3	11.0	8.3	-20.1
Cocoa	390	390	208	147	- 2.7	0.0	-46.7	-29.3
Coffee	360	360	209	190	-14.3	0.3	-41.9	- 9.1

^{1/} Includes Green Vegetables, Peanuts, Pulses, Cabbage, Tomatoes and other Vegetables.

Source: Agrarisch - Statistische gegevens 1970-1977.
Ministry of Agriculture, Livestock and Fisheries Suriname and CEPAL, on the basis of official information.

SURINAME

TABLE V

INDICATORS OF MINING PRODUCTION

	1976	1977	1978	1979	Annual Growth Rates			
					1976	1977	1978	1979
Index of Mining Production (1970 = 100)	92.6	98.0	106.0	96.0 ^{1/}	3.2	5.8	8.2	...
Production ('000 metric tons)								
Bauxite	4,587	4,856	5,025	4,769	- 3.4	5.9	3.5	- 5.6
Alumina	1,163	1,215	1,316	1,312	2.9	4.5	8.3	- 0.3
Aluminium	46	50	59	53	32.3	8.9	18.0	-10.2
Export volume ('000 metric tons)								
Bauxite	1,989	2,172	2,239	1,825	-15.0	9.9	3.1	-18.5
Alumina	1,071	1,097	1,188	1,127	- 2.8	4.1	8.3	- 5.1
Aluminium	46	59	48.5	55	75.4	27.4	-17.8	13.4
Export value (Sf. million)	<u>418</u>	<u>494</u>	<u>497</u>	<u>532</u>				
Bauxite	101	117	122 ^e	107	-10.6	15.8	4.3	-12.3
Alumina	252	281	285	315	11.5	11.5	1.4	10.5
Aluminium	65	96	90	110	66.7	47.7	- 6.2	22.2

^{1/} First Quarter 1979.

Source: Kwartaal Statistiek van de Industriale Produktie
1970-1977, Bureau of Statistics, Suriname, and
data supplied CEPAL.

SURINAME

TABLE VI

INDICATORS OF MANUFACTURING PRODUCTION

	1975 ^r	1976 ^r	1977 ^r	1978 ^r	1979 ^{1/}	<u>Annual Growth Rates</u>		
						1976 ^r	1977 ^r	1978 ^r
<u>Index of Manufacturing Production</u>								
<u>(1970 = 100)</u>								
Butter	177	420	850	631	249	137.3	102.4	-25.8
Sugar	78	69	61	49	116	-11.5	-11.6	-19.7
Wheat flour	82	107	103	106	127	30.5	- 3.7	2.9
Cattle fodder	126	169	206	253	302	34.1	21.9	22.8
Margarine	168	159	120	149	182	- 5.4	-24.5	24.2
Milk (in consumption)	132	149	165	175	171	12.9	10.7	6.1
Alcohol	58	50	44	43	45	-13.8	-12.0	- 2.3
Molasses	64	60	69	42	71	- 6.3	15.0	-39.1
Cigarettes	165	183	189	189	188	10.9	3.3	-
Cigars	41	47	36	33	40	14.6	-23.4	- 8.3
Shoes (male)	180	268	230	268	175	48.9	-14.2	16.5
Shoes (female)	183	156	114	173	128	-14.8	-26.9	51.8

TABLE VI (CONT'D)

INDICATORS OF MANUFACTURING PRODUCTION

		1975 ^r	1976 ^r	1977 ^r	1978 ^r	1979 ^{1/}	<u>Annual Growth Rates</u>		
							1976	1977	1978
<u>Specified Industrial Production</u>									
Butter	Kilograms	54,759	130,209	263,525	195,713	19,300	137.8	102.4	-25.7
Sugar	Metric tons	9,794	8,688	7,597	6,122	3,621	-11.3	-12.6	-19.4
Wheat flour	Metric tons	7,049	9,257	8,834	9,071	2,729	31.3	-4.6	2.7
Cattle fodder	Metric tons	21,497	28,730	35,057	43,017	12,869 ^e	33.6	22.0	22.7
Margarine	'000 kilograms	812	768	576	709	219	-5.4	-25.0	23.1
Milk (in consumption)	'000 litres	6,480	7,311	8,090	8,592	2,095	12.8	10.7	6.2
Alcohol	'000 litres	2,243	1,913	1,714 ^e	1,656	434	-14.7	-10.4	-3.4
Molasses	'000 litres	3,869	3,645	4,144	2,549	1,065	-5.8	13.7	-38.5
Cigarettes	Millions	309	342	354	353	88	10.7	3.5	-0.3
Cigars	Thousands	200	228	174	161	49	14.0	-23.7	-7.5
Shoes (male & female)	'000 pairs	<u>292</u>	<u>340</u>	<u>2,761</u>	<u>354</u>	<u>61</u>	<u>16.4</u>	<u>-18.8</u>	<u>28.3</u>
Shoes (male)	'000 pairs	144	214	184	214	35	48.6	-14.0	16.3
Shoes (female)	'000 pairs	148	126	92	140	26	-14.8	-27.0	52.2

1/ First Quarter only.

2/ These figures have been revised to incorporate data for the second factory. The previous figures were in respect of only one factory.

Source: Kwartaal Statistiek van de Industriële Productie 1970-1977; Bureau of Statistics, Suriname, and data supplied CEPAL.

SURINAME

TABLE VII

EXPORTS OF GOODS

	<u>Millions of Suriname Guilders</u>					<u>Percentage Breakdown</u>		<u>Annual Growth Rates</u>			
	<u>1976^{pe}</u>	<u>1977^{pe}</u>	<u>1978^{pe}</u>	<u>Jan-Sept^e</u>		<u>1970</u>	<u>1977</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
				<u>1978</u>	<u>1979</u>						
<u>Bauxite and processing</u>	<u>422.7</u>	<u>504.5</u>	<u>441.2</u>	<u>399.1</u>	<u>423.8</u>	<u>86.9</u>	<u>81.7</u>	<u>11.7</u>	<u>19.4</u>	<u>-12.5</u>	<u>6.2</u>
Bauxite	(100.9)	(117.1)	(128.7)	(96.0)	(91.5)	(25.7)	(19.0)	(-10.8)	(16.1)	9.9	-4.7
Alumina	(252.4)	(281.4)	(312.5)	(227.4)	(249.6)	(46.3)	(45.5)	(11.7)	(11.5)	11.1	9.8
Aluminium	(69.4)	(106.0)	(109.8)	(75.8)	(82.7)	(14.9)	(17.2)	(77.0)	(52.7)	3.6	9.1
<u>Agriculture & fishing</u>	<u>95.6</u>	<u>96.6</u>	...	...	...	<u>4.1</u>	<u>15.6</u>	<u>55.5</u>	<u>1.1</u>	...	...
Rice	(41.7)	(39.0)	...	...	...	(2.7)	(6.3)	(34.5)	(-6.5)	...	...
Bananas/Plantains	(6.5)	(6.0)	...	...	...	(1.4)	(1.0)	(16.1)	(-7.7)	...	...
Shrimps & fish	(47.4 ^{1/})	(51.6 ^{1/})	...	...	...	( - )	(8.3)	(90.4)	(8.9)	...	...
<u>Wood and processing</u>	<u>11.7</u>	<u>11.0</u>	<u>12.3</u>	<u>8.1</u>	<u>13.0</u>	<u>2.7</u>	<u>1.8</u>	-	<u>-6.0</u>	<u>11.8</u>	<u>60.5</u>
<u>Others</u>	<u>12.4</u>	<u>5.8</u>	...	...	...	<u>6.3</u>	<u>0.9</u>	<u>-14.5</u>	<u>-53.2</u>	...	...
TOTAL	<u>542.4^{2/}</u>	<u>617.9^{2/}</u>	<u>702.4^{2/}</u>	<u>518.3^{2/}</u>	<u>558.3^{2/}</u>	<u>100.0</u>	<u>100.0</u>	<u>16.4</u>	<u>13.9</u>	<u>13.7</u>	<u>7.7</u>

1/ Shrimps only.

2/ Derived from the Balance of Payments on a cash basis.

Source: General Bureau of Statistics/Central Bank of Suriname.

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TABLE VIII

BALANCE OF PAYMENTS 1974-1979^{III}
(On a cash basis; in Sf Mill.)

Description	1974	1975	1976	1977	1978	I - III	
						1978	1979
<u>CURRENT ACCOUNT</u>							
- Merchandise Trade (of which non-monetary gold)	+69.9 (- 1.4)	+23.7 (- 1.4)	+37.2 (+ 1.5)	-24.8 (- 2.1)	+21.1 (- 2.3)	+16.3 (- 1.7)	+38.0 (+ 2.9)
- Services (of which Transport & Insurance of goods)	-62.8 (.)	-80.4 (.)	-39.0 (.)	-62.5 (-13.5)	-55.0 (-17.6)	-42.2 (-13.1)	-50.4 (-13.5)
(of which Foreign Travel)	(-36.7)	(-47.4)	(- 9.5)	(-10.0)	(- 9.1)	(-10.2)	(-16.9)
(of which Government n.i.e.)	(+14.7)	(+10.3)	(-18.9)	(-10.7)	(+ 0.7)	(+ 2.7)	(- 2.5)
- Primary income (of which direct investment income)	-45.3 (.)	-25.3 (.)	-65.6 (.)	-61.3 (-66.4)	-55.2 (-61.6)	-21.4 (-27.8)	-58.1 (-68.4)
(of which Salaries)	(- 1.5)	(- 4.3)	(- 2.5)	(- 5.3)	(- 5.4)	(- 3.6)	(- 5.0)
- Unrequited private transfers (of which private grants & migrants transfers)	- 5.8 (- 2.7)	- 3.2 (- 3.4)	+43.7 (+38.1)	+ 3.8 (+ 0.6)	+ 7.0 (+ 1.3)	+ 5.3 (+ 1.0)	+ 6.8 (+ 2.9)
(of which subsistence remittances)	(- 3.1)	(+ 0.2)	(+ 5.6)	(+ 5.5)	(+ 8.3)	(+ 6.2)	(+ 5.2)
BALANCE ON CURRENT ACCOUNT (I)	-44.0	-85.2	-23.7	-144.8	-82.1	-42.0	-63.7
<u>CAPITAL ACCOUNT</u>							
- Private capital (of which direct investments)	- 0.7 (.)	+70.1 (.)	-93.5 (.)	-21.1 (-24.8)	- 8.2 (-16.5)	-35.4 (-37.4)	-27.2 (-25.5)
- Government Grants	+40.7	+319.5	+159.1	+138.4	+99.0	+79.1	+122.5
- Government loans received	+22.3	+24.9	-	-	+40.0	+40.0	-
- Repayments on Government loans	- 5.8	-270.3	- 2.4	- 2.3	- 2.0	- 2.0	- 1.3
- Other Government Capital	- 1.7	+ 2.8	- 2.7	- 2.1	- 1.2	- 2.6	+ 6.1
- Capital movements of deposit money banks	+ 1.3	-	- 0.1	-	- 4.4	+ 0.5	+ 4.9
BALANCE ON CAPITAL ACCOUNT (II)	+56.1	+147.0	+60.4	+112.9	+123.2	+79.6	+105.0

TABLE VIII (CONT'D)

BALANCE OF PAYMENTS 1974-1979^{III}
(On a cash basis; in Sf Mill.)

Description	1974	1975	1976	1977	1978	I - III	
						1978	1979
ALLOCATION OF SPECIAL DRAWING RIGHTS (III)	-	-	-	-	-	-	+ 6.1
NOT YET CLASSIFIED AMOUNTS (IV)	-	-	-	+ 0.7	+ 0.6	+ 0.5	- 0.2
BALANCE ON TOTAL ACCOUNT (V=I-IV)	+12.1	+61.8	+36.7	-31.2	+41.7	+38.1	+47.2
<u>BALANCING ITEMS:</u>							
(Increase -)							
- Monetary gold	-	-	-	-	+31.5	+31.5	-
(of which valuation changes)	(-)	(-)	(-)	(-)	(+24.5)	(+24.5)	(-)
- Special Drawing Rights	-	-	-	-	-	-	- 6.1
- Reserve position in the IMF	-	-	-	-	-11.0	-	-
- Foreign exchange	-12.1	-61.8	-36.7	+31.2	-62.2	-69.6	-41.1
(of which Central Bank)	(-19.8)	(-42.3)	(-25.3)	(+27.4)	(-51.5)	(-68.9)	(-68.8)
(of which Central Government)	(-)	(-)	(- 7.9)	(+ 1.3)	(+ 1.8)	(+ 1.0)	(+ 3.2)
(of which Deposit money banks)	(+ 7.7)	(-19.5)	(- 3.5)	(+ 2.5)	(-12.5)	(- 1.7)	(+24.5)
TOTAL	-12.1	-61.8	-36.7	+31.2	-41.7	-38.1	-47.2

Source: Central Bank of Suriname.

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TABLE IX

EVOLUTION OF DOMESTIC PRICES
(Base: 1 April 1968 - 31 March 1969 = 100)

	<u>Weights</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Consumer Price Index	100.0	<u>155.3</u>	<u>170.1</u>	<u>186.7</u>	<u>203.2</u>	<u>233.4</u>
Food and beverages	40.0	167.3	183.9	197.4	207.1	233.7
Housing and furnishing	23.6	149.6	159.7	171.7	200.8	225.9
Clothing and footwear	11.0	137.4	162.1	196.2	225.2	280.1
Other items	25.4	146.7	161.6	178.6	189.8	219.3
		<u>Variation December to December</u>				
Consumer Price Index		9.6	14.6	4.1	10.9	15.7
		<u>Annual average variation</u>				
Consumer Price Index		8.6	9.8	9.8	8.8	14.9
Food and beverages		7.4	9.9	7.3	4.9	12.8
Housing and furnishing		8.8	6.7	7.5	17.0	12.5
Clothing and footwear		12.9	18.0	21.0	14.8	24.4
Other items		8.3	10.2	10.5	6.3	15.5

Source: Prijsindexcijfers van der Gezinsconsumptie - Bureau of Statistics.

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TABLE X

MONETARY BALANCE

	<u>Sf. Millions of Guilders</u>				<u>Annual Growth Rates</u>		
	<u>1976^{1/}</u>	<u>1977^{1/}</u>	<u>1978^{1/}</u>	<u>1979^{1/}</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
<u>Money (M₁)</u>	<u>198.0</u>	<u>219.3</u>	<u>246.1</u>	<u>273.5</u>	<u>10.8</u>	<u>12.2</u>	<u>11.1</u>
Currency outside Banks	109.6	125.3	145.1	156.4	14.3	15.8	7.8
Demand deposits	88.4	94.0	101.0	117.1	6.3	7.5	15.9
<u>Factors of Expansion</u>	<u>494.2</u>	<u>577.2</u>	<u>712.4</u>	<u>805.7</u>	<u>17.5</u>	<u>23.5</u>	<u>13.1</u>
Foreign assets (net) ^{2/}	245.5	211.4	281.8	333.6	-12.8	33.4	18.4
Domestic credit	248.7	365.8	430.6	472.1	47.1	17.7	9.6
Claims on Government (net)	(7.6)	(70.3)	(57.7)	(36.3)	(825.0)	(-17.9)	(-37.1)
Claims on the private sector	(241.1)	(295.5)	(372.9)	(435.8)	(22.6)	(26.2)	16.9
<u>Factors of Absorption</u>	<u>260.7</u>	<u>324.6</u>	<u>429.6</u>	<u>493.4</u>	<u>24.5</u>	<u>34.2</u>	<u>14.9</u>
Quasi-money	32.2	33.1	36.7	38.8	2.8	10.9	5.7
Long-term deposits and foreign-borrowing ^{3/}	233.5	296.4	364.2	421.3	26.9	25.7	15.7
Other items (net)	27.2	28.2	65.4	72.1	-20.5	3.7	131.9

^{1/} Including Suriname Postale Bank.

^{2/} Includes Government Foreign Assets.

^{3/} Includes capital and reserves, time deposits for more than one year plus genuine savings plus long-term borrowings.

Sources: Central Bank of Suriname.

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TABLE XI

LOANS AND ADVANCES OF COMMERCIAL BANKS (BY SECTORS)
(Sf. Mill.)

	1976 ^{1/}	1977 ^{1/}	1978 ^{1/}	1979 ^{1/}	<u>Annual Growth Rates</u>		
					1977	1978	1979
Agriculture	19.9	30.3	39.2	54.1	52.3	29.4	38.0
Fishery	2.8	1.5	0.4	0.5	-46.4	-73.3	25.0
Forestry	0.6	0.7	1.4	1.6	1.2	100.0	14.3
Mining	28.9	28.3	25.4	27.6	- 2.1	-10.2	8.7
Manufacturing	25.1	30.5	37.2	44.3	21.5	22.0	19.1
Construction & Installation	8.1	11.0	15.4	21.3	19.1	40.0	38.3
Electricity, gas and water	10.8	13.4	20.3	19.2	24.1	51.5	- 5.4
Sub-total productive sector	<u>96.2</u>	<u>115.7</u>	<u>139.3</u>	<u>168.6</u>	<u>20.3</u>	<u>20.4</u>	<u>21.0</u>
Commerce	73.3	94.7	122.5	136.0	29.2	29.4	11.0
Transport	5.4	7.5	9.4	12.6	38.9	25.3	34.0
Service	8.6	10.0	9.2	16.5	16.3	- 8.0	79.4
Other (including building loans)	69.6	74.2	93.9	105.0	6.5	26.6	11.8
Sub-total Services	<u>156.9</u>	<u>186.4</u>	<u>237.0</u>	<u>270.1</u>	<u>18.7</u>	<u>27.2</u>	<u>14.0</u>
TOTAL	<u>253.1</u>	<u>302.1</u>	<u>376.3</u>	<u>438.7</u>	<u>19.3</u>	<u>24.6</u>	<u>16.6</u>

^{1/} Including Suriname Postale Savings Bank.

Source: Central Bank of Suriname.

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TABLE XII

DISTRIBUTION OF LOANS AND ADVANCES OF
COMMERCIAL BANKS
(Percent)

	1975	1976 ^{1/}	1977 ^{1/}	<u>30 September</u>	
				1978	1979
Agriculture	6.4	7.9	10.0	10.4	12.3
Fishery	2.5	1.1	0.5	0.1	0.1
Forestry	0.1	0.2	0.2	0.4	0.3
Mining	5.5	11.4	9.4	6.7	6.3
Manufacturing	18.7	9.9	10.1	9.9	10.1
Construction and Installation	2.8	3.2	3.7	4.1	4.9
Electricity, gas and water	5.7	4.3	4.4	5.4	4.4
Sub-total (Produc- tive sector)	<u>41.7</u>	<u>38.0</u>	<u>38.3</u>	<u>37.0</u>	<u>38.4</u>
Commerce	32.0	29.0	31.4	32.6	31.0
Transport	1.6	2.1	2.5	2.5	2.9
Service	3.1	3.4	3.3	2.4	3.8
Other (including building loans)	21.6	27.5	24.5	25.5	23.9
Sub-total	<u>58.3</u>	<u>62.0</u>	<u>61.7</u>	<u>63.0</u>	<u>61.6</u>
TOTAL	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

^{1/} Including Suriname Postale Savings Bank.

Source: Derived from Table XI.

PART X
TRINIDAD AND TOBAGO COUNTRY NOTES



ECONOMIC SURVEY 1979

TRINIDAD AND TOBAGO (TT Dollars used throughout)

The Trinidad and Tobago economy, pushed by foreign exchange earnings from the sale of petroleum and petroleum products grew by some 15 percent as measured by estimates of Gross Domestic Product (GDP) at factor cost, in current prices. Real growth is expected to be much less.

Economic activity in Construction grew by 31 percent, as both public and private sectors strove to provide more living accommodation units to meet the housing demands of the population, and to provide other elements of infrastructure. GDP in the Manufacturing sector rose by some 8 percent over the 1978 figure, though indications are that a 3 percent decline in production was partly explained by port congestion and industrial unrest. The Agricultural sector continued to perform unevenly, as sugar production declined, while increased receipts due to the higher world prices of cocoa contributed to a 13 percent increase in foreign-exchange earnings.

Despite the loss of intra-regional and other markets to cheaper sources of supply, the economy recorded a balance of payments surplus of \$678 million. An enlarged money supply forced the monetary authorities to use moral suasion and to enact legislation to contain the resulting rate of inflation which grew some 15 percent as measured by the average annual rate of increase in the Retail Price Index. The restriction of bank credit to consumption-oriented loans in favour of business loans sought to restrain the situation in which growth in the services sectors outstripped that of the goods-producing sectors.

The rate of unemployment which has declined steadily over the last four years was estimated to be of the order of 11.9 percent for the period January to June 1979. Increases in the

numbers employed in Construction, Commerce and the Service Sectors were mainly responsible for the fall in the unemployment rate. A drop of 4.8 thousand jobs in the Agricultural Sector quantifies the extent of the drift of labour out of that sector into Construction and the Service Sectors.

Government, recognizing the need to initiate a policy of energy conservation, increased the retail price of petroleum products and reduced the subsidy on them. Tax relief was granted on a number of items, aimed at effecting a more equitable distribution of income and fostering agricultural production.

PERFORMANCE IN THE MAJOR SECTORS

Mining and Refining

The production of crude petroleum fell by an estimated 7 percent in 1979, partly because of the natural decline in production of existing oilfields that have reached maturity, and partly because of an absence of new and significant oil discoveries. Despite this fact, GDP in the Petroleum Sector rose some 7 percent in 1979, though the sector's percentage contribution to total GDP fell from 41 percent in 1978 to 38 percent in 1979.

Refinery throughput and output fell for the third successive year, affecting with their decrease, the quantity of refined products exported. At the same time, natural gas production rose some 8 percent in 1979. The major purchasers of natural gas are the Trinidad and Tobago Electricity Commission and two large petrochemical plants. Together they account for some 94 percent of total sales.

Although Trinidad and Tobago is an oil producer, existing resources have a relatively short projected period for exploitation. In 1979, Government reduced the subsidy on petroleum products in order to encourage a more rational use of energy. The use of natural gas for energy-intensive industries frees up vast amounts of other fuel that can be sold externally. Work aimed at ducting crude petroleum from the

east coast fields to the area that will accommodate the heavy industry continued in 1979.

Manufacturing (excluding Petroleum Refining)

Indicators of manufacturing production for the period January to June 1979 show an increase of 6 percent in production over the 1978 level. Mainly responsible for this increase were increases in food production, wood and related products, chemical and non-metallic products and assembly-type and related industries. In the food processing industries, fruit and vegetable processing has been the most dynamic sub-sector, through production fell somewhat in 1979 because of the effects of floods on vegetable crops. Manufacturing activity in this area is expected to increase in response to demand resulting from the Government's school feeding programme. Production of chemicals and non-metallic products levelled off somewhat in 1979, and seemed to be positively correlated with activity in the petroleum sector. Industrial unrest, the closure of one industrial plant and the destruction of another by fire, and poor port facilitation as well as a contracted CARICOM market and tightened domestic liquidity combined to produce an estimated zero growth rate in production in the assembly sub-sector.

The Manufacturing sector's contribution to GDP rose to some \$771 million in 1979 - an increase of some 17 percent over the 1978 figure. Table 1 below shows an analysis of GDP in sub-sectors of manufacturing.

Table 1

Breakdown of Gross Domestic Product
by sub-sectors of Manufacturing
(TT\$ Mill.)

Sub-Sector of Manufacturing excluding Petroleum	1976	1977 ^r	1978 ^r	1979 ^p
Sugar	48.4	36.9	24.8	30.5
Distilleries	19.7	20.4	24.0	28.0
Food, Beverages & Tobacco	115.8 ^{163.2}	108.3 ^{107.9}	121.6	147.1
Textile, Garments & Footwear	37.4	39.6	42.5	46.8
Printing, publishing and paper converters	34.8	44.1	57.7	57.7
Wood and related products	33.4	30.9	32.4	42.6
Chemicals & non-metallic minerals	53.4	59.2	67.2	95.7
Assembly type and related industries	135.0	198.0	246.6	278.1
Miscellaneous manufacture	19.5	35.8	39.7	44.1
TOTAL MANUFACTURING	497.4	573.2	656.5	770.6

Source: The Gross Domestic Product of the Republic of Trinidad and Tobago, 1966-1976 and data supplied CEPAL.

Table 1, viewed against the background of declines in production, indicates price increases in the products of the sub-sectors listed above. This seems consistent with the observed movements in the Retail Price Index.

Agriculture

Sugar production continued to decline, falling by some 3 percent below the 1978 level of 147,000 tonnes. Continuing problems of unscheduled fires, disease, technical problems and worker absenteeism have in part accounted for the poor performance. Whereas local sales of sugar rose in 1979, exports declined, because of low supplies to established markets such as

the CARICOM and EEC markets, and to the free market in accordance with the International Sugar Agreement. The relatively low price of sugar on the world market continues to impart a downward bias on negotiated EEC prices. A Sugar Rationalization Committee has identified a new direction for the sugar industry. The major recommendations arrived at are the following:

- a) Concentration on white sugar for export.
- b) Diversification of the industry with respect to food crops and livestock, especially in the context of the school feeding programme.
- c) Greater emphasis on the mechanization of cultivation.
- d) Priority attention to displaced sugar workers in the agricultural settlement for the production of food.

Other Agriculture

Preliminary data collected reveal that agricultural production fell in most of the sub-sectors in 1979. A 36 percent increase in the output of oranges and a significant increase in the production of meat were among the few encouraging outcomes in the sector. The production of coffee beans declined insignificantly in 1979, despite the fall in its average export price from \$9.74 to \$6.26 per kilogram in 1979. With the continuing decline in the production of cocoa in the West African countries due either to weather conditions or to a shift of the labour force out of agriculture and into more remunerative activities, the average export price of cocoa rose by 150 percent in 1978 over the 1974 level. Indications are that despite the slight fall in production of cocoa beans, foreign earnings from their export rose some 13 percent in 1979. In order to take advantage of the improved external market and price situation in cocoa and coffee, a National Rehabilitation Programme for cocoa and coffee has been proposed in an attempt

to re-organize the sub-sectors to realize their full potential and achieve pre-1976 levels of production.

Construction

Performance in this sector outstripped that of any other sector in 1971. GDP estimates indicate a 31 percent rate of growth over the previous year's figure, despite problems of supply of building materials due either to port congestion, deficient local production, or weather conditions both locally and in countries of origin of certain types of building materials such as lumber, which affected supply. Public sector activity in Construction was directed towards Housing, infrastructural development for Housing, and the construction of the East-West road corridor. Private sector activity, mainly aimed at home construction, was dampened somewhat by tightened credit in the banking sector, and to some extent by the adverse effects of competition with public sector activity for relatively scarce materials such as cement, and relatively scarce skilled manpower.

EXTERNAL SECTOR

The magnitude of petroleum exports ensured for the economy a continuing Balance of Payments surplus, though reduced from the level of the previous year. An import bill that rose at a faster rate than the export bill helped to produce a surplus on Merchandise Trade of \$814.7 million that was smaller than that of the previous year. Main reasons for the drop in the quantum of the surplus were the decline in domestic production and higher import prices. The continued vulnerability of the balance of payments to petroleum exports is brought into sharper focus when the data reveal that the non-oil deficit was higher than the corresponding figure for the previous year. The net position on the transportation item rose substantially in 1979, again aided by increased earnings from stores and bunkers. The movements in the other items procured for the Net Services figure a net outflow of some \$504 million, and contributed to a Balance on Current Account of \$207.5 million. The availability of domestic energy supplies and investment

opportunities, as well as Government's expansionary programme fostered a \$536 million net inflow of capital, most of which was destined to the Private Sector. The overall balance of payments surplus was \$678 million.

DEVELOPMENTS IN CARICOM TRADE

During 1979, very little progress was made in deepening the integration process, as most of the CARICOM states were involved in the solution of their economic and socio-political problems as well as, in some cases, coping with natural disasters. Imports into Trinidad and Tobago from other CARICOM countries increased in value terms by some 38 percent, while Domestic Exports increased by just under 1 percent, this being due to the loss of some regional markets to cheaper extra-regional sources of supply. No substantial difference in the pattern of intra-CARICOM trade was noted. The declining trend of Trinidad and Tobago's balance of visible trade with CARICOM countries continued.

PRICES

The rate of inflation as measured by the Index of Retail Prices (Annual Average) rose to 14.7 percent in 1979. The greatest relative price increases were observed in Housing, Services, Food and Household supplies. The increase in Housing reflected the difficulties in Construction and the increase in the price of building materials, as well as substantial increases in rents.

The increases in the Food Section reflect the continued price increase originating both externally and internally. The externally originating increases were the indirect effects of petroleum price increases translated through transport costs among other variables, while for the major part, domestically originating price increases were the result of

the continuing drift out of agriculture into highly remunerative but low productivity non-goods-producing sectors.

The rate of inflation in Services is expected to rise in 1980 in response to the reduction of the subsidy on Petroleum products.

FISCAL AND MONETARY ACTIVITIES

Fiscal Developments

Government Sector GDP rose by some 19 percent in 1979 to an estimated \$795.2 million, though the sector's share in total GDP remained more or less the same. Estimates of Recurrent revenue indicate a 30 percent increase over the previous year, with income tax being the most important component of the receipts. Recurrent expenditure was estimated to have been of the order of \$2,142 million, the increase over the previous year being largely due to increased wages and salaries. Government granted tax reliefs in the area of Medical Expenses, tax rebates for low income groups, gave increased concessions on income earned from interest, and exempted from taxation, rental income from houses approved under the Housing Act provided that the rental income did not exceed \$750.00 per month. Reliefs were also granted on Corporation Tax, Estate and Succession Duties and on the Purchase Tax on main items of durable consumer goods. Customs duties in respect of a number of food items were abolished, and extensive subsidies and duty-free concessions aimed at encouraging agricultural production were instituted. In the Fishing sub-sector of Agriculture, rebates on fuel and lubricating oil used in the inshore fishing industry were fixed on a quota basis, while more generous duty-free concessions regarding the acquisition of boats, were granted.

Monetary Developments

Within recent years, monetary policy has been aimed at containing the growth in money supply and effecting an efficient distribution of bank credit on a sectoral basis. The Central Bank has tended to use moral suasion to encourage a re-direction of loans away from

consumption into productive activities. This policy was maintained in 1979, as credit expansion was checked, while deposits grew in response to better interest rates. At the same time more credit was channelled towards business activities.



STATISTICAL APPENDIX

TRINIDAD AND TOBAGO

1979



TRINIDAD AND TOBAGO

TABLE I

MAIN ECONOMIC INDICATORS

	1975	1976	1977 ^r	1978 ^r	1979 ^p
<u>Basic economic indicators (constant prices)</u>					
Gross domestic product at factor cost (\$ Mill. at 1970 prices)	1,923.6	2,126.5	2,295.4	2,436.4	...
Population (thousands of inhabitants)	1,081.5	1,098.2	1,114.8	1,134.5	1,148.6
Per capita GDP (\$ at 1970 prices)	1,779	1,936	2,059	2,147.5	...
<u>Short-run economic indicators</u>					
	ANNUAL GROWTH RATES				
Gross domestic product (current values)	34.0	18.7	22.4	12.6	15.3
Per capita gross domestic product	34.0	18.7	22.4	12.6	15.3
Terms of Trade	0.7	1.9	14.2	-22.2	...
Current value of exports of goods & services	32.2	20.0	16.1	0.9	13.5
Current value of imports of goods & services	29.6	29.3	22.2	10.2	7.4
Consumer price index Dec. - Dec.	13.4	12.0	11.4	8.8	19.6
Variation between annual averages	18.8	8.7	11.8	10.2	14.7
Money	50.7	38.1	31.7	43.2	17.2
Rate of unemployment	- 3.2 ^r	...	...	-11.1	-
Current revenue of government	38.0	26.0	29.4	5.1	3.5
Total expenditure of government	25.1	22.4	50.8	2.0	8.2
	MILLIONS OF DOLLARS				
<u>External Sector</u>					
Trade balance (goods and services)	631.8	518.3	406.1	276.7	310.3
Balance on current account	585.9	445.2	331.4	187.5	207.5
Variation in net international reserves (- means increase)	-963.7	-401.7	-1,049.1	787.4	678.0
External debt	222.5	128.9	499.6	748.9	900.0

Source: Annual Report 1977; Central Bank of Trinidad and Tobago;
The Gross Domestic Product of the Republic of Trinidad and
Tobago, 1968-1977; Central Statistical Office.

TRINIDAD AND TOBAGO

TABLE II

GROSS DOMESTIC PRODUCT, BY ECONOMIC ACTIVITY, AT FACTOR COST
(Current prices: TT\$ Mill.)

	1977 ^r	1978 ^r	1979 ^p	Percentage Breakdown		Annual Growth Rates		
				1973	1979	1977 ^r	1978 ^r	1979
Agriculture	22.1	256.5	266.8	4.4	2.6	13.1	14.5	4.0
Petroleum	3,647.0	3,676.0	3,942.0	27.4	38.1	23.1	0.8	7.2
Manufacturing excluding Petroleum	573.2	656.5	770.6	9.5	7.5	15.2	14.5	17.4
Construction	506.6	655.7	856.8	6.9	8.3	24.4	29.4	30.7
Sub-Total Goods	4,950.8	5,244.7	5,836.2	48.2	56.4	22.0	5.9	11.3
Electricity & Water	98.2	105.7	104.4	1.9	1.0	51.8	7.6	1.2
Transport, Storage & Communications	508.8	656.0	802.4	11.4	7.7	35.3	28.9	22.3
Sub-Total Basic Services	607.0	761.7	906.8	13.3	8.8	37.7	25.5	19.0
Commerce, Restaurants & Hotels	809.8	915.5	1,171.3	15.3	11.3	15.3	13.0	27.9
Finance, Insurance & Real Estate	694.4	935.9	1,137.9	7.8	11.0	29.8	34.8	21.6
Government	563.4	666.0	795.2	9.1	7.7	19.3	18.2	19.4
Education & Culture & Community Services	186.4	277.2	306.2	3.0	3.0	18.3	48.7	10.5
Personal Services	150.9	165.4	189.4	3.3	1.8	9.8	9.6	14.5
Sub-Total Other Services	2,404.9	2,960.0	3,600.0	38.5	34.8	19.9	23.1	21.6
Total Gross Domestic Product	7,962.7	8,966.4	10,343.0	100.0	100.0	22.4	12.6	15.3

Source: Data supplied CEPAL by Central Statistical Office.

TRINIDAD AND TOBAGO

TABLE III

AGRICULTURAL PRODUCTION

	Unit	1976	1977	1978	1979	Annual Growth Rates		
						1977	1978	1979
Sugar	'000 tonnes	203.6	176.0	147.0	142.7	-13.6	-16.5	- 2.9
Cocoa beans	'000 kg	3,249.2	3,344.9	3,397.9	2,620.5	2.9	1.2	-22.9
Coffee beans	'000 kg	2,670.9	2,918.5	2,499.7	2,496.3	9.3	-14.3	- 0.1
Oranges	'000 kg	6,234.2	743.0 ^P	2,211.4	2,999.4	-88.1	201.1	35.6
Grapefruit	'000 kg	8,784.6	2,671.6	5,604.6	3,938.1	-69.6	109.8	-29.7
Copra	'000 tonnes	9.1	9.0	7.4	6.1	- 1.1	-17.8	-17.6
Tobacco	'000 kg	147.8	87.5	119.5	119.2	-40.8	36.6	- 0.3
Meat								
Beef & Veal	'000 kg	1,296.5	1,312.1	1,436.6	1,969.0	1.2	9.5	37.1
Pork	'000 kg	2,382.5	2,615.0	2,158.6	2,418.2	9.8	-17.5	12.0
Mutton	'000 kg	78.1	71.8	79.4	93.9	- 8.1	10.6	18.3
Poultry (live weight)	'000 kg	27,091	33,029	33,663.0 ^P	24,686.5	21.9	1.9 ^r	-26.7
Fish	'000 kg	2,726.8	3,162.9	2,944.1	2,773.7	16.0	- 7.0 ^r	- 5.8
Eggs	'000 kg	2,340.7	2,998.0	3,519.8	3,045.7 ^e	28.1	-11.9	-13.5
Milk	'000 litres	6,319.5	5,868.1	5,926.7 ^r	3,838.4	- 7.1	0 1.0 ^r	-35.2

Source: Quarterly Economic Report, January-March 1979
and data supplied by Central Statistical Office.

TRINIDAD AND TOBAGO

TABLE IV

PRODUCTION IN MINING AND REFINING

Production	Unit	1976	1977	1978	1979	Annual Growth Rates		
						1977	1978	1979
Petroleum	Mill. barrels	77.7	83.6	83.8	78.3	7.6	0.2	- 6.6
Natural Gas	'000 cu. metres	3,906.6	4,235.9	4,473.6	4,808.5	8.4	4.6	7.5
Asphalt	'000 tonnes	65.6	44.3	62.4	55.9	-32.5	-34.3	-10.5
Liquid petroleum gases	Mill. barrels	0.4	0.5	0.6	0.8	25.0	20.0	33.3
Motor gasoline	Mill. barrels	19.9	18.9	16.8	14.8	- 5.0	-11.1	-11.9
Aviation gasoline	Mill. barrels	0.3	0.3	0.3	0.3	0.0	0.0	0.0
Aviation turbine fuel	Mill. barrels	4.2	2.4	2.2	2.5	-42.9	- 8.3	13.6
White spirit	Mill. barrels	0.01	0.01	0.02	-	0.0	100.0	-100.0
Desulphurised crude	Mill. barrels	-	-	-	1.1	-	-	1/
Kerosene	Mill. barrels	6.8	5.8	4.5	3.2	-14.7	-22.4	-28.9
Gas/diesel oil	Mill. barrels	12.1	10.7	10.1	11.7	-11.6	- 5.6	15.8
Fuel oils/flux	Mill. barrels	66.7	56.3	45.5	43.5	-15.6	-19.2	- 4.4
Lubricating oil/greases	Mill. barrels	0.8	0.9	0.7	0.7	12.5	-22.2	0.0
Asphaltic products	Mill. barrels	0.1	0.2	0.2	0.3	100.0	0.0	50.0
Petrochemicals	Mill. barrels	1.1	0.9	0.8	1.0	-18.2	-11.1	25.0

1/ The item "desulphurised crude" has been accounted for as of July 1979.

Source: Quarterly Economic Report, April-June 1978 and data supplied by the Ministry of Energy and Energy Based Industries; formerly Ministry of Petroleum and Mines.

TRINIDAD AND TOBAGO

TABLE V

INDICATORS OF MANUFACTURING PRODUCTION (EXCLUDING OIL & SUGAR)
(1977 = 100)

	1976 ^r	1977 ^r	1978 ^r	1979	<u>Annual Growth Rates</u>		
					1977	1978	1979
Index of Manufacturing Production - TOTAL	90.9	100.0	108.7	115.0	10.0	8.7	5.8
Food processing	100.4	100.0	105.8	116.1	- 0.4	5.8	9.7
Drink and Tobacco	103.2	100.0	96.3	93.4	- 3.1	- 3.7	- 3.0
Textile, knitted garments and footwear	108.2	100.0	99.1	96.3	- 7.6	- 0.9	- 2.8
Printing, publishing and paper converters	74.6	100.0	97.7	111.6	34.0	- 2.3	14.2
Wood and related products	102.6	100.0	88.8	116.8	- 2.5	-11.2	31.5
Chemical & Non-Metallic products	110.0	100.0	126.1	128.6	- 9.1	26.1	2.0
Assembly-type and Related Industries	80.0	100.0	113.2	113.2	25.0	13.2	0.0
Miscellaneous manufactures	133.8	100.0	103.8	120.9	-25.3	3.8	16.5

Source: Economic Indicators Report, October-December 1978, and data supplied CEPAL.

TRINIDAD AND TOBAGO

TABLE VI

OUTPUT OF SELECTED INDUSTRIAL PRODUCTS

	Units	1976	1977	1978 ^r	1978 ^{1/2/}	1979	Annual Growth Rates		
							1977	1978	1979 ^e
Sugar	'000 tonnes	203.6	176.0	147.0	.	142.6	-13.6	-16.5	- 3.0
Rum	'000 proof gallons	4,098.9	4,225.9	4,664.7	.	3,212.0	3.1	10.4	-32.0
Beer and Stout	'000 liq. gallons	6,637	6,699	5,437.2	2,373.3 ^{2/}	3,102.4 ^{2/}	0.9	-18.8	30.7
Cigarettes	'000 kg	1,031.9	1,004.0	1,018.0	.	...	- 2.7	1.4	...
Edible Oil	'000 litres	8,473.3	8,652.4	7,315 ^P	3,688.2 ^{2/}	3,779.5 ^{2/}	2.1	-15.5	2.5
Margarine, Lard & Butter substitute	'000 kg	7,603.0	6,804.6	7,559.7	3,464.5 ^{2/}	3,823.7 ^{2/}	-10.5	11.1	10.4
Soap	'000 kg	6,058.2	4,453.7	4,425.5	2,063.6 ^{2/}	1,784.6 ^{2/}	-26.5	- 0.6	-16.0
Cement	'000 tonnes	241.5	218.1	223.4	.	217.6	- 9.7	2.4	- 2.6
Bricks and Blocks	'000	20,877	25,655	25,450	23,495.5 ^{1/}	22,436.3 ^{1/}	22.9	- 0.8	- 4.5
Fertilizers	'000 tonnes	337.9	342.1	632.0	.	677.5	1.2	84.7	7.2
Assembly industries (n.e.s.)									
Motor vehicles	Numbers	11,562	14,320	16,161	.	15,247	23.9	12.9	- 5.8
Radios	Numbers	17,676	15,050	10,029	.	7,991	-14.9	-33.4	-20.3
TV's	Numbers	12,717	13,482	12,022	.	10,541	6.0	-10.8	-12.3
Gas cookers	Numbers	18,574	27,071	22,346	.	15,254	45.7	-17.5	-31.7
Refrigerators	Numbers	27,838	22,960	25,025	.	21,124	-17.5	9.0	-15.6

1/ Data refer to the period January-November 1979. 2/ Data refer to the period January-June 1979.

Source: Quarterly Economic Report, January-March 1979; and data supplied by the Central Statistical Office, and Central Bank of Trinidad & Tobago.

TRINIDAD AND TOBAGO
TABLE VII
SELECTED EXPORTS OF GOODS

	<u>Millions of Dollars (F.O.B.)</u>					<u>Percentage</u>		<u>Annual Growth Rates</u>		
	1976	1977	1978	<u>Jan-Sept</u> 1978	<u>Jan-Sept</u> 1979	<u>Breakdown</u> 1970	1979	1977	1978	1979
<u>Main traditional exports</u>										
Petroleum products	3,063.9	2,730.9	2,343.2	1,810.6	2,272.7	70.8	53.1	-10.9	-14.2	25.5
Crude petroleum ^{1/}	1,820.2	2,055.8	2,029.0	1,528.7	1,597.8	9.1	37.3	12.9	- 1.3	4.5
Sugar ^{2/}	116.9	83.4	53.7	53.3	84.0	4.5	2.0	-28.7	-35.6	57.6
Rum	6.9	7.8	10.2	8.5	10.9	0.2	0.2	13.0	30.8	28.2
Natural asphalt	4.4	3.1	0.4	0.1	1.6	0.4	-	-29.5	-87.1	... ^{3/}
<u>Main non-traditional exports</u>										
Petrochemicals	64.0	67.2	56.3	41.4	38.7	2.5	0.9	4.8	-16.2	- 6.5
Fertilizer & ammonia	57.6	61.0	121.6	87.6	88.2	4.5	2.1	6.1	99.3	0.7
Cocoa beans	10.1	20.8	26.7	25.4	22.2	1.0	0.5	105.9	28.4	-12.6
Coffee beans	6.6	9.6	11.2	11.1	8.1	0.3	0.2	45.5	16.7	-27.0
Citrus & citrus juice	3.6	1.9	3.1	2.8	3.5	0.4	0.1	-47.2	63.2	25.0
Cement	1.3	0.0	-	-	-	0.5	-	0.0	-	-
<u>Total Domestic Exports</u>	5,331.6	5,189.0	4,802.7	3,674.6	4,278.0	100.0	100.0	- 2.7	- 7.4	16.4

^{1/} Crude and partly refined petroleum.

^{2/} Refined and unrefined sugar.

^{3/} Because of the relatively low base at 1978 the value for 1979 yields an enormous growth rate of 1500.0%.

Source: Quarterly Economic Report (Central Statistical Office) and data supplied by Central Statistical Office.

TRINIDAD AND TOBAGO

TABLE VIII

IMPORTS OF GOODS

	Millions of \$ (CIF) at Current prices				Percentage Breakdown		Annual Growth Rates		
	1977	1978	Jan-Sept	Jan-Sept	1970	Jan-Sept	1977	1978	1979
			1978	1979		1979			
<u>Consumer goods</u>	<u>731.3</u>	<u>782.8</u>	<u>579.6</u>	<u>585.9</u>	17.7	16.1	24.9	7.0	1.1
Non-durable	358.3	462.0	333.4	379.2	9.8	10.4	25.0	28.9	13.7
Semi-durable	207.2	152.3	121.2	99.2	6.0	2.7	15.2	-26.5	-18.2
Durable	165.8	168.5	125.0	107.5	1.9	2.9	39.4	1.6	-14.0
<u>Intermediate goods</u>	<u>2,991.5</u>	<u>3,085.9</u>	<u>2,392.7</u>	<u>1,982.6</u>	72.9	54.5	-15.8	- 3.1	-17.1
Crude petroleum	2,047.6	1,900.3	1,485.8	885.6	48.2	24.3	-25.1	- 7.2	-41.4
Steel materials	241.2	233.6	196.8	121.3	4.7	3.3	19.3	- 3.2	-38.4
Fuels, lubricants, blending agents and asphalt	29.4	31.7	24.4	31.3	1.4	0.1	20.5	7.8	28.3
Others	673.3	920.3	685.7	944.4	18.6	26.0	14.2	36.7	37.7
<u>Capital goods</u>	<u>601.2</u>	<u>852.2</u>	<u>640.8</u>	<u>1,068.1</u>	9.4	29.4	-12.2	41.7	66.7
<u>TOTAL</u>	<u>4,324.1</u>	<u>4,720.9</u>	<u>3,613.1</u>	<u>3,636.6</u>	100.0	100.0	-10.3	9.2	- 0.6

Source: Quarterly Economic Report, January-March 1979;
Central Statistical Office and data supplied CEPAL.

TRINIDAD AND TOBAGO

TABLE IX

BALANCE OF PAYMENTS

	1975	1976	1977	1978 ^r	1979 ^p
<u>CURRENT ACCOUNT</u>					
<u>MERCHANDISE (NET)</u>	949.8	920.3	1,190.5	964.5	814.7
Exports	2,557.5	3,021.3	3,537.2	3,770.2	3,890.0
Imports	1,607.7	2,101.0	2,346.7	2,805.7	3,075.3
<u>SERVICES (NET)</u>	-318.0	-402.0	-784.4	-687.8	-504.4
Transportation	118.9	123.0	153.5	142.9	206.0
Foreign travel	90.6	94.2	94.7	33.0	92.1
Investment Income	-588.8	-700.1	-1,056.0	-837.0	-746.2
Other Services	61.3	80.9	23.5	-26.7	-56.3
<u>TRANSFER PAYMENTS (NET)</u>	-45.9	-73.1	-74.7	-89.2	-102.8
Private	-24.4	-26.1	-38.8	-49.4	-63.3
Official	-21.5	-47.0	-35.9	-39.8	-39.5
<u>BALANCE ON CURRENT ACCOUNT</u>	585.9	445.2	331.4	187.5	207.5
<u>CAPITAL ACCOUNT</u>					
Capital Inflows (net)	354.7	-35.0	685.1	587.4	535.7
Private	409.2	231.1	344.3	336.2	436.2
Public	-54.5	-266.1	340.8	251.2	99.5
<u>ERRORS AND OMISSIONS</u>	23.1	-8.5	32.6	12.5	-65.2
<u>OVERALL SURPLUS OR DEFICIT</u>	963.7	401.7	1,049.1	787.4	678.0
<u>NET COMPENSATORY FINANCING</u> (increase -)					
<u>CHANGE IN NET INTERNATIONAL</u>					
RESERVES (increase -)	-963.7	-401.7	-1,049.1	-787.4	-678.0
Foreign exchange	-933.7	-387.2	1,037.7	-761.4	...
I.M.F. Gold Tranche	-28.6	-8.8	-	10.0	...
S.D.R.'s	-1.4	-5.7	-11.4	16.0	...

Source: Annual Report 1977, Central Statistical Office
and data supplied Central Bank of Trinidad and Tobago

TRINIDAD AND TOBAGO

TABLE X

INDICATORS OF EXTERNAL INDEBTEDNESS

(TT\$ Mill.)

	1974	1975	1976	1977	1978 ^r	1979 ^e
Total external public debt	241.4	222.5	128.9	499.6	756.5	900.0
Servicing of external debt	88.5	51.0	103.2	27.0	55.0	75.2
Amortization and sinking fund	63.1	31.3	89.2	15.2	14.0	15.8
Interest payments	25.4	19.7	13.9	10.0	45.0	59.4
Management of Loan	-	-	0.1	1.8	3.0	0.5
Servicing of debt as a percentage of total exports	2.1	1.3	1.9	0.5	1.1	1.5

Source: Central Bank of Trinidad and Tobago,
and the Ministry of Finance.

TRINIDAD AND TOBAGO

TABLE XI

EVOLUTION OF CONSUMER PRICE INDEX
(September 1975 = 100)

	<u>%</u> Weight	1976	1977	1978	1979
ANNUAL AVERAGES					
TOTAL	100.0	108.7	121.5	133.9	153.6
Food	33.4	105.9	113.2	123.5	140.6
Drink and Tobacco	6.4	111.6	123.3	141.8	158.2
Housing	9.3	105.9	119.5	138.6	166.6
Services	2.1	106.6	117.9	139.5	163.8
Household supplies	6.7	109.9	123.3	136.7	155.4
Clothing	18.0	109.8	125.9	136.4	148.4
% VARIATION DECEMBER TO DECEMBER					
TOTAL		12.0	11.4	8.8	19.6
Food		...	11.2	6.8	22.9
Drink and Tobacco		...	10.6	11.7	19.3
Housing		...	14.8	14.1	21.8
Services		...	13.9	13.9	26.8
Household supplies		...	10.7	11.3	15.1
Clothing		...	10.4	6.1	13.0
ANNUAL AVERAGE VARIATIONS					
TOTAL		8.7	11.8	10.2	14.7
Food		5.9	6.9	9.1	13.8
Drink and Tobacco		11.6	10.5	15.0	11.6
Housing		5.9	12.8	16.0	20.2
Services		6.6	10.6	18.3	17.4
Household supplies		9.9	12.2	10.9	13.8
Clothing		9.8	14.7	8.3	8.8

Source: Quarterly Economic Report,
April-June 1978 and data supplied CEPAL
by Central Statistical Office.

TRINIDAD AND TOBAGO

TABLE XII

EVOLUTION OF WAGES^{1/} AND SALARIES
(Indexes 1976 = 100)

	1977	1978	<u>May</u> <u>1978</u>	<u>May</u> <u>1979</u>
<u>Wages and Salaries</u>				
Nominal	113.2	140.8	136.9 ^r	163.7 ^{2/}
Real	101.3	114.3	97.9	115.9
ANNUAL GROWTH RATES				
<u>Wages and Salaries</u>				
Nominal	13.2	24.4	.	19.6 ^{3/}
Real	1.3	12.8	.	18.4 ^{3/}

^{1/} Data are in respect of Average of May and November.

^{2/} Data in respect of May.

^{3/} Rates calculated on basis of May 1979/May 1978: CEPAL estimate.

Source: Economic Indicators Report,
April-June 1979 and data
supplied CEPAL.

TRINIDAD AND TOBAGO

TABLE XIII

CENTRAL GOVERNMENT REVENUE AND EXPENDITURE
(TT\$ Mill.)

	1976 ^{1/}	1977 ^{1/}	1978 ^{1/}	1979 ^{2/}	<u>Annual Growth Rates</u>		
					1977	1978	1979
<u>Recurrent Revenue</u>							
Tax revenue of which:							
Income Tax	1,374.4	1,837.8	1,833.0	2,429.2	33.7	- 0.3	32.5
Royalty	225.7	263.1	273.1	417.7	16.6	3.8	52.9
Customs & Excise	186.4	247.7	287.7	331.9	32.9	16.1	15.4
Purchase Tax	61.0	56.7	66.5	78.8	- 7.0	17.3	18.5
<u>Total Recurrent Revenue</u>	2,125.0	2,749.1	2,769.7	3,604.6	29.4	0.7	30.1
<u>Recurrent Expenditure</u>							
General Services	235.1	247.0	341.2	542.4	15.1	38.1	59.0
Community Services	52.3	75.3	86.7	144.5	18.9	15.1	66.7
Social Services	372.2	474.8	575.1	753.8	31.8	21.1	31.1
Economic Services	154.7	184.6	236.1	385.8	19.1	27.9	63.4
Unallocated Expenditure	154.2	145.2	194.2	315.0	- 6.4	33.7	62.2
<u>Total Recurrent Expenditure</u>	968.6	1,127.0	1,433.4	2,141.6	19.0	27.2	49.4
Current Surplus	1,156.4	1,622.1	1,336.3	1,463.0	38.1	-17.6	9.5
Capital Revenue	89.9	462.9	328.8	196.6	414.9	-29.0	-40.0
Capital Expenditure	1,089.8	2,049.9	1,452.6	2,621.4	79.0	-29.9	80.5
TOTAL Expenditure	2,058.4	3,176.9	2,886.0	4,763.0	50.8	- 9.2	65.0
TOTAL Revenue	2,214.9	3,212.0	3,098.5	3,801.2	45.0	- 3.5	22.7
Fiscal Surplus (+) or Deficit (-)	156.6	35.1	212.5	-961.8	-30.7	505.4	-552.6

^{1/} Data relate to actual receipts disbursements.

^{2/} Revised estimates.

Source: 1979 Budget Speech, Ministry of Finance,
Trinidad and Tobago, and data supplied CEPAL.

TRINIDAD AND TOBAGO

TABLE XIV

MONETARY BALANCE
(TT\$ Mill.)

	Balance at end of				Annual Growth Rates		
	1976	1977	1978	1979 ^P	1977	1978	1979
<u>Money</u>	669.8	881.8	1,262.9	1,480.1	31.7	43.2	17.2
Currency outside banks	177.2	230.9	295.6	412.1	30.3	28.0	39.4
Demand deposits (adjusted)	492.6	650.9	967.3	1,068.0	32.1	48.6	10.4
<u>Factors of Expansion</u>							
Foreign assets (net)	2,397.7	3,501.3	4,225.2 ^F	5,070.4	46.0	20.7	12.0
Domestic Credit							
Government (net)	-1,543.4	-2,693.0	-3,211.2 ^F	-3,319.4	74.5	11.8	3.4
Official entities							
Private sector ^{1/}	1,290.6	1,798.1	2,414.2	2,854.7	39.3	34.3	18.2
<u>Factors of Absorption</u>							
Quasi-money (savings + time deposits)	-1,314.0	-1,660.8	-2,027.3	-2,724.7	26.4	22.1	34.4
Long-term foreign borrowing	128.7	139.6	247.8 ^P	266.2	5.0	78.4	7.4

^{1/} Includes Public Bodies.

Source: Central Bank of Trinidad and Tobago.

TRINIDAD AND TOBAGO

TABLE XV

ANALYSIS OF TRADE WITH CARICOM COUNTRIES
(TT\$ '000)

Country	IMPORTS (CIF)			DOMESTIC EXPORTS (FOB)				
	Jan-Dec 1978	%	% Growth	Jan-Dec 1979	Jan-Dec 1978	%	% Growth	Jan-Dec 1979
Guyana	40,138.7/	22.3	22.4	49,122.3	88,756.9/	26.1	-22.0	69,227.9
Grenadines	-	-	-	0.0	130.1	-	-62.7	48.5
Dominica	1,027.5	0.5	8.9	1,119.4	4,003.6	1.6	4.9	4,200.6
Grenada	1,604.2	0.8	10.9	1,779.4	10,710.8	5.3	31.0	14,028.6
St. Vincent	5,552.2	2.4	- 4.0	5,327.5	9,218.4	4.3	24.9	11,516.7
St. Lucia	3,623.7	2.4	43.8	5,211.1	18,777.5	9.0	26.1	23,682.0
Montserrat	70.2	0.1	139.4	168.1	2,115.4	0.9	15.8	2,449.9
Antigua	5,027.2	4.4	90.1	9,557.6	30,060.7	13.7	20.3	36,160.8
St. Kitts-Nevis- Anguilla	6,126.2	2.3	-16.0	5,143.7	6,314.6	2.9	20.7	7,621.6
Barbados	30,657.1/	17.7	26.9	38,911.7	54,441.1/	27.2	32.4	72,062.3
Jamaica	59,244.5/	41.5	54.1	91,308.5	38,030.3/	8.9	-38.4	23,415.5
Belize	6,905.6	5.6	79.1	12,372.0	636.6	0.1	-43.2	361.6
TOTAL	159,977.2	100.0	37.5	220,021.4	263,196.1	100.0	0.6	264,776.0

Source: Data supplied CEPAL by Central Statistical Office.

TRINIDAD AND TOBAGO

TABLE XVI

DOMESTIC EXPORTS EXCLUDING PETROLEUM
AND PETROLEUM PRODUCTS
(TT\$'000)

Country	DOMESTIC EXPORTS (FOB)			
	Jan-Dec 1978	Jan-Dec 1979	%	% Growth
Guyana	27,256.4	18,077.4	16.8	-33.7
Grenadines	-	-	-	-
Dominica	2,587.8	2,314.8	2.2	-10.6
Grenada	5,571.9	5,516.4	5.1	- 0.1
St. Vincent	4,970.6	5,806.7	5.4	16.8
St. Lucia	6,063.0	6,488.5	6.0	7.0
Montserrat	658.6	645.1	0.6	- 0.2
Antigua	3,165.9	4,155.2	3.8	31.2
St. Kitts-Nevis Anguilla	2,037.1	1,943.7	1.8	- 4.6
Barbados	33,824.7	41,987.4	39.0	24.1
Jamaica	21,776.8	20,457.5	19.0	- 6.1
Belize	634.2	361.6	0.3	-43.0
TOTAL	108,547.0	107,754.2	100.0	- 0.7

Source: Statistical Bulletin, Vol. 7, No. 17;
Central Statistical Office and data
supplied CEPAL.

PART XI

WEST INDIES ASSOCIATED STATES

COUNTRY NOTES

ECONOMIC SURVEY 1979

WEST INDIES ASSOCIATED STATES (East Caribbean dollars used throughout)^{1/}

In 1979 the West Indies Associated States (WISA) experienced a number of events which impacted in various ways on the level of economic activity throughout.

Broadly, the region experienced a fair amount of expansion. Total Gross Domestic Product (GDP) in current prices recorded an estimated 12 percent increase over the 1978 level, but this rate was slower than the 17.5 percent increase recorded in 1978.

The territories contributing favourably to this growth have been Montserrat and St. Kitts/Nevis and to a lesser extent St. Vincent. After some disappointing performances in 1978 and 1977, Montserrat's economy got its boost from the Tourism and Construction sectors to record an estimated 5 percent growth in real GDP. Economic growth in St. Kitts/Nevis was at a slower rate, and a modest 2 percent real increase mainly on account of activities in the Manufacturing and Sugar industries was experienced. Apart from the disappointing performance of the Agricultural Sector which assisted in dampening total product, other economic sectors in St. Vincent maintained their level of production.

Overall, there was greatest expansion in the sectors Manufacturing and Hotels and Restaurants whereas the Agricultural

Note: Dominica and St. Vincent, members of WISA, attained full independence status from November 1978 and November 1979 respectively.

St. Lucia attained full independence status from February 1979 and is now excluded from the WISA group for purposes of the Economic Survey.

^{1/} Since July 1976: US\$1.00 = EC\$2.70 or EC\$1.00 = US\$0.37.

sector was the only one to record a decline in production. Mining and Quarrying, Commerce and Finance, Public Administration and Defence were all increased to a lesser extent.

Factors contributing to the growth in economic activity have been the increased efforts on the part of governments to rehabilitate existing industries and to diversify the economic base. Consequently, fair improvements have been noted in export earnings which registered an estimated 3.4 percent increase with the exclusion of St. Lucia, and in the level of unemployment which is estimated to have decreased particularly in Montserrat.

Unfortunate occurrences in late 1978 and in 1979, such as agricultural disease, hurricane and volcanic activity, troubled the agricultural sector and largely accounted for the estimated decline of 16.6 percent in production. In certain countries such as Dominica and St. Vincent, the natural disasters led to a loss of earnings as well as an increase in unemployment.

Price increases generally, averaged about 17 percent throughout the WISA group, and for most of the territories, escalating fuel costs and autonomous price inflation reflected world price developments in 1979.

Domestic demand increased and reflected the increases in money supply and bank credit. Public sector undertakings however accounted for the majority of total commercial loans.

PERFORMANCE IN MAJOR SECTORS

Agriculture

In view of the mixed fortunes experienced in the West Indies Associated States (WISA) region during 1979, the limited amount of information received has been insufficient to throw much light on the performance of the Agricultural sector which suffered extensive damage in certain countries.

Data for 1979 have been received only from the countries Antigua, Montserrat, St. Kitts/Nevis. This excludes Dominica and St. Vincent, which are significant producers of the main crops bananas, nutmegs and mace, cocoa beans and citrus.

Production of the other main crops - (sugar-cane, cotton and copra) from within the region is however found in the countries St. Kitts/Nevis and Antigua.

Sugar-cane production registered an increase over the 1978 level of production. A 6.1 percent increase was recorded and this bettered the 2.8 percent increase registered in 1978. The increase in production occurred despite the late start to reaping of the sugar-cane crop in St. Kitts coupled with unusually heavy rainfall during the early weeks of harvesting.

Data for the level of banana production for 1979 were unavailable at the time of writing but, in the light of the developments in the major producing countries (natural disasters and plant diseases) a fair estimate indicated that production took a turn away from the upward trend experienced over the years.

In St. Vincent, the largest banana-producing state, production was hard hit through volcanic eruption. The quantity and quality of the product were affected to the extent that banana foreign exchange earnings for the island declined by 40 percent.

Dominica, the region's second largest producer, experienced two major tragedies for the industry. Late in 1978 an outbreak of leaf-spot disease threatened the 1979 crop, and by the end of August 1979, Hurricane David occasioned over 60 percent decline in agricultural production. In particular, banana foreign exchange earnings declined by 51.9 percent, drastically reversing the upward trend experienced over the previous years.

Copra production increased by 114.0 percent in St. Kitts/Nevis. It is however impossible to give the collective output

from the region because of the unavailability of data from St. Vincent, a major contributor to the industry.

To a great extent, citrus production is confined to Dominica. No data are available from this country but it is reported that with the onslaught of Hurricane David, the citrus crop fall was total. This marked a great loss to citrus farmers who in 1978 had begun responding to higher export prices by harvesting more fruit; (a 3.4 percent increase in production was recorded in 1978).

Similarly, the cocoa bean crop which receives its principal boost in production from Dominica was completely destroyed by the hurricane.

Nutmegs and mace, and cotton production appeared to have continued along a downward trend. No data are available for nutmegs and mace (St. Vincent); however a 89.4 percent decline was recorded for cotton.

Judging from past years' performances, output of other crops (yams, tannias, dasheen, sweet potatoes, vegetables) would have increased in 1979. Data from the major producing areas - St. Vincent and Dominica are however unavailable.

In 1979, St. Kitts-Nevis registered increases in the production of beef and veal (31.5 percent); pork (7.8 percent) and mutton (54.7 percent). Total production for the Associated States in 1979 is however unavailable.

Manufacturing

The Manufacturing sector in the region continues to be small-scale, contributing small amounts to the total Gross Domestic Product. The sector's contribution has averaged about 7.5 percent of total GDP over the years 1976-1978.

No data on the sector's contribution to GDP is available from any of the territories for 1979, but in view of the region's strengthened development policies for industry, and given the trend in growth, it is reasonable to estimate that a farther increase in production over the 1978 level took place in 1979.

Much of the growth in production remains in the line of agro-based industries, with St. Kitts/Nevis having experienced the greatest growth in 1979.

Sugar production picked up once more and improved after the 1978 decline of 7.2 percent, to record an increase of 2.5 percent. Similarly, the volume of molasses produced increased by 15.1 percent following the 10.8 percent decline experienced in 1978.

Cotton lint production experienced a 77.3 percent decline and this was in direct relationship to the huge fall (78.8 percent) in the production of the cotton crop.

Over the years 1976 - onwards, activities in the coconut oil industry have been on the increase in response to higher prices received. In 1978, activities generated an 11 percent increase in the WISA countries over the 1977 level, which was principally boosted by the 46 percent expansion in the industry in Dominica. For 1979 data are unavailable but it is highly probable that despite an increase in copra production, refinery operations had been curtailed on account of Hurricane David.

The production of soap for laundry and toilet uses has been considerably successful over recent years. In the years 1977 and 1978 production increased rapidly by 102.5 percent and 92.2 percent respectively. Dominica remains the single largest producer of this commodity in the group of countries.

More recently, other new industries have been established within the individual territories. These include flour, arrowroot starch and coconut meal in St. Vincent; tobacco, coconut meal, bay oil in Dominica; cotton seed oil in Antigua; cottonseed meal in Montserrat; and beer, stout and peanuts in St. Kitts/Nevis.

These industries have been established in accordance with the development policies of each internal government. In general, attempts have been directed at broadening the economic

base of the economy, to remove the dependency on monocultures and to absorb the numbers of the unemployed.

Construction

Construction activities in the Associated States have in general contributed to an average of 8.8 percent of the total Gross Domestic Product. Given the recent trend in growth over the years 1976-1978 i.e. 9.2 percent, 8.9 percent, 8.4 percent respectively; together with increased economic and socio-economic activities on the part of the private and public sectors, it is highly probable that the trend in growth continued in 1979.

Much of the Public sector construction activity has been derived from the respective governments' strategy towards regional development in the areas of Agriculture, Industry and Social infrastructure.

Within the territories where agricultural crops give the major boost to the economy e.g. sugar-cane, bananas, citrus, efforts have been directed at improving efficiency of operations and increasing productivity. These have impacted on construction activities by way of new larger storage buildings and irrigation schemes as in the case of St. Kitts/Nevis; and the construction and maintenance of agricultural access feeder roads in St. Vincent. In addition, increased trading activities have necessitated continuous improvements in the construction of sea ports, airports and road networks within the Transport sector.

In St. Kitts/Nevis alone for 1979 investment on economic infrastructure was programmed at an amount 6.5 percent greater than in 1978.

In addition a great amount of Public sector expenditure has also been directed at social infrastructure. Respective governments have continuously addressed themselves to the provision and improvement of the physical facilities of schools and other training institutions; hospitals and other health centers, recreational centers, housing schemes, and water and sewerage systems.

Private sector construction activities generally have concentrated on private housing and industry. In Antigua alone for 1979 estimated cost of construction totalled \$24.6 E.C. million - a 2.5 percent increase over the 1978 costs.

Construction activities in private industry have increased in accordance with policy directed towards economic diversification. Where light manufacturing industries e.g. flour, starches, animal feeds and beverages have been encouraged, factory shells and other industrial buildings have been constructed.

In Antigua and Montserrat where tourism holds great potential for successfully transforming the economy, construction of hotels and other dwelling facilities is continually on the increase. In Montserrat alone, tourism-cum-construction has mainly accounted for the 5 percent growth in real GDP experienced in 1979.

THE EXTERNAL SECTOR

Tourism

The upward trend in the number of tourists visiting the WISA countries continued in 1979. A provisional 19.1 percent increase was recorded alongside 22.7 percent in 1978, and 9.7 percent in 1977.

The increase in visitors appeared directly related to governments' promotional activities directed at improving access to the region, improving hotel capacity during the visitors winter season and at attracting summer visitors.

In Antigua and Montserrat in particular where tourism has greatest potential for being a massive contributor to the GDP and an employment generator, much success was achieved in 1979.

While the economy as a whole experienced no growth in 1979, tourist arrivals increased in Antigua by 22.7 percent, this being largely due to the increased influx during the summer season.

On the other hand, Montserrat's economy in 1979 emerged from stagnation; an estimated 5 percent growth in real GDP was recorded and the greatest boost had been received from tourism. In addition to augmenting production, it is felt that tourism contributed to an estimated decrease in unemployment.

Tourism in the other WISA countries is small-scale compared to other economic activities, and the industry remains in an embryonic state despite a potential that exists particularly in St. Kitts/Nevis and in St. Vincent.

Trade and Payments

The WISA countries continued to experience a very large current account deficit that is accounted for mainly by the resource gap deficit. Despite the 36.1 percent growth in export earnings recorded in 1978 and an estimated 3.4 percent increase in 1979 (St. Lucia's data excluded) attributable to improved prices of agricultural products and the receipts from tourism, imports from the regional and international markets continued to be high.

The increase in imports is due mainly to the import of capital goods for investment purposes, and the import of manufactured goods for private domestic consumption.

In Montserrat and Antigua, increased imports originated mainly from the increase in demand emanating from the growth of tourism and construction activities. The deficit on the current account widened from 43 percent of GDP in 1978 to 60 percent in 1979 for Montserrat; while in Antigua the resource gap has remained at about 16 percent of GDP since 1976.

The resource gap in St. Vincent widened in 1979 to 45 percent of GDP after having declined in 1978 to 20 percent. In St. Kitts/Nevis, current account deficit remained at the absolute level of the last three years, but as a percentage of GDP it declined from

19 percent in 1977 to 15 percent in 1979. In Dominica the situation was singular for 1979: - receipts from exports were reduced by 40.9 percent and commercial imports halted; however a considerable amount of relief items had to be imported. The current account deficit therefore almost recorded the same average level of 16 percent GDP maintained throughout the 1970s. In general, financing of the current account deficit continued to be met by substantial amounts of private capital inflows including direct foreign investment and private borrowings from abroad, or by public capital inflows in the form of grants and concessional loans. Total external debt for the region as at December 1978 has been recorded at US\$41.4 million.

PRICES AND WAGES

Prices in 1979 throughout the WISA group rose by an average 17.6 percent over the 1978 level. In 1978 prices increased over 1977 by a minimum of 7 percent and a maximum of 12 percent, but in 1979 the minimum increase was 15 percent as recorded in St. Vincent and the maximum, 20 percent in St. Kitts/Nevis. In St. Kitts/Nevis a greater increase in retail prices was repressed by an increased amount of government price control.

Two of the factors contributing to retail price increases have been identified as the high import propensity which is impacted upon by inflationary world price developments and; the depreciation of the US dollar to which regional currency is tied.

By June-September 1979 in St. Kitts/Nevis "fuel and lighting" had contributed most to the increased rate of inflation; for Antigua and St. Vincent the item "housing" contributed 15.1 percent and 24.3 percent respectively; in Montserrat "clothing and footwear", and "food" had contributed

28.7 percent and 16.8 percent respectively. Between April-June 1979 Dominica had experienced greatest increases in "food" (15.3 percent) and "services" (14.9 percent).

It is believed that, in general, private sector wages have been more responsive to the price movements; an average of 10 percent to 15 percent increases have been granted over the years 1976-1978. In 1979 private wage increases tended to be steeper, and in particular wage increases of between 30 percent to 40 percent were granted in Montserrat.

MONETARY AND FISCAL DEVELOPMENTS

Money and Banking

Intensified economic and socio-economic activity throughout the region was accompanied by increases in the volume of deposits with commercial banks, and growth in the demand for credit.

By December 1979 commercial banks' deposits grew by 21.9 percent over the 1978 volume, thus surpassing the 19.3 percent growth experienced in 1978. The growth in deposits can be attributed to three factors: (a) public sector wage increases of about 40 percent to 50 percent granted in 1978-1979; (b) the increase in interest rates in certain territories e.g. 4 percent to 7.5 to 8 percent (time deposits); 2.5 percent to 3 percent (savings) as in St. Kitts/Nevis; and 6 1/2 percent to 7 percent overall in Antigua; and (c) private and public investment capital inflows. In this singular case inflows of insurance proceeds subsequent to the hurricane in Dominica substantially improved liquidity.

The increase in bank credit totalled about 17.6 percent. In certain territories bank credit expanded greater than deposits and as a result net foreign assets of the commercial banks declined. This has been the position in St. Kitts/Nevis and St. Vincent in particular.

Increased bank credit was extended mainly to public sector.

bodies, and accounted for some 20.6 percent of total loans and advances for 1979. In general, credit was extended for meeting the financial requirements of public sector investment viz. St. Kitts/Nevis rehabilitation of the sugar crop and purchase of a boiler for the sugar industry; Dominica - rehabilitation of the banana industry by the Banana Board.

Credit to the private sector was slower, falling as much as 10 percent in Montserrat. Tourism and the Construction sectors however tended to absorb a considerable proportion of total credit. Personal loans showed the weakest response to the increased liquidity. By comparison with previous years, personal loans increased by 3.2 percent in 1979 as against 19.5 percent in 1978 and 37.6 percent in 1977.

Public Finance

Although budget management in 1979 improved the fiscal deficit by 26.6 percent, the growth in total revenue for WISA was not sufficient to offset total expenditure and to correct the continual deficit position experienced in the region.

The improvement in the deficit position was generated by a surplus on the current account balance for 1979. This marked a 111.8 percent increase over the 1978 position, thus bettering the negative trend of -8.2 percent and -5.5 percent recorded in 1978 and 1977 respectively.

The current account surplus was mainly accounted for by the surplus position recorded in St. Kitts/Nevis (EC\$'000 + 2,111) and St. Vincent (EC\$'000 + 2,685) and to a lesser extent Dominica (EC\$'000 + 266) and Montserrat (EC\$'000 + 60) in 1979.

In St. Kitts/Nevis it is reported that since 1974, prudent fiscal management enabled the country to generate some amount of public sector savings. Current account savings recorded (EC\$'000) 7,281.6 in 1977, 2,111 in 1978 and

1,000 in 1979. As a result of increased public sector activities however, current expenditures have been rising to erode current revenues, thus growth rates on savings have been declining.

Overall, both tax and non-tax revenues have contributed to the improvement of the current account balance. In particular, total tax revenue on consumption and incomes increased in St. Kitts/Nevis by 16.4 percent and 40.3 percent respectively. Non-tax revenue increased in Antigua by an estimated 67.3 percent and in Montserrat by 16.8 percent. In St. Vincent export tax increased by 20.1 percent.

Capital revenue resources have continued to be limited for the region falling far short of capital expenditure requirements. In the light of heavy capital outlays required in the governments' economic rehabilitation and diversification programmes a greater inflow of capital is necessary; however in 1979 capital expenditure continued to grow at a faster rate than capital revenue, exceeding the latter by 4.4 percent.

Moreover, the region has had to draw on external financing to a great extent thus external sources in the form of capital grants and net external borrowings have continued to grow and account for over 80 percent of public sector investments.

STATISTICAL APPENDIX

WEST INDIES ASSOCIATED STATES

1979



WEST INDIES ASSOCIATED STATES

TABLE I

GROSS DOMESTIC PRODUCT - BY ECONOMIC ACTIVITY AT FACTOR COST 1976-1979
(EC\$ Mill.)

	1976	1977	1978 ^P	1978 ^{1/}	1979**	Percentage Breakdown				
						1976	1977	1978 ^P	1978 ^{1/}	1979**
Agriculture	82.68	95.92	111.15	88.13	73.51	17.1	17.7	17.5	19.3	14.4
Manufacturing	34.24	42.59	48.50	34.75	42.45	7.1	7.9	7.6	7.6	8.3
Mining and Quarrying	3.61	3.80	4.25	2.18	2.64	0.7	0.7	0.7	0.5	0.5
Construction	44.55	48.21	53.63	34.97	40.41	9.3	8.9	8.4	7.7	8.0
<u>Sub-total</u>	<u>165.08</u>	<u>190.52</u>	<u>217.57</u>	<u>160.07</u>	<u>159.01</u>	<u>34.2</u>	<u>35.2</u>	<u>34.2</u>	<u>35.1</u>	<u>31.2</u>
Electricity, gas and water	7.63	10.10	12.66	8.30	9.79	1.6	1.9	2.0	1.8	1.9
Transportation, storage and communications	56.70	63.60	73.26	59.95	70.82	11.7	11.7	11.5	13.2	13.9
<u>Sub-total basic services</u>	<u>64.33</u>	<u>73.70</u>	<u>85.92</u>	<u>68.25</u>	<u>80.61</u>	<u>13.3</u>	<u>13.6</u>	<u>13.5</u>	<u>15.0</u>	<u>15.8</u>
Commerce and Finance ^{2/}	51.19	58.99	65.37	41.26	48.02	10.6	10.9	10.3	9.1	9.4
Ownership of dwellings ^{3/}	25.93	26.69	28.69	28.69	33.95	5.4	4.9	4.5	6.3	6.6
Hotels and Restaurants	26.15	33.48	39.53	30.15	36.79	5.4	6.2	6.2	6.6	7.2
Public administration and defence	77.27	74.45	100.15	71.57	84.43	16.0	13.8	15.8	15.7	16.6
Miscellaneous services	72.13	83.54	99.06	55.64	67.30	15.0	15.4	15.5	12.2	13.2
<u>Sub-total other services</u>	<u>252.67</u>	<u>277.15</u>	<u>332.80</u>	<u>227.31</u>	<u>270.49</u>	<u>52.4</u>	<u>51.2</u>	<u>52.3</u>	<u>49.9</u>	<u>53.0</u>
TOTAL Gross Domestic Product	482.08	541.37	636.29	455.63	510.11	100.0	100.0	100.0	100.0	100.0

^{1/} Data exclude St. Lucia.

^{2/} Excludes data from St. Kitts/Nevis.

^{3/} Excludes data from St. Kitts/Nevis and St. Lucia.

Source: Data supplied CEPAL.

WEST INDIES ASSOCIATED STATES

TABLE II

INDICATORS OF AGRICULTURAL PRODUCTION

	Metric Unit	1976	1977	1978	1978 ^{1/}	1979 ^{2/}
<u>Production of main crops</u>						
Bananas	Tonnes	129,606	131,322	149,020	82,113	...
Sugar-cane	'000 Tonnes	321	352	362	362	384
Cocoa beans ^r	'000 Kg	423	753	772	772	...
Nutmeg and Mace	" "	213	192	142	127	...
Citrus - fruits (fresh)	" "	21,250	21,187	21,904	21,904	...
Cotton (raw)	" "	395	250	268	268	28
Copra	Tonnes	5,898	7,100	7,958	2,139	...
<u>Other crops</u>						
Root crops: yams, tannias, eddoes, dasheen	'000 Kg	24,350	30,927	29,819	28,858	110 ^{3/}
Carrots	" "	1,301	835	902	...	147 ^{3/}
Sweet potatoes	" "	3,720	2,764	3,823	3,823	279 ^{3/}
Ginger	" "	1,072	728	460	363	...
Other vegetables	" "	438	141	264	254	330
<u>Indicators of livestock production</u>						
<u>- Slaughtered Meat</u>						
Beef and veal	'000 Kg	765	1,347	1,398	578	363 ^{4/}
Pork	" "	434	583	603	424	86 ^{4/}
Mutton	" "	205	242	217	199	90 ^{4/}

^{1/} Data exclude St. Lucia.

^{2/} Data from St. Kitts/Nevis, Montserrat, Antigua only.

^{3/} Data from Antigua only.

^{4/} Data from St. Kitts/Nevis only.

Source: Data supplied CEPAL.

WEST INDIES ASSOCIATED STATES

TABLE III

INDICATORS OF MANUFACTURING PRODUCTION

	Metric Unit	1976	1977	1978	1978 ^{1/}	1979 ^{4/}
<u>Production of some important manufactures</u>						
Sugar	'000 tonnes	36	42	39	39	40
Molasses ¹	'000 gals.	6,237	11,670	10,420	10,420	11,996
Rum	'000 litres	2,733	2,695	2,477	2,477	...
Coconut oil	" "	7,840	8,020	8,883	...	...
New oil	" "	4,469	4,976	5,771	...	...
Refined oil	" "	3,371	3,044	3,112	...	...
Animal feeds	Tonnes	2,830 ^{2/}	2,221	3,059 ^{3/}	3,059 ^{3/}	...
Cotton lint	'000 kg.	133	91	92	92	14
Soap	" "	1,272	2,576	4,952	3,180	...
Beer and Malt	'000 litres	17,744	23,053	8,597	2,291	...
Batteries	Number	677	586	734	-	...

1/ Data exclude St. Lucia.

2/ Excludes data from Antigua.

3/ Data for St. Kitts/Nevis only.

4/ Data from Antigua; St. Kitts/Nevis only.

Source: Data supplied CEPAL.

WEST INDIES ASSOCIATED STATES

TABLE IV

SELECTED DATA ON TOURISM

	Unit	1976	1977	1978	1978 ^{1/}	1979 ^{2/}
TOTAL VISITORS^r	Number	301,678	330,973	406,095	255,467	270,858
Of which stop-over visitors ^{3/}	Number	157,613	178,617	193,378	118,378	109,961
Cruise passengers	Number	121,527	134,234	156,769	81,141	95,326
Cruise calls	Number	218	234 ^{4/}	261 ^{5/}	131 ^{5/}	139 ^{6/}
Tourist accommodation	Number of beds	7,419	8,161	8,283	5,461	5,002
Hotel occupancy rate	%	...	...	...	...	...
St. Vincent		14.1	14.1	14.1	...	...
St. Kitts/Nevis		...	...	...	...	...
Average length of stay	Days	...	...	...	...	...
Antigua		6.7	6.7	6.7	...	...
St. Vincent		8.0	9.0	5.0	...	7.0
St. Kitts/Nevis		7.0	5.0	5.0	...	5.0
Estimated Tourist Expenditure ^{2/}	(EC\$) 1000	102,923	127,602	116,809 ^{7/}	116,809	106,594

1/ Data exclude St. Lucia.

2/ Data exclude Dominica.

3/ Excludes data from St. Kitts.

4/ Excludes data from Montserrat.

5/ Excludes data from Dominica and Montserrat.

6/ Data from Antigua and St. Vincent only.

7/ Excludes data from St. Lucia.

Source: Data supplied CEPAL

(EC\$ 1000)

EVRE J

ANNUAL TOURISM STATISTICS

WEST INDIES ASSOCIATED STATES

TABLE V

EXPORTS, IMPORTS AND BALANCE ON VISIBLE TRADE 1976-1979
(EC\$'000)

	Domestic Exports	% Change	Re- Exports	% Change	Total Exports	% Change	Imports	% Change	Visible Balance	% Change
1976	148,449	- 6.8	26,282	11.8	174,731	- 4.4	408,821	- 0.9	-234,090	1.9
1977	156,468	5.4	21,743	-17.3	178,211	2.0	473,309	15.8	-295,098	26.1
1978	196,070 ^{2/}	...	12,122 ^{2/}	...	242,618	36.1	587,170	24.0	-344,552	16.7
1978 ^{1/}	129,056 ^{2/}	-	6,746 ^{2/}	-	170,229	-	373,701	-	-193,472	-
1979**	...	...	...	...	176,133	3.4	414,943	14.0	-238,810	23.4

^{1/} Data exclude St. Lucia.

^{2/} Excludes data from Antigua.

Source: Data supplied CEPAL.

WEST INDIES ASSOCIATED STATES

TABLE VI
EXPORTS OF GOODS^{1/}
 (EC\$ '000)

	1976	1977	1978	1978*	1979
<u>MAIN TRADITIONAL EXPORTS</u>					
Bananas	54,750	59,276	77,446	44,742	11,924
Sugar	26,732	25,294	30,649	30,649	29,147
Molasses	666	961	1,037	1,037	1,383
Cocoa beans	832	1,036	1,202	216	129
Nutmegs and Mace	505	1,143	450	362	...
Citrus	1,673	1,467	2,745	2,745	884
Arrowroot	1,157	1,325	1,895	1,895	...
<u>OTHER EXPORTS</u>					
Coconut oil	5,594	4,614	5,647	2,618	1,750 ^{2/}
Carrots	710	351	322	322	...
Ginger	499	351	460	460	...
Sweet potatoes	1,031	464	995 ^{3/}	995	...
Cotton lint	996	869	58 ^{3/}	58	...
Electrical components	1,483 ^{4/}	9,182 ^{4/}	574 ^{5/}	...	...
Soap of which:					
Laundry	574	1,494	3,168	3,168	2,618
Toilet	205	886	1,868	1,868	2,062
Bay oil	1,010	819	1,477	1,477	1,306
Citrus juice	1,294	8,342	1,678	1,678	1,057

^{1/} Excludes data for Antigua.

^{3/} Data for Montserrat only.

^{5/} Data for Montserrat only.

^{2/} Data for Dominica only.

^{4/} Data for St. Kitts/Nevis only.

Source: Data supplied CEPAL.

WEST INDIES ASSOCIATED STATES

TABLE VII

RETAIL PRICE INDEXES AND PERCENTAGE CHANGE

Period	<u>ANTIGUA^{1/}</u>		<u>DOMINICA</u>		<u>MONTserrat^{2/}</u>		<u>ST. KITTS/NEVIS</u>		<u>ST. VINCENT</u>	
	Jan. 1969 = 100	% Change	Apr. 1964 = 100	% Change	Mar. 1974 = 100	% Change	1970 = 100	% Change	Mar. 1964 = 100	% Change
1974	180.9	24.8	214.8	36.3	-100.0-	18.6	148.0	28.4	228.4	35.5
1975	201.7	11.5	254.1	18.3	125.4	25.4	164.0	10.8	260.8	14.2
1976	221.0	9.6	281.8	10.9	140.5	12.0	185.0	12.8	290.2	11.3
1977	251.3	13.7	308.6	9.5	165.1	17.5	218.0	17.8	319.8	10.2
1978	269.5	7.3	332.5	7.7	180.7	9.4	244.2 ^{2/}	12.0	346.8	8.4
1979	321.5 ^{1/}	19.3	392.1	17.9	209.6 ^{2/}	16.0	293.0 ^{2/}	20.0	398.8 ^{2/}	15.0

Note: Indexes are averages of monthly figures except as indicated below.

^{1/} Caribbean Development Bank estimate.

^{2/} World Bank estimate.

Source: Official country publications and data supplied by the respective Statistical Offices.

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TABLE VIII

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

	1976	1977	1978	1978*	1979
Money (M ₁) of which:	<u>107,407</u>	<u>126,134</u>	<u>150,812</u>	<u>95,344^P</u>	<u>130,725^P</u>
Currency outside banks	45,471	53,732	64,819	33,197 ^{1/}	39,253 ^{1/}
Demand deposits adjusted	61,936	72,402	85,993	62,147	91,472
Quasi-Money (M ₂) of which:	<u>340,069</u>	<u>349,572</u>	<u>417,268</u>	<u>315,614</u>	<u>369,024</u>
Time deposits	149,230	127,564	168,797	122,352	142,731
Savings deposits	190,839	222,008	248,471	193,262	226,293
M ₁ + M ₂	<u>447,476</u>	<u>475,706</u>	<u>568,080</u>	<u>410,958^P</u>	<u>499,749^P</u>
Cash as % M ₁	42.3%	42.6%	43.0%	34.8%	20.0%
Loans and advances as % of total deposits	69.8%	79.8%	79.3%	71.9%	69.0%

^{1/} Data as at September.

Source: Economic and Financial Review, Vol. 10 No. 2; East Caribbean Currency Authority (ECCA); Commercial Banking Statistics, period ended December 1979; ECCA.

WEST INDIES ASSOCIATED STATES

TABLE IX

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

SECTORS	At end of December				
	1976 ^r	1977 ^r	1978	1978*	1979
Agriculture	21,522	14,442	21,395	13,368	18,054
Manufacturing	28,935	49,769	47,264	27,602	23,923
Distributive Trades	56,345	122,237	64,702	45,140	46,641
Tourism	21,912	28,761	28,171	18,593	17,757
Transportation	13,792	18,373	27,921	17,945	19,063
Public utilities (gas, electricity, telephone)	3,944	4,252	6,021	3,562	2,827
Government & other statutory bodies	35,308	44,167	41,662	32,406	65,708
Building and construction	24,380	22,843	29,855	20,110	21,841
Personal loans	61,246	84,296	100,756	68,554	70,762
Other advances	22,820	28,392	39,866	23,630	31,935
TOTAL - loans and advances	303,996	417,532	407,613	270,910	318,571
Long term loans as a % of total loans	32.6	34.3	33.6	35.3	46.3
Interest rates, average prime lending in Leeward Islands	9.0	8.6	9.0	9.0	8.6 ^{1/}
Interest rates, average prime lending in Windward Islands	8.9	8.6	8.8	8.8	8.6 ^{1/}
Savings deposit average in Leeward Islands	3.1	2.8	2.8	2.8	2.7 ^{1/}
Savings deposit average rate in Windward Islands	2.9	2.7	2.8	2.8	2.6 ^{1/}

^{1/} Data as at September.

Source: Economic and Financial Review, Vol. 10 No. 2; East Caribbean Currency Authority (ECCA); Commercial Banking Statistics, period ended December 1979; ECCA.

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TABLE XA

ANTIGUA: CENTRAL GOVERNMENT REVENUE AND EXPENDITURE
(EC\$'000)

	1976 ^e	1977 ^e	1978	1979 ^e
<u>Current Revenue</u>	<u>27,022</u>	<u>31,668</u>	<u>42,725</u>	<u>50,757</u>
Tax Revenue of which:	19,644	26,512	30,707	30,642
Income Tax	7,500	10,950	4,500	4,500
Consumption Tax	3,500	6,000	9,500	9,500
Import Duties	6,500	7,000	11,500	11,500
Export Duties	12	12	12	12
Other taxes, fees and licences	2,132	2,550	5,195	5,130
<u>Non-Tax Revenue</u>	7,378	5,156	12,018	20,115
<u>Aid Funds</u>	-	-	-	-
<u>Current Expenditure</u>	<u>36,182</u>	<u>41,254</u>	<u>53,180</u>	<u>57,173</u>
Wages and salaries	...	...	...	...
Other expenditure	...	...	...	...
Savings/deficit on current account	- 9,160	- 9,586	-10,455	- 6,416
Capital Revenue	8,113	...	19,681 ^P	19,250
Capital Expenditure	5,826	...	...	1,625
Total Revenue	35,135	...	62,406	70,007
Total Expenditure	42,008	...	...	58,799
Fiscal deficit/surplus	- 6,873	...	...	+11,208
Debt servicing	3,490	4,921	...	8,235

Source: Data supplied CEPAL and World Bank Memorandum.

WEST INDIES ASSOCIATED STATES

TABLE XB

DOMINICA: CENTRAL GOVERNMENT REVENUE AND EXPENDITURE
(EC\$'000)

	1975/76 ^{1/}	1976/77 ^{1/}	1977/78 ^{1/}	1978/79 ^{1/}
<u>Current Revenue</u>	19,500	25,573	31,368	34,547
Tax Revenue of which:	13,400	17,720	21,306	23,036
Income Tax	4,200	5,093	6,578	5,431
Consumption Tax	3,900	5,564	6,129	6,525
Import Duties	2,900	3,487	4,117	4,056
Export Duties	300	390	254	358
Other taxes, fees and licences	2,100	3,186	4,228	6,666
<u>Non-Tax Revenue</u>	2,100	3,798	2,896	2,730
<u>Aid Funds</u>	4,000	4,055	7,166	8,781
<u>Current Expenditure</u>	20,500	25,576	34,966	34,281
Wages and salaries	10,800	12,900	22,500	16,300
Other expenditure	9,700	12,676	12,466	17,981
Savings/deficit on current account	- 1,000	- 0,003	- 3,598	+ 266
Capital Revenue	-	5,692	3,490	2,216
Capital Expenditure	3,100	5,073	6,328	18,074 ^e
Total Revenue	19,500	31,265	34,858	36,763
Total Expenditure	23,600	30,649	41,294	52,355
Fiscal deficit/surplus	- 4,100	+ 616	- 6,436	-15,592
Debt servicing	...	...	...	...

^{1/} Fiscal year data July-June.

Source: Data supplied CEPAL and World Bank Memorandum.

WEST INDIES ASSOCIATED STATES

TABLE XC

MONTserrat: CENTRAL GOVERNMENT REVENUE AND EXPENDITURE
(EC\$ '000)

	1976	1977	1978	1979
<u>Current Revenue</u>	<u>8,475</u>	<u>9,447</u>	<u>9,477</u>	<u>9,882</u>
Tax Revenue of which:	4,273	5,008	5,555	5,952 ^P
Income Tax	2,001	2,639	2,995	3,174
Consumption Tax	1,088	1,180	1,285	1,385
Import Duties	1,185	1,189	1,275	1,393
Export Duties	...	...	...	...
Other taxes, fees and licences	(2,500)	(2,700)	(2,800)	(4,400)
<u>Non-Tax Revenue</u>	1,555	2,486	2,250	2,630
<u>Aid Funds</u>	2,647	1,953	1,672	1,300
<u>Current Expenditure</u>	<u>8,475</u>	<u>8,512</u>	<u>10,017</u>	<u>9,822</u>
Wages and salaries	3,700	3,700	4,200	6,300
Other expenditure	4,775	4,812	5,817	3,522
Savings/deficit on current account	-	+ 935	- 540	+ 60
Capital Revenue	3,000	2,000	1,700	1,300 ^e
Capital Expenditure	5,832	...	8,542	7,273
Total Revenue	11,475	11,447	11,177	11,182
Total Expenditure	14,287	...	18,559	17,095
Fiscal deficit/surplus	- 2,812	...	- 7,382	- 5,913
Debt servicing	403	341	307	207

Source: Data supplied CEPAL and World Bank Memorandum.

WEST INDIES ASSOCIATED STATES

TABLE XD

ST. KITTS/NEVIS: CENTRAL GOVERNMENT REVENUE AND EXPENDITURE
(EC\$ '000)

	1976	1977	1978	1979 ^e
<u>Current Revenue</u>	<u>29,374</u>	<u>27,650</u>	<u>34,602</u>	<u>38,000</u>
Tax Revenue of which:	20,665	19,304	26,785	27,300
Income Tax	4,975	6,012	8,435	6,800
Consumption Tax	4,254	5,065	5,900	6,500
Import Duties	4,115	3,979	4,706	4,900
Export Duties	292	339	385	300
Other taxes, fees and licences	7,029	3,909	7,359	8,800
<u>Non-Tax Revenue</u>	8,702	8,329	7,817	10,700
<u>Aid Funds</u>	7	18	-	-
<u>Current Expenditure</u>	<u>30,373</u>	<u>20,369^{1/}</u>	<u>32,491</u>	<u>37,000</u>
Wages and salaries	9,515	...	13,091	17,000
Other expenditure	20,858	...	19,400	20,000
Savings/deficit on current account	- 999	+ 7,282	+ 2,111	+ 1,000
Capital Revenue	(100)	(600)	(500)	600
Capital Expenditure	5,578	5,500	7,863	10,700
Total Revenue	29,374	27,651	34,602	38,600
Total Expenditure	35,951	25,869 ^p	40,354	47,700
Fiscal deficit/surplus	- 6,577	+ 1,782	- 5,752	- 9,100
Debt servicing	...	...	...	...

^{1/} Data relate to period January to October.

Source: Data supplied CEPAL and World Bank Memorandum.

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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 and 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.

