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SUMMARY OF CARIBBEAN ECONOMIC PERFORMANCE - 2000

ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN
Subregional Headquarters for the Caribbean
CARIBBEAN DEVELOPMENT AND COOPERATION COMMITTEE

Preface

The Economic Survey 2000 of Caribbean Countries is prepared annually by the Economic Commission for Latin America and the Caribbean (ECLAC) with input from both subregional headquarters in Mexico and the Caribbean. ECLAC monitors the performance of its member countries in the areas of economic and social development and this publication seeks to analyze the economic performance of the member countries of the Caribbean Development and Cooperation Committee (CDCC) in the international economy in 2000 as well as to provide an outlook for 2001.

While published previously with all ECLAC member States, for ease of reference the ECLAC Subregional Headquarters for the Caribbean compiled this publication by grouping Caribbean member States together. We, therefore, note the input of information provided by our Mexico colleagues through provision of data and notes on Cuba, Haiti and the Dominica Republic.

We trust that the current edition will aid in the discussion of and formulation of national economic policy as we endeavour to further serve our member countries in the areas of economic, social and sustainable development as they address the development challenges facing our subregion.

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The international economy in 2000

The global economy experienced growth of about 4.7 per cent in 2000, surpassing growth in any other year in the decade. Contributing to the overall growth performance were strong outturns of economic activity in the United States of America and the European Union. These were in turn assisted by recovery in the East Asian countries. Vibrant growth was recorded in the developing countries, with output being measured at some 5.6 per cent.

A 10.0 per cent increase in the volume of world trade was matched by an increase of 8.8 per cent in the value of world trade in 2000, bringing that figure to US$7,497 billion. The terms of trade seemed to have declined with respect to primary agricultural products while average unit values (prices) of metals and minerals and fuel prices rose.

Rebounding from the slowdown in the rate of growth in real output in 1998, the rate of increase in world output resumed an upward path in 1999 and 2000, largely reflecting the movement in the industrial countries. A generally similar pattern of growth was observed in the developing countries in 1998, with a further decline in the rate of growth in 1999 followed by the resumption of an upward trend in growth rate in 2000. The Japanese GDP fell in 1998 by some 2.5 per cent and began a slow recovery in 1999, with the rate of growth accelerating somewhat in 2000. The global expansion in volume of trade continued in 2000 to the extent of 10 per cent after rates of 5.1 and 4.3 per cent in 1999 and 1998, respectively. The growth in volume of trade continued to surpass that in output, probably indicating an intensification of the globalisation process. The value of trade increased by 8.8 per cent to US$7,497 billion. This was largely explained by oil price increases.

Influenced by price increases for energy, consumer prices in major industrial countries rose by 2.2 per cent in 2000 after a 1.4 per cent increase in the previous year. In the United States of America, the rate of inflation as measured by the movement in the consumer price index rose 3.2 per cent in 2000 after registering a 2.2 per cent increase in 1999. In the United Kingdom, a main trading partner of many Caribbean countries, the inflation rate for 2000 stood at 2.0 per cent after a 2.3 per cent inflation rate in 1999. Whereas the major industrial countries managed their inflation rate to 2.2 per cent in 2000, the developing countries experienced 6.2 per cent inflation in 2000 after 6.6 per cent growth in the price level in 1999. The African countries experienced a 12.7 per cent increase in the price level in 2000 after an increase of 11.8 per cent in 1999. Japan registered deflation for the second successive year, with a rate of –0.2 per cent in 2000 after an observed –0.3 per cent in 1999. The median inflation rate among the advanced economies rose from 1.4 per cent in 1999 to 2.2 per cent in 2000. For developing countries the increase over the corresponding years was 3.9 per cent in 1999 and 3.7 per cent in 2000. The group entitled "countries in transition" experienced relatively high average rates of inflation of 8.0 per cent in 1999 and 8.9 per cent in 2000.

Unemployment has fallen in most regions of the world as economic activity has gained momentum or continued to rise. This development has not, however, solved the labour market situation of persisting unemployment and underemployment. Whereas strong domestic demand in the United States of America suppressed unemployment in 2000, the opposite seems to have occurred in Japan where slack domestic demand was accompanied by an increase in the unemployment rate, which moved to 5.0 per cent in 2000 from 4.7 per cent one year earlier.

On average, in the "other advanced countries" group, the unemployment rate fell from 7.3 per cent in 1999 to 6.2 per cent in 2000. Notable outliers to this average level were Spain and Greece whose unemployment trends seemed to move in the same general direction as the average, notwithstanding their high levels of unemployment.

Table 1
ANNUAL PERCENTAGE CHANGE
IN GLOBAL OUTPUT AND TRADE
1996 – 2000

	1996	1997	1998	1999	2000
REAL GDP					
World output	4.3	4.2	2.6	3.4	4.7
Industrial countries	3.2	3.2	2.4	3.2	4.2
Major industrial countries	3.0	3.0	2.5	2.9	3.9
United States of America	3.4	3.9	4.4	4.2	5.2
Japan	5.0	1.4	-2.5	0.2	1.4
Germany	1.3	2.2	2.1	1.6	2.9
France	1.6	2.3	3.2	2.9	3.5
Italy	0.7	1.5	1.5	1.4	3.1
United Kingdom	2.6	3.5	2.6	2.1	3.1
Canada	1.2	3.8	3.3	4.5	4.7
Other industrial countries	3.8	4.2	2.0	4.7	5.1
Memorandum:					
European Union	1.8	2.7	3.7	3.1	3.4
Developing countries	4.6	4.4	3.5	3.3	5.6
Africa	5.8	2.8	3.1	2.2	3.4
Asia	8.2	6.5	4.1	5.9	6.7
Middle East and Europe	4.7	4.5	3.1	0.8	4.7
Western Hemisphere	3.5	5.1	2.2	0.3	4.3
Countries in transition	1.9	3.1	3.7	3.9	4.9
TRADE IN GOODS AND SERVICES					
World Trade (volume)	6.8	9.9	4.3	5.1	10.0
Exports					
Industrial countries	6.0	10.3	3.9	4.8	9.9
Developing countries	8.8	11.4	3.7	3.5	8.8
Imports					
Industrial countries	6.4	9.2	5.7	7.6	10.3
Developing countries	9.3	11.4	0.3	1.1	10.0

Source: World Economic Outlook, International Monetary Fund, October 2000.

Table 2
ANNUAL PER CENT CHANGE IN CONSUMER PRICES
1996 - 2000

	1996	1997	1998	1999	2000
Industrial countries	2.4	2.1	1.5	1.4	2.3
Major industrial countries	2.2	2.0	1.3	1.4	2.2
United States of America	2.9	2.3	1.6	2.2	3.2
Japan	0.1	1.7	0.6	-0.3	-0.2
Germany	1.5	1.8	0.6	0.7	1.7
France	2.0	1.2	0.7	0.6	1.5
Italy	3.9	1.7	1.7	1.7	2.5
United Kingdom	2.9	2.8	2.7	2.3	2.0
Canada	1.6	1.4	1.0	1.7	2.3
Memorandum:					
European Union	2.5	1.9	1.4	1.4	2.1
Developing countries	14.1	9.1	10.1	6.6	6.2
Africa	26.7	11.0	9.1	11.8	12.7
Asia	7.9	4.7	7.5	2.4	2.4
Middle East and Europe	24.6	22.6	25.3	20.4	17.4
Western Hemisphere	20.8	13.9	10.2	9.3	8.9
Countries in transition	41.4	27.9	21.8	43.8	18.3

Source: World Economic Outlook, International Monetary Fund, October 2000.

Table 3
ADVANCED ECONOMIES: UNEMPLOYMENT RATES

	1996	1997	1998	1999	2000
Unemployment rate					
Advanced economies	7.0	6.8	6.7	6.3	5.9
Major industrial countries	6.7	6.4	6.2	6.0	5.7
United States	5.4	4.9	4.5	4.2	4.1
Japan	3.3	3.4	4.1	4.7	5.0
Germany	8.6	9.5	9.0	8.3	7.9
France	12.4	12.5	11.7	11.3	9.8
Italy	11.6	11.7	11.8	11.4	10.7
United Kingdom	7.3	5.5	4.7	4.3	3.9
Canada	9.6	9.1	8.3	7.6	6.6
Other advanced economies	8.1	7.8	8.1	7.3	6.2
Spain	22.2	20.8	18.8	15.9	14.0
Netherlands	6.6	5.5	4.1	3.2	2.3
Sweden	8.1	8.0	6.5	5.6	4.6
Greece	9.8	9.7	10.8	11.7	11.5
Korea	2.0	2.6	6.8	6.3	4.2
Australia	8.6	8.6	8.0	7.2	6.7
Singapore	2.0	1.8	3.2	3.5	2.9
New Zealand					
Memo item					
Industrial countries	7.4	7.1	6.8	6.4	6.0
European Union	10.6	10.3	9.5	8.8	8

Source: World Economic Outlook, October 2000, International Monetary Fund.

Performance of Caribbean countries

Performance of OECS countries

Economic performance in the OECS countries was uneven in 2000 as countries reacted differently to the external stimuli of globalisation, adverse prices of main export crops and tourist arrivals that in turn declined for the most part in preference to cheaper destinations. The production structures of the OECS countries were not able to sustain the rate of growth that had been experienced in 1999. Real growth in 2000 varied from a decline of 1.9 per cent to an increase of 7.5 per cent. A simple arithmetic mean of rates of growth in GDP yields an average of near 2.2 per cent. The growth in real GDP in 2000 was lower than that measured in 1999 and represented a levelling off in economic activity. Sectoral performance also displayed some variability among the countries of the group. Whereas declines in tourism were observed for Anguilla, Antigua and Barbuda, Dominica, Grenada and St. Kitts and Nevis, increased performances in this sector were observed in Montserrat, Saint Lucia and Saint Vincent and the Grenadines. Real output in construction declined in Anguilla despite increased renovation and rehabilitation activity in the wake of Hurricane Lenny of November 1999. The decline was associated with the completion of a major hotel on the island in 1999. At least three countries in the group (see table) carried fiscal deficits before grants. The "before grants" situation lays bare the resource position of those countries. The production structure of the countries in the group vis-à-vis their consumption patterns finds expression in the pervasive deficits on current account of the Balance of Payments as recorded.

Inflation rates ranged from 0.2 per cent in Saint Lucia and Saint Vincent and the Grenadines to 6.5 per cent in Anguilla, reflecting, to some extent, the effect of external dependence for consumption. The absence of a significant local manufacturing industry resulted in direct transitivity of inflation imported from trading partner countries.

Table 4
OECS COUNTRIES
MAIN STATISTICAL INDICATORS

	Anguilla		Antigua/Barb.		Dominica		Grenada		Montserrat		St. Kitts/Nevis		St. Lucia		St. Vincent & Grenadines	
	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000
Real GDP growth rate (%)	8.7	-0.7	4.2	3.1	1.6	0.2	7.5	6.4	-12.8	-1.9	3.7	7.5	3.5	0.7	4.2	2.1
Inflation rate (%)	2.2	6.5	1.1	0.6	0.0	1.1	1.0	3.5	4.6	0.5	3.4	2.1	6.1	0.2	1.0	0.2
Inflation rate (%) period average	…	…	…	…	…	…	…	…	…	…	…	…	3.5	3.6	-1.8	1.4
Central govt. current account balance (EC $Millions)			-41.5	-56.7		11.5	42.7	66.5	-31.2[1]	-22.1[1]	-8.8	-39.5	120.6	125.7	30.8	24.1
Central govt. current account balance as % of nominal GDP			-2.8	-3.6	-0.8	-1.6	5.1	7.4	-38.9	-29.1	-1.3	-5.2	7.9	8.1	4.1	3.1
Current account (BOP)			-168.5	-187.6	-111.0	-174.7	-82.9	-174.7	-19.1	-24.2	-188.7	-280.8	-229.3	-201.4	-156.6	-59.8
Current account of BOP as % of GDP			-2.4	-3.1	-18.2	-28.5	-9.9	-19.3	-23.8	-31.8	-27.2	-36.8	-15.1	-12.9	-20.9	-7.8
Nominal GDP at f.c. (EC$ mill)			1498.2	1561.7	609.7	613.9	834.0	904.6	80.3	76.0	693.3	763.0	1518.2	1560.1	749.1	766.6

Source: ECCB

[1] Before grants

Performance of the other Caribbean countries

The larger countries, such as Cuba, Barbados, Jamaica, Suriname and Trinidad and Tobago, have more diversified production structures and were able to provide a variety of responses to the developments in the international economy. All of the larger countries mentioned, with the exception of Suriname, experienced increases in real GDP, with acceleration or deceleration from the 1999 performance being dictated by performance in the major sectors. Inflation rates, except in the cases of Jamaica (about 6 per cent) and Suriname (more than 80 per cent), were well under 5 per cent.

In the **Bahamas**, despite the unavailability of official national accounts figures, indications are that the economy remained positive in 2000, although tourism output slowed down somewhat. As a number of construction activities in the tourism sector came to an end, the construction sector experienced a levelling-off in 2000. At the same time, a mild firming of inflation was observed as the retail price index moved from a 1.3 per cent growth rate in 1999 to a 1.6 per cent growth in 2000.

In **Barbados**, the continued challenge to the agriculture and manufacturing sectors resulting from developments in the international economy is projected to result in a slower rate of economic growth in 2001 than in the previous year. The non-traded sectors are expected to lead the growth in 2001. Government is likely to contain its fiscal deficit to some 2 per cent of GDP through the prudent management of expenditure.

The **Belize** economy experienced growth in excess of 8 per cent, despite the damage done by Hurricane Keith in October 2000, declining terms of trade and the appreciation of the dollar against the euro. This growth was driven mainly by public and private sector investment, which was accomplished without significant inflationary pressures.

In **Cuba**, GDP grew by 5.6 per cent, bringing its annual average recovery rate to 4.6 per cent over the period 1996 to 2000. Against the background of a chronic scarcity of foreign exchange and a sharp increase in oil prices, the authorities had to moderate the rapid growth observed in the first six months of 2000. The current account deficit of the balance of payments (equivalent to 2.1 per cent of GDP) rose for the second consecutive year as a result of larger interest payments and, to a lesser extent, as a result of the widening of the trade deficit. The deterioration of the trade balance coincided with a new deterioration in the terms of trade since the volume of goods exported grew at a faster pace than that of imports. Despite this, the capital account surplus allowed the financing of the current account deficit and the slight increase in the modest international reserves. The consumer price index declined for another consecutive year, mainly as a result of the stability of the regulated price system and a price drop in the free (unregulated) market as a consequence of an increased supply of goods and services. Growth was observed in all sectors, especially the mining sector through an increase in the production of nickel, petroleum and gas. More intense activity in the agricultural sector (cane and non-cane), tourism and construction resulted in growth in these sectors.

The economy of the **Dominican Republic** maintained the dynamism that it had been demonstrating since 1996. Gross Domestic Product (GDP), driven mainly by private consumption and exports, grew by 7.8 per cent to equal the average rate of growth attained in the preceding five-year period. The major threat to the economy was an external one and came from the increase in the price of oil. Apart from adversely affecting the fiscal performance, its main effect was to increase the rate of inflation, which almost doubled to over 9 per cent, after which a new government that came into power adjusted the increase in the domestic price of fuel. This measure, together with a reduction in government expenditure, produced a budget surplus of 1 per cent of GDP. From October, restrictive measures were relaxed in order to avoid a deceleration in economic activity.

The external sector experienced a deficit on current account of more than 5 per cent of GDP, due to a great extent to the petroleum bill that rose to 23 per cent of total imports. A 12 per cent increase in exports, resulting from activity in the export processing zones, prevented a larger deficit. The balance of payments closed with a deficit of US$48 million.

The **Guyana** economy declined by 0.8 per cent in 2000 to a total of G$m5385 after recording a 3 per cent rate of growth in 1999. The major determinants of this performance were declines in real output in agriculture, forestry and manufacturing. Real output from mining (gold and bauxite subsectors) and from the services sectors was not sufficient to offset the decline in the sectors that recorded negative growth.

Modest growth in **Haiti** was recorded in 2000. Indicators signal growth of 1.2 per cent. This performance generated a 0.6 per cent reduction in both the per capita GDP and a 0.2 per cent reduction in Gross National Income. The drop in the Gross National Income was induced by the deterioration in the terms of trade, but was mitigated by substantial remittances from abroad. The social/political environment affected adversely the small gains from macroeconomic stability that had been achieved in previous years. The inflation rate resurged to two-digit proportions (15.3 per cent) while the fiscal deficit rose to almost 3 per cent of GDP and the exchange rate depreciated by 44 per cent. The increase in the import price of fuel was translated to higher prices for fuel nationally.

The **Jamaican** economy grew by 0.8 per cent in real terms (1986 prices) in calendar year 2000 after declining by 0.4 per cent in 1999. The growth observed was the first since 1995 when a growth rate of 1 per cent was recorded. In terms of current prices, however, GDP rose from J$268 billion in 1999 to J$299 billion in 2000. Economic performance had been influenced negatively by supply shocks, financial distress and unfavourable international developments since 1995. This phenomenon continued in 2000, especially in agriculture.

Although official figures for **Suriname** were not available at the time of writing, indications are that real GDP, including the informal sector, declined in 2000 by an estimated 5.5 per cent. Informed opinion suggests that formal sector performance reveals a larger decline. Output declined in all sectors except mining. Bauxite production, which accounts for one half of value added in the mining sector, declined by 3 per cent in 2000. Oil production increased by 5 per cent. Both public sector and private investment fell, either as a result of the reduced economic activity or as a response to it. In the absence of firm statistics to support the assertion, employment in 2000 is thought to have declined.

Trinidad and Tobago experienced a seventh year of growth, largely in response to international developments as higher oil prices contributed to a doubling of the surplus on the external account and through their contribution to revenue, prevented the government fiscal account from going into deficit. Growth was of the order of 4 per cent in 2000 and reflected a deceleration from the performance of the previous year. Real GDP among the non-petroleum sectors of the economy grew by 5 per cent, demonstrating strength and resilience. Among the performing sectors were distribution (9.2 per cent), construction (8 per cent) and transport, storage and communications (7.3 per cent). The other sectors all registered positive growth trends. The agriculture sector reversed its two-year decline to post a growth of 2.4 per cent in 2000 as sugar production and refining increased by 56.2 per cent and 14 per cent, respectively.

The consumer price index rose by 3.6 per cent in 2000 compared with 3.4 per cent in 1999. This reflected small increases in import prices against the background of a relatively stable exchange rate.

Table 5
LARGER CARIBBEAN COUNTRIES
MAIN STATISTICAL INDICATORS

	Bahamas		**Barbados**		**Belize**[1]		**Jamaica**		**Suriname**		**Trinidad & Tobago**	
	1999	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**
Real GDP Growth rate (%)	…	…	2.4	3.7	6.4	8.2	-0.4	0.8	-4.1	-5.5	5.1	4.0
Inflation rate (%)	1.3	1.6	1.5	2.4	-1.2	0.6	6.8	6.1	113	82	3.4	3.6
Inflation rate (%) period average												
Central govt. current account balance (US $Millions)	-70.7	-38.0	-31.9	-19.5	15.1	16.7	-281.2	-209.7	-34.6	-7.6	16.1	…
Central govt. current account balance as % of nominal GDP	…	…	-1.3	-0.7	2.2	2.3	-4.2	-2.8	…	…	0.2	
Current account (BOP) US$mill)	-406.1	-414.6	-197.4	-108.5	-77.1	-134.8					30.6	990.6
Current account of BOP as % of GDP	…	…									0.4	12.2
Nominal GDP at f.c. (US$ mill)	…	…	2456.7*	2602.4*	676.6	727.7	6704.0	7467.1			6620.2*	8127.5*

Source: Various publications and data provided ECLAC.
[1] December to December figures. The annual average figures show 6% for 1999 and 8.2% for 2000
* At market prices

Economic policy and outlook for 2001

Estimates indicate that the global economy peaked in 2000 and will revert to more moderate growth trajectories from 2001. Towards the end of 2000, the signs of a downturn in the United States economy portended a slowing in growth in the first half of 2001. The downturn in the United States is expected to weaken global economic growth in 2001 to the extent of the influence of the United States on the Caribbean countries.

The ongoing policy of containment of unemployment paid dividends in **Barbados** as growth in 2000 was accompanied by the lowest unemployment rate on record. Jamaica also witnessed a decline in its unemployment rate in 2000, with a decline from 15.7 per cent in 1999 to 15.5 per cent in 2000. In **Jamaica**, the government's macroeconomic policy framework was expressed in a Staff Monitored Programme (SMP) of the International Monetary Fund (IMF). Policy addressed the following objectives:

- Fiscal consolidation aimed at reducing the fiscal deficit through more efficient tax collection systems, streamlined expenditures and a reduction in interest rates;
- Inflation control through base money and exchange rate management
- Financial sector restructuring
- Other structural reform measures to improve efficiency and competitiveness; and
- Further reform of the social safety net.

The sustained reduction in interest rates will have implications for the reversal of the adverse debt dynamics and the creation of an attractive investment climate that is more suited to long-term investment. The major goods-producing sectors and the economy as a whole will remain vulnerable to domestic and external shocks. In Jamaica, prospects for bauxite and alumina are good. The re-opening of the Gramercy plant in Louisiana will call forth increased production and exports in 2001.

In the **Bahamas**, policy was geared towards the containment of inflation and the creation of favourable credit conditions, reinforced customer confidence and an environment for investment and employment.

The **Belizean** gGovernment's policy of stimulating growth by demand-oriented investment was facilitated by its obtention of funding to finance a portion of its investment programme. The hope is that vigorous growth in exports, coupled with the narrowing or elimination of fiscal imbalances will provide the means of repaying the loans secured. The success of this plan is dependent on the country's success in improving its competitiveness in the global market. Government pursued its policy of investment in housing as a prerequisite to improving the quality of life of middle and low-income households. To this end, government partnered with the private sector to build over 1500 new homes in 2000 as it strove towards its target of 10,000 homes during its term in office. The outlook for 2001 is a continuation of policy and a greater thrust to improve performance in the tourist sector by way of more aggressive arrangements for tourism facilitation.

In **Cuba**, government continued to promote increases in productivity in public sector management and in the quality of basic services. Some advance was made in the establishment of financial planning among public enterprises. This replaced the old system of material planning. For 2001 a 5 per cent increase in GDP is forecast. Considering that the 2000–2001 sugar crop will possibly decline basically on account of drought, the expansion of the economy will depend on continued efforts to achieve greater efficiency in the use of available resources and in the productivity of labour. Increases in manufacturing and mining production are expected in 2001.

In the **Dominican Republic**, for the year 2001, the economy is forecasted to grow by 5 to 6 per cent with a rate of inflation of 8 per cent and a deficit on current account of 3.7 per cent of GDP.

Economic policy: Economic policy can be described in three phases. In the first seven months, in the face of the increase in the international prices of petroleum, government bore a fiscal deficit of 4 per cent of GDP, by increasing its debt to the Central Bank, with a view to maintaining the domestic prices of fuel as well as the level of expenditure on it. The issue of money was checked by restrictive monetary measures. In the second phase, from August, the final prices of fuel were adjusted and the tax rate increased. These measures yielded favourable results to the fiscal account while at the same time reducing the real income of the consumers. This lowered aggregate demand and allowed a partial closing of the current account deficit. The maintenance of a restrictive monetary policy towards the end of the year, so as to avoid an unwelcome contraction in GDP, the authorities adopted a more flexible monetary policy through an injection of liquidity into the money market.

Fiscal policy: The central government realized a 1.1 per cent budgeted surplus and a deficit of 0.1 per cent in terms of cash flow. The budgeted surplus was achieved through a reduction in expenditure, which compensated for a fall in the tax take of almost one percentage point of GDP (from 14.5 per cent in 1999 to 13.7 per cent in 2000). The fall in the tax take was in turn a result of the increase in fuel prices. Between January and June of 1999 and the corresponding period of 2000, income from the sales of fuel fell as a percentage of total taxes, falling from 13 per cent in 1999 to 4 per cent in 2000. Nevertheless, from August the putting in place of a system of price differentials for fuel denominated in pesos per gallon and the simultaneous increasing of the differentials by type of fuel translated into a direct increase in the tax take. Between September and December the tax take was 426 million pesos, four times more than the February to August take of 91 million pesos. The other tax incomes behaved in a manner similar to that of the previous year.

Total expenditure fell in relation to GDP, falling from 16 per cent in 1999 to 15 per cent in 2000. This was essentially due to the contraction in capital expenditure that followed the decrease in subsidies to State enterprises and to the resources channelled to the construction of works and agricultural plantations. Current expenditure remained at the same level as in the previous year, at 11 per cent of GDP. This was due mainly to the fact that the increase in wages and salaries, which in turn affected current expenditure, compensated for drops in other accounts, in particular current transfers.

Interest on the domestic debt increased from 0.08 per cent of GDP in 1999 to 0.17 per cent of GDP in 2000, owing in part to interest payments on bonds issued in 1999. These interest payments were 30 per cent of domestic debt.

The fragility of the finances in the face of external shocks put into relief the need for fiscal reform, which was made law in December 2000. The law of customs reform simplified the customs structure and lowered the customs ceiling that had existed.

The external public debt stood at US$3676 million dollars (US$17 million below the figure of 1999), which represented 18 per cent of GDP as opposed to 21 per cent in 1999 and 41 per cent of exports of goods and services in 2000 following a 46 per cent performance in 1999. Also, debt servicing measured in terms of exports of goods and services fell from 7.2 per cent in 1999 to 4.7 per cent in 2000.

Monetary policy: Monetary policy was restrictive in the first nine months of the year in order to contain the expansion in aggregate demand and thus maintain exchange rate and price stability. In the first six months monetary policy was put into effect, in part, through the reduction in international reserves. In addition, temporary limits were put on letters of credit from commercial banks. This had negative consequences on the growth of bank loans. Finally, treasury certificates were issued with the intention of repurchasing them in order to sterilize the effects of the monetization of the fiscal deficit. From October, the new government relaxed monetary policy to inject liquidity into the system and stimulate economic activity. Accordingly, investors were permitted to redeem half of their investments in treasury bills with an agreement to being held by the commercial bank. The authorities also began a process of recovery of the international reserves. As a result, the stock of net international reserves recovered in December to the level of the beginning of the year (US$442 million).

Exchange rate policy: Between February and August, the official exchange rate remained constant at 16.05 pesos per dollar. From September, an administrative floating rate strategy was adopted with a view to closing the gap between the official and free markets. The gap had been showing signs of increasing after May. Between August and December the exchange rate moved from 16.05 to 16.53 pesos to the dollar.

In **Guyana**, stabilisation efforts, through prudent fiscal and monetary policies, managed to contain inflation and exchange rate depreciation. The relatively lower rate of inflation at 5.9 per cent and the 2 per cent depreciation in the exchange rate in 2000 were the result of these policies. Official policy protected the society from the full impact of increases in the price of oil, wage pressures and tariff increases in the communication and electricity sectors. The main focus of monetary policy was determined by domestic considerations regarding the exchange rate. The major objective was to absorb excess liquidity through competitive bidding for treasury bills and, hence, to control money growth to encounter exchange rate and wage pressures and allow for increased credit to the private sector.

The outlook for 2001 appears promising. Modest economic growth is forecasted as a number of the productive sectors are expected to perform well in 2001. Fiscal and monetary policies are expected to continue to be focused on inflation and exchange rate stability as well as cultivating a macroeconomic environment conducive to growth and development.

In **Haiti**, the underlying political-social underpinnings of economic policy in 2000 imposed barriers to the development of those policies. The government resorted to the financing of its internal debt through the Banque de la République d'Haiti. The Bank in turn tried to arrest the expansive effects of this move by reinforcing restrictive monetary measures but could not stop the accelerated depreciation of the national currency nor the acceleration of inflation. The year 2000 ended with a fiscal deficit of 2.6 per cent of GDP. Government revenue fell by 12 per cent in real terms while expenditure contracted by 8 per cent in real terms. The drop in public expenditure was explained by a significant reduction in operating expenses (-35 per cent) and the payment of interest (-40 per cent). Meanwhile certain accounts registered significant real increases. Wages grew by 11 per cent, extraordinary expenditure rose by 36 per cent and capital expenditure increased by 10 per cent.

In **Suriname**, fiscal and monetary policy was diffuse in the early part of 2000 and election uncertainties caused movement of the premium on the exchange rate in the parallel market from 23 per cent at the end of 1999 to 113 per cent by September 2000. Over this period the official exchange rate depreciated from Sf860 to Sf1162 per United States dollar. In September 2000 the official exchange rate further slipped to Sf2200 per United States dollar. In the first half of 2000 fiscal policy remained expansionary, with the Central Bank financing the deficit. During this time government raised the salaries of public servants and intensified efforts to conclude a number of high-profile capital projects. Government expenditure was therefore high in the first seven months of 2000. The new government assumed office in August and adopted measures to address the situation. The new regime devalued the Surinamese guilder and eliminated various special exchange rates for import duties, rice exports and petroleum imports. In addition it increased electricity and water tariffs and implemented modest lump-sum increases in civil service salaries and in pensions. The new policy stance was to keep current expenditure in check by postponing capital expenditure and introducing new tax measures in September 2000.

After Suriname joined CARICOM in 1996, it began to phase in the Common External Tariff (CET) in 1996 and 1997. The maximum tariff was lowered to 30 per cent in 1996 and to 25 per cent in 1997. Strong objection from the domestic manufacturing association halted further reductions. The new government will examine this policy commitment.

In **Trinidad and Tobago**, the current monetary policy framework continued to be focused on liquidity management and exchange rate stability which is directed towards ensuring internal and external price stability. The outlook for 2001 is that economic expansion will increase as activity in the petroleum sector recovers from the problems of 2000. The non-petroleum industries are also expected to show increased resilience and competitiveness in the face of a changing global environment. The attainment of industrial competitiveness[2] is seen as the key to the achievement of overall national competitiveness where a nation is able to sustain

[2] This discussion draws on an address made by the Governor of the Central Bank of Trinidad and Tobago, Mr. Winston Dookeran, at a recent breakfast seminar.

high rates of economic growth while maintaining and increasing the real incomes of its people over the long term. Strong industrial competitiveness depends to a great extent on:

(a) Trade, foreign investment and macroeconomic policies
(b) Skills, technology institutions and finance
(c) Infrastructure

Employment opportunities should continue to expand in 2001 as the labour-intensive industries, such as the construction and wholesale and retail sectors, are projected to grow.

The Trinidad and Tobago economy is expected to grow by 4.5 per cent in 2001. With an estimated rate of inflation at 4 per cent for the calendar year, the economy should generate an overall fiscal surplus of just under 0.5 per cent of GDP in the 2001/2002 fiscal year. The downside risks to the economy included the possibility of a sharp reversal in the terms of trade with oil prices falling well below US$20 as well as the inability of the government to keep the reins on the transfers and subsidies element of the budget. Transfers to public enterprises and utilities should be monitored carefully.

Economic performance

Summary of performance in the OECS countries

The Organisation of Eastern Caribbean States (OECS)[3] countries, often believed to be homogeneous in configuration and response to external stimuli, reported mixed performances in 2000 in response to the same world and regional economic and social conditions. Real growth in 2000 varied from a decline of 1.9 per cent to an increase of 7.5 per cent. A simple arithmetic mean of rates of growth in GDP yields an average of near 2.2 per cent. The growth in real GDP in 2000 was lower than that measured in 1999 and represented a levelling off in real growth. Sectoral performance also displayed some variability among the countries of the group. Whereas declines in tourism were observed for Anguilla, Antigua and Barbuda, Dominica, Grenada and St. Kitts and Nevis, increased performances in this sector were observed in Montserrat, Saint Lucia and Saint Vincent and the Grenadines. Real output in construction declined in Anguilla despite increased renovation and rehabilitation activity in the wake of Hurricane Lenny of November 1999. The decline was associated with the completion of a major hotel on the island in 1999. In Montserrat, the decline in the construction sector was reflective of a combination of three factors. These were:

(a) The completion of some major projects,
(b) A decrease in the rate of implementation of projects under the Public Sector Investment Programme (PSIP), and
(c) A reduction in capital expenditure.

Whereas public sector construction activity focused on the restructuring of utilities, private sector activity was aimed largely at residential construction. The same orientation in the construction sector was observed for Dominica, Grenada, St. Kitts and Nevis, Saint Lucia and Saint Vincent and the Grenadines. In those countries public sector investment accounted for the major part of construction activity in the form of public works, with the private sector being active in the area of residential construction.

The manufacturing sector in the OECS countries is generally small with the production of food, beverages and light industries being its characteristic. The market served is generally the domestic market that is now open to foreign competition. On average the sector grew by 11 per cent in 2000 with the exception of Saint Lucia and Saint Vincent and the Grenadines, which two countries experienced declines of 4 and 14 per cent, respectively. Tourism declined in the OECS countries with the exception of Saint Lucia and Montserrat, mainly in response to a fall in the number of hotel visitors, especially from the United States as that economy experienced a slowing down. In Nevis, the sector's performance was related to the temporary closure of two major hotels that sustained damage from hurricanes Georges and Lenny.

Government fiscal operations supported the governments' concern to keep expenditure, especially current expenditure, related to current revenue.

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[3] These countries are: Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, Saint Lucia and Saint Vincent and the Grenadines.

Table 6
OECS COUNTRIES
CENTRAL GOVERNMENT FISCAL OPERATIONS
(EC$ million)

	Anguilla		Antigua/Barbuda		Dominica		Grenada		Montserrat		St. Kitts/Nevis		St. Lucia		St. Vincent & Grenadines	
	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000
Current revenue	66.09	71.67	347.1	325	200.7	202.1	271.8	297.2	26.8	27.4	252	254.2	482.4	493.4	256.02	261.7
Tax revenue	53.83	58.56	302.4	283.7	168.6	170.9	236.3	265	24.3	25.5	183.5	188.1	414.8	437	215.1	217.3
Non-tax revenue	12.26	13.11	44.7	41.3	32.1	31.2	35.5	32.1	2.5	1.9	68.4	66.1	67.7	56.4	40.9	44.5
Current expenditure	60.44	71.59	388.6	381.7	206.5	219.5	229.2	230.7	57.9	49.6	260.8	293.6	361.8	367.7	225.2	237.7
Current account balance before grants	5.64	0.08	-41.5	-56.7	-17.4	-5.8	42.7	66.5	-31.2	-22.1	-8.8	-39.5	120.6	125.7	30.8	24.1
Current account balance after grants									2.1	3.7			120.6	125.7		
Capital expenditure	12.81	20.03	47.5	47.9	82.7		106.4	135.2	13.8	19.9	87.4	99	125.8	184	63.6	50.8
Overall balance before grants									-45	-42						
Overall balance after grants	-4.65	-10.19	-78.2	-95.5	-85.6		-28.9	-35.4	1.7	3.7	-87.4	-126.8	60.7	-54.5	-15.3	-15.6
Financing	4.65	10.19	78.2	95.5	-74.0		28.9	35.4	-1.7	-3.7	87.4	126.8	-60.7	54.5	15.3	15.6
Domestic	2.82	11.9	66.1	29.5	6.7		-9.1	30.3	-1.9	-3.3	50.6	117.1	-61.9	-8.8	9.4	5.9
External	-0.21	0.33	16.2	4.2	102.6		28.1	21.3	0.2	-0.4	36.7	9.8	0.8	57.3	5.9	9.7

Source: ECCB

Summary of performance in the other Caribbean countries

The **Bahamas** economy remained positive and strong in 2000 despite a deceleration in tourism output and construction. Preliminary indicators of tourism output suggested strong growth in tourist arrivals but more modest increases in expenditure as stopover activity was influenced by the Bahamian tourist sector's international competitiveness. Hotel room revenues increased by 18.3 per cent in 2000, largely explained by a 12.3 per cent appreciation in the average room rate to about $150 per night and an increase of 5.3 per cent in room nights sold. An increase in the number of rooms available resulted in a slightly lower occupancy rate of 67.2 per cent in 2000 as compared with 68.6 per cent in 1999.

The money supply (M3) moderated to 9.3 per cent from 11.8 per cent in 1999, with the overall stock reaching $3.5 billion at the end of 2000, compared with $3.2 billion at the end of the previous year. The fiscal performance of the economy indicated a surplus of $12.5 million in the first half of FY 2000/2001 following a $16 million deficit in the corresponding period of the previous year. Government's revenue collections increased by 5.1 per cent while a shortfall in its outlays to the extent of 1.4 per cent contributed to the surplus as secured for the first six months of FY 2000/2001. Current spending was stable at $391.9 million despite increases in salaries to civil servants, the police and the judiciary. Outlays for capital development projects were reduced by 19.9 per cent to $31.4 million. Government guaranteed borrowings of the public sector declined by 3.1 per cent to $356.9 million, reducing the national debt by $6.3 million or 0.3 per cent to $1.88 billion by the end of 2000.

Preliminary data for the first nine months of 2000 indicate a slowdown in activity in the construction sector as evidenced by reduced investments in commercial and residential projects. The value of building starts was higher by some 16 per cent, but the value of projects completed during the period contracted by 11.1 per cent.

The rate of inflation as measured by changes in the retail price index, moved to 1.6 per cent in 2000 from 1.3 per cent one year earlier. A significant contributor to this increased rate of change was the education component of the index, which posted an increase of 11.9 per cent. Other strong upward influences were exerted by the rising price of oil through higher costs for transport and communications and increased prices for food and beverages. More moderate increases in price were observed in medical and health care and furniture and household operations.

In 2000 the **Barbados** economy registered its eighth consecutive year of real growth accompanied by a record low rate of unemployment. The country recorded its highest level of net international reserves over the period. Real growth was of the order of 3.3 per cent after a growth rate of 2.9 per cent in 1999 and an observed five-year annual average growth of 2.9 per cent. Contributing significantly to this growth was a relatively strong performance of the traded sectors, particularly sugar and tourism. Growth in the traded sectors of 4.8 per cent outstripped the 2.7 per cent growth that was observed in the non-traded sectors. Resurgence in tourism (7.7 per cent growth) was recorded in 2000 after a decline of 1.5 per cent in the previous year.

The performance in tourism reflected an improved marketing thrust by the Barbados Tourism Authority and increased airlift capacity out of the United Kingdom. Reduced airlift capacity out of Germany and other European countries accounted in part for the 17 per cent and 15.2 per cent reduction in arrivals from Germany and other European countries, respectively. Arrivals from CARICOM countries increased by 1.9 per cent - substantially lower than the average rate of increase of 11 per cent for the period 1996 to 2000. Long-stay visitors to Barbados increased by 5.9 per cent after insignificant growth in 1999. The arrival of four new ships boosted cruise-ship tourism.

Table 7
BARBADOS
VISITOR ARRIVALS BY COUNTRY OF RESIDENCE

Country of residence	1996	1997	1998	1999	2000
United Kingdom	139588	155986	186690	202772	226787
United States of America	111731	108095	106300	104953	112153
Canada	54928	58824	59946	57333	59657
CARICOM countries	56752	63581	70358	86127	87424
Other	84084	85804	89103	63429	58675
TOTAL	447083	472290	512397	514614	544696

Source: Barbados Statistical Service

The paradigm of globalisation and the move to a tariff-only regime exposed the **manufacturing** industry to regional and international competition. Real output in the sector declined for the second successive year. Real value added in the construction sector grew by 4 per cent in 2000 following an increase of 5.7 per cent in 1999 and despite a slow start in the first half of the year.

Table 8
BARBADOS
ESTIMATES OF REAL GDP (1974 prices)
And Percentage Changes
(BDS$ Million)

Sector of origin	1996	1997	1998	1999	2000
Sugar	25.4	27.8	20.6	22.9	25.1
Non-sugar agriculture & fishing	37.2	34.4	33.3	35.4	36.5
Mining and quarrying	6	5.9	7.8	8.8	8.2
Manufacturing	84.7	87.9	90.9	88.7	88.3
Electricity, gas & water	31.7	32.9	35.9	37.7	37.7
Construction	48.1	55.3	66.2	69.9	71.2
Wholesale & retail trade	165.4	171.4	182.8	192.9	200.8
Tourism	132.5	135.1	143.6	141.4	152.3
Transport, storage & communications	71.4	73.4	75.8	79.9	81.7
Business & general services	148.2	150.8	155.7	162.5	167.4
Government	114.2	114.8	116	138.5	142.1
TOTAL	864.8	889.7	928.6	978.7	1011.3
Real growth (% change)	**2.5**	**2.9**	**4.4**	**5.4**	**3.3**

Source: Central Bank of Barbados

The rate of inflation as measured by the change in the yearly averages in the index of retail prices indicated acceleration, as the change in 2000 was 2.4 per cent as compared with 1.5 per cent in 1999. Mainly responsible for the increase were prices of fuel and light and transportation as the price level responded to the increase in oil prices. Less significant contributors to the increased rate were price increases in the education, recreation and housing sections. Price decreases were observed in the household operations and clothing and footwear sections. The increase in the rate of unemployment abated somewhat in 2000 as the rate fell from 10.4 per cent in 1999 to 9.2 per cent in 2000.

Table 9
BARBADOS
RETAIL PRICE INDEX
(May 1994 = 100)

	1996	1997	1998	1999	2000
Food	110.2	125.1	119.7	122.7	125.8
Alcoholic beverages and tobacco	104.2	112.4	113.8	114.8	116.0
Housing	105.7	107.0	110.6	113.4	116.5
Fuel and light	103.7	112.9	109.8	106.8	122.5
Household operations and supplies	98.7	103.6	102.0	101.0	95.1
Clothing and footwear	96.8	91.4	90.4	93.6	91.1
Medical and personal care	103.6	108.6	108.9	109.9	112.0
Transportation	100.5	101.7	102.6	101.9	106.6
Education, recreation and miscellaneous	102.7	114.4	119.6	122.3	126.6
All items	105.5	113.6	112.2	113.9	116.7

Source: Barbados Statistical Service

The fiscal deficit for 2000 was estimated at 2.4 per cent of current GDP as the growth in revenue generated by increased economic activity was outstripped by growth in expenditure.

Table 10
BARBADOS
CENTRAL ADMINISTRATION OPERATIONS AND FINANCING
(BDS $000)
(Calendar Year figures)

Item	1998	1999	2000
Current revenue	1526773	1545560	1694363
Current expenditure	1318460	1395649	1488766
Current surplus/deficit	208313	149911	205597
Capital expenditure	255199	265176	278832
Total expenditure and net lending	1565983	1664596	1771630
Total surplus/ deficit	-39210	-119036	-77267
Domestic financing	101717	6695	-85621
Foreign financing	-51702	82753	231259
Total financing	50015	89448	145638

Source: Central Bank of Barbados

In 2000, **Belize** achieved real growth of 8.2 per cent, despite the damage done in October by Hurricane Keith, declining terms of trade and the appreciation of the dollar against the euro. The comparative growth rate for the previous year was 6.4 per cent. The rate of inflation as measured by the rate of growth of the retail price index was of the order of 0.6 per cent, accounted for largely by the increase in the price of fuel and higher domestic demand. Investment, both private and public sector in nature drove the increase in economic activity. Investments in residential construction, aquaculture, agriculture and tourism characterised the private sector contribution while public sector investment was in the area of roads, housing and agriculture. The main focus of growth in 2000 was the manufacturing sector, which was up by 22.4 per cent – significantly better than the 4.2 per cent growth recorded in 1999. Construction grew by 20 per cent as a consequence of investment in road infrastructure, housing and reconstruction in the aftermath of Hurricane Keith. Growth in agriculture moderated to 3.4 per cent in 2000 after its 9 per cent expansion in the previous year and reflected damages brought about by Hurricane Keith to sugar cane, corn, rice and livestock. These losses were more than compensated for by increases in the production of citrus, bananas, red kidney beans, peppers and papayas. Citrus deliveries increased by 19 per cent to 6.7 million boxes as young groves came into production. For the second year in succession, banana production increased. With production of 65,783 tons, a 17.1 per cent increase over the production level of 1999 was achieved. This performance was due to improved management practices and an increase of 16.6 per cent in acreage as accounted for by the new groves.

Commercial fishing increased by 7 per cent in 2000 as expansions in the production of conch, shrimp and lobster were recorded. Production suffered somewhat from problems of salinity and minor outbreaks of disease in some farms.

Tourism continued to be the country's leading earner of foreign exchange, followed by citrus and sugar. The sector grew by 5 per cent in 2000 despite the fall off in tourist activity in the final quarter of 2000 following Hurricane Keith. Tourist arrivals by air increased by 8.4 per cent above the 1999 figure. The number of passengers on cruise ships grew by 70 per cent to 58,131 passengers in 2000.

Table 11
BELIZE
SELECTED INDICATORS

	1996	1997	1998	1999	2000
Real Gross Domestic Product	(Average annual growth rate)				
Total GDP	1.1	4	1.6	6.4	8.2
Agriculture, forestry and fishing	6.6	13	-1.8	12.5	3.5
Manufacturing	0.3	2.7	-2.9	4.2	22.4
Construction	-2.7	-5.7	-1.5	20.5	20
Central government	(As a percentage of current GDP)				
Current revenue	22.3	22	22.1	20.7	20.4
Current expenditure	20.5	19.2	19.7	19.5	18.3
Current saving	1.8	2.7	2.4	1.2	2.1
Capital expenditure	6.3	7.3	8.7	12.1	13.1
Overall balance (- =deficit)	-2.5	-2.4	-3.8	-2.9	-4.3
Domestic financing	-3.2	2	1.9	-1.3	-7.3
Prices	(Average annual growth rates)				
Consumer prices	6.4	1	-0.8	-1.2	0.6

Source: Data collected by ECLAC

The expansion in the level of economic activity in 2000 resulted in a rate of unemployment that fell from 12.8 per cent in 1999 to 11.5 per cent in 2000. However, the unemployment problem in Belize is structural in nature, as significant shortages of skilled workers are reported.

In **Cuba**, GDP grew by 5.6 per cent, bringing its annual average recovery rate to 4.6 per cent over the period 1996 to 2000. External demand outpaced internal demand. Exports of goods and services increased as a result of a greater volume of sales. This increase in exports was due to greater exports of traditional products such as sugar and nickel, as well as of non-traditional exports such as medical equipment, medicines and construction materials. Unlike in

1999, investment increased more rapidly than consumption. Capital formation increased in the tourist, energy and agricultural sectors, as well as in the sectors that produce goods and services oriented towards the internal foreign exchange market. Nevertheless, as a percentage of GDP, investment continues to be very low. In general, the activities that were not foreign exchange generating, such as transportation, continued to suffer from the scarcity of resources for investment. Foreign investment was directed to aqueducts, gas and telephones, with a resultant improvement in the related services.

Against the background of a chronic scarcity of foreign exchange and a sharp increase in oil prices, the authorities had to moderate the rapid growth observed in the first six months of 2000. The current account deficit of the balance of payments (equivalent to 2.1 per cent of GDP) rose for the second consecutive year as a result of larger interest payments and, to a lesser extent, the widening of the trade deficit. The deterioration of the trade balance coincided with a new deterioration in the terms of trade since the volume of goods exported grew at a faster pace than that of imports. Despite this, the capital account surplus allowed the financing of the current account deficit and the slight increase in the modest international reserves. The consumer price index declined for another consecutive year, mainly as a result of the stability of the regulated price system and a price drop in the free (unregulated) market as a consequence of an increased supply of goods and services. Some 162,000 families received a gas service and 37,200 families received telephones in 2000.

Private consumption continued to increase on account of the increase in the sales on the regulated State market, in the State nutrition centres and in the agricultural market. This led to an increase in the per capita daily intake of calories and protein, although the pre-1989 levels have not yet been regained.

All of the sectors showed growth, but growth in mining of 14 per cent, agriculture (12 per cent), tourism (10 per cent) and construction (9.3 per cent) were significant. Electricity, gas and water also grew by 7.9 per cent, while transport storage and communications grew by 7 per cent. The distribution sector registered a 5.5 per cent increase and the manufacturing industry grew by 5 per cent. Financial services expanded as a result of greater bank intermediation and an increase in insurance activity. Whereas international tourism increased by 10 per cent in 2000, it represented a deceleration from when viewed against the growth rate of 13 per cent in 1999. The main determinants of this performance were the depreciation of the euro vis-à-vis the dollar and the increase in long distance transportation. As a result, the level of hotel occupancy increased slightly, from 60 per cent in 1999 to 60.7 per cent in 2000. Cuba's main tourist markets were Canada, Germany, Italy and Spain. The tourist activity provided direct employment to 80,000 persons. Some 89 per cent of tourist accommodation units belong to the State, with the rest being under the ownership of mixed enterprises (firms) which also includes the public sector. The agricultural sector grew both in respect of sugar cane and the non-cane subsectors. Livestock remained stagnant in the face of the shortage of foodstuffs for the herds. Fisheries improved overall, but declines in the levels of lobster and shrimp were observed. The increase in manufacturing production was in part due to the increase in the sugar harvest, which produced a 10 per cent increase in the production of raw sugar. Non-sugar manufacturing also registered increases. Construction expanded as a result of activity in the hotel industry. Home construction increased modestly after a decline in the previous three years.

The energy sector was opened to foreign investment and reported significant increase in petroleum mining (26.2 per cent) to bring the total to 2.7 million tonnes and a 24.9 per cent increase in the production of gas, bringing that total to 575 million cubic meters. Refining capacity of crude oil increased two and a half times, making for an increase of 3.7 per cent in the generation of electricity. By the end of 2000 the electrification of 55,800 new households brought the coverage of that programme to 95 per cent of the population.

During the year, the policy of price control was maintained. The State budget increased the subsidies for the third consecutive year (7.3 per cent of GDP). The consumer price index again declined (-3 per cent) in response to the stability. The external public debt fell slightly, registering a fall of 0.7 per cent in the face of the depreciation of the euro and other currencies and the payments made.

Aggregate demand in the **Dominican Republic** was driven by private consumption and exports of goods and services. Private consumption responded to the growth in income, both originating domestically, as well as from remittances from abroad. Gross Domestic Investment decelerated as it rose by less than 7 per cent in 2000 and less than 14 per cent in 1999. A higher level of aggregate demand was accompanied by a 7.8 per cent growth in GDP and a 7 per cent increase in the import of goods and services.

The agricultural and construction sectors showed signs of deceleration although both experienced growth of 5 per cent. In the agricultural sector the deceleration was explained by performance in the forestry and fishing subsectors. Agriculture, as a whole, increased in absolute terms as a result of an increase in the output of a number of basic crops through improvements in technology, favourable weather conditions, the rehabilitation of a number of plantations after the passage of hurricane Georges and an increase in the acreage harvested.

The deceleration in the construction sector was due to the high interest rates and reduced amount of bank credit. In accordance with this performance, sales of the major construction materials also showed signs of levelling off.

The other sectors improved their dynamism. The manufacturing sector, which grew by 9 per cent, responded to the performance in the free zones and to the behaviour of domestic production in the other manufacturing subsectors.

Other sectors responded to the improved situation of general economic activity and greater money supply. Increases were observed in electricity (11 per cent), transport and communication (14 per cent), tourism (16 per cent) was driven by the widening and diversification of the tourism product and by the investment in infrastructure. The hotel occupation rate moved from 67 per cent in 1999 to 70 per cent in 2000.

The **Guyana** economy declined by 0.8 per cent in 2000 to a total of G$m5385 after recording a 3 per cent rate of growth in 1999. The major determinants of this performance were declines in real output in agriculture, forestry and manufacturing. Real output from mining (gold and bauxite subsectors) and from the services sectors was not sufficient to offset the decline in the sectors that recorded negative growth. Prudent fiscal and monetary policies contained inflation and exchange rate depreciation. Inflation stood at 5.9 per cent and the exchange rate depreciated 2 per cent in 2000 as a result of these policies.

The overall balance of payments strengthened mainly as a result of improvements in the capital account as private capital inflows increased. The current account, on the other hand, experienced a widening of its deficit because of the deterioration in the terms of trade. Export earnings fell as a result of the depreciation of the euro. At the same time, the import bill increased in response to higher oil prices.

The cash basis performance of the public sector deteriorated in the light of high budgeted expenditure for 2000. The deficit of the central government increased as current and capital expenditures outstripped revenues. The overall surplus of the non-financial enterprises diminished as current expenditures rose significantly while export earnings from the National Sugar Corporation fell.

The main objective of the monetary authorities was to absorb excess liquidity through competitive bidding for treasury bills. In this way monetary growth would be checked, reducing exchange rate and wage pressures. Broad money grew by 10.9 per cent in 2000 and this was due in part to a cautious lending policy that resulted in a deceleration in credit to the private sector.

Table 12
GUYANA
SELECTED MONETARY INDICATORS
(G$ Million)

	1998	1999	2000
Narrow money	17821	21576	24827
Quasi-money	50875	55432	60618
Money supply (M2)	68696	77008	85445
Net domestic credit	31947	23860	25072
Public sector (net)	-14188	-26735	-25848
Private sector credit	51838	55823	58715
Agriculture	8978	8094	8684
Manufacturing	13749	15914	16408
Distribution	8715	10323	10689
Personal	9947	10037	9327
Mining	1042	1037	803
Other services	6442	6762	7242
Real estate mortgages	1576	2280	3092
Other	1389	1376	2470
Non-bank fin. inst.	-5703	-5228	-7795
Net foreign assets	-71	11592	22808
Other items (net)	36820	41556	-37566

Source: Bank of Guyana

Table 13
GUYANA
GROSS DOMESTIC PRODUCT AT 1988 PRICES BY INDUSTRIAL ORIGIN
(G$m)

Sector	Budget 2001	Revised 2000	Budget 2000	Revised 1999	Actual 1998	1997	1996	1995
TOTAL GDP	**5537**	**5385**	**5590**	**5426**	**5269**	**5360**	**5047**	**4676**
Sugar	889	846	960	994	790	854	864	783
Rice	191	180	225	225	209	210	206	194
Livestock	121	116	118	111	109	111	105	84
Other agriculture	283	278	289	275	272	255	242	233
Fishing	170	164	148	143	142	146	135	132
Forestry	175	189	240	226	200	264	229	228
Mining & quarrying	631	625	610	591	645	628	546	474
Manufacturing	321	309	366	350	328	367	351	341
Distribution	440	425	430	404	439	417	395	376
Transport & communication	504	480	473	448	439	453	416	375
Engineering & construction	470	452	458	424	471	450	398	349
Rent & dwellings	95	92	94	87	93	88	82	77
Financial services	319	309	317	300	294	285	273	249
Other services	206	198	199	191	188	181	172	150
Government	722	722	663	657	650	651	633	621

Source: Bureau of Statistics

In **Haiti**, preliminary estimates indicate that GDP grew by 1.2 per cent in 2000. Political instability and the reduced external financing no doubt served to constrain growth. Stagnation was reflected in almost all of the major variables. Consumption increased by 1.6 per cent, the value of exports rose by 2 per cent, domestic investment grew by 1.3 per cent, largely because of government infrastructure projects. The increase in the value of imports was to a significant extent due to the increased price of petroleum and food products. The sectors showing the greatest amount of dynamism were construction, which grew by 4.6 per cent and manufacturing, which grew by 2 per cent. In contrast, the agricultural sector declined by 1.3 per cent. The performance of the construction sector was the strongest as it was the focus of public works and absorbed more than 50 per cent of total government investment expenditure. Within the manufacturing sector, export-processing zones continued to be the activity with the greatest relative dynamism. However, a decline of 2.3 per cent in the value of exports of textiles and a decline of 5.1 per cent in volume exported. Textiles represent some 70 per cent of Export Processing Zone (EPZ) firms in terms of employment and total value of exports, while contributing more than 90 per cent of the value added that the type of activity generates. Some explanation of the decline in the agricultural sector is to be found in the deteriorated terms of trade as they affected the traditional export items from Haiti. The decline in agriculture is further explained by the continued poor performance of subsistence agriculture and the lack of incentives such as agricultural credit, which receives less than 1 per cent of total loans and advances of the commercial banking sector. In the energy sector, the continued decline in the generation of electricity has imposed a bottleneck to production. The sector declined by 1 per cent in 2000. The increased price of imported fuel and the high proportion of thermal energy affected the sector, particularly in the light of the reduction by 10 per cent in hydro generated electricity. The volume of gas oil imported grew by 20 percent while its value increased by 111 per cent.

Despite the partial monetary policy measures aimed at containing inflation, the targets for containing the rate of inflation were not met. At the end of the fiscal year (September), the annual rate of inflation was 15.3 per cent, much higher than in 1999 when the rate was 11.5 per cent. From January 2000 the upward trend in prices was maintained, with the highest rises being noted in March and September.

Table 14

HAITI: MAIN ECONOMIC INDICATORS

	1994	1995	1996	1997	1998	1999	2000
Growth and investment							
Gross Domestic Product	-8.3	4.4	2.7	1.4	3.1	2.3	1.2
Per capita Gross Domestic Product	-9.9	2.6	0.8	-0.4	1.2	0.5	-0.6
(millones de gourdes)	30,936	35,265	42,744	51,578	59,055	67,289	76,797
Implicit GDP deflator (1976=100)	745.4	813.6	960.4	1,142.4	1,269.2	1,413.0	1,593.3
Gross national income at market prices	-7.5	29.4	-3.3	3.0	8.4	1.2	-0.2
Sectoral Gross Domestic Product							
Goods	-9.9	-0.7	3.7	1.6	4.1	3.3	0.8
Basic services	-13.2	13.1	5.3	-0.1	1.4	10.3	3.3
Other services	-4.6	7.3	1.1	0.6	1.9	0.5	1.4
Breakdown of the rate of growth of GDP	-8.3	4.4	2.7	1.4	3.1	2.3	1.2
Consumption	-9.4	12.8	-1.6	2.3	1.6	2.5	1.6
Government	...	...	...	...	...	...	...
Private	...	...	...	...	...	...	...
Investment	-0.6	8.1	-0.3	-0.2	1.1	1.1	0.2
Exports	-2.7	9.6	4.9	2.6	5.8	1.8	0.7
Imports (-)	-4.5	26.1	0.3	3.2	5.4	3.0	1.3
Gross Domestic Investment	9.6	17.4	16.7	16.2	16.9	17.6	17.6
National savings	7.7	16.4	13.4	13.6	20.5	18.0	15.4
External savings	1.9	1.0	3.3	2.6	-3.6	-0.4	2.3

Source: ECLAC on the basis of figures from the Institut Haitien de Statistique

In **Jamaica**, growth of 0.8 per cent in 2000 was the first signal of growth since 1995 and was achieved against a background of policies that sought to maintain a stable macroeconomic environment to enhance long-term planning and specific measures towards promoting investment in various sectors. The services sectors recorded strong growth in 2000, while output of the goods producing sectors declined by 2.3 per cent, revealing a continuation of the shift in the structure of the economy away from goods and towards services. Output from the services sectors increased by 4.4 per cent and contributed some 84 per cent to GDP, up from 81.1 per cent in 1999. In the services sector, basic services[4] and financial institutions continued to register growth, albeit at a slower rate than previously. Activity in the electricity subsector increased in response to increased demand from some subsectors of the manufacturing sector as well as increased demand from the household sector. In contrast, real GDP in the water subsector declined by some 9.8 per cent during 2000, mainly on account of the drought conditions that were experienced. Real growth of 11.4 per cent in the communications subsector reflected the increased demand for telephone services, especially in the area of cellular communications. The other services sector recorded growth of 3.6 per cent in 2000, with all subsectors except government services (-1.3 per cent), and household and private non-profit (-1.6 per cent)

[4] This comprises electricity water and sanitation services and transport, storage and communications services.

registering growth. The financial sector recorded 10.6 per cent growth after 18 per cent growth in 1999 and declines in the four years prior to 1999.

Although there was a positive reversal of performance in the m**anufacturing and processing** (+0.7 per cent) **and construction and installation sectors** (+0.1 per cent), production declined in the a**griculture and mining** sectors. This poor performance was due to the continuation of a number of negative developments, both domestic and international, such as drought, the continued effect on bauxite production of the Gramercy explosion and the depreciation of the euro.

In the d**istribution** sector, real GDP grew by 1.0 per cent during 2000. This compares with a decline of 0.9 per cent during 1999. This reflected a number of influences such as:

- Higher import expenditures, especially on capital goods,
- The recovery of output in the manufacturing sector,
- Increased wholesale and retail sales in most distribution categories,
- An increase in the stock of loans and advances outstanding to the sector, and
- The continued growth in own-account employment in the wake of restructuring in the larger enterprises

On the demand side, overall growth in GDP was supported by significant growth in investment spending and by higher export receipts. Gross Fixed Capital Investment rose by 16.1 per cent, following a decline of 5.0 per cent in 1998 and an increase of 1.2 per cent in 1999. Increased inventories indicated the recovery in business investment expenditure. Investment as a proportion of GDP rose to 26.8 per cent. Exports of goods and services increased by 16.9 per cent in 2000, representing the largest increase in this account since 1995, when the growth for this item was 23.1 per cent. The 18 per cent increase in imports of goods and services was largely explained by the increase in oil prices, directly or through their effect on the prices of imported goods affected by the oil price increase.

Table 15
JAMAICA
GDP Growth rate at constant prices, 1995 2000
(Unit =%)

	1995	1996	1997	1998	1999	2000
I. Goods	0.2	-0.7	-4.0	-2.4	-0.6	-2.3
Agriculture, forestry and fishing	2.6	3.5	-13.8	-1.4	1.3	-11.2
Mining and quarrying	-6.8	7.5	3.3	3.3	-1.2	-1.6
Manufacturing	-0.8	-4.2	-2.6	-4.4	-0.9	0.7
Construction and installation	7.2	-5.4	-4.0	-5.8	-1.5	0.1
II. Services	3.4	1.3	-2.0	0.8	4.4	4.4
Basic services	8.1	8.0	5.7	5.8	7.6	6.7
Electricity & water	3.6	4.9	5.5	6.4	4.8	3.3
Transport, storage & communications	10.1	8.8	5.7	5.6	8.6	7.8
Other services	2.2	-0.5	-4.2	-0.8	3.4	3.6
Distribution	4.0	1.2	1.0	-1.6	-0.9	1.0
Financial institutions	-1.5	-5.4	-17.9	-2.3	18.0	10.6
Government services	0.8	-0.3	0.5	2.1	0.3	-1.3
III. Imputed bank services charges	9.8	11.4	-7.5	0.0	19.7	8.2
IV. Total GDP	1.0	-1.3	-1.8	-0.4	-0.4	0.8

Source: STATIN

Suriname experienced a 7.5 per cent decline in real GDP in 2000 as output fell in almost all sectors, especially manufacturing, financial services, construction and agriculture. Bauxite production, which accounts for one half of the value added in the mining sector, fell by 3 per cent after falling by 5 per cent in 1999. Crude oil production, on the other hand, following on a 14 per cent increase in 1999, increased by 5 per cent in 2000 as new fields came on stream. Aluminium production fell by 19 per cent in 2000 as the smelter was closed in April 1999. The closure of the smelter resulted in a 12 per cent reduction in demand for water, gas and electricity in 2000. Agricultural production fell by 10 per cent in 2000, because of declines in the major crops of rice and bananas. Reduced acreages under rice and storm damage to the banana crop in 2000 conspired to ensure reduced output of these crops. The completion of a large bridge in 1999 was reflected in a decline in construction in 2000.

Inflation was high in 2000, with price increases being observed in all sections of the Consumer Price Index. Main factors explaining the rise in the inflation rate were the deficit financing of the budget by the Central Bank, increased prices of electricity, gas and water and increased prices of food.

Trinidad and Tobago experienced a seventh year of growth, largely in response to international developments as higher oil prices contributed to a doubling of the surplus on the external account and through their contribution to revenue, prevented the government fiscal account from going into deficit. Growth was of the order of 4 per cent in 2000 and reflected a deceleration from the performance of the previous year. Real GDP among the non-petroleum sectors of the economy grew by 5 per cent, demonstrating strength and resilience. Among the performing sectors were distribution (9.2 per cent), construction (8 per cent) and transport, storage and communications (7.3 per cent). The other sectors all registered positive growth trends. The agriculture sector reversed its two-year decline to post a growth of 2.4 per cent in 2000 as sugar production and refining increased by 56.2 per cent and 14 per cent, respectively.

In the p**etroleum** sector growth in real output declined to 0.8 per cent as mixed fortunes resulted in the performance noted. In the petrochemical group, real output expanded by 3.7 per cent as another methanol plant came onstream in 2000. This extra production capacity marginally offset the declines recorded in the production of nitrogenous fertilizer, as protracted negotiations for a new natural gas contract between one company and the National Gas Company continued.

The outlook for 2001 is that economic expansion will increase as activity in the petroleum sector recovers from the problems of 2000. The non-petroleum industries are also expected to show increased resilience and competitiveness in the face of a changing global environment.

In **iron and steel**, despite work stoppages caused by industrial unrest, output and sales of iron and steel products improved significantly over the previous year's performance. The production of both direct reduced iron (DRI) and steel billets grew by 17.9 per cent and 2.7 per cent, respectively. The production of wire rods, however, fell by 1.2 per cent to 630.8 thousand tonnes, largely attributable to industrial unrest.

In the **agriculture** sector, sugar rebounded as the output of raw sugar in 2000 totalled 107 thousand tonnes, some 56.2 per cent above the 1999 level of 68.5 thousand tonnes. This performance was the highest since 1995 and was assisted by a relative absence of unplanned cane fires and pest infestation.

Table 16
TRINIDAD AND TOBAGO
GROWTH IN GDP AT CONSTANT (1985) FACTOR COST
BY SECTOR, 1996 – 2000
(per cent per annum)

SECTOR	1996	1997	1998	1999	2000
Petroleum	1.8	-2.0	5.4	8.1	0.8
Petrochemicals	12.3	4.6	23.2	17.5	3.7
Other petroleum	0.3	-3.1	2.3	6.1	0.1
Non-petroleum	3.3	4.5	3.6	4.2	5.0
Agriculture	2.9	2.7	-15.2	-2.0	2.4
Manufacturing	-0.4	3.5	4.1	3.3	3.5
Electricity and water	3.9	5.1	5.3	-0.6	0.4
Construction	7.6	15.0	13.9	7.9	8.0
Transport, storage & communication	6.5	4.7	4.3	10.5	7.3
Distribution	9.8	17.7	13.6	12.2	9.2
Finance, insurance & real estate	1.2	0.8	2.5	2.2	2.5
Government	0.5	-0.3	3.2	-0.7	4.0
Other services	1.1	2.0	3.3	1.8	3.4
GDP at 1985 factor cost	2.9	3.0	4.0	5.1	4.0

Source: Central Bank of Trinidad & Tobago

Table 17
TRINIDAD AND TOBAGO
MAIN INDICATORS OF PERFORMANCE
REAL SECTOR FUNDAMENTALS

	Unit	1994	1995	1996	1997	1998	1999	2000
A. REAL SECTOR FUNDAMENTALS								
GDP at current market prices(TT$Mn)		29312.0	31697	34587	36442	38459	42587	50231
Real growth	(%)	5.0	3.2	2.9	3.0	4.0	5.1	4.0
Inflation	(%)	8.8	5.3	3.3	3.7	5.6	3.4	3.6
Unemployment rate	(%)	18.4	17.2	16.3	15.0	14.2	13.1	12.5[a]
Internal debt/GDP	(%)	19.3	20.8	20.3	22.1	22.8	21.5	24.2
External debt/GDP	(%)	41.3	35.4	32.6	27.1	24.1	23.4	21.1
Exports	US$Mn	1972.0	2477.0	2506.0	2542.0	2265.0	2816.0	4724.0
Imports	US$Mn	1374.0	1885.0	2159.0	3036.0	3008.0	2752.0	3556.0
Foreign Direct Investment/GDP	%	11.2	5.9	6.2	17.0	12.0	6.0	6.1
Overall balance of the Balance of Payments/GDP	%	3.6	0.6	3.7	3.0	1.3	2.4	5.5
B. RESERVE ADEQUACY								
Gross official reserves	US$Mn	354.0	532.0	546.0	706.0	783.0	945.0	1386.0
Gross international reserves	US$Mn	679.0	652.0	938.0	1120.0	1185.0	1368.0	1890.0
Gross official reserves in months of imports	Months	2.6	2.0	2.8	2.6	2.9	3.3	3.8
External debt outstanding	US$Mn	2064.0	1905.0	1877.0	1565.0	1471.0	1585.0	1680.0
C. FISCAL								
Benchmark oil price	US$	17.1	18.4	22.2	20.4	14.4	19.2	30.3
Government revenues*	TT$Mn	7565.0	8512.0	9542.0	9954.0	9658.0	9714.0	13036.0
Government expenditures*	TT$Mn	7571.0	8459.0	9371.0	9912.0	10399.0	11069.0	12218.0
Fiscal balance/GDP*	%	0.0	0.2	0.5	0.1	-1.9	-3.2	1.6
D. MONETARY								
Private sector credit▪	TT$Mn	8957.0	9497.0	10016.0	13456.0	14073.0	16329.0	19267.0
Private sector credit/GDP	%	30.6	30.0	29.0	36.9	36.6	38.3	38.4
Loan rate	%	13.1	13.4	14.2	11.9	15.2	15.9	15.9
Deposit rate	%	6.3	5.8	6.4	5.3	5.8	6.9	6.9
Exchange rate♣	TT$/US$	5.9	6.0	6.2	6.3	6.3	6.3	6.3

[a] Represents data for the first quarter of 2000
* Represents data for the calendar year
♣Represents data for the end of the period
▪ Commercial banks and trust and mortgage finance companies

Source: Central Bank of Trinidad and Tobago

The labour market

In **Barbados**, at the end of the fourth quarter of 2000, the unemployment rate stood at an estimated 9.3 per cent, some 0.5 percentage points lower than the rate recorded one year earlier. The 2000 level represents the eighth successive decline in the unemployment rate in the fourth quarter. The unemployment rate for males rose from 6.7 per cent in the fourth quarter of 1999 to 7.4 per cent in the corresponding period of 2000. The corresponding figures for women were 13.1 per cent in 1999 and 11.4 per cent in 2000, representing a fall in the case of the women. The number of persons with jobs rose from an estimated 122,400 in 1999 to 127,000 in 2000 as employment opportunities, mainly in the tourism, wholesale and retail trade and the financial service sectors were available. The number of inactive persons decreased by 1.2 thousand to a total of 63.7 thousand in 2000. The labour force participation rate for the year 2000 was estimated at 68.5 per cent. This is 0.8 of a percentage point higher than the 1999 figure of 136.6 thousand persons.

In the **Dominican Republic**, the rate of inflation reached 9 per cent in 2000, almost twice the rate observed in 1999. Contributing to this increase were increases in the prices of transportation (38 per cent), miscellaneous goods and services (15 per cent), housing (13 per cent) and food (13 per cent). The price increase affected adversely the real income of workers whose salaries did not have built in escalator clauses that protected their salaries against significant price increases. Notwithstanding this development, the unemployment rate remained at more or less the same level as 1999 at slightly less than 14 per cent.

In **Haiti**, despite the partial monetary policy measures aimed at containing inflation, the targets for containing the rate of inflation were not met. At the end of the fiscal year (September), the annual rate of inflation was 15.3 per cent, much higher than in 1999 when the rate was 11.5 per cent. The situation in employment and wages reflected the state of the national economy. Preliminary results from the 1999–2000 household surveys reveal that the informal sector represents more than 90 per cent of the economically active non-agricultural population, while salaried employees accounted for 25 per cent of the same universe. Households spend on average 73 per cent of their income on food and more than two thirds of those households are in receipt of an annual average income that is 20 per cent below the level permitted by the minimum wage rate. This rate has not changed since 1995.

In **Trinidad and Tobago**, the economic expansion from 1994 to 1999 resulted in a significant drop in the numbers unemployed. The unemployment rate fell from 18.4 per cent in 1994 to 13.1 per cent in 1999. This trend continued into 2000 when the unemployment rate fell from 13.1 per cent in the first three quarters of 1999 to 12.3 per cent over a corresponding period in 2000 as 11,000 jobs were created. Although data were not available for all of 2000 at the time of writing, labour market conditions were estimated to have tightened during the year as the economy grew. The estimate is that the all year position would have witnessed a further reduction in the unemployment rate.

Table 18
TRINIDAD AND TOBAGO
LABOUR FORCE STATISTICS, 1997 – 2000
(thousands)

	1997	1998	1999	2000
Population (mid-year estimates)	1270.6	1282.6	1285.7	1293.8
Non-institutional population 15 years and over	896.9	916.0	926.0	931.1
Labour force	541.0	558.7	563.4	572.9
Persons with jobs	459.9	479.3	489.4	501.5
Persons without jobs	81.2	79.4	74.0	71.4
Participation rate (%)[1]	60.3	61.2	60.8	61.5
Unemployment rate(%)[2]	15.0	14.2	13.1	12.5

Source: Central Statistical Office
[1] Labour force as % of non-institutional population 15 years and over
[1] Persons without jobs as % of the labour force

In **Jamaica**, the labour force was estimated to be 1,105,300 – a decline of 1.2 per cent from the level of 1999. The 1.2 per cent decline represents some 13,800 persons. Net employment also declined by 1.1 per cent to 933,500 persons, representing a fall of 10,400 persons. The unemployment rate fell by 0.2 percentage points to 15.5 per cent, with rates of 10.2 per cent for men and 22.3 per cent for women. Males accounted for 55.6 per cent of the labour force and 59.2 per cent of employed persons, as the male employed labour force increased by 0.4 per cent to total 552,400. This represented an increase of 2,200 jobs. The reduction in aggregate employment therefore resulted entirely from a 3.2 per cent reduction in female employment, bringing total employed females to 381,100. Women outnumbered men in the unemployed, registering 109,200 as compared with 62,500 unemployed men.

Employment in the government sector rose by 3.7 per cent to 106,000 while private sector employment continued to decline, falling by 0.7 per cent to 780,100.

Table 19
JAMAICA
MAIN LABOUR FORCE INDICATORS BY GENDER
1999 – 2000
(000)

	1999					2000				
MAIN INDICATORS	**Jan**	**Apr**	**Jul**	**Oct**	**Annual average**	**Jan**	**Apr**	**Jul**	**Oct**	**Annual average**
BOTH SEXES										
Labour force	1128.4	1122.5	1109.8	1115.6	1119.1	1110.7	1094.9	1106.6	1108.9	1105.3
Employed labour force	950.3	945.7	942.6	936.8	943.9	930.7	924.9	942.9	935.6	933.5
Unemployed labour force	178.1	176.8	167.2	178.8	175.2	180.0	170.0	163.7	173.3	171.8
Unemployment rate (%)	15.8	15.8	15.1	16.0	15.7	16.2	15.5	14.8	15.6	15.5
Job-seeking rate (%)	7.5	7.2	6.4	7.4	7.1	8.3	7.0	7.2	8.2	7.7
Labour force participation rate	65.2	64.7	63.9	64.1	64.5	63.7	62.7	63.3	63.4	63.3
MALE										
Labour force	612.3	610.5	607.2	616.7	611.7	613.8	615.6	615.3	615.2	615.0
Employed labour force	549.2	549.8	550.1	551.9	550.3	549.0	551.5	556.7	552.5	552.4
Unemployed labour force	63.1	60.7	57.1	64.8	61.4	64.8	64.0	58.6	62.7	62.5
Unemployment rate (%)	10.3	9.9	9.4	10.5	10.0	10.6	10.4	9.5	10.2	10.2
Job-seeking rate (%)	5.3	4.6	4.0	5.0	4.7	6.0	4.5	5.0	5.6	5.3
Labour force participation rate	73.3	72.9	72.4	73.4	73.0	73.0	73.1	72.9	72.8	73.0
FEMALE										
Labour force	516.1	512.0	502.6	498.9	507.4	496.9	479.3	491.3	493.7	490.3
Employed labour force	401.1	395.9	392.5	384.9	393.6	381.7	373.4	386.2	383.1	381.1
Unemployed labour force	115.0	116.1	110.1	114.0	113.8	115.2	106.0	105.1	110.6	109.2
Unemployment rate (%)	22.3	22.7	21.9	22.9	22.5	23.2	22.1	21.4	22.4	22.3
Job-seeking rate (%)	10.3	10.6	9.5	10.6	10.3	11.4	10.5	10.1	11.7	10.9
Labour force participation rate	57.7	57.1	56.0	55.4	56.6	55.1	53.1	54.3	54.5	54.3

Source: Statistical Institute of Jamaica

Wages: Approximately 135,600 workers were employed in large establishments that excluded agriculture, private educational institutions, government and free zones. This represented a decline of 3.6 per cent from the level of the previous year, 1999. The average weekly earnings of these workers were $7,277.65. This represented an increase of 11.3 per cent over the situation over the corresponding period in 1999. Transport, storage and communication recorded the largest increase in overall employment. The sector registered the highest average weekly earnings of $15,247.40. The lowest average earnings were in wholesale and retail trade, hotels and restaurants.

Public sector settlements: The Government of Jamaica has advised restraint in wage demands in order to maintain low inflation and facilitate macroeconomic stability. Public sector wage settlements have been accordingly restrained to single digit rates of increase, with an average of 4 per cent being granted. The public sector wage bill was of the order of $36.2 billion for 1999/2000.

External sector

All of the OECS countries reported negative balances on merchandise trade. These ranged from a deficit of $59.1 million in the case of Montserrat to a deficit of $829.8 million in the case of Antigua and Barbuda. Every OECS country recorded deficits on current account of the balance of payments. The highest deficit was recorded in St. Kitts and Nevis, while Montserrat recorded the lowest. On the capital and financial account, Saint Lucia recorded the highest surplus, while Montserrat recorded the lowest. The overall balances were all, with the exception of Anguilla, Saint Lucia and Saint Vincent and the Grenadines, negative. Table 10 below refers.

Table 20
OECS COUNTRIES
SHORT ANALYSIS OF THE BALANCE OF PAYMENTS
(EC$ million)

COUNTRY	Merchandise trade balance		Current account balance		Capital & financial account		Overall balance	
	1999	2000	1999	2000	1999	2000	1999	2000
Anguilla	-210.5	-215.6	-140.4	-103.7	…	…	4.8	1.0
Antigua & Barbuda	-869.7	-829.8	-168.5	-187.6	196.5	170.9	28.0	-16.7
Dominica	-186.4	-212.3	-111.0	-174.7	140.9	162.1	…	-12.6
Grenada	-297.6	-361.0	-82.9	-174.7	93.7	193.2	10.9	-18.4
Montserrat	-60.4	-59.1	-19.1	-24.2	-9.5	14.4	-28.6	-9.8
St. Kitts and Nevis	-245.2	-335.2	-191.0	-275.8	…	170.2	7.4	-11.8
Saint Lucia	-692.1	-696.5	-229.3	-201.4	249.6	223.6	20.3	22.3
St. Vincent & the Grenadines	-343.7	-248.7	-156.6	-59.8	167.0	93.9	10.4	34.1

Source: Data supplied ECLAC.

Provisional estimates for **the Bahamas** indicated a substantial widening in the current account deficit to $560.3 million in 2000 from the 1999 figure of $406.1 million. The merchandise trade deficit widened by 10 per cent, mainly on account of significant increases in imports of construction materials and increases in oil prices. The services account (net) experienced a 2 per cent contraction in 2000 from the 1999 surplus of $936.5 million. This was to a great extent due to a sharp reversal on net inflows for insurance services. The trade deficit widened in 2000 to $1346.0 million. This was in comparison with the 1999 deficit of $1249.3 million. While export earnings were relatively stable at $535.8 million, non-oil merchandise imports increased by 0.8 per cent to $1606.7 million in 2000 as reconstruction activity after Hurricane Floyd, coupled with economic expansion, increased the demand for imported goods. Higher global prices for crude oil helped to increase the oil bill by 55.1 per cent to a figure of $273 million in 2000. On the services transactions, a smaller surplus was achieved in 2000 as net non-merchandise insurance remittances at $44.4 million contrasted with net settlement receipts of $89.1 million in 1999. This offset the effect on the account of the increase of $112.2 million in net tourism receipts to $1384.9 million. Net factor income payments rose by 34 per cent to $173.8 million in 2000, as higher net labour income remittances of $51.1 million were accompanied by a significant expansion in net investment income payments. This figure increased by 38.4 per cent to $122.8 million in 2000. The capital and financial account surplus fell to $403 million from $583.6 million in 1999. Capital transfers on behalf of migrant workers rose by 20.6 per cent to $16.4 million in 2000. The net inflow on the financial account fell to $419.5 million from a level of $597.2 million in the previous year. As a result of the foregoing movements in the balance of payments account, the overall balance of payments as measured by the change in external reserves, moved from a surplus of $65.3 million in 1999 to a deficit of $61.5 million in 2000.

Table 21
BAHAMAS
BALANCE OF PAYMENTS SUMMARY
(US dollars million)
(all figures preliminary)

	1995	1997	1998	1999	2000
I) CURRENT ACCOUNT	-148.2	-665.1	-995.7	-406.1	-560.3
i) Merchandise trade (net)	-931.3	-1301.8	-1373.9	-1249.3	-1346
Exports	225.3	246.2	362.9	523.2	535.8
Imports	1156.7	1547.9	1736.8	1772.5	1881.8
ii) Services (net)	905	745.1	542.8	936.5	918
Travel	1133.1	1166.1	1098.3	1272.6	1384.9
Transportation	-81.7	-140.7	-146.9	-112.3	-113.2
Other	-146.4	-280.3	-408.5	-223.9	353.7
iii) Income (net)	-139.8	-147.7	-199	-129.7	173.8
Compensation of employees	-27.8	-31.1	-34.5	-41	-51.1
Investment Income	-112	-116.7	-164.6	-88.7	-122.8
iv) Current transfers (net)	17.9	39.3	34.3	36.4	41.6
Government	20.7	43.7	38	41.5	45.6
Private	-2.8	-4.4	-3.7	-5.1	-4
II) CAPITAL AND FINANCIAL ACCOUNT	90.6	405.4	860	583.6	403
i) Capital account (transfers)	-12.5	-13	-11.7	-13.6	-16.4
ii) Financial account	103.2	418.5	871.7	597.2	419.5
1. Direct investment	106.7	209.6	146.4	149.1	250
2. Other investment	-3.5	208.9	725.2	448.1	169.5
Central govt. long-term capital flow (net)	-9.6	12.5	-11.3	2.4	0.2
Other pub. dector vapital	-17.4	13.2	6	-7.3	-12.8
Banks	12.2	61.3	29.9	91.8	-27.8
Other	11.4	122	700.6	361.2	209.8
III) NET ERRORS AND OMISSIONS	48.1	316.2	255	-112.3	95.8
IV) CHANGES IN EXTERNAL RESERVES - = increase	3	-56.5	-119.3	-65.3	61.5

Source: The Central Bank of the Bahamas

In **Barbados**, the net effect of international transactions in 2000 was an increase in Net International Reserves of $351.4 million Barbados dollars. The current account showed a deficit of $216.9 million in 2000 as imports exceeded exports. Imports of consumer goods increased by 0.9 per cent in 2000 after an increase of 5.8 per cent in 1999. Contributing to the fall in the rate of increase in imports was a 20.7 per cent contraction in the importation of motor cars. Domestic exports fell by 4 per cent in 2000 after an increase of 1.1 per cent in 1999. This represented the third time in six years that domestic exports had decreased. Despite higher sugar production, sugar earnings were 5.8 per cent lower than in 1999 as the euro depreciated against the United States dollar. Sales of electronic components declined by $19.1 million. Foreign earnings from food and beverages dropped by almost $4 million, representing the fifth successive year of decline.

The services account was $1,300.4 million in surplus reflecting the tourism earnings, which were partially offset by net payments abroad on the transportation account. A surplus of $140.2 million on the current transfers account exceeded the position of the previous year by $6.1 million.

The capital and financial account stood at (surplus) $542.3 million at the end of 2000, in comparison with one year earlier when it stood at (surplus) $283.5 million. This performance was assisted by net long-term inflows for both the public and private sectors. Most of the inflows on this account were for hotel-related activities and public utilities.

The above movements produced an overall deficit of $389.9 million[5], as reflected in the country's reserve movements.

Table 22
BARBADOS
BALANCE OF PAYMENTS (Bds$ million)

	1997	1998	1999	2000p
Current account	-98.6	-124.9	-294.8	-216.9
Merchandise trade balance	1197.1	-1301.1	-1428.3	-1497.4
Total credits	578.2	540.2	550.5	565.8
Exports (BOP)	479.6	435.5	441.2	449.2
Other	98.6	104.7	109.3	116.6
Total debits	1775.3	1841.3	1978.8	2063.2
Imports (BOP)	1775.1	1837.8	1976.2	2057.7
Other	0.2	3.5	2.6	5.5
Domestic exports	420.9	390.7	395.0	379.2
Retained imports	1846.0	1931.8	2083.6	2146.7
Services (net)	1099.4	1182.8	1142.2	1300.4
of which travel credits	1326.8	1423.8	1373.6	1542.2
Income (net)	-95.4	-112.1	-142.8	-160.1
Current transfers (net)	94.5	105.5	134.1	140.2
Capital and financial account	78.8	48.2	283.5	542.3
Errors and omissions	95.0	(2.3)	122.3	64.5
Overall surplus (+) / deficit (-)	75.2	-74.4	111.0	389.9
Net official financing	-31.4	0.0	0.0	0.0
IMF	-18.1	0.0	0.0	0.0
Other monetary authority	0.0	0.0	0.0	0.0
Other financial institutions	-13.3	0.0	0.0	0.0
Change in foreign reserves(-= increase, += decrease) (CBB Basis)	-43.8	74.4	-111.0	-389.9
Adjusted by commercial banks' position (net)	7.8	-63.3	37.1	38.5
Change in net international reserves (NIR) (IMF basis) (- increase / + decrease)	-36.0	11.1	-73.9	-351.4
Source: Central Bank of Barbados				

5 Central Bank of Barbados Basis

In **Belize**, the trade deficit increased by 50 per cent to US$200 million in 2000. This was due to an increase in imports and a contraction in exports. Imports rose by 19.4 per cent to US$403 million as a result of increased demand, higher oil prices, increased demand for capital goods for investment projects and increased demand resulting from reconstruction efforts in the wake of Hurricane Keith. The contraction in exports by 0.5 per cent to US$203 million was due to damage caused by Hurricane Keith on some export crops, on the production of farmed shrimp and the effects of the appreciation of the dollar against the euro. Sugar and banana prices are denominated in dollars. A contraction of 1.2 per cent on the net services balance in 2000 was recorded. The balance stood at US$50.4 million and reflected a worsening in net transport costs as a result of increased import volumes. The current account deficit widened by US$58 million to US$135 million in 2000. The deficit was financed by inflows of foreign direct investment, portfolio investments and net borrowing. The capital and financial account recorded a surplus of US$186.5 million. This more than offset the deficit of US$134.8 million in the current account and contributed to an increase in international reserves of US$51.6 million in 2000, which represented some 2.5 months of import cover in 2000. The previous year's position was 1.6 months of import cover.

Table 23
BELIZE
BALANCE OF PAYMENTS
(US$ million)

	1996	**1997**	**1998**	**1999**	**2000**
Current account balance	2.3	-20.7	-43.5	-77.1	-134.8
Trade balance	-58.1	-85.9	-98.4	-133.3	-199.7
Exports of goods (FOB)	171.4	193.4	194.4	204.2	203.2
Imports of goods (FOB)	229.5	279.3	292.8	337.5	402.9
Service balance	53.0	52.8	48.6	51.0	50.5
Income balance	-26.4	-23.3	-32.2	-43.8	-50.0
Current transfers	33.8	35.7	38.5	49.0	64.4
Capital and financial account balance	11.7	27.9	23.1	90.7	174.7
Capital account balance	-2.2	-3.4	-2.5	0.8	0.8
Capital transfers	-2.2	-3.4	-2.5	0.8	0.8
Financial account balance	13.9	31.3	25.6	89.9	173.9
Direct investment	10.9	8.0	13.5	47.3	14.8
Portfolio investment	10.1	10.1	12.5	32.9	118.9
Other investment	-7.1	13.2	-0.4	9.7	40.2
Change in reserves (- = increase)	-20.9	-1.0	15.4	-27.2	-51.6
Errors and omissions	6.9	-6.2	5.1	13.6	11.7

Source: IDB Statistics

In **Cuba,** the negative balance on the current account of the balance of payments was US$600 million, equal to 2.1 per cent of GDP. This was due to deterioration in the terms of trade, as the volume of goods exported grew faster than that of imports. However, the surplus on capital account allowed the financing of the deficit on current account and the slight increase in international reserves. The increase in the international oil prices and the 6 per cent fall in the prices of sugar were major factors in the deterioration in the terms of trade. The petroleum import bill rose by 50 per cent to US$1500 million for the same volume imported in 1999. Non-traditional exports rose by 24 per cent as a result of greater sales of industrial products of high value added associated with the development of health services, such as medical equipment and medicines, including products derived from genetic engineering and biotechnology.

In the **Dominican Republic**, the global balance of payments was in deficit of US$48 million, signifying that the surplus on the capital and financial account did not compensate for the deficit on current account, which was of the order of 5.2 per cent of GDP. Merchandise exports increased by 12 per cent, while imports grew by 18 per cent in value terms. The improved export performance was due, to a great extent, to exports from the free zones, which grew by 10 per cent and represented 83 per cent of the total. The rest of the exports that were the result of domestic production grew by 20 per cent as traditional exports increased by 26 per cent in value. Nickel exports were boosted by high prices in the first half of 2000. The other traditional exports increased in volume as their international prices fell.

The value of imports increased as a result of the increase in the petroleum bill, which represents 23 per cent of total national purchases and rose by 72 per cent. Part of the import performance was due to the appreciation of the real exchange rate and the dynamism of domestic demand.

The balance on the non-factor services account was positive by more than US$1850 million, indicating a 16 per cent increase in its surplus. This resulted from an increase in tourism income and from telecommunications. Transfer payments recovered from the performance of the previous year and increased by 3 per cent.

The capital and financial account registered a surplus of US$1600 million. Contributing to this performance was foreign direct investment. The main flows came from the United States, Spain and Canada with contributions of 21, 20 and 14 per cent, respectively, of the total. The sectors that were the major beneficiaries of the foreign direct investment were electricity, tourism and commerce, which together accounted for 74 per cent of all foreign direct investment.

Guyana secured in 2000 an overall improvement in its revised overall balance as compared with the actual 1999 figure of minus US$4.4 million. The 2000 figure was US$17.1 million. A current account deficit of US$113.4 million was largely explained by the deficit on the merchandise trade account and the services account. The deficits on these accounts were, however, partially compensated for by inflows on the capital account.

Table 24
GUYANA
BALANCE OF PAYMENTS
ANALYTIC SUMMARY
(US $ million)

Item	2000 Revised Budget	2000 Budget	1999 Actual
A. Current account	**-113.4**	**-95.0**	**-75.2**
1.0 Merchandise (net)	-80.2	-45.0	-25.2
1.1 Exports (f.o.b.)	505.2	530.0	525.0
1.1.1 Bauxite	76.5	75.0	77.2
1.1.2 Sugar	118.8	138.0	136.2
1.1 3 Rice	51.8	70.0	71.1
1.1 4 Gold	120.5	105.0	108.7
1.1.5 Timber	40.9	35.0	37.0
1.1.6 Other	94.2	84.0	74.5
1.1.7 Re-exports	2.5	23.0	20.3
1.2. Imports (c.i.f.)	-585.4	-575.0	-550.2
1.2.1 Fuel & lubricants	-121.0	-95.0	-88.5
1.2.2 Other	-464.4	-480.0	-461.7
2.0 Services (net)	-78.2	-93.0	-89.0
2.1 Factor	-44.3	-58.0	-57.9
2.2 Non-factor (net)	-33.9	-35.0	-31.1
3.0 Transfers	45.0	43.0	39.0
3.1 Official	3.0	8.6	7.8
3.2 Private	42.0	34.4	31.2
B. Capital account	**126.6**	**118.7**	**69.6**
1.0 Capital transfers	11.0	14.0	15.5
2.0 Medium and long-term capital (net)	113.6	103.7	79.9
2.1 Non-financial public sector capital (net)	46.5	46.7	33.9
2.1.1 Disbursements	66.1	68.7	47.4
2.1.2 Amortization	-21.1	-22.0	-23.5
2.1.3 Other	1.5	0.0	10.0
2.2 Private sector (net)	67.1	57.0	46.0
3.0 Short -term capital	**2.0**	**1.0**	**-25.8**
C. Errors and omissions	**3.9**	**0.0**	**1.2**
D. Overall balance	**17.1**	**23.7**	**-4.4**

Source: Bank of Guyana

In **Haiti**, at the end of fiscal year 2000, the balance of payments reported a negative balance on the current account of the order of US$40 million. This represents 1 per cent of GDP. Partially explaining this performance were the low level of external assistance, which dropped by a significant amount from the previous year, a flight of capital of some 62 million dollars in response to internal instability and the raising of the interest rate in the United States. The global deficit was financed above all by a net loss of reserves amounting to US$57 million.

The deficit on the merchandise trade account increased by 14 per cent on the basis of the decrease in exports (- 6 per cent) and the increase in the import bill (7 per cent). The petroleum bill in particular doubled during the fiscal year and represented 14 per cent of imports. Despite the potential advantages deriving from the sustained growth of the United States economy, exports from the export processing zones fell in association with the decrease in the textile subsector.

Haiti's foreign trade suffered a deterioration of close to 11 per cent in the terms of trade. Major contributors to this deterioration were the increase in the price of oil and the slight reduction in international prices that affected the country's main exports of coffee and cocoa. The former suffered a 16 per cent setback while the latter fell by 20 per cent.

Table 25
HAITI: BALANCE OF PAYMENTS
(ABBREVIATED ANALYTICAL PRESENTATION)
(Millones of dollars)

	1997 a/	1998 a/	1999 a/	2000 a/		var% 2000
I. BALANCE ON CURRENT ACCOUNT		**52.6**	**6.3**	**-38.8**		
Exports of goods f.o.b	205.5	299.4	348.7	327.1		**-6.2%**
Imports of goods f.o.b.	-703.3	-822.1	-939.6	-1,003.0		**6.7%**
Balance on goods	**-497.8**	**-522.7**	**-590.9**	**-675.9**		**14.4%**
Services (credit)	173.7	180.0	169.6	161.6		-4.7%
Transportation	6.9	10.0	...	...		
Travel	158.6	161.6	...	...		
Other services	8.2	8.4	...	...		
Services (debit)	-176.4	-199.6	-233.3	-255.4		9.4%
Transportation	...	...	...	...		
Travel	...	...	...	...		
Other services	...	...	...	...		
Balance on goods and services	**-500.6**	**-542.3**	**-654.7**	**-769.6**		17.6%
Balance on income	**-13.6**	**-11.7**	**-12.6**	**-9.2**		-27.1%
Balance on current transfers	**477.9**	**606.5**	**673.6**	**740.0**		9.9%
II. BALANCE ON CAPITAL ACCOUNT c/	...	...	...	...		
III.BALANCE ON FINANCIAL ACCOUNT c/	**79.1**	**187.8**	**103.5**	**-18.4**		-117.7%
IV. ERRORS AND OMISSIONS	-12.5	-205.9	-88.4	11.4		-112.9%
V. GLOBAL BALANCE	**30.4**	**34.5**	**21.4**	**-45.7**		-313.7%
VI. RESERVES AND RELATED ACCOUNTS		**-34.5**	**-21.4**	**45.7**		-313.8%

Source: ECLAC on the basis of official figures from the Bank of the Republic of Haiti (BRH) and the International Monetary Fund (IMF).
a/ Preliminary figures.
b/ Includes official grants.
c/ Excluding the components that have been classified in the categories of Group VI.
d/ Net values from 1993.
e/ Includes back payments and refinancing.

Table 26
HAITI: GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY
At market prices

Millions of 1990 gourdes

	1994	1995	1996	1997	1998 a/	1999 a/	2000 a/
Gross Domestic Product	**10,177**	**10,629**	**10,914**	**11,072**	**11,410**	**11,675**	**11,820**
Goods producing sectors	**4,888**	**4,852**	**5,030**	**5,110**	**5,319**	**5,493**	**5,540**
Agricultura b/	3,432	3,087	3,077	3,018	3,083	3,132	3,092
Minería	14	18	19	21	23	24	25
Industria manufacturera	698	771	789	795	819	832	848
Construcción	743	977	1,145	1,276	1,394	1,505	1,575
Basic Services	**285**	**323**	**340**	**339**	**344**	**380**	**392**
Electricity, gas and water	71	94	105	103	103	105	102
Transport, storage, communications	214	229	235	237	241	274	290
Other services	**4,339**	**4,656**	**4,708**	**4,737**	**4,828**	**4,855**	**4,922**
Commerce, restaurants y hotels	1,179	1,465	1,472	1,484	1,527	1,563	1,594
Finance, Insurance and real estate c/	825	842	860	877	898	918	…
Propiedad de viviendas	802	818	835	850	871	889	…
Communal,social and Personal services	2,335	2,349	2,376	2,377	2,402	2,377	…
Government services d/	1,849	1,836	1,857	1,855	1,876	1,844	1,854
Adjustments e/	665	799	837	885	918	948	967

a/ Preliminary figures.
b/ Includes livestock, forestry and fisheries.
c/ Refers to "commercial services"
d/ Refers to "non-commercial services"
e/ For banking servicios and derechos de importación.
Source: ECLAC on the basis of figures from the Institut Haitien de Statistique.

Jamaica's current account of the Balance of Payments showed a deficit of US$285.5 million in 2000. This widened the deficit observed in 1999. Contributing to this position were widened deficits in the trade and income accounts. The former showed a deficit of US$1346 million or an increased deficit of 18.8 per cent from 1999, while the latter showed a deficit of US$393 million, after a deficit of US$333 million in the previous year. The trade balance worsened as a result of a 9.8 per cent increase in the value of imports to a total of US$2893.5 million in 2000. A 56.4 per cent increase in the oil bill brought the figure to US$214.2 million.

An estimate from the Statistical Institute of Jamaica shows an increase of 3.7 per cent in total exports in 2000 to a figure of US$1293.1 million. This figure differs from that shown in the Balance of Payments table included in this report. The increase was explained by a 6.8 per cent increase in exports from the mining subsector as the both the price and demand for alumina improved. Bauxite exports declined as a prolonged effect of the accident at Kaiser's Gramercy Plant in Louisiana in July 1999. All traditional exports with the exception of coffee declined. Banana exports declined in value by 23.2 per cent as production declined. Sugar exports fell by 12.6 per cent as a consequence of a fall in price and the depreciation of the euro ***vis-à-vis*** the United States dollar. Non-traditional manufactured exports increased by 1.8 per cent to US$344.2 million. The beverages sub-category recovered with an increase of 20.6 per cent. Strong growth in chemical exports and aluminum hydroxide was recorded. Declines in the value of exports of wearing apparel (down 9.8 per cent) and food (down 6.3 per cent) were recorded.

In 2000, the value of merchandise imports totalled US$3200.1 million. This was 10.2 per cent more than in the corresponding period of the preceding year. Raw material imports recorded the highest growth of 16.5 per cent. This increase was largely due to the higher international prices of oil. Parts and accessories of capital goods recorded an increase of 11.2 per cent over the 1999 level. Consumer goods registered the lowest increase with an observed increase of 1.3 per cent over the level of the previous year. Food imports declined by some 3.4 per cent in 2000.

The balance of visible trade with the Caribbean Community (CARICOM) widened by 8.8 per cent to reach a total of minus US$353.0 million in 2000. Imports from CARICOM increased by 9.6 per cent in value to US$401.6 million in response to larger imports of food and mineral fuels. Exports to CARICOM increased by 15.7 per cent to a figure of US$48.6 million. Major contributors to the improved performance were manufactured goods (33.3 per cent), food (14.7 per cent), beverages and tobacco (8.3 per cent) and chemicals (6.0 per cent).

The services account recorded a surplus of US$642 million in 2000, or 13.7 per cent higher than the surplus recorded in 1999. This performance was due to higher net travel inflows.

The capital and financial account increased by US$33.4 million to reach US$286 million in 2000. Official investment moved from a deficit of US$331.4 million in 1999 to a surplus of US$377.8 million in 2000 as a result of a significant increase in loan receipts in the year under review. The increased presence of government in the external debt market was an enactment of its policy to reduce domestic borrowing, making way for the private sector to access more funds locally. This move was expected to assist in the reduction of domestic interest rates.

The overall Balance of Payments position improved in 2000, with the Net International Reserves (NIR) growing by US$519.3 million. The 1999 comparator was a decline of US$131.8 million. At the end of 2000, the stock of NIR stood at US$969.5 million with gross reserves at US$1048.8 million, representing about 18 weeks of imports.

Table 27
JAMAICA
BALANCE OF PAYMENTS
(US$ million)

	1997	1998	1999	2000
1. CURRENT ACCOUNT	-401	-323	-252	-286
A. Goods balance	-1121	-1102	-1134	-1346
Exports (f.o.b.)	1699.1	1590.4	1500.7	1547.1
Imports (f.o.b.)	2819.9	2692.3	2634.4	2893.5
B. Services balance	308	261	565	642
Transportation	-287.4	-281.6	-229.5	-225.3
Travel	949.5	909.8	1052.4	1151.4
Other services	-354.5	-367.2	-258.1	-284.1
Balance on goods and services	-813	-841	-569	-704
C. Income	-201	-94	-333	-393
Compensation of employees	53.7	71.9	70.3	65.6
Investment income	-254.9	-165.5	-402.8	-458.8
D. Current transfers	614	612	649	812
Official	23	20.4	49.4	146
Private	590.8	589.3	599.9	666.1
2. CAPITAL AND FINANCIAL ACCOUNT	401	323	252	286
A. Capital account	9.4	6.6	13.1	23.6
Capital transfers	9.4	6.6	13.1	23.6
Official	7	4.2	4.1	15.6
Private	2.4	2.4	9	8
B. Financial account	391	316	239	262
Official investment	48.1	-57.7	-331.4	377.8
Direct investment	80	0	0	0
Portfolio investment	0	0	0	0
Other official investment	43.1	0	0	0
Private investment	11.6	415	439	403
Reserves	162	42	132	-519

Source: Economic and Social Survey, Jamaica,2000.

In **Suriname**, the external current account deficit declined in 2000 to 17 per cent of GDP, following a 20 per cent of GDP performance in 1999. This was due to a 12 per cent increase in alumina export values and the effect of reduced demand on imports. An increase in the value of exports of alumina was to a great extent attributable to an increase in prices. Exports of aluminium ceased after the closure of the smelter in 1999. Exports of alumina accounted for some 82 per cent of exports in 2000 and represented the highest contribution of this item to total exports since 1996. Net payments for services declined in response to reduced demand for travel and transportation. Net income payments increased while net current transfers declined in 2000.

The balance on the capital and financial account declined in 2000. Net International Reserves of the Central Bank fell by US$7.5 million and at year-end 2000 represented less than one third of one month's imports.

In **Trinidad and Tobago**, an increase in world oil prices, increased shipments of liquefied natural gas (LNG) and the receipt of US$350 million from two euro-bond issues in June 2000 contributed to an overall balance of payments surplus of US$441 million (5.6 per cent of GDP). This was more than twice the surplus achieved in 1999. The Gross International Reserves grew to almost US$1.94 billion by the end of 2000 and were equivalent to 5.4 months of imports.

Exports grew by 68 per cent as they were boosted by increased prices of crude oil and increased shipments of liquefied natural gas. On the other side of the account, imports which had declined in 1999, as a result of fewer imports of capital goods purchases following the completion of major energy sector projects, also grew sharply as oil imported for refining became more expensive. The visible trade balance, which produced surplus of US$63.6 million in 1999, was estimated to have risen to US$ 1.2 billion at the end of 2000. The current account showed a similarly dramatic increase to US$990.6 in 2000. This surplus was equivalent to 12.4 per cent of GDP in 2000.

The capital account fell into deficit in 2000 following four successive years of surplus. Significant increases in export earnings were not reflected in an increase in foreign exchange reserves of the domestic banking system as large outflows of private capital ensued. This produced imbalances in the foreign exchange market. Trinidad and Tobago continued to receive capital inflows from abroad by way of foreign direct investment, trade-related financing and two international bond issues. The commercial banks reported increased net foreign assets by US$133.3 million in 2000 to a record US$278.9 million.

Table 28
TRINIDAD AND TOBAGO
SUMMARY BALANCE OF PAYMENTS 1997 – 2000
(US$ million)

	1997	1998	1999	2000 p
Current account	-578.9	-645.3	30.6	990.6
Merchandise	-493.9	-743	63.6	1168
Services	292.5	417.7	329.1	286.9
Income	-381.3	-342.3	-399.9	-499.6
Transfers	3.8	22.3	37.8	35.3
Capital account	754.1	735.9	131.6	-549.5
Official	-245.5	-105.7	124.4	114.7
State enterprises	-13	-5.7	-14.5	-11
Private sector (incl. errors and omissions)	1012.7	763	21.6	-653.2
Overall surplus / deficit	175.3	80.6	162.2	441
Change in reserves (- = increase)	-175.3	-80.6	-162.2	-441
Exceptional financing	0	0	0	0
Debt rescheduling	0	0	0	0
Gross international reserves	1120.3	1184.7	1367.8	1937.5
Import cover (months)	4.1	4.7	4.2	5.4

Source: Central Bank of Trinidad and Tobago

Table 29
EXCHANGE RATES
(equivalent in US$)

	1995	1996	1997	1998	1999	2000	UNIT
Anguilla	2.700	2.700	2.700	2.700	2.700	2.700	$EC
Antigua & Barbuda	2.700	2.700	2.700	2.700	2.700	2.700	$EC
Aruba	1.790	1.790	1.790	1.790	1.790	1.790	Afl.
The Bahamas	1.000	1.000	1.000	1.000	1.000	1.000	$BS
Barbados	2.000	2.000	2.000	2.000	2.000	2.000	$BDS
Belize	2.000	2.000	2.000	2.000	2.000	2.000	$BZE
Dominica	2.700	2.700	2.700	2.700	2.700	2.700	$EC
Grenada	2.700	2.700	2.700	2.700	2.700	2.700	$EC
Guyana	143.420	141.840	143.280	147.000	177.000		$G
Jamaica	38.900	37.020	35.580	37.200	41.400	45.500	$J
Montserrat	2.700	2.700	2.700	2.700	2.700	2.700	$EC
St Kitts-Nevis	2.700	2.700	2.700	2.700	2.700	2.700	$EC
Saint Lucia	2.700	2.700	2.700	2.700	2.700	2.700	$EC
Saint Vincent And The Grenadines	2.700	2.700	2.700	2.700	2.700	2.700	$EC
Suriname	407.000	401.000	401.000	401.000	401.000		Sf.
Trinidad And Tobago	5.947	6.035	6.285	6.298	6.300	6.300	$TT

Source: ECLAC