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ECONOMIC SURVEY OF LATIN AMERICA

1979

BARBADOS

This preliminary version of the Economic Survey of Latin America, 1979 is being distributed in 27 separate parts: an Introduction of a general nature, bearing the symbol E/CEPAL/R.227, and 26 Addenda to this document, each containing a study of the economic development of a country of the region. These Addenda will not appear in alphabetical order, but in order of completion. The complete Survey will be published in the usual printed version when the comments arising out of this preliminary version have been collected.

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BARBADOS

1. Recent economic trends: Introduction and summary

In 1979 the current value of the gross domestic product at factor cost (GDP) 1/ increased by close to 18%, while there was a 13% rise in the consumer price index (see table 1). This follows a real rate of expansion of more than 10% in 1978 and of approximately 4% in 1977. Between 1973 and 1976 the economy stagnated.

Growth in the GDP during the year was led by the recovery of sugar cane output, a boom in construction, the continued expansion of tourism, and a large increase in imports. On the other hand, other agricultural activities performed very poorly and manufacturing output stagnated. Petroleum production registered a modest increase, following the enormous gains of the preceding year.

The rate of unemployment increased slightly in the first quarter, but is expected to have declined in the second half of the year, when construction activity increased markedly. No data on wages are available, but it may be noted that the two-year wage settlements signed by sugar cane workers and public sector employees in 1978 did not foresee the acceleration in the rate of inflation in 1979.

The current value of exports of goods and services climbed substantially (22%) for the second consecutive year. This was a result of the large gain in sugar cane exports and non-traditional exports, principally clothing. With the liberalization of controls limiting imports and the boom in construction, the value of imports jumped almost 30%. As a result, the deficit on the current account practically doubled, although it was more than offset by capital inflows.

Several important development projects were commenced in 1979, including a tourist complex on the north-west coast and an industrial development programme also aimed at expanding the island's export capacity. As a consequence of these and other projects overall government spending rose

1/ In 1979 the rate of exchange was B\$ 2 = US\$ 1. Unless otherwise indicated, Barbados dollars are used in the text.

over 19% in 1979, compared to a mere 1% use in 1978. Monetary policy was also liberalized during the course of the year. The relaxation of the controls on consumer credit brought a very substantial increase in consumer borrowing, which in turn led to the doubling of the growth rate of the money supply.

2. Trends in economic activity

(a) Growth of the main sectors

The changing sectoral composition of the GDP at current factor prices over the course of the decade is shown in table 2. In this period the small increase in the contribution of manufacturing to the GDP was considerably outweighed by the relative decrease in those of agriculture and construction so that the share of the goods-producing sectors dropped from over 34% to well under 30% of the total GDP. The proportion provided by basic services rose slightly, while that accounted for by other services recorded a notable expansion, owing primarily to the progressive development of the tourist sector, the product of which constituted fully 30% of the GDP in 1979. Also worth pointing out is the fact that the growth of the share of GDP corresponding to government was modest and, in fact, was one of the smallest increases registered in the hemisphere in the decade.

(i) Agriculture. In 1979 the agricultural GDP rose 18% in current value terms (see table 2).

Crop farming output, which accounts for 99% of total agricultural production, increased at the slightly lower rate of 17% (see table 3). This result was a consequence of the recovery of sugar cane, production of which climbed well over 17%. In contrast to the performance of the sugar subsector, however, all the remaining crops suffered large declines, ranging from almost 27% in the case of onions to 87% for cucumbers. This unfavourable evolution was largely due to adverse weather conditions. With respect to stock-raising, data are available only for poultry, which continued to develop rapidly in 1979, as output soared over 29%, following large gains in both 1977 and 1978, although egg production fell by about 10%. In the dairy subsector, milk production rose 15%.

/The recovery

The recovery of sugar from the sharp decline of the previous year was one of the primary determinants of the favourable evolution of the economy in 1979. The area harvested remained virtually unchanged, but cane milled increased by 17.5% (see table 4) as a result of the absence or reduction of the incidence of the factors that handicapped output in 1978. Thus, in 1979 there were no significant disputes between management and labour, while the adverse effect of cane fires and smut disease were sharply reduced. On the other hand, the shortage of cane cutters - the principal problem of the industry throughout the decade - continued to curtail output, and furthermore Barbados failed to benefit from the substantial increase in the world price of sugar because it had already committed the 1979 crop at the price prevailing at the end of 1978, which turned out to be only about one half of the price reached at the end of 1979.

(ii) Mining. Mining activity proper, which consists of the quarrying of limestone and clay, recorded a gain of 2% in output in 1979, but even so this was still about 15% below the volume extracted at the beginning of the decade (see table 5). Crude petroleum production, for its part, after registering a rate of expansion that reached 120% in 1978, rose only 4% in 1979. The rate of growth in the output of natural gas likewise decreased markedly, though it still surpassed 22%.

Crude petroleum has been produced only since 1974; the 1,000 barrels per day extracted in 1979 covered more than one-third of the country's needs. Between 1975 and 1978 the share of merchandise imports accounted for by oil dropped from almost 12% to slightly over 4%, but the large rise in oil prices in 1979 led to an increase of over 100% in Barbados' oil import bill. In response the Government resolved to speed-up its five-year oil exploration programme and implement a number of other programmes designed to reduce the impact of higher oil prices on the economy. For example, the use of solar energy for water heating will be encouraged by tax incentives, and the National Council for Science and Technology has been awarded a grant to investigate the feasibility of utilizing the island's wind and wave resources.

/(iii) Manufacturing.

(iii) Manufacturing. While the current value of the manufacturing GDP grew by 18% in 1979, the index of manufacturing production recorded a decline of over 2% and was only marginally above the 1976 level (see table 6). The output of beverages and tobacco, which account for rather less than one-fifth of total production, dropped 19% and there were also declines in "other manufactures" (-2.5%) and chemicals (-0.3%). The remaining subsectors registered gains ranging from 4% in the case of wearing apparel to 21% for non-metallic mineral products.

Funding for the foreign exchange component of an ambitious industrial development plan was acquired in 1979. The US\$ 22 million project aims to expand output, especially for overseas markets, and employment in areas where unemployment has remained high for several years. It will follow the industrial development strategy that has proved successful for Barbados in the past: namely, the creation of industrial estates and construction of factory buildings which are rented to manufacturing concerns at subsidized rates. The project provides for the construction of an additional 35 factory buildings in three existing industrial estates and in a new one to be developed in the north-west part of the island.

(iv) Construction. The nominal growth rate of the value of construction activity neared 28% in 1979, which, after allowing for price movements, meant that the sector registered its third consecutive year of accelerated growth and its highest rate of expansion since the tourist-led construction boom of the early 1970s.

The initiation of several major new building programmes, including the tourist complex on the north-west coast, the island-wide sewerage project and the construction of a new motorway to service the harbour in Bridgetown, together with ongoing projects such as the new airport terminal and the continuing surge in the demand for housing, propelled activity in the sector to such levels that by the end of the year the rate of increase in the costs of diverse building materials and particularly in the wages of skilled construction workers began to accelerate significantly. In fact, the shortage of skilled labour reached the point at which it was necessary either to recruit workers from neighbouring islands or delay some of the existing projects. In the meantime, the price of housing surged ahead at

an annual average growth rate which was almost double the one recorded in 1978 and was substantially more than double the previous year's level on a December to December basis.

(v) Tourism. In 1979 the total number of tourists rose somewhat less than 11%, i.e., considerably short of the growth experienced in the previous year. On the other hand, stop-over visitors increased by 20%, compared with less than 18% in 1978, with the result that the rate of growth of tourist expenditures (over 26%) substantially exceeded that of the previous year (see table 7).

During the year work on a major tourist complex on the relatively undeveloped north-west coast was commenced. The US\$ 17.2 million project, which has received funding from the World Bank (US\$ 8 million) and the Caribbean Development Bank (US\$ 3 million) is scheduled to be completed in 1982 and will increase the existing total room capacity by 3%, while luxury room capacity, from which a relatively greater foreign exchange and employment effect is derived, will be augmented by almost 10%. The six units which make up the government-owned complex will be leased to separate domestic entrepreneurs.

(b) Employment and unemployment

Following a marked reduction in unemployment in 1976-1978, owing to the economic recovery and a perhaps related fall in the labour force participation rate, both the number of problems and the rate of unemployment rose slightly in the first quarter of 1979 (see table 8). However, it is anticipated that full-year data will show a decline in both indicators as a result of the start of several large construction projects in the second half of the year.

In interpreting the data on unemployment rates in Barbados, it should be borne in mind that the labour force participation rate is unusually high, averaging around 63% of the population fifteen years and older in recent years. In the first quarter of 1979 over 51% of all those in this sector of the population were in fact employed.

Another matter to which attention should be called is that the greatly improved economic conditions of the last few years have persuaded a large contingent of well-educated and experienced Barbados nationals to return to the island, while at the same time a considerably greater number of unskilled workers from neighbouring islands have also been attracted to the country. After almost two decades in which emigration exceeded immigration by a very substantial margin and in fact reduced population growth to zero in some years, the trend was actually reversed in 1977, and between 1978 and 1979 the rate of population growth approached the unprecedented figure of 4%. Furthermore, this increase was concentrated in the working-age population.

3. The external sector

(a) The trade balance

The current value of merchandise exports soared more than 34% in 1979 as a result of an increase of almost 20% in volume and a 12% rise in unit value (see table 9). This performance was in large part a result of the recovery of sugar cane production, but the evolution of non-traditional exports, particularly clothing, also made a significant contribution, more than offsetting the pronounced decreases in the value of exports of rum and molasses (see table 10). At the same time, however, it should be pointed out that the rate of increase in non-traditional exports fell considerably below that recorded in each of the previous two years, when this sector, together with re-exports (duty free sales), accounted for virtually the entire amount of growth of merchandise exports and caused the share of non-traditional goods in total merchandise exports to increase fully two and one-half times between 1975 and 1979. The dynamic evolution of these exports may be credited to the success of the Government in inducing a large number of foreign firms to engage in assembly operations on the island. In 1978 subsidiaries of foreign firms accounted for approximately 80% of manufactured exports, which were destined mainly to the home countries of the firms for further elaboration (in the case of electronic components) or sold in the CARICOM area (clothing).

/The value

The value of merchandise imports increased almost as rapidly as did merchandise exports and since such imports already amounted to well over twice the value of the latter, the traditionally large deficit on merchandise trade rose by one-third, to US\$ 225 million. It may be pointed out that this figure works out at more than US\$ 800 on a per capita basis, which speaks eloquently of the multiple role of the island's sun and sea resources in the formation of the standard of living of the population.

Imports of consumer goods rose almost 18% at current prices, as a consequence of a leap of over 100% in the value of non-durable goods other than food and beverages (see table 11). This may be attributed largely to the relaxation of the selective controls on credit for, and imports of, consumer goods, introduced in 1977 to reduce the trade deficit. Imports of both intermediate and capital goods increased by around 50%, due largely, in the case of the former, to the doubling of the fuel import bill. The volume of petroleum imports remained unchanged in 1979, whereas in the preceding year the value of such imports had been slashed by one-half thanks to the 120% leap in domestic oil production. Between 1975 and 1979 there was no change in the proportion of imports accounted for by intermediate goods. The high rate of increase in capital goods imports in 1979 mainly reflected the 60% growth in imports of machinery, which in turn was a response to the requirements of the various large construction projects commenced on the island during the course of the year. In 1979 capital goods accounted for over 28% of imports and equalled 19% of GDP. The corresponding figures in 1975 were 23% and 14% respectively.

For the fourth consecutive year Barbados suffered a deterioration in its terms of trade (see table 9), this time by almost 50%, which was in line with the drop in the price received for the country's sugar on international markets. Nevertheless, the purchasing power of its exports increased about 31%, thanks to the big increase in the volume of merchandise exports and the progressive expansion of tourism.

Almost three-quarters of the US\$ 225 million deficit on merchandise trade in 1979 was covered by the surplus on service transactions, while net private transfer payments more than compensated the outflow in respect of payments of profits and interest on foreign capital (see table 12).

/Consequently, the

Consequently, the overall current account deficit was US\$ 57 million: an 84% increase with respect to the previous year and, in fact, the second largest deficit of the decade.

(b) The overall balance of payments

The financing of the deficit did not present any difficulties, as the size of net long and short-term capital inflows allowed for a small increase in international reserves, which stand at the equivalent of the foreign exchange requirements of between 6 and 7 weeks' imports at the end of the year.

(c) External debt

Statistics on the evolution of the external debt are available only up to the end of 1978 (see table 13). Barbados has one of the smallest external debts in the hemisphere, in both absolute and relative terms, owing in part to the late date of its independence (1966) and its role as a regional financial centre until the early 1970s. Subsequently, the discovery of oil permitted the country to avoid a pronounced increase in debt on account of oil price increases, while stepping up significantly its development programme. Between 1974 and 1978 the debt burden remained unchanged, as measured by the proportion of goods and services needed to finance it. Over the same period, the proportion of the total debt (including undisbursed) corresponding to official lenders rose from 39% to 75%; and in 1978 90% of the undisbursed debt was accounted for by loans from multilateral institutions. Consequently, the real debt burden in fact dropped considerably, as Barbados came to receive most of its credit on concessional terms. On the other hand the increase in borrowing has played an important role in the Government's development strategy. Thus, in 1978 disbursements under long-term loans from official lenders provided about one-third of the funds for the Government's capital expenditure programme.

4. Prices

In 1979 the rate of inflation accelerated for the fourth consecutive year, reaching an annual average of over 13%, compared with 10.5% in 1978. Furthermore the rate of price increases acquired greater velocity as the year progressed (see table 14). The index for food and beverages rose at an annual average rate of 11% and this served to moderate, in part, the effects of the much higher prices for housing (15%), household operations and furnishing (35%) and transportation (14%). The acceleration in the overall rate of inflation was caused mainly by the leap in imported inflation, which rose from 5% to 15%. Indeed, the increase in the domestic rate of inflation was very modest given the magnitude of the changes in the rate of increase of the prices of imported goods.

5. Monetary and fiscal policy

(a) Monetary policy

Prior to 1972 the evolution of monetary variables in Barbados was determined by trade and capital flows. In that year the Central Bank was created and in 1973 the country printed its first currency. In recent years the course of events has moved the Central Bank to assume a more active role in influencing a monetary and financial system traditionally dominated by foreign banks. Confronted with a critical foreign exchange position early in 1977 as a result of the plunge in sugar prices, the Central Bank placed a freeze on consumer installment credit, composed restrictions on other types of loans for personal use and for distribution, and raised the reserve requirements of commercial banks. As a result the nominal rate of expansion of commercial bank credit fell to 13% in 1977 and 6% in 1978 (see table 15), while the rate of inflation reached 10% and 11%, respectively. On the other hand, the ultimate purpose of these measures - the curtailment of import growth - was not particularly successful, and the reduction in the real level of credit was clearly achieved at the expense of the productive sectors of the economy. In any event, the credit controls were eased in mid-1978, by which time the performance of merchandise exports and tourism had achieved turn around in the foreign exchange situation. These controls were further relaxed in 1979 for the same reasons. In that year total

/domestic credit

domestic credit allocations increased 20% and provided the main source of the growth in the money supply, which approached 42%, or twice the rate of the preceding year (see table 16).

The authorities have also made efforts to persuade commercial banks to allocate a larger share of their portfolios to productive activities and to introduce local participation in the commercial banking system. In this regard mention may be made of the establishment of rediscount lines for the goods-producing sectors and tourism (1977), the implementation of an insurance scheme for exporters (1978), and the creation of the first domestically-owned commercial bank in Barbados (1978). In 1979 the Central Bank created the Small Business Credit Guarantee Scheme, which will guarantee 80% of loans up to US\$ 25,000 to small businesses.

Up to November, commercial bank lending to agriculture continued to decline, having dropped by one-fifth in relation to November 1978. In contrast, manufacturing and construction benefited from substantial increases in credit outlays compared with 1977 and 1978 (see table 15).

(b) Fiscal policy

Together with a more liberal monetary policy, the government elected to move towards an expansionary fiscal policy in 1979. In contrast with the notable curtailment in the rate of growth of government expenditure in 1978, when real spending actually declined and fell from 44% to 36% of GDP, total expenditure rose 19% in 1979 (see table 17). Current income and expenditure each expanded by an amount similar to that of current GDP (16% to 17%). Savings on the current account rose slightly and financed more than half of capital expenditure, which increased by 28% following the 8% reduction imposed in 1978. Owing largely to the stepped-up spending on the capital development programme the fiscal deficit doubled both in absolute terms and as a percentage of total government expenditure. Complete data on the financing of the deficit are not available, but statistics on changes in the debt suggest that it was divided about equally between internal and external sources.

/The main

The main effect of fiscal policy in 1979 was seen in the construction sector, which experienced a boom as a consequence of the start of several large-scale development projects. This in turn redounded favourably on employment and disposable income, but it also led to an overextension of resources in construction, a leap in construction-related imports, and accelerated inflation of building costs and housing prices.

Table 1

BARBADOS: MAIN ECONOMIC INDICATORS

	1974	1975	1976	1977	1978	1979(a)
<u>Basic economic indicators</u>						
Gross domestic product at factor cost (millions of current Barbados dollars)	577	656	675	760	937	1 110
Population (thousands of inhabitants)	244	245	247	255	265	275
Per capita gross domestic product (current Barbados dollars)	2 365	2 678	2 728	2 987	3 703	4 035
<u>Growth rates</u>						
<u>Short-run economic indicators</u>						
Gross domestic product	36.4	13.7	2.9	12.6	23.3	17.7
Per capita gross domestic product	35.3	13.2	1.4	9.5	24.0	8.3
Terms of trade	33.5	24.2	-41.8	-6.7	-0.9	-2.7
Current value of exports of goods and services	26.9	16.4	-4.1	27.0	19.4	21.9
Current value of imports of goods and services	17.0	9.3	9.7	13.1	11.9	26.3
Consumer prices index						
December-December	36.6	12.3	3.9	9.9	11.3	16.8
Variation between annual averages	40.0	20.3	5.0	8.3	9.5	13.2
Money	14.4	20.0	10.0	16.4	21.5	41.5
Rate of unemployment (b)	...	22.5	15.6	15.2	12.4	12.6
Current income of government	...	...	...	16.6	24.8	16.3
Total expenditure of government	...	...	...	22.1	1.2	19.3
Fiscal deficit/total expenditure of government (b)	...	...	22.4	25.9	5.6	11.0
<u>Millions of dollars</u>						
<u>External sector</u>						
Trade balance (goods and services)	-47	-38	-72	-52	-38	-62
Balance on current account	-48	-40	-64	-47	-31	-57
Variation in net international reserves	3	18	-17	6	23	6
External debt (c)	27	26	30	46	60	...

Source: CEPAL, on the basis of official data.

) Preliminary figures.

) Percentage.

) Disbursed public debt.

Table 2

BARBADOS: GROSS DOMESTIC PRODUCT, BY KIND OF ECONOMIC ACTIVITY, AT FACTOR COST

	Millions of current Barbados dollars			Percentage breakdown		Growth rates		
	1977	1978	1979(a)	1970	1979	1977	1978	1979
	Agriculture	92	91	107	13.9	9.7	16.5	-1.1	18.0
Mining and quarrying	3	4	7	10.8	0.7	50.0	33.3	82.5
Manufacturing	87	106	125		11.2	11.5	21.8	17.9
Construction	59	69	88	9.5	7.9	13.5	16.9	27.7
<u>Subtotal goods</u>	<u>241</u>	<u>270</u>	<u>328</u>	<u>34.2</u>	<u>29.5</u>	<u>14.2</u>	<u>12.0</u>	<u>21.4</u>
Electricity, gas and water	14	16	18	7.2	1.6	7.7	14.3	14.4
Transport, storage and communications	60	64	73		6.6	11.1	6.7	14.7
<u>Subtotal basic services</u>	<u>74</u>	<u>80</u>	<u>92</u>	<u>7.2</u>	<u>8.3</u>	<u>10.4</u>	<u>8.1</u>	<u>14.6</u>
Commerce, restaurants and hotels (tourism)	247	284	333	24.6(b)	30.0	15.4	15.0	17.3
Government services	142	151	180	14.7	16.2	10.9	6.3	18.9
Miscellaneous services	145	154	178	19.3	16.0	5.8	6.2	15.3
<u>Subtotal other services</u>	<u>534</u>	<u>589</u>	<u>690</u>	<u>58.6</u>	<u>62.2</u>	<u>11.5</u>	<u>10.3</u>	<u>17.2</u>
<u>Total gross domestic product</u>	<u>848</u>	<u>937</u>	<u>1 100</u>	<u>100.0</u>	<u>100.0</u>	<u>11.9</u>	<u>10.5</u>	<u>18.4</u>

Source: Ministry of Finance and Planning, Barbados Economic Survey 1977, and data supplied to CEPAL.

(a) Preliminary figures.

(b) Distribution only.

Table 3

BARBADOS: INDICATORS OF AGRICULTURAL PRODUCTION

	1976	1977	1978	1979(a)	Growth rates		
					1977	1978	1979
Index of agricultural production (b)	105.8	120.8	104.0	...	14.2	-13.9	...
Crop farming	105.8	120.7	103.8	120.7	14.1	-14.0	16.3
Stock-raising	123.8	148.1	153.2	...	19.6	3.4	...
Production of main crops (c)							
Sugar cane (d)	919	1 045	895	1 052	13.7	-14.6	17.5
Cotton	88	27	39	17	-69.4	44.4	-56.4
Sweet potatoes	2 874	4 706	4 990	2 400	63.7	6.0	-51.9
Yams	5 783	8 424	8 528	5 905	45.7	1.2	-30.8
Tomatoes	449	386	726	488	-14.0	88.1	-32.8
Cucumbers	744	1 633	1 755	234	119.5	7.5	-86.7
Cabbages	617	980	816	369	58.8	-16.7	-54.8
Onions	680	693	743	545	1.9	7.2	-26.6
Indicators of stock-raising							
Production (c)							
Beef and veal	180	170	249	...	-5.6	46.5	...
Pork	1 277	1 587	1 336	...	24.3	-15.8	...
Mutton	70	86	105	...	22.9	22.1	...
Poultry	3 138	3 736	4 082	5 273	19.1	9.1	29.2
Indicators of dairy production							
Eggs	1 681	1 701	1 814	1 638	1.2	6.6	-9.7
Milk	6 350	6 604	7 178	8 260	4.0	8.7	15.1

Source: Data supplied to CEPAL by the Ministry of Agriculture, Food and Consumer Affairs, Barbados.

a) Preliminary figures.

b) Index 1975 = 100.

c) Metric tons.

d) Thousand of metric tons.

Table 4

BARBADOS: INDICATORS OF SUGAR PRODUCTION

	1976	1977	1978	1979	Growth rates			
					1976	1977	1978	1979
Hectares harvested (a)	15.9	15.8	15.9	15.9	-1.3	-0.8	0.6	0.2
Cane milled	919	1 046	895	1 052	8.8	13.8	-14.4	17.5
Average yield (b)								
Cane per hectare	57.8	63.6	56.8	66.3	10.0	14.7	-14.3	16.7
Sugar per hectare	6.5	7.6	6.3	7.1	6.6	16.9	-17.1	12.7
Sugar produced (c)	104	120	101	114	5.1	15.4	-15.8	12.9

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

a) Thousands of hectares.

b) Metric tons.

c) Thousands of metric tons.

Table 5

BARBADOS: INDICATORS OF MINING PRODUCTION

	1976	1977	1978	1979	Growth rates			
					1976	1977	1978	1979
Index of quarrying production (a)	96.3	81.5	83.7	85.4	74.8	-15.4	2.7	2.0
Production of some important minerals								
Crude petroleum (b)	23.1	19.7	43.5	45.1	19.1	-14.7	120.8	3.0
Natural gas (c)	4 163	4 191	9 599	11 751	96.0	0.7	129.0	22.0

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

(a) Index 1971 = 100.

(b) Millions of litres.

(c) Millions of cubic metres.

Table 6

BARBADOS: INDICATORS OF MANUFACTURING PRODUCTION

	1971 = 100				Growth rates			
	1976	1977	1978	1979	1976	1977	1978	1979
Index of manufacturing production	143.7	145.1	147.7	144.1	17.9	1.0	1.8	-2.1
Food	149.7	152.0	159.6	168.1	13.4	1.5	5.0	2.4
Beverages and tobacco	109.0	124.4	139.3	112.9	-1.2	14.1	12.0	4.3
Wearing apparel	158.6	169.0	158.8	165.6	23.7	6.6	-6.0	5.3
Chemicals	134.9	109.8	118.8	118.4	12.9	-18.6	8.2	-0.3
Petroleum products	114.9	115.5	118.9	128.2	-1.2	0.5	2.9	7.8
Other non-metallic mineral products	77.2	76.7	81.2	98.3	-4.0	-0.6	5.9	21.1
Other manufactures	174.4	165.1	159.4	155.4	35.0	-5.3	-3.5	-2.5
Other indicators of manufacturing production								
Electricity generated (a)	214	246	269	296	3.4	15.0	9.3	10.0

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

(a) Millions of KWH.

Table 7

BARBADOS: INDICATORS OF TOURISM ACTIVITY

	1977	1978	1979(a)	Growth rates		
				1977	1978	1979
Total visitors (b)	372.4	442.9	490.4	16.3	18.9	10.0
Stopover visitors	269.3	316.9	380.3	20.1	17.7	20.0
Cruise-ship visitors	103.1	126.0	110.1	7.5	22.2	-12.0
Number of beds available (b)	10.3	11.0	12.0	8.2	7.0	9.0
Bed occupancy rate (c)	54.1	57.5(d)	...	21.0	6.4	...
Average length of stay (e)	9.0	...	...	5.8	...	...
Estimated expenditure (f)	221.5	261.0	330.0	34.0	17.8	26.0
Hotel and restaurant tax (f)	7.2	9.5	11.0	50.0	58.3	15.0

Source: Statistical Services, Barbados, Monthly Digest of Statistics (various issues).

(a) Preliminary figures.

(b) Thousands.

(c) Per cent.

(d) January-September.

(e) Days.

(f) Millions of current Barbados dollars.

Table 8

BARBADOS: EMPLOYMENT AND UNEMPLOYMENT(a)

	1977	1978	1979
Rate of unemployment	15.2	12.4	12.6
Indexes of employment and unemployment (b)			
Labour force	92.1	96.8	97.5
Employment	92.6	100.3	100.9
Unemployment	89.9	77.4	79.2

Source: Ministry of Finance and Planning,
Barbados, Economic Report, 1977.

(a) Data refer to first quarter of each year.

(b) January-June 1976 = 100.

Table 9

BARBADOS: MAIN FOREIGN TRADE INDICATORS

	1974	1975	1976	1977	1978	1979
	<u>Growth rates</u>					
Exports of goods						
Value	40.5	40.4	-19.5	19.5	22.2	34.3
Volume	-20.6	1.0	34.3	19.6	16.4	19.8
Unit value	77.1	39.0	-40.0	-0.2	5.0	12.0
Imports of goods						
Value	21.5	6.2	11.3	14.2	14.9	30.0
Volume	-8.5	-5.1	8.1	6.7	8.4	13.1
Unit value	32.7	11.9	3.0	7.0	6.0	15.0
Terms of trade	33.5	24.2	-41.8	-6.7	-0.9	-2.7
	<u>Indexes (1970 = 100)</u>					
Terms of trade	145.7	180.8	105.3	98.3	97.4	94.8
Purchasing power of exports of goods	117.9	147.9	115.6	129.1	149.0	173.6
Purchasing power of exports of goods and services	122.9	128.2	117.6	139.9	156.8	167.4

Source: CEPAL, on the basis of official statistics.

Table 10

BARBADOS: EXPORTS OF GOODS, FOB

	Millions of current Barbados dollars				Percentage breakdown		Growth rates		
	1976	1977	1978	1979(a)	1975	1979	1977	1978	1979(b)
<u>Main traditional exports</u>	64	63	65	66	52.9	34.9	-0.8	2.8	7.4
Sugar	47	48	47	53	44.1	25.2	2.6	-2.3	15.0
Molasses	9	6	7	8	5.4	3.6	-37.6	15.5	14.9
Rum	4	6	6	2	2.0	3.2	29.5	5.3	-51.2
Lard and margarine	3	4	5	3	1.4	2.9	15.6	45.9	-28.6
<u>Non-traditional exports</u>	43	54	79	70	15.7	42.1	25.5	44.8	18.4
Clothing	31	38	41	32	12.3	21.8	23.5	7.4	31.1
Electrical components	13	16	38	28	3.4	20.3	30.2	131.1	3.6
Others (c)	31	30	43	49	31.4	23.0	-3.3	44.9	69.4
<u>Total</u>	138	147	187	185	100.0	100.0	6.9	26.8	23.8

Source: Central Bank, Barbados, Economic and Financial Statistics (various issues), Statistical Service, external trade publications, and data supplied to CEPAL.

(a) January-September.

(b) January-September 1979 with respect to January-September 1978.

(c) Mainly re-exports.

Table 11

BARBADOS: IMPORTS OF GOODS, CIF

	Millions of current Barbados dollars				Percentage breakdown		Growth rates		
	1976	1977	1978	1979(a)	1975	1979	1977	1978	1979
<u>Consumer goods</u>	182	205	228	269	40.4	36.1	12.4	11.5	17.9
Food and beverages	97	103	123	134	23.3	18.0	6.2	18.9	9.7
Other non-durables	41	52	54	111	8.8	14.9	25.3	4.9	105.6
Durables	23	26	22	24	3.6	3.2	10.8	-15.6	11.7
<u>Intermediate goods</u>	148	167	166	249	33.5	33.4	13.2	-0.8	50.0
Fuels	40	47	23	47	11.7	6.3	17.9	-51.3	104.7
Textiles	25	26	27	38	21.8	5.1	2.4	5.9	40.2
Others	83	94	116	164			13.2	23.6	32.8
<u>Capital goods</u>	94	117	142	210	22.7	28.2	24.1	21.6	47.8
Machinery	61	80	101	161	16.8	21.6	30.9	26.8	59.6
Construction materials	33	37	41	49	5.9	6.6	11.7	10.5	18.9
<u>Unclassified goods</u>	15	16	18	17	3.3	2.3	5.3	11.9	-4.5
<u>Total</u>	439	505	554	745	100.0	100.0	15.0	9.7	34.5

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

(a) Preliminary figures.

Table 12

BARBADOS: BALANCE OF PAYMENTS
(Millions of US dollars)

	1974	1975	1976	1977	1978	1979(a)
Current account						
Exports of goods and services	189	210	211	268	320	390
Goods FOB (b)	67	95	76	91	111	149
Services	122	125	135	177	209	241
Transport	23	23	19	27	32	35
Travel	76	77	83	111	138	160
Imports of goods and services	236	258	283	320	358	452
Goods FOB (b)	185	197	219	250	288	374
Services	51	61	64	70	70	78
Transport	26	32	30	33	40	48
Travel	6	7	8	9	10	10
Net payments of profits and interest on foreign capital	-8	-10	-5	-9	-10	-12
Profits	-5	-8	-4	-5	-5	-5
Interest	-3	-2	-1	-4	-5	-7
Net private transfer payments	7	8	13	14	17	17
Balance on current account	-48	-40	-64	-47	-31	-57
Capital account						
Net external financing (a+b+c+d+e)	48	40	64	47	31	57
a) Long-term capital	8	24	22	30	23	} 63
Direct investment (net)	10	23	7	5	9	
Private sector	1	2	12	9	7	
Loans (net)	1	2	12	9	7	
Amortization payments						
Other liabilities and assets (net)						
Official sector	-3	-1	3	16	7	
Loans (net)	-3	-1	3	16	7	
Amortization payments						
Other liabilities and assets (net)	-	-	-	-	-	
Monetary authorities						
b) Short-term capital (net)	43	35	25	11	20	
Private sector	-2	4	2	-	-5	
Official sector	1	-	-	-1	6	
Monetary authorities						
Errors and omissions	44	31	23	12	19	
c) Exceptional financing	-	-	-	10	10	
d) Official transfer payments (net)	-	-1	-	2	1	
e) International reserves (minus sign indicates an increase)	-3	-18	17	-6	-23	-6
Use made of IMF credit	-	-	-	8	-	-
Other liabilities	-14	-8	3	-2	-	-
Monetary gold	-	-	-	-	-	-
Special Drawing Rights	-	-	-	-	-	-2
IMF reserves position	-	-2	-	-	-	-
Foreign exchange and other assets	11	-8	14	-12	-23	-4

Source: 1974-1978: International Monetary Fund, Balance of Payments Yearbook, vol. 30;

1979: CEPAL, on the basis of official data.

a) Preliminary figures.

Table 13

BARBADOS: INDICATORS OF EXTERNAL INDEBTEDNESS
(Millions of US dollars)

	1974	1975	1976	1977	1978
Total external indebtedness (a)	26.7	26.2	30.0	46.0	60.4
Official lenders	4.4	4.9	9.1	26.5	34.8
Bilateral	4.4	4.9	8.4	19.5	23.5
Multilateral	0.0	0.0	.7	7.0	11.3
Private lenders	22.2	21.3	20.9	19.5	25.6
Servicing of external debt	3.7	4.0	3.7	8.9	7.4
Amortization payments	1.2	1.7	1.8	7.0	4.3
Interest payments	2.5	2.3	1.9	1.9	3.1
Servicing of external debt, as a percentage of exports of goods and services	1.9	1.8	1.7	3.4	1.9

Source: World Bank, World Debt Table, Volume II, December 1979.

(a) Disbursed public debt.

Table 14

BARBADOS: CONSUMER PRICE INDEX

	1975	1976	1977	1978	1979
	<u>Indexes (October 1965 = 100)</u>				
Consumer price index	302.5	317.4	343.9	376.5	426.1
Food and beverages	335.0	349.2	379.0	417.1	463.4
	<u>Variation December to December</u>				
Consumer price index	12.3	3.9	9.9	11.3	16.8
Food and beverages	13.4	4.3	8.5	12.8	12.2
	<u>Variation between annual averages</u>				
Consumer price index	20.3	5.0	8.3	9.5	13.2
Food and beverages	22.4	4.2	8.5	10.1	11.1

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

Table 15

BARBADOS: SECTORAL DISTRIBUTION OF COMMERCIAL BANK CREDIT

	Millions of Barbados dollars (a)				Growth rates		
	1976	1977	1978	1979(b)	1977	1978	1979(c)
Agriculture	26.2	20.0	20.0	16.5	-23.7	-	-21.1
Mining and quarrying	4.2	4.3	0.3	0.5	2.4	-93.0	66.7
Manufacturing	24.9	31.3	38.8	55.1	25.7	24.0	38.4
Distribution	51.9	63.9	68.5	75.1	23.1	7.2	13.4
Construction	35.4	38.2	36.1	44.0	7.9	-5.5	22.2
Tourism	45.5	50.8	50.1	49.7	11.6	-1.4	0.4
Government	10.2	22.2	18.2	9.7	117.6	-18.0	-46.7
Public utilities	19.5	20.5	18.4	31.5	5.1	-10.2	76.0
Personal services	88.2	93.4	106.9	130.9	5.9	14.5	21.9
Other	23.3	27.6	35.3	48.0	18.5	27.9	36.0
Total	329.5	372.2	395.5	461.0	13.0	6.3	17.8

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

(a) As at 31 December.

(b) January-November.

(c) January-November 1979 with respect to January-November 1978.

Table 16

BARBADOS: MONETARY BALANCE
(Millions of Barbados dollars)

	Balance at end of:				Growth rates		
	1976	1977	1978	1979	1977	1978	1979
Money	116	135	164	232	16.4	21.5	41.5
Currency outside banks	47	55	66	80	17.0	20.0	21.2
Demand deposits	69	79	98	152	14.5	24.1	55.1
Factor of expansion	435	493	573	713	13.3	16.2	24.4
Foreign assets (net)	3	-16	34	67	-	-	97.1
Domestic credit	432	509	539	646	17.8	5.9	19.9
Government (net)	97	155	135	166	59.8	-12.9	23.0
Official entities	7	5	6	8	-28.6	20.0	33.3
Private sector	328	349	397	472	6.4	13.8	18.9
Factor of absorption	319	358	409	481	12.2	14.2	17.6
Quasi-money (savings and time deposits)	309	344	383	455	11.3	11.3	18.8
Other items (net)	10	14	26	26	40.0	85.7	-

Source: International Monetary Fund, International Financial Statistics, April 1980.

Table 17

BARBADOS: CENTRAL GOVERNMENT INCOME AND EXPENDITURE

	Millions of current Barbados dollars				Growth rates		
	1976	1977	1978	1979	1977	1978	1979
1. Current income	211	246	307	357	16.6	24.8	16.3
2. Current expenditure	214	249	265	310	16.4	6.4	17.0
3. Saving on current account (1-2)	-3	-3	42	47	-	-	11.9
4. Capital expenditure	60	84	71	91	40.0	-15.5	28.2
5. Total expenditure (2+4)	272	332	336	401	22.1	1.2	19.3
6. Fiscal deficit (1-5)	61	86	19	44	41.0	-77.9	131.6

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

