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The current situation of small and medium-sized industrial enterprises in Trinidad & Tobago, Barbados and St. Lucia

Michael Harris

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List of Acronyms

BIDC	Barbados Investment and Development Corporation
BMA	Barbados Manufacturers Association
CARICOM	Caribbean Common Market
CBI	Caribbean Basin Initiative
CSO	Central Statistical Office (of Trinidad and Tobago)
GDP	Gross Domestic Product
GSP	General System of Preferences
ILO	International Labour Organization
ISIC	International System of Industrial Classifications
MSME	Micro, Small and Medium-Sized Enterprises
OECS	Organization of Eastern Caribbean States
SBA	Small Business Association (of Barbados)
SBDC	Small Business Development Company Ltd. (of Trinidad & Tobago)
SEDU	Small Enterprise Development Unit (of St. Lucia)
SLISBA	St. Lucia Industrial and Small Business Association
SMI	Small and Medium-Sized Industrial Enterprises
TIDCO	Tourism and Industrial Development Company (of Trinidad & Tobago)
TTMA	Trinidad & Tobago Manufacturers Association
TTSIC	Trinidad & Tobago Standard Industrial Classification
UN ECLAC	United Nations, Economic Commission for Latin America and the Caribbean
UNDP	United Nations Development Programme
WTO	World Trade Organization

Abstract

This study analyses the period 1990 to 1996 of the current situation of the small and medium-sized industrial enterprises (SMIs) in Trinidad and Tobago, Barbados and St. Lucia. It describes the evolution of SMIs, the country experiences regarding linkages amongst firms and the policy instruments aimed at promoting SMIs and their impact.

The small enterprises have well established support programmes and they are considered to be dependent on direct government support through subsidized financing and other mechanisms and are essentially inward looking in terms of development.

The medium-sized enterprises, on the other hand, see themselves as having emerged from the small business group and moved to modernize business by the introduction of higher level technology and more efficient means of production, they are also considered by many financial and other support agencies as "Emerging Enterprises".

In each of the three countries, the respective Government has identified the manufacturing sector as important to national development and specifically the SMIs, as a group that requires special government attention. To this end special agencies have been established to address the specific needs of SMIs.

I. Introduction

This study was undertaken for the United Nations Economic Commission for Latin America and the Caribbean (UN ECLAC). It is part of a three-year research project on small and medium-sized industrial enterprises in Latin America and the Caribbean being carried out by the Industrial and Technological Unit of ECLAC, Santiago, Chile.

1. Scope of the study

The study reviews the current situation of the small and medium-sized industrial enterprises (SMIs) in Trinidad and Tobago, Barbados and St. Lucia with specific reference to the following:

- Share of SMIs in the different industrial sectors.
- A description of SMI sectorial specialisation in the manufacturing industry.
- Pubic policies aimed at promoting SMIs and their impact.
- Policy alternatives to promote SMIs.
- Country experiences regarding linkages amongst SMIs and between large industrial firms and SMIs.

The study focuses on the period 1990 to 1996 in order to make the information as current as possible, given the unavailability of published data for 1997 and 1998.

2. Defining small and medium-sized industrial enterprises

2.1 Small enterprise

In Trinidad and Tobago, Barbados and St. Lucia there are differences in the parameters and conditions for determining a small enterprise, even amongst agencies within each territory. A summary of those used by various agencies is given in Table 1.

Table 1
PARAMETERS AND CONDITIONS FOR DEFINING A SMALL ENTERPRISE IN TRINIDAD AND TOBAGO, BARBADOS AND ST. LUCIA

Countries	Conditions	Parameters		
		Employees	Assets (US$)	Sales (US$)
Trinidad and Tobago – SBDC (established)	Owner-Managed	6 - 25	0.015M – 0.05M (Excl. Real Estate)	0.02M – 0.12M
Trinidad and Tobago – TTMA (suggested)	Owner-Managed	n.e. 50	0.02M – 0.24M (Excl. Real Estate)	0.02M - 1.0M
Barbados – BIDC	Any two parameters	n.e. 36	0.25M	0.38M
Barbados – BMA & SBA	Any two parameters	n.e. 25	n.e 0.5M	n.e. 1.0M
St. Lucia – Income Tax Act #11 of 1998	Owned by citizen	n.e. 50	-	n.e. 0.4M
St. Lucia – SEDU	Owned by citizen	n.e. 40	n.e. 0.2M	n.e. 0.4M

Note: n.e. – not exceeding US$ 1 = TT$ 6.3; B$ 2.0; EC$ 2.7 (1996).

2.2 Medium-sized enterprise

In Barbados and St. Lucia there are no formal definitions for medium-sized enterprises. An enterprise is considered either small or large.

In Barbados, the Barbados Investment & Development Corporation (BIDC) suggests that an enterprise that employs between 37 to 100 persons can be considered a medium-sized enterprise although no special consideration is given to any such grouping.

In Trinidad and Tobago, an attempt has been made to set parameters for defining a medium-sized enterprise. This was done by a 1994 Cabinet-appointed Task Force on Small and Medium Enterprise Development, and detailed in the document “Creating a Nation of Entrepreneurs”.[1] These parameters are used by both the Small Business Development Company (SBDC) and the Ministry of Trade and Industry. However, the Trinidad and Tobago Manufacturers Association (TTMA), is not in agreement with these parameters. The TTMA is of the view that the parameters used by the SBDC and the Ministry of Trade and Industry are too limiting and do not truly capture the situation of a vibrant medium-sized manufacturing sector in Trinidad and Tobago. The SBDC parameters and the suggested TTMA parameters are reflected in Table 2.

[1] Creating a Nation of Entrepreneurs’, Action Plan for the Future Direction of Micro, Small and Medium Enteprises in Trinidad and Tobago, Ministry of Trade and Industry, The Republic of Trinidad and Tobago, September 1997.

Table 2
PARAMETERS FOR DEFINING A MEDIUM-SIZED ENTERPRISE IN TRINIDAD AND TOBAGO

Organizations	Parameters		
	Employees	Assets (US$)	Sales (US$)
SBDC (established)	26 – 50	0.05M to 0.24M	0.12M to 1.0M
TTMA (suggested)	51 –150	0.24M to 0.8M	1.0M to 2.4M

An examination of international publications revealed that there are no universally recognized definitions for small and medium-sized enterprises. However, a United Nations Industrial Development Organization (UNIDO) publication “Manual for Small Industrial Business[2] sets broad guidelines which are reflected in Table 3.

Table 3
UNIDO PARAMETERS FOR DEFINING SMALL AND MEDIUM-SIZED ENTERPRISES

Enterprises	Parameters	
	Employees	Assets (US$)
Small	20 – 100	0.05M to 0.5M
Medium	100 - 400	0.5M to 2.0M

Based on a review of available information, discussion with industry and associated personnel in each territory, and the author’s own experience with industry throughout the Caribbean, the parameters listed in Table 4 have been used to define SMIs in this report.

Table 4
SELECTED PARAMETERS AND CONDITIONS FOR DEFINING SMALL AND MEDIUM-SIZED ENTERPRISES

Conditions	Parameters		
	Employees	Assets (US$)	Sales (US$)
Owner Managed and satisfying any two parameters	6 - 100	n.e. 0.75M	n.e. 1.5M

Note: n.e. - not exceeding.

[2] Standard Industrial Classification, Central Statistical Office, Republic of Trinidad and Tobago, 1985.

3. Trinidad and Tobago

Trinidad and Tobago, a twin-island state, is the southernmost of the Caribbean chain of islands located at the north-eastern tip of South America. It has a total land area of 5,126 sq. km. (4,826 sq. km. in Trinidad and 300 sq. km. in Tobago), a population of approximately 1.3 million and enjoys a per capita income in excess of US$3,000 per annum.. It is considered the most industrialized country in the English-speaking Caribbean.

3.1 Economic activity

Economic activity in Trinidad and Tobago (see Appendix I) is centred around the mining and quarrying (petroleum), manufacturing, financial services and distribution services sectors.

For the period 1990 to 1996 it can be divided into two distinct periods, 1990 to 1993 and 1994 to 1996.

In the 1990 to 1993 period, after an increase in gross Domestic Product (GDP) of 2.7 % in 1991, the economy experienced declines of 1.6% and 1.5% in 1992 and 1993 respectively. In the 1994 to 1996 period the economy experienced growth in GDP of 3.6%, 2.4% and 3.1% respectively.

The period of decline was attributed to fiscal and monetary policies implemented as the country tried to grapple with the concept of an open market policy. This was exacerbated by a monetary policy which released the Trinidad and Tobago dollar from a fixed exchange rate of TT$4.25 to US$1 to a that of a floating rate (see Appendix II).

The decline and growth in the economy during 1990 to 1996 hinged on the decline and growth of the petroleum industry.

Since 1990, with the exception of 1993 when a 3.1% decline was experienced, the manufacturing sector experienced growth of 8.4%, 2.6%, 6.6%, 3.7% and 6.0% in 1991, 1992, 1994, 1995 and 1996 respectively. This was due to the increase in output from the Chemicals and Non-Metallic Minerals sub-sector, with the coming on-stream of several petrochemicals plants, and, to a lesser extent, the increase in output from the Food, Beverage and Tobacco sub-sector. All the other manufacturing sub-sectors exhibited fluctuating performances.

With the general restructuring of enterprises in the manufacturing sector since 1993, particularly the SMIs, the sector has begun to make an increasing contribution to the national economy moving from 12.1% in1993 to 12.9% in 1996.

The Government of Trinidad and Tobago has committed itself to developing the non-petroleum sector, including the manufacturing sector, as part of its strategy to reduce its dependence on petroleum as the main pillar of the economy.

3.2 Industrial activity

In Trinidad and Tobago, industrial activity is broad-based and includes the production of petroleum and petroleum-based products, petrochemicals, steel, cement, light manufactured products and agriculture-based products, including sugar and rum.

Almost all of the enterprises engaged in the manufacture of petroleum and petroleum-based products, petrochemicals, steel, cement, sugar and rum, are very large (assets in excess of US$1.5M). The small and medium-sized industrial enterprises are engaged mainly in light manufacturing and agriculture-based processing. As a result, the focus will be on enterprises operating in these two areas.

3.3 Industrial classification

Economic activity in Trinidad and Tobago is classified according to the *Trinidad and Tobago Standard Industrial Classification* (TTSIC)[3]. This document, formalized in 1985, is based on the general principles and definitions of the “United Nations International Standard Industrial Classification of all Economic Activities” (ISIC)[4] and incorporates some of the groupings and sub-groupings of the former Trinidad and Tobago System of National Accounts (TTSNA). The major divisions of the TTSIC are given in Appendix III:

3.4 Data collection

Data collection on the performance of all enterprises in the national economy is the responsibility of the Central Statistical Office (CSO). Although the Trinidad and Tobago Standard Industrial Classification has been adopted by the CSO, the publication of performance data on manufacturing activities is not available under the detailed categorization of the TTSIC. The Divisions (Sub-Sectors) under which manufacturing performance is captured are as follows:

- Food, Drink and Tobacco
- Textiles, Garments, Footwear and Headwear
- Printing, Publishing and Paper Converters
- Wood and Related Products
- Chemicals and Non-Metallic Minerals
- Assembly Type and Related Industries
- Miscellaneous Manufacturing

3.5 The manufacturing sector

According to the CSO, in 1996, there were approximately 2,165 enterprises in Trinidad and Tobago engaged in some form of manufacturing, and employing 47,400 persons. The contribution to GDP made by these enterprises in the various manufacturing sub-sectors over the period 1990 to 1996, is reflected in Table 5.

[3] International Standard Industrial Classification of all Economic Activities, United Nations Department of International Economic and Social Affairs, 3rd Ed., 1990.

[4] Trinidad and Tobago Industrial Policy 1996-2000, Ministry of Trade and Industry, February 1996.

Table 5

CONTRIBUTION OF MANUFACTURING SUB-SECTORS TO MANUFACTURING GDP, 1990 –1996

(%)

Sub-Sectors	Years						
	1990	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**
Food, Drink & Tobacco	37	35	32	32	30	29	30
Textiles, Garments, Footwear & Headwear	4	3	3	2	2	2	2
Printing, Publishing & Paper Converters	5	5	5	6	5	6	5
Wood & Related Products	2	3	3	3	3	3	3
Chemicals & Non-Metallic Minerals	38	40	42	43	46	47	49
Assembly Type & Related Industries	12	12	12	11	10	10	8
Miscellaneous Manufacturing	2	2	3	3	4	3	3
TOTAL MANUFACTURING GDP	**501.1**	**543.0**	**557.0**	**539.8**	**575.3**	**596.7**	**632.4**
% Annual Change in Manful. GDP	-	8.4	2.6	-3.1	6.6	3.7	6.0
GROSS DOMESTIC PRODUCT	4481.8	4602.0	4526.2	4460.4	4619.6	4730.5	4875.8
% Annual Change in GDP	-	2.7	-1.6	-1.5	3.6	2.4	3.1
% Manful. GDP / GDP	11.2	11.8	12.3	12.1	12.5	12.6	13.0

Source: Central Statistical Office – The National Income of Trinidad & Tobago 1990-1996.

Note: GDP in US$M (at 1985 Constant Prices) (US$1 = TT$3.6 in 1985).

3.6 Small and medium-sized industrial enterprises in Trinidad and Tobago

Based on the CSO categorization of enterprises, and other available information, it was estimated that in 1996, out of the 2,165 industrial (manufacturing) enterprises, there were approximately 1,545 SIMMs. Their distribution by numbers and as a percentage of sub-sector enterprises is as follows:

- Food, Drink and Tobacco 420 (80%)
- Textiles, Garments, Footwear and Headwear 160 (71%)
- Printing, Publishing and Paper Converters 175 (83%)
- Wood and Related Products 310 (75%)
- Chemicals and Non-Metallic Minerals 125 (50%)
- Assembly Type and Related Industries 195 (61%)
- Miscellaneous Manufacturing 160 (73%)

The contribution to GDP of the SIMMs during the period 1990 to 1996 has been estimated and is reflected in Table 6.

Table 6
ESTIMATED % CONTRIBUTION OF SMIS TO SUB-SECTOR GDP, 1990 TO 1996

Sub-Sectors	Years						
	1990	1991	1992	1993	1994	1995	1996
Food, Drink & Tobacco	27.3	28.0	29.7	28.0	26.6	26.4	25.5
Textiles, Garments, Footwear & Headwear	61.2	62.2	59.5	71.6	71.2	79.3	77.5
Printing, Publishing, & Paper Converters	72.3	72.2	72.1	72.0	72.3	72.0	72.3
Wood & Related Products	70.2	70.04	69.8	69.6	69.7	70.1	69.8
Chemicals & Non-Metallic Minerals	2.6	2.7	3.0	3.6	2.0	2.2	1.82
Assembly Type & Related Industries	69.0	70.0	69.0	70.1	70.0	69.0	70.0
Miscellaneous Manufacturing	39.0	40.0	40.1	39.0	40.2	40.0	39.0

An examination of Tables 5 and 6 reveals that major contributions to GDP from the SIMMs come from the following sub-sectors;

- Food, Drink and Tobacco
- Printing, Publishing and Paper Converters
- Assembly Type and Related Industries.
- Textiles and Garment Industries

A further examination of these four sub-sectors follows:

Food, Drink and Tobacco.

This sub-sector, in 1996, was estimated to comprise 420 SIMMs contributing 25.5% of sector GDP. None are engaged in tobacco manufacture. The activities in which they are engaged are: Fish, Meat and Poultry Processing; Dairy Products; Fruits and Vegetables Processing; Bakery Products; Grain and Feed Milling; and Miscellaneous Food Products.

The respective contribution to GDP and distribution of these SIMMs by activities for 1996, are highlighted in Table 7.

Table 7
SMIS CONTRIBUTION AND DISTRIBUTION IN THE FOOD, DRINK AND TOBACCO SUB-SECTOR
(%)

Activity	Contribution by Activities to Sub-Sector GDP	Share of SMI Enterprises in the Sub-Sector
Fish, Meat & Poultry	5	17
Dairy Products	11	5
Fruits & Vegetables	6	6
Bakery Products	12	41
Grain & Feed Milling	10	2
Miscellaneous Food Products	56	29

From the data presented in Table 7 it can be seen that Miscellaneous Food Products contribute 56% to sub-sector GDP. A further examination of this activity reveals that the major components by number of enterprises are:

- Indigenous Food and Beverage Products 65%
- Spices, Condiments and Snack Foods 17%
- Coffee, Cocoa and Chocolate Products 12%
- Other Products 6%

Printing, Publishing and Paper Converters

This sub-sector was estimated to comprise 175 SIMMs that contributed 72.3% of sub-sector GDP in 1996. The two areas of activity are Printing & Publishing and Paper & Paper Products. The respective contribution to GDP and distribution of these SIMMs by activities are given in Table 8.

Table 8
SMIS CONTRIBUTION AND DISTRIBUTION IN THE PRINTING, PUBLISHING AND PAPER CONVERTERS SUB-SECTOR
(%)

Activity	Contribution by Activities to Sub-Sector GDP	Share of SMI Enterprises in the Sub-Sector
Printing & Publishing	38	86
Paper & Paper Products	62	14

Assembly type and related industries

This sub-sector was estimated to comprise 195 SIMMs that contributed 70% of sub-sector GDP in 1996. The areas of activity are: Motor Vehicle Related Products; Household Appliances, Electrical & Electronic Items; Fabricated Metal Products; Metal Furniture and Miscellaneous Metal Products. The respective contribution to GDP and distribution of these SIMMs by activities are given in Table 9.

Table 9
SMIS CONTRIBUTION AND DISTRIBUTION IN THE ASSEMBLY TYPE AND RELATED INDUSTRIES SUB-SECTOR
(%)

Activity	Contribution by Activities to Sub-Sector GDP	Share of SMI Enterprises in the Sub-Sector
Motor Vehicle Reel. Products	6	15
Household Appliances, Electrical & Electronic Items	8	19
Fabricated Metal Products	69	56
Metal Furniture	4	3
Misc. Metal Products	13	7

From the data presented in Table 9 it can be seen that Fabricated Metal Products contribute 69% to sub-sector GDP with 56% of sub-sector SMI enterprises. A further examination of this activity reveals that the major components by number of enterprises are:

- Metal Doors, Windows and Awnings 35%
- Metal Grill and Sheet Work (security, decorative, etc.) 60%
- Metal Fasteners (nails etc.) 5%

The textiles and garment industry

In Trinidad and Tobago, the Textiles and Garment Activity does not hold as significant a place in the manufacturing sector as it does in Barbados and St. Lucia. The Activity has no real Government support, and the US tariff 807 ‘make and trim’ operations have not been supported in any significant way by local manufacturers. It is estimated that only 5% of the enterprises in the Activity, are engaged in 807 operations.

The breakdown of enterprises in the Wearing Apparel Activity is, 20% Large, 70% SIMMs, and 10% Micro. The SMI are engaged in the production of casual wear (70%), sportswear (20%), and others (beach wear, resort wear, underwear, and intimate wear), approximately 10%.

The Wearing Apparel Activity prides itself on local designs and colors, which gives the local product an edge in the local and regional markets. This is also reflected in the Trinidad and Tobago Carnival, a major local and international event, in which local designers and manufacturers display their creativity. Approximately 40% of output are exported to the Caribbean region, and 10% to niche markets in Europe and the United States of America.

The Wearing Apparel Activity in Trinidad and Tobago is labour intensive, essentially with female labour. The SMIs in the Activity employ approximately 5% of labour in the manufacturing sector. The Activity is characterized by relatively low-level technology and by workers who, though skilled, are not able to operate in a large-scale industrial manufacturing environment.

The Textile Activity in Trinidad and Tobago, is dominated by SMIs. The one textile mill, which produced an assortment of local fabric, ceased operations in 1996. The main activities are, the production of towels, sheets, draperies etc., and in the transformation of imported fabric material and finished products to satisfy the needs of local designers.

The output from the Textile Activity is seasonal, with Carnival in mid-February and the North American Summer from June to September, being the two peak periods. Approximately 5% of SMIs in the sub-sector are engaged in the Textile Activity.

3.7 Employment

Total employment figure in 1996 was 444,200 people of whom 47,400 (10.7%) were engaged in the manufacturing sector. It was estimated that 57% of those engaged in the manufacturing sector were from SMIs. A review of Tables 10 and 11 reveals that on average, the manufacturing sector contributes approximately 10% to total employment with approximately 32% of it engaged in the Food, Drink and Tobacco sub-sector. SMIs major contribution to manufacturing employment was in the Assembly Type and Related Industries sub-sector. Over the period 1993 to 1996 there has been annual growth in employment in both the manufacturing sector and the overall economy.

Table 10
EMPLOYMENT IN THE TRINIDAD AND TOBAGO MANUFACTURING SECTOR BY SUB-SECTOR (1990 –1996)

(%)

Sub-Sectors	Years						
	1990	**1991**	**1992**	**1993**		**1995**	**1996**
Food, Drink & Tobacco (excluding sugar industry)	33	31	31	31	32	29	34
Textiles, Garments, Footwear & Headwear	11	11	9	9	10	12	12
Printing, Publishing, & Paper Converters	8	10	10	8	8	9	8
Wood & Related Products	13	11	10	10	9	10	11
Chemicals Non-Metallic Minerals (excluding petroleum industries)	10	12	14	16	15	14	12
Assembly Type & Related Industries	19	19	20	19	19	20	18
Miscellaneous Manufacturing	6	6	6	7	7	6	5
TOTAL MANUF. EMPLOYMENT X 100 (Excluding Petroleum and Sugar)	**353**	**417**	**407**	**392**	**404**	**448**	**474**
Petroleum Industries	176	185	159	154	159	161	169
Sugar	107	117	139	126	129	127	114
% Annual Change in Manufacturing Employment.	-	-18.1	-2.4	-3.7	3.1	10.9	5.8
TOTAL EMPLOYMENT X 100	**3741**	**4010**	**4060**	**4050**	**4156**	**4315**	**4442**
% Annual Change in Manufacturing Employment	-	7.2	1.3	-0.2	2.6	3.8	2.9
% Manufacturing /Total Employment	9.4	10.4	10.0	9.7	9.7	10.7	10.7

Source : Central Statistical Office - Continuous Sample Survey of Population - Labour Force Report 1997.

Note: Statistics on employment in the sugar and petroleum industries are given for reference only. They do not form part of manufacturing employment.

Table 11
CONTRIBUTION TO EMPLOYMENT IN THE MANUFACTURING SECTOR

(%)

Sub-Sectors	Average (1990 – 1996) Contribution by Sub-Sectors to Sector Employment	SMIs Contribution to Sub-Sector Employment
Food, Drink & Tobacco	32	40
Textiles, Garments, Footwear & H/wear	11	65
Printing, Publishing, & Paper Converters	9	60
Wood & Related Products	10	85
Chemicals & Non-Metallic Minerals	13	40
Assembly Type & Related Industries	19	75
Miscellaneous Manufacturing	6	70

Note: * Based on estimates of sector specialists.

3.8 Productivity

Productivity data for the manufacturing sector is given in Table 12.

Table 12

INDEX OF PRODUCTIVITY IN THE MANUFACTURING SECTOR BY SUB-SECTORS

(Base Period: Average of 4 Quarters 1977 = 100)

Sub-Sectors	Years						
	1990	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**
Food	143.9	151.8	158.0	149.0	136.3	143.6	132.6
Drink & Tobacco	147.2	140.1	139.0	138.5	144.4	143.3	154.4
Textiles, Garments, Footwear & Headwear	220.6	179.1	186	134.5	142.2	128.9	149.8
Printing, Publishing, & Paper Converters	125.0	129.1	136.5	186.1	169.1	188.6	194.9
Wood & Related Products	136.4	83.4	74.9	134.9	169.7	171.9	160.6
Chemicals & Non-Metallic Minerals	351.4	367.9	357.0	359.4	430.9	489.2	500.0
Assembly Type & Related Industries	633.5	795.1	998.2	914.1	1066.7	1167.8	1165.1
Miscellaneous Manufacturing	116.6	123.1	117.9	144.2	131.9	119.8	105.9
ALL INDUSTRY INDEX (excluding petroleum and sugar)	299.6	335.5	375.4	362.7	421.2	473.2	471.2
ALL INDUSTRY INDEX (including petroleum and sugar)	205.1	221.8	247.4	236.9	272.1	265.3	274.4

Source : Central Statistical Office, Economic Indicators 1990–1996, Survey of Domestic Production.

A review of Table 12 reveals that since 1994, productivity at the overall industrial level and in the manufacturing sector specifically, has been at a higher level than that of previous years. This has been attributed to the move by enterprises in the manufacturing sector to upgrade their production facilities and streamline their operations to face external competition in the local market and to target new export markets. In the manufacturing sector, the Food and the Miscellaneous Manufacturing sub-sectors are the ones showing some decline in productivity. This may be due to the number of smaller and lesser-managed enterprises in these sectors. The consensus is that productivity within the SMIs is driven by the larger and better managed medium-sized enterprises, and the sub-sectors that are dominated by smaller SMIs such as the Food, and Miscellaneous Manufacturing, will continue to reflect variable productivity.

3.9 Public policies aimed at promoting SMIs

On October 31, 1994 the Cabinet of Trinidad and Tobago established a Task Force with the following mandate: **"**To Formulate an Appropriate Policy Framework and Action Plan for the Development of the Small and Medium Enterprise Sector**".** This mandate was subsequently extended to include the needs of the micro enterprises sector. The findings and recommendations of the Task Force are detailed in the report "Creating a Nation of Entrepreneurs"[1.] In 1996, the Government of Trinidad and Tobago adopted the recommendations of the Task Force as Government Policy. This is detailed in the document "Trinidad and Tobago Industrial Policy 1996 —2000"[5]. The major recommendations are as follows:

[5] "The Industrialist", Preparing for the Challenges of the 21 Century, Barbados Manufacturers' Association, 1998.

Institution and Funding

- The portfolio of the SBDC (see Appendix IV) will be expanded better to serve the Micro, Small and Medium-Sized Enterprise (MSME) sector through an increase in the flow of credit and the establishment of a loan wholesaling operation.
- The Credit Union System will be improved to facilitate the establishment of a Small Business Development Fund thus making loans more easily available for productive purposes.
- Banks are to be given incentives to provide funds to Non-Governmental Organizations (NGOs) at preferential rates for lending in the sector.

Government Support Infrastructure

- An annual, national MSME awards programme will be established.
- Budgetary allocations will be made to promote and enhance activities in the sector.
- Funds from bilateral and multilateral sources will be pursued for sector development.

Support Infrastructure and Services

- Delivery of service to the sector by state supported and regulatory agencies will be improved.
- A Matching Fund Support mechanism will be established by Government to encourage wider use of technical and professional services and for supporting broader international exposure by the sector.
- The Export Trading Company will be properly structured to become the primary export vehicle for MSME products.
- Diplomatic Missions will be empowered to facilitate the export effort.
- Bulk Buying of raw materials through collaboration with private sector importers and representatives of the MSME sector will be encouraged.

Education and Training

- An Entrepreneurial Resource Laboratory will be established.
- An Entrepreneurship Training and Development Fund, with contributions from both Government and the private sector, will be established.

Fiscal Policies

- An investment between TT$2,500 to TT$200,000 in an approved business can qualify for tax relief in the form of a rebate.
- A tax credit of fifteen percent (15%) of the chargeable profits will be allowed.
- 50% of the interest earned by financial institutions on transactions to an approved MSME will be exempt from Corporation Tax.
- Financial institutions will receive a tax deduction of ten percent (10%) of the incremental value of loans made to approved small companies for the year of income.
- A deduction of 150% of the expenses incurred in promoting the expansion into non-CARICOM markets for the export of goods produced in Trinidad and Tobago and shipped in commercial quantities, will be allowed.
- Tax relief on profits earned on non-CARICOM exports.

Others

- Government to allocate to the MSME sector, a minimum of 25% of annual government contracts for the procurement of goods and services, with an assignment of non-construction contracts up to TT$ 500,000.

3.10 Impact of Policy Measures on SMIs in Trinidad and Tobago

A review of Tables 5 & 6 reveals that the contribution to GDP by the entire manufacturing sector increased from 13.2% in 1993 to 16.6 in 1996, whereas that of the SMIs remained relatively steady between 3 to 4%.

Prior to 1994 the SMIs had an inward focus and produced essentially for the domestic market. Many of them were constrained in their development mainly due to the following:

- Development policies geared towards them were inadequate. Most of the available incentives were designed for attracting large investors, particularly large foreign investors.
- Access to financial incentives was restrictive, as the cost of accessing them was prohibitive and created an additional financial burden, particularly on the smaller enterprises.
- There was inadequate use of technical information and assistance, as the costs for so doing were considered excessive.
- Inability to purchase raw materials in sufficiently large quantities resulted in their high costs and poor accessibility.
- Inadequate training and skills upgrading facilities existed for their productive and managerial manpower.

Since 1994 however, with the opening up of the local market to foreign competition, there has been a shift in focus both by the SMIs as well as the larger manufacturing industries. Producing for export has now become their primary focus, with the CARICOM and Latin American markets specifically targeted.

Many of the larger enterprises amongst the SMIs have been able to take advantage of the fiscal incentives listed above to retool and employ relatively sophisticated technologies in their production processes. This has allowed them to increase production, improve product quality and reduce unit cost, which are necessary requirements for competing in the export market.

The impact of the other policy measures listed above has been positive to date, particularly on the smaller enterprises in the SMI manufacturing sector. This is supported by the fact that the SBDC has indicated a 46% increase in registered MSMEs and a 100% increase in loan guarantees over the period 1995 to 1997. Similarly, the TTMA has indicated an increase in its SMI membership by over 100% over the same period.

3.11 Policy Alternatives

Based on discussions with individual manufacturers and with the TTMA, it was felt that the policy measures outlined above, if implemented in their entirety, would be adequate. However, concerns were expressed about the following:

- The export technical assistance presently provided by the Tourism and Industrial Development Company (TIDCO) is earmarked for discontinuation.
- Based on the ruling of the World Trade Organization (WTO), tax incentives on export expenses and other subsidies granted to manufacturers are to be removed over a seven-year period.

- At the upper end of the medium-sized enterprise category in particular, the level of capital required for growth is outside the limits set for SMIs by the Ministry of Trade and Industry. The cost of capital from alternative sources is prohibitively high and is restricting the entry of new enterprises and the expansion of several existing enterprises at this level. There is need for easier access to start-up and long term capital, and some additional incentives for capital reinvestment into the enterprise.

The above concerns should be considered in any new or enhanced public policies for the SMI sector. Other considerations should be:

- Greater sharing of information by Government with SMI representatives about large, foreign industrial enterprises being encouraged to come into the country.
- Participation by SMI representatives in negotiations between government and these enterprises to ensure greater linkages between themselves and SMIs.
- Special incentives to encourage deeper linkages between the micro enterprises, the SMIs and the larger manufacturing enterprises.

3.12 Linkages

Amongst SMIs

During the period 1970 to 1994 the domestic market was essentially protected. This encouraged keen competition among SMIs to maintain or increase their individual market share, resulting in little or no linkages between them. However, since 1994, with the opening up of the market to foreign competition, SMIs found it necessary to create deeper linkages. This was in order to survive against the external competition and to better target the export market. Some of the linkages established were:

- Joint purchasing of raw materials.
- Joint promotion and marketing.
- Sharing of production facilities to produce competing brands.

Joint purchasing of raw materials is now becoming prevalent in the Food, Drink and Tobacco sub-sector, where small-scale enterprises are coming together to procure processing and packaging materials from external sources in larger quantities, to take advantage of price breaks.

Joint promotion and marketing of products, particularly in the export markets, are being undertaken by SMIs within the various sub-sectors, particularly the Food, Drink and Tobacco and the Textile, Garments, Footwear & Headwear sub-sectors. This effort is being encouraged by the Trinidad and Tobago Manufacturers Association (TTMA) and the Tourism and Industrial Development Company of Trinidad and Tobago Limited (TIDCO).

Sharing of production facilities to produce competing brands is now becoming an accepted business practice in the cosmetics, metal working and wood working industries. Spare capacity is now being utilized to produce competitor's products thus increasing revenues and improving operating efficiency in the particular enterprise.

Between SMIs and Large Industries

Some linkages exist between SMIs and the larger industrial firms. Examples of this are in the animal feed milling industry where there is a linkage between the small rendering plants and the larger feed milling plants. Additionally, there are linkages between small chemical manufacturers and the larger petroleum and petrochemical enterprises. However, the extent of the linkages between SMIs and the larger enterprises is less than desirable. This is particularly so with the foreign firms who have close linkages with their parent company and little or no allegiance to local manufacturers.

II. Barbados

Barbados is the most easterly of the chain of Caribbean islands. It has a land area of approximately 430 sq. km. (166 sq. miles) and a population of 275,000 and enjoys a per capita income in excess of US$ 5,000 per annum.

1. Economic Activity

Economic activity in Barbados is centred around agriculture, tourism, manufacturing and financial services (see Appendix V). Their contributions to GDP in 1995 were 5.8%, 15.3%, 9.9% and 17.2% respectively.

During the period 1990 to 1992 the economy experienced decline of 3.3%, 3.9% and 5.2% respectively. This period of decline was a result of under performance in the four main sectors. The period 1993 to 1996 saw a resurgence of the economy with modest but positive growth of 0.8%, 4.0%, 2.9% and 5.2 % respectively.

During the period 1990 to1993, the GDP contribution from the manufacturing sector declined at rates of 2.7%, 4.7%, 9.4% and 2.8% respectively. However, from 1994 to 1996 the sector experienced growth of 6.7%, 7.8% and 0.7% respectively.

The period of decline in the manufacturing sector was attributed to the relatively high cost of the labour input into goods manufactured in Barbados and the strong regional and global competition faced by local manufacturers. The period of growth is a result of incentives offered to the sector by the Government of Barbados, and adjustments made by Barbados manufacturers to deal with the competition.

2. Industrial Activity

The manufacturing sector accounts for approximately 85% of all industrial activities in the economy. The other 15% come from the production of electricity, gas & water and mining & quarrying.

3. Industrial Classification

The Industrial Classification of economic activity in Barbados is officially along the guidelines of the International Standard Industrial Classification (ISIC). The Manufacturing Sector is classified under Section 3 of this classification (see Appendix VI).

4. Data Collection

The collection of data on the performance of all enterprises in the national economy is the responsibility of the Statistical Service. Although the ISIC has been officially adopted, performance data on manufacturing enterprises is not published according to the stipulated sub-divisions of the ISIC. The following groupings (sub-sectors) are used.

- Food, Beverages & Tobacco.
- Textiles & Wearing Apparel.
- Wood & Wood Products.
- Paper Products, Printing & Publishing.
- Chemicals, Oil & Non-Metallic Mineral Products.
- Metal Products & Assembled Goods.
- Other Manufacturing.

It was not possible to obtain data on the performance of the manufacturing sector below the sub-sector level.

5. The Manufacturing Sector

According to the Barbados Statistical Service, the manufacturing sector contributed an average of 9.6% of GDP over the period 1990 to 1996. It is estimated to comprise 450 enterprises of which 75% are considered SMIs.

According to the 1998 edition of "The Industrialist"[6], the manufacturing sector, in 1996, employed 9700 persons and generated income from Domestic Exports of approximately US$52.6M (24.1% of Total Domestic Exports).

The contribution of all enterprises in the manufacturing sector over the period 1990 to 1996 is reflected in Table 13.

Table 13

CONTRIBUTION OF MANUFACTURING SUB-SECTORS TO MANUFACTURING GDP 1990 TO 1996

(%)

Sub-Sectors	Years						
	1990	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**
Food, Beverages & Tobacco	48	51	49	51	51	51	53
Textiles & Wearing Apparel	8	7	6	4	5	6	6
Wood & Wood Products	4	3	2	2	2	2	2
Paper Products, Printing & Publishing	13	13	14	12	14	13	13
Chemicals, Oil & Non-Metallic Mineral Products	11	11	12	12	10	11	9
Metal Products & Assembled Goods	12	11	13	15	13	13	13
Other Manufacturing	4	4	4	4	5	4	4
TOTAL MANUFACTURING GDP	**44.0**	**41.9**	**37.0**	**36.9**	**39.4**	**42.5**	**42.8**
% Annual Growth in Manufacturing GDP	-2.7	-4.7	-9.4	-2.8	6.7	7.8	0.7
GROSS DOMESTIC PRODUCT	439.6	422.4	398.1	401.5	417.4	429.5	451.8
% Annual Growth in GDP	-3.3	-3.9	-5.7	0.8	4.0	2.9	5.2
% Manuf GDP / GDP	10.0	10.0	9.3	9.2	9.4	10.0	9.5

Source: Annual Statistical Digest 1997 – Central Bank of Barbados.

Note: GDP in US$M at Factor Cost (at 1974 Constant Prices). (US$1 = B$2)

No published information was available to determine the specific contributions of the SMIs to GDP over the years. However, industry specialists estimate their percentage average contributions to the various sub-sectors as follows:

- Food, Beverages & Tobacco 25%
- Textiles & Wearing Apparel 45%
- Wood & Wood Products 80%
- Paper Products, Printing & Publishing 45%
- Chemicals, Oil & Non-Metallic Mineral Products 55%
- Metal Products & Assembled Goods 30%
- Other Manufacturing 65%

An examination of Table 13 reveals that the Food, Beverage & Tobacco sub-sector is the largest contributor to GDP (51%) in the manufacturing sector. Other contributors are: Paper Products, Printing & Publishing (13%), Metal Products & Assembled Goods (13%), Chemicals, Oil & Non-Metallic Mineral Products (9%), Textiles & Wearing Apparel (6%), and Others Manufacturing, including Wood & Wood Products, (6%).

6. Small and Medium-Sized Enterprises in Barbados

The small and medium-sized enterprises in Barbados are estimated to comprise 333 of the 450 enterprises in the manufacturing sector. Their distribution as a percentage of sub-sector enterprises is as follows:

• Food, Beverages & Tobacco	77%
• Textiles & Wearing Apparel	82%
• Wood & Wood Products	85%
• Paper Products, Printing & Publishing	79%
• Chemicals, Oil & Non-Metallic Mineral Products	70%
• Metal Products & Assembled Goods	50%
• Other Manufacturing	77%

A review of each of these sub-sectors is based on discussions with industry specialists as well as information contained in the following documents:

- Directory of Manufacturers & Service Companies 1996, published by the Barbados Investment & Development Corporation.
- Barbados Manufacturers' Association 1998 Membership Directory.
- Industrial Census 1994, published by the Barbados Statistical Service.

Food, Beverage & Tobacco

This sub-sector is estimated to comprise 97 enterprises of which (16%) are considered large. Only one large enterprise is engaged in the manufacture of tobacco products. It is further estimated that 77% are SMIs which are distributed according to the following activities:

• Bakeries	21%
• Fruits & Vegetables	21%
• Beverages	11%
• Dairy	5%
• Miscellaneous	42%

The Miscellaneous category comprises enterprises engaged in the production of various indigenous food and beverage products as well as a range of products that do not fall into any specific category.

Textiles & Wearing Apparel

This sub-sector is dominated by SMIs. Of the estimated 58 enterprises in the sub-sector, 85% are SMIs. Their distribution by activities is as follows:

• Textiles	24%
• Wearing Apparel	66%
• Leather & Others	10%

Wood & Wood Products

This sub-sector comprises 43 enterprises, 85% of which are SMIs.

Paper Products, Printing & Publishing

This sub-sector is estimated to comprise 47 enterprises of which 79% are considered SMIs. The distribution of these SMIs by activities is as follows:

• Paper Products	41%
• Printing & Publishing	59%

Chemicals, Oil & Non-Metallic Mineral Products

There are an estimated 67 enterprises in this sub-sector of which 70% are considered SMIs.

The distribution of these SMIs in the sub-sector is as follows:

- Industrial & Household Chemicals 21%
- Miscellaneous Chemicals 19%
- Plastic Products 24%
- Concrete Blocks 17%
- Miscellaneous Non-Metallic Minerals 19%

Metal Products & Assembly Goods

This sub-sector is estimated to comprise 56 enterprises of which 50% are SMIs. The sub-sector is dominated by large, either partially or totally foreign-owned enterprises engaged in the manufacture of electronic and precision instruments. The distribution of SMIs in the sub-sector is as follows:

- Fabricated Metal Products 85%
- Other Metal Products 15%

Others

This sub-sector comprises handicraft and other miscellaneous manufacturing activities. Of the estimated 82 enterprises in this sector, 77% are considered SMIs. Their distribution by activities is as follows:

- Handicraft 48%
- Miscellaneous Manufacturing 52%

7. Employment

Total Employment figure for Barbados in 1996 was 114,400 people, of which manufacturing contributed 9,700 (8.5%). It was estimated that in 1996 SMIs contributed 53% of employment in the manufacturing sector. Over the period 1990 to 1996 (see Table 14) average employment in the manufacturing sector was 10%. However, as with total employment, it was variable between 1991 to 1996. After a period of growth from 1992 to 1995 the sector experienced a decline in 1996.

Table 14

EMPLOYMENT IN THE BARBADOS MANUFACTURING SECTOR

	Years						
	1990	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**
Manufacturing x 1000	N/A	10.8	10.4	10.6	10.8	11.7	9.7
% Manuf. Change	-	-	-3.7	1.9	1.9	8.3	-17
All Employment x 1000	N/A	107.1	101.7	100.4	105.6	110.1	114.4
% Total Emp. Change	-	-	-5	-1.3	5.2	4.3	3.9
% Manufacturing / All	N/A	10.1	10.2	10.6	10.2	10.6	8.5

Source: Central Bank of Barbados.

The average distribution of manufacturing employment in the various sub-sectors and the respective contributions by the SMIs for the period 1993 to 1996 are given in Table 15.

Table 15
DISTRIBUTION OF EMPLOYMENT IN BARBADOS MANUFACTURING SECTOR
(%)

Sub-Sector	Distribution of Employment by Sub-Sectors	SMIs Contribution to Sub-Sector Employment
Food, Beverages & Tobacco	40	45
Textiles & Wearing Apparel	11	55
Wood & Wood Products	4	90
Paper Products, Printing & Publishing	10	60
Chemicals, Oil & Non-Metallic Mineral Products	13	65
Metal Products & Assembled Goods	18	45
Other Manufacturing	4	75

8. Productivity

Labour Productivity in the Barbados manufacturing sector is given in Table 16. Over the period 1990 to 1996 the annual changes for the manufacturing sector as well as that of the overall economy reflect a variable performance. However the relative positive change in the manufacturing sector between 1994 and 1996 reflects a changing attitude in the sector towards greater competitiveness.

Table 16
LABOUR PRODUCTIVITY IN THE BARBADOS MANUFACTURING SECTOR, 1990 TO 1996

Sub-Sectors	Years						
	1990	1991	1992	1993	1994	1995	1996
Total Manufacturing GDP	44.0	41.9	37.0	36.9	39.4	42.5	42.8
Employment in Manuf. Sector x 1000	N/A	10.8	10.4	10.6	10.8	11.7	9.7
Manufacturing Productivity Index		3.88	3.56	3.48	3.65	3.63	4.41
% Annual Manufacturing Change		-	-8.2	-2.2	4.9	-0.5	21
All Industry Productivity Index		3.94	3.91	4.0	3.95	3.90	3.95
% Annual All Industry Change		-	-0.7	2.3	-1.3	-1.3	1.3

9. Public Policies Aimed at Promoting SMIs in Barbados

During the period 1960 to 1990 the Government of Barbados pursued a policy of "Promoting Industrialization". This was done through a combination of "Industrialization by Invitation", which essentially promoted Barbados to external investors as a location for low cost manufacturing, and encouraging local entrepreneurs to establish small and medium-sized enterprises to manufacture a range of products for the domestic and export markets. Since the early 1990s the policy of promoting Barbados as a location for low-cost labour has changed. Barbados is now promoted as a location with high technical skills.

As a matter of policy, the Government of Barbados is committed to promoting the development of SMIs in Barbados. To facilitate this, the following support measures are in place:

- The Barbados Investment & Development Corporation (BIDC), which replaced the former Industrial Development Corporation of Barbados in1962, has been given responsibility for export promotion and for promoting and facilitating the establishment and expansion of business enterprises in Barbados. Its major functions are highlighted in Appendix VII.
- The Small Business Association of Barbados has been reactivated and provided with Government subsidy to assist in the development of the small business sector. Additionally, the SBA has been provided with a separate allocation for the establishment of a Venture Capital Fund. The aim of this fund is to encourage financing to the sector through equity rather than loan funds.
- A Small Business Unit has been set up in the Ministry of Industry, Commerce and Business Development to implement government policy for the development of small businesses.
- A Small Enterprise Development Initiative has been established with the following objectives:
    - To enhance legislative, regulatory and fiscal treatment for the small business sector;
    - To improve and expand entrepreneur education and development;
    - To provide easier access to business and technology information and related technical assistance;
    - To expand availability of capital for start-up and support of emerging businesses.

Provision of fiscal and other incentives

The fiscal and other incentives available to industry generally, and administered by the BIDC, are as follows:

- Removal of taxes and duties on manufacturing inputs.
- The granting of a tax holidays of up to ten years for approved enterprises during which operating losses from one year can be carried over into another year.
- Pre-built factory space at subsidized rental rates.
- Cash grants for workers training under the Training Grant Scheme.
- Special advisory services through BIDC Design Centre and Small Business and New Enterprises Development Centre .
- Full repatriation of profits for foreign owned enterprises.
- Partial or duty-free entry into U.S. markets under the U.S. Tariff Schedule item 806.3 and 807, the U.S. Generalized System of Preferences (GSP) and the Caribbean Basin Initiative (CBI).
- Duty-free entry of goods into the Canadian Market under CARIBCAN, the Caribbean Common Market (CARICOM), the European Common Market under the LOME Convention and the Venezuelan market under the CARICOM/Venezuela Trade and Investment Agreement.
- Special industry support services administered by the Central Bank i.e. Credit Guarantee Scheme, Export Rediscount Facility, Industrial Credit Fund, Export Credit Insurance, Export Finance Guarantee Scheme.

10. Impact of Policy Measures on SMIs in Barbados

The full impact of existing policies cannot be fully determined at this juncture as some of them have been recently (1996) implemented. The opinions of some industry specialists are that the existing package of fiscal and other incentives offered has benefited mainly the foreign enterprises and the large local enterprises. Many of the SMIs, particularly those at the lower end of the spectrum, still experience difficulty in accessing credit from the major lending agencies and technical assistance from other support agencies. Additionally, many of them have not positioned themselves, or just cannot afford, to take advantage of the benefits available under the policy measures. Too many of them are still affected by cash deficiency, poor management structures, low productivity and low quality operations. Although the specific contribution of the SMIs to GDP could not be determined, the overall performance of the manufacturing sector in 1996 declined by 0.5 % over that of 1995. This appeared to lend some degree of credibility to these opinions.

Another factor that is having a significant impact on the SMIs is the effect of operating in an open market economy and having to compete with lower priced products from regional and extra-regional suppliers.

11. Policy Alternatives

The following have been suggested for consideration as additional policy measures to stimulate the further development of the SMIs and manufacturing generally in Barbados:

- Providing greater incentives for technology change in the sector.
- Putting in place measures to encourage local and/or regional bulk purchasing of manufacturing inputs.
- Encouragement by Government of greater participation by representatives of the manufacturing and business sectors in agreements which can impact on trade.
- Encouraging SMIs in particular to form joint venture companies.
- Facilitating greater co-operation between the social partners to increase the level of productivity in the manufacturing sector.

12. Linkages

Linkages amongst SMIs in Barbados are not very evident. The SMIs still function as separate entities with strong competition among them. The Barbados Small Business Association and the Barbados Manufacturers Association are now making efforts to bring the resources of the SMIs together as a strategy for dealing with the external competition.

There were no discernable linkages between the SMIs and the larger industrial enterprises.

III. Saint Lucia

St. Lucia is the largest of the Windward Islands in the Caribbean chain of islands. It has a land area of 357 sq. km. (138 Sq. Miles), a population of approximately 150,000 and a per capita income of approximately US$ 2,250 per annum.

1. Economic Activity

The main economic activities in St. Lucia are agriculture, tourism and manufacturing, with their average contributions to GDP over the period 1990 to 1996 being 12.2%, 10.9% and 7.38% respectively (see Appendix VIII). The performance of the economy is inextricably linked to the performance of the banana industry, which is the main agricultural activity in the country.

During the period 1990 to 1996 the economy of St. Lucia experienced positive but variable growth (see Table 17). After a modest 2.8% growth in 1991, a healthy 7.1% growth was experienced in 1992. This was attributed to a 38% increase in the banana production that impacted positively on all sectors of the economy. The years 1993 and 1994 again saw modest growth of 2.05% and 2.14% respectively which was attributed to the decline in contribution from the agricultural sector in 1993 and the passage of hurricane Debbie in 1994 that decimated the banana industry. 1995 saw a 4.06% growth that was attributed to the overall growth in all the sectors particularly the manufacturing sector that rebounded from a 12% decline in 1994 to record a positive 14% growth. In 1996, the economy experienced its worst performance with a modest 1.9% growth. This was a direct result of the reduction of St. Lucia’s market share for bananas in Europe.

2. Industrial Activity

Industrial activity is centred around a manufacturing sector which makes a significant contribution to the economy by way of employment generation and foreign exchange earnings. Over the period 1990 to 1996 the sector experienced fluctuating growth, with an average growth rate of 1.39% and an average contribution to GDP of 7.3%. This is further discussed under section 6.5.

3. Industrial Classification

In St. Lucia, industrial classification is generally in accordance with the 1994 International Standard Industrial Classification (ISIC). All manufacturing activities are captured in Major Division (Category) D. A detailed breakdown of Major Division D is given in **Appendix IX.**

4. Data Collection

Data collection on the performance of the manufacturing sector is the responsibility of the St. Lucia Statistical Service. Notwithstanding the formal adoption of the ISIC, data on manufacturing performance is published under the following broad divisions in which meaningful industrial activities take place:

- Food, Beverages & Tobacco.
- Textile & Wearing Apparel.
- Wood & Wood Products.
- Paper, Paper Products, Printing & Publishing.
- Electrical, Metal & Assembly Type Products.
- Chemicals, Petroleum Refining & Non-Metallic Minerals.
- Others.

5. The Manufacturing Sector

The performance of the manufacturing sector is captured under the seven sub-sectors as listed in Table 17. Its contribution to GDP over the period 1990 to 1996 varied from 8.1% in 1990 to 6.9% in 1996.

According to data given in the 1996 edition of the “Economic and Social Review of St. Lucia[7] there were approximately 346 enterprises engaged in manufacturing in 1996, employing 5,800 people. Its contribution to GDP was US$27.8M.

The four major sub-sectors are: Food, Beverages & Tobacco; Paper, Paper Products, Printing & Publishing; Textile & Wearing Apparel; and Electrical, Metal & Assembly Type Products. These sub-sectors contributed an average of 51.7%, 15.4%, 10.8% and 9.5% respectively to sector GDP over the period 1990 to 1996. They are further discussed in section 6.5.

The performance of the manufacturing sector was somewhat turbulent and was influenced a great deal by the fortunes of the agricultural sector. The principal outputs from the Paper, Paper Products, Printing & Publishing sub-sector i.e. banana boxes, is related to the production of bananas.

Table 17
CONTRIBUTION OF MANUFACTURING SUB-SECTORS TO MANUFACTURING GDP, 1990 –1996
(%)

Sub-sectors	Years						
	1990	1991	1992	1993	1994	1995	1996
Food, Beverages & Tobacco	52	51	54	51	50	53	51
Textile & Wearing Apparel	13	12	10	9	11	10	10
Wood & Wood Products	4	4	5	4	4	5	5
Paper, Paper Products, Printing & Publishing	17	14	15	16	14	14	17
Electrical, Metal & Assembly Type Products	5	12	9	11	11	10	9
Chemicals, Petroleum Refining, & Non-Metallic Minerals	8	6	6	8	9	7	7
Others	1	1	1	1	1	1	1
TOTAL MANUFACTURING GDP	**27.04**	**26.25**	**26.90**	**28.02**	**24.66**	**28.11**	**27.77**
% Annual Growth in Manuf. GDP	-	-2.9	2.5	4.2	-12	14	-1.2
GROSS DOMESTIC PRODUCT	332.63	342.40	366.59	374.10	382.10	397.60	405.16
% Annual Growth in GDP	-	2.9	7.1	2.0	2.1	4.1	1.9
Manuf. GDP / GDP (%)	8.1	7.7	7.3	7.5	6.4	7.1	6.9

Source: Derived from data supplied by the Statistical Service and the Economic and Social Review of St. Lucia, 1990 to 1996

Note: GDP in US$M at Factor Cost (at 1990 Constant Prices) (US$1=EC$2.7)

Its 5% growth in 1990 was followed by a 3% decline in 1991. This was followed by two years of positive growth (2.5% and 4% respectively) in 1992 and 1993, then a major decline of 12% in 1994 due to the fallout from hurricane Debbie. 1995 saw somewhat of a recovery in performance with a 14% growth over 1994, but this was followed by a 1% decline in 1996.

The Government of St. Lucia considers the manufacturing sector one of the pillars of the economy and is introducing new fiscal and other incentives to encourage its continued growth and development.

6. Small and Medium-Sized Enterprises in St. Lucia

Based on data supplied by the Ministry of Commerce, Industry and Consumer Affairs and the St. Lucia Industrial & Small Business Association it is estimated that at the end of 1996 there were approximately 166 SMIs in the manufacturing sector. Their distribution as a percentage of sub-sector enterprises is as follows:

- Food, Beverages & Tobacco 43%
- Textile & Wearing Apparel 78%
- Wood & Wood Products 90%
- Paper, Paper Products, Printing & Publishing 83%
- Electrical, Metal & Assembly Type Products 31%
- Chemicals, Petroleum Refining & Non-Metallic Products 92%
- Others 10%

The distribution of SMIs at the activity levels could not be ascertained.

Available published data on the performance of the manufacturing sector in St. Lucia refers to Gross Output rather than Contribution to GDP. As a result, in the analysis of the performance of the various sub-sectors, gross output is used as the factor of comparison. The Gross Output for the period 1990 to 1996 is given in Table 18. An examination of the sub-sector follows. Estimates of output are given as an average for the period 1990 to 1996.

Table 18

OUTPUT FROM THE MANUFACTURING SUB-SECTORS, 1990 TO 1996

(% of Gross Output)

Sub-sectors	Years						
	1990	1991	1992	1993	1994	1995	1996
Food, Beverage and Tobacco	24	34	28	31	27	28	30
Textile and Wearing Apparel	14	15	13	12	10	8	12
Paper and Paper Products incl. Printing & Publishing	36	31	38	34	30	33	32
Electrical, Metal & Assembly Type Products	9	8	9	8	13	11	13
Others	17	12	12	15	20	20	13
GROSS OUTPUT (US$M)	48.7	41.0	40.3	40.3	42.1	52.7	49.4

Source: Economic and Social Review of St. Lucia, 1991 to 1996

Note: The sub-sector "Others" include Wood & Wood Products, Chemicals, Pet.Refining & Non Metallic Minerals and Miscellaneous Manufacturing.

Food, Beverage & Tobacco

This sub-sector is the largest contributor to GDP in the manufacturing sector with an average of 52% contribution over the period 1990 to 1996. In 1996, its contribution to GDP was US$14.1M representing 51% of sector contribution. Its average contribution to sector output was 29%.

There are four large enterprises in this sub-sector with one engaged in the manufacture of tobacco products. The SMIs are concentrated mainly in the food and beverage activities and their contribution is estimated to be 30% of sub-sector output.

Textile & Wearing Apparel

This joint sub-sector contributed an average 11% to Manufacturing GDP over the period 1990 to 1996. In 1996, it contributed US$2.68M representing approximately 10% of sector contribution. Over the period 1991 to 1995, there was a steady decline in output from the sub-sector, particularly in the wearing apparel activity that was due to intense global competition. However in 1996, the sub-sector experienced a 50% increase in output over its 1995 levels that arrested the decline. This was due to the textile activity, which until 1996, averaged approximately 25% of sub-sector output, making a dramatic increase to 54% of output in 1996. The improved performance in the textile activity was attributed to increased prices in the export market and response by the enterprises to Government's incentives offered to the activity.

This sub-sector has the largest number of SMIs, (approximately 78% of sub-sectors enterprises), and is estimated to account for 45% of sub-sector output.

Paper, Paper Products, Printing & Publishing

This sub-sector is the second highest contributor to GDP in the manufacturing sector. Over the period 1990 to 1996, it contributed an average of 15% to sector GDP . In 1996, it contributed 17% (US$4.7). The major activity, Paper and Paper Products, contributed an average of 51% to sub-sector GDP while the activity Printing & Publishing contributed 49% See Appendix X. The sub-sector exhibited variable performance over the period 1990 to 1996 with its worst year being 1994 when it experienced its lowest output (30% of sector output). This was a 13% decline from that of 1995. Performance in this sub-sector can be linked to performance of the banana industry, since the manufacture of banana boxes is the most significant activity.

There is one large enterprise in this sub-sector engaged in the manufacture of banana boxes and associated products. Sector representatives estimate the output of this enterprise to be 55% of total sub-sector output. The SMIs are essentially engaged in printing, publishing and the manufacture of other paper products. Their contribution is estimated to be 30 % of sub-sector output.

Electrical, Metal & Assembly Type Products

This sub-sector is the fourth largest contributor to GDP in the manufacturing sector. Over the period 1990 to 1996 it contributed an average of 10% to sector GDP. The Sub-sector exhibited variable performance during 1990 to 1993 with an average 8.5% contribution to sector output. Performance improved over the period 1994 to 1996 with average contribution to sector output of 12%.

The enterprises in this sub-sector are essentially large and foreign-owned engaged in the manufacture of thermistors, resistors, printed circuit boards etc. for the United States market. It plays a significant role in providing employment. There are approximately 8 SMIs operating in this sub-sector which sector representatives estimate contribute approximately 15% of sub-sector output.

Others

This category comprises the following sub-sectors:

- Wood and Wood Products.
- Chemicals, Petroleum Refining & Non-Metallic Minerals.
- Miscellaneous Manufacturing.

The respective outputs from the individual sub-sectors are relatively small. As such, they have been grouped together by the authorities.

During the period 1990 to 1996 this joint sub-sector contributed an average 14% to sector GDP. This contribution has been relatively steady over the period with 9% from Chemicals, Petroleum Refining & Non-Metallic Minerals, 4% from Wood & Wood Products and 1% from Miscellaneous Manufacturing.

There are approximately 48 SMIs in this sub-sector that are engaged in manufacturing of a range of products such as furniture, household chemicals, and miscellaneous indigenous products including handicraft. Their output is estimated at 55% of sub-sector output.

A summary of SMI contribution to gross output is given in Table 19.

Table 19

CONTRIBUTION OF SMIS TO GROSS OUTPUT IN ST. LUCIA

(%)

Sub-Sector	Sub-Sector Contribution to Sector Output	SMIs Contribution to Sub-Sector Output
Food, Beverages & Tobacco	29	30
Textiles & Wearing Apparel	12	45
Wood & Wood Products	*	*
Paper, Paper Products, Printing & Publishing	33	30
Electrical, Metal & Assembly Type Products	10	15
Chemicals Pet. Refining & Non-Metallic Minerals	*	*
Other Manufacturing	16	55

Note: * Included as part of Other Manufacturing

7. Employment

Total employment figures in 1996 was approximately 37,600 people, of whom approximately 5,800 (15.4%) were engaged in the manufacturing sector. Over the period 1990 to 1996 (see Table 20) the manufacturing sector contributed an average of 16% to employment.

Table 20

EMPLOYMENT IN ST. LUCIA'S MANUFACTURING SECTOR

	Years						
	1990	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**
Manufacturing Employment x 1000	N/A	5.5	5.8	5.6	6.2	5.5	5.8
% Manufacturing Change	-	-	5.4	-3.4	10.7	-11.3	5.5
Total Employment x 1000	N/A	32.0	36.2	35.9	37.9	37.8	37.6
% Total Emp. Change	-	-	19.4	-0.8	11.0	-0.3	-0.5
% Manufacturing Emp. / Total Emp.	N/A	17	16	16	16	15	15

Source: Economic and Social Review of St. Lucia, 1996

Over the period 1990 to 1996 the contribution of manufacturing employment to total employment decreased from 17% in 1990 to 15% in 1996. This decline in employment by the sector prompted the Government of St. Lucia to take policy measures to address it.

In the absence of official published data, the average distribution of manufacturing employment in the various sub-sectors, and their respective contributions by the SMIs for the period 1990 to 1996, was estimated by industry specialists. These are given in Table 21.

Table 21

DISTRIBUTION OF EMPLOYMENT IN ST. LUCIA MANUFACTURING SECTOR

(%)

Sub-Sector	Distribution of Employment by Sub-Sectors	SMIs Contribution to Sub-Sector Employment
Food, Beverages & Tobacco	25	75
Textiles & Wearing Apparel	25	40
Wood & Wood Products	5	90
Paper, Paper Products, Printing & Publishing	13	25
Electrical, Metal & Assembly Type Products	16	20
Chemicals Pet. Refining & Non-Metallic Minerals	8	65
Other Manufacturing	10	30

8. Productivity

Table 22 reflects the change in labour productivity at the manufacturing level and at the all industry level. It is noted that labour productivity in both the manufacturing sector and the overall economy has been declining prior to 1994. However since then, it has shown variable but positive improvement.

Table 22

LABOUR PRODUCTIVITY IN ST. LUCIA MANUFACTURING SECTOR, 1990 TO 1996

Sub-Sectors	Years						
	1990	1991	1992	1993	1994	1995	1996
Total Manufacturing GDP	27.0	26.3	26.9	28.0	24.7	28.1	27.8
Employment in Manuf. Sector x 1000	N/A	5.5	5.8	5.6	6.2	5.5	4.79
Manufacturing Productivity Index	-	4.78	4.64	5.01	3.98	5.11	5.8
% Annual Manufacturing Change	-	-	-2.9	7.7	-20.0	28.1	-5.9
All Industry Productivity Index	-	10.70	10.12	10.42	10.08	10.51	10.78
% Annual All Industry Change	-	-	-5.4	3.0	-3.3	4.3	2.6

9. Public Policies Aimed at Promoting SMIs in St. Lucia and their Impact

The public policies in place in St. Lucia to assist the manufacturing sector have been directed mainly at the small business sector and at attracting large foreign businesses. No specific policies are in place to develop medium-sized industries.

The policy towards small business emanates from Government's recognition of the importance of the small business sector's contribution to the economic and social development of St. Lucia. It also emphasizes Government's recognition of the potential of Small and Micro Enterprises to create and expand employment opportunities, develop entrepreneurial skills, enhance market opportunities and encourage export promotion and import substitution.

To facilitate small enterprise development, the Government of St. Lucia, with the support of the United Nations Development Programme (UNDP), the International Labour Organization (ILO) and the Organization of Eastern Caribbean States (OECS), established the Small Enterprise Development Unit (SEDU). Additional details on SEDU are given in Appendix XI

SEDU serves as a 'one-stop shop' for the development of the small business sector in St. Lucia. Its main services are:

- Consultancy and Training.
- Co-ordinating and Networking.
- Monitoring and Extension.

Other Government support programmes for the small business sector are:

- Income Tax (Amendment) Act. No. 11 of 1998. Section 2 of this Act has been amended to broaden the classification for "small-scale business enterprises" and the Fifth Schedule of the Act has been modified to provide improved concessions for new small business enterprises.
- Small Business Assistance Programme. This Programme is a venture of the St. Lucia Development Bank aimed at assisting small businesses through the provision of grants, concessionary loans and technical assistance.

The policies aimed at attracting large businesses are through the provision of generous fiscal incentives. These are legislated in the "Fiscal Incentives Act. No 15 of 1974".

This Act sets out to encourage local and foreign investment in the productive sector of the St. Lucia economy. Export oriented manufacturing enterprises are particularly encouraged. The incentives offered are:

- Tax Holiday – up to a maximum of 15 years.
- Waiver of Import Duty and Consumption Tax on imported plant, machinery and equipment.
- Waiver of Import Duty and Consumption Tax on imported raw material and packaging
- Carry forward of losses.
- Export Allowance – Tax relief on export earnings.

In an effort to provide some protection to St. Lucian enterprises in certain sectors the "Trade Licenses Act No.5 of 1985" was enacted. This Act requires all non-St. Lucian persons and enterprises, as well as enterprises under foreign or alien control as defined by the "Aliens Landholding (Regulations) Act, No. 10 of 1993", to obtain a annual license to conduct business. The objective of the licensing mechanism is stated as "among others to direct foreign investment and enterprises into areas that will be most beneficial to the development of St. Lucia". Additionally, it is intended to limit investment in areas that are considered to be satisfactorily serviced so as to ensure the realization of the full benefits to St. Lucians of their investment in those areas.

Other measures include the following:

- Establishment of the "National Development Corporation". This government institution was set up to stimulate, facilitate and undertake the Industrial development of the country.
- Partial or duty-free entry into U.S. markets under the U.S. Tariff Schedule items 806.3 and 807, the U.S. Generalized System of Preferences (GSP) and the Caribbean Basin Initiative (CBI).

- Duty-free entry of goods into the Canadian Market under CARIBCAN, the Caribbean Common Market (CARICOM), the European Common Market under the LOME Convention and the Venezuelan market under the CARICOM/Venezuela Trade and Investment Agreement.

10. Impact of Policy Measures on SMIs in St. Lucia

The existing policies to support the development of the manufacturing sector in St. Lucia has not been very effective in promoting a vibrant and sustainable Small and Medium-sized Enterprises sector. The factors that militated against this achievement were as follows:

- The assistance given to the SMIs, particularly the smaller enterprises, was not far reaching enough to position them to compete in an open market economy. The technological shift in production techniques as well as changes in management techniques required for such a competition was not forthcoming.
- The costs to the SMIs of accessing available incentives were considered prohibitive.
- The full package of investment incentives available to the larger foreign businesses was not available to SMIs, which generally did not satisfy the minimum investment criteria. In many instances what was granted to them was at the discretion of the relevant Minister.

From discussions with representatives of the Ministry of Commerce, Industry and Consumer Affairs, and the St. Lucia Industrial & Small Business Association, it was evident that the Government of St. Lucia is conscious of the shrinking manufacturing sector. It is also conscious of the specific difficulties that the SMIs are facing with regard to staying alive, due to the erosion of trade advantages under the CBI, relatively higher labour costs in St. Lucia, and the rapid changes in technology.

Before the end of 1998, the Government proposes to take to Parliament a new package of incentives to address these shortcomings. The policy document "Policy Paper for the Development of the Small Business Sector in St. Lucia" is intended to create an enabling environment for the manufacturing sector as a whole and the SMIs in particular.

Details of the policy recommendations were not available at the time of writing this report. However, indications are that a major policy recommendation will be the granting to the SMIs many of the fiscal incentives now offered to the larger foreign enterprises.

11. Linkages

There are no significant linkages amongst the SMIs in St. Lucia or between the SMIs and the larger manufacturing enterprises. One major linkage, which still exists, is between the manufacturing and agriculture sectors as evidenced by the contribution of the paper box manufacturing enterprise to the vital banana industry. Industry representatives would like to see greater linkages amongst the SMIs particularly in the areas of bulk buying of raw materials and the more efficient use of productive capacity.

IV. Discussion

1. Small and Medium-Sized Enterprises

Several people in the SMI sector expressed the view that the linking of the small and medium-sized enterprises as a group should be curtailed as the medium-sized enterprises are not truly catered for. Even in Trinidad and Tobago, where official parameters have been established for medium-sized enterprises, they are considered to be so limiting that many of the medium-sized enterprises feel that they have been left out in the cold. Medium-sized enterprises also see themselves as having emerged from the small business grouping and moved to modernize their businesses by the introduction of higher level technology and more efficient means of production. They are in fact considered by many financial and other support agencies as “Emerging Enterprises”. Most of these enterprises move towards forming closer linkages with the local manufacturers’ associations than with the small business associations. The manufacturers’ associations are considered to have greater political clout and the ability to assist the enterprises in accessing export markets, which have now become essential to their continued existence and growth.

The small enterprises, on the other hand, have well-established support programmes. They are considered to be dependent on direct government support through subsidized financing and other mechanisms, and are essentially inward looking in terms of development.

2. Information

Information on the performance of manufacturing sub-sectors and of the specific activities within each sub-sector is very limited and in some instances non-existent. With respect to the performance of the small and the medium-sized enterprises, there is no specific programme by the various statistical services to capture this data separately, or to be consistent with the categories of the formally adopted industrial classifications.

The authorities in the various countries have identified the SMIs as the group that can provide employment be the engines of development. If this is to be achieved then the collection of information must be improved in order to better monitor the performances of the sectors, sub-sectors, and activities, at least up to the ISIC 3-digit level. Attention must be given to addressing the following:

- Institution of a compulsory system of national registration for all SMIs.
- Establishment of clear and acceptable (to all partners) definitions of small and medium-sized enterprises.
- Implementation of a an information collection and dissemination system which will better support the monitoring of the performance of the SMI sector.

3. SMIs in the Manufacturing Sector

With the exception of Trinidad and Tobago, the available data from the various countries does not allow for a comprehensive review of the performance of the SMIs in the manufacturing sector in each country. A summary of 1996 performance data for the various manufacturing sectors and that of the SMIs in the sectors is given in Table 23.

A summary of their performance follows:

- Share of 71%, 74%, and 48% of enterprises in the manufacturing sector of Trinidad and Tobago, Barbados and St. Lucia respectively.
- Share of 24% and 35% of manufacturing contribution to GDP in Trinidad and Tobago and Barbados respectively, and 37% of gross manufacturing output in St. Lucia.
- Share of 57%, 53% and 52% to sector employment in Trinidad and Tobago, Barbados and St. Lucia respectively.
- Greatest contribution with respect to national income, in the Food, Beverages and Tobacco sub-sector.
- Greatest contribution with regard to employment, in the Food, Beverage and Tobacco sub-sector in Barbados and St. Lucia, and the Assembly and Related Industries sub-sector in Trinidad and Tobago.

In each of the three countries, the respective Government has identified the manufacturing sector as important to national development and the SMIs specifically, as a group that requires special government attention. To this end, special agencies have been established in each country to address the specific needs of SMIs. These are:

- Small Business Development Company Limited, in Trinidad and Tobago.
- Small Business Unit in the Ministry of Industry, Commerce and Business Development, in Barbados.
- Small Enterprise Development Unit, in St. Lucia.

Table 23
COMPARISON OF SELECTED PARAMETERS IN THE MANUFACTURING SECTORS OF TRINIDAD AND TOBAGO, BARBADOS AND ST. LUCIA, 1996

Parameters	Countries			
		Trinidad & Tobago	**Barbados**	**St. Lucia**
Enterprises in the manufacturing sector		2165	450	340
SMIs in the manufacturing sector		1545	333	146
GDP Manufacturing (US$M)		632.4	42.8	27.7
GDP Total (US$M)		4875.8	451.8	405.2
Contribution of manuf. sector to GDP(%)		13	9.5	6.9
Contribution of SMIs to manufacturing GDP. (%)		24	35	37%
No. people employed in manufacturing Sector		44,700	9,700	5800
SMI contribution (%) to manuf. employment		57	53	52
Major sub-sectors in the manufacturing sector by their contribution to GDP.	1st	Chemicals & NMM	Food, Bev. & Tobacco.	Printing, Pub. & PP[*]
	2nd	Food, Bev. & Tobacco	Printing, Pub. & PP.	Food, Bev. & Tobacco[*]
	3rd	Assembly Type Ind.	Assembly Type Ind.	Misc. Manufacturing.[*]
Major sub-sectors in which SMIs operate by their contribution to GDP.	1st	Food, Bev. & Tobacco	Food, Drink & Tobacco.	Food, Drink & Tobacco.[x]
	2nd	Assembly Type Ind.	Printing, Pub. & PP.	Printing, Pub. & PP.[x]
	3rd	Printing, Pub. & PP	Chemicals & NMM .	Textiles & W App.[x]
Major sub-sectors in which SMIs operate by number of enterprises	1st	Food, Bev. & Tobacco.	Food, Bev. & Tobacco.	Textiles & W App.
	2nd	Wood & Rel. Prods.	Textiles & W App.	Chemicals & NMM
	3rd	Assembly Type Ind.	Chemicals & NMM	Food, Bev. & Tobacco.

Note: * Based on Gross Output and not contribution to GDP

These agencies are supported with fiscal and other support policies to stimulate the growth and development of the SMIs.

Notwithstanding these support measures, the views expressed by industry specialists in Barbados and St. Lucia, are, that the growth of SMIs in these countries and their contribution to national income are either stagnant or declining. This has been attributed to the inability of many of these enterprises to quickly adjust to the new open-market policy of their respective Government.

In Trinidad and Tobago, the performance of SMIs has been reflecting an upward trend, which has significantly increased since 1994. This upward trend has been attributed to a buoyant economy, the introduction, by SMIs, of updated technology in their manufacturing operations and their aggressive export manufacturing thrust.

General views expressed by SMI representatives in the three countries are:

- No special Government provisions are made for the medium-sized enterprises, particularly those with the potential to grow into large enterprises.
- Accessing Government’s fiscal and other incentives was bureaucratic and costly, particularly for the smaller enterprises. As such, these enterprises did not maximize the use of them.
- There was need for easier access to start-up capital and some additional incentives for capital re-investment into the enterprise.

SMIs in the Caribbean as a whole, have always operated in an environment of secrecy and competition. As a result, there have been little or no linkages amongst them. Similarly, there has been no history of linkages between the SMIs and larger enterprises. In instances where SMIs were operating under licenses or franchise agreements, all linkages were with the parent company, either by agreement or design.

In Trinidad and Tobago however, SMIs are beginning to recognize the advantages of linkages in dealing with an open-market economy, and have begun to foster such linkages amongst them. This is very evident in the cosmetics and food and beverage activities, where there is sharing of production facilities, joint purchasing, and joint marketing.

As inputs into any new policy initiatives, several concerns have been expressed by SMIs. These are highlighted in section 4.

4. Concerns

Several concerns have been expressed by enterprises in the manufacturing sector, and by SMIs in particular, about issues that are affecting them and that will impact on their very survival. These are:

- The effect of the World Trade Organization (WTO) ruling on the reduction of the protection for goods, services and capital flows. This ruling is resulting in the freer entry of competing products in the various home territories and the erosion of their preferences under the LOME Convention, the Caribbean Basin Initiative and Caribcan.
- The urgent need for a shift in government policies to specifically promote the development and growth of the local SMI through a package of incentives within the reach of these enterprises. Some suggestions were:
    - Lowering the qualifying level for tax holidays and duty free concessions for machinery and raw material so that SMIs can access them.
    - Reducing corporation tax for SMIs in the manufacturing sector.
    - Assistance in the retooling and upgrading of selected SMIs.

- The need to encourage a greater degree of collaboration and co-operation amongst SMIs. This will allow for greater economies in production, marketing and promotion, encourage the sharing of technological and market information, and facilitate a faster response to changes in the market.
- The need to put in place mechanisms to encourage backward linkages between the large manufacturers, both local and foreign, and the SMIs, and so foster a more integrated manufacturing sector.
- The need for assistance in attaining the requisite quality standards (ISO 9000, ISO 14000), that are now viewed as invisible trade barriers.

In Trinidad and Tobago, the SMIs and the manufacturing sector as a whole, have gained a head start in addressing some of these issues, and are now reaping the benefits. In Barbados and St. Lucia, the respective Government is taking very positive steps to ensure the survival of the SMIs in the manufacturing sector.

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Appendices

Appendix I

SECTOR CONTRIBUTION TO TRINIDAD AND TOBAGO'S GROSS DOMESTIC PRODUCT 1990 TO 1996

Sectors	1990	1991	1992	1993	1994	1995	1996
Agriculture, Fishing & Forestry	138.8 (0)	142.9 (3.0)	142.3 (1.1)	153.2 (8.4)	154.4 (0.8)	150.1 (-2.8)	155.7 (3.8)
Mining and Quarrying	940.9 (0)	911.6 (-3.1)	866.1 (-5.0)	788.4 (-9.0)	836.1 (6.1)	838.1 (0.2)	823.7 (-1.7)
Manufacturing	**501.1** **(0)**	**543.0** **(8.4)**	**557.0** **(2.6)**	**539.0** **(-3.1)**	**575.3** **(6.6)**	**596.7** **(3.7)**	**632.4** **(6.0)**
Electricity and Water	59.7 (0)	62.7 (5.0)	66.1 (5.4)	65.7 (-0.6)	68.7 (4.6)	71.6 (4.2)	74.3 (3.7)
Construction	389.3 (0)	434.8 (11.7)	413.1 (-5.0)	395.2 (-4.3)	448.7 (13.5)	484.2 (7.9)	509.8 (5.3)
Distribution Services	526.4 (0)	547.8 (4.1)	543.9 (-0.7)	561.5 (3.2)	591.8 (5.4)	609.1 (2.9)	664.5 (9.1)
Hotels, Guest Houses & Rest.	31.6 (0)	34.3 (8.5)	37.6 (9.7)	44.0 (17.0)	45.5 (3.4)	52.7 (15.9)	63.7 (20.9)
Transportation, Storage & Communications	464.3 (0)	477.5 (2.8)	470.8 (-1.3)	472.3 (0.3)	464.1 (-1.7)	477.5 (2.9)	486.5 (9.1)
Finance, Insurance, Real Estate & Business Services	400.9 (0)	431.8 (7.7)	452.9 (4.9)	463.6 (2.3)	475.9 (2.7)	489.0 (2.7)	493.6 (0.9)
General Government	775.7 (0)	760.6 (-1.9)	738.3 (-2.9)	739.6 (0.2)	710.4 (-3.9)	716.8 (0.9)	717.6 (0.1)
Education and Cultural Community Services	227.7 (0)	237.2 (4.2)	224.2 (-5.5)	228.1 (1.8)	232.8 (2.0)	230.0 (-1.2)	237.7 (3.4)
Personal Services	123.9 (0)	123.7 (-0.2)	125.8 (1.7)	122.7 (-2.5)	132.4 (7.9)	134.6 (1.7)	137.3 (2.0)
Imputed Service Charges	-98.5 (0)	-105.8 (7.4)	-110.9 (4.9)	-113.5 (2.3)	-116.6 (2.7)	-120.0 (2.7)	-120.9
TOTAL GROSS DOMESTIC PRODUCT	**4481.8** **(0)**	**4602.0** **(2.7)**	**4526.2** **(-1.6)**	**4460.4** **(-1.5)**	**4619.6** **(3.6)**	**4730.5** **(2.4)**	**4875.8** **(3.1)**

Source: The National Income of Trinidad and Tobago 1990 – 1996.

Notes: Percentage Annual Change in Brackets
Constant 1985 Prices US$M (US$1 = TT$3.6)

Appendix II

EXCHANGE RATES IN TRINIDAD AND TOBAGO, BARBADOS AND ST. LUCIA (AT END OF PERIOD) 1990-1996

Exchange Rate to US$1	Years						
	1990	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**
Trinidad and Tobago (TT$)	4.25	4.25	4.25	5.81	5.77	5.85	6.3
Barbados (BDS$)	2.0	2.0	2.0	2.0	2.0	2.0	2.0
St Lucia (EC$)	2.7	2.7	2.7	2.7	2.7	2.7	2.7

Source: ECLAC – Selected Statistical Indicators of Caribbean Countries Vols. VIII and IX - 1996

Appendix III

List of Major Divisions of the Trinidad and Tobago Standard Industrial Classification

Major Division 1	Agriculture, Hunting, Forestry and Fishing
Major Division 2	Mining and Quarrying
Major Division 3	Manufacturing
Major Division 4	Electricity, Gas and Water
Major Division 5	Construction
Major Division 6	Wholesale and Retail Trade, and Restaurants and Hotels
Major Division 7	Transport, Storage and Communication
Major Division 8	Financing, Insurance, Real Estate and Business Services Sector
Major Division 9	Community, Social and Personal Services

LISTING OF DIVISIONS AND GROUPS IN MAJOR DIVISION 3 (MANUFACTURING)

Division	Major Groups	Description
30/31		**Manufacture of Food**
	301	Slaughtering, preparing and preserving meat
	302	Manufacture of dairy products
	303	Canning and processing of fruits and vegetables
	304	Canning, preservation and processing of fish
	305	Manufacture of vegetable and animal oils and fats
	306	Grain Mills
	307	Manufacture of bakery products
	308	Sugar Factories and Refineries
	309	Cocoa, chocolate and sugar confectionery
	311	Manufacture of food products n.e.c.
	312	Manufacture of prepared animal feeds
	313	Alcoholic beverages
	314	Non-alcoholic beverages
	315	Tobacco Manufacturers
32		**Textiles, Wearing Apparel and Leather Industries**
	321	Manufacture of textiles
	322	Manufacture of wearing apparel except footwear
	323	Manufacture of leather and products of leather (except footwear and wearing apparel)
	324	Manufacture of footwear (except vulcanized or moulded rubber or plastic)
33		**Manufacture of Wood and Wood Products, Including Furniture**
	331	Manufacture of wood and wood and cork products, except furniture
	332	Manufacture of furniture and fixtures, except primarily of metal
34		**Manufacture of Paper and Paper Products; Printing and Publishing**
	341	Manufacture of paper and paper products
	342	Printing, publishing and allied industries
35		**Manufacture of Chemicals and of Chemicals, Petroleum, Coal, Rubber and Plastic Products**
	351	Manufacture of industrial chemicals
	352	Manufacture of paints, varnishes, lacquers and allied products
	353	Manufacture of other chemical products
	354	Petroleum Refineries
	355	Manufacture of miscellaneous products of petroleum and coal
	356	Manufacture of rubber products
	357	Manufacture of plastic products n.e.c.
36		**Manufacture of Non-Metallic Mineral Products, Except Products of Petroleum and Coal**
	361	Manufacture of pottery, china and earthenware
	362	Manufacture of glass and glass products
	363	Manufacture of cement, concrete and products of concrete and clay
	369	Manufacture of other non-metallic products
37		**Basic metal Industries**
	371	Iron and Steel basic industries
	372	Non-ferrous basic industries
	379	Basic metal industries n.e.c.
38		**Manufacture of Fabricated Metal Products**
	381	Manufacture of fabricated metal products, except machinery and equipment)
	382	Manufacture of machinery except electrical
	383	Manufacture of electrical machinery, apparatus, application or supplies
	384	Manufacture of transport equipment
	385	Manufacture of professional, scientific, measuring and controlling equipment n.e.c.
	389	Manufacture of fabricated metal products, machinery and equipment n.e.c.
39		**Other Manufacturing Industries**
	390	Manufacturing industries n.e.c.

Appendix IV

The Small Business Development Company Limited of Trinidad and Tobago

The Small Business Development Company was established as a limited liability company in 1989 to facilitate the development of the small business sector in Trinidad and Tobago.

The company is owned 60% by the Government of Trinidad and Tobago and 40% by the private sector. Its main services are:

- Provision of a Loan Guarantee Plan
- Housing of a National Business Information Centre
- Operation of a Leasing Company

Loan Guarantee Plan

The Loan Guarantee Plan was developed to assist small firms and micro-enterprises to secure loans from lending institutions by providing part collateral.

The maximum guarantee under the plan is TT$250,000 per business/borrower. The lender can be any commercial bank, credit union or other lending institution participating in the Plan.

National Business Information Centre (NBIC)

The NBIC provides manuals, fact sheets and step by step business plans to assist an entrepreneur develop his business. Other facilities include:

- Resource Library
- Audio Visual Facilities
- Computer Databases
- Business Counseling
- Business Service Centre

Leasing Company

This company is operated by the SBDC to facilitate small businesses to acquire machinery and equipment without initially having to provide the full capital outlay.

The company's address is as follows:

Small Business Development Company Limited
151B Charlotte Street,
Port of Spain,
Trinidad and Tobago, W.I.
Phone: (868)-623-5507
Fax: (868)-624-3919
E-Mail: nbic@opus.co.tt

Appendix V

SECTOR CONTRIBUTION TO BARBADOS'S GROSS DOMESTIC PRODUCT, 1990 TO 1996

Sectors	1990	1991	1992	1993	1994	1995	1996
Sugar	14.8	14.0	11.6	10.5	11.2	8.3	13.2
	(0)	(-5.4)	(-17.1)	(-9.5)	(6.2)	(-25.2)	(59.0)
Non-Sugar Agriculture	17.4	17.1	16.5	16.5	15.6	18.4	19.2
and Fishing	(0)	(-2.0)	(-3.2)	(0)	(-0.6)	(18)	(4.3)
Mining and Quarrying	3.3	3.2	3.5	3.4	3.5	3.7	3.7
	(0)	(-3.0)	(9.4)	(-2.8	(2.9)	(5.7)	(0)
Manufacturing	**44.0**	**41.9**	**38.0**	**36.9**	**39.4**	**42.5**	**42.8**
	(0)	**(-4.7)**	**(-9.3)**	**(-2.9)**	**(6.7)**	**(7.8)**	**(0.7)**
Electricity, Gas and	13.2	13.5	13.7	13.8	14.3	15.2	15.5
Water	(0)	(2.3)	(1.4)	(0.3)	(4.0)	(5.9)	(2.0)
Construction	30.1	27.8	25.5	26.1	27.0	28.8	30.2
	(0)	(-7.5)	(-8.2)	(2.1)	(3.5)	(6.7)	(4.9)
Wholesale and Retail	86.0	80.6	74.2	76.0	79.9	82.4	87.6
Trade	(0)	(-6.2)	(-7.9)	(2.4)	(5.1)	(3.2)	(6.3)
Tourism	61.1	57.8	51.6	53.9	64.5	65.2	69.0
	(0)	(-5.8)	(-2.0)	(4.0)	(15.5)	(1.0)	(5.8)
Transportation, Storage	34.5	33.8	32.6	33.0	34.0	34.9	36.4
and Communications	(0)	(-1.9)	(-3.6)	(1.2)	(2.8)	(2.7)	(4.3)
Business and General	75.3	73.9	70.0	70.5	72.3	73.7	77.5
Services	(0)	(-1.9)	(-5.2)	(0.8)	(2.5)	(1.9)	(5.2)
Government Services	60.2	58.9	56.0	56.0	56.0	56.6	57.0
	(0)	(-2.1)	(-5.2)	(0)	(0)	(0.1)	(0.8)
TOTAL GROSS	**439.6**	**422.4**	**398.1**	**401.5**	**417.4**	**429.5**	**451.8**
DOMESTIC PRODUCT	**(0)**	**(-3.9)**	**(-5.7)**	**(0.8)**	**(4.0)**	**(2.9)**	**(5.2)**

Source: Central Bank of Barbados – Annual Statistical Digest 1997.

Notes: Percentage Annual Change in Brackets.
Gross Domestic Product at Factor Cost, at 1974 Constant Prices (US$M) (US$1 = BDS$2.0).

Appendix VI

A. Listing of Tabulation Categories of the International Standard Industrial Classification

Category A	Agriculture, Hunting and Forestry
Category B	Fishing
Category C	Mining and Quarrying
Category D	Manufacturing
Category E	Electricity, Gas and Water
Category F	Construction
Category G	Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household goods
Category H	Restaurants and Hotels
Category I	Transport, Storage and Communication
Category J	Financing, Insurance, Real Estate and Business Services
Category K	Community, Social and Personal Services

B. LISTING OF DIVISIONS AND GROUPS IN CATEGORY D (MANUFACTURING)

Division	Sub-division	Description
15		**Manufacture of Food Products and Beverages**
	151	Production, processing and preservation of meat, fish , fruit, vegetables, oils and fats
	152	Manufacture of dairy products
	153	Manufacture of grain mill products, starches and starch products and prepared animal feeds
	154	Manufacture of other food product
	155	Manufacture of beverages
	160	Manufacture of tobacco products
16		**Manufacture of Tobacco Products**
	160	Manufacture of tobacco products
17		**Manufacture of Textiles**
	171	Spinning, weaving and finishing of textiles
	172	Manufacture of other textiles
	173	Manufacture of knitted and crocheted fabric and articles
18		**Manufacture of Wearing Apparel; Dressing and Dyeing of Fur**
	181	Manufacture of wearing apparel except fur apparel
	182	Dressing and dyeing of fur; manufacture of articles of fur
19		**Tanning and Dressing of Leather; Manufacture of Luggage, Handbags, Saddlery, Harness and Footwear**
	191	Tanning and dressing of leather; manufacture of luggage, handbags, saddlery and harness
	192	Manufacture of footwear
20		**Manufacture of Wood and Products of Wood, Cork, except Furniture. Manufacture of Straw and Plaiting Materials**
	201	Sawmilling and Planing of wood
	202	Manufacture of products of woods, cork, straw and plaiting materials

Division	Sub-division	Description
21		**Manufacture of Paper and Paper Products**
	210	Manufacture of paper and paper products
	221	Publishing
22		**Publishing, Printing and Reproduction of Recorded Media**
	222	Printing and service activities related to printing
	223	Reproduction of recorded media
23		**Manufacture of Coke, Refined Petroleum Products and Nuclear Fuel**
	231	Manufacture of coke oven products
	232	Manufacture of refined petroleum products
	233	Processing of nuclear fuel
24		**Manufacture of Chemical and Chemical Products**
	241	Manufacture of basic chemicals
	242	Manufacture of other chemical products
25		**Manufacture of Rubber and Plastic Products**
	251	Manufacture of rubber products
	252	Manufacture of plastic products
26		**Manufacture of Other Non-Metallic Mineral Products**
	261	Manufacture of glass and glass products
	269	Manufacture of non-metallic mineral products n.e.c.
27		Manufacture of Basic Metals
	271	Manufacture of basic iron and steel
	272	Manufacture of basic precious and non-ferrous metals
	273	Casting of metals
28		**Manufacture of Fabricated Metal Products, Except Machinery and Equipment**
	281	Manufacture of structural metal products, tanks, reservoirs and steam generators
	289	Manufacture of other fabricated metal products; metal working service activities
29		**Manufacture of Machinery and Equipment N.E.C.**
	291	Manufacture of general purpose machinery
	292	Manufacture of special purpose machinery
	293	Manufacture of domestic appliances n.e.c
30		**Manufacture of Office, Accounting and Computing Machinery**
	300	Manufacturing of office, accounting and computing machinery
31		**Manufacture of Electrical Machinery and Apparatus**
	311	Manufacture of electrical motors, generators and transformers
	312	Manufacture of electricity distribution and control apparatus
	313	Manufacture of insulated wire and cable
	314	Manufacture of accumulators, primary cells and primary batteries
	315	Manufacture of electrical lamps and lighting equipment
	319	Manufacture of other electrical equipment n.e.c.
32		**Manufacture of Radio, Television and Communication Equipment and Apparatus**
	321	Manufacture of electronic valves and tubes and other electronic components
	322	Manufacture of television and radio transmitters and apparatus for line telephony and line telegraphy
	323	Manufacture of television and radio receivers, sound or video recording or reproducing apparatus, and associated goods
33		**Manufacture of Medical, Precision and Optical Instruments, Watches and Clocks**
	331	Manufacture of medical appliances and instruments and appliances for measuring , checking, testing, navigating and other purposes, except optical instruments
	332	Manufacture of optical instruments and photographic equipment
	333	Manufacture of watches and clocks
34		**Manufacture of Motor Vehicles, Trailers and Semi-Trailers**
	341	Manufacture of motor vehicles

Division	Sub-division	Description
	342	Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers
	343	Manufacture of parts and accessories for motor vehicles and their engines
35		**Manufacture of Other Transport Equipment**
	351	Building and repairing of ships and boats
	352	Manufacture of railway and tramway locomotives and rolling stock
	353	Manufacture of aircraft and spacecraft
	359	Manufacture of transport equipment n.e.c.
36		**Manufacture of Furniture; Manufacture n.e.c.**
	361	Manufacture of furniture
	369	Manufacture n.e.c.
37		**Recycling**
	371	Recycling of metal waste and scrap
	372	Recycling of non-metal waste and scrap

Appendix VII

The Barbados Investment and Development Corporation (BIDC)

The Barbados Investment and Development Corporation was established with effect from December 01, 1992. It is the Industrial Development Agency of the Barbados Government, with special responsibility for export promotion and for promoting and facilitating the establishment or expansion of business in Barbados.

The BIDC also administers the Government's Incentive Programme for Industry, and provides a variety of free advisory services for companies looking to establish business entities on the island. It specializes in areas such as Information Processing, Manufacturing, International Business and Financial Services.

Its major functions are:

- to advise on, promote and facilitate the development of export trade;
- to encourage and facilitate the establishment and expansion of enterprises to engage in the production of goods and services;
- to provide technical and other assistance to enterprises engaged in investment and production of goods and services, to improve their efficiency and productivity;
- to foster and promote the development of off-shore financial services;
- to promote Barbados as an international business centre and to attract and facilitate foreign investment in the country's productive sectors.

The Corporation's Main Office is located at

"Pelican House"
Princess Alice Highway
P.O.Box 1250
Bridgetown,
Barbados, W.I.

Phone: (246)-427-5350
Fax: (246)-426-7802
E-Mail: bidc@interport.net

Appendix VIII

SECTOR CONTRIBUTION TO ST. LUCIA'S GROSS DOMESTIC PRODUCT, 1990 TO 1996

Sectors	1990	1991	1992	1993	1994	1995	1996
Agriculture, Livestock, Forestry and Fishing	48.36	40.94	49.62	45.84	40.96	44.79	46.22
	(0)	(-15.35)	(21.23)	(-7.62)	(-10.65)	(9.34)	(3.20)
Mining and Quarrying	1.90	1.99	2.19	2.54	2.54	2.36	2.40
	(0)	(4.47)	(9.87)	(16.10)	(0.15)	(-7.0)	(1.57)
Manufacturing	**27.04**	**26.25**	**26.90**	**28.02**	**24.66**	**28.11**	**27.77**
	(0)	**(-2.92)**	**(2.5)**	**(4.16)**	**(-12.00)**	**(14.00)**	**(-1.20)**
Construction	22.59	27.13	32.53	34.15	36.51	33.61	33.11
	(0)	(20.10)	(19.87)	(5.00)	(6.91)	(-7.94)	(-1.5)
Electricity and Water	8.81	10.93	11.74	13.00	13.75	14.87	51.41
	(0)	(23.99)	(7.47)	(10.76)	(5.81)	(8.10)	(8.14)
Wholesale and Retail Trade	54.16	53.9	54.59	54.14	54.68	53.7	51.41
	(0)	(-0.48)	(1.27)	(-0.81)	(1.00)	(-1.79)	(-4.27)
Hotels and Restaurants.	28.67	32.0	35.43	38.92	43.81	46.57	47.46
	(0)	(11.61)	(10.75)	(9.82)	(12.58)	(6.30)	(1.90)
Transport	38.52	39.96	40.94	42.22	45.21	48.26	50.65
	(0)	(3.75)	(2.44)	(3.13)	(7.10)	(6.74)	(4.95)
Communications	19.83	22.61	23.97	24.05	24.73	26.13	27.10
	(0)	(14.02)	(5.99)	(0.34)	(2.83)	(5.66)	(3.71)
Banking and Insurance	27.54	28.73	29.96	32.47	33.41	35.11	36.93
	(0)	(4.32)	(4.25)	(8.4)	(2.91)	(5.08)	(5.18)
Real Estate and Owner Occupied Dwelling	18.21	18.69	19.17	19.37	20.18	20.71	21.25
	(0)	(2.60)	(2.60)	(2.61)	(2.60)	(2.61)	(2.59)
Producers of Government Services	45.55	47.53	48.63	49.85	51.90	54.20	56.39
	(0)	(4.34)	(2.31)	(2.51)	(4.11)	(4.44)	(4.02)
Other Services	11.0	11.24	11,52	12.10	12.55	13.10	13.61
	(0)	(2.19)	(2.50)	(5.00)	(3.72)	(4.37)	(3.90)
Imputed Service Charges	-19.27	-18.50	-20.59	-22.88	-22.83	-23.95	-25.23
	(0)	(1.19)	(5.58)	(11.14)	(-0.23)	(4.90)	(5.35)
TOTAL GROSS DOMESTIC PRODUCT	**332.63**	**342.40**	**366.59**	**374.10**	**382.10**	**397.60**	**405.16**
	(0)	**(2.85)**	**(7.07)**	**(2.05)**	**(2.14)**	**(4.06)**	**(1.90)**

Source: Economic and Social Review of St. Lucia, 1996.

Notes: Percentage Annual Change in Brackets.
Constant 1990 Prices US$M (US$1 = EC$2.7).

Appendix IX

CLASSIFICATION OF MANUFACTURING ACTIVITIES IN ST. LUCIA

(Based on ISIC Classification)

Division	Sub-division	Description
15/16		**Manufacture of Food Products and Beverages and Tobacco**
	151	Production, processing and preservation of meat, fish , fruit, vegetables, oils and fats
	152	Manufacture of dairy products
	153	Manufacture of grain mill products, starches and starch products and prepared animal feeds
	154	Manufacture of other food product
	155	Manufacture of beverages
	160	Manufacture of tobacco products
17		**Manufacture of Textiles**
	171	Spinning, weaving and finishing of textiles
	172	Manufacture of other textiles
	173	Manufacture of knitted and crocheted fabric and articles
18		**Manufacture of Wearing Apparel**
	181	Manufacture of wearing apparel except fur apparel
20		**Manufacture of Wood and Products of Wood, Cork, except Furniture. Manufacture of Straw and Plaiting Materials**
	201	Sawmilling and Planing of wood
	202	Manufacture of products of woods, cork, straw and plaiting materials
21/22		**Manufacture of Paper and Paper Products, Publishing, Printing and Reproduction of Recorded Media**
	210	Manufacture of paper and paper products
	221	Publishing
	222	Printing and service activities related to printing
	223	Reproduction of recorded media
24		**Manufacture of Chemical and Chemical Products**
	241	Manufacture of basic chemicals
	242	Manufacture of other chemical products
32		**Manufacture of Radio, Television and Communication Equipment and Apparatus**
	321	Manufacture of electronic valves and tubes and other electronic components
	322	Manufacture of television and radio receivers, sound or video recording or reproducing apparatus and associated goods
36		**Manufacture of Furniture and Manufacture n.e.c.**
	361	Manufacture of furniture
	369	Manufacture n.e.c.

Appendix X

A. GROSS OUTPUTS FROM THE TEXTILE AND WEARING APPAREL ACTIVITIES, 1990 TO 1996 [EC$M]

( ) % of Total Output

Activities	Years						
	1990	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**
Textiles	14.3(80)	13.5(78)	9.8(70)	9.4(70)	9.4(79)	8.5(75)	7.2(46)
Wearing Apparel	3.6(20)	3.7(22)	4.3(30)	4.1(30)	2.5(21)	2.9(25)	8.7(54)
Total Sub-Sector Output	**17.9**	**17.2**	**14.1**	**13.5**	**11.9**	**11.8**	**15.9**

Source: Social and Economic Review of St. Lucia 1996

GDP CONTRIBUTION FROM THE PAPER & PAPER PRODUCTS, PRINTING & PUBLISHING SUB-SECTORS, 1990 TO 1996

( )Approximate % of Sub-Sector GDP

Activities	Years						
	1990	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**
Paper & Paper Prods.	6.5(52)	4.6(46)	5.1(45)	5.5(47)	5.2(57)	6.6(60)	6.6(52)
Printing & Publishing	5.9(48)	5.3(54)	6.2(55)	6.3(53)	4.0(43)	4.4(40)	6.1(48)
GDP (EC$M)	898.12	924.50	989.83	1010.08	1031.67	1073.51	1093.92

Source: Social and Economic Review of St. Lucia 1996

Appendix XI

Small Enterprise Development Unit (SEDU) of St. Lucia

SEDU is a special unit established within the Ministry of Commerce, Industry and Consumer Affairs, to serve as a one-stop shop for the development of the Small Business Sector. It is a joint project of the Government of St. Lucia, United Nations Development Programme, the International Labour Organization, and the Organization of Eastern Caribbean States.

The functions of SEDU are:

- Consultancy and Training
- Co-ordinating and Networking
- Monitoring and Extension

Consultancy and Training

- Identify viable business opportunities
- Conduct market research, technical and economic feasibility studies
- Source appropriate technology
- Design and conduct training programmes in business operations and management
- Identify potential entrepreneurs and provide counseling for existing ones

Co-ordination and Networking

- Develop and establish linkages with specialized agencies
- Help small businesses to obtain special concessions, subsidies and fiscal incentives
- Disseminate information on the operations and functions of agencies / institutions in development assistance
- Provide general support services

Extension and Monitoring

- Help in the preparation of bankable documents for obtaining Financing
- Monitor the operations of enterprises and assist in expansion, diversification programmes.

SEDU's Main Office is located at:

Ministry of Commerce, Industry and Consumer Affairs,
4th Floor, Block B,
NIS Building, Waterfront,
Castries, St. Lucia, W.I.
Phone: (758)-453-2891
Fax: (758)-453-7347

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