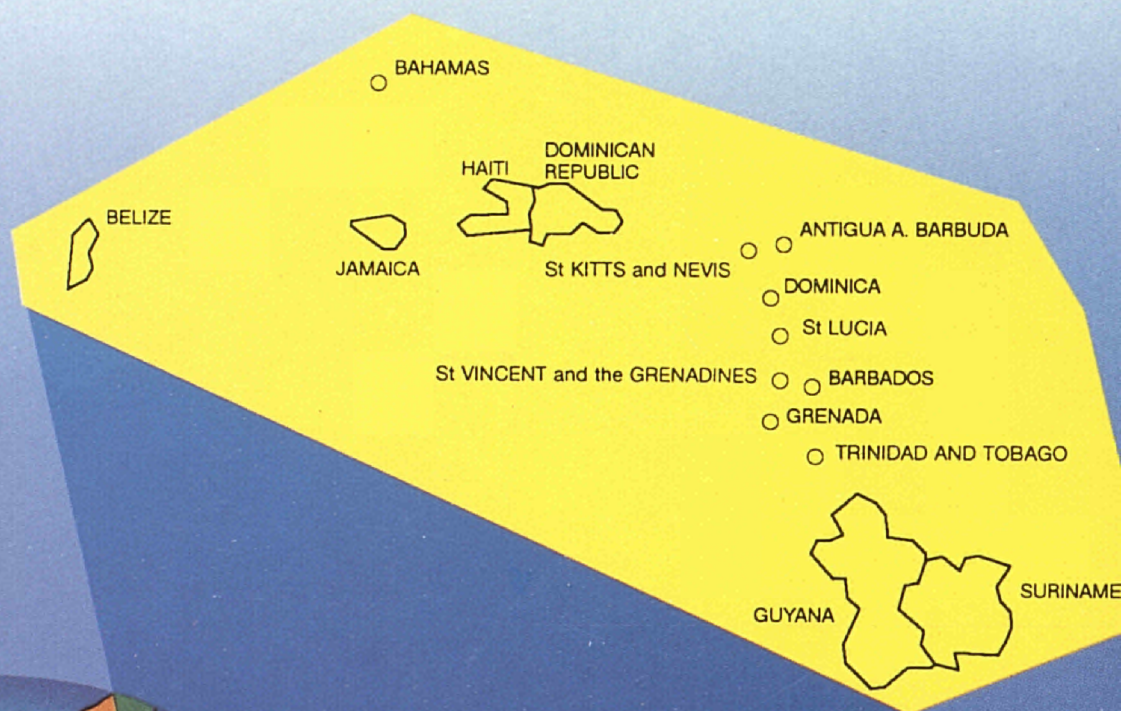
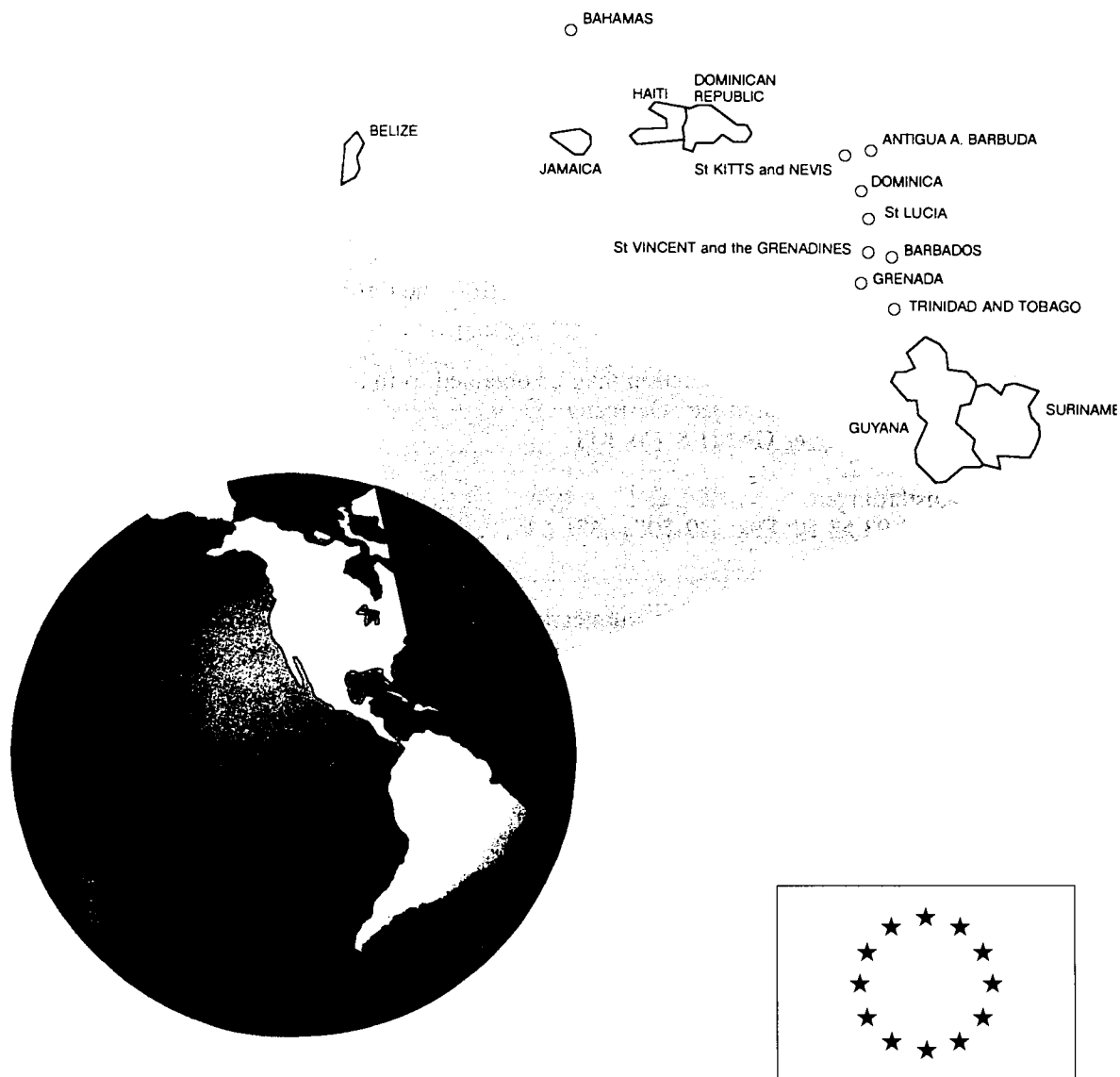


Country profile

Caribbean ACP countries



Caribbean ACP countries



Statistisches Bundesamt

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EXPLANATION OF SYMBOLS

0	=	Less than half of 1 at the last occupied digit, but more than nil
-	=	Magnitude zero
|	=	General break in the series affecting comparison over time
.	=	Figure unknown
x	=	Tabular group blocked, because information is not meaningful
n.a.	=	data not available

SELECTED INTERNATIONAL WEIGHTS AND MEASURES

1 inch (in).....	=	2.540 cm	1 imperial gallon (imp. gal.)..	=	4.546 l
1 foot (ft).....	=	0.305 m	1 barrel (bl.).....	=	158.983 l
1 yard (yd).....	=	0.914 m	1 ounce (oz).....	=	28.350 g
1 mile (mi).....	=	1.609 km	1 troy ounce (troy oz).....	=	31.103 g
1 acre (ac).....	=	4 047 m ²	1 pound (lb).....	=	453.592 g
1 cubic foot (ft ³).....	=	28.317 dm ³	1 short ton (sh t).....	=	0.907 t
1 gallon (gal.).....	=	3.785 l	1 long ton (l t).....	=	1.016 t

GENERAL ABBREVIATIONS *

g	=	gram	Ft	=	Hungarian florint
kg	=	kilogram	ir£	=	Irish punt
dt	=	quintal (100 kg)	Lit	=	Italian lira
t	=	tonne (1 000 kg)	hfl	=	Dutch guilder
mm	=	millimetre	Esc	=	escudo
cm	=	centimetre	Pta	=	peseta
m	=	metre	K.Sh.	=	Kenyan shilling
km	=	kilometre	mexN\$	=	New Mexican peso
m ²	=	square metre	B	=	Thai Baht
ha	=	hectare (10 000 m ²)	£	=	pound sterling
km ²	=	square kilometre	US\$	=	US dollar
l	=	litre	SDR	=	Special Drawing Rights
hl	=	hectolitre (100 l)	WE	=	Currency unit
m ³	=	cubic metre	h	=	hour
tkm	=	tonne-kilometre	kW	=	kilowatt (10 ³ watts)
GRT	=	gross registered tonne	kWh	=	kilowatt-hour (10 ³ watt-hours)
tdw	=	tonnes dead-weight (t = 1 016.05 kg)	MW	=	megawatt (10 ⁶ watts)
EC\$	=	East Caribbean dollar	MWh	=	megawatt-hour (10 ⁶ watt-hours)
B\$	=	Bahamian dollar	GW	=	gigawatt (10 ⁹ watts)
BDS\$	=	Barbados dollar	GWh	=	gigawatt-hour (10 ⁹ watt-hours)
Bz\$	=	Belize dollar	St	=	piece
dom\$	=	Dominican Republic peso	P	=	pair
G\$	=	Guyana dollar	Mill.	=	million
Gde.	=	Gourde	Bn	=	billion (thousand million)
J\$	=	Jamaican dollar	A	=	average
Sf	=	Suriname guilder	p.a.	=	per annum
TT\$	=	Trinidad and Tobago dollar	YB	=	beginning of year
bfr	=	Belgian franc	YM	=	mid-year
lfr	=	Luxembourg franc	YE	=	year-end
dkr	=	Danish krone	YE	=	annual average
FF	=	French franc	Qrt.	=	quarter
DM	=	German mark	HY	=	half-year
Dr.	=	drachma	MA	=	monthly average
Fmk	=	Finnish markka	cif	=	cost, insurance, freight included
			fob	=	free on board

* Special abbreviations are allocated to the respective sections. With only a few exceptions, provisional, revised and estimated figures are not marked as such. Detail may not add to total because of rounding.

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FOREWORD

For some years now, the Statistisches Bundesamt and Eurostat have collaborated successfully in producing reports on developing countries, and this country profile on the Caribbean ACP countries continues the tradition. One of the key features of this partnership regarding statistics on foreign countries is the compilation of country reports on what are known as the ACP (African, Caribbean and Pacific) countries, with which the European Union conducts a particularly close form of economic and development cooperation under the Lomé Agreement. Having focused initially on individual countries, as reflected in the publication of profiles on African countries (Zimbabwe, Togo, Uganda, Namibia and Cameroon), the two statistical offices have recently adopted a new approach. In 1994, they published their first joint regional study on the 'Maghreb Countries' which formed the Union of the Arab Maghreb in 1989. By dealing with groups of countries, Eurostat and the Statistisches Bundesamt aim to take fuller account of the trend towards the formation of regional economic blocks, a pattern which can also be observed among the developing countries.

This statistical report on the Caribbean ACP countries is another step in that direction, as it deals with the 15 Caribbean countries which have signed the Lomé Agreement. It particularly focuses on important aspects concerning the Caribbean Community or Caricom, to which 13 of these countries belong and whose principal aims are to strengthen economic integration and develop a common trade and external tariff policy. In addition to analysing the regional economy, this regional profile also spotlights the structure of each country's domestic economy as well as their trade links and economic exchanges with the European Union and the recently-established North American Free Trade Area, NAFTA.

The publication of this regional profile on the Caribbean ACP countries in English, French and German should make it accessible to a broad international readership. The primary purpose of the profile is to arouse European business interest in an area of the globe which offers considerable potential for closer economic cooperation in the future, cooperation extending beyond the former colonial ties which link the area with a number of EU countries. For the German economy in particular, which is strongly export-oriented and owes much of its international standing to its ability to identify and open up new markets, this profile provides information on potentially profitable trade and investment opportunities in the Caribbean.

Following this report on the Caribbean ACP countries, Eurostat and the Statistisches Bundesamt plan to publish in the near future the results of their next joint venture in statistics on foreign countries - a regional study on the Pacific ACP countries.

Wiesbaden, June 1995

**The President of the
Statistisches Bundesamt**

Hans Günther Merk

Luxembourg, June 1995

**The Director-General of the
Statistical Office of the European Union**

Yves Franchet

INTRODUCTION

The spotlight for the country profiles published in the 'Statistik des Auslandes' series has been moved back onto groups of countries, and this regional profile on the Caribbean ACP countries in 1995 focuses on the 15 Caribbean countries with which the European Union conducts a wide range of economic and development cooperation policies under the Lomé Agreement. These 15 countries are Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, the Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Suriname, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, and Trinidad and Tobago. Given that twelve of these countries (along with Montserrat) make up the Caribbean Economic Community or Caricom, founded in July 1973, this regional profile examines not just the development of the individual countries but extends its analysis to cover economic aspects concerning this community. Another good reason for looking at specific Caricom issues is that the three non-Caricom members (the Dominican Republic, Haiti and Suriname) all have observer status and enjoy close economic relations with the Caricom Member States.¹ Up until now, however, these three countries have been unable to achieve the same level of free trade with each other or with the Caricom countries as those within the economic community, nor do they participate in Caricom's Common External Tariff (CET). The reasons why no data are generally given for Caricom member Montserrat are that up-to-date statistics are not available in many cases and because, as a British Dependent Territory, Montserrat is neither independent nor an ACP State.

Another organization of some importance which has been taken into consideration where appropriate is the Organization of Eastern Caribbean States (OECS) comprising the smaller island nations of Antigua and Barbuda, Dominica, Grenada, St Kitts and Nevis, St Lucia and St Vincent and the Grenadines (plus Montserrat) united under a common central bank. Analyzing OECS data made sense not just from the point of view of content but also for the sake of clarity and the need to compile partial aggregates, since it was not always possible or desirable to present data on all 15 countries. Another good reason for adopting a joint approach was the fact that there are strong similarities between these island nations in terms of their economic structure. Montserrat has also been omitted from the OECS data.

This regional profile on the Caribbean ACP countries in 1995 adopts an eclectic approach, whose main purpose is to highlight features which are specific both to the region and to the individual countries. The emphasis is not therefore on dealing with the gamut of economic and social aspects, but on presenting the salient features and problems of the economy in the area, the most striking differences between the countries and the most important external relations for most of the countries in the Caribbean, particularly those with the European

¹ Shortly before this profile went to press, it was learned that Suriname has now also become a full member of Caricom. Due to a shortage of time, however, Suriname could not be included in the presentation of statistical material dealing with Caricom as a whole.

Union and North America. Only in cases where this was associated with far-reaching economic consequences, or more advanced analytical considerations so dictated, were identifiable similarities or common structural characteristics and patterns of development presented on a country-by-country basis.

The profile begins with a short historical overview and prognosis as to future developments, followed by an analysis of the economic structure and development of the whole area and the 15 countries. There then follows an analysis of various sectors of the national economies, the emphasis being on agriculture, forestry and fisheries (particularly bananas and sugar) and tourism, which are central to the economic life of most of these countries. The analysis of external relations focuses on the development of foreign trade, foreign direct investment, development aid and the foreign debt situation. The profile closes with an examination of the economic systems of the Caribbean ACP countries and the economic policies they pursue. There is also a special section entitled 'Selected basic indicators', which offers a comprehensive inter-country comparison on the basis of key economic, demographic and social data. This section also includes data on several countries from other parts of the world so that the reader can compare how the Caribbean countries rank internationally in terms of development.

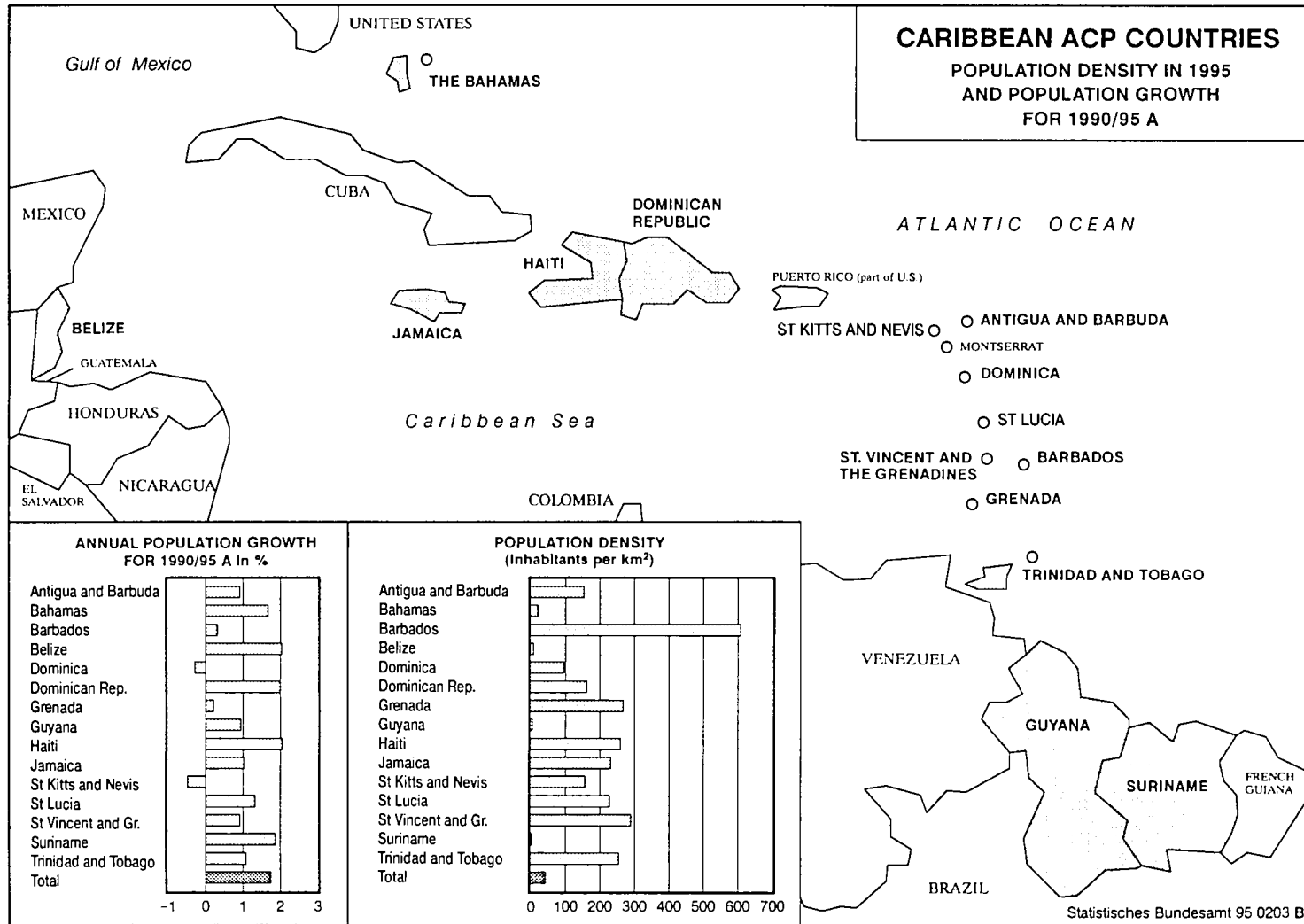
The Statistisches Bundesamt was responsible for the chapters on the regional economies, whilst Eurostat contracted the Overseas Development Institute (ODI) in London to write the chapters on foreign economic affairs (incl. the chapter on the balance of payments).

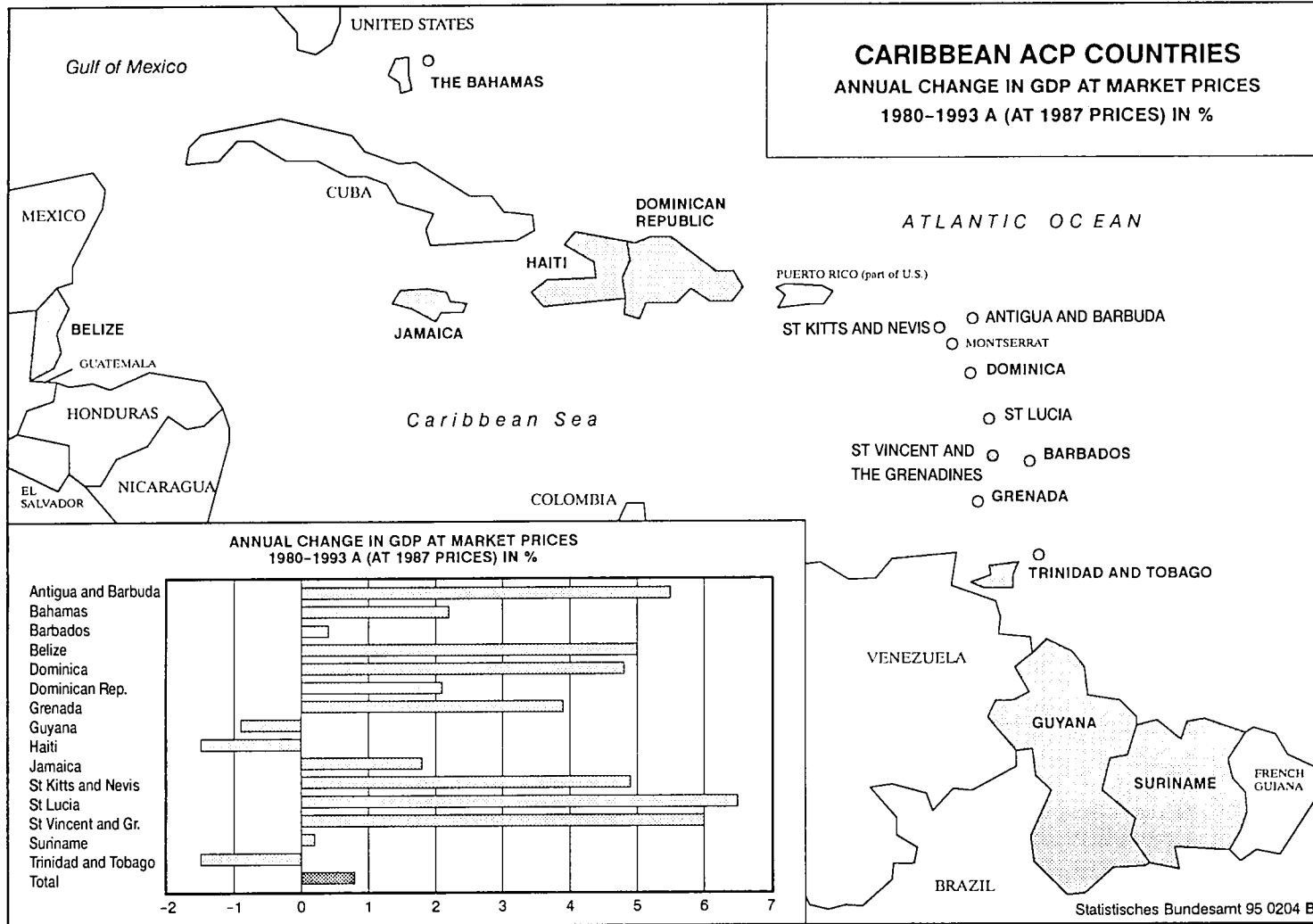
The regional profile on the Caribbean ACP countries in 1995 was mainly based on international statistics, since current official data from the national organizations were often not available or were not appropriate for inter-country comparisons. Despite the fact that a number of international statistical collections were used, up-to-date statistical material was not always available for all the countries in the region. Whilst the gaps in the range of data available for Haiti were particularly large, the statistics on some other countries such as Antigua and Barbuda, Grenada and Suriname were also often far from complete. In view of the predominant use of international statistics, it is possible that the figures diverge from those in the corresponding individual country reports on the Caribbean countries, as the latter relied much more heavily at times on national sources. More detailed methodological explanations and definitions giving a better idea of the statistics used can be found in the relevant chapters of this profile, whilst the Bibliography at the end contains information on the statistics and background material used as references.

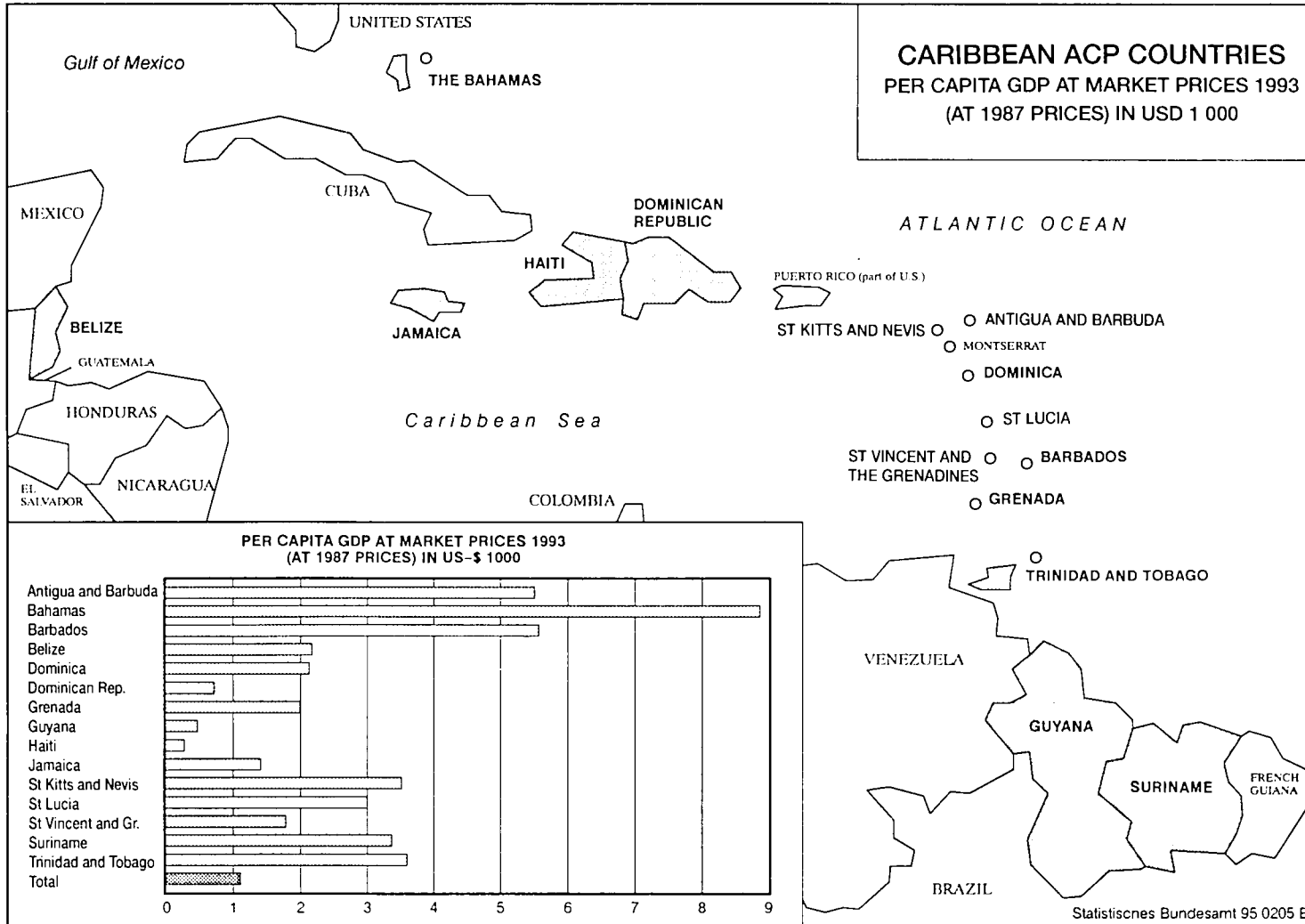
The Information Service of the Berlin branch of the Statistisches Bundesamt will be happy to assist users seeking the original sources, figures on the Caribbean ACP countries in a more detailed breakdown by subject or over time, or further information on the bases used for the calculations. More detailed information on the statistics used can also be received from the Statistical Office of the European Union (Eurostat) in Luxembourg.

The maps in this report have been provided solely for illustrative purposes and had to be simplified substantially in order to give a general picture of the Caribbean region, which is made up of numerous small groups of islands and territorial units. In using the designations and borders shown, the Statistisches Bundesamt and Eurostat are not passing judgment on the legal status of any of the territories or confirming or recognizing any borders. With some justifiable exceptions, standard international spellings are used for the geographical designations. They may, therefore, diverge slightly from atlases published in the English-speaking world.

The unification of Germany took place with effect from 3 October 1990 when the German Democratic Republic joined the Federal Republic of Germany. Figures given for the whole of Germany within its territorial boundaries since 3 October 1990 are said to relate to 'Germany'. The designation used for the Federal Republic of Germany within its territorial boundaries up to 3 October 1990 is the 'former territory of the Federal Republic'.

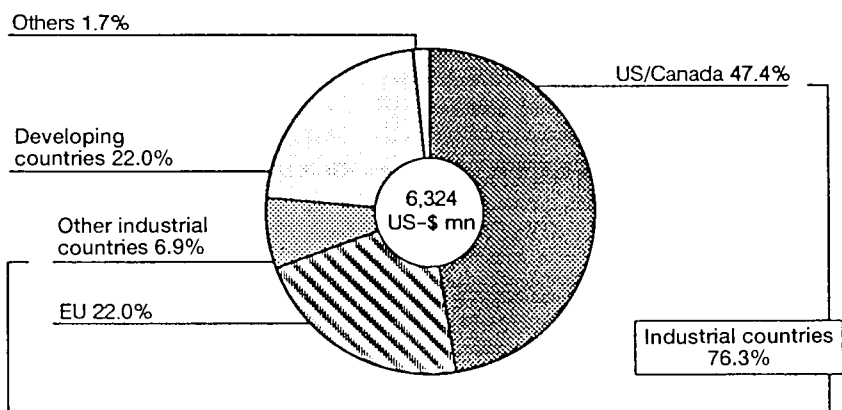




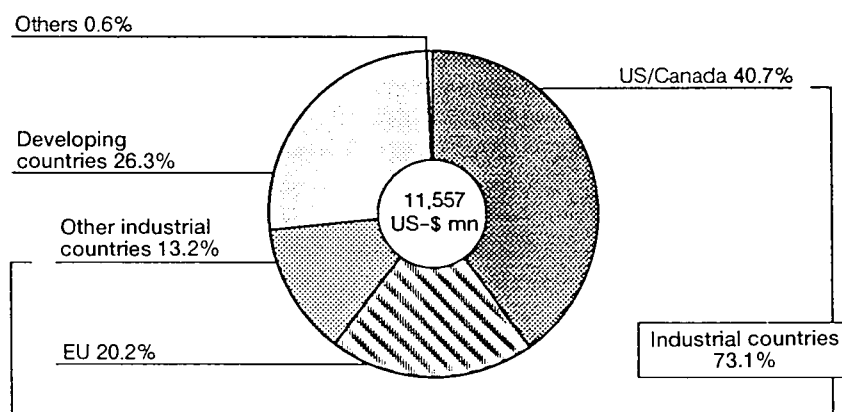


**TOTAL MERCHANDISE EXPORTS AND IMPORTS
OF THE ACP CARIBBEAN COUNTRIES
BY GEOGRAPHICAL DESTINATION AND ORIGIN, 1992-93¹**

EXPORTS



IMPORTS



¹ Excluding Antigua and Barbuda.

SELECTED BASIC INDICATORS

Country	Area	Population	Inhabitants per km ²	Population in 2025	Population growth	
	1995			1 000	1990/95	1995/2000
	km ²	1 000	Number		% p.a.	
Antigua and Barbuda.....	440	68	154.5	87	+ 0.91	+ 0.82
Bahamas.....	13 878	277	20.0	361	+ 1.67	+ 0.89
Barbados.....	430	261	607.0	305	+ 0.31	+ 0.52
Belize.....	22 965	209	9.1	290	+ 2.03	+ 1.10
Dominica.....	751	71	94.5	82	- 0.28	+ 0.48
Dominican Republic.....	48 734	7 915	162.4	11 447	+ 2.00	+ 1.24
Grenada.....	344	92	267.4	113	+ 0.22	+ 0.69
Guyana.....	214 969	834	3.9	1 141	+ 0.94	+ 1.05
Haiti.....	27 750	7 180	258.7	13 128	+ 2.05	+ 2.03
Jamaica.....	10 990	2 547	231.8	3 509	+ 1.03	+ 1.07
St Kitts and Nevis.....	261	41	157.1	47	- 0.48	+ 0.46
St Lucia.....	622	142	228.7	199	+ 1.32	+ 1.13
St Vincent and the Grenadines....	388	112	288.7	147	+ 0.92	+ 0.91
Suriname.....	163 265	463	2.8	668	+ 1.87	+ 1.23
Trinidad and Tobago.....	5 130	1 305	254.4	1 779	+ 1.09	+ 1.04
Germany.....	356 974	81 264	227.6	83 877	+ 0.44	+ 0.11
Hungary.....	93 032	10 471	112.6	10 396	- 0.16	- 0.02
Kenya.....	580 376	27 885	48.0	63 826	+ 3.35	+ 2.80
Mexico.....	1 958 201	93 670	47.8	137 483	+ 2.06	+ 1.29
Thailand.....	513 115	58 265	113.6	72 264	+ 1.27	+ 0.72
	Life expect- tancy at birth	Live births	Deaths	Deaths in 1st year of life	Maternal mortality ¹	Total fertility rate ²
	1990/95 A					1990/95 A
	Years	per 1 000 inhabitants		per 1 000 live births	per 100 000 live births	
Antigua and Barbuda.....	74.0 (93)	18.0 (91)	6.0 (91)	20 (93)	88 (86)	1.70 (92)
Bahamas.....	72.2	19.3	5.2	24	69 (87)	2.01
Barbados.....	75.6	15.8	9.1	10	35 (88)	1.80
Belize.....	69.9 (93)	38.0 (91)	5.0 (91)	33 (93)	65 (86)	4.50 (92)
Dominica.....	73.0 (93)	19.9 (90)	7.4 (90)	18 (93)	62 (87)	2.50 (92)
Dominican Republic.....	67.5	28.3	6.2	57	200 (88)	3.34
Grenada.....	71.0 (93)	33.0	8.3 (89)	28 (53)	64 (85/87)	2.90 (92)

(continued on next page)

SELECTED BASIC INDICATORS (CONT.)

Country	Life expectancy at birth	Live births	Deaths	Deaths in 1st year of life	Maternal mortality ¹	Total fertility rate ²
	1990/95 A					1990/95 A
	Years	per 1 000 inhabitants		per 1 000 live births	per 100 000 live births	
Guyana.....	65.2	25.1	7.1	48	200 (88)	2.55
Haiti.....	56.6	35.3	11.9	86	600 (88)	4.79
Jamaica.....	73.6	22.0	6.2	14	115 (86/87)	2.38
St Kitts and Nevis.....	71.0 (93)	23.0 (90)	10.8 (90)	33 (93)	.	2.60 (92)
St Lucia.....	72.0 (93)	26.5 (92)	6.4 (92)	18 (93)	.	3.20 (92)
St Vincent and the Grenadines....	71.0 (93)	24.3 (91)	24.3 (91)	20 (93)	.	2.50 (92)
Suriname.....	70.3	25.6	25.6	28	120 (88)	2.68
Trinidad and Tobago.....	71.3	23.3	23.3	18	111 (86)	2.74
Germany.....	76.0	9.8 (93)	9.8 (93)	5.8 (93)	7 (92)	1.50
Hungary.....	70.3	12.3	12.3	14	17 (88)	1.83
Kenya.....	58.9	43.7	43.7	66	168 (77)	6.28
Mexico.....	70.3	27.9	27.9	35	82 (85)	3.16
Thailand.....	69.3	29.5	20.5	26	37 (87)	2.21
	Proportion of married women using contraception ³			Urban population	Overall age dependency ratio ⁴	
	Year	Total	Modern methods	1994	1995	
		%				
Antigua and Barbuda.....	1988	53	51 (a)	35.7	81.5 (85)	
Bahamas.....	1988	62	60 (a)	86.0	47.1	
Barbados.....	1988	55	53 (a)	46.9	54.8	
Belize.....	1991	41	42 (a)	46.9	100.0 (92)	
Dominica.....	1987	50	48 (a)	.	91.9 (89)	
Dominican Republic.....	1991	56	62	63.8	66.9	
Grenada.....	.	.	.	32.2 (91)	95.3 (88)	
Guyana.....	1975	31	28	35.3	56.8	
Haiti.....	1989	10	9	30.9	79.0	
Jamaica.....	1993	66	64 (a)	53.2	59.7	
St Kitts and Nevis.....	1984	41	37 (b)	41.8	83.2 (90)	
St Lucia.....	1988	47	46	47.7	83.8 (91)	

(continued on next page)

SELECTED BASIC INDICATORS (CONT.)

Country	Proportion of married women using contraception ³			Urban population	Overall age dependency ratio ⁴
	Year	Total	Modern methods	1994	1995
	%				
St Vincent and the Grenadines	1988	58	55 (a)	45.8	81.5 (85)
Suriname .....	.	.	.	49.7	62.7
Trinidad and Tobago	1987	58	44	71.3	65.2
Germany.....	1992	75	72 (c)	86.3	46.1 (93)
Hungary.....	1986	73	62 (d)	64.1	47.7
Kenya	1993	33	28	26.8	101.4
Mexico.....	1987	53	45 (a)	74.8	66.8
Thailand.....	1987	66	64	19.7	50.8
	Population with access to			Calorie intake 1988/90 A	
	Health services ⁵	Drinking water ⁶	Sanitary installations ⁷		
	1985/91	1988/91		Total	Per capita
	%			% of requirement	kcal/day
Antigua and Barbuda.....	100	100	100	.	2 307
Bahamas	100	100	100	.	2 775
Barbados	100	100	100	128	3 217
Belize.....	95	75	48	114	2 575
Dominica.....	100	96	99	100	2 911
Dominican Republic	100	67	60	100	2 310
Grenada.....	.	.	.	.	2 400
Guyana.....	96	64	90	108	2 495
Haiti.....	50	39	27	94	2 005
Jamaica	90	100	90	115	2 558
St Kitts and Nevis.....	100	100	98	.	2 435
St Lucia	100	.	.	102	2 424
St Vincent and the Grenadines	80	89	100	99	2 460
Suriname	91	89	52	108	2 436
Trinidad and Tobago	99	97	99	114	2 770

(continued on next page)

SELECTED BASIC INDICATORS (CONT.)

Country	Population with access to			Calorie intake 1988/90 A		
	Health services ⁵	Drinking water ⁶	Sanitary installations ⁷	Total % of requirement	Per capita kcal/day	
	1985/91	1988/91				
	%					
Germany.....	.	.	.	130 (e)	3 472 (e)	
Hungary.....	.	.	.	137	3 608	
Kenya.....	77	50	43	89	2 064	
Mexico.....	90	77	55	131	3 062	
Thailand.....	70	76	74	103	2 280	
	Doctors			Hospital beds		
	Year	Number	per 10 000 inhabitants	Year	Number	per 10 000 inhabitants
Antigua and Barbuda.....	1988	48	7.5	1987	373	58.3
Bahamas.....	1992	357	13.5	1992	1 020	38.6
Barbados.....	1990	294	11.4	1990	2 085	81.1
Belize.....	1991	96	4.9	1991	585	30.2
Dominica.....	1990	37	5.1	1990	292	40.6
Dominican Republic.....	1988	7 332	10.7	1987	13 169	19.6
Grenada.....	1990	56	6.2	1990	325	35.7
Guyana.....	1990	286	3.6	1987	2 204	27.8
Haiti.....	1992	623	0.9	1992	5 192	7.7
Jamaica.....	1992	3 211	13.0	1992	5 436	22.0
St Kitts and Nevis.....	1990	28	6.7	1990	268	63.8
St Lucia.....	1992	64	4.7	1992	435	31.8
St Vincent and the Grenadines....	1992	40	3.7	1987	404	38.8
Suriname.....	1990	299	7.1	1989	1 901	46.0
Trinidad and Tobago.....	1992	982	7.8	1992	4 399	34.8
Germany.....	1993	259 981	32.0	1992	628 658	77.2
Hungary.....	1991	35 069	33.3	1992	101 809	96.9
Kenya.....	1990	3 357	1.4	1990	33 086	14.0
Mexico.....	1991	64 712	7.5	1991	67 703	7.8
Thailand.....	1990	12 520	2.3	1990	90 740	16.6

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SELECTED BASIC INDICATORS (CONT.)

Country	Cases of AIDS ⁸⁾			Illiterates 1992 ⁹⁾	Gross enrolment rate 1991 ¹⁰⁾	Pupil-teacher ratio 1991
	Date of report	Number	per 10 000 inhabitants	%	in primary school education	
Antigua and Barbuda.....	30.9.1994	35	5.2	4.0	.	19.6
Bahamas	30.6.1994	1 552	57.1	1.0	105 (92)	21.5 (86)
Barbados	30.9.1994	483	18.6	1.0	106	17.2
Belize.....	30.9.1994	100	4.9	4.0	.	26.7
Dominica.....	20.6.1994	32	4.5	3.0	.	21.0 (92)
Dominican Republic	30.9.1994	2 495	3.2	15.7	95 (90)	41 (90)
Grenada.....	30.9.1994	63	6.9	2.0	.	27 (90)
Guyana.....	30.3.1994	520	6.3	3.2	112 (90)	34 (90)
Haiti.....	31.12.1994	4 967	7.4	45.0	56 (90)	21.2 (90)
Jamaica.....	30.9.1994	908	3.6	1.5	106 (90)	36.6 (90)
St Kitts and Nevis.....	30.9.1994	43	10.5	1.0	.	20.7
St Lucia	30.6.1994	57	4.0	7.9	.	27.6
St Vincent and the Grenadines	30.9.1994	60	5.4	2.0	.	19.9
Suriname	30.6.1994	183	4.0	4.6	127 (90)	23 (90)
Trinidad and Tobago	30.9.1994	1 686	13.1	4.0	95	26.1
Germany.....	30.9.1994	11 854	1.5	1.0	99 (92/93)	16 (92) ^(e)
Hungary.....	30.9.1994	162	0.2	1.0	89 (91)	12 (91)
Kenya	31.12.1994	30 126	11.6	2.9	95 (90)	31 (90)
Mexico.....	30.9.1994	20 077	2.2	11.4	113 (92)	30 (92)
Thailand.....	25.10.1994	13 246	2.3	6.2	97 (92)	17 (92)
	Duration of school atten- dance 1992 A	Activity rate 1993	Persons working in agriculture 1993	Unemployment rate 1992	Per capita primary energy consumption 1992	
	Year	% of total population	% of total labour force		kgoe ¹¹⁾	
Antigua and Barbuda.....	4.6	45.1 (91)	3.9 (91)	21.1 (85)	1 455	
Bahamas	6.2	49.3	5.5	14.8	2 280	
Barbados	9.4	53.1	5.6	24.5 (93)	1 266	
Belize.....	4.6	29.6 (83/84)	31.4	16.0 (80)	449	
Dominica.....	4.7	37.5 (89)	25.8 (89)	15.0	292	
Dominican Republic	4.3	32.6	33.0	30.0 (91)	429	

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SELECTED BASIC INDICATORS (CONT.)

Country	Duration of school attendance 1992 A	Activity rate 1993	Persons working in agriculture 1993	Unemployment rate 1992	Per capita primary energy consumption 1992	
	Year	% of total population	% of total labour force		kgoe ¹¹	
Grenada.....	4.7	39.9 (88)	19.8	>30.0	440	
Guyana.....	5.1	38.1	21.0	13.5 (91)	344	
Haiti.....	1.7	43.3	61.8	12.7 (90)	36	
Jamaica.....	5.3	44.0 (92)	24.3	15.7	1 055	
St Kitts and Nevis.....	6.0	39.5 (80)	29.6 (80)	.	595	
St Lucia.....	3.9	41.1 (80)	33.9 (80)	16.7	2 416	
St Vincent and the Grenadines.....	4.6	39.1 (91)	25.1 (91)	19.0	284	
Suriname.....	4.2	35.2	15.3	16.3 (93)	1 251	
Trinidad and Tobago.....	8.4	40.5	11.3	19.8 (93)	5 896	
Germany.....	11.6	50	4.1	6.6 (e)	4 159	
Hungary.....	9.8	50	10.0	12.1 (93)	2 302	
Kenya.....	2.3	42	75.7	.	92	
Mexico.....	4.9	35	28.1	3.4 (93)(f)	1 525	
Thailand.....	3.9	54	62.3	2.7 (91)	645	
Gross domestic product at market prices in 1987 constant prices				Change in GDP at market prices in 1987 constant prices		
1980		1993		1980/93		
Total	per capita	Total	per capita	Total	per capita	
Mill. US\$	US\$	Mill. US\$	US\$	% p.a.		
Antigua and Barbuda.....	182	2 982	367	5 510	+ 5.5	+ 4.8
Bahamas.....	1 798	8 562	2 375	8 860	+ 2.2	+ 0.3
Barbados.....	1 367	5 488	1 445	5 563	+ 0.4	+ 0.1
Belize.....	233	1 592	439	2 171	+ 5.0	+ 2.4
Dominica.....	84	1 138	154	2 133	+ 4.8	+ 4.9
Dominican Republic.....	4 240	744	5 533	726	+ 2.1	- 0.2
Grenada.....	112	1 257	183	1 988	+ 3.9	+ 3.6
Guyana.....	437	575	386	473	- 0.9	- 1.5
Haiti.....	2 272	424	1 863	270	- 1.5	- 3.4
Jamaica.....	2 808	1 316	3 522	1 412	+ 1.8	+ 0.5
St Kitts and Nevis.....	78	1 766	146	3 517	+ 4.9	+ 5.4

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SELECTED BASIC INDICATORS (CONT.)

Country	Gross domestic product at market prices in 1987 constant prices				Change in GDP at market prices in 1987 constant prices			
	1980		1993		1980/93			
	Total	per capita	Total	per capita	Total	per capita		
	USD million	USD million	USD million	USD million	% p.a.			
St Lucia	183	1 590	417	3 001	+ 6.5	+ 5.0		
St Vincent and the Grenadines	92	939	196	1 783	+ 6.0	+ 5.1		
Suriname	1 468	4 171	1502	3 368	+ 0.2	- 1.6		
Trinidad and Tobago	5 638	5 210	4 609	3 603	- 1.5	- 2.8		
Germany ¹²⁾	957 881	15 566	1 257 207	19 184	+ 0.0	+ 0.0		
Hungary	21 965	2 051	21 289	2 071	- 0.2	+ 0.1		
Kenya	6 159	372	9 388	370	+ 3.3	- 0.0		
Mexico	129 316	1 929	163 719	1 888	+ 1.8	- 0.2		
Thailand	33 530	718	89 907	1 528	+ 7.9	+ 6.0		
	Gross domestic product at factor cost by sector ¹³							
	Agriculture		Industry		of which manufacturing industry		Other sectors	
	1980	1993	1980	1993	1980	1993	1980	1993
	%							
Antigua and Barbuda	7.1	4.1 (g)	18.1	19.5 (g)	5.3	2.7 (g)	74.8	76.4 (g)
Barbados	9.9	6.1	22.5	15.7	11.9	7.5	67.5	78.2
Belize	27.4	19.4	30.9	27.8	23.9	13.4	41.7	52.8
Dominica	30.6	20.5	20.9	20.9	4.8	8.4	48.4	58.7
Dominican Republic	20.1	17.6 (g)	28.3	26.1 (g)	15.3	14.2 (g)	51.6	56.2 (g)
Grenada	24.7	13.7	13.0	19.4	3.9	5.2	62.3	66.9
Guyana	27.8	40.6 (g)	31.3	29.0 (g)	7.7	13.8 (g)	40.8	30.3 (g)
Haiti	33.7	36.8 (g)	26.8	16.5 (g)	19.1	11.0 (g)	39.6	46.6 (g)
Jamaica	8.2	8.4	38.3	40.9	16.6	18.4	53.5	50.7
St Kitts and Nevis	15.9	6.1 (g)	26.6	25.8	15.2	11.9 (g)	57.5	68.1 (g)
St Lucia	11.7	10.8	24.8	20.9	9.3	7.4	63.4	68.3
St Vincent and the Grenadines	14.6	16.0	27.1	25.1	10.7	9.1	58.3	58.9
Suriname	9.1	22.0	38.9	24.2	18.6	14.3	52.0	53.7
Trinidad and Tobago	2.2	2.5	60.2	41.5	8.6	9.3	37.7	56.0

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SELECTED BASIC INDICATORS (CONT.)

Country	Gross domestic product at factor cost by sector ¹³							
	Agriculture		Industry		of which manufacturing industry		Other sectors	
	1980	1993	1980	1993	1980	1993	1980	1993
	%							
Germany ^{12, 14}	2.1	1.0	42.7	32.6	34.4	26.2	55.2	64.6
Hungary ¹⁴	17.1	5.6	41.2	28.4	33.8	19.2	41.7	66.0
Kenya ¹⁴	32.6	28.9	20.8	17.6	12.8	10.4	46.6	53.5
Mexico ¹⁴	8.2	8.5	32.8	28.4	22.1	20.4	59.0	63.2
Thailand ¹⁴	23.2	11.8	28.7	38.6	21.5	28.2	48.1	49.5
	Foreign visitors 1993 ¹⁵		Foreign exchange receipts from tourism 1993		Motor cars			
	1 000	per 1 000 inhabitants	Mill. US\$	US\$	1991			
					Total	per capita	per 1 000 inhabitants	
Antigua and Barbuda.....	468	6 982	254	3 791			207	
Bahamas.....	3 528	13 164	1 084	4 045			269	
Barbados.....	825	3 172	548	2 108			153	
Belize.....	247 (92) ^(h)	1 249 (92) ^(h)	48	238			62	
Dominica.....	140	1 940	24	333			65	
Dominican Republic.....	1 574 (92)	211 (92)	1 068	140			19	
Grenada.....	294	3 197	64	696			.	
Guyana.....	75 (92) ^(h)	93 (92) ^(h)	31 (92) ⁽ⁱ⁾	39 (92) ⁽ⁱ⁾			30	
Haiti.....	138 (92)	20 (92)	33 (91)	5 (91)			5	
Jamaica.....	1 608	645	887	356			40	
St Kitts and Nevis.....	172	4 088	65	1 548			95 (90)	
St Lucia.....	349	2 509	179	1 288			52	
St Vincent and the Grenadines.....	123	1 120	27	245			50	
Suriname.....	30 (92) ^(h)	68 (92) ^(h)	- 9 (92)	- 21 (92)			87 (90)	
Trinidad and Tobago.....	262 (92)	207 (92)	- 4 (92)	- 3 (92)			120	
Germany.....	15 147 (92) ^(e)	232 (92) ^(e)	10 982 (92) ⁽ⁱ⁾	136 (92) ⁽ⁱ⁾			482 (93)	
Hungary.....	20 188 (92)	1 967 (92)	1 251 (92) ⁽ⁱ⁾	122 (92) ⁽ⁱ⁾			202 (92)	
Kenya.....	699 (92)	28 (92)	442 (92) ⁽ⁱ⁾	17 (92) ⁽ⁱ⁾			6	
Mexico.....	17 271 (92)	196 (92)	5 997 (92) ⁽ⁱ⁾	68 (92) ⁽ⁱ⁾			82	
Thailand.....	5 136 (92)	90 (92)	4 829 (92) ⁽ⁱ⁾	85 (92) ⁽ⁱ⁾			15	

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SELECTED BASIC INDICATORS (CONT.)

Country	Main telephone connections	Radios	Televisions	Exchange rate for the national currency	
	1992			March 1995	
	per 1 000 inhabitants			Currency unit	per USD
Antigua and Barbuda.....	239	1 136	424	ECS	2.7026
Bahamas.....	238	758	227	BS	1.0038
Barbados.....	338	772	266	BDSS	2.0163
Belize.....	124	505	136	BzS	2.0000
Dominica.....	130	625	69	ECS	2.7026
Dominican Republic.....	63	157 (91)	99 (91)	domS	13.050
Grenada.....	201	879	330	ECS	2.7026
Guyana.....	35	384	19	GS	143.77
Haiti.....	7	444	4	Gde.	14.473
Jamaica.....	68	608	196	JS	32.945
St Kitts and Nevis.....	229 (j)	595	238	ECS	2.7026
St Lucia.....	147	657	182	ECS	2.7026
St Vincent and the Grenadines....	138	505	165	ECS	2.7026
Suriname.....	98	566	98	Sf	429.50
Trinidad and Tobago.....	142	553	198	TTS	5.9220
Germany.....	440	436	389 (k)	DM	1.3837
Hungary.....	123	596 (91)	412 (91)	Ft	119.72
Kenya.....	8	86 (91)	10 (91)	K.Sh.	43.950
Mexico.....	80	255 (91)	148 (91)	mexNS	6.8050
Thailand.....	32	191 (91)	114 (91)	B	24.745
	Cost-of-living index 1993	Budget surplus (+) or deficit (-) 1993	Current account balance 1993	Trade balance 1993	Net inflow of foreign direct investment 1993 ¹⁶
	% change on previous year	% of GDP	USD million		
Antigua and Barbuda.....	5.7 (91)	- 1.0	- 14	- 247	- 15
Bahamas.....	2.7	- 4.1	- 73	- 824	+ 24
Barbados.....	1.2	- 4.4 (l)	- 34	- 417	- 14
Belize.....	1.6	- 6.7 (m)	- 49	- 119	- 11
Dominica.....	1.5	- 2.6 (n)	- 23	- 51	- 10
Dominican Republic.....	4.8	+ 1.3	- 161	- 1 606	- 183
Grenada.....	2.8 (92)	- 2.0	- 33	- 94	- 31

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SELECTED BASIC INDICATORS (CONT.)

Country	Cost-of-living index 1993	Budget surplus (+) or deficit (-) 1993	Current account balance 1993	Trade balance 1993	Net inflow of foreign direct investment 1993 ⁽⁶⁾
	% change on previous year	% of GDP	Mill. US\$		
Guyana.....	12.0	- 9.9	- 136	- 68	.
Haiti.....	26.2	- 5.4 (m)	+ 7 (92)	- 113 (92)	- 60
Jamaica.....	22.1		- 182	- 814	- 139
St Kitts and Nevis.....	2.8	- 1.8	- 25	- 63	- 12
St Lucia.....	0.7	- 1.9 (m)	- 44	- 158	- 50
St Vincent and the Grenadines.....	4.3	- 2.9	- 26	- 49	- 29
Suriname.....	143.5	- 6.9	+ 11 (92)	+ 0	+ 30
Trinidad and Tobago.....	10.8	- 0.3	+ 122 (92)	- 386	- 178
Germany.....	4.2 (e)	- 2.7 (e)	- 19 960	+ 44 530	+ 14 070
Hungary.....	22.5	+ 0.8 (90)	- 4 262	- 4 020	- 2 339
Kenya.....	45.8	- 2.6 (91)	+ 153	- 591	- 2
Mexico.....	9.8	+ 0.7 (90)	- 23 391	- 18 891	- 4 901
Thailand.....	3.8	+ 1.7	- 6 520	- 4 155	- 1 979
	Official development assistance 1993		Long-term foreign debts 1993 ¹⁷		Debt servicing
	per capita	Total			1991/93 A
	USD million	USD	USD million	% of GDP	% of exports of goods & services
Antigua and Barbuda.....	3.1	47	114	25.0	.
Bahamas.....	0.6	2	1 315	43.1	.
Barbados.....	5.6	22	647	39.6	14
Belize.....	30.5	151	170	32.6	8
Dominica.....	9.2	127	236	120.7	6
Dominican Republic.....	2.0	0	3 091	37.2	12
Grenada.....	7.6	83	79	35.8	5
Guyana.....	106.9	131	1 634	502.1	28
Haiti.....	126.9	18	622	26.1 (g)	2
Jamaica.....	109.6	44	3 470	86.6	24
St Kitts and Nevis.....	10.5	254	55	28.3	3
St Lucia.....	26.3	189	124	25.1	4

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SELECTED BASIC INDICATORS (CONT.)

Country	Official development assistance 1993		Long-term foreign debts 1993 ¹⁷		Debt servicing
	per capita	Total			1991/93 A
	USD million	USD	USD million	% of GDP	% of exports of goods & services
St Vincent and the Grenadines	11.1	101	129	55.2	3
Suriname	80.1	180	47	0.7	.
Trinidad and Tobago	2.5	2	1 831	38.9	25
Hungary	192.6	19	23 543	61.9	37
Kenya	922.7	35	5 971	107.9	31
Mexico	402.3	4	76 317	22.2	30
Thailand	613.8	11	29 699	24.0	15

* Figures in brackets indicate the year in question.

¹ Annual number of women who die during puerperium for every 100 000 deliveries that same year. ² Total fertility rate: total number of children that would be born live to a woman during her lifetime if she were to pass through her childbearing years conforming to the age-specific fertility rates of a given year. ³ Women aged from 15 to 49. ⁴ Ratio of the number of persons aged under 15 or 65 and over per 100 persons aged from 15 to 64. ⁵ The WHO defines this as either mains water or a public standpipe within a 200 m radius. In rural communities, it means that a family does not spend an inordinate amount of time fetching water. Drinking water is defined as purified surface water and unpurified water drawn from protected springs, bore holes and wells. ⁶ Population in towns connected to the public sewage system, private facilities such as septic tanks, latrines with flushing or pouring devices, settling tanks, communal facilities and suchlike. In rural communities this category must include appropriate facilities (sewage pits, latrines, etc.) ⁷ Proportion of the population who are able to reach an adequate local health centre within one hour by local transport. ⁸ 'Acquired immune deficiency syndrome'. Cases reported to the World Health Organization (WHO) in Geneva by the reporting date. ⁹ Persons aged 15 and over. ¹⁰ Gross enrolment rate: ratio of the number of persons enrolled for the level of education concerned in relation to the number of persons in the corresponding age group. ¹¹ 1 kg crude oil equivalent = 41.860kJ NCV/kg (net calorific value/kg). ¹² Current prices. ¹³ Foreign visitors arriving by air, incl. passengers on cruises, excl. day-trippers. ¹⁴ In contrast to the IMF publications on balance of payments statistics, a minus sign here signifies an increase in foreign direct investment and a plus sign denotes a decrease. ¹⁵ OECD data. ¹⁶ Former territory of the Federal Republic. ¹⁷ Gross domestic product at market prices.

(a) Women aged from 15 to 44. (b) All women. (c) 1991. (d) 1990. (e) Telephone subscribers. (f) 1992. (g) 1980/92 A. (h) Excl. passengers on cruises. (i) Budget year 1991/92. (j) Budget year 1993/94. (k) Budget year 1992/93. (l) Women aged from 20 to 39. (m) Women aged from 15 to 39. (n) Former territory of the Federal Republic. (o) In 37 urban areas. (p) Television licences.

USD - ECU EXCHANGE RATE

Year	1 ECU = ... USD	1 USD = ... ECU
1975.....	1.240770	0.805951
1976.....	1.118050	0.894414
1977.....	1.141120	0.876332
1978.....	1.274100	0.784868
1979.....	1.370540	0.729639
1980.....	1.392330	0.718221
1981.....	1.116450	0.895696
1982.....	0.979715	1.020705
1983.....	0.890220	1.123318
1984.....	0.789034	1.267373
1985.....	0.763088	1.310465
1986.....	0.984167	1.016088
1987.....	1.154440	0.866221
1988.....	1.182480	0.845680
1989.....	1.101750	0.907647
1990.....	1.273430	0.785281
1991.....	1.239160	0.806998
1992.....	1.298100	0.770357
1993.....	1.171000	0.853971
1994.....	1.189520	0.840675

1. HISTORICAL OVERVIEW AND FUTURE DIRECTIONS

While the two parts of the island of Hispaniola have been independent since early in the nineteenth century, the smaller Caribbean countries either became independent in the early 1960s, or in some cases, retained a relationship with their erstwhile colonial rulers. Haiti obtained its independence from France as early as 1804, but Santo Domingo, which had been ceded to France by Spain in 1795, remained under French occupation for another five years. Then the French were expelled and the country nominally reverted to Spanish rule. In 1821 the Dominicans proclaimed their independence, but the country was invaded and annexed to Haiti the following year. Boyer, the Haitian President, was overthrown in 1843, and a year later, Santo Domingo again declared its independence, forming the Dominican Republic.¹

In the late 1950s and early 1960s the Caribbean countries participated in the worldwide drive for liberation and national independence. Puerto Rico sought association as an independent "Commonwealth" within the United States, the French Antilles as full French Departments, the Dutch colonies initially as parts of the Kingdom of the Netherlands, though Curaçao and Aruba later became independent within that Kingdom.

Most of the English-speaking islands joined together in the Federation of the West Indies. The Federation was dissolved in 1962 and the member states moved on to independence on their own, or in the case of some of the smaller islands, to self-government under the British crown. The appreciation of their common cultural heritage and awareness of their common economic interests resulted in the establishment of a number of joint enterprises, including the University of the West Indies and Carifta, the Caribbean Free Trade Area. The latter, in 1973, was replaced by an embryonic customs union, Caricom. The Dominican Republic and Haiti have since applied to join Caricom, but the imbalance in size between the existing member states and these countries - each has a population greater than that of all the present members combined - has led to a cautious response on the part of the current membership.

Caricom has not yet developed into a fully-fledged free trade area, let alone the common market with free movement of factors of production that it formally set as a target in 1989. Even the Common External Tariff (CET) is not comprehensively applied. There are all manner of exceptions. Surcharges and excise duties in addition to the CET tariffs are common. The Eastern Caribbean Common Market (ECCM) countries and Belize may apply lower rates for non-competing products. Generally lower-than-CET rates are allowed for goods where there is a 'cost of living' factor and higher-than-CET rates where there is a tariff revenue factor.

¹ Cuba which is not treated in this report received its independence in 1902.

Within Caricom free trade is not yet a reality though much progress has been made. Most countries have abolished their surcharges and excise duties on intra-Caricom trade though internal taxation sometimes discriminates between imports and domestically produced goods. There is also a lack of public interest in deeper integration. Because most business links, whether supply arrangements or joint ventures, are between Caribbean firms and firms in North America or Europe, there is limited pressure from the business community.

Caricom's importance lies more as an organisation for promoting common policies on such matters as tourism, telecommunications, air and sea transport and, most important, trade negotiations with outside countries. There is scope for trade creation through regional reallocation of production to benefit from economies of scale and limited managerial and technical expertise. But those are limited to a few manufacturing sectors, and, in any event, such rationalisation will be resisted by the small states who have nurtured small and highly specialised manufacturing sectors.

The most important role for Caricom may well be in negotiations for additional preferences in NAFTA or negotiations for entry into an expanded pan-American trade bloc. The United States has already indicated that it would rather negotiate with a single organisation than 13 small countries. And those countries would greatly enhance their bargaining strength vis-à-vis the regional hegemon. Caricom has to some extent established its role as a trade negotiator in trade agreements with Venezuela and Colombia. However some of the experience so far is less than benign since Jamaica embarked on discussions on 'NAFTA-parity' treatment for its apparel exports to the United States with little consultation with its partners.

The Caribbean region, including both Caricom and non-Caricom states, is particularly vulnerable to recent and likely changes in the régimes governing its international trade. These include

- the Uruguay Round (UR) of multilateral negotiations under the General Agreement on Tariffs and Trade (GATT), which finally reached a conclusion - at least insofar as most negotiating groups were concerned - at Marrakesh in April 1994, but which has in effect largely set the agenda for forthcoming negotiations on agriculture, labour conditions and environmental protection, as well as certain unfinished business such as in financial and maritime services;
- the North American Free Trade Agreement (NAFTA) which came into force at the beginning of 1995. This extends the free trade area which hitherto existed among the United States and Canada to Mexico, and will benefit Mexican exports to some extent at the expense of the Caribbean;
- the possibility of negotiating some NAFTA-parity arrangements for the Caribbean to partially offset this trade diversion;

- future developments extending NAFTA into a Free Trade Area of the Americas, which was the goal agreed by all the sovereign Western Hemisphere countries at their summit in Miami in December, 1994;
- the evolution of Lomé after the conclusion of Lomé IV at the end of 1999 and the possibility of significant changes in the system of preferential access for the ACP States on EU markets;
- further potential developments in regional trade groupings including in Latin America, with the deepening and widening of Mercosur, the Pacific area, the recently-mooted EU-North American Free Trade Area (FTA) and indeed within the Caribbean region itself;
- a new round of reforms of the European Union's Common Agricultural Policy (CAP), which could have important implications for export markets in rice and sugar; and further adjustments to the banana regime which has already led to complaints to GATT and is now threatening action through the World Trade Organisation (WTO) disputes mechanism, and which, in any event will terminate in 2002 with important consequences for the banana-producing Caribbean states.

Clearly these issues go far beyond the scope of this report. But certain general points can be made. In very broad terms, the direct trade effects of both the Uruguay Round and NAFTA on the ACP Caribbean are likely to be negative since the tariff cuts effectively erode the tariff preferences of the Generalized System of Preferences (GSP), the Lomé Convention and the Caribbean Basin Initiative (CBI). Reductions in internal EU prices of sugar and cuts in tariffs on rice and bananas will eventually and significantly reduce the value of the preferential access quotas for these products on the EU market. The phasing out of the MultiFibre Arrangement (MFA) will mean that, on the EU market, where ACP States are free of MFA quotas, they will experience tough and possibly fatal competition from the low-cost Asian countries, in particular China and India. On some other industrialised markets, for example the United States, the major Caribbean clothing producers, except on 807A goods, are currently subject to MFA quotas which will be gradually dismantled. However any new opportunities for expanding trade are likely to be more than offset by price competition from Asia.

The effects of NAFTA on the ACP Caribbean are likely to be less in the form of immediate trade diversion - though that may occur particularly for 807A goods, that is the apparel that is manufactured from fabric formed and cut in the United States and on which tariffs are only levied on the value added (generally about 25%) in the Caribbean country in question, mainly Jamaica and the Dominican Republic. The medium term effect on investment is likely to be much more serious. US investors and others anxious to expand markets in North America are going to find Mexico relatively more attractive. Not only are nearly all tariffs within the NAFTA area being gradually eliminated but NAFTA affords a far greater security of access to the US market for products originating in Mexico than does the Caribbean Basin Initiative

(CBI) for its much more limited range of covered products. The CBI has been regularly extended in scope but it is a concessional scheme and can be discontinued unilaterally by the US, as can Caribbean, Canada's analogous preference scheme for the Caribbean.

The lessons of the erosion of preferences through the Uruguay Round, the threat of further reforms to the CAP, including the EU's banana regime and early, often radical reflections on the shape of Lomé V, have not been lost in the Caribbean. Preferential trade concessions are by their nature unreliable and can even be detrimental if they create their own dependency. Diversification into export goods or services which are competitive on the world market has to be given top priority.

At the same time that competitiveness may require an even playing field as regards tariffs. But with tariffs likely to continue to fall in multilateral negotiations, the ability of countries to attract foreign investment becomes critical. That means (at least) national treatment for foreign firms, the appropriate regulatory framework, and, in time, the right labour and environmental policies. In the case of investment from the United States it increasingly means a bilateral investment treaty and enacting an acceptable intellectual property protection act - which go beyond any Uruguay Round requirements.

The Caribbean countries cannot afford to remain aloof from the regional blocs forming around them. Most of their manufactured exports go to North America. So do most of their service exports - tourism, obviously, but also data processing and software services, and other professional services. They are largely dependent on emigrant remittances from North America.

The North American share in their trade will likely grow as manufactures and service exports expand relative to food and industrial raw materials. For the Caribbean countries eventual membership of a pan-American FTA is taken for granted. They unequivocally expressed their interest in joining an expanded NAFTA at the Summit of the Americas in Miami in December 1994. The FTA of the Americas will be much more than an area defined in terms of preferential access for goods. It will be more an area defined in terms of a network of agreed rules, most importantly concerning the cross-country establishment and property rights.

The issue of whether joining an expanded NAFTA is compatible with continued membership of the ACP group is likely to arise at some stage. Article 174 of the Lomé IV Convention reads as follows:

1. In view of their present development needs, the ACP States shall not be required for the duration of this Convention to assume, in respect of imports of products originating in the Community, obligations corresponding to the commitment entered into by the Community under this Chapter in respect of imports of the products originating in the ACP States.

2. (a) In their trade with the Community, the ACP States shall not discriminate among the Member States and shall grant to the Community treatment no less favourable than most-favoured-nation treatment.
- (b) Notwithstanding specific provisions of this Convention, the Community shall not discriminate between ACP States in the field of trade.
- (c) The most-favoured-nation (MFN) treatment referred to in subparagraph (a) shall not apply in respect of trade or economic relations between ACP States or between one or more ACP States and other developing countries.

It is possible that the ACP Caribbean might be granted a derogation to allow them to grant tariff-free entry to NAFTA goods without offering the same access terms to EU exports, as has been allowed for certain southern African countries in their trade with South Africa. Alternatively the EU might insist that the equivalent tariff-free access was granted to all EU exports. This would create additional problems for budget revenues as well as reducing protection for particular Caribbean industries. At the same time the Caribbean countries have demonstrated a growing awareness of the gains that ensue from liberalising trade, in the lower cost of imported inputs into their own production, in lower consumer prices, in the spur it yields to improving productivity and international competitiveness and, in general, the strengthened links with the international economy.

2. ECONOMIC STRUCTURE AND DEVELOPMENT OF THE CARIBBEAN ACP COUNTRIES

The overall economic development of the Caribbean is very much dependent upon domestic economic activity in three countries - the Dominican Republic, Jamaica and Trinidad and Tobago - which together account for almost 60% of the region's total value added. All in all, real growth in gross domestic product in the Caribbean (in 1987 prices) has been rather disappointing since 1980. Between 1980 and 1993, the total value added of the 15 Caribbean ACP countries (excluding Montserrat) rose by 10.2% from US\$ 20 991 million to US\$ 23 135 million, which is a modest 0.8% per annum (cf. Figure 2.1 and Table 2.1). One major restraint on growth in total GDP was the prolonged recession in Trinidad and Tobago, whose economy had previously been the strongest in the region. This recession was triggered by a drop in oil production at the beginning of the 1980s and then exacerbated by the collapse in oil prices on the world market from 1986 onwards. Between 1980 (US\$ 5 638 million) and 1993 (US\$ 4 609 million) Trinidad and Tobago's GDP fell by 18% (cf. Table 2.3). The fact that there was a slight increase in the region's economic output during this period was primarily due to the more positive trends recorded in the Dominican Republic and Jamaica. Trinidad and Tobago has since lost its place as the strongest Caribbean ACP economy to the Dominican Republic. Whilst high growth rates were also recorded by several other countries, chiefly Belize and the small Eastern Caribbean countries of Antigua and Barbuda, Dominica, Grenada, St Kitts and Nevis, St Lucia and St Vincent and the Grenadines, they did not have the economic clout to significantly influence economic growth in the region.

Following a period of virtual stagnation in regional output between 1980 and 1985 when the average annual increase was only 0.1%, the second half of the decade saw GDP rise by 1.4% per annum, mainly as the result of an upturn in the global economy which helped stimulate the tourism and mining sectors. However, the recession in the western industrialized countries, particularly North America and Western Europe, which provide the bulk of tourists to the Caribbean and the lion's share of the demand for the region's export products, resulted in growth in GDP falling back to 0.7% in 1991 and 1.0% in 1992. Initial estimates for 1993 also predict an increase of only 0.7% in real value added for the Caribbean countries. Whilst the start of the economic recovery in North America has generated much greater tourist activity, other factors such as adverse weather conditions, low international prices for agricultural products, the depreciation of the pound sterling and the introduction of new uniform regulations on EU banana imports with the completion of the Single European Market have had a detrimental effect on the production and export of agricultural products (sugar and bananas in particular) in a number of Caribbean countries (cf. Chapters on Agriculture, Forestry and Fisheries and Foreign Trade). The slump in the international commodities markets also put a damper on regional growth in GDP. The further drop in oil production and tumbling world market prices for crude oil in the 4th quarter of 1993 caused

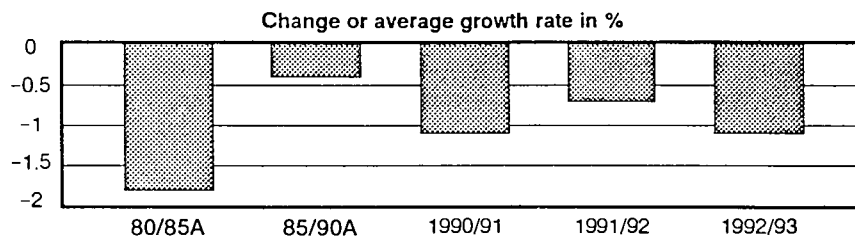
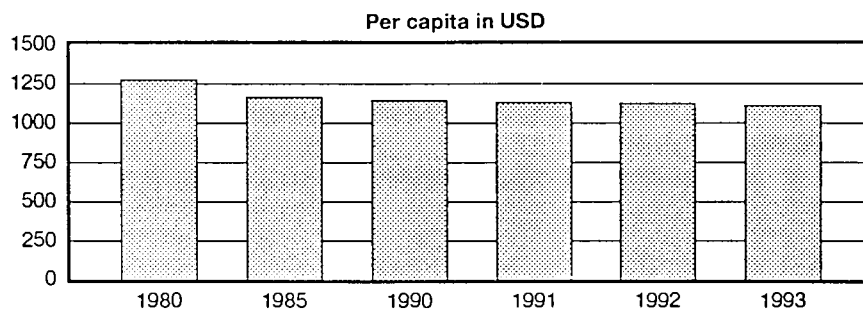
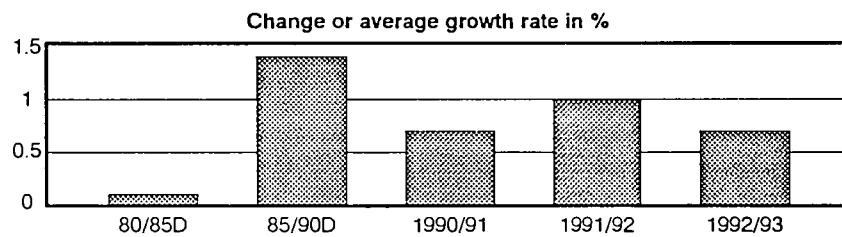
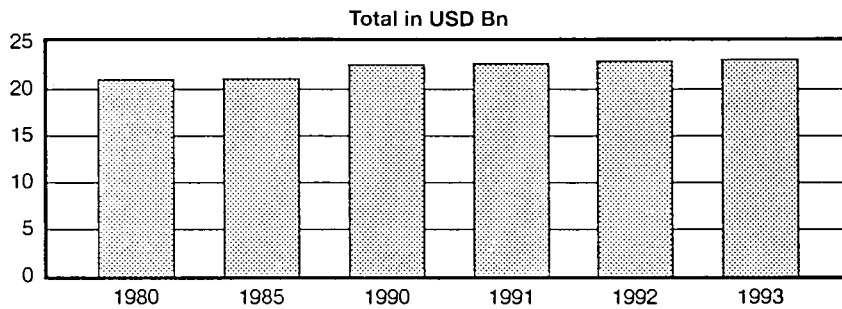
Trinidad and Tobago's GDP to fall sharply in 1993, whilst the bauxite-producing countries, Jamaica and Suriname, registered only moderate growth due to flagging international demand. Another factor which curbed economic growth in 1993 was the serious crisis in the Haitian economy caused by the country's isolation from foreign trade activities following the military takeover. In addition, the introduction of the Common External Tariff (CET) in 1993 adversely affected the short-term economic development of some countries, since in some cases the initial effect of this measure was to reduce State revenue and place certain branches of industry under greater pressure from international competition.

At the present moment, one can only attempt to estimate overall economic development in the Caribbean region in 1994 and such attempts are fraught with uncertainty. It would nevertheless seem likely that the regional economy is in better shape than in 1993 due to the steady expansion of tourism and the boost in sugar production. On top of this, the economic recovery in Trinidad and Tobago, the marked increase in economic activity in Barbados and the continuing upsurge in value added in the Dominican Republic and Guyana have all had a part to play. On the basis of these facts, it would seem reasonable to assume that regional GDP rose by 1.5% to 2% in real terms in 1994.

2.1 REGIONAL GROSS DOMESTIC PRODUCT BY THE CARIBBEAN ACP COUNTRIES AT MARKET PRICES IN 1987 PRICES

Year	Total	Per capita
	Mill. US\$	US\$
1980	20 992	1 275
1985	21 079	1 166
1990	22 587	1 144
1991	22 742	1 132
1992	22 980	1 124
1993	23 135	1 112
1980/85.....	+ 0,1	- 1,8
1985/90.....	+ 1,4	- 0,4
1990/91.....	+ 0,7	- 1,1
1991/92.....	+ 1,0	- 0,7
1992/93.....	+ 0,7	- 1,1
1990/93.....	+ 0,8	- 0,9
1980/93.....	+ 0,8	- 1,0

2.1. CARIBBEAN ACP COUNTRIES:
DEVELOPMENT OF REGIONAL GROSS DOMESTIC PRODUCT
AT MARKET PRICES (IN 1987 PRICES)



Statistisches Bundesamt 95 0207 B

The abovementioned slow economic growth combined with a much faster increase in the population led to average per capita GDP for the 15 countries falling between 1980 and 1993. Whereas regional per capita economic output had been US\$ 1 275 in 1980, it subsequently slid to US\$ 1 166 in 1985, US\$ 1 144 in 1990 and down to US\$ 1 112 in 1993 (cf. Table 2.1 and Figure 2.1). This amounts to a total reduction of 12.8%, or around 1% per year. An analysis of the trend in the various countries reveals enormous differences in per capita output. The highest per capita GDP in 1993 was to be found in the Bahamas with US\$ 8 860, followed by Barbados with US\$ 5 563 and Antigua and Barbuda with US\$ 5 510 (cf. Table 2.3). At the bottom end of the scale came Guyana (US\$ 473) and Haiti (US\$ 270), which are two of the world's poorest countries. The differences in per capita GDP increased significantly during the 1980s and early 1990s, as many of the smaller countries whose per capita value added was already high in 1980 experienced economic growth which was well above the regional average, whilst output in most of the larger countries with low per capita figures in 1980 either rose slowly or fell. For example, per capita GDP had doubled by 1993 in countries such as Antigua and Barbuda, St Kitts and Nevis and St Lucia, where the 1980 values were already above average. Haiti represents the opposite extreme: its 1980 figure for per capita GDP was already the lowest in the region at US\$ 424, yet even this had fallen by half in 1993 as a result of the latest economic crisis. The gravity of the economic recession in Trinidad and Tobago is reflected in the fact that average per capita value added fell by more than 30% from the heights of US\$ 5 210 in 1980 to US\$ 3 603 in 1993. These differences in per capita GDP provide an insight into the substantial disparities in economic performance and standard of living within the Caribbean.

2.2. ANNUAL AVERAGE GROWTH IN GROSS DOMESTIC PRODUCT BY THE CARIBBEAN ACP COUNTRIES AT MARKET PRICES IN 1987 PRICES

%

Country	1980/85	1985/90	1990/91	1991/92	1992/93	1980/93	1990/93
Total GDP							
Antigua and Barbuda.....	+ 5.3	+ 7.4	+ 4.9	+ 0.4	+ 3.5	+ 5.5	+ 2.9
Bahamas	+ 3.7	+ 2.1	- 3.1	+ 0.1	+ 2.0	+ 2.2	- 0.4
Barbados	- 0.9	+ 3.4	- 2.3	- 5.5	+ 1.5	+ 0.4	- 2.2
Belize.....	+ 0.4	+ 9.2	+ 4.6	+ 9.1	+ 4.2	+ 5.0	+ 6.0
Dominica.....	+ 5.6	+ 5.5	+ 4.9	+ 0.8	+ 1.7	+ 4.8	+ 2.5
Dominican Republic	+ 1.6	+ 1.9	- 0.7	- 7.4	+ 2.9	+ 2.1	+ 3.1
Grenada.....	+ 3.8	+ 5.9	+ 2.3	+ 1.2	+ 1.0	+ 3.9	+ 0.7
Guyana.....	- 3.8	- 2.9	+ 6.3	+ 8.3	+ 7.9	- 0.9	+ 7.5
Haiti.....	- 1.0	+ 0.2	+ 0.7	+ 10.8	- 4.7	- 1.5	- 5.1
Jamaica	- 0.1	+ 4.1	+ 0.7	+ 1.4	+ 1.2	+ 1.8	+ 1.1

2.2. ANNUAL AVERAGE GROWTH IN GROSS DOMESTIC PRODUCT BY THE CARIBBEAN ACP COUNTRIES AT MARKET PRICES IN 1987 PRICES (CONT.)

%

Country	1980/85	1985/90	1990/91	1991/92	1992/93	1980/93	1990/93
Total GDP							
St Kitts and Nevis.....	+ 3.3	+ 7.1	+ 1.8	+ 3.8	+ 6.3	+ 4.9	+ 4.0
St Lucia.....	+ 5.4	+ 9.2	+ 2.2	+ 7.0	+ 3.6	+ 6.5	+ 4.2
St Vincent and the Grenadines.....	+ 6.3	+ 6.7	+ 3.5	+ 4.8	+ 4.3	+ 6.0	+ 4.2
Suriname.....	- 1.7	+ 0.5	+ 2.9	+ 5.8	+ 0.0	+ 0.2	+ 2.9
Trinidad and Tobago.....	- 1.6	- 2.3	+ 3.1	- 0.9	- 2.4	- 1.5	- 0.1
Per capita GDP							
Antigua and Barbuda.....	+ 4.6	+ 6.7	+ 4.2	- 0.4	+ 2.6	+ 4.8	+ 2.1
Bahamas.....	+ 1.6	+ 0.3	- 5.0	- 1.4	+ 0.5	+ 0.3	- 2.0
Barbados.....	- 1.3	+ 3.1	- 2.7	- 5.8	+ 1.2	+ 0.1	- 2.5
Belize.....	- 2.2	+ 6.4	+ 1.9	+ 6.9	+ 2.2	+ 2.4	+ 3.6
Dominica.....	+ 5.5	+ 6.0	+ 4.9	+ 0.9	+ 1.2	+ 4.9	+ 2.3
Dominican Republic.....	- 0.8	- 0.3	- 2.8	+ 5.2	+ 0.9	- 0.2	+ 1.1
Grenada.....	+ 3.6	+ 5.6	+ 2.3	- 1.2	- 0.1	+ 3.6	+ 0.3
Guyana.....	- 4.6	- 3.0	+ 5.6	+ 7.3	+ 6.9	- 1.5	+ 6.6
Haiti.....	- 2.8	- 1.8	- 1.4	- 12.6	- 6.6	- 3.4	- 7.0
Jamaica.....	- 1.7	+ 3.1	- 0.2	+ 0.3	+ 0.1	+ 0.5	+ 0.1
St Kitts and Nevis.....	+ 4.1	+ 7.4	+ 2.3	+ 4.3	+ 6.8	+ 5.4	+ 4.5
St Lucia.....	+ 3.8	+ 7.6	+ 0.7	+ 5.4	+ 2.1	+ 5.0	+ 2.7
St Vincent and the Grenadines.....	+ 5.5	+ 5.7	+ 2.5	+ 3.8	+ 3.4	+ 5.1	+ 3.2
Suriname.....	- 3.4	- 1.4	+ 1.0	+ 3.8	- 1.8	- 1.6	+ 1.0
Trinidad and Tobago.....	- 3.0	- 3.5	+ 1.8	- 2.0	- 3.5	- 2.8	- 1.3

As mentioned above, the economies of the individual countries have followed very different courses since the beginning of the 1980s. Three general patterns of development do, however, emerge from the data available. The first concerns those countries where economic growth has been wholly positive since 1980, the second comprises those countries where GDP has fallen steadily, and the third the remaining nations whose economic development has fluctuated.

There are eight countries in the first category - those where GDP has grown steadily. With the exception of the Dominican Republic, they are all small nations whose economies slowed

down after 1990 as a knock-on effect of the recession in the western industrialised nations (which resulted in fewer tourists), price movements on the international agricultural and commodities markets and/or the reorganisation of their preferential trade relations with the EU and North America. This meant that from 1990 to 1993, some of them recorded substantially lower growth rates than those seen in the second half of the 1980s.

Antigua and Barbuda is one country where the economic upturn has been uninterrupted since 1980. Between 1980 and 1993 annual GDP rose by an impressive 5.5%. The annual growth rate had already been 5.3% from 1980 to 1985, but rose further in 1985/90 to an average 7.4%. The increase in value added then dropped to 2.9% per year between 1990 and 1993, having risen from a very modest +0.4% in 1992 to 3.5% in 1993 thanks to the resurgence in foreign tourism when the recession in North America abated. Economic growth in 1993 would have been even greater had it not been for the downturn in the construction industry, industrial production falling for the third consecutive year, and the increase in agricultural production being tempered by high production costs and bad weather.

Estimates differ as to the economic outlook for 1994. The Economist Intelligence Unit (EIU) assumes real growth of 3.0%, whilst the Eastern Caribbean Central Bank (ECCB) assesses the prospects for growth more favourably. Behind its forecast of 5.5% real growth in GDP lies the assumption that there will be a significant expansion in tourism in view of the latest increase in hotel and flight reservations, mainly from Europe (cf. Chapter 5). The ECCB also expects there to be a clear upturn in the construction industry in 1994, mainly due to the start of a road improvement programme for the whole island and growth in private investment. Antigua and Barbuda's economic development beyond 1994 is heavily dependent upon the development of tourism, which is of paramount importance to the economy. In order to achieve its declared aim of expanding the tourist sector, it needs to promote tourism aggressively and completely overhaul its infrastructure. In an attempt to reduce the country's dependence on international tourism, expand its economic basis and make it less dependent on imports of agricultural products, the government has recently stepped up support for the agricultural sector, focussing particularly on vegetable production and, using funds from the European Development Fund (EDF), on promoting the livestock industry. In this way, the government hopes to achieve lasting success in raising the profile of the agriculture, forestry and fisheries sector, which at present contributes less than 5% of total GDP (cf. Table 2.4).

Economic growth in **Belize** has been constant, although the rate has fluctuated. The balance of payments crisis triggered off by the collapse in sugar prices seriously hampered economic development during the first half of the 1980s, with GDP going up only a modest 0.4% per year from 1980 to 1985. Growth was much stronger in the second half of the decade, however, reaching 9.2% p.a. as a result of the push to expand exports of agricultural products, which displaced the hitherto dominant forestry sector as the main branch of the economy, and the onset of the tourist boom. This growth in the Belize economy continued in 1990/93, but the rate of increase was down on the preceding period at an average 6.0% per annum. In 1993 in

particular, when value added rose by only 4.2%, there were clear signs that the economy was cooling off, although the average increase in GDP for the period from 1980 to 1993 as a whole was still high at around 5.0% p.a. One of the main causes of the weaker growth in 1993 was the revision and reorientation of official development strategy carried out by the newly-elected government which took over in June 1993. This led to delays in the implementation of numerous public projects during the second half of the year. Another damper on economic growth came in the form of lower export earnings from citrus fruits, which have duty-free and quota-free access to the US market under the Caribbean Basin Initiative (CBI). Sugar and banana exports, on the other hand, continued to be satisfactory in 1993, whereas manufacturing industry, which relies heavily on import substitute industries, also suffered in 1993 from the limited internal market.

The EIU predicts a further drop in GDP growth to 0.4% in 1994, primarily as a result of the withdrawal of the British garrison, whose spending in days gone by was estimated by the government to account for almost 4% of the country's GDP. GDP is then expected to go up again by around 4% in 1995 as a result of higher prices for sugar and citrus fruits and an increase in the number of tourists. Another factor which should have a positive effect is the agreed increase in the EU banana quota for Belize in 1995 from 40 000 t to 55 000 t. The government, meanwhile, is making strenuous efforts to diversify the range of agricultural exports partly because the economy is very dependent on foreign trade, as illustrated by the fact that well over 50% of the total value added in goods and services is exported (cf. Table 2.5), and also because it is very likely that the preferential market access accorded to its traditional agricultural export products (sugar, citrus fruits and bananas) will have elapsed by the turn of the century. As a result, the cultivation of papayas, cucumbers and ginger is being strongly encouraged in an attempt to offset the dwindling market openings for traditional produce with exports of these new products.

Economic growth in **Dominica** was high at 4.8% per annum between 1980 and 1993. The substantial 5.6% average growth rate recorded in 1980/85 was sustained throughout the second half of the decade, before falling to 2.5% p.a. between 1990 and 1993. 1992 (+0.8%) and 1993 (+1.7%) in particular were years of poor economic growth, 1993's moderate increase in GDP mainly being due to the crisis in the banana sector caused by the depreciation in the pound sterling at the end of 1992. This resulted in banana production falling and export earnings from bananas shrinking by around one-fifth. With overall agricultural output in 1993 down by 2.0% in real terms, the modest growth rate can mainly be explained by the increase in the number of tourists and the dynamic building activity engendered by the extension of the hotel infrastructure.

The 1994 estimates for Dominica also suggest only moderate expansion. Above all, the continuing problems in the banana sector, which were exacerbated by the dry spell at the beginning of 1994 and Cyclone Debbie in September 1994, are likely to have negative repercussions on the development of the economy as a whole. The expected further slight

increase in GDP in 1994 is based on assumptions that the construction sector will remain buoyant, tourism will expand (with the promotion of eco-tourism) and industrial growth (especially food processing) will be solid. However, it will be 1995 at the earliest before more cost-efficient production methods lead to a recovery in the banana sector and stronger growth rates than those recorded between 1992 and 1994. In order to guarantee lasting economic growth, however, steps need to be taken to promote agricultural production other than bananas and to divert resources into the services sector.

Grenada is another of the countries where the economic upswing has been constant. However, following an average 3.8% increase in 1980/85 and 5.9% in 1985/90, the growth curve for 1990/93 fell back to a modest 0.7%, forcing the annual increase in GDP over the whole period from 1980 to 1993 back down to 3.9% - the lowest growth rate of all the OECS countries. During the second half of the 1980s, the thriving construction industry, strong industrial sector and healthy growth in tourism had still been strong enough to cushion the first signs of the lull in export trade and produce the high growth rates recorded during this period, but at the start of the 1990s these branches too began to flag. Although agriculture, forestry and fisheries remains one of the pillars of Grenada's economy, its importance in terms of contribution to GDP diminished considerably between 1980 (24.7%) and 1993 (13.7%). The main reason for this is the downward trend in traditional fruit exports which goes back a number of years, as is the case with the steady decline in banana production since 1987 caused by low international prices, drought, dock strikes and marketing problems. The cocoa industry has suffered since the end of the 1980s from the slump in world market prices and poorer yields due to the overmaturity of the cocoa trees, and the recent trend in nutmeg production has also been negative. 1992 even saw a temporary drop in GDP (-1.2%) as tourism rose only marginally and construction activity tailed off. The recession in the export-oriented agricultural sector and the construction sector did not let up in 1993 and industrial output also fell for the first time since 1984 as a result of dwindling production by the food processing and drinks industries. It was only because of the recovery in the tourist industry due to the increased influx of holidaymakers from the United States that GDP rose slightly by 1.0% in 1993.

There seems to be little chance of an appreciable upturn in the economy in 1994, given the absence of radical improvements in the conditions governing agricultural production, and the probable negative effects on industry of the reduction in the number of exemptions from trade tax. Tourism, however, should be given a further boost by the economic upturn in North America and the United Kingdom. Given these premises, the EIU estimates that GDP will grow by just 0.6% in 1994, whilst the ECCB feels that a return to higher growth rates in the medium term will be very much dependent on how much progress is made in effectively implementing the programme of public investment.

The economy of **St Kitts and Nevis** grew by 4.9% p.a. between 1980 and 1993 in a number of different stages. GDP rose by only 3.3% per year from 1980 to 1985, shot up to 7.1% in the

second half of the decade and then dropped back again to 4.0% between 1990 and 1993. The two main pillars of the economy are tourism and sugar production. The latter took a while to recover from the 1990 production low induced by low prices on the international market and although the 1993 harvest did show an increase it still fell short of its 1989 level. The moderate increase in the production and processing of sugar cane together with the growth in tourism and a dynamic building sector (including the construction of the new ECCB headquarters, new hotels and residential buildings) produced a 6.3% growth rate in 1993 in contrast to the sluggish state of the economy in the preceding years. The economic outlook for 1994 is for continued growth based on the thriving construction industry, a further expansion of tourist activity and the increase in hotel capacity. However, with the sugar industry expected to show little vitality, the forecast is for economic output to only increase by around 3%. It is also anticipated that the decline in the importance of the sugar industry (and, by extension, agriculture as a whole) which has been evident for some years will continue in 1994. In order to make the economy less dependent on sugar cultivation and tourism, the State plans to diversify agricultural production with a view to strengthening self-sufficiency in foodstuffs and expanding agro-industrial processing capacity. Other priority areas in the public domain include improvements to the infrastructure and the development of tourist facilities.

St Lucia's economy recorded the strongest growth rate of all the Caricom countries for the reference period as a whole, since this eastern Caribbean nation's average annual GDP growth rate amounted to 6.5% for the period from 1980 to 1993. After an annual increase in value added of 5.4% in 1980/85, the growth rate peaked at an average of 9.2% p.a. during the second half of the 1980s. The economy then cooled down appreciably during the early 1990s as the increase in total economic output dropped back to an average of 4.2% per annum from 1990 to 1993. This was due to moderate growth in 1991 (+2.2%) and 1993 (+3.6%), mainly resulting from hiccups in the banana sector. Banana production fell and export earnings dwindled in 1993 because of bad weather, the depreciation in the pound sterling since the end of 1992 and the introduction half way through the year of new regulations concerning preferential access into the EU for bananas from ACP countries. With cocoa production also falling, agricultural output in 1993 was down in real terms despite more abundant harvests of other products (incl. copra, tropical and subtropical fruits, and vegetables). Retail trade also contracted on account of the slump in agricultural production. The positive growth rate of over 3% was, therefore, mainly due to the advances made by the construction industry, tourism, the transport sector and manufacturing industry.

The growth rate is expected to be down again in 1994, given the likelihood of a further fall in the production and export of bananas due to marginal producers being squeezed out and the damage caused by Cyclone Debbie. The EIU estimates that GDP will increase by just 1.5%. The Banana Growers Association (BGA) has exhausted the reserves set aside for price supports, and although the EU is providing financial support for a programme to restructure the banana industry which aims to increase its international competitiveness vis-à-vis the

'dollar banana', medium- and long-term restructuring of the economy needs to be carried out in favour of manufacturing industry and the services sector (tourism) in order to make it less vulnerable to the imminent changes in preferential access to the EU banana market. Forecasts of growth rates ranging from 2% to 4% over the next few years are, therefore, realistic despite the recession in the agricultural sector, mainly because of the good opportunities for expansion in the tourism sector. Also, the influx of several new enterprises should help strengthen the country's industrial base (cf. Chapter 14).

The economy of **St Vincent and the Grenadines** is just as dependent on banana-growing and tourism as that of St Lucia, and has therefore followed much the same trend. After a period of healthy expansion during the 1980s (1980/85 A: +6.3% p.a.; 1985/90 A: +6.7% p.a.), the pace of growth slowed down at the start of the 1990s (1990/93 A: +4.2% p.a.). The overall growth rate for GDP between 1980 and 1993 totalled 6.0% p.a. As in the case of St Lucia, the lower growth rates at the start of the 1990s were due to the slump in banana production which was only partly offset by the bouyant tourist industry and positive developments in other sectors such as construction and the distributive trades. According to both the EIU and the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), real value added rose by 3.0% in 1994. Banana production in 1994 is thought to have fallen to its lowest level for 10 years (around 30 000 t), producing substantial export losses. The main contributors to growth in GDP in 1994 are likely to be tourism, which is still booming, and the construction industry which is reaping the benefits of the State investment programme. The government's efforts to broaden the range of agricultural export products have recently begun to bear fruit with, for example, exports of root crops and vegetables to Trinidad and Tobago gaining in importance.

This same mainly upward trend was also followed by the economy of the **Dominican Republic** during the 1980s and early 1990s, although with GDP falling slightly during some of these years the overall growth rate of 2.1% p.a. between 1980 and 1993 was appreciably lower than in the eastern Caribbean countries. The country's economy grew by only a modest 1.6% per year on average during the first half of the 1980s. This unsatisfactory trend was caused by low export growth and rising oil prices, which led to balance of payments difficulties and put pressure on public finances. This resulted in greater recourse to foreign loans, which in turn forced the country into a debt crisis. The austerity measures recommended by the International Monetary Fund (IMF) had little initial effect with the result that economic output again rose only slightly in 1986. In 1987, increased tourist activity briefly produced a much higher growth rate, but the increase in value added dropped back to under 1% in 1988, mainly as a consequence of problems with agricultural, mining and industrial output stemming from inadequate supplies of electricity.

In 1989, the government's Public Works Programme, a flourishing tourism sector and the expansion of free trade zones all fostered strong economic growth in the Dominican Republic, but in 1990 the economic reforms, carried out in accordance with IMF specifications, and

energy shortages combined to produce an initial 5% fall in GDP. In view of these fluctuating trends, value added was again only slightly up during the second half of the 1980s (1985/90 D: +1.9% per annum). After a further slight fall in GDP in 1991 (-0.7%), the economy experienced a boom which produced real growth of 7.4% in 1992. The dominant factors behind this upturn were a flourishing tourist industry and strong growth in the construction and energy sectors and manufacturing industry. In 1993, the increase in GDP was lower than the previous year at 2.9%. All in all, however, the economy grew by 3.1% p.a. between 1990 and 1993 - a much stronger performance than during the 1980s. One of the plus points behind these figures is that with the development of free trade zones, tourism and non-traditional exports, the Dominican Republic is now considerably less susceptible to fluctuations in international nickel and sugar prices and the economy has been put on a substantially more solid production basis.

Initial results show that despite some lingering unstable macroeconomic conditions, 1994 was a good year for the Dominican Republic economy. The EIU, ECLAC and the national central bank are all agreed that GDP should have risen by 4.0% in real terms, this growth being due first and foremost to the 88% increase in mining production. According to the first estimates available, nickel production should be up 135% in 1994 as a result of rising world market prices, and another reason for the strong growth in mining activity was the reopening of the Rosaria gold and silver mine. Other important contributory factors behind the upward trend in GDP include the electricity and water sector, the free trade zones, the communications industry, tourism and construction. Agricultural production, on the other hand, fell slightly as a result of the dry weather conditions. GDP is expected to increase in 1995 at much the same rate as in 1994 in view of the rising world market prices for some key export products (incl. nickel and cocoa). Mining, agriculture and, above all, tourism are other key sectors which should stimulate growth in 1995.

The second group comprises just two countries - Haiti and Trinidad and Tobago - where economic performance has fallen constantly since 1980, although the reasons for this downswing are very different in each of the two cases.

Haiti's economy is one of the most underdeveloped in the western world. It is heavily dependent upon agriculture, has few foreign trade components and much of the production is still at a subsistence level. Economic, and particularly industrial, growth has been seriously hampered by the lack of effective export trade and the absence hitherto of strong demand from the domestic market. Between 1980 and 1985, GDP fell by 1.0% per annum due to the effect of these structural flaws in the economy combined with the worldwide recession, the devastation wrought on the agricultural sector by Hurricane Allen, a poor credit basis arising from its underdeveloped money economy and its abortive attempts to reduce the budget deficit. The second half of the decade was characterized by stagnant production (1985/90 D: +0.2% per annum). Economic activity in Haiti has been particularly badly affected by the exodus of US export-assembly industries as a result of the increasingly unstable political

climate since 1986 and by the diminishing numbers of foreign visitors. The military coup in September 1991 then crippled the economy and also led to the suspension of foreign development assistance and the imposition of a trade embargo by the Organization of American States (OAS). The situation reached a climax in 1994 with the preparations for a military invasion by the USA and the subsequent restoration of ex-President Aristide who had fled into exile in 1991. As a consequence of these political upheavals, the Haitian economy plunged into serious recession. After recording a marginal growth rate of 0.7% in 1991, real value added tumbled by 10.8% in 1992 and the ECLAC estimates that GDP will be down 4.7% in 1993. This means that value added will have fallen by an average of 5.1% p.a. between 1990 and 1993 and by 1.5% p.a. for the period from 1980 to 1993 as a whole.

With the tightening of the trade embargo in May 1994 and the subsequent US intervention, the ECLAC predicts that the economy will have contracted by a further 10% in 1994. Many secondary branches of economic activity felt the effects of this recession and production came to a virtual standstill in the few remaining export-assembly industries. Even those branches of industry serving the domestic market were obliged to shut down much of their production. There was at least, however, an increase in the output of some agricultural products as many coffee-growers switched over to cultivating products for domestic customers in view of the low world market prices for coffee and the high cost of artificial fertilizers. Instead of the intended increase in economic diversity being achieved, agriculture has actually become even more important to the economy since the beginning of the 1980s because of the above-mentioned developments (cf. Table 2.2). Even with the return of President Aristide, the chances of a speedy economic recovery are slim, as the inefficiency of the government bureaucracy is still a major stumbling block. One glimmer of hope is the fact that the EU has announced the resumption of development assistance, and the World Bank has held out the possibility of offering a sizeable loan. With Haiti able to count on an externally-financed aid programme totalling some US\$ 600 million for 1995, there are grounds for believing that the economy of this Caribbean country will recover in the medium-term at least.

The other country where value added has dropped virtually every year since the beginning of the 1980s is **Trinidad and Tobago**. In contrast to Haiti where the negative trend is largely conditioned by internal political influences, the economic crisis in Trinidad and Tobago is mainly due to exogenous factors. As an oil-producing country, its economy has been particularly badly affected by the slump in world market prices for crude oil which has lasted since the mid-1980s. Even though the erosion in the oil sector's share of GDP has been almost constant since 1980, this sector still accounts for between 20% and 25% of total value added. On top of this, the crude oil extracted supports the petrochemical industry, which plays a key role in manufacturing industry. The strength of oil-related activities means that over 40% of total economic output is still produced by the secondary sector of the economy. Following the period of strong growth in GDP at the end of the 1970s driven by the thriving

oil industry, the Trinidad and Tobago economy collapsed into severe recession after 1982. GDP was already falling by 1.6% per year in the early 1980s, and with the crisis intensifying as oil extraction slowed down and international oil prices dropped after 1986, GDP then nosedived by -2.3% p.a. between 1985 and 1990. The balance of payments deficits caused by the rapid reduction in export earnings after 1985 were initially absorbed by the foreign currency reserves accumulated during the boom years, but these were exhausted in 1987. The government then imposed tight import (import licencing) and foreign exchange controls to try and prevent the balance of payments getting out of hand. The situation did not improve, however, and when the balance of payments difficulties were then compounded by the increasingly precarious state of public finance, there was no option but to call in the IMF in 1988. The latter guaranteed a standby arrangement of over 99 million SDRs in January 1989 to help Trinidad and Tobago out of its dire financial straits. The economic situation improved temporarily at the beginning of the 1990s with the Gulf Crisis and the resulting increase in oil prices, and after a slight rise in 1990, GDP went up +3.1% in 1991. This helped to consolidate public finances and boost the foreign currency reserves, thus putting an end to the IMF loan. The very next year, however, a further drop in oil production resulted in a return to negative growth (-0.9%) and the situation worsened in 1993 (-2.4%) when oil production dropped to its lowest level since 1960, despite an increase in prospecting, and the international prices for crude oil plunged in the fourth quarter of the year. As a result of the drop in oil production, the petrochemical industry also had to make substantial cutbacks. The increase in economic activity in non-oil sectors, particularly agriculture and some segments of the services sector (finance and insurance), was not enough to offset the serious recession in the oil industry. As a result of the virtually uninterrupted decline in the oil industry since 1982, GDP in Trinidad and Tobago crashed by almost one-fifth over the whole period from 1980 to 1993, at a rate of around 1.5% per year.

1994 saw a reversal in the downward spiral, which had lasted over ten years, as GDP grew by around 4%. According to Central Statistical Office (CSO) data, this was the result of the oil industry expanding by over 10% as the production of crude oil and petrochemicals both shot up. Other determining factors included a sharp increase in sugar production and a construction boom. Real economic growth of 4% to 5% is forecast for 1995 and 1996 on the basis of a rejuvenated oil industry and its dependent manufacturing industries. In the long term, however, there is a need to press ahead with diversifying the economy, a requirement identified back in the 1980s but which has hitherto only proceeded in fits and starts. This is a matter of some urgency given the uncertainties of the crude oil market and, above all, the fact that at the present rate of extraction its known oil reserves will be exhausted in 10 years. There is certainly plenty of potential for extending the economic base in Trinidad and Tobago, such as its large reserves of natural gas, which could also provide a platform for new industrial activities. Nor is there any reason why tourism should not develop its role as an important foreign currency-earner since a number of projects aimed at extending the tourist infrastructure are already under way. The development prospects for agriculture are also very promising, given that its current share of GDP still amounts to less than 3%.

The third group of countries comprises those whose economic development has experienced ups and downs. There are five countries in this group and although their economies have all fluctuated, their patterns of development have been very different.

The economy of the **Bahamas** set off in a positive direction during the first half of the 1980s with GDP rising by 3.7% each year. It continued to expand during the period from 1985 to 1990, but the growth rate was already slowing down (+2.1% per annum). Value added then fell on average by 0.4% a year between 1990 and 1993, mainly as a result of a downturn in tourism, which is the backbone of the economy. Despite this dip in the early 1990s, output over the whole period from 1980 to 1993 was up on average by 2.2%. This susceptibility of the Bahamas economy to short-term fluctuations in the volume of holidaymakers from North America in particular is illustrated by the fact that as the economic situation in the United States and Canada improved and the flow of tourists from these two countries increased, GDP started to climb back up again in 1993 (+2.0%) after the lull of the two previous years. Poor weather conditions in 1993 were responsible for the downward trend in agriculture, but this had little effect on the economy as a whole since agriculture only accounts for around 5% of GDP. The dominance of the services sector in the Bahamas is underlined by the fact that along with tourism financial services (offshore banking) in particular also play an important role. The secondary sector, on the other hand, remains underdeveloped and manufacturing industry's total contribution to GDP is only around 10%.

1994 should be another year of marginal growth in the economy in real terms on account of the increase in revenue from tourism. Official forecasts for 1995 also predict a low level of growth based on the continuing health of the US economy and thus strong expansion by the tourism sector (new hotel developments). In the short and medium term, therefore, the country's overdependence on the general economic condition of the United States will remain its Achilles heel. Given this lopsided dependence on tourism, the government has announced plans to promote specific areas of the agriculture and fisheries sector in an attempt to quickly bring about some diversification of the economy. Another important motive behind developing selected areas of agricultural activity is to try and reduce the high level of expenditure on food imports which weigh heavily upon the balance of trade (cf. Chapter 3).

Economic developments in **Barbados** followed a completely different course. Value added fell by around 1% p.a. from 1980 to 1985. GDP then rose by 3.4% per annum during the second half of the decade thanks to the healthy expansion of tourism. 1990, however, marked the start of a downward trend in GDP due to the poor economic situation in North America and the associated recession in the tourism sector. Economic output in Barbados then fell by 2.3% in 1991, and 1992 was the third consecutive year of negative growth, this time -5.5%. The economic decline at the beginning of the 1990s can be ascribed not just to the slump in tourism, but also to the recession which hit the other two most important sectors of the economy - agriculture and manufacturing industry. 1993 saw a return to positive growth for the first time in the 1990s (+1.5%). All in all, these widely fluctuating trends resulted in the

Barbados economy more or less stagnating over the reference period, as the average annual growth rate between 1980 and 1993 was a modest +0.4%. The slight increase in 1993 was mainly due to an increase in the number of visitors from North America and the United Kingdom. Other factors which should be taken into consideration in 1993 were the growth in the construction industry and distributive trades whilst output fell in agriculture and manufacturing industry. The drop in agricultural output was mainly the result of a fall in sugar production, but the production figures for other crop products as well as poultry and milk were also down. The reduction in output by manufacturing industry was mainly due to poor performance by the furniture and electronics industries.

The EIU and ECLAC both agree that the economy picked up substantially in 1994 and are forecasting vigorous growth of 4.0% in real terms. Alongside the upturn in tourism, increases in sugar production and industrial production both contributed to the improved health of the economy. The growth in GDP is then expected to slip back to 3% in 1995, primarily because the sugar harvest will, in all probability, be around one-third lower than the previous year as the result of an unusually long dry period. On the other hand, the recovery in the North American and European economies should mean that tourism continues along the path of dynamic growth.

The pattern of economic development in **Guyana** was relatively atypical since its economy is comparatively broad-based by Caribbean standards (mining, agriculture, forestry, fisheries). The country's GDP fell by an annual 3.8% between 1980 and 1985 and value added continued to decrease during the second half of the decade (-2.9% per annum). The fact that this crisis in the Guyanan economy lasted throughout the decade was the result of declining production by the main export branches, a chronic shortage of foreign currency, hefty debt servicing, a serious public finance crisis, inadequate infrastructure facilities and an inefficient State bureaucracy. In order to tackle these serious structural deficits hampering the economy, the government launched an Economic Reconstruction Programme (ERP) in 1988 aimed at privatizing unprofitable State enterprises, liberalizing the economy and encouraging foreign investment. The subsequent conclusion of an agreement with the IMF smoothed the way for the rescheduling of debts and the inflow of project and programme aid. The enthusiastic application of these reforms along with a sharp increase in private investment activity met with success at the beginning of the 1990s, producing a high average annual growth rate of +7.5% between 1990 and 1993. GDP had already soared by 6.3% in 1991 before the growth rate in value added reached the heights of 8.3% in 1992, and this strong growth was pretty much sustained in 1993 when the increase in GDP totalled 7.9%. Despite these recent impressive figures for economic growth, however, the nation's value added in 1993 was still below its 1980 level, as Guyana's economic output over the whole of the reference period fell on average by 0.9% p.a. As already mentioned, the powerful surge in production in the early 1990s was underpinned by a significant upswing in investment activity, which is reflected in the fact that the investment ratio had risen to almost 54% of GDP in 1993 (cf. Table 2.5). As a result of the massive inflow of investment, gold-mining, timber production and rice-growing

in particular were the dominant forces behind the strong economic growth recorded in 1993. The clear upturn in the construction industry and distributive trades also played a part in this success, and industry also managed to step up production in 1993 despite repeated shortages of electricity. The only sectors which did not fit into this otherwise healthy picture of a blooming economy were bauxite mining and sugar production, which both suffered the effects of low world market prices.

The EIU and ECLAC both agree that value added should increase by a further 8%-8.5% in 1994, with agriculture and mining once again being the mainstays of economic growth. Sugar production in 1994 achieved record returns and other branches of agricultural production and livestock farming also enjoyed healthy expansion. The situation in the mining sector was less uniform. There was a sharp drop in the extraction of bauxite in 1994 due to low world market prices and the disposal of stocks in the United States. Gold-mining, on the other hand, was up significantly and this helped the mining sector overall to record substantial growth. The economic forecasts for the years after 1994 are not so optimistic and are mainly dependent upon the renovation of the physical infrastructure and sustaining the high level of private investment activity. Given the administrative bottlenecks which exist, the EIU feels that the government will have less scope for implementing strategic projects and, on the basis of this premise, forecasts that growth in GDP will fall back to 6% in 1995. In order to service the country's substantial national and foreign debts, Guyana's economy will need to sustain its high level of expansion over the coming years so that it can meet its forthcoming payment obligations (cf. Chapter 16).

The mainstays of **Jamaica's** economy are tourism, mining (bauxite) and agriculture. The Jamaican economy is another of those which have taken something of a roller-coaster ride since the beginning of the 1980s. During the first half of the 1980s, GDP fell slightly (1980/85 D: -0.1% p.a.) as a result of the worldwide recession and associated low prices for bauxite. The second half of the decade was characterized by a high average growth rate of 4.1% per annum, mainly thanks to an upturn in the mining sector and the expansion of the construction industry. This period of rapid growth in GDP came to an abrupt end in 1991 with the fresh crisis in the international commodities markets and the tailing off of tourist activity. The growth in economic output in 1991 was modest at just 0.7%. It then rose marginally in 1992 to 1.4% and the 1993 figure of +1.2% meant that real growth in GDP fell short of the anticipated 2.0%. The average annual rate for the period from 1990 to 1993 was therefore a mediocre 1.1%, whilst the growth rate for GDP over the whole period from 1980 to 1993 averaged 1.8% per annum. The reason why the growth rate forecast for 1993 was not achieved can mainly be ascribed to the weak international demand for raw materials, which dragged down production of bauxite and aluminium. Bad weather affected some branches of agricultural production and exports of agricultural products (incl. citrus fruits, sugar, cocoa and coffee). These difficulties were then compounded by the unfavourable export conditions for bananas as a result of the depreciation in the value of the pound sterling. This meant that despite an increase in the volumes exported, earnings from banana exports actually fell. Industrial production was mainly hampered by the restrictive monetary and financial policy

(high interest rates on loans) and stiffer competition from imported goods resulting from the introduction of the CET. The fact that GDP increased at all in 1993 was almost solely due to the healthy revival in the tourist trade stimulated by an aggressive marketing campaign.

Economic output in Jamaica should again be up by around 1% in 1994, but in contrast to 1993 the main factors behind this growth are likely to be an increase in exports of bauxite and aluminium and higher figures for sugar production. The banana industry is another branch which has expanded. The other side of the coin is a drop in tourism for the first time in 10 years, one of the main reasons being the country's high level of crime. It looks as if agricultural exports, bauxite mining and tourism will remain key variables which will influence economic development in the medium and longer terms. This means that the Jamaican economy will remain dependent upon short-term trends in the western industrialised countries and its two main trading partners, the United States and the United Kingdom, in particular. Given these conditions, it is more than likely that economic development will be subject to the same ups and downs as the country has already experienced in the recent past.

The economic development of **Suriname** has also fluctuated considerably. It should, however, be pointed out that the basic macroeconomic data for this country are very unreliable and can vary considerably depending on the statistical source. The backbone of the Suriname economy is formed by bauxite mining and the aluminium industry based upon this resource. According to World Bank data, Suriname's GDP fell by 1.7% per annum between 1980 and 1985. The slump in export prices for bauxite, suspension of Dutch development aid in 1982 and internal unrest were all reasons for this negative trend, which continued into 1986 and 1987, exacerbated by guerilla raids and acts of sabotage in the bauxite mining and palm oil sectors. Improvements in the world markets for bauxite and aluminium and measures to defuse the tense political situation at home helped stabilize the Suriname economy in 1988 and 1989. Value added even managed to increase by a modest 0.5% per annum over the second half of the decade as a whole. GDP then shot up in 1991 and 1992, recording growth rates of 2.9% and 5.8% respectively, mainly as the result of an increase in investment activity. 1993 was then a year of stagnation in the Suriname economy on account of the recession in the international bauxite market, but despite this stagnation the average annual growth rate during the period from 1990 to 1993 was still 2.9%.

No provisional data or estimates are so far available for the development of GDP in Suriname in 1994. The IMF does, however, expect value added to recede and is recommending drastic financial and monetary measures that would make lasting improvements to the macroeconomic framework.

SUMMARY AND OUTLOOK

The main conclusion to emerge from this analysis of the economic structure and development of the Caribbean ACP countries is that the economies of virtually all these nations are heavily dependent upon external influences. The monocentricity of the economic structure of most of the States in this region is seen in their lopsided dependence on one or two agricultural or mineral export products and/or international tourism. As a result, the economic development of the Caribbean countries is largely conditioned by exogenous forces which can barely be influenced by domestic economic policy. Overall economic development in this region is very much at the mercy of price trends in the world markets for individual raw materials, changes in preferential access to the main outlets for Caribbean agricultural and industrial products (the EU and North America) and prevailing economic conditions in North America and Europe. In view of this situation, there is an urgent need for almost all these countries to take future action to diversify their economic basis in order to render themselves much less vulnerable to external crises. In the short term, they also need to restructure their traditional export sectors - particularly the banana and sugar industries - in order to successfully adapt to changes which have been (and in all likelihood will continue to be) made in the international conditions governing the markets for these products, thus safeguarding the competitiveness of these branches of the economy.

The broadening of each country's economic basis must form the initial focus of medium- and long-term economic policy in the Caribbean countries. The small domestic markets with their limited purchasing power constitute a structural weakness which will particularly handicap the development of goods-producing economic sectors and the expansion of existing industries. In view of the similarity of their resources and, therefore, the fairly uniform structure of production and services in the Caribbean countries, there is very little potential for increasing intra-regional trade through complementing each other's production. Quite the opposite in fact is true, since far from being able to produce more in future for regional markets they are actually competing with each other in many sectors of the economy (incl. the banana and sugar industries, bauxite mining, tourism and export-assembly industries). Given this state of affairs, the economic diversification which some countries have already attempted and many hope to attain must continue to seek out niches in the production and service sectors which are targeted at world markets. Some of the more promising possibilities in this area are offered by eco-tourism, international financial services, offshore banking, computer services and setting up further free zones for exports.

2.3. DEVELOPMENT OF GROSS DOMESTIC PRODUCT AT MARKET PRICES

Year	Gross domestic product at market prices				Price components	Inhabitants
	Current prices	1987 prices				
		Mill. currency	USD million	Total	per capita	USD	1987 = 100
Antigua and Barbuda (ECS)						
1980	303.0	491.1	181.9	2 982	61.7	95.5
1985	544.3	635.7	235.4	3 737	85.6	98.7
1990	1 067.7	908.1	336.4	5 175	117.6	101.8
1991	1 144.1	952.9	352.9	5 393	120.1	102.5
1992	1 174.3	956.8	354.4	5 372	122.7	103.3
1993	1 234.2	990.4	366.8	5 510	124.6	104.2
Bahamas (BS)						
1980	1 335.3	2 155.7	1 798.1	8 562	61.9	86.8
1985	2 320.7	2 588.8	2 159.3	9 268	89.6	96.3
1990	3 134.8	2 877.4	2 400.0	9 412	108.9	105.4
1991	3 090.3	2 788.1	2 325.6	8 944	110.8	107.4
1992	3 059.1	2 791.1	2 328.0	8 818	109.6	109.1
1993	3 065.0	2 846.9	2 374.6	8 860	107.7	110.7
Barbados (BDSS)						
1980	1 678.5	2 749.6	1 367.1	5 488	61.0	97.7
1985	2 421.1	2 623.5	1 304.4	5 147	92.3	99.4
1990	3 506.1	3 102.5	1 542.5	6 002	113.0	100.8
1991	3 395.9	3 030.2	1 506.6	5 837	112.1	101.2
1992	3 171.3	2 863.4	1 423.7	5 499	110.8	101.5
1993	3 280.5	2 905.9	1 444.8	5 563	112.9	101.8
Belize (BzS)						
1980	389.5	465.0	232.5	1 592	83.8	83.4
1985	418.3	473.8	236.9	1 427	88.3	94.9
1990	793.3	737.3	368.6	1 950	107.6	108.0
1991	859.8	770.9	385.4	1 987	111.5	110.9
1992	959.6	841.4	420.7	2 125	114.0	113.1
1993	1 047.8	876.9	438.5	2 171	119.5	115.4

(continued on next page)

2.3. DEVELOPMENT OF GROSS DOMESTIC PRODUCT AT MARKET PRICES (CONT.)

Year	Gross domestic product at market prices				Price components	Inhabitants
	Current prices	1987 prices		per capita		
		Mill. currency	USD million		USD	1987 = 100
Dominica (ECS)						
1980	157.7	225.6	83.6	1 138	69.9	100.5
1985	268.2	296.2	109.7	1 491	90.5	100.8
1990	461.7	386.9	143.3	1 990	119.3	98.6
1991	496.1	405.9	150.3	2 088	122.2	98.6
1992	512.7	409.2	151.5	2 108	125.3	98.5
1993	529.7	416.2	154.2	2 133	127.3	99.0
Dominican Republic (domS)						
1980	6 631	16 304	4 240.4	744	40.7	84.8
1985	13 972	17 642	4 588.4	715	79.2	95.5
1990	60 356	19 391	5 043.2	703	311.3	106.8
1991	90 722	19 248	5 006.0	684	471.3	109.0
1992	98 725	20 666	5 374.7	719	477.7	111.2
1993	105 932	21 274	5 532.9	726	497.9	113.5
Grenada (ECS)						
1980	202.0	301.9	111.8	1 257	66.9	98.5
1985	312.2	363.9	134.8	1 497	85.8	99.6
1990	546.6	483.8	179.2	1 969	113.0	100.7
1991	571.6	494.9	183.3	2 014	115.5	100.7
1992	583.6	489.0	181.1	1 990	119.3	100.7
1993	598.6	493.8	182.9	1 988	121.2	101.8
Guyana (GS)						
1980	1 508	4 279	436.6	575	35.2	95.7
1985	1 950	3 526	359.8	455	55.3	99.6
1990	11 735	3 044	310.6	390	385.5	100.4
1991	26 384	3 236	330.2	412	815.4	101.0
1992	35 000	3 503	357.4	442	999.2	101.9
1993	41 350	3 781	385.8	473	1 093.7	102.9

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2.3. DEVELOPMENT OF GROSS DOMESTIC PRODUCT AT MARKET PRICES (CONT.)

Year	Gross domestic product at market prices				Price components	Inhabitants
	Current prices	1987 prices		per capita		
		Mill. currency	USD million		USD	1987 = 100
	Haiti (Gde.)					
1980	7 183	11 360	2 272.1	424	63.2	87.7
1985	10 047	10 798	2 159.5	368	93.0	96.1
1990	12 437	10 885	2 176.9	336	114.3	106.3
1991	14 755	10 957	2 191.4	331	134.7	108.5
1992	14 999	9 772	1 954.3	289	153.5	110.7
1993 .....	.	.	1 862.5	270	.	.
Jamaica (JS)						
1980	4 773	15 407	2 807.9	1 316	31.0	90.4
1985	11 216	15 323	2 792.7	1 208	73.2	97.9
1990	30 476	18 701	3 408.3	1 408	163.0	102.5
1991	44 158	18 841	3 433.7	1 406	234.4	103.5
1992	72 539	19 100	3 481.0	1 410	379.8	104.6
1993	95 785	19 326	3 522.1	1 412	495.6	105.7
St Kitts and Nevis (ECS)						
1980	129.6	211.7	78.4	1 766	61.2	104.6
1985	210.6	248.7	92.1	2 158	84.7	100.6
1990	430.8	349.8	129.6	3 085	123.2	98.9
1991	446.7	356.1	131.9	3 156	125.4	98.5
1992	484.0	369.6	136.9	3 292	130.9	97.9
1993	526.4	393.0	145.5	3 517	134.0	97.5
St Lucia (ECS)						
1980	360.2	493.7	182.9	1 590	73.0	89.8
1985	587.0	641.2	237.5	1 915	91.6	96.9
1990	1 076.9	994.1	368.2	2 768	108.3	103.9
1991	1 162.5	1 016.0	376.3	2 787	114.4	105.5
1992	1 291.1	1 086.9	402.6	2 938	118.8	107.0
1993	1 338.3	1 126.2	417.1	3 001	118.8	108.6

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2.3. DEVELOPMENT OF GROSS DOMESTIC PRODUCT AT MARKET PRICES (CONT.)

Year	Gross domestic product at market prices				Price components	Inhabitants
	Current prices	1987 prices		per capita		
		Mill. currency	USD million		USD	1987 = 100
St Vincent and the Grenadines (ECS)						
1980	159.7	248.6	92.1	939	64.2	94.2
1985	304.6	337.6	125.1	1 226	90.2	98.1
1990	535.8	468.0	173.4	1 620	114.5	102.9
1991	564.7	484.3	179.4	1 661	116.6	103.8
1992	611.7	507.4	187.9	1 724	120.5	104.8
1993	633.8	529.5	196.1	1 783	119.7	105.8
Suriname (Sf)						
1980	1 602.0	2 620.8	1 468.2	4 171	61.1	88.4
1985	1 695.0	2 403.1	1 346.3	3 515	70.5	96.2
1990	3 019.2	2 464.1	1 380.4	3 271	122.5	106.0
1991	3 627.5	2 535.0	1 420.2	3 303	143.1	108.0
1992	5 044.8	2 681.4	1 502.2	3 430	188.1	110.1
1993	12 284.0	2 681.4	1 502.2	3 368	458.1	112.1
Trinidad and Tobago (TTS)						
1980	14 966	20 295	5 637.5	5 210	73.7	90.8
1985	18 071	18 711	5 197.6	4 481	96.6	97.4
1990	21 540	16 655	4 626.3	3 743	129.3	103.8
1991	22 559	17 166	4 768.4	3 812	131.4	105.0
1992	22 481	17 006	4 723.8	3 734	132.2	106.2
1993	24 528	16 591	4 608.7	3 603	147.8	107.4

2.4. GENERATION OF GROSS DOMESTIC PRODUCT AT FACTOR COST *

(%)

Year	Gross domestic product at factor cost	broken down into			
		Agriculture, forestry and fisheries	Industry	of which	Other branches
				Manufacturing industry	
Antigua and Barbuda					
1980	100.0	7.1	18.1	5.3	74.8
1985	100.0	5.0	16.7	4.4	78.3
1990	100.0	4.1	19.9	3.3	76.0
1992	100.0	4.1	19.5	2.7	76.4
Barbados					
1980	100.0	9.9	22.5	11.9	67.5
1985	100.0	6.3	20.6	10.6	73.0
1990	100.0	5.4	18.3	8.0	76.3
1993	100.0	6.1	15.7	7.5	78.2
Belize					
1980	100.0	27.4	30.9	23.9	41.7
1985	100.0	20.4	25.0	16.7	54.7
1990	100.0	22.0	26.6	15.7	51.4
1993	100.0	19.4	27.8	13.4	52.8
Dominica					
1980	100.0	30.6	20.9	4.8	48.4
1985	100.0	27.9	16.6	6.4	55.5
1990	100.0	25.0	18.6	7.1	56.4
1993	100.0	20.5	20.9	8.4	58.7
Dominican Republic¹					
1980	100.0	20.1	28.3	15.3	51.6
1985	100.0	19.7	25.8	13.6	54.5
1990	100.0	17.5	26.2	13.5	56.3
1992	100.0	17.6	26.1	14.2	56.2

(continued on next page)

2.4. GENERATION OF GROSS DOMESTIC PRODUCT AT FACTOR COST *
(CONT.)

(%)

Year	Gross domestic product at factor cost	broken down into			
		Agriculture, forestry and fisheries	Industry	of which	Other branches
				Manufacturing industry	
Grenada					
1980	100.0	24.7	13.0	3.9	62.3
1985	100.0	18.0	15.9	5.1	66.2
1990	100.0	16.9	19.4	5.4	63.7
1993	100.0	13.7	19.4	5.2	66.9
Guyana					
1980	100.0	27.8	31.3	7.7	40.8
1985	100.0	31.0	20.2	9.8	48.7
1990	100.0	38.1	24.9	10.3	37.0
1992	100.0	40.6	29.0	13.8	30.3
Haiti¹					
1980	100.0	33.7	26.8	19.1	39.6
1985	100.0	33.4	24.4	16.6	42.2
1990	100.0	33.9	23.5	16.1	42.6
1992	100.0	36.8	16.5	11.0	46.6
Jamaica²					
1980	100.0	8.2	38.3	16.6	53.5
1985	100.0	6.0	37.3	20.0	56.7
1990	100.0	6.5	43.1	19.4	50.4
1993	100.0	8.4	40.9	18.4	50.7
St Kitts and Nevis					
1980	100.0	15.9	26.6	15.2	57.5
1985	100.0	9.1	21.7	12.1	69.2
1990	100.0	6.4	29.1	12.8	64.4
1992	100.0	6.1	25.8	11.9	68.1

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2.4. GENERATION OF GROSS DOMESTIC PRODUCT AT FACTOR COST *
(CONT.)
(%)

Year	Gross domestic product at factor cost	broken down into			
		Agriculture, forestry and fisheries	Industry	of which	Other branches
				Manufacturing industry	
St Lucia					
1980	100.0	11.7	24.8	9.3	63.4
1985	100.0	15.2	18.4	8.5	66.4
1990	100.0	14.5	18.4	8.1	67.1
1993	100.0	10.8	20.9	7.4	68.3
St Vincent and the Grenadines					
1980	100.0	14.6	27.1	10.7	58.3
1985	100.0	19.6	23.5	11.6	56.9
1990	100.0	19.0	23.4	8.7	57.6
1993	100.0	16.0	25.1	9.1	58.9
Suriname					
1980	100.0	9.1	38.9	18.6	52.0
1985	100.0	9.1	30.1	13.2	60.7
1990	100.0	11.2	27.3	13.3	61.5
1993	100.0	22.0	24.2	14.3	53.7
Trinidad and Tobago					
1980	100.0	2.2	60.2	8.6	37.7
1985	100.0	2.4	46.2	7.3	51.4
1990	100.0	2.5	47.6	8.7	49.8
1993	100.0	2.5	41.5	9.3	56.0

* In current prices.

1 Gross domestic product at factor cost in constant prices from 1976.

2 Gross domestic product at market prices.

2.5. USE OF GROSS DOMESTIC PRODUCT *
(%)

Year	Gross domestic product at market prices	of which					
		Private consumption	State consumption	Gross capital formation	Final domestic consumption	Exports of goods and services	Imports
Bahamas							
1980	100.0	44.4	13.3	13.2	71.0	89.0	60.7
1985	100.0	48.4	15.9	20.6	84.8	81.5	66.8
1990	100.0	73.1	13.3	22.1	108.4	50.5	59.7
1992	100.0	74.2	14.6	20.7	109.5	45.9	55.2
Barbados							
1980	100.0	62.5	14.9	24.5	101.9	70.1	72.0
1985	100.0	58.0	18.9	15.4	92.3	67.7	60.1
1990	100.0	63.6	20.2	18.8	102.6	49.1	51.7
1992	100.0	54.2	19.7	8.5	82.4	48.5	30.9
Belize							
1980	100.0	71.9	17.2	24.1	113.2	55.4	68.6
1985	100.0	68.4	22.8	21.6	112.8	48.5	61.3
1990	100.0	49.7	19.6	28.5	97.8	64.8	62.5
1993	100.0	58.2	19.6	31.8	109.6	57.3	66.9
Dominica							
1980	100.0	92.4	27.3	50.9	170.6	22.0	92.6
1985	100.0	72.4	22.5	28.5	123.4	36.5	60.0
1990	100.0	67.5	22.1	39.1	128.7	55.5	84.2
1993	100.0	68.1	21.9	26.9	116.9	50.6	67.5
Dominican Republic							
1980	100.0	77.0	7.6	25.1	109.8	19.2	28.9
1985	100.0	76.9	8.0	20.4	105.3	29.5	34.8
1990	100.0	71.9	9.3	22.0	103.2	28.0	31.2
1992	100.0	75.1	8.9	23.1	107.1	28.7	35.8

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2.5. USE OF GROSS DOMESTIC PRODUCT * (CONT.)
(%)

Year	Gross domestic product at market prices	of which					
		Private consumption	State consumption	Gross capital formation	Final domestic consumption	Exports	Imports
						of goods and services	
Grenada							
1980	100.0	89.1	20.6	26.1	135.8	52.9	88.7
1985	100.0	72.7	22.9	33.5	129.1	45.7	74.9
1990	100.0	60.4	22.3	37.3	119.9	53.3	73.2
1993	100.0	69.1	18.2	31.7	119.0	54.0	73.0
Guyana							
1980	100.0	55.4	24.2	32.8	112.4	81.3	93.6
1985	100.0	59.9	18.1	35.8	113.8	48.1	61.9
1990	100.0	63.2	18.2	41.6	122.9	83.7	106.6
1993	100.0	37.9	19.6	53.7	111.2	122.3	133.5
Haiti							
1980	100.0	95.2		17.2	112.4	29.9	42.3
1985	100.0	94.3		16.7	110.9	23.2	34.1
1990	100.0	93.3		14.6	107.9	15.7	23.7
1992	100.0	96.9		8.1	105.0	7.3	12.3
Jamaica							
1980	100.0	65.9	20.2	15.9	102.1	50.8	52.9
1985	100.0	69.4	15.5	25.3	110.2	58.2	68.5
1990	100.0	62.0	14.1	28.0	104.1	52.0	56.1
1993	100.0	60.5	13.1	34.7	108.4	59.6	68.0
St Kitts and Nevis							
1980	100.0	71.2	20.9	38.2	130.2	66.9	97.2
1985	100.0	69.7	22.5	30.3	122.5	55.4	77.9
1990	100.0	59.1	18.4	55.3	132.7	52.1	84.8
1992	100.0	55.8	17.1	39.6	112.6	59.5	72.1

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2.5. USE OF GROSS DOMESTIC PRODUCT * (CONT.)
(%)

Year	Gross domestic product at market prices	of which					
		Private consumption	State consumption	Gross capital formation	Final domestic consumption	Exports	Imports
						of goods and services	
St Lucia							
1980	100.0	75.4	17.5	34.3	127.3	67.0	94.2
1985	100.0	73.4	19.4	21.0	113.8	55.9	69.7
1990	100.0	71.1	14.7	25.7	111.5	72.3	83.8
1993	100.0	68.7	14.6	24.6	108.0	65.8	73.8
St Vincent and the Grenadines							
1980	100.0	78.8	23.6	39.3	141.8	65.4	107.2
1985	100.0	58.3	19.7	28.0	106.0	73.1	79.1
1990	100.0	64.5	18.2	31.8	114.4	65.8	80.2
1993	100.0	68.3	18.4	35.1	121.7	44.4	66.1
Suriname							
1980	100.0	57.6	21.3	26.5	105.3	68.8	74.2
1985	100.0	55.0	33.7	14.4	103.2	36.7	39.9
1990	100.0	48.1	25.7	21.9	95.7	32.2	27.9
1993	100.0	50.1	27.4	23.2	100.7	26.2	27.0
Trinidad and Tobago							
1980	100.0	45.9	12.1	30.6	88.5	50.4	39.0
1985	100.0	54.4	22.7	18.8	95.9	32.6	28.4
1990	100.0	54.3	16.2	12.6	83.1	45.4	28.4
1993	100.0	60.2	16.5	13.6	90.4	39.8	30.1

* In current prices.

3. AGRICULTURE, FORESTRY AND FISHERIES

INTRODUCTION

Agriculture, forestry and fisheries is one of the key sectors of the Caribbean economy, and the overall economic development of many countries in the region is very heavily influenced by trends in the agricultural sector. In regional terms, agricultural exports form the largest production segment in the primary sector, whilst the cultivation of foodstuffs for the resident population is also of some importance. These two branches form the focus of this Chapter. Livestock farming, forestry and fisheries, on the other hand, are only summarized briefly since they are of limited economic importance in all but a few countries.

The importance of agriculture, forestry and fisheries to the economies of a number of Caribbean countries is clearly reflected in the scale of its contribution to total value added. In Guyana, its share of GDP is over 40% and in Haiti it accounts for 37%. In Belize, Dominica, the Dominican Republic, St Vincent and the Grenadines and Suriname too, the agricultural sector is responsible for around one-fifth of total output (cf. Chapter 2, Table 2.4). This contrasts with the situation in countries such as Antigua and Barbuda, Barbados, Jamaica and Trinidad and Tobago where agriculture accounts for well under 10% of national GDP and therefore plays a less important role. Agricultural products do nevertheless make up a sizeable chunk of the exports by almost all the countries in the region, accounting for an average of over one-fifth of the total value of exports by the region in 1992.

The proportion is much higher when it comes to agricultural exports to the EU, which accords preferential access to its markets for a range of products from the Caribbean ACP countries. Almost half (49.1%) of the regional average figure for the value of exports by the Caribbean countries to the EU in 1992/93 was produced by agricultural products, beverages and tobacco (cf. Chapter 13, Table 13.4). Generally speaking, between 40% and 45% of the total exports by the Caribbean countries to the EU are in the form of just four products - bananas, sugar, rice and rum (cf. Table 13.5). In some countries the proportion of agricultural products in their goods exports to the EU is way above the regional average, this being the case for Belize, Guyana and the OECS States of Dominica, St Kitts and Nevis and St Lucia, where such products account for 80% to nigh on 100% of their exports to the EU. On top of this, it is also the case for most of these countries that their agricultural exports are in the form of just one or two different products. In 1993, bananas made up 84% of Dominica's total goods exports to the EU, sugar represented 94% of the value of EU exports by St Kitts and Nevis, and bananas again constituted 93% of St Lucia's total exports. Other countries too - such as Belize, St Vincent and the Grenadines, Barbados, Trinidad and Tobago or Guyana - display this same dependence on just a few agricultural products in their export trade with the EU (cf. Table 13.5). It is, therefore, little wonder that changes in the existing preferential trade conditions

for the export of agricultural products to the EU can sometimes have such a radical effect on the total export trade carried out by many Caribbean countries (cf. Chapter 13).

Another fundamental problem which ranks alongside the general lack of diversity in agricultural exports is that little attention has been paid to the production of foodstuffs. As a result, substantial quantities of foodstuffs often have to be imported, thus placing an additional burden on the chronic balance of trade deficit recorded by almost all the Caribbean States. Despite their large agricultural export sectors, no fewer than ten of these fifteen countries are net importers of agricultural products because of the serious shortage of foodstuffs produced. This is partly due to tourism, since large quantities of foodstuffs have to be imported to cater for the foreign tourists, but the inadequate level of domestic production is also responsible for the fact that substantial imports of wheat, animal products and fish are sometimes required to meet demand by domestic consumers. It is even the case that sugar, one of the Caribbean's classic export products, has to be imported into a number of producer countries because domestic production is unable to satisfy internal demand (e.g. Haiti) and/or because with virtually the whole crop being grown for lucrative export markets which guarantee prices way over the world market level (particularly the EU and the United States), there is too little home-produced sugar available for domestic consumers (e.g. Barbados, Dominican Republic, Guyana).

Fortunately, some encouraging trends have emerged in the Caribbean agricultural sector over the last few years, including the attempts undertaken by a number of countries to broaden the basis of their agricultural production, which should open up new, if also limited, export potential in the medium and longer terms. Another positive development is the shift towards the cultivation of fruit. Credit must also be given to the recent initiatives launched to restructure the traditional agricultural export sectors (banana and sugar industries), with the aim of making them competitive on international markets for some time to come.

AGRICULTURAL PRODUCTION FOR THE DOMESTIC MARKET

Bad weather conditions (periods of drought, tropical storms, flooding), shortages of land and water, soil erosion, the current conditions concerning land ownership, the general lack of access to agricultural credit, to inputs capable of increasing production (artificial fertilizers, pesticides) and to machinery, inadequate storage and marketing systems and insufficient infrastructure facilities have all hitherto combined to hamper the full development of agricultural potential in the Caribbean, and have particularly curtailed the production of foodstuffs. The latter has also suffered from the bias towards the export trade in agricultural products.

Some of the more important food plants grown in the Caribbean to supply domestic markets include rice, maize, sugar, sweet potatoes, various types of vegetables (incl. beans, tomatoes and cucumbers) and a large range of tropical fruits and spices. In addition to these, millet, sorghum and manioc also help feed the population of some countries. On account of the

above-mentioned bias towards export markets, the Caribbean countries were unable to step up production of these products to the extent that would have been required to improve their self-sufficiency in foodstuffs. Table 3.6 contains a cross-sectional comparison between the 1985 and 1993 figures for some countries in the region which reveals that the fall in the production of food plants was sometimes substantial. By way of example, the 1993 harvests in two of the larger Caribbean rice-producing countries, Haiti and Suriname, were much lower than in 1985, and whilst rice production was up in the Dominican Republic (which has the region's strongest agricultural sector), the maize and sweet potato harvests fell. With little progress having so far been made in increasing domestic production, some countries have become very dependent upon food imports. The Bahamas, for example, have to import 80% of all foodstuffs, whilst Trinidad and Tobago, which was once a traditional agricultural nation and was still self-sufficient in the 1960s, now has to rely on imports to meet 75% of its food requirements. Even Haiti, where agriculture still plays such an important role in the economy, was obliged to fill the gaps in its production with agricultural imports even before the imposition of the economic embargo in 1991 led to a serious under-supply of foodstuffs, malnutrition and the threat of famine. It too ranks amongst those countries with a negative foreign trade balance in agricultural products.

In view of the heavy burden placed upon the balance of trade by food imports, there have, admittedly, been moves in virtually all the Caribbean nations to change the focus of agricultural policy in recent years. Alongside the promotion of the agricultural export trade, the spotlight is being moved more and more towards expanding the cultivation of selected fruits in order to reduce the excessive dependence upon imports and generally encourage much-needed diversification in agricultural production. One good example of this policy is the expansion of domestic production successfully carried out in Belize, where production of rice, beans, maize and fresh vegetables is now of a level to guarantee complete self-sufficiency. In Guyana, the expansion of areas used for rice-growing and the 1991 liberalisation of producer prices led to a large increase in rice production, with the result that as well as supplying the domestic market there is now scope for additional export potential. Since 1992, the government of the Dominican Republic has provided extensive agricultural loans in order to boost domestic production of basic foodstuffs and non-traditional export plants. In the case of Haiti, the rising demographic pressure combined with the collapse in world market prices for various export products (coffee, sugar and cocoa) has led to a rethinking of cultivation priorities and to increased production of food plants. The Suriname government is also seeking to expand rice-growing in order both to increase export volumes and achieve a sufficient supply of rice for the domestic market. In the eastern Caribbean countries, which have hitherto been heavily dependent upon food imports, one of the aims of national development strategy has been to strengthen their own production bases for basic foodstuffs and to build up processing industries. In 1993, the government of the Bahamas adopted a new Agricultural Land Policy (ALP) with the aim of stimulating investment in agriculture and fisheries in order to increase the production of food for local consumers. In Barbados too, one of the main components of government policy is to increase domestic production of food plants.

EXPORT TRADE BY THE CARIBBEAN ACP COUNTRIES

It is one of the legacies of colonialism that the cultivation of agricultural produce for overseas markets has been such a vital and historically-rooted element in the economies of many Caribbean countries. The range of traditional agricultural export products grown widely throughout the Caribbean encompasses bananas, sugar, rum, coffee, cocoa, tobacco, tropical fruits (incl. citrus fruits) and spices (incl. nutmeg and mace). In addition, many countries also produce large quantities of rice for international markets. With a view to offsetting the export losses anticipated in the medium term when the preferential market access for some of these products (incl. bananas, sugar, citrus fruits) comes to an end (cf. chapter on Foreign Trade), agricultural activity virtually throughout the region has turned in recent years towards the cultivation of new export products. The first signs of this diversification in the export of agricultural products can already be seen in a number of Caribbean countries, and these will be examined in detail later on in this report. This section, however, will concentrate on the banana and sugar industries because of their overriding importance to the Caribbean agricultural export sector.

The **banana sector** has traditionally been one the main foreign currency earners in a number of Caribbean countries, and much of the export trade in bananas from the Caribbean is with the EU. As a result, recent production trends have been largely swayed by changes in the conditions governing preferential access to the EU market (cf. chapter on Foreign Trade). On top of this, other external factors and climatic conditions have influenced production trends in some countries since the end of the 1980s. Table 3.1² summarizes developments in banana production by the region's main producer countries. It shows that, with the exception of Belize and the Dominican Republic, there was no significant increase in banana production between 1988 and 1993 in any of the countries listed. Quite the opposite was in fact true, since the banana harvest in most countries either stagnated or followed a fluctuating, but nevertheless downwards, course. In view of the falling export prices resulting from the introduction of the EU's new scheme for banana imports in 1993 and the depreciation in the pound sterling since the end of 1992, there seems little chance that 1994 and the years thereafter will see a radical boost in production by this sector in most of the producer countries. To cap it all, at the end of 1994 Cyclone Debbie inflicted serious damage on banana production in the eastern Caribbean countries.

² Table 3.1 provides data on banana or sugar production for selected main producers only. Production values are not given for some producer countries where data were not available in time series or where the data available were inconsistent.

**3.1. BANANA PRODUCTION AND SUGAR PRODUCTION IN SELECTED
CARIBBEAN ACP COUNTRIES**
1 000 t

Country	1988	1989	1990	1991	1992	1993	1994
Bananas							
Belize	26.6	27.4	25.5	22.0	29.5	40.8	.
Dominica	73.0	50.0	56.0	55.4	58.0	55.5	.
Dominican Republic	391	384	395	389	420	429	.
Grenada	9.1	8.6	7.9	6.9	6.3	4.7	.
Guyana	20	20	20	21	21	21	.
Haiti	230	225	235	220	230	230	.
Jamaica	135	130	128	134	137	125	.
St Lucia	133.6	124.6	133.5	108.8	132.9	129.1	.
St Vincent and the Grenadines	62.1	64.6	81.4	64.0	77.4	58.4	30
Suriname	61	55	56	58	58	50	.
Sugar							
Barbados	80	66	69	66	54	48	52
Belize	83.0	92.4	101.9	103.5	102.1	101.8	.
Dominican Republic	777	693	590	678	640	614	610
Guyana	170.2	167.4	132.0	162.6	247.0	246.5	253
Haiti	30	30	35	28	23	30	.
Jamaica	215	200	204	228	219	220	245
St Kitts and Nevis	25.5	24.8	15.1	19.4	20.2	21	20
Trinidad and Tobago	91.3	97.0	118.2	100.4	110.4	104.7	127.6

The Dominican Republic is the largest banana producer in the region, and although banana exports have hitherto played only a minor role in the country's export trade, there does seem to be some limited potential for future growth in banana exports. After recording figures of under 400 000 t each year between 1988 and 1991, the banana harvest rose in 1992 to 420 000 t and continued this upward course in 1993, when it totalled 429 000 t.

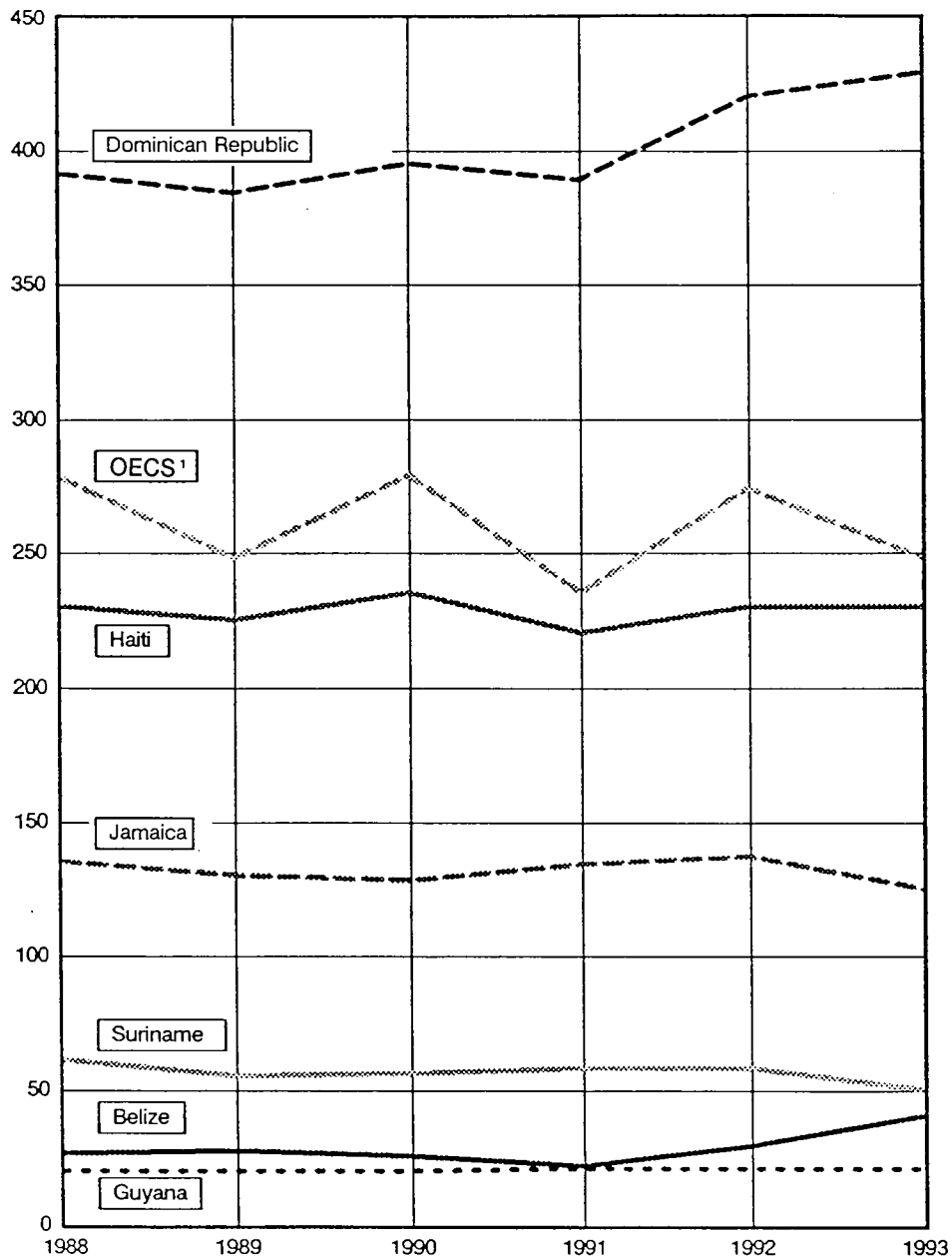
Banana output in the eastern Caribbean producer countries fluctuated between 230 000 t and 280 000 t in the period from 1988 to 1993. In 1993, the harvest was almost 10% down on the previous year at 247 700 t (1992: 274 600 t). The banana sector in these countries almost exclusively serves the United Kingdom market and was therefore particularly badly hit by the depreciation of the pound. Marginal producers in these countries were forced out of business by falling export prices and massive losses in export earnings. Other reasons for the slump in production in 1993 were bad weather (drought) and the lack of local credit facilities. With the exception of St Lucia (EU quota: 127 000 t), banana production in 1993 in the three other eastern Caribbean producer countries (Dominica: 71 000 t; Grenada: 14 000 t; St Vincent: 82 000 t) came nowhere near filling the existing duty-free quotas for exports to the EU agreed under the Lomé Convention. This situation repeated itself in 1994, as the devastation wrought by Cyclone Debbie meant banana production and exports still fell far short of the permitted EU quotas. The crop losses in St Vincent and the Grenadines were particularly heavy and initial estimates for 1994 put banana production at 30 000 t - its lowest level for 10 years. The three other eastern Caribbean producer countries also sustained serious crop losses. In order to alleviate the immediate effects of the cyclone, the EU has since earmarked US\$ 47.2 million for a programme of reconstruction in the eastern Caribbean banana industry.

In contrast to the eastern Caribbean countries, the banana industry in Belize has experienced an upturn in recent years. Banana production started up again in 1975, but was initially hampered by bad plantation management, undercapitalisation and transport problems. The situation then went from bad to worse due to sudden cold snaps and infestation of the plants, which caused production to fall in 1990 and 1991. Following the privatisation of the banana sector and the successful implementation of measures to rid the plants of disease, production started to take off. Already up at 29 500 t in 1992, the harvest then reached 40 800 t in 1993. On account of these developments and the above-mentioned difficulties experienced by the eastern Caribbean producers, the EU banana quota for Belize was raised to 55 000 t for 1995.

The banana crop in the other main banana-producing countries in the Caribbean (Guyana, Haiti, Jamaica and Suriname) showed little change between 1988 and 1993. Although Jamaica at least has increased its volume of banana exports in recent years, it is still falling short of its EU quota of 105 000 t.

The other linchpin of Caribbean export trade is **sugar**, another product for which the countries in the region enjoy preferential access into the EU market and, partly in the form of varying export quotas, into the United States (cf. Chapter 13). Developments in the sugar industry in the different Caribbean countries have been very varied over the last few years, and the future prospects for this branch of production look to be anything but uniform.

3.1. BANANA PRODUCTION IN SELECTED CARIBBEAN ACP COUNTRIES
1988-93 (in 1000 t)



¹ OECS: Dominica, Grenada, St Lucia and St Vincent and the Grenadines.

The once-dominant sugar industry in Barbados has lost much of its importance due to sagging production figures, and its high production costs and low productivity are posing serious problems. Sugar production has been on an almost uninterrupted downward curve since the mid-1980s as the cultivation of unprofitable areas has been abandoned. The low point was reached with the 1993 harvest of 48 000 t - the lowest since 1931. 1994 saw a temporary rally in production which went up to 52 000 t, thus meeting the EU quota of 50 000 t. However, with heavy crop losses due to drought, it is expected that sugar production will slip back to around 36 000 t in 1995. The country's sugar industry is in the process of being restructured following the decision taken in 1992 by the Barbados Sugar Industries Ltd. (BSIL), which was responsible for all sugar production, to file for bankruptcy due to overindebtedness. With substantial new investment in sugar mills, it is hoped that production can be stepped up again, thereby avoiding the danger of losing the US sugar quota due to problems with deliveries and putting the industry in a position to meet the EU quota, which was recently raised to 64 000 t.

Sugar is Belize's main agricultural export product and this country is the lowest-cost producer in the English-speaking Caribbean. Production was boosted to over 100 000 t by 1990 and remained stable at this level over the following years. The United Kingdom is Belize's sole EU client, guaranteeing a fixed export volume of 39 400 t. The other main destination for sugar from Belize is the United States (1993/94 quota: 10 803 t). In view of the stagnation in production since the beginning of the 1990s and the shrinking quota for exports to the United States, the government, together with US Export Promotion Agencies, is promoting a programme of agricultural diversification in the main sugar-growing areas in the north of the country. The increase in the EU quota for 1995 to 55 000 t could act as a fillip to the sugar sector.

As is the case with bananas, the Dominican Republic is the region's largest sugar producer. Whilst sugar remains the country's main agricultural export product, both production and exports have dropped significantly since the mid-1980s as a result of the gradual reduction in the US sugar quota. Between 1988 and 1994 alone, the bumpy ride taken by sugar output resulted in a fall of over one-fifth from 777 000 t to 610 000 t. In view of the contracting export markets, the government is pressing growers to switch to non-traditional agricultural export products.

The climate in Guyana is particularly favourable to the cultivation of cane sugar, since the abundant rainfall makes it possible to harvest two crops per year. Despite this, sugar production fell steadily from 1983 to 1990, when it reached rock bottom at 132 000 t. This slump in production was explained by shortages of equipment, strikes and sometimes excessive rainfall, as a result of which there was a period when the country could no longer reach its EU quota of 163 000 t and even had to import sugar to meet domestic demand. Although production rose to 162 600 t in 1991, this was still short of the target of 180 000 t set for that year. This provoked a shake-up in the management structure of the sugar industry, a measure which produced an immediate powerful upsurge in production, reflected in the data for 1992 to 1994. Production in 1992 was already up by over 50% to 247 000 t, remained stable at this level in 1993 and then rose further to 253 000 t in 1994. Assuming that the

urgent measures required to reorganise the infrastructure are successfully implemented, the future prospects for the Guyanan sugar industry look good, since it is counting on supplying an additional 30 000 t per year to the Portuguese market as of July 1995, on top of its existing EU quota. The production target for 1995 has been set at 265 000 t.

Sugar production in Haiti stagnated during the reference period at around 30 000 t. Whilst sugar remains an important export product for this crisis-torn economy, the low volume of output compared to the high population means that Haiti is actually a net importer of sugar, which it requires in order to satisfy domestic demand.

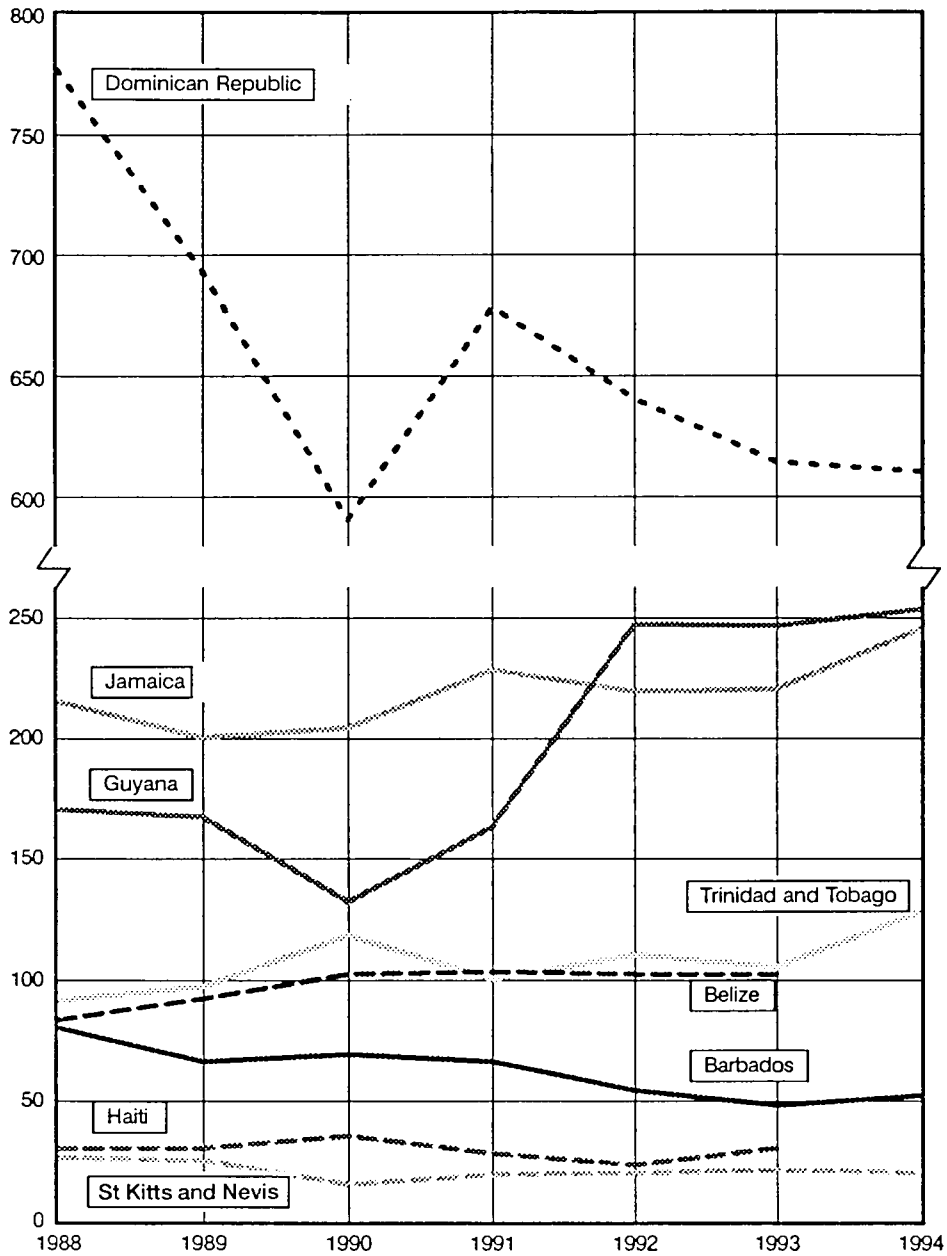
Up until recently, Jamaica was the second-largest producer of all the Caribbean ACP States, but sugar production here too has remained stagnant for a long time at between 200 000 t and 220 000 t. In 1994, however, production rose by 11% to 245 000 t despite the dry conditions and the devastation caused by Hurricane Gordon. Most of Jamaica's sugar ends up in the EU as part of its current 126 000 t export quota, and some still finds its way to the United States.

St Kitts and Nevis is the only OECS country where sugar is produced in any great quantity. After falling to 15 100 t in 1990, sugar production climbed back up to over 20 000 t in 1992, and though the industry managed to sustain this performance in 1993 and 1994, it never recaptured the heights of 1988 and 1989. The generally downward trend of the recent past was mainly the result of low world market prices and a shrinking export quota to the United States.

Trinidad and Tobago was once one of the Caribbean's traditional sugar producers, but when oil was found the sugar sector lost much of its economic clout. After fluctuating between 90 000 t and 120 000 t during the period from 1988 to 1993, sugar production then rose by over 20% in 1994 to 127 600 t. The largest customer for sugar from Trinidad and Tobago is once again the EU (EU quota: 47 500 t), followed by the United States, where over 8 000 t of sugar per year can be sold under preferential conditions.

Rice is an important export product for several Caribbean countries, and Guyana and Suriname in particular have established themselves as exporters on the world market. The cultivation of rice for export has taken off in recent years, particularly in Guyana which exports to the EU and, now that access to their markets has improved, to several Caricom countries (primarily Jamaica), as well as Aruba, Bonaire and Curaçao.

3.2. SUGAR PRODUCTION IN SELECTED CARIBBEAN ACP COUNTRIES
1988-1994 (in 1000 t)



Statistisches Bundesamt 95 0209 B

The **coffee** and **cocoa** industries are traditional export sectors in the Caribbean, but as world market prices have tumbled since the end of the 1980s they have fallen deeper and deeper into crisis. The Dominican Republic and Haiti are the two largest countries where coffee production is aimed at world markets, and the slump in international prices has led to a drastic fall in coffee production and the value of coffee exports. For example, earnings from coffee exports by the Dominican Republic in 1992 were at their lowest level for 20 years, whilst the value of exports by Haiti was halved between 1987 and 1992. The same trend can be observed for cocoa, where the region's top exporters are once again the Dominican Republic and Haiti. Here too they have had to endure swingeing export losses, and the export of cocoa has virtually ground to a halt in Haiti. In addition to these two countries, a certain amount of cocoa is also grown in Grenada and Trinidad and Tobago for the world market. Cocoa production in Grenada has followed a downward course since 1992 because the small growers lack the financial resources required for capital projects. In the medium term, the only chance of any immediate or longer term revitalisation of these two segments of the export sector, allowing them to increase their contribution to the economy as a whole, would seem to lie in some lasting upturn in international coffee and cocoa prices. This does, however, seem rather unlikely.

Over the last few decades, **citrus fruits** have made up an ever-larger share of the agricultural exports by some Caribbean countries, and the developments in Belize in particular are worth highlighting. In recent years, it has expanded its duty-free and quota-free exports of deep-frozen orange and grapefruit concentrates to the United States, whilst citrus fruits over the same period have become the country's second largest group of agricultural exports behind sugar. With world market prices on the up and up, export revenue from citrus fruits is expected to rise substantially in 1995. In the Dominican Republic too, citrus fruits were once traded mainly within the Caribbean, but have developed into one of the growth sectors of its export trade. The country has plans, therefore, to tap the European and North American markets for citrus fruits.

The export of **nutmeg** and **mace** by Grenada is a rather special case, as together with Indonesia it controls the world market for this tropical spice. The collapse of the bilateral agreement with Indonesia in 1987 triggered off a serious downward spiral in nutmeg prices and resulted in massive export losses. After years of diminishing returns, the situation improved somewhat in 1994 when prices rose again and stocks were gradually reduced. For there to be any lasting recovery in nutmeg exports, however, a new agreement will need to be reached with Indonesia in order to stabilize the world market. Although these two dominant producers have, in the meantime, returned to the negotiating table, the talks were suspended in December 1994 because of certain disagreements. The negotiations are scheduled to resume in March 1995.

In response to the pressing need to diversify their range of agricultural exports, promising steps have been taken recently by some Caribbean countries towards the production of **non-traditional export fruits**. The most important of these products are **fresh vegetables, tropical fruits** and **spices**. There looks to be a particularly good chance of success in Belize,

where the cultivation of cucumbers, ginger, pepper, papayas and mangoes to supply American consumers during the winter season is being intensified. The Dominican Republic is now successfully growing larger quantities of tropical fruits (particularly pineapples) and flowers for export markets, whilst grapefruit and copra could be potential new export products for Jamaica.

These new developments will, however, not be sufficient to offset the losses which traditional agricultural exports are soon expected to sustain when the new world trade order comes into being, and the chances that the new products will become as important to the economies of the Caribbean countries as, say, sugar or bananas are extremely remote.

FORESTRY AND FISHERIES

Moving away from crop production, the forestry and fisheries sectors would seem to offer potential for broadening the export basis in some countries at least.

In Belize, for example, **forestry** once dominated economic life and this sector is showing strong signs of revival after long years of recession. An afforestation programme has recently been set in motion which, if successful, should make it possible to harvest tropical hardwoods. Of all the 15 Caribbean States, Guyana undoubtedly offers the greatest potential for forestry because it has the largest forested area (cf. Table 3.2). Recent investment in new wood-processing facilities has already led to a significant expansion in forestry activities, and with no let-up in the interest shown by foreign timber companies there is every chance that this sector will continue to grow over the coming years. Suriname is the third country whose abundance of forest resources should ensure that forestry plays a much more important role in the economy in the future. In the past, the development of forestry activities was hampered by the unstable state of the country and damage inflicted on the infrastructure, and timber-felling in Suriname actually fell in the 1980s and early 1990s. This situation could change very shortly, as an Indonesian consortium started commercial logging in 1994 and a Malaysian timber company also has plans for massive investment in this sector.

With regard to **fisheries**, the last few years have also witnessed some promising developments. Catching and exporting crabs, in particular, is becoming an increasingly lucrative export activity for many countries in the region. In Suriname, crabs have now overtaken rice and bananas as the most important agricultural export, as a result of promotional measures taken by the State. In neighbouring Guyana, which is self-sufficient in fish products, crab exports are third in the list of agricultural exports behind sugar and rice, and the potential for increasing exports of fish and crabs is felt to be excellent. In Belize too, fish and fish products already formed the third-largest group of agricultural export products in 1993, behind sugar and citrus fruits but ahead of bananas. This was mainly due to the measures promoting crab-farming. Overfishing and illegal fishing outside the fishing season do, however, pose a threat to the fishing industry. The Bahamas also have plentiful fishery resources which, if the existing potential is properly exploited, could be developed into a key

component of its export trade. A crab-farming project was recently set up using Taiwanese capital. In Barbados, the opening of a new fishing port and new marketing opportunities should yield good export prospects, and a fishing agreement recently reached with Guyana and Trinidad and Tobago allows Barbados to catch greater volumes of fish for export by fishing the territorial waters of these two countries. Although currently dependent on fish imports, Jamaica also has large stocks of freshwater fish and extensive seafishing grounds which, if developed, could bring in additional export revenue in the medium- and longer terms.

SUMMARY

The overall effect of the abovementioned attempts to diversify agricultural exports and expand food production should be to produce some moderate future growth in the agricultural sector in the Caribbean and to raise the level of agricultural productivity. These new efforts to promote non-traditional segments of the export market will not, however, be enough to make up for the declining importance of the traditional agricultural export sectors. All in all, the potential for increasing agricultural production, and more specifically broadening the range of exports, is not felt to be very great on account of the limited natural resources available to most Caribbean countries (the scarcity of land and water) and the shortage of manpower. Crop losses and setbacks in agricultural production will remain a fact of life in view of the recurring periods of drought, floods and tropical storms. Given these circumstances, agriculture, forestry and fisheries will be no more than a moderate growth factor for the economies of the Caribbean and certainly cannot be expected to be the powerhouse behind sustained economic growth. It is, therefore, essential that official economic policy in the Caribbean countries look beyond promoting the agricultural sector towards the development of the secondary and tertiary branches of the economy.

3.2. LAND USE 1992

Country	Arable land	Permanent crops	Permanent meadows and pastures ¹	Forested areas	Other surface area	Irrigated area
1 000 ha						
Antigua and Barbuda	8	-	4	5	27	-
Bahamas	8	2	2	324	1 052	-
Barbados	16	-	2	-	25	-
Belize	45	12	48	1 012	1 180	2
Dominica	7	10	2	31	25	-
Dominican Republic	1 000	450	2 092	610	721	230
Grenada	5	6	1	3	19	-
Guyana	480	16	1 230	16 369	3 402	130
Haiti	560	350	495	35	1 335	75
Jamaica	155	64	257	184	439	35
St Kitts and Nevis	8	6	1	6	5	-
St Lucia	5	13	3	8	33	1
St Vincent and the Grenadines	4	7	2	14	12	1
Suriname	57	11	21	14 800	1 438	60
Trinidad and Tobago	75	47	11	218	162	22
% of total area						
Antigua and Barbuda	18.2	-	9.1	11.4	61.4	-
Bahamas	0.6	0.1	0.1	23.3	75.8	-
Barbados	37.2	-	4.7	-	58.1	-
Belize	2.0	0.5	2.1	44.1	51.4	0.1
Dominica	9.3	13.3	2.7	41.3	33.3	-
Dominican Republic	20.5	9.2	42.9	12.5	14.8	4.7
Grenada	14.7	17.6	2.9	8.8	55.9	-
Guyana	2.2	0.1	5.7	76.1	15.8	0.6
Haiti	20.2	12.6	17.8	1.3	48.1	2.7
Jamaica	14.1	5.8	23.4	16.7	39.9	3.2
St Kitts and Nevis	30.8	23.1	3.8	23.1	19.2	-
St Lucia	8.1	21.0	4.8	12.9	53.2	1.6
St Vincent and the Grenadines	10.3	17.9	5.1	35.9	30.8	2.6
Suriname	0.3	0.1	0.1	90.7	8.8	0.4
Trinidad and Tobago	14.6	9.2	2.1	42.5	31.6	4.3

¹ As defined by the Food and Agriculture Organization of the United Nations (FAO, Rome). Depending on weather conditions, includes areas used only on an occasional basis.

3.3. MACHINES AND EQUIPMENT*

Country	Tractors		Tractors per 1 000 of arable land and permanent crops	
	1985	1992	1985	1992
Antigua and Barbuda	236	240	29,5	30,0
Bahamas	75	80	7,5	8,0
Barbados	585	610	17,7	38,1
Belize	940	1 150	17,7	20,2
Dominica	90	90	5,3	5,3
Dominican Republic	2 250	2 350	1,6	1,6
Grenada	27	30	1,9	2,7
Guyana	3 550	3 630	7,2	7,3
Haiti	565	230	0,6	0,3
Jamaica	2 970	3 080	11,0	14,1
St Kitts and Nevis	216	216	15,4	15,4
St Lucia	85	87	5,0	4,8
St Vincent and the Grenadines	76	80	7,6	7,3
Suriname	1 680	1 330	27,1	19,6
Trinidad and Tobago	2 580	2 650	21,9	21,7

* As at year end.

3.4. USE OF FERTILIZERS 1992*

Country	Total	of which			Consumption per ha ¹
		Nitrogen (N)	Phosphate (P ₂ O ₅)	Potash (K ₂ O)	
	t pure nutrient content				kg pure nutrient content
Bahamas	0.3	0.2	-	0.1	30
Barbados	2.7	1.5	0.2	1.0	169
Belize	5.2	1.5	2.0	1.7	91
Dominica	3.4	2.2	0.6	0.6	200
Dominican Republic	97.0	51.0	22.0	24.0	67
Guyana	16.1	13.0	1.6	1.5	32
Haiti	2.2	2.0	0.1	0.1	2

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3.4. USE OF FERTILIZERS 1992* (CONT.)

Country	Total	of which			Consumption per ha ¹
		Nitrogen (N)	Phosphate (P ₂ O ₅)	Potash (K ₂ O)	
t pure nutrient content					kg pure nutrient content
Jamaica	25.7	9.2	3.8	12.7	117
St Kitts and Nevis	1.1	0.5	0.3	0.3	79
St Lucia	6.5	3.0	1.8	1.7	361
St Vincent and the Grenadines	2.3	0.5	0.9	0.9	209
Suriname	1.0	0.6	0.2	0.2	15
Trinidad and Tobago	8.8	7.0	0.2	1.6	72

* Crop year ending in June of the year indicated.

¹ Referred to arable land and permanent crops.

3.5. INDEX OF AGRICULTURAL PRODUCTION 1979/81 A = 100

Country Type of index	1989	1990	1991	1992	1993
Barbados					
Total production	80.2	78.3	76.6	77.2	77.8
per capita	77.9	75.8	74.0	74.2	74.6
Production of foodstuffs	80.2	78.3	76.6	77.2	77.8
per capita	77.9	75.8	74.0	74.2	74.6
Dominican Republic					
Total production	125.9	121.1	123.2	125.3	132.3
per capita	102.3	96.2	95.9	95.6	99.0
Production of foodstuffs	129.4	125.9	129.0	131.7	139.3
per capita	105.1	100.0	100.4	100.6	104.3
Guyana					
Total production	95.9	82.7	92.5	100.1	99.7
per capita	91.8	78.9	87.7	94.1	92.8
Production of foodstuffs	97.0	83.6	93.6	101.3	100.9
per capita	92.9	79.8	88.7	95.2	93.9

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3.5. INDEX OF AGRICULTURAL PRODUCTION (CONT.)
1979/81 A = 100

Country Type of index	1989	1990	1991	1992	1993
Haiti					
Total production	101.6	94.2	90.1	80.2	78.5
per capita	85.5	77.7	72.8	63.5	61.0
Production of foodstuffs	102.7	94.9	90.4	80.8	78.4
per capita	86.5	78.3	73.1	64.1	60.9
Jamaica					
Total production	102.2	117.6	118.9	126.4	128.9
per capita	91.8	104.5	104.7	110.7	110.7
Production of foodstuffs	101.8	117.3	118.4	126.1	128.8
per capita	91.5	104.2	104.3	110.5	110.6
Suriname					
Total production	101.3	90.4	103.1	102.3	102.1
per capita	86.4	75.7	84.6	82.4	80.7
Production of foodstuffs	101.3	90.4	103.1	102.3	102.1
per capita	86.5	75.7	84.6	82.4	80.7
Trinidad and Tobago					
Total production	84.1	100.7	97.6	92.3	91.5
per capita	74.3	88.0	84.3	78.9	77.4
Production of foodstuffs	85.5	101.4	100.3	95.1	93.2
per capita	75.7	88.7	86.6	81.2	78.8

**3.6. AREAS UNDER SELECTED CROPS, YIELDS AND
HARVEST VOLUMES IN 1985 AND 1993**

Country	Rice					
	Area	Yield	Harvest volume	Area	Yield	Harvest volume
	1985			1993		
	1 000 ha	dt/ha	1 000 t	1 000 ha	dt/ha	1 000 t
Belize	2	22.8	6	1	25.8	3
Dominican Republic	110	44.8	494	105	50.5	530
Guyana	78	34.0	265	90	33.3	300
Haiti	35	36.9	129	58	18.1	105

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**3.6. AREAS UNDER SELECTED CROPS, YIELDS AND
HARVEST VOLUMES IN 1985 AND 1993 (CONT.)**

Country	Rice (cont.)					
	Area	Yield	Harvest volume	Area	Yield	Harvest volume
	1985			1993		
	1 000 ha	dt/ha	1 000 t	1 000 ha	dt/ha	1 000 t
Jamaica	1	30.4	4	.	25.0	1
St Vincent and the Grenadines	-	-	-	.	20.0	.
Suriname	75	40.0	299	69	37.7	260
Trinidad and Tobago	2	20.8	4	6	29.5	16
Country	Maize					
	Area	Yield	Harvest volume	Area	Yield	Harvest volume
	1985			1993		
	1 000 ha	dt/ha	1 000 t	1 000 ha	dt/ha	1 000 t
Antigua and Barbuda	-	20.8	-	-	18.3	-
Bahamas	1	12.6	1	1	12.5	1
Barbados	1	25.0	2	1	25.0	2
Belize	14	13.9	20	16	14.8	23
Dominica	-	13.9	-	-	13.3	-
Dominican Republic	38	23.8	91	35	12.0	42
Grenada	-	9.5	-	-	10.0	-
Guyana	1	10.9	1	2	11.7	3
Haiti	200	9.8	196	250	8.0	200
Jamaica	3	11.6	4	4	12.5	5
St Lucia	-	7.7	-	-	7.1	-
St Vincent and the Grenadines	-	33.7	1	-	35.5	1
Suriname	-	16.3	-	-	18.7	-
Trinidad and Tobago	1	28.6	3	2	35.5	6

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**3.6. AREAS UNDER SELECTED CROPS, YIELDS AND
HARVEST VOLUMES IN 1985 AND 1993 (CONT.)**

Country	Sweet potatoes					
	Area	Yield	Harvest volume	Area	Yield	Harvest volume
	1985			1993		
	1 000 ha	dt/ha	1 000 t	1 000 ha	dt/ha	1 000 t
Antigua and Barbuda	-	74.0	-	-	68.0	-
Bahamas	-	40.9	-	-	39.8	-
Barbados	-	84.0	2	-	79.0	2
Dominica	-	100.0	1	-	50.0	2
Dominican Republic	7	99.1	71	11	59.1	65
Grenada	-	28.4	-	-	27.4	-
Haiti	70	51.4	360	61	31.2	190
Jamaica	3	111.6	32	2	134.8	24
St Kitts and Nevis	-	50.0	-	-	50.0	-
St Lucia	-	53.9	1	-	51.7	2
St Vincent and the Grenadines	4	20.0	8	2	17.3	4
Suriname	-	54.2	-	-	90.1	-
Trinidad and Tobago	-	51.3	-	-	70.0	-

Country	Green coffee					
	Area	Yield	Harvest volume	Area	Yield	Harvest volume
	1985			1993		
	1 000 ha	dt/ha	1 000 t	1 000 ha	dt/ha	1 000 t
Dominica	-	10.0	-	-	9.0	-
Dominican Republic	162	4.4	72	85	5.0	42
Guyana	1	5.7	-	1	6.0	-
Haiti	33	11.2	37	30	11.2	34
Jamaica	6	2.3	1	6	2.8	2
St Lucia	-	10.0	-	-	10.0	-
St Vincent and the Grenadines	-	3.4	-	-	3.7	-
Suriname	-	2.1	-	-	2.1	-
Trinidad and Tobago	10	2.1	2	6	1.5	1

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**3.6. AREAS UNDER SELECTED CROPS, YIELDS AND
HARVEST VOLUMES IN 1985 AND 1993 (CONT.)**

	Coconuts	Oranges	Coconuts	Oranges
	Harvest volume			
	1985		1993	
	1 000 t			
Bahamas	-	-	-	-
Barbados	2	-	2	-
Belize	3	43	3	62
Dominica	15	3	13	4
Dominican Republic	104	54	160	64
Grenada	8	1	7	1
Guyana	-	12	-	15
Haiti	36	32	30	26
Jamaica	130	42	115	62
St Kitts and Nevis	2	-	2	-
St Lucia	26	-	37	-
St Vincent and the Grenadines	20	-	23	1
Suriname	7	10	10	15
Trinidad and Tobago	55	7	45	8

3.7. LIVESTOCK POPULATION AND SLAUGHTERINGS IN 1985 AND 1993
1 000 units

Country	Livestock					
	Cattle		of which: dairy cows		Pigs	
	1985	1993	1985	1993	1985	1993
Antigua and Barbuda	18	16	6	7	4	4
Bahamas	4	6	3	2	19	15
Barbados	16	33	7	11	48	45
Belize	48	58	4	7	24	26
Dominica	4	9	2	5	9	5
Dominican Republic	1 922	2 371	249	224	1 850	850
Grenada	4	4	2	1	11	3
Guyana	199	160	25	30	160	30
Haiti	1 350	800	93	88	500	200
Jamaica	280	330	50	53	245	180

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**3.7. LIVESTOCK POPULATION AND SLAUGHTERINGS IN
1985 AND 1993 (CONT.)**
1 000 units

Country	Livestock							
	Cattle		of which: dairy cows		Pigs			
	1985	1993	1985	1993	1985	1993		
St Kitts and Nevis	6	5	-	-	10	2		
St Lucia	12	12	1	1	12	13		
St Vincent and the Grenadines	8	6	1	1	7	9		
Suriname	60	97	7	10	21	36		
Trinidad and Tobago	77	55	6	7	83	48		
	Sheep		Goats		Poultry ¹			
	1985	1993	1985	1993	1985	1993		
	Antigua and Barbuda	13	13	12	12	-	-	
Bahamas	39	40	18	19	1	2		
Barbados	54	66	32	38	1	2		
Belize	3	4	1	1	1	1		
Dominica	4	8	6	10	-	-		
Dominican Republic	80	128	465	574	17	33		
Grenada	17	12	12	11	-	-		
Guyana	118	130	76	79	15	11		
Haiti	92	85	1 100	910	8	5		
Jamaica	4	2	430	440	5	8		
St Kitts and Nevis	14	14	10	10	-	-		
St Lucia	15	16	11	12	-	-		
St Vincent and the Grenadines	13	12	4	6	-	-		
Suriname	3	9	5	9	6	6		
Trinidad and Tobago	11	14	50	52	8	12		
	Slaughterings							
	Cattle and calves		Pigs		Sheep and lambs		Goats	
	1985	1993	1985	1993	1985	1993	1985	1993
Antigua and Barbuda	3	3	2	2	2	3	2	4
Bahamas	1	1	10	10	12	12	6	7
Barbados	1	6	52	50	9	16	13	15
Belize	8	8	35	38	1	1	-	1

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**3.7. LIVESTOCK POPULATION AND SLAUGHTERINGS IN
1985 AND 1993 (CONT.)**
1 000 units

	Slaughterings (cont.)							
	Cattle and calves		Pigs		Sheep and lambs		Goats	
	1985	1993	1985	1993	1985	1993	1985	1993
Dominica	1	2	7	6	1	2	2	3
Dominican Republic	329	330	559	820	4	34	47	185
Grenada	1	1	1	1	2	4	3	3
Guyana	12	20	19	10	50	52	23	26
Haiti	185	160	225	215	33	29	560	410
Jamaica	66	80	128	94	1	-	140	142
St Kitts and Nevis	2	1	4	2	4	4	4	4
St Lucia	4	3	9	11	7	6	4	5
St Vincent and the Grenadines	4	2	5	9	3	5	1	2
Suriname	10	17	21	25	1	3	2	4
Trinidad and Tobago	7	6	73	38	8	6	28	25

¹ Million.

3.8. PRODUCTION OF SELECTED ANIMAL PRODUCTS IN 1985 AND 1993
1 000 t

Country	Beef and veal		Pork		Poultrymeat	
	1985	1993	1985	1993	1985	1993
	1 000 t					
Antigua and Barbuda	1	1	0	0	-	-
Bahamas	0	0	0	0	8	5
Barbados	0	1	5	5	6	9
Belize	1	1	1	1	3	4
Dominica	0	0	0	0	-	-
Dominican Republic	60	86	28	53	81	137
Grenada	0	0	0	0	-	-
Guyana	2	3	1	1	15	14
Haiti	33	20	9	9	9	7
Jamaica	11	16	6	6	23	52

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3.8. PRODUCTION OF SELECTED ANIMAL PRODUCTS IN 1985 AND 1993
1 000 t

Country	Beef and veal		Pork		Poultrymeat	
	1985	1993	1985	1993	1985	1993
	1 000 t					
St Kitts and Nevis	0	0	0	0	-	-
St Lucia	1	1	0	1	1	1
St Vincent and the Grenadines	1	0	0	1	-	-
Suriname	1	3	2	2	10	9
Trinidad and Tobago	1	1	4	2	25	30
	Cows' milk		Hens' eggs		Honey	
	1985	1993	1985	1993	1985	1993
	1 000 t		t			
Antigua and Barbuda	6	6	160	120	-	-
Bahamas	3	2	420	600	-	-
Barbados	9	15	1 287	1 600	-	-
Belize	4	7	1 201	1 480	-	150
Dominica	2	5	270	158	-	-
Dominican Republic	379	380	20 413	43 300	1 430	1 300
Grenada	2	1	1 000	920	-	-
Guyana	19	28	4 200	8 300	72	74
Haiti	22	22	3 250	3 250	320	540
Jamaica	50	53	17 500	28 000	1 000	1 000
St Kitts and Nevis	-	-	340	350	-	-
St Lucia	1	1	520	540	-	-
St Vincent and the Grenadines	1	1	570	640	-	-
Suriname	11	17	2 650	3 100	74	80
Trinidad and Tobago	11	11	7 950	9 500	270	125
	Cattle and buffalo hides,		Sheep skins,		Goat skins,	
	fresh					
	1985	1993	1985	1993	1985	1993
	t					
Antigua and Barbuda	70	64	7	9	4	10
Bahamas	23	27	35	36	16	17
Barbados	37	149	30	57	33	36
Belize	159	128	2	2	1	1

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**3.8. PRODUCTION OF SELECTED ANIMAL PRODUCTS
IN 1985 AND 1993 (CONT.)**
1 000 t

	Cattle and buffalo hides,		Sheep skins,		Goat skins,	
	fresh					
	1985	1993	1985	1993	1985	1993
	t					
Dominica	32	40	4	5	6	9
Dominican Republic	7 600	7 623	14	117	93	370
Grenada	19	18	5	9	6	7
Guyana	300	500	125	130	46	52
Haiti	4 070	2 420	116	102	1 008	738
Jamaica	1 453	1 760	2	1	280	284
St Kitts and Nevis	37	28	13	13	9	10
St Lucia	79	69	23	20	10	12
St Vincent and the Grenadines	84	50	7	11	3	3
Suriname	203	357	4	9	6	10
Trinidad and Tobago	175	150	23	18	70	63

3.9. TIMBER-FELLING IN 1985 AND 1992
1 000 m³

Country	Total	Industrial timber	Firewood & wood for charcoal	Total	Industrial timber	Firewood & wood for charcoal
	1985			1992		
Bahamas	115	115	-	115	115	-
Belize	167	41	126	188	62	126
Dominican Republic	982	6	976	982	6	976
Guyana	214	198	16	177	163	14
Haiti	5 284	239	5 045	6 051	239	5 812
Jamaica	133	120	13	169	156	13
Suriname	230	216	14	154	135	19
Trinidad and Tobago	56	34	22	87	65	22

3.10. NUMBER OF FISHING VESSELS *

Country	Vessels	Tonnage	Vessels	Tonnage	Vessels	Tonnage
	1980		1990		1993	
	Number	GRT	Number	GRT	Number	GRT
Antigua and Barbuda	1	263	1	263	1	263
Bahamas	14	4 073	13	3 383	12	1 780
Barbados	30	3 648	27	3 368	27	3 368
Belize	-	-	-	-	54	26 376
Dominica	-	-	1	103	2	234
Dominican Republic	-	-	-	-	4	1 642
Guyana	34	3 603	46	4 894	47	5 050
Haiti	1	280	1	280	2	485
Jamaica	3	648	4	769	6	974
St Lucia	1	105	1	105	1	105
St Vincent and the Grenadines	1	492	38	21 757	83	39 578
Suriname	7	1 260	7	1 260	8	1 612
Trinidad and Tobago	18	2 145	20	2 794	21	2 905

* Vessels of over 100 GRT: As at mid-year.

3.11. TOTAL CATCHES

1 000 t

Country	1989	1990	1991	1992
Antigua and Barbuda	2.4	2.2	2.4	2.3
Bahamas	8.2	7.5	9.2	9.8
Barbados	2.5	3.0	2.1	3.3
Belize	1.8	1.5	1.6	1.6
Dominica	0.7	0.6	0.6	0.8
Dominican Republic	21.8	20.1	17.3	13.6
Grenada	1.7	1.8	2.0	2.1
Guyana	35.3	36.9	40.8	41.4
Haiti	5.5	5.2	5.2	5.0
Jamaica	10.7	10.6	10.6	10.7
St Kitts and Nevis	1.7	1.7	1.8	1.7
St Lucia	0.8	0.9	0.9	1.0
St Vincent and the Grenadines	5.8	8.8	8.0	2.2
Suriname	6.2	6.5	7.4	10.9
Trinidad and Tobago	8.0	8.4	12.2	15.0

4. INDUSTRY

4.1. INSTALLED CAPACITY OF POWER STATIONS, GENERATION AND CONSUMPTION OF ELECTRICITY

Country	Installed capacity			Electricity generation			Electricity consumption per capita		
	1980	1985	1992	1980	1985	1992	1980	1985	1992
	MW			Mill. kWh			kWh		
Antigua and Barbuda	26	26	26	57	77	95	760	939	1 439
Bahamas	255	357	401	845	854	975	4 024	3 514	3 693
Barbados	94	94	140	332	390	537	1 307	1 535	2 073
Belize	20	21	23	54	71	110	372	433	556
Dominica	7	6	8	11	22	31	151	286	431
Dominican Republic	970	960	1 447	3 317	4 229	5 330	597	659	713
Grenada	8	8	9	25	25	62	234	258	681
Guyana	162	168	114	419	390	235	484	409	291
Haiti	121	126	153	315	411	475	54	69	70
Jamaica	725	732	732	2 195	2 286	2 735	1 012	978	1 108
St Kitts and Nevis	14	15	15	34	35	40	654	745	952
St Lucia	16	20	22	58	73	107	483	566	781
St Vincent and the Grenadines	9	10	14	27	30	51	273	286	468
Suriname	404	415	415	1 577	1 300	1 420	4 480	3 457	3 242
Trinidad and Tobago	756	985	1 150	2 033	3 018	3 945	1 904	2 545	3 119

4.2. CONSUMPTION OF SELECTED PETROLEUM PRODUCTS IN 1992 KG PER HEAD OF POPULATION

Country	Petrol	Petroleum (kerosene)	Heating oil, light	Heating oil, heavy	Liquid petroleum gas
Antigua and Barbuda	303	15	530	152	30
Bahamas	322	152	1 042	663	57
Barbados	224	15	197	703	39
Belize	101	101	202	5	15
Dominica	139	14	83	14	14
Dominican Republic	74	33	109	170	18

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**4.2. CONSUMPTION OF SELECTED PETROLEUM PRODUCTS IN 1992
KG PER HEAD OF POPULATION (CONT.)**

Country	Petrol	Petroleum (kerosene)	Heating oil, light	Heating oil, heavy	Liquid petroleum gas
Grenada	154	11	198	11	22
Guyana	62	12	136	101	16
Haiti	7	1	17	6	0
Jamaica	107	28	123	738	19
St Kitts and Nevis	143	95	333	.	.
St Lucia	153	7	2 190	7	15
St Vincent and the Grenadines	92	9	128	.	18
Suriname	148	7	315	468	34
Trinidad and Tobago	172	224	221	723	42

4.3. MINING AND QUARRYING

Survey item	Unit	1990	1991	1992	1993	1994
Bahamas						
Salt	1 000 t	828	1 096	1 000	.	.
Aragonite	1 000 t	807	1 211	1 000	.	.
Barbados						
Petroleum	1 000 t	62	62	65	63	.
Natural gas	Mill. m ³	33	35	33	.	.
Belize						
Dolomite	1 000 t	86	100	100	.	.
Limestone	1 000 t	237	300	300	.	.
Sand and gravel	1 000 t	158	200	300	.	.
Dominican Republic						
Bauxite	1 000 t	85	7	-	.	.
Gypsum	1 000 t	78	118	83	.	.
Gold ore (Au content)	kg	4 354	3 160	2 375	.	.
Silver ore (Ag content)	kg	21 630	21 954	13 471	.	.
Nickel ore (Ni content)	1 000 t	29	29	28	.	.
Rock salt	t	11 339	11 400	12 000	.	.
Limestone	1 000 t	491	449	450	.	.

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4.3. MINING AND QUARRYING (CONT.)

Survey item	Unit	1990	1991	1992	1993	1994
Guyana						
Gold ore (Au content)	kg	1 097	1 677	2 256	8 782	10 716
Bauxite	1 000 t	1 423	1 348	895	897	816
Diamonds	1 000 carat	15	29	46	51	.
Broken stone	1 000 t	42	55	65	.	.
Haiti						
Sand and gravel	1 000 m ³	6 225	6 100	5 000	.	.
Limestone	1 000 t	287	250	220	.	.
Marble	m ³	595	600	500	.	.
Jamaica						
Bauxite	1 000 t	10 920	11 570	11 300	11 163	9 024 ^(a)
Gypsum	1 000 t	82	136	145	.	.
Salt	t	12 124	14 000	14 000	.	.
Limestone	1 000 t	6 046	5 480	4 298	.	.
Sand and gravel	1 000 t	2 375	1 214	1 347	.	.
Suriname						
Bauxite	1 000 t	3 267	3 136	3 136	.	.
Gold ore (Au content)	kg	100	200	300	.	.
Petroleum	1 000 t	230	247	250	.	.
Sand and gravel	1 000 t	195	195	195	.	.
Trinidad and Tobago						
Petroleum	1 000 t	7 790	7 425	7 033	6 297	6 620
Natural gas	Mill. m ³	6 466	7 405	7 414	6 989	.
Limestone	1 000 t	600	1 028	1 420	.	.
Asphalt	1 000 t	19	20	25	19	.

(a) January to September.

4.4. PRODUCTION OF SELECTED PRODUCTS OF MANUFACTURING INDUSTRY

Survey item	Unit	1989	1990	1991	1992	1993
Barbados						
Petrol	1 000 t	57	60	59	59	61
Petroleum (Kerosine) and aviation fuel	1 000 t	4	5	4	4	4
Heating oil, light	1 000 t	44	53	53	35	47
Heating oil, heavy	1 000 t	150	152	150	131	177
Sugar	1 000 t	67	70	67	55	48
Animal feedingstuffs, prepared	1 000 t	53	59	66	.	.
Beer	1 000 hl	80	77	66	.	.
Fruit juice drinks	1 000 hl	196	221	246	.	.
Cigarettes	Mill.	143	135	124	.	.
Belize						
Nails	kg	16 798	454	454	.	.
Batteries	Number	10 379	11 078	11 147	11 216	9 930
Roofing materials	t	54	39	29	21	16
Articles of clothing	1 000	3 492	3 596	3 902	4 073	4 276
Fertilizers	t	9 075	9 982	10 352	11 327	13 041
Sugar	1 000 t	94	108	103	108	108
Molasses	t	28 895	29 876	32 167	30 400	28 746
Flour	t	9 761	10 486	11 172	11 746	12 291
Beer	1 000 hl	27	32	36	38	41
Fruit juice drinks	Mill. bottles	881	1 011	1 188	1 200	1 360
Citrus fruit concentrates	1 000 hl	71	74	45	110	92
Cigarettes	Mill.	97	101	101	100	101
Dominica						
Soap	t	8 730	9 586	9 388	8 444	10 710
Copra	t	1 945	2 101	1 714	1 871	2 060
Coconut Flour	t	584	631	478	538	597
Dominican Republic						
Petrol	1 000 t	363	399	448	261	.
Petroleum (Kerosine) and aviation fuel	1 000 t	159	108	171	190	.
Heating oil, light	1 000 t	307	261	282	447	.
Heating oil, heavy	1 000 t	402	752	923	942	.

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4.4. PRODUCTION OF SELECTED PRODUCTS OF MANUFACTURING INDUSTRY (CONT.)

Survey item	Unit	1989	1990	1991	1992	1993
Liquid petroleum gas	1 000 t	33	24	28	25	.
Crude steel	1 000 t	55	36	39	35	.
Ferro-alloys, ferro-nickel	1 000 t	78	72	73	69	.
Cement	Mill. bags	30	26	29	.	.
Sugar	1 000 t	693	590	628	593	621
Wheatmeal	1 000 t	228	193	222	.	.
Beer	1 000 hl	1 466	1 374	1 459	.	.
Cigarettes	Mill.	4 500	4 535	5 170	.	.
Grenada						
Oxygen	m ³	1 354	1 793	1 892	.	.
Acetylene	m ³	490	554	597	.	.
Paints and varnishes	1 000 l	413	467	536	435	.
Toilet paper	1 000 pkts (50 rolls)	126	111	116	90	.
Flour	t	8 061	7 623	8 367	7 264	.
Feedingstuffs	t	2 627	2 761	3 280	3 178	.
Beer and Stout	hl	17 551	20 795	20 704	20 061	.
Malt	hl	2 699	2 884	3 085	4 921	.
Rum	hl	1 818	1 991	2 290	3 371	.
Fruit juice drinks	1 000 crates	411	453	458	475	.
Cigarettes	1 000 boxes	117	110	102	90	.
Guyana						
Paints	1 000 l	293	457 ^(a)	624	560 ^(b)	1 065
Soap	t	535	443	683	558	425
Household refrigerators and cookers.....						
	Number	8 647	9 590	11 745	8 079	6 176
Lumber	1 000 m ³	57	57	50	10	10
Textiles	1 000 m	1 214	603	453	498	661
Articles of clothing	1 000	1 200	507 ^(c)	615	1 440	3 252
Shoes	1 000 P	140	147	35 ^(d)	111	92
Flour	1 000 t	31	33	35	35	36
Sugar	1 000 t	170	134	168	255	255
Feedingstuffs	1 000 t	10	10	7	6	10

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4.4. PRODUCTION OF SELECTED PRODUCTS OF MANUFACTURING INDUSTRY (CONT.)

Survey item	Unit	1989	1990	1991	1992	1993
Margarine and Butter	t	337	540 ^(e)	611 ^(e)	818 ^(e)	1 198
Beverages	Mill. l	30	31	31	39	42
Cigarettes	Mill.	266	247	307	318	302
Haiti						
Cement ¹	1 000 t	236	180	211	106	.
Soap ¹	1 000 t	48	45	49	34	.
Lumber	1 000 m ³	14	14	14	14	14
Flour ¹	1 000 t	100	76	62	12 ^(f)	.
Sugar	1 000 t	30	35	25	20	20
Cigarettes ¹	Mill.	1 041	1 029	966	898	.
Jamaica						
Petrol	1 000 t	124	146	131	173	.
Petroleum (Kerosine) and aviation fuel	1 000 t	75	95	100	130	.
Heating oil, light	1 000 t	166	210	175	224	.
Heating oil, heavy	1 000 t	472	572	444	650	.
Liquid petroleum gas	1 000 t	9	14	7	15	.
Crude steel	1 000 t	34	22	34	24	.
Cement	1 000 t	443	518	378	475	.
Fertilizers	1 000 t	57	84	76	59	.
Lumber	1 000 m ³	44	40	40	32	28
Suiting	1 000 m	366	2 285	3 199	2 285	.
Flour	1 000 t	130	156	149	144	.
Sugar	1 000 t	205	209	234	228	219
Spirits.....	1 000 hl	178	202	208	166	.
Cigarettes and Cigars	Mill.	1 393	1 389	1 222	1 328	.
Fruit juice drinks	1 000 hl	585	563	499	.	.
Beer	1 000 hl	852	887	715	.	.
St Kitts and Nevis						
Industrial gases	t	49	64	.	.	.
Articles of clothing	1 000	3 007	2 628	.	.	.
Sugar	1 000 t	25	25	20	20	25
Molasses	1 000 t	8.5	5.7	.	.	.
Beer	1 000 hl	1 654	1 694	1 720	.	.

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4.4. PRODUCTION OF SELECTED PRODUCTS OF MANUFACTURING INDUSTRY (CONT.)

Survey item	Unit	1989	1990	1991	1992	1993
St Lucia						
Soap	kg	454	11 804	6 356	13 166	60 927
Textile goods	1 000	9 016	6 392	5 803	8 976	21 989
Electrical products	1 000	8 689	8 382	8 504	10 093	15 757
Copra	t	4 277	4 945	3 982	3 262	4 027
Coconut oil, crude	1 000 l	3 071	3 678	2 785	2 412	2 341
Coconut oil, refined	1 000 l	4 054	3 155	1 933	2 233	3 010
Coconut flour	t	1 575	1 565	1 146	781	1 148
Alcohol-free drinks	1 000 l	3 380	3 194	3 157	2 561	2 306
Suriname						
Cement	1 000 t	52	55	24	14	.
Aluminium	1 000 t	31	31	32	30	.
Wood, processed	1 000 m ³	43	44	40	43	.
Shoes	1 000 P	106	110	137	112	.
Wheatmeal	t	18 605	20 744	15 408	19 685	.
Margarine	t	558	755	386	578	.
Sugar	1 000 t	10	10	5	5	5
Edible oil	1 000 l	2 928	1 603	1 069	1 504	.
Animal feeding stuffs	1 000 t	52	80	32	24	.
Beer and Stout	1 000 hl	117	122	122	66	.
Fruit juice drinks	1 000 hl	294	167	265	102	.
Cigarettes	Mill.	526	487	337	419	.
Trinidad and Tobago						
Petrol	1 000 t	532	721	664	667	.
Petroleum (Kerosine) and aviation fuel	1 000 t	358	420	554	429	.
Heating oil, light	1 000 t	598	651	771	915	.
Heating oil, heavy	1 000 t	2 911	2 525	3 294	3 359	.
Liquid petroleum gas	1 000 t	61	67	125	126	.
Crude steel	1 000 t	294	372	444	553	.
Sponge iron	1 000 t	612	697	710	680	.
Cement	1 000 t	384	438	486	482	527
Domestic refrigerators	1 000	12	14	13	10	3
Televisions	1 000	2	7	13	16	13

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4.4. PRODUCTION OF SELECTED PRODUCTS OF MANUFACTURING INDUSTRY (CONT.)

Survey item	Unit	1989	1990	1991	1992	1993
Radios	1 000	6	2	3	.	.
Motor cars (assembly)	Number	1 716	1 200	4 392	3 456	2 076
Heavy goods vehicles ² (assembly)	Number	372	1 128	1 704	1 692	1 080
Soap	t	2 661	2 044	1 902	1 937	1 877
Fertilizers	1 000 t	2 384	2 351	2 466	2 363	2 292
Methanol	1 000 t	403	403	453	482	493
Lumber	1 000 m ³	80	53	42	58	.
Sugar	1 000 t	100	122	104	114	108
Edible oil	1 000 l	5 341	3 704	4 332	3 414	3 641
Beer	1 000 hl	531	500	402	.	.
Cigarettes	Mill.	637	814	771	.	.

¹ From October of the preceding year to September of the year indicated.

² Including buses and special road transport vehicles.

- (a) January to September.
- (b) January to July.
- (c) January to October.
- (d) January to April.
- (e) Margarine only.
- (f) October to March.

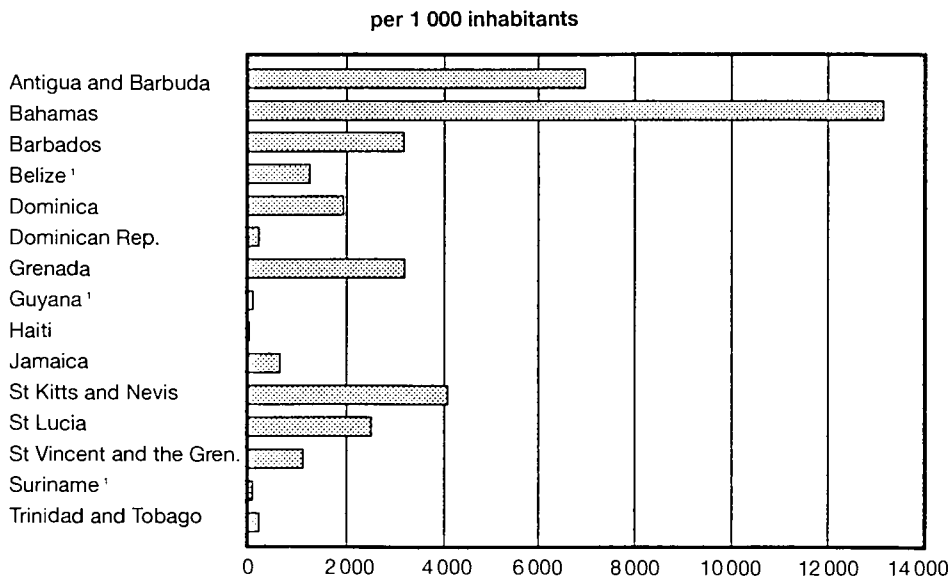
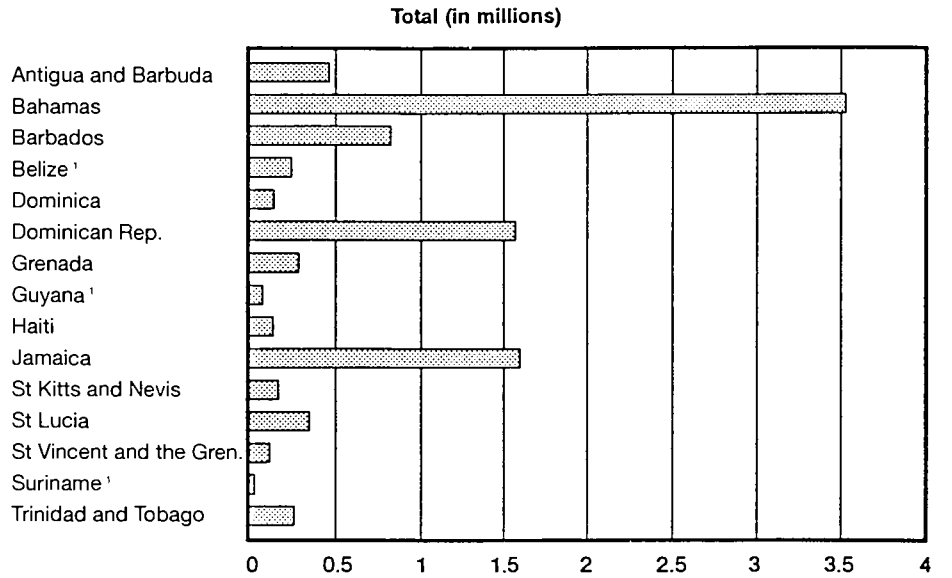
5. TOURISM

Tourism is the dominant economic sector in the Caribbean and has a strong influence on the general economic development of most countries in the region. The clearest indication of the significance of this sector is the fact that in many countries it is far and away the largest foreign currency earner. For example, foreign exchange receipts from tourism in the Bahamas, Barbados, the Dominican Republic and the OECS countries are much higher than income from the export of goods and are therefore the determining factor in the structure of the current account balance. Revenue from tourism is also very important to the economies of Belize and Jamaica, even if it is lower there than the earnings from goods exports (cf. Chapter 12, Table 12.2). It is only in Haiti, Suriname, Guyana and Trinidad and Tobago that tourism plays a fairly minor role, although these countries do also have considerable tourist potential and, if they were to exploit it, they could greatly increase its importance to the economy as a whole at some point in the future.

The role of tourism as a key foreign currency earner and an important factor in the economy can clearly be seen from the following figures. In 1993, for example, the Bahamas and the Dominican Republic both recorded net foreign exchange receipts from tourism totalling over USD 1 Bn (cf. Figure 5.2 and Table 5.7). In Jamaica, this figure was almost USD 900 million and in Barbados it was well over USD 500 million. The respective per capita income figures are even more impressive. In the case of the Bahamas, the largest tourist magnet in the Caribbean, where between 60 and 70% of GDP is accrued from tourist activities alone, the net foreign currency receipts from tourism in 1993 averaged USD 4 045 per head of population. The per capita income in Antigua and Barbuda was USD 3 971, and tourism was also the main source of income in Barbados (USD 2 108 per capita), St Kitts and Nevis (USD 1 548 per capita) and St Lucia (USD 1 288 per capita), explaining why per capita income in these countries is relatively high by international standards.

The extent to which tourism shapes economic life in the Caribbean also becomes clear from the number of visitors recorded (cf. Figure 5.1). The Bahamas now already provide accommodation for over 3.5 million visitors each year (incl. cruise passengers), which is approximately 13 times the resident population. The Dominican Republic and Jamaica each receive around 1.6 million visitors, and other popular holiday destinations include Barbados, Trinidad and Tobago and the OECS countries of Antigua and Barbuda, Grenada and St Lucia, which all attract several hundred thousand holidaymakers each year.

5.1. TOTAL NUMBER OF FOREIGN VISITORS AND FOREIGN VISITORS PER 1 000 INHABITANTS IN 1993*



* Data were only available for 1992 in the case of Belize, the Dominican Republic, Guyana, Haiti, Suriname and Trinidad and Tobago.

¹ Excluding cruise passengers.

Tourism is the main driving force behind economic growth in many Caribbean countries not just on account of the high foreign exchange receipts but also because of its major contribution to value added, its positive effects on employment through the provision of tourist services and the stimulus that the expansion of tourism gives to other branches of the economy, such as construction, commerce and transport (cf. Chapter 2). The increase in international travel has triggered off an impressive expansion of tourism in the Caribbean since 1970. According to data held by the Caribbean Tourism Organization (CTO), the number of visitors to the 32 Caribbean countries (incl. the 15 Caribbean ACP States) virtually tripled between 1970 and 1992, rising from 4.2 million to 12.1 million. Most of these years saw a significant increase in the number of tourists, although the figures did occasionally sag due to recession in the western industrialized countries, particularly North America. This was the case, for example, in 1975 and in 1981 when the number of holidaymakers in the Caribbean fell briefly by 3% on each occasion. The period from 1982 to 1990 was marked by steady growth. The 0.4% fall in the number of tourists to the Caribbean region as a whole in 1991 and the rather modest increase in 1992 as a result of the sluggish state of the economy in the United States and Europe once again highlighted the extent to which tourism in the Caribbean is dependent upon economic developments in the main countries of origin. A number of Caribbean countries felt the effects of a sharp drop in the number of holidaymakers and the associated loss of revenue at the beginning of the 1990s, and this put a damper on their economic development (cf. Chapter 2).

The start of the economic recovery in the western industrialized countries in 1993 also marked a revival in tourism, and as the main countries of origin of these tourists further consolidated their economies in 1994, the upward trend in tourism in the Caribbean moved into a higher gear. There looks to be good short- and medium-term prospects for continued strong growth in tourism in the Caribbean countries. According to CTO estimates, there is more than likely to be a substantial worldwide increase in the number of tourists choosing cruise holidays during the second half of the 1990s, and the Caribbean should benefit particularly from this development. The Caribbean Development Bank (CDB) is also predicting that so long as effective measures are taken to promote and market tourism in the Caribbean, tourist activity in this region should increase despite ever-stiffer competition from other tourist countries seeking to profit from the upturn in the world economy. There is also a certain amount of undeveloped potential for new forms of tourism which might tempt larger numbers of holidaymakers to the region, such as eco-tourism (to the rainforests) and conference tourism. This further expansion in tourism and, specifically, the foreign currency it brings in are an absolutely essential precondition for almost all these countries to achieve their aim of generating the basic capital they need in order to broaden their economic basis.

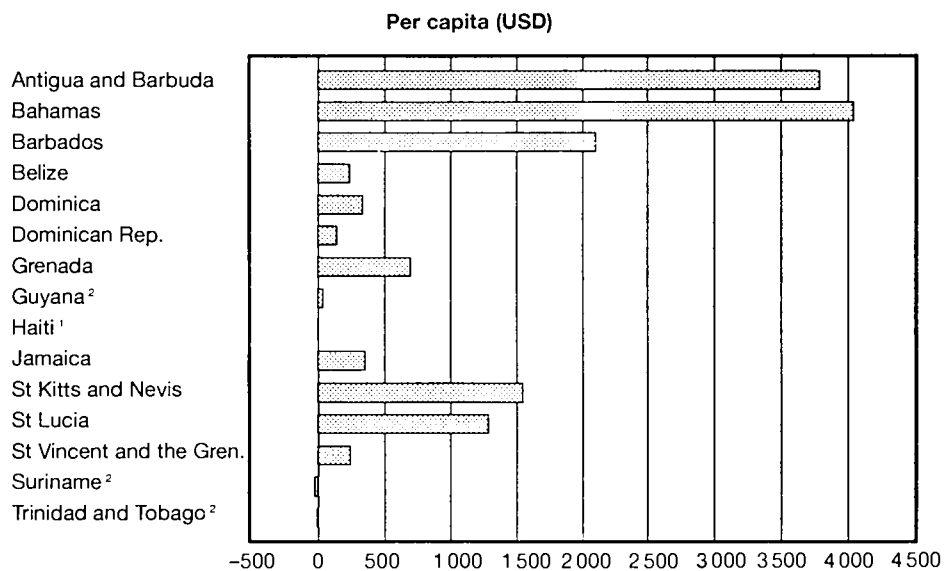
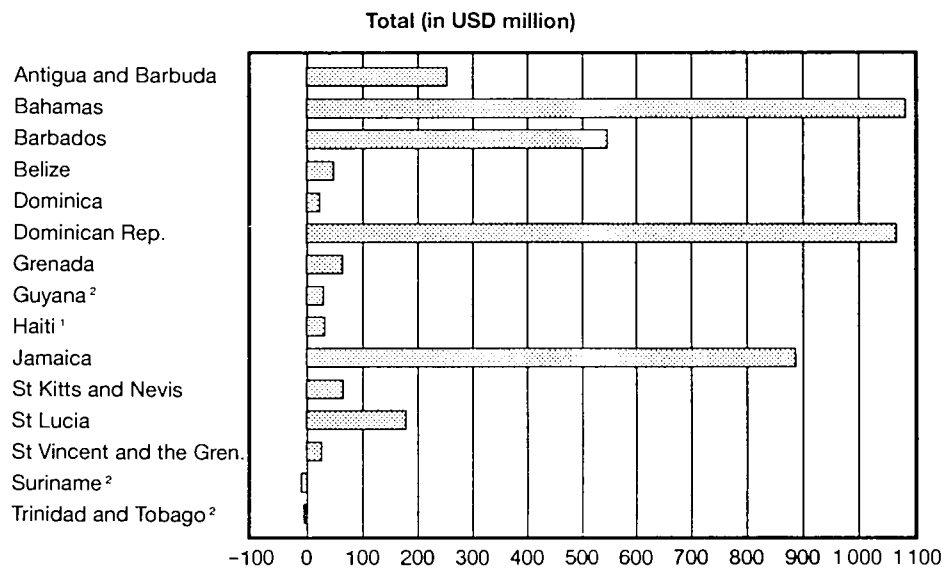
With a view to developing tourism as the region's main source of foreign exchange earnings, the European Development Fund (EDF) provided a grant of over ECU 12.8 million in May 1995 for a three-year regional programme to promote tourism in the Caribbean ACP States (covering the training of skilled workers, advice on marketing and advertising tourism and protection of their cultural heritage).

Whilst all the tourist countries in the Caribbean are dependent on development patterns in the western industrialized countries, a country-by-country comparison shows that there have been some widely diverging trends in tourism over the last few years.

The Bahamas are the most popular holiday destination of all the Caribbean ACP countries and they suffered particularly badly from the lull in tourist activity caused by the recession of the early 1990s. 80 to 90% of its foreign tourists come from the United States alone, and in 1992 the number of these visitors (excl. cruise passengers) had fallen by more than 11% to under 1.4 million from its 1989 level of 1 575 000 (cf. Table 5.1). Despite the considerable increase over the same period in holidaymakers on cruises (up from 1.645 million to 2 139 million), net foreign currency receipts from tourism were down around 20% from USD 1 319 million in 1989 to USD 1 051 million in 1992, since considerably less money is spent during short stops by cruise passengers than by holidaymakers staying on the island (cf. Tables 5.3 and 5.7). The recovery of the US economy in 1993 helped check the downswing in tourism and usher in a new period of growth. Although the number of stayover guests rose in this year to 1.489 million, this was still a lot fewer than in 1989. The indications are that the recovery in tourism will continue in 1994, with a 4.3% increase in the number of holidaymakers being recorded during the first 8 months of the year. As a result of the economy remaining buoyant in the United States and Canada, the number of tourists is expected to keep on rising and they should be catered for by massive investment in the hotel trade. The so-called 'Out Islands' are at present the main focus of tourist promotion and development in an attempt to reduce the over-concentration of tourist activity on the two main islands. Cruise tourism is also expected to sustain its upward trend over the coming years and 1995 should see the inauguration of a new terminal for cruise ships in Nassau.

Another country which did not entirely escape the temporary downturn in tourist activity was the Dominican Republic, whose tourist trade had recorded impressive growth since the early 1980s. After rising to 1 530 million in 1990, the number of long-stay visitors then fell by 7.4% in 1991 to 1 417 million. 1992, however, saw the numbers rise again to 1 524 million and although there were still no data available for 1993, the substantial increase in net foreign currency earnings from tourism (up from USD 844 million to 1 068 million) suggests a significant increase in visitors to the country. In contrast to the Bahamas, there was a significantly lower percentage of North American visitors to the Dominican Republic and one of the main trends there since the end of the 1980s was a sharp increase in the number of bookings from Europe. The percentage of German tourists amongst the total had risen to almost 6% by 1992. 1994 should be another good year for tourism in the Dominican Republic.

5.2. NET FOREIGN CURRENCY RECEIPTS FROM TOURISM (TOTAL AND PER CAPITA IN 1993)



¹ As at 1991. ² As at 1992.

Recent patterns of tourist development in Jamaica, the third-largest of the Caribbean holiday destinations, contrast starkly with those in the Dominican Republic and the Bahamas. Despite the recession in the US economy, tourism in Jamaica has been booming with the exception of 1991, when the growth rate dipped temporarily. The number of stayover guests rose by over 50% between 1988 and 1993, from 649 000 to 979 000, whilst the number of cruise passengers visiting Jamaica shot up from 368 000 to around 630 000. This boom produced an 89.5% increase in foreign currency receipts from tourism which rose from US\$ 468 million to US\$ 887 million. The main reason for this healthy expansion up until 1993 was the considerable increase in the number of European tourists despite the sharp drop in visitors from North America, who nevertheless remained the main contingent. The last few years have seen a substantial boost in the proportion of visitors from the United Kingdom, Germany and Italy in particular. In contrast to most other Caribbean countries where tourist activity expanded appreciably in 1994, there was a sharp fall in Jamaica due to a drastic reduction in the number of European tourists put off by the rising crime rate. Attempts are being made to halt this reversal as quickly as possible through an advertising campaign aimed at improving the country's image and by strengthening the forces of law and order. The involvement of certain politicians and the Church has also blocked discussions for the time being on whether to allow casinos, along the lines of those in the Bahamas and Puerto Rico, which would attract a new class of high-spending tourists. As a result, it is predicted that the tourist sector will consolidate its position in 1995 and tourist numbers will not start to rise again until 1996.

Barbados traditionally attracts large numbers of holidaymakers from Great Britain and Northern Ireland in addition to those from North America, and it suffered the same fate as the Bahamas between 1990 and 1992 when the number of visitors dwindled rapidly. The situation did improve in 1993, but without regaining the levels recorded in the late 1980s. The data available for the first nine months of 1994 confirm a clear revival in the tourist trade with the number of stayover visitors up by over 10% on the corresponding period in 1993. There were, however, opposing trends when it came to the breakdown of holidaymakers by country of origin. Whilst the reduction in the number of US charter flights led to fewer visitors from the United States, there was a 34% increase in visitors from Great Britain and Northern Ireland who now make up the single largest group of holidaymakers. The latest upturn in tourism has stimulated massive foreign private investment in the hotel trade, thus enhancing the prospects for permanent growth in the tourism sector.

Tourism is by far the most important factor in the economies of the OECS countries. Tougher competition from other tourist destinations in the Caribbean together with fluctuations in the value of European currencies against the US dollar, to which the EC\$ is tied on a fixed exchange basis, have done some damage to the tourist sector and resulted in over-capacity in the hotel industry. 1990 was a boom year for tourism and all the OECS countries without exception recorded a rise in the number of tourists. 1991 was a year of mixed fortunes. Whilst the numbers were down slightly in Antigua and Barbuda and St Vincent and the Grenadines, there was a sharp increase in tourists choosing St Lucia and St Kitts and Nevis. This was also the year when Dominica made a notable entry into the market as a stopover for cruise ships.

The trend in 1992 was also patchy due to the slump in the cruise trade which affected several OECS Member States. 1993 marked a return to much more positive developments with the number of stayover visitors growing substantially everywhere except St Kitts and Nevis. This upward momentum looks likely to continue in 1994, as indicated by the high growth rates in the numbers visiting Antigua and Barbuda (+6.0%), Grenada (+15.9%) and St Kitts and Nevis (+6.3%). Because of the paramount importance of tourism to their general economic development, all the OECS countries are taking pains to extend their hotel infrastructures and adopt an aggressive promotional approach in marketing this sector.

There is also plenty of potential for tourism in those countries where it has hitherto played only a minor role, and in the medium term at least it could be developed into an important pillar of their economies. Belize started some years ago to develop its potential for specialized tourism (wildlife population, Mayan sites), but is presently still suffering from the lack of good-quality hotel capacity and an inadequate infrastructure. Guyana has built lodges at sites in the interior with tourist appeal and is now organizing tours of the rainforest. Tourism in Haiti virtually ground to a halt in 1991 due to the international embargo, but will once again be a port of call for cruise ships as of the beginning of 1995. Estimates for 1995 suggest that it will be visited by 250 000 cruise passengers and gross foreign currency earnings from tourism should total US\$ 10 million. Extension of the limited accommodation space currently on offer is, however, a necessary precondition for any significant development of tourism to the country per se. Under a tourist development programme recommended by a Canadian expert, Trinidad and Tobago will build 7 150 more hotel rooms within the next ten years at a cost of US\$ 700 million, financed mainly by foreign private capital. It is at present extending its harbour infrastructure to accommodate cruise liners and the decision has already been taken to upgrade the airport at Scarborough (Tobago) to international standards. With the help of these measures, Trinidad and Tobago hopes to attract a greater influx of foreign visitors in the medium term, thus enabling it record a clear surplus in its balance of foreign exchange from tourism, as opposed to the current deficit caused by the fact that its own wealthy citizens spend a lot of money on holiday trips abroad (cf. Table 5.7).

5.1. FOREIGN VISITORS BY SELECTED COUNTRY OF ORIGIN*

Survey item	Total	France	United Kingdom	Germany	Netherlands	Italy	United States	Canada
	1 000	%						
Antigua and Barbuda								
1988	176.9	.	13.3	.	.	.	47.7	7.4
1989	175.5	.	13.6	.	.	.	44.6	8.1
1990	184.2	1.2	14.8	3.8	.	1.3	43.9	8.2
1991	182.2	1.4	15.5	5.6	.	1.5	40.5	6.6
1992	193.6	1.1	18.8	4.8	.	1.5	38.8	8.0
1993	221.2	.	.	.	.	.	38.8	7.2
1994	234.5	.	.	.	.	.	35.4	7.0
Bahamas								
1988	1 475.0	.	2.5	.	.	.	86.4	5.7
1989	1 575.1	.	2.6	.	.	.	85.8	6.0
1990	1 561.6	0.6	2.5	1.3	0.1	0.5	84.7	6.2
1991	1 427.0	0.8	3.2	1.7	0.1	0.9	82.5	6.3
1992	1 398.9	0.7	3.3	2.1	0.1	1.2	80.6	7.0
1993	1 489.0	.	.	.	.	.	90.0	.
Barbados								
1988	451.5	.	22.4	.	.	.	37.8	14.6
1989	461.3	.	25.6	.	.	.	33.4	14.2
1990	432.1	0.6	22.0	2.9	0.3	0.5	33.2	13.4
1991	394.2	0.7	22.4	5.1	0.7	0.9	30.2	11.7
1992	385.4	0.7	23.0	5.0	0.3	2.9	28.7	13.0
1993	396.0	.	25.3	.	.	.	28.5	12.4
Belize¹⁾								
1988	142.0	.	7.2	.	.	.	39.6	3.7
1989	172.8	.	5.5	.	.	.	44.0	2.9
1990	216.4	.	4.7	.	.	.	38.0	3.5
1991	215.4	.	5.0	.	.	.	35.4	3.6
1992	247.3	.	5.3	.	.	.	33.2	3.6
Dominica								
1988	31.8	.	16.7	.	.	.	15.4	11.6
1989	35.2	.	9.9	.	.	.	12.5	3.2
1990	45.1	6.5	10.9	2.3	0.3	.	13.5	3.6
1991	46.3	6.7	9.7	2.6	0.4	.	14.9	4.1
1992	47.0	5.3	9.8	2.9	0.4	.	15.7	3.6
1993	51.9	.	.	.	.	.	.	.

(continued on next page)

5.1. FOREIGN VISITORS BY SELECTED COUNTRY OF ORIGIN* (CONT.)

Survey item	Total	France	United Kingdom	Germany	Netherlands	Italy	United States	Canada
	1 000	%						
Dominican Republic²								
1988	1 216.4	.	0.2	.	.	.	32.9	9.0
1989	1 400.0	.	0.2	.	.	.	32.9	9.1
1990	1 530.0	.	0.2(a)	4.3	.	0.1	32.9	9.2(a)
1991	1 416.8	.	0.2(a)	5.1	.	0.2	32.9	9.2(a)
1992	1 523.8	0.1	0.2(a)	5.8	.	0.2	32.9(a)	9.2(a)
Grenada								
1988	61.8	.	11.5	.	.	.	20.4	4.9
1989	68.6	.	13.0	.	.	.	20.3	5.4
1990	82.0	1.2	11.1	4.3	0.9	1.0	27.2	5.2
1991	85.1	1.8	12.6	6.0	1.1	1.2	27.8	5.4
1992	87.6	1.8	11.8	6.2	0.8	1.4	27.9	4.8
1993	94.0	.	11.9	6.4	.	.	32.3	4.5
1994	108.9	.	16.3	6.7	.	.	28.0	4.6
Guyana¹								
1988	71.1	.	.	.	.	.	46.1	18.6
1989	67.4	.	.	.	.	.	46.1	18.7
1990	64.2	.	.	.	.	.	46.3	18.7
1991	72.8	.	.	.	.	.	46.2	18.7
1992	74.9	.	.	.	.	.	46.2	18.7
Haiti³								
1988	122.0	.	.	.	.	.	63.9	11.5
1989	122.0	.	.	.	.	.	63.9	11.5
1990	120.0	.	.	.	.	.	65.0	11.7
1991	120.0	.	.	.	.	.	65.0	11.7
1992	120.0	.	.	.	.	.	65.0	11.7
Jamaica								
1988	648.9	.	6.9	.	.	.	71.0	14.3
1989	714.8	.	9.4	.	.	.	67.3	14.9
1990	840.8	0.2	9.8	1.8	0.1	1.1	67.3	13.5
1991	844.6	0.3	10.5	2.9	0.5	2.6	64.5	11.1
1992	909.0	0.4	10.6	3.6	0.8	3.2	62.0	11.1
1993	978.7	.	11.7	3.4	.	2.5	62.4	9.7

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5.1. FOREIGN VISITORS BY SELECTED COUNTRY OF ORIGIN* (CONT.)

Survey item	Total	France	United Kingdom	Germany	Netherlands	Italy	United States	Canada
	1 000	%						
St Kitts and Nevis								
1988	69.6	.	6.9	.	.	.	42.4	12.2
1989	70.0	.	6.0	.	.	.	39.6	15.1
1990	72.5	1.0	7.6	0.5	0.1	0.0	40.5	16.4
1991	82.7	0.8	6.6	0.7	0.2	0.1	44.6	12.5
1992	88.3	1.2	7.4	1.6	0.2	0.2	47.9	10.5
1993	88.6	.	8.3	.	.	.	49.8	11.1
1994	94.2	.	8.8	.	.	.	47.8	12.4
St Lucia								
1988	125.3	.	23.6	.	.	.	23.5	12.1
1989	132.8	.	23.6	.	.	.	29.1	11.1
1990	138.4	1.9	23.3	5.1	0.1	0.7	28.4	10.9
1991	159.6	2.5	21.3	6.5	0.1	0.8	26.4	8.6
1992	177.5	2.3	25.2	6.9	0.3	0.8	25.0	8.3
1993	194.1	.	.	.	.	.	.	.
St Vincent and the Grenadines								
1988	47.0	.	14.3	.	.	.	26.6	8.3
1989	49.9	.	15.4	.	.	.	25.6	9.6
1990	53.9	5.7	13.5	2.6	0.3	1.4	24.9	8.2
1991	51.6	6.3	12.2	3.5	0.6	1.5	24.2	7.9
1992	53.1	7.3	13.6	4.0	0.3	2.1	24.3	7.9
1993	56.6	.	.	.	.	.	.	.
Suriname								
1988	21.1	2.8	0.5
1989	20.7	2.9	0.5
1990	28.5	3.5	0.7
1991	30.0 ^(a)	3.3 ^(a)	0.7 ^(a)
1992	30.0 ^(a)	3.3 ^(a)	0.7 ^(a)

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5.1. FOREIGN VISITORS BY SELECTED COUNTRY OF ORIGIN* (CONT.)

Survey item	Total	France	United Kingdom	Germany	Netherlands	Italy	United States	Canada
	1 000	%						
Trinidad and Tobago								
1988	187.7	.	9.9	.	.	.	34.9	12.4
1989	194.2	.	9.9	.	.	.	36.4	12.7
1990	194.0	0.4	9.8	2.1	0.4	1.3	36.6	12.8
1991	219.7	0.4	11.5	3.1	0.5	1.6	34.1	12.2
1992	234.7	0.4	10.2	3.9	0.4	1.1	36.0	13.0
1993	248.0	.	.	.	.	.	.	.

* Foreign visitors arriving by air only; excl. cruise passengers and day-trippers.

¹ Incl. foreign visitors arriving by land and sea.

² Incl. foreign visitors arriving by sea.

³ Estimates. Numbers in brackets represent split years ending on 30 September of the year indicated.

(a) Estimate.

5.2 FOREIGN VISITORS BY PURPOSE OF TRIP IN 1989 AND 1992

% OF FOREIGN VISITORS

Country	1989			1992		
	Tourism	Business trips	Other reasons	Tourism	Business trips	Other reasons
Bahamas	84	6	10	79	7	14
Barbados	88	8	4	88	7	5
Belize	93	.	7	44 ^(a)	.	66 ^(a)
Dominica	79	20	1	83	16	1
Dominican Republic	78	14	8	.	.	.
Grenada	64	18	18	.	.	.
Haiti	66 ^(b)	15 ^(b)	19 ^(b)	.	.	.
Jamaica	92 ^(c)	5 ^(c)	3 ^(c)	90	4	6
St Kitts and Nevis	95 ^(c)	4 ^(c)	1 ^(c)	95	5	-
St Lucia	92	7	1	93	7	-
St Vincent and the Grenadines	85	13	2	77	5	18
Suriname	72 ^(b)	9 ^(b)	19 ^(b)	.	.	.
Trinidad and Tobago	76	20	4	75 ^(d)	18 ^(d)	7 ^(d)

(a) 1991. (b) 1986. (c) 1988. (d) 1993.

5.3. TOURISTS ARRIVING ON CRUISE SHIPS

Country	1988	1989	1990	1991	1992	1993	1988-1993
	1 000						% growth
Antigua and Barbuda	198.6	208.0	236.0	266.5	258.8	246.6 ^(a)	+ 24.2
Bahamas	1 505	1 645	1 854	2 020	2 139	2 039	+ 35.5
Barbados	290.3	337.1	362.6	372.1	399.7	428.6	+ 47.6
Dominica	7.5	6.0	6.8	65.0	89.9	87.8	+ 1 171
Dominican Republic	100.0	100.0	50.0	50.0	50.0	.	- 50.0 ^(b)
Grenada	136.0	120.7	183.2	196.1	195.9	200.1 ^(c)	+ 47.1
Haiti ¹	140.4	80.5	78.0	84.2	17.8	.	- 87.3 ^(b)
Jamaica	367.7	444.1	385.2	490.5	649.5	629.6	+ 71.2
St Kitts and Nevis	53.6	36.6	33.9	52.8	81.7	83.1 ^(d)	+ 55.1
St Lucia	79.5	104.3	101.9	152.8	163.8	154.7	+ 94.6
St Vincent and the Grenadines.....	62.7	49.7	78.6	87.6	68.6	66.6	+ 6.3
Trinidad and Tobago	11.1	16.5	32.4	31.7	26.9	.	+ 14 ^(b)

¹ Split years ending on 30 September of the year indicated.
(a) 1994: 251 200. (b) Growth from 1988-1992. (c) 1994: 200 800. (d) 1994: 112 903.

5.4. ROOMS IN ESTABLISHMENTS PROVIDING ACCOMMODATION

Country	Rooms					% growth	
	1980	1990	1991	1992	1993	1980-1992	1980-1993
Antigua and Barbuda	1 350	3 115	3 317	3 317	3 460 ^(a)	+ 145.7	+ 156.3
Bahamas	11 429	13 475	13 165	13 541	.	+ 18.5	.
Barbados	13 360	13 767	11 674	11 803	11 554	- 11.7	- 12.5
Belize	1 016	2 374	2 784	2 913	3 295	+ 186.7	+ 22.4
Dominica	157	531	547	603	.	+ 284.1	.
Dominican Republic	3 800	20 354	22 555	24 410	.	+ 542.4	.
Grenada	570	1 105	1 118	1 114	.	+ 95.4	.
Guyana	538	538	538	538	.	0.0	.
Haiti	2 943	1 500	1 500	1 500	.	- 49.0	.
Jamaica	10 092	16 103	17 337	18 531	18 935	+ 83.6	+ 87.6
St Kitts and Nevis	584	1 402	1 402	1 330	.	+ 127.7	.
St Lucia	1 245	2 370	2 464	2 659	.	+ 113.6	.

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5.4. ROOMS IN ESTABLISHMENTS PROVIDING ACCOMMODATION (CONT.)

Country	Rooms					% growth	
	1980	1990	1991	1992	1993	1980-1992	1980-1993
St Vincent and the Grenadines	500	1 058	1 109	1 164	.	+ 132.8	.
Suriname	553	532	532	532	.	- 3.8	.
Trinidad and Tobago	2 141	2 121	2 141	2 314	.	+ 8.1	.

(a) 1994: 3 533.

5.5. ROOM CAPACITY UTILIZATION RATE

%

Country	1988	1989	1990	1991	1992	1993
Antigua and Barbuda .....	.	.	29.6	27.5	29.2	32.0 ^(a)
Bahamas	66.5	68.6	62.1	56.3	53.4	.
Barbados	63.9	64.3	57.5	50.5	46.3	52.9
Dominican Republic	71.0	70.0	73.2	68.3	69.0	.
Grenada ¹	48.5	46.5	55.6	65.0	61.8	.
Jamaica	56.5	59.1	62.1	58.9	60.1	60.3
St Lucia	74.5	70.4	72.2	65.9	73.5	.
Trinidad and Tobago .....	.	53.9	53.1	50.3	53.6	.

¹ Hotels belonging to the Hotel Association only.

(a) 1994: 33.2.

5.6. AVERAGE LENGTH OF STAY* Nights

Country	1988	1989	1990	1991	1992	1993
Antigua and Barbuda .....	.	.	8.6	8.9	9.0	9.2 ^(a)
Bahamas	6.4	6.2	5.6	5.7	5.8	5.8
Barbados	6.7	7.1	6.8	7.0	6.9	7.0

(continued on next page)

5.6. AVERAGE LENGTH OF STAY* (CONT.)
Nights

Country	1988	1989	1990	1991	1992	1993
Dominica .....	.	7.8	9.0	7.8	.	.
Grenada .....	.	.	6.2	6.1	6.0	6.0 ^(b)
Jamaica	10.3	10.6	10.9	10.9	11.2	11.0
St Kitts and Nevis .....	.	9.2	9.2	9.1	9.0	9.0 ^(c)
St Lucia	11.6	11.6	10.7	10.8	10.7	.
St Vincent and the Grenadines	10.2	9.4	9.6	11.1	10.7	.

* Excl. cruise passengers and day-trippers.
(a) 1994: 9.6 (b) 1994: 6.2 (c) 1994: 8.9.

5.7. NET FOREIGN RECEIPTS FROM TOURISM
USD million

Country	1988	1989	1990	1991	1992	1993
Antigua and Barbuda	230	255	281	296	213	254
Bahamas	972	1 319	1 128	1 169	1 051	1 084
Barbados	423	484	453	417	423	548
Belize	15	21	31	37	46	48
Dominica	12	14	16	20	19	24
Dominican Republic	641	682	756	723	844	1 068
Grenada	33	37	45	49	52	64
Guyana ¹	29.6	28.1	26.8	30.3	31.2	.
Haiti	40	37	34	33	.	.
Jamaica	468	539	686	710	818	887
St Kitts and Nevis	35	37	40	51	62	65
St Lucia	72	86	87	108	118	179
St Vincent and the Grenadines	17	22	25	25	25	27
Suriname	-4	-6	-11	-15	-9	.
Trinidad and Tobago	-76	-34	-27	-9	-4	.

Gross foreign currency receipts.

6. TRANSPORT AND COMMUNICATIONS

6.1. LENGTH OF ROAD NETWORK, NUMBER OF MOTOR VEHICLES AND CAR DENSITY

Country	Year	Length of road network		Year	Motor cars		Buses and heavy goods vehicles
		Total	Asphalted		Number	per 1 000 inhabitants	Number
		km					
Antigua and Barbuda	1990	1 165	385	1991	13 650	207	3 550
Bahamas	1990	3 370	3 370	1991	70 000	269	15 000
Barbados	1989	1 573	1 494	1991	39 406	153	9 318 ^(a)
Belize	1990	2 575	335	1991	12 075	62	2 800
Dominica	1988	756	.	1991	4 696	65	4 616
Dominican Republic	1989	17 000	2 890	1991	139 069	19	102 969
Grenada	1991	1 127	575	.	.	.	.
Guyana	1993	7 200	720	1991	24 000	30	9 000
Haiti	1988	4 000	600	1991	33 000	5	22 000
Jamaica	1991	16 435	4 766	1991	97 500	40	18 000
St Kitts and Nevis	1992	300	126	1990	4 000	95	.
St Lucia	1990	805	451	1991	7 000	52	4 000
St Vincent and the Grenadines .	1991	943	151	1991	5 350	50	2 814
Suriname	1991	9 153	2 654	1990	36 755	87	14 473
Trinidad and Tobago	1987	7 895	3 632	1991	150 196	120	60 006

(a) Including taxis.

6.2. SHIPPING FLEET*

Country	Seagoing vessels	Tonnage	Seagoing vessels	Tonnage	Seagoing vessels	Tonnage
	1985		1990		1993	
	Number	1 000 GRT	Number	1 000 GRT	Number	1 000 GRT
Antigua and Barbuda	3	0.6	204	358.9	396	1 063.4
Bahamas	195	3 907.3	807	13 626.3	1 121	21 224.2

(continued on next page)

6.2. SHIPPING FLEET* (CONT.)

Country	Sea-going vessels		Seagoing vessels		Sea-going vessels	
	1985		1990		1993	
	Number	1 000 GRT	Number	1 000 GRT	Number	1 000 GRT
Barbados	35	8.4	35	7.7	35	49.2
Belize	3	0.6	3	0.6	190	147.6
Dominica	4	1.4	8	2.4	7	2.0
Dominican Republic	39	46.7	31	35.8	28	12.7
Grenada	3	0.4	3	0.6	4	1.0
Guyana	103	23.4	75	15.0	78	16.8
Haiti	8	2.7	3	0.7	4	0.9
Jamaica	61	141.7	12	14.4	13	11.2
St Kitts and Nevis	2	0.6	1	0.3	1	0.3
St Lucia	6	1.8	7	1.9	7	2.0
St Vincent and the Grenadines	71	235.2	521	1 936.8	961	5 287.2
Suriname	25	15.2	23	12.6	24	12.9
Trinidad and Tobago	49	19.0	49	22.3	51	23.2

* Vessels of over 100 GRT. As at year end.

6.3. COMMUNICATIONS

Country	Main telephone connections		Radios		Television	
	1992					
	Number	per 1 000 inhabitants	Number	per 1 000 inhabitants	Number	per 1 000 inhabitants
Antigua and Barbuda	19 386	289	75	1 136	28	424
Bahamas	79 156	298	200	758	60	227
Barbados	80 059	308	200	772	69	266
Belize	24 840	124	100	505	27	136
Dominica	13 700	190	45	625	5	69
Dominican Republic	474 417	63	1 150 ^(a)	157 ^(a)	728 ^(a)	99 ^(a)
Grenada	18 508	201	80	879	30	330
Guyana	28 373	35	310	384	15	19

(continued on next page)

6.3. COMMUNICATIONS (CONT.)

Country	Main telephone connections		Radios		Television	
	1992					
	Number	per 1 000 inhabitants	Number	per 1 000 inhabitants	Number	per 1 000 inhabitants
Haiti	45 010	7	3 000	444	25	4
Jamaica	168 115	68	1 500	608	484	196
St Kitts and Nevis	9 600 ^(b)	229 ^(b)	25	595	10	238
St Lucia	20 293	147	90	657	25	182
St Vincent and the Grenadines	15 226	138	55	505	18	165
Suriname	43 522	98	248	566	43	98
Trinidad and Tobago	180 108	142	700	553	250	198

(a) 1991.

(b) Telephone subscribers.

7. MONEY AND CREDIT

NB: The exchange rates are Deutsche Bundesbank and International Monetary Fund (IMF) values taken from national data (e.g. the rates published by the foreign exchange markets, information on rates provided by the central banks or commercial banks). The descriptions used for the currency units are those compiled by the International Organization for Standardization in ISO Standard 4217.

Country	Currency
Antigua and Barbuda.....	East Caribbean dollar (ECS) = 100 cents
Bahamas.....	Bahamian dollar (BS) = 100 cents (c)
Barbados.....	Barbados dollar (BDSS) = 100 cents
Belize.....	Belize dollar (Bz\$) = 100 cents (c)
Dominica.....	East Caribbean dollar (ECS) = 100 cents
Dominican Republic.....	Dominican Republic peso (dom\$) = 100 centavos (cts)
Grenada.....	East Caribbean dollar (ECS) = 100 cents
Guyana.....	Guyana dollar (G\$) = 100 cents (c)
Haiti.....	Gourde (Gde., G) = 100 centimes (cts)
Jamaica.....	Jamaican dollar (J\$, JS) = 100 cents
St Kitts and Nevis.....	East Caribbean dollar (ECS) = 100 cents
St Lucia.....	East Caribbean dollar (ECS) = 100 cents
St Vincent and the Grenadines	East Caribbean dollar (ECS) = 100 cents
Suriname.....	Suriname guilder (Sfl, St) = 100 cent
Trinidad and Tobago.....	Trinidad and Tobago dollar (TT\$) = 100 cents (cts)

The values of the Special Drawing Rights (SDRs) have been established since 1 April 1978 by the International Monetary Fund (IMF) using the so-called 'standard basket' technique. This basket contains five currencies: the US dollar, German mark, Japanese yen, French franc and pound sterling. On 31 October 1994, 1 SDR = USD 1.48454.

For the purposes of international comparability, gold reserves are shown in fine troy ounces (1 fine troy ounce (oz) = 31.103477 g) and, where possible, foreign exchange reserves and Special Drawing Rights are given in US dollars.

The data on cash in circulation refer to notes and coins in circulation, excluding the holdings of issuing banks and commercial banks.

7.1. EXCHANGE RATES*

Country	Currency	Currency units for USD ¹			Currency units for 1 SDR		
		1985	1993	1995 ²	1985	1993	1995 ³
Antigua and Barbuda ..	ECS	2.7026	2.7026	2.7026	2.9657	3.7086	4.2472
Bahamas	BS	1.0025	1.0038	1.0038	1.0984	1.3736	1.5730
Barbados	BDSS	2.0163	2.0163	2.0163	2.2093	2.7626	3.1638
Belize	BzS	2.0000	2.0000	2.0000	2.1968	2.7471	3.1461
Dominica	ECS	2.7026	2.7026	2.7026	2.9657	3.7086	4.2472
Dominican Republic	domS	2.958 ^(a)	12.68	15.05	3.229	17.536	21.427 ^(b)
Grenada	ECS	2.7026	2.7026	2.7026	2.9657	3.7086	4.2472
Guyana	GS	4.1591	130.995	143.769	4.6	179.6	225.3 ^(b)
Haiti	Gde.	5	12.8161 ^(c)	14.4729 ^(c)	5.4921	6.5726 ^(d)	18.9001 ^(e)
Jamaica	JS	5.48	29.2175	32.9453	6.019	44.606	49.450
St Kitts and Nevis	ECS	2.7026	2.7026	2.7026	2.9657	3.7086	4.2472
St Lucia	ECS	2.7026	2.7026	2.7026	2.9657	3.7086	4.2472
St Vincent and the Grenadines	ECS	2.7026	2.7026	2.7026	2.9657	3.7086	4.2472
Suriname	Sf	1.79	85.19 ^(a)	429.50	1.9607	2.4518	632.88
Trinidad and Tobago ...	TTS	3.6146	5.8340	5.9220	3.9543	7.9860	9.3340

* As at year end. Middle rate.

¹ Official rate.

² As at September.

³ As at October.

(a) Free market rate.

(b) As at September.

(c) Free market (reference) rate.

(d) As at June 1991.

7.2 EXCHANGE RATES FOR THE EUROPEAN CURRENCY UNIT (ECU)* Currency units for 1 ECU

Country	Currency	1990	1991	1992	1993	1994	1995 ¹
Antigua and Barbuda ² ..	ECS	3.412	3.336	3.524	3.173	3.204	3.469
Bahamas	BS	1.264	1.236	1.305	1.175	1.187	1.285
Barbados	BDSS	2.528	2.471	2.610	2.350	2.373	2.570
Belize	BzS	2.528	2.472	2.602	2.350	2.371	2.548
Dominican Republic	domS	11.43	15.64	16.60	14.92	15.220	16.968

(continued on next page)

**7.2. EXCHANGE RATES FOR THE EUROPEAN CURRENCY UNIT (ECU)*
(CONT.)
Currency units for 1 ECU**

Country	Currency	1990	1991	1992	1993	1994	1995 ¹
Guyana	GS	49.66	132.27	162.47	148.79	162.672	183.954
Haiti	Gde.	6.319	6.178	8.264	14.05	19.817	20.735
Jamaica	JS	8.954	13.55	28.91	27.98	39.248	42.686
Suriname	Sf	2.255	2.206	2.330	37.64	229.022	609.640
Trinidad and Tobago ...	TTS	5.366	5.246	5.540	6.105	6.861	7.589
For information:							
Belgium/Luxembourg	bfr/lfr	42.426	42.223	41.593	40.471	39.657	38.599
Denmark	dkr	7.8565	7.9086	7.8093	7.5936	7.5433	7.4161
Germany	DM	2.0521	2.0508	2.0203	1.9364	1.9245	1.8739
Finland	Fmk	4.8550	5.0021	5.8070	6.6963	6.1631	5.8052
France	FF	6.9141	6.9733	6.8484	6.6337	6.5826	6.5531
Greece	Dr.	201.40	225.20	247.00	268.60	287.98	299.02
United Kingdom	£	0.7140	0.7010	0.7380	0.7800	0.7760	0.8116
Ireland	Ir£	0.7678	0.7678	0.7607	0.8000	0.7936	0.8124
Italy	Lit	1 522.0	1 533.2	1 595.5	1 841.2	1 914.2	2 141.1
Netherlands	hfl	2.3120	2.3110	2.2750	2.1750	2.1580	2.1002
Austria	S	14.440	14.431	14.217	13.624	13.540	13.187
Portugal	Esc	181.11	178.61	174.71	188.37	196.91	195.58
Sweden	skr	7.5205	7.4793	7.5330	9.1215	9.1631	9.5025
Spain	Pta	129.41	128.47	132.53	149.12	158.91	166.22
United States	US\$	1.2730	1.2390	1.2980	1.1710	1.1890	1.2898
	SDR ³	0.9386	0.9057	0.9217	0.8386	0.8308	0.8556

* Annual average daily rates.

¹ This exchange rate also applies for Dominica, Grenada, St Kitts and Nevis, St Lucia and St Vincent and the Grenadines.

² Annual average.

³ January/October A.

**7.3. GOLD-AND FOREIGN EXCHANGE RESERVES,
SPECIAL DRAWING RIGHTS***

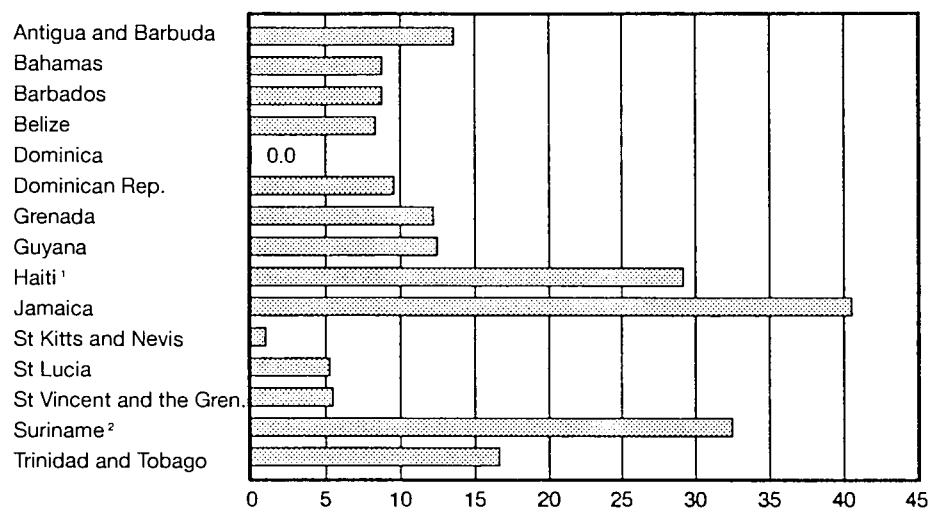
Country	Gold	Foreign	Special	Gold	Foreign	Special
	exchange		drawing	exchange		drawing
	reserves		rights	reserves		rights
	1985			1994	April 1995	
1 000 fine troy oz	USD million		1 000 fine troy oz	USD million		
Antigua and Barbuda .....	.	16.58	-	.	40.80 ^(a)	0.01
Bahamas .....	.	170.1	0.4	.	192.7	-
Barbados	6.1	137.39	0.01	61 ^(b)	226.36	1.12
Belize .....	.	12.73	0.01 ^(c)	.	22.23	0.40
Dominica .....	.	3.26	0.99 ^(d)	.	7.90 ^(a)	0.02
Dominican Republic	18	308.5	31.6	18 ^(e)	273.9	1.0
Grenada .....	.	20.80	0.01	.	31.08 ^(f)	0.02
Guyana .....	.	6.47	-	.	224.78 ^(g)	2.19
Haiti	18	6.3	6.6 ^(d)	182 ^(h)	11.2 ^(h)	1.1
Jamaica .....	.	161.3	0.4 ^(d)	.	775.4 ⁽ⁱ⁾	17.4
St Kitts and Nevis .....	.	7.41	-	.	27.90 ^(a)	-
St Lucia .....	.	12.65	-	.	45.80 ^(a)	2.16
St Vincent and the Grenadines.....	.	13.80	0.01 ^(d)	.	23.60 ^(a)	0.13
Suriname	54	22.59	0.83	54 ^(b)	21.07 ^(j)	0.15
Trinidad and Tobago	54	873.5	118.4	54 ^(e)	339.4 ^(g)	2.5

* As at year end.

(a) As at February. (b) 1989. (c) 1984. (d) 1986. (e) As at April 1995. (f) As at YE 1994. (g) As at March.

(h) As at June 1992. (i) As at January. (j) 1990.

7.1. GROWTH IN THE M2 MONEY SUPPLY, 1994*
% CHANGE ON PREVIOUS YEAR



* As at year-end. ¹ 1993. ² As at June 1993.

Statistisches Bundesamt 95 0212 B

7.4. CASH IN CIRCULATION AND MONEY SUPPLY*

Country	Currency	Cash in circulation Mill. WE	Cash in circulation per capita		Money supply		Growth in money supply (M2) % ¹
			WE	USD	M1	M2	
					Mill. WE		
1985							
Antigua and Barbuda ..	ECS	26.5	421	156	68.45	319.92	11.8
Bahamas	BS	57.8	248	247	208.1	704.1	4.9
Barbados	BDSS	124	488	242	353.5	1 093.4	9.1
Belize	BzS	22.6	136	68	58.61	167.74	8.5
Dominica	ECS	9.6	132	49	31.22	128.20	4.6
Dominican Republic	domS	677	106	36	1 456	2 493	16.3
Grenada	ECS	25.1	279	103	54.12	177.21	19.4

(continued on next page)

7.4. CASH IN CIRCULATION AND MONEY SUPPLY* (CONT.)

Country	Currency	Cash in circulation	Cash in circulation per capita		Money supply		Growth in money supply (M2)
			Mill. WE	WE	USD	Mill. WE	
							% ¹
1985							
Guyana	GS	422	534	128	740	2 140	19.2
Haiti	Gde.	763	130	26	1 588.7	3 000.4	15.1
Jamaica	JS	540	234	43	1 520	5 238	24.8
St Kitts and Nevis	ECS	9.4	218	81	32.90	204.21	19.5
St Lucia	ECS	33.0	266	99	71.05	328.64	19.9
St Vincent and the Grenadines	ECS	32.0	314	116	52.55	196.23	14.5
Suriname	Sf	405	1058	591	880.2	1 543.8	32.1
Trinidad and Tobago ...	TTS	685	590	163	2 260.5	8 443.8	1.2
1994							
Antigua and Barbuda ..	ECS	65.9	983	364	218.5	890.5	13.6
Bahamas	BS	89.4	329	327	411.3	1 750	8.8
Barbados	BDSS	190	729	362	516.2	2 031	8.8
Belize	BzS	56.7	275	138	144.2	460.5	8.4
Dominica	ECS	24.5	345	128	75.8	320.4	0.0
Dominican Republic	domS	7 679	988	78	13 742	33 717	9.6
Grenada	ECS	53.0	576	213	139.1	548.2	12.2
Guyana	GS	8 167	9 899	69	13 115	42 215	12.5
Haiti ²	Gde.	2 437	354	28	3 866	8 811	29.2
Jamaica	JS	7 118	2 823	86	21 252	65 552	40.6
St Kitts and Nevis	ECS	28.3	690	255	72.8	412.3	1.0
St Lucia	ECS	68.7	487	180	233.2	814.6	5.3
St Vincent and the Grenadines	ECS	32.0	288	107	108.6	390.7	5.5
Suriname ³	Sf	1 541	3 454	79	3 854	6 654	32.5
Trinidad and Tobago ...	TTS	745	576	98	3 748	12 399	16.7

- * As at year end.
¹ Change against corresponding period of the previous year.
² 1993.
³ As at June 1993.

8. PUBLIC FINANCE

8.1. CENTRAL GOVERNMENT BUDGET REVENUE AND EXPENDITURE*

Survey item	Antigua and Barbuda			Bahamas		
	1991	1992	1993 ¹	1991	1992	1993
	Mill. ECS			Mill. BS		
Revenue	249.2	268.7	277.9	523.9	554.5	552.5
Current revenue.....	228.6	245.5	253.9	.	.	.
in %	91.7	91.4	91.4	.	.	.
Capital revenue ²	20.6	23.2	24.0	.	.	.
in %	8.3	8.6	8.6	.	.	.
Expenditure	283.4	268.0	289.7	630.7	655.4	677.1
Current expenditure.....	246.7	257.6	267.0	.	.	.
in %	87.1	96.1	92.2	.	.	.
Capital expenditure.....	36.7	10.4	22.7	.	.	.
in %	12.9	3.9	7.8	.	.	.
Surplus (+) or deficit (-)	- 34.2	+ 0.7	- 11.8	- 106.8	- 100.9	- 124.6
Budget surplus (+) or deficit (-) in % of GDP.....	- 3.0	+ 0.1	- 1.0	- 3.5	- 3.3	- 4.1
	Barbados			Belize		
	1989/90	1990/91	1991/92	1991/92	1992/93	1993/94 ¹
	Mill. BDSS			Mill. BzS		
Revenue .....	.	.	.	284.0	303.1	264.9
Current revenue.....	987.6	949.5	990.4	218.2	248.3	249.9
in % .....	.	.	.	76.8	81.9	94.3
Capital revenue ².....	.	.	.	32.7	34.8	8.1
in % .....	.	.	.	11.5	11.5	3.1
Expenditure	1 054.0	1 197.7	1 034.9	320.2	364.4	335.3
Current expenditure.....	851.7	957.3	921.5	155.1	189.2	219.2
in %	80.8	79.9	89.0	48.4	51.9	65.4
Capital expenditure.....	202.6	240.1	113.4	165.0	175.2	116.0
in %	19.2	20.1	11.0	51.6	48.1	34.6
Surplus (+) or deficit (-) .....	.	.	.	- 36.2	- 61.3	- 70.4
Budget surplus (+) or deficit (-) in % of GDP.....	.	- 1.9	- 4.4	- 4.2	- 6.4	- 6.7

(continued on next page)

8.1. CENTRAL GOVERNMENT BUDGET REVENUE AND EXPENDITURE*
(CONT.)

Survey item	Dominica			Dominican Republic		
	1990/91	1991/92	1992/93	1990	1991 ¹	1992 ¹
	Mill. ECS			Mill. domS		
Revenue.....	157.2	154.0	174.5	7 478.4	11 019.9	18 137.0
Current revenue.....	134.5	142.3	153.3	7 306.6	10 581.9	.
in %	85.6	92.4	87.9	97.7	98.5	.
Capital revenue.....	22.7	11.7 ^(a)	21.2 ^(a)	171.8	168.0	.
in %.....	14.4	7.6	12.1	2.3	1.5	.
Expenditure.....	188.5	181.1	187.6	7 153.6	10 839.2	16 857.0
Current expenditure.....	130.2	134.2	154.9	3 661.5	6 088.7	6 658.5
in %.....	69.1	74.1	82.6	51.2	56.2	39.5
Capital expenditure.....	58.3	46.9	32.7	3 492.1	4 750.5	10 198.5
in %.....	30.9	25.9	17.4	48.8	43.8	60.5
Surplus (+) or deficit (-).....	- 31.3	- 27.1	- 13.1	+ 324.8	+ 180.7	+ 1 280.0
Budget surplus (+) or deficit (-) in % of GDP.....	- 6.8	- 5.5	- 2.6	+ 0.5	+ 0.2	+ 1.3
	Grenada			Guyana		
	1991	1992	1993	1991	1992	1993
	Mill. ECS			Mill. GS		
Revenue.....	184.2	183.3	188.8	14 669.2	19 463.5	24 581.7
Current revenue.....	161.5	160.2	172.4	11 823.5	17 769.5	22 434.1
in %	87.7	87.4	91.3	80.6	91.3	91.3
Capital revenue.....	22.7 ^(a)	23.1 ^(a)	16.4 ^(a)	2 845.7	1 694.0	21 47.6
in %.....	12.3	12.6	8.7	19.4	8.7	8.7
Expenditure.....	210.6	173.1	200.8	19 601.0	27 457.3	28 666.7
Current expenditure.....	164.5	156.2	160.1	15 273.4	23 070.7	21 279.7
in %.....	78.1	90.2	79.7	77.9	84.0	74.2
Capital expenditure.....	46.1	16.9	40.7	4 327.6	4 386.6	7 387.0
in %.....	21.9	9.8	20.3	22.1	16.0	25.8
Surplus (+) or deficit (-).....	- 26.4	+ 10.2	- 12.0	+ 4 931.8	- 7 993.8	- 4 085.0
Budget surplus (+) or deficit (-) in % of GDP.....	- 4.6	+ 1.7	- 2.0	- 18.7	- 22.8	- 9.9

(continued on next page)

**8.1. CENTRAL GOVERNMENT BUDGET REVENUE AND EXPENDITURE*
(CONT.)**

Survey item	Haiti			Jamaica		
	1991/92	1992/93	1993/94	1989/90	1990/91	1991/92
	Mill. Gde.			Mill. J\$		
Revenue	973.7	1 105.1	816.4	.	.	.
Current revenue.....	926.5	1 068.6	793.8	7 943.4	10 139.2	15 072.5
Expenditure	1 437.9	1 847.3	2 091.3	7 669.6	9 307.9	13 225.4
Current expenditure.....	1 409.6	1 785.1	2 007.1	6 137.0	7 465.5	10 639.1
in %	98.0	96.6	96.0	80.0	80.2	80.4
Capital expenditure.....	28.3	62.2	84.2	1 532.6	1 842.4	2 586.3
in %	2.0	3.4	4.0	20.0	19.8	19.6
Surplus (+) or deficit (-)	- 464.2	- 742.2	- 1 274.9	.	.	.
Budget surplus (+) or deficit (-) in % of GDP.....	- 2.8	- 3.8	- 5.4	.	.	.
	St Kitts and Nevis			St Lucia		
	1991	1992	1993 ¹	1991/92	1992/93	1993/94
	Mill. ECS					
Revenue	102.5	109.4	124.6	304.4	333.6	378.1
Current revenue.....	93.2	107.5	121.5	297.6	328.8	346.1
in %	90.9	98.3	97.5	97.8	98.6	91.5
Capital revenue	9.3 ^(a)	1.9 ^(a)	3.1 ^(a)	6.8	4.8	32.0
in %	9.1	1.7	2.5	2.2	1.4	8.5
Expenditure	111.1	114.4	133.9	297.2	349.1	402.9
Current expenditure.....	97.6	102.5	112.6	223.4	242.9	250.9
in %	87.8	89.6	84.1	75.2	69.6	62.3
Capital expenditure.....	13.5	11.9	21.3	73.8 ^(b)	106.2 ^(b)	152.0 ^(b)
in %	12.2	10.4	15.9	24.8	30.4	37.7
Surplus (+) or deficit (-)	- 8.6	- 5.0	- 9.3	+ 7.2	- 15.5	- 24.8
Budget surplus (+) or deficit (-) in % of GDP.....	- 1.9	- 1.0	- 1.8	+ 0.6	- 1.2	- 1.9

(continued on next page)

**8.1. CENTRAL GOVERNMENT BUDGET REVENUE AND EXPENDITURE*
(CONT.)**

	St Vincent and the Grenadines			Suriname		
	1991	1992	1993 ¹	1991	1992	1993 ¹
	Mill. ECS			Mill. Sf		
Revenue.....	193.5	181.2	177.0	1 094.1	1 581.9	3 476.8
Current revenue.....	161.1	166.4	175.7	.	.	.
in %	83.3	91.8	99.3	.	.	.
Capital revenue.....	32.4	14.8	1.3	.	.	.
in %.....	16.7	8.2	0.7	.	.	.
Expenditure.....	194.9	204.4	195.6	1 729.5	2 134.4	4 320.7
Current expenditure.....	134.6	147.8	149.8	1 672.8	2 017.8	3 950.4
in %.....	69.1	72.3	76.6	96.7	94.5	91.4
Capital expenditure.....	60.3	56.6	45.8	38.5	108.2	363.7
in %.....	30.9	27.7	23.4	2.2	5.1	8.4
Surplus (+) or deficit (-).....	- 1.4	- 23.2	- 18.6	- 635.4	- 552.4	- 843.9
Budget surplus (+) or deficit (-) in % of GDP.....	- 0.2	- 3.8	- 2.9	- 17.5	- 10.9	- 6.9
	Trinidad and Tobago					
	1991	1992	1993 ³	Mill. TTS		
Revenue.....	6 085.1	6 759.4	7 638.3			
Current revenue.....	6 083.5	6 755.2	7 568.4			
in %	99.9	99.9	99.1			
Capital revenue.....	1.6	4.2	69.9			
in %.....	0.1	0.1	0.9			
Expenditure.....	6 729.6	6 717.3	7 711.5			
Current expenditure.....	6 280.0	6 359.3	7 126.1			
in %.....	93.3	94.7	92.4			
Capital expenditure.....	449.6	358.0	585.4			
in %.....	6.7	5.3	7.6			
Surplus (+) or deficit (-).....	- 644.5	+ 42.1	- 73.2			
Budget surplus (+) or deficit (-) in % of GDP.....	- 2.9	+ 0.2	- 0.3			

* Budget year: calendar year; for Barbados, Belize, Jamaica and St Lucia: April/March; Dominica: July/June; Haiti: October/September. Budget deficit referred to gross domestic product at the year end.

¹ Provisional data. ² Incl. grants. ³ Estimate.

(a) Including grants. (b) Including net loans.

9. EMPLOYMENT

9.1. ECONOMICALLY ACTIVE POPULATION AND ACTIVITY RATES BY AGE GROUP*

Country	Year	Total	of which aged from ... to ...			
			under 25	25 - 45	45 - 65	65 + ¹
1 000						
Antigua and Barbuda ² ..	1991	26.8	5.3	14.4	5.6	1.4
Bahamas ²	1990	114.4	28.0	60.7	22.9	2.8
Barbados	1992	124.8	25.6	71.0	25.7	2.4
Dominica	1989	30.6	10.0	12.6	5.7	2.4
Grenada	1988	38.9	12.0	18.8	7.9 ^(a)	0.3 ^(b)
Haiti ³	1990	2 679.1	847.9	1 132.4	553.8	145.1
Jamaica ⁴	1990	1 060.1	313.3	453.1	232.7	61.0
St Vincent and the Grenadines ²	1991	41.7	12.5	21.0	7.0	1.2
Suriname ⁵	1992	107.1	23.5	67.9 ^(c)	15.0 ^(d)	0.7 ^(e)
Trinidad and Tobago	1993	504.5	109.6	281.1	105.6	8.0
% of age group						
Antigua and Barbuda ² ..	1991	64.8	48.6	81.4	72.8	28.5
Bahamas ²	1990	63.8	57.7	86.3	77.3	9.0
Barbados	1992	66.1	62.1	89.5	68.0	7.9
Dominica	1989	57.8	57.1	73.3	54.8	31.2
Grenada	1988	62.3	62.6	83.5	68.3 ^(e)	16.1 ^(e)
Haiti ³	1990	57.5	41.3	71.8	72.7	54.6
Jamaica ⁴	1990	69.4	54.4	90.6	81.1	37.2
St Vincent and the Grenadines ²	1991	62.3	57.1	78.7	61.4	17.5
Suriname ⁵	1992	52.5 ^(h)	36.2 ⁽ⁱ⁾	72.4 ^(j)	48.6 ^(k)	5.0 ^(l)
Trinidad and Tobago ...	1993	58.4	48.9	73.7	58.7	10.2

¹ Persons aged 15 and over.

² Including persons whose age is unknown. ³ Census results. ⁴ Persons aged 10 and over. ⁵ Persons aged 14 and over.

⁶ Persons aged 14 and over. Wanica and Paramaribo districts only.

(a) Persons aged from 45 to 65. (b) Only persons whose age is unknown. (c) Persons aged from 25 to 49. (d) Persons aged from 50 to 65. (e) Persons aged 66 and over. (f) Referred to the population aged 15 and over. (g) Referred to the population aged from 15 to 24.

9.2. WORKING POPULATION BY BRANCH OF ECONOMIC ACTIVITY

Country	Year	Total		Agriculture and forestry, fisheries		Industry		Services ¹	
		1 000	%	1 000	%	1 000	%	1 000	%
Antigua and Barbuda ² ..	1991	26.8	1.0	3.9	5.1	18.9	20.7	77.2	
Bahamas ³	1990	111.5	5.8	5.2	17.1	15.4	88.5	79.4	
Barbados	1993	95.4	5.3	5.6	18.2	19.1	71.9	75.4	
Belize ⁴	1991	58.1	18.3	31.4	11.1	19.0	28.8	49.6	
Dominica ⁵	1989	30.6	7.9	25.8	6.5	21.2	16.2	52.9	
Grenada	1988	28.0	5.6	19.8	6.9	24.5	15.6	55.7	
Haiti	1990	2 339.5	1 535.4	65.6	206.0	8.8	598.0	25.6	
Jamaica	1993	904.7	220.1	24.3	168.6	18.6	516.1	57.0	
St Vincent and the Grenadines ⁶	1991	33.4	8.4	25.1	7.0	21.1	17.9	53.8	
Trinidad and Tobago ...	1993	404.5	45.8	11.3	106.7	26.4	252.0	62.3	

¹ Including sectors n.e.s. ² Census results. Economically active population. ³ Census results. Economically active population; excluding 2 964 first-time job seekers. ⁴ Excluding sectors n.e.s. ⁵ Economically active population. ⁶ Census results.

9.3. STRIKES AND LOCK-OUTS

Country	Industrial disputes	Workers involved	Working days lost	Industrial disputes	Workers involved	Working days lost
	1990			1992		
Antigua and Barbuda	4	.	.	4	666	10 192(a)
Barbados ¹	17	1 083	1 754(b)	12	4 591	.
Guyana ²	329	61 474	244 498	258	.	126 700
Haiti ³	1 564	2 126	409 564	.	.	.
Jamaica	65	10 173	30 676	68	.	154 172
St Lucia ⁴	4	630	200	.	.	.
Suriname	6	1 023	6 247	.	.	.
Trinidad and Tobago ⁵	14	3 850	10 439	17	5 901	69 258

¹ 1993: disputes: 5; workers involved: 91; working days lost: 38. ² Excl. workers indirectly affected. ³ 1988. ⁴ 1986. ⁵ 1993: disputes: 24; workers involved: 11 735; working days lost: 29 099.
(a) Working hours lost (b) Calculated on the basis of an 8-hour day.

10. WAGES AND SALARIES

10.1. MINIMUM EARNINGS FOR PERSONS IN EMPLOYMENT BY SELECTED OCCUPATION*

Occupation	Antigua and Barbuda		Bahamas		Barbados	
	Minimum weekly earnings					
	1989	1993	1990	1991	1990	1993
	ECS		BS		BDSS	
Agriculture and forestry						
Supervisor.....	1 689 ^(a)	1 278 ^(a)	.	.	.	.
Farm worker.....	264	221	88	123	.	.
Forestry worker.....	.	1 125 ^(a)	.	.	.	.
Mining and quarrying						
Quarryman.....	.	340	.	.	8.00 ^(b)	9.00 ^(b)
Manufacturing industry						
Food industry						
Butcher.....	.	270	.	.	.	336
Packer.....	.	194	.	.	.	284
Baker.....	.	331 ^(c)	.	.	308	340
Clothing industry						
Cutter.....	.	189	.	200	140	155
Furniture industry						
Upholsterer.....	203	284	.	180	.	.
Cabinet-maker.....	307	378	.	.	.	358
Furniture fitter.....	.	189	.	.	.	197
Construction industry						
Electrician.....	327	421	.	.	7.00 ^(b)	7.00 ^(b)
Pipe-fitter and plumber.....	445	529	.	.	7.00 ^(b)	7.00 ^(b)
Painter.....	405	479 ^(c)	.	.	7.00 ^(b)	7.00 ^(b)
Bricklayer.....	405	473 ^(c)	.	.	7.00 ^(b)	7.00 ^(b)
Concreter.....	.	473 ^(c)	.	.	7.00 ^(b)	7.00 ^(b)
Carpenter.....	445	473 ^(c)	260	200	7.00 ^(b)	7.00 ^(b)
Plasterer.....	.	473 ^(c)	190	.	7.00 ^(b)	7.00 ^(b)
Labourer.....	326	332 ^(c)	170	.	6.00 ^(b)	6.00 ^(b)

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**10.1. MINIMUM EARNINGS FOR PERSONS IN EMPLOYMENT
BY SELECTED OCCUPATION* (CONT.)**

Occupation	Antigua and Barbuda		Bahamas		Barbados	
	Minimum weekly earnings					
	1989	1993	1990	1991	1990	1993
	ECS		BS		BDSS	
Hotel and catering industry						
Hotel receptionist.....	.	262	.	.	146	212
Cook	830	485	150	1 529(a)	144	156
Waiter	247	197	110	.	144	154
Chambermaid.....	205	208	70	.	140	150
Transport						
Road passenger transport						
Transport manager.....	.	2 311(a)	.	.	360	360
Bus conductor.....	.	205	.	.	299	299
Motor mechanic .....	.	.	.	.	306	306
Bus driver .....	.	329	.	.	347	347
Belize Grenada Suriname						
Minimum hourly earnings			Minimum monthly earnings			
1990	1993	1986	1993	1990	1992	
Bz\$		ECS		St		
Agriculture and forestry						
Supervisor.....	835(d)	1 023(d)	.	25.00(e)	.	1 225
Farm worker.....	1.94	3.25	.	12.50(e)	.	450
Forestry worker	1.94	2.25	527	833	451	.
Mining and quarrying						
Quarryman	1.94	2.53	.	.	.	.
Manufacturing industry						
Food industry						
Butcher.....	1.80	3.88	.	35.00(e)	900	725
Packer	1.80	3.33	.	25.00(e)	330	475
Baker.....	150(f)	118(f)	790	30.00(e)	350	450
Clothing industry						
Cutter	1.75	.	476	800	200	313
Furniture industry						
Upholsterer.....	90(f)	145(f)	900	25.00(e)	450	350
Cabinet-maker	125(f)	3.00	1 200	25.00(e)	700	350
Furniture fitter	80(f)	.	.	25.00(e)	700	350

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**10.1. MINIMUM EARNINGS FOR PERSONS IN EMPLOYMENT
BY SELECTED OCCUPATION* (CONT.)**

Occupation	Belize		Grenada		Suriname	
	Minimum hourly earnings		Minimum monthly earnings			
	1990	1993	1986	1993	1990	1992
	Bz\$		EC\$		Sf	
Construction industry						
Electrician	2.37	3.00	2 000	35.00 ^(e)	5.65 ^(b)	6.94 ^(b)
Pipe-fitter and plumber	2.37	3.00	700	35.00 ^(e)	4.96 ^(b)	8.65 ^(b)
Painter	2.37	3.00	30.00 ^(e)	30.00 ^(e)	3.45 ^(b)	4.21 ^(b)
Bricklayer	2.37	3.00	30.00 ^(e)	35.00 ^(e)	2.97 ^(b)	9.21 ^(b)
Concreter	2.37	3.00	25.00 ^(e)	35.00 ^(e)	2.97 ^(b)	9.60 ^(b)
Carpenter	2.37	3.00	30.00 ^(e)	50.00 ^(e)	3.00 ^(b)	7.07 ^(b)
Plasterer	2.37	3.00	30.00 ^(e)	40.00 ^(e)	2.97 ^(b)	.
Labourer.....	1.94	2.25	20.00 ^(e)	25.00 ^(e)	1.74 ^(b)	.
Hotel and catering industry						
Hotel receptionist.....	.	150 ^(f)	1 000	500	980	.
Cook .....	.	247 ^(f)	800	400	950	.
Waiter .....	.	111 ^(f)	650	400	850	.
Chambermaid.....	.	111 ^(f)	.	450	850	.
Transport						
Road passenger transport						
Transport manager.....	.	150 ^(f)	900	800	940	.
Bus conductor.....	.	100 ^(f)	350	450	.	.
Motor mechanic.....	.	100 ^(f)	1 000	800	485	.
Bus driver .....	.	125 ^(f)	600	700	419	.

* As at October.

(a) Average monthly earnings.

(b) Minimum hourly earnings.

(c) Average weekly earnings.

(d) Minimum monthly earnings.

(e) Minimum daily earnings.

(f) Minimum weekly earnings.

11. PRICES

11.1. GENERAL COST-OF-LIVING INDEX* % change on corresponding figures for previous year

Country	1989	1990	1991	1992	1993
Antigua and Barbuda	4.1	7.0	5.7	.	.
Bahamas	5.4	4.6	7.4	5.6	2.7
Barbados	6.2	3.0	6.3	6.1	1.2
Belize	2.2	3.0	5.6	2.8	1.6
Dominica	7.5	3.2	5.5	5.5	1.5
Dominican Republic	45.4	59.4	53.9	4.6	4.8
Grenada	5.6	2.7	2.7	3.8	2.8
Guyana	61.8	66.7	101.5	28.2	12.0
Haiti	7.5	20.9	15.2	13.9	26.2
Jamaica	14.9	22.0	51.1	77.3	22.1
St Kitts and Nevis	5.2	4.2	4.2	2.8	.
St Lucia	3.7	4.4	5.6	5.6	0.7
St Vincent and the Grenadines	2.6	7.4	5.9	3.7	4.3
Suriname	0.8	21.7	26.0	43.7	143.5
Trinidad and Tobago	11.4	11.0	3.8	6.5	10.8

* Annual average.

11.2. COST-OF-LIVING INDEX* 1988 = 100

Country	1989	1990	1991	1992	1993
Antigua and Barbuda					
Total	104.1	111.4	117.8	.	.
Food	107.7	114.5	121.6	.	.
Clothing	90.8	111.7	110.3	.	.
Rent	104.2	102.6	104.6	.	.
Heating and lighting .....	.	.	.	.	.

(continued on next page)

11.2. COST-OF-LIVING INDEX* (CONT.)
1988 = 100

Country	1989	1990	1991	1992	1993
Bahamas					
Total.....	105.4	110.2	118.4	125.0	128.4
Food	105.4	113.5	123.3	125.9	126.7
Clothing.....	108.1	115.0	123.5	133.6	132.2
Rent.....	102.7	103.4	103.8	108.7	112.0
Heating and lighting.....	.	.	.	.	.
Barbados					
Total.....	106.2	109.4	116.3	123.4	124.8
Food	109.1	113.5	118.9	119.2	119.2
Clothing.....	102.7	102.4	105.1	108.5	110.0
Rent.....	105.1	106.8	125.8	183.3	183.3
Heating and lighting.....	103.9	108.2	108.5	111.4	114.9
Belize					
Total.....	102.2	105.2	111.1	114.2	116.0
Food	104.2	106.4	112.9	116.1	118.5
Clothing.....	103.4	106.8	110.2	116.0	116.4
Rent.....	98.0	100.8	106.9	106.3	108.7
Heating and lighting.....	.	.	.	.	.
Dominica					
Total.....	107.5	110.9	117.1	123.6	125.5
Food	108.0	106.0	111.5	121.0	123.5
Clothing.....	112.4	115.5	131.8	143.9	148.5
Rent.....	100.4	141.3	159.7	161.6	161.6
Heating and lighting.....	107.5	110.1	116.2	116.8	118.7
Dominican Republic					
Total.....	145.4	231.8	356.7	373.1	391.0
Food	148.2	208.5	350.7	350.7	360.2
Clothing.....	160.7	239.2	.	.	.
Rent.....	138.0	152.0	.	.	.
Heating and lighting.....

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11.2. COST-OF-LIVING INDEX* (CONT.)
1988 = 100

Country	1989	1990	1991	1992	1993
Grenada					
Total	105.6	108.5	111.3	115.5	118.5
Food	108.4	112.6	114.7	115.4	120.1
Clothing.....	97.1	100.3	106.5	109.9	110.5
Rent ¹ .....	.	102.0	102.0	125.4	127.5
Heating and lighting.....	103.3	112.4	108.0	104.3	104.4
Guyana					
Total	161.8	269.6	543.3	696.6	780.1
Food	164.4	324.6	592.0	725.8	783.9
Clothing.....	163.7	228.1	450.1	721.9	920.4
Rent.....	146.3	169.1	.	.	.
Heating and lighting ² .....	.	.	115.2	152.6	158.6
Haiti					
Total	107.5	130.0	149.7	170.5	215.2
Food	107.8	132.3	151.5	166.9	211.5
Clothing.....	105.5	.	.	.	.
Rent.....	97.6	.	.	.	.
Heating and lighting.....	111.4	.	.	.	.
Jamaica					
Total	114.9	140.2	211.8	375.5	458.5
Food	120.0	146.8	227.2	403.3	490.0
Clothing.....	110.6	131.9	187.7	375.6	.
Rent.....	108.8	113.0	168.1	308.8	.
Heating and lighting.....	106.1	132.8	219.4	388.6	.
St Kitts and Nevis					
Total	105.2	109.6	114.2	117.4	.
Food	105.0	107.6	113.7	119.1	.
Clothing.....	107.6	111.8	.	.	.
Rent.....	100.5	100.9	.	.	.
Heating and lighting.....	100.8	111.6	.	.	.

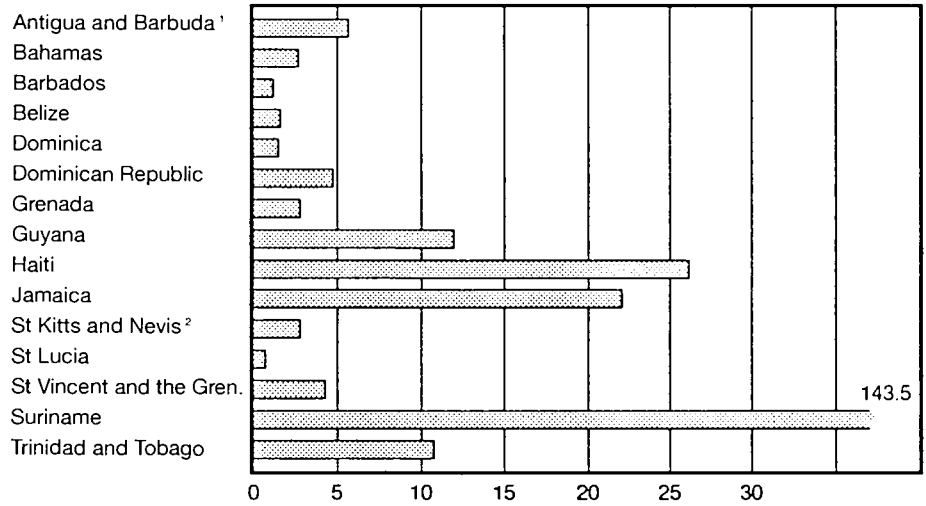
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11.2. COST-OF-LIVING INDEX* (CONT.)
1988 = 100

Country	1989	1990	1991	1992	1993
St Lucia					
Total.....	103.7	108.3	114.3	120.7	121.6
Food	104.0	109.0	117.7	123.6	122.8
Clothing.....	105.7	118.1	124.8	151.2	154.2
Rent.....	100.4	101.2	101.7	101.7	101.7
Heating and lighting.....	109.6	113.8	117.2	122.2	121.6
St Vincent and the Grenadines					
Total.....	102.6	110.2	116.7	121.0	126.3
Food	99.6	107.7	117.4	121.9	124.9
Clothing.....	112.4	118.2	120.4	121.3	122.8
Rent.....	100.0	100.0	100.0	100.0	128.8
Heating and lighting.....	99.8	113.1	111.5	113.0	111.7
Suriname					
Total.....	100.8	122.7	154.5	222.0	540.6
Food	101.6	131.9	156.5	242.4	639.8
Clothing.....	112.4	121.0	167.0	223.4	490.0
Rent.....	101.2	104.2	107.5	105.6	130.2
Heating and lighting.....	97.1	100.0	113.5	125.6	623.5
Trinidad and Tobago					
Total.....	111.4	123.7	128.5	136.8	151.5
Food	122.5	143.5	152.3	165.6	196.9
Clothing.....	102.1	110.7	111.6	111.0	109.8
Rent.....	100.2	99.3	99.0	99.3	100.3
Heating and lighting.....	100.7	111.7	111.5	117.7	118.0

* Annual average.
 1987 = 100.
 1990 = 100.

11.1. COST-OF-LIVING INDEX 1993
% CHANGE ON PREVIOUS YEAR



¹ As at 1991. ² As at 1992.

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12. THE BALANCE OF PAYMENTS

The Caribbean region experienced a number of external shocks in the 1970s and 1980s. Of these the most important were the oil price hikes in the early 1970s, again in the late 1970s and, thirdly, with the Gulf crisis in 1989-90. But there have been other damaging terms of trade effects through sudden falls in the prices of staple exports, in particular of sugar. These adverse terms of trade effects have led to a ratcheting upwards of current balance deficits. In periods of adverse prices, deficits were allowed to expand and to a large extent private and public consumption were protected through international borrowing. When prices moved favourably, little was done to build up reserves.

One country, Trinidad and Tobago, is an oil producer and might have been expected to have benefited from the oil price shocks. Indeed there was an upsurge in investment in the oil and petro-chemicals industries after the first sharp increase in oil prices. Real GDP grew at nearly 7% a year between 1974 and 1982. However from there on till 1990 GDP fell in nearly every year. The country suffered from the phenomenon known as 'Dutch disease' in which the rise in the value of exports of a single product, in this case oil, results in a sharp rise in the real effective exchange rate (REER) and the lack of competitiveness of the rest (non-oil sector) of the economy (see Chapter 17 for a further discussion).

Between 1980 and 1987 the countries of the region were in constant balance of payments trouble. All countries were in deficit in each of those years with only the exception of Barbados in 1984 and 1985. As Table 12.1 shows the deficits have continued through 1993 without any clear improving trend. This is also the impression from the current account balances as a percentage of GDP. There seems to have been a clear improvement in the cases of Antigua and Barbuda and Trinidad and Tobago and, possibly, Jamaica. In general though it is apparent that the problem of endemic current account deficits is far from having been resolved.

The most recent data on trends in the terms of trade are not encouraging. Only certain countries supply data on trade in volume terms which are needed to compute terms of trade and, even then, the data are unreliable and they are only available after a lag. However it does appear that there was some improvement in the four years up to 1992 in the terms of trade of Barbados, the Dominican Republic and Trinidad and Tobago, while those of Guyana, Jamaica and Suriname deteriorated. Since 1992 oil and banana prices have been generally depressed while iron ore, aluminium and sugar prices have been strong. In general the terms of trade, and with them the current account balance, should have improved for most countries other than the OECS banana exporters, Belize and Trinidad and Tobago.

12.1. CURRENT ACCOUNT BALANCES

Country	1987	1988	1989	1990	1991	1992	1993
USD million							
Antigua and Barbuda	- 111	- 43	- 79	- 38	- 34	- 9	- 14
Bahamas	- 33	- 46	- 60	- 75	- 86	- 34	- 73
Barbados	- 53	+ 2	- 3	- 16	- 30	+ 137	- 34
Belize	+ 9	- 3	- 19	+ 15	- 26	- 29	- 49
Dominica	- 3	- 6	- 33	- 31	- 21	- 23	- 23
Dominican Republic	- 364	- 19	- 216	- 106	- 36	- 445	- 161
Grenada	- 20	- 17	- 30	- 28	- 35	- 25	- 33
Guyana	n.a.	n.a.	- 113	- 148	- 118	- 147	- 136
Haiti	- 31	- 40	- 63	- 39	- 11	+ 7	n.a.
Jamaica	- 137	+ 54	- 291	- 321	- 191	+ 117	- 182
St Kitts and Nevis	- 9	- 22	- 31	- 44	- 30	- 21	- 25
St Lucia	- 4	- 12	- 56	- 57	- 68	% 45	- 44
St Vincent and the Grenadines	- 12	+ 1	- 18	- 5	- 24	- 17	- 26
Suriname	+ 75	+ 63	+ 163	+ 35	- 76	+ 11	n.a.
Trinidad and Tobago	- 239	- 109	- 56	+ 440	- 21	+ 122	n.a.
Total	- 932	- 197	- 905	- 418	- 807	- 411	- 582
% of GDP							
Antigua and Barbuda	- 38.5	- 12.6	- 21.2	- 9.5	- 8.0	- 2.1	n.a.
Bahamas	- 1.2	- 1.7	- 2.0	- 2.4	- 2.8	- 1.1	- 3.2
Barbados	- 3.7	+ 0.1	- 0.2	- 0.9	- 1.8	+ 8.7	- 2.2
Belize	+ 3.5	- 1.0	- 5.3	+ 3.8	- 6.0	- 6.1	- 9.4
Dominica	- 2.4	- 4.1	- 22.0	- 18.0	- 11.4	- 12.2	- 11.8
Dominican Republic	- 7.2	- 0.4	- 3.2	- 1.6	- 0.5	- 5.8	- 1.9
Grenada	- 13.3	- 10.2	- 16.0	- 13.7	- 16.5	- 11.6	n.a.
Guyana	+ 0.0	+ 0.0	- 40.2	- 49.2	- 34.6	- 52.6	- 41.8
Haiti	- 1.4	- 1.8	- 2.6	- 1.6	- 0.4	+ 0.3	n.a.
Jamaica	- 4.6	+ 1.6	- 7.1	- 7.4	- 4.7	+ 3.6	- 4.5
St Kitts and Nevis	- 8.3	- 17.6	- 21.9	- 27.4	- 18.1	- 11.8	- 13.1
St Lucia	- 1.4	- 3.7	- 15.1	- 14.2	- 15.7	- 11.6	- 8.9
St Vincent and the Grenadines	- 8.5	+ 0.6	- 10.4	- 2.5	- 1.1	- 5.1	- 18.8
Suriname	+ 6.9	+ 4.8	+ 10.8	+ 2.1	- 3.7	+ 0.4	- 0.4
Trinidad and Tobago	- 5.0	- 2.4	- 1.3	+ 8.6	- 0.4	+ 2.3	n.a.

Source: IMF Balance of Payments Yearbook, 1994.

Table 12.2 gives an indication of the relative contributions of merchandise trade and tourism - which accounts for the bulk of receipts on the travel account - in current receipts. The OECS states who all depend very largely on tourism have been lumped together. It is clear that tourism is of growing importance to the balance of payments for Belize, the Dominican Republic and Jamaica, though in the first case it still remains relatively minor. Comparable data are not available for Guyana, but, like its neighbour, Suriname, has little in the way of a tourist industry (though efforts are being made in Guyana to develop eco-tourism). Tourism has been depressed in recent years by the recession in the United States, and, to a lesser extent, in Europe. With recovery in those areas the data for subsequent years should show the share of tourism pick up, though there are particular problems in certain countries. Antigua and Barbuda, for example, is in danger of pricing itself out as a tourist destination. Lack of investment to improve facilities and environmental degradation are creating difficulties in some countries.

The difference between receipts from exports of goods and services and total current receipts is mainly filled by remittances. Some 2½ million people of Caribbean origin are now resident in North America and Europe. The current account gains from transfers to their families who remain in the Caribbean. It also benefits from pension rights accrued abroad by workers who have returned to their home countries. Remittances have doubled over the last decade. True, unlike foreign direct investment, this income is mainly spent on consumption rather than investment (though it must release some other income for investment). But as regards plugging the gap in the balance of trade in goods and services it is of much greater importance.

Foreign direct investment will be discussed in Chapter 14. While it appears in the capital account rather than the current account, it is useful to show FDI in relation to total current receipts in order to show its contribution to the overall balance of payments in relation to merchandise trade and tourism. The table reveals that only among the OECS countries and Barbados FDI has made a large direct contribution to the balance of payments, though it has played a significant, if unpredictable, role in Belize, the Dominican Republic, Jamaica and Trinidad and Tobago.

The large current account deficits have been primarily financed by development assistance, bilateral and multilateral grants and loans¹, commercial borrowing and, in some cases, "exceptional financing", which includes arrears, debt rescheduling and write-offs. As we shall see in Chapter 15 the role of development assistance has been declining. Debt issues will be taken up in Chapter 16.

Net borrowing from the commercial banking system reached a peak of USD 310 million in 1986. There was a small negative figure for 1987 and it rose again to USD 280 million in 1988. Since 1988 net commercial borrowing has been negative. This mainly reflects the much

¹ "In order to qualify as development assistance, a loan should contain a grant element of 25 %, for example in the form of an interest bonus and/or deferred payment."

more stringent policies of the commercial banks in their lending to developing countries in general. But some of the Caribbean countries themselves ran into debt servicing problems - and arrears - and have sought rescheduling of their commercial debt. This will be further discussed in Chapter 17. Lack of creditworthiness on the international capital markets remains a problem for Grenada, Guyana, Haiti and Suriname.

12.2. SHARES OF MERCHANDISE EXPORTS, EXPORTS OF TRAVEL SERVICES IN CURRENT RECEIPTS AND THE RATIO OF FOREIGN DIRECT INVESTMENT TO CURRENT RECEIPTS

%

Survey item	1987	1988	1989	1990	1991	1992	1993
Bahamas							
exports of goods	18.9	18.7	1.9	18.4	2.6	19.5	16.6
exports of travel services	78.7	79.1	97.8	79.2	97.0	77.7	82.5
FDI net inflows	0.8	2.6	0.2	- 1.0	0.0	0.4	- 1.5
Barbados							
exports of goods	22.4	21.2	19.3	20.5	20.8	22.0	14.6
exports of travel services	65.1	67.3	69.3	67.9	66.6	64.7	73.9
FDI net inflows	31.3	51.9	41.5	53.6	38.4	63.5	n.a.
Belize							
exports of goods	62.8	65.4	62.0	60.0	59.4	58.0	54.8
exports of travel services	11.6	12.1	14.5	17.7	21.2	24.7	28.6
FDI net inflows	4.3	7.7	9.5	7.9	7.1	7.4	4.6
Dominican Republic							
exports of goods	44.9	44.0	43.2	35.1	32.8	27.1	22.9
exports of travel services	34.4	38.0	38.3	43.0	43.7	49.4	55.0
FDI net inflows	5.4	5.2	5.1	6.4	7.2	8.7	8.2
Haiti							
exports of goods	39.4	35.1	32.1	34.6	29.9	n.a.	n.a.
exports of travel services	16.9	14.4	15.2	14.3	12.1	n.a.	n.a.
FDI net inflows	0.9	1.9	2.0	1.7	2.6	n.a.	n.a.
Jamaica							
exports of goods	47.2	52.1	51.3	52.5	53.0	48.1	48.8
exports of travel services	39.6	31.0	30.4	33.6	35.4	40.3	44.4
FDI net inflows	- 0.7	2.9	6.3	5.9	4.0	6.5	n.a.

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12.2. SHARES OF MERCHANDISE EXPORTS, EXPORTS OF TRAVEL SERVICES IN CURRENT RECEIPTS AND THE RATIO OF FOREIGN DIRECT INVESTMENT TO CURRENT RECEIPTS (CONT.)
(%)

Survey item	1987	1988	1989	1990	1991	1992	1993
Suriname							
exports of goods	96.6	94.7	99.5	98.5	93.5	88.8	n.a.
exports of travel services	1.1	1.6	0.1	0.2	0.3	0.5	n.a.
FDI net inflows	-20.8	-25.4	-3.1	-9.1	2.7	-7.8	n.a.
Trinidad and Tobago							
exports of goods	92.1	92.7	92.6	93.1	91.2	92.2	n.a.
exports of travel services	6.2	5.9	5.1	4.6	5.4	5.7	n.a.
FDI net inflows	2.2	4.0	9.0	5.2	8.8	9.1	n.a.
OECS							
exports of goods	33.4	34.7	32.0	31.4	27.9	n.a.	n.a.
exports of travel services	45.9	48.3	51.2	53.1	55.4	n.a.	n.a.
FDI net inflows	13.0	9.8	14.0	16.9	16.2	n.a.	n.a.

Source: As Table 12.1.

Over the last two years Trinidad and Tobago has successfully completed an issue of international bonds. That however remains a category of external finance out of range for most of the countries of the Caribbean.

12.3. BALANCE OF PAYMENTS
USD million

Survey item	1987	1988	1989	1990	1991	1992	1993
Antigua and Barbuda							
Current account	- 111	- 43	- 79	- 38	- 34	- 9	- 14
of which							
goods	- 202	- 184	- 226	- 212	- 218	- 206	- 247
transfers	+ 15	+ 12	+ 15	+ 11	+ 9	+ 7	+ 6
Long-term capital	+ 84	+ 29	+ 28	+ 16	+ 29	- 4	- 9
Short-term capital	- 8	- 4	+ 8	- 1	+ 24	+ 8	+ 11
Overall balance	- 20	- 18	- 39	- 47	- 34	- 19	- 12

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12.3. BALANCE OF PAYMENTS (CONT.)
USD million

Survey item	1987	1988	1989	1990	1991	1992	1993
Bahamas							
Current account	- 33	- 46	- 60	- 75	- 86	- 34	- 73
of which							
goods	- 725	- 712	- 878	- 882	- 726	- 759	- 824
transfers	+ 16	- 3	- 11	+ 4	+ 17	+ 20	- 17
Long-term capital	- 27	+ 34	+ 50	+ 24	+ 165	+ 51	- 4
Short-term capital	- 7	+ 8	- 27	- 7	+ 8	- 3	+ 5
Overall balance	+ 13	+ 0	+ 22	+ 12	+ 23	+ 23	+ 33
Barbados							
Current account	- 53	+ 2	- 3	- 16	- 30	+ 137	- 34
of which							
goods	- 327	- 373	- 452	- 472	- 474	- 307	- 417
transfers	+ 40	+ 16	+ 21	- 73	- 54	+ 40	- 7.1
Long-term capital	+ 70	+ 31	+ 1	+ 31	- 4	- 19	+ 19
Short-term capital	+ 31	+ 10	- 1	+ 14	+ 3	- 81	n.a.
Overall balance	+ 6	+ 38	- 42	- 3	- 40	+ 28	- 9
Belize							
Current account	+ 9	- 3	- 19	+ 15	- 26	- 29	- 49
of which							
goods	- 24	- 42	- 65	- 59	- 98	- 104	- 119
transfers	+ 2	+ 26	+ 30	+ 31	+ 28	+ 31	+ 28
Long-term capital	+ 7	+ 24	+ 30	+ 29	+ 26	+ 25	+ 35
Short-term capital	- 5	+ 4	- 4	- 4	- 3	- 2	- 2
Overall balance	+ 12	+ 22	+ 16	+ 15	- 16	+ 0	- 14
Dominica							
Current account	- 3	- 6	- 33	- 31	- 21	- 23	- 23
of which							
goods	- 10	- 20	+ 48	- 48	- 40	- 43	- 51
transfers	- 4	+ 19	+ 21	+ 21	+ 23	+ 18	+ 21
Long-term capital	+ 20	+ 14	+ 24	+ 19	+ 23	+ 24	+ 11
Short-term capital	- 11	- 8	+ 8	+ 11	+ 3	+ 1	+ 6
Overall balance	+ 8	- 1	+ 0	+ 5	+ 4	+ 3	+ 1

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12.3. BALANCE OF PAYMENTS (CONT.)
USD million

Survey item	1987	1988	1989	1990	1991	1992	1993
Dominican Republic							
Current account	- 364	- 19	- 216	- 106	- 36	- 445	- 161
of which							
goods	- 848	- 718	-1 040	-1 058	-1 071	-1 611	-1 606
transfers	- 111	+ 354	385	+ 371	+ 387	+ 432	+ 442
Long-term capital	+ 69	+ 133	+ 100	- 126	+ 102	+ 42	+ 94
Short-term capital	- 26	- 149	+ 60	+ 109	- 240	+ 35	+ 171
Overall balance	- 72	+ 1	- 241	- 418	+ 253	- 63	+ 34
Grenada							
Current account	- 20	- 17	- 30	- 28	- 35	- 25	- 33
of which							
goods	- 57	- 59	- 71	- 79	- 91	- 83	- 94
transfers	+ 32	+ 25	+ 18	+ 34	+ 28	+ 26	+ 22
Long-term capital	+ 19	+ 19	+ 11	+ 23	+ 24	+ 26	+ 30
Short-term capital	+ 2	- 8	+ 18	- 12	+ 1	- 2	+ 4
Overall balance	+ 1	- 8	- 7	- 4	+ 0	+ 7	+ 1
Guyana							
Current account	n.a.	n.a.	- 69	- 47	+ 52	+ 127	+ 78
of which							
goods	n.a.	n.a.	- 8	- 46	- 5	- 61	- 68
transfers	n.a.	n.a.	+ 22	+ 28	+ 21	+ 30	+ 29
Long-term capital	n.a.	n.a.	- 51	- 36	+ 36	+ 127	+ 71
Short-term capital	n.a.	n.a.	- 18	- 11	+ 16	- 3	+ 6
Overall balance	n.a.	n.a.	- 181	- 194	- 66	- 39	- 49
Haiti							
Current account	- 31	- 40	- 63	- 39	- 11	+ 6,5	n.a.
of which							
goods	- 101	- 104	- 111	- 87	- 137	- 113	0
transfers	+ 228	+ 196	+ 177	+ 168	+ 247	+ 151	0
Long-term capital	+ 58	+ 23	+ 30	+ 35	+ 57	n.a.	n.a.
Short-term capital	- 4	3	30	- 21	- 26	n.a.	n.a.
Overall balance	+ 5	- 4	- 8	+ 22	- 23	+ 5	n.a.

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12.3. BALANCE OF PAYMENTS (CONT.)
USD million

Survey item	1987	1988	1989	1990	1991	1992	1993
Jamaica							
Current account	- 137	+ 54	- 291	- 321	- 191	+ 117	- 182
of which							
goods	- 352	- 357	- 606	- 522	- 406	- 404	- 814
transfers	+ 35	+ 135	+ 194	+ 172	+ 164	+ 159	+ 63
Long-term capital	+ 255	+ 12	249	+ 284	+ 198	+ 4	+ 79
Short-term capital	+ 105	76	- 151	+ 121	+ 30	+ 185	+ 178
Overall balance	- 166	+ 73	- 384	- 299	- 158	- 259	n.a.
St Kitts and Nevis							
Current account	- 9	- 22	- 31	- 44	- 30	- 21	- 25
of which							
goods	- 42	- 55	- 58	- 69	- 95	- 60	- 63
transfers	+ 19	+ 17	+ 19	+ 13	+ 10	+ 13	+ 11
Long-term capital	+ 21	+ 19	+ 47	+ 49	+ 22	+ 15	+ 22
Short-term capital	- 27	- 2	+ 10	- 2	+ 7	+ 12	+ 6
Overall balance	+ 1	+ 0	+ 6	+ 0	+ 1	+ 10	+ 3
St Lucia							
Current account	- 4	- 12	- 56	- 57	- 68	- 55	- 44
of which							
goods	- 78	- 75	- 129	- 96	- 151	- 152	- 158
transfers	+ 12	+ 19	+ 20	+ 16	+ 20	+ 6	+ 27
Long-term capital	+ 21	+ 25	+ 35	+ 50	+ 62	+ 67	+ 44
Short-term capital	- 34	+ 19	+ 5	+ 62	+ 0	+ 2	+ 5
Overall balance	+ 9	+ 3	+ 6	+ 8	+ 8	+ 7	+ 4
St Vincent and the Grenadines							
Current account	- 12	+ 1	- 18	- 5	- 24	- 17	- 26
of which							
goods	- 37	- 25	- 37	- 37	- 53	- 41	- 49
transfers	+ 29	+ 27	+ 20	+ 29	+ 31	+ 24	+ 21
Long-term capital	+ 13	+ 16	+ 16	+ 14	+ 15	+ 22	+ 26
Short-term capital	- 4	- 12	+ 3	- 11	+ 6	+ 5	- 3
Overall balance	- 5	+ 2	+ 1	+ 4	- 4	+ 11	- 2

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12.3. BALANCE OF PAYMENTS (CONT.)
USD million

Survey item	1987	1988	1989	1990	1991	1992	1993
Suriname							
Current account	+ 75	+ 63	+ 163	+ 35	- 76	+ 11	n.a.
of which							
goods	+ 65	+ 119	+ 218	+ 92	- 1	+ 68	+ 0
transfers	+ 7	+ 7	+ 18	- 3	+ 13	+ 29	- 14
Long-term capital	- 59	- 90	- 152	- 36	+ 30	- 25	n.a.
Short-term capital	+ 9	+ 25	- 21	+ 21	+ 3	- 23	n.a.
Overall balance	- 9	- 5	+ 0	+ 10	- 44	- 12	n.a.
Trinidad and Tobago							
Current account	- 239	- 109	- 56	+ 440	- 21	+ 122	n.a.
of which							
goods	+ 317	+ 389	+ 399	+ 668	+ 207	- 136	- 386
transfers	+ 9	- 42	- 27	- 22	- 18	- 17	- 27
Long-term capital	+ 8	- 65	- 97	- 521	- 237	- 165	n.a.
Short-term capital	+ 70	- 77	- 70	+ 169	+ 178	+ 11	n.a.
Overall balance	- 256	- 229	- 177	- 178	- 277	- 104	n.a.

Source: IMF, Balance of Payments Yearbook, 1994.

13. FOREIGN TRADE

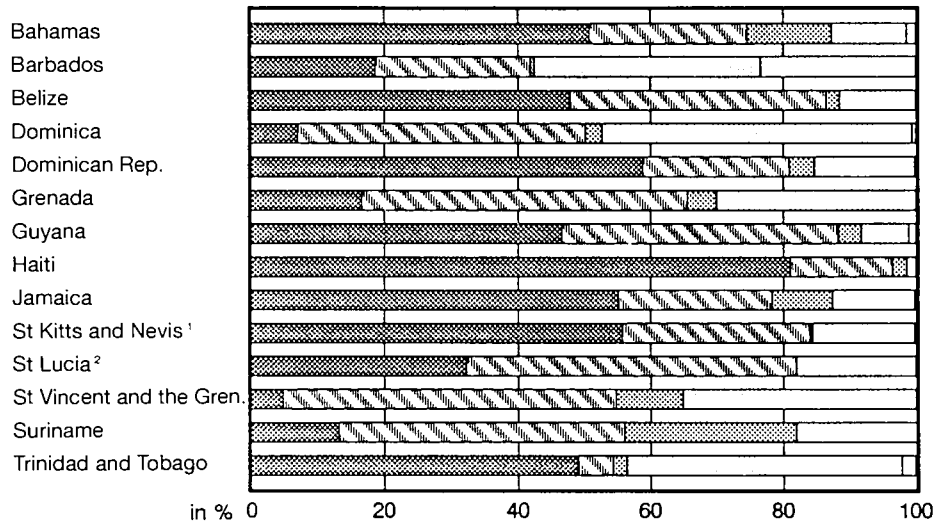
Table 13.1 gives the destination of exports from individual ACP Caribbean countries using the most recent available data. For the region as a whole 76% of exports went to the OECD countries, with almost a half going to the United States. However the table also points to the marked dispersion in the Caribbean countries' export patterns. The share going to the OECD countries varies from 98.7% in the case of Haiti to 42.5% for Barbados - though in the latter case a high proportion is of unspecified destination. The share of exports going to developing countries varies from 46.7% in the case of Dominica to 1.3% for Haiti, with a regional average of about a fifth. Most of that goes to the Western hemisphere, i.e. Latin America and other countries in the Caribbean.

The European export share varied from 1.2% for the Antigua and Barbuda and 5.3% for Trinidad and Tobago to 50.0% for St Vincent and the Grenadines. These discrepancies largely have their source in special trade arrangements, ranging from protected markets in the European Union for sugar and bananas from traditional suppliers to investment in free export zones to take advantage of the special US tariff regime for the sewing of clothes from US-formed and cut textiles. For a number of ACP Caribbean countries, one or more of these régimes is of particular importance - and they will all to some extent be affected by the Uruguay Round of Multilateral Trade Negotiations (UR) agreement or NAFTA.

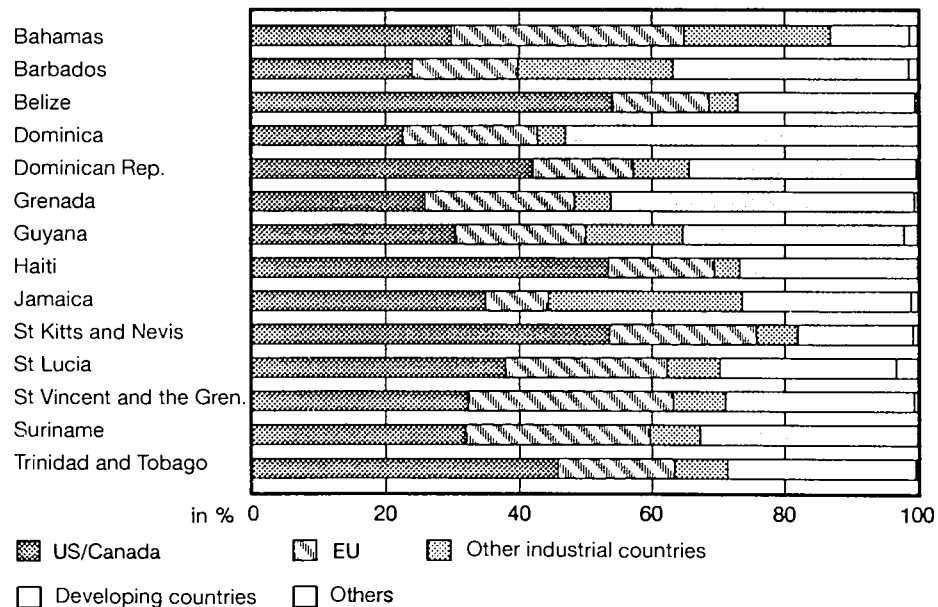
The data on intra-Caricom trade is based on data from the Caricom Secretariat. They show that the shares of exports going to other Caricom countries remain small, except for the small island economies. Improving access to the regional market was, of course, the justification for Caricom. The role of the customs union can to some extent be judged by the growth of intra-union trade, though tariff-free trade among member states is not yet fully realised. Caricom data show that the share of intra-union exports in total domestic exports has fallen from 12.2% in 1985 to 9.9% in 1990. For Barbados it rose from 14.2% to 41.7%. For the member states of the OECS it fell from 41.2% to 23.1%. In particular for St Vincent and the Grenadines it fell from 61.7% to 33.6%. For Jamaica it fell slightly - from 7.5% to 6.3%. Again the shares of intra-union trade reflect the importance of special preferential arrangements with the developed market economies (DMEs) and the evolution of these arrangements. However they also reflect a series of economic crises followed by cutbacks in imports among the larger Caricom states. For example, Trinidad and Tobago as a market for exports from Barbados, Belize and, in particular, Guyana has shrunk dramatically.

**13.1. TOTAL MERCHANDISE EXPORTS AND IMPORTS
OF THE ACP CARIBBEAN COUNTRIES
BY GEOGRAPHICAL DESTINATION AND ORIGIN, 1992-93**

EXPORTS



IMPORTS



¹ 1989/90. ² 1990.

13.1. GEOGRAPHICAL DESTINATION OF ACP CARIBBEAN EXPORTS

Country	Exports	Industrial countries	of which		Devel- oping countries	of which western hemisphere	Caricom
			US/ Canada	EU			
	USD mn.	1992/93						1990
Antigua and Barbuda ¹	19	n.a.	14.6	1.2	n.a.	n.a.	66.7
Bahamas	936	87.4	50.9	23.8	11.3	2.6	n.a.
Barbados	206	42.5	18.7	23.3	34.2	34.0	41.7
Belize	126	88.5	48.0	38.5	11.5	8.3	8.0
Dominica	100	52.8	7.0	43.2	46.7	19.6	25.8
Dominican Republic	617	84.8	58.9	22.1	15.1	9.5	n.a.
Grenada	45	70.0	16.7	48.9	30.0	30.0	28.1
Guyana	387	91.8	46.6	41.7	7.2	6.3	4.3
Haiti	154	98.7	81.2	15.3	1.3	1.3	n.a.
Jamaica	1 419	87.5	55.2	23.2	12.4	8.0	6.3
St Kitts and Nevis ²	27	84.5	55.8	28.3	15.4	15.1	10.6
St Lucia ³	89	82.0	32.4	49.6	18.0	18.0	16.8
St Vincent and the Grenadines	94	64.9	4.8	50.0	35.1	31.9	33.6
Suriname	383	82.0	13.2	42.9	18.2	12.4	n.a.
Trinidad and Tobago	1 744	56.5	49.1	5.3	41.4	37.9	12.6
Caricom ⁴	5 171	74.2	47.5	20.6	23.8	19.1	9.9
Total ⁴	6 324	76.3	47.4	22.0	22.0	17.3	n.a.

¹ 1989

² 1989/90

³ 1990

⁴ Excl. Antigua and Barbuda and Montserrat.

Sources: United Nations, Directions of Trade, 1994, except Antigua, St Kitts, St Lucia, ECCB Annual Report. Intra-Caricom trade: Caricom Secretariat (1993), aggregate and principal domestic exports, 1985-1990.

Data on the sources of imports are given in Table 13.2. Again there is considerable variation between countries. The dependence on the United States as a source of imports varies from under a quarter in the cases of Barbados and Dominica to over a half for Belize, Haiti and St Kitts and Nevis. The figure for Jamaica derives in part from the large clothing 'assembly' industry which is required to use US-formed and -cut fabrics to qualify for preferential tariff status. In the case of imports from the European Union, again there are major differences. To some extent they reflect transport links founded on trade in sugar and bananas.

13.2. GEOGRAPHICAL ORIGIN OF ACP CARIBBEAN IMPORTS, 1992-93

Country	Imports	Industrial countries	of which		Deve- loping countries	of which western hemisphere
			US/ Canada	EU		
	USD million		%			
Bahamas	2 661	87.0	30.0	34.9	11.9	4.0
Barbados	501	63.3	24.2	15.7	35.5	33.0
Belize	293	73.0	54.2	14.5	26.7	19.5
Dominica	152	47.0	22.7	20.1	53.3	18.1
Dominican Republic	2 578	65.7	42.2	15.1	34.2	25.7
Grenada	110	53.9	26.0	22.4	45.7	40.2
Guyana	456	64.7	30.5	19.5	33.3	27.7
Haiti	461	73.3	53.5	16.0	26.7	17.6
Jamaica	2 071	73.7	35.1	9.3	25.4	20.0
St Kitts and Nevis	116	82.0	53.7	22.1	17.4	17.3
St Lucia	155	70.3	38.0	24.3	26.6	22.2
St Vincent and the Grenadines	146	71.2	32.5	30.8	28.4	22.6
Suriname	452	67.3	32.1	27.7	32.7	27.1
Trinidad and Tobago	1 409	71.5	45.8	17.7	28.3	23.1
Caricom ¹	8 067	75.7	39.9	21.6	23.4	16.8
Total ¹	11 557	73.1	40.7	20.2	26.3	19.2

¹ Excluding Antigua and Barbuda and Montserrat.

Sources: as Table 13.1.

THE CHANGING PATTERN OF TRADE

Where the share of exports going to the US is relatively low - Barbados, Guyana, St Kitts, St Lucia and St Vincent - it is largely because the pattern of trade is coloured by special access arrangements offered by the EU, in sugar or rice or bananas. Apart from Antigua, which has made strides in the export of manufactures to the EU, the greater part of manufactured exports go to the United States (some two-thirds for the Caricom member states, more in the case of the Dominican Republic and Haiti), while the greater part of food and raw material exports go to the European Union. Raw material and fuel exports also tend to go to the US and, at least in the case of the former, Canada. As exports have been diversified out of food, there has been a substantial redirection of exports in favour of North America.

Under the Caribbean Basin Economic Recovery Act (CBERA) of 1990, which extended the original 1983 Act, Caribbean countries enjoy tariff- and quota-free access to the US market for all goods, subject to a short but critical list of exceptions. The most important of these exceptions are most textiles and apparel, some leather goods including footwear, petroleum and petroleum products, canned tuna and certain agricultural products, though exports of most leather goods other than footwear benefit from special tariff preferences. Sugar exports are subject to US quotas which vary from year to year.

Exports benefiting from Caribbean Basin Initiative (CBI) access are subject to rules of origin, which basically require that 35% of value added be contributed by the country in question, though this may be cumulated over CBI countries and up to 15% may take the form of imports from the United States, and that a 'substantial' transformation takes place in the CBI country, which is now interpreted as a shift in customs classification.

The main products benefiting from the CBERA are beef, pineapples, frozen concentrated orange juice, rum, ethyl alcohol and raw cane sugar. In recent years the share of manufactured goods has risen at the expense of food and raw materials. The most important of the manufactures has been apparel. The high duties on apparel explain why the US International Trade Commission (USITC) estimates of duty forgone through the CBI have risen faster than CBI imports.

The main beneficiaries of the CBERA in the ACP Caribbean are the Dominican Republic (main export: footwear uppers, jewellery, cane sugar, medical instruments, cigars, voltage limiters etc. and rope), the Bahamas (aromatic drugs), Jamaica (ethyl alcohol), Trinidad and Tobago (iron and steel bars and rods). Out of US imports worth USD 3758 million (customs value), USD 999 million (or 27%) benefited from duty-free treatment (excluding goods that are Most Favoured Nation (MFN) duty-free or are eligible for Generalized System of Preferences (GSP) duty-free treatment.).

Normal textile and apparel items are not included in the CBERA scheme. However the ACP Caribbean countries enjoy special preferences in respect of textile and clothing exports under HS 9802-00-60 and 9802-00-80 (previously 806.30 and 807A). Under these tariff heads, metal articles made of US metals and articles of apparel which have been made out of textiles formed and woven in the United States are subject to duty only on the value added outside the US. Only in the case of apparel is this derogation used substantially and, in that sector, it is of strategic significance for Jamaica though Trinidad and Tobago also has a Guaranteed Access Level (GAL) agreement with the US.

Under Caribbean, the region enjoys tariff-free and quota-free entry to the Canadian market for most manufactured exports, the exclusions being similar to those currently excluded under the CBERA.

It is worth briefly considering the geographical distribution of exports of some of the individual Caribbean countries. Among the Caricom countries, Antigua has an above-average share of manufactures, both in total exports and in exports going to the EU. The exports of the other OECS member states and Belize are still dominated by agricultural goods with the share of food and beverages reaching 86% in Dominica's case. On the other hand, the share of food in the exports to the OECD of the Bahamas, Jamaica and Trinidad is under one quarter. Jamaica and Guyana are special cases with their exports of bauxite and bauxite products which raise the industrial raw material share to nearly 40 and 45% respectively.

But the most striking single aspect of change in the pattern of Caribbean merchandise exports over the last two decades has been the move out of food into manufactures. Table 13.3 illustrates this for the ACP Caribbean as a whole. Despite these major steps to diversification, in most Caribbean countries the share of food and raw materials in total exports to the OECD still comfortably exceeds 50%. There remains an important degree of dependence on traditional exports, sugar, rum, rice and bananas - commodities whose markets are subject to special trade régimes rather than to the vicissitudes of world markets. Among the new manufactured exports, apparel is particularly important, but here again Caribbean goods are mainly exported on special access terms to the US and the EU. In the case of Barbados in 1991-92, 54% of exports consisted of sugar industry products and clothing, with the former alone contributing 45%. In the case of Dominica, St Lucia and St Vincent, bananas dominated with 79, 73 and 58% of exports respectively. For six Caricom countries agricultural products (including fish) and clothing accounted for more than 50% of exports to the OECD, for eight countries they accounted for more than 40% of those exports. Agricultural products alone accounted for more than 50% in four cases and more than 40% in seven cases out of eleven.

The Dominican Republic's single most important export is pig iron, which accounts for over a third of the total. Sugar and apparel - it is the leading exporter of 807A products - each account for a fifth, with coffee and cocoa also important. Manufactured products now make up over 70% of total exports. In the case of Haiti manufactures are also dominant, accounting for over 80% of the total. Apparel exports to the United States are its most important source of revenues, with coffee also important. It is the world's leading exporter of baseballs. Suriname does not benefit from the CBI, and the share of its exports going to the United States is less than 20%. Its export earnings are concentrated on bauxite and bauxite products on the EU market.

13.3. ACP CARIBBEAN EXPORTS, SHARES BY BROAD CATEGORIES (%)

Category	1970	1980	1985	1992
All foods and feeds	35.2	16.4	21.3	21.8
Agricultural materials	1.1	0.3	0.4	0.3
Mineral fuels	21.4	56.3	34.4	11.9
Ores, non-ferrous metals.....	19.8	7.1	4.0	5.2
Manufactures.....	19.9	18.8	37.4	58.4

Source: World Bank (1994a).

For the region as a whole, the share of manufactures has all but tripled in the period since 1970. Most of the dynamic export products have been manufactures. They cover a wide and impressive range, including boats, organic chemicals, office machines and toilet preparations (Bahamas), inorganic chemicals (Bahamas and Jamaica), aircraft and aircraft parts (Bahamas and Guyana), footwear and cotton fabrics (Jamaica), travel goods and handbags (Antigua and Barbuda), power generating machinery (Trinidad and Tobago), electric power machinery (Barbados). The list could be extended to include goods of a lower export value. However the fact remains that most growth in manufactures has been in the apparel sector.

TRADE WITH THE EUROPEAN UNION

Under Lomé IV, ACP Caribbean exporters have tariff- and quota-free entry into the EU market with respect to all manufactured goods except rum (see below). ACP States are not subject to Multi-Fibre Arrangement (MFA) quotas. For agricultural goods there are special preferences, generally tariff-free and non-tariff barrier (NTB)-free access for products not produced under Common Agricultural Policy (CAP) régimes or not competitive with such products (e.g. cane sugar). For CAP or CAP-competitive goods, including rice, there is generally some alleviation of the tariff or variable levy.

The three main instruments of preference in agricultural trade with the EU are: derogation from tariffs, subject, for certain fruits and vegetables, to the marketing timetable, though for most CAP products tariffs are small and used to supplement variable levies; reductions (of about 50%) in the variable levy, though in many cases subject to tariff quotas, on maize, millet, sorghum and rice, poultrymeat, pigmeat and dairy products; and specific quotas for beef, sugar, rum and bananas. It is the quotas for sugar and bananas that really count for the Caribbean countries, with the special access arrangements for rice being of major significance for Guyana.

**13.4. COMMODITY COMPOSITION OF TRADE WITH THE EU,
AVERAGE 1992-93, BY COMMODITY GROUP
(%)**

Country	Food, bevs, tobacco	Crude materials	Fuels etc.	Chemicals, excl. fuels	Manufac- tures, misc.	of which apparel
	0+1	2	3	5	6+7+8+9	84
Exports to EU						
Antigua and Barbuda	3.1	1.9	0.0	0.3	94.7	1.5
Bahamas	6.4	1.5	1.2	9.1	81.8	0.1
Barbados	69.1	2.0	0.0	0.2	28.6	0.5
Belize	98.8	0.2	0.0	0.0	1.1	0.6
Dominica	97.5	0.0	0.0	0.0	2.5	0.9
Dominican Republic	44.7	1.8	0.1	1.2	52.2	6.1
Grenada	57.6	0.1	0.0	0.0	42.3	1.7
Guyana	82.1	9.0	0.0	7.0	1.8	0.0
Haiti	73.3	2.4	0.0	0.2	24.1	9.6
Jamaica	47.7	28.3	0.0	0.0	24.0	18.4
St Kitts and Nevis	88.0	0.0	0.0	0.0	12.0	0.0
St Lucia	94.4	0.5	0.0	0.0	5.1	0.5
St Vincent and the Grenadines	58.4	0.1	0.0	0.1	41.5	0.0
Suriname	25.8	53.6	0.0	0.0	20.5	0.0
Trinidad and Tobago	43.8	6.5	1.9	31.3	16.5	0.1
Total	49.1	13.6	0.4	5.9	31.0	4.5
Imports from EU						
Antigua and Barbuda	11.7	0.1	2.1	7.1	78.9	.
Bahamas	1.4	0.1	2.1	0.5	95.9	.
Barbados	13.9	0.4	0.3	4.0	81.4	.
Belize	37.9	0.3	0.4	14.1	47.4	.
Dominica	21.9	0.5	0.2	5.9	71.5	.
Dominican Republic	22.9	3.1	0.8	5.8	67.4	.
Grenada	29.7	0.5	14.5	1.5	53.8	.
Guyana	11.7	0.4	0.3	2.4	85.2	.
Haiti	56.0	1.3	0.5	3.9	38.3	.
Jamaica	7.8	0.4	0.8	7.8	83.2	.
St Kitts and Nevis	22.4	0.1	0.0	3.5	74.0	.

(continued on next page)

**13.4. COMMODITY COMPOSITION OF TRADE WITH THE EU,
AVERAGE 1992-93, BY COMMODITY GROUP (CONT.)
(%)**

Country	Food, bevs, tobacco	Crude materials	Fuels etc.	Chemicals, excl. fuels	Manufac- tures, misc.	of which apparel
	0+1	2	3	5	6+7+8+9	84
St Lucia	28.8	0.2	0.0	5.1	66.0	.
St Vincent and the Grenadines	11.6	0.1	8.5	2.8	76.9	.
Suriname	21.4	0.8	0.1	5.5	72.1	.
Trinidad and Tobago	22.3	0.5	0.5	6.9	69.7	.
Total	27.2	6.3	1.1	3.5	61.9	.

Source: Eurostat (1995), Intra- and Extra-EU Trade, CD disk, 1 1994, 6 B.

Details of the trends in trade between the individual countries of the region and the European Union are given in Table 13.4. The table shows that exports to the EU from the OECS countries (except Antigua and Barbuda), Guyana and Belize are still overwhelmingly concentrated in food - sugar, bananas and/or rice - except in Grenada's case where the principal export is nutmeg. In the cases of the Dominican Republic and Haiti food exports are more diversified to include fruit and vegetables, cocoa and coffee. The share of food in the exports of Barbados, the Dominican Republic and Jamaica and Trinidad (sugar, rum and bananas, see below) is also substantial but they export a higher proportion of manufactures. Only Jamaica and Haiti export significant quantities of clothing to the EU, as opposed to the United States. Jamaica also exports a large quantity of bauxite products as does Suriname. St Vincent and the Grenadines and Grenada have made significant progress in diversification into manufactures, largely boats, while Barbados exports instruments and electrical machinery. Guyana and Trinidad and Tobago also export petro-chemicals.

There is still a high degree of concentration for some of the countries in specific agricultural products. As ACP States these countries enjoy special access to the EU market for the products identified in Table 13.5. (Countries excluded from Table 13.5 - Antigua and Barbuda and Haiti export negligible quantities of these commodities.) For the region as a whole the four products under consideration continue to account for over 40% of exports to the EU.

**13.5. SHARE OF SELECTED PRODUCTS IN EXPORTS TO THE
EUROPEAN UNION
(%)**

Country	Product	1988	1989	1990	1991	1992	1993
Bahamas	Rum	15.5	11.0	13.9	17.1	13.8	11.8
Barbados	Sugar	71.5	44.4	65.1	73.6	67.4	58.2
	Rum	2.9	6.3	4.7	3.5	3.9	4.4
Belize	Bananas	34.9	38.0	32.9	30.0	32.4	42.4
	Sugar	50.8	50.1	57.3	56.3	56.2	40.6
Dominican Republic	Bananas	0.2	0.3	1.6	4.2	11.1	18.9
Dominica	Bananas	93.2	83.0	92.2	94.2	88.6	83.6
	Sugar	0	9.6	0	0	7.1	9.1
Grenada	Bananas	36.1	38.4	48.5	47.8	49.6	24.5
Guyana	Rice	13.5	8.3	10.0	9.7	4.2	6.6
	Sugar	44.2	54.7	56.8	55.4	71.6	62.7
	Rum	9.1	9.4	9.4	8.3	5.3	11.2
Jamaica	Bananas	10.3	6.6	15.5	17.7	16.5	14.3
	Sugar	29.1	20.5	20.1	22.1	22.1	20.6
	Rum	4.1	1.9	2.4	2.3	2.6	2.2
St Kitts and Nevis	Sugar	85.3	93.4	98.2	98.0	77.2	93.7
St Lucia	Bananas	96.6	96.2	96.7	95.5	91.3	93.3
St Vincent and the Grenadines	Bananas	75.6	79.6	86.3	89.8	62.4	48.7
Suriname	Rice	23.6	14.5	12.6	13.4	8.2	5.8
	Bananas	10.5	8.3	7.3	10.7	9.4	15.1
Trinidad and Tobago	Sugar	13.7	11.5	10.9	13.8	13.3	15.3
	Rum	16.7	24.6	28.1	26.0	42.4	47.1
Total	Rice	4.1	2.5	2.5	2.2	1.3	1.0
	Bananas	19.7	14.8	17.2	17.6	17.0	15.7
	Sugar	14.9	13.6	13.6	15.4	17.4	15.2
	Rum	5.1	5.7	7.0	7.5	8.3	9.0
	4 products	43.8	36.6	40.3	42.7	44.0	40.9

Source: Eurostat (1995), Intra- and Extra-EU Trade, CD disk, 1 1994, 6 B.

Under Lomé IV the EU guarantees to buy each year specific amounts of rice (125 000 tonnes of husked and 20 000 tonnes of broken rice) from ACP States as a whole with a reduction in the import levy of 50% together with a specific ECU reduction depending on the nature of the rice. With the requirement of tariffication of non-tariff barriers in agriculture under the terms

of the Uruguay Round agreement this preference will be converted into a tariff-quota, though at the time of writing the details are not yet known. Among the Caribbean countries both Guyana and Suriname avail themselves of this preference though in both cases the share of rice in their exports to the EU has declined substantially in recent years.

Under the Sugar Protocol to Lomé IV the EU guarantees to buy specific quantities from particular ACP States at a price negotiated annually but which in the past has closely followed the price guaranteed to EU sugar beet growers. Sugar remains an important export for Jamaica, Barbados and Trinidad and Tobago. For Belize (with bananas) and St Kitts and Nevis, the EU sugar market is critical for their overall export earnings. Little Caribbean sugar is exported to countries outside the EU - indeed outside the United Kingdom - though there are good prospects that, with its privatization programme and increased investment, Jamaica at least will gradually become competitive on world markets. St Kitts and Nevis has expanded production on the assumption that EU quotas will be increased with the enlargement of the Union and with the new allocations for Portugal.

Under Protocol 5 of Lomé IV, rum from the ACP States is admitted to the EU duty-free in quantities determined on the basis of the largest amounts imported over the last three years for which statistics are available, increased by an annual growth rate of 37% on the UK market and 27% on other EU markets. The abolition of the Community tariff quota is projected for 1996. The Bahamas, Guyana, Jamaica and Trinidad and Tobago supply about 66% of the world exports of rum and are generally perceived as being competitive in the sector.

A new banana regime has been established by the EU and came into operation in July 1993. Up to 1993 the EU market was compartmentalised with certain Member States maintaining quotas or import prohibitions to preserve markets for their 'traditional' suppliers, while Germany, Denmark, Ireland and the Benelux countries imported most of their bananas from Central America, Ecuador and Colombia. These mechanisms were inconsistent with the 1992 Single European Market. The difficulty in finding a mechanism which continued to give special access to the traditional suppliers within a single market for bananas was compounded by the need to devise a regime that could be justified under GATT rules, particularly in a year when the UR negotiations were coming to a head. In the event, after complaints from several Latin American producers, a GATT tribunal found the regime unlawful, a decision which led to an improvement in quotas for the Latin American producers, some technical adjustments to the licensing system and that was instrumental in the application by the EU for a GATT waiver for its Lomé trade provisions.

The new regime depends on the use of tariff quotas and differential tariff rates to maintain markets for the ACP suppliers vis-à-vis the more price competitive 'dollar' banana producers of Central America, Ecuador and Colombia. EU supplies - from Martinique, Guadeloupe, the Canaries, Algarve and Crete - are not restricted. Quotas based on 'traditional' imports from

ACP sources enter duty-free (up to a global quota of 857 000 tonnes) while the dollar banana producers, together with non-traditional ACP production (above-quota amounts from traditional suppliers or imports from new ACP suppliers), are limited to a tariff quota of 2.1 million tonnes for 1994, rising to 2.2 million tonnes in 1995 with a duty of 75 ECU/tonne (roughly 15%). Imports above that amount are subject to a prohibitive tariff.

A number of Caribbean countries, in particular Belize, Dominica, Grenada, St Lucia and St Vincent and the Grenadines, are still very dependent on exports of bananas to the EU. The new regime will supply stable markets, but at significantly reduced prices, for the ACP Caribbean producers until 2002 when it is due to be ended. What is critical is that the process of diversification is accelerated, so that the end to the regime does not leave the most dependent countries with vast gaps in their export revenues.

TRADE IN SERVICES

Table 13.6 gives some details of net balances in overall services and the transport and travel components. The positive balances on the travel account are due to tourism which has been making an increasingly important contribution to the current account balances of several countries, in particular Barbados, the Dominican Republic, Jamaica and the Windward Islands, over the past decade. Tourism has expanded rapidly in Barbados, the Dominican Republic, Jamaica and the OECS islands. It shows a negative balance in Suriname and Trinidad and Tobago, though the situation there is improving rapidly. For most countries the transport account is a negative item in the balance of payments and, in some cases a significant drain on foreign earnings. In some cases, Dominica, Grenada and St Vincent and the Grenadines, it almost offsets the significant earnings on the travel account. A number of Caribbean countries have insisted in recent years on the importance of improving their own air services for tourists.

13.6. TRADE IN SERVICES: NET BALANCES: TOTAL, TRANSPORT AND TRAVEL USD million

Country	Service	1988	1989	1990	1991	1992	1993
Antigua and Barbuda	total	159	178	206	205	222	227
	transport	n.a.	4	10	21	25	25
	travel	230	255	281	296	213	254

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**13.6 TRADE IN SERVICES:
NET BALANCES: TOTAL, TRANSPORT AND TRAVEL (CONT.)
USD million**

Country	Service	1988	1989	1990	1991	1992	1993
Bahamas	total	852	994	971	839	893	912
	transport	- 70	- 58	- 35	- 45	- 53	- 30
	travel	972	1 319	1 128	1 169	1 051	1 084
Barbados	total	398	477	462	453	440	375
	transport	- 51	- 57	- 32	- 30	- 39	- 31
	travel	423	484	453	417	423	548
Belize	total	19	21	52	54	62	58
	transport	- 13	- 17	- 20	- 23	- 27	- 27
	travel	15	21	31	37	46	48
Dominica	total	- 2	197	0	5	9	14
	transport	- 9	- 15	- 14	- 15	- 15	- 14
	travel	12	14	16	20	19	24
Dominican Republic	total	616	688	831	841	954	1 262
	transport	- 133	- 169	- 129	- 123	- 182	- 156
	travel	641	682	756	723	844	1 068
Grenada	total	24	13	21	27	35	40
	transport	- 15	- 15	- 17	- 16	- 8	- 16
	travel	33	37	45	49	52	64
Guyana	total	n.a.	- 106	- 102	- 113	- 86	- 68
	transport	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	travel	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Haiti	total	- 103	- 101	- 92	- 97	- 31	n.a.
	transport	- 88	- 84	- 75	- 77	n.a.	n.a.
	travel	40	37	34	33	n.a.	n.a.
Jamaica	total	247	229	401	405	488	461
	transport	- 108	- 175	- 146	- 142	- 131	n.a.
	travel	468	539	686	710	818	887
St Kitts and Nevis	total	22	20	18	31	37	26
	transport	- 12	- 14	- 15	- 15	- 15	- 16
	travel	35	37	40	51	62	65
St Lucia	total	54	65	65	91	103	88
	transport	- 33	- 38	- 44	- 43	- 48	- 33
	travel	72	86	87	108	118	179

(continued on next page)

**13.6 TRADE IN SERVICES:
NET BALANCES: TOTAL, TRANSPORT AND TRAVEL (CONT.)
USD million**

Country	Service	1988	1989	1990	1991	1992	1993
St Vincent and the Grenadines	total	- 46	- 50	- 49	- 53	- 52	3
	transport	- 13	- 15	- 18	- 15	- 21	- 16
	travel	17	22	25	25	25	27
Suriname	total	- 53	- 67	- 75	- 76	- 76	n.a.
	transport	- 30	- 35	- 38	- 32	- 31	n.a.
	travel	- 4	- 6	- 11	- 15	- 9	n.a.
Trinidad and Tobago	total	- 161	- 137	- 120	- 98	- 69	n.a.
	transport	- 62	- 100	- 75	- 116	- 61	n.a.
	travel	- 76	- 34	- 27	- 9	- 4	n.a.

Source: IMF, Balance of Payments Yearbook, 1994.

14. FOREIGN DIRECT INVESTMENT

As we have seen, foreign direct investment has made a major contribution to filling the overall payments gap in a number of ACP Caribbean countries. Table 14.1 gives net inflows of FDI between 1987 and 1993.¹ For most countries these have fluctuated from year to year, in some cases indicating significant disinvestment. On balance however there has been a considerable increase over the period, with just an indication that net inflows into the region may have peaked in 1990 and 1991.

14.1. NET INFLOWS OF FOREIGN DIRECT INVESTMENT USD million

Country	1987	1988	1989	1990	1991	1992	1993
Antigua and Barbuda	39	31	41	59	52	20	15
Bahamas	11	37	25	- 17	0	7	- 24
Barbados	7	11	8	11	7	14	n.a.
Belize	7	14	19	127	15	18	11
Dominica	10	7	8	8	11	14	10
Dominican Republic	89	106	110	133	145	180	183
Grenada	15	15	10	13	15	23	31
Haiti	39	48	51	44	45	60	n.a.
Jamaica	53	- 12	57	138	127	87	139
St Kitts and Nevis	17	13	41	49	21	14	12
St Lucia	15	16	27	45	58	46	50
St Vincent and the Grenadines	6	10	11	8	9	19	29
Suriname	- 73	- 96	- 168	- 43	10	- 30	n.a.
Trinidad and Tobago	33	63	149	109	169	178	n.a.
Total ¹	268	263	389	684	684	650	n.a.

¹ Excluding Guyana.

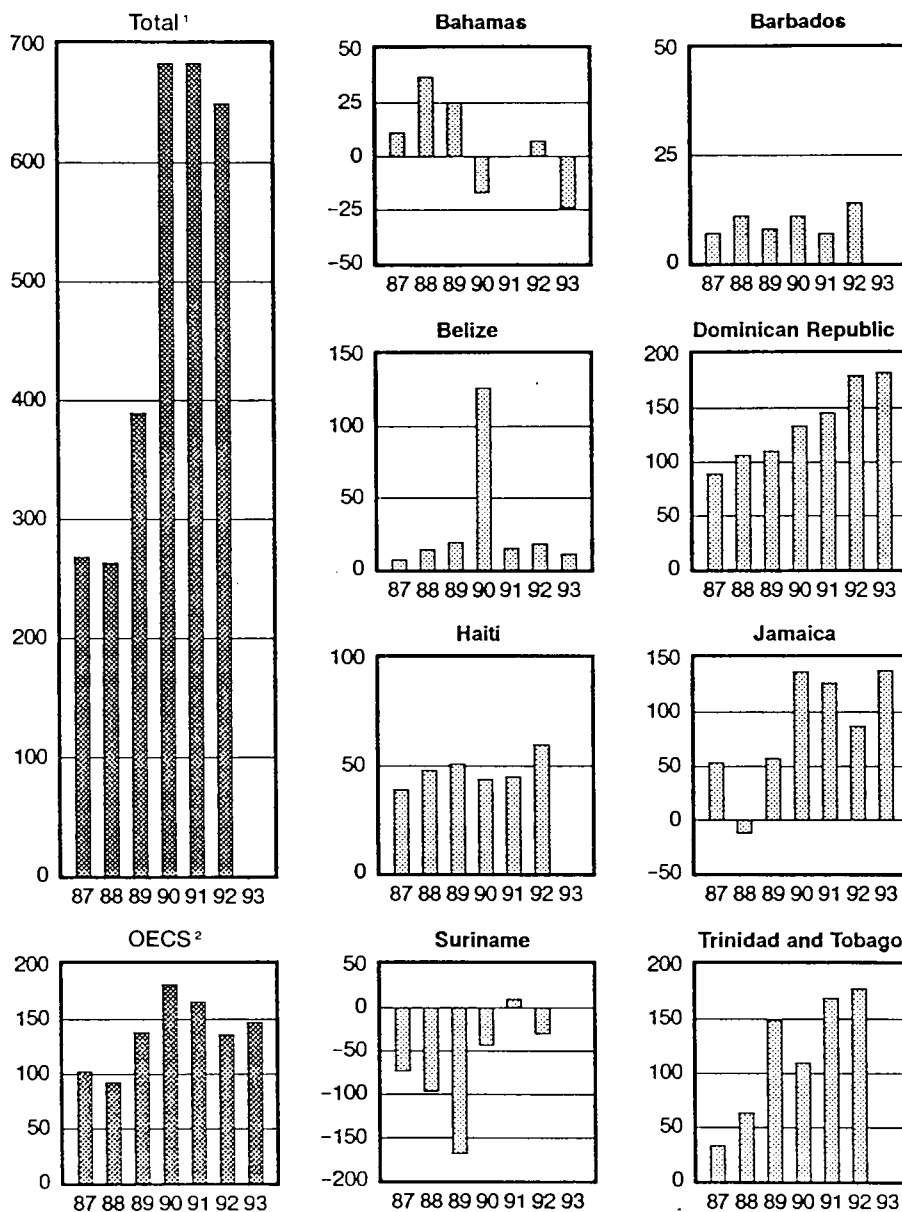
Source: as Table 12.1.

The experience of the region reflects that of the developing world as a whole. FDI has held up remarkably well despite the recessions in the developed countries and the emergence of

This chapter concentrates on FDI to the exclusion of portfolio investment. The latter has been of only marginal macro-economic significance in the region.

14.1. NET INFLOWS OF FOREIGN DIRECT INVESTMENT
TO THE ACP CARIBBEAN COUNTRIES, 1987-93

USD million



¹ Excluding Guyana. ² Excluding Montserrat.

Eastern and Central Europe, and the efforts of those countries to attract investment. On balance, however, compared with the third world as a whole, South and East Asia have attracted FDI flows disproportionate to the size of their economies.

The main driving force behind FDI is 'globalisation': there has been a break-down in the relevance of traditional national markets as transnational companies seek to establish production facilities where costs are low, the regulatory and fiscal frameworks are benign and the political framework is predictable, in order to service regional or even world markets. It is part and parcel of this new order that parts for a single product may be fabricated in many different countries, and indeed that the product itself may undergo a number of manufacturing processes in different countries. Of course the transnational corporations (TNCs) must take into account the costs of trade barriers on intra-company trade. They must also take into account the benefits of a large domestic market for the product in the country of its final processing.

On both these scores the Caribbean countries fare badly. Domestic markets are very small. And there are still significant tariff and non-tariff barriers on trade, even within Caricom, and even more so vis-à-vis the Caricom countries, the non-Caricom islands and the Caribbean mainland.

To offset some of these problems a number of Caribbean countries have established export processing zones (EPZs). These allow trade to take place unburdened by import barriers on material inputs or semi-processed goods or export restrictions and taxes which still exist in some countries. Their establishment was boosted by the 'Special Access Programme' whereby apparel and metal manufactures are admitted to the US market on favourable tariff terms if they are fabricated from US-produced steel or cloth. In these cases US firms have been attracted by low wages in the Caribbean region, though East and South Asian firms have also been attracted, in their case as a way to circumvent the MultiFibre Arrangement quotas on their exports of apparel to North America.

As of the middle of 1989, there were already 18 EPZs in the Dominican Republic, nine in Barbados, seven in Jamaica and two in Haiti. By the end of 1992 there were 27 in the Dominican Republic, holding a total 404 companies, primarily engaged in manufacturing and of that, largely, clothing. The zones have generally helped the process of export diversification, though there have been widespread criticisms that (i) they have failed to promote skills, and (ii) there has been minimal vertical integration with the local economy. Part of the reason for the latter is the lack of financial incentives to buy local inputs or sell on local markets, problems that are being attacked by a number of fiscal derogations for local firms who trade with firms inside the EPZs.

Other than Haiti where the per capita income is the lowest in the region and which in any event has recently been the object of a trade embargo, the Dominican Republic is the only country with a market in excess of 5 million. Not surprisingly that market has attracted

expanding FDI flows by American companies, not only interested in production for export but in producing consumer goods for the local people. The Special Access Program for apparel sewn from US parts, together with the existence of Free Trade Zones, has played a key role. In 1992 61 new investment projects were reported, 40 in the apparel or data processing sectors.

The US International Trade Commission also reports fourteen new CBI-related investment projects in Jamaica in 1992, including in the fruits and vegetables, cut flowers and houseplants and electrical devices sectors. But US tariff concession on 807A apparel has been the greatest single magnet for FDI in both the Dominican Republic and Jamaica.

A number of countries have made substantial efforts to improve the climate for FDI. These efforts have often been undertaken in the context of policies to improve structural adjustment (see Chapter 17). In other cases traditional fiscal incentives such as tax holidays have been instituted and restrictions on the repatriation of profits and capital and other disincentives, including sectoral investment restrictions or embargos and authorization and registration procedures, have been reduced. Efforts are often required to 'sell' FDI to local people, who resent the privileges given to foreign firms and individuals and worry about their property rights.

Another approach is through signing bilateral investment treaties (BITs) with developed countries which typically guarantee at least 'national treatment' of foreign investments plus other elements such as the full compensation in the event of nationalisation. A few countries of the region have recently signed bilateral investment treaties, including Barbados and Trinidad with the United Kingdom, Trinidad and Tobago with France and Jamaica with France, the United Kingdom and the United States. The practice is likely to grow, not least because any further regional preferences introduced by the United States, and most certainly membership of an expanded NAFTA, are going to require that such a treaty be signed.

Table 14.1 suggests that the Dominican Republic, Jamaica and Trinidad have gained particularly from FDI over the past decade. However if the figures are related to the size of the economy a different picture emerges. Table 14.2 shows that, relative to GDP, FDI has in general been greatest in the small island states of the OECS. This investment has largely been in the tourist industry where it is clearly motivated by rather different factors from that in manufacturing. The same small country disadvantages are less constraining, though there have been widespread complaints about the difficulties (import licences etc.) and/or import duties on capital equipment which generally cannot be supplied locally.

The table points to how, in many cases, FDI has filled another gap, that between national savings and investment. It is clear from its share in GDP that it has also made a critical contribution to economic growth. Shares in GDP and in gross investment are shown for the decade of the 1980s and for 1990 to 1993 show that FDI has been particularly high relative to

gross investment in the small island states, Belize. And recently this was also the case in Guyana.

14.2. FOREIGN DIRECT INVESTMENT AND GROSS INVESTMENT

Country	Foreign direct investment						Gross investment		
	% of GDP			% of gross investment			% of GDP		
	1980-89	1990-92	1993	1980-89	1990-92	1993	1980-89	1990-92	1993
Antigua and Barbuda	12.4	8.9	3.0	31.4	37.1	n.a.	39.5	24	n.a.
Bahamas	0.3	0	n.a.	1.7	n.a.	n.a.	17.4	n.a.	n.a.
Barbados	0.3	0.9	n.a.	1.5	5.7	n.a.	19.5	15.9	8.5
Belize	-0.2	3.8	2.1	-0.9	12.8	35.0	23.5	29.8	31.4
Dominica	2.6	5.5	5.1	8.1	16.6	37.2	32.1	33.2	26.9
Dominican Republic	1	2.1	2.2	4.3	9.5	n.a.	23.4	22.0	n.a.
Grenada ¹	3.9	8.1	3.0	10.7	22.4	n.a.	36.5	36.1	31.7
Guyana	0.4	12.9	n.a.	1.4	33.3	n.a.	29.6	38.7	53.7
Haiti	0.4	1.9	n.a.	2.7	28.9	n.a.	14.7	6.6	8.1
Jamaica	0.1	2.8	3.5	0.5	13.9	10.0	20.8	20.1	34.7
St Kitts and Nevis ¹	8.9	18.5	5.4	23.7	41.6	n.a.	37.6	44.5	39.6
St Lucia ¹	11.4	13.5	9.2	45.1	53.8	n.a.	25.3	25.1	24.6
St Vincent and the Grenadines ¹	3	4.3	10.9	9.9	13.7	n.a.	30.4	31.3	35.1
Suriname	-0.7	-0.4	n.a.	-3.3	-2.3	n.a.	21.1	17.7	23.2
Trinidad and Tobago	0.7	2.6	n.a.	3.1	20.6	n.a.	22.7	12.6	13.6

¹ For 1993, net foreign investment but in earlier years outward FDI was negligible.

It is generally the small island economies that have shown the highest GDP growth rates and FDI must take much of the credit (see Chapter 2). But these have also been the countries where the overall investment rate has been high.¹ During the 1980s total gross investment was about 30% or more of GDP in Antigua and Barbuda, Dominica, Grenada and St Kitts and Nevis, as well as Guyana. FDI makes a direct contribution to gross investment. It may also stimulate local entrepreneurs to invest through joint ventures or through creating new opportunities for complementary projects and vice versa. (Alternatively foreign investment may substitute for domestic investment by appropriating the most promising projects and discouraging competition.) Of course there have been other factors supporting growth in these countries - the favoured treatment of banana imports on the EU market though the new banana regime has been less helpful in recent years, advantageous natural conditions for the

¹ Of course there are many other factors affecting GDP growth, of which exports, labour force growth and the stock and growth in 'human capital' are only some of the most important.

growth of tourism, strong public programmes of investment in human capital and, generally, sound macro-economic policies. But high FDI does not necessarily imply high overall investment - witness Trinidad and Tobago in the 1990s. Similarly high overall investment may take place with little contribution from abroad. Barbados, Suriname and, at least in the 1980s, the Dominican Republic are cases in point.

At least the countries which have experienced more moderate, though positive, growth in the 1980s, the Bahamas, Barbados, the Dominican Republic and Jamaica, show relatively low gross investment/GDP ratios as well as low rates of FDI in GDP. As for the countries experiencing negative growth in the 1980s, Guyana, Haiti, Suriname and Trinidad and Tobago, the investment/GDP and FDI/GDP ratios are not unambiguously lower than the previous group. Growth performance is not only influenced by the investment rate, but also on the composition and the 'quality' of the investment. High rates of public sector investment may 'crowd out' private investment - sometimes in the Caribbean public sector enterprises compete directly with the private sector - to the extent that total investment is reduced. Public investment may generate, at least in the short- to medium term, less economic growth than the same value of private investment. Many countries in the region have suffered economic crises which have led to low rates of return and often bankruptcy. Natural disasters, such as hurricanes, can have a similar impact.

15. DEVELOPMENT ASSISTANCE

The ACP Caribbean countries have been recipients of substantial amounts of international development assistance. They reached a peak in 1991 when total grant aid exceeded USD 900 million (see Table 15.1). At just over USD 700 million total net official development aid was less owing to repayments of past loans. Of net official aid over USD 200 million was supplied by multilateral agencies, overwhelmingly the European Commission, the World Bank (IBRD) and the International Development Association (IDA).¹ Of the same total, EU bilateral aid, primarily from the United Kingdom, accounted for over USD 180 million. Germany has been a major donor, especially to the Dominican Republic and Jamaica. Other important bilateral donors were the United States and Canada.

15.1. DEVELOPMENT ASSISTANCE FLOWS TO THE CARIBBEAN REGION

Survey item	1980/84 A	1985/89 A	1990	1991	1992	1993	
	USD million						% of GDP
Antigua and Barbuda							
ODA, grants - total	3.4	3.8	4.6	6.1	4.0	6.9	1.5
total official devel. aid (net)	5.1	5.3	4.7	7.3	4.9	3.1	0.7
of which							
multilateral	2.2	1.3	1.7	1.5	0.9	0.7	0.2
EU bilateral aid	1.0	1.2	1.8	3.9	1.6	1.8	0.4
Bahamas							
ODA, grants - total	2.7	2.2	1.8	2.1	1.9	0.4	0.0
total official devel. aid (net)	3.6	3.1	2.5	2.1	1.9	0.6	0.0
of which							
multilateral	1.9	3.0	2.2	1.9	1.5	0.2	0.0
EU bilateral aid	0.1	0.1	0.4	0.2	0.1	0.3	0.0
Barbados							
ODA, grants - total	5.0	4.9	3.6	4.8	2.9	22.0	1.4
total official devel. aid (net)	14.3	4.6	2.9	3.3	1.8	5.6	0.3
of which							
multilateral	9.4	1.6	1.5	1.8	1.0	5.1	0.3
EU bilateral aid	17.9	0.8	1.5	1.9	1.3	1.0	0.1

¹ The OECD definitions are used. Multilateral aid consists of flows which can be identified as 'concessional' in character, convey a grant element of at least 25% and derive from a set of multilateral agencies. This includes the World Bank, IMF, the UN development agencies, the regional development banks as well as the European Commission.

**15.1. DEVELOPMENT ASSISTANCE FLOWS TO THE CARIBBEAN REGION
(CONT.)**

Survey item	1980/84 A	1985/89 A	1990	1991	1992	1993	
	USD million						% of GDP
Belize							
ODA, grants - total	9.6	15.5	17.4	18.2	20.2	34.0	6.5
total official devel. aid (net)	13.4	24.7	30.3	21.5	25.1	30.5	5.8
of which							
multilateral	3.2	4.8	11.5	5.0	11.2	15.3	2.9
EU bilateral aid	6.9	4.5	5.6	5.7	5.7	6.5	1.2
Dominica							
ODA, grants - total	10.2	9.6	6.2	5.9	8.0	7.7	3.9
total official devel. aid (net)	15.4	16.5	19.5	17.1	12.7	9.2	4.7
of which							
multilateral	8.2	8.1	8.7	9.4	4.5	3.1	1.6
EU bilateral aid	3.9	4.1	5.7	6.0	7.3	5.1	2.6
Dominican Republic							
ODA, grants - total	39.3	81.1	73.5	68.2	77.2	101.9	1.2
total official devel. aid (net)	130.6	138.2	101.3	66.5	63.7	2.0	0
of which							
multilateral	49.8	28.5	28.5	1.8	11.7	25.1	0.3
EU bilateral aid	12.1	24.1	28.0	30.8	30.6	34.4	0.4
Grenada							
ODA, grants - total	7.3	16.9	7.1	12.3	8.0	6.3	2.8
total official devel. aid (net)	10.1	22.8	13.9	16.0	12.3	7.6	3.4
of which							
multilateral	4.7	8.8	8.9	6.5	6.7	3.6	1.6
EU bilateral aid	0.3	2.1	1.9	5.1	3.8	2.9	1.3
Guyana							
ODA, grants - total	12.0	19.6	83.2	170.0	54.6	69.5	22.0
total official devel. aid (net)	40.4	31.5	169.0	131.3	93.6	106.9	33.9
of which							
multilateral	28.3	17.0	133.2	96.1	67.6	82.7	26.2
EU bilateral aid	3.5	2.9	32.4	11.5	4.9	9.6	3.0
Haiti							
ODA, grants - total	73.7	136.8	134.7	245.9	101.0	125.5	7.3(a)
total official devel. aid (net)	121.1	177.9	172.4	181.9	101.5	126.9	7.4(a)
of which							
multilateral	49.5	54.1	55.5	42.2	24.7	28.1	1.8(a)
EU bilateral aid	19.4	35.8	49.9	49.4	27.1	24.6	2.0(a)

**15.1. DEVELOPMENT ASSISTANCE FLOWS TO THE CARIBBEAN REGION
(CONT.)**

Survey item	1980/84 A	1985/89 A	1990	1991	1992	1993	
	USD million						% of GDP
Jamaica							
ODA, grants - total	32.1	115.1	151.6	324.4	96.9	280.2	8.5
total official devel. aid (net)	160.6	193.5	272.6	164.9	126.1	109.6	3.3
of which							
multilateral	29.0	20.6	20.9	13.8	13.2	14.7	0.4
EU bilateral aid	29.8	38.1	52.3	26.2	25.3	25.0	0.8
St Kitts and Nevis							
ODA, grants - total	2.6	5.2	4.2	3.8	3.1	6.5	3.3
total official devel. aid (net)	3.9	8.9	7.9	7.1	7.7	10.5	5.4
of which							
multilateral	2.0	3.1	2.9	4.5	4.0	9.0	4.6
EU bilateral aid	1.2	1.9	1.6	2.0	3.1	1.2	0.6
St Lucia							
ODA, grants - total	6.4	7.8	6.6	12.3	9.0	18.6	3.8
total official devel. aid (net)	8.2	13.1	12.1	22.9	28.6	26.3	5.3
of which							
multilateral	4.9	7.2	5.9	9.0	13.6	7.4	1.5
EU bilateral aid	2.2	2.3	3.4	9.4	11.7	8.9	1.8
St Vincent and the Grenadines							
ODA, grants - total	4.5	5.9	5.9	7.0	10.7	6.6	2.8
total official devel. aid (net)	7.2	12.6	15.0	14.4	15.0	11.1	4.7
of which							
multilateral	5.0	7.0	9.8	7.2	8.5	4.1	1.7
EU bilateral aid	1.7	1.4	2.4	3.2	1.7	4.8	2.0
Suriname							
ODA, grants - total	66.6	19.0	60.4	42.3	72.4	75.9	52.6
total official devel. aid (net)	57.9	19.6	61.7	44.0	79.9	80.1	55.5
of which							
multilateral	3.3	4.7	10.5	12.4	6.9	4.5	3.1
EU bilateral aid	55.1	15.0	50.5	27.5	62.3	70.2	48.7
Trinidad and Tobago							
ODA, grants - total	5.7	7.4	17.7	6.8	14.3	11.0	0.3
total official devel. aid (net)	3.8	14.9	18.2	-1.5	9.0	2.5	0.1
of which							
multilateral	3.8	4.1	12.1	3.5	12.3	4.1	0.1
EU bilateral aid	-0.6	9.3	2.4	-7.3	-4.5	-3.6	-0.1

15.1 . DEVELOPMENT ASSISTANCE FLOWS TO THE CARIBBEAN REGION (CONT.)

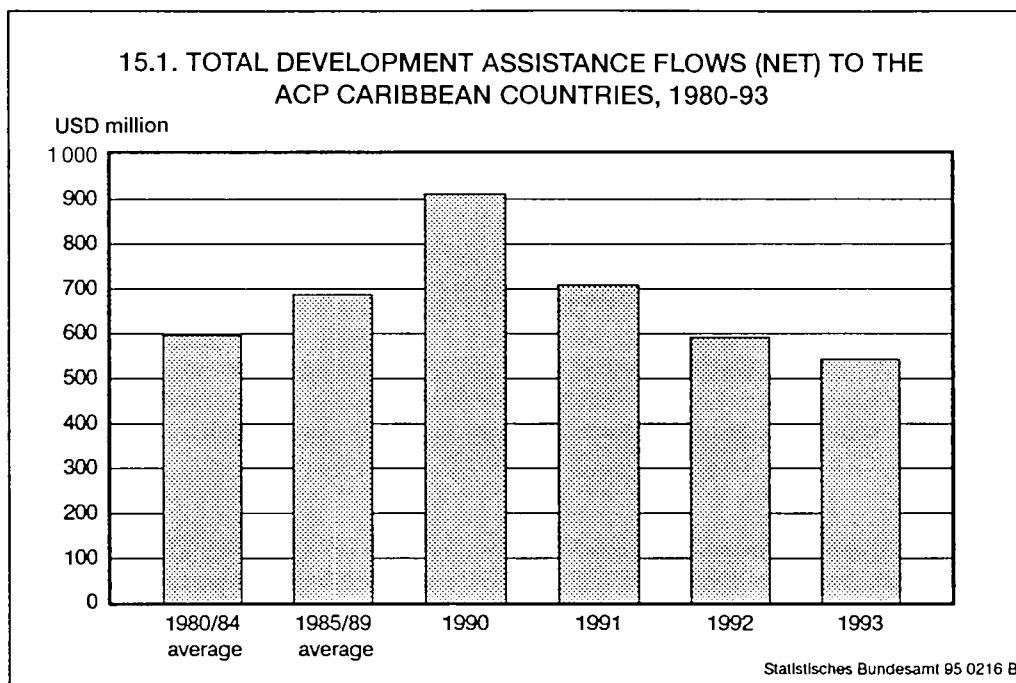
Survey item	1980/84 A	1985/89 A	1990	1991	1992	1993	
	USD million						% of GDP
Total							
ODA, grants - total	281.1	450.8	586.7	938.8	491.2	779.5	2.8
total official devel. aid (net)	595.6	687.2	912.4	708.2	591.2	542.4	2.0
of which							
multilateral	205.2	173.9	314.4	217.8	190.9	211.8	0.8
EU bilateral aid	154.5	143.6	247.4	183.6	186.5	198.5	0.7

(a) 1992.

Source: OECD (1995), Geographical Distribution of Financial Flows to Aid Recipients, 1989-1993, Paris, and OECD, Geographical Distribution of Financial Flows to Aid Recipients, diskette.

Since 1991 aid flows to the region have diminished somewhat. They declined from a peak of some USD 912 million in 1990 to USD 542 million in 1993. There are a number of reasons for this. Some of them relate to developments outside the region, such as the new competing demands for assistance from the countries of Central and Eastern Europe, and the fact that, faced with budget stringency, the multilateral agencies are putting greater emphasis on the poorer countries in Sub-Saharan Africa. To some extent the explanation may lie with the relative success of some of the Caribbean countries in maintaining growth in per capita incomes and reaching levels which have lowered their place in the pecking order for development assistance in the view of both bilateral and multilateral agencies, though only the Bahamas has formally graduated from World Bank lending.

In other countries, the reasons for the decline in assistance are less welcome. There has been a hiatus in World Bank lending to Antigua and Barbuda, though not in lending through the Caribbean Development Bank (CDB), while it prepares a creditable structural adjustment programme, clears its arrears to the CDB, and applies for debt rescheduling through the Paris Club (see Chapter 17). Guyana is not eligible for conventional World Bank lending. It comes under the category of Severely-Indebted Low Income Countries (SILIC) and as such is only eligible for International Development Agency (IDA) finance. Haiti too is an IDA-only country but that assistance was suspended during the period of military dictatorship between 1992 and 1994. Suriname is not eligible for conventional World Bank assistance, pending a far-reaching structural adjustment programme and negotiations to deal with accumulated debt-service arrears equivalent in 1993 to some 6% of GDP. Assistance from the Netherlands, the main bilateral donor, was also suspended in 1992 but has since been resumed. Despite being ineligible for conventional World Bank funds, Guyana and Suriname now receive more development assistance relative to GDP than almost any other country in the region.



Notwithstanding the recent downturn, inflows of development assistance funds are still substantial. Moreover, now, they largely are in the form of grants rather than loans. In 1993 development assistance to the Caribbean region accounted for just under 1% of all DAC disbursements to developing countries. The countries of the region accounted for just less than one half of 1% of the population of the developing countries.

A number of Caribbean countries have been beset by balance of payments crises over the past decade. Relative to the size of their economies these have been major recipients of DAC funds. They include Belize, the Dominican Republic, Jamaica, Haiti, Guyana, and Suriname. The last two of these received net development aid in excess of 30 and 50% of their GDPs respectively in 1993. Recorded grants increasingly include debt forgiveness, which explains some of the sudden large jumps in the table, for example the forgiveness of Canadian debt to Barbados in 1993.

To a large extent multilateral aid for these countries, as well as to some of the others, has been tied to Structural Adjustment Programmes worked out in association with the World Bank, IMF or the European Commission. These will be discussed in Chapter 17. The rest of this

chapter concentrates on multilateral aid provided by the European Union institutions *per se*. This has continued to expand despite the fall in development assistance receipts in general.

European Union (multilateral) aid is provided either by the Commission under the aegis of the European Development Fund (EDF), or directly out of the Union budget, or by the European Investment Bank (EIB).

The seventh EDF (1990-95) which covers the first half of Lomé IV has been accorded a total of ECU 10.8 billion (or approximately USD 13.2 billion), or 38% over the sixth EDF. This is devoted either to grants or loans, with the share of the latter at 92%. This development aid may be granted as programmable aid, primarily under the National or Regional Indicative Programmes (NIPs and RIPs) or, increasingly, under the Structural Adjustment Facility, or as non-programmable aid which is granted on a case-by-case basis. Non-programmable aid to the ACP Caribbean falls mainly under STABEX, a mechanism designed to compensate, now entirely through grants, for shortfalls in export earnings on agricultural products because of falls in world prices or natural disasters. In the future SYSMIN, a broadly comparable mechanism for mineral exports, including bauxite and iron ore which are of interest to the Caribbean region, could benefit the region. EDF financing is increasingly taking the form of joint projects with local institutions or non-governmental organisations.

Of the global volume of ECU 10.8 billion of EDF assistance under the Financial Protocol to Lomé IV, STABEX was allocated ECU 1 500 million, SYSMIN 480 million, risk capital ECU 825 million. Of the balance of ECU 7 995 billion in grants, ECU 1 150 billion was set aside for structural adjustment, though it was recognised that that sum might be augmented from the NIPs.

Inevitably countries that find themselves in critical external imbalance typically have recourse to a number of international organisations for financial support, and the structural adjustment grants of the EU Commission usually coincide with structural adjustment programmes established in consultation with the World Bank. The EU assistance is unusual in being non-reimbursable. It operates through the EU financing General or Special Import Programmes which directly give relief to balance of payment problems. The national government then sets aside the counterpart funds which are spent on projects agreed with the Commission. This enables the EU funds to be spent in areas not covered by other structural adjustment programmes, often health and education, as well as meeting one of the goals explicit in Article 226 of the Lomé IV Convention, that measures be included to dampen the negative social consequences of structural adjustment.

The EIB makes development assistance available in the form of risk capital to encourage the development of viable public or private enterprises and various humanitarian projects. Interest rates are subsidised with the subsidy related to the circumstances of the country and the development potential of the projects in question. Funds may be provided in the form of direct equity participation or, more often, as quasi-capital assistance, mainly as loans to local

development banks for onlending to the private sector. Individual projects are approved and, normally, later monitored by the EIB. As with other multilateral agencies, there is no possibility of the EIB debt being rescheduled.

The EIB's resources consist of either the EDF itself for risk capital operations or 'own resources' which mainly derive from borrowing on the international capital markets. The own resources of the EIB add a further ECU 1.2 billion to total resources available under the seventh EDF. The EIB only lends its own resources to 'credit-worthy' countries, except in the event of a guarantee by an international bank when that restriction does not hold. The loans are provided at a fixed interest rate with a 4% subsidy, financed by the EDF. The grace period is usually the construction period. Only project, as opposed to programme, finance is available but sectors - agriculture, transport, the infrastructure etc. - may be selected with a view to supporting a structural adjustment programme. However only projects which can be expected to generate revenue are acceptable.

Of the total amount of ECU 12 billion of multilateral EU assistance, just over ECU 600 million, or 5%, has been allocated to the Caribbean ACP countries. The Caribbean region has a relatively good debt service record. Only in the cases of Guyana and Suriname have loans been stopped because of accumulated arrears but in both cases they have since been resumed.

Aid financed directly out of the EU budget comprises assistance under specific heads, such as food aid, ecology, forestry, human rights and diverse emergencies. Under these headings a further ECU 31 million has been allocated to the Caribbean in the seventh EDF.

Table 15.2 shows the allocations of EU development assistance (not including 'own resource' EIB loans) for each of the ACP Caribbean countries. Under the seventh EDF the two most populous countries, the Dominican Republic and Haiti, each of whom has a population in excess of all the other countries combined, are due to receive between them almost a third of the total. On a per head basis Dominica is the most favoured country followed by Grenada, St Kitts and Nevis, and Belize, countries which rely on bananas or sugar as their principal source of export earnings and which are suffering from lower prices on the EU market.

By far the bulk of allocations have been made through the individual countries' NIPs. These tend to concentrate on the infrastructure and human resource development, though the details vary widely from one country to another. In the banana-producing countries efforts to promote diversification are now being stressed. In Jamaica export promotion and support for the agricultural sector is emphasised. In Guyana infrastructural projects are given priority. In general a greater emphasis than in the past is being placed on environmental protection and support for the health and education sectors, as well as to the private sector. The role of the Structural Adjustment Facility is being developed, with major programmes established in the Dominican Republic, Grenada and Jamaica.

**15.2. TOTAL RESOURCES ALLOCATED TO THE ACP CARIBBEAN
UNDER SUCCESSIVE EUROPEAN DEVELOPMENT FUNDS*
(ECU million)**

Country	1976-80	1981-85	1986-90	1991-95
Antigua and Barbuda	2.1	2.8	6.0	4.5
Bahamas	1.8	2.1	25.0	3.9
Barbados	2.7	3.7	5.0	5.5
Belize	4.1	8.5	15.9	15.0
Dominica	9.5	8.5	11.5	11.3
Dominican Republic	-	-	0.0	134.0
Grenada	2.5	9.6	10.7	11.8
Guyana	16.0	53.6	26.8	37.9
Haiti	-	-	32.4	162.3
Jamaica	21.1	39.4	87.5	91.2
St Kitts and Nevis	1.7	3.2	5.0	3.5
St Lucia	4.4	6.7	8.0	6.5
St Vincent and the Grenadines	3.6	8.0	9.9	6.5
Suriname	18.0	22.4	27.3	27.0
Trinidad and Tobago	21.6	45.7	32.4	70.5
Regional ¹	10.0	33.9	47.2	42.0
Total ¹	119.1	248.1	350.6	633.4
EU budget	1.2	1.7	34.5	31.0
5 year NIP	93.9	134.0	198.0	393.0
other EDF+EIB	24.0	112.4	118.1	209.4

* The Dominican Republic and Haiti only joined the ACP group in 1989.
Includes small allocations to Montserrat.

Source: European Commission, EU-ACP Cooperation, 1993.

The RIP covers the 15 ACP countries. It concentrates on the promotion and support for regional cooperation. The sectors involved will likely include trade, tourism, transport and telecommunications.

Because of the lags between the establishment of an EDF, the agreement with the beneficiary countries of a NIP and possibly a Structural Adjustment grant, the programming of the projects and the actual disbursement of funds, several EDF cycles are currently being

managed at any one time. EDF V was only closed at the end of 1993 and the balance of funds transferred to EDF VII. These lags also mean considerable apparent shortfalls in actual disbursements relative to allocations over any period. Data on disbursements over the period 1989 to 1993 are shown in Table 15.3.

15.3. EDF PAYMENTS BY PRINCIPAL INSTRUMENT
USD million

Survey item	1989	1990	1991	1992	1993
Antigua and Barbuda	0.4	0.9	0.6	0.5	0.5
NIP	0.3	0.8	0.6	0.5	0.5
Bahamas	0.9	0.5	1.0	0.4	0.8
NIP	0.8	0.4	1.0	0.4	0.8
Barbados	0.1	0.3	0.6	1.4	1.6
NIP	0.0	0.1	0.6	0.8	0.7
Belize	0.8	2.4	4.6	5.7	6.7
NIP	0.0	0.9	4.0	4.7	4.3
Dominica	1.7	3.8	1.9	1.4	1.6
of which					
NIP	0.7	1.0	0.5	0.0	0.1
STABEX	0.0	1.5	0.0	1.0	0.0
Dominican Republic	0.0	0.0	0.0	12.9	16.4
of which					
NIP	0.0	0.0	0.0	10.9	1.4
SAF	0.0	0.0	0.0	0.0	0.2
Grenada	3.2	2.8	3.2	0.8	1.6
of which					
NIP	1.4	0.8	0.7	0.1	1.1
STABEX	0.9	0.9	2.5	0.0	0.0
Guyana	6.1	28.5	18.5	7.1	13.9
of which					
NIP	5.7	11.2	4.0	2.5	1.4
SAF	0.0	0.0	0.0	0.0	3.6
Haiti	0.0	0.0	0.0	1.0	1.1
Jamaica	14.2	7.3	7.7	12.5	11.1
NIP	10.7	4.3	6.1	10.5	8.1
St Kitts and Nevis	0.7	0.8	2.1	0.5	0.0
NIP	0.1	0.6	2.1	0.5	0.0

(continued on next page)

15.3. EDF PAYMENTS BY PRINCIPAL INSTRUMENT (CONT.)
(USD million)

Survey item	1989	1990	1991	1992	1993
St Lucia	2.3	1.7	2.1	1.2	1.1
NIP	0.7	0.6	1.6	0.6	1.1
St Vincent and the Grenadines	1.5	3.1	2.0	4.8	1.3
NIP	1.2	1.1	1.1	3.8	0.9
Suriname	4.7	9.0	11.3	5.7	2.7
NIP	0.9	6.7	8.3	5.3	2.3
Trinidad and Tobago	1.2	9.3	1.4	7.5	2.8
NIP	0.0	8.0	0.7	1.2	0.0
Regional programme					
5 year RIP.....	11.0	43.2	58.5	54.5	155.9
Total					
all instruments	48.8	113.4	115.4	118.0	219.1

Source: As Table 15.2.

Total payments have tended to rise over time but not as fast as implied by the growth of allocations. There have been delays in the implementation of past EDFs. Indeed for a number of Caribbean ACPs the sixth EDF allocations remain largely unspent. In many cases projects still have to be decided. Decisions regarding 84% of Caribbean allocations had not yet been taken at the end of 1994, while 62% of the allocations were still undisbursed. At the end of 1994 only 27% of the seventh EDF allocations had been converted into projects and only 2% actually disbursed.

In terms of actual disbursements over the five years, 1989 to 1993, Guyana, Jamaica and Belize have received the bulk of the assistance, though Suriname and Trinidad and Tobago have also received substantial amounts. The Dominican Republic has received the greatest amounts in the three years of its membership of the ACP group. Haiti, despite its population size, has been less favourably treated following the coup of September 1991. Aid was suspended and the proposed NIP was not signed. Since 1992 Haiti has received nearly ECU 5 million of emergency aid and ECU 26 million of food aid as well as decentralised efforts, to support the people at the local level to survive the trade embargo, promote local democratic movements and help victims of repression, financed mainly through the EU budget.

Again most of the actual disbursements in the region have been through NIPs, though Dominica and Grenada have received STABEX funds to compensate for shortfalls in banana

and coconut exports. The year 1993 saw a virtual freezing of STABEX outlays following the exhaustion of the funds and inability of the EU member states to agree a mechanism for its replenishment.

Table 15.4 shows loans signed with the region by the EIB. The EIB has been active in Barbados with a water supply project, in Jamaica in energy supply and in a number of countries with loans in the form of risk capital, often with an emphasis on small and medium-sized businesses.

15.4. LOANS SIGNED BY THE EUROPEAN INVESTMENT BANK

Survey item	1980-85	1986-90	1991	1992	1993	1994
Antigua and Barbuda	-	3.0	-	-	-	-
own resources	-	1.5	-	-	-	-
Bahamas	-	17.6	-	-	-	-
own resources	-	17.6	-	-	-	-
Barbados	15.2	9.4	-	-	10.0	-
own resources	14.6	8.3	-	-	10.0	-
Belize	2.6	4.5	-	-	0.6	7.4
own resources	2.6	3.5	-	-	0.3	3.7
Dominica	2.0	7.6	-	5.0	-	-
own resources	1.0	3.8	-	2.5	-	-
Dominican Rep.	-	-	-	6.0	-	30.0
own resources	-	-	-	3.0	-	15.0
Grenada	4.8	5.6	3.0	-	-	-
own resources	2.4	2.8	1.5	-	-	-
Guyana	8.0	8.0	-	-	10.0	-
own resources	4.0	4.0	-	-	5.0	-
Haiti	-	-	-	-	-	-
own resources	-	-	-	-	-	-
Jamaica	14.0	33.3	17.0	0.6	10.0	4.0
own resources	9.0	32.3	16.0	0.3	7.0	2.0
St Kitts and Nevis ..	2.0	3.0	-	-	-	-
own resources	1.0	1.5	-	-	-	-
St Lucia	2.4	10.0	0.8	-	-	5.0
own resources	1.2	8.0	0.4	-	-	3.5

(continued on next page)

15.4. LOANS SIGNED BY THE EUROPEAN INVESTMENT BANK (CONT.)

Survey item	1980-85	1986-90	1991	1992	1993	1994
St Vincent and the Grenadines	6.0	8.6	0.4	-	-	18.0
own resources	3.0	5.8	0.2	-	-	9.0
Suriname	8.5	6.0	-	-	-	-
own resources	4.3	3.0	-	-	-	-
Trinidad and Tobago	37.0	17.8	38.0	3.0	-	16.8
own resources	37.0	14.9	38.0	3.0	-	12.6
Regional Caribbean (Barbados, Leeward and Windward Islands)	-	4.0	-	-	6.0	-
own resources	-	2.0	-	3.0	-	-

Source: Communication from EIB.

16. FOREIGN DEBT

Frequent recourse to official and commercial borrowing over the 1970s and 1980s has left the ACP Caribbean region with a debt 'overhang' of some USD 14 billion. This has not greatly changed since 1990, but all but trebled from 1980 to 1990. Table 16.1 shows that the Dominican Republic, Jamaica, Guyana and Trinidad and Tobago are the most indebted. These countries accounted for about three quarters of the total. However they are among the larger countries. Haiti, though, has a relatively small debt. The low standard of living there has meant that it has been eligible for grant assistance in those years when the political situation has not deterred the major international institutions altogether.

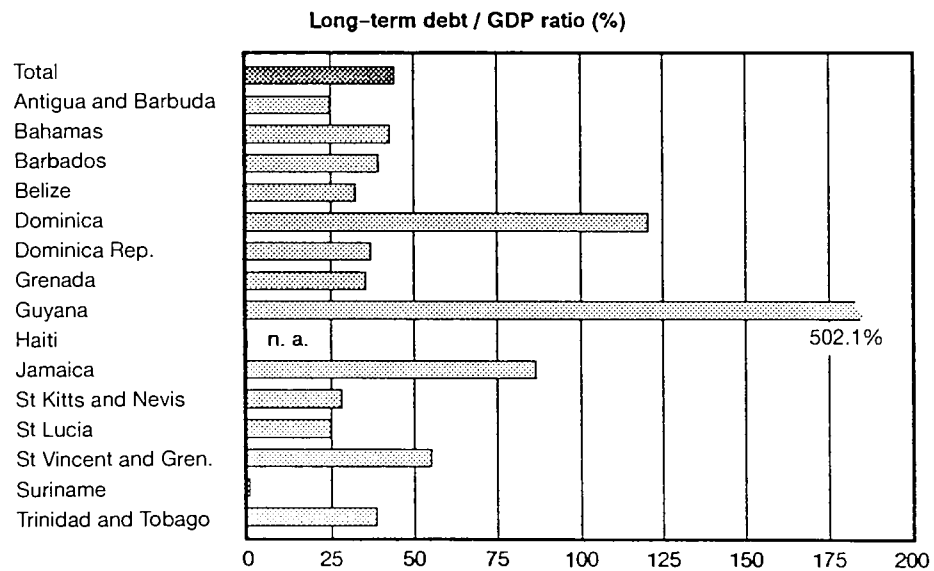
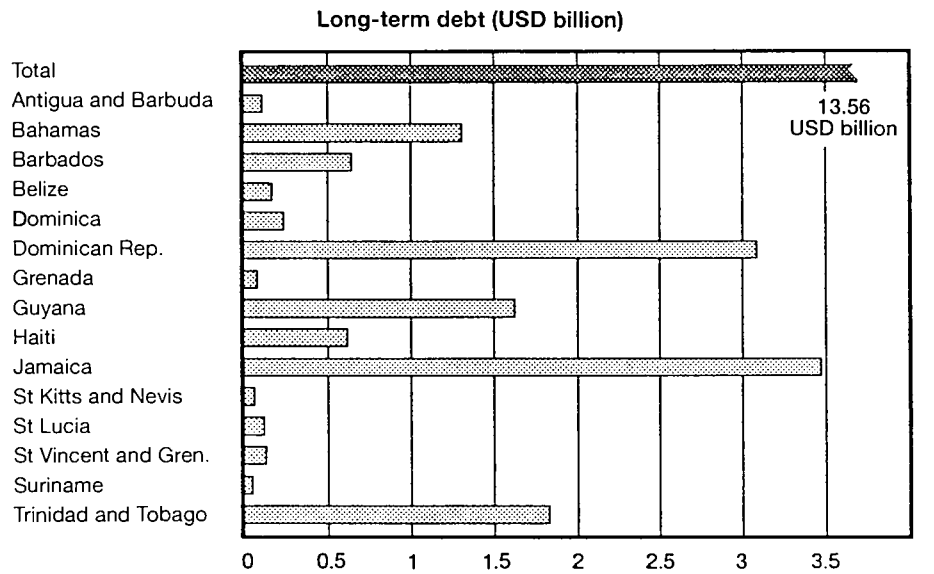
A better way of looking at the weight of debt on the economy as a whole is through the debt-GDP ratio. This is also given in Table 16.1. It shows that the overall debt ratio has fallen from 58% in 1985 to 45% in 1993. In the case of the OECS it has risen from 26 to 41%. The rise has been sharp since 1991, not only because of debt increase but also falls in GDP growth due to hurricanes and the weakness of banana prices.

The table makes clear that the seriously-indebted countries are Guyana, Dominica and Jamaica. The situation in Guyana has improved marginally since 1990 but is still unsustainable in the medium term. The continuing parlous situation is evident from its debt-GDP ratio of over 500% and debt-GNP ratio of over 750%. The Dominican Republic and Jamaica have both managed to reduce their debt ratios, in both cases by roughly half since 1985. The debt ratio for Jamaica however is still relatively high. The ratio for Dominica has suddenly jumped to an alarming level. Most of the debt is concessional and one would not expect to see the same proportional rise in servicing requirements.

Conventional debt service ratios, those are the ratios of interest and repayments to exports of goods and services, are one measure of the running costs of debt relative to other (though not all) current foreign earnings. A major problem (but an advantage in other respects) in using these ratios is their ex post nature. If the interest on debts is rescheduled or the debtor falls into arrears, the debt service ratio falls but in a sense the future weight of debt service on the economy increases. That is why the World Bank has estimated ratios on the basis of projected debt service payments discounted to the present.¹ These ratios are presented in Table 16.2.

¹ The World Bank debt databank shows significant discrepancies with the OECD databank used for Table 16.1. The former is based on a debtor reporting system, while the latter is based on creditor reporting. The main differences arise (i) from debt cancellation and rescheduling transactions, reported by creditors when they take place but debtors may report them when the arrangements are made, (ii) from interest arrears, reported by creditors when they are capitalised, but debtors report the cumulative stock of arrears at the end of the reporting period and (iii) debt write-offs, which are reported by creditors, but which do not enter debtor records, at least for some time.

16.1. LONG-TERM DEBT AND ITS RATIO TO GDP
OF THE ACP CARIBBEAN COUNTRIES, 1993



Statistisches Bundesamt 95 0217 B

16.1. LONG-TERM DEBT

Country	1980 ¹	1985	1990	1991	1992	1993
USD million						
Antigua and Barbuda	-	35	112	101	128	114
Bahamas	109	416	609	813	1 187	1 315
Barbados	107	406	646	628	675	647
Belize	59	103	159	184	165	170
Dominica	-	58	189	204	199	236
Dominican Republic	1 396	3 061	3 123	2 811	2 680	3 091
Grenada	-	51	91	87	84	79
Guyana	596	789	1 771	1 655	1 632	1 634
Haiti	268	640	753	677	615	622
Jamaica	1 490	3 968	4 287	4 146	3 893	3 470
St Kitts and Nevis	-	13	48	60	53	55
St Lucia	-	34	90	116	118	124
St Vincent and the Grenadines	7	24	77	81	81	129
Suriname	22	43	84	72	68	47
Trinidad and Tobago	797	1 766	1 915	1 888	1 752	1 831
OECS ²	7	215	607	649	663	737
Total	4 851	11 407	13 954	13 523	13 330	13 564
% of GDP						
Antigua and Barbuda	-	17.4	28.1	23.8	29.6	25.0
Bahamas	8.9	18.0	19.3	26.2	39.0	43.1
Barbados	12.9	33.8	36.6	36.9	42.8	39.6
Belize	35.3	49.2	39.8	42.7	34.5	32.6
Dominica	-	58.4	109.7	110.7	105.4	120.7
Dominican Republic	22	64.8	46.5	39.1	34.7	37.2
Grenada	-	44.1	44.6	41.0	39.1	35.8
Guyana	108.6	168.3	588.7	485.6	583.6	502.1
Haiti	18.6	31.9	30.1	22.9	26.1	n.a.
Jamaica	45.4	193.9	98.9	102.7	119.5	86.6
St Kitts and Nevis	-	16.7	29.9	36.2	29.7	28.3
St Lucia	-	15.7	22.4	26.9	24.8	25.1
St Vincent and the Grenadines	14.1	21.3	38.5	3.9	24.1	55.2

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16.1. LONG-TERM DEBT (CONT.)

Country	1980 ¹	1985	1990	1991	1992	1993
Suriname	2.2	4.5	5.0	3.5	2.4	0.7
Trinidad and Tobago	13.5	35.3	37.5	35.4	33.3	38.9
OECS ²	n.a.	26.1	39.5	18.4	36.3	41.1
Total	n.a.	57.8	50.7	44.1	46.6	44.5

¹ The OECD series have been revised since 1982, so that the 1980 data are not strictly comparable to those of later years.
² Excluding Montserrat.

The World Bank ratios confirm that the situation in Guyana is critical. The present value of future debt-service obligations is over four times the total value of exports of goods and services. The present value ratios for the Dominican Republic, Jamaica and Trinidad and Tobago are also disturbing. In the Guyana and Dominican Republic cases, the present value ratios paint a gloomier picture than do the simple debt service and debt-GNP ratios, implying that the debt burden of these countries is still increasing. At the other extreme the relatively healthy foreign debt situation of the OECS states, with some qualification with regard to Dominica, is apparent.

16.2. DEBT- SERVICE AND PRESENT VALUE OF DEBT-SERVICE RATIOS, 1991-93 AVERAGE, BASED ON WORLD BANK ESTIMATES (%)

Country	Debt service ratio	Debt-GNP ratio	PV/Exports of goods & services	PV/GNP
Antigua and Barbuda	n.a.	n.a.	n.a.	n.a.
Barbados	14	39	70	37
Belize	8	38	51	29
Dominica	6	51	49	30
Dominican Republic	12	62	159	55
Grenada	5	58	73	41
Guyana	28	776	407	553

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**16.2. DEBT- SERVICE AND PRESENT VALUE OF DEBT-SERVICE RATIOS,
1991-93 AVERAGE, BASED ON WORLD BANK ESTIMATES (CONT.)
(%)**

Country	Debt service ratio	Debt-GNP ratio	PV/Exports of goods & services	PV/GNP
Haiti	2	26	76	15
Jamaica	24	141	136	118
St Kitts and Nevis	3	25	23	15
St Lucia	4	21	22	15
St Vincent and the Grenadines	3	33	36	21
Suriname	n.a.	n.a.	n.a.	n.a.
Trinidad and Tobago	25	50	99	47

Source: World Bank (1995), World Debt Tables, 1994-95.

The difficulties in deriving a single measure of the burden of debt on an economy stem from the multiplicity of ways of rearranging a country's commitments, from debt cancellation or forgiveness (which may only apply to the interest due), through write-offs and repudiations (rare), reschedulings, refinancings, conversions to equity, buybacks and, finally though not least frequently, going into arrears. The Caribbean countries are familiar with most of these devices. We can only draw attention to the most important recent restructuring arrangements.

Four countries, the Dominican Republic, Guyana, Jamaica, and Trinidad and Tobago have had extensive recourse to multilateral debt relief arrangements, both of official debt through the 'Paris Club' and of commercial bank debt through the 'London Club'. Paris Club reschedulings are conditional on the adoption of IMF programmes for structural adjustment over the 'consolidation period', that is the period over which the rescheduled debts would have fallen due. London Club reschedulings are conditional on a prior Paris Club arrangement.

Between the beginning of 1980 and the end of 1993 the Dominican Republic has been granted official debt rescheduling twice, in 1985 and 1991, and commercial debt rescheduling in 1983, 1986 and 1993. Over the same period, Jamaica has successfully renegotiated its debts on no less than twelve occasions, with the commercial banks most recently in 1990, and with official creditors in 1991 and again in 1993. Trinidad and Tobago have twice had their official debt rescheduled, in 1989 and in 1990, and their commercial debt in 1989. Dominica has recently had its commercial debt rescheduled through the London Club.

Guyana was classified by the World Bank as a SILIC, a 'Severely-Indebted Low Income Country', in 1985, and thereby became ineligible for conventional World Bank loans. The flow of resources from the Caribbean Development Bank also stopped but the country continued to service the loans from the Inter American Development Bank and to receive loans from that institution. The international institutions main strategy for dealing with the SILICs is refinancing on softer terms, mainly through the International Development Association 'window' of the World Bank, the so-called Fifth Dimension whereby IDA reflows may be used to service past non-concessional loans and through the IMF's Enhanced Structural Adjustment Facility. Official creditors have also played a role by writing off past loans, replacing new loans by grants and, through the Toronto terms, rescheduling existing debt on a long-term basis after writing off significant parts of it.

Guyana has been a substantial beneficiary from these arrangements. Its official debt was renegotiated in 1989, 1992 and again in 1993. Its commercial debt was rescheduled on six occasions in the 10 years to end-1992. The arrangements for rescheduling and debt forgiveness have however led to some improvement over the last few years which was noted earlier.

Over the region in general the debt situation has improved in recent years with the adoption of more conservative fiscal and monetary policies, with, in some countries, an important contribution from structural adjustment programmes. Still in Guyana, and to a lesser extent, Antigua and Barbuda, Dominica and Grenada, the sustainability of continued inflows to finance current deficits and service existing debts is a matter of concern. The last two countries are threatened by the downward trend in banana prices which probably has not run its course.

16.3. STRUCTURE OF FOREIGN DEBT, 1993 USD million

Country	ODA	Bank and trade credits	Multi-lateral	Other	Total long-term debt	Short-term debt	Total debt	1994 long-term debt repayments
Antigua and Barbuda .	16	80	18	0	114	154	268	9
Bahamas	0	1 139	174	2	1 315	422	1 737	0
Barbados	6	401	217	23	647	133	780	0
Belize	62	37	60	12	170	49	219	5
Dominica	132	9	90	4	236	58	294	2
Dominican Republic ..	635	1 009	1 071	376	3 091	508	3 600	130

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16.3. STRUCTURE OF FOREIGN DEBT, 1993
(USD million)

Country	ODA	Bank and trade credits	Multi-lateral	Other	Total long-term debt	Short-term debt	Total debt	1994 long-term debt repayments
Grenada	13	4	47	16	79	81	160	2
Guyana	67	209	780	578	1 634	77	1 712	20
Haiti	46	12	561	2	622	88	709	0
Jamaica	1 172	584	1 507	207	3 470	446	3 916	210
Montserrat	0	0	7	0	7	0	7	0
St Kitts and Nevis	21	4	24	6	55	34	89	1
St Lucia	21	37	66	0	124	4	129	4
St Vincent and the Grenadines	14	62	52	0	129	24	152	2
Suriname	10	10	27	0	47	68	115	2
Trinidad and Tobago	29	1 334	467	1	1 831	402	2 234	280
OECS ¹	774	2 540	2 192	962	6 469	1 223	7 694	166
Total	3 018	7 471	7 360	2 189	20 040	3 771	23 815	833

¹ Including Montserrat.

17. ECONOMIC SYSTEMS, POLICIES AND STRUCTURAL ADJUSTMENT IN THE CARIBBEAN ACP COUNTRIES

The 1970s and 1980s were difficult years for the Caribbean countries. Three massive increases in oil prices (if we stretch that period to include the Gulf War), unstable, and in most cases, secularly declining prices for their commodity exports, successive recessions in the developed countries, culminating in the deepest slump since the thirties between 1989 and 1992. The last was particularly acute in their main export markets of North America.

The Caribbean countries as a group had problems in managing these adverse conditions successfully, at least until the end of the 1980s. The response to the sharp adverse movements in the terms of trade was typically recourse to foreign currency borrowing. To a large extent the negative impact of terms of trade shocks on employment and growth were countered by expansive fiscal and monetary policies financed either by inflationary money creation or further borrowing. The goal was to protect living standards on the assumption that the external environment would improve later, but the outcome was a further deterioration of economic performance.

Even after the second oil crisis of 1978-79, most of the Caribbean countries pressed ahead with their expansionist policies. They continued to pump up demand and extend their official and, increasingly, commercial bank debt. Of course this crude generalisation covers a spectrum of differentiated responses.

To what extent differences in the economic systems which prevailed in different countries can explain differential policy responses is not obvious but they certainly played a role. Throughout the 1970s and most of the 1980s several countries, including Jamaica, Guyana, Suriname and Trinidad and Tobago maintained highly centralised régimes with a dominant and interventionist public sector. A comprehensive system of price control was maintained, the private sectors were beset by detailed regulation and often investments were restricted to prevent competition for public enterprises, tariffs were maintained at highly protective levels, foreign exchange was strictly rationed and exports often subjected to licensing. Under these circumstances it was not surprising that generally the private sector saved more than it invested and the public sector invested more than it saved. Where there was not a clear competition between private and public investment, as in some of the OECS states, overall investment was higher and, as suggested earlier, investment rates in the Caribbean have generally been closely correlated with growth rates.

Another problem that this set of policies gave rise to was an overvalued exchange rate. Between 1980 and 1985, the REER had increased 28% in the case of Barbados, 34% for Belize, 52% for Guyana, and 62% for Suriname (see Table 17.1). The Dominican Republic

and Jamaica depreciated their grossly overvalued currencies from 1982 onwards, but in Jamaica's case the REER crept up again, rising 15% between 1985 and 1989. These high REERs were obviously inimical to investment, exports and growth, and the diversification of the structure of production. Five countries (the Dominican Republic, Guyana, Haiti, Jamaica and Trinidad and Tobago) have now moved to a floating rate system but most of the others continue to suffer from overvalued exchange rates.

In Jamaica gross investment in the 1980s was low with evidence of the 'crowding out', as well as, at least in the earlier part of the period, the positive discouragement of private investment by the public sector. External borrowing had led to an external debt to GDP ratio of over 200% in 1985. Low growth rates led to a reassessment of policies in the mid-1980s and new fiscal stringency. But the damage to the economic structure had been done and Jamaica was not in a position to benefit from the upturn in the global situation.

The economic situation, together with specific political factors, led to a massive disinvestment by foreign companies in the mainstay bauxite sector. Indeed the peak output reached in the mid-1970s has never been regained. A Standby Arrangement and an Extended Fund Facility (EFF) negotiated with the IMF in 1977 and 1978 were terminated in 1978 before their completion dates, and another EFF negotiated in 1981 was also prematurely ended, in each case because the targets set were not consistent with the government's economic and social priorities.

The experiences of Antigua and Barbuda, the Dominican Republic, Grenada, Guyana, Suriname and Trinidad and Tobago, though different in many details, bear the same hallmarks of overexpansion of demand, loose fiscal policies and swollen budget deficits, low growth rates, decline in manufacturing output and excessive foreign borrowing.

However not all the Caribbean countries can be put in the same boat. St Lucia, in particular, generally maintained balanced fiscal and monetary policies and sectoral programmes that have offset worsening terms of trade through productivity growth. The public finances have been well managed. Domestic and external debt has been controlled. Belize and St Vincent and the Grenadines have on the whole also experienced good economic management.

The second half of the 1980s saw some major reversals in the policy stance of a number of countries. More prudent fiscal and monetary policies have been followed, payments on external arrears are being made up and exchange rates and exchange controls have been liberalised. The overvaluation of REERs has largely been corrected (see Table 17.1). Many countries have set in train, either independently or in negotiation with the international financial institutions, structural adjustment programmes.

17.1. REAL EFFECTIVE EXCHANGE RATES
1985 = 100

Country	1980	1981	1982	1983	1984	1985	1986
Antigua and Barbuda	91.4	95.7	97.1	98.0	101.4	100.0	93.4
Bahamas	85.9	90.2	927.0	95.4	97.9	100.0	96.8
Barbados	78.4	85.4	93.1	101.0	107.3	100.0	94.8
Belize	74.6	76.0	79.7	90.2	94.7	100.0	89.6
Dominica	76.9	83.2	86.0	91.3	98.8	100.0	92.9
Dominican Republic	128.8	130.5	132.3	125.2	91.4	100.0	93.6
Grenada	72.4	83.7	88.8	93.7	99.9	100.0	93.1
Guyana	66.0	71.4	80.9	94.9	96.8	100.0	94.8
Haiti	69.6	71.3	78.5	86.6	91.7	100.0	94.2
Jamaica	156.2	166.4	172.6	162.5	114.1	100.0	107.5
St Kitts and Nevis	100.0	103.1	106.1	107.1	109.3	100.0	105.1
St Lucia	85.4	93.7	96.1	97.7	100.7	100.0	94.1
St Vincent and the Grenadines	87.5	92.6	95.9	99.4	101.0	100.0	98.4
Suriname	61.7	69.2	73.6	78.2	89.5	100.0	111.4
Trinidad and Tobago	59.7	62.8	70.5	83.6	95.6	100.0	68.7
	1987	1988	1989	1990	1991	1992	1993
Antigua and Barbuda	89.5	89.1	89.9	88.8	89.6	89.4	93.3
Bahamas	95.0	93.4	94.1	90.5	93.3	95.4	97.4
Barbados	89.2	89.0	92.0	86.4	87.8	90.8	n.a.
Belize	83.5	82.4	81.2	77.3	77.4	76.4	78.6
Dominica	82.6	78.2	82.1	77.4	79.2	81.6	n.a.
Dominican Republic	78.1	67.7	81.6	84.2	90.0	90.6	n.a.
Grenada	83.7	81.3	85.0	78.5	77.5	n.a.	n.a.
Guyana	48.8	61.3	48.7	34.4	30.3	33.6	n.a.
Haiti	82.8	77.6	76.0	68.0	71.0	65.2	n.a.
Jamaica	106.1	107.2	115.0	102.5	92.3	81.8	n.a.
St Kitts and Nevis	98.5	92.4	94.6	90.0	89.6	89.3	94.7
St Lucia	92.4	86.5	88.0	83.7	85.3	87.5	90.7
St Vincent and the Grenadines	93.4	87.7	87.9	85.6	86.8	87.0	95.3
Suriname	124.1	136.5	136.7	133.2	163.7	223.8	n.a.
Trinidad and Tobago	64.1	64.9	64.1	65.6	85.2	87.3	78.8

Source: World Bank (1994a); IMF, International Financial Statistics.

The Dominican Republic implemented a stabilization programme in 1990. Improved revenue collection and tight expenditure controls have led to rough balance in the government budget. Monetary policy has been strict. These policies have succeeded in sharp reductions in the inflation rate and a recovery in economic growth. Money market liberalisation has attracted capital inflows, including those from emigrants. External payments arrears have been largely eliminated, despite weak export prices for ferro-nickel, sugar and gold and silver, which have damaged export earnings and the trade balance.

However the policies required for comprehensive structural adjustment are not yet in place. In 1991 a Paris Club rescheduling of USD 927 million of debt was followed by a debt reduction agreed by the commercial banks. The remaining debt was to be covered by bond issues, including one backed by the US Treasury. Nevertheless in 1992 the agreement for a USD 400 million Extended Fund Facility with the IMF was suspended in 1993 because of the failure to meet fiscal targets.

Jamaica has experienced very slow growth since 1990. This is largely blamed on the austere monetary policies which have been in place for four years. After the total liberalisation of the foreign exchange market in 1991, the Jamaican dollar fell sharply and this resulted in a surge of inflation. A 77% inflation rate was recorded in 1992. The inflation rate is still high, but had dropped to 39% in the first half of 1994 over the corresponding period in 1993. A tough income and redundancy policy in the public sector and expenditure cuts have led to a public sector surplus. External debt has been brought down through rescheduling. The current account seems to be moving into surplus with the help of strong bauxite and aluminium prices. While the tourist industry has been marking time, emigrant remittances have increased with recovery in Europe and the United States.

On the adjustment side some progress has been made. The elimination of excise duties on agricultural imports will force far-reaching changes in the non-competitive farm sector, particularly in dairy and poultry products. Privatisation is continuing and promises to radically improve the international competitiveness of the sugar industry (though hitherto undisclosed liabilities of sugar estates and the state airline mean that there will be little gain to the public purse). The 1994/95-1996/97 Public Sector Investment Programme emphasise the development of infrastructure to assist private sector investment.

In Guyana GDP growth has averaged 8% over the period 1991 to 1994, helped by the sharp fall in the REER. But the cost of an undervalued exchange rate has been high inflation. The depreciation has helped the trade balance with exports of sugar, rice, bauxite and gold all strong. Moreover Guyana has been helped by favourable world commodity prices.

The Economic Reconstruction Programme (ERP) of 1988 incorporates a range of structural reforms. The ERP is far from having been completed. Nevertheless there has been a

resurgence of agricultural output in response to the reforms, including the liberalization of the exchange rate regime, export and price controls, the elimination of the parallel markets in rice and sugar.

However FDI inflows have been disappointing. The economic climate is not yet such as to give confidence to potential investors. The past experience of default on debt servicing, the continued ineligibility for conventional World Bank funds and the explosion of the current account deficit since pressure from the debt overhang was removed through debt reduction and rescheduling have all contributed to unease.

In Trinidad and Tobago the adjustment programme initiated by the IMF when it agreed a Standby Arrangement and a Compensatory and Contingency Facility in 1988 is still in effect and the government has taken steps to accelerate progress. The authorities are pressing ahead with the liberalisation of the economy and privatization programme. Trade reform to reduce tariff and other barriers to imports, other than agricultural products, was taken a step ahead in January 1995. The exchange rate has held relatively steady since it was floated in April 1993. Progress has been made in reducing the debt service obligations with two Paris Club reschedulings in 1989 and 1990. Since then, with the resumption of official and private lending on conventional terms, a decision has been made not to seek a further IMF agreement.

Among the other larger states of the region, Haiti has only recently had US AID and World Bank lending resumed after the restoration of democratic government. In Barbados, the government has put on hold the agreed IMF Enhanced Surveillance Programme, and the associated SAP, while it reviews its situation. Reserves have benefited from high recent sugar prices and strong tourism receipts. The current account is now in surplus. Various reforms are planned, most importantly in the tax area.

Grenada has suffered from serious weakness in the world nutmeg market and has tried, so far unsuccessfully, to agree a stabilisation plan with the only other producer, Indonesia. Deteriorating public finances and dependency on nutmegs and bananas have led to the accumulation of foreign currency debt and arrears have built up. In consultation with the EU Commission an SAP has been agreed.

Among the other smaller islands, Dominica's high debt-GDP and debt service ratios are cause for concern. Its medium-term economic strategy is focused on fiscal reform and diversification of production. In the other OECS countries, as well as in the Bahamas and Belize, the macro-economy in terms of inflation, the fiscal balance and the external accounts, are less preoccupying. But to the extent these countries are dependent on banana exports, diversification is urgent. The present EU banana regime is scheduled to end in 2002 with little prospect that it will be renewed. In any event the outlook for banana prices does not look promising.

Suriname must be regarded as a special case. Unwilling to accept the conditionality, i.e. a tough SAP, they have eschewed assistance from the international financing organisations. Meanwhile the economy has continued to deteriorate. Some efforts at structural reform have been undertaken, but perhaps the most important, reform of the exchange rate system and elimination of the parallel market failed to work. The REER has been grossly overvalued. Recently the central bank effected a devaluation though not, by any means, sufficiently to reach a realistic rate. Nevertheless some progress has been made in restoring the financial credibility of the government. The budget deficit has been reduced from 65% of GDP in 1982 to 5 to 10% in recent years. Much more needs to be done.

In most Caribbean countries major steps have been taken to confront their problems of fiscal imbalance, structural inflexibilities and excessive recourse to foreign borrowing. There is a new emphasis on using public capital expenditure, not to replace private sector investment, but as a catalyst for it. In the allocation of public expenditure, higher priorities have been given to human resource development. There has been widespread liberalisation of price and foreign exchange markets.

Yet, as we saw in Chapter 13, prospects for exports are not encouraging. Certainly there has been some substantial increases in world commodity prices over the past two years, and these have included sugar, ore and metal prices, but these must be viewed as essentially cyclical responses to recovery in Europe and the United States. The higher prices could be sustained for some time by a significant upturn in growth in Japan, but cannot be envisaged as permanent.

Many of the economies of the ACP Caribbean still depend to a large extent on trade preferences. It is not clear how much sugar could be sold on the world market even at current prices. Certainly there would be little hope of the banana producers surviving in the free world market. In any event trade preferences make an unreliable platform for export growth in a world of falling tariff and non-tariff barriers. The preferences will be gradually eroded, perhaps not so gradually in the case of bananas since the regime is due to come to an abrupt end at the end of 2002. The chances of finding new markets for bananas in the US or elsewhere will not be easy, given the fact that outside Belize, and to some extent Jamaica, the cost advantages of flat, large-scale plantations are unavailable. Clearly diversification into other export-orientated sectors is required. However that is no easy task. Tourism is one clear alternative. At present the Caribbean islands have a proven comparative advantage, but that sector is likely to become increasingly competitive in the years to come.

The problems should not be minimised. The ACP Caribbean region, except perhaps the Dominican Republic and Haiti, suffer the particular problems of small States. They are vulnerable to natural disasters, in the case of the region, particularly to hurricanes. Because they depend largely on a few export commodities they are particularly susceptible to swings in the terms of trade. They lack a sufficiently large domestic market to warrant establishing

plants where that is an important factor - although it must be said that modern technology is rapidly reducing the 'minimum efficient scale'. They require proportionately more overhead capital in the form of ports and airports, roads, hospitals, civil servants and so forth. Similarly for the increasingly crucial specialized training and education, unit costs are high or even prohibitive. All this makes diversification more difficult.

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This regional profile deals with the 15 Caribbean countries with which the European Union conducts a wide range of economic and development cooperation policies under the Lomé Agreement.

General economic growth in the Caribbean ACP countries has been rather disappointing since 1980, with the region's gross domestic product rising by a modest 0.8% per annum between 1980 and 1993. Unfavourable price trends for the main products exported by Caribbean countries, the recession suffered by the western industrial nations at the beginning of the 1990s, changes in international terms of trade, internal political conflicts, bad weather conditions and, last but not least, only partial success in broadening their export basis were all determining factors explaining the weakness of the Caribbean economy. It is solely because of the strong resurgence of tourism, the most important factor in the region's economy, that initial estimates for 1994 predict slightly higher growth in GDP of between 1.5 and 2%.

The dovetailing of foreign trade exchanges by the Caribbean countries with western industrialized nations can be seen in their existing trade relations. In 1992-93, 47% of total goods exports went to North America and 22% to the EU, whilst 41% of the goods imported into the Caribbean ACP countries came from North America and a further 20% from the EU. A similarly high level of dependency existed in the field of services. The Caribbean tourist trade, which in some countries is a much larger foreign exchange earner than goods exports, virtually owes its existence to American and European holidaymakers.

The economic outlook for the Caribbean is uncertain given the rather downbeat medium-term trade prospects, and it is still heavily dependent upon the economic development of its main foreign trade partners. In view of the changes in international terms of trade since the conclusion of the last Uruguay Round, Mexico's entry into NAFTA, and the constraints expected to be imposed upon preferential access to the EU market with the expiry of Lomé IV and the revision of the EU's common agricultural policy, the export prospects for a whole series of important export products (clothing, sugar, bananas, rice) are looking rather bleak. Economic diversification has become a matter of the utmost urgency in almost every country, in order for them to achieve lasting economic growth in the future and avert the threat of dwindling trade flows. In this respect, the establishment of further export free zones, the increased cultivation of non-traditional agricultural export products, eco-tourism, offshore banking and computer services could all turn out to be promising niches with worldwide markets.

In the field of regional economic integration, the Caribbean countries need to raise their sights beyond the Caribbean community (Caricom), which was set up in 1973 with the aim of developing a common Caribbean trade and customs policy and now numbers 13 of the 15 ACP Caribbean countries. The opportunities for economic development offered by this economic community are too limited due to the extremely small internal markets of its member States. It was for this reason that all the Caribbean countries present at the last summit meeting of American States in Miami in December 1994 expressed an interest in joining an enlarged NAFTA. At the present moment, it is not possible to give a final answer to the question as to how this could be squared with their existing status as ACP countries and with the conditions of the Lomé Convention. It is, however, more than likely that if they were to join NAFTA, the EU would have to redefine its economic relations with the Caribbean ACP countries.

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This regional profile deals with the 15 Caribbean countries with which the European Union conducts a wide range of economic and development cooperation policies under the Lomé Agreement.

General economic growth in the Caribbean ACP countries has been rather disappointing since 1980, with the region's gross domestic product rising by a modest 0.8% per annum between 1980 and 1993. Unfavourable price trends for the main products exported by Caribbean countries, the recession suffered by the western industrial nations at the beginning of the 1990s, changes in international terms of trade, internal political conflicts, bad weather conditions and, last but not least, only partial success in broadening their export basis were all determining factors explaining the weakness of the Caribbean economy. It is solely because of the strong resurgence of tourism, the most important factor in the region's economy, that initial estimates for 1994 predict slightly higher growth in GDP of between 1.5 and 2%.

The dovetailing of foreign trade exchanges by the Caribbean countries with western industrialized nations can be seen in their existing trade relations. In 1992-93, 47% of total goods exports went to North America and 22% to the EU, whilst 41% of the goods imported into the Caribbean ACP countries came from North America and a further 20% from the EU. A similarly high level of dependency existed in the field of services. The Caribbean tourist trade, which in some countries is a much larger foreign exchange earner than goods exports, virtually owes its existence to American and European holidaymakers.

The economic outlook for the Caribbean is uncertain given the rather downbeat medium-term trade prospects, and it is still heavily dependent upon the economic development of its main foreign trade partners. In view of the changes in international terms of trade since the conclusion of the last Uruguay Round, Mexico's entry into NAFTA, and the constraints expected to be imposed upon preferential access to the EU market with the expiry of Lomé IV and the revision of the EU's common agricultural policy, the export prospects for a whole series of important export products (clothing, sugar, bananas, rice) are looking rather bleak. Economic diversification has become a matter of the utmost urgency in almost every country, in order for them to achieve lasting economic growth in the future and avert the threat of dwindling trade flows. In this respect, the establishment of further export free zones, the increased cultivation of non-traditional agricultural export products, eco-tourism, offshore banking and computer services could all turn out to be promising niches with worldwide markets.

In the field of regional economic integration, the Caribbean countries need to raise their sights beyond the Caribbean community (Caricom), which was set up in 1973 with the aim of developing a common Caribbean trade and customs policy and now numbers 13 of the 15 ACP Caribbean countries. The opportunities for economic development offered by this economic community are too limited due to the extremely small internal markets of its member States. It was for this reason that all the Caribbean countries present at the last summit meeting of American States in Miami in December 1994 expressed an interest in joining an enlarged NAFTA. At the present moment, it is not possible to give a final answer to the question as to how this could be squared with their existing status as ACP countries and with the conditions of the Lomé Convention. It is, however, more than likely that if they were to join NAFTA, the EU would have to redefine its economic relations with the Caribbean ACP countries.

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