

INTERNATIONAL MONETARY FUND



Staff Country Reports

St. Lucia: Selected Issues and Statistical Appendix

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ST. LUCIA

Selected Issues and Statistical Appendix

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Approved by the Western Hemisphere Department

February 16, 2001

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St Lucia: Basic Data

I. Social and Demographic Indicators

Area (sq. km)	616	Nutrition (1993) -	
Arable land (percent of land area)	...	Caloric intake	
		(per capita a day)	2,429
Population (1998)		Health (1998)	
Total (thousands)	152	Population per physician	2,533
Annual rate of growth, 1990-98		Population per hospital bed	292
(percent a year)	2.0		
Density (per sq. km.)	247	Access to safe water (1998)	
GDP per capita (US\$), 1999	US\$4,206	Percent of population	
		Urban	100.0
Population characteristics (1993)		Rural	...
Infant mortality (per thousand live births)	17	Education (1996)	
		Gross enrollment rates	...
Distribution of labor force (in percent, 1998)		Gross primary enrollment	30,933
Agriculture	22.0	Secondary	11,149
Industry and mining	20.0	GDP (1999)	EC\$ 1,760 million
Services	58.0		US\$652 million

II. Economic Indicators, 1997-2001

	1997	1998	Pre- 1999	Proj. 2000	Proj. 2001
(In percent of GDP)					
Origin of GDP					
Agriculture and mining	7.6	8.4	7.4	7.4	7.3
Manufacturing and construction	14.0	13.7	14.5	14.2	14.0
Services	78.4	77.9	78.1	78.4	78.7
(Annual percentage changes, unless otherwise indicated)					
National accounts and prices					
Real GDP	0.6	2.9	3.1	3.1	1.7
Real GDP per capita	-1.5	0.8	1.1	1.2	-0.1
GDP deflator	2.4	2.2	2.3	5.0	3.0
Consumer price index (period average)	0.0	2.8	3.5	5.0	3.0
Consumer price index (end of period)	1.6	3.6	6.1	5.0	3.0
Unemployment rate (in percent)	20.0	21.5	18.1	...	...
(Ratios to GDP)					
Gross domestic investment	24.6	23.9	26.4	22.8	21.0
Of which: public investment	6.4	8.4	9.5	10.3	10.7
Gross national savings	12.1	15.6	13.7	11.6	10.6
External savings	12.5	8.5	12.7	11.2	10.4
Private consumption	68.9	65.2	62.0	68.2	68.9
Public consumption	15.7	14.7	14.9	15.2	15.4
Public finances 1/					
Central government					
Total revenue 2/	24.7	29.3	31.3	27.9	26.7
Total expenditure	26.6	27.5	28.6	30.8	30.1
Of which: interest	1.0	1.3	1.4	1.9	1.8
Savings	3.1	6.1	7.7	4.5	4.5
Primary balance 3/	-0.9	3.1	4.1	-1.0	-1.7
Overall balance 3/	-1.9	1.8	2.6	-2.9	-3.4
Consolidated public sector					
Savings	6.6	9.1	11.2	7.1	7.0
Primary balance 3/	2.6	5.6	7.1	1.6	1.0
Overall balance 3/	0.9	3.8	5.2	-1.2	-1.7
(12-month percentage changes, unless otherwise indicated)					
Money and credit					
Liabilities to private sector	6.7	11.9	8.4	8.4	4.9
Of which:					
Money	6.0	3.6	8.0	8.4	4.9
Quasi money	6.9	14.9	8.5	8.4	4.9
Net domestic assets of the banking system 4/	8.9	0.6	9.5	8.4	4.9
Of which:					
Credit to the public sector (net)	-2.0	-6.0	-3.0	0.3	6.3
Credit to the private sector	12.1	9.8	13.7	8.1	2.3
Liabilities to private sector, in percent of GDP	56.4	58.8	60.9	60.9	60.7
Representative interest rate (in percent) 5/	10.0	10.0	10.0	...	...

St. Lucia: Basic Data

	1997	Pre- 1998	Est. 1999	Proj. 2000	Proj. 2001
(In millions of U.S. dollars, unless otherwise indicated)					
Balance of payments					
Current account	-72.9	-31.7	-82.5	-79.0	-77.4
Merchandise trade balance	-209.1	-209.3	-245.7	-252.6	-262.3
Exports	81.4	85.7	77.1	79.4	79.4
Imports	290.5	295.0	322.7	332.1	341.8
Services and transfers (net)	136.3	157.6	163.1	173.6	184.9
Of which: interest	5.6	6.3	5.6	7.0	7.6
Capital and financial account 6/	77.8	61.2	86.4	79.0	77.4
Foreign direct investment	47.0	35.0	53.5	47.5	28.0
Portfolio investment	0.0	0.0	0.0	0.0	0.0
Other capital (net) 6/	30.8	26.2	32.9	31.5	49.4
Change in net international reserves (increase -)	-4.9	-9.5	-3.9	0.0	0.0
Exports (in percent of GDP)	14.0	13.8	11.8	11.2	10.7
Imports (in percent of GDP)	50.0	47.4	49.5	47.0	46.1
Current account (in percent of GDP)	-12.5	-8.3	-12.7	-11.2	-10.4
Merchandise exports (in US\$, annual percentage change)	-17.9	5.3	-10.1	3.1	0.0
Merchandise imports (in US\$, annual percentage change) 7/	5.0	1.5	9.4	2.9	2.9
Terms of trade (annual percentage change) 8/	7.9	22.8	-18.1	2.5	...
Real effective exchange rate (12-month percentage change)	6.4	4.6	8.7	...	...
International reserve position and external debt (as of December 31)					
Gross official reserves	64.0	73.5	77.4	77.4	77.4
Net official reserves (Central Bank, imputed)	59.1	68.6	72.5	72.5	72.5
Net reserves of the banking system	-61.6	-34.2	-42.3	-42.3	-42.3
Outstanding external debt, in percent of GDP	...	...	...	...	...
Public	26.4	26.4	27.7	23.4	23.7
Private	...	...	...	...	...
Total debt service ratio (in percent of exports of goods & services)	3.7	3.9	4.1	3.4	3.5
Of which: interest (in millions of EC dollars)	15.1	17.0	15.1	18.9	20.5
Gross reserves/short-term debt (in percent)	...	...	...	...	...
IMF data (as of August 31, 2000)					
Membership status:					Article VIII
Intervention currency and rate					U.S. dollar at EC 2.70 per U.S. dollar
Quota					SDR 15.3 million
Fund holdings of Eastern Caribbean dollars					SDR 15.3 million
(as percent of quota)					100 percent
Outstanding purchases and loans					None
SDR department					
Net cumulative allocation					SDR 0.74 million
Holdings					SDR 1.52 million

Sources: St. Lucian authorities; and Fund staff estimates.

1/ Data for fiscal years beginning April.

2/ Including grants. Reduction in revenue in 2000 due to lower trade taxes, reflecting a decline in rate of growth of imports and the reduction of the CET in early 2000, the full effects of which would be evidenced in 2000/01.

3/ After grants.

4/ Change as a percentage of liabilities to the private sector at the beginning of the period.

5/ Prime rate.

6/ Includes errors and omissions.

7/ Imports, f.o.b.

8/ Excluding tourism.

I. THE RESTRUCTURING OF THE BANANA INDUSTRY IN ST. LUCIA AND THE WINDWARD ISLANDS

A. Introduction

1. The Windward Islands banana producers comprise the states of St. Lucia, St. Vincent and the Grenadines, Dominica, and (in a smaller scale) Grenada. Historically, banana production has accounted for a substantial share of export earnings and rural employment of the islands. Until recently, it was estimated that some 30,000 farmers were directly involved in banana production, and some 70,000 people were employed directly or indirectly by the industry; this amounts to about a third of the labor force or 16 percent of the population of the Windward Islands being dependent on the banana sector.

2. The banana industry of the Windward Islands (WI) is at a critical juncture. Recent developments in the international banana market have brought into question the viability of the industry. Increased competition in the world market and uncertainties concerning preferential access to the European Union (EU) have contributed to weak prices and lower farmers' confidence. As a result, there has been a steady migration of banana farmers to other activities. Between 1992 and 1997, the number of farmers in Dominica, St. Lucia, and St. Vincent and the Grenadines decreased by an estimated 44 percent, 49 percent, and 17 percent, respectively, and further reduction is likely in the next several years. In spite of some progress being achieved in mitigating the economic effect, particularly with the expansion of the services sector, the employment and social fallout of a declining industry has been, and may continue to be, substantial. This chapter examines the challenges facing the WI banana industry with a focus on the socioeconomic impact and production recovery strategies. A section is dedicated to St. Lucia, the region's largest producer and most populous island.

B. Competitiveness of the Windward Islands Banana Industry

3. **The WI producers are at a competitive disadvantage in terms of topography, plantation size, and wage rates when compared with Latin American producers.**¹ The ownership structure of the WI banana industry is characterized by small plantations, producing on lands that are smaller than five acres and mostly on hilly slopes. Production yields average six to eight tons per acre per year. Wage rates for farm laborers are comparably high, averaging US\$11 per day for nonprocessing labor.² The working day for farm laborers lasts no more than five hours. In addition, most growers provide transportation, a meal, and allow workers to leave

¹ These include Ecuador, Costa Rica, Colombia, Guatemala, Panama, Honduras, Nicaragua, and Venezuela. They are sometimes referred to as "dollar" banana exporters because their industry is usually associated originally with U.S.-based multinational (or U.S. dollar revenue-based) companies.

² Labor not engaged in the immediate preparation of the fruit for receiving or loading.

the estate with some produce. As a result, the total compensation of workers can be in excess of US\$19 per day.³

4. In comparison, “dollar” banana plantations range from 2,500–12,000 acres with yields of approximately 15 tons per acre per year. Wage rates are much lower than in the Windward Islands. In Ecuador, for instance, which is the largest banana producer, wage rates average US\$4 per day. Workdays are longer, averaging eight to ten hours. Moreover, “dollar” producers enjoy additional advantages for their production in terms of infrastructure, capital, and economies of scale.

C. The European Union Banana Import Regime

5. **The WI banana industry has historically relied on guaranteed market arrangement regimes** provided by European states (principally the United Kingdom) which pay above free market prices for the fruit. With the establishment of the single European market, a common marketing structure came into effect on July 1, 1993. The so-called EU Banana Regime maintained the traditional obligation to the African, Caribbean, and Pacific (ACP) producers by restricting imports from non-ACP suppliers through a tariff/quota system.

6. The preferential banana regime has been challenged both internally in Europe, through the EC Court of Justice, and externally by the GATT bodies, and subsequently, by the WTO. The WTO has contested the legality of the EU regime five times since 1993. The most controversial element of the regime was its allocation of licenses among suppliers based on their actual exports to the EU during a reference period (for 1999 and 2000, the reference period used were the years 1994 to 1996). The United States and other Latin American producers challenged the historical reference used for allocation of quota licenses. They brought the case to the WTO, and recently (April 1999) the panel reiterated its rule against the current import regime. In December 2000, the EU Agriculture Committee approved a new proposal, to be put in place in April 2001, in the latest attempt to settle the dispute.

The existing EU banana regime (to be modified in April 2001)

7. With the formation of the European Common Market, the EU replaced individual member countries’ trade regimes governing banana imports with a common policy. ACP countries continued to receive protection through a tariff/quota arrangement. The mechanism of the tariff/quota system consisted of a reserved duty-free quota of 857,700 tons for traditional ACP producers, and a quota of 2.55 million tons subject to a duty of €75/ton for third party suppliers.⁴ Imports from the latter in excess of 2.55 million tons are assessed the full tariff rate of

³ Wayne Sandiford, *On the Brink of Decline*, (Grenada, W.I.: Fedon Books), 2000.

⁴ The quota was originally set at 2.2 million tons and later expanded by 353,000 tons to accommodate an increase in consumption due to the expansion of EU membership to include Austria, Finland, and Sweden.

€750 per ton. Nontraditional ACP bananas (defined as any ACP supplier without a historical export record to the EU, or traditional ACP suppliers with volumes in excess of the 857,700 tons) have duty-free access within the first quota band; for any amounts above this quota allocation, a reduced tariff rate of €550 per ton is applied.

“First-come, first-served” arrangement (to be effective in April 2001)

8. **In order to comply with WTO rules, on December 19, 2000 the EU Agriculture Commission approved plans for a new trade arrangement.** The proposal, coined “first-come, first-served” (FCFS), eliminates the historical reference period used in the allocation of licenses. Instead, licenses would be issued upon simultaneous examination of banana import applications during a weekly or fortnightly period, to ensure a regular import flow to the EU market. The FCFS regime would continue with the two quota bands (the first, for ACP countries, slightly reduced to 850,000 tons, and the second, for other countries, remaining at 2.55 million tons). However, the quota bands would now be open to all suppliers, but imports from ACP countries would benefit from duty-free access under both quota groupings. Non-ACP bananas would be subject to a €75/ton duty within the 2.55 million quota, and to a €300/ton duty within the 850,000 quota.

9. Suppliers will be required to commit bananas to the vessel before submitting the declaration of intent to import into the EU and to lodge a sufficiently high security deposit. This measure is aimed at deterring speculation and fraud. In addition, there would be a pre-allocation procedure based on operators declaring their intention to import a specified quantity. The pre-allocation would be decided when vessels are a sailing distance from Europe to avoid discrimination against countries that are further away. If the initial pre-allocation were oversupplied, every application would be proportionally scaled down.

10. **The FCFS regime would be in place until 2006, when a flat rate tariff-only system is to be established.** The EU feels that the FCFS arrangement is compatible with the WTO ruling of 1997, which argued that the quota was discriminatory. However, the United States, most Latin American producers, and the ACP countries are opposed to the new plan. The effects of the FCFS measure is likely to have an adverse effect on an already troubled WI banana industry. The pre-allocation procedure of FCFS favors producers with high and stable volumes and well-developed markets. Any reduction in their allocation can be shipped to Eastern Europe. However, it poses a severe disadvantage for the Windward fruit since their exports are seasonal, destined mostly to the United Kingdom, and relatively low in volume, with the result that any scale back in allocation could have a high financial cost to the growers.

D. Economic and Social Impact of a Declining Banana Industry

11. **Banana production and exports from the WI have declined sharply since the early 1990s.** Between 1990 and 2000, the volume of banana exports fell by 50 percent, to 140,500 tons. This retrenchment is attributed mainly to the uncertainties surrounding the EU import regime, declining world market prices, and rising cost of inputs. Although some of the

economic impact of the decline has been mitigated by expansion-taking place in other sectors, particularly tourism, the employment problems and social fallout remain significant.

12. Over the past decade, the WI made progress in diversifying their economies and the banana sector's contribution to GDP declined from approximately 20 percent in 1990 to less than 5 percent in 1999. (Grenada, although a small scale producer, has been very successful in shifting its agricultural production away from bananas and toward cocoa and nutmeg). Nonetheless, banana exports remain significant, accounting for approximately 40 percent of domestic exports.

13. **The critical issue facing the Windward Islands is the displacement of labor and income effects of a declining banana industry.** According to a recent ILO study, no other economic activity in the Eastern Caribbean has similar multiplier-effects on employment levels and on the development of other economic sectors.⁵ Current employment in the banana industry constitutes 23 percent of total employment. The expectation is that a large number of small- and medium-sized farms will go out of business in the years to come. Farmers on marginal lands and those that cannot afford to finance the inputs or maintain the quality standards of the Certified Grower Program⁶ will be most affected. A 1998 study identified the noncertified growers as "the resource poor, with lower standard housing, fewer assets, smaller farms with less secure tenure, and less confidence in their future."⁷

14. The rise in unemployment could have a ripple effect in the rural economies and urban communities. Declines in consumption will affect businesses that rely on farmer income, further increasing unemployment. Migration to urban areas will likely occur leading to increase demands for social services, particularly sanitation and public health.

E. Agriculture Recovery Strategy: The Process of Adjustment

15. In an effort to restructure the industry and respond to higher quality demands, the governments of St. Lucia and St. Vincent and the Grenadines, industry leaders, and donor groups met in May 1998 to outline a recovery strategy. **The resulting Production Recovery Plan (PRP), adopted in September 1998, was designed to increase the profitability and competitiveness of the WI banana industry.** The PRP identified poor irrigation and drainage infrastructure as a major cause of low yields and as a barrier to the use of a high yield variety of bananas commercially grown in Latin America. It pressed for the release of available funds from donor groups and governments to finance irrigation and drainage projects, with a long-term

⁵ *Restructuring and the Loss of Preference*, ILO, 1999.

⁶ The Certified Grower Program works by pooling farmers producing superior quality bananas under commercial contracts with buying companies (see Section E).

⁷ Cargill Technical Services, *Action Plan For Restructuring of The Windward Islands Banana Industry*, November 1998.

objective of installing 4,700 acres of irrigation and 2,270 acres of drainage systems over the course of the plan. Additional production increases were to be achieved through a program of targeted grower recapitalization, improved technical capacity, more stable prices to growers and cost cutting measures.

16. The targeted grower recapitalization component of the PRP provided funding for rehabilitation of plantations, drainage and irrigation, shed construction, and increased input purchases. Two separate loan packages were made available to growers, a certification loan and recapitalization loan, each with its own conditionalities. Lending was to be targeted to commercial growers that are part of the Certified Grower Program or have the potential to achieve yields of at least 12.5 tons per acre. Funding for the recapitalization loans was provided by STABEX grants from the EU. The grants operate as a revolving trust fund established on each island. Funds are disbursed to successful applicants based on the recommendation of a Steering Committee.

17. **A successful program embraced by the PRP is the Certified Grower Program, initiated in 1996.** The program originated as a response to increased pressure from the U.K. supermarkets for the WI to supply superior quality fruit and meet specific requirements. It works by pooling farmers producing superior quality fruit of a required consistency under conditions acceptable to the supermarket trade. Farmers agree to volume contracts with buying companies with specified quality scores. Fruit scoring below the minimum levels is not purchased. Although the program requires greater levels of inputs and record keeping, it has been highly successful in obtaining premium prices for quality fruit.

18. In addition to the Certified Grower Program, quality improvements for Windward fruit have been achieved with the implementation of a five-tier pricing system. Under this system, a base price (which varies in line with market conditions) is established for bananas with quality of less than 75 percent of a specified consistency score. For consistency scores above 75 percent, there are four quality ranges with increasing premiums paid to growers as quality improves.

19. Overall, the PRP has shown mixed results. The implementation of the Certified Grower Program and other quality based pricing mechanisms have contributed to increases in the quality level of Windward bananas. In conjunction, palletization of the shipping, loading, and discharging of bananas has reduced downgrading at destination ports. These developments are important to ensure higher prices for farmers and promote a differentiated product for marketing. However, the output increases expected by the PRP have not been achieved, with drops in volumes actually being recorded. Loan disbursements have been sizable but inadequately targeted. Moreover, investments in irrigation and drainage envisaged under the plan have not fully materialized.

F. Case Study: The St. Lucia Banana Industry

20. The St. Lucia banana industry has its origins in 1925 when a subsidiary of the United Fruit Company acquired lands for cultivation. Production began to expand in the 1950s with the decline in the sugar industry and reached a peak in 1990 at more than 135,000 tons or 48 percent

of WI total output. Currently banana production in St. Lucia is around 70,000 tons, with its share of regional output remaining at 50 percent. The sector's contribution to GDP declined from 10 percent in 1990 to 4 percent in 2000 (part of this decline is attributed to economic diversification toward services). The number of banana farmers fell from an estimated 10,000 to approximately 4,800 in 2000. In the medium term, further displacement is expected, with the total number of farmers declining to between 2,000 and 3,000.

21. **As St. Lucia restructures its banana industry, the main challenges will be rural poverty and employment and linkages to other economic sectors.** According to the Agriculture Ministry, an estimated 30,000 persons are directly or indirectly employed by the banana industry. The industry traditionally provided a weekly paycheck and a respectable living for even marginal farmers. As a result of the decline in the banana sector, poverty levels have increased in St. Lucia. Recent studies indicate that 19 percent of the households and 25 percent of individuals are living below the poverty line, with most of this poverty being concentrated in rural areas. In addition, options for displaced farmers are limited by low education levels.

22. The loss of regular income from the industry has multiplier effects on those that supply goods and services to the farmer. Strong formal and informal linkages have been established between the banana sector and other economic sectors. Wholesale and retail trade, construction, as well as transport and communications rely on business generated by the banana production.

23. In order to address the problems of the banana sector, the government of St. Lucia has outlined a country strategy that focuses on commercialization of the banana industry, agricultural diversification, and a social recovery plan. Funding for the strategy will be provided by STABEX, which has earmarked US\$12.4 million toward commercialization, US\$13.6 million for agricultural diversification, and US\$15.4 million toward social recovery.

24. **Commercialization of the banana industry aims at providing assistance to viable farmers in order to achieve a fully competitive banana industry.** The programs outlined are consistent with the regional Production Recovery Plan, which includes raising productivity through grower recapitalization, shed building, technical assistance, and input financing. A long-term objective put forward in the PRP is for the construction of irrigation on 2,000 acres and drainage systems on 1,500 acres.

25. The agricultural diversification component identifies the need to restructure the agricultural sector and promote a shift toward nontraditional crops for the nonviable banana farmers. A secondary objective is to enhance food security by reducing the country's food import bill, which reached EC\$90 million in 1999. The strategy will pursue these objectives by investing in marketing, infrastructure, and capital access. A marketing agency is to be established to facilitate the trade of agricultural produce; its authority will be to oversee the implementation of a system of grades and standards for agricultural commodities and provide market opportunities for local agricultural products.

26. Infrastructure improvements will be made to support the agricultural sector, such as rehabilitation of farm access roads, installation of irrigation and drainage systems, enhancement

of port facilities, and development of inland reception and distribution centers. Greater capital access for agricultural enterprises will be implemented by widening the cross-section of beneficiaries and expanding the range of agricultural projects.

27. Trade facility measures include encouraging community based input supply outlets, strengthening the St. Lucia Bureau of Standards to enforce compliance with established standards, and promoting the development of an agro-processing subsector.

28. The social recovery program addresses the emerging social fallout and provides new avenues for employment. The removal of some 3,000 farmers from the banana industry potentially displaces some 14,000 persons from their sphere of economic activity, creating social problems. To address such problems, assistance will be provided to those farmers in the following areas: adult education; housing and sanitation improvement; health; child protection; skills training; and a farmers' pension scheme.

29. An important underpinning of the production recovery plan is the recognition that the industry will downsize to two main categories of growers, irrigated with yields of at least 18 tons per acre and rain fed with yields of 12 tons per acre.⁸ Currently, St. Lucia averages yields of 4 to 6 tons per acre compared to an average of 15 to 20 tons per acre for some "dollar" producers. In this context, targeted construction of irrigation and drainage systems is paramount. Experience in St. Vincent and the Grenadines has demonstrated that yields of 25 tons/acre can be achieved within the second year of the construction of irrigation and drainage systems.

30. There is a need to increase the commercial and management skills of growers. Production volumes and practices poorly respond to market signals. Among growers, there is a limited understanding of break-even yields and prices. In addition, production volumes are not, as yet, managed in order to meet market demands. Training of farmers in agro-business, farm management, and developmental support is needed.

31. In the long term, production volumes may stabilize at about the current levels with the full implementation of the restructuring plan. However, prospects for further price declines from the adoption of a 'tariff-only' EU trade regime could put significant pressure for additional contraction in the industry. In any event, the number of farmers is likely to fall by as much as 1,000-2,000 producers. Therefore, the social recovery program will be of major importance to smooth the transition and address the displacement of farmers.

G. Conclusion

32. Significant progress has been made in the Windward Islands in response to the declining banana industry. Buying companies have been privatized in St. Lucia and a similar intention has been expressed in other islands. This has led to changes within the industry structure leading to

⁸ Based on the findings of the EU funded *Restructuring of the Windward Islands Banana Industry Project*.

increased competition and commercialization at all levels. There has been a recognition that the status quo of the banana industry is not viable and resistance to change among the producers is diminishing. As a result, institutions are more willing to meet the requirements of liberalization. Finally, both industry and government are developing more coherent strategies for the future of the industry, which may eventually lead to a successful transition to a fully liberalized market. Taken together, these developments represent a fundamental shift in the direction of the banana industry and provide a foundation for the stakeholders to bridge the gap between the current status of the industry and the required status for full competitiveness.

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Table 1.1. Windward Islands: Selected Banana Sector Indicators

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Export volume (tons)	281,941	227,061	279,800	242,450	169,385	193,644	191,408	137,428	144,671	130,438	140,499
Dominica	57,867	55,847	59,221	55,940	43,205	33,368	39,534	34,903	28,135	27,263	27,157
Grenada	7,552	6,926	6,511	4,891	4,542	4,559	1,851	102	96	570	722
St. Lucia	135,367	100,877	135,291	122,930	90,524	103,110	104,805	71,395	73,039	65,229	70,281
St. Vincent and the Grenadines	81,155	63,411	78,777	58,689	30,925	50,084	44,038	31,021	39,887	37,376	42,339
Export revenue (EC\$ million)	386.8	326.7	376.4	269.9	217.4	217.9	224.3	164.5	185.0	176.9	170.4
Dominica	79.6	80.9	82.4	65.1	55.4	45.2	44.5	41.5	37.0	38.4	32.0
Grenada	10.3	9.9	7.8	4.8	6.5	6.5	1.6	...	0.1	0.3	0.7
St. Lucia	186.9	146.4	184.8	137.9	110.7	126.4	125.8	85.9	92.4	87.0	86.0
St. Vincent and the Grenadines	110.0	89.5	101.4	62.0	39.8	39.8	52.4	37.1	55.5	51.2	51.7
Prices											
Average green wholesale price (£/ton)											
For Windward Islands bananas	525	579	538	541	618	548	544	548	564	532	490
For dollar bananas 1/	371	387	331	359	349	340	368	364	350	321	344
Unit value of Windward banana exports (£/ton)	286	302	284	275	311	264	278	271	286	310	299
Average exchange rate (EC\$/£)	4.8	4.8	4.7	4.0	4.1	4.3	4.2	4.4	4.5	4.4	4.1
Total number of active growers	24,954	29,656	30,578	24,111	23,046	20,186	17,965	16,269	15,360	12,906	11,520
Dominica	7,833	8,858	9,318	5,779	6,763	6,218	5,471	4,793	3,133	3,038	2,835
St. Lucia	9,893	10,054	10,423	9,663	8,011	7,379	6,677	4,823	6,061	5,312	4,800
St. Vincent and the Grenadines	5,709	9,180	9,237	7,800	7,375	3,139	5,667	6,653	6,048	4,500	3,822
Grenada	1519	1564	1600	869	897	450	150	0	118	56	63

Source: Windward Island Banana Development and Export Company (WIBDECO).

1/ U.S. import price for Ecuador and Central America first class quality tropical pack. 2000 prices based on WEO estimates.

Table 1.2. Banana Productivity Indicators

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
(Metric ton yield per acre per year)											
Windward producers	4.3	4.0	4.1	3.9	4.0	4.0	3.9	3.7	3.4	3.4	3.4
Dominica	6.3	6.3	5.7	6.2	6.0	6.1	5.5	4.8	4.0	4.0	4.0
Grenada	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
St. Lucia	4.3	4.3	4.3	4.0	4.2	4.0	4.0	4.0	4.0	4.0	4.0
St. Vincent and the Grenadines	5.0	3.9	5.0	3.6	4.3	4.3	4.4	4.5	4.1	4.1	4.1
Dollar producers	15.0	15.6	15.7	13.3	13.7	13.6	15.3	15.2	13.6	14.0	14.3
Colombia	12.9	14.2	13.8	14.3	14.3	12.0	11.8	12.5	12.4	12.6	12.6
Costa Rica	22.1	20.8	20.4	15.2	15.4	17.8	19.7	20.7	17.3	17.0	17.0
Ecuador	8.6	8.5	8.7	8.8	9.3	9.6	10.3	14.4	8.9	13.4	10.5
Guatemala	9.9	10.2	9.8	9.4	12.3	13.6	13.8	14.1	14.3	11.9	11.9
Honduras	20.1	22.5	23.7	17.6	15.2	15.7	18.3	17.1	15.6	15.6	15.6
Nicaragua	16.7	21.9	22.2	14.4	14.1	15.0	22.5	16.8	18.3	17.8	22.2
Panama	20.7	18.1	18.8	18.4	20.2	18.4	17.9	17.0	14.6	16.0	17.0
Venezuela	8.5	8.4	8.5	8.4	8.7	7.0	8.3	8.7	7.4	7.8	7.8

Source: Food and Agricultural Organization of the United Nations.

Table 1.3. Windward Islands: Banana Exports as Share of Total Exports and Nominal GDP

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
(In percent)										
Dominica										
Banana as share of										
Total exports	52.6	53.9	55.9	49.5	43.5	34.0	32.2	29.4	22.4	24.0
GDP (at factor cost)	21.5	19.9	18.9	14.3	11.2	8.3	7.7	6.9	5.7	5.9
Grenada										
Banana as share of										
Total exports	13.7	14.7	13.4	8.3	10.3	11.0	2.8	...	0.1	0.2
GDP (at factor cost)	2.2	1.9	1.4	0.9	1.1	1.1	0.3	...	0.0	0.0
St. Lucia										
Banana as share of										
Total exports	58.0	55.8	59.2	50.0	49.2	49.8	60.4	56.2	56.7	62.0
GDP (at factor cost)	19.8	14.9	16.3	12.0	9.3	9.8	9.7	6.5	6.6	5.7
St. Vincent and the Grenadines										
Banana as share of										
Total exports	49.2	49.3	47.6	40.2	31.9	24.8	37.6	29.8	39.0	38.4
GDP (at factor cost)	24.3	18.5	18.9	11.3	7.2	6.6	8.3	5.6	7.7	6.9

Source: Eastern Caribbean Central Bank.

Table 1.4. Direction of Banana Exports

	1990	1991	1992	1993	1994	1995	1996	1997	1998
(In thousands of tons)									
Windward producers									
Dominica									
<i>United Kingdom</i>	47	48.7	49.1	46.8	38.2	30.2	39.5	...	...
<i>Italy</i>	9.6	5.5	8.9	8.7	4.3	2.1	...	...	...
<i>Other</i>	1.3	1.6	1.2	0.4	0.4	1.1	0.0	...	...
Total	57.9	55.8	59.2	55.9	43.2	33.4	39.5	34.9	28.1
Grenada									
<i>United Kingdom</i>	7.5	6.9	6.3	4.7	4.5	4.1	1.9	...	...
<i>Other</i>	0.1	0.0	0.2	0.2	0.0	0.5	0.0	...	...
Total	7.6	6.9	6.5	4.9	4.5	4.6	1.9	0.1	0.1
St. Lucia									
<i>United Kingdom</i>	133.8	100.6	134.9	122.3	90.5	103.1	102.1	71.4	73
<i>Other</i>	1.6	0.3	0.4	0.6	0.0	0.0	2.7	0.0	0.0
Total	135.4	100.9	135.3	122.9	90.5	103.1	104.8	71.4	73.0
St. Vincent and the Grenadines									
<i>United Kingdom</i>	79.6	62.9	78.1	58.7	30.9	50	44	31	39.9
<i>Other</i>	1.6	0.5	0.7	0.0	0.0	0.1	0.0	...	...
Total	81.2	63.4	78.8	58.7	30.9	50.1	44.0	31.0	39.9
Selected dollar producers									
Colombia									
<i>Belgium-Luxembourg</i>	217.9	376.6	387.9	463	474.9	534.8	598.9	597.2	585
<i>United States</i>	465.5	535.2	426.5	652.2	576.1	428.4	359.6	456.8	412.1
<i>Norway</i>	...	...	...	...	...	92.7	177.3	185.9	172.4
<i>Italy</i>	78	93.5	128.7	154.4	103.6	210.1	172.7	120	127
<i>Russian Federation</i>	...	...	...	...	...	...	87.2	140.3	79.6
<i>China</i>	2.3	3.2	3.3	...	...	...	...	...	11
<i>Saudi Arabia</i>	48.8	86.2	171.3	148.7	94.4	7	9.8	4.9	13
<i>Germany</i>	141.9	122.9	146.7	52.3	129.3	26.5	...	4.2	2.3
<i>Other</i>	113.1	52.1	91.6	31.7	193.8	36.2	1.1	0.1	33.2
Total	1,067.5	1,269.7	1,356.0	1,502.3	1,572.1	1,335.7	1,406.6	1,509.4	1,435.6
Costa Rica									
<i>United States</i>	662	720.5	1011.4	978.1	863.9	963.8	984.8	945.6	1044.4
<i>Belgium-Luxembourg</i>	281.4	242.6	209.9	348.1	405.2	437.4	260	208.6	296.5
<i>Italy</i>	139.8	180	161.8	127.5	188.1	203.8	189.6	143.3	139.3
<i>Germany</i>	428.9	385.9	297.4	342.1	327.2	179	216.7	170.6	181
<i>Russian Federation</i>	...	...	...	...	11.8	97	68.9	65.1	79.6
<i>Sweden</i>	11.8	0.7	0	2.6	12.7	66.6	138	153	136.8
<i>United Kingdom</i>	0.9	1.5	13.2	26.4	29.3	27.8	36.2	50.2	50
<i>China</i>	...	...	...	...	...	...	...	...	16.1
<i>Other</i>	19.6	6.6	55.6	8.6	36.3	57.9	39.1	98.9	155.7
Total	1,544.4	1,537.8	1,749.3	1,833.4	1,874.5	2,033.3	1,933.3	1,835.3	2,099.4

Table 1.4. Direction of Banana Exports

	1990	1991	1992	1993	1994	1995	1996	1997	1998
(In thousands of tons)									
Ecuador									
United States	1245.1	1144	899.4	762.3	830.2	930.7	875.6	975.5	1339.7
Italy	140.3	149.8	264.2	418.5	538.6	521.3	536.4	657.4	560.7
Germany	162.6	404.2	339	234.7	359	498.7	371.9	515.7	303.3
Belgium-Luxembourg	64.1	224.6	227.3	270.5	358	345.7	344.1	303.3	273
Russian Federation	...	...	11.5	60.7	176.6	283.6	294.9	427.2	407.8
Argentina	48	56.4	88.8	180.1	228.5	243.4	221.7	210.3	201.8
Chile	64.1	57.1	82.6	132.4	158.4	176.6	176.1	173.1	175.7
Japan	125.5	143.2	149.2	154.6	162	144.3	143.9	196.3	211.2
New Zealand	52.6	53.9	49.6	37.5	34	74.6	69	58.9	58.2
Poland	11.2	25.6	95	51.2	113.5	69	116.1	55.9	86.5
China	10.9	6.2	9.1	10.4	19.4	47.7	298.2	449.5	66
Iran	...	...	15.7	81.9	56.9	43.5	...	...	...
Korea, Republic of	...	183.3	87.7	35.9	16.3	11.5	14.5	13.6	0.1
Other	91.7	251.1	201.1	212.4	256.2	345.9	380	408.8	164.1
Total	2,016.1	2,699.4	2,520.2	2,643.1	3,307.6	3,736.5	3,842.4	4,445.5	3848.1
Guatemala									
United States	294.1	290	337.4	346.3	430.7	571.4	531.2	536.2	...
United Kingdom	...	9.5	9.1	22.1	15.2	13.1	19	9.2	...
Italy	30	3	60.7	7	20.7	16.2	4.2	15.8	...
Other	15.9	37.1	95.7	56.4	121.3	34.8	56.8	68.8	...
Total	340	339.6	502.9	431.8	587.9	635.5	611.2	630	632.2
Honduras									
United States	518.7	507	450	515.3	450.8	460.5	459	444.3	...
Belgium-Luxembourg	56.2	80	51	60.7	16	37.7	61.8	2.2	...
Germany	47.7	32	34	206.6	...	0.3	0.7	0.3	...
Italy	29.4	43	52	9.4	...	...	...	...	...
Other	178.4	188	197	39.4	27	23.1	115.6	110.5	...
Total	830.4	850	784	831.4	493.8	521.6	637.1	557.3	433.1

Sources: Food and Agricultural Organization of the United Nations; and Windward Island Banana Development and Export Company (WIBDECO).

Chronology of the EU's Common Policy for Bananas

1975

First Lomé Convention signed, replacing the Yaounde Convention.

1989

Lomé IV negotiations concluded in December, with banana protocol continued from Lomé III.

1990

European Parliament enquiry; in November, draft ACP proposal calls for quota on dollar bananas allocated by license. ECOSOC (Economic and Social Committee) report calls for compliance with Lomé.

June 1992

Costa Rica, Colombia, Guatemala, Nicaragua and Venezuela are consulted by the EU in GATT, regarding existing national banana regimes.

October 1992

European Parliament gives opinion (Legislative Resolution A3-0410/92).

December 1992

EU banana regime proposal agreed in Council by qualified majority voting—2 million tons import quota for dollar bananas.

February 1993

GATT Panel begins to consider complaint against the previous national banana policies by Latin American states.

May 1993

GATT Panel requested for new EU banana regime by Latin American states.

Germany challenges EU banana regime in the European Court of Justice.

June 1993

GATT Panel finds national banana policies of European countries are not GATT consistent.

EU begins Article XXVIII negotiations with Colombia and Ecuador.

Publication of Implementing Regulations for EU Regime.

July 1993

EU banana regime commences operation.

April 1994

Uruguay Round of GATT signed in Marrakesh.

Framework agreement between EU and Colombia, Costa Rica, Venezuela, and Nicaragua on percentage of EU banana quota allocated to some Latin American countries—increases EU dollar quota to 2.2 million tons.

September 1994

Chiquita and the Hawaii Banana Industry Association formally petition the United States Trade representative (USTR) to initiate Section 301 investigations against the banana policies of the EU, Costa Rica, Columbia, Nicaragua and Venezuela.

October 1994

European Court of Justice upholds EU banana regime.

January 1995

Enlargement of EU to include Sweden, Austria and Finland leads to effective increase in dollar import quota to 2,553 million tons.

September 1995

After concluding that a negotiated settlement of the pending 301 case against the EU was impossible, the USTR announce that the US, Mexico, Guatemala and Honduras would challenge the EU banana regime in the WTO.

February 1996

Following its accession to the WTO, Ecuador joined the US, Guatemala, Honduras and Mexico in requesting formal WTO dispute settlement consultations with the EU regarding its banana import regime.

April 1996

The USTR asks the WTO to investigate the EU Banana Regime.

May 1996

The WTO Disputes Settlement Body approved the establishment of the Panel. A three-man Panel chaired by the WTO Permanent Representative of Hong Kong with one Swiss and one Australian member was set up.

September 1996

Complaint against EU banana regime heard by WTO Disputes Panel in Geneva.

May 1997

WTO Disputes Panel finds that several aspects of the EU banana regime breached WTO rules.

July 1997

An appeal against the WTO Dispute Panel findings, initiated by the EU, was held in Geneva.

September 1997

WTO Appellate Body essentially confirms the Panel's findings.

January 1998

The EU Commission submits proposals to the Council of Ministers to bring the EU banana regime into conformity with the WTO's ruling.

May 1998

House of Commons International Development Committee Report, *The Renegotiation of the Lome Convention*, supports efforts to secure a new Banana Protocol to run from the year 2000.

July 1998

The EU adopts a revised banana import regime.

October 1998

The Windward Islands launch a Banana Recovery Program, designed to raise productivity and consistency of quality.

January 1999

The amended EU banana regime comes into force on January 1, 1999.

Ecuador asks the WTO to rule on whether the amended regime is compatible with WTO rules and a Panel is set up.

The US, without waiting for the Panel's verdict, announces its intent to impose trade sanctions of more than \$500 million on EU exports.

April 1999

The WTO Panel report on the amended regime concludes that it is still inconsistent with WTO rules in a number of respects.

A further WTO Panel Report rules that the US is entitled to impose retaliatory sanctions on EU exports.

May 1999

The EU, having consulted with all the principal parties concerned, puts forward proposals for a new banana regime.

November 1999

The European Commission issues proposals for the amendment of the EU Banana Regime.

March 2000

The European Parliament debates the Parliament's Agriculture and Development Committee's proposals for the amended banana regime.

The WTO Arbitrators Panel rules that Ecuador may levy sanctions against the EU.

December 2000

EU Agriculture Committee approves the "First Come First Serve" proposal giving continuation of the three quota bands until 2006, when the flat rate tariff only system will be established. The new proposal takes effect in April 2001.

II. TOURISM—RECENT DEVELOPMENTS AND PROSPECTS

A. Introduction

1. Over the past 10 years, St. Lucia's tourist industry grew at a rate of 12 percent a year, driven by strong demand and sharp growth in capacity. The gradual erosion of preferential access to the EU market for bananas, St. Lucia's major export commodity, prompted the authorities in the 1990s to intensify the focus on tourism and other services exports.
2. This chapter reviews recent developments in the tourist industry in St. Lucia and its growth potential over the medium term, in an increasingly competitive global tourism market. Section B gives an overview of developments in the tourist industry in St. Lucia during the 1990s, within the context of the Caribbean in general and the Organization of Eastern Caribbean States (OECS) in particular.¹ Section C examines the economic impact of tourism in St. Lucia. Section D discusses some of the issues of competitiveness and seasonality. Section E concludes with the medium-term prospects.

B. Developments in the 1990s

3. St. Lucia's natural beauty, comparatively developed infrastructure, sociopolitical stability, and hospitality make it an attractive tourist destination. With the impressive growth in the tourism sector over the past 10 years, St. Lucia has surpassed Antigua and Barbuda to become the number one tourist destination in the OECS region. There are three categories of visitors to St. Lucia—stayovers, cruises, and excursionists.² The United States and Europe are the principal markets, with the United Kingdom accounting for 70 percent of stayover visitors from Europe. Usually, visitors from the United States spend more per day, while those from Europe tend to stay longer.
4. **The number of stayover visitors** to St. Lucia grew rapidly during the 1990s (Figure 2.1). With the end of the recession in the United States in the early 1990s and strong demand from Europe, stayover visitors grew at an average annual rate of 7 percent during the decade. This compares with an average growth of less than 1 percent for Antigua and Barbuda, and 2 percent for Barbados—the main regional competitors—over the same period. St. Lucia's share of stayover visitors in the OECS region rose sharply to 30 percent in 1999, and though still small, doubled to 2 percent of the Caribbean as a whole. This strong performance was due in large measure to the heavy investments by the government in supporting infrastructure, focusing on road development, and airport expansion and rehabilitation. St. Lucia has two international airports—the Hewanorra Airport and the smaller George F. L. Charles (formerly Vigie) Airport.

¹ The OECS is comprised of Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and the two U.K. territories, Anguilla and Montserrat.

² Excursionists (about 1 percent of total visitors) are those who stay for one day only without hotel accommodation.

5. The **cruise ship industry** in St. Lucia grew steadily over the 1990s, with a sharp increase beginning in 1997 (annual rate of 17 percent), owing largely to the diverting of ships to St. Lucia from Antigua and Barbuda and other northern Caribbean countries (which could no longer accommodate mega ships in the wake of the damages wrought by Hurricane Georges in 1997). By 1999, St. Lucia's share of the OECS market had surged to 30 percent from 16 percent in 1990, and more than doubled to 3 percent within the Caribbean region as a whole.

6. St. Lucia's ability to sustain growth in cruise passengers in the pre-1997 period was due to an aggressive marketing and promotional campaign by the government through the St. Lucia Sea and Port Authority (SLSPA); and extensive product development with the construction of the Pointe Seraphine cruise terminal, which included two exclusive berthing facilities for mega ships (capacity of over 2,000 passengers), and a large, modern duty-free shopping complex. The growth in the industry in the post-1997 period was facilitated by the development of a homeport in San Juan, Puerto Rico, which allowed St. Lucia to be a part of the five- to seven-day cruises originating out of San Juan. Reflecting additional port investment in late 1999, which extended the length of the two berthing facilities at Pointe Seraphine from 190 ft each to 400 ft and 300 ft, respectively, cruise passenger arrivals rose by an estimated 26 percent in 2000.³

7. Hotel investment in St. Lucia is driven by private sector initiative. Given the high demand in the 1990s, the hotel industry expanded capacity and upgraded facilities, with private financing from abroad (Table 2.1). Several large, modern hotels were completed during the 1990s, including international chains like the Jalousie-Hilton, Sandals, and the Hyatt Regency, adding some 2,579 rooms during 1990-99. Currently, there are 60 tourist establishments in St. Lucia, of which 25 percent are large hotels, in the four-to-five star hotel category.⁴ However, large properties account for just over half of the total room stock. While the remaining properties are small and generally in the three-star and lower category, amongst these are a few luxury villa-type properties that cater to an exclusive and wealthy clientele. These types of resorts account for 20 percent of the total room stock of small properties, with winter rates ranging from US\$360-US\$745 per night; and summer rates, from US\$215 to US\$515 per night. According to the St. Lucia Tourist Board (SLTB), the occupancy levels of these resorts are normally above 80 percent all year-round, reflecting strong marketing links with exclusive overseas promoters.

³ Information provided by St. Lucia Sea and Port Authority.

⁴ Report on *Database of Tourist Establishments*, St. Lucia Tourist Board.

Table 2.1. St. Lucia: Selected Indicators of Hotel Investment

(In millions of U.S. dollars)⁻

	1994	1995	1996	1997	1998 1/	1999 1/
Hotel investment	11.8	3.8	1.3	1.5	44.9	46.3
Foreign direct investment (FDI)	33.9	33.0	19.6	18.6	86.0	97.9
Gross domestic investment (GDI)	125.1	104.8	121.2	143.0	148.9	172.1
GDP	523.2	559.6	566.4	579.8	625.0	666.6
(In percent)						
Hotel investment/FDI	34.8	11.5	6.5	8.1	52.2	47.2
Hotel investment/GDI	9.4	3.6	1.0	1.0	30.2	26.9
Hotel investment/GDP	2.3	0.7	0.2	0.3	7.2	6.9

Sources: Eastern Caribbean Central Bank; and Ministry of Finance.

1/ The sharp rise in 1998 and 1999 reflects several hotel projects, including the construction of the Hyatt Regency and the expansion of Sandals La Toc.

8. One notable development in the hotel industry over the period reviewed was the increasing move toward "all-inclusive" hotels, which now account for some 45 percent of total rooms.⁴ The cost of a one-week winter vacation package at an all-inclusive resort ranges from about US\$4,500 to almost US\$6,800; and a summer package, from about US\$4,000 to nearly US\$6,000. Indicative of the strong growth in stayover arrivals to St. Lucia, hotel occupancy rates averaged nearly 70 percent in the 1990s, up from an average of 65 percent in the 1980s, largely reflecting the higher occupancy levels of the all-inclusive properties. Value-added in St. Lucia tends to be lower from all-inclusive resorts than from conventional hotels, as does revenue from traditional forms of taxation of hotel occupancy. In early 1994, the authorities

⁴ All-inclusive packages cover room and board, and sporting activities.

does revenue from traditional forms of taxation of hotel occupancy. In early 1994, the authorities tightened the regulations on tourist-related tax collections in an effort to address the problem of low revenues from all-inclusive hotels in the face of strong growth in stayover arrivals. A dual occupancy tax rate system was introduced, with all-inclusive hotels charging EC\$4–\$8 per head, depending on the size of the establishment, while the rate on conventional hotels remained at 8 percent of receipts from accommodation, food, and drinks.

9. Against the backdrop of an increasingly competitive global and regional environment, St. Lucia has focused on **improving product quality and increasing product differentiation in order to maintain its competitiveness**. This has been achieved by strengthening the institutional framework of the tourist industry, which involved creating a separate ministry of tourism with responsibilities for, *inter alia*, product development (including developing eco-tourism with the construction of a botanical garden, eco-lodges, and improved nature trails); and allowing the SLTB to concentrate solely on product differentiation.

10. **To promote and strengthen product differentiation, a new marketing strategy** (including advertising on television and in the print media) was introduced in 1997, which sought to complement the traditional “*sun, sea, and sand*” image with that of a unique, upscale vacation resort. Unlike some Caribbean countries, whose marketing and promotion strategies are not income specific, St. Lucia’s is designed primarily to attract the high-end of the market, which tends to have a low price elastic demand. Working jointly with the private sector (through the St. Lucia Hotel and Tourist Association (SLHTA)), the authorities moved aggressively to reposition St. Lucia as a quality tourist destination, benefiting greatly from the economies of scale provided by the international chain hotels in the marketing area. An integral part of this strategy was to consolidate a *niche market* for St. Lucia—bridal couples and/or honeymooners, families, the elderly, nature-lovers, and jazz and sports enthusiasts (through the staging of an annual jazz festival, and the promotion and hosting of special international sporting events). According to the SLTB, the country hosts 3,000–4,000 weddings a year, the principal market being the United Kingdom. The Jazz Festival has become a major summer tourist attraction, and a recent survey conducted by the SLTB revealed that the festival attracts high-end tourists from North America and the United Kingdom. In 2000, the SLTB launched a new marketing and promotion strategy, designed to further increase its presence in the higher-spending U.S. market.

C. Economic Impact

11. Beginning in the early 1990s, tourism became the main source of economic growth in St. Lucia, with its direct contribution to GDP (as proxied by activities of hotels and restaurants in national accounts) rising from 11 percent in 1992 to 13 percent in 2000. However, the overall contribution of tourism to GDP is higher when account is taken of the effects of the intersectoral linkages with other sectors.⁵

⁵ Based on preliminary findings from a tourist impact study (funded by the European Union) of six Caribbean countries (Anguilla, Bahamas, Barbados, British Virgin Islands, Jamaica, and
(continued)

12. Tourism is a **major source of direct and indirect employment** in St. Lucia, and in 1998, the sector employed an estimated 12,000 or 20 percent of the labor force with some two-thirds being in the accommodation and transportation subsectors. There are no reliable estimates of indirect employment, but the sharp increase in ancillary services in 1999 suggests that there was considerable growth in indirect tourist-related employment.

13. With the import-intensive nature of the tourist industry and the substantial employment that it generates, **its contribution to fiscal revenue is significant**, in the form of the hotel occupancy tax, import duties, consumption taxes, service charges, and income taxes. However, since the **only easily quantifiable indicator is the hotel occupancy tax** (which represented 6 percent of government revenue or US\$9 million in 2000), it is difficult to capture the industry's full contribution to government revenue. The comparable yield from the hotel occupancy tax for Antigua and Barbuda, and Barbados in 1999 was US\$8 million.

14. Tourism is the **main foreign exchange earner** in St. Lucia. Driven by strong demand and the sharp expansion in hotel rooms, tourist receipts more than doubled to nearly US\$280 million (45 percent of GDP) over the period 1990–98, compared with an increase of 70 percent for the Caribbean as a whole (including Cuba, the Dominican Republic, and Mexico), and about 20 percent for the rest of the OECS region. Stayover visitors to St. Lucia account for some 95 percent of total tourist expenditure. Gross receipts from tourism accounted for nearly 75 percent of total foreign exchange earnings in 2000, compared with 60 percent for the OECS region as a whole. Indeed, the structural changes underlying the transformation of St. Lucia's economy from an agricultural-based to a service-oriented economy are evidenced by the sharp decline in the ratio of goods (predominantly bananas) to exports of goods and services, from 45 percent in 1990 to 16 percent in 2000, and the rise in the corresponding ratio for tourist receipts from 40 percent to nearly 75 percent.

D. The Issues of Competitiveness and Seasonality

15. **A combination of indicators are needed to meaningfully assess competitiveness**, particularly in a tourism-driven economy. In the absence of a unit labor cost (ULC)-based index, the minimum monthly wages of certain categories of workers in hotels and restaurants were used to assess cost competitiveness in St. Lucia. Estimates for St. Lucia, Antigua and Barbuda, and Barbados for 1999 suggest that St. Lucia was more cost-competitive than its main regional competitors (Table 2.2). In addition, the authorities have concentrated on increasing the value of the product by focusing on nonprice factors, such as the quality of hotels and hotel services; physical and social infrastructure; and the quality of ancillary services like transportation, local tours, restaurants and entertainment. The authorities have attributed St. Lucia's gain in market share to these nonprice factors and its comparatively more moderate wage cost increases.

St. Lucia) being conducted by the Caribbean Tourism Organization (CTO), tourism (directly and indirectly) accounts for 28 percent of GDP in St. Lucia.

Table 2.2. St. Lucia: Minimum Monthly Wage Rates in Hotel and Restaurant Sector, 1999

(US\$ per month)

	St. Lucia	Antigua and Barbuda	Barbados
Cook	358.1	393.8	516.6
Waiter	228.5	377.5	493.6
Bartender	280.8	387.1	547.6
Maid	242.2	365.8	448.8

Sources: Caribbean Tourism Organization; Tourist Boards (St. Lucia, Antigua and Barbuda, and Barbados).

16. **The tourist industry in St. Lucia is highly seasonal**, with strong winter months and slow summer months. Partly in an effort to smooth out seasonality but also to increase the multiplier effect of tourist expenditure, the government consolidated its efforts to develop eco-tourism with the introduction in 1999 of a local, community-based initiative called the St. Lucia Nature Heritage Tourism Project. This was designed to expand the pool of tourists in general and visitors from the European market, in particular, who tend to travel in the summer months. The gradual increase in the share of stayover visitors from Europe to 38 percent over the last five years, compared with 32 percent for the United States, suggests that there has been some success in promoting eco-tourism in the European market. As part of a wider plan to market the Caribbean as an attractive summer tourist destination, St. Lucia is actively involved in promoting a regional marketing plan, which will focus on promoting special international sporting events. In a further attempt to deal with the *stop-go* income and employment effects of seasonality, St. Lucia has embarked on a marketing campaign to sell St. Lucia as a shopping destination in the French-speaking Caribbean in order to boost the number of year-round visitors.

E. Prospects

17. **With the top quality product that it has developed over the past 10 years (luxury hotels and resorts, good infrastructure facilities, and excellent ancillary services), the growth potential of the tourist industry in St. Lucia is good.** To underscore the importance of developing this potential, the government has adopted a five-year strategic plan for the sector, the critical elements of which are to reposition St. Lucia as a premier scenic destination providing a higher quality and more diversified product, and to protect the environment from the

unfavorable effects of an expanding tourist industry. With the current policies in place and the expected implementation of the plan, growth prospects point to 5–6 percent a year over the medium term. With the United States and the United Kingdom as the principal markets, growth will depend, in large measure, on the economic prospects in these countries. However, with improved air access (the introduction last year of a new regional airline out of St. Lucia), and the new marketing and promotion initiatives of the SLTB, the Caribbean market is expected to expand, cushioning, in part, any adverse effects from a slowing of the U.S. economy.

18. The new and rigorous marketing efforts being launched in Europe and the Caribbean should reduce seasonality, hence increasing the use of new and existing facilities. Room capacity is expected to increase further in 2001, with the completion of an additional hotel and the expansion of an existing property. Based on approvals granted by the ministry of tourism last year for hotel projects, hotel construction should remain buoyant over the medium term.⁷

19. The outlook for strengthening the linkages between the tourism sector and agriculture and fisheries is encouraging, with hotels reporting increased direct purchases from farmers covered under the Farmers and Hotels Agreement, an initiative of the SLHTA dating back to 1995. The SLHTA has indicated that the links between some hotels and farmers have been strengthened to the point where these farmers have been able to use their market arrangements to secure loans from commercial banks and the St. Lucia Development Bank.

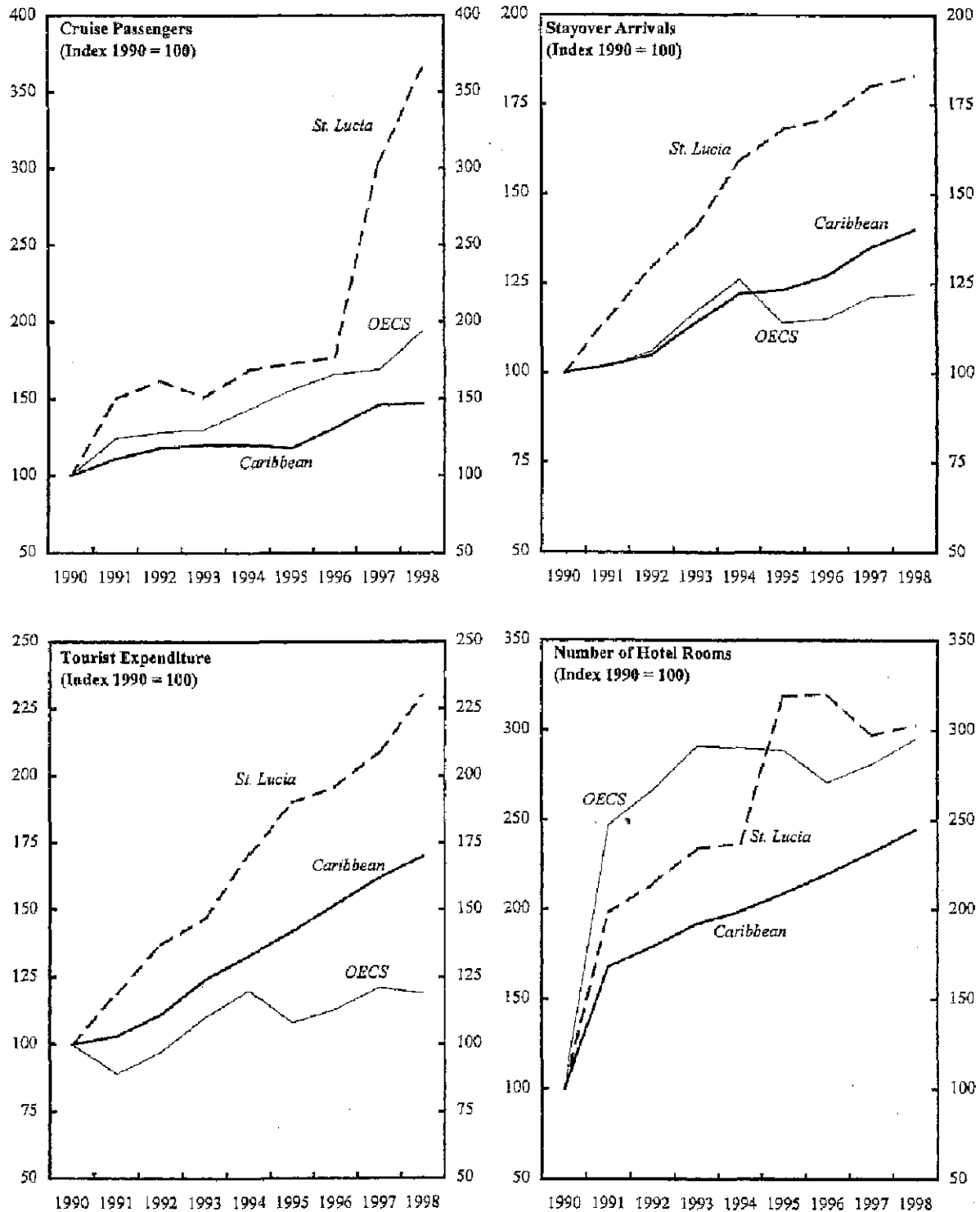
20. Price competition in the global and regional market is expected to intensify with further growth in Cuba and the Dominican Republic, as major tourist destinations. Nonprice factors will continue to be important, allowing St. Lucia to compete effectively even with these destinations, which tend to attract the lower-end of the market. This indicates that St. Lucia needs to consistently maintain a high quality product and services in order to offset price disadvantages.

⁷ *Summary of Investment Projects*, Product Development Department, Ministry of Tourism.

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Figure 2.1. St. Lucia: Selected Comparative Tourism Indicators, 1990-1998 1/



Source: Caribbean Tourism Organization.

1/ OECS excludes St. Lucia.

III. PROSPECTS FOR NONTRADITIONAL EXPORTS AND ECONOMIC DIVERSIFICATION

A. Introduction

1. Developments signaling an end to the banana preferential trading arrangements with the EU require that St. Lucia and other Caribbean banana producers diversify their economies. A number of nontraditional sectors have been identified as potential sources for diversification. These include the agro-industry, information technology, electronics, and international financial services.
2. Among nontraditional primary-related-activities with potential for growth are copra and fisheries. Production of copra, which is made from coconut fiber, has recently exhibited signs of strong growth. The fisheries sector has grown rapidly in recent years and has strong linkages with tourism. The information technology (IT) or "informatics" sector is currently small, but has the potential to become an efficient provider of services to North American customers given its close proximity to the United States and a relatively well-educated workforce. Although manufacturing performed unevenly in the 1990s, the electronics subsector has shown growth potential and the ability to compete internationally. The companies of this sector mainly assemble electronic parts for their U.S. and U.K. parent companies and have witnessed a surge in export demand in recent years. St. Lucia has also recently enacted legislation establishing an offshore financial services sector. This sector has the potential for growth if supervision and prudential regulations are set in line with international best practices.

B. Background

3. With the decline in banana production and expansion of tourism during the 1990s, St. Lucia's economy has become more services-based. Other sectors such as banking, financial services, and retailing have also grown more rapidly than national output. The actual contribution to GDP from fisheries and nontraditional crops may be higher than shown by the national accounts, as a large proportion of activity by small scale farmers and fishermen does not get recorded in official statistics.

Productivity

4. Trends in productivity for different sectors can indicate areas for diversification. While the lack of data precludes a detailed analysis of productivity trends in the economy, using the most basic measure (i.e., output per worker) some interesting points emerge. Figure 3.1 highlights some of these trends.
5. The decline in productivity of the agricultural sector is indicative of the fall in banana output, with the index falling from the 1995 base of 100 to just over 60 in 2000. Tourism shows the greatest increase over this period. The service sector shows marginal improvement in productivity, while manufacturing, after falling in the mid-1990s, had recovered by 1999.

There is a strong perception that this recovery may have been due to improved output and productivity in the electronics subsector.

Diversification in the OECS and the Caribbean

6. A common strategy in the Caribbean has been the establishment of industrial or free trade zones, which provide numerous tax free concessions to foreign investors. The Montego Bay Free Trade Zone in Jamaica has succeeded in attracting a large number of investments. An information digiport was established with the aim of fostering investment in information processing. Barbados has also managed to attract investment in this area. St. Lucia has actively promoted a number of free trade zones through the National Development Corporation (NDC), a statutory body responsible for promoting foreign investment and managing industrial parks.

7. In comparison to other zones in the region, the industrial zones in St. Lucia are small in terms of land size and the number of firms. Currently, there are two free zones for foreign companies and seven industrial estates for local companies. One of the free zones is the Union Industrial Park which was established by the NDC as an informatics park in order to cater for increased investment in this area. Basic infrastructure facilities for the free zones, including utilities and communications, have been envisaged. As the NDC is to be transformed into a one-stop investment center, the processing time for applicants is expected to be reduced.

8. Numerous concessions and incentives are offered in these zones. St. Lucia's Fiscal Incentives Act of 1974 provides for a 15-year tax holiday, unrestricted repatriation of profits and duty free importation of raw material inputs. However, it is unlikely that the multitude of fiscal incentives will be a major determinant of foreign investment, particularly in the IT sector. This is because investors look at competitive factors such as labor and telecommunications costs, availability of skilled labor, regulations supporting labor flexibility and mobility, provision for quality and competitive infrastructure services, and an enabling legal and institutional environment. If anything, the plethora of incentives for different categories of investors in industrial parks may raise uncertainty regarding the stability of concessions and the government's long-term plans. Simple, transparent, and less distortionary incentives give clear signals for long-term investment.

C. Fisheries and Agro-Industry

Fisheries

9. The fisheries sector recorded its seventh consecutive year of expansion in 2000 (Table 3.1). The gradual expansion of this sector is linked to the performance of the tourist sector and has been facilitated by several factors: (i) increased utilization of modern vessels with greater engine capacity has allowed for deep sea fishing over longer periods; (ii) the opening of the EC\$27 million Vieux Fort Fisheries Complex has augmented the handling capacity of the industry; and (iii) the St. Lucia Development Bank has continued to provide small-scale loans for upgrading equipment.

Copra and copra derivatives

10. Copra is made from the processing of raw coconut and its fibers. The processing involves drying the raw material and extracting oil to manufacture derivatives such as margarine and cosmetics. Currently, there is one local company which converts coconut fibers into copra derivatives, and St. Lucia's copra derivatives are mainly used for the production of margarine and cooking oil.

Table 3.1. St. Lucia: Fish Landings

(In tons)

	1995	1996	1997	1998	1999	Jan.-June	
						1999	2000
Tuna	300	225	247	401	324	180	269
Dolphine fish	200	313	455	276	588	404	407
Kingfish	20	230	224	254	310	259	183
Flying fish	50	36	34	50	67	55	66
Others	413	286	351	379	428	167	196
Total	983	1,090	1,311	1,360	1,717	1,065	1,121
Growth (percent)	11.3	10.9	20.3	3.7	26.1	5	7

Source: Ministry of Finance.

11. After declining in 1998, production rebounded in 1999 (Table 3.2). Production decreased again in the first half of 2000, primarily due to high rainfall, which prevented farmers without ovens from drying their coconuts. With higher raw coconut output, farmers found it more profitable to sell the raw fruit. In an effort to induce farmers to supply more copra, the price per pound of copra paid by the processing company was increased from 40 cents to 45 cents in 1999. The St. Lucia Coconut Grower's Association has made efforts to diversify the production of copra derivatives into the manufacture of products with higher value added, such as soap and cosmetics. Increased investment in drying facilities for small-scale farmers has greatly improved productivity. Most exports have been directed toward the regional markets, particularly Antigua, Dominica, and Grenada. Copra production is a potential source of diversification for farmers exiting the banana industry.

Table 3.2. St. Lucia: Copra Production

	1996	1997	1998	1999	Jan.-June	
					1999	2000
Tons	2,053	2,859	1,908	2,947	1,656	855
Value (US\$ thousands)	681.2	948.8	620.9	1,084.3	618.0	319.2

Source: St. Lucia Coconut Growers Association.

D. Electronics

12. The electronics subsector has operated as an enclave industry and most activities are geared toward the North American and European markets. Currently, there are seven companies manufacturing electrical products ranging from resistors, coils, and temperature sensors to filters for cable television and electronic sensors for computers. Most of the firms operate in the industrial free zones, with only one firm operating outside the enclave zone. This company manufactures domestic electrical appliances such as stoves and refrigerators for the local market. The value of exports increased from US\$1.3 million in 1996 to an estimated US\$2.4 million in 2000 (Table 3.3).

Table 3.3. St. Lucia: Electronics Exports

	1996	1997	1998	1999	Est. 2000
Volume (1996 = 100)	100	146	196	173	181
Value, US\$ millions	1.3	2.4	2.6	1.8	2.4

Source: Ministry of Finance, Department of Statistics.

E. Information Technology

13. Increasing emphasis has been placed on the IT industry as a potential source of growth in St. Lucia and the Caribbean. In this context, the main focus is on "information processing," including services such as data entry operations, claims and bills (e.g., airline and telephone bills); call centers and help lines providing services such as marketing,

technical support, and telebanking; and software research and development. There are also more specialized areas such as computer-aided design services, documentation and storage of data, as well as geographic information services using computer-based software.

14. There has been rapid growth in information processing in North America. By 1999, the value of services in the United States had increased to over US\$500 billion. Decentralized operations and outsourcing have become standard practices for U.S. and European companies wishing to reduce overheads. Coupled with a shortage of qualified IT workers in industrial countries, a growing number of companies has sought to invest in developing countries. One of the fastest growing segments of the information processing industry has been the call centers, which involve a low value added component with limited or no data conversion.

Informatics in the Caribbean

15. The main advantages of the Caribbean for outsourced operations of international companies include a high level of literacy, geographic proximity, use of the English language, similar time zones to the U.S., and stable political and social institutions. Consequently, many U.S. firms have targeted the region as a potential destination for investment. Jamaica and Barbados have had success in attracting informatics firms. Jamaica has the largest informatics sector in the region, with a dedicated informatics park.⁹ Barbados has also managed to attract a large number of information processing companies related to health insurance claims processing and software development.

16. Table 3.4 shows developments in the information technology industry in selected Caribbean countries. While most of the firms were engaged in data entry up to the mid-1980s, there has been increased investment in more value added services, such as teleservices, language translation, and software development. Efforts are being made by the Jamaican government to improve the availability of skilled manpower and facilities. While Barbados has managed to offer attractive facilities for information processing, higher wage costs in comparison to other Caribbean countries may be a contributory factor leading to the decline in the number of firms in this sector. In OECS countries, including St. Lucia, the level of investment has been at the low value added end of the industry, primarily in data processing. This can be attributed to skill shortages for higher value added services such as software design and development. Low end information processing can still provide substantial benefits in terms of employment and foreign exchange revenue.

⁹ This involves the Jamaica Digiport International teleport, which allows tenants to benefit from high quality and competitively priced telecommunications.

Table 3.4. Informatics Industry in the Caribbean

	Number of Firms		Number of Employees	
	1995	2000	1995	2000
Jamaica	50	95	3,500	4,500
Barbados	14	10	2,300	1,806
Trinidad and Tobago	3	...	230	...
Grenada	1	...	270	...
St. Kitts and Nevis	3	...	128	...
St. Lucia	4	4	50	400-500
St. Vincent and the Grenadines	1	...	n.a.	...

Sources: The World Bank; and Fund staff estimates.

17. The informatics sector in St. Lucia is small, and currently there are four companies in operation, two local and two foreign, employing about 400–500 persons. The companies are involved in data entry and transfer, image transfer, telemarketing, and some software development. Two new investment projects were also concluded in 2000, both valued at US\$7 million each. One of them is a call center operating as a help line for customers of software packages in the United States. It is anticipated that the project would employ about 700 persons, in two shifts of 350 persons each. The other project, according to the National Development Corporation, is in information processing and is expected to commence operations in late 2001.

18. The issue of competitiveness lies at the heart of investment decisions of companies seeking to outsource various information services. The key factors affecting competitiveness are: (i) telecommunications costs and infrastructure; (ii) costs and availability of skilled labor; and (iii) supporting infrastructure such as affordable industrial space, utilities, strong institutions, and intellectual property rights legislation.

Telecommunications costs and infrastructure

19. A key input in the IT industry is the quality and cost of telecommunications services. St. Lucia and other Caribbean countries are served by Cable and Wireless (C&W), the sole operator in the region. While C&W has frequently modernized the telecommunications infrastructure and provided reliable services to the region, it has come at a high cost. The company has licensing arrangements with individual governments and has operated as a virtual self-regulated monopoly. This, in turn, has reflected in very high international tariff rates and priced many Caribbean countries out of the information processing industry. As shown in Appendix Table 3.2, the Caribbean has been a very profitable area for C&W.

20. The recent establishment of the Eastern Caribbean Telecommunications Authority (ECTEL), by the OECS, was designed to open the telecommunications market to competition. ECTEL will be responsible for reviewing licenses and harmonizing the regulatory regime in the contracting states (namely Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines). Once the organization becomes fully operational, it will be in a position to issue licenses to new entrants and induce competition in the industry.

21. C&W owns an extensive range of telecommunications infrastructure and plans to "bundle out" some of the infrastructure in a competitive environment. This may take the form of outright leasing of certain portions of the network or sharing of the network and infrastructure with new firms. The operating license for C&W in St. Lucia expired in September 2000, and was subsequently extended for a further six months.

22. The standard telecommunications infrastructure used for information processing comes in the form of "leased circuits." These are telephone lines leased out by telecommunications companies for the purposes of data and voice transfer. There are three common types of leased circuits used by information technology companies, namely the larger "T-1" circuit, the 256 kbps circuit and the smaller 64/56 kbps circuit.¹⁰ The choice of a particular circuit would depend on the volume of data flow as well as nature of the operation. For example, a large scale call center would need a "T-1" circuit, while a company sending data periodically would only need the smaller 64/56 kbps circuit. Some comparative costs are shown below (Table 3.5).

23. The costs of circuits in the Caribbean is somewhat similar, perhaps reflective of the same charges provided by C&W throughout the region. The OECS countries have the same tariff rates for the "T-1" circuits. Trinidad and Tobago has the highest rate, almost US\$26,000 per month, while the rates in Barbados were also high for T-1 circuits. India in comparison has higher tariff rates than St. Lucia and the OECS region.

24. For the 256 kbps and 64/56 kbps circuits, both Barbados and Trinidad and Tobago are more costly than the OECS. However, the most striking comparison is with India and Mexico, which have lower rates for these two services and they would seem to provide strong competition to the region.

¹⁰ Kbps stands for kilo bytes per second. The higher numbers allow for more data to be transferred at a faster rate. The "T-1" circuit is the largest of the circuits and is used for bulk data transfer.

Table 3.5. Cost of Leased Circuit Telecommunications Services to the United States
(In U.S.dollars per month on one-year contracts)

	T-1 circuits	256 kbps	64/56 kbps
St. Lucia	18,100	2,790	1,995
Barbados	20,000	5,000	2,080
Dominica	18,100	2,790	1,995
Grenada	18,100	2,790	1,995
Jamaica	18,100	2,790	1,850
St. Kitts and Nevis	18,100	2,790	1,995
St. Vincent and the Grenadines	18,100	2,790	1,995
Trinidad and Tobago	25,743	3,955	3,800
India	19,200	2,000	1,625
Mexico	12,500	3,154	1,077

Sources: Cable & Wireless; Mumbai Telephone Net; Jampro; and Lynx Technologies Inc.

Labor costs and supply

25. The cost and the availability of skilled labor are crucial for the development of the IT sector. Table 3.6 gives some information on the relative competitive position of St. Lucia and the Caribbean with regard to labor costs. The high wage costs in the United States have been a strong reason for the outsourcing of informatics services. While wage rates in St. Lucia are similar to those in other OECS countries, they are lower than in Barbados and Jamaica. In addition to this, countries such as China, India, and the Philippines have much lower rates and these countries would be potential sources of competition to the Caribbean informatics industry.

Legislation

26. The innovative nature of the IT industry requires a strong institutional framework. While St. Lucia has a democratic tradition with sound political institutions and legal framework, a strong property rights legislation, in particular, is critical for software development. Indeed, one of the reasons for a lack of investment in this area could be due to a lack of parity with property rights laws in other leading software development regions.

Table 3.6. Comparative Hourly Wage Rates in Information Processing

(U.S. dollars)

	Data Entry	Voice Operator
St. Lucia	1.00-1.50	1.80
Barbados	2.00-2.90	...
Dominica	1.10-1.60	1.10
Grenada	1.25-2.10	3.05
Jamaica	1.10-3.00	...
St. Kitts and Nevis	1.40	...
St. Vincent and the Grenadines	1.10-1.60	1.70
Trinidad and Tobago	1.50	...
China	0.80-1.50	...
India	0.80-1.50	...
Ireland	5.50-11.50	...
Mexico	1.25-2.00	1.10
United States	7.00-9.00	8.00-12.00

Sources: The World Bank; and Fund staff estimates.

Prospects for medium-term growth

27. The IT sector has potential for growth in the medium term, with significant opportunities for export earnings and employment. So far, the NDC has ten potential informatics projects in the pipeline (Table 3.7), of which four are of U.S. origin, primarily in operating call centers. The rest of the proposed projects consist of Canadian, French, Grenadian, and St. Lucian companies. The proposed projects range from the processing of health insurance claims to analyzing invoices and bill payments.

28. Another important aspect relates to marketing. Given the size of the market, it is important to target a particular section of the outsourcing market. Jamaica again provides a good example, where the short-term emphasis has been placed on attracting international corporations with some links to Jamaica. Priority sectors that have been identified include call centers for finance and tourism, technology and medical services, and language translations. St. Lucia's large tourist sector may facilitate development in areas such as airline reservations, telebanking, and transportation.

Table 3.7. Potential Informatics Projects

Type	Number
Call center	4
IT related/assembly	3
Data conversion	3
Total	10

Source: NDC.

F. Conclusion

29. A number of nontraditional sectors are showing signs of expansion and may contribute to further diversify St. Lucia's economy. The fisheries sector has grown rapidly, along with tourism. Copra has been identified as a nontraditional crop with potential for growth, especially for those farmers exiting the banana industry. The electronics sector has also grown in terms of exports and output.

30. The IT sector has been identified as a significant source for future export earnings and employment. Factors that are important for the development of the informatics sector in St. Lucia include an efficient telecommunications network that can offer competitive rates, competitive labor costs, and availability of skilled IT labor. In terms of labor costs, St. Lucia ranks well in the Caribbean region, though competition from other places (Mexico and some Asian countries) may be more difficult.

31. Infrastructure in the newly established informatics parks requires competitive rental rates and the ability to offer quick startup facilities for international companies. These issues come within a wider framework of removing the obstacles to foreign investment and improving the approval process for such projects. Adequate intellectual property rights protection is also an important issue and must be in line with international best practice.

32. Given the fast moving nature of outsourcing companies, St. Lucia's ability to attract and sustain investment in this sector would depend on how quickly it adjusts to the global environment induced by innovation and competition. Apart from these global competitive issues, marketing the benefits of investing in St. Lucia may need to be strengthened to carve out a particular segment of the market.

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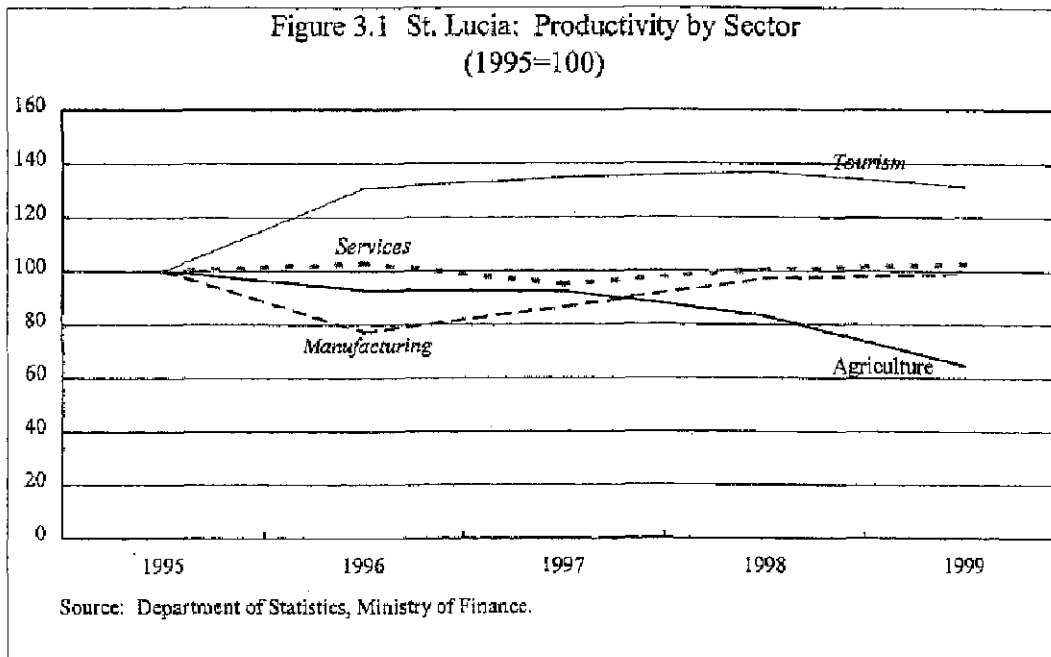


Table 3.1. Jamaica: IT Employment, 1999

	Employment
Call centers/teleservices	1,850
Software	200
Data conversion	2,450
Total	4,500

Source: Jamaica Export and Investment Promotion Agency.

Table 3.2. Global Financial Performance of Cable and Wireless Company

(In millions of pounds sterling)

	Turnover		Group Profit	
	1999	2000	1999	2000
Caribbean	970	912	164	324
Hong Kong	2,253	2,519	187	930
Other Asia	182	155	21	23
Australia	1,650	635	133	45
United Kingdom	22,774	2,622	(542)	296
Other Europe	59	60	(105)	(26)
North America	888	792	164	13
Japan	315	21	(138)	(5)
Other markets	110	228	(88)	48
Total	9,201	7,944	(350)	1,648

Source: Cable and Wireless.

St. Lucia. Summary of the Tax System
(as of September 30, 2000)

Type of Tax	Tax Base	Tax Rate	Method of Application	Exemptions and Deductions
1. Income Profits and Capital Gains				
1.1 Personal Income Tax	On chargeable labor income:	10 percent	Applied at graduated rates after granting personal deductions and other itemized deductions.	A personal deduction of \$10,000; spouse deduction (\$1,500); child deduction (\$10,000); for a child 10 years and over attending school (\$2,000); relative attending university (\$5,000); housekeeper deduction (\$250); dependent relative (\$350); automatic medical expense (\$400); shares at credit union (\$3,600 per annum); the first \$6,000 received in respect of past services; income to persons over the age of 60.
	\$1-\$10,000	15 percent		
	\$10,001-\$20,000	20 percent		
	\$20,001-\$30,000	30 percent		
	\$30,001 and over			
				Deductions are also granted for insurance and mortgage payments. Deduction for life insurance is restricted to 1/10 of assessable income or \$8,000 per annum. The deduction for mortgage payment for owner occupied house is restricted to \$15,000 per annum.
				Exemptions include emoluments of the Governor General and the Permanent Consular members; wound and disability pension; income derived from deductions to public officers; scholarships, educational deductions; and income derived from superannuation funds. Agricultural income is exempt. Dividends are free from tax and interest from banks in St. Lucia is exempt.
1.2 Corporate Income Tax	On the income of resident companies and from non-resident companies earned from carrying on business in St. Lucia.	33½ percent.	The basis for assessment is income in the previous year. Reduced rates are applied to small businesses during their first two years of operation as follows: 1st year: 25 percent; 2nd year: 30 percent; 3rd year and onwards: 33½ percent. Provisions are also	Income from non-profit institutions; all expenses which are wholly and exclusively incurred in the production of income are deductible; capital deductions in the form of initial and annual deductions are allowed on plant and equipment and on industrial

St. Lucia. Summary of the Tax System
(as of September 30, 2000)

Type of Tax	Tax Base	Tax Rate	Method of Application	Exemptions and Deductions
			made for the taxation of special types of companies. For life assurance companies, 10 percent of the investment income arising in St. Lucia is taxed at 33½ percent. For association of underwriters, 10 percent of the gross premium income arising in St. Lucia is taxed at the individual income tax rate.	buildings at rates which range from 5 to 33¼ percent. Contributions to non-profit institutions can be deducted. There is a 10 percent withholding tax deduction on local contractors.
1.3 Withholding Tax	Levied on payments to non-residents of royalties, rents, management fees, premiums, commissions, annuities and any other payments of an income nature.	25 percent		
2. Taxes on Payroll and Workforce	None	None	None	None
3. Property Tax				
3.1 House	Levied on the assessed rental value.	8 percent		Government buildings used for public purposes; buildings owned and used by the University of the West Indies; and public shelters. The Central Government is responsible for property taxes in the rural areas. The City Council collects taxes in the city.
3.2 Land Tax	On the area of lands as follows: 0-10 acres 10-50 acres 50-100 acres 100-500 acres Exceeding 500 acres	Exempt \$.25 per acre or part thereof \$.50 per acre or part thereof \$.75 per acre or part thereof \$1 per acre or part thereof		Land less than 10 acres.
3.3 Property Transfer Tax	A stamp duty payable on the sale of immovable property: Local transfer - \$0 to \$50,000	0 percent		None

St. Lucia. Summary of the Tax System
(as of September 30, 2000)

Type of Tax	Tax Base	Tax Rate	Method of Application	Exemptions and Deductions
	- on the next \$25,000 - on the next \$75,000 Over \$75,000 If the vendor is a foreigner.	2.5 percent 3.5 percent 5 percent 10 percent		
4. Taxes on Domestic Goods and services				
4.1 Consumption Tax on locally produced goods	Levied on the sale of locally produce goods.	The general rate is 0- 35 percent. (See 5.2)		
4.2 Excise Tax	Levied on locally manufactured and imported alcoholic beverages, motor vehicles and explosives.	Alcoholic beverages: \$0.44 to \$12.00 per liter. Motor Vehicles: 33.75 percent to 95 percent. Explosives: 60 percent to 85 percent.		
4.3 Hotel Accommodation Tax	(1) Levied on the payments for accommodation, food and drinks by a guest for EP hotels.	8 percent		None
4.3 Hotel Accommodation Tax (cont.)	(2) Levied on all inclusive hotels on the basis of the US\$4 to US\$8 per person per night.			
4.4 Insurance Premium Plan	Levied on the value of insurance premium: Life (resident) Life (foreign) General (resident) General (foreign)	1.5 percent on balance premium income. 3 percent on balance premium income. 3 percent on gross premiums. 5 percent		None
4.5 Surcharge on International Telephone Calls	Levied on the net revenue in respect of international telecommunication transactions.	3 percent		
4.7 Licenses				
Alien Land Holding Tax	(a) A license to hold land as an	7.5 percent		

St. Lucia. Summary of the Tax System
(as of September 30, 2000)

Type of Tax	Tax Base	Tax Rate	Method of Application	Exemptions and Deductions
	owner.			
	(b) A license to hold land as a leasee at a fixed rental.	5 percent of the value of the consideration paid by the leasee.		
	(c) A license to hold land as leasee at a progressive rental over the years.	5 percent of the accumulated fixed rental payable under the leasee and 5 percent of the accumulated rental.		
	(d) License to hold shares, stocks or debentures in a company incorporated in St. Lucia.	5 percent of the consideration based on the book value or the open market value of the shares, stock or debentures whichever is greater.		
	(e) License to hold	5 percent of the value of the trust		
	(i) Land in trust	property		
	(ii) Shares, stock or debentures in trust.	5 percent of the consideration based on the book value or open market value of the shares, stock or debentures whichever is the greater.		
	(f) Any other license	\$200		
Liquor	Permits the holder to sell liquor as follows: In Castries, Soufriere and Vieux Fort	Per half year.		
	- Beer	\$120		
	- Boarding house	\$300		
	- Clubs	\$120		
	- Grocers retail	\$500		
	Beyond the city of Castries, Soufriere and Vieux Fort			
	- Beer	\$60		
	- Boarding house	\$240		
	- Clubs	\$120		
	- Grocers retail	\$300		
	Hotels			
	In Castries, Soufriere and Vieux Fort and beyond their city limits			
	Less than 20 rooms	\$375		
	20-39 rooms	\$900		
	40-59 rooms	\$1,875		
	60-99 rooms	\$3,000		

St. Lucia. Summary of the Tax System
(as of September 30, 2000)

Type of Tax	Tax Base	Tax Rate	Method of Application	Exemptions and Deductions
Telecommunications license	100-169 rooms	\$4,500		
	170 rooms and over	\$6,000		
	Refreshment House			
	- In city limits	\$280		
	- Beyond city limits	\$185		
	Restaurant			
	- In city limits	\$300		
	- Beyond city limits	\$300		
	Retail	Per half year		
	- In city limits	\$180		
	- Beyond city limits	\$135		
	Wholesale			
	- In city limits	\$1,500 and \$1,000		
	- Beyond city limits	\$500		
	Occasional (for each day or part thereof)			
	- In city limits	\$50		
	- Beyond city limits	\$25		
	UHF/VHF Commercial Radio			
	(a) base and mobile	\$40 per annum		
	(b) hand held	\$25 per annum		
	Portable			
	(c) repeater (private)	\$200 per annum		
	(d) repeater (public)	\$500 per annum		
	Aeronautical Radio Station	\$100 per annum		
	Amateur Radio			
	(a) initial license	\$40		
	(b) annual license	\$25		
	Paging System	\$500 per annum		
	Maritime			
	- base station, mobile or hand held	\$75 per annum		
	- fishing vessels over 40 ft.	\$50 per annum		
	- non-fishing vessels			
	less than 40 ft.	\$75 per annum		
	more than 40 ft.	\$200 per annum		
	UHF/VHF Commercial Land			
	Mobile			

St. Lucia. Summary of the Tax System
(as of September 30, 2000)

Type of Tax	Tax Base	Tax Rate	Method of Application	Exemptions and Deductions
	Frequency			
	Satellite Dish			
	- commercial			
	- noncommercial			
Trade License	License to carry on retail trade as follows:			
	\$0-9,999	\$1,000		
	\$10,000-\$24,000	\$1,500		
	\$25,000-\$49,000	\$2,000		
	\$50,000 and over	\$2,500 plus \$200 for each additional \$10,000 value of stock in excess of \$50,000		
Bank License	License fee for commercial banks.			
	Foreign			
	Main office	\$60,000		
	Each additional branch	\$6,000		
	Local			
	Main office	\$40,000		
	Each additional branch	\$4,000		
Insurance Company License	Annual registration fee for insurance companies.			
	Foreign Companies			
	- Life	\$3,000		
	- Motor Vehicle	\$3,000		
	- Any other insurance	\$2,500		
	- Insurance broker	\$1,500		
	- Insurance agent	\$1,000		
	- Insurance sub-agent	\$500		
	Local Companies			
	- Life	\$1,500		
	- Motor Vehicle	\$1,500		
	- Any other insurance	\$1,200		
	- Insurance broker	\$800		
	- Insurance agent	\$800		
	- Insurance sub-agent	\$500		

St. Lucia. Summary of the Tax System
(as of September 30, 2000)

Type of Tax	Tax Base	Tax Rate	Method of Application	Exemptions and Deductions
Motor Vehicle Dealer's License	A license to sell vehicles	\$8,000 per annum		
Motor Vehicle License	Goods vehicle (mechanically driven) not otherwise provided for.	\$150		
	Tractors fitted with pneumatic tires	\$150		
	Trailers:			
	- less than 1 ton	\$100		
	- exceeding 1 ton	\$300		
	Front end loaders fitted with pneumatic tires	\$380		
	Container trailers (non-motorized)	\$1,000		
	Truck, Tractor (for hauling containers and other units)	\$500		
	Drivers	\$150 for 3 years	The license covers a period of 3 years.	
	Learners	\$50		
	Duplicate	\$10		
	Visitors	\$30		
	Registration of motor vehicle	\$30		
	Annual registration fees as follows:			
	- Motorcycle	\$80		
	- Motorcycle with side car	\$100		
Motor Vehicle License (cont.)				
	- Private motor car			
	less than 2,800 lbs.	\$150		
	more than 2,800 lbs.	\$180		
	Hire car or taxi			
	- less than 2,00 lbs.	\$180		
	- more than 2,800 lbs.	\$200		
	Passenger vehicles			
	- up to 9 seats	\$200		
	- 10 to 14 seats	\$300		
	- 15 to 25 seats	\$400		
	- over 25 seats	\$500		

St. Lucia. Summary of the Tax System
(as of September 30, 2000)

Type of Tax	Tax Base	Tax Rate	Method of Application	Exemptions and Deductions
	<i>Goods vehicles</i>			
	- less than 1 ton	\$180		
	- 1 ton to 3 tons	\$250		
	- 3 tons to 5 tons	\$350		
	- more than 5 tons, each additional ton over 5 tons, rate per additional ton	\$50		
	Hearse	\$500		
5. Taxes on International Trade and Transactions	Imports are subject to the Common External Tariff of the Eastern Caribbean Common Market:		On the C.I.F. value of the imported goods. Exemptions include goods for industry, agriculture, fisheries, cultural and sporting purposes.	Imports by government, governmental organizations and statutory bodies. Goods for educational, cultural and health purposes are also exempt.
5.1 Import Duties	<ul style="list-style-type: none"> - Live animals - Meat and edible meat offal - Dairy products - Edible vegetables, roots and tubers - Edible fruits and nuts - Coffee, tea mate, spices - Cereals - Animal or vegetable fats and oils - Spirits <li style="padding-left: 20px;">Beer <li style="padding-left: 20px;">Whiskey <li style="padding-left: 20px;">Rum - Textile and textile articles - Precious and semi-precious stones - Machinery and machine appliances - Medical instruments - Clocks and watches - Musical instruments - Arms and ammunition 	<ul style="list-style-type: none"> 0 or 40 percent 0 or 40 percent 0 to 20 percent 5 to 40 percent 5 to 40 percent 20 percent 20 and 30 percent 5 to 40 percent \$10.00 per L. Gal. 45 percent 45 percent 5 to 35 percent 5 and 25 percent 5 to 35 percent 5 to 25 percent 5 and 25 percent 10 and 35 percent 25 percent 		<p>Representatives of regional Commonwealth and International governments and organizations (excluding their families).</p> <p>Government approved regional and International welfare organizations; individuals studying and seeking medical attention abroad; imports for non-profit organizations; government pensions to persons resident abroad.</p>
5.2 Consumption Tax on Imports	Ad Valorem and specific rates on imported goods as follows: Travel goods, carpets, bed linens, footwear, electrical appliances and watches. Motor vehicle parts Jewelry, Gramophone and records	<p>Ranges from 0 percent to 35 percent</p> <p>5 to 20 percent</p> <p>0 to 25 percent</p> <p>30 to 40 percent</p>		

St. Lucia. Summary of the Tax System
(as of September 30, 2000)

Type of Tax	Tax Base	Tax Rate	Method of Application	Exemptions and Deductions
	Champagne	20 percent		
	Cigarettes	35 percent		
5.3 Customs Service Charge	Levied on the C.I.F. value of imports.	4 percent		
5.4 Airport Departure Tax	Paid by passengers embarking at airport for external flights:	\$35		
	St. Lucian Nationals	\$35		
	CARICOM nationals traveling within Caribbean Community	\$54		
	All other travelers			
5.5 Travel Tax	Levied on the cost of tickets issued by a carrier in St. Lucia.	7.5 percent		
	Levied on Motor Vehicles	\$300 and \$400 per vehicle		Exemptions are extended to the Governor General and his family for travel or official actions (and their families); and to any child under the age of 18; to persons studying abroad or seeking medical attendance.
	Tires	\$5 and 10 per tire		
	Used refrigerators and freezers	\$20 per unit		
	Electric accumulators (batteries)	\$10 per unit		
	Goods in containers made of plastic, glass, metal or paperboard	1.5 percent of C.I.F. value		
	Empty containers made of plastic, glass metal or paperboard	1.5 percent of C.I.F. value		
	All other imported goods, except clothing footwear, foodstuffs, or pharmaceuticals	1.0 percent of C.I.F. value		

Trade Regime

Introduction

1. St. Lucia's trade regime is governed by the Caribbean Common Market (CARICOM) Agreement under which member states¹ have adopted a common external tariff (CET) which is applied to imports from outside the region as well as to goods traded among member states which do not qualify for Common Market treatment. This appendix reviews St. Lucia's trade regime following the adoption of the final phase of the reduction of the CET.

Background

2. The CARICOM agreement of 1992 committed the signatories to reduce import tariffs to a maximum of 20 percent over six years starting in 1993². The agreed timetable and rate schedule were as follows:

- Phase I: 0–5 percent — 30–35 percent (1/1/93–12/31/94);
- Phase II: 0–5 percent — 25–30 percent (1/1/95–12/31/96);
- Phase III: 0–5 percent — 20–25 percent (1/1/97–12/31/98); and
- Phase IV: 0–5 percent — 20 percent (from 1/1/98)

Trade regime

3. St. Lucia simultaneously implemented the third and fourth stages of the reduction in the CET in January 2000, with a reduction in the maximum customs duty from 30 percent to 20 percent, and formally adopted the Harmonized Commodity Description and Coding System based on the WTO's valuation system. The reduction in the maximum customs duty

¹ The members of CARICOM are Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

² A higher duty rate (40 percent) applies to agriculture. For further details, see *IMF Occasional Paper 195*.

to 20 percent brought the average tariff rate down from 10.4 percent in 1998 to 10.1 percent in 2000. However, with the 4 percent customs service charge and import licensing requirements still in place, the index of trade restrictiveness remained at 5.

4. As one of the lesser-developed countries (LDCs) of CARICOM, St. Lucia has more discretion to set rates outside (lower or higher) the Schedule of Rates outlined in Lists A–D of the CARICOM Treaty. List A comprises mainly foodstuffs and basic necessities, and over 70 percent of the items on this list are exempted from duty. Agricultural products (which fall under List B) are excluded from the liberalized schedule of CARICOM, and continue to be subject to rates of between 0 percent to 40 percent. List C includes products on which tariffs higher than the CET rates are applied for fiscal or other reasons, as in the case of arms/ammunitions, which continue to be subject to a maximum rate of 70 percent. List D (Part II) includes certain items on which the CET is suspended (i.e., drugs).

5. The collection rate, as measured by the ratio of import duties to imports, averaged 9 percent over the 10-year period through fiscal year 1999/00 (year ending March 31), compared to the average statutory tariff rate of 10.1 percent, reflecting the effects of exemptions.

6. In order to offset the revenue loss resulting from the reduction in import duties, in January 2000 the government raised average consumption taxes (which are imposed on imports and domestic production at the same rates), broadened the coverage of excises, and introduced an environmental levy on certain imports (see Box 1 of SM/01/49).

7. There are no export taxes in St. Lucia. A customs service charge (CSC) was introduced in October 1989 to replace the stamp duty on imports and was set at 2 percent of the value of imports. In FY 1991/92, the CSC was increased to 3 percent and in July 1994, by another 1 percentage point to compensate for the loss of revenue from the removal of the foreign exchange tax, which was 1 percent of the value of imports. As an ad valorem tax, the CSC is potentially inconsistent with WTO regulations, as Article VIII of GATT requires that all service fees *be limited in amount to the approximate cost of services rendered* and should not represent an indirect protection to domestic products.

8. In the area of nontariff barriers (NTBs), St. Lucia has a “negative lists” of imports for which a license is required. There are currently some 72 items on the list of imports from outside of CARICOM and 12 items from non-OECS CARICOM countries. The discretionary manner in which licenses are granted poses an obstacle to full trade liberalization. It was announced in the 2000/01 Budget that the system of licensing would be phased out and replaced with a tariff system that provides *some level of protection to local manufactures and exporters, as done in some CARICOM countries*. The authorities have indicated that the intention is not to impose prohibitive tariff rates but rather to put in place a transparent tariff structure, in compliance with the WTO’s requirements. In this regard, they have adopted a gradual approach toward further trade liberalization in order to minimize economic and social dislocation.

Table 1. St. Lucia: Selected Economic and Financial Indicators

	1996	1997	1998	Prel. 1999	Est. 2000
(Annual percentage changes, unless otherwise specified)					
Output and prices					
Real GDP at factor cost	1.4	0.6	2.9	3.0	2.0
GDP at current market prices	1.2	2.6	7.2	4.7	6.1
GDP deflator at factor cost	0.1	2.4	2.2	2.3	4.0
Consumer prices (end of period)	-2.3	1.6	3.6	6.1	2.0
Unemployment rate	21.0	20.5	21.5	18.1	...
Banana production	0.1	-32.4	2.6	-10.9	7.4
Tourist stayovers	1.4	5.4	1.5	3.3	-2.0
External sector					
Exports, f.o.b.	-24.7	-18.6	0.2	-13.4	3.8
Imports, c.i.f.	-1.0	9.3	0.9	5.7	5.0
Travel (net)	1.7	7.7	10.1	-3.0	7.3
Terms of trade	0.5	5.6	8.6	3.9	5.6
Excluding tourism	-5.5	7.9	17.8	0.6	-0.7
Nominal effective exchange rate (end of period, depreciation -) 1/	1.3	6.6	-2.3	4.6	9.5
Real effective exchange rate (end of period, depreciation -) 1/	-3.4	6.4	0.5	8.5	4.2
Money and credit 2/					
Domestic assets (net)	11.9	8.9	0.6	9.5	4.8
Credit to public sector (net)	-0.9	-2.0	-6.0	-3.0	-2.1
Credit to private sector	15.3	12.1	9.8	13.7	10.3
Money and quasi-money	1.8	6.7	11.9	8.4	9.0
Velocity of money (M2)	1.8	1.8	1.7	1.7	1.6
(In percent of GDP, unless otherwise specified)					
Nonfinancial public sector 3/					
Current balance	7.1	7.2	9.5	9.8	8.3
Capital outlays	6.5	6.5	8.4	10.5	10.2
Overall balance (before grants)	1.0	1.0	1.4	-0.5	-1.8
Overall balance (after grants)	2.0	2.3	4.7	2.9	-0.8
Savings and investment					
Gross national savings	11.2	11.0	13.6	12.7	12.4
Public	7.2	6.7	9.2	9.2	8.7
Private	4.0	4.3	4.5	3.5	3.7
Gross domestic investment	21.4	24.6	23.9	25.8	24.5
Public	6.8	6.4	8.4	10.0	10.3
Private	14.6	18.2	15.5	15.8	14.2
External sector					
Balance of payments current account balance	-10.2	-13.6	-10.3	-13.1	-12.1
External debt (end of period) 4/	24.9	25.4	26.1	27.1	30.2
Debt-service ratio 5/	3.5	3.8	3.7	4.7	4.7
(In millions of U.S. dollars)					
GDP at current market prices	566.4	579.8	625.0	666.6	707.1
Change in net international reserves (increase -) 6/	6.9	-4.9	-9.5	-3.9	-6.0

Sources: St. Lucian authorities; ECCB; and Fund staff estimates.

1/ Data for 2000 refer to the 12-month period ending in October 2000.

2/ Changes in relation to liabilities to private sector at beginning of period.

3/ Data are for fiscal years beginning April 1. For 1999 and 2000, estimated on the assumption that the movements in the rest of government and public enterprises will not deviate from past trends.

4/ Total public and publicly-guaranteed debt.

5/ In percent of exports of goods and services.

6/ Imputed reserves at the ECCB.

Table 2. St. Lucia: Selected Data on the Banana Industry

	1996	1997	1998	Prel. 1999	Est. 2000
Banana production (000 tons)	105.6	71.4	73.2	65.2	70.0
Banana exports (000 tons)	104.8	71.4	73.0	65.2	70.0
Banana export earnings 1/ (In EC\$ millions)	125.8	85.9	92.4	87.0	88.7
Green wholesale price (Pound sterling per metric ton)	544	550	583	587	576
Green wholesale price (EC\$/lb)	104.1	110.4	118.3	116.3	107.0
Average payment to growers (EC\$/lb) 2/	34.1	38.2	45	59.5	...
U.S. dollars per pound sterling (Period average)	1.56	1.64	1.66	1.62	1.52
(In percent)					
Memorandum items:					
Banana exports/GDP	8.2	5.5	5.5	4.8	4.6
Banana exports/merchandise exports	54.0	45.3	48.6	52.9	51.9
Banana exports/exports of goods and nonfactor services	13.2	8.9	8.9	8.6	8.3

Sources: Windward Islands Banana Development and Export Company (WIBDECO); and Fund staff estimates.

1/ Data are estimates as 70 percent of sales are made through another marketing company and information on proceeds is not available to WIBDECO.

2/ Comprises basic price, various allowances, and incentive payments to growers for field packaging and quality.

Table 3. St. Lucia: Operations of the Consolidated Public Sector 1/ 2/

(In percent of nominal GDP at market prices)

	1995/96	1996/97	1997/98	1998/99	Prel. 1999/00
Total revenue and grants	31.6	31.4	31.2	34.9	35.0
Current revenue	29.4	30.0	29.6	31.3	31.4
Tax revenue	21.8	21.4	22.2	23.4	23.0
Nontax revenue	6.2	7.1	6.2	6.9	7.4
Operational surplus of public enterprises	1.4	1.5	1.2	1.0	1.0
Capital revenue	0.4	0.3	0.2	0.4	0.2
Capital grants	1.4	1.1	1.4	3.3	3.4
Total expenditure	29.5	29.4	28.8	30.2	32.0
Current expenditure 3/	21.9	22.9	22.3	21.8	21.5
<i>Of which:</i>					
Wages and salaries	11.7	11.3	11.4	11.1	11.4
Interest	1.4	1.6	1.6	1.8	1.9
Capital expenditure	7.6	6.5	6.5	8.4	10.5
Central government	5.2	6.2	6.0	7.9	9.1
Rest of general government	0.3	0.1	0.1	0.1	0.1
Public enterprises	2.1	0.2	0.4	0.5	1.3
Current balance	7.9	7.1	7.2	9.5	9.8
Central government	4.3	3.6	3.7	6.1	5.9
Rest of general government	2.8	2.7	2.7	3.0	2.9
Public enterprises	0.8	0.9	0.8	0.5	1.0
Overall balance before grants	0.3	1.0	1.0	1.4	-0.5
Overall balance after grants	2.1	2.0	2.3	4.7	2.9
Central government	-1.0	-1.6	-0.8	1.8	0.1
Rest of general government	2.5	2.6	2.6	2.9	2.8
Public enterprises	0.7	1.0	0.6	0.1	-0.2
Financing	-2.1	-2.0	-2.3	-4.7	-2.9
External	1.3	2.1	2.8	0.8	0.8
Domestic	-0.1	-1.0	-2.2	-3.8	-2.4
Residual	-3.3	-3.1	-3.0	-1.7	-1.4

Source: St. Lucian authorities.

1/ Data are for fiscal years beginning April 1.

2/ The public sector comprises the central government, the Castries City Council, the National Insurance Scheme, and four nonfinancial public enterprises.

3/ Refers to central government, the Castries City Council, and the National Insurance Scheme only, except for interest payments which refer to public enterprises as well.

Table 4. St. Lucia: Operations of the Central Government 1/

(As percent of nominal GDP at market prices)

	1995/96	1996/97	1997/98	1998/99	Prel. 1999/00
Total revenue and grants	25.9	25.4	25.4	29.0	29.1
Current revenue	24.0	24.2	23.9	25.4	25.5
Tax revenue	21.8	21.4	22.2	23.4	23.0
Taxes on income and profits	6.2	6.1	6.4	6.1	7.0
Taxes on property	0.1	0.1	0.1	0.1	0.0
Taxes on goods and services	9.4	8.7	9.4	11.0	9.9
Consumption taxes	6.9	6.6	6.6	8.2	6.7
Imports	6.4	6.0	5.9	7.5	6.1
Domestic goods	0.5	0.6	0.7	0.7	0.6
Hotel occupancy tax	1.1	0.9	0.9	1.0	1.0
Excises	0.1	0.1	0.1	0.1	0.3
Other	1.3	1.2	1.8	1.8	1.8
Taxes on international trade	6.3	6.5	6.2	6.2	6.1
Of which:					
Import duties	4.1	4.3	4.0	4.0	3.9
Service charge (imports)	1.9	1.9	2.0	1.9	1.9
Nontax revenue	2.2	2.8	1.8	2.0	2.6
Capital revenue	0.0	0.2	0.1	0.3	0.1
Capital grants	1.4	1.1	1.4	3.3	3.4
Total expenditure and net lending	26.9	27.0	26.3	27.2	28.7
Current expenditure	20.2	20.6	20.2	19.4	19.6
Wages and salaries	11.3	10.9	11.0	10.6	11.0
NIS contributions and retirement	1.1	0.9	1.5	1.3	1.7
Goods and services	3.5	4.6	4.2	3.9	3.7
Transfers	3.0	3.4	2.5	2.3	1.9
Interest payments	0.8	0.9	1.0	1.3	1.4
Domestic	0.5	0.5	0.5	0.8	0.9
External	0.3	0.4	0.5	0.4	0.5
Capital expenditure and net lending	6.7	6.4	6.0	7.9	9.1
Current balance	4.3	3.6	3.7	6.0	5.9
Overall balance (before grants)	-2.9	-2.7	-2.2	-1.5	-3.1
Overall balance (after grants)	-1.0	-1.6	-0.8	1.8	0.3
Financing	1.0	1.6	0.8	-1.8	-0.3
External 2/	1.7	2.5	3.0	1.0	0.7
Domestic	1.2	0.3	-0.1	-1.8	-1.8
Residual	-1.9	-1.2	-2.0	-0.9	0.8
Memorandum item:					
Nominal GDP (in millions of EC dollars)	1,515.5	1,538.3	1,584.6	1,715.7	1,827.2

Source: St. Lucian authorities.

1/ Data are for fiscal years beginning April 1.

2/ Includes treasury bills placed abroad and increase in foreign assets.

Table 5. St. Lucia: Consolidated Accounts of the Nonfinancial Public Enterprises

(As percent of GDP at market prices)

	1995/96	1996/97	1997/98	1998/99	Prel. 1999/00
Consolidated Nonfinancial Public Enterprises					
Total revenue and grants	6.9	5.5	5.6	4.8	5.1
Current revenue	4.9	5.1	5.2	4.7	4.5
Capital revenue	0.4	0.2	0.1	0.1	0.1
Current transfers from central government	0.1	0.1	0.3	0.0	0.5
Capital transfers from central government	1.5	0.2	0.0	0.0	0.0
Capital grants from abroad	0.0	0.0	0.0	0.0	0.0
Total expenditure	6.2	4.4	5.0	4.7	5.3
Current expenditure	4.1	4.2	4.6	4.3	4.0
Of which: interest	0.6	0.7	0.6	0.5	0.5
Capital expenditure	2.1	0.2	0.4	0.5	1.3
Operational balance	1.4	1.5	1.2	1.0	1.0
Current balance	0.8	0.9	0.8	0.5	1.0
Overall balance	0.7	1.0	0.6	0.1	-0.2
Air and Sea Ports Authority 1/					
Total revenue and grants	2.9	3.1	3.2	2.9	2.8
Total expenditure	2.1	2.2	2.5	2.4	2.2
Operational balance	1.4	1.3	1.5	1.2	1.3
Current balance	1.0	1.0	1.2	0.9	1.0
Overall balance	0.8	0.9	0.7	0.5	0.6
Water and Sewerage Authority 2/					
Total revenue and grants	2.8	1.4	1.5	1.1	1.7
Total expenditure	3.1	1.3	1.6	1.6	2.4
Operational balance	-0.1	0.2	-0.3	-0.2	-0.2
Current balance	-0.2	0.0	-0.2	-0.4	0.2
Overall balance	-0.4	0.1	0.0	-0.4	-0.7
Marketing Board 2/					
Total revenue and grants	0.4	0.4	0.3	0.3	0.2
Total expenditure	0.4	0.4	0.4	0.4	0.2
Operational balance	0.0	0.0	-0.1	0.0	0.0
Current balance	0.0	0.0	-0.1	0.0	0.0
Overall balance	0.0	0.0	-0.1	0.0	0.0
National Development Corporation 1/					
Total revenue and grants	0.9	0.6	0.5	0.5	0.5
Total expenditure	0.6	0.6	0.5	0.4	0.5
Operational balance	0.0	-0.1	0.0	0.0	0.0
Current balance	0.0	-0.1	-0.1	-0.1	-0.1
Overall balance	0.2	0.1	0.0	0.0	0.0

Source: Table 20.

1/ Fiscal year beginning April 1.

2/ Fiscal year beginning January 1.

NOTE: LUCELEC (the power company) is excluded from the public enterprises. As of December 1995, 60 percent of its shares are owned by the private sector.

Table 6. St. Lucia: Expenditure and Financing of the Public Sector
Investment Program (PSIP) 1/

	1995/96	1996/97	1997/98	Prel. 1998/99	Est. 1999/00
Total	12.0	8.7	14.2	7.7	3.6
Administration	1.0	0.7	1.4	0.8	0.7
Agriculture	1.2	1.5	1.4	1.4	2.3
Industry	0.0	0.0	0.1	0.2	0.1
Energy 1/	0.1	0.1	0.1	0.0	0.0
Tourism	0.4	0.6	0.7	0.9	0.0
Transportation	2.7	3.5	5.4	0.4	0.1
Public safety	0.1	0.2	0.2	0.0	0.0
Environment	0.9	0.5	1.2	0.8	0.0
Financial services	0.0	0.0	0.0	0.0	0.0
Education	1.0	0.7	1.9	0.5	0.3
Housing	0.8	0.8	1.2	0.3	0.0
Health	0.1	0.2	0.2	2.0	0.0
Water and sewerage	2.7	0.0	0.4	0.5	0.0
Other	0.8	0.0	0.0	0.0	0.0
Source of financing 1/	12.0	8.7	14.2	7.7	3.6
Domestic	6.6	4.9	7.9	2.2	1.8
External	5.4	3.8	6.4	5.6	1.8
Loans	4.0	4.9	4.4	4.8	4.7
Grants	1.4	1.5	1.4	1.5	1.5
Memorandum item:					
Nominal GDP (EC\$ dollars)	1,515.5	1,538.3	1,694.5	1,573.5	1,584.6

Source: Table 23.

1/ Includes investments recorded directly by LUCELEC, not considered in the PSIP of the Ministry of Planning.

Table 7. St. Lucia: Monetary Survey

	Dec. 31				Est.
	1996	1997	1998	1999	2000
(In millions of Eastern Caribbean dollars)					
Net foreign assets	11.8	-7.0	92.6	81.4	128.3
Net (imputed) international reserves	146.1	159.4	185.0	195.6	211.8
Commercial banks	-134.3	-166.4	-92.4	-114.2	-83.5
Net domestic assets	817.2	891.4	896.8	990.9	1,040.5
Domestic credit	868.1	968.0	996.7	1,114.5	1,203.5
Net credit to the public sector	-141.6	-158.5	-211.5	-241.1	-263.6
Claims on government (net)	-15.7	-23.8	-40.2	-65.8	-82.6
ECCB net credit to central government	24.1	13.6	10.9	5.9	2.4
Commercial banks net credit to government	-39.8	-37.3	-51.1	-71.7	-85.0
Net credit to other public sector	-125.9	-134.7	-171.3	-175.4	-181.0
Credit to nonbank financial institutions	-61.5	-45.3	-49.9	-38.6	-38.6
Credit to private sector 1/	1,071.3	1,171.8	1,258.2	1,394.2	1,505.7
Other items (net)	-50.9	-76.7	-100.0	-123.5	-163.0
Money and quasi-money (M2) 2/	829.0	884.3	989.4	1,072.3	1,168.8
Money	225.7	239.3	247.9	267.6	289.0
Currency outside banks	70.3	69.6	77.5	84.1	90.8
Demand deposits	155.4	169.6	170.4	183.6	198.2
Quasi-money	603.3	645.1	741.5	804.7	879.8
Time deposits	186.1	217.6	273.6	292.2	319.5
Savings deposits	417.2	427.4	467.9	512.5	560.3
(12-month change in percent of M2 at beginning of the year)					
Net foreign assets	-10.1	-2.3	11.3	-1.1	4.4
Net imputed reserves	-2.3	1.6	2.9	1.1	1.5
Commercial banks NFA	-7.8	-3.9	8.4	-2.2	2.9
Net domestic assets	11.9	8.9	0.6	9.5	4.6
Domestic credit	11.8	12.1	3.2	11.9	8.3
Net credit to public sector	-0.9	-2.0	-6.0	-3.0	-2.1
Credit to nonbank financial institutions	-2.6	2.0	-0.5	1.1	-0.3
Credit to private sector	15.3	12.1	9.8	13.7	10.4
Other items (net)	0.1	-3.1	-2.6	-2.4	-0.1
(12-month percentage change)					
Credit to private sector	13.2	9.4	7.4	10.8	8.0
Money and quasi-money	1.8	6.7	11.9	8.4	9.0
Money	-5.9	6.0	3.6	8.0	8.0
Quasi-money	5.0	6.9	14.9	8.5	9.3
Memorandum item:					
Income velocity of M2	1.8	1.8	1.7	1.7	1.6

Sources: ECCB; and Fund staff estimates.

1/ Includes assumption by government of EC\$40 million in debt from the SLBGA in 1998, previously included under credit to the private sector.

2/ Excludes private sector foreign currency deposits, which in this presentation are recorded under other items (net) of the net domestic assets.

Table 8. St. Lucia: Summary Balance of Payments

	1996	1997	1998	PreL. 1999	Est. 2000
(In millions of U.S. dollars)					
Current account	-57.7	-79.1	-64.5	-87.5	-85.8
Trade balance	-181.1	-222.2	-224.7	-251.1	-264.3
Exports, f.o.b.	86.3	70.2	70.4	60.9	63.3
Imports, f.o.b.	267.4	292.4	295.1	312.0	327.6
Services (net)	110.2	130.1	140.7	141.6	156.7
Receipts	270.2	291.7	317.2	316.1	333.0
Travel	236.6	253.3	277.6	272.6	288.9
Other nonfactor services	30.2	35.1	36.2	41.1	41.6
Factor services	3.4	3.3	3.4	2.4	2.5
Payments	160.0	161.6	176.5	174.5	176.3
Travel	28.8	29.5	31.2	33.0	35.0
Other nonfactor services	91.8	91.2	98.1	100.2	101.0
Factor services	39.4	41.0	47.2	41.4	40.4
<i>Of which:</i>					
Interest payments	5.1	5.6	6.9	7.5	8.2
Current transfers (net)	13.2	13.0	19.5	22.0	21.9
Capital and financial account	50.8	84.1	74.0	91.4	100.5
Capital transfers (net)	10.4	15.6	22.4	24.9	9.7
Official borrowing (net)	16.0	10.5	16.0	15.1	32.9
Drawings	19.6	12.5	15.7	24.1	19.6
Amortizations	4.4	4.8	7.0	8.6	10.3
Bonded debt (net)	0.8	2.8	7.3	-0.4	23.5
Private capital 1/	24.4	58.0	35.6	51.4	57.9
Overall balance	-6.9	4.9	9.5	3.9	14.6
Change in imputed reserves (increase -)	6.9	-4.9	-9.5	-3.9	-14.6
(In percent of GDP)					
Memorandum item:					
Current account balance	-10.2	-13.6	-10.3	-13.1	-12.1

Sources: St. Lucian authorities; ECCB; and Fund staff estimates.

1/ Includes errors and omissions.

Table 9. St. Lucia: Summary External Public Debt

	1996	1997	1998	Prel. 1999	Est. 2000
(In millions of U.S. dollars)					
Outstanding debt at beginning of period	127.9	141.0	147.3	163.5	180.0
Central government	49.9	64.1	68.8	75.0	81.4
Government-guaranteed 1/	66.6	64.7	63.5	66.1	76.6
<i>Of which: LUCELEC</i>	15.5	13.8	13.3	12.2	12.1
Bonded debt	11.4	12.2	15.0	22.4	22.0
Total drawings	20.4	24.5	23.5	25.3	43.1
Central government	16.7	8.7	9.5	9.3	7.3
Government-guaranteed 1/	2.9	12.7	6.1	14.8	12.3
<i>Of which: LUCELEC</i>	0.0	8.9	0.0	0.0	0.0
Bonded debt	0.8	3.1	7.8	1.2	23.5
Debt service payments	12.5	13.7	14.4	17.7	18.5
Amortization	6.3	7.1	7.5	10.2	10.3
Central government	2.2	2.2	3.3	3.3	4.7
Government-guaranteed 1/	4.1	4.6	3.7	5.3	5.6
<i>Of which: LUCELEC</i>	1.9	2.0	0.7	1.0	1.0
Bonded debt	0.0	0.3	0.5	1.6	0.0
Interest	6.2	6.6	6.9	7.5	8.2
Central government	1.9	2.3	2.6	2.8	2.8
Government-guaranteed 1/	3.5	3.4	2.9	3.1	2.8
<i>Of which: LUCELEC</i>	1.0	1.0	0.6	0.6	0.2
Bonded debt	0.7	0.9	1.5	1.5	2.6
Valuation adjustment	-0.9	-4.8	0.2	1.4	0.0
<i>Of which: LUCELEC</i>	0.2	-0.5	-0.4	0.9	0.0
Outstanding debt end of period	141.0	147.3	163.5	180.6	213.1
Central government	64.1	68.8	75.0	81.4	84.3
Government-guaranteed	64.7	63.5	66.1	76.6	83.3
<i>Of which: LUCELEC</i>	13.8	13.3	12.2	12.1	11.1
Bonded debt	12.2	15.0	22.4	22.0	45.5
(In percent)					
Total debt (in percent of GDP)	24.9	25.4	26.2	27.1	30.1
Debt service (in percent of exports of goods and nonfactor services)	3.5	3.8	3.7	4.7	4.7
(In millions of U.S. dollars)					
Memorandum items:					
Nominal GDP	566.4	579.8	625.0	666.6	707.1
Exports of goods and services	356.5	361.9	387.6	377.0	396.3

Sources: Ministry of Finance; and Fund staff estimates.

1/ Includes LUCELEC.

Table 10. St. Lucia: GDP by Economic Activity at Current Factor Cost

	1996	1997	1998	Prel. 1999	Est. 2000
(In millions of Eastern Caribbean dollars)					
Gross domestic product	1,298.8	1,327.5	1,407.2	1,514.9	1,607.1
Primary sector	121.4	97.6	106.5	126.9	133.5
Agriculture	115.7	91.5	100.2	120.9	127.4
Bananas	55.9	32.3	34.1	57.6	62.2
Other crops	32.8	29.1	33.1	28.2	28.4
Livestock	10.3	11.5	12.5	9.3	9.4
Fishing	13.9	16.0	18.1	23.7	25.2
Forestry	2.9	2.7	2.4	2.2	2.2
Mining and quarrying	5.7	6.1	6.2	6.0	6.1
Secondary sector	238.0	240.6	256.0	285.1	308.8
Manufacturing	87.7	84.9	82.4	84.9	87.6
Construction	99.7	101.1	111.0	133.7	148.4
Electricity, gas, and water	50.6	54.5	62.6	66.5	72.8
Services	1,050.1	1,105.5	1,159.1	1,221.3	1,290.8
Wholesale and retail trade	184.6	188.7	197.9	210.8	225.5
Hotels and restaurants	163.9	181.2	190.7	205.5	219.9
Transport and communications	244.5	257.1	267.4	282.5	300.1
Banking and insurance	117.9	121.7	132.7	139.2	145.4
Real estate and housing	80.6	81.3	84.4	89.7	94.6
Government services	195.6	210.2	217.1	220.6	227.6
Other services	63.1	65.4	69.0	73.0	77.6
Less imputed banking charges	110.6	116.2	114.4	118.3	126.0
(In percent of GDP)					
Gross domestic product	100.0	100.0	100.0	100.0	100.0
Primary sector	9.3	7.4	7.6	8.4	8.3
Agriculture	8.9	6.9	7.1	8.0	7.9
Bananas	4.3	2.4	2.4	3.8	3.9
Other crops	2.5	2.2	2.4	1.9	1.8
Livestock	0.8	0.9	0.9	0.6	0.6
Fishing	1.1	1.2	1.3	1.6	1.6
Forestry	0.2	0.2	0.2	0.1	0.1
Mining and quarrying	0.4	0.5	0.4	0.4	0.4
Secondary sector	18.3	18.1	18.2	18.8	19.2
Manufacturing	6.8	6.4	5.9	5.6	5.5
Construction	7.7	7.6	7.9	8.8	9.2
Electricity, gas, and water	3.9	4.1	4.4	4.4	4.5
Services	80.9	83.3	82.4	80.6	80.3
Wholesale and retail trade	14.2	14.2	14.1	13.9	14.0
Hotels and restaurants	12.6	13.6	13.6	13.6	13.7
Transport and communications	18.8	19.4	19.0	18.6	18.7
Banking and insurance	9.1	9.2	9.4	9.2	9.1
Real estate and housing	6.2	6.1	6.0	5.9	5.9
Government services	15.1	15.8	15.4	14.6	14.2
Other services	4.9	4.9	4.9	4.8	4.8
Less imputed banking charges	8.5	8.8	8.1	7.8	7.8

Sources: Statistics Department of the Ministry of Finance; and Fund staff estimates.

Table 11. St. Lucia: GDP by Economic Activity at Constant Factor Cost

	1996	1997	1998	Prel. 1999	Est. 2000
(In millions of 1990 Eastern Caribbean dollars)					
Gross domestic product	1,085	1,091	1,123	1,156	1,179
Primary sector	125.5	104.5	106.0	89.9	92.2
Agriculture	120.3	98.8	100.2	83.9	86.2
Bananas	76.7	52.1	53.3	41.1	42.7
Other crops	25.7	26.7	25.6	21.1	21.2
Livestock	7.5	8.4	9.1	6.7	6.7
Fishing	8.3	9.6	10.4	13.5	14.0
Forestry	2.1	2.0	1.8	1.6	1.6
Mining and quarrying	5.2	5.7	5.8	6.0	6.0
Secondary sector	197.4	200.5	212.4	233.7	239.3
Manufacturing	70.0	69.7	68.9	71.8	71.9
Construction	87.3	87.6	96.8	106.6	108.7
Electricity, gas, and water	40.1	43.1	46.7	55.3	58.6
Services	844.4	874.7	897.9	932.1	953.3
Wholesale and retail trade	145.4	150.1	151.7	156.2	159.3
Hotels and restaurants	128.5	142.1	145.4	151.6	156.1
Transport and communications	211.3	212.6	218.6	231.3	236.4
Banking and insurance	98.3	105.7	111.0	115.6	118.5
Real estate and housing	74.2	75.2	78.6	81.5	83.5
Government services	136.0	136.5	138.6	140.3	141.9
Other services	50.8	52.4	54.0	55.7	57.5
Less imputed banking charges	82.8	88.9	93.8	99.5	104.9
(Annual percentage change)					
Gross domestic product	1.4	0.6	2.9	3.0	2.0
Primary sector	0.7	-16.7	1.5	-15.3	2.6
Agriculture	0.8	-17.9	1.4	-16.3	2.7
Bananas	-4.6	-32.0	2.3	-23.0	4.0
Other crops	6.9	4.0	-4.3	-17.3	0.1
Livestock	31.2	12.0	8.7	-26.9	1.0
Fishing	21.4	14.9	8.7	29.3	4.0
Forestry	-10.9	-7.5	-9.2	-10.7	0.0
Mining and quarrying	-0.4	11.3	1.7	2.1	1.0
Secondary sector	-4.0	1.6	5.9	10.0	2.4
Manufacturing	-6.8	-0.3	-1.2	4.2	0.2
Construction	-4.0	0.4	10.5	10.1	2.0
Electricity, gas, and water	1.2	7.5	8.2	18.6	6.0
Services	3.4	3.6	2.7	3.8	2.3
Wholesale and retail trade	0.3	3.2	1.1	2.9	2.0
Hotels and restaurants	7.7	10.6	2.4	4.2	3.0
Transport and communications	4.2	0.6	2.8	5.8	2.2
Banking and insurance	7.0	7.6	5.0	4.2	2.5
Real estate and housing	1.3	1.3	4.5	3.6	2.5
Government services	0.1	0.4	1.5	1.2	1.2
Other services	5.1	3.1	3.0	3.2	3.2
Less imputed banking charges	7.8	7.4	5.4	6.1	5.5

Sources: Statistics Department of the Ministry of Finance; and Fund staff estimates.

Table 12: St. Lucia: Expenditure on GDP at Current Prices

	1996	1997	1998	Prel. 1999	Est. 2000
(In millions of Eastern Caribbean dollars)					
Consumption expenditure	1,296.2	1,326.3	1,394.3	1,525.5	1,629.7
Public sector	238.7	246	247	263	289.6
Private sector	1,057.5	1,080.5	1,147.6	1,262.1	1,340.1
Gross domestic investment	327.2	386.0	401.9	464.7	467.8
Public sector	103.8	100.8	141.0	167.6	196.6
Of which: Central government	91.2	90.2	123.3	150.5	178.7
Private sector	223.4	285.2	260.9	297.1	271.2
Gross domestic expenditure	1,623.4	1,712.3	1,796.2	1,990.2	2,097.4
Balance of goods and nonfactor services	-94.2	-146.9	-108.5	-190.4	-188.2
Exports of goods and nonfactor services	953.4	968.2	1,037.3	1,011.4	1,063.3
Imports of goods and nonfactor services	1,047.6	1,115.1	1,145.9	1,201.8	1,251.5
GDP at market prices	1,529.2	1,565.4	1,687.6	1,799.8	1,909.3
Net factor income	-97.2	-101.8	-118.3	-105.3	-102.3
GNP at market prices	1,432.0	1,463.6	1,569.4	1,694.5	1,806.9
(In percent of GDP)					
Consumption expenditure	84.8	84.7	82.6	84.8	85.4
Public sector	15.6	15.7	14.6	14.6	15.2
Private sector	69.2	69.0	68.0	70.1	70.2
Gross domestic investment	21.4	24.7	23.8	25.8	24.5
Public sector	6.8	6.4	8.4	9.3	10.3
Of which: Central government	6.0	5.8	7.3	8.4	9.4
Private sector	14.6	18.2	15.5	16.5	14.2
Gross domestic expenditure	106.2	109.4	106.4	110.6	109.9
Balance of goods and nonfactor services	-6.2	-9.4	-6.4	-10.6	-9.9
Exports of goods and nonfactor services	62.3	61.9	61.5	56.2	55.7
Imports of goods and nonfactor services	68.5	71.2	67.9	66.8	65.5
GDP at market prices	100.0	100.0	100.0	100.0	100.0
Net indirect taxes	15.1	15.2	16.6	15.8	15.8
GDP at factor cost	84.9	84.8	83.4	84.2	84.2
Memorandum item:					
GDP at market price (annual percentage change)	1.2	2.4	7.8	6.6	6.1

Sources: Statistics Department of the Ministry of Finance; and Fund staff estimates.

Table 13: St. Lucia: Savings and Investment

	1996	1997	1998	Prel. 1999	Est. 2000
(In millions of Eastern Caribbean dollars)					
Gross national saving	171.4	172.4	227.7	228.5	236.1
Public	110.6	105.9	154.7	195.2	153.0
Private	60.8	66.5	73.0	33.3	83.1
External saving	155.8	213.6	174.2	236.3	231.7
Total saving	327.2	386.0	401.9	464.7	467.8
Gross domestic investment	327.2	386.0	401.9	464.7	467.8
Public sector	103.8	100.8	141.0	167.6	196.6
<i>Of which: Central government</i>	91.2	90.2	123.3	150.5	178.7
Private Sector	223.4	285.2	260.9	297.1	271.2
(In percent of GDP)					
Gross national saving	11.2	11.0	13.5	12.7	12.4
Public	7.2	6.8	9.2	10.8	8.0
Private	4.0	4.3	4.3	1.8	4.4
External saving	10.2	13.6	10.3	13.1	12.1
Total saving	21.4	24.7	23.8	25.8	24.5
Gross domestic investment	21.4	24.7	23.8	25.8	24.5
Public sector	6.8	6.4	8.4	9.3	10.3
<i>Of which: Central government</i>	6.0	5.8	7.3	8.4	9.4
Private sector	14.6	18.2	15.5	16.5	14.2

Sources: Statistics Department of the Ministry of Finance; and Fund staff estimates.

Table 14. St. Lucia: Selected Tourism Statistics

	1996	1997	1998	Prel. 1999	Est. 2000
(Number of visitors in thousands)					
Total visitors	460	601	666	690	735
Cruises	219	348	409	423	474
Excursion 1/	6	5	5	6	6
Stayover	236	248	252	261	255
Hotel	144	152	154	160	156
Private residence	48	51	52	53	52
Other 2/	43	45	46	48	47
(In number of days)					
Average length of stay	4.4	3.6	3.6	3.3	3.2
Cruises	1.0	1.0	1.0	1.0	1.0
Hotel	8.7	8.7	8.7	8.7	8.7
Private residence	12.3	12.3	12.3	12.3	12.3
Other 2/	9.9	9.9	9.9	9.9	9.9
(In U.S. dollars)					
Average expenditure per day	116.7	117.2	115.1	120.6	123.3
Cruises	52.9	53.0	53.9	54.9	57.1
Hotel	139.0	139.2	141.7	144.4	150.2
Private residence	37.8	37.9	38.6	39.3	40.9
Other 2/	68.1	68.2	69.4	70.7	73.6
(In millions of U.S. dollars)					
Total expenditure	236.6	253.3	277.6	272.6	288.9
Cruise and excursion visitors	12.0	14.7	22.3	23.6	27.4
Hotel	174.6	184.3	190.5	200.6	204.4
Private residence	22.6	23.7	24.5	25.8	26.3
Other 2/	27.5	30.6	40.3	22.6	30.7
(In percent of GDP)					
Tourism expenditure	41.8	43.7	44.4	40.9	40.9

Sources: Statistics Department of the Ministry of Finance; Tourism Board; and Fund staff estimates.

1/ Excursionists are one-day visitors and their expenditure is not included in the estimates of total tourist expenditure.

2/ Includes guest houses, apartments, villas, and yachts.

Table 15. St. Lucia: Stayover Tourist and Excursionist Arrivals by Country of Origin 1/

	1996	1997	1998	Prel. 1999
(Number of arrivals in thousands)				
Total arrivals	241	253	258	267
United States	76	74	77	84
United Kingdom	51	60	65	71
Canada	12	16	18	13
Germany	13	11	11	8
France	10	16	18	12
CARICOM	31	32	32	31
Latin America	1	1	1	1
All others	47	43	35	46
(In percent of total arrivals)				
Total arrivals	100	100	100	100
United States	32	29	30	31
United Kingdom	21	24	25	27
Canada	5	6	7	5
Germany	5	4	4	3
France	4	6	7	5
CARICOM	13	12	12	12
Latin America	1	1	1	0
All others	20	17	14	17

Sources: Statistics Department of the Ministry of Finance; and Tourism Board.

1/ Excludes cruiseship tourist arrivals.

Table 16. St. Lucia: Selected Industrial Production
(Values in thousands of Eastern Caribbean dollars; quantity as indicated)

	1996	1997	1998	Prel. 1999	Est. 2000
Copra					
Value	1,839	2,562	1,330	2,924	...
Tons	2,053	2,859	1,484	2,900	...
Unrefined coconut oil					
Value	1,103	5,780	2,336	2,918	2,838
Liters (000's)	61	778	292	365	284
Refined coconut oil					
Value	2,244	5,818	2,330	2,821	2,552
Liters (000's)	120	353	194	235	396
Coconut meal					
Value	164	309	211	316	246
Kgs. (000's)	380	818	558	719	559
Food, beverages, and tobacco					
Value	40,357	41,449	44,105	53,754	54,190
Paper products and cardboard boxes					
Value	42,603	26,963	28,747	23,265	22,098
Quantity (000's)	35,098	27,836	29,041	23,815	19,034
Electrical products					
Value	16,700	16,291	16,245	23,753	26,678
Quantity (000's)	23,524	17,725	17,632	23,174	27,104
Textile goods					
Value	2,631	2,748	4,017	3,450	2,268
Quantity (000's)	22,049	21,882	17,405	17,489	185,192
Wearing apparel					
Value	7,455	8,924	7,101	7,979	4,970
Doz. Pcs. (000's)	173	165	105	71	54

Source: Statistics Department of the Ministry of Finance.

Table 17. St. Lucia: Consumer Price Index
(April 1984=100)

	1996	1997	1998	Prel. 1999	Est. 2000 1/
(Period averages)					
All items	151.6	151.7	156.0	161.4	167.9
Food	160.9	156.7	163.3	168.1	170.3
Beverages and tobacco	141.6	141.9	141.8	143.3	146.8
Clothing and footwear	193.1	203.0	208.2	219.7	236.4
Housing	112.4	112.4	112.6	112.6	110.5
Fuel and light	124.6	126.9	123.3	124.1	131.1
Furniture, household equipment	148.6	154.5	159.3	168.9	178.1
Health care	183.5	193.2	198.6	215.1	221.1
Transport and communication	162.1	161.6	164.0	167.2	171.1
Recreation and education	160.7	168.5	172.9	195.9	246.0
Miscellaneous goods and services	131	134.1	138.2	146.2	152.0
(Annual percentage change)					
All items	0.9	0.1	2.8	3.5	4.0
Food	-0.4	-2.6	4.2	2.9	1.3
Beverages and tobacco	1.5	0.2	-0.1	1.1	2.4
Clothing and footwear	2.3	5.1	2.6	5.5	7.6
Housing	0.5	0.0	0.2	0.0	-1.9
Fuel and light	4.4	1.8	-2.8	0.6	5.7
Furniture, household equipment	1.5	4.0	3.1	6.0	5.4
Health care	3.2	5.3	2.8	8.3	2.8
Transport and communication	3.6	-0.3	1.5	2.0	2.3
Recreation and education	3.8	4.9	2.6	13.3	25.6
Miscellaneous goods and services	2.2	2.4	3.1	5.8	4.0
(End of period)					
All items	150.2	152.6	158.1	167.8	164.3
Food	155.7	156.7	167.1	175.8	164.3
Beverages and tobacco	141.8	142.8	141.2	145.0	147.6
Clothing and footwear	196.2	208.6	207.1	236.1	236.4
Housing	112.4	112.6	112.6	112.6	109.9
Fuel and light	127.8	127.0	121.4	128.5	134.7
Furniture, household equipment	151.4	157.9	162.9	177.8	178.4
Health care	187.0	195.8	206.9	219.6	217.5
Transport and communication	160.6	162.8	164.0	167.7	175.2
Recreation and education	169.1	170.1	175.9	210.0	247.0
Miscellaneous goods and services	133.2	137.4	140.8	151.1	152.7
(Percentage change during year)					
All items	-2.3	1.6	3.6	6.1	-2.1
Food	-6.7	0.6	6.6	5.2	-6.5
Beverages and tobacco	-0.1	0.7	-1.1	2.7	1.8
Clothing and footwear	3.3	6.3	-0.7	14.0	0.1
Housing	-0.1	0.2	0.0	0.0	-2.4
Fuel and light	5.6	-0.6	-4.4	5.8	4.8
Furniture, household equipment	2.9	4.3	3.2	9.1	0.3
Health care	4.8	4.7	5.7	6.1	-1.0
Transport and communication	3.7	1.4	0.7	2.3	4.5
Recreation and education	7.6	0.6	3.4	19.4	17.6
Miscellaneous goods and services	2.7	3.2	2.5	7.3	1.1

Source: Statistics Department of Ministry of Finance.

1 / Data refer to the period January-September 2000

Table 18. St. Lucia: Imports and Prices of Petroleum Products
(Values in millions of EC\$, quantities in millions of gallons, and
prices in EC\$ per gallon; unless otherwise indicated)

	1996	1997	1998	1999	Est. 2000 1/
Gasoline					
Value	24.9	26.2	25.6	25.3	16.1
Volume	14.4	12.8	14.9	14.4	5.7
Unit price	1.7	2.0	1.7	1.8	2.8
Retail price	6.0	6.3	6.4	6.4	6.9
Diesel					
Value	30.2	37.1	30.8	27.2	26.6
Volume	15.1	14.4	14.1	15.2	8.3
Unit price	2.0	2.6	2.2	1.8	3.2
Retail price	6.0	6.2	5.9	5.9	6.5
Kerosene					
Value	0.8	...	1.2	0.2	0.3
Volume	0.3	...	0.7	0.1	0.1
Unit price	2.6	...	1.7	2.0	3.0
Retail price	5.0	5.0	5.0	5.0	5.2
LPG (gas)					
Value	3.8	4.1	3.7	3.3	4.1
Volume	3.1	3.0	3.6	2.6	3.9
Unit price (EC\$/lb)	1.2	1.4	1.4	1.4	1.4
Memorandum items:					
Electricity consumption (millions of kwh)	198.0	218.0	234.1	254.4	...
Of which :					
Domestic	65.6	69.6	75.6	79.5	...
Commercial	58.9	64.3	70	79.3	...
Industrial	10.9	11.3	11.6	12.3	...
Other and losses	62.6	67.8	76.9	83.3	...

Sources: Statistics Department of the Ministry of Finance; and LUCELEC.

1/ Data are for January-September.

Table 19. St. Lucia; Operations of the Central Government 1/

(In million of Eastern Caribbean dollars)

	1995/96	1996/97	1997/98	1998/99	Prel. 1999/00
Total revenue and grants	392.4	391.1	-402.6	497.8	531.0
Current revenue	364.2	372.8	378.9	436.4	466.4
Tax revenue	331.1	329.3	351.1	402.1	419.7
Taxes on income and profits	93.3	94.5	101.4	105.4	127.0
Taxes on property	1.0	1.3	2.0	1.0	0.9
Taxes on goods and services	141.7	134.1	149.2	189.4	180.1
Consumption taxes	104.6	101.1	105.0	140.7	122.8
Imports	96.4	91.9	93.9	128.2	112.2
Domestic goods	8.2	9.3	11.1	12.5	10.6
Hotel occupancy tax	16.4	14.0	13.9	17.2	18.0
Excise duty	1.2	1.1	1.3	1.1	6.3
Entertainment tax	0.0	0.0	0.3	1.2	0.8
Insurance premium tax	3.2	3.5	3.1	3.3	3.4
Other	10.0	7.3	13.9	13.6	10.9
Other taxes	6.3	7.0	11.7	12.2	18.0
Taxes on international trade and transactions	95.0	99.5	98.5	106.3	111.7
Import duties	62.6	65.8	63.1	68.1	71.4
Service charge (imports)	28.1	29.5	31.8	32.8	34.7
Foreign exchange tax	0.0	0.0	0.0	0.0	0.0
Travel tax	1.0	1.6	1.0	2.0	3.0
Thruput charges (Hess tax)	3.4	2.6	2.5	3.1	1.8
Nontax revenue	33.1	42.7	27.8	34.3	46.7
Capital revenue	0.1	2.7	1.8	5.1	2.5
Current grants	6.6	0.0	0.0	0.0	0.0
Capital grants	21.4	16.4	21.9	56.2	62.1
Total expenditure and net lending	407.8	415.8	416.0	467.5	525.1
Current expenditure	306.1	316.9	320.2	332.6	358.9
Wages and salaries	171.0	166.7	173.8	182.0	200.1
NIS contributions and retirement	17.1	21.3	23.8	22.9	31.5
Utilities	6.8	6.5	9.2	9.9	9.9
Interest	12.2	14.2	16.1	21.5	24.9
Domestic	7.9	7.7	8.5	14.3	16.6
Foreign	4.3	6.5	7.5	7.2	8.3
Transfers	45.6	52.2	39.7	39.6	34.0
Domestic	39.3	45.9	39.7	39.6	27.5
Of which: NDC 2/	1.3	0.7	0.0	0.0	0.0
WASA 3/	0.0	0.4	4.0	0.0	9.8
Foreign	6.2	6.3	0.0	0.0	6.5
Goods and services	53.3	56.1	57.8	56.7	58.5
Capital expenditure and net lending	101.8	98.8	95.8	134.9	166.2
Of which: Capital transfer to BGA	0.0	0.0	0.0	0.0	0.0
Fixed investment	78.6	95.5	95.0	134.9	166.2
Current balance	64.7	55.0	58.6	103.9	107.5
Overall balance before grants	-43.5	-41.1	-35.3	-26.0	-56.2
Overall balance	-15.5	-24.7	-13.4	30.2	5.8
Financing	15.5	24.7	13.4	-30.2	-5.8
External (net) 4/	26.2	38.8	47.5	16.4	13.2
Domestic financing	17.5	4.3	-2.2	-31.4	-33.1
Residual	-28.3	-18.4	-31.8	-15.3	14.0
Memorandum items:	(Annual percentage change)				
Current revenue	3.7	2.1	1.9	15.2	17.7
Current expenditure	14.6	3.5	1.0	3.9	4.2
Of which: wage bill	20.7	-2.6	4.2	4.8	9.9

Sources: Ministry of Finance; and ECCB.

1/ Fiscal years are beginning April 1.

2/ Current transfer to finance part of the operations of the National Development Corporation (NDC).

3/ Current transfer to finance the deficit of the Water and Sewerage Authority (WASA).

4/ Includes treasury bills placed abroad and increase in foreign assets.

Table 20. St. Lucia: Operations of the Consolidated Public Sector

(In millions of Eastern Caribbean dollars)

	1995/96	1996/97	1997/98	1998/99	Prel. 1999/00
I. Total Public Sector					
Total revenue and grants	479.5	482.7	493.8	599.4	638.9
Current revenue	445.4	461.3	468.5	537.0	573.1
Tax revenue	331.1	329.3	351.1	402.1	419.7
Nontax revenue	93.4	109.5	98.7	117.9	134.8
Operational surplus nonfinancial public enterprises	20.9	22.5	18.7	16.9	18.6
Capital revenue	6.0	5.0	3.5	6.2	3.6
Current grants	6.6	0.0	0.0	0.0	0.0
Capital grants	21.4	16.4	21.9	56.2	62.1
Total expenditure	447.1	451.5	456.7	518.5	585.0
Current expenditure	331.7	351.6	353.9	373.6	393.7
<i>Of which:</i>					
Wages and salaries	177.5	173.9	180.9	189.8	207.7
Interest	21.6	24.3	25.4	30.3	34.2
Capital expenditure	115.4	99.9	102.7	144.8	191.3
Central government	78.6	95.5	95.0	134.9	166.2
Rest of general government	5.2	1.4	1.9	1.9	1.9
Public enterprises	31.6	3.1	5.8	8.0	23.2
Current balance	120.4	109.7	114.6	163.3	179.4
Central government	64.7	55.0	58.6	103.9	107.5
Rest of general government	42.8	41.1	42.6	51.4	52.8
Public enterprises	12.8	13.5	13.3	8.0	19.1
Overall balance before grants	4.3	14.8	15.3	24.7	-8.3
Overall balance after grants	32.3	31.2	37.1	80.9	53.8
Central government	-15.5	-24.7	-13.4	30.2	5.8
Rest of general government	37.6	39.8	40.7	49.5	50.9
Public enterprise	10.2	16.1	9.9	1.2	-2.9
Financing	-32.3	-31.2	-37.1	-80.9	-53.8
External	19.5	32.7	44.5	14.3	14.2
Loans (net)	20.1	28.3	14.8	11.7	14.2
Drawings	32.9	40.1	26.6	27.9	23.6
Amortization	-12.8	-11.8	-11.8	-16.2	-9.4
Other external (net)	-0.6	4.4	29.7	2.6	0.0
Domestic	-2.2	-29.4	-28.9	-115.2	-66.1
ECCB	3.3	0.8	-1.1	-1.5	-4.8
Commercial banks	-7.2	-20.9	-16.6	-94.7	-57.4
Other domestic financing	1.8	-9.3	-11.2	-19.1	-3.9
Nonbank financial intermediaries	-6.6	-2.3	-2.6	-3.8	-2.3
Other private sector	23.9	0.0	0.8	4.1	0.0
Rest of public sector	-15.5	-7.1	-9.3	-19.3	-1.6
Residual	-49.7	-34.6	-52.7	20.0	-1.9

Table 20. St. Lucia: Operations of the Consolidated Public Sector

(In millions of Eastern Caribbean dollars)

	1995/96	1996/97	1997/98	1998/99	Prel. 1999/00
II. General Government					
Total revenue and grants	452.7	457.9	473.5	581.4	619.1
Current revenues	424.5	438.8	449.8	520.1	554.5
Tax revenue	331.1	329.3	351.1	402.1	419.7
Nontax revenue	93.4	109.5	98.7	117.9	134.8
Capital revenue	0.1	2.7	1.8	5.1	2.5
Current grants	6.6	0.0	0.0	0.0	0.0
Capital grants	21.4	16.4	21.9	56.2	62.1
Total expenditure	430.6	442.8	446.3	501.6	562.4
Current expenditure	323.6	342.6	348.6	364.8	394.2
Of which:					
Wages and salaries	177.5	173.9	180.9	189.8	207.7
Interest	12.2	14.2	16.1	21.5	24.9
Capital expenditure	107.0	100.2	97.7	136.9	168.1
Of which: fixed capital	83.8	96.9	97.0	136.9	168.1
Current balance	107.6	96.2	101.2	155.3	160.3
Overall balance	22.2	15.1	27.2	79.8	56.7
Financing	-22.2	-15.1	-27.2	-79.8	-56.7
External	26.2	38.8	47.5	16.4	13.2
Loans (net)	26.8	34.3	17.7	13.8	13.2
Other external (net)	-0.6	4.4	29.7	2.6	0.0
Domestic	-1.6	-32.4	-33.0	-67.0	-66.1
ECCB	3.3	0.8	-1.1	-1.5	-4.8
Commercial banks	1.8	-26.7	-17.8	-62.2	-58.4
Other domestic financing	-6.7	-6.5	-14.1	-3.4	-2.9
Nonbank financial intermediaries	-6.6	-2.3	-2.6	-3.8	-2.3
Other	-0.1	-4.2	-11.5	0.5	-0.5
Private	18.8	-1.7	-2.2	2.8	0.2
Rest of the nonfinancial public sector	-18.9	-2.5	-9.2	-2.4	-0.8
Residual	-46.8	-21.4	-41.6	-29.2	-3.9
II.a Central Government 1/					
Total revenue and grants	392.4	391.1	402.6	497.8	531.0
Current revenue	364.2	372.0	378.9	436.4	466.4
Tax revenue	331.1	329.3	351.1	402.1	419.7
Nontax revenue	33.1	42.7	27.8	34.3	46.7
Capital revenue	0.1	2.7	1.8	5.1	2.5
Current grants	6.6	0.0	0.0	0.0	0.0
Capital grants	21.4	16.4	21.9	56.2	62.1
II.a Central Government 1/					
Total expenditure	407.8	415.8	416.0	467.5	525.1
Current expenditure	306.1	316.9	320.2	332.6	358.9
Of which:					
wages and salaries	171.0	166.7	173.8	182.0	200.1
interest	12.2	14.2	16.1	21.5	24.9
goods, serv, utilities	53.3	56.1	57.8	56.7	58.5
Capital expenditure and net lending	101.8	98.8	95.8	134.9	166.2
Of which: fixed capital	78.6	95.5	95.0	134.9	166.2

Table 20. St. Lucia: Operations of the Consolidated Public Sector

(In millions of Eastern Caribbean dollars)

	1995/96	1996/97	1997/98	1998/99	Prel. 1999/00
II.a. Central Government (cont.)					
Current balance	64.7	55.0	58.6	103.9	107.5
Overall balance before grants	-43.5	-41.1	-35.3	-26.0	-56.2
Overall balance	-15.5	-24.7	-13.4	30.2	5.8
Financing	15.5	24.7	13.4	-30.2	-5.8
External	26.2	38.8	47.5	16.4	13.2
Loans (net)	26.8	34.3	17.7	13.8	13.2
Drawings	32.9	40.0	24.0	22.5	23.6
Amortization	-6.1	-5.7	-6.3	-8.7	-10.4
IMF, Government securities, and other credit (net)	-0.6	4.4	29.7	2.6	0.0
Domestic	17.5	4.3	-2.2	-31.4	-33.1
ECCB (net)	3.3	0.8	-1.1	-1.5	-4.8
Commercial banks (net)	6.7	-4.7	-1.3	-29.9	-28.2
Other domestic financing	7.5	8.2	0.3	0.0	0.0
Nonbank financial interm.	1.7	2.0	0.0	0.0	0.0
Private	19.9	0.7	0.3	3.3	0.0
Nonfinancial public sector	3.2	5.5	0.0	0.0	0.0
Residual	-28.3	-18.4	-31.8	-15.3	14.0
II.b National Insurance Scheme 2/					
Revenue	59.5	63.2	64.9	77.2	82.6
Contributions	38.4	39.1	38.4	45.1	48.1
Investment income and other	21.1	24.1	26.5	32.1	34.5
Current expenditure	17.9	22.6	22.4	26.1	28.4
Benefits	10.9	12.4	14.4	16.5	19.7
Administrative	3.9	7.2	5.0	6.5	5.7
Of which: wages and salaries	3.1	3.1	3.0	3.4	3.1
Other	3.0	3.0	3.0	3.0	3.0
Current account balance	41.6	40.5	42.5	51.1	54.2
Capital expenditure	5.2	1.4	1.9	1.9	1.9
Overall balance	36.4	39.1	40.6	49.2	52.3
II.b National Insurance Scheme 2/					
Financing	-36.4	-39.1	-40.6	-49.2	-52.3
Domestic	-35.0	-36.1	-30.7	-39.5	-33.6
Central government	-3.0	-8.0	-10.6	-5.2	-2.5
Rest of public sector	-19.1	0.0	1.4	2.8	1.7
Commercial banks	-5.6	-21.0	-16.5	-32.3	-30.1
Nonbank financial intermediaries	-8.2	-4.3	-2.6	-3.8	-2.3
Accounts receivable/payable	1.0	-2.8	-2.4	-1.1	-0.4
Residual	-1.4	-3.0	-9.8	-9.7	-18.7

Table 20. St. Lucia: Operations of the Consolidated Public Sector

(In millions of Eastern Caribbean dollars)

	1995/96	1996/97	1997/98	1998/99	Pref. 1999/00
II. Castries City Council I/					
Total revenue and grants	6.9	6.9	6.9	6.7	5.6
Current revenue	0.9	3.7	6.0	6.4	5.5
Current transfers from central government	6.1	3.3	0.9	0.3	0.1
Total expenditure	5.7	6.3	6.8	6.4	7.0
Current expenditure	5.7	6.3	6.8	6.4	7.0
Of which: wages and salaries	3.4	4.1	4.2	4.4	4.5
Capital expenditure	0.0	0.0	0.0	0.0	0.0
Current balance	1.2	0.6	0.1	0.3	-1.4
Overall balance	1.2	0.6	0.1	0.3	-1.4
Financing	-1.2	-0.6	-0.1	-0.3	1.4
Domestic	-1.4	-0.6	-0.1	0.6	0.6
Banks	0.7	-1.0	0.0	0.0	0.0
Accounts receivable/payable	-2.1	0.4	-0.1	0.6	0.6
Rest of nonfinancial public sector	0.0	0.0	0.0	0.0	0.0
Residual	0.2	0.0	0.0	-0.9	0.8
III. Consolidated Public Enterprises					
Total revenue and grants	104.7	84.5	88.8	82.2	93.8
Current revenue	74.3	77.8	82.5	81.2	82.9
Capital revenue	5.8	2.3	1.6	1.1	1.1
Current transfers from central government	1.3	1.1	4.0	0.0	9.8
Capital transfers from central government	23.2	3.4	0.8	0.0	0.0
Capital grants from abroad	0.0	0.0	0.0	0.0	0.0
Total expenditure	94.5	68.4	78.9	81.1	96.7
Current expenditure	62.9	65.3	73.1	73.1	73.6
Of which:					
Wages and salaries(excl ASPA)	10.0	10.4	11.6	12.5	22.6
Interest	9.4	10.1	9.4	8.9	9.3
Capital expenditure	31.6	3.1	5.8	8.0	23.2
III. Consolidated Public Enterprises					
Operational balance	20.9	22.5	18.7	16.9	18.6
Current balance	12.8	13.5	13.3	8.0	19.1
Overall balance	10.2	16.1	9.9	1.2	-2.9
Financing	-10.2	-16.1	-9.9	-1.2	2.9
Foreign (net)	-6.7	-6.1	-2.9	-2.1	-2.1
Drawings	0.0	0.0	2.6	5.4	0.0
Amortization	-6.7	-6.1	-5.5	-7.5	1.0
Domestic (net)	-0.6	3.1	4.1	-48.3	0.8
Government	4.8	-4.1	-0.1	3.1	0.0
NIS	-1.5	-0.5	0.0	-20.1	0.0
Commercial banks	-9.0	5.9	1.2	-32.5	1.0
Other nonbank	3.5	4.3	2.0	0.0	0.0
Accounts payable/receivable	1.6	-2.5	1.1	1.2	-0.2
Residual	-2.9	-13.1	-11.1	49.2	4.3

Table 20. St. Lucia: Operations of the Consolidated Public Sector

(In millions of Eastern Caribbean dollars)

	1995/96	1996/97	1997/98	1998/99	Prel. 1999/00
IIIa. Air and Sea Ports Authority 1/					
Total revenue and grants	43.9	47.2	50.9	50.1	50.9
Current revenue	43.9	47.2	50.9	50.1	50.9
Current transfers from central government	0.0	0.0	0.0	0.0	0.0
Capital transfers from central government	0.0	0.0	0.0	0.0	0.0
Capital grants from abroad	0.0	0.0	0.0	0.0	0.0
Total expenditure	32.0	33.2	39.5	41.6	40.4
Current expenditure	28.3	32.3	32.0	34.1	32.9
Of which: interest	6.2	5.7	5.4	5.1	5.4
Capital expenditure	3.7	0.9	7.5	7.5	7.5
Operational balance	21.8	20.6	24.3	21.1	23.4
Current balance	15.6	14.9	18.9	16.0	18.0
Overall balance	11.9	14.0	11.4	8.5	10.5
Financing	-11.9	-14.0	-11.4	-8.5	-10.5
External	-3.0	-2.6	0.7	-1.0	0.0
Drawings	0.0	0.0	2.6	2.4	0.0
Amortization	-3.0	-2.6	-1.9	-3.4	0.0
Domestic	-1.3	-0.4	2.8	-55.7	0.0
Government	4.8	-4.1	-0.1	0.1	0.0
NIS	-1.5	-0.2	0.0	-20.1	0.0
Commercial banks	-8.5	3.1	2.6	-31.7	0.0
Loans	-0.9	-0.3	0.0	-26.8	0.0
Deposits (increase -)	-7.6	3.4	2.6	-4.9	0.0
Accounts payable/receivable	3.9	0.8	0.2	-4.0	0.0
Residual	-7.6	-11.0	-14.9	48.1	-10.5
IIIb. Water and Sewerage Authority 3/					
Total revenue and grants	41.8	20.9	24.1	19.2	30.3
Current revenue	18.6	17.1	19.3	19.2	20.5
Current transfers from central government 4/	0.0	0.4	4.0	0.0	9.8
Capital transfers from central government	23.2	3.4	0.8	0.0	0.0
Capital grants from abroad	0.0	0.0	0.0	0.0	0.0
Total expenditure	47.4	19.6	24.6	26.3	43.7
Current expenditure	21.6	17.2	26.2	25.4	27.5
Of which:					
Wages and salaries	7.6	8.7	9.7	10.0	10.0
Interest	1.8	2.8	2.5	2.5	2.5
Capital expenditure	25.9	2.4	-1.6	0.9	16.2
Operational balance	-1.2	2.7	-4.4	-3.7	-4.5
Current balance	-3.0	0.4	-2.9	-6.2	2.8
Overall balance	-5.7	1.4	-0.5	-7.1	-13.4

Table 20. St. Lucia: Operations of the Consolidated Public Sector

(In millions of Eastern Caribbean dollars)

	1995/96	1996/97	1997/98	1998/99	Prel. 1999/00
III.b. Water and Sewerage Authority 3/ (cont.)					
Financing	5.7	-1.4	0.5	7.1	13.4
External	-1.0	-1.0	-1.0	-0.9	1.0
Drawings	0.0	0.0	0.0	0.0	0.0
Amortization	-1.0	-1.0	-1.0	-0.9	1.0
Domestic	1.5	4.8	2.1	0.0	0.0
Government	0.0	0.0	0.0	0.0	0.0
NIS	0.0	-0.3	0.0	0.0	0.0
Commercial banks	-1.6	0.8	0.1	0.0	1.0
Loan	-1.5	-0.3	0.0	0.0	1.0
Deposit	-0.1	1.1	0.1	0.0	0.0
Accounts payable/receivable	3.5	4.3	2.0	0.0	0.0
Other nonbank	-0.4	0.0	0.0	0.0	0.0
Residual	5.2	-5.1	-0.6	8.0	12.4
III.c. Marketing Board 3/					
Total revenue and grants	5.8	6.8	5.4	5.2	4.0
Current revenue	5.8	6.8	5.4	5.2	4.0
Total expenditure	5.6	6.8	6.6	5.9	4.1
Current expenditure	5.5	6.6	6.4	6.0	4.2
Of which:					0.7
Wages and salaries	0.5	0.6	0.6	0.8	0.6
Interest	0.0	0.0	0.0	0.0	0.0
Capital expenditure	0.1	0.2	0.3	0.0	-0.1
Operational balance	0.4	0.2	-0.9	-0.8	-0.2
Current balance	0.4	0.2	-0.9	-0.8	-0.2
Overall balance	0.2	0.0	-1.2	-0.8	0.0
Financing	-0.2	0.0	1.2	0.8	0.0
Commercial banks	0.0	-0.1	0.8	-1.3	0.0
Accounts payable/receivable	-0.2	-0.2	0.4	-0.3	-0.2
Residual	0.0	0.4	0.0	2.4	0.3
III.d. National Development Corporation 1/					
Total revenue and grants	13.2	9.7	8.4	7.8	8.6
Current revenue	6.0	6.7	6.8	6.8	7.4
Capital revenue	5.8	2.3	1.6	1.1	1.1
Current transfers from central government	1.3	0.7	0.0	0.0	0.0
Capital transfers from central government	0.0	0.0	0.0	0.0	0.0
Total expenditure	9.5	8.9	8.2	7.3	8.6
Current expenditure	7.5	9.3	8.6	7.7	9.0
Of which:					
Wages and salaries	1.9	1.1	1.3	1.7	1.7
Interest	1.4	1.6	1.4	1.3	1.4
Capital expenditure	2.0	-0.4	-0.4	-0.4	-0.4

Table 20. St. Lucia: Operations of the Consolidated Public Sector

(In millions of Eastern Caribbean dollars)

	1995/96	1996/97	1997/98	1998/99	Prel. 1999/00
III.d. Marketing Board 3/ (cont.)					
Operational balance	-0.1	-1.0	-0.3	0.3	-0.2
Current balance	-0.2	-1.9	-1.8	-0.9	-1.5
Overall balance	3.7	0.8	0.2	0.5	0.0
Financing	-3.7	-0.8	-0.2	-0.5	0.0
External	-2.7	-2.5	-2.7	-0.2	0.0
Drawings	0.0	0.0	0.0	3.0	0.0
Amortization	-2.7	-2.5	-2.7	-3.2	0.0
Domestic (net)	-1.0	-0.9	-1.9	9.0	0.0
Government	0.0	0.0	0.0	3.0	0.0
NIS	0.0	0.0	0.0	0.0	0.0
Commercial banks	1.1	2.1	-2.4	0.4	0.0
Accounts receivable/payable	-2.1	-3.1	0.5	5.6	0.0
Residual	0.1	2.6	4.4	-9.3	0.0

Sources: Ministry of Finance; Ministry of Planning; and nonfinancial public enterprises.

1/ Fiscal year beginning April 1.

2/ Fiscal year beginning July 1.

3/ Fiscal year beginning January 1.

Table 21. St. Lucia: Expenditure and Financing of the Public Sector Investment Program (PSIP)

	1995/96	1996/97	1997/98	1998/99	Prel. 1999/00
(In millions of Eastern Caribbean dollars)					
Total	182.3	133.9	241.4	121.4	149.5
General public service	17.6	12.8	27.3	12.4	31.8
Administration	13.8	10.3	24.1	11.9	31.6
Public safety	1.8	2.3	3.2	0.5	0.3
Economic sectors	24.5	31.7	38.0	38.7	40.2
Agriculture	18.6	22.5	24.3	22.6	25.0
Trade and industry	0.3	0.4	1.8	2.4	2.1
Tourism	5.6	8.8	11.9	13.7	13.1
Economic infrastructure	84.4	56.1	99.7	14.9	26.1
Power	1.9	1.7	1.0	0.0	0.6
Transport and communication	40.8	54.3	91.2	7.0	25.3
Water and sanitation	41.6	0.1	7.5	7.9	0.2
Social sectors	29.2	25.8	55.5	43.3	33.7
Education	14.9	10.9	31.5	7.7	16.5
Housing and community services	12.4	12.3	20.4	4.7	14.9
Health	1.9	2.6	3.6	30.9	2.3
Other	26.6	7.5	20.9	12.1	17.8
Environment	13.7	7.5	20.9	12.1	17.8
Financial services	0.0	0.0	0.0	0.0	0.0
Other	12.8	0.0	0.0	0.0	0.0
Source of financing	182.3	133.9	241.4	121.4	149.5
Domestic	99.7	75.4	133.8	34.0	91.8
External	82.6	58.5	107.6	87.4	57.7
(In percent of public sector investment)					
Total	100.0	100.0	100.0	100.0	100.0
General public service	9.6	9.6	11.3	10.2	21.3
Administration	8.7	7.7	10.0	9.8	21.1
Public safety	1.0	1.9	1.3	0.4	0.2
Economic sectors	13.5	23.7	15.7	31.9	26.9
Agriculture	10.2	16.8	10.1	18.6	16.7
Trade and industry	0.2	0.3	0.7	2.0	1.4
Tourism	3.1	6.6	4.9	11.3	8.8
Economic infrastructure	46.3	41.9	41.3	12.3	17.4
Power	1.1	1.3	0.4	0.0	0.4
Transport and communication	22.4	40.5	37.8	5.8	16.9
Water and sanitation	22.8	0.1	3.1	6.5	0.1
Social sectors	16.0	19.3	23.0	35.7	22.5
Education	8.2	8.1	13.0	6.3	11.0
Housing and community services	6.8	9.2	8.5	3.9	9.9
Health	1.0	1.9	1.5	25.5	1.5
Other	14.6	5.6	8.7	10.0	11.9
Environment	7.5	5.6	8.7	10.0	11.9
Financial services	0.0	0.0	0.0	0.0	0.0
Other	7.0	0.0	0.0	0.0	0.0
Source of financing	100.0	100.0	100.0	100.0	100.0
Domestic	54.7	56.3	55.4	28.0	61.4
External	45.3	43.7	44.6	72.0	38.6

Source: Ministry of Planning.

Table 22. St. Lucia: Eastern Caribbean Central Bank Operations

(In millions of Eastern Caribbean dollars)

	December 31				September 30	
	1996	1997	1998	1999	1999	2000
Imputed international reserves 1/	146.07	159.38	185.05	195.62	170.69	193.19
Net claims on commercial banks	-99.83	-103.36	-118.45	-117.46	-108.49	-118.28
Claims	0.02	0.03	0.09	0.08	0.05	0.01
Liabilities	-99.85	-103.39	-118.54	-117.54	-108.55	-118.28
Currency	-32.17	-31.02	-43.79	-40.36	-23.53	-16.26
Statutory reserves	0.00	0.00	0.00	0.00	0.00	0.00
Current deposits	-62.64	-68.62	-71.00	-73.43	-81.27	-98.27
Fixed deposits	-5.03	-3.75	-3.75	-3.75	-3.75	-3.75
Net domestic assets	24.06	13.59	10.91	5.90	4.84	2.36
Net credit to Government	24.06	13.59	10.91	5.90	4.84	2.36
Treasury bills	8.70	6.20	5.22	6.57	5.39	5.39
Debentures	5.00	5.00	5.00	5.00	5.00	5.00
Temporary advances	6.90	0.28	1.66	1.22	0.76	0.96
Interest on securities	0.00	0.00	0.01	0.00	0.00	0.01
Other claims	8.65	7.57	6.49	5.41	5.41	4.33
Government deposits	-5.19	-5.46	-7.47	-12.30	-11.72	-13.31
Liabilities to private sector	70.30	69.61	77.52	84.06	67.04	77.27
Total currency issued	102.47	100.63	121.30	124.41	90.56	93.53
Currency held by banks	-32.17	-31.02	-43.79	-40.36	-23.53	-16.26

Sources: Eastern Caribbean Central Bank; and Fund staff estimates.

1/ Share of St. Lucia in the international reserves of the Eastern Caribbean Bank. It is equal to the liabilities to the private sector less net claims on commercial banks and government.

Table 23. St. Lucia: Consolidated Accounts of the Commercial Banks 1/

	December 31				September 30	
	1996	1997	1998	1999	1999	2000
(In millions of Eastern Caribbean dollars)						
Net foreign assets	-134.3	-166.4	-92.4	-114.2	-125.7	-83.5
Foreign assets	81.8	87.9	143.2	146.5	148.9	156.4
Foreign currencies	7.1	7.3	9.8	7.4	3.7	3.7
Claims on ECCB area banks	11.2	13.1	48.7	37.5	38.2	30.8
Claims on other banks abroad	18.1	23.9	31.9	28.2	22.1	37.8
Other 2/	45.4	43.7	52.9	73.4	84.9	84.1
Foreign liabilities	-216.1	-254.3	-235.7	-260.8	-274.7	-239.9
Due to ECCB area banks	-41.3	-90.9	-44.4	-40.4	-35.5	-46.3
Due to other banks abroad	-76.4	-60.8	-69.6	-97.5	-115.5	-78.7
Nonresident deposits	-94.4	-101.4	-121.0	-122.5	-123.2	-114.6
Other	-4.0	-1.2	-0.7	-0.5	-0.5	-0.3
Net position with ECCB	101.9	105.3	108.5	123.5	119.0	116.7
Claims on ECCB	101.9	105.3	108.5	123.5	119.0	116.7
ECCB notes and coins	32.2	31.0	43.8	40.4	23.5	16.3
Current account	64.7	70.6	61.0	79.4	88.0	96.7
Fixed deposits	5.0	3.8	3.8	3.8	7.5	3.8
Liabilities to ECCB	0.0	0.0	0.0	0.0	0.0	0.0
Net domestic assets	794.5	880.0	902.8	1,000.0	997.0	1,039.0
Net credit to government	-39.8	-37.3	-51.1	-71.7	-49.8	-112.9
Treasury bills	8.7	10.2	8.9	11.2	11.2	10.2
Loans and advances	23.6	37.9	85.2	87.0	84.3	84.9
Central government 3/	22.1	35.6	83.0	85.3	82.5	84.4
Local government	1.5	2.3	2.2	1.8	1.7	0.5
Debentures	17.3	17.3	17.8	23.5	15.5	33.9
Central government	17.3	17.3	17.8	23.5	15.5	33.9
Local government	0.0	0.0	0.0	0.0	0.0	0.0
Deposits	-89.4	-102.7	-163.0	-193.4	-160.8	-241.8
Central government	-88.9	-102.3	-162.1	-191.5	-159.8	-238.2
Local government	-0.5	-0.4	-0.8	-1.9	-0.9	-3.6
Net credit to statutory bodies	-125.9	-134.7	-171.3	-175.4	-182.6	-167.7
Loans, advances, and investment	67.8	64.6	46.7	47.1	43.1	61.2
Deposits	-193.7	-199.3	-218.0	-222.5	-225.7	-228.9
Net credit to other financial institutions	-61.5	-45.3	-49.9	-38.6	-29.9	-21.7
Loans, advances, and investment	13.6	14.5	14.1	30.5	32.6	32.2
Deposits	-75.1	-59.8	-64.1	-69.1	-62.5	-53.9
Credit to private sector 3/	1,071.3	1,171.8	1,258.2	1,394.2	1,359.5	1,465.5
Comm bills disc. ECS	0.0	0.0	0.0	0.0	0.0	0.0
Loans and advances: private business	556.6	574.7	646.7	715.7	701.8	725.4
Loans and advances: households	514.4	596.9	611.2	678.2	657.3	719.8
Investment: private business	0.3	0.3	0.3	0.4	0.4	20.2
Investment: households	0.0	0.0	0.0	0.0	0.0	0.0
Interbank float	8.4	1.8	9.8	26.6	16.2	14.0
Claims	23.1	20.2	48.2	70.2	54.8	43.3
Liabilities	-14.7	-18.4	-38.4	-43.6	-38.6	-29.3
Net unclassified assets	-58.0	-76.2	-92.8	-135.2	-116.3	-138.2
Assets	77.6	79.6	82.4	84.2	79.8	96.8
Liabilities	-135.6	-155.8	-175.2	-219.4	-196.2	-235.0
Liabilities to the private sector 4/	762.2	819.0	918.9	1,009.2	990.2	1,072.3
Demand deposits	155.4	169.6	170.4	183.6	201.2	191.6
Time deposits	186.1	217.6	273.6	292.2	278.8	324.8
Savings deposits	417.2	427.4	467.9	512.5	504.2	548.8
Foreign currency deposits	3.5	4.2	7.1	20.9	6.0	7.0

Source: Eastern Caribbean Central Bank.

1/ The National Commercial Bank, the St. Lucia Cooperative Bank, Barclays Bank, the Bank of Nova Scotia, the Canadian Imperial Bank of Commerce, the Royal Bank of Canada, and Caribbean Banking Corporation.

2/ Includes financial instrument issued by and loans to nonbank residents of countries outside ECCB territory.

3/ Includes government assumption of EC\$40 million in debt from the SLBGA in 1998, previously included under credit to the private sector.

4/ Private sector includes nonbank financial institutions.

Table 24. St. Lucia: Selected Interest Rates

	December 31				September 30	
	1996	1997	1998	1999	1999	2000
I. Eastern Caribbean Central Bank						
Deposit Rates for Commercial Banks						
(In percent per annum)						
Call	5.44	5.47	4.90	5.36	5.20	6.39
One month	5.38	5.67	5.27	6.09	5.22	6.40
Three months	5.44	5.54	4.89	5.91	5.28	6.44
Lending						
Overdrafts	10.50	10.50	10.50	10.50	10.50	10.50
Temporary advances	8.00	8.00	8.00	8.00	8.00	8.00
Memorandum items:						
Libor on U.S. dollar three-month deposits (average)	5.51	5.74	5.56	6.05	5.50	6.60
Difference between Libor and comparable ECCB rate	-0.07	-0.20	-0.67	-0.14	-0.22	-0.16
II. Commercial Banks						
Deposits						
Savings	4.00-6.00	4.00-6.00	4.00-6.00	4.00-6.00	4.00-6.00	4.00-6.00
Time						
3 months	2.00-7.00	2.00-6.00	2.00-6.00	2.00-9.25	2.00-9.25	2.00-9.25
6 months	2.00-7.00	2.00-9.25	2.00-9.25	2.00-9.25	2.00-9.25	2.00-9.25
12 months	2.00-8.50	2.00-9.25	2.00-9.25	2.00-9.25	2.00-9.25	2.00-9.25
Average deposit rate	4.57	4.63	4.78	4.78	4.60	...
Lending						
Prime rate	9.50-10.50	9.50-10.50	9.50-10.50	9.50-10.50	9.50-10.50	9.50-10.50
Other lending rate	7.5-18.00	7.5-18.00	7.5-18.00	7.5-18.00	7.5-18.00	7.5-18.00
Average lending rate	12.93	12.76	11.23	13.08	12.97	...

Sources: Ministry of Finance; and Eastern Caribbean Central Bank.

Table 25. St. Lucia: Commercial Bank Credit by Sector

	December 31				September 30	
	1996	1997	1998	1999	1999	2000
Total	1,195.6	1,307.2	1,422.2	1,561.6	1,526.6	1,631.2
Nonhousehold sectors	663.2	695.0	719.1	819.7	810.3	850.2
Agriculture 1/	45.5	45.1	20.5	21.77	27.2	26.2
Manufacturing	39.1	51.0	51.4	53	49.2	46.8
Distributive trade	178.8	181.5	178.6	195.4	199.0	203.9
Tourism	145.6	125.2	118.7	146.5	136.9	140.5
Entertainment and catering	11.5	9.0	15.1	16.6	16.9	12.8
Transport	42.6	43.8	39.5	48.2	41.7	55.1
Public utilities	21.2	18.7	18.6	15.9	15.7	22.6
Construction	39.2	49.3	59.3	66.5	68.5	80.1
Government and statutory bodies 1/	54.0	66.2	108.5	115.2	112.3	121.9
Of which: central government 1/	22.1	35.6	83.0	85.3	82.5	84.4
Professional and other services	73.1	92.9	93.8	125.8	123.3	121.9
Other advances	12.7	12.4	15.1	14.8	19.6	18.5
Household sector	532.4	612.2	703.1	741.9	716.2	781.0
Acquisition of property	315.7	280.5	303.3	337.7	341.4	370.0
Durable consumer goods	63.1	76.6	127.7	99.7	89.3	94.8
Other personal	153.5	255.1	272.1	304.5	285.5	316.1
Total	100.0	100.0	100.0	100.0	100.0	100.0
Nonhousehold sectors	55.5	53.2	50.6	52.5	53.1	52.1
Agriculture	3.8	3.4	1.4	1.4	1.8	1.6
Manufacturing and mining	3.3	3.9	3.6	3.4	3.2	2.9
Distributive trade	15.0	13.9	12.6	12.5	13.0	12.5
Tourism	12.2	9.6	8.3	9.4	9.0	8.6
Entertainment and catering	1.0	0.7	1.1	1.1	1.1	0.8
Transport	3.6	3.3	2.8	3.1	2.7	3.4
Public utilities	1.8	1.4	1.3	1.0	1.0	1.4
Construction	3.3	3.8	4.2	4.3	4.5	4.9
Government and statutory bodies 1/	4.5	5.1	7.6	7.4	7.4	7.5
Of which: central government 1/	1.9	2.7	5.8	5.5	5.4	5.2
Professional and other services	6.1	7.1	6.6	8.1	8.1	7.5
Other advances	1.1	0.9	1.1	0.9	1.3	1.1
Household sector	44.5	46.8	49.4	47.5	46.9	47.9
House and land purchase	26.4	21.5	21.3	21.6	22.4	22.7
Durable consumer goods	5.3	5.9	9.0	6.4	5.9	5.8
Other personal	12.8	19.5	19.1	19.5	18.7	19.4
Total	12.3	9.5	8.8	9.8	12.6	6.9
Nonhousehold sectors	4.9	4.8	3.5	14.0	17.6	4.9
Agriculture	-2.2	-0.8	-34.5	6.2	-35.4	-3.8
Manufacturing and mining	17.3	30.5	0.8	3.1	4.5	-4.9
Distributive trade	7.0	1.5	-1.6	9.4	11.6	2.4
Tourism	11.7	-14.0	-5.2	23.4	21.2	2.7
Entertainment and catering	19.3	-22.4	68.6	9.9	28.7	-24.3
Transport	-22.0	2.7	-9.8	22.0	4.7	32.0
Public utilities	15.6	-11.6	-0.6	-14.5	-11.5	44.3
Construction	-2.1	25.8	20.4	12.1	22.9	16.9
Government and statutory bodies 1/	8.0	22.5	63.9	6.2	45.7	8.5
Of which: central government 1/	18.8	60.7	133.4	2.8	73.9	2.3
Professional and other services	10.8	27.1	1.0	34.1	40.0	-1.1
Other advances	-23.0	-2.4	21.8	-2.0	35.3	-5.6
Household sector	23.0	15.0	14.8	5.5	6.8	9.0
House and land purchase	21.4	-11.2	8.1	11.3	2.9	8.4
Durable consumer goods	22.1	21.4	66.7	-21.9	13.2	6.2
Other personal	26.8	66.2	6.7	11.9	9.0	10.7

Sources: Eastern Caribbean Central Bank; and Ministry of Finance.

1/ Includes government assumption of ECS\$40 million in debt from the SLBGA in 1998, previously included under credit to the private sector.

Table 26. St. Lucia: Consolidated Accounts of Nonbank Financial Institutions

	December 31				June 30	
	1996	1997	1998	1999	1999	2000
(In millions of Eastern Caribbean dollars)						
Cash reserves	2.2	0.3	0.4	0.1	0.1	0.1
Net foreign assets	0.0	1.5	3.8	1.0	3.0	2.0
Due from banks	0.0	1.5	3.8	1.0	3.0	2.0
Due to financial institutions	0.0	0.0	0.0	0.0	0.0	0.0
Net domestic assets	97.9	120.1	122.1	206.9	165.9	220.9
Loans and advances	210.6	238.8	274.0	330.0	293.0	354.0
Provision for loan losses	0.0	-2.0	-2.8	-3.0	-3.0	-3.0
Investments	2.3	5.6	5.7	13.0	7.0	15.0
Credit from national insurance scheme	-56.4	-60.4	-65.3	-49.0	-46.0	-69.0
Other domestic borrowing	-4.6	-4.8	-4.2	-18.0	-18.4	-17.1
Due from rest of financial system (net)	10.5	14.9	10.1	3.8	1.1	5.1
Commercial banks (net)	10.5	22.3	10.1	3.8	1.1	5.1
Share capital and reserves	-34.1	-41.4	-44.5	-56.0	-51.0	-53.0
Share capital	22.5	25.5	26.2	26.0	26.0	28.0
Retained earnings	4.2	6.1	5.5	8.0	6.0	7.0
Reserve funds	7.4	9.8	12.8	22.0	19.0	18.0
Net unclassified assets	-30.3	-30.6	-50.9	-13.9	-16.8	-11.1
Medium- and long-term foreign liabilities	50.3	55.1	61.3	127.0	106.0	115.0
Caribbean Development Bank	42.0	45.5	49.2	55.0	51.0	55.0
Other	8.3	9.6	12.0	72.0	55.0	60.0
Liabilities to private sector	49.8	66.8	65.0	81.0	63.0	108.0
Time deposits	49.8	66.8	64.7	80.7	62.7	95.0
Savings deposits	0.0	0.0	0.4	0.3	0.3	13.0
(Annual percentage change)						
Net domestic assets	9.2	22.8	1.7	69.4	41.1	33.2
Of which: loans and advances	11.4	13.4	14.7	12.6	12.2	29.2
Liabilities to private sector	7.7	34.2	-2.6	28.6	-0.8	66.1

Source: Ministry of Finance.

Table 27. St. Lucia: Detailed Balance of Payments

(In millions of U.S. dollars)

	1996			1997			1998			1999			PreL 2000		
	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance
Current account	385.0	442.7	-57.7	386.5	465.6	-79.1	417.1	481.6	-64.5	408.7	496.1	-87.5	427.9	513.7	-85.9
Trade balance	86.3	267.4	-181.1	70.2	292.4	-222.2	70.4	295.1	-224.7	60.9	312.0	-251.1	63.3	327.6	-264.3
Exports, f.o.b.	86.3	...	86.3	70.2	...	70.2	70.4	...	70.4	60.9	...	60.9	63.3	...	63.3
Domestic exports	77.2	...	77.2	56.7	...	56.7	60.4	...	60.4	52.0	...	52.0	54.3	...	54.3
Re-exports	9.1	...	9.1	13.6	...	13.6	10.0	...	10.0	9.0	...	9.0	9.0	...	9.0
Imports, f.o.b.	...	267.4	-267.4	...	292.4	-292.4	...	295.1	-295.1	...	312.0	-312.0	...	327.6	-327.6
Services	270.2	160.0	110.2	291.7	161.6	130.1	317.2	176.5	140.7	316.1	174.5	141.6	332.9	176.3	156.6
Travel	236.6	28.8	207.8	253.3	29.5	223.8	277.6	31.2	246.5	272.6	33.0	239.6	288.9	35.0	253.9
Other nonfactor services	30.2	91.8	-61.6	35.1	91.2	-56.0	36.2	98.1	-61.9	41.1	100.2	-59.0	41.6	101.0	-59.4
Insurance and freight	3.7	7.5	-3.8	3.5	8.0	-4.5	3.2	7.8	-4.7	3.2	8.2	-5.0	3.2	7.4	-4.3
Other transportation	12.0	43.0	-31.0	13.6	45.8	-32.2	17.2	41.8	-24.6	11.0	44.8	-33.8	11.8	46.0	-34.2
Interofficial	0.0	3.2	-3.2	0.0	1.3	-1.3	0.0	5.4	-5.4	0.0	2.0	-2.0	0.0	0.0	0.0
Other resident official	0.0	3.6	-3.6	0.0	3.8	-3.8	0.0	3.1	-3.1	0.0	2.8	-2.8	0.0	2.6	-2.6
Other foreign official	1.1	0.0	1.1	1.2	0.0	1.2	1.3	0.0	1.3	0.0	0.0	0.0	0.0	0.0	0.0
Misc. goods, services, and inc.	13.4	34.6	-21.2	16.8	32.3	-15.4	14.5	39.9	-25.4	27.0	42.4	-15.4	26.6	45.0	-18.4
Factor services	3.4	39.4	-36.0	3.3	41.0	-37.7	3.4	47.2	-43.8	2.4	41.4	-39.0	2.5	40.4	-37.9
Interest	1.4	12.8	-11.3	1.4	12.5	-11.1	1.6	15.3	-13.7	1.4	14.3	-12.9	1.4	15.0	-13.6
Public sector	0.0	5.1	-5.1	0.0	5.6	-5.5	0.0	6.9	-6.9	0.0	7.5	-7.5	0.0	8.2	-8.2
Government	0.0	2.6	-2.6	0.0	3.2	-3.2	0.0	4.1	-4.1	0.0	4.3	-4.3	0.0	5.4	-5.4
Government guaranteed	0.0	2.5	-2.5	0.0	2.4	-2.4	0.0	2.9	-2.8	0.0	3.1	-3.1	0.0	2.8	-2.8
Private interest and dividends	1.4	7.6	-6.2	1.4	7.0	-5.5	1.6	8.4	-6.8	1.4	6.8	-5.4	1.4	6.8	-5.4
IMF charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other factor services	2.0	26.6	-24.7	1.8	28.5	-26.6	1.8	31.9	-30.1	1.0	27.1	-26.1	1.1	25.4	-24.3
Direct investment income	0.0	26.6	-26.6	0.0	28.5	-28.5	0.0	31.9	-31.9	0.0	27.1	-27.1	0.0	25.4	-25.4
Profits and dividends	0.0	8.8	-8.8	0.0	11.7	-11.7	0.0	13.5	-13.5	0.0	15.1	-15.1	0.0	16.1	-16.1
Reinvested earnings	0.0	15.6	-15.6	0.0	14.7	-14.7	0.0	16.1	-16.1	0.0	11.9	-11.9	0.0	9.3	-9.3
Interest	0.0	2.2	-2.2	0.0	2.0	-2.0	0.0	2.3	-2.3	0.0	0.1	-0.1	0.0	0.1	-0.1
Labor income	0.2	0.0	0.2	0.2	0.0	0.2	0.2	0.0	0.2	0.2	0.0	0.2	0.2	0.0	0.2
Property income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ECCB investment income	1.8	0.0	1.8	1.7	0.0	1.7	1.6	0.0	1.6	0.8	0.0	0.8	0.9	0.0	0.9
Current transfers	28.5	15.3	13.2	24.6	11.6	13.0	29.6	10.1	19.5	31.6	9.6	22.0	31.6	9.8	21.9
Capital account	83.9	16.8	67.1	96.7	17.9	78.8	140.0	51.9	88.1	157.6	57.6	100.0	135.3	41.5	93.8
Capital transfers	11.1	0.7	10.4	16.3	0.8	15.6	23.2	0.8	22.4	25.6	0.7	24.9	9.7	0.8	8.9
Official borrowing 1/	20.4	4.4	16.0	15.6	5.1	10.5	23.5	7.5	16.0	25.3	10.2	15.1	43.1	10.3	32.9
Central government	16.7	2.2	14.5	8.7	2.2	6.5	9.5	3.3	6.2	9.3	3.3	6.0	7.3	4.7	2.7
Rest of public sector	2.9	2.2	0.7	3.8	2.6	1.2	6.1	3.7	2.4	14.8	5.3	9.5	12.3	5.6	6.7
Bonded debt	0.8	0.0	0.8	3.1	0.3	2.8	7.8	0.5	7.3	1.2	1.6	-0.4	23.5	0.0	23.5
Private capital	29.0	11.7	17.4	52.8	12.0	40.9	93.4	16.2	77.1	98.7	46.7	51.9	82.5	30.4	52.0
Direct investment	19.5	2.6	16.9	18.5	3.6	15.0	86.0	2.6	83.4	97.8	3.7	94.1	46.5	0.0	46.5
Equity	0.0	0.0	0.0	1.0	0.0	1.0	0.2	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Hotels	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Retained earnings	15.6	0.0	15.6	12.7	0.0	12.7	16.1	0.0	16.1	11.9	0.0	11.9	9.3	0.0	9.3
Land sales	2.7	0.0	2.7	3.3	0.0	3.3	3.2	0.3	2.9	3.7	0.0	3.7	2.5	0.0	2.5
Other	1.3	2.6	-1.3	1.5	3.6	-2.1	66.5	2.3	64.1	82.2	3.7	78.5	34.8	0.0	34.8
Other private capital	9.5	9.1	0.4	34.3	8.4	25.9	7.4	13.6	-6.3	0.9	43.0	-42.1	35.9	30.4	5.5
Commercial banks 2/	23.3	0.0	23.3	11.9	0.0	11.9	0.0	27.4	-27.4	8.1	0.0	8.1	0.0	0.0	0.0
Short-term capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Errors and omissions	...	...	-16.3	...	...	5.2	...	...	-14.1	...	...	-8.6	...	...	6.7
Overall balance	...	...	-6.9	...	...	4.9	...	...	9.5	...	...	3.9	...	...	14.6
Financing	0.0	-6.9	6.9	0.0	4.9	-4.9	0.0	9.5	-9.5	0.0	3.9	-3.9	0.0	14.6	-14.6
IMF borrowings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in SDR holdings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in government foreign assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.6	-8.6
Change in imputed reserves 3/	0.0	-6.9	6.9	0.0	4.9	-4.9	0.0	9.5	-9.5	0.0	3.9	-3.9	0.0	6.0	-6.0
Change in arrears	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Sources: Eastern Caribbean Central Bank; and Fund staff estimates.

1/ Fund estimates differ from those published by the ECCB, as the former were derived by aggregation of individual loans, and exclude LUCELEC.

2/ From Monetary Survey, not from data provided by the ECCB.

3/ Held at the ECCB.

Table 28. St. Lucia: Value, Volume, and Unit Value of Major Exports

	1996	1997	1998	Prel. 1999	Est. 2000
(Values in thousands of U.S. dollars and unit values in U.S. dollars)					
Total merchandise exports	86,311	70,222	70,371	60,927	63,267
Domestic exports	77,163	56,652	60,377	51,969	54,309
Re-exports	9,148	13,570	9,995	8,958	8,958
Bananas					
Value	46,585	31,830	34,226	32,211	32,852
Volume ('000 tons)	105	71	73	65	70
Unit price	444.49	445.82	468.60	493.82	469.10
Coconut oil (unrefined)					
Value	0	0	362	271	293
Volume ('000 liters)	0	0	438	159	167
Unit price	0.00	0.00	0.83	1.71	1.75
Fruits and vegetables					
Value	758	741	630	627	612
Volume ('000 kilos)	1,337	1,403	1,280	1,208	1,268
Unit price	0.57	0.53	0.49	0.49	0.48
Beer					
Value	3,243	3,843	5,132	6,541	6,936
Volume ('000 gallons)	470	730	638	846	888
Unit price	6.90	5.26	8.04	7.73	7.81
Paper and paperboard					
Value	5,604	4,195	4,470	2,420	2,624
Volume ('000 kilos)	4,924	4,640	5,041	3,009	3,231
Unit price	1.14	0.90	0.89	0.80	0.81
Clothing					
Value	6,823	3,961	3,559	3,309	3,509
Volume (000 units)	3,742	2,802	1,877	1,920	2,016
Unit price	1.82	1.41	1.90	1.72	1.74
Electronic components					
Value	1,265	2,410	2,640	1,832	2,485
Volume (kilos)	26	38	51	45	47
Unit price	0.05	63.43	51.76	52.08	52.60
Nonalcoholic beverages					
Value	273	377	230	139	147
Volume ('000 liters)	180	348	248	241	253
Unit price	1.52	1.08	0.93	0.58	0.58
Other exports: Value	12,612	9,296	9,129	4,620	4,851
(In percent of domestic exports)					
Bananas	60.4	56.2	56.7	62.0	60.5
Other agriculture	1.0	1.3	1.0	1.2	1.1
Manufactured items	22.3	26.1	27.1	27.9	29.5
Other exports	16.3	16.4	15.1	8.9	8.9
(In percent of GDP)					
Total merchandise exports	15.2	12.1	11.3	9.1	8.9
Re-exports	1.6	2.3	1.6	1.3	1.3
Domestic exports	13.6	9.8	9.7	7.8	7.7
(Annual percentage change)					
Total merchandise exports	-24.7	-18.6	0.2	-13.4	3.8
Re-exports	-56.2	48.3	-26.3	-10.4	0.0
Domestic exports	-17.7	-26.6	6.6	-13.9	4.5

Sources: Statistics Department; St. Lucia Banana Growers Association; Windward Islands Banana Development and Exporting Company (WIBDECO); and Fund staff estimates.

Table 29. St. Lucia: Merchandise Imports by SITC Category

	1996	1997	1998	Prel. 1999
(In millions of U.S. dollars)				
Total imports, c.i.f.	314	333	335	344
Food	69.0	72.7	75.1	70.0
Beverages and tobacco	10.7	11.6	11.6	11.4
Crude materials	8.5	10.6	9.8	11.2
Fuels	25.9	28.3	26.4	21.7
Oils and fats	0.9	1.6	0.6	0.6
Chemicals	32.0	28.3	29.0	33.0
Manufactured goods	58.1	56.5	65.2	72.3
Machinery and transport equipment	68.3	79.6	73.6	77.6
Miscellaneous manufactured articles	40.7	43.9	43.7	46.3
Miscellaneous	0.3	0.2	0.2	0.3
(In percent)				
Total imports, c.i.f.	100.0	100.0	100.0	100.0
Food	22.0	21.8	22.4	20.3
Beverages and tobacco	3.4	3.5	3.4	3.3
Crude materials	2.7	3.2	2.9	3.3
Fuels	8.2	8.5	7.9	6.3
Oils and fats	0.3	0.5	0.2	0.2
Chemicals	10.2	8.5	8.6	9.6
Manufactured goods	18.5	16.9	19.5	21.0
Machinery and transport equipment	21.7	23.9	22.0	22.5
Miscellaneous manufactured articles	12.9	13.2	13.0	13.4
Miscellaneous	0.1	0.1	0.1	0.1
Memorandum items:				
Total imports, c.i.f.				
Percent change	1.4	6.0	0.6	2.7
Ratio to GDP (percent)	54.6	57.5	53.6	51.7

Source: Statistics Department of the Ministry of Finance.

Table 30. St. Lucia: Merchandise Trade Volumes, Unit Values and Terms of Trade

	1996	1997	1998	Prel. 1999	Est. 2000
(1987 = 100)					
Volumes					
Exports	124.8	127.8	137.8	136.3	141.0
Merchandise exports 1/	95.4	74.4	70.9	65.2	69.0
Tourism 2/	195.8	208.8	233.0	218.2	226.4
Merchandise imports 3/	147.0	174.5	181.5	184.1	202.7
Values					
Exports	159.8	165.6	178.2	184.5	194.2
Merchandise exports 1/	92.3	65.3	70.9	66.5	68.6
Tourism	267.0	285.8	313.3	307.5	326.0
Merchandise imports 3/	169.6	185.9	187.1	192.2	207.7
Unit values					
Exports	128.0	129.5	129.3	135.3	137.8
Merchandise exports 1/	96.7	87.7	99.9	101.9	99.3
Tourism 4/	136.4	136.9	134.4	140.9	144.0
Merchandise imports 3/	115.3	106.6	103.0	104.4	102.5
Terms of trade	111.0	121.6	125.5	129.7	134.4
(excluding tourism)	83.9	82.3	97.0	97.6	96.9
(Annual percentage change)					
Volumes					
Exports	0.8	2.4	7.8	-1.1	3.4
Merchandise exports 1/	-8.9	-22.0	-4.7	-8.0	5.8
Tourism	2.4	6.7	11.6	-6.3	3.7
Merchandise imports 2/	1.1	18.7	4.1	1.4	10.1
Unit values					
Exports	0.4	1.2	-0.2	4.7	1.8
Merchandise exports 1/	-5.6	-9.3	13.9	1.9	-2.5
Tourism	0.7	0.4	-1.8	4.8	2.2
Merchandise imports 2/	-1.7	-7.6	-3.3	1.3	-1.8
Terms of trade	2.2	9.5	3.3	3.3	3.7
(excluding tourism)	-3.9	-1.9	17.8	0.6	-0.7

Sources: Statistics Department, Ministry of Finance; and Fund staff estimates.

1/ Merchandise exports comprise about 90 percent of total domestic exports.

2/ Number of tourist arrivals.

3/ Based on data for main trading partners that account for at least 95 percent of imports.

4/ Average expenditure per day of each tourist.

Table 31. St. Lucia: Direction of Trade

(In percent)

	1996	1997	1998	Prel. 1999
(In percent)				
Export destination	100.0	100.0	100.0	100.0
United Kingdom	62.3	51.5	55.8	58.9
United States	25.2	17.5	11.8	12.7
CARICOM countries	12.4	14.1	16.4	15.3
Barbados	2.1	2.9	3.4	6.4
Guyana	0.5	0.8	0.6	0.5
Jamaica	0.0	0.1	0.0	0.0
Trinidad and Tobago	2.7	4.3	4.9	3.7
Other	7.1	6.0	8.8	5.4
France	0.1	0.4	0.1	0.1
Italy	0.0	0.0	0.0	0.0
Rest of the world	-0.1	16.5	13.9	13.0
(In percent)				
Origin of imports	100.0	100.0	100.0	100.0
United Kingdom	10.7	9.3	9.3	10.5
Canada	2.9	2.8	3.4	3.3
United States	37.2	38.5	36.6	38.6
CARICOM countries	22.5	21.3	21.4	22.2
Barbados	3.7	3.1	3.1	3.2
Guyana	0.6	1.0	0.8	1.0
Jamaica	0.7	0.7	1.0	0.9
Trinidad and Tobago	13.2	11.6	12.9	14.3
Other	4.3	4.8	5.6	4.1
Germany	2.3	1.0	1.4	1.0
France	1.7	1.4	2.0	1.5
Italy	0.7	0.7	0.7	0.9
Japan	5.0	4.5	5.2	6.0
Rest of the world	17.0	20.5	20.0	16.0

Source: Statistics Department of the Ministry of Finance.

Table 32. St. Lucia: Effective Exchange Rate Indices 1/

(1990 = 100)

	Real Effective Exchange Rate 1/	Nominal Effective Exchange Rate 1/	Relative Consumer Prices 2/
1996			
I	107.2	120.3	89.1
II	108.2	121.5	89.0
III	105.2	120.8	87.1
IV	103.4	120.8	85.6
1997			
I	106.3	124.7	85.3
II	107.7	126.0	85.5
III	110.7	128.1	86.4
IV	109.3	127.7	85.7
1998			
I	112.9	130.4	86.6
II	112.4	130.1	86.4
III	112.8	129.9	86.8
IV	109.7	126.2	87.0
1999			
I	111.2	128.7	86.4
II	115.5	131.6	87.8
III	116.5	131.7	88.5
IV	118.8	130.9	90.7
2000			
I	119.7	133.2	89.9
II	122.5	136.6	89.7
III	122.6	138.8	88.3
IV			
1996	106.0	120.9	87.7
1997	108.5	126.6	85.7
1998	111.9	129.1	86.7
1999	115.5	130.7	88.4
2000 3/	121.8	136.8	89.1

Source: IMF Information Notice System.

1/ Increases denotes appreciation.

2/ Using seasonally-adjusted price indices.

3/ Data for the period January-October 2000.