



BARBADOS ECONOMIC AND SOCIAL REPORT

2003

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Prime Minister and Minister of Finance and Economic Affairs
The Rt. Hon. Owen S. Arthur
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EXECUTIVE SUMMARY

The Barbados economy recovered in 2003 to register real GDP growth of 2.2 per cent following a decline of 2.7 per cent in 2001 and a virtually unchanged performance in 2002 of 0.0 per cent. This resurgence to economic buoyancy returned the economy's real GDP growth rates to the pre-2001 trends when there were eight (8) years of uninterrupted growth averaging 3.0 per cent annually from 1993. Early signs of recovery were evident since the final two quarters of 2002 when real output increased by 2.5 per cent and 3.9 per cent and this trend continued in all quarters of 2003.

The recovery of the Barbadian economy was largely attributable in some respects to a combination of proactive counter-cyclical fiscal policy instituted since the September 11th attacks in the United States of America in 2001 and the robust performance of the US economy in 2003.

The catalyst for growth was based on a creditable performance in the tourism sector, which expanded by 7.3 per cent in 2003, following declines in 2001 and 2002. This improved outturn came on the heels of outstanding second and fourth quarter performances of 20.4 per cent and 8.6 per cent in 2003 which was driven mainly by the UK, US and CARICOM markets. Meanwhile, cruise arrivals increased by 6.9 per cent in 2003 compared with a 0.8 per cent decline in 2002. An additional boost to GDP growth in the traded sector came from the non-sugar agriculture and fisheries sector, which grew by 2.2 per cent. However, declines in manufacturing of 0.8 per cent and in sugar of 19.0 per cent dampened any prospect of vibrant growth in the traded sector.

The non-traded sectors also contributed to growth with strong gains in construction by 2.9 per cent, wholesale and retail trade by 3.1 per cent and electricity, gas and water by 2.7 per cent. There was moderate growth in the

sub-sectors of government and in transportation, storage and communications. There was also a turn-around in the business and other services sub-sector, which grew by 2.0 per cent, the first positive growth since 2000. However, for the fourth consecutive year, the mining and quarrying sub-sector declined.

Per capita GDP at factor cost increased to \$16,300 at the end of 2003, compared with \$15,300 in 2002. This is the highest per capita GDP level recorded thus far with the second highest being \$15,800 in 2000.

The annual rate of unemployment for 2003 was 11.0 per cent, representing a 0.7 percentage points increase over the 10.3 per cent recorded in 2002. The retail price index rose by 1.6 per cent for 2003 compared with 0.2 per cent for 2002.

Barbados' external position strengthened in 2003 after showing signs of slight weakening in 2002. The turn-around was due primarily to a recovery in the Capital and Financial Account, which registered a 37.4 per cent growth over 2002. The Net International Reserves increased by \$137.1 million at December 31, 2003 to reach \$1,503.4 million compared with a \$47.4 million decline at December 2002. The import reserve cover for goods remained virtually unchanged representing 35.3 weeks of imports at the end of 2003, compared with 35.4 weeks at the end of 2002. Domestic exports were valued at \$329.4 million representing a 1.1 per cent decline when compared with the figure for 2002 of \$333.1 million. The demand for imports continued to expand registering a 10.4 per cent increase from \$2,141.5 million in 2002 to \$2,390.6 million in 2003.

Over the fiscal year 2003/2004, Government generated revenue totaling \$1,850.5 million while current and capital expenditures stood at \$2,302.0 million. The fiscal deficit net of amortisation was reduced by over half to \$133.7 million or 2.5 per cent of GDP, compared with a

fiscal deficit of \$281.2 million or 5.4 per cent of GDP, in 2002/2003. In the fiscal year, total revenue and grants rose by 7.8 per cent or \$134.3 million owing to higher VAT receipts, while total expenditure including amortisation increased by 2.8 per cent or \$62.9 million. However, capital expenditure and net lending declined for the 2nd consecutive year to \$253.7 million representing a 21.9 per cent contraction.

In 2003, the financial sector was affected by the lingering investor uncertainty with respect to the global economic and political environment, and this was manifested in continued growth in commercial bank deposits albeit at a slower rate than in 2002 coupled with a decline in borrowing by the productive sectors of the economy. Total deposits of commercial banks, including foreign currency deposits, grew by 6.8 per cent compared with 16.9 per cent in 2002, to reach \$5,493.8 million in 2003. Total credit to the productive sectors declined from 2002 for the first time since 1992 by 1.5 per cent to \$2,867.0 million. The money supply (the sum of currency held by the public and demand deposits at commercial banks) expanded by \$128.2 million or 5.6 per cent to \$2,416.8 million.

As a consequence of weak credit demand and high levels of liquidity in the banking sector the Central Bank of Barbados maintained a relaxed monetary policy stance adopted between 2001 and 2002 in an effort to encourage borrowing and stimulate investment in the productive sectors.

In the non-bank sector, the total number of active credit unions declined, however,

membership rose by 3.1 per cent during 2003 to reach 109,401 members. The insurance industry also recorded growth in 2003, evidenced by the increase in approved exempt insurance applications and the 10.1 per cent growth in the assets of the industry. In the stock market, the number of trading days was increased from two (2) to three (3), and all twenty four (24) listed companies traded shares during 2003. Two (2) of the three (3) market indices rose, and if the extraordinary activities that occurred in 2002 are excluded, the market indicators suggest that 2003 was a relatively better year than 2002. The review year also witnessed stock splits and a take-over battle, which had a meaningful impact on overall stock market activity. Several initiatives including the introduction of Safe Custody Services, the Tightly Coupled System and the Real Time Gross Settlement were also undertaken in 2003 to upgrade and improve the general efficiency of the operations of the Exchange.

In 2003, world output and world trade volume (goods and services) increased by 3.9 per cent and 4.5 per cent respectively, compared with 3.0 per cent and 3.1 per cent in 2002. However, this global economic expansion was characterized by major disparities in growth between the main economic regions.

The economies of the Caribbean region continued to recover in 2003, on the strength of the upturn in the global economy. Performance was underpinned primarily by improvements in tourism, and to a lesser extent, construction and financial services, while manufacturing and agriculture declined.

I. INTERNATIONAL ECONOMIC DEVELOPMENTS

OVERVIEW

At the start of 2003 global economic prospects were dampened by the political uncertainty engendered by the likelihood of hostilities commencing in Iraq. The result was moderate growth in the first quarter of 2003. The easing of political tensions throughout the year ensured that the economic recovery gained momentum in the third and fourth quarters of 2003.

At the end of 2003 world output and world trade volume (goods and services) increased by 3.9 per cent and 4.5 per cent respectively in 2003, compared with 3.0 per cent and 3.1 per cent in 2002. The global economic expansion was characterized by major disparities in growth between the main economic regions.

The global recovery broadened and strengthened in the second half of 2003. Industrial production picked up sharply, and this was complemented by a strong rebound in global trade; increased business and consumer confidence; and investment growth. Growth in world GDP averaged about 6.0 per cent on an annualised basis. This strong growth is a function of exceptional factors such as a surge in US consumption due to tax cuts and mortgage re-financing and the recovery from the effects of the Severe Acute Deficiency Syndrome (SARS) in many Asian countries and Canada.

The economies of the Caribbean region continued to recover in 2003, on the strength of the upturn in the global economy. Performance was underpinned primarily by improvements in tourism, and to a lesser extent, construction and financial services, while manufacturing and agriculture declined.

The recovery in the world economy was driven by increased growth in the USA, Japan and emerging Asia, especially China. The expected upturn in the euro zone area did not materialize as economic activity was weaker than initially projected.

The strong recovery in Asia was boosted by the demand for imports from China. China has become a major driver of growth in the East Asian region and is now a major export market for many of its regional partners. The impact of SARS did not have the sustained impact on Asian economies as initially projected. This may be due to the tough actions taken by countries such as Hong Kong, Taiwan and China to contain the spread of the disease within and across their borders.

There was a breakdown in talks on the Doha Round of trade negotiations under the auspices of the World Trade Organisation at the Cancun Ministerial Meeting in Mexico in September 2003. Trade negotiations stalled on issues of concessions demanded by developing countries, especially the Group of 20 with respect to the trade in agriculture goods, payment of agricultural subsidies by developed countries to their farmers and the lack of access to other protected markets in developed countries. Developed countries wanted concessions from developing countries on government procurement and international investment.

Volatility on the international financial markets was minimal and continued the trend exhibited in late 2002. The major volatility in the financial markets came from the impact of oil price rises during the hostilities in Iraq and the prolonged oil workers strike in Venezuela. By the end of 2003 the reduction in uncertainty about oil supplies as the strike in Venezuela ended and attacks on Iraq oil fields and installations declined helped to stabilize the prices of the three main grades of oil. The price of oil started to stabilize at a price of more than US\$30 a barrel.

The reduction in international political tension plus an increase in corporate profitability and increased liquidity facilitated a rebound in world stock markets. Mergers and Acquisitions (M&A) activity remained muted in the major financial markets which continued to recover from the excesses of the late 1990s. The risk

premiums on emerging markets debt issues declined with a reduction in political uncertainty throughout the year. This allowed many emerging markets to regain access to international financial markets.

Currency appreciation was a significant factor in international financial and foreign exchange markets in 2003. Investor concerns about the sustainability of the US current account deficit led to an orderly decline in the US dollar against the other major world currencies. The US dollar performed poorly throughout 2003 as it depreciated against most major currencies including the pound sterling.

The euro appreciated against the US dollar and other major currencies. Those countries whose exports were denominated in US dollars suffered from reduced earnings. While those with currency pegs to the US dollar experienced currency depreciation along with the US against other major currencies. Despite the decline in the US dollar volatility in the currency markets is at normal historical levels. Emerging market currencies have appreciated against the US dollar but have depreciated in trade-weighted terms. Asian countries have had to intervene

substantially in the currency markets further building their official reserves.

Interest rates have remained low in most regions of the world on a historical basis. This was a reflection of the fact that investors expect that the more accommodative monetary policy to continue. Bond yields have declined and investors now exhibit a generalized trend towards riskier assets.

Fuel prices trended upwards throughout 2004 especially in the second half of 2003 in response to increased global growth. The increased prices reflect various factors such as the depreciation of the US dollar, higher than expected demand in the USA and China; higher than normal inventories; delays in restoring Iraq's oil production; and speculative activity in the sector.

GROUP OF 7 NATIONS

Trade between members of the G7 increased by 3.1 per cent compared with 2.0 per cent in 2002. Growth was driven by the US, Japan, Canada and UK economies. The US economy recorded the fastest rate of growth of 3.1 per cent and maintained the distinction of being a major engine of world trade.

TABLE 1.1-1

Indicators of Economic Performance in Major Industrial Countries 2002 - 2003

Country	Real GDP (% change)		Unemployment Rate (Annual Avg. (% change)		Inflation Rate (% change)	
	2000 ^R	2003 ^E	2002 ^R	2003 ^E	2002 ^R	2003 ^E
United States	2.2	3.1	5.8	6.0	1.6	2.3
Japan	(0.3)	2.7	5.4	5.3	(0.9)	(0.2)
Germany	0.2	(0.1)	8.8	9.9	1.3	1.1
France	1.2	0.2	9.1	9.3	1.8	2.1
Italy	0.4	0.3	9.0	8.7	2.6	2.8
U.K	1.9	1.7	5.2	5.0	1.9	1.3
Canada	3.3	1.7	7.7	7.6	2.3	2.7

SOURCE: IMF World Economic Outlook May 2003

United States Bureau of Economic Analysis February 24, 2004

Bank of Japan, Bank of England, Bank of Italy, Bank of Canada

UNITED STATES

The US economy recorded higher growth of 3.1 per cent in 2003, up from 2.2 per cent in 2002. In the spring economic growth was constrained by poor economic prospects due to the political tension with respect to Iraq. The economy in the second quarter received a push start from the anticipated impact of higher levels of personal disposable income from the tax cut package passed in May. There was a stunning rate of increase in output of 8.2 per cent in the third quarter. Growth was encouraged by personal consumer expenditures, exports, equipment and software, private inventory investment and residential fixed investment. Consumption accelerated sharply in the third quarter of 2003 by 7.0 per cent year on year. The rate of increase in consumption slowed in the fourth quarter to 2.7 per cent. In the fourth quarter the output of goods and services slowed although it still increased by an annual rate of 4.1 per cent. Fourth quarter growth was facilitated by the expansionary monetary stance and the strong fiscal stimulus from the Government's tax cuts earlier in May 2003. Inflation remained moderate as the pace of productivity improved. The consumer price inflation (CPI) was 2.3 per cent in 2003. It represented an increase of 0.7 percentage points when compared with the 1.6 per cent recorded in 2002. The level of unemployment rose marginally to 6.0 per cent in 2003, an increase of 0.2 percentage points over the rate for 2002. Payroll employment has been slower to recover than in earlier expansionary stages. The jobless growth experienced in 2002 was clearly exhibited in 2003. The factors which influenced the "jobless" growth include but are not limited to changes in labour utilization to improve productivity and lower costs; continued business uncertainty about the pace and strength of economic recovery; and structural changes especially in declining industries.

Productivity rose by 5.2 per cent year on year and has averaged 4.6 per cent since 1999. Unit labour costs rose by 0.4 per cent in 2003, compared with a fall of negative 3.0 per cent in 2002. Interest rates increased moderately during

the year and this helped to ease fears of deflation. The current account deficit was 5.0 per cent in 2003 and was a major factor in the continued depreciation of the US dollar. The Federal Reserve Bank maintained an expansionary fiscal policy throughout 2003 to ensure that economic growth was sustained.

CANADA

The economy grew by a moderate 1.7 per cent in 2003 compared with 3.3 per cent in 2002. The slow down came after strong economic growth of 4.0 per cent in the fourth quarter of 2003. The Canadian economy suffered a number of country-specific shocks in 2003 namely the SARS outbreak, discovery of Bovine Spongiform Encephalopathy in beef herds, an electricity blackout in Ontario and a severe forest fire in northern Canada. The modest growth recorded in the third quarter reflected a sharp inventory correction by manufacturers and retailers. The blackout in August in Ontario and the shutting of traditional markets for Canadian cattle, beef and related products after the discovery of BSE in May adversely affected the economy.

The Canadian dollar appreciated against the US dollar in 2003 with one Canadian averaging 76.5 US cents over the period. The Canadian dollar reached a high of 78.84 cents in October 2003. This was a ten-year high for the Canadian dollar versus the US dollar. The Canadian dollar has depreciated against the euro declining by more than 3.0 per cent in the fourth quarter of 2003.

The CPI increased by 0.4 percentage points to 2.7 per cent at the end of December 2003 on a year-on-year basis. Unemployment declined marginally to 7.6 per cent which was impressive given the almost 50.0 per cent decline in the economic growth rate year on year. Labour market productivity was a moderate 0.5 per cent in 2003, a sharp decline from the 2.7 per cent recorded in 2002 and the negative 1.7 per cent in 2001. Labour productivity has averaged 2.7 per cent since 1999.

To ensure that the economy remained on a sustainable growth path the Bank of Canada pursued a looser monetary policy in 2003 after initially tightening monetary policy in early 2003.

JAPAN

The Japanese economy is estimated to have expanded by 2.7 per cent in 2003, up from a negative 0.3 per cent in 2002. Following a slow start to the year amidst the war in Iraq and the spill-over effects of SARS, the economy benefited from gains in the external environment, especially in the US and East Asia, in particular from China.

Exports increased by 17.9 per cent in 2003 and contributed 1.5 percentage points to economic growth. Private sector investment rose by 22.0 per cent in 2003 and was the main driver of growth. Private consumption rose by 3.3 per cent in the third quarter compared with 2.0 per cent in the second quarter. This resulted in fourth quarter growth of 7.0 per cent. A reduction in imports of 5.7 per cent during the year also contributed to growth in the economy.

Unemployment was almost unchanged at 5.3 per cent when compared with 5.4 per cent in 2002. Labour productivity was 5.4 per cent in 2003, the highest rate since the 6.4 per cent recorded in 2000. Productivity growth averaged 3.6 per cent since 1999. Unit labour costs were a negative 4.3 per cent in 2003 compared with the negative 4.5 per cent in 2002.

The appreciation of the yen continued despite strong and sustained intervention in the market by the Bank of Japan.

Deflationary pressures steadily declined in the second half of 2003 as economic activity increased and this had a positive impact on the economy. Consumer price inflation recorded negative growth of 0.2 per cent in 2003, a significant improvement over the negative 0.9 per cent in 2002. Since October 2003 consumer prices have either risen or remained stationary

on a twelve-month basis. Producer price deflation eased from a twelve-month price decline in June 2003 to almost stability by the end of December 2003.

The profitability of the corporate sector has improved with the health of the banking system recovering as evidenced by the higher price of bank stocks and better balance sheets. The gap between the leading banks and the regional banks has increased despite the efforts of the Financial Services Agency. Bad loans declined by 13.4 per cent in volume while their ratio to lending was down to 6.5 per cent.

The yields on government bonds have risen from 0.4 per cent to 1.6 per cent during the early part of the year. After September the yield ranged between 1.2 and 1.5 per cent.

UNITED KINGDOM

The economy continued on its positive trend although slowing slightly from 1.9 per cent in 2002 to 1.7 per cent in 2003. Growth in the fourth quarter was estimated at 0.9 per cent. Consumer spending remained strong despite the uncertainty engendered by the war in Iraq and the diminished prospects for future economic growth. Consumer price inflation rate on an annual basis was 1.3 per cent in December 2003. This was well within the target range of 0.0 to 2.0 per cent set by the Bank of England. The unemployment rate declined marginally to 5.0 per cent in 2003, down 0.2 percentage points from 2002. In the past three years the unemployment rate has averaged 5.0 per cent. Labour productivity reached 4.9 per cent in 2003 the highest rate for three years. Productivity averaged 3.9 per cent in the last five years. Employment growth was 0.9 per cent and averaged 1.0 per cent over the last five years.

The commodity markets in London were volatile especially with regard to commodity prices. This was especially the case with oil prices.

GERMANY

There was negative economic growth in Germany of 0.1 per cent in 2003 down from 0.2 per cent in 2002. The German economy remained constrained by structural barriers such as a high fiscal deficit, high rates of long term unemployment, low consumer and business confidence and a reduction in demand for exports in its main export markets.

Exports in Germany fell from 3.4 per cent in 2002, to 1.2 per cent in 2003. Imports recovered strongly to increase by 2.6 per cent benefiting from domestic suppliers lack of competitiveness and by stock building.

The unemployment rate averaged 9.9 per cent in 2003, an increase of 1.3 per cent over the 8.8 per cent seen in 2002. Labour productivity was 3.0 per cent in 2003 and averaged 2.9 per cent in the period 2002-2003. Consumer price inflation was a moderate 1.1 per cent in the year under review compared to 1.3 per cent in 2002. Inflation has trended downward since 2001.

ITALY

The Italian economy grew by 0.3 per cent in 2003 almost unchanged from 0.4 per cent in 2002. This continued the moderate growth trend of the last three years. Output fell in the first half of the year under review but grew strongly in the third quarter. Growth stalled in the fourth quarter, reversing the upward trend in the third quarter of 2003.

In the manufacturing sector activity was weak as exposure to international competition increased. The index of industrial production has fallen by 3.0 per cent over the period 2000 to 2003. This is in stark contrast to the unchanged position recorded in France, Germany and the euro area zone. Exports fell sharply in 2003 and registered the third straight year of decline. The decline can be explained by the continued loss of price competitiveness since 2001 especially in the traditional

specialized sectors of clothing and furniture. This was compounded by the appreciation of the euro against other major currencies such as the US dollar.

The average annual rate of consumer price inflation increased marginally to 2.8 per cent from 2.6 per cent in 2002. The unemployment rate continued to decline and reached 8.7 per cent in 2003, a slight decline of 0.3 percentage points from 2002. Productivity was a negative 0.9 per cent in 2003 and averaged a negative 0.6 per cent over the last three years. Unit labour costs increased by 1.0 per cent and have averaged 1.6 per cent over the last five years.

FRANCE

Economic growth was 0.2 per cent in 2003 and maintained a three-year downward trend begun in 2001 and 2002 with rates of 2.1 per cent and 1.2 per cent respectively.

The unemployment rate was 9.3 per cent in 2003. The rate of unemployment increased by 0.2 percentage points during 2003. Productivity was 2.0 per cent in 2003 and has averaged 2.2 per cent annually since 2001. Unit labour costs increased by 0.2 per cent in 2003 compared with 0.6 per cent in 2002.

Export growth in France contracted by 2.3 per cent in 2003 for the first time since 1986. Imports meanwhile increased by a modest 0.6 per cent. Consumer price inflation averaged 2.1 per cent in 2003.

EUROPEAN UNION

The economic and political union recorded economic growth of 0.8 per cent in 2003. It has averaged 2.0 per cent in the last five years with the highest rate of 3.6 per cent in 2000. The unemployment rate was 8.2 per cent in 2003 and has averaged 10.1 per cent since 1999. Growth in employment was 0.3 per cent in 2003, a decline of 0.2 per cent from the 2002 rate. The United Kingdom was one of the stronger economies in

the group in 2003 with a growth rate of 2.3 per cent. The larger economies of Germany, France and Italy have remained mired on a slow growth path over the past two years. The Growth and Stability Pact has not worked as efficiently as expected given the slower growth in the major economies.

THE EURO AREA

The euro area is a sub-grouping of the EU made up of those countries which adopted the euro as their currency in 2001. Economic growth in the euro area was stagnant in the first half of 2003 but resumed in the latter half of the year due to an increase in export demand. In the third and fourth quarters economic growth increased by 1.5 and 1.25 per cent, respectively. Investment picked up in the fourth quarter as external demand picked up from the USA and emerging Asian economies such as China. In most member states the picture on unemployment was mixed with half of the states recording higher rates and the others decreases.

REAL GDP

Economic growth in the euro area reached 0.4 per cent in 2003, a decline of 0.5 per cent from 2002. The economic grouping continued to experience uneven rates of growth among its members in 2003. The slow rate of growth in its major economies of France, Germany and Italy impacted negatively on the overall rate of growth of the grouping.

The fastest growing economies in the euro area were Greece, Spain and Finland which expanded by 4.2, 2.4 and 1.9 per cent, respectively. France grew by 0.2 per cent, Italy 0.3 per cent and Germany recorded negative growth of 0.1 per cent in 2003. In the last three years the larger economies of Germany, France and Italy have averaged growth of less than 1.0 per cent on an annual basis. The economies in recession included Germany, Netherlands and Portugal with negative rates of 0.1, 0.8 and 1.3 per cent, respectively. The lack of strong sustained growth by the major economies in

the euro area continued to act as a drag on the groupings economic prospects. Consumption was weak even as unemployment remained at moderate levels. The pace of economic growth reflects the differences in domestic circumstances with domestic demand weak in Germany and strongest in countries such as Greece, Ireland and Spain.

MONETARY AND FISCAL POLICY

In the euro area one of the major developments in 2003 was the appreciation of the euro against other major currencies such as the US dollar, Japanese Yen and British pound. The appreciation of the currency helped to erode member countries price competitiveness against its major trading partners. Imports increased as the euro appreciated while the exports declined. Imports rose by 1.5 per cent in 2003 after contracting by 0.1 per cent in 2002.

INDUSTRIAL PRODUCTION

Industrial production increased by 0.4 per cent on an annual basis in 2003 compared with a decline in 2002. Spain's imports grew by 6.7 per cent in 2003 faster than exports which rose by 4.0 per cent year on year. Export performance was affected by the slow recovery in international trade and the appreciation of the euro. Import growth at 1.5 per cent benefited from the appreciation of the euro which made imports relatively cheaper.

INFLATION AND UNEMPLOYMENT

Inflation continued to be moderate in the euro area. Consumer prices averaged 2.1 per cent during 2003 on an annualized basis compared with 2.3 per cent last year. Inflation was highest in Ireland, Greece and Portugal with rates of 4.0, 3.6 and 3.3 per cent respectively. The unemployment rate was estimated at 8.8 per cent in 2003 compared with 8.4 per cent in 2002. Spain was the only country with a double digit rate of unemployment of 11.3 per cent.

LATIN AMERICA

The Latin American region grew by 1.5 per cent in 2003 compared with a decline of 0.4 per cent in 2002. Growth in the region was driven by strong external demand from the USA, Japan and China, as exports increased in response to the substantial exchange rate depreciations in the region. There have been improvements in the current account positions of the region which ended the year in surplus. Public debt remained high in Latin America despite the improving economic picture. The fiscal reform process continued in 2003 as countries sought to get their debt burdens under control since the Asian financial crisis.

Economic performance varied among the countries of the region. The fastest growing economies were Argentina, Costa Rica, Panama and Peru which expanded by more than 4.0 percent. Argentina, Chile and Columbia grew by around 3.0 per cent. Brazil, the Dominican Republic and Venezuela were the only countries to register negative growth in 2003 of 0.2, 1.3 and 9.2 per cent, respectively. For Venezuela it was the second consecutive year of near double digit decline exacerbated by continued political instability which contributed to a poor export performance in the oil sector. Argentina showed signs of recovery with growth of 8.7 per cent during the year in review compared with a negative 10.9 per cent in 2002.

The Mexican economy grew by 1.3 per cent year on year. Growth was strongest in the agricultural sector, although the recovery was broad based across all sectors. A closer look reveals positive trends in the services and agricultural sectors, which rose 2.6 per cent year on year and 4.8 per cent year on year, respectively. The industrial sector dropped by 0.8 per cent year on year. The performance of these two sectors helped compensate for the weak performance of the industrial sector, which rose by 0.3 per cent, due to a 0.6 per cent and 0.1 per cent decline in manufacturing production and electricity generation, respectively. Construction and mining grew by 3.5 per cent and 5.3 per cent, respectively. The

unemployment rate was 2.9 per cent in December.

The rate of unemployment reached nearly 11.0 per cent in 2003 and continued to be a great source of concern for Latin American countries. In Colombia, unemployment in the urban areas was registered at 14.7 per cent in December a 1.0 per cent decline from the 15.7 per cent registered in December 2003. Nationwide which is difficult to measure, declined to 12.3 per cent, down from 15.6 per cent in December 2002.

The terms of trade in the region recorded positive growth of 1.5 per cent in 2003. Capital flows into the region with respect to foreign direct investment was measured at US\$29.0 billion in 2003. This was way below the average for the period 1990-2002 of US\$38.0 billion and 25.0 per cent below that for 2002.

The average inflation rate was 8.5 per cent in 2003, nearly 4.0 percentage points below that for 2002. Six countries recorded double digit rates of inflation in 2003. The highest were the Dominican Republic, Uruguay and Venezuela with respective rates of 27.4, 19.4 and 31.1 per cent. In the Mercosur and Andean trade groupings the average rate of inflation was 14.4 and 10.2 per cent, respectively.

ASIA

Most economies in the region performed creditably in 2003 despite the effects of the SARS outbreak in the second quarter of the year and then the Bird Flu epidemic in the latter half of 2003. Growth was facilitated by both strong domestic demand and by intra-regional demand for exports especially with respect to China. The region's different economic groups recorded growth rates on average greater than 4.0 per cent. The region provided half of world economic growth in 2003. Domestic consumption and the tourism sector recorded gains in the second half of 2003 after the negative effects of SARS, benefiting from the supportive monetary policy and increased consumer credit. China remained one of the largest beneficiaries of foreign direct investment in the world.

CHINA

China, which was most severely impacted by SARS and then Bird Flu grew by an exceptional 9.1 per cent in 2003 on the basis of rising trade, foreign direct investment and consumer spending. This represented a rise of 1.1 percent over the also impressive figure for 2002 of 8.0 per cent. China's imports increased in value by 40.0 per cent from its trading partners especially within the region. Strong domestic demand boosted intra-regional trade and helped to support regional growth in 2003. Consumer price inflation was 1.2 per cent in 2003 compared with the negative 0.8 per cent in 2002. Deflationary expectations have eased in the economy during 2003. There were concerns that the economy might be over heating especially with sectors such as construction growing at very high rates due to speculative investments. Measures to rein in domestic credit have been reasonably successful.

SOUTH ASIA

This area which includes Bangladesh, India, Maldives, Nepal, Pakistan and Sri Lanka grew by 7.0 per cent in 2003. India the largest economy grew by 7.4 per cent compared with a more moderate 4.7 per cent in the previous year. India was the second fastest growing economy in the world after China in 2003. Factors which contributed to this strong growth were low interest rates, a bountiful agricultural harvest, infrastructure spending and the continued increase in services exports. Agricultural production expanded by 9.1 per cent due to plentiful monsoon rains following a drought last year. The cumulative impact of slow economic liberalization and a positive demographic shift supported growth. Pakistan and Bangladesh with 5.5 per cent and 5.4 per cent, respectively were also strong performers and benefited from the strong agricultural production during 2003.

ASSOCIATION OF SOUTH EAST ASIAN STATES (ASEAN-4)

This trade group recorded average growth of 5.0 per cent in 2003 an increase of 0.7 per cent over the figure for 2002. Consumer prices declined from 1.9 per cent to 3.9 per cent in 2003. This was a response to better fiscal management, currency appreciation and improved export earnings.

Thailand was the fastest growing economy in the group with 6.7 per cent in 2003, up from 5.4 per cent in 2002. This was coupled with mild inflation of 1.8 per cent in 2003, an increase of 1.2 per cent over 2002. The Bank of Thailand had pursued a supportive monetary and fiscal stance to maintain economic growth. Concerns in the areas of foreign exchange, equity, and housing markets have been addressed by regulatory measures such as limits on short-term capital inflows and prudent regulations.

Malaysia was also a strong performer in 2003 with growth of 5.2 per cent. Inflation at 1.1 per cent in 2003 down 0.7 per cent from the previous year was coupled with continued low unemployment. Industrial output accelerated by a three-year high of 13.5 per cent year on year in December 2003. This was the strongest growth rate in three years, led by manufacturing output, which rose 15.8 per cent year on year in December. As both external and domestic demand improved significantly late in the third quarter of last year, manufacturing production picked up strongly and sales in manufacturing goods surged. Exports rose by 35.5 per cent year on year in December.

Asian Newly Industrialised Economies (NIEs)

These countries grew by a moderate 3.0 per cent, a fall of 2.0 per cent when compared with the figure for 2002. Consumer inflation

remained low at 1.4 per cent in 2003, although it rose slightly by 0.5 per cent on the previous year. The countries recovered strongly from the negative impact of SARS in the first half of 2003 based on their strong export growth. Domestic demand still remained weak throughout 2003. Hong Kong SAR and Taiwan, Province of China were the fastest growing economies in 2003.

Hong Kong SAR grew 3.3 per cent, a rise of 1.0 per cent over the 2002 rate. Deflation remains a possibility as inflation was negative for a second straight year at 2.6 per cent, compared with a negative 3.0 per cent the previous year.

Taiwan, Province of China for 2003 grew by 3.2 per cent, down from 3.6 per cent in 2002 due largely to the large negative impact of SARS. The main source of growth in the fourth quarter remained exports, which increased by 17.0 per cent in the quarter. Other contributors were private consumption which rose by 2.5 per cent and private investment up 12.0 per cent. The seasonally adjusted unemployment rate stood at 4.7 per cent in December, unchanged from November. Nevertheless, during the year labor market conditions improved markedly as the unemployment rate dropped by 0.5 percentage points over the 12-month period. Export orders grew year on year at 20.0 per cent and manufacturing capacity utilization rates are approaching 80.0 per cent so employment prospects are positive. Exports rose 20.6 per cent year on year in December a benefit of the continued strong growth in China and the USA.

AFRICA

The region's economies grew by 4.1 per cent in 2003, an increase of 0.6 per cent over the previous year. The economies of the region have been relatively resilient given the varied growth in world markets especially for its non-fuel commodity exports. The prices for non-fuel commodities which are the main exports from Africa did not contract as sharply as during previous economic slowdowns. The oil

exporting countries of Africa recorded growth of 8.0 per cent in 2003, up from 4.6 per cent the previous year. Oil importing countries grew by 3.0 per cent almost unchanged from the 3.1 per cent in 2002. External and internal factors such as international economic and political uncertainty coupled with local factors such as the weather and political instability are expected to continue to influence growth in the region.

The different areas of the continent have delivered varied rates of growth in 2003. The Maghreb group which comprises Algeria, Tunisia and Morocco grew by 6.2 per cent in 2003 a rise of 2.8 percent over the rate for 2002. Algeria exhibited the fastest rate of growth of 6.7 per cent in 2003.

Sub-Saharan Africa which comprises the countries around the Horn of Africa, Great Lakes, Southern Africa, West and Central Africa and the CFA franc zone rose by 1.0 per cent to 4.4 per cent in 2003. Economic growth was highest in West and Central Africa which grew by 6.4 per cent in 2003, a rise of 3.0 per cent over the rate for 2002. The Horn of Africa declined by 2.0 per cent to 1.9 per cent. The Great Lakes region also saw a decline of 1.1 per cent to 3.7 per cent year on year. Southern Africa rose to 2.4 per cent in 2003, a slight increase of 0.1 per cent. CFA franc zone grew by 4.1 per cent, a moderate decrease of 0.3 per cent when compared with 2002. Consumer prices rose by 3.4 per cent to 17.4 per cent in 2003. Consumer prices were highest in Southern Africa and the Horn of Africa with rates of 54.3 per cent and 10.5 per cent, respectively. Angola and Zimbabwe with rates of 98.3 per cent and 431.7, per cent, respectively heavily skewed the overall level of consumer prices.

South Africa grew by 1.9 per cent in 2003 compared with 3.6 per cent in 2002. Inflation declined by 2.9 per cent to 6.0 per cent in 2003. Exporters benefited from strong external demand supplemented by growing local demand. The central bank cut interest rates in June 2003 as inflationary pressure decreased.

MIDDLE EAST

There was a strengthening of growth in the region in 2003 to 5.4 per cent up by 1.2 percentage points from the previous year. Growth was facilitated by the surge in oil prices which resulted from factors such as the hostilities in Iraq, strikes in Venezuela and strong demand from the USA, China and Japan. Consumer prices for the region averaged 8.6 per cent up from the 7.5 per cent recorded in 2002. Unemployment rates remain high although economic growth has been moderate in the last two years, as the working age population continues to increase at a rapid rate.

Oil exporters in the region grew by an average 6.3 per cent, an increase of 4.6 per cent over the rate for 2002. Consumer prices averaged 10.4 per cent a rise of 1.0 per cent over 2002. Major oil exporters such as Kuwait, United Arab Emirates, Saudi Arabia and the Islamic Republic of Iran grew by 9.9, 7.0, 6.4 and 5.9 per cent, respectively. For Kuwait, United Arab Emirates and Saudi Arabia this has represented a significant increase in economic growth from the previous years. Kuwait actually recovered from recession in 2002 with the strong demand for oil and higher prices.

The non-oil exporting countries of the Mashreq which include Egypt, Syrian Arab Republic, Jordan and Lebanon grew by 3.0 percentage points, a fall of 0.2 percentage points from the previous year. Jordan saw a moderate decline in growth from 5.0 per cent in 2002 to 3.2 per cent in 2003.

Israel grew by 1.3 per cent, a recovery from the recession of 2002 when the economy declined by 0.8 per cent.

CENTRAL EUROPE AND RUSSIA

Those countries in transition from centrally planned to more market oriented economies recorded mix rates of growth in 2003. Russia was the economy that grew the fastest based on important commodity industries such as oil, gas and nickel.

Russia's GDP rose by 7.0 per cent in 2003. Industrial production climbed by 7.0 per cent in 2003. Output growth was driven by increased investment of 14.5 per cent year on year in December especially in the oil sector. In 2003 investment rose by 12.5 per cent compared with 2002. Increased investment activity was supported by high energy and metal prices, lower interest rates and improvements in the corporate sector's financial position, among others.

INTERNATIONAL FINANCIAL MARKETS

The recovery in the world economy which became more broad based in the latter half of 2003 encouraged renewed growth in the international financial markets. The economies of Latin America, East Asia and China elevated the demand for international financial instruments such as bonds and shares. The result was that stock markets world wide showed consistent growth in 2003 compared with 2002 based on increased corporate profitability and liquidity. The risk premiums on financial instruments such as corporate bonds and emerging economies debt issues were substantially lower than in previous years and almost at historical lows. M&A activity remained slow as the international financial markets were still recovering from the effects of the crash in technology stocks from the dot.com related bubble.

Interest rates remained at historically low levels in many developed countries as part of supportive monetary and fiscal policies and low inflation expectations. Interest rates were at their lowest levels for five years. Policy oriented interest rates in the USA, the Euro Area, Japan, United Kingdom and Canada were practically unchanged from the 2002 rates at 1.0, 2.0, 0.0, 3.8 and 2.8 per cent, respectively. There were moderate declines in all major countries with the exception of Japan and Canada which were unchanged from 2002. The Federal Reserve's fund rate was 0.2 percentage points lower in 2003. In the Euro Area the refinancing rate was 2.0 per cent, a decline of 0.8 per cent from

2002. The United Kingdom's base lending rate declined slightly by 0.2 per cent to 3.8 per cent.

Short-term interest rates in the advanced economies showed moderate changes in 2003. The 3-month treasury bill rate in the USA was 1.0 per cent, down 0.6 per cent from 2002. In the Euro Area the rate was 2.4 per cent, a 1.9 per cent decline from the previous year. In Japan the rate was unchanged from 2002 at 0.0 per cent in 2003. The United Kingdom saw a slight reduction in the rate to 3.7 per cent in 2003 from 4.0 per cent in 2002. The Bank of Canada actually increased the rate to 2.9 per cent in 2003, an increase of 0.3 percentage points over 2002.

Long-term interest rates which are the yields on 10-year government bonds averaged 3.7 per cent in 2003, down 0.5 per cent from the 2002 rate of 4.2 per cent. In the USA the yield on 10-year treasury bills fell by 0.6 per cent to 4.0 per cent in 2003. This was the yield on 10-year bonds over the last five years. The Euro Area had the largest decline of 0.7 per cent to 4.2 per cent in 2003 as the European Central Bank sought to provide a supportive monetary policy to aid in economic recovery in the larger economies. The yield on the Bank of Japan's 10-year bonds reached 1.0 per cent, down 0.3 per cent from the 2002 yield of 1.3 per cent. While in the United Kingdom the yield was 4.5 per cent, a decline of 0.3 per cent from the 2002 yield. The yield on Canadian bonds declined by 0.5 per cent to 4.8 per cent in 2003.

In foreign exchange markets the depreciation of the US dollar against all major currencies was the most significant feature during 2003. The US dollar started to depreciate significantly in September 2003 after appreciating in the summer of 2003. Investors' concern about the sustainability of the US current account deficit led to an orderly decline in the US dollar. The dollar declined between 9.0 to 16.0 per cent against the Euro, Yen, Swiss franc and the Australian dollar. The euro reached a high of 1.131 to the dollar at the end of 2003. The dollar depreciated against the currencies of South Korea, Taiwan and

Singapore at less than 4.0 per cent. Central banks in Asia responded to the appreciation of their currencies and the fall in price competitiveness by purchasing large quantities of foreign exchange reserves mainly US dollars. Despite the decline in the US dollar volatility in currency markets was at what would be considered normal levels. Emerging market currencies have appreciated against the US dollar but have depreciated in trade-weighted terms.

INTERNATIONAL COMMODITY MARKETS

The prices of most commodities in the first half of 2003 were on an upward growth path which started in 2002. In the latter half of 2003 the prices of non-fuel commodities started to trend downwards. The prices of fuel commodities fluctuated greatly in 2003 with higher prices in the last six (6) months of 2003. The surge in commodity prices was broad based, with both energy and non-energy prices contributing to the rise. China, North America, and non-OECD Asian countries accounted for the majority of increased demand. At the end of 2003 the average price of a barrel of oil was US\$30.0

CRUDE OIL

The International Energy Agency (IEA) reported that the global demand for oil increased by 2.1 per cent, or 1.6 million barrels a day (mbd). The price of oil fluctuated markedly given the prospect of a war between the US-led coalition and Iraq at the beginning of 2003. The spot price of oil in the first quarter rose sharply to nearly US\$34 a barrel before declining to US\$25.5 a barrel. Increased supplies from OPEC members and Venezuela adequately compensated for disruptions in supplies from Iraq.

In May 2003, the price of oil started to rise due to low inventory stock levels, increased demand especially from US electricity companies, cuts in production by OPEC and difficulties in the recovery of the Iraq oil industry.

In the autumn of 2003 oil prices started to rise again in response to factors such as the continued uncertainties about oil supplies from the Middle East region, significant reduction in strategic reserves by industrial countries of about 2.1 per cent in 2003, and OPEC's decision to lower oil production by April 2004.

OTHER COMMODITIES

The prices of metals and minerals, fertilizers, agricultural beverages (cocoa, tea and coffee) and food (coconut oil, soybeans, palm oil) recorded positive increases year on year in 2003. The strong demand for metal and minerals in the Asian region especially by China's robust economy and other strengthening regional economies has forced prices higher.

Metal prices have surged since mid-2003 due to the increased global economic activity and speculative buying by investors. Demand from China has driven up the price of core materials such as copper, zinc and nickel.

The price of steel products has been especially strong given the demand from China which has benefited producers outside of the US which imposed large anti-dumping duties.

The index of eight (8) steel products compiled by the World Bank showed that prices increased by 14.0 per cent in 2003. The price of individual steel products such as rebar increased by 23.2 per cent in 2003, and hard rolled coil sheets by 22.9 per cent. The prices of other metals and minerals such as nickel grew by 30.0 per cent, copper by 12.4 per cent, and aluminum by 5.7 per cent.

Agricultural beverages saw a mixed performance during 2003. The prices of cocoa declined by 1.5 per cent, Arabica coffee increased by 4.1 per cent, and tea (Colombo auctions) declined by 1.4 per cent. Grains such as maize, rice, wheat and sorghum saw a positive price increase during 2003 between 1.0 and 6.0 per cent. Other food commodities such as bananas and sugar recorded a mixed performance in 2003. The price of bananas in the European and US markets showed contrasting results. In the European market prices increased by 3.9 per cent while in the US it declined by 41.0 per cent. There were price increases in all three major markets in which sugar was bought and sold. The EU, US and World market price of sugar ranged from 8.2 per cent, 2.6 per cent and 2.9 per cent, respectively.

II. REGIONAL ECONOMIC DEVELOPMENTS

OVERVIEW

Regional economies continued along the path of recovery in 2003, on the strength of the upturn in the global economy. Regional performance was underpinned by improvements in tourism, and to a lesser extent, construction and financial services, while manufacturing and agriculture declined. Some countries also provided monetary stimuli by maintaining key policy interest rates at low levels or further reducing interest rates during the year. Nevertheless, the increased economic activity contributed to a rise in revenue, which coupled with expenditure restraint especially on public sector investment, led to an overall improvement in public finances. Inflation, despite higher oil prices was relatively stable. Exchange rates showed little movement, with the exception of Jamaica, which experienced some volatility in the first few months of 2003.

REAL GDP

Real economic activity is estimated to have increased in the Caribbean region during 2003. The highest growth rates were recorded in Trinidad and Tobago, Belize, and Anguilla. Real output of these countries grew by 6.7 per cent, 4.9 per cent and 4.0 per cent respectively. These performances were achieved on the basis of the strong performance of the energy sector in Trinidad and Tobago, and tourism in Belize and Anguilla. Belize also benefited from improved agricultural output. The Organisation of Eastern Caribbean States (OECS) countries also turned in creditable performances in 2003 reflecting heightened tourism activity. Output is estimated to have increased in Antigua and Barbuda by 3.2 per cent, in Grenada by 5.7 per cent, in St. Kitts and Nevis by 2.0 per cent, in St. Lucia by 2.0 per cent and in St. Vincent and the Grenadines by 1.7 per cent.

The Commonwealth of Dominica is estimated to have grown by 0.3 per cent in 2003. This however, represents a remarkable improvement given the large declines of 4.2 per

cent and 4.7 per cent in 2001 and 2002 respectively.

Dominica entered a Stand-by arrangement with the IMF in 2002 and successfully negotiated a Poverty Reduction and Growth Facility (PRGF), which constituted the second phase of reforms, in 2003.

There was also growth in Barbados, the Bahamas and Jamaica with Barbados' economy and the Bahamian economy growing by 2.2 per cent and 1.0 per cent respectively, mainly on account of tourism.

The Jamaican economy grew by 2.1 per cent on account of a strong showing in the tourism industry and a rise in agricultural output. In the case of Montserrat, the improvement was due mainly to an upturn in construction activity. Economic activity in Guyana slowed to approximately 0.2 per cent in 2003 owing to declines in sugar production, mining and quarrying and manufacturing.

INFLATION RATES

Although the rising price of oil, particularly in the first quarter exerted some pressure on prices, regional inflation remained relatively stable in 2003, with only moderate price increases being recorded. Categories exhibiting the most significant rises were food, fuel and light and transportation. With the exception of St. Vincent and the Grenadines and St. Lucia, the Eastern Caribbean islands and the Bahamas experienced marginal increases in their inflation rates over the previous year. Jamaica, whose inflation rates were higher than the regional average for the past two (2) years, (8.8 per cent in 2001 and 7.3 per cent in 2002) endured a phenomenal jump in the general price level during 2003, rising to 14.1 per cent by the end of the year. The main factors that accounted for this high rate of inflation were the direct and indirect effects of the rise in oil prices, depreciation of the exchange rate and the effects of the Government of Jamaica's budgetary

TABLE 2.1-1
Indicators of Economic Performance in Selected Regional Countries
2001-2003

Country	Real GDP Growth Rate (%)			Inflation Rate (%)			Tourism Arrivals (Stay-overs) ('000)		
	2001	2002E	2003E	2001	2002R	2003E	2001	2002E	2003E
Anguilla	2.0	(0.4)	4.0	2.9	(1.5)	7.0	48.0	43.8	46.9
Antigua & Barbuda*	1.5	2.1	3.2	1.0	n.a.	2.5	193.3	198.1	182.4
Bahamas	(2.0)	0.7	1.0	2.0	2.2	3.0	1428.6	1402.9	1428.6
Barbados	(2.7)	0.0	2.2	2.8	0.2	1.7	507.1	497.9	531.2
Belize	4.6	4.0	4.9	1.2	3.0	2.6	196.0	199.6	171.7
Dominica**	(4.6)	(3.1)	-1.0	2.5	0.5	1.6	66.4	67.1	66.3
Grenada	(3.4)	0.6	2.5	2.0	1.1	2.2	123.4	132.4	142.3
Guyana	1.9	1.3	0.2	1.5	6.1	5.9	75.9	87.9	100.9
Jamaica	1.7	1.2	8.2	8.0	7.8	1322.6	1276.6	1266.4	1350.1
Montserrat**	(4.2)	4.4	1.2	4.3	3.3	n.a.	8.2	7.5	6.6
St. Kitts & Nevis	2.4	1.5	2.0	2.1	2.1	2.2	70.6	n.a.	n.a.
St. Lucia	(5.4)	0.4	2.0	3.0	0.6	0.4	250.2	253.4	276.9
St. Vincent & the Grenadines*	(0.7)	0.8	1.7	1.4	1.0	0.3	70.7	77.6	62.2
Trinidad & Tobago*	3.3	2.7	6.7	5.5	4.2	3.0	322.6	317.1	334.8

SOURCE: Caribbean Development Bank Annual Report 2003
Caribbean Development Bank Economic Report 2003
Caribbean Tourism Organisation
IMF Country Reports
Central Bank of Barbados
Bank of Jamaica

* January to October Stay-Overs

**January to November Stay-Overs

measures – for example the imposition of a 2.0 per cent customs user fee on specific imports, expansion of the General Consumption Tax (GCT) base and an increase in the GCT rate on telephone services. Other regional territories such as Belize, Guyana, St. Lucia, St. Vincent and the Grenadines and Trinidad and Tobago, all recorded lower inflation rates than the year before, 2.6 per cent, 4.9 per cent, 0.4 per cent, 0.3 per cent and 3.0 per cent respectively.

SECTORAL ANALYSIS

TOURISM

As a whole, regional tourism improved in 2003 benefiting from the pick-up in global activity, the perception of the Caribbean as a safe destination and the appreciation of the Euro, which made travel to the Caribbean relatively less expensive. Increased airlift from major markets also contributed to the outturn. With regards to stay-over arrivals, the European and US markets performed particularly well in 2003. Of the 11 countries for which market decomposition was available, eight (8) regional countries recorded growth in tourist arrivals from the European market when compared to 2002. Anguilla, Antigua and Barbuda, Belize, Grenada, Jamaica, and St. Lucia all benefited from double-digit rates of growth in European arrivals, while Barbados and Trinidad and Tobago registered growth rates of 6.2 per cent and 6.4 per cent respectively. Most of the regional tourist destinations had a good showing of tourists coming out of the US market. Belize was the only CARICOM state registering a double-digit growth rate of 21.7 per cent in tourist arrivals from the United States. The other CARICOM states recording notable growth in arrivals out of the US market were Anguilla, Antigua and Barbuda, Barbados, Jamaica, St. Lucia and Trinidad and Tobago. However, arrivals from the Canadian market were mixed. While Barbados, Belize, Grenada, St. Lucia and Trinidad and Tobago hosted more tourists from Canada in 2003 than in 2002, the other CARICOM states experienced reduced arrivals from Canada. Cruise-tourism also

performed well in 2003, benefiting from an increased number of cruise-ship calls, with nine (9) of 13 countries showing expansion in arrivals.

AGRICULTURE

Regional agricultural production is estimated to have declined in 2003, reflecting lower output of the region's main crops; bananas and sugar and mixed performances in the other agricultural sectors.

SUGAR

Sugar production is estimated to have decreased by 8.6 per cent to 1.7 million tonnes (tns) in total, for Jamaica, Guyana, St. Kitts and Nevis, Belize, Trinidad and Tobago, and Barbados. The poorer outturn is attributable to the various adverse conditions that confronted the sector. In Jamaica, output was adversely affected by heavy flooding in 2002 and a delay in replanting the 2002 crop, while in Guyana and the OECS, very dry conditions constrained production. Barbados was also affected by adverse weather conditions, and this coupled with a decline in the acreage under cultivation contributed to the lower output.

BANANAS

Production of bananas, the region's other main crop was also down in 2003 on account of adverse weather conditions, particularly in the OECS and Jamaica, with output contracting by 31.9 per cent, and 4.3 per cent, respectively. In contrast, banana production in Belize was up 67.5 per cent to 79,331 tns as the country benefited from successful replanting along with improved field cultivation methods.

RICE

Total rice production increased by 23.3 per cent over the corresponding period in 2002 reaching 355,019 tonnes and signaling a rebound in the industry following three (3) consecutive years of difficulty characterized by

severe financial problems. The sharp turn around in output performance is attributed to the Government of Guyana's success in normalizing the strained relationship between the rice industry and the banking sector, paving the way for more favourable payment arrangements between farmers and millers. The other factors that impacted positively on the rice industry were a substantial improvement in water management with better drainage and irrigation systems, a 15.6 per cent increase in the total land area under cultivation (i.e. 128,379 hectares was under cultivation in 2003) and greater market access, principally in the Caribbean. In 2003, exports rose by approximately 4.0 per cent to 201,200 tonnes, driven largely by entry into the Haitian market. Export earnings however fell slightly as the average price declined from \$235 per tonne to \$226. Parboil rice remained relatively unchanged at around \$360 per tonne.

OTHER CROPS

Production of the other agricultural commodities was uneven, as output of land-based agriculture contracted, while the fisheries sub-sector turned in a mixed performance. In St. Lucia, other agricultural output fell by an estimated 8.0 per cent, while in Belize, citrus production was adversely affected by hurricane damage in 2001 and flooding in 2002. In Grenada, nutmeg production was adversely affected by increased supply on the world market due to the entrance of India. In Barbados, chicken production expanded by 1.5 per cent and milk production contracted by 5.5 per cent, respectively in 2003. The crop sub-sector in St. Kitts and Nevis grew by 7.0 per cent on account of higher production of carrots, peanuts, yams and white potatoes. While in Jamaica, production of crops for domestic consumption such as vegetables, legume, fruits and ground provision rose in 2003.

MANUFACTURING

The region's manufacturing sector continued to struggle in 2003 with most countries exhibiting declines or slow growth.

High production costs compounded by commitments to liberalise markets continued to plague the sector. In Barbados, despite efforts to stimulate the sector by way of the Buy Local campaign, activity in the sector contracted by 1.0 per cent, following a small rise in 2002, while output in Guyana contracted marginally due to declines in beverages, liquid pharmaceuticals and garment production. In the OECS, heightened competition contributed to a decline in output, and in Jamaica, increased competition from imports combined with work interruptions in some industries led to a contraction in output. Trinidad and Tobago however, grew albeit at a slower rate of 3.6 per cent in 2003 when compared with 7.8 per cent in the previous year. This was attributed to slower rates of expansion in chemicals, non-metallic and the assembly and related industries sub-sectors.

MINING AND ENERGY

BAUXITE

As a result of the 2003 privatization of the state-owned Linden Mining Company, Guyana's Bauxite industry has benefited from new investment and new management. Evidence of the benefits derived from the structural changes in the industry was the 41.0 per cent increase in the production of Refractory Grade (RASC) bauxite from 62,000 tonnes to 87,203 tonnes. Despite a 2.7 per cent decline in the production of Chemical Grade (CGB) from 4,755 tonnes in 2002 to 4,625 tonnes in 2003, projections of 2004 production stood at 40,000 tonnes. This is indicative of the increase in production capacity achieved in 2003.

In Jamaica, despite a 0.8 per cent decline in bauxite production over the period January to November, output of alumina rose by 5.4 per cent.

PETROLEUM PRODUCTS

In Trinidad and Tobago, real value-added in the energy sector rose by 9.5 per cent due to higher output of Liquefied Natural gas and a

6.1 per cent expansion in crude oil output. The growth in crude oil output was supported by rising prices, as this encouraged some producers to launch new drilling campaigns. Natural gas production in Trinidad and Tobago benefited from the expansion of the Atlantic LNG facility. The energy industry in Barbados contracted in 2003, crude oil output declined by approximately 5.0 per cent to 370,909 barrels from 390,617 barrels in 2002. Output of natural gas also declined marking a 22.0 per cent reduction of 808,066 thousand cubic feet (MCF) as compared to 1,030,606 MCF in 2002. In addition, LPG output declined by 66.0 per cent from 11,011 bbls in 2002 to 3,691 bbls in 2003 on account of operational problems at the plant.

PRECIOUS METALS

In 2003 world market gold prices continued along the upward path that emanated in 2002. At the end of 2003, the price of gold on the London second fix rose by an estimated 43.9 per cent, climbing from the \$280 per ounce recorded in 2002 to \$403 per ounce in 2003. This dramatic increase in prices is attributed to the shift in investor preferences away from hi-tech and blue chip stocks to gold, other precious metals and other tangible assets given the unstable global environment.

The strong showing in international gold prices has sustained the gold industry's export earnings despite the significant slump (-16.6 per cent) in production volumes for the second year running. This decline in output performance from approximately 336,369 ozs in 2002 to 285,577 ozs in 2003 is as a result of the gradual scaling down of operations of the dominant regional player on account of the unavailability of large ore bodies at the existing mining site and the closure of another mining firm towards the end of 2002.

CONSTRUCTION

Construction activity in the region increased in 2003, however, for some countries it was at a slower pace than in 2002. In Jamaica, increased output of construction reflected

growth in the residential sub-sector and greater roadwork activity, while in Barbados, residential and tourism related projects provided the most stimuli for growth in construction. Most of the OECS countries also showed improvement compared to 2002, due to higher levels of public sector infrastructure investment and tourism and residential expenditures. Conversely, in Trinidad and Tobago, the slowdown was due to the relatively slow pace of the government's housing programme, while in Guyana winding down of major projects and slower implementation of others stymied output growth during the year.

INTERNATIONAL BUSINESS AND FINANCIAL SERVICES

Activity in the region's international business sector slowed in 2003, with Anguilla, the British Virgin Islands, Turks and Caicos and St. Vincent and the Grenadines recording a slowdown in the number of registrations. Uncertainty about the global environment as well as countries' attempts to improve the regulatory framework may have influenced this outcome. In Grenada, the sector is likely to have contracted with offshore banks either closing or liquidating. In contrast, the Cayman Islands showed some improvement in the volume of offshore entities registered in 2003.

During the year, several new pieces of legislation and amendments to existing laws were passed. Most notable of these were the immobilisation of bearer shares, and regulations to more easily identify directors and owners of companies. Owing to the regulatory and supervisory improvements made since June 2000, Grenada and St. Vincent and the Grenadines were removed from the Financial Action Task Force's (FATF) list of non-cooperative jurisdictions in the fight against money laundering in February and June 2003 respectively. Consequently, the most recent list of non-cooperative jurisdictions contained no Caribbean countries. The sector nonetheless continues to face challenges from more developed economies and international agencies that proposed measures to reduce the

flow of taxable income and eliminate the financing of terrorist activities. These measures include the EU's savings directive¹ and the FATF's revised list of recommendations for anti-money laundering standards.

CARICOM SINGLE MARKET AND ECONOMY (CSME)

STATUS OF CSME INITIATIVE

By the end of 2003, eleven-member states – Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago had ratified the agreement to establish the Caribbean Court of Justice (CCJ). To date, only Barbados and Suriname have enacted legislation, giving effect to the agreement. Twelve of the member states have provisionally applied the Agreement establishing the CARICOM Regional Organization for Standards and Quantity (CROSQ). Other supporting, enforcement/regulatory institutions were established by member states during the past five (5) years. These institutions included national standards bodies and national competition authorities in the case of Barbados and Jamaica.

FREE MOVEMENT OF LABOUR AND CAPITAL

In 2003, member states began to facilitate the free movement of services as mandated in February 2002. Jamaica proceeded to fulfill its commitment to immediately remove restrictions impeding intra-regional provision of services. Antigua and Barbuda, Barbados and Guyana removed some of the restrictions, while

St. Vincent and the Grenadines removed three (3) of the five (5) restrictions identified for 2003. Belize and Trinidad and Tobago were the only member states that removed all restrictions relating to 2003. The CARICOM Community is still in the process of making the requisite legislative and administrative arrangements for the free movement of skilled professionals – university graduates, entertainers, sports persons and media workers. At the end of 2003, Montserrat was still to enact the required legislation for free movement of university graduates while necessary legislative amendments were pending in Barbados, St. Vincent and the Grenadines, and Suriname. However Barbados and Suriname along with nine (9) other member states completed regulatory and administrative arrangements for free movement of graduates as well as entertainers, sports persons and media workers. Barbados and Montserrat are to proceed and implement legislation for free movement of artistes, media workers and sports persons, while St. Kitts and Nevis must take appropriate action to provide free movement for these categories. Efforts are ongoing to eliminate the need for a passport by CARICOM nationals for intra-regional travel. Furthermore CARICOM is in the process of developing a CARICOM passport. In order to address some of the socio-economic factors that CARICOM citizens will be confronted with as they take advantage of the provisions for free movement of skilled professionals, all CARICOM states with the exception of Suriname have signed and ratified the CARICOM Social Security Reciprocal Agreement and regularized their social security systems to ensure that social security benefits are easily transferable between territories.

The free movement of capital is very important to the realization of regional economic integration. Hence, in pursuit of a Caribbean Single Market & Economy (CSME), member states are in the process of eliminating existing restrictions to the free movement of capital. This is a quite complicated and technical exercise, especially for those countries that manage fixed exchange rate regimes. Nevertheless, the achievement of free movement of capital in the

¹ This is a requirement that all financial institutions report foreign investment to the home country's tax authorities, so taxes can be collected on foreign-earned income. By virtually deputizing international banks and mutual funds to be their tax collectors, Europe hopes to keep its citizens' money within its borders and move toward eventual "tax harmonization" -

region is a critical precondition for the effective functioning of a “Regional Stock Exchange” that is capable of providing regional firms with cheaper, lower risk capital while at the same time providing investors with a wider range of investment instruments. Barbados, Jamaica and Trinidad and Tobago are already in the process of developing the legislative and administrative framework for the implementation of a facility to enable cross listing and trading by other Member states on the “Regional Stock Exchange”. Intra-Regional Double Taxation Agreements are another important aspect of a functional regional common market and economy. Consequently, 11 member states have signed and ratified the Intra-Regional Double Taxation Agreement. Eight (8) of these countries have enacted national legislation to give effect to the Agreement.

THE RIGHT OF ESTABLISHMENT

At the end of 2003, the Caribbean Community was still in the process of removing existing domestic restrictions, gradually giving regional entities the right to establish a commercial presence in any CARICOM state.

Ten member states namely Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Lucia, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago have implemented Phase IV of the Common External Tariff (CET). Jamaica and Trinidad and Tobago have made further strides by implementing the revised structure of the CET based on 2002 HS. Both of these countries have also implemented the amended Schedule I (i.e. Rules of Origin) based on 2002 HS.

III. THE BARBADOS ECONOMY

A. THE REAL SECTOR

OVERVIEW

The Barbadian economy recovered from the lacklustre performance seen in 2001 when output declined by 2.7 per cent, and in 2002 when output remained constant at 0.0 per cent, to register provisional growth of 2.2 per cent. This represented the first year of growth since 2000 when output increased by 2.4 per cent. Signs of a recovery were evident since the second half of 2002 when output increased in the final two quarters by 2.5 per cent and 3.9 per cent, successively. This encouraging showing continued into 2003 with growth in each quarter of the year of 1.1 per cent, 3.0 per cent, 1.8 per cent and 2.9 per cent, respectively.

The return to growth was prompted by a creditable performance in the tourism sector, which expanded by 7.3 per cent in 2003, following declines in 2001 and 2002 of 5.9 per cent and 2.7 per cent respectively. An additional boost to the traded sector came from the non-sugar agriculture and fisheries sector, which grew by 2.2 per cent. Conversely, declines in manufacturing of 0.8 per cent and in sugar of 19.0 per cent dampened any prospect of stronger growth in the traded sector.

The non-traded sector experienced broad-based growth with robust gains in both the construction and wholesale and retail sub-sectors. The electricity, gas and water; and government sub-sectors also contributed to this growth though on a smaller scale. Moderate growth in the transportation, storage and communications saw a turn-around in fortunes over the previous year when the sub-sector performed poorly. This was also the case for the business and other services sub-sector, which grew for the first time in three years. For the fourth consecutive year, the mining and quarrying sub-sector declined.

The recovery of the Barbadian economy may be attributed in some respects to a

proactive counter-cyclical fiscal policy instituted since the September 11th attacks in the United States of America in 2001 and the robust performance of the US economy in 2003, which contributed to the favourable environment for growth.

THE TRADED SECTOR¹

Real value-added in the tourism sector increased by 7.3 per cent in 2003, compared with declines of 2.7 per cent in 2002 and 5.9 per cent in 2001. Output was positive in each quarter since the latter half of 2002 when a rebound in tourism commenced. This improved showing in 2003, however, came on the heels of outstanding second and fourth quarter performances of 20.4 per cent and 8.6 per cent, respectively.

A 19.2 per cent increase in long stay arrivals, occasioned by the Australian cricket tour to the Caribbean, contributed to strong second quarter value-added. Meanwhile, a record number of cruise ship berths, saw cruise arrivals increase by 17.1 per cent in the final quarter, giving another boost to overall tourism activity.

For the year, long stay arrivals increased by 6.7 per cent, from 497,899 to 531,211, compared with a 1.8 per cent decline in 2002. The UK, US and CARICOM markets provided the main sources for this growth.

Cruise arrivals increased by 6.9 per cent compared with a marginal decline in 2002 of 0.8 per cent, moving from 523,253 to 559,119.

Output in the manufacturing sector declined by 0.8 per cent in 2003, following marginal growth of 0.3 per cent in 2002. Over the five-year period 1999-2003, the sector performed poorly with 2002 being the only year in which the sector did not contract.

¹ Source for Traded Sector data: Central Bank of Barbados.

Table 3.1-1
Estimates of Real Gross Domestic Product and Real Growth Rates
1999-2003
(Base: 1974 = 100)

SECTOR OF ORIGIN	1999R		2000R		2001R		2002R		2003RP	
	\$M	% change	\$M	% change	\$M	% change	\$M	% change	\$M	% change
TRADED SECTOR	291.6	1.1	306.7	5.2	284.4	(7.3)	278.2	(2.2)	285.1	2.5
Sugar	22.9	10.9	25.1	9.7	21.4	(14.7)	19.3	(10.0)	15.6	(19.0)
Non-Sugar	36.1	8.5	36.1	0.1	34.0	(6.0)	33.8	(0.6)	34.5	2.2
Tourism	143.9	0.3	157.2	9.2	147.9	(5.9)	143.8	(2.7)	154.3	7.3
Manufacturing	88.7	(2.4)	88.3	(0.5)	81.1	(8.1)	81.3	0.3	80.7	(0.8)
NON-TRADED SECTOR	683.7	0.2	692.0	1.2	680.0	(1.7)	681.9	0.3	696.1	2.1
Electricity, Gas & Water	37.7	5.0	37.7	0.3	39.1	3.7	39.8	1.7	40.9	2.7
Construction	72.4	10.0	74.3	2.7	71.0	(4.5)	73.2	3.1	75.4	2.9
Wholesale & Retail Trade	187.1	8.0	189.5	1.3	183.6	(3.1)	185.4	1.0	191.2	3.1
Mining & Quarrying	9.5	8.0	8.7	(8.0)	7.6	(13.2)	7.1	(5.6)	6.5	(9.0)
Transport, Storage & Communications	81.9	4.2	82.6	0.8	83.1	0.7	80.6	(3.0)	81.7	1.3
Business & General Services	164.4	0.1	164.7	0.2	163.4	(0.7)	159.5	(2.4)	162.6	2.0
Government Services	130.8	4.1	134.4	2.8	132.2	(1.7)	136.1	3.0	137.9	1.3
GDP	975.3	0.5	998.7	2.4	964.4	(2.7)	960.1	0.0	981.2	2.2

SOURCE: Central Bank of Barbados

In spite of the continued promotion of local products through the "Buy Local" campaign and continued institutional support from Government, broad-based decline in the sector was evident. Value-added declined in food processing by 1.7 per cent, following robust growth of 6.6 per cent in 2002. Garment production declined by 6.3 per cent, although significantly lower than the decline of 25.8 per cent recorded in 2002. Other sub-sectors which contracted included: electronics, 12.0 per cent; chemicals, 3.9 per cent; wooden furniture, 0.4 per cent; and other non-metallic mineral products, 8.3 per cent.

The exceptions to the rule occurred in beverages and tobacco, which increased by 2.7 per cent following moderate declines in each of the last three years; and in the other manufacturing industries, which grew by 0.6 per cent.

Sugar production declined significantly for the third year in a row, falling by an estimated 19.0 per cent from 44.8 thousand tonnes to 36.3 thousand tonnes. As was the case in 2002 when output declined by 10.0 per cent, a late start to the crop and adverse weather conditions contributed to low sugar production. An increased incidence of cane fires further impacted on sugar output.

A 2.2 per cent increase in the output of the non-sugar agriculture and fishing sector in 2003 ended two successive years of decline when output fell by 6.0 per cent and 0.6 per cent, respectively. Chicken production contributed to non-sugar output, with increased production for the first time in four years of 1.7 per cent.

NON-TRADED SECTOR²

The turn around in the non-traded sector continued in 2003 when output expanded by

² Source for Non-Traded Sector data: Central Bank of Barbados.

2.1 per cent, compared with growth of 0.3 per cent in 2002. Moreover, this rate of growth was the highest on record since 1998 when the sector grew by 8.5 per cent. Activity in the sector may be attributed mainly to an expansion in value-added in the wholesale and retail trade of 3.1 per cent, compared with 1.0 per cent a year earlier. The strong showing in tourism during the year would have contributed to this result. Slower growth in government services of 1.3 per cent, attributed to cutbacks in Government's fiscal expenditure in an effort to reduce the fiscal deficit, along with growth of 2.9 per cent in construction also contributed to this positive outcome.

Increases were also recorded in the sub-sectors of electricity, gas and water of 2.7 per cent; transportation, storage and communications of 1.3 per cent; and business and other services of 2.0 per cent.

Mining and quarrying which declined for the fourth consecutive year, falling by 9.0 per cent, compared with 5.6 per cent in 2002. A feature of this end result was the decline in output from existing oil wells, which overwhelmed the effects of increased production from new wells.

CONTRIBUTION TO GDP

In 2003, four sectors accounted for 65.8 per cent of value-added in the economy, similar to the 65.1 per cent recorded in 2002. These sectors comprised the wholesale and retail trade, whose contribution to real gross domestic product rose by 0.2 of a percentage point to 19.5 per cent; the business and general services sector, which accounted for 16.8 per cent of real GDP, compared with 16.6 per cent in 2002; tourism, which accounted for 15.7 per cent, compared with 15.0 per cent in 2002; and government services whose contribution fell by 0.3 of a percentage point to 13.9 per cent of real GDP.

Manufacturing, 8.2 per cent; construction, 7.9 per cent; non-sugar agriculture 3.5 per cent; and sugar, 1.6 per cent, made lesser contributions to real GDP. Manufacturing and

Table 3.1-2
Composition of Expenditure on Gross Domestic Product
1994-2003
(Current Prices)

(\$ M)

Year	Consumption Expenditure			Gross Capital Formation										Gross Domestic Product at (F.C.)
	Personal	Government	Total	#* Public Building Activity	*Private Building Activity	Finished Capital Stock	Stocks of Finished Goods	Total	Exports of Goods Services	Gross Expenditure on GDP	LESS: Imports of Goods and Services	Net Expenditure on GDP (MP)	LESS: Net Indirect Taxes	
1994	1978.1	707.1	2685.2	56.9	253.6	170.1	23.1	503.7	1979.9	5168.9	(1683.8)	3485.1	(551.1)	2934.0
1995	2305.6	751.8	3057.4	36.6	316.6	194.6	19.4	567.2	2176.6	5801.2	(2058.8)	3742.4	(582.4)	3160.0
1996	2359.0	848.0	3207.0	79.6	302.4	248.2	(22.4)	607.8	2379.7	6194.5	(2199.7)	3994.8	(593.7)	3401.1
1997	2764.1	927.3	3691.4	111.8	360.5	315.1	4.4	791.8	2438.0	6921.3	(2530.3)	4391.0	(784.1)	3606.9
1998	2983.4	981.5	3964.9	94.4	425.6	344.8	8.9	873.7	2521.9	7360.5	(2619.7)	4740.8	(833.9)	3906.9
1999	3241.2	1026.7	4267.9	118.0	444.4	373.2	29.4	965.0	2545.9	7778.8	(2823.2)	4955.6	(825.3)	4130.3
2000	3422.8	1084.3	4507.1	112.3	467.0	360.2	7.4	946.9	2582.9	8063.8	(2919.2)	5117.6	(891.8)	4225.8
2001	3270.1	1142.6	4412.7	118.5	397.8	322.5	(15.0)	823.9	2590.7	7827.3	(2735.3)	5092.0	(875.3)	4216.7
2002	3247.8	1218.6	4466.3	168.7	357.7	309.4	(0.4)	835.5	2479.6	7781.4	(2739.5)	5041.9	(886.2)	4155.7
2003P	3611.7	1314.9	4926.6	117.1	423.5	369.8	(0.4)	910.0	2704.7	8541.3	(3043.1)	5498.2	1055.1	4443.1

SOURCE: Barbados Statistical Service
 MP: Market Prices
 FC: Factor Prices

* Land Development included
 # Central Government only

sugar's contribution fell somewhat over that for 2002, by 0.3 and 0.4 percentage points, respectively. The contribution made by construction rose slightly by 0.3 of a percentage point, while the contribution of non-sugar agriculture remained constant.

EXPENDITURE ON GDP

Gross domestic product at market prices exhibited a healthy increase in 2003 rising by 9.0 per cent to \$5,498.2 million, following a decline of 1.3 per cent in 2002 when total expenditure on GDP was valued at \$5,041.9 million.

Correcting for subsidies and indirect taxes, expenditure on GDP, or GDP at factor cost, was shown to have increased by 6.9 per cent to \$4,443.1 million.

Consumption expenditure accounted for the vast majority of expenditure on GDP increasing by 10.3 per cent over the previous year to \$4,926.6 million. Growth of 11.2 per cent in personal consumption was a major factor contributing to the increase in overall consumption. Personal consumption had declined by 0.7 per cent in 2002. Government spending continued to be robust increasing by 7.9 per cent to \$1,314.9 million following an increase of 6.6 per cent in 2002. Government expenditure accounted for 26.7 per cent of total consumption expenditure, slightly less than the 27.3 per cent for 2002.

Total domestic investment stood at \$910.0 million in 2003, an increase of 8.9 per cent over the \$835.5 million recorded in 2002. Private building activity, which increased by 18.4 per cent to \$423.5 million, along with an increase in the finished capital stock of 19.5 per cent to \$369.8 million accounted for most of the capital accumulation in 2003. Public building activity declined by 30.6 per cent to \$117.1 million reflecting the decrease in the government's capital expenditure. In contrast, in 2002 public building activity had increased by 42.2 per cent, while private building activity and finished capital stock had declined by 10.1 per cent and 4.1 per cent, respectively.

Exports of goods and services increased by 9.1 per cent to \$2,704.7 million having declined by 4.3 per cent to \$2,479.6 million in 2002. The effect of the increase in exports was negated by an 11.1 per cent increase in imports, which rose to \$3,043.1 million in 2003.

PER CAPITA INCOME

Per capita GDP at factor cost stood at approximately \$16,300 at the end of 2003, compared with \$15,300 in 2002. This is the highest per capita figure recorded thus far. In 2000, however, per capita GDP reached a similar level and was recorded at \$15,800.

B. BALANCE OF PAYMENTS

OVERVIEW

Barbados' external position strengthened in 2003 after showing signs of slight weakening in 2002. The turn around was due primarily to a recovery in the Capital and Financial Account, which registered a 59.7 per cent growth over 2002. This growth is attributed to substantial increases in both Public and Private inflows. The contraction of the current account deficit from \$355.2 million in 2002 to \$334.2 million in 2003 also played a role in the strengthening of the external position. Net International Reserves in 2003 increased by \$137.1 million at December, 31 to reach \$1503.4 million compared with a \$47.4 million decline at December 2002. Import reserve cover remained virtually unchanged at 35.3 weeks of imports at the end of 2003, compared with 35.4 weeks at the end of 2002.

CURRENT ACCOUNT

At the end of 2003, the current account deficit contracted to \$334.2 million, which represented 6.2 per cent of GDP compared to \$355.2 million, 7.0 per cent of GDP at the end of 2002. The outturn was due to a 13.9 per cent increase in travel credits, which outweighed the 10.7 per cent increase in retained imports.

Table 3.2-1
Balance of Payments
1998-2003

	(\$ M)					
	1998	1999	2000R	2001R	2002R	2003P
Current Account	-124.9	-294.9	-290.0	-221.1	-355.2	-334.2
Total Exports	522.5	527.4	544.5	518.8	469.0	479.9
of which Domestic Exports	390.7	394.9	379.2	352.5	333.1	329.4
Imports (CIF)	2063.6	2216.1	2312.0	2137.3	2141.5	2390.6
of which Retained Imports	1931.8	2083.6	2146.7	1971.0	1991.7	2220.5
Services (Net)	1182.8	1142.2	1205.7	1140.0	1092.8	1258.6
of which Tourism	1259.5	1200.2	1257.8	1192.7	1117.8	1285.6
Income	-112.1	-142.8	-164.6	186.7	-203.6	-192.6
Transfers	105.5	134.1	156.8	187.8	172.4	197.8
Capital and Financial Account	48.2	277.4	627.7	579.8	294.5	470.4
E and O	2.2	128.5	68.8	94.1	239.2	239.7
Overall Surplus/Deficit	-74.5	111.0	401.6	452.9	177.5	373.9
Net Official financing	0.0	0.0	0.0	0.0	0.0	0.0
IMF Credit	0.0	0.0	0.0	0.0	0.0	0.0
Other M.A.	0.0	0.0	0.0	0.0	0.0	0.0
Other F.I.	0.0	0.0	0.0	0.0	0.0	0.0
Change in Foreign Reserves (CBB Basis) (-increase/+decrease)	74.5	-111.0	-401.6	-452.9	-177.5	-375.9
Adjusted by:						
Commercial Banks' Position (net)	-63.3	37.2	45.6	7.8	224.9	238.8
IMF Resources	0.0	0.0	0.0	0.0	0.0	0.0
Change in NIR (IMF Basis) (-increase/+decrease)	11.2	-73.8	-356.0	-445.1	47.7	-137.1

SOURCE: Central Bank of Barbados

E - Estimates M.A. - Monetary Authorities

F.I. - Financial Institutions E and O - Errors and Omissions

The merchandise trade deficit widen to \$1596.1 million, a 12.7 per cent increase compared with \$1417.9 million in 2002. Total exports increased by 2.3 per cent to \$479.9 million, halting two consecutive years of decline, and total imports increased by 11.6 per cent to \$2390.6 million compared with \$2141.5 million in 2002. For the year 2003 total domestic exports were estimated at \$329.4 million, a 1.1 per cent decline from \$333.1 million for the corresponding period. This was primarily due to decreases in receipts from exports in Chemicals by 0.4 per cent to \$41.9 million, Food and Beverages by 29.2 per cent to \$36.8 million. Increases however were recorded for Sugar by 8.8 per cent to \$41.0 million, Electronic Components by 2.4 per cent to \$29.7 million, the All Other sub-sector by 7.4 per cent to \$135.6 million, Goods Procured in Port by 24.2 per cent to \$100.2 million, and Goods for Processing by 57.9 per cent to \$30.0 million.

During the year 2003 retained imports grew to \$2220.5 million, representing a 11.5 per cent increase over \$1991.7 million in 2002. This increase was primarily due to an increase in aggregate demand for: consumer goods by 6.3 per cent to \$915.4 million; capital goods by 14.2 per cent to \$462.1 million; and intermediate goods by 14.0 per cent to \$835.3 million. Conversely imports of miscellaneous goods decrease by some 2.6 per cent to register \$7.7 million in 2003.

The level of capital goods imports increased by 14.2 per cent to reach \$462.1 million during the year 2003. This increase was due to a rise in imported machinery. The demand for intermediate goods imports also increased in 2003 by 14.0 per cent to \$835.3 million compared to \$732.6 million in 2002. This increase was due primarily to increases in Fuels by \$71.3 million, and Construction Materials by \$9.6 million.

CAPITAL AND FINANCIAL ACCOUNT

The Capital and Financial Account position of the Balance of Payments was in surplus \$470.4 million compare with \$294.5 million the year before. This improved position was due to both public and private sector inflows. In 2002 public outflows was recorded

at \$58.3 million, which was primarily the result of the commencement of debt payment on a US \$40 million bond issue. However a turn around was seen in 2003, where public inflows amounted to \$141.7 million, due primarily to the \$189 million gain from the divestment of shares in Barbados National Bank. Private inflows increase to \$265.1 million from \$182.8 million in 2002, due mainly to the sale of shares in the Mutual Bank.

NET INTERNATIONAL RESERVES

Net International reserves at the Central Bank for 2003 stood at \$1503.4 million representing an increase of \$137.1 million. This increase over 2002 was primarily because of second and third quarter increases of \$21.1 million and \$133.8 million respectively. This increase reflects the strong performance of the capital and financial account and substantial net long-term public and private sector inflows. This strong position of the NIR at the end of 2003 resulted in the import reserve cover being 35.3 weeks compared with 35.4 weeks in 2002.

DIRECTION OF TRADE

EXPORTS

In 2003, domestic exports were valued at \$329.4 million, a 1.1 per cent decline when compared with the figure for 2002 of \$333.1 million. CARICOM continues to be the primary market for Barbados' domestic exports, with a market share of 51.6 per cent, a marginal decline from a market share of 53.2 per cent in 2002. Exports to CARICOM decrease to \$169.9 million, some \$7.3 million less than the \$177.2 million in 2002. Within CARICOM, Trinidad and Tobago was the major importer of Barbados' domestic goods in 2003, representing some \$50.5 million compared with \$52.5 million in 2002.

The United States of America and the United Kingdom were the second and third largest markets respectively, for Barbadian domestic exports. Domestic Exports to the U.S. stood at \$58.1 million, showing a 10.1 per cent increase over the corresponding year 2002 by 5.0 per cent.

Barbados exported \$52.6 million worth of goods to the U.K. representing a 5.0 per cent increase over 2002.

Domestic exports to Canada and Germany continued to fall by \$0.4 million and \$1.3 million respectively, implying that demand for Barbadian goods in these markets has declined. All other countries showed a decrease in their demand by \$0.4 million; from \$41.8 million in 2002 to \$41.4 million in 2003.

IMPORTS

Imports in 2003 followed the pattern from 2002 and continues to increase. A 10.4 per cent growth in imported goods was seen as imports increased from \$2141.5 million in 2002 to \$2390.6 million in 2003, some \$249.1 million difference.

The U.S. continued to be our primary supplier from extra-regional countries and on a whole the U.S. is Barbados' largest trading partner, accounting for 37.2 per cent or \$891.2 million of total imports in 2003, compared with 39.7 per cent of the market in 2002.

CARICOM being the second largest market for Barbados' imports represent 23.8 per cent of the total market share as imports increased by 23.4 per cent or \$107.4 million to reach \$570.5 million at the end of the review period, compared with \$463.1 million in imports at the end of 2002.

Imports from our third largest supplier, the U.K. fell by \$8.5 million or 5.4 per cent to \$148.9 million in 2003. This represents a marginal decrease in its market share from 7.3 per cent in 2002 to 6.2 per cent in 2003.

There were also increases in imports from other markets such as Canada by \$10.0 million to \$84.8 million, Japan by \$16.8 million to \$106.9 million, and also the German market where a marginal increase from \$35.6 million to \$39.5 million was seen. The aggregated All Other Countries group also recorded an increase of \$81.9 million over the \$460.8 million in 2002 for imports supplied to the Barbadian economy.

C. PUBLIC FINANCE

GOVERNMENT OPERATIONS

During the fiscal year 2003/2004, Government generated revenue totaling \$1,850.5 million while current and capital expenditures stood at \$2,302.0 million. The fiscal deficit net of amortisation was \$133.7 million or 2.5 per cent of GDP, compared with a fiscal deficit of \$281.2 million or 5.4 per cent of GDP, in 2002/2003. In the fiscal year, total revenue and grants rose by 7.8 per cent or \$134.3 million owing to higher VAT receipts, while total expenditure including amortisation increased by 2.8 per cent or \$62.9 million due to reduced capital spending.

REVENUE

Total revenue for 2003/2004 grew by \$134.3 million to \$1,850.5 million aided by 15.7 per cent increase in VAT collections and a 5.5 per cent rise in corporate tax yields, linked to the improved profitability of firms. For the review period, tax revenue stood at \$1,791.0 million, an increase of \$171.1 million over collections in 2002/2003. Taxes on income and profits declined by \$7.4 million to \$597.3 million. This comprised mainly personal income taxes, which fell by \$26.5 million to \$331.9 million and corporation taxes, which yielded \$232.4 million compared to \$220.3 million in 2002/2003. Withholding tax yielded \$33.0 million in the review period. Non-tax revenue totaled \$59.5 million in 2003/2004, a decrease of \$19.9 million from the \$79.4 million collected in 2002/2003.

In the review period, revenue from property taxes increased by \$9.8 million to \$105.5 million, following the \$6.8 million contraction experienced in 2002/2003.

Taxes on goods and services totaled \$831.2 million in 2003/2004, an increase of \$112.8 million over tax collections in 2002/2003. The higher yield was reflective of the greater domestic demand in 2003. During the review period, higher yields were received from excise taxes and VAT. Excise taxes rose from \$114.2 million

to \$153.0 million while VAT receipts totaled \$572.4 million, reversing the 0.8 per cent decline to \$494.6 million in 2002/2003.

Taxes on international trade grew by \$34.0 million to \$194.1 million in 2003/2004, indicative of a more active trading environment evidenced by a higher level of imports in 2003.

EXPENDITURE

Total expenditure in 2003/2004, inclusive of amortisation, was \$2,302.0 million representing a 2.8 per cent increase over the \$2,239.1 million spent during the 2002/2003 fiscal year. Current expenditure, at \$2,048.3 million was \$134.1 million higher than in 2002/2003. Capital expenditure and net lending declined for the second consecutive fiscal year to reach \$253.7 million.

Wages and salaries accounted for 27.5 per cent of current expenditure, with Government's wage bill totaling \$562.6 million, \$62.7 million lower than in the previous fiscal year. National Insurance contributions paid by Government declined by \$1.6 million to \$38.9 million in 2003/2004. The outlays on goods and services also declined, down from \$211.3 million in 2002/2003 to \$194.5 million. Current transfers rose by \$143.2 million to reach \$664.2 million, largely due to grants to the Queen Elizabeth Hospital (QEH) to facilitate its reorganisation to a statutory body.

For the fiscal year 2003/2004, Government's debt service increased by \$69.7 million to \$585.6 million. Amortisation payments, which amounted to \$317.2 million represented 54.2 per cent of total debt service, interest stood at \$268.4 million or 45.8 per cent of total debt service.

Government's capital works programme fell for the second consecutive fiscal year to \$253.7 million during 2003/2004, following expenditure of \$345.7 million and \$324.8 million in 2001/2002 and 2002/2003, respectively. Capital formation totaling \$177.9 million was \$65.1 million less than in 2002/2003, while capital transfers fell by \$4.4 million to \$65.6 million.

FINANCING

Government's fiscal deficit of \$450.9 million inclusive of amortisation was financed from domestic sources, which totaled \$210.1 million and foreign financing which amounted to \$240.8 million. On the domestic side, financing of \$158.6 million was met from debentures and \$30.0 million was met from treasury notes. A further \$1.1 million was met from the collective issue of tax refund certificates and tax reserve certificates.

Foreign financing for projects included \$21.4 million from the Inter-American Development Bank (IADB); \$6.4 million from the World Bank and \$29.3 million from the Caribbean Development Bank (CDB). Non-Project foreign financing from Foreign Commercial Banks totaled \$180.6 million.

NATIONAL DEBT

At the end of December 2003, the national debt totaled \$4,136.0 million, an increase of \$361.4 million over the previous year. Domestic debt amounted to \$2,801.2 million, down \$41.3 million when compared with 2002. The foreign component rose by \$42.7 million to stand at \$1,334.8 million at the end of December 2003.

The domestic debt comprised \$578.7 million in short-term debt due exclusively to treasury bills and \$2,222.5 million in long-term debt. The long-term domestic debt included \$2,006.8 million in debentures and treasury notes, \$108.7 million in savings bonds, and, \$6.0 million and \$1.7 million through the issue of tax reserve and tax refund certificates, respectively. An additional \$99.2 million was obtained from other domestic sources.

Foreign debt in 2003 consisted mainly of foreign bonds worth \$788.0 million and loans from international institutions totaling \$493.3 million. Euro-Market loans amounted to \$22.9 million, of which, a loan from the European Investment Bank (EIB) accounted for \$21.2 million. Bilateral debt stood at \$16.5 million, while other sources provided debt finance of \$14.1 million.

Table 3.3-1
Central Government Operations
2000/2001-2003/2004

	(\$ M)			
	2000/2001	2001/2002R	2002/2003R	2003/2004E
Current Expenditure	1705.4	1799.9	1914.2	2048.3
Amortisation	196.3	226.9	241.7	317.2
Other	1509.1	1573.0	1672.5	1731.1
Current Revenue	1717.3	1722.2	1716.2	1850.5
Tax	1648.9	1644.1	1636.7	1791
Non-Tax	68.4	77.6	79.4	59.5
Current Surplus/ Deficit	(11.9)	(77.7)	(198.0)	(197.8)
Capital Expenditure and Net Lending	302.1	346.8	330.5	253.7
Capital Expenditure	289.5	333.9	324.8	250.1
Net Lending	12.6	12.8	5.7	3.6
Total Expenditure	2007.5	2146.7	2239.1	2302.0
Total Financing Requirements/ Overall Fiscal Deficit	(290.2)	(424.5)	(522.9)	(450.9)
Amortisation	196.3	226.9	241.7	317.2
Net Financing Requirements	(93.9)	(197.6)	(281.2)	(133.7)
Financing				
Domestic	238.1	199.2	374.9	210.1
Foreign	52.1	225.3	148.0	240.8
Financing Gap	0.0	0.0	0.0	0.0
Overall Deficit Net of Amortisation as % of GDP	2.7	3.8	5.4	2.5

SOURCE: Ministry of Finance

TABLE 3.3-2
Current Revenue by Source
2000/2001 - 2003/2004

	Actual Revenue			
	2000/01	2001/02	2002/03	2003/04
Taxes on Income and Profits	591.6	571.4	604.7	597.3
Taxes on Property	93.7	102.5	95.8	105.5
Taxes on Goods and Services	750.1	749.4	718.4	831.2
Taxes on International Trade	135.4	146.3	160.1	194.1
Other taxes	14.1	14.4	12.0	15.7
Non-Tax Revenue	68.4	77.6	79.4	59.5
Special Receipts	62.9	60.0	45.7	46.1
Loans and Advances	1.1	0.4	0.0	1.1
Total Revenue	1717.3	1722.2	1716.2	1850.5

SOURCE: Ministry of Finance

TABLE 3.3-3
Central Government Current Expenditure by Item
2000/2001 - 2003/2004

	(\$ M)			
YEAR	2000/01	2001/02R	2002/03E	2003/2004
Employment Expenses	624.5	629.9	665.8	601.5
Wages and Salaries	586.3	591.2	625.3	562.6
National Insurance Contributions	38.2	38.7	40.5	38.9
Goods and Services	187.2	199.9	211.3	194.5
Amortisation	196.3	227.0	241.7	317.2
Interest	225.8	252.9	274.2	268.3
Subsidies and Transfers	471.5	490.2	521.0	664.3
TOTAL	1705.4	1799.9	1914.2	2048.3

SOURCE: Ministry of Finance

Table 3.3-4
Fiscal Deficit and Financing
2000/2001 - 2003/2004

	(\$ M)			
	2000/01	2001/02R	2002/03	2003/2004
Overall Deficit	290.2	424.6	522.7	450.9
Foreign Financing	52.2	204.7	133.9	240.8
Project Financing	52.2	60.2	33.4	57.1
Inter-American				
Development Bank (IADB)	33.7	53.0	22.8	21.4
World Bank (IBRD)	0.0	0.1	2.8	6.4
Caribbean Development Bank	18.4	7.1	7.8	29.3
European Investment Bank	0.0	0.0	0.0	0.0
European Development Fund	0.0	0.0	0.0	0.0
Other Projects	0.0	0.0	0.0	0.0
Non-Project Financing	0.0	144.5	100.5	183.7
Foreign Commercial	0.0	144.5	100.5	180.6
Investment Sector Loan (IADB)	0.0	0.0	0.0	3.1
Domestic Financing	238.1	219.9	388.8	210.1
Treasury Bills	0.0	0.0	0.0	0.0
Government Savings Bonds	16.9	24.8	11.8	19.5
Debentures	53.6	50.5	214.2	158.6
Tax Reserve Certificates	6.0	12.5	0.0	0.9
Tax Refund Certificates	0.0	1.0	1.0	1.1
Treasury Notes	161.5	131.1	1518	30.0
Other Domestic	0.0	0.0	0.0	0.0
Total Financing	290.5	424.6	522.7	450.9

SOURCE: Ministry of Finance and Economic Affairs

D. MONEY, BANKING AND CAPITAL MARKETS

OVERVIEW

The year under review was a challenging one for the financial sector in Barbados. For the past two years, excess liquidity was a prominent feature of the domestic banking system despite efforts by the Central Bank of Barbados to reduce the cost of borrowing. In 2003, this development was fueled by the lingering investor uncertainty regarding the global economic and political environment, and was manifested in continued growth in commercial bank deposits coupled with a decline in borrowing by the productive sectors of the economy.

The period under review saw the Central Bank of Barbados take further steps to gradually liberalise the domestic financial sector. In line with this, several supervisory and regulatory initiatives were undertaken by the Bank Supervision Department of the Central Bank which included preparatory work to facilitate the sale of local commercial banks to foreign institutions, and the granting of licences to new entities. The Bank Supervision Division of the Central Bank also conducted onsite inspections of several financial institutions including credit unions and monitored offsite financial developments.

In the non-bank sector, the total number of active credit unions declined, even as credit union membership rose by 3.1 per cent during 2003 to reach 109,401 members. The membership of the inactive credit unions may not be increasing but membership of the larger credit unions continued to show strong growth. The insurance industry also recorded growth in 2003 as evidenced by a 10.1 per cent growth in the assets of the industry and an increase in approved exempt insurance applications.

On the Barbados Stock Exchange Inc., the number of trading days increased from two (2) to three (3), and all 24 listed companies traded shares during 2003. Two (2) of the three (3) market indices rose, and if the extraordinary activities that occurred in 2002 are excluded, the market indicators suggest that 2003 was a relatively better year than 2002. The review year also witnessed some exciting corporate actions taken by firms, including a stock split and a take-over battle and this had a meaningful impact on overall stock market activity. Several initiatives were also undertaken in 2003 to upgrade and improve the general efficiency of the operations of the Exchange, the most significant being the introduction of Safe Custody Services, the Tightly Coupled System and Real Time Gross Settlement.

MONETARY POLICY

The high level of excess liquidity that has characterised the domestic banking system for the past couple of years continued in 2003. The Central Bank of Barbados maintained the relaxed monetary stance adopted between 2001 and 2002 which was intended to encourage borrowing and stimulate investment in the productive sectors.

Effective April 14, 2003, the Central Bank discontinued setting the indicative weighted average rates of interest on loans by commercial banks, which was introduced in July 2001. The measure was discontinued during the review year as part of the gradual process towards liberalising the financial sector in Barbados.

COMMERCIAL BANK DEPOSITS

Total deposits of commercial banks, including foreign currency deposits, grew by 6.8 per cent compared with 16.9 per cent in 2002, to reach \$5,493.8 million in 2003. Domestic deposits rose by 10.2 per cent to \$4,768.4 million while foreign currency deposits declined by 10.9 per cent to \$725.4 million, after increasing by 68.3 per cent in 2002.

Table 3.4-1
Selected Indicators of the Banking System
as at December
1999 – 2003

	1999	2000	2001	2002R	2003P
					(\$M)
Net International Reserves	679.2	1080.8	1534.1	1711.3	2085.2
Monetary Authorities	612.6	968.6	1414.1	1366.3	1501.4
Commercial Banks	66.6	112.2	120.0	344.9	583.7
Net Domestic Assets	2391.2	2253.8	2002.7	2186.5	2088.9
Credit to Public Sector	303.1	188.1	(66.7)	362.0	438.4
Central Government (net)	551.3	471.6	242.0	654.4	722.7
Other Public Sector	(248.2)	(283.5)	(308.7)	(292.4)	(284.3)
Credit to Rest of Financial System	92.6	137.3	115.9	167.0	155.5
Liabilities to other Financial System	(250.1)	301.7	265.8	403.8	390.0
Credit to Private Sector	2464.5	2504.2	2512.6	2599.2	2622.6
Liabilities to the Private Sector	3070.6	3334.5	3536.8	3897.7	4174.0
Monetary Base	501.4	562.9	647.4	908.3	1085.4
Liabilities to commercial banks	302.7	310.7	312.4	337.5	329.0
Currency held by Banks	109.9	160.2	160.2	n.a.	n.a.
Memo:					
Domestic Deposits	3362.8	3689.2	3913.6	4327.3	4768.3
Excess Liquidity Ratio (%)	3.6	7.8	10.7	17.8	20.9

Source: Central Bank of Barbados

Private individuals accounted for the highest proportion of domestic deposits; their contribution of \$2,682.0 million in 2003 compared with \$2,460.5 million in 2002, represented 56.2 per cent of total domestic deposits, slightly lower than the 56.9 per cent of total domestic deposits in 2002. Other major depositors in 2003 were financial institutions and business firms. Financial institutions deposited \$786.3 million or 16.5 per cent of total domestic deposits compared with \$688.0 million or 15.9 per cent of total domestic deposits in 2002. Business firms deposited \$692.9 million or 14.5 per cent of total deposits compared with \$622.7 million or 14.4 per cent of total domestic deposits in 2002.

Total demand deposits rose by \$134.3 million or 6.7 per cent to \$2,137.5 million. Of this, domestic deposits totaled \$1,681.7 million, representing 78.7 per cent of total demand deposits. Foreign currency deposits of \$455.8 million constituted 21.3 per cent of total demand deposits, a decrease from 2002 when foreign currency deposits stood at \$587.5 million or 29.3 per cent of total demand deposits.

Total savings deposits grew by 13.0 per cent to \$2,460.2 million during the review year. Savings of private individuals, which accounted for 88.7 per cent of total savings deposits stood at \$2,181.3 million in 2003 compared with \$2,002.4 million in 2002, an increase of 8.9 per cent.

For the second consecutive year, total time deposits at commercial banks fell. In 2003, total

time deposits declined by \$66.1 million or 6.9 per cent to \$896.1 million, following a steeper decline of \$98.4 million or 9.3 per cent in 2002. With the exception of time deposits denominated in foreign currency, which grew by \$42.5 million or 18.8 per cent to reach \$268.9 million in 2003, all other types of time deposits declined. These included, government by \$13.1 million or 44.0 per cent, statutory bodies by \$16.1 million or 33.8 per cent, others by \$19.6 million or 25.9 per cent, financial institutions by \$47.8 million or 15.2 per cent, business firms by \$7.8 million or 9.8 per cent, and private individuals by \$4.3 million or 2.3 per cent.

CREDIT TO THE PRODUCTIVE SECTORS

Total credit to the productive sectors in Barbados declined for the first time since 1992. This occurred against the backdrop of excess liquidity in the banking system, and sustained efforts to lower the cost of obtaining loanable funds during 2003, a factor that accounted for the 6.5 per cent expansion of commercial bank credit in 2002. This anomaly was closely linked to investor perception of the global economy, which, despite signs of recuperation, is still obscured by pockets of uncertainty.

In 2003, commercial bank credit fell by 1.5 per cent to \$2,867.0 million. Sharp declines in credit to financial institutions (62.4 per cent) and for miscellaneous purposes (46.0 per cent) outweighed the increased borrowing by statutory bodies (38.3 per cent) and by Mining and Quarrying entities (36.4 per cent).

Table 3.4-2
Commercial Bank Deposits
1999-2003

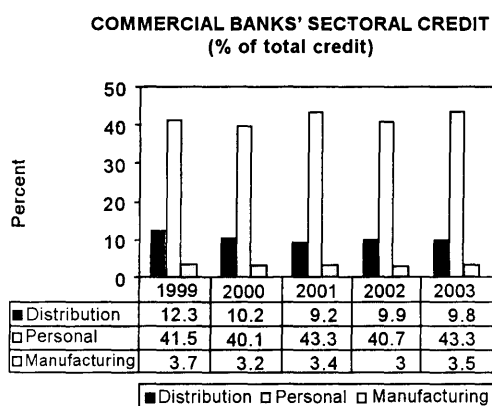
Type of Deposit	1999	2000	2001	2002	2003
Demand	1,142.4	1,246.4	1,298.1	2,003.3	2,137.5
Savings	1,801.2	1,901.6	2,038.9	2,176.7	2,460.2
Time	968.5	939.3	1,060.6	962.2	896.1
Total Deposits	3,912.2	4,087.3	4,397.7	5,142.1	5,493.8

Source: Central Bank of Barbados

The other sectors that benefited from increased credit in 2003 were, entertainment and catering from \$29.8 million to \$34.9 million, manufacturing from \$86.1 million to \$100.5 million, tourism from \$336.0 million to \$385.3 million, and the personal sector from \$1,184.3 million to \$1,241.1 million.

In 2003, credit to the transport sector fell from \$34.1 million to \$23.9 million, to the public utilities sector from \$12.0 million to \$9.7 million, to the fisheries sector from \$2.3 million to \$1.9 million, to the construction sector from \$227.6 million to \$206.2 million, to the agricultural sector from \$45.7 million to \$41.9 million, to the distributive sector from \$289.0 million to \$273.3 million, and to professional and other services from \$175.7 million to \$174.8 million.

Figure 1



MONEY SUPPLY

At the end of 2003, the money supply (the sum of currency held by the public and demand deposits at commercial banks) expanded by \$128.2 million or 5.6 per cent to \$2,416.8 million. This rate of expansion was much lower than the 44.4 per cent growth rate recorded in 2002, and was attributed to the \$136.7 million or 7.0 per cent growth in demand deposits. However, currency with the public fell by \$8.5 million or 2.5 per cent.

BANK SUPERVISION AND REGULATION

During 2003, the domestic financial system continued to undergo significant structural changes. This presented challenges for the supervision department of the Central Bank of Barbados, which processed applications for the sale of the Barbados National Bank and its subsidiaries – the BNB Finance and Trust and the Barbados Mortgage Finance – to Republic Bank Ltd. of Trinidad and Tobago, and for the sale of the Mutual Bank of the Caribbean Inc. to the Bank of N.T. Butterfield and Son Limited of Bermuda. An application for the sale of another local bank was outstanding at year-end. One license was granted under Part 3 of the Financial Institutions Act while another license held by the General Finance Corporation changed ownership when this entity was subsequently renamed the Signia Financial Group Inc.

The Bank Supervision Department of the Central Bank of Barbados conducted full “safety and soundness” inspections of eight (8) institutions licensed under the Financial Institutions Act, together with eleven (11) institutions licensed under the International Financial Services Act. Three (3) inspections of the largest credit unions were conducted in conjunction with the Registrar of Co-operatives.

During the review year, the Bank Supervision Department issued guidance notes to domestic banks informing them of how to handle abandoned property, and also met with domestic bankers to apprise them of developments with the new Basle Capital Accord. The Department continued to work towards establishing a deposit insurance scheme in Barbados and forwarded the related legislation to the relevant Ministry for finalisation.

The number of onshore commercial banks in operation during 2003 remained unchanged from the previous year. There were sixteen (16) Part III Companies, one (1) more than in 2002. Therefore, the total number of onshore financial institutions registered under the FIA Act stood at twenty-two (22) compared with twenty-one (21) in 2002.

In the offshore sector, seven (7) applications for international banking licences were received in 2003 and two (2) new licences were granted with one (1) application rejected. During the year, seven (7) small international banks ceased operations under the International Financial Services Act, with one (1) of these banks opting to operate as an international business company. In 2003, the number of international banks licensed to operate in Barbados stood at 51 compared with 56 in 2002. Consequently, the value of assets in the offshore banking sector declined by 7.6 per cent from \$64.8 billion at the end of the third quarter of 2002 to \$59.9 billion for the same period in 2003. At the end of the third quarter, the banking industry accounted for 2,076 jobs, of which 240 persons and 1,836 persons were employed in the offshore and onshore sector, respectively. This compares with the 1,395 employees in the industry in 2002, of which 251 persons were employed in the offshore sector and 1,144 persons employed in the onshore sector.

TYPES OF INSTITUTION	2002	2003
ONSHORE		
Commercial Banks	6	6
Part III Companies	15	16
Total Onshore	21	22
OFFSHORE		
Offshore Banks	56	51
Total Offshore	56	51
Total Licensed Institutions	77	73

NON-BANK FINANCIAL INSTITUTIONS CREDIT UNIONS

The number of active credit unions declined for the third consecutive year, from 40 in 2002 to 39 in 2003. Nevertheless, membership continued to rise in 2003 with credit union membership at 109,401 persons, representing a growth rate of 3.1 per cent over the 106,062 members registered in 2002, and a 15.5 per cent increase over the 94,759 members in 2001.

Total assets were valued at \$644.3 million in 2003 compared with \$568.4 million and \$494.2 million in 2002 and 2001, respectively. In 2003, the value of loans extended to members rose by 16.5 per cent to \$457.3 million from \$392.4 million in 2002.

In 2003, each category of savings experienced an improvement over the previous year. Regular deposits rose 18.2 per cent from \$76.5 million in 2002 to \$90.4 million in 2003. Term deposits grew by 11.3 per cent or \$6.4 million to reach \$63.1 million, and Shares expanded by 13.5 per cent or by \$45.7 million to reach \$384.3 million. Overall, total savings by members moved from \$471.8 million in 2002 to \$537.8 million, an increase of \$66.0 million or 14.0 per cent.

Non-member deposits grew by \$900,000 from \$4.2 million in 2002 to \$5.1 million in 2003, an increase of 21.4 per cent. At the end of 2003, statutory reserves stood at \$42.6 million or \$4.7 million more than in 2002.

INSURANCE INDUSTRY

For 2003, twenty (20) exempt insurance applications were received compared to fifteen (15) in 2002. Over the reference period, fifteen (15) were approved in 2003, four more than the eleven (11) approved during this period in 2002.

With respect to insurance management companies, however, a single application was submitted in 2003, two (2) fewer than the three (3) management applications in 2002. Similarly, a lone approval was given to establish an insurance management company in 2003 compared with three (3) in 2002.

At the end of 2003, total assets were estimated at \$50.2 billion, representing an increase of \$4.6 billion or 10.1 per cent over the \$45.6 billion worth in assets at the end of 2002. The gain in assets for 2003 was less than half the \$9.4 billion in 2002. Revenue earned by exempt insurance companies increased by \$50,000 to \$0.99 million in 2003 from \$0.94 million in 2002. Earnings of management companies

fell by \$21,000 from \$156,500 in 2002 to \$135,500 in 2003. In 2003, revenue collected by holding companies totaled \$45,000, unchanged from the previous year.

THE BARBADOS STOCK EXCHANGE

TRADING ACTIVITY

During the year 123,154,327 shares were traded on the BSE, of this number 56.6 million were common shares. On the BSE all 24 listed companies saw their shares traded during the year. A total of 56.6 million common shares crossed the floor at a value of \$155.3 million, compared with 511.6 million common shares with a value of \$1,649.2 million in 2002. The extraordinary merger and take-over activities in 2002 explained this dramatic decline in both the volume and value of shares traded, which resulted in the transfer of massive volumes of shares. In particular, when transactions linked to these two developments are excluded, the total number of common shares traded in 2002 stood at 8.9 million. This is compared to 2001 when 9.0 million shares traded at a value of \$20.4 million.

Activity resurged in the preferred market during 2003. A total of 2,765 preferred shares

traded on the floor of the BSE at a value of \$7,904 during this review period. In 2002, no preferred shares were traded.

The most significant surge in business activity occurred in the put-through market. For 2003, 64.4 million shares traded at a value of \$209.1 million, compared with 2002 when 1.4 million shares traded for a total value of \$3.3 million. The enormous increase in trading activity during 2003 was significantly influenced by the sale of 54.7 million Barbados National Bank (BNB) shares to the Trinidad and Tobago domiciled Republic Bank Limited.

In the Junior Market, 1.58 million shares crossed the floor of the exchange for a total value of \$1.98 million in 2003, compared with 2002 when 1.42 million shares were traded for a total value of \$1.24 million.

In the odd-lot market, 565,784 shares with a value of \$1.77 million were traded in 2003. This compares with 74,258 shares, which were valued at \$296,083 in 2002. The volume leader in this market was Sagicor Financial Limited, which accounted for 444,305 of the traded shares, or 78.5 per cent of the total odd-lot market, for a value of \$1.36 million.

TABLE 3.4-3
Securities Exchange Trading
1999 – 2003

Year	Shares Total Common No.	Preferred No.	Put-thrus No.	Volume No.	Value (\$M)
1999	7,008,320	11,443	5,350,925	12,402,038	40.6
2000	4,411,321	1,824	25,087,559	30,176,058	95.8
2001	3,760,942	2,016	715,746	9,118,881	20.4
2002	511,625,412	1,000	1,376,886	514,495,823	1,654.0
2003	56,648,565	2,765	4,360,305	123,154,327	368.2

SOURCE : Securities Exchange of Barbados

	2003	2002	% Change
Index			
Local	2,937.13	2,276.12	29.0
Cross-Listed	1,520.29	952.38	59.6
Junior Market	1,637.34	2,103.37	(22.2)
Market Capitalisation (\$M)			
Local	7,125.27	6,882.52	3.5
Cross-Listed	4,939.29	2,946.29	67.6
Junior Market	81.38	88.39	(7.9)

(.) indicates a negative change

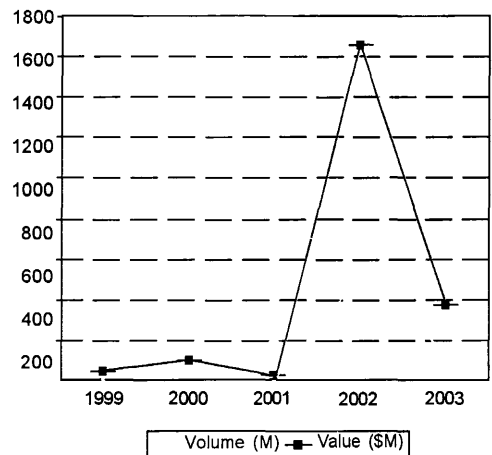
INDEX AND MARKET CAPITALISATION

The Indices of the BSE performed generally well during 2003. Both the Local Index and the Cross-Listed Index experienced increases, moving up by 29.0 per cent and 59.6 per cent respectively. The Junior Market index was the only one that fell in 2003, declining by 22.2 per cent. A similar trend evolved with respect to market capitalisation. Market capitalisation rose by 3.5 per cent and 67.6 per cent in the local and cross-listed markets respectively, while the junior market experienced a decline by 7.9 per cent.

In the local market, fifteen (15) of the twenty-four (24) securities appreciated relative to their 2002 closing price, overwhelming the depreciation experienced by the other securities. In the cross-listed market, four (4) of the five (5) securities traded appreciated during the year while the closing price of the other was unchanged from 2002. On the other hand, the Junior Market was adversely affected by the de-listing of the Fortress Caribbean Fund Warrants during the last quarter of 2003, following which, the relative share-price was unchanged up to year-end. The situation was compounded by the 29.0 per cent decline in the value of shares in Sunbeach Communication Inc.

Figure 2

SECURITIES EXCHANGE OF BARBADOS



REGULAR MARKET

In 2003, the total number of trades was 5,141 conducted over 147 trading days, compared with 428 trades in 59 trading days for 2002. The total value of all trades in 2003 was \$368.2 million compared with \$1,654.0 million in 2002. A major cause of this was the listing of Sagicor Financial Corporation on February 04, 2003, which placed approximately 49,000 shareholders on the local and regional capital markets, and listed over 260.0 million shares.

During the review year, Sagicor Financial Corporation, Barbados Shipping and Trading Company Limited and A.S. Bryden and Sons Limited were the top three (3) companies in the list of the five (5) best performers by volume and value of traded shares. Sagicor Financial Corporation was the leading firm, trading 44.2 million shares at a total value of \$112.4 million.

The second best performer was Barbados Shipping and Trading, which traded 4.7 million shares at a total value of \$21.7 million compared with 1.9 million shares at a value of \$5.9 million in 2002. Third was A.S. Bryden and Sons (Barbados) Limited, which traded 1.9 million shares for \$7.9 million compared with 41,985 shares at \$162,962 in 2002.

Volume leader	2003	2002	% Change
Sagicor Financial Corporation	44,178,224	N/A	N/A
Barbados Shipping and Trading Co. Ltd.	4,705,589	1,920,151	145.06
A.S. Bryden and Sons (Barbados) Ltd.	1,872,275	41,985	4,359.39
Grace Kennedy and Co. Ltd.	1,499,867	0.0	N/A
Insurance Corporation of Barbados Ltd.	1,179,050	76,800	1,435.22

MAJOR CORPORATE ACTIONS

During the year Goddard Enterprises Ltd. had a two (2) for one (1) stock split that resulted in a doubling of the total number of shares outstanding to 54.8 million. Goddard Enterprises also acquired the outstanding shares of West Indies Rum Distillery Limited (WIRDL) held by its majority shareholders. Consequently, Goddard Enterprises Ltd. owned 73.0 per cent of the total outstanding shares of WIRDL on August 15, 2003, thereby triggering the take-over code, which required the company to purchase all of the outstanding shares of WIRDL.

Effective July 01, 2003, Class A and B shares of Barbados National Bank Inc. were delisted and on July 02, 2003 all 96.0 million outstanding shares in the company were listed

for trading on the Exchange. On August 29, 2003, Republic Bank of Trinidad and Tobago Financial Holdings Limited (Republic Bank) closed its offer of \$3.45 per share of Barbados National Bank Inc. By December 31, 2003, Republic Bank owned approximately 65.0 per cent of the Barbados National Bank Inc.

The operations of the BSE attracted significant attention during the last quarter of 2003, as a result of the take-over bid battle between McEneaney Alstons (Barbados) Limited (McAl) and Victor E. Mouttet Limited (VEMCO), for A.S. Bryden and Sons (Barbados) Limited. The initial offer made by McAl was \$6.00 on November 10, 2003, however, on December 05, 2003, VEMCO made a counter offer of \$7.00, which was later matched by McAl on December 17, 2003 and accepted by shareholders.

STOCK MARKET DEVELOPMENTS

In February 2003, the BSE implemented the decision taken by its Board of Directors to increase the number of trading days from two (2) to three (3). The main reasons were to facilitate the increased activity in the market as well as to establish congruency between the BSE and other regional stock markets.

In an effort to ensure that the settlement period is T+5 (Transaction day plus 5 business days), the BSE introduced the Tightly Coupled System (TCS) and Real Time Gross Settlement (RTGS) in September 2003. These initiatives ensured that sellers received their funds (through the RTGS) and buyers received their securities (through the TCS) in a timely manner. As a corollary to the TCS and the RTGS, the BSE initiated the Immobilisation of Share Certificates. This allowed investors, in a timely fashion, to receive evidence (provision of a statement instead of a certificate) of being a shareholder in the listed company in which they made their purchase.

In 2003, the BSE also introduced Safe Custody Services, which allowed shareholders to lodge certificates with the Barbados Central

Securities Depository Inc. for safekeeping. Any shareholder of any company whether public or private can use this facility, which is more cost effective than a safety deposit box.

E. EMPLOYMENT, WAGES AND INFLATION

The annual rate of unemployment for 2003 was 11.0 per cent, representing a 0.7 percentage points increase over the 10.3 per cent recorded a year earlier.

Both male and female unemployment rose in 2003. The number of unemployed persons totalled 16,000, approximately 1,200 more than during 2002. The rate of female unemployment rose by 0.5 percentage points to 12.6 per cent from 12.1 per cent in 2002. Female unemployment was approximately 8,900 persons, compared with 8,400 persons in 2002. Male unemployment rose by 700 persons to reach approximately 7,100 persons in 2003. The rate of unemployment for males was 9.6 per cent, 0.9 percentage points higher than the 2002 figure of 8.7 per cent.

Table 3.5-1
Employment by Major Industrial Division
1993 - 2003

('000)

Year	Sugar and Other Agri- culture Fishing	Construc- tion and Quarrying	Manu- facturing	Electricity Gas and Water	Wholesale and Retail Trade	Tourism	Transport- ation and Communi- cation	Financial Services	General Services	Government Services	Total
1993	5.7	7.1	10.7	1.4	15.5	9.6	4.7	5.7	19.2	21.0	100.5
1994	5.6	8.0	10.8	1.0	15.9	11.1	4.7	7.0	19.3	21.9	105.5
1995	5.1	8.8	11.7	1.0	16.6	11.9	5.1	7.6	19.3	22.9	109.9
1996	6.5	8.9	10.0	1.1	15.0	12.3	4.5	8.6	22.6	23.9	114.3
1997	6.1	10.2	10.7	1.4	15.9	12.3	4.6	8.1	21.1	25.2	116.1
1998	5.2	12.5	10.7	1.3	18.2	13.8	5.1	7.5	19.9	24.5	119.6
1999	5.2	14.1	10.3	1.9	17.2	12.3	4.5	7.0	23.3	26.3	122.3
2000	4.8	13.7	10.1	1.9	18.7	14.1	5.0	9.0	25.4	24.5	125.5
2001	5.4	14.2	9.2	1.9	19.1	13.7	5.7	10.4	22.9	26.2	128.8
2002R	5.2	13.2	9.0	1.9	19.6	14.2	4.7	10.9	21.8	27.7	128.6
2003P	5.9	12.3	7.9	2.6	19.6	14	4.8	9	25.2	27.9	129.5

SOURCE : Barbados Statistical Service

* Figures from 1990 - 1994 have been revised to account for the 1990 census

In 2003 the labour force expanded by 2,100 persons from 143,400 to 145,500 persons. The labour force comprised 74,600 males and 70,900 females during the review period. The employed labour force increased marginally by 900 persons from 128,600 persons in 2002 to 129,500 persons in 2003.

The participation rate for 2003 was 69.2 per cent compared with 68.5 per cent in 2002, representing a 0.7 percentage point increase. The participation rate for females increased by 1.3 percentage points to reach 64.0 per cent compared with 62.7 per cent in 2002. The male participation rate over the review period also increased, though only marginally, recording a 0.3 percentage point increase from 74.8 per cent in 2002 to 75.1 per cent in 2003.

The major source of employment during 2003 was Government Services, providing approximately 27,900 jobs, a marginal increase of 200 persons over the 27,700 in 2002. Employment in General Services also increased, with the sector employing 25,200 persons compared with 21,800 persons the previous year. Employment in the Distribution sector remained unchanged at 19,600 persons for 2003. In the Tourism sector 14,000 persons were employed when compared with 14,200 persons a year earlier, a decrease of 200 persons. The Construction sector employed 12,300 persons, 900 fewer than the number of persons working in the industry in 2002. Employment in the Manufacturing sector fell by 1,100 persons to 7,900 persons compared with 9,000 persons in 2002. The Agriculture sector, inclusive of Sugar, employed 5,900 persons, some 500 persons more than the previous year. In the Transport and Communications sector employment increased marginally by 100 persons, from 4,700 persons in 2002, to 4,800 persons being employed in 2003.

The distribution of employed persons in the labour force among the different age groupings in 2003 showed that the 15 – 24 age cohort comprised 15,200 persons or 11.7 per cent of the employed labour force. There were 49,300 persons within the 25 – 39 age cohort, accounting for 38.1 per cent of the employed

labour force. The 40 – 54 age cohort consisted of 49,600 persons, or 38.3 per cent of the employed labour force. There were 15,400 persons aged 55 and over in the labour force, 200 of whom were 80 years and over.

The number of persons not actively seeking work, and therefore not included in the labour force, fell to 64,600 persons in 2003 compared with 66,000 in 2002, representing a decrease of 1,400. The number of inactive females decreased to 39,800 persons from a figure of 41,100 persons in 2002. There were 24,800 males in 2003 compared with 24,900 males in 2002, not actively seeking employment. Retired persons accounted for 52.9 per cent or 34,200 persons not in the labour force. Retired females were 20,700, while there were 13,500 retired males. The number of retired females increased by 300 persons in 2003, while the number of retired males declined by 400 persons. There were 6,900 females and 6,400 males at school totalling 13,300 persons for that category compared with 13,700 persons in 2002. Most persons categorized as “keeping house” were females, accounting for 10,000 of the 12,500 persons recorded. The number of incapacitated persons was estimated at 3,700, while voluntarily idle remained at approximately 100 males.

NATIONAL INSURANCE SCHEME

During 2003 contributions to the National Insurance Fund increased by \$21.3 million to reach \$316.2 million. Payments by the fund totalled \$272.8 million, or \$14.1 million above payments in 2002. This increase in payment was as a result of a one per cent increase in pension. At December 31, 2003 the fund balance had grown to \$1.7 billion from \$1.6 billion at December 31, 2002. The largest number of new claims on the fund was for sickness benefits at 56,070 claims, employment injury 9,083, old age contributory pensions 1,541 and funeral grants 1,526.

The number of claims for unemployment continued to decline during the review period. Total claims decreased by 1,489 to 14,956 compared to 16,445 in 2002. A total of 12,437 claims inclusive of those brought forward were

approved by the National Insurance Scheme, some 1,215 fewer than 2002. The number of claims disallowed was 1,557, a slight increase over the 1,531 disallowed claims for the previous year. Despite the significant fall in the number of claims, the level of benefit payments declined only marginally to \$29.9 million, some \$1.2 million lower than the previous year.

The Severance Payment Scheme received 324 employee claims for rebates compared with 373 in 2002. Some 260 of those claims were allowed (this includes those brought forward), with payments amounting to \$5.2 million. This was a \$1.0 million increase in payment over the \$4.2 million paid in 2002, and was a reflection of the very marginal increase of five (5) additional claims. In 2003 claims for employer payments (including those brought forward), that was allowed were 427, compared with 452 claims allowed in the previous year. Payments under this scheme remained unchanged at \$2.6 million. Total contributions to the Severance Fund in 2003 totalled \$7.4 million, a \$0.2 million increase when compared with contributions in 2002 of \$7.2 million.

The Sugar Workers Provident Fund received 19 claims for funeral grants, eight (8) more than in 2002. Of these, 16 claims were allowed, five (5) more than the previous year, and three (3) disallowed, as persons entitled to a grant under the National Insurance Scheme are not eligible for the SWPF grant. The balance of the fund at December 31, 2003 was \$159.9 thousand, compared with \$217.5 thousand over the identical period a year earlier.

WAGE NEGOTIATIONS

The previous agreement for public workers expired at the close of the financial year, which ended March 31, 2003 and discussions on a new accord for the public sector between Government and the Trade Unions commenced in August 2003. The Government requested the Unions to consider a three-year agreement rather than a two-year accord, given that over the last nine (9) years the inflation rate has been less than 5.0 per cent.

Research has shown that in the 1960's and 1970's, agreements were for three (3) years, however because of the high inflation experience in the later part of the 70s both sides agreed to shorten the length of the agreements to two years. During this period inflation average 12.0 per cent and peak at nearly 40.0 per cent in 1975. From 1995 to present the inflation rate has been less than 5.0 per cent, bearing this in mind the Government was successful in obtaining an agreement for a three-year period of an 8.0 per cent increase in wages over the period April 1, 2003 to March 31, 2006. The increases are 2.0 per cent in year 1, 3.0 per cent in year 2 and 3.0 per cent in year 3, with a commitment that the increase in year three would be reviewed if the rate of inflation exceeds 5.0 per cent for that year.

LABOUR MARKET INFORMATION

During 2003, the Ministry of Labour and Social Security continued its participation in the Caribbean Labour Market Information System (C.L.M.I.S) project. The International Labour Organization (ILO), and the United States Department of Labour (US-DOL) supported this project. Standardized, accurate and timely labour market information produced and disseminated by this system will allow CARICOM governments to implement policies to effectively deal with imbalances in the labour market and to provide the public and private sectors with the information required for the successful integration into the global market place.

Work also continued in updating the Barbados Standard Occupation Classification (BARSOC) to take into account new occupations and the demand for new skills in existing occupations. This project targets Hotels, Construction, Agriculture, Financial Services, Garages and Information Technology.

The recently established One Stop Resource Centre located at the National Employment Bureau continued to be a source of information through providing access to computer and Internet technology for job

seekers, students and career planners. A ten-year National Human Resource Development strategy, which focuses on the creation of a well-educated, flexible workforce that can operate in a dynamic global market, has also been formulated.

NATIONAL EMPLOYMENT BUREAU

The National Employment Bureau continued to offer quality employment services as mandated in the areas of job screening, placements, career guidance and counseling. Job seekers were placed both locally and overseas. The Overseas placements were made in Canada, on the Farm Labour Programme and the Hotel Programme, and in the USA on the H-2b Hotel Programme.

A decline was seen in local registrations in 2003, where some 979 persons registered, compared with 1,250 persons in 2002. There were 686 females and 293 males registering of local placement in 2003. Persons registering for overseas placement in 2003 totaled 399, compared with 352 persons in 2002. Of the overseas placement registrations made in 2003, 225 were males and 174 females. Additionally for the year ending 2003, local renewals were 1,973 and overseas renewals were 1,137.

Actual placements both locally and overseas declined in 2003. Local placements totaled 308 compared with 383 in 2002, and overseas placements decrease by 85 to reach 522, compared with 607 placements in 2002.

Table 3.5-2
Local Placement by Occupational Group

Local Placement by Occupational Group	2002	2003
Legislators, Senior Officials and Managers	1	1
Professionals	3	0
Technicians and Associate Professionals	8	15
Clerks	29	30
Service Workers, Shop and Market Sales Workers	77	64
Skilled Agriculture Fishery Workers	3	5
Craft & Related Workers	19	17
Plant and Machine Operations and Assemblers	29	38
Elementary Occupations	214	138
Total	383	308

SOURCE: Ministry of Labour

Table 3.5-3
Overseas Placement Programmes

Overseas Placement Programmes	Number of Placement	
	2002	2003
Canadian Farm Labour Programme	576	429
Canadian Hotel Programme	0	46
US H2b Hotel Programme	31	47
Total	607	522

SOURCE: Ministry of Labour

REGISTRATIONS

Two hundred and seventeen persons were registered as being self-employed in accordance with the Profession, Trade and Business Registration Act, compared with 239 persons in 2002. Revenue of \$3,605.00 was collected in 2003 compared with \$3,830.00 in 2002. Fourteen (14) stone, one (1) sand and one (1) shale quarries were licensed in 2003 with fees of \$85,000.00 collected, a decrease compared with the \$100,000.00 collected during 2002.

INDUSTRIAL RELATIONS

During 2003, the Labour Department investigated 2,437 formal complaints, 565 fewer than in 2002 when 3,002 complaints were investigated. These grievances were categorized as follows:

Dismissals	869
Conditions of Employment	206
Lay-offs	130
Miscellaneous Labour Matters	609
Resignations	110
Suspensions	39
Non-Payments of Wages	382
Redundancy	92

The number of telephone queries/complaints totalled 18,227 during the year in 2003. The Labour Department collected \$67,461.61 as payments for settlements of worker complaints; this was approximately a 27.0 per cent increase over collections in 2002.

The number of industrial disputes declined slightly in 2003 as 46 disputes were recorded, five (5) less than that recorded in 2002. Additionally, five (5) employers were prosecuted throughout the year 2003. The

number of work stoppages also declined to 23, as against 26 in 2002. A total of 2,088 workers were involved in the work stoppages and 3,077 man-days were lost in 2003. The sectors affected ranged from the following:

Sectors	No. of Work Stoppages
Community, Social and Personal Services	10
Finance, Insurance and Business	5
Construction	3
Manufacturing	3
Electricity, Gas and Water	1
Wholesale and Retail Trade	1

LABOUR/FACTORY INSPECTORATE

In 2003, the number of industrial accidents reported to the Labour Department decreased significantly from 1,204 in 2002 to 819 in 2003. Two (2) fatalities were recorded in 2003, one (1) less than the number recorded in 2002. In 2003, the Factory Inspectorate carried out 409 routine inspections, a significant increase over the 195 routine inspections the previous year. The number of accident investigations decreased from 96 in 2002 to 84 in 2003. Additionally, a total of 972 shops were inspected in 2003, an increase over the 912 shop inspections recorded in 2002.

THE BARBADOS NATIONAL PRODUCTIVITY COUNCIL

The Council implemented several strategic initiatives in the public and private sectors aimed at helping to build a more competitive and efficient economy.

MACRO-PRODUCTIVITY INDICATORS PROJECTS

The Macro-Productivity Indicators project sponsored by the Barbados Statistical Service; the Central Bank of Barbados and the Barbados National Productivity Council has been implemented. This project seeks to measure labour productivity and labour compensation growth within all sectors of the economy and is being conducted in several phases. In the first phase emphasis has been placed on tourism and manufacturing. The second phase will extend the project to cover banking, retail and construction.

Phase 1 of the project has been completed, and the information is being prepared for dissemination and discussion. The productivity measures being developed are:

1. *Labour productivity per person employed and per hour worked.* Labour productivity is the most

common productivity indicator used in comparisons: and

2. *Unit labour costs* at the sectoral level for each industry.

These productivity indices will:

- Help to evaluate economic performance at the national and sectoral levels;
- Provide a major tool in designing gain sharing and other incentive schemes;
- Diagnose reasons for productivity changes, and provide a competitive indicator for comparative purposes;
- Allow enterprises to be monitored over a period of time or compared at any point in time with other similar companies, so that problem areas can be diagnosed and corrective action taken.

PRODUCTIVITY-RELATED EDUCATION AND TRAINING

The Council conducted several training and educational sessions in the public and private sectors. These were delivered as general and in-house sessions. The Council also conducted 26 productivity seminar/workshops for public sector departments, and 14 departments were provided with technical assistance in the development/implementation of their productivity measurement programme. Technical assistance was also delivered to four (4) Statutory Corporations and nine (9) private sector companies.

PERFORMANCE APPRAISAL REPORTING SCHEMES

The Council secured contracts to design and develop three (3) performance appraisal-reporting schemes during 2003.

PLANNED NEW INITIATIVES

BENCHMARKING AND BEST PRACTICE PROGRAMME

The primary objective of this initiative is to establish an institutional infrastructure to support the successful implementation of the proposed productivity enhancement initiatives. These initiatives include the development and testing of benchmarking methodologies, the application of best practices and the further promotion of performance-based compensation schemes.

This project will be used to determine strategic areas of opportunity for Barbados in an emerging global economy. The determination of benchmarks and best practices will allow organisations to make direct performance comparison among peers within an industry at the national and at the international level.

It will create a repository of information that will allow the Council to provide:

- Tools to measure and evaluate organisational competitiveness; and
- Solutions to improve organisational performance.

THE NATIONAL INITIATIVE FOR SERVICE EXCELLENCE

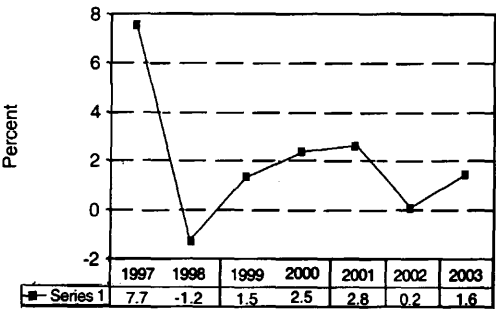
Being cognizant of the importance of quality service to the competitiveness of the country, this initiative will seek to create a framework to drive recognition of the need for improved service delivery at the enterprise,

sectoral and national level. The project seeks to establish Barbados as a haven for service excellence, which will enhance its ability to compete effectively.

INFLATION

During 2003 the rate of inflation was estimated at 1.6 per cent compared with 0.2 per cent for 2002. At December 31, 2003 the retail price index stood at 99.9 points, compared with 99.6 at the end of December 31, 2002, an increase of 0.3 percentage points.

Figure 3
Inflation Rate



IV. SECTORAL PERFORMANCE

A. AGRICULTURE AND FISHERIES

SUGAR

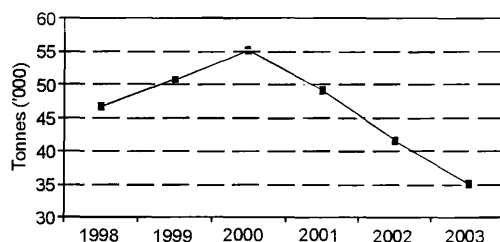
The 2003 cane harvest produced 36.3 thousand tonnes of sugar, representing an 18.9 per cent decline in production levels when compared with 44.8 thousand tonnes a year earlier. Andrew's Sugar Factory produced 20.1 thousand tonnes or 55.3 per cent of output, while Portvale produced 16.2 thousand tonnes. Molasses production reached 14.2 thousand tonnes, marginally above the figure for the previous year. The incidence of cane fires increased with 393.3 hectares burnt and 18.2 thousand tonnes of canes affected, compared with 181.4 hectares and 7.5 thousand tonnes in 2002. There were 219 cane fires, sixty more than in the previous year.

Sugar's contribution to real Gross Domestic Production was estimated at \$15.6 million, some \$3.7 million below the \$19.3 million contribution a year earlier.

During 2003, a total of 7,514.6 hectares were under sugar cane production, approximately 436.9 hectares less than a year earlier. Of this, independent plantations planted 4,441.6 hectares, the BAMC estates 2,916.8 hectares, and small farmers 156.2 hectares, 89.3 hectares fewer than in 2002. Approximately 364,555.2 tonnes of cane were harvested compared with 417,846.9 tonnes in 2002. Small farmers' output fell to 5,794.1 tonnes from 9,285.5 tonnes a year earlier. Independent plantations harvested 224,132.3 tonnes and BAMC estates 134,628.6 tonnes. On average, each hectare produced 48.5 tonnes of canes, representing a 4.1 tonne decline below the 52.6 tonnes in 2002. Prices paid to cane farmers rose by 8.8 per cent to \$73.86 per tonne, following six years of falling prices.

The conversion rate deteriorated during 2003 as it required 10.0 tonnes of canes to manufacture a tonne of sugar compared with 9.3 tonnes the previous year. Each hectare, on average, produced 4.8 tonnes of sugar representing the weakest performance in over two decades. Sugar exports fell for the third consecutive year to 34.6 thousand tonnes compared with 41.1 thousand tonnes a year earlier and 48.9 thousand tonnes in 2001. Following seven years of decline, export prices increased by 22.2 per cent to reach \$1,200.1 in comparison to \$982.4 in 2002. Consequently, despite lower export levels, earnings rose to \$41.5 million, some \$1.1 million higher than in the previous year. In the face of declining output, the cost of production rose markedly reaching \$2,071.2 compared with \$1,796.4 during the 2002 harvest.

Figure 4
Sugar Exports



SOURCE: Barbados Agricultural Management Company
Ministry of Agriculture and Rural Development

NON-SUGAR AGRICULTURE

Non-sugar agriculture contributed \$34.5 million to Gross Domestic Product compared with \$33.8 million in 2002.

VEGETABLES

The vegetables sub-sector performed strongly during 2003 as production expanded in all of the major crops. The area under vegetable cultivation amounted to 681.1 crop hectares representing a 24.7 per cent increase over the 546.3 crop hectares planted in 2002.

Bean production expanded by 28.3 per cent to 505.3 thousand kilogrammes from 393.8 thousand kilogrammes in 2002. Beet production more than doubled to reach 155.1 thousand kilogrammes compared with 75.8 thousand kilogrammes the previous year. Approximately 640.0 thousand kilogrammes of cabbage were produced, 27.7 per cent higher than the 501.2 thousand kilogrammes in 2002. Carrot

production expanded by 26.4 per cent to 1,011.5 thousand kilogrammes from 800.2 thousand kilogrammes a year earlier. Cucumber production increased by 18.6 per cent to reach 2,018.1 thousand kilogrammes from 1,701.7 thousand kilogrammes the previous year. Lettuce production moved from 155.5 thousand kilogrammes to 278.9 thousand kilogrammes, while okra output rose by 13.8 per cent to 1,466.1 thousand kilogrammes from 1,288.7 thousand kilogrammes in 2002.

Hot pepper production rose by 4.8 per cent to reach 639.3 thousand kilogrammes and sweet pepper production was estimated at 1,264.2 thousand kilogrammes representing a 14.1 per cent expansion over the 1,107.7 thousand kilogrammes produced in 2002. There was a 76.0 per cent increase in pumpkin as production

TABLE 4.1-1

Vegetable Production ('000kgs)
1999 - 2003

Year	1999	2000	2001	2002R	2003P	% change over 2002
Beans (String)	847.5	895.8	1023	393.8	505.3	28.3
Beets	246.9	160.3	218.4	75.8	155.1	104.6
Cabbage	1015.2	780.8	664	501.2	640.0	27.7
Carrots	1734.6	1025.3	1346	800.2	1011.5	26.4
Cucumbers	991.3	699.7	678.9	1701.7	2018.1	18.6
Lettuce	551	832.2	n.a.	155.5	278.9	79.4
Melon	184.2	217.4	212.8	281.4	342.8	21.8
Okra	341	566.8	420	1288.7	1466.1	13.8
Peppers (Hot)	214.5	316.7	296.4	610.4	639.9	4.8
Peppers (Sweet)	214.2	254.1	180	1107.7	1264.2	14.1
Pumpkins	383.9	519.8	462.3	265.0	466.3	76.0
Tomatoes	901.5	653.5	663.4	916.8	1233.7	34.6

SOURCE: Ministry of Agriculture and Rural Development

N.B. Estimates for 2002 and 2003 were derived using a new methodology. Consequently, data for these years is not directly comparable with that of previous years.

reached 446.3 thousand kilogrammes compared with 265.0 thousand kilogrammes a year earlier. Some 1,233.7 thousand kilogrammes of tomato were produced, 34.6 per cent more than the 916.8 thousand kilogrammes in 2002. Output of water melon expanded by 21.8 per cent, moving from 281.4 thousand kilogrammes in 2002 to 342.6 thousand during the review year.

ROOT CROPS

There was a strong performance in the sub-sector as, except for eddoes, production of root crops expanded when compared with 2002. The

hectares under root crops increased by 86.9 per cent to 312.4 hectares compared with 167.1 hectares in 2002.

Cassava production moved from 397.4 thousand kilogrammes in 2002 to 411.6 thousand kilogrammes representing a 3.6 per cent increase. The area under sweet potato production increased from 93.3 hectares to 166.0 hectares and output amounted to 2,609.8 thousand kilogrammes, 77.8 per cent higher than the 1,467.5 thousand kilogrammes produced in 2002. Yam production moved from 349.2 thousand kilogrammes from 25.9 hectares in 2002 to

Table 4.1-2

Root Crop Production ('000kgs)
1999 - 2003

Years	1999	2000	2001R	2002R	2003P	% Change over 2002
Cassava	329.4	489.5	342.0	397.4	411.6	3.6
Eddoe	244.6	178.0	197.1	47.6	44.1	(7.4)
Sweet Potatoes	2709.8	735.0	2898.0	1467.5	2609.8	77.8
Yams	2205.0	306.0	1818.0	349.2	1233.7	253.3
Onions	687.1	141.8	54.0	311.1	338.2	8.7
Peanuts	70.8	127.6	52.8	30.0	62.5	108.3

SOURCE: Ministry of Agriculture and Rural Development

N.B. Estimates for 2002 and 2003 were derived using a new methodology. Consequently, data for these years is not directly comparable with that of other years.

1,233.7 thousand kilogrammes produced from 90.5 hectares in 2003. However, eddoe production fell by 7.4 per cent to 44.1 thousand kilogrammes from 47.6 thousand a year earlier.

There were 338.2 thousand kilogrammes of onion produced from 18.8 hectares representing an 8.7 per cent increase over the 311.1 thousand kilogrammes in 2002. Peanut production rose by 108.3 per cent to 62.5 thousand kilogrammes from 30.0 thousand kilogrammes the previous year.

LIVESTOCK AND DAIRY PRODUCTS

There was a mixed performance of the livestock and dairy sector with sharp increases in pork, mutton and poultry and declines in beef,

veal and milk production. Following a three-year decline, pork production rose by 24.5 per cent to reach 1,755.9 thousand kilogrammes compared with 1,409.9 thousand kilogrammes a year earlier. Poultry production expanded slightly to 11,457.8 thousand kilogrammes, representing a 1.5 per cent increase over 11,291.1 thousand kilogrammes produced in 2002. Approximately 90.1 thousand kilogrammes of mutton were produced, the highest since the 81.8 thousand kilogrammes produced in 1996. Egg production reached 1,619.6 thousand kilogrammes, some 1.0 per cent above the 1,603.6 thousand kilogrammes in 2002.

Beef production fell for the third straight year to 345.6 thousand kilogrammes compared with 362.3 thousand kilogrammes a year earlier.

Table 4.1-3

Livestock and Dairy Production ('000kgs)
1999 - 2003

Years	1999	2000	2001R	2002R	2003P	% Change over 2002
Beef	590.2	751.7	411.6	362.3	345.6	(4.6)
Mutton	45.6	45.7	31.5	73.3	90.1	22.9
Pork	2356.4	1922	1799.4	1409.9	1755.9	24.5
Poultry	12296.9	12188.5	11359.6	11291.1	11457.8	1.5
Veal	16.0	13.9	14.6	54.2	50.3	(7.2)
Eggs	1309.9	1607.6	1465.4	1603.6	1619.6	1.0
Milk	7630	7929.7	8140.1	7426.5	7016.6	(5.5)

SOURCE: Ministry of Agriculture and Rural Development

Veal production which expanded four fold the previous year fell by 7.2 per cent to 50.3 thousand kilogrammes from 54.2 thousand kilogrammes in 2002. Milk production declined by a further 5.5 per cent in 2003 to reach 7,016.6 thousand kilogrammes compared with 7,426.5 thousand kilogrammes a year earlier. During 2003, the Barbados Dairy Industries Limited purchased 5,263.2 thousand kilogrammes of milk from dairy farmers.

COTTON

An extended period of drought, a severe attack of thrips on some farms during the drought, white flies, pinkboll worm, and cotton boll worm infestation, and an inadequacy of labour impacted negatively on the overall cotton production during the 2002/03 crop. Accordingly, output fell by approximately 30.0 per cent despite the fact that the same hectareage was cultivated as in the previous year. The effect of pest not only reduced yields but adversely affected profit margins.

The 2002/03 harvest produced 57,595.9 kilogrammes of seed cotton which yielded 18,748.7 kilogrammes of lint compared with

26,900 kilogrammes of lint in the previous year. The conversion rate was 32.5 per cent, representing a 1.8 per cent decline in the efficiency rate when compared with 2002/03. Approximately 68 bales were produced for export compared with 105 bales exported a year earlier. The ginning process also produced 34,434.6 kilogrammes of cotton seeds from which 31,241.2 kilogrammes were sold as animal feed and 3,193.3 kilogrammes retained for planting material for the 2003/04 cotton crop.

The BAMC and the Ministry of Agriculture accounted for 65.2 per cent of the 88.3 hectares planted in cotton as private growers continued to show a reluctance to expand production. Private plantations planted 27.3 hectares or 30.9 per cent of the crop, while small farmers cultivated 3.3 hectares. On average, each hectare produced 652.6 kilogrammes of seed cotton, significantly below the 905.0 kilogrammes yielded a year earlier. Over the last decade, seed cotton production has been inconsistent moving from a high of 485,125.2 kilogrammes in 1995 to 28,435.3 kilogrammes in 2001 and has not reached 100,000 kilogrammes since 1998.

Table 4.1-4

PRODUCTION OF COTTON LINT 1999 - 2003

	1999	2000	2001	2002	2003
Cotton lint (‘000kgs.)	18.5	11.6	9.0	26.9	18.7

INTEGRATED COTTON INDUSTRY

During the year 2003, the Ministry of Agriculture and Rural Development, requested that the Caribbean Business Enterprise Trust Inc. (CBET) develop a Plan for the establishment of a vertically integrated cotton industry. The objective was to transform the West Indian Sea Island Cotton industry into a thriving and profitable private sector-led integrated textile industry, by expanding into marketing and textile operations, in addition to primary production. On February 25, 2003, the Ministry hosted a strategic visioning retreat, involving a wide cross-section of stakeholders with a view of sharing ideas. In July, 2003 the CBET completed a Business Plan which drew heavily on the report coming out of the February retreat. The business plan was approved by Cabinet and promoted among the private sector as a profitable business venture. Consequently, a company based primarily on private sector investment, and including some government equity, was established.

The private sector has mobilized the initial capital required to carry this initiative forward. The Jamaica private sector has invested in and promoted the new company, and participation of other WISICA members is being solicited. A prospectus is being developed and the company intends to raise \$10.0 million on the financial market to fund the first two years of operation.

The objective is to expand the area under production from the current 85.8 hectares to 323.8 hectares during the first year of expansion, and to 1,615.8 hectares by the end of the fifth year. The new company will purchase the harvested cotton, and seek an arrangement with the BADMC for the utilization of the ginnery at Spencers. The company will seek to identify a strategic partner to collaborate on international marketing and product development while experience is gained by local stakeholders. In the medium term, it is expected that a yarn production facility will be established in the Caribbean. The ultimate objective is to establish

facilities to produce finished goods, thereby concreting forward/backward linkages within the region.

The success of this initiative will be aided by the intensification of all aspects of research and development. In this regard, a \$1.0 million capital injection into the Cotton Research and Development Fund as announced in the Financial and Economic Statement of 2003 will provide the necessary resources for the conduct of critical activities.

THE SCOTLAND DISTRICT

During 2003, the Ministry of Agriculture and Rural Development prepared a comprehensive five-year plan for the development of the Scotland District at an overall cost estimated at Bds. \$62.9 million of which \$30.9 million will be allocated to the regular operations of the Soil Conservation Unit. The Scotland District continues to be seriously affected by landslides and erosion. Erosion and land slippage has led to migration away from the area and a decline in agricultural production and economic activity.

The overall goal is to stimulate sustainable economic activity in the Scotland District, thus enhancing its potential to contribute to GDP and employment creation, and enhanced food security.

The Development Plan is divided into eight key strategic components, which are considered vital for the overall rehabilitation and sustainability of agricultural production in the Scotland District. These are land conservation, water resources development, expansion of the land for the landless programme, measures to increase production and productivity levels, development of marketing systems, establishment of linkages, development of the physical infrastructure and institutional strengthening. The plan also provides for the legal and policy framework, to

provide the enabling environment for the development of the District.

During 2003, the Soil Conservation Unit and the Barbados Agricultural Development and Marketing Corporation (BADMCO) under the Land for the Landless, and Irrigation Programmes, pursued activities complementary to the various projects planned for the Scotland District, including those associated with land conservation, specifically engineering and agronomic works, including forestry and the development of water resources. Engineering activities have been conducted at Morgan Lewis, Burnt House and Greenland. In agronomy, the Soil Conservation Unit has made efforts to increase the capacity of the Nursery at Haggatt's and commenced forestry activities at Morgan Lewis. Irrigation activities have been conducted at Sedgepond and Bawdens.

COMMERCIAL BANK CREDIT TO THE AGRICULTURAL SECTOR

Commercial Bank Credit to the Agricultural Sector fell for the third straight year. At December 31, 2004 credit to the sector was \$41.9 million, some \$3.7 million less than the \$45.7 million a year earlier. Credit to the sugar cane sector totalled \$10.9 million, representing a 2.7 per cent decline when compared with \$11.2 million at year end 2002. The livestock sector's indebtedness fell to \$22.1 million from \$23.0 million at December 31, 2002. Credit to the food crops sector which stood at \$3.8 million in 2002, fell significantly during the review period to reach \$1.3 million. Miscellaneous (other) production's indebtedness to the commercial banking sector totalled \$7.6 million, marginally below the \$7.7 million in 2002. This sector accounted for 1.5 per cent of total commercial bank credit, virtually the same as the previous year.

TABLE 4.1-5

Commercial Bank Credit to the Agricultural Sector
1994 - 2003

					(\$' 000)
Year	Sugar Cane	Livestock	Food Crops	Other	Total
1994	11677	15570	873	7731	35851
1995	10899	15781	1490	8978	37148
1996	16292	16978	1918	6529	41717
1997	11129	18453	3307	8655	41544
1998	14249	23469	3282	6331	47331
1999	17209	18026	5970	6781	47996
2000	21474	31861	5544	7821	66700
2001	15433	27548	4373	7265	54619
2002	11169	23012	3797	7692	45670
2003P	10902	22149	1286	7598	41935

SOURCE : Central Bank of Barbados

RURAL DEVELOPMENT COMMISSION

The Rural Development Commission, through the Rural Enterprise Fund, the Livestock Development Fund and the Fruit Orchard Development Fund, approved forty-three loans to the value of \$384,998.79 to the agricultural sector. The livestock sub-sector received twenty-nine loans valued at \$236,498.79, while fourteen loans for \$148,500.00 were approved for vegetable production.

BARBADOS AGRICULTURAL DEVELOPMENT AND MARKETING CORPORATION

During the year under review the Barbados Agricultural Development and Marketing Corporation directed its marketing energies to the areas of beef, Black Belly lamb and agricultural exports. Nonetheless, beef sales declined significantly by 68.9 per cent to 50,133 kilogrammes from 161,336 kilogrammes a year earlier. This decline is mainly explained by the decreasing stock of beef animals which needs to be addressed in order to develop a viable beef industry. The focus on local lamb resulted from a continuing effort to forge linkages between agriculture and tourism. The product was well received by the hospitality sector but supplies were inadequate with lamb sales restricted to 1,787 kilogrammes.

As the coordinator for agricultural exports, the Corporation brought together an agricultural exporter with producers, but the quantities exported were minimal. The programme experienced late payments by the exporter, a development which reduced the number prepared to produce for the exporter. This problem is in its final stages of resolution by the Enterprise Growth Fund Ltd., through the Agricultural Development Fund (ADF) and the BADMC. Additionally, the Corporation assigned Extension Officers to give agronomic and post-harvesting advice to producers for export with a view to reaching the high standards necessary for penetrating and maintaining export markets. The crops targeted

for production and export were hot peppers and okras.

During 2003, the Corporation's Extension Services Unit was involved in a number of activities including a Farmers' Workshop on irrigation practices, pest and disease control and farm management. The Unit developed and managed the Agricast programme, a production and forecasting tool, to enable farmers to plan production, and initiated a project on the rapid propagation of plantains. During the review period, the Unit made 26,000 farm visits to 500 holdings and covering 364.2 hectares of land.

In the year under review, the Irrigation Unit was involved in a number of activities and projects. The Corporation increased its irrigation districts to eleven (11) providing an additional seven (7) connections. Twelve aging pumps were replaced to satisfy the additional districts created, improved the dependability of the systems and allowed for farmers to be more adequately serviced. Major refurbishment and upgrading of the electrical switch gear was commenced and air release valves were installed throughout Springhall Land Lease Project, Salter's, Ruby and Sandford to ensure accurate usage levels. Wells were put into operation at the Pine Basin project and similar work commenced at Diamond Valley, St. Philip, Bath, St. John and Burnt House, St. Peter. The Unit conducted water management workshops to expose producers to more efficient and effective modes of irrigation.

THE LAND FOR THE LANDLESS PROGRAMME

During 2003, the Barbados Agricultural Development and Marketing Corporation (BADMC) distributed 159.9 hectares of private land to twenty-five (25) farmers. Approximately 85.0 hectares were in production – 79.7 hectares under root crops and vegetables and 5.3 hec-

tares under livestock. Some sixty-three workers gained employment from the on farms activities. Agricultural output on private lands under the Landless Programme was estimated at 181.0 thousand kilogrammes.

Public lands available to the Corporation in 2003 amounted to 570.2 hectares as River and Bath were added to the Programme. Untowardly, there was no improvement on the 220.2 hectares distributed during 2002. Of the 67.6 hectares of public land in production, some 31.2 hectares were under vegetable and root crop production, 29.5 hectares under orchards and 6.5 hectares under livestock. Sixty tenants occupied these lands under production, employing twenty-four workers. There were some 94.2 thousand kilogrammes of agricultural produce on public lands.

The programme experienced a number of problems which adversely affected production levels. Farmers experienced difficulties in accessing loans, sourcing labour, irrigation facilities and adequate water. The condition that housing facilities are not to be constructed and located on site, and insufficient access to land preparation equipment and machinery were also impediments. Farmers were reluctant to pursue agricultural exploits in the Scotland District because of the terrain and dwindling water resources.

The BADMC, in collaboration with the Soil Conservation Unit, provided a number of support services including clearing thirty (30) acres of land in the Scotland District and cart roads at Bawdens, Sedgepond and Greenland to facilitate easier vehicular movement within the plantations.

Four farmers have received technical assistance in the drafting of business plans, and extension officers were assigned to

farmers in the programme to assist them in upgrading their skills in agriculture. The BADMC has received assistance from the Rural Development Commission to initiate training programmes for farmers in the project. The Corporation and Ministry of Agriculture and Rural Development are collaborating with the Food and Agriculture Organisation to develop a communal grazing scheme for the Barbados Black Belly sheep at Shorey Village, St. Andrew.

AGRICULTURAL TRADE

The Ministry's agricultural trade programme was intensified in 2003 and with respect to WTO; efforts were focused towards the Cancun Ministerial Meeting held in Mexico. The Ministry reviewed proposals by other WTO members of interest to the agricultural sector in Barbados, provided inputs into the Barbados negotiating positions, analysed the impact of various tariff reduction formulae, and also special safeguard proposals on key agricultural products.

The FTAA negotiations were also intensified. Following inputs in compiling agricultural base rates and base tariffs, the Ministry provided Barbados' initial FTAA offers, for submission to the FTAA Secretariat by the 15 February 2003 deadline, and revised FTAA offers for submission by July 2003.

The Ministry of Agriculture and Rural Development contributed to CARICOM in its negotiating a bilateral agreement with Costa Rica. During 2003, the Ministry conducted a series of seminars aimed at sensitizing stakeholders to the various aspects of agricultural trade.

FISHERIES

Fisheries output fell by 3.0 per cent to 2,399.9 tonnes compared with 2,472.3 tonnes in the previous year. The decline was due to reduced fishing effort and the reticence of fishermen to pursue fishing in the disputed water between Barbados and Trinidad where higher catches are obtained. Flying fish landings reached 1,488.3 tonnes, 6.4 per cent below the 1,590.4 tonnes caught in 2002. Dolphin catches increased by 4.2 per cent to 576.1 tonnes compared with 552.8 tonnes in 2002. Approximately 114.5 tonnes of tuna,

43.9 tonnes of bill fish and 40.3 tonnes of king fish, respectively, were landed in 2003, virtually the same as in the previous year. Snapper catches rose by 3.2 per cent to 12.8 tonnes, while 7.4 tonnes of sword fish, 5.1 per cent below the 2002 catch, were landed. Some 9.1 tonnes of shark and 10.2 tonnes of carangid were landed in 2003.

The Bridgetown Fishing Complex and the Oistin's Fishing Complex accounted for 67.0 per cent and 18.0 per cent, respectively, of the fishing catch.

Table 4.1-6

Fish Landings by Type (Tonnes)
1999 - 2003

Years	1999	2000	2001	2002	2003
Flying Fish	2075.2	1915.6	1673.1	1590.4	1488.3
Dolphin	745.3	728.9	574.4	552.8	576.1
Kingfish	37.6	36.1	23.6	40.6	40.3
Billfish	73.2	76.9	70.7	43.9	43.9
Tuna	151.4	190.9	150.7	114.0	114.5
Snapper	23.5	24.8	20.0	12.4	12.8
Reef Fish	n.a.	n.a.	31.2	9.9	10.2
Shark	9.7	13.8	9.5	9.1	9.1
Swordfish	9.1	n.a.	14.3	7.8	7.4

Source: Fisheries Department, Ministry of Agriculture and Rural Development

Following an in-depth survey of the fishing fleet during 2003, the number of registered vessels totalled 954, some seventy-eight (78) fewer than in the previous year. Of the registered fleet, some 672 vessels were active during the fishing season. There were 485 Moses registered, forty-two (42) fewer than in 2002, while launches and iceboats accounted for 254 and 193 vessels of the total fishing fleet respectively.

During 2003, a small scale reef fish kill, associated with the bacteria, streptococcus iniae, occurred around the northern and eastern coasts. However, the kill did not have a significant financial impact on the industry. The Rural Development Commission approved four loans totalling \$54,500.00 to the fisheries sub-sector.

TABLE 4.1-7

Fishing Fleet by Type
1999 - 2003

Type of vessel	1999	2000	2001	2002	2003
Moses	412	434	471	527	485
Launches	288	290	289	300	254
Ice boats	149	156	163	173	193
Longliners	30	31	31	32	22
Total	879	911	954	1032	954

SOURCE: Fisheries Department
Ministry of Agriculture and Rural Development

B. MANUFACTURING

The year 2003 was another challenging one for businesses in the manufacturing sector. On the domestic front, the high level of competition from foreign products – consisting mainly of cheap imports from CARICOM, the Far East, North America and Europe – due to market liberalisation, continued to highlight and exacerbate problems systemic in the sector. These problems included high production costs due to small plant size, high raw material and labour costs; low productivity levels; inadequate marketing; and failure to take advantage and/or integrate modern technologies into the production process.

On the external side, constraints of size and restrictive market access requirements such as, labelling, packaging and sanitary and phytosanitary rules limited the scale and scope of products manufactured for export.

Conversely, the nationally targeted “Buy Local” campaign, which was hailed as a success, particularly in raising the profile of locally-made products, and remaining protective measures offered some respite for locally manufactured goods. Furthermore, funding and technical assistance provided directly or indirectly by the government continued to provide a significant boost to export-oriented operations. At the end of 2003, 101 locally owned companies had benefited from such initiatives.

Efforts by the Ministry of Industry and International Business in support of local manufacturers included several seminars geared toward increasing awareness on issues related to trade liberalisation at both the regional and extra-regional level; accessing technical and financial assistance, accessing export markets and competitiveness.

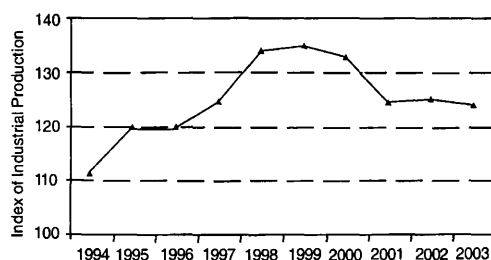
OUTPUT

In 2003, the manufacturing sector accounted for approximately 8.2 per cent of real GDP compared with 8.5 per cent in 2002. Real output fell slightly, from \$81.3 million in 2002 to \$80.7 million in 2003. From a position in 2002 when output crept along at 0.3 per cent, production levels fell for the fourth time in five years, falling by 0.8 per cent in 2003. Increases in output for the sub-sectors beverages and tobacco, and other manufacturing industries were seen in 2003.

Production declined in all major sub-sectors barring that of beverages and tobacco, which grew by 2.7 per cent following a fall off of 4.8 per cent in 2002 and other manufacturing industries which grew marginally by 0.6 per cent, less than the growth of 1.8 per cent recorded in 2002.

Declines were recorded in food processing of 1.7 per cent after growth of 6.6 per cent in 2002. The garments sub-sector declined for the third successive year, though at a slower rate of 6.3 per cent compared with substantial declines of 37.0 per cent and 25.8 per cent in 2001 and 2002, respectively. Wooden furniture and other non-metallic mineral products also declined for the third year in a row, falling by 0.4 per cent and 8.3 per cent, in that order. The chemicals and electronics sub-sectors, which declined correspondingly on average by 8.4 per cent and 11.6 per cent over the past five years, continued to decline by 3.9 per cent and 12.0 per cent, respectively in 2003.

Figure 5
Index of Industrial Production
1994-2003



Source: Barbados Statistical Service

DOMESTIC EXPORTS⁴

Total domestic exports for 2003 reached \$329.4 million, 1.1 per cent less than the figure recorded in 2002 and 16.8 per cent less than that recorded in 1999, the last year in which there was export growth. Moreover, this was the worst export performance since 1994 when Barbados managed only \$267.6 million in export earnings.

Chemicals were the main export, earning \$41.9 million, followed by sugar, which earned \$41.0 million, reversing the trend of the previous two years when, other food and beverages, which earned \$36.8 million in 2003, provided the most revenue. Other domestic exports provided the largest revenue stream, contributing 41.2 per cent of total export revenue, some \$135.6 million. Other major export earners included rum, \$33.6 million and electronic components with \$29.7 million.

Domestic exports to the CARICOM market accounted for \$169.9 million or 51.6 per cent of total domestic exports compared with \$177.2 million or 53.2 per cent in 2002. This represented a fall in exports to CARICOM of \$7.3 million or 4.1 per cent. The largest declines were to Suriname and Belize where there were declines of \$5.0 million and \$2.5 million respectively, or declines of 51.0 per cent in both cases, whereas exports to Dominica and Grenada increased by \$2.1 million or 29.6 per cent and \$1.6 million or 15.6 per cent in each respectively.

Trinidad and Tobago remained Barbados' largest trading partner in CARICOM, importing \$50.5 million worth of goods compared with \$52.5 million in 2002, a decline of 3.8 per cent. This amounted to approximately 29.7 per cent of total domestic exports to CARICOM compared with 29.6 per cent in 2002. Exports to Jamaica, which increased by \$0.4 million to reach \$27.1 million, accounted for 15.9 per cent of total

TABLE 4.2-1
Direction of Trade with CARICOM Countries
Domestic Exports
1999-2003

(BDS \$000)

Country	1999	2000	2001	2002	2003P
Antigua	12,328	10,760	8,817	9,994	8,294
Belize	5,626	5,332	5,283	4,854	2,370
Dominica	9,149	8,318	5,791	7,172	9,298
Grenada	11,752	11,232	11,779	10,300	11,909
Guyana	11,849	13,470	12,120	13,717	11,777
Haiti	n/a	n/a	n/a	n/a	625
Jamaica	33,534	32,678	31,853	26,688	27,097
St. Kitts/Nevis	10,059	10,216	7,674	9,412	8,932
St. Lucia	21,908	19,950	19,279	16,958	17,660
Montserrat	1,021	799	909	956	1,034
Suriname	6,260	6,701	8,906	9,819	5,825
Trinidad & Tob.	57,489	60,355	40,329	52,531	50,525
St. Vincent	15,542	14,408	14,231	14,836	14,546
Total	196,517	194,219	166,971	177,237	169,897

SOURCE: Barbados Statistical Service

⁴ Source for Domestic Exports data: Barbados Statistical Service.

domestic exports. Export earnings were recorded at \$17.7 million in St. Lucia and at \$14.5 million in St. Vincent, representing an increase in exports of 4.1 per cent and a 1.9 per cent decline respectively.

Outside CARICOM, Barbados' major trading partners included the USA and the United Kingdom, which imported \$58.1 million and \$51.4 million of domestically produced goods, in that order. The US market contracted by 8.2 per cent while exports to the UK were up by 2.3 per cent.

INVESTMENT IN MANUFACTURING AND RELATED SERVICES⁵

The 2003 survey of the BIDC shows that, there was a fall-off in investment activity in the manufacturing and related services sectors. Total investment in the manufacturing and related services sectors stood at \$42.8 million, representing a fall of \$5.7 million or 11.8 per cent less than last year. Of this total, \$3.6 million or 8.4 per cent accounted for new investment, while \$39.2 million represented expansion of existing plant and equipment. In 2002, only 5.7

per cent or \$2.7 million of total investment was spent on new investment. Expenditure on expansion was \$6.5 million less than was spent in 2002.

Total investment in manufacturing stood at \$40.4 million, having declined by 7.5 per cent compared with the \$43.7 million recorded for 2002. New investment in manufacturing increased by \$1.8 million to \$2.3 million, however, this was not enough to offset the 11.7 per cent decline in outlays on the expansion of plant and equipment which fell by \$5.1 million to \$38.1 million.

ENTERPRISES ESTABLISHED BY BIDC (MANUFACTURING AND RELATED SERVICES)

Over the period under review 35 new companies (one fewer than last year) were established with the assistance of the BIDC. Of this number, 31 were small businesses and four (4) were foreign owned. In total, new businesses accounted for \$3.6 million in investment into the sector. Small businesses accounted for \$0.8 million of this total, while foreign owned companies accounted for \$2.8 million.

TABLE 4.2-2
Investment in BIDC Assisted Companies
2000 – 2003

	(BDS\$000)			
Investment	2000	2001	2002R	2003P
New:				
Manufacturing	1,928,500	2,660,000	454,200	2,267,400
Services	1,096,000	5,480,700	2,288,300	1,304,700
Sub-Total	3,024,500	8,140,700	2,742,500	3,572,100
Expansion:				
Manufacturing	62,834,563	28,008,793	43,223,203	38,146,792
Services	1,702,106	1,918,490	2,506,701	1,051,603
Sub-Total	64,536,669	29,927,283	45,729,904	39,198,395
Grand Total	67,561,169	38,067,983	48,472,404	42,770,495

Source: Barbados Investment and Development Corporation

⁵ Comprehensive information is only available in information services, which is the largest service sector.

TABLE 4.2-3
New Enterprises Established
2001 - 2003

	2001	2002	2003
Food, Beverages and Tobacco	4	1	1
Textiles, Apparels and Leather	3	2	4
Wood, Wooden products and Leather	1	0	0
Paper Products, Printing and Publishing	2	0	0
Chemicals and Chemical Products	0	0	0
Plastic Products	1	0	0
Non-Metallic Mineral Products	0	0	0
Fabricated Metal products	0	2	0
Precision Instruments	0	0	0
Electronic Components and Devices	0	0	0
Handicraft	3	0	1
Other Manufacturing	2	1	2
Graphic Art & Public Relations	1	0	0
Contact & Construction Services	1	0	1
Technical & General Consulting	1	0	0
Information Services	5	3	4
Other Services	23	27	22
Total	47	36	35

SOURCE: Barbados Investment and Development Corporation
Ministry of Industry and International Business.

Approximately, 2,098 new jobs were created in 2003 compared with 1,716 in 2002 due to investment in manufacturing and related services. One hundred and seventy-six (176) of these new jobs were created by the establishment of new businesses, compared with 214 in 2002. Of this number, 46 were attributed to small businesses, a figure substantially less than the 85 jobs created in 2002, while foreign owned companies accounted for 130 new jobs compared with 111 in 2002.

EMPLOYMENT IN MANUFACTURING AND OTHER SERVICES

When combined, the manufacturing and related services sectors accounted for 12,230 jobs, almost the same as that recorded in 2002, when 12,224 persons found employment in these sectors.

During 2003, the BIDC Survey estimated that approximately 9,251 persons were employed in the manufacturing sector compared with 9,456 in 2002. This represented a decline of 2.2 per cent. The vast majority of employed persons found work in the sub-sectors of food, beverages and tobacco, 3,359; non-metallic mineral products, 1,138; paper production, print and publishing, 908; fabricated metal products 826; and textiles, apparel and leather, 780.

There was a reduction in the number of persons employed in the sub-sectors of other manufacturing, 11.5 per cent; food, beverages and tobacco, 5.4 per cent; electronic components and devices, 3.4 per cent; wood, wooden products and fittings, 1.6 per cent; precision instruments, 1.4 per cent; paper products, print and publishing, 0.9 per cent; and fabricated metal products 0.2 per cent.

Increased employment occurred for firms producing non-metallic mineral products, 3.5 per cent; handicraft, 1.9 per cent; and plastic products 0.6 per cent.

In manufacturing related services approximately, 2,979 persons were employed in 2003 compared with 2,768 in 2002, an increase of 7.6 per cent. As in recent years, the bulk of employment was found in information services,

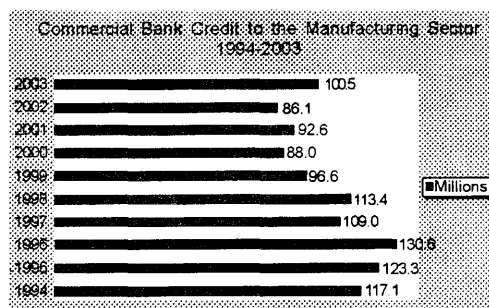
which accounted for 47.7 per cent of workers. Contract and construct services, as well as, accounting and international financial services also made significant contributions to employment in related services of 20.4 per cent and 16.8 per cent.

CREDIT TO MANUFACTURING⁶

At the end of December 2003, commercial bank credit to the manufacturing sector stood at \$100.5 million, or 16.7 per cent more than the \$86.1 million received at the end of 2002. This was the highest level of credit extended to the sector since September 1999 when \$99.4 million was lent to businesses in the sector.

The major recipients of these funds were businesses in the building material and metal products sub-sector, \$25.3 million; the other manufacturing sub-sector, \$41.8 million; and the alcoholic beverages and tobacco sub-sector, \$10.9 million.

Figure 6



C. TOURISM

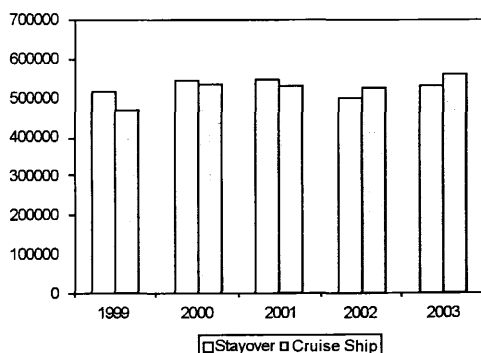
The year 2003 reported very positive growth across all tourism activity in Barbados. This sector continued to be the main driving force behind the country's economic development in 2003 making a contribution of 15.7 per cent to the overall Real Gross Domestic Product. Both the first half and the second half of the year saw marked increases on the previous year's performance. Overall tourism figures surpassed recent, previous records of arrivals wherein over 2.1 million persons touched the shores of Barbados for 2003 as

⁶ Includes sugar and molasses.

opposed to 2.03 million in 2002. This growth was obtained largely from increased visitor passage for the Australian and Sri Lankan cricket tours of the Caribbean during the year.

After a slight decline in long-stay arrivals in 2002, some 531,211 arrivals were recorded for 2003, 6.7 per cent higher than the previous year. This figure is second only to the highest recorded total of 544,696 arrivals in 2000. Cruise passenger arrivals grew 6.9 per cent from 523,253 passengers in 2002 to 559,119 passengers in 2003 surpassing the previous highest total to become the largest recorded number of cruise passengers to port in Barbados.

Figure 7
TOURIST ARRIVALS BY TYPE



SOURCE: Barbados Statistical Service
Ministry of Tourism and International Transport

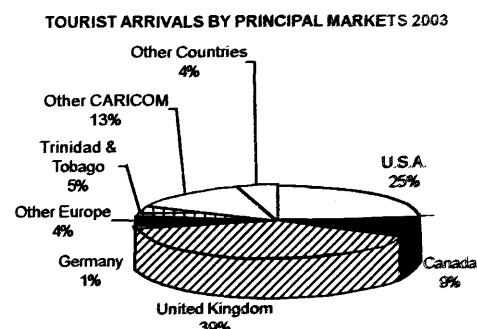
Barbados' tourism product experienced credible performance across all areas of activity throughout 2003. The period January to April registered all major tourist markets showing positive growth levels. Most notably during this period were increases in stay-over visitors by 13,339 persons which represented an increase of 8.0 per cent over 2002 and an increase of 20,544 persons in cruise passengers, 8.2 per cent higher than the arrivals for the same period in 2002. This growth continued for the first six months of 2003 out of which an increase of 7.6 per cent was recorded for the Crop-Over Season with 59,282 visitors as opposed to 49,239 in 2002 whereas the rest of the year remained on a relatively constant growth path.

Tourist expenditure grew by 13.0 per cent from \$1,295.6 million in 2002 to \$1465.1 million in 2003.

TOURIST ARRIVALS BY TYPE

After declining in 2002, the United Kingdom market returned to its usual growth path in 2003, registering a 5.2 per cent increase over 2002. Visitor statistics indicate that 202,564 persons visited Barbados in 2003 as opposed to the 192,606 persons in 2002. This market showed signs of gradual rebound since the removal of major airlift charters in 2002 and welcomed the increase of 11 flights per week to Barbados from British Airways and seven flights per week from Virgin Atlantic Airways and Excel Airlines. Comparably the resultant increases in arrivals based on these new developments are still below those over the periods 1999-2001. This rebound has increased UK's overall market share which grew 0.2 percentage points to 39.0 per cent of arrivals in 2003.

Figure 8



SOURCE: Barbados Statistical Service
Ministry of Tourism and International Transport

Again, growth in arrivals from the US market continued to impress upon Barbados the relative successes of its "Best of Barbados" marketing program. Arrivals from the US increased 4.8 per cent from 123,429 persons in 2002 to 129,328 in 2003. These figures have only been matched by the pre-1990 Gulf War period in which the average arrivals for any one year between the period 1984-1990 was 182,000 visitors. This market has proven that it is responsive to the marketing strategy which

brought with it an increased airlift via Continental Airlines from New Jersey and improved consumer confidence for this destination. The US market share stood at 25.0 per cent in 2003 from 24.9 per cent in 2002.

Tourist arrivals from CARICOM countries grew by 8.0 per cent from 89,677 to 96,809 persons out of which, Barbados' best regional market, Trinidad and Tobago, expanded by 7.7 per cent to 27,530 visitors as compared with 25,559 visitors in 2002. The other CARICOM territories increased their arrivals to Barbados by 5,161 persons for a total of 69,279, an 8.0 per cent increase over 2002.

In 2002, there was a 10.7 per cent reduction in Canadian arrivals to Barbados, however, in 2003 there was a 6.2 per cent increase or 49,641 Canadian visitors who travelled to Barbados. This was largely due to the additional airlifts commencing during the year from Montreal and Toronto through the Halifax gateway.

In contrast to nearly a decade of declining arrivals from Germany, 2003 produced the first major increase reporting 7,612 visitors in 2003 over 5,931 visitors in 2002, an increase of 28.3 per cent.

Other European visitors to Barbados rose by 2,517 in 2003 with 21,914 arrivals, up 13.0 per cent over 2002.

HOTEL PERFORMANCE INDICATORS

In 2003, the average length of stay stood at 6.8 nights rising slightly from 6.7 nights the previous year. The average hotel room occupancy rates increased by 7.4 percentage points from 42.5 to 49.9 per cent in 2003. These rates increase across both the winter and summer months. The room count fell 7.5 per cent to 6,236 in 2003 from 6,742 rooms in 2002; likewise the bed count fell from 13,050 in 2002 to 10,822, which is likely due to property renovations and refurbishment. Bed occupancy rates increased to 49.8 per cent, 5.7 per cent higher than the 44.1 per cent reported for 2002.

TABLE 4.3-1

Tourist Arrivals by Country of Residence
1996 - 2003

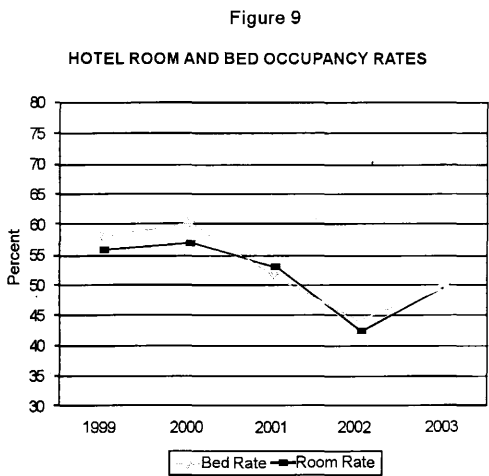
('000)

Year	U.S.A.	Canada	United Kingdom	Germany*	Other Europe	Trinidad & Tobago	Other CARICOM	Other	Total
1996	111731	54928	139588	25867	35505	15786	40966	22712	447083
1997	108095	58824	155986	18900	44797	18314	45267	22107	472290
1998	106300	59946	186690	12109	51499	19785	50573	45280	512397
1999	104953	57333	202772	9553	31668	25005	61122	22208	514614
2000	112153	59957	226787	7850	26138	23215	64209	24387	544696
2001	106631	52382	217470	6474	22185	21010	59075	21859	507086
2002R	123429	46754	192606	5313	25328	25559	64118	20105	497899
2003P	129328	49641	202564	7612	21914	27530	69279	23345	531213

SOURCE: Barbados Statistical Service

* West Germany prior to 1991

! Other - now includes arrivals from Venezuela



SOURCE: Barbados Hotel and Tourism Association
Barbados Tourism Authority Ministry of
Tourism and International Transport

CRUISE SHIP ACTIVITY

The year 2003 resulted in the highest ever recorded number of cruise passenger arrivals to Barbados with a total of 559,119 persons as opposed to the 523,253 persons, a 6.9 per cent over the previous year. This increase was due to the increase in the number of ship calls at the Bridgetown Port, which moved from 423 calls in 2002 to 442 for 2003.

INVESTMENT

Many interesting events took place in Barbados during 2003. The highlights of the year in review include the following:

- The final flight, landing and housing of the Concorde which will be housed in Barbados’ first aviation Museum
- Twenty-three new passenger check-in counters that carries a through put of 6000 persons entering Barbados
- A new departure lounge at the Grantley Adams International Airport with a capacity for 1, 200 persons

- Opening of the Barbados Pavilion and Amaryllis Beach Resort
- The launch of a new Barbados website
- Local investment in the tourism sector for 2003 saw commercial bank credit to the tourism sector increase to \$385.3 million; up \$38.7 million from \$346.6 million in 2002.

The Barbados Tourism Investment Inc. (BTI) in its capacity as Executing Agency for the Government’s Urban Rehabilitation Programme (URP) also made several tourism investment initiatives in 2003. These were completing and handing over of two projects under the Urban Rehabilitation Programme (URP):

1. St. Lawrence Gap (Phase I) Streetscape Improvements.
2. Construction of a new 172 vehicle parking facility at the Reclaimed Waterfront in Bridgetown.

With the new additions of properties during 2002, the BTI now has ownership of a total of eleven properties for development at the end of 2003.

Since the commencement of the Programme in June 2001, total project expenditure to December 31, 2003 amounted to BDS\$31.7 million. In addition, BTI continued its disbursement of funds for the new District “E” Police Station project in Speightstown.

**STREETSCAPE IMPROVEMENTS (PHASE 1),
ST. LAWRENCE GAP**

Phase 1 of the Streetscape Improvements project in St. Lawrence Gap encompassed the redevelopment and enhancement of the roadway between the western entrance of St. Lawrence Gap and Dover Playing Field. The project was completed in November 2002

following the successful relocation of the electricity and telephone services underground. The roadway has since been returned to the possession of the Ministry of Public Works to facilitate its future maintenance and upkeep. The cost of this project, which has been funded in part by the Caribbean Development Bank (CDB), is \$8.6 million.

STREETSCAPE IMPROVEMENTS (PHASE 2), ST. LAWRENCE GAP

Construction activity on Phase 2 of the St. Lawrence Gap Streetscape Improvements project, which includes the redevelopment and enhancement of the roadway between Dover Playing Field and the eastern entrance of St. Lawrence Gap, commenced in August 2003. The project was expanded to include the replacement of utility mains in the area. Construction has been deferred during the tourist season and the revised completion date is set for August 2004. Total expenditure at the end of the year was \$1.977 million.

D. CONSTRUCTION

During 2003, the construction sector's contribution to GDP expanded by 2.7 per cent to \$232.5 million. This outcome was fuelled mainly by private sector activity even though work continued on major public sector projects such as the expansion of the Grantley Adams International Airport, the new Barbados Hilton and the new Government Office Complex at Warrens.

RESIDENTIAL CONSTRUCTION

Residential construction declined by 4.7 per cent in 2003. During the year, a total of 1,017 housing units were constructed, 50 fewer than in the previous year. The majority of the units, 52.0 per cent, were in St. Michael, Christ Church and St. Philip. Of the total housing units completed during 2003, 109 were wooden structures compared with 123 in 2001, 138 were wood and masonry, the same as in the previous year, and 770 were masonry, which represented 36 units fewer than a year earlier.

ROAD WORKS

Road works under the second World Bank Road Maintenance and Rehabilitation Project continued on Highway N (Airport to Crane), Highway W (Constant to Walkers) and Highway C (Trents) where 3.5 kilometres of road were paved at a cost of \$2.52 million. Another \$2.71 million was spent on the Scotland District in the areas of road rehabilitation and highway construction and maintenance. A sum of \$650,000 was spent on repairs to the Newcastle Bridge in St. John and by year end the bridge was 60.0 per cent completed. Under the Bridgetown Road and Safety Improvement Project, approximately 4.04 kilometres of roads were paved at a total cost of \$15.1 million.

TENANTRIES PROGRAMME

In the Tenancies Programme 23 lot plans were reviewed and 111 tenants received conveyances for house spots in plantation tenancies. Another 68 tenants were in the process of purchasing lots. Under the programme 4,549 tenants have attained security of tenure, a figure representing 68.6 per cent of surveyed lots.

During the review period, the Tenancies Programme affected 46 tenancies comprising 456 tenants. Some 220 tenants submitted documents for processing in respect to the transfer of title. Transfer of title was completed in 10 tenancies with 25 persons purchasing.

HOUSING RELOCATION

In 2003 approval was given for the construction of five (5) of the remaining 36 houses required for the relocation of the residents from the path of the Airport Expansion Project from Fairy Valley to Leadvale, Christ Church. Of the 36 houses previously approved, 18 are under construction and nine completed and occupied.

Work also commenced on the relocation of 45 households from Church Village and the Riverside, Bridgetown to Lower Burney,

St. Michael. A total of 36 masonry units were completed and 16 of them are occupied. Also, two quads (eight units) were completed and another one (1) virtually completed.

A social survey was conducted in the area of Greenfields, Bridgetown to gather socio-economic information to seek the opinion of residents, with a view to improving the amenity of that community. Concern was expressed regarding squatting in the Zone 1 water protection areas at the Belle and Bellevue, St. Michael. An inter-ministerial committee was established to examine the issue of squatting. A social survey was also conducted. Pickwick Gap, Bridgetown was the focus of a social survey as to the impact on residents of the redevelopment of Kensington Oval for the Cricket World Cup 2007.

NON-RESIDENTIAL CONSTRUCTION ACTIVITY

Work continued on the 350-room Barbados Hilton Hotel at Needhams Point, St. Michael. By year-end the 10-floor main building was erected. Extension work on the apartment hotel complex at Cacrabank was near completion, while an additional 34 rooms were added to the Kings Beach Hotel. Work started on the construction of 63 villas at Mount Standfast, St. James and by December 2003, 14 club and 8 courtyard villas were completed. The Amaryllis Beach Resort (formerly Asta) underwent extension and renovation adding 21 rooms to the existing 124 rooms.

Excavation work started to facilitate the erection of a five-storey office building at Warrens, while the seven-storey Consumers' Guarantee Insurance Office building was near completion. The government office building at Warrens also neared completion by year-end. Work on both the expansion of the Grantley Adams airport and the Sea Port continued during the year.

Work continued at the 180 lot sites and service development at Jackmans/Lears, St. Michael. By year-end the project was awaiting the instalment of water mains and was

approximately 65.0 per cent completed. This development is to resite targeted households including those in the Lewis Gap Zone 1 area. Additionally, work resumed on the 88 lots at Farmers developed to resettle families from the Scotland District threatened by land slippage. By year-end, infrastructural services at this site were 60.0 per cent completed.

CREDIT TO HOUSING

An estimated \$150.5⁷ million was extended in new residential mortgages. Commercial banks provided \$91.5 million of the total, representing a 1.6 per cent decline from the \$93.0 million extended in 2002. New residential mortgages by trust companies amounted to \$46.7 million, significantly higher than the \$36.3 million in 2002. The number of mortgages extended to existing units totalled 255 compared with 232 a year earlier. These mortgages were estimated at \$31.9 million, some \$7.7 million below the \$39.6 million in 2002. Commercial banks accounted for \$23.6 million or 74.1 per cent of total mortgages extended to existing units during the review period.

There were 1,011 mortgages extended for new housing construction, some 6.9 per cent higher than the 946 mortgages extended during 2002.

At December 31, 2003 the value of mortgage loans outstanding was approximately \$1,139.5 million, representing an 8.3 per cent increase over the \$1,051.9 million for the same period in 2002. Of this amount, \$461.2 million or 40.5 per cent was due to commercial banks with trust companies owed another \$363.1 million. The Barbados Mortgage Finance Company (BMFC) had \$176.4 million in outstanding mortgage loans at the end of the review year. The number of loans totalled 9,403, some 292 more than the figure of 9,111 at December 31, 2003. The commercial banks accounted for 3,579, trust companies for 2,942 and the BMFC 2,882.

⁷ This figure excludes insurance companies data, for which according to the Supervisor of Insurance is not available.

TABLE 4.4-1

New Mortgages Extended to Housing
1993 - 2003
(Selected Institutions)

					(\$ M)
Year	BMFC	Commercial Banks	Trust Companies	Insurance Companies	Total
1993	8.1	1.4	29.6	3.6	42.7
1994	4.8	5.4	53.3	n.a.	63.4
1995	8.5	4.7	49.2	4.2	66.6
1996	12.3	3.8	44.2	15.6	75.9
1997	12.9	6.8	51.3	33.7	104.7
1998	11.7	7.5	24.3	33.1	76.6
1999	11.8	7.7	30.4	28.7	78.6
2000	24.2	33.7	56.8	29.8	144.5
2001R	32.1	52.2	45.7	35.2	165.2
2002R	29.5	93.0	36.3	38.0	196.8
2003P	12.3	91.5	46.7	n.a.	150.5

SOURCE : Ministry of Housing and Lands
Central Bank of Barbados
Barbados Mortgage Finance Company (BMFC)
Office of the Supervisor of Insurance

E. INTERNATIONAL FINANCIAL AND BUSINESS SERVICES

OVERVIEW

During 2003, Barbados' International Business and Financial Services Sector continued to encounter a turbulent business environment that has emanated from adverse international initiatives since 1998. The emergence of new rules and regulations perpetuated by international organizations, as well as the US in the wake of 9/11 have proven to be very trying to the International Business and Financial Services Sector in Barbados.

The US Treasury, in particular, sought to protect the US tax base by clamping down on the practice of corporate inversion i.e. where companies domicile in a particular country, re-incorporate in another country so that the parent company becomes a foreign entity. This US action has been advanced to the detriment

of the sector in Barbados. These difficult circumstances were compounded by international stock markets, which at the end of 2003 had not yet returned to pre 9/11 levels and hence stymied a faster recovery of the world economy.

Barbados has therefore called for deeper reforms of those organizations that seek to prescribe norms of behaviour for the international community without the full participation of the said community in the decision-making process. Despite these adverse developments the sector continued to perform creditably.

TELECOMMUNICATIONS

The Government of Barbados issued four (4) new mobile licenses in March 2003, paving the way for the full liberalization of the mobile telecommunications market. Simultaneously, the incumbent provider surrendered its old

domestic licenses eight (8) years before they were due to expire. From as early as August 2003 domestic consumers began to reap the benefits of liberalization with notable reductions in the prices of mobile devices, reduced rates and the launch of a new world class GSM cellular network. It is expected that with the entry of the new competitors in Barbados' telecommunications market, the overall cost associated with the use of cellular technology will fall considerably while the industry offers a new range of quality products and services. The various sectors of the economy will benefit from the reduced cost of doing business and the improved technological infrastructure.

ENTITIES LICENSED

The number of new entities licensed during 2003 decreased from 353 in 2002 to 323 in 2003, signifying an 8.5 per cent reduction in new licensees. New registrants of International Business Companies (IBCs) decreased by 7.0

per cent from the 296 in 2002 to 274 in 2003, bring the total number of IBCs licensed to 4,635. Meanwhile, the number of new Societies With Restricted Liabilities (SRLs) licensed in 2003 was 31, as compared with 40 for the same period in 2002. This represented a 22.5 per cent reduction in new licensees during 2003; and bringing the total number of SRLs to 237. Licensing of new Exempt Insurance Management Companies also decreased during 2003, totalling one (1), as compared with the three (3) registered in the previous year. Following the WTO ruling against Foreign Sales Corporations (FSCs), the dissolution of these entities continued in 2003. In performing against the general trend of decline in entities licensed during 2003, the number of Exempt Insurance Companies licensed in 2003 increased by 36.4 per cent marking an improvement in the number of registrants from 11 in 2002 to 15 in 2003. Licensing of new offshore banks continues to be sluggish since 2001. During 2003, two (2) new offshore bank licenses were issued, one (1) fewer than the year before.

TABLE 4.5-1

Number of New Offshore Companies Licensed during 1999 - 2003

	1999	2000	2001	2002	2003P
IBCs	326	456	210	296	274
FSCs	249	118	0	0	0
Exempt Insurance Companies	5	9	7	11	15
Exempt Insurance Management Companies	1	0	1	3	1
Offshore Banks	5	6	5	3	2
Societies With Restricted Liabilities	32	47	22	40	31

SOURCE: International Business Division
Ministry of Industry and International Business

TABLE 4.5-2

Total Number of Offshore Companies Licenced at the end of 1999 - 2003

	1999	2000	2001	2002R	2003P
IBCs	3399	3855	4065	4361	4635
FSCs	2857	2975	2975	2975	N/A
Exempt Insurance Companies	367	376	387	398	413
Exempt Insurance Management Companies	65	66	66	69	70
Offshore Banks	45	52	57	56	51
Societies with Restricted Liabilities	97	144	166	206	237

SOURCE: International Business Division
Ministry of Industry and International Business

SECTORAL CONTRIBUTION TO GOVERNMENT REVENUE

The International Business and Financial Services Sector continued to be a major contributor to government's current revenue in 2003. This sector accounts for about 40.0 per cent of corporate tax revenue annually. During the fiscal year 2003/2004, government collected an estimated \$93.6 million in tax revenue from companies operating in the sector. An additional \$4.9 million was collected in application and licensing fees.

MARKETING AND PROMOTION

During the period under review, the Barbados Investment and Development Corporation (BIDC) worked towards enhancing Barbados' visibility as an international business centre. Countries targeted were the US, Canada, and the U.K. A media plan was developed to promote the sector and advertising space was taken in publications such as the Wall Street Journal, Off-shore

Financial Centre, Canadian Business, Weekly Telegraph, Offshore Investment, Commonwealth Yearbook, Risk and Insurance, Washington Times, Time Magazine, US Daily News, and Business Week. Other efforts by the BIDC included its participation in several trade shows and conferences, namely the US RIMS⁸ Conference, the CRIMS⁹ Conference and several Call Centre Shows. Through its offices in New York, Miami, London and Montreal, the BIDC promoted the incentives that are offered by Barbados to attract IBCs, exempt insurance companies, SRLs, offshore banks and specialized manufacturers.

During 2003, the First Financial Conference was held in Barbados. The Conference attracted finance professionals, lawyers, accountants, and other financial intermediaries to Barbados and exposed them to first-hand knowledge about the benefits and advantages of conducting business in Barbados. Other

⁸ Risk and Insurance Management Society

⁹ Canadian Risk and Insurance Management Society

activities of the BIDC featured speaking opportunities secured at events such as Shorex, and the World Captive Forum for local service providers to promote the industry, and engagement of the services of Captive Advisory Services to assist in promoting the sector with emphasis on the captive insurance sub-sector.

LEGISLATION AND TREATY NEGOTIATIONS

LEGISLATION

The dynamic nature of the international business sector requires Government to continually review and enhance its legislation to develop products, maintain competitiveness and take advantage of opportunities in the global market. The legislative programme for 2003 sought to review existing legislation to clarify certain segments and to strengthen supervisory and regulatory provisions in keeping with international standards. In preparation for the enactment of the International Business (Miscellaneous Provisions) Act in 2004, the following pieces of legislation were under review during 2003: the Exempt Insurance Act, Cap. 308A, the Insurance Act, Cap. 310, the International Business Companies Act, Cap. 77, the International Financial Services Act, 2002-5, the International Trust Act, Cap. 245 and the Societies With Restricted Liability Act, Cap. 318B.

DOUBLE TAXATION AGREEMENTS

The negotiation of double taxation agreements (DTAs), continued to be a major plank in the development of international business in Barbados and thus the Government actively sought after the expansion of its treaty network with countries it viewed as potential trading partners. There was significant activity in the area of treaty negotiations during the year. In August 2003, Barbados hosted the negotiation of a DTA with the Kingdom of the Netherlands Antilles. This was followed in October 2003 by the Barbados-United States tax treaty negotiations, held in Washington, DC and subsequently held in Barbados in

November 2003 to continue discussions on the revision of the current tax treaty between the two countries. The parties agreed that significant progress was made and committed to further co-operation on the matter.

SERVICES DEVELOPMENT

The programme for the development of non-traditional services beyond tourism and financial services continued. In acknowledgement of its developmental and facilitating roles Government has provided financial support to two key private sector initiatives, the Barbados Coalition of Services Industries (BCSI) and the Barbados Private Sector Trade Team (PSTT). These initiatives are expected to significantly enhance public and private sector cooperation in the formulation of policies to further develop the services sector.

The BCSI represents the interest of an estimated 3,000 service providers in the private and public sectors. It is expected to play a significant role in the diversification and preparation of the local services industry to effectively manage the challenges and opportunities emanating from expanding global markets. The BCSI's role is also to provide information and expertise to inform government's international negotiating positions with respect to services.

Similarly, the PSTT was established as a mechanism to prepare the private sector for the opportunities and challenges of trade liberalization and globalisation. One of its primary objectives is to respond to requests at both the national and regional levels for input and participation in ongoing multilateral trade negotiations, specifically the WTO, ACP-EU Partnership Agreement and the FTAA. This includes but is not limited to identifying the critical issues potentially affecting the growth and development of Barbadian businesses under a liberalized trade regime and examining the private sector's response options.

F. ENERGY AND UTILITIES

During 2003, the energy industry in Barbados experienced challenges as the Barbados National Oil Company Limited (BNOCL) struggled to maintain production levels in order to satisfy increased demand from the National Petroleum Corporation (NPC). The BNOCL also sought to maintain adequate supplies of refined petroleum products to the island in the context of a regime of rising oil prices. There was an overall increase in the consumption of energy during the year.

Throughout most of 2003, crude oil prices remained near the top of the range proffered by producers in the Organization of Petroleum Exporting Countries (OPEC) at \$22 to \$28 per barrel. High prices were supported by OPEC's disciplined adherence to announced cutbacks in production. The upward turn in crude oil prices was brought about by a combination of three factors. First, a general strike against the Hugo Chavez government resulted in a sudden

loss of much of Venezuela's oil exports. Although the other OPEC producers agreed to increase their production capacities to make up for the lost Venezuelan output, the obvious strain on worldwide spare capacity kept prices high. Second, price volatility was exacerbated by internal conflict in Nigeria. Third, prospects for a return to normalcy in the Iraqi oil sector remained uncertain as residual post-war turmoil continued in Iraq.

OIL AND GAS EXPLORATION

ONSHORE

Six new wells were drilled by the BNOCL during 2003, which assisted in raising the reserve level to 2,445 million barrels of crude oil and condensate and 4.6 billion cubic feet of natural gas.

The new wells contributed 25,500 barrels (bbls) of oil and approximately 29,000 MCF of

TABLE 4.6-1
Oil and Gas Production
1994-2003

Year	Wells Drilled	No. of Wells Producing	Crude Oil Produced (Barrels '000s)	Natural Gas (mcm)	Liquid Petroleum Gas (Barrels '000s)
1994	0	94	453.4	28.9	20.6
1995	0	92	460.3	29.3	19.8
1996	0	92	362.9	28.9	15.2
1997	0	n.a.	327.8	28.3	14.2
1998	18	0*	585.5	37.5	21.9
1999	2	n.a.	710.7	46.9	23.3
2000	2	n.a.	559.7	38.0	15.5
2001	0	n.a.	463.7	35.0	17.6
2002R	5	n.a.	390.6	29.2	11.0
2003P	7	n.a.	370.9	22.4	3.6

SOURCE: Energy Division
Ministry of Economic Development

gas to the total 2003 production of BNOCL. As a result of these new wells, Barbados' current reserves to production ratio remained at seven (7) years.

PRODUCTION

Production of crude oil declined by approximately 5.0 per cent in 2003 to 370,909 barrels from 390,617 in 2002. This was largely due to the natural decline of existing wells and to a lesser extent because the output from the newly drilled wells was insufficient to maintain production at the previous year's level. Natural gas production declined by 22.0 per cent to 808,066 (MCF) as compared with 1,030,606 MCF in 2002. LPG production declined by 66.0 per cent from 11,011 bbls in 2002 to 3,691 bbls in 2003 mainly because of processing problems at the plant. This resulted in the need to import LPG to cover the shortfall.

OIL AND GAS SALES AND CONSUMPTION

In 2003, oil sales declined by 5.4 per cent from 390,051 bbls to 369,953 bbls while gas sales fell 12.7 per cent to 435,046 MCF. Total sales by volume in the NPC stock declined by 20.0 per cent, falling from 10,767,834 MCF in 2002 to 8,462,863 MCF in 2003 which was responsible for the fall in the value of sales which dropped 5.7 per cent to \$9,802,543 in 2003. There were also declines in the residential and commercial sector consumption that is attributed to a reduction in the average use of the various consumers and also a 60.2 per cent decrease in the category of Special Industrial Gas. The NPC, however, continued its expansion programme by increasing its network of mains by 28.99 miles and the total number of connections by 4.0 per cent to 18,557 customers.

ELECTRICITY

In 2003, total electricity sales increased by 5.1 per cent to \$805.8 million from \$766.0 million in 2002, despite decreased sales to industrial customers. The largest category of users continued to be the domestic sector, accounting for 33.0 per cent of total sales or \$267.9 million, a 10.2 per cent increase over 2002.

The Barbados Light and Power Company Limited (BL&P) expanded its services, expending \$71.8 million to upgrade its capital infrastructure and to accommodate forecasted demand. The Government of Barbados guaranteed a BL&P loan for the purchase of two (2) new 30 megawatt low-speed diesel generators from the European Investment Bank, one (1) of which, was brought into Barbados during the year for set-up and operation.

REFINED PETROLEUM PRODUCTS

There was an increased demand for refined petroleum products during 2003 in comparison to 2002. The consumption of gasoline increased by 3.5 per cent to 776,620 bbls from 750,297 bbls in 2002 while diesel consumption jumped 14.5 per cent to 614,673 bbls up from 537,040. Fuel oil consumption in contrast to the previous year grew by 8.8 per cent to 1,180,258 bbls. The increased consumption in diesel and fuel oil is mainly attributed to the industrial sector. Kerosene sales declined 24.2 per cent from 20,197 bbls in 2002 to 15,303 bbls in 2003. In 2002, the industrial sector augmented its fuel stock by utilising more kerosene in its operations. Kerosene use has now stabilised closer to the normal yearly levels.

In response to the price increases on the international market, the domestic fuel prices were increased in early 2003. The local retail price of gasoline was increased in February 2003 from \$1.39 to \$1.47 per litre. The price of kerosene was raised from \$0.63 to \$0.73 per litre and the price of diesel from \$1.07 to \$1.13 per litre.

RENEWABLE ENERGY

An amount of 141,638.92 tonnes of bagasse was used in the sugar industry during 2003 to produce 1,142,584 million British thermal units (MBtu) of energy in comparison to the 145,520.65 tonnes utilised in 2002 to produce 1,172,185 MBtu of energy. One solar company received international certification from the Florida Solar Energy Institute. During the year, solar companies reported estimated total annual sales of 1,760 units.

WATER

In 2003, the consumption of water remained relatively constant with an amount of 53.7 million cubic metres (mcm) used, compared with 53.9 mcm used in 2002. The metered services contributed 29.6 mcm or 55.1 per cent to total water consumption in 2003, as compared with the contribution of 57.1 per cent or 30.8 mcm in 2002. Unaccounted-for-Water and Un-metered water totalled 44.9 per cent of total consumption in 2003.

The total number of consumers listed during 2003 increased by 1,488 units to 96,140 in 2003. Non-metered consumers accounted for 4,437 units or 4.0 per cent of total consumers in 2003, while the previous year reported 5,335 consumers which represented 5.6 per cent of total consumers. Metered consumers accounted for 91,703 units or 95.3 per cent of total consumers in 2003, as compared with 89,317 or 94.4 per cent in 2002.

V. SOCIAL SECTOR DEVELOPMENTS

A. EDUCATION AND TRAINING

The continuation of curriculum reform initiatives, the Education Sector Enhancement Programme, the continued development of the National Accreditation Agency, the planning for the establishment of the University College of Barbados, and increased access to early childhood education were the major ongoing initiatives undertaken by the Ministry with the aim of the further development of education.

The Education Sector Enhancement Programme (ESEP) commenced the delivery and installation of the software under the academic software tender, and civil works were completed at the Phase 2 secondary and Phase 2B primary schools.

EDUCATION BUDGET

The approved expenditure of the Ministry of Education for financial year 2003/2004 totalled \$386.5 million, a 3.4 per cent decrease from the \$395.8 million approved during the financial year 2002/2003. Secondary education was allocated \$106.0 million, a 1.2 per cent decrease from the \$107.3 million approved for 2002/2003. Some \$114.3 million was allocated to tertiary education, 2.3 per cent higher than the \$111.7 million in the previous year.

Primary education received approximately \$93.8 million compared with \$90.5 million for the fiscal year 2002/2003, continuing a four-year trend of increasing expenditure. The Education Sector Enhancement Programme received \$30.0 million, some \$15.0 million below the allocation for 2000/01 to 2002/03, respectively. The allocation to special services increased slightly from \$26.9 million in 2002/2003 to \$27.7 million in 2003/2004. Expenditure on central administration increased by 5.7 per cent to \$11.1 million in 2003/2004 compared with \$10.5 million a year earlier. The allocation to teacher training increased to \$3.1 million in financial year 2003/

2004, 6.1 per cent higher than the 2002/2003 figure of \$3.3 million.

EDUCATION SECTOR ENHANCEMENT PROGRAMME

During the financial year 2003/04, major civil works under the Education Sector Enhancement Programme were completed at seven Phase 2 schools. Civil works were completed at five secondary schools, namely: The Alleyne School, Louis Lynch Secondary, Queen's College, St. Lucy Secondary and Seventh Day Adventist, along with St. Andrew's Primary and St. Bernard's Primary. Works at Princess Margaret Secondary and St. Alban's Primary were on schedule for completion by year end. Civil works commenced at Coleridge and Parry, a Phase 3 school, and tenders awarded to conduct works at Bay Primary, West Terrace Primary and St. Lucy Primary. In addition, tender preparation reached an advanced stage for the remaining 12 public schools (seven primary and five secondary) in Phase 3 of the Programme. During the review period, the procurement process for academic software was completed for 14 schools in Phase 1 and seven (7) schools in Phase 2 of the programme.

Under the Human Resource Development component of the Programme, training in Technology Mastery and Teaching Methodologies for teachers at the Programme schools continued. One hundred teachers completed training in those areas. Principals of primary schools attended a fifty-hour workshop geared to sensitise them about gender issues in education. By the end of the Financial Year, 22 schools were fully outfitted for EduTech with completed civil works, installed technology, trained staff and ongoing curriculum reform implementation.

Under the Technical Assistance component of the programme some 2,638 teachers were trained in a number of areas.

including Basic Technology Mastery, Educational Leadership, School Financial Management, School Administrative Procedures, Indigenous Software Development, Training in Management of School Libraries and Media, and Teaching Methodologies.

Under the Hardware and Software component of the programme, all hardware has been installed in the demonstration primary and secondary schools. By year end, 15 Phase 1 schools had their technology installed.

PLANNING RESEARCH AND DEVELOPMENT

During 2003/2004 the Planning, Research and Development Unit conducted an evaluation of the Edna Nicholl's Centre to ascertain its effectiveness in the improvement in student behaviour. The need to establish a group of persons with relevant specialised skills, training and experiences in special education was identified. This group should have responsibility for the selection of administrative and other staff. The Committee agreed that the Centre should be expanded to accommodate one hundred students and that there was a dire lack of information to the public regarding the role and function of the Centre. Additionally, the Unit implemented its first Summer School for secondary students aimed at improving the numeracy and literacy skills in students moving from Level I to Level II.

During the period, the first Barbados Teacher's Awards were inaugurated and a School's HIV/AIDS Sensitisation Programme implemented in twenty-three public secondary and seventy-seven public primary schools. An analysis of the challenges relating to access to Post-Secondary Education was conducted. The results showed that in respect of 6th form schools 54.0 per cent of students applying did not gain access since they obtained only grade three and hence did not meet the grade 1 or 2 criteria or had the wrong subject choices. Some 56.5 per cent of those applying to the Barbados Community College did not gain acceptance because of a shortage of classroom space,

inadequate material and equipment for applied programmes, did not meet the requirements of the particular programme or did not have the minimum entry requirement. At the Samuel Jackman Prescod Polytechnic, a lack of space was the main reason advanced for students not gaining access to that institution.

TESTING AND MEASUREMENT

During 2003/2004, the Testing and Measurement Unit (TMU) successfully piloted the Continuous Assessment currently at the 'field testing' stage in nine primary schools, and completed workshops in Continuous Assessment for primary school teachers of Class 1.

SCHOOL SUPERVISION AND MANAGEMENT

The School Supervision and Management Unit completed the mentorship programme for acting principals for the sharing of best practices across schools by experienced principals. In conjunction with the Erdiston Teachers' College, the Unit trained 55 temporary teachers from primary and secondary schools in a four (4) week induction course. Workshops for Education Officers, Principals and Teachers were conducted in Values-Based-Education, Stress Management In Disaster, Educational Testing Procedures and HIV/AIDS Sensitization.

Some 784 visas were granted to non-nationals students in order to gain admission to primary and secondary schools.

PARENT VOLUNTEERS

During the year 22 new parent volunteers were trained, while 30 parent volunteers already in the programme attended training workshops. The programme was extended to 61 parents in 58 primary schools.

THE SECONDARY EDUCATION PROJECT

During the 2003-2004 Financial Year most of the technology blocks of the St. Leonard's Boys School were completed and handed over to the school. Work continued on the pavilion, the water tank and landscaping. It is expected that the overall project will be completed by the end of the 2004/05 financial year.

STUDENT SERVICES

Under the Quality Enhancement Programme, four (4) levels (two primary levels and two secondary levels) of Readers have been compiled and submitted to the MES by the Consulting team. Sixty-five schools were contacted and the pre-screener administered and by the end of the last academic year the Consultant has been able to screen over 400 students. Eighty-five per cent of schools responded by the cut-off date for the submission of the screening checklist. The checklist was analysed and approximately 500 students scored above the eighty points cut-off level. The 100 students with the highest scores overall have been selected for phase two of screening. A total of forty parents have been interviewed to date, while 63 out of the 100 teachers have returned the checklist. During this period, the Consultant conducted observations of 40 children. Further assessment is now being carried out on the 10 students with the highest ranking overall. The Intervention Report and the first monthly report were submitted during October 2003. Diagnostic testing commenced in the schools from September 15, 2003.

A special education unit with appropriate materials and equipment to facilitate the teaching/learning process for students with special needs was established at the St. Stephen's Primary School. Sixty-nine students who required special education were reallocated to special education units and schools with appropriate programmes catering to their special needs. The Unit provided counselling services to 72 students who were referred for reasons including bereavement, aggression and sexual assault. Some 330

Academic Testings for persons referred because of academic challenges and 226 Psychological Assessments for those with behaviour problems were conducted on 191 students. Fifty students were referred for further intervention.

CURRICULUM DEVELOPMENT

The curriculum reform effort, aimed at promoting equity, continued to focus on improving the provisions made for the diverse needs of students within the system. Field Testing of the revised curricula began at Level 4 primary and secondary schools in the 2003/04 academic year.

Seven hundred administrators attended professional training workshops designed to sensitize, harmonize and provide professional development training. The Curriculum Unit hosted Summer School for 200 primary school students who deferred writing the Barbados Secondary School Entrance Examination (BSSEE); and the Basic Skills Assessment Battery was administered to all 3-4 year old students.

All schools have participated in the Cultural and Historical Exposure for Kids in School (CHEKS) programme with 5,152 students already exposed to the various Arts. One teacher from each primary school received initial training in the principles of the Personal Enhancement in Arts and Creative Education (PEACE) programme, while training sessions were conducted for 310 teachers who prepare students for Caribbean Secondary Education Certificate (CSEC) and 92 teachers who teach the Caribbean Advanced Proficiency Examinations (CAPE) programme. Fifty-two schools benefited from the primary school's Spanish Programme.

TERTIARY

The Barbados Community College implemented the semester system in the academic year 2003-2004. Semesterisation involved completion of curriculum revision, revision of a variety of College documents to

reflect the new system, and on-going public information to students, staff, parents, government departments and the general public. Work continued on the development of a computer laboratory for the use of students. Planning for the establishment of the University College of Barbados continued. A Master Plan completed by ORACO Consulting, is expected after approval by Cabinet.

Erdiston College conducted workshops focusing on integrating technology into the curriculum, from which 26 teachers benefited. The College completed the third in a series of workshops intended to sensitize principals of primary schools about gender issues in education. Twelve students completed the one-year programme in technical vocational education, while 47 primary school teachers completed the two-year in-service programme; 34 teachers from primary, and thirty-three teachers from secondary schools completed the introductory training programme in teaching methodologies, classroom management, information technology and other strategies for effectiveness in their teaching over a four-week period during the summer. Additionally, 19 Easter Vacation Workshops were offered to principals and teachers on and off-campus and six (6) members of staff and 203 students

benefited from HIV/AIDS sensitization workshops.

A symposium on Values-Based Education, attended by 200 teachers was held at Sam Lord's Castle on 22nd October, 2003.

During the review period, undergraduate enrolment of Barbadian students at the University of the West Indies increased by 3.5 per cent to 3,139 compared with 3,033 a year earlier. Female enrolment rose to 2,093 from 2,022 in 2002/03, while 1,046 males were registered, 35 more than in the previous year. Postgraduate enrolment moved from 459 persons to 472, with 300 being female. Total enrolment rose by 3.4 per cent to reach 3,611. The Barbados Community College enrolled 3,801 students, 2.8 per cent more than the 3,697 in 2002/03. Females represented 66.7 per cent of registration, compared with 65.5 per cent a year earlier. The Samuel Jackman Prescod Polytechnic expanded enrolment by 189 students to 3,161. There were 1,518 females registering, representing 48.0 per cent of total enrolment. Erdiston College accepted 226 students, 139 females and 87 males during 2003/04 compared with 93 males and 130 females the previous year.

Table 5.1-1
Tertiary Enrolments
2001/02-2003/04

	2001/2002			2002/2003			2003/2004		
Institution	Male	Female	Total	Male	Female	Total	Male	Female	Total
UWI									
Undergraduates	933	1816	2749	1011	2022	3033	1046	2093	3139
Postgraduates	120	227	347	167	292	459	172	300	472
Total	1053	2043	3096	1178	2314	3492	1218	2393	3611
B.C.C.	1403	2795	4198	1277	2420	3697	1267	2534	3801
SJPP	1679	1294	2973	1498	1474	2972	1643	1518	3161
Erdiston	22	72	94	93	130	223	87	139	226

Source: Ministry of Education, Youth Affairs and Sports

HIGHER EDUCATION

The Higher Education Section has the responsibility for administering National Development Scholarships, other scholarships and exhibitions, bursaries, enabling grants and associate degree awards.

During 2003, seven (7) Barbados Scholarships, 25 Exhibitions, one (1) Award of Excellence, 12 National Development Scholarships and 12 Bursaries to UWI were awarded. Two (2) Commonwealth Scholarships were awarded by Canada.

EARLY CHILDHOOD EDUCATION

A new curriculum was introduced to all teachers of the six to seven age group in both public and private schools across the country. Prior to the distribution of the syllabuses, teachers were involved in sensitisation workshops presented by the Education Officer in the area of early childhood education. The Basic Skills Assessment Battery (BSAB) was administered for the second consecutive year. Teachers identified a number of challenges, indicating it was very time consuming to administer but that it was a worthwhile instrument, which helped them to plan for their instruction.

The Gordon Greenidge Primary and the Deacon's Primary Schools were selected to be a part of the filming process conducted by UNICEF in collaboration with other countries in the Caribbean region. The film, entitled "Early Childhood Development in the Caribbean", would showcase each country, highlighting and sharing best practices in the region.

During April 2003 three (3) four-day workshops were conducted in conjunction with Erdiston Teachers' College relevant to the theme "Teacher Empowerment Through Professional Development" to enhance the delivery of the new curriculum. The first workshop entitled "Creating Mathematical Manipulatives for the Early Years", was designed to enable the 17 primary school teachers attending to construct durable

mathematical teaching aids while gaining a few basic woodwork skills. The materials produced were exhibited at BMEX 2003. The second workshop "Creating Developmentally Appropriate Teaching/Learning Materials" attended by 30 teachers, was designed to equip teachers of the Infant Department with skills needed to produce indigenous learning materials which are specific to classroom needs. Teachers gained basic skills in chart making, lettering and the use of technological devices such as the digital camera, the overhead projector and the laminating machine. The third Workshop on "Integrating Visual Arts in the Early Childhood Curriculum" was designed to enable teachers to acquire skills to implement some of the projects suggested in the Visual Arts syllabus.

A two (2) day National Parenting Workshop under the theme, "Building Stronger Families", was conducted at the Sherbourne Conference Centre, during the month of April and was attended by 125 persons. The Early Childhood Education Association of Barbados Inc. hosted a workshop, in collaboration with the Ministry of Education, Youth Affairs and Sports, UNICEF and Caribbean Support Initiative (CSI).

TRAINING

During 2003, the Training Department provided training for 676 public workers in a number of areas including Introduction to Computer Application, Stress Management, Language Training in French and Spanish, Tourism Awareness, Web Page Design, Human Resource Management, and Industrial Relations. Some 79 persons benefited from training offered by a number of regional and international agencies and Governments including the Commonwealth Fund for Technical Corporation (18), Food and Agriculture Organization (4), Caribbean Regional Mechanical Assistance Centre (5), and the Governments of India, Israel, Japan, UK and Mexico. One hundred and thirty-seven persons in the general service along with another 84 in the health service were granted training leave.

B. POPULATION

The resident population was estimated at 272.2 thousand persons at December 31, 2003. This represents an increase of 900 persons, when compared with 271.3 thousand the year before. There were 131.3 thousand males compared with 130.7 thousand in 2002. Females accounted for 140.9 thousand, 57.8 per cent of the resident population, compared with 140.6 thousand for the corresponding period in 2002.

The total adult population was estimated at 210.1 thousand persons or some 700 persons more than in 2002. Females accounted for 110.8 thousand or 52.7 per cent of the adult population, compared with 110.4 thousand in 2002. There were 99.3 thousand males in the adult population compared with 99.0 thousand in 2002.

The birth rate declined for the second consecutive year to reach 13.8 per thousand, compared with 14.1 per thousand the previous year. There were 3,748 live births compared with 3,812 in 2002. Male births totalled 1,932, compared with 1,943 in 2002, while there were

1,822 female births compared with 1,869 in the year 2002.

The rate of population growth for 2003 remained unchanged from 2002 at 0.3 per cent. The rate of natural increase fell from 5.6 per thousand in 2002 to 5.4 per thousand. The natural increase in population (the difference between births and deaths), was 1,474 persons, as compared with 1,517 for 2002.

The death rate fell for the third consecutive year being recorded at 8.4 per thousand of the population in comparison with 8.5 per thousand in 2002, and 8.9 per thousand in 2001. There were 2,274 deaths recorded in 2003, down slightly from 2,295 for the previous year. Male deaths accounted for 1,147 persons or 50.4 per cent of total deaths, while there were 1,129 female deaths or 49.6 per cent.

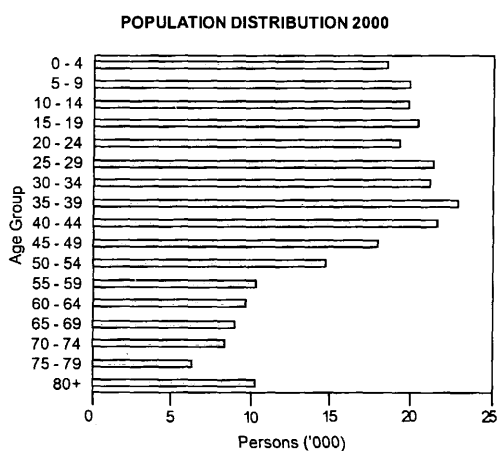
Infant mortality fell for the third consecutive year and was recorded at a rate of 9.9 per thousand births compared with 15.8 per thousand in 2001 and 14.4 per thousand in 2002, a fall of 31.0 per cent. There were 38 infant deaths, 25 fewer than the previous year comprising 18 males and 20 females.

Table 5.2-1
Births, Deaths and Infant Mortality
1991 - 2003

Year	Live No. of Births	No. of Deaths	Natural Increase	Infant Mortality (1)
1991	4235	2284	1951	50
1992	4139	2361	1778	38
1993	3781	2399	1382	38
1994	3547	2291	1256	30
1995	3473	2481	992	46
1996	3519	2400	1119	50
1997	3784	2297	1487	50
1998	3612	2471	1141	28
1999	3882	2428	1454	39
2000	3762	2430	7332	63
2001	4051	2407	1644	66
2002	3812	2295	1517	55
2003	3748	2274	1474	37

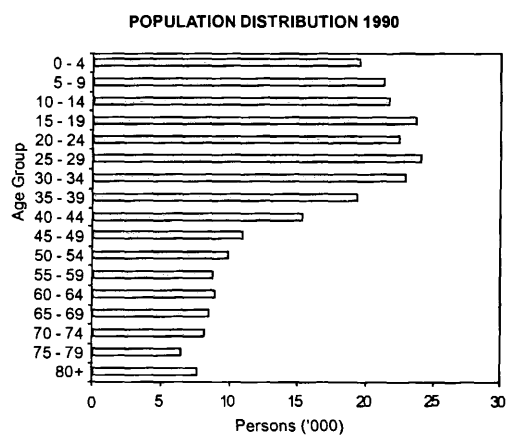
SOURCE : Barbados Statistical Service
(1) per 1000 births

Figure 10



Source: Barbados Statistical Service

Figure 11



Source: Barbados Statistical Service

C. HEALTH

OVERVIEW

In 2003 the Ministry of Health continued to implement its reform initiatives as it sought to find solutions to the challenges that confront Barbados' changing health profile.

The introduction of Highly Active Anti-Retroviral Therapy (HAART) in the HIV/AIDS Programme reduced the number of hospital admissions of persons living with HIV/AIDS by 42.0 per cent and generally increased their quality of life.

Compared to 2002 there was a 27.0 per cent decline in suspected dengue cases. However, dengue fever cases increased in the last quarter of the year and there was also a marked increase in admissions to the Queen Elizabeth Hospital (QEH) for dengue hemorrhagic fever. One (1) confirmed death was reported.

An outbreak of Acute Hemorrhagic Conjunctivitis (red eyes), which occurred during the latter part of the year, affected the adult working population resulting in an average loss of time from work per person of five (5) days and an estimated 7000 man-hours from work.

The Barbados Drug Service continued its efforts to reduce expenditure, while at the same time experienced an increase in demand for its services. A major effort was made to computerize public sector pharmacies and develop a communication network to facilitate the electronic submission of information by private sector pharmacies that are part of the Special Benefit Service.

In the care of the elderly programme, the admission profile for the elderly at the Geriatric Hospital changed significantly to reflect the need for a higher percentage of acute medical and nursing care for patients now admitted from the QEH and wider community.

HEALTH BUDGET

The Health Sector allocation for the fiscal year 2003-2004 was \$322,769,735. It includes the original budget of \$310,801,594 and supplementary funding of \$11,968,141. The original budget represents a 5.9 per cent decrease against the revised estimates for 2002-2003 of \$330,404,293. Hospital and Primary Care Services accounted for the bulk of expenditure, 52.0 per cent and 25.0 per cent respectively. Expenditure on Hospital Services was estimated at \$167,148,877 as compared with \$172,069,623, or 51.0 per cent for 2002-2003. Of this amount \$112,732,800 was allocated to the QEH, a decrease of \$2,891,086 on the allocation for the previous year. Primary Health Care Services was estimated at \$80,771,268 a decrease of \$35,705,493. Further budgetary allotments included \$34,936,999 to the Pharmaceutical Programme, or 11.0 per cent of the total budget and \$2,349,666 to the Care of the Disabled, or 0.7 per cent of the budget. Expenditure on Direction and Policy Formulation Services was \$13,787,968 and on the HIV/AIDS Prevention and Control Project, \$11,806,916.

PRIMARY HEALTH CARE SERVICES

COMMUNITY NUTRITION

The Food and Agriculture Organization (FAO) assisted the Ministry of Health in the completion of the Food Consumption Survey Report. The final document will be published in 2004.

REHABILITATIVE SERVICES

The Physiotherapy Services continued with polyclinic based programmes at Black Rock, Randall Phillips, Maurice Byer and a community based programme in St. John. The Children's Development Centre saw an increase of numbers registered from 2,401 to 2,651 by the end of December 2003.

PREVENTION AND CONTROL OF HIV/AIDS

HIGHLY ACTIVE ANTI-RETROVIRAL PROGRAMME

The National programme for the control and prevention of HIV/AIDS continued to expand with the introduction of Highly Active Anti-Retroviral Therapy (HAART). In 2003 a total of 281 Persons Living With HIV/AIDS (PLWHAS) were on HAART and the cost benefit analysis for the first year of the programme has revealed the following outcomes:

- (i) The number of hospital admissions for HIV/AIDS decreased by 42.0 per cent from 316 overall admissions to 183;
- (ii) Total hospital days of PLWHAS fell by 59.4 per cent;
- (iii) An overall reduction in AIDS related events observed;
- (iv) There was a rise in outpatient visits by 128.0 per cent from 4,727 visits per year in 2002 to 10,782 in 2003;
- (v) There was an overall reduction in deaths of chronic registered patients by approximately 56.0 per cent.

Although introduction of HAART has been successful, the attendance rates fell short of what had been forecasted. It was considered that this will necessitate increased precautionary activities, particularly in relation to the issues of stigma and discrimination.

SURVEILLANCE PROGRAMME

The surveillance programme was strengthened as a result of the multi-sectoral approach to the National HIV/AIDS programme. This approach has resulted in the emergence of a number of public/private sector partnerships, which are essential in ensuring sustainability of the programme. One such initiative has been the supplemental information provided by the Chronic Disease Research Centre (CDRC). Results from the CDRC research

indicated that if current trends in high-risk behaviour are not stemmed, the combination of significant HIV prevalence rates and behaviours that promote transmission may accelerate the national epidemic on a course similar to Sub-Saharan Africa.

NATIONAL NUTRITION CENTRE

A Plan of Action for Nutrition was developed in accordance with the findings of the Barbados Food Consumption Survey 2000 and the Ministry of Health's Strategic Plan. The nutrition surveillance programme for monitoring the nutritional status of children under five years old continued in polyclinics. The Nutrition Centre also focused on promoting food security at the household level. The aim is to improve food production, supply and utilization at the household level and consequently the nutritional well being of individual members of the household through the promotion of backyard gardening and small-scale food production.

CONTROL OF COMMUNICABLE DISEASES

DENGUE FEVER

In 2003, 986 cases of dengue fever were reported, with 75.0 per cent of the cases occurring in the last quarter of the year. Sixty-one per cent of the samples were serologically or virologically confirmed as dengue. This represented approximately 27.0 per cent of total cases confirmed. Compared to 2002 there was a 27.0 per cent decline in suspected dengue cases.

TABLE 5.3-1
Suspected Dengue Cases
1999–2003

Year	Cases
1999	698
2000	910
2001	1108
2002	1350
2003	986

Source: Ministry of Health Surveillance Unit

The increase in the number of dengue cases during the last quarter of the year was associated with increased rainfall and the circulation of viral serotypes 2 and 1, in addition to serotype 3 the predominant serotype in 2002. The increase in viral circulation was marked by an increase in admissions to the Queen Elizabeth Hospital for dengue hemorrhagic fever (DHF). One confirmed death from DHF was reported. It is estimated that 35,000 man-hours were lost in 2003 as a result of this disease.

TUBERCULOSIS

Evidence of the circulation of Mycobacteria-Tuberculosis in the wider community emerged in 2003 with the reporting of two childhood cases of the disease. One (1) case was a five (5) year old child, living in very poor conditions and another six (6) year old immuno-compromised child living in poor overcrowded conditions. The first case of childhood pulmonary tuberculosis in over 20 years was reported.

In addition to these cases, five (5) cases, consisting of three (3) new cases, one (1) re-infected case and one (1) relapse were reported. The number of cases of tuberculosis remains low, but the occurrence of another childhood case is a worrying trend. The full implementation of the HAART Programme for HIV/AIDS will further increase the susceptible immuno-compromised population and the circulation of the mycobacterium-tuberculosis.

Table 5.3-2
Cases of Pulmonary Tuberculosis
1999 – 2003

Year	Cases	Deaths
1999	2	0
2000	1	0
2001	6	0
2002	5	0
2003	7	1

Source: Ministry of Health Surveillance Unit

SALMONELLOSIS

The decline of salmonella infections continued in 2003 as food handling practices across the country improved. Sixty-two cases were reported in 2003 as compared to 88 cases in 2002.

Table 5.3-3
Cases of Salmonella
1999 – 2003

Year	No. of Cases	Incidence/ Per 100,000
1999	187	20 Cases
2000	148	55 Cases
2001	84	31 Cases
2002	88	33 Cases
2003	62	23 Cases

Source: Ministry of Health Surveillance Unit

LEPTOSPIROSIS

In 2003, one death was reported from leptospirosis, following a two-year period in which no cases were reported. Twelve cases were reported in 2003, most requiring hospitalisation. These cases incur significant costs, the hospitalisation period varying from five (5) days to 21 days and often involving expensive renal dialysis, as this water-borne pathogen is often associated with acute renal failure. It is primarily a disease of adults and loss of productive capacity adds to its economic impact.

Table 5.3-4
Leptospirosis Cases
1999–2003

Year	Cases	Deaths
1999	15	0
2000	10	0
2001	18	0
2002	8	0
2003	12	1

Source: Ministry of Health Surveillance Unit

ACUTE HEMORRHAGIC CONJUNCTIVITIS

An outbreak of Acute Hemorrhagic Conjunctivitis (AHG) occurred during the last quarter of 2003 representing 67.0 per cent of the total cases for the year. Approximately 40.0 per cent of the 3,043 cases that occurred for the year affected the adult working population resulting in an average loss of time from work per person of five (5) days and an estimated 7000 man-hours from work.

HEPATITIS B

The occurrence of Hepatitis B is a behavioural indicator of life style practices of the sexually active population. As such, it is therefore one of the indicators of HIV trends. Between 1993 and 2003, 60 cases of Hepatitis B were reported.

TABLE 5.3-5
Hepatitis B Cases
1999-2003

YEAR	CASES
1999	3
2000	8
2001	9
2002	10
2003	3

SOURCE: Ministry of Health Surveillance Unit

ENVIRONMENTAL HEALTH VECTOR CONTROL

In 2003, \$2.6 million was allocated to the Vector Control Programme. The programme for 2003, sought to maintain the Aedes House Index below the level of Disease Transmission (accepted as 1.0 per cent) by a vigorous house-to-house inspection programme across the six Catchments and a targeted adulticidal fogging programme in addition to a reactivated public education programme.

The Vector Control programme in Barbados' wet lands (Graham Hall Swamp being the largest) seeks to confine the *Anopheles Aquesalis* mosquito to the Graham Hall Swamp. The expenditure incurred in maintaining this ecological habitat is well spent, as indigenous malaria has not occurred in Barbados for over 40 years. Imported malaria, however, is being reported every year.

HEALTH EDUCATION AND HEALTH PROMOTION

The health promotion programme of the Ministry of Health aims to build capacity for behavioural change in various population groups, leading to them making better health choices and improving their overall well-being.

During the period under review, plans for the implementation of a protocol for the management of diabetes were initiated through training of primary care staff in the use of the protocol. A special project to promote the incorporation of media literacy and tobacco awareness into the Health and Family Education curriculum of schools was launched in March.

The sudden onset of Severe Acute Respiratory Syndrome (SARS) as a global public health threat during the early period of 2003 necessitated an immediate response. This included the development of a public education programme targeted at the general public and staff of the Ministry of Health and related sectors. Efforts to control dengue fever continued through community outreach and health education.

SANITATION SERVICE AUTHORITY

In the Financial year 2002-2003, the sum of \$25.9 million was approved to fund the operations of the Sanitation Service Authority (SSA). Construction of Phase III of the Mangrove Pond Landfill was completed on 4.5 hectares of land. Phase III will allow for the disposal of refuse for a period of three years.

QUEEN ELIZABETH HOSPITAL

RECRUITMENT OF EXECUTIVE STAFF

The QEH has been mandated to transition from a Department of Government to a Board of Management. The process has started with the appointment of a Board and the recruitment of a number of senior executive staff.

QUEEN ELIZABETH REDEVELOPMENT PROJECT

Plans have been initiated for a QEH Redevelopment Project to improve the capacity of the hospital to deliver efficient quality health care services and ensure that it has the flexibility to sustain the efficiency and quality of these services in the medium and long term. The project is intended to:

- (i) Refurbish out patient care areas;
- (ii) Reorganise space utilization on the wards and other patient care areas in keeping with the utilization needs;
- (iii) Provide additional facilities and meet the space requirements for support services including the medical library and medical records;
- (iv) Provide accommodation for improving the managerial process with the institution; and
- (v) Make recommendations for strengthening external systems between the QEH, the polyclinics and other medical care institutions, as well as strengthen the collaboration that exists between the QEH and other institutions within the public and private sectors.

MENTAL HEALTH

LEGISLATION

It has been found necessary to review and amend the current mental health legislation. The

1985 Mental Health Act will be replaced by a new Act, which will address areas that are deficient as well as areas that need updating. The drafting of minimum standards for the operation of drug treatment facilities is also being undertaken.

ADMISSIONS

The available statistics show that in 2003 there was a slight increase in admissions from the previous year. In 2002 there were 1,170 admissions while in 2003 there were 1,333 admissions, an increase of 13.9 per cent. The statistics also revealed that most admissions were for persons in the 20-34 years age group followed by the 33-44 years age group. The mean bed complement remained unchanged from 2002 at 52.2 per cent. The QEH bed occupancy was higher in 2002 at 88.9 per cent, than in 2003 when it was 86.9 per cent.

Table 5.3-6
Psychiatric Hospital
Medical Records 2002-2003

YEARS	2002	2003
No. of Beds	627	627
Total No. of patient days	203,437	199,013
No. of Deaths	17	20
Bed Occupancy	88.9	86.9
Mean Bed Complement	52.2	52.2
Admissions	1,170	1,133
Discharges		
(including deaths)	1,209	1,145
Death Rate per 100	1.4	1.7
Annual Turn over rate	1.9	1.8
Average length of stay	262	223
Out-patient attendances	13,581	12,856
Emergency (EO)		
Attendances	286	281

SOURCE: Ministry of Health

CARE OF THE ELDERLY**GERIATRIC HOSPITAL**

Statistics indicate that 92.0 per cent of all inmates at the 360-bed Geriatric Hospital in 2003 were over the age of 65 years. The Hospital continued to provide care at almost full occupancy and as a result there was no significant decrease in the waiting list, for entry to the Hospital which is in excess of 300. However, the increased bed capacity made available through the Alternative Care of the Elderly Programme, a public/private sector initiative, has made it possible to better respond to the urgent requests from the QEH for assistance in providing bed space for an increasing number of patients in that institution classified as 'elderly for care'. As a consequence, the admission profile for the elderly at the Geriatric Hospital has changed

significantly in the recent past to reflect the need for a higher percentage of acute medical and nursing care for patients now admitted from the QEH and the wider community. The 6-month period ending October 2003 indicated that 60.0 per cent of admissions were from QEH.

ALTERNATIVE CARE OF THE ELDERLY PROGRAMME

Alternative Care of the Elderly Programme expanded by four (4) nursing homes in 2003 to total 11 nursing homes. A total of 58 new patients were placed during 2003 bringing the total number of patients placed in the programme since inception to 149 persons. During the period April 2003 to January 2004, \$2,235,074.15 was spent on the Alternative Care programme.

Table 5.3-7

Geriatric Hospital New Admissions by Agencies 2003

AGENCIES	NO. OF PATIENTS		
	Males	Females	TOTAL
District Medical Officer	7	8	15
Queen Elizabeth Hospital	59	47	106
Welfare Department	14	27	41
Psychiatric Hospital	0	1	1
Day Care	0	1	1
National Assistance Board	0	0	0
Other Sources	28	53	81
TOTAL	108	137	245

SOURCE: Ministry of Health

PHARMACEUTICAL SERVICES

In Financial Year 2002-2003 the Barbados Drug Service (BDS) oversaw the dispensation of 955,000 prescriptions by 73 private pharmacies at a cost of \$18.8 million under its Special Benefit Service (SBS). This is compared to Financial Year 1983-1984 when 26,384 prescriptions were filled by 35 private pharmacies at a cost of \$0.2 million.

The BDS continues to be faced with the challenge of reducing its expenditure despite the constant increase in demand for pharmaceuticals. Of major concern has been the increasing expenditure from the SBS.

Thirteen of the participating pharmacies joined the SBS during the fiscal year 2002-2003. It should be noted however, that the increased demand is not only attributed to the increase in private pharmacies joining the SBS, but also to the increase in the number of pharmaceuticals offered through the drug formulary programme.

A primary strategy for achieving an acceptable level of expenditure is the continuing computerization of public sector pharmacies and the development of a communication network to facilitate the electronic submission of SBS forms and on-line links with public and private pharmacies.

Table 5.3-8
Special Benefit Service Statistics for the year
April 1, 1993 – March 31, 2003

Year	Prescription	Reimbursement (\$)
1992-1993	494,681	6,330,465.00
1993-1994	554,000	7,228,270.00
1994-1995	578,808	8,307,134.00
1995-1996	692,735	10,221,586.57
1996-1997	743,765	11,437,887.32
1997-1998	803,990	10,857,428.00
1998-1999	806,950	9,273,790.00
1999-2000	786,738	13,590,362.79
2000-2001	N/A	15,798,637.00
2001-2002	921,110	17,360,242.00
2002-2003	955,000	18,814,194.31

SOURCE: Barbados Drug Service

THE FAMILY PLANNING ASSOCIATION

CLINICAL AND MEDICAL SERVICES

There were increases in the utilization of virtually all services offered by the Family Planning Association in 2003. Significant increases were seen in the number of new clients visiting the Association's Clinic. The number of new clients recorded was 200 as compared to 903 in 2002. Similarly old clients rose from 6,798 in 2002 to 7,002 in 2003. Overall client visits rose from 7,701 in 2002 to 9,004 in 2003, a 17.0 per cent increase. Figures for pap smears and pregnancy test also rose by 7.0 per cent and 8.0 per cent respectively. Clients attending the doctor rose from 3,705 in 2002 to 4,052 in 2003, an increase of 9.0 per cent. Of major significance was the total number of clients utilizing the Male Clinic where overall

male visits increased from 270 in 2002 to 597 in 2003 (with 250 being new clients), a more than 100.0 per cent increase.

YOUTH ADVOCACY MOVEMENT

The Youth Advocacy Movement (YAM) is the youth arm of the Family Planning Association and has contributed significantly in extending the message of Sexual and Reproductive Health and Rights to the Barbadian public. Persons mainly at the primary and secondary schools, and youth groups benefited. In addition, YAM produced 5 forty-five second advertisements addressing Child Exploitation, Mother to Child HIV Transmission, Abstinence, HIV/AIDS and services offered at the Family Planning Association.

Table 5.3-9
Medical and Clinical Services
Barbados Family Planning Association 2002 – 2003

CHARACTERISTICS YEARS	Total		Oral		IUCD		Condom		Injection		*Other		Medical Services	
	02	03	02	03	02	03	02	03	02	03	02	03	02	03
New Clients	90	22	11	79	15	24	108	195	53	55	15	12	597	1637
Sterilization: Male	3		5											
Sterilization: Female	13	17	-	-	-	-	-	-	-	-	13	17	-	-
Total New Clients	12	11	-	-	-	-	-	-	-	-	12	11	-	-
	92	2030	11	79	15	24	108	195	53	55	40	40	597	1637
	8		5											
Old Clients	10	1127	11	190	31	38	71	71	174	195	38	21	572	612
**C.B.D.C.	57		7											
Total Clients	93	747	26	229	53	43	-	-	-	-	135	85	-	-
Total Client Visits	2		7		0	3								
Contraceptive Visits	29	3904	55	498	57	49	179	266	227	250	213	146	1169	2249
Pap Smear Tests	17		3		6	5								
Clients seen by Doctor	77	9004	18	1531	17	23	622	802	1440	1381	226	223	3435	4828
Pregnancy Tests	01		01		7	9								
	29	2850	14	1167	44	51	173	417	1226	1170	27	45	-	-
	45		75											
	12	1313	20	196	45	66	90	134	101	121	51	69	732	727
	24		5											
	37	4052	52	502	15	20	241	355	350	329	155	146	2280	2518
	05		1		8	2								
	55	604	35	19	2	9	19	13	12	23	4	7	485	533
	7													

SOURCE: BFPA

*Includes spermicides, foams, jellies and diaphragms

** C.B.D.C. Client visit not available

HEART FOUNDATION OF BARBADOS

The Heart Foundation of Barbados Inc. continued in its efforts to prevent and treat heart disease in Barbados. The Foundation has continued to engage in a country wide programme of public education and public information to inform people regarding the importance of heart disease as a problem and what can be done to

to prevent and control it. This national, non-profit, non-governmental organisation has also been able to secure the funding needed for the continuation of its operations and its wide range of programmes. In 2003 there was an increase in the number of persons accessing the programmes offered, except in the Cardiac Disease Prevention and Rehabilitation Programme where there has been a reduction.

Table 5.3-10

No. of Persons Accessing Heart Foundation Services
1999 – 2003

Sub-Committees	1999	2000	2001	2002	2003
Emergency Cardiac Care Programme	214	254	356	400	496
Healthy Heart Clubs	121	273	117	-	-
Cardiac Disease Prevention and Rehabilitation Programme	23	30	76	102	96
Work-site Health Promotion and Practice	14	83	-	-	-
Cardiac Support Group	21	45	36	33	35
Annual Healthy Lifestyle Extravaganza	300	400	500	500	650

SOURCE: Heart Foundation of Barbados

DIABETES ASSOCIATION OF BARBADOS

The Diabetes Association of Barbados assisted in approximately 132 outreach activities at churches, health fairs, corporate businesses and government programmes in 2003. At these activities, blood sugar testing, blood pressure checks and cholesterol testing were conducted. During the year the association was able to obtain 146 diabetes monitoring kits for persons who were newly diagnosed or were unable to afford to purchase their own.

THE BARBADOS CANCER SOCIETY

The Barbados Cancer Society is a registered Charitable Trust founded in 1980. It is guided by a Council consisting of 12 Directors, who are also its Trustees. It is a nation wide charity, dedicated to the prevention and alleviation of pain and suffering caused by cancer. During 2003, the Early Detection Clinics and Mammography Services served 5,200 women and the clinics for men provided services for 500 clients. The society spent approximately \$15,000 on educational literature, as well as participated in health fairs and provided lectures to over 30 clubs and organisations across the island.

D. POVERTY ALLEVIATION

POVERTY ALLEVIATION BUREAU

During 2003, the Poverty Alleviation Bureau (PAB) continued to effect its mandate to empower people at the micro-level through the provision of opportunities for economic and financial development and educational and vocational training.

The PAB investigated and assessed 807 households and processed 985 requests from applicants during the year, which was an increase of 18.8 per cent over 2002. Of the total requests for assistance during 2003, house repairs constituted 20.8 per cent; while the payment of house rent arrears and water arrears accounted for 17.2 per cent and 13.4 per cent, respectively. There was a marked increase of 58.7 per cent for assistance with training from 2002 levels, as well as a 35.0 per cent increase for assistance with private rental accommodation when compared with 2002. Requests for financial assistance to ameliorate medical conditions increased by 24.0 per cent with the bulk of the requests being for the provision of prostheses and orthodontic treatments. Such medical services are not provided under the public health scheme.

All eligible requests for assistance are submitted to the Poverty Eradication Committee for consideration of approval. This Committee held nine (9) meetings during the period January to December 2003 and approved the following major requests.

During 2003, the Poverty Eradication Committee approved 228 requests at a cost of \$2,549,083.00. These requests came from 188 households headed by 41 males and 147 females. In addition, three (3) non-governmental organisations were granted financial assistance of \$235,541.60 to implement their various programmes geared towards poverty alleviation and capacity building of individuals.

COMMUNITY DEVELOPMENT

The Community Development Department (CDD) continued to participate in the HIV/AIDS Prevention and Control Project in 2003. Nine (9) communities were identified for intensive HIV/AIDS intervention following a Knowledge, Attitudes, Practices, and Behaviour (KABP) Survey.

During the year, the CDD continued to provide community organisation and development and in so doing introduced three (3) initiatives: the Inter-Community Games; the Community Art Career Program and the Children's Programme. Furthermore, ongoing assistance (technical and financial) has been provided to community groups.

The Community Technology Programme (CTP) continued to be a premier project on the Department's calendar, providing internet facilities and information technology training to over 1,000 persons. Community centres were upgraded to facilitate the equipment and training needs of various communities.

WELFARE DEPARTMENT

As a Government Social Services Agency, the Welfare Department continued to provide services for a large and varied clientele, through its two main programmes – Family Services and National Assistance.

FAMILY SERVICES PROCESSED

During 2003, the Welfare Department processed 851 cases of family problems, 51 more cases than in 2002. The cases included marital problems, child maintenance, domestic violence, child custody/access disputes and legal aid. The Department referred 93 of the cases to the Courts, of which 38 were family suits and 55 dealt with domestic violence.

Table 5.4-1
NAB Requests for Assistance

REQUESTS	TOTAL
Jobs	25
Assistance with payment of water arrears	132
Assistance with payment of NHC house rent arrears	169
Assistance with payment of NHC land rent arrears	2
Assistance with payment of NHC loans	1
Assistance with payment of land rent (Private)	3
Assistance with payment of house rent (Private)	30
House Repairs	205
Welfare Houses	8
Rental Accommodation (NHC)	4
Rental Accommodation (private)	108
Welfare grants	28
Training	73
Business Loans	2
Assistance-in-Kind	21
Financial Medical Assistance	31
House Spots	9
House Resitals	3
Completion of Houses	13
Counselling Services	10
Research Projects	14
Cleaning of Premises	3
Project Proposals	3
Ramp Construction	2
Home Help Services	14
Loans other than for Business start up	6
Requests for school places/transfers/fees	2
Debt Relief	12
Micro Business Development	16
Digging wells and Provision of Septic Tanks	20
Financial Grant	1
Water Installation	1
Land Purchase	2
Electrical Installation	1
Assistance with Burial Fees	2
Provision of Day Care	2
Building of houses	7
TOTAL	985

SOURCE: National Assistance Board
Ministry of Social Transformation

Table 5.4-2
Approved Requests 2003

REQUESTS	NUMBER	AMOUNT
1. HOUSEHOLDS		
Rental Arrears – NHC	83	\$472,520.10
Water Arrears	44	\$63,082.26
Training for Employment/Job Creation	4	\$7,040.00
House Repairs, House Construction, Medical Assistance, Private Rental Arrears	97	\$2,006,440.64
TOTAL	228	\$2,549,083.00
2. GROUPS	Beneficiaries:	
Reconstruction of houses Government/St. James Parish Church Programme Development –	9 disadvantaged families	\$100,000.00
Israel Lovell Foundation	Community Members of the Ivy and surrounding communities	
Assistance with Transportation: B'dos Council for the Disabled	School Children with Disabilities	\$100,000.00
		\$35,541.60
		\$235,541.60
	TOTAL COST	\$2,784,624.60

Source: National Assistance Board
Ministry of Social Transformation

NATIONAL ASSISTANCE PROGRAMME

This programme accounts for a significant part of the work of the Welfare Department, as it responds to material needs, and thereby contributes to the alleviation of poverty. It entails the provision of monetary welfare grants and various in-kind benefits.

For the period January 2003 – December 2003 expenditure on the National Assistance Programme was \$12,405,073.00. By the end of December 2003 a total of 7,345 persons were

provided with cash grants at an average weekly cost of \$210,769.00. A total of 1,114 persons were provided with assistance-in-kind such as:

- payment of electricity and water rates;
- payment of house and land rents;
- education assistance;
- food vouchers (Emergency); and
- spectacles, dentures, hearing-aids.

Assistance-in-kind was given to victims of fire in the provision of household furnishings. HIV/AIDS patients, the homeless, the destitute

and mentally ill patients were also provided with emergency food vouchers as the need arose.

The Educational Assistance sub-programme facilitates the provision of school uniforms for children, waivers on textbook rentals and petty fees. A total of \$321,736.00 was spent on Education Assistance in 2003 with approximately 3,042 children as beneficiaries.

The Welfare Department also disbursed the Education Grant from the Ministry of Education for children entering secondary school for the first time. In 2003, approximately 5,000 persons received the grant of \$100.00.

NATIONAL ASSISTANCE BOARD

During the year 2003, the National Assistance Board (NAB) continued its social program geared mainly to elderly persons. It began to increase its focus on the number of younger persons who are experiencing socio-economic difficulties. The clientele of the Board

therefore now includes indigent elderly, the young, as well as persons with disabilities.

THE RECREATIONAL ACTIVITIES PROGRAM

In 2003, the NAB spent \$176,643.00 on its Recreational Activities Programme at 13 Community Centres across Barbados. This programme meets the goal of social integration, dramatic/artistic expression, skill provision, and recreation for elderly persons who also enhance their marketable skills. During the year some Centres were successful in increasing the number of days of operation and in widening the range of skills and social experiences offered.

The Home Help/Home Care Programme placed staff directly in the homes of elderly and/or disabled clients to perform a range of tasks which the clients experience difficulty in managing. These tasks include – cooking, washing, cleaning and shopping. The major success of this activity lies in the fact that it

Table 5.4-3
Family Services Processed

CATEGORY OF FAMILY PROBLEMS	NO. FOR PERIOD
MARITAL PROBLEMS	229
MAINTENANCE	455
DOMESTIC VIOLENCE	55
ACCESS/VISITING ARRANGEMENTS	88
MULTI-PROBLEM FAMILIES	13
LEGAL AID	11
TOTAL	851

Source: Welfare Department
Ministry of Social Transformation

maintains the recipients in their local communities and in their homes. During 2003, the agency provided home care services for 863 persons across the island, of which 344 were males and 519 females.

Table 5.4-4
Reports Submitted to the Court

FAMILY SUITS	38
DOMESTIC VIOLENCE	55
TOTAL	93

Under the NAB's Assistance-in-kind Programme a total of \$239,597 was expended during 2003. One hundred and seventy-seven applications were received and the number of beneficiaries was 1,189 persons.

The NAB's Smart Clean Programme functions to enhance the physical environment of the homes of the elderly, indigent and disabled. During 2003, a total of 192 service applications were received for the service of which 83 were for household beautification and 35 were wide-scale landscaping projects, which provided a safety environment for the general public.

Table 5.4-5
No. of Persons in Receipt of Monetary Grants as at December 2003

CATEGORY	SEX	COUNT
Able-Bodied Adult	F	443
Able-Bodied Adult	M	107
Child Over 16 at school	F	152
Child Over 16 at school	M	94
Child under 16	F	1810
Child under 16	M	1682
Disable Age 55 - 65	F	425
Disable Age 55 - 65	M	180
Disable High	F	859
Disable High	M	707
Disable Low	F	428
Disable Low	M	385
Over 65 (non NIS Candidates)	F	39
Over 65 (non NIS Candidates)	M	34
TOTAL		7345

Source: Welfare Department, Ministry of Social Transformation

Table 5.4-6
No. of Persons Receiving In-kind Assistance by Division for Period 2003

Main Categories	House Rent		Land Rent					
	NHC	PRIV	NHC	PRIV	WATER	ELEC	SPEC	FOOD VOUCHER
NORTH	25	8	4	3	426	106	134	240
SOUTH	12	18	4	8	427	165	221	144
ST. MICHAEL	113	28	-	2	694	365	238	730
TOTAL	150	54	8	13	1547	636	593	1114

Source: Welfare Department, Ministry of Social Transformation

Under the NAB's Stress Management in Disasters (SMIDS) Programme 66 persons were trained in Emergency Response Methods as part of Barbados Disaster Preparedness Plans.

The NAB's Bereavement Support Services (BSS) responded to 102 requests for assistance during 2003. Approximately 50.0 per cent of the activities of the BSS were related to deaths or homelessness as a result of fires.

Table 5.4-7
Bereavement Support Services
Interventions

Attempted Suicide	1	Asthma	3
Cancer Deaths	7	Terminally	6
Divorce	1	Drowning	5
Heart Attacks	14	Death by Fire	7
Road Accidents	5	Murders	3
Fire Victims	43	Still-births	0
Sudden Infant Deaths	1	Other Grief Issues	6

Source: National Assistance Board
Ministry of Social Transformation

CHILD CARE BOARD

The Child Care Board continued to carry out its mandate to the children of Barbados through the provision of Day Care, Residential Care, Adoption and Foster Care services and Counselling to parents, guardians and children. The Board provided Day Care to an average of 789 children between the ages of three (3) months and four (4) years. The highest number of children in attendance at the Day Care centres was 830. With respect to Residential Care, there was an average of 131 children in the Board's 11 Centres.

During 2003, 45 children were assessed as being in need of care and protection and were admitted into care during the year while 63 children were discharged from residential care. The Board placed four (4) additional children in its Foster Care and Adoption Programme and at December 31, 2003, there were 32 children (14 girls and 18 boys) in long-term foster care.

The Board is also responsible for the registration of Private Day Care Centres. During 2003, a total of 109 centres were visited and 73 centres licensed. In addition, the Board received 157 enquiries about establishing centres and 13 new applications for the registration of Private Day Care Centres. The Board through its intake system processed 2,283 enquiries, referrals and complaints affecting 2,514 children. Officers dealt with these referrals through counselling and/or referrals to other social service agencies.

NATIONAL DISABILITIES UNIT

The National Disabilities Unit (NDU) is mandated to facilitate, advocate, and promote the advancement and empowerment of Persons with Disabilities, in order to assist in the provision of equal opportunities for integration, and participation in all aspects of community living.

A Census of persons with disabilities was conducted by the National Disabilities Unit, the Statistical Services Department and the Data Processing Department between April 8th, 2003 and June 15th, 2003.

The Work Experience Programme of the NDU seeks to ensure equal opportunities in all areas of development of the lives of Persons with Disabilities that would enhance the quality of their lives in order that each person would reach his/her maximum potential. During 2003, a total of 20 Persons with Disabilities (PWD) were placed in a range of employment including clerical, assembling, communications, packing, food preparation, and housekeeping.

In 2003, 25 persons were granted Aids to Daily Living (ADL) equipment, such as canes, shower chairs, shower extensions, wheelchairs, cushions, raised toilet seats and grab bars. Twenty-nine persons benefited from the Accessibility Programme, which involved construction of ramps and bathroom adjustments. Additionally, 21 persons were loaned wheelchairs from the Unit's Appliance Bank.

The Unit also provided structural modifications to the Aquatic Centre for the installation of a hydraulic lift to enable non-ambulant Persons with Disabilities to access the pools for sporting, recreational and therapeutic purposes.

The National Disabilities Unit, Children's Development Centre and University of the West Indies collaborated to provide a six-week (6) Behaviour Modification Programme for 12 boys with mental challenges. A variety of training methods were used, inclusive of role-play, artwork, physical activity and musical exposure. Parents were involved in group-feedback. At the end of each session the boys received rewards for participation and prizes for behaviour changes at the conclusion of the final session.

The NDU hosted another HIV/AIDS Sexuality Awareness Seminar for adult Persons with Disabilities during 2003. The 12-hour seminar was one (1) evening per week for six (6) consecutive weeks during October to December 2003. The 35 participants who attended were drawn from the organizations affiliated to the Barbados Council. The presenters promoted prevention of the HIV/AIDS virus through abstinence and fidelity. In catering to a diverse group of Persons with Disabilities simultaneously, the methodology comprised lectures, overhead projector and question and answer sessions, along with handouts of braille as well as large print. Interpreters were also on hand to interpret for the deaf and hearing impaired. Transportation was provided for many of the participants. The participants indicated an increase in knowledge on completion of the workshops.

As a result of the Census of Persons with Disabilities, there was an increase in the number of requests for assistance. During the year, 125 assessments were carried out. Referrals were prepared according to the assessments made. A number of persons who may otherwise have applied for welfare assistance became aware of their right to apply for National Insurance Invalidity Pension or Grant, depending on the certification by a Medical Practitioner.

Under the Parent Empowerment Programme, the NDU convened three (3) meetings with parent groups and social workers to discuss the difficulties that parents were encountering in acquiring care for children who experienced a variety of behavioural and learning difficulties. Parental groups expressed the need for greater sensitivity and awareness of the public to the needs and challenges of children with disabilities. Social Workers from the Challenor Creative Arts and Training Centre and the Child Care Board expressed the need for a national parent empowerment programme that would reach all parents and children with disabilities.

The NDU participated in a number of sports related events in order to advance the cause of Disability Sports. These activities included the Sports Disability Workshop, held 3rd – 6th November 2003, and the Sports Disability Festival, held on 27th November 2003, both of which were sponsored by the National Sports Council.

URBAN DEVELOPMENT COMMISSION

The following information reflects the progress made on programmes and activities carried out by the Urban Development Commission (UDC) during the period January to December 2003.

The UDC was created with the specific mandate of addressing the needs of Bridgetown and its environs. The UDC seeks to eradicate poverty in the urban corridor through physical, social and economic programmes aimed at improving the standard of living and quality of life of urban dwellers.

During 2003, the UDC continued to identify tenancies throughout urban Barbados to allow for the legal transfer of title to Barbadians under its Transfer Title Programme. The Government of Barbados contributed some \$334,086.55 in subsidies to assist with the transfer of 36 titles during the period.

This programme which started in 1998 with 250 registered urban tenancies has rapidly

evolved into a portfolio of over 500 tenancies, all at varying stages in the transfer process. The Commission, in its role as facilitator, has seen an increase in requests by landowners for assistance with surveying services. To date, 26 tenancies were surveyed on behalf of landowners by the Commission with key plans and individual plot plans produced for 532 persons, who will receive further assistance under the facilities offered through the programme.

This programme faced certain challenges during the reporting period. Progress in transferring titles was slower than expected due to three (3) factors: the inability of landowners and the UDC to reach agreement on land prices, thereby forcing the process to arbitration through the Small Holdings Committee; delays on the part of unwilling owners to transfer title to qualified tenants; and delays in legal administration.

The socio-economic impact of this programme on the lives of many persons in urban Barbados can be witnessed by the vast improvements in housing and living conditions in the affected tenancies.

During 2003, the UDC House Replacement/Repair Programme provided poverty alleviation assistance to approximately 227 families at an estimated cost of \$4.3 million. Fifty dwellings were completely replaced with new houses, another 55 were repaired and sanitary conditions were improved through the provision of 31 wells and 8 septic tanks. Households received complimentary ancillary assistance with the painting of their homes, access to electricity, potable water, and construction of handrails and ramps for the elderly and physically challenged. Several small building contractors and construction companies also benefited as a direct result of the programme thereby contributing to the positive employment of many persons. The programme is financed through grants from the Poverty Alleviation Fund.

The priority groups assisted by the House Replacement/Repair Programme were old aged

pensioners living alone or with a caretaker; disabled persons, including victims of the HIV/AIDS virus; single mothers living in absolute conditions of abject poverty; and other absolute cases of destitution

A major development in the housing programme in 2003 was the introduction of hard woods (green and purple heart) as the standard building material for construction under the programme. This resulted in an overall 15.0 per cent increase in construction cost per unit to the Commission but the longevity of the new structures exceeded initial expectations.

During 2003, the UDC increased its participation in the National HIV/AIDS Alleviation Programme as a major partner in provision of improved housing and better living conditions for persons with HIV/AIDS. Funding for this component was granted through the National HIV/AIDS Commission and channelled through the Ministry of Social Transformation.

As part of the implementation of the South Coast Sewerage households currently utilizing pit latrines are to be provided with upgraded waterborne toilet facilities. This undertaking forms part of the National Poverty Alleviation programme and is being implemented by the UDC.

Initial 1997 project data identified 250 properties in the project area that were without waterborne toilets. In October 2002, the confirmed number of 199 households was submitted to the Commission for incorporation into the Capital Works Programme. It was indicated that the 199 household improvements carried a projected cost of \$9,000.00 each.

In May 2003, the Commission started the programme in earnest with 20 small building contractors selected and approved by the South Coast Sewerage Project Unit. Having received drawings (with planning permission), quotations, specifications, record forms, location maps and a sample contract (reviewed

by the Solicitor General), the UDC proceeded with the execution of the programme.

During the project execution phase, the Commission completed fifteen (15) out of the one hundred and thirty-five (135) projects approved for construction at a cost of \$180,000.00. Twenty-five (25) other projects were scheduled for completion by September 30, 2003 and carried an estimated cost of \$270, 000.00. Some sixty-four (64) projects are awaiting Town Planning and Ministry of Health approval.

During 2003, the UDC demolished 47 derelict buildings under its Derelict Buildings Programme at a cost of \$140,148.25. This represented a 2.0 per cent increase in the cost of works as compared with the previous year. Also in 2003 the Commission established a relationship with 20 owners of derelict property who were willing to lease their properties to the Commission as a means to providing housing solutions to vulnerable persons.

The Urban Development Commission is mandated to carry out this policy as it relates to the construction of tenantry roads in urban Barbados. During the period January to December 2003, a total of \$3,813,908 was expended on roads in urban tenancies. Of the total \$2,296,324 was spent on the construction of concrete roads.

The UDC continued to work to provide recreational areas and resource events for communities in urban Barbados in 2003. During the year, the sum of \$852,518 was expended in this activity.

The development of functioning, multi-purpose resource centres is a vehicle by which Government, through the UDC, is seeking to propel citizens into the technological age. The outdated concept of the community centre has now given way to this innovation where facilities are made available for extended usage and the development of computer and other personal and professional skills. Likewise, sports and sporting activities throughout urban communities have brought together young men and women into positive sportsmen and sportswomen honing athletic skills through extended training sessions, lectures and other developmental activities. These activities are being facilitated through the lighting and upgrading of playing fields in urban communities.

One of the functions of the Urban Development Commission is to encourage, promote and provide assistance in the development of economic activity and enterprise.

Since 1999, UDC has been involved in the development of small business ventures across urban Barbados. This initiative has been directly responsible for creating jobs for hundreds of Barbadians in several diverse areas of business activity. It has also proven valuable to the development of skilled artisans.

The programme targets persons who, although having a good business proposal and the will to turn that idea into a business venture, would be unable to source funding through the traditional banking sector. The Urban Enterprise Loan Scheme uses job creation and

Table 5.4-8
Expenditure on Recreational Areas and Resource Centres

Victor Clarke Complex	\$7,369.32	St. Barnabas Courts	\$9,852.94
Meadow Road	\$5,798.67	Dover Playing Field (Lighting)	\$182,557.00
Parkinson Community	\$597.87	Roberts Road Resource Centre	\$397,509.39
Deacons Hard Courts	\$4,923.15	Chancery Lane Playing Complex	\$104,959.75
Princess Royal Play Area	\$3,000.00	Bayville Play Park	18,999.99
Goodland Playing Field	\$58,475.41	TOTAL	\$794,043.49

income generation as mechanisms for the reduction of poverty in the urban area. It seeks to empower the poor, the unemployed and the underemployed by the development of their own entrepreneurial capacity.

The Programme which is financed through the Social Investment Fund and the Consolidated Fund attracts prospective small business people by offering a maximum loan of \$25,000.00 at an interest rate of 4.0 per cent per annum on the reducing balance.

At the end of 2002-2003 financial year the Commission received 324 applications requesting \$2.8 million in financing. The Commission made cash disbursements totaling \$1.3 million to 194 loan recipients. At the end of March 2003, there were some 460 loan applicants waiting to access funding.

The Commission conducts monthly sample surveys on businesses as part of its efforts to monitor the progress being made by beneficiaries under the Urban Enterprise Loan Programme as well as to provide them with support services.

During the reporting period, visits were made to 125 businesses. Ninety-three of them were operating satisfactorily and employed 157 persons. Thirty-two were found not to be functioning and efforts are being made to have them re-opened.

E. ENVIRONMENT

OVERVIEW

On the eve of the new millennium countries across the world charted seven (7) development goals under the auspices of the United Nations. The seventh goal is to ensure environmental sustainability. The Government of Barbados, cognisant of the importance of environmental sustainability to Barbados' development prospects and the social and economic welfare

of its citizens, has spared no effort in its quest to accomplish this goal.

In 2003, the Government of Barbados committed approximately \$30.5 million to provide for programmes to contain environmental degradation and promote environmental awareness. During the period under review Government has integrated the principles of sustainable development into country policies and programmes with a view of mitigating the loss of environmental resources.

COASTAL ZONE MANAGEMENT

The Coastal Zone Management Unit (CZMU) continued to fulfil its mandate for the conservation and enhancement of the island's coastlines. During the period under review several projects have been implemented or continued as part of the Unit's routine functioning.

BEACH PROFILE MONITORING

Under the CZMU's beach profile monitoring programme in 2003, a total of 280 profiles were performed at 70 sites. To date approximately \$20,000 has been spent on the programme in order to better understand the beach dynamics experienced at the profile locations around the island. The information gathered from this programme assists with the development of construction setbacks and the identification of areas that are prone to frequent erosion events.

COASTAL ENGINEERING

A coastal road protection revetment was built at Judge Gap, St. Peter at a cost of \$628,000. The site, located between Six Men's Bay and Smitton's Bay, has a continued history of erosion. Assessment of coastal structures is a routine activity of the CZMU. During 2003 inspections were undertaken at Reads Bay and Rockley offshore breakwaters and the Payne's

Bay revetment. These activities were performed at a total cost of \$50,000.

MOORING BUOYS PROJECT

Forty (40) moorings have been deployed at the various dive and recreation sites around the south and west coasts. The priority moorings have been installed at the main dive sites. In addition, other moorings have been installed to assist coastal cruisers, and to demarcate swim areas. It is intended that this project will continue as the Unit works towards making Barbados an "anchor free" location.

MARINE RESEARCH

The Unit continued its intensive coral disease-monitoring programme in 2003. It has been observed that specific coral diseases (i.e. black band and white band disease) have been found at specific times of the year. A five-year review of the state of reef health along the west and south coasts was initiated. This five-year review will systematically focus on 60 near shore and bank reef locations reviewing their health in terms of abundance and diversity of corals and fish found therein.

COASTAL INFRASTRUCTURE PROGRAMME

The CZMU established a project administration unit in 2003 to execute the Coastal Infrastructure Programme (CIP). The principal objectives of the programme are to ensure a healthy coastal environment and continued economic development of Barbados through improved management and conservation of the coastal zone. The programme comprises eight coastal engineering projects that have four specific objectives:

- (i) Shoreline stabilization and enhancement
- (ii) Restoration of coastal habitats
- (iii) Improvement of public coastal access; and

- (iv) Institutional strengthening in coastal management.

Physical and numerical modelling has been performed for the first five (5) projects. Designs have been almost finalized and public consultations have been held on the Welches and Holetown enhancement projects. At the time of this report conceptual designs were being developed for Rockley, Tent Bay and Crane. Approximately \$7.0 million have been spent on project mobilization and the modelling and design requirements.

GRAEME HALL SWAMP STEWARDSHIP PROGRAMME

As part of the CZMU's community outreach programme, the Graeme Hall Swamp (GHS) Stewardship Programme was initiated in 2003. It is intended to use the concept of co-management of the resource at the community level to provide a better understanding of the value and importance of the GHS as a coastal feature on the island. Currently \$20,000 has been spent on the procurement and installation of equipment to monitor the hydrodynamics of the swamp.

MARINE POLLUTION CONTROL

The Environmental Engineering Division received 25 complaints in 2003 of which six (6) were oil pollution, two (2) were fish kills, 10 were wastewater discharges, three (3) were sediment and one (1) was bacterial infection.

WATER QUALITY MONITORING

BELLE CATCHMENT

The Environmental Engineering Division monitored 11 water supply wells in the Belle Catchment of which nine (9) are potable wells and two (2) are agricultural wells. The mean nitrate concentration in the catchment was

7.3 mg/l (milligrams per litre), which was an increase from 2002. The Waterford well showed a decrease in nitrate concentration from 9.11 mg/l to 7.72mg/l. The nitrate concentrations in the Belle, Salter's, Codrington and Pine Central wells were 9.31 mg/l, 8.63 mg/l, 8.5 mg/l and 9.43 mg/l, respectively. These concentrations are all approaching the World Health Organization (WHO) drinking water standard of 10 mg/l.

HAMPTON CATCHMENT

The Division monitored 11 supply wells in the Hampton Catchment of which three (3) are potable wells and eight (8) are agricultural wells. The mean nitrate concentration in the catchment was 7.91 mg/l, representing a decrease from 2002. However, the nitrate concentration at four (4) agricultural wells was above 8.0 mg/l and at National Hatcheries it exceeded the WHO drinking water standard of 10 mg/l.

WEST COAST CATCHMENT

The Division monitored 10 potable supply wells in the West Coast Catchment. The mean chloride concentration in the West Coast Catchment was 277 mg/l representing an increase from 2002. The mean chloride concentration in 2002 and 2003 exceeded the WHO drinking water standard of 200 mg/l. The mean chloride values at the seven (7) wells that exceeded the WHO standard ranged from 307 mg/l to 482 mg/l.

SPRING WATER MONITORING

Seven (7) springs were monitored monthly during 2003. The nitrate concentration in the Bath and Fortesque springs exceeded the WHO drinking water standard of 10mg/l. The faecal coliform and faecal streptococci levels in Bath, College, Pot House, Three Houses and Porey Springs all exceeded the WHO standard of 0 cols/100ml. It should be noted that springs are exposed to the elements and therefore these findings are not uncommon.

SEWAGE TREATMENT PLANT MONITORING

The Division monitored 34 sewage treatment plants in 2003. The desired biochemical oxygen demand for sewage plant effluent is 25 mg/l. The biochemical oxygen demand ranged from 0.7 mg/l to 255 mg/l. The efficiency of the plants ranged from 31.0 per cent to 99.0 per cent.

SWIMMING POOL MONITORING

The Division monitored 198 registered public swimming pools of which 130 were licensed for 2003, 11 were either new or undergoing construction, 15 were closed for refurbishment and 42 were unsatisfactory for licensing or did not apply. Swimming pool monitoring highlighted a number of common maintenance problems that include defective equipment and poor chemical balance.

AIR QUALITY

In 2003, the Division received and investigated a total of 83 air quality complaints. The complaints related to indoor air quality 26, auto body emissions nine (9), manufacturing emissions four (4), industrial stack emissions five (5) and nuisance emissions complaints 29.

DERELICT PROGRAMME

DERELICT BUILDINGS

The Environmental Engineering Division demolished 294 derelict buildings, an increase of 92 over 2002 at a cost of \$530,047.75.

DERELICT VEHICLES

During 2003, the Division removed 1007 derelict vehicles, representing a fall of 14 from 2002. The cost of the disposal of these derelicts was \$102,891.75.

ENVIRONMENTAL CONSERVATION

Barbados' National Conservation Commission has major responsibility for the development and management of national parks, the cleaning and maintenance of beaches and preserving public access to beaches. In carrying out its mandate during 2003 the Conservation Commission erected two new beach facilities at the Worthing and Silver Sands Beaches. At a combined cost of \$555,000, these two (2) 1,024 ft² public facilities were built with amenities that included rest rooms, a changing room, lockers, a staff lunch room and a caretakers' room. Both beach facilities are easily accessible to the physically challenged. In addition to the construction of the Beach Facility at Worthing Beach, two (2) Vendors Kiosks were constructed to accommodate the Vendors who operate on the nearby beach.

BEACH REHABILITATION PROJECT

At Worthing Beach, where members of the public were indiscriminately driving on the beach, thereby destroying the vegetation, which protected the dunes. The Commission started work to separate the areas for parking vehicles from the areas of beach used for traditional recreation activities. Specific areas were designated for the hauling out of fishing and small marine crafts and access by emergency vehicles.

At the Drill Hall Beach which has the highest density of turtle nesting of the endangered hawksbill turtle, work started on the regrading of the beach area to designate specific areas for parking.

PLAY/RECREATIONAL AREA

New play parks were constructed and opened at Salisbury, St. George, Grazettes, St. Michael and Carrington Village, St. Michael. The play park located at Golden Acres, St. Michael was completely renovated and reopened to the public on May 9, 2003. This project was executed at a cost of \$130,000.

QUEEN'S PARK REDEVELOPMENT

The Queen's Park National Park is one of Barbados' historic parks. In addition to its status as a heritage tourism site, the Park is also host to a series of cultural and sporting events annually. The preservation of this historic area is a direct attempt to ensure Barbados' environmental sustainability. The Queen's Park Redevelopment Project commenced in November 2003 with the improvement of the roadway. The project will involve re-landscaping of the Park; installation of street lighting; provision of underground electrical high voltage cabling; provide additional parking for cars in the area adjacent to the Steel Shed; and upgrade the water supply system.

The upgrading of Queen's Park has been one of the Commission's major projects in the celebration of 375 years of the City of Bridgetown. The total cost of the project is estimated at \$900,000.

ARBOR DAY 2003

As part of the celebrations of Arbor Day 2003, a seminar entitled "Trees the Reason Everything Evidently Survives" was held in September 2003. Over 600 trees were distributed to schools and other sites for planting during the month, with the major focus being on schools in and around the city of Bridgetown, as part of the 375th Anniversary of Bridgetown.

NATIONAL POLICY ON SUSTAINABLE DEVELOPMENT

In 2003 the National Policy on Sustainable Development was approved by Cabinet and published at a cost of \$10,000. The Policy is divided into two inter-related sections. The first section contains the core principles of sustainable development in Barbados. There are:

- § Quality of Life
- § Conservation of Resources
- § Economic Efficiency
- § Equity
- § Participation

The second section is an Action Plan that provides specific policy recommendations that will inform sustainable practices and activities in Barbados. The NSD Policy calls for a change in attitude, behaviour and values by all persons, corporations and decision-makers.

SUSTAINABLE DEVELOPMENT PROJECTS

GULLY ECOSYSTEMS MANAGEMENT STUDY

The Gully Ecosystems Management Study is targeted towards the identification of sustainable management options for those distinctive natural features of our Barbados' landscape. In so doing, it may contribute to broadening the resource base against which leisure and nature-based tourism activities might be considered, among other socioeconomic development initiatives. The full cost attached to implementation of the study is approximately \$1.3 million.

Preliminary results from the study to-date suggest that a tremendous amount of work will need to be conducted in the more than 400 kilometres of gullies, to remedy the historical and ongoing negative impacts which have been identified and considered to be directly related to the generally poor environmental management practices which pervade our society. Specifically, rehabilitation in the form of the removal of waste accumulations at point and diffused locations, re-forestation and other activities supportive of ecosystem rejuvenation, have emerged as immediate and necessary initiatives that can be implemented.

The study will provide recommendations for gully development along these lines in the form of an Integrated Management Strategy. This document is projected to be available for consideration and application within the 2004–2005 financial year.

NATIONAL BIOSAFETY FRAMEWORK PROJECT

The United Nations Environment Project/Global Environment Facility (UNEP/GEF) supported project for the preparation of a "*National Biosafety Framework for Barbados*" got underway in September 2003. Projected to be executed over an 18-month period, it is intended to assist the Government of Barbados with the formulation of an Institutional and Legislative Framework for the management of the potential risks attached to the trans-boundary movement of Living Modified Organisms (LMO's).

PERSISTENT ORGANIC POLLUTANTS PROJECT

The Project for the Development of a National Implementation Plan (NIP) for the Stockholm Convention commenced September 1, 2002 and was launched on February 24, 2003. The Barbados National Implementation Plan Project is part of a global pilot project funded by the Global Environment Facility (GEF) through the United Nations Environment Programme (UNEP). The objective of the project is to develop a National Implementation Plan to protect human health and the environment from persistent organic pollutants (POPs). The chemicals currently classified, as persistent organic pollutants are aldrin, chlordane, DDT, dieldrin, dioxins, endrin, furans, heptachlor, hexachlorobenzene, mirex, polychlorinated biphenyls and toxaphene. These chemicals are toxic to both humans and wildlife and resistant to degradation.

Following a National Consultation with the major stakeholder groups in June 2003, the draft National Profile was completed in December 2003. The National POP's Inventory began in August 2003 and has been subdivided into three separate tasks; a pesticides inventory, a PCBs inventory and a furans and dioxins inventory. These inventories are schedule to be completed in April 2004, which will mark the conclusion of Phase II of the NIP Project.

GREENING OF GOVERNMENT PILOT PROJECT

The Greening of Government Pilot Project seeks to initiate the adoption of a system that incorporates environmental considerations into all aspects of government operations, policies, programmes and projects with a view to enhancing efficiency, health and safety and the quality of the environment (indoor and outdoor) through the changing of attitudes, practices and behaviour.

As part of the pilot project, "Green Teams" are being formed across the Public Sector, which are aimed at sensitizing all staff to environmental issues, particularly "green" offices practices. In August 2003, 45 participants from within the Public Sector completed a week-long environmental audit training course, which culminated in audits of three Government buildings.

MARINE POLLUTION CONTROL ACT AND COASTAL ZONE MANAGEMENT ACT

IMPLEMENTATION ASSISTANCE PROJECT

In conformity with the Marine Pollution Control Act, 1998 and the Coastal Zone Management Act, 1998 a Waste Characterization Survey¹⁰ was continued in 2003. The compilation of the Register of Pollutants Database and Priority Pollutants Databases also continued in 2003. These databases provide recommended prohibited concentrations for chemicals and standard testing methods for chemicals that can be discharged into the marine environment. Another significant component of the project

that was completed in 2003 was the drafting of regulations for the Marine Pollution Control Act, 1998. The regulations covered areas such as self-monitoring, reporting requirements, spills, list of prohibited concentrations for chemicals and extra surcharge agreements which would give companies that are unable to immediately comply with the regulations a period of time within which to comply.

INTERNATIONAL TRADE IN ENDANGERED SPECIES

Permits were granted under the Convention on the International Trade in Endangered Species (CITES) and the inspection of wildlife facilities were also conducted. In 2003, over 100 applications for the Convention on International Trade of Endangered Species of Flora and Fauna (CITES) permits were processed. Eighty-seven export permits and seven (7) import permits were issued in 2003. Site visits were also conducted to investigate facilities, which will be used to house imported animals. The international trade of endangered species as it relates to income generation is an important economic activity for a number of persons and companies in Barbados.

PREPARATION FOR BARBADOS PROGRAMME OF ACTION REVIEW (BPOA+10)

In 1994 the international community met in Barbados for the first Global Conference on the Sustainable Development of Small Island Developing States (SIDS). The main outcome of that meeting was the Barbados Programme of Action (BPOA). Barbados is viewed as the flagship for this International Programme of Action that bears this country's name.

The United Nations General Assembly has called for a comprehensive review of the BPOA at an international meeting in Mauritius in August/September, 2004. As part of the preparations for the international meeting in Mauritius, Barbados was required to prepare National Assessment Reports (NAR). The

¹⁰ The aims of the survey were to identify and characterize significant point sources of pollution, assist with conducting audits of identified pollution sources and preparation of an inventory of the types of pollutants and the concentration of these pollutants presently released that could potentially affect the marine environment.

Ministry of Housing, Lands and Environment hosted a National Consultation for the preparation of this report in 2003. Participants drawn from a multi-disciplinary background were invited to provide input and comments.

The National Report addressed the issue of Barbados' vulnerability as a Small Island Developing State. Discussion focused on the areas of economic, social and environmental vulnerability – more specifically, what are the causes of vulnerability, current measures in place to make us more resilient and recommendations for future actions.

F. LAW AND ORDER

In 2003, the creative and proactive strategies of the Royal Barbados Police Force (RBPF) engendered a reduction in the level of violent crimes, as well as in a number of other categories to achieve an overall reduction in total crimes of 17.0 per cent.

The maintenance of law and order in Barbados during 2003 was not without its challenges. Criminal activities such as burglary, drugs, firearm related crimes, and predatory crimes were the main sources of concern for the RBPF management, as these were the crimes that inflated the annual figures.

CRIME TRENDS

At the beginning of the year 2003 reported crime was 6.0 per cent higher than that for the same period in 2002. Thereafter, reported crime for the entire year declined by 17.0 per cent.

In 2002, residents of some urban and rural districts were traumatized by groups of young men who characterised their districts through violence. In response during 2003, this type of activity was suppressed. However combating other serious forms of criminal behaviour such as murder, robbery, aggravated burglary, theft from the person, assault with intent to rob, domestic burglary, and the scourge of illicit

Table 5.6-1
SERIOUS CRIME

CRIME	1999	2000	2001	2002	2003	% DIFF
MURDER	23	20	25	25	33	8
MANSLAUGHTER	0	0	1	0	0	0
SERIOUS BODILY HARM	249	275	215	269	226	- 43
RAPE	68	68	71	96	79	- 17
SEX WITH MINOR	36	22	36	41	55	14
INDECENT ASSAULT	62	43	60	53	70	17
OTHER SEX CRIMES	5	7	1	3	7	4
OTHER CRIME AGAINST THE PERSON	186	263	310	363	355	- 8
ROBBERY	414	428	312	350	316	- 34
ASSAULT W/INTENT TO ROB	29	29	28	20	29	9
AGGRAVATED BURGLARY	88	69	73	105	72	-33

Source: Research Department, Royal Barbados Police Force

drugs continued to be a major challenge for the organisation.

The minor modes of pilferage such as shoplifting, theft from motor vehicles, and theft of television and cable network antennae that challenged investigators in 2002 and threatened to spiral during the past few years, declined during 2003. The significant decline in the theft of antennae was a noteworthy 78.0 per cent below that of 2002.

As with reported-crime, there was a decrease of 6.0 per cent in the number of police arrests during 2003 compared to 2002. A total of 2,973 persons were arrested and charged for a wide range of deviant acts with 9.0 per cent or 280 being female. The numbers of persons arrested were composed of new offenders who totalled 1,313 or 44.0 per cent and repeat offenders 1,660 or 56.0 per cent. In the category of first time offenders, 116 were visitors about 9.0 per cent and juveniles numbered 61 or 5.0 per cent of the total.

In the category of repeat offenders it was determined that 21.0 per cent or 622 were persons who had been arrested and charged for criminal activity during 2002. A further 8.0 per cent or 246 had also been arrested and charged for criminal activity in 2001 and 2002. These statistics are indicative of the reality that recidivism is one of the complex challenges compounding the RBPF's effort to suppress criminal activity.

CRIME AGAINST THE PERSON

There were 33 murders recorded in 2003 as compared with 25 in 2002. This was an increase of eight (8) or 32.0 per cent. Unlike the cases recorded in 2002 where more than 50.0 per cent resulted from domestic disputes, only two (2) murders or 6.0 per cent fall in this category. Crimes against the person were reduced overall by 6.0 per cent, with reductions being recorded for robbery, rape, serious bodily harm and aggravated burglary. Sexual intercourse with a minor increased by 34.0 per cent or 14 cases over the 2002 figure of 41 cases. Indecent assault increased by 17 cases or 32.0 per cent

over the 2002 figure of 53 cases. The number of cases of assault with intent to rob increased by nine (9) cases or 45.0 per cent compared to the 2002 when 20 cases were recorded.

PROPERTY CRIME

At the end of 2003 the number of cases of residential burglary had been reduced by 26.0 per cent and commercial burglary by 33.0 per cent with an overall reduction in burglary of 27.0 per cent. The incidents of residential burglary recorded in 2003 were 1,501 as compared with 2,031 in 2002, and incidents of domestic burglary recorded in 2003 were 426 as compared to 634 for the corresponding period in 2002.

DRUG CRIMES

There were 1,231 drug related crimes recorded in 2003 as compared with 1,275 in 2002. This was a decrease of 44 cases or 4.0 per cent compared to 2002. During the year eight (8) illegal drug landings were intercepted at various points across Barbados. This netted 4,115.9 pounds of cannabis and 80 grams of cocaine.

A total of 1,273 persons, inclusive of 94 visitors were arrested and charged for their involvement in illegal drug activity during the year. Of the visitors charged, 64.0 per cent were intercepted attempting to smuggle illegal drugs through the Grantley Adams International Airport. For the corresponding period in 2002 there were 1,348 persons charged. Of the 1,231 cases recorded in 2003, 950 were for cannabis related offences and 281 for cocaine offences.

CRIME INVOLVING FIREARMS

There were 162 cases involving the use of firearms as compared to 217 in 2002. This is a reduction of 55 cases or 25.0 per cent over the 2002 figure. Seven (7) murders were committed with the use of firearms, while assault with intent

Table 5.6-2
Cases Involving Firearms

	JAN. TO DEC.		
	2001	2002	2003
MURDER	8	11	7
ROBBERY/ASSAULT W/I TO ROB	76	90	95
AGGRAVATED BURGLARY	29	55	36
ENDANGERING LIFE	36	36	20
OTHER CRIMES	10	20	4
TOTAL	159	217	162

Source: Research Department, Royal Barbados Police Force

to rob/robberies accounted for 95 cases. Endangering life with a firearm accounted for 20 cases as compared to 56 in 2002.

Fifty-three cases of illegal possession of a firearm were recorded in 2003 as compared to 63 in 2002.

CRIME AGAINST VISITORS

Crime against visitors was reduced by 24.0 per cent or 77 cases from 321 in 2002 to 244 in 2003. Burglaries on hotel premises were reduced by 42 cases or 30.0 per cent from 138 in 2002 to 96 in 2003, but at the same time accounted for 39.0 per cent of the total figure of crime against visitors.

ANALYSIS

An examination of the annual statistics revealed that more young people are becoming involved in crime. During the year 2003, 552 persons between 16 and 20 years of age were charged for criminal offences. Persons between 21 and 25 years of age accounted for 577.

During 2002 repeat offenders accounted for 55.0 per cent of the total persons arrested and charged. There was a decrease in the number of persons arrested during 2003 by 6.0 per cent below the 2002 figure. However, repeat offenders accounted for 56.0 per cent of the total persons arrested in 2003.

The high level of recidivism in Barbados is a concern for the Royal Barbados Police Force as it not only exacerbates its crime fighting efforts but also inflates the annual crime figures. As in previous years, drug addicts and career criminals were the main recidivists.

Illegal firearms usually find their way into Barbados through smuggling, however through the negligence of some licensed firearms holders, eight firearms were stolen during 2003. Thirty-nine percent of the victims of predatory crime were attacked by persons armed with firearms.

NEW INITIATIVES

The RBPF implemented and identified a number of new initiatives during the year 2003 to reduce crime. These initiatives included the

Table 5.6-3
CRIME AGAINST VISITORS

TYPES OF CRIME	2001	2002	2003
MURDER	0	0	0
WOUNDING (MAJOR)	3	4	0
WOUNDING (MINOR)	10	4	3
HARASSMENT	3	0	0
RAPE	3	1	1
OTHER SEX CRIMES	0	0	3
ROBBERY	37	30	36
ASSAULT W/INT TO ROB	4	3	7
AGG. BURGLARY	11	17	11
BURGLARY HOTELS ETC.	180	138	96
BURGLARY (OTHER)	0	0	0
THEFT FROM M/V	7	13	10
THEFT FROM PERSON	2	17	14
THEFT FROM BEACHES	21	37	24
OTHER THEFT	39	54	38
ALL OTHER OFFENCES	4	3	1
TOTAL	324	321	244

Source: Research Department, Royal Barbados Police Force

National Anti-Burglary Project, the Anti-Drug strategies and the management of resources to facilitate rapid response and continuous patrol.

The National Burglary Project was launched to achieve a reduction in repeat victimization; an increase in the detection of persons who commit burglary; an improvement in the quality of police response to victims of residential burglaries; and a reduction in the incidence of burglary.

To achieve these above goals, the RBPF relied on intelligence-led policing, increased police presence in targeted areas, and the marking of property to name a few.

The Anti-Drug strategies also benefited from Intelligence Led Policing. In addition, coastal patrols proved to be very effective in intercepting vessels bringing drugs to Barbados.

During 2003 the Rapid Response Unit and the Task Force coalesced into one unit to facilitate better management of the units while at the same time maintaining a continuous patrol in areas where police visibility was needed most.

ECONOMIC AND SOCIAL OUTLOOK FOR 2004

Continued expansion in the tourism sector is expected to provide the impetus for real GDP growth of between 2.5 per cent and 3.0 per cent in 2004. The strengthening economy is expected to create more job opportunities. A slight increase in inflation is anticipated due to higher food and fuel prices.

Based on expectations of further increases in airlift and ongoing economic recovery in the major source markets, the outlook for the year in both land-based and cruise tourism is promising. In addition, the re-opening of the Hilton Hotel in the fourth quarter will contribute to an expansion of the available room stock.

Manufacturing is likely to remain sluggish throughout the year, but agricultural production should recover by year-end.

The Airport expansion, Government's road rehabilitation projects and the planned redevelopment of Kensington Oval are expected to support growth in construction. At the same time, the distribution sector stands to gain from greater consumer demand resulting from the tourism outturn, as well as the increase in consumers' disposable income due to the recent tax return.

The projections for tourism augur well for the external current account balance, which may show a reduced deficit for 2004. However, expectations of a continued fall-off in long-term capital inflows and further growth in retained imports increase the likelihood that the NIR will decline over the course of the year.

Credit is expected to rise in response to lower interest rates. However, this is not likely to absorb a significant amount of liquidity in the system and consequently the current high level of excess liquidity is expected to persist throughout 2004.

A higher intake of indirect tax revenue from VAT, excise taxes and import duties is also expected. This, along with reduced capital expenditure, should lead to a further narrowing of the fiscal deficit.

The year 2004 is expected to bring further challenges and opportunities for the International Business sector. Uncertainties in the global economy, especially the continuing unrest as a result of the Iraq war, and increased terrorists' activity could continue to impact not only oil prices but also the world investment climate. This, together with the continuing activities of developed countries, namely the EU Savings Directives, as well as international institutions such as the Financial Action Task Force (FATF) and the OECD towards offshore financial centres could negatively impact on the development of these centres by severely eroding their competitive advantage.

Activity in the area of treaty negotiations are expected to continue in 2004 with a packed programme that includes the negotiation of bilateral investment treaties. The negotiation of the bilateral investment treaties is expected to enhance the investment framework to encourage cross-border trade and investment flows. The conclusion of the protocol to the US/Barbados DTA as well as the Canada protocol is expected to increase the certainty of investors that utilize the agreements in their investment decisions.

Strengthening of the institutional framework and incentive regimes for the promotion and development of services other than financial services is expected to encourage the increased participation of Barbadians in the export of services. The Barbados Coalition of Services Industries and the Barbados Private Sector Trade Team are expected to play a significant role in advancing Barbados' trade policy and the development of the non-traditional services.

The Ministry of Social Transformation will continue its focus on empowering people at the micro-level especially with respect to the critical areas of HIV/AIDS and Poverty Eradication while providing opportunities for economic and social developments.

The Ministry of Housing, Lands and the Environment will continue to provide housing solutions for all Barbadian citizens especially the poor and vulnerable groups, while protecting the environment and the quality of Barbados' water resources. It will also continue to focus on climate change and a strategy for adapting to climate change.

The implementation of the Education Sector Enhancement Project and Planning for the proposed University College of Barbados will continue during 2004. Health care services will continue to focus on controlling the incidence of HIV/AIDS with the aim of reducing the negative impact of the disease on the Barbadian economy.

Government will continue to reposition the Barbadian economy to deal with the challenges envisioned for the twenty-first century, while taking advantage of the opportunities which will be created by the global, hemispheric and regional trading arrangements, now being negotiated under the WTO, FTAA, and CSME.

It is expected that 2004 will be another year of stable macro-economic growth and social development, resulting in continuing improvements in the living standards of all Barbadians.

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APPENDIX 1

ESTIMATES OF REAL GROSS DOMESTIC PRODUCT
1984 - 2003
(1974 Prices)

												(\$ M)
Year	Sugar	Non-Sugar Agriculture	Mining and Quarrying	Manufac- turing	Electricity, Gas and Water	Construc- tion	Wholesale & Retail Trade	Tourism	Transport, Storage & Communi- cations	Business & General Services	Government Services	TOTAL
1984	42.5	33.3	6.8	90.4	20.4	50.7	146.8	93.4	57.0	135.4	101.8	778.5
1985	42.4	33.0	7.3	81.8	21.4	49.9	154.1	90.6	58.7	140.8	106.9	787.0
1986	47.1	31.7	7.7	86.0	22.8	53.5	163.3	96.7	61.4	145.0	111.8	827.0
1987	35.4	34.6	7.2	80.3	23.7	56.8	172.3	111.4	64.5	145.7	116.2	848.2
1988	34.1	31.8	6.7	85.7	25.3	61.9	176.6	123.1	64.8	150.1	117.4	877.5
1989	28.2	31.8	6.2	90.3	26.1	66.9	181.0	135.5	68.9	155.5	118.6	909.1
1990	29.5	34.8	6.6	87.9	26.4	60.1	171.9	122.2	68.9	150.5	120.3	879.1
1991	28.0	34.1	6.3	83.8	27.0	55.6	161.2	115.8	67.6	147.7	117.8	844.7
1992	23.1	33.0	5.8	76.0	27.4	39.9	148.4	113.4	65.2	139.9	112.0	784.1
1993	20.7	32.9	5.8	73.9	27.5	40.7	152.0	117.9	66.0	141.1	112.0	790.5
1994	22.3	31.1	6.0	78.9	28.6	43.2	161.1	129.0	68.1	145.3	113.1	826.8
1995	16.5	36.7	6.0	85.5	30.4	47.4	161.5	130.3	69.7	146.6	115.9	846.6
1996	25.4	37.2	6.0	84.7	31.7	49.3	166.7	132.5	71.5	148.6	119.9	873.7
1997	27.8	34.4	5.9	87.9	32.9	56.3	181.3	135.1	74.2	154.2	123.6	913.6
1998R	20.6	33.3	8.8	90.9	35.9	65.8	203.4	143.6	78.5	164.2	125.6	970.5
1999R	22.9	36.1	9.5	88.7	37.7	72.4	187.1	143.9	81.9	164.4	130.8	975.3
2000R	25.1	36.1	8.7	88.3	37.7	74.3	189.5	157.2	82.6	164.7	134.4	998.7
2001R	21.4	34.0	7.6	81.1	39.1	71.0	183.6	147.9	83.1	163.4	132.2	964.4
2002R	19.3	33.8	7.1	81.3	39.8	73.2	185.4	143.8	80.6	159.5	136.1	960.1
2003P	15.6	34.5	6.5	80.7	40.9	75.4	191.2	154.3	81.7	162.6	137.9	981.2

SOURCE : Central Bank of Barbados

APPENDIX 2

GROSS DOMESTIC PRODUCT - BREAKDOWN OF SELECTED SECTORS
(Non-sugar Agriculture and Manufacturing)
1984 - 2003
(Current Prices)

(\$ M)

NON-SUGAR AGRICULTURE						MANUFACTURING									
Year	Total	Food Crops	Live- Stock	Other Cultiva- tion	Fishing	Total	Food, Bev- erages & Tobacco	Textiles & Wearing Apparel	Wood & Wood Products	Paper Products, Printing & Publishing	Chemicals, Oil & Non- Metallic Products	Metal Products & Assembled Goods	Other Manufac- turing	Total Selected Sectors	GDP at Factor Cost
1984	80.2	38.7	21.0	1.0	19.5	264.1	69.0	42.1	4.6	20.0	27.0	92.8	8.5	344.3	2074.6
1985	79.3	36.0	22.0	1.1	20.1	231.7	78.0	36.8	4.7	20.4	18.2	66.0	7.8	311.2	2180.9
1986	84.6	38.8	22.5	2.1	21.1	229.3	96.4	31.4	5.0	20.7	25.3	42.4	8.0	313.8	2297.3
1987	102.9	51.8	25.1	2.0	23.9	223.6	99.0	28.8	6.8	23.7	22.9	32.0	10.4	326.5	2498.9
1988	105.8	58.5	25.4	1.7	20.2	240.2	102.8	31.7	9.0	25.7	28.9	31.8	10.4	346.1	2667.6
1989	100.5	49.8	31.7	1.4	17.6	233.3	103.7	26.6	8.4	30.3	26.7	25.8	11.8	333.8	2909.6
1990	101.0	40.9	32.9	0.4	26.8	237.6	112.2	19.0	8.8	31.8	26.3	29.1	10.4	338.7	2965.3
1991	107.3	56.3	34.0	0.4	16.6	230.8	116.7	17.1	7.1	30.0	26.1	24.7	9.1	338.1	2893.8
1992	101.7	41.1	33.4	0.4	26.8	203.2	101.2	12.2	3.7	28.8	23.5	25.2	8.6	304.8	2707.3
1993	114.7	55.6	30.5	0.3	28.3	206.6	104.5	9.1	3.0	26.0	24.0	31.3	8.7	321.3	2801.4
1994	100.0	38.3	33.3	0.5	27.9	208.0	106.2	10.3	3.8	28.4	21.5	27.5	10.3	308.0	2934.0
1995	147.6	87.7	34.5	0.8	24.6	211.7	108.0	11.7	4.9	27.8	22.4	28.0	8.9	359.3	3160.0
1996	160.9	95.6	41.3	0.1	23.9	206.4	108.9	12.5	3.9	26.8	19.0	26.7	8.6	367.3	3401.1
1997	122.0	58.0	40.2	0.3	23.5	224.7	114.6	13.2	4.8	29.9	24.7	28.0	9.5	346.7	3606.9
1998	96.3	32.6	41.8	0.2	21.7	243.5	122.3	13.1	5.8	33.3	29.9	29.4	9.7	339.8	3906.9
1999	146.3	83.9	44.4	0.1	17.9	260.8	128.4	14.6	7.3	34.3	35.4	30.4	10.4	407.1	4130.3
2000	126.8	51.4	46.6	0.1	28.7	268.7	130.3	15.7	7.6	35.8	35.8	32.6	10.9	395.5	4225.8
2001	144.4	92.5	31.2	0.1	20.7	256.4	125.4	9.8	7.4	36.6	36.3	30.2	10.6	400.8	4216.7
2002R	129.0	76.1	33.7	0.2	19.0	263.1	135.3	7.3	7.4	37.4	33.6	31.7	10.3	392.1	4155.7
2003P	154.6	101.4	34.0	0.3	18.8	292.7	163.9	6.9	6.7	38.7	34.3	31.7	10.6	447.3	4443.1

SOURCE: Barbados Statistical Service

APPENDIX 3
EXPENDITURE ON GROSS DOMESTIC PRODUCT
1984 - 2003
(Current Prices)

														(\$ M)
Consumption Expenditure				Gross Capital Formation										Gross Domestic Product at Factor Cost
Year	Personal	Government	Total	Public* Building Activity	Private* Building Activity	Finished Capital Goods	Change in stocks of Finished Goods	Total	Exports of Goods and Services	Gross Expenditure on GDP	LESS: Imports of Goods and Services	GDP at (Market Prices)	LESS: Net Indirect Taxes	
1984	1432.0	387.6	1819.5	20.3	255.3	104.1	(5.7)	373.9	1656.4	3849.9	(1547.1)	2302.8	(228.2)	2074.6
1985	1397.0	456.3	1853.3	43.5	230.0	90.8	7.5	371.8	1632.7	3857.8	(1447.6)	2410.2	(229.3)	2180.9
1986	1692.2	468.8	2161.0	95.1	209.6	122.5	(3.5)	423.8	1495.9	4080.7	(1434.7)	2646.0	(348.7)	2297.3
1987	1934.0	497.5	2431.5	67.5	267.3	125.1	6.8	466.7	1340.1	4238.3	(1324.6)	2913.7	(414.8)	2498.9
1988	2004.1	537.3	2541.4	74.1	321.9	138.9	8.4	543.3	1509.7	4594.4	(1495.1)	3099.3	(431.6)	2667.7
1989	2157.9	614.1	2772.0	85.6	371.8	187.8	11.1	656.3	1724.0	5152.3	(1725.2)	3427.1	(517.5)	2909.6
1990	2188.5	693.7	2882.2	119.2	331.7	200.4	(3.1)	648.2	1689.3	5219.7	(1779.5)	3440.2	(474.9)	2965.3
1991	2262.6	642.0	2904.6	75.1	301.5	174.4	29.5	580.4	1610.1	5095.1	(1701.3)	3393.8	(500.0)	2893.8
1992	1977.5	639.6	2617.1	44.2	217.6	87.8	(48.8)	300.8	1588.0	4505.9	(1329.6)	3176.3	(469.0)	2707.3
1993	1966.6	732.2	2698.8	39.8	241.3	124.8	13.9	419.8	1727.1	4845.7	(1536.8)	3308.9	(507.5)	2801.4
1994	1978.1	707.1	2685.2	56.9	253.6	170.1	23.1	503.7	1979.9	5168.9	(1683.8)	3485.1	(551.1)	2934.0
1995	2305.6	751.8	3057.4	36.6	316.6	194.6	19.4	567.2	2176.6	5801.2	(2058.8)	3742.4	(582.4)	3160.0
1996	2359.0	848.0	3207.0	79.6	302.4	248.2	(22.4)	607.8	2379.7	6194.5	(2199.7)	3994.8	(593.7)	3401.1
1997	2764.1	927.3	3691.4	111.8	360.5	315.1	4.4	791.8	2438.0	6921.3	(2530.3)	4391.0	(784.1)	3606.9
1998	2983.4	981.5	3964.9	94.4	425.6	344.8	8.9	873.7	2521.9	7360.5	(2619.7)	4740.8	(833.9)	3906.9
1999	3241.2	1026.7	4267.9	118.0	444.4	373.2	29.4	965.0	2545.9	7778.8	(2823.2)	4955.6	(825.3)	4130.3
2000	3422.8	1084.3	4507.1	112.3	467.0	360.2	7.4	946.9	2582.9	8036.8	(2919.2)	5117.6	(891.8)	4225.8
2001	3270.1	1142.6	4412.7	118.5	397.8	322.5	(15.0)	823.9	2590.7	7827.3	(2735.3)	5092.0	(875.3)	4216.7
2002R	3247.8	1218.6	4466.3	168.7	357.7	309.4	(0.4)	835.5	2479.6	7781.4	(2739.5)	5041.9	(886.2)	4155.7
2003P	3611.7	1314.9	4926.6	117.1	423.5	369.8	(0.4)	910.0	2704.7	8541.3	(3043.1)	5498.2	(1055.1)	4443.1

SOURCE: Barbados Statistical Service

* Land Development Included.

#Central Government only

APPENDIX 4
GROSS DOMESTIC PRODUCT BY SECTOR OF ORIGIN
1984 - 2003
(Current Prices)

																(\$M)
Year	Sugar	Non-Sugar Agriculture	Mining and Quarry- ing	Manu- facturing	Electricity, Gas & Water	Con- struction	Wholesale and Retail Trade	Tourism	Transport Storage & Communi- cations	Finance & Business	General Services	Govern- ment	GDP at Factor Cost	Add Net Indirect Taxes	GDP at Market Prices	Per Capita GDP at Factor Cost (\$ '000)
1984	59.0	80.2	31.1	264.1	68.0	130.0	412.3	206.8	171.0	270.9	85.7	295.5	2074.6	228.2	2302.8	8.2
1985	58.7	79.3	27.9	231.9	72.7	117.9	451.1	225.0	185.0	297.8	89.6	344.0	2180.9	229.3	2410.1	8.6
1986	61.8	84.6	16.9	229.3	72.2	131.4	485.7	233.9	197.5	311.0	94.1	379.0	2297.3	348.7	2646.0	9.1
1987	68.7	102.9	18.4	223.6	80.7	144.3	529.9	270.0	225.4	313.0	97.3	424.8	2498.9	414.8	2913.7	9.8
1988	67.1	105.8	17.1	240.2	84.8	170.3	547.8	315.1	226.6	358.5	99.2	435.1	2667.7	431.6	3099.2	10.4
1989	49.7	100.5	17.5	233.3	91.6	196.7	596.2	361.9	227.8	424.9	106.2	503.4	2909.6	517.5	3427.1	11.3
1990	58.5	101.0	19.5	237.6	91.7	193.9	589.1	338.5	244.5	432.9	109.3	548.7	2965.3	474.9	3440.2	11.5
1991	54.6	107.3	18.6	230.8	100.1	161.9	575.5	315.4	254.2	435.5	109.7	530.1	2893.7	500.0	3393.8	11.1
1992	51.1	101.7	17.0	203.2	105.5	112.6	498.9	317.3	252.5	453.1	107.7	486.7	2707.3	469.0	3176.3	10.3
1993	46.8	114.7	15.2	206.6	106.7	120.9	506.8	362.2	264.6	437.1	110.6	509.2	2801.4	507.5	3308.9	10.5
1994	49.6	100.0	16.9	208.0	102.4	133.5	515.0	410.0	282.3	471.5	122.0	522.8	2934.0	551.1	3485.1	11.1
1995	50.8	147.6	18.0	211.7	110.2	151.8	542.8	419.7	319.6	505.9	131.8	550.1	3160.0	582.4	3742.4	12.0
1996	64.1	160.9	20.7	206.4	117.1	164.3	584.8	442.0	343.6	563.6	146.1	587.5	3401.1	593.7	3994.8	12.9
1997	69.0	122.0	21.2	224.7	117.0	203.1	625.7	450.8	340.6	638.3	157.8	636.6	3606.9	784.1	4391.0	13.6
1998	56.5	96.3	23.1	243.5	127.4	223.6	702.2	482.2	385.9	711.9	179.8	674.5	3921.4	833.9	4755.3	14.7
1999	56.0	146.3	27.8	260.8	128.1	241.8	748.0	457.0	421.3	739.8	189.9	713.5	4130.3	825.3	4955.6	15.5
2000	63.2	118.2	31.4	268.8	140.7	249.1	757.1	488.0	386.3	774.3	199.2	749.6	4225.8	891.8	5117.6	15.8
2001	50.5	144.4	27.6	256.4	137.2	222.0	697.9	471.1	467.2	797.8	211.2	774.2	4216.7	875.3	5092.0	15.7
2002R	24.0	129.0	29.5	263.1	137.1	226.4	708.9	444.4	384.2	791.1	214.7	803.3	4155.7	886.2	5041.9	15.3
2003P	38.9	154.6	31.0	292.7	146.5	232.5	738.6	512.4	374.6	847.1	293.8	780.5	4443.1	1,055.1	5498.2	16.3

Source: Barbados Statistical Service

APPENDIX 5

International Reserves
1994 - 2003

(\$ M)

	1994	1995	1996	1997	1998	1999	2000	2001	2002R	2003P
Total Foreign Assets (R)	416.6	441.4	605.2	664.7	630.6	752.3	1173	1631.4	1807.4	2177.6
Total Banking System (net) (R)	412.0	436.9	598.7	642.5	568.2	679.4	1080.9	1533.7	1711.3	2087.1
Monetary Authorities (net)(R)	359.6	409.7	531.8	549.8	538.7	612.8	968.8	1413.7	1366.4	1503.3
Central Bank (net)	344.5	393.7	508.3	430.5	413.6	440.3	750.8	1136.8	1030.6	1104.7
Assets	376.6	425.5	541.1	455.3	425.6	452.3	750.8	1136.8	1030.6	1102.9
Liabilities	32.1	31.8	32.8	24.8	12.0	12.0	0.0	0.0	0.0	0.0
Central Government	16.0	15.9	23.5	91.7	94.8	138.8	186.7	231.6	293.2	356.2
Government Funds	2.1	0.1	0.5	0.8	0.4	0.9	1.1	0.4	0.6	0.4
Sinking Funds for										
Foreign Debt	13.9	15.8	23.0	90.9	94.4	137.9	185.6	231.2	292.6	355.8
Commercial Banks (net)	53.3	27.2	67.0	92.7	29.5	66.6	112.2	120.0	344.9	583.8
Assets	245.9	401.5	675.4	610.5	549.2	668.9	516.4	667.7	1060.5	1224.9
Liabilities	192.6	374.3	608.4	517.8	519.7	602.3	404.2	547.7	715.6	641.1
Other Public Bodies	3.7	4.5	6.5	22.1	62.4	72.9	92.1	97.8	96.1	89.0
	Dec	Apr.	June	May	April	May	Aug.	Dec	Dec	Dec
Peak Value During Year	414.0	484.5	602.3	736.9	826.7	943.7	1231.1	1631.4	1807.4	2174.0

Source: Central Bank of Barbados

APPENDIX 6
DIRECTION OF TRADE - TOTAL EXPORTS
1984 - 2003

									(\$ M)
Year	Canada	CARICOM	Japan	Germany	United Kingdom	United States of America	Venezuela	All Other Countries	Total Exports
1984	13.6	175.9	0.1	0.9	54.9	216.3	0.0	326.2	788.0
1985	9.9	160.5	0.5	4.1	46.2	130.4	0.0	361.9	713.4
1986	22.6	96.1	6.8	3.0	46.0	135.1	0.0	247.8	557.4
1987	12.7	75.0	2.7	1.0	65.1	67.6	0.0	98.4	322.5
1988	12.2	94.7	2.7	1.6	66.2	75.6	0.0	101.1	354.2
1989	11.0	123.9	3.2	1.1	48.9	72.8	0.2	113.3	374.4
1990	12.5	131.9	1.1	1.8	78.7	51.9	1.1	151.2	430.1
1991	13.0	135.5	1.4	1.9	43.5	53.4	0.3	165.7	414.7
1992	10.3	130.6	3.2	2.6	75.6	62.3	0.1	95.6	380.3
1993	11.9	140.8	2.2	1.1	59.2	65.0	0.1	94.7	375.0
1994	15.7	122.4	2.2	1.8	73.3	70.5	0.2	80.3	366.4
1995	25.3	178.0	2.9	3.6	71.8	68.7	6.2	107.4	463.9
1996	24.5	201.2	0.9	3.1	93.3	74.2	48.6	115.4	561.2
1997	20.0	200.7	1.9	3.6	96.9	80.7	32.5	129.6	565.9
1998	14.1	219.4	0.8	3.6	71.9	74.6	5.4	116.4	506.2
1999	13.6	235.2	0.6	3.5	69.2	84.4	4.1	117.1	527.6
2000	11.1	235.7	0.6	1.2	71.9	83.3	1.9	140.0	545.7
2001	14.3	215.5	0.4	1.2	60.6	73.5	2.4	151.0	518.7
2002R	9.0	209.4	0.3	2.3	51.4	63.3	1.7	145.6	483.0
2003P	7.8	201.5	0.2	2.3	55.0	67.3	0.0	165.4	499.5

Source: Barbados Statistical Service

APPENDIX 7

DIRECTION OF TRADE - IMPORTS
1984 - 2003

(\$M)

Year	Canada	CARICOM	Japan	Germany	United Kingdom	United States of America	Venezuela	Other Countries	Total Imports
1984	74.9	154.7	50.3	22.6	100.0	632.7	39.1	250.3	1324.6
1985	62.2	176.9	55.2	26.5	111.1	499.6	58.9	231.2	1221.6
1986	78.4	126.0	66.6	52.5	127.8	470.3	50.7	208.8	1181.1
1987	81.2	146.2	54.4	26.4	120.5	333.5	36.5	237.5	1036.2
1988	82.3	162.8	63.7	27.9	133.7	401.8	40.3	251.5	1164.0
1989	101.6	184.2	78.1	30.1	148.8	469.3	56.2	286.0	1252.7
1990	80.9	218.9	75.0	29.8	148.6	468.0	56.5	330.2	1407.9
1991	84.0	203.5	85.0	23.9	157.3	494.1	56.7	293.1	1397.6
1992	58.0	199.5	40.3	23.3	91.2	377.3	43.7	215.2	1048.5
1993	57.4	216.8	62.4	21.5	107.8	416.5	42.1	229.4	1153.9
1994	69.6	239.0	59.7	21.0	112.0	479.5	38.8	209.7	1229.3
1995	78.1	247.6	103.8	40.0	147.0	572.5	62.1	291.5	1438.8
1996	85.4	248.4	84.2	35.0	139.5	629.1	75.1	370.6	1667.3
1997	78.3	247.0	135.9	37.0	161.1	823.7	60.8	447.2	1991.0
1998	84.5	325.5	148.9	38.8	190.0	830.0	18.7	407.4	2043.8
1999	92.4	394.9	167.6	36.0	184.4	886.0	15.1	439.7	2216.1
2000	96.5	458.7	120.1	36.6	186.7	943.9	13.9	455.7	2312.1
2001	80.3	436.0	89.1	36.5	171.9	877.0	8.8	437.7	2137.3
2002R	74.8	463.1	90.1	35.6	157.4	850.7	9.0	460.8	2141.5
2003P	84.8	570.5	106.9	39.5	148.9	891.2	6.1	542.7	2390.6

SOURCE: Barbados Statistical Service

APPENDIX 8

IMPORTS AND EXPORTS VISIBLE TRADE BALANCE

1984 - 2003

(\$ M)

Year	Imports (CIF)	Domestic Exports	Re-Exports	Total Exports	Balance on Visible Trade
1984	1324.6	584.3	203.7	788.0	(536.6)
1985	1221.6	502.1	211.3	713.4	(508.2)
1986	1181.1	425.7	131.7	557.4	(623.7)
1987	1035.9	223.7	98.8	322.5	(713.4)
1988	1163.9	248.0	106.2	354.2	(809.7)
1989	1354.3	248.8	125.6	374.4	(979.9)
1990	1407.9	253.9	176.2	430.1	(977.8)
1991	1397.7	244.6	170.1	414.7	(983.0)
1992	1048.5	269.1	111.1	380.3	(688.2)
1993	1153.9	282.3	91.7	374.0	(779.9)
1994	1229.3	267.6	98.8	363.7	(862.9)
1995	1527.6	335.7	136.4	472.1	(1055.5)
1996	1667.3	428.5	132.8	561.3	(1106.0)
1997	1991.0	421.0	144.9	565.9	(1425.1)
1998	2043.8	379.6	126.6	506.2	(1537.6)
1999	2216.1	395.1	132.5	527.6	(1688.5)
2000	2312.1	380.3	165.4	545.7	(1766.4)
2001	2137.3	352.7	166.0	518.7	(1618.6)
2002R	2141.5	333.1	149.9	483.0	(1658.5)
2003P	2390.6	329.4	170.1	499.5	(1891.1)

Source: Barbados Statistical Service

APPENDIX 9

SELECTED DOMESTIC EXPORTS
1984 - 2003

										(\$M)
Year	Sugar	Molasses	Rum	Lard & Margarine	Other Food & Beverages	Electrical Components	Clothing	Chemicals	Other Domestic Exports	Total Domestic Exports
1984	57.9	8.4	6.5	6.4	12.7	334.1	66.2	25.9	66.2	584.3
1985	55.9	7.6	8.0	3.7	11.6	301.7	45.0	21.1	47.5	502.1
1986	57.5	4.6	8.8	2.9	13.1	238.8	35.5	18.9	45.6	425.7
1987	65.6	5.3	7.2	2.1	8.9	52.1	23.8	21.9	36.8	223.7
1988	62.9	0.0	0.0	1.9	13.7	44.8	30.6	0.0	49.0	248.0
1989	47.1	3.5	9.7	2.1	17.4	41.7	28.5	34.2	64.6	248.8
1990	63.9	3.1	14.8	2.8	22.8	31.6	15.3	40.2	59.4	253.9
1991	56.9	5.2	8.7	3.8	24.7	32.8	16.1	41.2	55.2	244.6
1992	61.6	0.0	18.6	6.6	31.0	44.0	11.8	42.0	53.5	269.1
1993	57.7	0.0	15.3	6.2	32.1	50.3	9.3	42.2	69.2	282.3
1994	60.1	0.0	14.0	5.9	29.5	52.4	6.2	41.1	58.4	267.6
1995	51.1	0.0	19.1	9.2	45.2	49.5	6.6	52.2	99.4	332.3
1996	72.0	0.0	22.8	11.6	93.9	54.1	7.5	54.8	111.8	428.5
1997	71.7	0.0	27.8	11.1	75.9	51.9	6.9	56.6	119.1	421.0
1998	55.2	0.0	27.5	10.7	56.3	50.9	5.8	51.2	122.6	380.2
1999	56.0	0.0	26.9	9.8	50.8	56.2	6.1	52.2	137.7	395.7
2000R	53.3	0.0	24.5	9.0	51.2	44.7	5.8	43.4	148.4	380.3
2001R	44.0	0.0	36.0	9.4	53.2	38.1	3.4	38.6	140.0	350.2
2002R	37.7	0.0	35.5	9.3	52.0	29.0	1.4	42.1	126.2	333.1
2003P	41.0	0.0	33.6	8.9	36.8	29.7	1.9	41.9	135.6	329.4

Source: Barbados Statistical Service

APPENDIX 10
RETAINED IMPORTS BY BROAD ECONOMIC CATEGORIES
1984 - 2003

(\$ M)

Year	Total Consumer Goods	Non- Durables	Durables	Other Manu- factured Goods	Total Non- Consumer Goods	Inter- mediate Goods	Capital Goods	Unclassified Goods	Total Retained Imports
1984	350.8	263.8	45.7	41.3	770.1	567.4	186.3	16.5	1121.0
1985	353.8	258.7	51.8	43.3	654.9	460.8	172.7	21.3	1008.7
1986	371.7	266.2	63.0	42.5	677.7	472.9	181.7	23.0	1049.4
1987	394.8	279.1	63.2	52.5	542.0	347.3	172.6	22.1	936.8
1988	423.9	297.8	65.6	60.5	633.8	407.8	193.8	32.2	1057.7
1989	468.6	316.8	73.9	77.9	761.6	478.9	250.3	32.4	1230.2
1990	462.6	316.4	73.0	73.2	769.0	476.1	265.9	27.0	1231.6
1991	474.0	335.1	63.3	75.6	753.6	474.1	251.1	28.5	1227.6
1992	408.9	298.6	40.1	70.7	528.3	377.3	149.7	1.3	937.2
1993	454.4	299.1	61.7	93.4	605.3	409.1	193.1	3.4	1062.4
1994	503.6	329.9	87.8	85.4	636.2	420.8	210.5	4.9	1135.8
1995	600.9	345.4	129.6	125.9	801.2	549.2	247.8	4.2	1402.3
1996	640.4	386.8	121.9	131.6	894.1	574.6	314.7	4.8	1534.5
1997	765.7	449.2	169.7	146.8	1080.4	669.5	407.2	3.7	1846.1
1998	825.9	472.4	197.2	156.4	1106.0	684.4	415.3	6.2	1931.9
1999	873.7	501.8	204.5	167.4	1209.9	726.4	477.8	5.7	2083.6
2000	881.3	493.5	201.3	186.6	1265.4	812.1	447.2	6.1	2146.7
2001	842.7	510.3	162.0	170.5	1128.5	710.2	411.5	6.9	1971.2
2002R	847.1	533.5	153.5	160.1	1144.6	732.6	404.5	7.5	1991.7
2003P	915.4	559.3	175.4	180.7	1305.1	835.3	462.1	7.7	2220.5

SOURCE: Barbados Statistical Service
Central Bank of Barbados

APPENDIX 11

CENTRAL GOVERNMENT OPERATIONS
1994/95 - 2003/04

	(\$ M)									
	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04P
Current Expenditure	1181.0	1243.1	1308.0	1447.1	1561.3	1675.9	1705.4	1799.9	1914.2	2048.3
Amortization	192.1	194.2	175.5	196.8	231.9	248.5	196.3	226.9	241.7	317.2
Other	988.9	1048.9	1132.5	1250.7	1359.4	1427.4	1509.1	1573.0	1672.5	1731.1
Current Revenue	1082.0	1167.9	1232.2	1458.3	1555.4	1626.0	1717.3	1722.2	1716.2	1850.5
Tax	992.0	1090.9	1160.8	1386.6	1485.2	1562.0	1648.9	1644.1	1636.7	1791.0
Non-Tax*	90.0	77.0	71.4	69.2	59.3	63.9	68.4	77.6	79.4	59.5
Current Surplus/Deficit	(99.0)	(75.2)	(75.8)	(11.2)	(5.9)	(49.9)	11.9	(77.7)	(198.0)	(198.7)
Capital Expenditure and Net Lending	131.6	138.6	225.6	257.4	260.5	265.8	302.1	346.8	328.4	253.7
Capital Expenditure	102.9	138.0	222.2	245.7	257.5	261.3	289.5	333.9	319.1	250.1
Net Lending	28.7	0.6	3.4	11.7	3.0	4.5	12.6	12.8	5.7	3.6
Gross Financing Requirements	230.6	213.7	301.4	246.1	263.4	315.7	290.2	424.5	(522.9)	(451.5)
Less: Amortization	192.1	194.2	175.5	196.3	231.9	248.5	196.3	226.9	241.7	317.2
Overall Fiscal Deficit/ Net Financing Requirements	(38.5)	(19.5)	(125.9)	(49.8)	(31.5)	(67.2)	(93.9)	(197.6)	(281.2)	(134.3)

SOURCE: Accountant General

* Includes Loans and Advances

APPENDIX 12
CURRENT REVENUE BY ECONOMIC CLASSIFICATION
1994/95 - 2003/04

	(\$ M)									
	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01R	2001/02	2002/03R	2003/04P
Taxes on Income & Profits	324.7	364.0	385.4	419.3	459.8	512.9	591.6	571.4	604.7	597.3
Taxes on Property	60.7	69.7	75.9	72.5	77.7	98.2	93.7	102.4	95.8	105.5
Taxes on Goods and Services	406.7	450.5	488.5	723.0	748.1	727.8	750.1	749.4	718.4	831.2
Taxes on International Trade	84.5	93.1	91.4	127.8	136.9	134.6	135.4	146.3	160.1	194.1
Stamp Duties	90.5	90.7	69.2	12.5	25.6	13.3	14.1	14.4	12.0	15.6
Special Receipts	25.0	22.6	50.1	31.5	47.9	75.2	62.9	60.0	45.7	46.1
Non-Tax Revenue (1)	90.0	77.2	71.4	71.7	59.2	63.9	68.4	77.6	79.4	59.5
TOTAL	1080.0	1167.8	1232.0	1458.3	1555.2	1626.0	1717.3	1722.2	1716.2	1850.5
Memorandum Items										
Total Levies:	12.2	15.8	16.7	26.2	27.1	28.6	29.3	30.0	17.9	15.0
Employment Levy	0.6	0.3	0.4	0.0	0.0	0.0	0.6	0.0	0.0	0.0
Health Levy	1.4	0.5	1.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Training Levy	9.4	14.7	14.8	16.5	16.7	17.5	15.8	18.0	17.9	15.0
Transport Levy (2)	0.8	0.4	0.5	0.0	0.0	0.0	0.8	0.0	0.0	0.0
Environmental Levy	-	-	0.0	9.7	10.4	11.1	12.0	12.0	0.0	0.0

SOURCE: Ministry of Finance and Economic Affairs

(1) Includes Loan and Advances.

(2) Transport Levy included in Special Receipts from 1988/89.

APPENDIX 13
CURRENT EXPENDITURE BY ECONOMIC CLASSIFICATION
1994/95 - 2003/04

	(\$ M)									
	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
EMPLOYMENT EXPENSES	425.9	452.1	467.5	521.8	551.2	602.6	624.5	630.0	665.8	601.5
Wages and Salaries	400.1	424.2	438.9	490.6	516.5	565.5	586.3	591.3	625.3	562.6
National Insurance Contributions	25.8	27.9	28.6	31.2	34.7	37.2	38.2	38.8	40.5	38.9
GOODS AND SERVICES	111.1	119.5	132.4	144.9	153.7	163.4	187.2	199.9	211.3	194.5
AMORTIZATION	192.1	194.2	175.5	196.3	231.9	248.5	196.3	227.0	241.7	317.2
INTEREST	164.4	187.8	196.7	201.8	218.9	250.7	225.8	252.9	274.2	268.3
SUBSIDIES AND TRANSFERS	287.5	294.6	335.9	382.2	405.6	410.5	471.5	490.2	521.0	664.3
TOTAL	1181.0	1248.2	1308.0	1447.0	1561.3	1675.9	1705.3	1800.1	1914.2	2048.3

SOURCE: Ministry of Finance and Economic Affairs

APPENDIX 14
National Debt - Central Government
1994 - 2003

	(\$ M)									
	1994	1995	1996	1997	1998	1999	2000	2001	2002R	2003P
CENTRAL GOVERNMENT TOTAL DEBT (*)	2488.0	2479.9	2697.1	2737.1	2828.9	2792.1	3269.4	3733.6	3774.6	4136.0
Domestic	1777.8	1762.2	1967.0	2036.9	2156.9	2038.3	2298.9	2389.7	2842.5	2801.2
Short-Term	640.3	565.7	674.1	597.1	574.1	501.9	530.6	515.3	496.9	578.7
Long-Term	1137.5	1296.5	1292.8	1439.8	1582.8	1536.4	1768.3	1874.4	1985.6	2222.5
Foreign Debt	710.2	717.7	730.2	700.2	672.1	753.8	970.5	1343.9	1292.1	1334.8
Bilateral	19.0	21.1	23.9	13.3	27.8	28.8	35.2	29.0	450.2	16.5
International Institutions	279.3	277.4	352.5	344.3	412.1	382.8	417.0	431.9	35.4	493.3
Bonds	274.2	346.2	338.1	290.1	232.3	320.0	518.1	841.8	796.3	788.0
Euro-Market Loans	93.0	26.7	0.0	31.4	0.0	0.0	0.0	27.7	10.0	22.9
Other	48.9	46.3	38.9	33.4	0.0	0.5	0.2	13.5	0.2	14.1
CENTRAL GOVERNMENT DEBT SERVICE	356.5	376.8	383.7	398.1	450.8	499.2	463.2	540.5	416.0	893.5
Domestic	176.1	236.2	275.9	272.5	322.7	338.9	334.2	377.4	259.5	629.0
Interest	112.2	132.2	151.5	162.7	161.6	189.7	163.0	198.0	153.7	323.7
Amortisation	64.1	104.9	124.4	109.8	161.1	149.2	171.2	179.4	105.8	305.3
Foreign	180.3	140.6	107.8	125.6	128.1	160.3	128.9	163.0	156.4	264.5
Interest	52.2	57.6	51.2	39.1	57.3	61.0	84.6	101.6	93.6	110.1
Amortisation	128.1	83.0	56.6	86.5	70.8	99.3	44.3	61.4	62.9	154.4
Foreign Debt Service as % of Exports of Goods and Services	10.6	7.1	6.1	8.8	8.3	9.5	7.3	10.1	10.0	15.2
Central Government Foreign Debt as % of GDP	21.5	22.6	21.5	13.1	17.2	16.8	13.1	17.0	25.9	24.3
Central Government Debt Service as % Government Revenue	32.9	33.4	31.2	27.3	28.9	30.7	26.9	30.9	24.5	48.3

SOURCE: Accountant General
Central Bank of Barbados
(*) Does not include Publicly Guaranteed Debt.

APPENDIX 15 MONETARY SURVEY 1985 - 2003

(\$ M)

Period Ended	Domestic Credit				Total Monetary Liabilities					Total Other Items
	Net Foreign Assets	To Govern- ment (Net)	To Private Sector	Total	Money Supply	Quasi-Money Time Deposits	Savings Deposits	Total	Monetary Liabilities	
1985	308.2	227.9	782.6	1123.4	345.2	348.7	511.3	860.0	1205.2	245.9
1986	285.8	234.4	828.7	1160.6	403.0	277.5	620.2	897.7	1300.7	163.9
1987	253.2	254.4	920.4	1261.7	447.7	302.7	700.0	1002.7	1480.4	117.9
1988	330.2	291.2	1014.8	1401.7	574.6	329.0	790.6	1119.6	1694.2	63.4
1989	233.1	262.5	1120.3	1495.8	514.6	367.8	848.6	1216.4	1731.0	67.4
1990	124.6	498.0	1168.4	1817.9	624.7	435.5	950.7	1386.2	2010.9	(27.9)
1991	42.7	525.2	1207.7	1861.8	549.9	418.6	956.0	1374.6	1924.5	6.6
1992	200.3	619.1	1185.0	1927.3	610.8	484.3	986.8	1471.1	1989.8	158.9
1993	245.7	634.7	1172.4	1916.3	624.5	366.8	1126.4	1493.3	2011.4	185.4
1994	412.9	515.2	1322.2	1990.1	795.6	400.5	1207.1	1607.6	2239.1	160.4
1995	436.9	543.1	1503.0	2086.2	899.3	515.7	1291.4	1807.0	2380.3	142.8
1996	598.7	643.3	1585.7	2279.9	1036.7	879.2	1425.9	2305.1	2844.2	34.5
1997	642.5	680.8	1923.0	2696.5	1263.8	722.9	1533.2	2256.2	3152.3	186.8
1998	568.2	738.1	2245.3	2983.3	1317.6	738.1	1689.6	2427.7	3333.2	218.3
1999	679.4	551.3	2536.7	3207.8	1399.7	968.5	1796.9	2765.5	3664.2	223.1
2000	1080.9	439.3	2613.9	3200.1	1519.8	939.3	1898.7	2838.0	4033.2	247.8
2001	1535.3	239.9	2594.7	3012.4	1585.1	1060.6	2028.8	3089.5	4248.4	285.9
2002R	1711.3	846.5	2757.2	3603.7	2288.7	962.2	2160.0	3122.2	4793.5	521.5
2003P	2085.2	1032.5	2769.3	3801.7	2416.8	896.1	2391.9	3288.0	5128.2	758.8
2002R										
Mar	1623.4	428.5	2627.6	3031.5	1802.2	1041.9	2059.0	3100.8	4456.2	198.7
Jun	1606.1	571.5	2738.8	3310.3	1912.0	1063.3	2123.4	3186.8	4641.7	274.6
Sep	1570.6	706.1	2671.5	3377.5	1894.0	949.7	2170.1	3119.8	4641.3	306.9
Dec	1711.3	846.5	2757.2	3603.7	2288.7	962.2	2160.0	3122.2	4793.5	521.5
2003P										
Mar	1940.3	867.9	2727.2	3595.1	2241.8	851.7	2233.0	3084.7	4770.6	764.7
Jun	1929.3	911.9	2726.0	3637.9	2351.6	823.2	2300.9	3124.1	4845.3	721.8
Sep	2053.1	912.6	2699.9	3612.5	2240.2	831.7	2304.0	3135.7	4971.7	693.9
Dec	2085.2	1032.5	2769.3	3801.7	2416.8	896.1	2391.9	3288.0	5128.2	758.8

SOURCE: Central Bank of Barbados

APPENDIX 16

COMMERCIAL BANKS - Selected Balance Sheet Items
1986 - 2003

Period Ended	DEPOSITS				Loans and Advances	Total Assets/ Liabilities
	Demand	Time	Savings	Total		
1986	281.2	281.4	621.5	1,184.1	880.1	1511.5
1987	336.4	304.9	701.5	1,342.8	959.9	1781.3
1988	403.2	330.9	791.6	1,525.7	1047.6	1844.8
1989	342.5	378.5	849.7	1,570.7	1198.0	1923.1
1990	446.5	435.5	950.7	1,832.7	1247.1	2180.4
1991	386.7	418.6	956.0	1,761.3	1262.3	2160.1
1992	449.6	484.3	986.9	1,920.8	1217.8	2266.2
1993	447.4	366.8	1126.6	1,940.8		
1994	606.9	400.5	1231.6	2,239.0	1456.8	2650.1
1995	694.6	515.7	1328.9	2,539.2	1533.1	3051.8
1996	834.9	879.2	1439.1	3,153.2	1614.5	3722.9
1997	1082.6	722.9	1541.6	3,347.1	1978.3	4034.0
1998	1079.3	738.1	1698.2	3,515.6	2315.4	4311.5
1999	1142.4	968.5	1801.2	3,912.1	2612.1	4739.2
2000	1246.4	939.3	1901.6	4,087.3	2712.6	4911.7
2001	1298.1	1060.6	2038.9	4,397.7	2732.5	5417.4
2002	2003.3	962.2	2176.7	5,142.1	2910.3	6285.5
2003P	2137.5	896.1	2460.2	5493.8	2867.0	6812.6
2001						
Mar	1245.1	970.4	1971.1	4186.6	2721.3	5022.5
Jun	1265.0	934.1	2018.9	4218.1	2722.5	5201.5
Sep	1292.7	994.5	2018.2	4305.5	2757.1	5385.3
Dec	1298.1	1060.6	2038.9	4397.7	2732.5	5417.4
2002						
Mar	1520.1	1041.9	2068.1	4630.1	2771.5	5762.8
Jun	1679.3	1063.3	2132.0	4874.7	2876.2	5986.4
Sep	1604.7	949.7	2178.7	4733.1	2792.8	5698.9
Dec	2003.3	962.2	2176.7	5142.1	2910.3	6267.1
2003P						
Mar	1890.3	857.6	2238.0	4985.9	2811.0	6327.3
Jun	2006.3	823.2	2306.0	5135.5	2801.0	6452.5
Sep	1918.0	831.7	2406.2	5155.9	2793.2	6440.6
Dec	2137.5	896.1	2460.2	5493.8	2867.0	6812.6

SOURCE: Central Bank of Barbados

APPENDIX 17
COMMERCIAL BANK CREDIT - SECTORAL DISTRIBUTION
1994 - 2003

	(\$ M)									
SECTOR	1994	1995	1996	1997	1998	1999	2000	2001	2002R	2003P
Agriculture	35.9	37.1	41.7	41.5	47.3	48.0	66.7	54.6	45.7	41.9
Fisheries	2.3	1.9	2.3	3.9	3.3	2.7	2.6	2.3	2.3	1.8
Mining and Quarrying	1.1	1.3	1.5	1.5	4.1	3.9	5.6	3.3	3.2	4.5
Manufacturing	117.1	123.3	130.6	109.0	113.4	96.6	88.0	92.6	86.1	99.2
Distribution	295.2	324.7	253.6	259.4	241.1	321.4	275.7	251.0	289.0	279.9
Tourism	118.5	155.4	167.8	194.5	260.9	302.2	328.6	293.7	336.0	383.0
Entertainment	25.7	29.0	29.9	22.2	23.1	19.6	35.8	33.5	29.8	35.7
Transport	16.4	16.3	18.9	21.6	21.6	37.1	43.4	40.7	34.1	23.9
Public Utilities	16.8	16.1	18.7	24.9	32.8	23.9	15.9	19.1	12.0	9.7
Construction	71.7	76.0	80.5	91.2	87.8	181.9	233.5	228.2	227.6	210.5
Government	0.9	0.0	0.7	0.0	0.0	0.1	0.0	0.1	0.0	0.2
Statutory Boards	26.9	24.1	36.6	44.1	67.4	72.6	92.3	118.6	158.4	219.0
Financial Institutions	153.7	32.0	34.5	86.6	103.7	82.8	126.2	104.5	158.1	59.4
Professional and Other Services	100.2	114.5	131.6	162.9	200.3	202.0	174.0	179.9	175.7	174.8
Personal	359.3	435.6	526.8	732.5	887.3	1083.4	1086.7	1183.1	1184.3	1241.1
Miscellaneous	114.9	135.2	138.9	182.3	221.0	133.8	137.6	127.2	167.9	90.6
TOTAL	1456.8	1522.5	1614.6	1978.3	2315.5	2612.1	2712.6	2732.5	2910.3	2867.0

SOURCE: Central Bank of Barbados

APPENDIX 18
LONG TERM RESIDENTIAL CREDIT FOR HOUSING
1984 - 2003
Selected Institutions

(\$ M)

Year	BMFC	Commercial Banks	Trust Companies	Insurance Companies	Total
1984	52.5	22.6	86.8	62.8	224.7
1985	55.5	24.2	94.3	73.0	247.0
1986	62.8	29.3	118.0	82.5	292.6
1987	70.3	33.8	146.7	94.4	345.2
1988	74.8	32.8	183.6	108.0	399.2
1989	84.4	33.7	224.8	123.8	466.7
1990	90.1	34.0	252.1	143.2	519.4
1991	93.9	33.5	274.8	152.3	554.5
1992	95.1	32.8	282.5	159.7	570.1
1993	97.2	31.8	292.5	152.2	573.7
1994	96.2	34.6	308.9	151.6	590.2
1995	95.9	35.8	323.9	155.2	610.7
1996	100.7	36.5	343.7	156.3	637.2
1997	106.9	101.9	306.9	166.3	682.0
1998	107.7	111.2	342.4	183.4	744.7
1999	110.9	239.1	308.2	147.4	813.7
2000	127.2	271.7	341.4	144.7	740.3
2001	147.8	342.5	354.8	147.4	992.4
2002	164.3	386.5	360.0	141.2	1051.9
2003P	176.4	461.2	363.1	138.9	1139.6

SOURCE: Central Bank of Barbados
Barbados Mortgage Finance Company Limited (BMFC)

APPENDIX 19
SELECTED INTEREST RATES
1985 - 2003
(Percentages Per Annum)

Period Ended	Deposits - Minimum Rates					Prime Lending Rate(1)	Barbados Bank Rate	U.S.A. Bank Rate
	Treasury Bills	Three Months	Six Months	Twelve Months	Savings			
1985	4.58	4.00	4.25	4.50	4.00	8.75	13.00	7.50
1986	4.34	3.50	4.00	3.50	3.00	8.25	8.00	5.50
1987	4.99	3.00	3.25	3.50	3.00	8.25	8.00	5.80
1988	4.71	3.25	3.50	3.75	4.00	9.00	8.00	6.50
1989	5.82	6.00	6.25	6.50	6.00	11.00	13.50	7.00
1990	8.06	5.50	5.50	5.50	5.50	10.25	13.50	7.00
1991	11.30	7.00	7.25	7.50	7.00	14.50	18.00	3.50
1992	6.60	4.00	4.25	4.25	4.00	10.75	12.00	3.00
1993	7.23	1.25	1.25	1.25	5.00	8.75	8.00	3.00
1994	7.77	5.00	5.00	5.00	5.00	9.75	9.50	4.75
1995	8.27	5.00	5.00	5.00	5.00	9.75	12.50	5.25
1996	5.61	5.00	5.00	5.00	5.00	8.75	12.50	5.00
1997	4.91	4.00	4.00	4.00	4.00	8.75	9.00	5.00
1998	5.70	4.00	4.00	4.00	4.00	8.75	9.00	4.50
1999	6.05	5.00	5.00	5.00	5.00	10.00	10.00	5.00
2000	3.85	4.50	4.50	4.50	4.50	9.50	10.00	6.00
2001	1.97	3.00	3.00	3.00	3.00	7.25	7.50	1.25
2002	1.51	2.50	2.50	2.50	2.50	6.75	7.50	0.75
2003P	0.64	2.50	2.50	2.50	2.50	6.75	7.50	2.00
2000								
Mar	6.10	5.00	5.00	5.00	5.00	10.00	10.00	5.50
Jun	5.68	5.00	5.00	5.00	5.00	10.00	10.00	6.00
Sep	4.46	4.50	4.50	4.50	4.50	9.50	10.00	6.00
Dec	3.85	4.50	4.50	4.50	4.50	9.50	10.00	6.00
2001								
Mar	3.69	4.50	4.50	4.50	4.50	9.50	10.00	4.50
Jun	3.64	4.00	4.00	4.00	4.00	9.00	9.50	3.25
Sep	2.71	3.50	3.50	3.50	3.50	8.75	8.50	2.50
Dec	1.97	3.00	3.00	3.00	3.00	7.25	7.50	1.25
2002								
Mar	1.16	2.08	2.38	3.00	3.00	7.25	7.50	1.25
Jun	2.81	2.08	2.38	3.00	3.00	7.25	7.50	1.25
Sep	2.51	3.00	3.00	3.00	3.00	7.25	7.50	1.25
Dec	1.51	2.50	2.50	2.50	2.50	6.75	7.50	0.75
2003P								
Mar	2.50	2.50	2.50	2.50	2.50	6.75	7.50	2.25
Jun	1.91	2.50	2.50	2.50	2.50	6.75	7.50	2.20
Sep	0.94	2.50	2.50	2.50	2.50	6.75	7.50	2.00
Dec	0.64	2.50	2.50	2.50	2.50	6.75	7.50	2.00

SOURCE: Central Bank of Barbados

(1) - Minimum Rate

APPENDIX 20
LABOUR FORCE AND EMPLOYMENT BY SEX
1984 - 2003
(Average for the year)

YEAR	Adult Population ('000)		Labour Force ('000)		No of Persons Employed ('000)			Unemployment Rate (%)			Participation Rate (%)		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
1984	176.9	61.1	51.2	112.3	53.2	39.9	93.1	13.0	22.1	17.1	75.2	53.9	63.5
1985	177.7	60.6	52.7	113.3	52.0	40.1	92.1	14.2	24.0	18.7	73.7	55.2	63.7
1986	178.6	61.6	55.3	116.9	53.6	42.6	96.2	13.0	23.0	17.7	74.6	57.6	65.5
1987	179.3	63.0	56.3	119.3	54.6	43.3	97.9	13.3	23.1	17.9	76.0	58.4	66.5
1988	179.9	62.6	58.8	121.4	54.9	45.3	100.2	12.3	22.9	17.4	75.2	60.8	67.4
1989	180.7	63.4	58.6	122.0	56.3	46.9	103.2	11.1	19.8	15.3	75.7	60.2	67.4
1990	184.1	64.3	59.6	123.9	57.8	47.5	105.3	10.1	20.3	15.0	75.5	60.3	67.4
1991	198.8	68.2	61.3	129.5	59.2	47.9	107.1	13.2	21.9	17.3	74.2	57.4	65.2
1992	199.7	68.4	63.8	132.1	54.6	47.1	101.7	20.1	26.1	23.0	74.1	59.4	66.2
1993	200.2	68.6	64.2	132.8	54.0	46.5	95.4	21.2	27.6	24.3	74.1	59.8	66.3
1994	200.5	68.8	66.3	135.1	56.7	48.8	105.5	17.6	26.4	21.9	74.2	61.5	67.4
1995	200.7	69.1	67.6	136.8	57.7	52.1	109.9	16.5	22.9	19.7	74.5	62.7	68.2
1996	200.8	69.0	66.5	135.4	60.4	53.9	114.3	12.4	18.9	15.6	74.3	61.6	67.4
1997	201.1	69.8	66.0	135.8	61.9	54.3	116.1	11.3	17.8	14.5	73.6	62.1	67.5
1998	201.4	70.3	66.0	136.3	64.4	55.2	119.6	8.4	16.4	12.3	74.0	62.0	67.7
1999	201.7	71.1	65.5	136.6	65.5	56.8	122.3	7.5	13.3	10.4	74.7	61.4	67.7
2000	202.2	71.9	66.5	138.4	66.6	58.9	125.5	7.4	11.4	9.3	74.8	62.7	68.4
2001	208.8	74.9	70.3	145.2	68.9	61.9	130.9	8.0	11.9	9.9	75.9	63.8	69.5
2002	209.4	74.1	69.2	143.4	67.7	60.9	128.6	8.7	12.1	10.3	74.8	62.7	68.5
2003P	210.1	74.6	70.9	145.5	67.4	62.0	129.5	9.6	12.6	11.0	75.1	64.0	69.2
2002													
Q1	209.2	75.1	68.5	143.6	68.5	60.2	128.7	8.8	12.0	10.3	75.9	62.1	68.6
Q2	209.3	72.2	67.9	140.0	66.3	59.7	125.9	8.1	12.1	10.1	72.9	61.5	66.9
Q3	209.4	73.9	69.0	142.9	67.3	60.5	127.8	8.9	12.3	10.6	74.6	62.5	68.2
Q4	209.8	75.4	71.7	147.1	68.8	63.3	132.1	8.8	11.8	10.2	76.0	64.9	70.1
2003P													
Q1	209.2	75.1	71.8	146.9	67.1	62.6	129.7	10.7	12.9	11.7	75.7	64.9	70.0
Q2	209.9	75.8	70.4	146.1	68.1	61.1	129.2	10.2	13.1	11.6	76.3	63.6	69.6
Q3	210.1	73.6	71.2	144.8	67.0	62.3	129.3	8.9	12.6	10.7	74.1	64.3	69.0
Q4	210.4	73.6	70.1	143.7	67.5	61.9	129.3	8.4	11.7	10.0	74.0	63.2	69.3

SOURCE: Barbados Statistical Service

APPENDIX 21
Retail Price Index - Annual Averages
1985 - 2003

Year Ended	Food and Beverages	Alcoholic Beverages and Tobacco	Housing	Fuel and Light	Household Operations and Furnishings	Clothing and Footwear	Medical and Personal Care	Transportation	Education Recreation and Miscellaneous	All Items
Weights										
March 1980= 100	432	84	131	62	96	51	60	46	38	1000
May 1994=100	394	64	168	52	81	50	105	38	48	1000
July 2001=100	3379	373	1227	634	1014	344	1703	585	741	10000
1985	143.7	156.1	198.7	120.9	123.2	130.3	166.3	159.5	137.9	149.7
1986	147.1	163.0	199.3	113.6	119.8	129.4	164.8	167.4	149.7	151.7
1987	153.9	174.1	208.7	114.2	119.3	120.9	169.3	170.2	148.5	156.8
1988	163.9	183.8	214.0	112.1	124.7	125.2	182.1	180.6	147.2	164.2
1989	178.7	191.6	225.0	116.3	126.4	128.5	193.2	186.1	150.8	174.6
1990	186.0	192.5	228.6	121.3	127.9	128.2	204.3	195.5	155.0	179.9
1991	194.9	208.4	253.8	121.6	133.2	131.7	211.5	229.5	156.8	191.2
1992	195.4	223.2	296.7	124.9	147.3	135.8	233.3	260.5	158.0	202.8
1993	195.3	220.9	296.9	128.8	148.5	137.6	253.0	274.4	163.2	205.1
1994	195.9	224.1	294.8	125.9	147.3	136.3	256.5	268.9	166.9	205.3
1994	103.1	99.0	99.7	101.0	99.8	100.0	99.4	101.2	99.7	101.1
1995	106.1	101.2	103.7	104.0	98.0	97.6	101.0	99.3	100.3	103.0
1996	110.2	104.2	105.7	103.7	98.7	96.8	100.5	103.6	102.7	105.5
1997	125.1	112.4	107.0	112.9	103.6	91.4	101.7	108.6	114.4	113.6
1998	119.7	113.8	110.6	109.8	102.0	90.4	119.7	108.9	119.6	112.2
1999	122.7	114.8	113.4	106.8	101.0	93.6	101.9	109.9	122.3	113.9
2000	125.8	116.0	116.5	122.5	95.1	91.1	112.1	106.6	126.6	116.7
2001	133.6	120.4	119.5	110.9	90.3	82.5	114.9	108.2	121.2	119.7
2002R	99.3	102.2	101.1	96.9	94.8	94.2	105.0	97.4	99.6	98.8
2003P	102.1	97.8	100.7	100.6	92.6	91.4	109.0	100.5	101.0	100.4
2002R										
Q1	99.3	100.8	101.4	92.3	95.9	98.1	102.0	98.3	99.4	98.8
Q2	97.9	101.1	101.9	94.9	95.1	94.4	105.3	97.3	99.3	98.4
Q3	99.1	99.6	100.7	98.8	94.5	92.5	106.6	96.5	99.6	98.7
Q4	101.0	99.3	100.6	101.7	93.9	92.0	106.1	97.5	100.1	99.5
2003P										
Q1	100.6	97.7	101.1	101.7	93.5	92.3	107.2	98.9	100.3	99.7
Q2	101.6	98.9	101.4	105.0	92.2	90.6	109.6	101.0	101.1	100.7
Q3	102.4	97.9	100.5	99.3	92.9	91.0	109.7	101.8	101.2	100.7
Q4	103.7	96.8	99.5	96.2	91.7	91.5	109.6	100.2	101.5	100.4

SOURCE: Barbados Statistical Service

With effect from June 1995 the Statistical Service ceased publication of the index of Retail Prices with the March 1980 base. This has been replaced with a new index based on May 1994. Both weights are relevant to each base period and are provided for easy reference. Similarly, from July 01, 2001 the base period and weights were re-adjusted.

APPENDIX 22
PRODUCTION OF SELECTED AGRICULTURAL COMMODITIES
1994 - 2003

Commodities	1994	1995	1996	1997	1998	1999R	2000	2001	2002R	2003P	% Change over 2002
Export Crops											
Sugar('000tonnes)	51.9	38.5	59.1	64.6	48	53.2	58.4	49.8	44.8	36.3	(19.0)
Cotton('000 Kgs)	49.9	147.4	14.3	44	38.1	18.5	11.6	9	26.9	18.7	(30.5)
Root Crop Production('000 Kgs)											
Cassava	410.5	817.2	496.8	324.9	194.4	329.4	489.5	342	397.4	411.6	3.6
Eddoe	119.4	169.3	169.4	103.7	21.9	244.6	178	197.1	47.6	44.1	(7.4)
Sweet Potatoes	1253.6	5166.5	5060.2	2553.2	740.6	2709.8	735	2898	1467.5	2609.8	77.8
Yams	1173.3	2567.7	1442.7	1319.4	653.4	2205	306	1818	349.2	1233.7	253.3
Onions	726.4	1180.4	912.5	480	421.3	687.1	141.8	54	311.1	338.2	8.7
Peanuts	67.2	143.9	32.7	89.2	10.1	70.8	127.6	52.8	30.0	62.5	108.3
Vegetable Production('000kgs)											
Beans (string)	490.4	1279.5	1675.5	823.9	282.4	847.5	895.8	1023	393.8	505.3	28.3
Beets	69.9	246.4	325.4	88.1	49.3	246.9	160.3	218.4	75.8	155.1	104.6
Cabbage	514.1	1632.6	1341.2	637.6	442	1015.2	780.8	664	501.2	640	27.7
Carrots	330	1172.1	1719.2	781.7	553.4	1734.6	1025.3	1346	800.2	1011.5	26.4
Cucumbers	367.1	1344.3	1174.3	478.1	565.8	991.3	699.7	678.9	1701.7	2018.1	18.6
Lettuce	712.1	1686.4	1552	444.3	209.1	551	832.2	n.a	155.5	278.9	79.4
Melon	104.9	380.9	566.8	222.6	142.7	184.2	217.4	212.8	281.4	342.8	21.8
Okra	300.4	496.5	1106.5	805.2	320.5	341	566.8	420	1288.7	1466.1	13.8
Pepper(Hot)	217.6	408	842.5	623	184.9	214.5	316.7	296.4	610.4	639.9	4.8
Pepper(sweet)	84.1	213.3	770.5	279.1	323.6	214.2	254.1	180	1107.7	1264.2	14.1
Pumpkins	595.7	1003.8	935.3	605.9	318.7	383.9	519.8	462.3	265.0	466.3	76.0
Tomatoes	565.2	1066	1107.1	720.1	418.8	901.5	653.5	663.4	916.8	1233.7	34.6
Livestock and Dairy Products('000 kgs)											
Beef	861.4	861.8	867.7	661.1	562.5	590.2	751.7	411.6	362.3	345.6	(4.6)
Mutton	55.3	66.6	81.1	48.6	51.1	45.6	45.7	31.5	73.3	90.1	22.9
Pork	1688.1	1928.3	2619.4	2795.4	2735.3	2356.4	1922	1799.4	1409.9	1755.9	24.5
Poultry*	10151.9	11176.3	12622.4	11710.2	11737.5	12296.9	12188.5	11359.6	11291.1	11457.8	1.5
Veal	13	12.1	20.5	22.7	13.8	16	13.9	14.6	54.2	50.3	(7.2)
Eggs	1322.3	1065	1275.9	792.1	972.44	1309.9	1607.6	1465.4	1603.6	1619.6	1.0
Milk	7296.9	7869.4	8350.8	8531.4	9100	7630	7929.7	8140.1	7426.5	7016.6	(5.5)

SOURCE: Ministry of Agriculture and Rural Development
* Chicken and Turkey

NB. Estimates for the years 2002 and 2003 were derived using a new methodology. Consequently, the data for these years is not directly comparable with that of previous years..

APPENDIX 23
SUGAR STATISTICS
1984 - 2003

Year	Production							Sugar Exports				
	(^{'000} ha)	Canes Reaped per hectare (tonnes)	Canes Milled (^{'000} t)	Sugar Produced (^{'000} t)*	Tonnes Cane / Sugar	Tonnes Sugar per ha	Sugar Value (\$ M)*	at factor cost (%GDP)	Tonnes (^{'000})*	Export Price/t	Export Earnings (\$M)	Production Cost/t
1984	14.1	57.8	812.8	100.4	8.1	7.1	76.9	2.8	85.9	747.9	64.2	1197.0
1985	13.9	57.3	793.5	100.2	7.9	7.2	79.5	3.2	83.4	755.0	62.9	1251.0
1986	13.9	65.5	908.2	111.1	8.2	8.0	73.1	2.7	98.6	628.2	62.0	1112.4
1987	12.8	54.0	689.0	83.4	8.6	6.5	78.2	2.7	70.2	1040.1	71.2	1327.8
1988	11.5	60.6	698.8	80.3	8.7	7.0	77.2	2.9	67.9	1085.5	67.2	1360.6
1989	11.1	50.4	560.0	66.3	8.5	6.0	60.8	2.1	51.8	1004.0	52.0	1548.9
1990	10.5	57.8	606.0	69.3	8.7	6.6	71.9	2.5	56.5	1183.2	66.9	1561.8
1991	10.3	57.2	587.0	65.7	8.9	6.4	69.0	1.9	52.6	1181.1	62.2	1637.0
1992	9.2	57.2	528.0	54.0	9.8	5.9	65.6	1.9	52.3	1276.2	66.7	n.a.
1993	7.9	55.9	441.0	48.5	9.1	6.1	57.5	1.7	48.4	1249.0	56.8	n.a.
1994	7.8	56.3	439.0	51.9	8.5	6.7	60.3	1.7	50.3	1181.8	59.5	1345.0
1995	7.5	47.6	357.0	38.5	9.3	5.2	52.8	1.6	38.6	1362.0	52.5	1806.0
1996	8.4	63.3	534.9	59.1	9.2	7.0	73.4	1.9	55.7	1312.2	73.1	1333.0
1997	8.9	63.8	570.9	64.6	9.0	7.2	76.6	1.9	57.8	1248.9	73.0	1397.2
1998	8.4	53.4	448.7	48.0	9.4	5.7	61.0	1.4	46.7	1211.0	56.6	1545.3
1999	8.5	61.2	521.9	53.2	9.8	6.3	54.3	1.4	50.5	1132.0	57.2	1530.0
2000	8.6	62.3	537.6	58.4	9.2	6.8	57.3	1.5	54.8	992.0	54.1	1366.2
2001	8.5	45.5	419.5	49.8	8.4	5.9	47.8	1.2	48.9	964.0	47.2	1549.0
2002	8.0	52.6	417.9	44.8	9.3	5.6	45.3	0.6	41.1	982.4	40.4	1796.4
2003P	7.5	48.5	364.6	36.3	10.0	4.3	44.8	0.9	34.6	1200.1	41.5	2071.2

SOURCE: Barbados Agricultural Management Company

* Made up of Sugar, Molasses and Vacuum Pan

APPENDIX 24
Index of Industrial Production
1984 - 2003
(Average 1982 = 100)

Year	Total- All Industries	Mining And Quarrying	Electricity and Gas	Total Manu- facturing	Food	Beverages and Tobacco	Wearing Apparel	Wooden Furniture	Chemicals	Metallic Petroleum Products	Non- tronic Mineral Products	Elec- Other Compo- nents	Manufac- turing
Weights	1000	53	102	845	156	97	122	29	46	18	34	110	233
1984	108.2	161.6	121.7	103.2	99.7	90.4	110.7	115.9	83.9	99.5	77.8	141.0	95.2
1985	104.6	174.0	130.2	97.2	101.3	90.9	93.4	101.5	74.6	103.7	87.2	133.3	87.0
1986	110.1	163.2	137.1	103.4	109.7	90.5	75.1	109.5	85.1	116.1	112.9	136.1	104.4
1987	104.7	151.0	142.7	97.2	115.6	98.4	86.9	119.7	70.3	115.4	129.5	44.6	110.9
1988	111.1	141.3	154.9	103.9	109.3	101.7	90.6	149.3	89.5	122.6	140.1	46.8	125.6
1989	115.0	132.9	159.3	108.6	106.8	104.6	71.4	187.7	109.0	129.6	150.7	51.2	140.5
1990	119.4	136.7	161.1	113.3	115.6	121.6	58.1	209.8	106.0	138.9	133.8	55.6	149.1
1991	116.4	130.4	165.1	109.7	125.3	122.1	46.5	133.7	101.9	132.1	129.0	49.5	149.7
1992	108.7	119.8	167.3	100.9	119.2	117.1	30.4	100.6	80.2	113.0	90.2	71.5	137.4
1993	105.7	119.8	168.1	97.3	119.7	130.2	25.6	40.4	77.0	124.6	90.7	56.9	135.0
1994	111.5	123.5	174.6	103.1	123.3	141.1	15.6	47.3	72.5	127.8	118.1	52.3	152.5
1995	119.9	124.1	186.5	111.6	128.8	148.1	14.3	40.8	99.5	133.1	125.5	56.8	169.0
1996	120.0	124.2	193.6	111.7	135.8	138.1	13.0	51.9	100.6	136.0	125.4	60.5	165.9
1997	124.8	128.9	201.0	116.2	144.9	143.6	13.5	47.8	118.0	152.4	140.6	58.7	168.6
1998	134.3	175.6	218.8	121.5	153.2	159.7	9.9	47.6	104.8	16.5*	179.4	49.7	189.1
1999	135.3	204.5	230.5	119.5	144.7	167.8	9.3	19.7	104.2	0.0*	203.6	45.9	187.2
2000	133.2	175.9	230.4	118.8	143.8	158.5	10.0	17.2	83.4	0.0	203.2	44.8	193.8
2001	124.9	151.3	238.8	109.5	139.3	154.8	6.3	16.6	78.2	0.0	190.4	31.2	176.3
2002	125.5	142.7	242.8	110.1	148.4	147.9	4.7	16.5	75.1	0.0	173.8	30.5	179.5
2003P	124.6	131.4	249.3	109.1	145.7	151.6	4.4	16.5	72.3	0.0	159.1	26.7	180.5

SOURCE: Barbados Statistical Service

* Refinery closed in January 1998 - all products imported

APPENDIX 25
SELECTED INDICATORS IN THE TOURISM INDUSTRY
1984 - 2003

Year	*Share in GDP (%)	Total Expenditure (\$M)	Average Length of Stay (Nights)	Hotel Bed Occupancy Rate (%)	No. of Beds	Hotel Room Occupancy Rate (%)	Arrivals Stayover Visitors	Cruise Passengers
1984	10.0	560.7	7.1	45.1	14300	57.0	367625	99168
1985	10.3	618.1	6.3	35.9	14000	40.9	359135	112222
1986	10.2	647.3	6.5	47.0	13900	48.3	369770	145335
1987	10.8	757.2	6.5	55.4	13800	57.5	421859	228778
1988	11.8	918.5	6.7	60.0	13700	63.9	451485	291053
1989	11.9	1055.6	7.1	62.7	13726	64.3	461259	337100
1990	9.8	987.0	6.8	56.3	13767	57.5	432092	362611
1991	5.8	919.5	6.9	48.2	11674	50.5	394222	372140
1992	11.8	925.0	6.9	49.1	11803	46.3	385472	399702
1993	13.0	1055.9	7.0	51.3	11554	52.9	395979	428611
1994	14.0	1196.0	7.1	56.4	11495	57.4	425630	459503
1995	14.5	1223.6	7.6	56.7	10229	59.2	442107	484670
1996	13.9	1288.6	6.9	59.5	11432	60.6	447083	509975
1997	15.2	1314.4	6.6	62.4	10483	63.2	472290	517888
1998	15.5	1405.7	5.9	52.7	11661	52.5	512397	506610
1999	14.8	1332.5	7.6	57.8	11006	55.9	514614	466280
2000	15.5	1422.6	7.3	60.4	12240	56.9	545027	533278
2001	15.0	1373.5	7.2	51.5	13176	53.0	544696	527597
2002	10.3	1295.6	6.7	44.1	13050	42.5	497899	523253
2003P	15.7	1465.1	6.8	49.8	10822	49.9	531211	559119

SOURCE: Barbados Statistical Service

* GDP at Factor Cost

APPENDIX 26

TOURIST ARRIVALS BY COUNTRY OF RESIDENCE

(Stayovers)

1984 - 2003

Year	U.S.A.	Canada	United Kingdom	Germany*	Other Europe	Trinidad & Tobago	Other CARICOM	Other Countries	Total
1984	140,202	67,307	46,274	6,709	10,111	43,023	41,424	12,834	367,652
1985	148,093	70,573	38,822	6,101	10,565	32,526	39,240	13,215	359,135
1986	166,250	60,285	47,590	6,872	12,210	21,866	40,367	14,330	369,770
1987	175,093	64,349	79,152	9,681	13,338	25,303	39,053	15,890	421,859
1988	170,773	65,667	101,231	11,684	22,051	22,372	41,927	15,822	451,485
1989	154,269	65,564	118,122	10,119	32,416	18,660	44,180	17,929	461,259
1990	143,295	57,841	94,890	12,680	40,234	18,350	43,948	20,854	432,092
1991	119,069	46,287	88,166	20,274	37,326	16,681	41,307	25,112	394,222
1992	110,685	49,999	88,759	19,337	42,941	15,946	36,885	20,918	385,472
1993	112,733	49,190	100,071	28,920	31,958	21,597	36,460	21,597	395,979
1994	109,092	52,286	123,455	31,524	35,602	22,138	35,799	22,138	425,630
1995	111,983	53,373	126,621	28,372	40,977	22,146	40,990	22,146	442,107
1996	111,731	54,928	139,588	25,867	35,505	15,786	40,966	22,712	447,083
1997	108,095	58,824	155,986	18,900	44,797	18,314	45,267	22,107	472,290
1998	106,300	59,946	186,690	12,109	52,936	19,785	50,573	24,058	512,397
1999	104,953	57,333	202,772	9,553	31,668	25,005	61,122	22,208	514,614
2000	112,153	59,957	226,787	7,850	26,138	23,215	64,209	24,387	545,027
2001	106,629	52,381	217,466	6,474	28,659	21,010	59,075	21,859	544,696
2002	123,429	46,754	192,606	5,313	25,328	25,559	64,118	20,105	497,899
2003P	129,328	49,641	202,564	7,612	21,914	27,530	69,279	23,345	531,213

SOURCE: Barbados Statistical Service

* West Germany prior to 1991

Other - now includes arrivals from Venezuela

APPENDIX 27

DOMESTIC CRUDE OIL AND GAS PRODUCTION

1984 - 2003

Year	Domestic Crude Oil (Barrels)	% of Total Crude Oil Supply	Gas Production ('000 M3)
1984	634,900	51.9	25,300
1985	679,200	55.7	33,500
1986	559,200	43.2	34,500
1987	496,800	36.5	29,500
1988	427,100	30.0	35,000
1989	389,289	25.0	31,700
1990	454,424	31.0	32,900
1991	454,514	37.7	30,300
1992	478,804	39.5	30,600
1993	454,664	43.5	27,900
1994	453,427	34.4	28,900
1995	460,300	27.8	29,300
1996	362,915	23.9	28,914
1997	327,806	20.2	28,332
1998	585,457	0.0*	37,466
1999	707,564	0.0*	46,967
2000	559,675	0.0*	38,000
2001	463,699	0.0*	34,974
2002	390,617	0.0*	29,215
2003P	370,909	0.0*	22,456

SOURCE: Barbados National Oil Company Limited

* - Refinery closed in January 1998

APPENDIX 28
WATER CONSUMPTION AND NUMBER OF CONSUMERS
1984 - 2002

Year	Consumption (Million Cubic Metres)			No. of Consumers		
	Metered	Non-Metered	TOTAL	Metered	Non-Metered	TOTAL
1984	9.5	32.7	42.2	16295	60534	76829
1985	9.7	32.6	42.4	17062	16738	78800
1986	10.2	33.6	43.8	18008	62994	81002
1987	10.6	34.1	44.7	18963	60783	79746
1988	10.6	34.8	45.4	18876	60394	79270
1989	18.0	22.2	40.2	20519	61317	81836
1990	14.0	34.5	48.5	21731	62303	84034
1991	14.4	30.1	44.5	22960	60833	83792
1992	11.5	38.8	50.3	23802	63470	87273
1993	12.7	40.6	53.3	26951	64387	91338
1994	18.7	34.6	53.3	28182	66436 ²	94618
1995	10.6	29.6	53.6	28096	62734	90830
1996	14.0	44.0	58.8	27589	57124	84713
1997	13.0	46.0	59.0	30308	58617	88925
1998	15.0	42.0	57.0	47536	47211	94747
1999	34.3	18.4	52.7	82836	15910	98746
2000	31.6	20.1	51.7	84280	17172	101452
2001	32.5	21.9	54.4	84459	8244	92703
2002	30.8	23.1	53.9	89317	5335	94652
2003P	29.6	24.1	53.7	91703	4437	96140

SOURCE: Barbados Water Authority

APPENDIX 29
POPULATION BY SEX AND AGE GROUP
(Census Years 1970 - 2000)

Age Group	1970			1980			1990			2000		
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
0 - 4	25.7	13.0	12.7	21.2	10.7	10.5	19.6	9.9	9.7	18.4	9.3	9.0
5 - 9	31.2	15.7	15.5	25.5	12.8	12.7	21.4	10.7	10.6	19.8	10.0	9.8
10 - 14	30.2	15.0	15.2	25.8	12.9	12.9	21.7	11.0	10.7	19.7	10.0	9.7
15 - 19	25.7	12.8	12.9	27.8	14.0	13.8	23.8	12.0	11.8	20.3	10.2	10.0
20 - 24	19.5	9.9	9.6	25.7	12.7	13.0	22.5	11.3	11.2	19.2	9.7	9.5
25 - 29	12.0	5.7	6.3	20.9	10.2	10.7	24.1	11.8	12.2	21.3	10.6	10.7
30 - 34	10.6	4.8	5.8	16.1	7.9	8.2	23.1	11.1	12.0	21.1	10.3	10.7
35 - 39	10.1	4.3	5.8	11.0	5.1	5.9	19.4	9.3	12.1	22.8	11.0	11.8
40 - 44	10.7	4.5	6.2	9.9	4.5	5.4	15.5	7.6	7.9	21.5	10.3	11.2
45 - 49	9.9	4.3	5.6	9.0	3.9	5.1	11.0	5.1	5.9	17.9	8.6	9.3
50 - 54	10.9	4.8	6.1	9.8	4.2	5.6	10.0	4.6	5.5	14.6	7.0	7.5
55 - 59	10.0	4.5	5.5	8.7	3.8	4.9	8.8	3.9	4.9	10.2	4.7	5.5
60 - 64	9.2	4.2	5.0	9.0	3.9	5.1	9.0	3.9	5.1	9.6	4.3	5.3
65 - 69	8.1	3.4	4.7	9.1	4.0	5.1	8.5	3.7	4.8	8.9	3.9	5.0
70 - 74							8.2	3.5	4.7	8.3	3.5	4.8
75 - 79	10.4	2.4	8.0	17.4	6.6	10.8	6.5	2.7	3.8	6.2	2.5	3.7
80 +							7.7	2.7	5.0	9.1	3.2	5.9
Not Stated	2.4	1.5	0.9	1.8	1.0	0.8	-	-	-	-	-	-
TOTAL	237.7	112.0	125.7	247.5	118.2	130.3	260.8	124.7	136.0	268.8	129.2	139.6

SOURCE: Barbados Statistical Service 1970, 1980, 1990 and 2000 Census Data.
Error in total population figure due to rounding.

NOTE: Figure for 1970 and 1980 include institutional population for which ages are not available.
Revised figures based on the 1990 Census Data.

APPENDIX 30
POPULATION, RATES OF BIRTH, DEATH AND INFANT MORTALITY
1984 - 2003

Year	Resident Population at December 31	Birth Rate	Death Rate	Rate of Rate of Natural Increase	Infant Mortality*	Population Growth
	('000 persons)	(Per 1000 pop.)	(Per 1000 pop.)	(Per 1000 pop.)	(Per 1000 Births)	(%)
1984	255.8	16.7	7.8	8.9	18.4	0.3
1985	257.0	16.7	8.3	8.4	17.8	0.4
1986	258.0	15.7	8.4	7.3	19.0	0.4
1987	258.8	14.8	8.5	6.3	22.2	0.3
1988	259.4	14.5	8.6	5.8	19.5	0.2
1989	260.3	15.5	8.8	6.7	18.2	0.2
1990	260.8	16.5	8.2	8.0	15.5	0.5
1991	262.5	16.2	8.7	7.5	15.3	0.4
1992	263.1	15.6	9.0	6.8	13.8	0.2
1993	263.9	14.3	9.1	5.2	9.8	0.3
1994	264.3	13.4	8.9	4.5	8.5	0.2
1995	264.4	13.1	9.4	3.7	13.2	0.4
1996	264.6	13.3	9.1	4.2	14.2	0.1
1997	266.1	14.3	8.7	5.6	13.2	0.6
1998	266.8	13.6	9.3	4.3	7.8	0.4
1999	267.4	14.5	9.0	5.5	10.0	0.2
2000	269.1	14.0	9.1	5.0	17.0	0.6
2001	270.4	15.0	8.9	6.1	15.8	0.6
2002	271.3	14.1	8.5	5.6	14.4	0.3
2003P	272.2	13.8	8.4	5.4	9.9	0.3

SOURCE : Barbados Statistical Service.

Ministry of Health

*Annual Reports of Chief Medical Officer

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