

St. Kitts-Nevis

The economy of St. Kitts-Nevis remains structurally untransformed, as sugar continues to be the main factor affecting the country's economic performance. Normally forming about 70% of total merchandise exports, the value of sugar exports dropped by 13% in 1981 due to a decline in production, a fall in world prices and the depreciation of the £. Expansion in other sectors - manufacturing, tourism and construction - barely compensated for the decline in sugar. Government plans are to reduce the country's dependence on sugar by promoting agricultural diversification, manufacturing and tourism. There is potential to expand into cotton (Nevis), groundnuts, livestock and fruits and vegetables. Major agricultural projects scheduled are fisheries development, sugar cane irrigation and beef/milk production. There is funding in place for agricultural feeder roads.

In spite of the recession in its major markets and in contrast to conditions elsewhere in the region, tourism in St. Kitts-Nevis expanded in 1981. There are several plans to expand or begin building tourist facilities in 1982; in particular, the Frigate Bay Development alone may mean the addition of 1400 rooms over the next 4 years. Recent improvements to air and sea travel facilities have contributed to the continuing expansion in this sector.

With respect to the private sector, the Government encourages domestic and foreign investment and has been relatively successful in attracting industries. Information is available through the Investment Incentives Office of the Ministry of Trade. The Government has developed two well-equipped industrial estates and further factory shells for St. Kitts and an industrial site for Nevis are planned. It has implemented several large infrastructure projects - a deep water port, airport expansion, road construction and the establishment of a ferry service to Nevis. Current priorities include further water sewage and road projects and the expansion of the telephone system to handle increased tourist and industrial demand.