

St. Vincent and the Grenadines

After two years of stagnation because of damage caused by a volcanic eruption in 1979 and Hurricane Allen in 1980, the economy of St. Vincent rebounded strongly in 1981, particularly in the agricultural sector. St. Vincent recorded a 9% growth rate in 1981. The economic recession had only a minor effect on the country, resulting in a modest setback in tourism. St. Vincent continued to attract light industry, and manufacturing output in electronics, garments and banana boxes rose by a total of 18%. Recovery in the agriculture sector reflected rehabilitation of the banana crop, St. Vincent's major export, (which accounts for up to 60% of total exports) and improved production of arrowroot, the second export crop, and nutmeg. The banana industry in St. Vincent is considered to be among the most efficient in the Windward Islands. St. Vincent is the sole Caribbean producer of arrowroot starch which is currently used for home and pharmaceutical purposes and may next be used in the production of computer paper. Two major priorities of the Government are the development of agro-processing industry and of agricultural promotion and marketing services. The Government is considering building chill storage facilities for a variety of produce.

Despite the drop in tourist arrivals in 1981, potential for growth exists. A major project priority for the Government is the Grenadines Tourism Infrastructure development which would encompass, for example, construction of roads, jetties and airstrips. By and large, the tourism sector in St. Vincent and the Grenadines is characterized by small hotels and guest houses in St. Vincent and yachting-centered, luxury facilities in the Grenadines.

The Government is committed to the development of a healthy, export-oriented private sector and the St. Vincent Development Corporation welcomes further foreign investment. The investment climate is good. Infrastructure projects planned include industrial estate developments, construction and upgrading of various highways, port development and mini-hydroelectric development.

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September, 1982
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