



GOOD SIGNS FOR 2003



Dr. Kenny D. Anthony
Prime Minister of St. Lucia

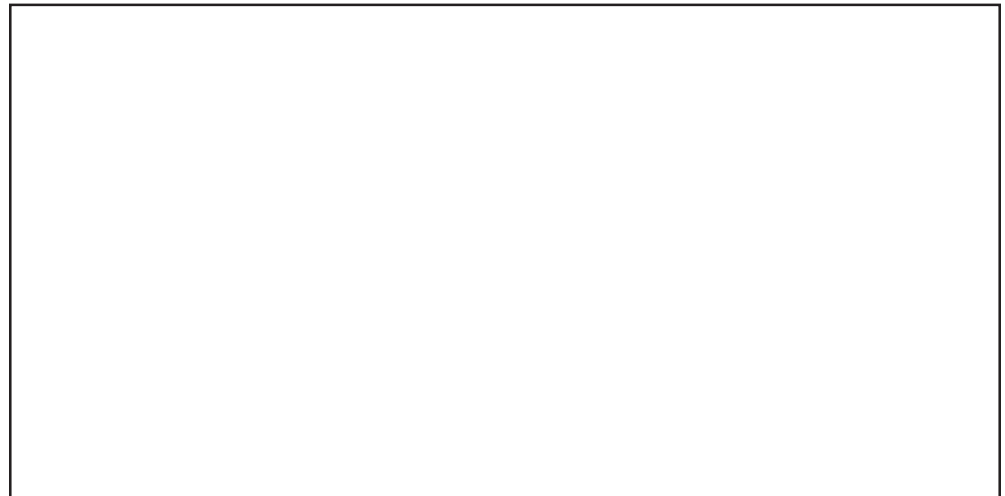
As St. Lucians prepares to celebrate Christmas, and reflect on the ups and downs of the past year, the St. Lucia Tourist Board broke the good news that tourist arrivals had increased significantly during the last four months of 2002. According to the Board, arrivals from the largest market, the United States, were up 30%. In spite of the continuing global events which have led to a general reduction in travel, more persons have come to St. Lucia. The Tourist Board says that government

investment in the sector is paying off. Prime Minister Dr. Kenny Anthony has been equally optimistic about the prospects for growth in this sector following Government's increased investment in tourism during 2002. In a year end interview with *Nationwide*, Dr. Anthony stated that the creation of the environment for growth in all sectors, was his government's number one achievement for 2002. "Nurturing the economy back to relatively good health would have to be number one. Also, the high level of investor confidence which is strong confirmation that we are creating the correct 'enabling environment' for business to get on with its role as 'engine of economic

growth'. Let me give you an example. When Hyatt closed earlier this year, many thought it was the end for that property. Not only were we able to get that hotel back into operation in a matter of months, but most importantly, the hotel under its new owners has employed more St Lucians than was the case under Hyatt."

"That is a clear vote of confidence in St Lucia! We expect almost the same to happen in the case of the Club Med property. Several other projects are also coming on stream which augur well for the future of tourism". He said.

See page 3 for the full text of the interview with Dr. Kenny D. Anthony



The fountain at the Derek Walcott Square, glowing in the December night to kick off the national festival of lights. A year of beautification and restoration of the Square by the Castries City Council, St. Lucians have regained the square as a place for a sit and a stroll

Merry Christmas and Happy New Year 2003 Merry Christmas and Happy New Year 2003

PEACE AND GOODWILL FOR THE HOLIDAY SEASON

Nationwide is taking a break for the holiday season. Our next issue will be on January 18, 2003. Thanks for your many comments and suggestions. Have a happy, peace-filled Christmas and successful 2003!

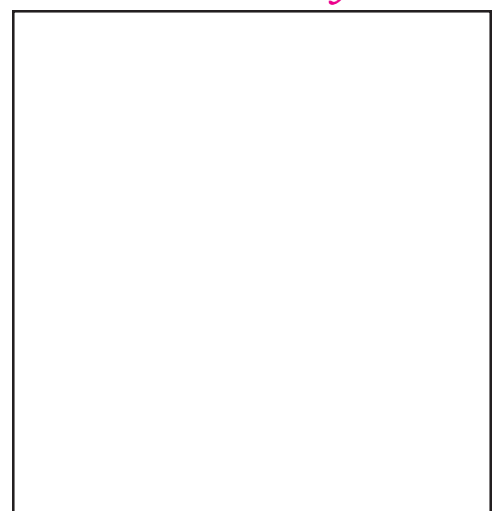
GOOD WILL TOWARDS ALL MEN

"This is the season of the year, which animates the sense of brother hood that mankind so often requires to harmonise our feeling towards one another. There is so much hatred, prejudice and jealousy around us, generated in various forms that Xmas offers a period of relief in celebrating the birth of our Beloved Saviour with a spirit of friendship and togetherness.

Unfortunately, we do not ask ourselves why is it possible to transcend our emotional dislikes in observing the advocacy of our great master that there should be "PEACE ON EARTH AND GOOD WILL TOWARDS ALL MEN" during this season, and recline to our old selfish sphere after the season is ended. Perhaps we could join in prayer during this Xmas that we might emulate the examples of our Saviour "to love thy neighbour as thyself" and so revive his intentions and his sacrifice that the "STAR" which enunciated his birth might continue to shine in our hearts, lest we perish in the abyss of our errant ways."

See page 8 for full text of this message

FLASHBACK!!
Sir George F.L Charles
Christmas Message 1963



Sir George F. L. Charles
First Chief Minister of St. Lucia

EDITORIAL

THE GIFT OF PEACE

The theme of peace resonates through the Biblical account of the birth of Jesus Christ some 2,000 years ago; the historic event the Christian world celebrates each year through the festival of Christmas.

According to St. Luke's Gospel, the heavenly host of angels, which came down to earth on that cold wintry night to announce the birth of the "Saviour of Man", greeted the humble Bethlehem shepherds in the name of peace.

"Peace on earth, goodwill to men," they said.

Later on, at the height of his earthly ministry, Jesus Christ assumed the title of "Prince of Peace" because of the message he preached and the example he set.

As we in this predominantly Christian community of St. Lucia prepare to celebrate another Christmas, the original Yuletide message of peace has a particular relevance in our search for solutions to some challenges we face as a nation.

The challenge of violent crime, for example. Also, the challenge of domestic violence and abuse. The challenge of the madness on our roads. In each case, the common outcome is injury and sometimes death.

Government is actively pursuing solutions but every St. Lucian has a role to play. Just imagine what a big difference each of us could make if we follow the advice of the well-known hymn 'Let there be peace on earth and let it begin with me!'

Amid the growing threat of war in Iraq, St. Lucians too must hope for peace. Such a conflict threatens dire consequences for our economy which is beginning to show encouraging recovery following the devastating impact of global recession in recent years and the terrorist attacks on America.

So give peace this Christmas! *Nationwide* wishes everyone a peace-filled Christmas and an equally peace-filled 2003.



"Take 2" - A fifteen minute news review of the week.
Every Friday at 6.15 p.m. on **NTN**, Cablevision Channel 2.

Government Notebook
A fresh news package
daily
on all local radio stations



HIGHER STANDARDS - COMPULSORY!

Bureau of Standards prepares Saint Lucia for Consumer Protection, Fair Trade and Efficiency

The openness (liberalisation) of the world market has resulted in a greater volume and variety of imports coming into St. Lucia. This presents a major challenge and a concern for small developing countries like ours that already import more than we export.

This trade imbalance could worsen as all quantitative restrictions to trade are removed, so the island has to prepare itself for the influx of all different types of products. Measures not at odds with the concept of free and fair trade, therefore, need to be put in place to protect the local economy, consumers and local manufacturers from the potential hazards of an open market economy.

The introduction of the Compulsory Standards Compliance Programme by the St. Lucia Bureau of Standards (SLBS) is one of the many ways through which this situation is being addressed. This programme is designed to ensure that products sold in St. Lucia, for which compulsory standards exist, conform to acceptable standards pertaining to health, safety, performance and labeling. This programme applies equally to products which are manufactured locally as well as imports from abroad.

So far, St. Lucia has declared eighteen (18) compulsory standards. Twelve of those relate to food items such as margarine, shortening, biscuits, ketchup, wheat flour, coconut oil, rum, packaged water, pasta products (macaroni, spaghetti, and noodles), chocolate confectionery and cocoa products, and spices and sauces. The other compulsory standards deal with labeling of prepackaged goods, foods, cigarettes, brewery products, pesticides and other toxic chemicals.

The Compulsory Standards Compliance Programme has a number of components which include:

1. Import Monitoring
2. Label Assessment, Approval and Registration
3. Surveillance of locally manufacturing plants and locally manufactured products
4. Market Surveillance for Quality Assurance

Import Monitoring

The Import Monitoring Programme, which will come into effect on January 01, 2003, requires that traders submit proof that their goods (for which compulsory standards apply) meet national standards. This programme will be controlled from the ports of entry, which means that in order to clear a shipment of any such products from customs, traders must first seek approval from the Bureau of Standards.

Unlike many other Caribbean territories where random but frequent inspections are carried out on containers or consignments arriving at the ports, St. Lucia's import monitoring programme will operate on principles promoted by the World Trade Organisation (WTO). That is, the Bureau will accept documentation from recognised relevant authorities in the country of export, indicating that the products meet the necessary standards. Such documentation includes laboratory test results on the product and a certificate of free sale from the appropriate authority (for example, the Bureau of Standards, Ministry of Health, Ministry of Agriculture) in the country where the goods are produced. In addition, the supplier of the products must fill out a declaration form attesting to the compliance of the product.

This system is designed to avoid any impediments in the clearance of goods from Customs. The Inspection Department of the Bureau will be responsible for product assessment, evaluation and processing of documents.

Label Assessment, Approval and Registration

While all products may not be subject to a compulsory standard, all prepackaged goods and food sold on the island must comply with the relevant national labelling standards. In this regard, the labels of all products sold on the island must be registered and approved by the St. Lucia Bureau of Standards.

In order to have labels registered with the SLBS, the manufacturer, distributor or importer of the product must complete a label application form. This form and copies of the label(s) will be assessed by one of the Bureau's Standards Inspection Officers.



Proper labelling is important for product quality monitoring and consumer protection.

Once approved, a label approval certificate will be issued. Once the label of the product has been approved and registered with the Bureau of Standards, there will be no need for re-evaluation unless the label has been revised or a problem detected during market surveillance.

Surveillance of locally manufactured products

Products manufactured on the island for which compulsory standards apply will be subject to the same standards, quality control procedures, and processes as their imported counterparts. In this way, both the local and export markets will be assured a quality product that meets the standards, thus eliminating any imbalances in the trading regime.

The manufacturer's operations and systems such as manufacturing capability, quality control techniques, and facilities will be closely monitored by the Bureau. The Standards Act allows for the Bureau to require any manufacturer to submit his products for testing and inspection. Depending on the nature of the product, the Bureau may in some cases require that batch by batch testing be undertaken at the processing plant following which a Certificate of Conformance will be provided to the manufacturer.

Market Surveillance

The Bureau's team of inspectors will be monitoring the marketplace and also investigating irregularities and complaints relating to trading on the marketplace. All trading activity at retail outlets, points of sale and in some cases distribution points (such as warehouses) will be monitored for compliance with relevant compulsory standards, to identify situations that could pose a threat to consumers and to initiate appropriate preventive actions.

Samples of regulated products, whether imported or locally produced, will be assessed on a continuous basis through laboratory testing to determine compliance with mandatory regulations. These samples could be taken off supermarket shelves, at warehouses, at the local processing plant or at the ports of entry.

Labelling violations detected in the marketplace could result in the product being removed from the market. Some of these violations include the label not written in

English, the absence of the name and address of the manufacturer or supplier, the absence of a declaration of ingredients and net contents, the absence of instructions for use and warnings where required, and the absence of an expiry date.

There are a number of penalties associated with breaches of the compulsory standards compliance programme, some of which include fines or possible confinement. In some instances, goods which are found to be in breach of the compulsory standards will be withdrawn from the market either for correction or for destruction.

The importance of the Compulsory Standards Compliance Programme cannot be overstated. It allows for effective quality regulation and controls, ongoing scrutiny of the market, and accountable methods of enforcement to ensure fairness in trade. Its benefits to the economy, importers, consumers and local manufacturers are clear.

Such a programme not only protects the health and safety of the consumer but promotes industrial efficiency as well. Local manufacturers who produce to national and international standards can now sell their goods anywhere in the world. Also, they will be protected on the local market from unfair competition caused by the sale of imported sub-standard products produced at a cheaper unit cost.

Importers will benefit from greater consumer confidence in the quality of products imported into the island, as orders will be based on the specifications set in the national compulsory standards. Moreover, importers will be protected from fraud and substitution of inferior goods by overseas suppliers, as the Supplier's Declaration Form allows for recourse where the product delivered is not of the quality ordered.

More importantly, this programme serves to protect consumers and the environment from the danger of products rejected for use in the exporting country, but nonetheless accepted for sale on our local markets simply because no measures have been put in place to curtail such activities. Consumers will therefore be protected from poor quality products being sold on the St. Lucian market, a factor which has not only compromised the health and safety of the nation but if not regulated will stagnate the economic development of the island.



Standardisation of weights and measures is one of the main tasks of the Bureau

2002 IN REVIEW

REVIEW IN 2002

A very challenging year! A very testing year!

With 2002 drawing to a close, Prime Minister, Dr. Kenny D. Anthony, sat down with Nationwide recently to review St. Lucia's performance over the past year and to discuss the prospects for the coming year. Here is the complete interview.

Q: From the Government's perspective, how would you summarize 2002?

A: A very challenging year! A very testing year! We made progress in several areas but there were some setbacks in others. In the end, however, we've managed as a country to come through without the dislocation that other countries in similar circumstances have suffered and we have to be thankful for that. The good news is that we are ending 2002 in better shape than we began it. I am therefore looking to the new year with renewed confidence but guarded optimism.

Q: What were the main challenges?

A: A generally unfavourable external environment was a major factor. St. Lucia is integrally part of a globalized world economy. As a result, we are heavily influenced by what takes place elsewhere in the world, especially in the countries, which are our main trading partners. We saw this in the lingering effects of the severe global economic downturn, especially in the United States, which contributed directly to a downturn in our tourism mainly in the first half of the year. The September 2001 terrorist attacks on the US compounded the situation. This tragic, unfortunate event created a fear of flying and caused us to lose out on potential business. Bananas, our other important industry, had a major setback in September due to Tropical Storm Lili, just as our production levels were climbing back up. Lili caused considerable crop damage. The situation in our two main industries obviously put the Government's finances under pressure. We skillfully managed the situation and were able to keep the country afloat without having to go to the IMF as certain persons were hoping. We must bear in mind that the challenges were not unique to St. Lucia. Our partners in CARICOM and the OECS faced similar challenges and some were not as fortunate as we were.



"A generally unfavourable external environment was a major factor. St. Lucia is integrally part of a globalized world economy".



"The economy right now is showing encouraging signs of growth"

Q: What then are the prospects for 2003?

A: Judging by the present look of things, it seems we are going to have an improved year. The economy right now is showing encouraging signs of growth after the steep decline of last year. Investor confidence in St. Lucia remains high, tourism started to make a spectacular rebound in the last half of the year, the banana industry is standing up well despite the challenges, and manufacturing surprised us all with a better than expected performance. So, based on these indicators, it seems we are in for better times in 2003. I must say that I am extremely heartened by the World Bank's latest economic forecast for the Caribbean. The Bank's chief economist is saying the worst is over for us as a region, which is exactly what I told the nation a few weeks ago. He also remarked that Caribbean countries showed a remarkable resilience this past year in the face of strongly negative external and internal factors. St. Lucia is obviously one of the countries he was referring to. We took our blows, yes, but from the present look of things, we are heading for better times.

Q: What could setback the anticipated recovery?

A: A very relevant question! I would say the biggest threat right now is war in Iraq. For the sake of our national well being, we should pray a lot over the Christmas season that this does come to pass. Our tourism could take another hit and that is something we can do without at this time. We also have to keep a close watch on the price of oil. War in Iraq could cause oil prices to rise, which would be bad news for us as an oil importing country. The price of almost everything we use, which depends on oil, could go up. The political crisis in Venezuela is a situation we have to watch as it can also affect the international price of oil. Venezuela is a major oil producer but the crisis has disrupted production. So we hope the US can resolve its differences with Iraq without the need for war and we also hope the Venezuelan crisis is soon resolved.

Q: How has the Government been coping?

A: I think we have managed the situation as best as we can in the circumstances. Our management of the economy has attracted praise from the Economist magazine, which considers St. Lucia to be one of the most efficiently-run developing countries under this Government. Even though the situation was

tight, we have not sent home one civil servant. Further, civil servants have always received their salaries on time. Unfortunately, that was not the experience in some of our neighbours. We have sought as a Government to boost economic activity through construction and other capital projects because we recognize that during times of downturn, the private sector is usually cautious about its spending. Our social programmes were not affected. The work of the Poverty Reduction Fund, for example, has touched every constituency and has contributed in various ways to improving life especially for the less fortunate. This Government has done more with less resources under more trying circumstances than its predecessor. If we had the vast amount of foreign aid money that they received, imagine the type of progress we would have been able to make.

which were neglected for so many years are getting a new lease on life. The infrastructure we are putting in place – the roads, the jetties, etc. – is meant to create a platform for stimulating economic activity in these communities. I am also pleased about the establishment of the National Economic Council. Never before has a government embraced the private sector and labour in such a serious dialogue intended to build an effective partnership for our country's economic development. The historic National Economic Briefing, which concluded last week, was a success. Government looks forward to building on this initial success in the months ahead. I am also pleased about the creation of the National Community Foundation.

Q: Crime is an issue of national concern. What are your thoughts?

A: One of my new year wishes is to see us return to basics and become a more caring society with respect for each other. I am distressed every time I hear of another murder, another rape, and another case of domestic violence and abuse. Government is actively pursuing solutions to these problems. We are reforming the Police Force and are seeing some encouraging results, we have set up the National Crime Commission which will get down in the new year to the serious business of investigating the root causes of crime and other deviant behaviour. These problems did not show up overnight. The seeds were planted long ago but we as a society ignored the warning signs. We will not shirk our responsibility as the Government but every citizen too must recognize they have an important part to play



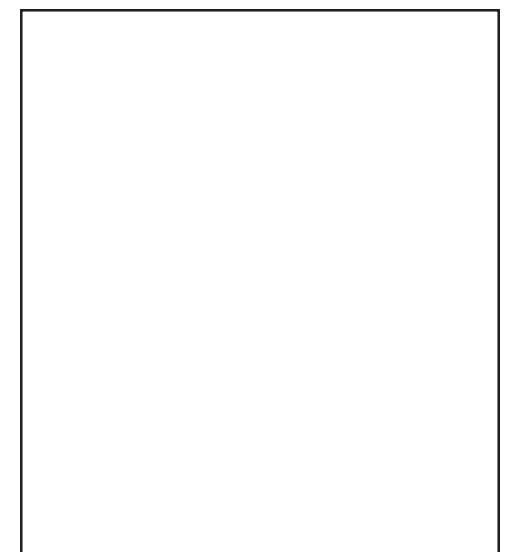
"Several other projects are also coming on stream which augur well for the future of tourism."

Q: What would you list among the year's major achievements?

A: Nurturing the economy back to relatively good health would have been number one. Also, the high level of investor confidence which is strong confirmation that we are creating the correct 'enabling environment' for business to get on with its role as 'engine of economic growth'. Let me give you an example. When Hyatt closed earlier this year, many thought it was the end for that property. Not only were we able to get that hotel back into operation in a matter of months, but most importantly, the hotel under its new owners has employed more St. Lucians than was the case under Hyatt. That is a clear vote of confidence in St. Lucia! We expect almost the same to happen in the case of the Club Med property. Several other projects are also coming on stream which augur well for the future of tourism. We also had the opening of the National Stadium and the Beausejour Cricket Ground. The latter has catapulted St. Lucia into the big league where cricket grounds are concerned. I am confident both facilities are going to bring significant benefits to St. Lucia.

Q: Any other achievements?

A: The start of the Soufriere to Vieux Fort highway, which is a project long overdue. In fact, I am generally pleased with the gradual transformation we are seeing in the western section of our island. Communities like Laborie, Soufriere, Canaries, Anse la Raye



"I am distressed every time I hear of another murder, another rape,...."

in returning St. Lucia to the society it once was. We all must recommit ourselves to living in peace, love and harmony with one another and we must try to peacefully resolve any differences we may have without resorting to violence. This has been the worst year in respect of the number of murders committed. However, there has been a noticeable decline in other categories of crime like robberies for example. Thanks to specialized training provided by the Royal Canadian Mounted Police, our police force is achieving significant success in solving crime. The arrest of offenders is taking place much faster. In cases where arrests have not been made, the police

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TURNAROUND AT WASCO

Company focused on delivering quality water

Two years after it was set up to replace the problem-plagued Water and Sewerage Authority (WASA), the St Lucia Water and Sewerage Company Inc. (WASCO) is seeing some encouraging signs of a turn-around in the vital water sector.

A reliable supply of quality water is considered indispensable for the development of any society today. However, WASA's ability to fulfil this important mandate was hampered by a combination of factors, including a severe shortage of working capital, a huge debt burden, poor maintenance of infrastructure, low staff morale, and unsatisfactory customer service.

"Since then, there have been improvements in a number of areas," says Managing Director John Joseph. "WASCO currently has access to manageable levels of working capital, we have worked tremendously on building staff morale, and there is a much better response to customer requirements."

"Compared to before, customer demands are driving decisions more and more," he adds. "Internally, we are in the process of changing more and more to a performance-oriented kind of culture which is an entirely different attitude compared to before."

Management with a Mission

A contributing factor to the emerging turn-around was an increase in water rates two years ago. The rate increase, the first on the island in several years, helped considerably to improve WASCO's cash flow to the point where it is able to do things the former WASA couldn't do.

WASCO, however, is not yet out of the woods.

Steeped in the private sector way of running a public utility, having previously worked as financial controller of the St Lucia Electricity Services Company Ltd (LUCELEC), Joseph joined WASCO in 2000. His mission: to oversee a successful transition and chart a sustainable way forward for the new company.



Managing Director John Joseph: guiding the change process underway at WASCO

It was an untenable situation. After carefully studying various options in the search for a solution, the Labour administration of Prime Minister Dr Kenny Anthony, then in its first term, decided it was best to proceed with a complete overhaul of the institutional management of the water sector.

Gains from Corporatization

As a result, WASCO came into being through an act of corporatization in 2000. This process involved the conversion of WASA, a statutory corporation, into a private company fully owned by Government but with the possibility of being opened up to some degree of private sector participation some time down the road.



Part of the new 20 in. main along the Castries waterfront: water woes in the past

The Caribbean Development Bank (CDB) pitched in with an institutional strengthening project, under which WASCO is benefiting from the expertise of a leading British water company, Severn Trent. It is helping WASCO to put the necessary procedural, performance, cost-control and other systems in place for development into an efficient organisation.

6000 free connections

St. Lucians are already reaping some benefits. For example, in support of the incumbent administration's campaign to make pipe-borne water a reality for every St Lucian home, WASCO in the last two years has made over 6,000 'free' connections to disadvantaged households across the island.

These households couldn't afford the service in the past because they simply couldn't come up with the installation costs. "That programme has been extremely successful. It has supplied people who would not have otherwise been able to do it," says Joseph.

Despite the limitations of resources, WASCO has also successfully collaborated with the Poverty Reduction Fund (PRF) and the Basic Needs Trust Fund (BNTF) over the last two years to improve the water supply in several mostly rural communities.

During the same period, over \$7 million in debts owed by domestic consumers were written off and some 10,000 new meters were installed at no cost to customers.



The sewerage treatment plant - a critical component of WASCO's operations

Seasons Greetings from the Staff

WASCO g better service



ill soon be a thing of the past.

at the moment, WASCO has roughly 10,000 'active' customers.

a perennial supply problem, which has plagued communities in the north, will become a thing of the past early in the new year when a new 20-inch pipeline is commissioned. Work on this EC\$11 million trench-funded project, which suffered some delays because of unforeseen technical challenges, is entering the wind-down phase.

the advent of WASCO has occurred at a time of growing international concern that water is becoming an increasingly scarce resource. So much so that there have been predictions that water is likely to be a major source of conflict – even war – among some countries.

The impact of Drought

While St Lucia does not fit the category of a water-scarce country, the severe drought of two years ago did serve as a wake-up call to St. Lucians that they could no longer afford to take their water resources for granted.

Department of Information Services

The experience certainly provided WASCO with some vital lessons, which it has taken seriously and is acting on. It has started, for example, to develop new sources of water and is looking at more effective ways of stretching supplies to reduce the harshness of any future drought.

The John Compton Dam, located in the heart of the Roseau Valley, is St Lucia's main source of supply. Commissioned in 1996, it serves the capital, Castries, and the heavily populated north and has a storage capacity of 800 million gallons. The south of the island is served by a number of small independent systems.

"While we do not have as critical a problem as other areas of the world, I think we need to recognise that if we do not sustain our water resources, we are going to get that stage," warns Joseph. "Our approach at WASCO is to assume that water is scarce and whatever we do, we try to do it in a way that the resources are sustainable."

Private Sector Connection

St. Lucians can help by practising conservation, wherever possible, to cut down on water wastage which WASCO considers a major problem. It's especially so in the case of public facilities like standpipes which are



The John Compton Dam, located in the heart of the Roseau Valley: A storage capacity of 800 million gallons

often left running due to carelessness. Within the home, consumers too can help by acting swiftly to correct leaking taps and toilet tanks whenever they arise. There's also the problem of water theft through illegal connections.

WASCO plans to build on its initial successes and to work over the next five years on becoming attractive enough to get an injection of capital from private investors. In the case of the latter, Joseph says there are a number of things, which first have to happen.

"There has to be a very well organised and structured regulatory environment. That is key because any investor needs to operate in a secure manner that is very transparent where you can expect how things are going to work."

"We also have to ensure that the human resource in this sector has the capacity to function in that

environment," he adds. "A lot of what we are doing at WASCO is geared towards that."

The idea of opening up the water sector to private investment does not mean Government plans to surrender ownership of a vital national asset. Far from it! In fact, if the global trend is anything to go by, Government more than likely will retain control of the nation's water resource but allow private sector participation in the operating company doing the distribution.

"We need to determine the level of investment that is actually required, given the service that we need to provide," says Joseph. "Having determined that, we also have to agree on how it is going to be funded."

These critical issues will engage the attention of WASCO's management over the coming years. The final say, however, is with Government.



WASCO'S L'Anse Road headquarters: becoming an increasingly customer-focused operation.

NATIONAL COMMUNITY FOUNDATION

PROMOTING THE VIRTUES OF SHARING AND CARING

How about making a special gift this Christmas that will go a long way and make a world of a difference in support of some worthy social causes? Specifically, youth at risk, the elderly, pensioners, homeless and other disadvantaged adults, health care, and providing scholarships for disadvantaged children

As it works on designing an action plan to pursue over the coming year, the five-month-old National Community Foundation (NCF) is hoping St. Lucians will be extra-generous this holiday season and put it on course to achieving an initial fund-raising target of \$1 million.

"We have just signed letters inviting individuals to make a contribution via monthly salary deductions," says chairperson Emma Hippolyte. "We are starting with our board members, Cabinet ministers, permanent secretaries, but every St. Lucian can make a contribution and they can contribute as much as they like."

Emancipation

Conceptualized in 1999 by the National Insurance Corporation (NIC) as it was going through a repositioning and rebranding exercise, the NCF was officially launched last August 1 – Emancipation Day – with the aim of mobilizing St. Lucians in a concerted, broad-based, independent effort to give a helping hand to the island's less fortunate.

Leading by example, the NIC, of which Miss Hippolyte is director, has committed itself to giving the NCF \$500,000 every year for the next five years. The business community, which was involved in the NIC-sponsored discussions on the establishment of the NCF, is expected to pitch in but contributions have been slow.

Just three companies so far have made major contributions: St. Lucia Electricity Services Company Ltd. (LUCELEC), \$25,000; Bank of St. Lucia, which has committed itself to giving \$20,000 every year for the next five years, and Julian's Supermarket and the Gablewoods Shopping Mall, which together have donated \$15,000.

The Jeanice Francis Memorial Foundation, which came on the scene a year ago to help needy St. Lucians meet medical expenses, has donated \$3,000 following its recent decision to wrap up operations.



NIC Director Emma Hippolyte, the NCF's first chairperson.

Private sector support

"One of the things I want to achieve early next year is to get more firms on to the programme," says Miss Hippolyte. "I also want to get the average person in the street to see him or herself as part of the solution to some of the social issues we face by supporting the NCF."

The NCF, the first institution of its kind in St. Lucia and perhaps the entire Eastern Caribbean, has the full blessings of the Saint Lucia Government. The administration sees the Foundation's work as complementing and enhancing the various efforts of Government to improve the quality of life for disadvantaged St. Lucians.

In fact, the establishment of the NCF as a national charitable organization was facilitated by an act of the St. Lucia Parliament – namely, the National Community Foundation Act of 2001. This law establishes the purpose, structure and rules governing the NCF's operations.

NCF Objectives

Among other things, it makes the NCF accountable for funds it receives from the public by requiring the annual publication of an audited statement of accounts in the Official Gazette and at least two local

newspapers. The publication of such information must occur within four months following the close of each financial year.

The NCF's five objectives, as spelt out in the Act, are:

- To receive and distribute philanthropic funds for the benefit of targeted individuals, groups, organizations and other charitable causes consistent with specific interests of contributors;
- To facilitate the empowerment of individuals and groups living in challenging circumstances;
- To provide philanthropic leadership and help create, sustain and promote efforts among citizens to improve the quality of life within the wider community;
- To provide support to poor, needy or disadvantaged persons;
- To advocate for such shifts in public policy and in public attitude that would support the aims and objectives of the Foundation.

Since its launch five months ago, the NCF has been busy behind-the-scenes identifying the specifics of an action plan. It will be based on proposals to be presented early in the new year by sub-committees that have been set up to assist the NCF's Board of Directors in addressing the needs of the social groups being targeted.

The new year, however, will see the NCF gradually beginning to raise its public profile. Well-known local musician, Ronald "Boo" Hinkson, has prepared a promotional jingle, which is expected to hit the airwaves. There will be other public relations-type initiatives aimed at raising awareness of the NCF, its purpose, and how the average citizen can participate.

The NCF is planning a big event for the February 22, 2003 Independence weekend. It's a radiothon aimed at giving a major boost to the Foundation's fundraising drive to achieve the initial \$1 million target. By the way, persons who make donations to the NCF can claim them as tax deductions. The NCF Act makes such a provision.

The NCF is also exploring the possibility of sourcing funds from overseas. Miss Hippolyte, whose term as chairperson is for two years, says the NCF wants St. Lucians to see it as a tool of empowerment, rather than

an agency giving handouts. "If you examine the legislation, you will see it is very clear on that," she says. "Empowering people is our main focus."

18 Scholarships

The Foundation's first "deliverable", so to speak, was the award of record 18 scholarships – 15 for children entering secondary school and three for students pursuing A levels. The scholarships, worth approximately \$100,000, will help cover the cost of books, transportation, uniforms and other incidentals.

During the NCF's first five months in business, four persons also received help for medical care and a donation was made to the Blind Welfare Association.

"The NCF is in the initial stages but I think it has potential to change the social landscape of St. Lucia," says a confident Miss Hippolyte.

Leading entrepreneur, Michael Chastenet, gave the NCF a ringing endorsement last month when he made the contribution on behalf of Julian's Supermarket and the Gablewoods Shopping Mall.

"It's a wonderful idea because over the years we have had several people coming to our organizations seeking help," he said. "It makes life a lot easier for us because we can direct these people to you and we know that our money is in good hands."

The NCF, currently managed by a staff of one, is operating for the time being out of the NIC headquarters in Block D on the Castries Waterfront complex. Persons interested in making a monthly donation by way of salary deduction can go there to collect the necessary authorization form, or call 453-6661 for details.

BELFUND CLIENTS SHOW OFF TALENT



Over the last two years, the James Belgrave Micro-Enterprise Development Fund – the BELFund – has opened the door for some 100 St. Lucians to set up their own micro-businesses.

At the Castries City Hall last week, several of them seized the opportunity of a four-day-long exhibition organized by the BELFund to show the public the range of products and services they offer. It was an amazing display of creativity that pleased both their sponsors and visitors.

Here, Laurina Toulon shows an alternative way of growing plants inside the home using Magic Crystals, an organic matter of which she is exclusive distributor in the Caribbean.



A student receives her scholarship award from the NCF



Members of the medical committee of the NCF in session

EASING THE TAX PRESSURE

Inland Revenue Department goes for more customer-friendly approach

If there's any country, which comes close to providing the perfect example of a despised and vilified taxman, it's probably the United States.

The litany of citizen's complaints against the Internal Revenue Service (IRS) seems endless. Horror stories of arrogance, high-handedness, of the IRS being a virtual law unto itself and being unfair.

St Lucia's Inland Revenue Department (IRD) has certainly never had such a bad reputation, but there have been instances, as is the case with most Government departments, where citizens have had occasion to complain for one reason or another. In many cases, the cause was nothing more than a simple misunderstanding either due to a lack of, or a breakdown in communication.

As part of the present administration's crusade to make Government more accountable and offer an improved level of service to citizens, the IRD is moving with the times. It has adopted a more customer-friendly approach as part of a concerted attempt to reach out, improve relations with taxpayers, and gain their co-operation.



Acting Assistant Comptroller of Inland Revenue, Peggy Ann Soudatt.

"We recognise that the only way we are going to increase the level of voluntary compliance is through informing and educating St. Lucians about their rights and obligations," says Peggy Ann Soudatt, acting Assistant Comptroller of Inland Revenue responsible for Administration.

Improving Relations with Taxpayers

It's a strategy, being executed by the IRD's Taxpayer Relations Unit, which is beginning to pay off. Whereas before it used to be seen a struggle between Government and citizens to collect taxes, more persons today are readily coming forward to honour their obligations.



The staff of the IRD have been trained to respond quickly to queries from the public

The Taxpayer Relations Unit is responsible for preparing and disseminating information to the public through various media, including the press, radio, television, brochures, and the Department's new Internet website.

The Unit has also been behind initiatives like the setting of Help Desks at strategic locations like JQ's Rodney Bay Mall to assist taxpayers in the run-up to the annual filing of returns by the March 31 deadline.

"Since we started reaching out more to the public, people have been making comments to us like 'OK, that is how it is done. I didn't know that,'" Miss Soudatt remarks. "People are coming and talking to us because they know they are not going to be facing a monster."

Decentralising Services

As one of the principal collectors of revenue, the IRD plays a very critical role in the whole machinery of Government. With its head office in the Castries Waterfront complex, a tax service centre in Vieux Fort and a sub-office in Soufriere, the IRD brings in money Government spends to provide citizens with the range of public goods and services – education, health care, roads, security, etc. — that they expect of a modern society.

The IRD collects income and corporation taxes. Lately, it has assumed responsibility for collecting property taxes throughout the entire island.

With the start of a new year less than a month away, the IRD is gearing up for the busy annual filing period. By law, employers have to file their returns by January 31, followed by employees who have to do by March 31. Distribution of the forms to employers has started.

"The Employer's Return Form includes the taxpayer's annual salary, any allowances paid during the year, deductions for NIS, other pensions, and so on. It reflects

everything and makes it easier for us to assess the taxpayers' returns when they come in," Miss Soudatt explains.

"Employers used to be a bit tardy but we have seen a big improvement in the last year or so. So we wish again to stress the need for employers to submit their returns by January 31, 2003," she adds.

Taxpayers can collect their forms from employers, post offices, village councils, etc. Those who owe on their latest assessments must pay the full amount when filing their returns on March 31 to avoid a five per cent fine on their chargeable income.

Waivers on Penalties

A big project the IRD is currently handling is the Tax Arrears Payment Plan, which seeks to collect millions of dollars in outstanding individual and corporation taxes. A 2002 budget initiative of Prime Minister Dr Kenny Anthony in his capacity as Minister of Finance, the plan offers waivers on penalty and interest, and gives generous incentives for early settlement.

Here's how the plan works. If you settle before March 31, 2003 with respect to assessments for income year 1996 and prior, you will benefit from a 100 per cent waiver on the late payment penalty and a 70 per cent waiver on interest. For each income year from 1997 to 2000, the same 100 per cent waiver on the late payment penalty applies but there is a 40 per cent waiver on the interest.

If you choose, however, to settle by March 31, 2004, you will get a 100 per cent waiver on the late payment penalty for 1996 income year assessments and before, and a 40 per cent waiver on interest. With respect to each income year from 1997 to 2000, the 100 per cent late payment penalty applies and a 30 per cent waiver on interest.

"The plan becomes even more attractive if you try to settle all your taxes within a six

All employers should file by January 31, 2003

month period," says Miss Soudatt. "No penalty and no interest will be charged. You just pay the tax but you must come in and speak to us to benefit."

She adds: "We have been doing fairly well in the collection of arrears of income tax and we hope this plan will encourage taxpayers even more to settle."

Reduction in Income Tax

Under the present administration, St. Lucians have benefited from a progressive reduction in income tax in recent years. The current annual allowance of \$14,000 moves a notch upward to \$16,000 from January 2003. It means if your annual salary is \$16,000, you no longer have to pay income tax.

In another few years, the IRD is hoping to make it even easier for St. Lucians to file their annual returns. In keeping with trends of the digital age, electronic filing via computer is coming to St Lucia.

"That is something we are really looking forward to," says Miss Soudatt. "Hopefully, it will be sooner than two years."

Section 2 (Schedule A): Dep

SECTION 2 Computation of Allowances and Deductions			
SCHEDULE A DEPENDENTS AND MEDICAL EXPENSE ALLOWANCES			
CHILDREN AND EDUCATION ALLOWANCE			
Read page 18 in the guide and enter total on line 8			
Full name of each child	Date of Birth DD MM YY	Give name of school if abroad, also give	
MIA RETURN	03-04-98	PRESCHO	
JUAN RETURN	08-10-89	SEC. SCH	
PHIL JR. RETURN	11-05-78	UNIVERSI	
DEPENDENT RELATIVE ALLOWANCE			
Read page 19 in the guide and enter total on line 9			
Name of Dependent Relative	Relationship to Claimant	Am. Clai	
MAYLA RETURN	MOTHER	350	
Total			9 350
DEPENDENT HOUSEKEEPER ALLOWANCE			
Read page 19 in the guide and enter total on line 10			
Name of housekeeper	Relationship to Claimant	Amount Claimed	
TASHA REMITTANCE	COUSIN	\$\$\$	
Total			\$\$\$
			Total Dep

The familiar pages of the Tax return forms. The IRD has made the process more user friendly in the past few years.

Electronic filing is two years away

Christmas Message 1963 [Excerpts]

from page 1

"There is every reason to look back with some sense of pride at the progress achieved during 1963. For many years, it has become obvious that we were terribly short of Secondary School places and while we recognise this need, the prospects did not appear very bright until a plan was devised resulting from negotiations with the United States Government during the U.S. Lend-Lease Bases Talks which were held here in December, 1960. This year saw what was perhaps a dream emerge into reality and the fact of a Secondary School at Vieux Fort is now monumental, catering for 180 school places".

"I am also pleased to record that work on the extension of the Victoria Hospital is proceeding and it is hoped that by 1964 the island will possess a Hospital of respectable size and standard with additional accommodation for patients."

"In pursuance of Government's policy to diversify the island's economy, a new approach to tourism has not been overlooked. Early this year a Government delegation comprising of the Chief Minister, the Minister for Communications and Works and the Acting Attorney General traveled to the Civil Aeronautics Board to permit Pan American Airways to serve this island on its scheduled route. The mission met with outstanding success and not only do Pan American Airways now serve the island but Vigie Airport has been lighted to enable night operations. A number of applications are now being

By the Honourable Chief Minister, Mr. George Charles

screened for the construction of Hotels at Vieux Fort under the approved development plan and, in other parts of the island.

"If I may enter briefly into one or two unhappy events to record the destruction by hurricane Edith of 60% of our Banana production and to assure you that efforts are continuing for the quick rehabilitation of the Banana Industry. An amount has already been approved by the Secretary of State for interim assistance up to the end of the year while the Colonial Office is examining figures compiled by Government in co-operation with the Banana Growers' Association for long term assistance. The untimely death of the late G.A. Mason in May this year left quite a gap in the composition of Government which resulted in a Bye - Election in the Choiseul constituency. The St. Lucia Labour Party's candidate Mr. J.M.D. Bousquet won the seat in a keenly fought election and now replaces Mr. Mason as a Member of the Government."

"The shocking news of President Kennedy's assassination rocked the world on Friday 22nd. November of this year causing grief and indignation to mix in anxiety for the peace and security of world societies".

"A Very Merry Xmas to all of you at home and abroad and Best wishes for a prosperous and Peaceful 1964".

2002 IN REVIEW

from page 3

have a clear idea of who the suspects are. As part of our efforts to deal severely with offenders who commit serious crimes, we recently passed legislation imposing stiff penalties for gun-related, sexual and other offenses. We removed the discretion of the courts where sentencing is concerned and, as a result, the courts now have to impose the minimum sentence prescribed by Parliament. There was a view out there that the courts were too lenient in some of their sentences. We have addressed that concern. I also wish to say that I am especially concerned about the level of crime in Vieux Fort, which is my constituency. It has brought shame to the town and the police are going to have to summon the will and the courage to ensure that law and order is maintained and that Vieux Fortians can live and go about their business in peace and safety.

Q: What about murder?

A: Our intelligence suggests there is an illegal drug link to the majority of murders being committed. In some cases, the drug people are acting out of desperation. In others, they feel they are so powerful that they can get away with it. I am reminding persons who think that way that the penalty for capital murder in St. Lucia is still death by hanging. We are committed as a Government to ensuring that the law takes its full course after convicted murderers have exhausted all the legal avenues at their disposal. Rulings by the Privy Council in recent years have frustrated attempts not only in St. Lucia but other Caribbean in carrying out the death penalty. I want to assure St. Lucians that once certain legal issues, which stand in the way, are resolved, there will definitely be a resumption of hanging in St. Lucia. As a matter of fact, gallows have been installed at the new

prison, the Bordelais Correctional Facility, which is to be opened next month. St. Lucians must bear in mind, however, that our society is governed by the rule of law and that Government has to lead by example in respecting and upholding the law.

Q: What are your wishes for 2003?

A: I hope, naturally, that we will have a better year as the main indicators are suggesting. I also want to see an improvement in the quality of public debate. Too often, the emphasis is on the negative, on what is wrong, but there is no discussion of solutions. I think we need to build a national consensus on not only the economy but, generally, what we want to achieve as a society generally speaking. It is vitally important, especially in dealing with the challenges of globalization. This is not the time for persons in pursuit of narrow partisan gain to be peddling misinformation and distorting the truth. We were caught napping on the banana issue in the 1990s and when the changes occurred in the market arrangements, we were not prepared and the impact was devastating. We must not allow something like this to happen again. I think St. Lucians are beginning to understand the critical issues we face as a nation. As a Government, we have given high priority to sharing information with St. Lucians through the GIS and initiatives like NTN and Nationwide. We intend to continue making information so that St. Lucians are empowered, so that they can examine the facts for themselves and make sound decisions.

Q: Any final comments?

A: Just to thank everyone for their support and cooperation during the past year and to extend best wishes for a merry Christmas and a happy new year.

PEACE, JOY, GOODWILL

Three students giving praise, St. Lucian style, during a cultural presentation at the Festival of Lights. The ceremony was held at the Derek Walcott Square on December 12th 2002. The night belonged to the children of the various schools who sang and danced, watched and paraded lanterns in the presence of many invited guests and members of the public.

HOTEL TO REOPEN



Making the announcement at a press conference at the GIS studios, were Mr. Michael Chastanet, chairman of NDC, Mr. Carl Hendrickson, Jamaican hotelier and investor, Prime Minister Dr. Kenny Anthony and Mr. Wayne Vitalis, general manager of the NDC.

Southern St Lucia received an early visit from Santa Claus last Wednesday. The gift was an official announcement that the former Club Med hotel property in Vieux Fort will be back in business around the third quarter of next year.

The National Development Corporation (NDC), which owns the property, held a news conference at the studios of the Government Information Service (GIS) to announce it is entering an agreement with Jamaican entrepreneur, Carl Hendrickson, to run the hotel.

Hendrickson heads National Continental Corporation, a diversified family-owned business which has investments in hotels, meat processing, baking, printing and furniture making.

The company runs the well-known Courtleigh Hotel in the Jamaica capital, Kingston, and the all inclusive 440-room Sunset Beach in Montego Bay on the north western coast.

Hendrickson says the Vieux Fort property will undergo "a major reconstruction job" in the coming months. Existing rooms will be upgraded and two new restaurants will be constructed as part of improvements.

A name hasn't been chosen for the property as yet. "Your investment is a statement of confidence in the future of the industry in St. Lucia and I want to thank you," said Prime Minister Dr. Kenny Anthony, expressing delight that more St. Lucian hotel workers will be finding employment.

The hotel will focus on attracting middle income tourists primarily from the United States and Europe. "This is the area we know and we have been successful in delivering that product," Hendrickson said.

The hotel property, which Club Med closed because of post September 11, 2001 financial difficulties, is a major source of employment for persons residing in the south. Roughly 200 persons will be eventually employed.

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