



NATIONWIDE

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MORE SAINT LUCIANS GETTING WATER SINCE 1997

Minister for Communications & Works Hon. Felix Finisterre has taken former Prime Minister Sir John Compton to task over claims that the island's water supply system is in shambles as a result of official neglect. In a statement earlier this month, the former Prime Minister claimed, among other things, that the water sector has been neglected by the current Labour administration. He also criticized the Government over the long-delayed Northern Water Supply Project.

However, Mr Finisterre says while there were problems with the project taking water from the Roseau Dam to Gros Islet, "this is not at all reflective of the Government's water supply policy, which has been improving consistently over the years since this Government took office in 1997." The Minister quoted official statistics covering the periods 1995, 2001 and 2004 to show that, contrary to Sir John's claims, more persons throughout St. Lucia get water each year.

According to the Minister: "In terms of water piped directly to dwelling houses, 47% of households had connections in 1995, but the figure increased to 58.4% in 2001, and increased further to 68% in 2004." Mr Finisterre continued: "In terms of water distributed through pipes located in household yards, the figure stood at 6.3% in 1995, but increased to 19.5% in

2001 and remained at 19% in 2004."

In this regard, he explained that "the increase in 2001 was as a result of the direct intervention of social investment programmes in various communities by agencies such as the Poverty Reduction Fund (PRF) and the Basic Needs Trust Fund (BNTF).

On the matter of water distributed through public standpipes, the Minister said: "In 1995, the figure was at 18.7% and it decreased to 8.5% in 2001 and further to 5% in 2004." These decreases, he further explained, "were as a result of more connections to private households, thus obviating the need for such persons to get water through public or community standpipes."

"Unlike Sir John," the Minister said, "I will provide my sources for the statistics." He said the figures for 1995 came from the Poverty Assessment Survey of that year, the 2001 figures came from the National Census of that year and the 2004 figures came from the Core Welfare Indicators Survey done last year. Citing WASCO's billing and connection figures, he confirmed that in 1996, the number of registered customers was 34,612. But, last year (2004), the number of customer accounts stood at 52,450, an increase of 51.5% over the compared period.

Mr Finisterre said that contrary to the misleading claims by the former Minister of Finance, "this Government has had



Hon. Felix Finisterre
Minister for Communications,
Works, Transport and Public Utilities

a very active policy and programme of giving free connections to households and the statistics I have outlined give a clear indication of the forward movement of connections." The Minister said St. Lucians were to "beware of the obvious partisan political motives of the criticisms by Sir John" and urged that there was "no need to politicise water and create panic at this time."

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NEW STAGE - BETTER VIEW

SHARING JAZZ WITH FRENCH NEIGHBOURS

With the curtains closed on St. Lucia Jazz 2005 and tourism officials in the midst of carrying out various assessments, the many lessons learnt could be passed on to the French Antilles, as part of further boosting cultural ties between St. Lucia and the French overseas departments.

Consul General for St. Lucia to the French Antilles Mr. Cassius Elias says the French dependent territories have demonstrated great interest in replicating the island's success in staging St. Lucia Jazz. "The Jazz festival brings a lot of visitors to St. Lucia from Martinique. I have always said to them that they don't invite St. Lucians enough to their country given the fact that they don't promote their shows in St. Lucia," says Elias.

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A view of the new stage at Pigeon Island



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Government Investment in Banking

Million Dollar Returns

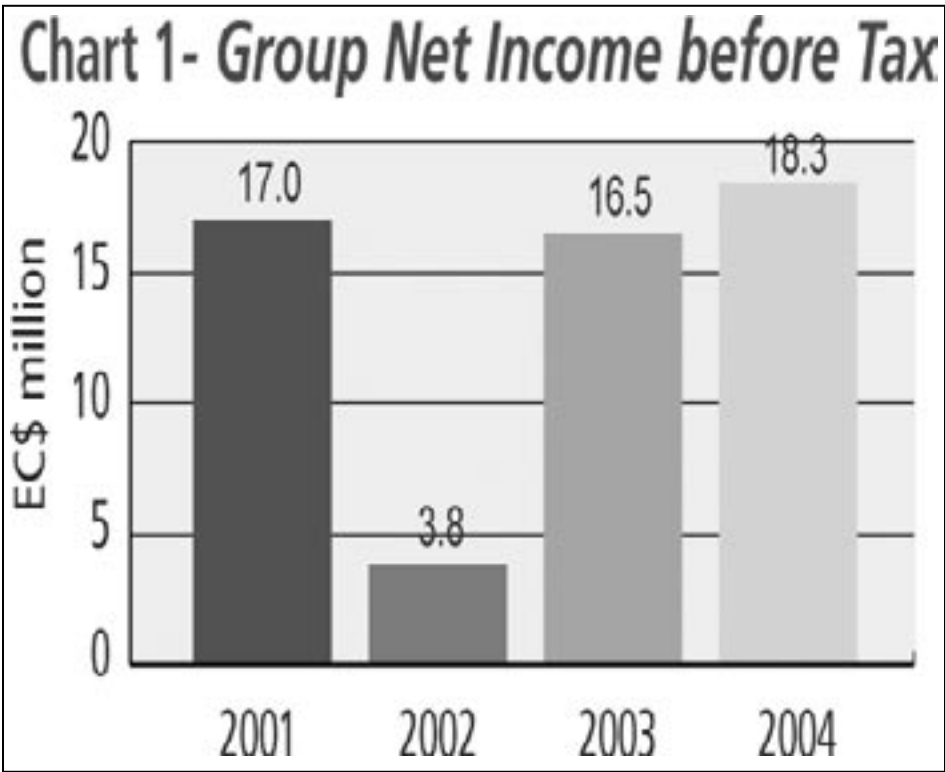
According to the annual 2004 report of the East Caribbean Financial Holding Company Limited (ECFH), the parent of the Bank of Saint Lucia Limited, 2004 was a highly successful year for the group. Mr. Victor Eudoxie in his Chairman's report noted that since the merger in 2001, the level of after tax profits per year has averaged \$12.6 million. He also indicated that the asset base of the company exceeded one billion Eastern Caribbean Dollars threshold as of December 31, 2004. In so doing, the Group became the second financial institution to achieve this milestone in the Eastern Caribbean Currency Union. The Group's share of the industry loans, assets and deposits at the end of the period under review were 34%, 41%, and 35% respectively as compared to 34%, 41% and 34% respectively in 2003. Given these results as recorded for the financial year, the Board of Directors declared a final dividend of 45 cents per share bringing the total dividends relating to the income year 2004 to 60 cents per share.

The Report for the period under review revealed the ECFH Group recorded improvements in three areas namely profitability, efficiency and shareholder value. The improvements registered in the three areas mentioned above were attributable to growth in all the major categories of the traditional banking business. In conformity with the Group's mission statement which is to provide customers both locally and globally with a wide variety of sophisticated financial services, the Group initiated business in international private banking and general insurance. To this end two new subsidiaries were launched - the Bank of Saint Lucia International Limited and EC Global Insurance Company Limited. Those two companies as a result of startup investment cost operated with losses for the period under consideration.

Results of operations

However, irrespective of the losses incurred by the new business ventures totaling approximately \$ 3.0 million, net profit was recorded at \$18.2 million reflecting a 20% growth from the previous year. Profit attributable to statutory reserves and shareholders was 20% higher than the previous year at \$18.2 million and basic earning per share increased by 19.6% at \$ 1.34 per share. Shareholders equity increased by 11% and amounted to \$ 124.9 million. Return on average shareholders equity was 15.7% compared with 14.3% for the corresponding period in 2003, while return on average assets was 1.8% compared 1.6% in the previous year. Total income increased by 1.4% and was recorded at \$87.3 million compared with \$86.1 million in 2003, while net interest income increased by 13%, thus indicating a significant improvement in the cost of funds for the Group. Interest cost declined by 9.6% to \$31.0 million compared

Million Dollar Returns



with \$34.3 million recorded in the previous year. The Group's major source of revenue originates from its interest earning assets with lending activities accounting for 66% of total revenue and investment activities accounting for 17% of total revenue. Non-interest income recorded a 3% decline in 2004. Income from the new business activities including general insurance and private banking was minimal. However, the ECFH Group has embarked on strategies to increase non-interest revenue and the strategic investments in the two new subsidiaries will assist in accomplishing the revenue diversification over the next few years.

In terms of cost management the ECFH Group can also boast of considerable improvements. The Group was by and large able to effect savings in some cost categories with the exception of staff and operating costs. The Group realized a 1% fall in total expenses due mainly to the strategic reductions in the average cost of funds and the decrease in loan loss provisioning. According to the Report, the focus on the management of credit risk and asset/liability management during 2004 resulted had positive outcomes in both areas. The level of non-performing loans was better managed and showed a decline, resulting in a much lower level of loan loss provisioning for the year. Provision expense was \$2.8 million compared with \$6.6 million in 2003. The weighted average cost of customer deposits was recorded at 3% compared with 3.6% in 2003. While the aver-

age cost of funds; inclusive of institutional borrowings declined to 3.5% from 4.1% in the previous year.

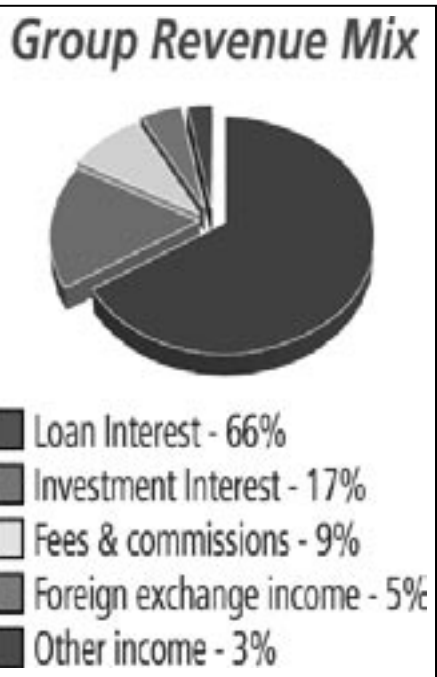
The Group however recorded increases in operating expenses. For the period under consideration operating expenditure inclusive of staff costs increased by 23%. This increase was due largely to pre-operating expenses of new subsidiaries and negotiated wage increases for staff for the new triennium 2004 to 2007. Administrative expenses amounted to \$15.1 million, while staff cost amounted to \$20.3 million. Staff cost as a percentage of non-interest income was 137%, while staff cost as a percentage of operating income was 36%. Although the Group was able to achieve a slight improvement in its efficiency ratio to 63%, it has not achieved the established target. In order to improve efficiency the Group will embark on a major initiative to automate most of its processes in the coming year, in the hope of realizing greater efficiencies when the process is finalized.

Asset and liability movements

According to the Report the Group's total assets base grew by 11% and was recorded at \$1,092 million. The net loan portfolio which constitutes the largest asset group registered growth of 7% from a decline recorded in the previous year. The most significant aspect of that loan portfolio growth materialized in the last quarter of the financial year and therefore associated interest income would not be fully realized during year. Asset quality, as it relates to loans - although still a major challenge for the Group - showed good improvement, with the non-performing portfolio recording a reduction of 6% during the year.

Growth was also recorded in the Group's net loan portfolio to the tune of \$605 million compared with \$567 in 2003. The gross portfolio; before adjustment for provisions and unearned interest; amounted to \$663 million and \$625 million in 2004 and 2003 respectively. The main sector of growth was tourism, consistent with growth indicators for the local economy. The value of non-performing loans was reduced to 21% declining from 23% in 2003. The weighted average interest rate on loans was approximately 10.6% compared with 10.9% in 2003. However the average interest earned in 2004 was 9.8%, inclusive of past due interest paid.

Despite some levels of fluctuations liquidity for the Group remained relatively high during the year. The ratio of liquid assets (cash central bank and other bank balances and deposits) to total deposits was 20% while the Loans/Deposits & Borrow-



ings ratio was recorded at 64%. The Liquid assets/Total assets ratio was recorded at 14%. The investment portfolio, inclusive of treasury bills increased by 28% in 2004 as excess funds were converted to earning assets in keeping with the asset/liability management strategies of the Group. Earnings from Group investments (excluding investment properties) amounted to \$14.3 million, compared with \$10.6 million in the previous year. The investment portfolio is made up mainly of securities from the regional market, largely comprising government bonds. Customer deposits are the main source of funds for the business of the Group. Funds typically originated from the local economy but with the commencement of the private banking business funds are more readily available from external sources through the private banking operations. Total deposits increased to \$780 million, recording a 17% growth from the previous year. The chart provides an indication of the composition of deposits compared with the previous financial year.

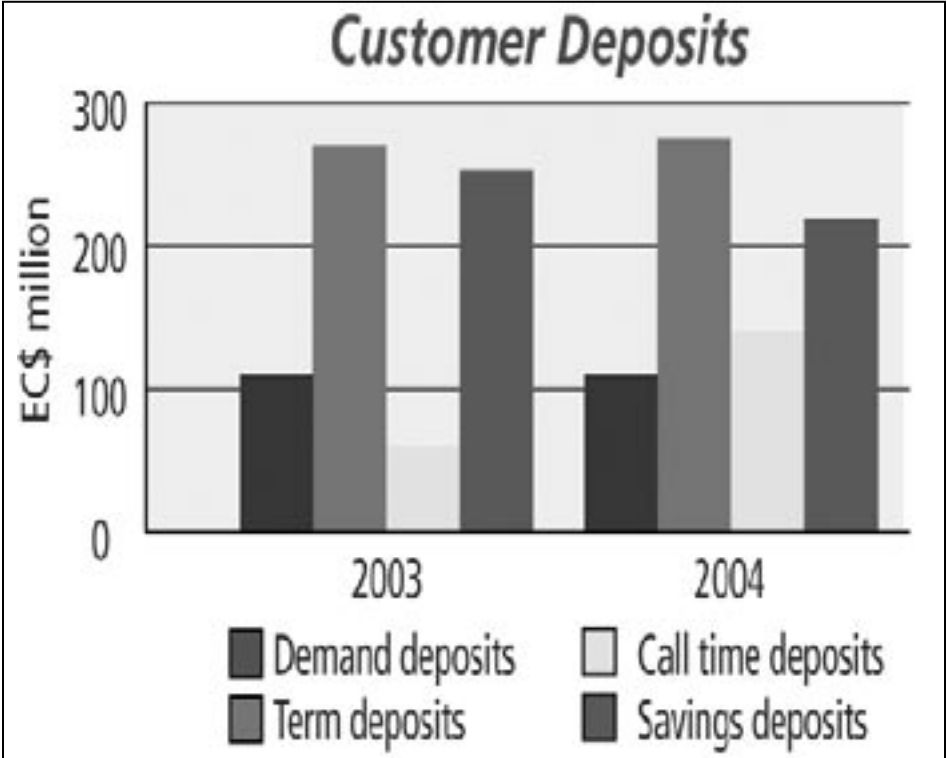
Risk management

The major areas of risk for the ECFH Group as identified by the Report include strategic, credit, compliance, market, operational, insurance, foreign exchange, reputation, liquidity and interest rate risks. Business and operations with the greatest risks exposure are products and services, financial performance, customer relations, human resource management, change management and legal and regulatory requirements.

Credit Risk

With respect to credit risk the Report revealed that on one hand, the quantity of credit risk for the Group was assessed as high. On the other hand, however, the quality of credit risk management was assessed as satisfactory. The level of loans outstanding was moderate relative to total assets at 60% gross and 55% net, however was considered high for total credit activities including investments, at 79% although the investment portfolio was determined to be at lower risk for the Group. The ratio of loans to equity capital was high at 543% and 707% for total credit activities inclusive of investments. The level of non-performing loans (past 90 days) was still very high at 21% although declining from 23% in the previous year, non-performing loans to equity capital was recorded at 123%, showing some improvement from 2003. Work continued in the loan recovery process and other credit risk management strategies were implemented to assist in reducing the quantity of credit risk for the Group. In an attempt to further minimize credit risk, a Credit Risk Department was established and became fully operational in 2004.

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Almond Resorts coming to Saint Lucia

Over \$US forty (40) million is to be pumped into Saint Lucia's tourism plant in the coming months following a change in the management and ownership of St. James Club at Choc, formerly the Wyndham Morgan Bay.

On Friday, May 6, 2005, Chairman and Managing Director of Almond Resorts Mr. Ralph Taylor was on island to announce details of the new plans for the hotel. He says the new property to be called Almond/Morgan Bay, will benefit from the strong international branding and quality standards being brought to the table by Almond Resorts, which is an all inclusive chain.

The new arrangement takes effect on May 31st and will see a brief closure of the property for major renovations, which will include expanding the facility from its current 240 room capacity to 340 rooms. "We intend to take the hotel to a different level in terms of the quality of the product. Major expansions will take place in terms of the central facilities, adding a number of swimming pools, softening the product by adding gardens and three main restaurants, boasting French/Creole cuisine, secondly continental cuisine and the thirdly specializing in seafood," says Taylor. Other new amenities including a state-of-the-art kid's play area are designed to create market buoyancy, and attract a new category of clients to the island.

Taylor says Saint. Lucia was top of the pile in terms of logical choices for investing outside of Barbados. "When we look at the Eastern Caribbean, we take Barbados and the rest of the Eastern Caribbean, the next country which in my mind is going to really penetrate the international market as far as tourism is concerned is St. Lucia. We did a lot of research on St. Lucia and we like what we see. We like the fact that St. Lucia has a good work force, the cost of operation is reasonable and the Gov-



Mr. Ralph Taylor
Chairman, Almond Resorts

ernment of St. Lucia we have found to be excellent in terms of the negotiations that we have had with them. The facilities and incentives that have been offered under the 2007 Cricket World Cup Act have been outstanding," says the veteran Caribbean businessman.

The Barbados-based investor says the transition phase will see workers receiving full severance benefits and other entitlements prior to the closure. Once operations resume, 99% of existing staff if not 100% of workers will be re-employed with the property once they meet the new recruitment criteria, Taylor says scores of additional persons will also be employed as the hotel will be significantly expanded under the renovation and upgrading phase.

The Almond Resorts investment is expected to significantly enhance the foreign exchange earnings of Saint. Lucia. The company currently operates two major hotels in Barbados, employing over eight hundred persons and is among a select small group of companies involved in tourism, publicly traded on the Barbados Stock exchange.



The St. James Club - changes coming

OECS Economies bounce back

Economic growth has returned to the Eastern Caribbean sub-region following "post 9 11" contractions in these economies in 2001. This finding has been published in the recently completed Eastern Caribbean Currency Union (ECCU) 2004 Regional Surveillance Report. The report was prepared by officials of the International Monetary Fund (IMF) following intensive research into the macroeconomic conditions of ECCU member states.

According to the report, the region's economies strengthened in 2003 by 2.5 percent and there were significant improvements to overall fiscal balances. This reinvigoration of growth was primarily driven by the tourism industry which picked up pace as security concerns for global tourism in the aftermath of 9/11, have diminished. The IMF also notes that several new tourism facilities and tourism related services have been developed in the islands.

According to the report, the weakening of the US dollar against major currencies and fewer natural disasters also contributed to improvement of goods and services in 2003/2004. Meanwhile, reserve coverage of the Currency Board has continued to increase well beyond the statutory level of 60 percent and inflation remains very low.

St. Lucia and St. Vincent and the Grenadines in particular, have been singled out by the IMF as having maintained respectable levels of output. However, the report expresses concern that in other member states, output is estimated well below potential levels.

Those issues and many more factors related to the economic activities of the ECCU states were presented during a video conference for media representatives from the Eastern Caribbean region on April 28th. The session was chaired by Sir Dwight Venner, Governor of the Eastern Caribbean Central Bank, accompanied by representatives of the IMF's Western Hemisphere Department Ms. Ratna Sahay.

Sir Dwight says "it is very important from time to time as in these currency union surveys, that an assessment is done of the performance of these economies. The Fund's assessment is, by and



Sir Dwight Venner
ECCB Governor

large, one would say an objective one. What it does for the region is that it allows us - since we don't have access to international capital markets - to have a forum where these economic issues can be placed on the table."

Sir Dwight says the ECCU faces great challenges both domestically and internationally. He says the only way the challenges can be countered is through open economic dialogue between the Fund and member countries. This type of openness will foster integration and serve to strengthen the ECCB's markets.

"We've met with some measure of success in this area and of course you will be aware that recently Grace Kennedy from Jamaica has listed on our market, which is a significant break through for the ECCB or ECCU area. In implementing what we call a wider strategy of economic and financial integration, with the region as a whole, we've now established ourselves as the regional stock exchange; and that is a platform complimented by measures of stability, which we hope will push the currency even more forward," Sir Dwight said.

Some areas which the IMF focussed on in its 52 page report included Macroeconomic Conditions in the ECCU Countries, Public Debt Levels, Caribbean Preferential Trade Arrangements and Fiscal Slippage.

More Saint Lucians getting water since 1997

Continued from page 1

He said government has been engaging in "long-term planning" and its distribution of water to the population has increased and broadened since 1997. The Minister said the Labour Government "has had the political will to introduce new tariff increases, as well as a new Water Act, both aimed at ensuring universal water distribution across the island. "In pursuit of the governments' objective of Universal Water Distribution, we will use the next three years as a transition period, under the terms of the new infrastructural investment agreement with the World Bank," he added

"Under the World Bank's agreement financing terms towards universal service tariffs will remain frozen and so there will be no increases in water rates over the next three years," the minister pointed out. Under that agreement, he

continued, "we will also remove all the bottlenecks between the Dam and the North; we will be setting up the regulatory system for new management and we will also establish a new billing system to put the new company on a proper financial footing."

Meanwhile, Mr. Finisterre says government's water distribution project continues in communities island-wide. He explained that "apart from the fact that 27% of allocations of the PRF and the BNTF will be going towards water distribution to communities, there are already over seven completed and ongoing projects in that regard." He identified the current completed and ongoing water projects as those located at Forrestier, Balata, Bisee, Talvern, Mongouge, Grace-Woodlands and Hill 20, as well as "the entire Mabouya Valley and the Dennerly Village."



TR Theobalds Treatment Plant in Ciceron



Castries bustling with economic activities

Is the Tourism Dollar A Statistic?

Today, I want to shift my focus to Tourism. My choice of topic is inspired by a comment made by Sir John Compton, Political Leader of the United Workers Party, during a discussion on television on the recent Budget. He was accompanied by Guy Myers and Zephrynus Francis. At some point in the discussion, Sir John Compton declared that the Banana Industry earned real money, but the income from tourism is a "statistic". I leave it to Sir John to explain to hotel owners, hotel workers, taxi drivers, boat operators and others just what he really meant.

Only recently, the President of the National Taxi Union, Mr. Lucien Joseph, better known as "Nobby", told me that in a good month when the cruise ship season is on and the hotels have guests, taxi drivers can earn between \$6,000 to \$7,000 per month.

The fact is, as far back as 1991, tourism had started to earn more money for St. Lucia than bananas. In 1991, the Banana Industry earned \$69.72 million dollars and tourism earned \$97.75 million dollars. By 1997, the amount earned from the Banana Industry declined to \$52.14 million dollars while tourism climbed to \$142.05 million dollars.

Admittedly, there is one big difference between tourism and agriculture. With the banana industry, income went directly to the rural sector. In the case of tourism, the income goes directly to the urban sector so the impact is not immediately felt, in the rural sector. Then too, leakages in the tourism sector are high. But in the banana sector, there are fewer leakages because the industry is largely owned by St. Lucians.

Tourism or Agriculture?

Understandably, the successes of tourism have stirred a lively debate about the relative merits of tourism and agriculture.

Some believe that the Government is overemphasizing tourism at the expense of agriculture. On the other hand, those in the tourism sector argue



**Prime Minister
Dr. Kenny D. Anthony**

that the country would have been better off if the Government had reallocated to the tourism sector the money which has been invested in the banana industry.

As I said in my Budget Address, it is unhelpful if the issue is posed as if the choice is either tourism or agriculture. It is not one or the other. The reality is that St. Lucia requires both sectors, albeit in a symbiotic relationship, each sector contributing to the other's sustainability. Put differently, the tourism sector requires a vibrant but diversified agricultural sector. The agricultural sector needs a buoyant but responsive tourism sector. We need to ensure that agriculture derives greater value added from the tourism sector. The fact is that annually, we have over 500,000 tourists to feed and the opportunities for agriculture are obvious.

The Government has had to encourage expansion in tourism in recent times because that sector, in the face of the contraction in the banana sector, holds out the greatest prospects for growth and development. If it is agreed that



Prime Minister Dr. Kenny D. Anthony paying attention to bananas

unemployment is our greatest concern, then clearly, it is Government's responsibility to turn to the sector that has the greatest potential to help in the fight to reduce unemployment.

What is necessary now, especially in the face of the contraction of the banana industry, is to diversify agriculture as quickly and as efficiently we can. The agricultural sector must not only look to overseas markets, but it

must also feed this nation and the rapidly expanding tourism sector.

Not just Airlines or Hotels

The contribution of tourism to Saint Lucia's economy must never be underestimated. It is phenomenal. In 2004, the total earnings of the tourism industry reached \$879.3 million or if you prefer, 71 per cent of the exports of goods and services.

There are many persons who benefit from tourism either directly or indirectly. Tourism is not just about airlines and hotels. Our visitors have to be processed by immigration and customs officers and transported by taxi drivers. Our visitors have needs; they must eat and drink, so providing employment in restaurants and bars; they want to be entertained, so local performers are

engaged; they want to purchase souvenirs, bringing income for both craftsmen and retailers; they want to go sightseeing and participate in various activities, hence tour guides, tour bus drivers, site operators and maintenance persons can all benefit.

It is estimated that some 12,000 persons are employed in the tourism sector, approximately 20% of the total employed labour force. These persons in turn spend money and thus the multiplier effect is much greater. There are many persons in Saint Lucia that earn their livelihood from tourism and may simply not be aware of it. Do the owners, or for that matter the employees of retail outlets, gas stations, telecommunications companies, hairdressers and other services know whether the dollar that they are being paid with is a tourism dollar? Behind every person who is employed at a hotel there is a family of four or five persons to feed.

Tourism Performance

The past year, 2004 has been a great year for tourism. It was our best year for tourism arrivals - 298,431 - surpassing the previous best in 2003. Stay over arrivals increased by 7.8%, Bed-nights increased by 8%, Hotel occupancy increased by 6%, visitor expenditure increased by 15.4%. Growth in arrivals in St. Lucia surpassed growth in arrivals from major competitors. Cruise arrivals increased by 22.4%, and yachting arrivals increased by 6.2%.

Each of the major markets achieved growth in 2004. Arrivals from the United States increased by 9.2%, reaching a record 107,089; UK arrivals increased by 7.9%, and arrivals from the Caribbean increased by 5.2%.

We have noticed a change in the seasonal nature of our arrivals. The differences in the level of stay over visitors between high and low season have been disappearing. For eleven months, the monthly stay over arrivals was above 21,000. The peak travel months were April, July, August and May in that order. These months are outside the traditional winter season.

For the first quarter of 2005, tourism performance continued to do well.



The new face of tourist accommodation

Recently released statistics from the St. Lucia Tourist Board show that January to March 2005 has grown by 15.6% over 2004, with the strong markets being our traditional markets of the US, UK and the Caribbean.

At Telling Statistic

Visitor Expenditure grew by 15.4% in 2004 over the previous year. This accounted for an increase in revenue of approximately EC\$118 million. Some of the contributing factors to this increase are as follows: (1) An increase in the actual number of stay over and cruise ship arrivals; (2) An increase in the overall length of stay of arrivals particularly those from Canada, the US and the Caribbean; (3) An increase in the average daily expenditure of arrivals from all major source markets; (4) An increase in average daily expenditure of cruise arrivals.

Maximizing Visitors Expenditure

While we are certainly making progress, we must find ways of maximizing

visitor expenditure. We need to pay attention to our services and the products that we are offering. Visitors will spend more in restaurants if the restaurants are offering quality cuisine and superb service. Visitors will spend more in our craft markets if there is a wide selection of unique Saint Lucian items to purchase. Visitors will spend more money on tours and attractions if they perceive the experience to be a worthwhile one. We must do all that we can to meet the expectations of visitors in order to maximize the benefits of tourism to our country.

Conclusion

Tourism will be with us for a very long time. In this economic cycle we must maximize our benefits from it. But it is a sensitive industry so we have to take care of it! All of us have that responsibility!

Until next week, Good Bless!



Tourists enjoying the country's beaches



Benefits to craft vendors and tour operators



Banana exports stable



Mega cruise ships come to Saint Lucia

PM Anthony makes another plea on behalf of the homeless

Prime Minister Hon. Dr. Kenny Anthony has again sounded a plea for families of persons housed at various homes on the island to show more interest in their welfare. Dr. Anthony was at the time addressing the handing over ceremony of a Poverty Reduction Fund (PRF) project to the Cornerstone Humanitarian Society Thursday.

The St. Lucian Prime Minister says families of the homeless should end their adopted philosophy of abandonment and life of isolation. Dr. Anthony said the lives of persons who are housed at any facility or shelter on the island can be easily enhanced by the frequent visits of their loved ones.

“Come and visit your friends here. Come and visit your relatives. Spare a special moment with them, it will mean the world to them because it will reconfirm that they’re important, that they have value and there is still a care for their welfare,” Dr. Anthony said.

The \$240,000 PRF project included the construction of a female dormitory, repairs to the existing building and the erection of a green house to be used to generate income for residents of Cornerstone House. Director of the shelter Juliet Brathwaite thanked Prime Minister Anthony for his generosity in allowing the facility to benefit from produce grown at his official residence at Vigie. She also expressed the hope that Cornerstone’s share of the prime minister’s garden can go towards another organization, once its agricultural project had taken shape. Soon after entering into office in 1997 Prime Minister Anthony pledged to donate the produce of the vegetable garden at the official resi-



Hon Kenny D. Anthony
Prime Minister

dence to Cornerstone and a number of other homes.

“This is for the participants; this is for those clients of ours who wish to be participants and some of the people from the Massade Boys Training Centre who will also be participating in the training. We hope they will stay with us for as long as they would like,” Brathwaite said.

Director of the Poverty Reduction Fund Donovan Williams expressed satisfaction with the completion of the project, which is managed entirely by the society’s management committee.

“There was some initial hesitation, some initial fear but I have to say from our perspective the society and the committee that was established did



Mr. Donovan Williams
Executive Director PRF



Ms Juliet Brathwaite
Director Conerstone



The Cornerstone building at Vigie

a superb job. There is no other way about it absolutely superb,” Williams said.

Cornerstone receives an annual subvention of \$50, 000 from the Govern-

ment of Saint Lucia. This allocation was increased by \$12, 500 for the fiscal year 2005 -2006 with a further increase by the same amount proposed for the fiscal year 2006/2007.

Services sector add millions to the economy

The transformation of the Saint Lucian economy into a service-based economy has been progressing steadily over the past five years. This reflected in the growth of such sectors as hotels and restaurants, communications and real estate. During the presentation of the Budget to Parliament in April 2005, Prime Minister Hon. Dr. Kenny Anthony said “in 1999, the contributions of Hotels and Restaurants, Communication and the Real Estate sectors were 12.29%, 8.28% and 11.22% respectively. In 2004 however, it is estimated that the same sectors contributed 13.57%, 11.25% and 12.68% respectively. This translates to the Hotels and Restaurant sector contributing an additional \$160 million in value added; the communications sector an additional \$373 million in value added, while the Real Estate sector provided an additional \$184 million in value added.”

Dr. Anthony who is also Minister of Finance, International Financial Services, Economic Affairs and Information said that government’s strategy to reposition the economy in light of international pressures has been bearing fruit.

He added that the entrepreneurs and businesses have been taking advantage of the numerous incentives laid out for the private sector and these have resulted in the rapid expansion of ancillary services related to tourism. According to Dr. Anthony in the area of international financial services, his government was proud to report that Saint Lucia was operating a clean jurisdiction with 1517 registered institutions. These in-



ECTEL and World Bank officials
discuss telecoms

clude international trust companies, international business companies, international mutual funds, international mutual fund administrators, registered trustees, registered agents and international banks.

Reporting on the local financial landscape Dr. Anthony said “Further, we have facilitated public participation in the ownership of a state owned financial enterprise, the Bank of Saint Lucia, by offering the sale of shares to the public. Last year, the Bank of Saint Lucia reported a pre-tax profit of \$18 million”

The prime minister said that another important step in the transformation process was the liberalisation of the telecommunications market. The people of Saint Lucia and the entire Eastern Caribbean are already reaping the benefits of the new en-

abling environment of the operations of the telecommunications sector.

“As a result of our endeavours to date, there have been two new entrants providing mobile telecommunications services, after investments of over \$120 million locally within two years. Consequently, we have seen the creation of over 540 new jobs. We enjoy lower rates from the resulting competition as well as a wider range of services. Further, the establishment of the Eastern Caribbean Telecommunications Authority has facilitated the regulation of the telecommunications industry. Already, we are reaping the benefits of this initiative with a 20 percent reduction of the rates on fixed lines. In the future, benefits of the liberalisation process will be extended to other telecommunication services,” Dr. Anthony said.



Yachting services



Real estate expansion in the north of Saint Lucia



Honourable Mario Michel
Minister for Education, Human Resource
Development Youth and Sports

Read Saint Lucia Challenge

St. Lucia’s Governor General Her Excellency Dame Pearlette Louisy has appealed to St. Lucian students to give a second chance to an initiative designed to foster a love for literature and to boost interest in reading. Dame Pearlette is of the view that the “Read St. Lucia Challenge,” which previously involved the entire country, can realize greater success, if it’s tailored toward the nation’s youth.

“The programme is simple,” says Dame Pearlette, “You will be challenged to read a certain number of books, to keep record of what you have read and you receive a reward when you have completed the required number of books. Perhaps you can ask your school teacher or your librarian to try it out with you during Reading Ex-

travaganza Month, and then we will look to implementing it on a wider scale during the course of the year.”

Reading challenges, she says, are held in schools and libraries all over the world generating lots of fun among the students, competing schools and within the business community. “So let us give the Read St. Lucia Challenge another try,” she pleaded.

Underscoring the importance of reading to nation building, the Governor General, herself a well respected educator, having headed the island’s premier tertiary level institution – the Sir Arthur Lewis Community (SALCC) for many years, says the old notion of persons getting by concentrating simple on speaking, listening and viewing skills must be dispelled. “This is only half the battle won, we are severely limiting ourselves and our own ability to grow and

develop if we content to have only the basic minimum skills in reading, writing and problem solving. We keep hearing people say over and over again that St. Lucia is not a reading public. This is definitely not the type of reputation that we want to hear and each one of us should pledge to do whatever it takes to prove these critics wrong.”

Hundreds of St. Lucian students will participate in activities throughout the month of May, to mark this year’s Reading Extravaganza under the theme “Literacy is the Key to Personal Development and success.”

Spearheaded by the Ministry of Education, Human Resource Development, Youth and Sports and overseen by district education offices and schools, Reading Extravaganza is into its 5th year locally.



Students enjoy a reading session

PM advises NWU President: ‘Act independently and don’t compromise union’s integrity’

Prime Minister Dr Kenny D. Anthony has responded to the letter from the President General of the National Workers Union (NWU) Mr Tyronne Maynard on the subject of his union’s call for a judicial inquiry into the National Conservation Authority (NCA).

In his reply dated May 10, 2005, the prime minister indicated to the veteran trade unionist that it would be useful to recall and review the history of the inquiry into the United Nations Funds Scandal, in order to set the record straight.

Said the Prime Minister: “You are correct that the John Compton Administration was pressured by the St. Lucia Labour Party and other civil society organisations to hold an inquiry into the UN Fund Scandal.” But, the PM pointed out, “in the case of the National Conservation Authority, the former General Manager, Mr. Henry Charles, requested an investigation and the minister acted upon that suggestion.”

“This government,” the PM reminded Mr Maynard, “did not have to be pressured by your Union or other civil society organisations to conduct an inquiry.”

Dr Anthony said he was as concerned as Mr Maynard about the comments and

allegations made publicly by the NCA Chairman.

He said: “Like you, I am concerned about the allegations of Mr. Antonius Gibson made on Radio Caribbean and published in The Star newspaper of April 20, 2005.

“I have written to Mr. Gibson requesting him to provide further details of his allegations in respect of the so-called “secret account” in order to enable me to determine if further action is necessary on this matter.”

The PM indicated he had copied his letter to the manager of the bank concerned, with a similar request.

The prime minister informed the veteran trade union leader that, should he “have any evidence of criminal behaviour by any of the parties” he should “act without further delay and make that evidence available to the Director of Public Prosecutions or the Police Force as the case may be.”

Meanwhile, the prime minister has advised Mr Maynard, “as a representative of workers, to act independently on this issue and avoid any compromise of the integrity of the membership of the National Workers Union.”

Government Investment in Banking Million Dollar Returns

Continued from page 2

Other Risk

The Report also identified other areas of risk to which the banking activities of the Group were vulnerable. These included adverse market movements in interest rates or exchange rates in terms of banking related activities, while the insurance activities are also exposed to market risk. Most banking assets, with the exception non-interest earning items are sensitive to interest rate movements. There is a relatively small volume of assets and liabilities with interest rates sensitive to international market movements. A much larger volume of managed rate assets such as variable rate mortgage loans exist; these are considered as natural offset to managed liabilities. These are monitored by the Finance Department with guidance from the Asset/Liability Committee. Foreign exchange exposures are monitored on a timely basis and adequate hedging strategies are employed as necessary. Insurance risks are both retained and reinsured with external underwriters. The retained risk level is carefully controlled and monitored, with close attention being paid to product design, policy

wording, adequacy of reserves and regulatory requirements.

The insurance operation is quite new to the Group and the underwriting experience is not adequate to provide significant analysis, however the experience of the local market is considered in the review and monitoring process. The general insurance exposure to accumulations of risk and possible catastrophes is mitigated by reinsurance arrangements which are broadly spread over different reinsurers. The investment strategy for surplus assets held in excess of liabilities takes account of regulatory and internal business requirements for capital to be held to support the business in future years The Risk Management Department provides general guidance on operational risk related issues, including regulatory changes to promote best practice throughout the Group. Work commenced on the business continuity plans for the Group and is expected to be completed and implemented in 2005. A structured new product review process will be implemented in 2005, to assist in providing assurance that risks inherent in new products have been identified and mitigated.

PITONS RANKED No # 1 PLACE TO SEE IN THE WORLD

anniversary special | 15

1

A True Hot Spot: The Pitons, two volcanic spires that shoot out of the Caribbean island of St. Lucia, were named a United Nations World Heritage Site – which puts them in a class with the most spectacular protected ecosystems in the world. Unspoiled coral reefs, tropical forests, and an active geothermal field with bubbling mud and clear hot springs are all accessible on guided hikes that can be arranged through your hotel. Stay at one of many great resorts, which range from the earthy luxury of Anse Chaudron (ansecbalet.com) to the charming Colonial Kensington Beach Resort (stl.com/governor).

2

East and Beyond: The exclusive Georgian city of Bath, England, has in the works the massive Bath Spa Project, a stunning contemporary campus that will include historic sites like the Roman Baths as well as a brand-new spa with an open-air rooftop pool and state-of-the-art treatments (bathspa.co.uk). Several of Bath's great sights – the 16th-century abbey, the greenish Georgian pump rooms – are steps away. And the Queenberry, a family-owned boutique hotel, has just been divinely renovated (queenberry.co.uk).

3

Libya's Grand Opening: The U.S. travel embargo was recently lifted, so for the first time in 22 years, you can see the astonishing Roman ruins of Leptis Magna – temples, baths, marketplaces, 6,000-seat amphitheatre, and port. Wilderness Travel offers brilliant tours of Leptis Magna and Tripoli, plus a Saharan camel trek (wildernesstravel.com). Bonus: Central Libya is the best place in the world to see the October 3 annual eclipse of the sun (intense, but no coronas) as well as next year's March 29 total eclipse.

4

Taj Mahal: New Open Nights: For the first time in 20 years, you can view the world's most awe-inspiring mausoleum in its best light. Beneath a full moon, the monument is now open for five nights a month – when the moon is full, plus two days before and after – to 40 people at a time, for 30 minutes. Admission is \$25 and tickets must be purchased in person 24 hours in advance. (tourtajmahal.com)

5

Where the Wild Things Are: In one visionary sweep, Galen, the states' first African country often called Africa's Eden, created 13 national parks. See elephants, more than 400 bird species, and one of the world's largest private gatherings: monarch butterflies. Linger, and gorillas as unexpected as humans, they roared up their families to greet you. Stay right in Eden at one of the new eco lodges, like Ye-Throne in Luangwa National Park. The experts at explorationafrica.net can arrange your trip. For info: galenadventures.com.

More Free

The picture above was taken from the magazine produced by Oprah Winfrey, world renowned media entrepreneur and television personality. The magazine ranked the Pitons in Saint Lucia among the five top places

in the world which people must see. Oprah also shared this information with her worldwide audience during one of her live television shows beamed across the world. The Pitons is now a World Heritage site.

MEMORIES OF SAINT LUCIA JAZZ 2005



Headline UB40 by night



Prime Minister Dr. Kenny D. Anthony shares a moment with patrons



Quavers at Bocage



Infusing tradition into jazz

SHARING JAZZ WITH FRENCH NEIGHBOURS

Continued from page 1

Following a trip by Prime Minister Honourable Dr. Kenny Anthony to Cayenne in January of this year, two officers from the Cayenne Board of Tourism came to St. Lucia to work specifically with Tourist Board personnel, to observe and to understudy the jazz festival. "Cayenne has a Jazz Festival which has been fashioned after our very own Jazz festival, they have admitted to Prime Minister Anthony," says Consul General Elias.

Efforts at strengthening cultural ties between St. Lucia and the French Antilles, in particular neighbouring Martinique, have been given greater impetus in recent weeks, spearheaded by the Office of the Consul General based in Martinique.

St. Lucia Jazz is widely acclaimed as one of the top five jazz events in the world. Local tourism officials say sharing the lessons learnt with other countries will in no way jeopardise St. Lucia's product which continues to evolve with every passing year. St. Lucia Jazz will move into its 15th year in 2006.



Caribbean collaboration



Dedicated volunteers

PREPARING FOR CWC 2007 "PARK AND RIDE" - LESSON 1

Cricket World Cup Saint Lucia Inc. will be testing the concept of Park and Ride Locations during the One Day International Games at the Beausejour Cricket Ground scheduled for May 21 and 22, 2005.

Park and Ride Centers will be established in the following locations: (i) Viegie Playing Field; (ii) National Cultural Center; (iii) Daher Mall; (iv) Ministry of Communications and Works Parking Lot; (v) Gaiety Parking Lot for residents of Cap Estate and Gros Islet.

Shuttle buses will transport patrons from the Park and Ride Locations to the Beausejour Cricket Ground and back.

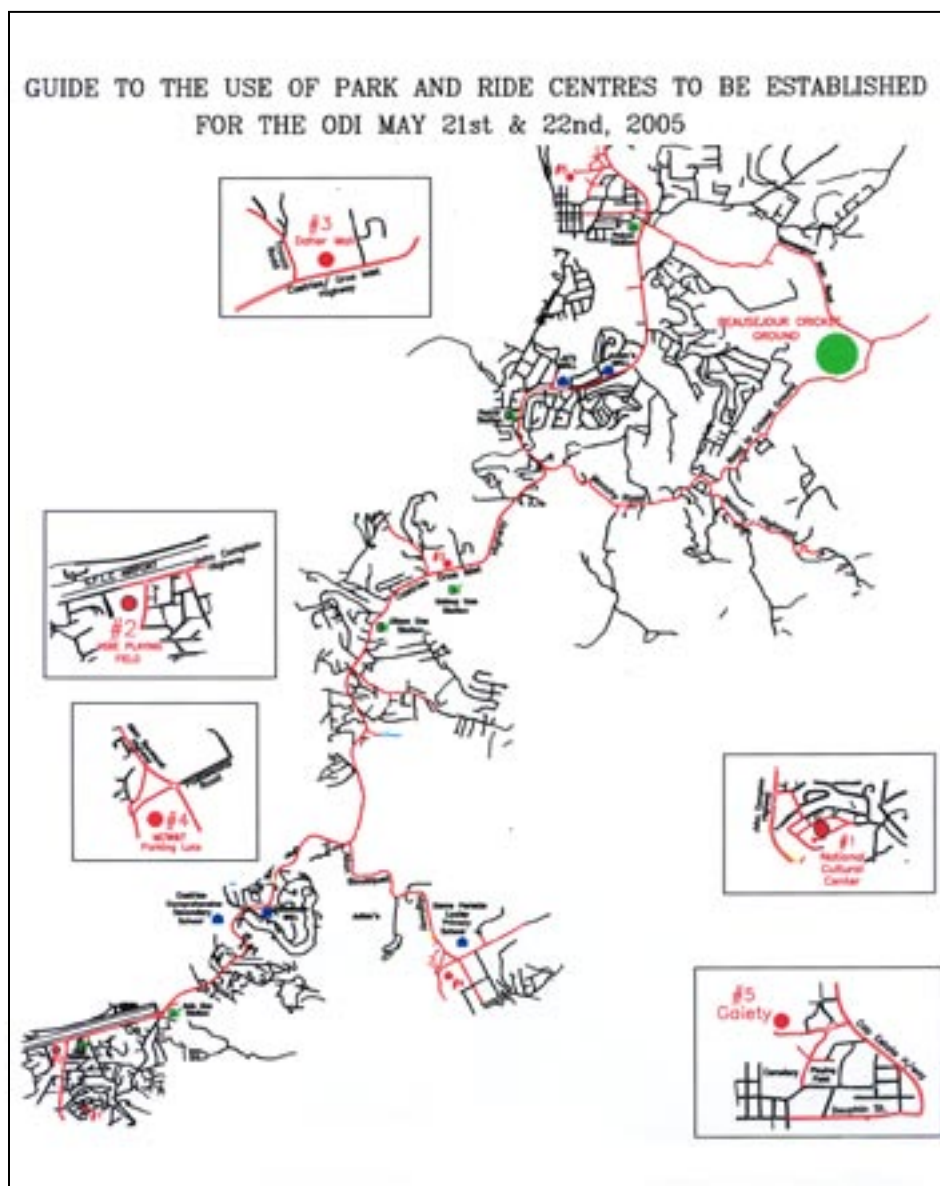
Shuttles will operate Peak hour service going to the Cricket Ground from 6.00 am to 10.00 am and from the Cricket Ground from 5.00 pm to 8.00 pm.

Shuttle service will be provided from the Cricket Ground to the Park and Ride Locations on demand during non peak hour times.

Fares will be as follows: between Castries and the Beausejour Cricket Ground - \$ 4.00 one way, Daher's Mall and the Beausejour Cricket Ground - \$2.50 one way, Union and the Beausejour Cricket Ground - \$3.00 one way and Gaiety and the Beausejour Cricket Grounds - \$2.00 one way.

Patrons are encouraged to use the service as all park and ride locations will be secured and managed by the Royal St. Lucia Police Force.

Cricket World Cup Saint Lucia Inc. continues in its preparation for hosting the Best Cricket World Cup Ever.



THIS WEEK ON NTN

Sat. May 14th - Fri. May 20th, 2005

Budget Presentation Rebuttal by Prime Minister Hon. Dr. Kenny Anthony -Parliamentary Representative for Vieux-Fort South - Sat. May 14th - 8:00 p.m.

·Camella Rhone addresses the St. Lucia Manufacturers Association on "Creation of Regional Standards and the Impact & Opportunities of World Class Standards on Small Island Developing States." - Sun. May 15th, 8:00 p.m.

·CARICOM: Food for Thought. Mon. May 16th, 6:15 p.m.

·Rebroadcast - Panel Discussion Analysing the Prime Minister's Budget Address - Tues. May 17th, 7:30 p.m.

·Calypso Summer: 1960-1961 Australia Vs West Indies Test Cricket Series - Wed. May 18th, 8:00 p.m.

·The GIS discusses the role and responsibilities of the Integrity Commission - Thurs. May 19th, 8:00 p.m.

·Prime Minister Hon. Dr. Kenny Anthony addresses the gathering at the inauguration of the Caribbean Court of Justice (CCJ) - Fri. May 20th. 8:00 p.m.

Remember to tune in for:

·GIS News Breaks and Kweyol News daily from 6:30 p.m.

·Issues & Answers/Mondays at 8:00pm:

·Interview/Tuesdays at 6:15pm :

·Konsit Kweyol/Tuesdays at 8:00pm (Kweyol Discussion):

·Your Right to Know/Thursdays at 6:15 p.m. (Min. of Ed. Prog).

Take 2/Fridays at 6:15pm

(Week in Review)

·Weflechi/Fridays at 6:40pm - (Week in Review—Kweyol)

For the complete programme guide, log on to our website at www.stlucia.gov.lc and then click on the NTN icon.

www.stlucia.gov.lc

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Contact us at: The Department of Information Services, Greaham Louisy Administrative Building, The Waterfront, Castries, St. Lucia, West Indies
Tel: (758) 468 2116; Fax (758) 453 1614; E-mail: gis@candw.lc; <http://stlucia.gov.lc>