



MAJOR FOREIGN POLICY EVENTS



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Chinese Foreign Minister on Official Visit To Saint Lucia

The Foreign Minister of the People's Republic of China, Mr. Li Zhaoxing, pays an official visit to St. Lucia on Sunday and will become the highest level Chinese Government official to come to St. Lucia since the two countries established diplomatic relations nine years ago. China and St. Lucia became close friends in 1997 when the then newly elected St. Lucia Labour Party Government, broke ties with the Republic of China on Taiwan and established relations with Beijing.

Foreign Minister Li Zhaoxing will be in St. Lucia for one day only. He will hold talks with Prime Minister Dr. Kenny Anthony on Sunday and he and the Prime Minister will sign a new economic and technical cooperation agreement on behalf of their countries. Prime Minister Anthony will host a dinner in the Foreign Minister's honour on Sunday evening. On Monday, Foreign Minister Li Zhaoxing will pay a courtesty call on Governor General Dame Pearlette Louisy and Minister of Tourism and Commerce, Phillip Pierre, before he leaves the country.



China's Foreign Minister Li Zhaoxing

Mr. Li Zhaoxing became China's Foreign Minister in 2003. Prior to this, he was the Vice Minister of Foreign Affairs from 2001 and served as the country's Ambassador to the United

States between 1998 -2001. He was also China's Permanent Representative and Ambassador to the United Nations from 1993 -1995.

Since St. Lucia and the People's Republic of China established diplomatic relations, St. Lucia has benefitted from several economic cooperation agree-

ments with China which include the construction of the National Stadium and a Free Zone in Vieux Fort and a new Mental Health Hospital currently being built off the Millenium Highway in Castries. China is also due to build a new national cultural centre for St. Lucia.

FOREIGN MINISTER ADDRESSES UN GA

The visit by the Chinese Foreign Minister to St. Lucia is one of the highlights of an extremely active week in St. Lucia's foreign affairs. It began with the Prime Minister addressing the Nonaligned Summit in Havana last weekend; it has included the conclusion of an agreement with officials of Venezuela's Oil company and Hess Oil that will soon see St. Lucia signing the Petro Caribe Agreement. It continues on Monday with St. Lucia hosting a major international conference on the question of an Alliance of Civilisations. The heightened foreign affairs activity will be capped by engagements for Foreign Minister Petrus Compton. On Monday he will be attending a Caricom Foreign Ministers meeting with US Secretary of State Condolezza Rice in New York where they are supposed to be discussing, among other things, the question of a Free Trade Agreement between the USA and Caricom as well as the situation in Haiti. On Tuesday, the Foreign Minister will address the UN General



Hon. Petrus Compton

Assembly as the General Debate of the 61st Session of the Assembly continues in New York. The theme of his address will be, "Global Partnership for Development."

PM says: Way Now Clear to Sign PetroCaribe Agreement

The way is now cleared for Saint Lucia to sign the PetroCaribe agreement with Venezuela. This was announced on Wednesday by Prime Minister Dr Kenny D. Anthony who has welcomed the news that the Venezuelan state oil company, Petroleos de Venezuela (PDVSA), has secured an agreement with Hess Oil (Saint Lucia) Ltd., to facilitate the island's access to the benefits of the PetroCaribe agreement between Venezuela and the majority of Caricom member-states.

Under the PDVSA-Hess deal, the island's quota of oil to be received under the PetroCaribe arrangement will be stored at Hess' Cul de Sac facility. Saint Lucia consumes an average of 2,740 barrels of gasoline daily.

Through the PetroCaribe agreement, PDVSA announced last week, it will provide the island with approximately 1,700 barrels of oil products per day. This represents some 62% of Saint Lucia's total consumption.

Prime Minister Anthony says the agreement between PDVSA and Hess Oil "now clears the way for Saint Lucia to join the other Caricom member-states that have already signed the PetroCaribe agreement with Venezuela. He said: "We are pleased that the arrangements are now in place for storage. This is good news. Given the fact that PDVSA and Hess Oil jointly own a refinery in St. Croix, it is wise to ensure that this cooperation is extended to Saint Lucia."

The agreement with Hess has also



Part of the Hess Oil Storage facility at Cul De Sac

been welcomed by PDVSA Director, Alejandro Granado, who recently met with Prime Minister Anthony to inform him of the agreement reached with Hess. Mr Granado says the agreement accelerates "the move towards the completion of the PetroCaribe Agreement, thus strengthening the process of energy integration."

The Prime Minister has also thanked Hess Oil (Saint Lucia) Ltd. According to Dr Anthony, "The Government of

Saint Lucia wishes to extend its thanks and appreciation to Hess Oil (St. Lucia) Ltd for its willingness to assist Saint Lucia by facilitating the storage of oil from Venezuela."

Under the PetroCaribe agreement, Venezuela offers fuel under preferential payment terms to the majority of Caricom member-states, as well as to other Caribbean and Latin American countries. Venezuela is the world's fifth largest oil exporter and has the largest oil reserves outside the Middle East.

SAINT LUCIA HOSTS ALLIANCE OF CIVILIZATIONS SEMINAR

The Government of Saint Lucia, through a commitment expressed by Prime Minister, Dr. Kenny D. Anthony at the May 2006 CARICOM-Spain Summit, is joint organizer with the Government of Spain and the CARICOM Secretariat for the staging of a Seminar on the Alliance of Civilization on September 25th - 26 2006 in Saint Lucia. This is the only Seminar of this kind that will be held in the Caribbean Region.

The Alliance of Civilization is an initiative of the United Nations Secre-

tary General as a response to an initial proposal made by the President of the Government of Spain, co-sponsored by the Prime Minister of Turkey. The initiative aims to end the negative divide which seems to exist in the mutual perceptions between the western world and the Arab-Islamic world, and to simultaneously encourage greater knowledge and better understanding between all societies.

The Seminar will analyse the circumstances which explain the existence of this growing divide, its negative con-

sequences for international peace and security, and the contribution which the experience that the countries of the Caribbean, as a melting pot of cultures, can contribute to this collective effort of the international Community.

A number of Caribbean luminaries will lend their voices in support of this international commitment to peace and security as they debate wide ranging issues in the panel discussions over the two days.

Special speakers will be H.E. Bernardino Leon, the Spanish Minister

of State for Foreign and Latin American Affairs, the Most Honourable PJ Patterson, former Prime Minister of Jamaica and St. Lucia's own prolific writer and Nobel laureate, Honourable Derek Walcott.

The Seminar will take place at the Coco Palm Resort at Rodney Bay. The Opening Ceremony will be addressed the Prime Minister of Saint Lucia, Dr. The Honourable Kenny D Anthony, the Spanish Under Secretary of State for Foreign Affairs and Caircom Secretary General, Edwin Carrington.

PM urges Non Aligned Movement to Secure the Development of Small States

Prime Minister Dr Kenny D. Anthony has called on the member-states of the Movement of Non Aligned Countries – also called the Non-Aligned Movement (NAM) -- to play a greater and better role in meeting the challenges of Globalization and addressing the needs of smaller countries.

The Prime Minister made the call in his address to the recently concluded 14th Summit of the international grouping of developing countries, which ended in Havana last Sunday.

Prime Minister Anthony and other seven other Caricom Heads of Government attended the meeting, which took place at the Palace of Conventions in the City of Havana. They comprised the largest-ever Caricom delegation at a NAM summit since the movement was established in Belgrade, Yugoslavia in 1961.

This 14th summit, which ran from September 11 to 16 -- was attended by representatives of the vast majority of the 118 member-nations of the grouping, as well as by United Nations Secretary General Kofi Annan and Chairman of the G-77 and China, South African President Thabo Mbeki.

The meeting was declared open by Acting Cuban President General Raul Castro and addressed by the Prime Minister of Malaysia, the outgoing Chairman, who delivered a report on the activities of the past three years.

The Un Secretary General and the Chairman of the G-77 and China also addressed the opening ceremony at the Palace of Conventions, which was originally constructed for the 6th Non-Aligned Summit in 1979

Globalized Imbalances

Prime Minister Anthony, in his address, called on the NAM to reposition itself to be more active in seeking to address the imbalances and disadvantages caused by the effects of Globalization of world trade.

Dr Anthony also urged the Movement to remain true to the original principles of encouraging South-South cooperation between member-states, while addressing the needs of its members, which represent over two-thirds of the member states of the United Nations and 55% of the world's population.

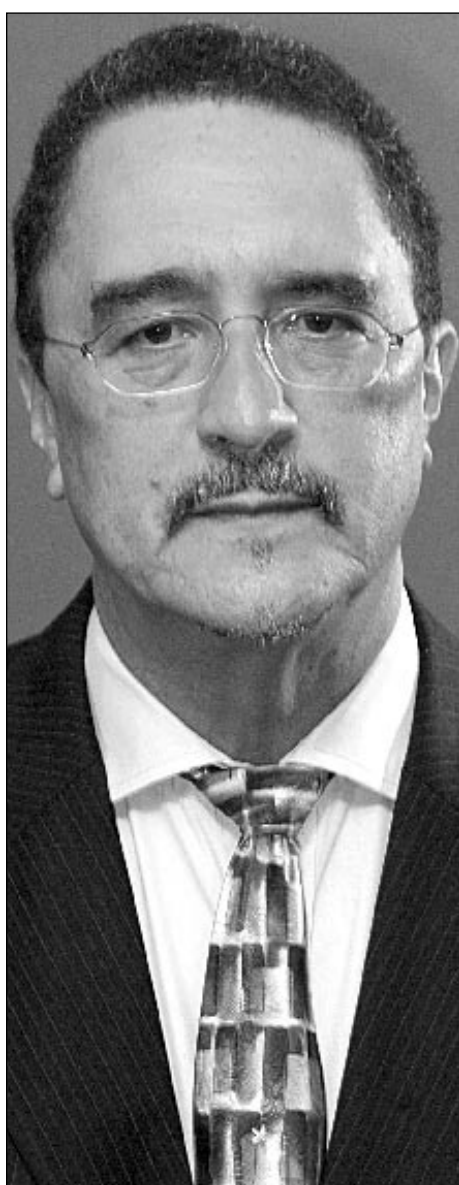
He said there was much to do to address the unfair imbalances in world trade and their consequences, especially for the smaller states within the NAM.

"Globalization may have triumphed, but some economies have been destroyed," the Saint Lucia Prime Minister explained.

He said the NAM "should not exist to solely protect the strong among us; it must also protect the weak, the vulnerable and the marginalized."

This responsibility, Dr Anthony told the listening world leaders, "compels the NAM to promote a radical re-thinking of the process of Globalization."

The aim of this re-thinking, he said, "must be to ensure that it delivers a just



Prime Minister Dr. Kenny Anthony

and positive outcome for all nations, without regard to size, natural resource endowment or geographical location."

The Saint Lucia Prime Minister said that in order to attain its objective of promoting and encouraging "the sustainable development of peoples through international cooperation" (as outlined in the original Bandung Declaration founding the NAM in 1961), "the NAM, along with the G-77 and China, must insert itself in the debates on issues of trade and economic relations."

"The resolution of these debates," he added, "will determine whether or not the member-states of the NAM will be better positioned to enjoy sustainable development.

United Nations Reform

Prime Minister Anthony also urged "dynamic engagement by the NAM in the process of United Nations Reform."

He called on member-states of the international body to remain focused in supporting calls for the genuine democratization of the United Nations and its Security Council.

"The special powers and privileges accorded to some states are anachronistic and no longer justifiable in this global conjuncture.

"Governance of international institutions must give way to the new realities in an open and transparent manner," said the Saint Lucia Prime Minister.

Dr Anthony said, "Saint Lucia believes that the NAM's intervention in the major political debates of our time serves to ensure that a well-defined voice speaks for the South and repre-



President Fidel Castro

sents the perspectives of developing states."

He also added Saint Lucia's voice "to the call to broaden our relations within the NAM to respond more directly to the pressing economic and social issues that confront the disadvantaged among us."

The Prime Minister noted that all members of the NAM "are committed to attaining the United Nations Millennium Development Goals (MDG's), but the score-card on progress towards this achievement is, at best, chequered."

He called, therefore, "for greater cooperation between member-states of the NAM in the attainment of these goals will serve to concretize the value of our organization in a tangible way."

Greater Caricom Presence

As the largest body of developing countries in the world outside the United Nations, the NAM has historically comprised of African, Arab, Asian, European and Latin American nations. The African Union, the Arab League, China and Brazil are also observers.

But ever since Jamaica, Guyana and Grenada joined about a quarter century ago, the Caribbean presence only began to grow lately. As the effects of Globalization take hold, more Caricom member-states are seeking to activate better and more effective South-South cooperation at the international level.

Then Caribbean presence is indeed expanding rapidly. No less than twelve of the 15 Caricom member-states attended the Havana Summit.

Five new Caricom member-states -- Antigua and Barbuda, Dominica, Haiti, Saint Vincent and the Grenadines and

Saint Kitts and Nevis -- have joined the NAM since the September 2003 Malaysia summit, thus increasing the Caribbean's presence.

Prime Minister Anthony and the seven other Caricom Heads of Government attending all addressed the 2006 Havana summit, which was attended by Kings and Princes, Presidents and Prime Ministers from four continents and more than seven seas.

Apart from the Saint Lucia Prime Minister, all of the seven other Caricom leaders who attended also addressed the summit.

Prime Ministers Baldwin Spencer of Antigua-Barbuda, Owen Arthur of Barbados, Said Musa of Belize, Roosevelt Skeritt of Dominica, Dr Keith Mitchell of Grenada, Portia Simpson-Miller of Jamaica and Dr Ralph Gonsalves of St. Vincent and the Grenadines each delivered addresses.

Saint Kitts and Nevis was represented by Deputy Prime Minister Sam Condor and Guyana was represented by Foreign Affairs Minister Dr Rudy Insanally. Haiti and Surinam were also represented by their Foreign Affairs Ministers.

Leadership Transition

The summit opened Friday (September 15) and ended late Sunday evening (September 17).

It marked the transition of the Chairmanship of the NAM from Malaysia to Cuba. As such, the proceedings were chaired by Acting Cuban President Raul Castro, whose brother, President Fidel Castro, continued to recover from recent stomach surgery.

All the speeches were covered by almost a thousand reporters from around the world and were broadcast live throughout Cuba and to several member-states.

Speedy Recovery

All the Caribbean leaders who attended the summit wished the Cuban leader speedy recovery from his recent operation.

But the Saint Lucia Prime Minister, who had also represented Saint Lucia at the 6th Summit of the NAM at the same venue in Cuba in September 1979, perhaps best captured and relayed the feelings of the leaders present, when he paid his own tribute to the Cuban leader in his address on Saturday.

He said: "If we are here to recover our purpose, our spirit, our direction, then there is no better place to do so than Cuba.

The Prime Minister also echoed the expressed sentiments of other leaders, in wishing speedy recovery to President Castro, who had been unable to attend the summit as he continues to recover from recent surgery.

Noting that President Castro will personally assume his role as the Chairman of the Movement as soon as he is properly recovered, the Saint Lucia Prime Minister said the leaders looked forward to welcoming him.

"We need his wisdom, his passion and his courage, now more than ever," said Prime Minister Anthony.

The Prime Minister returned home on Sunday.

FIRST QUARTER ECONOMIC REVIEW 2006 - PART II

Tourism

Despite the return of Air Jamaica services into St Lucia, tourist arrivals declined by 5.5 percent to 257,249 in the first quarter of 2006, following a marginal decline of less than one percent in the previous year.

Stay-over arrivals declined by 2.3 percent to 81,666 during the first three months of 2006. The largest decline of 64.7 percent was experienced in the French market which registered 1,084 visitors compared to 3,067 during the first quarter of 2005. The UK market also experienced a decline of 12.4 percent for the first quarter of the year. In contrast the USA market experienced positive growth of 8.4 percent during the first quarter of 2006.

The decline in arrivals is partially associated with the recovery in the Asian Pacific Region following the tsunami in December 2004. During the first quarter of 2005, St Lucia recorded an increase of 15.6 percent in stay-over arrivals partly as a result of a diversion of tourist traffic from that region.

Additionally, the International Air Transportation Association (IATA) expects



Air Jamaica’s return to St. Lucia

als, there was a 3.0 percent decline in bed nights. Consequently, the average hotel occupancy rate fell 7 percentage points to 72 percent for the first quarter 2006. Conventional hotels experienced the largest fall in occupancy of 9 percentage points to 69 percent, while occupancy in small properties declined by 7.0 percentage points to 69. All-inclusive hotels enjoyed the highest occupancy of 77 percent occupancy however, in these hotels fell by 5 percentage points.

Manufacturing

During the first quarter of 2006, production by the manufacturing sector grew by 3.0 percent to a value of \$36.6 million, in comparison to a 13.1 percent growth in the same period of 2005. The major impetus behind the growth in the sector continued to be increased production by the beverage industry.

Food and beverages, accounted for 48 percent of total production, of this the production of alcoholic beverages accounted for 30 percent of total production. Production by the food and beverage sector grew by 7.6 percent in comparison with a 21.4 percent expansion in the first quarter of the previous year. However, there was a decline in the production of food by 2.4 percent to \$2.6 million. By contrast, the production of alcoholic beverages grew by 10.7 percent to \$11.1 million slower than the growth of 23.5 percent in the first three months of 2005. The manufacture of non-alcoholic beverages grew by 6.4 percent to \$3.9 million, also slower than the expansion of 24.8 percent in the first quarter of the previous year.

The manufacture of electrical items accounted for 18 percent of production in the first quarter or 6.5 million. Production of these items fell by 13.0 percent in the



One of St. Lucia’s well known brands

quarter compared with an increase of 41.4 percent in the first quarter of 2005.

Items of corrugated paper and paper-board, 12 percent of all manufacturing production, recorded a 5.4 percent increase. The production of commercial boxes grew by 18.6 percent while the production of banana boxes fell by 21.1 percent. The growth in commercial boxes reflected exports as well as growth in other manufacturing sectors. Similarly, the decline in the production of boxes for use in the export of bananas mirrored a decline in banana production for the first quarter.

The other sub-sectors accounted for 22 percent of total manufacturing production or \$8.1 million. Of this, manufacture of metal products fell by 1.7 percent to \$2.3 million. Plastic and chemical products recorded growth of 56.2 and 14.3 percent respectively. The manufacture of copra and copra derivatives grew by 48 percent to \$0.7 million as there was an increase in the availability of the raw material for processing.

Construction

During the first quarter of 2006, total central government expenditure on construction activities increased by an estimated 55.2 percent to \$48.3 million compared to the same period in 2005. Of total central government expenditure, over \$40 million was devoted to economic infrastructure while the remainder was expended on social infrastructure. Construction activities were concentrated mainly in the development of road

infrastructure as reflected by the \$29.6 million attributed to the reconstruction and rehabilitation of roads, an upturn from the \$16.6 million spent in the first quarter of 2005. The Castries/Gros-Islet Highway, the Tertiary Road Programme and the East Coast Road Rehabilitation project were primary contributors to the central government’s road infrastructure budget.

During the first quarter, there were significant increases in the amounts invested in other components of economic infrastructure, including Drainage, Disaster Mitigation and Upkeep of Property. Most notably there was \$5.6 million in expenditure on water related projects.

Central government investment in social infrastructure grew by 56 percent to \$10.8 million over the first quarter compared to the corresponding period a year before. This outcome was led predominantly by the near twofold increase in average expenditure on Education, Health, Community Works, Disaster Mitigation, Sports, and Law and Order. The main beneficiaries of social infrastructure investment were Education, Disaster Mitigation and Community Works, which included activities such as repairs, rehabilitation and refurbishment of school plants, emergency recovery, and community infrastructure development.



Packing banana boxes

Agriculture

Banana exports declined by 5.5 percent to 7,071.7 tonnes in the first quarter of 2006, following a decline of 44.1 percent in the first quarter of 2005. The main reasons for this decline continued to be abandonment of fields, insufficient planting materials for farms that were out of production from the previous year and poor crop husbandry due to high input costs.

The value of production of non-traditional crops, as estimated by the amount purchased by supermarkets, increased by 48.4 percent to \$1.4 million in the first quarter of 2006 compared to a 3.4 percent increase in the same period of 2005. This is due in part to the recovery of local purchases of traditional vegetables. However data on the value of purchases by the hotel sector and the value of exports of non-traditional crops is currently unavailable.

Production by the fisheries sub-sector as estimated by purchases of local fish by the St. Lucia Fish Marketing Corporation is estimated to have increased. These purchases estimated at \$3.7 million in 2006, represented a sizeable increase over last year’s value of \$2.1 million, which was affected by changes in weather patterns that destroyed many fish pots.

There were also positive developments within the livestock sector as the quantity of livestock purchased increased by 6.0 percent in the first quarter of 2006, rebounding from a 2.1 percent decline in 2005. This increase was attributed mainly to a 52.6 percent increase to 52,294 pounds in the quantity of pork purchases which overshadowed a lackluster 2.1 percent increase to 416,865 pounds in the quantity of local chicken purchased.

Central Government Fiscal Developments

Preliminary estimates indicate that the Central Government’s fiscal position for the first three months of 2006 improved in comparison to the same period in 2005, as growth in total revenue outpaced growth of total expenditure. This led to a narrowing of the overall fiscal deficit by \$12.8 million to \$58.2 million, indicating that activity within the real sector, which led to significant increases in revenue in the previous year, continued to impact positively on revenue collections.

from taxes on goods and services grew marginally by 0.1 percent to \$55.2 million after declining by 10.9 percent in the comparable period of 2005. There was a notable increase of \$2.1 million to \$9.2 million in licenses as a result of the payment of telecommunications licenses as well as an increase of \$1.3 million in collection of domestic consumption tax. However, consumption tax receipts on imports fell by 14.7 percent of which revenue from petroleum products declined by \$1.1 million or 16.7 percent to \$5.5 million. The average consumption tax rate on gasoline declined by \$0.40 per gallon and that of diesel fell by \$0.22 per gallon due to rising international oil prices which averaged above US\$63 per barrel up from US\$50 per barrel in the first quarter of 2005.

of capital expenditure, 45 percent, which was spent largely on road works. The second largest capital expenditure was undertaken by the Ministry of Finance, with \$11.1 million or 13 percent of total capital expenditure of which \$8.2 million was spent on the World Cup 2007 Development Project. This was followed by the Ministry of Physical Development with \$8.1 million or 9 percent of capital expenditure which was spent primarily on disaster mitigation,

Salaries (without retroactive payments) grew modestly by 2.8 percent, slower than growth of 3.2 percent in the first three months of 2005, while wages declined by 4.0 percent, in contrast with a 1.2 percent growth in the first quarter of 2005.

Expenditure on goods and services rose by 11.0 percent to \$35.9 million in the first quarter in comparison to a decrease of 0.1 percent as at March 2005.

Interest payments increased by 0.6 percent as a 15.5 percent decline in domestic interest payments was offset by an 11.7 percent rise in foreign interest payments associated with changes in composition of the debt portfolio. Current transfers fell by 0.5 percent to \$18.4 million, as private sector transfers fell by 29.1 percent contrasting with an increase of 23.7 percent in the first quarter of 2005.

Debt

As at March 2006 total public sector debt was recorded at \$1,566.6 million, an increase of 3.7 percent over the end of 2005. Of total public debt, domestic debt increased by 3.0 percent to \$478.9 million while external debt rose by 4.0 percent to \$1,087.6 million. During the quarter the Government issued two debt instruments on the RGSM. The first was a \$25 million 10 year bond to finance the 2005/2006 annual budget and the second was a 91 day treasury bill valued at \$27 million which was to finance the roll over of an existing treasury bill.

Central Government debt issued domestically rose by 3.2 percent to \$407.9 million. Bonds outstanding were valued at \$209.9 million, this accounted for 44 percent of domestic debt. In contrast, outstanding treasury bills fell by 3.9 percent to \$58.4 million.

Liabilities to commercial banks increased by \$19.6 million to \$48.8 million as a result of borrowing \$20.0 million to finance activities associated with Cricket World Cup in 2007. Government guaranteed domestic debt rose by 3.7 percent to \$49.4 million while non guaranteed debt fell by 1.4 percent to \$21.7 million.

External debt issued to the central government rose by 4.8 percent to \$944.4 million, 50 percent of this was in the form of multilateral borrowing which increased by 18.0 percent to \$473.9 million. Bonds, which accounted for 40 percent of central government external outstanding liabilities, rose by 1.9 percent to \$376.3 million, while Treasury bills rose by 11.3 percent to \$24.3 million.

EC\$ million	As at March 2004	As at March 2005	As at March 2006	% Change 2006	% Change 2005
Total Revenue & Grants	147.07	162.3	183.42	13.0	10.4
Current revenue	141.05	162.3	181.36	11.7	15.1
Income & property	29.89	44.93	53.12	18.4	50.3
Goods & Services	61.85	55.13	55.18	0.1	-10.9
International Trade	37.22	45.51	54.21	19.1	22.3
Total Expenditure	189.56	233.21	241.58	3.6	23.0
Capital Expenditure	47.41	96.85	86.08	-11.1	69.2
Current Expenditure	142.14	138.84	155.5	12.0	-2.3
Wages & Salaries	62.75	56.35	70.01	24.2	-10.2
Interest Payments	15.66	20.73	20.85	0.6	32.4
Goods & Services	21.50	18.51	18.41	10.5	-13.9
Current Balance	-1.09	23.46	25.5		
Primary Balance	-26.83	-17.05	-37.31		
Overall Balance	-42.49	-370.91	-58.16		

Revenue Performance

Total revenue and grants rose by 13.0 percent in comparison with growth of 10.4 percent in the first quarter of the previous review period. Of total revenue and grants, approximately \$2.1 million in grants was received which accounted for 1 percent of the total revenue and grants.

Current revenue increased by 11.7 percent to \$181.4 million in comparison to 15.1 percent growth recorded in the first quarter of 2005. Of this, non tax revenue rose by 12.7 percent to \$18.9 million associated with rises in interest and rents. Tax revenue grew by 11.6 percent to \$162.5 million as a result of increase in all areas of tax collections. In particular, there were notable rises in collection of income and international trade taxes.

Taxes on Income & property

During the first quarter taxes on income grew by \$8.2 million or 18.4 percent, in comparison with an increase of \$15.0 million which occurred in the first quarter of 2005. There was a 35.2 percent increase in taxes paid by individuals to \$20.3 million. In contrast, corporate tax collections increased by 1.0 percent to \$24.3 million after doubling in the first quarter of 2005. Property tax revenue, which accounted for less than one percent of current revenue, was twice that collected in the first three months of 2005, increasing to \$1.64 million.

Taxes on Goods and Services

During the first quarter of 2006, receipts

from taxes on goods and services grew marginally by 0.1 percent to \$55.2 million after declining by 10.9 percent in the comparable period of 2005. There was a notable increase of \$2.1 million to \$9.2 million in licenses as a result of the payment of telecommunications licenses as well as an increase of \$1.3 million in collection of domestic consumption tax. However, consumption tax receipts on imports fell by 14.7 percent of which revenue from petroleum products declined by \$1.1 million or 16.7 percent to \$5.5 million. The average consumption tax rate on gasoline declined by \$0.40 per gallon and that of diesel fell by \$0.22 per gallon due to rising international oil prices which averaged above US\$63 per barrel up from US\$50 per barrel in the first quarter of 2005.

Taxes on International Trade

Receipts from taxes on international trade grew by 19.1 percent to \$54.2 million, following an increase of 22.3 percent in the first quarter of 2005. Revenue collections from all three of the major categories, import duty, service charge on imports and excise tax on imports increased.

Import duty rose by 17.7 percent to \$21.6 million, following a rise of 16.4 percent in the comparable period of the previous year. Service charge on imports increased by 16.0 percent to \$14.4 million, in comparison with an increase of 21.4 percent in the first quarter of 2005. Excise tax on imports rose by 61.0 percent to \$10.3 million, following an increase of 49.3 percent in the comparable period of 2005.

Expenditure Performance

Total expenditure grew modestly by 3.6 percent to \$241.6 million in comparison with significant growth of 23.0 percent recorded in the first quarter of 2005.

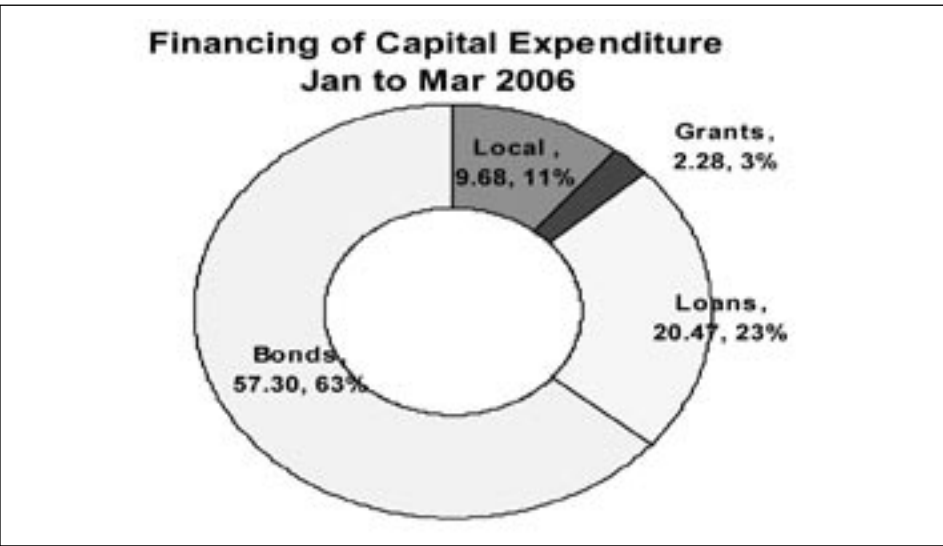
Capital expenditure decreased by 11.1 percent to \$86.1 million with 75 percent of capital expenditure spent by five ministries. The Ministry of Communications and Works accounted for the largest share

water sector reform and land acquisition. The Ministry of Education accounted for an estimated 8 percent of capital expenditure of which \$5.2 million was spent on the OECS Education Development Project and maintenance of plant and equipment.

Current Expenditure grew by 12.0 percent in the first quarter after declining by 2.3 percent in the comparable period of 2005. This resulted from increases in spending associated with wages and salaries and goods and services.

Wages & Salaries

Wages and salaries increased by 24.2 percent to \$70.01 million due to the payment of \$12.6 million in retroactive payments which resulted from the completion of Central Government wage negotiations.



Outlook

According to the World Economic Outlook1, the global economy is expected to grow by 4.9 percent in 2006, following an expansion estimated at 4.8 percent in 2005. Positive conditions in the world’s financial markets in conjunction with accommodative macro-economic policies within the larger economies is expected to facilitate growth despite the expectation

that crude oil prices will average above US\$70 per barrel.

Notwithstanding the robust growth of 5.6 percent recorded in the first quarter, real growth within our major training partner, the US, is forecasted at 3.3 percent, slightly above growth of 3.2 percent recorded in 20052. Tighter monetary policy, that is increasing interest rates, along with rising oil prices are expected to produce low-

er growth in subsequent quarters. However, continued demand for US goods from Asian economies, investment by the business sector and continued consumer spending - despite higher oil prices and interest rates - are expected to lead to a “soft landing” rather than a recession.

This scenario is anticipated to impact positively on the St. Lucian economy as continued increases in tourist arrivals

from the US is anticipated. Nevertheless, there is expected to be some contraction within the tourism sector, in light of expected declines out of the European market. However, brisk activity within the construction sector by the private sector and the central government is expected to contribute positively to growth in real value added, albeit lower than the growth of 5.8 percent experienced in 2006.



Hon. Ignatius Jean

This week (September 24th – 30th 2006) is being observed as Pesticides and Toxic Chemicals Awareness Week in St. Lucia.

The theme for the week: “Pesticides Registration, Facilitating Trade, Protecting Human Health and the Environment”

It is very pertinent as we, as a country, are deepening ties with our Caribbean trade partners under the Caricom Single Market and Economy.

Though many of the pesticides imported into this country are used in agriculture, we do have some non-agriculture use of pesticides, such as household products (mosquito repel-

ADDRESS TO THE NATION ON PESTICIDES AWARENESS WEEK HONOURABLE IGNATIUS JEAN, MINISTER FOR AGRICULTURE, FORESTRY AND FISHERIES SEPTEMBER 24 – 26, 2006

lents, cockroach and flying insect sprays). Many chemicals are used in the manufacturing industry and also in the hospitality sector.

We recognize that many chemical-based products are useful to society. We are aware also that most of these products pose risks to public health and our environment and therefore must to be regulated.

The pesticides registration process aids in ensuring, as much as possible, that the pesticides used in the country are safe and are managed effectively and responsibly.

All pesticides, I repeat all pesticides used in this country must be registered whether they are for sale or for non sale activity except for research purposes. I must also emphasise that such products must be registered before they are offered for sale or distribution.

The pesticides and toxic chemicals control board which was appointed under the ptcc act of 2001 is the entity responsible for registration and licensing of pesticides. My government is concerned about the number of pesticides that has either entered the country without license or registration or is being used on crops or for purposes other than what they were approved.

Developing countries such as ours generally targeted as market outlets for pesticides that are not allowed for sale in some developed countries, though

they may be manufactured there. At the same time, our agricultural produce may be prohibited from export to these same countries if these countries believe that we have used such chemicals in the production of the crops exported.

This is why the pesticides registration process is so important. It aids us in meeting the sanitary and phytosanitary requirements for trade while ensuring that the health and safety of the consumer, the farm worker or the environment is not compromised.

On the regional front, the Ministers on the Council for Trade and Economic Development (COTED) – adopted an agro-chemical management strategy for the Caricom countries. This strategy includes, among others, a harmonized registration system for the Caribbean, the establishment of dedicated agencies to implement and monitor pesticide management measures and a public education component.

St. Lucia has commenced the implementation of the agro-chemical management strategy. We are in the process of reviewing our legislation in consultation with state and non state parties to make provisions for a harmonized registration system and to capture other chemical agreements that our country is party to. New draft regulations have also been developed and these will be discussed with stakeholders at a con-

sultation on pesticides registration and legislation which will be held on Wednesday 27th September, observed as International Pesticides Awareness Day.

St. Lucia hopes to establish a pesticides control authority to regulate and monitor pesticide use and management in the country as well as to collaborate with similar entities in the region, to ensure that we trade on a level playing field and that our legislative instruments and standards are harmonized.

The food and agriculture organisation (fao) has been approached by St. Lucia to assist in the development of a national and regional web-based information system for pesticides and toxic chemicals. This would allow countries to exchange information and aid in the implementation of an effective pesticides monitoring program across the region.

In closing, I remind all the listeners that the protection of human health and the environment is a responsibility of everyone. Our personal and family health is at risk. Our natural resources, rivers, water supply, coral reefs, our biodiversity in general and the rest of our environment are exposed. I encourage you to participate in one way or the other in the pesticides awareness week of activities and remember, whether at home or on the farm, please use and dispose of pesticides wisely.

ENVIRONMENT MINISTRY GIVES OZONE AWARDS



Hon. Ferguson John

Local organizations and individuals who have played their part in preventing further damage to the ozone layer have been commended and awarded for their efforts by the Ministry of the Environment. The Ministry's recognition came at an awards ceremony held Saturday 16th September at the Bay Gardens Hotel—the day set aside each year to observe progress made towards protecting the ozone layer.

This year, the island celebrated World Ozone Day under the theme—“Staying Sun safe in St. Lucia.” The Ozone Layer is a fragile sheet of glass

that protects the earth from the sun's harmful rays. Addressing Saturday's exercise, Minister for the Environment, Honourable Ferguson John, said that as a result of the damage caused to the ozone layer by the emission of greenhouse gases, St. Lucians need to protect themselves from the sun's harmful ultraviolet rays. “Sunglasses and hats are no longer a fashion statement, and until the ozone layer completely heals let us keep those items as permanent wardrobe accessories.”

To date 190 countries have signed

onto the Vienna Convention for the preservation of the ozone layer and 189 countries have signed onto the Montreal Protocol on substances that deplete the ozone layer, making them the multi-lateral environmental agreements with the highest number of signatories. Minister John said that this provides a strong indication and global commitment to protecting the ozone layer.

“Destruction of the ozone layer is just one of the issues we as a developing country face in striking a balance between our cultural, social, economic

and environmental goals. Managing our limited environmental resources remains a constant challenge. Although we are currently taking steps to address climate change, it appears that the intensity and possibly the frequency of storms and hurricanes is increasing.”

The destruction of the ozone layer is said to be directly related to an increase in skin cancers, eye cataracts and weakening of the human immune system. Ozone layer depletion is also linked to reduced productivity in our marine ecosystems.

PUBLIC SECTOR MODERNIZATION

St. Lucia's Public Service is moving closer to becoming modernized following a workshop in which senior public sector managers met to chart the way forward. St. Lucia is seeking ways to integrate the efforts of public sector departments so as to ensure a more holistic approach to the modernisation of the sector.

The two-day public service retreat was held at the Sandals Grande last Thursday and Friday. The exercise was supported by the Caribbean Centre for Development Administration (CARICAD), an institution of CARICOM, which provides technical assistance to support member governments in their quest to improve efficiency through initiatives which seek to transform and modernize the

public sector. The organization holds the view that although modernization of public services in Caribbean territories is imminent, it should not just be a situation of taking out all of the old and replacing it with the new.

CARICAD's Executive Director, Jennifer Astaphan said, “There must be some question the public service must ask itself about. A poor person who comes to the service from Dennerly, who comes to the Ministry of Health for a particular service, requires the assistance of the Ministry of Labour and requires the Ministry of Community development, but must go back and make several trips to different departments. These are kinds of driving questions and sole searching questions that government ministries need to begin to ask themselves.”

One other issue which received sig-

nificant attention at the workshop was the role of politicians vis a vis that of administrators. According to the Secretary to the Cabinet of Ministers, Dr. James Fletcher, these roles need to be clearly defined. Addressing the workshop, he said that the relationship between politicians or policy makers and career public officers relies on practice and tradition and not on rules.

“And this is where much of the friction develops. There really are no clear cut rules as to what is the domain of the public officer, what is the domain of the politician, and because of that we have many incidences in the public service, all across the region—all around the world, and St. Lucia is no exception, where both parties look to establish their grounds, so to speak.”

Castries/Gros Islet Highway Project-Traffic Management

As part of the ongoing process of ensuring efficient traffic management, where the Castries- Gros Islet Highway project is concerned, the Ministry of Communications, Works, Transport and Public Utilities in collaboration with the Traffic department of the Royal St. Lucia Police Force, continues to put measures in place to ensure that traffic delays are minimized. Among those measures has been the promoting of alternative routes southbound from Gros Islet and for traffic heading into Gros Islet.

However, the diversion by motorists, particularly mini bus drivers around the Gable Woods Mall, is a practice which has been curbed. A police notice has been placed near the entrance of Gablewoods mall prohibiting entry to omnibus drivers.

The Ministry and the police are also calling on drivers to obey the speed limit along the course of the road-works. Due to the ongoing road works associated with the Castries Gros Islet Highway project, the speed limit there is now 15 MPH.

Motorist are also asked to take heed of the fact that for the most part only

“Single lane traffic” is allowed along the course and as such “No Overtaking” signs have also been placed on the highway. Drivers are also asked to proceed with caution when approaching road works areas and to pay attention

to the “SLOW DOWN” sign and all other signs posted along the route.

At some points along the route, curbs and lay-bys have already been constructed and drivers are therefore asked to refrain from stopping indis-

criminally and to use the curbs and bus stops where these are available. All efforts are being made to ensure the safety of pedestrians, motorists and workers and the greater cooperation and courtesy from all is required.



Work and traffic on a section of the Castries Gros Islet Highway

Community Health Nurses: “Gems” In Our Health Service

When the Diabetes Pilot Project was officially launched in May this year, community health nurses came in for high praise from Chief Medical Officer (CMO), Dr Stephen King, also from Dr. Romeil Daniel, a member of the Management Committee for the project and from Minister of Health, Damien Greaves. Dr. King described them as an “army of foot soldiers”; Dr. Daniel pointed out their unfailing commitment to ensuring the pilot’s success and Minister Greaves called them “gems” in delivering health care to the nation.

At a recent review session Dr. King noted: “Our nurses and our health professionals have really risen to the occasion and are pushing hard to ensure this pilot is a success. I want to commend you”, he remarked.

Indeed, these ladies in their white, sparkling uniforms, shine like precious jewels and stand out as a beacon of lights in their communities, much like Florence Nightingale – “the lady with the lamp” – did centuries ago and who emerged as a champion for the sick the world over.

“Community nurses have always understood their role not just in the diabetes pilot but in delivering the health care the people need,” remarked Mrs. Susannah Jolie, Principal Nurse Supervisor, Community Health, in her report to the review meeting. “We have many pressures and hiccups but still we rise and go beyond the call of duty with pride and professionalism,” Jolie remarked.

Today’s community health professionals do more than provide health care; they combine a number of roles into one: she is a leader, an educator, guidance counsellor, manager, advocate for her patients and a role model

and does all these while still providing the kind of homespun, folksy care that the community appreciates while maintaining the professionalism that is demanded.

There are nearly 200 dedicated “foot soldiers” within the community health system – including nurses/midwives, nurse practitioners, health aides and health centre attendants – who run clinics from health centres, visit patients at their homes and conduct outreach programmes in every community in St. Lucia. In some areas where there are nurse shortages - like Soufriere - it is not uncommon for one nurse to “merge clinics” splitting her time and expertise between two or three communities each week.

As far as the Diabetes Pilot Project is concerned, the community health nurses have been exemplary in assisting in the screening efforts. Apart from daily clinics at their centres they have organised special public awareness campaigns and outreach. Many are targeting men, a challenging group to reach. “On any given day, it is mostly women and children who seek services at the health centres”, Nurse Jolie explained, “and it is usually elderly men who come in. We want younger men to come in more frequently and in larger numbers.” In several areas nurses have held “men only” outreach programmes to focus on the need for men to empower themselves as regards their health care. These are always well attended and have been one of the more successful approaches. But Nurse Jolie says much more need to be done to convince men to access health care services.

The Diabetes Pilot Project provides free testing and free medication to persons diagnosed with diabetes. To date over 20, 000 persons have been screened. It continues until December 2006.

Saint Lucian Appointed Chief Surgeon at Famous Canadian Hospital

A St. Lucian doctor has been appointed as the Chief Surgeon at a world famous Canadian hospital. He is Dr. Michael A. J Alexander, who, on July 1 2006, was appointed the Chief Surgeon at the internationally renowned Shouldice Hospital in Thornhill, Ontario on the northern outskirts of Toronto. With a staff of 160, including 10 surgeons, the Shouldice Hospital was founded in 1945 by Dr. Edward Earle Shouldice and specializes in the repair of external abdominal wall hernias.

The SHOULDICE REPAIR developed at the Shouldice Hospital has for many years been regarded by surgeons as the “GOLD STANDARD” for the pure tissue repair of a hernia.

Dr. Alexander is the son of Sir Darnley Alexander and Lady Mildred and was born in Jamaica but when Sir Darnley was transferred to Nigeria in 1957,

Sir Darnley and his wife sent their two children to St. Lucia to live with his sister Majorie (now married to Leton Thomas) and to attend high school. At St. Mary’s college, Dr. Alexander’s contemporaries and classmates included McDonald Dixon, Msg. Patrick Anthony PABA Kent Hippolyte and Ronald “BOO” Hinkson with whom Dr. Alexander, a guitarist himself co-founded the Tru-Tones Musical Combo. Having obtained his Cambridge Higher School Certificate and after only a year with the Tru-Tones, Dr. Alexander left to attend medical school in Lagos, Nigeria and rejoin his parents.

After graduating in medicine with MB, BS, Dr. Alexander stayed on to do his internship at the Lagos University Teaching Hospital. The Biafran War was on at the time and even though he was not a Nigerian, the need for doctors was so great, Dr. Alexander was

selected and posted to the war front where he was appointed a Captain. The war ended while he was at the front lines and on his return to Lagos, partly because of these experiences, Dr. Alexander was awarded a place in the surgery training program at the Lagos University Teaching Hospital.

Dr. Alexander moved to Canada in 1971 and even though his medical training in Nigeria was fully recognized by the General Medical Council in Britain, Canada refused to approve it so Dr. Alexander had to repeat his internship and completely retrain in surgery, managing to get accepted for this at the University of Toronto and becoming a Fellow of the Royal College of Surgeons of Canada in 1976, (FRCSC). He shortly afterwards obtained fellowships in the American College of Surgeons (FACS) and the American Society of Abdominal Surgeons (FASAS).

Dr. Michael A. J Alexander

Construction of New Mental Health Facility on Target



Artist impression of the new mental health hospital

Health officials have expressed satisfaction with the progress of works on the new mental health facility located just off the Millennium Highway. Last Friday Health Minister Hon. Damian Greaves led a delegation on a tour of the construction site, to apprise pri-

marily representatives of the media who were present, on the status of the project.

According to Minister Greaves, this significant investment is a manifestation of the government's emphasis on mental health, which forms part of the twelve priority areas, in the national

health strategic plan. "Therefore we believe that this is a brilliant move to take it away from Golden Hope where it used to be with all the association of custodial care, with all the associations of discrimination and stigma labelling; we believe that reciting and also resizing it close to the new national hospi-

tal would be one step in the direction, one small step at least in the direction of removing the stigma mentally incapacitated."

The Minister also pointed out that the progress with the erection of the buildings was being complemented with positive developments in the administrative sphere. "We believe that we are on the right track and we are getting somewhere with this and while the physical structure is being dealt with, the programmatic direction, the programmatic policy, the programmatic thrust is also being taken into account. Right now the latest in this is that we have appointed a director of Mental Health Services."

The Thirty-three million dollar mental health facility occupies about 4.5 acres of land. It is being constructed by the Government of the People's Republic of China and is about 40% complete. It is scheduled to be operational by September 2007 and it will accommodate about one hundred and twenty patients, twice the number currently at the Golden Hope hospital.

NEW MENTAL HEALTH COMPLEX REFLECTS NEW POLICY

When the new Mental Health Hospital is completed, it will be an ultra modern facility reflecting Government's new direction on mental health care. Augustin Compton of the Ministry of Health who has special responsibility for the project outlined the Master Plan for the 33 million dollar facility. According to Compton, upon completion the hospital will consist of three main blocks.

"The major block is the administrative block, that will accommodate the medical staff and doctors offices and facilities. The in-bed high dependency

patients clinical areas, these are the patients who are critical in terms of their mental state of mind and you have four rooms on each level for patients who could be volatile that is patients who can be a danger to themselves or other patents or other users of the building."

The Administrative Block will also include a Pharmacy, Reception area, and Parking facilitators for staff and visitors. The second block, which is going to be a bridge linked to the administrative building, will consist of diagnostic centres, a radiology department, occupational therapy facilities, and the Assisted-Living or recovery building.

Compton explained that the third level, work on which has just started, will be for patients who are almost fully recovered from their illness. "The third level is for independent living; it is semi-independent because there will be a certain level of supervision from the staff, but these persons are persons who have recovered from level 2 which you call the half way level and they are ready to go back into the community. So you put them in the home setting; there are 2 levels there, so people live in community but they live on their own; they have their own cooking facilities, laundries facilities so they live more or less on their won."

Reintegration and Training In New Mental Health Policy

The newly appointed Director of Mental Health Services, Jennifer Joseph, says the new policy structure for mental health services places great emphasis on re-integrating patients into the community. According to Miss Joseph, delivering treatment at the community level will be one of the priority areas. "If a patient requires hospitalization he would receive it, but the community mental health team will be in contact with that persons to ensure that they return to the community for care."

She added that the new mental health facility was long overdue and hopes that the St. Lucian community will appreciate Government's efforts towards reforming mental health services.

"We know the current services are inadequate, the basis of treating within the hospital setting and sometimes people are left there and forgotten. The hope is that persons will begin to access care where it is needed and in a timely manner, that persons will receive adequate care with the professional help that will compliment all other services being offered through the hospital."

Meanwhile Health Minister Hon.



One of the units of the hospital under construction

Damian Greaves says that, in addition to the new mental health facility, health officials are in discussion with the Pan American Health Organization and the World Health Organization, to look at policies and strategic plans for mental health services. The Ministry is also upgrading its mental health administration and placing priority on the training of mental health personnel.

"In time to come you will see we will have an administrator for the new mental health facility, starting with

Golden Hope of course; there will have to be an upgrading of the position to be on par with other administrators of hospitals through out the health system; you will see now we have gone into the business of training mental health nurses; we also have to upgrade the business of the porters or handymen because they have to have the facility to be able to handle the patients but we are going to extend the programmatic shifts to a lot more training of our police officers."



THIS WEEK ON NTN

Sat. 23rd to Fri. 29th
September 2006

NTN – PROVIDING INFORMATION YOU NEED

In Memory of Her – Tribute to Dr. Patricia Ismon - Saturday 23rd September 12 noon.

Highlights Closing Ceremony – Sandals Cricket Academy - Sun. Sept. 24th 11:30 a.m.

Cricket Vectors Control - Mon. Sept. 25th 6:15 p.m.
Kiddiecrew - Tues. Sept. 26th, 7:30 p.m.

Danse Bele Martinique. - Wed. Sept. 27th 9:00 p.m.

It Can Happen To You - Thurs. Sept. 29th, 6:15 p.m.
National Ozone Awards

- Fri. Sept. 30th, 9:00 p.m.

Remember to tune in for: GIS News Breaks and Kweyol News daily from 6:30 p.m.

Konsit Kweyol/Mondays at 8:00pm:

Interview/Tuesdays at 6:15pm :

Issues& Answers/Tuesdays at 8:00pm

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.

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