



Three Decades of Foreign Investment in the  
Barbadian Private Sector  
1956-1984

Introduction

Developing countries depend heavily on foreign capital to supplement domestic savings. But the contribution of foreign investment to economic development depends on the economic activity to which it is applied. Poor countries prefer foreign capital to flow into activities which are most likely to boost their productive capacity. This is all the more important because current foreign investment will necessitate future outflows of investment income. A sectoral analysis of private foreign capital, the main task of this paper, is therefore an important plank of development policy.

In the next section we first show how the distribution of foreign capital has implications for the balance of payments and government policy. Then we explain that the pattern of distribution with respect to foreign investment and outflows of investment income since 1956 was determined by structural economic changes. Section two attempts an explanation of this distribution by an analysis of foreign investment inflows for each of the leading capital-importing sectors. Conclusions and policy implications follow.

Section 1

Private long-term foreign capital has direct and portfolio components.<sup>1</sup> Direct investment takes place when the investor attempts to secure or maintain total or substantial control of the enterprise<sup>2</sup>; the investment takes the form of equity capital, retained earnings and loans from the parent company. Direct investment may, in addition, involve the transfer of technology, management resources and marketing enterprise. Portfolio investment, on the other hand, assumes no attempt at control on the part of the investor. This type of inflow includes long-term loans and purchases of corporate bonds, offering the investor long-term returns and risk-diversification without the attendant problem of management.

Direct and portfolio investment may have quite differing implications for a country's payments position. A large portion of direct investment is equity which calls forth payments of investment income only when earnings are made. Retained earnings, moreover, represent income accruing to the investor which is reinvested in the host economy with no net immediate effect on the balance of payments. Loans, the largest component of portfolio investment, require regular payments to be made in the form of interest; this shows up as an outflow of investment income on the balance of payments. Therefore, the distribution of a country's external liabilities between equity (direct

investment) and debt (portfolio investment) can significantly affect its vulnerability to unanticipated changes in economic conditions.

Before 1980 observers in Barbados never fully appreciated the implications of private foreign capital for the external account. Local interest in foreign capital was largely confined to its ability to finance the current deficit. As long as there were enough receipts from services to keep the current deficit at a manageable level no importance was attached to how the link between the distribution of capital inflows and the resulting outflows of investment income affected external balance.

After 1980 things changed. Between 1981 and 1984 the economy experienced the most sustained recession on record falling cumulatively by 2.9%. The downturn was particularly harsh on the export sectors and put severe constraints on available foreign exchange. The current account deficit averaged \$102.5 million per annum compared to an average of \$72.3 million between 1977 and 1980. In addition the bankruptcy of the Caricom Multilateral Clearing Facility early in 1983 effectively froze over 60% of the country's reserves. It was during this period, when the external sector was so vulnerable that there were adverse shifts in the distribution of private foreign capital and investment income.

It is now quite evident that there were two sets of considerations which influenced the decision of the Central Bank to undertake short-term borrowing from 1980 and to tap the credit facilities of the International Monetary Fund in 1982. The decline in foreign exchange earnings is documented above; little has been said about the shift in the composition of foreign investment in the private sector and what is portended.

(a) Foreign Investment in the Private Sector

Prior to 1970 details on inflows of private foreign capital is limited to a few years. The only reliable data available on a continuous basis since 1956 concerns registrations of inflows of foreign capital by the monetary authority, first the Ministry of Finance and later the Central Bank. The usefulness of this data is limited, since registrations of foreign capital may occur at any time after it is actually in the country. But the information does allow some assessment of the trend and broad distribution of these flows. The data on registrations reveals three distinct periods of growth - 1956 to 1967, 1968 to 1979 and 1980 onward. The available statistics on actual foreign capital inflows correspond roughly to the trend in registrations, falling into three periods, each separated by structural economic changes.

During the first period the economy was still totally dominated by sugar both with respect to its contribution to Gross Domestic Product and its share of domestic exports. Sugar

attracted no foreign finance, if anything, the foreign participation in the industry was on the decline. Other private sector activities, mainly tourism, manufacturing and distribution attracted small amounts of capital. Watson [1974 p. 17] notes that foreign investment in 1955-1957 averaged \$3 million per annum, rising to \$10.1 million yearly by the mid-nineteen sixties. These early flows were mainly direct investment related to the establishment of branches and subsidiaries; market loans did not achieve significance until much later. Registrations of private foreign capital averaged \$1.1 million annually, with direct investment in real estate, accounting for 84% of the total.

In the next phase, 1968 to 1979, foreign capital for the private sector grew rapidly. Balance of payments data shows that net inflows averaged \$26.7 million per annum between 1970 and 1979. Average annual registrations reached \$17.2 million, over 15 times the number in the previous phase. This period was characterised by the decline of sugar and its replacement as the major export activity and income generator by manufacturing and tourism. These two sectors expanded swiftly, stimulating the development of non-traded activities and providing potential investors with a much wider range of possible ventures. Direct investment still dominated inflows, accounting for three-quarters of the total, but portfolio capital was gaining in importance. The direct investment now comprised mainly loans from the parent companies, with equal amounts from branch investments and retained earnings. Registration data

corroborates this trend, showing that the share of direct investment fell significantly.

From 1980 onwards foreign capital inflows assumed massive proportions, averaging \$53.3 million per annum. The non-traded sectors were now generating most of the national income. Rising disposable incomes brought higher living standards and stimulated a strong demand for energy, sophisticated communications and financial services; firms associated with these activities, especially the public utilities, attracted significant amounts of foreign capital.

As the economy diversified so too did the main types of foreign finance. Only fourteen percent of total investment was now direct investment. Recession in western industrial countries depressed direct investment and rising capital requirements forced many firms to resort to long-term loans. Registrations averaged \$73.9 million per annum, three-quarters of which was loan capital.

#### (b) Outflows of Investment Income

During the period 1970 to 1984 identified outflows of private investment income totalled \$340.4 million of which direct investment income accounted for sixty percent. Outflows rose sharply early in the 1970s before dropping off in 1974. In that year direct investment income - retained earnings, branch profits and dividends fell in response to the downturn in economic

activity. The manufacturing and distributive sectors which had absorbed substantial foreign investment declined in real terms by 4.7% and 4.8%, respectively. In 1975 even though economic activity fell further, manufacturing and tourism recorded enough growth to allow a recovery in direct investment income.

By the late 1970s portfolio investment income - mainly loan interest payments - gathered momentum and rose to 50% of total outflows. But it was from 1981 onward that direct investment income stagnated and portfolio flows expanded rapidly. In this period foreign investment was on the decline and the poor performance of the manufacturing sector did not allow much growth in income accruing to direct investors. As an increasing number of firms opted for long-term loans, interest payments doubled, fuelling a rise in portfolio investment income. These payments accounted for 59% of all investment income outflows between 1981 and 1984 and had to be met despite the severe cash flow problems which the country was experiencing.

## Section II

### (a) Sectoral Analysis of Foreign Investment

Even though there is enough data on aggregate foreign capital inflows since 1956 to allow some analysis it is only in the last decade that details on the sectoral distribution have become available. The statistics show that between 1977 and

1984 foreign capital was highly concentrated in a few sectors. Roughly two-fifths of the total inflows were absorbed by the public utilities while insurance companies generated another 20%. Most of the remainder was accounted for by oil companies (17.7%) and manufacturing (12%). Direct investment was dominated by manufacturing and oil companies which together accounted for 86.7%. Public utilities, oil companies, insurance companies and manufacturing generated virtually all the portfolio capital. Some leading sectors, notably sugar and construction, attracted little or no foreign finance.

The tendency for foreign capital in developing countries to be concentrated in relatively few activities - natural resources, manufacturing, light and power - has been noted in a number of studies (see for example Maddison [1970 pp. 218-220]). In order to understand why the distribution of foreign capital in Barbados follows the traditional pattern one must look more closely at the experiences of the economic sectors themselves.

### Public Utilities

Foreign ownership in the public utilities predates the start of our review period. A foreign presence was maintained during the next three decades and by 1984 these enterprises were two-thirds controlled by foreign (mainly North American) interests. Already in 1956 the Barbados Light and Power Company was a subsidiary of a U.K. concern. Between

1955 and 1960 the company raised \$4.2 million in London from the Colonial Development Corporation; these funds went towards the purchase of a new diesel generator and generally helped to enlarge capacity and increase distribution. In this early period the stock of the Telephone Company was largely under the control of a local holding company which provided most of its current financing. Continental Telephone of Canada acquired majority control of the firm in 1966 and between that year and 1974 provided all of its investment funds.

Sustained inflows of foreign capital for these concerns started in 1967. For the next twelve years the public utilities borrowed \$72 million or \$5.6 million yearly. Barbados Light & Power Company purchased generating, distribution and sub-station equipment. Three quarters of this company's funds were raised in the U.K., with the rest coming from North America. The Telephone Company built a new Headquarters, expanded services in the rural districts and retired some local debts. At first finance was provided by the parent company but as the 1970s progressed for the first time the company tapped market sources in Canada and the U.S.

A lot of the expansion undertaken by these firms at that time resulted from the increased demand for services from both residential and commercial users. This period is described by Nurse [1983 p. 31] as the latest phase in the subdivision history of Barbados when during the years 1965 to 1977 some

16266 new homes were constructed. Moreover, rapid economic growth in tourism and manufacturing was placing additional pressure on the companies' available capacity.

Between 1980 and 1984 borrowing by the public utilities took on a magnitude which was unprecedented in the history of Barbados. Foreign capital inflows totalled \$193.5 million - \$38.7 million per annum or 71% of all inflows in this period. By this time telephone and electricity services were generally available to most consumers, except those in the most remote areas of the country. The expansion by the companies was instead related to an upgrading of services in order to accommodate more sophisticated consumer patterns and to reduce operating costs. Barbados Light and Power Company invested substantial amounts in a new fuel-efficient diesel plant and in a project to complete rural electrification. Funds for these projects were provided by the Swiss makers of the plant as well as by private banks and international lending agencies in Canada and Europe. The Telephone Company introduced the digital system, direct dialling on international calls and repaid some outstanding foreign debt which was fetching very high interest rates. Financing was provided by commercial banks and other lending institutions in Canada and the U.S.

#### Manufacturing

Foreign investment in manufacturing started late in the 1950s when the then Development Board started to offer incentives to

foreign investors. This was an early attempt to reorient the economy away from the dependence on sugar by employing the Lewis model which had been tried in Puerto Rico. The major attraction of the 1958 Pioneer Industries Act was the seven year exemption from taxes on profits; by 1963 this exemption had been raised to ten years. This was enough to attract four firms which went into construction and the manufacture of textiles, clothing and food. For the next five years (1964-1968) foreign investment in manufacturing averaged about \$900,000 per year, all direct investment capital. During this period most of the funds were for the manufacture of textiles and miscellaneous goods as well as food processing. These activities were undertaken by almost three-fifths of the foreign firms which were attracted to the country in the phase; another 12% of the firms made basic metal products.

Between 1957 and 1968 sugar earnings stagnated, rising only in 1963. The efforts to diversify the economy were intensified when in 1969 the Industrial Development Corporation was set up specifically to attract foreign manufacturers. In that year, too, a ten year tax holiday was granted to manufacturers selling their total output outside Caricom - the so-called "enclave enterprises". The increased promotional activity benefitted from the generally buoyant world economy. Also, major strides towards regional integration in 1968 [Carifta] and 1972 [Caricom] rationalised the whole process,

allowing a more efficient use of fiscal incentives. Not surprisingly, average foreign investment per year grew to \$1.2 million between 1969 and 1972/73.

By the mid-1970s, the tax holiday was broadened to include dividends and interest payments. Later incentives included depreciation allowances, duty concessions on imports of raw materials, machinery and equipment and the provision of factory space. Between 1976 and 1984 foreign capital in manufacturing peaked averaging about \$10 million per annum; however, towards the end of this period world recession caused inflows to stagnate and some capital flight was blamed on uncompetitive wage rates.

Available data indicates that during the most recent period 15 firms were involved in the manufacture of electronic components, accounting for \$9.6 million in foreign capital; \$4.2 million was supplied by the 16 enterprises involved in the making of clothing. Chemicals, and to a lesser extent, food, beverages and miscellaneous manufactures attracted most of the remainder. By this time direct investment in manufacturing had lost some importance, accounting for only 57% of all inflows. The electronic components sub-sector attracted substantial branch investments but also resorted to long-term loans. Other major branch investments were in chemical production but garment makers borrowed heavily from market sources.

The distribution pattern within the manufacturing sector was determined by a number of factors. Foreign investment was highly correlated with the number of enclave firms in a sector. These enterprises required Central Bank permission to borrow funds from local banks and most of their capital came conveniently from abroad. Another reason why enclave enterprises accounted for so much of the foreign capital was because of deliberate Government policy. Whitehall [1984, p.9] notes that this entailed attracting foot loose activities which "...would not need to locate near the market or the source of their raw materials".

It has always been said that comparatively cheap labour is one of the major attractions which third world host countries hold for foreign investors. Not surprisingly, a large portion of foreign investment in the manufacturing sector was in labour-intensive activities. Cox provides data on the factor intensities in the manufacturing sector during the 1970s (See Worrell (ed) 1982 p.59). It shows that textiles, miscellaneous manufactures, metal products and assembly type goods were among the more labour-intensive items; these groups accounted for nearly 78% of total investment in manufacturing between 1976 and 1984.

There is some debate about the influence of industrial incentives on foreign investors. Most recent evidence suggests that while incentives alone may not attract investors, they

may reinforce other features which are favourable to investment. For example, enclave enterprises may have started operations in Barbados because of the literate workforce, proximity to the U.S., good infrastructure and so on. However, they would hardly have ignored the fact that the ten year tax holiday extended to these enterprises is the most generous for any type of foreign investment in industry.

Based on data available since 1977 it is possible to make statements about the ownership pattern in the manufacturing sector. Foreign ownership was most pronounced in the metal products group, which includes electronic components, where on average 83% of the firms had at least 25% foreign ownership. Other sub-sectors which attracted substantial foreign participation were chemicals, furniture and textiles which had between 54% and 67% foreign ownership. Construction materials and basic metal products showed no noticeable control by foreigners. U.S interests were most evident in the electronic component group while investors from the U.K and Europe showed more interest in chemicals. Caribbean interests were spread over a much wider range of activities including food, beverages and tobacco, textiles and furniture.

#### Distribution

The distributive sector was among the earliest to attract the attention of foreign investors. By 1956 major

foreign oil companies had already established branches in the island. For most of the time these operations were purely distributive, with one firm operating a refinery, but during the 1970s the search for local oil started. All told, between 1977 and 1984 the oil companies generated foreign capital inflows totalling \$75.5 million. Over 90% of these funds went towards exploration and refining and was in the form of long-term loans raised in the United States. The exploration for crude oil was prompted by government's desire to reduce the country's oil bill at a time of rising oil prices and a near total dependence on foreign crude. Those funds which went towards the distribution of petroleum products were all continuing direct investments in branches by their Head Offices. The growing incidence of private car ownership and the use of modern appliances raised the demand for petroleum products and reinforced the confidence of foreign principals in the local branches.

The non-oil distributive sector also has a history of foreign penetration which predates our review period. Most of the early arrivals were direct investors from the U.K., with a small U.S. presence; but several large regional firms came as well. During the 1960s and 1970s most direct foreign investment in the sector came from the Middle East and the Indian sub-continent. Since 1977 Trinidad and Tobago, Guyana and the U.K. have been the prime sources of foreign investment in non-oil distribution. In that period distribution accounted

for a total of \$6 million in foreign capital. Most of it was in the form of long-term loans but there was still sizeable participation by parent companies. The overwhelming majority of capital was for dry-goods operations, with other measurable amounts going to car dealerships and jewellers. The data for the last eight years indicates that between one quarter and thirty percent of the distributive sector have foreign ownership of at least 25%.

#### Tourism

The Hotel Aids Act [1956] was the earliest attempt in our period to develop the tourism industry. Phillips [in Worrell (ed) 1982] indicates that this Act exempted building materials and equipment for hotels from customs duties; it also permitted a seven-year tax holiday for some establishments (p.112). Watson [1974] notes that a lot of private foreign capital between 1955 and 1967 was direct investment in tourism. Between 1963 and 1970 the expansion in hotel plant was dominated by the 25% annual growth in luxury accommodation, which was largely foreign-owned. Phillips links the construction of these large luxury establishments to the introduction of the incentives [See Phillips op.cit. p.121].

By 1970 North American and U.K. interests controlled a large proportion of the available capacity. Watson estimates

that foreigners controlled 42% of the tourism accommodation but in the area of hotel accommodation, which dominated the number of larger rooms 64% was under foreign control. During the 1970s tourism benefitted especially from the expansion in world travel and additional official promotion. By this time however the Barbados Development Bank was increasingly providing loans to locals for investment in the industry. Moreover, the emphasis shifted from providing luxury accommodation to the construction of apartments and apartment hotels which were cheaper to erect but did not find favour with foreign investors. After 1980, the economic downturn in major industrial countries led to a decline in tourist arrivals and chronic excess capacity.

Accordingly, between 1977 and 1984 foreign capital made available to this sector averaged only about \$1.4 million per annum, most of it long-term loans. The majority of it came after 1980 at a time when the industry was hard-pressed to meet its financial obligations; there was little direct investment. Just over half of the establishments now boasted at least 25% foreign ownership. However, luxury accommodation was 100% owned by foreigners, mainly from the U.K. and North America.

### Insurance

There has always been a foreign presence in insurance. The importance of foreign trade to Barbados assured companies offering freight insurance of ready business. At first the activity was left almost entirely to foreigners but by 1984 there

was also a number of locally-owned concerns. During the 1970s rising per capita incomes and the expansion of business activity and international trade facilitated a rapid growth in the number of foreign companies. The increased demand for mortgages was particularly attractive to those concerns selling life policies which were often required as security against housing loans.

Between 1977 and 1984 capital inflows attributed to foreign insurance companies amounted to 20% of the total. Very little of this was direct investment, in the form of equity and undistributed earnings. The vast majority represented portfolio investment especially long-term loans to residents. A breakdown of total investment by foreign insurance companies shows that roughly three-quarters went towards mortgages and policy loans. These two groups grew rapidly late in the period [1982-84] as tight liquidity conditions reduced the credit available from other traditional sources. Most of the remaining investment by foreign insurance companies represented real estate purchases.

During this period (1977 to 1984) there were no less than 21 and as many as 25 foreign insurance companies operating in Barbados. Roughly one-third was registered in the U.K., a result of old colonial ties, and one-fifth came from the Caribbean, mainly Trinidad and Tobago; the majority of the remainder were from North America.

### All Other Activities

Other activities in which there has been a tradition of foreign investment include telecommunications, banking, the news media and air travel. Throughout the period banking was substantially controlled by interests in the U.K. and Canada; during the last 20 years three American banks came but by 1984 only one remained. The failure of US banks in Barbados perhaps highlights the widely-held belief that very few individuals and businesses are likely to change bankers. In 1983 the first Caribbean bank came from Trinidad and Tobago and there was one new arrival from the Far East. Today banking is 88% controlled by foreigners.

For most of the time since 1956 telecommunications were under the control of a leading U.K. firm but in 1984 some equity was sold to the Barbados Government. Apart from the government-owned radio station the news media were virtually under the control of foreigners until quite recently. The substantial foreign interest in this area was reduced in the early 1980s when one newspaper and a radio station were purchased from their British owners by locals. Up to 1970 air travel was exclusively handled by foreigners; in that year government entered into a joint venture with an airline based in the U.K. Since then an increasing number of new airlines has operated from Barbados but only the very smallest ones are locally-owned.

### (b) Distribution of Outflows of Investment Income

From 1977 a detailed analysis of the distribution of investment income payments becomes possible. During those eight years one third of the outflows was dividend payments to major shareholders, with another 30% going to interest on market loans; interest paid to parent companies accounted for 16.1%. Retained earnings accounted for the smallest share of income payments.

Public utilities made 40% of the payments - 22% of the direct investment income and three-fifths of portfolio income. Substantial foreign borrowing at high interest rates explained the Public Utilities' dominance of loan interest. Direct income payments by these enterprises were largely dividends to major foreign shareholders. The distributive sector made payments to shareholders, which accounted for just below one-tenth of all outflows; payments by oil companies were mostly to parent companies and amounted to little of the total.

Manufacturing firms were by nature more closely associated with direct investment income, accounting for almost 27% of these flows. These enterprises were responsible for about half of all retained earnings and most of the dividends paid to major shareholders. Dividend payments by hotels made up most of the tourist sector's share in the total. Interest payments by commercial banks to their Head Offices amounted to almost another eleven percent.

(c) Possible Determinants of Foreign Investment

Based on what is known about the individual sectors since 1977 it is possible to offer a summary explanation of the distribution of private foreign capital. Somewhat less than 90% of the direct investment was absorbed by manufacturing and the distribution of oil. This seems to indicate that direct investment capital was highly correlated with activities which were:

- (1) labour-intensive (textiles, electronics, miscellaneous manufactures)
- (2) export-oriented (textiles, electronics).
- (3) benefitting from unusually attractive industrial incentives (textiles, electronics).
- (4) rapidly expanding (textiles, electronics, oil distribution).
- (5) restricted in borrowing from local banks (textiles, electronics).

The sectors which accounted for most of the portfolio capital exhibited the following characteristics:

- (1) rapid growth (public utilities, oil exploration, insurance).

- (2) government support or guarantees (public utilities, oil exploration, manufacturing).
- (3) massive capital requirements (public utilities, oil exploration)
- (4) economic recession (manufacturing).

Conclusions and Policy Implications

This paper has tried to show why since 1956 foreign capital inflows for the private sector have been highly concentrated in a few sectors. Late in the same time period, the composition of investment shifted from direct to portfolio capital, the majority of which was long-term loans. This in turn resulted in a rapid rise in outflows of investment income which have compounded payments problems.

The decline in direct investment does not augur well for the manufacturing sector, traditionally the largest recipient of these flows. Until the world economy revives one can expect the manufacturing base to expand very little. In the short term, too, there is little opportunity to redirect the sector away from a dependence on a narrow range of commodities. The manufacturing activities which attracted most of the capital are dominated by enclave firms which are rather labour-intensive. While this may allow Barbados to maximise the use of a large and literate work force it may also increase the number of screwdriver-type

operations which minimise technology transfers. If this trend persists then the manufacturing sector would have done little to change the structural dependence of the economy.

Another area of concern is the magnitude of long-term loans contracted by the public utilities and oil drilling concern in the early 1980s. This means that for some time in the foreseeable future payments of investment income will make a first call on available foreign exchange. Already payments of principal have reduced net private sector borrowing to insignificant levels. The solution to this problem is to earn enough foreign exchange to cover these liabilities. But that solution requires that foreign inflows go, in the first place, to those activities which enhance the country's earning capacity.

#### Footnotes

1. For a detailed treatment see International Monetary Fund Balance of Payments Manual, 4th Edition, 1977, paragraphs 385-386, 408-409 and 412.
2. Foreign capital is considered to be direct investment, for balance of payments purposes, when it affords the investor at least 25% ownership of the enterprise.

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	(a) Registration of Private Foreign Investment	(b) Actual Inflows of Private Foreign Investment
	\$M	\$M
1956	0.2	3.8
1957	-	n.a.
1958	0.2	n.a.
1959	0.4	n.a.
1960	0.5	n.a.
1961	1.6	n.a.
1962	1.3	n.a.
1963	0.5	n.a.
1964	1.3	8.4
1965	1.1	3.5
1966	2.5	18.3
1967	3.5	n.a.
1968	10.5	n.a.
1969	7.1	n.a.
1970	14.0	26.5
1971	15.0	37.1
1972	8.3	36.0
1973	22.9	14.2
1974	34.7	6.3
1975	18.3	50.9
1976	33.2	40.8
1977	19.3	29.8
1978	13.9	11.4
1979	9.5	13.8
1980	30.5	24.3
1981	62.1	106.5
1982	86.9	55.4
1983	120.2	46.0
1984	70.1	34.2

Sources (a) Central Bank of Barbados - Digest of Foreign Exchange Statistics, June 1985.

(b) Central Bank of Barbados - Balance of Payments. Beverley Weston, op. cit;

Note: n.a.: indicates not available.

Table 2  
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TOTAL PRIVATE FOREIGN INVESTMENT

(\$000)

	1977	1978	1979	1980	1981	1982	1983	1984	Total 1977-84
Public Utilities	2,050.9	1,921.3	1,810.3	9,989.8	61,272.2	26,143.4	53,589.9	26,710.9	183,479.7
Distribution	47.6	884.2	2,806.6	1,290.0	434.4	820.8	423.2	-559.3	6,147.5
Oil Companies	1,140.7	-332.6	4,908.8	35,668.2	31,608.0	2,978.4	-554.0	-	75,417.5
Manufacturing	6,361.0	1,478.8	9,876.3	5,794.4	12,353.3	8,648.4	3,309.8	3,760.2	51,582.2
of which Food, Beverages	514.8	347.0	274.6	723.5	-75.7	297.8	-1,078.3	524.9	1,528.5
Textiles	-293.7	-	4,493.1	-	1,306.4	1,165.8	1,609.6	2,191.3	10,472.3
Chemicals	4,569.6	165.3	1,103.5	20.0	900.6	1,573.6	1,583.4	165.0	1,080.9
Wood, Furniture, etc.	180.0	-55.4	-46.6	-	25.0	-	-	-	103.1
Non-Metallic Mineral Products	38.9	-	-	-	-	-8.5	-	-	30.4
Basic Metal Products	6.0	-	-	-	-	-	-	-	6.0
Metal Products & Assembly Products	1,225.4	-	4,964.1	5,050.9	9,657.0	5,079.7	655.1	750.1	27,382.4
Miscellaneous Products	120.0	1,021.9	-912.4	-	540.0	540.0	540.0	128.9	1,978.4
Hotels	489.4	769.1	585.7	1,789.9	3,433.3	1,530.0	-	2,162.6	10,760.3
Real Estate	82.9	97.8	83.6	-	-	-15.0	-	-	249.3
Sugar	-	-	-	-	-	-	1,500.0	-	15,000.0
Insurance	6,248.4	7,980.8	8,412.5	-2,717.6	8,946.7	25,527.9	26,464.9	33,255.0	114,118.6
Total	16,420.9	12,799.4	28,483.8	51,814.7	118,047.9	65,634.2	98,223.8	65,320.4	456,755.1

Source: Central Bank of Barbados, Balance of Payments Survey.

Table 2  
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PORTFOLIO INVESTMENT

(\$000)

	1977	1978	1979	1980	1981	1982	1983	1984	Total 1977-84
Public Utilities	2,058.9	1,921.3	1,810.3	9,451.4	61,272.2	26,143.4	50,250.7	27,951.9	180,860.1
Distribution	3.0	42.3	2,357.8	721.0	417.0	73.7	314.2	623.5	4,553.0
Oil Companies	-	-	5,527.7	36,284.4	26,744.9	-	-	-	68,557.0
Manufacturing	2,281.1	120.1	6,312.3	5,539.0	-166.4	3,332.9	1,749.8	3,067.9	22,236.7
Hotels	489.4	769.1	585.7	1,061.9	2,848.4	1,530.3	-	2,162.6	9,447.4
Real Estate	82.9	97.8	83.6	-	-	-15.0	-	-	249.3
Sugar	-	-	-	-	-	-	15,000.0	-	15,000.0
Insurance	4,278.1	6,476.2	5,025.8	-1,292.9	8,030.9	23,841.2	24,659.6	31,150.7	102,169.6
Total	9,193.4	9,426.8	21,703.2	51,764.8	99,147.5	54,906.5	91,974.3	64,956.6	403,073.1

Source: Central Bank of Barbados, Balance of Payments Survey.

DIRECT INVESTMENT

(\$000)

	1977	1978	1979	1980	1981	1982	1983	1984	Total 1977-84
Public Utilities	-8.0	-	-	538.4	-	-	3,393.2	-1,250.0	2,619.6
Distribution	44.6	841.9	448.8	569.0	16.9	747.1	109.0	-1,182.8	1,594.5
Oil Companies	1,140.7	-332.6	-618.9	-616.2	4,863.1	2,978.4	-554.0	-	6,860.5
Manufacturing	4,079.9	1,358.7	3,564.0	255.4	12,519.7	5,315.5	1,560.0	692.3	29,345.5
Hotels	-	-	-	728.0	584.9	-	-	-	1,312.9
Real Estate	-	-	-	-	-	-	-	-	-
Sugar	-	-	-	-	-	-	-	-	-
Insurance	1,970.3	1,504.6	3,386.7	-1,424.7	915.8	1,686.7	1,805.3	2,104.3	11,949.0
Total	7,227.5	3,372.6	6,780.6	49.9	18,900.4	10,727.7	6,259.5	363.8	53,682.0

Source: Central Bank Balance of Payments Survey.

Table 3

Outflows of Private Investment Income

(\$ Million)

	1977	1978	1979	1980	1981	1982	1983	1984
Public Utilities	6.8	7.2	6.6	6.9	9.5	17.4	16.2	17.6
General Distribution	2.3	3.7	1.2	1.6	3.3	3.6	3.6	2.3
Oil Companies	-	0.4	1.4	-	7.5	3.1	1.6	3.5
Manufacturing	3.9	0.6	4.7	6.2	4.9	5.5	5.6	4.2
of which Food & Beverages	0.5	0.3	-	0.1	0.3	1.0	1.5	1.0
Textiles	-	-	4.2	1.2	1.3	3.1	3.2	2.6
Furniture	0.1	-	-	-	0.1	0.6	-	0.1
Chemicals	3.3	0.2	0.8	1.3	0.1	0.5	0.5	0.5
Non Metallic Mineral Products	-	-	-	-	-	0.2	0.1	-
Basic Metal Products	-	-	-	-	-	-	-	-
Metal Products & Assembly Goods	-	-	-	-	-	0.1	0.2	-
Miscellaneous Products	-	0.1	-	3.6	3.1	-	0.1	-
Tourism	1.1	0.9	0.8	-	2.5	1.7	0.9	0.1
Real Estate	-	-	-	0.1	-	0.1	-	-
Commercial Banks	4.4	n.a.	3.4	2.9	3.5	2.8	2.4	4.3
Other	1.4	2.2	5.5	2.4	2.9	3.2	4.7	6.5
Total	19.9	15.0	20.6	20.1	34.1	37.4	35.0	38.5

Source: Central Bank of Barbados, Balance of Payments Survey.