



Development Planning Unit

Government of the British Virgin Islands

## The National Economy

The British Virgin Islands have an extremely open, export services oriented economy spread out over 60 small islands with a population of approximately 19,000 giving a per capita income of approximately \$15,600. With tourism and international financial services being the leading sectors, information and communications play a critically important role in the production of export services where the client essentially comes to the production site. As supporting sectors transport and communication play significant roles supportive to two of the world's most competitive industries - tourism and financial services.

Over the past two years, tourism has recovered from noticeable drops suffered as a result of the Gulf War and the recessions in the industrial northern states of America. As well, the financial services sector has continued its explosion started in 1988, generating almost the same amount of national receipts as tourism. It is estimated that in 1995 balance of payments current account receipts from financial services amounted to \$193mn while tourism receipts amounted to \$213mn. However, financial services provided approximately \$45mn or roughly 45% of Central Government revenue during 1995. Meanwhile other economic sectors such as construction, energy and government with positive linkages to the service producing sectors continued to expand in a supportive role.

As is characteristic of most small island countries, the marine and coastal resources, our prime tourism assets, are significantly more extensive and more engaged than any other endowed natural assets. Economic and population growth, mainly over the past two decades, have placed considerable pressure on our natural assets. With our services oriented economy growth faster than the local population, it became necessary to accommodate a large flow of immigrants. In an efforts to achieve balanced and sustainable growth, government has decided to review its overall and sectoral strategies as part of a programme for diversification into other productive areas, and to reduce the heavy dependence on tourism and financial services.

In view of the country's narrow productive base and susceptibility of the tourism industry to uncontrollable external developments, the main diversification strategy was to turn to international financial services to utilize our available human resources in a rational, efficient and sustainable manner. The desire has led to the development of a medium-term strategy encompassing economic, social, spatial and environmental components in an integrated manner. This is where national development of our socio-economy is today.

ISIC	0	COMPENSATION OF EMPLOYEES	NET OTHER TAXES ON PRODUCTION	CONSUMPTION OF FIXED CAPITAL	MIXED INCOME & OPERATING SURPLUS	GROSS VALUE ADDED
0	Not Stated	0	0	0	47,878	47,878
A	Agriculture, hunting and	108,254	0	0	1,928,485	2,036,739

	forestry					
B	Fishing	600,848	0	118,367	3,924,851	4,644,066
C	Mining & quarrying	213,815	0	98,761	453,992	766,478
D	Manufacturing	2,584,568	150,710	389,077	965,489	4,089,844
0	0	0	0	0	0	0