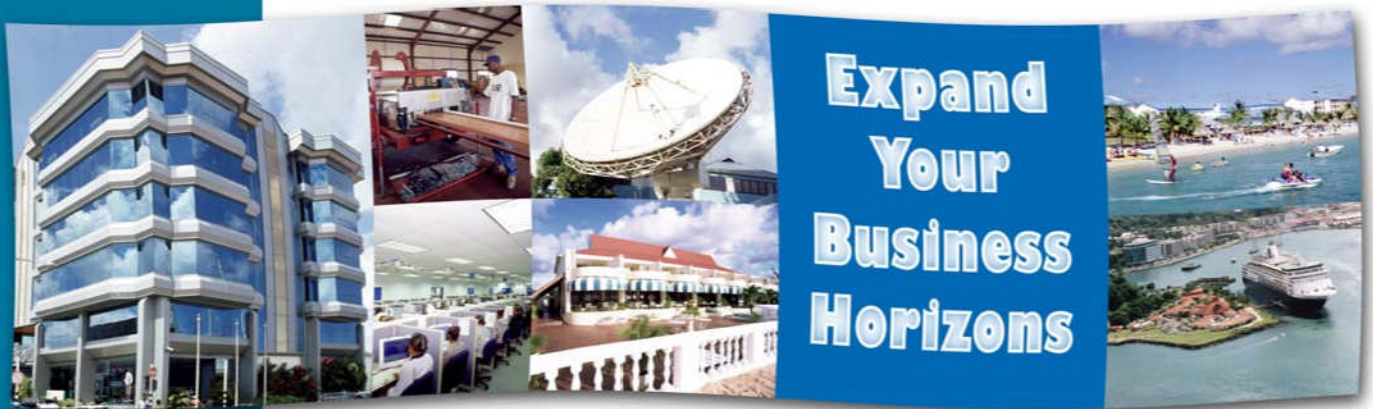


A Guide to Investing In St. Lucia



**Expand
Your
Business
Horizons**

**Tourism
Agriculture
Manufacturing
Financial Services
Information Technology**

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1.0 COUNTRY PROFILE

STATUS	:	Independent (22 February, 1979)
CAPITAL	:	Castries
NATIONALITY	:	Saint Lucian
OFFICIAL LANGUAGE	:	English
LOCAL LANGUAGE	:	A French based patois is widely spoken
TIME ZONE	:	EST+1; GMT-4
CURRENCY	:	East Caribbean Dollar (EC\$)
		Exchange Rate to the US\$: US\$1 =EC\$2.70

1.1 GEOGRAPHY

LOCATION	:	One of the Windward Islands located between Martinique (21 miles to the north) and St Vincent (26 miles to the south). It is 110 miles north east of Barbados.
AREA	:	616 sq km (238 sq miles)
TOPOGRAPHY	:	Mountainous, intersected by numerous short rivers, Highest peak is Morne Gimie 959m (3,145 ft). Broad fertile valleys.
CLIMATE	:	Mild with almost constant northeast trade winds. Mean temperature 28°C (82°F). The dry season is from December to May, and the rainy season, from June to November.
TERRITORIAL WATERS	:	Claimed limits of 12 nautical miles (22.2 km)

1.2 POPULATION

TOTAL POPULATION	▪	156,260 (July 2000, est.)
POPULATION DENSITY	▪	720 per sq mile (277 per sq km)
ANNUAL GROWTH RATE		1.21% (2000 est.)
UNEMPLOYMENT	:	15% (2000)
REPRODUCTIVE RATE	:	22.19 per 1000 (2000 est.)
ADULT LITERACY	:	72.8% (1992)
LABOUR FORCE	:	43% of population
ETHNIC DIVISIONS	:	Mainly African, East Indian and European descent

1.3 GOVERNMENT

St Lucia is a constitutional monarchy. Executive power is vested in the British sovereign as Head of State, represented in St Lucia by the Governor General who is appointed on the advice of the Prime Minister. The Prime Minister must have the majority support of the House, to which the Cabinet is responsible. Parliament exercises legislative power.

1.4 EDUCATION

St Lucia has five levels of education: pre-school, primary (universal), secondary, tertiary and adult. Primary education is free and compulsory, secondary education is also free. The stipulated compulsory school age in St Lucia is 5-15 years. There are industrial, technical and teacher training institutes, a branch of the University of the West Indies (UWI), and an adult literacy programme.

The structure of the formal educational system is defined in terms of levels, ages, grades, and administrative units as follows: Pre-school (below age 5), Infant (ages 5-7), Primary (ages 8-15), Secondary (ages 12-17), Post secondary and Post Compulsory School age 17+.

There are 82 primary schools and 18 secondary schools. Tertiary education is provided almost exclusively by the Sir Arthur Lewis Community College (SALCC).

The administration of the formal education system is run almost entirely by the State through the Ministry of Education, Human Resource Development, Youth and Sports. All educational institutions falling under the administration of the Ministry are non-fee paying.

1.5 SECURITY AND DEFENCE

The Royal St Lucia Police Force is responsible for ensuring civilian protection and defense. St Lucia is a relatively safe country with moderate crime levels. However, nationals and non-nationals must take the necessary precautions to protect themselves, and secure their assets from criminal acts of assault, vandalism, burglary etc.

1.6 NATIONAL HOLIDAYS

New Year's Day	January 1
New Year's Holiday	January 2
Independence Day	February 22
Good Friday	Date varies
Easter Monday	Date varies
Labour Day	May 1
Whit Monday	Date varies
Corpus Christi	Date varies
Emancipation Day/National Heroes Day	August 1
Thanksgiving	First Monday of October
National Day	December 13 December
Christmas Day	25 December 26
Boxing Day	on the following Monday)

(Holidays that fall on a Sunday are observed

1.7 ST. LUCIA'S ECONOMY

	1995	1996	1997	1998	1999
	US\$	US\$	US\$	US\$	US\$
GDP (Market Prices) (Million)	554.00	571.30	574.52	619.46	674.15

Per capita GDP (US'000)	3.81	3.88	3.84	4.07	4.38
Domestic Inflation Rate	5.90%	0.90%	(0.00)	2.8%	3.5%

Main Economic Sectors as a % of GDP

Tourism	13.1%	
Agriculture	7.2%	
Manufacturing	6.2%	
Construction	9.4%	
Other	64.1%	(includes distributive trade, banking and insurance, utilities, transport, other services).

Main Exports

- Bananas
- Paper paperboard Products
- Electronic/Electrical Products
- Processed Foods
- Apparel and Textile

Main Trading Partners

Exports: UK, Other Europe, USA, Caricom
Imports: USA, Caricom, UK, Japan, Other Europe, and Canada

2.0 LABOUR & LABOUR LEGISLATION

2.1 LABOUR LAWS

The Contract of Service Act #14 of 1970 sets guidelines for employment of persons, dismissal and payment of severance and other benefits.

2.2 HOURS OF WORK

Forty (40) hours per week (8 hours per day, 5 days a week)

2.3 OVERTIME

Over 40 hours per week	- Time and a half
Sundays and legal public holidays	- Double Time

2.4 SEVERANCE PAY

An employee must complete 104 weeks of work before being eligible for the following severance benefits:

First three years	- One week/year
Four to seven years	- Two weeks/year
Over seven years	- Three weeks/year

2.5 VACATION

Monthly paid workers are entitled to 14 working days vacation after one year.
Daily and fortnightly paid workers are entitled to 14 working days vacation after 150 days.
After 5 years of employment 21 working days vacation per year.

2.6 MINIMUM EMPLOYMENT AGE

The minimum employment age is sixteen. If an employee is below this age, the employer is required to keep a juvenile register. Education is mandatory, until the age of fifteen.

2.7 DISMISSAL

Dismissal can be without notice within the first 12 weeks thereafter:

12 weeks - 2 years	- 1 week notice
2 years - 5 years	- 2 weeks notice
5 years - 10 years	- 4 weeks notice
10 years and above	- 6 weeks notice

Dismissal due to repeated negligence, lack of skill, willful disobedience, misconduct, illegal activity, or absence from work without reasonable excuse does not require notice.

2.8 MINIMUM WAGE

St. Lucia is in the process of formulating minimum wage legislation. Average wages vary according to the type of industry and the nature of the job. The following are examples of average wages in major industries:

Tourism Industry	US\$2.20 - \$3.15/hr.
Manufacturing Industry	US\$1.50 - \$3.17/hr.
Agriculture, Hunting & Forestry	US\$2.00 - \$2.85/hr.
Information Technology	US\$1.72 - \$3.85/hr.

Labour Department (Ministry of Legal Affairs, Home Affairs and Labour)

The Mission of this Department is to promote and maintain a stable and harmonious industrial relation climate and provide employment services to the Community. Principal areas covered by the Department include: Labour and Industrial Relations and Occupational Health and Safety. The contact particulars for the Labour Department are as follows:

Labour Department
Barnard Hill
Castries, St. Lucia
Tel: 1 758 452 3602 Fax: 1 758 451 8735

National Insurance Scheme (NIS)

The National Insurance Scheme is similar to Social Security in the United States. Every employer and his employees must be registered with the NIS Office. Contributions to the NIS totals ten percent (10%) of wages. Five percent (5%) to be paid by the employee and 5% by the employer. The maximum payable by an employer for an employee is US\$92.00. In the event of absence from work due to illness, maternity and accident, the NIS pays sixty (60%) of the employee's wages every fifteen (15) days.

Other areas covered by the NIS include:

- a. Invalidity Benefit
- b. Sickness Benefit
- c. Survivors Pension
- d. Retirement Benefit
- e. Funeral Grants
- f. Employment Injury Benefit
- g. Maternity Benefit/Grants

The contact particulars for the National Insurance Scheme are as follows:

National Insurance Scheme
Block D
Waterfront
Castries, St. Lucia
Tel: 1 758 452 2808 Fax: 1 758 451 9882
Website: www.stlucianis.org Email: stlu-nis@candw.lc

3.0 INFRASTRUCTURE

3.1 SEAPORTS

Two major multifunctional seaports:

North: Port Castries

- Six berths totaling 2,542 ft
- water depth at entrance: 42 ft
- Channel width: 400ft
- Water depth: 32 ft
- Shed storage area: 120,000 sq ft
- Container park capacity: 400 TEU ground slots

- **Pointe Seraphine Cruise Ship Facility** Two Marginal Wharves (dedicated cruise terminals)
Wharf #1: Length – 400ft; Depth – 25ft. Wharf #2: Length – 300ft; Depth – 32 ft.

South: Port Vieux-Fort

- Container Terminal
- Berth length: 690 ft
- Lo/lo and roar
- Container Park Capacity: 633 TEU Ground slots
- Provision for additional storage
- Covered storage: 3,200 sq ft
- Finger Pier
- Berth length: 500 ft on each side

Three (3) minor ports:

- Marigot Bay
- Rodney Bay
- Soufriere

3.2 ROADS

Total Length of Primary Roads:
142, 958 km (89,348.75mi)

Total Length of Secondary Roads: 119, 363 km
(74,601.88mi)

3.3 AIRPORTS

Two major airports, a regional airport in the north, and an international airport in the south:

North: George FL Charles Airport

- Runway length: 6,200 ft
- Runway width: 150 ft
- Aircraft stands: four
- Runway direction: 09/27
- Elevation: 20 ft (6.1 m)

Designed to accommodate regional traffic, this airport can handle only small and medium-sized jets.

South: Hewanorra International Airport

- Runway length: 9,000 ft
- Runway width: 150 ft
- Aircraft stands: five
- Runway direction: 10/28
- Elevation: 11 ft (3.3 m)

3.4 SCHOOLS

82 Primary Schools 18
Secondary Schools

Tertiary Level

Sir Arthur Lewis Community College
(2 Campuses)

UWI – Extra Mural Department

3.5 HOSPITALS

3 Public
1 Private
33 Health Centres island wide

4.0 FREE TRADE ZONES, INDUSTRIAL ESTATES & BUSINESS PARKS

4.1 THE ST. LUCIA FREE ZONE:

Located next to the international airport in the south of the island, and includes an administrative building and 11 warehouses, with fully equipped office and showroom space of different sizes.

For further information on St. Lucia Free Zone, please contact:

The Free Zone Management Authority
P.O. Box 519
Vieux-Fort, St. Lucia
Tel: 1 758 454 8881 Fax: 1 758 464 8427
[Email: stluciatradezone@candw.lc](mailto:stluciatradezone@candw.lc)

4.2 HEWANORRA FREE ZONE:

Located next to the international airport in the south of the island and includes 4 factory shells.

4.3 VIEUX-FORT INDUSTRIAL FREE ZONE

Located two miles outside the town of Vieux-Fort in the south of the island, and includes 9 factory shells.

The Hewannora and Vieux Fort Industrial Free Trade Zones are managed by the **St. Lucia National Development Corporation**. The Corporation also manages six (6) **Industrial Estates, including an Informatics Park** to attract investment in information technology, manufacturing and assembly type operations:

INDUSTRIAL ESTATES	LOCATION	FACTORY SHELL (SIZES)
-------------------------------	-----------------	----------------------------------

<i>Industrial Estates:</i>		
Industrial Estate I	Vieux-Fort (South)	10 (76 acres)
Industrial Estate II	Dennery (East)	4 (17 acres)
Industrial Estate III	Bisee (North)	6 (4.5 acres)
Industrial Estate IV	Odsan (North West)	7 (42 acres)
Beauchamp Industrial Estate	Beauchamp (South East)	1 (21.9 acres)
<i>Informatics Park</i>	Union (North East)	2 (8.5 acres)

The factory shells in the Industrial Estates and Free Trade Zones range in size from 3,800 sq ft to 20,000 sq ft and rental rates are US\$4.00 per sq ft, per annum. The warehouses in the St. Lucia Trade Zone range in size from 4,500 sq ft to 11, 200 sq ft, and rental rates are US\$5.00 to US\$ 6.00 per sq ft, per annum.

Raw materials and finished products move swiftly between factory location and the ports.

For more information on the Free Trade Zones and Industrial Estates, contact:

St Lucia National Development Corporation

PO Box 495
 Castries,
 St Lucia, West Indies
 Tel: 758-452-3614
 Fax: 758-452-1841
[Email: devcorp@candw.lc](mailto:devcorp@candw.lc)
www.stluciandc.com

St Lucia National Development Corporation

820 Second Avenue
 Suite 400-J
 New York, NY 10017
 Tel: 212-867-2952
 Fax: 212-370-7867
[Email: stlucia@aol.com](mailto:stlucia@aol.com)
www.stluciandc.com

5.0 COMMUNICATIONS/TRANSPORTATION

5.1 TELECOMMUNICATIONS

Telephones

St. Lucia has available, an efficient communications system as well as a modern, fully automatic digital telephone system with International Direct Dialing (IDD) and ISDN. Complete microwave, radio, cable, telegram, telex, cellular, paging and facsimile services are also available. In addition, the island also has a fully digital satellite earth station for international communications. Domestic and International services are provided by Cable and Wireless (WI) Ltd. There are over 30,000 customers connected to an all-Digital system. Cable & Wireless provides all-digital connections by Satellite and Submarine Fibre Optic Cable to the Caribbean, North America and Europe, and can provide competitively priced Teleport facilities to the data processing and telemarketing industries.

International Facsimile Service

Cable and Wireless provides an enhanced bureau fax service to several destinations. Their machines are group 2/3 compatible.

Internet Service

Internet and leased data lines to T1 capacity and beyond are available. Cable and Wireless owns and operates its own global IP Network linking major business hubs in the US, Europe and Asia. Connection speed range from 64kb – E1 depending on the bandwidth required for your business.

Paging Service

There are two types of pagers available: Numeric, which receives telephone numbers only, and Alphanumeric, which receives written messages and numbers. This service is available from Cable & Wireless (WI) Ltd.

Public Telephone Booths

There are two types of public telephone booths available. One is pre-paid card operated, the other uses EC25 cents and EC\$1.00 coins. Local and international calls can be made from these payphones. Phone cards can be purchased in EC\$10, EC\$20, EC\$40, US\$10 and US\$20 denominations. *(NB: US\$1 = EC\$2.70)*

Cable Services

Cable television services are available island wide. The major provider of Cable television on the island is Cable & Wireless (WI) Ltd offering up to 40 channels of international and local viewing encompassing four major languages. The monthly rental for Cablevision is EC\$55 per month payable in advance. There is no installation charge for one television set.

5.2 TELECOMMUNICATIONS COSTS

TelePhone Char#es

	INSTALLATION	MONTHLY RENTAL
Residential Telephone Line	EC\$125.00	EC\$24.25
Business Service	EC\$125.00	EC\$27.75
Extensions	EC\$ 50.00	EC\$ 5.25 each

NB: US\$1 = EC\$2.70

Rental charges relate to the telephone line with a basic instrument attached. Cable & Wireless reserves the right to apply the correct charges if residential numbers are advertised for business purposes.

Local Call Charges

St Lucia is divided into three (3) zones – northern zone, central zone and southern zone. Calls made within the same zone (Local Direct Dialed) are EC 27 cents, per call. Calls made from one zone to another (National/Trunk Direct Dialed) are as follows:

Day	(Monday to Friday 8am to 6pm)	EC 75 cents per call
Evening	(Monday to Friday before 8am and after 6pm)	EC 60 cents per call
Weekend	(All day Saturday and Sunday from midnight. Friday to midnight Sunday and Public Holidays)	EC 45 cents per call

Rates do not apply to calls made from payphones, credit card calling and cellular telephones.

Pager Rentals

There are two types of pagers available: Numeric, which receive telephone numbers only and Alphanumeric, which receive written messages and numbers. The monthly rates are as follows:

Numeric	EC\$20 per month
Alpha-Numeric	EC\$35 per month

International Telephone Rates

The following table provides a cost range for international direct dialing and operator assisted calls:

DESTINATION	IDD FULL RATE (Charge per Minute)	IDD REDUCED RATE (Charge per Minute)	OPERATOR ASSISTED (Charge per Minute)
Caribbean	EC\$1.05 – EC\$3.25	EC\$0.65 – EC\$2.50	EC\$1.65 – EC\$4.95
USA & Canada	EC\$3.25 – 3.35	EC\$2.00 – 3.00	EC\$6.60
Rest of the World	EC\$1.00 – EC\$5.40	EC\$0.70 – EC\$4.25	EC\$1.65 - EC\$9.90

NB: US\$1 = EC\$2.70

International Fax Service

Charges to send one page by fax are as follows:

Local	EC\$1 .00
Caribbean	EC\$2.50
USA/Canada	EC\$3.50
UK	EC\$4.50
Europe	EC\$5.50
Rest of the World	EC\$6.00

International Telegram Service

A minimum of seven words will be billed. Charges per word for the six world zones* are as follows:

Zone A	15 cents	Zone D	60 cents
Zone B	30 cents	Zone E	75 cents
Zone C	45 cents	Zone F	90 cents

* The local telephone directory provides a listing of the countries present in each zone.

Charges for calls to ships via International Maritime Satellite (inmarsat)

CODE	AREA OF SHIP	DIRECT DIALLED Charges For 1 Minute (EC\$)	OPERATOR ASSISTED Charge for 3 minutes (EC\$)	
			Station to Station	Person to Person
871	Atlantic Ocean East	7.50	72.27	96.36
872	Pacific Ocean	7.50	72.27	96.36
873	Indian Ocean	7.50	72.27	96.36
874	Atlantic Ocean West	7.50	72.27	96.36
			Every additional minute EC\$24.09	

Directory On-Line

The Residential White Pages and Business Yellow Pages for Cable and Wireless Associated Caribbean Islands may be easily accessed via: www.cwdirectory.com

For further information on telecommunications products and services, please contact:

Cable and Wireless (West Indies) Limited
P.O. Box 111
Castries, St. Lucia
Tel: 1 (758) 453 9000 Fax: 1 (758) 453 9700
Website: www.candw.lc
Email: talk2us@candw.lc

5.2 COMMUNICATIONS

Postal Services

The General Post Office handles international postal services, which is located in Castries. There are District Post Offices located island wide, which handle local mail. Generally, the postal service is reliable and efficient.

Courier Services

- | | |
|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• Federal Express• DHL Worldwide Express• United Parcels Service | <ul style="list-style-type: none">• Parcels Express International• UPS Parcel Express International• LIAT Quick Pac Service |
|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|

Radio & Television Services

Radio Stations

- | | | |
|--------------------------------------------|---|-------------------------------------------------------------------------------|
| Radio St Lucia (RSL) | : | Government owned; English and Creole; 24 hours daily on both AM and FM bands. |
| Radio 100 Helen FM | : | Privately owned; English and Creole; 24 hours daily on FM band. |
| Radio Caribbean International (RCI) | : | Privately owned; English and Creole; 24 hours daily on both AM and FM bands. |
| The Wave | : | Privately owned; English; 24 hours daily on FM band. |
| Hot FM | : | Privately owned; English; 24 hours daily on FM band |

Television Stations

- | | | |
|----------------------------------------------------------|---|----------------------------------------------------------------------|
| Helen Television Systems (HTS) | : | Privately owned, local programming and satellite relay broadcasting; |
| Daher Broadcasting Service (DBS) | : | Privately owned, local programming and satellite relay broadcasting; |
| Catholic Broadcasting Television : Network (CBTN) | : | Local programming and satellite relay religious broadcasting; |
| Cablevision: Division of Cable and Wireless | : | Forty (40) channels from satellite relay broadcasting |

Newspapers

NAME	YEAR FOUNDED	EDITIONS	CIRCULATION
One Caribbean	1990	Weekly	7,500 (Local: 5,000; Windward Islands: 2,500)
The Catholic Chronicle	1957	Monthly	200
The Crusader	1934	Weekly	5,000
The Mirror	1994	Weekly	3,600
The Star	1986	Twice Weekly	6,500 (weekend: 5000; Wed:1,500)
Tropical Traveler	1989	Monthly	15,000
The Voice	1885	Thrice Weekly	10,000 (Weekend: 7,000; Tues/Thu: 3,000)

5.3 INTERNATIONAL TRANSPORTATION

Air Transportation

CARRIER	CITY	FREQUENCY
Air Canada	Toronto	Weekly
Air Jamaica	Jamaica, Major US Cities	Twice daily
Air Caraibes	Regional Destinations	Daily
American Eagle	Puerto Rico/US Cities	Daily to Puerto-Rico
BWee Express	Regional Destinations	Daily
British Airways	London	Three days a week
BWIA International	New York, Miami, Toronto and London	Four days a week
Caribbean Star	Regional Destinations	Daily
Helenair Corp Ltd	Regional Destinations	Daily
LIAT (1974) Ltd	Regional Destinations	Daily
Virgin Airways	United Kingdom	Weekly

Air Cargo Services

Amerijet	Miami	Twice a week
Air Canada Cargo	Toronto	Weekly
British Airways Cargo	London	Three days a week
LIAT Cargo	Regional Destinations	Daily

FLIGHT DURATION: Miami: 4 hours; New York: 5 hours; Toronto: 6hours; London: 8 hours

Sea Transportation

LINE	PORTS	FREQUENCY	LOCAL AGENTS
Bernuth	Miami/USA	Fortnightly	M & C Ltd
CAGEMA	Caribbean/USA	Weekly	CAGEMA
C.A.T.	USA/Puerto Rico	Weekly	West Indies Shipping Ltd.
Geest	United Kingdom	Weekly	Admiral Shipping
Hornline	United Kingdom	Weekly	CAGEMA/Admiral Shipping
Tec Marine	Miami/Jamaica/Trinidad	Weekly	D. Joseph
Tropical	Miami/US Virgin Islands	Weekly	Beachcomber Ltd
Kent Lines	USA	Weekly	M&C Limited

6.0 UTILITIES

6.1 INFRASTRUCTURE

ELECTRICITY

St. Lucia Electricity Services (Lucelec) is the sole utility providing electricity to consumers on the island. Electricity is diesel generated, supplied at:

240 volts single phase
415 volts three phase
Frequency of 50 Hertz
Cost per Kilowatt/hour: EC\$0.45

SEWERAGE

Septic tanks and sewerage treatment facilities available

WATER

Water is made available island wide by the Water and Sewerage Company (WASCO). In an effort to meet the increased demand for water, the Government continues to upgrade and expand the water supply to provide high quality water that is produced efficiently and distributed effectively.

Water is available in ample supply and is treated to World Health Organisation Standards. A Dam was constructed with ancillary facilities that include a pump station, water treatment plant, pipelines and a distribution network. The system has been designed meet the potable water requirements of the northern part of the country (where most of the hotels are located, for the next 20 years).

NB: US\$1 = EC\$2.70

6.2 UTILITY COSTS

ELECTRICITY

Basic Energy Rates per Electrical Units:

Industrial Rates	:	EC\$0.318 per unit from 1-180 units EC\$0.368 per unit from 181 upwards
Commercial/Hotel/ Industrial Rates	:	All units (low tension) EC\$0.468 per unit Bulk (high tension) EC\$0.428 per unit
Street lighting	:	All units - \$0.463 per unit

Fuel Charge : EC\$0.222 per kilo watt
The Kilowatt is generated on the basis of the consumption of the entire island;

Minimum Monthly Charges (electricity) :

Domestic :: \$5.00
Commercial : low tension - \$30.00
high tension (bulk) - \$500.00
Industrial/Hotel : low tension - \$100.00
high tension (bulk) - \$500.00

A company, which uses less than 75 kilo watts, is charged the basic fee.

For further information on Electricity Services, contact:

St. Lucia Electricity Service Limited
P.O. Box 230
Castries, St. Lucia
Tel: 1 (758) 452 2324 Fax: 1 (758) 452 1127
Website: www.lucelec.com Email: lucelec@candw.lc

WATER

Monthly water rates:

Commercial : EC\$20.00 per 1000 gallons
Hotel : EC\$22.00 per 1000 gallons
Ships : EC\$40.00 per 1000 gallons
Government : EC\$14.00 per 1000 gallons
Domestic : Less than 3000 gallons - EC\$7.35 per 1000 gallons

More than 3000 gallons - EC\$15.00 per 1000
gallons Minimum monthly charge will be based on 2000
gallons.

SEWERAGE RATE

Commercial : EC\$14.60 per 1000 gallons
Domestic :: EC\$5.35 for the first 3000 gallons and EC\$10.35
over 3000 gallons
Reconnection Fee : EC\$100.00

Change of Name : EC\$1 00.00 For

further information on Water and Sewerage Services, contact:

Water and Sewerage Company

P.O. Box 1481

Castries, St. Lucia

Tel: 1 (758) 45 25344 Fax 1 (758) 452 6844

[Email: wasco@candw.lc](mailto:wasco@candw.lc)

7.0 THE BUSINESS ENVIRONMENT

7.1 SUPPORT ORGANISATIONS

ORGANISATION	FUNCTIONS
<p>St Lucia Chamber of Commerce, Industry & Agriculture PO Box 482 Castries, St Lucia Tel: 758-452-3165 Fax: 758-453-6907 Email: chamber@candw.lc Website: www.sluchamber.com.lc</p>	<ol style="list-style-type: none"> 1. Looking after the commercial and trading interests of its members. 2. Promoting and sustaining a healthy political economic and social environment, in which free enterprise and ethical business practice can flourish in harmony with the development of the entire St. Lucia community.
<p>St Lucia Industrial & Small Business Association PO Box 585 Castries, St Lucia Tel: 7 58-458 2929 Fax: 758-452 1877 Email: slisba@candw.lc</p>	<ol style="list-style-type: none"> 1. Promotes and encourages the development of small business and manufacturing industries in St. Lucia. 2. Encourages and assists small manufacturers in the use of efficient and modern methods of operation and the maintenance of proper standards of quality in goods and services. 3. Assists in the sourcing and procurement of raw materials and the creation, identification, obtaining and penetration of markets for finished products.
<p>Ministry of Commerce, International Financial Services and Consumer Affairs 4th Floor Heraldine Rock Building Castries, St Lucia Tel: 758-452-2627/1590/1706 Fax: 758-453-7347 Email: mitandt@candw.lc Website: www.commerce.gov.lc</p>	<ol style="list-style-type: none"> 1. Supervising the orderly operation, growth and development of the industrial sector. 2. Monitoring, encouraging and facilitating the Conduct of fair-trading and commercial activity initiating programmes, which will enhance industry. 3. Competitiveness and strengthen the productive capacities of the sector. 4. Developing and implementing proactive export promotion strategies.

ORGANISATION

FUNCTIONS

<p>Small Enterprise Development Unit (SEDU) 4th Floor Heraldine Rock Building Castries, St. Lucia Tel: 758 452 4253 Fax: 758 453 6389 Email: mitandt@candw.lc Website: www.commerce.gov.lc</p>	<ol style="list-style-type: none"> 1. Provides guidance and technical assistance to existing and prospective entrepreneurs in the micro and small business sector in the area of: <ul style="list-style-type: none"> - consultancy and training - coordinating and networking - monitoring and extension services 2. Provides loans, training and consultancy services for the benefit of micro and small entrepreneurs.
<p>National Research Development Foundation (NRDF) P.O. Box 3067 La Clery, St. Lucia Tel: 758 452 4253 Fax: 758 453 6389 Email: nrdf@candw.lc</p>	<ol style="list-style-type: none"> 1. Provides management advisory services to micro and small businesses, private sector agencies, companies, hotels, government institutions, international and other organisations. 2. Provides loans, training and consultancy services for the benefit of micro and small entrepreneurs.
<p>St. Lucia Air and Sea Ports Authority P.O. Box 651 Castries, St. Lucia Tel; 758 452 2893/2894 Fax: 758 452 2062 Email: slaspa@candw.lc</p>	<ol style="list-style-type: none"> 1. Operate the ports to serve the general public. 2. Regulate and control navigation within the limits of the ports. 3. Maintain, improve and regulate the use of the ports and the services and facilities. 4. Provides pilot services, air traffic control services, beacons, buoys and other navigational services and aids to the ports. 5. Carries out exclusively the loading, unloading, landing and carrying of all goods to and from all ships and aircraft in a port.

7.2 BUSINESS & PROFESSIONAL SERVICES

SERVICE	TELEPHONE #	FACSIMILE
INSURANCE		
	758-452-2351	758-452-3346
Agostini Insurance Brokers (St Lucia) Ltd	758-452-2318	758-452-4677
American Life Insurance Co	758-452-2195	758-452-3221
British American Insurance Co Ltd	758-452-5833	758-453-7430
Caribbean General & Marine Insurance Brokers	758-452-2410	758-452-3649
Caribbean General Insurance Ltd	758-453-6889	758-453-6835
CLICO General Insurance Ltd	758-453-2059	758-452-1522
Gulf Insurance Ltd	758-452-3892	758-453-1844
Jeffrey & Jeffrey Insurance Agency	758-452-2659	758-451-7458
Insurance & Agencies Ltd	758-452-3932	758-453-1355
Insurance Brokers Eastern Caribbean	758-452-3589	758-452-2208
Insurance Services Brokers Ltd	758-452-3493	758-452-2810
Lloyds Insurance	758-452-2811	758-452-2810
NEM West Indies Insurance Ltd	758-452-3240	758-452-2240
St Lucia Insurances Ltd	758-452-2351	758-452-3346
United Insurance Company Ltd	758-452-2230	758-453-7671
West Indies General Insurance Co Ltd		
SHIPPING & BROKERAGE		
	758-452-2216	758-453-1394
Barnard & Sons Shipping Co Ltd	758-451-7310	758-451-7306
Caribbean General Maritime Ltd	758-452-3806	758-453-1355
Hunte's Intl. Packing & Storage Ltd	758-452-3574	758-453-1549
Joseph's Shipping Agency	758-452-2270	758-452-3442
MAK Shipping	758-452-3411	758-452-4991
Michel's Customs Brokerage Ltd	758-452-2811	758-452-2810
Minvielle & Chastanet Ltd	758-452-7474	758-453-1437
Trevor Phillip Agencies Ltd	758-452-1089	758-452-1090
Tropical Shipping Co Ltd		

SERVICE	TELEPHONE #	FACSIMILE #
ACCOUNTING/AUDITING		
	758-452-2500	758-452-7317
Coopers & Lybrand	758-452-5057	758-452-6787
Devaux, G Chartered Accountant	758-453-7888	758-453-0339
Downes Accounting & Business Services	758-453-1112	-
Francis & Associates	758-451-9251	758-451-9324
Gill, Llewelyn G & Co	758-452-3756	758-453-1972
Griffith, Claude V & Co	758-453-1471	758-453-6507
KPMG Peat Marwick	758-452-3008	758-453-1915
Pannell Kerr Forster	758-453-2356	758-453-2270
Pierre, Philip J Business Services Ltd	758-452-2511	758-452-1061
Price Waterhouse	758-452-3459	758-453-7271
Rigobert & Co		
REAL ESTATE		
	758-452-2216	758-453-1394
Barnard Sons & Co Ltd	758-450-0108	-
Bentek Agencies	758-451-3210	758-451-3209
Business World Agencies	758-453-1099	758-451-8395
Dream Homes	758-457-7777	758-453-1985
Escap Development	758-452-9390	-
Haworth Investments Ltd	758-453-7493	-
Fessal's Holdings Ltd	758-452-8814	758-452-9669
Glance Motors Ltd	758-452-0071	758-452-0071
Home Services Ltd: Intl. Real Estate	758-453-1150	758-453-1355
Housing & Urban Development Corporation	758-452-0296	-
Hunte, JR (Real Estate) Ltd	758-453-6341	758-451-6303
Ideal Properties St Lucia Ltd	758-453-1002	-
Island Link Villa Service	758-453-1006	758-453-0995
National Association of Realtors (St Lucia)	758-452-1919	758-453-1496
New Horizon Realty	758-450-8288	758-450-0318
Plural Agencies Ltd	758-451-6893	758-451-6893
Reliable Realtors	758-452-2597	758-453-0671
Re/Max St Lucia Ltd	758-450-8240	758-450-8089
Tropical Villas	758-452-3801	758-452-6846

SERVICE	TELEPHONE #	FACSIMILE #
LEGAL		
Alberton Richelieu & Co	758-452-4515	758-452-3329
Arthur, Andre TM	758-452-6311	758-451-7062
Barnard, Veronica Chambers	758-452-1772	758-453-6245
Bledman & Rivierre	758-452-6440	758-452-6967
Byron-Cox, Fleur	758-452-6963	
Calderon, Evans	758-452-2444	758-452-2444
Cenac & Theodore	758-452-3891	758-452-7919
Chong, Tyrone D, Chambers	758-452-3040	758-452-2499
Combie, Cynthia	758-452-1000	758-451-6185
D'Auvergne, Ira & Co	758-452-2836	
Deterville & Associates	758-452-1152	758-453-0766
Downes, Beverly	758-451-6080	758-451-6081
Edgar, Owen E	758-452-2405	758-451-8979
Francis, Mary	758-453-2752	
Frederick, Richard	758-451-7773	758-451-7373
Floissac, Flemming & Associates	758-452-3250	758-453-1496
Foster, Peter & Associates	758-453-1100	758-452-4940
Gordon & Gordon Chambers	758-452-2311	758-453-1377
Hinkson, Winston LLB	758-451-6625	758-453-6467
John, Ferguson	758-454-7060	758-4547062
John, Nicholas	758-451-9237	758-451-9236
La Corbiniere, Phillip V	758-451-6625	758-453-6467
Landers & Associates	758-452-3337	758-453-0611
Larcher, Wilkinson O Chambers	758-452-4555	758-453-6640
Lay-Moyston, Dawn	758-454-7742	758-454-7866
Lewis, Shirley & Claire, Chambers	758-452-2399	758-453-0812
McNamara & Co	758-452-2662	758-452-3885
Michel & Co	758-452-4722	758-452-6960
Monplaisir & Co Chambers	758-452-2837	758-453-2358
Rambally & Francois	758-451-7745	
Remy, Jennifer A	758-452-6669	758-451-9233
St Catherine & Theophilus Chambers	758-459-0218	758-453-2303
Wilson, Marius	758-452-6666	758-451-7400

NB. The local telephone directory OR online telephone directory (www.cwddirectory.com), provide a listing of the aforementioned establishments including government institutions and other organization.

8.0 PROCEDURES/LEGAL REQUIREMENTS FOR CONDUCTING BUSINESS IN ST. LUCIA

8.1 INCORPORATION

The incorporation and registration of a company must be done through an Attorney/Lawyer registered and operating in St. Lucia. There are official forms to be completed during the process. The following procedure applies:

1. Submission of a request for a name search
2. Declaration of Compliance
3. Preparation of Memorandum of Association
4. Preparation of Articles of Association, Notice of Directors and Notice of Address
5. Issuing of a certificate of Incorporation

8.2 TRADE LICENSE

All foreign individuals and companies, who intend to conduct business in St Lucia, **and own more than 49% of the company shares**, require a Trade License. The Ministry of Commerce, Industry and Consumer Affairs issue trade Licenses.

The procedure for obtaining a Trade License is as follows:-

1. Three copies of the **Trade License Application Form** must be purchased from the Ministry of Commerce, Industry and Consumer Affairs.
2. The application form must be completed and returned to the Ministry.
3. The application is considered by the Trade License Advisory Board, which meets monthly. The Board makes recommendations to the Minister of Commerce, who makes the final approval. The Application takes approximately 6-8 weeks (from the date submitted) to process.

The license is issued annually and expires on 31 December of the year in which it is granted.

8.3 WORK PERMITS

Under the Foreign National and Commonwealth Citizens (Employment) Regulation, all non-nationals who wish to conduct a business or be gainfully employed in St. Lucia must apply for a work permit. Applications can be obtained from the Labour Department of the Ministry of Legal Affairs, Home Affairs and Labour. A Work Permit is valid for one (1) year, and should be renewed every year. The procedure for obtaining a Work Permit is as follows:

1. Provide a police record from last place of residence
2. Provide certified copies of educational certificates/qualifications
3. Provide a copy of vacancy notice, if the position was advertised
4. Provide valid copy of Trade License (for foreign companies applying on behalf of foreign employees).

8.4 FISCAL INCENTIVES

Fiscal Incentives are granted to enterprises to facilitate local and foreign investment in the productive sectors of the economy. The procedure for applying for Fiscal Incentives is as follows:

1. An interview with the potential investor will be conducted by the National Development Corporation and/or the Ministry of Commerce, Industry and Consumer Affairs.
2. Companies applying for Fiscal Incentives are required to complete in full, two (2) copies of the Fiscal Incentives Application Form, accompanied by a letter providing a general overview of the proposed venture. One copy of the application form must be submitted to the Ministry of Commerce, and the other to the National Development Corporation. The Cabinet of Ministers grants approval on a case-by-case basis.

The application for Fiscal Incentives takes approximately 6 – 8 weeks to be processed.

(Further information on Fiscal Incentives is provided under “Incentives/Concessions for Industrial development”).

8.5 BANKING AND FINANCE

Special request has to be made to the Government for permission to operate a US Dollar account. This is usually granted to enclave industries.

8.6 CUSTOMS PROCEDURES

1. Certain products being imported in St Lucia require licenses, which are obtainable from the Ministry of Commerce, Industry and Consumer Affairs;
2. Duty free importation of raw materials, equipment, machinery and spare parts is available under the Fiscal Incentives and Tourism Incentives Acts for the development of industry.
3. Goods can be shipped either by air or sea freight. Shipping companies have allocated costs per kilogram.
4. Shipping Agencies and Customs Brokers are available.

8.7 ALIEN'S LANDHOLDING LICENSE

All non-nationals are required to obtain an Aliens Landholding License, in order to purchase property in St Lucia. The license is obtained from the Ministry of Planning, Development, Environment and Housing, and has to be registered by a local solicitor.

The Procedure For Obtaining an Aliens Landholding License is as follows:

1. The Applicant's lawyer writes to the Permanent Secretary of the Ministry of Planning, Development and Housing to request an Alien's Landholding License. The application is forwarded to the Survey Department (Chief Surveyor) of the Ministry of Planning, which prepares a memorandum to the Cabinet of Ministers for approval.

2. Upon approval from Cabinet, the lawyer submits a sworn declaration, and the draft license to the Attorney General's Office for vetting. If there are no amendments or discrepancies, the draft license is returned to the lawyer.
3. The lawyer puts the license on approved paper and re-submits it, along with a sworn declaration and other relevant information, to the Attorney General's Office, which then forwards it to the Prime Minister's Office for final approval and signature.
4. The official license is submitted to the Survey Department, where it is collected by the lawyer for onward submission to the Applicant.

The Alien's Landholding License is permanent, and does not require renewal.

8.8 CITIZENSHIP OR PERMANENT RESIDENCE

Citizenship or permanent residence may be applied for, through the Ministry of Labour, if a non-national is desirous of becoming a citizen or a permanent resident of St Lucia, after having resided in St Lucia for:

1. Two (2) years, in the case of permanent residence, or
2. Seven (7) years for citizenship, or five years, if he/she is from the Commonwealth Caribbean.

Documents to be submitted include:

1. A completed application on prescribed form
2. A bank statement
3. A police certificate of character
4. An original birth certificate
5. A medical certificate from a registered practitioner
6. Four (4) passport size photographs certified by a Justice of the Peace
7. A reference letter from a reputable person from the country of origin
8. A letter stating date of arrival, purpose of visit, and the activities to be engaged in.

8.9 OTHER PERMITS

a: Land Development

An investor who is desirous of developing land, must apply for permission from the Planning Department of the Ministry of Planning, Development, Environment and Housing. The application must be made in triplicate and should be accompanied by maps and plans. Failure by the authorities to give a decision for development approval within ninety (90) days may be deemed a refusal. The applicant however, has the right to appeal.

b: Environmental Impact Assessment Approval

In cases where the proposed development may have environmental implications, the Development Control Authority (DCA) of the Ministry of Planning, would authorize an Environmental Impact Assessment (EIA) to be conducted, the results of which would determine approval.

c: Health and Safety Permit

In the case of food operations, a permit is required from the Division of Public Health of the Ministry of Health, Human Services, Family and Women’s Affairs. These permits are granted on an annual basis.

9.0 LEGAL FEES FOR CONDUCTING BUSINESS

9.1 REGISTERING A BUSINESS

The following provides an estimation of the legal fees. These vary according to the lawyer.

	LOCAL COMPANIES (EC\$)	FOREIGN COMPANIES (EC\$)
Certificate of Incorporation	\$800 (Minimum)	\$3,000 (Minimum)
Filing Fee	\$25 per additional copy	\$25 per additional copy
Stamp Duty for Statutory Declaration	\$250	\$500
Legal Fees	\$2,500 - \$3,000	\$2,500 - \$3,000
Filing Fees for Business Name	\$125	\$125

NB: US\$1 = EC\$2.70

9.2 TRADE LICENSE FEES

A fee of **EC\$1,000** is payable for a Trade License. In cases where the license is to be held by a person or company involved in selling goods where average stock does not exceed EC\$10,000, the fee is **EC\$500**. Applications cost EC\$3.00 per copy.

9.3 WORK PERMIT FEES

Application Fee	-	EC\$100.00 (non-
Caribbean Commonwealth Citizens	-	EC\$2,000
Other Commonwealth Citizens	-	EC\$4,000
Other Foreign Nationals	-	EC\$5,000

9.4 ALIEN'S LANDHOLDING LICENSE FEES

Lawyers Charges: 3 - 5% of the cost of the property

Government Charges:

1. A 7.5% tax on the cost of the property (One quarter of which must be paid in advance, and is non-refundable whether or not the license is issued. The balance is payable upon receipt of the license;
2. Stamp Duty of 10% on the property cost;

Other Charges:

- a. EC\$10 to obtain one copy of the Deed of Sale
- b. EC\$20 to register the Deed of Sale
- c. EC\$25 to register the Aliens License

10.0 TAXATION

The income tax system is a unitary system in which income of all kinds is aggregated and is subject to a single tax. Domiciled individuals and resident corporations are taxed on worldwide income. Capital gains are not subject to income tax.

10.1 PERSONAL INCOME TAX: 10% - 30% of income;

10.2 CORPORATE TAX:

Corporations ordinarily resident (both public and private) pay tax at a flat rate of 33.3% on income accruing in St Lucia or elsewhere, whether received in St Lucia or not. Normal company income includes dividends, interest, rents and royalties;

10.3 PROPERTY TAX:

Stamp duty is payable on the conveyance, transfer or sale of any immovable property as follows:

- | | |
|--------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| a. On the purchaser | - 2% ad valorem |
| b. On the vendor (where the vendor is not a citizen of St Lucia or the Company is not registered in St Lucia | - 10% ad valorem |
| c. Where the vendor is a citizen of St Lucia or the company is registered in St Lucia | - 2.5% ad valorem: \$50,000 - \$75,000
- 3.5% ad valorem: \$75,000 - \$150,000
- 5.0% over 150,000 |

10.4 HOTEL TAX

Hotel Occupancy Tax:

A rate of **8%** is imposed on the hotel room rate, plus a service charge of **10%**.

Hotel Accommodation Tax (for all-inclusive hotels):

This is a head tax on guests who stay at all-inclusive hotels. The amount of the charge is calculated on the number of nights an individual stays on the property. The Head Tax is charged at the rate of US\$10 per overseas guest per night of stay.

Withholding tax rates - 25% on capital expenditure on gross earnings by non-residents.

10.5 OTHER TAXES AND FEES

Import Duty	-	0 - 35%
Excise Duty		35 – 100%
Consumption Tax	-	5 - 35%

Service Charge	.	4%
Travel Tax	.	7.5% of the ticket cost
Stamp Duty on Documents	.	Approx. 4% (i.e. Bills of Exchange)
Airport Service Charge	.	EC\$35 (Nationals) EC \$54 (Non-nationals)
Cruise Passenger Head Tax	.	US\$6.50 (Inclusive of EC1.50 Environmental Tax)
<i>Contract Fees</i>		10% of gross to be earned by any local who enters into a contract (or undertakes a job on a contractual basis)

NB: US\$1.00 = EC2.70

11.0 INVESTMENT OPPORTUNITIES

The Government has identified a number of priority investment areas. These include:-

- **Informatics/Information Technology**
 - Data Entry and Transfer: text keying, coding, electronic publishing & batch processing, image processing
 - Image Transfer
 - Software Development
 - Geographic Information Systems
 - Telemarketing
- **Agriculture, Aquaculture, Agro Processing**
 - Commercial Farming of non-traditional crops

- Marine Aquaculture
- Fish Processing
- Processing fruits and vegetables to produce a wide range of products and bi-products including:
 - Household Products
 - Animal Feed
 - Pharmaceutical Products
 - Dyes
 - Food products
 - Rope etc
- **Hotel/Resort Development**
 - Construction of hotels, resorts, villas, cottages etc for tourism purposes;
 - Development and marketing of Nature Heritage Sites;
 - New attractions for visitors, such as tours of the rain forest and nature trails to market St Lucia as an eco-tourism destination;
 - Establishment of entertainment and leisure centers;
- **Manufacturing/Assembly**

Suggested areas include:
Processed foods, apparel and textiles; handicraft, furniture, electronic items.
- **Financial Services** Development of a the newly established Financial Services Sector.

12.0 INCENTIVES: INDUSTRIAL DEVELOPMENT

12.1 INVESTMENT POLICY

Government's investment policy has been geared towards the encouragement of manufacturing in St. Lucia. Government has a commitment towards increasing foreign exchange generation and savings, diversifying the economic base of St Lucia, and creating new job opportunities.

12.2 FISCAL INCENTIVES ACT

Under the Fiscal Incentives Act No 15 of 1974, Fiscal Incentives are granted to Enterprises to facilitate local and foreign investment in the productive sectors of the economy.

Any manufacturer located in St. Lucia may qualify for these incentives if the enterprise manufactures an approved product (i.e. a product declared by Order of the Cabinet for manufacture by an approved enterprise). Given Government's policy to increase foreign exchange and the potential impact on the economy, special consideration is given to export oriented manufacturing enterprises.

12.3 CRITERIA FOR FISCAL INCENTIVES QUALIFICATION

- i. The enterprise must be incorporated and registered in St Lucia;
- ii. The enterprise must contribute to the economic development of St Lucia;
- iii. The country's human and natural resources must be utilized;
- iv. The enterprise must train local personnel and upgrade its plant through technological transfer;
The enterprise must form linkages with other economic sectors;
The enterprise must contribute to earnings in foreign exchange.

Government offers a range of tax and non-tax incentives to the manufacturing sector under the Fiscal Incentives Act. Approval of an enterprise for these incentives is granted by Cabinet upon application, using the prescribed form.

The extent of the incentives varies with:

the amount of an entity's export business outside the CARICOM region;
the local value added content;
the level of capital outlay of the investment.

12.4 FISCAL INCENTIVES OFFERED:

- **Tax Holiday** up to a maximum of fifteen (15) years;
- **Waiver of Import Duty and Consumption Tax** on imported plant, machinery and equipment;
- **Waiver of Import Duty and Consumption Tax** on imported raw and packaging materials;
- **Export Allowance** - Tax relief on export earnings
- **Carry forward of losses**
- **Unrestricted repatriation of all Profits and Capital**

Other incentives are also available to manufacturers who may not be eligible for benefits under the Fiscal Incentives Act. Duty free concessions on machinery, raw materials and packaging may be granted to enterprises, which do not qualify for the full range of fiscal incentives. These include waivers of import duty and consumption tax on imported plant, machinery and equipment and imported raw and packaging materials.

The extent of benefits to be enjoyed by an enterprise is related to the contribution, which the enterprise, in producing the approved product(s), makes to the regional (CARICOM) economy. The contribution of the enterprise is measured in terms of the 'local value added.' The 'local value added' can be defined as the amount St Lucia receives in payment from a manufacturer for local raw materials, labour, capital, services etc. This identifies the value of all regional (CARICOM) inputs into production (i.e. does not include imports from non-Caricom states).

12.5 TAX HOLIDAYS

Under Section 10(1)(2) of the Fiscal Incentives Act, approved manufacturing enterprises are granted tax holidays up to a maximum number of years. The number of years for which benefits may be granted vary according to the value of the company's contribution to the regional economy measured in terms of local value added.

For the award of benefits, enterprises are classified into the following groups:

Group 1 Enterprise This is an enterprise	in which the local value added is at least fifty percent of the amount realised from the sales of an approved product.
Group 2 Enterprise This is an enterprise	in which the local value added is at least twenty-five percent , but less than fifty percent of the amount realized from the sales of the approved product.
Group 3 Enterprise This is an enterprise	in which the local value added is at least ten percent , but less than twenty-five percent of the amount <u>realized</u> from the sales of the approved product.
Enclave Enterprise This is an enterprise	which produces exclusively for export to countries outside the CARICOM Common Market. This group has been made eligible for tax holidays, without reference to the quantity of their local value added. This is due mainly to their usual large employment contribution.
Capital Intensive Industry	This is an industry in which the capital investment is not <u>less than twenty-five million dollars (EC\$25,000,000)</u> .

The following table shows the maximum number of years for which the Government may grant relief from Income Tax, Customs Duties and Consumption Tax:

Category	Local Value Added (%)	Maximum Tax Holiday (Yrs)
Group I	50% and over	15
Group II	25 - 49	12
Group III	10 -24	10
Enclave		15
Capital Intensive		15

12.6 IMPORT DUTY AND CONSUMPTION TAX EXEMPTIONS

Under the Fiscal Incentives Act, an approved enterprise may be issued a license, permitting the duty free importation of machinery, equipment and raw and packaging materials from outside CARICOM. These imports must be utilized by the enterprise in the manufacture of an approved product.

12.7 SPECIAL DEVELOPMENT AREAS ACT

The Special Development Areas Act is aimed at promoting balanced spatial and economic development of the island. The legislation provides incentives to investors/developers for the establishment of certain types of businesses specially designated areas that are endowed with the

necessary infrastructure and amenities for business development. The special development areas are Vieux-Fort, Anse La Raye, Soufriere, Canaries and Dennerly.

Individuals and/or Companies can obtain the following concessions

- **Import duty, stamp duty and consumption tax on inputs for the construction of new buildings and the renovation or refurbishment of existing buildings.**
- **Land and house tax.**
- **Stamp duty payable by vendors and purchasers on the initial purchase of property.**
- **Lower corporate taxes.**
- **Higher tax allowances/accelerated depreciation.**

The following are the types of businesses, which qualify for concessions:

- **Conference Centers**
- **Residential Complexes**
- **Commercial or Industrial Buildings, including Office Complexes**
- **Other facilities directed towards the improvement or expansion of services to the tourism sector**
- **Water based activities**
- **Tourism projects highlighting the heritage and natural environment of Saint Lucia**
- **Arts and cultural investments**
- **Agricultural-based activities**
- **Fisheries-based activities**

For further information on Special Development Area Incentives, please contact:

The Office of Private Sector Relations (OPSR)

5th Floor

Graham Louisy Administrative Building

Castries, St. Lucia

Tel: 1 (758) 468 2123 Fax: 452 4606

Email: info@opsr.org

Website: www.opsr.org

12.8 EXPORT ALLOWANCE

This provides an enterprise with a tax relief on export earnings outside CARICOM. This serves to encourage enterprises to increase the export share in their total sales of the product for which the export allowance is being granted.

The following table provides the extent of maximum relief in terms of credit on tax chargeable on the share of profits made from export sales:

Export Profits as a % of Total Profits	Rebate of Income Tax as a % of Income Tax on Export Profits
10 but under 21	25%
21 but under 41	35%
41 but under 61	45%
61 and over	50%

Note: Enterprises producing a traditionally export-oriented product of St. Lucia do not qualify for this exemption.

13.0 INCENTIVES: HOSPITALITY INDUSTRY

3.1 PROCEDURE FOR OBTAINING APPROVAL FOR A TOURISM PROJECT

A person wishing to own or operate a tourism product must apply for approval of the tourism project, by submitting a proposal to the Minister of Tourism. The Cabinet of Ministers grants approval.

Following this, the Minister may require further information from the applicant. This may include:

- i. A detailed set of plans;
- ii. Ownership of the project and the completed product;
- iii. Estimated expenditure on the project and the source of funds to be used;
- iv. A project feasibility study, identifying projected economic benefits to St Lucia;
- v. An environmental impact statement;
- vi. Marketing plans relevant to the sale of the completed tourism products, goods and services;
- vii. Any other information that may be required by the Minister at the time.

Approval is granted in a three-stage authorization procedure:

- i. An interim approval based on the information outlined above;
- ii. A final approval based on the completed product incorporating any changes that may have taken place during the course of the project;
- iii. A license is awarded to the applicant when the Minister is satisfied that all relevant proceedings, requisition and statutes have been complied with, and the tourism product is in a suitable form and of a satisfactory standard to commence operations.

It is important to note that an interim approval may be revoked at any time, for the following reasons:

- i. Submission of false or misleading information.
- ii. Failure to comply with any condition or term of the interim approval.

The St Lucian Government imposes a 12-month time limit, subsequent to granting of final approval to commence construction/development of a tourism project.

13.2 LICENSING OF A TOURISM PRODUCT

The Minister issues a license to commence operation when the tourism product has been subjected to scrutiny of all relevant authorities and licensing bodies. This license may impose conditions of operation on the owner or operator.

13.3 TOURISM INCENTIVES

General Investment Policy

St Lucia's investment policy aims to encourage investment in the tourism sector. The Government is committed to increasing foreign currency/earnings, diversifying the economic base of the island and creating new job opportunities.

Most investment incentives available in St Lucia take the form of tax concessions. Foreign investors are eligible to benefit from all tax incentives offered. Special tax concessions are also given for capital construction in the hotel industry. Capital expenditure on the construction of a hotel may be offset against profits for up to fifteen (15) years.

Industry Incentives (Tourism Incentives Act)

Under the Tourism Incentives Act, a range of both tax and non-tax incentives is offered. Approved tourism products are eligible for these incentives. To receive tax exemptions, a potential investor must have approval by Cabinet following an application in writing made to the Minister.

Tax Holidays/Exemptions

Cabinet determines the period of exemption from tax on income to a maximum of fifteen (15) years. If a hotel ceases to be used as a hotel during the tax holiday period, the exemption ceases to apply from the date of cessation of such use. However, in the case where a hotel is sold during the tax holiday period, but continues to be used as a hotel, the exemption applies for the remainder of the period.

Extensions made to existing hotels are also eligible for tax exemptions. A license must be granted for the construction of extensions to hotels. Cabinet determines the period of exemption from tax (a maximum of ten years may be granted) on income attainable to such extensions.

Earnings (Exempt from Income Tax)

A tourism project managed by or on behalf of a limited liability company is entitled to distribute profits to shareholders or debenture holders as capital monies free of tax during the two-year period following the end of the tax holiday.

Customs Duty Exemptions

After interim approval is obtained, the Minister may grant a permit for the importation into St Lucia free of customs duty and consumption tax, of building materials, articles of equipment as specified in the permit. These materials must be used exclusively in connection with the construction and equipping of the tourism product.

14.0 TRADE AGREEMENTS & PREFERENCES

There are benefits to be derived from special regional and international trade agreements.

14.1 CARICOM

Under this agreement, local manufacturers have preferential access to a regional market of fifteen (15) countries with a combined population of over 5 million people. Locally manufactured goods may be imported duty free into any of the CARICOM countries, subject to certain value added criteria as specified under the CARICOM Rules of Origin.

14.2 CARIBBEAN BASIN INITIATIVE (CBI)

Under this agreement, specified products made or assembled in St Lucia are allowed to enter the United States duty free;

Exempt from CBI are:

- Garments/Apparel
- Petroleum & Petroleum Products
- Sugar/Syrup/Molasses

Tuna - Prepared or Preserved
Watches and Watch Parts
Leather items including footwear, handbags, luggage, work gloves and wearing apparel

Criteria: **a:** 35% local value added; (This may include the value of US raw materials which must not exceed 15%)

b: Substantial transformation of product is required

As a CBI beneficiary country, St Lucia has signed a Tax Information Exchange Agreement (TIEA) with the USA, qualifying it for below market rate financing of eligible projects through an amendment to Section 936 of the US Tax Code. Additionally, US executives can claim a tax deduction on convention expenses *incurred* in St Lucia. A double taxation agreement is in effect with the USA.

14.3 TSUS 807/807 A

Under this arrangement, goods are cut in the US and can be sewn in St Lucia with duties paid only on the value added in St Lucia. When cut goods are of US origin, special access levels are negotiated with the United States.

14.4 CARIBBEAN/CANADA TRADE AGREEMENT (CARIB CAN)

CARIBCAN is a programme for trade, investment and industrial cooperation for the Commonwealth Caribbean region. CARIBCAN's main feature is unilateral extension by Canada of preferential duty-free access to the Canadian market for almost all imports from the Commonwealth Caribbean countries. CARIBCAN also contains measures to encourage Canadian investment and other forms of industrial cooperation with the region.

CARIBCAN's basic objectives are to enhance the Commonwealth Caribbean's existing trade and export earnings; improve the trade and economic development prospects of the region; promote new investment opportunities; and encourage enhanced economic integration and cooperation within the region.

The principal provisions of the Programme are as follows:

- Duty free access to the Canadian market for imports from the Commonwealth CARICOM;
- Duty free access covers a wide range of goods which were not previously exported from, or manufactured in the Commonwealth Caribbean;
- Textiles, clothing, footwear, luggage, handbags, leather garments, lubricating oils and methanol are subject to established rates of duty under the General Preferential Tariff, or the British Preferential Tariff, where rates exist;
- In order to qualify for duty free entry under CARIBCAN, goods must be certified as being the growth or manufactured of the Commonwealth Caribbean, i.e. a minimum of 60% of the ex-factory price of the exported goods (which includes factory overheads and reasonable profits) must originate from any of the Commonwealth Caribbean countries or Canada.

14.5 LOME AGREEMENT

Under this agreement, qualifying goods exported by members of the African, Caribbean and Pacific States (ACP), of which St Lucia is a member, to the countries of the European Union, are granted duty free status.

Qualifying goods are those agricultural goods wholly produced in an ACP State, and ACP industrial exports having a value added of 60% and greater, originating in an ACP State or jointly in ACP and EU State.

14.6 CARICOM/ VENEZUELA TRADE AGREEMENT

The fundamental objective of this agreement is to strengthen the economic and trade relations between CARICOM and Venezuela: The agreement will also provide the following:

- The promotion and expansion of the sale of goods originating in Caricom through inter alia, one-way duty-free access to the Venezuelan market;
- The stimulation of investments aimed at taking advantage of the markets of the Parties and strengthening their competitiveness in world trade;
- The facilitation of the creation and operation of regional joint ventures;
- The encouragement of mechanisms for the promotion and protection of investments by nationals of the Parties.

St Lucian exports can be exported to Venezuela without attracting any customs duties. Goods should be wholly produced or at least 50% of the export value of the product is local value added, or should have to undergo a process of substantial transformation i.e. the final product is classified under a different tariff heading from that which the material input used to manufacture the products.

14.7 CARICOM/COLUMBIA TRADE AGREEMENT

Agreement on trade, economic and technical cooperation between the Caribbean Community and Colombia. The fundamental objective of this agreement is to strengthen the trade and economic relations and technical cooperation between CARICOM and Colombia through:-

- The promotion and expansion of the sale of goods originating in Caricom and Colombia with particular emphasis on exports from Caricom States in the early stages in the implementation of this agreement;
- The promotion and protection of investments aimed at taking advantage of the opportunities offered by the markets of the Parties and strengthening their competitiveness in the international market;
- The facilitation of the creation and operation of regional joint ventures;
- The development of technical and scientific cooperation activities which may be agreed upon between the Parties;
- The promotion of private sector activities, including business exchanges between Parties.

15. RECREATIONAL FACILITIES

EXPLORE ST LUCIA INDOORS AND OUTDOORS

- Derek Walcott Square
- Diamond Botanical Gardens
- Diamond Falls and Mineral Baths
- Drive-In Volcano and Sulphur Springs
- Les Pitons
- Maria Island Nature Reserve
- Marigot Bay
- Mount Gimie
- Morne Fortune
- Natural Rain Forest Reserve
- Pigeon Island National Park
- Tropical Gardens

OTHER LEISURE ACTIVITIES INCLUDE:

- Bird Watching
- Camping
- Cinema
- Day Trips by Boat
- Deep Sea Fishing
- Guided Bus Tours
- Helicopter Tours
- Horse Riding/ Horse and Carriage Rides
- Nature Trail Walks and Hiking
- Nature Trail Bike Riding
- Night Entertainment
- Squash

- Tennis
- Theatre
- Turtle Watching
- Water sports: Scuba Diving, snorkeling,
- Yachting

16.0 ST. LUCIA NATIONAL DEVELOPMENT CORPORATION

The St Lucia National Development Corporation was established in 1971 to promote the economic development of St Lucia. The organisation functions as an investment, trade and export promotion agency, providing a range of business oriented services to the public, including inter alia; attracting foreign investment to St Lucia, sourcing technical assistance for business sized enterprises, promoting locally manufactured products through regional and international trade missions and exhibitions, identifying sites for hotel development.

16.1 OBJECTIVES

The NDC develops and implements programmes with a view to:

- Encouraging investment in St Lucia by both foreign and local concerns;
- Creating employment;
- Developing the business sector through the provision of technical assistance

16.2 SERVICES PROVIDED BY THE NDC

The NDC's major areas of focus are:

- Investment Promotion
- Technical Assistance
- Business Information

16.3 IDENTIFICATION OF LAND AND PROVISION OF FACTORY SPACE

The NDC owns and manages seven (7) industrial estates, which contain factory shells ranging in size from 3,800 to 30,000 square feet. These shells are available for rent at attractive rental rates.

The NDC also liaises with private landowners on behalf of parties interested in leasing or purchasing land for development purposes.

16.4 AFTER-CARE SERVICE

The NDC will assist in the development and expansion of your business by sourcing technical assistance for enterprises from bilateral and multilateral agencies in areas such as quality control, packaging, product design etc.