

Montserrat

Overview:

Montserrat is a self-governing, overseas-dependent territory of the United Kingdom located in the Eastern Caribbean, 718 km (1,150 mile) north of the equator. On June 18, 1995 a massive volcanic eruption of the Soufriere Hills (which continues to be active) destroyed much of the island, including the capital city of Plymouth. Although more than two-thirds of the population fled the island, some have begun to return.

Territory:

Land: 7.5 km (12 miles) x 4.4 km (7 miles). Area: 102.3 sq. km (39.5 sq. miles), of which 33.7 sq. km (13 sq. miles) is now habitable. Highest Elevation: 3,199 feet (914 meters); Coastline: 40 km. The island is entirely volcanic in origin, consisting of seven volcanoes. On June 18, 1995 a massive volcanic eruption of the Soufriere Hills (which continues to be active) destroyed much of the island, including the capital city of Plymouth. lowest point: Caribbean Sea 0 m highest point: lava dome in English's Crater (in the Soufriere Hills volcanic complex) estimated at over 930 m (2006)

Location:

In the Leeward Islands of the Caribbean, 25 miles southwest of Antigua, northwest of Guadeloupe, and southeast of St. Kitts and Nevis.

Latitude and Longitude:

16 45 N and 62 10 W.

Time Zone:

GMT -4

Total Land Area:

102

EEZ:

200

Climate:

Mildly tropical with low humidity. Annual mean temperature 27Â° C. / 80Â° F., rainfall <45 inches. Hurricane season is June to November.

Natural Resources:

agriculture and fishing

ECONOMY:

Total GDP:	
1999	85,520,000.00 USD
2006	106,500,000.00 USD

Per Capita GDP:	
1999	17,928.00 USD
2006	22,803.00 USD

% of GDP per Sector:			
	Primary	Secondary	Tertiary
1999	1.2%	36.7%	62.1%

% of Population Employed by Sector			
	Primary	Secondary	Tertiary
1999	4.2%	33.4%	52.4%

External Aid/Remittances:

Economic aid: Country Policy Plan (2001) is a three-year program for spending \$122.8 million in British budgetary assistance (2002 est). (1997 revenues: \$31.4 million; expenditures: \$31.6 million, including capital expenditures of \$8.4 million)

Growth:

Economic Growth Rate: -2.83% (2006) Inflation: 1.0% (2006) 2002:Real growth rate: -1% (2002); Inflation rate: 2.6 (2002). Since the volcanic activity in Montserrat has begun to stabilize, the government is actively promoting the re-emergence of private sector entrepreneurship. The private sector is being encouraged to take full advantage of Montserrat's membership of the Caribbean Community and the favourable trade relations it holds with the UK and the European Union. The government's Industrial Policy, offered by the Ministry of Finance and Economic Development, encourages all reasonable development projects by offering incentive packages to both local and foreigner investors whose investment and expertise are considered essential. These incentives include: duty-free imports, and tax holidays and exemptions from certain local taxes and levies. The government of Montserrat is also directing its policy towards achieving self sufficiency in certain foods and meat products in an effort to reduce the island's dependency on imports and the outflow of foreign currency. Emphasis is being placed on increasing the rearing of small ruminants and pigs and facilitating poultry production for meat and eggs. Emphasis has also been placed on encouraging agro-processing ventures utilizing local raw materials. Fishing is another area of possible growth, and although certain species of fish have been exploited, the Deep Slope, Bank Fish and the Large Pelagics are currently under-exploited. Projects funded by external organizations such as the Royal Society for the Protection of Birds and the Marine Conservation Society are also encouraged in Montserrat, and create jobs and business networking. Sea Wolf Diving School is one of several

businesses who depend on foreign investment and development, collaborating extensively with marine researchers. Bee keeping is also being promoted in Montserrat, not only as an economic resource, but also to encourage the re-establishment of the devastated Oriole population.

Labour Force:	
2002	4,521
1991	4,520

Unemployment	
Year:	Unemployment Rate (% of pop.)
1998	6%

Industry:
 tourism, government services, rum, textiles, electronic appliances. It is the last island to remain a dependency because of its need for assistance due to constant volcanic activity. Talks have been held since the 1980s to attempt to find ways of developing further independence. Prior to the volcanic disasters of the 1990s, export-focused investment ventures and tourism were two highly successful industries in Montserrat. Although tourism had represented more than 40% of the GDP, it currently represents only 15%. However, confidence in the safety of the island is beginning to be restored, and between 1997 and 1998 tourist arrivals increased by 52%. Currently, government services and the development of new infrastructure dominate the economy, representing more than 55% of the total GDP combined.

Niche Industry:
 scuba diving. Nature tourism.

Tourism:
 15% of GDP; 12.3% of labour force.

Imports and Exports:	
External Budget: revenues: \$31.4 million; Expenditures: \$31.6 million, including capital expenditures of \$8.4 million (1997); Exports:\$700 000 (2001); Partners: US, Antigua & Barbuda; Imports: \$17 million (2001); Partners: US, UK, Trinidad & Tobago, Japan, Canada; Debt - external: \$8.9 million (1997).	
Tot. Value of Imports	700.00 EC\$ (2001)
From Eu:	
Import Partners (EU:)	United Kingdom: 4,100,000 EC\$ (2006)
Partners Outside EU:	
Import Partners:	(2006)U.S., Japan, Trinidad and Tobago, Puerto Rico
Tot. Value of Exports	700 EC\$ (2001)
To Eu:	
Export Partners:	United Kingdom: 533,484 EC\$ (2006)
Partners Outside EU::	(2006)US, Antigua and Barbuda
Export Partners:	
Main Imports:	machinery and transportation equipment, foodstuffs, manufactured goods, fuels, lubricants, and related materials
Main Exports:	electronic components, plastic bags, apparel; hot peppers, limes, live plants; cattle

TRANSPORTATION/ACCESS

External:
Number of Airports: 1
 Helicopter via Antigua. A new airport was scheduled to be completed in 2005. Services are provided daily. Like most islands there is a departure tax which payable upon leaving Montserrat. However, US\$9 (EC\$25) is required of CARICOM Nationals, while all other persons pay US\$16 (EC\$45). One airport with pave runway. (1999)

Number of Main Ports: 2
 Ferry via Antigua. Plymouth abandoned. Little Bay: anchorages and ferry landing. Carr's Bay.

Internal:
Air
Road:
 The majority of the 227 km of roadways were destroyed by the volcanic eruption in 1995. However, there is a road expansion program to meet the needs for new roads in the newly developing northern end of the island. Walking and cycling are the primary source of transportation, although mopeds are also used. 1999: highways total 269 km. Paved 203 km, unpaved 66 km. (1995)

Sea:



Other Forms of Transportation:

Economic Zones:

Fiscal Incentives Ordinance: enacted 1975: This ordinance classifies five types of enterprises which qualify for tax holidays. The first three are determined based on the amount of value added to Montserrat's economy. The fourth type is an enclave industry, which exclusively produces for export outside the CARICOM region. The fifth classification is the capital intensive industry where capital investment must not be less than \$9.25 million US. Tax holidays are usually granted for periods of five to ten years and are based on the performance of the investor. The first review is conducted three years after the commencement of the tax holiday. Subsequent reviews are at two year intervals until the tax holiday's expiration.

Energy Policy:

Year	Total Energy Production (Mwh)	Type			Total Energy Consumption (Mwh)	Sector				
		Thermic (Mwh)	Geothermic (Mwh)	Other (Mwh)		Domestic (Mwh)	Commercial (Mwh)	Public Service (Mwh)	Industry (Mwh)	Public Lighting (Mwh)
2005	20,000,000	0	0	0	18,600,000	0	0	0	0	0

Official Currency:

Eastern Caribbean Dollar (XCD)

Banking and Insurance:

Number of Banks and Credit Unions:

Number of Agricultural Credit Unions:

Number of Insurance Companies:

Two commercial banks presently operate in Montserrat; the Royal Bank of Canada and the Bank of Montserrat. Each provides domestic and international banking services. The Eastern Caribbean Central Bank, based in the neighboring island of St. Kitts, acts as central bank for its island members, managing fiduciary issues and monitoring the commercial banks' reserves. The commercial banks can arrange forward purchases and sales of foreign currency, but there is minimal activity, since the Eastern Caribbean dollar is pegged to the US dollar at US\$1 = EC\$2.70 and the US is the principal foreign trading partner. There is no financial futures market and no commodities market.

Financial Services:

There are offshore banking facilities, but there has been no activity for several years. The Banking Ordinance (1991) governs licensing and regulates the business of commercial banks and is policed by the Ministry of Finance. Insurance companies that do business in Montserrat are subject to the provisions of the Insurance Ordinance 1977. The Registrar of Insurance is responsible for general administration of the provisions of the Ordinance.

Communications/E-Commerce:

State of the art. Extensive government and private sector information available online. English.

Public Ownership:

There are normally no restrictions on the purchase of property in designated areas. However, before land is purchased by international investors, an Alien Land Holding License (also called a Non-Belongers License) must be obtained from the Ministry of Agriculture, Trade & the Environment. It can take up to 18 months to receive this license. There is a \$50 fee for each person or company named on the application, as well as a fee of \$150 per person or company named in the license. Necessary papers must be provided by all applicants in order for a background check to be performed, and submission of at least four successive newspaper advertisements that give the property description and property price of the real estate must be published. All properties must be purchased through an agency.

Land Use:

arable land: 20% permanent crops: 0% other: 80% (2005)

Agriculture/Forestry:

Cabbages, carrots, cucumbers, tomatoes, onions, peppers, livestock products. Less than 18 percent of Montserrat's total area is suitable for crops and pasture. Soil quality is poor and scant rainfall and periodic droughts frequently limit yields. In the 1980s, the British government invested in irrigation and water projects and Montserrat's farmers grew limes, bananas, vegetables, and some cotton. When rainfall was good and crop surpluses resulted, small amounts of vegetables and fruits were exported to neighboring islands. However, since the massive destruction caused by volcanic activity which began in 1995, agriculture has rapidly declined. The island's Ministry of Agriculture estimates that only twenty farmers are consistent producers.

Marine Activity:

Fishing:

maritime claims: territorial sea: 3 nautical miles; exclusive fishing zone: 200 nautical miles.

Marine Life:

Critical Issues:

Land erosion. Montserrat participates in the project Managing Beach Resources and Planning for Coastline Change, Caribbean Islands (COSALC), which monitors and assesses coastline erosion. Population base, qualified labor force, housing, internal economic resources, sustainable development.

JURISDICTIONAL RESOURCES

Capital:

Capital: no official capital. The business center was relocated in 1997 from Plymouth to Brades Estate. Country Name: Montserrat, Former Name: Alliouagana. Admin. Divisions: 3 parishes; Saint Anthony, Saint Georges, Saint. 2007: A new city center is planned for Little Bay, the future capital, in northwest Montserrat.

Political System:

Parliamentary British overseas territory with internal self-government. Internal Government: Montserrat has a parliamentary system of government with a unicameral Legislative Council consisting of 11 seats, 9 of which are elected by popular vote every five years. The Executive Council consists of the governor, the chief minister, three other ministers, the attorney general, and the finance secretary. Associated Power: Overseas territory of the UK, and member of the EU. Although Montserrat is self-governing, Britain remains responsible for external affairs, defense and internal security. Queen

Elizabeth II has been the head-of-state since February 6, 1952, represented by Governor Deborah Barnes Jones since April 2, 2004. Chief Minister John Osborne has been the head-of government since April 5, 2001 and serves with an appointed cabinet of 9 ministers. There are no elections since the monarch is hereditary. A governor is appointed by the monarch. Following legislative elections, the leader of the majority party or the leader of the majority coalition is usually appointed premier by the governor. Legal System: English Common Law and Statutory Law. Justice System: Criminal cases are heard by the Assizes and civil cases are heard by the High Court. The system is administered by the Eastern Caribbean Supreme Court, the Court of Summary Jurisdiction and the Magistrates Court. In both criminal and civil cases, there is the right of appeal to the Court of Appeal with the ultimate right of appeal to the Privy Council in England.

Political Parties:

2006: A general election took place in Montserrat on 31 May 2006. The 9 seats were contested by 3 parties – the New People’s Liberation Movement (NPLM) led by outgoing Chief Minister John Osborne, the Movement for Change and Prosperity (MCAP) led by outgoing opposition leader Rosalind Cassell-Sealy and the Montserrat Democratic Party led by Lowell Lewis – and 4 independent candidates. A 77% turnout of the 3000 strong electorate, in a well-organised and orderly election, resulted in Lowell Lewis receiving the highest number of votes, followed by 4 MCAP candidates. The remaining seats went to 3 NPLM and an independent. The new government, led by Dr Lewis, is a coalition between the MDP, the NPLM and an independent. 2001: National Progressive Party (NPP), Reuben T. Meade. People’s Liberation Movement (NPLM), John A. Osborne. The New People’s Liberation Movement hold 7 of the 9 elected seats on the legislative council, receiving 51.0 % of the votes in 2001. The National Progressive Party hold 2 of the 9 elected seats on the legislative council, receiving 35.0 % of the votes in 2001.

Important Legislation:

Constitution: 1952, amended 1971, 1989. The 1989 order confers a new Constitution on Montserrat. In particular it provided for a Governor appointed by Her Majesty, an Executive Council and a Legislative Council. Provisions were also made regarding fundamental rights and freedoms. Hotels Aid Ordinance: enacted 1975: The Hotels Aid Ordinance grants exemption from customs duties on all imports of building materials, machinery, equipment, and furniture for the construction or extension of hotels. This legislation allows investors to also benefit from a tax holiday of up to five years. For five of the following eight years, the investor may offset up to one-fifth of the incurred capital expenditure against future income. Losses incurred during the tax holidays may not be carried forward against future profits. The Companies Act: enacted 1999: This legislation governs both private and public companies, requiring that there be a minimum of two shareholders required for a private company and a maximum of 50 (excluding employees and ex-employees). Public companies must have a minimum of five shareholders, but have no maximum. Companies pay tax at 30 percent of profits. Companies and businesses can deduct justifiable directors fees and reasonable expenses incurred e.g. toward advertising. Volcanic activity has resulted in four and a half of the original seven constituencies in Montserrat being unoccupied. As a result the pre-1995 electoral arrangements became unworkable. In February 1999, the Governor appointed a commission to suggest reforms. The Commission reported in May 1999. Their main recommendations were that: the single-member, multi-constituency, first-past-the-post electoral system be replaced by a single-constituency system under a modified first-past-the-post arrangement; the nominated membership to the Legislative Council be abolished and the elected membership be increased from seven to nine accordingly. The main recommendations were accepted by HMG and the new system was used in the 2001 and 2006 elections. Elections are held every five years on the basis of universal adult suffrage. The last general election took place on 31 May 2006. The next election is due in 2011.

Principal Taxes:

Principal Taxes: The bulk of government revenue comes from direct taxation, comprising of consumer tax, import duty, stamp tax, personal income tax and hotel and guest taxes. Direct taxes are levied on corporate income, business income resident and non-resident individuals' personal income. Although residents are assessable to a personal income tax, capital gains are not subject to taxation. Tax Guarantees: International Business Companies under The International Business Companies Ordinance No. 19 of 1985 are exempt from Income Tax.

Associated Power:

United Kingdom, member of EU

Citizenship:

Currently citizens of Britain's overseas territories, including Montserrat are entitled to British citizenship. The British Overseas Territories Bill, passed in February 2002, provides automatic acquisition of British citizenship, including automatic transmission of citizenship to their children; the right of abode, including the right to live and work in the U.K. and the European Union (EU); the right not to exercise or to formally renounce British citizenship; and the right to use the fast track European Union/European Economic Area (EU/EEA) channel at the airport, free of U.K. immigration controls.

Paradiplomacy:

CARICOM (Caribbean Community), Caribbean Financial Action Task Force, COSALC, OECS (Organization of the Eastern Caribbean States), NDF (The National Development Foundation), CPSA (Caribbean Public Service Association), Royal Society for the Protection of Birds, Department of Montana State University – biodiversity inventory work on insects, Durrell Conservation Trust, Royal Botanic Gardens, Marine Conservation Society – saving turtles.

HUMAN RESOURCES

Population 2006: 4655. 9,245 (2004 est.); 4,770 (1999); 10,400 (1994); Last population and housing census was taken 1994. New 2001 census due to be published May 2008.

2006			
Island	Area (km sq.)	Population	% of Total Population
Montserrat	102	9,245	2004%

An estimated 8,000 refugees left the island following the resumption of volcanic activity in July 1995; some have returned (July 2007 est.)

Population:	
Year	Resident Population

Age of Population:	0-14	15-24	25-49	50-64	65 and up
2004	2154	0	0	0	1,040
2007	2238	6,270	0	0	1,030

Migration:

1.03 (2004 est.); Net migration rate: 0 (2004 est.)



Crude Birth Rate:	
2007	17.51%
2004	17.63%

Life Expectancy:

total population: 80.78 years

Crude Death Rate:	
2007	7.02%
2004	7.36%

Ethnicity:

black, white, other (2004), The majority of Montserrat's population is black and are descendants of slaves from Africa. Slavery was outlawed in 1807 and all slaves were freed in 1834. Approximately 3% of the population are European and North American retirees.

Class Division:

Languages:

English (official), Leeward Islands Creole English

Religion:

Roman Catholic, Anglican, Seventh Day Adventist, Pentecostal, Methodist, Baptist, Jehovah's Witness, Wesleyan Holiness and Church of God of Prophecy.

Literacy:

total population: 97% (def: over 15 has received some schooling; 2004 est.)

Education System:

divided into primary and secondary stages. Students enter either a public (government funded) or private (Roman Catholic) school system at age 5 and sit for a formal examination at age 11 in order to pass into the secondary stage. The Montserrat Secondary school offers vocational skills training and the University of the West Indies School of Continuing Studies, (whose main campuses are located in Trinidad, Barbados and Jamaica), offers first and second year university level courses. Students prepare for the C.X.C (Caribbean Examinations Council) examinations. Computer training is compulsory at the Secondary and Primary level.

Total Pre-schools:()	
Total Primary Schools	
First Level:	
Second Level:	
Third Level:	
Total Secondary Schools:	
Total Professional Schools	
Universities:	

Number of Schools per Island:										
	Pre-school		Elementary			High-school		Prof.	University	
	Pub	Priv	1	2	3	Pub	Priv		Pub	Priv

Students Enrolled:					
Year:	Pre-School	Elementary	High-school	Prof.	University

Teachers							
Year	Pre-School	Elementary			High-School	Prof.	University
		1	2	3			

Medical Services:

The main hospital in St Johns handles most routine and surgical emergencies. Accidents and emergencies may also be dealt with by private practice doctors. A dental clinic is available, as are private dentistry services. Serious incidences of injury or illness are transferred off island by helicopter to Antigua or Guadeloupe.

HISTORY AND CULTURE

History:

The first recorded name for Montserrat was "Alliouagana," meaning the land of the prickly bush. The name was given to the island by the Carib people who are believed to be its first settlers. During his second voyage to the New World in 1493, Christopher Columbus also discovered the island. He named it Santa Maria de Montserrat because the jagged peaks resembled the Monastery of Montserrat near Barcelona Spain. In 1632, led by Sir Thomas Warner, the island was colonized by Irish and English settlers. Irish immigrants from Virginia flooded the island, and plantations were set up to grow tobacco and indigo, later followed by the cultivation of cotton and sugar. They imported slaves to provide the workforce needed for the cultivation of these crops and encouraged Irish laborers from St. Kitts to emigrate. The French captured the island three times (1664, 1667, 1782), but British authority was quickly restored. Montserrat was confirmed by the Treaty of Versailles, in 1793, as a British possession. It was also a part of the Leeward Islands colony from 1871 - 1956 and received partial elective executive and legislative council by constitution in January 1960. In 1958 the island became a member of the West Indies Federation (which has since dissolved). The falling price of sugar, a series of earthquakes and hurricanes between 1890 and 1936, brought the collapse of the economy. In the 1850s Joseph Sturge, an Englishman, formed the Montserrat Company, which bought abandoned sugar estates and encouraged the cultivation of limes. In recent years, Montserrat has experienced the resurgence of the dormant Soufriere Hills volcano. Increased seismic activity was recorded in mid-1992 and this led to eruptions 1995. The capital Plymouth was fully evacuated in April of 1996. With subsequent eruptions, two thirds of the island was deemed unsafe for habitation. The remaining third of the island is considered the safe zone of the island and is presently being developed. With a lull in volcanic activity (the last recorded eruption occurred in March 2003), residents have now begun to return to the island, arresting the initial emigration of more than half the population. Both the internal government and the British government are now focusing on rebuilding the economy and developing the island.

Referenda:

Recent Significant Events:

On June 18, 1995 a massive volcanic eruption of the Soufriere Hills (which continues to be active) destroyed much of the island, including the capital city of Plymouth. Although more than two-thirds of the population fled the island, some have begun to return.

Music, Dance, Handicraft and Patrimony:

Sources:

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