

The Virgin Islands Consortium

Latest Data On Economy Shows Slowing In Decline Bolstered By Strong Tourism Numbers

Business / **Published On December 17, 2015 12:13 PM /**

Staff **December 17, 2015**



ST. THOMAS -- The economy's decline slowed significantly in 2014, aided by strong results in the tourism sector, according to new data released by the Bureau of Economic Research on Wednesday. Above, three cruise ships docked at the West Indian Company's port in Havensight.

According to BEA, while the territory's Gross Domestic Product shrank by 8.2 and 15 percent in 2011 and 2012 respectively, the numbers improved in 2013 and continued that trend in 2014, with a 0.6 percent decline.

Those numbers, according to Bureau officials, showed that the economy was picking up, and suggested that 2015 numbers, set to be released in summer 2016, would show even more improvements. The slow in decline was aided heavily by the territory's tourism product, which contributed positively to the economy with an increase in visitor arrivals of 4.2 percent in 2014, according to BEA data, seen [here](#).

The decline in the Virgin Islands economy primarily reflected a decrease in government spending, the release stated, adding that the decrease in government spending reflected declines in compensation paid to federal government employees, and in federal government construction activity.

And exports of goods increased significantly, the release made known, primarily due to growth in exports of petroleum and petroleum products. However, this growth was mostly offset by growth in imports of petroleum -- a subtraction item in the calculation of GDP -- and by a drawdown of inventories, a result of the shuttering of the HOVENSA rack, which prompted businesses to purchase bulk oil-based products elsewhere.

The estimates of GDP by industry show that the private sector was the primary source of the decline in real GDP in 2013, the release went on. Goods-producing industries declined 27.0 percent in 2013, reflecting the loss of the HOVENSA refinery.

The compensation by industry estimates, which are measured in current dollars, show trends in compensation for major industries. Total compensation decreased in 2013; the largest contributor to the decrease was goods-producing industries. This was partly offset by an increase in compensation of the wholesale and retail trade industries.

See the full results immediately below, including charts.

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