

1.0 ABSTRACT

St. Vincent and the Grenadines (SVG) is a multi- island state, which is highly dependent on its eroding banana economy as its main export earner. In order for the country to survive from the eroding banana industry, it is imperative that the country considers economic diversification to spread its risk. One of its main options is the fishing sector.

Although the fishing sector only contributes a small proportion to the country's Gross Domestic Product, it is still an important sector to society. One of the main, potential, underdeveloped areas SVG can invest its resources in is the lobster industry.

The lobster industry has proved itself to be a lucrative business since it earns the highest value for output although overall it accounts for a small percentage of fish landings. In order to highlight its importance to the economy a number of analyses would be conducted. These analyses would also be done to identify the relationships shared with variables in an attempt to improve predictions of future trends.

The econometric model was chosen to measure the relationship between the independent variable (x), which is lobster landings, and the dependent variable (y), which was the value of the lobster landings. The result from the regression analysis showed that the two variables