

# Eastern Caribbean Central Bank



## *Economic and Financial Review*

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# EASTERN CARIBBEAN CENTRAL BANK

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**The ECCB welcomes your questions and comments on this publication.**

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## INTERNATIONAL ECONOMIC DEVELOPMENTS

### Overview

The global economy expanded in the first quarter of 2014, but performance was mixed across the advanced countries. Harsh cold weather impacted economic outturns in North America. In the United States of America, the world's largest economy, real GDP declined by 1.0 per cent in the first three months of 2014 following a 2.6 per cent growth rate in the fourth quarter of 2013. In Canada, although the economy expanded, the rate of growth slowed down. In the Euro-zone, the pace of recovery remained lackluster. The marginal increase in activity for the bloc was led once again by Germany, Europe's largest economy, and Spain, while output in France was flat. Asia provided the strongest growth impetus among the advanced economies. China grew by 7.4 per cent in the quarter although this represented a slowdown from the previous two quarters. Japan's GDP expanded by an annualized rate of 5.9 per cent, the fastest pace in more than two years for the world's third-largest economy. Looking ahead, the world economy is projected to grow at a faster rate in 2014 but faced significant risks, especially deflation.

### Developments in the Major Economies

The output of goods and services in the **United States of America** contracted at an annual rate of 1.0 per cent in the first quarter, the worst economic performance since the first quarter of 2011. The fall in output was mainly due to an unusually cold and disruptive winter, one of the coldest in the USA for 20 years, and a fall in business investment. The downturn was led by a decrease of 6.0 per cent in the exports of goods and services in the first quarter, in contrast to an increase of 9.5 per cent in the fourth quarter of 2013. The fall in exports combined with an increase in imports (0.7 per cent) resulted in a larger than expected trade deficit which shaved 0.95 percentage points off economic output.

The outturn was also precipitated by declines in private inventory investment, nonresidential fixed investment and in state and local government spending. The change in real private inventories subtracted 1.62 percentage points from the first-quarter change in real GDP. Non-residential fixed investment decreased by 1.6 per cent in the first quarter, in contrast to an increase of 5.7



per cent in the fourth quarter of 2013. Investment in non-residential structures, such as gas drilling, decreased by 7.5 per cent, compared with a decrease of 1.8 per cent the fourth quarter of 2013. Investment in equipment fell by 3.1 per cent, in contrast to an increase of 10.9 per cent in the preceding quarter. The value of real residential fixed investment declined by 5.0 per cent. Consumption expenditures and gross investment at the State and local government levels declined by 1.8 per cent in the first quarter of 2014.

The downturn was partly offset by a rise in federal government spending and continued growth in personal consumption. Federal government consumption expenditures and gross investment increased by 0.7 per cent in the review period in contrast to a decrease of 12.8 per cent in the final quarter of 2013. Consumer spending, which accounts for more than two-thirds of US economic activity, increased by 3.1 per cent. The increase in spending was consistent with developments in the labour market. Total nonfarm payroll employment rose by 192,000 in March 2014, and the unemployment rate was unchanged at 6.7 percent. Employment grew in professional and business services, health care, and mining and logging. Over the year,

the number of unemployed persons and the unemployment rate were down by 1.2 million and 0.8 percentage point, respectively.

In **Canada**, economic growth slowed at an annualised rate of 1.2 per cent in the first three months of 2014, from a 2.7 per cent increase in the final quarter of 2013. The slowdown reflected weaker growth in most expenditure areas. Consumer spending increased by 1.2 per cent in the first quarter of the current year compare with a rate of increase of 2.4 per cent in the fourth quarter of 2013. The weakening in housing activity observed in the last quarter of 2013 was deepened by the cold weather with a decline of 6.3 per cent in the first quarter of 2014. Similarly, the fall in business investment worsened to 2.0 per cent from 0.8 per cent over the same period. Government spending moderated, recording a 0.5 per cent decline after rising by 0.3 per cent in the fourth quarter of 2013. As a result of the decline in these major expenditure areas, final domestic demand grew at a weaker pace at 0.3 per cent after an increase of 0.8 per cent in the last quarter of 2013. Inventories also acted as a drag on the first quarter performance though the effect was marginal at 0.1 per cent. The size of the slowdown was moderated by *net exports* which added 1.6 percentage points to



GDP output, following a 0.7 per cent increase in the last quarter of 2013.

The economic recovery in the **United Kingdom** is gathering momentum, as real GDP grew by 0.8 per cent in the first quarter of 2014, up slightly from 0.7 per cent in the final quarter of 2013. It was the fifth consecutive quarter of GDP growth, the longest positive run since the financial crisis of 2008/2009. Growth was broad-based with production, construction and services all expanding on the quarter. The agriculture, forestry and fishing industry was the only headline industry to decline, falling by 0.7 per cent in the first quarter of 2014.

Manufacturing, the largest component of production, increased by 1.4 per cent between the fourth quarter of 2013 and the first quarter of 2014. Construction output increased by 0.6 per cent. The service sector, which makes up three-quarters of the economy, grew by 0.9 per cent, its strongest pace of growth since the third quarter of 2011. Within the sector, the largest contributions came from the wholesale and retail industries and the scientific, administration and support industries which increased by 1.8 per cent and 1.7 per cent respectively.

Business investment grew by 2.7 per cent in the first quarter from the last quarter of 2013, the fastest rate of growth since the first quarter of 2013, and added 0.2 per cent to GDP. Household final consumption expenditure, which accounts for nearly two-thirds of economic expenditure, rose by 0.8 per cent in the first quarter of the year and has increased for ten consecutive quarters.

With exports contracting to a lesser extent than imports, the *net trade balance* improved slightly. The trade balance deficit decreased to £4.1 billion from £4.2 billion in the previous quarter.

In the **Euro-zone**, Gross Domestic Product grew by 0.2 per cent from the last quarter of 2013. This is the fourth consecutive quarter of growth. The growth performance was led by Germany, the bloc's leading economy, whose output expanded by 0.8 per cent on account of increased spending by private households and the government. Spain's economy grew by 0.4 per cent while France, Europe's second largest economy, failed to grow in the first three months of 2014, after a rate of growth of 0.2 per cent in the last quarter of 2013. The latest quarter result was attributed to weaker consumer spending and business investment, as both fell by 0.5 per cent. The GDP of Italy



contracted by 0.1 per cent, having only just emerged from recession last year. The unemployment rate has remained at a steady 11.8 per cent since December 2013, but the unemployment numbers have fallen gradually since January to 19.81 million in March.

**China's** economy expanded by 7.4 per cent during the first quarter but lower than the growth rates in the preceding two quarters (7.7 per cent and 7.8 per cent in the fourth and third quarters of 2013, respectively). The slowdown is attributed to deliberate government efforts to control pollution, limit overheating in the property market and eliminate overcapacity. Property-development investment rose by 16.8 per cent in the period, the weakest for the first quarter since 2009, while the value of property sales fell by 5.2 per cent. Industrial production rose by 8.6 per cent in January-February and 8.8 per cent in March. Retail sales increased by 12.2 per cent in March from a year earlier, compared with an 11.8 per cent increase in the first two months of the year. Fixed-asset investments excluding rural households increased by 17.6 per cent in the first quarter from a year earlier.

The economy of **Japan** was the fastest growing large developed economy in the first

quarter of 2014, recording annualized real growth of 5.9 per cent. This was the fastest pace of growth in more than two years for the world's third-largest economy. Activity was buoyed by robust consumer spending and strong business investment, as consumers and businesses made purchases ahead of the introduction of an increase in the national sales tax to 8.0 per cent from 5.0 per cent on 01 April 2014. Private consumption, which accounts for some 60 per cent of the economy, rose by 2.1 per cent from the preceding quarter. Capital spending increased by 4.9 per cent on the quarter, logging its fastest expansion since the fourth-quarter of 2011.

### **Development in Commodity, Oil and Consumer Prices**

#### *Consumer Price Inflation*

Consumer price inflation increased by 0.2 per cent in March 2014 in the **United States of America**. Increases in the shelter and food sub-categories accounted for most of the hike. Energy prices, in contrast, declined slightly as decreases in gasoline and fuel oil more than offset increases in electricity and natural gas. The year-on-year change in inflation was 1.5 per cent before seasonal adjustment. Core inflation also rose by 0.2 per cent in March and 1.7 per cent over the last twelve months.



In **Canada**, consumer prices increased by 0.2 per cent in March 2014, marking the fifth consecutive increase of equal or greater magnitude. In the twelve months to March, inflation rose by 1.5 per cent following increases of 1.1 per cent and 1.5 per cent in February and January, respectively. The larger year-over-year rise in the consumer prices in March was led by energy prices, which increased by 4.6 per cent.

Prices in the **United Kingdom** grew by 1.6 per cent in the year to March 2014, down from 1.7 per cent in February and 1.9 per cent in January. The largest contribution to the fall in the inflation rate came from transport, particularly motor fuels. Other smaller downward effects came from the clothing and furniture and household goods sectors. These were partially offset by upward contributions from restaurants and hotels and alcohol and tobacco.

The **Euro-zone** continues to be concerned about falling inflation. In March 2014, inflation dropped to 0.5 per cent, well below the ECB's target of 2 per cent, and the sixth month that inflation has remained below 1.0 per cent.

### *Commodity Prices*

Commodities, as an asset class, performed better than most other asset classes after two years of underperformance. The Thomson Reuters/Core Commodity CRB Index, a futures price index that provides representation of broad trends in overall commodity prices of nineteen products including sugar, cocoa, aluminum, crude oil and gasoline, ended the first quarter with gains of 8.7 per cent. This was the best performance of the index since September 2012. The price of coffee hit a two-year high, driven by the extreme dry weather in Brazil, the world's largest coffee producer. Ethanol rose to a 32-month high as the bitter winter season blocked the rail lines in the United States of America. Nickel recorded its best performance since 2010. In contrast, the slowdown in the growth rate of the economy of China has led to decreases in the cost of industrial metals like copper, zinc and lead. Prices for copper futures fell by about 10 per cent on the year.

### *Oil Prices*

West Texas Intermediate (WTI) spot price averaged US\$98.51 in the first quarter of 2014, a 1.2 per cent increase in the price that obtained in the fourth quarter of 2013 and 4.4



per cent above the price in the first quarter of 2013. The price of North Sea Brent crude fell to US\$108.11 in the quarter under review when compared with US\$109.21 in the previous quarter and US\$112.49 in the corresponding period in 2013. WTI and Brent crude oil prices are projected to average US\$98.67 and \$107.82 per barrel in 2014, respectively.

### **Monetary Policy**

The focus of monetary policy in the major economies remained supportive of efforts to stimulate growth. At the 18 - 19 March 2014 meeting of the Federal Open Market Committee (FOMC), the branch of the **US Federal Reserve** that determines the direction of monetary policy, the consensus was that the Committee would assess progress, both realized and expected, toward its objectives of maximum employment and 2.0 per cent inflation in determining how long to maintain the current 0 to 0.25 per cent target range for the federal funds rate. The Fed hopes to raise interest rates sometime in 2015 once the unemployment rate falls below 6.5 per cent and inflation remains within its 2.0 per cent target. The policy of “tapering” monthly purchases of securities, which began in December 2013 as the underlying trend of

economic recovery was showing signs of strengthening, was continued. The FOMC agreed at its March meeting that, beginning in April 2014, it would add to its holdings of mortgage-backed securities at a pace of US\$25 billion per month rather than \$30 billion per month and would add to its holdings of longer-term Treasury securities at a pace of \$30 billion per month rather than \$35 billion per month. While seeking to re-normalise monetary policy through a gradual withdrawal of the bond-buying programme, the Fed through its Chairperson said it will continue to support the economy for as long as it deems necessary.

The **European Central Bank (ECB)** kept its benchmark interest rate at the historic low of 0.25 per cent despite growing calls for a rate cut to obviate the risk of deflation, which would harm the Euro-zone’s fragile economic recovery. There are two options the ECB would consider if the inflation outlook is to deteriorate. The ECB could either engage in quantitative easing or further reduce the interest rate. The economic data at the end of the second quarter could help determine what actions, if any, the bank will take.

The **Bank of England** maintained the current stance of monetary policy meant to stimulate



economic recovery and expansion. The Bank of England's Monetary Policy Committee voted to maintain its benchmark rate at 0.5 per cent and the stock of purchased assets financed by the issuance of central bank reserves at £375 billion throughout the three months.

The **Bank of Japan** decided to maintain its policy of conducting money market operations so that the monetary base will increase at an annual pace of about 60 - 70 trillion yen.

### **Prospects**

Growth in global output is projected to strengthen in 2014 at a rate of 3.6 per cent from 3.0 per cent in 2013. Advanced economies are expected to be the main source of this pickup in output. These economies are projected to grow at about 2.3 per cent in 2014–15, an improvement of about 1 percentage point compared with 2013. Accommodative monetary and fiscal policies will continue to be the stimulus to economic recovery and expansion.

The United States of America will lead with its growth rate projected to be 2.8 per cent for the year. The economy is expected to rebound in the second quarter with the return to more

normal weather conditions. The improvement in household balance sheets, the persistence of low interest rates and the strengthening of the labour market provide the basis for optimism for increased consumer spending to drive a sharp acceleration in economic activity in the second quarter.

The slowdown in growth in the first quarter in Canada is expected to be transitory. Growth in the first quarter was only 0.3 percentage points lower than the 1.5 per cent forecasted by the Bank of Canada. Like the United States of America, activity is expected to bounce back in the second quarter with the return of more seasonal temperatures. Annual growth is projected at 2.5 per cent fuelled by global demand for Canadian exports and an increase in investment in capital goods.

The Euro area economies are forecasted to grow by 1.0 per cent in 2014, a marked increase after a decline of 0.4 per cent in 2013. Growth, however, will be varied. Countries in the core will have stronger growth while those with high debt and financial fragmentation will have weaker domestic demand and consequently lower growth. Growth in the second quarter is expected to remain at a subdued pace. Germany, the largest economy in the Euro-zone, is projected to slow down to



0.5 per cent growth in the second quarter due to a ‘normalization’ of construction activity.

Output in Japan is expected to contract in the period between April and June 2014 on account of subsequent decline in domestic demand after the sales tax hike in April. Notwithstanding, the economy is expected to gain some lost ground in the subsequent quarters of 2014. Real gross domestic product is forecasted to grow by 1.4 per cent for the fiscal year, starting March 2014.

In China, growth is projected to be 7.5 per cent in 2014. The economic slowdown will prompt more fiscal and monetary stimulus in the coming months. However, the government’s response is likely to be less than the stimulus offered in mid-2012 as the authorities seek to rein in credit and advance reforms while ensuring a gradual transition to a more balanced and sustainable growth.

Stronger external demand from advanced economies will help growth in emerging

market and developing economies to pick up gradually from 4.7 per cent in 2013 to about 5 per cent in 2014. On the other hand, tighter financial conditions will dampen domestic demand growth.

Although downside risks have diminished, they remain significant. The persistence of very low inflation in advanced economies, especially in the Euro area, could lead to expectations of lower inflation which in turn would lower aggregate demand and thereby derail recovery in the global economy. The premature withdrawal of quantitative easing or renewed loss of confidence among investors could result in further financial turmoil. This would lead to difficult adjustments in some emerging market economies, with a risk of contagion and financial system stress. The recent geopolitical developments involving Ukraine and Russia could add volatility to commodity prices.



## DOMESTIC ECONOMIC DEVELOPMENTS

### Overview

Preliminary estimates indicate that economic activity in the Eastern Caribbean Currency Union (ECCU) expanded for the first three months of 2014 relative to the corresponding period in 2013. This assessment is based on estimated improvement in the key sectors of the economy – construction and hotels and restaurants. Developments in these sectors are estimated to have had positive knock-on effects on the wholesale and retail trade, as well as the transport, storage and communications sectors. An increase in value added was also recorded for the public administration, defence and compulsory social security sector. The overall expansion was moderated somewhat by no change in the output of the agricultural sector and lower value added in the manufacturing sector. On an individual country basis, economic activity rose in six of the member countries and remained flat in two. Consumer prices rose, on average, throughout the Currency Union. The fiscal operations of the Central Governments resulted in an overall deficit in contrast to an overall surplus in the first three months of 2013, mainly influenced by developments on the current account. The

stock of public sector debt increased. The merchandise trade deficit is estimated to have contracted, as import payments fell. In the banking sector, monetary liabilities (M2) and net foreign assets rose, while domestic credit declined. The liquidity position of commercial banks in the Currency Union improved and the spread between the weighted average interest rates on loans and deposits widened.

The economic outlook for the remainder of 2014 is anticipated to improve buoyed by a favourable international outlook which should positively impact domestic activity. Notwithstanding the strengthening global recovery, fragile labour markets in the USA and UK are expected to constrain the earnings potential from the export of leisure services for the region. Construction activity, one of the major contributors to economic output in the Currency Union, is expected to strengthen slightly as a result of continued work on a number of public and private sector projects later in the year.

Fiscal developments are expected to result in a widening of the overall fiscal deficit as member governments undertake intensified



capital investments and increase outlays on current expenditure. Larger capital expenditure will be partly sustained by a higher level of borrowings and grant funding.

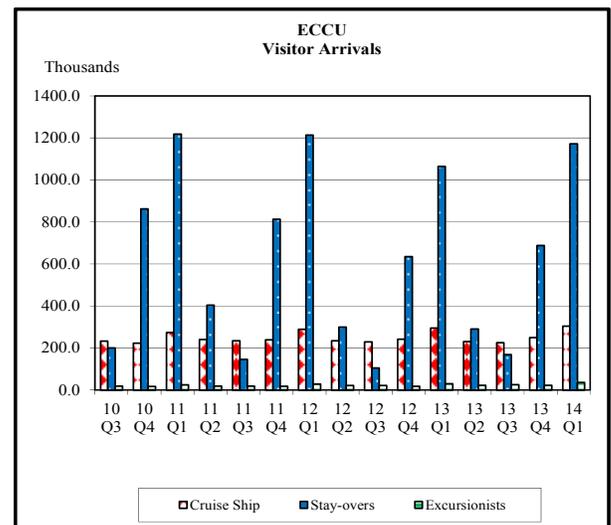
The risks to the outlook are weighted to the downside driven by both external and domestic developments. The external risks are related to a slower than anticipated economic expansion in advanced economies, and the slow recovery of the international banking system. On the domestic front the main risks are related to on-going challenges related to the fiscal and debt overhang and the financial system.

**Output**

Construction activity is estimated to have expanded marginally when compared with the first three months in 2013, based on estimated increases in private capital inflows and a rise in construction related imports. Private sector construction is estimated to have risen, especially foreign direct investment financed construction. Public sector capital investment spending fell by 5.6 per cent to \$193.0m during the period under review largely on account of developments in Saint Lucia; however the decrease was insufficient to offset the increase in private sector

construction activity. Among the member countries, activity increased in St Kitts and Nevis, St Vincent and the Grenadines, Dominica, Antigua and Barbuda, Anguilla and Montserrat. In contrast, declines were recorded in Saint Lucia and Grenada.

Consistent with higher construction activity, output in the mining and quarrying sector is also estimated to have increased.



Activity in the tourism industry increased during the first three months of 2014, relative to that in the corresponding period of 2013. Total visitor arrivals rose by 8.8 per cent to 1.6m in contrast to an 8.8 per cent decrease in the first quarter of 2013. The higher performance was attributed to developments in the stay-over and cruise-visitors categories. Stay-over visitor arrivals, the category with



the largest economic impact, increased by 3.3 per cent to 304,754, compared with a 2.1 per cent increase in the comparable period of 2013. The increase was primarily led by higher arrivals from the USA, UK and Canadian markets. The number of stay-over visitors from the USA rose by 4.5 per cent, attributable to the relative strength of that economy compared with other advanced economies. Stay-over visitors from the UK increased by 6.1 per cent in contrast to a decline of 2.4 per cent in the first quarter of 2013, and arrivals from Canada rose by 4.7 per cent compared with a 12.9 per cent rise in the first quarter of 2013. The rise in stay-over visitors was tempered by lower visitor arrivals from the Caribbean, constrained by the high cost of inter-regional travel and limited air access.

Among the member countries, there were increases in stay-over arrivals in Saint Lucia (7.5 per cent), Antigua and Barbuda (4.3 per cent) St Vincent and the Grenadines (2.6 per cent), Montserrat (24.9 per cent) and Anguilla (0.2 per cent), while decreases were recorded in St Kitts and Nevis (1.6 per cent), Dominica (2.2 per cent) and Grenada (0.6 per cent). The number of cruise passengers, which accounted for 74.5 per cent of total arrivals to the region, increased by 10.0 per cent to 1.2m compared

with a contraction of 12.3 per cent in the first three months of 2013. An increase in the number of cruise ship calls by 0.9 per cent to 816, influenced the performance of this sub-category. The number of visitors by yacht rose by 8.2 per cent and an 18.1 per cent rise in the number of excursionists was recorded.

Other key sectors estimated to have registered increases in value added include wholesale and retail trade and transport, storage and communications. The rise in wholesale and retail trade was associated with the overall improvement in economic performance combined with the expansion in the construction and hotels and restaurants sectors.

Output in the agricultural sector was mixed on account of an estimated reduction in banana output tempered by an increase in the non-banana crop sub-sectors such as cocoa, nutmeg, and hot peppers. Preliminary banana production data indicate that output fell by 17.1 per cent to 4,348.6 tonnes based on declines in most of the producing countries.

Activity in the manufacturing sector is estimated to have declined during the period under review. The reduction in manufacturing activity reflected decreases in the output of



major commodities in key member states, except St Kitts and Nevis. In St Vincent and the Grenadines production of beer, feeds and rice fell, and in Saint Lucia lower outputs were recorded for paperboard and beverages. In Dominica the production of soap and paint and varnishes declined by 7.1 per cent and 3.4 per cent respectively, while the production of soft drinks and beer was lower in Grenada. Lower manufacturing output was partially offset by increases in the output of alcoholic beverages in St Kitts and Nevis and Dominica. Increases were also recorded in Grenada for flour, stout and paint.

### **Prices**

Consumer prices increased by 1.0 per cent on average in the first quarter of 2014, in contrast to a 0.5 per cent contraction in the first three months of 2013. The higher price level during the quarter under review was largely influenced by increases in most of the sub-indices including; clothing and footwear (2.9 per cent), household furniture and equipment (2.5 per cent), medical care and expenses (1.7 per cent) and personal services (1.2 per cent). More moderate increases were recorded for food (0.6 per cent), which has the greatest weight in the goods and services basket, housing and utilities, fuel and light, and

alcoholic drink and tobacco of 0.5 per cent respectively. These increases were partially offset by declines in the transportation and communication (1.0 per cent) and education (0.1 per cent) sub-indices. The price increases ranged from 3.4 per cent in Saint Lucia to 0.2 per cent in St. Vincent and the Grenadines. In those territories where consumer prices were lower, the most significant declines were recorded in Anguilla (0.7 per cent) attributable to upward movements in the price of transportation and Dominica (0.6 per cent), reflecting lower prices for housing, utilities, gas and fuels.

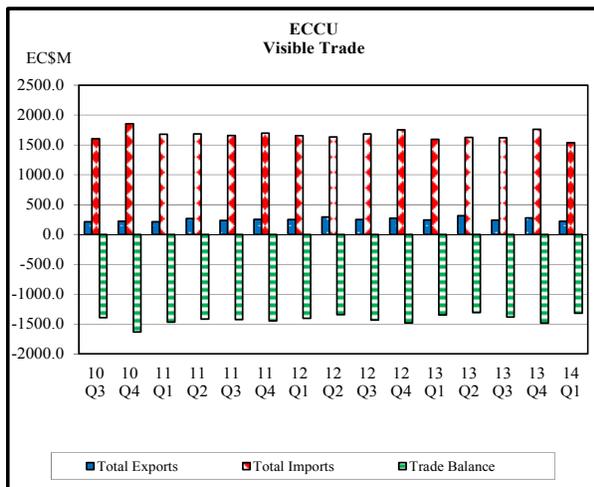
The average price of gasoline in the ECCU member countries during the first three months of 2014 was \$15.49 compared with the average price of \$15.81 in the corresponding period of 2013. Price increases for gasoline were recorded for Anguilla and Saint Lucia.

### **Trade and Payments**

Preliminary estimates indicate that the merchandise trade deficit narrowed to \$1,316.8m from \$1,349.0m on account of a reduction in import payments. Import payments fell by 3.5 per cent, to \$1,536.9m, consistent with lower import payments in

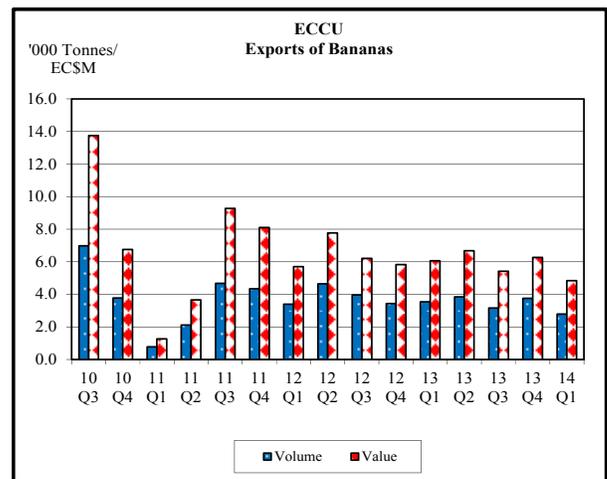


most of the territories. The value of imports fell in all of the territories except Saint Lucia and Grenada. At the same time, the value of exports fell by 9.9 per cent to \$220.1m, influenced by estimated reductions in earnings from domestic exports and re-exports. Earnings from export of bananas decreased by 20.0 per cent to \$4.9m, in contrast to a 6.3 per cent increase in the corresponding period of 2013. Lower export earnings were partly moderated by higher receipts for the export of non-banana agricultural produce, especially cocoa and nutmeg in Grenada, and manufactured commodities such as beverages, flour and animal feed in Dominica and St Vincent and the Grenadines respectively.



Gross travel receipts rose by 4.2 per cent to \$1,073.8m, in line with increases in the number of stay-over visitors and cruise passengers. Commercial bank transactions

resulted in a net outflow of \$442.9m in short-term capital compared with a net outflow of \$282.4m in the corresponding period of 2013. Disbursements of foreign loans to central governments stood at \$83.5m, compared with disbursements of \$67.9m during the comparable period in 2013. Loan amortisation amounted to \$69.0m, compared with \$76.6m during the first three months of 2013.



**Central Government Fiscal Operations**

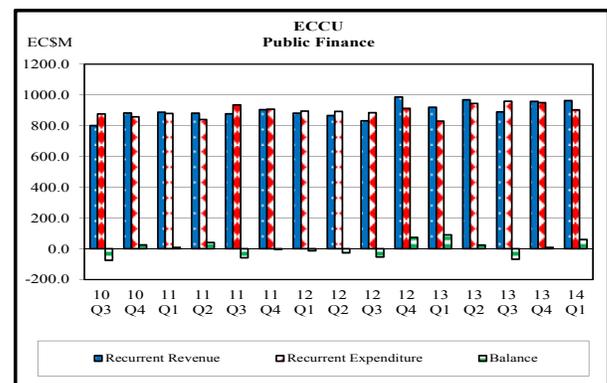
The consolidated fiscal operations of the central governments resulted in an overall deficit of \$102.4m, in contrast to a surplus of \$23.1m in the first quarter of 2013. The reduction in the overall balance was mainly due to developments on the current account. Performances varied amongst the member countries. Of the member countries, Grenada



and Montserrat, recorded larger current account deficits, while Antigua and Barbuda, St Kitts and Nevis and Saint Lucia recorded a lower surplus. The lower current deficit was moderated somewhat by higher current surpluses recorded in Dominica and Anguilla, while St Vincent and the Grenadines shifted to an overall surplus from a deficit.

The current operations of the central governments generated a surplus of \$60.3m, compared with one of \$90.1m recorded in the first quarter of 2013. The smaller surplus was due to higher current expenditure outlays. Current revenue increased by 4.7 per cent to \$964.4m, as result of a 7.5 per cent (\$43.2m) rise in tax revenue which more than offset a reduction in non-tax revenue collections. Higher tax receipts reflected increases in collections for most of the major tax categories. Collections for taxes on domestic goods and services increased by 7.7 per cent, primarily as a result of a 24.4 per cent (\$12.9m) improvement in sales tax receipts and a 4.1 per cent (\$9.1m) rise in the collection of Value Added Tax (VAT), consistent with higher intakes across the currency union, primarily in St Vincent and the Grenadines. Most of the other sub-categories under taxes on domestic goods and services recorded increases consistent with the

improvement in macroeconomic conditions. Revenue from taxes on international trade and transactions rose by 7.1 per cent, in contrast to a 14.9 per cent decline in the corresponding period of 2013. Higher tax receipts from international trade and transactions were buoyed primarily by a 9.3 per cent (\$8.8m) increase in import duties. Revenue from taxes on income and profits rose by 6.6 per cent, driven by higher receipts of personal income tax (15.2 per cent) as company tax receipts declined. Property tax receipts strengthened by 21.8 per cent, in contrast to a 27.1 per cent decrease in the corresponding period of 2013. Overall, increases in tax revenue ranged from 1.3 per cent in Antigua and Barbuda to 18.5 per cent in St. Kitts and Nevis. Developments with respect to non-tax revenue were primarily influenced by a decline in the collection of government fees under the Citizenship by Investment Program in St Kitts and Nevis.



Current expenditure increased by 8.8 per cent to \$904.2m as there was an expansion in all the major sub-components. The most significant contributor to the rise in current expenditure was outlays on personal emoluments, which rose by 5.5 per cent (\$21.4m), compared with an increase of 0.5 per cent in the corresponding period of 2013. The outturn mainly reflected higher outlays for salary in Grenada, Saint Lucia and St Kitts and Nevis of 14.7 per cent, 6.1 per cent and 8.9 per cent respectively. Other factors accounting for the increase in current expenditure included a 12.1 per cent (\$21.2m) rise in transfers and subsidies, attributable to higher pension payments in Saint Lucia, St Kitts and Nevis, St Vincent and the Grenadines and Antigua and Barbuda. Interest payments increased by 12.4 per cent, attributable to a rise in external obligations. Outlays on goods and services rose by 10.8 per cent (\$16.7m), mainly as a result of developments in St Kitts and Nevis. Overall, spending on goods and services rose in St Kitts and Nevis, St Vincent and the Grenadines, Antigua and Barbuda and Anguilla and declined in Grenada, Montserrat, Saint Lucia and Dominica. St Kitts and Nevis recorded the largest increase (55.9 per cent) followed by Antigua and Barbuda (23.6 per cent).

Capital expenditure fell by 5.6 per cent to \$193.0m, as work wound down on a number of public sector projects in some member countries. The largest reduction in capital expenditure was recorded in Saint Lucia (27.3 per cent). In contrast, the other territories recorded increases in capital outlays as part of on-going public sector projects, of which the increases in St Vincent and the Grenadines and St Kitts and Nevis were the most significant. Capital grants were 87.8 per cent (\$71.1m) lower during the period under review, largely attributable a reduction in British aid to Montserrat.

### **Public Sector Debt**

The total outstanding debt of the public sector rose by 0.4 per cent to \$12,992.8m during the quarter under review, on account of an increase in central governments' outstanding debt. Central governments' stock of outstanding debt rose by 0.5 per cent to \$11,122.2m, and that of public corporations declined by 0.3 per cent to \$1,870.6m. The stock of outstanding external debt for central government rose by 0.8 per cent to \$6,260.4m and domestic debt by 0.1 per cent to \$4,861.8m. Of the member countries, increases were recorded in the public sector



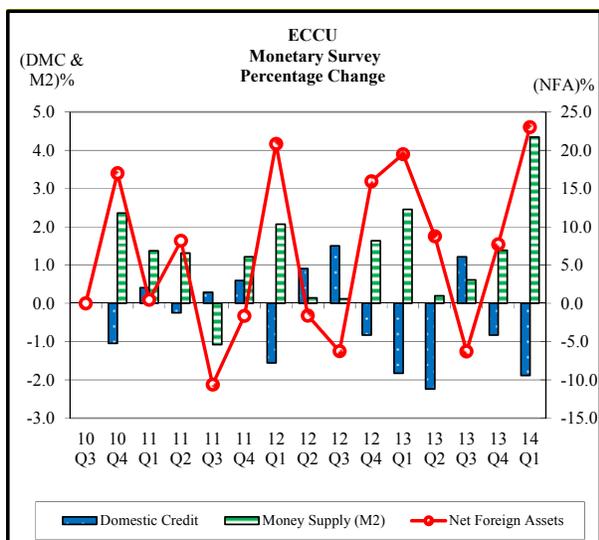
debt in all of the countries except Anguilla, St Kitts and Nevis and Montserrat.

### Monetary and Financial Developments

#### Money and Credit

Monetary liabilities (M2) expanded by 4.4 per cent to \$14,590.8m, influenced by an increase in quasi money and narrow money (M1). Quasi money increased by 2.9 per cent to \$11,423.7m, largely as a result of expansions in foreign currency deposits (9.4 per cent) and private sector savings (2.9 per cent). M1 rose by 10.0 per cent, compared with an increase of 2.5 per cent at the end of December 2013. This growth was, largely fuelled by an expansion in private sector demand deposits (14.0 per cent).

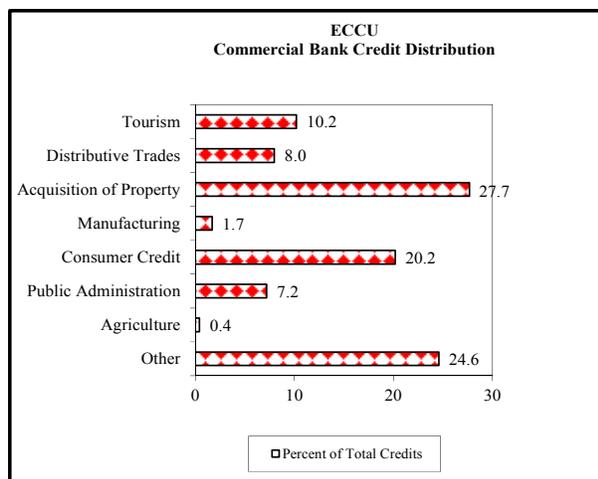
Domestic credit fell by 1.9 per cent to \$11,948.9m during the review period, influenced by a decrease in lending to the private sector and an increase in the net deposits position of non-financial public enterprises. Credit to the private sector declined by 1.0 per cent, influenced by lower credit to businesses (1.7 per cent) and households (0.3 per cent). The net deposits position of non-financial public enterprises rose by 2.6 per cent as deposits rose (1.3 per cent), while credit to those enterprises fell. Net credit to the general government decreased by 9.0 per cent, influenced by a 3.5 per cent increase in deposits held at commercial banks, combined with a 1.1 per cent decline in commercial bank credit.



An analysis of the distribution of credit by economic activity indicates that outstanding credit to the tourism industry fell by 3.4 per cent compared with a 0.7 per cent reduction in the corresponding period of 2013, while credit for construction fell by 2.0 per cent in contrast to an increase of 0.4 per cent in the corresponding period of 2013. Lending for personal use, the largest category, fell by 0.4 per cent in contrast to a 0.3 per cent increase in the first three months of 2013. The reduction in outstanding credit for personal use was mainly attributable to a decrease of



0.4 per cent in lending for the acquisition of property and a 0.7 per cent decline in lending for the purchase of durable consumer goods. Credit for the manufacturing, mining and quarrying sector declined by 2.0 per cent compared with a 1.6 per cent contraction in the corresponding period of 2013. Lending to the agriculture and fisheries sector fell by 0.4 per cent, in contrast to a 2.0 per cent increase in the corresponding period of 2013. Lower outstanding credit was moderated somewhat by higher lending to the distributive trades sector by 0.6 per cent compared with a 0.3 per cent increase in the corresponding period of the previous year.



The net foreign assets of the ECCU banking system increased by 23.0 per cent to \$4,284.6m during the first three months of 2014. The higher net external position was attributable to an increase in the foreign assets

of the commercial banks (8.5 per cent) and the Central Bank (11.4 per cent). The Central Bank net foreign assets amounted to \$3,509.3m.

Commercial bank liquidity eased during the quarter under review, underscored by a 2.8 percentage point increase to 36.6 per cent in the ratio of liquid assets to total deposits plus liquid liabilities and a 1.8 percentage point expansion to 13.8 per cent in the ratio of cash reserves to deposits. The loans and advances to deposits ratio fell to 72.8 per cent from 76.7 per cent at the end of December 2013, on account of a contraction in total loans and advances coupled with growth in deposits. The spread between the average weighted interest rate on deposits and loans widened to 6.27 per cent at the end of March 2014, from 6.09 per cent at the end of December 2013. The weighted average lending rate rose to 8.99 per cent from 8.94 per cent at the end of December 2013, while the weighted average interest rate on deposits fell to 2.72 per cent from 2.85 per cent at the end of December 2013.

**Developments on the RGSM**

Activity on the primary market for government securities fell during the first



quarter of 2014, as a number of countries suspended issuances on the RGSM. Gross funds issuance amounted to \$200.5m, a decrease of 26.3 per cent relative to the total in the first quarter of 2013. This total represented the issuance of eleven (11) securities, comprising ten Treasury bills and one bond. The contraction was associated with a reduction in issuance by the governments of Saint Lucia and St Vincent and the Grenadines, together they accounted for six of the eleven securities issued on the market during the review period. The value of bonds issued during the first quarter of 2014 stood at \$13.5m, compared with \$92.0m during the corresponding period in 2013. The government of Saint Lucia, which continues to be the primary issuer of bonds on the market, was partly responsible for the lower performance as a result of a decline in the value of issuances to no bonds in the first quarter of 2014 from three long-term bonds; \$15.0m 10-year, \$25.0m 6-year and \$12.0m 10-year, totalling \$52.0m in the first three months of 2013. St Vincent and the Grenadines followed with no long-term bond issuances in the period under review in contrast to a \$40.0m 10-year bond that was issued in the first quarter of 2013. However, this decrease in the issued value of bonds was partly offset by an increase in the value of

Treasury bills issued, to \$187.0m from \$180.0m in the corresponding period of 2013. This increase was partly a result of a rise in issuance by the governments of Antigua and Barbuda and Grenada.

Data suggest that there was a decrease in investor sentiment in the market, as evidenced by a decline in subscriptions during the period. The bid-to-cover ratio fell to 1.27 from a ratio of 1.32 in the comparable period of 2013, as the value of bids decreased to \$254.9m. The bid-to-cover ratio represents the value of bids received in an auction divided by the value of bids accepted. The higher the demand by investors at the auction, the higher the ratio would be. There were no under-subscriptions during the first three months of 2014 similar to the outturn in the corresponding period of 2013.

The weighted average interest rate on a 91-day Treasury bills declined by 60.0 basis points to 4.24 per cent at the end of March 2014, compared with the weighted average interest rate of 3.67 per cent at the end of March 2013. Yields for 180-day Treasury bills remained unchanged at 6.0 per cent at the end of March 2014 compared with the corresponding period of 2013. Yields for the longer-term, 7-year bonds rose by 50.0 basis points to 7.50 at the



end of March 2014 compared with the corresponding period of 2013.

Trading in the secondary market for government securities rose in the first quarter of 2014, to \$5.5m from \$5.1m during the first quarter of 2013.

### **Prospects**

The outlook is positive for the rest of the year, based on expanded global economic growth. The most recent estimate for global output points to an expansion of 3.6 per cent in 2014, compared with a 3.0 per cent increase in 2013. Value added for advanced economies is estimated at 2.2 per cent, compared with a 4.9 per cent estimate for emerging markets. While the outlook for advanced economies has improved, this has been counterbalanced by a somewhat diminished outlook for emerging economies.

The improved global outlook should translate into an improvement in tourism demand, from the major source markets including the USA and the UK. Gradual improvement in labour market conditions in these markets, coupled with initiatives to increase air access and destination marketing should increase the number of stay-over visitors. Construction activity, a major contributor to economic

activity in the Currency Union, is expected to expand given the number of private and public sector projects in the pipeline. A number of projects that were previously delayed by the global financial crisis, appear set to accelerate, with positive implications for the level of activity in the construction sector. Additionally, there has been a slight recovery of FDI inflows consistent with the strengthening in the global economy and investor confidence. While FDI inflows have not approached pre-crisis levels, the turn-around represents an improvement over recent levels and this development is likely to be sustained in the short to medium term. Higher growth prospects for tourism and construction will likely have knock-on effects on other key sectors such as: transport, storage and communications, wholesale and retail trade as well as mining and quarrying. In addition, remittance flows, an important source of spending power in the region, are expected to improve somewhat as labour market conditions improve in the host countries. In view of this outlook, and the lag with which external economic and financial impulses are transmitted to the ECCU, it is expected that recovery of real economic activity in the ECCU will be sustained, albeit gradual with implications for the flexibility of domestic labour markets.



Fiscal developments are expected to result in a widening in overall deficits as a number of countries undertake increased current and capital expenditure in an attempt to sustain economic activity. The prospects of higher capital and current outlays could further compound the challenging fiscal situation in the ECCU as fiscal operations may be challenged by diminished loan and official grant inflows. Options for access to external finance have been diminished as a number of international rating agencies continue to forecast elevated risk outlooks for some of the territories of the ECCU and the wider CARICOM region. This development further reduces financing options for the governments of the ECCU and highlights the need for even greater prudence in utilising scarce resources.

Given the projected widening of the overall deficits, outstanding debt is expected to increase. Activity on the RGSM may increase as member countries place greater reliance on domestic sources to finance capital expenditure. Rates are expected to remain low given the accommodative environment in advanced economies and the lack of higher yielding alternative instruments.

The risks to the outlook are weighted to the downside driven by both external and

domestic developments. The external risks are related to a slower than anticipated economic expansion in advanced economies, and the fragility of the international banking systems. Labour market rigidities persist in advanced economies, and a number of major economies remain dependent on some level of monetary stimulus. Low government investment and restricted lending by banks will adversely affect labour market participants and by extension consumer spending. Additionally, the global economic recovery is not evenly robust around the globe and confidence in financial markets has not been fully restored. In the USA the economic drag caused by adverse weather in the first quarter of 2014 and inflexible labour markets could curtail the expanding economy. These factors, along with emerging geopolitical tensions in some former Soviet states represent a major headwind to growth in the ECCU. On the domestic front, the main risks are concentrated on challenges faced by the authorities in stimulating sustainable economic growth as well as buttressing the financial system. The governments' of the ECCU continue to grapple with effective responses to address the fiscal and debt overhang. This is compounded further by diminished prospects for access to external financing. The challenges faced by the region



though significant, can be tackled through measured and coordinated policy interventions aimed at the root causes of the low growth and fiscal and debt paradox. The sequenced

implementation of the principles embodied in the ECCU Eight Point Stabilisation and Growth Programme appears to be an appropriate platform of departure.



## ANGUILLA

### Overview

Provisional estimates indicate that economic activity in Anguilla remained flat in the first quarter of 2014, in contrast to a decline recorded in the corresponding period of 2013. This assessment reflected increased activity in the construction and hotels and restaurants sectors, offset by reductions in financial intermediation, wholesale and retail trade and real estate renting and business activity. Consumer prices decreased by 0.7 per cent, on an end-of-period basis. In the external sector, the merchandise trade deficit declined on account of a reduction in imports and an increase in exports. Influenced by higher revenue collections, which outpaced an increase in expenditure, the fiscal operations of the central government resulted in a larger overall surplus, compared with the first quarter of 2013. Total outstanding public sector debt fell during the quarter under review. In the banking system, monetary liabilities and net foreign assets increased, while domestic credit decreased. Commercial bank liquidity improved and the weighted average interest rate spread between loans and deposits widened.

The forecast for the remainder of 2014 is for marginal economic growth in the level of economic activity, driven by increased activity in the construction and hotels and restaurants sectors. The improved outlook for the construction sector is predicated on accelerated work on a number of on-going projects. Improvement in the performance of the tourism industry compared to that in 2013 is also anticipated, largely on the strength of excursionists. Notwithstanding the more favourable prospects in the domestic economy, significant economic headwinds persist associated with an uneven global economic recovery and the threat of higher oil prices linked to rising geopolitical tensions in some oil producing regions. A further downside risk includes possible hurricane damage to the tourism plant.

### Output

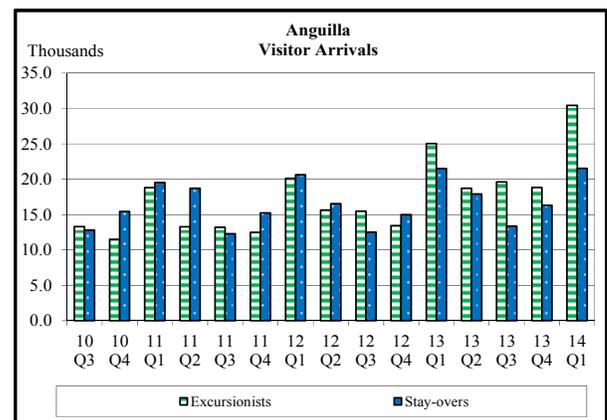
Construction activity is estimated to have expanded in the first quarter of 2014 relative to the outturn in the first quarter of 2013, as a result of an increase in private sector activity. On-going construction developments in the private sector included, work on the Malliouhana Hotel and Spa redevelopment,



Zemi Beach Resort, two boutique hotels; Manoah and the Reef at Cuisinart Golf Course and Spa and commencement work on the Solaire condo development. Higher construction activity would have had positive knock-on effects on transport, storage and communications and real estate, renting and business activities. In the public sector, activity was minimal and was focused mainly on improvements to health services through the procurement of equipment, the rehabilitation of roads and the construction of a building related to disaster mitigation.

The performance of the tourism industry is estimated to have improved in the first quarter of 2014, compared with the corresponding period in 2013. Total visitor arrivals rose by 11.6 per cent to 51,984 buoyed by increases in all categories of visitors, in particular excursionists. The number of excursionists rose by 21.5 per cent to 30,446, compared with an increase of 24.5 per cent in the first three months of 2013. The number of stay-over visitors rose by 0.2 per cent, driven by stronger growth in visitor arrivals from the Canadian and German markets. Stay-over arrivals from Canada increased by 20.3 per cent in contrast to a 13.2 per cent decline in the corresponding period of 2013. Activity in the Canadian market was driven by intensified

marketing initiatives through a Canadian based representative. Stay-over arrivals from the German market more than trebled during the period under review in contrast to a 5.4 per cent decrease in the corresponding period of 2013. All of the other major markets recorded declines including; the USA which accounts for 69.1 per cent of all stay-over arrivals into Anguilla. Visitors from that market fell by 2.2 per cent in contrast to an increase of 7.2 per cent in the corresponding period of 2013. Declines were also recorded for the Caribbean (12.9 per cent) and the UK (7.7 per cent). The high cost of inter-regional travel continues to impede growth in arrivals from the Caribbean market.

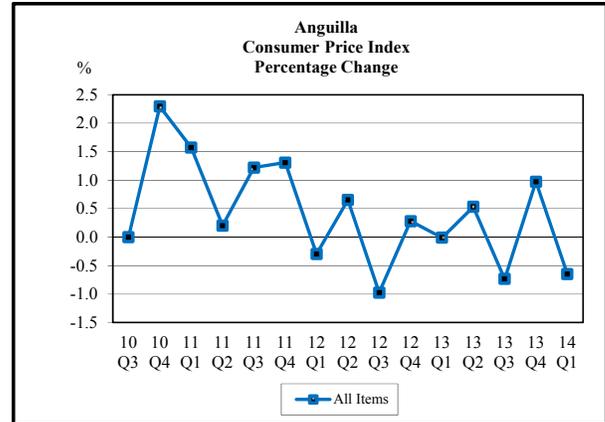


**Prices**

The consumer price index declined by 0.7 per cent during the quarter under review. This outturn was attributable to reductions in the



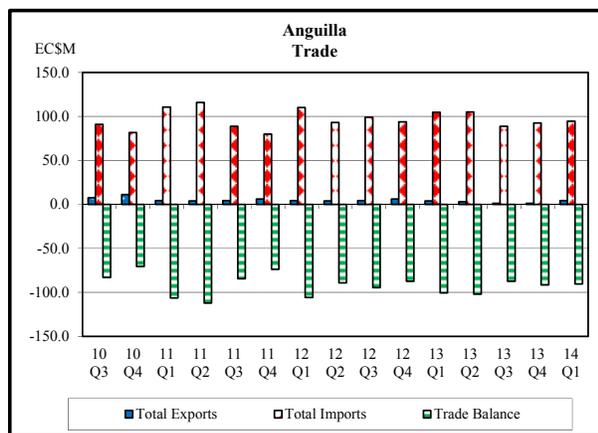
sub-indices of transport (3.4 per cent), clothing and footwear (2.6 per cent), furnishing household equipment and routine household maintenance (1.5 per cent) and food and non-alcoholic beverages (0.3 per cent). The contraction in the transport sub-index was due to a reduction in the cost of air travel to the US Virgin Islands and the Dominican Republic, while lower prices for some types of female apparel influenced the reduction in the clothing and footwear sub-index. The fall in the sub-index for furnishing household equipment and routine household maintenance reflected price declines for kitchen furniture and some major household appliances. The lower sub-index for food and non-alcoholic beverages was largely influenced by declines in the prices of bread, cereal, poultry, cheese and vegetables. The overall reduction in the CPI was partly constrained by growth in the sub-indices for alcoholic beverages, tobacco and narcotics of 0.4 per cent and health of 0.3 per cent. The rise in the alcoholic beverages, tobacco and narcotics sub-index was attributable to higher prices for lager beer.



**Trade and Payments**

A merchandise trade deficit of \$90.4m was estimated in the first quarter of 2014 compared with an estimated deficit of \$100.5m in the corresponding period of 2013. The lower deficit was attributed to a 9.5 per cent decline in import payments and an increase in exports. The value of exports is estimated to have increased marginally by 1.2 per cent to \$4.2m. Gross travel receipts are estimated to have increased by 3.3 per cent to \$106.5m, in line with a higher level of visitor arrivals. The transactions of commercial banks resulted in a net outflow of \$24.4m in short-term capital compared with an outflow of \$73.2m during the first quarter of 2013.





### Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall surplus of \$7.1m in the first three months of 2014, compared with one of \$5.3m recorded in the corresponding period of 2013. The outturn was largely attributed to an increase in the current account surplus. A primary surplus (after grants) of \$9.4m was recorded, compared with one of \$7.4m that was realised in the first quarter of 2013.

The central government recorded a current account surplus of \$7.6m, compared with one of \$5.8m in the first three months of 2013. The larger surplus reflected an increase in revenue intake. Current revenue rose by 7.6 per cent to \$49.6m, attributable to a combination of higher tax and non-tax receipts. Tax revenue rose on account of increases in collections from taxes on

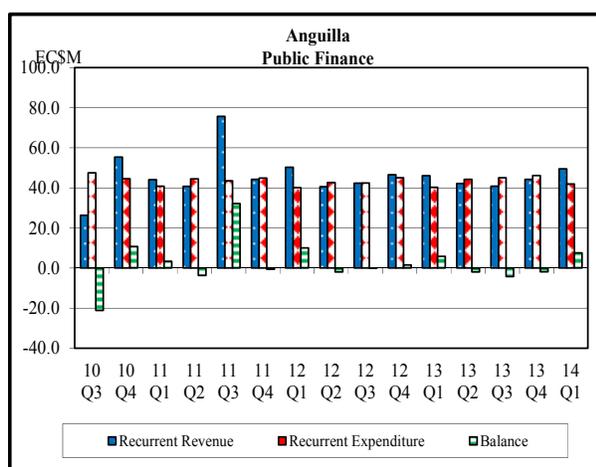
international trade and transactions, property and domestic goods and services. Receipts from taxes on international trade and transactions rose by 6.1 per cent (\$1.2m), due to higher collections of import duties (\$1.8m) as a result of a more rigorous goods valuation process. The yield from property taxes more than doubled (\$0.9m), attributable to improved tax administration and the implementation of a new property tax module. Increased collections from taxes on domestic goods and services reflected larger receipts of accommodation tax consistent with the increase in stay-over visitor arrivals and the collection of outstanding accommodation taxes from some tourist accommodation establishments. This increase in collections from taxes on domestic goods and services was moderated somewhat by lower stamp duty collections, which fell by 17.8 per cent (\$0.8m). The overall expansion in tax revenue was tempered by a 3.0 per cent reduction in receipts from taxes on income and profits, which mirrored lower receipts from the interim stabilisation levy. Non-tax revenue rose by 21.9 per cent (\$1.3m).

Current expenditure increased by 4.3 per cent to \$42.0m, compared with a 0.1 per cent rise in the corresponding period of 2013. Of the categories, outlays on goods and services rose



by 23.2 per cent (\$1.7m), while interest payments increased by 9.3 per cent, driven by higher external and domestic obligations. By contrast, spending on personal emoluments contracted by 0.5 per cent (\$0.1m) and transfers and subsidies decreased by 0.8 per cent (\$0.1m). Lower outlays on personal emoluments reflected a decline in staff levels during the quarter.

Capital expenditure amounted to \$0.5m in the first quarter of 2014, which was virtually similar to the amount spent in the corresponding quarter of 2013. Lower capital expenditure by historical standards partly reflected the inability of the government to increase expenditure in line with fiscal restraint measures and delays in the receipt of capital grants.



### Public Sector Debt

Total disbursed outstanding debt of the public sector was estimated at \$226.0m at the end of March 2014, a decrease of 2.4 per cent on the amount at the end of December 2013. This outturn mainly mirrored a 2.3 per cent reduction in the debt of the central government to \$211.7m, which accounts for 93.7 per cent of the total public sector debt, owing to a reduction in domestic borrowing. The outstanding debt of public corporations fell by 3.6 per cent to \$14.3m.

### Money and Credit

Monetary liabilities (M2) were estimated to have expanded by 0.3 per cent to \$1,034.4m during the first three months of 2014, compared with an increase of 4.8 per cent in the corresponding period of 2013. The expansion in M2 was influenced by a 0.6 per cent (\$5.6m) increase in quasi money, as most of the components of narrow money (M1) declined. The increase in quasi money was attributable to increases in savings and foreign currency deposits of 3.5 per cent and 0.4 per cent respectively.

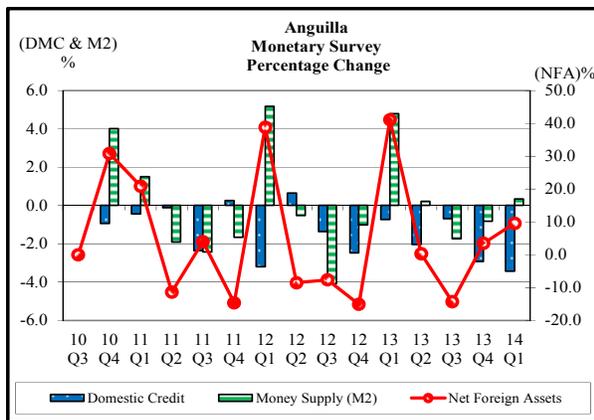
Domestic credit declined by 3.4 per cent to \$1,016.9m, largely as a result of a decrease in



credit extended to the private sector coupled with an increase in the net deposits position of non-financial public enterprises. Outstanding loans to the private sector fell by 2.0 per cent (\$26.4m), reflecting reductions to businesses and households of 2.7 per cent and 1.1 per cent respectively. The central government’s net deposits position with the banking system rose by 0.6 per cent (\$0.4m), mainly on account of a \$3.4m reduction in outstanding commercial bank credit. In the rest of the public sector, the net deposits of non-financial public enterprises rose by 4.7 per cent, influenced by a faster reduction in outstanding credit relative to the decline in their deposits.

personal use (\$7.5m) which was mainly caused by a fall in lending for the acquisition of property and for durable consumer goods. Declines were also recorded in credit for manufacturing, mining and quarrying of \$0.6m. The reduction in outstanding credit was slowed by a 1.5 per cent (\$3.0m) increase in credit for construction.

The net foreign assets of the banking system increased by 9.6 per cent to \$256.2m, compared with growth of 41.1 per cent during the first three months of 2013. The increase was primarily influenced by a 19.8 per cent rise to \$147.4m in commercial banks’ net foreign assets position. Anguilla’s imputed share of the ECCB reserves decreased by 1.8 per cent to \$108.8m.



The distribution of credit by economic activity showed a 3.3 per cent (\$42.8m) contraction in commercial bank credit, indicative of weak economic activity. Decreases were observed in credit extended for most of the major categories including, tourism (\$24.5m), and

Liquidity in the commercial banking system rose during the first quarter of 2014. The ratio of liquid assets to total deposits plus liquid liabilities increased by 3.1 percentage points to 28.5 per cent, while the loans and advances to deposits ratio fell by 3.1 percentage points to 90.3 per cent. The weighted average interest rate spread between deposits and loans widened to 6.08 percentage points from 5.86 percentage points at the end of December 2013. This was as a result of an increase of 0.08 percentage points to 9.25 in the weighted



lending rates in contrast to a decrease in the weighted deposits rate to 3.17 from 3.31 per cent in December 2013.

### **Prospects**

The global economy is projected to expand by 3.6 per cent in 2014, outpacing the 3.0 per cent growth in 2013. Much of the improvement in global performance will be attributable to advanced economies as the expansion in emerging economies has slowed owing to structural issues in those countries. Growth in advanced economies will be led by the USA (2.8 per cent) and the United Kingdom (2.9 per cent) and the Euro area (1.8 per cent).

In light of the foregoing, economic activity in Anguilla is projected to expand further in 2014 after five consecutive years of economic contraction, followed by a recovery in 2013. This outturn is based on a projected continued recovery in construction activity, following three consecutive years of negative growth ending in 2011 and on further strengthening in the tourism industry after contraction in 2012. Developments in the construction sector will be fuelled by intensified construction activity at Malliouhana Hotel and Spa, in addition to on-going work at a Zemi Beach Resort,

Manoah, the Reef at Cuisinart Golf Course and Spa and commencement work on Solaire. Foreign direct investment inflows are likely to increase sustained by an improving macroeconomic global environment and historically low interest rates. The improvement observed in tourism activity during the first quarter of 2014 is expected to continue, buoyed largely by the performance of excursionists. Continued efforts to market the destination in the major source markets are expected to yield positive results through recovery in the number of visitors from the north-eastern USA and the Canadian market. Initiatives to target non-traditional markets are anticipated to yield positive results through increased arrivals from Brazil.

On the fiscal accounts of the central government, a smaller current account surplus is projected in 2014 as current expenditure growth outpaces that of current revenue. Current revenue collections are estimated to increase in line with a more positive growth outlook, however higher current expenditure will reflect increases in interest payments to service maturing debt and other current obligations including higher wages and salaries associated with new hirings and goods and services. A projected increase in outlays on capital expenditure in 2014 is estimated,



attributable to the construction of facilities to house the Anguilla Community College (ACC). The ACC will be financed through a combination of loan funds and grants from the Caribbean Development Bank and central government finances. These developments are estimated to generate an overall deficit on the fiscal accounts. On the external accounts, the merchandise trade deficit is projected to increase, reflecting higher construction related import payments. Gross inflows from travel are likely to rise in line with positive developments in stay-over visitor arrivals.

Downside risks to the projections include an unbalanced global recovery and some deceleration in the performance of emerging

economies. The post-recession global recovery remains weak by historical standards constrained by lack-lustre economic expansions as evidenced by unusually low interest rates at this stage in the recovery. Labour market conditions in the USA, the most important tourist market for Anguilla, have improved, however, there remain significant structural rigidities that threaten to limit consumer spending and by extension the strength of the recovery. Other risks include the possible escalation in energy costs attributable to heightened geopolitical tensions in Ukraine and physical damage from natural disasters. On the domestic front, financial sector challenges represent a possible impediment to expansion in the real sector.



## ANTIGUA AND BARBUDA

### Overview

Economic activity in Antigua and Barbuda is provisionally estimated to have slowed during the first three months of 2014 when compared with the corresponding period of 2013. The slowdown in activity was evident across most major economic sectors. Value added in the construction, public administration, defence and compulsory social security, financial intermediation and wholesale and retail trade sectors is estimated to have been lower than in 2013. By contrast, value added in the hotels and restaurants sector is estimated to have increased. Consumer prices were relatively flat as the rate of inflation declined by 0.04 per cent, on an end of period basis. The fiscal operations of the central government deteriorated as the overall fiscal balance recorded a smaller surplus, due to higher expenditure. Disbursed outstanding public sector debt increased, compared with the level at the end of December 2013. Monetary liabilities and the net foreign assets of the banking system increased as domestic credit fell. Commercial bank liquidity improved and the weighted average interest rate spread widened during the review period.

Economic activity for the remainder of 2014 is forecasted to be lower than the outturn recorded in 2013. This prospect is predicated on the delay in a number of foreign direct investment projects due to heightened uncertainty in the economy. Moreover, the Citizenship by Investment Programme (CIP) is yet to yield any major construction developments. It is expected that the fiscal position of the central government will weaken as expenditures and debt service payments are expected to trend higher than in 2013, while revenue growth is expected to be slightly higher than in 2013. Against that backdrop overall fiscal deficit is expected to widen, consistent with a forecasted larger deficit, the debt to GDP ratio is also expected to increase. Inflation is forecasted to be around 2.0 per cent for 2014 given the stable outlook for commodity prices. Downside risks to the economic outlook for Antigua and Barbuda currently emanates from the domestic policy stance rather than from the external environment which could be a hindrance for economic growth.

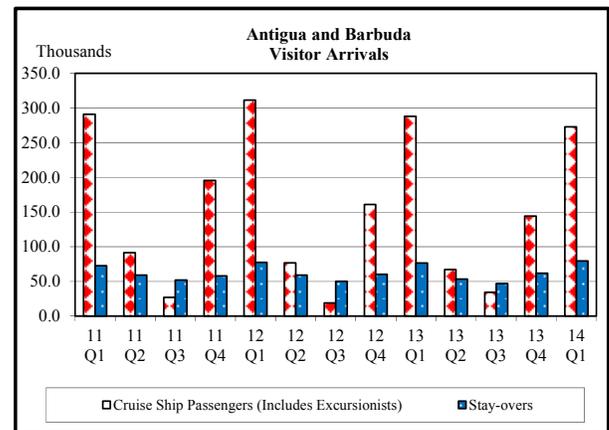


**Output**

Provisional data for the first quarter of 2014 point to broad based slowdown in economic activity. Complete data for the construction sector was not available for the first three months of 2014, however all available indicators suggest that activity in the sector decelerated. Credit extension for the acquisition of property fell by 0.5 per cent in contrast to a 1.2 per cent increase in the corresponding period of 2013. Other proxy indicators of construction activity such as cement imports recorded a lower rate of growth when compared with the same period in 2013. Cement imports rose by 17.0 per cent compared with a 36.2 per cent increase for the first three months of 2013. In the public sector, construction activity remained dormant as there was no recorded capital expenditure during the first quarter.

A reduction in profitability and negative credit growth at commercial banks led to a decline in value added in the financial intermediation sector. Activity in the wholesale and retail trade sector is estimated to have remained flat as the real value of imports was virtually at the same level as that of the corresponding period in 2013. Value added in the transport, storage and communications sector was lower as road

and sea transportation recorded lower rates of growth, while air transportation increased due to an increase in the number of stay over visitors. A decline in personal emoluments and pensions paid by the government precipitated a reduction in value added in public administration and defence; compulsory social security sector.



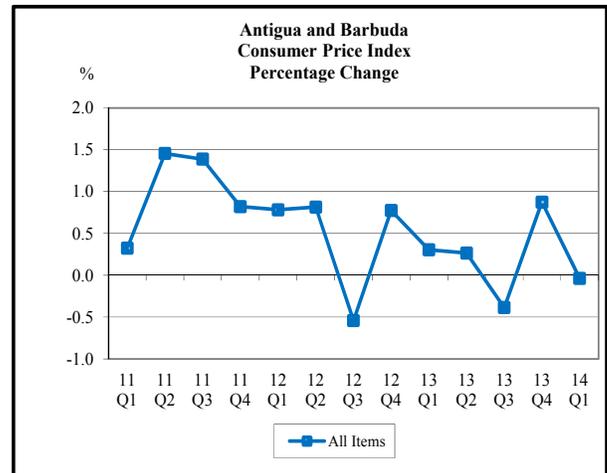
Value added in the hotels and restaurants sector improved during the first quarter of 2014, driven by increases in the number of stay over visitors. The number of stay-over visitors rose by 4.3 per cent to 79,550, in contrast to a decline of 1.3 per cent in the first quarter of 2013. Visitor arrivals from the largest source markets, the USA and the UK, rose by 5.9 and 11.9 per cent respectively. By contrast visitor arrivals from Canada, the third largest source market, declined by 5.5 per cent. In the cruise industry the performance was lacklustre as the number of cruise



passengers visiting the island fell by 5.2 per cent to 272, 920 reflecting a reduced number of cruise ship calls. Yacht passenger arrivals are estimated to have decreased by 11.6 per cent to 12,937 compared with a decline of 6.8 per cent in the first quarter of 2013, associated with seasonal movements in yacht passengers.

**Prices**

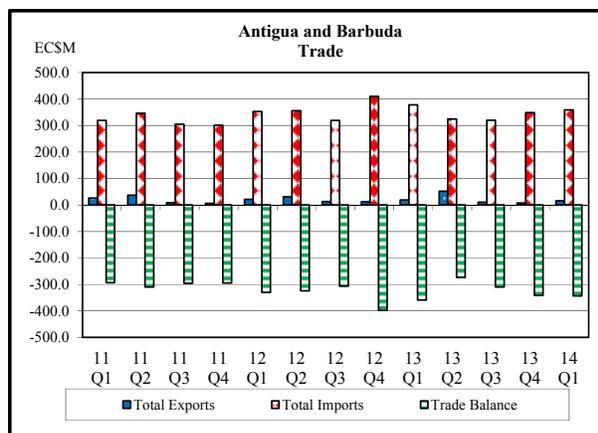
There was basically no movement in the aggregate price level in Antigua and Barbuda during the first quarter of 2014. The consumer price index at the end of March 2014 was 132.6 compared with 132.7 as at the end December 2013. The lack of movement in the prices is indicative of the softness in the economy as the lack of demand has kept prices restrained. Additionally, commodity prices have been stable in recent times which have further contributed to slower price inflation. The food component of the CPI basket recorded a decrease of 0.8 per cent in contrast to a 0.2 per cent increase in the corresponding period of 2013. The fuel and light component declined by 0.8 per cent due to slight reduction the fuel variation surcharge. By contrast, there were notable increases in the alcoholic beverages and tobacco and the personal services component of the CPI.



**Trade and Payments**

Preliminary trade statistics for the first quarter of 2014 indicate that the trade deficit narrowed by 4.4 per cent (\$15.9m) to \$343.2m due to a 5.1 per cent decrease in the value of imports, reflective of lower consumer demand and spending. The decline in imports was most pronounced in the decrease in the imports of fuel related materials. The cargo throughput data indicated that the volume of imports rose by 1.8 per cent, reflecting increases in general cargo and motor vehicles notwithstanding the volume of fuel imports fell by 12.1 per cent which may have contributed to the overall decline in the value of imports recorded. By contrast the volume of exports fell by 35.3 per cent as all categories of exports fell.





Gross travel receipts are estimated to have increased by 2.5 per cent to \$289.1m, reflecting the increase in stay-over visitor arrivals. Commercial banks’ transactions resulted in a net outflow of \$3.9m in short-term capital compared with a net outflow of \$3.7m during the first quarter of 2013. There was just over a half million (\$0.6m) in external loan disbursement to the central government for the first three months of 2014, while external debt repayment totalled \$27.1m, mostly associated with IMF SBA draw down accounting for \$10.6m of the total. Consequently there was a net outflow of \$26.5m compared with one of \$14.4m recorded in the first quarter of 2013.

**Central Government Fiscal Operations**

The fiscal operations of the central government deteriorated in the first quarter of

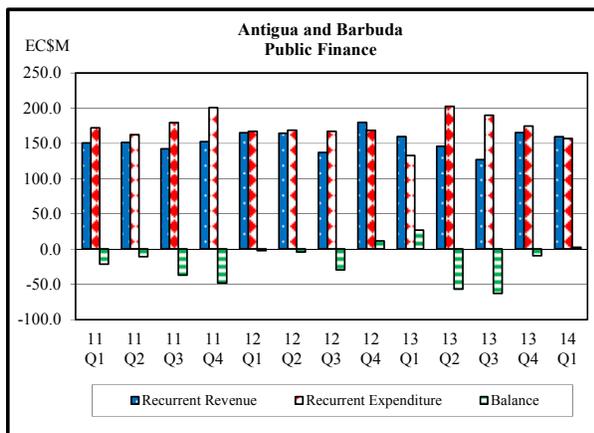
2014 relative to the outturn in the corresponding period of 2013. Preliminary data suggest that the overall balance recorded a smaller surplus of \$2.5m compared with one of \$25.8m in the corresponding period last year. A primary surplus of \$37.3m was realised, compared with one of \$44.4m in the first quarter of 2013.

The current account balance recorded a smaller surplus of \$2.4m compared with one of \$26.8m in the corresponding period of 2013. The narrowing of the current account surplus reflects an increase in current expenditure. Current expenditure increased by 18.2 per cent to \$157.1m due to increased outlays for interest payments, good and services and transfers and subsidies. Interest payments rose by 87.4 per cent (16.2m) on account of increased external interest obligations associated with repayment to the IMF. Expenditure for goods and services and transfers and subsidies rose by 23.6 (\$4.2m) and 14.9 (\$4.6m) respectively. By contrast expenditure for personal emoluments fell by 1.2 per cent reflecting less overtime payments. There was no recorded capital expenditure in the first quarter of 2013.

Current revenue was virtually flat for the first quarter of 2014, decreasing by 0.1 per cent



(\$0.2m) to \$159.5m compared with \$159.7m collected in the corresponding period of 2013. Tax revenue improved by 1.3 per cent to \$154.5m in contrast to a 2.3 per cent decline in the first quarter of 2013. The improved collection of tax revenue was attributable to a 22.9 per cent (\$13.8m) increase in tax receipts on domestic goods and services. The gain in tax receipts on domestic goods and services was on account of a \$12.7m increase in collections on the Antigua and Barbuda Sales tax (ABST). By contrast, all other sub headings of tax revenues recorded declines. Taxes on income and profits fell by \$4.6m, taxes on international trade and transactions recorded a decrease of \$6.1m and taxes on property fell by \$1.1m.



Total debt service payments rose by 12.8m to 72.8m in the first quarter of 2014 compared with debt service payments of \$60.0m in the first quarter of 2013. The increase in debt service payments is largely associated with the

repayment of external loans in particular the IMF SBA loan.

**Public Sector Debt**

The total disbursed outstanding debt of the public sector was estimated at \$3,093.8m at the end of March 2014, up from \$3,084.1m at the end of December 2013. This movement represents a 31.4 per cent (\$9.7m) increase in the total public sector debt. The increase in the debt stock was attributable to a \$15.9m increase in central government debt as the government accumulated \$24.0m in new debt from the domestic financial system. This was mostly due to increased activity on the RGSM, as securities outstanding over the quarter increased by \$21.1m. By contrast the stock of central government external debt fell by \$8.1m to \$1,160.4m. The debt of the public corporations decreased by \$6.2m to \$243.8m as both their external and domestic debt stock fell.

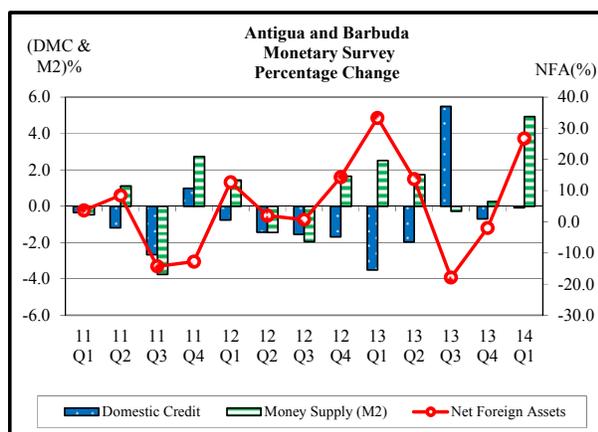
**Money and Credit**

Money and credit conditions were mixed during the first quarter; while money supply increased credit growth fell. Monetary liabilities (M2) increased by 4.9 per cent (\$143.4m) to \$3,051.8m during the first



quarter of 2014, compared with a 2.5 per cent increase during the corresponding period of 2013. The increase in M2 was largely associated with a 15.3 per cent (\$91.1m) expansion in narrow money (M1), attributable to a 20.1 per cent (\$86.9m) increase in private sector demand. By contrast there was a 0.5 per cent decline in currency with the public as both currency in circulation and cash at commercial banks fell. Quasi money rose by 2.3 per cent as private sector savings and foreign currency deposits rose by 5.5 (\$64.7m) and 8.0 (\$18.5m) per cent, respectively. In contrast there was a 3.4 (\$30.9m) reduction in private sector time deposits.

decrease during the corresponding period of 2013 domestic credit fell marginally by 0.1 per cent (\$2.3m) to \$2,673.1m as the end of March 2014. Credit to the private sector, which constitutes the bulk of credit to the economy, recorded a 0.6 per cent (\$13.2m) decline. This reduction reflected deleveraging by both households and businesses. Credit to businesses declined by 0.7 per cent (\$6.6m), while outstanding loans to households fell by 0.2 per cent (\$2.5m). Net credit to the Government decreased by 1.2 per cent (\$6.1m) as the Government continued to reduce its exposure to commercial banks. Commercial bank credit to the government fell by 1.0 (\$4.8m) per cent while central bank net credit to the government rose by 1.8 per cent largely owing to a reduction in deposits at the Central Bank. In the rest of the public sector, the net deposits position of non-financial public enterprises declined by 15.6 per cent (\$17.0m), on account of a 6.7 per cent (\$18.7m) decrease in their deposits at commercial banks.



Consistent with the still fragile recovery of the economy and the resulting low investor confidence as well as tightening of credit conditions, the stock of outstanding domestic credit declined. Following a 3.5 per cent

The distribution of credit by economic sector indicates that credit extended to the various sectors of the economy fell by 1.0 per cent (\$26.6m), compared with a 1.8 per cent decline recorded during the first quarter of 2013. Outstanding credit for personal use



which constitutes the majority of credit fell by 0.8 per cent (\$10.7m) attributable largely to a reduction of \$7.4m in credit for other personal use, supported by a decline of \$4.1m for the acquisition of property. Noted declines in credit allocation were also recorded in construction (\$17.9m) and tourism (\$9.6m). By contrast, credit to the distributive trades sector increased by 3.6 per cent (\$9.2m).

The net foreign asset of the banking system rose by 26.7 per cent to \$719.7m at the end of March 2014 associated with an increase in Antigua and Barbuda's imputed share of the reserves at the Central Bank. Antigua and Barbuda's imputed share of ECCB's reserves rose by 27.0 per cent to \$694.5m. The net foreign asset position of commercial banks increased to \$25.2m at the end of March 2014, from \$21.3m at the end of December 2013.

Liquidity in the commercial banking system increased as the ratio of liquid assets to total deposits plus liquid liabilities rose by 1.6 percentage points to 48.1 per cent. The loans and advances to total deposits ratio fell to 74.8 per cent at the end of March 2014, from 78.1 per cent at the end of December 2013.

The interest rate spread between loans and deposits widened to 6.91 percentage points at

the end of March 2014, from 6.54 percentage points at the end of December 2013. The weighted average interest rate on loans rose by 0.3 percentage points to 9.73 per cent and that on deposits decreased to 2.82 percentage points from 2.93 percentage points as at the end December 2013.

### **Prospects**

The global economic growth is expected to strengthen further in 2014, with the world economy projected to grow by 3.6 per cent. The USA and the UK, Antigua and Barbuda's main trading partners, are expected to grow by 2.8 per cent and 2.9 per cent, respectively. Commodity prices are expected to remain at their current levels, which would help to keep domestic prices inflation in check. Notwithstanding an improved global economic outlook, economic activity in Antigua and Barbuda is forecasted to be lower than in 2013. This outlook is premised on the fact that a number of foreign direct investment projects, which were expected to start this year, have been delayed. In light of the delayed projects, activity in the construction sector is expected to be lower than in 2013 and no noticeable improvements in other economic sectors is expected. Against this backdrop unemployment is expected to remain



high and consumer spending and confidence will remain low.

Under current policies, fiscal pressures would grow and debt would remain at unsustainable levels, as the overall fiscal deficit is forecasted to widen to about 4.0 per cent of GDP by the end of 2014. The government may also face downside risk in financing its activities. This risk could materialise if the inflows from the Citizenship by Investment Programme underperform or external financing is unavailable in the projected amounts. There are also considerable downside risks emanating from large amortization payments during 2014, which will put further pressure on financing. Therefore it is advisable for the authorities to move to a more active scenario in terms of fiscal adjustment measures once the elections have passed.

The still fragile economic recovery is expected to weigh negatively on money and

credit conditions which will impinge on value added in the financial intermediation sector. This could act as a drag on economic growth as consumption and investment will be restrained due to tight money and credit conditions.

Overall downside risks to growth prospects have abated and policy uncertainty has been reduced. Although the global economy is set for higher growth in 2014, there are still some medium term downside risks. The main downside risk to the outlook for Antigua and Barbuda is the domestic policy stance which has weakened in recent times especially with regards to the fiscal sector. If fiscal policy continues on its current course the government may be forced to embark on another round of fiscal consolidation which will slow down economic growth and create uncertainty in the economy.



## DOMINICA

### Overview

Preliminary data indicate an improvement in overall economic activity in Dominica in the first three months of 2014 relative to the corresponding period of 2013. The available indicators for the review period point to strengthened overall performances in agriculture, construction and tourism. The performance of the manufacturing sector was mixed. The consumer price index (CPI) is estimated to have declined by 0.6 per cent, on an end-of-period basis. The merchandise trade deficit is estimated to have narrowed primarily resulting from lower import payments. Central government's fiscal operations resulted in an overall deficit accompanied by an increase in the total public sector outstanding debt. In the banking system, there were increases in monetary liabilities and net foreign assets, while domestic credit contracted. Liquidity rose and the weighted average interest rate spread widened.

Economic activity is anticipated to increase in 2014 based on the outturn in the first quarter of the year and anticipated activity for the

remainder of the year. Growth is likely to stem from positive developments in agriculture, construction and tourism. Downside risks to the outlook include adverse weather; further exposure to plant disease in the agricultural sector; and delayed grant receipts. The materialisation of one or more of these risks can diminish growth prospects and threaten fiscal sustainability in the near term.

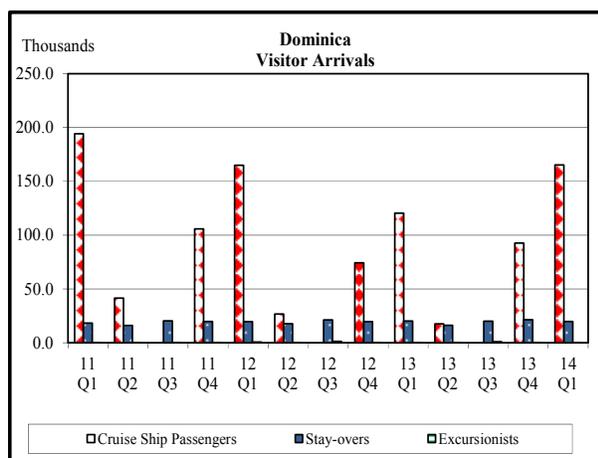
### Output

In the agricultural sector, banana production totalled 330 tonnes and was lower by 13.6 per cent relative to the amount produced in the corresponding period of 2013. The output of non-banana crops including cocoa, coffee and hot peppers is estimated to have increased based on efforts to diversify the sector and strengthen linkages with overseas markets. Livestock production is also estimated to have increased in anticipation of the scheduled opening of the pork and poultry abattoir during this year.

The pace of construction activity seemed to have picked up in the first quarter of 2014



relative to the corresponding period of 2013. In the private sector, the number and value of construction starts rose by 8.6 per cent and 3.6 per cent respectively. In the public sector, capital spending increased, reflecting continued road development and other construction work on water supply networks, the geothermal energy initiative, an abattoir for pork and poultry, agricultural centre and coffee plant. There was also spending on cleaning and clearing works following the damage caused by the trough system in December 2013.



The performance in the tourism industry was mixed in the quarter under review. The performance of the cruise ship segment of the market was stronger relative to the corresponding period in 2013, registering a 37.3 per cent increase to 165,224 in cruise visitors, and a 24.7 per cent rise in cruise ship

calls to 111. The turnaround in the cruise industry led to growth of 30.2 per cent to 190,991 in total visitor arrivals. Performance of the other visitor categories declined. Stay-over visitor arrivals is estimated to have declined by 2.2 per cent to 19,850 mirroring lower tourism demand from the largest source market, the Caribbean (14.7 per cent). Additional airlift was received from St Maarten during the period under review, but this was not sufficient to improve the overall performance of the Caribbean source market as visitors from its largest sub-category, the French West Indies, reduced their demand for travel to Dominica. The performance of the other source markets strengthened from greater marketing, with increases recorded in visitors from Europe (11.6 per cent), the USA (7.4 per cent), and Canada (4.7 per cent). Reductions were also observed in the number of excursionists (35.2 per cent) and yacht passengers (0.1 per cent).

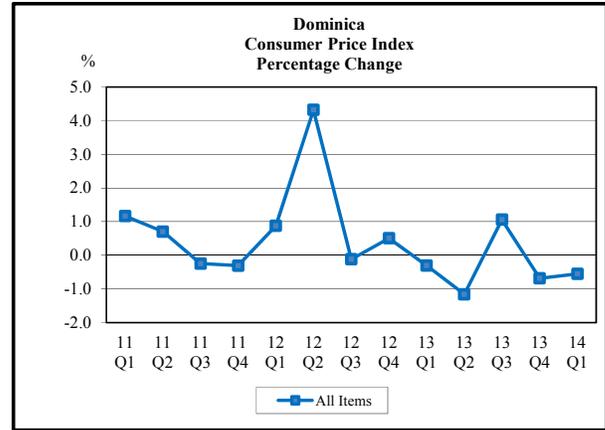
The performance in the manufacturing sector was mixed in the quarter under review. Increases were recorded in the production volume of beverages (14.5 per cent) supported by inroads into external markets. Other production remained constrained and reductions were registered for soap (7.1 per cent) and paint and varnishes (3.4 per cent).



Complete data on the other sectors of the economy are unavailable. It is likely that the largest sector of the economy, the transport, storage and communications sector was positively impacted by the upturn in the cruise industry and construction.

**Prices**

The consumer price index declined by 0.6 per cent during the first quarter of 2014, following a rate of contraction of 0.3 per cent recorded in the corresponding period of 2013. The housing, utilities, gas and fuels sub-index, the highest weighted in the basket of consumer goods, is estimated to have decreased by 3.3 per cent, mainly influenced by lower costs for utilities including electricity as the use of more hydro-power contributed to reductions in the fossil fuel surcharge. The disinflation also resulted from declines in sub-indices for clothing and footwear (0.8 per cent) and recreation and culture (0.7 per cent). Increases were registered in the other sub-indices including those for food and non-alcoholic beverages (0.7 per cent), alcoholic beverages and tobacco and narcotics (0.7 per cent), transport (1.0 per cent) and household furnishings, supplies and maintenance (1.0 per cent).



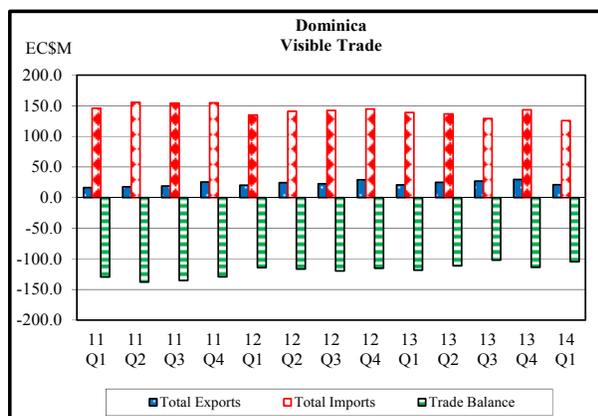
**Trade and Payments**

The merchandise trade deficit narrowed to \$104.6m from \$118.2m in the first three months of 2014. The value of imports fell by 9.6 per cent, primarily for manufactured articles as well as animal and vegetable oils, fats and waxes. There was a marginal increase (\$0.4m) in the total value of exports, partly associated with growth in receipts from domestic exports of soap (\$0.5m).

Gross travel receipts grew by 8.2 per cent to \$65.9m reflecting the increase in total visitor arrivals. The activities of commercial banks resulted in a net outflow of \$63.1m in short-term capital, compared with one of \$20.8m in the first three months of 2013. External loan disbursements to the central government amounted to \$24.9m compared with \$2.6m in the comparable period of 2013, associated with investments in public sector projects such



as the Roseau Melville Hall Road Upgrade and the geothermal initiative.



### Central Government Fiscal Operations

The fiscal operations of the central government are estimated to have yielded an overall deficit of \$5.7m in the quarter under review, in contrast to a surplus of \$3.2m in the first three months of 2013. A primary balance surplus of \$1.7m was realised, down from one of \$10.4m in the first three months of 2013. These developments were primarily associated with lower grants and higher capital spending. The overall deficit was financed in part by external disbursements from multilateral institutions.

The surplus on the current account narrowed to \$11.1m from one of \$17.3m in first quarter of 2013 resulting from lower current grants. Current grants were estimated at \$0.5m in the period under review, down from \$11.7m in the

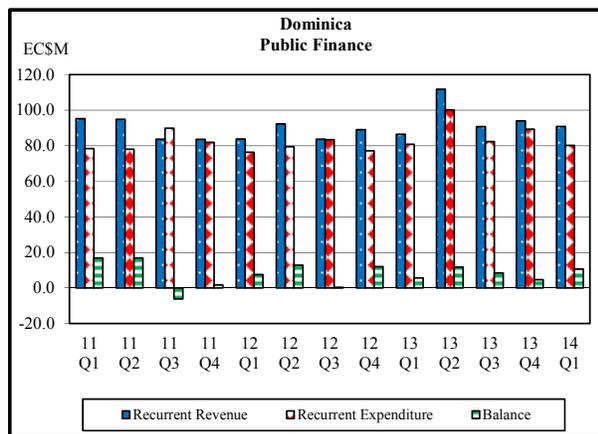
corresponding period of 2013 when budgetary support from the 10<sup>th</sup> European Development Fund (EDF) was received.

Tax revenue increased by 8.1 per cent to \$79.6m, consistent with the recovery in the local economy. The yield from taxes on income, profit and capital gains increased by 29.5 per cent (\$4.1m), mainly resulting from improved collections of the corporation tax. Receipts from taxes on international trade and transactions grew by 11.9 per cent (\$1.5m), partly associated with growth in revenue from the import duty and cruise passengers tax. The intake from taxes on domestic goods and services was up by 0.5 per cent (\$0.2m) owing, in part, to a slight uptick in the collections from the value added tax of close to \$1.0m. Receipts from taxes on property rose by \$0.1m to \$1.8m. Non-tax revenue fell by 12.1 per cent (\$1.5m), mirroring a decline in receipts from its largest sub-category, the Economic Citizenship Programme.

Current expenditure remained relatively flat at \$80.2m, registering a slight contraction of 0.7 per cent from the level recorded in the first three months of 2013. Payments for goods and services contracted by 6.7 per cent (\$1.4m), partly the consequence of lower electricity charges. Spending on transfers and



subsidies fell by 2.8 per cent (\$0.5m), largely associated with a reduction in contributions to institutions. These declines were tempered by increases in outlays for personal emoluments (3.4 per cent or \$1.2m) and interest payments (1.5 per cent or \$0.1m).



Preliminary data on the capital account indicated that capital expenditure increased by 18.2 per cent (\$2.6m) to \$16.7m, while there were no capital grants received in the review period.

**Public Sector Debt**

In light of the deterioration of the operations of central government, the total disbursed outstanding debt of the public sector is estimated to have increased by 1.6 per cent to \$ 1070.3m at the end of March 2014. This performance was largely associated with a rise in total external disbursements for capital

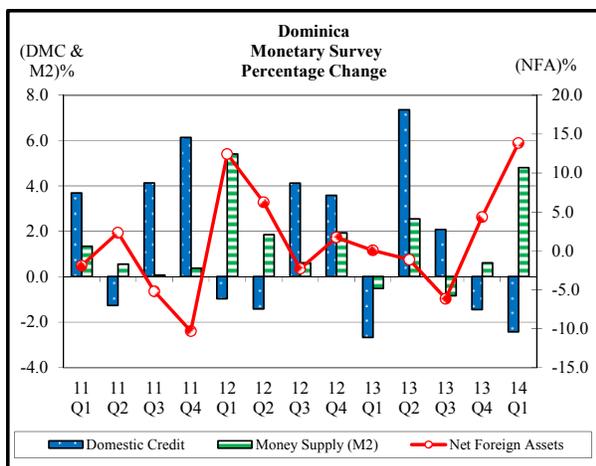
spending. Total external debt grew by 2.1 per cent to \$ 759.1m, while domestic debt rose by 0.3 per cent to \$ 311.2m. Increases were recorded in the debt of central government (1.7 per cent) and that of public corporations (1.0 per cent).

**Money and Credit**

Broad money (M2) increased by 4.8 per cent to \$1,214.2m during the first quarter of 2014, in contrast to decline of 0.5 per cent in the corresponding period of 2013. Growth in M2 was largely associated with growth of 4.1 per cent in quasi money. Private sector savings deposits, the largest component of quasi money, grew by 5.1 per cent. Narrow money (M1) also increased, registering growth of 7.9 per cent, mainly attributed to larger private sector demand deposits.

The net foreign assets of the banking system reached \$600.9m and were 13.8 per cent above the level observed at the end of December 2013. The net foreign assets of the commercial banks expanded by 21.2 per cent, primarily associated with growth in assets held with institutions outside of the Eastern Caribbean Currency Union. Dominica’s imputed share of the Central Bank’s reserves rose by 4.3 per cent to \$240.4m.





There was a 2.4 per cent drop in domestic credit which amounted to \$704.8m. In the private sector, credit was down by 0.3 per cent, reflecting a reduction in credit to households (0.5 per cent) and non-bank financial institutions (30.9 per cent). Credit to businesses increased by 0.5 per cent. In the public sector, the transactions of the central government resulted in a smaller net credit position of \$38.5m at the end of March 2014, compared with one of \$53.5m at the end of December 2013. This reflected a 53.5 per cent expansion in deposits which partially offset a 14.9 per cent increase in credit from the entire banking system. In the rest of the public sector, the net deposits of non-financial public enterprises and statutory bodies rose by 0.3 per cent as a result of a decline in credit. Outstanding loans and advances rose by 0.2 per cent (\$2.2m). Notable increases were registered in credit for some of the sectors in

the economy, including manufacturing, mining and quarry (8.9 per cent), distributive trades (3.2 per cent) and construction (0.2 per cent). There was an increase of 7.8 per cent in credit to public administration, reflecting the growing financing needs of the government. These increases were partially offset by reductions in credit for certain areas of economic activity including: financial institutions (26.8 per cent); utilities, electricity, water (3.5 per cent), entertainment and catering (3.2 per cent); agriculture and fisheries (1.9 per cent); personal use (0.7 per cent); and tourism (0.9 per cent).

Liquidity in the commercial banking system rose during the quarter under review. The ratio of liquid assets to total deposits plus liquid liabilities increased by 2.0 percentage points to 42.9 per cent. The ratio of loans and advances to total deposits contracted by 2.7 percentage points to 60.6 per cent.

The spread between the interest rates on loans and deposits widened to 6.03 per cent from 5.94 per cent at the end of December 2013. The weighted average interest rate on loans decreased by 0.03 percentage point to 8.92 per cent and the weighted average interest rate on deposits fell by 0.13 percentage point to 2.89 per cent.



## **Prospects**

Economic activity is anticipated to increase in 2014 premised on developments in agriculture, construction and tourism. Output of the agricultural sector is anticipated to improve, contingent on year-end stabilisation in banana production; strengthened efforts to increase the cultivation of non-banana crops; and greater livestock production in anticipation of the opening of the abattoir in 2014. The momentum observed in the construction sector in the first quarter of the year is likely to continue as existing public sector investment projects support near-term activity in addition to restorative work following the trough of December 2013. A rebound is forecasted in the tourism industry based on the assumptions of higher cruise ship bookings from continued efforts to improve cruise visitor experiences and to attract additional cruise lines to the Dominica. Growth in stay-over visitor arrivals is anticipated based on local efforts to improve the visitor experience and promote travel from neighbouring countries, particularly from the French West Indies. The pace in the manufacturing sector observed in the first quarter of the year is likely to continue for the remainder of the year.

The fiscal deficit is likely to narrow marginally in 2014 supported by stronger inflows. This forecast is predicated on the assumption that tax revenues will improve; non-tax revenue will remain flat; and additional grants will be received from bilateral and multilateral donors including those for the banana industry and climate change resilience. Growth in revenue intake is likely to be tempered by higher spending, particularly on capital projects. The majority of the deficit is likely to be financed from external loans and from the RGSM.

In the external sector, the merchandise trade deficit is likely to remain relatively flat to the level observed in 2013, as import payments are likely to increase during the remainder of the year with the pickup in sectors such as construction. Export receipts are likely to improve, albeit marginally, as no major turnaround is anticipated in manufacturing and banana exports. Gross receipts from travel are likely to improve from increased visitor arrivals.

There are significant downside risks to this outlook including those associated with adverse weather; further exposure to plant disease in the agricultural sector; and delayed grant receipts. If one or more of these risks



were to materialize, general economic conditions can deteriorate and the fiscal performance can be worse than anticipated. Growth is the perennial issue in the country

which requires resilience against constraining factors such as climate change and plant diseases, and which would ensure revenue generation for fiscal sustainability.



## GRENADA

### Overview

The pace of economic activity is estimated to have slowed in Grenada during the first quarter of 2014, relative to the corresponding period of 2013. This assessment is based on a slowdown in construction activity, a decline in stay-over visitors in the tourism sector and an estimated contraction in manufactured output. The decelerated growth was moderated by estimated increases in agriculture and education. The consumer price index remained relatively unchanged, on an end-of-period basis. The merchandise trade deficit widened, on account of an increase in import payments, combined with a contraction in exports. The central government incurred a smaller overall deficit, influenced by higher current revenue, driven by increased tax revenues. The disbursed outstanding public sector debt rose marginally, compared with the level at the end of December 2013. Banking sector developments included growth in monetary liabilities and a rise in domestic credit. Commercial banks liquidity increased slightly and the spread between the weighted average deposit and lending interest rates widened marginally.

The economic outlook for the rest of 2014 suggest a continued deceleration in economic activity relative to 2013, influenced by considerable slowdown in construction activity which accounted for most of the growth recorded in the 2013. Activity in the tourism sector and increased output from agriculture fisheries and education during the course of the year are expected to provide some level of buoyancy to the Grenada economy. The fiscal operations of the central government are likely to result in slightly improved fiscal balances as a consequence of direct policy intervention as part of the homegrown adjustment programme. In particular, current revenue supported by tax reforms, is projected to perform better than the previous year and outpace the growth in expenditure despite increases in personal emoluments associated with higher salaries and retroactive payments.

Downside risks include possible initial adverse impact of the homegrown programme on economic activity through possible transmission mechanism such as a low implementation rate of the government's public investment programme and a less

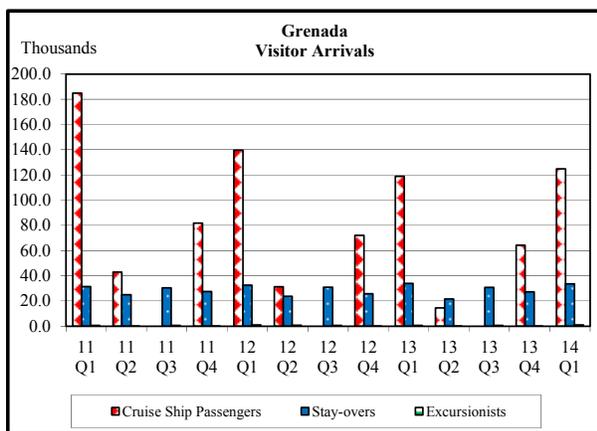


sanguine private sector. A still weak global economic environment and adverse weather conditions are also considerable external risks.

**Output**

Construction activity contracted in the first quarter of 2014, relative to the outturn in the corresponding period of 2013, resulting mainly from the completion of the Sandals Resort late in 2013. Partly indicative of the fall in overall construction activity was an 11.2 per cent reduction in the value of imported building materials. Elsewhere, work is winding down on the National Insurance Scheme (NIS) building, while in the private sector some works have resumed on the Bacolet Bay Resort and Spa project. Public sector capital expenditure was higher in the review period compared to the corresponding period of 2013; activities focused mainly on road works.

The tourism sector, on the basis of total arrivals, is estimated to have improved in the review period. Total visitor arrivals were estimated to have risen by 3.9 per cent to 160,314 in the first quarter of 2014, in contrast to the 11.7 per cent decline recorded in the corresponding period of 2013. The upturn was influenced mainly by an increase in the number of cruise ship passenger arrivals. This category of passenger arrivals grew by 5.0 per cent to 124,784, despite a reduction in the number of cruise calls to 81 from 90. Stay over visitors declined marginally by 0.6 per cent to 33,535, thus moderating the overall increase in total visitor arrivals. Primarily, a 21.9 per cent (1,232) decline in Caribbean visitors, which outpaced the increase in all other source markets combined, accounted for the contraction in this segment of visitors. Of the other major source markets, arrivals from Canada, the UK and the USA rose by 6.0 per cent, 1.6 per cent and 0.3 per cent, respectively. The increased arrivals from these markets were influenced by opening of the new 225 room Sandals La Source Resort and Spa which has been operating at near full capacity throughout the review period. In other market segments, yacht passenger arrivals are estimated to have increased by 2.0 per cent to 1,280 and there were 199 more



excursionists visiting Grenada compared to the comparable period of 2013.

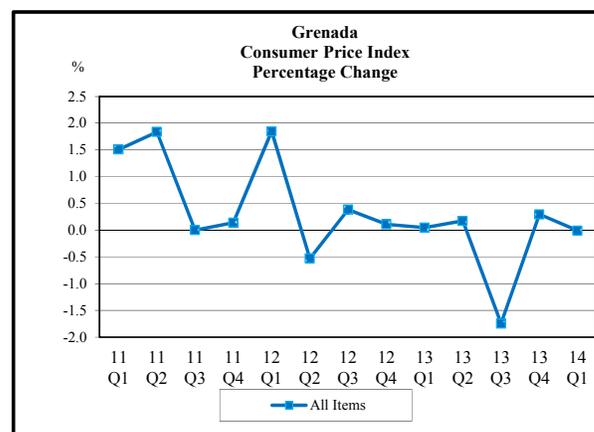
Agricultural output is estimated to have expanded, largely resulting from increased output from most crops and fish. Output of the non-traditional crops was estimated to have more than doubled reflecting the impact of increased acreage being farmed. Among the traditional crops, output of cocoa rose by 35.5 per cent and nutmeg production was higher by 28.0 per cent. However, banana production declined during the quarter under review, by 8.5 per cent to 1,562.6 tonnes, as production continues to normalize. Fish production is estimated to have risen by 2.0 per cent to 1,345 tons.

Activity in the manufacturing sector declined for the review period, attributable to decreases in the output of most major commodities, as domestic demand remained soft. The production of soft drinks fell by 11.6 per cent to 55,431 cases in the first quarter of 2014, in contrast to a marginal increase in the corresponding period of 2013. Beer production declined by 13.7 per cent; while the output of rum at 16,428 gallons was less than half the output of the corresponding period of 2013 as one producer reduced its production. The overall decline in

manufacturing was mitigated by increased output of flour (20.4 per cent), stout (40.1 per cent) and paint (17.0 per cent). Meanwhile malt production at 35 222 gallons remained relatively unchanged.

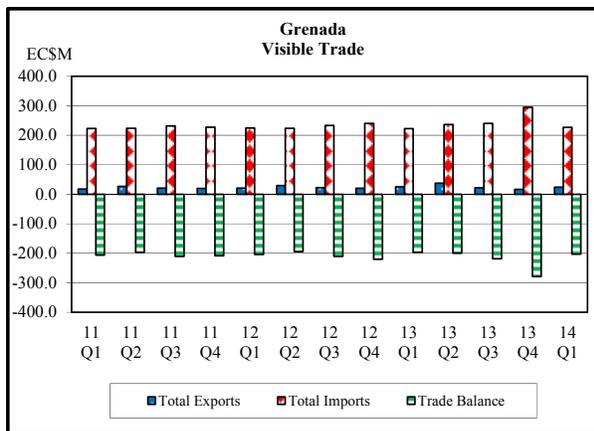
**Prices**

The consumer price index remained relatively unchanged on an end-of-period basis relative to the outturn at the end of 2014. Price movement in each category of the index was less than half a percentage point. The heaviest weighted sub-category, Housing, Utilities, Gas and Fuels was up by 0.1 per cent, while Transport the third heaviest weighted category also recorded a 0.1 per cent increase. A 0.4 per cent decline in prices for Food and Non-Alcoholic Beverages, the second heaviest weighted sub-category tempered the increase in the other subcategories.



### Trade and Payments

The merchandise trade deficit widened by 3.0 per cent to \$202.8m in the first quarter of 2014 compared to the outturn for the corresponding period of 2013. The larger deficit reflected a 1.9 per cent (\$4.2m) growth in import payments, due in part to the presence of the new Sandals Resort. The value of total exports contracted by 6.8 per cent to \$23.8m, on account of less re-exports. By contrast receipts from domestic exports rose marginally by 0.4 per cent, primarily as a result of increases in earnings from agricultural exports.

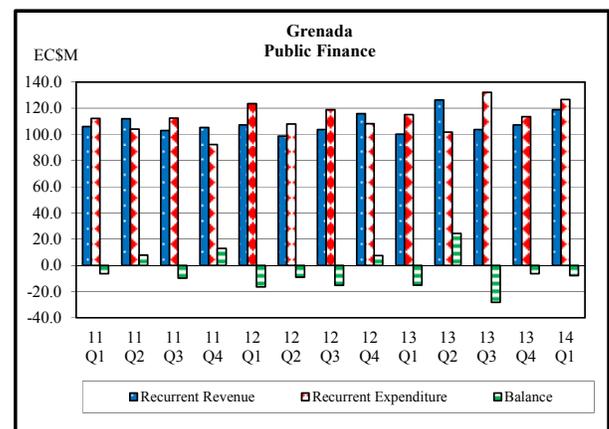


Gross travel receipts decreased by 5.4 per cent to \$102.2m, in keeping with the fall in stay-over visitor arrivals. Commercial bank transactions resulted in a net outflow of \$32.8m in short-term capital, in comparison with an outflow of \$53.3m during the first

quarter of 2013. Gross disbursements to the central government amounted to \$16.3m, while principal repayments totaled \$9.9m. Consequently, there were net official inflows of \$6.4m, in contrast to an outflow of \$9.0m in the first quarter of 2013.

### Central Government Fiscal Operations

The fiscal operations of the central government yielded an overall deficit of \$37.4m in the first three months of 2014, 19.8 per cent lower than the \$46.6m recorded in the corresponding period of 2013. The narrowing of the deficit stemmed mainly from an increase in current revenue; a consequence of revenue measures introduced as part of the home-grown adjustment programme. A primary deficit of \$7.8m was incurred, in comparison to one of \$21.5m recorded in the first quarter of 2013.



The central government recorded a current account deficit of \$7.7m, compared with one of \$15.0m in the first three months of 2013. The improvement was attributable to an increase in current revenue which outpaced the growth in current expenditure. Current revenue rose by 18.6 per cent to \$118.8m, attributable to growth of 15.6 per cent (\$15.0m) in tax revenue as a consequence of direct policy actions taken under the new homegrown adjustment programme to increase revenue. Consequently, tax receipts from income and profits led the way due to a reduction in the personal income tax threshold from \$60,000 per annum to \$36,000 per annum. This policy change resulted in an increase of 57.8 per cent (\$4.3m) in the personal income sub-category. At the same time, improved economic conditions in 2013 led to better private sector performance which manifested in a 53.9 per cent (\$4.0m) in company taxes. The yield from taxes on property rose by 29.8 per cent (\$1.1m), on the basis of a doubling of property tax rates. Collections from taxes on domestic goods and services increased by 6.4 per cent (\$3.1m), mainly driven by the performance of the value added tax (VAT) which rose by 4.7 per cent (\$1.9m). Consistent with higher levels of imports, receipts from taxes on international trade and transactions grew by 8.7 per cent

(\$2.5m). Non-tax revenue benefited from increased flows for licenses and recorded a growth of 90.2 per cent to \$7.6m.

Current expenditure rose by 9.9 per cent to \$126.5m, mainly influenced by increased personal emoluments, which expanded by 14.7 per cent (\$8.1m) on account of higher outlays for salary payments relative to the first quarter of 2013. Outlays on interest payments grew by 18.0 per cent (\$4.5m) as more resources were committed to meet debt servicing obligations. Expenditure associated with transfers and subsidies rose by 3.5 per cent (\$0.6m), mainly on account of increased pension payments, consistent with salary increases and retroactive payments. Consistent with a deliberate policy decision by the government to contain and reduce non-personal spending, expenditure on goods and services recorded a decline of 41.8 per cent (\$7.5m).

Capital expenditure rose by 7.9 per cent to \$39.6m, supported by an expansion of capital grants which almost doubled to \$9.9m.

### **Public Sector Debt**

The total disbursed outstanding debt of the public sector was estimated at \$2,274.1m at



the end of March 2014, up from the \$2,265.6m at the end of December 2013. The increase was driven by growth in central government debt stock. The disbursed outstanding debt of the central government, which accounted for 91.5 per cent of total public sector debt, rose marginally by 0.4 per cent to \$2,081.9m. Meanwhile the external stock of debt of the central government rose by 0.6 per cent, while the domestic stock of debt fell by 0.2 per cent. The disbursed outstanding debt of public corporations amounted to \$192.2m, roughly 0.7 per cent above the total at the end of 2013.

### **Money and Credit**

Monetary liabilities (M2) expanded by 2.2 per cent to \$1,981.5m during the first quarter of 2014, compared to a 1.6 per cent increase during the corresponding period of 2013. The growth in M2 was largely driven by a 4.8 per cent expansion in the narrow money supply (M1), attributable to strong growth in the largest sub-components, private sector demand deposits, which grew by 8.6 per cent (\$21.7m). Meanwhile, other sub-categories of M1 recorded declines: currency with the public by 1.7 per cent and issuances of cheques and drafts by 13.2 per cent. Quasi money also contributed positively to M2, led

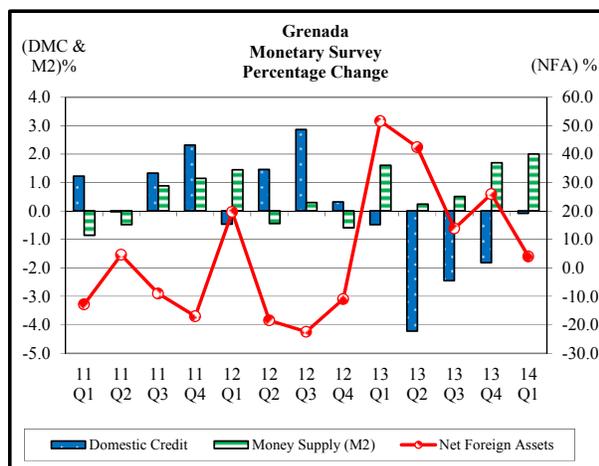
by a 1.7 per cent rise in private sector savings deposits and an 8.8 per cent expansion in foreign currency deposits. The growth in quasi money was however tempered by a 1.2 per cent decline in private sector time deposits.

Domestic credit grew marginally by 0.1 per cent to \$1,697.8m during the quarter under review, driven mainly by an expansion in credit to central government, mainly to facilitate current obligations. Net credit to the central government grew by 42.1 per cent (\$22.0m), supported by a 54.0 per cent (\$10.7m) increase in credit from the central bank mainly through advances, and a 37.3 per cent (\$25.9m) contraction in deposits in the commercial banking system. In the rest of the public sector, the net deposit position of non-financial public enterprises expanded by 7.4 per cent, reflecting growth in their deposits and a commensurate reduction in their borrowings. Commercial bank credit to the private sector fell marginally by 0.9 per cent (\$15.3m), due primarily to contractions in lending to households of 1.1 per cent (\$12.9m) and to businesses of 0.5 per cent (\$2.8m). The reduction in credit to the private sector is consistent with banks' policies to tighten underwriting conditions to combat the growing delinquency problem from both sectors. By contrast, loans to non-bank



financial institutions grew by 5.2 per cent (\$0.3m).

cent (\$0.7m) and for professional and other services by 1.2 per cent (\$1.4m).



A breakdown of distribution of credit by economic activity indicates that the vast majority of sectors recorded decreased borrowings. Lending for personal use, the largest category, fell by 1.1 per cent (\$13.3m), on account of declines in loans for home construction and renovations, as well as house and land purchases and durable goods. In the major economic sectors the contraction in credit ranged from 0.2 per cent (\$0.3m) in credit for tourism related activity to 1.5 per cent (\$1.9m) in lending to distributive trade during the quarter under review. There was also a sizable decline in loans for public administration of 26.7 per cent (\$13.1m) as statutory corporation consolidated their investment positions. In contrast, lending to agriculture recorded an increase of 2.8 per

The net foreign assets of the banking system stood at \$366.7m at the end of March 2014; representing a 4.1 per cent (\$14.3m) increase from the total at the end of December 2013. Grenada’s imputed share of ECCB’s reserves fell by 5.1 per cent to \$347.1m. The commercial banks switched to a net foreign asset position at the end of March 2014 of \$19.6m, from a net liabilities position at the end December 2013.

Liquidity in the commercial banking system continued to rise. This was evidenced by a 0.4 percentage point increase to 30.8 per cent in the ratio of liquid assets to total deposits plus liquid liabilities. In addition, the loans and advances to total deposits ratio fell to 74.3 per cent at the end of March 2014, from 76.6 per cent at the end of December 2013; supporting the view of an environment of rising deposits and declining credit conditions.

The weighted average interest rate spread between loans and deposits widened marginally to 6.68 percentage points at the end of March 2014, from 6.64 percentage points at the end of December 2013. The weighted average interest rate on loans fell by



0.04 percentage point to 9.06 per cent while that on deposits decreased by 0.07 percentage point to 2.39 per cent.

### **Prospects**

Economic activity in Grenada is projected to decelerate in 2014, based on projected developments in key sectors. The construction sector, which drove economic growth in 2013, is not expected to perform at that same level in 2014 following the completion of major works at Sandals Resort and on the new NIS building. However, works on the Athletic Stadium and the increased activity in some other public sector projects such as the agriculture feeder road project as well as some small private sector projects, including an expansion at St Georges University will support positive contribution from the sector. Activity in the tourism industry is projected to continue to improve particularly on the stay-over visitor side, with the first full year of operations of the Sandals Resort and announcements for the introduction of additional airlift from Condor Airlines out of Germany. Cyclical yield patterns for nutmeg and cocoa could result in increased yields in these major crops in the agriculture sector; while increased demand particularly from the hotel sector for short-term crops could result

in expanded output in 2014. The introduction of a new pre-medical programme at St Georges University could see an increase intake in the student body during the course of the year, leading thus to continued growth in the education sector.

The first year of a three-year homegrown structural adjustment programme aimed at fiscal and debt corrections could see an improvement in the overall fiscal deficit of the central government relative to the outturn in 2013, mainly on account of increased revenue intake. Current revenue will benefit from the reform measures outlined in the homegrown programme and much higher tax yields are expected from such categories as personal income tax and property taxes. However, higher projected outlay for personal emoluments to satisfy higher salary payments and retroactive pays to public servants as well as possible goodwill interest payments within the context of the announced debt restructuring could mitigate the overall improved performance. Notwithstanding, a small current account deficit is projected, on the basis of the developments in current spending. On the capital side, programme conditions dictates that capital spending be contained at least for 2014 until sufficient room is created by revenue and grants intake



to finance capital spending. Additional financing for 2014 are expected to come mainly from disbursements from multilateral partners during the latter part of the year under the ambit of the International Monetary Fund support for the homegrown programme.

Developments in the financial system in 2014 are expected to be marked by elevated levels of liquidity. Domestic credit is projected to remain subdued and the incidences of delinquencies are not expected to decline. However, interest rates particularly on mortgages are expected to remain competitive.

In the external sector, growth in domestic export receipts is projected based on the likely expansion in the volume of agricultural exports; at the same time increased economic activity could see a higher level of imports to support the expansion, leading to a widening of the trade balance. Gross inflows from travel are projected to expand consistent with the expected increase in visitor arrivals.

Risks to the projections are skewed to the downside, in part due to internal dynamics.

The impact of the homegrown programme on households and ultimately on the economy during its first year is not yet known; but indications are that the effect could be debilitating initially while the benefits accrue in the medium term. Fiscal reforms have led to a decline in disposable income and with banks being considerably risk averse, the already high unemployment situation in Grenada could be further aggravated. Public sector investments, already somewhat constrained by capacity and financing issues, are not expected to increase in any major way in 2014; similar, in the private sector, the appetite for investment appears to be low. Furthermore, notwithstanding the positive global growth prospects, the global economic environment is still relatively weak and poses risks to tourist arrivals; which could be a considerable drag on the Grenada economy. Bad weather conditions pose ongoing risks to the small country of Grenada and present significant adverse challenges for the Grenadian people and economy. These developments could lead to depressed economic conditions in Grenada and derail any prospects for continued economic recovery in 2014.



## MONTSERRAT

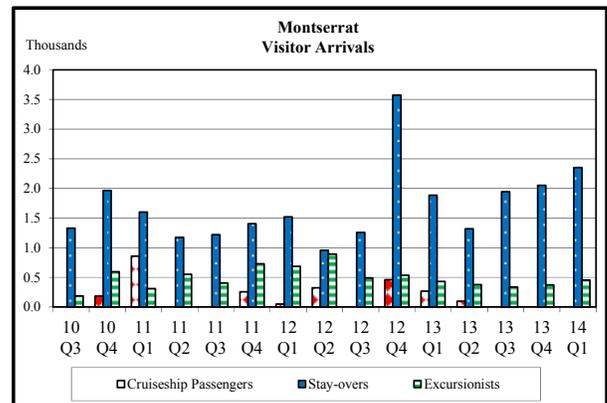
### Introduction

Preliminary data indicate some improvement in economic activity in Montserrat for the first quarter of 2014 relative to the corresponding period in 2013. The construction sector and the tourism industry were the main drivers, of this improvement. The merchandise trade deficit narrowed as total exports increased and imports declined. The consumer price index increased by 0.3 per cent on an end period basis. The fiscal accounts deteriorated on account of a higher level of expenditure and lower external grant inflows in the quarter. In the banking system, total monetary liabilities, net foreign assets and liquidity increased while domestic credit marginally declined. The weighted average interest rate spread between loans and deposits widened.

The economy is projected to grow in 2014. The main sectors contributing to the growth will be public administration, construction, tourism and related services. On the fiscal side, a deficit in government operations is projected. Downside risks include a sharp decline in grant receipts, slow project implementation and adverse weather.

### Output

Activity in the construction sector expanded in the first quarter of 2014. The total value of construction starts increased by 33.9 per cent to \$2.4m, and the number of starts increased by 71.4 per cent to 12, compared with the corresponding period in 2013. The residential sub-sector contributed 56.0 per cent of activity and the commercial sub-sector the remaining 44.0 per cent. Commercial bank lending to the construction sector increased by 2.0 per cent to \$2.6m relative to end-December 2013.



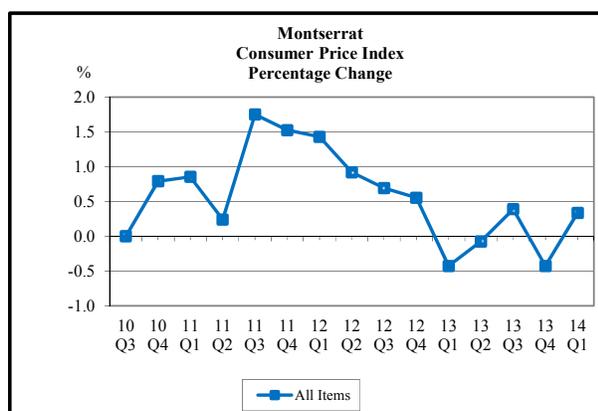
The tourism industry recorded growth for the sixth consecutive quarter. Total visitor arrivals increased by 9.4 per cent to 3,517. Stay-over arrivals increased by 24.9 per cent to 2,355. There was growth in all source markets. The largest increases in arrivals came



from the Caribbean (43.0 per cent), the United States (20.5 per cent) and Canada (41.1 per cent). The number of yacht passengers increased by 12.2 per cent to 708 although the number of yachts that visited declined to 151 from 165. The number of excursionists increased by 5.1 per cent to 454. There were no visits by cruise ships in the quarter.

**Prices**

The consumer price index increased by 0.3 per cent in contrast to a decrease of 0.4 per cent in the first quarter in 2013. The rise in prices was primarily reflective of a 6.5 per cent increase in the gas, electricity and water sub-index. Other increases were in the food (0.3 per cent), clothing (0.4 per cent), services (0.2 per cent) and household goods (0.3 per cent) sub-indices. Prices of home rentals and alcohol and tobacco remained unchanged.

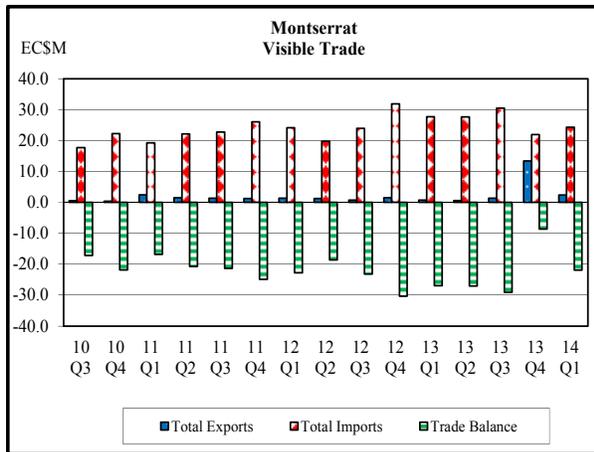


**Trade and Payments**

The merchandise trade deficit was estimated to have narrowed by 18.8 per cent to \$21.9m compared with \$27.0m in the corresponding period in 2013. The improvement was driven by a higher level of exports and smaller imports. Total export earnings more than tripled to \$2.4m, largely the result of a sharp increase in re-exports. Re-exports amounted to \$1.4m compared with \$0.1m in the corresponding quarter in 2013. Domestic exports were estimated at \$1.0m. Imports declined by 12.3 per cent to \$24.3m with the largest decline recorded in mineral fuels and related materials, which reflected price movements. The retail price of regular gasoline averaged \$15.86 in the quarter under review compared with \$15.98 in the same period in 2013.

On the services account, gross travel receipts increased by 23.3 per cent to \$7.1m in the first three months of 2014 in line with the growth in visitor arrivals. The commercial banks’ transactions resulted in a net outflow of \$6.8m of short-term capital. External grant inflows of \$17.5m were recorded during the review period compared with \$74.3m in 2013.



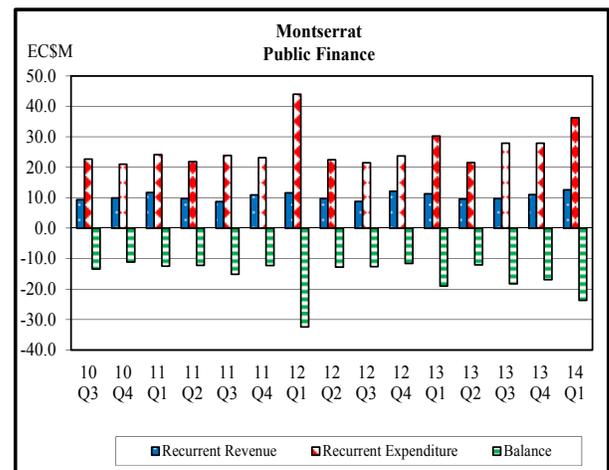


services (18.6 per cent), and interest payments (7.0 per cent).

Capital expenditure was \$18.5m, less than the \$25.2m spent in the corresponding three months of 2013. The decline in spending was consistent with lower external grant receipts. The total grant amount of \$17.5m was limited to transfers for funding support of the recurrent budget.

### Central Government Fiscal Operations

The fiscal performance of the central government resulted in an overall deficit (after grants) as increased spending on the recurrent side of the budget outpaced growth in revenue collection. The deficit amounted to \$24.6m, which was in contrast to a surplus of \$30.2m in the first quarter of 2013. Similarly, the primary balance (after grants) recorded a deficit of \$24.6m. The deficit on the current account (after grants) amounted to \$6.1m compared with \$5.3m in the corresponding period a year ago.



The amount collected in current revenue was \$12.6m compared with \$11.3m in the first quarter in 2013. Tax revenue increased by 22.1 per cent to \$11.6m. The growth was principally influenced by the intake on taxes on income and profits. The latter grew by 33.4 per cent (\$1.3m) largely attributable to a more than doubling of corporate tax revenue. Tax revenues collected on domestic goods and services rose by 25.0 per cent to \$2.2m, mainly reflecting performance of revenue



from licences and stamp duties. Tax receipts on international trade and transactions rose by 10.4 per cent to \$4.0m. Revenue from the property tax fell by 19.0 per cent to \$0.1m. Non-tax revenue also declined with collections amounting to \$1.0m compared with \$1.8m in the corresponding quarter.

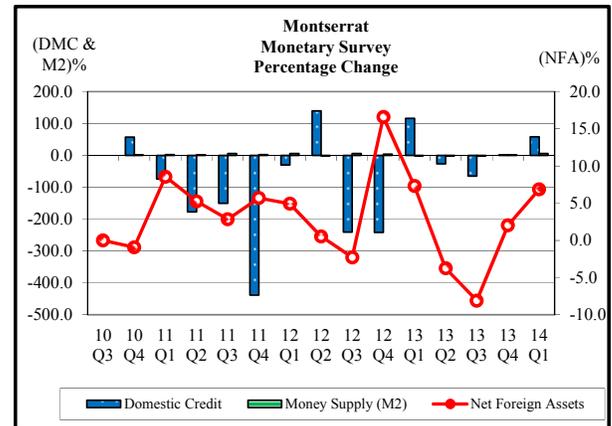
**Public Sector Debt**

Public sector debt stood at \$6.7m at the end of the first quarter of 2014, a decline of 1.9 per cent from the stock of \$6.8m at the end of December 2013. Of the total debt stock, central government held \$1.6 m (23.9 per cent) and public corporations \$5.1m (76.1 per cent). The external portion of the debt totalled \$6.6m and the domestic debt amounted to \$0.1m.

**Money and Credit**

Monetary liabilities (M2) of the banking system grew by 5.4 per cent to \$227.0m during the first three months of 2014 in contrast to a rate of decline of 0.8 per cent in the corresponding period in 2013. The expansion was led mainly by quasi-money which increased by 5.5 per cent, mainly as a result of an 8.6 per cent rise in savings deposits of the private sector. Private sector

time deposits increased marginally by 0.3 per cent. Private sector foreign currency deposits declined by 18.4 per cent. Narrow money (M1), the other component of M2, increased by 5.4 per cent to \$56.5m. This was largely influenced by growth in private sector demand deposits, the value of which was 6.8 per cent (\$2.4m) above the accumulated balance reported in December 2013.



At the end of the quarter, the banking system remained in a net deposit position. The balance stood at \$15.4m compared with \$9.7m at end December 2013. Borrowing by households and firms fell by 0.9 per cent to \$66.3m compared with a decline of 8.2 per cent in the comparable period of 2013. The government’s net deposit position was augmented and amounted to \$60.6m. This compares with \$56.6m at the end of December 2013. The net deposit position of the non-financial public enterprises increased by 5.5



per cent to \$21.0 m in the quarter under review, in contrast to a reduction of 10.3 per cent at the end of March 2013.

In terms of the distribution of credit, the personal sector continued to be the main investment vehicle for banks, accounting for 82.2 per cent of the total portfolio in the period under review. Within this category, lending for home construction and renovation, which received 44.7 per cent of bank credit, declined by 2.2 per cent (\$0.7m). Loans for house and land purchases, which made up 26.4 per cent of the credit, fell by 0.5 per cent. There were declines in credit to the distributive trades (8.4 per cent), tourism (1.5 per cent) and other services (4.8 per cent). In contrast, there were increases in credit for durable consumer goods (32.6 per cent), other personal loans (0.7 per cent), manufacturing, mining and quarry (15.2 per cent) and construction (2.0 per cent).

The net foreign asset position (NFA) of the banking system grew by 6.9 per cent to \$288.6m. The NFA of commercial banks was augmented by 4.2 per cent to \$167.5 on account of an increase in their assets held outside the currency union. Montserrat's imputed share of the reserves held with the

central bank increased by 10.8 per cent to \$121.2m.

Liquidity in the commercial banking system increased. The ratio of liquid assets to total deposits and liquid liabilities increased to 87.6 per cent at the end of March 2014 from 87.0 per cent at the end of December 2013. The ratio of loans and advances to total deposits was 22.2 per cent at the end of the quarter compared with 23.8 per cent at the end of December 2013.

The interest rate spread between deposits and loans widened to 6.23 per cent at the end of the review period from 6.19 per cent at end December 2013. The weighted average lending rate remained unchanged at 8.02 per cent while the weighted average deposit rate declined to 1.78 per cent from 1.81 per cent.

### **Prospects**

Positive economic growth is projected to resume in 2014, led by recovery in public administration and construction and continued growth in tourism and financial intermediation.

Activity in the construction sector will be driven by the public sector with investments in



a new diesel power plant, the redevelopment of the hospital, government offices, a multi-purpose sports arena, and the completion of the Lookout Primary School.

The growth in visitor arrivals observed in the last six quarters is expected to be maintained throughout the remainder of 2014 as economic conditions continue to improve in main source markets and will have positive spill-over effects on the distributive trades and transportation and auxiliary services.

A smaller deficit on the overall fiscal balance is projected for 2014 when compared with the previous year. Budgetary support from the

United Kingdom for FY 2014/2015 is expected to be at the level of FY2013/2014. Capital grants, however, are forecasted to be lower in calendar year 2014. Final budgetary outcomes will depend on whether there are new expenditure commitments from Montserrat's development partners.

The balance on the external current account is expected to improve with larger inflows of current grant transfers, increased exports and lower oil prices.

Downside risks remain and include adverse weather and slow implementation of projects, which would impact the disbursements of grant funds.



## ST KITTS AND NEVIS

### Overview

Economic activity in St Kitts and Nevis is estimated to have expanded in the first quarter of 2014. This increase is predicated on positive value added contributions by the construction and manufacturing sectors, but it was moderated by a decline in the agricultural sector. Consumer prices fell by 0.6 per cent on an end of period basis. The fiscal operations of the Federal Government resulted in an overall surplus, albeit smaller than that of the corresponding 2013 period. The total outstanding public sector debt of the Federal Government fell. In the banking system, monetary liabilities and net foreign assets increased while domestic credit fell. Commercial bank liquidity increased, and the weighted average interest rate spread between loans and deposits widened.

Economic activity is expected to expand in 2014 at a reduced pace relative to that of 2013, largely on account of expectations that the pace of construction activity will moderate slightly following strong growth in 2013. The construction and manufacturing sectors are expected to continue to drive economic

activity, with the tourism industry playing a supporting role. Public sector construction outlays will be driven mainly by road works while work is expected to continue on several tourism-related villa and condominium resorts in the private sector. Expectations of positive value added in the tourism industry, are contingent on a rebound in stay-over arrivals following a weak first quarter and continued improvement in the performance of the cruise sub-sector. Positive growth expectations in the manufacturing sector are consistent with the planned expansion of a major electrical component producer, which will be influenced by the successful implementation of the Partial Scope Agreement with Brazil. The positive outlook is tempered by expectations of a decline in agricultural output following a strong performance in 2013.

The fiscal operations of the Federal Government are projected to benefit from an improved tax administration framework, following organizational structural changes at revenue collection agencies and continued inflows associated with the Citizenship by Investment Program. Budgetary outcomes will also be influenced by increased



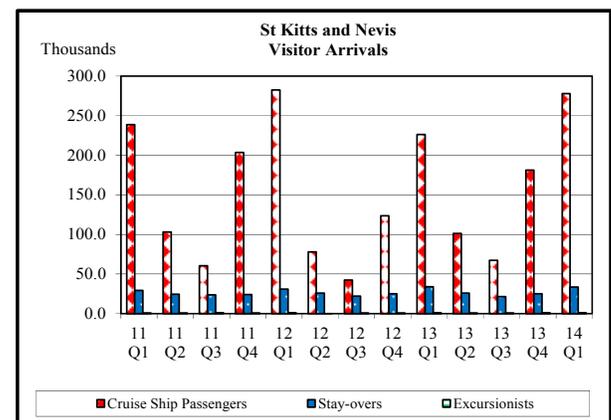
expenditures on personal emoluments. Downside risks primarily stem from adverse shocks to the Citizenship by Investment Program.

**Output**

Value added in the construction sector, is estimated to have risen in the first quarter of 2014. This increase is attributed to higher capital outlays in both the public and private sectors. In the public sector, capital outlays were more than tripled the value of the comparable quarter in 2013, while in the private sector, work continued on notable projects such as the Imperial Bay Resort and the Kittitian Hill Resort. There was over one hundred per cent increase in the importation of building materials, a proxy for developments in the sector, and was also indicative of the growth in that sector.

Value added in the hotels and restaurants sector, a proxy measure of tourism activity, is estimated to have risen marginally in the first quarter of 2014. This development reflected the impact of a significantly higher level of cruise passenger arrivals which was tempered by slightly lower number of stay-over visitors. Cruise ship passenger arrivals rose by 22.9 per cent (51,688) to 281,518 consistent with a

17.6 per cent increase in the number of ships that called at the ports of the Federation. Stay-over arrivals fell by 1.6 per cent to 33,436 in contrast to a 9.7 per cent increase in the first quarter of 2013. The fall in stay-over visitors was driven by a 7.6 per cent contraction in the number of visitors from the Caribbean and a 1.2 per cent decline in arrivals from the United States of America. Visitor arrivals from the other major source markets of Canada and Europe (excluding the UK) rose by 0.5 per cent and 0.9 per cent, respectively. Meanwhile, the number of excursionists rose by 3.5 per cent to 1,066, and the number of yacht passengers almost quadrupled to 3,713.



Value added in the manufacturing sector is also estimated to have risen in the review period on account of the higher levels of exports of both beverages and tobacco products (69.6 per cent) and machinery and



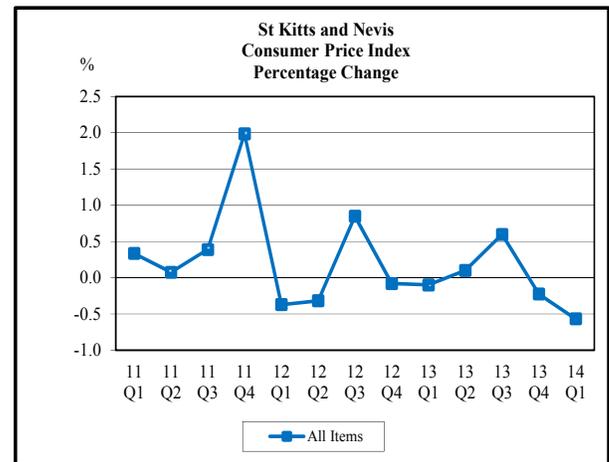
transport equipment (1.6 per cent). The overall effect of these increases was moderated by lower exports of miscellaneous manufactured articles (20.4 per cent).

Developments in the agriculture, livestock and forestry sector were negative as output of crops and several livestock components contracted relative to production in the corresponding period of 2013. This performance partly reflected the fact that the 2013 first quarter performance was abnormally high as output rebounded following heavy rains in 2012. During the quarter under review, total crop production fell by 18.7 per cent, attributable to declines in the production of pumpkin (63.6 per cent), watermelon (55.2 per cent) and pineapple (50.0 per cent). Livestock production was mixed as beef and pork production fell by 6.2 per cent and 85.3 per cent respectively, while the output of mutton rose by 16.7 per cent. Output of fish increased by 10.8 per cent to 75,490 kg.

**Prices**

Inflationary pressures fell as the consumer price index (CPI) contracted by 0.6 per cent compared with a fall of 0.1 per cent in the corresponding period of 2013. The largest

contributing factors to this decline were decreases in the transport (2.6 per cent) and food and non-alcoholic beverages (0.3 per cent) sub-indices. The only category which recorded price increases was the housing, utilities, gas and fuels sub-index.



**Trade and Payments**

A merchandise trade deficit of \$111.9m was estimated in the first quarter of the year compared with one of \$120.4m in the corresponding 2013 period. This outturn was the result of an increase in the level of exports coupled with a decline in the level of imports. The fall in the level of imports was driven primarily by developments in the mineral fuels and related materials and food and live animal components while the improvement in export earnings was attributed mainly to higher beverage and tobacco product exports.

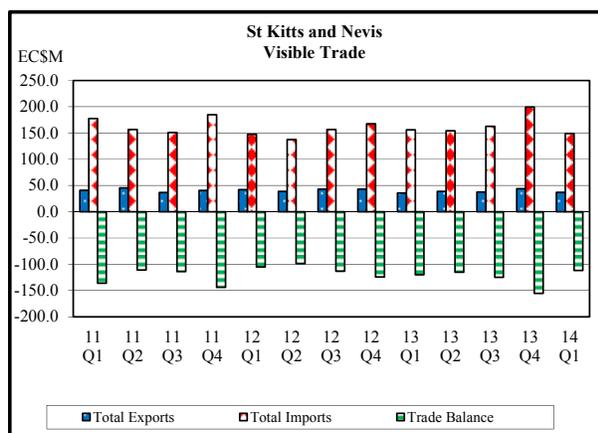


Gross travel receipts are estimated to have risen by 4.8 per cent to \$92.1m in the first quarter of 2014, in line with developments in cruise ship passenger arrivals. The transactions of commercial banks resulted in a net outflow of \$134.6m in short term capital compared with an outflow of \$10.6m in the corresponding 2013 period. This higher level of outflow was driven by an increase in the external asset position of commercial banks. External disbursements received in the first quarter of the year amounted to \$1.8m compared with \$0.7m in the corresponding period of 2013, while external principal repayments totalled \$7.4m compared with \$6.7m in the first quarter of 2013. The increase in amortisation reflected a goodwill payment made by the Nevis Island Administration to the Government of Kuwait as bilateral debt negotiations continue.

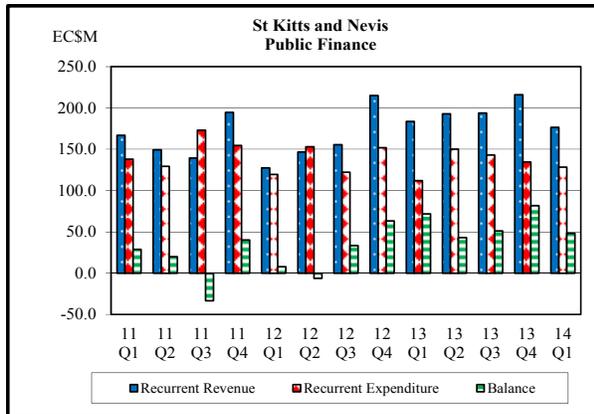
### Federal Government Operations

The fiscal operations of the Federal Government is estimated to have resulted in an overall surplus of \$33.8m, compared with one of \$91.8m in the corresponding 2013 period. This outturn in the overall balance was influenced mainly by developments on the current account as revenue performance, particularly non-tax, was weaker while expenditures grew.

Current revenue is estimated to have fallen by 3.9 per cent to \$176.5m due to lower collections of non-tax revenues. Non-tax revenue collections fell to \$64.4m due to lower receipts of fees from the Citizenship by Investment Programme. Tax revenue, however, expanded by 18.5 per cent to \$112.1m, attributable to increased receipts in all sub-components; income and profits (19.1 per cent), domestic goods and services (10.1 per cent) and international trade (30.5 per cent). Collections of tax revenues on domestic goods and services rose largely due to increased stamp duty receipts associated with higher land sales while improved collections of taxes on international trade reflected higher import duty and custom service charge collections. Tax receipts on income and profits rose on account of higher



collections on company tax and social services levy, consistent with positive economic growth. VAT collections rose by 4.2 per cent and totalled \$39.5m in the first quarter of 2014.



Current expenditure is estimated to have risen by 14.7 per cent to \$128.3m in the review period in contrast to a decline of 6.4 per cent in the first quarter of 2013. The largest contributing factor to this turnaround was the increase in outlays on good and services, which increased by 55.9 per cent (\$13.6m) partially reflecting the payment of legal judgement against the Federal government. Mitigating the increase in current expenditures was a 41.8 per cent decline (\$6.7m) in interest payments, consistent with the conclusion of debt restructuring efforts at the Federal level.

Capital expenditure outlays tripled to \$16.6m in the first quarter of 2014 and centered

mainly on road rehabilitation works and the construction of a new lighting system for the Warner Park Stadium in St Kitts.

At a disaggregated level, the overall surplus of the central government was \$32.8m, a significant decrease over the outturn of \$84.3m in the first quarter of 2013. Current account transactions largely accounted for this development. Recurrent revenues fell by 8.2 per cent to \$143.9m due to lower collections of non-tax revenues while expenditures rose by 9.9 per cent to \$99.1m. Tempering the decline in non-tax revenue receipts were higher collections in all other revenue sub components. This tax revenue development is consistent with reforms to enhance the tax administration framework through the implementation of new operational structures in the revenue collection agencies and improved economic activity. The benefits of this new tax administration framework are most evident in collections of taxes on international trade and transactions which increased by 17.0 per cent (\$3.2m), despite lower imports, on account of growth in collections of customs service charges (\$1.9m) and import duty (\$2.6m). Revenues from taxes on domestic goods and services rose by 14.2 per cent (\$5.7m), due to increased collections of stamp duties (\$3.1m)



and VAT receipts (\$3.1m). VAT collections totalled \$31.4m in the first quarter of 2014, compared with \$28.2m in the corresponding period of 2013. Collections of corporate tax and the housing and social services levy rose by 25.1 and 21.6 per cent respectively, indicative of improved private sector profitability and employment levels. Non tax revenues fell by 32.0 per cent to \$55.9m.

Current expenditure increased by \$8.9m to \$99.0m in the first quarter of 2014, reflecting increased outlays on goods and services (\$8.6m) and personal emoluments and wages (\$3.4m). Growth in outlays on goods and services was primarily due to payment of legal judgements, while higher personal emoluments and wages spending was the result of a 4.0 per cent salary increase and a \$50.00 wage level increase to all civil servants who earned the minimum wage. Capital expenditure more than doubled to \$14.3m.

The fiscal operations of the Nevis Island Administration (NIA) deteriorated in the first quarter of 2014, as an overall surplus of \$1.0m was recorded compared with one of \$7.5m in the corresponding 2013 period. This development was mainly a result of current account developments and non-receipt of grant funding. On the current account,

expenditures grew by 34.4 per cent, outpacing revenue growth of 21.5 per cent and thereby resulting in a 34.1 per cent fall in the current account balance to \$3.3m. Current revenue amounted to \$32.6m as there were increased collections of taxes on all subcomponents, with the exception of taxes on domestic goods and service which fell by 2.0 per cent. Current expenditure totalled \$29.2m and reflected increased outlays on goods and services (195.1 per cent), personal emoluments and wages (10.1 per cent) and interest payments (15.5 per cent). Capital expenditure more than doubled to \$2.3m with activity being concentrated on the rehabilitation of the Hamilton roads.

### **Public Sector Debt**

The total disbursed outstanding debt of the public sector of the Federal Government fell by 0.2 per cent to \$2,064.1m in the first quarter of 2014 compared with \$2,069.1m at end December 2013. The outstanding debt of the central government, which accounted for 77.0 per cent of total debt, fell by 0.3 per cent to \$1,580.3m. The debt of the public sector corporations also declined, falling by 0.02 per cent to \$483.9m. External debt, which represented 38.8 per cent of public sector debt, fell by 0.8 per cent to \$800.7m. The decline



in debt of the Federal Government was consistent with structural reforms aimed at fiscal consolidation under the "home grown", IMF-supported programme. During 2014, the total debt stock of the Government is expected to be reduced further upon the completion of a debt for land swap between the Nevis Island Administration and the St Kitts Nevis Anguilla National Bank.

### **Money and Credit**

Monetary liabilities (M2) rose by 8.9 per cent to \$2,818.2m in the first quarter of 2014, compared with a decline of 0.1 per cent in the corresponding 2013 period. This increase reflected a 12.4 and 8.0 per cent rise in the money supply (M1) and quasi money, respectively. The outturn in M1 was driven solely by private sector demand deposits which rose by 18.2 per cent (\$68.1m). The other component of M2, quasi money, rose on account of increases in all of its deposit subcomponents namely; private sector savings (1.6 per cent), private sector time (4.3 per cent), and foreign currency deposits (19.9 per cent).

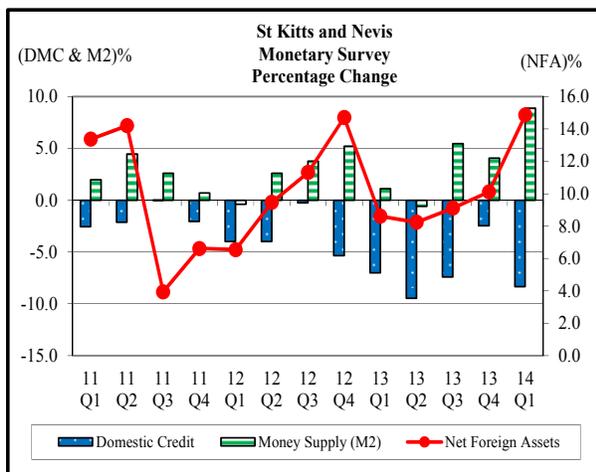
Domestic credit contracted by 8.4 per cent in the review period to \$1,038.4m, following a decline of 8.7 per cent in the first quarter of

2013. This decline was influenced primarily by an increase in the net deposit position of both non-financial public enterprises (NFPE's) and general government, coupled with lower extension of private sector credit. The net deposit position of NFPE's rose by 6.5 per cent to \$676.9m largely on account of a 4.6 per cent (\$38.4m) increase in their deposits at commercial banks. Credit extended to the private sector fell by 1.3 per cent (\$25.1m) during the review period mainly on account of lower levels of credit to households (1.4 per cent) and business (2.8 per cent). These declines were further exacerbated by a 14.8 per cent increase in the net deposit position of the general government to \$221.0m. This development was a result of a 5.1 per cent (\$27.9m) increase in deposits of the general government in the banking system, principally with commercial banks. Meanwhile, credit to general government fell by 0.2 per cent consistent with policy efforts aimed at restricting debt accumulation. The net deposit position of the central government rose by 7.0 per cent on account of a rise in deposits (5.1 per cent), while the net credit position of the Nevis Island Administration (NIA) declined owing to lower borrowing.

The distribution of credit by economic activity showed that the decline in lending to the



private sector was wide spread and included reduced credit for construction (1.8 per cent), professional and other services (15.6 per cent) and entertainment and catering (34.2 per cent). These declines were tempered by increased lending for distributive trades (1.5 per cent).



Growth in the net foreign assets of the banking system accelerated by 14.9 per cent (\$289.1m), compared with growth of 8.6 per cent (\$118.6m) in the corresponding 2013 period. The increase was due to a 19.7 per cent expansion in St. Kitts and Nevis’s imputed share of the Central Bank’s reserves to \$941.0m and an 11.6 per cent rise in commercial banks’ net foreign asset position. The increase in the Federation’s share of reserves reflect rising accumulation of excess reserves while growth in commercial banks’ net foreign asset position is consistent with

them increasing their stock of external assets in both foreign and other ECCB territories.

Liquidity in the commercial banking system expanded in the review period. The ratio of liquid assets to total deposits rose by 4.3 percentage points to 78.12 per cent. The ratio of liquid assets to total deposits plus liquid liabilities increased by 3.6 percentage points to 65.84 per cent. Further supporting evidence included the decline in the ratio of loans and advances to total deposits by 4.3 percentage points to 38.76 per cent.

The weighted average interest rate spread between loans and deposits widened to 6.05 percentage points during the first quarter of 2013, from 5.80 percentage points at end of 2013. This outturn was mainly the result of the weighted average interest rate on deposits falling by 0.26 percentage points to 2.75 per cent, while those on loans fell by 0.01 percentage points to 8.80 per cent.

**Prospects**

Economic growth in the Federation of St Kitts and Nevis is expected to increase in 2014. This projection is consistent with expectations of a strengthening of the growth prospects of

the United States of America, St Kitts and Nevis's largest trading partner, and relative stability in the Euro-zone.

Growth will be driven by on-going works on public and private sector projects and the strengthening of activity in the manufacturing sector and tourism industry. Expectations concerning the performance of the manufacturing sector are high, due to the potential for penetration of the Brazilian market, once the Partial Scope Agreement is ratified during the year. Improved prospects in the tourism industry are contingent on a turnaround in stay-over visitor arrivals and continued improvements in the performance of the cruise ship sector. The industry will also benefit from the recent opening of the Jet Port Facility and the soft opening of the Kittitian Hill Resort (with 90 rooms). In the construction sector, public sector outlays are expected to centre on renovation works to the Dr Kennedy Simmonds Highway in St Kitts. In the private sector, work on new and the completion of existing tourism and commercial related properties should bode well for the sector. These developments will support the wholesale and retail trade sector which has been buoyed by the increase in employment levels created by the People's Empowerment Programme (PEP).

The fiscal operations of the Federal Government are expected to remain in an overall surplus position, albeit a smaller one relative to the 2013 surplus should inflows associated with the Citizenship By Investment (CBI) programme continue at the level seen in the first quarter of 2014. On a disaggregated basis, the fiscal operations of the Central Government will continue to be positively impacted by receipts associated with the CBI programme and the expected receipt of EU grants funds. A lower surplus position will also be a result of developments on the expenditure side as personal emoluments rise with increases in salary and the minimum wage (now \$370) paid to weekly paid public servants. A similar outturn, i.e. lower overall balance surplus, in the fiscal operations of the Nevis Island Administration (NIA) is anticipated.

The merchandise trade deficit is likely to widen as imports rebound consistent with positive growth expectations. In addition, exports should increase following the completion of expansionary works at a major electronic component manufacturer.

Downside risks to the economic forecast chiefly stem from policy changes to the Citizenship by Investment Programme, which



could result from continued international reviews.



## SAINT LUCIA

### Overview

Preliminary indicators for Saint Lucia suggest that economic activity remained relatively flat in the first three months of 2014 compared with the outturn in the corresponding period of 2013. The overall assessment reflected mixed performances in a number of the key sectors including hotels and restaurants and construction. Consumer prices rose by 3.4 per cent, on an end of period basis. The fiscal operations of the central government resulted in a smaller overall deficit compared with that in the first quarter of 2013. The total disbursed outstanding debt of the public sector rose marginally during the period, reflecting an increase in borrowing by both central government and public corporations. In the banking system, money supply (M2) increased, while domestic credit and net foreign liabilities fell. Liquidity in the commercial banking system remained tight and the weighted average interest rate spread between loans and deposits widened.

Economic prospects for the remainder of 2014 remain pessimistic, based largely on the outlook for the major sectors, coupled with the socio-economic challenges that confront the

economy. The pace of construction activity is projected to slow, as reconstruction and rehabilitation works wind down and very few new projects get off the ground. Activity in the public sector is likely to focus on the completion of the St Jude Hospital and a number of roads, bridges and culverts under the hurricane Tomas reconstruction project, which culminates in the third quarter of the year. Although support is anticipated from the private sector through expansion of hotel plants, these developments may not be sufficient to provide the impetus necessary to drive output above the level recorded in 2013. An increase in the number of stay-over visitors is anticipated and a smaller overall deficit is projected on the fiscal accounts, as spending is contained. Moreover, risks remain tilted to the downside, partly due to the expected unfavourable outcomes for manufacturing and distributive trades and exogenous factors, such as major commodity price shocks, a slowdown in the global economic recovery and adverse weather.

### Output

Construction activity is estimated to have declined marginally in the first three months

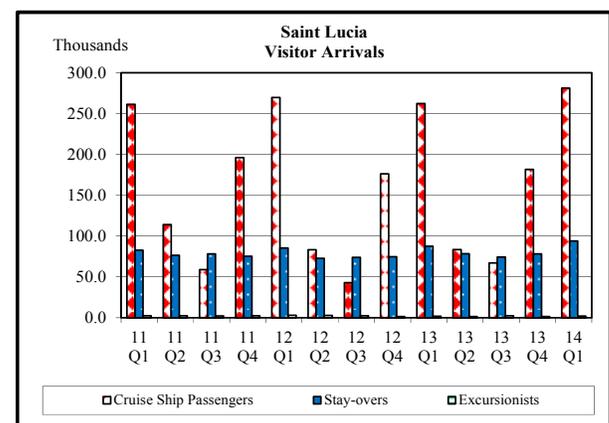


of 2014 in contrast to an expansion in the comparable period of 2013. This assessment is supported by a fall in commercial banks' credit for construction. In the private sector, work continued on residential properties, while in the public sector construction was not as robust as anticipated with work mainly focused on infrastructural development including; road rehabilitation and reconstruction, the completion of a number of bridges, the St Jude's Hospital and the Ministry of Finance building.

The performance of the tourism industry is estimated to have improved in the first quarter of 2014, relative to the corresponding period of 2013. Total visitor arrivals increased by 7.5 per cent to 392,137, reflecting growth in all categories of visitors. Stay-over arrivals increased by 7.5 per cent to 94,146, compared with growth of 2.5 per cent in the first quarter of 2013. Growth in stay-over arrivals mainly reflected strong performances in the USA, Canadian and European markets. The number of visitors from the USA grew by 12.6 per cent, largely on account of increased airlift from that market. Visitor arrivals from Canada increased by 13.0 per cent, in contrast to a decline of 2.1 per cent in the corresponding period of the prior year. The number of stay-over visitors from Europe rose

by 5.6 per cent associated with improved performances from sub-markets within that region, particularly the UK. These increases were tempered by a decline of 9.2 per cent in the number of stay-over visitors from the Caribbean, as the cost of intra-regional travel remained elevated.

The number of cruise ship passengers increased by 7.3 per cent to 281,132 in contrast to a decline of 2.8 per cent in the first three months of 2013. The improvement in the cruise category is attributable to an increase in the number of cruise ship calls to 187 from 177 in the first quarter of the previous year. Of the other categories, the number of yacht visitor arrivals and excursionists grew by 12.2 per cent (1,587) and 13.0 per cent (260) respectively.



Output in the agricultural sector is estimated to have risen largely due to developments in



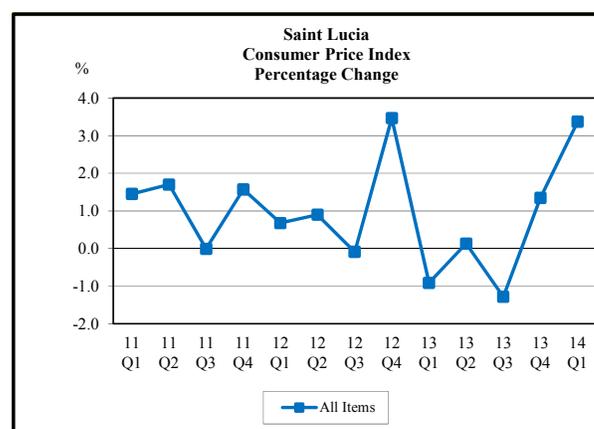
the non-banana sub-sector, driven by a number of investment initiatives. Production of bananas fell by 23.6 per cent to 2,271 tonnes, as the recovery from Black Sigatoka and hurricane Tomas was adversely impacted by heavy rains associated with the December 2013 trough. Consequently, the value of banana exports fell by 22.1 per cent in contrast to an increase of 25.7 per cent recorded in the first quarter of 2013.

Manufacturing output is estimated to have decreased slightly, relative to the first quarter of 2013. This assessment was supported by a fall of 25.0 per cent in the export of beverages – a significant commodity in the manufacturing sector. The production of corrugated paper and paperboard products was also challenged by developments in the banana industry.

**Prices**

The rate of inflation as measured by the consumer price index (CPI) rose by 3.4 per cent, in contrast to a decline of 0.9 per cent during the first quarter of 2013. The rise in the rate of inflation was influenced by increases in the sub-indices of food and non-alcoholic beverages (2.1 per cent), housing, utilities, gas and fuels (3.2 per cent),

communication (0.4 per cent), miscellaneous goods and services (10.0 per cent), health (4.6 per cent), education (5.0 per cent), household furnishings, supplies and maintenance (7.0 per cent), clothing and footwear (6.8 per cent) and recreation and culture (15.0 per cent). Growth of the CPI was moderated by declines in the sub-indices for transport (1.6 per cent), alcoholic beverages, tobacco and narcotics (0.3 per cent) and hotels and restaurants (4.9 per cent).

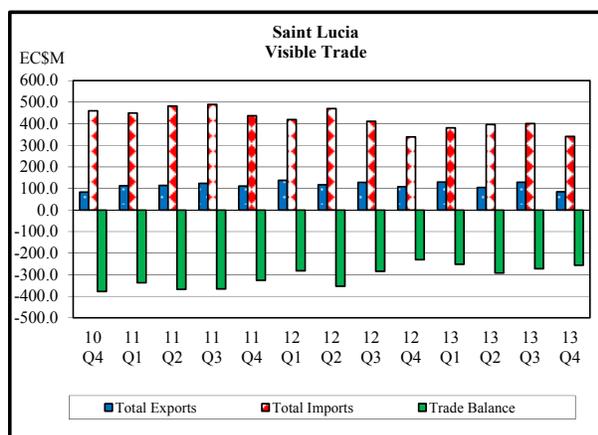


**Trade and Payments**

Estimates of merchandise trade indicate a deficit of \$256.7m compared with one of \$230.4m in the corresponding period of 2013. The widening of the deficit was attributed to a fall in export earnings coupled with an increase in import payments. Receipts from total exports fell by 22.1 per cent to \$84.7m, fuelled by declines in both domestic exports



and re-exports. Re-export earnings fell by 34.5 per cent, largely reflecting lower re-exports of minerals, fuels, lubricants and related materials. Earnings from domestic exports were 8.7 per cent below the amount recorded in the first quarter of 2013, led by declines in the export of beverages and tobacco, food and live animals and chemicals and related products. Import payments rose marginally (0.7 per cent) to \$341.3m, in contrast to a decline of 22.4 per cent in the first three months of 2013.



Gross travel receipts rose by 7.8 per cent to \$322.0m influenced by increases in stay-over arrivals and the average daily expenditure. The activities of commercial banks resulted in a net outflow of \$129.7m in short-term capital during the first quarter of 2014, compared with an outflow of \$62.8m during the comparable period of 2013. In the review period, external loan disbursements to the

central government fell by \$6.9m to \$14.1m, while debt repayment totalled \$7.7m.

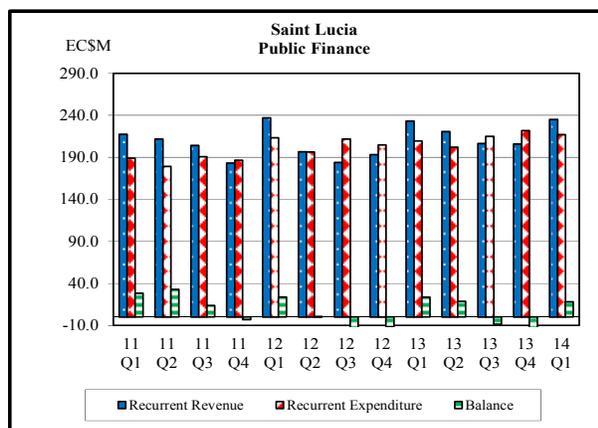
### Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall deficit of \$64.2m, compared with one of \$82.6m recorded in the first three months of 2013. The smaller overall deficit was attributable to developments on the capital account, where a deficit of \$82.2m was recorded, compared with one of \$106.2m in the first quarter of 2013. A primary deficit of \$31.5m was realised, lower than one of \$51.1m recorded in the first three months of the previous year. The overall deficit was financed largely by domestic borrowing, particularly through bonds issued both on the regional governments' securities market (RGSM) and outside the RGSM.

Outlays on capital expenditure fell by 27.3 per cent to \$82.2m in contrast to growth of 59.4 per cent in the first quarter of 2013. The contraction was mainly influenced by the winding down of a number of projects, including the New National Hospital, and the slow start of a few programmed projects. Ongoing public sector projects included the reconstruction of the St Jude Hospital and



work on infrastructural development – roads, culverts and bridges.



On the current account, a surplus of \$18.1m was recorded in the first three months of 2014, down from one of \$23.6m in the corresponding period of 2013. The main contributor to this outturn was growth in current expenditure, which outpaced an increase in current revenue. Current expenditure grew by 3.6 per cent to \$217.0m buoyed by an increase in all categories of spending, except goods and services. Outlays on personal emoluments, which account for the largest share of current expenditure, increased by 6.1 per cent, influenced by growth in spending on salaries as public sector employment rose. Expenditure on transfers and subsidies grew by 4.2 per cent (\$1.7m), mainly due to higher pension payments. Interest payments rose by 3.8 per cent (\$1.2m) reflecting larger external commitments.

Spending on goods and services fell marginally (\$0.8m) reflecting lower costs of supplies and materials.

Current revenue increased by 0.9 per cent to \$235.0m, on account of an improved performance in tax revenue. Tax revenue rose by 3.0 per cent as increases in receipts from taxes on international trade and transactions and domestic goods and services more than offset declines in the yield from taxes on income and profits and property. Revenue from taxes on international trade and transactions grew by 15.0 per cent, primarily reflecting larger collections from the airport tax (\$5.1m), the excise tax on imports (\$2.6m) and the import duty (\$1.8m). Receipts from taxes on domestic goods and services were 1.6 per cent (\$1.5m) above the amount collected in the corresponding period of 2013, attributable to increases in collections from licenses (\$1.5) and stamp duties (\$1.0). Meanwhile, proceeds from taxes on income and profits fell by 4.7 per cent, largely associated with lower yields from the corporation tax as businesses reported lower profits.

### Public Sector Debt

The disbursed outstanding debt of the public



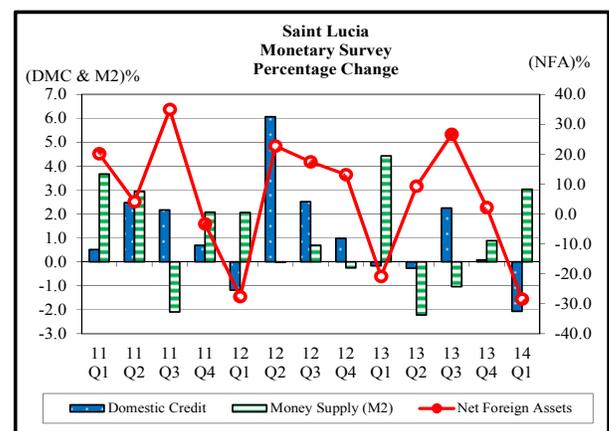
sector was estimated at \$2,755.7m at the end of March 2014, an increase of \$1.1m over the total at the end of December 2013. This outturn was influenced by a slight expansion in the outstanding debt of the central government, as well as the stock of debt of the public corporations. Debt incurred by the central government increased by \$0.6m to \$2,559.3m, as growth in its stock of external debt more than offset a decline in its domestic borrowing. The total debt of public corporations grew by \$0.5m to \$196.4m, influenced by an increase of 2.0 per cent in its stock of domestic debt.

**Money and Credit**

Monetary liabilities (M2) expanded by 3.0 per cent to \$2,939.7m during the first three months of 2014, compared with growth of 4.4 per cent during the corresponding period of 2013. This development reflected increases in both the narrow money supply and quasi money. Narrow money (M1) rose by 11.9 per cent, attributable to growth of 17.5 per cent in private sector demand deposits, which more than offset declines in currency held with the public and EC\$ cheques and drafts issued. Quasi money grew by 0.2 per cent to \$2,161.8m, influenced largely by growth in private sector foreign currency deposit and

time deposits.

Domestic credit fell by 2.1 per cent to \$3,895.0m compared with a decline of 0.2 per cent during the corresponding period of 2013. The contraction in credit emanated in part from decreased borrowing by the private sector. Outstanding loans to the private sector fell by 1.2 per cent, attributable to a 2.3 per cent decline in loans extended to businesses; while household borrowing increased by 0.9 per cent. The central government recorded a net credit position of \$273.2m, compared with one of \$308.0m at the end of December 2013. In the rest of the public sector, net deposits of non-financial public enterprises increased marginally (0.2 per cent) as growth in their deposits (\$4.6m) outweighed an increase (\$3.9m) in their borrowing.



An analysis of the distribution of credit by economic activity indicates that outstanding



loans decreased by 1.1 per cent, associated with declines in lending for most categories, particularly for other uses. Outstanding credit for other uses fell by 3.2 per cent (\$42.1m) driven largely by contractions of 2.9 per cent (\$25.7m) in lending for professional and other services, 3.6 per cent (\$8.7m) for public administration and 15.5 per cent (\$4.7m) to financial institutions. Credit for tourism, distributive trades and construction fell by 2.0 per cent (\$14.1m), 1.3 per cent (\$3.9m) and 0.9 per cent (\$3.2m) respectively, while marginal declines were recorded for agriculture and manufacturing. Those declines more than offset an increase in credit for personal use (\$14.7m).

The net foreign liabilities position of the banking system stood at \$460.9m at the end of March 2014, down from \$644.4m at the end of December 2013. The decrease was mainly associated with a reduction of 11.8 per cent in the net liabilities position of commercial banks, largely reflecting an increase in assets held in institutions outside of the ECCU. Saint Lucia's imputed share of the Central Bank's reserves increased by 11.8 per cent to \$508.7m.

Liquidity in the commercial banking system improved during the period under review, but

remained tight. The ratio of liquid assets to total deposits plus liquid liabilities was 25.0 per cent as at 31<sup>st</sup> March 2014, about 2.2 percentage points above the level at the end of 2013. The loans and advances to total deposits ratio fell by 4.4 percentage points to 114.6 per cent. The liquid assets to deposits plus liabilities ratio barely met the established benchmark, which is a minimum of 25.0 per cent, while the loans and advances to deposits ratio exceeded the ECCB's outer band of 85.0 per cent.

The weighted average interest rate on deposits fell to 2.72 per cent from 2.79 per cent at the end of December 2013, while the weighted average lending rate rose marginally to 8.44 per cent. These changes resulted in an increase of 10.0 basis points in the weighted average interest rate spread.

### **Prospects**

Activity in the global economy has broadly strengthened and expectations are that economic performance is likely to improve in the short term, with the impetus emanating largely from the advanced economies. Consequently, global output was revised upwards from 3.0 per cent in 2013 to 3.6 per cent in 2014. Growth is expected to be



strongest in the USA, at about 2.8 per cent. Notwithstanding positive growth prospects for the US economy, first quarter real GDP growth came in at 0.1 per cent, after a very cold winter. However, the beginning of the second quarter has shown signs of improvements. Against this backdrop, the economies of the ECCU, including that of Saint Lucia, are projected to pick up slowly and gain momentum in the medium term. In the short run however, economic activity in Saint Lucia is forecasted to decline marginally in 2014, premised on the projections for the major sectors, including construction. The prognosis is likely to change if one of the large planned tourism projects is able to get off the ground this year, a feat that is highly unlikely.

Public sector activity, which is likely to contribute to output in construction, will focus on adding kitchen and laundry facilities to the New National Hospital and the completion of the St Jude's Hospital and roads and bridges. Also, work is expected to wind down on the Ministry of Finance Complex, being constructed under a Build Own Lease Transfer (BOLT) arrangement with the National Insurance Services. Implementation of new public sector projects in the pipeline is likely to be delayed due to funding constraints.

Private sector activity is expected to contribute through a few renovations and expansions in tourism related plants, including the Windjammer Landings. These, in addition to a few residential projects, are insufficient to drive construction activity past the level recorded last year.

Activity in the tourism industry is projected to be brisk as marketing initiatives and efforts at increasing airlift intensify. Expansion from the USA, the major market, is anticipated through increased airlift by Delta Airlines, United Airlines and JetBlue. From the UK market, British Airways and Virgin Atlantic have proposed increased seating capacity into Saint Lucia. Consequently, stay-over arrivals from these markets are projected to increase, supported by the Canadian market, where marketing efforts have been strengthened. The number of visitors from the region is projected to increase due to the upcoming Caribbean Premier League cricket matches to be held in Saint Lucia later this year. Improved performance is also anticipated in the cruise sub-sector, as the recovery in the main source markets take hold and the employment figures in the advanced economies improve.



Production in the agricultural sector is expected to increase, as the investments in agriculture take hold. Recovery in the banana industry is likely as the industry benefits from an injection of funds from the EU, under the Banana Accompanying Measures (BAM). Also, improved performance in non-banana crops and livestock is anticipated as the Ministry of Agriculture continues to strengthen its diversification efforts in livestock farming, poultry and egg production, agro-processing and meat processing.

The overall deficit on the fiscal accounts of the central government is projected to narrow as the authorities continue to contain expenditure and enhance revenue. Tax revenue is projected to improve, supported by the performance of the Value Added Tax and continued efforts to collect arrears. Although the government has expressed concern over the increasing debt, a large proportion of the estimated spending for this year is expected to be funded through borrowing hence an increase in the debt level of the central government is anticipated.

The merchandise trade deficit is projected to narrow concomitant with the forecasted contraction in economic activity and an

anticipated decrease in imports of construction materials, commensurate with subdued construction activity. Inflows from travel, however, are projected to increase in line with the expansion in the number of stay-over visitors. Inflationary pressures are likely to remain subdued as the VAT settles, barring increases in global commodity prices, especially food and petroleum.

Although global growth has strengthened, the global recovery is still fragile and therefore significant downside risks remain. These include developments in the emerging markets and those on the geo-political front. In the advanced economies, risks to activity associated with very low rates of inflation have surfaced, especially in the Euro-Area. These risks to the global economic output pose further threats to the economy of Saint Lucia, since a number of projects in the private sector are expected to be financed through external sources. Additionally, the performance of the tourism industry hinges on developments in the advanced economies, the USA in particular. Other downside risks include the continued threat of the Black Sigatoka and other banana related diseases, the current domestic labour market issues and adverse weather.



## ST VINCENT AND THE GRENADINES

### Overview

Preliminary estimates suggest that economic activity in St Vincent and the Grenadines increased in the first quarter of 2014, relative to the performance in the corresponding period of 2013. The increase in economic activity stemmed from positive growth in some major sectors such as construction, and hotels and restaurants. The consumer price index rose by 0.2 per cent on an end of period basis. The operations of the central government led to a widening of the overall fiscal deficit and an expansion in the total outstanding public sector debt. The merchandise trade deficit is estimated to have contracted due to a fall in import payments supported by a rise in export receipts. In the banking system, net foreign assets, monetary liabilities and domestic credit rose, and commercial bank liquidity increased. Commercial bank weighted average interest rate spread on loans and deposits narrowed marginally.

Economic activity for the remainder of 2014 is projected to remain strong, buoyed by positive developments in construction and tourism with spillover effects in the real estate, renting

and business activities and transport, storage and communications sectors. Activity in the manufacturing sector is expected to be relatively flat, while non-banana crops and livestock production will support an increase in agricultural activity. Furthermore, the level of economic activity in St Vincent and the Grenadines will be supported by a stronger global environment as economic growth is forecasted to strengthen and stabilize in 2014-2015. However, on the downside, inflationary pressures are likely to increase as greater global demand is anticipated to lead to a rise in oil prices. Other downside risks include the country's high vulnerability to natural disasters and the slow implementation of the public sector investment programme.

### Output

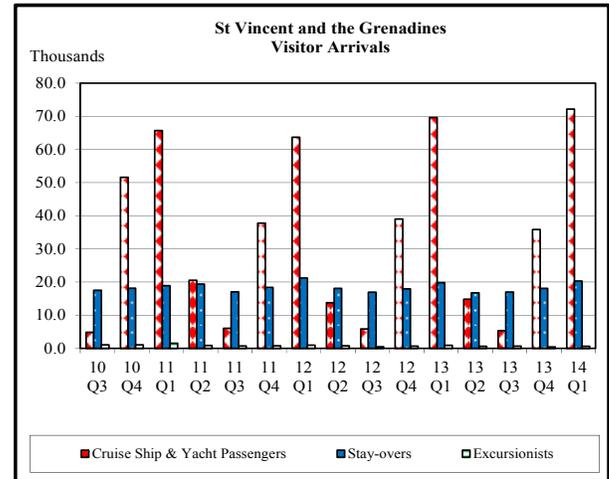
Value added in the construction sector is estimated to have increased in the first quarter of 2014, compared with the corresponding period last year. The outturn in the construction sector was driven primarily by public sector activity evidenced by a significant increase in capital expenditure. Public sector construction activity focused on the Argyle International Airport, the Maritime



and Hospitality Institute, the Disaster Vulnerability Reduction project, and the Vigie Highway Rehabilitation project. In the private sector, tourism related construction continued apace on the Canouan marina and hotel expansion project and residential construction.

Value added in the hotels and restaurants sector, an indicator of tourism activity, is estimated to have increased in the first three months of 2014 primarily due to a rise in stay-over visitor arrivals. Stay-over arrivals increased by 2.6 per cent reflecting an uptick from all source markets with the exception of the USA. Increases were recorded for stay-over arrivals from the UK (9.7 per cent), the Caribbean (3.6 per cent), Canada (0.8 per cent) and other countries including Latin America (0.7 per cent). By contrast, the number of stay-over visitors from the USA contracted but at a slower rate of 2.4 per cent, compared with one of 8.2 per cent for the same period last year. Yacht passengers grew by 9.3 per cent, relative to growth of 10.5 per cent in the corresponding period of 2013. Excursionists registered a steeper decline of 29.9 per cent compared with one of 5.1 per cent in the first quarter last year. Despite the decline in the number of cruise ship calls to 103 from 123 in the first quarter of 2013, cruise ship passenger arrivals rose by 1.3 per

cent. These developments contributed to a 3.1 per cent increase in the total number of visitors to 93,216.



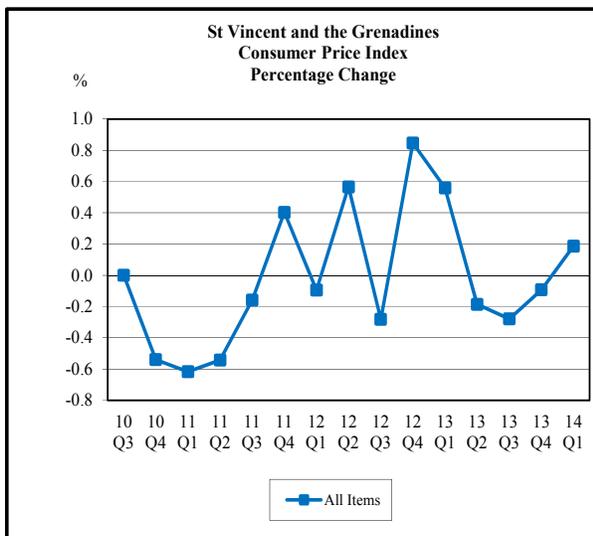
Output in the manufacturing sector is estimated to have decreased slightly in the period under review mainly due to lower demand from overseas. Decreases were recorded in the production of beer (6.1 per cent), feeds (6.7 per cent) and rice (16.2 per cent). These decreases were tempered by a 4.6 per cent increase in flour production.

**Prices**

The increase in consumer prices moderated to 0.2 per cent during the first quarter of 2014, compared with an increase of 0.6 per cent during the comparable period of 2013. The housing, water, electricity, gas and other fuels sub-index, which is the highest weighted item



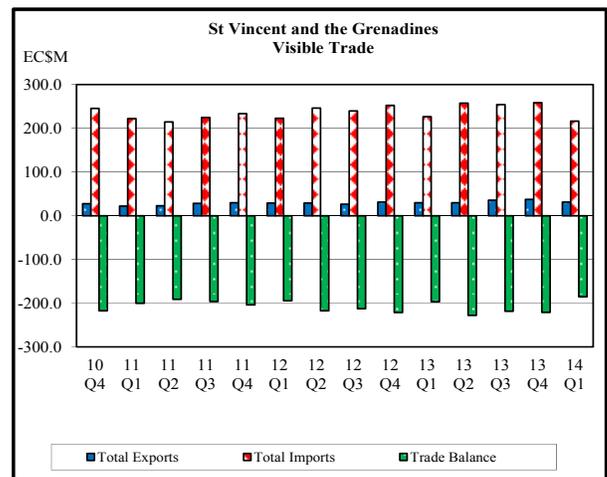
in the consumer basket, rose by 0.6 per cent on account of higher prices for electricity resulting from an increase in the fuel surcharge rate. The food and non-alcoholic beverages sub-index the second largest weighted group in the consumer basket increased by 0.4 per cent mainly due to higher prices for turkey necks, cereals, watermelons and oranges. Higher prices for laundry soap were the main contributor to a 0.2 per cent increase in the furnishing, household equipment and routine household maintenance sub-index. Meanwhile, the transport sub-index declined by 0.6 per cent as a result of lower airfare to two Caribbean destinations.



**Trade and Payments**

Preliminary trade data indicate that the merchandise trade deficit narrowed by 5.7 per

cent to \$185.4m in the first quarter of 2014, relative to the corresponding period last year. The contraction in the deficit was largely the result of a 4.3 per cent decline in import payments to \$216.7m, primarily associated with a reduction in the value of imports of food and live animals, minerals and related materials and miscellaneous manufactured articles. The contraction in the merchandise trade deficit was also influenced by an increase in the value of exports by 5.7 per cent to \$31.2m due to a rise in the re-exports of machinery and transport equipment. The value of domestic exports increased slightly by 1.8 per cent to \$27.1m, reflecting higher earnings from the exports of flour while that from beer, feeds and rice fell.



Gross travel receipts were estimated to have risen by 5.5 per cent to \$88.8m, consistent with the increase in stay-over arrivals. The



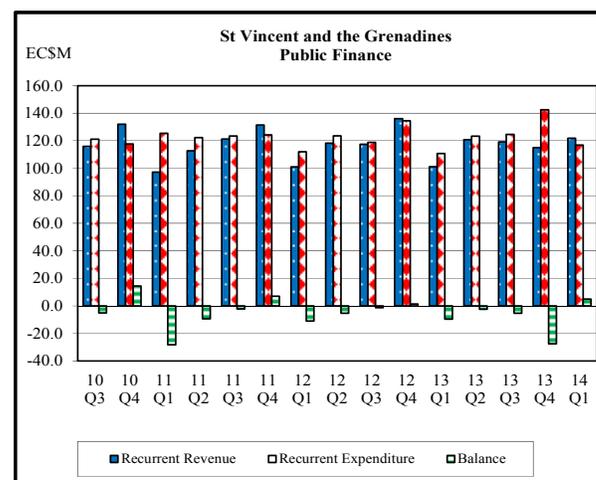
transactions of commercial banks resulted in a net outflow of \$4.9m in short-term capital, significantly lower than the \$7.3m reported during the first three months of 2013. External loan disbursements primarily used to fund central government capital projects amounted to \$25.9m during the review period, down from disbursements of \$31.3m for the comparable period in 2013. External principal payments declined by 12.1 per cent to \$10.7m.

### Central Government Fiscal Operations

The fiscal operations of the central government led to an expansion of the overall deficit to \$14.0m in the first quarter of 2014, from \$4.1m in the corresponding period of 2013. This outturn was driven by a near tripling of capital expenditure coupled with a substantial fall in capital revenue. On the other hand, the current account balance evolved to a surplus of \$4.9m from a deficit of \$9.5m as the increase in current revenue surpassed that of current expenditure. Meanwhile, the primary balance shifted to a deficit of \$4.7m from a surplus of \$6.9m. The overall deficit was financed mainly by commercial bank borrowing and external loans.

Current expenditure rose by 5.7 per cent to

\$116.9m on account of higher outlays for all spending sub-categories, with the exception of interest payments. Outlays on personal emoluments and wages, which amounted to 52.7 per cent of current expenditure, grew by 2.1 per cent to \$61.6m, associated with the granting of annual increments and higher salary levels of public officers as a result of the salary increase granted in December 2013. Expenditure on transfers and subsidies rose by 14.2 per cent (\$4.0m) primarily due to an increase in pension payments and that on goods and services grew by 24.6 per cent (\$2.8m). A reduction in domestic interest payments largely influenced the \$1.7m decline in total interest payments.



Current revenue rose by 20.4 per cent to \$121.7m as both tax and non-tax revenue showed stronger growth. Non-tax revenue nearly tripled to \$21.1m representing greater



inflows from interest and rents. Tax revenue grew by 8.0 per cent to \$100.6m reflecting increases in revenue intake from taxes on income and profits (10.0 per cent), domestic goods and services (7.4 per cent) and international trade and transactions (5.7 per cent). The higher receipts from the income and profits tax category were largely associated with increases in revenue from withholding tax (\$2.1m) and personal income tax (\$1.9m). The improved outturn in receipts from taxes on domestic goods and services was on account of an 11.8 per cent increase in receipts from the VAT to \$36.4m, consistent with the uptick in economic activity.

Capital spending rose to \$19.0m in the first three months of 2014, compared with \$8.0m recorded for the comparable period in 2013. This reflected increased activity on a number of major infrastructural projects, the largest of which is the international airport. The capital programme was mainly financed from external loans as capital revenue and grants amounted to \$0.2m, compared with an amount of \$13.4m in the corresponding period last year.

### **Public Sector Debt**

The total outstanding debt of the public sector

rose by 1.7 per cent to \$1,502.1m at the end of March 2014, from \$1,476.9m at the end of December 2013 reflecting increased borrowing to finance the fiscal deficit and the capital programme. External debt, which accounts for 64.6 per cent of total debt, rose by 1.4 per cent to \$969.7m. The domestic stock rose by 2.3 per cent to \$532.3m on account of increased lending from the commercial banking system. The debt stock of statutory corporations fell by 1.2 per cent to \$236.6m, mainly due to a reduction in their external liabilities.

### **Money and Credit**

Monetary liabilities (M2) of the banking system grew by 2.8 per cent to \$1,322.0m during the first quarter of 2014, compared with growth of 3.2 per cent during the corresponding period in 2013. The rise in M2 was attributable to increases in both narrow money (M1) and quasi money. Quasi money rose by 2.5 per cent to \$934.9m owing primarily to growth in private sector savings deposits (4.0 per cent), the largest share, tempered by declines in private sector foreign currency deposits (5.0 per cent) and private sector time deposits (2.2 per cent). Narrow money (M1) grew by 3.5 per cent to \$387.1m mainly due to a 4.2 per cent rise in private



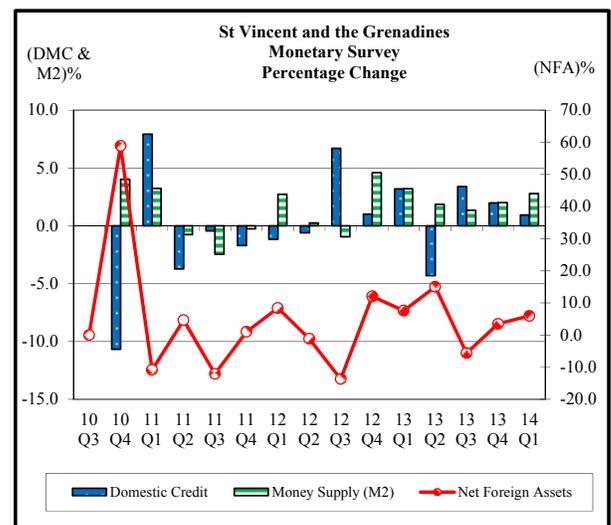
sector demand deposits while contractions in both currency in circulation and cash at commercial banks led to a 5.3 per cent fall in currency with the public.

Domestic credit grew by 0.9 per cent to \$1,008.2m during the quarter under review, largely influenced by developments on the accounts of the central government. Net credit to the central government grew by 22.4 per cent to \$74.9m largely associated with an 18.8 per cent expansion in loans and advances from commercial banks. The net deposit position of non-financial public enterprises increased by 2.2 per cent to \$112.5m largely on account of a 1.8 per cent rise in deposits. Private sector credit contracted by 0.2 per cent to \$1,045.9m reflecting decreases in business credit (0.5 per cent) while household borrowing remained relatively unchanged.

An analysis of credit distribution by economic activity indicated that outstanding loans increased by 1.3 per cent to \$1,199.7m. Of the major sectors, increases were recorded in outstanding loans for home construction and renovation (1.0 per cent), house and land purchase (0.1 per cent), public administration (18.1 per cent), manufacturing plus mining and fishing (6.5 per cent) and agriculture and fisheries (2.7 per cent). Meanwhile, declines

were recorded in credit for professional and other services (2.6 per cent), tourism (2.4 per cent), construction (1.2 per cent) and distributive trades (0.7 per cent).

The net foreign assets of the banking system rose by 6.0 per cent to \$524.0m during the period under review. The expansion was primarily driven by a 6.9 per cent increase in St Vincent and the Grenadines imputed share of the Central Bank’s reserves to \$384.2m. Furthermore, commercial banks net foreign assets grew by 3.6 per cent to \$139.8m largely resulting from a reduction in the net liability position with banks outside the Currency Union.



Commercial bank liquidity increased during the first quarter of 2014, relative to December 2013. The ratio of liquid assets to total



deposits plus liquid liabilities increased to 43.1 per cent at the end of March 2014 from 42.9 per cent at the end of December 2013. The loans and advances to deposits ratio fell by 0.7 percentage points to 72.0 per cent.

The weighted average interest rate spread between loans and deposits narrowed by 0.02 percentage points to 6.76 per cent at the end of March 2014. The weighted average interest rate on deposits fell to 2.60 per cent from 2.63 per cent and that of the lending rate decreased by 0.05 percentage points to 9.36 per cent.

### **Prospects**

Economic activity is expected to remain robust for the remainder of the year, based on the performance in the first quarter and positive developments in the global economy. Growth will be spurred predominately by activity in the construction sector and the tourism industry and will filter through ancillary sectors such as real estate, renting and business activities and transport, storage and communications. Together these sectors contribute on average nearly 50.0 per cent to gross value added. Construction activity will be primarily driven by the public sector as work progresses on the international airport, the Hospitality and Maritime Training

Institute, the Hurricane Tomas Rehabilitation project, and the Disaster Vulnerability Reduction Project. In addition, rehabilitation of the South Leeward Highway is expected to begin in the second half of the year, along with reconstruction works in the aftermath of the 2013 Christmas trough system. The increase in construction activity will also have a positive influence on unemployment levels, thus fueling greater domestic demand for goods and services.

The tourism industry is expected to perform better in 2014, relative to that of 2013. This is predicated on observed improvements in labour market conditions in the USA and the UK and a general uptick in global economic activity. Locally, domestic festivities and business tourism are likely to contribute to an increase in visitor arrivals from the Caribbean. Initiatives to improve the quality of the tourism product, through the implementation of Tourism Authority Amendment Act 2013, are also anticipated to benefit the industry. Furthermore, consistent marketing efforts by major establishments will boost visitor arrivals and consequently improve hotel occupancy rates.

Value added in the manufacturing sector is projected to remain relatively flat as external



demand for the main commodities produced, except flour, is likely to be soft. In the agricultural sector, activity is projected to pick up on account of higher levels of root crops, vegetables and livestock production. Agricultural activity will also be strengthened by initiatives undertaken under the Banana Accompanying Measures (BAM) project, to diversify the sector, improve the infrastructure and develop a youth in agriculture incentive programme. The fisheries sector is expected to benefit from efforts implemented to build the capacity of fisher folks and enhance marketing and distribution systems.

The fiscal operations of the central government are expected to result in an overall deficit, mainly driven by rising capital expenditure. A number of capital projects are ongoing, chief of which is the international airport, and some are expected to begin in the latter half of the year. Although some of these projects will be externally funded by loans and grants, the authorities will also devote some local fiscal resources to support these projects. Meanwhile, current revenue is likely to increase as receipts from taxes on domestic goods and services, especially VAT, grow with the uptick in economic activity. In addition, the 50 cents per gallon increase in

the excise tax on gasoline and diesel implemented in January 2014 is anticipated to generate an additional \$3m in tax revenue. The revenue outturn will also be beefed up by efforts implemented to boost tax administration such as improving the frequency of audits and staff training. Current expenditure is forecasted to increase as wages and salaries rise in conjunction with the creation of new positions as outlined in the 2014 Budget Address. Spending on other categories including transfers and subsidies and goods and services are expected to continue to inch up.

In the external sector, the merchandise trade deficit is expected to widen, despite the first quarter contraction, as imports are forecasted to increase to support the construction sector and greater domestic demand. Gross travel receipts are projected to grow, consistent with the rise in stay over arrivals. Foreign direct investment and remittance flows are anticipated to increase slightly and partly finance the current account deficit.

There are a number of downside risks that could inhibit the projected growth trajectory. These include rising consumer prices due to the likely increase in oil prices which could constrain domestic demand; the occurrence of



natural disasters which have debilitating effects on physical infrastructure and living standards and subsequently places pressure on government finances; and the slow implementation of capital projects which could adversely affect the construction sector

and job creation. Globally, unexpected negative shocks to the major trading partners, USA and UK, could affect growth in tourism activity, foreign direct investment and remittances. Given these downside risks, efforts to build resilience and strengthen fiscal management should continue apace.



## NOTES FOR STATISTICAL TABLES AND MONETARY SURVEY

## STATISTICAL TABLES

All figures have been rounded to either the nearest whole number or the first decimal place (except in cases where values are small and need to be rounded off at two decimal places instead).

--	denotes 'nil'
0.0	denotes 'negligible'
n.a.	denotes 'not available'
**	denotes 'not applicable'
R	denotes 'revised'
P	denotes 'provisional'
E	denotes 'ECCB estimates'

Some figures may differ from those in previous publications because of subsequent revision based on more accurate data.

## MONETARY SURVEY

1. Central government represents central and local government.
  - 1.1 Domestic Credit to Central Government (net)
    - Central Bank and commercial banks' total holdings of Treasury Bills and Debentures
    - plus Central Bank and commercial banks' loans and advances to central government
    - plus Central Bank interest due on Securities
    - minus Total central government deposits held with the Central Bank and commercial banks
    - minus Sinking Fund Call Account and Government Operating Account held with the Central Bank
2. Other Public Sector represents national insurance (social security scheme) and non-financial public enterprises.
3. Private Sector represents households, private businesses, non-bank financial institutions, and subsidiaries and affiliates.
4. Money Supply (M1) = currency plus total private sector demand deposits plus EC cheques and drafts issued.
5. Currency = total currency liabilities of the Central Bank less commercial banks' holdings of local currency cash.
6. Demand Deposits = total private businesses, households, non-bank financial institutions, and subsidiaries and affiliates residents' demand deposits.
7. Savings Deposits = total private businesses, households, non-bank financial institutions, and subsidiaries and affiliates residents' savings deposits.
8. Time Deposits = total private businesses, households, non-bank financial institutions, and subsidiaries and affiliates residents' time deposits.
9. Foreign Currency Deposits = total private businesses, households, non-bank financial institutions, and subsidiaries and affiliates residents' foreign currency deposits.



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**Table 1**  
**ECCU - Selected Tourism Statistics**

	2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 3 <sup>rd</sup> Qr	2013 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
Total Visitors	1,446,862	571,476	435,350	997,608	1,573,586
Stay-Over Visitors	295,106	231,303	225,675	250,098	304,754
Of which:					
USA	117,777	101,966	84,721	94,880	123,096
Canada	43,570	16,235	13,502	23,282	45,594
UK	57,949	42,487	38,066	53,039	61,503
Caribbean	43,083	48,614	65,617	50,238	38,756
Other Countries	32,727	22,001	23,769	28,659	35,805
Excursionists <sup>1</sup>	30,327	22,820	25,863	23,105	35,826
Cruise Ship Passengers <sup>2</sup>	1,064,865	290,154	168,491	687,866	1,171,830
Yacht Passengers <sup>4</sup>	56,564	27,199	15,321	36,539	61,176
Number of Cruise Ship Calls <sup>3</sup>	809	177	65	436	816
<b>Total Visitor Expenditure (EC\$M)</b>	<b>1,030.83</b>	<b>699.72</b>	<b>661.21</b>	<b>808.62</b>	<b>1,073.83</b>

Sources: ECCU Central Statistics Offices and Eastern Caribbean Central Bank

<sup>1</sup> Excursionists includes Sea Arrivals for Saint Lucia and excludes Antigua and Barbuda.

<sup>2</sup> Cruise ship passengers excludes Anguilla but includes Antigua and Barbuda.

<sup>3</sup> Cruise ship calls excludes Anguilla and St Vincent and the Grenadines.

<sup>4</sup> Yacht passengers includes St Kitts and Nevis and St Vincent and the Grenadines.

**Data as at 06 June 2014**



Table 2  
ECCU - Monetary Survey  
(EC\$M at end of period)

	2012 <sup>^</sup> 4th Qr	2013 <sup>^</sup> 1st Qr	2013 <sup>^</sup> 2nd Qr	2013 <sup>^</sup> 3rd Qr	2013 <sup>^</sup> 4th Qr	2014 <sup>1</sup> 1st Qr
<b>Net Foreign Assets</b>	<b>2,653.67</b>	<b>3,171.08</b>	<b>3,449.42</b>	<b>3,233.18</b>	<b>3,482.46</b>	<b>4,284.64</b>
<b>Central Bank (net)</b>	<b>3,031.40</b>	<b>3,266.39</b>	<b>3,221.26</b>	<b>3,281.87</b>	<b>3,149.94</b>	<b>3,509.25</b>
External Assets	3,036.61	3,289.24	3,223.18	3,287.98	3,156.59	3,515.32
External Liabilities	5.21	22.86	1.92	6.11	6.64	6.07
<b>Commercial Banks (net)</b>	<b>(377.73)</b>	<b>(95.31)</b>	<b>228.16</b>	<b>(48.70)</b>	<b>332.52</b>	<b>775.39</b>
External Assets	4,045.46	4,364.10	4,558.23	4,095.86	4,205.66	4,563.14
External Liabilities	4,423.20	4,459.41	4,330.07	4,144.55	3,873.14	3,787.75
<b>Net Domestic Assets</b>	<b>10,723.98</b>	<b>10,507.46</b>	<b>10,256.52</b>	<b>10,556.82</b>	<b>10,499.40</b>	<b>10,306.20</b>
<b>Domestic Credit</b>	<b>12,669.45</b>	<b>12,410.72</b>	<b>12,132.85</b>	<b>12,280.36</b>	<b>12,178.40</b>	<b>11,948.87</b>
Central Government (net)	<b>1,355.73</b>	<b>1,223.95</b>	<b>1,086.94</b>	<b>615.96</b>	<b>616.11</b>	<b>560.62</b>
Other Public Sector (net)	(1,619.02)	(1,691.94)	(1,741.96)	(1,669.87)	(1,634.87)	(1,677.13)
Private Sector	12,932.74	12,878.71	12,787.86	13,334.27	13,197.16	13,065.39
Households	6,640.69	6,599.99	6,612.90	6,671.25	6,688.36	6,665.47
Business	5,958.69	5,962.24	5,866.32	5,788.54	5,660.37	5,563.61
Non-Bank Financial Institutions	167.12	152.28	149.67	150.59	149.49	141.20
Subsidiaries & Affiliates	166.24	164.20	158.97	723.90	698.93	695.11
<b>Other Items (Net)</b>	<b>(1,945.47)</b>	<b>(1,903.26)</b>	<b>(1,876.33)</b>	<b>(1,723.55)</b>	<b>(1,678.99)</b>	<b>(1,642.67)</b>
<b>Monetary Liabilities (M2)</b>	<b>13,377.65</b>	<b>13,678.54</b>	<b>13,705.93</b>	<b>13,789.99</b>	<b>13,981.86</b>	<b>14,590.84</b>
Money Supply (M1)	<b>2,810.22</b>	<b>2,880.64</b>	<b>2,798.60</b>	<b>2,842.04</b>	<b>2,880.45</b>	<b>3,167.17</b>
Currency with the Public	633.82	631.70	620.97	610.58	667.57	653.69
Demand Deposits	2,110.15	2,179.87	2,113.02	2,170.56	2,142.53	2,441.42
EC\$ Cheques and Drafts Issued	66.25	69.07	64.62	60.90	70.34	72.05
Quasi Money	<b>10,567.43</b>	<b>10,797.90</b>	<b>10,907.33</b>	<b>10,947.95</b>	<b>11,101.41</b>	<b>11,423.67</b>
Savings Deposits	5,895.92	6,090.55	6,203.31	6,171.26	6,327.07	6,478.25
Time Deposits	2,933.26	2,894.79	2,853.55	2,875.50	2,802.93	2,789.14
Foreign Currency Deposits	1,738.25	1,812.57	1,850.47	1,901.19	1,971.42	2,156.29

Source: Eastern Caribbean Central Bank

Data available as at 12 May 2014



**Table 3**  
**ECCU - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

	2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 3 <sup>rd</sup> Qr	2013 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
<b>Current Revenue</b>	921.20	969.76	891.10	958.85	964.44
Tax Revenue	776.44	809.48	743.13	792.20	834.99
Taxes on Income and Profits <sup>1</sup>	173.57	167.10	157.64	160.85	184.99
Of which:					
Personal <sup>1</sup>	82.58	80.81	75.69	79.98	95.10
Company/Corporation <sup>2</sup>	66.23	63.00	56.37	51.87	63.17
Taxes on Property	14.46	25.64	17.99	15.34	17.62
Taxes on Domestic Goods and Services	372.54	400.48	358.97	361.44	401.18
Of which:					
Accommodation Tax	5.85	4.23	3.46	3.27	6.84
Licences	29.88	55.19	24.56	29.56	34.37
Sales Tax <sup>3</sup>	52.96	54.48	47.55	54.41	65.86
Value Added Tax <sup>5</sup>	219.91	216.71	205.46	214.34	228.96
Consumption Tax <sup>4</sup>	0.86	0.06	0.06	0.07	0.05
Stamp Duties	27.98	33.76	26.69	29.40	32.07
Taxes on International Trade and Transactions	215.86	216.24	208.53	254.57	231.20
Of which:					
Import Duties	94.37	99.82	98.29	123.12	103.13
Consumption Tax <sup>6</sup>	10.85	11.31	9.78	8.52	13.66
Customs Service Charge	43.54	49.17	46.56	58.65	47.85
Non-Tax Revenue	144.76	160.29	147.97	166.65	129.44
<b>Current Expenditure</b>	831.13	945.82	959.61	950.25	904.18
Personal Emoluments	390.80	409.70	424.55	428.34	412.18
Goods and Services	153.94	208.20	194.02	212.05	170.62
Interest Payments	111.45	106.06	118.13	102.63	125.26
Domestic	59.40	62.17	75.01	61.17	55.26
External	52.04	43.90	43.12	41.46	70.00
Transfers and Subsidies	174.93	221.86	222.90	207.23	196.12
Of which: Pensions	64.36	80.80	70.58	74.36	69.91
<b>Current Account Balance</b>	90.07	23.94	(68.50)	8.60	60.25
<b>Capital Revenue</b>	31.17	6.92	14.61	3.45	2.31
<b>Grants</b>	106.81	79.41	53.34	82.92	28.16
Of which: Capital Grants	80.99	61.62	33.15	52.04	9.90
<b>Capital Expenditure and Net Lending</b>	205.00	258.58	220.61	249.64	193.15
Of which: Capital Expenditure	204.33	258.42	220.22	249.32	192.99
<b>Primary Balance after grants</b>	134.50	(42.24)	(103.04)	(52.04)	22.84
<b>Overall Balance after grants</b>	23.06	(148.31)	(221.16)	(154.67)	(102.42)
<b>Financing</b>	(23.06)	148.31	221.16	154.67	102.42
Domestic	(27.30)	57.49	176.06	113.54	43.32
ECCB (net)	95.65	(76.94)	40.44	(4.66)	35.81
Commercial Banks (net)	(159.36)	(29.82)	(511.61)	5.36	(91.31)
Other	36.42	164.25	647.23	112.84	98.82
External	(8.70)	120.42	14.04	26.27	11.22
Net Disbursements/(Amortisation)	(8.68)	122.49	13.57	27.91	12.82
Disbursements	67.90	174.17	99.12	154.32	83.47
Amortisation	76.58	51.68	85.55	126.41	69.00
Change in Government Foreign Assets	(0.02)	(2.07)	0.47	(1.64)	(1.60)
Arrears <sup>7</sup>	12.95	(29.60)	31.06	14.86	47.88
Domestic	(16.78)	(33.38)	4.08	8.32	2.56
External	29.72	3.78	26.99	6.54	45.32
Other Financing	-	-	-	-	-

Source: ECCU Ministries of Finance and Eastern Caribbean Central Bank

<sup>1</sup> Taxes on Income & Profits include stabilization levy collected in Anguilla and Social Services Levy in St Kitts and Nevis

<sup>2</sup> Excludes Anguilla

<sup>5</sup> Excludes Anguilla, Antigua and Barbuda, Montserrat

<sup>3</sup> Includes Antigua and Barbuda and Dominica

<sup>6</sup> Excludes St Vincent and the Grenadines

<sup>4</sup> Excludes Montserrat

<sup>7</sup> Excludes Grenada, Montserrat, St Kitts and Nevis and Saint Lucia

Data as at 04 June 2014



**Table 4**  
**ECCU - Total Public Sector Disbursed Outstanding Debt (DOD)\***  
**(In millions of Eastern Caribbean dollars)**  
**at end of period**

	2013 <sup>R</sup> 1 <sup>st</sup> Qr	2013 <sup>R</sup> 2 <sup>nd</sup> Qr	2013 <sup>R</sup> 3 <sup>rd</sup> Qr	2013 <sup>R</sup> 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
Anguilla	225.17	231.47	238.75	231.64	226.04
Antigua and Barbuda	2,812.07	2,883.00	2,960.20	3,084.07	3,093.77
Dominica	1,025.41	1,013.44	1,025.01	1,053.40	1,070.31
Grenada	2,212.30	2,243.26	2,242.97	2,265.57	2,274.12
Montserrat	7.27	7.14	7.01	6.83	6.70
St Kitts and Nevis	2,655.76	2,653.87	2,062.35	2,069.05	2,064.13
Saint Lucia	2,642.02	2,668.57	2,665.26	2,754.60	2,755.67
St Vincent and the Grenadines	1,348.77	1,366.83	1,403.24	1,476.91	1,502.06
<b>TOTAL ECCU</b>	<b>12,928.76</b>	<b>13,067.59</b>	<b>12,604.79</b>	<b>12,942.06</b>	<b>12,992.79</b>

Source: ECCB

\* Includes arrears of principal

Data available at May 2014

**Table 5**  
**ECCU - Central Government Disbursed Outstanding Debt (DOD)**  
**(In millions of Eastern Caribbean dollars)**  
**at end of period**

	2013 <sup>R</sup> 1 <sup>st</sup> Qr	2013 <sup>R</sup> 2 <sup>nd</sup> Qr	2013 <sup>R</sup> 3 <sup>rd</sup> Qr	2013 <sup>R</sup> 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
Anguilla	208.94	215.80	223.63	216.77	211.70
Antigua and Barbuda	2,337.86	2,356.86	2,425.73	2,509.83	2,525.70
Dominica	853.52	841.90	859.91	881.07	896.24
Grenada	1,998.73	2,035.03	2,039.30	2,074.66	2,081.90
Montserrat	1.78	1.74	1.71	1.63	1.59
St Kitts and Nevis	2,120.92	2,106.44	1,587.22	1,585.10	1,580.27
Saint Lucia	2,429.09	2,463.73	2,467.05	2,558.69	2,559.31
St Vincent and the Grenadines	1,128.09	1,145.70	1,168.15	1,237.56	1,265.45
<b>TOTAL ECCU</b>	<b>11,078.93</b>	<b>11,167.21</b>	<b>10,772.71</b>	<b>11,065.30</b>	<b>11,122.16</b>

Source: ECCB

Data available at May 2014

**Table 6**  
**ECCU - Total Central Government Debt Service Payments**  
**(In millions of Eastern Caribbean dollars)**

	2013 <sup>R</sup> 1 <sup>st</sup> Qr	2013 <sup>R</sup> 2 <sup>nd</sup> Qr	2013 <sup>R</sup> 3 <sup>rd</sup> Qr	2013 <sup>R</sup> 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr	2013 <sup>R</sup> Jan-Mar	2014 <sup>P</sup> Jan-Mar
Anguilla	3.70	3.72	3.98	4.30	3.90	3.70	3.90
Antigua and Barbuda	60.03	101.80	46.06	43.49	72.82	60.03	72.82
Dominica	15.54	10.29	12.22	9.89	14.23	15.54	14.23
Grenada	48.48	30.54	43.30	31.12	44.52	48.48	44.52
Montserrat	0.04	0.04	0.04	0.04	0.04	0.04	0.04
St Kitts and Nevis	29.38	43.36	45.97	27.08	17.93	29.38	17.93
Saint Lucia	52.60	49.50	108.84	110.29	41.68	52.60	41.68
St Vincent and the Grenadines	28.74	34.27	25.15	42.73	27.19	28.74	27.19
<b>TOTAL ECCU</b>	<b>238.52</b>	<b>273.52</b>	<b>285.57</b>	<b>268.95</b>	<b>222.31</b>	<b>238.52</b>	<b>222.31</b>

Source: ECCB

Data available at May 2014



**Table 7**  
**Regional Government Securities Market (RGSM)**  
**Activity on the Primary Market (EC\$M)**

	2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 3 <sup>rd</sup> Qr	2013 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
Total Bid Amount	360.30	290.80	362.40	308.80	254.90
Total Offer Amount	272.00	177.00	302.50	259.00	200.50

Source: Eastern Caribbean Central Bank  
**Data as at 30 April 2014**

**Table 8**  
**Regional Government Securities Market (RGSM)**  
**Weighted Average Interest Rates**

	2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 3 <sup>rd</sup> Qr	2013 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
91-day Treasury Bills	3.67	3.55	4.37	4.17	4.24
180-day Treasury Bills	6.00	**	6.00	6.00	6.00
365-day Treasury Bills	**	5.36	6.00	6.24	6.50
3-year Bond	**	**	6.75	**	**
4-year Bond	**	**	**	**	**
5-year Bond	**	**	**	7.25	**
6-year Bond	6.75	**	**	7.00	**
7-year Bond	7.00	**	7.50	**	7.50
8-year Bond	**	**	7.10	**	**
10-year Bond	7.14	**	7.75	**	**

Source: Eastern Caribbean Central Bank  
**Data as at 30 April 2014**

**Table 9**  
**Regional Government Securities Market (RGSM)**  
**Secondary Market Activity on the RGSM (EC\$M)**

	2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 3 <sup>rd</sup> Qr	2013 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
Volume	5.10	5.10	0.00	**	5.50
Value	5.10	5.20	0.00	**	5.50

Source: Eastern Caribbean Securities Exchange  
**Data as at 30 April 2014**



**Table 10**  
**Anguilla - Selected Tourism Statistics**

	2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 3 <sup>rd</sup> Qr	2013 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
Total Visitors	46,563	36,640	32,950	35,150	51,984
Stay-Over Visitors	21,502	17,906	13,341	16,319	21,538
Of which:					
USA	15,201	12,040	7,372	10,897	14,872
Canada	1,308	858	469	940	1,573
UK	749	686	606	755	691
Italy	311	195	278	253	304
Germany	140	83	48	83	550
Rest of Europe	888	844	753	762	977
Caribbean	2,319	2,605	3,387	2,143	2,020
Other Countries	586	595	428	486	551
Excursionists	25,061	18,734	19,609	18,831	30,446
<b>Total Visitor Expenditure (EC\$M)</b>	<b>103.17</b>	<b>76.71</b>	<b>69.87</b>	<b>78.97</b>	<b>106.54</b>

Source: Anguilla Statistics Department, Ministry of Finance, Economic Development, Investment, Commerce and Tourism  
Data as at 07 May 2014

**Table 11**  
**Anguilla - Consumer Price Index**  
**March 2010 = 100**

	Weights	Index Mar 2014	Percentage Change*				2014 <sup>P</sup> 1 <sup>st</sup> Qr
			2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 3 <sup>rd</sup> Qr	2013 4 <sup>th</sup> Qr	
<b>All Items</b>	100.0	107.27	(0.01)	0.53	(0.73)	0.97	(0.65)
Food and Non-Alcoholic Beverages	12.83	112.47	0.84	0.37	0.72	1.61	(0.28)
Alcoholic Beverages, Tobacco and Narcotics	2.34	119.74	3.51	0.19	-	0.74	0.43
Clothing and Footwear	3.25	110.77	1.85	1.11	0.05	(0.89)	(2.60)
Housing, Water, Electricity, Gas and Other Fuels	25.55	98.98	(0.48)	(0.17)	(0.04)	0.07	(0.01)
Furnishing, Household Equipment and Routine Household Maintenance	4.03	111.23	(2.44)	0.90	5.11	(2.20)	(1.48)
Health	2.34	111.37	2.38	1.03	(0.05)	0.49	0.26
Transport	15.96	117.44	(0.64)	3.83	(6.23)	4.67	(3.37)
Communications	13.42	103.93	-	0.33	-	-	-
Recreation and Culture	3.81	94.91	0.40	(1.80)	0.38	(2.07)	(0.48)
Education	5.91	121.84	-	-	-	-	-
Restaurants and Hotels	4.04	104.50	0.37	0.05	(0.08)	3.83	0.96
Miscellaneous Goods and Services	6.52	101.18	(0.37)	(1.41)	0.02	0.46	0.22

Source: Anguilla Statistics Department, Ministry of Finance, Economic Development, Investment, Commerce and Tourism

\*at end of period

Data as at 07 May 2014



**Table 12**  
**Anguilla - Central Government Fiscal Operations**  
**(In millions of Eastern Caribbean dollars)**

	2013 <sup>R</sup>	2013 <sup>R</sup>	2013 <sup>R</sup>	2013 <sup>R</sup>	2014 <sup>P</sup>
	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr
<b>Current Revenue</b>	46.07	42.24	40.83	44.27	49.55
Tax Revenue	40.10	35.54	35.69	36.13	42.28
Taxes on Income and Profits	3.38	3.38	2.67	3.35	3.28
Of which: Stabilisation Levy	3.38	3.38	2.67	3.35	3.28
Taxes on Property	0.48	0.36	1.08	1.70	1.35
Taxes on Domestic Goods and Services	17.03	11.80	14.31	9.30	17.28
Of which:					
Licenses	5.62	2.67	2.51	2.73	5.46
Accommodation Tax	4.33	3.80	2.64	2.86	6.42
Stamp Duties	4.70	2.04	0.91	1.71	3.87
Taxes on International Trade and Transactions	19.22	20.00	17.63	21.78	20.38
Of which:					
Import Duty	13.72	14.56	12.66	15.83	15.51
Customs Surcharge	3.85	3.92	3.54	4.58	3.81
Embarkation Tax	1.44	1.28	1.13	1.12	0.80
Non-Tax Revenue	5.96	6.69	5.14	8.14	7.27
<b>Current Expenditure</b>	40.26	44.24	45.08	46.21	41.99
Personal Emoluments	19.86	20.08	19.87	20.51	19.76
Good and Services	7.44	10.79	9.90	12.32	9.16
Interest Payments	2.07	2.09	2.32	2.63	2.26
Domestic	0.65	0.59	0.81	1.04	0.72
External	1.42	1.50	1.50	1.60	1.54
Transfers & Subsidies	10.90	11.28	12.99	10.74	10.80
Of which: Pensions	2.06	2.05	2.05	2.05	1.60
<b>Current Account Balance</b>	5.81	(2.00)	(4.25)	(1.93)	7.56
<b>Capital Revenue</b>	-	-	-	-	-
<b>Grants</b>	-	-	-	15.72	-
Of which: Capital Grants	-	-	-	15.72	-
<b>Capital Expenditure and Net Lending</b>	0.53	2.73	3.82	1.19	0.46
Of which: Capital Expenditure	0.53	2.73	3.82	1.19	0.46
<b>Primary Balance</b>	7.35	(2.64)	(5.75)	(0.49)	9.36
<b>Overall Balance</b>	5.28	(4.72)	(8.07)	(3.13)	7.10
<b>Financing</b>	(5.28)	4.72	8.07	(12.60)	(7.10)
Domestic	(7.75)	5.78	8.55	(10.61)	(9.16)
ECCB (net)	(1.76)	2.49	(0.37)	(0.22)	0.17
Commercial Banks (net)	(5.00)	4.32	11.55	(19.14)	(0.59)
Other	(0.99)	(1.02)	(2.64)	8.75	(8.74)
External	(0.25)	(0.25)	(0.28)	(0.28)	(0.25)
Net Disbursements/(Amortisation)	(0.25)	(0.25)	(0.28)	(0.28)	(0.25)
Disbursements	-	-	-	-	-
Amortisation	0.25	0.25	0.28	0.28	0.25
Change in Government Foreign Assets	-	-	-	-	-
Arrears	2.71	(0.82)	(0.20)	(1.71)	2.30
Domestic	2.71	(0.82)	(0.20)	(1.71)	2.30
External	-	-	-	-	-
Other Financing	-	-	-	-	-

Source: Treasury Department, Anguilla  
 Data as at 07 May 2014



**Table 13**  
**Anguilla - External Trade**  
**(EC\$M)**

	2013 <sup>R</sup> 1 <sup>st</sup> Qr	2013 <sup>R</sup> 2 <sup>nd</sup> Qr	2013 <sup>R</sup> 3 <sup>rd</sup> Qr	2013 <sup>R</sup> 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
Total Exports	4.16	3.23	1.24	1.14	4.21
Total Imports	104.61	105.15	88.71	92.65	94.63
Trade Balance	(100.45)	(101.91)	(87.47)	(91.51)	(90.42)

Source: ECCB Estimates

**Data as at 07 May 2014**



**Table 14**  
**Anguilla - Monetary Survey**  
**(EC\$M at end of period)**

	2012 4th Qr	2013 1st Qr	2013 2nd Qr	2013 3rd Qr	2013 4th Qr	2014 <sup>P</sup> 1st Qr
<b>Net Foreign Assets</b>	<b>186.28</b>	<b>262.84</b>	<b>263.69</b>	<b>225.96</b>	<b>233.83</b>	<b>256.21</b>
<b>Central Bank (Net)</b>	<b>108.04</b>	<b>111.36</b>	<b>112.24</b>	<b>103.33</b>	<b>110.82</b>	<b>108.81</b>
<b>Commercial Banks (Net)</b>	<b>78.24</b>	<b>151.48</b>	<b>151.45</b>	<b>122.64</b>	<b>123.01</b>	<b>147.41</b>
External (Net)	12.11	44.83	60.58	15.54	77.39	82.30
Assets	224.43	255.20	274.70	215.37	203.04	224.11
Liabilities	212.33	210.37	214.12	199.83	125.65	141.81
Other ECCB Territories (Net)	66.14	106.65	90.87	107.10	45.62	65.10
Assets	173.75	199.72	202.52	204.43	135.07	166.15
Liabilities	107.61	93.07	111.65	97.33	89.45	101.05
<b>Net Domestic Assets</b>	<b>821.31</b>	<b>792.92</b>	<b>794.28</b>	<b>813.59</b>	<b>797.07</b>	<b>778.17</b>
<b>Domestic Credit</b>	<b>1,123.55</b>	<b>1,115.23</b>	<b>1,092.41</b>	<b>1,084.83</b>	<b>1,053.11</b>	<b>1,016.90</b>
Central Government (Net)	(57.81)	(64.58)	(57.77)	(46.59)	(65.95)	(66.37)
Other Public Sector (Net)	(184.35)	(188.78)	(195.32)	(201.74)	(198.64)	(207.99)
Private Sector	1,365.72	1,368.59	1,345.50	1,333.16	1,317.70	1,291.26
Household	565.42	563.30	557.11	552.00	539.74	533.61
Business	776.95	780.89	761.10	754.45	751.46	731.18
Non-Bank Financial Institutior	5.67	5.58	5.65	5.51	5.30	5.28
Subsidiaries & Affiliates	17.68	18.83	21.64	21.20	21.20	21.20
<b>Other Items (Net)</b>	<b>(302.24)</b>	<b>(322.32)</b>	<b>(298.13)</b>	<b>(271.24)</b>	<b>(256.04)</b>	<b>(238.74)</b>
<b>Monetary Liabilities (M2)</b>	<b>1,007.59</b>	<b>1,055.76</b>	<b>1,057.97</b>	<b>1,039.55</b>	<b>1,030.90</b>	<b>1,034.38</b>
<b>Money Supply (M1)</b>	<b>42.62</b>	<b>40.48</b>	<b>43.84</b>	<b>48.76</b>	<b>43.06</b>	<b>40.97</b>
Currency with the Public	11.19	10.85	12.26	12.46	12.21	13.19
Demand Deposits	29.93	29.04	28.36	35.74	30.13	27.53
EC\$ Cheques and Drafts Issued	1.51	0.59	3.22	0.56	0.73	0.25
<b>Quasi Money</b>	<b>964.96</b>	<b>1,015.27</b>	<b>1,014.13</b>	<b>990.79</b>	<b>987.83</b>	<b>993.41</b>
Savings Deposits	106.24	107.81	109.12	109.08	107.84	111.64
Time Deposits	127.03	128.75	129.26	129.16	130.09	128.83
Foreign Currency Deposits	731.69	778.71	775.76	752.55	749.90	752.93

Source: Eastern Caribbean Central Bank

Data available as at 08 May 2014



**Table 15**  
**Antigua and Barbuda - Selected Tourism Statistics**

	2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 3 <sup>rd</sup> Qr	2013 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
Total Visitors	378,936	125,311	81,643	214,208	365,407
Stay-Over Visitors	76,302	53,089	46,739	61,635	79,550
Of which:					
USA	27,609	21,532	15,660	21,357	29,247
Canada	14,591	4,748	3,481	7,061	13,788
Europe	25,307	17,943	15,830	23,395	27,969
UK	20,833	14,578	12,604	19,202	23,307
Germany	932	448	195	841	965
Switzerland	353	230	140	410	366
Italy	1,641	1,885	2,333	1,785	1,542
France	562	296	297	552	931
Other Europe	986	506	261	605	858
Caribbean	5,597	6,536	9,651	6,849	5,148
South America	348	292	232	303	320
Other Countries	2,850	2,038	1,885	2,670	3,078
Cruise Ship Passengers	287,992	67,045	34,144	144,099	272,920
Number of Cruise Ship Calls	180	37	16	88	160
Yacht Passengers	14,642	5,177	760	8,474	12,937
Number of Yacht Calls	1,824	1,032	196	773	1,762
<b>Total Visitor Expenditure (EC\$M)</b>	<b>282.10</b>	<b>179.96</b>	<b>151.82</b>	<b>217.00</b>	<b>289.14</b>

Source: Ministry of Tourism, Antigua and Barbuda

**Data available as at 22 May 2014**



**Table 16**  
**Antigua and Barbuda - Consumer Price Index**  
**January 2001 = 100**

	Weights	Index Mar-14	Percentage Change*				
			2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 3 <sup>rd</sup> Qr	2013 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
<b>All Items</b>	100.00	132.60	0.30	0.27	(0.39)	0.30	(0.04)
Food	21.42	152.88	0.23	0.03	(0.07)	0.23	(0.75)
Alcoholic Beverages and Tobacco	0.16	141.11	0.62	0.65	1.41	0.62	2.80
Housing	21.83	109.68	-	-	-	-	-
Fuel and Light	6.39	153.96	(4.14)	5.18	(3.29)	(4.14)	(0.84)
Clothing and Footwear	11.06	97.32	(0.25)	(0.02)	(0.30)	(0.25)	0.16
Household Furnishings and Supplies	12.60	138.11	2.57	(0.73)	(0.97)	2.57	0.04
Transport and Communications	15.35	135.68	(0.13)	(0.43)	0.05	(0.13)	0.26
Medical Care and Expenses	2.76	133.79	(0.20)	(1.80)	(0.03)	(0.20)	(0.39)
Education	2.34	192.90	-	-	2.78	-	-
Personal Services	4.30	149.30	5.96	1.94	(1.32)	5.96	3.34
Miscellaneous	1.79	124.75	0.06	(0.10)	(0.28)	0.06	0.49

Source: Statistics Division, Ministry of Finance, The Economy and Public Administration, Antigua and Barbuda

\*at end of period

**Data available as at 22 May 2014**



**Table 17**  
**Antigua and Barbuda - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

	2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 3 <sup>rd</sup> Qr	2013 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
<b>Current Revenue</b>	159.70	145.78	126.96	165.38	159.50
Tax Revenue	152.50	136.72	121.08	144.94	154.51
Taxes on Income and Profits	29.35	18.61	17.89	18.84	24.79
Of which:					
Personal Income	11.57	9.96	9.41	9.39	11.89
Corporation	17.60	8.64	8.48	9.44	12.89
Taxes on Property	4.75	8.79	3.52	1.24	3.64
Taxes on Domestic Goods and Services	60.30	63.01	55.52	65.87	74.09
Of which:					
Stamp Duties	5.01	6.51	5.83	9.66	5.94
Antigua and Barbuda Sales Tax	52.95	54.47	47.54	54.38	65.65
Taxes on International Trade and Transactions	58.10	46.31	44.15	58.99	52.00
Of which:					
Import Duty	19.31	19.11	18.11	22.61	19.74
Consumption Tax	8.33	8.44	7.25	5.04	10.79
Passenger Facility Charge	-	-	-	-	-
Revenue Recovery Charge	16.54	16.42	15.89	21.06	18.72
Embarkation Tax	-	-	-	-	0.01
Non-Tax Revenue	7.20	9.06	5.87	20.44	4.99
<b>Current Expenditure</b>	132.86	202.88	190.11	174.82	157.08
Personal Emoluments	65.70	71.42	69.51	70.26	64.93
Goods and Services	17.55	43.71	45.75	40.63	21.70
Interest Payments	18.57	14.77	13.34	19.59	34.80
Domestic	10.70	11.28	12.14	14.52	12.14
External	7.87	3.50	1.20	5.07	22.66
Transfers and Subsidies	31.04	72.98	61.50	44.33	35.66
Of which: Pensions	13.63	27.97	18.32	15.71	12.11
<b>Current Account Balance</b>	26.84	(57.10)	(63.15)	(9.43)	2.42
<b>Capital Revenue</b>	0.29	0.51	0.39	0.12	0.04
<b>Grants</b>	-	-	-	-	-
Of which:					
Capital Grants	-	-	-	-	-
Debt Forgiveness	-	-	-	-	-
<b>Capital Expenditure and Net Lending</b>	1.29	10.54	12.20	19.05	-
Of which: Capital Expenditure	1.29	10.54	12.20	19.05	-
<b>Primary Balance after grants</b>	44.41	(52.35)	(61.62)	(8.78)	37.25
<b>Overall Balance after grants</b>	25.84	(67.13)	(74.96)	(28.37)	2.45
<b>Financing</b>	(25.84)	67.13	74.96	28.37	(2.45)
Domestic	(14.40)	1.22	91.11	31.88	5.83
ECCB (net)	1.86	(25.89)	8.35	(2.11)	3.66
Commercial Banks (net)	(29.98)	11.10	8.59	(0.11)	(9.75)
Other	13.72	16.01	74.17	34.11	11.91
External	(14.42)	87.12	(6.60)	13.62	(28.16)
Net Disbursements/(Amortisation)	(14.42)	89.07	(7.08)	15.40	(26.54)
Disbursements	-	96.03	12.22	30.63	0.58
Amortisation	14.42	6.96	19.30	15.23	27.13
Change in Government Foreign Assets	(0.00)	(1.94)	0.49	(1.78)	(1.62)
Other	-	-	-	-	-
Arrears	2.98	(21.21)	(9.55)	(17.14)	19.88
Domestic	6.75	(23.98)	(14.48)	(21.33)	-
External	(3.77)	2.77	4.93	4.19	19.88
Other Financing	-	-	-	-	-

Source: Ministry of Finance, Antigua and Barbuda  
Data available as at 22 May 2014



**Table 18**  
**Antigua and Barbuda - Monetary Survey**  
**(EC\$M at end of period)**

	2012 4th Qr	2013 1st Qr	2013 2nd Qr	2013 3rd Qr	2013 4th Qr	2014 <sup>P</sup> 1st Qr
<b>Net Foreign Assets</b>	<b>465.45</b>	<b>620.53</b>	<b>705.52</b>	<b>579.35</b>	<b>568.01</b>	<b>719.66</b>
<b>Central Bank (Net)</b>	<b>435.38</b>	<b>586.76</b>	<b>533.24</b>	<b>549.92</b>	<b>546.72</b>	<b>694.47</b>
<b>Commercial Banks (Net)</b>	<b>30.07</b>	<b>33.77</b>	<b>172.27</b>	<b>29.43</b>	<b>21.29</b>	<b>25.19</b>
External (Net)	(299.26)	(272.62)	(152.02)	(389.31)	(359.60)	(310.30)
Assets	966.07	977.62	1,010.23	678.55	594.52	545.22
Liabilities	1,265.33	1,250.24	1,162.25	1,067.85	954.11	855.53
Other ECCB Territories (Net)	329.33	306.39	324.30	418.74	380.89	335.50
Assets	1,310.36	1,323.79	1,347.73	1,474.59	1,402.39	1,420.07
Liabilities	981.04	1,017.40	1,023.44	1,055.85	1,021.50	1,084.58
<b>Net Domestic Assets</b>	<b>2,324.66</b>	<b>2,239.45</b>	<b>2,203.91</b>	<b>2,321.87</b>	<b>2,340.43</b>	<b>2,332.16</b>
<b>Domestic Credit</b>	<b>2,700.20</b>	<b>2,605.47</b>	<b>2,554.22</b>	<b>2,694.32</b>	<b>2,675.42</b>	<b>2,673.13</b>
Central Government (Net)	552.00	523.88	509.08	526.03	523.80	517.72
Other Public Sector (Net)	(216.53)	(253.22)	(263.67)	(121.17)	(109.00)	(92.01)
Private Sector	2,364.73	2,334.81	2,308.81	2,289.47	2,260.62	2,247.42
Household	1,281.87	1,268.13	1,262.08	1,261.89	1,258.13	1,255.61
Business	998.20	983.71	970.98	951.11	926.00	919.14
Non-Bank Financial Institutior	29.58	28.25	28.63	30.24	30.64	27.45
Subsidiaries & Affiliates	55.09	54.72	47.12	46.23	45.85	45.23
<b>Other Items (Net)</b>	<b>(375.54)</b>	<b>(366.03)</b>	<b>(350.31)</b>	<b>(372.45)</b>	<b>(334.99)</b>	<b>(340.97)</b>
<b>Monetary Liabilities (M2)</b>	<b>2,790.11</b>	<b>2,859.97</b>	<b>2,909.43</b>	<b>2,901.22</b>	<b>2,908.44</b>	<b>3,051.83</b>
<b>Money Supply (M1)</b>	<b>554.01</b>	<b>546.97</b>	<b>584.66</b>	<b>603.96</b>	<b>597.23</b>	<b>688.32</b>
Currency with the Public	121.73	128.41	128.37	122.06	136.59	135.96
Demand Deposits	413.33	390.78	434.05	460.46	431.63	518.56
EC\$ Cheques and Drafts Issued	18.95	27.79	22.25	21.45	29.02	33.80
<b>Quasi Money</b>	<b>2,236.10</b>	<b>2,313.00</b>	<b>2,324.76</b>	<b>2,297.26</b>	<b>2,311.21</b>	<b>2,363.51</b>
Savings Deposits	1,082.44	1,142.64	1,154.44	1,147.49	1,181.61	1,246.30
Time Deposits	978.83	975.08	954.53	935.30	898.51	867.58
Foreign Currency Deposits	174.83	195.29	215.80	214.46	231.09	249.63

Source: Eastern Caribbean Central Bank

Data available as at 02 May 2014



**Table 19**  
**Antigua and Barbuda - External Trade**  
**(EC\$M)**

	2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 3 <sup>rd</sup> Qr	2013 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
Visible Trade Balance	(359.06)	(273.74)	(309.49)	(341.69)	(343.20)
Total Exports	19.14	51.51	10.85	7.40	15.66
Total Imports	378.20	325.24	320.34	349.09	358.86

Source: Statistics Division, Ministry of Finance, The Economy and Public Administration, Antigua and Barbuda  
**Data available as at 22 May 2014**



**Table 20**  
**Dominica - Selected Tourism Statistics**

	2013 <sup>R</sup> 1 <sup>st</sup> Qr	2013 <sup>R</sup> 2 <sup>nd</sup> Qr	2013 <sup>R</sup> 3 <sup>rd</sup> Qr	2013 <sup>R</sup> 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
Total Visitors	146,651	37,565	21,973	117,193	190,991
Stay-Over Visitors	20,292	16,312	19,950	21,562	19,850
Of which:					
USA	4,104	3,663	3,072	3,682	4,409
Canada	882	485	485	784	923
UK	1,361	851	1,130	1,277	1,359
Caribbean	9,097	8,121	12,243	11,976	7,761
Other Countries	4,848	3,192	3,020	3,843	5,398
Excursionists	344	250	1,061	249	223
Yacht Passengers	5,697	3,422	962	2,694	5,694
Cruise Ship Passengers	120,318	17,581	-	92,688	165,224
Number of Cruise Ship Calls	89	13	-	60	111
<b>Total Visitor Expenditure (EC\$M)</b>	<b>60.92</b>	<b>42.93</b>	<b>52.24</b>	<b>65.23</b>	<b>65.89</b>

Sources: Discover Dominica Authority and ECCB Estimates

Data as at 07 May 2014



**Table 21**  
**Dominica - Consumer Price Index**  
**June 2010 = 100**

	Weights	Index Mar 2014	Percentage Change*				
			2013 <sup>R</sup> 1 <sup>st</sup> Qr	2013 <sup>R</sup> 2 <sup>nd</sup> Qr	2013 <sup>R</sup> 3 <sup>rd</sup> Qr	2013 <sup>R</sup> 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
<b>All Items</b>	100.00	101.55	(0.30)	(1.16)	1.06	(0.68)	(0.55)
Food and Non-Alcoholic Beverages	18.08	110.08	(0.78)	0.61	0.72	0.14	0.68
Alcoholic Beverages, Tobacco and Narcotics	0.77	105.09	(0.34)	0.46	(0.01)	1.47	0.74
Clothing and Footwear	5.08	102.03	1.33	0.04	1.87	-	(0.84)
Housing, Utilities, Gas and Fuels	30.62	92.58	(0.05)	(4.34)	2.20	(2.08)	(3.28)
Household Furnishings, Supplies and Maintenance	5.23	105.67	1.26	(0.02)	1.46	0.10	1.12
Health	3.36	101.41	-	-	-	(0.31)	-
Transport	20.11	104.19	(0.80)	0.23	0.40	(0.45)	1.04
Communication	3.95	100.00	(3.13)	-	-	-	-
Recreation and Culture	3.74	108.22	(1.67)	-	0.70	(0.34)	(0.71)
Education	1.33	102.58	-	-	-	-	-
Hotels and Restaurants	2.88	105.02	(0.51)	(0.56)	-	0.56	-
Miscellaneous	4.85	103.89	0.53	-	0.15	0.10	0.67

Sources: Central Statistical Office, Dominica and ECCB Estimates

\*at end of period

**Data as at 07 May 2014**



**Table 22**  
**Dominica - Central Government Fiscal Operations**  
**(In millions of Eastern Caribbean dollars)**

	2013 <sup>R</sup> 1 <sup>st</sup> Qr	2013 <sup>R</sup> 2 <sup>nd</sup> Qr	2013 <sup>R</sup> 3 <sup>rd</sup> Qr	2013 <sup>R</sup> 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
<b>Current Revenue</b>	86.38	111.81	90.69	93.90	90.80
Tax Revenue	73.68	80.81	73.53	75.19	79.63
Taxes on Income and Profits	13.90	18.32	12.90	13.42	18.00
Of which:					
Personal	9.00	9.82	7.89	7.55	9.64
Company/Corporation	5.41	9.17	5.44	6.27	8.72
Taxes on Property	1.64	2.14	1.93	2.09	1.78
Taxes on Domestic Goods and Services	45.58	46.43	43.66	44.54	45.81
Of which:					
Licences	4.62	7.00	3.63	3.47	4.94
Value Added Tax	30.45	30.04	31.37	31.45	31.41
Excise Tax	10.06	9.04	8.25	9.21	8.74
Taxes on International Trade and Transactions	12.56	13.92	15.05	15.15	14.05
Of which:					
Import Duty	6.79	7.78	8.69	9.56	7.48
Customs Service Charge	3.01	3.38	3.43	3.44	3.19
Environmental Levy	1.63	2.12	2.21	1.98	1.80
Non-Tax Revenue	12.70	31.00	17.16	18.71	11.16
<b>Current Expenditure</b>	80.82	100.07	82.29	89.21	80.22
Personal Emoluments	34.99	42.55	35.89	36.37	36.19
Goods and Services	21.01	34.66	22.55	29.18	19.60
Interest Payments	7.24	7.46	6.29	7.07	7.35
Domestic	3.40	1.27	2.64	3.15	3.94
External	3.84	6.19	3.64	3.92	3.41
Transfers and Subsidies	17.58	15.39	17.56	16.60	17.08
Of which: Pensions	4.22	4.27	4.36	4.56	4.48
<b>Current Account Balance</b>	17.26	11.75	8.40	11.61	11.08
<b>Capital Revenue</b>	0.09	0.01	0.08	0.07	0.05
<b>Grants</b>	11.70	-	-	6.92	0.50
Of which: Capital Grants	-	-	-	-	-
<b>Capital Expenditure and Net Lending</b>	14.16	100.64	28.79	17.09	16.78
Of which: Capital Expenditure	14.14	100.62	28.46	17.03	16.71
<b>Primary Balance after grants</b>	10.43	(81.42)	(14.02)	1.66	1.70
<b>Overall Balance after grants</b>	3.19	(88.88)	(20.31)	(5.41)	(5.66)
<b>Financing</b>	(3.19)	88.88	20.31	5.41	5.66
Domestic	(1.80)	79.40	6.39	(15.96)	(11.76)
ECCB (net)	(12.47)	19.86	19.75	(1.82)	(24.83)
Commercial Banks (net)	22.43	9.36	(4.88)	7.88	9.86
Other	(11.76)	50.17	(8.49)	(22.02)	3.21
External	(0.08)	8.59	8.97	20.01	18.94
Net Disbursements (Amortisation)	(0.06)	8.72	8.99	19.87	18.92
Disbursements	2.62	11.29	14.43	22.14	24.87
Amortisation	2.68	2.57	5.44	2.26	5.94
Change in Government Foreign Assets	(0.02)	(0.13)	(0.02)	0.14	0.02
Arrears	(1.31)	0.89	4.94	1.36	(1.53)
Domestic	(1.31)	0.89	4.94	1.36	(1.53)
External	-	-	-	-	-
Other Financing	-	-	-	-	-

Source: Ministry of Finance, Dominica and Eastern Caribbean Central Bank  
 Data as at 07 May 2014



**Table 23**  
**Dominica - Selected Trade Statistics**  
**(Value: EC\$M; Volume: tonnes)**

	2013 <sup>R</sup> 1 <sup>st</sup> Qr	2013 <sup>R</sup> 2 <sup>nd</sup> Qr	2013 <sup>R</sup> 3 <sup>rd</sup> Qr	2013 <sup>R</sup> 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
Visible Trade Balance	(118.19)	(111.44)	(102.15)	(113.67)	(104.56)
Total Imports	138.95	136.50	129.14	143.49	125.67
Total Exports	20.76	25.06	26.99	29.82	21.11
Re-Exports	5.14	5.56	3.93	8.84	5.26
Domestic Exports	15.61	19.51	23.06	20.98	15.85
Of which:					
Bananas					
Value	0.56	0.70	0.69	0.66	0.52
Volume	382	462	450	450	330

Source: Central Statistical Office, WINFRESH and ECCB Estimates

**Data as at 12 August 2013**



**Table 24**  
**Dominica - Monetary Survey**  
**(EC\$M at end of period)**

	2013 <sup>R</sup> 1st Qr	2013 <sup>R</sup> 2nd Qr	2013 3rd Qr	2013 4th Qr	2014 <sup>P</sup> 1st Qr
<b>Net Foreign Assets</b>	<b>545.30</b>	<b>539.13</b>	<b>505.94</b>	<b>527.87</b>	<b>600.88</b>
<b>Central Bank (Net)</b>	<b>227.49</b>	<b>236.41</b>	<b>217.29</b>	<b>230.48</b>	<b>240.40</b>
<b>Commercial Banks (Net)</b>	<b>317.80</b>	<b>302.72</b>	<b>288.64</b>	<b>297.39</b>	<b>360.48</b>
External (Net)	42.14	40.59	29.96	36.13	85.31
Assets	284.54	282.67	271.87	280.67	334.59
Liabilities	242.40	242.08	241.92	244.54	249.29
Other ECCB Territories (Net)	275.67	262.13	258.69	261.26	275.18
Assets	320.38	312.53	311.92	305.82	321.67
Liabilities	44.72	50.40	53.23	44.56	46.49
<b>Net Domestic Assets</b>	<b>587.16</b>	<b>622.18</b>	<b>645.62</b>	<b>630.67</b>	<b>613.33</b>
<b>Domestic Credit</b>	<b>669.02</b>	<b>718.23</b>	<b>733.11</b>	<b>722.45</b>	<b>704.84</b>
Central Government (Net)	3.34	32.56	47.44	53.50	38.54
Other Public Sector (Net)	(132.22)	(118.66)	(117.62)	(121.98)	(122.35)
Private Sector	797.90	804.32	803.30	790.93	788.66
Household	445.48	453.40	455.97	456.59	454.11
Business	332.04	331.08	329.59	318.64	320.28
Non-Bank Financial Institution	13.80	13.28	11.17	11.13	7.69
Subsidiaries & Affiliates	6.57	6.57	6.57	4.57	6.57
<b>Other Items (Net)</b>	<b>(81.86)</b>	<b>(96.05)</b>	<b>(87.50)</b>	<b>(91.79)</b>	<b>(91.51)</b>
<b>Monetary Liabilities (M2)</b>	<b>1,132.45</b>	<b>1,161.32</b>	<b>1,151.55</b>	<b>1,158.54</b>	<b>1,214.21</b>
<b>Money Supply (M1)</b>	<b>217.94</b>	<b>227.57</b>	<b>216.91</b>	<b>212.86</b>	<b>229.61</b>
Currency with the Public	43.46	39.43	37.15	41.59	40.15
Demand Deposits	172.11	184.68	176.76	169.03	185.63
EC\$ Cheques and Drafts Issued	2.37	3.46	3.00	2.24	3.83
<b>Quasi Money</b>	<b>914.51</b>	<b>933.75</b>	<b>934.64</b>	<b>945.68</b>	<b>984.60</b>
Savings Deposits	639.33	660.80	671.67	686.38	721.42
Time Deposits	251.63	245.37	238.96	235.76	231.22
Foreign Currency Deposits	23.55	27.58	24.02	23.54	31.97

Source: Eastern Caribbean Central Bank

Data available as at 02 May 2014

<sup>R</sup>Revisions included changes to Imputed Reserves calculation



**Table 25**  
**Grenada - Selected Tourism Statistics**

	2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 3 <sup>rd</sup> Qr	2013 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
Total Visitors	154,349	36,720	31,556	92,221	160,314
Stay-Over Visitors	33,738	21,325	30,673	27,041	33,535
Of which:					
USA	10,506	6,050	10,243	7,759	10,536
Canada	4,855	1,094	1,678	2,021	5,147
United Kingdom	6,636	4,178	4,332	5,440	6,745
Caribbean	5,635	5,675	7,555	5,574	4,403
Other Countries	6,106	4,328	6,865	6,247	6,704
Excursionists	516	326	435	329	715
Cruise Ship Passengers	118,840	14,323	0	64,145	124,784
Yacht Passengers	1,255	746	448	706	1,280
Number of Cruise Ship Calls	90	10	0	44	81
<b>Total Visitor Expenditure (EC\$M)</b>	<b>108.09</b>	<b>53.45</b>	<b>88.73</b>	<b>73.28</b>	<b>102.22</b>

Source: Grenada Board of Tourism

Data as at 22 May 2014



**Table 26**  
**Grenada - Consumer Price Index**  
**January 2010 = 100**

	Weights	Index Mar 2014	Percentage Change*					2014 <sup>P</sup> 1 <sup>st</sup> Qr
			2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 3 <sup>rd</sup> Qr	2013 4 <sup>th</sup> Qr		
<b>All Items</b>	100.0	108.34	0.05	0.17	- 1.75	0.05	- 0.01	
Food & Non-Alcoholic Beverages	20.4	114.97	0.19	0.51	- 0.23	0.19	- 0.38	
Alcoholic Beverages, Tobacco and Narcotics	1.8	120.99	0.16	3.71	0.22	0.16	0.40	
Clothing and Footwear	3.7	103.23	- 1.26	- 1.34	- 1.40	- 1.26	-	
Housing, Utilities, Gas and Fuels	29.1	106.04	0.19	- 0.32	0.03	0.19	0.11	
Household Furnishings, Supplies and Maintenance	4.5	111.19	- 0.55	- 0.60	- 0.12	- 0.55	0.03	
Health	1.9	126.15	0.15	0.14	- 0.01	0.15	0.32	
Transport	18.7	112.58	- 0.87	1.60	0.99	- 0.87	0.13	
Communication	10.0	92.72	0.90	- 2.34	- 17.28	0.90	-	
Recreation and Culture	2.7	106.00	-	2.10	- 0.11	-	-	
Education	0.8	117.81	-	-	3.35	-	-	
Hotels and Restaurants	1.8	107.25	- 0.63	2.23	-	- 0.63	-	
Miscellaneous	4.6	104.44	2.14	0.28	0.36	2.14	- 0.09	

Source: Central Statistics Office, Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada

\*at end of period

**Data as at 22 May 2014**



**Table 27**  
**Grenada - Central Government Fiscal Operations**  
**(In millions of Eastern Caribbean dollars)**

	2013.00	2013.00	2013.00	2013.00	2014 <sup>P</sup>
	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr
<b>Current Revenue</b>	100.15	126.18	103.69	107.20	118.75
Tax Revenue	96.15	122.27	97.29	103.27	111.15
Taxes on Income and Profits	14.76	16.16	18.64	16.55	23.00
Of which:					
Personal	7.43	6.24	7.75	8.25	11.73
Company/Corporation	7.33	9.92	10.88	8.30	11.27
Taxes on Property	3.69	5.92	2.09	3.38	4.79
Taxes on Domestic Goods and Services	48.70	71.09	45.48	47.43	51.82
Of which:					
Value-added Tax	40.56	36.54	37.71	42.69	42.46
Stamp Duties	0.69	0.82	1.00	1.00	0.92
Licences	4.57	30.30	5.56	2.13	4.97
Taxes on International Trade and Transactions	29.01	29.10	31.08	35.92	31.54
Of which:					
Import Duty	11.89	11.01	12.12	15.36	12.04
Customs Service Charge	7.96	8.24	8.65	10.76	9.50
Non-Tax Revenue	3.99	3.91	6.41	3.93	7.59
<b>Current Expenditure</b>	115.12	101.75	131.88	113.38	126.47
Personal Emoluments	55.40	56.48	64.42	67.19	63.53
Goods and Services	17.83	19.25	18.88	19.93	15.96
Interest Payments	25.11	8.62	28.89	7.96	29.62
Domestic	1.20	3.89	7.13	2.96	3.66
External	23.92	4.73	21.76	5.00	25.96
Transfers and Subsidies	16.77	17.40	19.69	18.31	17.37
Of which: Pensions	6.82	7.09	7.27	8.01	7.32
<b>Current Account Balance</b>	(14.97)	24.43	(28.18)	(6.18)	(7.73)
<b>Capital Revenue</b>	0.01	0.02	0.01	0.01	0.02
<b>Grants</b>	5.04	14.99	5.99	5.24	9.90
Of which: Capital Grants	5.04	14.99	5.99	5.24	9.90
<b>Capital Expenditure and Net Lending</b>	36.68	44.67	44.65	28.33	39.59
Of which: Capital Expenditure	36.68	44.67	44.65	28.33	39.59
<b>Primary Balance after grants</b>	(21.49)	3.40	(37.94)	(21.30)	(7.77)
<b>Overall Balance after grants</b>	(46.60)	(5.22)	(66.83)	(29.26)	(37.39)
<b>Financing</b>	46.60	5.22	66.83	29.26	37.39
Domestic	22.15	10.95	46.69	30.74	5.52
ECCB (net)	4.87	(57.10)	38.82	0.97	12.20
Commercial Banks (net)	0.92	4.09	(13.76)	(34.07)	9.78
Other	16.36	63.97	21.63	63.84	(16.46)
External	(9.04)	(6.73)	(1.91)	(3.83)	6.43
Net Amortisation	(9.04)	(6.73)	(1.91)	(3.83)	6.43
Disbursements	12.28	4.31	8.60	7.91	16.29
Amortisation	21.32	11.04	10.51	11.74	9.86
Change in Government Foreign Assets	0.00	0.00	0.00	0.00	0.00
Arrears	33.49	1.00	22.05	2.35	25.44
Domestic	0.00	0.00	0.00	0.00	0.00
External	33.49	1.00	22.05	2.35	25.44
Other Financing	0.00	0.00	0.00	0.00	0.00

Source: Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada and the ECCB  
 Data as at 24 June 2014



**Table 28**  
**Grenada - Selected Agricultural Production**

Unit		2013	2013	2013	2013 <sup>R</sup>	2014 <sup>P</sup>
		1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr
Bananas	(tonnes)	1,708	1,804	1,674	1,862	1,563
Cocoa	(tonnes)	268	257	109	143	363
Nutmeg	(tonnes)	136	103	74	65	174
Mace	(tonnes)	15	11	6	4	18

Source: Central Statistics Office, Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada  
Data as at 22 May 2014



**Table 29**  
**Grenada - Selected Trade Statistics**  
 (Value: EC\$M; Volume: 000 tonnes)

	2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 <sup>R</sup> 3 <sup>rd</sup> Qr	2013 <sup>R</sup> 4 <sup>th</sup> Qr	2014 <sup>E</sup> 1 <sup>st</sup> Qr
<b>Visible Trade Balance</b>	(196.85)	(199.61)	(218.13)	(278.68)	(202.76)
<b>Total Imports</b>	222.39	236.86	240.20	295.33	226.57
<b>Total Exports</b>	25.54	37.25	22.07	16.65	23.81
Re-Exports	5.16	5.20	1.74	1.98	3.35
Domestic Exports	20.38	32.06	20.33	14.67	20.46
Of Which:					
Bananas					
Volume	-	-	-	-	-
Value	-	-	-	-	-
Nutmeg					
Volume	79.95	116.35	83.33	95.14	82.00
Value	4.83	6.78	3.39	3.35	4.95
Mace					
Volume	5.92	17.81	4.43	9.47	6.10
Value	0.32	1.00	0.26	0.44	0.33
Cocoa					
Volume	282.38	282.75	106.35	74.16	304.06
Value	2.88	3.08	1.10	0.79	3.25
Manufactured Exports					
Value	8.59	8.90	9.51	8.32	8.14



**Table 30**  
**Grenada - Monetary Survey**  
**(EC\$M at end of period)**

	2012 4th Qr	2013 1st Qr	2013 2nd Qr	2013 3rd Qr	2013 4th Qr	2014 <sup>P</sup> 1st Qr
<b>Net Foreign Assets</b>	<b>113.78</b>	<b>172.53</b>	<b>245.71</b>	<b>279.74</b>	<b>352.39</b>	<b>366.68</b>
<b>Central Bank (Net)</b>	<b>280.81</b>	<b>286.24</b>	<b>331.01</b>	<b>305.59</b>	<b>365.60</b>	<b>347.09</b>
<b>Commercial Banks (Net)</b>	<b>(167.03)</b>	<b>(113.71)</b>	<b>(85.29)</b>	<b>(25.85)</b>	<b>(13.21)</b>	<b>19.59</b>
External (Net)	(263.29)	(243.53)	(226.23)	(195.59)	(187.69)	(180.35)
Assets	244.30	262.33	284.79	274.35	285.24	300.42
Liabilities	507.59	505.87	511.02	469.94	472.93	480.76
Other ECCB Territories (Net)	96.26	129.83	140.93	169.75	174.48	199.94
Assets	233.69	231.23	246.44	257.95	260.99	263.16
Liabilities	137.43	101.40	105.51	88.20	86.51	63.23
<b>Net Domestic Assets</b>	<b>1748.47</b>	<b>1719.67</b>	<b>1651.07</b>	<b>1626.72</b>	<b>1586.33</b>	<b>1614.84</b>
<b>Domestic Credit</b>	<b>1857.44</b>	<b>1848.47</b>	<b>1770.28</b>	<b>1726.81</b>	<b>1695.39</b>	<b>1697.84</b>
Central Government (Net)	107.51	113.31	60.29	85.35	52.25	74.24
Other Public Sector (Net)	(53.29)	(66.97)	(76.40)	(81.78)	(57.26)	(61.51)
Private Sector	1803.22	1802.14	1786.38	1723.24	1700.40	1685.11
Household	1162.76	1160.73	1164.61	1153.27	1147.75	1134.89
Business	625.56	630.60	611.57	559.88	541.65	538.89
Non-Bank Financial Institutions	14.90	10.80	10.21	10.09	11.01	11.32
Subsidiaries & Affiliates	0.00	0.00	0.00	0.00	0.00	0.00
<b>Other Items (Net)</b>	<b>(108.97)</b>	<b>(128.80)</b>	<b>(119.21)</b>	<b>(100.08)</b>	<b>(109.06)</b>	<b>(83.00)</b>
<b>Monetary Liabilities (M2)</b>	<b>1862.25</b>	<b>1892.20</b>	<b>1896.78</b>	<b>1906.46</b>	<b>1938.72</b>	<b>1981.52</b>
<b>Money Supply (M1)</b>	<b>333.00</b>	<b>335.71</b>	<b>322.78</b>	<b>352.96</b>	<b>381.04</b>	<b>399.22</b>
Currency with the Public	112.88	110.13	104.93	104.65	115.69	113.70
Demand Deposits	211.12	217.81	209.76	239.07	253.71	275.41
EC\$ Cheques and Drafts Issued	9.01	7.76	8.08	9.24	11.64	10.11
<b>Quasi Money</b>	<b>1529.25</b>	<b>1556.49</b>	<b>1574.00</b>	<b>1553.51</b>	<b>1557.68</b>	<b>1582.31</b>
Savings Deposits	1095.90	1129.13	1127.99	1114.36	1143.12	1162.99
Time Deposits	339.92	335.46	343.78	332.32	318.24	314.46
Foreign Currency Deposits	93.42	91.90	102.24	106.84	96.33	104.85

Source: Eastern Caribbean Central Bank

Data available as at 02 May 2014



**Table 31**  
**Montserrat - Selected Tourism Statistics**

	2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 3 <sup>rd</sup> Qr	2013 4 <sup>th</sup> Qr	2014 1 <sup>st</sup> Qr
Total Visitors	3,214	2,223	2,456	2,568	3,517
Stay-Over Visitors	1,885	1,320	1,945	2,051	2,355
Of which:					
USA	508	292	428	547	612
Canada	224	67	92	133	316
UK	499	319	506	497	558
Caribbean	493	529	805	764	705
Other Countries	161	113	114	110	164
Excursionists	432	377	338	372	454
Cruise Ship Passengers	266	98	-	-	-
Number of Cruise Ship Calls	2	2	-	-	-
Yacht Passengers	631	428	173	145	708
Number of Yachts	165	113	36	32	151
<b>Total Visitor Expenditure (EC\$M)</b>	<b>5.75</b>	<b>3.27</b>	<b>4.50</b>	<b>4.80</b>	<b>7.10</b>

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat

Data available as at 07 May 2014



**Table 32**  
**Montserrat - Consumer Price Index**  
**April 1982 = 100**

	Weights	Index Mar-14	Percentage Change*				
			2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 3 <sup>rd</sup> Qr	2013 4 <sup>th</sup> Qr	2014 1 <sup>st</sup> Qr
<b>All Items</b>	100.0	268.49	(0.43)	(0.07)	0.39	(0.43)	0.34
Food	49.5	284.61	0.45	(0.60)	0.71	(0.86)	0.25
Alcohol and Tobacco	4.6	258.22	1.46	0.18	0.28	(0.13)	-
Household Goods	10.2	196.02	0.51	(0.18)	1.09	0.71	0.33
Gas, Electricity and Water	1.8	251.79	(10.61)	3.81	0.22	(0.52)	6.53
Rent	0.7	955.73	-	-	0.00	-	-
Clothing and Footwear	17.9	223.20	(0.22)	0.04	(0.04)	0.03	0.35
Services	15.3	291.10	(3.31)	1.15	(0.49)	(0.11)	0.17

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat

\*at end of period

**Data available as at 07 May 2014**



**Table 33**  
**Montserrat - Central Government Fiscal Operations**  
**(In millions of Eastern Caribbean dollars)**

	2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 3 <sup>rd</sup> Qr	2013 4 <sup>th</sup> Qr	2014 1 <sup>st</sup> Qr
<b>Current Revenue</b>	11.34	9.60	9.73	11.06	12.64
Tax Revenue	9.50	8.57	8.31	9.32	11.60
Taxes on Income and Profits	3.92	3.94	3.61	3.51	5.22
Of which:					
Personal	3.25	2.80	2.88	2.97	3.54
Corporation	0.59	0.90	0.56	0.38	1.46
Taxes on Property	0.16	0.10	0.51	0.24	0.13
Taxes on Domestic Goods and Services	1.76	0.72	0.39	0.82	2.21
Of which:					
Hotel Occupancy	0.00	0.01	0.00	0.01	0.01
Insurance Company Levy	0.04	0.04	0.02	0.06	0.04
Licences and Stamp Duties	1.07	0.46	0.20	0.60	1.54
Taxes on International Trade and Transactions	3.66	3.81	3.79	4.75	4.04
Of which:					
Import Duty	1.13	1.14	1.19	1.65	1.17
Consumption Tax	2.32	2.43	2.38	2.87	2.59
Customs Service Charge	-	-	-	-	-
Non-Tax Revenue	1.83	1.02	1.43	1.74	1.04
<b>Current Expenditure</b>	30.27	21.60	27.92	27.94	36.29
Personal Emoluments	10.55	10.32	10.35	10.55	11.99
Goods and Services	8.48	4.27	7.18	6.30	6.91
Interest Payments	0.01	0.01	0.01	0.01	0.01
Domestic	-	-	-	-	-
External	0.01	0.01	0.01	0.01	0.01
Transfers and Subsidies	11.23	7.00	10.38	11.09	17.38
Of which: Pensions	2.73	2.84	2.83	3.12	4.64
<b>Current Account Balance (before grants)</b>	(18.94)	(12.00)	(18.19)	(16.88)	(23.64)
<b>Current Account Balance (after grants)</b>	(5.30)	5.53	(18.19)	(16.88)	(6.13)
<b>Capital Revenue</b>	-	-	-	-	-
<b>Grants</b>	74.34	19.54	5.52	12.79	17.52
Of which: Capital Grants	60.70	2.01	5.52	12.79	-
<b>Capital Expenditure and Net Lending</b>	25.24	11.91	16.97	19.39	18.45
Of which: Capital Expenditure	25.24	11.91	16.97	19.39	18.45
<b>Primary Balance (before grants)</b>	(44.17)	(23.90)	(35.15)	(36.26)	(42.08)
<b>Primary Balance (after grants)</b>	30.17	(4.36)	(29.63)	(23.47)	(24.57)
<b>Overall Balance (before grants)</b>	(44.18)	(23.91)	(35.16)	(36.27)	(42.09)
<b>Overall Balance (after grants)</b>	30.16	(4.37)	(29.64)	(23.48)	(24.58)
<b>Financing</b>	(30.16)	4.37	29.64	23.48	24.58
Domestic	(30.13)	4.40	29.67	23.51	24.61
ECCB (net)	(0.16)	0.05	0.16	(0.14)	0.23
Commercial Banks (net)	(16.43)	7.97	18.68	(2.44)	(4.19)
Other	(13.54)	(3.62)	10.83	26.10	28.56
External	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
Net Disbursements/(Amortisation)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
Disbursements	-	-	-	-	-
Amortisation	0.03	0.03	0.03	0.03	0.03
Change in Government Foreign Assets	-	-	-	-	-
Arrears	-	-	-	-	-
Domestic	-	-	-	-	-
External	-	-	-	-	-
Other Financing	-	-	-	-	-

Source: Ministry of Finance, Montserrat

\*Goods and Services include Miscellaneous Payments

Data available as at 07 May 2014



**Table 34**  
**Montserrat - Selected Trade Statistics**  
 (Value: EC\$M)

	2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 3 <sup>rd</sup> Qr	2013 4 <sup>th</sup> Qr	2014 1 <sup>st</sup> Qr
Visible Trade Balance	(26.97)	(27.05)	(29.11)	(8.61)	(21.91)
Total Imports	27.73	27.65	30.48	21.97	24.33
Total Exports	0.76	0.60	1.37	13.36	2.41
Total Domestic Exports	0.68	0.54	0.66	4.15	1.01
Total Re-Exports	0.08	0.06	0.71	9.20	1.40

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat and ECCB Estimate  
**Data available as at 07 May 2014**



**Table 35**  
**Montserrat - Monetary Survey**  
**(EC\$M at end of period)**

	2012 4th Qr	2013 1st Qr	2013 2nd Qr	2013 3rd Qr	2013 4th Qr	2014 <sup>P</sup> 1st Qr
<b>Net Foreign Assets</b>	<b>278.87</b>	<b>299.26</b>	<b>288.01</b>	<b>264.69</b>	<b>270.08</b>	<b>288.64</b>
<b>Central Bank (Net)</b>	<b>86.63</b>	<b>85.91</b>	<b>91.04</b>	<b>112.87</b>	<b>109.38</b>	<b>121.16</b>
<b>Commercial Banks (Net)</b>	<b>192.24</b>	<b>213.36</b>	<b>196.97</b>	<b>151.83</b>	<b>160.70</b>	<b>167.49</b>
External (Net)	69.94	85.67	84.58	68.12	85.61	95.60
Assets	121.48	136.59	136.34	121.35	140.84	154.67
Liabilities	51.53	50.92	51.77	53.23	55.23	59.07
Other ECCB Territories (Net)	122.30	127.68	112.39	83.71	75.09	71.89
Assets	128.24	134.39	119.26	91.22	82.09	80.03
Liabilities	5.95	6.71	6.87	7.51	7.00	8.14
<b>Net Domestic Assets</b>	<b>(58.03)</b>	<b>(80.27)</b>	<b>(70.64)</b>	<b>(52.71)</b>	<b>(54.75)</b>	<b>(61.60)</b>
<b>Domestic Credit</b>	<b>(17.04)</b>	<b>(36.89)</b>	<b>(27.05)</b>	<b>(9.55)</b>	<b>(9.71)</b>	<b>(15.39)</b>
Central Government (Net)	(64.31)	(80.90)	(72.88)	(54.04)	(56.63)	(60.59)
Other Public Sector (Net)	(27.87)	(25.00)	(22.36)	(21.71)	(19.94)	(21.05)
Private Sector	75.14	69.01	68.19	66.20	66.86	66.25
Household	65.29	58.41	57.99	57.46	58.36	57.88
Business	9.85	10.59	10.21	8.74	8.51	8.37
Non-Bank Financial Institutions	-	0.00	-	-	-	-
Subsidiaries & Affiliates	-	-	-	-	-	-
<b>Other Items (Net)</b>	<b>(40.99)</b>	<b>(43.38)</b>	<b>(43.59)</b>	<b>(43.15)</b>	<b>(45.04)</b>	<b>(46.21)</b>
<b>Monetary Liabilities (M2)</b>	<b>220.84</b>	<b>219.00</b>	<b>217.37</b>	<b>211.99</b>	<b>215.33</b>	<b>227.05</b>
<b>Money Supply (M1)</b>	<b>47.37</b>	<b>43.86</b>	<b>39.53</b>	<b>52.42</b>	<b>53.62</b>	<b>56.51</b>
Currency with the Public	25.69	21.18	17.61	17.76	18.39	18.95
Demand Deposits	21.55	22.52	21.85	34.49	35.10	37.48
EC\$ Cheques and Drafts Issued	0.13	0.15	0.07	0.17	0.13	0.08
<b>Quasi Money</b>	<b>173.47</b>	<b>175.14</b>	<b>177.85</b>	<b>159.57</b>	<b>161.71</b>	<b>170.54</b>
Savings Deposits	148.63	148.83	150.78	117.20	119.65	129.90
Time Deposits	15.94	16.65	18.34	35.05	33.71	33.82
Foreign Currency Deposits	8.91	9.66	8.73	7.32	8.36	6.82

Source: Eastern Caribbean Central Bank

Data available as at 02 May 2014



**Table 36**  
**St Kitts and Nevis - Selected Tourism Statistics**

	2012 <sup>R</sup> 1 <sup>st</sup> Qr	2013 <sup>R</sup> 2 <sup>nd</sup> Qr	2013 <sup>R</sup> 3 <sup>rd</sup> Qr	2013 <sup>R</sup> 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
Total Visitors	262,080	128,444	89,947	209,997	316,020
Stay-Over Visitors	33,964	26,078	21,658	25,204	33,436
Of which:					
USA	22,488	17,352	13,206	15,339	22,224
Canada	3,120	1,194	1,135	1,753	3,137
UK	2,723	1,774	1,623	2,331	2,665
Caribbean	4,164	4,675	4,527	4,366	3,847
Other Countries	1,469	1,083	1,167	1,415	1,563
Excursionists	1,030	835	962	1,134	1,066
Cruise Ship Passengers	226,117	101,204	67,152	181,061	277,805
Yacht Passengers	969	327	175	2,598	3,713
Number of Cruise Ship Calls	148	44	22	86	174
<b>Total Visitor Expenditure (EC\$M)</b>	<b>87.84</b>	<b>64.13</b>	<b>52.73</b>	<b>68.13</b>	<b>92.07</b>

Source: Statistics Department, Sustainable Development, St Kitts and Central Statistics Office, Nevis and ECCB Estimates  
**Data available as at 24 June 2014**



**Table 37**  
**St Kitts and Nevis - Consumer Price Index**  
**January 2010 = 100**

	Weights	Index Mar 2014	Percentage Change*				
			2013 <sup>R</sup> 1 <sup>st</sup> Qr	2013 <sup>R</sup> 2 <sup>nd</sup> Qr	2013 <sup>R</sup> 3 <sup>rd</sup> Qr	2013 <sup>R</sup> 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
All items	100.00	110.34	(0.10)	0.10	0.60	(0.22)	(0.57)
Food and Non-Alcoholic Beverages	15.98	119.98	1.04	1.72	2.58	(0.46)	(0.28)
Alcoholic Beverages, Tobacco & Narcotics	2.71	118.68	0.49	(0.96)	0.20	(0.05)	(1.05)
Clothing and Footwear	4.20	107.15	0.25	(0.03)	(0.73)	(5.01)	(0.76)
Housing, Utilities, Gas and Fuels	27.56	103.28	0.00	0.04	0.00	0.06	0.09
Household Furnishings, Supplies and Maintenance	6.10	108.69	0.05	(0.08)	(1.57)	0.90	(0.19)
Health	2.38	104.37	1.72	0.00	(2.24)	0.07	0.00
Transport	16.14	120.70	(1.81)	(0.50)	4.60	0.89	(2.59)
Communication	8.47	104.48	0.00	0.00	0.00	0.00	0.00
Recreation and Culture	2.92	104.43	(0.63)	(0.94)	(4.59)	0.72	(0.39)
Education	2.41	101.16	(2.44)	(3.44)	(10.87)	0.00	0.00
Hotels and Restaurants	5.60	113.40	0.00	0.00	1.38	(3.18)	(0.80)
Miscellaneous Goods and Services	5.54	110.35	1.42	0.78	(2.56)	0.58	(0.74)

Source: Statistics Department, Sustainable Development, St Kitts

\*at end of period

**Data available as at 24 June 2014**



**Table 38**  
**St Kitts and Nevis - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

	2013	2013	2013	2013	2014
	1 Qr	2Qr	3Qr	4Qr	1 Qr
<b>Current Revenue</b>	183.54	192.91	193.89	216.12	176.46
Tax Revenue	94.56	109.66	104.77	120.36	112.06
Taxes on Income and Profits	16.63	21.25	23.99	23.65	19.81
Of which:					
Personal (Social Services Levy)	9.19	9.98	9.25	11.31	10.69
Corporation	6.51	9.58	9.06	10.45	8.38
Taxes on Property	1.58	6.28	4.78	2.66	3.60
Taxes on Domestic Goods and Services	54.02	55.52	51.30	56.58	59.49
Of which:					
Stamp Duties	8.33	11.68	7.56	10.55	12.95
Value Added Tax	37.93	37.58	36.28	38.14	39.51
Licences	2.93	1.04	1.09	3.77	2.32
Unincorporated Business Levy	1.23	1.25	1.03	1.14	1.11
Island Enhancement Levy	1.18	1.14	1.08	0.76	1.11
Taxes on International Trade and Transactions	22.34	26.62	24.70	37.48	29.16
Of which:					
Import Duty	9.98	11.04	11.86	17.74	13.67
Customs Service Charge	6.81	9.70	8.71	13.50	10.49
Excise Tax	2.71	3.47	2.36	2.92	2.08
Non-Refundable Duty Free Store Levy	1.54	0.59	0.34	1.54	1.68
Non-Tax Revenue	88.98	83.25	89.12	95.76	64.40
<b>Current Expenditure</b>	111.87	150.02	142.84	134.48	128.28
Personal Emoluments	53.82	56.30	70.43	56.89	58.59
Goods and Services	24.34	44.63	26.83	41.45	37.95
Interest Payments	16.00	27.43	24.81	13.85	9.30
Domestic	13.48	24.68	21.94	9.75	6.44
External	2.52	2.75	2.86	4.10	2.87
Transfers and Subsidies	17.71	21.66	20.78	22.30	22.44
Of which: Pensions	6.62	6.91	8.80	7.34	6.84
<b>Current Account Balance</b>	71.67	42.89	51.05	81.64	48.18
<b>Capital Revenue</b>	17.79	2.33	2.00	3.03	2.02
<b>Grants</b>	8.36	29.47	33.43	38.67	0.25
Of which: Capital Grants	7.87	29.21	13.24	14.71	-
<b>Capital Expenditure and Net Lending</b>	6.02	22.25	31.05	34.48	16.68
Of which: Capital Expenditure	5.37	22.12	30.98	34.23	16.60
<b>Primary Balance</b>	107.81	79.88	80.23	102.70	43.07
<b>Overall Balance</b>	91.81	52.45	55.43	88.86	33.77
<b>Financing</b>	(91.81)	(52.45)	(55.43)	(88.86)	(33.77)
Domestic	(85.88)	(44.99)	(90.55)	(80.68)	(28.19)
ECCB (net)	48.85	0.43	(32.48)	(24.79)	55.45
Commercial Banks (net)	(117.08)	(92.34)	(558.73)	6.94	(83.53)
Other	(17.65)	46.92	500.67	(62.83)	(0.12)
External	(5.93)	(7.45)	35.12	(8.17)	(5.58)
Net Disbursements/(Amortisation)	(5.93)	(7.45)	35.12	(8.17)	(5.58)
Disbursements	0.72	0.61	41.83	3.02	1.80
Amortisation	6.65	8.07	6.70	11.19	7.38
Change in Government Foreign Assets	-	-	-	-	-
Arrears	-	-	-	-	-
Domestic	-	-	-	-	-
External	-	-	-	-	-
Other Financing	-	-	-	-	-

Source: Ministry of Finance, St Kitts and Nevis and ECCB Estimates  
Data available as at 13 May 2014



**Table 39**  
**St Kitts and Nevis - Selected Trade Statistics**  
**(Value: EC\$M)**

	2013 1 Qr	2013 2Qr	2013 3Qr	2013 4Qr	2014 1 Qr
Visible Trade Balance	(120.41)	(115.63)	(125.38)	(155.80)	(111.91)
Total Imports	156.00	154.07	162.69	199.28	148.86
Total Exports	35.59	38.45	37.31	43.48	36.95
Total Domestic Exports	31.09	34.21	33.52	38.39	33.88
Total Re-Exports	4.50	4.24	3.79	5.09	3.07

Source: Statistics Department, Sustainable Development, St Kitts  
**Data available as at 13 May 2014**



**Table 40**  
**St Kitts and Nevis - Monetary Survey**  
**(EC\$M at end of period)**

	2012 <sup>R</sup> 4th Qr	2013 <sup>R</sup> 1st Qr	2013 <sup>R</sup> 2nd Qr	2013 <sup>R</sup> 3rd Qr	2013 <sup>R</sup> 4th Qr	2014 <sup>P</sup> 1st Qr
<b>Net Foreign Assets</b>	<b>1,377.56</b>	<b>1,496.13</b>	<b>1,619.42</b>	<b>1,767.01</b>	<b>1,945.84</b>	<b>2,234.94</b>
<b>Central Bank (Net)</b>	<b>679.43</b>	<b>787.44</b>	<b>802.48</b>	<b>944.90</b>	<b>786.50</b>	<b>941.01</b>
<b>Commercial Banks (Net)</b>	<b>698.13</b>	<b>708.69</b>	<b>816.94</b>	<b>822.11</b>	<b>1,159.34</b>	<b>1,293.93</b>
External (Net)	667.01	740.78	891.62	895.57	1,100.22	1,322.24
Assets	1,558.09	1,679.08	1,778.08	1,765.80	1,920.89	2,151.09
Liabilities	891.07	938.30	886.46	870.23	820.67	828.86
Other ECCB Territories (Net)	31.12	(32.09)	(74.68)	(73.46)	59.11	(28.31)
Assets	644.34	666.83	669.25	699.36	690.12	722.80
Liabilities	613.22	698.92	743.93	772.81	631.00	751.11
<b>Net Domestic Assets</b>	<b>996.26</b>	<b>876.53</b>	<b>739.37</b>	<b>720.65</b>	<b>642.71</b>	<b>583.27</b>
<b>Domestic Credit</b>	<b>1,517.18</b>	<b>1,385.70</b>	<b>1,254.65</b>	<b>1,161.59</b>	<b>1,133.03</b>	<b>1,038.36</b>
Central Government (Net)	675.40	539.12	416.95	(174.07)	(192.47)	(220.98)
Other Public Sector (Net)	(566.76)	(558.75)	(553.06)	(618.79)	(635.86)	(676.88)
Private Sector	1,408.54	1,405.33	1,390.76	1,954.46	1,961.37	1,936.22
Household	883.81	877.11	880.50	870.47	878.65	866.18
Business	433.84	437.37	422.32	427.73	428.52	416.52
Non-Bank Financial Institutior	49.18	50.26	48.86	50.54	46.88	49.30
Subsidiaries & Affiliates	41.71	40.59	39.08	605.72	607.31	604.22
<b>Other Items (Net)</b>	<b>(520.91)</b>	<b>(509.18)</b>	<b>(515.28)</b>	<b>(440.94)</b>	<b>(490.33)</b>	<b>(455.09)</b>
<b>Monetary Liabilities (M2)</b>	<b>2,373.83</b>	<b>2,372.65</b>	<b>2,358.79</b>	<b>2,487.66</b>	<b>2,588.54</b>	<b>2,818.21</b>
<b>Money Supply (M1)</b>	<b>541.16</b>	<b>561.48</b>	<b>545.31</b>	<b>519.53</b>	<b>521.09</b>	<b>585.57</b>
Currency with the Public	107.60	116.48	119.29	126.15	133.10	132.60
Demand Deposits	419.20	436.64	418.12	385.73	375.25	443.37
EC\$ Cheques and Drafts Issued	14.36	8.36	7.91	7.66	12.74	9.61
<b>Quasi Money</b>	<b>1,832.67</b>	<b>1,811.18</b>	<b>1,813.48</b>	<b>1,968.13</b>	<b>2,067.45</b>	<b>2,232.64</b>
Savings Deposits	753.26	768.83	781.43	803.09	827.89	841.38
Time Deposits	582.14	554.80	537.01	602.26	606.56	632.55
Foreign Currency Deposits	497.27	487.55	495.04	562.78	633.01	758.71

Source: Eastern Caribbean Central Bank

**Data available as at 11 May 2014**

<sup>R</sup>Revisions included changes to Imputed Reserves calculation



**Table 41**  
**Saint Lucia - Selected Tourism Statistics**

	2013 <sup>R</sup> 1 <sup>st</sup> Qr	2013 <sup>R</sup> 2 <sup>nd</sup> Qr	2013 <sup>R</sup> 3 <sup>rd</sup> Qr	2013 <sup>R</sup> 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
Total Visitors	364,615	172,344	151,805	271,853	392,137
Stay-Over Visitors	87,594	78,522	74,355	78,155	94,146
USA	31,537	36,048	30,508	30,238	35,511
Canada	16,220	6,257	4,782	8,726	18,322
UK	20,370	16,722	14,135	19,641	20,937
Caribbean	11,506	14,958	20,645	13,412	10,445
Other Countries	7,961	4,537	4,285	6,138	8,931
Excursionists	2,001	1,688	2,779	1,759	2,261
Cruise Ship Passengers	262,009	83,580	67,104	181,425	281,132
Number of Cruise Ship Calls	177	39	22	106	187
Yacht Passengers	13,011	8,554	7,567	10,514	14,598
<b>Total Visitor Expenditure (EC\$M)</b>	<b>298.71</b>	<b>223.57</b>	<b>194.48</b>	<b>238.66</b>	<b>322.04</b>

Source: Saint Lucia Tourist Board

**Data as at 07 May 2014**



**Table 42**  
**Saint Lucia - Consumer Price Index**  
**January 2008 = 100**

	Weights	Index Mar 2014	Percentage Change*				
			2013 <sup>R</sup> 1 <sup>st</sup> Qr	2013 <sup>R</sup> 2 <sup>nd</sup> Qr	2013 <sup>R</sup> 3 <sup>rd</sup> Qr	2013 <sup>R</sup> 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
<b>All items</b>	99.87	119.18	(0.91)	0.13	(1.28)	1.34	3.37
Food and Non-Alcoholic Beverages	25.02	124.74	(0.41)	0.41	(3.62)	0.61	2.11
Alcoholic Beverages, Tobacco & Narcotics	6.53	129.41	1.07	(0.48)	3.44	(3.02)	(0.25)
Clothing and Footwear	1.66	128.90	(7.02)	(13.83)	19.72	(3.49)	6.78
Housing, Utilities, Gas and Fuels	17.36	108.72	(2.30)	1.92	(5.99)	5.83	3.24
Household Furnishings, Supplies and Maintenance	3.31	127.26	4.64	(2.08)	5.98	(1.29)	6.99
Health	3.96	126.99	(1.17)	0.52	3.85	(3.82)	4.62
Transport	16.40	113.70	(4.31)	5.84	(3.72)	3.19	(1.59)
Communication	12.54	110.09	3.73	-	-	-	0.36
Recreation & Culture	1.37	95.82	0.52	(5.32)	(17.84)	2.80	14.96
Education	3.70	143.53	0.37	-	1.82	-	4.99
Hotels & Restaurants	1.10	117.84	(4.17)	(2.82)	2.68	8.15	(4.94)
Miscellaneous Goods and Services	6.92	123.24	0.87	0.39	(4.74)	(0.24)	9.98

\*at end of period

Source: Central Statistical Office, Saint Lucia

**Data as at 07 May 2014**



**Table 43**  
**Saint Lucia - Central Government Fiscal Operations**  
**(In millions of Eastern Caribbean dollars)**

	2013 <sup>R</sup> 1 <sup>st</sup> Qr	2013 <sup>R</sup> 2 <sup>nd</sup> Qr	2013 <sup>R</sup> 3 <sup>rd</sup> Qr	2013 <sup>R</sup> 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
<b>Current Revenue</b>	232.92	220.47	206.18	205.84	235.01
Tax Revenue	216.76	205.54	194.49	197.46	223.15
Taxes on Income and Profits	67.49	56.27	53.63	45.66	64.34
Of which:					
Personal	25.29	22.80	22.98	22.89	28.83
Corporation	23.71	18.11	16.61	3.64	16.99
Taxes on Property	1.75	1.80	2.40	2.36	1.64
Taxes on Domestic Goods and Services	93.30	91.76	86.37	91.44	94.82
Of which:					
Consumption Duty	0.85	0.02	0.02	0.03	0.04
Licences	4.68	5.59	4.50	11.91	6.15
Excise Tax	0.94	0.86	1.04	0.77	0.97
Hotel Occupancy Tax	1.48	0.39	0.78	0.39	0.38
Value Added Tax	78.41	77.37	71.02	71.35	79.16
Taxes on International Trade and Transactions	54.23	55.72	52.09	57.99	62.34
Of which:					
Consumption Tax (Imports)	0.01	0.04	0.07	0.37	0.14
Import Duties	21.94	23.39	22.24	26.35	23.71
Customs Service Charge (Imports)	15.51	15.96	14.37	15.47	13.79
Excise Tax	12.84	13.21	14.25	14.44	15.42
Non-Tax Revenue	16.16	14.93	11.69	8.38	11.86
<b>Current Expenditure</b>	209.33	201.99	214.92	221.71	216.96
Personal Emoluments	90.17	92.38	94.50	95.88	95.65
Goods and Services	45.80	33.91	45.78	42.64	45.02
Interest Payments	31.48	35.55	33.89	33.88	32.67
Domestic	23.63	15.14	26.15	16.74	23.68
External	7.85	20.42	7.74	17.14	9.00
Transfers and Subsidies	41.88	40.14	40.75	49.31	43.62
Of which: Pensions	15.67	14.85	14.75	18.81	17.65
<b>Current Account Balance</b>	23.59	18.49	(8.74)	(15.87)	18.05
<b>Capital Revenue</b>	0.31	0.05	0.02	0.04	-
<b>Grants</b>	6.67	7.92	2.63	0.11	-
Of which: Capital Grants	6.67	7.92	2.63	0.11	-
<b>Capital Expenditure and Net Lending</b>	113.14	33.04	61.31	68.75	82.21
Of which: Capital Expenditure	113.14	33.04	61.31	68.75	82.21
<b>Primary Balance after grants</b>	(51.09)	28.97	(33.51)	(50.58)	(31.49)
<b>Overall Balance after grants</b>	(82.58)	(6.59)	(67.40)	(84.47)	(64.16)
<b>Financing</b>	82.58	6.59	67.40	84.47	64.16
Domestic	80.61	(5.59)	85.71	113.52	59.44
ECCB (net)	50.43	(5.97)	(1.26)	22.54	(6.21)
Commercial Banks (net)	(19.78)	40.81	20.62	38.23	(28.62)
Other	49.95	(40.43)	66.36	52.74	94.26
External	1.97	12.18	(18.32)	(29.05)	4.72
Net Disbursements (Amortisation)	1.97	12.18	(18.32)	(29.05)	4.72
Disbursements	21.01	21.55	14.76	42.70	14.08
Amortisation	19.04	9.37	33.08	71.75	7.71
Change in Government Foreign Assets	-	-	-	-	-
Arrears	-	-	-	-	-
Domestic	-	-	-	-	-
External	-	-	-	-	-
Other Financing	-	-	-	-	-

Source: Ministry of Finance, Saint Lucia and Eastern Caribbean Central Bank  
**Data as at 07 May 2014**



**Table 44**  
**Saint Lucia - Banana Production**

	2013 <sup>R</sup> 1 <sup>st</sup> Qr	2013 <sup>R</sup> 2 <sup>nd</sup> Qr	2013 <sup>R</sup> 3 <sup>rd</sup> Qr	2013 <sup>R</sup> 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
Volume (tonnes)	2,972	3,204	2,615	3,139	2,271
Value (EC\$M)	5.31	5.76	4.62	5.44	4.13
Unit Price (EC\$/ tonnes)	1,785.87	1,798.48	1,766.02	1,731.90	1,821.17

Source: Winfresh Ltd

**Data as at 07 May 2014**

**Table 45**  
**Saint Lucia - Selected Trade Statistics**  
**(Value: EC\$M)**

	2013 <sup>R</sup> 1 <sup>st</sup> Qr	2013 <sup>R</sup> 2 <sup>nd</sup> Qr	2013 <sup>R</sup> 3 <sup>rd</sup> Qr	2013 <sup>R</sup> 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
Total Exports	108.66	129.75	103.86	128.60	84.67
Total Domestic Exports	52.29	69.97	63.88	62.11	47.75
Total Re-Exports	56.37	59.78	39.98	66.49	36.92
Total Imports	339.05	381.20	396.42	400.52	341.33
Visible Trade Balance	(230.39)	(251.45)	(292.56)	(271.92)	(256.65)

Source: Central Statistical Office, Saint Lucia and ECCB Estimates

**Data as at 07 May 2014**



**Table 46**  
**Saint Lucia - Monetary Survey**  
**(EC\$M at end of period)**

	2012 4 <sup>th</sup> Qr	2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 3 <sup>rd</sup> Qr	2013 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
<b>Net Foreign Assets</b>	<b>(576.84)</b>	<b>(456.30)</b>	<b>(498.48)</b>	<b>(631.04)</b>	<b>(644.43)</b>	<b>(460.86)</b>
<b>Central Bank (Net)</b>	<b>562.22</b>	<b>619.98</b>	<b>541.39</b>	<b>533.25</b>	<b>454.85</b>	<b>508.71</b>
<b>Commercial Banks (Net)</b>	<b>(1,139.07)</b>	<b>(1,076.27)</b>	<b>(1,039.87)</b>	<b>(1,164.29)</b>	<b>(1,099.28)</b>	<b>(969.57)</b>
External (Net)	(485.18)	(436.87)	(447.92)	(454.77)	(390.10)	(294.29)
Assets	558.28	619.32	606.09	589.54	605.91	677.63
Liabilities	1,043.46	1,056.19	1,054.01	1,044.30	996.01	971.92
Other ECCB Territories (Net)	(653.88)	(639.41)	(591.95)	(709.53)	(709.18)	(675.28)
Assets	314.40	325.20	346.62	313.99	302.63	304.86
Liabilities	968.29	964.60	938.57	1,023.52	1,011.82	980.14
<b>Net Domestic Assets</b>	<b>3,375.33</b>	<b>3,378.76</b>	<b>3,356.18</b>	<b>3,459.29</b>	<b>3,497.63</b>	<b>3,400.58</b>
<b>Domestic Credit</b>	<b>3,903.50</b>	<b>3,897.02</b>	<b>3,886.70</b>	<b>3,974.02</b>	<b>3,977.32</b>	<b>3,894.96</b>
Central Government (Net)	162.38	193.03	227.86	247.22	307.99	273.16
Other Public Sector (Net)	(343.46)	(355.32)	(374.23)	(375.20)	(382.10)	(382.80)
Private Sector	4,084.59	4,059.31	4,033.07	4,102.00	4,051.43	4,004.60
Household	1,568.14	1,554.19	1,559.86	1,579.07	1,572.07	1,586.31
Business	2,438.25	2,438.55	2,405.99	2,455.76	2,435.26	2,380.21
Non-Bank Financial Institutior	37.01	27.07	26.66	26.99	28.10	24.19
Subsidiaries & Affiliates	41.19	39.49	40.57	40.18	16.01	13.88
<b>Other Items (Net)</b>	<b>(528.17)</b>	<b>(518.26)</b>	<b>(530.52)</b>	<b>(514.74)</b>	<b>(479.69)</b>	<b>(494.38)</b>
<b>Monetary Liabilities (M2)</b>	<b>2,798.49</b>	<b>2,922.46</b>	<b>2,857.70</b>	<b>2,828.24</b>	<b>2,853.20</b>	<b>2,939.72</b>
<b>Money Supply (M1)</b>	<b>701.03</b>	<b>771.50</b>	<b>668.64</b>	<b>657.61</b>	<b>695.44</b>	<b>777.95</b>
Currency with the Public	163.01	154.90	156.53	150.48	159.97	151.65
Demand Deposits	528.78	603.28	501.38	495.65	527.61	620.04
EC\$ Cheques and Drafts Issued	9.24	13.32	10.73	11.48	7.86	6.26
<b>Quasi Money</b>	<b>2,097.46</b>	<b>2,150.96</b>	<b>2,189.06</b>	<b>2,170.63</b>	<b>2,157.76</b>	<b>2,161.77</b>
Savings Deposits	1,448.31	1,483.63	1,519.51	1,514.44	1,543.19	1,518.50
Time Deposits	486.90	504.48	499.70	481.14	443.79	447.40
Foreign Currency Deposits	162.25	162.85	169.85	175.05	170.78	195.87

Source: Eastern Caribbean Central Bank

**Data available as at 02 May 2014**

<sup>R</sup>Revisions included changes to Imputed Reserves calculation



**Table 47**  
**St Vincent and the Grenadines - Selected Tourism Statistics**

	2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 3 <sup>rd</sup> Qr	2013 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
Total Visitors	90,454	32,229	23,020	54,418	93,216
Stay-Over Visitors	19,829	16,751	17,014	18,131	20,344
Of which:					
USA	5,824	4,989	4,232	5,061	5,685
Canada	2,370	1,532	1,380	1,864	2,388
UK	4,778	3,379	3,130	3,896	5,241
Caribbean	4,272	5,515	6,804	5,154	4,427
Other Countries	2,585	1,336	1,468	2,156	2,603
Excursionists	943	610	679	431	661
Yacht Passengers	20,359	8,545	5,236	11,408	22,246
Cruise Ship Passengers	49,323	6,323	91	24,448	49,965
Number of Cruise Ship Calls	123	32	5	52	103
<b>Total Visitor Expenditure (EC\$M)</b>	<b>84.24</b>	<b>55.71</b>	<b>46.84</b>	<b>62.54</b>	<b>88.84</b>

Source: St Vincent and the Grenadines Tourism Authority and ECCB Estimates  
**Data as at 15 May 2014**



**Table 48**  
**St Vincent and the Grenadines - Consumer Price Index**  
**January 2001 = 100**

	Weights	Index Mar 2014	Percentage Change*				
			2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 3 <sup>rd</sup> Qr	2013 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
<b>All Items</b>	100.0	107.40	0.56	(0.19)	(0.28)	(0.09)	0.19
Food and Non-Alcoholic Beverages	21.91	112.80	(0.27)	0.27	1.36	0.45	0.36
Alcoholic Beverages, Tobacco and Narcotics	3.87	109.10	(0.28)	0.94	0.75	0.46	0.74
Clothing and Footwear	3.22	105.50	(0.19)	0.76	(0.38)	0.19	(0.09)
Housing, Water, Electricity, Gas and Other Fuels	30.06	104.90	1.24	(0.85)	0.29	(0.95)	0.58
Furnishing, Household Equipment and Routine Household Maintenance	6.59	101.10	0.91	0.90	(0.20)	(0.10)	0.20
Health	1.79	103.60	2.29	0.10	0.68	0.39	(0.29)
Transport	11.84	122.30	1.31	(0.97)	(0.41)	0.57	(0.57)
Communications	9.41	96.50	-	-	(7.21)	-	-
Recreation and Culture	3.81	102.90	0.29	0.68	0.29	(0.29)	(0.48)
Education	1.32	109.30	-	-	(0.27)	-	-
Restaurants and Hotels	1.87	103.00	(0.19)	(2.62)	2.99	-	(0.29)
Miscellaneous Goods and Services	4.31	100.80	(0.10)	0.30	0.20	(0.10)	-

Source: Statistical Office, Central Planning Division, Ministry of Finance and Economic Planning, St Vincent and the Grenadines

\*at end of period

**Data as at 15 May 2014**



**Table 49**  
**St Vincent and the Grenadines - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

	2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 3 <sup>rd</sup> Qr	2013 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
<b>Current Revenue</b>	101.10	120.77	119.13	115.07	121.74
Tax Revenue	93.17	110.35	107.97	105.53	100.61
Taxes on Income and Profits	24.15	29.17	24.32	35.88	26.56
Of which:					
Personal	16.85	19.21	15.53	17.62	18.77
Company/Corporation	5.08	6.67	5.34	13.39	3.45
Taxes on Property	0.42	0.26	1.67	1.67	0.68
Taxes on Domestic Goods and Services	51.86	60.16	61.94	45.47	55.67
Of which:					
Stamp Duties	5.75	9.52	7.30	3.57	3.86
Excise Tax	6.34	6.46	6.77	5.32	5.89
Value Added Tax	32.56	35.19	29.08	30.72	36.41
Licences	6.05	7.81	6.75	4.55	8.63
Taxes on International Trade and Transactions	16.74	20.77	20.04	22.50	17.69
Of which:					
Import Duties	9.62	11.82	11.42	14.10	9.87
Customs Service Charge	6.40	7.95	7.86	7.57	7.06
Non-Tax Revenue	7.94	10.42	11.16	9.54	21.13
<b>Current Expenditure</b>	110.60	123.29	124.57	142.50	116.89
Personal Emoluments	60.31	60.18	59.58	70.69	61.55
Goods and Services	11.49	16.98	17.15	19.60	14.32
Interest Payments	10.97	10.13	8.60	17.64	9.24
Domestic	6.34	5.32	4.20	13.01	4.69
External	4.63	4.81	4.40	4.63	4.56
Transfers and Subsidies	27.82	35.99	39.24	34.57	31.77
Of which: Pensions	12.62	14.82	12.21	14.76	15.28
<b>Current Account Balance</b>	(9.49)	(2.52)	(5.43)	(27.44)	4.85
<b>Capital Revenue</b>	12.69	3.99	12.11	0.17	0.18
<b>Grants</b>	0.70	7.48	5.77	3.47	0.00
Of which: Capital Grants	0.70	7.48	5.77	3.47	0.00
<b>Capital Expenditure and Net Lending</b>	7.95	32.80	21.83	61.34	18.99
Of which: Capital Expenditure	7.95	32.80	21.83	61.34	18.99
<b>Primary Balance after grants</b>	6.92	(13.72)	(0.79)	(67.50)	(4.72)
<b>Overall Balance after grants</b>	(4.05)	(23.85)	(9.38)	(85.14)	(13.96)
<b>Financing</b>	4.05	23.85	9.38	85.14	13.96
Domestic	9.89	6.34	(1.51)	21.14	(2.96)
ECCB (net)	5.02	(10.17)	7.71	4.22	(2.45)
Commercial Banks (net)	5.54	(15.12)	6.32	8.08	16.15
Other	(0.67)	31.63	(15.54)	8.85	(16.66)
External	19.08	26.98	(2.92)	34.00	15.14
Net Disbursements/(Amortisation)	19.08	26.98	(2.92)	34.00	15.14
Disbursements	31.27	40.37	7.29	47.92	25.86
Amortisation	12.19	13.39	10.21	13.92	10.72
Change in Government Foreign Assets	-	-	-	-	-
Arrears	(24.92)	(9.47)	13.82	30.00	1.78
Domestic	(24.92)	(9.47)	13.82	30.00	1.78
External	-	-	-	-	-
Other Financing	-	-	-	-	-

Source: Ministry of Finance and Economic Planning, St Vincent and the Grenadines and the Eastern Caribbean Central Bank  
Data as at 27 June 2014



**Table 50**  
**St Vincent and the Grenadines - Selected Trade Statistics**  
**(Value: EC\$M; Volume: 000 tonnes)**

	2013 1 <sup>st</sup> Qr	2013 2 <sup>nd</sup> Qr	2013 3 <sup>rd</sup> Qr	2013 4 <sup>th</sup> Qr	2014 <sup>P</sup> 1 <sup>st</sup> Qr
Visible Trade Balance	(196.72)	(227.97)	(218.64)	(221.00)	(185.43)
Total Imports	226.27	257.70	254.39	258.60	216.66
Total Exports	29.55	29.73	35.75	37.60	31.23
Re-Exports	2.90	2.95	6.16	10.23	4.09
Domestic Exports	26.64	26.78	29.59	27.37	27.13

Source: Statistical Office, Central Planning Division, Ministry of Finance and Economic Planning, St Vincent and the Grenadines  
**Data as at 15 May 2014**



**Table 51**  
**St Vincent and the Grenadines - Monetary Survey**  
**(EC\$M at end of period)**

	2012 4th Qr	2013 1st Qr	2013 2nd Qr	2013 3rd Qr	2013 4th Qr	2014 <sup>P</sup> 1st Qr
<b>Net Foreign Assets</b>	<b>408.78</b>	<b>439.88</b>	<b>506.12</b>	<b>477.71</b>	<b>494.34</b>	<b>523.99</b>
Central Bank (Net)	294.66	318.49	339.13	321.01	359.42	384.16
Commercial Banks (Net)	114.12	121.39	166.99	156.70	134.92	139.83
External (Net)	(88.05)	(55.70)	(23.05)	(18.21)	(29.45)	(25.12)
Assets	119.86	149.42	185.32	179.04	174.55	175.40
Liabilities	207.91	205.12	208.37	197.25	204.00	200.52
Other ECCB Territories (Net)	202.17	177.10	190.04	174.92	164.37	164.95
Assets	300.24	281.08	281.68	270.43	276.13	267.04
Liabilities	98.07	103.98	91.64	95.51	111.77	102.08
<b>Net Domestic Assets</b>	<b>775.17</b>	<b>781.91</b>	<b>738.20</b>	<b>783.35</b>	<b>791.95</b>	<b>798.02</b>
<b>Domestic Credit</b>	<b>959.54</b>	<b>990.06</b>	<b>947.39</b>	<b>979.46</b>	<b>998.91</b>	<b>1,008.18</b>
Central Government (Net)	49.53	60.12	34.83	48.86	61.15	74.85
Other Public Sector (Net)	(124.31)	(111.69)	(138.26)	(131.84)	(110.09)	(112.54)
Private Sector	1,034.32	1,041.63	1,050.82	1,062.45	1,047.84	1,045.87
Household	670.32	672.63	677.36	741.12	777.08	776.88
Business	343.40	348.47	353.08	301.27	250.34	249.02
Non-Bank Financial Institutions	16.60	16.52	16.39	16.05	16.43	15.96
Subsidiaries & Affiliates	4.00	4.00	4.00	4.00	4.00	4.00
<b>Other Items (Net)</b>	<b>(184.37)</b>	<b>(208.15)</b>	<b>(209.19)</b>	<b>(196.11)</b>	<b>(206.96)</b>	<b>(210.16)</b>
<b>Monetary Liabilities (M2)</b>	<b>1,183.95</b>	<b>1,221.80</b>	<b>1,244.32</b>	<b>1,261.07</b>	<b>1,286.29</b>	<b>1,322.01</b>
Money Supply (M1)	360.94	360.45	364.03	387.64	374.21	387.11
Currency with the Public	43.87	44.05	40.30	37.63	48.14	45.59
Demand Deposits	310.58	307.68	314.82	342.66	320.08	333.40
EC\$ Cheques and Drafts Issued	6.50	8.72	8.91	7.35	5.99	8.12
Quasi Money	823.01	861.34	880.29	873.43	912.09	934.91
Savings Deposits	632.95	670.35	699.25	693.94	717.40	746.11
Time Deposits	153.73	127.94	125.57	121.31	136.28	133.29
Foreign Currency Deposits	36.32	63.06	55.47	58.17	58.42	55.51

Source: Eastern Caribbean Central Bank

Data available as at 08 May 2014

