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INTERNATIONAL ECONOMIC DEVELOPMENTS

Overview

At the end of September 2016, the global economy continued to grow at a moderate, albeit disappointing pace. The pace of economic growth in the United States of America improved in the third quarter, but this was partially due to transitory factors. The period was also characterized by tensions related to a volatile election cycle in the USA which caused many to fear the proliferation of populism tendencies across the globe. The Eurozone appeared to have weathered the Brexit shock relatively well, as any adverse impact from the vote did not appear to weigh too heavily on the regional economy, as initially expected. With respect to the United Kingdom, although the Brexit decision has initially sent the British pound lower, the real economic effects of the decision on that economy appear to have been limited. Inflationary pressures remained moderate, and major central banks chose to maintain their accommodative monetary policies.

The modest economic recovery is expected to continue, supported by accommodative monetary policy, which may lead to a further reduction in excess capacity. Inflation is generally expected to rise gradually on account of recovery in commodity prices, but remain within range-bound. In the first half of 2017, the global markets will be looking to any policy changes in the US from newly-elected President Trump's policy proposals. Although the United Kingdom's referendum vote to leave the European Union had little immediate impact on economic outcomes, it is expected that in the longer term there may still be risks to the UK economy, depending on the nature of the UK's exit. Ongoing challenges of the European banking system are also likely to pose downside risks. More generally, political developments could have implications for global economic activity.

Developments in the Major Economies

Real Sector and Labour Market Developments

The **United States** economy grew at the fastest pace in over two years in the third quarter, boosted by strong consumer spending and higher exports. According to the second estimate by the Bureau of Economic Analysis, gross domestic product rose at a 3.2 per cent annualized rate in the third quarter, and followed the second quarter's modest pace of 1.4 per cent. This also marked the strongest pace since the second quarter of 2014. Consumer spending, which accounts for more than two-thirds of US GDP, rose by 2.8 per cent in the quarter, stronger than the initial estimate of 2.1 per cent. Wages and salaries increased at an annual 6.7 per cent while after-tax corporate profits jumped by 7.6 per cent in the third quarter, compared with a 1.9 per cent decline in the second quarter.

US unemployment rate increased to 5.0 per cent in September 2016, compared to 4.9 per cent in August and surpassed market expectations of 4.9 per cent. It was the highest jobless rate since April, as the number of unemployed persons rose by 90,000 to 7.9 million while the labour force participation rate edged up by 0.1 percentage point to 62.9 per cent. Total nonfarm payroll employment increased by 156,000 in September of 2016, lower than an upwardly revised 167,000 in August. It was the lowest payroll figure in four months. For the first nine months of 2016, job growth has decelerated and averaged 178,000 per month, compared with an average of 229,000 per month in 2015.

Despite initial warnings of a slowdown from Brexit, the **United Kingdom** economy continued to grow following the vote to leave the EU. The British economy advanced by 0.5 per cent quarter on quarter in the three months to September of 2016, slowing from a 0.7 per cent expansion in the previous period. The figure was the first to cover the full three months after the UK voted to leave the European Union in June 2016. Services, which increased by 0.8 per cent, were the main driver of growth while all the others sectors of the economy, manufacturing, agriculture and construction contracted. Positively, business investment continued to grow, despite fears that businesses would halt following the Brexit vote.

The United Kingdom's jobless rate declined to 4.8 per cent in the three months to September 2016 from 4.9 per cent in the April to June period and 5.3 per cent a year earlier. The figure was better than market expectations of 4.9 per cent and the lowest level recorded since the third quarter of 2005.

In the first months since the UK's referendum on EU membership, the **Euro Area economy** did not appear to be adversely impacted by the result. According to the second estimate of GDP, the Eurozone economy expanded by 0.3 per cent quarter on quarter in the three months to September of 2016, the same as in the previous period. Notably, GDP growth slowed in Germany and Belgium relative to their second quarter levels. In contrast, economic growth accelerated in France, Italy, Greece, Austria, Portugal, Finland and in Netherlands when compared to the second quarter levels. Year-on-year, the Euro Area economy expanded by 1.6 per cent, the same as in the previous period and also in line with earlier estimates. When considering the European Union, GDP growth was steady at 0.4 per cent quarter-on-quarter and at 1.8 per cent year-on-year. The seasonally adjusted unemployment rate in the Euro Area stood at 10.0 per cent in September 2016, unchanged from a downwardly revised August rate and lower than 10.6 per cent a year earlier. The figure was the lowest level since June 2011.

The **Chinese economy** expanded by 1.8 per cent quarter-on-quarter in the third quarter of 2016, compared to an upwardly revised 1.9 per cent growth in the previous three months. Meanwhile, the National Bureau of Statistics has however indicated that many uncertain factors in the economy have persisted. According to a Ministry of Human Resources and Social Security briefing, the unemployment rate in China fell slightly to 4.0 per cent in the third quarter of 2016 from 4.1 per cent in the second quarter. In a recent speech, Premier Li Keqiang noted that during the first nine months of 2016, the country created 10.67 million new jobs.

Canada's economy accelerated in the third quarter to its fastest pace in more than two years, on account of a rebound in oil exports and continued consumer spending. The Canadian economy expanded by 0.9 per cent quarter on quarter in the three months to September of 2016, following a downwardly revised 0.3 per cent contraction in the previous period. This outturn was equivalent to an annualized rate of 3.5 per cent, and was a major rebound from the second quarter, when Canada's economy shrank by 1.3 per cent as a result of the Alberta wildfires which shutdown the Fort McMurray oil sands in May. Exports of energy products recovered from weaknesses in the previous quarter and increases in household consumption and inventories also boosted broader growth. Canada's economy added 67,000 jobs in September 2016, which was the largest employment advance in four years, and the second consecutive month of solid job growth. The gains were mostly due to a surge in part-time work and self-employment. Despite the second consecutive month of gains, Canada's unemployment rate remained unchanged at 7.0 per cent as more persons looked for work. The labour force participation rate ticked higher by two-tenths of a per cent to a four-month high of 65.7 per cent.

Development in Commodity, Oil and Consumer Prices

Commodity and Oil Prices

Commodity prices have rebounded somewhat since the start of the year, in spite of rising uncertainty following the Brexit vote. Supply outages in various countries led to tighter oil markets, while the statement of the stimulus package in China earlier this year increased metal demand prospects and prices. In late September 2016, the members of the Organization of Petroleum Exporting Countries (OPEC) agreed in principle to cap production between 32.5 and 33.0 million barrels per day, which was below September production levels. Government officials in Russia have indicated that they might join OPEC in capping oil production. West Texas Intermediate (WTI) crude oil, averaged US$44.8 per barrel in the third quarter of 2016, compared with US$45.5 per barrel in the second quarter and US$50.2 per barrel in the comparable quarter in 2015. Brent crude, the leading global oil benchmark, averaged US$45.8 per barrel during the period July – September 2016, marginally higher from US$45.5 per barrel in the second quarter and US$50.0 in the quarter ended September 2015. Meanwhile, the average price of gold rose to US$1,334.0 per ounce in the third quarter of 2016 from US$1,124.0 per ounce in the corresponding period of 2015. The price of silver averaged US$19.6 per ounce in the third quarter of 2016 up from US$14.9 in the corresponding period of 2015.

With regard to food, unfavourable weather conditions have put upward pressure on food prices. As measured by the Food and Agricultural Organization (FAO), the Food Price Index rose during the third quarter of 2016, relative to the corresponding period last year. The Food Price Index rose on average to 171.4 in the third quarter of 2016 from 155.3 in the comparable period in 2015.

Price Inflation

The recent increases in oil prices and commodity prices have already been evident in headline inflation measures rising in advanced economies over the past year. The Consumer Price Index (CPI) in the **USA** rose by 1.5 per cent year-on-year in September of 2016, higher than 1.1 per cent in August. It is the highest inflation rate since October of 2014 boosted by robust gains in shelter while food cost fell for the first time in more than six years.

Canada's annual inflation rate rose less than expected in September as the cost of gasoline fell, while food prices saw their smallest gain since 2000. The annual inflation rate rose to 1.3 per cent, while annual core inflation, which strips out some volatile items, held steady at 1.8 per cent. On a month-over-month basis, headline consumer prices rose by 0.1 per cent in September, while core inflation increased by 0.2 per cent.

In the **United Kingdom**, consumer prices rose by 1.0 per cent in the year to September 2016, following 0.6 per cent growth in August. It was the highest inflation rate since November 2014 boosted by higher cost of clothing, motor fuels and hotels amid a weaker pound. Meanwhile, inflation in the **Euro Area** which was very low in the first half of 2016, started to pick up in the third quarter, as the impact of negative base effects in energy inflation began to unwind. According to Eurostat, In the Euro area, the year-on-year Harmonized Index of Consumer Prices (HICP) inflation in September 2016 was 0.4 per cent, up from 0.2 per cent in August. This reflected mainly a continued increase in annual energy inflation. Accordingly, although price dynamics are increasing, inflation remains at low levels. The annual core rate of HICP inflation, excluding food and energy, has continued to remain at around 1.0 per cent as domestic cost pressures have remained fundamentally weak.

Consumer prices in **China** rose by 1.9 per cent year-on-year in September of 2016, compared to a 1.3 per cent rise in August. It was the highest inflation rate since June as the politically sensitive food prices increased by 3.2 per cent while non-food cost rose at a slower 1.6 per cent. Cost of consumer goods gained 1.7 per cent and those of services advanced 2.4 per cent.

Monetary Policy Developments

During the second quarter of 2016, monetary policy in the major economies continued to focus on supporting and stimulating economic growth. In the United States of America, the Federal Open Market Committee (FOMC) voted to keep the target range for its federal funds rate unchanged at 0.25 per cent to 0.5 per cent for the sixth time during its September 2016 meeting. Policymakers said that the case for a rate hike has strengthened but decided, for the time being, to wait for further evidence of continued progress toward its objectives. In the statement after its policy meeting, the Fed indicated that the US job market has continued to strengthen and economic activity has picked up. But it noted that business investment remained soft and inflation too low and wanted to see further improvement in the job market. The central bank characterized the near-term risks to its economic outlook as roughly balanced. The policy committee concluded that while the case for an increase in the federal funds rate had strengthened, for the time being, the committee would wait for further evidence of continued progress toward its objectives.

The **ECB** left its benchmark refinancing rate unchanged at 0 per cent for the fifth straight time in September 2016, as widely expected. Both the deposit rate and the lending rate were also left steady at -0.4 per cent and 0.25 per cent, respectively. Policymakers reiterated they expect the key ECB interest rates to remain at present or lower levels for an extended period of time and confirmed that the monthly asset purchases of €80 billion are intended to run until the end of March 2017, or beyond, if necessary.

At the first meeting after the referendum result in July 2016, the Bank of England **Monetary Policy Committee (MPC)** decided to leave interest rates unchanged, citing a desire to see more data about the post-vote economic landscape before deciding whether more stimulus for the

British economy is needed. Subsequently, at its August 2016 meeting, the MPC voted for a package of measures designed to provide additional support to growth and to achieve a sustainable return of inflation to the target. This package included the following measures: a 25 basis point cut in Bank Rate to 0.25 per cent; a new Term Funding Scheme to reinforce the pass-through of the cut in Bank Rate; the purchase of up to £10.0 billion of UK corporate bonds; and an expansion of the asset purchase scheme for UK government bonds of £60 billion, taking the total stock of these asset purchases to £435 billion. The last three elements are expected to be financed by the issuance of central bank reserves. At its meeting in September 2016, the Bank of England Monetary Policy Committee voted unanimously to hold the Bank Rate at a record low of 0.25 per cent and to leave the stock of purchased assets at £435 billion in order to bring inflation back to 2.0 per cent target and to support growth and employment.

During the third quarter of 2016, **the Bank of Canada** maintained its target for the overnight rate at 0.5 per cent. The Bank Rate is correspondingly 0.75 per cent and the deposit rate is 0.25 per cent. In justifying its decision, the Bank noted that global growth in the first half of 2016 was slower than the Bank had projected in its July Monetary Policy Report while the US economy was weaker than expected in the second quarter.

The **People's Bank of China** Monetary Policy Committee made no changes to the benchmark interest rates during the period under review. At its July 2016 meeting, the People's Bank of China said that it would use various policy tools to maintain appropriate liquidity and reasonable growth in credit and social financing. In a statement after its quarterly meeting of its monetary policy committee, the People's Bank of China said it will be more careful to exercise an appropriate monetary policy that is neither too easy nor too tight. The central bank noted that China's economic performance remained generally stable, but warned that the complexity of the current situation should not be underestimated, while underscoring a modest recovery in the United States of America, a fragile recovery in Europe, financial market volatility after the Brexit vote, sluggish growth in Japan and difficulties facing emerging economies.

Prospects

The outlook for the external environment remains moderate and subject to heightened uncertainty, with prospects differing sharply across countries and regions, which may be due to differences related to commodity price developments, geopolitical tensions, and domestic challenges. In its October 2016 World Economic Outlook (WEO), the International Monetary Fund (IMF) noted that global economic growth would remain subdued in 2016 following a slowdown in the United States of America and Britain's vote to leave the European Union. The report projects global economic growth rates at 3.1 per cent this year and 3.4 per cent in 2017, unchanged from its July projections.

Notably, growth prospects for advanced economies were revised down marginally while prospects for the rest of the world have been revised up. Advanced economies are expected to grow by about 1.6 per cent for 2016, less than last year's 2.1 per cent pace and down from the July forecast of 1.8 per cent. The IMF revised down its forecast for the United States of America in 2016 to 1.6 per cent, from 2.2 per cent in July, following a disappointing first half, on account of limited business investment and falling pace of inventories in the first half of the year. The IMF report underscored the uncertainty of the recovery eight years after the global financial crisis and noted with concern that if stagnation persists in advanced economies, it may further populist tendencies as it relates to trade and immigration restrictions.

Although the IMF report predicted that the US economy would grow by 1.6 per cent this year, the report was prepared before the second GDP reading which estimated US growth at 3.2 per cent. Given the historically low level of unemployment at approximately 5.0 per cent and sluggish inflation which appears to be strengthening, the Federal Reserve is widely expected to raise short-term interest rates at its December 2016 meeting, assuming there are no unexpected developments in economic data or the financial markets.

Donald Trump's victory is not expected to have any major direct impact in the near-term but is likely to have more meaningful implications for the medium-term outlook. While increased uncertainty shocked the markets initially, the impact has been transitory, as economists expect markets to adjust quickly to Trump's economic policies. In the first half of 2017, the global markets will be looking to any policy changes in the USA from President Trump's policy proposals.

While the initial data released did not show an adverse impact from the United Kingdom's decision to leave the European Union, the near-term strength of the economy since the vote is unlikely to persist. It is widely expected that U.K. GDP might plateau this year but may decelerate in 2017, as policy uncertainty, higher import prices and a greater consideration of business investment related to the nature of the UK's exit in the longer term takes its toll. However, the Bank of England has indicated that it would continue to keep policy conditions accommodative to support economic activity.

The **European economy** is forecasted to continue growing at a moderate but steady pace. Preliminary data for the fourth quarter suggests growth remains on an even level, as economic sentiment hit the highest level in October 2016 and the composite PMI moved further into expansionary territory. According to the ECB's November macroeconomic projections, the Euro area recovery is expected to continue, with euro area GDP expected to grow by 1.7 per cent in 2016 and by 1.6 per cent in 2017. However, the Euro area's economic recovery is expected to be dampened by foreign demand which still remains subdued, and the uncertainties following the UK referendum result. Monetary policy is expected to remain highly accommodative and ongoing weakness of the European banking system however, continues to pose downside risks.

In October, the Bank of Canada forecast that financial growth would moderate to 1.5 per cent in the fourth quarter, then rise to an average 2.0 per cent through 2017. This outlook assumes that the economy will grow at an above average rate through next year. However, the modest GDP growth rate in the third quarter may imply some upside risk to the fourth quarter outlook. The central bank is expected to hold the overnight rate unchanged at the current 0.50 per cent through 2017.

In **China**, policymakers will continue to shift the economy away from its reliance on investment and industry toward consumption and services, a policy that is expected to slow growth in the short term while building the foundations for a more sustainable long-term expansion. According to the IMF's October report China's economy is forecast to expand by 6.6 per cent this year and 6.2 per cent in 2017, down from growth of 6.9 per cent last year. Strong public investment in infrastructure and a real estate boom continue to support economic activity, even as industrial production slows.

Overall, there are still several reasons for concern about global growth. Global GDP is growing at an extraordinarily subdued pace. Investment in many advanced economies continues to be held back by expectations of sluggish demand. GDP growth in the Euro area has remained slow compared to past recoveries and is not expected to pick up in the coming years. In the advanced economies, growth is also expected to be substantially slower between 2016 and 2018 than what was the norm in the years before the crisis. Moreover, uncertainty and vulnerabilities are large and widespread. Globally, geopolitical uncertainties are becoming prevalent, and increased criticism of globalization has led to political uncertainties and protectionist inclinations, with the related economic risks.

DOMESTIC ECONOMIC DEVELOPMENTS

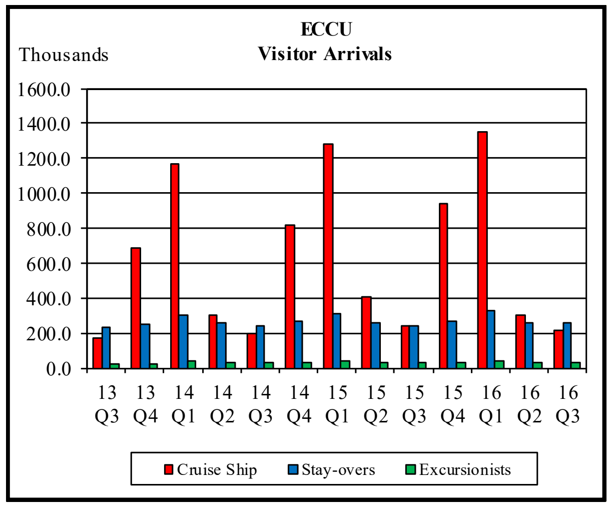
Overview

Economic activity in the Eastern Caribbean Currency Union (ECCU) is estimated to have increased in the first nine months of 2016, relative to the performance in the corresponding period of 2015. The improved performance stemmed from growth in the construction sector and the tourism industry, with positive spillover effects on sectors such as wholesale and retail trade; and transport, storage and communications. This outturn was accompanied by weak performances in agriculture and manufacturing. At the country level, economic activity is estimated to have risen in most territories, with the exception of Saint Lucia which was estimated to have recorded a marginal contraction. Consumer prices rose in the majority of member states. The merchandize trade account of the ECCU recorded a larger deficit, principally the result of increased import payments. **The overall consolidated fiscal operations of the central governments yielded a surplus, a stark contrast to the deficit position in the corresponding period of 2015.** There was an increase in the total outstanding debt of the public sector. In the banking system, monetary liabilities and net foreign assets expanded, while domestic credit contracted. Liquidity in the commercial banking system rose and the weighted average interest rate spread between loans and deposits widened.

Economic growth is forecasted for the Currency Union in 2016, premised on improvements in construction and tourism. Inflationary pressures are likely to remain benign in the near term. The consolidated fiscal operations of the member governments are projected to result in an overall surplus position. In the external sector, the merchandise trade deficit is expected to widen, mainly on account of larger import payments. **Financial sector conditions are likely to be favourable in the near term, supported by ongoing efforts on resolution of the banking sector, spearheaded by the ECCB.** A combination of global developments and domestic factors continues to raise the level of risks associated with the macroeconomic outlook. These include uncertainty relating to the fate of Brexit and the policies of the incoming administration in the USA; the inability of the central governments to sustain revenue gains; and adverse weather. On the positive side, the unfolding political and institutional developments in the international arena may spur opportunities for the member states in terms of enhanced trade and bilateral relations with developed and emerging market economies.

Output

Activity in the construction sector is estimated to have been buoyant in the first nine months of 2016, based on favourable developments across the majority of ECCU member states. This performance was driven by strong private sector led construction activity predominantly in Anguilla, Dominica, Grenada, Montserrat and Saint Lucia. Private sector projects across these member countries comprised residential properties; commercial buildings; as well as tourism accommodation such as hotels, condominiums and villas. The momentum of public sector construction activity was slow in most member states, largely owing to limited financing. The exceptions were Antigua and Barbuda, and especially, Dominica where public sector construction work concentrated on reconstruction and rehabilitation from tropical storm Erika in August 2015. Among the member countries, public sector construction work focused on road networks, bridges, housing, government building, schools, a hospital, and port development.



Activity in the tourism industry was mixed in the first three quarters of 2016. Total visitor arrivals fell by 1.8 per cent to 2.9m, in contrast to growth of 11.4 per cent recorded in the period January to September 2015. This outturn was predominantly influenced by a reduction of 3.3 per cent to 1.9m in the number of cruise ship passengers, which constituted 63.8 per cent of total arrivals. The cruise sub-sector underperformed relative to the outturn of the corresponding period of 2015 when there was growth of

16.3 per cent in cruise ship passenger arrivals. There were 1,201 cruise calls to the region, representing 1.9 per cent less than the total recorded in the first nine months of 2015. The outturn in cruise passenger arrivals stemmed from declines in Saint Lucia (19.7 per cent), Antigua and Barbuda (9.9 per cent), and Dominica (4.8 per cent). The remaining territories (apart from Anguilla) registered growth in these arrivals, particularly Grenada (34.1 per cent) and St Kitts and Nevis (3.4 per cent).

The performances of the other categories of visitors, with the exception of stay-over visitors, were unfavourable. The number of excursionists fell by 10.6 per cent to 93,141, and yacht passenger arrivals contracted by 3.5 per cent to 123,671.

Stay-over visitor arrivals rose by 3.0 per cent to 843,322, an acceleration from the pace of growth of 2.1 per cent in the first nine months of 2015. The performance in this sub-category was mainly associated with growth in the number of visitors from the two largest source markets, the USA (6.8 per cent) and the Caribbean (5.1 per cent). Reductions were observed in all other major source markets, especially Canada (5.2 per cent) and the UK (1.5 per cent). Most of the ECCU territories experienced increases in stay-over arrivals, excluding Dominica and St Kitts and Nevis which recorded declines of 6.0 per cent and 2.4 per cent respectively. The highest growth in stay-over visitors was in Antigua and Barbuda (9.0 per cent) while the lowest growth was registered in Montserrat (3.7 per cent).

Spillover effects from increased construction activity and the improvement in the number of stay-over visitors is estimated to have contributed favourably to value added in sectors such as transport, storage and communications; and wholesale and retail trade.

Agricultural output is estimated to have contracted in the review period, relative to the comparable period of the prior year. Growth in overall banana production was insufficient to offset the downturn in the non-banana agricultural sub-sector in the region. Banana output rose by 2.4 per cent to 12,652.7 tonnes, posting about half the rate of growth registered in the first nine months of 2015. An improved outturn for bananas in Grenada, Saint Lucia and St Vincent and the Grenadines offset a contraction in

Dominica which continues to be impacted by damage to crops and farm roads from tropical storm Erika. Negative performances in non-banana-crops in Dominica, Grenada, St Kitts and Nevis and St Vincent and the Grenadines, outweighed an improved outturn in that sub-category in Saint Lucia. Available data on livestock indicated increased production in Saint Lucia but not in Saint Kitts and Nevis.

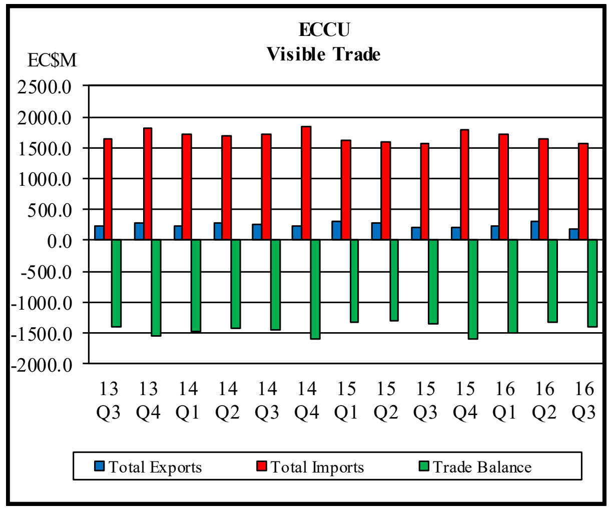
Manufacturing output is estimated to have contracted in the review period, impacted by low demand and competitiveness challenges. Three of the member countries are estimated to have recorded decreases in manufacturing activity, while one registered a flat performance, offsetting the improvement in only one territory. In St Kitts and Nevis, there were decreases in the export of electronic components and alcoholic beverages. In St Vincent and the Grenadines, there were declines in the production of key products such as flour, rice, and beer. Saint Lucia also experienced a similar fate with a fall-off in the output of a number of manufactured goods. Dominica, which experienced some levelling off in its total manufacturing activity, is recovering from the closure of one of its main manufacturing plants following the passage of tropical storm Erika. Grenada, which was of exception, experienced a boost in this sector's output from growth in the production of most beverages, chemicals and paints, macaroni, and flour.

Prices

There were inflationary pressures in most of the ECCU member states during the first nine months of 2016. The general price level rose in five of the eight countries, with the most significant increases recorded for St Vincent and the Grenadines (1.2 per cent), Grenada (0.9 per cent) and St Kitts and Nevis (0.9 per cent). A rise in the transport index was a major contributing factor to the inflation, ranging from 0.3 per cent in Dominica to 3.4 per cent in Grenada. By contrast, declines were recorded in the price levels of Saint Lucia (1.9 per cent), Antigua and Barbuda (1.3 per cent), and Montserrat (0.6 per cent). These latter price developments were influenced largely by lower costs for food and non-alcoholic beverages; as well as housing, utilities, gas and fuels.

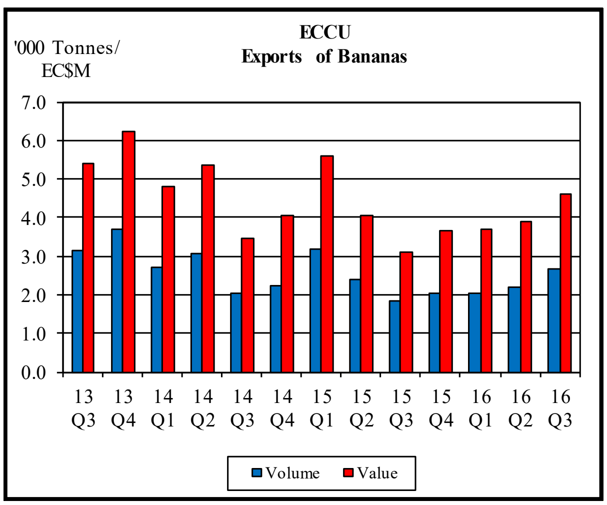
Trade and Payments

Preliminary estimates indicated that the merchandise trade deficit widened by 5.8 per cent to $4,212.5m in the period under review, in contrast to a narrowing of 8.5 per cent in the comparable period of 2015. This outturn was largely driven by growth in import payments, coupled with a contraction in export receipts. The value of imports expanded by 3.1 per cent ($146.5m) to $4,926.4m, primarily attributable to higher outlays for machinery and transport equipment as well as manufactured goods. Larger import payments were recorded, particularly in Saint Lucia, in addition to Anguilla, Saint Kitts and Nevis, and St Vincent and the Grenadines. Export revenue was down by 10.4 per cent to $713.9m, largely reflecting a fall of 12.9 per cent in domestic exports. Reduced exports earnings from certain manufactured items especially in Saint Lucia and Dominica, were chiefly responsible for this outturn. Furthermore, the volume of bananas exported fell by 7.2 per cent, resulting in a decline of 4.6 per cent ($0.6m) in its export receipts, relative to the outturn in the corresponding period of the prior year. The outturn for domestic exports was further associated with a contraction of 6.3 per cent in re-exports.



Gross travel receipts were estimated to have fallen by 0.1 per cent to $2,747.9m, partly associated with a reduction in arrivals from major source markets such as Europe, which are key spending categories of visitors. Declines in such receipts were more pronounced in Saint Lucia (6.7 per cent) and Grenada (3.7 per cent). Gross external disbursements to the central governments totalled $291.3m, registering an increase of 16.8 per cent, while external debt repayment amounted to $288.6m, roughly 6.0 per cent less than the value recorded in the corresponding period last year. Consequently, the central governments were in a net disbursement position of $2.7m, in contrast to a net amortisation position of

$57.5m in the first nine months of 2015. Total grant inflows to the central government were down by 7.8 per cent, following a contraction of 20.0 per cent in the first nine months of 2015. This outturn reflected lower grant receipts by most countries, excluding Dominica, Grenada and St Vincent and the Grenadines. Commercial banks' transactions resulted in a net outflow of $348.5m in short term capital, relative to one of $690.6m during the corresponding period of 2015.



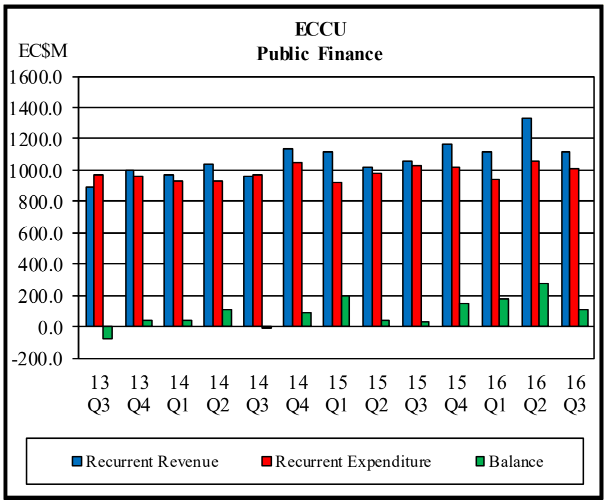
Central Government Fiscal Operations

There was a considerable improvement in the consolidated fiscal operations of the central governments in the first three quarters of 2016. An overall surplus of $311.5m was recorded, in contrast to a deficit of $88.1m in the first nine months of 2015. The primary surplus grew a little more than two-fold to $651.6m from $267.4m. Of the member countries performances, Montserrat's and St Kitts and Nevis's overall surplus position expanded; Dominica and Grenada moved from overall deficits to surplus positions; Anguilla registered a lower overall surplus; Saint Lucia and St Vincent and the Grenadines incurred smaller overall deficits; and Antigua and Barbuda's overall deficit position widened.

The current account surplus of central governments doubled to $557.9m from $257.7m, as growth in current revenue outpaced that of current expenditure. Current revenue advanced by 11.8 per cent to $3,563.4m, accelerating from the pace of growth of 7.3 per cent recorded in the corresponding period of 2015. This outturn represented higher receipts from both tax and non-tax revenues. Tax receipts grew by 7.3 per cent, amid improvement in economic activity. Most tax categories registered increases, except taxes on property which fell by 1.9 per cent. Receipts from taxes on international trade and transactions were up by 9.4 per cent ($71.3m) partly attributed to higher yields from import duties and consumption tax. The intake from taxes on domestic goods and services rose by 5.6 per cent ($68.2m), reflecting increases in the collections of the value added tax (VAT), the sales tax and stamp duties. VAT inflows were up by 3.7 per cent to $737.9m influenced by better performances in most of the territories with this tax, excluding St Kitts and Nevis which experienced a marginal fall-off in receipts of $0.2m. Revenue from taxes on income and profits grew by 9.5 per cent ($55.7m), largely the consequence of increased collections from the corporation tax. At the country level, most territories, with the exception of St Kitts and Nevis and Anguilla registered growth in tax revenue ranging from 17.8 per cent in Grenada to 7.4 per cent in Montserrat. Non-tax revenue collections expanded by 34.1 per cent to $719.9m, mainly as a result of elevated collections in Dominica, which recorded extraordinary financing from the Citizenship by Investment Programme (CBI).

Current expenditure rose by 2.6 per cent to $3,005.4m, relative to a rate of growth of 3.6 per cent in the corresponding period of 2015. The uptick was mainly attributed to higher outlays on personal emoluments and goods and services. Outlays on personal emoluments rose by 5.1 per cent ($64.6m) compared with growth of 0.7 per cent ($8.1m) in the first nine months of the previous year. Personal emoluments increased in six member states, particularly in Grenada, St Kitts and Nevis, and St Vincent and the Grenadines. Payments for goods and services rose by 7.6 per cent ($42.5m), stemming from increases in five territories, ranging from 72.7 per cent in Grenada to 2.1 per cent in Montserrat. By contrast, interest payments fell by 4.3 per cent ($15.4m) resulting from declines in Grenada, St Kitts and Nevis, and St Vincent and the Grenadines. Expenditure on transfers and subsidies also declined, by 2.0 per cent ($15.2m), largely the consequence of developments in St Kitts and Nevis and Antigua and Barbuda.

Capital expenditure fell by 4.0 per cent to $543.9m, in comparison to a rate of contraction of 11.7 per cent in the corresponding period of 2015. The outturn was largely influenced by lower spending in six of the member states, with more pronounced declines in Grenada (49.4 per cent), St Kitts and Nevis (32.7 per cent) and Saint Lucia (14.8 per cent). Grant receipts totalled $228.6m, a 7.8 per cent decrease over the total in the corresponding period of 2015. This total comprised $145.2m in capital grants, below the amount of $178.2m in the first nine months of 2015. Current grants were more forthcoming as they amounted to $83.4m, roughly 19.5 per cent above the level received in the comparable period of 2015.



Public Sector Debt

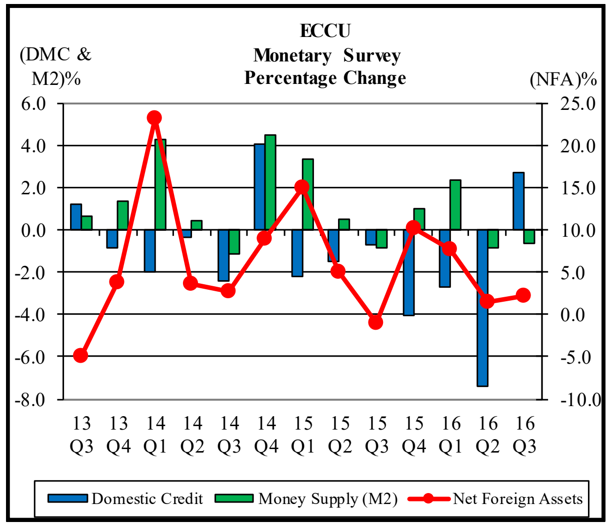
Notwithstanding the improved fiscal outturn, the total disbursed outstanding public sector debt of the ECCU rose by 2.4 per cent to $13,199.3m at the end of September 2016. The increase in total public sector debt was most pronounced in Anguilla which experienced an almost doubling to $423.5m in its stock, associated with bank resolution. Among the individual territories, increases in total public sector debt were recorded in four member states excluding Dominica, Grenada, Montserrat and St Kitts and Nevis. There was growth of 3.1 per cent in central government debt which constituted approximately 88.8 per cent of the entire debt stock. Central governments' domestic and external debt rose by 6.6 per cent and 0.6 per cent respectively. This outturn mitigated a decline of 2.9 per cent in the outstanding debt of public corporations. Within public corporations' debt there were reductions in both the external (6.9 per cent) and domestic (0.4 per cent) components. Debt service payments amounted to $955.4m, above the total of $887.8m recorded during the comparable period of 2015. Principal repayments accounted for roughly 64.5 per cent of total debt servicing, while interest payments represented the remaining 35.5 per cent. Higher debt service payments were recorded in the majority of territories, particularly in Antigua and Barbuda.

Monetary and Financial Developments

Money and Credit

Monetary liabilities (M2) expanded by 3.0 per cent to $15,842.4m, accelerating from the rate of growth of 0.8 per cent recorded during the first nine months of 2015. These developments were attributable to growth in narrow money (M1) which offset a contraction in quasi money. M1 grew by 4.4 per cent, stemming from increases in EC$ Cheques and Drafts issued (36.2 per cent) and private sector demand deposits (5.0 per cent). There was a decline of 0.1 per cent in currency with the public, the remaining component of M1. Quasi money was down by 0.3 per cent, as reductions in private sector time deposits (6.4 per cent) and private sector foreign currency deposits (1.2 per cent) offset an increase of 2.3 per cent in private sector savings deposits.

The net foreign assets of the banking system rose by 11.5 per cent to $7,286.1 m during the review period, on account of growth in the net foreign assets of both the ECCB and the commercial banks. The Central Bank's net foreign assets grew by 9.6 per cent to $4,610.6m, attributed to an increase in its assets position. Commercial banks net foreign assets expanded by 15.0 per cent, on account of a reduction in their foreign liabilities coupled with an increase in their externally held assets.



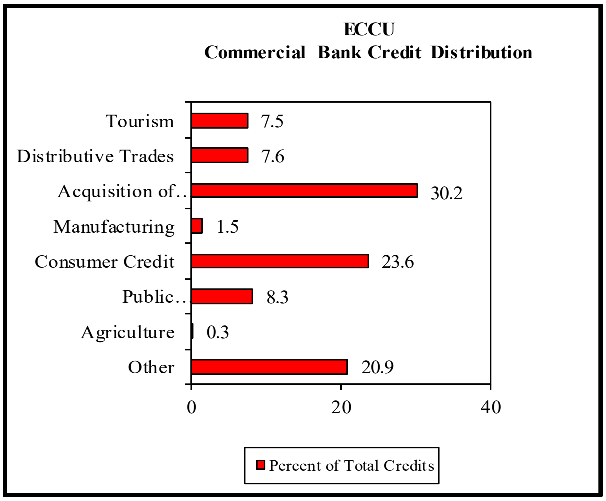
Domestic credit fell by 7.4 per cent to $10,260.8m, registering a steeper contraction from the rate of 4.4 per cent observed during the first nine months of 2015. The contraction in credit was partly on account of reductions in credit to the private sector and the central government. Outstanding credit to the private sector fell by 5.0 per cent mirroring declines in loans extended to businesses and households of 9.7 per cent and 2.2 per cent respectively. Both supply and demand side factors in the commercial banking system were responsible for this outturn in private sector credit. On the supply side, the Commercial Bank Senior

Loan Officers' Opinion Survey on Credit Market Conditions in the ECCU reported that for the first six months of 2016 there were tighter lending terms and conditions for all types of loans to businesses (except for commercial real estate loans) and for mortgages. On the demand side, the Survey indicated that at the ECCU level, although there was an increase in demand for household loans, the demand for loans to businesses declined during the first two quarters of the year. Notably, the Commercial Bank Senior Loan Officers' Opinion Survey concluded that the main reason cited for the decline in demand for loans to businesses was the use of loans from non-bank financial institutions in the ECCU. Remarkably, in the rest of the private sector, credit rose by 15.6 per cent to non-bank financial institutions, while it fell by 11.2 per cent to subsidiaries and affiliates.

With regard to the central governments, their credit from the Central Bank fell by 11.5 per cent and that from the commercial banks' fell by 1.8 per cent, in accordance with the improved fiscal outturn in the period under review. The deposits of the central governments rose by 21.6 per cent at the commercial banks, however, those at the Central Bank were down by 12.9 per cent. As a result, the net credit position of the central governments contracted by 26.6 per cent. Overall, the net credit position of the general government decreased by 22.2 per cent to $970.0m in the entire banking system. Meanwhile, in the remainder of the public sector, the net deposits of non-financial public enterprises declined by 2.2 per cent largely influenced by a reduction in deposits.

The distribution of commercial bank credit by economic activity indicated that outstanding loans and advances fell by 4.4 per cent. Declines were recorded in credit to most sectors, the exception being utilities, electricity and water as well as financial institutions which registered growth of 37.0 per cent and 33.9 per cent respectively. Double-digit declines were observed in lending to agriculture and fisheries (22.4 per cent), construction (20.1 per cent), tourism (15.1 per cent) and transportation and storage (14.7 per cent). Credit for personal use, which represented the bulk of credit, declined by 1.8 per cent, principally on account of less loans for durable consumer goods (5.9 per cent) and for the acquisition of property (3.0 per cent).

Outstanding credit fell in three territories, namely Anguilla, Antigua and Barbuda, and Saint Lucia.



Commercial banks' liquidity rose during the review period. The ratio of liquid assets to total deposits plus liquid liabilities advanced by 1.1 percentage points to 43.8 per cent and the ratio of loans and advances to total deposits decreased by 3.1 percentage points to 61.7 per cent.

Amid the Eastern Caribbean Central Bank's decision to reduce the minimum savings deposit rate to 2.0 per cent from 3.0 per cent effective 01 May 2015, the weighted average interest rate on deposits fell by 20 basis points to 1.78 per cent at the end of September 2016. The weighted average lending rate declined by 13 basis points to 8.61 per cent. As a result, the weighted average interest rate spread widened by 5.0 basis points to 6.82 percentage points.

Developments on the RGSM

There was more activity on the Regional Government Securities Market (RGSM) during the first nine months of 2016, compared with the corresponding period of the previous year. Gross issuance on the RGSM rose by 6.9 per cent to $680.0m, in contrast to a decline of 17.9 per cent during the first three quarters of 2015. This outturn resulted from the issuance of thirty-six (36) securities on the market, constituting thirty-three (33) Treasury bills and three (3) bonds. In the corresponding period of 2015, a total of thirty-four (34) securities were issued, comprising thirty-two (32) Treasury bills and two (2) bonds. There was an increase in the number of securities issued by the Governments of Saint Lucia and St Vincent and the Grenadines, while the number remained unchanged for Antigua and Barbuda and Grenada. This number was reduced by one in Dominica.

A majority of the securities were on the short end of the maturity spectrum. The value of the Treasury bills issued moved up to $621.0m from $601.0m. An increase in issuance by the government of St Vincent and the Grenadines ($25.0m) offset a decline in Saint Lucia ($5.0m). Meanwhile, issuance of short term securities remained unchanged in Antigua and Barbuda, Dominica and Grenada. The value of bonds issued during the review period rose to $59.0m from $35.0m. This outturn resulted from an increase in issuances by the governments of Saint Lucia and Antigua and Barbuda of $44.0m and $5.0m respectively. These increases moderated a reduction of $25.0m in the value of bonds issued by the Government of Dominica.

The commercial banks held the highest proportion of the value of bids, although their share was reduced to 45.1 per cent from 54.7 per cent during the comparable period of 2015. The total value of bids rose by 3.8 per cent over the last year, accelerating from the rate of 0.1 per cent during the comparable period of 2015. This development was indicative of improved investor sentiment in the market. The bid-to-cover ratio, a ratio of the value of bids received to that accepted, decreased to 1.34 from 1.45 at the end of September 2015, on account of growth of 12.4 per cent in the value of bids accepted. There were no under-subscriptions during the period under review. This outturn compares with one undersubscription during the first nine months of 2015, as a 365-day T-bill, valued at $10.0m, issued by the Government of Antigua and Barbuda only produced $6.4m.

The weighted average interest rate on 91-day Treasury bills for the first nine months of 2016 rose to 4.0 per cent from 2.88 per cent during the corresponding period in the prior year. The yield on the 180-day Treasury bill was 3.87 per cent, 2 basis points higher than the rate recorded during the first nine months of 2015. The 365-day Treasury bill secured a rate of 4.88 per cent, 46 basis points below the rate of the comparable period of last year. The yields for the longer-term, 3-year, 6-year and 10-year bonds were 6.5 per cent, 7.0 per cent and 7.5 per cent respectively. This outturn compares to yields of 4.95 per cent and 7.0 per cent of the 2-year and 5-year bonds respectively in the first nine months of 2015.

In the secondary market, the value of trading activity expanded to $13.5m from $0.7m in the first three quarters of 2015.

Prospects

The IMF's October 2016 World Economic Outlook report highlighted that the global economy would grow by 3.1 per cent and 3.4 per cent in 2016 and 2017 respectively. These global projections were revised downwards due to a more subdued outlook for advanced economies after the 'Brexit' vote in June 2016 and weaker-than-anticipated growth in the USA in the first half of the year. US economic growth is forecasted at 1.6 per cent in 2016 and 2.2 per cent in 2017; the UK at 1.8 per cent and 1.1 per cent; and Canada at 1.2 per cent and 1.9 per cent, respectively. Against this backdrop, and in light of the evolution of recent macroeconomic indicators for the ECCU, the region is projected to grow by an estimated 2.6 per cent and 3.0 per cent in 2016 and 2017, respectively. Construction and tourism are likely to be the main sectors propelling growth in the regional economy.

In the construction sector, growth will be fuelled by robust private sector activity as work progresses on ongoing tourism accommodation plants in Antigua and Barbuda, Dominica, Grenada, Saint Lucia, St Kitts and Nevis and St Vincent and the Grenadines. These developments will be complemented by public sector construction work on housing, roads, bridges, and government buildings across the member states. Notably, rebuilding efforts post tropical storm Erika should intensify in Dominica, and rehabilitation work may commence in St Vincent and the Grenadines in the aftermath of adverse weather during the last quarter of the year.

The anticipated improved outturn of the tourism industry will be supported by a number of factors, including extensive marketing initiatives; additional airlift; new or refurbished tourism accommodation properties room stock. These are likely to sustain a positive momentum in the stay-over visitor category, a crucial contributor to total valued added of the hotels and restaurants sector. The cruise sub-sector performance should be bumped up in the last quarter of the year, which will mark the opening of the 2016/2017 tourism season.

Growth in these dominant sectors is likely to spur positive outcomes in sectors such as wholesale and retail trade; transport, storage and communications; and real estate, renting, and business activities.

An uptick is anticipated in the price level of the majority of ECCU member territories. Inflationary pressures, however, are likely to remain benign as no surge is anticipated in international energy prices in the near term.

Given the broad based gains in fiscal performance to date, the consolidated fiscal operations of member governments are projected to result in an overall surplus position in 2016. This projection is also premised on ongoing fiscal consolidation programmes and improved macroeconomic conditions. However, the projected fiscal and growth trajectory is not sufficiently entrenched to bring about a reduction in the public sector debt level at the end of 2016.

In the external sector, the merchandise trade deficit is expected to widen, on the premise of larger import payments. The total import bill for the region is likely to increase, linked to the anticipated developments in construction and tourism.

Financial sector conditions are expected to be stable in the near term, supported by ongoing ECCB spearheaded resolution efforts in the banking sector. Credit to the private sector is anticipated to continue on a downward trajectory. This expectation is reflective of the macroeconomic environment, the risk adverse nature of banks and a tightening of credit terms and conditions. Also in the regional financial sector, there are likely to be ongoing efforts to deal with correspondent banking matters. The Commercial Bank Senior Loan Officers' Opinion Survey highlighted that the banks which anticipate a withdrawal of their correspondent banking relationship(s) during the period July to December 2016 are currently negotiating or have already established relationships with other banks which can provide similar services.

A confluence of global developments continues to raise the level of risks associated with the macroeconomic outlook. The region's tourism industry could potentially be affected by increasing USA-Cuba relations, which could translate to a diversion of cruise lines, airlift, tourists and foreign investments from the ECCU to Cuba. Although the Zika virus is no longer an international medical emergency, its impact may have rendered our destinations unattractive for weddings and honeymoon travellers. In terms of other international developments, there is still uncertainty surrounding the impact of Brexit on the ECCU member states, as the outcome of institutional and trade arrangements between the UK and EU remain unclear. Furthermore, the ECCU is clouded by uncertainty surrounding the policy direction of the incoming administration in the USA, especially relating to trade, finance, immigration and climate change.

On the domestic front, there are risks relating to the ability of member governments to sustain recent fiscal and growth gains. The lack of strong governance frameworks for the CBI, a chief source of revenue, can potentially reverse fiscal improvements. Inadequate commitment to expenditure containment could cause costs to surge and erase any revenue enhancements. Government finances and ultimately economic activity could also be challenged by further delays in receipt of grants. Continued adverse weather can also pose a major setback for these vulnerable economies. The region's policy makers are challenged by the fiscal and growth outturn, in and of itself, since it may be used as a platform for the public to demand further tax relief and relax expenditure controls.

On the upside, unfolding developments in advanced and emerging market economies may spur opportunities for enhanced trade and bilateral relations for the ECCU member states. In addition, lower global energy prices could continue to impact positively on the terms of trade. **Finally, the ECCU arrangement offers member countries the opportunity to not only pool resources, but also share and learn from each other policies and best practices aimed at dealing with challenges at the domestic and international level.**

A N G U I L L A

Overview

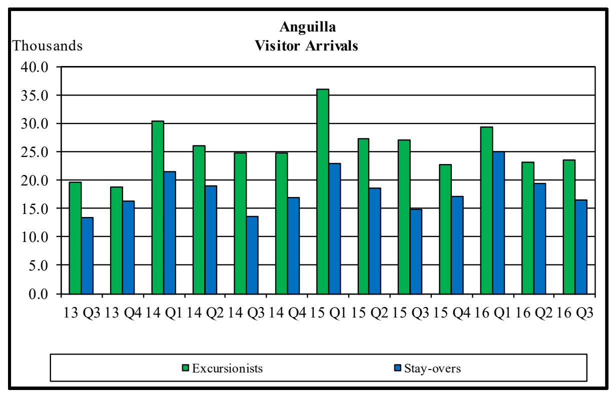
The Anguillan economy is provisionally estimated to have strengthened over the first nine months of 2016 relative to the comparable period of 2015. There were estimated increases in activity in a number of sectors including hotels and restaurants, construction and wholesale and retail trade. Consumer prices rose by 0.5 per cent on an end-of-period basis. In the external sector, the merchandise trade deficit widened marginally, while **the fiscal operations of the government resulted in a smaller overall surplus.** Total outstanding public sector debt doubled during the period under review. In the banking system, net foreign assets increased, while monetary liabilities and domestic credit decreased. Commercial bank liquidity improved and the weighted average interest rate spread between loans and deposits widened.

Economic activity is expected to expand in 2016 on the basis of an improving tourism industry, the completion and opening of several boutique hotels, increased airlift, improved access to the country and greater private sector construction activity. In the public sector, the UK government has earmarked funding for public infrastructure enhancements. Notwithstanding the favourable prospects in the domestic economy, **key downside risks exist related to the unforeseen costs associated with the banking sector resolution and the uncertainty for the UK economy as a result of Brexit**. On the upside, sustained growth in Anguilla's key trading partners and the improving ease of access to the Anguillan market augur well for economic growth over the short to medium term.

Output

Value added in some of the key sectors of the economy is estimated to have increased over the first nine months of 2016 compared with the corresponding period of 2015. In particular, value added in the hotels and restaurants sector is estimated to have risen over the review period, partly attributable to an 8.6 per cent increase in stay-over visitor arrivals as well as growth of 2.2 per cent in visitor expenditure. Visitor arrivals from the USA, the United Kingdom and the Caribbean increased, while Canadian arrivals recorded a decline. The broad gains in stay-over arrivals were attributable to enhanced marketing by the Anguilla Tourism Board as well as the addition of the Zemi Beach House and the Fountain Shoal Bay Resort to the hotel room stock. Stay-over arrivals from the USA accounted for 63.2 per cent of that category of visitors and recorded growth of 6.5 per cent, following an increase of 5.6 per cent in the first nine months of 2015. Likewise, stay-over arrivals from the Caribbean and the United Kingdom grew by 11.0 per cent and 9.7 per cent respectively. By contrast, the number of stay-over visitors from Canada declined by 1.4 per cent. Despite the increase in the number of stay-over visitors, total visitor arrivals declined by 6.5 per cent to 136,846 over the review period, compared with an increase of 8.3 per cent over the corresponding period in 2015. The decline in total visitor arrivals was driven by a 15.9 per cent reduction in excursionists.

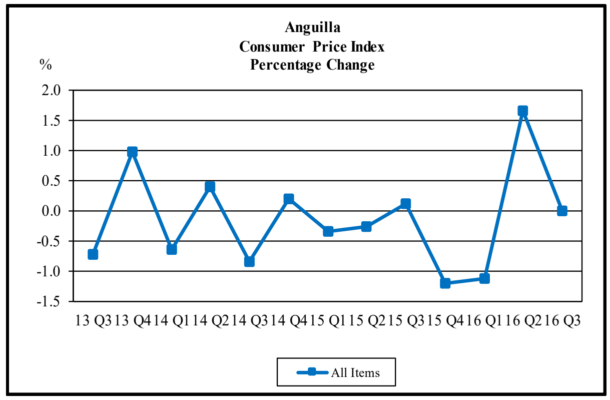
In the construction sector, value added is estimated to have increased over the review period largely on account of greater private sector outlays. Investments include the completion of the Zemi Beach Resort and the Fountain Shoal Bay, as well as ongoing work on the Manoah hotel, the Reef by CuisinArt, the Solaire hotel and villas project, and Four Seasons Resort and Private Residences Anguilla (formerly Viceroy Anguilla). By contrast, public sector capital outlays declined, primarily due to lower grant receipts and the constraints placed on the government through the accumulation of debt related to the resolution of the banking sector in Anguilla.



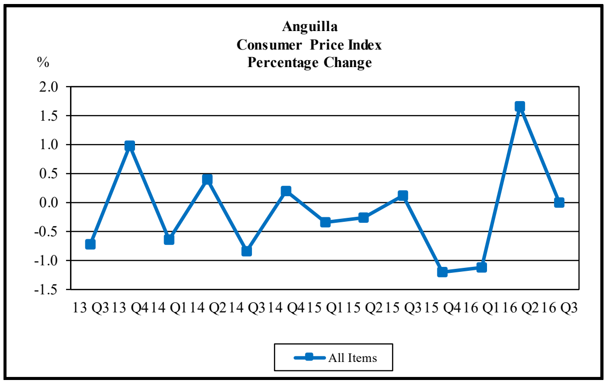
The increased construction activity positively impacted associated sectors including wholesale and retail trade, and real estate, renting and business activities. However, the forward momentum in economic activity is estimated to have been moderated by a contraction in the contribution of financial intermediaries, as total loans and advances in the system declined.

Prices

The consumer price index increased by 0.5 per cent during the period January to September 2016, in contrast to a decline of the same magnitude during the corresponding period of 2015. The increase in prices was attributed to upward movements in the sub-indices for communication (12.1 per cent); clothing and footwear (5.9 per cent); household furnishings, supplies and maintenance (4.4 per cent); alcoholic beverages, tobacco and narcotics (1.0 per cent); and food and non-alcoholic beverages (0.4 per cent). The higher communication sub-index was due in part to an increase in the communication tax from 10.0 per cent to 15.0 per cent in the second quarter. The index also rose by a further0.45 per cent in the third quarter, owing to a larger number of phone devices as well as higher calling rates. Likewise, clothing and footwear prices were driven up by a 5.4 per cent increase in the price of men's and women's garments in the first quarter, followed by a 0.3 per cent increase in footwear in the second quarter. Higher prices for furniture and furnishings in the first quarter drove the increase in the household furnishings supplies and maintenance sub-index.

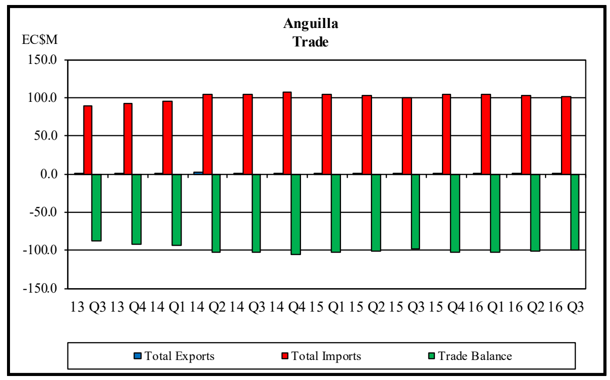


The overall increase in prices was tempered by declines in the sub-indices for transport (5.6 per cent); recreation and culture (3.1 per cent); Housing, utilities, gas and fuels (1.7 per cent); hotels and restaurants (1.1 per cent); and health (0.1 per cent). Lower transport prices were influenced by first-quarter declines in airfares to the United States of America, Dominican Republic and the US Virgin Islands, coupled with a 7.6 per cent decline in fuels and lubricants, and a 13.8 per cent reduction in airfares in the third quarter. The downward movement in the recreation and culture sub-index was driven by lower television and radio prices as well as reduced costs associated with pets and related products and veterinary services. Lower electricity and petroleum prices were the primary drivers behind the reduction in the housing, utilities, gas and fuels sub-index.



Trade and Payments

Anguilla is estimated to have generated a merchandise trade deficit of $305.1m over the first nine months of 2016, marginally larger than the $303.6m recorded during the comparable period of 2015. Total export receipts increased by $0.4m to $3.5m, but import payments rose by $1.8m to $308.5m. Gross travel receipts are estimated to have increased by 2.2 per cent ($5.8m) to $271.5m over the review period, largely on account of the increase in stay-over arrivals as well as higher average daily expenditures. However, growth in travel receipts was mitigated by the decline in the number of excursionists. Commercial banks' transactions resulted in a net outflow of $83.3m in short term capital during the review period compared with an outflow of $51.0m during the corresponding period of 2015. The government of Anguilla received external disbursements totalling $0.1m over the review period while its external principal payments amounted to $10.0m.

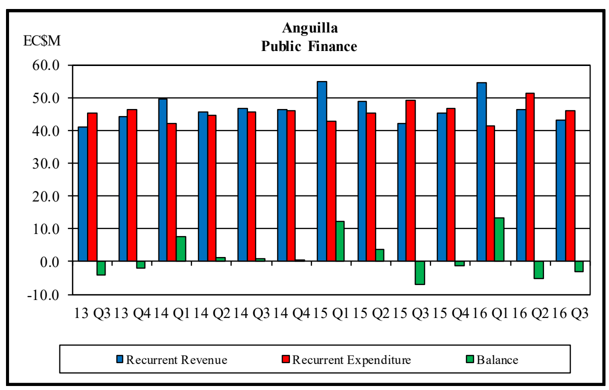


Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall surplus of $2.1m for the period January to September 2016, compared with one of $7.1m in the corresponding period of 2015. The smaller overall surplus was primarily attributable to lower tax revenues coupled with larger current expenditures, resulting in a $3.9m decline in the current account surplus to $5.0m compared with a surplus of $8.9m over the first nine months of 2015. A primary surplus (after grants) of $10.9m was recorded, compared with one of $13.5m realised over the corresponding period of 2015.

Current revenue fell by 1.4 per cent ($2.1m) to $143.7m, attributable to a lower intake from taxes on domestic goods and services and on property. The tax yield on domestic goods and services fell by 4.5 per cent ($2.2m) to $47.9m, largely owing to reduced flows for stamp duties ($4.0m) and the bank deposit levy ($3.4m). The decline in yields from domestic goods and services was moderated by increased inflows of $3.8m and $1.0m from licenses and the tourism marketing levy, respectively. With respect to property taxes, receipts fell by 25.0 per cent ($1.0m) to $2.9m, largely due to delays in the implementation of the proposed property tax reform which occurred during the third quarter of 2016. In addition, the intake from taxes on international trade and transactions fell by 1.1 per cent ($0.7m) led by a contraction of 2.8 per cent in customs surcharge receipts. By contrast, non-tax revenue receipts rose by 4.8 per cent ($1.0m) to $21.0m in the first three quarters of 2016.

Current expenditure grew by 1.3 per cent ($1.8m) to $138.7m, largely influenced by increases in interest payments and outlays on personal emoluments. Interest payments rose by 36.3 per cent ($2.3m), largely influenced by a $3.4m increase in domestic payments which more than offset a $1.1m decline in external payments. The increase in interest payments is attributable to the absorption of debt obligations associated with the stabilisation of the domestic banking system. Likewise, spending on personal emoluments rose by 2.8 per cent on account of a 70.8 per cent ($2.3m) increase in wages and salaries, owing to a rise in deferred salary payments to retirees and persons resigning from the public service, as well as refunds for persons claiming for medical expenses.



Capital expenditure fell by 26.1 per cent ($1.2m) to $3.4m over the review period relative to the 2.7 per cent increase recorded over the corresponding period in 2015. The contraction in capital outlays was primarily attributable to the $2.6m decline in grant flows as well as the fiscal constraints placed on the Anguillan government.

Public Sector Debt

Total disbursed outstanding public sector debt was estimated at $423.5m as at end September 2016 compared with $212.7m as at end December 2015. Central government debt accounted for most of the increase and rose by $209.2m as government absorbed the contingent liabilities associated with the recapitalisation of the domestic banks in Anguilla. The debt of the statutory bodies grew by $1.6m to $12.8m over the review period. Central government debt accounted for the larger portion of total debt (97.0 per cent) while statutory bodies took up the remaining 3.0 per cent as at end September 2016.

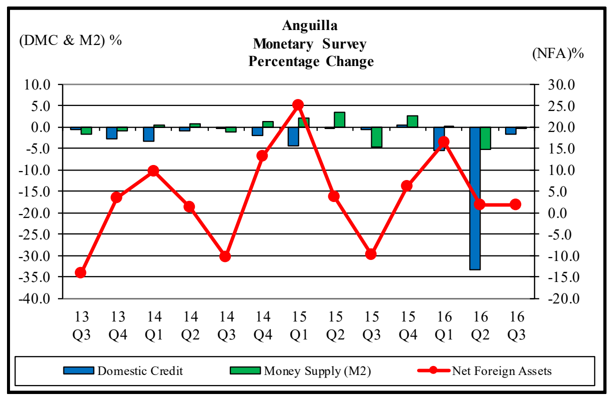
Money and Credit

Monetary liabilities (M2) declined by 5.2 per cent to $1,017.7m during the first three quarters of the year, in contrast to an increase of 0.8 per cent during the corresponding period of 2015. The fall in M2 was mainly influenced by a 4.9 per cent ($49.1m) decline in quasi money to $954.7m, on account of a reduction in foreign currency deposits ($32.7m) and private sector time deposits ($21.3m). A contraction was also recorded for the other main component of M2, narrow money (M1), which fell by 10.1 per cent ($7.1m) to $63.1m compared with a marginal decline of 0.7 per cent during the comparable period of 2015. The decline in M1 was mainly attributable to a fall in private sector demand deposits ($10.0m).

Domestic credit contracted by 38.0 per cent ($354.8m) to $579.3m, compared with a decline of 5.5 per cent during the comparable period of 2015. This development was largely attributable to a reduction in outstanding credit to the private sector, combined with decreases in the net deposit positions of the non-financial public enterprises and the central government. Private sector credit declined by 47.0 per cent ($575.0m) to $648.1m during the review period largely due to contractions of 58.2 per cent ($398.0m) in credit extended to businesses and 31.6 per cent ($163.2m) in credit to households. The sharp reduction in private sector credit is attributed to the transfer of impaired assets within the domestic banking sector to a receiver as part of the bank resolution strategy.

The net deposit position of the central government fell by 53.9 per cent ($35.0m) at the end of September 2016, primarily on account of a $25.8m decline in central government deposits held at commercial banks coupled with a $9.3m increase in advances to the government. In the rest of the public sector, the net deposit position of non-financial public enterprises decreased by 82.7 per cent ($185.2m), largely reflecting a reduction in their deposits at commercial banks. The reduction in the net deposit position of non-financial public enterprises was associated with the transfer of large deposits above a threshold of $2.8m into a Deposit Protection Trust as part of the domestic banking resolution strategy. The repayment of the large deposits was secured through the issuance of government bonds with maturities of 10 and 25 years.

An analysis of the distribution of credit by economic sector revealed that the tourism industry continued to be the most affected by the overall reduction in credit by commercial banks. Accordingly, credit to that sector contracted by 73.0 per cent ($161.4m) over the review period compared with a decline of 0.4 per cent ($0.8m) in the corresponding period in 2015. Among the other sectors which experienced marked declines in credit were construction and land development (67.4 per cent); distributive trade (47.5 per cent); and personal loans (30.7 per cent) - particularly for home construction and renovation.



The net foreign assets of the banking system grew by 20.5 per cent ($66.9m) to $392.6m during the first nine months of 2016, compared with growth of 16.6 per cent ($43.8m) during the corresponding period in 2015. The increase was primarily attributed to a 42.6 per cent rise to $279.0m in commercial banks' net foreign assets position. Anguilla's imputed share of the ECCB reserves fell by 12.6 per cent to $113.6m.

Liquidity in the commercial banking system rose during the review period. The ratio of liquid assets to total deposits plus liquid liabilities increased by 11.4 percentage points to 42.3 per cent, well above the minimum prudential mark of 25.0 per cent. Likewise, the loans and advances to deposits ratio fell by 27.7 percentage points to 54.7 per cent, also well below the prudential limit of 85.0 per cent.

Despite the reduction in the minimum savings deposit rate (MSR) from 3.0 per cent to 2.0 per cent which took effect on 1 May 2015, the weighted average interest rate spread between deposits and loans grew by 112 basis points to 7.55 per cent, compared with that of December 2015. Most of the increase in the spread was attributable to an 89 basis point rise in the weighted average lending rate to 9.96 per cent, while the weighted average deposit rate fell by 23 basis points to 2.42 per cent.

Prospects

The Anguillan economy is poised to expand in 2016 on the basis of improved tourism activity and a firming in the growth trajectory of its key trading partners, in particular the United States of America. Based on the International Monetary Fund's (IMF) October World Economic Outlook, 2016 global growth is projected at 3.1 per cent, down 0.1 of a percentage point relative to the April WEO forecast, owing to lingering uncertainty concerning the impact of Brexit on the global economy. However, the US economy is beginning to gather pace following a lacklustre first half of 2016, expanding by 2.9 per cent in the third quarter, the fastest rate in the past two years, according to the advance estimate of the Bureau of Economic Analysis. The implications, therefore, are that the expansion seen in visitor arrivals to Anguilla from its most important source market over the first nine months of 2016 is likely to accelerate.

Tourism continues to be the bedrock of the Anguillan economy and with the addition of properties like the Zemi Beach House, Fountain Shoal Bay, Solaire Hotel and Villa project, Reef by CuisinArt and the Manoah Boutique Hotel, the profile and reach of the Anguillan market is expected to receive a further boost. Another critical development for the Anguillan economy is the lifting of the restrictions on the Clayton J Lloyd

International Airport, which were prompted by major deficiencies identified in the management and operation of the security and safety systems at the facility. The restrictions were instituted on 21 August 2016 and lifted on 1 November 2016. In addition, the expanded service offerings by Seaborne, with flights operating five days per week, up from three days, out of Puerto Rico to Anguilla, effective 10 November, 2016, are projected to greatly increase visitor traffic and facilitate access to the island. Access will be further improved as Seaborne has also established a new code share agreement with Delta Air Lines, which allows for a seamless connection via San Juan to Anguilla. These developments are extremely important to the Anguillan economy, especially in light of the loss of the LIAT service to the island as of 10 November 2016.

The fiscal operations of the central government are expected to result in an overall surplus in 2016, although the magnitude of the surplus will greatly depend on the buoyancy of tax receipts, especially in the fourth quarter. Increases in tax revenues will largely depend on the visitor traffic to Anguilla as well as the flows from property taxes associated with the implementation of property tax reform in the third quarter of 2016. Current expenditure is likely to increase in line with greater domestic interest payments associated with larger domestic debt incurred as a result of the resolution of the banking sector. However capital expenditure may be constrained due to the reduction in grant flows and the lack of fiscal space on the part of the government.

Despite the relatively benign outlook, important risks persist. Chief among these is the potential fallout from the Brexit vote, although the ramifications are not likely to be felt in the short term. Another key downside risk relates to the uncertainty surrounding the policies of the Trump presidency and the likely impact on trade and financial flows from the USA to the Caribbean. Further, unforeseen costs related to the resolution of the banking sector could potentially pose fiscal risks and unsettle depositor confidence. On the upside, the acceleration of growth in the United States of America in the second half of 2016 is likely to provide a boost for Anguilla’s tourism industry and broader economy through trade and financial linkages. In addition, oil prices are projected to remain relatively low over the short term, given an oversupplied global market coupled with less-than-robust growth forecasts. Consequently, consumers' disposable incomes are likely to be further supported and thereby sustain growth in consumption expenditure.

A N T I G U A   A N D   B A R B U D A

Overview

Real GDP is estimated to have increased in Antigua and Barbuda in the first nine months of 2016. The expansion in economic activity was led by the tourism industry and the construction sector with positive spill-overs into other service sectors. The Consumer Price Index declined by 1.3 per cent, on an end of period basis. **The fiscal operations of the central government resulted in a widening of the overall fiscal deficit, largely on account an appreciable increase in capital expenditure.** The public sector debt level increased at the end of September 2016 when compared with the amount at the end of December 2015. In the banking system, monetary liabilities and domestic credit increased while net foreign assets fell. Commercial bank liquidity tightened slightly and the weighted average interest rate spread between loans and deposits widened during the period under review.

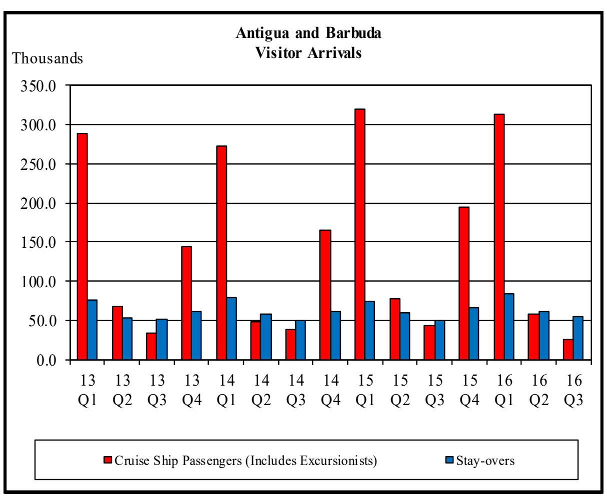
Economic activity in the rest of the year is expected to be fairly buoyant, notwithstanding some global and domestic vulnerabilities. On a global level, economic growth has been revised downwards but is still positive, although risks from the exit of the United Kingdom from the European Union (Brexit) and the slowdown in China persists. Growth in the Antiguan and Barbudian economy will continue to be led by developments in tourism and construction, as well as other sectors with strong linkages. At the end of the fiscal year, the central government is expected to record a smaller overall fiscal surplus on account of increasing expenditure. **Meantime, the country remains vulnerable to: adverse weather conditions such as excessive rainfall which may trigger floods and the proliferation of the Zika Virus; external shocks such as Brexit which will continue to affect demand for leisure travel from the United Kingdom; and the likelihood of fiscal tightening on account of lower than budgeted inflows from the CIP and high debt service payments.** On the upside, continued improvements in fiscal planning and debt management could contain fiscal risks. Furthermore, subdued global oil prices will continue to positively affect tourism demand and government revenue which could allow for some flexibility.

Output

Preliminary economic indicators for the first nine months of 2016 point to an expansion in economic activity driven by developments in the tourism industry and the construction sector. Value added in the tourism industry is estimated to have increased in the first nine months of 2016, influenced by a stable global economy; increased airlift and greater marketing of the destination. Stay-over arrivals rose by 9.0 per cent to 200,185 in contrast to a decline of 2.4 per cent in the comparable period of 2015. Visitor arrivals from the largest source market, the USA, rose by 18.7 per cent, reversing the contraction of 3.3 per cent recorded in the first nine months of 2015. This improvement was largely the result of additional airlift from JetBlue Airways. The European market, which is the second largest source market, recorded growth of 1.8 per cent largely driven by a 23.1 per cent increase in visitor arrivals from Italy following the commencement of a non-stop charter Alitalia service. The number of stay-over visitors from the UK, which accounted for 83.0 per cent of the European market, grew by 0.9 per cent, a significant slowdown from the rate of growth of 7.1 per cent recorded in the comparable period in 2015. The softening of the UK market can be mainly attributed to a depreciation of the British Pound, one of the effects of Brexit. In contrast, declines in stay over arrivals were recorded for France (18.4 per cent), Germany (13.5 per cent) and Switzerland (0.1 per cent). Stay-over visitors from the Caribbean showed a marked improvement, increasing by 15.3 per cent, in contrast to a decline of 3.6 per cent in the comparable period of 2015, attributable to additional air service to Antigua and Barbuda. Furthermore, there was a sizeable increase in stay over visitors from the South American market of 12.6 per cent - one of the smallest markets. Meanwhile, stay-over arrivals from Canada contracted at a lower rate of 9.1 per cent, compared with one of 18.1 per cent recorded in the comparable period of 2015.

Cruise tourism which is a significant component of the industry underperformed in the first nine months of the year. The number of cruise ship passengers fell by 9.9

per cent to 397,650 in contrast to growth of 22.4 per cent in the corresponding period of 2015. The decline in the number of cruise ship visitors reflected a reduction in the number of cruise ship calls which fell to 201 from 230, especially due to the loss of Carnival Cruise Lines during the summer months. Notwithstanding the increase in yacht calls due to the hosting of a number of races including the RORC 600 Yachting Race and Talisker Whisky Atlantic Rowing Challenge, the number of yacht passengers declined by 1.0 per cent to 14,191 in contrast to an increase of 8.4 per cent recorded in the first nine months of 2015. Those mixed developments in the various visitor segments, contributed to an overall 4.3 per cent decline in the total number of visitors to 612,026, in contrast to growth of 13.8 per cent at the end of September 2015.



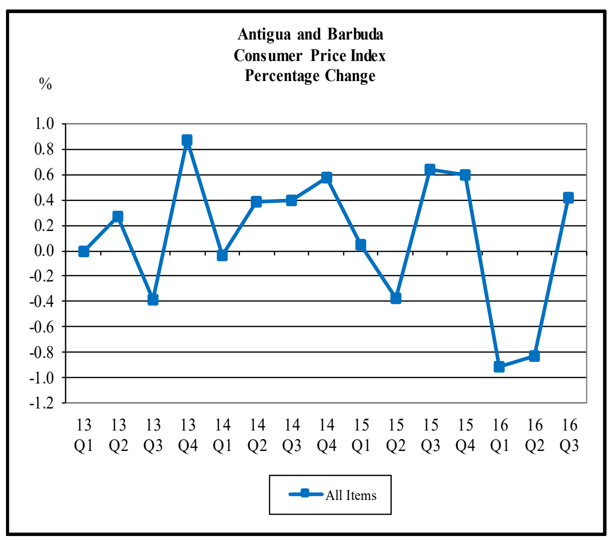
Activity in the construction sector is estimated to have increased in the first three quarters of 2016 relative to the corresponding period in 2015. This was evidenced by a 7.5 per cent increase in the total importation of construction materials, a major indicator of construction activity. Furthermore, the volume of cement imports is estimated to have grown by 14.8 per cent, a reversal of the contraction of 7.3 per cent recorded in the comparable period in 2015. In the public sector, construction activity is estimated to have strengthened, marked by an increase in capital expenditure which more than tripled following marginal growth in the comparable period of 2015. Public sector projects undertaken during the period of review included the Government Affordable Housing Development, repairs to government buildings, upgrades to five (5) secondary schools and dredging of the Heritage Pier Harbour. In the private sector construction works progressed on several hotel projects and CIP funded developments.

Influenced by developments in the tourism industry and the construction sector, value added in the wholesale and retail trade sector is estimated to have increased evidenced by growth in import cargo. Non-oil import cargo rose by 12.5 per cent in the first nine months of 2016, a much faster pace than the rate of 4.7 per cent recorded in the corresponding period of 2015.

Output in the transport, storage and communications sector is also estimated to have risen buoyed by activity in the tourism industry. Similarly, value added in the real estate, renting and business activities sector is estimated to have increased due to higher demand for real estate activities, rental of machinery and equipment and computer and related services. Activity in the public administration and defence; compulsory social security sector is estimated to have risen fuelled by increased spending on personal emoluments.

Prices

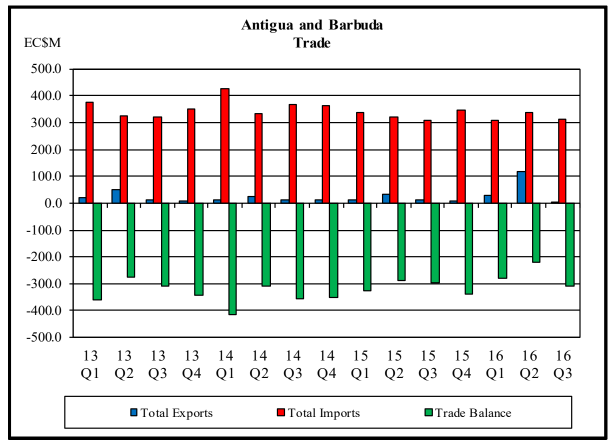
The consumer price index (CPI) fell by 1.3 per cent in the first nine months of 2016 in contrast to an increase of 0.3 per cent during the corresponding period of 2015. The decline in consumer prices mainly reflected decreases in the largest sub-indices of housing, food, and transport and communications. The housing sub-index fell by 4.1 per cent mainly on account of a reduction in portable water deliveries to households. The food sub-index contracted by 2.4 per cent largely on account of lower prices for the sub-groups of vegetables, meats (beef, preserved meats and poultry) and sugar. Reduced costs associated with repairs and maintenance of personal transportation contributed to 0.3 per cent decline in the transport and communications sub-index. Other notable decreases were reported in the sub-indices of medical care and expenses (5.9 per cent); alcoholic beverages and tobacco (3.9 per cent) and education (2.4 per cent). Offsetting those declines were increases in the sub-indices of clothing and footwear (0.8 per cent), personal services (2.8 per cent) and household furnishings and supplies (0.2 per cent).



Trade and Payments

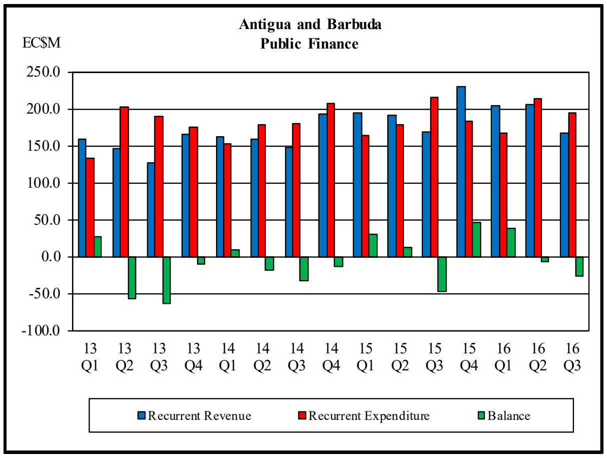
Preliminary trade statistics for the first three quarters of 2016 indicated that the trade deficit narrowed by 11.5 per cent to $805.3m, largely due to an increase in the re-exports of machinery and transport equipment. This was also supported by a small reduction in import payments. Export value rose by $94.6m to $155.8m primarily on account of the reshipment of machinery and transport, namely sailboats associated with yachting activities. Import payments fell by 1.1 per cent to $961.1m mainly influenced by lower value of mineral fuels and related materials consistent with lower global oil prices. The narrowing of the trade deficit was consistent with the decline in the volume of trade in goods as both the volume of imports and exports fell by 19.5 per cent (133,110 tonnes) and 63.1 per cent (187,471 tonnes) respectively.

Reflecting the upsurge in the number of overnight visitors, gross travel receipts are estimated to have increased by 7.8 cent to $682.9m. Commercial banks' transactions resulted in a net inflow of $245.2m in short-term capital in contrast to a net outflow of $87.9m during the first three quarters of 2015. External loan disbursements to the central government fell by 5.6 per cent to $41.0m at the end of September 2016 while external principal payments rose by 21.8 per cent to $76.0m. These transactions contributed to a net amortization position of $34.9m, relative to one of $18.9m in the comparable period of 2015.



Central Government Fiscal Operations

Preliminary fiscal data indicate that the fiscal position of the central government deteriorated during the period of review. The overall deficit widened to $38.8m from $24.2m at the end of September 2015, largely driven by a significant increase in capital expenditure. Consequently, the primary surplus narrowed to $37.3m from $51.2m. The overall deficit was financed by a drawdown of deposits in the banking system, the issuance of debt on the Regional Government Securities Market (RGSM) and an accumulation of arrears.



Developments on the current account were favourable during the period under review. The current account balance shifted to a surplus of $4.6m from a deficit of $4.4m in the corresponding period of 2015 as current revenue growth far exceeded that of current expenditure. Current revenue increased by 4.4 per cent to $578.1m fuelled by greater tax revenue. Tax revenue, which amounted to 85.3 per cent of current revenue, rose by 7.2 per cent to $493.1m largely on account of tax receipts on domestic goods and services and international trade and transactions. Receipts from taxes on domestic goods and services rose at a rate of 13.0 per cent to $231.1m reflecting increases in stamp duties and the Antigua and Barbuda Sales Tax (ABST). Revenue from the ABST rose by 10.4 per cent to $193.2m consistent with the growth in economic activity. Stamp duty, which is another significant component of taxes on domestic goods and services, rose by 36.5 per cent ($8.6m). Tax collections on international trade and transactions rose by 8.5 per cent to $185.1m largely on account of greater inflows on the consumption tax due to the limited pass through of the reduction in global oil prices and greater import duty collections associated with an increase in imports of general cargo. In contrast, receipts from property taxes fell by 2.6 per cent ($0.4m). Revenue from taxes on income and profits fell by 10.9 per cent ($7.4m) primarily on account of the removal of the personal income tax (PIT) from 01 July 2016. Non-tax revenue contracted by 9.5 per cent to $85.0m primarily on account of lower inflows from the Citizenship by Investment Programme (CIP).

Current expenditure increased by 2.7 per cent to $573.5m, largely due to higher outlays on personal emoluments and goods and services. Personal emoluments which accounted for 42.1 per cent of current expenditure grew by 6.2 per cent ($14.0m) resulting from the payment of outstanding overtime and risk allowance; and salary upgrades for some teachers. Expenditure on goods and services rose by 21.7 per cent ($16.2m) partly due to the settling of outstanding payments for security services, consulting services and service contracts for repairs to the cricket stadium and upgrades to roads. There was a marginal increase of 1.0 per cent ($0.8m) in interest payments on account of an increase in domestic debt service. The allocation towards transfers and subsidies declined by 8.7 per cent ($15.6m) largely due to a reduction in grants and contributions to statutory bodies and corporations.

On the capital account, capital revenue amounted to $42.3m at the end of September 2016, compared with $1.2m in the corresponding period of 2015. This stark increase resulted from forfeited proceeds. Consequently, capital expenditure rose to $85.7m from $24.4m at the end of September 2015, reflecting capital works including enhancements to the St John's Prison and other repairs to government buildings; construction of homes under the Government Affordable Homes Programme; and the purchase of vehicles and equipment.

Public Sector Debt

The total disbursed outstanding debt of the public sector increased to $3,123.4m at the end of September 2016, from $3,088.5m at the end of December 2015. The expansion in the debt stock was largely attributable to an increase in domestic debt as external debt fell. Total domestic debt which accounted for 50.7 per cent of total debt rose by 4.2 per cent to $1,582.6m mainly due the issuance of a private bond in support of the resolution of ABI Bank in April 2016. Meanwhile, the external debt stock fell by 1.8 per cent to $1,540.8m mainly due to scheduled amortization payments. On further disaggregation, the total debt stock of central government rose by 1.8 per cent to $2,623.9m while that of public corporations fell by 2.4 per cent to $499.5m.

Money and Credit

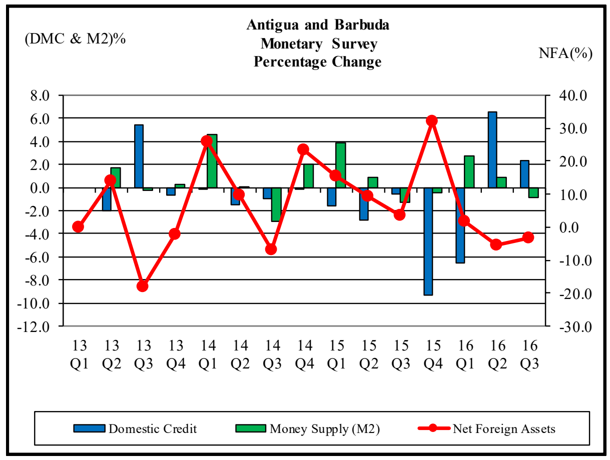
In the banking sector, monetary liabilities (M2) increased by 2.6 per cent to $3,182.1m during the first nine months of 2016, compared with a rate of growth of 3.5 per cent during the corresponding period of 2015. The expansion in M2 was attributable to increases in both the narrow money supply (M1) and quasi money. Quasi money, the largest component of M2, grew by 0.6 per cent to $2,421.8m, reflecting a 5.5 per cent increase in private sector savings deposits. Meanwhile, private sector time deposits and foreign currency deposits contracted by 5.0 per cent and 7.3 per cent, respectively. M1 rose by 9.5 per cent to $760.3m marked by a 11.7 per cent expansion in private sector demand deposits while currency with the public contracted by 2.0 per cent.

The stock of domestic credit rose by 2.0 per cent to $2,295.5m, reversing the contraction of 5.0 per cent recorded during the first nine months of 2015. Credit to the private sector, which constituted the bulk of credit to the economy, recorded growth of 0.9 per cent to $1,926.8m. Increases were noted in credit extended to households (0.6 per cent), businesses (0.7 per cent) and non-bank financial public enterprises (43.7 per cent). Net credit to the government rose by 7.6 per cent to $360.9m largely due to a significant drawdown of deposits at commercial banks ($30.4m) and the Eastern Caribbean Central Bank ($54.3m). These deposits were primarily used for debt servicing and investments. In the rest of the public sector, the net credit position of non-financial public enterprises rose by $1.5m to $7.8m on account of a 17.3 per cent increase in credit, tempered by a 17.1 per cent expansion in deposits.

The outstanding stock of credit extended to the various sectors of the economy fell by 0.1 per cent to $2,452.8m, a much slower rate of decline compared to one of 4.0 per cent recorded during the corresponding period of 2015. Declines were recorded in major economic sectors including; construction (12.0 per cent); professional and other services (11.7 per cent); transportation and storage (11.0 per cent); public administration (7.5 per cent); and distributive trades (1.1 per cent). Outstanding credit for personal use, which amounted to 48.8 per cent of total credit, rose by 0.9 per cent on account of increases in loans outstanding for house and land purchase (4.8 per cent), and other personal uses (3.1 per cent). Credit outstanding for tourism purposes showed a significant increase of 50.4 per cent ($54.0m) related to two tourism projects. Similarly, outstanding credit for utilities, electricity and water rose by 11.9 per cent.

The net foreign assets of the banking system fell by 7.1 per cent to $1,415.9m during the first nine of 2016, in contrast to a 30.8 per cent expansion during the corresponding period of 2015. This decline was on account of a contraction in commercial banks net foreign assets. Commercial banks net foreign assets contracted by 43.5 per cent ($245.2m) to $319.0m at the end of September 2016, relative to the amount recorded at the end of December 2015 largely on account of a 64.6 per cent ($113.3m) drop in external assets outside the Currency Union. In addition, commercial banks net assets with institutions within the Currency Union fell by 15.9 per cent to $205.7m mainly on account of a lower asset position. In contrast, Antigua and Barbuda's imputed share of the reserves at the Central Bank rose by 14.3 per cent to $1,096.9m mirroring an increase in commercial banks deposits and bankers' reserves.

Commercial banks liquidity in Antigua and Barbuda tightened slightly but remained elevated. The ratio of liquid assets to total deposits plus liquid liabilities fell by 6 basis points to 62.25 per cent, above the ECCB prudential limit of 20.0 - 25.0 per cent. The loans and advances to total deposits ratio rose to 70.63 per cent at the end of September 2016 from 68.65 per cent at the end of December 2015, still below the ECCB's benchmark of 75.0 - 85.0 per cent.



The interest rate spread between loans and deposits widened to 7.32 percentage points at the end of September 2016 from 7.27 percentage points at the end of December 2015. The slight increase in the interest rate spread was largely attributable to a contraction in average deposits rates which surpassed the decline in average lending rates. The weighted average deposit rate fell by 19 basis points to 1.85 per cent principally due to a reduction in interest rates on time deposits. The weighted average lending rate fell by 14 basis points to 9.16 per cent associated with a decrease in the lending rates on loans issued in national currency.

Prospects

Economic activity in Antigua and Barbuda is expected to expand in 2016 based on the economic indicators analysed to date and the forecast for stable, though uneven, global growth. The IMF in October 2016 revised economic growth downwards by 10 basis points to 3.1 per cent citing a slowdown caused by Brexit and developments in China. In addition, uncertainty in the United States of America about the policy direction of the incoming administration, especially related to trade, may pose some risks to the global economy. Nevertheless, the global economy is expected to record positive growth which has good implications for the economy of Antigua and Barbuda. Growth in the domestic economy will be buoyed largely by activity in the tourism industry along with an uptick in construction activity. The stay-over sub-category of visitor arrivals is expected to remain robust as extensive marketing initiatives continue, along with increased airlift. However, it is likely that given the depreciation of the British Pound that demand for leisure travel from the UK market might soften even further. Cruise tourism is also forecasted to perform well in the last quarter of the year as more cruise ship calls are expected, including the inaugural call of the largest cruise ship in the world. Construction activity in both the public and private sector is expected to strengthen as work continues on a number of projects. Consequently, value added in the supportive sectors of wholesale and retail trade; and transport, storage and communications is projected to expand. Notwithstanding, the likely expansion in economic activity, inflationary pressures will remain subdued as global oil price movements are contained.

A smaller overall surplus is projected at the end of the fiscal year 2016 largely on account of the receipt of US$67.0m in forfeiture funds coupled with increased tax revenue. Tax revenue is projected to surpass the amount collected in 2015 despite the removal of the PIT on 1st July 2016. Tax revenue will be buoyed by receipts from stamp duties, the ABST and taxes on international trade and transactions. Meanwhile, the introduction of the unincorporated business tax (UBT) will likely offset about 11.0 per cent of the PIT. Non-tax revenue is expected to be below the amount collected in 2015, due to a slowdown in inflows from the CIP attributed to increased regional and global competition and an even more stringent 'due diligence' process. Meanwhile, efforts to improve tax administration and compliance; and contain tax concessions are on-going and will likely contribute to greater tax collections. On the expenditure side, increases are expected to be reported for personal emoluments; goods and services; and transfers and subsidies. Financed partly by forfeiture funds, capital expenditure is projected to more than double in 2016.

In the external sector, the merchandise trade deficit is projected to narrow largely due to a reduction in import payments consistent with low international oil prices. Gross travel receipts are forecasted to grow in line with the expected increase in the number of stay-over visitors and some improvement in the cruise sector in the last quarter of the year. On the capital and financial account, lower inflows for equity investment in the CIP and some uncertainty regarding tourism related foreign direct investment are likely to shrink the surplus.

The forecast for positive growth in 2016 could be adversely affected by a number of risks. Slower than anticipated global growth, either due to the effects of Brexit, geopolitical tensions, and uncertainty about the policy direction of the incoming US President could negatively influence growth in Antigua and Barbuda. Furthermore, the country is faced with a number of challenges including a double digit unemployment rate, decline in the performance of the CIP with downside revenue implications, high debt servicing and vulnerability to unfavourable weather conditions. Although, the Zika Virus is no longer a medical emergency according to the World Health Organisation, the demand for weddings and honeymoon could continue to be negatively impacted. Some of these risks could be mitigated by effective planning and policy making that could address these vulnerabilities and challenges head on. Furthermore, the authorities would also need to fully recover the revenue loss from the removal of the PIT. On the upside, there are many opportunities for growth in the agricultural sector and the tourism industry if the projects that are in the pipelines come on stream. Investments in physical infrastructure and telecommunications and human resources are encouraged to support the private sector and the business environment.

D O M I N I C A

Overview

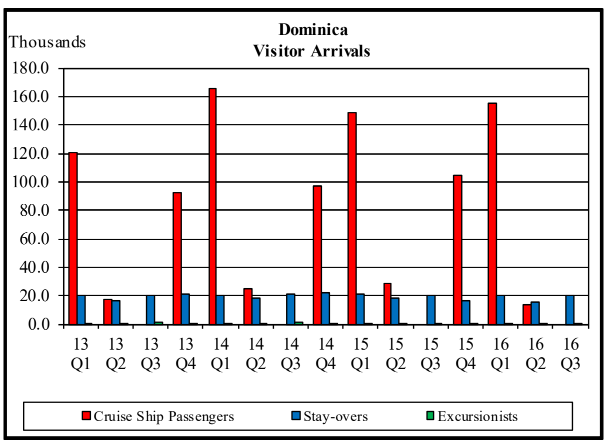
Preliminary estimates suggest that the pace of economic activity in Dominica in the first nine months of 2016 has improved, relative to the performance in the corresponding period of 2015. This assessment is based on increased activity in the construction sector, notwithstanding subdued performances in the tourism, manufacturing and agricultural sectors. The consumer price index rose by 0.8 per cent on an end of period basis. In the external sector, the merchandise trade deficit is estimated to have widened, as a result of a decline in export receipts. **The central government's fiscal operations resulted in an overall surplus, in contrast to the deficit recorded in the comparable period of the previous year.** During the period under review, the total disbursed outstanding debt declined, driven by a reduction in borrowing by both the central government and public corporations. Monetary liabilities and net foreign assets in the banking system expanded while a decrease in domestic credit was observed. Commercial bank liquidity continued to improve, while the weighted average interest rate spread widened marginally during the review period.

Economic activity is expected to accelerate in the remainder of 2016, based on increased activity in the construction sector and a modest improvement in the tourism industry. The overall fiscal balance is anticipated to remain positive in the remainder of 2016, mainly owing to the sustained flow of funds from the Citizenship by Investment programme. Downside risks to this outlook include the receipt of fewer grants than expected, further exposure to plant diseases, de-risking and adverse weather. Upside risks include a further acceleration of Citizenship by Investment Programme inflows and persistently low oil prices.

Output

Construction activity gained momentum in the first three quarters of 2016, mainly influenced by an estimated expansion in public sector construction activity. Capital spending in the public sector increased by \$61.9m to \$121.9m, largely reflecting a pickup in reconstruction and rehabilitation associated with the passage of tropical storm Erika in August 2015. In the private sector, construction activity is estimated to have expanded, influenced by an increase of 42.1 per cent to 54.0 in the number of residential starts and by the ongoing construction of the Range Developments' Cabrits Resort Kempinski project.

Value added for the transport, storage and communications sector was estimated to have improved, attributed to the increased activity in the construction sector.



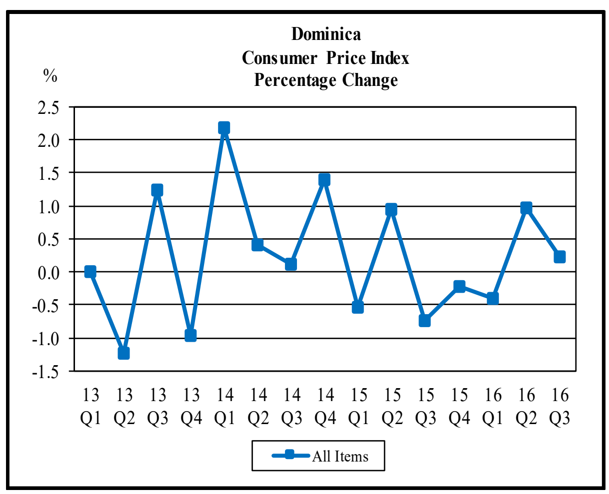
In the tourism industry, overall visitor arrivals are estimated to have declined by 5.2 per cent to 236,108 in the first three quarters of 2016 compared with a 4.6 per cent decrease in the corresponding period of 2015. The contraction in arrivals was mainly influenced by a 4.8 per cent fall in the number of cruise ship passengers to 169,054, consistent with a 19.2 per cent fall in cruise ship calls to 105. The decrease in overall arrivals was reinforced by a 6.0 per cent reduction in the number of stay over visitors to 56,005, largely attributable to a fall in visitors from major source markets. More specifically, the number of stay over visitors from the Caribbean, the largest source market, fell by 12.7 per cent to 26,286. Declines were also recorded for the UK (6.1 per cent) and Canada (5.1 per cent). This outturn was largely a consequence of reduced airlift by the island's largest regional air carrier which enables connections for international flights. These decreases were however tempered by growth in the number of stay over visitors from the USA (5.1 per cent). Contractions were observed in the number of excursionists (43.3 per cent) and yacht passengers (4.0 per cent) visiting the island.

Overall output in the manufacturing sector remained flat in the first three quarters of 2016. There was no output of soap during the period under review, relative to production of 1,628 tonnes in the corresponding period of 2015. The production of soap ceased following the closure of Dominica Coconut Products in November 2015. This development was largely associated with damage to the manufacturing facility related to the passage of tropical storm Erika. The decline in soap production was however moderated by estimated increases in the production of beverages (5.0 per cent) and paints and varnishes (4.7 per cent).

In the agricultural sector, total output is estimated to have declined in the period under review. Total banana production amounted to 358 tonnes, 537 tonnes less than the output recorded in the first three quarters of 2015, reflecting limited access to farms and the destruction of some crops following the storm. Similarly, the production of non-banana crops is estimated to have declined relative to the output in the corresponding period of 2015, also impacted by the storm.

Prices

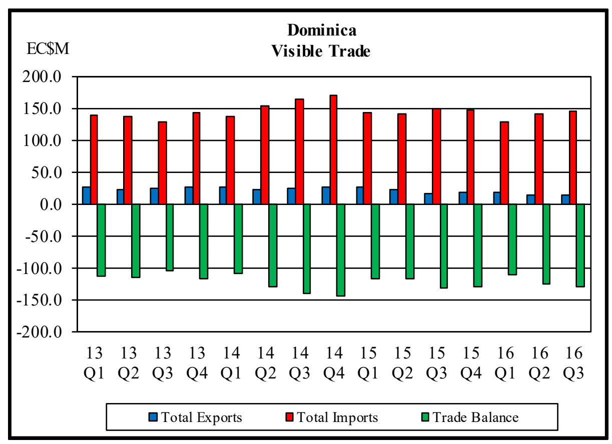
The consumer price index is provisionally estimated to have increased by 0.8 per cent during the first nine months of 2016, in contrast to a 0.3 per cent decrease in last year's corresponding period. The inflationary pressures were primarily associated with a 2.5 per cent expansion in the housing, utilities gas and fuels sub-index, which has the heaviest weighting. This uptick was driven by a rise in the price of electricity, gas and other fuels. The general rise in prices was also supported by increases in the sub-indices of hotels and restaurants (3.5 per cent), alcoholic beverages, tobacco and narcotics (2.8 per cent), recreation and culture (2.5 per cent), transport (0.3 per cent), miscellaneous goods and services (0.3 per cent) and household furnishings, supplies and maintenance (0.2 per cent). These upturns were tempered by declines in the prices of food and non-alcoholic beverages (0.5 per cent) and clothing and footwear (0.1 per cent).



Trade and Payments

Preliminary estimates indicate that the trade deficit widened by 0.6 per cent to $368.7m during the first three quarters of 2016. This development was attributed to an estimated decline in export receipts which was partially offset by a fall in the value of imports. Export receipts fell by 28.2 per cent to $46.5m on account of a contraction in the value of domestic exports. No revenue was earned from the export of soap as a result of the halt in its production by Dominica Coconut Products, in contrast to receipts of $6.6m in the first nine months of 2015. The value of the export of bananas declined by 60.0 per cent ($0.6m), associated with disruptions in production following tropical storm Erika. An 18.8 per cent ($0.6m) reduction in the export value of paints and varnishes was also observed. The value of imports fell by 3.8 per cent to $415.2m, mainly associated with decreased outlays for animal and vegetable oils, fats and waxes; mineral fuels and related materials; chemicals and related products and; food and live animals.

Gross travel receipts are estimated to have decreased by 1.3 per cent to $257.2m. Commercial bank activities led to a net outflow of $97.2m relative to one of $12.7m in the first three quarter of 2015. In the public sector, external loan disbursements to the central government totalled $50.5m compared with $26.7m in the comparable period of the previous year. On the other hand, external principal repayments amounted to $26.0m, up from the $17.5m recorded at the end of September 2015. These transactions led to a net inflow of $24.4m compared to one of $9.2m in the corresponding period of 2015.

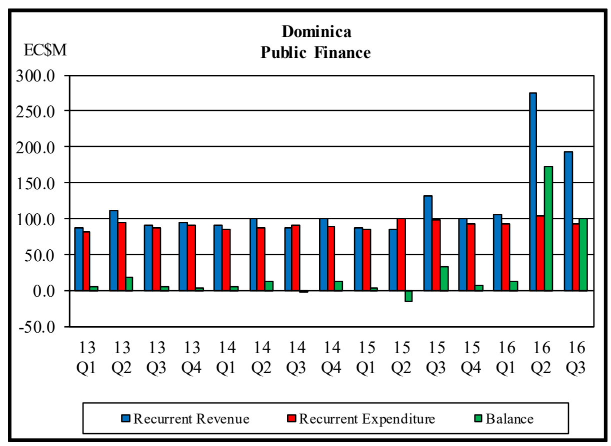


Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall surplus of $184.2m in the period under review, a notable improvement from the deficit of $21.0m recorded in first three quarters of

2015. A primary surplus of $205.5m was realised, in contrast to the deficit of $1.4m recorded in the corresponding period of 2015. This improvement in the overall balance was mainly influenced by positive developments on the current account.

The current account surplus widened to $285.0m from one of $20.8m in the corresponding period of the previous year, on account of growth in current revenue. Current revenue rose markedly, by 88.5 per cent to $573.4m. This expansion was mainly driven by an upsurge in non-tax revenue by $253.5m to $313.7m, largely reflecting an increased inflow of funds from the Citizenship by Investment Programme due to higher level of activity and a change in the accounting method. The uptick in current revenue was also attributed to an expansion in tax revenue by $15.8m to $259.7m as the authorities continued efforts to improve tax compliance. Growth was recorded for all categories of taxes with the exception of taxes on property, which yielded $5.4m in revenue, down by $0.9m from the corresponding period of 2015. Revenue from taxes on income and profits grew by $7.6m to $55.3m, driven by a rise in earnings from the corporation tax, which was partially offset by a slight decline in personal income tax receipts. Additionally, a $5.2m increase was observed in the yield from taxes on domestic goods and services, the government's largest source of tax revenue. This outturn was mainly attributable to improvements in collections from the excise tax ($4.9m) and the value added tax ($1.6m). A smaller enhancement was recorded in revenue collected from taxes on international trade and transactions ($3.9m), partially reflecting a higher intake from import duty and customs service charge.



Current expenditure rose by $5.1m to $288.5m in the first nine months of 2016. This development reflected increases in spending on all subcategories with the exception of personal emoluments, which fell by $11.3m relative to the amount in the corresponding period of 2015, when retroactive payments were granted to public officers. The largest increase in spending was observed for transfers and subsidies, which rose by $10.3m largely reflecting an increase in grants and contributions to local institutions. Outlays for goods and services also expanded, by $4.4m partly influenced by an upsurge in professional and consultancy fees, contractual employment and promotions. A smaller increase of $1.7m was recorded for interest payments, primarily the result of an expansion in domestic interest payments.

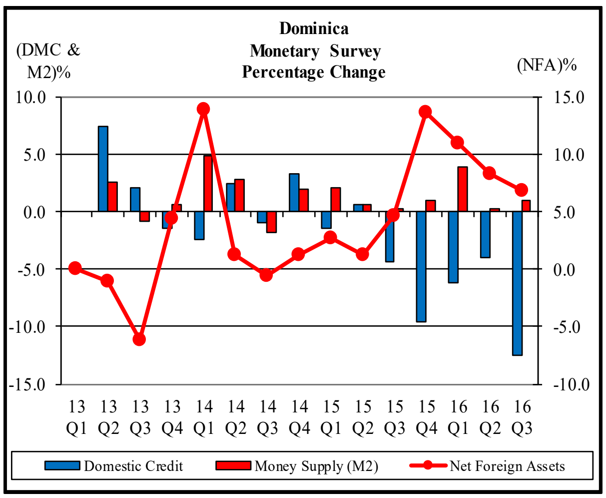
On the capital account, capital expenditure rose by $61.9m to $121.9m, mainly driven by payments for recovery and reconstruction activities. Capital grants amounted to $20.7m compared with $17.9m in the first nine months of 2015.

Public Sector Debt

The total disbursed outstanding debt of the public sector fell by 2.1 per cent to $1,096.6m at the end of September 2016. This outturn was as a consequence of a decrease in both central government debt, the larger component of public debt, and public corporations' debt. Outstanding central government debt declined by 2.0 per cent to $931.1 owing to a reduction in both its domestic (2.4 per cent) and external (1.9 per cent) obligations. The debt stock of public corporations went down by 2.5 per cent to $165.5m, associated with reductions in their external (3.0 per cent) and domestic (1.5 per cent) debt.

Money and Credit

Monetary liabilities (M2) expanded by 5.1 per cent to $1,364.6m during the first three quarters of 2016, compared with growth of 3.0 per cent during the corresponding period of 2015. Growth in M2 reflected increases in both quasi money and narrow money (M1). Quasi money, the larger component of M2, rose by 4.0 per cent, attributed to increases in private sector foreign currency deposits (43.4 per cent), private sector time deposits (7.7 per cent) and private sector savings deposits (1.7 per cent). An uptick of 9.5 per cent in narrow money (M1) reflected growth of 12.2 per cent in private sector demand deposits which was tempered by declines in EC$ Cheques and Drafts issued (37.4 per cent) and currency with the public (1.1 per cent). At the end of the review period, the net foreign assets position of the banking system stood at $968.2m, registering a 28.2 per cent increase. This outturn was mainly the result of a 34.1 per cent expansion in Dominica's imputed share of the Central Bank's reserves. The improvement in overall net foreign assets was also supported by an increase of 23.3 per cent in the net foreign assets position of commercial banks, associated with growth in their net assets position with institutions both within and outside of the other ECCU territories.



Meanwhile, domestic credit decreased by 21.2 per cent to $497.9m during the period under review. This outturn was mainly influenced by an expansion in the net deposit position of the central government to $201.2m from $51.6m at the end of December 2015. A little more than doubling of central government's deposits, outpaced an expansion of 17.1 per cent in its credit from the entire banking system. The contraction in domestic credit was also driven by a 26.1 per cent improvement in the net deposit position of non-financial public enterprises but was moderated by a 5.1 per cent increase in private sector credit, which constitutes the largest proportion of credit in the economy. This growth was associated with a little more than doubling in credit to non-bank financial institutions and a 5.3 per cent rise in credit extended to businesses. The expansion in private sector credit was however tempered by a decline in household credit (1.5 per cent).

An analysis of the distribution of commercial bank credit by economic activity revealed that total outstanding loans and advances rose by 5.2 per cent to $971.3m relative to an increase of 0.6 per cent during the first three quarters of 2015. Expansions were recorded in credit allocated to financial institutions ($35.1m), utilities, electricity and water ($27.0m), public administration ($4.0), mining and quarrying ($0.8m) distributive trades ($0.5m) and professional and other services ($0.3m). These increases were partly mitigated by declines in credit for construction ($15.3m), personal use ($1.2m), transportation and storage ($1.0m), agriculture and fisheries ($0.8m), manufacturing ($0.5m), entertainment and catering ($0.5m) and tourism ($0.1m).

Liquidity in the commercial banking system improved during the first nine months of 2016. The ratio of liquid assets to total deposits plus liquid liabilities rose by 5.2 percentage points to 55.3 per cent at the end of September 2016. Accordingly, the ratio of loans and advances to total deposits fell by 4.9 percentage points to 49.8 per cent which is considerably below the ECCB's benchmark of 75.0 to 85.0 per cent.

During the first three quarters of 2016, the interest rate spread widened by one (1) basis point to 6.35 per cent. This development was mainly as a consequence of a 28.0 basis point reduction in the weighted average lending rate to 8.15 per cent. The contraction in the interest rate spread was however moderated by a decline in the weighted average total deposit rate of 29.0 basis points to 1.80 per cent, partially a reflection of the Monetary Council's decision to decrease the minimum savings rate from 3.0 to 2.0 per cent effective 01 May 2015.

Prospects

Economic activity in Dominica is expected to accelerate in the remainder of 2016, based on increased activity in the construction sector and a recovery in the tourism industry. Construction activity in the public sector is anticipated to increase as the rebuilding efforts following tropical storm Erika in August 2015 continues. This investment is expected to be supplemented by other projects such as the ongoing construction of a new national hospital and the implementation of the Roseau Enhancement Project. Furthermore, the continued construction of Range Developments' Cabrits Resort Kempinski project, which is due to open in 2018, is expected to drive private sector construction activity.

Amid air access challenges faced in the first half of the year, overall performance in the tourism industry for 2016 is anticipated to modestly improve, but is still not projected to surpass its pre-tropical storm Erika level. This assessment is based on an increased number of flights by the island's main carrier effective 01 June 2016, allowing for same day connections for tourists from major international source markets and more flight options for visitors from regional destinations. Increased marketing efforts by Discover Dominica Authority, supported by an expanded tourism budget, are also expected to support growth in the industry in addition to the reinstatement of the World Creole Music Festival in October 2016. An increased number of cruise ship passengers are also projected from an expected improvement in the number of cruise calls as the 2016/2017 cruise tourism season begins in October 2016.

Notwithstanding efforts to control Black Sigatoka in the banana sub-sector and to restore overall production to pre-Erika levels, output in the agricultural sector is expected to remain subdued reflecting limited access to farms and the destruction of some crops and livestock following the storm. Manufacturing output is anticipated to contract following the November 2015 closure of Dominica Coconut Products, one of Dominica's largest manufacturing plants.

The overall fiscal balance is anticipated to remain positive in the remainder of 2016, owing to the sustained flow of funds from the Citizenship by Investment programme and continued efforts to improve tax compliance. The fiscal surplus is however expected to be moderated by increased capital expenditure for reconstruction. Furthermore, the implementation of expansionary fiscal measures announced in the 2016/2017 Budget such as increases in the Value Added Tax threshold and the Non Contributory Social Allowance for persons 70 years and older, effective 01 September 2016, will also impact the balance negatively.

Downside risks to this outlook include the receipt of fewer grants than expected and/or delays in the disbursement of loan or grant funds which could slow down the implementation of the public sector investment programme. This development could adversely affect activity in the construction sector. Further exposures to plant diseases also pose a threat and could undermine any progress in the agricultural sector. In addition, Dominica remains vulnerable to external shocks such as adverse weather and downturns in the economies of development partners and major tourism source markets. **Upside risks include afurther acceleration of Citizenship by Investment Programme inflows and persistently low oil prices.**

GRENADA

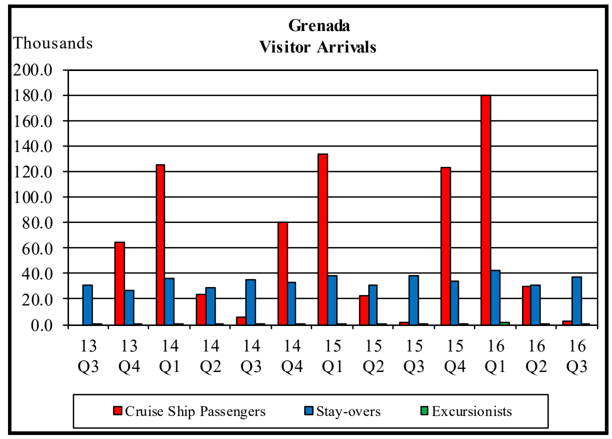
Overview

The macroeconomic performance of Grenada was positive in the first nine months of 2016. Economic growth during the review period, relative to the corresponding period of 2015, stemmed from a rebound in the tourism industry; robust construction activity; and an improvement in manufacturing. Consumer prices advanced by 0.9 per cent, on an end of period basis. **The central government registered an overall surplus in the first nine months of 2016, a significant turnaround from the deficit incurred in the comparable period of 2015.** The disbursed outstanding public sector debt contracted from the level at the end of December 2015. In the banking sector, there was growth in monetary liabilities and net foreign assets, whereas domestic credit fell. Commercial bank liquidity increased and the spread between the weighted average deposit and lending interest rates narrowed.

The near-term prospects for the country are generally favourable. An increase in overall economic activity is projected for the remainder of the year, driven largely by continued momentum in the tourism industry and the construction sector. The domestic consumer price level is projected to rise marginally in 2016. The external sector performance is likely to improve from a reduction in the value of imports. The central government is on track to achieve an overall fiscal surplus at the end of the year, supported by growth in revenue and contained expenditure. **Downside risks to the near term prospects include spillovers from weak economies of major tourism source markets; de-risking trends; and additional exposure to adverse weather.** On the upside, current macro-economic progress is likely to be sustained in the near term, largely on the basis of continued implementation of ongoing growth enhancing and fiscal reforms.

Output

Activity in the tourism industry is estimated to have rebounded in the period under review, strengthened by targeted marketing and the hosting of regional and international sports events. Total visitor arrivals expanded by 20.5 per cent to 341,502, representing an acceleration from the rate of 2.6 per cent recorded in the first nine months of 2015. Cruise ship activity accounted for much of the buoyancy in the industry, as passenger arrivals were estimated to have risen by 34.1 per cent to 211,693, accelerating from the rate of growth of 1.8 per cent in the first three quarters of 2015. Forty-three (43) additional calls were made on Grenada relative to the number recorded in the first nine months of 2015, bringing the total to 168. Stay-over arrivals grew by 3.0 per cent to 110,428, decelerating from the rate of increase of 6.3 per cent in the corresponding period of 2015. Estimates of stay-over arrivals by country of origin indicated a higher number of visitors from the USA and the Caribbean of 13.9 per cent and 2.9 per cent respectively. A decline of 5.3 per cent in the UK source market placed a drag on the overall number of visitors from Europe which declined by 8.2 per cent. The number of excursionists increased by 3.5 fold to 2,685 resulting from an increase in same day business trips and growth in visitors from a neighbouring island taking flights with international connections from Grenada. Meanwhile, yacht passenger arrivals decreased by 4.8 per cent to 16,696, impacted, in part, by a 2016 active hurricane season and increased competition from a destination with recent improvements to yachting infrastructure.



Construction activity increased in the review period, the majority of which was tourism-related work in the private sector. Activity in the public sector was concentrated on road networks, schools, the Parliament building and the General Hospital. The value and volume of imports of construction materials rose by 8.7 per cent and 6.5 per cent respectively, consistent with growth in construction activity.

Performance in the manufacturing sector is estimated to have improved, underpinned by growth in the production of some major commodities. Output of most beverages rose, with the exception of soft drinks which decreased by 22.2 per cent. Beer and rum production rose by 9.9 per cent and 3.9 per cent respectively, while malt and stout production grew at an average rate of 17.9 per cent. Among chemicals and paints, increases were recorded in the output of oxygen (13.0 per cent) and paint (2.4 per cent). Likewise, growth was registered in the production of macaroni (8.2 per cent) and flour (2.3 per cent). By contrast, a decline of 8.3 per cent was observed in the output of prepared animal feed, due to a reduction of 12.3 per cent in the yield from poultry feed. A contraction (8.0 per cent) was also witnessed in the volume of toilet paper manufactured.

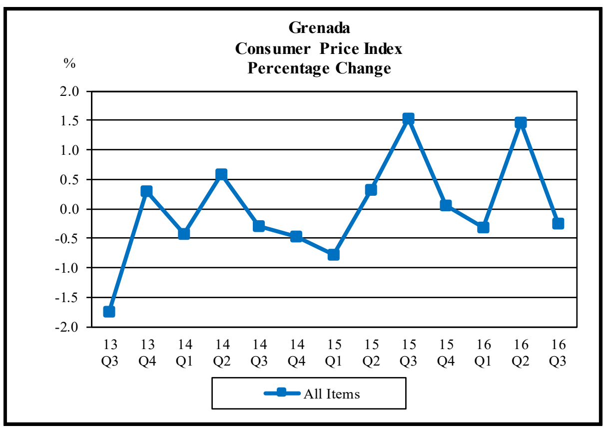
Increased activity in the aforementioned sectors is estimated to have propelled growth in some of the other sectors such as transport, storage and communications; and wholesale and retail trade.

Fish production is estimated to have declined by 0.8 per cent to 4,789 tonnes in the first nine months of 2016. The contraction in fish output is stabilizing from the first three quarters of 2015 when there was a fall of 8.2 per cent to 4,825 tonnes. Accordingly, the volume of fish was down on the external market, reflective of issues relating to limited market access and facilities.

Agricultural output is estimated to have fallen, premised on a decline of 18.8 per cent to 2.4m pounds in the production of other crops including fruits and vegetables. Additional declines were witnessed in the output of mace (34.0 per cent), cocoa (26.7 per cent), and nutmeg (23.0 per cent). Notwithstanding these weather related dismal performances, banana production trended upwards by 16.8 per to 5,779 tonnes in the first three quarters of 2016.

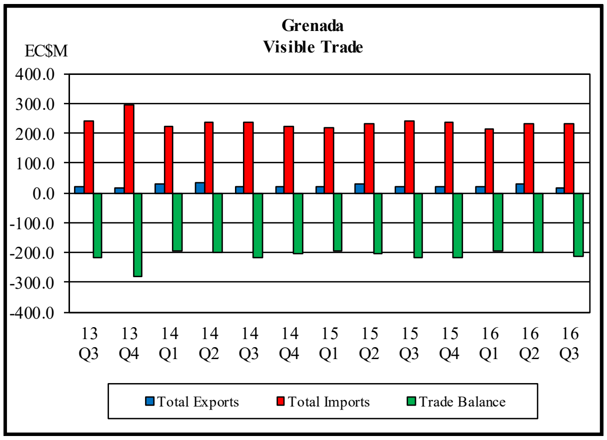
Prices

The consumer price index (CPI) is estimated to have risen by 0.9 per cent during the first nine months of 2016, relative to an increase of 1.1 per cent during the corresponding period of 2015. This was despite the fact that the housing, utilities, gas and fuels sub-index, the largest sub-index, remained flat, and the food and non-alcoholic beverages, the second largest sub-index posted a decline of 1.7 per cent. Most of the remaining sub-indices created the inflationary pressures. The education sub-index posted the largest increase (6.5 per cent) mainly arising from higher costs for books and for pre-primary, primary and tertiary education. This was followed by the communication sub-index which rose by 5.7 per cent, partly on account of an increase in the prices of telephone services. Other sub-indices registering growth included transport (3.4 per cent), health (2.4 per cent) and household furnishings, supplies and maintenance (1.6 per cent).



Trade and Payments

A merchandise trade deficit of $611.4 m was recorded in the first nine months of 2016, roughly 1.6 per cent below the one recorded in the corresponding period of 2015. The narrowing of the deficit was associated with a reduction of 2.3 per cent ($15.5m) to $675.6m in import payments, notwithstanding less export receipts. Lower import prices, particularly for fuel, as a result of developments in the international commodity markets, contributed significantly to the fall in import payments. The value of exports contracted by 7.7 per cent to $64.3m, as a decline in the value of domestic exports offset a doubling of re-exports to $8.8m. Domestic export earnings were down by 15.1 per cent to $55.4m, reflecting declines in totals for agricultural and manufacturing exports. Revenue from agricultural exports decreased by 20.5 per cent ($7.7m), mirroring the slump in the output of non-banana crops particularly cocoa, mace, fruits and vegetables. Among these crops, only nutmeg fared well on the external market, despite a fall in its local production level, registering an increase of 10.3 per cent ($1.0m), reflective of its firm demand on the international market. Revenue from manufactured exports contracted by 9.5 per cent ($2.7m), largely attributed to lower receipts from animal feed, flour, paper products, paint and varnishes. Notably, the export value of fish was down by 28.3 per cent to $12.9m.



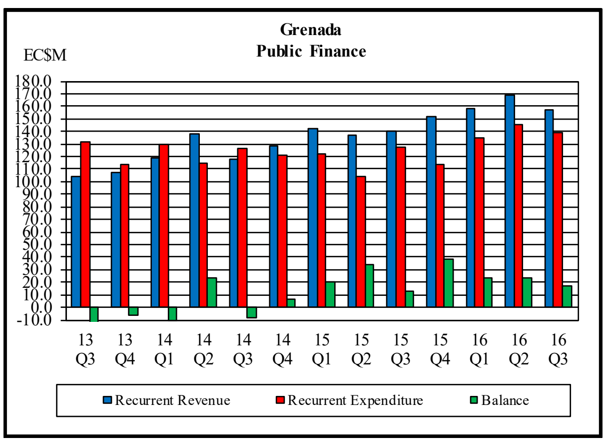
Despite the improved outturn in tourist arrivals gross receipts from travel are estimated to have declined by 3.7 per cent to $287.2m. Lower tourism receipts were a consequence of firstly, the contraction in the European source market, one of the largest spending categories of visitors; and secondly, a fall in the overall average length of stay of stay-over visitors. Commercial banks' transactions resulted in a net inflow of $65.4m in short-term capital, reduced from one of $118.3m during the first three quarters of 2015. External disbursements to the central government were down by 55.7 per cent to $21.0m, comprising additional financing for road rehabilitation, disaster vulnerability projects and the Market Access and Rural Enterprise Development Project. Meanwhile, external amortization climbed to $51.3m from $32.8m in the review period, reflective of efforts to restructure and repay outstanding debts.

Central Government Fiscal Operations

The central government registered an overall fiscal surplus of $62.1m in the first nine months of 2016, a significant turnaround from an overall deficit position of $22.8m in the corresponding period of 2015. [1] A primary surplus of $121.2m was recorded, more than double that of $51.1m in the first three quarters of 2015. This performance reflected substantial strides made under the three-year Home-grown Programme of Fiscal Adjustment and Reforms which started in 2014.

[1] The fiscal accounts for the first nine months of 2016 were reported using the new Chart of Accounts, unlike the data reported in the prior periods which were based on the old Chart of Accounts. Reclassifications were only applied to the data for the period January to September 2016, based on the new Chart of Accounts. Firstly, there were reclassifications of items within current expenditure. Secondly, some expenses were reclassified from capital expenditure to current expenditure categories. Thirdly, there was reclassification of the grant resources that were used for current related expenditure, from capital grants to current grants. Fourthly, there were reclassifications within non-tax revenue categories, namely fees, fines, penalties and forfeits; and miscellaneous revenue. The fiscal items that were ultimately affected by the reclassifications were: personal emoluments, goods and services, transfers, current grants, capital grants, non-tax revenue, and capital expenditure.

The current account surplus narrowed to $64.4m from $66.2m, arising from growth in expenditure. Some of the current expenses that were undertaken under projects/programmes were reclassified from capital expenditure to the relevant categories of current expenditure. As a result, current expenditure rose by 18.9 per cent ($66.8m) to $420.1m in the period under review. Increases were recorded in goods and services (72.7 per cent or $37.5m), personal emoluments (14.3 per cent or $23.2m), and transfers and subsidies (31.6 per cent or $20.8m).



Notably, salaries for public officers entitled to increments were adjusted, with effect from end July 2016, to reflect the increments due for the years 2014 – 2016. This would also have partly contributed to growth in personal emoluments. Interest payments, however, were down by 20.0 per cent ($14.8m), attributable to lower external obligations. By way of other developments on the current account, grant resources used for current outlays amounted to $17.0m in the review period.

Current revenue rose by 15.5 per cent ($64.9m) to $484.5m, supported by the improvement in overall economic activity. Tax revenue receipts totaled $459.1m, surpassing the corresponding period's level by 17.8 per cent ($69.3m). There were enhanced collections for every major tax category. Revenue from taxes on international trade and transactions rose by 23.6 per cent ($28.2m), primarily associated with larger receipts from the petrol tax, import duty and excise tax. The yield from taxes on income and profit grew by 27.6 per cent ($20.8m) resulting from higher revenue from company and personal taxes, some of which were associated with the collection of arrears. Receipts from taxes on domestic goods and services increased by 11.4 per cent ($20.0m), primarily associated with an increase of $16.0m to $160.6m in Value Added Tax (VAT) receipts. In addition to overall economic growth and strengthened collections, VAT receipts were boosted by the full application of this tax on bank service charges from 01 August 2016. The yield from taxes on property grew by 1.1 per cent ($0.2m). The remaining component of current revenue, non-tax revenue, fell by 14.5 per cent ($4.3m) to $25.4m. This outturn was largely the consequence of lower receipts recorded under the Citizenship by Investment Programme (CBI).

With regard to developments on the capital account, $54.9m was recorded in capital grants, below that of $57.5m in the first nine months of 2015. Capital expenditure almost halved to $74.2m from $146.6m, mainly due to the reclassification of expenditure.

Public Sector Debt

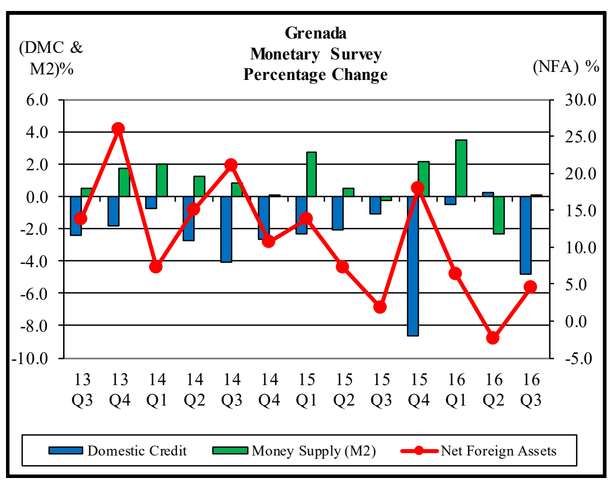
In line with the enhancements in the fiscal accounts, the total disbursed outstanding debt of the public sector fell by 0.6 per cent ($14.3m) to $2,327.1m at the end of September 2016 relative to the level at the end of December 2015. This outturn was anchored by the Government's ongoing debt restructuring efforts. The total domestic debt contracted by 2.2 per cent to $700.0m, partly on account of scheduled principal repayments and reduced credit from the Central Bank. The total external debt, however, rose marginally to $1,627.0m from $1,625.5m, influenced by new disbursements for public sector projects and reforms. A decline of 16.5 per cent to $131.8m was observed in the debt of public corporations, while that of central government rose by 0.5 per cent to $2,195.3m.

Money and Credit

Monetary liabilities (M2) increased by 1.1 per cent to $2,145.4m during the first nine months of 2016, a deceleration from the rate of growth of 3.0 per cent during the corresponding period of 2015. Growth of 4.8 per cent in the narrow money supply (M1) was primarily responsible for this outturn, as quasi money fell by 0.2 per cent. Within the components of M1, there were increases in EC$ cheques and drafts issued (15.7 per cent) and private sector demand deposits (7.5 per cent), while a decline of 4.4 per cent was observed in currency with the public. A contraction of 10.9 per cent in private sector time deposits outweighed increases in private sector foreign currency deposits (10.2 per cent) and private sector savings deposits (1.0 per cent), leading to the decline in quasi money.

The net foreign assets of the banking system totaled $925.3m at the end of September 2016, exceeding the level recorded at the end of 2015 by 8.6 per cent, and decelerating from the pace of 24.1 per cent observed during the first nine months of 2015. Transactions at both the Central Bank and the commercial banks led to growth in net foreign assets. The net foreign assets of commercial banks grew by 19.0 per cent to $408.9m. Commercial banks expanded their net foreign asset position with financial institutions outside the Currency Union by almost eleven fold, while reducing their net foreign asset position with financial institutions in other ECCU territories by 15.5 per cent. Grenada's imputed share of ECCB's reserves grew by 1.5 per cent to $516.5m.

Domestic credit declined by 5.0 per cent to $1,253.8m, relatively on par with the rate of contraction of 5.4 per cent during the first nine months of 2015. The transactions of non-financial public enterprises mainly contributed to this development. The net deposit position of these enterprises expanded by 38.0 per cent, stemming from growth of 26.3 per cent in their deposits and a decline in their credit of 16.4 per cent. The transactions of the central government also led to the fall in total domestic credit. The central government's net deposit position moved up to $83.9m from $65.9m at the end of December 2015, reflecting a decline in credit and an expansion in deposits from the entire banking system. Private sector credit contained the fall in domestic credit, posting growth of 1.0 per cent, which was a reversal of the decline of 1.9 per cent during the corresponding period of 2015. An increase of 3.7 per cent in credit to businesses offset reductions in credit to non-bank financial institutions (6.2 per cent) and households (0.2 per cent).



Total loans and advances grew by 0.1 per cent to $1,667.2m during the first nine months of 2016, in contrast to a decrease of 2.6 per cent in the comparable period of 2015. This outturn was primarily attributed to an almost four-fold expansion in credit to the utilities, electricity and water sector to $67.2m. There was a further increase in credit for professional and other services (6.2 per cent). Most of the remaining sectors registered contractions in credit, particularly, public administration (53.1 per cent), financial institutions (31.5 per cent), agriculture and fisheries (15.7 per cent), construction (7.7 per cent), tourism (6.1 per cent), and distributive trades (5.4 per cent). Outstanding loans for personal use, the largest proportion of credit, decreased by 1.0 per cent, largely on account of contractions in credit for both home construction and renovation (6.6 per cent) and house and land purchase (1.5 per cent).

Commercial bank liquidity rose against the backdrop of these money and credit developments. The ratio of liquid assets to total deposits plus liquid liabilities rose by 1.1 percentage points to 41.9 per cent at the end of September 2016. The loans and advances to total deposits ratio fell by 1.2 percentage points to 60.0 per cent.

The weighted average total deposits rate fell to 1.45 per cent at the end of September 2016, from 1.57 per cent at the end of December 2015. This rate has been on a declining trend since the Eastern Caribbean Central Bank took the decision to reduce the minimum savings rate from 3.0 per cent to 2.0 per cent from 01 May 2015. Meanwhile, the weighted average interest rate on loans fell to 8.41 per cent from 8.70 per cent. Consequently, the weighted average interest rate spread between loans and deposits narrowed to 6.95 percentage points at the end of September 2016, from 7.13 percentage points at the end of the last year.

Prospects

The near-term economic outlook for Grenada is positive and is largely dependent on continued momentum in the tourism industry and the construction sector, with scope for positive spin off effects on auxiliary sectors. The near term prospect for manufacturing also seems promising, which will add to the projected increase in overall economic activity in 2016. The domestic consumer price level is forecasted to increase marginally this year.

The external trade deficit position is projected to narrow, a large consequence of the low cost of oil imports. The reduction in the value of imports is likely to offset a potential decline in export receipts. Export revenues are anticipated to remain subdued given an expected downturn in agriculture for the remainder of the year.

The central government seems on track to achieve an overall fiscal surplus in 2016. Continued gains are expected in tax revenue amid anticipated economic growth. In addition, expenditure is likely to be broadly in line with the rules set out in the country's fiscal responsibility legislation. Government's fiscal performance will be strengthened by unfolding fiscal structural reforms especially, improvements in a number of areas including tax administration; the tax incentives regime; and public finance management.

Downside risks to the near term prospects include a stark reduction in the pace of new CBI applications, in light of increased competition; spillovers from weak economies of major tourism source markets; de-risking trends; and additional exposure to adverse weather. On the upside, current fiscal gains can be used as buffers to increase resilience to natural disasters and shocks. Continued implementation of the ongoing growth enhancing and fiscal reforms will bode well for the economy. Additionally, entrenched fiscal discipline and continued progress towards the authorities' debt reduction goals are likely to support macroeconomic stability in the near term.

MONTSERRAT

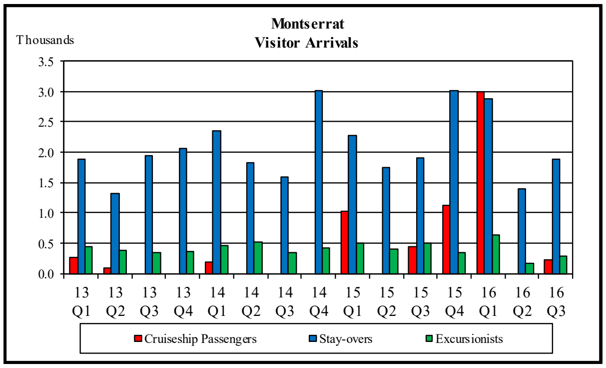
Overview

Economic activity in Montserrat is provisionally estimated to have expanded in the first nine months of 2016 compared with the corresponding period in 2015. The main sector contributing to the improved performance was public administration, defence and compulsory social security. The consumer price index declined by 0.6 per cent, on an end of period basis. The merchandise trade deficit contracted as the value of imports declined. The overall surplus on the fiscal accounts (after grants) increased due principally to a reduction in capital expenditure. In the banking system, total monetary liabilities increased, while net foreign assets and the net deposit position decreased. Overall liquidity improved, while the weighted average interest rate spread between loans and deposits narrowed.

The outlook for the Montserrat economy remains uncertain, more so given the additional implications from the Brexit negotiations. Although initial economic indicators point to an expansion in economic activity from public sector administration, defence and compulsory social security, the global economic outlook is mixed and uncertain, which poses a threat to Montserrat's economy through transmission risks. On the upside, the overall decline in the price level is expected to continue for the remainder of the year in light of the stability of global markets following the Brexit vote. The trade deficit is expected to continue to narrow based on a reduction in imports. However, downside risks including adverse weather, potential transmission of external shocks and slow mobilisation of budgetary support, remain a concern for the Montserratian economy. For instance, the outturn of the fiscal balance depends largely on the level of budgetary support. The finalisation of funding priorities with major development partners may delay the pace of activity in the last quarter of 2016.

Output

Available data indicate an expansion in economic activity. Value added by public sector administration, defence and compulsory social security, the largest contributor to economic output, rose in the first nine months of 2016. This was evidenced by an increase in personal emoluments which rose by 1.0 per cent.

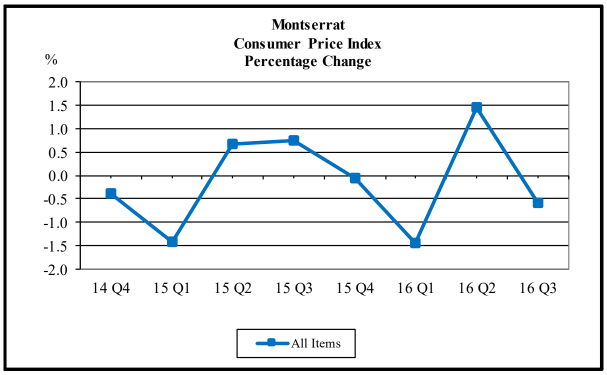


Value added in the tourism industry, as proxied by the hotels and restaurants sector, recorded an improved performance in the first nine months of 2016 relative to the corresponding period of 2015. Total visitor arrivals increased by 15.9 per cent to 11,965, compared with a 41.7 per cent rise to 10,324 in the corresponding period of the previous year. Stay-over tourist arrivals rose by 3.7 per cent to 6,154, indicative of an increase in the number of tourists from the USA (7.8 per cent), the Caribbean (6.5 per cent) and UK (2.2 per cent). The number of excursionists fell by 23.3 per cent in contrast to a 5.8 per cent increase in the corresponding period of the prior year. In the first nine months of 2016, passenger arrivals by yacht remain relatively the same as the previous year totalling 1,519 passengers.

Value added in the construction sector is provisionally estimated to have increased in the January to September period of 2016. This performance was driven by an expansion in commercial and residential construction activity, which more than offset a decline in public sector construction. Credit to the construction sector grew by over 100 per cent or \$2.5m in the period under review. In the public sector, however, there was a 48.3 per cent decline in capital expenditure in the review period, primarily associated with a lack of finance for public sector projects.

Prices

The consumer price index declined by 0.6 per cent during the first nine months of 2016. A fall in the sub-indices of transport (2.1 per cent), furnishing, household equipment and routine household maintenance (1.4 per cent) recreation and culture (1.4 per cent) contributed to the overall decline in prices. The fall in the sub-index for transport was as a result of lower price of petroleum products. The magnitude of the decline in the overall consumer price index was tempered by increases in the sub-indices for communication (2.3 per cent), restaurants and hotels (1.0 per cent), and education (0.3 per cent).



Trade and Payments

The merchandize trade deficit totalled $60.4m in the first nine months of 2016, compared with one of $66.5m in the comparable period of 2015. This narrowing of the trade deficit resulted from an increase of 42.9 per cent in export earnings, coupled with a 4.9 per cent reduction in the import bill. The reduced import bill resulted in savings of $3.6m, generated mainly by a fall in the payments for the imports of mineral fuels and related material ($10.0m), food and live animals ($2.1m) and crude materials, inedible except fuels ($0.7m). Export earnings increased by $2.5m to $8.5m due to a $1.9m increase (34.5 per cent) in domestic exports.

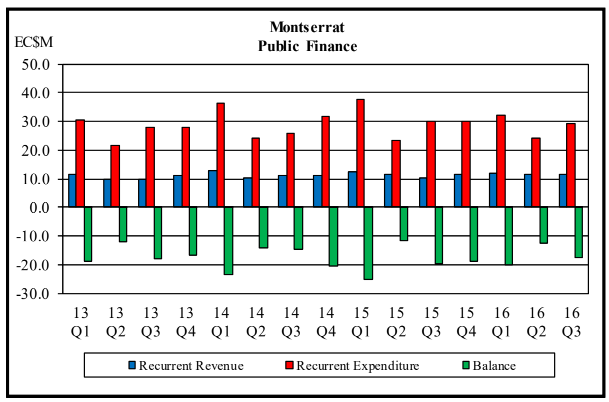
Developments on the services account were influenced by the growth in visitor arrivals which translated into a 3.7 per cent rise in gross travel receipts to $16.4m. Commercial bank activity resulted in a net inflow of $16.2m during the first nine months of 2016, compared to a net inflow of $14.9m during the corresponding period of 2015. Total grant inflows fell by 18.0 per cent to $66.3m.

Central Government Fiscal Operations

The overall fiscal performance of the central government improved in the period under review compared with the corresponding period in 2015. The overall surplus (after grants) totalled $6.3m compared with $4.9m in corresponding period in 2015. A reduction in capital expenditure was the main reason for the increase in the overall balance. The primary surplus (after grants) increased to $6.3m, from $4.9m recorded for the corresponding period in 2015. Approximately 69.8 per cent of total government expenditure was financed by foreign aid in the form of grants totalling $66.3m.

High levels of recurrent spending relative to revenues collected resulted in a current account deficit (before grants) of $50.0m compared with one of $56.5m registered in the corresponding period in 2015. While current account operations are primarily financed by grant flows, in the period under review, current grant flows declined by 0.3 per cent ($0.2m). Nonetheless, given the marginal growth (2.2 per cent) of current revenue and the reduction (6.4 per cent) of current expenditure, the current account (after grant) yielded a surplus of $3.2m in contrast to a deficit of $3.2 in the corresponding period of the prior year.

The growth in current revenue reflected an increase in tax revenue, which was partially offset by a decline in non-tax revenue. In the first nine months of 2016, tax revenue improved by $2.1m to $31.1m, attributable to an increase from the intake of taxes in all categories. Revenue from taxes on income and profits increased by 6.3 per cent ($0.8m) in contrast to a decreased of 6.0 per cent ($0.8m) collected in the first three quarters of 2015. Collections from taxes on domestic goods and services rose by 15.2 per cent ($0.5m), attributable to a 30.0 per cent ($0.1m) growth in revenue from insurance company levy. Revenue from taxes on property improved by $0.6m in contrast to a decline of $0.4m in the corresponding period last year. Also, revenue from taxes on international trade and transaction increased by 3.1 per cent ($0.3m), largely due to an increase in the collection of import duty. However, this increase in tax revenue was somewhat tempered by a 25.8 per cent ($1.4m) decline in non-tax revenue.



Current expenditure declined by 6.4 per cent to $85.0m, primarily due to a reduction in spending on transfers and subsidies (23.6 per cent), which was mainly attributable to reductions in subventions to statutory corporations and the ferry service. Outlays on goods and services increased by 2.1 per cent to $31.8m, and spending on personal emoluments rose by 1.0 per cent ($0.3m) to $31.4m. In the period under review, interest payments on external debt remained at the same level ($0.02m) as the comparable period of the previous year.

Capital expenditure totalled $10.1m for the first nine months of 2016 compared with $19.5m for the comparable period in 2015, as various infrastructural projects were placed on hold due to the slow inflow of grants. For instance, capital funds were primarily allocated towards the financing of the port development, the government accommodation and town centre development projects had to be suspended. Geothermal resource exploration and power generation resumed under the period under review.

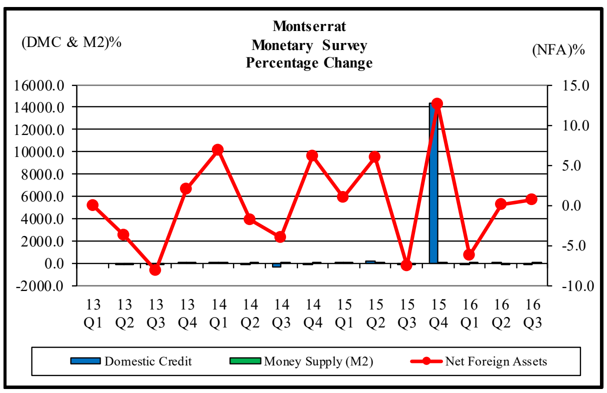
Public Sector Debt

The stock of public sector external debt stood at $8.7m at the end of September 2016, compared with a balance of $9.1m at the end of December 2015. The decline in debt was attributable to the amortization of the debt held with the Caribbean Development Bank for the power plant project. Of the $8.7m total debt, $1.2m was held by the central government, while public corporations accounted for $7.5m.

Money and Credit

The stock of monetary liabilities in the banking sector (M2) grew by 1.8 per cent to $249.3m during the first nine months of 2016, in comparison with an increase of 1.3 per cent during the corresponding period in 2015. The outturn was attributed to a 7.6 per cent increase in narrow money (M1). Of the major components of narrow money, private sector demand deposits grew by 11.1 per cent to $30.3m, while currency with the public increased by 2.7 per cent to $20.7m. There was also a 0.4 per cent increase in quasi money to $198.0m, which accounted for 79.4 per cent of the stock of money, on account of 1.3 per cent ($1.8m) and 10.2 per cent ($0.9m) increases in private sector savings deposits and private sector foreign currency deposits respectively.

The net deposit position of commercial banks fell by 71.2 per cent to $8.9m in the first nine months of 2016. This reduction was mainly due to the activities in the government sector. In the period under review, the central government's net deposit position contracted by \$13.7m (16.6 per cent) to \$69.0m associated with a drawdown in deposits at commercial banks to meet current obligations. The net deposit position of the non-financial public enterprises increased by \$0.2m (1.2 per cent) to \$19.1m over the first nine months of 2016. Credit to the private sector expanded by 12.0 per cent to \$79.2m, driven largely by a 9.8 per cent increase (\$6.2m) in household borrowing which was aided by an increase of 31.8 per cent (\$2.3m) in borrowing by the business sector.



A sectorial analysis indicated that credit extended to the personal sector, which represented 85.5 per cent of commercial bank credit, rose by 15.8 per cent to \$77.9m, in comparison with an increase of 5.5 per cent recorded during the comparable period of 2015. Increased demand for personal loans was driven by upsurges in spending on acquisition of property (\$6.5m). Credit to the construction sector rose by 113.3 per cent (\$2.5m). The increase was partly offset by declines in credit extended to the distributive trades (5.8 per cent), tourism (3.0 per cent) and manufacturing (7.8 per cent).

The net foreign assets held by the banking sector decreased by 5.5 per cent to \$302.9m during the period under review, in comparison to a 1.2 per cent decline during the comparable period in 2015. This development was associated with a decrease of 8.9 per cent to \$165.4m in the net foreign assets of commercial banks as assets held outside of the Eastern Caribbean Currency Union fell. Montserrat's imputed share of the Central Bank's reserves decreased by 1.1 per cent to \$137.5m.

The level of liquidity in the commercial banking system remained high during the first nine months of 2016. The proportion of total liquid assets to total deposits plus liquid liabilities was 84.6 per cent from 83.7 per cent, significantly above the prudential minimum of 25.0 per cent. The ratio of loans and advances to total deposits increased to 25.8 per cent from 21.5 per cent at the end of December 2015, below the maximum prudential requirement of 75.0 per cent.

The interest rate spread between deposits and loans declined by 39 basis points to 6.00 per cent at the end of the review period. The weighted average lending rate fell to 7.12 per cent from 7.49 per cent while the weighted average interest rate on total deposits rose to 1.12 per cent from 1.10 per cent at the end of December 2015.

Prospects

The outlook for the Montserrat's economy remains uncertain with additional challenges ahead from the implications of Brexit. In the domestic environment, there are mixed signs as indicated by the main economic drivers of the Montserrat's economy. The expansion in personal emoluments suggests some level of job creation in the first nine months of the year. However, government capital expenditure declined as grants inflows fell in the period. The fall in grant inflows may not bode well for the economy of Montserrat which depends mainly on this source of financing to conduct government spending.

The United Kingdom (UK) referendum or Brexit vote that took place at the end of June 2016 has brought about political and economic uncertainty for the UK's economy. As the outlook for the UK remains uncertain, this may also have implications for the Montserratian economy. Montserrat, a British Overseas territory, depends heavily on grant financing from the Government of the UK, thus a slowdown in the UK economy can translate into lower grant inflows for Montserrat.

Improvement in the co-ordination in tax collection, compliance and enforcement of tax legislative requirements should provide for gains in revenues collected for the remainder of the year. Expenditure is expected to remain at the same rate recorded over the first nine months of year, which is likely to improve the overall fiscal position for the rest of the year. The low overall price level is expected to persist throughout 2016, as inflationary pressures from the global market are likely to remain broadly stable. Accordingly, it is anticipated that the merchandise trade deficit will continue to contract as the import bill continues to fall.

In conclusion, the economic performance of the UK is critical to Montserrat and as such, keen attention should be paid to potential transmission of external shocks to Montserrat's economy. Managing the possible vulnerabilities from Brexit and building resilience to the transmission risks may be important medium term growth priorities for Montserrat as the country seeks to increase productivity and boost leading sectors. The disruption of the ferry service poses a major downside risks to the economy, as access is critical for tourism and trade.

S T K I T T S A N D N E V I S

Overview

Available data for the first nine months of 2016 suggest slower economic growth in St Kitts and Nevis, relative to the outturn of the corresponding period of 2015. Notwithstanding the deceleration, the increase in economic activity was sustained by buoyancy in the construction, transport, storage and communications, and real estate, renting and business activities sectors. Concurrently, value added in the hotels and restaurants, and agricultural sectors is estimated to have fallen. Consumer prices rose by 0.9 per cent on an end of period basis. **The operations of the Federal Government resulted in a positive fiscal balance which exceeded the surplus in the comparable period in 2015 and partly contributed to the decline in the total outstanding debt of the public sector.** Banking system developments were underscored by decreases in monetary liabilities and domestic credit, while the net foreign assets rose. Liquidity in the commercial bank system decreased, and the weighted average interest rate spread between loans and deposits was relatively unchanged.

For 2016 continued economic growth is forecasted albeit at a decelerated pace, sustained by expansions in the construction; wholesale and retail trade; transport, storage and communications; and real estate, renting and business activities sectors, and recovery in the tourism industry. The performance however, may be stymied by weakness in manufacturing and agricultural output. The impact of price developments is anticipated to be negligible, influenced by persistently low global commodity prices particularly for petroleum, combined with a slowing economic expansion domestically. A decline in total revenue is estimated, relative to the outturn in 2015, consistent with a deceleration in real sector growth and declining receipts from the Citizenship by Investment (CBI) programme as well as economic incentives announced by policy makers. Lower estimates for tax revenue may be slowed somewhat by higher consumer spending associated with the stimulus packaged announced by the government and ongoing tourism enhancement projects in the latter part of the year. Notwithstanding the decline in total revenue, a higher overall surplus is estimated predicated on fiscal restraint in current and capital expenditure.

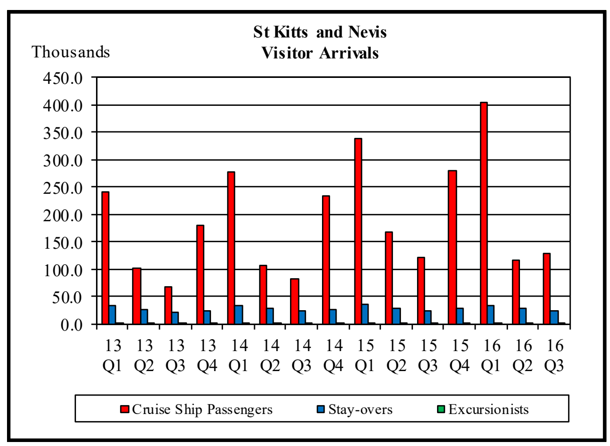
Risks to the downside include inter alia, a further slowing in CBI receipts associated with competing programmes from other regional jurisdictions and the adverse knock-on effects on the construction sector from this development. Other risks include; possible negative impacts on visitor arrivals from the USA attributable to uncertainties associated with expected policy changes by the US president elect, as well as the lingering effects of the Brexit vote. Second order risks to the outlook for 2016 point to a possible deceleration in economic growth in the USA, a continued appreciation in the US currency, a further increase in the prevalence of the Zika virus, and possible weather related damage to the country's physical infrastructure.

In contrast, upside risks, include the positive impact on the CBI programme of the re-branded and re-energized Citizenship Investment Unit (CIU). Recent reforms are aimed at improving customer relations, transaction processing time and the security robustness of the programme. The reforms coupled with the anxiety expressed by some residents of the USA preceding and subsequent to the outcome of the Presidential elections may increase the attractiveness of the programme as an option for alternative residency. In addition, the Brexit vote, which is yet to be operationalised, offers the possibility of enhanced bilateral relations between the UK and St Kitts and Nevis.

Output

Value added in the construction sector, was relatively unchanged in the first nine months of 2016, compared with the performance in the corresponding period of 2015. Notwithstanding the stalled rate of expansion, the sector was sustained by ongoing capital outlays in both the private and public sectors. Private sector activity was sustained by ongoing construction work on various hotel accommodation establishments including completion work on the 135 room, Park Hyatt Resort and intensified work on the Koi Resort and Residences. Limited work resumed on the T-Loft Pirates' Nest development in Frigate

Bay and the Heldens Estate Condominium and Residences in the north of St Kitts. Other developments comprised accelerated construction work on the Customs House at the Christophe Harbour marina, completion work on phase I of the Kittitian Hill development, continued activity on the Golden Rock Commercial Development, retail spaces in Frigate Bay and the construction of various commercial buildings and private residential homes. In Nevis, private sector construction focused on the Four Seasons Estates, Cades Bay Villas and Marina development and the Candy Resort. The assessment of a deceleration in construction activity was, supported by a 45.6 per cent decline in the volume of imports of construction related materials, in contrast to a 94.3 per cent increase in the volume of imports in 2015. The slowing of activity in the sector was also evident in a 0.4 per cent decrease in credit to the construction sector, compared with a 9.0 per cent rise in the first nine months of 2015. Notwithstanding the decline in construction activity, there was an estimated 5.0 per cent increase in the volume of sand mined from the government quarry to 41,625 cubic yards, compared with an 80.7 per cent increase in January to September 2015 and an estimated 5.0 per cent increase to 37,382 cubic yards, in the volume of stones mined, in contrast to a decrease of 17.5 per cent in the corresponding period of 2015. In the public sector, capital expenditure fell by \$31.6m during January to September 2016, in contrast to an increase of \$16.4m in the corresponding period in 2015, as a number of major projects wound down including the resurfacing of the Dr Kennedy Simmonds Highway, the Frigate Bay Road and the construction of the Victoria Road Pre-School building in St Kitts. In Nevis, activity in the sector was buoyed by renovations to public buildings and enhancements to roads as well as work on the Caribbean Development Bank (CDB) funded water project.



Value added in the hotels and restaurants sector, which closely tracks developments in the tourism industry, is estimated to have declined in the first nine months of 2016, constrained largely by decreases in the number of stay-over visitors. The number of stay-over visitors is estimated to have declined by 2.4 per cent to 86,301 from January to September 2016, in contrast to an increase of 2.9 per cent in the corresponding period of 2015. This development was attributable to lower performances in all of the major source markets, including the United States of America (4.3 per cent),), the UK (1.5 per cent) and Canada (0.4 per cent). The decline in the performance of the USA market, in particular, may have been attributable to the unwillingness of a number of residents in the USA to travel leading up to the 8 November, 2016 Federal elections; while the underperformance of the UK and Canadian markets generally reflected benign economic growth in the respective countries. In contrast, cruise passenger arrivals rose by 3.4 per cent to 651,229, in the first nine months of 2016, compared with a 34.8 percent increase in the corresponding period of 2015. The increase in cruise passengers was recorded in spite of a decline in the number of cruise ship calls to 291 from 310. Meanwhile, the number of passengers visiting by yacht fell by 26.0 per cent to 2,538, and the number of excursionists decreased by 23.1 per cent to 2,383, in contrast to a 20.2 per cent rise in the first nine months of 2015. The overall, effect of developments in the various visitor categories was a 2.4 per cent increase to 742,451 in total visitor arrivals, compared with a 29.3 per cent increase in the corresponding January to September period of 2015.

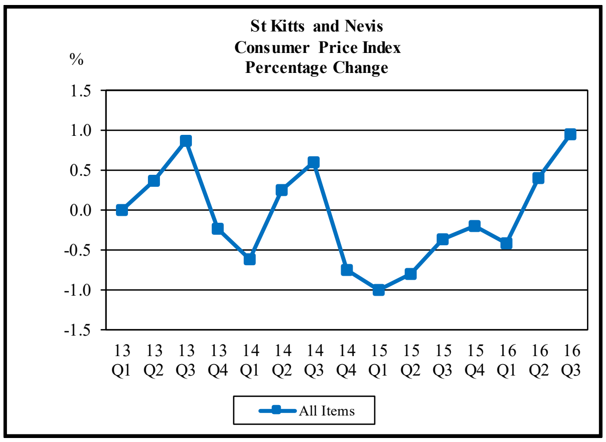
Value added in the manufacturing sector, is estimated to have declined, based on decreases in the export of electronic components and alcoholic beverages, attributable to weak demand in external markets.

Notwithstanding the lower value added in the hotels and restaurants and manufacturing sectors, it is estimated that this development was tempered by expansions in other key sectors such as; transport, storage, and communications; real estate, renting and business activities and wholesale and retail trade supported by growth in imports. Value added in the agriculture, livestock and forestry sector is estimated to have declined, constrained by reductions in both the production of crops and the output of the livestock subsector. Lower crop production was attributable mainly to declines in tomato, onion, yam and pineapple of 28.3 per cent, 60.0 per cent, 76.3 per cent and 83.6 per cent respectively. Likewise, output in the livestock subsector contracted, registering decreases for the production of pork (4.4 per cent), goat meat (5.1 per cent), broilers (50.9 per cent), and fish (77.2 per cent). The decline in output of the livestock subsector was moderated by increases in the production of beef and mutton of 23.3 per cent and 6.6 per cent respectively.

Prices

The Consumer Price Index (CPI) is estimated to have increased by 0.9 per cent during the first nine months of 2016, in contrast to a decrease of 2.2 per cent during the corresponding period of 2015. Higher prices were recorded for all of the sub-indices except food and non-alcoholic beverages; and housing, utilities, gas and fuels. Of the sub-indices that rose, representing 56.5 per cent of the total weight of the goods and services basket, significant increases were recorded for transport (3.0 per cent), hotels and restaurants (5.4 per cent), education (8.4 per cent) and communication (2.2 per cent). Increases were also recorded for recreation and culture (2.1 per cent,); alcoholic beverages, tobacco and narcotics (2.6 per cent); health (2.2 per cent); and clothing and footwear (0.9 per cent). In contrast, the sub-indices, food and non-alcoholic beverages; and housing, utilities, gas and fuels recorded declines of 2.5 per cent and 0.5 per cent respectively. Inflationary pressures on the transport sub index, reflected higher air transport prices, while the upward movement in the hotels and restaurants index was influenced by an increase in the price of services provided by restaurants and cafes. A rise in the education and communication sub-indices was attributable to higher prices for pre-primary and primary education; and telephone and telefax services. In contrast, the downward movement in the food and energy related sub-indices, was largely in response to continuing relative weakness in global commodity prices and the removal of VAT on food, funeral and medical expenses in April 2015. On an individual territory basis, there was on average a marginal increase in prices in Nevis (1.2 per cent), compared to the increase in the CPI for St Kitts (0.8 per cent). The increase in the CPI in Nevis was primarily attributable to a rise in the sub-indices for transport and communications of 4.6 per cent and 4.5

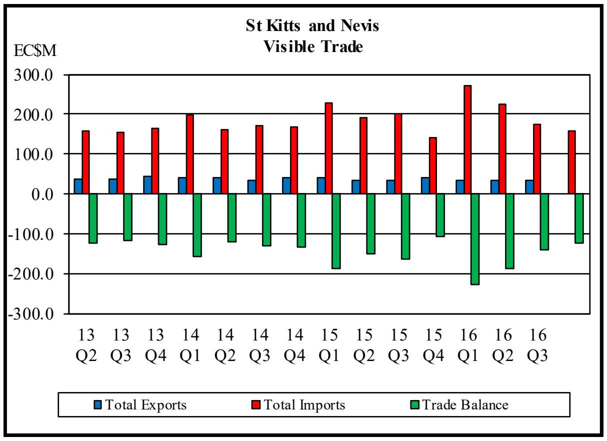
per cent respectively, while in St Kitts the major contributors to the increase in average consumer prices included; hotels and restaurants (7.0 per cent), transport (1.9 per cent), education (11.6 per cent) and alcoholic beverages, tobacco and narcotics (4.0 per cent).



Trade and Payments

A deficit was recorded on the visible trade account of \$455.5m in the first nine months of the year, surpassing one of \$423.5m in the January to September period in 2015, driven by higher import payments and lower exports receipts. The value of imports rose by 4.5 per cent to \$555.6m, mainly influenced by increases in the value of food and live animals, manufactured goods; machinery and transport equipment and chemicals and related products. The value of total exports was \$100.2m compared with \$108.1m recorded in the same period of 2015, reflective of a decrease in the value of electronic components and alcoholic beverages exported. Domestic exports contracted by 10.8 per cent to \$83.8m, moderated by an increase in re-exports by 15.9 per cent to \$16.3m. The volume of trade in goods (both exports and imports) however, contracted by 23.6 per cent to 266,308 tonnes.

Gross travel receipts are estimated to have decreased by 0.1 per cent to \$271.6m in the first nine months of 2016, mainly reflective of lower stay-over visitors and the deflationary effects on average daily visitor expenditure of a fall in the food sub-index of the CPI. Commercial banks' transactions resulted in a net inflow of \$29.6m in short-term capital, in contrast to an outflow of \$94.0m in the corresponding period in 2015. Government transactions resulted in a reduction in the net outflow of funds attributable to lower external principal repayments (\$45.8m), compared with \$108.1m in the January to September period of 2015. Loan disbursements amounted to \$1.1m during the first nine months of 2016 compared with $1.6m in the comparable period in 2015.

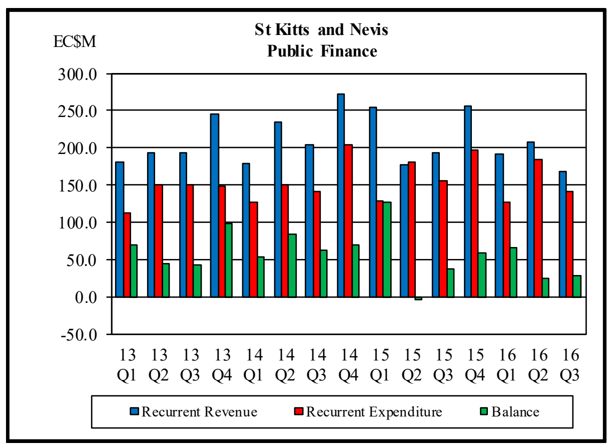


Federal Government Operations

The fiscal operations of the Federal Government resulted in an overall surplus (after grants) of $117.8m in the first nine months of 2016, compared with one of $60.1m in the corresponding period of 2015. Increases were also observed for the primary balances, as a surplus of $148.1m was recorded representing a 53.8 per cent improvement over the surplus recorded in the corresponding period of 2015. The higher overall fiscal surplus was mainly due to lower net lending and capital expenditure, which offset a decline in current revenue.

Current revenue decreased by 9.2 per cent to $568.5m in the first nine months of 2016, in contrast to a 1.5 per cent increase in the corresponding period of 2015. The contraction in current revenue was attributable to decreases in both tax and non-tax receipts. Tax revenue fell by 1.8 per cent to $358.5m, associated with reduced receipts from most of the major tax categories including domestic goods and services (2.6 per cent), income and profits (3.9 per cent) and property (10.9 per cent). Collections of taxes on domestic goods and services fell, largely influenced by a decline in the collection of insurance fees (42.1 per cent), unincorporated business levy (23.7 per cent) and the island enhancement fund (32.3 per cent). Receipts of VAT, the largest revenue category under taxes on domestic goods and services, which totalled $105.9m and contributed 29.5 per cent of tax revenue, decreased by 0.2 per cent ($0.2m) compared with the amount collected in the first nine months of 2015. The rate of decline in VAT receipts slowed during the period under review when compared to a 9.6 per cent reduction from January to September 2015, as the impact of the removal of VAT on a number of consumer items gradually stabilised. Lower receipts of taxes on income and profits were consistent with deceleration in the pace of economic activity as indicated by a fall in inflows for company tax and withholding tax of 9.1 per cent and 2.8 per cent respectively. Lower property tax receipts (10.9 per cent), were mainly attributable to a 21.1 per cent reduction in condominium tax receipts. The decline in most of the major tax categories was tempered by a 3.0 per cent rise in collections of taxes on international trade, attributable to an increase in inflows of import duty and the environmental levy of 21.8 per cent and 34.2 per cent respectively. The performance of the tax receipts from international trade was consistent with an increase in the value of imports. Non-tax revenue receipts fell by 19.6 per cent to $210.1m, mainly due to a decline in inflows associated with the Citizenship by Investment (CBI) Programme.

Current expenditure fell by 3.3 per cent to $450.0m in contrast to an increase of 11.2 per cent in the first nine months of 2015. This development reflected lower expenditure outlays in all of the major expenditure categories except personal emoluments. Decreases were recorded for outlays on transfers and subsidies (16.9 per cent), goods and services (7.1 per cent) and interest payments (16.4 per cent). Decreased outlays on transfers and subsidies and goods and services reflected measures to control expenditure consistent with decreased revenue collections. Lower interest expenditure was attributable to declines in both domestic and external payments in line with efforts to reduce the outstanding debt while limiting additional borrowing. The reduction in current expenditure was moderated by higher outlays on personal emoluments of 10.4 per cent, attributed to a 3.0 per cent salary increase in conformance with the triennium wage agreement for 2014 to 2016.



Capital expenditure outlays fell by 32.7 per cent to $65.1m as a number of major capital projects; road improvement works and enhancements to public buildings, wound down. Work continued on upgrades to the water distribution system and road infrastructure in Nevis.

Inflows of official assistance (grants) fell by 2.2 per cent to $39.6m, in contrast to a 13.9 per cent increase in the first nine months of 2015. The outturn was influenced mainly by a decrease in budgetary grants by 19.4 per cent to $13.2m, in contrast to a near eleven-fold increase in the corresponding period of 2015. Capital grants rose by 9.6 per cent to $26.4m in contrast to a 29.4 per cent decrease in the first nine months of 2015.

An overall surplus of $120.7m was recorded by the Central Government, compared with one of $55.6m in the first nine months of 2015. This development was largely attributable to repayments to the central government coupled with lower capital expenditure. Recurrent revenues fell by 10.9 per cent to $471.7m, attributable to lower collections of tax and non-tax receipts of 2.4 per cent and 21.3 per cent respectively. Tax revenues fell on account of reduced performances in all the major tax categories except taxes on international trade. A decrease in receipts of taxes on income and profits by 3.9 per cent ($3.1m), largely reflected a 13.4 per cent decline in the collection of corporation tax, as well as a decrease in the receipt of withholding tax (4.4 per cent). The performance of tax revenue was further constrained by reduced collections from taxes on domestic goods and services, which fell by 2.2 per cent ($2.6m) largely due to lower receipts from the VAT ($1.4m), insurance fees ($1.2m), unincorporated business levy ($1.0m) and the island enhancement fund ($0.9m). Tax collections on international trade and transactions rose by 0.3 per cent, buoyed mainly by higher receipts of import duty and environmental levy of 25.0 per cent and 50.1 per cent respectively.

Non-tax revenues decreased to $186.9m, compared with $237.5m in the first nine months of 2015, attributable primarily to a 27.5 per cent reduction to $147.9m in revenue inflows from the CBI programme.

Recurrent expenditure was 4.7 per cent lower at $358.5m in the first nine months of 2016, for the most part reflecting lower outlays on most of the expenditure categories including; transfers and subsidies which fell by 19.5 per cent in contrast to a 45.4 per cent increase in the corresponding period of 2015.

Interest payments declined by 26.1 per cent to $18.0m, and outlays on goods and services were reduced by 5.6 per cent to $86.4m. Lower interest payments reflected declines in both external (37.6 per cent) and domestic (17.0 per cent) payments in line with the decrease in the outstanding debt of the central government. However, the reduction in current expenditure was tempered by an increase in expenditure on personal emoluments and wages by 11.7 per cent, driven by the final payment of a 3.0 per cent tri-annum salary increase.

Capital expenditure declined by 46.2 per cent to $42.4m, in contrast to an increase of 12.2 per cent to $78.8m in the corresponding period of 2015, on account of completion work on infrastructural projects. Additionally, the central government moved to a net borrowing position of $21.4m from a net lending position of $50.6m as statutory bodies repaid loans previously advanced by the central government.

The fiscal operations of the Nevis Island Administration (NIA) resulted in an overall deficit of $2.9m in the first nine months of 2016, in contrast to a surplus of $4.4m recorded in the corresponding period of 2015. The deficit was the result of increased capital and current expenditure.

Current expenditure rose by 2.3 per cent to $91.5m, compared with an 8.7 per cent increase to $89.5m in the corresponding period of 2015. Higher current expenditure was driven by increased outlays on personal emoluments and wages, transfers and subsidies and interest payments of 6.3 per cent, 16.4 per cent and 3.4 per cent respectively. The increase in current expenditure was constrained by a 14.0 per cent reduction in outlays on goods and services. Capital expenditure rose by 26.7 per cent to $22.7m, compared with $17.9m spent in the first nine months of 2015.

Current revenue was essentially flat amounting to $96.8m, compared to a 10.2 per cent increase to $96.8m in the corresponding nine months of 2015. Current revenue collections remained virtually unchanged, attributable to higher tax receipts which matched a decline in non-tax revenue. Tax revenues were 0.6 per cent ($0.4m) higher than receipts in the corresponding nine-month period in 2015, attributable to increases in receipts from taxes on international trade (16.4 per cent). The other major tax revenue categories recorded declines including; domestic goods and services (3.9 per cent), income and profits (3.5 per cent), and property (6.7 per cent). The increase in tax revenue was offset by a fall of 1.8 per cent in non-tax revenue to $23.2m. Official grant receipts amounted to $14.5m in capital grants, in the period under review, compared with grants of $15.0m in the corresponding nine months of 2015.

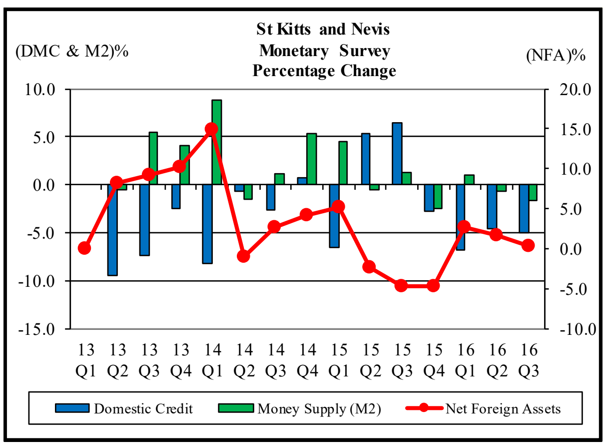
Public Sector Debt

The Federal Government total disbursed outstanding debt remained relatively unchanged at $1,555.4m during the first nine months of 2016. A reduction in the central government outstanding debt by 1.3 per cent to $1,257.3m, was partly offset by a 5.8 per cent rise to $298.2m in the outstanding debt of statutory bodies. The decline in the central government debt reflected the impact of the debt restructuring exercise undertaken between 2011 and 2014, which resulted in a reduction in the face value of existing debt, the extension of the maturity on some loans, a land-for-debt swap and limits on new borrowing. Central government debt accounted for 80.8 per cent of total debt.

Money and Credit

Monetary liabilities (M2) contracted by 1.4 per cent to $2,985.7m, in contrast to an increase of 5.1 per cent during the corresponding period of 2015. The outturn reflected decreases in both narrow money (4.9 per cent) and quasi money (0.5 per cent) to $593.8m and $2,391.9m respectively. The decrease in narrow money (M1) was largely influenced by the movement in demand deposits, which fell by 8.0 per cent ($35.1m). Meanwhile, lower quasi money was mainly on account of a decrease in time deposits (5.0 per cent).

Domestic credit declined by 15.6 per cent to $871.3m, in contrast to an increase of 4.8 per cent in the first nine months of 2015, for the most part attributable to a decrease in the net credit position of the Federal Government. Net credit to the Federal Government fell by 16.6 per cent to $424.6m, largely driven by a 27.3 per cent decline in net lending to the central government. This outturn was attributable to an increase in central government deposits held at commercial banks by 12.9 per cent ($74.2m) during the period, supplemented by a 38.0 per cent ($14.6m) increases in deposits held at the Central Bank and a 14.2 per cent ($1.8m) rise in commercial bank deposits of the Nevis Island Administration (NIA). Another major contributor to the decline in domestic credit was an increase in the net deposit position of non-financial public enterprises (NFPEs), which rose by 8.1 per cent to $1,000.8m, fuelled largely by a 7.7 per cent ($74.3m) accumulation of deposits held at commercial banks.



The distribution of credit by economic sectors, revealed increases in lending for personal uses (0.7 per cent), construction (0.4 per cent) and manufacturing and mining (1.2 per cent). Increased credit for personal uses, was primarily influenced by a 4.7 per cent rise in lending for home construction and renovation, slowed by lower credit (3.0 per cent) for house and land purchase. There was also an increase in credit to other services (2.7 per cent) which largely reflected higher credit to public administration and professional and other services of 4.5 per cent and 4.6 per cent respectively. However, the increase in credit to those sectors was tempered largely by declines in credit to tourism (1.6 per cent), distributive trades (0.2 per cent) and agriculture and fisheries (7.1 per cent).

The net foreign assets of the banking system grew by 4.6 per cent to $2,307.6m during the first nine months of 2016, in contrast to a decrease of 2.1 per cent ($49.7m) during the corresponding period of 2015. The higher net foreign assets position reflected a 17.3 per cent ($131.1m) rise in St Kitts and Nevis' imputed share of the Central Bank's reserves to $888.3m, due to an increase ($126.5m) in assets. The rise in the imputed share of reserves was tempered by developments with commercial banks, whose net foreign asset position fell by 2.0 per cent to $1,419.4m, largely on account of an increase in the net liabilities position of financial institutions outside of the Currency Union.

Liquidity in the commercial banking system remained high during the review despite decreases in the ratio of liquid assets by 3.8 percentage points to 72.1 per cent, and the loans and advances to total deposits to 37.1 per cent at the end of September 2016 from 37.5 per cent at the end of 2015.

The weighted average interest rate spread between loans and deposits, was relatively unchanged at 6.49 percentage points at the end of September 2016, compared with 6.50 percentage points at the end of December 2015. This development was the result of a 14 basis points decline in the weighted average deposit rate to 1.91 per cent, matching one of 14 basis points in the weighted average lending rates to 8.40 per cent.

Prospects

A confluence of global developments in relatively quick succession, continues to magnify the level of uncertainty in regards to the global economic outlook. Recent events include; a sharp decline in petroleum prices in the latter part of 2015 which stabilised below prior levels in February 2016, the 23 June Brexit vote by the UK to exit the EU and the surprise victory of the Republican candidate, Donald Trump in the USA Federal elections on 8 November 2016. These events occurred in the context of the International Monetary Fund's (IMF) most recent update (October 2016) to the World Economic Outlook (WEO), in which growth prospects were revised down to 3.1 per cent from the previous baseline 2016 global growth estimate of 3.2 per cent in the January 2016 update. Of even greater relevance to the economy of St Kitts and Nevis, is the impact that recent developments have had on growth prospects in the USA, the Federation's major trading partner. During the first nine months of 2016 the economy of the USA is estimated to have expanded by 3.0 per cent compared with initial estimates at the beginning of 2016 of a 3.1 per cent increase.

Real sector developments in St Kitts and Nevis will be dominated by relative buoyancy in the construction sector, underpinned by continued investments in resort development in the private sector and upgrades to public infrastructure; road works, tourist attractions and public buildings. The performance of the tourism industry is estimated to improve in the final quarter of 2016, attributable to intensified marketing particularly in the East-coast of the

USA, sports tourism initiatives aimed at the Canadian and UK markets and continued investments in securing increased airlift. The United Airlines service commencing 19 November 2016 is expected to increase the number of weekly flights by almost 50.0 per cent to the destination, in addition to pre-existing seasonal airlift arrangements by American Airlines, weekly service from Delta Airlines and winter service from Air Canada. Therefore, some improvement in the number of total visitors is estimated in 2016 for both stay-over and cruise passengers, resulting in positive spill-overs for the wholesale and retail trade, transport, storage and communications and real estate, renting and business activities sectors. Inflationary pressures are anticipated to remain benign as no major increases in international energy prices is anticipated in the short to medium term. The recent surge in the stock market in the USA, if sustained, may precipitate a new round of optimism that may put upward pressure on global sentiment and consumer demand. However, this could be altered by geo-political uncertainties as the rest of the world assesses the planned policy direction of the incoming administration.

An overall fiscal surplus below that recorded in the fourth quarter of 2015, is estimated based on an anticipated decline in both tax revenue and non-tax revenue, coupled with increases in current expenditure. The recent announcement of a 13th month's salary to be paid to public servants on 14 December 2016 and the lowering of the VAT rate from 17.0 per cent to 5.0 per cent on appliances and to 0.0 per cent for automobiles costing $50,000.00 or less on 16 December will pose additional pressures on tax revenue. Additionally, consumers will be allowed to import food free of duties and taxes for the first 400 lbs during the period 9 to 31 December, 2016 while travellers to the Federation will receive a duty free allowance of $540.00 (US$200) off the CIF value. The expected lower performance of the non-tax revenue category is for the most part attributable to the reduced inflows from the CBI programme. In view of developments in non-tax, total revenue is projected to decrease in 2016. Tax revenue declines are also estimated, to reflect more moderate real sector activity. However, the recently announced stimulus measures could partially compensate for foregone revenue through increased economic activity. Current expenditure is estimated to increase associated with the fiscal stimulus measured outlined by the Prime Minister which will substantially increase the wage bill. Capital expenditure outlays are anticipated to fall below that of the last quarter of 2015.

A widening of the deficit on the current account of the balance of payments is anticipated, attributable to an increase in the gap on the merchandise trade account, reflective of higher imports of primary and intermediary consumer goods, largely related to the wholesale and retail trade and construction sectors. Developments related to the expansion of the deficit on the current account may be moderated by a possible slowdown in the economic expansion as work concludes on some major private sector investments and the anticipated start of major public projects is postponed to 2017.

Major downside risks include accelerated declines in receipts from the Citizenship by Investment programme due to intensified regional competition and subsequently, lower activity in the construction sector, as most of the major ongoing private sector construction is tourism-centred and driven by developments in the CBI. Intensified global uncertainty, stoked by the recent Federal elections outcome in the USA and the anticipated fall-out from the Brexit also poses a latent threat to the tourism industry particularly the UK source market. A possible escalation in geo-political tensions associated with the election outcome in the USA and enunciated protectionist policies by the nascent administration could further dampen economic prospects. Other downside risks include; the weather related damage to the physical infrastructure and the damaging impact of Zika virus on worker productivity and the attractiveness of the destination.

On the upside, reforms made to the CBI programme to improve the administrative and security robustness and strengthen the user-friendliness of the programme, could increase its competitiveness and generate additional investment inflows. The new administration in the USA seeks opportunities for enhanced trade relations with CARICOM countries of which St Kitts and Nevis is a member.

SAINT LUCIA

Overview

An assessment of preliminary data indicate a marginal contraction in economic activity in Saint Lucia for the first three quarters of 2016, compared with the outturn in the corresponding period of the prior year. This general assessment is largely based on the performance of a number of the major economic sectors including hotels and restaurants and manufacturing. The consumer price index (CPI) decreased by 1.9 per cent, on an end of period basis. In the external sector, the merchandise trade deficit widened, mainly on account of a reduction in the value of exports, supported by a higher import bill. **Central government's fiscal operations yielded a smaller overall deficit, associated largely with developments on the current account.** Notwithstanding the fiscal improvement, the total disbursed outstanding public sector debt stock rose during the period under review, as government's borrowing increased. In the banking system, monetary liabilities (M2) and net foreign assets expanded, while domestic credit declined. Liquidity at commercial banks improved, amidst tight lending conditions. The weighted average interest rate spread between loans and deposits widened during the review period.

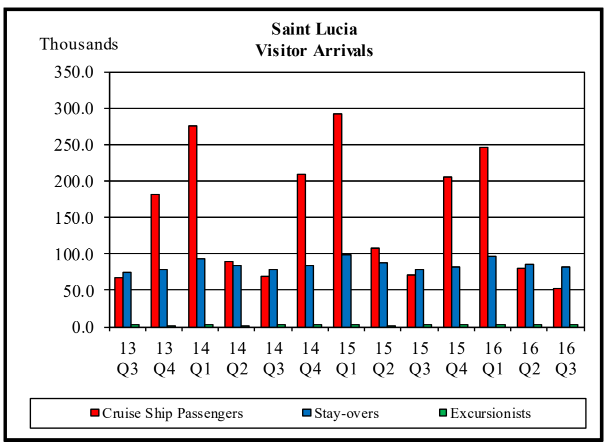
Economic prospects for the remainder of 2016 remain subdued, based largely on the outlook for a number of sectors including hotels and restaurants, manufacturing and transport, storage and communications; coupled with constraints associated with global uncertainty. Notwithstanding, activity in the construction and agricultural sectors are expected to continue to improve. The pace of construction activity is projected to accelerate, fuelled largely by private sector investment. Work in the private sector will concentrate largely on ongoing hotel plants including Royalton and Harbour Club and residential properties. Support is anticipated from the public sector through reconstruction and rehabilitation of roads, bridges and other physical infrastructure. Robustness in the agricultural sector is forecasted, largely contingent on expected improvements in livestock, poultry and crops. Activity in the tourism industry is projected to remain lacklustre, challenged partially by the tepid growth expectations for the advanced economies – particularly the USA and Canada, and a number of challenges posed by negative advisories including that of the ZIKA virus. Although the overall deficit on the fiscal accounts is projected to widen as a consequence of recent fiscal policy shifts, the commitment to maintain fiscal discipline and anticipated inflows from the Citizenship by Investment Programme (CIP) have the potential to ease imminent fiscal pressures and contribute positively to the overall health of the economy. Deflationary pressures are likely to persist, particularly if commodity prices, including petroleum products, continue to decline. **On balance, the risks remain tilted to the downside, reflecting the uncertainties in the global economy and challenges presented by Brexit, the impact of a new US president, other external shocks capable of retarding growth, adverse effects of global warming, the spread of the ZIKA virus and local labour market issues.**

Output

In the tourism industry, activity slowed in the first nine months of 2016, influencing an estimated decline in the overall output of the hotels and restaurants sector. While the total number of visitors to the island declined relative to the first three quarters of last year, the performance in the stay-over category improved slightly. Total visitor arrivals decreased by 11.6 per cent to 694,394, in contrast to growth of 7.8 per cent in the comparable period of the prior year. This outturn was largely attributable to a contraction in activity in the cruise visitor category. The number of cruise passengers fell by 19.7 per cent to 378,342 in contrast to an expansion of 8.9 per cent in the corresponding nine months of 2015. The contraction in the number of cruise ship passengers largely reflected a 4.5 per cent fall in the number of cruise ship calls from 266 to 254.

A marginal increase (0.6 per cent) to 264,680 was recorded in the number of stay-over visitors to the island, compared with growth of 3.2 per cent in the first three quarters of 2015. The performance in the stay-over category was largely influenced by a higher number of visitors from the Caribbean and the US markets. The number of stay-over visitors from the Caribbean increased by 9.7 per cent, bolstered by an influx of visitors from the French West Indies, as communities in Martinique and

Saint Lucia strengthened their collaboration. This collaborative effort also contributed to a 51.8 per cent rise in the number of excursionists visiting the island. Stay-over arrivals from the USA, the major source market, grew by 2.8 per cent to 121,517, largely reflecting an increase in airlift from that market. On the contrary, stay-over visitor arrivals from the European and Canadian markets decreased by 7.0 per cent and 6.6 per cent, respectively.



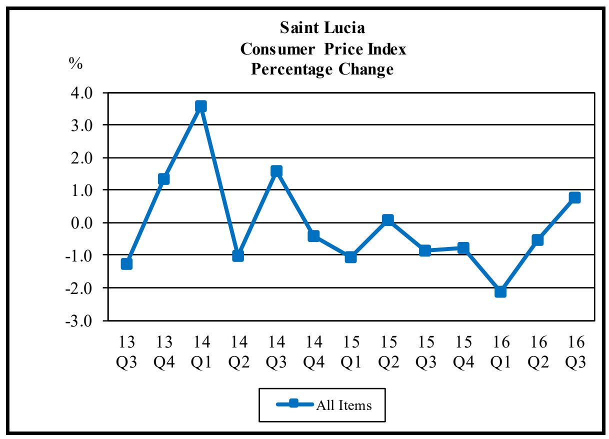
Manufacturing output is estimated to have contracted in the period under review, compared with the level in the first three quarters of the previous year. This outturn was primarily a result of contractions in the production and export volume of a number of manufactured goods. The assessment was also supported by a decline of 10.6 per cent in domestic exports - largely associated with a fall in the export of manufactured articles (35.4 per cent); and a marginal contraction (0.6 per cent) in commercial bank credit to the manufacturing sector.

Construction activity is estimated to have continued its trend of improvement in the first nine months of 2016, in relation to the level in the comparable period of the prior year. This assessment is partially supported by an estimated increase of 3.4 per cent in the value of imported construction materials, notwithstanding a decline in commercial bank lending to the construction sector. The improvement in construction was largely the result of developments in the private sector, as progress was made on a number of projects, including tourism related plants, such as the Royalton Property, the Harbour Club Hotel and the Bouchan Resort, and the winding down of the Unicomer Building. Public sector construction activity did not proceed as planned, as reflected by a 14.8 per cent decline in capital expenditure. However, work undertaken focused mainly on infrastructural development including rehabilitation of roads and bridges.

Output in the non-banana agricultural sub-sector including crops and livestock is provisionally estimated to have risen, supported by a marginal increase in banana production, thus resulting in an overall improvement in agricultural output. The positive performance of crops was mainly influenced by an estimated increase in the purchases by hotels and supermarkets as they continued to support local production. Banana production is estimated to have increased slightly to 6,515 tonnes, in contrast to a 5.1 per cent contraction recorded in the comparable period of 2015. As a result, revenue from banana exports was marginally above the level recorded in the corresponding period of the prior year.

Prices

During the first nine months of 2016, prices of goods and services in the economy, as indicated by movements in the consumer price index, are estimated to have decreased, on average, by 1.9 per cent. This outturn differed marginally from the 1.8 per cent rate of decline recorded during the corresponding period of 2015. Price developments during the review period were influenced largely by declines in the sub-indices of food and non-alcoholic beverages (2.7 per cent), housing, utilities gas and fuels (2.2 per cent), transport (1.9 per cent); and to a lesser extent, clothing and footwear (4.3 per cent) and recreation and culture (26.1 per cent). The overall reduction in the consumer price index however, was tempered by increases in the remaining sub-indices - communication (3.7 per cent), alcoholic beverages, tobacco and narcotics (4.1 per cent), health (0.2 per cent), education (2.0 per cent), household furnishings, supplies and maintenance (3.2 per cent) and hotels and restaurants (2.2 per cent).

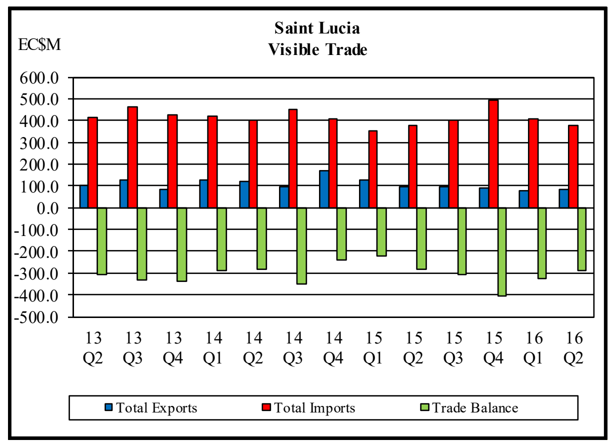


Trade and Payments

A merchandise trade deficit of $1,021.7m is estimated for the first nine months of 2016, higher than the $743.2m deficit recorded in the corresponding period of 2015. The larger deficit was mainly attributable to a

35.4 per cent fall in the value of exports to $254.2m, supported by an increase in import payments. The decline in total export receipts largely reflected developments in the re-exports sub-category, where receipts more than halved in the review period. Domestic exports also contributed to the overall outturn through a decline of 10.6 per cent in receipts, partially the result of a 35.4 per cent contraction in the intake from manufactured goods. Import payments increased by 12.2 per cent to $1,275.9m, largely influenced by higher outlays for minerals, fuels, lubricants and related materials (35.0 per cent), machinery and transport equipment (24.2 per cent) and manufactured goods (9.4 per cent).

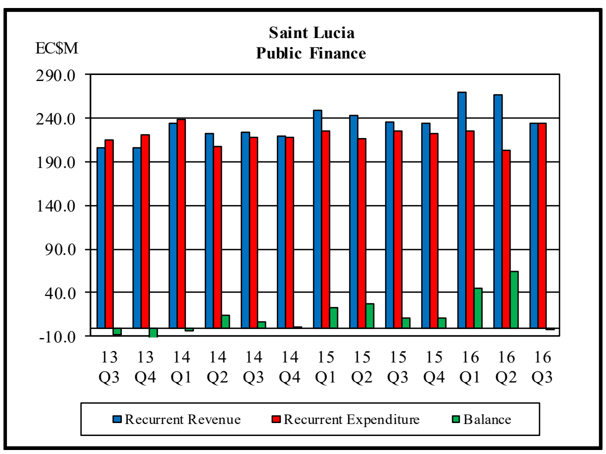
Gross travel receipts are estimated to have fallen by 6.7 per cent to $761.8m, influenced by declines in stay-over arrivals from the main source markets of Canada and Europe, which are the major spending categories of visitors. The activities of commercial banks resulted in a net outflow of $211.8m in short-term capital during the first three quarters of 2016, compared with an outflow of $348.8m recorded during the corresponding period of 2015. In the review period, external loan disbursements to the central government totalled $133.8m, up from $109.5m in the comparable period of the previous year. Principal repayment on debt grew by 6.1 per cent to $53.5m at the end of September 2016. Consequently, the central government was in a net amortization position of $80.3m, compared with one of $59.0m in the first nine months a year ago.



Central Government Fiscal Operations

The central government recorded an overall fiscal deficit of $15.6m compared with one of $65.0m in the first three quarters of 2015. This improvement in the fiscal performance was primarily attributed to developments on the current account, supported by a small improvement on the capital side. A primary surplus of $98.2m was recorded, an improvement from one of $46.9m realized in the comparable nine months of the prior year. The overall deficit was financed predominantly through external disbursements.

The capital account operations resulted in a deficit of $124.0m, compared with one of $127.2m in the corresponding period of 2015. The smaller deficit was the result of a 14.8 per cent decline in capital expenditure, in comparison with the outlays of the first nine months of the previous year, when a contraction of 2.2 per cent was recorded. The fall in capital expenditure reflected declining capital grant receipts, which more than halved in the review period.



A surplus of $108.4m resulted from the current account operations in the January to September period this year compared with one of $62.2m in the corresponding nine months of 2015. The improved performance was attributable to growth in current revenue collection, supported by a marginal decline in current expenditure. Current revenue rose by 5.8 per cent to $770.5m, reflecting an increase in tax revenue, which was partially offset by smaller non-tax revenue collections. Non-tax revenue fell by 32.0 per cent ($12.4m) largely on account of lower receipts from interest and rents and a decline in inflows from fees, fines and sales.

Tax revenue grew by 8.0 per cent ($54.9m) reflecting increases in collections from all sub-categories of taxes. Yields from taxes on income and profits grew by 11.7 per cent ($22.4m), largely reflecting growth of 32.5 per cent ($21.3m) in intake from the corporation tax and to a lesser extent, an increase of 3.4 per cent ($2.7m) in PAYE. The improvement from that category of taxes emanated from institutional changes by the Inland Revenue Department, coupled with increased collaboration with the large companies to ensure greater efficiency in collection. The intake from taxes on international trade and transactions increased by 8.7 per cent to $202.8m, primarily reflecting larger collections from the excise tax on imports ($6.0m), the import duty ($4.3m) and the service charge ($3.1m).

Yields from taxes on domestic goods and services were 4.6 per cent ($14.1m) above the amount collected in the corresponding period last year, a consequence of growth in receipts from the fuel surcharge ($6.2m), licenses ($5.0m) and stamp duties ($3.1m). Collections from the property tax continued to be boosted by the new market-based valuation system and yielded growth of 30.2 per cent ($2.2m) over the previous year.

A slight contraction (0.6 per cent) in current expenditure was observed, represented by a total of $662.1m. This outturn contrasts marginal growth of 0.1 per cent in current spending for the first nine months of 2015. Outlays on goods and services fell by 5.0 per cent ($6.5m), mirroring a decline ($6.4m) in expenditure on utilities, influenced in part by lower oil prices. The decline in spending for utilities was supported by a contraction of 0.4 per cent ($1.2m) in outlays on personal emoluments, the largest contributor to current expenditure. This outturn reflected a fall in salaries and wages, commensurate with a decline in central government employment. On the contrary, outlays on transfers and subsidies rose by 1.4 per cent ($2.0m), largely due to increased pension and NIS payments, which more than offset a decline in other transfers. Also, interest expenses increased by 1.7 per cent ($1.9m), as both domestic and external interest obligations grew.

Public Sector Debt

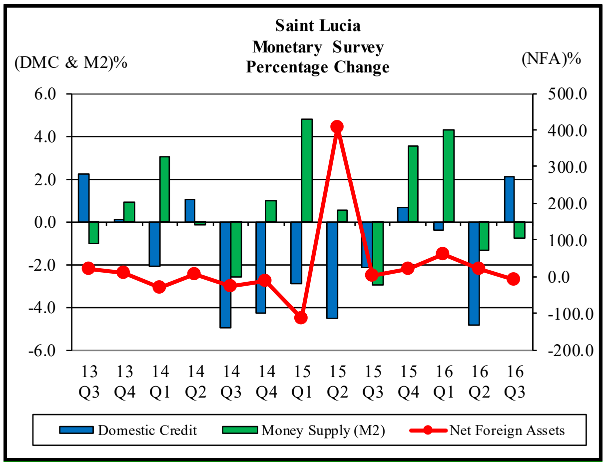
According to preliminary data, the disbursed outstanding debt of the public sector rose by 3.1 per cent to $3,039.4m, during the first nine months of 2016, fuelled by growth of 3.8 per cent ($106.7m) in central government's borrowing. The rise in central government's total debt reflected increases of 5.7 per cent and 2.1 per cent in its stock of external and domestic debt, respectively. By contrast, the outstanding debt of public corporations is estimated to have contracted by 11.3 per cent to $129.8m, influenced by declines in both their domestic ($10.7m) and external ($5.7m) stocks of debt.

Money and Credit

The broad money supply (M2) is estimated to have expanded by 2.1 per cent to $3,117.8m during the first three quarters of 2016, compared with growth of 2.2 per cent during the corresponding period of 2015. The expansion of M2 mirrored growth of 8.3 per cent ($63.7m) in the narrow money supply (M1), largely attributable to an increase of 9.4 per cent ($57.6m) in private sector demand deposits, which more than offset a marginal decline (0.5 per cent) in currency held with the public. By contrast, a slight contraction was recorded in quasi money, bringing the total to $2,285.0m, a consequence of declines of 5.8 per cent ($22.5m) and 4.2 per cent ($14.2m) in private sector time deposits and private sector foreign currency deposits respectively.

Domestic credit fell by 3.2 per cent to $3,163.3m during the first nine months of 2016, compared with a decline of 9.3 per cent during the comparable period of the prior year. The contraction in credit was attributed to decreased borrowing by both the private sector and the government. Outstanding credit to the private sector fell by 2.3 per cent, primarily due to a contraction of 4.4 per cent in loans extended to businesses; supported by a marginal decline (0.5 per cent) in household borrowing. The transactions of the central government resulted in a net credit position of $189.1m, compared with one of $226.7m at the end of December 2015. This development was primarily attributable to an increase of $56.3m in government's deposits at the commercial banks. In the rest of the public sector, outstanding loans to non-financial public enterprises fell by 11.3 per cent ($7.0m), while lending to non-bank financial institutions increased by 35.0 per cent ($2.8m).

The distribution of commercial bank credit by economic activity indicates that outstanding loans and advances fell by 2.8 per cent, compared with a decline of 6.2 per cent during the first nine months of 2015. The overall contraction was associated with declines in lending for all categories, except distributive trades, which increased marginally ($0.9m). Lending to the tourism industry experienced the largest contraction of 11.6 per cent ($45.7m), as banks continued to tighten policies for tourism-based investments, given the industry's high level of non-performing loans. Outstanding credit to the construction sector fell by 15.1 per cent ($41.8m) in spite of an improvement in construction activity. Other sectors which recorded declines in borrowing were agriculture and fisheries ($7.2m) and manufacturing ($0.6m). Lending for personal uses fell by 0.5 per cent ($8.8m), driven largely by a decline of $18.8m for acquisition of property.



At the end of September 2016 the banking system stood in a net foreign assets position of $464.5m, up from one of $268.4m at the end of December 2015. The outturn was mainly associated with a 39.5 per cent decrease in the net liabilities position of commercial banks, as they increased their asset base. Assets held with institutions outside the region grew by 5.4 per cent ($48.2m), while those held within the ECCU region increased by 10.6 per cent ($35.4m). Also contributing to the improvement in the country's position were reductions of 10.0 per cent and 4.0 per cent in commercial banks' regional and foreign liabilities respectively. Saint Lucia's imputed share of the Central Bank's reserves decreased by 2.0 per cent to $789.2m.

Liquidity in the commercial banking system improved during the review period. At the end of September 2016, the ratio of liquid assets to total deposits plus liquid liabilities stood at 37.0 per cent, which was above the recommended minimum of 25.0 per cent and approximately 1.5 percentage points higher than the level recorded at the end of December 2015. The loans and advances to total deposits ratio fell by 4.5 percentage points to 92.0 per cent, but continued to exceed the ECCB's recommended ceiling of 85.0 per cent.

Since the Monetary Council's decision to reduce the minimum savings rate to 2.0 per cent, a continuous decline has been noted in the deposit rates, while some stickiness was observed in lending rates. The weighted average interest rate on deposits fell to 1.65 per cent from 1.94 per cent at the end of December 2015. According to senior banking officials, tight competition in the market has forced down lending rates; hence a decrease of 17 basis points to 8.18 per cent in the weighted average lending rate during the review period. Consequently, the weighted average interest rate spread increased by 12 basis points during the first three quarters of the year.

Prospects

The International Monetary Fund (IMF) in its October 2016 update of the World Economic Outlook (WEO) maintained projections for global growth at 3.1 per cent and 3.4 per cent for 2016 and 2017 respectively. However, forecasts for advanced economies were revised slightly downwards, consequent to the materialized risks of the Brexit vote in June 2016 and weakened activity in the US economy in the first half of the year. On the upside, marginally strengthened growth is projected for emerging market and developing economies in 2016, with increased momentum in the short to medium term. Consequently, global growth is likely to accelerate in 2017, with additional support from forecasted investment recovery in the USA. US economic growth is projected at 1.6 per cent in 2016 and 2.2 per cent in 2017; while growth expectations for 2016 for the UK and Canada are 1.8 per cent and 1.2 per cent, respectively. Against the backdrop of these international developments, along with a number of domestic pressures, economic activity in the Saint Lucia is projected to remain subdued in 2016. However, concomitant with expected moderate strengthening of activity in the global economy into 2017, activity in Saint Lucia is expected to gain some traction in the short to medium term.

Forecasted improvements in a few sectors, including construction and agriculture are likely to provide some impetus to the economy, albeit insufficient to create the desired momentum to propel positive growth. Also, the implementation of initiatives to improve the country's competitiveness and attain a sustainable level of economic growth will augur well for the overall health of Saint Lucia's economy. Regarding construction - a major contributor to overall economic output, growth is expected to be fuelled by robust private sector activity, as work progresses on ongoing hotel plants and private buildings. Support from the public sector is also anticipated through reconstruction and rehabilitation of roads, bridges and other physical infrastructure.

In the agricultural sector, production is expected to increase, based on further improvement in the output of a number of subsectors including crops, livestock and poultry, supported by the continued efforts of the Ministry of Agriculture to boost the sector. The commitment by some local hotels and supermarkets to continue to purchase from local farmers gives tremendous support to expansion in agriculture. The improvement noted in banana production for the year thus far is expected to protract as investment and expansion policies become entrenched given the assistance of the EU's Banana Accompanying Measures (BAM).

Activity in the tourism industry is projected to remain challenged by the prospects for the advanced economies and the ZIKA advisory alert issued for Saint Lucia. Authorities are still hopeful that the positive ratings and awards that the country received and the revamping of the Tourist Board to strengthen marketing, may boost visitor arrivals. Increased airlift from the USA, the main source for stay-over visitors is likely to contribute to continued expansion from that market despite the weaker-than-expected growth in that economy. The tourism numbers are likely to be bolstered by visitor arrivals from the region as the collaborative efforts between Saint Lucia and the French West Indies strengthen in the short-term and plans for a ferry service among the southern islands are materialized in the long-run. A turn-around is anticipated in the cruise sub-sector for the remainder of the year, partly attributed to Saint Lucia becoming a home port for P & O Cruises. Any improvement in the performance of the tourism industry is expected to be transmitted to other ancillary sectors like wholesale and retail, transport, storage and communications and distributive trades.

Another principal factor affecting the short-term outlook is the overall fiscal and debt management policy. While Saint Lucia has been successful in the implementation of measures to contain expenditure and enhance revenue, it is likely that revenue collections in the short-term may be constrained by the new fiscal policy stance, which includes the reduction in the VAT rate to 12.5 per cent from 15.0 per cent. In the absence of other measures to further cut expenditure or revise the current tax regime, deterioration in the fiscal position is likely.

Capital expenditure is expected to increase, as work progresses on a number of projects and funding has been identified for new infrastructural development. Upward debt pressures are anticipated, as the fiscal deficit continues to be financed through borrowing, coupled with the rolling over of a substantial proportion of existing bonds and Treasury bills. These borrowing pressures are likely to result in augmented central government debt, thus adversely impacting interest payments and overall debt servicing costs. However, any inflow from the Citizenship by Investment Programme may potentially ease fiscal pressures.

In the external sector, the merchandise trade deficit is likely to narrow in the short term commensurate with an anticipated increase in export earnings, which is likely to more than offset any growth in import payments, resulting from the forecasted expansion in construction activity. Travel inflows are likely to increase concomitant with the expectations for stay-over visitor arrivals. It is likely that foreign investment flows may improve in the near to medium term in line with global economic prospects. Deflationary pressures may persist, largely contingent on developments regarding global commodity prices.

Although some strengthening of global activity is expected in the near to medium term, the immediate outlook for global recovery continues to be impacted by a confluence of factors, which create substantial uncertainties, hence significant downside risks to overall economic and growth prospects. The IMF (WEO) advised that low-income countries should simultaneously rebuild fiscal buffers and boost spending on capital and social development. In the case of Saint Lucia, along with the aforementioned, structural reforms, financial stability and effective debt management are imperative in the achievement of its growth targets. Major downside risks persist if policy makers are not able to effectively leverage their growth-stimulating and fiscal consolidation policies with opportunities like the CIP. While attempting to safeguard the Saint Lucian economy from extrinsic shocks, a number of domestic challenges persist. These include a sudden stop in foreign investments used for the major tourism-related projects; the dependence of the tourism industry on developments in the advanced economies, which face uncertainty from Brexit; the impact of the continued spread of the ZIKA virus on visitor arrivals; the adverse effects of global warming and climate change; and chronic unemployment in the economy, particularly among the youth.

ST VINCENT AND THE GRENADINES

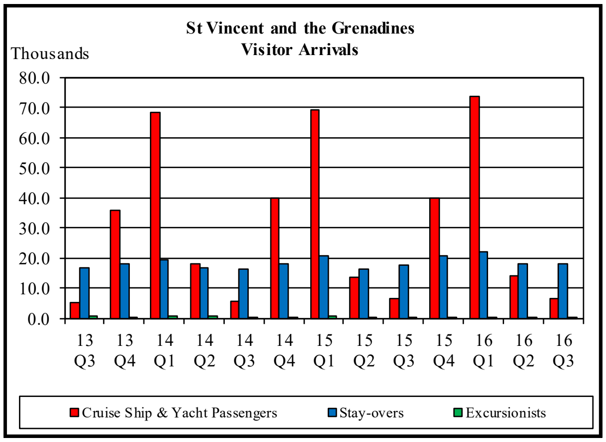
Overview

Available data for the first three quarters of 2016 signal a mild deceleration in economic activity in St Vincent and the Grenadines, with uneven developments across the key sectors. Despite improvements in tourism and related service sectors, activity in the agricultural and manufacturing sectors displayed modest declines. The subdued performance of the economy was accompanied by an upward trend in inflation, as the consumer price index rose by 1.2 per cent on an end-of-period basis. The merchandise trade deficit is estimated to have widened, attributed to rising import payments and falling export receipts. The operations of the central government yielded a lower overall deficit, while the outstanding stock of public sector debt rose relative to that at the end of December 2015. Meanwhile, domestic financial conditions remained relatively favourable, driven by a moderate expansion in bank deposits and credit extended to the private sector. Commercial bank liquidity was slightly lower than in the corresponding period of 2015, but remained above prudential benchmarks, while the spread between the weighted average interest rate on loans and deposits widened.

The growth outlook for St Vincent and the Grenadines for the remainder of 2016 remains subdued, and risks to the outlook are assessed to be broadly balanced. Downside risks relate to the possible impact of weaker growth in the global economy and potential delays in the completion and operationalisation of the airport which may further weaken business sentiment. Similarly, the threat of global warming has resulted in increasing vulnerability to disasters. If any of these risks materialise, a lower growth outcome may be expected for the remainder of the year. Conversely, the upside risks pertain to the imminent commissioning of the airport and ongoing investment projects in the Grenadines which may fuel construction and improve output in the agricultural and service sectors.

Output

Cumulative activity in the tourism industry for the review period is estimated to have advanced, reflecting positive contributions in most of the sub-categories of visitors. Preliminary data show that total visitor arrivals increased by 5.9 per cent to 154,245, in contrast to a 0.5 per cent contraction in the corresponding period of the preceding year. This overall expansion reflected increases in all but one of the segments of visitor arrivals. Specifically, stay-over visitors continued to improve with growth of 7.1 per cent to 58,659, compared to an increase of 4.0 per cent in the corresponding period last year. The growth was attributed to increases in arrivals from all major source markets. The Caribbean source market, which accounted for the largest share of visitors, continued to rebound. Visitors from the regional market rose by 13.3 per cent, more sharply than the 3.7 per cent in the previous year, due to the hosting of several regional conferences and sporting events. Visitor arrivals from the USA, the second largest source market, rose by 6.0 per cent while visitors from the United Kingdom advanced by 6.7 per cent relative to arrivals in the comparative period of 2015. Following a 3.1 per cent increase in the previous year, visitors from Canada were up by 3.5 per cent. These gains in stay-over arrivals were partly mitigated by a reduction in arrivals from the aggregate of the smaller, less-established markets, which retreated by 4.0 per cent. Consistent with the growth in the number of port calls by cruise ships, the number of visitors arriving on cruise liners was 8.6 per cent higher relative to the corresponding period of 2015. The number of yacht passengers grew by a modest 0.5 per cent to 36,146 in contrast to a decline of 0.7 per cent in the first nine months of the preceding year. Partly mitigating these improvements, was a fall in excursionists, which fell by 8.0 per cent during the period, a slower pace of decline than that recorded in the corresponding period of the previous year (19.7 per cent). Consistent with the expansion in the stay-over category, total visitors in paid accommodation was 9.7 per cent higher, mainly attributable to increased occupancy at hotels and resorts. Overall, the gains achieved in this sector during the first three quarters of 2016 are estimated to have resulted in growth in total visitor expenditure of 5.9 per cent to $199.5m.



Preliminary data for the first nine months of 2016 suggest that the pace of activity in the construction sector retreated, compared to that in the corresponding period one year prior. This moderation was driven by developments in both government-led infrastructural projects and residential construction. Public sector construction, proxied by capital expenditure, fell sharply by 14.0 per cent to $46.8m owing to the completion of major construction work at the Argyle International Airport as well as some slowing in a number of road projects. In the residential sub-sector, the pace of construction of private dwellings decelerated, reflected in an easing in commercial bank lending to residential construction and renovation to 4.4 per cent relative to the rate of 6.3 per cent observed in the corresponding period of 2015. The diminished level of construction activity was further evidenced by an estimated 14.6 per cent reduction in the value of imported construction materials and supplies in the period.

The manufacturing sector, which largely consists of the grains, beverages and building materials sub-sectors, showed signs of slowing, compared to activity recorded in the comparative period of 2015. Output in the grains sub-sector, which has historically been a key driver in the manufacturing sector has been on the decline amid lower consumer demand and competitiveness challenges in the regional market. This slowdown was reflected in contractions in the production of flour (3.9 per cent) and rice - which had diminished substantially in the last two years. Offsetting some of the reduction in output in the grains segment of the market, was the production of feed, which expanded strongly by 15.5 per cent in the period. Meanwhile, output in the beverages sub-sector, which had previously provided some cushion to growth in manufacturing, declined over the period, attributable mainly to a 7.4 per cent decline in the production of beer.

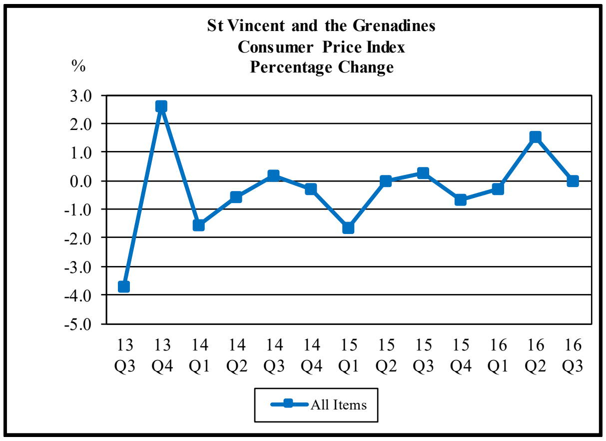
After a tepid recovery in the agricultural sector, output in the sector is preliminarily estimated to have contracted modestly in the first nine months of the year. Despite a 6.9 per cent expansion in banana exports to the regional markets, exports of non-traditional crops such as sweet potatoes, eddoes and plantains fell during the period. The performance of the fishing sector was weak, on account of an 18.3 per cent decline in fish production.

Sustained by positive developments in tourism-related activities, the wholesale and retail trade sector is assessed to have expanded, in tandem with the increase in the volume of imports. Similarly, a small positive contribution is estimated for the utilities sector, as the amount of electricity consumed in the period advanced by 6.9 per cent, which was partially mitigated by a 0.8 per cent decline in water usage. In light of the recent implementation of a charge on deposits by a commercial bank in May 2016 and the deceleration in domestic credit, value added in the financial sector is estimated to have retreated during the first nine months of the year. This moderation may have been offset by a decision to reduce the minimum savings rate by the Monetary Council which became effective in May 2015, which may have contributed to the enhanced profitability in the banking sector during the nine months of 2016.

Prices

Inflationary pressures began to emerge during the first nine months of 2016 as **the consumer price index rose to 1.2 per cent in contrast to a decline of 1.4 per cent during the comparable period of 2015**. The upward movement in the index was driven by increases in all but two of the sub-components. Of the three largest sub-indices, the housing, water, electricity, gas and other fuels sub-index registered an increase of 1.6 per cent, influenced by an increase in the cost of electricity and the price of Liquefied Petroleum Gas (LPG). Meanwhile, the transport and the food and non-alcoholic beverages sub-indices were both 1.2 per cent higher on an end-of-period basis than twelve months prior. Higher price levels were also observed in alcoholic beverages, tobacco and narcotics (3.4 per cent); clothing and footwear (2.1 per cent); and communication (0.5 per cent) sub-indices. The only two sub-indices which recorded price declines were health and education, which were 1.6 per cent and 0.8

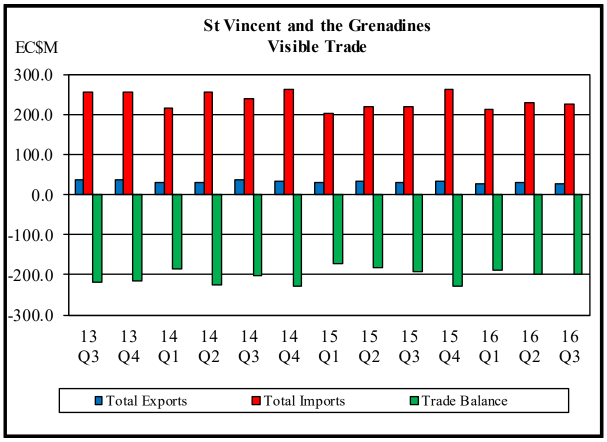
per cent below the levels recorded at the end December 2015.



Trade and Payments

Provisional trade data indicate that the merchandise trade deficit widened by 6.6 per cent to $584.4m in the first three quarters of 2016 relative to a deficit of $548.0m in the corresponding period of 2015. The widening deficit was the result of a 4.3 per cent rise in import payments to $665.5m, which was exacerbated by a 10.3 per cent decline in total export receipts to $81.1m. The fall in export receipts reflected a contraction of 27.3 per cent in the value of re-exports. Additionally, earnings from the export of domestic goods fell by 8.6 per cent to $75.2m, associated in part, to declines in the receipts from agricultural produce, grains and beverages. Meanwhile, a 19.0 per cent increase in the machinery and transport equipment sub-category followed by a 16.6 per cent rise in miscellaneous manufactured goods accounted for much of the jump in import payments. These increases were mitigated by declines in the payments for food and live animals (3.5 per cent), manufactured goods (2.1 per cent) and mineral fuels and related materials (0.9 per cent). The fall in the payments of mineral fuels and related materials reflected in part, issues related to the cash basis method of accounting.

Consistent with the growth in stay-over arrivals, gross travel receipts are estimated to have advanced by 5.9 per cent to $199.5m. Transactions of commercial banks resulted in a net outflow of $79.5m in short-term capital during the nine months ended September of 2016, in contrast to a net inflow of $12.5m recorded during the corresponding period of 2015. According to the most recent estimates, disbursements from external loans to the central government rose sharply to $43.9m from $28.8m in the first nine months of the preceding year. Meanwhile, external principal repayments increased by $18.3m per cent to $26.0m. Consequently, central government financial activities resulted in a net inflow of $17.9m in the first nine months of 2016, slightly lower than net inflows of $21.2m in the comparable period of 2015.



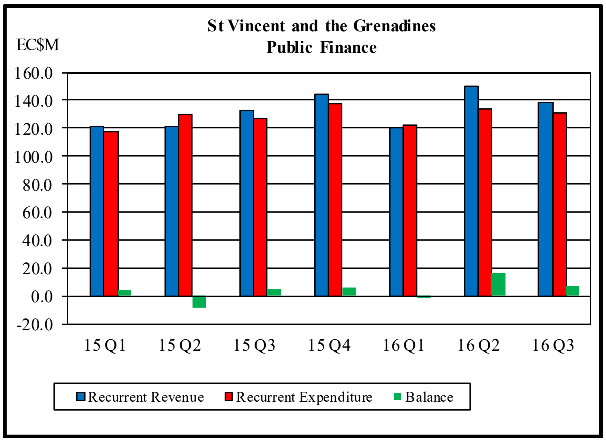
Central Government Fiscal Operations

The operations of the government are estimated to have yielded a narrower overall deficit to $6.4m from one of $27.0m in the corresponding period of 2015, as growth in revenue outpaced that of expenditure. This improvement was driven by a shift on the current account from a deficit to a surplus, coupled with continued contraction in capital spending. A primary surplus of $24.2m was recorded, following one of $4.9m in the first three quarters of 2015.

The current account balance shifted to a surplus of $21.8m in the review period, from a deficit of $0.1m in the first nine months of the prior year. This outturn was associated with a 9.1 per cent increase in current revenue to $409.1m,[2] mainly reflecting broadening revenue sources and the implementation of new measures from the 2016 Budget. Tax receipts, which accounted for approximately 86.0 per cent of current revenue, increased by 9.7 per cent to $352.9m, primarily on account of increased inflows from all major tax categories. Increases were recorded in the intake from taxes on income and profits ($14.2m), taxes on international trade ($10.3m), taxes on domestic goods and services ($4.1m) and taxes on property ($2.4m).[3] The growth in receipts from taxes on domestic goods and services was partly boosted by higher inflows from the value added tax, which grew by 7.8 per cent ($4.0m), and may have partly reflected the impact of the elimination of tax-exempt status on selected goods, effective 01 May 2016. Improved revenue collection in taxes on international trade largely reflected the implementation of Article 164 of the Treaty of Chaguaramas on a more

[2] Data submitted by the Ministry of Finance are now classified according to the Government Finance Statistics Manual 2014 (GFS 2014), so the analysis may vary slightly from that of previous years.
[3] In St Vincent and the Grenadines Taxes on Property comprise property tax, alien land-holding license and stamp duty on property (GFS 2014).

comprehensive list of goods, and an increase in surtax on vehicles four years and older. Meanwhile, other revenue, a sundry revenue category, was $3.1m higher, largely reflected a $1.6m improvement in the intake from sales of goods and services.



Current expenditure increased by 3.3 per cent ($12.4m) to $387.3m, reflecting higher outlays in two of the major sub-categories. Compensation to employees, which comprised 53.0 per cent of current expenditure, rose by 4.6 per cent ($8.9m), while spending on transfers and other social benefits grew by 7.4 per cent ($7.3m). Conversely, spending on goods and services declined by 5.4 per cent ($2.6m) largely due to a decline in outlays on office supplies, materials and maintenance services. Meanwhile, interest payments fell by 4.2 per cent ($1.4m) on account of declines in both external and domestic obligations.

Investment in the government's capital programme further contracted by 14.0 per cent ($7.6m) and stood at $46.8m in the first three quarters of 2016. The consecutive declines were consistent with the final stages of construction activity related to the Argyle International Airport, scheduled to be completed later this year; the modern medical complex and the post-disaster housing rehabilitation programme, associated with the Christmas Trough of 2013. The capital programme was partially funded by capital revenue and grants which totalled $18.6m, which were substantially less than the intake of $27.5m in the first nine months of the previous year. Of this total, the value of grants increased by $5.6m during the period to $17.4m relative to the comparable period in 2015.

Public Sector Debt

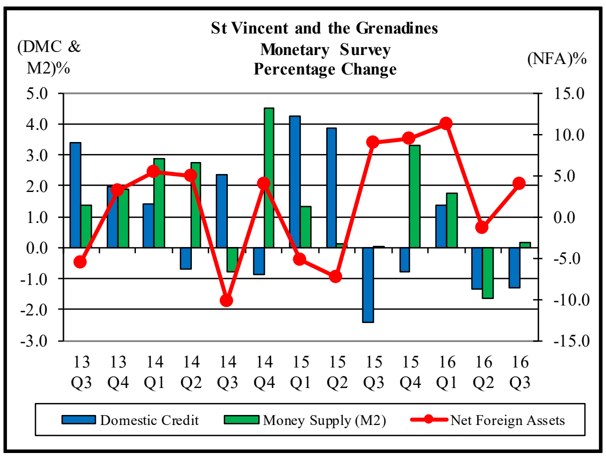
The total outstanding debt of the public sector is estimated to have risen by 1.0 per cent ($15.5m) to $1,625.3m at the end of September 2016, relative to the stock at

the end of December 2015. Central government outstanding debt, which at the end of September 2016 accounted for approximately 85.0 per cent of total debt, rose by 1.3 per cent to $1,394.3m, reflecting a 3.1 per cent jump in external debt. The increase in central government external debt was on account of disbursements by multilaterals and the issuance of a private bond. Conversely, debt incurred by public corporations fell by 0.8 per cent ($1.9m) to $231.0m during the period.

Money and Credit

Relative to the comparative period in 2015, the pace of growth of monetary liabilities in the banking sector during the first three quarters of 2016 showed signs of deceleration. **Broad monetary aggregate (M2) grew by 0.2 per cent to $1,478.9m, slower than the growth rate of 1.4 per cent recorded during the corresponding period in 2015.** The deceleration in M2 was largely attributable to a 1.1 per cent contraction in quasi money to $1,026.8m. The contraction was largely influenced by private sector time deposits and private sector foreign currency deposits, which declined by 10.4 per cent and 10.2 per cent respectively. The sharp contractions in these components may have been attributed to the introduction by the RBC Republic Bank of Trinidad and Tobago (RBTT) of a $25 charge on several of its accounts beginning 23 May 2016. The implementation of the fee in St Vincent and the Grenadines led many depositors to close their accounts at the commercial bank. Concurrently, private sector savings deposits grew at a marginal rate of 1.4 per cent, a slower pace relative to the rate of 3.8 per cent in the corresponding period of the previous year. Meanwhile, narrow money (M1) increased by 3.3 per cent to $452.1m, mainly due to movements in currency with the public and private sector demand deposits, which rose by 11.3 per cent and 2.0 per cent respectively.

Domestic credit declined by 1.3 per cent to $1,056.0m during the period under review. Of this total, net claims on the central government fell by 24.0 per cent ($26.7m) to $84.5m, and mostly stemmed from an increase in government's deposits with commercial banks coupled with a reduction in commercial banks' holdings of government securities. The net deposit position of non-financial public enterprises declined by 4.5 per cent to $106.6m, attributable to a reduction in deposits. Credit to the private sector rose by $8.2m (0.8 per cent) at the end of September 2016, largely associated with a 3.1 per cent increase in outstanding loans to households. This expansion was partially offset by a contraction in outstanding loans extended to the business sector which slid by a further 7.2 per cent, following a marginal 0.7 per cent expansion in the previous year.



Consistent with the estimated deceleration in the level of economic activity in the review period, total outstanding credit extended to major sectors slowed by 1.0 per cent to $1,218.8m. The period was marked by declines in outstanding credit to a number of economic sectors including manufacturing (20.3 per cent), construction (23.1 per cent), tourism (9.7 per cent) and distributive trades (5.0 per cent). The notable exception was credit extended to agriculture, which although comprises less than one per cent of total outstanding credit in the banking sector, advanced by 9.4 per cent. Of the estimated 3.2 per cent expansion in personal credit, acquisition of property, which constitutes more than half of the loans to households, grew at a rate of 3.5 per cent, more slowly than the increase of 6.0 per cent of the comparable period in the preceding year. Durable consumer credit posted growth of 9.8 per cent, while other household lending rose by 2.4 per cent, suggesting encouraging consumer sentiment.

During the first nine months of 2016, the net foreign assets of the banking system is estimated to have risen by 14.1 per cent to $606.7m. The expansion was mainly influenced by a 20.2 per cent ($46.8m) increase in commercial banks' net foreign asset position with institutions outside the Currency Union, which was partly mitigated by a 1.1 per cent ($4.7m) contraction in St Vincent and the Grenadines' imputed share of the Central Bank's reserves.

Liquidity of the commercial banking sector declined during the first three quarters of 2016 but remained at a comfortable level.

The ratio of liquid assets to total deposits plus liquid liabilities fell marginally to 44.1 per cent at the end of September 2016 from 44.3 per cent at the end of December 2015, well above the prudential ratio of 25.0 per cent. Meanwhile, the loans and advances to deposits ratio declined by 1.4 percentage points to 69.3 per cent, which was below the maximum prudential threshold of 75.0 to 85.0 per cent.

The weighted average interest rate spread between loans and deposits was unchanged at 7.30 per cent at the end of September 2016, relative to the end of December 2015. The spread reflected adjustments in the weighted average rates on both deposits and loans. There was a reduction of 10 basis points in the weighted average deposit rate to 1.82 per cent, as commercial banks continued to make adjustments to deposit accounts following the decision by the Monetary Council to lower the minimum savings rate to 2.0 per cent in May 2015. Concurrently, the weighted average rate charged on outstanding loans is estimated to have declined to 9.12 from 9.22 as at year-end 2015.

Prospects

The growth outlook for St Vincent and the Grenadines for the remainder of 2016 remains subdued, and risks are assessed to be broadly balanced. The downside risks relate to the possible impact of weaker growth in the global economy and potential delays in the completion of the airport which may further weaken investor sentiment. Conversely, the upside risks pertain to the imminent eventual commissioning of the airport, ongoing investment projects in the Grenadines which may fuel construction as well as improved output in agriculture and other service sectors.

With respect to global developments, the IMF has projected growth to be subpar at 3.1 per cent for 2016 according to its most recent World Economic Outlook Report in October 2016. Within this broad outlook, the growth prospects have been revised downwards for advanced economies. Notwithstanding this modest outlook, the advanced GDP reading suggested that the US economy grew at a relatively faster pace of 2.9 per cent in the third quarter, which may translate to positive prospects for travel services.

Domestically, the country is expected to benefit from the imminent operationalisation of the airport which may fuel activity in the tourism and construction sectors. Other potential benefits to the outlook include a better-than-expected performance in the agricultural sector from a number of ongoing sectoral initiatives as well as positive spill-overs from a number of tourism and construction projects in the Grenadines. With respect to the household sector, the positive impact from a salary increase to public servants in 2016 may provide a boost to economic activity.

The banking sector remains sound with relatively high levels of liquidity to support growth in credit. However, the recent trend towards increasing bank charges and fees by some commercial banks may potentially affect consumer and business confidence and subsequently impact credit for the remainder of the year.

The fiscal operations of the central government are expected to be muted, reflecting the net effect of positive and negative developments. From a positive perspective, the Government introduced a number of new revenue measures in its 2016 Budget, which are expected to take effect this year and conservatively yield approximately $15.0m in additional revenue. Efforts are also ongoing in enhancing taxpayer compliance and the collection of substantial arrears. Concurrently, capital expenditure is likely to be lower but this decline may be offset by increased expenditure in transfers for the commissioning of the new airport given its expected completion.

This outlook continues to be restrained by persistent downside risks, including delays in the operationalisation of the airport, geopolitical risks related to terrorism and increasing vulnerability to natural disasters. Natural disasters have increased in frequency and intensity in recent years which may result in greater fiscal costs in the aftermath. If either of these risks materialise, a lower growth outcome may be expected for the remainder of the year.

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.

S T A T I S T I C A L   T A B L E S   I N D E X

GRENADA

MONTSERRAT

ST KITTS AND NEVIS

SAINT LUCIA

ST VINCENT AND THE GRENADINES

Table 1
ECCU - Selected Tourism Statistics

	2015 3rd Qr	2015 4th Qr	2016R 1st Qr	2016R 2nd Qr	2016P 3rd Qr	2015 Jan - Sept	2016 Jan - Sept
Total Visitors	541,011	1,268,767	1,786,822	625,024	517,691	2,984,051	2,929,537
Stay-Over Visitors	244,595	267,329	328,366	260,188	254,768	818,723	843,322
Of which:							
USA	96,248	106,394	142,415	123,688	101,535	344,274	367,638
Canada	12,073	21,793	39,531	16,103	13,301	72,746	68,935
UK	42,358	57,315	62,083	44,811	41,758	150,869	148,652
Caribbean	67,171	50,045	47,369	51,147	70,826	161,158	169,342
Other Countries	26,745	31,782	36,968	24,439	27,348	89,676	88,755
Excursionists \1	32,507	27,880	36,204	27,709	29,228	104,151	93,141
Cruise Ship Passengers \2	241,361	937,829	1,352,115	305,292	211,996	1,932,993	1,869,403
Yacht Passengers \4	22,548	35,729	70,137	31,835	21,699	128,184	123,671
Number of Cruise Ship Calls \3	113	579	921	181	99	1,224	1,201
Total Visitor Expenditure (EC$M)	**751.13**	**905.84**	**1,176.16**	**803.74**	**767.97**	**2,750.58**	**2,747.87**

Sources: ECCU Central Statistics Offices and Eastern Caribbean Central Bank

[1] Excursionists includes Sea Arrivals for Saint Lucia and excludes Antigua and Barbuda.

[2] Cruise ship passengers excludes Anguilla but includes Antigua and Barbuda.

[3] Cruise ship calls excludes Anguilla and St Vincent and the Grenadines.

[4] Yacht passengers includes St Kitts and Nevis and St Vincent and the Grenadines and Saint Lucia from 1st Qr 2016.

Data as at 14 November 2016

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

	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016 3rd Qr[P]
Net Foreign Assets	**5,988.73**	**5,927.28**	**6,532.89**	**7,033.44**	**7,133.22**	**7,286.08**
Central Bank (Net)	**4,119.79**	**4,080.91**	**4,205.97**	**4,646.97**	**4,711.83**	**4,610.64**
External Assets	4,123.32	4,082.94	4,211.41	4,656.05	4,715.80	4,616.90
External Liabilities	(3.53)	(2.03)	(5.44)	(9.09)	(3.97)	(6.26)
Commercial Banks (Net)	**1,868.94**	**1,846.37**	**2,326.92**	**2,386.48**	**2,421.40**	**2,675.44**
External Assets	5,632.84	5,616.72	5,904.76	5,931.57	5,825.57	5,921.09
External Liabilities	(3,763.90)	(3,770.35)	(3,577.84)	(3,545.09)	(3,404.18)	(3,245.65)
Net Domestic Assets	9,723.50	9,646.33	9,189.81	9,055.22	8,811.93	8,556.28
Domestic Credit	**11,642.31**	**11,555.46**	**11,084.55**	**10,785.48**	**10,375.45**	**10,260.77**
Central Government (Net)	1,551.20	1,576.18	1,246.39	1,058.55	1,017.13	970.04
Other Public Sector (Net)	(2,039.55)	(2,078.49)	(2,002.93)	(2,114.25)	(1,948.72)	(1,957.98)
Private Sector	12,130.65	12,057.77	11,841.09	11,841.19	11,307.05	11,248.71
Household	6,851.04	6,828.00	6,776.08	6,760.14	6,629.08	6,625.78
Business	4,930.77	4,895.79	4,719.03	4,730.45	4,322.07	4,262.30
Non-Bank Financial Institutions	195.09	178.94	199.12	205.57	225.16	230.27
Subsidiaries & Affiliates	153.76	155.03	146.86	145.03	130.74	130.37
Other Items (Net)	**(1,918.80)**	**(1,909.13)**	**(1,894.74)**	**(1,730.26)**	**(1,563.52)**	**(1,704.49)**
Monetary Liabilities (M2)	**15,712.24**	**15,573.61**	**15,722.70**	**16,088.66**	**15,945.16**	**15,842.36**
Money Supply (M1)	**3,434.19**	**3,325.75**	**3,525.93**	**3,734.15**	**3,708.19**	**3,682.11**
Currency with the Public	681.25	679.15	763.92	744.11	749.88	762.98
Demand Deposits	2,662.87	2,576.16	2,697.48	2,930.59	2,884.17	2,831.23
EC$ Cheques and Drafts Issued	90.07	70.44	64.52	59.46	74.15	87.90
Quasi Money	**12,278.05**	**12,247.87**	**12,196.77**	**12,354.51**	**12,236.97**	**12,160.26**
Savings Deposits	6,963.93	6,943.72	7,002.09	7,122.38	7,165.17	7,161.39
Time Deposits	2,773.71	2,730.38	2,572.90	2,558.68	2,500.07	2,409.64
Foreign Currency Deposits	2,540.41	2,573.77	2,621.79	2,673.46	2,571.72	2,589.22

Source: Eastern Caribbean Central Bank
Data as at 01 December 2016

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

	2015 3rd Qr	2015 4th Qr	2016R 1st Qr	2016R 2nd Qr	2016P 3rd Qr	2015 Jan - Sept	2016 Jan - Sept
Current Revenue	1,053.58	1,169.40	1,116.89	1,332.70	1,113.78	3,186.58	3,563.37
Tax Revenue	846.58	939.45	950.54	1,000.47	892.47	2,649.68	2,843.48
Taxes on Income and Profits [1]	177.35	190.76	226.03	229.75	188.05	588.10	643.83
Of which:							
Personal [1]	85.09	85.13	103.66	93.74	81.92	272.78	279.32
Company/Corporation [2]	75.17	84.00	97.28	109.66	83.42	238.98	290.36
Taxes on Property	19.57	15.93	18.89	34.02	19.78	74.09	72.68
Taxes on Domestic Goods and Services	394.81	418.27	435.62	448.08	409.75	1,225.24	1,293.45
Of which:							
Accommodation Tax	2.60	2.11	9.50	5.02	2.32	17.45	16.84
Licences	29.46	33.51	35.01	31.01	23.03	88.63	89.06
Sales Tax [3]	51.21	56.69	69.33	67.74	56.11	174.99	193.18
Value Added Tax [5]	227.80	243.80	247.35	252.07	238.49	711.85	737.90
Consumption Tax [4]	0.04	0.23	0.04	0.02	0.01	0.05	0.07
Stamp Duties	30.52	31.89	29.44	37.93	36.55	92.90	103.93
Taxes on International Trade and Transac	254.86	314.49	270.00	288.61	274.90	762.26	833.51
Of which:							
Import Duties	110.72	139.47	114.38	121.45	119.50	328.70	355.33
Consumption Tax [6]	15.94	22.09	21.46	25.07	21.36	53.69	67.89
Customs Service Charge	57.64	64.85	52.60	56.96	56.83	162.03	166.38
Non-Tax Revenue	206.99	229.95	166.35	332.24	221.31	536.90	719.89
Current Expenditure	1,027.28	1,022.48	941.00	1,056.94	1,007.50	2,928.92	3,005.44
Personal Emoluments	420.88	447.72	435.15	453.46	443.01	1,267.05	1,331.62
Goods and Services	204.54	228.19	177.47	219.10	201.62	555.73	598.20
Interest Payments	131.36	98.41	103.61	114.59	121.94	355.50	340.14
Domestic	70.72	62.45	63.41	61.47	81.44	194.79	206.32
External	60.64	35.96	40.20	53.12	40.50	160.71	133.82
Transfers and Subsidies	270.51	248.15	224.76	269.79	240.93	750.65	735.48
Of which: Pensions	75.25	79.54	71.65	68.70	73.47	222.84	213.82
Current Account Balance	26.30	146.93	175.89	275.76	106.29	257.66	557.94
Capital Revenue	7.37	61.71	1.83	42.49	2.78	23.28	47.10
Grants	54.34	159.79	32.72	109.39	86.46	247.97	228.58
Of which: Capital Grants	54.21	114.08	27.88	57.95	59.34	178.20	145.17
Capital Expenditure and Net Lending	209.95	261.54	122.06	200.20	199.86	617.00	522.12
Of which: Capital Expenditure	180.57	285.47	142.76	201.25	199.83	566.68	543.85
Primary Balance after grants	9.42	205.31	191.99	342.03	117.61	267.41	651.63
Overall Balance after grants	(121.94)	106.89	88.38	227.44	(4.33)	(88.09)	311.49
Financing	121.94	(106.89)	(88.38)	(227.44)	4.33	88.09	(311.49)
Domestic	143.98	(448.96)	(8.64)	(239.39)	(78.54)	23.24	(326.58)
ECCB (net)	5.37	(103.01)	(37.27)	29.97	34.42	42.63	27.12
Commercial Banks (net)	23.23	(218.96)	(152.09)	(52.72)	(60.98)	(66.36)	(265.79)
Other	115.38	(126.99)	180.72	(216.64)	(51.99)	46.96	(87.91)
External	(59.02)	211.32	(69.17)	17.83	51.94	20.08	0.61
Net Disbursements/(Amortisation)	(62.01)	211.43	(58.26)	20.43	40.54	(57.47)	2.71
Disbursements	67.07	299.40	41.15	121.85	128.33	249.48	291.33
Amortisation	129.08	87.97	99.41	101.43	87.79	306.95	288.62
Change in Government Foreign Assets	2.99	(0.11)	(10.91)	(2.59)	11.40	77.56	(2.10)
Arrears [7]	-	-	-	-	-	-	-
Domestic	10.58	4.88	(41.01)	(5.88)	30.93	18.37	(15.96)
External	3.70	3.42	(22.35)	(6.45)	10.01	(17.57)	(18.80)

Source: ECCU Ministries of Finance and Eastern Caribbean Central Bank
[1] Taxes on Income & Profits include stabilization levy collected in Anguilla and Social Services Levy in St Kitts and Nevis
[2] Excludes Anguilla
[3] Includes Antigua and Barbuda and Dominica
[4] Excludes Montserrat
[5] Excludes Anguilla, Antigua and Barbuda, Montserrat
[6] Excludes St Vincent and the Grenadines
[7] Excludes Montserrat, St Kitts and Nevis and Saint Lucia

Data as at 14 November 2016

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

	2015^R 3rd Qr	2015 4th Qr	2016^R 1st Qr	2016^R 2nd Qr	2016^P 3rd Qr
Anguilla	213.64	212.71	203.39	420.60	423.48
Antigua and Barbuda	3,230.67	3,088.48	3,061.57	3,159.15	3,123.41
Dominica	1,112.66	1,119.95	1,105.86	1,097.48	1,096.57
Grenada	2,323.07	2,341.31	2,351.54	2,332.47	2,327.06
Montserrat	7.52	9.13	8.93	8.83	8.72
St Kitts and Nevis	1,632.96	1,555.50	1,568.78	1,565.85	1,555.41
Saint Lucia	2,925.65	2,949.12	2,975.39	2,982.90	3,039.37
St Vincent and the Grenadines	1,536.01	1,609.80	1,613.77	1,601.58	1,625.28
TOTAL ECCU	**12,982.17**	**12,885.99**	**12,889.23**	**13,168.86**	**13,199.29**

Source: Ministry of Finance, ECCB
* Includes arrears of principal
Data available at 14 November 2016

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

	2015 3rd Qr	2015 4th Qr	2016^R 1st Qr	2016^R 2nd Qr	2016^P 3rd Qr
Anguilla	202.05	201.52	192.61	410.17	410.70
Antigua and Barbuda	2,712.41	2,576.56	2,550.25	2,656.37	2,623.87
Dominica	937.48	950.22	933.30	929.55	931.12
Grenada	2,161.97	2,183.50	2,197.58	2,199.55	2,195.26
Montserrat	1.35	1.32	1.30	1.27	1.24
St Kitts and Nevis	1,348.64	1,273.57	1,265.07	1,265.20	1,257.25
Saint Lucia	2,772.10	2,802.88	2,828.87	2,848.12	2,909.61
St Vincent and the Grenadines	1,303.32	1,376.94	1,374.36	1,366.40	1,373.91
TOTAL ECCU	**11,439.33**	**11,366.51**	**11,343.32**	**11,676.62**	**11,702.96**

Source: Ministry of Finance, ECCB
Data available at 14 November 2016

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

	2015 3rd Qr	2015 4th Qr	2016^R 1st Qr	2016^R 2nd Qr	2016^P 3rd Qr
Anguilla	3.71	6.71	6.69	21.04	8.19
Antigua and Barbuda	68.06	103.59	110.23	104.63	136.90
Dominica	14.72	12.25	18.29	13.79	15.75
Grenada	42.66	31.13	21.76	62.26	58.10
Montserrat	0.04	0.04	0.04	0.04	0.04
St Kitts and Nevis	78.22	20.49	36.17	25.87	16.32
Saint Lucia	54.90	74.13	65.68	67.02	68.20
St Vincent and the Grenadines	29.18	36.51	29.74	40.68	27.97
TOTAL ECCU	**291.50**	**284.85**	**288.60**	**335.33**	**331.46**

Source: Ministry of Finance, ECCB
Data available at 14 November 2016

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

	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016P 3rd Qr	2015 Jan. to Sep.	2016 Jan. to Sep.
Total Bid Amount	375.77	425.87	322.23	376.65	344.32	1,004.64	1,043.20
Total Offer Amount	252.00	349.10	226.00	222.00	232.00	636.00	680.00

Source: Eastern Caribbean Central Bank
Data as at 14 November 2016

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

	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016P 3rd Qr	2015 Jan. to Sep.	2016 Jan. to Sep.
91-day Treasury Bills	2.47	4.80	4.56	3.74	3.70	2.88	4.00
180-day Treasury Bills	2.62	5.03	4.50	3.94	3.00	3.85	3.87
365-day Treasury Bills	5.19	5.33	4.50	*	5.00	5.34	4.88
2-year Bond	4.95	*	*	*	*	4.95	*
3-year Bond	*	6.50	*	*	6.50	*	6.50
4-year Bond	*	*	*	*	*	*	*
5-year Bond	*	6.74	*	*	*	7.00	*
6-year Bond	*	7.25	7.00	*	*	*	7.00
7-year Bond	*	*	*	*	*	*	*
8-year Bond	*	*	*	*	*	*	*
10-year Bond	*	*	7.50	*	*	*	7.50
15-year Bond	*	*	*	*	*	*	*

Source: Eastern Caribbean Central Bank
Data as at 14 November 2016

Table 9
Secondary Market Activity (EC$M)

	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016P 3rd Qr	2015 Jan. to Sep.	2016 Jan. to Sep.
Volume	0.11	0.30	0.96	1.49	11.23	0.69	13.68
Value	0.12	0.30	0.95	1.49	11.10	0.69	13.54

Source: Eastern Caribbean Securities Exchange
Data as at 14 November 2016

Table 10
Anguilla - Selected Tourism Statistics

	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016[R] 2nd Qr	2016[P] 3rd Qr	2015 Jan - Sept	2016[P] Jan - Sept
Total Visitors	41,788	39,720	54,369	42,478	39,999	146,348	136,846
Stay-Over Visitors	14,759	17,118	24,983	19,385	16,542	56,114	60,910
Of which:							
USA	7,371	11,092	17,318	12,965	8,232	36,156	38,515
Canada	437	810	1,395	741	416	2,587	2,552
UK	666	688	893	639	733	2,065	2,265
Caribbean	4,443	2,807	2,774	2,972	5,012	9,690	10,758
Other Countries	1,842	1,721	2,603	2,068	2,149	5,616	6,820
Excursionists	27,029	22,602	29,386	23,093	23,457	90,234	75,936
Total Visitor Expenditure (EC$M)	**73.73**	**80.43**	**112.81**	**79.55**	**79.09**	**265.66**	**271.45**

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

Data as at 14 November 2016

Table 11
Anguilla - Consumer Price Index
March 2010 = 100

			Percentage Change*						
			Quarter over Previous Quarter						
	Weight	Index Sep 2016	2015 3rdQr	2015 4thQr	2015 1st Qr	2016 2ndQr	2016P 3rdQr	Sep-15 Dec-14	Sep-16 Dec-15
All Items	100.0	158.53	0.11	(1.29)	(1.12)	1.65	(0.01)	(0.50)	0.50
Food & Non-Alchoholic Beverages	12.8	112.22	0.10	(0.63)	(0.40)	(0.02)	0.84	(1.19)	0.41
Alchoholic Beverages, Tobacco & Narcotics	2.3	120.67	(1.40)	0.22	(0.04)	0.97	0.06	(0.04)	0.99
Clothing & Footwear	3.3	109.45	(1.62)	-	4.58	1.15	0.15	(2.60)	5.93
Housing, Utilities, Gas & Fuels	25.6	95.79	(0.52)	0.14	(1.52)	0.08	(0.24)	(1.71)	(1.67)
Household Furnishings, Supplies & Maintenance	4.0	112.89	(1.47)	0.63	4.59	(0.61)	0.39	(1.13)	4.36
Health	2.3	115.81	(1.02)	-	(6.81)	7.18	-	(1.13)	(0.12)
Transport	16.0	101.69	(0.09)	(7.99)	(4.96)	0.45	(1.14)	0.50	(5.62)
Communication	13.4	117.29	3.27	0.35	-	11.59	0.45	1.39	12.09
Recreation & Culture	3.8	91.84	(0.15)	0.99	(1.63)	(2.67)	1.23	(0.05)	(3.07)
Education	5.9	121.84	-	-	-	-	-	-	-
Hotels & Restaurants	4.0	103.79	(0.50)	0.95	(0.21)	(0.77)	(0.11)	(0.48)	(1.09)
Miscellaneous	6.5	102.75	0.13	(0.08)	0.19	0.69	0.01	0.13	0.88

Source: Anguilla Statistics Department, Ministry of Finance, Economic Development, Investment, Commerce and Tourism
*at end of period
Data as at 14 November 2016

Table 12
Anguilla - Selected Trade Statistics
(EC$M)

	2015 3rdQr	2015 4thQr	2016 1st Qr	2016 2ndQr	2016P 3rdQr	2015 Jan - Sept	2016P Jan - Sept
Total Exports	1.05	1.08	1.11	1.15	1.19	3.07	3.45
Total Imports	99.93	104.28	104.19	102.73	101.60	306.69	308.52
Trade Balance	(98.88)	(103.19)	(103.07)	(101.59)	(100.42)	(303.62)	(305.07)

Source: ECCB Estimates
Data as at 14 November 2016

Table 13
Anguilla - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2015 3rdQr	2015 4thQr	2016 1st Qr	2016 2ndQr	2016P 3rdQr	2015 Jan - Sept	2016P Jan - Sept
Current Revenue	42.11	45.21	54.54	46.21	42.99	145.83	143.74
Tax Revenue	36.18	36.95	47.42	39.08	36.26	125.80	122.76
Taxes on Income and Profits	3.07	3.48	3.80	3.82	3.55	10.37	11.18
Of which: Stabilisation Levy	3.07	3.48	3.80	3.82	3.55	10.37	11.18
Taxes on Property	0.87	0.99	0.60	0.56	1.69	3.81	2.86
Taxes on Domestic Goods and Services	12.32	8.84	20.70	14.65	12.56	50.14	47.90
Of which:							
Licenses	2.54	2.70	7.57	4.45	2.93	11.16	14.96
Accommodation Tax	2.31	1.90	9.13	4.98	2.26	16.44	16.36
Stamp Duties	2.05	1.82	1.02	1.76	2.32	9.10	5.10
Taxes on International Trade and Transactions	19.92	23.64	22.31	20.05	18.46	61.48	60.82
Of which:							
Import Duty	15.04	18.38	17.06	15.65	13.87	46.75	46.58
Customs Surcharge	4.16	4.92	4.52	4.11	3.78	12.77	12.41
Embarkation Tax	0.44	0.07	0.53	0.09	0.63	1.32	1.25
Non-Tax Revenue	5.93	8.26	7.12	7.14	6.73	20.03	20.99
Current Expenditure	49.01	46.57	41.30	51.46	45.96	136.94	138.72
Personal Emoluments	20.79	20.99	20.75	21.50	21.31	61.83	63.56
Good and Services	10.79	12.50	7.29	13.92	9.86	30.29	31.07
Interest Payments	2.08	1.98	1.97	3.31	3.43	6.39	8.72
Domestic	0.54	0.63	0.30	2.53	2.33	1.78	5.16
External	1.53	1.35	1.67	0.78	1.11	4.61	3.56
Transfers and Subsidies	15.35	11.10	11.29	12.73	11.35	38.44	35.38
Of which: Pensions	2.35	2.12	2.12	2.15	2.13	7.08	6.39
Current Account Balance	(6.90)	(1.36)	13.24	(5.24)	(2.97)	8.89	5.02
Capital Revenue	-	-	-	-	0.35	-	0.35
Grants	1.49	0.98	0.06	0.06	-	2.76	0.12
Of which: Capital Grants	1.49	0.98	0.06	0.06	-	2.76	0.12
Capital Expenditure and Net Lending	2.49	2.79	0.46	1.67	1.23	4.55	3.36
Of which: Capital Expenditure	2.49	2.79	0.46	1.67	1.23	4.55	3.36
Primary Balance before grants	(7.31)	(2.17)	14.75	(3.60)	(0.42)	10.74	10.73
Primary Balance after grants	(5.82)	(1.20)	14.80	(3.54)	(0.42)	13.50	10.85
Overall Balance before grants	(9.39)	(4.16)	12.77	(6.91)	(3.85)	4.34	2.01
Overall Balance after grants	(7.90)	(3.18)	12.83	(6.85)	(3.85)	7.10	2.13
Financing	7.90	3.18	(12.83)	6.85	3.85	(7.10)	(2.13)
Domestic	8.14	6.72	(9.80)	9.77	7.20	(6.61)	7.17
ECCB (net)	0.75	0.37	3.61	0.97	(0.04)	(0.32)	4.53
Commercial Banks (net)	9.02	10.65	(11.23)	25.71	16.03	(1.14)	30.51
Other	(1.64)	(4.30)	(2.18)	(16.91)	(8.78)	(5.15)	(27.87)
External	(0.25)	(3.34)	(3.25)	(3.34)	(3.36)	(0.70)	(9.95)
Net Disbursements/(Amortisation)	(0.25)	(3.34)	(3.25)	(3.34)	(3.36)	(0.70)	(9.95)
Disbursements	-	-	0.08	-	-	-	0.08
Amortisation	0.25	3.34	3.33	3.34	3.36	0.70	10.03
Change in Government Foreign Assets	-	-	-	-	-	-	-
Arrears	0.01	(0.20)	0.22	0.42	0.01	0.20	0.65
Domestic	0.01	(0.20)	0.22	0.42	0.01	0.20	0.65
External	-	-	-	-	-	-	-
Other Financing	-	-	-	-	-	-	-

Source: Treasury Department, Anguilla and the Eastern Caribbean Central Bank
Data as at 14 November 2016

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

	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016 3rd Qr[P]
Net Foreign Assets	**340.77**	**307.22**	**325.69**	**379.03**	**385.74**	**392.60**
Central Bank (Net)	**135.50**	**120.40**	**129.99**	**128.91**	**129.62**	**113.61**
Commercial Banks (Net)	205.27	186.82	195.70	250.12	256.12	278.98
External (Net)	70.81	40.10	35.02	75.67	96.42	181.60
Assets	231.05	205.07	198.07	247.00	259.66	275.80
Liabilities	160.24	164.97	163.05	171.33	163.24	94.20
Other ECCB Territories (Net)	134.46	146.72	160.68	174.45	159.70	97.39
Assets	187.92	187.59	201.08	210.58	180.81	197.21
Liabilities	53.46	40.87	40.40	36.13	21.10	99.82
Net Domestic Assets	**758.41**	**741.18**	**748.25**	**696.53**	**632.25**	**625.12**
Domestic Credit	**936.36**	**929.26**	**934.13**	**882.94**	**589.35**	**579.30**
Central Government (Net)	(85.75)	(75.97)	(64.95)	(72.58)	(45.90)	(29.92)
Other Public Sector (Net)	(211.20)	(225.76)	(224.05)	(250.54)	(36.83)	(38.88)
Private Sector	1,233.31	1,230.99	1,223.13	1,206.06	672.08	648.10
Household	531.81	518.39	517.30	509.55	367.83	354.09
Business	679.73	690.86	684.15	675.19	296.49	286.13
Non-Bank Financial Institutions	3.97	3.94	3.88	3.52	1.04	1.16
Subsidiaries & Affiliates	17.80	17.80	17.80	17.80	6.72	6.72
Other Items (Net)	**(177.95)**	**(188.08)**	**(185.88)**	**(186.41)**	**42.90**	**45.83**
Monetary Liabilities (M2)	**1,099.18**	**1,048.40**	**1,073.94**	**1,075.56**	**1,017.99**	**1,017.72**
Money Supply (M1)	**59.51**	**51.15**	**70.14**	**57.50**	**59.94**	**63.07**
Currency with the Public	14.17	16.22	17.38	17.40	18.81	20.33
Demand Deposits	40.27	34.46	52.04	39.23	38.71	42.01
EC$ Cheques and Drafts Issued	5.07	0.47	0.72	0.87	2.42	0.73
Quasi Money	**1,039.67**	**997.25**	**1,003.80**	**1,018.06**	**958.06**	**954.66**
Savings Deposits	126.84	132.25	131.43	131.25	133.43	136.24
Time Deposits	139.46	128.14	121.40	112.97	101.72	100.15
Foreign Currency Deposits	773.37	736.86	750.97	773.85	722.90	718.27

Source: Eastern Caribbean Central Bank
Data as at21 NOV 2016

Table 15

Antigua and Barbuda - Selected Tourism Statistics

	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016R 2nd Qr	2016P 3rd Qr	2015 Jan - Sept	2016 Jan - Sept
Total Visitors	94,890	266,438	407,578	123,253	81,195	639,236	612,026
Stay-Over Visitors	50,172	66,863	84,566	60,998	54,621	183,587	200,185
Of which:							
USA	18,745	23,437	34,640	28,362	21,498	71,180	84,500
Canada	2,500	5,569	9,900	3,835	2,353	17,701	16,088
Europe	18,220	26,543	29,530	19,158	18,395	65,874	67,083
UK	15,062	22,688	24,141	16,442	15,099	55,202	55,682
Germany	198	669	1,071	360	157	1,836	1,588
Switzerland	124	325	400	252	137	790	789
Italy	2,276	1,840	2,354	1,509	2,528	5,192	6,391
France	323	495	594	270	224	1,334	1,088
Other Europe	237	526	970	325	250	1,520	1,545
Caribbean	8,268	7,718	6,585	7,132	9,726	20,334	23,443
South America	513	845	662	375	358	1,239	1,395
Other Countries	1,926	2,751	3,249	2,136	2,291	7,259	7,676
Cruise Ship Passengers	43,867	195,138	313,442	58,494	25,714	441,320	397,650
Number of Cruise Ship Calls	17	109	164	27	10	230	201
Yacht Passengers	851	4,437	9,570	3,761	860	14,329	14,191
Number of Yacht Calls	190	847	1,992	1,001	200	3,094	3,193
Total Visitor Expenditure (EC$M)	**163.56**	**232.41**	**303.92**	**202.64**	**176.31**	**633.68**	**682.87**

Source: Ministry of Tourism, Antigua and Barbuda

Yacht data for September 2016 estimated

Data as at 14 November 2016

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

	Weight	Index Sep-16	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016^{P} 3rd Qr	Sep-15 Dec-14	Sep-16 Dec-15
			Percentage Change*						
All Items	100.00	133.82	0.64	0.59	(0.91)	(0.83)	0.41	0.31	(1.33)
Food	21.42	156.25	0.22	2.03	(2.14)	(0.43)	0.19	0.65	(2.37)
Alcoholic Beverages and Tobacco	0.16	135.62	0.11	0.06	(1.53)	(1.48)	(0.94)	1.00	(3.90)
Housing	21.83	104.65	-	- -	1.45	(2.69)	0.00	(0.51)	(4.10)
Fuel and Light	6.39	131.73	0.00	-	-	-	-	(12.20)	-
Clothing and Footwear	11.06	104.19	0.39	0.41	1.16	(0.82)	0.43	1.12	0.76
Household Furnishings and Supplies	12.60	143.04	1.62	(0.01)	(0.86)	1.17	(0.13)	3.30	0.18
Transport and Communications	15.35	137.59	(0.04)	(0.01)	(1.25)	(0.43)	1.45	(0.98)	(0.25)
Medical Care and Expenses	2.76	135.13	0.00	0.31	(0.01)	(3.15)	(2.85)	1.80	(5.92)
Education	2.34	212.44	7.86	0.00	- -	2.36	0.00	7.86	(2.36)
Personal Services	4.30	167.28	0.84	1.34	1.60	(1.22)	2.37	8.20	2.75
Miscellaneous	1.79	129.37	1.16	(1.13)	0.68	(1.16)	5.08	0.85	4.57

Source: Statistics Division,Ministry of Finance, The Economy and Public Administration, Antigua and Barbuda
*at end of period
Since April 2016, the Geometic Mean is used to calculate the index. The Arithmetic Mean was used prior to April 2016.
Data for September 2016 estimated
Data as at 14 November 2016

Table 17
Antigua and Barbuda - Selected Trade Statistics
(EC$M)

	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016^{P} 3rd Qr	2015 Jan - Sept	2016 Jan - Sept
Visible Trade Balance	(296.81)	(337.60)	(277.39)	(218.50)	(309.42)	(910.10)	(805.31)
Total Exports	12.87	9.62	31.41	119.25	5.18	61.28	155.84
Total Imports	309.67	347.22	308.80	337.75	314.61	971.39	961.15

Source: Statistics Division,Ministry of Finance, The Economy and Public Administration, Antigua and Barbuda
Data as at 14 November 2016

Table 18
Antigua and Barbuda - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016[P] 3rd Qr	2015 Jan - Sept	2016 Jan - Sept
Current Revenue	168.43	229.19	204.72	205.97	167.41	553.77	578.10
Tax Revenue	135.90	162.77	169.69	182.49	140.97	459.88	493.14
Taxes on Income and Profits	18.38	21.81	24.60	24.03	11.70	67.68	60.32
Of which:							
Personal Income	8.71	8.43	10.15	9.07	3.50	28.85	22.72
Company/Corporation	9.67	13.38	14.45	14.96	8.20	38.82	37.60
Taxes on Property	1.67	1.30	4.43	9.35	2.83	17.04	16.61
Taxes on Domestic Goods and Services	63.45	69.84	77.90	84.57	68.60	204.56	231.07
Of which:							
Stamp Duties	10.11	10.46	6.76	15.21	10.09	23.50	32.06
Antigua and Barbuda Sales Tax	51.20	56.68	69.33	67.73	56.09	174.95	193.16
Taxes on International Trade and Transactio	52.40	69.82	62.76	64.54	57.84	170.61	185.14
Of which:							
Import Duty	18.09	24.24	20.99	20.48	18.71	57.95	60.18
Consumption Tax	13.04	18.21	18.54	22.30	18.61	45.41	59.45
Passenger Facility Charge	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revenue Recovery Charge	17.41	22.08	18.32	18.51	17.69	53.19	54.52
Embarkation Tax							
Non-Tax Revenue	32.53	66.43	35.04	23.48	26.44	93.89	84.95
Current Expenditure	215.63	183.22	166.57	213.22	193.73	558.20	573.51
Personal Emoluments	78.94	79.74	74.97	85.12	81.37	227.48	241.46
Other Goods and Services	33.45	32.02	22.60	37.22	31.01	74.63	90.83
Interest Payments	29.61	14.72	27.39	18.85	29.92	75.41	76.16
Domestic	19.33	11.60	18.28	15.61	19.64	52.57	53.53
External	10.28	3.12	9.12	3.24	10.28	22.84	22.64
Transfers and Subsidies	73.63	56.74	41.60	72.02	51.44	180.68	165.06
Of which: Pensions	16.04	15.10	17.06	16.56	14.32	48.27	47.94
Current Account Balance	(47.20)	45.97	38.15	(7.25)	(26.32)	(4.43)	4.58
Capital Revenue	0.38	64.63	0.09	40.89	1.30	1.23	42.28
Grants	3.05	17.69	0.00	0.00	0.00	3.43	0.00
Of which:							
Capital Grants	3.05	17.69	0.00	0.00	0.00	3.43	0.00
Capital Expenditure and Net Lending	5.51	26.95	3.63	59.14	22.93	24.42	85.71
Of which: Capital Expenditure	5.51	26.95	3.63	59.14	22.93	24.42	85.71
Primary Balance after grants	(19.67)	116.06	62.01	(6.65)	(18.04)	51.22	37.32
Overall Balance after grants	(49.28)	101.35	34.61	(25.50)	(47.96)	(24.18)	(38.84)
Financing	49.28	(101.35)	(34.61)	25.50	47.96	24.18	38.84
Domestic	49.64	(327.99)	(27.89)	20.61	45.97	16.97	38.69
ECCB (net)	(5.54)	(70.45)	(50.97)	58.87	32.76	(17.60)	40.66
Commercial Banks (net)	2.20	(67.27)	(50.29)	16.45	18.77	(25.03)	(15.08)
Other	52.99	(190.27)	73.37	(54.71)	(5.56)	59.59	13.11
External	(5.00)	98.66	(15.21)	3.19	(24.24)	(16.12)	(36.26)
Net Disbursements/(Amortisation)	(8.00)	98.66	(13.72)	5.18	(26.41)	(18.93)	(34.94)
Disbursements	15.06	118.28	9.65	21.15	10.22	43.45	41.02
Amortisation	23.06	19.62	23.36	15.97	36.63	62.38	75.96
Change in Government Foreign Assets	3.01	0.00	(1.50)	(1.99)	2.17	2.82	(1.32)
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Arrears	(21.76)	2.11	(21.95)	1.70	26.23	(3.07)	5.98
Domestic	(7.44)	0.65	(0.90)	1.13	5.31	7.18	5.54
External	(14.32)	1.46	(21.05)	0.57	20.92	(10.25)	0.44
Other Financing	26.40	125.87	30.44	0.00	0.00	26.40	30.44

Source: Ministry of Finance, Antigua and Barbuda and Eastern Caribbean Central Bank
Data as at 14 November 2016

Table 19
Antigua and Barbuda - Monetary Survey
(EC$M at end of period)

	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016 3rd Qr[P]
Net Foreign Assets	1,113.25	1,154.71	1,524.05	1,550.90	1,464.34	1,415.85
Central Bank (Net)	892.42	985.27	959.86	1,092.88	1,105.88	1,096.87
Commercial Banks (Net)	220.83	169.44	564.19	458.03	358.46	318.99
External (Net)	(15.41)	20.79	319.59	121.23	108.72	113.25
Assets	768.17	751.60	1,090.41	852.81	857.40	845.55
Liabilities	783.57	730.81	770.82	731.58	748.67	732.30
Other ECCB Territories (Net)	236.23	148.65	244.60	336.80	249.74	205.74
Assets	1,411.92	1,368.87	1,422.33	1,516.11	1,443.59	1,399.94
Liabilities	1,175.69	1,220.22	1,177.73	1,179.31	1,193.85	1,194.21
Net Domestic Assets	2,041.90	1,961.11	1,576.46	1,632.88	1,746.19	1,766.25
Domestic Credit	2,496.25	2,481.68	2,251.10	2,104.38	2,242.79	2,295.49
Central Government (Net)	476.37	473.02	335.31	234.05	309.36	360.89
Other Public Sector (Net)	(74.25)	(65.36)	6.32	(10.96)	1.23	7.78
Private Sector	2,094.13	2,074.01	1,909.47	1,881.29	1,932.21	1,926.82
Household	1,217.22	1,218.12	1,173.93	1,172.27	1,180.95	1,181.35
Business	812.10	798.10	713.57	680.31	723.98	718.33
Non-Bank Financial Institutions	21.66	14.95	14.95	23.05	21.62	21.48
Subsidiaries & Affiliates	43.15	42.85	7.02	5.66	5.66	5.66
Other Items (Net)	(454.35)	(520.57)	(674.63)	(471.51)	(496.60)	(529.25)
Monetary Liabilities (M2)	3,155.15	3,115.83	3,100.51	3,183.78	3,210.54	3,182.10
Money Supply (M1)	691.08	655.63	694.15	764.98	774.43	760.33
Currency with the Public	143.24	141.04	159.59	155.52	153.03	156.37
Demand Deposits	506.99	485.98	510.67	595.39	594.28	570.36
EC$ Cheques and Drafts Issued	40.85	28.62	23.89	14.07	27.12	33.60
Quasi Money	2,464.07	2,460.20	2,406.36	2,418.80	2,436.11	2,421.77
Savings Deposits	1,376.74	1,378.07	1,375.93	1,418.62	1,450.62	1,450.97
Time Deposits	792.79	785.70	664.57	652.69	646.97	631.57
Foreign Currency Deposits	294.54	296.43	365.86	347.48	338.53	339.23

Source: Eastern Caribbean Central Bank
Data as at 22 November 2016

Table 20
Dominica - Selected Tourism Statistics

	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016P 3rd Qr	2015 Jan - Sep	2016 Jan - Sep
Total Visitors	22,780	122,563	181,415	32,368	22,325	249,120	236,108
Stay-Over Visitors	20,594	16,131	19,794	15,655	20,556	59,576	56,005
USA	3,055	3,246	4,146	3,735	3,522	10,855	11,403
Canada	425	613	888	442	504	1,932	1,834
UK	1,300	1,242	1,286	908	1,314	3,737	3,508
Caribbean	12,260	7,155	7,948	6,982	11,356	30,118	26,286
Other Countries	3,554	3,875	5,526	3,588	3,860	12,934	12,974
Excursionists	728	144	215	129	422	1,350	766
Yacht Passengers	1,458	2,223	6,215	2,721	1,347	10,715	10,283
Cruise Ship Passengers	-	104,065	155,191	13,863	-	177,479	169,054
Number of Cruise Ship Calls	-	57	97	8	-	130	105
Total Visitor Expenditure (EC$M)	**80.03**	**76.36**	**102.30**	**67.32**	**87.53**	**260.61**	**257.15**

Sources: Discover Dominica Authority and ECCB Estimates
Data as at 14 November 2016

Table 21
Dominica - Consumer Price Index
June 2010 = 100

			Percentage Change*						
			Quarter over Previous Quarter						
	Weight	Index Sep 2016	2015 3rdQr	2015 4thQr	2016 1st Qr	2016 2ndQr	2016P 3rdQr	Sep-15 / Dec-14	Sep-16 / Dec-15
All Items	100.00	102.64	(0.73)	(0.22)	(0.41)	0.97	0.22	(0.32)	0.78
Food and Non-Alcoholic Beverages	18.08	110.81	1.01	0.01	(0.51)	(0.37)	0.36	0.17	(0.52)
Alcoholic Beverages, Tobacco and Narcotics	0.77	111.31	(0.10)	1.47	1.61	(0.07)	1.25	1.48	2.80
Clothing and Footwear	5.08	106.29	-	0.63	(0.09)	-	-	(0.07)	(0.09)
Housing, Utilities, Gas and Fuels	30.62	95.20	(2.96)	(1.19)	(0.96)	1.93	1.51	(0.67)	2.49
Household Furnishings, Supplies and Maintenance	5.23	107.02	(0.22)	0.48	(0.13)	(0.07)	0.36	(0.93)	0.16
Health	3.36	106.43	4.24	-	0.03	-	-	4.24	0.03
Transport	20.11	103.29	(0.37)	0.09	(1.03)	1.91	(0.54)	(0.87)	0.32
Communication	3.95	100.67	0.67	-	-	-	-	0.67	-
Recreation and Culture	3.74	105.02	(2.51)	0.66	2.42	-	0.07	(1.83)	2.49
Education	1.33	102.66	-	-	-	-	-	0.08	-
Hotels and Restaurants	2.88	109.80	-	0.57	3.37	0.07	-	(0.57)	3.45
Miscellaneous	4.85	104.57	0.05	0.46	0.09	-	0.19	(0.25)	0.28

Sources: Central Statistical Office, Dominica and ECCB Estimates
*at end of period
Data as at 14 November 2016

Table 22
Dominica - Selected Trade Statistics
(Value: EC$M; Volume: tonnes)

	2015 3rdQr	2015 4thQr	2016R 1st Qr	2016R 2ndQr	2016P 3rdQr	2015 Jan - Sep	2016 Jan - Sep
Visible Trade Balance	(132.16)	(129.34)	(110.60)	(127.04)	(131.07)	(366.63)	(368.72)
Total Imports	148.10	146.11	128.90	141.44	144.89	431.43	415.23
Total Exports	15.94	16.77	18.30	14.40	13.81	64.80	46.51
Re-Exports	1.31	3.61	6.51	1.79	1.34	9.43	9.64
Domestic Exports	14.63	13.16	11.78	12.62	12.48	55.38	36.88
Of which:							
Bananas							
Value	0.24	0.15	0.17	0.15	0.10	1.03	0.41
Volume	278	88	113	134	111	895	358

Source: Central Statistical Office, WINFRESH and ECCB Estimates
Data as at 14 November 2016

Table 23
Dominica - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2015 3rdQr	2015 4thQr	2016 1st Qr	2016 2ndQr	2016P 3rdQr	2015 Jan - Sep	2016 Jan - Sep
Current Revenue	131.14	99.18	105.39	275.11	192.94	304.15	573.44
Tax Revenue	82.29	85.93	86.31	90.79	82.61	243.88	259.71
Taxes on Income and Profits	14.25	18.26	19.54	20.22	15.52	47.68	55.28
Of which:							
Personal	7.13	6.91	9.85	7.96	7.29	25.63	25.10
Company/Corporation	7.40	11.89	9.83	12.92	8.58	23.30	31.32
Taxes on Property	1.71	1.56	1.58	1.99	1.80	6.22	5.37
Taxes on Domestic Goods and Services	49.41	47.34	48.90	50.79	47.83	142.37	147.52
Of which:							
Licences	6.68	3.61	5.50	6.34	3.35	16.44	15.19
Value Added Tax	32.79	31.45	31.44	32.72	33.53	96.13	97.70
Excise Tax	9.45	11.81	11.59	11.21	10.44	28.32	33.24
Taxes on International Trade and Transa	16.92	18.75	16.29	17.79	17.46	47.61	51.53
Of which:							
Import Duty	9.47	10.87	8.82	9.60	10.09	26.67	28.51
Customs Service Charge	3.99	4.12	3.35	4.05	4.48	10.96	11.88
Environmental Levy	2.48	2.64	2.42	2.47	2.51	6.98	7.41
Non-Tax Revenue	48.85	13.25	19.08	184.32	110.33	60.27	313.73
Current Expenditure	97.58	92.48	92.49	102.69	93.31	283.40	288.49
Personal Emoluments	38.28	38.24	37.67	38.69	37.87	125.49	114.23
Goods and Services [1/]	31.88	25.49	22.87	35.44	26.11	80.08	84.42
Interest Payments	8.04	5.61	8.88	5.85	6.56	19.60	21.29
Domestic	1.53	1.58	1.57	1.97	2.54	5.13	6.09
External	6.52	4.02	7.30	3.88	4.02	14.46	15.20
Transfers and Subsidies	19.37	23.14	23.07	22.70	22.76	58.24	68.54
Of which: Pensions	4.83	4.76	4.84	4.89	5.01	14.17	14.74
Current Account Balance	33.56	6.69	12.90	172.42	99.63	20.75	284.96
Capital Revenue	0.04	0.00	0.02	0.07	0.00	0.06	0.10
Grants	0.72	11.80	(1.58)	21.34	0.91	17.86	20.66
Of which: Capital Grants	0.72	11.80	(1.58)	21.34	0.91	17.86	20.66
Capital Expenditure and Net Lending	3.72	22.63	21.38	58.50	41.67	59.64	121.55
Of which: Capital Expenditure	3.78	22.64	21.46	58.62	41.78	59.93	121.86
Primary Balance after grants	38.64	1.48	(1.16)	141.18	65.43	(1.38)	205.46
Overall Balance after grants	30.60	(4.13)	(10.04)	135.33	58.87	(20.97)	184.16
Financing	(30.60)	4.13	10.04	(135.33)	(58.87)	20.97	(184.16)
Domestic	(42.23)	(32.62)	29.30	(145.07)	(82.25)	(8.19)	(198.03)
ECCB (net)	12.78	(12.64)	(20.05)	0.78	22.09	6.86	2.82
Commercial Banks (net)	(55.76)	(65.73)	(13.07)	(44.89)	(94.49)	(39.08)	(152.45)
Other	0.75	45.74	62.41	(100.96)	(9.86)	24.03	(48.40)
External	6.32	38.44	(17.52)	11.33	29.83	20.43	23.64
Net Disbursements (Amortisation)	6.33	38.54	(8.10)	11.93	20.59	9.19	24.42
Disbursements	12.57	44.24	1.03	19.82	29.61	26.71	50.45
Amortisation	6.24	5.69	9.13	7.89	9.02	17.51	26.03
Change in Government Foreign Assets	(0.01)	(0.11)	(9.41)	(0.61)	9.24	11.24	(0.78)
Arrears	5.32	(1.68)	(1.74)	(1.58)	(6.45)	8.74	(9.78)
Domestic	5.32	(1.68)	(1.74)	(1.58)	(6.45)	8.74	(9.78)
External	-	-	-	-	-	-	-
Other Financing	-	-	-	-	-	-	-

Source: Ministry of Finance, Dominica and ECCB

[1/] ***Adjustments to goods and services made by the ECCB to account for unprocessed and pending claims. Corresponding adjustments are also made to domestic arrears***

Data as at 14 November 2016

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

	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016 3rd Qr[P]
Net Foreign Assets	**635.74**	**665.17**	**755.48**	**837.69**	**906.80**	**968.24**
Central Bank (Net)	**319.24**	**310.33**	**338.65**	**356.63**	**423.32**	**454.24**
Commercial Banks (Net)	316.50	354.85	416.83	481.07	483.48	514.01
External (Net)	63.10	101.03	147.03	184.69	176.69	231.14
Assets	338.91	375.26	423.54	465.67	461.19	504.39
Liabilities	275.82	274.24	276.51	280.98	284.50	273.25
Other ECCB Territories (Net)	253.41	253.82	269.80	296.38	306.79	282.86
Assets	328.13	337.37	353.82	371.98	384.31	358.40
Liabilities	74.72	83.55	84.02	75.60	77.52	75.53
Net Domestic Assets	**647.48**	**621.20**	**542.99**	**510.86**	**444.34**	**396.38**
Domestic Credit	**731.32**	**699.05**	**631.72**	**592.81**	**569.09**	**497.90**
Central Government (Net)	69.72	26.74	(51.62)	(84.74)	(128.85)	(201.25)
Other Public Sector (Net)	(101.05)	(97.81)	(92.26)	(90.22)	(114.18)	(116.34)
Private Sector	762.65	770.12	775.60	767.77	812.13	815.49
Household	460.41	463.22	464.38	459.14	456.71	457.37
Business	283.14	286.30	284.68	281.38	301.03	299.82
Non-Bank Financial Institutions	12.53	14.03	26.53	27.26	54.39	58.30
Subsidiaries & Affiliates	6.57	6.57	-	-	-	-
Other Items (Net)	**(83.84)**	**(77.85)**	**(88.73)**	**(81.96)**	**(124.75)**	**(101.52)**
Monetary Liabilities (M2)	**1,283.22**	**1,286.37**	**1,298.47**	**1,348.55**	**1,351.14**	**1,364.62**
Money Supply (M1)	**239.93**	**246.10**	**260.78**	**282.60**	**293.64**	**285.46**
Currency with the Public	42.07	42.71	46.59	46.29	47.91	46.09
Demand Deposits	194.20	199.16	212.31	231.83	244.08	238.20
EC$ Cheques and Drafts Issued	3.66	4.22	1.88	4.48	1.65	1.18
Quasi Money	**1,043.28**	**1,040.27**	**1,037.69**	**1,065.95**	**1,057.51**	**1,079.16**
Savings Deposits	801.32	797.21	802.30	827.46	828.73	815.93
Time Deposits	212.68	213.02	208.18	206.76	204.13	224.21
Foreign Currency Deposits	29.29	30.05	27.21	31.73	24.64	39.02

Source: Eastern Caribbean Central Bank
Data as at 15 NOV 2016

Table 25
Grenada - Selected Tourism Statistics

	2015 3rdQr	2015 4thQr	2016R 1st Qr	2016R 2ndQr	2016P 3rdQr	2015 Jan - Sept	2016P Jan - Sept
Total Visitors	43,932	160,982	232,043	65,508	43,951	283,409	341,502
Stay-Over Visitors	37,770	33,552	42,695	30,421	37,312	107,183	110,428
Of which:							
USA	13,650	11,014	16,075	11,426	13,750	36,211	41,251
Canada	2,034	2,499	4,413	2,083	2,266	8,962	8,762
United Kingdom	5,295	5,831	7,366	5,193	5,424	18,991	17,983
Caribbean	7,584	4,831	6,056	5,401	7,261	18,196	18,718
Other Countries	9,207	9,377	8,785	6,318	8,611	24,823	23,714
Excursionists	305	261	1,090	745	850	762	2,685
Cruise Ship Passengers	1,900	122,597	179,289	29,367	3,037	157,921	211,693
Yacht Passengers	3,957	4,572	8,969	4,975	2,752	17,543	16,696
Number of Cruise Ship Calls	11	76	125	29	14	125	168
Total Visitor Expenditure (EC$M) 1/	**104.39**	**94.31**	**123.31**	**71.97**	**91.94**	**298.19**	**287.22**

Source: Grenada Tourism Authorities

1/ Expenditure of stay over visitors and cruise passengers only

Data as at 14 November 2016

Table 26
Grenada - Consumer Price Index
January 2010 = 100

			Percentage Change*						
			Quarter over Previous Quarter						
	Weight	Index Sep 2016	2015[R] 3rdQr	2015 4thQr	2016 1st Qr	2016 2ndQr	2016[P] 3rdQr	Sep-15 Dec-14	Sep-16 Dec-15
All Items	100.0	109.84	1.52	0.06	(0.31)	1.47	(0.25)	1.06	0.89
Food & Non-Alcoholic Beverages	20.4	113.88	(0.44)	(0.65)	(1.51)	(0.03)	(0.12)	(0.49)	(1.66)
Alcoholic Beverages, Tobacco and Narcotics	1.8	124.96	(0.02)	0.21	0.42	(0.12)	0.46	0.13	0.76
Clothing and Footwear	3.7	102.54	0.05	2.84	(0.22)	0.51	-	(0.88)	0.28
Housing, Utilities, Gas and Fuels	29.1	102.17	(0.72)	(0.52)	(1.13)	0.94	0.19	(2.13)	(0.01)
Household Furnishings, Supplies and Maintenance	4.5	111.62	1.54	(0.43)	0.77	0.68	0.12	(0.29)	1.57
Health	1.9	136.18	0.96	0.77	0.48	0.02	1.89	2.26	2.40
Transport	18.7	110.45	(2.81)	1.00	1.58	3.14	(1.30)	(3.48)	3.41
Communication	10.0	120.90	25.75	0.03	-	5.67	-	25.75	5.67
Recreation and Culture	2.7	110.71	3.46	0.21	(0.24)	0.10	0.27	2.75	0.13
Education	0.8	132.39	1.64	-	-	-	6.47	2.79	6.47
Hotels and Restaurants	1.8	99.32	-	-	-	-	(7.39)	-	(7.39)
Miscellaneous	4.6	106.53	(1.36)	0.86	(0.10)	0.11	(0.03)	1.29	(0.02)

Source: Central Statistics Office, Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada
*at end of period
Data as at 14 November 2016

Table 27
Grenada - Selected Agricultural Production

	Unit	2015 3rdQr	2015 4thQr	2016[R] 1st Qr	2016[R] 2ndQr	2016[P] 3rdQr	2015 Jan - Sept	2016[P] Jan - Sept
Bananas	(tonnes)	1,630	2,031	2,121	1,719	1,940	4,947	5,779
Cocoa	(tonnes)	32	67	345	140	33	708	519
Nutmeg	(tonnes)	161	116	130	117	108	460	354
Mace	(tonnes)	12	8	11	10	8	44	29

Source: Central Statistics Office, Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada
Data as at 14 November 2016

Table 28
Grenada - Selected Trade Statistics
(Value: EC$M; Volume: 000 tonnes)

	2015 3rdQr	2015 4thQr	2016R 1st Qr	2016R 2ndQr	2016P 3rdQr	2015 Jan - Sept	2016P Jan - Sept
Visible Trade Balance	(220.02)	(218.80)	(195.83)	(201.52)	(214.04)	(621.56)	(611.39)
Total Imports	240.85	237.05	214.70	229.61	231.34	691.18	675.64
Total Exports	20.84	18.25	18.86	28.09	17.30	69.61	64.26
Re-Exports	0.95	0.82	0.95	6.22	1.66	4.32	8.83
Domestic Exports	19.89	17.43	17.91	21.87	15.64	65.29	55.43
Of Which:							
Nutmeg							
Volume	163.82	160.33	171.27	135.36	121.78	352.56	428.41
Value	4.29	3.67	4.06	3.45	2.94	9.47	10.44
Mace							
Volume	11.83	15.34	8.87	4.04	13.81	43.46	26.72
Value	0.35	0.38	0.25	0.15	0.40	1.23	0.80
Cocoa							
Volume	73.88	12.99	270.92	148.09	49.54	662.03	468.55
Value	0.87	0.15	3.06	1.45	0.43	7.46	4.94
Manufactured Exports							
Value	9.62	10.02	7.92	9.26	8.47	28.33	25.65

Source: Central Statistics Office, Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada
Data as at 14 November 2016

Table 29
Grenada - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2015 3rd Qr	2015 4th Qr	2016R 1st Qr	2016R 2nd Qr	2016P 3rd Qr	2015 Jan - Sept	2016P Jan - Sept
Current Revenue	139.75	151.73	158.40	169.33	156.75	419.53	484.47
Tax Revenue	131.01	140.44	147.01	161.97	150.07	389.79	459.05
Taxes on Income and Profits	23.35	26.12	32.05	36.87	27.53	75.62	96.45
Of which:							
Personal	12.55	13.26	15.95	15.71	13.07	39.60	44.73
Company/Corporation	10.80	12.87	16.10	21.16	14.46	36.02	51.72
Taxes on Property	5.51	3.37	4.27	11.94	3.97	19.96	20.18
Taxes on Domestic Goods and Services	58.15	57.59	64.55	63.31	66.96	174.83	194.81
Of which:							
Value-added Tax	47.57	52.49	52.68	54.30	53.57	144.52	160.55
Stamp Duties	1.13	1.07	1.17	0.74	6.04	3.17	7.95
Licences	7.02	1.74	4.85	4.70	3.08	16.66	12.63
Taxes on International Trade and Transa	44.00	53.37	46.14	49.86	51.61	119.39	147.61
Of which:							
Import Duty	15.70	19.33	14.63	16.60	18.08	43.66	49.31
Customs Service Charge	11.82	13.35	10.91	11.82	12.32	33.53	35.05
Non-Tax Revenue	8.74	11.29	11.39	7.36	6.68	29.74	25.43
Current Expenditure[1/]	127.00	113.65	134.75	146.01	139.34	353.33	420.11
Personal Emoluments	52.96	53.26	60.67	62.07	62.48	161.99	185.22
Goods and Services	19.44	24.30	26.98	30.18	31.91	51.57	89.07
Interest Payments	33.33	16.00	9.69	28.49	20.97	73.91	59.15
Domestic	8.57	10.85	5.31	2.93	16.80	17.89	25.05
External	24.76	5.14	4.38	25.56	4.17	56.03	34.10
Transfers and Subsidies	21.28	20.10	37.41	25.27	23.98	65.86	86.66
Of which: Pensions	7.75	7.78	7.93	8.00	7.57	23.18	23.50
Current Account Balance	12.75	38.09	23.64	23.32	17.41	66.20	64.37
Capital Revenue	0.00	0.00	0.00	-	-	0.13	0.00
Grants	19.19	29.70	14.45	27.76	29.69	57.48	71.91
Of which: Capital Grants	19.19	29.70	9.66	17.14	28.13	57.48	54.93
Capital Expenditure	51.33	77.02	20.65	22.24	31.31	146.63	74.19
Of which: Capital Expenditure	51.33	77.02	20.65	22.24	31.31	146.63	74.19
Primary Balance after grants	13.95	6.77	27.14	57.33	36.76	51.09	121.23
Overall Balance after grants	(19.39)	(9.23)	17.45	28.84	15.79	(22.82)	62.08
Financing	19.39	9.23	(17.45)	(28.84)	(15.79)	22.82	(62.08)
Domestic	(12.26)	(62.01)	(19.90)	(6.34)	(9.68)	(39.89)	(35.92)
ECCB (net)	2.38	(52.48)	(1.77)	(4.16)	(0.91)	6.44	(6.85)
Commercial Banks (net)	(8.31)	(25.47)	4.75	10.16	(26.07)	(11.72)	(11.16)
Other	(6.33)	15.94	(22.89)	(12.34)	17.31	(34.61)	(17.92)
External	10.85	73.32	(1.72)	(22.50)	(6.12)	14.50	(30.33)
Net Disbursements/(Amortisation)	10.85	73.32	(1.72)	(22.50)	(6.12)	14.50	(30.33)
Disbursements	18.95	87.56	7.90	8.85	4.21	47.32	20.96
Amortisation	8.11	14.24	9.62	31.35	10.32	32.82	51.29
Change in Government Foreign Assets	-	-	-	-	-	-	-
Arrears	20.80	(2.07)	4.17	(0.00)	-	48.21	4.17
Domestic	(0.40)	(2.07)	1.78	(0.00)	-	2.02	1.78
External	21.20	-	2.40	-	-	46.19	2.40
Other Financing	-	-	-	-	-	-	-

Source: Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada and the ECCB
[1/] Some reclassifcaitions were made from January 2016 to reflect the New Chart of Accounts, where necessary
Data as at 14 November 2016

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

	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016 3rd Qr[P]
Net Foreign Assets	**710.00**	**722.48**	**852.48**	**906.32**	**884.60**	**925.34**
Central Bank (Net)	**442.43**	**449.29**	**508.98**	**526.26**	**525.55**	**516.48**
Commercial Banks (Net)	267.58	273.18	343.50	380.06	359.04	408.86
External (Net)	(43.83)	(39.77)	12.21	77.49	73.83	129.07
Assets	458.53	468.53	493.91	550.16	539.59	585.10
Liabilities	502.36	508.30	481.70	472.67	465.76	456.03
Other ECCB Territories (Net)	311.40	312.96	331.29	302.56	285.21	279.79
Assets	341.23	353.33	362.00	356.73	338.96	333.36
Liabilities	29.83	40.37	30.71	54.17	53.75	53.57
Net Domestic Assets	**1,372.49**	**1,354.97**	**1,269.88**	**1,289.61**	**1,260.77**	**1,220.08**
Domestic Credit	**1,460.88**	**1,445.28**	**1,320.07**	**1,313.78**	**1,317.11**	**1,253.76**
Central Government (Net)	18.00	12.07	(65.88)	(62.89)	(56.89)	(83.88)
Other Public Sector (Net)	(152.32)	(150.53)	(166.44)	(212.06)	(213.14)	(229.66)
Private Sector	1,595.21	1,583.74	1,552.39	1,588.73	1,587.14	1,567.29
Household	1,094.63	1,081.26	1,073.59	1,066.61	1,076.86	1,071.55
Business	491.50	493.31	469.46	513.09	504.40	486.97
Non-Bank Financial Institutions	9.09	9.17	9.34	9.03	5.87	8.76
Subsidiaries & Affiliates	-	-	-	-	-	-
Other Items (Net)	**(88.39)**	**(90.31)**	**(50.19)**	**(24.16)**	**(56.34)**	**(33.68)**
Monetary Liabilities (M2)	**2,082.49**	**2,077.45**	**2,122.37**	**2,195.93**	**2,145.37**	**2,145.42**
Money Supply (M1)	**511.06**	**512.69**	**543.00**	**597.45**	**563.80**	**568.92**
Currency with the Public	121.72	120.52	131.55	123.95	123.98	125.77
Demand Deposits	378.33	383.27	402.11	464.75	429.49	432.34
EC$ Cheques and Drafts Issued	11.01	8.89	9.34	8.76	10.33	10.81
Quasi Money	**1,571.43**	**1,564.76**	**1,579.37**	**1,598.48**	**1,581.57**	**1,576.50**
Savings Deposits	1,167.25	1,159.22	1,160.49	1,179.30	1,174.38	1,171.98
Time Deposits	284.96	277.35	271.43	256.84	247.90	241.98
Foreign Currency Deposits	119.23	128.20	147.45	162.33	159.29	162.54

Source: Eastern Caribbean Central Bank
Data as at22NOV2016

Table 31
Montserrat - Selected Tourism Statistics

	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016P 3rd Qr	2015 Jan-Sep	2016 Jan-Sep
Total Visitors	3,004	4,766	7,378	2,030	2,557	10,324	11,965
Stay-Over Visitors	1,906	3,010	2,880	1,395	1,879	5,934	6,154
Of which:							
USA	416	766	814	412	455	1,560	1,681
Canada	42	179	223	64	63	361	350
UK	512	830	774	312	456	1,509	1,542
Caribbean	850	1,149	948	530	835	2,172	2,313
Other Countries	86	86	121	77	70	332	268
Excursionists	493	345	635	159	276	1,395	1,070
Cruise Ship Passengers	445	1,114	2,987	-	235	1,477	3,222
Number of Cruise Ship Calls	2	5	7	-	1	6	8
Yacht Passengers	160	297	876	476	167	1,518	1,519
Number of Yachts	36	67	214	126	39	407	379
Total Visitor Expenditure (EC$M)	**4.35**	**7.12**	**8.61**	**3.48**	**4.26**	**15.77**	**16.35**

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat
Data as at 14 November 2016
Data for August and September 2016 Estimated

Table 32
Montserrat - Consumer Price Index
January 2014 = 100

			Percentage Change*						
			Quarter over Previous Quarter						
		Index	2015	2015	2016	2016R	2016P	Sep-15	Sep-16
	Weight	Sep-16	3rd Qr	4th Qr	1st Qr	2nd Qr	3rd Qr	Dec-14	Dec-15
All Items	99.91	98.30	0.74	(0.05)	(1.45)	1.45	(0.59)	n.a.	(0.61)
Food & Non-Alchoholic Beverages	16.32	98.82	(0.19)	0.35	(1.37)	1.50	(0.48)	n.a.	(0.37)
Alchoholic Beverages, Tobacco & Narcotics	0.43	99.40	(0.39)	(0.43)	0.20	0.61	(0.75)	n.a.	0.06
Clothing & Footwear	4.76	97.20	0.38	0.20	(0.34)	0.01	0.05	n.a.	(0.28)
Housing, Water, Electrcity, Gas and Other Fuels	33.05	99.33	4.30	(0.03)	(3.44)	2.74	(0.08)	n.a.	(0.88)
Furnishing, household equipment and Routine Household Maintenance	3.48	101.44	1.08	1.61	(0.06)	(1.12)	(0.26)	n.a.	(1.43)
Health	1.89	104.42	1.86	0.00	(1.03)	0.00	0.00	n.a.	(1.03)
Transport	18.08	90.85	(5.32)	(0.76)	(1.40)	1.89	(2.56)	n.a.	(2.11)
Communication	8.33	103.35	1.73	0.41	2.32	0.00	0.00	n.a.	2.32
Recreation & Culture	2.44	97.49	(0.24)	0.18	0.00	(0.01)	(1.41)	n.a.	(1.42)
Education	2.85	102.95	1.85	0.00	0.00	0.00	0.28	n.a.	0.28
Restaurants and Hotels	2.11	101.05	0.37	(0.30)	1.34	(0.35)	0.00	n.a.	0.98
Miscellaneous goods and services	6.17	102.08	1.32	(1.02)	0.23	(0.03)	0.35	n.a.	0.55

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat
*at end of period
Data as at 14 November 2016

Table 33
Montserrat - Selected Trade Statistics
(Value: EC$M)

	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016P 3rd Qr	2015 Jan-Sep	2016 Jan-Sep
Visible Trade Balance	(22.26)	(29.77)	(21.40)	(18.74)	(20.27)	(66.50)	(60.41)
Total Imports	24.46	31.89	23.30	21.69	23.88	72.42	68.87
Total Exports	2.20	2.12	1.90	2.95	3.61	5.92	8.46
Total Domestic Exports	2.04	2.04	1.76	2.05	3.45	5.40	7.26
Total Re-Exports	0.15	0.09	0.14	0.90	0.15	0.52	1.19

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat and ECCB Estimates
Data as at 14 November 2016

Table 34
Montserrat - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016P 3rd Qr	2015 Jan-Sep	2016 Jan-Sep
Current Revenue	10.34	11.31	11.75	11.60	11.65	34.23	35.00
Tax Revenue	9.06	10.10	10.63	10.39	10.05	28.94	31.07
Taxes on Income and Profits	3.62	3.37	4.50	5.18	3.56	12.46	13.23
Of which:							
Personal	2.96	2.82	3.36	2.84	3.06	9.02	9.26
Company/Corporation	0.57	0.16	0.97	1.95	0.41	2.85	3.33
Taxes on Property	0.03	0.56	0.08	0.03	0.54	0.10	0.65
Taxes on Domestic Goods and Servic	0.96	0.76	1.60	0.86	1.55	3.49	4.02
Of which:							
Licences and Stamp Duties	0.71	0.51	0.89	0.61	0.52	2.23	2.02
Hotel Occupancy	0.00	0.01	0.01	0.01	0.00	0.03	0.02
Insurance Company Levy	0.07	0.06	0.04	0.09	0.07	0.15	0.20
Taxes on International Trade and Tran	4.46	5.41	4.44	4.32	4.40	12.89	13.16
Of which:							
Import Duty	1.47	1.89	1.58	1.56	1.62	4.26	4.76
Consumption Tax	2.72	3.18	2.56	2.47	2.63	7.73	7.66
Non-Tax Revenue	1.28	1.21	1.13	1.21	1.59	5.30	3.93
Current Expenditure	30.04	29.99	31.94	23.94	29.07	90.74	84.95
Personal Emoluments	10.29	10.64	10.65	10.45	10.31	31.11	31.41
Goods and Services*	9.46	9.36	13.39	7.03	11.34	31.10	31.75
Interest Payments	0.01	0.01	0.01	0.01	0.01	0.02	0.02
Domestic	-	-	-	-	-	-	-
External	0.01	0.01	0.01	0.01	0.01	0.02	0.02
Transfers and Subsidies	10.29	9.99	7.89	6.46	7.42	28.51	21.78
Of which: Pensions	2.97	3.16	3.32	2.69	2.71	9.25	8.71
Current Account Balance before gran	(19.70)	(18.67)	(20.19)	(12.34)	(17.43)	(56.50)	(49.95)
Current Account Balance after grants	(19.70)	26.99	(20.19)	15.74	7.67	(3.17)	3.23
Capital Revenue	-	-	-	-	-	-	-
Grants	0.00	55.16	12.67	28.08	25.56	80.82	66.31
Of which: Capital Grants	0.00	9.50	12.67	0.00	0.45	27.48	13.13
Capital Expenditure and Net Lending	5.88	6.87	8.57	1.17	0.33	19.46	10.07
Of which: Capital Expenditure	5.88	6.87	8.57	1.17	0.33	19.46	10.07
Primary Balance before grants	(25.57)	(25.54)	(28.75)	(13.51)	(17.75)	(75.95)	(60.01)
Primary Balance after grants	(25.57)	29.62	(16.08)	14.58	7.81	4.87	6.30
Overall Balance before grants	(25.57)	(25.55)	(28.76)	(13.51)	(17.75)	(75.97)	(60.02)
Overall Balance after grants	(25.57)	29.62	(16.09)	14.57	7.80	4.85	6.29
Financing	25.57	(29.62)	16.09	(14.57)	(7.80)	(4.85)	(6.29)
Domestic	23.97	(31.23)	16.10	(14.54)	(7.77)	(6.40)	(6.21)
ECCB (net)	(0.04)	0.13	(0.14)	0.13	(0.16)	13.90	(0.17)
Commercial Banks (net)	21.06	(38.64)	23.72	(7.43)	(2.39)	(5.37)	13.90
Other	2.96	7.29	(7.48)	(7.25)	(5.22)	(14.93)	(19.95)
External	1.61	1.61	(0.01)	(0.03)	(0.03)	1.55	(0.07)
Net Disbursements/(Amortisation)	1.61	1.61	(0.01)	(0.03)	(0.03)	1.55	(0.07)
Disbursements	1.64	1.64	0.02	0.00	-	1.64	0.02
Amortisation	0.03	0.03	0.03	0.03	0.03	0.09	0.09
Change in Government Foreign Asse	-	-	-	-	-	-	-
Arrears	-	-	-	-	-	-	-
Domestic	-	-	-	-	-	-	-
External	-	-	-	-	-	-	-
Other Financing	-	-	-	-	-	-	-

Source: Ministry of Finance, Montserrat and Eastern Caribbean Central Bank
*Goods and Services include Miscellaneous Payments
Data as at 14 November 2016

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

	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016 3rd Qr[P]
Net Foreign Assets	**308.34**	**284.77**	**320.51**	**300.69**	**300.75**	**302.86**
Central Bank (Net)	**136.24**	**133.35**	**138.96**	**137.38**	**137.79**	**137.50**
Commercial Banks (Net)	172.10	151.42	181.55	163.32	162.95	165.36
External (Net)	109.35	91.32	117.04	100.45	107.04	100.70
Assets	175.20	158.45	186.35	169.52	176.72	171.82
Liabilities	65.85	67.14	69.31	69.07	69.69	71.12
Other ECCB Territories (Net)	62.74	60.10	64.51	62.87	55.92	64.66
Assets	73.72	74.71	77.92	75.62	68.84	76.62
Liabilities	10.97	14.61	13.41	12.75	12.92	11.96
Net Domestic Assets	**(61.29)**	**(42.55)**	**(75.65)**	**(52.01)**	**(53.83)**	**(53.55)**
Domestic Credit	**(19.83)**	**(0.21)**	**(30.88)**	**(7.65)**	**(9.49)**	**(8.90)**
Central Government (Net)	(65.24)	(44.23)	(82.75)	(59.16)	(66.45)	(69.01)
Other Public Sector (Net)	(22.73)	(25.54)	(18.89)	(19.85)	(16.03)	(19.11)
Private Sector	68.15	69.56	70.76	71.36	73.00	79.23
Household	60.61	62.04	63.67	64.64	66.31	69.87
Business	7.53	7.52	7.10	6.72	6.69	9.35
Non-Bank Financial Institutions	-	-	-	-	-	-
Subsidiaries & Affiliates	-	-	-	-	-	-
Other Items (Net)	**(41.46)**	**(42.34)**	**(44.77)**	**(44.37)**	**(44.34)**	**(44.65)**
Monetary Liabilities (M2)	**247.05**	**242.22**	**244.86**	**248.68**	**246.92**	**249.31**
Money Supply (M1)	**46.95**	**43.86**	**47.64**	**50.33**	**48.21**	**51.27**
Currency with the Public	16.17	17.02	20.20	19.46	19.33	20.73
Demand Deposits	30.48	26.74	27.31	30.44	28.52	30.35
EC$ Cheques and Drafts Issued	0.30	0.11	0.14	0.43	0.36	0.20
Quasi Money	**200.10**	**198.36**	**197.22**	**198.35**	**198.71**	**198.04**
Savings Deposits	144.47	143.28	143.39	144.25	144.75	145.19
Time Deposits	46.54	45.84	45.40	44.67	44.66	43.54
Foreign Currency Deposits	9.09	9.24	8.44	9.43	9.30	9.31

Source: Eastern Caribbean Central Bank
Data as at 15 NOV 2016

Table 36
St Kitts and Nevis - Selected Tourism Statistics

	2015 3rdQr	2015 4thQr	2016R 1st Qr	2016R 2ndQr	2016P 3rdQr	2015 Jan - Sept	2016P Jan - Sept
Total Visitors	148,195	310,198	440,364	146,894	155,193	724,871	742,451
Stay-Over Visitors	23,936	28,320	33,735	28,421	24,145	88,375	86,301
Of which:							
USA	13,614	16,282	21,275	16,892	13,553	54,068	51,720
Canada	1,089	1,838	2,962	1,241	1,074	5,296	5,277
UK	2,196	2,802	2,647	2,400	2,223	7,379	7,270
Caribbean	5,704	5,771	5,137	6,307	5,928	16,951	17,372
Other Countries	1,333	1,627	1,714	1,581	1,367	4,681	4,662
Excursionists	804	1,026	972	665	746	3,100	2,383
Cruise Ship Passengers	122,936	280,273	403,772	117,342	130,115	629,965	651,229
Yacht Passengers	519	579	1,885	466	187	3,431	2,538
Number of Cruise Ship Calls	33	137	209	46	36	310	291
Total Visitor Expenditure (EC$M)	**70.96**	**89.90**	**111.51**	**84.41**	**75.66**	**271.74**	**271.57**

Source: Statistics Department, Sustainable Development, St Kitts and Central Statistics Office, Nevis and ECCB Estimates
Data as at 14 November 2016

Table 37

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

			Percentage Change*						
			Quarter over Previous Quarter						
	Weight	Index Sept 2016	2015^{R} 3rd Qr	2015^{R} 4th Qr	2016^{R} 1st Qr	2016^{R} 2nd Qr	2016^{P} 3rd Qr	Sep-15 Dec-14	Sep-16 Dec-15
All items	100.00	107.67	(0.38)	(0.22)	(0.43)	0.40	0.94	(2.19)	0.90
Food and Non-Alcoholic Beverages	15.98	99.39	(1.74)	0.21	(2.54)	0.11	(0.09)	(7.99)	(2.52)
Alcoholic Beverages, Tobacco & Narcotics	2.71	122.43	(1.15)	(0.65)	1.60	1.53	(0.51)	0.97	2.62
Clothing and Footwear	4.20	116.76	(1.68)	0.40	0.04	0.07	0.74	(1.00)	0.86
Housing, Utilities, Gas and Fuels	27.56	100.72	(0.16)	0.00 -	0.32	(0.18)	0.04	(0.42)	(0.45)
Household Furnishings, Supplies and Maintenance	6.10	107.39	(1.34)	(1.06)	(0.56)	1.64	(1.01)	(1.33)	0.05
Health	2.38	109.21	(0.26)	0.00	0.12	(0.31)	2.35	(2.89)	2.16
Transport	16.14	115.54	1.36	(0.65)	(2.38)	1.02	4.42	(2.67)	2.98
Communication	8.47	112.73	(0.01)	(0.11)	4.96	1.28	(3.87)	1.54	2.18
Recreation and Culture	2.92	108.09	(0.83)	(0.40)	(0.27)	(0.44)	2.83	1.01	2.10
Education	2.41	132.87 -	5.05	0.00	2.80	0.00	5.47	(4.07)	8.42
Hotels and Restaurants	5.60	116.41	0.56	0.02	0.00	0.00	5.39	(0.36)	5.39
Miscellaneous Goods and Services	5.54	106.41	(0.21)	(0.73)	0.88	0.62	(0.12)	(4.64)	1.38

Source: Statistics Department, Sustainable Development, St Kitts
* at end of period
Data as at 14 November 2016

Table 38
St Kitts and Nevis - Selected Trade Statistics
(Value: EC$M)

	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016^{P} 3rd Qr	2015 Jan - Sept	2016^{P} Jan - Sept
Visible Trade Balance	(108.15)	(228.51)	(189.17)	(141.41)	(124.88)	(423.47)	(455.47)
Total Imports [/1]	141.27	269.91	223.77	174.48	157.36	531.56	555.62
Total Exports	33.12	41.40	34.60	33.07	32.48	108.09	100.15
Total Domestic Exports	26.63	33.71	27.23	28.60	28.00	94.01	83.84
Total Re-Exports	6.49	7.70	7.37	4.46	4.47	14.08	16.31

Source: Statistics Department, Sustainable Development, St Kitts
[/1] Excludes some fuel imports
Data as at 14 November 2016

Table 39
St Kitts and Nevis - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2015 3rdQr	2015 4thQr	2016 1st Qr	2016R 2ndQr	2016P 3rdQr	2015 Jan - Sept	2016P Jan - Sept
Current Revenue	193.42	255.43	192.07	207.65	168.79	626.16	568.51
Tax Revenue	108.29	143.86	118.68	122.04	117.73	365.08	358.45
Taxes on Income and Profits	29.12	40.45	30.87	27.12	30.26	91.79	88.25
Of Which:							
Personal	12.09	12.98	13.43	12.50	12.61	37.73	38.54
Company/Corporation	13.01	23.50	14.07	12.90	13.71	44.77	40.68
Taxes on Property	5.10	5.03	3.03	7.54	3.95	16.30	14.52
Taxes on Domestic Goods and Servi	47.01	56.37	51.33	53.03	51.63	160.20	156.00
Of Which:							
Licences	1.44	4.57	3.22	1.56	1.17	5.71	5.94
Value Added Tax	29.35	35.79	32.06	37.41	36.43	106.10	105.90
Stamp Duties	9.88	10.85	10.41	10.17	8.82	29.91	29.40
Unincorporated Business Levy	1.76	1.77	1.68	0.76	1.29	4.88	3.73
Island Enhancement Levy	0.89	0.82	1.26	0.31	0.99	3.78	2.56
Taxes on International Trade and Tra	27.06	42.01	33.44	34.34	31.89	96.80	99.68
Of Which:							
Import Duty	12.18	19.73	14.57	15.96	15.37	38.15	45.90
Customs Service Charge	8.71	12.39	9.93	10.44	9.52	30.60	29.89
Excise Tax	2.71	3.98	4.57	4.14	3.53	16.56	12.24
Non-Refundable Duty Free Store l	0.52	2.29	1.18	0.72	0.53	3.24	2.42
Non-Tax Revenue	85.13	111.57	73.39	85.61	51.06	261.08	210.05
Current Expenditure	155.77	197.33	125.98	183.55	140.46	465.53	449.99
Personal Emoluments	64.42	80.77	67.20	75.14	68.10	190.64	210.43
Goods and Services	37.20	59.10	26.11	47.00	31.01	112.08	104.11
Interest Payments	11.88	10.61	7.97	13.08	9.29	36.28	30.34
Domestic	7.42	6.26	5.28	10.67	6.95	24.86	22.89
External	4.46	4.36	2.69	2.41	2.34	11.42	7.45
Transfers and Subsidies	42.26	46.85	24.70	48.33	32.07	126.53	105.10
Of Which: Pensions	7.95	10.27	8.20	8.37	8.57	23.47	25.14
Current Account Balance	37.65	58.10	66.09	24.10	28.33	160.64	118.51
Capital Revenue	1.92	1.31	1.35	0.93	1.07	6.26	3.35
Grants	6.24	12.72	0.31	21.46	17.85	40.50	39.62
Of which: Capital Grants	6.11	12.67	0.25	8.73	17.39	24.07	26.37
Capital Expenditure and Net Lending	60.07	21.19	1.35	21.15	21.21	147.35	43.71
Of which: Capital Expenditure	30.64	45.11	21.97	22.09	21.07	96.74	65.13
Primary Balance after grants	(2.38)	61.55	74.37	38.41	35.34	96.33	148.12
Overall Balance after grants	(14.26)	50.93	66.39	25.33	26.05	60.05	117.77
Financing	14.26	(50.93)	(66.39)	(25.33)	(26.05)	(60.05)	(117.77)
Domestic	79.68	(42.01)	(39.24)	(14.00)	(19.89)	46.43	(73.13)
ECCB (net)	42.73	(3.05)	(1.22)	(12.86)	(4.37)	78.48	(18.44)
Commercial Banks (net)	28.92	(20.23)	(50.08)	0.28	(16.23)	(8.36)	(66.02)
Other	8.03	(18.72)	12.06	(1.42)	0.70	(23.70)	11.34
External	(65.41)	(8.93)	(27.16)	(11.34)	(6.15)	(106.47)	(44.65)
Net Disbursements/(Amortisation)	(65.41)	(8.93)	(27.16)	(11.34)	(6.15)	(106.47)	(44.65)
Disbursements	0.72	0.38	0.41	0.15	0.56	1.64	1.12
Amortisation	66.13	9.30	27.57	11.49	6.71	108.11	45.77
Change in Government Foreign Ass	-	-	-	-	-	-	-
Arrears	-	-	-	-	-	-	-
Domestic	-	-	-	-	-	-	-
External	-	-	-	-	-	-	-
Other Financing	-	-	-	-	-	-	-

Source: Ministry of Finance, St Kitts and Nevis and ECCB Estimates
Data as at 14 November 2016

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

	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016 3rd Qr[p]
Net Foreign Assets	**2,427.76**	**2,314.16**	**2,206.09**	**2,264.26**	**2,300.54**	**2,307.64**
Central Bank (Net)	**781.16**	**715.99**	**757.19**	**921.46**	**926.07**	**888.28**
Commercial Banks (Net)	1,646.59	1,598.17	1,448.91	1,342.79	1,374.47	1,419.36
External (Net)	1,693.39	1,597.60	1,600.48	1,567.87	1,642.90	1,679.37
Assets	2,641.89	2,570.51	2,388.23	2,395.51	2,314.70	2,319.25
Liabilities	948.50	972.91	787.75	827.64	671.80	639.88
Other ECCB Territories (Net)	(46.79)	0.57	(151.57)	(225.08)	(268.43)	(260.01)
Assets	839.67	893.23	809.89	834.05	734.18	724.14
Liabilities	886.46	892.66	961.47	1,059.12	1,002.60	984.15
Net Domestic Assets	**639.77**	**792.55**	**821.93**	**791.84**	**734.41**	**678.09**
Domestic Credit	**996.82**	**1,060.82**	**1,031.99**	**961.08**	**917.53**	**871.30**
Central Government (Net)	460.67	532.32	509.03	457.74	445.16	424.57
Other Public Sector (Net)	(894.33)	(907.84)	(926.04)	(946.03)	(979.60)	(1,000.78)
Private Sector	1,430.48	1,436.34	1,448.99	1,449.38	1,451.98	1,447.51
Household	859.30	861.59	865.43	859.97	862.33	864.00
Business	501.77	517.43	527.07	532.92	533.72	530.80
Non-Bank Financial Institutions	29.32	15.28	15.22	15.19	15.34	12.29
Subsidiaries & Affiliates	40.10	42.05	41.28	41.29	40.58	40.42
Other Items (Net)	**(357.05)**	**(268.27)**	**(210.06)**	**(169.24)**	**(183.12)**	**(193.20)**
Monetary Liabilities (M2)	**3,067.52**	**3,106.71**	**3,028.02**	**3,056.10**	**3,034.95**	**2,985.73**
Money Supply (M1)	**608.81**	**624.36**	**624.28**	**606.34**	**622.46**	**593.79**
Currency with the Public	152.16	155.79	168.26	162.87	164.49	166.77
Demand Deposits	445.01	454.98	441.59	429.94	441.25	406.47
EC$ Cheques and Drafts Issued	11.64	13.60	14.43	13.53	16.72	20.55
Quasi Money	**2,458.71**	**2,482.35**	**2,403.75**	**2,449.75**	**2,412.49**	**2,391.94**
Savings Deposits	917.44	917.13	936.64	952.59	942.80	944.31
Time Deposits	627.83	628.51	620.45	642.92	615.67	589.30
Foreign Currency Deposits	913.45	936.71	846.65	854.25	854.02	858.32

Source: Eastern Caribbean Central Bank
Data as at 23 NOV 2016

Table 41
Saint Lucia - Selected Tourism Statistics

	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016[P] 3rd Qr	2015 Jan - Sep	2016 Jan - Sep
Total Visitor Arrivals	161,903	303,118	366,995	179,941	147,458	785,063	694,394
Stay Over Arrivals [1/]	77,771	81,713	97,367	85,772	81,541	263,195	264,680
USA	34,418	34,578	41,799	43,989	35,729	118,160	121,517
Canada	4,104	8,116	17,366	6,083	5,092	30,561	28,541
UK	13,914	18,492	18,957	15,537	12,779	49,683	47,273
Caribbean	21,351	15,038	12,803	15,806	23,731	47,707	52,340
Other Countries	3,984	5,489	6,442	4,357	4,210	17,084	15,009
Excursionists	2,836	3,104	3,392	2,541	3,141	5,976	9,074
Cruise Ship Passenger	71,475	206,173	245,432	80,735	52,175	471,221	378,342
Number of Cruise Ships	22	121	184	46	24	266	254
Yacht Passengers	9,821	12,128	20,804	10,893	10,601	44,671	42,298
Total Visitor Expenditure (EC$M) [1/]	**205.23**	**255.19**	**320.18**	**237.35**	**204.28**	**816.54**	**761.80**

[1/] Visitor Expenditure includes only the expenditure of stay-over visitors and cruise ship passengers

Source: Saint Lucia Tourist Board

Data as at 14 November 2016

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

			Percentage Change*						
			Quarter over Previous Quarter						
		Index	2015	2015	2016	2016[R]	2016[P]	Sep-15	Sep-16
	Weight	Sep 2016	3rdQr	4thQr	1st Qr	2ndQr	3rdQr	Dec-14	Dec-15
All items	99.87	114.18	(0.85)	(0.78)	(2.14)	(0.52)	0.76	(1.83)	(1.91)
Food and Non-Alcoholic Beverages	25.02	122.07	0.38	0.05	(1.11)	(1.34)	(0.31)	(3.42)	(2.74)
Alcoholic Beverages, Tobacco & Narcotics	6.53	137.89	(0.32)	6.34	0.67	2.87	0.56	(3.56)	4.14
Clothing and Footwear	1.66	143.65	(1.93)	0.73	(2.21)	0.77	(2.90)	13.58	(4.31)
Housing, Utilities, Gas and Fuels	17.36	113.81	(0.70)	0.10	(6.89)	0.85	4.11	6.79	(2.24)
Household Furnishings, Supplies and Maintenance	3.31	98.67	(3.68)	(9.22)	5.29	0.75	(2.67)	(4.80)	3.24
Health	3.96	119.97	0.87	(0.45)	0.56	(0.36)	(0.05)	1.95	0.15
Transport	16.40	106.95	(4.61)	(2.72)	(1.26)	2.13	(2.73)	(6.65)	(1.91)
Communication	12.54	118.68	-	(0.00)	3.65	-	-	8.78	3.65
Recreation & Culture	1.37	65.15	3.38	(8.20)	(1.22)	(21.57)	(4.65)	(8.24)	(26.13)
Education	3.70	157.80	-	(0.00)	2.55	(0.51)	-	7.75	2.04
Hotels & Restaurants	1.10	123.17	(0.11)	2.57	(0.00)	2.19	-	10.40	2.19
Miscellaneous Goods and Services	6.92	98.41	0.30	(1.02)	(0.63)	(1.71)	3.99	(19.97)	1.57

*at end of period

Source: Central Statistical Office, Saint Lucia and ECCB Estimates

Data as at 14 November 2016

Table 43
Saint Lucia - Banana Production

	2015 3rdQr	2015 4thQr	2016 1st Qr	2016 2ndQr	2016[P] 3rdQr	2015 Jan - Sep	2016 Jan - Sep
Volume (tonnes)	1,576	1,932	1,911	2,062	2,542	6,514	6,515
Value (EC$M)	2.87	3.51	3.52	3.74	4.50	11.74	11.76
Unit Price (EC$/ tonnes)	1,818.65	1,814.89	1,843.50	1,815.46	1,769.39	1,801.85	1,805.70

Source: Winfresh Ltd

Data as at 14 November 2016

Table 44
Saint Lucia - Selected Trade Statistics
(Value: EC$M)

	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016P 3rd Qr	2015 Jan - Sep	2016 Jan - Sep
Total Exports	96.45	93.19	88.35	80.18	85.64	393.65	254.16
Total Domestic Exports	59.42	60.09	55.98	54.15	57.31	187.18	167.44
Total Re-Exports	37.04	33.10	32.36	26.03	28.33	206.47	86.72
Total Imports	378.63	402.21	495.19	406.66	374.01	1,136.87	1,275.86
Visible Trade Balance	(282.17)	(309.02)	(406.85)	(326.48)	(288.37)	(743.22)	(1,021.70)

Source: Central Statistical Office, Saint Lucia and ECCB Estimates
Data as at 14 November 2016

Table 45
Saint Lucia - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2015 3rd Qr	2015 4th Qr	2016R 1st Qr	2016R 2nd Qr	2016P 3rd Qr	2015 Jan - Sep	2016 Jan - Sep
Current Revenue	235.88	233.94	269.62	266.52	234.33	728.00	770.47
Tax Revenue	224.31	224.25	259.41	258.52	226.09	689.15	744.03
Taxes on Income and Profits	55.11	38.26	80.91	73.18	60.21	191.93	214.30
Of which:							
Personal	25.07	22.73	31.27	26.23	24.80	79.62	82.30
Company/Corporation	22.10	3.43	34.12	29.09	23.81	65.70	87.03
Taxes on Property	2.05	2.12	4.32	1.92	3.25	7.29	9.49
Taxes on Domestic Goods and Servic	101.34	109.75	110.72	110.44	96.25	303.36	317.41
Of which:							
Consumption Duty	0.02	0.00	-	0.00	0.00	0.02	0.00
Licences	5.46	11.76	7.08	6.11	5.62	13.85	18.81
Excise Tax	0.90	0.83	1.06	0.80	1.06	2.96	2.91
Hotel Occupancy Tax	0.11	0.03	0.29	0.04	0.02	0.64	0.35
Value Added Tax	85.06	85.99	92.38	90.33	77.45	259.37	260.16
Taxes on International Trade and Tran	65.81	74.12	63.46	72.99	66.38	186.57	202.82
Of which:							
Consumption Tax	0.03	-	0.24	-	-	0.03	0.24
Import Duties	25.68	29.31	25.08	27.57	26.87	75.19	79.52
Customs Service Charge	18.92	19.52	16.01	17.87	16.42	47.26	50.31
Excise Tax	17.56	20.49	16.93	22.81	18.80	52.57	58.54
Non-Tax Revenue	11.57	9.69	10.21	7.99	8.24	38.86	26.44
Current Expenditure	224.81	222.08	225.19	202.57	234.36	665.84	662.12
Personal Emoluments	93.54	94.21	95.22	90.88	93.93	281.23	280.03
Goods and Services	43.65	40.51	47.22	32.05	42.57	128.29	121.84
Interest Payments	37.86	36.79	38.89	32.83	42.15	111.94	113.86
Domestic	28.61	22.30	29.10	18.88	28.47	75.13	76.44
External	9.26	14.50	9.79	13.95	13.68	36.81	37.42
Transfers and Subsidies	49.75	50.57	43.86	46.82	55.70	144.37	146.39
Of which: Pensions	18.79	20.37	18.73	18.66	20.67	52.75	58.05
Current Account Balance	11.07	11.87	44.43	63.94	(0.03)	62.17	108.35
Capital Revenue	0.01	0.01	-	0.09	0.06	0.06	0.15
Grants	15.24	18.74	5.83	4.70	2.05	33.30	12.58
Of which: Capital Grants	15.24	18.74	5.83	4.70	2.05	33.30	12.58
Capital Expenditure and Net Lending	59.51	58.57	54.41	23.75	58.56	160.53	136.72
Of which: Capital Expenditure	59.51	58.57	54.41	23.75	58.56	160.53	136.72
Primary Balance after grants	4.67	8.83	34.74	77.81	(14.33)	46.94	98.23
Overall Balance after grants	(33.20)	(27.96)	(4.15)	44.99	(56.47)	(65.01)	(15.64)
Financing	33.20	27.96	4.15	(44.99)	56.47	65.01	15.64
Domestic	39.21	43.27	5.37	(76.96)	6.92	(57.52)	(64.67)
ECCB (net)	(27.93)	14.68	20.47	(8.90)	(15.71)	(41.37)	(4.14)
Commercial Banks (net)	21.48	4.99	(48.86)	(44.15)	59.53	(8.74)	(33.48)
Other	45.66	23.60	33.77	(23.91)	(36.90)	(7.40)	(27.04)
External	(6.02)	(15.31)	(1.22)	31.97	49.56	122.53	80.31
Net Disbursements (Amortisation)	(6.02)	(15.31)	(1.22)	31.97	49.56	59.03	80.31
Disbursements	8.26	10.44	13.22	53.31	67.26	109.46	133.80
Amortisation	14.28	25.75	14.44	21.34	17.70	50.43	53.49
Change in Government Foreign Asse	-	-	-	-	-	63.50	-
Arrears	-	-	-	-	-	-	-
Domestic	-	-	-	-	-	-	-
External	-	-	-	-	-	-	-
Other financing	-	-	-	-	-	-	-

Source: Ministry of Finance, Saint Lucia
Data as at 14 November 2016

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

	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016 3rd Qr[p]
Net Foreign Assets	**222.30**	**224.74**	**268.38**	**429.74**	**511.97**	**464.49**
Central Bank (Net)	**864.15**	**816.52**	**804.87**	**826.32**	**839.16**	**789.18**
Commercial Banks (Net)	(641.85)	(591.79)	(536.49)	(396.59)	(327.19)	(324.69)
External (Net)	(2.72)	37.84	91.17	228.83	173.71	171.67
Assets	807.40	857.95	892.87	1,003.48	963.24	941.02
Liabilities	810.12	820.11	801.69	774.66	789.53	769.35
Other ECCB Territories (Net)	(639.13)	(629.62)	(627.66)	(625.41)	(500.90)	(496.35)
Assets	328.75	332.99	333.34	359.16	387.32	368.71
Liabilities	967.88	962.61	961.00	984.58	888.22	865.06
Net Domestic Assets	**2,819.26**	**2,725.78**	**2,786.32**	**2,755.27**	**2,630.45**	**2,653.28**
Domestic Credit	**3,318.40**	**3,247.06**	**3,269.23**	**3,256.24**	**3,097.80**	**3,163.32**
Central Government (Net)	213.50	207.05	226.72	198.32	145.28	189.09
Other Public Sector (Net)	(498.93)	(509.97)	(480.38)	(484.83)	(497.09)	(466.40)
Private Sector	3,603.83	3,549.98	3,522.89	3,542.75	3,449.61	3,440.62
Household	1,773.80	1,777.83	1,771.13	1,777.00	1,756.97	1,762.10
Business	1,800.12	1,742.56	1,689.50	1,703.13	1,628.92	1,614.88
Non-Bank Financial Institutions	18.71	18.71	14.93	15.76	17.66	17.79
Subsidiaries & Affiliates	11.20	10.87	47.34	46.85	46.06	45.86
Other Items (Net)	**(499.15)**	**(521.27)**	**(482.92)**	**(500.97)**	**(467.36)**	**(510.04)**
Monetary Liabilities (M2)	**3,041.56**	**2,950.52**	**3,054.70**	**3,185.01**	**3,142.42**	**3,117.77**
Money Supply (M1)	**783.98**	**714.88**	**769.09**	**836.40**	**791.32**	**832.81**
Currency with the Public	139.21	135.24	153.85	153.15	154.54	153.09
Demand Deposits	635.96	575.40	610.27	671.92	634.77	667.89
EC$ Cheques and Drafts Issued	8.81	4.24	4.97	11.33	2.01	11.83
Quasi Money	**2,257.58**	**2,235.63**	**2,285.61**	**2,348.60**	**2,351.10**	**2,284.96**
Savings Deposits	1,553.31	1,532.59	1,556.01	1,567.64	1,587.70	1,592.06
Time Deposits	408.30	389.38	387.72	405.95	418.90	365.22
Foreign Currency Deposits	295.97	313.67	341.88	375.02	344.50	327.68

Source: Eastern Caribbean Central Bank

Data as at 18 NOV 2016

Table 47
St Vincent and the Grenadines - Selected Tourism Statistics

	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016[R] 2nd Qr	2016[P] 3rd Qr	2015 Jan - Sept	2016[P] Jan - Sept
Total Visitors	24,519	60,982	96,680	32,552	25,013	145,680	154,245
Stay-Over Visitors	17,687	20,622	22,346	18,141	18,172	54,759	58,659
Of which:							
USA	4,979	5,979	6,348	5,907	4,796	16,084	17,051
Canada	1,442	2,169	2,384	1,614	1,533	5,346	5,531
UK	3,413	4,742	6,019	3,380	3,730	12,303	13,129
Caribbean	6,711	5,576	5,118	6,017	6,977	15,990	18,112
Other Countries	1,142	2,156	2,477	1,223	1,136	5,036	4,836
Excursionists	312	398	514	377	336	1,334	1,227
Yacht Passengers	5,782	11,493	21,818	8,543	5,785	35,977	36,146
Cruise Ship Passengers	738	28,469	52,002	5,491	720	53,610	58,213
Number of Cruise Ship Calls	28	74	135	25	14	157	174
Total Visitor Expenditure (EC$M)	**48.88**	**70.12**	**93.52**	**57.02**	**48.91**	**188.39**	**199.45**

Source: St Vincent and the Grenadines Tourism Authority
Data for September 2016 estimated
Data as at 14 November 2016

Table 48
St Vincent and the Grenadines - Consumer Price Index
January 2010 = 100

			Percentage Change*						
			Quarter over Previous Quarter						
	Weight	Index Jan 1900	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016P 3rd Qr	Sep-15 Dec-14	Sep-16 Dec-15
All Items	100.0	106.40	0.28	(0.66)	(0.29)	1.53	-	(1.40)	1.24
Food and Non-Alcoholic Beverages	21.91	111.40	(0.09)	(0.27)	(0.82)	2.56	(0.54)	(2.04)	1.18
Alcoholic Beverages, Tobacco and Narcotics	3.87	114.90	0.36	0.54	1.35	1.15	0.88	0.64	3.42
Clothing and Footwear	3.22	104.80	(0.29)	0.10	1.85	0.57	(0.29)	(0.29)	2.14
Housing, Water, Electricity, Gas and Other Fu	30.06	99.30	(1.00)	(1.11)	(0.41)	1.23	0.81	(3.70)	1.64
Furnishing, Household Equipment and Routine	6.59	103.10	0.10	0.39	0.39	0.59	0.29	-	1.28
Health	1.79	107.60	1.90	2.15	(1.37)	(0.09)	(0.09)	3.98	(1.56)
Transport	11.84	118.40	0.92	(3.23)	(0.60)	3.18	(1.33)	(3.82)	1.20
Communications	9.41	106.80	5.36	0.09	-	2.16	(1.66)	5.88	0.47
Recreation and Culture	3.81	104.00	(0.29)	0.10	0.58	0.78	-	(0.10)	1.36
Education	1.32	109.30	1.10	-	(1.54)	-	0.74	1.10	(0.82)
Restaurants and Hotels	1.87	102.70	0.29	(1.06)	-	-	0.29	-	0.29
Miscellaneous Goods and Services	4.31	101.40	-	0.10	0.10	0.10	-	0.10	0.20

Source: Statistical Office, Central Planning Division, Ministry of Finance and Economic Planning, St Vincent and the Grenadines
*at end of period
Data as at 14 November 2016

Table 49
St Vincent and the Grenadines - Selected Trade Statistics
(Value: EC$M; Volume: 000 tonnes)

	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016P 3rd Qr	2015 Jan - Sept	2016P Jan - Sept
Visible Trade Balance	(190.86)	(229.39)	(187.49)	(198.46)	(198.47)	(548.04)	(584.41)
Total Imports	219.51	262.63	213.38	227.94	224.18	638.39	665.50
Total Exports	28.64	33.24	25.89	29.48	25.71	90.35	81.09
Re-Exports	1.92	2.78	1.34	2.57	2.02	8.15	5.92
Domestic Exports	26.73	30.46	24.55	26.92	23.70	82.20	75.17

Source: Statistical Office, Central Planning Division, Ministry of Finance and Economic Planning, St Vincent and the Grenadines
Data as at 14 November 2016

Table 50
St Vincent and the Grenadines - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016P 3rd Qr	2015 Jan - Sept	2016P Jan - Sept
Current Revenue	132.51	144.22	120.31	150.31	138.31	374.90	408.93
Tax Revenue	109.77	124.68	104.74	130.19	117.75	321.85	352.68
Taxes on Income and Profits	30.45	39.13	29.75	39.33	35.73	90.58	104.81
Individuals	16.57	18.10	19.66	19.43	17.59	52.33	56.68
Corporate	11.62	18.79	7.74	16.69	14.25	27.51	38.67
Non Resident	2.26	2.23	2.35	3.21	3.89	10.73	9.45
Taxes on Property	8.02	5.92	8.69	11.48	7.81	25.56	27.97
Of which:							
Property Tax	2.64	1.01	0.58	0.68	1.75	3.37	3.01
Taxes on Domestic Goods and Servic	57.33	62.94	53.22	63.57	57.87	166.69	174.66
Of which:							
Telecomm Broadcast licence	0.12	3.29	0.00	0.78	0.05	4.14	0.83
Excise Tax	9.69	10.33	8.20	10.63	10.39	24.97	29.22
Value Added Tax	33.04	38.01	38.78	37.31	37.50	105.73	113.58
Motor Vehicle Licence	2.99	2.38	2.37	3.97	3.58	8.41	9.92
Taxes on International Trade and Tran	13.96	16.70	13.08	15.82	16.34	39.03	45.24
Of which:							
Import Duty	13.10	15.77	11.66	14.04	14.93	36.60	40.63
Other Revenue	22.74	19.54	15.57	20.05	20.56	53.05	56.18
Current Expenditure	127.44	137.95	122.53	133.50	131.27	374.95	387.30
Compensation of Employee	64.60	72.98	67.77	69.41	67.65	195.89	204.83
Use of Goods and Services	18.66	25.26	11.03	16.26	17.81	47.65	45.10
Interest Payments	8.54	12.90	8.80	12.18	9.61	31.94	30.59
Domestic	4.72	9.43	3.57	8.89	4.71	17.43	17.17
External	3.82	3.46	5.23	3.29	4.90	14.51	13.43
Transfers	35.63	26.81	34.94	35.65	36.20	99.47	106.79
Of which:							
Other Grants and Contributions	15.95	7.29	10.68	15.12	13.84	44.44	39.64
Employment Related Social Benefit	11.61	12.91	9.46	7.38	12.50	36.10	29.34
Current Account Balance	5.07	6.28	(2.23)	16.81	7.04	(0.05)	21.62
Capital Revenue and Grants	13.52	26.75	1.36	6.49	10.75	27.45	18.59
Capital Expenditure	21.33	44.81	11.60	12.57	22.63	54.42	46.80
Primary Balance	5.80	1.11	(3.66)	22.90	4.77	4.91	24.01
Overall Balance	(2.74)	(11.79)	(12.47)	10.73	(4.84)	(27.02)	(6.58)
Financing	2.74	11.79	12.47	(10.73)	4.84	27.02	6.58
Domestic	(2.36)	(21.81)	37.26	(12.86)	(18.75)	(5.07)	5.64
ECCB (net)	(19.58)	9.71	16.13	(13.83)	3.04	(2.98)	5.34
Commercial Banks (net)	4.63	(17.26)	(7.03)	(8.86)	(16.13)	33.08	(32.02)
Other	12.59	(14.26)	28.16	9.83	(5.67)	(35.17)	32.32
External	(1.11)	26.87	(3.08)	8.55	12.46	20.51	17.93
Net Disbursements/(Amortisation)	(1.11)	26.87	(3.08)	8.55	12.46	21.15	17.93
Disbursements	9.88	36.86	8.84	18.57	16.47	28.77	43.89
Amortisation	10.99	9.99	11.93	10.02	4.01	7.62	25.96
Change in Government Foreign Asse	-	-	-	-	-	(0.64)	0.00
Arrears	6.21	6.73	(21.71)	(6.42)	11.14	11.58	(16.99)
Domestic	6.21	6.73	(21.71)	(6.42)	11.14	11.58	(16.99)
External	-	-	-	-	-	0.00	0.00
Other Financing	-	-	-	-	-	0.00	0.00

Source: Ministry of Finance and Economic Planning, St Vincent and the Grenadines and the Eastern Caribbean Central Bank
Data as at 14 November 2016

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

	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016 1st Qr	2016 2nd Qr	2016 3rd Qr[p]
Net Foreign Assets	**446.25**	**486.00**	**531.94**	**591.62**	**583.24**	**606.72**
Central Bank (Net)	**387.22**	**411.68**	**444.81**	**493.86**	**455.16**	**440.09**
Commercial Banks (Net)	59.03	74.32	87.13	97.76	128.08	166.63
External (Net)	(5.75)	(2.53)	4.38	30.26	42.09	68.65
Assets	211.71	229.35	231.39	247.43	253.08	278.17
Liabilities	217.45	231.88	227.01	217.17	210.99	209.52
Other ECCB Territories (Net)	64.78	76.86	82.75	67.51	86.00	97.98
Assets	190.88	203.72	200.27	193.76	202.10	205.15
Liabilities	126.10	126.86	117.52	126.25	116.10	107.17
Net Domestic Assets	**982.20**	**942.70**	**943.84**	**909.79**	**893.55**	**872.21**
Domestic Credit	**1,104.49**	**1,077.80**	**1,069.38**	**1,084.14**	**1,069.70**	**1,055.98**
Central Government (Net)	133.66	118.71	111.16	120.26	97.57	84.49
Other Public Sector (Net)	(100.84)	(112.30)	(111.66)	(107.57)	(107.39)	(106.64)
Private Sector	1,071.67	1,071.39	1,069.89	1,071.45	1,079.52	1,078.13
Household	818.60	814.42	817.52	822.82	837.81	842.54
Business	233.04	237.26	232.88	229.32	222.59	216.24
Non-Bank Financial Institutions	16.04	15.71	15.49	15.31	15.12	15.36
Subsidiaries & Affiliates	4.00	4.00	4.00	4.00	4.00	4.00
Other Items (Net)	**(122.30)**	**(135.10)**	**(125.54)**	**(174.35)**	**(176.15)**	**(183.76)**
Monetary Liabilities (M2)	**1,428.45**	**1,428.70**	**1,475.78**	**1,501.41**	**1,476.79**	**1,478.93**
Money Supply (M1)	**427.09**	**408.98**	**437.83**	**462.00**	**458.00**	**452.09**
Currency with the Public	50.63	48.73	64.62	63.59	65.88	71.94
Demand Deposits	367.73	349.95	364.05	392.41	378.57	371.15
EC$ Cheques and Drafts Issued	8.73	10.30	9.16	5.99	13.55	9.00
Quasi Money	**1,001.36**	**1,019.73**	**1,037.95**	**1,039.41**	**1,018.79**	**1,026.84**
Savings Deposits	807.73	807.88	820.61	828.97	829.96	831.97
Time Deposits	130.14	128.55	126.90	129.06	117.57	113.68
Foreign Currency Deposits	63.49	83.30	90.44	81.39	71.26	81.19

Source: Eastern Caribbean Central Bank
Data as at 23NOV2016