Annual Economic and Financial Review

2013

E A S T E R N   C A R I B B E A N   C E N T R A L   B A N K

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C O N T E N T S

INTERNATIONAL ECONOMIC DEVELOPMENTS

Overview

The world economic recovery gained momentum in 2013, particularly in some advanced economies. Notwithstanding, living standards in most of the world is still below their 2007 peak. However, despite the sluggish start to the year, by year end, most economies recorded favourable growth performance, signaling that the long recession and its aftermath might finally be in the past. In the developed world what had started as an uneven and patchy recovery began to strengthen. The USA, despite having to cope with feuding over its budget, seems to have recorded positive growth; jobs were created and activities in its housing and stock markets have risen sharply. In the UK there was also a burst of optimism through 2013. Early in the year there was speculation of a slowdown in economic activity following the outturn of prior year when growth was boosted by the hosting of the 2012 Olympics, but figures showed that growth strengthened steadily through 2013. By the end of the year the UK had become one of the fastest growing developed economies; led by higher consumption. In Europe there were signs of improvement too, though an uneven one. The north, led by Germany, had a solid year, reducing unemployment and boosting living standards. Across the Mediterranean the pattern was more disappointing, with Italy, Spain, Portugal and Greece all enduring a year of rising unemployment.

Looking ahead, global economic growth should increase in 2014 with continuing signs of broad-based improvement in both advanced and emerging markets. Growth in international trade flows is expected to pick up moderately in 2014. The prices of most primary commodities are projected to be flat, although any unexpected supply-side shocks, including geo-political tensions, could push some of these prices higher and compromise growth prospects. Further risks are associated with a possible bumpy exit from the quantitative easing programmes by the US Federal Reserve (Fed) and its consequential threat to the global economy.

Developments in the Major Economies

Real GDP in the **USA** is estimated to have increased by 1.9 per cent in 2013, compared with growth of 2.8 per cent in 2012. The rise in real GDP in 2013 reflected positive contributions from personal consumption expenditures (PCE), exports, non-residential fixed investment, residential fixed investment, and private inventory investment that were partly offset by a negative contribution from federal government spending. Imports, which are a subtraction in the calculation of GDP, increased albeit at a slower pace. The year-on-year deceleration in real GDP growth in 2013 resulted from a slowdown in non-residential fixed investment, a larger decrease in federal government spending, slower growth in PCE and in exports that were partly offset by a deceleration in imports and a smaller decrease in state and local government spending. The US trade deficit in 2013 was the smallest since 2009, even as it increased at year's end, buoyed by rising fuel exports and falling imports which propelled the world's biggest economy further toward energy independence. The trade gap narrowed to $471.5 billion last year, from $534.7 billion in 2012. The CPI rose 1.5 per cent in 2013 after a 1.7 per cent increase in 2012. This is lower than the 2.4 per cent average annual increase over the last ten years, marking the first time that the CPI rose less than 2.0 per cent for consecutive years since 1997-1998. The US unemployment rate which began the year at 7.9 per cent steadily declined throughout the year to end at 6.7 per cent by December.

Europe's flash estimate for quarterly growth in GDP showed that the 17-nation **Euro area** economy grew by 0.3 per cent and the aggregated economy of the broader 28-nation European Union (EU) rose by 0.4 per cent in the fourth quarter of 2013. However, over all of 2013, GDP fell by 0.4 per cent in the Euro area while it rose by 0.1 per cent in the EU. The increase in value added for the Euro area was attributable to growth in most of the major economies of the Monetary Union, led by Germany, the region's largest economy, and France. Consumer prices, as indicated by the Harmonised Index of Consumer Prices (HICP), recorded an annual average rate of change of 1.5 per cent in 2013, below the 2.5 per cent rate recorded in 2012. As at November 2013, the latest period for which data is available, the Euro area seasonally-adjusted unemployment rate stood at 12.1 per cent, slightly higher than the outturn at the beginning of the year.

Preliminary estimates for **UK** GDP suggest that the economy grew by 1.8 per cent in 2013, its strongest rate since 2007, up from 0.3 per cent in 2012. The dominant services and manufacturing sectors were the main drivers of growth for the year. There was also positive contribution from construction. The CPI 12-month rate between December 2012 and December 2013 stood at 2.0 per cent. The unemployment rate in the UK for the last quarter of 2013, stood at 7.2 percent, down 0.4 percentage points from the previous quarter as more persons were able to find work as the economy grew.

In **Canada** real GDP grew by 2.0 per cent in 2013 following growth of 1.7 per cent in 2012. Final domestic demand was up 1.4 per cent compared with a 2.3 per cent increase the previous year. The output of all major industrial sectors rose in 2013, with the exception of manufacturing. The production of goods increased by 1.7 per cent and the output of services grew by 2.1 per cent. Trade volumes were up for 2013. Exports rose 2.1 per cent compared with a 1.5 per cent gain in 2012. Imports grew by 1.1 per cent after increasing 3.1 per cent in the previous year. For 2013, the current account deficit totaled $60.7 billion, a $1.5 billion improvement from 2012. The current account has remained in a deficit position since the fourth quarter of 2008. The Consumer Price Index (CPI) rose by 1.2 per cent in the 12 months to December, following a 0.9 per cent increase in November. At the end of 2013, unemployment in Canada stood at 7.2 per cent.

Japan's economy expanded at a slightly faster pace in 2013 recording GDP growth of 1.6 per cent, compared to 1.4 per cent in 2012. The economy grew by 0.3 per cent in the fourth quarter, representing the fourth successive quarter of growth; the best consecutive performance the world's third-largest economy experienced in more than three years. Growth in Japan has been boosted by a set of expansionary policy packages. For 2013, Japan logged a record annual trade gap of ¥11.47 trillion, widening from ¥6.94 trillion in the previous year and marking a third straight year of deficit, the longest consecutive period on record, dating back to 1979, as imports growth outpaced that of exports. The Japanese economy continues to operate at full employment with unemployment rate declining to 3.7 per cent at the end of the year from 4.3 per cent in January 2013. Japan's all items index of consumer prices in 2013 was up 0.4 per cent over the year.

The economy of **China** continued to slowdown in 2013 with growth estimated at 7.7 per cent, slightly below the 7.8 per cent gain in 2012, marking the first time since 2002 that growth is in single figures for three consecutive years. Capital formation accounted for 54 per cent of China's economic growth last year, exceeding the 50 per cent share taken up by consumption. Net exports, on the other hand, detracted 4.4 per cent from overall growth. For the whole of 2013, China's fixed-asset investment climbed 19.6 per cent, the smallest increase in at least 10 years. China's steel output dropped for the third consecutive month in December, while oil consumption rose at its slowest rate in five years in 2013. China is the world's second-largest oil user. For 2013, exports rose by 7.9 per cent and imports rose by 7.3 per cent, producing a trade surplus of US$259.8 billion, up 12.4 per cent from 2012. The CPI rate was 2.6 per cent in 2013, a similar rate as that of 2012.

Commodity Prices

Commodity prices fell in 2013 for the first time since 2008 as the Federal Reserve announced a taper of its monthly bond purchases; China scaled back metal demand. Record harvests maintained a downward pressure on food prices and gold and silver plunged the most since 1981 against a backdrop of improving prospects for the world economy. The price of gold averaged $1,376.0 in 2013, while the price of silver averaged $23.0 representing declines of 18.0 per cent and 26.0 per cent respectively from their 2012 average prices. Similarly the average price of copper in 2013 at $326.0 was 10.0 per cent below the 2012 average price. The FAO Food Price Index (FFPI) averaged 209.8 points in 2013, down from 213.3 in 2012. Among energy commodities, the average crude oil prices in 2013 were mixed. Brent crude oil averaged $106.0 per barrel, 5.0 per cent below the 2012 average price per barrel. On the other hand, West Texas Intermediate oil averaged $96.0 per barrel in 2013, 2.0 per cent higher than the average 2012 price.

Monetary Policy Developments

Midway through the year the global financial markets experienced increased volatility amid uncertainties over the direction of fiscal and monetary policies in the advanced economies. However, as a demonstration of continued support for the still fragile economic recovery, major central banks persisted with accommodative policy positions in 2013. In the **USA,** The Federal Reserve maintained the target range for the federal funds rate at 0 to 0.25 per cent in a continued bid to keep borrowing costs low; support the economy and push down the unemployment rate. As the US economy showed signs of strengthening there were speculations that the Federal Open Market Committee will pare back its quantitative easing stance adopted in the wake of the 2008 economic and financial crisis. However, in the latter part of the year the Committee decided to delay tapering and await more evidence that progress will be sustained before adjusting the pace of its purchases. Accordingly, the Committee decided to continue purchasing additional agency mortgage-backed securities at a pace of $40 billion per month and longer-term Treasury securities at a pace of $45 billion per month. The **Bank of Canada** maintained its target for the overnight rate at 1.0 per cent. The Bank Rate is correspondingly 1.25 per cent and the deposit rate is 0.75 per cent.

The **European Central Bank (ECB)** Governing Council maintained the key ECB interest rates on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility at 0.75 per cent, 1.5 per cent and 0.00 per cent respectively, through to April 2013. At its meeting in May 2013, The Council decided to cut the interest rate on the main refinancing operations by 25 basis points to 0.5 per cent and the interest rate on the marginal lending facility by 50 basis points to 1.00 per cent as means of providing additional support to the weak Euro area economies. The interest rate on the deposit facility remained unchanged at 0.00 per cent. At its November 2013 meeting the Council made further downward adjustments to the interest rate on the main refinancing operations and the marginal lending facility cutting each by a further 25 basis points to 0.25 per cent and 0.75 per cent respectively. The interest rate on the deposit facility remained unchanged at 0.00 per cent. Meanwhile, the **Bank of England's**

Monetary Policy Committee in 2013 maintained the official Bank Rate paid on commercial bank reserves at 0.5 per cent and the stock of asset purchases financed by the issuance of central bank reserves at £375 billion.

The **Bank of Japan** maintained its easy monetary policy stance in 2013 by keeping its key short-term interest rate – the uncollateralized overnight call rate - steady at around 0 to 0.1 per cent. Then at its April 2013 meeting the Bank of Japan announced that it will conduct money market operations so that the monetary base will increase at an annual pace of about 60-70 trillion yen. The **People's Bank of China (PBOC)** undertook some reforms of its monetary policy during 2013. In July, it abolished all controls on bank lending rates in a shift away from rate controls in favour of a market-driven system. Then in October China introduced a new benchmark lending rate called the loan prime rate (LPR). This action was said to have been taken to promote interest rate liberalization, improve the benchmark-rate system in the financial markets and guide credit-product pricing. The initial one-year LPR was set at 5.71, compared with the PBOC-set benchmark of 6 per cent.

Prospects

Global growth is expected to advance in 2014 after a modest performance in 2013 with advanced economies leading the way. Global growth is projected to increase from 3 per cent in 2013 to 3.7 per cent in 2014. In the **USA**, growth is expected to accelerate between 2.5 per cent - 2.8 per cent in 2014 in light of a far smaller fiscal drag and more advanced private-sector deleveraging. Recent forecast for the **UK** expects the economy to grow by 2.4 per cent in 2014 - faster than any other major European economy. Confidence in the UK economy is high, with unemployment declining, the manufacturing sector and retail sales buoyed by easier credit conditions poised to sustain strong growth, and inflation back at the government's 2.0 per cent target rate. The **Canadian** outlook remains challenged by continued sluggishness in investment and exports, the sectors expected to lead growth going forward. The **Euro area** is forecasted to post positive real GDP growth of roughly 1.0 per cent in 2014 with export activity continuing to fuel the recovery. Growth is likely to strengthen in Germany and France in 2014; the prospects for growth in other countries such as Italy, Spain and Ireland are also positive. In

China, growth is projected to slow further in 2014 to 7.5 per cent and in **Japan** the economy is expected to maintain its 2013 momentum into 2014 with growth forecasted at a similar pace. The Japanese government will increase the sales tax in April 2014 to 8 per cent from 5 per cent and this is likely to be a drag on growth performance in the consumption driven economy. With slow and below-potential growth in the global economy, the resultant persistent slack in goods, labour and commodity markets will keep headline and core inflation constrained in 2014. From a longer-term perspective, global growth is expected to regain increased momentum into 2015, led by the improved performances in most of the advanced economies.

Despite the overall positive sentiment about global growth prospects, a range of downside risks in this recovery still exist. There are worrying signs in the slowdown in world trade growth, in foreign direct investment flows and in fixed investment, as well as continuation of stubbornly high unemployment and under employment. There are other growth-constraining factors to be considered; in particular, geopolitical uncertainty is on the rise, with the escalating problems in the Ukraine adding to the on-going concerns in the Middle East, Turkey, some African countries, Thailand, and the Korean peninsula. There is also the potential for increased instability in the South China Sea due to the on-going disagreement between China and Japan over land rights.

DOMESTIC ECONOMIC DEVELOPMENTS

Overview

According to preliminary data, economic activity in the Eastern Caribbean Currency Union (ECCU) expanded in 2013, at an accelerated rate compared with the previous year. A number of factors contributed to the improvement in economic activity including, a recovery in foreign direct investment inflows (FDI) inflows and higher levels of both domestic private and public investment. Provisional estimates indicate that real GDP output for the Currency Union rose by 0.7 per cent compared with growth of 0.2 per cent in 2012. There were increases in value added of key services sectors such as; construction, hotels and restaurants, and real estate renting and business activities. Additionally, growth was supported by expansion in the more traditional contributors to GDP, including agriculture, livestock and forestry and public administration, defense and compulsory social security. Economic activity expanded in five of the eight territories of the ECCU moderated somewhat by contractions in Saint Lucia, Anguilla and Montserrat. The rate of inflation slowed to a 0.4 per cent rate, on an end of period basis, mainly reflecting tepid demand.

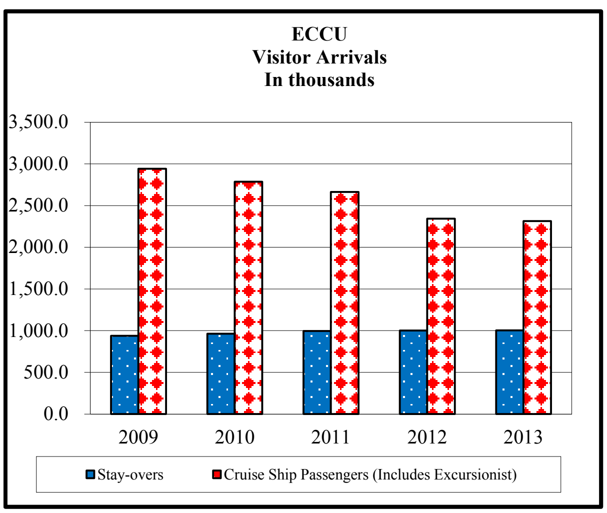
The overall deficit of the consolidated fiscal operations of member governments widened, largely attributable to higher capital expenditure. Notwithstanding the higher overall deficit, the outstanding public sector debt fell, through a reduction in outstanding domestic debt. In the banking sector, monetary liabilities and net foreign assets expanded while domestic credit fell. Liquidity in the commercial banking system eased, associated with faster growth in deposits relative to the increase in credit. The spread between commercial banks weighted average lending and deposit interest rates rose to 6.1 percentage points. The external accounts recorded a smaller overall surplus, reflecting lower net inflows on the capital and financial account.

The economic recovery in the regional economy is forecasted to strengthen to a 1.9 per cent increase in 2014, with all member countries expected to record positive growth. An acceleration in the recovery in the construction sector coupled with continued buoyancy in the tourism industry, represent the main drivers of the economic expansion in the ECCU. Improvement in those sectors should have associated positive knock-on effects on transportation, storage and communications, wholesale and retail trade and real estate, renting and business activities. The consolidated fiscal outturn of member governments is likely to record larger overall deficits fuelled by higher capital expenditure. It is estimated that borrowing needs to finance capital outlays will increase, and will be reflected in higher levels of outstanding debt.

Downside risks have abated somewhat, however there are still some potential threats. They include the potential impact on tourism travel of extreme weather conditions in the USA coupled with the lack-lustre pace of economic recovery in that major source markets. A second order risk includes the threat of rising oil prices associated with a likely increase in demand for energy associated with the summer driving season in the USA.

Output

Value added in the construction industry, a major contributor to growth, expanded by 2.9 per cent in 2012, in contrast to a 4.3 per cent decline in the previous year. The performance of this sector signaled a recovery from the effects of the global economic and financial crisis, as there was resumption in the flow of private equity funds to the region. Foreign Direct Investment (FDI) inflows into the region, a major stimulus to activity in the construction sector, rose by 18.1 per cent to $1,637.9m, due to renewed investor confidence associated with strengthening equity markets and a more sustained economic recovery in advanced economies. These external developments coupled with improved sector performance in the domestic economy contributed to higher construction activity in both the public and private sectors. Higher private sector activity as evidenced by a 1.0 per cent increase in credit for home construction and renovation was supplemented by intensified activity in the public sector as outlays on capital projects rose in all of the territories except Dominica and Anguilla. On a country basis, the impact of the increase in the construction sector was greatest in Grenada, where value added rose by 20.0 per cent in contrast to a contraction of 18.1 per cent in 2012. This development reflected higher private sector activity associated with renovation work on a major hotel project. Construction activity also increased in St Vincent and the Grenadines (15.0 per cent), St Kitts and Nevis (8.0 per cent) and Antigua and Barbuda (5.0 per cent). Higher value added in the construction sector was moderated somewhat by lower activity in the rest of the region primarily in Dominica (15.0 per cent), Saint Lucia (8.0 per cent), and Montserrat (10.0 per cent).



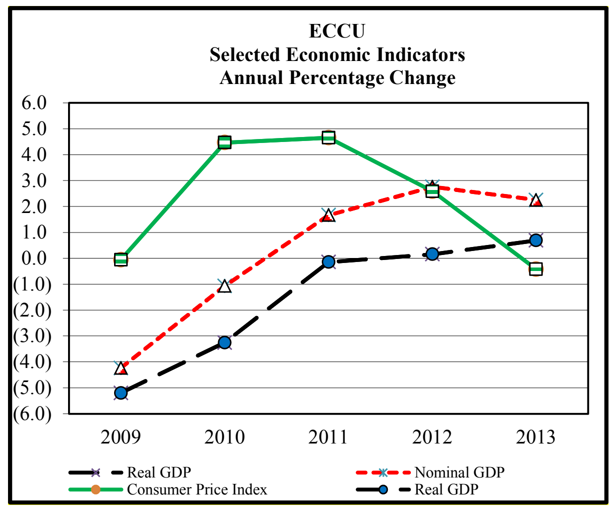
The buoyancy in tourism activity in 2013, was proxied by an increase in value added in the hotels and restaurants sector which expanded by 0.4 per cent, compared with a 1.4 per cent increase in 2012. On an individual country basis the majority of the countries recorded increases in value added with the exception of Antigua and Barbuda and St Vincent and the Grenadines. The improvement in the performance of the tourism industry was associated with a 0.1 per cent increase in stay-over visitor arrivals to 1.0b, attributable to increases in arrivals from Canada (7.2 per cent), the USA (1.9 per cent) and a recovery in the Caribbean market (0.1 per cent). The increase in the number of stay-over visitors was fueled by intensified marketing efforts and increased international airlift to the region. In addition, higher arrivals from Canada were supported by favourable macroeconomic conditions in that market, while the sustainability of the economic recovery in the USA contributed to improved labour market conditions. However, the increase in stay-over arrivals was partly constrained by a reduction in visitor arrivals from the United Kingdom (5.7 per cent), influenced by the effects of the Air Passenger Duty (APD) and the still nascent economic recovery in the UK.

Of the other categories of visitors, the major sub-category of cruise passengers arrivals fell by 1.8 per cent, compared with a 12.7 per cent contraction in 2012, notwithstanding a 1.7 per cent increase in the number of cruise ship calls to 1,487. The decline in number of cruise passengers largely reflected protracted annual declines in cruise passengers in Grenada. The decline in cruise passengers was partly offset by increases in excursionists and yacht passengers of 14.1 per cent and 3.7 per cent respectively. Consequently, as a result of these developments overall total visitor arrivals to the ECCU fell by 0.7 per cent to 3.5m compared with an 8.1 per cent decrease in 2012.

Value added in the agricultural, livestock and forestry sector increased by 1.6 per cent, compared with a 4.7 per cent recovery in 2012. The higher contribution of the agricultural sector was primarily attributable to an increase in crop production as reflected in a sharp rebound in the output of nutmeg, as contraction in banana production constrained overall output. Nutmeg yields rose by 11.3 per cent in 2013 in contrast to a 30.0 per cent decline in 2012. The expansion in crop production, however, was tempered by an estimated decline in banana production to 14,305 tonnes down from 15,428 tonnes in 2012. Banana output fell in all the major producing countries except St Vincent and the Grenadines. Declines in output were recorded in Saint Lucia (1.6 per cent), Dominica (29.3 per cent) and Grenada (5.5 per cent). Consistent with the fall in output, earnings from bananas exported declined by 4.2 per cent to $24.4m down from $25.5m in 2012. The main factors that contributed to the reduction in the output of bananas included; less favourable weather conditions in Saint Lucia, the on-going adverse impacts of Black Sigatoka disease in Dominica and disease and drought conditions in Grenada. The expansion in output in St Vincent and the Grenadines was constrained by the protracted effects of Moko and Black Sigatoka disease. The livestock sub-sector recorded higher output of 2.5 per cent, in contrast to a 4.0 per cent contraction in 2012.

The expansion in GDP growth was slowed by a 3.8 per cent decline in value added in the manufacturing sector, following an increase 0.7 per cent in 2012. Prolonged weaknesses in international markets coupled with low domestic and regional demand negatively affected output in four territories in the ECCU. The steepest declines were recorded in Anguilla, St Kitts and Nevis and Saint Lucia where manufacturing contracted on average by 18.1 per cent. Lower manufacturing output in St Kitts and Nevis and Saint Lucia was associated with a fall in the production of beverages at a major bottling plant. In Anguilla where the sector is small, the contraction in manufacturing output was largely influenced by weaker domestic demand. These declines were partially offset by recoveries in output in St Vincent and the Grenadines, Grenada and Dominica. The outturn in St Vincent and the Grenadines was driven by increases in the output of beer (29.5 per cent), flour (9.5 per cent) and feeds (6.2 per cent), while developments in Grenada reflected increases in the output of stout, malt and soft drinks of 4.8 per cent, 3.0 per cent and 2.5 per cent respectively. In Dominica the on-going recovery in the manufacturing sector was led by an increase in the production of beverages and soap of 19.4 per cent and 3.9 per cent respectively.

The other major sectors to have recorded declines in value added were wholesale and retail trade (2.4 per cent) and transportation storage and communications sector (0.1 per cent), reflecting the adverse effects of declines in air and sea transportation partly attributable to a reduction in the number of cruise ship passengers.



Prices, Wages and Employment

Prices fell in 2013 in contrast to an increase in the consumer price index (CPI) in the corresponding period during 2012. The CPI on an end of period basis fell by 0.4 per cent, in contrast to a 2.6 per cent rise in the previous year. The downward movement in the CPI was broadly influenced by decreases in most of the sub-indices, primarily clothing and footwear (4.5 per cent) and fuel and light

(2.5 per cent). The sub-indices, medical care and expenses, housing and education also registered contractions of 1.7 per cent and 0.8 per cent and 0.6 per cent respectively. These reductions were partly offset by higher prices for the food component (0.1 per cent), which has the greatest weight in the consumer basket, as well as the household furnishings and supplies (2.8 per cent), housing (1.5 per cent) and transport and communications (1.0 per cent) sub-indices. On an individual country basis, consumer prices fell in half of the territories except Antigua and Barbuda and Anguilla where they accelerated and St Kitts and Nevis where they decelerated. In St Vincent and the Grenadines consumer prices were unchanged compared with 2012. The decrease in the CPI ranged from 1.7 per cent in Dominica to 0.5 per cent in Montserrat.

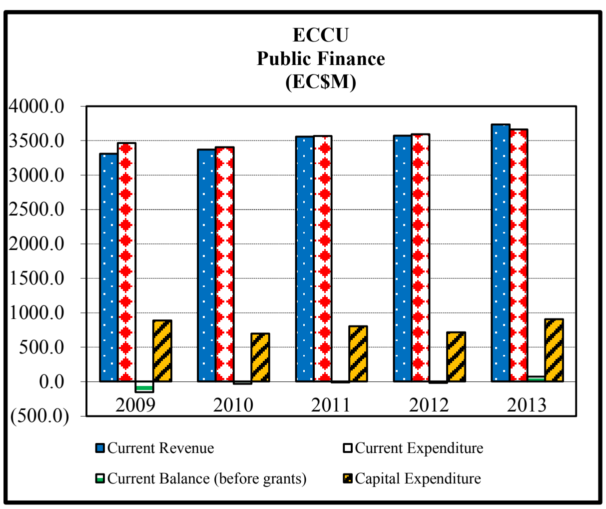
In terms of wage movements and employment, in the public sector anecdotal information indicates that there were wage increases in a number of the territories. In Saint Lucia public servants were awarded a 4.0 per cent increase as part of the last triennium, while in St Vincent and the Grenadines public servants were granted a 1.5 per cent increase in October. In Dominica higher remunerations consisted of a 2.5 per cent increase in salaries granted in February and retroactive salary payment increases of 1.0 per cent and 1.5 per cent for the two previous fiscal years, paid in April. In Grenada public servants were also awarded salary increases and retroactive payments. In St Kitts and Nevis an increase in emoluments reflected the payment of two months' salary to public servants in September 2013.

Central Government Fiscal Operations

Preliminary data on the fiscal operations of the aggregate ECCU Central Governments indicate that the overall deficit rose by 41.7 per cent to $466.3m (3.0 per cent of GDP) in 2013 compared with one of $329.0m (2.2 per cent of GDP) recorded in 2012. An increase in total expenditure, in particular capital expenditure, accounted for the expansion in the overall deficit position. The current operation of Governments yielded a surplus of $72.9m (0.5 per cent of GDP) in contrast to a deficit of $18.7m (0.1 per cent of GDP), as the rate of revenue collections outpaced the growth in current expenditure. The primary balance, shifted to a deficit of

$43.2m (5.0 per cent of GDP) from a surplus of $137.8m in 2012. The deterioration in the primary balance indicates that fiscal policy was much more expansionary in 2013.

Capital expenditure at the ECCU level increased by 26.5 per cent to $904.7m (5.9 per cent of GDP). Capital expenditure increased in Antigua and Barbuda ($22.2m), Grenada ($19.7m), Montserrat ($36.9m), St Kitts and Nevis ($28.3m) and St Vincent and the Grenadines ($69.8m). The increase in capital expenditure mainly reflects increased outlays for road works; however in the case of St Vincent and the Grenadines it was associated with outlays for the construction of the Argyle International Airport.



There was a 4.5 per cent expansion in current revenue collections as receipts totalled $3,732.7m (24.2 per cent of GDP) compared with growth of 0.5 per cent recorded in 2012 (23.7 per cent of GDP). The increase in current revenue collections was on account of larger collections of non-tax revenue and a slight increase in tax revenue. Non tax revenue receipts rose by 24.5 per cent ($122.2m) to $621.1m primarily attributed to the collection of fees associated with the Citizenship by Investment Programme in St Kitts and Nevis. Tax revenues rose by 1.3 per cent ($39.9m) to $3,111.6m compared with growth 0.1 per cent recorded in 2012. The main factor contributing to the rise in tax revenues was a 12.8 per cent ($169.7m) increase in revenues collected from taxes on domestic goods and services which was attributable to a $240.3m increase in VAT collections. The increase was largely on account of Saint Lucia experiencing a full year of the VAT. By contrast receipts from taxes on income and profits and international trade and transactions both registered reductions. The removal of the consumption tax for the VAT in Saint Lucia was responsible for the 12.0 per cent ($121.7m) fall in earnings from taxes on international trade and transactions. The yield from taxes on income and profits fell by 1.8 per cent ($39.9m) to $657.3m as the economies of the ECCU continued to register weaknesses which has negatively impacted employment and profitability of businesses.

The rate of growth in recurrent expenditure slowed to 2.0 per cent in 2013 compared with one of 23.4 per cent in 2012. Recurrent expenditure accounted for 23.7 per cent of GDP within the range established by the Expenditure Commission. ECCU central government recurrent expenditure totalled $3,659.8m for the year ended 2013. Personal emoluments rose by 4.3 per cent ($67.9m) and outlays on goods and services increased by 6.5 per cent ($46.3m). Personal emoluments were higher in all the countries with the exception of Montserrat. Three countries; Dominica, Grenada and St Kitts and Nevis accounted for 67.0 per cent of the total increase in personal emoluments, reflecting salary increases. The increase in goods and services was driven by developments in Antigua and Barbuda where outlays for goods and services rose by $33.9m on account of increased spending for road maintenance.

Mitigating the increase in expenditure on personal emoluments and goods and services was a 9.3 per cent ($43.7m) reduction in interest payments, largely as a result of 20.6 per cent ($39.4m) reduction in external interest payments. The fall in external interest payments reflected debt restructuring operations in Grenada and St Kitts and Nevis.

Public Sector Debt

The total stock of outstanding public sector debt of the ECCU member countries declined by 0.3 per cent to $12,864.9m at the end of 2013, in contrast to a 1.1 per cent increase during 2012. As a consequence, the debt to GDP ratio fell to 98.5 per cent from 99.6 per cent at the end of 2012. The decline in the disbursed outstanding debt was largely attributable to a 0.4 per cent decrease to $11,062.3m in the outstanding debt of the central government. A decrease in domestic obligations by 8.5 per cent influenced the contraction in central government indebtedness as external indebtedness rose. The reduction in the stock of central government domestic debt was primarily attributable to the lower domestic indebtedness in St Kitts and Nevis associated with the land for debt swap in which land was substituted for former domestic liabilities. Higher external indebtedness was largely attributable to an increase in borrowings by the central governments of Saint Lucia, Antigua and Barbuda, Grenada and St Vincent and the Grenadines. The stock of debt by public corporations also declined (0.1 per cent) and reflected a 4.8 per cent reduction in domestic obligations, while external commitments rose by 8.9 per cent. Debt service payments by central government fell by 20.8 per cent to $810.9m (21.7 per cent of recurrent revenue), compared with the total at the end of December 2012, on account of lower payments obligations in all of the territories except Grenada.

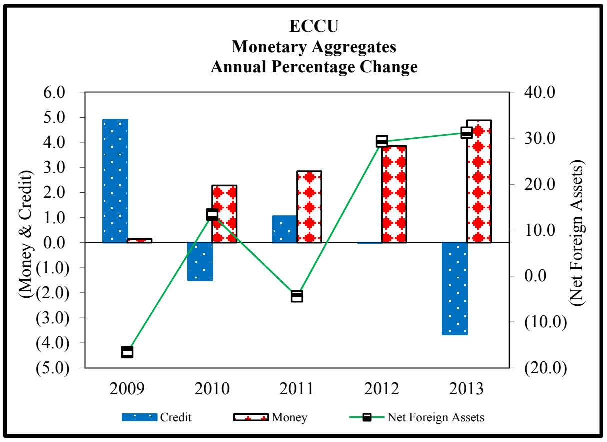
Monetary and Financial Developments

Money and Credit

At the ECCU level money and credit conditions in the domestic economy were mixed as total monetary liabilities (M2) and liquidity improved, while domestic credit declined and the weighted average interest rate spread increased. Total monetary liabilities (M2) of the banking system expanded by 4.9 per cent to $13,980.6m compared with a 3.9 per cent increase recorded in 2012. The increase in M2 was attributable to expansions in both quasi and the narrow money supply. Quasi money increased by 5.5 per cent to $11,100.2m, attributable to a 7.3 per cent and 13.3 per cent expansion in private sector saving and foreign currency deposits respectively. Narrow money (M1) rose by 2.5 per cent to $2,880.5m, due to increases in currency with the public (5.3 per cent), private sector demand deposits (1.5 per cent) and EC$ cheques and drafts (6.2 per cent).

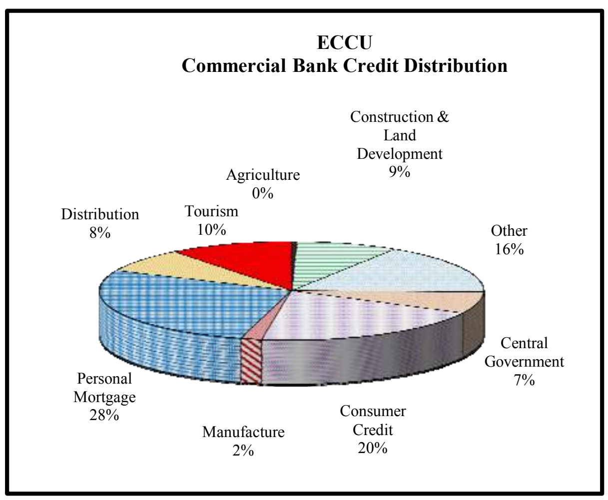
A fragile economic environment continued to impinge on domestic credit expansion. At the end of 2013 the stock of domestic credit declined by 3.7 per cent to $12,178.4m in 2013, following a marginal contraction in 2012. The decrease in domestic credit was attributable to a decline in the net credit position of the governments which fell by 50.7 per cent ($638.0m) due to a $615.5m reduction in credit from commercial banks. The movement of net credit to government was influenced by developments in St Kitts and Nevis as the debt for land swap between the government and a commercial bank led to a significant reduction in loans and advances to the government. By way of contrast, credit to the private sector credit rose by 2.0 per cent influenced by an increase in credit to households and subsidiaries and affiliates.

The net deposit position of the non-financial public sector increased by 5.7 per cent ($90.0m) to $1,637.3m, due to a $57.4m increase in their deposits.



The distribution of commercial bank credit by economic activity indicates that credit extended to all economic sectors declined with the exception of credit for personal purpose in particular credit for acquisition of property and other personal use. Credit for personal use, which accounts for roughly 45.0 per cent of total credit, rose by 0.8 per cent; however the performance within this segment was mixed. While credit for acquisition of property and for other personal uses each increased by 1.5 per cent respectively, credit for durable consumer goods fell by 11.9 per cent. Credit for acquisition of property rose on account of an increase in credit for home construction and renovation and house and land purchases. Credit extended for business in the construction sector decreased by 3.3 per cent and credit for businesses in the tourism industry also recorded a decline of 5.8 per cent.

The net foreign assets of the ECCU banking system rose by 31.2 per cent ($827.5m) to $3,481.2m, compared with an increase of 29.3 per cent in 2012. The stock of the reserves at the Central Bank rose by 3.9 per cent to $3,149.9m at the end of 2013 largely attributable to an increase in foreign securities. The commercial banks net foreign assets position contrasted with a net liabilities position in 2012. The shift to a net assets position was largely influenced by a $548.8m reduction in foreign liabilities.



Liquidity in the banking system eased as the ratio of liquid assets to total deposits plus liquid liabilities increased by 1.9 percentage points to 33.8 per cent well above the minimum of 25.0 per cent established by the ECCB prudential regulations, while the loans and advances to total deposits ratio decreased by 7.8 percentage points to 76.7 per cent, within the 75.0 to 85.0 per cent range stipulated by the ECCB.

The weighted average interest rate spread increased by 0.21 percentage points to 6.1 per cent from 5.9 per cent at the end of 2012. The increase in the interest rate spread is attributable to a 0.18 percentage point's reduction in the weighted interest rate on deposits in response to increased liquidity, while those on loans were basically unchanged at 8.9 per cent.

Developments on the RGSM

Preliminary data indicate that activity on the Regional Government Securities Market (RGSM) was mixed during 2013 as there was an increase in the volume of issues on the primary market in contrast to reductions in the value of the same issues. The outturn reflected a marginal increase in the number of auctions by member governments to 53 from 51 in 2012, while concurrently the gross value of issues declined by 0.7 per cent to $1,067.4m. The increase in outstanding security issuances was largely attributable to the activities of one member government which increased its issuances to 9 from 6 in 2012. The reduction in the value of the security issuances was attributable to a reduction in the value of outstanding issuances by the majority of the issuing countries.

An analysis of the activity by maturity shows that the decline in the value of instruments on offer largely reflected a decline in the value of longer dated instruments issued, notwithstanding an increase in the volume of those instruments. This was moderated by the issuance of a greater volume of short-dated Treasury bills (T-bill) securities. Although long dated securities, bonds, rose in the number of issuances to 10 from 7 in 2012, the value of these security issuances fell to $234.9m from $260.0m in the previous year. By way of contrast however, Treasury bill issues decreased to 43 from 44 in 2012, while the value rose to $832.4m, from $814.8m raised in 2012. Nonetheless, investor confidence appeared to diminish in 2013 as evidenced by a 3.6 per cent decrease in total annual subscriptions to $1,322.3m.

The demand by investors for all instruments issued on the market fell during 2013, as indicated by the decline in the bid-to-cover ratio to 1.24 from 1.28 in 2012.

The most active issuers on the RGSM were the governments of St Vincent and the Grenadines and Saint Lucia accounting for 30.4 per cent and 28.1 per cent respectively, of the gross value of issues in 2013. They were followed by Grenada and Antigua and Barbuda with shares of 19.0 per cent and 14.8 per cent of the market respectively. The participation of Antigua and Barbuda increased by the most ($81.8.0m) when compared with 2012, as nine instruments were issued compared with six issued in the previous year. The government of Saint Lucia recorded the most significant reduction ($53.0m) in activity on the RGSM, although instruments issued rose to fifteen (15), one more than was issued in 2012. Treasury bills remained the dominant product on the RGSM in 2013, although the market share of this type of instrument fell to 81.1 per cent from 86.3 per cent in 2012. Conversely, the share of bonds issued on the market rose to 18.9 per cent from 13.7 per cent in 2012, attributable to an increase in the issuance of long-dated instruments in Antigua and Barbuda after no issues in the previous year. Saint Lucia, Antigua and Barbuda and St Vincent and the Grenadines all issued long-dated instruments in 2013. Information on secondary market activity was unavailable.

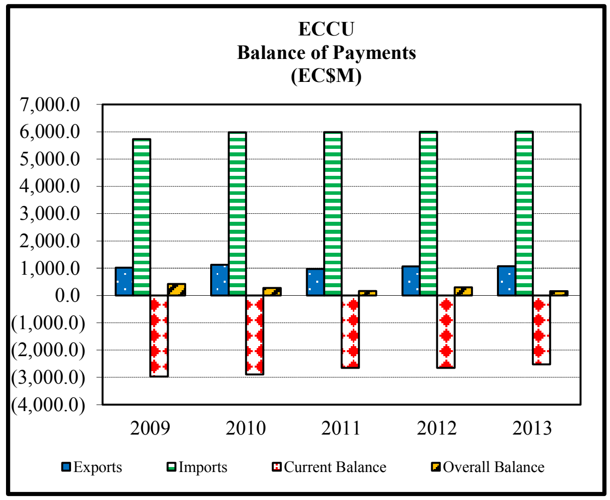
The rates on the instruments varied, however, they tended to decline for short-dated securities and to increase for longer dated securities. The average weighted yield on 91-day T-bills fell by 50 basis points to 3.94 per cent at the end of 2013, compared with 4.44 per cent at the end of 2012. For 180-day T-bills the rates increased by 21 basis points to 6.00 per cent in 2013. The average weighted yield on the 365-day T-bills decreased by 31 basis points to 5.93 per cent. In regards to the movements of rates for limited long-term instruments, the average weighted yield on the 5-year bond rose by 26 basis points to 7.25 per cent from 6.99 per cent in 2012.

Balance of Payments

Preliminary estimates of the balance of payments (BOP) showed that the overall position on the BOP recorded a smaller surplus of $157.1m (1.0 per cent of GDP), compared with a revised surplus of $298.0m (2.0 per cent of GDP) in 2012. The reduction in the overall balance surplus was due a reduction in the surplus on the capital and financial account.

The surplus on the capital and financial account decreased to $2,689.8m in 2013, from a revised surplus of $2,984.7m in 2012. Developments on the financial account were mainly responsible for the reduced surplus on the capital and financial account. The surplus on the financial account fell by $143.3m to $1,881.2m; primarily due to a $421.7m outflow of funds from commercial banks. By contrast there was $273.3m inflow of public sector long term loans. Net foreign direct investment rose by $250.8m to $1,637.9m, largely on account of a $116.6m increase in net foreign direct investment in Grenada due to the construction of Sandals La Source Resort. There was also a reduction in the surplus on the capital account by $115.6m to $808.6m as there were reduced capital grants to ECCU member countries.

The current account deficit narrowed to $2,532.8m (16.4 per cent of GDP) in 2013, from a deficit of $2,650.7.4m (17.6 per cent of GDP) in 2012. In line with the decrease on the current account, the merchandise trade deficit declined to $4,759.3m (32.0 per cent of GDP).



By contrast, the surplus on the services account increased, with net inflows estimated to have risen by $72.5m to $2,231.1m, from a revised figure of $2,158.5m recorded in 2012, largely attributable to an increase in inflows from travel and government services. Net travel receipts rose by $27.2m to $2,732.4m from $2,705.2m in 2012; associated with an increase in stay- over tourist arrivals. The net surplus on government services account increased by $90.6m to $240.1m on account of developments in St Kitts and Nevis which largely reflected fees collected under the citizenship by investment program which form part of government services. On the income account, there was a decrease in net outflows, attributed to reduced external interest payments on government transactions. This led to a narrowing in the deficit on the income account to an estimated $408.1m in 2013, from $470.0m in 2012.

Prospects

Global activity is expected to improve in 2014 on the strength of heightened activity in the latter half of 2013. The main impetus to growth is on-going economic recovery in advanced economies and a resumption of export growth in emerging economies. Global output is estimated to expand by 3.7 per cent buoyed by acceleration in the recovery of advanced economies by almost 1.0 percentage point to 2.2 per cent, compared with the performance in the previous year. The improved global prospects to a great extent is predicated on the positive outlook for the USA, the world's largest economy as economic growth is projected at 2.8 per cent in 2014. Other economies of strategic importance to the ECCU include the Euro area and Canada which are projected to recover and accelerate in economic performance by 2.2 per cent and 1.0 per cent respectively.

In light of the generally favourable global outlook, the recovery in the economies of the ECCU which began in 2012 is provisionally forecasted to strengthen in 2014, led by higher value added in the hotels and restaurants and construction sectors and supplemented by recovery in the transport, storage and communications sector and further strengthening in the financial intermediation and agriculture, livestock and forestry sectors. All of the member countries of the ECCU are forecasted to record positive growth in 2014. Higher value added in the hotels and restaurants sector which strengthened in 2013, is expected to continue in 2014, fueled by increased demand for leisure services from major source markets such as the USA and Canada. Buoyant economic expansion in Canada may offset potential prolonged weakness in the UK market, continuing the trend of strong stay-over visitor arrivals from Canada. In addition, intensified marketing in traditional source markets combined with new initiatives in non-traditional markets, are expected to increase the performance of the industry. This improvement in the tourism industry is expected to have positive spillover effects on a number of allied sectors. The construction sector is also expected to accelerate further, propelled by developments in both the public and private sectors. Construction activity, a major contributor to economic activity in the currency union, is expected to further strengthen as a number of projects in the public sector that were delayed, for budgetary reasons get underway. Additionally, on-going rehabilitation work in the wake of damage sustained by a number of the Windward Islands from the passage of storms in the latter part of the year will further sustain construction activity. Public sector activity is expected to be sustained by major infrastructure projects in member countries such as, St Vincent and the Grenadines, St Kitts and Nevis, Saint Lucia and Grenada. Developments in the private sector will likely benefit from increased inflows of FDI fuelled by a rise in the demand for tourism services. A rebound in FDI fuelled by resurgent global capital markets and Citizenship By Investment (CBI) programmes will buoy activity in the private sector. Developments in St Kitts and Nevis, Antigua and Barbuda, Grenada and Anguilla should fuel private sector construction activity as a number of projects get underway. In the public sector, activity is also expected to accelerate sustained by major infrastructure projects in member countries such as, St Vincent and the Grenadines, St Kitts and Nevis, Saint Lucia and Grenada.

Price pressures are expected to increase in 2014, consistent with the estimated strengthening in the global recovery.

Projected fiscal developments are expected to result in a widening in overall deficits, consistent with increases in both capital and current expenditure as regional governments relax the fiscal tightening measures imposed during the protracted economic downturn. However, further fiscal challenges may emerge as official grant inflows diminish and international capital markets look to finance development opportunities in emerging economies in Africa and Asia.

On the external accounts, the overall surplus recorded in 2013 will likely be influenced by the direction and magnitude of developments on the current and capital and financial accounts. The deficit on the current account is projected to widen, due mainly to increases in outflows associated with higher import payments. This development may be moderated somewhat by activities on the capital and financial account, which is likely to record a higher surplus than that recorded in 2013, on account of the projected rise in inflows of foreign direct investment and remittances consistent with higher global economic growth.

Developments in the banking system are expected to reflect increases in the growth of monetary liabilities and domestic credit, in line with the growth forecast for 2014. Much of the increase in credit would be directed to the governments as major capital sector projects are undertaken in St Vincent and the Grenadines, St Kitts and Nevis and Antigua and Barbuda. Credit to the private sector, will feature more prominently in 2014, driven by anticipated increases in FDI led private sector projects. Nonetheless, the lending policies of commercial banks will reflect risk tolerance tempered by more rigorous underwriting requirements. Therefore, financial stability issues are likely to persist in 2014 in line with the cautious pace of economic recovery in the USA and the fragility of global financial systems. Liquidity is projected to ease further in 2014 as macroeconomic conditions improve. On balance, risks have tilted to the downside, however, a number of uncertainties still cloud the forecast. Developments in the tourism industry may be impacted by extreme weather in North America which threatens to disrupt transportation and distribution channels and could adversely impact the number of visitors primarily from the north-eastern USA. Additionally, intensified competition from more competitively priced destinations in the Mediterranean and domestic tourism in the USA, have also contributed to little improvement in the region's tourism market share. Continued tightness in domestic credit markets in the ECCU, largely due to more stringent underwriting and lending practices may constrain the pace of economic development and hold back consumer spending. Mitigating factors such as limited access to credit and muted consumer spending may exert adverse knock-on effects on the financial intermediation, and wholesale and retail trade sectors. The recovery in the ECCU continues to lag that of the global economy and this relationship is likely to continue in the short to medium-term.

ANGUILLA

Overview

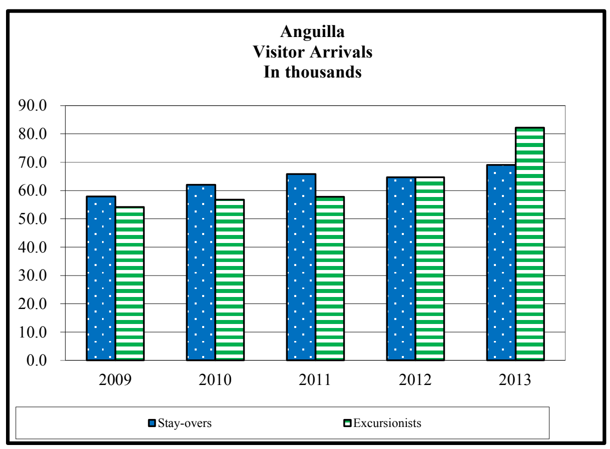
Economic activity in Anguilla is estimated to have contracted in 2013, albeit at a slower rate of decline when compared with the previous year. Preliminary estimates indicate that real GDP contracted by 0.3 per cent compared with a 2.6 per cent decline in 2012 largely associated with a fall in construction activity. The lower rate of contraction in economic activity, however, was largely due to recovery in the hotels and restaurants and the transportation storage and communications sectors. These improvements partially offset the decline in other major sectors. Consumer prices rose by 1.6 per cent during 2013. The central government recorded a lower overall surplus on its fiscal operations, when compared with the previous period, reflecting a reduction in the current account position due to lower revenue collections and higher expenditure. The total outstanding debt of the public over visitors is estimated to continue in 2014 while activity in the construction sector attributable to foreign direct investment inflows is likely to increase in the upcoming sector declined during the period under review. Developments in the banking system included an expansion in monetary liabilities and net foreign assets, in contrast to a contraction in domestic credit. Commercial bank liquidity tightened during the review period and the weighted average interest rate spread between loans and deposits widened. The balance of payments recorded a lower overall surplus attributable to a reduction in the surplus on the capital and financial account.

Real output is expected to recover in 2014 based on a projected strengthening in key sectors such as, hotels and restaurants, real estate, renting and business activities, as well as financial intermediation and transport, storage and communications. Developments in the hotels and restaurants and construction sectors, will favourably impact the magnitude and direction of activity in allied sectors.

The fiscal operations of central government are also expected to record an overall deficit in contrast to an overall surplus in 2013, largely influenced by an increase in the deficit on the capital account. Economic prospects for the most part remain tilted to the upside consistent with sustained economic recovery in major advanced economies such as the USA. Some downside risks remain and include threats to the global recovery associated with rising geo-political tensions worldwide which could negatively impact tourist arrivals to Anguilla. Additionally, an increase in the demand for energy in the USA associated with the summer driving season may place upward pressure on the demand for and subsequently the price of oil.

Output

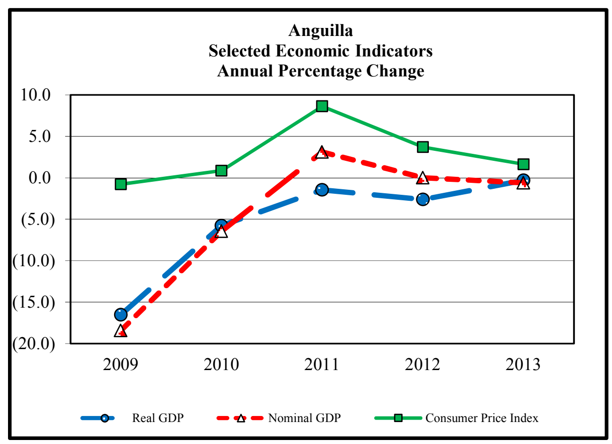
The contribution of the construction sector fell to 6.6 per cent of GDP in 2013 compared with 7.3 per cent in 2012. This fall in the contribution was attributable to a 10.0 per cent reduction in value added, in contrast to a 1.7 per cent increase in the previous year. The performance of the sector was largely influenced by declines in private sector activity, as evidenced by a 2.8 per cent contraction in credit to the construction sector. A number of major FDI funded projects were stalled due to delays associated with access to funding and other administrative delays. Additionally, residential construction activity fell due to reduced access to loan financing attributable to higher underwriting standards at commercial banks. Ongoing private sector activity was limited to work on the Zemi Beach development, as well as some renovations to the Mallиouhana Hotel and Spa and construction work on some boutique hotels. Public sector capital expenditure also decreased during the period under review, with spending concentrated on road development in the Valley and the acquisition of land. This reduction in construction activity was also evidenced by a decrease in lending for the acquisition of property (7.7 per cent).



The second largest contributor to real GDP, the real estate, renting and business activities sector, recorded a 0.8 per cent reduction in value added compared with a 5.0 per cent decline in 2012. Developments in this sector were largely associated with soft conditions in the global real estate market and limited investment capital.

Value added in the financial intermediation sector is estimated to have declined by 3.4 per cent outpacing the 2.2 per cent contraction in 2012. Lower value added in this sector was directly associated with a decline in bank profitability partly attributable to an increase in unsatisfactory assets at commercial banks. This outturn reflected heightened pressures on the financial system, due to the inability of a number of mortgage holders to service their loans during the protracted economic downturn.

Value added in the hotels and restaurants sector, a proxy for activity in the tourism industry, is estimated to have increased by 7.5 per cent in 2013, in contrast to a 4.8 per cent contraction in 2012. The outturn reflected recovery in visitor arrivals from the major markets in the USA, Canada and the UK. The number of stay-over visitors is estimated to have increased by 6.8 per cent to 69,068, in contrast to a 6.1 per cent decrease in 2012. This outturn largely reflected the performance of the USA, the largest source market, as stay-over visitors rose by 8.9 per cent to 45,510, in contrast to a 9.4 per cent contraction in 2012. Other markets recording increases included Canada (8.6 per cent), the UK (7.6 per cent) and the Caribbean (2.7 per cent). The number of excursionists rose by 27.1 per cent to 82,235 compared with a 12.0 per cent increase in 2012.



One of the major contributors to real GDP, the transportation, storage and communications sector recorded a 7.2 per cent increase in value added in contrast to a 7.7 per cent contraction in 2012. The recovery in this sector was broad based with increases recorded for all of the sub-sectors primarily road, air and sea transportation.

Prices, Wages and Employment

The rate of inflation decelerated during 2013, influenced by international price movements, primarily lower prices for commodities which form a major proportion of the Anguilla import basket. The consumer price index, on an end of period basis, is estimated to have increased by 1.6 per cent, compared with a 3.7 per cent increase during 2012. Increases were recorded for major sub-indices including food, transport and communications, alcoholic beverages and tobacco and education. The food sub-index increased by 1.6 per cent attributable to higher prices for vegetable, dairy and meat products. The transport and communications sub-index, which has the second largest weight in the CPI basket, rose by 6.0 per cent largely reflecting higher prices for new cars, petroleum as well as airfares. Higher costs for alcoholic beverages were influenced by increases in the purchase price for beer. Likewise, the education sub-index is estimated to have increased by 2.8 per cent, attributable to higher prices for education services. Upward price movements were also recorded for medical care and expenses and fuel and light of 0.1 per cent for both sub-indices. These increases were partly moderated by declines in the clothing and footwear and housing sub-indices.

Public servants were not granted wage increases in 2013 as the authorities continue to hold the line on expenditure consistent with budgetary constraints. Data on private sector wages are not readily available. Consistent with the commencement of a number of tourism related projects coupled with some hiring in the public sector, it is estimated that the number of unemployed persons declined slightly in 2013 compared with the previous year.

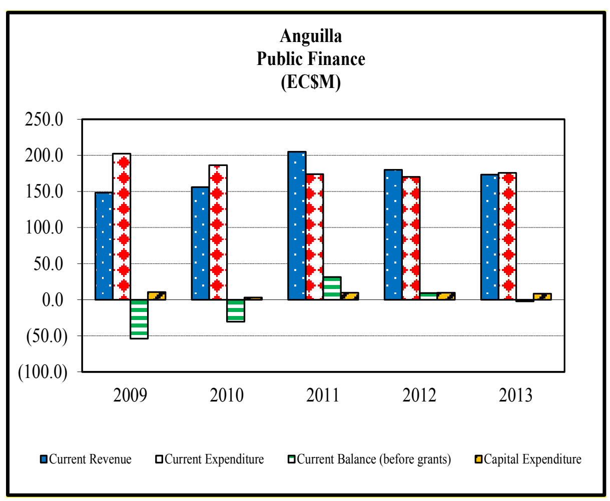
Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall surplus of $5.1m in 2013 (0.7 per cent of GDP) compared with one of $11.6m (1.5 per cent of GDP) in 2012. The lower overall balance reflected a turnaround in the current account balance, to a deficit from a surplus in 2012. A primary surplus of $14.2m (1.9 per cent of

GDP) was recorded in 2013, compared with one of $19.9m (2.6 per cent of GDP) in 2012.

The current account recorded a deficit of $2.4m (0.3 per cent of GDP) at the end of 2013, in contrast to a surplus of $9.5m (1.2 per cent of GDP) at the end of 2012. Tax revenue fell by 4.9 per cent to $147.5m on account of lower revenue collections from taxes on domestic goods and services ($13.6m), income and profits ($1.1m) and property taxes ($0.3m). The reduction in tax revenues from domestic goods and services was attributable to lower receipts of stamp duties ($8.9m) and accommodation taxes ($5.0m). The decline in earnings from taxes on income and profits was associated with lower receipts from the stabilization levy, consistent with lower real sector activity. The performance was offset by higher tax receipts for taxes on international trade and transactions (10.2 per cent), attributable to an increase in the collection of import duties, notwithstanding a marginal decline in imports. Additionally, trade tax collections were bolstered by increases in the embarkation tax and customs surcharge. Non-tax revenue rose by 4.8 per cent ($1.2m) to $24.9m, attributable to higher earnings from the operations of the Post Office.

Current expenditure rose by 3.1 per cent ($5.4m) to $175.8m in contrast to a 2.0 per cent contraction in 2012. The increase in expenditure was associated with higher outlays for all of the major expenditure categories. The largest contributor to current expenditure, personal emoluments, increased by 0.5 per cent ($0.4m) based on an increase in employment in the public service to fill budgeted vacancies. Outlays on other goods and services rose by 5.5 per cent. Interest payments rose by 9.1 per cent ($0.8m), associated with higher domestic and external interest costs, while spending on transfers and subsidies increased by 4.8 per cent ($2.1m) driven by a rise in subventions to the Tourist Board and the Community College.



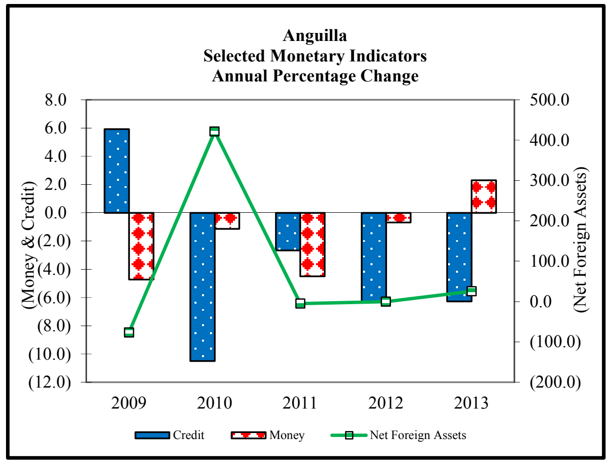
Public Sector Debt

The total disbursed outstanding debt of the public sector was estimated at $231.7m at the end of 2013, 1.0 per cent below the amount at the end of 2012. As a percentage of GDP the debt ratio rose slightly to 30.8 per cent from 30.7 per cent in December 2012, as the rate of decline in GDP outpaced that of the reduction in the outstanding debt. The contraction in the outstanding debt was attributed to declines in the external debt portfolio (1.5 per cent) partly mitigated by a rise in outstanding domestic debt. The reduction in the overall outstanding debt reflected the inability of the central government to engage in additional borrowing associated with fiscal constraints stipulated by the UK debt benchmarks. Central government debt accounted for 93.6 per cent of outstanding debt compared with 92.9 per cent in the corresponding period of 2012.

Money and Credit

Broad money (M2) expanded at a rate of 2.3 per cent to $1,030.9m during 2013 in contrast to a contraction of 0.7 per cent during 2012. The rise in monetary liabilities was largely attributable to an increase in quasi money, which accounted for 95.8 per cent of the total. All of the components of quasi money increased, primarily; private sector foreign currency deposits (2.5 per cent) and private sector time deposits (2.4 per cent) respectively. The other component of M2, narrow money (M1), grew by 1.0 per cent attributable to growth in currency with the public (9.1 per cent) and private sector demand deposits (0.7 per cent). Domestic credit fell by 6.3 per cent to $1,053.1m, following a similar rate of decline during 2012. This outturn reflected reduced lending to the private sector, as well as increases in the net deposit positions of non-financial public enterprises and the central government. Central government transactions with the banking system resulted in its net deposit position increasing by 14.1 per cent, as deposits rose $14.1m, outpacing the $5.9m increase in credit from the financial system. This development was reflective of the restrictions placed on borrowing by the Foreign Commonwealth's Office, as the government remains in breach of the UK Borrowing Guidelines. The net deposit position of the non-financial public enterprises grew by 7.8 per cent, ($14.3m) attributable to an increase in deposit combined with a decrease in outstanding credit.

Credit to the private sector fell by 3.5 per cent ($48.0m) largely attributable to declines in outstanding credit to households by 4.5 per cent ($25.7m) and businesses by 3.3 per cent ($25.5m). The distribution of commercial bank credit by economic activity indicated that outstanding loans fell by 3.4 per cent ($45.3m) to $1,296.2m in 2013, influenced by a 5.7 per cent reduction in credit for personal use which has the largest concentration (41.8 per cent). Of the components of credit for personal use declines were recorded for home construction and renovation (7.3 per cent), house and land purchase (9.0 per cent) and durable consumer goods (18.2 per cent). Other sectors registering declines in outstanding credit included tourism and construction of 5.8 per cent and 2.8 per cent respectively. The decline in credit for personal use was partially offset by increases in credit to distributive trades of 6.5 per cent.



The net foreign assets of the banking system rose by 25.5 per cent to $233.8m, in contrast to a 0.5 per cent contraction in 2012. The increase in net foreign assets largely reflected a 57.2 per cent rise in commercial banks' net foreign assets position associated with a six-fold increase in net external assets held with financial institutions outside of the ECCU. The rise in the net external assets position of commercial banks was largely influenced by a 40.8 per cent ($86.7m) reduction in external liabilities. The overall foreign assets position of commercial banks was tempered by a 31.0 per cent ($20.5m) reduction in net assets position of financial institutions within the Currency Union. Anguilla's imputed share of the reserves held at the ECCB rose by 2.6 per cent to $110.8m, largely attributable to an expansion in imputed assets.

Liquidity in the commercial banking system tightened somewhat during 2013. This assessment was reflected in the ratio of liquid assets to total deposits plus liquid liabilities which fell by 3.56 percentage points to 25.4 per cent, the loans and advances to total deposits ratio rose by 6.16 percentage points to 93.4 per cent.

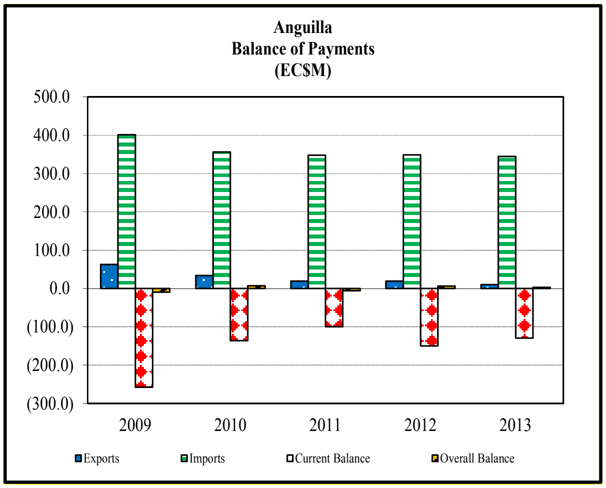
The weighted average interest rate spread between loans and deposits widened to 5.86 percentage points at the end of 2013, from 5.70 percentage points at the end of 2012.

Balance of Payments

The balance of payments recorded a smaller overall surplus estimated at $2.8m (0.4 per cent of GDP), compared with one of $6.3m (0.8 per cent of GDP) in 2012. The outturn reflected a significant narrowing of the surplus on the capital and financial account, which was partly mitigated by a contraction in the deficit on the current account. The current account deficit fell to $129.4m in 2013 (17.2 per cent of GDP) from $149.8m (19.6 per cent of GDP) in 2012. The smaller deficit was influenced by an 11.5 per cent increase in the net balance on the services account to $222.3m (29.5 per cent of GDP), largely attributable to a strengthening in net inflows (9.0 per cent) on the travel account to $296.3m (39.3 per cent of GDP).

On the goods account the merchandise trade deficit rose by 1.5 per cent to $334.4m (44.4 per cent of GDP), from $329.5m (43.2 per cent GDP), due to a decrease in exports which outpaced a decline in imports. Net current transfers on the income account to fell to $12.7m.

The surplus on the capital and financial account declined by 15.3 per cent to $132.1m in 2013 (17.5 per cent of GDP) from $156.0m (20.5 per cent of GDP) in 2012. The lower balance on the capital and financial account was attributed to developments on the financial account, where net inflows fell by 21.5 per cent influenced by a net outflow of other investments. This development reflected the reduction ($51.9m) in commercial banks' net external liabilities in contrast to a buildup in 2013. Higher net inflows of direct investment by 29.7 per cent ($34.9m) partly offset the decline in other investments.



Prospects

The global macroeconomic outlook is for a gradual recovery, albeit at a pace below historical recoveries. Global output is forecasted to accelerate to a 3.7 per cent expansion in 2014 led by developments in the USA and a number of emerging economies in Asia. The European Union is also forecasted to recover in 2014 after a prolonged economic downturn which augers well for a more sustained and balanced global economic recovery. In this context recovery in growth is projected in the domestic economy in 2014 through acceleration in tourism related activity, sustained by increases in the number of stay-over visitors as intensified marketing in the north-eastern USA continues to yield positive results. In the construction sector, tourism related construction is projected to increase fuelled by a number of on-going projects including the Malliouhana Hotel and Spa renovation, on-going work on the Zemi Beach Resort, Manoah and other boutique hotels. Public sector construction is expected to improve with the commencement of work on the Anguilla Community College.

The fiscal operations of central government are expected to record an overall deficit, influenced by a larger deficit on the capital account and a narrowing in the current account surplus. Capital expenditure is projected to increase based on planned capital projects, primarily the construction of permanent facilities to house the Anguilla Community College.

On the external account the merchandise trade deficit is expected to increase reflecting higher imports consistent with increases in tourism related activity and construction. Gross inflows from travel are projected to be higher in 2013 consistent with the projected increase in visitor arrivals. In the banking system, further strengthening in broad money is expected along with recovery in domestic credit. However, any recovery in domestic credit may be limited to private sector borrowing, given the limited scope for the government to incur further debt which would further breach the British borrowing guidelines. Overall credit expansion may be further constrained by an environment of increasingly tight lending requirements at commercial banks.

Overall developments in Anguilla will depend on the pace and scope of the movement in international finance which will dictate the level of construction activity in the economy. A number of FDI projects have already commenced and on-going projects should auger well for the prospects in the industry. The improved performance of the hotels and restaurants sector is likely to be sustained in 2014. However, major downside risks to the projections include; the potential negative impacts on the tourism industry from severe weather in the USA, the threat of rising petroleum prices associated heightened demands for energy in the summer months and ongoing financial sector readjustment both regionally and in the domestic economy which may impact underwriting standards and limit the availability of credit to finance investment.

ANTIGUA AND BARBUDA

Overview

Provisional data suggest that economic growth in Antigua and Barbuda decelerated in 2013 when compared with the outcome in 2012. The economy of Antigua and Barbuda is estimated to have expanded by 0.1 per cent in 2013 compared with growth of 2.8 per cent recorded in 2012. The slowdown in economic activity was attributable to a decline in value added by the hotels and restaurants sector as the number of tourists visiting the island decreased. There was also reduced output from the wholesale and retail and transport, storage and communication sectors. Inflation eased, as indicated by a 1.1 per cent rise in the Consumer Price Index (CPI), on an end-of-period basis, compared with a 1.8 per cent increase in 2012. The fiscal operations of the central government deteriorated relative to 2012 as a larger overall deficit was recorded due to lower revenue collections and an increase in total expenditure. The stock of total outstanding public sector debt increased for the period under review, as the overall fiscal deficit expanded. In the banking system, monetary liabilities and the net foreign assets of the banking system increased while the stock of domestic credit fell. Liquidity at commercial banks remained high and the weighted average interest rate spread between loans and deposits widened. In the external sector, a larger overall surplus on the Balance of Payments was recorded notwithstanding an increase of the current account deficit.

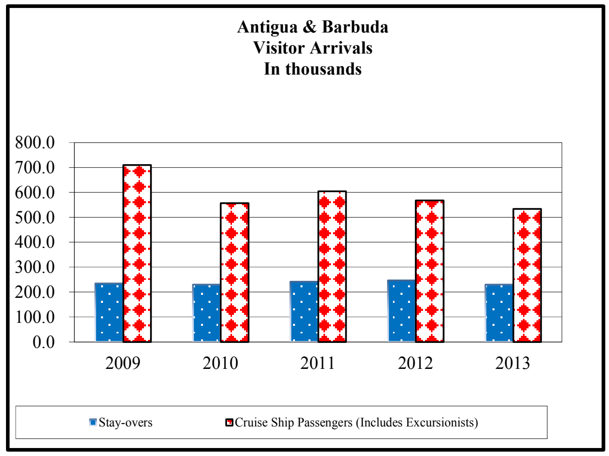
As global economic growth strengthens, economic activity in Antigua and Barbuda is projected to expand modestly in 2014, mainly driven by improved activity in the hotels and restaurants, construction, wholesale and retail trade, and real estate sectors. Inflation is expected to remain subdued in 2014, given the outlook for commodity and energy prices. The fiscal position of the government is forecasted to deteriorate on account of increased capital spending and higher external interest payments. The external current account deficit is projected to widen as imports are expected to increase at a faster rate than export earnings on the service account.

Risks to the outlook have become more balanced as the global economic environment has normalised and growth in advanced economies, especially Antigua and Barbuda main trading partners, has become much firmer than in the past. However, there are risks to the global economy surrounding the impact of the unwinding of United States of America’s Federal Reserve monetary policy and its impact on global interest rates. A rise in food, oil and other commodity prices is another major threat to the growth prospects of Antigua and Barbuda.

Output

The pace of economic activity slowed in Antigua and Barbuda in 2013, influenced by reduced value added in the key sectors of the economy, namely, hotels and restaurants, wholesale and retail, and transport, storage and communications. The decreases were partly offset by increases in value added in construction and public administration, defence and compulsory social security.

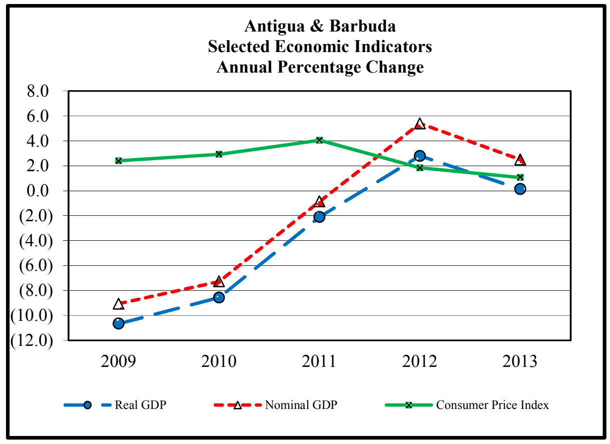
The hotels and restaurants sector, which accounted for 14.3 per cent of GDP in 2013, recorded a 3.7 per cent reduction in value added in contrast to a revised 2.2 per cent increase in 2012. The decline in output in the sector reflects a reduction in the number of stay-over visitors. Preliminary data indicate that stay over arrivals declined by 6.9 per cent to 229,999 in 2013, in contrast to growth of 2.3 per cent recorded in 2012. Arrivals from the two largest source markets, the USA and UK, recorded declines of 14.7 per cent and 5.4 per cent respectively. By contrast the Canadian market, which is the third largest source market, continued to exhibit positive growth as visitor arrivals rose by 25.7 per cent. The Caribbean market continued to underperform with visitors from the region declining by 10.2 per cent, reflective of the weak economic performance in these markets, as well as higher airfares for intraregional travel.



In the cruise industry, the number of cruise ship passengers visiting the island fell by 6.1 per cent consistent with a 3.6 per cent (12) reduction in the number of cruise ships to the island. The reduction in stay over visitors and cruise passenger arrivals to the island was partially mitigated by a by 3.5 per cent increase in yacht passengers to 29,053 consistent with a 0.6 per cent increase in the number of yachts visiting the country. Overall, those developments resulted in total visitor arrivals falling by 6.0 per cent to 792,332.

Output from the construction sector, which accounted for 9.5 per cent of GDP in 2013, increased by 5.0 per cent, following a 10.0 per cent increase in the previous year. This positive development partly reflected strengthening of activity in both the private and public sectors, as policy measures aimed at stimulating the construction industry, such as the Construct Antigua and Barbuda Initiative, which continued to yield positive results. In the private sector, residential construction was primarily responsible for the pickup in activity while non-residential construction started to gain some momentum. This was partly evidenced by a $9.7m increase in commercial banks credit extended for home construction and renovation. Supporting the increase in private sector construction was a $22.2m rise in public sector capital expenditure, the first major increase in the last few years. Public sector construction activity was mostly focused on road works. Consistent with the increase in construction activity was an 11.0 per cent rise in the imports of construction material, a 30.3 per cent increase in the imports of cement, and a 1.1 per cent increase in quarrying output, due to higher levels of production of concrete blocks and aggregates.

There was lacklustre performance in the wholesale and retail sector which accounted for 14.3 per cent of GDP in 2013. Output in the wholesale and retail sector fell by an estimated 3.5 per cent as the demand for goods fell. Valued added in the transport, storage and communications sector is estimated to have decreased by 0.1 per cent and accounted for 11.6 per cent of GDP, as it was negatively impacted by weak activity in the hotels and restaurants and the wholesale and retail trade sectors. Meanwhile, there was a 2.0 per cent increase in the gross value added in public administration, defence and compulsory social security sector due to an increase in personal emoluments and pensions.



Prices, Wages and Employment

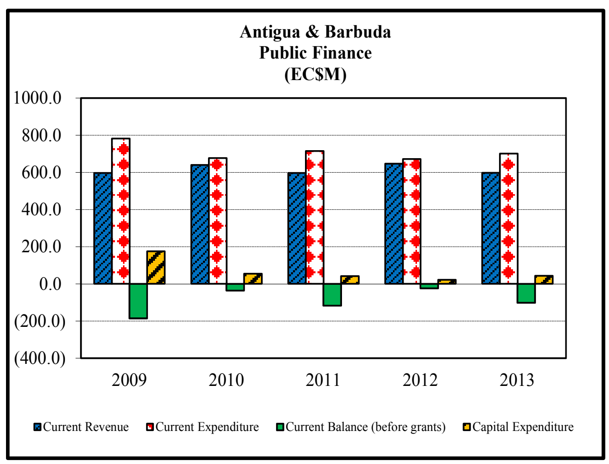
The rate of inflation, as measured by the consumer price index, slowed to 1.1 per cent in 2013, compared with an increase of 1.8 per cent in the corresponding period of 2012. This outcome is consistent with developments in global food and commodity prices and the slow pace of domestic economic activity. All of the sub-indices of the CPI recorded slower increases in prices with the exception of clothing and footwear, personal services, and alcoholic beverages and tobacco. The food sub-index, the largest weighted in the CPI basket, recorded a deceleration in the rate of growth, increasing by 2.1 per cent, compared with growth of 2.6 per cent in 2012. Transport and communications, the second largest component of the CPI, recorded a

1.7 per cent increase in prices compared with an increase of 2.0 per cent in 2012, driven mainly by stabilisation in the prices of gasoline and motor vehicle spare parts. The fuel and light sub index recorded a 1.7 per cent decrease, attributable to a reduction in the fuel variation surcharge on electricity. There were no wage increases in the public sector as the government imposed a freeze on salaries and wages.

Central Government Fiscal Operations

Preliminary data on the fiscal operations of the central government indicated that the overall fiscal deficit more than trebled to $144.3m (4.3 per cent of GDP) in 2013. A decrease in revenue collections along with an increase in total expenditure led to the deterioration in performance. The current account deficit totalled $102.6m (3.1 per cent of GDP) compared with a deficit of $24.8m (0.8 per cent of GDP) in 2012. This outturn was influenced mainly by increased current expenditure as well as a fall in current revenue collections. The primary balance, a key indicator of debt sustainability, shifted to a deficit of $78.3m (2.0 per cent of GDP) from a surplus of $36.5m (1.1 per cent of GDP) in 2012.

Current revenue collections fell by 7.6 per cent to $597.8 (18.0 per cent of GDP) in contrast to 8.4 per cent increase in 2012. The reduction in current revenue reflects lower tax revenue collections which fell by 8.1 per cent. Lower tax revenue collections were reflected in reduced tax collections on domestic goods and services and international trade and transactions. An $18.2m decline in the collections of the ABST and $12.1m in stamp duties were responsible for the $30.7m (11.2 per cent) decrease in the collection of taxes on domestic goods and services. The removal of the embarkation tax and passenger facility charge, which has now been transferred to the Antigua and Barbuda Airport Authority, was responsible for the $23.8m (10.3 per cent) reduction in tax collections on international trade and transactions. The decrease in tax revenue was partly offset by a $7.4m (9.5 per cent) increase in collections on income and profits on account of an $8.7m (24.7 per cent) rise in company tax receipts due to collections of outstanding company tax.



Current expenditure rose by 4.3 per cent ($28.9m) to $700.4m, in contrast to a decline of 6.0 per cent recorded in the corresponding period of 2012. The increase in recurrent expenditure was attributable to larger outlays for personal emoluments, goods and services and transfers and subsidies while interest payments declined. Personal emoluments rose by 1.1 per cent ($3.1m) due to hiring of teachers, firemen and police officers and reclassification of pay for teachers. Expenditure for goods and services rose by 29.8 per cent ($33.9m) as the government undertook maintenance work on the country's road network. Outlays for transfers and subsidies increased by 2.9 per cent ($6.0m) due to an increase in pension payments which rose by 7.0 per cent. Interest payments fell by $14.0m to $66.0, as a result of a decrease in domestic interest payments. Capital expenditure rose by $22.2m to $43.1m as the government undertook the construction of a number of new roads in 2013.

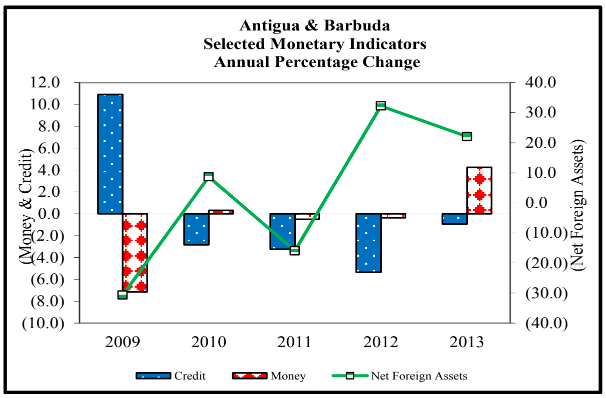
Public Sector Debt

Preliminary data indicated that the public debt to GDP ratio rose 4.2 percentage points to 92.2 per cent in 2013, from a revised 88.0 per cent at the end of 2012. During the review period total disbursed outstanding public sector debt increased by $226.8m to $3,062.9m. Central government debt grew by $135.5m and the debt held by the public corporations increased by $91.4m. Of the $226.8m increase in debt, external debt increased by $200.8m, of which central government was responsible for $121.4m while government guaranteed accounted for $79.4m. The higher level of external debt reflected new borrowing for LIAT fleet modernization and World Bank Public and Social Sector Transformation loan. The domestic debt increased by $26.0m and of this amount central government's debt increased by $14.0m while government guaranteed debt increased by $12.0m.

Money and Credit

Money and credit conditions in the domestic economy were mixed. Total monetary liabilities, net foreign assets and liquidity improved, while domestic credit declined and the weighted average interest rate spread increased.

Total monetary liabilities (M2) of the banking system expanded by 4.2 per cent to $2,908.4m during 2013, in contrast to a 0.4 per cent decrease recorded during 2012. The increase in M2 was attributable to an increase in both quasi and narrow money supply. Quasi money increased by 3.4 per cent attributable to a 9.2 per cent and 32.2 per cent increase in private sector savings and foreign currency deposits respectively. Narrow money (M1) rose by 7.8 per cent to $597.2m, due to increases in currency in circulation (12.2 per cent), private sector demand deposits (4.4 per cent) and EC$ cheques and drafts (53.1 per cent).



Domestic credit declined by 0.9 per cent to $2,675.4m during 2013, following a 5.3 per cent contraction during 2012. The decrease in domestic credit was attributable to a decline in credit extended to both the private and public sectors. The stock of private sector credit fell by 4.4 per cent influenced by declines in business credit (7.2 per cent) and household credit (1.9 per cent). The net deposit position of the non-financial public sector almost halved to $109.0m, due to a $76.3m decrease in their deposits. Net credit to general government fell by 5.1 per cent ($28.2m) due to a $23.2m reduction in credit from commercial banks and the Central Bank.

An analysis of the distribution of commercial bank credit by economic activity indicated that credit extended to all economic sectors declined with the exception of credit for other purposes in particular credit for utilities, electricity and water. Credit for personal use, which accounts for roughly 44.0 per cent of total credit, fell by 3.1 per cent; however the performance within this segment was mixed. While credit for durable consumer goods and for other personal uses declined by 13.9 per cent and 7.8 per cent respectively, credit for acquisition of property rose by 0.5 per cent. Credit for acquisition of property rose on account of an increase in credit for home construction and renovation and house and land purchases. Credit extended to businesses in the construction sector decreased by 11.3 per cent while credit for businesses in the tourism industry recorded a decline of 7.4 per cent. By contrast credit for other economic sectors rose by 2.3 per cent. The increase in credit to other economic sectors is largely on account of increased credit to businesses in the utilities, electricity and water sector.

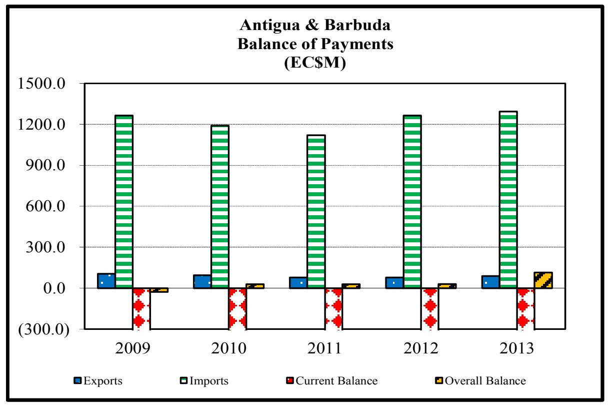
The net foreign assets of the banking system rose by 22.0 per cent ($102.6m), compared with an increase of 32.2 per cent during 2012. Antigua and Barbuda's imputed share of the reserves at the Central Bank rose by 25.6 per cent to $546.7m at the end of 2013 largely attributable to an increase in bankers reserves. The commercial banks net foreign assets position declined by 29.2 per cent to $21.3m. The reduction of the net foreign assets position reflected a decrease in commercial banks external assets.

Liquidity in the banking system was high as the ratios remained well above the ECCB stipulated benchmarks. The ratio of liquid assets to total deposits plus liquid liabilities decreased by 1.1 percentage points to 47.2 per cent well above the minimum of 25.0 per cent established by the ECCB regulations, while the loans and advances to total deposits ratio decreased by 1.4 percentage points to 78.1 per cent, within the 75.0 to 85.0 per cent range stipulated by the ECCB.

The weighted average interest rate spread increased by 0.07 percentage points to 6.54 per cent from 6.47 per cent at the end of 2012. The increase in the interest rate spread was attributable to a 0.08 percentage point reduction in the weighted interest rate on deposits in response to increased liquidity, while those on loans were basically unchanged at 9.5 per cent.

Balance of Payments

Preliminary estimates of the balance of payments (BOP) showed that the overall position on the BOP recorded a larger surplus of $114.6m (3.5 per cent of GDP), compared with a revised surplus of $30.2m (0.9 per cent of GDP) in 2012. The current account deficit widened to $551.9m (16.6 per cent of GDP) in 2013, from a deficit of $450.4m (14.0 per cent of GDP) in 2012. In line with the increase on the current account, the merchandise trade deficit widened to $1.20b (36.3 per cent of GDP) as the level of imports grew faster than that of exports.



On the services account, net inflows are estimated to have decreased by $90.0m to $662.8m, from a revised figure of $751.8m recorded in 2012, largely attributable to a decline in inflows from travel services. Net travel receipts decreased by $59.0m to $670.3m from $729.3m in 2012; associated with a reduction in stay- over tourist arrivals. On the income account, there was a decrease in net outflows, attributed to reduced external interest payments on government transactions. This led to a narrowing in the deficit on the income account to an estimated $135.4m in 2013, from $137.9m in 2012.

The surplus on the capital and financial account recorded an increase of $185.8m to $666.5m in 2013 compared with a revised surplus of $480.6m in 2012. The increase inflows on the capital and financial account was a result of an increase in public sector long term loans which rose by $189.0m associated with the final disbursement of the IMF SBA loan and the contraction of new loans from the World Bank and the CDB. The transactions of commercial banks resulted in a net inflow of $8.8m in short-term capital, primarily associated with transactions of the foreign branch banks.

Prospects

The global economy is expected to grow by 3.2 per cent according to the IMF's World Economic Outlook (WEO) report with advanced economies expected to lead the way. Most of the acceleration is expected to come from advanced economies which are expected to grow by 2.2 per cent on average. Against an ever improving global economic outlook, economic activity in Antigua and Barbuda is forecasted to expand at a modest pace in 2014. Economic growth in 2014 is expected to be supported by greater output from the hotels and restaurants, construction, wholesale and retail trade, and real estate sectors. Increased airlift out of the main source markets coupled with improved economic conditions are expected to support an increase in tourist arrivals. The commencement of a number of tourism projects, such as the Beaches Resort, the new Treasury building, headquarters for ABS TV and radio, headquarters of Antigua and Barbuda Department of Marine Services, new secondary school at Five Islands and continued work at the Non-Such Bay Resort will underpin construction activity. Positive activity in these sectors of the economy will likely provide the impetus for growth in other ancillary sectors such as the wholesale and retail trade, transport, storage and communications and mining and quarrying sectors.

The fiscal operations of central government are expected to deteriorate due to increased interest payments obligations as the Paris Club arrangement expires.

On the external accounts, the current account deficit is projected to widen, based on an expected increase in import payments, while the surplus on the capital and financial account is expected to increase due to higher FDI inflows. On the export side, service earnings are expected to increase due to higher earnings from transportation and travel services as tourism is expected to make a recovery in 2014.

In the banking system, monetary conditions are projected to remain constrained. Broad money (M2) is expected to increase moderately while credit conditions are likely to remain tight due to heightened uncertainty about economic conditions and job prospects. Inflationary pressures are likely to remain subdued as the price of both oil and food are expected to remain stable or decrease.

Downside risk to economic outlook has receded substantially in recent times as global economic growth has firmed up significantly since mid-2013. The principal downside risk to the projections is the impact of the unwinding of monetary stimulus in the USA and how this will affect developing countries. Beyond this issue global economic conditions are firm and the outlook positive. If not handled correctly this could roil financial markets in developing countries with the attendant negative consequences. A rise in food, oil and other commodity prices is another major threat to the growth prospects of Antigua and Barbuda. Looking ahead to continue to support economic growth the authorities will need to continue implementing structural reform measures to boost the productivity and strengthen the resilience of the economy.

DOMINICA

Overview

Preliminary data indicate that the economy of Dominica remained flat in 2013 following a contraction of 0.2 per cent in 2012. There were mixed developments across the sectors whereby the outturn in the goods producing sectors is estimated to have been more positive. Consumer prices fell by 1.7 per cent during 2013, on an end of period basis. The central government realised a smaller overall fiscal deficit while the stock of disbursed outstanding debt of the public sector increased. In the banking sector, there were increases in monetary liabilities and domestic credit while net foreign assets declined. Commercial bank liquidity increased, while the weighted average interest rate spread between loans and deposits narrowed. In the external sector, a deficit was recorded on the balance of payments, influenced by lower net inflows on the capital and financial account.

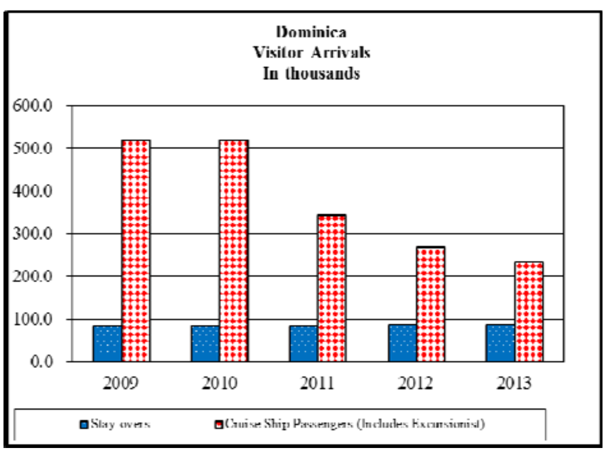
Against the back drop of local policies to push growth in key sectors and continued strengthening in the global economy, Dominica's economy is expected to grow at a marginal rate in 2014. Economic activity is likely to be supported by rehabilitation work following the damage caused by the trough system on Christmas Eve of 2013. A pickup in activity is likely in sectors such as wholesale and retail trade; construction; agriculture and tourism. The downside risks to this outlook include unfavourable weather and deterioration in global economic performance.

Output

The largest sector in the economy, transport, storage and communications sector, which accounted for 15.1 per cent of GDP, registered a marginal contraction of 0.3 per cent in 2013. This was on account of a decline in the transport and storage sub-sector which was impacted by a contraction in total visitor arrivals.

Activity in the wholesale and retail trade sector, the second largest sector at 14.7 per cent of GDP, rose by 2.7 per cent. This outturn was influenced by positive developments in agriculture, the hotels and restaurants sector, and manufacturing.

Value added in the agriculture, livestock and forestry sector, which represented 12.4 per cent of GDP, rose by 1.0 per cent, supported by improvements in the non-banana sub-sector. In the non-banana crops sub-sector value added is estimated to have increased by 5.0 per cent driven by diversification efforts including those to promote the supply and trade of root crops and horticulture. Value added in the livestock sub-sector is estimated to have risen by 2.0 per cent based on increased chicken and pork production. The production of bananas was down for the second consecutive year, registering a smaller contraction of 29.3 per cent to 1,743.2 tonnes as a result of effects of the Black Sigatoka disease.

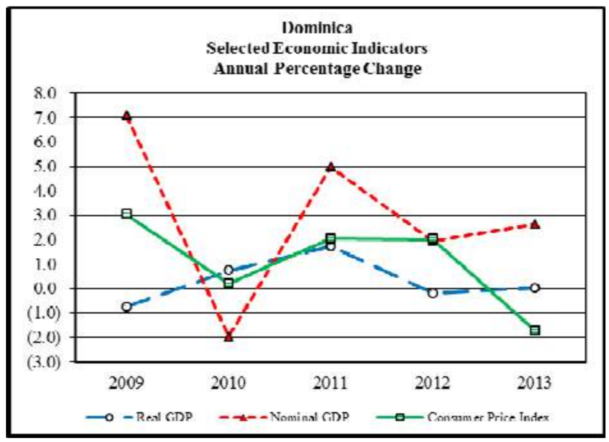


Value added in the hotels and restaurants sector, a proxy for tourism activity, rose by 0.5 per cent in 2013 following a contraction of 1.6 per cent in the previous year. The sector's contribution to GDP remained unchanged at 2.0 per cent. The marginal improvement stemmed from a 0.2 per cent rise in the number of stay-over visitors to 86,136. Stay-over arrivals increased from South America (13.4 per cent), Europe (5.8 per cent) and Canada (3.1 per cent), reflecting strengthened partnerships with stakeholders and increased marketing. The stay-over arrivals from the USA and the Caribbean, the two largest source markets, fell by 2.9 per cent and 1.0 per cent respectively, influenced in part by airlift issues. The performance of the hotels and restaurants sector was constrained by weak developments in the cruise sub-sector. There were 162 cruise calls, 11.5 per cent less than the value recorded in 2012. Therefore the number of cruise passengers fell by 13.4 per cent to 230,587. Meanwhile, the number of excursionists fell by 9.8 per cent whereas the number of yacht passengers rose by 33.0 per cent. In light of these developments, total visitor arrivals were down by 8.7 per cent to 334,268.

The recovery in the manufacturing sector which accounted for 3.6 per cent of GDP was sustained from 2012. Value added in the sector rose by 3.5 per cent in 2013, almost the same rate of growth observed in the previous year, led by an increase in the production volume of beverages (19.4 per cent) and soap (3.9 per cent).

The available construction indicators point to a decline of 15.0 per cent in the construction sector which constituted 5.5 per cent of total GDP. Preliminary estimates indicate that the value of imports of construction materials fell by 15.7 per cent to $53.9m in 2013, compared with the level in 2012. In the private sector, the number and value of construction starts decreased by 21.1 per cent and 20.0 per cent respectively. Public sector construction is estimated to have slowed based on the available data for capital spending. Construction work on major public sector projects such as the State House Renovation and Extension Project and the State College were completed during 2013. There was on-going construction work on other projects in the public sector including water supply networks; an abattoir facility for poultry and pork farming; hotel; the geothermal initiative; a coffee processing plant and road networks. The contraction in overall construction activity is estimated to have had negative spill over effects on value added in the mining and quarry sector which is estimated to have declined by 5.0 per cent.

In the other sectors of the economy, complete data are unavailable. Growth of 1.7 per cent was estimated in the education sector based on an estimated increase in the intake of off-shore medical students. Other sectors which registered growth include fishing (3.0 per cent), financial intermediation (1.3 per cent) and real estate, renting and business activities (0.5 per cent).



Prices, Wages and Employment

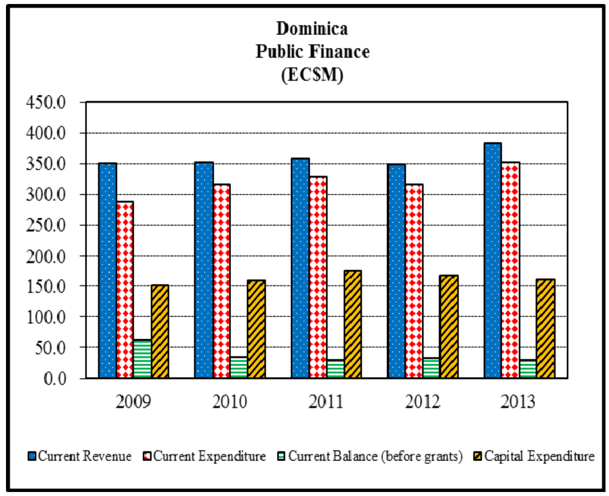
The overall level of consumer prices fell by 1.7 per cent during 2013, in contrast to a rate of increase of 2.0 per cent in the prior year. This coincided with low inflation in advanced economies and the subdued pace of local economic activity. The deflation was largely the result of a decline of 5.7 per cent in the housing, utilities, gas and fuels sub-index mainly reflecting lower costs for gas and electricity. The transport sub-index, the second highest weighted sub-index, was down by 0.9 per cent, largely attributed to reduced cost for services, in respect of personal transport equipment, and for air travel as a new carrier offered special fares during the second quarter of the year. These declines were tempered by increases in some of the sub-indices including those for clothing and footwear (3.4 per cent), household furnishings, supplies and maintenance (2.7 per cent) and food and non-alcoholic beverages (0.4 per cent).

The total number of persons employed in the public service increased by 4.5 per cent to 4,729 at the end of 2013. Growth in employment was registered for all the major categories of public sector workers namely non-established workers (12.5 per cent), contractual officers (3.8 per cent) and established workers (2.3 per cent). In the public service, a 2.5 per cent increase in salaries was granted in February 2013 and retroactive salary increases of 1.0 per cent for 2010/2011 and 1.5 per cent for 2011/2012 were awarded in April 2013. Job losses were reported in the non-tradable sectors but complete data in the private sector are unavailable. In order to increase employment in the private and public sectors, the government launched the National Employment Programme in December 2013.

Central Government Fiscal Operations

The overall deficit of the central government narrowed marginally to \$118.3m (8.7 per cent of GDP) in 2013, from \$120.6m (9.0 per cent of GDP) in 2012. The smaller deficit stemmed mainly from larger receipts from non-tax revenue. The financing needs of the central government were largely met by a draw-down in deposits in the banking system; the issuance of securities on the Regional Government Securities Market (RGSM); and the contraction of loans and advances from commercial banks. A primary deficit of \$90.3m (6.6 per cent of GDP) was recorded, down from one of \$100.2m (7.5 per cent of GDP) in 2012.

The surplus on the current account was up by 29.6 per cent to \$42.1m (3.1 per cent of GDP), reflecting the receipt of budgetary support from the 10th European Development Fund (EDF) and increased inflows from the Economic Citizenship Programme (ECP). The ECP, the largest component of non-tax-revenue, recorded a little more than twofold increase to $63.6m, supported by higher fees from 1st September 2012. This was supplemented by a marginal rise in the revenue from fees, fines, leading to a 70.9 per cent increase in non-tax revenue to $79.6m. The performance of the tax revenue category was not as strong, reflecting the flat pace of economic activity. Collections from taxes on international trade and transactions fell by 6.6 per cent, mainly on account of lower collections from import duty and the customs service charge which were consistent with the decline in imports. The intake from taxes on income, profit and capital gains rose by 2.5 per cent, largely stemming from an increase in revenue from personal income tax which rose in association with higher salaries. Taxes on domestic goods and services, the largest sub-category of tax revenue, registered growth of 1.2 per cent, largely on account of a higher yield (11.6 per cent) from the excise tax. Revenue from the major tax sub-category, the broad based valued added tax, declined by 1.6 per cent indicative of the subdued pace of activity in the economy. Earnings from property tax reached $7.8m from $6.3m in 2012. At the aggregate level, current revenue rose by 9.8 per cent to $382.8m (28.1 per cent of GDP) in the year under review.



Current expenditure rose by 11.4 per cent to $352.4m (25.9 per cent of GDP). Personal emoluments, the largest component of this expenditure, were up by 10.8 per cent to $149.8m, reflecting the salary increases awarded in the review period. Expenditure on goods and services grew by 14.7 per cent to $107.4m, which was partly associated with increased professional and consultancy fees. Interest payments amounted to $28.1m, up from $20.4m, resulting from higher external interest obligations. Spending on transfers and subsidies rose by 0.2 per cent to $67.1m, largely on account of increased pensions.

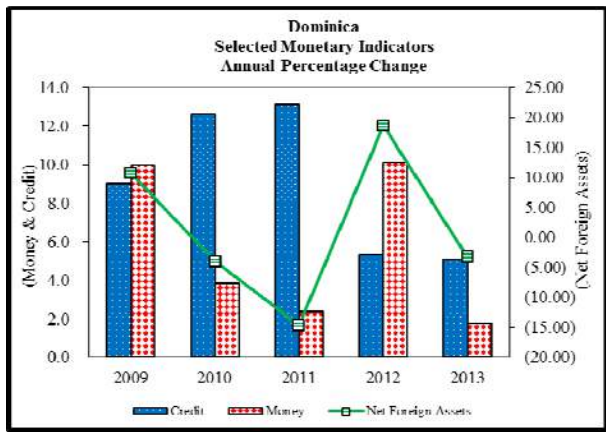
Provisional data for capital expenditure indicated that this type of spending contracted by 4.9 per cent to $160.3m (11.8 per cent of GDP). There was no reported receipt of capital grants in 2013.

Public Sector Debt

The total disbursed outstanding debt of the public sector was $1,049.3m (77.0 per cent of GDP) at the end of 2013, up from $1,026.5m (76.7 per cent of GDP) at the end of 2012. External debt increased by 2.8 per cent ($20.0m), partly reflecting increased disbursements from the Agence Francaise de Development and the Caribbean Development Bank. Domestic debt increased by 0.9 per cent ($2.8m) reflecting in part increased borrowing from the commercial banking system. The debt of the central government rose by 2.6 per cent to $878.0m, while that of the public corporations increased by 0.3 per cent to $171.3m.

Money and Credit

Growth in broad money (M2) which amounted to $1,158.5m decelerated to 1.8 per cent in the 2013 from a rate of increase of 10.1 per cent in 2012. The increase in M2 stemmed mainly from growth in quasi money as private sector savings deposits grew by 9.3 per cent. Decreases were recorded in other components of quasi money, namely private sector foreign currency deposits (29.8 per cent) and private sector time deposits (5.2 per cent). Narrow money, M1, which totaled $212.9m, registered a contraction of 6.6 per cent, mainly resulting from a decline in private sector demand deposits.



Domestic credit grew by 5.1 per cent to $722.5m, largely influenced by the transactions of central government. The total deposits of central government in the entire banking system fell by 42.8 per cent to $59.5m while the total credit extended to central government rose by 16.0 per cent to $113.0m, indicative of the government's growing financing needs. As a result, a net credit position of $53.5m was reported at the end of December 2013, in contrast to a net deposit position of $6.6m at the end of December 2012. Credit to the private sector fell slightly by 0.7 per cent ($5.6m), reflective of a decline in lending to businesses which counteracted an increase in lending to households. The credit to non-bank financial institutions decreased by 21.6 per cent to $11.1m. The net deposits of the non-financial public enterprises rose by 19.1 per cent to $122.0m, mainly associated with larger deposits.

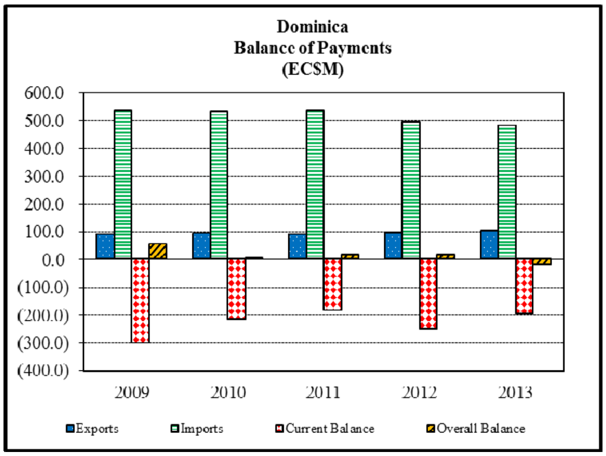
Credit declined to most of the economic sectors including agriculture and fisheries (9.2 per cent), manufacturing, mining and quarry (4.6 per cent), construction (3.4 per cent), distributive trades (1.2 per cent) and tourism (0.6 per cent). The majority of credit was allocated for personal use and this category registered the largest increase ($15.8m or 3.7 per cent), mainly for the acquisition of property. There was also an increase in credit for public administration of 22.9 per cent.

The net foreign assets of the banking system fell by 3.1 per cent to $527.9m, influenced by a reduction in the assets of the Government of Dominica held at the Central Bank. Dominica's imputed share of the Central Bank's reserves decreased by 7.1 per cent to $230.5m. The net foreign assets of the commercial banks rose marginally by 0.1 per cent to $297.4m, characterized by movement of assets from institutions in other ECCU member states to those in external institutions.

Liquidity in the commercial banking system rose marginally during the review period. The ratio of liquid assets to total deposits plus liquid liabilities increased by 0.8 percentage point to 40.9 per cent at the end of December 2013. The loans and advances to total deposits ratio decreased by 1.1 percentage points to 63.3 per cent. The weighted average interest rate spread between deposit and lending rates fell by 0.08 percentage point to 5.94 per cent at the end of December 2013. The weighted average interest rate on deposits increased by 0.01 percentage point to 3.02 per cent, and that on loans declined by 0.07 percentage point to 8.96 per cent.

Balance of Payments

Preliminary estimates indicated that there was an overall deficit on the balance of payments of $17.5m (1.3 per cent of GDP) in 2013 in contrast to an overall surplus of $15.9m (1.2 per cent of GDP) in 2012. This performance resulted from lower net inflows on the capital and financial account.



The net surplus on the capital and financial account moved to $177.4m (13.0 per cent of GDP) in 2013 from $264.6m (19.8 per cent of GDP) in the previous year. The lower surplus on the financial account mainly resulted from reduced public sector long term loans and from net outflows on portfolio investment account which was related to government transactions on the RGSM. This was compounded by lower capital grant funding which caused the capital account to fall by 32.7 per cent to $22.3m (1.6 per cent of GDP).

The current account deficit narrowed by 21.7 per cent to $194.8m (14.3 per cent of GDP) in 2013, mainly attributed to a smaller deficit on the goods and services account. The deficit on goods and services account narrowed to $214.4m (15.7 per cent of GDP) from $244.8m (18.3 per cent of GDP) largely on account of an improvement in the merchandise trade deficit by 4.7 per cent to $379.7m in 2013. Merchandise imports (f.o.b) contracted by 2.6 per cent to $482.3m, largely associated with a decline in imports of manufactured goods. Earnings from merchandise exports increased by 6.3 per cent to $102.6m, partly reflecting increases in export revenue from beverages ($4.7m) and paints and varnishes ($0.2m); reductions were observed in export earnings from bananas ($1.3m), and soap ($0.8m). Net inflows on the services account rose by 7.6 per cent to $157.1m, primarily attributed to an increase of 8.2 per cent in net travel receipts which amounted to $186.0m in 2013. On the income account, net outflows were reduced by 23.3 per cent, resulting from lower net outflows on investment income.

Prospects

Growth is expected to accelerate in advanced economies and in the currency union in 2014. Meanwhile, local policies in Dominica in 2014 are likely to be geared at increasing employment and building infrastructure to develop key sectors such as agriculture, tourism and education. Against this backdrop, real GDP for Dominica is expected to increase in 2014. An increase in consumption and capital investment is projected in 2014 also because of the need for rehabilitation and reconstruction following the damage caused by the trough system on Christmas Eve of 2013. This is likely to be one of the contributing factors to a pickup in activity in the wholesale and retail trade; construction; and mining and quarry sectors. An improvement is also anticipated in agriculture and the tourism industry premised on continued diversification efforts to increase the production of non-banana crops and on ongoing efforts to improve airlift, marketing and cruise visits. These expected developments are likely to have positive spill-over effects on the transport, storage and communications sector.

In light of the anticipated improvement in the economy, tax revenue is expected to improve marginally, and the overall fiscal deficit is likely to narrow slightly in 2014. This forecast is also predicated on the assumptions that there will be restraint in current spending and continued growth in revenues from the ECP. These anticipated developments are likely to be partially offset by an increase in capital expenditure and low grant inflows.

In the external sector, the merchandise trade balance is likely to improve, contingent on higher export revenue. Export earnings are likely to increase predicated on a sustained rebound in the manufacturing sector. Imports are projected to increase marginally in the coming year, partly based on the need for reconstruction materials. Gross receipts from travel are projected to improve contingent on an improvement in the tourism industry.

There are significant downside risks to these projections. The economy of Dominica continues to operate in a volatile external environment, and local economic performance can deteriorate if slower growth and higher unemployment characterize the economies of key tourism markets, regional member states, and key donors. A deterioration of the world economy is likely to affect growth in Dominica more adversely by restraining tourist arrivals, remittances, and foreign direct investment. Adverse weather conditions can also worsen economic performance in 2014.

GRENADA

Overview

Economic activity in Grenada is provisionally estimated to have increased in 2013, relative to the outturn in 2012. Real GDP expanded by 2.7 per cent in 2013, following a 1.2 per cent decline in 2012, driven mainly by a turnaround in construction, supported by growth in the manufacturing, fishing, wholesale and retail and education sectors. The consumer price index declined by 1.2 per cent during 2013. The overall deficit on the central government's fiscal accounts widened, largely on account of increased outlays for capital expenditure. Total outstanding public sector debt rose during 2013. Developments in the banking sector were marked by growth in monetary liabilities while domestic credit contracted. Commercial bank liquidity rose during 2013, and the spread between the weighted average lending and deposit interest rates widened. An overall balance of payments surplus was recorded in 2013, in contrast to a deficit in 2012.

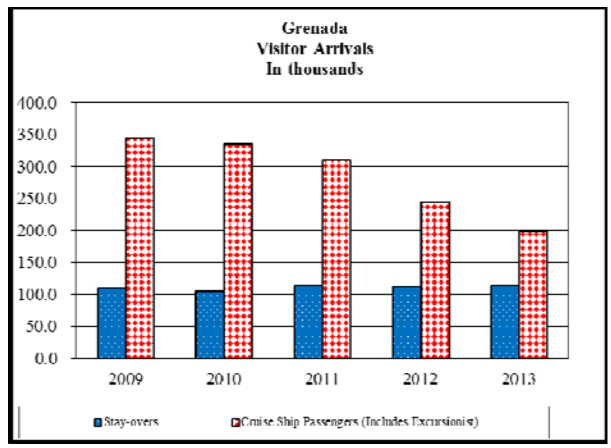
Economic activity is projected to expand further in 2014, albeit at a more moderate pace than 2013, driven by positive outturns from construction activity and strengthening of the tourism sector, in particular increased stay over arrivals are expected to support growth. The overall fiscal deficit of the Central Government is projected to widen, on account of increased capital spending. While downside risks are less obvious than in prior years a low implementation rate of the public sector investment programme as well as private projects, and the adverse impact of North America's severe winter seasons on tourist travels could derail the prospects for growth in 2014.

Output

Output in the construction sector is estimated to have expanded by 20.0 per cent following a contraction of 18.1 per cent in 2012. Private sector construction activity led the way with the building of the Sandals La Source Resort and Spa at Pink Gin Bay; however, other major foreign direct investment funded projects remained inactive. The construction of the new National Insurance Scheme building at the waterfront in St George's also contributed to the growth in construction activity. In the public sector investment programme work began on Phase II of the Agriculture Feeder Road Rehabilitation project; while construction works were undertaken on some school buildings.

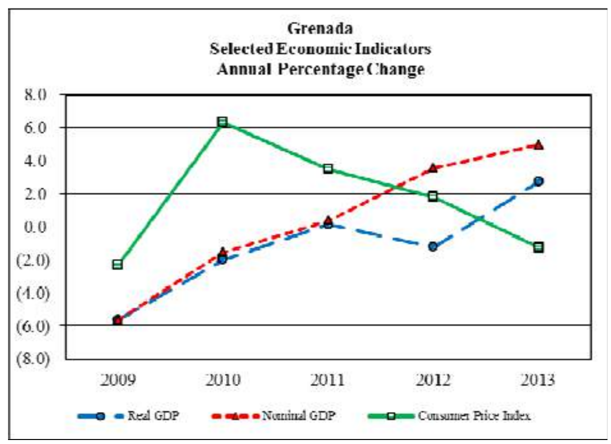
In the manufacturing sector, valued added is estimated to have risen by 3.5 per cent in 2013, in contrast to a decline of 0.2 per cent in 2012. The increase in the output of manufactured goods was primarily driven by an expansion in beverage production. Outputs of stout, malt and soft drinks grew by 4.8 per cent, 3.0 per cent and 2.5 per cent respectively, consistent with increased local demand. Similarly, beer production recorded a marginal increase of 1.1 per cent. By contrast, rum production fell by 8.3 per cent stemming from a shortage of input materials. In other areas of manufacturing, low domestic and external demand accounted for most of the decline in the production of flour (5.4 per cent), while paint production remained relatively unchanged from the previous year.

Some other key sectors also recorded increases in value added during 2013. Those included: fishing (22.0 per cent) on account of increased catch landed; wholesale and retail (7.0 per cent), related to the growth observed in construction activity and increased construction-related employment; and education (5.0 per cent), driven primarily by increased pre-med students enrolment at the St George's School of Medicine.



Tourism activity weakened further in 2013, attributed to a decline of 12.9 per cent in total arrivals and a 4.4 per cent contraction in value added in the hotels and restaurants sector, a proxy for tourism activity. The outturn was mainly influenced by a reduction in the number of cruise ship passengers, which fell by 18.7 per cent to 197,308, compared with an 21.6 per cent fall in 2012; marking the fourth straight year of decline in arrivals from this sub sector. The decline in cruise ship passengers occurred despite 9 additional ships visiting Port St Georges in 2013. The fall in total arrivals was mitigated by a marginal increase of 0.6 per cent in the stay-over segment of the market. On a source market basis, performance of stay-over visitor arrivals was mixed. Visitor arrivals from the USA rose by 14.5 per cent, following a 10.4 per cent rise in 2012, while the number of visitors from Canada expanded by 23.4 per cent. By contrast, stay-over arrivals from the UK contracted by 15.9 per cent, partly reflecting the impact of the UK Air Passenger Duty on air fares from that country; while the number of Caribbean visitors were less by 1.6 per cent. In other categories of visitors, yacht passenger arrivals fell by 2.6 per cent and the number of excursionists fell by 30.3 per cent to 1,497 in 2013.

Agricultural activity faltered in 2013 after recording growth in the previous two years, largely resulting from a decline in cocoa output. Value added in that sector contracted by 0.2 per cent in 2013, reversing growth of 3.9 per cent in 2012. Output of two of the three major crops, fell in the review period. Cocoa output declined by 13.5 per cent in contrast to an increase of 36.3 per cent in 2012, representing the impact of crop yield cycles. Banana output decreased by 5.5 per cent to 7,047.3 tonnes, as production normalised following a spike in 2012 as the crop recovered from disease and drought conditions in the prior two years. By contrast, nutmeg yield increased by 11.3 per cent in 2013 in contrast to a decline of 30.0 per cent in 2012; a consequence of the crop yield cycle similar to that of cocoa. Similarly, production of other crops grew by 8.0 per cent. In the other related sub-sectors, the output of livestock and forestry rose by 0.3 per cent and 3.7 per cent respectively.



Prices, Wages and Employment

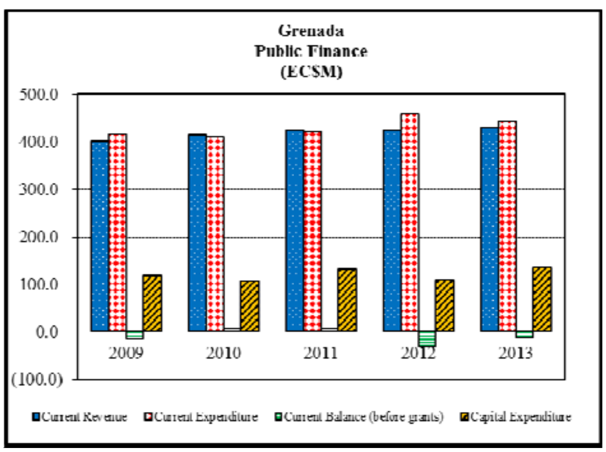
The rate of inflation, as measured by the consumer price index, is estimated to have fallen by 1.2 per cent during 2013, in contrast to a rise of 1.8 per cent (on an end of period basis) in 2012. The deflationary conditions mainly reflected an 18.5 per cent decline in prices of communication services, largely due to an 18.2 per cent decrease in the cost of telephone services during the month of September. A marginal decline of 0.2 per cent in the heaviest weighted housing, utilities, gas & fuels sub-index also contributed to the price deflation. Higher prices for food and non-alcoholic beverages (1.1 per cent) and transportation (2.0 per cent), the second and third heaviest weighted sub-indices, mitigated the overall decline in prices. Food and non-alcoholic beverages rose on account of higher prices for meats, dairy products and vegetables.

In terms of wages and employment developments, in the public sector salary increases were paid at the end of May 2013 and retroactive payments were paid at the end of August and at the end of November 2013. Preliminary data also indicated that, on a net basis, civil service employment at 5,676 in 2013 remained relatively unchanged relative to 2012, as a number of existing vacancies were made redundant. Data on wage movements and employment for the private sector were not available for 2013.

Central Government Fiscal Operations

Preliminary estimates of central government fiscal operations resulted in an overall deficit of $121.5m in 2013, compared with one of $119.6m in 2012. The larger overall deficit was attributable to an increase in capital expenditure which offset the improvement in the current account balance. The deficit was financed mainly from domestic sources. A primary deficit of $65.7m (2.9 per cent of GDP) was realised, compared to a deficit of $46.0m (2.1 per cent of GDP) in 2012. Though the current account balance remained in a deficit position, $13.2m in 2013, this represented nearly a 60.0 per cent improvement on the prior year, after slipping to a deficit of $32.9m in 2012. The improvement was due to a combination of lower recurrent expenditure and increased current revenue.

Current revenue is estimated to have expanded by 1.2 per cent to $430.2m (19.7 per cent of GDP) in 2013, largely associated with a 1.9 per cent ($7.6m) rise in tax revenue. Receipts from taxes on domestic goods and services, which increased by 11.7 per cent ($22.1m), accounted for the net increase in tax collections. The expansion in tax receipts was tempered by reductions in all the other tax categories. Revenue from taxes on property fell by 17.7 per cent ($2.9m), while collections from taxes on income and profits declined by 14.7 per cent ($11.1m) led by a 24.5 per cent ($11.7m) reduction in corporation tax receipts. The yield from taxes on international trade and transactions decreased marginally, by 0.4 per cent ($0.5m), with a decline in customs service charge accounting for most of the decrease. Non-tax revenue fell by 12.3 per cent ($2.7m) on account of lower collections from administrative fees and property income.



Current expenditure amounted to $443.4m (21.2 per cent of GDP), representing a decline of 3.2 per cent ($14.8m) on the total recorded in 2012. The contraction in current expenditure stemmed mainly from decreases in interest payments and spending on good and services. Outlays on goods and services fell by 14.1 per cent to $74.2m, consistent with the government's on-going efforts to reduce this category of spending. Interest payments declined by 24.2 per cent ($17.8m), due to non-payments of foreign interest obligations consistent with the announced debt restructuring in the first quarter of 2013. The overall decline in current expenditure was tempered by an increase of 6.6 per cent ($15.1m) in spending on personal emoluments associated with salary increases and retroactive payments made during the year. Outlays for transfers and subsidies at $71.0m remain relatively unchanged year-on-year.

Expenditure on capital undertakings was higher in 2103 by 24.5 per cent to $134.9m (6.0 per cent of GDP). Road maintenance and school rehabilitation accounted for most of the capital outlays. Capital spending was financed by a combination of local and foreign resources including capital grants, which increased by $5.7m to $26.6m in 2013. The rise in capital grants resulted mainly from increased project financing received from China, Petrocaribe and the World Bank School Rehabilitation Programme.

Public Sector Debt

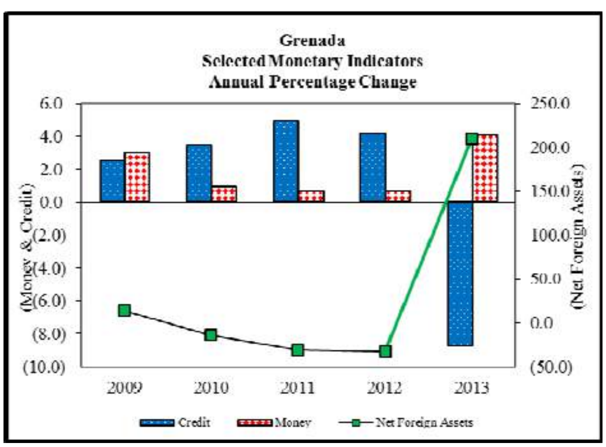
The outstanding debt of the public sector was estimated at $2,259.9m at the end of 2013, representing an increase of 4.5 per cent on the total at the end of 2012. As a percentage of GDP, the outstanding debt of the public sector rose to 100.4 per cent from 99.9 per cent at the end of 2012. Growth in public sector debt was driven by increases in borrowing by the central government. The total disbursed outstanding debt of the central government grew by 6.0 per cent to $2,135.4m, characterised by an 8.7 per cent increase in domestic debt, and a 4.6 per cent growth in external debt.

Money and Credit

Monetary liabilities (M2) recorded an increase of 4.1 per cent to $1,938.7m during 2013, compared with marginal growth of 0.7 per cent during 2012. The acceleration was consistent with the faster pace of economic activity. Of the main components, narrow money (M1) rose by 14.4 per cent ($48.0m), compared to a 2.6 per cent ($8.5m) increase in 2012. The rise was mainly attributable to an increase in private sector demand deposits of $42.6m; while currency with the public and EC dollar cheques and drafts issued were higher by $2.8m and $2.6m respectively. Quasi money, the other main component of M2, grew by 1.9 per cent during the review period, compared with a 0.3 per cent uptick during 2012. Increases in the accumulation of private sector savings deposits and foreign currency deposits were the main factors responsible for the higher growth. By contrast, private sector time deposits declined, tempering the rise in quasi money.

The counterpart to growth in M2 was the net foreign assets of the banking system more than tripling to $352.4m during 2013 as a result of both the central bank and commercial banks transactions. Commercial banks' external transactions led to a net liabilities position of $13.2m at the end of 2013, compared to one of $167.0m during 2012; as banks built up their assets abroad while reducing their liabilities. Grenada's imputed share of ECCB's reserves increased by 30.2 per cent to $365.6m.

Meanwhile domestic credit fell by 8.7 per cent to $1,695.4m, underpinned by a reduction in lending to the private sector. Private sector credit fell by 5.7 per cent, on account of less credit extended to both households and businesses. Loans extended to the non-bank financial institutions also declined during the review period. In the public sector, central government's net indebtedness to the banking system contracted by 51.4 per cent to $52.3m, as less credit was received from both the Central Bank and commercial banks. Meanwhile the net deposits of the non-financial public enterprises increased by 7.5 per cent ($57.3m), largely resulting from a decline in loans which overwhelmed the reduction in deposits.



An analysis of credit by economic activity indicated that a 41.4 per cent ($78.5m) reduction in loans for professional and other services accounted for most of the decline in credit extended. Meanwhile, lending for personal use, the largest category of loans extended, declined marginally by 0.7 per cent ($8.2m) with loans for durable consumer goods and for home construction falling by 14.6 per cent and 2.9 per cent respectively. An increase in loans for house and land purchases of 4.4 per cent ($11.5m) mitigated the overall contraction in loans for personal use. Borrowings for construction purposes was down by 30.9 per cent ($21.7m) indicating that though economic growth was construction led, construction activity was largely limited to the tourism sector. Credit for distributive trades fell by 7.3 per cent ($10.3m), in contrast to a 1.8 per cent growth in 2012. Lending for manufacturing (including mining and quarrying) purposes declined by 6.4 per cent in 2013 ($2.4m); following a 14.5 per cent ($4.8m) rise in 2012, while loans for agriculture (including fisheries) decreased by 4.8 per cent ($1.3m). By contrast, credit for tourism related activities rose by 23.4 per cent ($30.5m), primarily to finance the construction and upgrade at two major hotel plants.

Liquidity in the commercial banking system grew during 2013. The ratio of liquid assets to total deposits plus liquid liabilities rose by 5.2 percentage points to 30.4 per cent; while the ratio of loans and advances to total deposits fell by 7.9 percentage points to 76.6 per cent. The cash reserve to deposits ratio went up by 2.4 percentage points 10.8 per cent.

The interest rate spread between deposit and lending rates widened to 6.64 percentage points from 6.52 percentage points at the end of 2012, despite a lowering of both lending and deposits rates. However, the weighted average interest rate on deposits recorded a larger decline falling to 2.46 per cent from 2.68 at the end of 2012, while the weighted average lending rate fell to 9.10 per cent from 9.19 per cent.

Balance of Payments

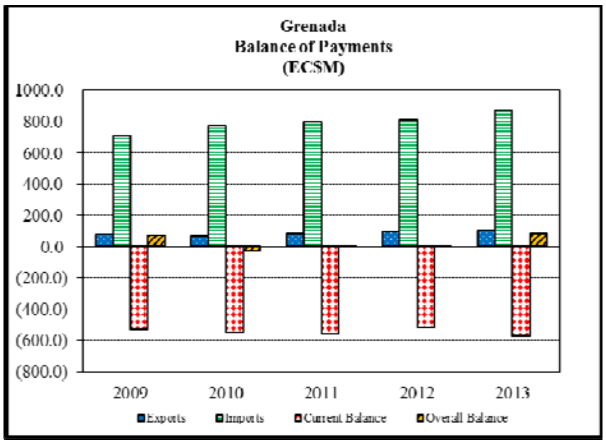
The overall balance of payments position improved in 2013. External transactions resulted in an overall surplus of $84.8m (3.8 per cent of GDP), in contrast to a deficit of $5.1m (0.2 per cent of GDP) in 2012, partly as a result of an increase in net inflows on the financial account.

The current account deficit expanded to $574.6m (25.5 per cent of GDP) from $521.7m (24.1 per cent of GDP) in 2012. The larger deficit was mainly attributed to developments in the goods and services sub-accounts. The merchandise trade deficit rose to $773.9m (34.4 per cent of GDP) from $717.4m (33.2 per cent of GDP) in 2012, attributable to an expansion in the import bill, which offset the rise in export receipts. Payments for merchandise imports (f.o.b) increased by 8.0 per cent to $875.4m; concurrently, the value of merchandise exports increased by 8.7 per cent to $101.5m.

Transactions in the services account resulted in a net inflow of $173.4m (7.7 per cent of GDP), approximately 6.0 per cent below the 2012 amount related in part to lower travel receipts. On the income account, net outflows fell by 25.1 per cent ($23.2m), influenced by a contraction in investment income.

The surplus on the capital and financial account expanded by 24.3 per cent to

$580.1m in 2013, largely as a consequence of a more than doubling of net direct investments inflows to $201.7m in 2013 mainly associated with the construction of the Sandals La Source Resort and Spa. As a percentage of GDP, the capital and financial account surplus increased to 25.8 per cent in 2013 from 21.6 per cent in 2012.



Prospects

The pace of economic activity is expected to slowdown in 2014, as construction activity, which led the growth performance in 2013 is expected to decelerate. The focal point of construction activity is expected to be the public sector investment programme which includes an intensification of Phase II of the Agriculture Feeder Road projects, the Athletic Stadium and the TA Marryshow Community College refurbishment project. Private sector construction activity is projected to make positive contributions to the sector with additional works to be undertaken at Sandals La Source Resort and Spa and at St George's University Campus and expansion works at Mount Cinnamon. With the first full year of operations at the new 225 room Sandals La Source Resort and Spa the stay over segment of the tourism sector is likely to see increased arrivals; however, cruise passenger arrivals are forecasted to continue its downward trend thus mitigating overall growth in the sector. Agricultural output is forecasted to increase, relative to the outturn of 2013, as crop production rises on the basis of improved access to farm lands and consequently more acreage being farmed.

The overall deficit of the Central Government is projected to widen, particularly on account of increased capital spending. Current savings are expected to increase, due to the combined effect of higher levels of current revenue, following the implementation of a number of tax measures in January 2014 as part of a home grown adjustment programme. Additional revenue is expected to be brought in by the reintroduction of a citizenship by investment programme. On the spending side, further consolidations particularly in goods and services, in line with the authorities' pronouncements to contain this line of spending is expected to continue in 2014 as part of the adjustment programme. With the International Monetary Fund's support of the home grown programme, some financial resources could be made available to Grenada from sources such as the IMF, World Bank, Caribbean Development Bank, and the European Union to aid in financing its 2014 budget.

In the external sector, the merchandise trade deficit is likely to increase, based on higher import payments, consistent with the rise in economic activity. Net inflows from travel are expected to remain subdued, in line with the expectation for tourism activity. The surplus on the capital and financial account is projected to increase slightly, with the possibility of increased inflows of capital grants and foreign direct investments during the course of the year.

As a small open highly vulnerable island economy there are a number of risks which could adversely impact the outlook. Delays in the implementation of the public sector investment programme as well as private investments could derail the largely construction dependent growth prospects. Additionally, adverse weather conditions in 2014 in the major source market for tourists could compromise the outlook for increased number of travellers to Grenada if bad winter conditions lead to mass flight cancellations. At home, bad weather conditions associated with wind storms or floods can further dampen economic activity, particularly in the agriculture sector. On the fiscal side, the success of the home grown programme is contingent upon the government not allowing any slippages to its announced measures, and the support of the IMF. Progress during the year on the debt restructuring and the performance of the citizenship by investment programme are particularly critical elements.

M O N T S E R R A T

Overview

Based on preliminary data, the value of goods and services produced in Montserrat in 2013 is estimated to have contracted by 0.1 per cent following growth of 2.0 per cent in 2012. This outturn was principally precipitated by a decline in the key sectors of public administration and construction. The consumer price index fell by 0.5 per cent on an end of period basis. The fiscal position of the central government deteriorated mainly due to larger outlays on capital expenditures. The total outstanding public debt as a ratio of GDP further declined. In the banking system, total monetary liabilities, net foreign assets and domestic credit declined while liquidity rose. The weighted average interest rate spread between loans and deposits widened. The overall surplus on the balance of payments grew on account of increased inflows of capital grants and total export earnings.

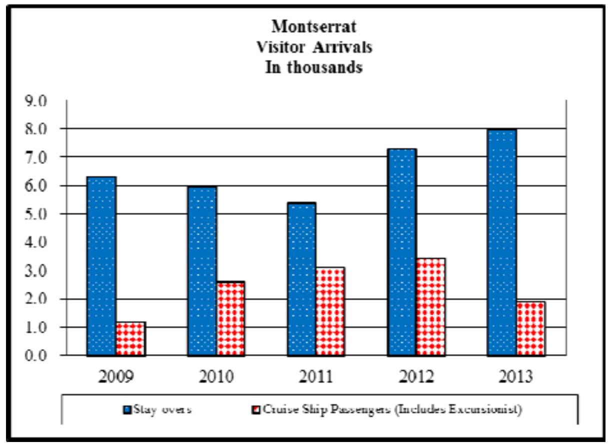
Positive growth is expected to resume in 2014 premised on a recovery in public administration and construction and higher valued added in financial intermediation, tourism and related services. Excluding the financing of any salary increase with domestically generated revenues and keeping budgetary aid support at the 2013/2014 level, a small budgetary surplus is projected for the upcoming 2014/2015 fiscal year. Downside risks include a fall in donor support, slow project implementation, weak external demand for tourism services and adverse weather.

Output

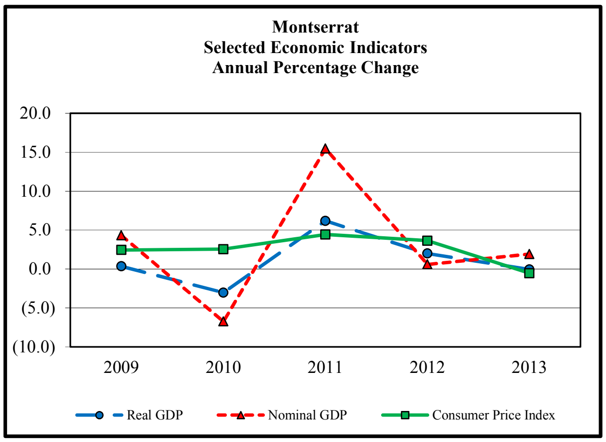
Real Gross Domestic Product (GDP) is estimated to have contracted by 0.1 per cent. At the sectoral level, value added in public administration, defence and compulsory social security, which constitutes 35.0 per cent of the total value of goods and services on average, dropped by 3.0 per cent following a rate of growth of 1.0 per cent in 2012. The value of output in the construction sector, a major contributor to spending in the economy, declined by 10.0 per cent due to a slowdown in public sector activity and further evidenced by a 40.5 per cent reduction in commercial bank credit to private operators in the sector. There were also declines in health and social work (1.5 per cent), education (0.8 per cent) and manufacturing (2.5 per cent). Together, these sectors account for 12.0 per cent of GDP.

The overall decline was moderated by growth in other major sectors. Value added in the real estate, renting and business activities sector, which accounts for 13.0 per cent of GDP on average, increased by 0.6 per cent. The growth was largely attributed to rental of machinery and equipment. Financial intermediation, which makes up 10.0 per cent of the economy, registered a growth rate of 1.4 per cent. Increased activity in sea transportation and auxiliary transport services led to an overall 3.5 per cent growth in the transport, storage and communications sector. Value added in the wholesale and retail trade is estimated to have increased by 10.0 per cent.

Value added in the agricultural sector increased by an estimated 16.8 per cent. The performance was solely based on crop production which increased by 27.3 per cent in volume. The value of livestock production declined by 10.0 per cent.



The tourism industry—proxied by hotels and restaurants— is estimated to have done better in 2013 than in 2012 on the basis of growth in the dominant stay-over category of visitors. Growth in the industry was estimated at 18.4 per cent, compared with 6.3 per cent in 2012. While total visitor arrivals is estimated to have declined by 7.7 per cent, stay-over visitors, which accounted for more than 70.0 per cent of all arrivals, increased by 9.1 cent to 7,974. There was growth in the number of visitors from the Caribbean (15.3 per cent), United Kingdom (4.6 per cent) and Canada (14.3 per cent). Stay-over visitors from the United States of America, another major source market, fell by 3.9 per cent. However, the other categories of visitors registered declines. The number of yacht passengers decreased by 4.5 per cent to 1,309 despite a 2.8 per cent increase in the number of yachts to 336. The other categories of visitors registered declines. Travelers who were on excursions numbered 1,544, a drop of 40.8 per cent and the number of cruise passengers declined by 56.7 per cent to 364.



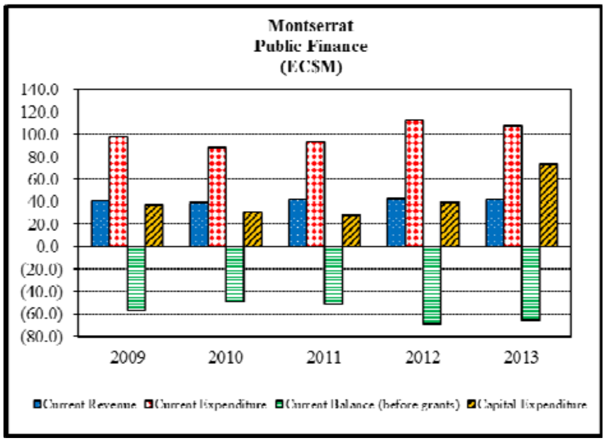
Prices

The consumer price index fell by 0.5 per cent in 2013. This is in marked contrast to an increase of 3.6 per cent in 2012. The fall in prices was reflective of downward movements in the gas, electricity and water (7.5 per cent), services (2.8 per cent) and food (0.3 per cent), and clothing (0.2 per cent) sub-indices. On the other hand, there were increases in the sub-indices of household goods (2.1 per cent), and alcohol and tobacco (1.8 per cent). Rental prices remained unchanged.

Central Government Operations

The fiscal accounts of the central government deteriorated in 2013 primarily on account of increased capital expenditures. The overall balance (after grants) recorded a wider deficit of $27.3m (15.4 per cent of GDP) compared with a deficit of $11.8m (6.7 per cent of GDP) in 2012. Likewise, the primary balance recorded a deficit of $27.3m (15.4 per cent of GDP), much higher than the $11.8m deficit (6.7 per cent of GDP) of 2012. The current account balance was also at a higher deficit position, $34.8m (19.6 per of GDP) compared with $14.5m (8.3 per cent of GDP) recorded in 2012.

Current expenditure decreased by 3.6 per cent to $107.7m. Personal emoluments declined by 1.3 per cent to $41.8m as some vacancies for which budgetary provisions were made remained unfilled. Spending on transfers and subsidies fell by 16.0 per cent to $39.7m, principally reflecting a reduction of 61.3 per cent ($18.3m) in pension payments. However, expenditures on goods and services increased by 18.5 per cent to $26.2m. Interest payments remained unchanged at $0.03m. Outlays on capital expenditure almost doubled to $73.5m compared with $39.6m in the previous year. More than 40.0 per cent of the capital expenditure was payment for geothermal exploration.



Current revenue declined by 1.8 per cent to $41.7m. This outturn reflected a fall in tax revenue, which totaled $35.7m compared with $37.2m in 2012. Taxes on income and profits fell by 3.7 per cent to $15.0m. International trade taxes decreased by 7.3 per cent to $16.0m as there was a 9.8 per cent fall in the yield from import duty. On the other hand, there were gains in the tax revenue collected on property ($0.2m) and domestic goods and services ($0.2m). Non-tax revenue increased by 13.5 per cent to $6.0m, which is attributable to increases in service fees.

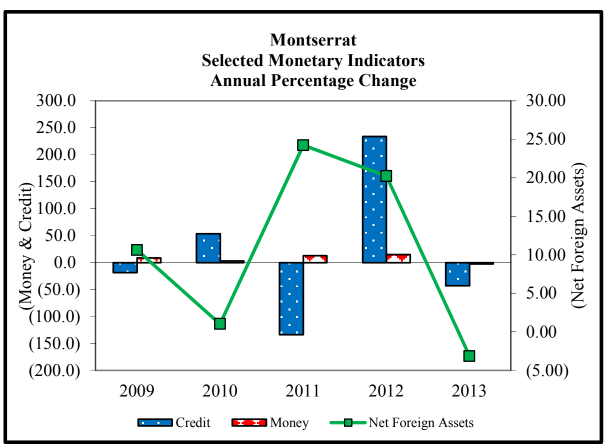
Total grant receipts increased for the third consecutive year. In 2013, grant aid was $112.2m or 15.6 per cent above the 2012 level. Capital grants made up more 72.2 per cent of that amount with current transfers accounting for the remaining 27.8 per cent. These inflows amounted to 62.0 per cent of total government expenditure. The financing requirement of $27.3m was funded by drawdowns on government deposits at commercial banks and a build-up of arrears.

Public Sector Debt

The stock of outstanding public sector debt declined to $6.8m (3.8 per cent of GDP) at the end of 2013 from $7.4m (4.2 per cent of GDP) at the end of 2012. Public corporations debt, which accounts for 76.5 per cent of the total debt, declined by 7.1 per cent to $5.2m. Central government debt fell by 11.1 per cent to $1.6m due to amortized payments.

Money and Credit

Monetary liabilities (M2) of the banking system declined by 2.5 per cent to $215.3m during 2013 compared to a growth rate of 14.7 per cent during 2012. The outturn reflected developments in quasi money which declined by 6.8 per cent to $161.7m, due to withdrawals from private sector savings deposits. The latter was reduced to $119.6m from $148.6m at the end of 2012. Foreign currency deposits also dropped by 6.2 per cent to total $8.4m. The fall was tempered by growth in time deposits held by the private sector, which stood at $33.7m, a 111.5 per cent increase above the $15.9m figure for 2012. Narrow money (M1), the other component of M2, increased by 13.2 per cent to $53.6m; in particular, private sector demand deposits grew by 62.9 per cent to $35.1m.



At the end of 2013, the banking system remained in a net deposit position but the position narrowed to $9.7m. Both government and non-financial public enterprises (NFPEs) drew down on their deposits. The government's net deposit position moved to $56.6m at end of the year under review from $64.3m at the end of 2012. The net deposit position of the NFPEs declined by $7.9m to $19.9m during the same period. Borrowing by households and firms declined by 11.0 per cent to $66.9m compared with an increase in credit of 9.9 per cent in 2012.

In terms of the distribution of credit, personal loans, which comprised 82.0 per cent of total credit outstanding, fell by 5.0 per cent to $60.1m. Within this category, there were declines in lending for home construction and renovation (13.0 per cent), other personal transactions (55.7 per cent) and durable consumer goods (13.9 per cent). However, there was a more than doubling of credit for house and land purchase. Other sectors recording declines were construction (40.5 per cent), tourism (2.6 per cent), and distributive trades (0.3 per cent). There were increases in lending to manufacturing, mining and quarry (51.2 per cent) and other service sectors (67.1 per cent).

The net foreign asset position (NFA) of the banking system declined by 3.2 per cent to $270.1m. The NFA of commercial banks was reduced by 16.4 per cent to $160.7m primarily on account of a drawdown on their assets held within the currency union. Montserrat's imputed share of the reserves held with the central bank increased by 26.3 per cent to $109.4m.

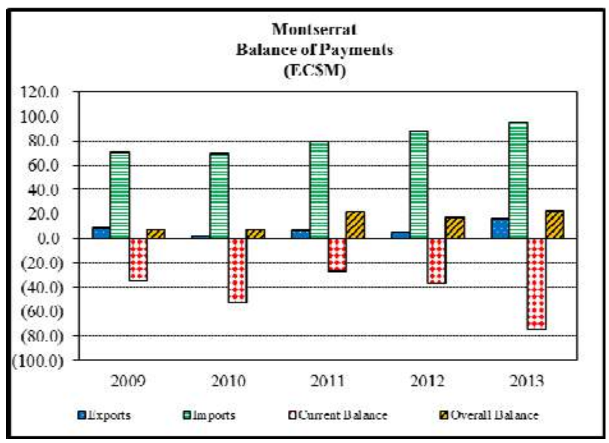
Liquidity in the commercial banking system increased during 2013. The ratio of liquid assets to total deposits and liquid liabilities increased to 87.0 per cent from 85.0 per cent at the end of 2012. The ratio of loans and advances to total deposit was 23.8 per cent at the end of 2013 compared to 24.1 per cent at the end of December 2012.

The interest rate spread between loans and deposits widened to 6.19 per cent in 2013 from 5.78 per cent at the end of 2012. The weighted average lending rate increased to 8.02 per cent from 7.98 per cent while the weighted average deposit rate declined to 1.83 per cent from 2.19 per cent.

Balance of Payments

The overall surplus on the balance of payments widened to $22.8m (12.8 per cent of GDP) in the year under review from $17.2m (9.8 per cent of GDP) in 2012 due to improvements in the merchandise trade balance and the capital and financial account.

The size of the deficit on the current account is estimated to have more than doubled, moving to $74.1m (41.7 per cent of GDP) compared to $36.7m (20.9 per cent of GDP) in the previous year. This deterioration is related to a 53.7 per cent reduction in the inflows of current grant transfers to the Government of Montserrat. As a result, the net positive balance on the current transfer sub-account decreased to $25.9m from $68.0m in the preceding year.



The merchandise trade deficit narrowed in 2013. It is estimated to have decreased by 5.0 per cent to $78.8m (44.4 per cent of GDP) on account of growth in total exports.

Export earnings increased to $16.1m from $4.9m. Re-exports increased eight-fold to $10.1m, again largely on account of the machinery and transport equipment brought in for government projects. Domestic exports grew by 66.1 per cent to $6.0m. Total imports increased to $94.9m from $87.8m in 2012. The increase was largely driven by higher importation of machinery and transport equipment associated with government capital projects, particularly geothermal energy exploration.

On the services sub-account, the deficit narrowed by 2.6 per cent to $12.9m as gross travel receipts increased by 8.0 per cent to $20.5m in line with the growth in stay-over visitors.

The net surplus on the capital and financial account increased to $96.9m (54.5 per cent of GDP) when compared with $53.9m (30.7 per cent of GDP) realized in the last year. This was the result of an increase of 50.8 per cent ($27.3m) in receipts of capital grants.

Prospects

The economy of Montserrat is projected to grow in 2014. This is premised on recovery in the sectors of public administration, defence and compulsory social security, construction, health and social work, and education and further growth in financial intermediation, tourism and related services.

Public sector construction will be led by significant expenditures on a new diesel 1.3MW power plant and the redevelopment of the hospital. Other major construction projects include offices for the Ministry of Agriculture, installation of an undersea fibre optic link, a sports centre, and completion of the Lookout school.

The growth trend in stay-over visitors observed in the last quarter of 2012 and in 2013 is expected to continue in 2014 with the introduction of a larger and faster ferry service and the launching of promotional activities targeting the St Kitts and Nevis market. Public sector investments in tourism development will be channeled through the implementation of the new Tourism Development Plan.

The prospects for the agricultural sector look promising with the establishment of two large commercial farms and the construction of an Abattoir, which is expected to be completed in 2014.

Exports of volcanic sand and aggregates, the major commodity export, are expected to increase with construction projects coming on stream in main markets in 2014. On the fiscal front, a small budgetary surplus is projected. Revenue collected by the Montserrat Customs and Revenue Authority is forecasted to be 2.5 per cent higher in the new fiscal year than the intake of 2013/2014. Recurrent expenditures are not expected to grow beyond 2013/2014 levels. A proposal for a salary increase has been submitted by the union representing civil servants but there has been no formal decision on the matter thus far. Budgetary support from the United Kingdom for FY 2014/2015 is expected to be at the level of FY2013/2014, which was 23 per cent higher than the amount originally committed and budgeted. Final budgetary outcomes will depend on whether there are new expenditure commitments from Montserrat's development partners, including a commitment to fund a salary increase.

Downsides risk to the outlook include lack of predictability or an unexpected fall in donor support, weak external demand for tourism services, slow project implementation due to capacity constraints, adverse weather and significant seismic activity.

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

Overview

Preliminary data suggest that economic activity in St Kitts and Nevis rose in 2013 following a contraction in 2012. Real GDP is estimated to have risen by 2.0 per cent in 2013 in contrast to a decline of 0.9 per cent in the previous year. This turnaround resulted largely from a positive value added contribution of the construction sector, which reversed a four year decline and continued positive growth in the tourism industry, as well as, the wholesale and retail trade sectors. Consumer prices increased by 0.4 per cent, on an end of period basis. The fiscal operations of the Federal Government, resulted in an overall surplus, as recurrent expenditures fell while revenues rose. The total outstanding public sector debt of the Federal Government declined during the period under review. In the banking system, monetary liabilities and net foreign assets increased, while domestic credit fell. Commercial bank liquidity rose and the weighted average interest rate spread between loans and deposits widened. In the external sector, a larger overall surplus was recorded on account of a narrowing of the current account deficit.

The positive growth developments of 2013 are expected to continue into 2014. This assumption is predicated on continued growth in the value added contribution of the construction sector coupled with a recovery in manufacturing activity. Underpinning both of these developments is continued positive growth in the tourism industry and its inherent positive spill-over effects on other sectors such as wholesale and retail. Construction activity will be driven by expansions in both public and private sector spending, while growth in the tourism industry is contingent on the introduction of new room stock and continued performance of stay-over arrivals from the United States of America, as economic conditions in that market strengthen. Manufacturing is expected to be supported by new capital investments and expansion of two manufacturers of electrical components.

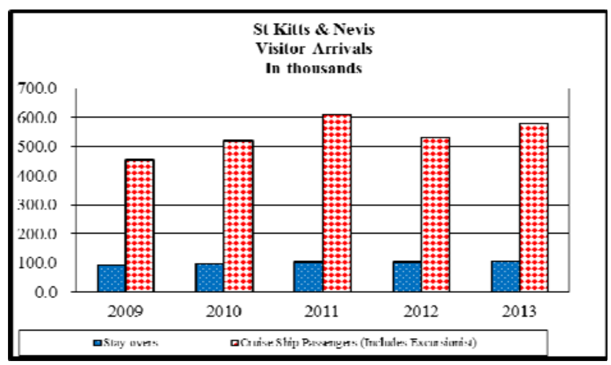
The fiscal operations of the Federal Government are anticipated to improve due to expectations of growth in receipts associated with the citizenship by investment program and reforms geared towards improving the tax administration system. These revenue gains are expected to outpace increases in current expenditure. Inflationary pressures are anticipated to be minimal on account of recent trends and the absence of either internal or external mitigating circumstances.

Risks to this outlook stem from weaker than expected growth in the US economy and negative shocks to inflows associated with the citizenship by investment program.

Output

Value added in the construction sector, is estimated to have risen by 8.0 per cent in 2013 in contrast to a 10.3 per cent contraction in 2012. The turnaround in the sector can be attributed to increases in both public and private sector capital outlays. Supporting this assessment was a 21.0 per cent increase in the importation of construction related materials, a proxy for developments in the sector and a 6.6 per cent increase in lending for construction purposes. In the public sector, capital outlays rose by 28.1 per cent over the review period with activity focused mainly on road rehabilitation works in both St Kitts and in Nevis. In the private sector, activity was driven by works on several tourism related projects namely, the Kittitian Hill and the Imperial Bay projects in St Kitts and the Four Seasons Resort Estates and Hamilton Beach Villas and Spa in Nevis. At Kittitian Hill, the completion work on 84 cottages intensified while 24 condominium units have been completed at the Imperial Bay site. Other notable private sector projects included the Koi Resort facility where clearing and piling works were undertaken.

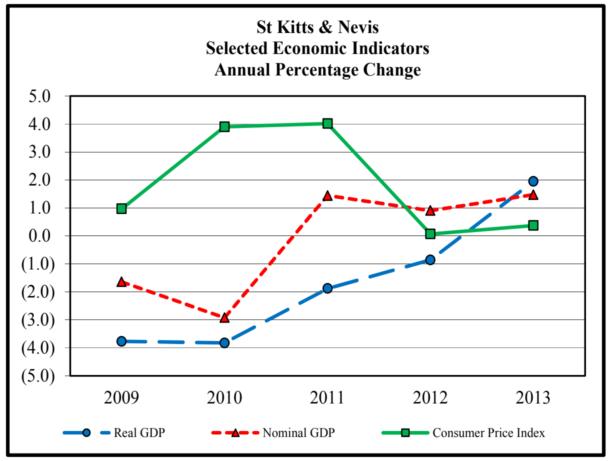
Value added in the hotels and restaurant sector, a proxy measure of tourism activity, is estimated to have accelerated to 3.9 per cent compared with growth of 2.4 per cent in the previous year. Stay-over visitor arrivals is estimated to have increased by 2.6 per cent in 2013 slightly higher than the 2.5 per cent increase observed in 2012. The increase in the number of stay-over visitors was attributed to positive growth from the major source markets of the United States of America (2.3 per cent), United Kingdom (5.9 per cent) and the Caribbean (2.0 per cent). These improved performances reflect strengthening economic conditions in these markets, the addition of airlift by American Airlines from the USA, and the introduction of daily flights by Seaborne Airlines with connections to and from Puerto Rico. Further supporting evidence of growth in the sector is a 9.4 per cent increase in the number of cruise ship passengers to 575,534, reversing a 13.1 per cent (79,102) decline in 2012. The number of excursionist rose by 18.6 per cent to 3,831.



The value added contribution of the agriculture, livestock and forestry sector rose by 16.4 per cent, on account of improved crop and livestock production. Total crop production increased by 15.3 per cent due to higher production of watermelons, tomatoes and pumpkins. This improvement is consistent with investments during the review period aimed at providing farmers with critical inputs such as access to water under the Agricultural Resource Management Project, which included the construction of several one million gallon dams and shade houses. Output improvements were also recorded in the production of livestock, as efforts by the authorities to import new livestock species to improve the current genetic pool on the island have borne fruit. Subsequently there was increased output of goat, mutton and pork meat recorded in 2013. Value added in the fishing sector rose by 5.0 per cent following a 16.1 per cent in 2012.

Supporting estimates of positive economic growth in the Federation were continued positive value added contributions of the wholesale and retail sector, on account of higher imports of consumer goods and real estate, renting and business activities consistent with strong demand for the real estate option of the citizenship by investment program.

The increases in the aforementioned sectors were tempered by declines in the manufacturing and transport, storage and communications sectors. Activity in the manufacturing sector is estimated to have fallen by 7.9 per cent in contrast to an increase of 10.2 per cent in 2012. This development is primarily associated with a fall in production of beverages at a major bottling plant on account of said plant losing its license to produce Coca Cola branded products as of the first quarter. The transport, storage and communications sector performance was due to a fall in activity in the communications sector as all other sub-components of the sector saw improved activity, consistent with the growth in tourist arrivals and general economic activity.



Prices, Wages and Employment

Inflation pressures increased marginally during 2013 as the consumer price index (CPI) rose by 0.4 per cent compared with an increase of 0.1 per cent in 2012. The largest contributing factors to this movement were the increases in the food and non-alcoholic beverages (4.9 per cent) and transport (3.1 per cent) sub-indices. Higher prices of cereals and meats contributed to the movement in the food and non-alcoholic beverages sub index while increased prices of international flights led to the outturn of the transport sub-index. However, despite an overall rise in the price level most other sub-indices fell and consequently tempered the CPI's movement. The major sub-indices which mitigated the rise in inflation pressures were: education (16.0 per cent) and the clothing and footwear (5.5 per cent) sub-categories.

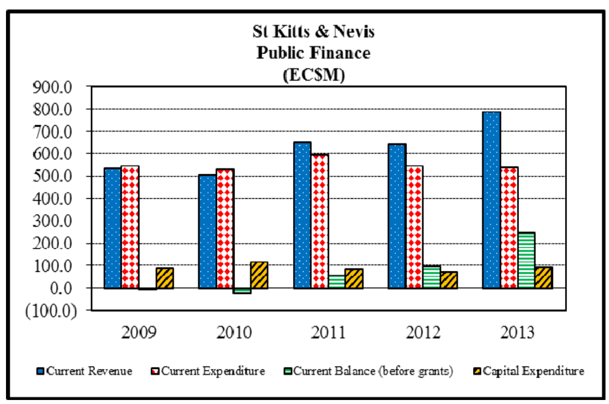
While official data on wages and unemployment levels are unavailable for the review period, the public sector fiscal consolidation efforts, which included wage, increment and hiring freezes is expected to have contributed to a marginal decline in public sector workers.

Federal Government Fiscal Operations

The fiscal operations of the central government resulted in an improved performance relative to the outturn in 2012. This development is consistent with a number of policy initiatives aimed at achieving fiscal consolidation, under a "home grown" IMF Stand By Arrangement (SBA) entered into July 2011. The fiscal operations of the Federal Government resulted in an overall surplus of $291.1m in 2013, compared with a surplus of $222.3m in 2012. This improvement in the overall balance was influenced by positive developments on the current account. A higher current account surplus of $249.6m was recorded in 2013 compared with $98.2m in 2012. A primary surplus of $373.1m was recorded (18.6 per cent of GDP), compared with $338.9m (17.1 per cent of GDP) in 2012.

Current revenue rose by 22.2 per cent to $787.7m in 2013 in contrast to a decline of 0.8 per cent in 2012. Collections in all revenue sub-components increased, with non-tax revenue receipts expanding by 46.2 per cent ($113.6m) and tax revenues rising by 7.4 per cent ($29.6m). Tax revenue performance was influenced mainly by higher collections of taxes on domestic goods and services of 7.2 per cent, ($14.7m), followed by increased receipts on international trade and transactions of 8.7 per cent ($8.6m). Taxes collected on income and profits rose by 4.9 per cent, following consecutive declines since 2008, VAT collections rose by 4.2 per cent to $150.2m in 2013 compared with $144.2m in 2012.

Current expenditure fell by 1.5 per cent to $538.2m in 2013 following a decline of 8.2 per cent in 2012. This development was driven by lower interest payments of $34.7m (29.8 per cent), all other expenditure categories increased. Personal emoluments, the largest expenditure item rose by 7.0 per cent to $237.8m and outlays on goods and services and transfers and subsidies increased by 5.0 and 5.6 per cent respectively. On the capital account, expenditure rose by 28.1 per cent to $92.5m in 2013 relative to the outturn in 2012.



On a disaggregated basis the fiscal operations of the central government (St Kitts) improved, as evidenced by a larger overall surplus position of

$283.7m in 2013, compared with one of $227.5m in 2012. This improvement was driven by developments on the current account. The current account surplus rose to $240.8m in 2013, compared with a surplus of $97.4m in 2012, due to a combination of higher revenues and slightly lower expenditures. Current revenues rose by 26.0 per cent ($137.5m) to $666.1m as all revenue subcomponents recorded increased collections. Non-tax revenues collections rose by 50.3 per cent to $326.1m, and can largely be attributed to developments under the citizenship by investment program on account of strong demand. Tax revenues rose by 9.1 per cent to $340.1m in 2013 on account of increased collections of income and profits (8.6 per cent), domestic goods and services (10.1 per cent) and taxes on international trade (6.6 per cent). The increased collection of revenue on income and profits is consistent with higher levels of economic activity, while the improvements in receipts on international trade are in keeping with positive import growth. VAT collections totalled $115.1m, about 1.9 per cent higher than the amount collected in 2012.

Current expenditures declined by 1.4 per cent to $425.3m due primarily to lower interest payments, given that all other expenditure sub-components rose. This decline in interest payments (32.1 per cent) was consistent with the debt restructuring efforts which lengthened maturities, reduced principal and lowered interest terms on debt instruments with a nominal value of approximately $1.0 billion. However, growth in outlays on personal emoluments (6.9 per cent), goods and services (7.9 per cent) and transfers and subsidies (8.8 per cent) tempered the fall in current expenditure. The increase in outlays on personal emoluments, the largest expenditure item, reflected the payment of an additional month salaries and wages in September 2013. Capital expenditure rose by 52.0 per cent to $82.6m driven by outlays on road rehabilitation and efforts to complete day care and police centres.

The fiscal operations of the Nevis Island Administration (NIA) continued to improve in 2013, culminating in an overall surplus of $7.5m following progressively smaller overall deficits over the past four years. The 2013 overall surplus was a result of developments on the current account and lower capital outlays. The current account balance improved to a surplus of $8.8m, from one of $0.8m in 2012, on account of a mutually reinforcing combination of revenue growth and lower expenditure outlays. Current expenditures fell by 2.1 per cent, attributed to lower spending on goods and services (5.8 per cent) and on interest payments (18.4 per cent). Current revenues rose by 4.8 per cent to $121.6m, in contrast to a 3.0 per cent decline in 2012. Contributing to this improved revenue performance were higher collections of taxes on property (2.9 per cent), international trade (17.5 per cent) and non-tax revenues (15.7 per cent). VAT collections totalled $35.2m, 12.3 per cent higher than the amount collected in 2012. Capital expenditure fell by 45.7 per cent ($8.1m), with spending concentrated on renovation work to sporting facilities and a water enhancement project.

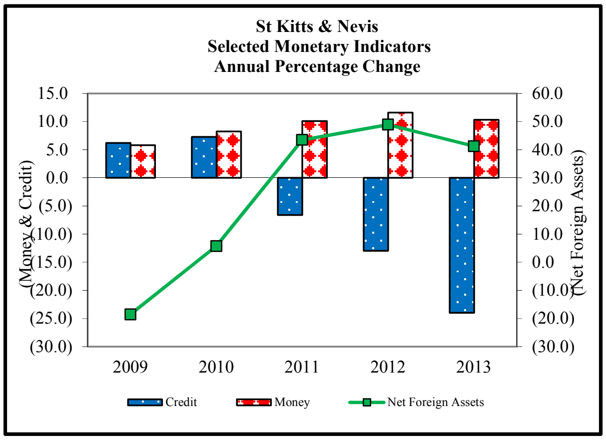
Public Sector Debt

The total disbursed outstanding debt of the public sector fell by 23.7 per cent to $2,032.9m in 2013 representing a debt to GDP ratio of 101.3 per cent compared with a ratio of 134.9 per cent in 2012. The outstanding debt of the central government, which accounted for 77.0 per cent of public sector debt, fell by 26.2 per cent to $1,564.9m, while that of public sector corporations fell by 14.3 per cent to $468.0m. Domestic debt, which accounted for 60.4 per cent of public sector debt, fell by 33.7 per cent to $1,228.1m and external debt, by 1.0 per cent to $804.8m. The decrease in the overall debt position of the Federal Government is largely a result of successive rounds of debt restructuring being formally completed. This non-accumulation and subsequent decline is also a requirement of the IMF SBA program. The completion of restructuring with the Nevis Island Administration and other domestic entities is expected to reduce the debt level further in 2014.

Money and Credit

The pace of expansion of monetary liabilities (M2) slowed marginally in 2013, growing at 10.3 per cent to $2,588.5m, compared with growth of 11.6 per cent in 2012. This expansion in M2 was driven by continued growth in quasi money 14.5 per cent but was tempered by lower levels of narrow money (M1) which fell by 3.7 per cent. In the expansion of quasi money, growth was particularly robust in the private sector foreign currency deposit sub-component which rose by 27.3 per cent ($135.7m) consistent with the performance of the citizenship by investment program and several foreign direct investment projects, both of which result in an influx of foreign currency into the Federation. The other components of quasi money, private sector savings and time deposits, grew by 9.9 and 9.3 per cent respectively. M1 contracted as a result of lower private sector demand deposits 10.5 per cent ($43.9m) which was tempered by a 23.7 per cent increase in currency in circulation.

Domestic credit declined by 24.0 per cent in 2013 to $1,133.0m, compared with a decline of 13.0 per cent in 2012. That decline was influenced primarily by a reversal of the Federal government's standing with the banking system to a net deposit position on account of the combined effects of a 61.4 per cent ($564.8m) fall in credit extended and a 59.4 per cent ($204.4m) increase in its deposits in the banking system. This increase in deposits is consistent with an improved fiscal position of the Federal government while the fall in credit extended reflects the transfer of loans and advances ($565.6m) of the Federal government to a special purpose vehicle as part of a debt for land swap initiative. A 79.8 per cent drop in credit to the central government on account of the aforementioned debt for land swap and a 60.8 per cent increase in its deposits led to the central government having a net deposit position with the banking system. The net credit position of local government increased by (4.6 per cent) on account of growth in loans (3.8 per cent) and lower deposits (25.7 per cent).



Private sector credit increased by 39.3 per cent ($552.8m) to $1,961.4m in 2013 compared to marginal growth of 0.2 per cent in 2012. This development was driven by growth in investments of subsidiaries and affiliated credit entities ($565.6m) on account of the reclassification of loans and advances under the debt for land swap transaction. Loan and advances were reclassified as investments of subsidiary and affiliated credit entities as the special purpose vehicle which absorbed the debt in exchange for land was owned by a subsidiary of a domestic commercial bank. All other categories of private sector credit registered declines namely household credit (0.6 per cent), business credit (1.2 per cent) and non-bank financial institution credit (4.7 per cent).

An analysis of the distribution of credit by economic activity showed a broad based decline in credit extension, as only credit to the construction sector recorded an increase. This decline in credit was driven mainly by lower lending for public administration 74.5 per cent ($564.6m), tourism 10.0 per cent ($8.9m) and distributive trades 6.6 per cent ($8.0m). The overall decline in credit was tempered by positive growth in lending to the construction sector 6.6 per cent ($18.0m) which is consistent with growth in the sector and on-going works on several public and private sector projects.

The pace of expansion in net foreign assets of the banking system slowed in 2013, growing at 41.3 per cent ($568.3m) to $1,945.8m, compared with growth of 48.9 per cent in 2012. This increase was due to movement in commercial banks net foreign asset position which rose by $433.2m to $1,100.2m in driven by a 90.0 per cent ($28.0m) increase in net assets with other ECCB territories. This development was also supported by a 15.8 per cent ($107.1m) increased in the imputed reserves of St Kitts and Nevis to $786.5m.

Liquidity in the commercial banking system expanded in 2012. The ratio of liquid assets to total deposits rose by 3.3 percentage points to 73.8 per cent, while the ratio of liquid assets to total deposits plus liquid liabilities also increased, rising by 3.6 percentage points to 62.3 per cent. Further supporting evidence included the decline in the ratio of loans and advances to total deposits by 22.9 percentage points to 43.1 per cent.

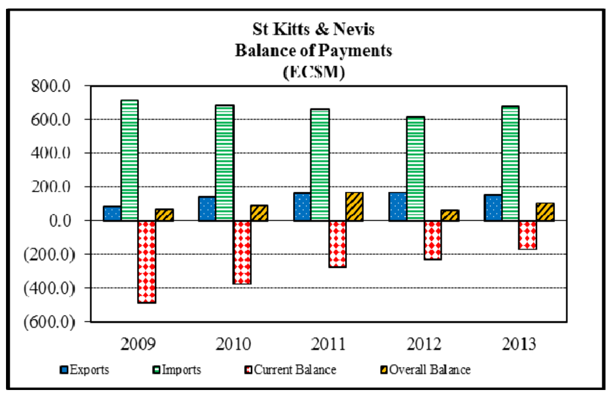
The weighted average interest rate spread between loans and deposits widened by 0.84 percentage points to 5.8 per cent in 2013 from 4.96 per cent in 2012. This outturn was the result of the weighted average interest rate on loans rising by 0.44 percentage points to 8.81 per cent, while those on deposits fell by 0.39 percentage points to 3.01 per cent.

Balance of Payments

The overall surplus position on the balance of payments is estimated to have widen to $107.1m (5.3 per cent of GDP) in 2013 compared with $65.4m in 2012 (3.3 per cent of GDP) influenced largely by developments on the current account.

The current account deficit narrowed to $169.3m (8.4 per cent of GDP) from one of $228.8m (11.6 per cent of GDP) in 2012. This development can be attributed primarily to the 66.3 per cent ($91.4m) increase in net inflows associated with government services to $229.3m (11.4 per cent) which in turn reflected strong performances of the citizenship by investment program whereby fees collected under the initiative form part of government services. The merchandise trade deficit widened to $524.8m (26.2 per cent of GDP) on account of larger import payments. The surplus on the services account increased by 47.2 per cent to $297.1m in 2013, due to increased inflows from government services, namely under the citizenship by investment and travel services.

The surplus on the capital and financial account declined by 6.1 per cent to $276.4m in 2013, largely as a result of the 64.5 per cent fall in general government capital transactions which were abnormally high in 2012 due to the receipt of debt forgiveness by external creditors in that year. Supporting this decline were the activities of commercial banks whose external asset position with both external and ECCU territories rose (14.6 per cent) contributing to an outflow of $461.2m. Abstracting from these developments net foreign direct investment inflows rose 19.9 per cent to $299.1m.



Prospects

Global economic growth is expected to strengthen in 2014, particularly in the major trading partners of the Federation, such as the USA. This favourable global assessment in addition to expectations of acceleration in construction activity on several FDI projects, increased tourist arrivals and a resurgence of activity in the manufacturing sector are anticipated to lead to continued expansion in economic activity in 2014 relative to 2013. Value added from construction activity is expected to increase due to public and private sector developments. In the public sector, work on rehabilitating the road infrastructure along the southern corridor of the island, the construction of a Multipurpose Training Centre for Security Forces under the European Union Safety and Security Improvement Program, and the construction of a new pier at Port Zante bode well for growth. In the private sector, intensification of work to complete 120 rooms of the Kittitian Hill Resort ahead of the planned opening to guest in the third quarter of 2014 and acceleration in works on new tourism based projects such as the Koi Resort at Half Moon Bay given the completion of preparatory works on the site support sentiments of growth in the construction sector.

In the tourism industry there are expectations of increases in both the number of cruise and stay-over visitors. With regard to the cruise sub sector, booked cruise ship calls for the 2013/2014 season when compared to the 2012/2013 season suggest higher levels of cruise arrivals while the introduction of two new flights by American Airlines and Seaborne Airways to the Federation bode well for stay-over arrivals. In the manufacturing sector, an expansion of the operations of manufacturers such as Electrofab and Harowe Servo following capital injections, should result in increased production of electrical components in 2014. This development is expected to be supported by the eventual ratification of the Partial Scope Agreement with Brazil which will lower tariff rates on St Kitts products into that market and thereby increased production and trade. Supporting these developments are expectations of continued increases in agricultural output given the commissioning of the agricultural pack house which provides refrigeration capabilities to farmers and planned renovation of the abattoir.

The fiscal operations of the Federal Government are expected to improve in 2014 relative to the performance of 2013. The pace of expansion however in the overall surplus is expected to slow due to expectations of increased capital outlays and higher personal emoluments due to the resumption of increments and a 4.0 per cent increase in salaries and wages effective January 2014. Notwithstanding these developments revenue is expected to increase in line with economic activity and inflows associated with the citizenship by investment program. On a disaggregated basis, the fiscal operations of the central government should lead to an improved overall balance position given expectations of continued growth in inflows associated with the citizenship by investment program and the receipt of grants funds associated with the Accompanying Measures for Sugar Protocol (AMSP). The fiscal operations of the Nevis Island Administration are expected to result in an overall surplus in 2014, on account of expenditure restraint and revenue growth consistent with economic expansion.

On the external accounts, the current account deficit is projected to narrow, based on expectations of increased receipts of government fees under the citizenship by investment program. This development however will be partially mitigated by a larger merchandise trade deficit, reflecting more importation, in line with positive economic growth forecast. A larger surplus on the capital and financial accounts is expected as funds associated with FDI projects increase in line with the implementation rates of said projects. The expectation of increased stay over arrivals should lead to higher levels of gross travel receipts.

Downside risks to these projections are based on a combination of global and domestic factors. Construction activity may be delayed should adverse weather conditions or shortages of raw materials particularly cement stall planned works. Expected increases in tourism activity are predicated on continued strengthening of the US economy, should this falter then arrivals from this market may be less than expected. The fiscal operations of the Federal Government are also susceptible to reduction in inflows of the citizenship by investment should there be any changes in the demand for the product offerings.

S A I N T L U C I A

Overview

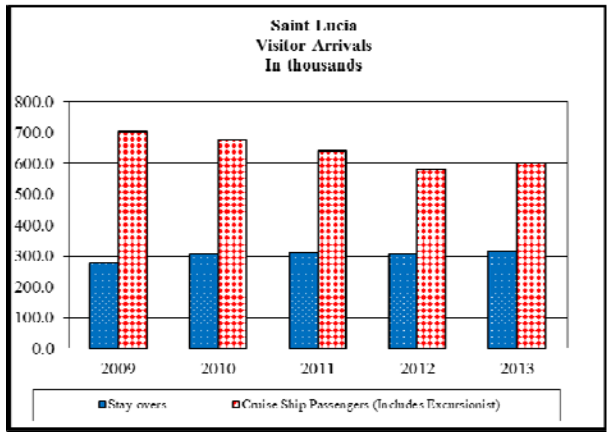
Based on provisional data, economic activity in Saint Lucia declined in 2013, following a contraction in the previous year. Real GDP is estimated to have fallen by 1.6 per cent, compared with a decrease of 0.8 per cent recorded in 2012. The fall in real output was broadly associated with declines in a number of the major economic sectors. Consumer prices fell by 0.7 per cent, on an end of period basis. The deficit on the fiscal operations of the central government remained virtually unchanged, in spite of an increase in current revenue. The total disbursed outstanding debt of the public sector rose during 2013, reflecting an increase in central government's borrowings. In the banking system, developments were marked by growth in monetary liabilities and credit extended. Commercial banks' liquidity remained tight, while the spread between their weighted average lending and deposit interest rates widened. The balance of payments accounts recorded an overall deficit in contrast to a surplus in the previous year.

Prospects for the economy of Saint Lucia in 2014 are positive, as real GDP growth is projected to expand marginally, notwithstanding the challenging socio-economic environment. The anticipated increase in economic activity is partly based on expected improved performances in the construction and distributive trade sectors, supported by the tourism industry. Construction activity will be buoyed by a number of projects in both the public and private sector, including rehabilitation works following the trough in December 2013 and further development of tourism plants. Growth is also expected to be supported by a projected increase in the number of stay-over visitors to the island in 2014. A smaller overall deficit is projected on the fiscal accounts, based on deliberate policies to cut expenditure. Inflationary pressures are likely to remain relatively subdued, guarded by any increase in food, fuel or other commodity prices. Downside risks include the pace of the global economic recovery, particularly in the USA, the Black Sigatoka disease and adverse weather.

Output

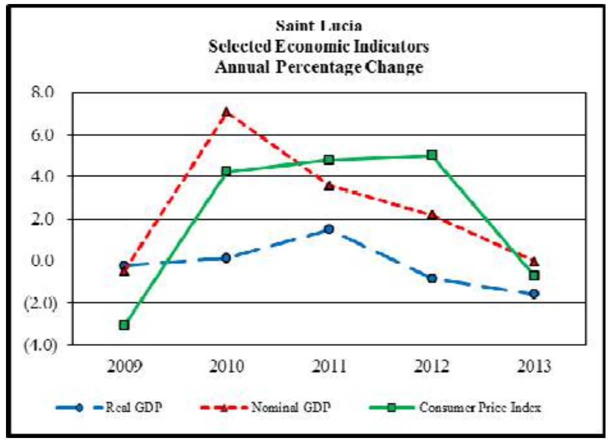
Value added in the construction sector is estimated to have declined by 8.0 per cent compared with a fall of 5.0 per cent in the prior year. The sector's share of GDP fell marginally to 8.6 per cent from 9.2 per cent in 2012. The contraction in construction activity was partially attributed to a decline in investments in both the public and private sectors, partly influenced by lower foreign direct inflows, associated with developments in the global economy. Activity in the private sector centred mainly on the construction of a superstore and a building for a financial institution, supported by work on residential properties. In the public sector, work progressed on the Ministry of Finance building, the St Jude Hospital and on hurricane Tomas reconstruction, while things wound up on the new national hospital. The overall decrease in construction activity was partly evidenced by a fall in imports of construction related materials.

Value added in manufacturing is estimated to have contracted by 6.5 per cent in 2013, in contrast to a relatively flat performance in 2012. As a share of GDP, the sector's contribution fell to 5.0 per cent from 5.3 per cent, one year ago. The contraction in the sector's output was attributable to an estimated reduction in production, associated with weakened demand both domestically and in the main export markets. This assessment was evidenced by a 12.6 per cent fall in domestic exports, primarily attributable to declines of 22.3 per cent in the export of manufactured goods and 37.9 per cent in manufactured articles.



Value added in the hotels and restaurants sector, a proxy measure of activity in the tourism industry, is estimated to have increased by 3.4 per cent in 2013, compared with an expansion of 2.6 per cent in the previous year. The sector's contribution to GDP grew marginally to 10.6 per cent from 10.1 per cent in 2012. Partly indicative of this performance was a turnaround in activity in the restaurants sub-sector, which increased by 3.0 per cent in the period under review in contrast to a contraction of 1.7 per cent a year ago. The performance in 2013 also reflected growth in the total number of visitors, which increased by 3.2 per cent to 960,617, largely influenced by an improvement in the stay-over sub-category. Stay-over arrivals increased by 3.9 per cent to 318,626, mirroring growth in arrivals from two major source markets. Stay-over arrivals from the USA, the largest market, were estimated to have risen by 11.5 per cent, on account of increased airlift out of that market. The number of visitors from the Caribbean, the third largest market grew by 7.9 per cent.

Those increases more than offset declines in arrivals from Europe and Canada. Arrivals from the European market, the second largest, fell by 5.2 per cent, in contrast to growth of 1.8 per cent last year. The underperformance in that market was primarily driven by a decline of 6.4 per cent in arrivals from the UK, as the pace of growth in household consumption in that market slowed. Stay-over arrivals from the Canadian market fell by 4.6 per cent following three consecutive years of growth. Of the other categories of visitors, the number of cruise passengers increased by 3.9 per cent, to 594,118, in contrast to a contraction of 9.3 per cent in 2012. This outturn was partially attributed to a 2.4 per cent increase in the number of cruise ship calls to the island. The number of excursionist fell by 20.5 per cent to 8,227, while yacht passenger arrivals decreased by 6.0 per cent to 39,646.



In the agricultural sector, output is estimated to have increased marginally, following a rebound in activity in 2012. Value added in agriculture increased by 0.4 per cent, compared with growth of 11.3 per cent in the prior year. The sector's contribution to GDP increased to 2.4 per cent in 2013 from 2.3 per cent one year ago. The outturn in 2013 was primarily associated with a 9.0 per cent increase in livestock production, supported by investment initiatives to attract more young persons to that sub-sector. Banana production fell by an estimated 1.6 per cent to 11,930 tonnes, in contrast to growth of 84.9 per cent recorded in 2012, when the industry recovered from the impact of hurricane Tomas and the Black Sigatoka disease.

Prices, Wages and Employment

Consumer prices in Saint Lucia are estimated to have fallen by 0.7 per cent during 2013, on an end of period basis, compared with an inflation rate of 5.0 per cent during 2012. The fall in prices was largely influenced by declines in the sub-indices of food and non-alcoholic beverages (3.0 per cent), housing, utilities, gas and fuels (0.9 per cent), health (0.8 per cent), clothing and footwear (7.4 per cent) and recreation and culture (19.6 per cent). Those declines more than offset increases in the sub-indices for transport (0.6 per cent), communication (3.7 per cent), education (2.2 per cent), household furnishings, supplies and maintenance (7.2 per cent) and hotels and restaurants (3.4 per cent).

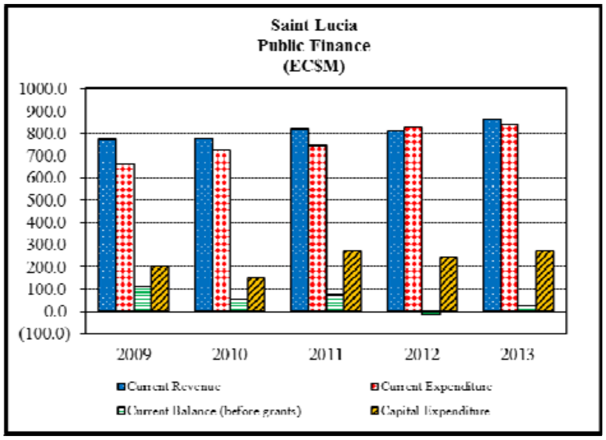
The rate of unemployment was estimated at 24.9 per cent, from 21.4 per cent at the end of December 2012. The number of public sector employees increased in 2013, as government employed additional staff in a few areas including police, civil servants, teachers and nurses. Public servants received a 4.0 per cent salary increase in 2013 for the 2010 to 2013 triennium; but wage negotiations for the 2013 to 16 triennium have not yet begun.

Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall deficit of \$228.7m (6.4 per cent of GDP), virtually at the same level with one of \$228.9m (6.4 per cent of GDP) recorded in 2012. The deficit, which ended up below the budgeted target, was mainly attributed to increased outlays on both the current and capital sides, despite an improvement on the current account. A primary deficit of \$93.9m (2.6 per cent of GDP) was realised, compared with one of \$105.7m (3.0 per cent of GDP) in 2012. As a per cent of GDP, the primary deficit was 0.9 percentage point lower than the authorities' target.

Capital expenditure increased by 10.9 per cent to \$268.4m (7.5 per cent of GDP), in contrast to a decline of 9.8 per cent in the previous year. This outturn was attributed to post hurricane Tomas reconstruction and the rehabilitation of major infrastructure. The New National Hospital was completed and work progressed on the St Jude Hospital and the Ministry of Finance building. Also, work continued on a number of roads, culverts and bridges. Capital expenditure was financed in part through grant inflows, which declined by

24.9 per cent to $17.3m (0.5 per cent of GDP) from $23.1m (0.6 per cent of GDP) in 2012.



The current account reverted to its position of excess, recording a surplus of $22.1m, in contrast to a deficit of $15.5m at the end of 2012. This outturn stemmed from growth in current revenue, which more than offset a rise in current expenditure. Current revenue grew by 6.5 per cent to $863.0m (25.2 per cent of GDP) in contrast to a contraction of 0.8 per cent at the end of last year. Growth in current revenue was largely influenced by an increase in tax collections, which was partly offset by lower collections from non-tax revenue. Tax revenue grew by 9.9 per cent mainly reflecting increases in taxes on domestic goods and services and to a lesser extent taxes on property. Receipts from taxes on domestic goods and services almost doubled, reflecting more than fourfold growth in revenue from the VAT, which was introduced in October 2012. VAT revenues totalled $298.2m, while collections from the other major sub-category of taxes fell, as most of these taxes were repealed upon the implementation of the VAT. Property tax collections almost doubled, as policy changes to the administration of that tax were implemented to augment compliance. Revenue from taxes on international trade and transactions fell by 32.8 per cent ($107.2m), largely attributable to reductions in receipts from the consumption duty ($73.2m), the environmental surcharge ($11.5m) the service charge ($7.9m) and the import duty ($7.5m), two of which were replaced by the VAT in the last quarter of 2012. Receipts from taxes on income and profits fell marginally ($3.1m), largely associated with a decline in intake from corporation taxes ($18.4m), reflecting the adverse impact of the contraction in economic activity on the business environment. Non-tax revenue fell by 29.5 per cent to $49.4m, primarily as a result of lower inflows from interest and rent, which recorded an improved performance in the previous year, attributable to a one-off receipt on accrued interest income from an external investment.

Current expenditure grew by 1.8 per cent to $841.0 (23.4 per cent of GDP), reflecting larger outlays on personal emoluments, interest payments and goods and services. Outlays on personal emoluments, which accounted for 44.1 per cent of current expenditure, rose by 3.3 per cent ($11.9m) driven predominantly by an increase in spending on salaries as public sector employment rose. Interest payments increased by 9.4 per cent ($11.6m), in line with the rising debt level. Expenditure on goods and services grew by 2.1 per cent, on account of increases in rental payments and the prices of a number of items purchased. By contrast, outlays on transfers and subsidies declined by 6.4 per cent, as authorities started the streamlining of a number of social programmes and the revision of general subsidies.

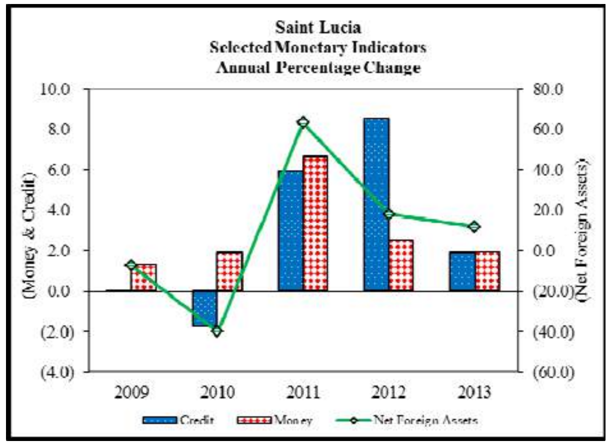
Public Sector Debt

The outstanding debt of the public sector was estimated at $2,750.2m at the end of 2013, representing an increase of 5.3 per cent on the total at the end of December 2012. As a percentage of GDP, the outstanding debt increased to 76.5 per cent from 73.3 per cent at the end of 2012. Growth in public sector debt was mainly the consequence of an increase in borrowings by central government. The disbursed outstanding debt of the central government, which accounted for 92.9 per cent of the total debt, grew by 6.9 per cent to $2,554.2m (71.0 per cent of GDP), reflecting increased external and domestic borrowing. The stock of external debt of the central government rose by 13.2 per cent ($146.3m), while its domestic debt increased by 1.5 per cent. Meanwhile, estimates of the outstanding debt of the public corporations indicated a decline of 11.6 per cent to $195.9m.

Money and Credit

Broad money (M2) expanded by 2.0 per cent to $2,853.2m, compared with an increase of 2.5 per cent during 2012. The acceleration was associated with growth in quasi money, which more than offset a contraction in narrow money (M1). Quasi money rose by 2.9 per cent compared with growth of 2.1 per cent last year. The rise in quasi money was attributed to increases in private sector savings deposits (6.6 per cent) and private sector foreign currency deposits (5.3 per cent). Private sector time deposits declined by 8.9 per cent following a fall of 0.8 per cent during 2012. By contrast, M1 contracted by 0.8 per cent, reflecting decreases from all sub-categories - currency with the public (1.9 per cent), EC$ cheques and drafts issued (14.9 per cent) and private sector demand deposits (0.2 per cent).

Domestic credit increased by 1.9 per cent to $3,977.3m, compared with growth of 8.5 per cent recorded during the last year. The expansion was largely influenced by credit to central government, which almost doubled during the review period. The central government's transactions resulted in a net credit position of $308.0m, compared with one of $162.4m at the end of 2012. This outturn resulted primarily from a decline of 48.7 per cent in central government's deposits. Government used up their deposits at the commercial banks, increased their borrowing from the central bank and scaled back on commercial loans and advances from the banking system. Credit to the private sector declined by 0.8 per cent, driven in part by contractions in credit to subsidiaries and affiliates (61.1 per cent), non-bank financial institutions (24.1 per cent) and businesses (0.1 per cent). Credit to households increased marginally (0.3 per cent) compared with growth of 16.2 per cent during the corresponding period of 2012. The net deposits position of non-financial public enterprises increased by 11.2 per cent as they borrowed less and augmented their deposits.



An analysis of the distribution of credit by economic activity indicates that outstanding loans fell marginally (0.5 per cent), in contrast to growth of 9.3 per cent during the previous year. The outcome was largely influenced by a contraction of 10.0 per cent ($77.3m) in lending for tourism. Credit to the distributive trades, manufacturing and agricultural sectors declined by 3.4 per cent ($11.0m), 9.7 per cent ($10.4m) and 3.1 per cent ($1.1m) respectively. On the contrary, credit for other uses increased by 5.1 per cent ($64.2m) attributable to growth in outstanding loans for professional and other services ($87.9m) and public administration ($4.4m). Outstanding loans for personal use increased by 0.7 per cent, largely for acquisition of property, mostly home construction and renovation. Credit for construction grew by 0.1 per cent ($0.5m) in contrast to a decline of 8.8 per cent during 2012.

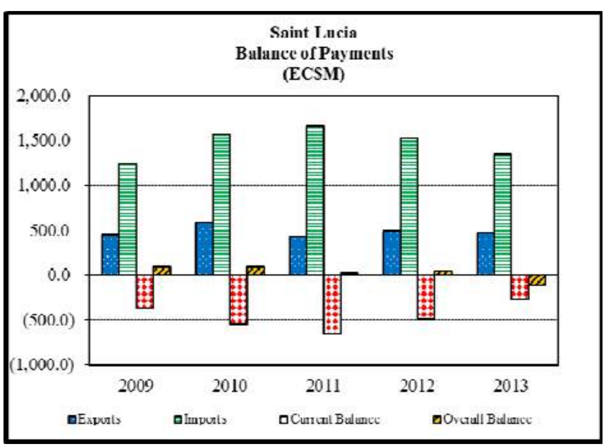
The net liability position of the banking system grew by 11.7 per cent to $644.4m, compared with an increase of 17.9 per cent last year. The pace of increase, albeit slower, was attributed in part to a more than tenfold increase in Saint Lucia's imputed liability at the Central Bank. Hence Saint Lucia's imputed share of the reserves held at the Central Bank fell by 19.1 per cent to $454.8m. The liabilities of commercial banks in other ECCB territories grew by 4.5 per cent, while those outside the region contracted by 4.6 per cent.

Liquidity in the commercial banking system remained tight during 2013. The ratio of liquid assets to total deposits plus liquid liabilities increased marginally to 22.8 per cent, while the ratio of loans and advances to total deposits fell by 0.2 percentage point to 119.0 per cent. The liquid assets to deposits ratio fell short of the established benchmark of a minimum of 25 per cent, while the loans and advances to deposits ratio was outside the ECCB's stipulated range of 75.0 to 85.0 per cent. At the end of December 2013, the weighted average interest rate spread between loans and deposits widened to 5.62 percentage points from 5.58 percentage points at the end of the previous year. The weighted average interest rate on deposits was 2.79 per cent, representing a decline of 14 basis points from the level at the end of 2012, while the weighted average interest rate on lending fell by 11 basis points to 8.41 per cent.

Balance of Payments

Preliminary estimates of the performance of the external sector for 2013 indicate that an overall deficit of $107.4m (3.0 per cent of GDP) was realised, in contrast to a surplus of $44.4m (1.2 per cent of GDP) at the end of 2012. The deterioration on the balance of payments was largely associated with a narrowing of the surplus on the capital and financial account, in spite of an improvement on the current account. Transactions on the capital and financial account resulted in a 69.3 per cent decrease to $163.5m in net inflows, compared with $538.2m recorded in 2012. The contraction mirrored developments on the financial accounts, where net inflows fell by 64.6 per cent. These developments were supported by a net outflow of $39.8m from commercial banks' transactions in contrast to a net inflow of $44.1m in the prior year.

The deficit on the current account contracted by an estimated 45.2 per cent to $270.9m (13.9 per cent of GDP) mainly attributable to a smaller deficit on the goods account, supported by a larger surplus on the services account. The merchandise trade deficit is estimated to have shrunk to $871.7m (29.1 per cent of GDP) from $1,036.6m (35.0 per cent of GDP), largely as a result of a decline in import payments, which more than offset a fall in export receipts. The import bill fell by 12.3 per cent to $1,341.0m, compared with a decline of 7.6 per cent in 2012. The value of exports amounted to $469.3m (13.0 per cent of GDP), about 4.7 per cent below the level of the previous year. The decline was primarily associated with a 12.6 per cent fall in domestic exports, partly due to smaller receipts from a number of commodities, including manufactured items and food and beverages. Service transactions resulted in a net inflow of $598.2m (16.6 per cent of GDP), roughly 9.9 per cent above the amount at the end of last year.



Prospects

Growth prospects for the global economy are favourable. Although downside risks persist, global growth is strengthening; largely on account of recovery in the advanced economies. Global output for 2014 was revised upwards, based on an anticipated improvement in the pace of expansion of demand in advanced economies and export rebound in the emerging economies. The US economy continues to recover and is forecasted to be on a sustainable path of modest expansion in the short to medium term. In the context of global improvement, economic activity in the ECCU and Saint Lucia in particular is projected to pick up in 2014 and gain some traction in the medium term. The recovery is expected to be led by increased activity in the tourism industry and the construction sector, which is likely to serve as a catalyst to buoyancy in a number of ancillary sectors, including the distributive trades. Additionally, the authorities are committed to the implementation of policy initiatives that will spur and sustain growth in the short to medium term.

Activity in the construction sector, one of the main drivers of economic growth, is projected to gain momentum as rebuilding and rehabilitation works following hurricane Tomas and the trough system of December 2013, continue. In the public sector, it is anticipated that a few new projects may come on stream, along with continued work on the on-going projects, like the St Jude Hospital and the financial complex. Activity in the private sector is expected to focus on a number of tourism related plants, including Windjammer, Freedom Bay and a Dive Centre. Residential construction is likely to add to robust construction activity.

Activity in the tourism industry is projected to improve, led by continuous marketing efforts to increase airlift and expand the number of stay-over visitors by at least 2.0 per cent in 2014. The cruise sub-sector is likely to perform better, as Saint Lucia expects an increase in the number of cruise ship calls. A stronger recovery in the main source markets and improved employment in the advanced economies can contribute to the improvement in this sub-category. Although the high cost of intra- regional travel continues to pose a challenge to arrivals from the Caribbean, the optimistic forecast for the USA economy and the emerging markets augurs well for the tourism industry in Saint Lucia and the rest of the region.

Growth in agricultural output is likely, as continued investments in the sector are expected to reap dividends. The Ministry of Agriculture has also started a number of initiatives towards diversification within the sector; including livestock farming, poultry and egg production, agro-processing and meat processing. The banana industry is expected to benefit from the Banana Accompanying Measure (BAM) funds and output of other crops is likely to recover following the damage done by the trough in December 2013. These developments are expected to contribute positively to value added in agriculture.

The overall deficit on the fiscal accounts is projected to narrow, as the authorities adopt a tighter fiscal stance and implement policies to cut both current and capital expenditure. Tax revenue performance is likely to improve, supported by the intake from the VAT and efforts to collect arrears. However, planned expenditures, including an estimated $30m per annum for the effective functioning of the new hospital are expected to offset any revenue gains. Debt pressures are anticipated as government continues to borrow to finance its deficit and programmed capital expenditure. These pressures are expected to adversely impact the cost of servicing the debt of the public sector.

In the external sector, the merchandise trade deficit is projected to widen owing to an increase in merchandise imports, consistent with the anticipated expansion in construction activity. Larger export earnings are projected based on expected increases in domestic exports as external demand in the major markets picks up. Inflationary pressures are likely to remain subdued barring increases in oil, food and other commodity prices. Net inflows from travel may increase consistent with an anticipated expansion in visitor arrivals.

Although world output growth for 2014 was revised upwards to 3.7 per cent and growth in the advanced economies to 2.2 per cent, downside risks persist as some structural reform may be necessary to drive growth in some economies. These threats to global output recovery, pose a major risk to the projections for the economy of Saint Lucia, as a number of the major private sector construction projects are expected to be financed by foreign direct investments. Also, the performance of the tourism industry is reliant on the macroeconomic developments of the advanced economies, particularly the USA. Other downside risks include the Black Sigatoka disease and adverse weather.

S T V I N C E N T A N D T H E G R E N A D I N E S

Overview

Real GDP growth in St Vincent and the Grenadines is provisionally estimated to have further strengthened in 2013, to 3.1 per cent from 1.5 per cent in 2012. The stronger growth performance was driven by improvements in key sectors such as construction, wholesale and retail trade, real estate, renting and business activities, and transport, storage and communications. The Consumer Price Index (CPI) remained at the same level as in 2012, on an end of period basis. The overall fiscal deficit of the central government widened primarily on account of a sharp increase in capital spending. The fiscal deficit was financed by domestic and external borrowing and an accumulation of domestic arrears which contributed to an increase in the total outstanding public sector debt stock. In the banking system, monetary liabilities, net foreign assets and domestic credit expanded. Commercial bank liquidity and the weighted average interest rate spread between loans and deposits increased. The overall balance of payments surplus increased chiefly attributable to higher net inflows on the capital and financial account.

The economic outlook for St Vincent and the Grenadines is dependent to a large extent on developments in the global economy. Given the stronger growth anticipated in the global economy in 2014, the pace of economic recovery observed in 2013 in St Vincent and the Grenadines is expected to be maintained. On the domestic front, the momentum in construction sector activity will continue during the year, due to intensification of work on the largest public sector project, the international airport, along with other public and private sector projects. Increased value added is also projected in the agricultural, manufacturing, wholesale and retail trade and transport, storage and communications sectors. Based on the planned increase in capital expenditure mentioned in the 2014 Budget address, it is likely that the overall fiscal deficit will widen further in 2014, as no significant revenue measures were announced.

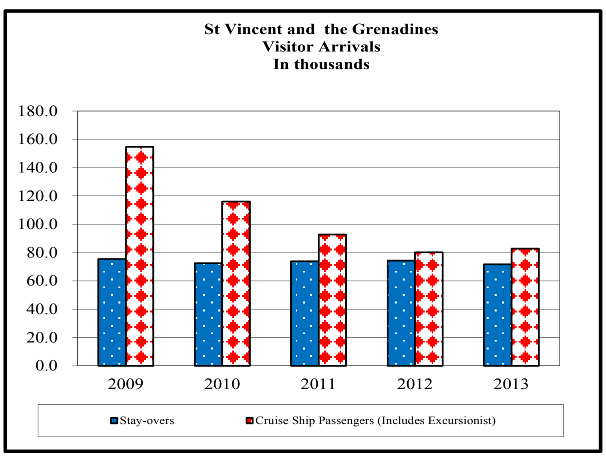
Inflationary pressures are likely to be contained during the year, despite the likelihood of increased oil prices fueled by the global recovery. A number of downside risks exist that could derail expectations for positive growth. These include geo-political issues that could impact the performance of emerging economies and by extension advanced economies; slow implementation of the public sector investment programme which could adversely impact construction activity; rising unemployment which could constrain domestic demand; and adverse weather.

Output

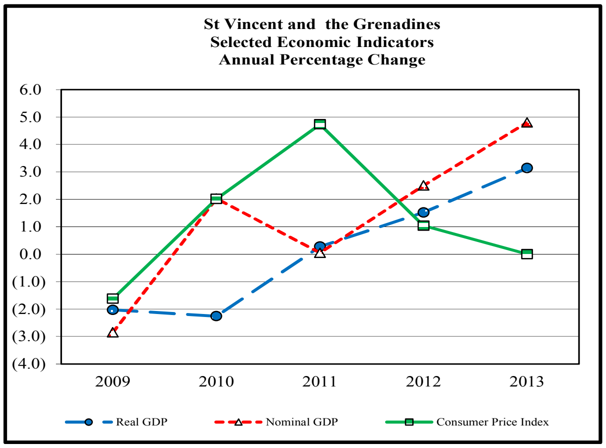
Value added in the construction sector, which contributes 9.0 per cent on average to real GDP, is estimated to have increased by 15.0 per cent in 2013 following five years of consecutive declines. The increase in the construction sector was mainly driven by public sector activity, which included major projects such the Argyle International Airport, the Hospitality and Maritime Training Institute, the Vegie Highway and the rehabilitation of roads and bridges under the hurricane Tomas Emergency Recovery Project. Activity in the private sector was dominated by the construction of residential dwellings and tourism related projects in the Grenadines and the Leeward side of St Vincent. Value added in the mining and quarrying sector, which is highly associated with the level of construction activity, is also estimated to have increased by 15.0 per cent. Value added in the agricultural sector grew at an increased rate of 2.5 per cent in 2013, relative to one of 2.1 per cent in 2012. The stronger performance of the agricultural sector was primarily driven by a 4.0 per cent increase in the output of livestock on account of higher production of beef and pork. Crop production, which is a significant component of agricultural output, grew at a slower rate of 2.1 per cent in 2013. This reflected lower banana output due to the continued effects of the Moko and Black Sigatoka diseases and a slowdown in other crop production such as, root crops and vegetables. Production in the fishing sector is estimated to have increased by 9.0 per cent, in contrast to a contraction of 14.9 per cent in 2012.

In the manufacturing sector, value added is estimated to have risen at a rate of 1.0 per cent in 2013, reversing the contraction of 2.3 per cent in 2012. The improvement in the manufacturing sector was fueled by stronger domestic and regional demand which led to increases in the production of beer (29.5 per cent), flour (9.5 per cent) and feeds (6.2 per cent). Meanwhile, rice production contracted by 49.4 per cent as local production was substituted with imports for re-export.

Positive growth was recorded in other key sectors such as public administration, defence and compulsory social security services (4.8 per cent), wholesale and retail trade (4.5 per cent), financial intermediation (2.4 per cent), and real estate, renting and business activities (0.5 per cent), which together contributed about 50.0 per cent to real GDP.



Activity in the tourism industry was negatively affected by the high cost of regional travel and subdued growth and weak labour market conditions in the advanced economies. Consequently, value added in the hotels and restaurants sector, a proxy for tourism activity, is estimated to have declined by a faster rate of 4.1 per cent in 2013, relative to one of 3.1 per cent in 2012. Stay-over arrivals, one of the highest spending category of visitors, declined by 3.6 per cent to 71,725 in 2013 in contrast to growth of 0.7 per cent in 2012, mirroring declines from the two largest source markets; the Caribbean (4.5 per cent) and the USA (6.3 per cent). This represents the fourth consecutive year of declines in stay over arrivals from the Caribbean market, while those from the USA have exhibited various levels of volatility due to shifts in the economic environment. Other declines were reported in stay-over visitor arrivals from Canada (3.7 per cent) and other countries including Latin America (2.0 per cent). On the upside, the number of stay-over visitors from the UK increased by 1.1 per cent, following marginal growth of 0.9 per cent in 2012. In the other categories of visitors, increases were recorded in yacht passenger arrivals (0.7 per cent) and cruise ship passengers (3.9 per cent). Meanwhile, the rate of decline in number of excursionists slowed to 12.7 per cent in 2013, relative to a contraction of 22.6 per cent in 2012. The improvement in the construction and mining sectors coupled with an increase in cruise ship passengers contributed to a 0.8 per cent increase in the transport, storage and communications sector.



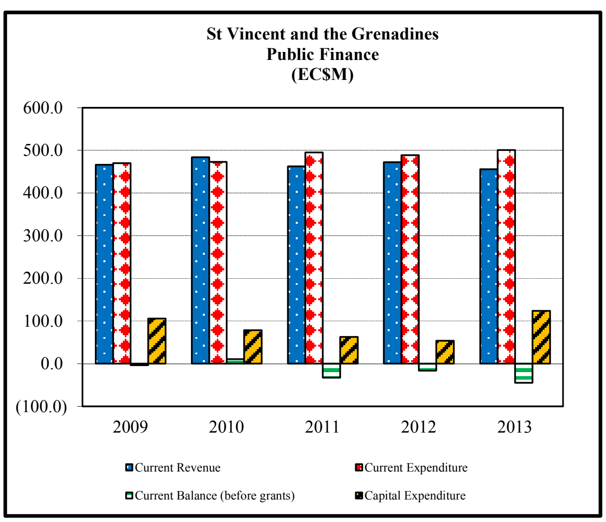
Prices, Wages and Employment

The CPI remained unchanged from 2012, partly influenced by a low inflation environment of the country's main trading partners. Inflationary pressures stemmed from the food and non-alcoholic beverages sub-index (1.8 per cent), the transport sub-index (0.5 per cent), the household furnishings, supplies and maintenance sub index (1.5 per cent), the alcoholic beverages, tobacco and narcotics sub index (1.9 per cent) and the recreation and culture sub-index (1.0 per cent). Advances in the food and non-alcoholic sub- index which is the second largest weighted was driven by higher prices of some chicken parts, processed meat products and cereals. The increases in those sub-indices were neutralized by contractions in the housing, utilities, gas and fuels sub-index (0.30 per cent), the highest weighted, and the communications sub-index (7.2 per cent). The fall in the housing, utilities, gas and fuels sub index was on account of a reduction in the cost of electricity due to a decline in the fuel surcharge rate.

In regard to wages and salaries, a salary increase of 1.5 per cent, including retroactive payments was granted to public servants in October 2013. Employees of several statutory corporations and private manufacturing companies were granted salary increases in the range of 2.0 to 3.0 per cent. In the absence of unemployment data, the number of active employees obtained from the National Insurance Services serves as an indicator of labour market conditions. Based on provisional data, the number of active employees declined by 7.0 per cent to 33,382. This reflected contractions in the number of persons employed in the construction, hotels and restaurants, manufacturing and wholesale and retail trade sectors.

Central Government Fiscal Operations

Preliminary fiscal data indicated that the overall fiscal deficit widened to $122.4m (6.3 per cent of GDP) in 2013 from $38.5m (2.1 per cent of GDP) in 2012, largely attributable to a steep rise in capital expenditure coupled with a decline in revenue. The overall deficit was financed by increased borrowing, from both domestic and external sources and an accumulation of domestic arrears. The primary balance shifted to a deficit of $75.1m (3.8 per cent of GDP) from a surplus of $5.9m (0.3 per cent of GDP). The current account deficit almost tripled to $44.9m (2.3 per cent of GDP) mainly due to a decrease in current revenue compounded by an increase in current expenditure.



Current revenue fell by 3.5 per cent to $456.1m (23.3 per cent of GDP) in contrast to an increase of 2.2 per cent in 2012, mainly reflective of decreases in all categories of tax revenue, with the exception of property tax. Tax revenue declined by 3.2 per cent to $417.0m, reversing the 4.5 per cent increase obtained in 2012. Taxes on domestic goods and services which constituted 52.6 per cent of tax revenue fell by 2.2 per cent to $219.4 mainly on account of reduced inflows from VAT (4.9 per cent) and excise taxes (9.7 per cent). On the upside, stamp duty associated with land sales rose by 50.1 per cent. Tax revenue on incomes and profits declined by 7.3 per cent to $113.5m, as the two major categories, personal income tax and corporate taxes experienced lower outturns. Revenue from personal income taxes contracted by 3.6 per cent, in line with prevailing weak labour market conditions. The fall in corporate taxes was largely associated with the non-profitability of two large private sector entities. Tax revenue on international trade and transactions declined marginally by 1.3 per cent to $80.1m mirroring downturns in import duty and customs service charge linked to the granting of concessions. Meanwhile, the implementation of the market based property tax led to an increase in receipts from property taxes to $4.0m in 2013, from $2.7m in 2012. Non tax revenue fell for the third consecutive year mainly due to a reduction in collections from fees, fines and sales and interest and rents, some of which are related to the offshore banking sector.

Current expenditure rose by 2.5 per cent to $501.0m (25.6 per cent of GDP) in contrast to a decline of 1.3 per cent in 2012. The increase in current expenditure was fueled by growth in outlays for most sub-categories. The wage bill increased by 3.2 per cent to $250.8m, largely associated with annual increments and the payment of a 1.5 per cent tax free salary increase to public servants. As a percentage of current revenue the wage bill remained virtually unchanged at 50.0 per cent. Expenditure on transfers and subsidies rose by 4.9 per cent to $137.6m mainly due to increases in pension payments and higher spending on training and scholarships. Interest payments increased by 6.6 per cent on account of a rise in domestic debt service. Meanwhile outlays on goods and services fell by 7.4 per cent to $65.2m reflecting lower cost of utilities, maintenance and supplies and materials.

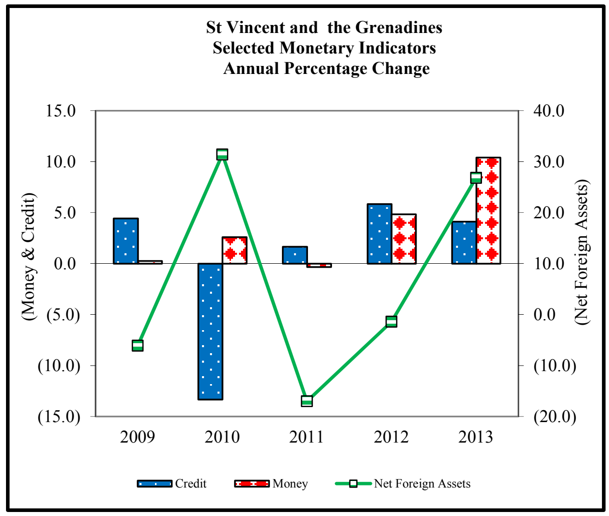
On the capital account, capital expenditure expanded to $123.9m from $54.2m in 2012 mainly due to the intensification of work on a number of public sector projects including the Argyle International Airport. Capital expenditure was in part financed by capital revenue of $29.0m and grant inflows of $17.4m.

Public Sector Debt

The total disbursed outstanding debt of the public sector was estimated to have increased by 8.1 per cent to $1,471.3m at the end of 2013. As a percentage of GDP, total debt rose to 75.1 from 72.6 per cent at the end of 2012. The increase in the debt stock was attributable to a rise in both domestic and external borrowings, largely by the central government. The central government external debt stock increased by 8.8 per cent to $852.9m, as government borrowed from bilateral creditors, foreign banks, the CDB and on the RGSM to finance the public sector investment programme, including the Argyle International Airport. The rate of increase in central government's domestic debt was less steep at 1.3 per cent to $365.4m and was largely associated with an increase in arrears and credit from insurance companies and the National Insurance Service. The debt stock of public corporations increased during the review period by 16.9 per cent to $253.0m, mainly reflecting an increase in domestic borrowing.

Money and Credit

The total monetary liabilities (M2) of the banking system grew at a faster rate of 10.4 per cent to $1,285.0m during 2013, relative to growth of 4.9 per cent during 2012, reflecting improvements in the pace of economic activity. The expansion in M2 was largely attributable to an increase in quasi money, which accounted for 70.9 per cent of the total. Quasi money rose by 13.4 per cent to $910.8m, primarily on account of expansions in private sector saving deposits (13.3 per cent), private sector time deposits (1.9 per cent) and private sector foreign currency deposits (57.3 per cent). The substantial growth in private sector foreign currency deposits was mainly due to increased inflows related to the international airport and tourism projects in the Grenadines. The other major component of M2, narrow money (M1) grew by 3.7 per cent to $374.2m mainly on account of a 3.1 per cent increase in private sector demand deposits and a 9.8 per cent rise in currency with the public.



The growth in domestic credit slowed to 4.1 per cent to $998.9m during 2013, from a growth rate of 5.8 per cent during 2012. This outturn reflected slower demand for credit by the private sector which grew by 1.1 per cent ($11.2m) during 2013 following growth of 3.7 per cent ($37.4m) during 2012. Household credit, inclusive of credit for personal use such as acquisition of property and home renovation, expanded by 15.5 per cent, while borrowing by businesses including professional services declined by 27.1 per cent, partly reflecting a reclassification of loans between those categories by a commercial bank. In the public sector, net credit to the central government grew by 30.6 per cent to $64.1m reflective of increased borrowing from the Central Bank and a drawdown of deposits in the banking system to support fiscal operations. The net deposits of non-financial public enterprises fell by 10.8 per cent largely attributable to a drawdown in deposits.

The distribution of commercial bank credit by economic activity indicated that outstanding loans increased slightly by 0.3 per cent to $1,184.1m during 2013, much slower than the 5.7 per cent growth rate recorded during 2012. The marginal increase in total outstanding credit was primarily due to growth in outstanding loans for personal use which rose by 15.8 per cent relative to growth of 5.7 per cent in 2012. Credit for the acquisition of property including home construction and renovation, and house and land purchase rose by 15.4 per cent and that for the purchase of durable consumer goods increased by 6.1 per cent. Credit for other personal activities also increased by 17.1 per cent. In contrast, decreases were recorded in lending for construction (15.4 per cent), and manufacturing, mining and quarry (11.2 per cent), tourism (9.1 per cent), agriculture and fisheries (4.4 per cent) and distributive trades (3.0 per cent). Additionally, credit outstanding for professional and other services and public administration declined by 70.8 per cent and 2.7 per cent, respectively.

The net foreign assets of the banking system grew by 26.8 per cent to $493.1m at the end of 2013, in contrast to a contraction of 1.4 per cent during 2012. This increase was mainly fuelled by a rise of 22.0 per cent to $359.4m in St Vincent and the Grenadines' imputed share of the reserves held at the Central Bank. This was supplemented by an increase in the net foreign assets of commercial banks by 42.0 per cent to $133.7m primarily associated with an expansion in assets held with banks and other institutions outside the currency union. Meanwhile, the net foreign asset position of commercial banks with institutions within the Currency Union contracted.

Liquidity in the commercial banking system increased during the period under review. This was evidenced by an increase in the ratio of liquid assets to total deposits plus liquid liabilities by 4.0 percentage points to 42.9 per cent. In addition, the ratio of loans and advances to deposits fell by 2.4 percentage points to 72.7 per cent.

Commercial banks weighted average interest rate spread between loans and deposits widened to 6.78 per cent at the end of 2013, from 6.62 per cent at the end of 2012. The movement in the spread was largely attributable to a fall in the weighted average deposit rate by 16.0 basis points to 2.63 per cent as the weighted average lending rate remained relatively flat at 9.41 per cent.

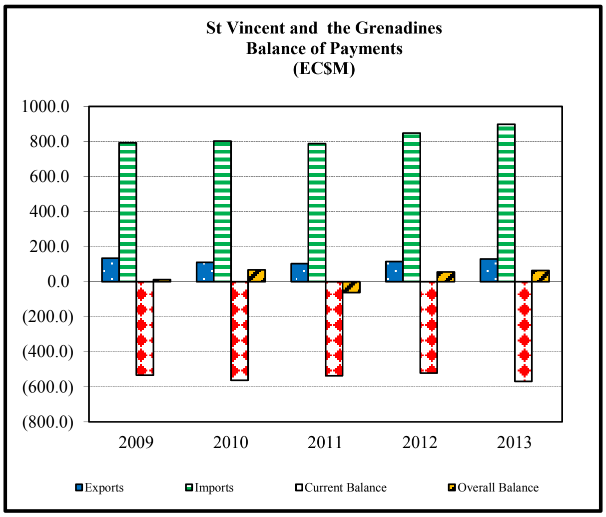
Balance of Payments

External sector transactions resulted in an increase in the overall balance of payments surplus to $64.8m (3.3 per cent of GDP) in 2013, from one of $56.6m (3.0 per cent of GDP) in 2012. The increase in the overall surplus was primarily attributable to a larger surplus on the capital and financial account which offset the expansion in the current account deficit.

The current account deficit widened to $567.8m (29.0 per cent of GDP) from $520.80m (27.8 per cent of GDP) in 2012, mainly due to transactions on the merchandise trade account. The merchandise trade deficit expanded by 4.8 per cent to $768.6m, largely associated with an increase in import payments. Import payments (f.o.b) rose by 5.9 per cent to $898.4m due to substantial increases in the importation of manufactured goods, miscellaneous manufactured articles, and machinery and transport equipment. The increase in import payments was tempered by an uptick in the value of exports which rose by 12.8 per cent to $129.7m reflecting growth in both re-exports and domestic exports. Receipts from domestic exports rose by 8.4 per cent to $112.0m mainly associated with increases from earnings from the export of flour (12.3 per cent) and an almost doubling of receipts from the export of beer. In addition, the surplus on the services account shrank by 7.7 per cent to $133.1m owing mainly to a reduction in net inflows on the travel account consistent with the decline in stay over tourist arrivals. The transportation sub-account which is another major component of services account, recorded an increase in its deficit position due to higher sea transport expenses.

The surplus on the capital and financial account expanded by 1.2 per cent to $602.5m (30.8 per cent of GDP) from $595.6m (31.8

per cent of GDP) in 2012, due to an increase in foreign direct investment on the financial account. Net foreign direct investment rose by 9.8 per cent to $342.2m largely associated with investments in the tourism industry. Meanwhile, the surplus on the capital account declined by 62.2 per cent ($57.1m) owing mainly to a decline in capital transfers to the government.



Prospects

The forecast for real GDP in 2014 is contingent on developments in the global economy, which to a significant extent determines the demand for goods and services produced by St Vincent and the Grenadines, and also defines the level of foreign direct investment and remittances. Given the projections for positive growth in the global economy along with domestic developments, the economy is forecasted to maintain positive growth in 2014. Value added in the construction sector is expected to increase as work on a number of public sector projects continue and reconstruction in the aftermath of the Christmas trough begins. The increase in construction activity is projected to catalyze activity in other ancillary sectors such as mining and quarrying and transportation, storage and communications.

Value added in the manufacturing sector is projected to increase as the demand for the main manufactured goods such as flour, feeds and beverages remain robust. Activity in the agricultural sector is slated to improve as initiatives under the Banana Accompanying Measures (BAM) are implemented and efforts to contain the spread of the Moko and Black Sigatoka diseases yield positive results. Value added in the hotels and restaurant sector is expected to increase slightly in line with global developments.

The Christmas trough which affected the country in December 2013 placed an additional burden on the fiscal accounts as some of the cost of reconstruction has to be absorbed by the government. As a consequence, the capital budget is expected to expand, and would likely induce a greater overall fiscal deficit. The increase in capital expenditure is expected to be tempered by higher levels of grant inflows from bilateral and multilateral partners.

The current account deficit on the balance of payments is projected to further expand in 2014 to support the expected uptick in construction activity and the wholesale and retail trade. Foreign direct investment and remittances are expected to continue on an upward trajectory as the global environment continues to improve. This will likely result in an overall balance of payments surplus in 2014.

While positive growth is anticipated in 2014 there are a number of downside risks that could derail this expectation. These include: rising international fuel and food prices which could impact domestic demand; geo-political tensions which could affect the performance of emerging market economies and by extension advanced economies; lower than anticipated economic growth in advanced economies such as the USA and the UK; the slow implementation of public sector projects due to capacity and financial constraints; and the occurrence of natural disasters.

NOTES FOR STATISTICAL TABLES AND MONETARY SURVEY

NOTES ON STATISTICAL TABLES

GENERAL

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, nonbank financial institutions and subsidiaries and affiliates.
4. Currency = Total currency liabilities of the Central Bank less commercial banks' holdings of local currency cash.
5. Demand Deposits = Total residents' demand deposits of households, private businesses, non-bank financial institutions and subsidiaries and affiliates.
6. Savings Deposits = Total residents' savings deposits of households, private businesses, nonbank financial institutions and subsidiaries and affiliates.
7. Time Deposits = Total residents' time deposits of households, private businesses, nonbank financial institutions and subsidiaries and affiliates.
8. Foreign Currency Deposits = Total residents' foreign currency deposits of households, private businesses, nonbank financial institutions and subsidiaries and affiliates.

S T A T I S T I C A L   T A B L E S

PAGE

ECCU

GRENADA

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SAINT LUCIA

ST VINCENT AND THE GRENADINES

Table 1
ECCU - Selected Economic Indicators

	2009	2010	2011	2012	2013
	(Annual Percentage Change Unless Otherwise Indicated)				
National Income and Prices					
Nominal GDP at Basic Prices	(4.23)	(1.07)	1.66	2.76	2.25
Real GDP at Basic Prices	(5.20)	(3.25)	(0.14)	0.16	0.69
GDP Deflator	1.02	2.26	1.81	2.60	1.55
Consumer Prices (end of period)	(0.05)	4.46	4.65	2.59	(0.42)
Consumer Prices (period average)	0.72	3.70	4.11	2.92	0.80
Real GDP at Basic Prices by Selected Sectors					
Agriculture, Livestock and Forestry	4.90	(13.69)	(0.24)	4.74	1.64
Fishing	(9.94)	(2.32)	4.36	0.44	8.85
Manufacturing	(0.84)	(6.37)	1.02	0.68	(3.80)
Mining & Quarrying	(26.44)	(21.60)	(11.45)	7.20	9.54
Electricity & Water	3.28	1.14	1.87	(1.05)	(0.21)
Construction	(16.51)	(15.98)	(9.34)	(4.28)	2.93
Wholesale and Retail	(15.24)	(3.79)	(0.04)	0.39	(2.37)
Hotels and Restaurants	(8.91)	1.05	3.41	1.42	0.42
Transport, Storage and Communications	(5.56)	(1.46)	(1.57)	(1.88)	(0.13)
Transport and Storage	(7.88)	(0.93)	(2.18)	(0.84)	0.34
Communications	(1.56)	(2.31)	(0.58)	(3.54)	(0.90)
Financial Intermediation	(2.40)	(6.47)	0.86	0.60	0.44
Real Estate, Renting and Business Activities	0.31	3.13	1.18	0.69	1.14
Public Administration, Defence & Compulsory Social S	3.66	1.99	2.99	2.12	1.63
Education	2.77	(1.03)	(0.11)	0.99	2.67
Health and Social Work	1.64	2.07	1.83	0.77	1.63
Other Services	6.24	1.26	4.48	0.33	1.68
FISIM	3.63	1.74	1.04	(1.66)	(0.51)
Import Cover Ratio	7.03	7.45	7.23	9.80	14.54
	(In percent of GDP)				
External Sector					
Current Account Balance	(20.50)	(20.09)	(18.02)	(17.58)	(16.42)
Overall Balance	2.92	1.90	1.09	1.98	1.02
Merchandise Trade Balance	(32.53)	(33.73)	(34.03)	(32.73)	(31.99)
External Debt (end-of-period)	39.31	42.73	44.84	42.38	44.47
Central Government					
Current Account Balance	(1.06)	(0.23)	(0.08)	(0.12)	0.47
Current Revenue	22.85	23.40	24.13	23.69	24.19
Current Expenditure	23.91	23.64	24.20	23.81	23.72
Capital Expenditure and Net Lending	6.16	4.87	5.62	4.74	5.87
Overall Fiscal Balance	(4.56)	(2.25)	(3.17)	(2.18)	(3.02)
	(in percent per annum)				
Monetary Sector					
Weighted Deposit Interest Rates	3.22	3.16	3.06	3.04	2.85
Weighted Lending Interest Rates	9.49	9.48	9.53	8.91	8.94
	(in millions of EC dollars, unlesss otherwise stated)				
Memo					
Nominal GDP at Factor Cost	12,480.96	12,347.68	12,552.93	12,899.56	13,189.81
Real GDP at Factor Cost	11,461.82	11,089.27	11,073.29	11,090.46	11,166.89
Nominal GDP at Market Prices	14,487.67	14,395.80	14,733.15	15,075.21	15,428.49
GDP per capita (EC$)	20,647.79	20,220.79	20,528.84	20,887.84	21,157.61
Merchandise Imports (f.o.b)	5,728.35	5,978.65	5,990.86	5,999.73	6,007.51
Merchandise Exports (f.o.b)	1,015.33	1,122.57	977.73	1,065.91	1,071.54
Gross Visitor Expenditure	2,865.37	2,950.69	3,126.34	3,139.93	3,179.16

Source: ECCU Central Statistics Offices and Eastern Caribbean Central Bank
Data as at 14 March 2014

Table 2
ECCU - Consolidated Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2009	2010	2011	2012	2013
CURRENT REVENUE	**3,309.88**	**3,368.72**	**3,554.66**	**3,570.64**	**3,732.69**
Tax Revenue	2,972.42	2,937.23	3,068.14	3,071.70	3,111.55
Taxes on Income and Profits [1/]	742.23	669.00	671.99	669.21	657.28
of which:					
Personal [2/]	280.77	275.87	301.79	316.91	317.96
Company [3/]	413.21	326.00	288.01	270.22	236.67
Taxes on Property	61.21	61.74	58.16	67.77	71.53
Taxes on Domestic Goods & Services	976.71	1,079.12	1,257.43	1,322.75	1,492.45
of which:					
Accommodation Tax	40.60	50.08	54.17	55.35	16.81
Licenses	110.80	109.69	103.75	103.44	140.78
Sales Tax [4/]	204.33	179.46	197.34	227.61	209.40
Consumption Tax [5/]	45.52	15.68	7.64	6.66	1.04
Value Added Tax [6/]	270.05	418.93	560.80	612.69	853.02
Taxes on International Trade & Transactions	1,192.27	1,127.37	1,080.56	1,011.96	890.30
of which:					
Consumption Tax [7/]	359.24	220.34	154.16	115.77	40.52
Import Duties	402.39	417.91	425.12	417.72	413.27
Customs Service Charge [7/]	247.12	185.30	200.61	196.51	195.09
Non-Tax Revenue	337.46	431.49	486.52	498.94	621.14
CURRENT EXPENDITURE	**3,463.38**	**3,402.45**	**3,565.94**	**3,589.29**	**3,659.75**
Personal Emoluments	1,494.62	1,512.93	1,546.11	1,582.75	1,650.61
Goods and Services	763.87	708.07	748.89	713.73	760.04
Interest Payments	427.42	423.99	434.60	466.68	423.13
Domestic	218.29	252.52	246.16	275.60	271.41
External	209.12	171.48	188.44	191.08	151.71
Transfers and Subsidies	777.47	757.47	836.34	826.14	825.98
Pensions	207.05	251.74	253.29	288.03	289.58
Current Account Balance (before grants)	**(153.49)**	**(33.74)**	**(11.28)**	**(18.65)**	**72.94**
Capital Revenue	**22.85**	**27.27**	**24.72**	**26.02**	**56.14**
Grants	**361.46**	**383.13**	**346.77**	**377.98**	**310.85**
Current Grants	132.46	164.45	137.53	109.31	87.76
Capital Grants	229.00	218.68	209.24	268.67	223.08
Capital Expenditure and Net Lending	**892.06**	**700.43**	**827.57**	**714.35**	**906.25**
Captial Expenditure	885.47	696.60	801.18	715.21	904.72
Primary Balance after grants	**(233.82)**	**100.23**	**(32.76)**	**137.67**	**(43.20)**
Overall Balance after grants	**(661.24)**	**(323.76)**	**(467.36)**	**(329.01)**	**(466.33)**
Financing	**661.24**	**323.76**	**467.36**	**329.01**	**466.33**
Domestic	382.20	(282.14)	213.59	115.85	211.24
ECCB(net)	38.91	(83.87)	70.40	(93.80)	54.49
Commercial Banks(net)	214.20	(367.45)	5.27	83.41	(692.51)
Other	129.10	169.18	137.92	126.25	849.26
External	175.30	572.69	273.80	160.56	114.93
Net Amortisation	172.88	500.24	233.53	123.05	118.20
Disbursement	437.05	888.34	559.84	456.06	441.30
Amortisation	(264.17)	(388.11)	(326.32)	(333.01)	(323.10)
Change in Govt. Foreign Assets	2.42	72.46	40.27	37.51	(3.26)
Other Foreign Financing [7/]	-	-	-	-	-
Arrears	103.74	(1,162.50)	(20.03)	(48.09)	140.15
Domestic	73.73	(903.43)	(19.27)	0.52	106.69
External	30.01	(259.07)	(0.76)	(48.61)	33.46
Other Financing (residual)	-	1,195.71	-	100.69	-

Source: ECCU Ministries of Finance and Eastern Caribbean Central Bank
[/1] Taxes on Income & Profits include stabilization levy collected in Anguilla
[/2] Included is a Social Services Levy which is applied in St. Kitts & Nevis; not collected in Anguilla.
[/3] Excludes Anguilla
[/4] Includes data for Antigua and Barbuda, and Dominica
[/5] Excludes Anguilla, Antigua and Barbuda, and Montserrat
[/6] Includes Dominica, Grenada, St Kitts and Nevis, and St Vincent and the Grenadines
[/7] Excludes Anguilla
Data as at 21 February 2014

Table 3
ECCU - Monetary Survey
(EC$M at end of period)

	2009R	2010R	2011R	2012R	2013P
Net Foreign Assets	**1,895.29**	**2,148.33**	**2,052.89**	**2,653.67**	**3,481.20**
Central Bank (net)	**2,156.97**	**2,498.31**	**2,717.94**	**3,031.40**	**3,149.94**
External Assets	2,162.25	2,500.52	2,720.52	3,036.61	3,156.59
External Liabilities	5.29	2.20	2.58	5.21	6.64
Commercial Banks (net)	**(261.68)**	**(349.99)**	**(665.05)**	**(377.73)**	**331.26**
External Assets	4,015.13	3,199.56	3,863.51	4,045.46	4,205.66
External Liabilities	4,276.81	3,549.54	4,528.56	4,423.20	3,874.41
Net Domestic Assets	**10,307.95**	**10,332.94**	**10,783.27**	**10,676.84**	**10,499.40**
Domestic Credit	**12,702.76**	**12,511.91**	**12,642.99**	**12,642.31**	**12,178.40**
Central Government (net)	**1,642.56**	**1,191.24**	**1,266.91**	**1,256.51**	**618.50**
Other Public Sector (net)	(1,264.62)	(1,280.43)	(1,396.47)	(1,549.28)	(1,637.26)
Private Sector	12,324.83	12,601.11	12,772.55	12,935.08	13,197.16
Households	6,137.77	6,290.85	6,363.55	6,643.02	6,688.36
Business	5,767.36	5,927.54	6,003.62	5,958.69	5,660.37
Non-Bank Financial Institution	134.37	124.87	146.53	167.12	149.49
Subsidiaries & Affiliates	285.33	257.84	258.86	166.24	698.93
Other Items (Net)	**(2,394.82)**	**(2,178.97)**	**(1,859.72)**	**(1,965.47)**	**(1,678.99)**
Monetary Liabilities (M2)	**12,203.24**	**12,481.27**	**12,836.17**	**13,330.51**	**13,980.60**
Money Supply (M1)	**2,532.42**	**2,578.16**	**2,692.94**	**2,810.22**	**2,880.45**
Currency with the Public	621.37	616.08	634.59	633.82	667.57
Demand Deposits	1,841.05	1,881.24	1,983.80	2,110.15	2,142.53
EC$ Cheques and Drafts Issued	69.99	80.84	74.54	66.25	70.34
Quasi Money	**9,670.82**	**9,903.11**	**10,143.23**	**10,520.29**	**11,100.15**
Savings Deposits	5,222.29	5,282.05	5,483.56	5,895.92	6,327.07
Time Deposits	2,705.37	2,868.97	2,982.94	2,886.12	2,802.93
Foreign Currency Deposits	1,743.16	1,752.09	1,676.73	1,738.25	1,970.15

Source: Eastern Caribbean Central Bank
Data available as at 21 February 2014

Table 4
ECCU - Selected Tourism Statistics

	2009	2010	2011	2012	2013
Total Visitors	3,988,175	3,877,169	3,785,870	3,478,397	3,455,290
Stay-Over Visitors	937,558	964,423	996,620	1,002,654	1,003,483
USA	329,044	370,340	378,112	385,630	392,970
Canada	66,169	75,358	83,358	90,562	97,112
UK	201,183	189,449	201,479	201,242	189,683
Caribbean	232,077	215,759	219,344	208,101	208,366
Other Countries	109,085	113,517	114,327	117,119	115,352
Excursionists	72,837	77,909	80,654	89,381	102,004
Cruise Ship Passengers/1	2,868,562	2,705,962	2,581,320	2,252,860	2,211,376
Yacht Passengers/2	109,218	128,875	127,276	133,502	138,427
Number of Cruise Ship Calls/3	1,673	1,585	1,537	1,462	1,487
Total Visitor Expenditure (EC$M	**2,865.37**	**2,950.69**	**3,125.89**	**3,139.95**	**3,179.16**

Source: ECCU Central Statistics Offices, Tourist Boards and Eastern Caribbean Central Bank

/1 Cruiseship passengers excludes Anguilla but includes Excursionists for Antigua and Barbuda

/2 Yacht passengers excludes Anguilla

/3 Cruiseship calls excludes Anguilla

Data as at 21 February 2014

Table 5
ECCU - Balance of Payments
(In millions of Eastern Caribbean dollars)

	2009	2010	2011	2012	2013
CURRENT ACCOUNT	**(2,969.34)**	**(2,891.60)**	**(2,655.63)**	**(2,650.73)**	**(2,532.76)**
Goods and Services	(2,805.53)	(2,892.66)	(2,736.89)	(2,608.21)	(2,528.19)
Goods	(4,591.54)	(4,746.37)	(4,840.72)	(4,766.74)	(4,759.27)
Merchandise	(4,713.02)	(4,856.09)	(5,013.13)	(4,933.81)	(4,935.98)
Repair on goods	0.79	0.76	0.36	0.32	0.34
Goods procured in ports by carriers	120.69	108.96	172.06	166.76	176.36
Services	1,786.01	1,853.71	2,103.83	2,158.53	2,231.08
Transportation	(377.91)	(435.53)	(458.99)	(451.08)	(456.13)
Travel	2,410.65	2,503.17	2,685.85	2,705.24	2,732.40
Insurance Services	(214.19)	(190.21)	(175.01)	(171.02)	(188.75)
Other Business Services	(33.63)	(62.41)	(49.16)	(73.77)	(96.54)
Government Services	1.08	38.68	101.14	149.17	240.11
Income	(620.13)	(439.96)	(399.89)	(469.95)	(408.14)
Compensation of Employees	50.83	50.63	46.40	44.88	45.83
Investment Income	(670.96)	(490.59)	(446.29)	(514.84)	(453.97)
Current Transfers	456.32	441.03	481.15	427.43	403.58
General Government	176.25	161.01	194.50	149.54	126.27
Other Sectors	280.07	280.01	286.66	277.89	277.31
CAPITAL & FINANCIAL ACCOUNT	**3,391.97**	**3,164.66**	**2,815.83**	**2,948.70**	**2,689.81**
Capital Account	600.85	807.61	693.74	924.14	808.57
Capital Transfers	600.85	807.61	693.74	923.52	808.57
General Government	426.59	564.22	402.61	548.77	407.84
Other Sectors	174.26	243.40	291.13	374.75	400.73
Acquisition & Disposal of Non-Produced, Non-Financial Assets	-	-	-	0.62	-
Financial Account	2,791.13	2,357.04	2,122.09	2,024.56	1,881.23
Direct Investment	1,779.68	1,434.18	1,186.65	1,387.11	1,637.92
Portfolio Investment	(47.92)	4.09	87.27	196.53	303.38
Other Investments	1,059.37	918.78	848.17	440.93	(60.07)
Public Sector Long Term	262.48	835.03	134.96	3.98	277.32
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	493.68	88.31	315.06	(287.32)	(708.99)
Other Assets	(13.22)	220.43	181.45	81.26	(183.32)
Other Liabilities [1/]	316.42	(224.99)	216.70	643.01	554.92
Overall Balance	**422.63**	**273.06**	**160.20**	**297.97**	**157.05**
Financing	**(422.63)**	**(273.06)**	**(160.20)**	**(297.97)**	**(157.05)**
Change in SDR holdings	(264.48)	79.12	37.46	(15.34)	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	2.42	(6.86)	3.56	37.51	(3.26)
Change in ECCU's Net Foreign Assets [2/]	(160.57)	(345.31)	(201.22)	(320.15)	(153.79)

Source: ECCU Central Statistics Offices and Eastern Caribbean Central Bank
[1/] includes errors & omissions
[2/] adjusted for valuation changes
Data as at 21 February 2014

Table 6
ECCU - Total Public Sector Disbursed Outstanding Debt (DOD)*
(In millions of Eastern Caribbean dollars)
at end of period

	2009R	2010R	2011R	2012R	2013P
Anguilla	191.61	235.08	229.51	234.01	231.65
Antigua and Barbuda	3,136.39	2,709.42	2,842.09	2,836.02	3,062.86
Dominica	849.95	914.63	912.76	1,026.53	1,049.31
Grenada	1,883.80	1,943.12	2,244.78	2,162.96	2,259.92
Montserrat	9.25	8.69	7.99	7.40	6.83
St Kitts and Nevis	2,640.32	2,753.31	2,880.63	2,665.80	2,032.92
Saint Lucia	1,911.57	2,119.40	2,372.69	2,610.75	2,750.15
St Vincent and the Grenadines	1,179.16	1,236.99	1,276.09	1,361.57	1,471.25
TOTAL ECCU	**11,802.05**	**11,920.63**	**12,766.54**	**12,905.04**	**12,864.89**

Source: ECCB
* Includes arrears of principal
Data available at February 2014

Table 7
ECCU - Central Government Disbursed Outstanding Debt (DOD)
(In millions of Eastern Caribbean dollars)
at end of period

	2009R	2010R	2011R	2012R	2013P
Anguilla	172.32	217.23	213.13	217.34	216.78
Antigua and Barbuda	2,632.46	2,308.36	2,374.10	2,357.61	2,493.07
Dominica	708.94	755.89	739.09	855.72	877.97
Grenada	1,688.95	1,779.21	1,921.32	2,014.74	2,135.40
Montserrat	2.48	2.34	2.02	1.81	1.63
St Kitts and Nevis	2,106.31	2,205.10	2,325.39	2,119.62	1,564.93
Saint Lucia	1,730.32	1,967.29	2,108.98	2,389.18	2,554.25
St Vincent and the Grenadines	1,035.63	1,101.65	1,067.37	1,145.10	1,218.30
TOTAL ECCU	**10,077.41**	**10,337.06**	**10,751.39**	**11,101.11**	**11,062.32**

Source: ECCB
Data available at February 2014

Table 8
ECCU - Total Central Government Debt Service Payments
(In millions of Eastern Caribbean dollars)

	2009R	2010R	2011R	2012R	2013P
Anguilla	51.02	215.84	10.18	14.98	11.41
Antigua and Barbuda	182.70	222.60	197.81	226.00	207.89
Dominica	29.25	33.52	50.38	53.03	38.05
Grenada	117.49	90.93	125.28	155.47	88.66
Montserrat	0.21	0.19	0.16	0.14	0.11
St Kitts and Nevis	204.31	218.26	326.81	233.25	118.71
Saint Lucia	173.28	290.71	192.16	223.99	178.84
St Vincent and the Grenadines	115.75	166.61	115.86	117.43	88.17
TOTAL ECCU	**874.00**	**1,238.65**	**1,018.65**	**1,024.29**	**731.84**

Source: ECCB
Data available at February 2014

Table 9
ECCU - Participation on the RGSM

	2009^R	2010^R	2011^R	2012^R	2013^P
Treasury Bills					
Number of Auctions	36	27	31	44	43
Amount Raised (EC$M)	611.5	483.2	589.7	814.8	832.4
Subscriptions (EC$M)	761.4	612.9	917.2	1101.5	1086.5
Bonds					
Number of Auctions	6	7	2	7	10
Amount Raised (EC$M)	128.3	230.6	25.5	260.0	234.9
Subscriptions (EC$M)	148.7	239.5	26.7	270.6	235.9
Total number of auctions	42	34	33	51	53
Total Amounts Raised (EC$M	739.7	713.8	615.3	1074.8	1067.4
Total Subscriptions (EC$M)	910.2	852.4	943.9	1372.1	1322.3

Source: Eastern Caribbean Central Bank
Data as at 14 March 2014

Table 10
ECCU - Average Weighted Interest Rates on the RGSM (%)

	2009^R	2010^R	2011^R	2012^R	2013^P
91-day Treasury Bill	5.53	5.08	4.56	4.44	3.94
180-day Treasury Bill	5.20	4.75	4.76	5.79	6.00
365-day Treasury Bill	6.22	6.19	6.08	6.24	5.93
3-year Bonds	**	6.25	**	**	6.75
4-year Bonds	**	**	**	6.00	**
5-year Bonds	7.00	6.80	7.50	6.99	7.25
6-year Bonds	7.19	7.25	**	**	6.90
7-year Bonds	8.00	**	**	7.00	7.34
8-year Bonds	**	7.50	**	7.10	7.10
10-year Bonds	**	**	7.75	7.48	7.33

Source: Eastern Caribbean Central Bank
Data as at 14 March 2014

Table 11
Anguilla - Selected Economic Indicators

	2009	2010	2011	2012	2013
	(Annual Percentage Change Unless Otherwise Indicated)				
National Income and Prices					
Nominal GDP at Basic Prices	(18.43)	(6.43)	3.10	(0.00)	(0.613)
Real GDP at Basic Prices	(16.53)	(5.77)	(1.45)	(2.61)	(0.32)
GDP Deflator	(2.28)	(0.70)	4.62	2.68	(0.30)
Consumer Prices (end of period)	(0.79)	0.85	8.62	3.71	1.63
Consumer Prices (period average)	(0.68)	1.03	6.19	3.93	3.20
Real GDP at Basic Prices by Selected Sectors:					
Agriculture, Livestock and Forestry	(9.60)	19.34	(9.52)	(19.47)	(6.82)
Fishing	(24.68)	(7.14)	34.49	10.60	0.50
Manufacturing	(16.86)	(50.33)	(1.54)	0.38	(40.00)
Mining and Quarrying	(39.03)	(56.62)	(5.43)	(9.04)	(10.00)
Electricity and Water	3.77	6.65	(2.88)	(12.51)	(4.80)
Construction	(58.54)	(23.70)	(18.00)	1.67	(10.00)
Wholesale and Retail Trade	(2.01)	(16.32)	(5.01)	7.93	(2.50)
Hotels and Restaurants	(6.15)	5.74	6.55	(4.78)	7.50
Transport, Storage and Communications	(21.55)	(7.05)	(2.65)	(7.72)	7.17
Transport and Storage	(40.11)	(15.76)	(5.61)	(1.68)	14.92
Communications	2.01	(0.56)	(0.78)	(11.36)	2.00
Financial Intermediation	5.07	(0.25)	(1.11)	(2.21)	(3.40)
Real Estate, Renting and Business Activities	(9.36)	0.21	0.61	(5.04)	(0.79)
Public Administration, Defence & Compulsory Social Security	20.36	1.30	(8.17)	(0.56)	0.33
Education	0.13	1.01	8.80	7.23	0.43
Health and Social Work	(4.62)	(6.14)	(0.69)	(12.11)	0.04
Other Services	0.53	4.92	(2.50)	(0.02)	(1.00)
FISIM	(2.79)	3.57	5.71	(5.57)	2.00
Import Cover Ratio	3.78	4.22	3.68	3.57	4.84
	(In percent of GDP)				
External Sector					
Current Account Balance	(33.84)	(18.87)	(12.60)	(19.64)	(17.18)
Overall Balance	(1.25)	0.93	(0.80)	0.82	0.37
Merchandise Trade Balance	(44.46)	(44.49)	(41.35)	(43.21)	(44.40)
External Debt (end-of-period)	6.55	24.33	21.88	22.76	22.70
Central Government					
Current Account Balance	(7.09)	(4.19)	3.92	1.24	(0.32)
Current Revenue	19.45	21.52	25.77	23.59	23.03
Current Expenditure	26.53	25.71	21.85	22.35	23.34
Capital Expenditure and Net Lending	1.39	0.43	1.20	1.25	1.10
Overall Fiscal Balance	(8.48)	0.05	2.72	1.52	0.68
	(in per cent per annum)				
Monetary Sector					
Weighted Deposit Interest Rates	3.54	3.40	2.87	3.49	3.31
Weighted Lending Interest Rates	10.07	10.46	10.14	9.19	9.17
	(in millions of EC dollars, unlesss otherwise stated)				
Memo					
Nominal GDP at Basic Prices	665.03	622.27	641.55	641.54	637.61
Real GDP at Basic Prices	609.83	574.62	566.27	551.48	549.74
Nominal GDP at Market Prices	762.76	724.60	795.63	762.52	753.13
GDP per Capita (EC$)	47,786.05	44,255.65	61,028.89	56,857.88	54,578.38
Merchandise Imports (f.o.b)	401.42	355.96	347.86	348.48	344.18
Merchandise Exports (f.o.b)	62.28	33.56	18.88	18.98	9.77
Gross Visitor Expenditure	253.15	268.38	301.70	304.52	328.68

Source: Anguilla Statistics Department and Treasury Department, Ministry of Finance, Economic Development, Investment, Commerce and Tourism and Eastern Caribbean Central Bank
Data as at 12 February 2014

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

	2009	2010	2011	2012	2013
Current Revenue	148.33	155.93	205.04	179.89	173.41
Tax Revenue	111.60	115.91	180.71	155.13	147.47
Taxes on Income and Profit	-	-	8.20	13.86	12.77
of which: Stabilisation Levy	-	-	8.20	13.86	12.77
Taxes on Property	1.49	1.50	2.85	3.91	3.62
Taxes on Domestic Goods and Services	44.66	53.95	104.16	66.03	52.45
of which:					
Licenses	11.76	11.53	11.22	11.93	13.52
Accommodation Tax	11.36	11.85	20.51	18.58	13.62
Stamp Duties	10.46	17.92	55.40	18.22	9.37
Taxes on International Trade and Transactions	65.44	60.46	65.50	71.33	78.62
of Which:					
Import Duty	55.22	51.59	53.41	53.61	56.77
Customs Surcharge	3.07	2.47	11.32	14.72	15.89
Embarkation Tax	4.74	4.68	-	2.12	4.97
Non-tax Revenue	36.74	40.02	24.33	24.75	25.94
Current Expenditure	202.40	186.27	173.85	170.43	175.78
Personal Emoluments	90.74	88.62	80.46	79.91	80.32
Goods and Services	48.41	39.23	38.74	38.33	40.45
Interest Payments	8.28	10.97	9.12	8.35	9.11
Domestic	6.60	8.78	2.65	2.42	3.08
External	1.68	2.18	6.47	5.93	6.03
Transfers and Subsidies	54.97	47.45	45.52	43.84	45.91
of which: Pensions	7.27	8.93	8.11	7.77	8.21
Current Account Balance	(54.07)	(30.34)	31.19	9.46	(2.37)
Capital Revenue	0.00	-	-	-	-
Grants					
Of which Capital Grants	-	33.83	-	11.64	15.72
Capital Expenditure and Net Lending	10.58	3.13	9.55	9.51	8.27
Of which: Capital Expenditure					
Primary Balance before grants	(56.37)	(22.50)	30.76	8.29	(1.53)
Primary Balance after grants	(56.37)	11.33	30.76	19.93	14.19
Overall Balance before grants	(64.65)	(33.47)	21.64	(0.05)	(10.64)
Overall Balance after grants	(64.65)	0.37	21.64	11.59	5.08
Financing	64.65	(0.37)	(21.64)	(11.59)	(5.08)
Domestic	62.71	(113.60)	(21.58)	(7.49)	(11.94)
ECCB (net)	13.66	(13.90)	(3.12)	5.71	0.14
Commercial Banks (net)	43.93	(162.27)	(4.33)	(9.21)	(8.27)
Other	5.13	62.57	(14.13)	(3.99)	(3.81)
External	1.93	127.48	(1.06)	(1.08)	(1.04)
Net Disbursements/(Amortisation)	1.93	127.48	(1.06)	(1.08)	(1.04)
Disbursements	2.69	148.50	-	-	-
Amortisation	(0.75)	(21.02)	(1.06)	(1.08)	(1.04)
Change in Government Foreign Assets	-	-	-	-	-
Arrears	-	(14.25)	1.00	(3.02)	7.90
Domestic	-	(14.25)	1.00	(3.02)	7.90
External	-	-	-	-	-
Other financing					

Source: Treasury Department, Anguilla and the Eastern Caribbean Central Bank
Data as at 21 February 2014

Table 13
Anguilla - Monetary Survey
(EC$M at end of period)

	2009[R]	2010[R]	2011[R]	2012[R]	2013[P]
Net Foreign Assets	**37.74**	**196.81**	**187.12**	**186.28**	**233.83**
Central Bank (Net)	**101.37**	**108.09**	**101.76**	**108.04**	**110.82**
Commercial Banks (Net)	**(63.63)**	**88.71**	**85.36**	**78.24**	**123.01**
External (Net)	36.34	31.54	7.70	12.11	77.39
Assets	305.08	293.22	224.86	224.43	203.04
Liabilities	268.75	261.68	217.16	212.33	125.65
Other ECCB Territories (Net)	(99.97)	57.17	77.66	66.14	45.62
Assets	131.36	168.39	195.69	173.75	135.07
Liabilities	231.33	111.21	118.03	107.61	89.45
Net Domestic Assets	**1,036.81**	**865.55**	**827.44**	**821.31**	**797.07**
Domestic Credit	**1,376.39**	**1,231.92**	**1,199.03**	**1,123.55**	**1,053.11**
Central Government (Net)	129.30	(46.87)	(54.32)	(57.81)	(65.95)
Other Public Sector (Net)	(162.54)	(133.75)	(160.81)	(184.35)	(198.64)
Private Sector	1,409.62	1,412.54	1,414.16	1,365.72	1,317.70
Household	666.85	613.69	594.13	565.42	539.74
Business	717.99	777.08	794.05	776.95	751.46
Non-Bank Financial Institution	6.49	5.69	6.96	5.67	5.30
Subsidiaries & Affiliates	18.30	16.08	19.02	17.68	21.20
Other Items (Net)	**(339.57)**	**(366.37)**	**(371.60)**	**(302.24)**	**(256.04)**
Monetary Liabilities (M2)	**1,074.55**	**1,062.36**	**1,014.55**	**1,007.59**	**1,030.90**
Money Supply (M1)	**49.48**	**42.09**	**45.43**	**42.62**	**43.06**
Currency with the Public	16.40	11.62	11.22	11.19	12.21
Demand Deposits	31.95	28.55	31.78	29.93	30.13
EC$ Cheques and Drafts Issued	1.13	1.92	2.43	1.51	0.73
Quasi Money	**1,025.08**	**1,020.27**	**969.12**	**964.96**	**987.83**
Savings Deposits	101.18	102.16	98.41	106.24	107.84
Time Deposits	102.41	118.74	124.48	127.03	130.09
Foreign Currency Deposits	821.49	799.37	746.24	731.69	749.90

Source: Eastern Caribbean Central Bank
Data available as at 16 February 2014
[R]Revisions included changes to Imputed Reserves calculation

Table 14
Anguilla - Selected Tourism Statistics

	2009	2010	2011	2012	2013
Total Visitor Arrivals	112,115	118,716	123,558	129,391	151,303
Stay-Over Arrivals	57,891	61,998	65,783	64,698	69,068
Of Which:					
USA	34,073	38,882	42,829	41,795	45,510
Canada	2,032	2,403	2,823	3,291	3,575
UK	2,947	2,914	3,118	2,599	2,796
Caribbean	12,924	11,837	10,954	10,181	10,454
Other Countries	5,915	5,962	6,059	6,832	6,733
Excursionists	54,224	56,718	57,775	64,693	82,235
Total Visitor Expenditure (EC$M)	**253.15**	**268.38**	**301.70**	**304.52**	**328.68**

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

Data as at 21 February 2014

Table 15
Anguilla - Balance of Payments
(In millions of Eastern Caribbean dollars)

	2009	2010	2011	2012	2013
Current Account	**(258.12)**	**(136.73)**	**(100.26)**	**(149.77)**	**(129.35)**
Goods and Services	**(227.40)**	**(159.61)**	**(126.98)**	**(129.53)**	**(110.67)**
Goods	(338.86)	(322.32)	(328.76)	(328.81)	(332.96)
Merchandise	(339.14)	(322.40)	(328.97)	(329.50)	(334.40)
Repair on goods	0.01	0.19	0.07	0.07	0.11
Goods procured in ports by carriers	0.26	(0.11)	0.14	0.62	1.34
Services	111.46	162.71	201.78	199.27	222.28
Transportation	(46.30)	(36.13)	(27.39)	(31.40)	(30.06)
Travel	209.66	232.92	266.57	271.75	296.32
Insurance Services	(6.94)	(5.14)	(5.71)	(5.91)	(5.35)
Other Business Services	(50.73)	(33.93)	(34.84)	(40.55)	(44.07)
Government Services	5.76	4.99	3.16	5.38	5.45
Income	**(17.48)**	**7.28**	**(0.90)**	**(5.87)**	**(5.94)**
Compensation of Employees	8.32	11.04	7.47	0.53	0.59
Investment Income	(25.79)	(3.77)	(8.38)	(6.41)	(6.53)
Current Transfers	**(13.24)**	**15.60**	**27.62**	**(14.37)**	**(12.74)**
General Government	1.61	23.82	45.09	6.70	7.51
Other Sectors	(14.85)	(8.22)	(17.47)	(21.06)	(20.26)
Capital and Financial Account	**248.59**	**143.45**	**93.92**	**156.05**	**132.14**
Capital Account	**31.04**	**43.62**	**21.20**	**28.48**	**31.97**
Capital Transfers	31.04	43.62	21.20	28.48	31.97
General Government	-	11.56	0.08	12.55	15.72
Other Sectors	31.04	32.06	21.12	15.93	16.25
Acquisition & Disposal of Non-Produced Non-Financial Assets	-	-	-	-	-
Financial Account	**217.55**	**99.83**	**72.72**	**127.57**	**100.16**
Direct Investment	117.68	30.78	105.07	117.57	152.47
Portfolio Investment	(9.30)	(4.16)	(3.43)	0.65	0.37
Other Investments	109.16	73.21	(28.92)	9.35	(52.67)
Public Sector Long Term	(0.95)	123.83	(1.44)	(0.57)	(2.94)
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	113.07	(152.34)	3.35	7.12	(44.77)
Other Assets	(23.55)	96.94	(16.69)	(5.21)	(5.15)
Other Liabilities [1/]	20.59	4.78	(14.15)	8.01	0.19
Overall Balance	**(9.53)**	**6.72**	**(6.34)**	**6.28**	**2.78**
Financing	**9.53**	**(6.72)**	**6.34**	**(6.28)**	**(2.78)**
Change in SDR holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	-	-	-	-	-
Change in Imputed Reserves	9.53	(6.72)	6.34	(6.28)	(2.78)

Source: Anguilla Statistics Department, Ministry of Finance, Economic Development, Investment, Commerce and Tourism and Eastern Caribbean Central Bank
Data as at 21 February 2014
[1/] Includes errors & omissions

Table 16
Antigua and Barbuda - Selected Economic Indicators

	2009	2010	2011	2012	2013
	(Annual Percentage Change Unless Otherwise Indicated)				
National Income and Prices					
Nominal GDP at Basic Prices	(9.07)	(7.28)	(0.86)	5.40	2.49
Real GDP at Basic Prices	(10.67)	(8.57)	(2.10)	2.79	0.14
GDP Deflator	1.79	1.41	1.27	2.53	2.35
Consumer Prices (end of period)	2.40	2.92	4.04	1.84	1.06
Consumer Prices (period average)	(0.55)	3.37	3.46	3.38	1.06
Real GDP at Basic Prices by Selected Sectors					
Agriculture,Livestock and Forestry	(1.20)	10.87	5.97	(5.87)	1.55
Fishing	(23.63)	(7.15)	1.92	2.00	3.00
Mining and Quarrying	(25.37)	(18.56)	(19.30)	6.26	26.50
Manufacturing	10.61	(8.81)	2.77	(12.37)	1.50
Electricity and Water	1.43	1.10	8.02	(2.11)	(2.01)
Construction	(9.23)	(34.92)	(24.37)	9.99	5.00
Wholesale and Retail Trade	(26.64)	(7.22)	(7.89)	6.75	(3.50)
Hotels and Restaurants	(8.06)	(1.13)	4.37	2.22	(3.73)
Transport, Storage and Communications	(14.39)	(7.37)	0.18	0.05	(0.10)
Transport	(18.64)	(6.85)	(3.13)	7.10	(1.08)
Communication	(7.27)	(8.15)	5.10	(9.61)	1.50
Financial Intermediation	(10.67)	(4.72)	0.70	(1.65)	(0.03)
Real Estate, Renting and Business Activities	0.72	6.15	5.42	3.93	1.04
Public Administration, Defence & Compulsory Social Security	(4.66)	(6.64)	(0.29)	3.73	2.00
Education	(1.60)	(10.24)	0.59	(0.80)	1.36
Health and Social Work	2.00	1.06	(0.88)	1.27	1.71
Other Services	6.93	3.77	6.07	5.93	1.80
FISIM	8.02	(0.80)	(0.27)	(10.12)	(4.00)
Import Cover Ratio	1.41	2.12	1.88	1.93	2.06
	(In percent of GDP)				
External Sector					
Current Account Balance	(14.01)	(14.72)	(10.44)	(13.97)	(16.62)
Overall Balance	(0.83)	0.91	0.93	0.94	3.45
Merchandise Trade Balance	(35.60)	(35.78)	(34.23)	(36.81)	(36.26)
Public Sector External Debt (end-of-period)	34.46	38.00	41.39	37.27	42.23
Central Government					
Current Account Balance	(5.71)	(1.20)	(3.89)	(0.77)	(3.09)
Current Revenue	18.29	20.86	19.60	20.06	18.00
Current Expenditure	24.00	22.06	23.48	20.83	21.09
Capital Expenditure and Net Lending	5.37	1.75	2.22	0.65	1.30
Overall Fiscal Balance	(11.00)	(1.38)	(5.26)	(1.35)	(4.35)
	(in percent per annum)				
Monetary Sector					
Weighted Deposit Interest Rates	3.31	3.23	3.08	3.01	2.93
Weighted Lending Interest Rates	8.93	10.27	10.16	9.48	9.47
	(in millions of EC dollars, unless otherwise stated)				
Memo					
Nominal GDP at Basic Prices	2,834.40	2,628.09	2,605.52	2,746.17	2,814.60
Real GDP at Basic Prices	2,570.64	2,350.32	2,300.93	2,365.22	2,368.41
Nominal GDP at Market Prices	3,257.31	3,065.96	3,043.17	3,223.79	3,320.59
GDP per capita (EC$)	36,542.30	33,765.66	32,900.87	34,215.16	34,597.04
Merchandise Imports (f.o.b)	1,265.12	1,190.92	1,120.07	1,264.94	1,292.97
Merchandise Exports (f.o.b)	105.60	94.04	78.38	78.32	88.89
Gross Visitor Expenditure	823.81	803.90	841.77	861.30	806.24

Source: Statistics Division,Ministry of Finance, The Economy and Public Administration, Antigua and Barbuda and Eastern Caribbean Central Bank
Data as at 12 February 2013

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

	2009	2010	2011	2012	2013
Current Revenue	595.85	639.58	596.32	646.64	597.82
Tax Revenue	573.39	576.45	551.36	604.21	555.24
Taxes on Income and Profit	98.01	92.44	69.67	77.32	84.69
of which:					
Personal Income	35.75	33.39	34.39	41.89	40.34
Corporation	61.96	58.77	34.32	35.42	44.17
Taxes on Property	14.85	17.72	16.04	20.15	18.30
Taxes on Domestic Goods and Services	252.57	222.78	234.64	275.42	244.69
of which:					
Antigua and Barbuda Sales Tax	203.82	179.25	196.98	227.49	209.34
Stamp Duties	29.52	31.29	29.02	39.07	27.02
Taxes on International Trade and Transactions	207.95	243.51	231.00	231.33	207.56
of which:					
Import Duty	78.87	79.13	78.37	81.02	79.13
Consumption Tax	25.51	30.86	33.19	30.94	29.05
Embarkation Tax	10.40	14.00	15.62	13.46	-
Passenger Facility Charge	10.52	21.67	16.54	15.64	-
Revenue Recovery Charge	-	-	-	70.47	69.91
Non-Tax Revenue	22.46	63.13	44.96	42.43	42.58
Current Expenditure	781.74	676.23	714.67	671.49	700.38
Personal Emoluments	290.66	272.58	263.89	273.81	276.88
Goods and Services	171.04	125.49	125.74	113.75	147.65
Interest Payments	95.65	72.64	77.26	80.02	66.00
Domestic	39.62	54.76	44.76	64.40	48.36
External	56.03	17.88	32.50	15.63	17.63
Transfers and Subsidies	224.40	205.52	247.78	203.90	209.85
of Which: Pensions	72.49	70.00	64.82	70.66	75.63
Current Account Balance	(185.89)	(36.65)	(118.36)	(24.85)	(102.56)
Capital Revenue	2.51	2.97	2.98	2.21	1.30
Grants	-	44.91	22.86	-	-
of which: Capital Grants	-	13.03	22.86	-	-
Debt Forgiveness	-	-	-	-	-
Capital Expenditure	175.03	53.64	67.55	20.89	43.08
Primary Balance	(262.76)	30.24	(82.80)	36.49	(78.34)
Overall Balance (before grants)	(358.40)	(87.32)	(182.92)	(43.53)	(144.34)
Overall Balance (after grants)	(358.40)	(42.40)	(160.06)	(43.53)	(144.34)
Financing	358.40	42.40	160.06	43.53	144.34
Domestic	177.64	(78.79)	163.68	15.72	109.53
ECCB (net)	77.57	(26.93)	40.27	(1.45)	(17.79)
Commercial Banks (net)	50.12	(99.73)	38.01	9.74	(10.41)
Other	49.96	47.86	85.40	7.42	137.73
External	96.08	139.54	38.48	35.39	79.72
Net Disbursements/(Amortisation)	96.08	96.95	38.83	26.51	82.96
Disbursements	145.25	169.52	98.74	72.48	138.88
Amortisation	(49.17)	(72.56)	(59.91)	(45.97)	(55.92)
Change in Govt. Foreign Assets	-	42.58	(0.35)	8.88	(3.24)
Arrears	84.68	(1,172.05)	(42.10)	(108.26)	(44.92)
Domestic	53.41	(910.51)	(41.32)	(15.46)	(53.05)
External	31.26	(261.54)	(0.78)	(92.80)	8.13
Other Financing	-	1,153.71	-	100.69	-

Source: Ministry of Finance, Treasury Department and ECCB Estimates
Data available at 20 March 2013

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

	2009^R	2010^R	2011^R	2012^R	2013^P
Net Foreign Assets	**385.38**	**418.81**	**352.01**	**465.45**	**568.01**
Central Bank (Net)	**297.87**	**368.29**	**396.29**	**435.38**	**546.72**
Commercial Banks (Net)	**87.51**	**50.52**	**(44.28)**	**30.07**	**21.29**
External (Net)	(128.10)	(132.03)	(222.01)	(299.26)	(359.60)
Assets	1,147.18	502.29	1,331.69	966.07	594.52
Liabilities	1,275.28	634.31	1,553.70	1,265.33	954.11
Other ECCB Territories (Net)	215.61	182.55	177.73	329.33	380.89
Assets	862.87	969.69	1,189.23	1,310.36	1,402.39
Liabilities	647.26	787.15	1,011.50	981.04	1,021.50
Net Domestic Assets	**2,419.85**	**2,395.49**	**2,448.14**	**2,324.66**	**2,340.43**
Domestic Credit	**3,033.90**	**2,948.00**	**2,852.67**	**2,700.20**	**2,675.42**
Central Government (Net)	592.07	465.42	543.70	552.00	523.80
Other Public Sector (Net)	(97.72)	(61.68)	(124.27)	(216.53)	(109.00)
Private Sector	2,539.55	2,544.26	2,433.24	2,364.73	2,260.62
Household	1,320.25	1,324.22	1,234.30	1,281.87	1,258.13
Business	1,142.74	1,128.51	1,119.41	998.20	926.00
Non-Bank Financial Institutior	16.11	19.24	20.55	29.58	30.64
Subsidiaries & Affiliates	60.45	72.30	58.98	55.09	45.85
Other Items (Net)	**(614.05)**	**(552.51)**	**(404.53)**	**(375.54)**	**(334.99)**
Monetary Liabilities (M2)	**2,805.23**	**2,814.30**	**2,800.15**	**2,790.11**	**2,908.44**
Money Supply (M1)	**630.02**	**618.89**	**603.09**	**554.01**	**597.23**
Currency with the Public	146.13	137.74	130.06	121.73	136.59
Demand Deposits	459.62	448.15	447.29	413.33	431.63
EC$ Cheques and Drafts Issued	24.26	33.00	25.74	18.95	29.02
Quasi Money	**2,175.21**	**2,195.41**	**2,197.06**	**2,236.10**	**2,311.21**
Savings Deposits	960.27	964.93	995.61	1,082.44	1,181.61
Time Deposits	1,000.24	989.33	995.61	978.83	898.51
Foreign Currency Deposits	214.71	241.15	205.84	174.83	231.09

Source: Eastern Caribbean Central Bank

Data available as at 16 February 2014

Table 19
Antigua and Barbuda - Selected Tourism Statistics

	2009	2010	2011	2012	2013
Total Visitor Arrivals	965,431	812,859	870,240	842,693	792,332
Stay-Over Arrivals	234,410	229,943	241,331	246,926	229,999
of which:					
USA	82,068	81,598	84,832	93,214	79,513
Canada	12,947	17,818	22,403	24,185	30,409
UK	73,251	66,623	69,184	68,677	64,940
Caribbean	41,546	37,505	37,887	32,680	29,356
Other Countries	2,967	2,876	3,030	9,843	9,870
Cruise Ship Passengers\1	709,795	557,030	604,506	567,707	533,280
Cruise Calls\2	367	304	328	333	321
Yacht Passengers	21,226	25,886	24,403	28,060	29,053
Yacht Calls	3,761	4,078	3,180	3,803	3,825
Total Visitor Expenditure (EC$M)	**823.81**	**803.90**	**841.77**	**861.30**	**806.24**

Source: Ministry of Tourism, Antigua and Barbuda and ECCB Estimates

\1 includes Excursionists

\2 Includes Windjammer Calls

Data available at 12 February 2014

Table 20
Antigua and Barbuda - Balance of Payments
(In millions of Eastern Caribbean dollars)

	2009	2010	2011	2012	2013
CURRENT ACCOUNT	**(456.37)**	**(451.19)**	**(317.77)**	**(450.42)**	**(551.88)**
Goods and Services	**(391.10)**	**(418.76)**	**(280.50)**	**(394.41)**	**(498.73)**
Goods	(1,155.86)	(1,102.05)	(1,011.34)	(1,146.16)	(1,161.49)
Merchandise	(1,159.52)	(1,096.89)	(1,041.70)	(1,186.62)	(1,204.08)
Repair on goods	0.19	-	-	-	-
Goods procured in ports by carriers	3.48	(5.17)	30.36	40.46	42.58
Services	764.76	683.29	730.84	751.75	662.76
Transportation	183.18	131.31	114.81	97.47	96.63
Travel	679.18	667.18	709.38	729.31	670.28
Insurance Services	(102.53)	(71.94)	(53.89)	(47.46)	(62.66)
Other Business Services	1.56	(46.44)	(51.28)	(42.57)	(56.40)
Government Services	3.36	3.18	11.82	15.00	14.91
Income	**(137.21)**	**(85.02)**	**(106.57)**	**(137.94)**	**(135.36)**
Compensation of Employees	23.09	20.78	20.58	21.69	21.97
Investment Income	(160.30)	(105.80)	(127.15)	(159.63)	(157.33)
Current Transfers	**71.95**	**52.59**	**69.30**	**81.93**	**82.21**
General Government	9.72	12.42	18.40	16.95	17.06
Other Sectors	62.23	40.17	50.90	64.99	65.15
CAPITAL & FINANCIAL ACCOUNT	**429.20**	**479.02**	**346.12**	**480.63**	**666.45**
Capital Account	**10.24**	**54.94**	**32.86**	**16.48**	**42.09**
Capital Transfers	10.24	54.94	32.86	15.86	42.09
General Government	1.24	44.74	22.86	6.06	32.00
Other Sectors	9.00	10.20	10.00	9.80	10.09
Acquisition & Disposal of Non-Produced, Non-Financial Assets	-	-	-	0.62	-
Financial Account	**418.97**	**424.08**	**313.26**	**464.15**	**624.36**
Direct Investment	217.75	261.03	175.93	349.29	362.58
Portfolio Investment	(19.05)	(20.36)	27.39	18.00	14.37
Other Investments	220.27	183.40	109.94	96.85	247.41
Public Sector Long Term	104.53	398.70	80.50	72.38	261.35
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	90.55	36.99	94.80	(74.35)	8.77
Other Assets	(57.34)	49.45	(1.07)	(44.72)	(83.32)
Other Liabilities *	82.54	(301.73)	(64.29)	143.54	60.61
Overall Balance	**(27.16)**	**27.83**	**28.35**	**30.21**	**114.57**
Financing	**27.16**	**(27.83)**	**(28.35)**	**(30.21)**	**(114.57)**
Change in SDR holdings	(52.91)	51.12	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	-	(8.53)	(0.35)	8.88	(3.24)
Change in Imputed Reserves	80.07	(70.43)	(28.00)	(39.09)	(111.34)

Source: Statistics Division, Ministry of Finance, The Economy and Public Administration, Antigua and Barbuda and Eastern Caribbean Central Bank
* includes errors & omissions
Data as at 12 February 2014

Table 21
Dominica - Selected Economic Indicators

	2009	2010	2011	2012	2013[P]
	(Annual Percentage Change Unless Otherwise Indicated)				
National Income and Prices					
Nominal GDP at Basic Prices	7.07	(1.97)	4.98	1.92	2.62
Real GDP at Basic Prices	(0.76)	0.73	1.71	(0.19)	0.02
GDP Deflator	7.89	(2.69)	3.21	2.12	2.61
Consumer Prices (end of period)	3.03	0.18	2.03	2.01	(1.73)
Consumer Prices (period average)	0.00	2.91	1.28	1.44	(0.41)
Real GDP at Basic Prices by Selected Sectors					
Agriculture, Livestock and Forestry	1.65	(7.92)	7.51	7.47	1.01
Fishing	3.88	(17.51)	11.78	(14.61)	3.00
Manufacturing	(2.62)	(1.46)	(5.95)	3.76	3.50
Mining and Quarrying	(47.17)	(5.00)	10.00	(15.00)	(5.00)
Electricity and Water	6.83	5.77	(0.81)	1.20	(0.12)
Construction	(7.27)	8.70	4.45	(6.92)	(15.00)
Wholesale and Retail Trade	4.72	0.04	7.19	(5.84)	2.70
Hotels and Restaurants	(4.05)	0.52	8.25	(1.58)	0.49
Transport, Storage and Communications	(6.14)	(0.89)	0.40	0.62	(0.32)
Transport and Storage	(6.97)	(0.81)	0.30	0.72	(1.33)
Communications	(5.04)	(1.01)	0.52	0.50	1.00
Financial Intermediation	0.45	3.18	1.18	0.66	1.32
Real Estate, Renting and Business Activities	2.56	0.29	0.38	(0.06)	0.51
Public Administration, Defence & Compulsory Social Security	5.70	2.31	6.06	0.14	1.00
Education	0.23	5.26	(8.09)	1.80	1.71
Health and Social Work	3.63	6.05	(0.73)	2.41	1.18
Other Services	0.26	0.52	2.18	0.55	0.98
FISIM	5.14	5.14	0.77	1.72	1.50
Import Cover Ratio	5.14	4.68	4.52	5.98	6.31
	(In percent of GDP)				
External Sector					
Current Account Balance	(23.03)	(16.88)	(13.82)	(18.58)	(14.29)
Overall Balance	4.35	0.26	1.32	1.19	(1.28)
Merchandise Trade Balance	(34.04)	(34.03)	(33.69)	(29.77)	(27.85)
Public Sector External Debt (end-of-period)	45.02	48.74	48.38	54.04	54.52
Central Government					
Current Account Balance	4.73	2.73	2.20	2.43	3.09
Current Revenue	26.88	27.43	26.94	26.06	28.08
Current Expenditure	22.15	24.70	24.74	23.63	25.85
Capital Expenditure and Net Lending	11.57	12.25	13.28	12.52	11.79
Overall Fiscal Balance	(2.07)	(6.36)	(8.58)	(9.01)	(8.68)
	(in percent per annum)				
Monetary Sector					
Weighted Deposit Interest Rates	3.20	3.26	3.14	3.01	3.02
Weighted Lending Interest Rates	9.99	8.95	8.77	9.03	8.96
	(in millions of EC dollars, unless otherwise stated)				
Memo					
Nominal GDP at Basic Prices	1,069.91	1,048.78	1,101.04	1,122.16	1,151.60
Real GDP at Basic Prices	957.28	964.30	980.84	978.93	979.10
Nominal GDP at Market Prices	1,302.54	1,282.89	1,326.54	1,338.36	1,363.15
GDP per capita (EC$)	18,021.20	17,401.31	18,606.89	18,679.38	18,930.71
Merchandise Imports (f.o.b)	535.21	531.69	537.13	494.95	482.32
Merchandise Exports (f.o.b)	91.81	95.16	90.15	96.54	102.64
Gross Visitor Expenditure	208.43	252.82	285.95	205.54	221.32

Source: Central Statistical Office, Saint Lucia and Eastern Caribbean Central Bank
Data as at 21 February 2014

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

	2009	2010	2011	2012	2013p
Current Revenue	350.07	351.88	357.38	348.74	382.78
Tax Revenue	320.57	327.94	311.92	302.17	303.22
Taxes on Income and Profits	55.94	62.40	55.88	57.12	58.53
Of which:					
Personal	32.07	29.65	33.58	31.97	34.27
Company/Corporation	26.35	33.62	24.53	27.51	26.28
Taxes on Property	9.14	8.65	8.03	6.29	7.80
Taxes on Domestic Goods and Services	185.93	184.03	177.93	178.10	180.21
Of which:					
Value Added Tax (VAT)	124.86	123.05	118.38	125.25	123.31
Licenses	18.14	18.01	17.69	17.71	18.73
Excise Tax	40.71	39.87	39.14	32.76	36.56
Taxes on International Trade and Transactions	69.56	72.86	70.08	60.67	56.67
Of which:					
Import Duty	33.65	39.42	38.40	34.09	32.82
Customs Service Charge	17.47	15.75	15.39	13.63	13.27
Environmental Levy	8.12	9.27	9.57	7.47	7.93
Non-Tax Revenue	29.50	23.94	45.46	46.57	79.57
Current Expenditure	288.45	316.84	328.15	316.26	352.38
Personal Emoluments	125.69	127.71	138.86	135.19	149.80
Goods and Services	84.37	99.29	97.29	93.63	107.40
Interest Payments	14.06	21.01	24.61	20.43	28.05
Domestic	4.20	8.03	7.04	11.18	10.47
External	9.86	12.99	17.57	9.25	17.58
Transfers and Subsidies	64.33	68.84	67.39	67.00	67.13
Of which: Pensions	17.12	15.08	16.58	15.42	17.42
Current Account Balance	61.62	35.03	29.23	32.48	42.10
Capital Revenue	0.40	1.63	1.47	2.73	0.25
Grants	61.73	38.88	31.65	11.78	11.70
Of which: Capital Grants	61.73	38.88	31.65	11.78	0.00
Capital Expenditure and Net Lending	150.76	157.18	176.13	167.56	160.68
Of which: Capital Expenditure	151.75	159.08	176.62	168.48	160.25
Primary Balance after grants	(12.96)	(60.62)	(89.17)	(100.15)	(90.27)
Overall Balance after grants	(27.02)	(81.64)	(113.78)	(120.57)	(118.32)
Financing	27.02	81.64	113.78	120.57	118.32
Domestic	(1.94)	33.43	79.11	20.91	79.63
ECCB (net)	(9.87)	6.95	2.23	(19.01)	25.32
Commercial Banks (net)	18.78	(9.75)	16.71	44.93	34.80
Other	(10.84)	36.23	60.17	(5.01)	19.52
External	34.39	47.43	31.25	107.29	32.81
Net Disbursements (Amortisation)	31.98	45.55	27.13	78.65	32.84
Disbursements	44.92	55.59	40.03	98.96	45.79
Amortisation	12.94	10.04	12.90	20.31	12.95
Change in Government Foreign Assets	2.42	1.88	4.12	28.63	(0.03)
Arrears	(5.44)	0.77	3.42	(7.63)	5.88
Domestic	(4.19)	(1.70)	3.40	(7.28)	5.88
External	(1.25)	2.47	0.02	(0.35)	0.00
Other Financing	0.00	0.00	0.00	0.00	0.00

Source: Ministry of Finance, Dominica and Eastern Caribbean Central Bank
Data as at 21 February 2014

Table 23
Dominica - Monetary Survey
(EC$M at end of period)

	2009^R	2010^R	2011^R	2012^R	2013^P
Net Foreign Assets	**560.02**	**538.17**	**459.12**	**544.98**	**527.87**
Central Bank (Net)	**176.07**	**181.33**	**203.43**	**247.96**	**230.48**
Commercial Banks (Net)	**383.94**	**356.85**	**255.69**	**297.02**	**297.39**
External (Net)	48.87	19.12	(17.76)	8.99	36.13
Assets	232.48	182.73	166.40	252.95	280.67
Liabilities	183.61	163.60	184.16	243.97	244.54
Other ECCB Territories (Net)	335.07	337.73	273.45	288.03	261.26
Assets	427.58	430.88	393.05	333.42	305.82
Liabilities	92.51	93.16	119.60	45.38	44.56
Net Domestic Assets	**413.01**	**472.05**	**574.84**	**593.37**	**630.67**
Domestic Credit	**512.53**	**577.14**	**652.90**	**687.42**	**722.45**
Central Government (Net)	(48.68)	(51.48)	(32.54)	(6.62)	53.50
Other Public Sector (Net)	(93.13)	(87.57)	(77.92)	(102.44)	(121.98)
Private Sector	654.34	716.19	763.35	796.48	790.93
Household	389.51	409.39	422.83	443.08	456.59
Business	256.44	298.64	329.52	332.64	318.64
Non-Bank Financial Institutior	1.79	1.58	4.44	14.20	11.13
Subsidiaries & Affiliates	6.60	6.57	6.57	6.57	4.57
Other Items (Net)	**(99.52)**	**(105.08)**	**(78.07)**	**(94.06)**	**(91.79)**
Monetary Liabilities (M2)	**973.03**	**1,010.23**	**1,033.96**	**1,138.35**	**1,158.54**
Money Supply (M1)	**202.00**	**192.20**	**189.77**	**227.83**	**212.86**
Currency with the Public	50.68	46.46	47.00	45.61	41.59
Demand Deposits	147.68	140.85	140.17	175.67	169.03
EC$ Cheques and Drafts Issued	3.64	4.89	2.60	6.56	2.24
Quasi Money	**771.02**	**818.02**	**844.19**	**910.52**	**945.68**
Savings Deposits	520.53	533.91	564.18	628.20	686.38
Time Deposits	236.27	254.06	256.21	248.77	235.76
Foreign Currency Deposits	14.22	30.06	23.80	33.55	23.54

Source: Eastern Caribbean Central Bank

Data available as at 21 February 2014

^R Revisions included changes to Imputed Reserves calculation

Table 24
Dominica - Selected Tourism Statistics

	2009	2010	2011	2012	2013P
Total Visitors	609,281	611,655	434,796	366,025	334,268
Stay-Over Visitors	82,454	84,338	82,193	85,980	86,136
USA	13,309	14,259	13,804	14,959	14,520
Canada	2,106	2,325	2,502	2,553	2,632
UK	4,335	4,597	4,611	4,657	4,619
Caribbean	40,177	41,648	41,105	41,850	41,420
Other Countries	22,527	21,509	20,171	21,961	22,945
Excursionists	890	784	764	2,104	1,898
Yachts Passengers	9,532	8,554	10,338	11,763	15,647
Cruise Ship Passengers	516,405	517,979	341,501	266,178	230,587
Number of Cruise Ship Calls	263	272	196	183	162
Total Visitor Expenditure (EC$M)	**208.43**	**252.82**	**285.95**	**205.54**	**221.32**

Sources: Discover Dominica Authority and Eastern Caribbean Central Bank
Data as at 21 February 2014

Table 25
Dominica - Balance of Payments
(In millions of Eastern Caribbean dollars)

	2009	2010	2011	2012	2013P
Current Account	**(299.91)**	**(216.50)**	**(183.35)**	**(248.68)**	**(194.80)**
Goods and Services	**(314.60)**	**(244.23)**	**(199.40)**	**(244.78)**	**(214.44)**
Goods	(435.80)	(431.12)	(439.47)	(390.74)	(371.52)
Merchandise	(443.39)	(436.53)	(446.98)	(398.42)	(379.68)
Repair on goods	0.00	0.01	0.00	0.00	0.00
Goods procured in ports by carriers	7.59	5.40	7.51	7.67	8.15
Services	121.21	186.90	240.07	145.97	157.09
Transportation	(75.49)	(73.12)	(74.47)	(71.03)	(73.94)
Travel	173.96	219.00	252.92	172.00	186.00
Insurance Services	(13.51)	(14.26)	(10.58)	(10.53)	(10.86)
Other Business Services	26.39	45.15	43.81	26.59	26.85
Government Services	9.86	10.13	28.38	28.95	29.03
Income	**(36.87)**	**(25.49)**	**(28.48)**	**(49.29)**	**(37.82)**
Compensation of Employees	2.86	3.07	2.19	2.50	2.53
Investment Income	(39.73)	(28.56)	(30.67)	(51.79)	(40.36)
Current Transfers	**51.55**	**53.22**	**44.53**	**45.39**	**57.46**
General Government	0.81	1.75	(5.54)	1.11	12.56
Other Sectors	50.73	51.47	50.07	44.27	44.90
Capital and Financial Account	**356.62**	**219.87**	**200.89**	**264.58**	**177.35**
Capital Account	**118.75**	**90.37**	**51.27**	**33.15**	**22.32**
Capital Transfers	118.75	90.37	51.27	33.15	22.32
Acquisition & Disposal of Non-Produced, Non-Financial Assets	0.00	0.00	0.00	0.00	0.00
Financial Account	**237.87**	**129.51**	**149.62**	**231.44**	**155.03**
Direct Investment	114.54	65.72	38.32	62.51	48.37
Portfolio Investment	0.99	(14.87)	(5.43)	2.65	(43.91)
Other Investments	122.35	78.65	116.73	166.28	150.57
Public Sector Long Term	21.73	59.52	25.78	77.03	35.68
Other Public Sector Capital	0.00	0.00	0.00	0.00	0.00
Commercial Banks	(28.43)	27.10	101.15	(41.33)	(0.37)
Other Assets	10.40	(24.10)	(10.86)	37.47	23.17
Other Liabilities *	118.65	16.13	0.66	93.11	92.09
Overall Balance	**56.71**	**3.38**	**17.55**	**15.90**	**(17.45)**
Financing	**(56.71)**	**(3.38)**	**(17.55)**	**(15.90)**	**17.45**
Change in SDR holdings	(33.18)	0.00	0.43	0.00	0.00
Change in Reserve Position with the Fund	0.00	0.00	0.00	0.00	0.00
Change in Government Foreign Assets	2.42	1.88	4.12	28.63	(0.03)
Change in Imputed Reserves	(25.95)	(5.26)	(22.10)	(44.54)	17.48

Source: Central Statistical Office, Saint Lucia and Eastern Caribbean Central Bank
* includes errors & omissions
Data as at 21 February 2014

Table 26
Grenada - Selected Economic Indicators

	2009	2010	2011	2012	2013P
		(annual percentage change unless otherwise stated)			
National Income and Prices					
Nominal GDP at Basic Prices	(5.64)	(1.52)	0.37	3.57	4.97
Real GDP at Basic Prices	(5.63)	(1.99)	0.14	(1.22)	2.74
GDP Deflator	(0.01)	0.48	0.22	4.85	2.17
Consumer Prices (end of period)	(2.35)	4.21	3.52	1.81	(1.24)
Consumer Prices (period average)	(0.31)	3.44	3.03	2.41	(0.04)
Real GDP at Basic Prices by Selected Sectors					
Agriculture , Livestock and Forestry	20.99	(12.08)	2.61	3.90	(0.19)
Fishing	(7.79)	9.76	(11.42)	6.33	22.00
Mining and Quarrying	(19.57)	(44.20)	(25.40)	(14.13)	(10.00)
Manufacturing	(5.27)	3.89	(0.14)	(0.22)	3.50
Electricity and Water	1.23	(0.61)	1.09	(1.48)	0.72
Construction	(31.57)	(0.95)	(11.82)	(18.05)	20.00
Wholesale and Retail Trade	(16.80)	(0.37)	0.84	0.65	7.00
Hotels and Restaurants	(12.25)	(13.62)	13.93	5.89	(4.38)
Transport, Storage and Communications	(9.75)	(3.92)	(3.18)	(3.17)	(2.11)
Transport	(13.28)	(2.88)	(3.13)	(6.55)	(2.19)
Communications	(4.07)	(5.44)	(3.26)	1.90	(2.00)
Financial Intermediation	0.73	(7.48)	0.26	(0.90)	(0.07)
Real Estate, Renting and Business Activities	(1.06)	0.92	2.04	0.32	0.89
Public Administration, Defence & Compulsory Social Security	3.13	5.73	4.31	1.10	(1.87)
Education	5.52	(2.01)	1.52	0.03	4.98
Health and Social Work	2.35	13.83	4.17	(1.95)	(1.95)
Other Services	(4.59)	(0.66)	(0.92)	2.22	0.51
FISIM	(4.63)	6.96	(4.90)	(0.55)	(9.00)
Import Cover Ratio	5.02	4.06	3.70	3.50	4.96
			(in per cent of GDP)		
External Sector					
Current Account Balance	(25.56)	(26.45)	(26.59)	(24.11)	(25.52)
Overall Balance	3.37	(1.24)	0.26	(0.24)	3.77
Merchandise Trade Balance	(30.30)	(33.80)	(33.90)	(33.15)	(34.36)
Public Sector External Debt (end-of-period)	66.43	69.78	75.07	75.53	75.31
Central Government					
Current Account Balance	(0.71)	0.31	0.24	(1.52)	(0.59)
Current Revenue	19.29	19.93	20.25	19.65	19.10
Current Expenditure	20.01	19.63	20.01	21.17	19.69
Capital Expenditure and Net Lending	5.62	5.19	6.26	5.01	5.99
Overall Fiscal Balance	(4.93)	(2.44)	(3.16)	(5.53)	(5.40)
			(in per cent per annum)		
Monetary Sector					
Weighted Deposit Interest Rates	3.03	2.65	2.86	2.68	2.46
Weighted Lending Interest Rates	10.70	9.46	10.33	9.19	9.10
		(in millions of EC Dollars, unless otherwise stated)			
Memo					
Nominal GDP at Basic Prices	1,824.95	1,797.27	1,803.88	1,868.30	1,961.13
Real GDP at Basic Prices	1,653.96	1,621.10	1,623.43	1,603.65	1,647.63
Nominal GDP at Market Prices	2,082.45	2,081.74	2,102.35	2,164.06	2,252.02
GDP per capita (EC$)	19,799.77	19,818.96	19,709.48	20,112.27	20,824.50
Merchandise Imports (f.o.b)	709.77	771.05	797.30	810.85	875.41
Merchandise Exports (f.o.b)	78.81	67.42	84.58	93.43	101.52
Gross Visitor Expenditure	302.10	301.44	315.79	328.24	324.44

Source: Statistics Department and ECCB
Data as at 21 February 2014

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

	2009	2010	2011	2012	2013p
Current Revenue	401.80	414.90	425.71	425.27	430.15
Tax Revenue	379.94	389.89	403.03	403.18	410.78
Taxes on Income and Profit	87.23	73.19	73.89	75.49	64.36
Of which:					
Personal[1]	28.22	24.42	25.27	27.95	28.49
Company/Corporation	59.01	48.77	48.62	47.54	35.87
Taxes on Property	18.84	17.40	14.92	16.42	13.52
Taxes on Domestic Goods and Services	75.97	178.19	189.79	189.48	211.62
Of which:					
Value Added Tax	-	140.58	159.94	152.63	153.78
Consumption Duty	37.53	8.78	1.46	0.31	0.03
Stamp Duties	4.27	3.52	3.83	12.81	3.82
Licenses	16.36	14.84	15.75	15.51	44.72
Taxes on International Trade and Transactions	197.89	121.12	124.43	121.79	121.28
Of which:					
Import Duty	44.32	47.88	49.51	48.04	48.24
Consumption Tax	84.55	6.27	0.27	0.27	0.01
Customs Service Charge	33.33	33.67	37.55	35.66	33.80
Non-Tax Revenue	21.87	25.01	22.67	22.09	19.37
Current Expenditure	416.65	408.55	420.76	458.13	443.36
Personal Emoluments	191.24	199.43	221.59	227.22	242.26
Goods and Services	85.95	91.89	75.09	86.40	74.23
Interest Payments	45.31	43.01	51.60	73.64	55.85
Domestic	14.47	8.80	18.02	23.09	29.13
External	30.84	34.21	33.59	50.55	26.72
Transfers and Subsidies	94.14	74.21	72.48	70.87	71.02
Of which: Pensions	23.35	22.67	25.34	26.62	28.71
Current Account Balance	(14.85)	6.36	4.94	(32.86)	(13.21)
Capital Revenue	0.14	0.17	0.11	0.09	0.04
Grants	29.15	50.65	60.08	21.54	26.55
of which: Capital Grants	12.71	33.18	60.07	20.81	26.55
Capital Expenditure and Net lending	117.07	107.95	131.53	108.36	134.89
of which: Capital Expenditure	117.07	107.95	131.53	108.36	134.89
Primary Balance after grants	(57.31)	(7.76)	(14.80)	(45.95)	(65.67)
Overall Balance after grants	(102.62)	(50.77)	(66.40)	(119.59)	(121.52)
Financing	102.62	50.77	66.40	119.59	121.52
Domestic	90.27	16.20	79.70	113.15	(10.80)
ECCB (net)	(36.90)	22.71	35.60	2.26	(12.43)
Commercial Banks (net)	12.87	(11.59)	4.79	(45.14)	(42.83)
Other	114.31	5.09	39.31	156.03	44.46
External	12.35	34.57	(13.30)	(27.80)	(29.55)
Net Disbursements/(Amortisation)	12.35	34.57	(13.30)	(27.80)	(29.55)
Disbursements	39.15	72.36	16.44	25.08	33.10
Amortisation	26.80	37.79	29.74	52.88	62.65
Change in Government Foreign Assets	-	-	-	-	-
Arrears	-	-	-	-	161.87
Domestic	-	-	-	34.24	136.53
External	-	-	-	(10.30)	25.33
Other Financing	-	-	-	44.54	-

Source: Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada and Eastern Caribbean Central Bank
[1] Includes Debt Service Levy
Data as at 21 February 2014

Table 28
Grenada - Monetary Survey
(EC$M at end of period)

	2009[R]	2010[R]	2011[R]	2012[R]	2013[P]
Net Foreign Assets	**286.52**	**245.26**	**168.90**	**113.78**	**352.39**
Central Bank (Net)	**306.30**	**280.41**	**285.93**	**280.81**	**365.60**
Commercial Banks (Net)	**(19.78)**	**(35.16)**	**(117.04)**	**(167.03)**	**(13.21)**
External (Net)	(140.11)	(194.83)	(245.57)	(263.29)	(187.69)
Assets	340.23	285.72	255.14	244.30	285.24
Liabilities	480.34	480.55	500.71	507.59	472.93
Other ECCB Territories (Net)	120.34	159.67	128.54	96.26	174.48
Assets	209.08	228.76	256.73	233.69	260.99
Liabilities	88.74	69.09	128.19	137.43	86.51
Net Domestic Assets	**1,533.51**	**1,592.14**	**1,680.78**	**1,748.47**	**1,586.33**
Domestic Credit	**1,641.85**	**1,699.05**	**1,782.55**	**1,857.44**	**1,695.39**
Central Government (Net)	98.90	110.01	150.40	107.51	52.25
Other Public Sector (Net)	(125.80)	(173.12)	(168.17)	(53.29)	(57.26)
Private Sector	1,668.76	1,762.15	1,800.32	1,803.22	1,700.40
Household	1,087.57	1,130.90	1,176.17	1,162.76	1,147.75
Business	565.41	617.35	608.24	625.56	541.65
Non-Bank Financial Institutior	15.78	13.91	15.91	14.90	11.01
Subsidiaries & Affiliates	-	-	-	-	-
Other Items (Net)	**(108.34)**	**(106.91)**	**(101.77)**	**(108.97)**	**(109.06)**
Monetary Liabilities (M2)	**1,820.03**	**1,837.39**	**1,849.67**	**1,862.25**	**1,938.72**
Money Supply (M1)	**331.98**	**341.86**	**324.53**	**333.00**	**381.04**
Currency with the Public	106.66	98.82	108.66	112.88	115.69
Demand Deposits	217.67	225.70	204.06	211.12	253.71
EC$ Cheques and Drafts Issued	7.65	17.35	11.81	9.01	11.64
Quasi Money	**1,488.05**	**1,495.53**	**1,525.14**	**1,529.25**	**1,557.68**
Savings Deposits	1,014.42	1,011.60	1,023.07	1,095.90	1,143.12
Time Deposits	339.17	371.18	381.44	339.92	318.24
Foreign Currency Deposits	134.47	112.76	120.63	93.42	96.33

Source: Eastern Caribbean Central Bank
Data available as at 21 February 2014
[R]Revisions included changes to Imputed Reserves calculation

Table 29
Grenada - Selected Tourism Statistics

	2009	2010	2011	2012	2013P
Total Visitor Arrivals	459,210	445,622	428,596	361,673	315,118
Stay-Over Arrivals	109,474	105,419	113,947	112,335	113,049
Of Which:					
USA	24,734	24,590	27,356	30,205	34,581
Canada	6,921	6,992	7,237	7,822	9,650
UK	27,090	25,927	27,236	24,489	20,586
Caribbean	25,739	23,368	26,476	24,849	24,447
Other Countries	24,990	24,542	25,642	24,970	23,785
Excursionists	2,829	2,435	1,972	3,343	1,606
Yacht Passengers	4,055	4,477	3,113	3,238	3,155
Cruise Ship Passengers	342,852	333,291	309,564	242,757	197,308
Number of Cruise Ship Calls	246	206	198	135	144
Total Visitor Expenditure (EC$M)	**302.10**	**301.44**	**315.34**	**328.27**	**324.44**

Source: Grenada Board of Tourism and Eastern Caribbean Central Bank
Data as at 21 February 2014

Table 30
Grenada - Balance of Payments
(In millions of Eastern Caribbean dollars)

	2009	2010	2011	2012	2013P
Current Account	(532.34)	(550.54)	(558.92)	(521.65)	(574.64)
Goods and Services	(469.10)	(528.68)	(538.15)	(510.82)	(576.45)
Goods	(614.48)	(687.00)	(696.98)	(695.25)	(749.80)
Merchandise	(630.96)	(703.62)	(712.72)	(717.43)	(773.89)
Repair on goods	0.00	0.00	-	-	-
Goods procured in ports by carriers	16.48	16.62	15.73	22.17	24.09
Services	145.37	158.32	158.84	184.43	173.35
Transportation	(93.45)	(96.31)	(95.05)	(86.90)	(90.44)
Travel	274.09	273.13	287.54	299.25	294.27
Insurance Services	(24.91)	(23.84)	(27.42)	(30.78)	(32.76)
Other Business Services	3.37	12.28	12.36	12.33	12.10
Government Services	(13.74)	(6.93)	(18.60)	(9.47)	(9.81)
Income	(170.22)	(107.67)	(85.79)	(92.56)	(69.36)
Compensation of Employees	0.47	0.46	0.44	0.44	0.45
Investment Income	(170.69)	(108.13)	(86.23)	(93.00)	(69.80)
Current Transfers	106.98	85.81	65.01	81.74	71.16
General Government	62.16	40.02	18.71	29.89	19.52
Other Sectors	44.82	45.79	46.30	51.85	51.64
Capital and Financial Account	602.57	524.65	564.44	516.53	659.44
Capital Account	104.42	160.20	140.49	158.31	162.76
Capital Transfers	104.42	160.20	140.49	158.31	162.76
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	498.15	364.45	423.95	358.22	496.68
Direct Investment	276.90	163.14	115.15	85.02	201.66
Portfolio Investment	37.84	7.84	27.16	(8.34)	38.54
Other Investments	183.41	193.48	281.64	281.53	256.48
Public Sector Long Term	70.24	34.13	(15.50)	(28.80)	(30.85)
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	(12.39)	15.38	81.88	50.00	(153.82)
Other Assets	39.37	38.15	69.99	18.30	151.75
Other Liabilities*	86.18	105.82	145.26	242.03	289.40
Overall Balance	70.23	(25.88)	5.52	(5.12)	84.79
Financing	(70.23)	25.88	(5.52)	5.12	(84.79)
Change in SDR Holdings	(47.26)	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	-	-	-	-	-
Change in Imputed Reserves	(22.97)	25.88	(5.52)	5.12	(84.79)

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

* includes errors and omissions

Data as at 21 February 2014

Table 31
Montserrat - Selected Economic Indicators

	2009	2010	2011	2012	2013
	(Annual Percentage Change Unless Otherwise Indicated)				
National Income and Prices					
Nominal GDP at Basic Prices	4.31	(6.74)	15.47	0.59	1.92
Real GDP at Basic Prices	0.34	(3.03)	6.19	1.99	(0.05)
GDP Deflator	4.31	(6.74)	15.47	0.59	1.92
Consumer Prices (end of period)	2.45	2.55	4.43	3.64	(0.54)
Consumer Prices (period average)	2.79	2.09	3.67	4.77	0.87
Real GDP at Basic Prices by Selected Sectors					
Agriculture, Livestock and Forestry	14.73	(12.39)	28.31	43.21	16.79
Fishing	20.81	(33.91)	36.19	11.31	1.00
Manufacturing	(10.19)	(10.55)	(1.44)	9.18	(2.50)
Mining and Quarrying	(15.99)	(76.72)	296.49	(34.16)	19.50
Electricity and Water	2.19	5.10	3.34	(1.57)	4.19
Construction	11.74	(9.54)	(2.59)	7.03	(10.00)
Wholesale and Retail Trade	(9.36)	(23.13)	(0.48)	8.08	10.00
Hotels and Restaurants	(15.17)	4.70	(8.15)	6.27	18.39
Transport, Storage and Communications	(5.98)	(21.63)	13.60	(2.01)	3.53
Transport and Storage	(10.86)	(37.87)	35.30	(5.30)	9.43
Communications	(1.07)	(6.88)	0.46	0.66	(1.00)
Financial Intermediation	0.95	3.27	3.72	8.52	1.41
Real Estate, Renting and Business Activities	0.59	(0.55)	(0.25)	0.97	0.59
Public Administration, Defence & Compulsory Social Security	4.36	4.77	8.87	0.98	(3.00)
Education	(2.94)	3.23	10.57	1.15	(0.75)
Health and Social Work	2.42	4.11	7.69	(1.15)	(1.45)
Other Services	2.80	(0.48)	1.81	1.10	3.00
FISIM	21.18	(0.84)	13.49	11.56	1.50
Import Cover Ratio	11.48	11.11	11.92	15.21	17.14
	(as a percentage of GDP)				
External Sector					
Current Account Balance	(21.39)	(35.08)	(15.80)	(20.89)	(41.73)
Overall Balance	4.53	4.83	12.59	9.76	12.81
Merchandise Trade Balance	(38.58)	(44.88)	(42.36)	(47.18)	(44.35)
External Debt (end-of-period)	5.47	5.52	4.52	4.13	3.81
Central Government					
Current Account Balance	(35.68)	(33.05)	(30.20)	(39.41)	(37.15)
Current Revenue	24.99	25.72	23.97	24.17	23.49
Current Expenditure	60.67	58.77	54.17	63.58	60.64
Capital Expenditure and Net Lending	23.13	19.87	16.17	22.53	41.35
Overall Fiscal Balance	3.66	2.26	7.66	(6.74)	(15.36)
	(per cent per annum)				
Monetary Sector					
Weighted Deposit Interest Rates	2.58	2.59	2.19	2.19	1.83
Weighted Lending Interest Rates	8.75	8.69	8.45	7.98	8.02
	(in millions of EC dollars, unless otherwise stated)				
Memo					
Nominal GDP at Basic Prices	145.98	136.14	157.20	158.13	161.17
Real GDP at Basic Prices	136.13	132.00	140.16	142.95	142.88
Nominal GDP at Market Prices	160.39	149.91	171.98	175.77	177.67
GDP per capita (EC$)	28,969	27,119	31,925	32,036	32,572
Merchandise Imports (f.o.b)	70.39	69.73	79.42	87.78	94.90
Merchandise Exports (f.o.b)	8.50	2.45	6.57	4.86	16.10
Gross Visitor Expenditure	16.38	15.88	14.01	18.97	20.48

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat and Eastern Caribbean Central Bank
Data as at 12 February 2014

Table 32
Montserrat - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2009	2010	2011	2012	2013
Current Revenue	40.08	38.56	41.23	42.49	41.73
Tax Revenue	35.82	33.57	36.64	37.18	35.70
Taxes on Income and Profit	16.83	16.36	18.14	15.55	14.98
of which:					
Personal	13.42	13.49	13.74	12.16	11.90
Corporation	2.74	1.86	3.06	2.78	2.43
Taxes on Property	1.06	0.95	0.78	0.85	1.02
Taxes on Domestic Goods and Services	3.69	2.68	3.17	3.49	3.69
of which:					
Insurance Company Levy	0.22	0.21	0.20	0.36	0.16
Stamp Duty and Licenses	2.53	1.54	1.96	2.15	2.33
Taxes on International Trade and Transactions	14.24	13.58	14.54	17.28	16.02
of which:					
Import Duty	4.20	3.95	4.24	5.67	5.11
Consumption Tax	6.30	6.27	6.48	9.78	10.00
Customs Service Charge	3.47	3.32	3.61	1.27	-
Non-Tax Revenue	4.26	4.99	4.59	5.31	6.03
Current Expenditure	97.31	88.10	93.17	111.76	107.74
Personal Emoluments	41.40	42.64	42.72	42.32	41.77
Goods and Services	23.90	18.29	19.78	22.14	26.23
Interest Payments	0.09	0.11	0.04	0.03	0.03
Domestic	0.05	0.08	-	0.00	-
External	0.04	0.03	0.04	0.03	0.03
Transfers and Subsidies	31.92	27.06	30.63	47.27	39.70
of which: Pensions	17.28	11.99	11.10	29.77	11.51
Current Account Balance (before grants)	(57.23)	(49.54)	(51.94)	(69.27)	(66.01)
Current Grants	60.32	47.52	76.28	54.76	31.16
Current Account Balance (after grants)	3.09	(2.02)	24.34	(14.51)	(34.85)
Capital Grants	39.87	35.19	16.65	42.27	81.03
Capital Expenditure	37.09	29.79	27.81	39.60	73.46
Primary Balance (after grants)	5.96	3.49	13.22	(11.81)	(27.25)
Overall Balance (before grants)	(94.32)	(79.33)	(79.75)	(108.87)	(139.47)
Overall Balance (after grants)	5.87	3.38	13.18	(11.84)	(27.28)
Financing	(5.87)	(3.38)	(13.18)	11.84	27.28
Domestic	(5.75)	(3.30)	(13.06)	11.96	27.40
ECCB (net)	(0.80)	(0.27)	(0.02)	0.01	(0.10)
Commercial Banks (net)	(0.99)	(6.12)	(27.02)	(9.70)	7.78
Other	(4.02)	3.09	13.98	21.65	19.72
External	(0.12)	(0.09)	(0.12)	(0.12)	(0.12)
Net Disbursements/(Amortisation)	(0.12)	(0.09)	(0.12)	(0.12)	(0.12)
Disbursements	-	-	-	-	-
Amortisation	(0.12)	(0.09)	(0.12)	(0.12)	(0.12)
Change in Govt. Foreign Assets	-	-	-	-	-
Arrears	-	-	-	-	-
Domestic	-	-	-	-	-
External	-	-	-	-	-

Source: Ministry of Finance, Montserrat and Eastern Caribbean Central Bank
Data available at 12 February 2014

Table 33
Montserrat - Monetary Survey
(EC$M at end of period)

	2009^{R}	2010^{R}	2011^{R}	2012^{R}	2013^{P}
Net Foreign Assets	**184.85**	**186.74**	**231.97**	**278.87**	**270.08**
Central Bank (Net)	**40.57**	**47.82**	**69.48**	**86.63**	**109.38**
Commercial Banks (Net)	**144.27**	**138.92**	**162.50**	**192.24**	**160.70**
External (Net)	51.15	37.24	34.99	69.94	85.61
Assets	90.81	70.04	73.13	121.48	140.84
Liabilities	39.66	32.80	38.15	51.53	55.23
Other ECCB Territories (Net)	93.12	101.68	127.51	122.30	75.09
Assets	203.70	208.15	242.92	128.24	82.09
Liabilities	110.58	106.47	115.41	5.95	7.00
Net Domestic Assets	**(19.08)**	**(16.19)**	**(39.41)**	**(58.03)**	**(54.75)**
Domestic Credit	**9.78**	**15.02**	**(5.10)**	**(17.04)**	**(9.71)**
Central Government (Net)	(21.19)	(27.58)	(54.62)	(64.31)	(56.63)
Other Public Sector (Net)	(22.22)	(19.16)	(18.84)	(27.87)	(19.94)
Private Sector	53.19	61.76	68.36	75.14	66.86
Household	45.28	51.81	57.93	65.29	58.36
Business	7.91	9.96	10.43	9.85	8.51
Non-Bank Financial Institutior	-	-	-	-	-
Subsidiaries & Affiliates	-	-	-	-	-
Other Items (Net)	**(28.86)**	**(31.21)**	**(34.31)**	**(40.99)**	**(45.04)**
Monetary Liabilities (M2)	**165.77**	**170.55**	**192.56**	**220.84**	**215.33**
Money Supply (M1)	**38.15**	**35.43**	**41.17**	**47.37**	**53.62**
Currency with the Public	14.86	15.97	21.63	25.69	18.39
Demand Deposits	23.06	19.15	19.41	21.55	35.10
EC$ Cheques and Drafts Issued	0.22	0.31	0.13	0.13	0.13
Quasi Money	**127.62**	**135.11**	**151.39**	**173.47**	**161.71**
Savings Deposits	110.61	118.00	129.84	148.63	119.65
Time Deposits	9.21	10.44	13.23	15.94	33.71
Foreign Currency Deposits	7.80	6.68	8.32	8.91	8.36

Source: Eastern Caribbean Central Bank
Data available as at 16 February 2014
[R]Revisions included changes to Imputed Reserves calculation

Table 34
Montserrat - Selected Tourism Statistics

	2009	**2010**	**2011**	**2012**	**2013**
Total Visitor Arrivals	8,864	9,578	10,472	12,127	11,191
Stay-Over Arrivals	6,311	5,981	5,395	7,310	7,974
Of Which:					
USA	1,606	1,665	1,526	1,950	1,875
Canada	367	404	320	505	577
UK	1,864	1,380	1,329	2,148	2,247
Caribbean	2,267	2,259	1,881	2,390	2,756
Other Countries	207	273	339	317	519
Excursionists	1,024	1,726	1,997	2,606	1,544
Cruise Ship Passengers	189	878	1,114	840	364
Yacht Passengers	1340	993	1966	1371	1309
Number of Yacht	295	216	352	327	336
Number of Cruise Ship Calls	1	4	3	5	4
Total Visitor Expenditure (EC$M)	**16.38**	**15.88**	**14.01**	**18.97**	**20.48**

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat and Eastern Caribbean Central Bank
Data available at 12 February 2013

Table 35
Montserrat - Balance of Payments
(In millions of Eastern Caribbean dollars)

	2009	2010	2011	2012	2013
Current Account	**(34.30)**	**(52.59)**	**(27.18)**	**(36.72)**	**(74.15)**
Goods and Services	**(77.32)**	**(82.13)**	**(89.72)**	**(96.77)**	**(92.03)**
Goods	(61.66)	(67.12)	(73.58)	(83.57)	(79.17)
Merchandise	(61.89)	(67.28)	(72.85)	(82.93)	(78.80)
Repair on goods	0.00	0.00	0.00	0.00	0.01
Goods procured in ports by carriers	0.22	0.16	(0.73)	(0.65)	(0.38)
Services	(15.66)	(15.01)	(16.13)	(13.20)	(12.86)
Transportation	(14.47)	(14.79)	(10.16)	(5.79)	(6.50)
Travel	8.38	8.05	5.51	10.82	12.25
Insurance Services	(1.57)	(0.84)	(1.55)	(1.82)	(1.98)
Other Business Services	(4.88)	(5.65)	(6.54)	(7.02)	(7.11)
Government Services	(3.12)	(1.78)	(3.39)	(9.39)	(9.51)
Income	**(9.76)**	**(10.28)**	**(9.58)**	**(7.95)**	**(8.05)**
Compensation of Employees	(2.05)	(1.18)	(1.27)	(1.06)	(1.08)
Investment Income	(7.71)	(9.09)	(8.31)	(6.89)	(6.97)
Current Transfers	**52.77**	**39.81**	**72.11**	**68.01**	**25.93**
General Government	58.82	46.22	77.31	74.58	32.57
Other Sectors	(6.05)	(6.41)	(5.20)	(6.58)	(6.64)
Capital and Financial Account	**41.57**	**59.83**	**48.84**	**53.87**	**96.90**
Capital Account	**50.60**	**29.57**	**19.07**	**51.68**	**78.96**
Capital Transfers	50.60	29.57	19.07	51.68	78.96
Acquisition & Disposal of Non-Produced, Non-Financial Assets	0.00	0.00	0.00	0.00	0.00
Financial Account	**(9.03)**	**30.26**	**29.77**	**2.19**	**17.94**
Direct Investment	6.92	9.59	6.65	7.05	6.03
Portfolio Investment	1.30	1.01	0.50	0.31	0.31
Other Investments	(17.24)	19.66	22.62	(5.16)	11.61
Public Sector Long Term	(0.62)	(0.46)	(0.50)	(0.50)	(0.50)
Other Public Sector Capital	0.00	0.00	0.00	0.00	0.00
Commercial Banks	(10.47)	5.35	(23.57)	(29.74)	31.54
Other Assets	10.18	8.99	40.35	24.47	(16.44)
Other Liabilities *	(16.33)	5.79	6.34	0.62	(3.00)
Overall Balance	**7.27**	**7.25**	**21.66**	**17.15**	**22.75**
Financing	**(7.27)**	**(7.25)**	**(21.66)**	**(17.15)**	**(22.75)**
Change in SDR holdings	0.00	0.00	0.00	0.00	0.00
Change in Reserve Position with the Fund	0.00	0.00	0.00	0.00	0.00
Change in Government Foreign Assets	0.00	0.00	0.00	0.00	0.00
Change in Imputed Reserves	(7.27)	(7.25)	(21.66)	(17.15)	(22.75)

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat and Eastern Caribbean Central Bank
* includes errors & omissions
Data as at 12 February 2013

Table 36
St Kitts and Nevis – Selected Economic Indicators

	2009	2010	2011	2012	2013
	(Annual Percentage Change Unless Otherwise Indicated)				
National Income and Prices					
Nominal GDP at Basic Prices	(1.64)	(2.92)	1.44	0.90	1.47
Real GDP at Basic Prices	(3.77)	(3.83)	(1.88)	(0.86)	1.95
GDP Deflator	2.21	0.94	3.39	1.78	(0.47)
Consumer Prices (end of period)	1.19	5.20	2.80	0.07	0.37
Consumer Prices (period average)	2.06	0.60	7.07	1.41	0.72
Real GDP at Basic Prices by Selected Sectors					
Agriculture, Livestock and Forestry	(8.59)	3.68	0.81	(4.97)	16.37
Fishing	(14.22)	0.02	32.34	(16.06)	5.00
Manufacturing	(2.09)	(8.59)	(3.08)	10.17	(7.94)
Mining and Quarrying	51.27	(26.87)	(35.47)	1.72	45.21
Electricity and Water	6.71	(1.48)	4.19	(6.18)	(1.57)
Construction	(17.02)	(12.25)	(8.94)	(10.26)	7.98
Wholesale and Retail Trade	(6.10)	(0.57)	(8.74)	3.77	3.86
Hotels and Restaurants	(26.77)	5.38	3.31	2.43	3.85
Transport, Storage and Communications	2.03	6.99	1.43	(2.06)	(2.59)
Transport and Storage	8.58	5.15	1.26	(3.16)	4.28
Communications	3.11	8.98	1.60	(0.92)	(9.58)
Financial Intermediation	2.89	(20.17)	(1.34)	(0.33)	1.99
Real Estate, Renting and Business Activities	6.51	3.08	(2.87)	(0.75)	2.74
Public Administration, Defence & Compulso	4.32	3.25	6.57	1.88	2.04
Education	4.63	2.24	(1.53)	(0.41)	2.03
Health and Social Work	4.12	(7.16)	2.12	1.34	2.15
Other Services	4.32	(8.13)	(1.32)	1.22	2.91
FISIM	4.63	5.65	6.14	3.51	(1.71)
Import Cover Ratio	13.94	14.75	18.60	22.90	27.52
	(In percent of GDP)				
External Sector					
Current Account Balance	(25.41)	(20.01)	(14.04)	(11.58)	(8.44)
Overall Balance	3.68	4.81	8.60	3.31	5.34
Merchandise Trade Balance	(33.04)	(29.01)	(25.52)	(22.71)	(26.16)
Public Sector External Debt (end-of-period)	43.21	43.65	47.54	41.12	40.12
Central Government					
Current Account Balance	(0.46)	(1.19)	2.80	4.97	12.44
Current Revenue	28.02	27.16	33.07	32.62	39.27
Current Expenditure	28.49	28.36	30.27	27.65	26.82
Capital Expenditure and Net Lending	4.58	6.33	4.28	3.65	4.61
Overall Fiscal Balance	(0.96)	(4.26)	2.49	11.25	14.51
	(in percent per annum)				
Monetary Sector					
Weighted Deposit Interest Rates	3.37	3.46	3.37	3.40	3.01
Weighted Lending Interest Rates	8.48	8.46	9.10	8.36	8.81
	(in millions of EC dollars, unlesss otherwise stated)				
Memo					
Nominal GDP at Basic Prices	1,687.73	1,638.39	1,662.01	1,677.02	1,701.71
Real GDP at Basic Prices	1,530.77	1,472.19	1,444.48	1,432.05	1,460.00
Nominal GDP at Market Prices	1,914.01	1,869.64	1,965.74	1,976.18	2,006.15
GDP per capita (EC$)	36,829	35,571	36,860	37,116	31,614
Merchandise Imports (f.o.b)	717.37	682.23	665.17	614.91	678.39
Merchandise Exports (f.o.b)	85.00	139.81	163.42	166.16	153.56
Gross Visitor Expenditure	225.41	241.74	254.06	256.51	272.82

SOURCE: Central Statistics Office, St Kitts and Eastern Caribbean Central Bank
Data as at 12 February 2014

Table 37
St Kitts and Nevis - Federal Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2009	2010	2011	2012	2013
Current Revenue	536.39	507.82	649.98	644.61	787.74
Tax Revenue	394.46	342.97	408.04	399.01	428.58
Taxes on Income and Profits	147.60	92.60	86.64	81.36	85.37
of which:					
Personal	36.22	33.34	37.85	38.24	39.81
Company/Corporation	108.86	53.20	38.36	35.61	35.37
Taxes on Property	8.89	9.36	8.75	12.90	14.95
Taxes on Domestic Goods and Services	69.67	84.39	208.27	203.30	217.96
of which:					
Licences	9.64	9.76	8.91	5.58	8.74
Value Added Tax	-	-	150.17	144.24	150.22
Stamp Duties	32.38	29.72	29.06	34.35	38.06
Unincorporated Business Levy					
Island Enhancement Duty Free Store Levy					
Taxes on International Trade and Transactions	168.30	156.61	104.37	101.45	110.30
of which:					
Import Duty	46.26	48.50	48.39	46.29	50.30
Consumption Tax	78.65	65.16	1.86	1.06	0.97
Customs Service Charge	34.10	33.50	32.01	30.13	37.71
Export/Excise Duty	0.27	0.51	10.20	10.60	11.86
Non Refundable Duty Free Levy	1.55	1.78	3.79	2.94	4.01
Non-Tax Revenue	141.92	164.85	241.94	245.61	359.16
Current Expenditure	545.25	530.14	594.93	546.47	538.15
Personal Emoluments	233.89	223.50	222.01	222.26	237.82
Goods and Services	129.11	118.09	176.08	129.21	135.64
Interest Payments	123.16	131.03	125.75	116.66	81.95
Domestic	80.72	90.47	91.92	77.84	69.84
External	42.44	40.56	33.83	38.81	12.11
Transfers and Subsidies	59.09	57.52	71.08	78.34	82.73
of which: Pensions	21.38	22.06	24.13	25.90	29.68
Current Account Balance	(8.86)	(22.32)	55.05	98.15	249.60
Capital Revenue	18.24	12.85	9.27	10.10	25.16
Grants	67.56	53.96	68.31	186.30	109.93
Of which: Capital Grants	11.87	8.65	7.05	14.55	65.03
Capital Expenditure and Net Lending	95.26	124.15	83.61	72.26	93.56
of which: Capital Expenditure	87.69	118.42	84.18	72.20	92.46
Primary Balance after grants	104.83	51.37	174.78	338.94	373.08
Overall Balance after grants	(18.33)	(79.66)	49.02	222.29	291.13
Financing	18.33	79.66	(49.02)	(222.29)	(291.13)
Domestic	46.63	105.93	(120.18)	(225.43)	(264.48)
ECCB (net)	36.37	(13.62)	(47.01)	(73.98)	(8.00)
Commercial Banks (net)	60.53	81.65	(77.10)	(76.15)	(761.21)
Other	(50.27)	37.91	3.93	(75.30)	504.73
External	(28.30)	(26.27)	71.16	3.14	(26.65)
Net Amortisation	(28.30)	(26.27)	34.66	3.14	(26.65)
Disbursements	32.15	36.53	133.30	94.57	5.81
Amortisation	(60.45)	(62.80)	(98.63)	(91.43)	(32.46)
Change in Govt. Foreign Assets	0.00	0.00	36.50	0.00	0.00
Arrears	0.00	0.00	0.00	0.00	0.00
Domestic	0.00	0.00	0.00	0.00	0.00
External	0.00	0.00	0.00	0.00	0.00

Source: Ministry of Finance - St Kitts, Nevis and Eastern Caribbean Central Bank
Data as at 12 February 2014

Table 38
St Kitts and Nevis - Monetary Survey
(EC$M at end of period)

	2009^R	2010^R	2011^R	2012^R	2012^P
Net Foreign Assets	**609.68**	**644.76**	**925.14**	**1,377.56**	**1,945.84**
Central Bank (Net)	**334.25**	**424.06**	**629.40**	**679.43**	**786.50**
Commercial Banks (Net)	**275.43**	**220.71**	**295.73**	**698.13**	**1,159.34**
External (Net)	469.06	393.14	470.38	667.01	1,100.22
Assets	1,297.64	1,304.82	1,317.90	1,558.09	1,920.89
Liabilities	828.59	911.68	847.52	891.07	820.67
Other ECCB Territories (Net)	(193.63)	(172.43)	(174.65)	31.12	59.11
Assets	380.50	500.21	587.61	644.34	690.12
Liabilities	574.12	672.64	762.26	613.22	631.00
Net Domestic Assets	**1,156.04**	**1,266.22**	**1,177.95**	**969.13**	**642.71**
Domestic Credit	**1,708.54**	**1,833.10**	**1,712.18**	**1,490.04**	**1,133.03**
Central Government (Net)	782.45	850.91	726.28	576.19	(193.02)
Other Public Sector (Net)	(384.97)	(374.45)	(420.49)	(494.69)	(635.31)
Private Sector	1,311.06	1,356.63	1,406.38	1,408.54	1,961.37
Household	794.74	855.68	891.60	883.81	878.65
Business	435.43	410.40	427.50	433.84	428.52
Non-Bank Financial Institutior	46.48	47.35	48.33	49.18	46.88
Subsidiaries & Affiliates	34.41	43.21	38.95	41.71	607.31
Other Items (Net)	**(552.50)**	**(566.87)**	**(534.23)**	**(520.91)**	**(490.33)**
Monetary Liabilities (M2)	**1,765.72**	**1,910.98**	**2,103.09**	**2,346.69**	**2,588.54**
Money Supply (M1)	**260.52**	**356.31**	**480.18**	**541.16**	**521.09**
Currency with the Public	78.33	101.05	101.99	107.60	133.10
Demand Deposits	171.95	247.96	368.24	419.20	375.25
EC$ Cheques and Drafts Issued	10.24	7.30	9.96	14.36	12.74
Quasi Money	**1,505.19**	**1,554.67**	**1,622.90**	**1,805.53**	**2,067.45**
Savings Deposits	638.55	638.43	684.78	753.26	827.89
Time Deposits	490.97	552.40	581.29	555.00	606.56
Foreign Currency Deposits	375.67	363.84	356.83	497.27	633.01

Source: Eastern Caribbean Central Bank
Data available as at 21 February 2014
^R Revisions included changes to Imputed Reserves calculation

Table 39
St Kitts and Nevis - Selected Tourism Statistics

	2009	2010	2011	2012	2013
Total Visitors	547,561	621,275	715,250	635,426	690,340
Stay- Over Visitors	93,081	98,329	101,701	104,240	106,906
of which:					
USA	54,410	58,710	64,245	66,988	68,534
Canada	6,413	6,054	5,961	7,073	7,138
UK	6,496	8,455	8,047	7,975	8,444
Caribbean	22,410	21,176	18,893	17,317	17,667
Other Countries	1,958	2,231	2,753	3,043	3,118
Excursionists	3,718	3,547	3,682	3,230	3,831
Yacht Passengers	209	3,612	4,460	1,651	4,069
Cruise Ship Passengers	450,553	515,787	605,407	526,305	575,534
Number of Cruise Ship Calls	235	293	337	298	300
Total Visitor Expenditure (EC$M)	**225.41**	**241.74**	**254.06**	**256.51**	**272.82**

Source: Central Statistics Office, St Kitts, Nevis and Eastern Caribbean Central Bank
Data as at 12 February 2014

Table 40
St Kitts and Nevis - Balance of Payments
(In millions of Eastern Caribbean dollars)

	2009	2010	2011	2012	2013
CURRENT ACCOUNT	**(486.31)**	**(374.17)**	**(275.94)**	**(228.82)**	**(169.30)**
GOODS AND SERVICES	**(516.70)**	**(420.98)**	**(321.70)**	**(243.20)**	**(224.32)**
Goods	(615.76)	(525.35)	(482.07)	(445.08)	(521.44)
Merchandise	(632.37)	(542.42)	(501.75)	(448.74)	(524.83)
Repair on goods	0.53	0.54	0.26	0.22	0.20
Goods procured in ports by carriers	16.08	16.53	19.41	3.44	3.18
Services	99.06	104.37	160.37	201.88	297.12
Transportation	(78.94)	(83.50)	(82.01)	(76.57)	(82.81)
Travel	194.39	206.59	215.71	216.26	230.94
Insurance Services	(29.28)	(30.78)	(30.33)	(30.42)	(32.71)
Other Business Services	(8.26)	(33.59)	(37.61)	(45.29)	(47.58)
Government Services	21.15	45.65	94.62	137.91	229.28
INCOME	**(91.53)**	**(78.80)**	**(80.04)**	**(64.20)**	**(39.48)**
Compensation of Employees	(1.46)	(1.12)	(0.13)	0.13	0.12
Investment Income	(90.08)	(77.68)	(79.92)	(64.33)	(39.60)
CURRENT TRANSFERS	**121.92**	**125.61**	**125.81**	**78.59**	**94.50**
General Government	41.63	34.16	44.60	(9.05)	7.58
Other Sectors	80.29	91.45	81.21	87.63	86.92
CAPITAL AND FINANCIAL ACCOUNT	**556.73**	**464.19**	**444.90**	**294.18**	**276.37**
CAPITAL ACCOUNT	**69.60**	**162.51**	**232.80**	**455.36**	**359.57**
Capital Transfers	69.60	162.51	232.80	455.36	359.57
General Government	11.86	37.10	46.98	183.43	65.03
Other Sectors	57.74	125.41	185.82	271.93	294.54
Acquisition & Disposal of Non-Produced, Non-Financial Assets	0.00	0.00	0.00	0.00	0.00
FINANCIAL ACCOUNT	**487.13**	**301.68**	**212.10**	**(161.18)**	**(83.20)**
Direct Investment	353.03	313.92	296.01	249.53	299.13
Portfolio Investment	(30.13)	(46.55)	(41.74)	27.61	0.00
Other Investments	164.23	34.31	(42.17)	(438.33)	(382.33)
Public Sector Long Term	(4.52)	(1.82)	10.39	(38.47)	(32.52)
Commercial Banks	173.35	54.73	(75.03)	(402.40)	(461.21)
Other Assets	(17.07)	(0.11)	25.66	11.01	(37.83)
Other Liabilities *	12.47	(18.49)	(3.20)	(8.47)	149.22
OVERALL BALANCE	**70.42**	**90.02**	**168.96**	**65.36**	**107.07**
FINANCING	**(70.42)**	**(90.02)**	**(168.96)**	**(65.36)**	**(107.07)**
Change in SDR holdings	(35.99)	0.00	36.60	(15.34)	0.00
Change in Reserve Position with the Fund	0.00	0.00	0.00	0.00	0.00
Change in Government Foreign Assets	0.00	(0.21)	(0.21)	0.00	0.00
Change in Imputed Reserves	(34.43)	(89.81)	(205.35)	(50.03)	(107.07)

Source: Central Statistics Office, St Kitts and Nevis and Eastern Caribbean Central Bank
*** Includes Errors & Omissions**
Data as at 12 February 2014

Table 41
Saint Lucia - Selected Economic Indicators

	2009	2010	2011	2012	2013
	(Annual Percentage Change Unless Otherwise Indicated)				
National Income and Prices					
Nominal GDP at Basic Prices	(0.49)	7.07	3.57	2.17	(0.03)
Real GDP at Basic Prices	(0.23)	0.14	1.49	(0.84)	(1.59)
GDP Deflator	(0.26)	6.92	2.05	3.04	1.59
Consumer Prices (end of period)	(3.09)	4.22	4.78	5.01	(0.74)
Consumer Prices (period average)	(0.16)	3.25	2.77	4.18	1.46
Real GDP at Basic Prices by Selected Sectors					
Agriculture, Forestry and Fishing	(4.86)	(25.97)	(17.68)	11.29	0.44
Manufacturing	5.61	(2.96)	3.97	0.04	(6.50)
Mining and Quarrying	(17.45)	10.52	(3.87)	78.46	(5.20)
Electricity and Water	4.01	2.34	1.15	0.64	1.32
Construction	(0.48)	(9.38)	2.08	(5.03)	(8.00)
Wholesale and Retail Trade	(15.58)	(2.79)	19.79	(8.93)	(20.00)
Hotels and Restaurants	(0.90)	7.21	(2.01)	2.63	3.38
Transport, Storage and Communications	0.72	1.03	(4.16)	(3.43)	0.53
Transport and Storage	0.28	2.12	(4.05)	(2.53)	0.09
Communications	1.64	(1.19)	(4.39)	(5.33)	1.50
Financial Intermediation	(2.20)	(0.74)	2.25	1.44	(0.10)
Real Estate, Renting and Business Activities	1.83	5.66	1.08	0.88	1.25
Public Administration, Defence & Compulsory Social Security	2.68	3.20	2.91	2.25	3.00
Education	2.56	3.19	2.75	2.32	1.05
Health and Social Work	2.85	2.87	3.01	2.74	4.88
Other Services	15.38	1.90	8.96	(3.78)	2.00
FISIM	4.51	(2.40)	2.45	0.06	3.25
Import Cover Ratio	(0.13)	1.37	0.89	1.90	2.03
	(In percent of GDP)				
External Sector					
Current Account Balance	(11.59)	(16.19)	(18.72)	(13.88)	(7.53)
Overall Balance	2.84	2.53	0.60	1.25	(2.99)
Merchandise Trade Balance	(24.75)	(29.42)	(34.96)	(29.12)	(24.24)
Public Sector External Debt (end-of-period)	31.63	31.38	32.13	32.98	36.51
Central Government					
Current Account Balance	3.42	1.57	2.04	(0.43)	0.61
Current Revenue	24.20	22.96	23.33	22.77	24.00
Current Expenditure	20.77	21.39	21.29	23.20	23.38
Capital Expenditure and Net Lending	6.29	4.32	7.67	6.80	7.46
Overall Fiscal Balance	(2.05)	(0.60)	(4.62)	(6.43)	(6.36)
	(in percent per annum)				
Monetary Sector					
Weighted Deposit Interest Rates	3.14	3.25	3.07	2.93	2.79
Weighted Lending Interest Rates	9.73	9.48	9.05	8.51	8.41
	(in millions of EC dollars, unless otherwise stated)				
Memo					
Nominal GDP at Basic Prices	2,727.04	2,919.88	3,024.12	3,089.62	3,088.68
Real GDP at Basic Prices	2,584.02	2,587.59	2,626.16	2,603.98	2,562.57
Nominal GDP at Market Prices	3,185.93	3,381.37	3,499.73	3,559.52	3,596.48
GDP per capita (EC$)	19,340.77	20,397.32	20,910.65	21,047.95	21,055.89
Merchandise Imports (f.o.b)	1,236.49	1,574.08	1,655.73	1,529.19	1,340.98
Merchandise Exports (f.o.b)	448.10	579.19	432.24	492.57	469.32
Gross Visitor Expenditure	799.73	833.84	865.51	910.65	955.86

Source: Central Statistical Office and Ministry of Finance, Saint Lucia and Eastern Caribbean Central Bank
Data as at 21 February 2014

Table 42
Saint Lucia - Central Government Fiscal Operations
(In Million of Eastern Caribbean Dollars)

	2009	2010	2011	2012	2013
Current Revenue	770.85	776.24	816.52	810.38	862.98
Tax Revenue	724.04	729.02	764.29	740.24	813.55
Taxes on Income & Profits	226.26	223.19	245.16	226.11	223.05
Of which:					
Personal	77.46	79.90	89.58	92.88	93.96
Company/Corporation	109.44	89.75	101.26	80.46	62.07
Taxes on Property	4.22	3.26	3.97	4.56	8.30
Taxes on Domestic Goods and Services	107.43	125.13	125.73	182.58	362.40
Of which:					
Stamp Duty	20.28	16.71	16.04	18.86	12.94
Hotel Occupancy Tax	24.67	33.47	33.28	36.24	3.04
Licenses	19.02	25.12	23.26	23.06	26.20
Value Added Tax	NA()	NA()	0.00	56.50	298.15
Taxes on International Trade and Transactions	386.13	377.44	389.43	327.00	219.79
Of which:					
Consumption Tax	164.05	111.76	112.35	73.72	0.50
Import Duty	93.72	99.29	105.66	101.41	93.92
Service Charge	61.16	61.85	69.06	69.22	61.31
Excise Tax	26.29	67.79	68.86	53.94	54.75
Non-Tax Revenue	46.81	47.23	52.23	70.14	49.43
Current Expenditure	661.83	723.18	745.24	825.85	841.01
Personal Emoluments	309.01	336.64	345.42	359.12	370.98
Goods and Services	135.02	148.71	141.82	159.81	163.21
Interest Payments	89.85	92.82	100.18	123.18	134.81
Domestic	44.21	50.37	58.36	73.39	81.66
External	45.64	42.46	41.83	49.79	53.15
Transfers and Subsidies	127.94	145.00	157.82	183.73	172.00
Of which: Pensions	6.97	55.73	58.21	62.30	64.02
Current Account Balance	109.02	53.07	71.28	(15.47)	21.97
Capital Revenue	0.10	8.64	0.53	5.52	0.42
Grants	25.91	64.03	34.73	23.09	17.33
Of which: Capital Grants	25.91	64.03	34.73	23.09	17.33
Capital Expenditure and Net Lending	200.24	146.19	268.37	242.02	268.39
Of which: Capital Expenditure	200.24	146.19	268.37	242.02	268.39
Primary Balance after grants	24.64	72.37	(61.64)	(105.70)	(93.85)
Overall Balance after grants	(65.21)	(20.45)	(161.82)	(228.88)	(228.66)
Financing	65.21	20.45	161.82	228.88	228.66
Domestic	28.43	(55.44)	46.20	186.24	236.88
ECCB (net)	(9.62)	(46.09)	(2.69)	21.70	65.74
Commercial Banks (net)	(12.23)	(53.04)	53.75	141.64	79.88
Other	50.28	43.69	(4.85)	22.90	91.27
External	36.78	75.89	115.62	42.64	(8.22)
Net Disbursement (Amortisation)	36.78	75.89	115.62	42.64	(8.22)
Disbursements	103.81	204.13	187.58	112.24	100.02
Amortisation	67.03	128.24	71.96	69.61	108.24
Change in Govt. Foreign Assets	-	-	-	-	-
Arrears	-	-	-	-	-
Domestic	-	-	-	-	-
External	-	-	-	-	-
Other financing	-	-	-	-	-

Source: Ministry of Finance, Saint Lucia and Eastern Caribbean Central Bank
Data as at 21 February 2014

Table 43
Saint Lucia - Monetary Survey
(EC$M at end of period)

	2009[R]	2010[R]	2011[R]	2012[R]	2013[P]
Net Foreign Assets	**(499.60)**	**(299.90)**	**(489.24)**	**(576.84)**	**(644.43)**
Central Bank (Net)	**410.60**	**496.24**	**517.81**	**562.22**	**454.85**
Commercial Banks (Net)	**(910.21)**	**(796.14)**	**(1,007.06)**	**(1,139.07)**	**(1,099.28)**
External (Net)	(572.59)	(410.15)	(591.97)	(485.18)	(390.10)
Assets	441.69	420.98	368.37	558.28	605.91
Liabilities	1,014.28	831.13	960.34	1,043.46	996.01
Other ECCB Territories (Net)	(337.62)	(385.99)	(415.09)	(653.88)	(709.18)
Assets	367.66	416.07	454.50	314.40	302.63
Liabilities	705.28	802.06	869.59	968.29	1,011.82
Net Domestic Assets	**3,010.41**	**2,859.09**	**3,219.01**	**3,375.33**	**3,497.63**
Domestic Credit	**3,455.56**	**3,395.22**	**3,597.63**	**3,903.50**	**3,977.32**
Central Government (Net)	47.12	(52.01)	(0.96)	162.38	307.99
Other Public Sector (Net)	(337.01)	(340.35)	(288.90)	(343.46)	(382.10)
Private Sector	3,745.45	3,787.58	3,887.49	4,084.59	4,051.43
Household	1,240.90	1,307.75	1,349.27	1,568.14	1,572.07
Business	2,297.73	2,329.69	2,384.41	2,438.25	2,435.26
Non-Bank Financial Institutior	41.25	30.45	22.48	37.01	28.10
Subsidiaries & Affiliates	165.57	119.69	131.34	41.19	16.01
Other Items (Net)	**(445.16)**	**(536.13)**	**(378.61)**	**(528.17)**	**(479.69)**
Monetary Liabilities (M2)	**2,510.80**	**2,559.19**	**2,729.77**	**2,798.49**	**2,853.20**
Money Supply (M1)	**658.87**	**643.62**	**675.03**	**701.03**	**695.44**
Currency with the Public	142.46	151.53	165.24	163.01	159.97
Demand Deposits	504.23	481.77	496.55	528.78	527.61
EC$ Cheques and Drafts Issued	12.17	10.32	13.24	9.24	7.86
Quasi Money	**1,851.93**	**1,915.57**	**2,054.73**	**2,097.46**	**2,157.76**
Savings Deposits	1,301.71	1,319.01	1,393.50	1,448.31	1,543.19
Time Deposits	405.44	443.67	490.99	486.90	443.79
Foreign Currency Deposits	144.78	152.90	170.25	162.25	170.78

Source: Eastern Caribbean Central Bank

Data available as at 21 February 2014

[R]Revisions included changes to Imputed Reserves calculation

Table 44
Saint Lucia - Selected Tourism Statistics

	2009	2010	2011	2012	2013
Total Visitor Arrivals	1,014,761	1,026,343	994,961	931,222	960,617
Stay Over Arrivals	278,491	305,937	312,404	306,801	318,626
USA	98,685	129,085	122,356	115,065	128,331
Canada	28,563	32,154	35,393	37,709	35,985
UK	71,853	67,417	73,059	75,674	70,868
Caribbean	60,179	53,998	58,876	56,066	60,521
Other Countries	19,211	23,283	22,720	22,287	22,921
Excursionists	4,967	7,613	10,523	10,354	8,227
Cruise Ship Passenger	699,306	670,043	630,304	571,894	594,118
Yacht Passengers	31,997	42,750	41,730	42,173	39,646
Number of Cruise Ships	397	375	351	336	344
Total Visitor Expenditure (EC$M)	**799.73**	**833.84**	**865.51**	**910.65**	**955.86**

Source: Saint Lucia Tourist Board and Eastern Caribbean Central Bank
Data as at 21 February 2014

Table 45
Saint Lucia - Balance of Payments
(In millions of Eastern Caribbean Dollars)

	2009	2010	2011	2012	2013
Current Account	**(369.21)**	**(547.44)**	**(655.24)**	**(493.91)**	**(270.88)**
Goods and Services	**(280.82)**	**(482.10)**	**(657.13)**	**(411.38)**	**(188.40)**
Goods	(719.91)	(929.08)	(1,136.61)	(955.61)	(786.60)
Merchandise	(788.40)	(994.89)	(1,223.50)	(1,036.62)	(871.66)
Repair on goods	0.03	0.00	0.00	0.00	0.00
Goods procured in ports by carriers	68.46	65.81	86.89	81.01	85.06
Services	439.08	446.98	479.48	544.23	598.20
Transportation	(151.74)	(168.82)	(191.66)	(172.04)	(159.55)
Travel	673.55	703.49	736.09	788.68	831.45
Insurance Services	(16.35)	(24.10)	(27.36)	(22.90)	(20.05)
Legal and Accountancy Services	(58.49)	(57.37)	(28.74)	(39.27)	(43.41)
Government Services	(7.89)	(6.22)	(8.86)	(10.23)	(10.24)
Income	**(121.93)**	**(106.83)**	**(53.59)**	**(101.83)**	**(102.10)**
Compensation of Employees	0.53	0.98	0.96	0.95	0.97
Investment Income	(122.46)	(107.82)	(54.56)	(102.78)	(103.06)
Current Transfers	**33.55**	**41.50**	**55.48**	**19.29**	**19.62**
General Government	1.42	4.54	1.53	(3.49)	(3.52)
Other Sectors	32.13	36.95	53.95	22.78	23.13
Capital and Financial Account	**459.63**	**633.07**	**676.39**	**538.32**	**163.51**
Capital Account	**69.76**	**118.36**	**91.73**	**88.88**	**76.23**
Capital Transfers	69.76	118.36	91.73	88.88	76.23
General Government	66.06	114.55	87.83	84.72	72.02
Other Sectors	3.70	3.81	3.90	4.16	4.21
Acquisition & Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	**389.87**	**514.71**	**584.66**	**449.44**	**87.28**
Direct Investment	395.27	327.50	218.32	204.55	225.49
Portfolio Investment	(78.68)	82.60	91.38	140.80	253.97
Other Investments	73.28	104.61	274.96	104.10	(392.18)
Public Sector Long Term	46.59	79.68	3.86	(42.51)	(5.78)
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	(11.89)	(114.07)	210.92	132.01	(39.78)
Other Assets	55.84	13.03	(3.93)	(67.51)	(339.21)
Other Liabilities *	(17.27)	125.97	64.11	82.11	(7.41)
Overall Balance	**90.43**	**85.63**	**21.15**	**44.41**	**(107.37)**
Financing	**(90.43)**	**(85.63)**	**(21.15)**	**(44.41)**	**107.37**
Change in SDR holdings	(61.66)	-	0.43	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	-	-	-	-	-
Change in Imputed Reserves	(28.77)	(85.63)	(21.58)	(44.41)	107.37

Source: Central Statistical Office, Saint Lucia and Eastern Caribbean Central Bank
* includes errors & omissions
Data as at 21 February 2014

Table 46
St Vincent and the Grenadines - Selected Economic Indicators

	2009	2010	2011	2012	2013^P
	(annual percentage change unless otherwise stated)				
National Income and Prices					
Nominal GDP at basic prices	(2.85)	2.03	0.05	2.50	4.80
Real GDP at basic prices	(2.03)	(2.26)	0.28	1.52	3.14
GDP Deflator	(0.84)	4.38	(0.23)	0.97	1.61
Consumer Prices (end of period)	(1.62)	2.02	4.74	1.04	-
Consumer Prices (period average)	0.42	1.48	3.95	2.60	0.81
Real GDP at Factor Cost by Selected Sectors					
Agriculture, Livestock and Forestry	12.96	(18.21)	0.05	2.11	2.49
Fishing	40.68	(15.15)	(3.01)	(14.93)	9.00
Mining and Quarrying	2.73	(21.83)	(24.73)	(29.60)	15.00
Manufacturing	(8.13)	(2.69)	5.82	(2.27)	0.95
Electricity and Water	3.24	(4.54)	(2.19)	4.86	1.26
Construction	(8.30)	(3.12)	(3.37)	(3.53)	15.00
Wholesale and Retail Trade	(8.13)	(0.90)	(4.32)	1.53	4.50
Hotels and Restaurants	(17.98)	(14.19)	3.46	(3.08)	(4.05)
Transport , Storage and Communications	(1.74)	(1.58)	(0.32)	0.73	0.78
Transport	0.10	0.82	(0.14)	0.68	0.54
Communication	(6.30)	(7.94)	(0.83)	0.87	1.50
Financial Intermediation	(2.33)	(6.13)	3.68	8.38	2.38
Real Estate, Renting and Business Activities	(1.64)	(0.28)	0.58	0.41	0.51
Public Administration, Defence & Compulsory Social Security	9.27	8.86	4.22	3.60	4.83
Education	2.89	(1.39)	2.33	5.19	0.76
Health and Social Work	(2.56)	1.82	4.65	3.32	1.90
Other Services	(5.10)	10.00	3.28	6.55	1.50
FISIM	(2.14)	0.43	(3.62)	5.95	2.00
Import Cover Ratio	3.19	3.38	2.85	3.33	4.28
	(in per cent of GDP)				
External Sector					
Current Account Balance	(29.24)	(30.57)	(29.37)	(27.77)	(28.98)
Overall Balance	0.70	3.72	(3.40)	3.02	3.31
Merchandise Trade Balance	(36.07)	(37.62)	(37.45)	(39.12)	(39.23)
Public Sector External Debt (end-of-period)	38.94	46.01	48.46	47.44	49.31
Central Government					
Current Account Balance	(0.18)	0.58	(1.79)	(0.87)	(2.29)
Current Revenue	25.60	26.30	25.30	25.21	23.28
Current Expenditure	25.78	25.72	27.09	26.08	25.57
Capital Expenditure and Net Lending	5.82	4.26	3.45	2.89	6.32
Overall Fiscal Balance	(1.69)	(2.86)	(2.69)	(2.05)	(6.25)
	(in per cent per annum)				
Monetary Sector					
Weighted Average Deposit Interest Rate	2.93	2.76	2.90	2.79	2.63
Weighted Average Lending Interest Rate	9.14	9.00	9.08	9.42	9.41
	(in millions of EC dollars, unless otherwise stated)				
Memo					
Nominal GDP at basic prices	1,525.92	1,556.86	1,557.62	1,596.61	1,673.33
Real GDP at basic prices	1,419.20	1,387.15	1,391.02	1,412.21	1,456.57
Nominal GDP at market prices	1,822.29	1,839.70	1,828.01	1,875.00	1,959.32
GDP per capita (EC$)	18,190	18,152	17,858	18,135	18,858
Merchandise Imports (f.o.b)	792.58	803.01	788.18	848.62	898.38
Merchandise Exports (f.o.b)	135.24	110.94	103.51	115.06	129.74
Gross Visitor Expenditure	236.35	232.70	247.55	254.20	249.33

Source: Statistical Office, Central Planning Division, Ministry of Finance and Economic Planning and Eastern Caribbean Central Bank
Data available as at 21 February 2014

Table 47
St Vincent and the Grenadines - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2009	2010	2011	2012	2013P
Current Revenue	466.51	483.80	462.48	472.62	456.07
Tax Revenue	432.61	421.47	412.14	430.58	417.02
Taxes on Income and Profits	110.35	108.81	114.40	122.41	113.53
of which:					
Personal	57.64	61.69	67.38	71.81	69.20
Corporation	44.86	40.03	37.86	40.90	30.48
Taxes on Property	2.72	2.90	2.81	2.70	4.02
Taxes on Domestic Goods and Services	236.78	227.96	213.73	224.35	219.42
of which:					
Stamp Duties	18.74	22.68	15.71	17.41	26.15
Excise Tax	33.00	26.67	24.29	27.55	24.89
Value Added Tax	145.19	136.64	132.31	134.06	127.55
Licences	22.02	25.40	23.44	26.13	25.17
Taxes on International Trade and Transactions	82.76	81.80	81.20	81.12	80.05
of which:					
Import Duties	46.15	48.16	47.12	47.60	46.97
Excise Tax	0.14	-	-	-	-
Customs Service Charge	31.56	29.30	30.68	30.23	29.78
Non-Tax Revenue	33.90	62.33	50.34	42.05	39.06
Current Expenditure	469.75	473.15	495.16	488.92	500.95
Personal Emoluments	211.99	221.81	231.15	242.90	250.77
Goods and Services	86.07	67.07	74.34	70.46	65.22
Interest Payments	51.02	52.40	46.04	44.39	47.33
Domestic	28.44	31.23	23.42	23.29	28.87
External	22.58	21.17	22.62	21.10	18.46
Transfers and Subsidies	120.68	131.87	143.63	131.17	137.63
of which: Pensions	41.20	45.28	45.01	49.61	54.41
Current Account Balance	(3.24)	10.65	(32.69)	(16.29)	(44.88)
Capital Revenue	1.47	1.01	10.35	5.38	28.96
Grants	76.91	14.16	36.21	26.59	17.42
of which: Capital Grants	76.91	14.16	36.21	26.59	17.42
Capital Expenditure and Net Lending	106.02	78.40	63.01	54.16	123.92
of which: Capital Expenditure	106.02	78.40	63.01	54.16	123.92
Primary Balance after grants	20.14	(0.19)	(3.10)	5.91	(75.09)
Overall Balance after grants	(30.88)	(52.59)	(49.14)	(38.47)	(122.42)
Financing	30.88	52.59	49.14	38.47	122.42
Domestic	(15.80)	(186.58)	(0.27)	0.79	45.00
Central Banks (net)	(21.88)	1.34	21.71	(22.23)	6.78
Commercial Banks (net)	41.19	(106.61)	0.45	27.29	7.75
Other	(35.11)	(81.31)	(22.43)	(4.27)	30.47
External	22.18	174.14	31.76	1.10	67.99
Net Disbursements/(Amortisation)	22.18	146.15	31.76	1.10	67.99
Disbursements	69.09	201.72	83.75	52.73	117.70
Amortisation	46.91	55.57	51.99	51.63	49.71
Change in Govt. Foreign Assets	-	27.99	-	-	-
Arrears	24.50	23.03	17.65	36.58	9.42
Domestic	24.50	23.03	17.65	36.58	9.42
External	-	-	-	-	-
Other Financing	-	42.00	-	-	-

Source: Ministry of Finance and Economic Planning, St Vincent and the Grenadines and Eastern Caribbean Central Bank
Data available as at 21 February 2014

Table 48
St Vincent and the Grenadines - Monetary Survey
(EC$M at end of period)

	2009[R]	2010[R]	2011[R]	2012[R]	2013[P]
Net Foreign Assets	**361.72**	**475.30**	**394.30**	**388.78**	**493.08**
Central Bank (Net)	**203.56**	**299.97**	**238.11**	**294.66**	**359.42**
Commercial Banks (Net)	**158.16**	**175.33**	**156.19**	**94.12**	**133.66**
External (Net)	(26.29)	(94.02)	(100.81)	(88.05)	(30.71)
Assets	160.01	139.76	126.02	119.86	174.55
Liabilities	186.30	233.78	226.83	207.91	205.26
Other ECCB Territories (Net)	184.45	269.35	257.00	182.17	164.37
Assets	365.48	390.72	366.69	300.24	276.13
Liabilities	181.03	121.37	109.69	118.07	111.77
Net Domestic Assets	**724.05**	**638.70**	**715.84**	**775.17**	**791.95**
Domestic Credit	**1,029.23**	**891.98**	**906.67**	**959.54**	**998.91**
Central Government (Net)	127.60	22.33	44.49	49.53	64.09
Other Public Sector (Net)	(41.23)	(90.35)	(137.07)	(126.64)	(113.02)
Private Sector	942.85	960.00	999.25	1,036.65	1,047.84
Household	592.67	597.42	637.33	672.65	777.08
Business	343.71	355.92	330.06	343.40	250.34
Non-Bank Financial Institutions	6.47	6.66	27.86	16.60	16.43
Subsidiaries & Affiliates	-	-	4.00	4.00	4.00
Other Items (Net)	**(305.18)**	**(253.28)**	**(190.83)**	**(184.37)**	**(206.96)**
Monetary Liabilities (M2)	**1,085.77**	**1,114.00**	**1,110.14**	**1,163.95**	**1,285.03**
Money Supply (M1)	**359.06**	**345.48**	**331.45**	**360.94**	**374.21**
Currency with the Public	63.50	50.61	46.51	43.87	48.14
Demand Deposits	284.89	289.12	276.31	310.58	320.08
EC$ Cheques and Drafts Issued	10.67	5.75	8.62	6.50	5.99
Quasi Money	**726.71**	**768.52**	**778.70**	**803.01**	**910.82**
Savings Deposits	575.02	594.02	594.18	632.95	717.40
Time Deposits	121.65	129.16	139.70	133.73	136.28
Foreign Currency Deposits	30.04	45.34	44.82	36.32	57.15

Source: Eastern Caribbean Central Bank
Data available as at 21 February 2014
[R]Revisions included changes to Imputed Reserves calculation

Table 49
St Vincent and the Grenadines - Selected Tourism Statistics

	2009	2010	2011	2012	2013P
Total Visitor Arrivals	270,952	231,121	207,997	199,840	200,121
Stay-Over Arrivals	75,446	72,478	73,866	74,364	71,725
Of Which:					
USA	20,159	21,551	21,164	21,454	20,106
Canada	6,820	7,208	6,719	7,424	7,146
UK	13,347	12,136	14,895	15,023	15,183
Caribbean	26,835	23,968	23,272	22,768	21,745
Other Countries	8,285	7,615	7,816	7,695	7,545
Excursionists	5,185	5,086	3,941	3,051	2,663
Yacht Passengers	40,859	42,603	41,266	45,246	45,548
Cruise Ship Passengers	149,462	110,954	88,924	77,179	80,185
Number of Cruise Ship Calls	164	131	124	172	212
Total Visitor Expenditure (EC$M)	**236.35**	**232.70**	**247.55**	**254.20**	**249.33**

Source: St Vincent and the Grenadines Tourism Authority and Eastern Caribbean Central Bank
Data available as at 21 February 2014

Table 50
St Vincent and the Grenadines - Balance of Payments
(In millions of Eastern Caribbean dollars)

	2009	2010	2011	2012	2013^P
Current Account	(532.78)	(562.45)	(536.97)	(520.77)	(567.75)
Goods and Services	(528.49)	(556.18)	(523.33)	(577.31)	(623.15)
Goods	(649.21)	(682.32)	(671.91)	(721.51)	(756.28)
Merchandise	(657.34)	(692.07)	(684.68)	(733.56)	(768.63)
Repair on goods	0.02	0.02	0.02	0.02	0.02
Goods procured in ports by carriers	8.11	9.72	12.75	12.04	12.34
Services	120.73	126.15	148.58	144.19	133.13
Transport	(100.70)	(94.17)	(93.06)	(104.82)	(109.45)
Travel	197.44	192.82	212.12	217.17	210.88
Insurance Services	(19.09)	(19.31)	(18.17)	(21.20)	(22.38)
Other Business Services	57.40	57.14	53.68	62.01	63.08
Government Services	(14.32)	(10.34)	(5.99)	(8.97)	(9.00)
Income	(35.13)	(33.15)	(34.94)	(10.31)	(10.05)
Compensation of Employees	19.08	16.60	16.14	19.69	20.27
Investment Income	(54.21)	(49.75)	(51.09)	(30.00)	(30.32)
Current Transfers	30.84	26.89	21.30	66.86	65.45
General Government	0.08	(1.92)	(5.60)	32.85	32.98
Other Sectors	30.76	28.81	26.90	34.01	32.47
Capital and Financial Account	550.08	616.65	478.93	595.61	602.47
Capital Account	146.44	148.04	104.31	91.81	34.67
Capital Transfers	146.44	148.04	104.31	91.81	34.67
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	403.64	468.61	374.62	503.80	567.80
Direct Investment	297.60	262.49	231.18	311.59	342.18
Portfolio Investment	49.11	(1.42)	(8.57)	14.85	39.75
Other Investments	56.93	207.55	152.00	177.37	185.87
Public Sector Long Term	25.48	141.45	31.87	(34.58)	52.89
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	2.90	(17.16)	19.14	62.07	(39.54)
Other Assets	(31.05)	38.08	77.99	107.45	123.70
Other Liabilities*	59.59	45.18	23.00	42.42	48.82
Overall Balance	12.73	68.43	(62.16)	56.55	64.76
Financing	(12.73)	(68.43)	62.16	(56.55)	(64.76)
Change in SDR holdings	(33.49)	27.99	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	-	-	-	-	-
Change in Imputed Reserves	20.76	(96.42)	62.16	(56.55)	(64.76)

Source: Statistical Office, Central Planning Division, Ministry of Finance and Economic Planning and Eastern Caribbean Central Bank

*includes errors and omissions

Data available as at 21 February 2014