

Annual Economic and Financial Review



2011

EASTERN CARIBBEAN CENTRAL BANK



ADDRESS

Headquarters: P O Box 89
Basseterre
St Kitts and Nevis
West Indies

Cable: CENTRAL BANK, ST KITTS
Telephone: (869) 465-2537
Facsimile: (869) 465-5615
Email: rd-sec@eccb-centralbank.org
Website: www.eccb-centralbank.org

The ECCB welcomes your questions and comments on this publication.

CONTENTS

ECONOMIC REVIEW:

Domestic Economic Developments	1
Country Performances:	
Anguilla	14
Antigua and Barbuda	22
Dominica.....	31
Grenada.....	39
Montserrat.....	46
St Kitts and Nevis	52
Saint Lucia	61
St Vincent and the Grenadines	70
STATISTICAL TABLES	79

DOMESTIC ECONOMIC DEVELOPMENTS

Overview

According to preliminary data, economic activity in the Eastern Caribbean Currency Union (ECCU) contracted in 2011, for a third consecutive year, albeit at a slower rate than that of the previous year. A number of factors contributed to the decline in economic activity including, weak external demand for the exported goods and services from the region, lower foreign direct investment inflows (FDI) inflows, low levels of both private and public investments, and the adverse effects of disease and weather related factors on the agricultural output. Provisional estimates indicate that real GDP output for the Currency Union fell by 1.0 per cent compared with a 3.0 per cent contraction in 2010. This performance was attributable to declines in value added in the construction, wholesale and retail trade, financial intermediation and transport, storage and communication sectors. Additionally, some of the more traditional contributors – manufacturing and agriculture – to GDP output recorded declines. The overall reduction in economic output was moderated by an improvement in the hotels and restaurants sector and real estate, renting and business activities. Economic activity declined in three of the eight territories of the ECCU moderated somewhat by expansions in Saint Lucia, Grenada, St Vincent and the Grenadines, Dominica and Montserrat. The rate of inflation slowed to a 3.9 per cent rate on an end of period basis, mainly reflecting weak domestic demand.

The overall deficit of the consolidated fiscal operations of member governments widened, largely attributable to higher capital expenditure. As a consequence, the outstanding public sector debt rose, through a combination of increases in both domestic and external sources. In the banking sector, monetary liabilities and domestic credit of the banking system expanded, while net foreign assets contracted. 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 increased to 6.47 percentage points. The external accounts recorded a smaller overall surplus, reflecting lower net inflows on the capital and financial account.

The performance of the regional economy is forecasted to recover by 2.0 per cent in 2012, with all member countries expected to record positive growth. A turnaround in the construction sector coupled with a continued recovery in the tourism industry, and the expected improvement in related sectors such as, transportation, storage and communications, wholesale and retail trade and the real estate, renting and business activities would support growth in 2012. The consolidated fiscal outturn of member governments is likely to record a larger overall deficit fuelled by higher capital expenditure. These developments will likely impact borrowing needs to finance capital outlays which will be reflected in higher levels of outstanding debt.



Downside risks include the slow pace of economic recovery in the USA, falling economic output in the UK and Euro Zone, rising oil prices fuelled by political tensions and uncertain prospects for the resumption of FDI inflows.

Output

Value added in the construction industry, a major contributor to growth, contracted by 10.3 per cent in 2011, marginally below the 10.5 per cent decline in the previous year. The performance of this sector has been adversely impacted by the effects of the global economic and financial crisis as it continues to constrain private equity flows to the region. Foreign direct investment inflows into the region, a major stimulus to activity in the construction sector, fell by 18.6 per cent to \$1,222.3m, due to dislocations in global capital markets and tighter bank lending regulations. These external developments coupled with increased challenges in the domestic economy, attributable to a worsening business environment, contributed to lower construction activity in the private sector. The fall in private sector activity was partly offset by intensified activity in the public sector as a number of major projects continued in Saint Lucia and St Vincent and the Grenadines.

On a country basis, the impact of the decline in the construction sector was greatest in Anguilla, where value added fell by 25.0 per cent compared with a contraction of 23.7 per cent in 2010. This development reflected a fall in private sector activity

associated with a slowdown in activity for a number of major projects and the completion of one major investment. Construction activity also declined in Antigua and Barbuda (24.2 per cent), St Kitts and Nevis (13.7 per cent) and Grenada (8.0 per cent). The decline in value added in the construction sector was moderated somewhat by increased activity in the rest of the region primarily in Dominica (11.4 per cent), Saint Lucia (2.1 per cent), and Montserrat (11.4 per cent). Buoyancy in the construction sector in Montserrat was attributable to continued infrastructural work including the construction of a school and public roads.

Value added by the manufacturing sector declined by a slower rate of 0.7 per cent, following contraction of 3.5 per cent in 2010. Protracted weakness in international markets coupled with low domestic and regional demand negatively affected output in three of the territories in the region. Declines were recorded in Antigua and Barbuda, Anguilla and Dominica where manufacturing contracted on average by 14.0 per cent. Lower manufacturing output in Antigua and Barbuda reflected the closure of the Antigua Brewery during the period. The sector is small in Anguilla and developments there reflected a fall in domestic demand consistent with the contraction in the overall economy. In Dominica, a 32.1 per cent fall in beverage production, influenced by the decision of a beverage company to restructure its operations in January 2011, and a 24.0 per cent contraction in soap production partly associated with lower regional demand, contributed to the downturn in the



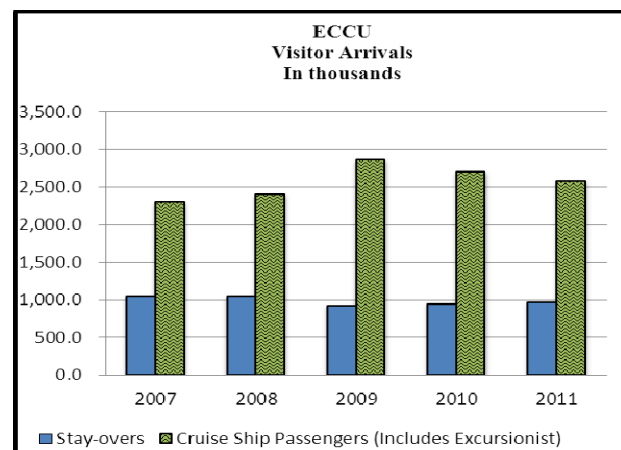
manufacturing sector. These declines were partially offset by a continued recovery in output in St Vincent and the Grenadines, St Kitts and Nevis and Grenada. The outturn in St Vincent and the Grenadines was driven by increases in the output of beer (61.8 per cent), feeds (16.9 per cent), rice (13.8 per cent) and flour (6.0 per cent), while developments in St Kitts and Nevis reflected the transfer of work processes to subsidiaries in St Kitts from the parent companies. In Grenada, the performance in the output of manufactured goods reflected higher output of flour (6.0 per cent), beer 5.2 per cent) and paint (9.8 per cent). Output of paints rose by 9.8 per cent, reflecting strong export demand to neighbouring islands.

Value added in the agricultural, livestock and forestry sector declined by 1.0 per cent, representing two consecutive years of contraction. Output in the agricultural sector has been beset by a number of challenges including; disease and storm damage. The lower contribution of the agricultural sector was primarily attributable to declines in the crop and livestock sub-sectors. The contraction in crop production was influenced by a 61.8 per cent fall in banana production to 10,967 tonnes from 28,694 in 2010. Banana output fell in all the major producing countries with Grenada recording no output for the last two years due to Black Sigatoka infestation. The declines in output were recorded in Saint Lucia (74.1 per cent), St Vincent and the Grenadines (68.3 per cent) and Dominica (26.8 per cent). The main factors to the reduction in the output of bananas included: the lingering effects of hurricane and flood

damage in 2010, as well as diseases. The livestock sub-sector recorded lower output of 0.8 per cent, a slower rate of decline when compared with the 15.0 per cent contraction in 2010.

Reduced output in the agricultural, livestock and forestry sector was moderated somewhat by increased value added in the forestry sub sector of (1.6 per cent) along with a 1.0 per cent increase in value added in the fishing sector respectively.

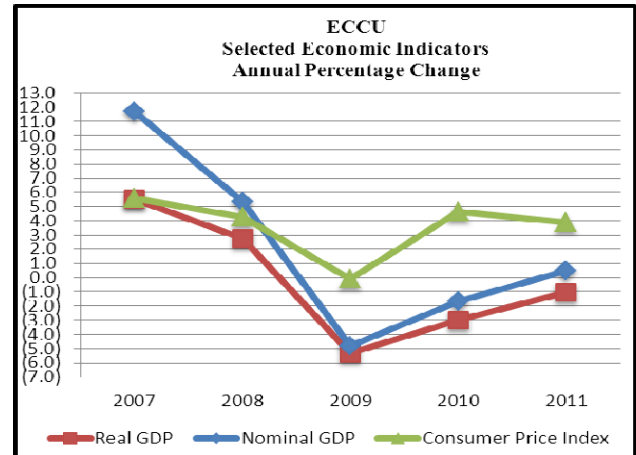
Among the other major sectors to have recorded declines in value added are, financial intermediation (1.2 per cent) and transport storage and communication (1.7 per cent) compared with declines of 2.1 per cent and 1.9 per cent respectively. Lower value added in the financial intermediation sector was consistent with the downturn in the real sector impacting bank profitability while developments in transportation storage and communication reflected the adverse effects of a decline in road transportation attributable to lower construction activity and a reduction in the number of cruise ship passengers.



The overall reduction in value added was moderated by further strengthening in tourism activity in 2011. Value added in the hotels and restaurants sector expanded by 3.8 per cent, compared with a 0.9 per cent increase in 2010. On an individual country basis the majority of the countries recorded increases in value added with the exception of St Kitts and Nevis and Dominica. The improvement in the performance of the tourism industry reflected a 2.4 per cent increase in stay-over arrivals to 973,954 attributable to increases in arrivals from Canada (9.9 per cent), the United Kingdom (5.7 per cent) and the USA (1.8 per cent). The increase in the number of stay-over visitors was associated with intensified marketing efforts and increased international airlift to the region. In addition, higher arrivals from Canada were supported by the buoyancy in that economy, while the economic recovery in the USA contributed to improved consumer sentiment and increased labour market expectations. However, the increase in the number of stay-over visitors was partly constrained by a reduction in arrivals from the Caribbean by 1.5 per cent, influenced by reductions in airlift in a number of the countries due to consolidation efforts in the airline industry coupled with the high cost of inter-regional travel.

Of the other categories of visitors, the major sub-category of cruise passenger arrivals fell by 4.6 per cent, compared with a 5.7 per cent contraction in 2010. Lower cruise passenger arrivals were consistent with an 8.8 per cent decline in cruise ship calls to 1,450 largely reflecting developments in Saint Lucia and Grenada. The decline in cruise

passengers was partly offset by increases in yacht passengers and excursionists of 1.0 per cent and 0.2 per cent respectively. Consequently, as a result of these developments overall total visitor arrivals to the ECCU fell by 6.8 per cent to 3.8 million compared with a 2.7 per cent decrease in 2010.



Prices, Wages and Employment

Prices rose at a slower rate in 2011. The consumer price index (CPI) on an end of period basis, rose by 3.9 per cent, slower than the 4.6 per cent rise in 2010. The upward movement in the CPI was broadly influenced by increases in all of the sub-indices. The food sub-index, which has the greatest weight in the consumer basket, grew by 4.7 per cent following a 4.9 per cent increase during 2010. Higher food prices reflected increases in the purchase prices for domestically produced and imported food items. Other sub-indices to record notable increases included; fuel and light (9.0 per cent), transportation and communication (7.3 per cent) and education (6.2 per cent). Higher prices for fuel and light were attributable to increases in



petroleum prices on international markets. The sub-indices, medical care and expenses and alcoholic drink and tobacco registered upward movements of 5.2 per cent and 2.2 per cent respectively. On an individual country basis, consumer prices rose and the pace accelerated in all of the countries, with the exception of St Kitts and Nevis and Grenada. The increase in the CPI ranged from 0.7 per cent in St Kitts and Nevis to 8.6 per cent in Anguilla.

Official data on wage movements and employment levels in the private sector were unavailable for most of the territories during the review period. In the public sector within ECCU member countries, anecdotal information indicated that there were wage freezes in a number of the territories including Anguilla, St Kitts and Nevis, and Saint Lucia, with Dominica being the only exception where retroactive salary increases were granted. In St Vincent and the Grenadines a 3.0 per cent salary increase owed to public servants in 2011 was deferred. Data on private sector wage movements were largely unavailable, with the exception of Grenada where an average 3.0 per cent salary increase was granted. Official unemployment data were unavailable, however in line with weak macroeconomic performance of the ECCU it is likely that employment levels fell.

Central Government Fiscal Operations

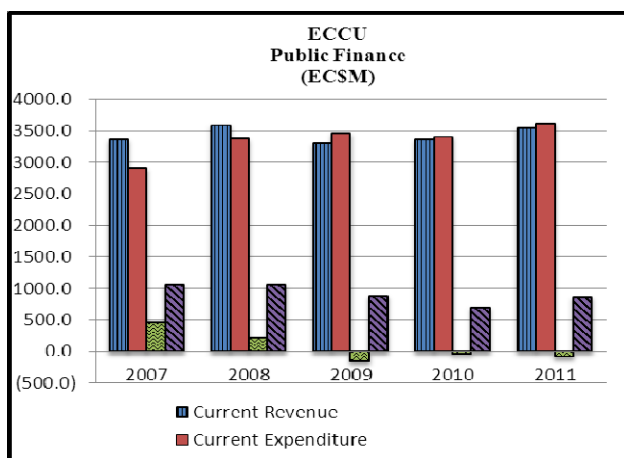
The aggregate fiscal operations of the central governments led to an overall deficit (after grants) of \$589.6m, compared with the \$324.5m recorded in

2010. The larger deficit was largely attributable to increases in capital expenditure in a number of the territories coupled with higher current expenditure. Increases in the overall deficit were observed in all of the territories with the exception of Anguilla and Montserrat which recorded larger overall surpluses. The overall fiscal situation was also reflected in the primary operations after grants, which moved to a deficit of \$165.6m from a surplus of \$99.5m in 2010.

The operations of the central government resulted in a current account deficit of \$82.3m, compared with a lower deficit of \$33.7m in 2010. An increase in current revenue was offset by a higher rate of increase in current expenditure and contributed to the larger current account deficit. Current revenue rose by 5.3 per cent to \$3,547.0m, attributable to higher receipts of tax revenue and non-tax revenue. Tax revenue collections rose by 4.5 per cent (\$131.8m), fuelled primarily by receipts on domestic goods and services. Higher receipts of taxes on domestic goods and services reflected sharp increases (33.9 per cent) in collections from the value added tax (VAT). The increase in collections of the VAT was attributable to developments in St Kitts and Nevis. The VAT was implemented on 01 November 2010 in St Kitts and Nevis, therefore the full effect of the tax was not realised until 2011. Among the other components of taxes on domestic goods and services, higher collections were recorded for accommodation and sales taxes of 8.2 per cent and 6.0 per cent respectively, while lower receipts were recorded for consumption tax and licenses of



49.5 per cent and 8.4 per cent respectively. The yield from taxes on income and profits increased by 0.5 per cent, buoyed by higher personal income tax collections. Receipts from taxes on international trade and transactions contracted (3.3 per cent), reflecting a 25.7 per cent reduction in consumption tax collections. Most of the countries recorded lower collections for this revenue category including Antigua and Barbuda, St Kitts and Nevis, Grenada, and St Vincent and the Grenadines. The declines were partially offset by increases in customs service charge and import duties of 3.5 per cent and 1.7 per cent respectively. The increase in tax revenue overall was supported by a 9.4 per cent rise in non-tax revenue collections. The performance of this revenue category was mixed throughout the territories of the ECCU, as sharp increases in St Kitts and Nevis and Dominica offset reduction recorded in most of the other territories.



Grant inflows, both current and capital, declined by 5.9 per cent to \$359.6m (2.5 per cent of GDP), in contrast to a 5.8 per cent decline in the previous year, attributable to higher inflows to St Kitts and

Nevis, St Vincent and the Grenadines, Montserrat and Grenada

Current expenditure rose by 6.5 per cent to \$3,623.4m, in contrast to a reduction of 1.8 per cent in 2010, reflecting increases in spending on goods and services, transfers and subsidies and personal emoluments. Outlays on goods and services rose by 15.4 per cent (\$109.1m) and were associated with increases related to higher utility bills in Saint Lucia, rehabilitation expenditure in St Vincent and the Grenadines associated with damages inflicted by hurricane Tomas in October 2010 and flooding in April 2011 as well as the re-classification of accounts on an accrual basis in St Kitts and Nevis. Transfers and subsidies rose by 12.0 per cent (\$90.8m), impacted by developments in Antigua and Barbuda reflecting the provision of liquidity support (\$36.0m) by the government to the ABI Bank Ltd. Additionally, increases in spending on social programmes and larger pension payments in Saint Lucia contributed to higher payments for transfers and subsidies. The rise in expenditure on personal emoluments by 1.4 per cent (\$21.0m) was attributable to the awarding of salary increases coupled with additional hiring. Salaries were frozen in a number of the territories in the ECCU; nonetheless, increases were awarded in Dominica, St Vincent and the Grenadines, and Saint Lucia. Interest payments remained virtually unchanged compared with 2010, as increases in external payments (\$9.0m) were offset by declines in domestic payments (\$9.0m). The results in the territories were mixed as higher interest payments in



most of the member territories were moderated by declines in St Kitts and Nevis, Anguilla and St Vincent and the Grenadines.

Capital expenditure rose by 27.1 per cent to \$890.3m (6.1 per cent of GDP) in 2011 in contrast to a 21.5 per cent decline in 2010. Larger capital outlays were recorded in all of the territories with the exception of St Kitts and Nevis, St Vincent and the Grenadines and Montserrat. Much of the increase was attributable to Saint Lucia where capital expenditure more than doubled to \$314.2m, as infrastructural rehabilitation continued, following the damage caused by hurricane Tomas and heavy rains. Additionally, a number of roads were reconstructed and work continued on the New National Hospital and St Jude's Hospital.

Public Sector Debt

The total stock of outstanding public sector debt of the ECCU member countries rose by 3.7 per cent to \$12,355.7m at the end of 2011, compared with a 0.9 per cent increase during 2010. As a consequence the debt to GDP ratio rose to 85.2 per cent from 83.3 per cent at the end of 2010. The rise in the disbursed outstanding debt was directly attributable to a 5.0 per cent increase to \$10,492.7m in the outstanding debt of the central government, as that of public corporations fell by 3.2 per cent. An increase in both domestic and external obligations by 5.3 per cent and 2.2 per cent respectively contributed to the expansion in central government indebtedness. The

rise in the stock of central government debt was attributable to increased indebtedness in Saint Lucia, Antigua and Barbuda, St Kitts and Nevis, Grenada and St Vincent and the Grenadines, whereas declines were observed in Dominica, Anguilla and Montserrat. The reduction in the stock of debt of public corporations reflected a 10.2 per cent reduction in external obligations, while domestic commitments rose by 1.0 per cent. Debt service payments by central government fell by 10.5 per cent to \$1,102.4m compared with the total at the end of December 2010, on account of lower payments obligations in Anguilla, Saint Lucia, St Vincent and the Grenadines and Antigua and Barbuda.

Monetary and Financial Developments

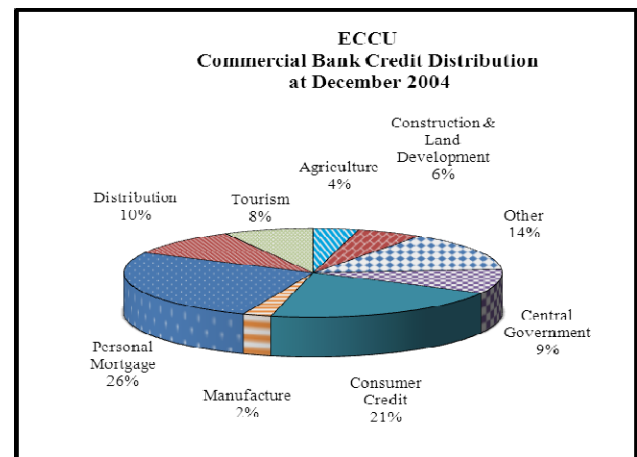
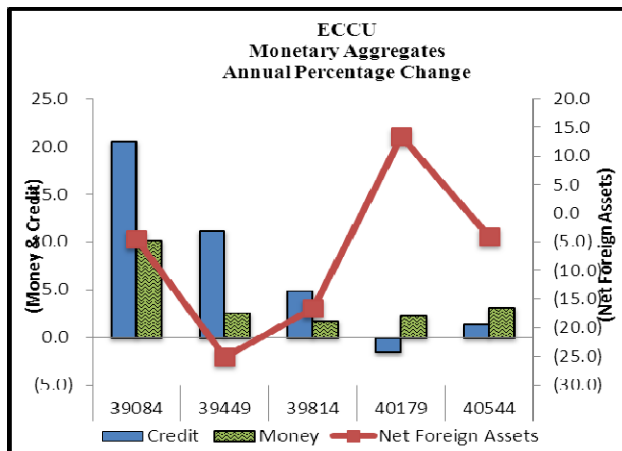
Money and Credit

Monetary liabilities (M2) expanded by 3.1 per cent to \$13,068.3m during 2011, compared with growth of 2.3 per cent at the end of 2010. The acceleration in growth reflected increases in narrow money (M1) and quasi money. M1 increased by 4.7 per cent, compared with a 1.9 per cent rate of increase in 2010, driven by a 3.0 per cent recovery in currency with the public and a 5.9 per cent rise in private sector demand deposits. Quasi money grew by 2.7 per cent, on account of increases in a private sector savings deposits and private sector time deposits of 4.0 per cent and 4.6 per cent respectively. The performance of quasi money was moderated by a 3.6 per cent contraction in private sector foreign currency deposits.



Domestic credit rose by 1.4 per cent to \$12,670.5m, reversing a 1.6 per cent reduction during 2010. The outturn reflected growth in credit to the private sector, and the general government. Outstanding credit to the private sector rose by 1.4 per cent to \$12,771.6m, driven mainly by lending to households (1.8 per cent) and to a lesser extent private businesses (0.5 per cent). In the public sector the central governments' net stock of outstanding debt rose by 4.4 per cent (\$45.2m), largely reflecting the provision of advances to some ECCU central governments by the central bank coupled with a reduction in deposits held with the central bank and commercial banks. Central government deposits held with the central bank declined by 12.5 per cent (\$32.4m), while those at commercial banks were reduced by 2.5 per cent (\$22.0m), reversing increases of 47.3 per cent and 12.3 per cent respectively in 2010. In the rest of the public sector, the net deposits position of non-financial public enterprises increased by 6.2 per cent, compared with a 1.3 per cent increase in 2010, influenced by both an increase (\$70.3m) in deposits and a decline (\$8.7m) in outstanding credit.

An analysis of the distribution of credit by economic activity shows an increase in credit largely for personal use, as well as lending to the construction and distributive trades sectors. Credit for personal use which accounted for 43.2 per cent of outstanding credit rose by 1.5 per cent, fuelled by increases in credit for the acquisition of property. This increase was offset by a 14.3 per cent (\$72.0m) in credit extended for the purchase of durable consumer goods. Credit to the construction sector rose by 1.0 per cent, while that to distributive trade increased by 0.1 per cent. Credit to the tourism sector was relatively flat, while declines in lending to agriculture and fisheries and manufacturing were recorded during 2011. Outstanding credit to the tourism industry remained unchanged after a 6.2 per cent increase in the previous year.



The net foreign assets of the banking system fell by 4.1 per cent to \$2,060.3m, in contrast to growth of 13.4 per cent during 2010. This outturn largely reflected developments in the commercial banking system as a result of an 87.9 per cent increase to \$657.7m in the net liability position of commercial



banks. The increase in the net liabilities position was moderated by an 8.8 per cent (\$219.6m) increase in foreign assets held by the central bank.

Liquidity in the commercial banking system eased during 2011, as reflected in a 2.2 percentage points decrease in the ratio of loans and advances to deposits to 86.4 per cent, reflecting faster growth in deposits relative to that of loans and advances. A further indicator of easing in liquidity was evidenced by an increase to 39.6 per cent from 36.2 per cent in the liquid assets to deposits plus liquid liabilities ratio during the period under review. The cash reserves to deposit ratio rose to 10.4 per cent from 9.1 at the end of 2010.

The weighted average interest rate spread between lending and deposit rates increased to 6.47 percentage points from 6.40 percentage points at the end of December 2011. The outturn reflected a combination of a 0.01 percentage point increase to 9.53 per cent in the average weighted lending rate and a 0.06 percentage point decline to 3.06 in the average weighted average deposit rate to 3.06 per cent.

Developments on the RGSM

Preliminary data indicate that activity on the Regional Government Securities Market (RGSM) decreased during 2011 as indicated by reductions in both the volume and value of issues on the primary market. The outturn reflected a marginal decline in the number of auctions by member governments to 33 from 34 in 2010, while the total value of issues

decreased by 13.8 per cent to \$615.3m. The reduction in outstanding security issuances and their value was largely attributable to the activities of one member government which reduced its outstanding issuances to 9 from 16 in 2010. An analysis of the activity by maturity shows that the decline in the value of instruments on offer was largely reflected by a decline in the issuance of longer dated instruments, moderated by more short-dated Treasury bills (T-bill) securities. Longer dated securities (bonds), fell both in the number of issuances and value to 1 and \$60.0m respectively, down up from 6 and \$239.2 in 2010. In contrast however, Treasury bill issues increased to 31 from 27 in 2010, while the value rose to \$601.0m, from \$496.0m raised in 2010. Nonetheless, investor confidence appeared to strengthen in 2011 as evidenced by a 10.7 per cent increase in total annual subscriptions to \$943.9m. Additionally, the bid-to-cover ratio for all instruments issued on the market, rose to 1.43 from 1.16 in 2010. This ratio which measures the value of bids received in an auction to the value of the bids accepted, indicates that the higher the ratio, the higher the demand by investors over the review period.

The most active issuers on the RGSM were the governments of St Vincent and the Grenadines accounting for \$245.0m of the gross value of issues in 2011 followed by Grenada and Saint Lucia with shares of 26.3 per cent and 21.5 per cent respectively. The participation of Antigua and Barbuda increased by the most (\$58.0m) when compared with 2010, although it represented an



increase to three instruments compared with two issued in the previous year. The government of Saint Lucia recorded the most significant reduction (\$244.2m) in activity on the RGSM as the authorities issued seven fewer instruments than the sixteen issued in 2010. Treasury bills remained the dominant product on the RGSM in 2011, increasing in share to 97.2 per cent of total instruments issued from 71.9 per cent in 2010. Conversely, the share of bonds issued on the market declined to 2.8 per cent from 28.1 per cent in 2011, attributable to a reduction in the issuance of long dated instruments in Saint Lucia after a sharp increase in the previous year. Antigua and Barbuda was the only country that issued long-dated instruments in 2011. Activity on the secondary market remained low as reflected in a 41.1 per cent reduction in the number of transactions to 20, while the value of transactions rose by 16.1 per cent to \$14.4m.

The rates on the instruments varied, however they tended to decline for short-dated securities and to increase for longer dated securities, reflecting an increase in preference for shorter dated instruments in 2011. The average weighted yield on 91-day T-bills fell by 52 basis points to 4.56 per cent at the end of 2011, compared with 5.08 per cent at the end of 2010. For 180-day T-bills the rates increased by 1 basis point to 4.76 per cent in 2011. The average weighted yield on the 365-day T-bills decreased by 11 basis points to 6.08 per cent. In regards to the movements of rates for long-term instruments, the average weighted yield on the 5-year bond rose by

70 basis points to 7.5 per cent from 6.8 per cent in 2010.

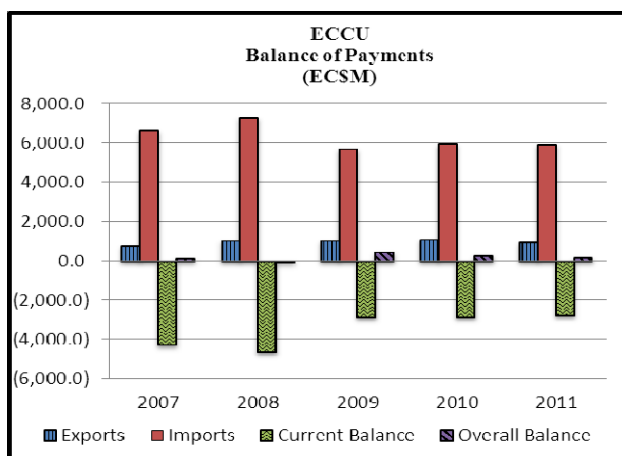
Balance of Payments

Provisional data show that for a third consecutive year the overall balance of payments recorded a surplus albeit lower than that of the previous year. An overall surplus of \$159.6m was recorded compared with one of \$273.1m in 2010, attributable to lower inflows on the capital and financial account, partly moderated by a smaller deficit on the current account.

The deficit on the current account contracted by 3.4 per cent to \$2,750.6m (19.0 per cent of GDP), from \$2,846.5m (19.9 per cent of GDP) in 2010, influenced primarily by developments on the services account. The deficit on the goods and services account fell to \$2,800.3m, from \$2,805.0m at the end of 2010, reflecting an increase in the surplus on the services account. On the services account, net inflows increased by 6.2 per cent, mainly attributable to an increase in net travel receipts. Net receipts from travel expanded by 2.2 per cent to \$2,628.5m, fuelled by the continued recovery in the tourism industry particularly, stay-over visitors. Of the other sub accounts which impacted favourably on the current account deficit, net current transfers to central government rose by 14.8 per cent to \$522.8m, coupled with a 4.8 per cent contraction to \$473.2m in the deficit on the income account. On the goods account a wider



deficit was recorded, associated with an increase in the merchandise trade deficit by 2.5 per cent to \$4,872.1m, driven by a more rapid decline in earnings from exports compared with payments for imports (f.o.b.). Earnings from exports fell by 12.4 per cent to \$940.2m, compared with a slower 0.2 per cent reduction in import payments to \$5,935.5m. Lower merchandise export earnings reflected damage inflicted on major export crops in the region by storm winds, flooding and disease, while reduced demand from the ECCU's major markets for merchandise exports also contributed to the decline in earnings. Persistent weakness in the economies of the USA and Trinidad and Tobago adversely impacted the demand for manufactured goods from the ECCU. The contraction in the import bill was consistent with weak economic activity in the real sector, which more than offset the impact of higher commodity prices associated with fuel and food.



The surplus on the capital and financial account fell by 6.7 per cent to \$2,910.2m, compared with a 4.9 per cent contraction in 2010. The lower surplus was associated with a reduction in inflows of foreign

direct investment (FDI) and public sector capital transfers. Gross FDI inflows declined by 18.7 per cent to \$1,257.4m, indicative of the protracted tightness in international credit markets caused by increased lending regulations and weak investor confidence. The other major contributing factor to the lower surplus on the capital and financial account relates to a 70.6 per cent reduction in net loan inflows to the member governments partly offset by an increase in net inflows associated with commercial bank transactions.

Prospects

Following an unprecedented contraction of 0.7 per cent in real global output in 2009, global economic growth rebounded sharply (5.3 per cent) in 2010, then gradually slowed to 3.9 per cent in 2011. The expansion is estimated to moderate further in 2012 with the most recent projections estimating the global expansion at 3.5 per cent. The performance will be largely influenced by continued expansions (5.7 per cent) in emerging economies led by China, India and Brazil compared with a 1.4 per cent rate of expansion in advanced economies. The US economy the largest tourist market for the ECCU is estimated to record an improvement compared with 2011, seemingly resilient even in the face of significant headwinds from the Eurozone.

It is in this context that the ECCU is likely to recover in 2012, led by higher value added in the hotels and restaurants and construction sectors, as well as supplemented by recoveries in transport,

storage and communications, wholesale and retail trade and the real estate, renting and business activities. All of the member countries of the ECCU are forecasted to record positive growth in 2012. Higher value added in the hotels and restaurants sector which strengthened in 2011 is expected to continue in 2012, driven by increased demand for leisure services from major sources markets such as the UK, USA and Canada. However, given the uncertainty facing the global economy coupled with adverse policy initiatives such as the implementation of the Air Passenger Duty in the UK which threatens to reduce the demand for vacations to the Caribbean, the performance of the hotels and restaurants should slow relative to the performance in 2011. Sustained economic buoyance in Canada may offset potential slowing from the UK and USA markets continuing the trend of strong stay-over visitor arrivals from Canada. This improvement in the tourism industry should have a positive impact on allied sectors such as: wholesale and retail trade; real estate, renting and business activities; and transport, storage and communication, thus further stimulating economic activity. Recent new initiatives undertaken in the tourism sector consist of increased marketing in non-traditional markets such as Brazil, while intensifying efforts to appeal to traditional source markets.

The construction sector is also expected to rebound from three consecutive years of contraction averaging 10.0 per cent. Value added is expected to recover, underpinned by increased activity in both the public and private sectors. Developments in the sector will likely benefit from increased inflows of

foreign direct investment (FDI) fuelled by an increase in demand for tourism services. Developments in Saint Lucia, Anguilla and Antigua and Barbuda should fuel private sector construction activity as a number of planned 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, Saint Lucia and Dominica.

Price pressures are expected to be sustained in 2012, as the global economy gradually recovers. A number of economic headwinds threatened to constrain the rate of economic expansion, however these may be insufficient to retard the increase in commodity prices.

The central governments' fiscal operations are expected to record larger overall deficits as member countries continue to undertake a number of capital projects. These developments may offset the fiscal consolidation measures that have been in place in the ECCU for the past two years which member territories agreed to at the Monetary Council level as articulated in "*The ECCU Eight Point Stabilisation and Growth Programme.*" Significant strides were made in curtailing expenditure and raising revenue with the implementation of revenue enhancing measures such as the value added tax (VAT). Notwithstanding the recent gains made through the controls applied to spending, the protracted slow recovery in major export markets increases the likelihood that regional governments may have to



increase social spending to protect the poor and indigent.

On the external accounts, the overall surplus recorded in 2011 is projected to decrease in 2012, as the deficit on the current account widens, due mainly to increased import payments. The surplus on the capital and financial account is likely to be higher than that recorded in 2011, on account of the projected rise in inflows of foreign direct investment. However, these flows are expected to remain below levels observed in the years prior to the global economic and financial crisis.

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 2012. Much of the increase in credit will be direct to the governments as major capital sector project are undertaken primarily in Saint Lucia. Credit to the private sector, will continue the trend observed in 2011 as much of the expansion in GDP will depend on private sector led initiatives given the limited fiscal space in the public sector. Nonetheless, this will depend to a large extent on the lending policies of commercial banks, informed by

their risk tolerance and their willingness to facilitate the private sector during a period of uncertain investment opportunities. Financial stability issues are likely to persist in 2012 in line with the slow pace of economic recovery in the USA and the likely economic downturns in the UK and the Eurozone. The provision of technical assistance by the recently formed Resolution Trust Corporation to weak and vulnerable commercial banks is expected to further strengthen confidence in the sector. Liquidity is projected to ease further in 2012 as macroeconomic conditions improve.

The economic outlook is clouded somewhat by a number of downside risks. On the international front, concerns persist about the slow pace of recovery in the USA, weakness in the UK economy and the persistent and seemingly revolving sovereign debt crisis in the Euro zone. These developments may translate to sluggishness in the tourism industry and weak FDI inflows. Additionally with unemployment higher both in the USA and the UK remittances which the region generally depends on will be low. Additionally, uncertainties regarding international oil prices associated with political tensions in Iran specifically and the Middle East in general threaten to resume price escalations.



ANGUILLA

Overview

Economic activity in Anguilla is estimated to have contracted in 2011, however, the rate of decline slowed when compared with the previous year. Preliminary estimates indicate that real GDP growth fell by 2.7 per cent compared with a 5.6 per cent decline in 2010. The lower rate of contraction in economic activity was largely due to a recovery in the hotels and restaurants sector and further strengthening in real estate, renting and business activity. These improvements partially offset the decline in other major sectors. Consumer prices rose by 8.6 per cent during 2011. The central government recorded an overall surplus on its fiscal operations, reflecting an improvement in the current account position through higher revenue collections and lower expenditure. The total outstanding debt of the public sector declined during the period under review. Developments in the banking system included contractions in monetary liabilities, domestic credit and net foreign assets. Declines in domestic credit reflected increases in the net deposit positions of non-financial public enterprises and the central government. 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 an overall deficit attributable to reduction in the surplus on the capital and financial account.

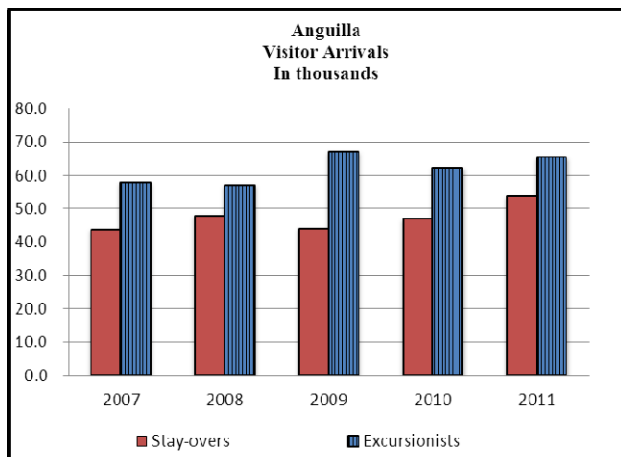
Real output is expected to recover in 2012, based on a projected strengthening in key sectors such as, hotels and restaurants, construction, real estate, renting and business activities, as well as financial intermediation and transport, storage and communications. Developments in the hotels and restaurants and construction sectors will impact the magnitude and direction of activity in the allied sectors. The positive outturn for the number of stay-over visitors is estimated to continue in 2012, while the uptick in construction attributable to foreign direct investment inflows will likely strengthen during that period as well. The fiscal operations of central government are also expected to improve, buoyed by revenue increasing measures including the stabilization levy and an increase in property tax rates, coupled with expenditure restraint. Nonetheless, elevated uncertainty in the Eurozone combined with rising fuel costs ensure that risks remain firmly tilted to the downside.

Output

Value added in the hotels and restaurants sector, a proxy for activity in the tourism industry, is estimated to have increased by 5.8 per cent in 2011, compared with a 5.7 per cent expansion in 2010. The outturn reflected further strengthening in visitor arrivals from the major markets, primarily the USA.



The number of stay-over visitors is estimated to have increased by 6.1 per cent to 65,783, following a 7.1 per cent increase in 2010. Overall, the outturn largely reflected the performance of the USA, the largest source market, as stay-over visitors rose by 10.2 per cent to 42,829, compared with a 14.1 per cent expansion in 2010. The number of excursionists rose by 1.9 per cent to 57,775.

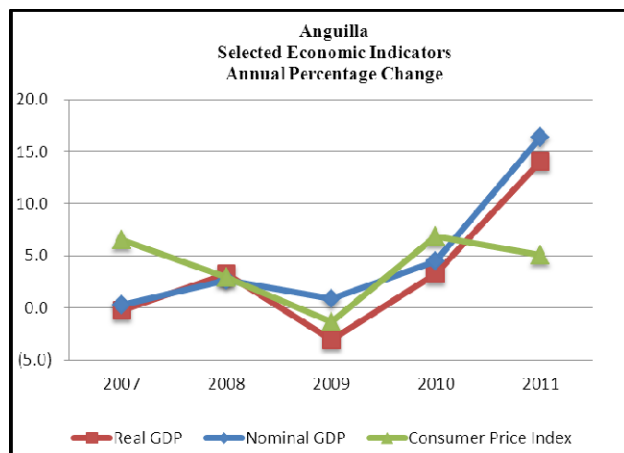


The second largest contributor to real GDP, the real estate, renting and business activities sector, recorded a 1.6 per cent increase in value added compared with 0.2 per cent in 2010. Developments in this sector were largely fuelled by recoveries in computer and related activities and business services.

Value added in the financial intermediation sector is estimated to have declined by 7.4 per cent reversing the 1.0 per cent expansion in 2010. Lower value added in this sector was directly associated with a

decline in bank profitability partly attributable to a 12.2 percentage point increase in unsatisfactory assets at commercial banks consistent with the contraction in economic activity.

The contribution of the construction sector fell to 6.8 per cent of GDP in 2011 compared with 7.6 per cent in 2010. This fall in the contribution was attributable to a 25.0 per cent reduction in value added, compared with a 23.7 per cent decline in the previous year. The performance of the sector was largely attributable to declines in private sector activity, as evidenced by an 18.6 per cent reduction in approved building permits for residential construction. A number of major FDI funded projects came to a halt in the wake of severe restrictions on lending by both international and domestic banks. Ongoing private sector activity was limited to work on the new Zemi Beach development, as well as some capital improvements at the Viceroy Resort and Spa. By contrast, public sector capital expenditure increased during the period under review, however it was insufficient to offset the sharp decline in private sector activity. In the public sector some flood mitigation work which was financed through disbursement proceeds from the Caribbean Catastrophic Risk Insurance Facility (CCRIF) was undertaken, as well as work on the Limestone Bay road development and construction work on the Valley Primary School.



Prices, Wages and Employment

The rate of inflation accelerated during 2011, influenced by international price movements and the effects of the new taxes introduced in 2010. The consumer price index, on an end of period basis, is estimated to have increased by 8.6 per cent, compared with a 0.9 per cent increase during 2010. Increases were recorded for major sub-indices including food, fuel and light, housing and transport and communications. The food sub-index increased by 5.1 per cent attributable to higher prices for white sugar, cooking oils, salt fish and dried milk. The transport and communications sub-index, which has the second largest weight in the CPI basket, rose by 13.0 per cent largely reflecting higher prices for new cars and car parts as well as airfares and petroleum prices. Higher costs for housing were influenced by increases in the cost of construction materials and higher property tax rates. Likewise, the fuel and light sub-index is estimated to have increased by 28.9 per cent, attributable to higher fuel charges per unit of electricity consumed. Upward price

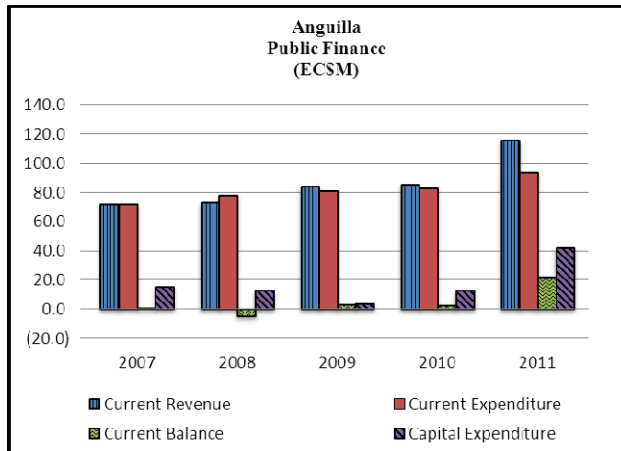
movements were also recorded for household furnishings and supplies of 5.5 per cent. These increases were partly moderated by declines in the clothing and footwear and medical care and expenses sub-indices.

Wages in the public sector contracted further in 2011 as part of a deliberate policy measure by the authorities to match expenditure with revenue. Wage increases granted in 2009 were partly repealed with salary reductions ranging from 2.5 per cent to 5.0 per cent combined with a wage freeze in January 2011. Data on private sector wages are not readily available, however, based on data from Social Security, contribution income fell by 7.6 per cent in 2011 compared with 2010. This development coupled with the closure of a least one major hotel increases the likelihood that the number of unemployed persons increased in 2011 compared with the previous year.

Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall surplus of \$21.6m in 2011 (2.8 per cent of GDP) compared with one of \$0.4m (0.1 per cent of GDP) in 2010. The improvement in the overall balance reflected an increase in the current balance, attributed to higher revenue collections combined with a fall in expenditure. A primary surplus of \$30.8m (4.0 per cent of GDP) was recorded in 2011, compared with one of \$11.3m (1.5 per cent of GDP) in 2010.





The current account reverted to a surplus of \$31.2m (4.0 per cent of GDP) at the end of 2011, from a deficit of \$30.3m (4.1 per cent of GDP) at the end of 2010. Tax revenue grew by 55.9 per cent to \$180.7m on account of higher collections (\$50.2m) of taxes on domestic goods and services. The sharp increase in taxes on domestic goods and services was attributable to the receipt of stamp duties (\$38.0m) from the sale of the Viceroy Hotel. The other contributor to higher tax revenues was the collections of taxes on income and profits, associated with the implementation of the stabilization levy in April 2011. Higher tax receipts were realised for taxes on international trade and transactions (8.3 per cent), attributable to the collection of higher import duties, consistent with a marginal increase in imports, and an increase in the customs surcharge. Non-tax revenue fell by 39.2 per cent (\$15.7m), attributable to the formation of the Anguilla Air and Seaport Authority which now collects the airport landing fees, civil aviation fees and other related revenue streams.

Current expenditure fell by 6.7 per cent (\$12.4m) to \$173.9m compared with a 16.1 per cent contraction in 2010. The continued decline in expenditure, was the result of deliberate policies by the government to contain expenditure and reflected lower outlays for all of the major expenditure categories. The largest contributor to current expenditure, personal emoluments, decreased by 9.2 per cent (\$8.2m) based on a 5.0 per cent average cut to salaries and a freeze on increments which began in 2010. Outlays on other goods and services fell by 1.2 per cent, consistent with the policy to further reduce expenditure for this particular line item within ministerial departments. Interest payments fell by 16.8 per cent (\$1.9m), associated with the refinancing of a major portion of the loan portfolio resulting in lower repayment costs, coupled with a fall in the outstanding debt given the restrictions on further borrowing.

Public Sector Debt

The total disbursed outstanding debt of the public sector was estimated at \$230.3m at the end of 2011, roughly 2.0 per cent below the amount at the end of 2010. As a percentage of GDP the debt ratio fell to 29.5 per cent from 31.8 per cent in December 2010. The contraction in the outstanding debt was a combination of the effects of debt refinancing through the conversion of higher cost domestic debt to a Caribbean Development Bank (CDB) policy based loan in 2010 and no additional borrowing by

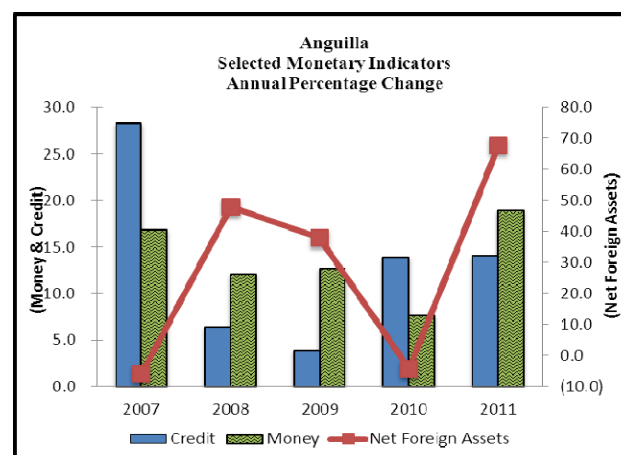
the authorities in 2011. As a consequence of these two developments, the external debt increased to 75.9 per cent of total outstanding debt in 2011 from 75.0 per cent in 2010, while the proportion of domestic debt to the entire loan portfolio fell to 24.1 per cent from 25.0 per cent in 2010. Central government debt accounted for 92.6 per cent of outstanding debt compared with 92.5 per cent in the corresponding period of 2010.

Money and Credit

Broad money (M2) contracted at a rate of 4.5 per cent to \$1,014.6m during 2011 compared with 1.1 per cent during 2010. The fall in monetary liabilities was largely attributable to a fall in quasi money, which accounted for 95.2 per cent of the total on average. Of the components of quasi money private sector foreign currency deposits and private sector savings deposits recorded declines of 6.5 per cent and 3.7 per cent respectively. The fall in M2 was moderated somewhat by a 4.6 per cent increase in narrow money (M1), reflecting growth in private sector demand deposits. The other components of narrow money, EC dollar cheques and drafts issued and currency with the public declined by 11.9 per cent and 3.4 per cent respectively.

Domestic credit fell by 2.8 per cent to \$1,197.4m, slower than the 10.4 per cent rate of decline during 2010. This outturn reflected a widening in the net deposit position of the central government as well as the rest of the public sector. Central government transactions with the banking system resulted in an

increase in the net deposit position as the central government increased its deposits (8.3 per cent) at commercial banks while contracting no credit from those institutions. The net deposit position of the non-financial public enterprises grew by 20.2 per cent, (\$27.1m) attributable to deposit growth outpacing that of credit.



Credit to the private sector remained virtually unchanged as a 3.2 per cent (\$19.6m) fall in credit to households was largely offset by a 2.0 per cent (\$15.3m) increase in business credit.

The distribution of commercial bank credit by economic activity indicated that outstanding loans fell by 0.3 per cent (\$4.6m) to \$1,386.3m in 2011, influenced a 5.6 per cent reduction in credit for personal use which has the largest concentration (43.2 per cent). Of the components of credit for personal use, declines were recorded for house and land purchase (12.9 per cent) and durable consumer goods (19.4 per cent). The decline in credit for personal use was partially offset by increases in

credit to tourism and construction of 2.4 per cent and 3.8 per cent respectively.

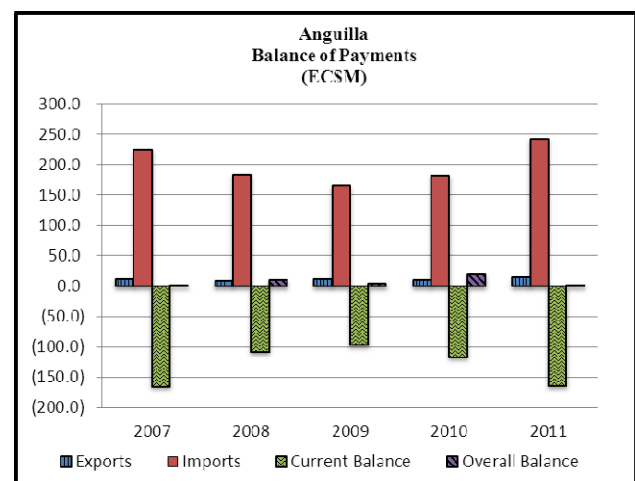
The net foreign assets of the banking system fell by 4.1 per cent to \$188.3m, reversing a more than four-fold increase in 2010. The reduction in net foreign assets largely reflected a 5.9 per cent fall in Anguilla's share of the Central Bank's reserves to \$101.3m. In the commercial banking system, the banks moved to a lower net assets position for assets held with institutions outside of the ECCU, attributable to a 22.8 per cent decline in assets. The reduction in net assets held by banks outside of the ECCU was partially offset by a 35.8 per cent expansion (\$20.5m) in net assets held with institution within the currency union. As a result of these transaction commercial banks' net foreign asset position contracted by 2.0 per cent to \$87.0m.

Liquidity in the commercial banking system tightened during 2011. This tightening was reflected in the ratio of liquid assets to total deposits plus liquid liabilities which fell by 1.82 percentage points to 30.3 per cent, while the loans and advances to total deposits ratio rose by 0.8 percentage point to 103.1 per cent.

The weighted average interest rate spread between loans and deposits widened to 7.27 percentage points at the end of 2011, from 7.06 percentage points at the end of 2010. The weighted average interest rate on loans fell by 0.3 percentage points to 10.14 per cent less than the 0.52 percentage decline to 2.87 per cent in the weighted average deposit rate.

Balance of Payments

The balance of payments recorded an overall deficit estimated at \$6.4m (0.8 per cent of GDP), in contrast to a surplus of \$6.6m (0.9 per cent of GDP) in 2010. 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 \$146.7m in 2011 (18.8 per cent of GDP) from \$177.5m (24.0 per cent of GDP) in 2010. The smaller deficit was influenced by a 15.0 per cent increase in the net balance on the services account to \$168.1m, largely attributable to a strengthening in net inflows (7.4 per cent) on the travel account to \$239.6m (30.7 per cent of GDP). Net current transfers more than doubled to \$30.6m largely associated with stamp duties received from the sale of the Viceroy Hotel.



The merchandise trade deficit rose by 1.2 per cent to \$345.3m (44.4 per cent of GDP), from \$341.4m



(46.1 per cent GDP), due to the combined effects of an increase in imports and a fall in exports.

The surplus on the capital and financial account declined by 23.8 per cent to \$140.3m in 2011 (4.2 per cent of GDP) from \$184.1m (5.9 per cent of GDP) in 2010. The lower balance on the capital and financial account was attributed to developments on both the capital and financial accounts. On the capital account net capital transfers fell by 11.2 per cent, while net direct investment inflows on the financial account declined by 56.2 per cent to \$29.5m.

Prospects

The global macroeconomic outlook is for a gradual recovery, associated with a steady improvement in the US economic outlook. Consequently, some recovery in growth is projected in the Anguillan economy in 2012. The major impetus will come from the tourism industry 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, activity is projected to increase fuelled by a number of on-going private sector projects including the Zemi Beach Resort and upgrades to the CuisinArt Golf Resort and Spa. Public sector construction is expected to remain subdued as the authorities hold the line on capital expenditure in order to conform to the UK fiscal borrowing guidelines.

The fiscal operations of central government are expected to improve, consistent with revenue buoyancy through a number of revenue measures implemented in 2010 and 2011. These include higher yields from property taxes, the Stabilization Levy implemented on 1 April 2011, the recently implemented communications tax and the increase in the petroleum levy in 2011. Current expenditure is expected to be constrained due to wage and increment freezes as well as other cost savings currently being implemented. Capital expenditure however is projected to be limited to grant funded projects.

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 likely to be higher in 2012 in line with the projected increase in visitor arrivals. In the banking system a recovery in growth in broad money is expected along with that in domestic credit. However, any recovery in domestic credit may be limited by the inability of the government to increase borrowing further which would violate the British borrowing guidelines, coupled with increasingly tight lending requirements at commercial banks.

Developments in Anguilla generally will depend on the extent to which international financing becomes available to fund a number of planned foreign direct investment projects. Additionally, the external



macroeconomic environment will largely influence the performance of the stay-over visitor markets and by extension the hotels and restaurants industry. The major downside risks to the projections include rising petroleum prices, increasing political

instability in the Middle East, the on-going economic saga in the Eurozone and the risk of storm damage to the infrastructure during the hurricane season.



ANTIGUA AND BARBUDA

Overview

Economic activity in Antigua and Barbuda is estimated to have contracted further in 2011, marking a third consecutive year of negative economic growth. An anemic global economic recovery, decreasing foreign direct investment, lower construction activity and lower public administration output continued to inhibit economic activity. Preliminary data suggest that economic activity contracted by a further 5.5 per cent in 2011, compared with a revised 8.9 per cent contraction recorded in 2010. The decline in economic activity was reflected in the key sectors of the economy; namely construction, wholesale and retail, as well as transportation, storage and communications and financial intermediation; increased activity in the tourism industry negated these declines. The consumer price index rose 3.9 per cent on an end of period basis. The fiscal operations of the Central Government deteriorated relative to 2010, due to unplanned advances for liquidity support to the ABI Bank Ltd. Consistent with the increase in the overall fiscal deficit, the stock of total outstanding public sector debt increased for the period under review, as the government borrowed to finance the increase in the fiscal deficit. In the banking system, monetary liabilities expanded marginally, while the net foreign assets of the banking system and the stock of domestic credit fell. Liquidity at commercial banks rose and the weighted average interest rate spread between loans and deposits

widened. In the external sector, a smaller overall surplus on the Balance of Payments was recorded notwithstanding a narrowing of the current account deficit.

Economic activity is projected to remain weak in 2012 with real GDP growth expected to be flat. This forecast is predicated on a tepid global economic recovery and domestic demand factors. A number of domestic projects which were expected to commence in 2012 have either been suspended or delayed. While tourism is picking up, the rest of the economy is sluggish. Inflation is expected to remain elevated in 2012, given the outlook for commodity and energy prices. The external current account deficit is projected to widen due in part to higher import payments, in particular fuel. On the export side, earnings will rebound slightly as tourism receipts are not anticipated to rise to pre-crisis levels. The medium term economic prospects are uncertain with risks tilted to the downside. One of the principal downside risks to the projections include the current tepid and uncertain pace of the global recovery, which is likely to weigh on growth. Given the weak labour market conditions in the UK and USA, the major source markets, sustained increases in tourist arrivals appear challenging. Consequently, the output gap will only narrow in the medium term. On the domestic front, high levels of public sector debt severely constrains room for government spending in areas such as capital projects which might boost growth prospects. A



further slowdown in advanced economies will dampen the recovery and put additional pressures on the macroeconomic situation. A rise in food, oil and other commodity prices is another major threat to the growth prospects of Antigua and Barbuda. Given that real income has fallen over the past two years, due to the economic recession, a further rise in those prices will increase the cost of living, slow consumption and restrain economic growth. Additionally, the rise in fuel prices poses the risk of increasing the cost of doing business, as well as the cost of travel which could negatively impact the demand for leisure services.

Output

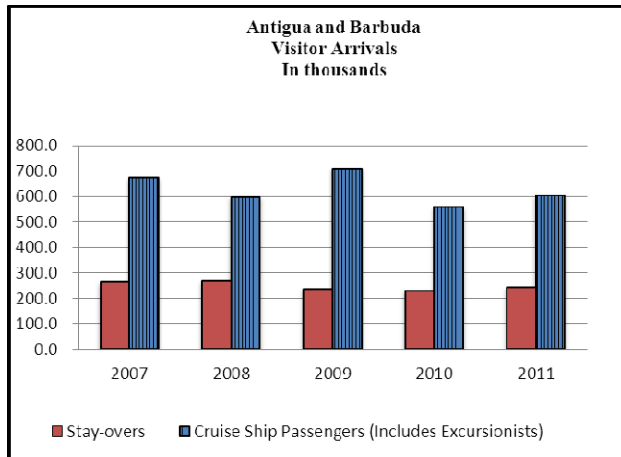
The pace of economic activity declined for a third consecutive year. The outturn was influenced by decreased value added in the key sectors of the economy, namely construction, wholesale and retail, transportation, storage and communications and financial intermediation and public administration. The declines were partly offset by increased value added in the hotels and restaurants, as well as real estate, renting and business activities service sectors. Together these sectors accounted for roughly 82.0 per cent of value added produced in the economy.

The rate of decline in the construction sector slowed in 2011. The sector, which accounted for 13.2 per cent of GDP on average, declined by an estimated 15.0 per cent in 2011, compared to a 15.3 per cent drop in 2010, despite policy measures aimed at stimulating the construction industry such as the

construct Antigua and Barbuda initiative. This decline was reflected in both public and private sector construction activity. Private sector non-residential construction was virtually flat, with a few small projects such as the continued work on the Antigua and Barbuda Public Utilities headquarters building and the construction of a new office building for the Caribbean Alliance Insurance Corporation. Private sector residential construction also declined in 2011, despite low interest rates on mortgages. Data from commercial banks indicate that credit for home construction and renovation fell by 1.8 per cent, in contrast to growth of 4.8 per cent recorded during 2010. Central government capital expenditure increased by 25.9 per cent (\$13.2m) to \$67.6 in 2011, in contrast to a 69.4 per cent (\$121.4m) decline in 2010; the increase in capital expenditure was related to the construction of a Fisheries complex in Barbuda funded by the Government of Japan.

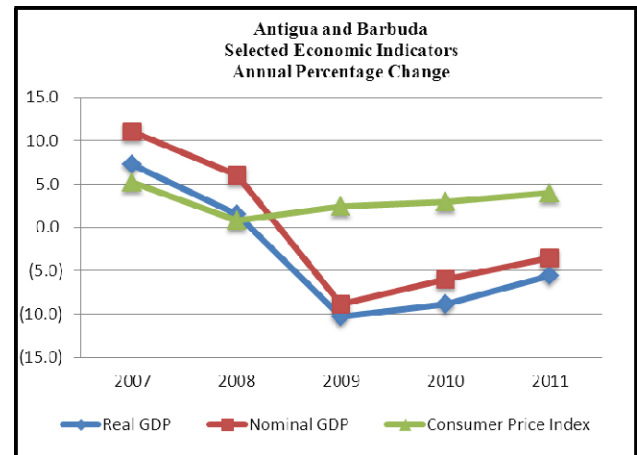
Lower economic activity, rising unemployment and declining real incomes precipitated a decline in value added in the wholesale and retail sector. Value added, which accounted for 12.0 per cent of GDP, contracted by 12.0 per cent in 2011 following a 19.5 per cent decline in 2010. Meanwhile, a fall in domestic credit and a rise in non-performing loans led to a fall in banks profitability, which lowered value added in the financial intermediation sector. Value added from financial intermediation declined by an estimated 3.8 per cent in 2011 following a 3.8 per cent decrease in 2010 and contributed 10.0 per cent to economic output.





There was a turnaround in the performance of the hotels and restaurants sector, which accounted for 15.9 per cent of GDP, in 2011. Value added is estimated to have increased by 5.2 per cent in 2011 in keeping with an increase in stay over arrivals, in contrast to decreases of 1.3 per cent and 8.1 per cent in 2009 and 2010 respectively. Preliminary estimates indicate that the number of stay-over visitors rose across all major source markets. The total number of stay over visitors increased by 5.0 per cent (11,388) to 241,331 in 2011, of which arrivals from the USA and the UK, which jointly accounted for 63.8 per cent share of the total, rose by 4.0 per cent and 3.8 per cent respectively. The Canadian market continues to record double digit growth, as stay-over arrivals from that market rose by 25.7 per cent, compared with a 37.6 per cent increase recorded in 2010, attributed to increased airlift. Having recorded a decrease in cruise ship passengers in 2010, there was a turnaround in 2011 as the number of cruise ship passengers increased by 8.5 per cent to 604,506 due to an increase in the number of ships making calls to the country. Yacht passengers declined by 4.5 per cent to 24,720 consistent with

the 9.2 per cent decrease in the number of yachts visiting the country.



Prices, Wages and Employment

The rate of inflation as measured by the consumer price index rose in 2011. The consumer price index (CPI) increased by 3.9 per cent compared with an expansion of 2.9 per cent in the corresponding period of 2010. All of the sub-indices of the CPI recorded increases with the exception of clothing and footwear, which showed a fall in prices. The food sub-index, the largest weighted in the CPI basket, recorded a deceleration in the rate of growth, increasing by 3.8 per cent, compared with growth of 7.9 per cent in 2010. Transportation and communication, the second largest component of the CPI, recorded a 6.3 per cent increase in prices compared to an increase of 2.1 per cent in 2010, driven mainly by an increase in prices of gasoline and motor vehicular spare parts. The fuel and light sub index recorded a 10.6 per cent increase, attributable to an increase in the price of petroleum



products and the fuel variation charge on electricity recorded during the first half of 2011.

There were no wage increases in the public sector as the government imposed a freeze on salaries and wages, as part of its fiscal adjustment programme under the IMF's Stand by Arrangement. In addition, data on the number workers employed by the central government is estimated to have remained flat in 2011, as the government also froze new public sector employment. In the private sector, while official data on wages are not available, qualitative information suggests that the unemployment rate rose, approximately 100 persons lost their jobs when the Antigua Brewery closed in June 2011 and layoffs continued in the hotels and restaurants and construction sectors - due to the fall in economic activity.

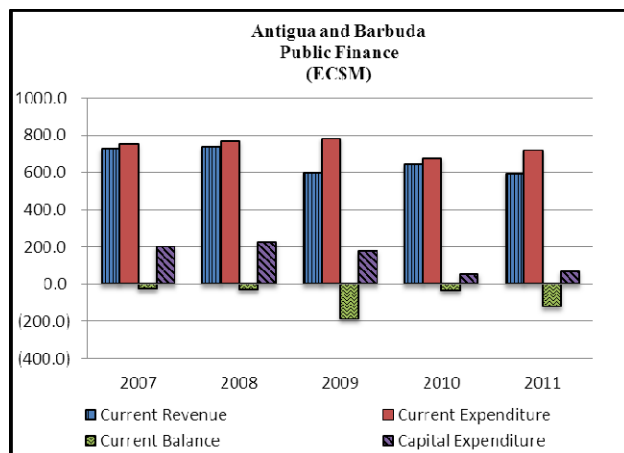
Central Government Fiscal Operations

Preliminary data on the fiscal operations of the Central Government yielded a larger overall fiscal deficit in 2011 relative to the balance in the corresponding period in 2010. Unplanned outlays for liquidity support to the ABI Bank Ltd. as well as lower revenue intake were the main contributing factors. An overall deficit of \$164.6m (5.3 per cent of GDP) was recorded in 2011, compared with a deficit of \$42.4m (1.4 per cent of GDP) in 2010.

Current account operations resulted in a deficit of \$122.7m, well above the revised deficit of \$36.7m in 2010. This outturn was influenced mainly by higher levels of current expenditure and lower current revenue. The primary balance, a key indicator of debt sustainability, recorded a deficit of \$87.3m (2.8 per cent of GDP), in contrast to the surplus position registered in 2010. The actual outturn on the primary balance was also well below the target of 1.4 per cent established by the authorities.

Current expenditure rose by 6.1 per cent (\$39.6m) to \$717.6m, in contrast to growth of 2.0 per cent recorded in the corresponding period of 2010. The increase in recurrent expenditure is attributable to the liquidity support provided to ABI Bank Ltd, which is recorded as a transfer in the fiscal accounts. Outlays for transfers and subsidies rose by 18.5 per cent or \$38.0m. Expenditure on goods and services rose by \$1.9m (1.5 per cent), while personal emoluments declined by \$3.2m. The decrease in personal emoluments was due to the government controlling overtime expenditure and freeze on new employment and salary increases. Interest payments rose by \$4.6m to \$77.3 in 2011 from \$72.6m, the increased interest payments is attributable to an increase in external interest payments which rose by \$81.8m which was offset by an \$18.3m reduction in domestic interest payments.





Current revenue fell by 7.0 per cent (\$44.7m) to \$594.2m, reflecting the weak performance of the domestic economy and the impact of a one off transaction received in 2010. Tax revenues decreased by 3.9 per cent (\$22.6m), as receipts from all the major categories declined, with the exception of revenues from taxes on domestic goods and services. Revenue collections from taxes on income and profits, property as well as international trade and transactions, declined by 24.6 per cent, 9.5 per cent and 1.2 per cent respectively. Those decreases were partly offset by an increase in the yield from taxes on domestic goods and services, which rose by 2.1 per cent (\$4.8m), reflecting mainly an increase in receipts from the Antigua and Barbuda Sales Tax (ABST), on account of an increase in the compliance rate. There was 34.9 per cent (\$22.1m) decrease in the collection of non-tax revenues, as profits from the State Insurance Corporation were not collected again in 2011.

Public Sector Debt

The fiscal outturn led to an increase in the national debt as the government borrowed to finance the overall deficit on its accounts. Preliminary data indicate that the public debt to GDP ratio increased to 92.8 per cent in 2011, up from 87.1 per cent at the end of 2010. During the review period total disbursed outstanding public debt increased by 4.2 per cent to \$2.8b at the end of 2011. The increase in debt stock was attributable to increases in both domestic and external borrowing by the central government. The stock of central government debt rose by approximately \$89.0m attributable to disbursements received from the IMF and the CDB, while the stock of domestic debt rose by approximately \$26.4m mostly from commercial bank borrowing.

Money and Credit

The total monetary liabilities (M2) of the banking system, broad money supply (M2) rose by 0.6 per cent to \$3,024.m at the end of 2011. The increase in the broad money supply was attributable to an increase in quasi money as narrow money (M1) declined. Quasi money, rose by 1.4 per cent to \$2,420.0m, driven by growth in private sector saving and time deposits which rose by 4.1 and 2.5 per cent

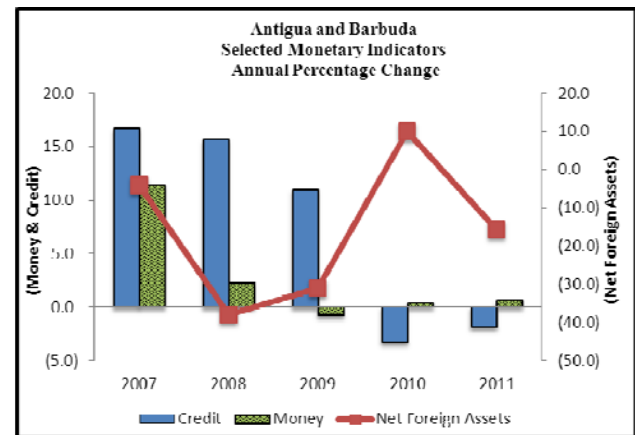


respectively. In contrast, M1 decreased by 2.4 per cent (\$15.1m) as currency with the public and EC\$ cheques and drafts both posted declines of 5.6 and 21.1 per cent respectively.

Domestic credit declined by 1.9 per cent to \$2,876.7m in 2011, following a 3.3 per cent contraction in 2010. The decrease in domestic credit was attributable to a decline in private sector credit while net credit to the public sector rose. The stock of private sector credit declined by 4.3 per cent influenced primarily by declines in household and business credit by 3.5 and 4.7 per cent respectively. Net credit to general government rose by 18.5 per cent (\$83.7m); the increase in net credit to general government was influenced by increased borrowing from commercial banks and the Central Bank and a fall government deposits.

The distribution of commercial bank credit by economic activity indicated mixed performance among the economic sectors. Credit for personal use, which accounts for roughly 44.0 per cent of total credit, declined by 2.8 per cent, reflecting mainly contractions in key sub components such as credit for personal use, credit for acquisition of property and durable consumer goods. Of the other key sectors, declines were also registered in credit extended for tourism-related activities (9.4 per cent), construction and land development (9.4 per cent), distributive trades (5.6 per cent) and utilities (13.6). These declines were partially offset by an expansion in credit to public administration (9.7 per cent),

professional and other services (7.4 per cent) and transportation and storage (26.9 per cent).



The net foreign assets of the banking system decreased by 15.6 per cent (\$65.3m), in contrast to an increase of 10.1 per cent in 2010. The decrease was attributable to a \$95.1m decline commercial banks net foreign assets which was offset by Antigua and Barbuda's imputed share of the reserves at the Central Bank increasing by \$29.8m. The net foreign assets position of the commercial banks decreased as banks increased their net liabilities position.

Liquidity within the banking sector eased despite weak economic activity in the country, as liquidity ratios remained well above the ECCB stipulated benchmarks. The ratio of liquid assets to total deposits plus liquid liabilities increased by 11.7 percentage points to 47.7 per cent, while the loans and advances to total deposits ratio decreased by 2.8 percentage points to 85.8 per cent as credit growth declined.

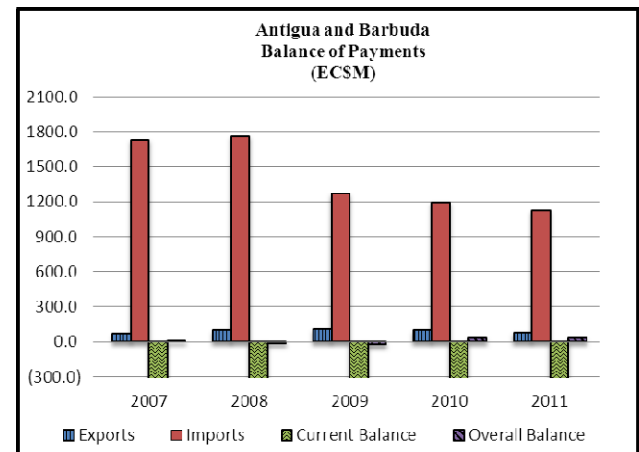
The weighted average interest rate on deposits decreased by 0.16 percentage points to 3.1 per cent, while those on loans decreased by 0.11 percentage points to 10.2 per cent as banks lowered interest rates in response to increased liquidity and competition. Those movements led to a widening of the weighted average interest spread, by 5 basis points to 7.09 per cents from 7.04 per cent during 2010.

Balance of Payments

Preliminary estimates of the balance of payments (BOP) showed that the overall position on the BOP recorded a smaller surplus of \$29.8m (1.0 per cent of GDP), compared with a surplus of \$32.6m (1.0 per cent of GDP) recorded in 2010. The current account deficit narrowed to \$324.2m (10.7 per cent of GDP) in 2011, from a deficit of \$437.9m (14.1 per cent of GDP) in 2010. In line with the improvements on the current account, the merchandise trade deficit narrowed to \$1,041.0m (34.5 per cent of GDP) as the level of imports declined due to lower economic activity.

On the services account, net inflows increased to \$746.3m, from a revised figure of \$681.2m recorded in 2010, largely attributable to increased inflows from transportation services. Net inflows on the transportation account grew by an estimated 11.1 per cent to \$150.3m, due to higher inflows for air transportation sub-account, consistent with the

increase in stay-over tourists and additional airlift into the country. Net travel receipts increased to \$706.9m from \$664.m in 2010, associated with the greater inflows due to an increase in stay over tourist arrivals. On the income account, there was an increase in net outflows, attributed to increased interest payments on government transactions. This led to an expansion in the deficit on the income account to an estimated \$96.6m in 2011, from \$86.2m in 2010.



The capital and financial account recorded a surplus of \$354.4m in 2011 compared to a revised surplus of \$470.5m in 2010. The decrease on the capital and financial account was a result of a reduction in foreign direct investment and external loan disbursements to the government. There was a net inflow of \$60.7m in public sector long term loans compared with \$380.8m in 2010. The transactions of commercial banks resulted in a net inflow of \$95.1m in short-term capital, primarily associated with transactions of the foreign branch banks.



Prospects

The global economy is slowly returning to normalcy with growth in advanced economies projected for 2012. The pick-up in global economic activity is expected to be transmitted to the economy of Antigua and Barbuda with a lag. Hence economic activity is expected to remain flat in 2012. Tourism arrivals are expected to increase in 2012, albeit at a relatively slow rate with associated gross travel receipts also forecasted to rebound in 2012. The outlook for activity in the construction sector, a major driver of growth, is uncertain, but could turn out to be positive if the construction of the new airport terminal and the planned construction of the US\$100.0m resort are implemented. Positive activity in these sectors of the economy will likely provide the impetus for growth in other ancillary sectors of the economy such as the wholesale and retail, transportation and storage and mining and quarrying sectors.

The fiscal operations of central government are expected to deteriorate somewhat as the government continues to provide support to the ABI Bank Ltd. notwithstanding the policy measures embarked upon under the IMF Standby Arrangement. Outside of this support to the ABI Bank Ltd, the fiscal operations of the Government is expected to improve as the authorities continue to implement a number of cost saving and revenue enhancing measures. On the expenditure side, cost cutting measures being implemented include reducing transfer payments to various statutory corporations

and overseas offices, outsourcing a number of government services, continuation of the restriction of expenditure on overtime, and a freeze on hiring. The revenue enhancing measures include, activation of Personal Income Tax legislation related to the taxing of all forms of income - that would include allowances and administering and enforcing personal income tax on self-employed professionals. Improved measurement of fuel imports by Customs, as well as administrative reforms to be undertaken by Customs and Inland Revenue, should also yield an improvement in revenue inflows.

On the external accounts, the current account deficit is projected to widened, based on expected increase in import payments, while the surplus on the capital and financial account is expected to decline due to lower FDI inflows leading to smaller overall surplus on the balance of payments.

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 become elevated as the price of both oil and food increase.

Economic conditions in the USA appear to be improving and European Union seems to be getting a handle of their sovereign debt issue, however, growth is expected to continue to stagnate or remain relatively weak in this major trading bloc. Oil and



other commodity prices are also on the rise, and there is a planned increase in the Air Passenger Duty (APD) to be implemented by the UK government which could negatively affect tourist arrivals from this major market. These factors pose downside risks to the projections and are likely to weigh negatively on economic growth. Consequently, the output gap will only narrow in the medium term.

High level of public debt severely constrains the policy space available to the government for spending in areas such as capital projects which might boost growth prospects. Additionally the slow implementation of a number private sector projects are expected to weaken growth prospects.



DOMINICA

Overview

Preliminary data indicate the economy of Dominica strengthened in 2011, as real economic activity rose by 1.2 per cent, following growth of 0.3 per cent in 2010. The construction and agricultural sectors were the main growth drivers. Consumer prices rose by 4.0 per cent during 2011, on an end of period basis. The central government realised a wider overall fiscal deficit, resulting in an increase in the stock of disbursed outstanding debt of the public sector. With the increased economic activity, the ratio of disbursed outstanding debt of the public sector to GDP declined. In the banking sector, monetary liabilities and domestic credit rose, while net foreign assets declined. Commercial bank liquidity declined marginally, while the weighted average interest rate spread between loans and deposits narrowed. In the external sector, a higher overall surplus was recorded, influenced by higher net inflows on the financial account.

Economic activity is expected to accelerate in 2012, premised on anticipated improvements in construction, agriculture, fishing, and tourism. The downside risks to these projections include a weaker global recovery, rising global commodity prices and unfavourable weather.

Output

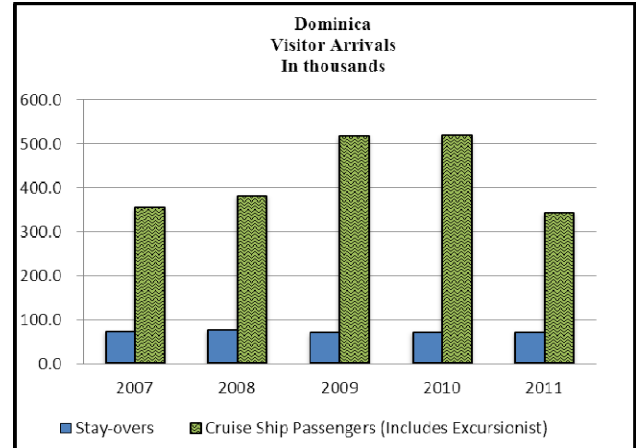
The construction sector registered a second consecutive year of 10.0 per cent growth. Commercial bank credit to this sector rose by 37.2 per cent in 2011, indicative of the robust performance. Construction activity intensified on public sector projects such as the Waitukubuli National Trail, Dominica State College, State House Renovation and Extension Project, rehabilitation of the West Coast Road, and the Road Improvement and Maintenance Programme. Also in the public sector, drilling commenced on test wells to determine the potential for exploiting geothermal energy and preliminary foundation work was undertaken on a grant funded hotel. In the private sector, work focussed on residential properties and eco-tourism establishments. The number of residential construction starts rose by 28.2 per cent to 109, while commercial bank credit to the tourism sector grew by 39.6 per cent (\$19.1m). The increased construction activity influenced the performance of the mining and quarrying sector which registered growth of 5.0 per cent.

A recovery was evident in the agriculture, livestock and forestry sector, as value added in the sector rose by 6.1 per cent, following a contraction of 10.3 per cent in 2010. The rebound was partly attributed to



replanting efforts after the effects of drought and plant disease in 2010. The output of banana and non-banana crops grew by 26.8 and 4.0 per cent respectively. Increases were recorded in the production of livestock (2.0 per cent) and forestry (0.5 per cent), reflecting the gains from continued public sector investment in farm infrastructure such as the Central Livestock Farm. Fish production rose by 3.0 per cent, mirroring the positive impact of public sector initiatives such as the completion of fisheries complexes and construction of fish aggregating devices in 2011.

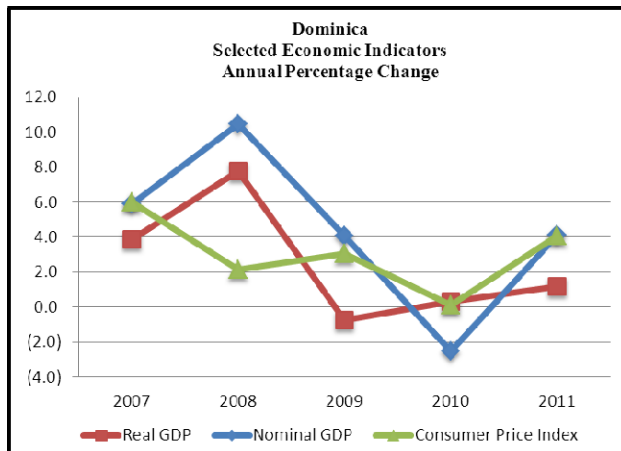
Value added in the hotels and restaurants sector, a proxy for tourism activity, rose by 1.8 per cent in 2011. Stay-over arrivals rose by 0.3 per cent, mainly reflecting increases in visitors from European countries including France (10.7 per cent) and the UK (0.5 per cent), and from Canada (4.5 per cent). By contrast, declines were recorded in arrivals from the USA (2.0 per cent) and the Caribbean (1.6 per cent). By way of other developments, the number of yacht passengers grew by 20.9 per cent, while declines were recorded for cruise ship visitors (34.1 per cent) and excursionists (2.6 per cent). Total visitor arrivals fell by 29.2 per cent leading to a contraction of 0.8 per cent to \$315.8m in total visitor expenditure.



Heightened activity in the agricultural sector and tourism industry contributed to a marginal increase (0.6 per cent) in the wholesale and retail trade sector.

Growth was tempered by declines in sectors such as manufacturing (11.0 per cent), education (6.5 per cent), and transport, storage and communications (0.6 per cent). A 32.1 per cent fall in beverage production, influenced by the decision of a beverage company to restructure its operations in January 2011, and a 24.0 per cent contraction in soap production partly associated with lower regional demand, contributed to the downturn in the manufacturing sector. A reduction in the number of students arriving in Dominica during the period under review led to a decline in the education sector.

The performance of the transport, storage and communications sector was mainly attributed to a fall in road transport, which was in lower demand, because of the decrease in cruise and stay-over visitors.



Prices, Wages and Employment

The inflation rate, as measured by a change in the consumer price index, was 4.0 per cent in 2011, above the 0.1 per cent measured in 2010. The local inflationary pressures were influenced by elevated international oil prices in 2011. The housing, utilities, gas and fuels sub index, the largest weighted sub-index, rose by 6.4 per cent, primarily resulting from higher costs for electricity and gas. Prices of fuels and lubricants for personal transport equipment were up, contributing largely to a 3.4 per cent increase in the transport sub-index. The food and non-alcoholic beverages sub-index rose by 4.5 per cent, mainly influenced by higher costs of foods such oils and fats, meat, fish and seafood. Notably, the hotels and restaurants sub-index rose by 2.8 per cent, on account of a 10.0 per cent increase in the

cost of accommodation services and a 2.4 per cent rise in the cost of catering services which includes service offered at restaurants. Among other sub-indices, notable increases were recorded for education (12.2 per cent) and recreation and culture (6.6 per cent). Partially offsetting those increases was a contraction of 1.1 per cent in the clothing and footwear sub-index, resulting from a decline in the price of shoes.

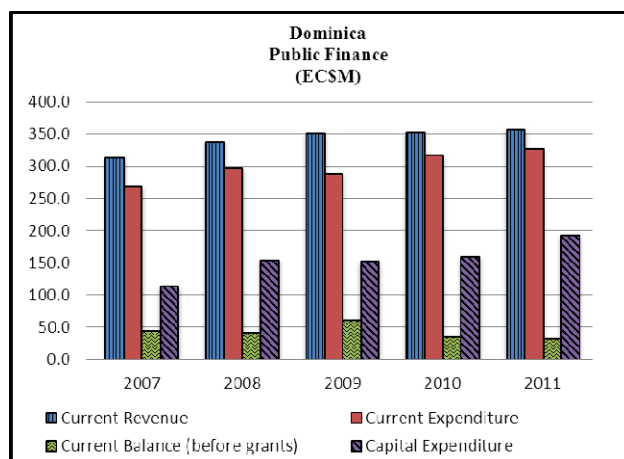
With regard to labour market developments, data on wages and employment movements in the private sector were unavailable. In the public sector, the central government awarded retroactive salary increases to public servants in January 2011 and the total number of persons employed in the public service increased by 5.5 per cent to 4,126 at the end of 2011. There were increases in employment for all categories of public sector workers - contractual employees (22.9 per cent), non-established workers (8.0 per cent) and established workers (4.1 per cent).

Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall deficit of \$127.9m (9.8 per cent of GDP) in 2011, compared with one of \$81.6m (6.4 per cent of GDP) in 2010. A primary deficit of \$104.9m (8.0 per cent of GDP) was recorded, compared with one of \$60.6m (4.8 per cent of GDP) in 2010. The performance was characterised by increases in expenditure. These developments resulted in the non-achievement of the primary balance to GDP target of 2.4 per cent in 2011.



The surplus on the current account narrowed by 10.9 per cent to \$31.2m, as growth of current expenditure outpaced that of current revenue. Current expenditure rose by 3.0 per cent to \$326.2m, reflecting increases in some sub-components. Expenditure on personal emoluments grew by 8.8 per cent (\$11.2m), influenced by the new hiring and 3.0 per cent retroactive salary increase awarded in January 2011. Interest payments grew by 9.5 per cent (\$2.0m), reflecting larger external debt obligations. By contrast, payments for goods and services fell by 2.4 per cent, mirroring the impact of government measures to restrict discretionary spending in areas such as government-financed travel and non-priority goods and services. Spending on transfers and subsidies fell by 2.0 per cent (\$1.4m), partly associated with reduced transfers.



Current revenue increased by 1.6 per cent to \$357.4m, on account of an expansion in non-tax receipts. Non-tax revenue almost doubled to \$45.5m, largely attributed to an increase in collections from the economic citizenship

programme. Tax revenue, the other component of current revenue, fell by 4.8 per cent (\$15.9m), mirroring declines in all sub-categories. The yield from taxes on income and profits was down by 10.6 per cent (\$6.6m), mainly resulting from reduced revenue from corporation tax. Receipts from taxes on domestic goods and services contracted by 3.2 per cent (\$5.9m), primarily resulting from lower receipts from the Value Added Tax (VAT). VAT collections were down by 3.7 per cent, reflecting the lower import tax base on food, manufactured goods and machinery and transport equipment; the downturn in the sectors transport, storage and communications, manufacturing and education; and weak growth in wholesale and retail trade activity. Revenue from taxes on international trade and transactions declined by 3.8 per cent (\$2.8m), largely on account of lower receipts from import duty which is consistent with the decline in imports. The yield from taxes on property fell by 8.0 per cent (\$0.7m).

Capital expenditure expanded by 21.1 per cent to \$192.7m (14.7 per cent of GDP), as construction work intensified on major public sector projects. The accelerated implementation of the capital programme reflected government's direct policy efforts to stimulate the local economy despite the challenges posed by the global economy. In light of the economic and financial strains in the global economy, capital grants amounted to \$31.6m, roughly 18.8 per cent lower than the amount recorded in 2010.

Public Sector Debt

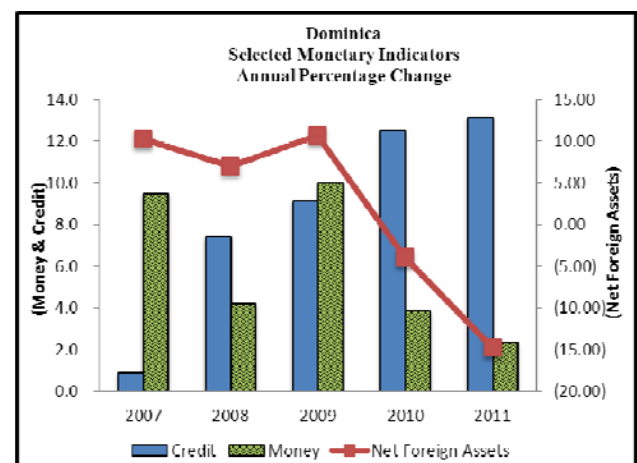
The total disbursed outstanding debt of the public sector totalled \$933.5m (71.4 per cent of GDP) at the end of 2011, compared with \$930.7m (73.1 per cent of GDP) at the end of 2010. The fiscal target of a debt to GDP ratio of 66.2 per cent in 2011 was not met. External debt rose by 2.9 per cent (\$19.1m), reflecting increased disbursements for the public sector investment programme. Domestic debt fell by 6.0 per cent (\$16.7m) which was partly influenced by the success of debt restructuring efforts. Central government debt contracted by 1.1 per cent to \$756.3m while the outstanding debt of public corporations rose by 6.8 per cent to \$177.1m.

Money and Credit

Monetary liabilities (M2) rose by 2.4 per cent to \$1,034.0m at the end of 2011, consistent with the increase in economic activity. This outturn was characterised by a 3.3 per cent rise in quasi money, moderated by a 1.6 per cent decline in narrow money (M1). Growth in quasi money was on account of increases in private sector savings deposits (\$30.3m) and private sector time deposits (\$2.1m). Private sector foreign currency deposits fell by 19.6 per cent (\$5.8m), reflecting a decline in foreign exchange earnings from the exports of goods and services. With regard to the components of narrow money, currency with the public increased by \$0.5m, while declines were recorded for EC dollar cheques and drafts issued (\$2.8m) and private sector demand deposits (\$0.7m).

Domestic credit rose by 13.1 per cent, largely attributed to growth in credit to the private sector. Private sector credit rose by 6.6 per cent, indicative of growth in loans to businesses (\$30.9m) and to households (\$13.4m). Outstanding credit of the central government fell by \$23.0m, while its deposits contracted by \$41.9m, leading to a reduction of 36.7 per cent in the net deposit position of the central government. In the rest of the public sector, the net deposits of the non-financial public enterprises fell by 11.0 per cent, reflecting an increase in their loan portfolio.

An analysis of the distribution of credit by economic activity indicated that the largest increases in credit were for tourism (39.6 per cent), construction (37.2 per cent) and personal use (2.7 per cent). Notable declines were observed in credit for public administration (22.9 per cent), financial institutions (22.4 per cent) and utilities, electricity and water (11.7 per cent).



The net foreign assets of the banking system contracted by 14.8 per cent to \$456.7m at the end of 2011, stemming from developments in the commercial banking system. The net foreign assets of commercial banks fell by 28.4 per cent, attributed to a drawdown of the assets held with and an increase in credit from institutions outside the Eastern Caribbean Currency Union to finance the higher demand for credit. Dominica's imputed share of ECCB's reserves rose by 12.1 per cent to \$201.0m.

Liquidity in the commercial banking system fell marginally during 2011, but remained at a relatively high level. The ratio of liquid assets to total deposits plus liquid liabilities declined by 0.7 percentage points to 39.0 per cent. The loans and advances to total deposits ratio rose by 0.7 percentage points to 64.3 per cent.

The spread between interest rates on loans and deposits was down by 0.06 percentage point to 5.63 per cent at the end of 2011. The weighted average interest rate on loans declined by 0.18 percentage point to 8.77 per cent, while the rate on deposits fell by 0.11 percentage point to 3.14 per cent.

Balance of Payments

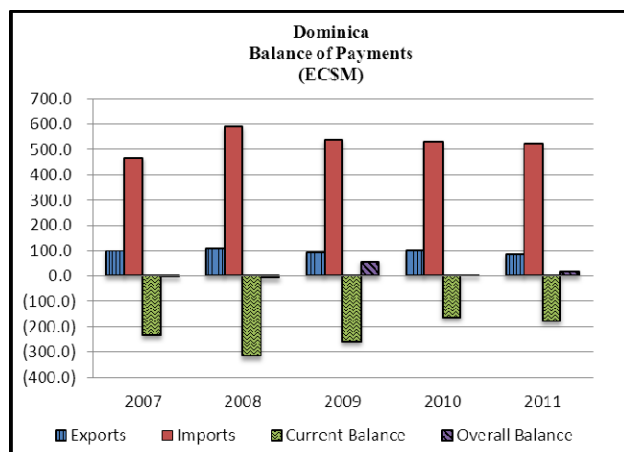
Preliminary estimates of the balance of payments for 2011 indicate an overall surplus of \$17.2m compared with one of \$3.4m in 2010. The higher overall surplus was largely influenced by developments on the capital and financial account.

The surplus on the capital and financial account stood at \$195.0m (14.9 per cent of GDP) in 2011 from \$166.8m (13.1 per cent of GDP) in the previous year. The performance was largely attributable to higher net inflows on the financial account. Net foreign direct investment inflows rose by 40.8 per cent to \$92.5m (7.1 per cent of GDP) partly associated with inflows for tourism properties. Additionally, commercial banks transactions led to a net inflow of \$101.2m (7.7 per cent of GDP), more than triple the amount recorded in 2010. The inflows on the financial account were tempered by developments on the capital account, whereby net inflows of capital grant funding were reduced by 48.3 per cent to \$46.7m (3.6 per cent of GDP).

The current account deficit widened by 8.9 per cent to \$177.9 (13.6 per cent of GDP) in 2011, primarily on account of an increase in the deficit on the goods and services account. The deficit on goods and services account increased to \$203.7m (15.6 per cent of GDP) mainly reflecting a worsening in the merchandise trade deficit by 1.7 per cent to \$435.7m in 2011. Earnings from merchandise exports declined by 15.1 per cent, as a decline of \$11.0m in export revenue from beverages offset increases in export receipts from bananas (\$2m), soap (\$2m) and paints and varnishes (\$1m). Merchandise imports (f.o.b) contracted by 1.5 per cent (\$7.8m) to \$520.1m, largely due to a decline in imports of machinery and transport equipment. Net inflows on the services account fell by 1.8 per cent to \$227.2m, influenced by a contraction of 1.1 per cent to \$281.2m in travel receipts. On the income account,



net outflows rose by 12.0 per cent, owing to higher net outflows on investment income.



Prospects

The pace of economic growth is likely to accelerate in 2012, based on anticipated improvements in construction, agriculture, fishing, and tourism. The level of construction activity is anticipated to increase in 2012, as in the public sector, work is expected to focus on the completion of on-going projects and is likely to intensify on the geothermal project and a grant-funded hotel. Agricultural output is expected to increase as the sector benefits from continued public sector assistance in the form of inputs, planting materials and technical support. Additional resources will be provided by the European Union (EU) to support the banana industry and wider agricultural diversification. Improvements made to fishing facilities and equipment in 2011 should lead to increased output in the fishing industry in 2012. The

performance of the hotels and restaurants sector is expected to rise from intensified marketing efforts and continued improvements to tourism sites.

The fiscal operations of the central government are expected to result in an overall deficit, marked by developments on the capital account. On the capital account, expenditure is likely to remain elevated with the ongoing public sector projects, and no significant increase is anticipated in grant inflows in light of the fragilities in the global economy. The anticipated deficit on the capital account is unlikely to be fully financed by an expected surplus on the current account. Current savings are expected to be smaller, relative to the level in 2011, as growth in expenditure arising from possible salary increases and higher debt obligations may continue to outpace that of current revenue. With limited grant financing and smaller fiscal savings, the overall deficit is expected to be financed, in part, from a new source, namely the Regional Government Securities Market (RGSM). The Government of Dominica is expected to issue securities for the first time on the RGSM in 2012.

In the external sector, the deficit on the current account is projected to widen, premised on weak activity in the manufacturing sector, whereby export receipts from beverages are projected to be lower. Gross inflows from travel are expected to be higher, consistent with improvements in the hotel and restaurants sector.

The prospects for 2012 could worsen with greater volatility in the global economy. Intensified strains in the Euro-zone area and greater fragilities in developed and emerging economies pose downside risks to the forecasts for Dominica. These can

further dampen economic activity and restrict inflows of grants and foreign direct investment. Other risks include unfavourable weather conditions and volatility in commodity prices.



GRENADA

Overview

Economic activity in Grenada is provisionally estimated to have expanded in 2011, in contrast to a contraction in 2010, consistent with improving economic conditions in the main trading partner, USA. Real GDP is estimated to have grown by 1.1 per cent in 2011, following a 1.3 per cent decline in 2010, partly driven by rebounds in the agricultural sector and stay-over tourist arrivals. The consumer price index rose by 3.5 per cent during 2011. The overall deficit on the central government's fiscal accounts expanded, largely on account of increased outlays for capital spending. Consequently total outstanding public sector debt rose during 2011. Developments in the banking sector were marked by growth in monetary liabilities and domestic credit. Commercial banks liquidity rose during 2011, and the spread between the weighted average lending and deposit interest rates widened. An overall balance of payments surplus was recorded in 2011 in contrast to a deficit in 2010.

Economic activity is projected to increase in 2012, based on expected improvements in construction activity and further expansion in the tourism industry and agricultural output. The overall fiscal deficit of the central government is projected to widen, on account of increased capital spending. Downside risks to the projections include slower than expected growth in the global economy, high oil prices and adverse weather.

Output

Agricultural activity rebounded strongly in 2011 following a steep decline in the previous year, largely reflecting successful replanting efforts for all crops, especially bananas, increased yields from traditional crops and general good weather conditions throughout the year. Value added in the sector grew by 8.1 per cent in 2011, reversing a contraction of 11.4 per cent in 2010. Output of all major crops expanded over the period under review. Banana production, which suffered from the impact of the Black Sigatoka disease and drought conditions in 2010, rebounded to record a fivefold increase to 4,127.4 tonnes. Production of nutmeg more than doubled in 2011, registering output of 485.8 tonnes. Similarly, production of mace, cocoa and other crops grew by 98.8 per cent, 20.8 per cent and 4.0 per cent respectively. The increased output of cocoa and nutmeg was partially driven by farmers' response to higher international prices for those products. In the other sub-sectors, growth was recorded in livestock (3.5 per cent) and forestry (5.0 per cent). In a related sector, the output of fish is estimated to have increased by 5.0 per cent.

In the manufacturing sector, valued added is estimated to have expanded by 1.5 per cent in 2011, following growth of 3.9 per cent in 2010. The increased manufactured output was supported mainly by expansions in flour, beer and paint production. Flour and beer production rose by 6.0

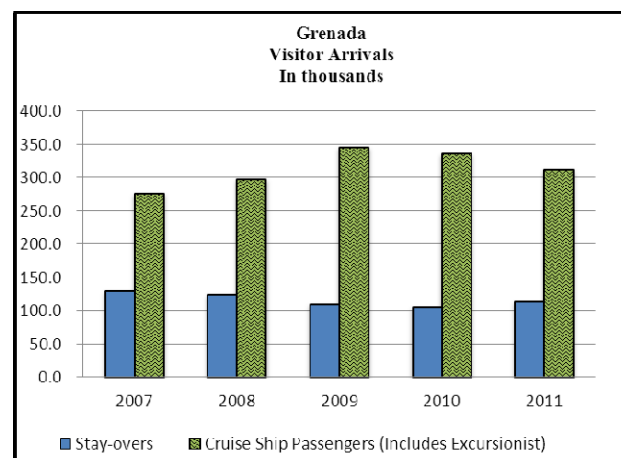


per cent and 5.2 per cent respectively, in response to heightened domestic demand. Output of paints rose by 9.8 per cent, reflecting strong export demand in neighbouring islands; similarly, toilet paper production increased by 5.5 per cent. The growth in manufacturing output was partially offset by declines in the production of soft drinks, (3.8 per cent); rum (5.5 per cent) and poultry feed (10.0 per cent).

Some other key sectors also recorded increases in value added during 2011 and thus contributed to positive economic growth. These include education (2.8 per cent), transport, storage and communications (2.0 per cent) as well as real estate, renting and business activity (1.3 per cent).

The performance of the tourism industry improved in 2011. Value added in the hotels and restaurants sector, largely influenced by onshore tourists' activity, increased by 4.1 per cent in contrast to a 9.7 per cent contraction in 2011. The outturn was mainly influenced by growth of 8.1 per cent in the number of stay-over visitors 113,952, in contrast to a 3.7 per cent fall in 2010. The combined effects of increased airlift and deep discounting at hotels were the main factors contributing to the rise in 2011. Consequently, stay-over arrivals from all the major source markets expanded. The number of visitors from the Caribbean rose by 13.3 per cent, a direct benefit of increased airlift particularly in the latter part of the year. Arrivals from the USA rebounded to increase by 11.3 per cent, after contracting by 0.6 per cent in 2010. The number of UK and Canadian

visitors rose by 5.1 per cent and 3.5 per cent respectively.

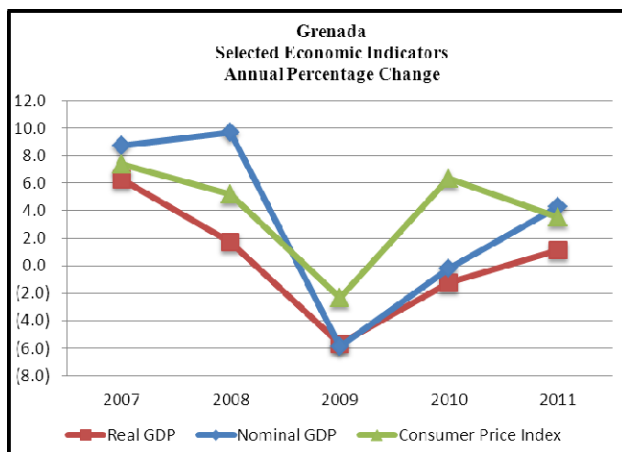


All other categories of visitors, with the exception of excursionists, registered declines which contributed to the 3.4 per cent fall in total tourist arrivals. Cruise ship passenger arrivals declined by 7.1 per cent, as the number of cruise ship calls was reduced to 198 from 206 in 2010. Yacht passenger arrivals fell by 3.0 per cent, in contrast to a 10.4 per cent rise in 2010. The number of excursionists grew by 7.8 per cent to 2,626 in 2011, bolstered by increased airlifts and airline promotions.

Output in the construction sector, which has been on a downward trend since 2007, is estimated to have declined by 8.0 per cent following a contraction of 6.3 per cent in 2010. Tight domestic credit conditions coupled with low foreign direct investment inflows, combined to adversely affect activity in the sector. In the private sector, construction activity focused mainly on repairs to residential buildings, as most major foreign direct investment funded projects remained inactive.



Construction activity in 2011 was generated mainly through the public sector investment programme which focused primarily on road maintenance and rehabilitation of public buildings.



Prices, Wages and Employment

The rate of inflation, as measured by the consumer price index, rose by 3.5 per cent during 2011, compared to an increase of 4.2 per cent (on an end of period basis) in 2010. While all major sub-indices recorded increases, the rise in prices was driven mainly by higher cost of health and communication services and for food and non-alcoholic beverages. The average price of health services rose by 20.4 per cent due to increases in the price of laboratory services and the price of communication services was buoyed by higher cost for telephone services. Food and non-alcoholic beverages, the largest weighted sub-index, rose by 5.5 per cent, on account of higher food prices. Prices associated with transport rose by 2.0 per cent, largely reflecting the pass-through effect of increases in international oil

prices. The housing, utilities, gas & fuels index rose by 1.0 per cent.

During the year, salary increases were awarded to workers of some private sector entities at an average rate of 3.0 per cent. Preliminary data collected from the National Insurance Services, which is used as a proxy for movement in employment, suggest that the number of unemployed persons may have risen during 2011. In the public sector, no salary increases were granted, however increments and allowances were paid as scheduled throughout the year. Preliminary data also indicate that, civil service employment increased by approximately 40 persons to 5,547 in 2011 as existing vacancies were filled.

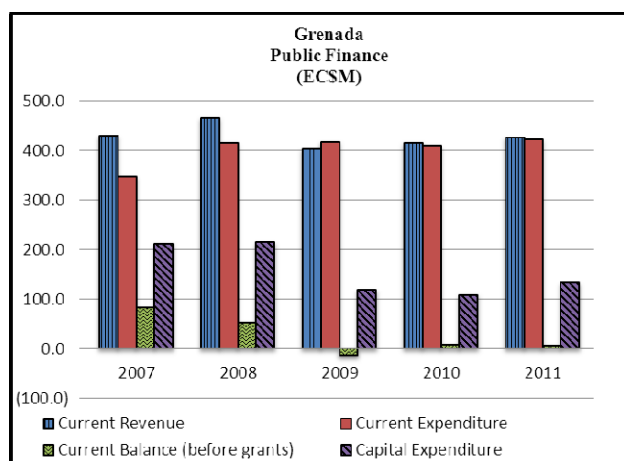
Central Government Fiscal Operations

Central government fiscal operations resulted in an overall deficit of \$66.4m in 2011, compared with a deficit of \$50.8m in 2010. The growth in the overall deficit was primarily attributable to an increase in capital expenditure. The deficit was financed mainly from domestic sources. A primary deficit of \$14.8m (0.7 per cent of GDP) was realised, following a deficit of \$7.8m (0.4 per cent of GDP) recorded in 2010. The current account surplus narrowed in 2011 to \$4.9m, compared with one of \$6.4m in 2010, as growth in expenditure outpaced that of revenue.

Current revenue amounted to \$425.7m representing a 2.6 per cent improvement on the total recorded in 2010, largely associated with a 3.4 per cent (\$13.1m)



rise in tax revenue. Net receipts from taxes on domestic goods and services increased by 6.5 per cent (\$11.6m), driven by higher intake of VAT which rose by 13.8 per cent (\$19.4m). The yield from taxes on international trade and transactions grew by 2.7 per cent (\$3.3m) consistent with increased importation of goods and collections from taxes on income and profits rose marginally by 1.0 per cent (\$0.7m). The expansion in tax revenues was tempered by reductions in collections from taxes on property which fell by 14.3 per cent (\$2.5m). Non-tax revenue contracted by 9.3 per cent (\$2.3m) on account of declines in property income and Central Bank profits.



Current expenditure expanded by 3.0 per cent to \$420.8m in 2011. The growth in current expenditure stemmed mainly from increases in spending for personnel emoluments and interest payments. Outlays on personal emoluments rose by 11.1 per cent to \$221.6m, reflecting mainly a re-categorisation of some payments previously listed as goods and services. Consequently, spending on goods and services fell by 18.3 per cent (16.8m).

Interest payments expanded by 20.0 per cent (\$8.6m), due mainly to an increase in domestic payments, consistent with higher level of domestic debt. The overall upturn in current expenditure was tempered by a fall in expenditure on transfers and subsidies of 2.3 per cent (\$3.8m), associated with on-going reforms in the social safety net programmes.

Capital expenditure rose by 21.9 per cent to \$131.5m (6.0 per cent of GDP). The construction of the Gouyave Fisheries Complex and government houses accounted for most of the capital outlays. Capital spending was largely financed by local resources and capital grants, which increased by \$26.9m to \$60.1m in 2011. The rise in capital grants stemmed from increased project financing received from Japan and China for the aforementioned projects.

Public Sector Debt

The outstanding debt of the public sector was estimated at \$1,991.5m at the end of 2011, representing an increase of 2.5 per cent on the total at the end of 2010. As a percentage of GDP, the outstanding debt of the public sector declined marginally to 90.4 per cent from 91.8 per cent at the end of 2010. 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 3.4 per cent to \$1,805.9m, characterised by a 28.4 per cent rise in domestic debt, which overwhelmed a 3.0 per cent



contraction in external debt. Public corporation reduced their overall indebtedness by 5.0 per cent.

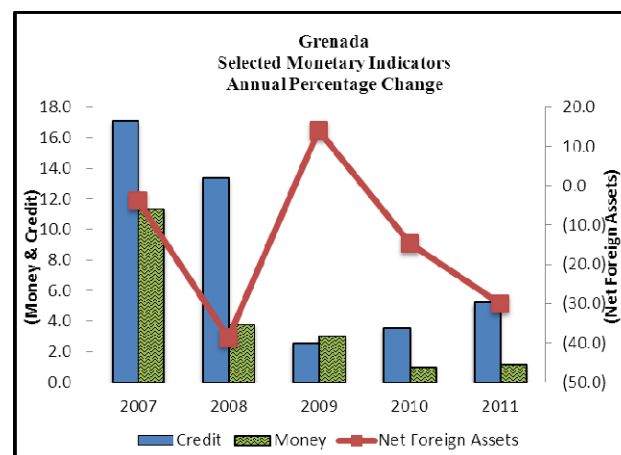
Money and Credit

Monetary liabilities (M2) recorded a marginal increase of 1.1 per cent to \$1,858.0m during 2011, similar to the 2010 outturn. Growth in quasi money of 2.0 per cent drove the uptick in M2. All sub-components of quasi money increased; foreign currency deposits expanded by 6.8, in line with improvement in tourist expenditure, while private sector savings and time deposits grew by 2.9 per cent and 1.1 per cent respectively. Conversely, narrow money (M1), the other component of broad money fell by 2.7 per cent (\$9.3m), in contrast to a 3.0 per cent (\$10.0m) rise in 2010. The decline was attributable to a 6.1 per cent (\$13.8m) contraction in private sector demand deposits and a 30.0 per cent (\$5.3m) fall in EC dollar cheques and drafts issued. A 10.0 per cent (\$9.8m) rise in currency with the public lessened the overall reduction in M1.

The growth in M2 partly facilitated a 5.2 per cent growth in domestic credit to \$1,787.1m, underpinned by an expansion in lending to both the public and private sectors. In the public sector, central government's net indebtedness to the banking system rose by 37.0 per cent to \$150.8m, mainly attributable to loans extended by the Central Bank. In the rest of the public sector, net deposits of the non-financial public enterprises declined for the first time in the past five years, falling by 5.3 per cent.

Private sector credit rose by 2.2 per cent (\$38.2m), on account of a 4.0 per cent increase in credit to households and a 14.4 per cent expansion in lending to the non-bank financial institutions. By contrast credit to businesses shrank by 1.5 per cent.

An analysis of credit by economic activity indicated a 2.1 per cent (\$25.3m) expansion in loans for personal use, led by a 3.6 per cent (\$23.3m) increase in loans for the acquisition of properties. Credit to all other major sectors recorded declines. Loans for construction fell by 23.7 per cent (\$23.8m) consistent with the overall decline in the sector. Lending to tourism related activities fell by 8.7 per cent (\$15.3m), while borrowings for manufacturing, agriculture and distributive trade were reduced by 7.0 per cent (\$2.5m), 6.5 per cent (\$1.7m), and 5.3 per cent (\$7.7m) respectively.



The net foreign assets of the banking system fell by 30.0 per cent to \$169.6m during 2011, as a result of commercial banks' external transactions. Commercial banks' external transactions led to a net liabilities position

of \$113.3m at the end of 2011; as banks drew down on their assets held with institutions outside the Eastern Caribbean Currency Union, while increasing their liabilities with institutions in other ECCB territories to meet the demand for credit. Grenada's imputed share of ECCB's reserves grew by 2.0 per cent to \$282.9m.

Liquidity in the commercial banking system expanded during 2011. The ratio of liquid assets to total deposits plus liquid liabilities rose by 1.9 percentage points to 24.9 per cent, while the ratio of loans and advances to total deposits fell marginally by 0.2 percentage points to 83.4 per cent. There was an uptick in cash reserves to deposits ratio by 1.1 percentage points to 8.3 per cent.

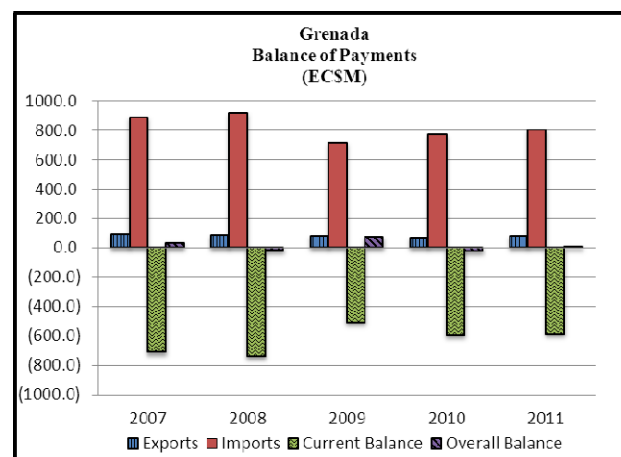
The interest rate spread between deposit and lending rates widened to 7.47 percentage points from 6.81 percentage points at the end of 2010. The weighted average interest rate on deposits rose to 2.86 per cent from 2.65 at the end of 2010, while the weighted average lending rate expanded to 10.33 per cent from 9.46 per cent.

Balance of Payments

The overall balance of payments position improved in 2011. External transactions resulted in an overall surplus of \$5.4m (0.3 per cent of GDP), in contrast to a deficit of \$26.0m (1.2 per cent of GDP) in 2010, attributable to a combination of an increase in net inflows on the capital and financial account and a narrowing of the current account deficit.

The surplus on the capital and financial account rose by 3.7 per cent to \$591.8m in 2011, largely associated with a fivefold increase in commercial bank net inflows to \$78.1m. As a percentage of GDP, the surplus remained relatively unchanged at 26.9 per cent.

The current account deficit contracted to \$586.4m (26.6 per cent of GDP) from \$596.8m (28.2 per cent of GDP) in 2010. The smaller deficit was mainly attributed to transactions in the services sub-accounts. The surplus on the services account expanded by 18.7 per cent supported by increased travel receipt, consistent with the rise in stay over tourist arrivals. By contrast, the merchandise trade deficit rose to \$723.5m (32.8 per cent of GDP) from \$702.7m in 2010 (33.2 per cent of GDP), attributable to an expansion in the import bill; payments for merchandise imports increased by 4.2 per cent to \$891.0m. Concurrently, the value of merchandise exports rose by 17.4 per cent to \$76.6m, due to a 14.4 per cent (\$8.5m) rise in domestic exports.



On the income account, net outflows fell by 14.9 per cent (\$17.2m), influenced by a contraction in outflows of investment income and inflows of current transfers to general government.

Prospects

The pace of economic activity is likely to improve in 2012, on the basis of recovery in some sectors of the economy. Construction activity is projected to rise in 2012, led by increased activity in the public sector investment programme. A number of road works projects including the Agriculture Feeder Road project, are earmarked to commence in 2012, while the Grenville Market Square project is expected to see increased activity following its commencement in late 2011. Developments in private sector construction activity are projected to improve somewhat, following a period of listlessness, occasioned by the impact of global economic crisis. Notwithstanding, major foreign direct investment supported projects are not expected to resume activity in 2012. Agricultural output is forecasted to increase, relative to the outturn of 2011, as crop production rises on the basis of increased effort by the authorities to improve crop yields. Tourism performance is likely to continue to improve but will be challenged by exogenous factors such as rising fare cost influenced by rising fuel prices and a planned increase in the Air Passenger Duty (APD) as well as the impact of the London

2012 Summer Games.

The overall deficit of the central government is projected to widen, particularly on account of increased capital spending. Furthermore, rising interest payments, coupled with only modest growth in current revenue can compromise current savings, even as further consolidations in other current spending continue. At the same time, other debt obligations, combined with limits to certain forms credit and other financial inflows will place considerable pressure on the authorities' ability to finance the overall deficit.

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 buoyant, in line with the expectation for tourism activity. The surplus on the capital and financial account is projected to decline, as inflows of capital grants and foreign direct investment are likely to remain constrained.

The risks to the forecast are heavily skewed to the downside. Persistent weaknesses in the global economy combined with the possibility of higher oil prices present real threats to the forecast. Additionally, adverse weather conditions in 2012 can further exacerbate a very challenging economic environment, particularly in the agricultural sector.



MONTSERAT

Overview

Real GDP in Montserrat is estimated to have expanded by 3.4 per cent in 2011 as the economy recovered from the effects of volcanic eruptions and the passage of hurricane Earl in the previous two years that resulted in a contraction in output in 2010. The main sectors contributing to growth were transport, storage and communications, financial intermediation, construction, and mining and quarrying. The general price level rose by 4.4 per cent influenced by imported food and energy prices. The external trade position improved as a larger overall surplus was recorded influenced primarily by increased grant inflows. Those flows also positively impacted the fiscal outturn with the current account balance moving from a deficit to a surplus. The total outstanding debt of the public sector fell as both external and domestic borrowing declined. The economic rebound led to growth in deposits and increased liquidity in the banking system which was reflected in an increase in the supply of credit to domestic agents. The spread between commercial banks' weighted average interest rate on loans and deposits widened.

The economy is projected to continue to improve in 2012 although the rate of growth is expected to slow down as capacity levels return to normal. The main drivers of growth in 2012 are expected to be agriculture, fishing, mining and quarry, and construction. Fiscal performance will continue to be influenced by budgetary aid. Although grant

inflows are expected to be lower in the fiscal year 2012/2013 than in 2011/2012, they will be sufficient to cover the budget deficit. The downside risks to the projections include continuing weak demand in major tourists markets, pessimistic sentiment among foreign investors, intensification of the debt and fiscal challenges of the UK Government, major seismic activities ensuing from the Soufriere Hills Volcano, and adverse weather conditions.

Output

Growth in 2011 was driven mainly by the services sectors. Transport, storage and communications services grew by 18.9 per cent following a contraction of 19.0 per cent in 2010. Value added by the construction sector grew by 11.4 per cent, supported by public sector projects and which positively impacted the road transportation subsector. Activities related to the intermediation of financial services increased by 11.2 per cent, which reflected an improvement in the general economic conditions. Together, those services sectors constitute thirty per cent of value added in the economy. Of the other key services sectors, real estate, the second largest component of GDP, grew by 1.9 per cent. Electricity and water and wholesale and retail trade increased by 3.2 per cent and 3.0 per cent, respectively.

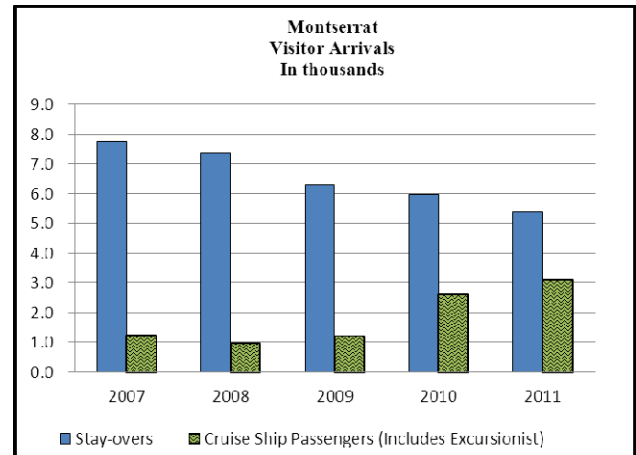
Although its contribution was less than one per cent of GDP, the mining and quarrying sector was a



significant contributor to the growth rate in 2011. Value added in that sector more than quadrupled to \$1.1m in 2011, following disruptions in operations in 2010 caused by volcanic activity which destroyed essential equipment and led to the closure of a major mining site.

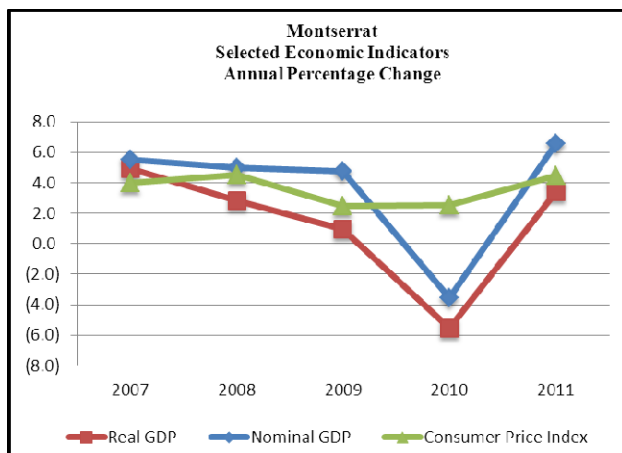
Output in agriculture, livestock and forestry rebounded, after contracting in 2010. The agricultural sector, which grew by 22.1 per cent, responded to incentives provided under the Food Production Strategy. These included tax rebates on imports of a number of agricultural inputs, including seeds and fertilizers; tractor services at subsidised prices; and supply of irrigated water to farms. Value added in fishing increased by 36.6 per cent.

The value added in the hotels and restaurants sector, a proxy for tourism industry performance, fell by 31.3 per cent. The performance of the tourism sector was affected in a large measure by the transportation constraints faced by the island. As a result, the number of stay-over visitors fell by a 9.8 per cent to 5,395. On the other hand, there were increases for the number of visitors travelling via ferry (15.7 per cent), yachts (27.0 per cent) and cruise ships (98.0 per cent), respectively. Public administration, which accounts for one-third of GDP, declined by 1.5 per cent.



Prices, Wages & Employment

Inflation, as measured by the Consumer Price Index (CPI), increased by 4.4 per cent during the year under review, compared with 2.6 per cent during 2010. The escalation of imported fuel and food prices on the world market were the main factors contributing to the increased inflationary pressure. The gas, electricity and water sub-index moved up by 12.4 per cent. The food sub-index, the largest weighted sub-index, increased by 9.2 per cent. The services sub-index moved upwards by 1.7 per cent while rent remained unchanged. Prices of clothing and household goods fell by 3.8 per cent and 1.9 per cent, respectively. During the year, the price of air and sea transportation was subsidised to the tune of \$3.0m.



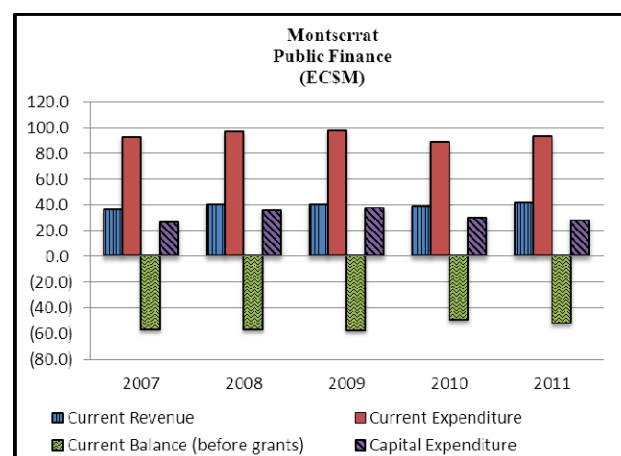
Salary increases and increments in the public service were frozen for the fiscal year 2011/2012. Data on wage movements in the private sector and employment were not available for the review period.

Central Government Fiscal Operations

The overall fiscal surplus increased to \$20.7m (12.4 per cent of GDP in 2011) from \$2.6m (1.7 per cent of GDP in 2010). The primary balance increased by the same magnitude to \$20.8m since interest payments on the public debt were negligible (\$37,000). The current account balance after grants moved to a surplus position of \$24.3m (14.6 per cent of GDP) from a deficit of \$2.0m (1.3 per cent of GDP) in the previous year due to increased grant funding. Budgetary aid totalled \$100.5m- an increase of 22.6 per cent over the amount received in 2010- and was used to finance the current operations and the public sector investment programme.

The current account operations continue to be impacted by a sustained high level of expenditure

relative to revenue, as the deficit before grants widened to \$51.9m, compared with \$49.5m in 2010. Current revenue grew by 6.9 per cent to \$41.2m. This was due to a 64.5 per cent increase in the collection of personal income tax and a 35.3 per cent increase in tax revenue from international trade. The improved tax performance reflected the successful efforts of the authorities to collect outstanding arrears and increased compliance following the introduction of ASYCUDA World at the Customs. Meanwhile, non-tax revenue fell by 8.0 per cent to \$4.6m.



Current expenditure increased by 5.8 per cent to \$93.2 m. The additional spending was mostly in the areas of goods and services and transfers and subsidies, which rose by 8.1 per cent and 13.2 per cent, respectively. Capital expenditure declined by 6.7 per cent to \$27.8m (16.7 per cent of GDP), compared with \$29.8m in 2010. The main source of funding for capital projects was the UK Government through DFID which provided 80.0 per cent of the grant funding, with the European Union contributing the remaining 20 per cent.



Public Sector Debt

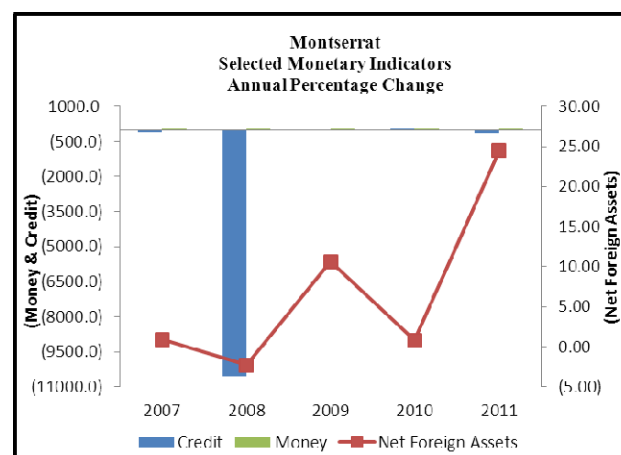
The total outstanding debt of the public sector at the end of December 2011 was \$8.0m, which is equivalent to 4.8 per cent of GDP. The domestic portion of the debt amounted to \$0.2m and was held by the Central Government. The total external debt stood at \$7.8m and comprised of central government and government-guaranteed debt held with the Caribbean Development Bank (CDB). The Central Government accounted for 23.0 per cent (\$1.8m) while the remaining 77.0 per cent (\$6.0 m) was debt guaranteed by the Government.

Money and Credit

Monetary liabilities (M2) increased by 12.9 per cent to \$192.6m during 2011 compared with growth of 2.9 per cent during the previous year. At the disaggregated level, narrow (M1) and quasi money grew by 16.2 per cent (\$5.7m) and 12.0 per cent (\$16.3m), respectively. The latter was influenced by a 10.0 per cent increase in private sector savings deposits. Overall, deposits in the commercial banking system grew by 19.8 per cent compared with 3.0 per cent during 2010. These developments were indicative of the rebound in the economy with national disposable income increasing by 20.0 per cent, moving to \$223.0m from \$185.4m.

Commercial bank lending to the private sector increased by 10.7 per cent to \$68.4m compared with growth of 16.1 per cent during 2010. This growth

was largely driven by increases in the demand for household (11.8 per cent) and business (47 per cent) credit. The net deposit position of the non-financial public enterprises marginally declined by 1.7 per cent to \$18.8m. The Government was less reliant on borrowing as there was an increase in grant funding. Consequently, the deposits of the Government with the domestic banking system almost doubled to \$54.8m. These developments on aggregate resulted in the level of the deposits in the banking system being higher than the credit extended at the end of December 2011; concomitantly, the net credit position of the banks change to one of a liability (net deposits).



At the sectoral level, personal loans, which accounted for 80 per cent of total credit to the private sector, increased by 12.4 per cent (\$6.2m). Mortgage loans, the largest component of the personal loan portfolio, grew by 14.4 per cent. Other personal loans, the second largest component of personal loans, increased by 12.1 per cent. The volume of lending to other sectors was marginal.

The net foreign assets of the banking system improved to \$229.5m during 2011, an increase of 24.5 per cent compared with growth of 0.8 per cent during 2010. The outturn was attributed to imputed reserves increasing by 47.6 per cent and the net foreign asset position of the commercial banks growing by 17.0 per cent to reach \$162.5m after declining by 3.7 per cent in 2010.

Liquidity in the banking system improved. The ratio of liquid assets to total deposits plus liquid liabilities increased marginally by 0.2 percentage point to 87.6 per cent. Other supporting evidence was provided by the ratio of loans and advances to total deposits, which decreased by 2.1 percentage points to 25.1 per cent, the lowest in the ECCU and far below the ECCB's recommended benchmark of 80.0 per cent. This situation reflects the limited commercially viable investment opportunities in the private sector.

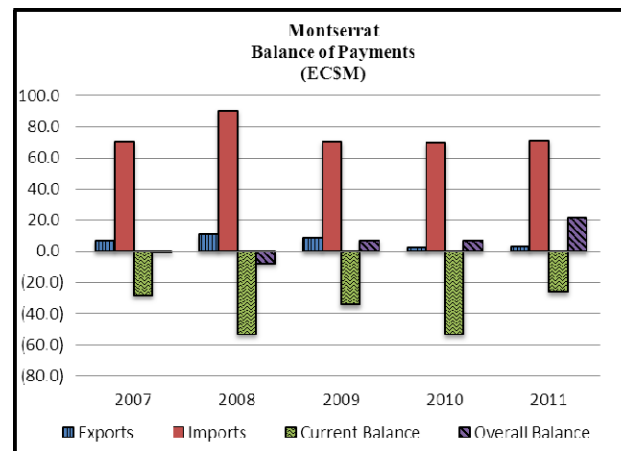
The spread between the weighted average interest rate on loans and deposits widened to 6.26 percentage points compared with 6.10 percentage points at the end of 2010. The weighted average lending rate was 8.5 per cent, a decline of 24 basis points from a year ago, while the weighted average deposit rate fell by 40 basis points to 2.2 per cent.

Balance of Payments

Montserrat's balance of payments improved in 2011 with the overall surplus increasing to \$21.6m (13.0

per cent of GDP) from \$6.8m (4.4 per cent of GDP) in 2010 primarily on account of increased grant inflows.

The current account deficit narrowed to \$26.0m (15.6 per cent of GDP) from \$53.3m (34.2 per cent) in 2010. This development was the result of increased grants from the United Kingdom to fund the Government's current budget, with government net current grants increasing by 58.4 per cent to \$73.2m.



The deficit in the trade in goods and services narrowed to \$82.6m (49.6 per cent of GDP) from \$82.9m (53.2 per cent of GDP) in 2010. Export earnings, albeit at a very low level of \$3.4m, grew faster (at 30.0 per cent) than the value of imports (1.9 per cent). Travel receipts, which constituted half of the services sub-account, declined by 11.8 per cent to \$14.0 m. This outturn was consistent with the 9.8 per cent decline in stay-over arrivals, the largest contributor to tourism expenditure.



The surplus on the capital and financial account was reduced to \$47.6m at the end of 2011 compared with \$60.1m in 2010. The main driving force behind developments on the capital and financial account was domestic commercial banks' lending to banks in the rest of the ECCU.

Prospects

Real output is likely to grow in 2012 although at a slower pace. The above average growth in 2011 was the outcome of unused capacity that ensued from the disruptions brought about by hurricane Earl and seismic activities of 2010. The sectors that are expected to drive growth are agriculture, livestock and forestry; fishing; mining and quarrying; and construction.

Continuing weak external demand in the Caribbean, the United States of America (USA) and the United Kingdom (UK) and the reverberated impact of a further deepening of the Euro Area crisis will negatively impact activity in the tourism industry; compounding the limitations to growth arising from

the constraints associated with transportation to the island.

Together, the Caribbean, the USA and the UK account for close to 90.0 per cent of stay-over visitors to Montserrat. Moreover, the debt and fiscal challenges of the UK present a risk of volatility in the macroeconomic accounts—especially the budget of the Government—that will impact the quantum of aid and, by extension, the pace at which development projects are executed.

Significant seismic activity from the Soufriere Hills Volcano increases the risk of doing business in addition to the potential threat to human life. The release of pyroclastic flows, although small, from the Soufriere volcano on March 9th after a two-year pause and the spewing of ash on 23 March 2012 may presage increased and intensified seismic activities. Insurance coverage for volcanic risk is an important element for improving the enabling environment for business and hence the growth prospects.



ST KITTS AND NEVIS

Overview

Preliminary data suggest that economic activity in St Kitts and Nevis declined for a third consecutive year in 2011. Real GDP contracted by 2.0 per cent in 2011 compared with a decline of 2.7 per cent in the previous year. This decline resulted from continued contractions in the construction and wholesale and retail sectors and a reversal in both the tourism industry and the real estate, renting and business sector's growth. Continued growth in the manufacturing sector stymied the overall economic contraction. Consumer prices increased by 0.7 per cent, on an end of period basis. The fiscal operations of the Federal Government, which are presented on an accrual basis, resulted in an overall surplus, as revenue growth outpaced that of expenditure. The total outstanding public sector debt of the Federal Government fell 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.

Economic activity is expected to improve in 2012. The improvement hinges on projections for moderate growth in value added from the construction sector and tepid growth in the tourism

industry. Public sector construction activity will be driven mainly by work on a new Fisheries complex in Nevis while in the private sector, major developments will include continued work on the Christophe Harbour, Kittitian Hill and the construction of a new private Jet Port terminal at the Robert Llewellyn Bradshaw International Airport. Expectations of positive value added in the tourism industry, are contingent on the increased airlift from the Canadian market positively impacting arrivals, and a continuation of the growth in the cruise sector. The return to positive growth in 2012 is also underpinned by the assessment that the manufacturing and agricultural sectors, which had contributed positively to growth in 2011 will continue to do so in 2012. The ratifying of the Partial Scope Trade Agreement with Brazil and continued training of farmers underpin the positive growth forecast in the manufacturing and agricultural sectors respectively. The fiscal operations of the Federal Government are projected to improve given a continuation of cost cutting and revenue enhancement measures. The Federal government's fiscal operations are also expected to benefit from the establishment of a medium term expenditure framework by June of 2012, as stipulated under the IMF Stand-By Arrangement (SBA). Inflationary pressures are expected to increase due to rising commodity prices including oil on account of continued tensions in the Middle East. Risks to this outlook stem from the possibility of the debt restructuring initiatives by the Federal



Government leading to limited access to commercial financing and deterioration in consumer and business sentiment.

Output

Value added in the construction sector, is estimated to have declined by 13.7 per cent in 2011 compared with a 12.0 per cent contraction in 2010. The continued decline in the sector is attributed to reduced public sector outlays and weak private sector construction activity. Consistent with this assessment was a decline in the importation of construction related materials, a proxy for developments in the sector.

In the public sector, capital outlays declined by 28.7 per cent over the review period, in line with the ongoing fiscal consolidation efforts by the government under the IMF SBA. Public sector construction activity was limited to renovation works on the West Basseterre road. In the private sector, works on two large tourism related projects namely, the Kittitian Hill and the Christophe Harbour have been ongoing, albeit at a slow pace. At Kittitian Hill, work on 35 cottages and 2 villas was undertaken as part of Phase I of the project, while construction of a restaurant was completed as part of the Christophe Harbour development project. Other notable private sector projects include the Ocean Edge and the Silver Reef villa and condo ventures.

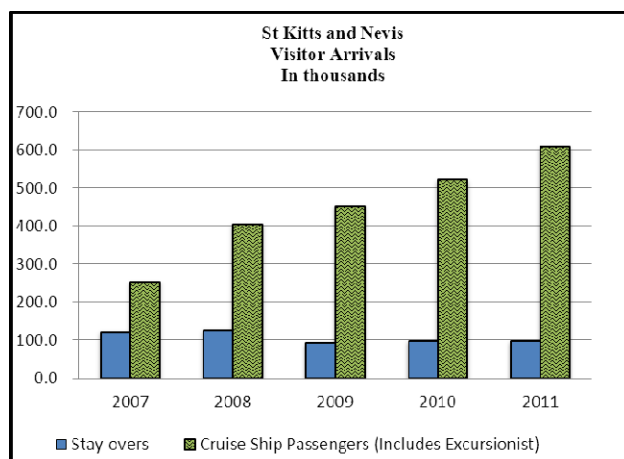
Public and private sector wage freezes, increasing levels of unemployment and continued economic

contraction were the main contributing factors to the decline in output in the wholesale and retail sector. The sector's value added is estimated to have contracted by 8.5 per cent in 2011, compared with a 5.0 per cent decline in 2010. This deterioration was based on continued declines in importation which is used as a proxy for developments in the sector.

Value added in the hotels and restaurant sector, a proxy measure of tourism activity, is estimated to have declined by 0.7 per cent in 2011, in contrast to growth of 3.3 per cent in 2010. This decline in activity reflected lower numbers of both stay-over and excursionist arrivals. Stay-over arrivals declined by 0.5 per cent in 2011 contrast to a 6.0 per cent increase in 2010, while the number of excursionists fell by 52.2 per cent to 3,327. The fall off in the number of stay-over visitors was attributed to declines from most markets including the Caribbean, which recorded the largest drop in 11.1 per cent. Stay over visitors arrivals from the UK, Canada, and other European countries fell by 3.5 per cent, 8.4 per cent and 27.0 per cent respectively. The decline in visitors from the Caribbean and other source markets is consistent with a reduction in the number of total flights into the Federation (6.2 per cent) and weak consumer spending power. Arrivals from the USA tempered the aforementioned declines, with increases of 4.9 per cent and 10.9 per cent respectively. Improvement in arrivals from the USA market was mainly influenced by joint marketing efforts between St Kitts and American Airlines in the New York tri state area, and a general rebound in US economic performance vis a vis

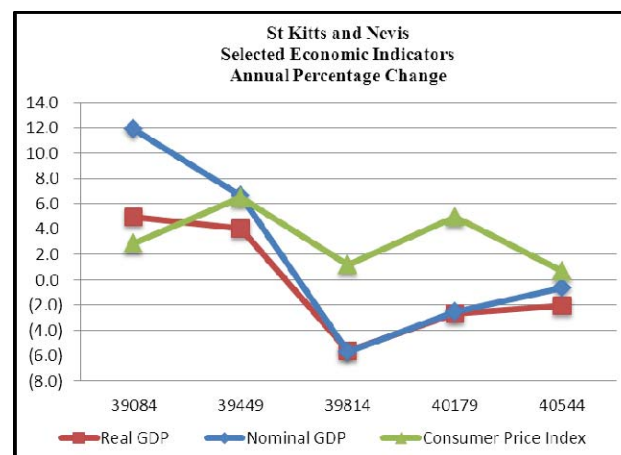


2010. Robust growth (17.4 per cent) was recorded for cruise ship passenger arrivals in 2011 consistent with an increase in the number of cruise ship calls and the relatively larger accommodative capacity at the Port Zante facilities.



The lower level of stay-over visitors had a negative impact on the related real estate, renting and business services sector, as its value added is estimated to have been flat in 2011 relative to 2010. This sector is the largest contributor to GDP, on average. In contrast, growth in the transport, storage and communications sector, the second largest contributor to GDP, increased by 2.7 per cent in 2011, relative to 2010. The main driver of the increase in this sector was the performance of the road transport sub component, which in turn is linked to the performance of the cruise sector. Value added in the manufacturing sector increased by 4.7 per cent in 2011, as several manufacturers benefited from the transfer of work processes from their parent companies, to St Kitts. Output of the agriculture, livestock and forestry sector rose by 2.6 per cent, on account of increases in available acreage and better

agronomic practices, in addition to favourable weather while value added in the fishing sector rose by 16.5 per cent consistent with increased production due to the introduction of fish aggregating devices.



Prices, Wages and Employment

Inflation pressures decelerated during 2011 as the consumer price index (CPI) rose by 0.7 per cent compared with an increase of 5.0 per cent in 2010. The largest contributing factors to this deceleration were the declines in the transport (2.9 per cent), food and non-alcoholic beverages (1.1 per cent) and clothing and footwear (3.1 per cent) sub-indices. The fall in the cost of men's and women's apparels contributed to the movement in the clothing and footwear sub index. The outturn on the food sub index can be attributed to lower prices for rice, cereals and non-alcoholic beverages. The major sub-indices which contributed positively to the rise in inflation pressures were: housing, utilities gas and fuels; health; education; as well as the miscellaneous sub-category.

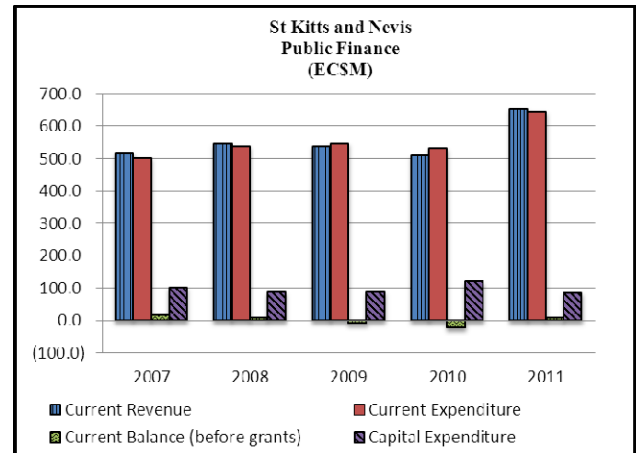


While official data on wages and unemployment levels are unavailable for the review period, the public sector fiscal consolidation efforts, which included wage and hiring freezes as well as attrition through the age 55 retirement mandate, could have contributed to a marginal decline in public sector workers. Meanwhile, in the private sector information available suggest that both employment and wages would have fallen.

Federal Government Fiscal Operations

The fiscal operations of the central government resulted in an improved fiscal position in 2011 relative to the outturn in 2010. The improved developments on the fiscal accounts are consistent with a number of policy initiatives aimed at achieving fiscal consolidation, under a “home grown” IMF Stand By Arrangement (SBA) entered into in July 2010. A noted change is the Federal government switch to the new accrual basis accounting reporting framework for revenue and expenditure data, particularly those for goods and services, as well as transfers and payments, in keeping with one of the conditions in the SBA. Notwithstanding, the fiscal operations of the Federal Government resulted in an overall surplus of \$14.4m in 2011, in contrast to a deficit of \$79.7m in 2010. This improvement in the overall balance was influenced by developments on both the current and capital accounts. The outturn on the current account reflects revenue growth outpacing that of expenditure while lower outlays were recorded on the capital account. A primary surplus of \$127.9m

was recorded (6.8 per cent of GDP), compared with \$51.4m (2.8 per cent of GDP) in 2010.



Current revenue rose by 28.0 per cent to \$650.1m in 2011, due to growth in tax revenue collections of 19.0 per cent (\$65.2m) and non-tax revenue of 46.7 per cent (\$77.0m). Tax revenue performance can be ascribed solely to growth in collections from taxes on domestic goods and services. This development is consistent with the classification of all VAT receipts as domestic goods and services. The VAT was implemented on 01 November 2010 and replaced several taxes such as consumption and entertainment tax. VAT collection in 2011 totalled \$150.2m, representing 72.3 per cent of all receipts of taxes on domestic goods and services. Tax revenue collection was tempered by lower yields from taxes on income and profits which fell by 5.7 per cent, due in large part to lower corporate income tax receipts. In addition, the revenue intake from taxes on international trade fell by 33.6 per cent to \$104.4m, affected by the removal of several taxes such, as consumption tax, and a reclassification of VAT receipts under the domestic goods and services

category. Both import duty (\$48.4m) and custom service charge collections (\$32.0m) were approximately at the same level as collections in 2010, despite lower levels of imports. This suggests possible success in the government's policy of restricting duty free concessions. Non-tax revenue rose by 46.7 per cent (\$77.0m) largely due to a robust performance of the citizenship by investment program and the increased receipts by the St Kitts electricity department following tariff increases of 85.0 per cent in January 2011. The department however was corporatized effective 01 August 2011.

Current expenditure increased by 21.1 per cent to \$641.9m in 2011 in contrast to a decline of 2.8 per cent in 2010; largely influenced by the introduction of the accrual basis of accounting for expenditure items. According to preliminary data, outlays for goods and services, as well as transfers and subsidies contributed the most to this increase, with growth in expenditure of 78.0 per cent and 67.2 per cent respectively. Interest payments declined by 13.4 per cent (\$17.6m) in large part due to lower levels of external interest payments. This development reflects government policy to temporarily suspend all external debt service payments (with the exception of multilateral payments) from June 2011 in light of debt restructuring efforts.

Capital expenditure fell by 28.7 per cent to \$84.4m in 2011 relative to the outturn in 2010, when capital expenditure was boosted by the purchase of generator sets (\$54.0m) for the then electricity department. Fiscal consolidation efforts also

contributed to limiting outlays on capital expenditure.

On a disaggregated basis the fiscal operations of the central government (St Kitts) improved, as evidenced by a turnaround in the overall balance position to a surplus of \$43.2m in 2011, in contrast to a deficit of \$43.7m in 2010. This improvement was driven largely by a reduction of 51.4 per cent in capital outlays, reflecting fiscal consolidation efforts. The current account deficit narrowed to \$1.2m from \$9.2m in 2010, as growth in revenue collections outpaced that of expenditure. Tax revenues increased by 14.9 per cent in 2011 to \$316.8m, in contrast to a decline of 17.6 per cent in 2010, due mainly to robust VAT receipts of \$115.1m. The improvement in tax revenue was tempered by lower collections of taxes on income and profits (9.5 per cent) and taxes on property (12.8 per cent). Concurrently, non-tax revenues rose by 54.1 per cent to \$213.6m compared with an increase of 19.9 per cent in 2010. Non-tax revenue's performance can be attributed to increased collections by the electricity department in the first seven months of the year and growth in receipts from the Citizenship by Investment Program. Current expenditures rose by 25.5 per cent to \$531.5m due mainly to growth in outlays on goods and services by 102.1 per cent and transfers and subsidies by 85.6 per cent.

The fiscal operations of the Nevis Island Administration (NIA) improved in 2011, as the overall deficit of \$28.8m was 19.7 per cent lower



than the \$35.9m recorded in 2010. This development was a result of improvements on the current account, where a surplus of \$9.4m was recorded, in contrast to a deficit of \$13.1m in 2010. Growth in current revenue outpaced that of current expenditures. Current revenues increased by 28.0 per cent to \$119.8m, compared with an 8.2 per cent rise in 2010, largely on account of increased collections of taxes on domestic goods and services (109.8 per cent) and income and profits (21.9 per cent). This increase in taxes on domestic goods and services was driven by robust receipts of VAT (\$35.1m) and trader's tax (\$11.9m). Revenue from taxes on income and profits rose due to an increase collection of social services levy of 35.3 per cent. Current expenditures grew by 3.6 per cent, due to increases in spending on personal emoluments (7.4 per cent) and on interest payments (18.4 per cent), consistent with increased public sector hirings early in 2011 and higher debt stock. Capital expenditure was higher by 62.9 per cent (\$14.7m), with spending concentrated on the construction of several community centers and a police station during the review period.

Public Sector Debt

The total disbursed outstanding debt of the public sector increased by 2.9 per cent to \$2,834.2m in 2011 representing a debt to GDP ratio of 150.5 per cent compared with a ratio of 151.4 per cent in 2010. The outstanding debt of the central government, which accounted for 78.2 per cent of public sector debt, rose by 4.3 per cent to \$2,218.8m, while that of

public sector corporations fell by 1.7 per cent to \$615.4m. External debt, which accounted for 31.2 per cent of public sector debt, increased by 8.6 per cent to \$886.3m. The increase in the overall debt position of the Federal Government is largely a result of external debt growth reflecting receipt of an IMF Stand By Arrangement loan in June of 2011. As part of the overall thrust of this stand by arrangement the current debt stock of the Federal Government with the exception of treasury bills and multilateral debt is expected to be restructured by mid-year 2012.

Money and Credit

Monetary liabilities (M2) grew by 10.1 per cent to \$2,103.1m, compared with growth of 8.2 per cent in 2010. This expansion in M2 was driven by growth in both the narrow money supply (M1) and quasi money by 34.6 per cent and 4.4 per cent respectively. The outturn in M1 largely reflects increased levels of private sector demand deposits, which rose by 48.5 per cent to \$368.2m, partially associated with inflows of contributions to the Sugar Industry Diversification Fund (SIDF). Growth of currency with the public decelerated to 0.9 per cent growth during 2011, in contrast to 29.0 per cent increase in 2010. Positive growth in the level of private sector savings (7.3 per cent) and private sector time (5.2 per cent) deposits contributed to the outturn in quasi money.

Domestic credit contracted by 6.6 per cent in 2011 to \$1,712.1m, distinguished from positive growth of



7.3 per cent in 2010. The decline in 2011 was influenced by a fall in the net credit position of the Federal government on account of increased deposits and lower use of credit. However, an expansion in private sector credit partially mitigated this decline. The net credit position of the Federal Government with the banking system fell by 14.6 per cent to \$726.2m, as a result of the combined effects of a 4.3 per cent (\$46.3m) fall in credit extended and a 34.8 per cent (\$78.2m) increase in its deposits in the banking system. The increase in deposits reflected growth of deposits at the central bank, consistent with the liquidity support funds (\$46.1m) received under the IMF SBA and receipts of the first and second IMF tranche disbursements. The decline in credit extended to the Federal Government reflects direct policy efforts aimed at improving fiscal performances, with the ultimate goals of restricting further debt accumulation and placing it on a downward trajectory. The net credit position of central government declined by 22.3 per cent on account of a fall in borrowing (8.4 per cent) and increased deposits (37.5 per cent), while the net credit position of local government with the banking system increased, due to the combined effects of increased borrowings (16.3 per cent) and falling deposits (67.8 per cent).

The distribution of credit by economic activity shows that the increase in lending to the private sector was driven largely by growth of credit extended for personal and other uses. Credit for personal use rose by \$57.8m (6.9 per cent), heavily influenced by growth in other personal uses \$43.8m. Additionally, there were notable increases in credit

for tourism (37.4 per cent) and construction (6.9 per cent). Also contributing substantially to the overall growth was credit extended for other uses, as it grew by \$58.2m (6.0 per cent). This increase in overall credit was however tempered by a fall in credit to distributive trades sector.

The net foreign assets of the banking system grew by 43.7 per cent (\$279.6m) to \$920.9m in 2011, compared with 5.5 per cent growth in 2010. This increase was largely due to growth in imputed central bank reserves which rose by \$204.9m to \$625.1m. Imputed asset growth was the largest contributing factor to this outturn. A robust increase in banker's reserves and the establishment of a \$46.1m Banking Sector Reserve Fund for emergency liquidity support to the indigenous banks supported the rise in imputed assets. Commercial banks net foreign asset position rose by 34.0 per cent in 2011 on account of an increased external asset position but was tempered by an increased in the liability position with other ECCB territories.

Liquidity in the commercial banking system eased in 2011. The ratio of liquid assets to total deposits rose by 2.3 percentage points to 68.9 per cent, while the ratio of liquid assets to total deposits plus liquid liabilities also increased by 2.0 percentage points to 55.3 per cent. Further supporting evidence include the decline in the ratio of loans and advances to total deposits by 5.1 percentage points to 73.0 per cent.

The weighted average interest rate spread between loans and deposits widened by 0.74 percentage

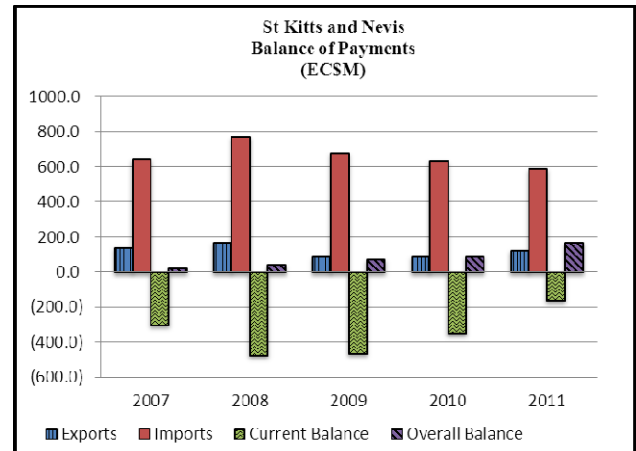


points to 5.74 per cent in 2011 from 5.0 per cent in 2010. This outturn was the result of the weighted average interest rate on loans increasing by 0.66 percentage points to 9.11 per cent, while that on deposits declined by 0.09 percentage points to 3.37 per cent.

Balance of Payments

The overall position on the Balance of Payments is estimated to have improved in 2011. A larger surplus of \$168.3m was recorded compared with \$88.6m in 2010; influenced by an improvement on the current account. The current account deficit narrowed to \$162.8m (8.6 per cent of GDP) compared to a revised deficit of \$348.7m (21.2 per cent of GDP) in 2010. The merchandise trade deficit narrowed to \$465.8m (24.7 per cent of GDP) on account of lower import payment. The surplus on the services account increased by 26.2 per cent to \$207.0m in 2011, due to increased inflows from government services. Those improvements were further reinforced by a 2.9 per cent increase in the surplus on travel services and by the net surplus on other business services of \$1.8m from a \$6.9m deficit in the prior year.

The surplus on the capital and financial account declined to \$300.1m from \$388.0m in 2010, largely as a result of a reduction in foreign direct investment inflows and an increase in net outflows of short term capital by commercial banks. There was a net inflow \$36.3m in public sector long term loans as loan disbursements exceeded principal repayments.



Prospects

Global economic growth is expected to remain tepid in 2012, though economic indicators from the USA, St Kitts and Nevis's largest trading partner, suggest modest growth, albeit with significant headwinds. In light of this backdrop, economic activity in the Federation is expected to grow marginally in 2012, on account of developments in the construction sector and tourism industry. Value added from construction activity is expected to increase following four consecutive years of decline due to new public and private sector developments. In the public sector, work on the Nevis Fisheries Complex is expected to begin mid-year 2012. Meanwhile in the private sector, work on the Jet Port terminal at the Robert Llewellyn Bradshaw International Airport and an agro tourism demonstration farm in St Kitts should contribute favourably to economic activity. In the manufacturing sector, successful ratification of the Partial Scope Agreement with Brazil will lower tariff rates on St Kitts products into that market and thereby could facilitate an increase in output from the sector. Improved prospects in the

tourism industry are contingent on stay-over arrivals improving, following the recent addition of weekly direct flights by Air Canada into St Kitts and expectations that the cruise sector will continue to register positive growth, on account of forward cruise bookings and ship calls.

The fiscal operations of the Federal Government are expected to result in a marginal improvement in the overall surplus relative to that of 2011. The recent restructuring of portions of the Federal Government's debt stock should also bring about debt service cost savings and thereby positively influence the overall balance. Additionally, IMF disbursements of \$90.5m will be received in 2012 should the Federation of St Kitts and Nevis pass upcoming reviews during the year. On a disaggregated basis the fiscal operations of the central government should lead to an improved overall balance position given expectations of subdued capital outlays, lower interest payments and the receipt of grants funds associated with the accompanying measures for Sugar Protocol (AMSP) EU disbursements. Efforts to contain expenditure growth via wage and hiring freezes are expected to continue in 2012. An overall balance ceiling, which serves as a performance criteria under the SBA should also help to limit expenditure growth. The

fiscal operations of the Nevis Island Administration are expected to result in a smaller overall deficit in 2012, should recent Budget pronouncements regarding hiring and wage freezes and reduced discretionary duty free concessions be successfully implemented.

On the external accounts, the current account deficit is projected to narrow, based on expectations of increased exportation and marginal increases in import payments while the surplus on the capital and financial account is projected to improve. Should increases in airlift from Canada lead to more North American stay-over arrivals and growth of the US economy continues, gross travel receipts are expected to increase.

Downside risks to these projections are based on a combination of global and domestic factors. The increases in fuel cost at the pump in the USA threaten to undermine consumer sentiment and disposable incomes, which in turn could negatively impact stay-over arrivals from the US market. In the event that a number of pipeline projects and business undertaking do not come on-stream, local businesses will continue their scaling down of operations, resulting in a rise in the number of layoffs and an erosion of the government tax base.



SAINT LUCIA

Overview

Provisional data indicate that the slow economic recovery which began in Saint Lucia in 2010, continued in 2011. Real GDP is estimated to have increased by 1.0 per cent following revised growth of 0.6 per cent recorded in the previous year. The expansion in real output was mainly associated with small improvements in a number of the key economic sectors, supported by a turn-around in construction activity. Consumer prices rose by 4.8 per cent, on an end of period basis. The fiscal operations of the central government resulted in a larger overall deficit compared with the level in 2010, attributable to an increase in both current and capital expenditure. The total disbursed outstanding debt of the public sector rose during 2011, reflecting an increase in central government's borrowings. In the banking system, developments were marked by growth in monetary liabilities and outstanding credit. Commercial banks' liquidity tightened, and the spread between their weighted average lending and deposit interest rates narrowed. A smaller overall surplus was recorded on the balance of payments account.

Prospects for the economy of Saint Lucia in 2012 are favourable, as real GDP growth is projected to expand in the face of major challenges. The expected increase in economic activity is partly based on anticipated improved performances in construction and its ancillary sectors and a rebound

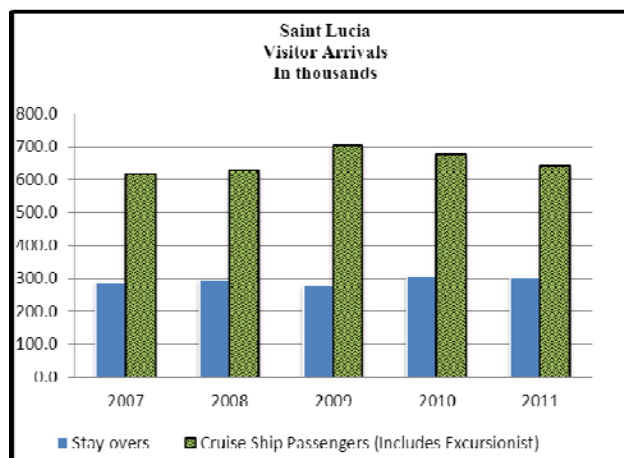
in agricultural output. Construction activity will be buoyed by a number of projects in both the public and private sector, including the building of a financial centre and the remodelling of the Rainbow Hotel. Growth is also expected to be supported by an increase in agricultural production, contingent on good weather and the successful control of Black Sigatoka. A larger overall deficit is projected on the fiscal accounts, based on planned capital expenditure. Inflationary pressures are likely to persist, given the increases in the price of fuel and food.

Output

Activity in the construction sector rebounded recording growth of 2.1 per cent, in contrast to a contraction of 9.4 per cent in 2010. The sector's share of GDP increased marginally to 9.9 per cent from 9.8 per cent in 2010. The turnaround in the construction sector was largely influenced by increased investment in the public sector, where activity remained robust in response to infrastructural damage sustained by hurricane Tomas in October 2010 and heavy rains in the first quarter of 2011. Apart from rehabilitation and reconstruction works, public sector activity also focused on the New National Hospital and St Jude's Hospital. In the private sector, work continued on the renovation and rehabilitation of hotel plants, including the Jalousie Plantation, The Landings and

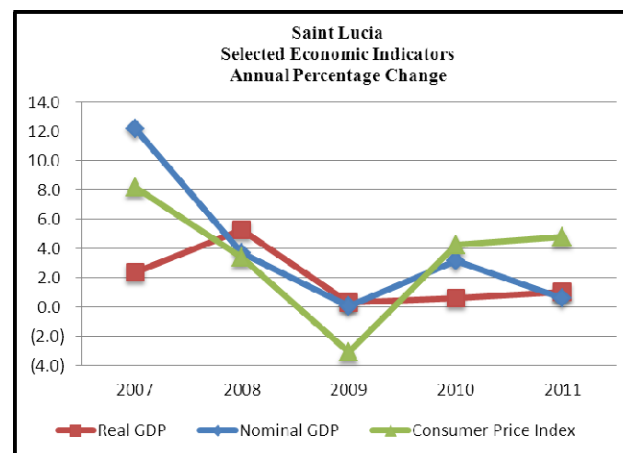


Windjammer Landing, as well as residential properties.



Value added in the hotels and restaurants sector, a proxy measure of activity in the tourism industry, is estimated to have increased by 2.4 per cent in 2011, following an expansion of 7.2 per cent in the previous year. The sector's contribution to GDP grew slightly to 10.5 per cent from 10.4 per cent in 2010. The performance in 2011 reflected robust activity in the restaurants sub-sector, which more than offset a downturn in the hotel industry. The total number of visitors fell by 3.6 per cent to 989,156, largely influenced by decreases in cruise passenger and stay-over visitor arrivals. Cruise passenger arrivals decreased by 5.9 per cent to 630,444, associated with a fall of 8.7 per cent in the number of cruise ship calls to the island. Stay-over arrivals fell by 0.4 per cent to 304,639, in contrast to a 9.9 per cent expansion in 2010. The decline was primarily due to a smaller number of visitors originating from the USA and to a lesser extent, the Caribbean. Stay-over arrivals from the USA, the largest source market, were estimated to have fallen

by 4.3 per cent, in contrast to an increase of 30.8 per cent from that market last year, when marketing efforts were stepped up. The number of visitors from the Caribbean fell by 3.2 per cent, reflecting the elevated cost of intra-regional travel. These declines were partially offset by increases of 4.1 per cent and 10.0 per cent in arrivals from Europe and Canada, respectively. Growth in the Canadian market has been consistent over the last three years as that economy remained resilient during the global crisis and authorities intensified marketing efforts there. On the other hand, the European market, the second largest, bounced back from a decline in arrivals of 1.3 per cent last year. Of the other categories, the number of excursionists rose by 45.2 per cent while yacht passenger arrivals increased by 0.9 per cent.



Value added in manufacturing is estimated to have expanded by 2.5 per cent in 2011, in contrast to a decline of 3.0 per cent in 2010. As a share of GDP, the sector's contribution increased to 5.4 per cent from 5.3 per cent, one year ago. The expansion in the sector's output was attributable to an estimated



increase in the value of total production, driven by growth in the output of food and beverages.

Agricultural output continued its downward trend as the sector faced a number of challenges. Value added in agriculture fell by 8.1 per cent, following a decline of 21.5 per cent in 2010; hence contributing 2.5 per cent to GDP in 2011, from 2.7 per cent the prior year. The outturn in 2011 was influenced by a 74.1 per cent fall to 5,630 tonnes in banana production, as the banana industry was dealt a devastating blow by hurricane Tomas in October 2010, in addition to being infected by the Black Sigatoka disease.

Prices, Wages and Employment

Consumer price inflation in Saint Lucia was 4.8 per cent during 2011, on an end of period basis, compared with 4.2 per cent during 2010. The higher rate of inflation was associated with growth in prices of all sub-indices, except education and household furnishings, supplies and maintenance. Prices in the food and non-alcoholic beverages sub-index, the largest weighted, rose by 5.7 per cent compared with growth of 0.2 per cent during the prior year. Prices also increased in the sub-indices clothing and footwear (6.3 per cent), health (5.9 per cent), transport (5.2 per cent), housing, utilities, gas and fuels (4.2 per cent) and hotels and restaurants (3.7 per cent). By contrast, lower prices were recorded for education (3.1 per cent) and household furnishings, supplies and maintenance (1.2 per cent).

Data on private sector wage movements and employment were not available. However, based on anecdotal information, employment in a number of sectors, including construction, tourism and manufacturing is estimated to have declined in line with the contraction in economic activity. The rate of unemployment was estimated at 21.2 per cent, approximately 1.0 percentage points above the level recorded in 2010. Worthy of note is the fact that public sector employees have not received any wage increase in 2011, since salary negotiations lagged for two years, due to the recent economic and political developments. Notwithstanding, the number of public sector employees increased as government employed additional staff in a few areas including law and order, fire and ambulant services and nursing.

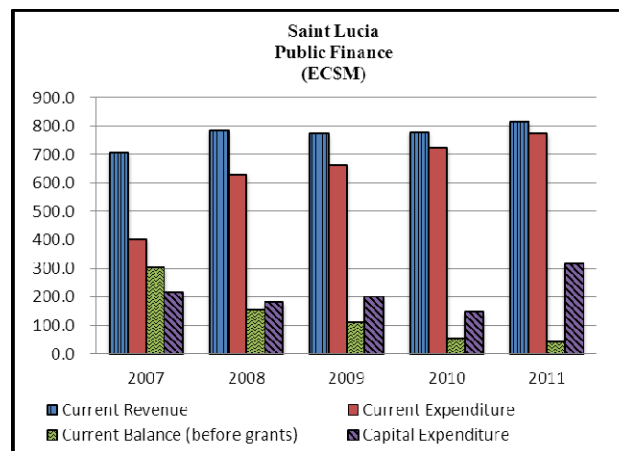
Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall deficit (after grants) of \$238.4m (7.4 per cent of GDP), higher than the one of \$20.5m (0.6 per cent of GDP) recorded in 2010. The larger deficit was attributed to increased capital outlays, supported by a smaller surplus on the current account. A primary deficit of \$136.3m (4.2 per cent of GDP) was realised, in contrast to a surplus of \$72.4m (2.2 per cent of GDP) in 2010. As a percentage of GDP, the primary deficit was 1.3 percentage points larger than the authorities' target of 2.9 per cent.



Capital expenditure more than doubled to \$314.2m (9.8 per cent of GDP), as infrastructural rehabilitation continued, following the damage by hurricane Tomas and heavy rains. A number of roads were reconstructed and work continued on the New National Hospital and St Jude's Hospital. Capital expenditure was partially financed through grants, which almost halved to \$34.7m (1.1 per cent of GDP) from \$64.0m (2.0 per cent of GDP) in 2010.

The current account surplus fell by 22.6 per cent to \$41.1m, largely associated with an increase in current expenditure. Current expenditure grew by 6.6 per cent to \$771.0m (23.9 per cent of GDP), reflecting larger outlays on goods and services, transfers and subsidies, interest payments and personal emoluments. Outlays on goods and services rose by 11.9 per cent, on account of higher utility bills. Expenditure on transfers and subsidies grew by 8.7 per cent, partly driven by increases in spending on social programmes and larger pension payments. Interest payments increased by 10.0 per cent (\$9.3m), largely due to a rise in domestic payments, as government utilized more local borrowing to finance its activities. Although public servants did not receive salary increases in 2011, personal emoluments rose by 2.4 per cent (\$8.2m), partly reflecting the larger number of persons employed and increased payments to senior management, following an internal review of their remuneration.



Current revenue grew by 4.6 per cent to \$812.0m (25.2 per cent of GDP), largely influenced by an increase in tax collections. Tax revenue grew by 4.6 per cent reflecting increases in collection from taxes on income and profits and taxes on international trade and transactions. Receipts from taxes on income and profits rose by 9.8 per cent, driven by increases in earnings from withholding tax (85.6 per cent), corporation tax (12.8 per cent) and individual tax (12.1 per cent). Revenue from taxes on international trade and transactions increased by 3.2 per cent, driven by improved collections from the import duty, which mirrored the country's higher import bill. An improvement in collections of the service charge also contributed to the performance of that tax. Of the other categories of taxes, the property tax collections increased by 21.9 per cent, as a result of the developments in the housing market following hurricane Tomas. By contrast, yields from taxes on domestic goods and services fell marginally (0.7 per cent), reflecting a decline in receipts from licenses, stamp duties, and the hotel occupancy tax.

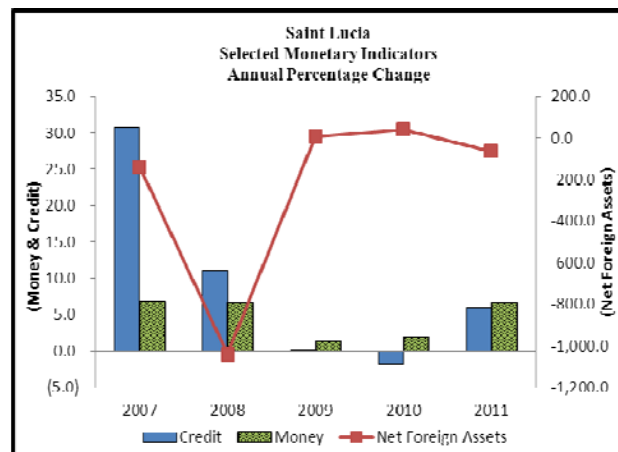
Public Sector Debt

The outstanding debt of the public sector was estimated at \$2,372.7m at the end of 2011, an increase of 12.0 per cent on the total at the end of 2010. As a percentage of GDP, the outstanding debt increased to 72.1 per cent from 64.9 per cent at the end of 2010. Growth in public sector debt was mainly the consequence of an increase in borrowings by central government. The total disbursed outstanding debt of the central government rose by 14.9 per cent to \$2,109.0m, largely attributable to an increase in domestic debt. Estimates of the outstanding debt of public corporations indicate a decline of 7.1 per cent to \$263.7m.

Money and Credit

Broad money (M2) expanded by 6.7 per cent to \$2,729.8m, compared with an increase of 1.9 per cent during 2010. The acceleration was attributed to a faster rate of growth in quasi money, accompanied by an expansion in narrow money (M1). Quasi money rose by 7.3 per cent compared with growth of 3.4 per cent last year. The rise in quasi money was attributed to increases in private sector foreign currency deposits (11.8 per cent), private sector time deposits (10.7 per cent) and private sector savings deposits (5.7 per cent). In contrast to a decline of 2.3 per cent during 2010, M1 grew by 4.8 per cent, largely on account of increases of 9.1 per cent in currency with the public and 3.1 per cent in private sector demand deposits.

Domestic credit increased by 6.0 per cent to \$3,597.6m, in contrast to a 1.8 per cent contraction recorded in 2010. The expansion was largely influenced by growth of 2.6 per cent in credit to the private sector, influenced in part by increased credit to households and businesses, which grew by 3.2 per cent and 2.4 per cent respectively. The expansion in credit to the private sector was partially offset by a 26.2 per cent fall in credit to non-bank financial institutions. The central government transactions resulted in a smaller net deposit position of 1.0m, compared with a balance of \$52.0m at the end of 2010. Government used up their deposits at the commercial banks, utilized instruments like Treasury Bills (33.8 per cent) and debentures (2.6 per cent) and scaled back on commercial loans and advances from the banking system. The net deposits position of non-financial public enterprises fell by 11.9 per cent as they borrowed less and drew down on their deposits.



An analysis of credit by economic activity indicates that outstanding loans increased (1.3 per cent), albeit at a slower pace than the previous year (2.3 per

cent). Credit for construction grew by 8.0 per cent in contrast to a decline of 13.6 per cent during 2010, as reconstruction and renovation continued following hurricane Tomas. Outstanding loans for personal use increased by 4.1 per cent, largely for acquisition of property, mostly home construction and renovation. Credit to the manufacturing and tourism sectors rose by 5.5 per cent and 2.3 per cent respectively. On the contrary, credit for agriculture fell by 15.6 per cent, consistent with the developments in that sector. Outstanding loans for the distributive trade fell by 1.3 per cent in contrast to growth of 8.4 per cent a year ago.

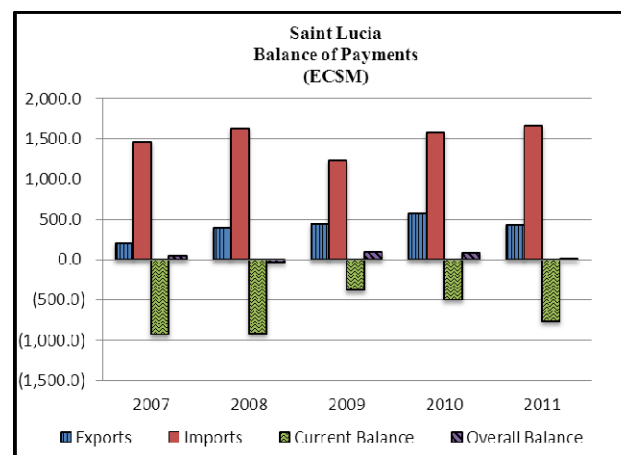
The net liability position of the banking system grew by 62.8 per cent to \$494.7m at the end of 2011. The increase was attributed to an expansion in commercial bank liabilities held in financial institutions both outside the region and in other ECCB territories. The liabilities of commercial banks outside the region increased by 15.6 per cent and those in other territories within the ECCU expanded by 8.4 per cent. Saint Lucia's imputed share of the reserves held at the Central Bank rose by 4.1 per cent to \$512.4m.

Liquidity in the commercial banking system remained tight during 2011. The ratio of liquid assets to total deposits plus liquid liabilities decreased by 0.5 percentage points to 22.5 per cent, and the ratio of loans and advances to total deposits fell by 1.8 percentage points to 114.0 per cent. At the end of December 2011, the weighted average interest rate spread between loans and deposits

narrowed to 5.98 percentage points from 6.23 percentage points at the end of the previous year. The weighted average interest rate on deposits was 3.07 per cent, representing a decline of 18 basis points from the level at the end of 2010, while the weighted average interest rate on lending fell by 43 basis points to 9.05 per cent.

Balance of Payments

Preliminary estimates of the performance of the external sector for 2011 indicated that an overall surplus of \$19.7m (0.6 per cent of GDP) was realised, compared with one of \$85.7m (2.6 per cent of GDP) in 2010. The smaller surplus was attributed to a wider deficit on the current account, which more than offset gains on the capital and financial accounts



The deficit on the current account widened by 55.2 per cent to \$766.1m (23.7 per cent of GDP) reflecting a larger deficit on the goods account and a smaller surplus on the services account. The merchandise trade deficit is estimated to have



expanded to \$1,227.2m from \$994.9m, mainly as a result of a fall in export receipts, coupled with an increase in import payments. The value of exports amounted to \$435.9m (38.0 per cent of GDP), about 24.7 per cent below the level of the previous year. The decline was associated primarily with a fall in re-exports of minerals, fuels, lubricants, manufactured articles and machinery and transport equipment. However, earnings from domestic exports increased by 21.5 per cent, partly due to larger receipts from a number of commodities, including beverages and machinery and transport equipment. The import bill continued its increasing trend and grew by 5.7 per cent to \$1,663.1m. Service transactions resulted in a net inflow of \$466.5m (14.5 per cent of GDP), roughly 7.7 per cent lower than the amount at the end of last year. Inflows from travel fell by 4.7 per cent to \$724.5m, partly influenced by the decline in stay-over arrivals.

Transactions on the capital and financial account resulted in a 35.6 per cent increase to \$785.8m in net inflows, compared with \$579.3m in 2010. The expansion mirrored developments on the financial accounts, where net inflows rose by 47.3 per cent. These developments were supported by a net inflow of \$210.9m from commercial banks' transactions in contrast to a net outflow of \$114.1m in 2010. The turn-around in the commercial banks' short-term capital position, more than offset a decline in direct investment and contributed to the improved outturn on the financial account.

Prospects

Growth prospects for the global economy appear to be threatened by the developments in the Euro Area and other fragilities worldwide. Global output for 2012 was revised downwards, based on an expected slow-down in the pace of expansion in the emerging economies. Although the US economy has shown positive signs, recovery continues to be slower than anticipated. The global picture gives an indication that tough times are ahead for the economies of the region, particularly Saint Lucia, which is currently at major crossroads. Notwithstanding these challenges, the economic outlook for Saint Lucia appears favourable, based on the commitment of the authorities to implement policy initiatives that will spur and sustain growth in the short to medium term.

Economic activity is projected to pick up in 2012, likely to be driven in part by an anticipated favourable performance in the construction sector and a rebound in agriculture. Activity in the construction sector, one of the main drivers of economic growth, is projected to gain momentum as rebuilding and rehabilitation works continue. In the public sector, it is anticipated that a number of new projects may come on stream, along with continued work on the on-going projects. These include the completion of the New General Hospital, the St Jude's Hospital works, reconstruction of bridges and infrastructural development. Also, construction of a



new financial centre is likely to commence in 2012. Activity in the private sector is expected to focus on a number of tourism related plants, including renovations at the Jalousie Plantation and the Rainbow Hotel (recently purchased by Harlequin Resorts), expansion by Sandals Resort and the construction of a new hotel plant in Dennery. Residential construction is likely to add to robust construction activity.

Growth in agricultural output is likely, as continued investments in the sector are expected to reap benefits. Apart from assistance for recovery after hurricane Tomas, the government has allocated \$12m to the rehabilitation of banana plantations affected by the Black Sigatoka disease. The Ministry of Agriculture has also started a number of initiatives towards diversification within the sector; including livestock farming, poultry and egg production, dasheen, cut flowers, agro-processing and meat processing. These developments are expected to contribute positively to value added in agriculture.

Tourism is projected to rebound slightly as marketing initiatives and efforts at increasing airlift contribute to an expansion in stay-over visitor arrivals. The cruise sub-sector is also expected to do better in 2012. A number of constraints still remain as recovery in the main source markets is slow and unemployment is still a major issue in the advanced economies. In the manufacturing sector, the main challenges of 2011 are likely to persist and may subdue growth in 2012.

The overall deficit on the fiscal accounts is projected to widen, as capital expenditure on major public sector investment projects increases. Tax revenue performance is likely to improve, although the implementation of the Value Added Tax in September 2012 is not expected to have a large impact on tax yields till the next financial year. The uptick in economic activity is likely to contribute to tax collections and a current account surplus; but will be insufficient to offset the deficit on the capital account. Debt pressures are anticipated as a large proportion of the PSIP is expected to be funded through borrowing.

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 agricultural exports, as production in the sector intensifies. External demand in major markets is expected to slowly strengthen and positively impact manufacturing exports. Inflationary pressures will persist as oil and other commodity prices continue on an upward trend. Net inflows from travel may increase consistent with any expansion in visitor arrivals. The surplus on the capital and financial account is projected to increase based on anticipated inflows.

World output for 2012 was revised downwards to 3.3 per cent and growth in the advanced economies to 1.2 per cent. This weakened global recovery poses serious risks to the projections for the



economy of Saint Lucia. Given that the main private sector construction projects rely on foreign investments, developments in the external market may adversely impact their completion. Also, the performance of the tourism sector hinges on the

macroeconomic fundamentals of the advanced economies, especially the USA. Other downside risks include the inability to effectively control the Black Sigatoka disease and adverse weather associated with an active hurricane season.



ST VINCENT AND THE GRENADINES

Overview

Economic activity in St Vincent and the Grenadines is estimated to have improved marginally in 2011, following three consecutive years of contraction. Preliminary data indicate that real GDP growth was flat in contrast to a contraction of 1.8 per cent in 2010. The outturn was attributable to increases in the main sectors such as manufacturing, construction and real estate, renting and business activity and the tourism industry. The consumer price index rose by 4.7 per cent on an end of period basis. The fiscal operations of the central government worsened relative to the outturn in 2010. The total outstanding public sector debt expanded due to increased borrowing by the central government. In the banking system, monetary liabilities and net foreign assets declined while domestic credit rose. Commercial bank liquidity declined and the weighted average interest rate spread between loans and deposits narrowed. In the external sector, the overall balance of payments shifted from a surplus to a deficit, due to a decline in net inflows on the capital and financial account.

In 2012, the economy of St Vincent and the Grenadines is expected to record positive growth led by improvements in construction, manufacturing and the tourism industry. The fiscal operations of the central government are likely to result in a lower deficit as the government seeks to align expenditure

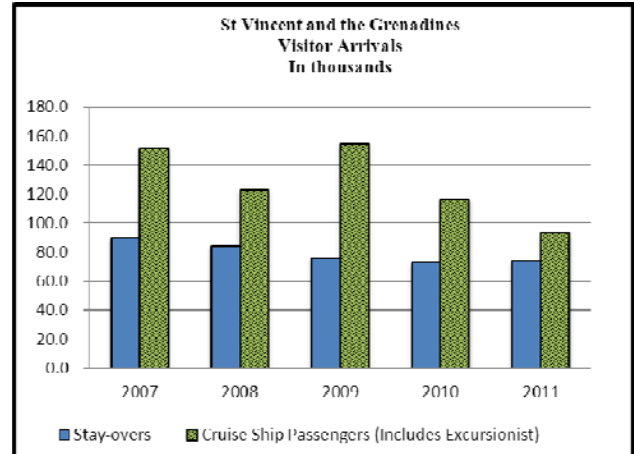
with revenue receipts. However, a number of downside risks to this projection remain, some of which include the possible occurrence of natural disasters, rising food and energy prices and the pace of economic recovery in the main trading partners, the USA and UK.

Output

Output in the construction sector, which contributed 9.1 per cent to GDP, is estimated to have increased by 1.0 per cent in 2011, representing a turnaround in performance when compared with the 2.2 per cent contraction in 2010. The uptick in the construction sector was also evidenced by an increase of 7.3 per cent in domestic credit to the sector, along with growth of 5.3 per cent in credit for home construction and renovation. In the private sector, construction activity was driven by the continued development of the Buccament Bay Resort, the expansion of the development on Canouan, the construction of the Tribu Resort and home construction and renovation in the aftermath of hurricane Tomas in October 2010 and the April 2011 floods. In the public sector, construction focused on the rehabilitation of roads and public buildings and the construction of the international airport at Argyle. These developments in the construction sector positively impacted activity in the mining and quarrying sector which also recorded growth of 1.0 per cent in 2011.



Activity in the hotels and restaurants sector, a proxy for tourism activity, rebounded in 2011 after four consecutive years of decline. Value added in the sector was up by 18.7 per cent in 2011, a reversal of the contraction of 20.0 per cent recorded in 2010. This was partly influenced by an increase of 1.9 per cent in stay-over arrivals to 73,866. The highest increase was recorded in stay-over arrivals from the UK (22.7 per cent), associated with the marketing strategy of the Buccament Bay Resort. Stay-over arrivals from the other countries including France, Switzerland and Latin America also rose by 2.6 per cent. By contrast, stay-over arrivals, from the Caribbean which accounted for 31.5 per cent of total stay-over arrivals, declined by 2.9 per cent albeit at a slower rate relative to a 10.7 per cent contraction in 2010. This represented the fourth consecutive year of such decline with the high cost of intra-regional travel and reduced airlift being the main contributing factors. Stay-over arrivals from Canada and the USA also declined by 6.8 per cent and 1.8 per cent respectively, due to the weak economic recovery, low consumer confidence and an anemic labour market. The other sub-categories of visitors all recorded declines. Excursionists and yacht passengers decreased by 22.5 per cent and 3.1 per cent respectively and cruise ship passengers declined by 19.9 per cent, reflecting a 5.3 per cent reduction in the number of cruise ship calls. As a result of these developments total visitor arrivals fell by 10.0 per cent to 207,997.



Activity in the manufacturing sector is estimated to have risen by 6.5 per cent in 2011, roughly 2.1 percentage points above the level of growth recorded in the previous year. This outcome was driven by increases in the output of beer (61.8 per cent), feeds (16.9 per cent), rice (13.8 per cent), and flour (6.0 per cent). Positive growth was recorded in other key sectors such as real estate, renting and business activities (1.9 per cent), public administration, defence and compulsory social security (2.5 per cent) and education (3.9 per cent).

Output in agriculture, livestock and forestry fell by an estimated 15.2 per cent in 2011, compared with a contraction of 18.6 per cent in 2010. Total crop production was down by 16.8 per cent, mainly influenced by an 80.0 per cent fall in banana output which was severely affected by heavy rains in April 2011 and the continued effects of the Moko and

Black Sigatoka diseases. Output in fishing contracted by 3.0 per cent in 2011 compared with a contraction of 18.7 per cent in 2010.

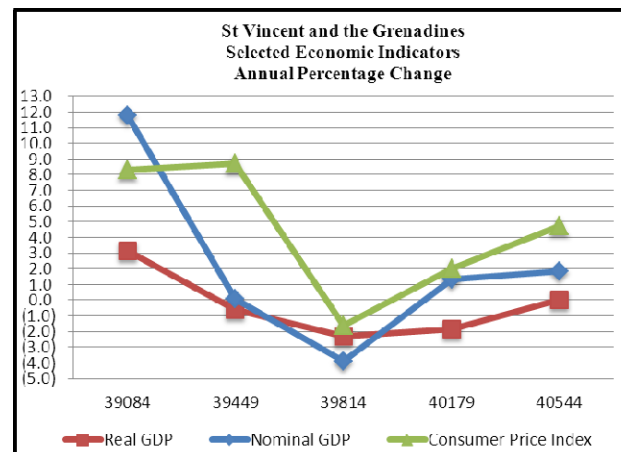
Value added in the wholesale and retail trade sector, one of the largest contributors to GDP, contracted by 2.0 per cent following zero growth in 2010 while value added in the transport, storage and communications sector recorded a third year of consecutive decline.

Prices, Wages and Employment

The consumer price index (CPI) rose by 4.7 per cent in 2011 compared with an increase of 2.0 per cent in the corresponding period in 2010. The rise in the CPI reflected increases in all sub-indices, except household furnishings, supplies and maintenance and health. The food sub-index, the largest weighted in the CPI basket, rose by 5.7 per cent on account of increases in the prices of locally grown foods and imported meats. The transport and communications sub-index rose by 12.8 per cent reflecting higher prices for fuel, airfares, mini bus fares and cellular phones. Increases were also recorded in the sub-indices for housing (3.3 per cent), fuel and light (3.3 per cent) and education (2.5 per cent).

In 2011 there were no increases in wages and salaries in the public sector as the 3.0 per cent salary increase owed to public servants in 2011 was deferred. Although no national employment data are available, in the private sector, preliminary data obtained from the National Insurance Services

indicated an increase in the number of persons employed in the tourism industry from 2,748 in 2010 to 2,881 in 2011.



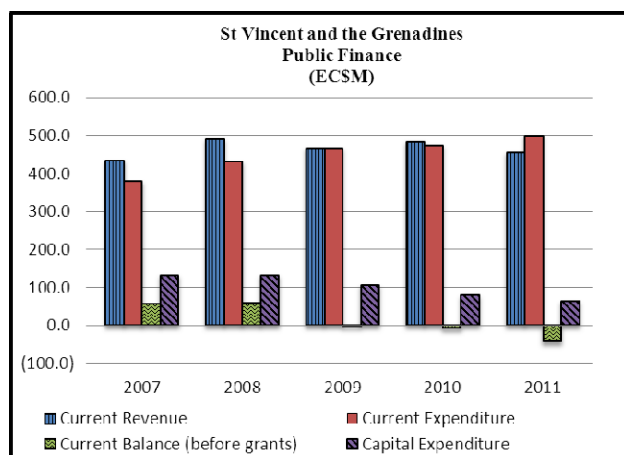
Central Government Fiscal Operations

There was a slight deterioration in the fiscal operations of the central government in 2011, relative to outcome in 2010. The overall fiscal deficit expanded from \$67.2m in 2010 to \$68.5m in 2011. However, the overall fiscal deficit remained constant as a percentage of GDP (3.7 per cent). The larger deficit resulted from an increase in current expenditure coupled with lower current revenues. This led to an increase in the current account deficit by \$35.2m to \$43.8m (2.4 per cent of GDP) in 2011. The primary deficit also widened by \$7.6m to \$23.0m (1.2 per cent of GDP) which was above the primary deficit target set by the government (0.1 per cent of GDP).

On the capital account, capital grants increased from \$14.2m in 2010 to \$29.5m in 2011 reflecting higher inflows from the European Union and the Caribbean



Development Bank to fund some of the public sector investment programmes such as road rehabilitation, access to tourist sites and E.T Joshua Runway Improvement. Despite the increase in capital grants, capital expenditure contracted by 19.6 per cent to \$63.0m in 2011 mainly reflecting policy efforts to prioritize capital spending amid falling revenue.



Current revenue declined by 6.0 per cent to \$454.6m reflecting lower intake from both tax and non-tax revenues. Tax receipts fell by 2.3 per cent (\$9.8m) indicative of declines in most sub-categories. The yield from taxes on domestic goods and services contracted by 6.4 per cent (\$14.5m), in line with the economic inertia. Of the components of taxes on domestic goods and services, stamp duty registered the highest decline of 30.9 per cent. This partly reflected the impact of the Tourism Development Incentive Credit given to investors who were purchasing tourism properties for development and re-sale. The credit was equivalent to a waiver of the 5 per cent stamp duty paid by the purchaser. VAT

revenue, the largest component of taxes on domestic goods and services shrank by 3.2 per cent. Receipts from taxes on international trade and transactions declined by 0.7 per cent (\$0.6m), primarily due to a reduction in collections from import duty, consistent with a fall in imports. The yield from taxes on property fell by 6.9 per cent (\$0.2m). These declines were tempered by an increase of 5.1 per cent in receipts from taxes on income, mainly associated with higher receipts from personal income tax as a result of salary increases awarded in December 2010. Non tax revenue fell by 31.1 per cent largely on account of lower receipts on fees and fines, interest and rents.

Current expenditure expanded by 5.3 per cent to \$498.4m associated with increases in all sub-components except interest payments. Outlays on transfers and subsidies rose by 12.4 per cent (\$16.4m) as a result of a spike in welfare payments and higher spending on social safety net programmes geared towards providing housing assistance to persons whose homes were damaged by hurricane Tomas in October 2010. Expenditure on goods and services grew by 9.7 per cent (\$6.5m) due to rehabilitation in the aftermath of the hurricane and heavy rains in April 2011. Spending on personal emoluments, the biggest component of current expenditure, shot up by 4.2 per cent to \$231.2m mainly due to the creation of a few new posts. On the contrary, interest payments fell by 13.2 per cent (\$6.9m) reflecting the restructuring of domestic obligations.



Public Sector Debt

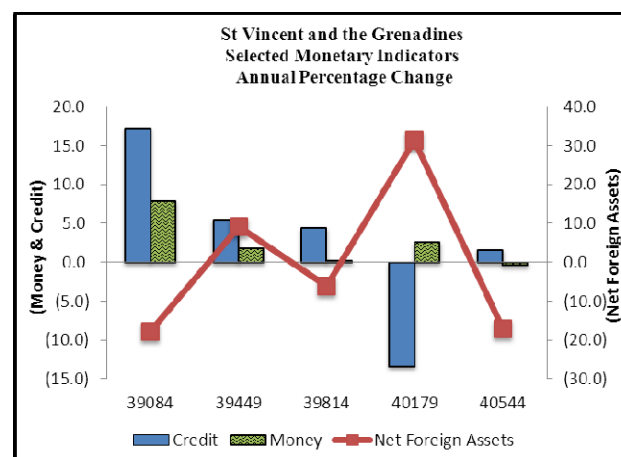
The total disbursed outstanding public debt was \$1,250m (67.3 per cent of GDP) at the end of 2011 compared with \$1,215.3m (66.7 per cent of GDP) at the end of 2010 and higher than the fiscal target of 61.8 per cent of GDP set for 2011. The debt stock of the central government rose by 4.7 per cent as a result of an accumulation of both external debt (5.4 per cent) and domestic debt (3.0 per cent). By contrast the debt stock of public corporations shrank by 7.1 per cent on account of a reduction in both external and domestic debt.

Money and Credit

The monetary liabilities (M2) of the banking system fell by 0.3 per cent to \$1,110.1m during 2011, in contrast to an increase of 2.6 per cent during the previous year. The contraction in M2 was due to a drop of 4.0 per cent to \$331.7m in narrow money, (M1) reflecting declines in currency with the public (8.1 per cent) and private sector demand deposits (4.4 per cent). Quasi money, the largest component of M2, increased by 1.3 per cent to \$778.4m, primarily due to the surge in private sector time deposits.

Domestic credit rose by 1.7 per cent to \$906.7m during 2011, in contrast to a 13.3 per cent decline recorded during 2010. Increases were recorded in both public and private sector credit. Private sector credit grew by 4.1 per cent (\$39.3m) spurred mainly by growth in credit extended to households, and

non-bank financial institutions. In the public sector, net credit to the central government almost doubled to \$44.5m, as government increased its borrowings from the Central Bank to meet obligations and drew down on its deposits in the banking system. The net deposit position of non-financial public enterprises expanded by 51.7 per cent due to a combination of a decline in credit and increase in deposits.



The distribution of commercial bank credit by economic activity indicated mixed patterns. Outstanding credit for personal use, which represents more than 58.0 per cent of total credit, rose by 6.5 per cent, mainly reflecting an increase in lending for acquisition of property, namely home construction and renovation and house and land purchase. Credit extended for construction and distributive trades grew by 7.3 per cent and 7.0 per cent respectively and credit extended for agriculture and fisheries almost doubled to \$2.3m. Declines were reported for outstanding credit to utilities, electricity and water (59.7 per cent), manufacturing, mining and quarrying (30.5 per cent), entertainment and catering (27.4 per cent), tourism (17.7 per cent),



professional and other services (13.8 per cent), and transport and storage (13.5 per cent).

The net foreign assets of the banking fell by 17.1 per cent to \$393.2m in contrast to an increase of 31.4 per cent during the previous year. The decline was mainly fuelled by a 20.8 per cent reduction in central bank imputed reserves to \$237.0m. In addition, the net foreign assets of commercial banks declined by 10.9 per cent, primarily associated with a reduction of assets held with banks and other institutions outside of the Eastern Caribbean Currency Union, partly used to fund the demand for credit.

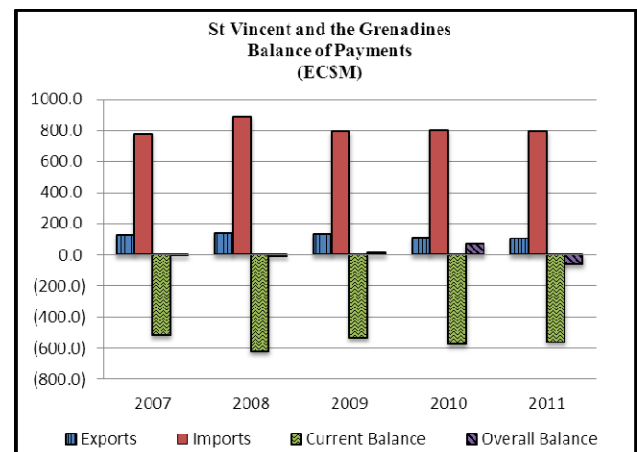
Liquidity in the commercial banking system remained high during 2011 notwithstanding a 3.6 percentage points decline to 39.6 per cent in the ratio of liquid assets to total deposits plus liquid liabilities. The ratio of loans and advances to total deposits fell by 1.1 percentage point to 74.2 per cent.

Commercial banks weighted average interest rates on deposits increased by 14 basis points to 2.9 per cent while the weighted average interest rate on loans rose by 8 basis points to 9.08 per cent. As a result, the interest rate spread narrowed from 6.24 percentage points in 2010 to 6.18 percentage points in 2011.

Balance of Payments

The overall position on the balance of payments shifted from a surplus of \$68.1m in 2010 (3.7 per cent of GDP) to a deficit of \$62.2m in 2011 (3.3 per

cent of GDP). This was due to a smaller surplus on the capital and financial account which could not finance the deficit on the current account. The surplus on the capital and financial account fell to \$498.3m in 2011 from \$643.3m in 2010. On the financial account, net inflows declined by 24.3 per cent (\$120.5m) as a result of a reduction in net inflows of public sector long term loans (\$119.0m) which offset the increase in foreign direct investment (\$18.8m). The surplus on the capital account fell by 16.6 per cent (\$24.5m) mainly due to a decline in capital transfers.



The current account deficit narrowed from 31.6 per cent of GDP in 2010 to 30.2 per cent of GDP in 2011. This slight improvement was attributable chiefly to a narrowing of the merchandise trade deficit from \$692.1m in 2010 (37.9 per cent of GDP) to \$688.9m in 2011 (37.0 per cent of GDP), on account of lower import payments. The value of imports amounted to \$794.3m, representing a decline of 1.1 per cent from the previous year. Meanwhile, the value of exports fell by 5.0 per cent to \$110.9m reflecting decreases in both domestic

exports and re-exports. Earnings from domestic exports fell by 0.8 per cent due to a 77.8 per cent decline in banana exports, which was not offset by increases in export receipts from flour (23.6 per cent) and rice (10.6 per cent). On the services account, net inflows rose by 9.0 per cent (\$11.4m) mainly reflecting an increase in travel receipts, associated with the improvement in stay-over arrivals.

Prospects

Economic growth in St Vincent and the Grenadines is likely to be positive in 2012. This is premised on improved activity in the construction and manufacturing sectors and the tourism industry. Construction activity is likely to strengthen on account of public sector projects such as the Hospitality and Maritime Training Institute, Argyle international airport, Modern Medical Complex and Milton Cato Memorial hospital. In the private sector, tourism related construction in 2012 will include the Tribu Resort in Mayreau, Phase 11 of the Buccament Resort in St Vincent and the Canoan Resort development. Value added in the hotels and restaurants sector is expected to increase as the economic situation improves in the major source markets and marketing efforts intensify. The quality of the tourism product will also be enhanced by the introduction of quality standards during the second half 2012, which will be applied to tourist accommodations and restaurants. Output in the manufacturing sector will be boosted by an upsurge in investments in the sector. VincyFresh Limited

has added four new products to its portfolio which are expected to perform well both locally and regionally. Flour, feeds and rice production levels are also projected to remain elevated as the economic conditions of export markets improve. The agricultural sector is expected to remain challenged by the Black Sigatoka disease which is severely affecting banana output. However, activity in the fishing industry is likely to improve due to the placement of two new Fish Aggregating Devices in the first quarter of 2012, which is expected to attract fishes such as tuna, dolphin and other species.

The overall fiscal deficit of the central government is expected to decline further in 2012 as the authorities seek to control expenditure amidst a marginal increase in current revenue as economic activity improves mildly. In addition, revenue from the VAT is anticipated to increase as efforts are likely to be strengthened to collect outstanding VAT arrears. Wages and salaries are projected to increase on the basis that the 3 per cent salary increase owed to public servants in 2011 will be paid during 2012. Capital grants are forecasted to increase as a result of increase inflows from the European Union, the World Bank and the CDB to support the Health Sector Reform Programme, the Disaster Vulnerability Risk Project and the Rehabilitation Project.

The current account deficit on the balance of payments is expected to widen in 2012, as imports increase to support the increase in construction activity and personal consumption. Export revenue,



though also projected to increase, may be insufficient to offset the increase in imports. The current account deficit will be financed by increased foreign inflows.

Downside risks to these projections remain as economic activity in St Vincent and the Grenadines is dependent on the performance of the global

economy. Tourism demand remains fragile as job creation in the USA, one of the main source markets, remains weak. The increase in the Air Passenger Duty for UK passengers may also have adverse effects on tourism demand and by extension tourism related construction. Rising fuel and food prices buoyed by stronger global growth also pose downside risks to this outlook.



NOTES FOR STATISTICAL TABLES AND MONETARY SURVEY

STATISTICAL TABLES

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

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

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

MONETARY SURVEY

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



STATISTICAL TABLES

	PAGE
ECCU	
Table 1 Selected Economic Indicators	81
Table 2 Consolidated Central Government Fiscal Operations	82
Table 3 Monetary Survey	83
Table 4 Selected Tourism Statistics	83
Table 5 Balance of Payments	84
Table 6 Total Public Sector Disbursed Outstanding Debt.....	85
Table 7 Central Government Disbursed Outstanding Debt.....	85
Table 8 Total Actual Debt Service Payments.....	85
Table 9 Participation on the RGSM	86
Table 10 Average Weighted Interest Rates on the RGSM.....	86
ANGUILLA	
Table 11 Selected Economic Indicators	87
Table 12 Central Government Fiscal Operations	88
Table 13 Monetary Survey	89
Table 14 Selected Tourism Statistics	89
Table 15 Balance of Payments	90
ANTIGUA AND BARBUDA	
Table 16 Selected Economic Indicators	91
Table 17 Central Government Fiscal Operations	92
Table 18 Monetary Survey	93
Table 19 Selected Tourism Statistics	93
Table 20 Balance of Payments	94
DOMINICA	
Table 21 Selected Economic Indicators	95
Table 22 Central Government Fiscal Operations	96
Table 23 Monetary Survey	97
Table 24 Selected Tourism Statistics	97
Table 25 Balance of Payments	98



GRENADA

Table 26	Selected Economic Indicators	99
Table 27	Central Government Fiscal Operations	100
Table 28	Monetary Survey	101
Table 29	Selected Tourism Statistics	101
Table 30	Balance of Payments	102

MONTserrat

Table 31	Selected Economic Indicators	103
Table 32	Central Government Fiscal Operations	104
Table 33	Monetary Survey	105
Table 34	Selected Tourism Statistics	105
Table 35	Balance of Payments	106

ST KITTS AND NEVIS

Table 36	Selected Economic Indicators	107
Table 37	Federal Government Fiscal Operations	108
Table 38	Monetary Survey	109
Table 39	Selected Tourism Statistics	109
Table 40	Balance of Payments	110

SAINT LUCIA

Table 41	Selected Economic Indicators	111
Table 42	Central Government Fiscal Operations	112
Table 43	Monetary Survey	113
Table 44	Selected Tourism Statistics	113
Table 45	Balance of Payments	114

ST VINCENT AND THE GRENADINES

Table 46	Selected Economic Indicators	115
Table 47	Central Government Fiscal Operations	116
Table 48	Monetary Survey	117
Table 49	Selected Tourism Statistics	117
Table 50	Balance of Payments	118



Table 1
ECCU - Selected Economic Indicators

	2007	2008	2009	2010	2011
<i>(Annual Percentage Change Unless Otherwise Indicated)</i>					
National Income and Prices					
Nominal GDP at Factor Cost	11.7	5.4	(4.8)	(1.7)	0.5
Real GDP at Factor Cost	5.5	2.7	(5.3)	(3.0)	(1.0)
GDP Deflator	5.9	2.6	0.6	1.4	1.5
Consumer Prices (end of period)	5.9	4.2	(0.1)	4.6	3.9
Consumer Prices (period average)	3.2	6.7	0.6	3.9	3.4
Real GDP at Factor Cost by Selected Sectors					
Agriculture, Livestock and Forestry	(1.1)	12.7	4.2	(13.3)	(1.0)
Fishing	9.8	(4.1)	(14.9)	6.1	1.0
Manufacturing	6.8	(1.9)	(5.1)	(3.5)	(0.7)
Mining and Quarrying	15.9	(1.5)	(27.1)	(21.8)	(6.2)
Electricity and Water	5.8	2.4	3.3	0.9	1.9
Construction	3.2	2.8	(15.0)	(10.5)	(10.3)
Wholesale and Retail	9.0	4.5	(16.0)	(8.5)	(2.3)
Hotels and Restaurants	0.9	(1.7)	(9.1)	0.9	3.8
Transport, Storage and Communications	8.2	2.1	(5.6)	(1.9)	(1.7)
Transport and Storage	10.5	0.6	(7.8)	(2.4)	(2.2)
Communications	4.7	4.7	(1.9)	(1.1)	(1.1)
Financial Intermediation	8.1	2.2	(3.6)	(2.1)	(1.2)
Real Estate, Renting and Business Activities	4.9	2.2	0.4	2.7	0.9
Public Administration, Defence & Compulsory Social Security	3.9	5.3	3.9	(0.9)	(0.4)
Education	9.5	4.3	3.2	0.4	0.5
Health and Social Work	4.3	0.6	2.6	(2.7)	2.0
Other Services	5.3	7.5	6.8	(0.4)	3.2
FISIM	16.0	(0.8)	1.5	0.7	(4.1)
<i>(In percent of GDP)</i>					
External Sector					
Current Account Balance	(29.2)	(30.4)	(19.9)	(20.3)	(19.3)
Overall Balance	0.9	(0.3)	2.9	1.9	1.1
Merchandise Trade Balance	(40.2)	(40.8)	(32.3)	(34.1)	(34.4)
Central Government					
Current Account Balance	3.1	1.5	(1.1)	(0.2)	(0.5)
Current Revenue	23.1	23.5	22.9	23.6	24.5
Current Expenditure	19.9	22.0	23.9	23.8	24.9
Capital Expenditure and Net Lending	7.3	7.0	6.2	4.9	5.8
Overall Fiscal Balance	(2.2)	(2.7)	(4.6)	(2.3)	(3.6)
<i>(in percent per annum)</i>					
Monetary Sector					
Weighted Deposit Interest Rates	3.3	3.3	3.2	3.2	3.1
Weighted Lending Interest Rates	9.5	9.5	9.5	9.5	9.5
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at Factor Cost	12,343.0	13,004.7	12,379.6	12,175.2	12,236.7
Real GDP at Factor Cost	11,657.0	11,975.6	11,337.5	10,997.8	10,885.8
Nominal GDP at Market Prices	14,573.1	15,332.7	14,476.7	14,303.0	14,506.8
GDP per capita (EC\$)	20,398	21,313	20,041	19,445	19,347
Merchandise Imports (f.o.b)	6,623.2	7,287.8	5,688.3	5,945.9	5,935.4
Merchandise Exports (f.o.b)	762.1	1,027.7	1,015.3	1,073.8	940.1
Gross Visitor Expenditure	3,184.6	3,124.7	2,868.8	3,022.1	3,082.6

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

^R=Revised ^P=Preliminary

Data available at 14 May 2012



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

	2007	2008	2009	2010	2011
Current Revenue	3,364.5	3,596.5	3,310.2	3,368.7	3,547.0
Tax Revenue	3,036.2	3,217.2	2,972.7	2,937.2	3,068.0
Taxes on Income and Profit ^{/1}	639.4	744.1	742.2	669.0	672.5
of which:					
Personal ^{/2}	269.1	287.1	280.8	275.9	302.3
Company	309.7	407.9	413.2	326.0	288.0
Taxes on Property	64.2	62.8	61.2	61.7	58.0
Taxes on Domestic Goods and Services	974.5	1,103.5	976.7	1,079.1	1,248.3
of which:					
Accommodation Tax	77.6	66.3	40.6	50.1	54.2
Licences	89.4	102.7	88.8	84.3	77.2
Sales Tax ^{/3}	197.5	238.3	204.3	179.5	190.2
Consumption Tax ^{/4}	50.5	49.9	45.5	15.7	7.9
Value Added Tax ^{/5}	189.6	267.9	270.0	418.9	560.8
Taxes on International Trade and Transactions	1,358.1	1,306.8	1,192.5	1,127.4	1,090.1
of which:					
Consumption Tax ^{/7}	413.6	345.6	390.7	220.3	163.7
Import Duties	463.2	478.8	402.4	417.9	425.1
Foreign Exchange Tax ^{/6}	0.8	-	-	-	0.0
Customs Service Charge ^{/7}	282.7	282.5	212.5	182.8	189.3
Non-Tax Revenue	328.3	379.4	337.5	431.5	472.1
Current Expenditure	2,906.8	3,373.5	3,463.4	3,402.5	3,623.4
Personal Emoluments	1,322.5	1,451.7	1,494.6	1,512.9	1,533.9
Goods and Services	613.4	809.6	763.9	708.1	817.2
Interest Payments	415.1	423.6	427.4	424.0	424.0
Domestic	197.3	199.1	218.3	252.5	243.5
External	217.8	224.4	209.1	171.5	180.5
Transfers and Subsidies	555.8	688.6	777.5	757.5	848.3
Pensions	224.5	180.7	207.1	251.7	250.3
Current Account Balance (before grants)	457.74	223.09	(153.21)	(33.74)	(82.26)
Capital Revenue	47.0	99.0	22.9	27.3	23.4
Grants	240.7	341.6	361.5	382.4	359.6
Current Grants	58.9	77.5	132.5	164.5	150.1
Capital Grants	181.8	264.1	229.0	217.9	209.5
Capital Expenditure and Net Lending	1,071.1	1,077.2	892.1	700.4	890.3
Capital Expenditure	1,058.9	1,062.9	885.5	696.6	863.9
Primary Balance	89.44	10.10	(233.54)	99.47	(165.57)
Overall Balance (after grants)	(325.7)	(413.5)	(661.0)	(324.5)	(589.6)
Financing	540.2	477.1	413.9	671.7	246.5
Domestic	184.7	313.1	381.9	(281.5)	392.5
ECCB (net)	3.3	42.2	49.4	(76.0)	44.4
Commercial Banks (net)	247.2	2,158.5	207.8	(377.1)	13.6
Other	(65.8)	112.4	124.7	171.5	334.5
External	37.4	52.9	175.3	572.9	217.0
Net Disbursements/(Amortisation)	10.1	53.7	172.9	500.4	176.7
Disbursement	271.4	393.9	437.1	888.5	477.9
Amortisation	(261.4)	(340.2)	(264.2)	(388.1)	(301.2)
Change in Government Foreign Assets	27.3	(0.8)	2.4	72.5	40.3
Arrears ^{/8}	103.6	47.4	103.7	(1,162.5)	(19.9)
Domestic	2.1	(2.8)	73.7	(903.4)	(19.3)
External	101.5	50.3	30.0	(259.1)	(0.6)

SOURCE: Statistics Department, OECS and ECCB

/1 Taxes on Income and Profits are not collected in Anguilla

/3 Includes data for Dominica and Antigua and Barbuda

/4 Excludes Anguilla, Antigua and Barbuda and Montserrat

/5 Includes Dominica and St Vincent and the Grenadines

/7 For all territories except Anguilla

/2 Included is a Social Services Levy which is applied in St Kitts and Nevis. Not collected in

Antigua and Barbuda

/6 Only includes Anguilla and Montserrat

/8 Only includes Antigua and Barbuda and Dominica

Data available at 14 May 2012



Table 3
ECCU - Monetary Survey
(In millions of Eastern Caribbean dollars)

	2007	2008	2009	2010	2011
Net Foreign Assets	3,031.4	2,271.8	1,895.3	2,148.3	2,060.3
Central Bank (net)	2,056.6	2,039.8	2,157.0	2,498.3	2,717.9
Foreign Assets	2,065.1	2,049.3	2,162.3	2,500.5	2,720.5
Foreign Liabilities	8.5	9.5	5.3	2.2	2.6
Commercial Banks (net)	974.8	232.0	(261.7)	(350.0)	(657.7)
Assets	4,270.5	3,750.5	4,015.1	3,199.6	3,865.1
Liabilities	3,295.7	3,518.5	4,276.8	3,549.5	4,522.8
Net Domestic Assets	8,852.5	9,913.9	10,499.6	10,525.0	11,008.0
Domestic Credit	10,889.1	12,111.1	12,704.0	12,506.9	12,670.5
Central Government (net)	1,132.0	1,390.3	1,643.8	1,186.3	1,258.4
Other Public Sector (net)	(1,194.3)	(1,310.8)	(1,264.6)	(1,280.4)	(1,359.5)
Private Sector	10,951.39	12,031.56	12,324.83	12,601.11	12,771.57
Households	5,473.57	6,023.40	6,137.77	6,290.85	6,406.87
Business	4,958.07	5,530.00	5,767.36	5,927.54	5,958.68
Non-Bank Financial Institutions (net)	225.12	182.41	134.37	124.87	146.53
Subsidiaries and Affiliates (net)	294.64	295.74	285.33	257.84	259.49
Other Items (net)	(2,036.66)	(2,197.12)	(2,204.41)	(1,981.89)	(1,662.44)
Money Supply (M2)	11,883.86	12,185.69	12,394.89	12,673.37	13,068.31
Money Supply (M1)	2,766.81	2,742.15	2,537.08	2,585.28	2,706.53
Currency	594.71	612.84	621.37	616.08	634.59
Demand Deposits	2,068.63	2,028.19	1,841.05	1,881.24	1,992.14
Quasi Money	9,117.05	9,443.54	9,857.81	10,088.09	10,361.78
Savings Deposits	4,707.45	4,963.66	5,222.29	5,282.05	5,492.32
Time Deposits	2,337.13	2,565.66	2,705.37	2,868.97	3,001.54
Foreign Currency Deposits	2,072.46	1,914.22	1,930.15	1,937.07	1,867.92

Source: ECCB

Data available at 11 June 2012

Table 4
ECCU - Selected Tourism Statistics

	2007	2008	2009	2010	2011
Total Visitors	3,577,653	3,683,141	4,136,277	4,025,248	3,750,771
Stay-Over Visitors	1,048,482	1,047,988	924,146	951,056	973,954
Of which:					
Visitor Arrivals by Air	1,048,482	1,047,988	924,146	951,056	973,954
USA	379,660	375,575	328,046	369,683	376,208
Canada	54,382	66,927	66,681	75,912	83,409
UK	251,656	246,433	201,202	189,454	200,177
Caribbean	252,107	253,811	229,180	213,364	210,262
Other Countries	110,677	105,242	99,037	102,643	103,659
Excursionists	115,366	86,423	72,837	81,323	81,489
Cruise Ship Passengers	2,301,876	2,407,812	2,868,562	2,705,962	2,581,470
Yacht Passengers	112,536	110,096	109,218	128,744	130,030
Number of Cruise Ship Calls	1,728	1,464	1,673	1,590	1,450
Total Visitor Expenditure (EC\$M)	3,184.61	3,124.74	2,868.84	3,022.07	3,082.62

SOURCE: Central Statistics Offices, OECS and ECCB

Data available 11 June 2012



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

	2007	2008	2009	2010	2011
Current Account	(4,257.4)	(4,635.4)	(2,858.2)	(2,846.5)	(2,750.6)
Goods and Services	(4,004.2)	(4,356.2)	(2,749.9)	(2,805.0)	(2,800.3)
Goods	(5,672.4)	(6,086.0)	(4,551.3)	(4,763.2)	(4,880.0)
Merchandise	(5,861.1)	(6,260.2)	(4,673.0)	(4,872.1)	(4,995.3)
Repair on goods	0.4	0.5	1.0	0.8	1.0
Goods procured in ports by carriers	188.3	173.6	120.7	108.2	114.4
Services	1,668.2	1,729.9	1,801.4	1,958.2	2,079.7
Transportation	(638.5)	(617.8)	(373.4)	(429.1)	(424.5)
Travel	2,677.3	2,722.0	2,624.3	2,392.0	2,520.7
Insurance Services	(216.8)	(242.9)	(214.6)	(192.6)	(186.4)
Other Business Services	(155.5)	(18.8)	(11.4)	(56.8)	(23.7)
Government Services	(43.0)	(33.2)	(13.4)	66.0	85.7
Income	(635.3)	(725.2)	(565.3)	(496.8)	(473.2)
Compensation of Employees	39.0	42.5	50.8	48.4	49.0
Investment Income	(674.3)	(767.7)	(616.2)	(545.2)	(522.2)
Current Transfers	382.1	446.0	457.0	455.4	522.8
General Government	121.9	159.1	176.5	169.3	229.8
Other Sectors	260.2	286.9	280.5	286.0	293.0
Capital and Financial Account	4,383.6	4,582.1	3,280.8	3,119.5	2,910.2
Capital Account	602.7	592.4	555.0	694.3	568.7
Capital Transfers	602.7	592.4	555.0	694.3	568.7
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	3,780.9	3,989.7	2,725.9	2,425.3	2,341.6
Direct Investment	3,204.2	2,611.8	1,744.7	1,502.2	1,222.3
Portfolio Investment	(71.6)	26.8	(60.4)	16.7	81.2
Other Investments	648.2	1,351.1	1,041.6	906.3	1,038.0
Public Sector Long Term	102.0	102.1	256.0	762.9	224.5
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	331.2	742.8	493.7	88.3	307.7
Other Assets	(340.5)	(231.5)	(0.7)	207.2	116.0
Other Liabilities*	555.6	737.7	292.6	(152.1)	389.8
Overall Balance	126.2	(53.3)	422.6	273.1	159.6
Financing	(126.2)	53.3	(422.6)	(273.1)	(159.6)
Change in SDR holdings	-	-	(264.5)	79.1	37.5
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	25.8	(1.6)	2.4	(6.9)	4.1
Change in ECCU's Net Foreign Assets [#]	(152.0)	55.0	(160.6)	(345.3)	(201.2)

Source: ECCB

* includes errors and omissions

adjusted for valuation changes

Data available at 16 May 2012



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

Country	2007 ^R	2008 ^R	2009 ^R	2010 ^P	2011 ^P
Anguilla	141.2	170.9	191.6	235.1	230.3
Antigua and Barbuda	2,835.7	2,979.1	3,136.4	2,712.6	2,827.4
Dominica	917.9	898.1	862.8	930.7	933.5
Grenada	1,710.0	1,777.1	1,883.8	1,942.1	1,991.5
Montserrat	11.2	11.1	9.3	8.7	8.0
St Kitts and Nevis	2,505.7	2,550.2	2,640.3	2,753.3	2,834.2
Saint Lucia	1,857.1	1,884.8	1,911.6	2,119.4	2,372.7
St Vincent and the Grenadines	1,025.9	1,102.4	1,173.8	1,215.3	1,250.0
TOTAL ECCU	11,004.7	11,373.7	11,809.6	11,917.3	12,447.6

Source: ECCB

* Includes arrears of principal

Data available at 16 May 2012

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

Country	2007 ^R	2008 ^R	2009 ^R	2010 ^P	2011 ^P
Anguilla	121.1	149.6	172.3	217.4	213.1
Antigua and Barbuda	2,558.2	2,683.6	2,630.4	2,275.7	2,391.4
Dominica	762.1	749.2	713.8	764.9	756.3
Grenada	1,539.1	1,580.2	1,684.3	1,746.7	1,805.9
Montserrat	3.8	4.0	2.5	2.3	2.0
St Kitts and Nevis	1,806.1	1,941.9	2,018.6	2,127.4	2,218.8
Saint Lucia	1,595.4	1,616.2	1,642.2	1,835.4	2,109.0
St Vincent and the Grenadines	845.0	860.8	930.1	1,022.5	1,070.8
TOTAL ECCU	9,230.7	9,585.5	9,794.2	9,992.3	10,567.3

Source: ECCB

*Includes arrears of principal

Data available at 16 May 2012

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

Country	2007 ^R	2008 ^R	2009 ^R	2010 ^P	2011 ^P
Anguilla	11.0	40.3	51.0	215.8	11.8
Antigua and Barbuda	202.5	243.5	182.7	222.6	176.6
Dominica	55.1	53.8	29.2	33.5	48.8
Grenada	86.3	79.2	117.5	84.5	252.3
Montserrat	0.2	0.2	0.2	0.2	0.2
St Kitts and Nevis	205.9	212.0	204.3	218.3	304.6
Saint Lucia	136.2	156.7	173.3	290.7	192.2
St Vincent and the Grenadines	93.6	107.6	115.7	166.6	115.9
TOTAL ECCU	790.7	893.3	873.9	1,232.2	1,102.4

Source: ECCB

*The amounts are actual payments and not contractual obligations

Data available at 16 May 2012



Table 9
ECCU - Participation on the RGSM

	2007 ^R	2008 ^R	2009 ^R	2010 ^P	2011
Treasury Bills					
Number of Auctions	28	33	36	27	31
Amount Raised (EC\$M)	492.7	574.1	611.5	482.5	589.7
Subscriptions (EC\$M)	623.9	975.6	761.5	612.9	917.2
Bonds					
Number of Auctions	5	3	6	7	2
Amount Raised (EC\$M)	112.5	116.0	128.3	239.1	25.5
Subscriptions (EC\$M)	113.4	119.7	148.7	239.4	26.7
Total number of auctions	33	36	42	34	33
Total Amounts Raised (EC\$M)	605.2	690.1	739.9	721.6	615.3
Total Subscriptions (EC\$M)	737.3	1095.3	910.2	852.3	943.9

Source: ECCB

Data available at 17 July 2012

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

	2007	2008	2009 ^P	2010 ^P	2011
91-day Treasury Bill	6.04	5.71	5.53	5.08	4.56
180-day Treasury Bill	5.65	5.46	5.20	4.75	4.76
365-day Treasury Bill	6.47	6.50	6.22	6.19	6.08
3-year Bonds	**	**	**	6.25	**
5-year Bonds	7.00	6.80	7.00	6.80	7.5
6-year Bonds	**	**	7.19	7.25	**
7-year Bonds	**	**	8.00	**	**
8-year Bonds	**	**	**	7.50	**
10-year Bonds	7.54	7.50	**	**	7.75

Source: ECCB

Data available at 17 July 2012

Table 11
Anguilla - Selected Economic Indicators

	2007	2008	2009	2010	2011
<i>(Annual Percentage Change Unless Otherwise Indicated)</i>					
National Income and Prices					
Nominal GDP at Factor Cost	29.2	0.9	(15.5)	(9.2)	(1.3)
Real GDP at Factor Cost	17.3	(0.3)	(16.5)	(5.6)	(2.7)
GDP Deflator	10.2	1.2	1.2	(3.8)	1.4
Consumer Prices (end of period)	3.3	5.3	(0.8)	0.9	8.6
Consumer Prices (period average)	5.1	6.8	(0.7)	1.0	6.2
Real GDP at Factor Cost by Selected Sectors					
Agriculture, Livestock and Forestry	(13.9)	11.5	(9.6)	18.9	6.4
Fishing	8.7	7.5	(24.7)	(7.2)	4.0
Manufacturing	45.6	(1.4)	(16.9)	(50.3)	(11.0)
Mining and Quarrying	12.3	(11.0)	(39.0)	(56.6)	(10.0)
Electricity and Water	10.3	(0.6)	3.8	6.7	(4.8)
Construction	64.0	8.4	(58.5)	(23.7)	(25.0)
Wholesale and Retail Trade	16.3	(6.0)	(2.0)	(16.3)	(7.3)
Hotels and Restaurants	1.0	(15.3)	(6.1)	5.7	5.8
Transport, Storage and Communications	17.3	(0.1)	(21.5)	(7.1)	0.7
Transport and Storage	27.2	(8.9)	(40.1)	(15.8)	(1.3)
Communications	4.4	13.8	2.0	(0.6)	2.0
Financial Intermediation	13.1	4.2	5.1	1.0	(7.4)
Real Estate, Renting and Business Activities	12.4	0.6	(9.4)	0.2	1.6
Public Administration, Defence & Compulsory Social Security	6.3	13.7	20.4	1.5	(4.9)
Education	3.5	10.5	0.1	2.0	(4.1)
Health and Social Work	2.3	5.4	(4.6)	(6.1)	(3.9)
Other Services	6.6	6.6	0.5	4.9	0.5
FISIM	25.2	3.4	(2.8)	3.6	(15.0)
Import Cover Ratio	11.4	21.7	14.3	14.2	10.4
<i>(In percent of GDP)</i>					
External Sector					
Current Account Balance	(51.4)	(59.0)	(28.3)	(24.0)	(18.8)
Overall Balance	0.9	(1.1)	(1.2)	0.9	(0.8)
Merchandise Trade Balance	(58.3)	(63.6)	(42.4)	(46.1)	(44.4)
External Debt (end-of-period)	2.9	2.9	3.8	6.4	6.4
Central Government					
Current Account Balance	4.1	(0.2)	(6.8)	(4.1)	4.0
Current Revenue	21.7	21.1	18.6	21.1	26.3
Current Expenditure	17.6	21.4	25.3	25.2	22.3
Capital Expenditure and Net Lending	6.1	3.8	1.3	0.4	1.2
Overall Fiscal Balance	(1.6)	(2.1)	(8.1)	0.0	2.8
<i>(in percent per annum)</i>					
Monetary Sector					
Weighted Deposit Interest Rates	3.6	3.9	3.5	3.4	2.9
Weighted Lending Interest Rates	9.6	9.7	10.1	10.5	10.1
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at Basic Prices	809.4	816.5	689.6	626.1	617.7
Real GDP at Basic Prices	732.9	730.6	609.8	575.7	560.3
Nominal GDP at Market Prices	967.4	966.7	799.0	739.7	778.4
GDP per Capita (EC\$)	64987.4	62093.7	50058.9	45179.2	46382.0
Merchandise Imports (f.o.b)	589.0	645.7	401.4	375.4	378.1
Merchandise Exports (f.o.b)	24.8	31.0	62.3	34.0	32.7
Gross Visitor Expenditure	309.2	275.6	250.5	258.6	277.0

Source: Statistics Department and ECCB

Data available at 20 March 2012



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

	2007	2008	2009	2010	2011
Current Revenue	210.37	204.38	148.33	155.93	205.04
Tax Revenue	164.28	155.26	111.60	115.91	180.71
Taxes on Income and Profit	-	-	-	-	8.20
Taxes on Property	0.69	0.61	1.49	1.50	2.85
Taxes on Domestic Goods and Services	66.32	61.53	44.66	53.95	104.16
of Which:					
Stamp Duties	31.21	22.85	10.46	17.92	55.40
Accommodation Tax	13.54	15.07	11.36	11.85	20.51
Bank Deposit Levy	5.39	6.30	6.48	6.57	6.15
Taxes on International Trade and Transactions	97.27	93.12	65.44	60.46	65.50
of Which:					
Import Duty	82.73	77.81	55.22	51.59	53.41
Embarkation Tax	5.30	5.59	4.74	4.68	-
Foreign Currency Levy	0.29	-	-	-	-
Non-tax Revenue	46.09	49.13	36.74	40.02	24.33
Current Expenditure	170.35	206.74	202.40	186.27	173.85
Personal Emoluments	68.51	83.89	90.74	88.62	80.46
Goods and Services	53.75	59.83	48.41	39.23	38.74
Interest Payments	7.11	8.02	8.28	10.97	9.12
Domestic	6.29	7.43	6.60	8.78	2.65
External	0.82	0.59	1.68	2.18	6.47
Transfers and Subsidies	40.98	55.00	54.97	47.45	45.52
of Which: Pensions	4.88	6.40	7.27	8.93	8.11
Current Account Balance	40.02	(2.36)	(54.07)	(30.34)	31.19
Capital Revenue	3.38	9.83	0.00	-	-
Capital Grants	-	9.19	-	11.56	-
Capital Expenditure	59.02	36.94	10.58	3.13	9.55
Primary Balance (after grants)	(8.51)	(12.26)	(56.37)	11.33	30.76
Overall Balance (after grants)	(15.62)	(20.28)	(64.65)	0.37	21.64
Financing	15.62	20.28	64.65	(0.37)	(21.64)
Domestic	16.65	3.99	62.71	(113.60)	(19.95)
ECCB (net)	(0.34)	7.43	13.66	(13.90)	(3.12)
Commercial Banks (net)	35.75	5.92	43.93	(162.27)	(4.33)
Other	(18.76)	(9.36)	5.13	62.57	(12.50)
External	(1.03)	16.29	1.93	127.48	(2.69)
Net Disbursements/(Amortisation)	(1.03)	16.29	1.93	127.48	(2.69)
Disbursements	-	17.31	2.69	148.50	-
Amortisation	(1.03)	(1.02)	(0.75)	(21.02)	(2.69)
Change in Government Foreign Assets	-	-	-	-	-
Arrears	-	-	-	(14.25)	1.00
Domestic	-	-	-	(14.25)	1.00
External	-	-	-	-	-

Source: Ministry of Finance and ECCB

Data available at 20 March 2012



Table 13
Anguilla - Monetary Survey
(In millions of Eastern Caribbean dollars)

	2007	2008	2009	2010	2011
Net Foreign Assets	396.29	160.13	37.51	196.43	188.29
Central Bank (net)	121.15	110.69	101.14	107.71	101.32
Commercial Banks (net)	275.13	49.44	(63.63)	88.71	86.97
External (net)	170.72	84.61	36.34	31.54	9.31
Assets	436.04	327.61	305.08	293.22	226.47
Liabilities	265.31	243.00	268.75	261.68	217.16
Other ECCB Territories (net)	104.41	(35.17)	(99.97)	57.17	77.66
Assets	201.96	148.94	131.36	168.39	195.69
Liabilities	97.55	184.11	231.33	111.21	118.03
Net Domestic Assets	804.48	967.68	1,037.05	865.93	826.26
Domestic Credit	1,093.71	1,299.37	1,376.39	1,231.92	1,197.43
Central Government (net)	58.37	71.71	129.30	(46.87)	(54.32)
Other Public Sector (net)	(129.91)	(139.60)	(162.54)	(133.75)	(160.81)
Private Sector	1,165.25	1,367.26	1,409.62	1,412.54	1,412.55
Households	598.11	679.42	666.85	613.69	594.13
Business	541.19	668.15	717.99	777.08	792.44
Non-Bank Financial Institutions (net)	8.96	7.33	6.49	5.69	6.96
Subsidiaries and Affiliates (net)	16.99	12.36	18.30	16.08	19.02
Other Items (net)	(289.23)	(331.69)	(339.34)	(365.99)	(371.17)
Money Supply (M2)	1,200.76	1,127.81	1,074.55	1,062.36	1,014.55
Money Supply (M1)	63.53	55.48	51.38	46.05	48.18
Currency with the public	12.44	15.39	16.40	11.62	11.22
Demand Deposits	42.73	37.47	31.95	28.55	31.78
Quasi Money	1,137.23	1,072.32	1,023.18	1,016.31	966.37
Savings Deposits	96.34	101.13	101.18	102.16	98.41
Time Deposits	100.97	68.45	102.41	118.74	124.48
Foreign Currency Deposits	939.92	902.74	819.59	795.41	743.49

Source: ECCB

Data available at 20 March 2012

Table 14
Anguilla - Selected Tourism Statistics

	2007	2008	2009	2010	2011
Total Visitor Arrivals	164,067	127,862	112,115	118,716	123,558
Stay-Over Arrivals	77,652	68,284	57,891	61,998	65,783
Of Which:					
USA	45,974	40,202	34,073	38,882	42,829
Canada	2,393	2,074	2,032	2,403	2,823
UK	4,568	3,816	2,947	2,914	3,118
Caribbean	15,425	14,748	12,924	11,837	10,954
Other Countries	9,292	7,444	5,915	5,962	6,059
Excursionists	86,415	59,578	54,224	56,718	57,775
Total Visitor Expenditure (EC\$M)	309.21	275.63	250.49	258.58	277.02

Source: ECCB and Statistics Department

Data available at 20 March 2012



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

	2007	2008	2009	2010	2011
Current Account	(496.8)	(570.4)	(225.8)	(177.5)	(146.7)
Goods and Services	(480.8)	(531.8)	(213.7)	(195.1)	(177.1)
Goods	(564.3)	(614.8)	(338.7)	(341.3)	(345.2)
Merchandise	(564.2)	(614.7)	(339.1)	(341.3)	(345.3)
Repair on Goods	0.0	0.0	0.2	0.2	0.2
Goods Procured in Port by Carriers	(0.1)	(0.1)	0.3	(0.1)	(0.1)
Services	83.5	83.0	125.0	146.2	168.1
Transportation	(78.3)	(80.3)	(46.3)	(38.1)	(38.3)
Travel	267.6	228.7	207.0	223.1	239.6
Insurance Services	(10.0)	(11.0)	(6.9)	(5.6)	(5.5)
Other Business Services	(100.1)	(60.1)	(34.5)	(38.0)	(32.5)
Government Services	4.4	5.6	5.8	4.8	4.8
Income	4.5	(22.4)	1.1	5.0	(0.2)
Compensation of Employees	(0.2)	5.7	8.3	8.8	8.8
Investment Income	4.7	(28.2)	(7.2)	(3.8)	(9.0)
Current Transfers	(20.6)	(16.2)	(13.3)	12.6	30.6
General Government	6.8	3.9	1.6	20.8	40.1
Other Sectors	(27.4)	(20.1)	(14.9)	(8.2)	(9.5)
Capital and Financial Account	505.0	559.9	216.3	184.1	140.3
Capital Account	37.1	44.2	31.0	43.6	32.4
Capital Transfers	37.1	44.2	31.0	43.6	32.4
Acquisition and Disposal of Non-Produced Non-Financial Assets	-	-	-	-	-
Financial Account	467.9	515.7	185.2	140.5	107.9
Direct Investment	321.0	266.5	101.1	67.2	29.5
Portfolio Investment	(0.8)	14.7	(9.3)	-	-
Other Investments	147.7	234.5	93.4	73.2	78.4
Public Sector Long Term	2.6	17.7	(1.0)	123.8	(3.1)
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	140.3	225.7	113.1	(152.3)	1.7
Other Assets	(55.6)	(64.9)	(23.5)	96.9	(2.9)
Other Liabilities*	60.4	56.0	4.8	4.8	82.6
Overall Balance	8.2	(10.5)	(9.6)	6.6	(6.4)
Financing	(8.2)	10.5	9.6	(6.6)	6.4
Change in SDR holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	-	-	-	-	-
Change in Imputed Reserves	(8.2)	10.5	9.6	(6.6)	6.4

Source: ECCB and Statistics Department

* includes errors and omissions

Data available at 20 March 2012



Table 16
Antigua and Barbuda - Selected Economic Indicators

	2007	2008	2009 ^R	2010 ^R	2011 ^P
<i>(Annual Percentage Change Unless Otherwise Indicated)</i>					
National Income and Prices					
Nominal GDP at Basic Prices	11.1	6.0	(8.8)	(6.0)	(3.6)
Real GDP at Basic Prices	7.2	1.5	(10.3)	(8.9)	(5.5)
Nominal GDP at Market Prices	13.5	4.5	(10.4)	(5.0)	(3.1)
GDP Deflator	3.6	4.5	1.7	3.2	2.1
Consumer Prices (end of period)	5.2	0.7	2.4	2.9	3.9
Consumer Prices (period average)	1.4	5.3	(0.6)	3.4	3.3
Real GDP at Factor Cost by Selected Sectors					
Agriculture, Livestock and Forestry	(2.6)	3.0	(1.2)	10.7	10.6
Fishing	14.8	(16.7)	(41.5)	45.1	3.5
Mining and Quarrying	9.5	0.3	(25.4)	(25.3)	(12.0)
Manufacturing	9.1	(9.1)	10.6	(12.4)	(6.0)
Electricity and Water	10.4	5.7	1.4	1.1	7.8
Construction	7.4	0.6	(5.0)	(15.3)	(15.0)
Wholesale and Retail Trade	14.7	4.9	(26.9)	(19.5)	(12.0)
Hotels and Restaurants	5.3	2.3	(8.1)	(1.3)	5.2
Transport, Storage and Communications	3.8	(0.4)	(15.0)	(9.6)	(3.5)
Transport	8.8	(3.6)	(19.6)	(11.1)	(6.8)
Communication	(4.2)	5.4	(7.3)	(7.5)	1.0
Financial Intermediation	8.3	5.5	(10.7)	(3.8)	(3.7)
Real Estate, Renting and Business Activities	7.8	(1.1)	0.7	0.2	2.4
Public Administration, Defence & Compulsory Social Security	(2.6)	4.7	(4.7)	(10.7)	(5.0)
Education	16.1	(5.4)	(1.6)	(12.0)	(0.6)
Health and Social Work	8.8	(5.6)	2.0	(9.8)	(4.2)
Other Services	0.3	(5.1)	6.9	(2.3)	(0.2)
FISIM	26.6	(10.3)	8.0	(3.7)	10.0
Import Cover Ratio	12.9	10.5	13.7	8.8	18.5
<i>(In percent of GDP)</i>					
External Sector					
Current Account Balance	(29.8)	(25.7)	(13.9)	(14.1)	(10.7)
Overall Balance	0.1	(0.4)	(0.8)	1.0	1.0
Merchandise Trade Balance	(47.4)	(45.5)	(35.4)	(35.2)	(34.5)
Public Sector External Debt (end-of-period)	37.1	32.2	34.2	37.4	41.7
Central Government					
Current Account Balance	(0.7)	(0.8)	(5.7)	(1.2)	(4.1)
Current Revenue	20.7	20.1	18.2	20.5	19.7
Current Expenditure	21.4	21.0	23.8	21.7	23.8
Capital Expenditure and Net Lending	5.7	6.2	5.3	1.7	2.2
Overall Fiscal Balance	(5.7)	(6.0)	(10.9)	(1.4)	(5.5)
<i>(in percent per annum)</i>					
Monetary Sector					
Weighted Deposit Interest Rates	3.3	3.3	3.3	3.2	3.1
Weighted Lending Interest Rates	10.4	10.1	8.9	10.3	10.2
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at Basic Prices	2,939.4	3,117.0	2,842.1	2,671.9	2,576.3
Real GDP at Basic Prices	2,838.5	2,880.2	2,582.3	2,352.9	2,222.6
Nominal GDP at Market Prices	3,498.7	3,657.4	3,278.6	3,115.2	3,019.5
GDP per capita (EC\$)	40,728	41,796	36,781	34,308	32,645
Merchandise Imports (f.o.b)	1,727.4	1,758.8	1,265.1	1,190.9	1,119.3
Merchandise Exports (f.o.b)	68.1	94.1	105.6	94.0	78.4
Gross Visitor Expenditure	912.2	901.7	823.8	803.9	842.2

Source: Statistics Department and ECCB

Data available at 20 March 2012



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

	2007	2008	2009	2010 ^R	2011 ^P
Current Revenue	724.7	736.0	595.9	639.6	594.9
Tax Revenue	690.9	692.4	573.4	576.5	553.8
Taxes on Income and Profit	100.9	111.5	98.0	92.4	69.7
of which:					
Personal Income	50.0	46.9	35.7	33.4	34.4
Company	50.4	63.4	62.0	58.8	34.3
Business Tax	0.023	-	-	-	0.0
Taxes on Property	8.9	14.1	14.9	17.7	16.0
Taxes on Domestic Goods and Services	281.7	321.6	252.6	222.8	227.5
of which:					
Stamp Duties	45.2	59.5	29.5	31.3	29.0
Antigua and Barbuda Sales Tax	196.9	237.8	203.8	179.3	189.9
Taxes on International Trade and Transactions	299.4	245.2	207.9	243.5	240.6
of which:					
Import Duty	92.6	97.5	78.9	79.1	78.4
Consumption Tax	68.6	19.8	25.5	30.9	42.8
Customs Service Charge	94.2	82.4	63.0	5.4	1.0
Foreign Currency Levy	8.2	9.9	10.5	21.7	16.5
Revenue Recovery Charge	-	-	-	65.9	68.3
Non-Tax Revenue	33.8	43.6	22.5	63.1	41.1
Current Expenditure	749.6	766.3	781.7	676.2	717.6
Personal Emoluments	309.0	300.4	290.7	272.6	269.4
Goods and Services	147.6	185.0	171.0	125.5	127.4
Interest Payments	104.5	102.6	95.6	72.6	77.3
Domestic	35.6	32.4	39.6	54.8	44.8
External	68.888	70.209	56.028	17.881	32.504
Transfers and Subsidies	188.5	178.3	224.4	205.5	243.5
of Which: Pensions	79.5	58.0	72.5	70.0	64.1
Current Account Balance	(25.0)	(30.3)	(185.9)	(36.6)	(122.7)
Capital Revenue	5.1	4.3	2.5	3.0	2.8
Grants	20.0	30.0	-	44.9	22.9
of which: Capital Grants	20.0	30.0	-	13.0	22.9
Debt Forgiveness	-	-	-	-	-
Capital Expenditure	200.5	225.0	175.0	53.6	67.5
Primary Balance (after grants)	(95.8)	(118.4)	(262.8)	30.2	(87.3)
Overall Balance (before grants)	(220.3)	(250.9)	(358.4)	(87.3)	(187.5)
Overall Balance (after grants)	(200.3)	(220.9)	(358.4)	(42.4)	(164.6)
Financing	200.3	220.9	358.4	42.4	164.6
Domestic	121.4	150.7	177.6	(78.8)	159.1
ECCB (net)	(15.3)	14.2	77.6	(31.9)	37.8
Commercial Banks (net)	61.9	207.9	50.1	(109.3)	45.9
Other	74.9	(71.4)	50.0	62.5	75.4
External	(17.3)	(28.5)	96.1	139.5	47.5
Net Disbursements/(Amortisation)	(19.5)	(28.5)	96.1	97.0	47.9
Disbursements	36.505	85.157	145.254	169.516	86.530
Amortisation	(56.049)	(113.624)	(49.174)	(72.565)	(38.677)
Change in Govt. Foreign Assets	2.3	-	-	42.6	(0.3)
Arrears	96.1	98.7	84.7	(1,172.0)	(42.0)
Domestic	7.5	3.7	53.4	(910.5)	(41.3)
External	88.6	95.0	31.3	(261.5)	(0.7)

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 20 March 2012



Table 18
Antigua and Barbuda - Monetary Survey
(In millions of Eastern Caribbean dollars)

	2007	2008	2009	2010	2011
Net Foreign Assets	887.78	550.66	379.77	417.94	352.63
Central Bank (net)	388.34	372.61	292.26	367.42	397.21
Commercial Banks (net)	499.44	178.06	87.51	50.52	(44.57)
External (net)	486.72	199.88	(128.10)	(132.03)	(222.01)
Assets	1,466.62	1,163.07	1,147.18	502.29	1,331.69
Liabilities	979.90	963.19	1,275.28	634.31	1,553.70
Other ECCB Territories (net)	12.73	(21.82)	215.61	182.55	177.44
Assets	733.49	791.88	862.87	969.69	1,188.60
Liabilities	720.77	813.70	647.26	787.15	1,011.16
Net Domestic Assets	2,067.32	2,470.29	2,617.11	2,588.46	2,671.36
Domestic Credit	2,366.00	2,735.00	3,033.76	2,933.24	2,876.74
Central Government (net)	242.15	464.25	591.93	450.66	534.35
Other Public Sector (net)	(220.55)	(289.01)	(97.72)	(61.68)	(91.49)
Private Sector	2,344.40	2,559.77	2,539.55	2,544.26	2,433.87
Households	1,202.04	1,327.04	1,320.25	1,324.22	1,277.63
Business	1,081.49	1,139.80	1,142.74	1,128.51	1,076.09
Non-Bank Financial Institutions (net)	45.06	31.21	16.11	19.24	20.55
Subsidiaries and Affiliates (net)	15.82	61.72	60.45	72.30	59.61
Other Items (net)	(298.68)	(264.71)	(416.64)	(344.78)	(205.38)
Money Supply (M2)	2,955.10	3,020.96	2,996.88	3,006.40	3,023.99
Money Supply (M1)	741.28	759.76	630.51	619.05	603.96
Currency with the Public	133.88	142.89	146.13	137.74	130.06
Demand Deposits	571.49	577.12	459.62	448.15	447.75
Quasi Money	2,213.83	2,261.20	2,366.37	2,387.35	2,420.04
Savings Deposits	902.47	934.84	960.27	964.93	1,004.49
Time Deposits	972.91	1,057.43	1,000.24	989.33	1,013.67
Foreign Currency Deposits	338.44	268.94	405.86	433.10	401.88

Source: ECCB and Development Planning Unit

Data available at 20 March 2012

Table 19
Antigua and Barbuda - Selected Tourism Statistics

	2007	2008	2009	2010 ^R	2011 ^P
Total Visitor Arrivals	959,260	888,992	965,431	812,859	870,557
Stay-Over Arrivals	261,786	265,955	234,410	229,943	241,331
of which:					
USA	78,697	84,032	82,068	81,598	84,832
Canada	10,489	13,189	12,947	17,818	22,403
UK	96,797	89,514	73,251	66,623	69,184
Caribbean	46,724	49,113	38,302	34,769	35,270
Other Countries	14,944	13,704	10,776	9,973	9,856
Cruise Ship Passengers ¹	672,788	597,124	709,795	557,030	604,506
Cruise Calls ²	380	317	367	304	328
Yacht Passengers	24,686	25,913	21,226	25,886	24,720
Yacht Calls	4,249	3,670	3,761	4,078	3,703
Total Visitor Expenditure (EC\$M)	912.18	901.71	823.81	803.90	842.17

Source: ECCB and Development Planning Unit

¹ includes Excursionists

² Windjammer Calls

Data available at 20 March 2012



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

	2007	2008 ^R	2009 ^R	2010 ^R	2011 ^P
Current Account	(1,040.99)	(940.98)	(456.54)	(437.93)	(324.21)
Goods and Services	(948.02)	(853.69)	(391.10)	(421.91)	(289.27)
Goods	(1,591.81)	(1,631.96)	(1,155.86)	(1,103.10)	(1,035.52)
Merchandise	(1,659.31)	(1,664.67)	(1,159.52)	(1,096.88)	(1,040.95)
Repair on goods	0.19	0.19	0.19	-	-
Goods procured in ports by carriers	67.32	32.52	3.48	(6.22)	5.43
Services	643.79	778.27	764.76	681.19	746.25
Transportation	(17.03)	114.18	183.18	135.22	150.29
Travel	772.32	744.13	679.18	664.37	706.93
Insurance Services	(94.75)	(101.97)	(102.53)	(74.97)	(72.43)
Other Business Services	(15.84)	20.12	1.56	(46.44)	(42.84)
Government Services	(0.91)	1.82	3.36	3.01	4.30
Income	(142.20)	(164.93)	(137.39)	(86.20)	(96.56)
Compensation of Employees	22.61	25.09	23.09	20.78	21.11
Investment Income	(164.81)	(190.02)	(160.48)	(106.98)	(117.67)
Current Transfers	49.24	77.63	71.95	70.19	61.62
General Government	(3.21)	17.84	9.72	23.68	12.64
Other Sectors	52.45	59.79	62.23	46.51	48.98
Capital and Financial Account	1,043.23	925.25	429.10	470.49	354.00
Capital Account	30.00	40.00	10.24	54.94	32.75
Capital Transfers	30.00	40.00	10.24	54.94	32.75
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	1,013.23	885.25	418.86	415.55	321.24
Direct Investment	913.15	428.72	217.75	261.03	155.85
Portfolio Investment	(3.32)	29.15	(12.56)	(15.40)	3.55
Other Investments	103.40	427.38	213.68	169.92	161.84
Public Sector Long Term	(18.31)	4.84	104.53	380.75	60.65
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	41.62	321.39	90.55	36.99	95.09
Other Assets	(121.82)	(114.35)	(57.34)	29.55	8.71
Other Liabilities*	201.91	215.51	75.94	(277.38)	(2.61)
Overall Balance	2.25	(15.73)	(27.44)	32.56	29.79
Financing	(2.25)	15.73	27.44	(32.56)	(29.79)
Change in SDR holdings	-	-	(52.91)	51.12	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	1.03	-	-	(8.53)	-
Change in Imputed Reserves	(3.28)	15.73	80.35	(75.16)	(29.79)

Source: Central Statistics Office and ECCB

*includes errors and omissions

Data available at 20 March 2012



Table 21
 Dominica - Selected Economic Indicators

	2007 ^R	2008 ^R	2009 ^R	2010 ^R	2011 ^P
<i>(Annual Percentage Change Unless Otherwise Indicated)</i>					
National Income and Prices					
Nominal GDP at Basic Prices	8.0	10.4	4.1	(2.0)	2.6
Real GDP at Basic Prices	3.9	7.8	(0.7)	0.3	1.2
GDP Deflator	1.9	2.5	4.8	(2.9)	2.9
Consumer Prices (end of period)	6.0	2.1	3.0	0.1	4.0
Consumer Prices (period average)	3.2	6.4	0.0	2.9	2.0
Real GDP at Basic Prices by Selected Sectors					
Agriculture, Livestock and Forestry	(9.1)	14.9	1.4	(10.3)	6.1
Fishing	25.8	(14.9)	3.9	(17.5)	3.0
Manufacturing	(4.0)	(12.2)	(2.6)	0.5	(11.0)
Mining and Quarrying	27.6	25.2	(47.2)	3.0	5.0
Electricity and Water	1.9	2.1	6.8	5.8	0.4
Construction	30.1	32.6	(7.3)	10.2	10.0
Wholesale and Retail Trade	17.0	15.1	5.0	(3.2)	0.6
Hotels and Restaurants	0.1	1.6	(4.1)	0.4	1.8
Transport, Storage and Communications	7.9	7.9	(6.0)	(1.2)	(0.6)
Transport and Storage	10.6	8.0	(6.8)	(1.3)	(1.4)
Communications	4.5	7.7	(5.0)	(1.0)	0.4
Financial Intermediation	13.3	3.4	0.4	0.6	0.3
Real Estate, Renting and Business Activities	1.3	1.9	2.6	0.9	1.6
Public Administration, Defence & Compulsory Social Security	1.8	(2.7)	5.7	2.3	2.3
Education	(6.2)	6.9	0.2	5.4	(6.5)
Health and Social Work	2.5	2.2	3.6	6.0	2.1
Other Services	2.7	(2.9)	0.3	0.5	0.6
Import Cover Ratio	12.0	7.9	9.1	8.2	8.5
Gross National Savings	(120.1)	449.1	(72.3)	(360.8)	20.8
<i>(In percent of GDP)</i>					
External Sector					
Current Account Balance	(20.8)	(25.4)	(20.0)	(12.8)	(13.6)
Overall Balance	(0.3)	(0.7)	4.3	0.3	1.3
Merchandise Trade Balance	(32.5)	(38.4)	(34.1)	(33.6)	(33.3)
Public Sector External Debt (end-of-period)	57.6	50.7	46.1	51.2	51.4
Central Government					
Current Account Balance	3.9	3.4	4.7	2.7	2.4
Current Revenue	27.6	27.1	26.9	27.6	27.3
Current Expenditure	23.7	23.7	22.2	24.9	25.0
Capital Expenditure and Net Lending	9.9	12.3	11.6	12.3	14.7
<i>(in percent per annum)</i>					
Monetary Sector					
Weighted Deposit Interest Rates	3.2	3.2	3.2	3.3	3.1
Weighted Lending Interest Rates	9.2	8.9	10.0	8.9	8.8
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at Basic Prices	912.2	1,007.7	1,048.6	1,021.9	1,063.9
Real GDP at Basic Prices	894.8	964.4	957.3	960.5	971.7
Nominal GDP at Market Prices	1,130.7	1,247.8	1,299.4	1,274.0	1,307.2
GDP per capita (EC\$)	15,845	17,383	17,978	17,281	18,335
Merchandise Imports (f.o.b)	465.3	586.9	535.2	528.0	520.1
Merchandise Exports (f.o.b)	98.1	108.0	91.8	99.4	84.4

Source: Statistics Department and ECCB

Data available at 21 March 2012



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

	2007 ^R	2008	2009 ^R	2010 ^R	2011 ^P
Current Revenue	312.2	337.8	350.1	351.9	357.4
Tax Revenue	285.5	307.4	320.6	327.9	312.0
Taxes on Income and Profit	53.2	52.2	55.9	62.4	55.8
of which:					
Personal Income Tax	37.2	35.0	32.1	29.6	33.5
Corporation Tax	18.4	19.8	26.4	33.6	24.5
Stabilisation Levy	0.1	0.0	0.0	0.0	0.0
Taxes on Property	9.3	10.3	9.1	8.7	8.0
Taxes on Domestic Goods and Services	162.7	176.1	185.9	184.0	178.1
of which:					
Value Added Tax (VAT)	101.6	114.3	124.9	123.0	118.4
Licences	16.4	18.6	18.1	18.0	17.6
Excise Tax	42.3	41.0	40.7	39.9	39.4
Taxes on International Trade and Transactions	60.3	68.7	69.6	72.9	70.1
of which:					
Import Duty	31.0	36.3	33.6	39.4	38.4
Service Charge (imports)	14.6	15.9	17.5	15.7	15.4
Environmental Levy	6.4	7.4	8.1	9.3	9.6
Non-Tax Revenue	26.8	30.4	29.5	23.9	45.5
Current Expenditure	267.9	295.6	288.5	316.8	326.2
Personal Emoluments	117.5	120.2	125.7	127.7	138.9
Goods and Services	64.4	87.3	84.4	99.3	96.9
Interest Payments	28.2	24.5	14.1	21.0	23.0
Domestic	8.6	5.7	4.2	8.0	6.9
External	19.6	18.8	9.9	13.0	16.2
Transfers and Subsidies	57.8	63.7	64.3	68.8	67.4
of which: Pensions	15.5	15.1	17.1	15.1	16.6
Current Account Balance	44.3	42.1	61.6	35.0	31.2
Capital Revenue	0.9	0.4	0.4	1.6	1.5
Grants	57.2	78.2	61.7	38.9	31.6
of which: Capital Grants	57.2	78.2	61.7	38.9	31.6
Capital Expenditure and Net Lending	112.2	153.2	150.8	157.2	192.2
of which: Capital Expenditure	113.0	154.3	151.8	159.1	192.7
Primary Balance (after grants)	18.5	(8.1)	(13.0)	(60.6)	(104.9)
Overall Balance (before grants)	(66.9)	(110.7)	(88.7)	(120.5)	(159.5)
Overall Balance (after grants)	(9.7)	(32.5)	(27.0)	(81.6)	(127.9)
Financing	9.7	32.5	27.0	81.6	127.9
Domestic	18.5	92.3	(1.9)	33.4	93.6
ECCB (net)	16.6	(8.8)	(9.3)	6.4	2.2
Commercial Banks (net)	(23.7)	4.9	18.8	(9.7)	16.7
Other	25.7	96.3	(11.4)	36.8	74.7
External	(16.2)	(8.5)	34.4	47.4	30.9
Net Disbursements/(Amortisation)	(12.9)	(3.1)	32.0	45.6	26.8
Disbursements	8.0	15.5	44.9	55.6	39.671
Amortisation	(20.9)	(18.7)	(12.9)	(10.0)	(12.90)
Change in Government Foreign Assets	(3.4)	(5.4)	2.4	1.9	4.1
Arrears	7.4	(51.3)	(5.4)	0.8	3.4
Domestic	(5.5)	(6.5)	(4.2)	(1.7)	3.4
External	12.9	(44.7)	(1.3)	2.5	0.0

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 21 March 2012



Table 23
Dominica - Monetary Survey
(In millions of Eastern Caribbean dollars)

	2007 ^R	2008 ^R	2009 ^R	2010 ^R	2011 ^P
Net Foreign Assets	471.3	504.3	558.0	536.2	456.7
Central Bank (net)	163.2	148.8	174.1	179.3	201.0
Commercial Banks (net)	308.1	355.5	383.9	356.8	255.7
External (net)	108.6	35.6	48.9	19.1	(17.8)
Assets	303.6	238.1	232.5	182.7	166.4
Liabilities	195.0	202.5	183.6	163.6	184.2
Other ECCB Territories (net)	199.5	319.9	335.1	337.7	273.5
Assets	276.4	398.9	427.6	430.9	393.1
Liabilities	76.9	79.0	92.5	93.2	119.6
Net Domestic Assets	378.1	380.7	415.0	474.1	577.2
Domestic Credit	437.9	470.2	513.0	577.1	652.9
Central Government (net)	(53.7)	(57.6)	(48.2)	(51.5)	(32.6)
Other Public Sector (net)	(73.5)	(84.0)	(93.1)	(87.6)	(77.9)
Private Sector	565.0	611.9	654.3	716.2	763.4
Households	367.1	383.4	389.5	409.4	422.8
Business	191.7	222.3	256.4	298.6	329.5
Non-Bank Financial Institutions (net)	2.2	2.2	1.8	1.6	4.4
Subsidiaries and Affiliates (net)	4.0	4.0	6.6	6.6	6.6
Other Items (net)	(59.8)	(89.5)	(98.0)	(103.0)	(75.6)
Money Supply (M2)	849.4	885.0	973.0	1010.2	1034.0
Money Supply (M1)	201.3	187.4	202.1	192.7	189.7
Currency with the Public	49.0	43.9	50.7	46.5	47.0
Demand Deposits	147.4	139.5	147.7	140.9	140.2
Quasi Money	648.1	697.6	771.0	817.5	844.2
Savings Deposits	445.2	473.3	520.5	533.9	564.2
Time Deposits	192.7	208.9	236.3	254.1	256.2
Foreign Currency Deposits	10.2	15.5	14.2	29.6	23.8

Source: ECCB

Data available at 7 March 2011

Table 24
Dominica - Selected Tourism Statistics

	2007 ^R	2008 ^R	2009 ^R	2010 ^R	2011 ^P
Total Visitor Arrivals	438,746	467,740	595,869	597,935	423,424
Stay-Over Arrivals	72,098	75,052	69,042	70,618	70,821
of which:					
USA	15,784	14,458	12,311	13,367	13,095
Canada	2,615	3,346	2,618	2,858	2,986
UK	6,229	7,211	4,354	4,601	4,622
Caribbean	40,511	41,091	40,524	41,899	41,210
Other Countries	6,959	8,946	9,235	7,893	8,908
Excursionists	936	915	890	784	764
Cruise Ship Passengers	354,515	380,671	516,405	517,979	341,501
Number of Cruise Ship Calls	252	211	263	272	196
Total Visitor Expenditure (EC\$M)	201.06	239.06	249.47	318.26	315.84

Source: ECCB and Development Planning Unit

Data available at 7 June 2012



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

	2007	2008	2009 ^R	2010 ^R	2011 ^P
Current Account	(234.8)	(317.3)	(259.7)	(163.4)	(177.9)
Goods and Services	(238.9)	(319.2)	(274.8)	(191.5)	(203.7)
Goods	(360.0)	(468.4)	(435.8)	(422.9)	(430.9)
Merchandise	(367.2)	(478.9)	(443.4)	(428.5)	(435.7)
Repair on goods	0.0	0.0	0.0	0.0	0.0
Goods procured in ports by carriers	7.2	10.5	7.6	5.7	4.8
Services	121.1	149.2	161.0	231.4	227.2
Transportation	(73.8)	(81.0)	(75.5)	(74.1)	(73.5)
Travel	172.5	209.0	215.0	284.3	281.2
Insurance Services	(16.2)	(15.4)	(14.8)	(14.3)	(14.1)
Other Business Services	38.7	34.4	26.4	25.3	23.3
Government Services	(0.2)	2.3	9.9	10.1	10.2
Income	(53.0)	(49.5)	(36.9)	(24.9)	(27.9)
Compensation of Employees	2.5	2.5	2.9	3.1	3.1
Investment Income	(55.5)	(52.0)	(39.7)	(28.0)	(31.0)
Current Transfers	57.1	51.4	52.0	53.0	53.8
General Government	(0.9)	(0.2)	0.8	1.7	1.8
Other Sectors	58.0	51.6	51.2	51.3	52.0
Capital and Financial Account	231.2	308.2	315.7	166.8	195.0
Capital Account	156.5	155.4	118.8	90.3	46.7
Capital Transfers	156.5	155.4	118.8	90.3	46.7
Acquisition and Disposal of Non-Produced, Non-Financial Assets	0.0	0.0	0.0	0.0	0.0
Financial Account	74.7	152.8	197.0	76.4	148.4
Direct Investment	109.3	152.7	111.5	65.7	92.5
Portfolio Investment	4.6	(8.9)	1.0	(14.9)	(6.3)
Other Investments	(39.3)	9.0	84.4	25.6	62.2
Public Sector Long Term	(18.0)	(9.1)	21.7	60.7	26.6
Other Public Sector Capital	0.0	0.0	0.0	0.0	0.0
Commercial Banks	(50.9)	(47.4)	(28.4)	27.1	101.2
Other Assets	(30.2)	(13.7)	10.4	(24.1)	(33.9)
Other Liabilities*	59.8	79.3	80.7	(38.1)	(31.6)
Overall Balance	(3.6)	(9.1)	56.0	3.4	17.2
Financing	3.6	9.1	(56.0)	(3.4)	(17.2)
Change in SDR Holdings	0.0	0.0	(33.2)	0.0	0.4
Change in Reserve Position with the Fund	0.0	0.0	0.0	0.0	0.0
Change in Government Foreign Assets	(3.4)	(5.4)	2.4	1.9	4.1
Change in Imputed Reserves	6.9	14.4	(25.3)	(5.2)	(21.7)

Source: ECCB and Central Statistics Office

*includes errors and omissions

Data available at 21 March 2012



Table 26
Grenada - Selected Economic Indicators

	2007 ^R	2008 ^R	2009 ^R	2010 ^R	2011 ^P
	<i>(annual percentage change unless otherwise stated)</i>				
National Income and Prices					
Nominal GDP at Basic Prices	8.7	9.7	(5.9)	(0.2)	4.3
Real GDP at Basic Prices	6.3	1.7	(5.7)	(1.3)	1.1
Nominal GDP at Market Prices	8.4	9.0	(6.8)	1.0	4.1
GDP Deflator	2.3	7.8	(0.2)	1.1	3.1
Consumer Prices (end of period)	7.4	5.2	(2.4)	6.3	3.5
Consumer Prices (period average)	3.9	8.0	(0.3)	5.0	3.6
Real GDP at Basic Prices by Selected Sectors					
Agriculture, Livestock and Forestry	1.1	10.8	21.0	(11.4)	8.1
Fishing	2.8	7.3	(7.8)	9.8	(5.0)
Mining and Quarrying	(1.9)	(2.5)	(19.6)	(44.2)	(1.5)
Manufacturing	1.8	(4.9)	(5.3)	3.9	1.5
Electricity and Water	6.4	3.5	1.2	(0.6)	0.2
Construction	(5.4)	(7.0)	(31.6)	(6.3)	(8.0)
Wholesale and Retail Trade	3.5	0.0	(16.8)	(1.7)	1.5
Hotels and Restaurants	2.4	3.0	(12.2)	(9.7)	4.1
Transport, Storage and Communications	12.1	(2.0)	(9.7)	(4.5)	2.0
Transport	2.8	(3.4)	(13.3)	(4.4)	2.3
Communications	31.9	0.3	(4.1)	(4.7)	1.5
Financial Intermediation	14.6	(2.2)	0.7	1.6	(1.0)
Real Estate, Renting and Business Activities	0.6	(0.1)	(1.1)	0.9	1.3
Public Administration, Defence & Compulsory Social Security	10.4	3.5	3.0	7.2	0.8
Education	22.1	16.0	5.5	1.1	2.8
Health and Social Work	(3.7)	0.3	2.8	2.7	3.0
Other Services	4.0	2.3	(4.6)	(2.6)	2.0
FISIM	14.2	3.6	(1.6)	6.9	(6.0)
Import Cover Ratio	9.3	8.5	10.9	8.8	8.1
	<i>(in percent of GDP)</i>				
External Sector					
Current Account Balance	(34.6)	(33.0)	(24.3)	(28.2)	(26.6)
Overall Balance	1.4	(0.9)	3.3	(1.2)	0.2
Merchandise Trade Balance	(38.5)	(37.1)	(30.1)	(33.2)	(32.8)
Public Sector External Debt (end-of-period)	61.4	57.8	66.1	68.6	63.6
Central Government					
Current Account Balance	4.0	2.3	(0.7)	0.3	0.2
Current Revenue	20.8	20.7	19.2	19.6	19.3
Current Expenditure	16.8	18.4	19.9	19.3	19.1
Capital Expenditure and Net Lending	10.2	9.5	5.6	5.1	6.0
Overall Fiscal Balance	(5.3)	(5.0)	(4.9)	(2.4)	(3.0)
	<i>(in percent per annum)</i>				
Monetary Sector					
Weighted Deposit Interest Rates	3.0	3.2	3.0	2.6	2.9
Weighted Lending Interest Rates	9.6	9.2	10.7	9.5	10.3
	<i>(in millions of EC Dollars, unless otherwise stated)</i>				
Memo					
Nominal GDP at Basic Prices	1,763.6	1,934.1	1,820.0	1,816.4	1,894.2
Real GDP at Basic Prices	1,723.6	1,752.7	1,653.2	1,632.2	1,650.3
Nominal GDP at Market Prices	2,062.6	2,247.4	2,093.9	2,115.7	2,203.3
GDP per capita (EC\$)	18,918	20,482	18,963	18,929	19,517
Merchandise Imports (f.o.b)	885.3	914.7	709.8	767.9	800.1
Merchandise Exports (f.o.b)	90.2	81.7	78.8	65.2	76.6
Gross Visitor Expenditure	293.6	293.2	267.2	261.6	284.0

Source: Statistics Department and ECCB

Data available at 20 March 2012



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

	2007	2008	2009	2010 ^R	2011 ^P
Current Revenue	428.44	464.51	401.80	414.90	425.71
Tax Revenue	402.83	433.78	379.94	389.89	403.03
Taxes on Income and Profit	74.83	94.56	87.23	73.19	73.89
of which:					
Personal ¹	16.31	23.39	28.22	24.42	25.27
Company ²	45.80	71.17	59.01	48.77	48.62
Taxes on Property	29.04	25.96	18.84	17.40	14.92
Taxes on Domestic Goods and Services	71.27	78.66	75.97	178.19	189.79
of which:					
Value Added Tax	0.00	-	-	140.58	159.94
Consumption Duty	36.12	40.88	37.53	8.78	1.46
Stamp Duties	5.39	5.54	4.27	3.52	3.83
Licenses	14.13	17.21	16.36	14.84	15.75
Taxes on International Trade and Transactions	227.68	234.60	197.89	121.12	124.43
of which:					
Import Duty	50.98	56.03	44.32	47.88	49.51
Consumption Tax	100.10	108.06	84.55	6.27	0.27
Customs Service Charge	40.12	44.02	33.33	33.67	37.55
Non-Tax Revenue	25.61	30.74	21.87	25.01	22.67
Current Expenditure	346.04	413.60	416.65	408.55	420.76
Personal Emoluments	158.40	200.81	191.24	199.43	221.59
Goods and Services	79.08	84.68	85.95	91.89	75.09
Interest Payments	33.02	34.88	45.31	43.01	51.60
Domestic	11.22	9.72	14.47	8.80	18.02
External	21.79	25.15	30.84	34.21	33.59
Transfers and Subsidies	75.55	93.24	94.14	74.21	72.48
of which: Pensions	18.72	24.93	23.35	22.67	25.34
Current Account Balance	82.39	50.91	(14.85)	6.36	4.94
Capital Revenue	0.09	0.10	0.14	0.17	0.11
Grants	19.85	51.54	29.15	50.65	60.08
of which:					
Capital Grants	19.64	34.80	12.71	33.18	60.07
Capital Expenditure and Net Lending	211.27	213.88	117.07	107.95	131.53
of which: Capital Expenditure	211.27	213.88	117.07	107.95	131.53
Primary Balance after Grants	(75.92)	(76.44)	(57.31)	(7.76)	(14.80)
Overall Balance (before grants)	(128.79)	(162.86)	(131.77)	(101.42)	(126.48)
Overall Balance (after grants)	(108.94)	(111.32)	(102.62)	(50.77)	(66.40)
Financing	108.94	111.32	102.62	50.77	66.40
Domestic	102.41	90.03	90.27	16.20	86.31
ECCB (net)	12.57	1.42	(36.91)	22.75	35.59
Commercial Banks (net)	54.44	17.12	12.87	(11.59)	5.16
Other	35.40	71.48	114.32	5.04	45.55
External	6.52	21.29	12.35	34.57	(19.90)
Net Disbursements/(Amortisation)	6.77	17.29	12.35	34.57	(19.90)
Disbursements	29.54	51.36	39.15	72.36	9.84
Amortisation	(22.78)	(34.07)	(26.80)	(37.79)	(29.74)
Change in Government Foreign Assets	(0.24)	4.00	-	-	-
Arrears	0.00	-	-	-	-
Domestic	0.00	-	-	-	-
External	0.00	-	-	-	-

Source: Ministry of Finance, Treasury Department and ECCB Estimates

¹ Includes Debt Service Levy

² Includes Business Levy

Data available at 20 March 2012



Table 28
Grenada - Monetary Survey
(In millions of Eastern Caribbean dollars)

	2007	2008	2009	2010	2011 ^P
Net Foreign Assets	405.63	248.79	283.67	242.30	169.60
Central Bank (net)	298.21	280.96	303.45	277.46	282.87
Commercial Banks (net)	107.42	(32.17)	(19.78)	(35.16)	(113.27)
External (net)	(35.19)	(130.21)	(140.11)	(194.83)	(239.81)
Assets	388.88	365.91	340.23	285.72	255.14
Liabilities	424.07	496.12	480.34	480.55	494.94
Other ECCB Territories (net)	142.61	98.04	120.34	159.67	126.54
Assets	255.20	207.35	209.08	228.76	256.73
Liabilities	112.59	109.30	88.74	69.09	130.19
Net Domestic Assets	1,297.58	1,518.40	1,536.36	1,595.09	1,688.38
Domestic Credit	1,412.68	1,601.05	1,641.80	1,699.04	1,787.08
Central Government (net)	104.35	122.89	98.85	110.01	150.77
Other Public Sector (net)	(116.83)	(118.52)	(125.80)	(173.12)	(164.00)
Private Sector	1,425.16	1,596.68	1,668.76	1,762.15	1,800.32
Households	886.36	995.69	1,087.57	1,130.90	1,176.17
Business	522.84	567.12	565.41	617.35	608.24
Non-Bank Financial Institutions (net)	13.41	33.86	15.78	13.91	15.91
Subsidiaries and Affiliates (net)	2.56	-	-	-	-
Other Items (net)	(115.10)	(82.66)	(105.44)	(103.95)	(98.70)
Money Supply (M2)	1,703.20	1,767.19	1,820.03	1,837.39	1,857.98
Money Supply (M1)	394.08	369.06	332.26	342.29	333.04
Currency	107.77	103.40	106.66	98.82	108.66
Demand Deposits	268.43	252.12	217.67	225.70	211.94
Quasi Money	1,309.13	1,398.13	1,487.77	1,495.11	1,524.94
Savings Deposits	915.83	980.59	1,014.42	1,011.60	1,022.96
Time Deposits	264.47	291.64	339.17	371.18	381.98
Foreign Currency Deposits	128.83	125.91	134.18	112.33	120.01

Source: ECCB

Data available at 20 March 2012

Table 29
Grenada - Selected Tourism Statistics

	2007	2008	2009 ^R	2010 ^R	2011 ^P
Total Visitor Arrivals	410,811	426,900	459,210	445,622	430,494
Stay-Over Arrivals	129,088	123,770	109,474	105,419	113,952
Of Which:					
USA	27,132	25,868	24,734	24,590	27,356
Canada	6,017	6,927	6,921	6,992	7,237
UK	33,816	34,635	27,090	25,927	27,236
Caribbean	28,856	28,987	25,739	23,368	26,476
Other Countries	33,267	27,353	24,990	24,542	25,647
Excursionists	7,232	5,688	2,829	2,435	2,626
Yacht Passengers	4,232	4,730	4,055	4,477	4,342
Cruise Ship Passengers	270,259	292,712	342,852	333,291	309,574
Number of Cruise Ship Calls	258	217	246	206	198
Total Visitor Expenditure (EC\$M)	293.6	293.2	267.2	261.6	284.0

Source: ECCB and Development Planning Unit

Data available at 20 March 2012



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

	2007	2008	2009 ^R	2010 ^R	2011 ^P
Current Account	(713.53)	(741.02)	(508.68)	(596.81)	(586.39)
Goods and Services	(668.11)	(708.35)	(504.28)	(567.47)	(561.12)
Goods	(775.32)	(805.39)	(614.48)	(686.08)	(701.94)
Merchandise	(795.09)	(832.98)	(630.96)	(702.70)	(723.54)
Repair on goods	0.00	0.01	0.00	0.00	-
Goods procured in ports by carriers	19.77	27.58	16.48	16.62	21.60
Services	107.22	97.04	110.20	118.60	140.81
Transportation	(113.45)	(119.52)	(93.45)	(96.00)	(100.51)
Travel	250.94	263.30	239.19	233.26	256.24
Insurance Services	(28.05)	(26.16)	(24.91)	(23.78)	(23.04)
Other Business Services	5.05	(4.77)	3.37	12.28	15.57
Government Services	(7.28)	(15.81)	(14.01)	(7.16)	(7.45)
Income	(116.23)	(132.99)	(111.66)	(115.42)	(98.22)
Compensation of Employees	0.67	0.51	0.47	0.46	0.47
Investment Income	(116.90)	(133.50)	(112.12)	(115.89)	(98.68)
Current Transfers	70.81	100.32	107.26	86.08	72.95
General Government	13.44	44.04	62.44	40.29	27.30
Other Sectors	57.37	56.28	44.82	45.79	45.65
Capital and Financial Account	742.55	719.77	578.43	570.83	591.80
Capital Account	104.84	110.70	104.42	160.20	168.22
Capital Transfers	104.84	110.70	104.42	160.20	168.22
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	637.71	609.07	474.00	410.62	423.58
Direct Investment	422.70	384.05	276.90	162.55	111.90
Portfolio Investment	(6.92)	(0.70)	18.83	5.00	21.40
Other Investments	221.93	225.73	178.27	243.07	290.29
Public Sector Long Term	51.95	31.60	74.08	32.66	(21.95)
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	44.61	139.59	(12.39)	15.38	78.11
Other Assets	(23.47)	(12.30)	51.93	37.72	56.21
Other Liabilities*	148.84	66.84	64.65	157.32	177.92
Overall Balance	29.02	(21.25)	69.75	(25.99)	5.41
Financing	(29.02)	21.25	(69.75)	25.99	(5.41)
Change in SDR Holdings	-	-	(47.26)	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	(0.24)	4.00	-	-	-
Change in Imputed Reserves	(28.78)	17.25	(22.49)	25.99	(5.41)

Source: ECCB and Statistical Department

* includes errors and omissions

Data available at 20 March 2012



Table 31
Montserrat - Selected Economic Indicators

	2007 ^R	2008 ^R	2009 ^R	2010 ^R	2011 ^P
	<i>(annual percentage change unless otherwise stated)</i>				
National Income and Prices					
Nominal GDP at basic prices	5.5	5.0	4.8	(3.6)	6.5
Real GDP at basic prices	4.9	2.8	1.0	(5.6)	3.4
Nominal GDB at Market Prices	4.2	6.3	3.9	(4.2)	6.8
GDP Deflator	5.5	5.0	4.8	(3.6)	6.5
Consumer Prices (end of period)	4.0	4.5	2.5	2.5	4.4
Consumer Prices (period average)	2.7	4.9	2.8	2.1	3.7
Real GDP at Factor Cost by Selected Sectors					
Agriculture, Livestock and Forestry	5.7	(18.6)	14.7	(13.9)	22.1
Fishing	(28.9)	(13.1)	20.8	(33.7)	36.6
Manufacturing	5.7	3.6	(10.2)	(8.8)	2.0
Mining and Quarrying	187.9	(35.4)	(17.5)	(74.0)	324.9
Electricity and Water	1.0	0.9	2.2	5.1	3.2
Construction	(11.8)	3.8	11.7	(10.9)	11.4
Wholesale and Retail Trade	(3.7)	18.7	(0.7)	(24.3)	3.0
Hotels and Restaurants	10.8	6.2	(15.2)	9.3	(31.3)
Transport, Storage and Communications	7.5	1.4	(5.8)	(19.0)	18.9
Transport and Storage	23.5	(1.6)	(10.7)	(37.9)	50.1
Communications	(5.6)	4.7	(1.0)	(1.9)	1.0
Financial Intermediation	6.7	(2.4)	1.0	(2.1)	11.2
Real Estate, Renting and Business Activities	0.9	0.9	0.3	(0.0)	1.9
Public Administration, Defence & Compulsory Social Security	6.6	4.9	4.3	0.1	(1.5)
Education	17.7	(0.0)	(2.9)	(2.9)	(0.0)
Health and Social Work	5.6	3.9	2.4	(0.3)	(1.0)
Other Services	3.9	0.8	3.0	(1.1)	(3.8)
FISIM	(3.3)	(2.8)	21.2	15.4	7.7
Import Cover Ratio	22.0	15.6	22.1	19.9	23.7
	<i>(as a percentage of GDP)</i>				
External Sector					
Current Account Balance	(19.1)	(34.0)	(21.1)	(34.2)	(15.6)
Overall Balance	(0.2)	(4.9)	4.4	4.4	13.0
Merchandise Trade Balance	(43.0)	(50.9)	(38.1)	(43.2)	(40.8)
Public Sector External Debt (end-of-period)	6.5	5.8	5.4	5.3	4.7
Central Government					
Current Account Balance	(38.4)	(36.2)	(35.2)	(31.8)	(31.2)
Current Revenue	24.3	25.7	24.6	24.7	24.8
Current Expenditure	62.7	61.8	59.8	56.5	56.0
Capital Expenditure and Net Lending	18.0	22.7	22.8	19.1	16.7
Overall Fiscal Balance	(4.9)	(8.6)	3.6	1.7	12.4
	<i>(per cent per annum)</i>				
Monetary Sector					
Weighted Average Deposit Interest Rate	2.6	2.5	2.6	2.6	2.2
Weighted Average Lending Interest Rate	10.3	9.6	8.7	8.7	8.4
	<i>(in millions of EC Dollars, unless otherwise stated)</i>				
Memo					
Nominal GDP at basic prices	132.4	139.1	145.7	140.5	149.7
Real GDP at basic prices	131.7	135.4	136.7	129.1	133.6
Nominal GDP at market prices	147.2	156.5	162.6	155.8	166.4
GDP per capita (EC\$)	27,485	28,530	28,914	27,989	29,820
Merchandise Imports (f.o.b)	70.4	90.6	70.4	69.7	71.1
Merchandise Exports (f.o.b)	7.1	11.0	8.5	2.4	3.2
Gross Visitor Expenditure	20.1	19.0	16.4	15.9	14.0

Source: Statistics Department and ECCB

Data available at 20 March 2012



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

	2007	2008	2009	2010 ^R	2011 ^P
Current Revenue	35.8	40.2	40.1	38.6	41.2
Tax Revenue	31.6	34.4	35.8	33.6	36.6
Taxes on Income and Profit	14.4	15.0	16.8	16.4	18.1
of which:					
Company	1.7	2.1	2.7	1.9	3.1
Personal	12.2	12.3	13.4	13.5	13.7
Taxes on Property	1.4	1.0	1.1	1.0	0.8
Taxes on Domestic Goods and Services	3.4	3.7	3.7	2.7	3.2
of which:					
Insurance and Company Levy	0.3	0.2	0.2	0.2	0.2
Stamp Duty and Licenses	2.2	2.4	2.5	1.5	2.0
Taxes on International Trade and Transactions	12.4	14.8	14.2	13.6	14.5
of which:					
Import Duty	3.5	4.4	4.2	3.9	4.2
Consumption Tax	5.1	6.2	6.3	6.3	6.5
Customs Service Charge	3.1	3.9	3.5	3.3	3.6
Foreign Currency Levy	0.5	-	-	-	0.0
Non-Tax Revenue	4.2	5.7	4.3	5.0	4.6
Current Expenditure	92.3	96.8	97.3	88.1	93.2
Personal Emoluments	37.9	39.2	41.4	42.6	42.7
Goods and Services	30.8	31.5	23.9	18.3	19.8
Interest Payments	0.1	0.1	0.1	0.1	0.0
Domestic	0.1	0.1	0.1	0.1	-
External	0.1	0.0	0.0	0.0	0.0
Transfers and Subsidies	23.5	25.9	31.9	27.1	30.6
of which: Pensions	12.1	13.4	17.3	12.0	11.1
Current Account Balance (before grants)	(56.6)	(56.6)	(57.2)	(49.5)	(51.9)
Current Grants	58.0	56.7	60.3	47.5	76.3
Current Account Balance (after grants)	1.4	0.1	3.1	(2.0)	24.3
Capital Revenue	-	-	-	-	-
Capital Grants	18.0	22.0	39.9	34.4	24.2
Capital Expenditure	26.6	35.5	37.1	29.8	27.8
Primary Balance (after grants)	(7.0)	(13.4)	6.0	2.7	20.8
Overall Balance (before grants)	(83.1)	(92.1)	(94.3)	(79.3)	(79.7)
Overall Balance (after grants)	(7.2)	(13.5)	5.9	2.6	20.7
Financing	7.2	13.5	(5.9)	(2.6)	(20.7)
Domestic	7.2	13.6	(5.7)	(2.5)	(20.6)
ECCB (net)	(0.7)	(1.3)	(0.7)	(0.4)	(0.1)
Commercial Banks (net)	(1.3)	7.4	(1.0)	(6.1)	(27.0)
Other	9.1	7.4	(4.0)	3.9	6.5
External	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)
Net Disbursements/(Amortisation)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Disbursements	-	-	-	-	-
Amortisation	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Change in Govt. Foreign Assets	0.1	-	-	-	-
Arrears	-	-	-	-	-
Domestic	-	-	-	-	-
External	-	-	-	-	-

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 20 March 2012



Table 33
Montserrat - Monetary Survey
(In millions of Eastern Caribbean dollars)

	2007	2008	2009	2010	2011 ^P
Net Foreign Assets	169.2	165.3	182.9	184.3	229.5
Central Bank (net)	39.1	31.5	38.6	45.4	67.0
Commercial Banks (net)	130.0	133.8	144.3	138.9	162.5
External (net)	49.4	43.6	51.1	37.2	35.0
Assets	89.8	86.0	90.8	70.0	73.1
Liabilities	40.4	42.4	39.7	32.8	38.1
Other ECCB Territories (net)	80.6	90.2	93.1	101.7	127.5
Assets	153.9	187.3	203.7	208.2	242.9
Liabilities	73.2	97.1	110.6	106.5	115.4
Net Domestic Assets	(17.4)	(12.3)	(17.1)	(13.8)	(36.9)
Domestic Credit	(0.1)	12.1	9.9	15.1	(5.1)
Central Government (net)	(25.5)	(19.3)	(21.0)	(27.5)	(54.6)
Other Public Sector (net)	(15.1)	(14.8)	(22.2)	(19.2)	(18.8)
Private Sector	40.5	46.2	53.2	61.8	68.4
Households	33.0	38.2	45.3	51.8	57.9
Businesses	6.7	7.9	7.9	10.0	10.4
Non-Bank Financial Institutions (net)	0.7	0.1	-	-	-
Subsidiaries and Affiliates (net)	-	-	-	-	-
Other Items (net)	(17.3)	(24.5)	(27.0)	(28.9)	(31.8)
Money Supply (M2)	151.7	153.0	165.8	170.5	192.6
Money Supply (M1)	43.2	39.3	38.1	35.4	41.2
Currency with the Public	15.1	11.6	14.9	16.0	21.6
Demand Deposits	26.8	27.6	23.1	19.2	19.4
Quasi Money	108.5	113.7	127.6	135.1	151.4
Savings Deposits	93.4	99.8	110.6	118.0	129.8
Time Deposits	5.6	6.1	9.2	10.4	13.2
Foreign Currency Deposits	9.5	7.7	7.8	6.7	8.3

Source: ECCB

Data available at 20 March 2012

Table 34
Montserrat - Selected Tourism Statistics

	2007	2008	2009	2010	2011
Total Visitor Arrivals	10,450	10,159	8,864	9,578	10,472
Stay-Over Arrivals	7,746	7,360	6,311	5,981	5,395
Of Which:					
USA	2,109	1,922	1,606	1,665	1,526
Canada	388	425	367	404	320
UK	2,190	2,152	1,864	1,380	1,329
Caribbean	2,796	2,658	2,267	2,259	1,881
Other Countries	263	203	207	273	339
Excursionists	968	959	1,024	1,726	1,997
Cruise Ship Passengers	273	0	189	878	1,114
Yacht Passengers	1,463	1,840	1,340	993	1,966
Number of Yacht	311	354	295	216	352
Number of Cruise Ship Calls	3	0	1	4	3
Total Visitor Expenditure (EC\$M)	20.1	19.0	16.4	15.9	14.0

Source: Ministry of Finance and ECCB

Data available at 20 March 2012



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

	2007	2008	2009	2010 ^R	2011 ^P
Current Account	(28.1)	(53.2)	(34.3)	(53.3)	(26.0)
Goods and Services	(73.7)	(105.1)	(77.3)	(82.9)	(82.6)
Goods	(62.1)	(79.6)	(61.7)	(67.1)	(67.7)
Merchandise	(63.3)	(79.6)	(61.9)	(67.3)	(67.9)
Repair on goods	0.0	0.0	0.0	0.0	0.0
Goods procured in ports by carriers	1.2	0.0	0.2	0.2	0.2
Services	(11.6)	(25.5)	(15.7)	(15.7)	(14.9)
Transport	(13.5)	(16.7)	(14.5)	(14.8)	(14.5)
Travel	12.3	10.3	8.4	8.0	7.3
Insurance Services	(1.9)	(2.1)	(1.6)	(0.8)	(0.9)
Other Business Services	(0.7)	(1.2)	(4.9)	(6.4)	(5.3)
Government Services	(7.8)	(15.8)	(3.1)	(1.8)	(1.6)
Income	(10.1)	(12.0)	(9.8)	(10.3)	(9.7)
Compensation of Employees	(1.6)	(1.4)	(2.0)	(1.2)	(1.1)
Investment Income	(8.5)	(10.6)	(7.7)	(9.1)	(8.6)
Current Transfers	55.7	64.0	52.8	39.8	66.3
General Government	63.1	71.3	58.8	46.2	73.2
Other Sectors	(7.4)	(7.3)	(6.0)	(6.4)	(6.9)
Capital and Financial Account	27.9	45.5	41.4	60.1	47.6
Capital Account	13.7	20.6	50.6	29.6	27.3
Capital Transfers	13.7	20.6	50.6	29.6	27.3
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	14.2	24.9	(9.2)	30.5	20.3
Direct Investment	18.5	34.2	6.9	9.6	9.3
Portfolio Investment	0.3	(1.4)	1.3	1.0	1.0
Other Investments	(4.6)	(7.9)	(17.4)	19.9	10.0
Public Sector Long Term	(1.0)	(0.6)	(0.6)	(0.5)	(0.5)
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	(1.7)	(3.8)	(10.5)	5.4	(23.6)
Other Assets	(10.5)	0.1	10.2	9.0	23.5
Other Liabilities*	8.6	(3.6)	(16.5)	6.1	10.5
Overall Balance	(0.3)	(7.6)	7.1	6.8	21.6
Financing	0.3	7.6	(7.1)	(6.8)	(21.6)
Change in SDR holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	0.1	-	-	-	-
Change in Imputed Reserves	0.2	7.6	(7.1)	(6.8)	(21.6)

Source: ECCB and Ministry of Finance

*includes errors and omissions

Data available at 20 March 2012



Table 36
St Kitts and Nevis Selected Economic Indicators

	2007	2008	2009	2010	2011
<i>(annual percentage change unless otherwise indicated)</i>					
National Income and Prices					
Nominal GDP at Factor Cost	11.9	6.7	(5.6)	(2.5)	(0.6)
Real GDP at Factor Cost	5.0	4.0	(5.6)	(2.7)	(2.0)
GDP Deflator	6.6	2.5	(0.1)	0.2	1.4
Consumer Prices (end of period)	2.1	7.6	1.0	3.9	(0.1)
Consumer Prices (period average)	4.5	5.4	1.9	0.5	4.7
Real GDP at basic prices by Selected Sectors					
Agriculture , Forestry and Fishing	5.9	3.2	(8.6)	5.1	2.6
Manufacturing	6.1	10.2	(19.6)	2.2	4.7
Mining and Quarrying	(12.3)	(28.1)	51.3	(26.9)	(8.7)
Electricity and Water	0.4	2.4	6.7	(4.3)	4.2
Construction	11.2	(4.8)	(15.3)	(12.0)	(13.7)
Wholesale and Retail Trade	(3.2)	10.9	(15.4)	(5.0)	(8.5)
Hotels and Restaurants	(11.2)	3.7	(26.8)	3.3	(0.7)
Transport , Storage and Communications	9.5	11.6	0.1	7.8	1.8
Transport and Storage	10.9	12.3	(3.9)	6.2	2.7
Communications	5.3	10.7	4.9	9.5	1.0
Financial Intermediation	6.7	(0.7)	(6.3)	(2.7)	(0.6)
Real Estate, Renting and Business Activities	2.5	6.0	3.0	3.2	(0.7)
Public Administration, Defence & Compulsio	19.4	5.9	16.2	(15.0)	0.9
Education	2.9	5.5	5.7	5.4	3.2
Health and Social Work	4.9	2.2	4.1	(7.3)	(0.2)
Other Services	19.4	16.7	4.6	(18.2)	(9.5)
FISIM	2.9	(4.8)	(21.7)	7.4	(0.2)
Import Cover Ratio	20.9	19.6	28.9	32.5	39.6
<i>(as a percentage of GDP)</i>					
External Sector					
Current Account Balance	(16.1)	(23.7)	(24.9)	(19.2)	(8.6)
Overall Balance	1.0	2.0	3.8	4.9	8.9
Merchandise Trade Balance	(27.3)	(30.1)	(31.9)	(30.2)	(24.7)
Public Sector External Debt (end-of-period)	45.1	41.3	43.4	45.8	43.4
Central Government					
Current Account Balance	0.9	0.3	(0.5)	(1.2)	0.4
Current Revenue	27.7	27.2	28.8	27.9	34.5
Current Expenditure	26.9	26.8	29.3	29.2	34.1
Capital Expenditure and Net Lending	5.4	4.3	4.7	6.5	4.5
Overall Fiscal Balance	(1.8)	(0.2)	(1.0)	(4.4)	0.8
<i>(per cent per annum)</i>					
Monetary Sector					
Weighted Average Deposit Interest Rate	3.8	3.7	3.4	3.5	3.4
Weighted Average Lending Interest Rate	9.0	8.6	8.5	8.5	9.1
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at basic prices	1,613.5	1,721.3	1,624.0	1,583.0	1,573.0
Real GDP at basic prices	1,513.8	1,575.0	1,486.9	1,446.9	1,417.9
Nominal GDP at market prices	1,861.6	1,998.3	1,859.4	1,817.6	1,882.7
GDP Per Capita (EC\$)	36,760	38,953	35,535	34,056	28,895
Merchandise Imports (f.o.b)	646.7	771.8	677.4	636.9	589.3
Merchandise Exports (f.o.b)	139.4	169.3	85.0	88.5	123.5
Gross Visitor Expenditure	336.9	297.2	225.4	243.1	250.2

Source: Statistics Department and ECCB

Data available at 21 March 2012



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

	2007	2008	2009	2010	2011
Current Revenue	516.14	542.91	536.39	507.82	650.10
Tax Revenue	399.57	420.72	394.46	342.97	408.21
Taxes on Income and Profit	115.95	134.76	147.60	92.60	87.29
of which:					
Company	77.49	92.78	108.86	53.20	38.40
Social Services Levy	33.01	37.21	36.22	33.34	38.44
Taxes on Property	7.42	6.35	8.89	9.36	8.75
Taxes on Domestic Goods and Services	84.11	83.86	69.67	84.39	207.80
of which:					
Hotel Room Tax	14.25	13.52	4.54	4.73	0.29
Licences	9.73	9.33	9.64	9.76	7.39
Gasoline Levy	0.65	0.00	0.10	0.00	0.00
Stamp duties	38.35	33.00	32.38	29.72	16.78
Value Added Tax	-	-	-	18.66	150.17
Taxes on International Trade and Transactions	192.09	195.76	168.30	156.61	104.37
of which:					
Import Duty	53.08	53.02	46.26	48.50	48.39
Consumption Tax	94.17	95.14	78.65	65.16	1.86
Customs Service Charge	35.28	38.18	34.10	33.50	32.01
Non-Tax Revenue	116.57	122.18	141.92	164.85	241.89
Current Expenditure	500.09	536.23	545.25	530.14	641.91
Personal Emoluments	189.72	212.11	233.89	223.50	221.99
Goods and Services	140.38	137.20	129.11	118.09	210.24
Interest Payments	115.89	128.30	123.16	131.03	113.48
Domestic	76.86	86.90	80.72	90.47	86.80
External	39.03	41.40	42.44	40.56	26.68
Transfers and Subsidies	54.10	58.63	59.09	57.52	96.20
of which: Pensions	23.62	19.53	21.38	22.06	24.13
Current Account Balance	16.05	6.67	(8.86)	(22.32)	8.20
Capital Revenue	36.44	62.00	18.24	12.85	9.66
Grants	28.37	28.25	67.56	53.96	80.38
of which: Capital Grants	27.65	24.16	11.87	8.65	6.56
Capital Expenditure and Net Lending	113.78	101.76	95.26	124.15	83.85
of which: Capital Expenditure	100.68	86.40	87.69	118.42	84.42
Primary Balance (after grants)	82.98	123.46	104.83	51.37	127.87
Overall Balance (before Grants)	(61.28)	(33.09)	(85.89)	(133.62)	(65.99)
Overall Balance (after grants)	(32.91)	(4.83)	(18.33)	(79.66)	14.39
Financing	32.91	4.83	18.33	79.66	(14.39)
Domestic	78.96	(38.42)	46.63	105.93	(64.06)
ECCB (net)	(0.44)	(24.61)	36.21	(13.62)	(47.00)
Commercial Banks (net)	42.72	(103.11)	54.09	81.65	(77.10)
Other	36.68	89.30	(43.67)	37.90	60.05
External	(46.05)	43.25	(28.30)	(26.27)	49.67
Net Disbursements/(Amortisation)	(46.05)	43.25	(28.30)	(26.27)	13.17
Disbursements	24.85	99.52	32.15	36.53	106.26
Amortisation	(70.90)	(56.27)	(60.45)	(62.80)	(93.09)
Change in Govt. Foreign Assets	0.00	0.00	0.00	0.00	36.50
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, Treasury Department and ECCB Estimates

Data available at 21 March 2012



Table 38
St Kitts and Nevis - Monetary Survey
(In millions of Eastern Caribbean dollars)

	2007	2008	2009	2010	2011
Net Foreign Assets	557.56	746.66	607.36	641.02	920.88
Central Bank (net)	258.28	297.75	331.92	420.29	625.15
Commercial Banks (net)	299.28	448.91	275.45	220.73	295.73
External (net)	425.55	506.69	469.06	393.14	470.38
Assets	870.40	962.21	1,297.64	1,304.82	1,317.90
Liabilities	444.85	455.52	828.59	911.68	847.52
Other ECCB Territories (net)	(126.27)	(57.78)	(193.61)	(172.41)	(174.65)
Assets	227.99	344.02	380.50	500.21	587.61
Liabilities	354.26	401.80	574.11	672.61	762.26
Net Domestic Assets	1,079.07	922.18	1,158.37	1,269.98	1,182.20
Domestic Credit	1,566.74	1,608.94	1,708.44	1,833.01	1,712.10
Central Government (net)	735.20	685.63	782.35	850.82	726.20
Other Public Sector (net)	(341.82)	(319.44)	(384.97)	(374.45)	(420.49)
Private Sector	1,173.36	1,242.75	1,311.06	1,356.63	1,406.38
Households	654.25	737.21	794.74	855.68	891.60
Business	364.49	419.38	435.43	410.40	427.50
Non-Bank Financial Institutions (net)	108.99	41.32	46.48	47.35	48.33
Subsidiaries and Affiliates (net)	45.63	44.83	34.41	43.21	38.95
Other Items (net)	(487.67)	(686.76)	(550.08)	(563.02)	(529.89)
Money Supply (M2)	1,636.62	1,668.85	1,765.73	1,911.01	2,103.09
Money Supply (M1)	237.99	270.05	261.68	357.33	481.05
Currency	56.19	70.12	78.33	101.05	101.99
Demand Deposits	169.85	181.59	171.97	247.98	368.24
Quasi Money	1,398.63	1,398.80	1,504.05	1,553.68	1,622.04
Savings Deposits	565.62	602.57	638.55	638.43	684.78
Time Deposits	377.63	398.12	490.97	552.40	581.29
Foreign Currency Deposits	455.39	398.10	374.53	362.84	355.97

Source: ECCB

Data available at 21 March 2012

Table 39
St Kitts and Nevis - Selected Tourism Statistics

	2007	2008	2009	2010	2011
Total Visitor Arrivals	379,473	533,353	547,561	625,042	711,285
Stay-Over Arrivals	123,062	127,705	93,081	98,682	98,167
of which:					
USA	69,894	76,455	54,410	58,945	61,807
Canada	7,116	7,805	6,413	6,075	5,562
UK	12,162	9,970	6,496	8,456	8,158
Caribbean	28,822	28,982	22,410	21,266	18,917
Other Countries	2,741	2,231	1,958	2,233	2,477
Excursionists	5,177	3,920	3,718	6,961	3,327
Yacht Passengers	1,911	812	209	3,612	4,384
Cruise Ship Passengers	249,323	400,916	450,553	515,787	605,407
Number of Cruise Ship Calls	242	232	235	293	254
Total Visitor Expenditure (EC\$M)	336.9	297.2	225.4	243.1	250.2

Source: Tourism Authority, Immigration Department and ECCB Estimates

Data available at 21 March 2012



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

	2007	2008	2009	2010	2011
Current Account	(300.43)	(473.02)	(463.19)	(348.74)	(162.81)
Goods and Services	(298.27)	(474.87)	(479.37)	(367.26)	(234.92)
Goods	(490.91)	(585.56)	(575.75)	(531.35)	(441.96)
Merchandise	(507.28)	(602.46)	(592.37)	(548.41)	(465.81)
Repair on goods	0.20	0.26	0.53	0.54	0.78
Goods procured in ports by carriers	16.17	16.63	16.08	16.53	23.07
Services	192.65	110.70	96.38	164.09	207.04
Transport	(80.80)	(120.19)	(74.40)	(77.65)	(73.05)
Travel	303.20	258.00	194.39	204.85	210.85
Insurance Services	(22.86)	(32.50)	(28.37)	(29.75)	(24.91)
Other Business Services	(11.96)	0.08	(2.18)	(6.94)	1.78
Government Services	5.08	5.30	6.94	73.58	92.36
Income	(80.95)	(87.58)	(105.74)	(107.24)	(82.08)
Compensation of Employees	(1.37)	(1.48)	(1.46)	(1.12)	(1.51)
Investment Income	(79.58)	(86.10)	(104.28)	(106.12)	(80.57)
Current Transfers	78.78	89.43	121.92	125.76	154.18
General Government	12.39	12.43	41.63	33.97	62.16
Other Sectors	66.39	77.00	80.29	91.79	92.03
Capital and Financial Account	319.82	512.77	533.35	437.33	331.07
Capital Account	38.28	60.19	23.73	49.33	31.00
Capital Transfers	38.28	60.19	23.73	49.33	31.00
Acquisition and Disposal of Non-Produced, Non-Financial Assets	0.00	0.00	0.00	0.00	0.00
Financial Account	281.54	452.58	509.62	388.00	300.06
Direct Investment	363.11	480.35	353.03	361.20	307.95
Portfolio Investment	(35.03)	28.27	(30.13)	(40.19)	(33.04)
Other Investments	(46.53)	(56.04)	186.73	66.99	25.15
Public Sector Long Term	(1.33)	68.26	(4.52)	1.38	36.28
Commercial Banks	(80.48)	(149.63)	173.47	54.72	(75.00)
Other Assets	16.44	(16.62)	(17.07)	(8.53)	(13.73)
Other Liabilities*	18.84	41.95	34.85	19.43	77.61
Overall Balance	19.39	39.75	70.16	88.59	168.25
Financing	(19.39)	(39.75)	(70.16)	(88.59)	(168.25)
Change in SDR holdings	0.00	0.00	(35.99)	0.00	36.60
Change in Reserve Position with the Fund	0.00	0.00	0.00	0.00	0.00
Change in Government Foreign Assets	(0.26)	(0.28)	0.00	(0.21)	0.00
Change in Imputed Reserves	(19.13)	(39.47)	(34.17)	(88.38)	(204.85)

Source: Planning Unit and ECCB

* Includes errors and omissions

Data available at 21 March 2012



Table 41
Saint Lucia - Selected Economic Indicators

	2007	2008	2009	2010	2011
<i>(annual percentage change unless otherwise stated)</i>					
National Income and Prices					
Nominal GDP at basic prices	12.2	3.7	0.1	3.2	0.6
Real GDP at basic prices	2.4	5.3	0.3	0.6	1.0
GDP Deflator	9.6	(1.5)	(0.2)	2.6	(0.4)
Consumer Prices (end of period)	8.2	3.4	(3.1)	4.2	4.8
Consumer Prices (period average)	3.1	6.6	(0.2)	3.3	2.8
Real GDP at Factor Cost by Selected Sectors					
Agriculture, Forestry and Fishing	(3.7)	33.0	(7.3)	(21.5)	(8.1)
Manufacturing	13.0	(5.3)	5.6	(3.0)	2.5
Mining and Quarrying	60.1	(23.9)	(17.4)	10.5	(3.9)
Electricity and Water	4.5	1.9	4.4	2.0	1.8
Construction	(28.3)	26.7	(0.5)	(9.4)	2.1
Wholesale and Retail Trade	3.1	1.0	(14.9)	(3.8)	5.6
Hotels and Restaurants	0.4	(3.2)	(0.9)	7.2	2.4
Transport, Storage and Communications	13.4	1.8	2.9	0.7	(4.6)
Transport and Storage	18.6	1.6	3.7	1.8	(2.9)
Communications	5.9	2.3	1.6	(1.1)	(7.3)
Financial Intermediation	11.0	5.5	(1.0)	(1.0)	(0.2)
Real Estate, Renting and Business Activities	6.6	4.0	2.4	7.6	1.0
Public Administration, Defence & Compulsory Social Security	8.1	6.4	1.3	10.0	(1.2)
Education	7.0	3.6	7.0	3.0	4.8
Health and Social Work	4.2	2.1	2.2	(4.9)	12.7
Other Services	9.8	12.6	15.9	2.1	9.5
FISIM	26.5	6.2	8.3	(1.1)	(1.6)
<i>(as a percentage of GDP)</i>					
External Sector					
Current Account Balance	(30.4)	(28.9)	(11.9)	(15.1)	(23.3)
Overall Balance	1.6	(0.9)	2.8	2.6	0.6
Merchandise Trade Balance	(41.1)	(39.1)	(24.9)	(30.5)	(37.3)
Public Sector External Debt (end-of-period)	35.2	31.0	31.8	32.5	34.2
Central Government					
Current Account Balance	9.9	4.9	3.4	1.6	1.2
Current Revenue	23.0	24.6	24.3	23.8	24.7
Current Expenditure	13.1	19.8	20.9	22.2	23.4
Capital Expenditure and Net Lending	7.1	5.7	6.3	4.5	9.6
Overall Fiscal Balance	3.1	0.0	(2.1)	(0.6)	(7.2)
<i>(per cent per annum)</i>					
Monetary Sector					
Weighted Average Deposit Interest Rate	3.1	3.2	3.1	3.3	3.1
Weighted Average Lending Interest Rate	8.8	9.6	9.7	9.5	9.0
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at basic prices	2,593.9	2,689.5	2,691.7	2,777.3	2,794.1
Real GDP at basic prices	2,364.3	2,488.6	2,496.0	2,511.0	2,537.0
Nominal GDP at market prices	3,057.5	3,172.2	3,169.6	3,263.9	3,291.5
GDP per capita (ECS)	18,163	18,624	18,388	18,788	18,575
Merchandise Imports (f.o.b)	1,462.6	1,633.0	1,236.5	1,574.1	1,663.1
Merchandise Exports (f.o.b)	205.5	391.7	448.1	579.2	435.9
Gross Visitor Expenditure	814.5	839.7	799.7	888.1	856.1

Source: Statistics Department and ECCB

Data available at 20 March 2012



Table 42
Saint Lucia - Central Government Fiscal Operations
(In million of Eastern Caribbean dollars)

	2007	2008	2009	2010 ^R	2011 ^P
Current Revenue	703.4	781.3	770.8	776.2	812.0
Tax Revenue	659.0	725.3	724.0	729.0	762.8
Taxes on Income and Profit	176.6	225.7	226.3	223.2	245.2
of which:					
Personal	66.1	76.3	77.5	79.9	89.6
Company	72.8	111.9	109.4	89.8	101.3
Taxes on Property	4.9	2.3	4.2	3.3	4.0
Taxes on Domestic Goods and Services	119.7	132.2	107.4	125.1	124.2
of which:					
Stamp Duty	31.0	28.7	20.3	16.7	16.0
Hotel Occupancy Tax	30.8	37.5	24.7	33.5	33.3
Licenses	19.6	26.5	19.0	25.1	21.8
Taxes on International Trade and Transactions	357.9	365.1	386.1	377.4	389.4
of which:					
Consumption Tax (Imports)	113.5	115.7	164.0	111.8	112.4
Import Duty	105.4	108.2	93.7	99.3	105.7
Service Charge (Imports)	66.7	67.3	61.2	61.9	69.1
Excise Tax (Imports)	40.1	38.2	26.3	67.8	68.9
Non-Tax Revenue	44.4	55.9	46.8	47.2	49.2
Current Expenditure	401.6	627.4	661.8	723.2	771.0
Personal Emoluments	252.4	288.3	309.0	336.6	344.8
Goods and Services	22.7	133.1	135.0	148.7	166.4
Interest Payments	81.1	78.4	89.8	92.8	102.1
Domestic	34.8	33.2	44.2	50.4	58.4
External	46.3	45.2	45.6	42.5	43.7
Transfers and Subsidies	45.5	127.7	127.9	145.0	157.6
of which: Pensions	41.0	6.7	7.0	55.7	58.2
Current Account Balance (before grants)	301.8	153.9	109.0	53.1	41.1
Capital Revenue	0.0	6.7	0.1	8.6	0.5
Grants	9.3	20.7	25.9	64.0	34.7
of which: Capital Grants	9.3	20.7	25.9	64.0	34.7
Capital Expenditure and Net Lending	216.3	179.9	200.2	146.2	314.8
of which: Capital Expenditure	216.3	179.9	200.2	146.2	314.8
Primary Balance (after grants)	175.8	79.8	24.6	72.4	(136.3)
Overall Balance (before grants)	85.5	(19.3)	(91.1)	(84.5)	(273.2)
Overall Balance (after grants)	94.8	1.4	(65.2)	(20.5)	(238.4)
Financing	(94.8)	(1.4)	65.2	20.5	238.4
Domestic	(158.8)	3.2	28.4	(55.4)	157.4
ECCB (net)	(23.4)	49.1	(9.1)	(46.6)	(2.7)
Commercial Banks (net)	72.6	2.7	(12.2)	(53.0)	53.7
Other	(208.1)	(48.5)	49.8	44.2	106.3
External	64.1	(4.6)	36.8	75.9	81.1
Net Disbursements/(Amortisation)	62.8	(4.6)	36.8	75.9	81.1
Disbursements	112.5	63.1	103.8	204.1	153.0
Amortisation	(49.7)	(67.7)	(67.0)	(128.2)	(72.0)
Change in Government Foreign Assets	1.3	0.0	0.0	0.0	0.0
Arrears	0.0	0.0	0.0	0.0	0.0
Domestic	0.0	0.0	0.0	0.0	0.0
External	0.0	0.0	0.0	0.0	0.0

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 20 March 2012



Table 43
Saint Lucia - Monetary Survey
(In millions of Eastern Caribbean dollars)

	2007	2008	2009	2010	2011
Net Foreign Assets	(47.66)	(543.34)	(503.58)	(303.85)	(494.69)
Central Bank (net)	408.25	378.76	406.63	492.29	512.37
Commercial Banks (net)	(455.91)	(922.10)	(910.21)	(796.14)	(1,007.06)
External (net)	(292.15)	(525.60)	(572.59)	(410.15)	(591.97)
Assets	486.22	396.94	441.69	420.98	368.37
Liabilities	778.37	922.55	1,014.28	831.13	960.34
Other ECCB Territories (net)	(163.76)	(396.50)	(337.62)	(385.99)	(415.09)
Assets	584.43	306.74	367.66	416.07	454.50
Liabilities	748.19	703.24	705.28	802.06	869.59
Net Domestic Assets	2,368.86	3,021.02	3,014.39	2,863.04	3,224.45
Domestic Credit	3,112.34	3,453.35	3,456.10	3,395.22	3,597.63
Central Government (net)	17.25	69.03	47.66	(52.01)	(0.96)
Other Public Sector (net)	(243.41)	(296.29)	(337.01)	(340.35)	(288.90)
Private Sector	3,338.51	3,680.61	3,745.45	3,787.58	3,887.49
Households	1,191.79	1,273.77	1,240.90	1,307.75	1,349.27
Business	1,899.01	2,176.10	2,297.73	2,329.69	2,384.41
Non-Bank Financial Institutions (net)	38.10	57.94	41.25	30.45	22.48
Subsidiaries and Affiliates (net)	209.61	172.80	165.57	119.69	131.34
Other Items (net)	(743.49)	(432.33)	(441.71)	(532.18)	(373.17)
Money Supply (M2)	2,321.19	2,477.68	2,510.80	2,559.19	2,729.77
Money Supply	684.91	672.51	659.58	644.53	675.40
Currency	128.05	142.57	142.46	151.53	165.24
Demand Deposits	540.78	518.85	504.23	481.77	496.55
Quasi Money	1,636.29	1,805.17	1,851.22	1,914.66	2,054.37
Savings Deposits	1,167.79	1,226.57	1,301.71	1,319.01	1,393.50
Time Deposits	319.20	420.06	405.44	443.67	490.99
Foreign Currency Deposits	149.30	158.54	144.07	151.99	169.88

Source: ECCB

Data available at 20 March 2012

Table 44
Saint Lucia - Selected Tourism Statistics

	2007	2008	2009	2010	2011
Total Visitor Arrivals	931,685	947,445	1,014,761	1,026,212	989,156
Stay-Over Arrivals	287,518	295,761	278,491	305,937	304,639
of Which:					
USA	113,433	108,596	98,685	129,085	123,599
Canada	18,640	26,279	28,563	32,154	35,359
UK	79,180	83,693	71,853	67,417	71,635
Caribbean	59,049	59,757	60,179	53,998	52,282
Other Countries	17,216	17,436	19,211	23,283	21,764
Excursionists	7,841	9,582	4,967	7,613	11,059
Cruise Ship Passengers	610,163	619,680	699,306	670,043	630,444
Yacht Passengers	26,163	22,422	31,997	42,619	43,014
Number of Cruise Ship Calls	314	315	397	380	347
Total Visitor Expenditure (EC\$M)	814.5	839.7	799.7	888.1	856.1

Source: Saint Lucia Tourist Board

Data available at 20 March 2012



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

	2007	2008	2009	2010 ^R	2011 ^P
Current Account	(930.6)	(917.6)	(377.2)	(493.6)	(766.1)
Goods and Services	(783.7)	(767.4)	(280.8)	(423.9)	(711.2)
Goods	(1,189.3)	(1,167.3)	(719.9)	(929.1)	(1,177.7)
Merchandise	(1,257.1)	(1,241.3)	(788.4)	(994.9)	(1,227.2)
Repair on goods	-	-	-	-	-
Goods procured in ports by carriers	67.8	74.0	68.5	65.8	49.5
Services	405.6	399.9	439.1	505.2	466.5
Transport	(171.2)	(205.1)	(151.7)	(169.6)	(182.7)
Travel	700.4	717.4	673.6	760.0	724.5
Insurance Services	(22.2)	(31.4)	(16.4)	(24.1)	(26.4)
Other Business Services	(88.7)	(68.7)	(58.5)	(54.9)	(42.5)
Government Services	(12.7)	(12.3)	(7.9)	(6.2)	(6.4)
Income	(183.5)	(194.1)	(129.9)	(110.7)	(111.0)
Compensation of Employees	0.5	0.5	0.5	1.0	1.0
Investment Income	(184.0)	(194.6)	(130.5)	(111.7)	(112.0)
Current Transfers	36.6	43.8	33.5	41.0	56.0
General Government	7.5	10.5	1.4	4.5	14.6
Other Sectors	29.1	33.3	32.1	36.5	41.4
Capital and Financial Account	980.6	888.1	466.7	579.3	785.8
Capital Account	23.4	29.4	69.8	118.2	106.8
Capital Transfers	23.4	29.4	69.8	118.2	106.8
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	957.2	858.8	397.0	461.1	679.0
Direct Investment	734.1	435.3	395.3	297.0	218.6
Portfolio Investment	1.3	(25.8)	(78.7)	82.6	104.1
Other Investments	221.8	449.3	80.4	81.5	356.3
Public Sector Long Term	54.7	(25.5)	36.3	22.5	103.8
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	216.6	466.2	(11.9)	(114.1)	210.9
Other Assets	(78.7)	19.6	55.8	58.6	60.2
Other Liabilities*	29.2	(11.0)	0.2	114.5	(18.7)
Overall Balance	50.0	(29.5)	89.5	85.7	19.7
Financing	(50.0)	29.5	(89.5)	(85.7)	(19.7)
Change in SDR Holdings	-	-	(61.7)	-	0.4
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	1.3	-	-	-	-
Change in Imputed Reserves	(51.3)	29.5	(27.9)	(85.7)	(20.1)

Source: ECCB and Statistics Department

* includes errors and omissions

Data available at 20 March 2012



Table 46
St Vincent and the Grenadines - Selected Economic Indicators

	2007 ^R	2008 ^R	2009 ^R	2010 ^R	2011 ^P
<i>(annual percentage change unless otherwise stated)</i>					
National Income and Prices					
Nominal GDP at basic prices	11.8	0.1	(3.9)	1.3	1.8
Real GDP at basic prices	3.1	(0.6)	(2.3)	(1.8)	0.0
Nominal GDP at Market Prices	12.1	2.1	(3.8)	0.4	2.0
GDP Deflator	8.4	0.7	(1.6)	3.2	1.8
Consumer Prices (end of period)	8.3	8.7	(1.6)	2.0	4.7
Consumer Prices (period average)	6.9	10.1	0.4	1.5	3.6
Real GDP at Factor Cost by Selected Sectors					
Agriculture, Forestry and Fishing	9.8	(0.8)	13.0	(18.6)	(15.2)
Fishing	25.3	(40.2)	55.8	(18.7)	(3.0)
Mining and Quarrying	13.8	5.1	(8.3)	(2.2)	1.0
Manufacturing	(4.5)	0.8	(8.6)	4.4	6.5
Electricity and Water	4.0	(1.6)	3.2	(4.5)	(2.4)
Construction	13.0	(10.3)	(8.3)	(2.2)	1.0
Wholesale and Retail Trade	9.1	3.9	(8.5)	-	(2.0)
Hotels and Restaurants	(0.3)	(5.5)	(22.1)	(20.0)	18.7
Transport, Storage and Communications	(1.8)	1.3	(1.5)	(0.1)	(1.1)
Transport	5.0	1.1	0.1	(0.7)	(2.2)
Communication	(15.3)	1.8	(5.4)	1.5	1.5
Financial Intermediation	(3.9)	(1.3)	1.4	(8.0)	(2.2)
Real Estate, Renting and Business Activities	0.7	2.1	(1.6)	0.2	1.9
Public Administration, Defence & Compulsory Social Security	6.3	8.0	3.0	6.8	2.5
Education	(2.7)	(20.3)	0.8	1.8	3.9
Health and Social Work	4.9	5.4	4.6	5.4	0.7
Other Services	(4.7)	18.3	(2.5)	1.5	1.5
FISIM	6.3	10.8	(2.1)	0.4	(8.0)
Import Cover Ratio	7.1	5.9	5.5	6.6	5.5
<i>(in percent of GDP)</i>					
External Sector					
Current Account Balance	(28.0)	(32.9)	(29.4)	(31.6)	(30.2)
Overall Balance	(0.3)	(0.5)	0.7	3.7	(3.3)
Merchandise Trade Balance	(35.0)	(39.5)	(36.2)	(38.0)	(37.1)
Public Sector External Debt (end-of-period)	32.0	33.6	38.8	45.3	46.3
Central Government					
Current Account Balance	3.0	3.1	(0.2)	0.6	(1.3)
Current Revenue	23.5	25.9	25.7	26.6	24.5
Current Expenditure	20.5	22.8	25.9	26.0	25.8
Capital Expenditure and Net Lending	7.1	6.9	5.8	4.3	3.4
Overall Fiscal Balance	(2.5)	(0.6)	(1.7)	(2.9)	(2.6)
<i>(in percent per annum)</i>					
Monetary Sector					
Weighted Average Deposit Interest Rate	2.8	2.8	2.9	2.8	2.9
Weighted Average Lending Interest Rate	9.6	9.6	9.1	9.0	9.1
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at basic prices	1,579.7	1,580.8	1,519.0	1,539.0	1,567.5
Real GDP at basic prices	1,457.3	1,448.6	1,415.3	1,389.4	1,389.9
Nominal GDP at market prices	1,848.7	1,887.7	1,815.2	1,821.9	1,857.6
GDP per capita (EC\$)	18,463	19,051	18,119	17,976	18,147
Merchandise Imports (f.o.b)	776.5	886.5	792.6	803.0	794.3
Merchandise Exports (f.o.b)	128.8	141.0	135.2	110.9	105.5
Gross Visitor Expenditure	297.0	259.3	236.3	232.7	243.2

Source: Statistics Department and ECCB

Data available at 20 March 2012



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

	2007	2008	2009	2010 ^R	2011 ^P
Current Revenue	433.5	489.5	462.7	483.8	454.6
Tax Revenue	402.6	448.0	428.0	421.5	411.7
Taxes on Income and Profit	103.6	110.4	110.6	108.8	114.4
of which:					
Individual	54.3	56.0	57.9	61.7	67.3
Company Tax	43.1	46.7	44.8	40.0	37.9
Taxes on Property	2.6	2.2	2.7	2.9	2.7
Taxes on Domestic Goods and Services	185.3	245.8	233.9	228.0	213.5
of which:					
Stamp Duty	28.0	29.2	18.9	22.7	15.7
Excise Tax	13.9	17.3	32.7	26.7	24.3
Value Added Tax	88.1	153.5	142.4	136.6	132.3
Taxes on International Trade and Transactions	111.1	89.5	80.7	81.8	81.2
of which:					
Import Duty	43.9	45.6	44.8	48.2	47.1
Consumption Tax	32.0	0.5	6.6	-	-
Customs Service Charge	28.7	30.8	24.4	29.3	30.7
Non-Tax Revenue	30.9	41.6	34.7	62.3	42.9
Current Expenditure	378.8	431.3	465.5	473.2	498.4
Personal Emoluments	189.0	206.8	212.0	221.8	231.2
Goods and Services	74.7	91.0	85.6	67.1	73.6
Interest Payments	45.3	46.8	48.1	52.4	45.5
Domestic	23.9	23.8	25.6	31.2	22.9
External	21.3	23.0	22.6	21.2	22.6
Transfers and Subsidies	69.9	86.7	119.7	131.9	148.2
of which: Pensions	29.2	36.7	41.2	45.3	45.0
Current Account Balance	54.7	58.2	(2.8)	(8.6)	(43.8)
Capital Revenue	0.9	15.7	1.5	1.0	8.8
Grants	30.0	45.2	58.3	14.2	29.5
of which: Capital Grants	30.0	45.2	58.3	14.2	29.5
Capital Expenditure and Net Lending	131.5	131.0	106.0	78.4	63.0
of which: Capital Expenditure	131.5	131.0	106.0	78.4	63.0
Primary Balance (after grants)	(0.5)	34.9	(0.8)	(15.4)	(23.0)
Overall Balance (before grants)	(75.8)	(57.1)	(107.3)	(81.3)	(98.0)
Overall Balance (after grants)	(45.8)	(11.9)	(49.0)	(67.2)	(68.5)
Financing	45.8	11.9	49.0	67.2	68.5
Domestic	(1.6)	(1.8)	2.3	(172.1)	20.3
Central Banks (net)	14.3	4.7	(21.9)	1.3	21.7
Commercial Banks (net)	4.8	15.8	41.2	(106.6)	0.5
Other	(20.7)	(22.3)	(17.0)	(66.9)	(1.9)
External	47.4	13.7	22.2	174.3	30.6
Net Disbursements/(Amortisation)	20.1	13.1	22.2	146.3	30.6
Disbursements	60.0	61.9	69.1	201.9	82.6
Amortisation	(39.9)	(48.7)	(46.9)	(55.6)	(52.0)
Change in Govt. Foreign Assets	27.2	0.6	-	-	-

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 20 March 2012



Table 48
St Vincent and the Grenadines - Monetary Survey
(In millions of Eastern Caribbean dollars)

	2007	2008	2009	2010 ^R	2011 ^P
Net Foreign Assets	352.46	384.94	361.19	474.45	393.15
Central Bank (net)	232.68	223.88	203.03	299.13	236.96
Commercial Banks (net)	119.78	161.06	158.16	175.33	156.19
External (net)	61.14	17.42	(26.29)	(94.02)	(100.81)
Assets	228.92	210.61	160.01	139.76	126.02
Liabilities	167.78	193.18	186.30	233.78	226.83
Other ECCB Territories (net)	58.64	143.64	184.45	269.35	257.00
Assets	338.78	377.95	365.48	390.72	366.69
Liabilities	280.14	234.31	181.03	121.37	109.69
Net Domestic Assets	711.01	697.97	724.58	639.55	716.99
Domestic Credit	933.88	985.53	1,029.23	891.99	906.67
Central Government (net)	87.83	108.29	127.61	22.33	44.50
Other Public Sector (net)	(53.15)	(49.20)	(41.23)	(90.35)	(137.07)
Private Sector	899.20	926.44	942.85	960.00	999.25
Households	540.84	588.68	592.67	597.42	637.33
Business	350.62	329.31	343.71	355.92	330.06
Non-Bank Financial Institutions (net)	7.75	8.45	6.47	6.66	27.86
Subsidiaries and Affiliates (net)	-	-	-	-	4.00
Other Items (net)	(222.87)	(287.56)	(304.65)	(252.44)	(189.68)
Money Supply (M2)	1,063.47	1,082.91	1,085.77	1,114.00	1,110.14
Money Supply (M1)	398.14	386.29	359.13	345.66	331.73
Currency	89.82	80.54	63.50	50.61	46.51
Demand Deposits	301.26	294.04	284.89	289.12	276.31
Quasi Money	665.33	696.62	726.64	768.34	778.41
Savings Deposits	520.86	544.86	575.02	594.02	594.18
Time Deposits	103.60	115.00	121.65	129.16	139.70
Foreign Currency Deposits	40.87	36.76	29.96	45.16	44.54

Source: ECCB

Data available at 20 March 2012

Table 49
St Vincent and the Grenadines - Selected Tourism Statistics

	2007	2008	2009	2010 ^R	2011 ^P
Total Visitor Arrivals	283,161	249,868	270,952	231,121	207,997
Stay-Over Arrivals	89,532	84,101	75,446	72,478	73,866
Of Which:					
USA	26,637	24,042	20,159	21,551	21,164
Canada	6,724	6,882	6,820	7,208	6,719
UK	16,714	15,442	13,347	12,136	14,895
Caribbean	29,924	28,475	26,835	23,968	23,272
Other Countries	9,533	9,260	8,285	7,615	7,816
Excursionists	6,797	5,781	5,185	5,086	3,941
Yacht Passengers	42,277	43,277	40,859	42,603	41,266
Cruise Ship Passengers	144,555	116,709	149,462	110,954	88,924
Number of Cruise Ship Calls	279	172	164	131	124
Total Visitor Expenditure (EC\$M)	297.0	259.3	236.3	232.7	243.2

Source: Department of Tourism and ECCB Estimates

Data available at 20 March 2012



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

	2007 ^R	2008	2009 ^R	2010 ^R	2011 ^P
Current Account	(517.7)	(621.9)	(532.8)	(575.2)	(560.5)
Goods and Services	(512.7)	(595.7)	(528.5)	(555.0)	(540.3)
Goods	(638.7)	(733.0)	(649.2)	(682.3)	(679.0)
Merchandise	(647.7)	(745.5)	(657.3)	(692.1)	(688.9)
Repair on goods	0.0	0.0	0.0	0.0	0.0
Goods procured in ports by carriers	8.9	12.5	8.1	9.7	9.8
Services	126.0	137.3	120.7	127.3	138.7
Transport	(90.3)	(109.2)	(100.7)	(94.2)	(92.2)
Travel	242.6	211.8	197.4	192.8	201.8
Insurance Services	(20.8)	(22.4)	(19.1)	(19.3)	(19.1)
Other Business Services	18.1	61.3	57.4	58.3	58.8
Government Services	(23.6)	(4.3)	(14.3)	(10.3)	(10.5)
Income	(59.4)	(61.7)	(35.1)	(47.0)	(47.5)
Compensation of Employees	15.8	11.0	19.1	16.6	17.1
Investment Income	(75.2)	(72.7)	(54.2)	(63.6)	(64.6)
Current Transfers	54.4	35.5	30.8	26.9	27.4
General Government	22.8	(0.8)	0.1	(1.9)	(1.9)
Other Sectors	31.7	36.4	30.8	28.8	29.3
Capital and Financial Account	512.7	613.1	545.4	643.3	498.3
Capital Account	198.8	131.9	146.4	148.0	123.5
Capital Transfers	198.8	131.9	146.4	148.0	123.5
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	314.0	481.2	399.0	495.3	374.8
Direct Investment	322.4	430.0	282.1	277.9	296.7
Portfolio Investment	(9.2)	(8.4)	49.1	(1.4)	(9.4)
Other Investments	0.7	59.6	67.7	218.7	87.6
Public Sector Long Term	31.4	14.9	25.5	141.6	22.6
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	98.2	(41.3)	2.9	(17.2)	19.1
Other Assets	(53.7)	(29.4)	(31.0)	8.1	18.0
Other Liabilities*	(75.1)	115.4	70.4	86.2	27.9
Overall Balance	(5.0)	(8.8)	12.6	68.1	(62.2)
Financing	5.0	8.8	(12.6)	(68.1)	62.2
Change in SDR holdings	-	-	(33.5)	28.0	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	27.2	-	-	-	-
Change in Imputed Reserves	(22.3)	8.8	20.9	(96.1)	62.2

Source: ECCB

*includes errors and omissions

Data available at 20 March 2012

