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INTERNATIONAL ECONOMIC DEVELOPMENTS

Overview

The global economic recovery which commenced in the final quarter of 2009 strengthened during the first half of 2010 but subsequently moderated during the latter half of the year. Nonetheless, the economic expansion was robust as global output rose by 5.0 per cent reversing a 0.5 per cent contraction recorded in 2009. Growth was fuelled largely by developing economies which expanded at a 7.3 per cent rate, more than double that recorded for advanced economies. Central banks in the USA, Europe and Japan maintained accommodative monetary policies either by keeping interest rates low or through asset purchases, in an attempt to provide liquidity to the financial system. In addition, relatively low rates of inflation in advanced economies coupled with high rates of unemployment and sovereign debt issues in the Euro zone provided further incentives for the monetary authorities to provide additional liquidity to the banking system as a stimulus to economic activity.

Commodity prices rose during the period under review largely associated with developments in the petroleum industry. Petroleum prices averaged US\$79.50 per barrel in 2010 compared with US\$61.91 per barrel average in 2009. The surge in prices was fuelled by an increase in global demand as the major economies exited the recession as well as the tightening of supply constraints, especially in

refining capacity, which existed prior to the onset of the global recession.

Developments in the Major Economies

The US economy expanded by approximately 2.8 per cent in real terms during 2010. This increase in economic activity reflected expansions in consumer spending, an upturn in manufacturing activity and growth in exports. In the first half of the year the expansion was buoyed by inventory accumulation in response to the depletion of stocks during the recession; however, as the recovery gained momentum and stocks reached acceptable levels the rate of accumulation slowed. The Federal Reserve continued the accommodative policies to ensure sufficient liquidity in the banking system through asset purchases, quantitative easing and unchanged interest rates in the range of 0 to 0.25 per cent. Nevertheless, in spite of improvements in economic performance the rate of expansion has been insufficient to lower the rate of unemployment from 9.6 per cent compared to one of 9.3 per cent in 2009.

The rate of inflation in the USA as measured by the consumer price index (CPI), averaged 1.6 per cent compared with 0.4 per cent in 2009. Higher prices in 2010 were attributable to increases in the cost of petroleum which created pressures on prices for other commodities such as minerals, metals and food.



Value added in **Canada** expanded by 3.1 per cent, reversing a 2.1 per cent contraction in 2009. The improvement in the economy was attributable to the effects of the global economic recovery, as Canada is largely a net exporter of goods and services. The growth in exports of goods and services was driven mainly by the expansion in the US economy, to which over 80.0 per cent of Canada's exports are destined. Consumer prices rose by 1.8 per cent after slowing to a 0.3 per cent rate in 2009. Labour market conditions improved with the strengthening of the global recovery, as the unemployment rate fell to 7.6 per cent at the end of 2010 from 8.4 per cent at the end of 2009.

Value added in the **UK** economy expanded by 1.3 per cent, recovering from a 4.9 per cent contraction in 2009. The economic downturn in 2009 was one of the most protracted and steepest recessions in recent economic history. House prices, a major indicator of the health of the UK economy, rose by 0.4 per cent in 2010 after rising by 5.9 per cent in 2009. House prices fell by as much as 15.9 per cent in the early stages of the economic downturn. Consumer prices rose by 2.1 per cent, below the 3.6 per cent increase recorded in 2009.

The economies of the **European Union** expanded by 1.7 per cent in contrast to a 4.1 per cent reduction in value added in 2009. The recovery was supported by an increase in exports fuelled by the global economic recovery. Nonetheless, a number of European Union member countries experienced economic disruptions, including Greece, Ireland,

Portugal and Spain. In response to the effects of the economic and financial meltdown the European Central Bank (ECB) left the discount rate at 1.8 per cent, unchanged since 2009, as part of their strategy to stimulate economic activity. The labour market continued to be challenged by the lingering effects of the global economic fall-out in 2009. At the end of 2010 the unemployment rate rose to 10.0 per cent from 9.5 per cent in 2009. For the major economies of the EU the rate of unemployment ranged from 6.4 per cent in Germany to 8.3 per cent and 9.6 per cent in Italy and France respectively. Consumer prices as indicated by the harmonised index of consumer prices (HICP) rose by 1.6 per cent compared with a 0.3 per cent increase in 2009. However, inflation has remained below the ECB's target of 2.0 per cent.

The economy of **Japan** recorded growth in real GDP of 3.9 per cent following a 6.3 per cent contraction in 2009. Japan, whose economy is largely dependent on international trade, was positively impacted by the resumption in global trade in 2010. The trade surplus with the rest of the world rose to US\$82.6 billion as exports grew faster than imports. The improved export performance reflected increases in automobiles and steel, of which US\$159.6 billion was destined for the Chinese market, Japan's largest export market. Owing to ineffectual domestic policies, consumer sentiment has remained low in Japan, placing pressure on the central bank to keep lending rates low in order to stimulate domestic demand. In a low interest rate environment where the Bank of Japan's call rate is below 0.1 per cent, inflationary pressures



remained contained. Consumer prices fell by 1.4 per cent in 2010 in contrast to a 1.4 per cent increase in 2009. The jobless rate rose to 5.1 per cent at the end of 2010 above the 4.0 per cent jobless rate at the end of 2009.

The **Chinese** economy expanded by 10.3 per cent in 2010, above the 9.2 per cent rate of increase in the previous year, fuelled by a resumption of exports and higher domestic demand. Exports to the US, China's major trade partner accounting for 28.3 per cent of all exports, increased to US\$364.9 billion from US\$296.4 billion in 2009. Domestic policies implemented since 2008, aimed at strengthening consumer spending, impacted economic activity above expectations and contributed to the acceleration in growth in 2010. China attracted US\$105.7 billion in foreign direct investment in 2010, an 11.3 per cent increase compared with inflows in 2009. As a consequence of the rapid economic expansion, upward pressure was placed on wage rates further fuelling inflationary pressures. The CPI accelerated by 4.6 per cent, compared with a 0.7 per cent increase in the CPI in 2009.

Commodity Prices

The International Monetary Fund's (IMF) Indices of Primary Commodity Prices, indicate that prices for primary commodities increased by 26.1 per cent during 2010, in contrast to a 29.9 per cent decline in 2009. Higher commodity prices in 2010 were influenced largely by price increases for both fuel and non-fuel commodities. Energy prices rose by

25.9 per cent while non-fuel prices increased by 26.4 per cent. Petroleum costs, which represent over 50.0 per cent of the price of all commodities, rose by 27.8 per cent in 2010. Petroleum prices ranged from a high of \$91.51 to a low of \$70.04 per barrel in 2010 compared with a range of \$80.50 per barrel to \$36.51 per barrel in 2009. Non –fuel prices rose, largely from the effects of higher prices for metals (48.2 per cent), agricultural raw materials (33.3 per cent) and food (11.5 per cent). Inflationary pressures on metals and minerals were fuelled by increases in the price of copper and aluminium of 45.9 per cent and 30.1 per cent respectively. Nonetheless, commodity prices generally were 11.7 per cent below those of 2008 when commodity prices rose sharply.

Prospects

The global expansion is projected to be sustained by rising demand in Asian economies led by China and India. The expansion in western advanced economies is expected to be more moderate, constrained by structural imbalances in their domestic economies. The global economy is projected to expand by a more moderate 4.4 per cent in 2011, and 4.5 per cent in 2012. The major contributors to the performance in 2011 will be emerging economies (6.5 per cent) led by expansions in China and India with growth of 9.6 per cent and 8.2 per cent respectively. Advanced economies are projected to grow by 2.4 per cent in 2011, supported by the performances of the US (2.8 per cent) and less so, the Euro Area (1.6 per cent).



Other contributors to the expansion of advanced economies include Japan (1.4 per cent) the UK (1.7 per cent) and Canada (2.8 per cent). Additionally, robust economic expansions in Brazil and Mexico of 4.5 per cent and 4.6 per cent respectively, will underpin the performance of emerging economies. However, the expansion, especially in the US, will be slowed by labour market rigidities, as corporate losses from the previous downturn continue to

weigh on the demand for labour by firms, consequently impacting consumer optimism and consumer spending. A major headwind to the projections will be the rise in commodity prices including food and fuel prices. Protracted unrest and civil defiance in a number of Middle Eastern and Northern African countries will exert upward pressures on petroleum prices and fuel inflationary pressures.



REGIONAL ECONOMIC DEVELOPMENTS

Overview

As the global financial and economic crisis moderated, available data for six of the seven non-ECCU member countries of the Caribbean Community (CARICOM) indicate that steady gains, though not strong, were recorded in 2010, relative to the large contractions experienced by most of them in 2009. Preliminary estimates for these countries show that output in some key economic sectors rebounded. However, the consequential impact of the improved economic environment on employment, government revenue, international inflows (including tourism receipts, remittances and private capital flows) and on the financial sector, has been mixed. Persistent softness in private sector demand for credit has led to further expansion in commercial banking system liquidity. Following a period of benign inflation in 2009, inflationary pressures in most regional economies increased, on account of rising prices for international commodities.

Output

Preliminary data available for the **Bahamas** reveal that economic conditions remained relatively stable in 2010. Tourism industry output improved steadily over the first ten months of 2010 with total visitor arrivals growing by 14.4 per cent to 4.3 million. By contrast, output in the construction industry remained weak as foreign investment-led

construction activity and domestic private sector projects remained subdued. The performance of the **Barbados** economy reflected the continued challenge of the depressed global situation. Preliminary estimates suggest that the economy contracted marginally by 0.4 per cent, compared to a decline of 4.7 per cent in 2009. The downturn in 2010 was led by a contraction in international business and financial services (IBFS), albeit less severely than in 2009. The decline in IBFS was associated with declines in the number of licenses issued to companies operating in the sector and the number of registered offshore banks by 8.0 per cent and 6.0 per cent respectively, below the outturns in the corresponding period of 2009. By contrast, tourism, the main engine of economic growth began to recover in 2010. Value added in the tourism sector is estimated to have risen by 3.0 per cent up to November 2010, following a decline of 8.7 per cent in 2009. The improved performance reflected increased arrivals from Canada and the United States. In contrast, the construction sector contracted for a second successive year, by 12.5 per cent. In **Belize**, GDP grew by 2.8 per cent in the first nine months of the year boosted by a 14.3 per cent rise in electricity and water and a 9.3 per cent increase in government services partly due to the 2010 Census. A modest rebound in stay-over tourist arrivals also supported increased activity in hotels and restaurants. Although there were signs of economic recovery in **Jamaica**, the economy remained weak, with the quarter ending September 2010 showing



growth of approximately 1.0 per cent, following a 0.8 per cent decline in the first half of the year. Real GDP in **Guyana** is estimated to have expanded further, to 3.6 per cent, following growth of 3.3 per cent in 2009. The expansion in the economy was influenced by growth of 10.8 per cent in construction and a 10.1 per cent increase in wholesale and retail activity as the economy remained buoyant. The **Trinidad and Tobago** economy is estimated to have expanded marginally by 0.1 per cent in 2010, following a contraction of 3.5 per cent in 2009. The growth in economic activity reflects increased output in the energy sector of 3.0 per cent, while the non-energy sector declined by 1.9 per cent, following a 7.2 per cent contraction in 2009.

Prices and Employment

After recording low inflation and deflation in some instances in 2009, most regional economies experienced renewed inflationary pressures in 2010, principally due to rising prices for international commodities. In the **Bahamas**, inflation remained relatively stable at 2.4 per cent in 2010, following a similar outturn in 2009. In **Barbados**, the 12-month moving average inflation rate rose to 5.4 per cent at the end of October 2010, from 4.4 per cent over the same period in 2009. In **Belize**, the Consumer Price Index (CPI) registered an overall increase of 0.5 per cent in the twelve-month period (August 2009-August 2010) driven by the upsurge in international oil prices. The largest price increases were therefore in the transportation and communication sub-

category (5.4 per cent); while food prices declined by 2.4 per cent. **Guyana's** end-year inflation rose to 4.4 per cent, from 3.7 per cent in 2009. The increase in the CPI reflected higher food prices, particularly those in the category of meat, fruits and vegetables. In **Jamaica**, an increase in the General Consumption Tax from 16.5 to 17.5 per cent and a 60.0 per cent hike in bus fares led to an uptick in the annual inflation rate to 11.7 per cent, from 10.2 per cent in 2009. The higher rate was also due to higher prices for the food and non-alcoholic beverages. In **Trinidad and Tobago**, the headline inflation rate was 13.4 per cent on a year-on-year basis to December 2010, compared with a rate of 1.3 per cent in the corresponding period of 2009. This was fuelled by food prices which rose by 29.5 per cent following a decline of 0.2 per cent in 2009.

The contraction in domestic economic activity resulted in depressed labour markets across the region. The 2010 unemployment rate for the **Bahamas** is estimated at 14.2 per cent, a substantial increase from the 8.7 per cent rate recorded for 2009. In **Barbados**, the unemployment rate as at September 2010 is an estimated 11.2 per cent, compared to 10.5 per cent in the corresponding period of 2009. The construction sector accounted for most of the increase in unemployment. Data available as at September 2010 show that the unemployment rate in **Belize** stood at 12.6 per cent, compared with 8.2 per cent as at May 2009. Conditions in the **Guyana's** labour market improved, with higher employment in both the public and private sectors, occasioned by gains in



economic activity. **Jamaica's** labour market conditions improved slightly with the unemployment rate falling to 12.4 per cent in April 2010, 1.1 percentage points lower than in January. In **Trinidad and Tobago**, for the first half of the year, the unemployment rate is estimated to have fallen to 4.8 per cent from 5.1 per cent in 2009.

Central Government Fiscal Developments

Data on the fiscal accounts of the central governments in the region show a deterioration across CARICOM. The fiscal performance in 2010 was mainly characterised by a softening in tax revenue, due to weak economic activity. In the **Bahamas**, government's budgetary operations for the initial five months of FY2010/11 showed a deterioration in the overall deficit, by B\$59.1m to B\$198.6m, relative to the position in the corresponding period of FY2009/2010. The deterioration was due to a falloff in aggregate revenue which outpaced the marginal reduction in total spending. Total receipts contracted by B\$75.1m to B\$460.3m, led by a B\$63.0m decline in non-tax revenues. Tax collections also decreased by B\$16.5m, as stamp taxes related to property sales and other "miscellaneous" taxes fell by B\$25.9m and B\$17.7m, respectively. Total expenditure fell by B\$16.0m to B\$658.9m due to a B\$31.2m contraction in net lending. Current expenditures grew by B\$14.1m associated with increases in transfer payments (4.4 per cent) and purchases of goods and services (10.7 per cent); while capital spending rose by B\$1.1m. The fiscal deficit

narrowed in **Barbados** on account of a decline in expenditure. The deficit fell to BDS\$714.4m in 2010 from BDS\$733.7m in 2009. Government revenue fell by an estimated 6.0 per cent, with decreases in corporate tax receipts (26.0 per cent), personal tax receipts (6.0 per cent), and property tax revenue (1.0 per cent). By contrast, receipts from the value-added tax (VAT) and excise tax rose by 3.0 per cent and 4.0 per cent respectively. On the expenditure side, a series of cuts led to an estimated 4.8 per cent contraction in government expenditure, in contrast to an 8.1 per cent rise in 2009. The fall in government expenditure was mainly attributable to a 41.6 per cent reduction in capital expenditure. In **Belize**, the central government's fiscal operations resulted in a contraction in the overall deficit (with grants) to BZ\$31.1m for the first ten months of 2010, from the BZ\$57.7m deficit recorded in the corresponding period of 2009. The outturn stemmed mainly from the 7.3 per cent increase in total revenue and grants that overwhelmed a 2.6 per cent rise in total expenditure. In **Guyana**, the fiscal outturn during the third quarter of 2010 improved associated with strong economic activity, which boosted revenues substantially, offsetting higher expenditures. Current revenue grew by 12.1 per cent to G\$79,382.0m on account of a higher intake from the Value Added Tax (VAT) and Excise Tax. Current and capital expenditure grew by 10.2 per cent and 4.0 per cent to G\$57,681 million and G\$22,488 million, respectively. In **Trinidad and Tobago**, revised data show that the central government recorded a smaller deficit of TT\$308.0m on its operations in FY 2009/2010. This



was mainly attributed to an improvement in energy prices as well as a slowdown of capital expenditure in the fourth quarter of the fiscal year.

External Sector Development

Barbados's external current account deteriorated in 2010. The deficit widened to 7.4 per cent of GDP in 2010, from 6.6 per cent in 2009, on account of increased import payments due to higher oil prices and for imports of food, beverages and cars. International inflows related to tourism, remittances and private capital flows expanded in 2010. In **Belize**, data for the first nine months of 2010 show that total imports were 2.5 per cent below the level in the corresponding period in 2009, when they totalled BZ\$933.8m. A 24.6 per cent increase in exports contributed to a narrowing of the external current account deficit to BZ\$30.0m from BZ\$166.4m in the same period of 2009. In **Guyana**, the external current account deficit increased by 32.1 per cent to US\$207.1m, on account of higher import costs. Merchandise imports increased by 23.6 per cent to US\$1,031.1m, reflecting higher costs for food and fuel. Export earnings grew by 10.2 per cent to US\$608.8m, due to higher export prices for gold and bauxite which increased by 26.4 per cent and 79.4 per cent, respectively. In **Jamaica**, the current account deficit for the period January to August 2010 is provisionally estimated to have narrowed by 12.1 per cent to US\$467.6m, relative to the deficit in the comparable period in 2009. This narrowing of the deficit was influenced by growth in travel receipts and current transfers. There was a

US\$104.4 million increase in the surplus on the current transfers sub-account, partly reflecting growth of 7.2 per cent in gross private remittance inflows. The improved outturn for travel receipts was mainly attributed to a 4.2 per cent increase in stay-over visitor arrivals and an estimated 16.6 per cent decline in the expenditure of Jamaicans travelling abroad during the period. Based on data available, **Trinidad and Tobago's** external current account was in surplus during the third quarter of 2010. The surplus was estimated to be US\$463.0m during June-September 2010, in contrast to a deficit of US\$413.0m in the third quarter of 2009. For the period January to September, the visible trade balance declined by 9.9 per cent influenced by a 4.8 per cent contraction in merchandise exports, relative to the balance in the comparable period of 2009.

Monetary and Credit Developments

Monetary and credit developments continued to be negatively impacted by the ongoing global financial crisis. In the **Bahamas**, monetary liabilities (M2) expanded by 2.1 per cent, compared with 1.4 per cent in 2009. Reflecting sustained weak demand conditions, private sector credit growth slackened by 70.9 per cent to \$17.4m. Liquidity expanded, buoyed by receipts from the foreign exchange earning sectors, as well as several one-off transactions. As a result, excess reserves expanded by B\$127.4m, extending the 2009 increase of B\$54.8m; and excess liquid assets grew by B\$67.6m to B\$309.5m. Growth in external reserves slowed significantly to B\$35.8m from B\$262.6m in 2009,



influenced by higher import payments. In **Barbados**, by November 2010, monetary liabilities (M2) had grown by 5.1 per cent in 2010 in contrast to a 1.9 per cent decrease in the corresponding period of 2009. Domestic deposits at the commercial banks fell by 1.5 per cent, while total loans contracted by 1.2 per cent as at October 2010. Liquidity in the commercial banking system dipped by BDS\$49.6m, with excess bank reserves in cash and with the central bank at BDS\$128.6m. In 2010, the foreign exchange reserves declined by BDS\$34.2m, to BDS\$1450.9m, following a decrease of BDS\$128.3m in 2009. In **Belize**, M2 decreased by 0.9 per cent for the first ten months of the year as net domestic credit contracted by BZ\$29.0m. Concurrently, net foreign assets rose by BZ\$35.9m due to improvements in the commercial banks' positions. A contraction in credit and higher inflows from abroad led to an increase of BZ\$50.9m to BZ\$155.8m in excess statutory liquidity for the first ten months of 2010. In **Guyana**, broad money grew by 5.6 per cent due to increases in both net foreign assets and net domestic credit. Narrow-money increased by 2.8 per cent, on account of higher demand deposits. Quasi-money, which consists of time and savings deposits, grew by 6.9 per cent to reach G\$145,102 million. Credit to the private sector expanded by 11.6 per cent at the end of September 2010, characterised by growth in credit for mining, agriculture, manufacturing and real estate (mortgage loans) of 77.9 per cent, 36.5 per cent, 22.1 per cent and 16.9 per cent, respectively. A balance of payments surplus of US\$57.9m, contributed to a 12.9 per cent increase in the gross

international reserves of the Bank of Guyana to reach US\$708.4m. In **Jamaica**, data as at November 2010 show that M2 grew by 1.9 per cent to J\$330,349.4m. Commercial banks' liquid assets ratio rose to 43.3 per cent in November 2010, compared with 35.0 per cent in November 2009. The Bank of Jamaica's net international reserves stood at US\$1,918.5m in November 2010, 6.3 per cent above the level in November 2009. In **Trinidad and Tobago**, private sector credit declined for the second year, albeit at a slower pace. Despite lower lending rates, overall private sector credit contracted by 2.5 per cent on a year-on-year basis to November 2010, following a 4.4 per cent contraction in 2009. Large net fiscal injections coupled with weak credit demand have kept liquidity buoyant. Monetary liabilities grew by 19.5 per cent during 2010 following strong growth of 26.0 per cent in 2009. Net official reserves expanded by US\$418.4m, in contrast to a contraction of US\$728.6m in 2009.

Outlook

The regional outlook for 2011 depends largely on external developments. In the **Bahamas**, recovery in the domestic economy is expected to gain momentum as global economic recovery is expected to promote growth in the tourism sector. Additionally, improvements are also expected in the construction sector associated with a number of foreign investment projects scheduled to come on-stream during the year. Consequently, it is anticipated that these developments will positively impact economic growth and employment. With



regard to price developments, despite the recent uptrend in international oil prices, consumer price inflation is projected to remain relatively modest for the near-term. The **Barbadian** economy should expand by approximately 2.0 per cent during 2011, as tourism continues to improve and other key sectors rebound. The external current account deficit is projected to narrow as receipts from the recovering tourism sector, along with private capital inflows overwhelms an expected increase in imports. The capital account surplus is likely to be below the level recorded in 2010. The **Guyanese** economy is projected to grow by 4.8 per cent in 2011, with the non-sugar economy expected to expand by 3.4 per cent. Increases in consumer prices are projected to average 4.7 per cent as international commodity prices recover. The external current account deficit is expected to decline to US\$210.5m due to higher receipts from exports and remittances. The projected increases in international prices could result in larger import payments, which would temper the projected improvement in the current

account position. The central government fiscal performance is projected to result in a smaller deficit of 3.5 per cent of GDP down from an estimated 4.3 per cent of GDP in 2010. The **Jamaican** economy is projected to contract in the range of 0.0 per cent to 1.0 per cent for FY 2010/2011. The overall public sector deficit and the external current account deficit are projected to be 12.7 per cent of GDP and 9.5 per cent of GDP, respectively. Official inflows received through the IMF's Stand-By Arrangement should help buoy reserves in 2011. The economy of **Trinidad and Tobago** is expected to expand by about 2.0 per cent in 2011, based on continued growth in the energy sector and a slow revival in non-energy activity after two consecutive years of contraction. Headline inflation is expected to slow to an average of 7.0 per cent in 2011 following the substantial escalation in 2010. The labour market is expected to lag behind. On the fiscal front, if oil prices remain close to US\$80-US\$90 per barrel, government revenue should exceed the budgeted level in FY2010/2011.



DOMESTIC ECONOMIC DEVELOPMENTS

Overview

Preliminary data indicate that economic activity in The Eastern Caribbean Currency Union (ECCU) contracted in 2010, albeit at a slower pace, for the second consecutive year. Weak external demand for goods and services, a reduction in public sector capital spending as well as tourism-related foreign direct investment (FDI) inflows combined with unfavourable weather, were the main factors contributing to the contraction in real economic activity. Provisional estimates indicate that real GDP for the currency union fell by 1.8 per cent compared with a 5.4 per cent decline in 2009. This lower rate of decline was due in part to a turnaround in the performance of the tourism industry and real estate, renting and business activities sector. Additionally, the rate of contraction in value added was slower for some sectors that are among the leading contributors to GDP. These include transport, storage and communications, wholesale and retail trade, construction as well as manufacturing. All of the member countries recorded contractions in real output, except Saint Lucia. Inflationary pressures increased on account of international developments. Rapid growth in emerging and developing economies combined with a slow supply response to shocks, led to a resurgent in commodity, food and oil prices. As a consequence, the consumer price index rose by 2.2 percent compared with an increase of 1.2 per cent during 2009.

The consolidated overall deficit on the fiscal operations of member governments narrowed, attributable to the combined effects of lower capital expenditure, higher grants and a fall in the current account deficit. Consistent with the general fiscal consolidation effort embarked on during 2010, the outstanding public sector debt rose marginally, driven mainly by increased borrowing from domestic sources. In the banking sector, monetary liabilities and net foreign assets of the banking system grew, while domestic credit contracted. Liquidity in the commercial banking system eased, as deposit growth outpaced that of credit. The spread between commercial banks' weighted average lending and deposit interest rates increased to 6.33 percentage points. On the external accounts, a smaller overall surplus was recorded, influenced mainly by lower net inflows on the capital and financial account.

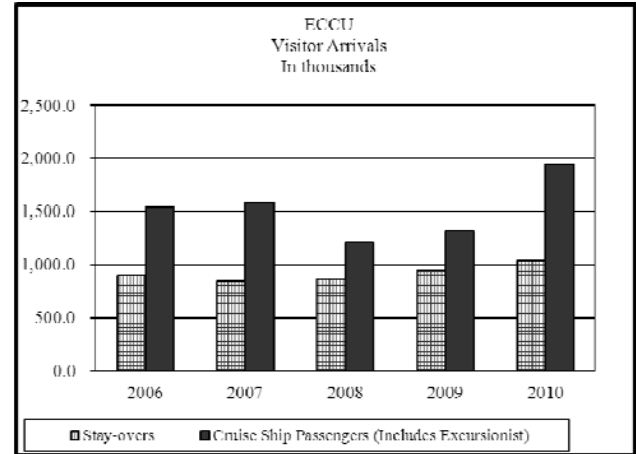
The preliminary forecast is for growth of 2.7 per cent in 2011, with all member countries expected to record positive growth. An improved performance by the tourism industry and an increase in private FDI inflows and remittances, which should stimulate activity in the construction and other related ancillary service sectors, are the main factors likely to underpin this projected recovery.



Output

Value added in the construction industry, a major driver of growth in the recent past, contracted by 20.5 per cent in 2010, virtually the same rate as in 2009. This sector has been one of the main channels through which the impact of the global economic and financial crisis has been transmitted to the currency union. In particular, tourism related FDI inflows are estimated to have declined by approximately 27.5 per cent; due to the disruption to the global capital markets and heightened uncertainties in the business environment which negatively impacted investor confidence. These international developments coupled with a tightening of credit conditions on the domestic front led to a contraction in private sector construction activity. In the public sector activity remained subdued as a result of the winding down and completion of some major projects in the early part of 2010 as well as a reduction in capital spending.

On an individual country basis, the largest decline was recorded in Anguilla, where value added fell by 40.0 per cent following a 50.3 per cent contraction in 2009. This outcome was the result of subdued levels of private sector construction, and a continued reduction in spending on public sector capital works. In Saint Lucia, construction activity is estimated to have increased. Activity was boosted mainly by on-going work on a new general hospital and rehabilitation of the road and communications infrastructure as well as preliminary repair work on a medical facility in the south of the island.



The contraction in the other member countries averaged 21.0 per cent with only Dominica (10.0 per cent) and St Vincent and the Grenadines (7.0 per cent) recording rates below that average.

Value added by the manufacturing sector declined by 5.4 per cent, following a contraction of 8.3 per cent in 2009, mainly as a result of weak external demand in key markets such as the USA and the CARICOM region. In St Kitts and Nevis, manufacturing output fell by an average of 15.0 per cent due to a decrease in output of electronic components, as one major supplier closed its operations. Value added decreased by less in countries such as Dominica (1.4 per cent), St Vincent and the Grenadines (2.5 per cent) and Saint Lucia (4.0). These declines were partially tempered by a strong rebound in output in Grenada, as value added increased by 15.4 per cent in contrast to a decline of 5.3 per cent in 2009. This improved performance in the output of manufactured goods was primarily driven by an expansion in beverage, rum, beer and stout production. Output of soft drinks, the largest contributor in the manufacturing



sector, grew by 94.5 per cent as a plant that was closed for most of 2009, returned to full capacity in 2010.

The agricultural sector continued to face a number of challenges during 2010, that negatively impacted production and the foreign exchange earning capacity of the industry. Preliminary estimates indicate that real output fell by 6.3 percent following a 0.5 percent contraction in 2009. Declines in production in the crop and fishing sub-sectors were the main factors contributing to this fall. The contraction in crop production was due mainly to a 39.6 per cent drop in banana output to 29,147 tonnes down from 48,264 in 2009. Banana output fell in all the major producing countries: Dominica (51.2 per cent), St Vincent and the Grenadines (50.9 per cent) and Saint Lucia (34.4 per cent). Consequently earnings from bananas exported fell by 28.9 per cent to \$55.3m down from \$77.9m. Factors including the leaf spot disease in the first half of the year and the passage of hurricane Tomas in October negatively impacted the crop production. Likewise in the fishing sub sector, value added declined by 1.4 per cent, compared with a 12.2 per cent decline in 2009. Of the other sub-sectors an increase in value added was estimated for livestock and forestry.

In the other key sectors for which contractions in value added were recorded, the magnitudes were lower in 2010 relative to their performance in 2009. Value added in both the transport, storage and communication and the wholesale and retail trade

sectors fell by 3.3 per cent and 4.0 per cent, respectively, compared with declines of 5.9 per cent and 13.7 per cent in 2009. This performance was consistent with the contraction in activity in closely related sectors such as construction and tourism and in the the overall economy.

Tourism activity improved somewhat in 2010, however, performances across the currency union were mixed. Value added in the hotels and restaurants sector, an indicator of tourism activity, grew by 2.3 per cent in contrast to 9.7 per cent contraction in 2009. Growth in value added was recorded for Anguilla, Dominica, Montserrat and Saint Lucia. The improved performance of the tourism industry reflected a 3.4 per cent increase to 961,449 in stay-over arrivals, fuelled by growth in arrivals from the USA and Canadian markets. The number of stay-over visitors from the USA and Canada rose by 30.8 per cent and 12.6 per cent respectively, representing a reversal of the declines in 2009. An increase in marketing initiatives by a number of member countries, increased airlift capacity as well as a return to growth in both source markets, contributed to the higher levels of stay-over arrivals in 2010. In contrast, stay-over arrivals from the UK market fell by 6.3 per cent, largely as a result of subdued economic activity and fiscal austerity measures which negatively impacted consumer spending. Inclement weather throughout Europe also resulted in a number of flight cancellations during the earlier part of 2010. The number of stay-over visitors from the Caribbean fell by 5.1 per cent, due mainly to the high cost of inter-



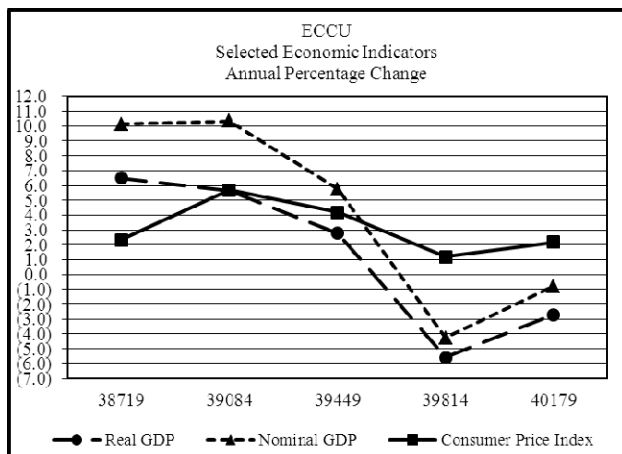
regional travel and the recession which most of the Caribbean countries experienced in 2010.

Of the other categories of visitors, the yachting sub-category recorded growth during 2010, as arrivals of passengers rose by 16.8 per cent compared with a 0.7 per cent increase in 2009, while the number of excursionists increased by 11.1 per cent in contrast to a 15.5 per cent decline in 2009. Arrivals of cruise ship passengers declined by 5.8 per cent in contrast to a 19.1 per cent increase in 2009. The performance mainly mirrored developments in Antigua and Barbuda, Grenada and St Vincent and the Grenadines, as they recorded decreases in arrivals in this sub-category. In addition, the number of cruise ship calls fell to 1,554, down from 1,673 in 2009. As a result of these developments, total visitor arrivals to the ECCU fell by 2.8 per cent to 3.8 million, in contrast to an 8.8 per cent increase in 2009.

Prices, Wages and Employment

Inflationary pressures rose during 2010 as the consumer price index (CPI), on an end-of-period basis, increased by 2.2 per cent, higher than the 1.2 per cent rise in 2009. The food sub-index, the largest weighted, grew by 0.2 per cent, following a 1.4 per cent increase in 2009, while the fuel and light sub-index increased by 3.5 per cent, in contrast to a 0.2 per cent contraction in 2009. Sustained increases in international oil and food prices during 2010 were the main driving forces contributing to movements in those sub-indices. Other key sub-indices for which increases were recorded included, household and furniture (2.9 per cent), transportation and communication (1.2 per cent) and alcoholic drink and tobacco (2.9 per cent). Those increases were partly offset by declines in sub-indices such as housing and utilities (0.3 per cent), clothing and footwear (0.4 per cent) and education (0.2 per cent). On an individual country basis, only Saint Lucia recorded a decline in consumer prices, while the rate of increase in the CPI in the other countries ranged from 0.9 per cent in Anguilla to 4.2 per cent in Grenada.

Official data on wage movements and employment levels in the private sector were not available during the review period. In the public sector within ECCU member countries, data indicate that there were increases in wages and salaries in Dominica,



and St Vincent and the Grenadines, in contrast to a decline in Anguilla. In the other countries no wage or salary increases were granted during the review period. In terms of employment levels only Grenada and Montserrat reported increases while there was a decline in Dominica.

Central Government Fiscal Operations

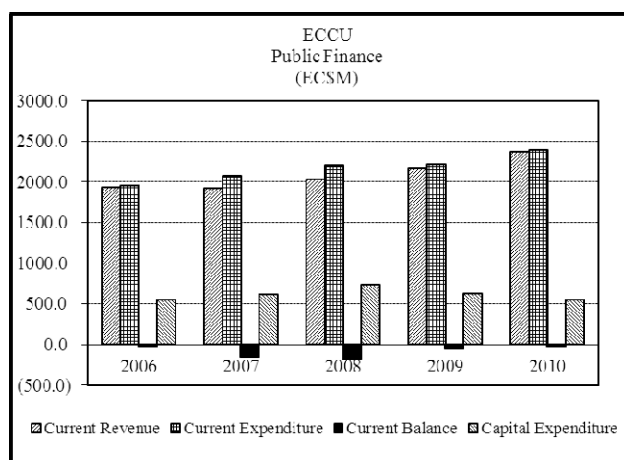
The aggregated fiscal operations of the central governments led to an overall deficit (after grants) of \$246.5m, lower than the \$671.7m recorded in 2009. This smaller deficit was evidence of the success of a number of fiscal consolidation measures implemented by member countries during 2010. These measures were part of a broader “*ECCU Eight Point Stabilisation and Growth Programme,*” which has as one of the main macroeconomic goals, fiscal stabilisation, through adjustments in expenditure in line with the downturn in tax revenue and limited access to external financing. A combination of lower capital expenditure, higher than expected grants and improvements in current operations, were the main factors driving the reduction in the overall deficit. Across the member countries the results varied as some countries’ overall fiscal positions improved while some deteriorated. Of those with improvements, Anguilla and Dominica moved to a surplus position from one of a deficit in 2009, while Antigua and Barbuda, Grenada and Saint Lucia registered lower deficits in 2010. Those countries with a deterioration in their overall fiscal positions, as reflected in larger deficits, included St Kitts and

Nevis and St Vincent and the Grenadines. Additionally, the primary operations (that is, the difference between revenue and expenditure excluding interest payments) resulted in a surplus (after grants) of \$194.7m, in contrast to a deficit of \$248.9m in 2009.

The current operations of the central governments realised a deficit of \$60.5m compared with \$145.4m in 2009. A reduction in expenditure and an increase in current revenue, driven mainly by higher collections of non-tax revenue, contributed to this lower deficit. Current revenue grew by 1.3 per cent to \$3,350.0m, in contrast to a decline of 8.1 per cent in 2009. This turnaround in performance was due to higher collections of non-tax revenue as tax revenue declined. As a result of the contraction in economic activity, collections from tax revenue fell by 1.6 per cent (\$48.5m), albeit at a lower rate, compared with 7.6 per cent in 2009. Receipts from taxes on income and profits decreased by 9.9 per cent, largely reflecting lower yields from both personal and company taxes. All member countries recorded a decline in collection from this category, except for Antigua and Barbuda, with St Kitts and Nevis registering the largest (37.3 per cent) contraction. In addition, the yield from taxes on international trade and transactions fell marginally by 0.1 per cent, largely as a result of significant declines in the collections from consumption tax and customs service charge. These declines were only partially offset by moderate increases in the other major tax categories. The intake from taxes on domestic goods and services rose by 2.7 per cent, based on



the performance of the value added tax (VAT), reflecting the impact of the introduction of this tax in both Grenada and St Kitts and Nevis in 2010. The decline in tax revenue was more than compensated for by a 27.2 per cent (\$91.9m) increase in non-tax revenue, driven by strong growth in collections in Antigua and Barbuda, St Kitts and Nevis and St Vincent and the Grenadines.



Grant inflows (both current and capital) rose by 21.2 per cent to \$415.4m (2.8 per cent of GDP), reflecting higher inflows to Anguilla, Antigua and Barbuda, Grenada and Saint Lucia.

Current expenditure fell by 1.2 per cent to \$3,410.4m, in contrast to growth of 2.3 per cent in 2009, reflecting the introduction of a number of cost cutting and savings measures by member governments. With the exception of outlays for wages and salaries, spending fell in all other categories of expenditure. The largest decline was for goods and services which fell by 5.6 per cent (\$42.3m), compared with 6.4 per cent in 2009.

Spending on transfers and subsidies contracted by 1.2 per cent (\$7.4m), in contrast to a 12.7 per cent increase in 2009, while interest payments declined by 0.3 per cent on account of lower external obligations. Expenditure on personal emoluments rose marginally by 0.8 per cent (\$11.9m), mainly reflecting salary increases to civil servants in Dominica and St Vincent and the Grenadines.

Capital expenditure fell further in 2010 by 29.7 per cent to \$626.9m (7.9 per cent of GDP), following a 17.2 per cent decrease in 2009. All of the member countries recorded falls in expenditure except Grenada and St Kitts and Nevis. The contraction in capital expenditure averaged 40.9 per cent across the currency union, ranging from 70.0 per cent in Anguilla to 27.0 per cent in Saint Lucia. A combination of deliberate targeting of this line item for cuts, as well as reduced access to financing in the wake of the global crisis, would have contributed to this outcome.

Public Sector Debt

The total stock of outstanding public sector debt of the ECCU member countries stood at \$11,900.7m at the end of 2010, compared with \$11,814.5m at the end of 2009. As a percentage of GDP, the debt rose to 84.0 per cent from 82.9 per cent during 2009. This increase in the debt stock was due to a 2.1 per cent rise to \$10,009.0m in central government outstanding stock as that of public corporations fell. The growth in central government external obligations (10.5 per cent) was the main cause for

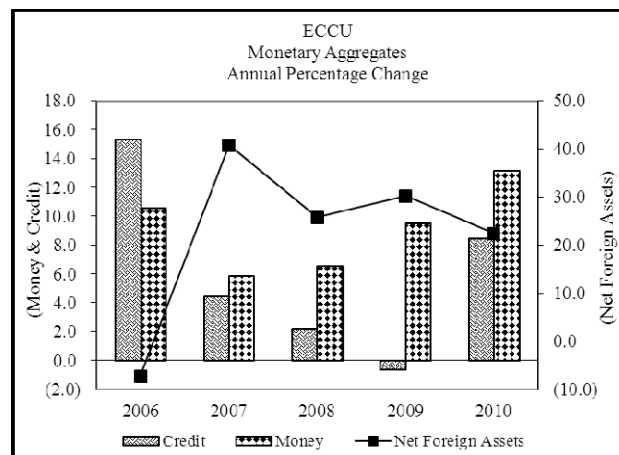


this expansion, as domestic debt declined by 6.5 per cent on account of the restructuring of some commercial bank debt in one of the member countries. The stock of debt of public corporations fell by 5.9 per cent, attributable to reductions in both external and domestic commitments. Debt service payments by central government rose by 43.7 per cent to \$1,249.7m, compared with the total in 2009, driven by increased principal repayments.

Monetary and Financial Developments

Money and Credit

Monetary liabilities (M2) grew by 2.3 per cent to \$12,673.4m during 2010, compared with growth of 1.7 per cent at the end of 2009. This pickup in the growth rate of M2 was influenced by a recovery in that of narrow money supply, M1, as the growth rate of the other main component of M2, quasi money, slowed. M1 rose by 2.2 per cent in contrast to a 7.7 per cent contraction in 2009. Of the main components, private sector demand deposits grew by 2.5 per cent, representing a reversal of the 9.6 per cent fall in 2009, while currency in circulation declined by 0.9 per cent. Quasi money, which accounts for 80.0 per cent of M2 on average, rose by 2.3 per cent, compared with an increase of 4.4 per cent in 2009, reflecting expansions in private sector savings (1.1 per cent), time (6.1 per cent) and foreign currency deposits (0.4 per cent).

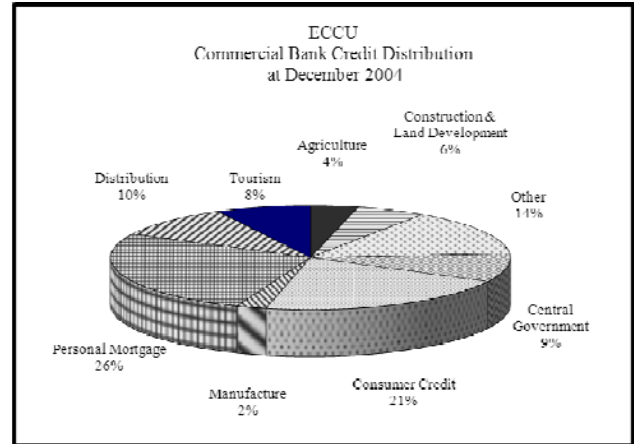


Domestic credit decreased by 1.5 per cent, a turnaround from the 4.9 per cent growth recorded in 2009, reflecting primarily developments in the public sector. The central governments' net stock of outstanding debt fell by 34.3 per cent (\$454.2m) to \$871.3m, on account of reductions in governments' debt with commercial banks and increases in deposits. The central governments' stock of loans with the commercial banking system declined by 15.5 per cent compared with a 4.9 per cent contraction in 2009, attributed primarily to the restructuring of a portion of debt by a member country. Deposits of the central governments in the banking system grew by 18.6 per cent in contrast to a 7.1 per cent decrease in 2009. In the rest of the public sector, the net deposit position of non-financial public enterprises grew by 2.6 per cent, in contrast to a 1.1 per cent decline in 2009, as these entities reduced borrowings and their deposits



increased. Credit to the private sector expanded by 2.3 per cent to \$12,613.4m, compared with growth of 2.4 per cent in 2009. Outstanding loans to households and businesses increased by 2.5 per cent and 3.3 per cent respectively, compared with growth rates of 1.9 per cent and 4.3 per cent during 2009. Increases in private sector credit averaged 5.6 per cent across the currency union, rising in all the member countries except Antigua and Barbuda. The increases ranged from 0.2 per cent in Anguilla to 16.1 per cent in Montserrat.

An analysis of the distribution of credit by economic activity shows an increase in credit extended for tertiary commercial activities such as tourism (6.2 per cent), and distributive trades (7.1 per cent). There was also a 5.4 per cent expansion in credit for secondary activity such as manufacturing, mining and quarry, contrasting with a 7.7 per cent contraction in loans extended for the primary industry of agriculture and fisheries. In addition, the largest category, which is credit for personal use, grew by 2.7 per cent, compared with 13.1 per cent in 2009. This growth in 2010 was mainly driven by an 11.3 per cent increase in credit for other personal use, as that for acquisition of property decelerated, while credit for purchase of durable goods fell.



The net foreign assets of the banking system rose by 16.0 per cent to \$2,197.5m, in contrast to a decline of 16.6 per cent 2009. This outturn was as a result of a 15.8 per cent increase in net foreign assets held by the central bank. Commercial banks for the second consecutive year had a net liability position which increased further during 2010 by 14.9 per cent to \$300.7m.

Liquidity in the commercial banking system eased during 2010, as reflected in a 2.1 percentage points decrease in the ratio of loans and advances to deposits to 88.6 per cent, as growth in deposits outpaced that of loans and advances.

In addition, the cash reserves to deposits ratio rose to 9.1 per cent up from 7.8 at the end of 2009.

The weighted average interest rate spread between lending and deposit rates increased to 6.33 percentage points from 6.27 percentage points at the end of December 2010. This result was due to a 1 basis point decline in the weighted average lending rate to 9.48 per cent while the weighted average interest rate on deposits fell at the higher rate of 6 basis points to 3.23 per cent.

Developments on the RGSM

Activity on the Regional Government Securities Market (RGSM) decreased during 2010 as indicated by a fall in both the volume and value of issues on the primary market, due to a reduction in the number of issuances by a member government. The number of auctions declined to 34 from 42 in 2009, while the total value of issues decreased by 2.5 per cent to \$721.6m. This contraction was the result of a significant reduction in the number of issuances, by one member government in 2010, compared with 2009. An analysis of the activity by maturity shows that the decline in overall activity was mainly related to the issuance of short-dated Treasury bills (T-bill) which fell to 27 from 36 in 2009, while the value of \$482.5m was lower than the \$611.6m raised in 2009. Meanwhile, the long-dated securities, bonds, increased both in terms of the number of issuances and value to 7 and \$239.4m respectively, up from 6 and \$128.3m in 2009. Investor confidence and, as a consequence demand, remained weak during 2010 as evidenced by the 6.4 per cent contraction in total annual subscriptions and the three undersubscribed issues. In addition,

the bid-to-cover ratio for T-bills, the dominant security on the market, fell to 1.18 from 1.23. This ratio measures the value of bids received in an auction to the value of the bids accepted, which means that the higher the ratio the higher the demand by investors over the reference period. In terms of participation, the governments of Saint Lucia and of St Vincent and the Grenadines, were the most active as they accounted for approximately 75.0 per cent of the gross value of issues in 2010. Antigua and Barbuda, another major player on the market, reduced its activity as it only issued two securities, while the Nevis Island Administration returned to the market with the issuance of a 365-day T-bill. Treasury bills remained the dominant product on the RGSM in 2010, however its share of total instruments issued fell to 74.7 per cent, down from 85.7 per cent in 2009. Bonds share of the market increased to 33.1 per cent, on account of an increase in activity by Saint Lucia, which remains the sole issuer of these long-dated instruments. The liquidity levels of the market for government securities remains relatively low with limited trading activities. During 2010 activity fell by 23.1 per cent to \$16.2m.

The rates on the instruments varied, however they trended down for short-dated securities, partly indicating a waning of demand during 2010. The average weighted yield on 91-day T-bills fell by 75 basis points to 5.08 per cent at the end of 2010, compared with 5.83 per cent at the end of 2009, while for 180-day T-bills the rates declined by 45 basis points to 4.75 per cent in 2010. Additionally,



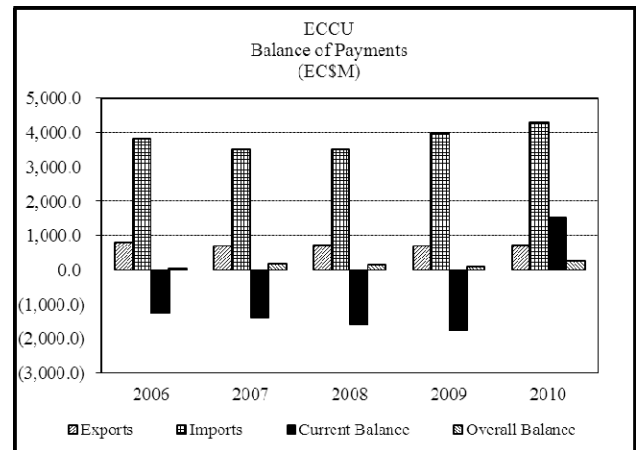
the average weighted yield on the 365-day T-bills decreased by 3 basis points to 6.19 per cent. There was some divergence in the movements of the rates for the limited long-term instruments. The average weighted yield on the 6-year bond increased to 7.25 percent from 7.19 per cent in 2009, while the yield on the 5-year bond contracted to 6.80 per cent down from 7.00 per cent in 2009.

Balance of Payments

Provisional data show that for a second consecutive year the overall balance of payments was in a surplus position. However, the \$282.4m surplus realised in 2010 was lower than the \$422.0m in 2009, reflecting lower inflows on the capital and financial account, as the current account deficit narrowed.

The current account deficit contracted by 16.6 per cent to \$2,590.7m (18.5 per cent of GDP), from \$3105.1m (20.5 per cent of GDP) in 2009, with all the major sub-accounts contributing to the narrowing of the deficit. The deficit on the goods and services account moved to \$2,616.9m down from \$2,915.2 at the end of 2009, as the surplus on the services account increased and deficit on the goods account narrowed. The merchandise trade deficit decreased by 2.8 per cent to \$4,656.9m, driven by a decline in payments for imports (f.o.b.). The contraction in economic activity contributed to this lower import bill, as the concomitant fall in aggregate demand resulted in lower import volumes which more than offset the price effect associated

with the impact of increases in international commodity prices, particularly oil. Net inflows from services grew by 8.8 per cent, largely due to an increase in net travel receipts, the largest category under the services account. Net travel receipts grew by 5.4 per cent to \$2,520m, consistent with the partial recovery of activity in the tourism industry and stay-over visitor arrivals in particular. Of the other sub accounts which positively impacted the current account deficit, net current transfers to central government rose by 13.7 per cent to \$514.6m, while the deficit on the income account narrowed by 24.0 per cent to \$488.4m.



The surplus on the capital and financial account decreased by 16.5 per cent to \$2,944.8m, following a 20.3 per cent contraction in 2009. A reduction in inflows of foreign direct investment (FDI), public sector capital transfers and lower commercial bank drawdowns on external funds, were the major factors contributing to this smaller surplus. Gross FDI inflows fell by 17.3 per cent to \$1,556.3 from \$1,873.8 a year ago. This contraction in tourism-related flows is indicative of the fragility of global



capital and financial markets in the wake of the financial crisis, as well as the extent to which investors and lenders have become more risk averse given the weak economic conditions and associated uncertainties in the business environment. The other major development in the capital and financial account, relates to the 92.1 per cent fall in net inflows associated with commercial bank transactions to \$39.1m, reflecting the limited investment opportunities available and the general decline in demand for credit.

Prospects

The global economy is expected to continue to expand in 2011, albeit at an uneven pace, with emerging economies expected to grow at a faster rate than advanced economies. As a result, global trades as well as the demand for goods and services are also expected to improve further in 2011. In the USA, the outlook is for the recovery, which started in the final quarter of 2009, to strengthen further in 2011, though this growth is expected to be sluggish and remain below potential. It is against this backdrop that the economic recovery in the ECCU is being projected for 2011, led by an improved performance by the tourism industry, an increase in private FDI inflows and remittances, which should stimulate activity in the construction and other related ancillary services sectors. The preliminary forecast is for growth of 2.7 per cent in the currency union, with all member countries expected to record positive growth.

The recovery in the tourism industry which started in 2010 is expected to gain further momentum in 2011, driven by increased demand for leisure services from major source markets such as the UK, USA and Canada. Consequentially, value added by the hotel and restaurants sector, is expected to be slightly higher than that of 2010. This improvement in the tourism industry should have positive spin-off effects on other key related service sectors such as: wholesale and retail trade; real estate, renting and business activities; and transport, storage and communication, thus further stimulating economic activity. Some of the leading tourism destinations in the currency union have already developed and implemented strategies aimed at reorienting their product so as to take advantage of new markets and other opportunities that have arisen since the global crisis. New markets in Latin America are to be targeted as well as an intensification of the marketing thrust in traditional markets such as the USA, UK and Canada. The construction sector is also expected to be a major contributor to the economic revival in the ECCU in 2010. Value added is expected to turn positive, following two consecutive years of contraction, underpinned by increased activity in both the private and public sectors. The improvement in global capital markets, restoration of investor confidence and an improved business climate in the region, should stimulate an increase in tourism related FDI flows to member countries. As a result, activities on projects that were either stopped or scaled down, due to the



unavailability of funds during the crisis, are expected to intensify in 2011 in countries such as Anguilla, St Kitts and Nevis and Saint Lucia. In the public sector activity is also expected to pick up buoyed by major infrastructure projects in member countries such as, St Vincent and the Grenadines, Saint Lucia, Montserrat and Grenada.

Inflationary pressures are expected to persist in 2011, as the improvement in the global economy coupled with negative supply shocks to critical commodities with relatively inelastic price elasticities, such as food and oil products, lead to sustained high prices.

The central governments' fiscal operations are expected to continue to improve as member countries maintain their policy stance of fiscal consolidation and stabilisation. This was agreed to by the Monetary Council for the period 2010 to 2012, as part of the broader macro-economic strategy outlined in, "*The ECCU Eight Point Growth and Stabilisation Programme*," in which the main objective is to restore as well as maintain stability and sustainability of the economic and financial systems over the near to medium term. This policy stance should result in further contractions in public expenditure in 2011, while on the revenue side the improvements in economic activity should lead to an increase in revenue relative to 2010. However, it should be noted that the fiscal outturn may be affected by the extent to which rising commodities and food prices impact the vulnerable groups in member countries. If the

upward trend in prices persist governments may be forced to introduce social safety net programmes to protect the most vulnerable and this could lead to some slippages.

On the external accounts, the overall surplus recorded in 2010 is projected to decrease, as the deficit on the current account widens, due mainly to an increase in outflows associated with payments for imports. The surplus on the capital and financial account is likely to be higher than that recorded in 2010, on account of the projected rise in inflows of foreign direct investment and remittances. However, these flows are expected to be moderate at best and remain below pre-crisis levels when they averaged approximately \$2,000.0m.

Developments in the banking system are expected to be characterised by an increase in the growth of monetary liabilities and domestic credit, in line with the strengthening of economic activity in 2011. In addition, it is expected that domestic credit, especially to the private sector, will increase at a faster rate than in 2010 as commercial banks ease their lending policies for business loans and as private sector demand rise due to improvements in their balance sheet positions. Financial stability issues are likely to persist in light of the moderate recovery that is forecasted and the lag with which real sector developments impact the financial system. However, the implementation of the Resolution Trust Corporation to facilitate the restructuring and recapitalization of weak and vulnerable commercial banks should help to



alleviate some of these challenges. Liquidity is therefore projected to ease further in 2011. The results of the credit market conditions survey, which covered January to June 2010 and expectations for the second half of 2010, highlighted the growing risk aversion of commercial banks and a negative outlook on growth prospects in the short to medium term. Some of the specific areas of tightening included underwriting practices and more stringent policies on loan covenants and security/collateral requirements.

The current global recovery notwithstanding, there are a number of downside risks which could derail the prospect of full economic recovery in the

ECCU. One of the main downside risks is slower than expected growth in major trading partners, such as the USA and UK. This could result in sluggish recovery in tourism-related and FDI inflows; weak stay-over tourist arrivals and low levels of remittances, which would in turn retard growth in the currency union. Another risk is related to the new uncertainties about oil supply, given the political tensions in the Middle East and Africa. This raises the risk of sustained increases in oil prices, which could further slow global growth and reduce the demand for goods and services exported by member countries, as well as create an inflation problem.



ANGUILLA

Overview

Economic activity in Anguilla is estimated to have contracted in 2010, albeit, at a lower rate relative to the decline in 2009. Preliminary estimates indicate that real GDP growth fell by 3.8 per cent compared to a 13.6 per cent decline in 2009. The lower rate of contraction was due to some recovery in the hotels and restaurants sector as well as real estate, renting and business activity. The improvements in these sectors partially offset the declines in construction, financial intermediation, transportation, storage and communication. Consumer prices increased by 1.0 per cent during 2010. The fiscal operations of central government resulted in an overall surplus, attributable to an increase in revenue, lower expenditure and the receipt of budgetary support from the European Union (EU). The total outstanding public sector debt increased during the review period. In the banking system, monetary liabilities and domestic credit contracted while net foreign assets rose. The contraction in monetary liabilities was attributable to lower foreign currency deposits. The fall in domestic credit reflected reduced levels of government borrowing from commercial banks. Commercial bank liquidity increased and the weighted average interest rate spread between loans and deposits widened.

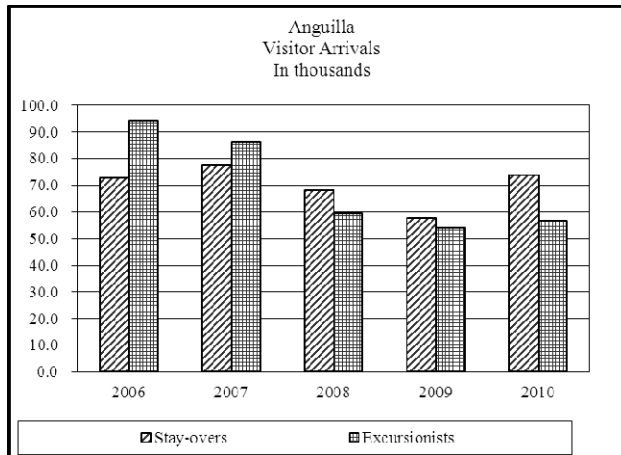
In the external sector, an overall surplus was recorded, influenced by a narrowing of the current account balance.

In 2011 the Anguillian economy is expected to register positive growth. This outturn is contingent on a continued rebound in tourist arrivals and growth in financial intermediation and real estate activity. The fiscal operations of central government are also expected to improve given the implementation of new revenue measures, such as the proposed employee stabilisation levy and a commitment to constrain expenditure growth.

Output

Value added in the hotels and restaurants sector, a proxy for activity in the tourism industry, is estimated to have increased by 14.0 per cent in 2010, in contrast to a decline of 6.2 per cent in 2009. This increase was attributable to the continued strengthening of the economic recovery in key source markets, especially in the USA. The number of stay-over visitors is estimated to have increased by 27.8 per cent to 74,008 in contrast to a 15.2 per cent decline in 2009. This increase mirrored developments in arrivals from the largest source market, the USA. According to preliminary data, stay-over arrivals from the USA increased by 31.2 per cent to 44,727 in 2010 in contrast to a 15.3 per cent decline in 2009. Meanwhile, the number of excursionists increased by 4.5 per cent to 56,655.



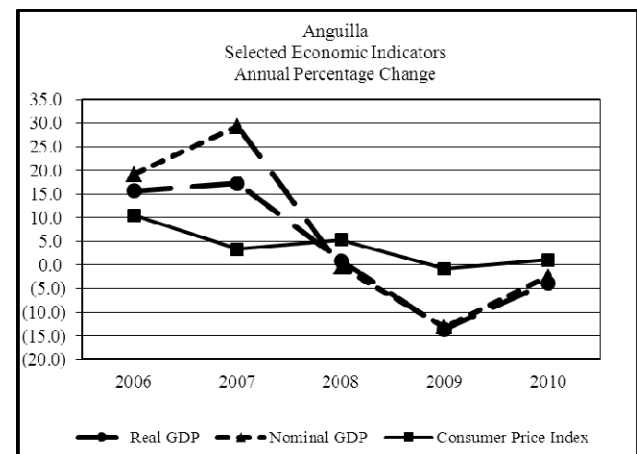


In the real estate, renting and business activities sector, the second largest contributor to real GDP, value added increased by 2.3 per cent in 2010 in contrast to a 9.4 per cent contraction in 2009. This 2010 outturn of the sector was influenced by an increase in the number of residential dwellings available for rent and also by the larger number of visitors.

Value added in the financial intermediation sector is estimated to have declined by 0.7 per cent in 2010 in contrast to an 8.7 per cent expansion in 2009. This decline was consistent with the fact that financial institutions faced a challenging business environment during 2010, given that the economy was still contracting. This resulted in increased provisioning for credit risk and made it difficult for them to grow their loan portfolios.

The continued decline in construction activity has led to the sector's contribution to GDP declining to 7.4 per cent in 2010 from 11.9 per cent in 2009. Value added in the sector is estimated to have declined by 40.0 per cent during the period under

review compared with a 50.3 per cent decline in 2009. This outturn was the result of subdued levels of private sector construction and a continued reduction in spending on public sector capital works. In the private sector the limited construction activity undertaken was mainly focused on the completion of phase two of the Viceroy hotel and renovations works on Cap Juluca. Public sector construction activity came to a virtual standstill as capital expenditure contracted by 70.4 per cent to \$3.1m, due to the government's effort to reduce expenditure so as to achieve an overall surplus balance by 2013.



Prices, Wages and Employment

Inflationary pressures rose during 2010, influenced by the introduction of new taxes and increases in the prices of oil and other imported commodities. The consumer price index, on an end-of-period basis, is estimated to have increased by 1.0 per cent during 2010 in contrast to a decline of 0.8 per cent during 2009. Increases were recorded for major sub-indices such as, food, transportation and communication and fuel and light. The transport and communication

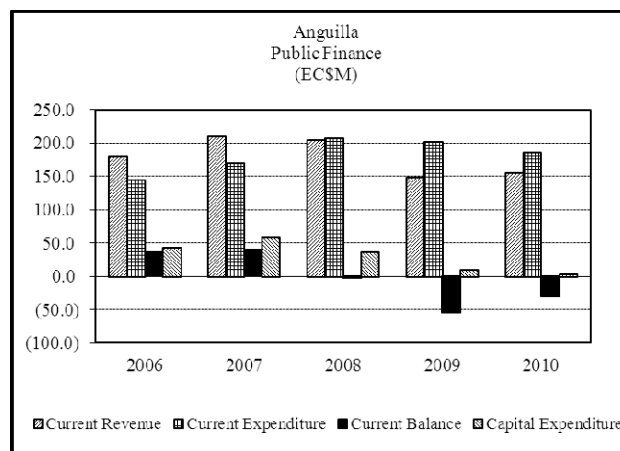
sub-index, which is the second largest weighted, rose by 3.7 per cent, due in part to higher import duties on vehicles and a new communications tax. Similarly, the fuel and light sub-index is estimated to have increased by 5.1 per cent, attributable to an increase in the fuel surcharge on electricity bills. These increases were only partially offset by declines in the household furnishings and clothing and footwear sub-indices.

Wages in the public sector continued to decline in 2010 following an average reduction of 5 per cent in wages and salaries in July and a freeze on increments. These adjustments were part of the government’s efforts to constrain expenditure growth and help ameliorate its fiscal position. Data on private sector wages are not readily available, however, based on the subdued level of economic activity and the concomitant fall in demand for workers, excess supply would have contained wage growth.

Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall surplus of \$0.4m in 2010 (0.05 per cent of GDP) in contrast to a deficit of \$64.7m in 2009 (8.1 per cent of GDP). This turnaround in the fiscal performance was due mainly to the combination of a smaller current account deficit and lower capital spending. A primary surplus of \$11.3m (1.4 per cent of GDP) was recorded in 2010, in contrast to a deficit of \$56.4m (7.0 per cent of GDP) in 2009. This reversal in the primary balance

position was influenced primarily by a relatively large inflow of grant funds. Total grant funding of \$33.8m was received in 2010, comprising of \$22m in budgetary support under the 9th European Development Fund (EDF) disbursement and \$11.5m in the form of capital grants from the Caribbean Catastrophe Risk Insurance Facility (CCRIF) following the passage of tropical cyclone Earl. This is in contrast to developments in 2009 when no grant funds were received.



The current account deficit decreased to \$30.3m (3.9 per cent of GDP) at the end of 2010, down from \$54.1m (6.7 per cent of GDP) recorded at the end of 2009. This improvement in the current account was the result of an increase in revenue intake and lower expenditures. Tax revenue grew by 3.9 per cent to \$115.9m on account of a higher collection (\$9.3m) of taxes on domestic goods and services. The increased collection of taxes on domestic goods and services can largely be attributed to higher stamp duty receipts, which was associated with revenue received from a 1.0 per cent charge on the sale of the Viceroy hotel. The larger tax collection on domestic



goods and services was tempered by a 7.6 per cent (\$5.0m) fall in collections of taxes on international trade and transactions. Receipts from international trade and transactions fell as a result of reduced collections of import duties (\$3.6m), reflecting the continued decline in importation of goods. Non-tax revenue increased by \$3.3m (8.9 per cent), on account of higher collections of incorporated company and work permits fees.

The policy thrust to realign expenditure with lower revenues which started in 2009 continued during 2010. Current expenditure contracted by 8.0 per cent (\$16.1m) to \$186.3m during the review period, following a 2.1 per cent decline in 2009. This reduction was reflected in lower expenditure on personal emoluments, goods and services and transfers and subsidies. Personal emoluments, the largest expenditure item, declined by 2.3 per cent on account of a 5.0 per cent average cut to salaries and a freeze on increments. Notable reductions in travel and subsistence and scholarship assistance led to a 19.0 per cent fall in goods and services. In addition, subventions to all statutory agencies were also reduced. Interest payments however increased by 32.4 per cent (\$2.7m) reflecting relatively high servicing cost of the refinanced commercial debt in 2009.

Public Sector Debt

The total disbursed outstanding debt of the public sector was estimated at \$235.1m at the end of 2010, representing an increase of 22.7 per cent on the

outstanding debt recorded at the end of 2009. Consequently as a percentage of GDP, outstanding debt rose to 30.0 per cent from 23.9 per cent. This increase in debt was driven by a more than threefold increase in external debt to \$176.3m, which largely reflected the receipt of a \$148.5m Caribbean Development Bank (CDB) policy-based loan. As a result of this transaction, external debt increased to 75.0 per cent of total outstanding debt in 2010 from 26.1 per cent in 2009. Central government debt now represents 92.4 per cent of outstanding debt while the outstanding stock of debt of public corporations declined by 7.5 per cent to \$17.7m.

Money and Credit

Monetary liabilities (M2) contracted by 1.1 per cent to \$1,062.4m at the end of 2010 compared with a 4.7 per cent fall in 2009. This continued contraction of the monetary base was due to declines of both narrow (M1) and quasi money. Narrow money (M1) declined by 10.4 per cent reflecting falls in currency in circulation (18.3 per cent) and private sector demand deposits (10.7 per cent). These declines were tempered by a 94.2 per cent (\$2.8m) increase in EC cheques and drafts issued.

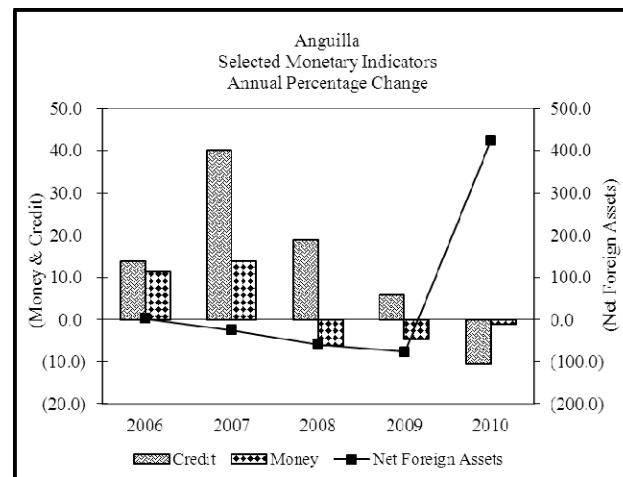
Quasi money declined by 0.7 per cent (\$6.9m) in 2010 compared with a 4.6 per cent (\$49.1m) fall in 2009. The deceleration in the rate of contraction in quasi money is largely attributed to the slower fall in private sector foreign currency deposits. Private sector foreign currency deposits fell by \$24.2m during 2010 compared with an \$83.2m fall in 2009.



Domestic credit fell by 10.5 per cent to \$1,231.9m in contrast to an increase of 5.9 per cent during 2009. This reduction can be attributed to transactions of the central government and minimal growth of private sector credit. Credit to the private sector increased by 0.2 per cent, as the 8.2 per cent (\$59.1m) increase in business credit was partly offset by an 8.0 per cent (\$53.2m) decline in household credit. Meanwhile, net central government transactions with the banking system resulted in a net deposit position in contrast to a net credit position at the end of 2009. This turnaround was due to a significant reduction in credit and an increase in deposits. During the review period no credit was contracted from the commercial banking system, as the Foreign Commonwealth’s Office decided not to allow borrowing by the government following its breach of the UK Borrowing Fiscal Guidelines. In addition the deposits of the central government rose by \$23.7m during 2010.

The distribution of commercial bank credit by economic activity indicated that a decrease in credit for public administration was the largest contributing factor to the overall decline in credit extension. Outstanding loans for public administration declined \$121.7m to \$18.1m. This outturn however was a result of the government’s use of the proceeds of the CDB policy-based loan to settle all of its obligations with the banking sector. Lending for personal use, the largest subcategory, declined by 13.0 per cent, driven by a fall in several subcomponents, most notably, home construction and the acquisition of property. Lending for private

sector construction however increased by 45.0 per cent reflecting the reclassification of loans by a major bank over the review period.



The net foreign assets of the banking system increased by more than fourfold to \$196.4m at the end of 2010, in contrast to a 76.6 per cent decline during 2009. This outturn was the result of developments in the commercial banking sector. The liabilities of commercial banks with other ECCB territories declined by 51.2 per cent (\$120.1m) in 2010 and consequently contributed to the commercial banks moving to a net foreign assets position of \$88.7m, in contrast to a net liability position at the end of 2009. These developments were attributable to the refinancing of all public sector commercial debt via a policy based loan from the CDB. Anguilla’s imputed share of reserves increased by 6.5 per cent to \$107.7m.

Liquidity in the commercial banking system improved during 2010 relative to 2009. The ratio of liquid assets to total deposits plus liquid liabilities



increased by 4.7 percentage points to 28.7 at the end of 2010, while the loans and advances to total deposits ratio fell by 7.6 percentage points to 102.4 per cent.

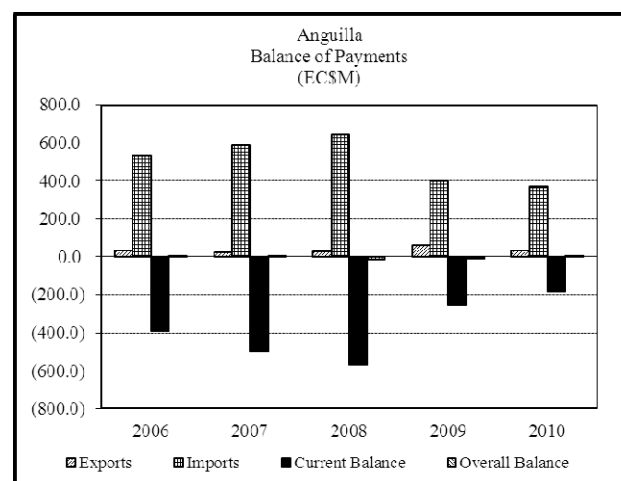
The weighted average interest rate spread between loans and deposits widened to 7.06 per cent at the end of 2010, from 6.53 per cent points at the end of 2009. The weighted average interest rate on loans rose by 0.4 percentage point to 10.46 per cent while that on deposits declined by 0.1 percentage point to 3.4 per cent.

Balance of Payments

Transactions on the balance of payments resulted in an overall surplus estimated at \$6.6m, in contrast to a deficit of \$9.6m in 2009. The improvement in the overall balance was a result of a narrowing of the deficit on the current account due to increased net inflows on the service account. The current account deficit fell to \$184.6m in 2010 (23.5 per cent of GDP) from \$252.8m (31.5 per cent of GDP) in 2009. The smaller deficit was attributable to a 43.1 per cent increase on the net balance of the services account and a turnaround in the net balance on the current transfers account from a deficit of \$13.2m to a surplus of \$7.4m. EDF grant inflows of \$22.3m accounted for the performance on the current transfers account. Net inflows on the services account increased by \$50.0m to \$165.6m in 2010 reflecting increased net travel receipts. Net travel receipts increased by 25.2 per cent to \$259.2m

mirroring the estimated increase in stay-over arrivals.

There were no significant changes to the deficit on the goods account given offsetting developments on the merchandise account, namely a decrease in both exports and imports. The merchandise account deficit stood at \$340.0m in 2010 compared to \$339.1m in 2009.



The surplus on the capital and financial account declined by 18.5 per cent to \$197.2m in 2010 (25.2 per cent of GDP) from \$242m in 2009. This decrease was attributed to transactions on the financial account. Other investments in commercial banks, a sub-component on the financial account, moved from a net inflow of \$113.1m to an outflow of \$152.3m. The decline caused by commercial bank transactions were partially offset by increases in inflows for direct investment and the capital account.



Prospects

An improvement in the global economic outlook, particularly for the US economy, and a sustained increase in tourist arrivals are expected to lead to positive growth in the Anguillian economy in 2011. Expansion and renovation plans for existing hotel properties such as Cap Juluca, the Flags Project and the building of new boutique properties, such as Solaire, are expected to slow the decline of construction activity and lead to positive growth in the near to medium term. In the tourism industry, activity is expected to increase particularly given the Anguilla Tourist Board's (ATB) push to target new markets in Latin America. Positive tourism growth is expected to spill over into ancillary sectors such as transportation and real estate.

The fiscal operations of the central government are expected to improve due to new revenue measures and constrained expenditure growth. New revenue measures such as higher property tax rates, the recently implemented communications tax and the increase in the petroleum levy are all expected to contribute positively to tax collections. Stamp duty and other fees associated with the sale of the Viceroy hotel to the Starwood Group are also

expected in 2011. The government has already received some revenue related to this sale in 2010. Current expenditure is not expected to increase due to the wage and increment freezes currently being implemented. Capital expenditure however is budgeted to increase in 2011.

On the external account the merchandise trade deficit is expected to increase based on higher levels of imports commensurate with the projected improvement in economic activity. Gross inflows from travel are expected to increase in 2011 consistent with the projected increase in visitor arrivals. In the banking system positive growth in M2 is expected given the higher projected levels of economic activity. Domestic credit growth is expected to be minimal in the near term given the limited government participation, the maintenance of tighter lending conditions by commercial banks for prudential reasons as well as weak consumer demand over the short term.

A continued increase in the price of oil and related commodities due to events in North Africa could also negatively impact Anguilla by further fueling inflationary pressures and reducing business sentiment.



ANTIGUA AND BARBUDA

Overview

Economic activity in the Antigua and Barbuda economy is estimated to have contracted further in 2010, albeit at a slower pace, following a severe recession in 2009. Preliminary data suggest that economic activity declined by a further 5.6 per cent compared to a 9.6 per cent contraction recorded in 2009. This 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. The major factors contributing to the contraction in economic activity included, the weak recovery in the global economy, closure of the Stanford Group of Companies, and a substantial cut back in government capital expenditure. The worsening of economic conditions prompted the government to enter into a Stand-By Arrangement with the International Monetary Fund in May of 2010. The consumer price index rose 2.9 per cent on an end-of-period basis. Central government's fiscal operations improved, attributable to a reduction in expenditure. Meanwhile, the total outstanding public sector debt decreased for the period under review reflecting debt rescheduling and restructuring. In the banking system, monetary liabilities expanded, influenced by an increase in net foreign assets as domestic credit fell. Commercial bank liquidity tightened and the weighted average interest rate spread between loans and deposits widened. In the external sector, the overall balance of the balance of payments shifted

from a deficit position to surplus due to a smaller current account deficit.

In 2011 the economy of Antigua and Barbuda is expected to record positive growth. This economic recovery is projected to be led by the tourism sector as increased marketing and additional airlift are expected to lead to an increase in stay-over arrivals. The fiscal operations of the central government are likely to improve relative to the outturn in 2010 as reform measures continue in 2011. Price pressures are projected to remain elevated in 2011 given the outlook for commodity and energy prices. The external account is expected to deteriorate due to higher payments for imports associated with rising oil, commodity and fuel prices. The rises in energy and food prices pose a downside risk to the economic outlook.

Output

The construction sector, which accounts for 11.3 per cent of GDP, declined by an estimated 27.0 per cent in 2010. This decline was reflected in both public and private sector construction activity, especially as it relates to projects financed by foreign direct investment. These included major private-sector tourism projects, namely Half Moon Bay, La Perla, Eden Beach Club, Hodge's Bay Club, Marina Residences and Reeds Point, as well as the Sunrise Community Hub and the airport development project. In the public sector, construction activity

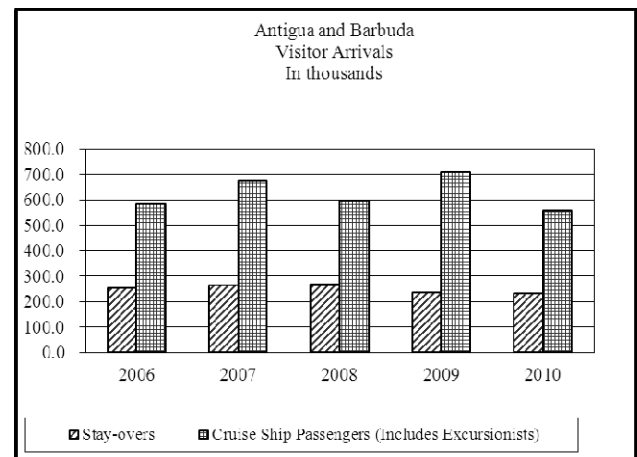


remained depressed as funding constraints negatively impacted capital expenditure. In addition, cement imports, which is a major input in construction projects, fell by 36.7 per cent in 2010 compared to a 29.8 per cent decline recorded in 2009. This is indicative of a further decline in activity in the construction sector.

Notwithstanding these declines, private sector residential construction rebounded in 2010 based on data from commercial banks which indicated that credit for home construction and renovation rose to 4.8 per cent (\$23.4m) compared with growth of 1.4 per cent (\$ 6.6m) in 2009.

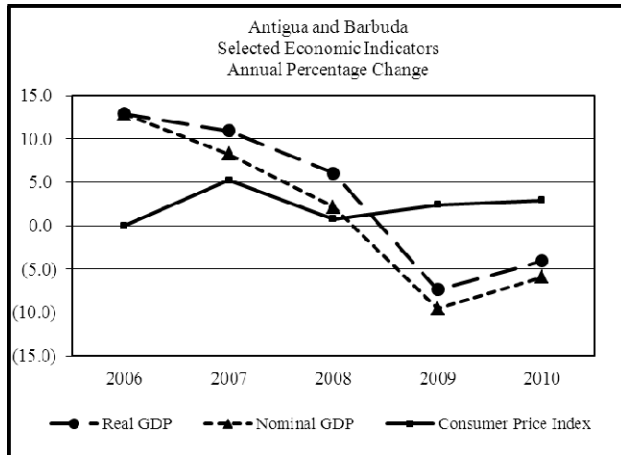
The second largest contributor to GDP, the hotels and restaurants sector, which accounts for 13.6 per cent of GDP on average, is estimated to have declined by 0.8 per cent in 2010 in keeping with reduced stay-over arrivals to the country. Preliminary estimates indicate that the number of stay-over visitors fell across all categories. The total number of stay-over visitors decreased by 0.8 per cent (208), of which arrivals from the USA and the UK, which jointly account for 64.0 per cent of total stay-over arrivals on average, fell by 0.3 per cent and 8.6 per cent respectively. The fall in stay-over arrivals from these main source markets, was only partly offset by strong growth from the Canadian market, which rose by 38.3 per cent in contrast to a 1.8 per cent decline in 2009. Likewise,

cruise passenger arrivals fell by 21.5 per cent to 557,030, attributable to a 17.2 per cent reduction in the number of ships making calls to the country. The decreases in the number of stay-over and cruise ship visitors were offset by an increase in the number of yacht visitors. Yacht passengers rose by 22.0 per cent to 25,866 due to an 8.0 per cent increase in the number of yachts visiting the country.



The weakness in the economy's two leading sectors construction and tourism negatively affected activity in the wholesale and retail sector, which is a major supplier of goods and services to these sectors. Value added in the wholesale and retail sector, which accounted for 15.0 per cent of GDP, contracted by 7.0 per cent in 2010 following a 21.5 per cent decline in 2009. In contrast, value added by the real estate sector, which accounts for approximately 11.0 per cent of GDP, grew by 0.9 per cent in 2010.





Prices, Wages and Employment

Inflationary pressures rose in 2010, reflecting the impact of external factors. The consumer price index (CPI) increased by 2.9 per cent compared with an expansion of 2.4 per cent in the corresponding period of 2009. The food sub-index, the largest weighted in the CPI basket, increased by 7.9 per cent reflecting the rise in the price of major food items. By contrast, declines were recorded in the sub-indices of housing (8.6 per cent), clothing and footwear (5.0 per cent) and fuel and light (0.6 per cent).

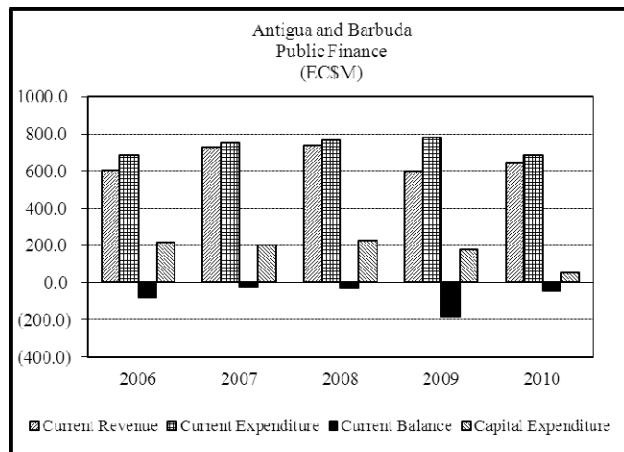
There were no wage increases in the public sector as the government imposed a freeze on salaries and wages, as part of its fiscal adjustment programme under the IMF's Stand-By Arrangement. In addition, the number of workers employed by the central government is estimated to have remained flat in 2010 as the government also froze new public sector employment.

Central Government Fiscal Operations

Preliminary data on the fiscal operations of the central government indicate an improvement in the overall fiscal position in 2010 on account of improved current operations and a reduction in capital expenditure. An overall deficit of \$36.9m (1.1 per cent of GDP) was recorded in 2010, which was significantly lower than the deficit of \$358.4m (10.6 per cent of GDP) recorded in 2009. One of the major factors contributing to the lower overall deficit was the improvement in the current operations of the central government. A current account deficit of \$43.0m was recorded in 2010, well below the revised deficit of \$185.9m in 2009. This outturn was influenced mainly by lower expenditure and higher levels of current revenue.

Current expenditure declined by 12.7 per cent (\$99.2m), in contrast to growth of 2.0 per cent recorded in the corresponding period of 2009. The decline in recurrent expenditure was reflected in decreases in all categories. Expenditure on goods and services fell by \$45.5m (26.6 per cent), while interest payments decreased by \$16.1m due to external debt restructuring with the Paris Club. Outlays for personal emoluments and transfers and subsidies declined, by \$18.1m and \$18.9m respectively. The decrease in personal emoluments was due to the government's control of overtime expenditure and a freeze on new employment and salary increases. Meanwhile, the reduction in

transfers and subsidies was the result of smaller transfers to statutory corporations and overseas offices.



Current revenue increased by 7.5 per cent (\$43.7m) to \$639.6m, reflecting higher non-tax revenue collections. The intake from non-tax revenue increased by \$40.6m due to the collection of profits from the State Insurance Corporation. Tax revenue receipts, which closely track economic activity, rose by 0.5 per cent (\$3.1m) as a result of an increase in yields from taxes on international trade and transactions. Collections from taxes on international trade and transactions rose by \$35.6m, reflecting the implementation of the revenue recovery charge (RRC). The RRC was one of the measures introduced as part of the fiscal consolidation programme, replacing the customs service tax (CST). It is applied at a rate of 10 per cent of the CIF value on all goods imported into or produced in Antigua and Barbuda. Higher yields from taxes on property also contributed to the increase in tax revenue. This component of tax revenue rose by 19.3 per cent (\$2.8m) due to improved compliance.

The increases in these sub-components of tax revenue were partly offset by a reduction in the yield from taxes on domestic goods and services and on income and profit. Collections from taxes on domestic goods and services decreased by 11.8 per cent (\$29.8m), reflecting the decline in receipts from the Antigua and Barbuda Sales Tax. Weak economic activity and tax compliance issues were responsible for a 12.1 per cent (\$24.6m) fall in receipts from the sales tax.

The primary balance, which measures the funds available to the government for interest payments after all other recurrent expenditure has been paid, improved in 2010. A primary surplus (after grants) of \$42.1m was recorded, in contrast to a deficit of \$262.3m in 2009. On the capital account, preliminary data show that capital expenditure declined by \$121.4m to \$53.6m, attributable to measures implemented under the IMF's Stand-By Arrangement (SBA) as well as funding constraints from traditional sources.

Public Sector Debt

The total disbursed outstanding public debt at the end of 2010 fell by 11.8 per cent to \$2.7b from \$3.1b at the end of 2009. The stock of public debt at the end of 2010 represented 83.3 per cent of GDP compared to a revised debt to GDP ratio of 91.2 per cent at the end of 2009. The decrease in debt stock was attributable to a 10.4 per cent decline in the outstanding debt of central government, mainly domestic debt, reflecting the restructuring of debts



with statutory corporations. The outstanding debt of the public corporations contracted by 1.1 per cent on account of a 6.1 per cent decline in external debt.

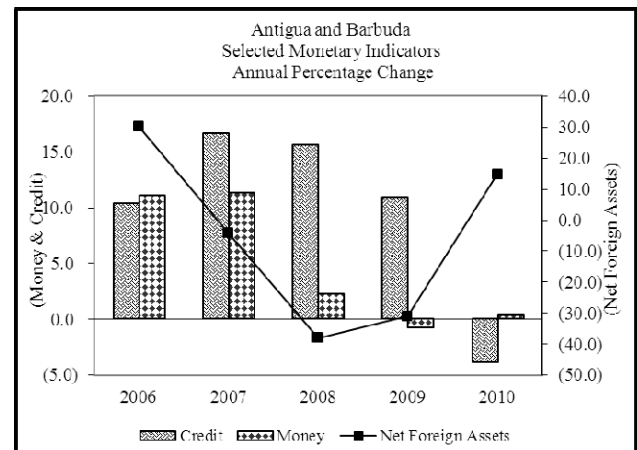
Money and Credit

The total monetary liabilities (M2) of the banking system rose by 0.3 per cent to \$3,006.4m during 2010, in contrast to a 0.8 per cent contraction recorded at the end of 2009. The improvement in M2 was the result of a 0.9 per cent increase in quasi money as narrow money (M1) declined by 1.8 per cent. Quasi money, which accounts for approximately 79.0 per cent of M2 on average, rose by 0.9 per cent to \$2,387.4m, driven primarily by growth in private sector foreign currency deposits (6.7 per cent) and private sector savings deposits (0.5 per cent) respectively.

Domestic credit declined by 3.9 per cent to \$2,915.1m in 2010, in contrast to a 10.9 per cent expansion in 2009. Private and public sector credit declined in 2010. In particular, the stock of private sector credit fell by 0.5 per cent (\$12.9m) influenced by reduced credit to businesses (0.3 per cent) and subsidiaries and affiliates (27.1 per cent). These decreases were partially offset by a 0.3 per cent expansion of household credit, as lending for mortgages remained buoyant and there was a 19.4 per cent increase in lending to non-bank financial institutions.

The distribution of commercial bank credit by economic activity indicated a mixed performance by

the major sectors driving growth. Declines were recorded in credit extended for tourism-related activities (2.8 per cent), manufacturing (3.0 per cent) and agriculture & fisheries (21.6 per cent). Credit for personal use, the largest component, rose by 1.4 per cent (\$18.1m). The increase in credit for personal use was primarily for the acquisition of property (\$34.5m), mainly for home construction and renovation. Expansions in credit were recorded to key sectors such as construction (4.6 per cent) and distributive trade (6.4 per cent). However, credit for other uses, which accounts for the second largest share of the total, fell by 22.8 per cent.



The net foreign assets of the banking system increased by 14.8 per cent, in contrast to a decrease of 31.0 per cent in 2009. The increase was attributable to growth of 25.7 per cent in Antigua and Barbuda's imputed share of the reserves at the Central Bank. In contrast, the net foreign assets of the commercial banks decreased as banks reduced their net foreign assets position with banks within the ECCU.

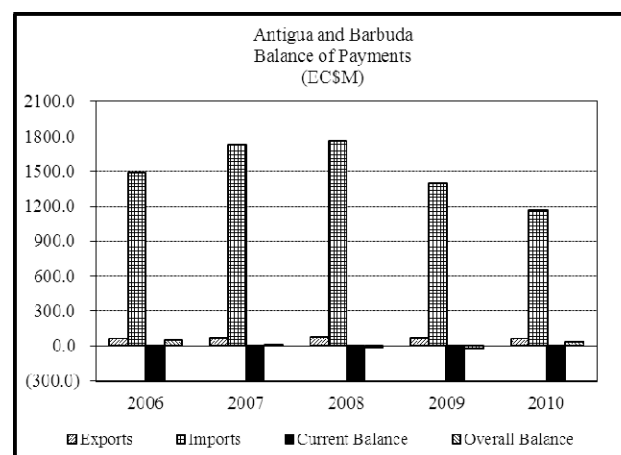
The banking sector continued to face liquidity challenges due to low economic activity in the country; notwithstanding, liquidity ratios were above the ECCB stipulated benchmarks. The ratio of liquid assets to total deposits plus liquid liabilities fell by 5.3 percentage points to 36.7 per cent, while the loans and advances to total deposits ratio decreased by 2.8 percentage points to 88.5 per cent as credit growth slowed.

The weighted average interest rate on deposits decreased by 0.1 percentage point to 3.2 per cent, while those on loans increased by 1.3 percentage points to 10.3 per cent as banks raised interest rates. Those movements led to a widening of the weighted average interest spread to 7.0 percentage points from 5.6 percentage points in 2009.

Balance of Payments

The overall position on the balance of payments (BOP) improved in 2010, with a surplus of \$32.6m (1.0 per cent of GDP) in contrast to a deficit of \$27.4m (0.8 per cent of GDP) in 2009. This outcome was influenced by an improvement on the current account, as the deficit narrowed to \$304.3m (9.3 per cent of GDP) compared to a deficit of \$653.2m (19.3 per cent of GDP) in 2009. Contributing to the improvement on the current account, the merchandise trade deficit narrowed to \$1,029.3m (33.6 per cent of GDP) on account of lower import payments reflecting reduced imports.

On the services account, net inflows rose by 5.0 per cent to \$779.2m, attributable to improvements on the transportation sub-account. The net inflow on the transportation account grew by an estimated 12.0 per cent to \$175.0m, due mainly to a reduction in the outflow for sea transport services which more than offset the declines in receipts from travel. There was a 0.6 per cent decline in travel receipts, which was consistent with the fall in stay-over arrivals. On the income account, there was a smaller net outflow, attributed to reduced interest on government transactions. This led to an improvement on the income account as the deficit narrowed by 36.8 per cent to \$86.8m.



The surplus on the capital and financial account decreased to \$336.8m compared with \$625.7m in 2009. This decrease was as a result of a reduction in foreign direct investment into the economy.

Prospects

The global economy is slowly returning to normalcy with growth in advanced economies projected for 2011. Against this positive backdrop, economic activity in Antigua and Barbuda is forecasted to have a modest recovery in 2011. The nascent recovery which started in the latter quarter of 2010 is expected to gain momentum in 2011. Tourist arrivals are expected to increase, albeit at a relatively slow rate with associated gross travel receipts also forecasted to improve in 2011. 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 an EC\$200.0m mall on the Friars Hill Road are actually implemented. Increased 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.

Central government fiscal operations are expected to continue to improve as some policy measures embarked upon under the IMF Stand-By Arrangement take effect. On the expenditure side, these include reducing transfer payments to various statutory corporations and overseas offices, outsourcing a number of government services; and

continuing the restriction of expenditure on overtime and hiring. On the revenue side increasing the yield from the ABST through improvements in compliance and increased audits should help to collect tax arrears.

On the external accounts, the current account deficit is projected to widened, based on an 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 a 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 as economic activity improves, while credit conditions are likely to remain tight due to the tightness of liquidity in the banking system. Inflationary pressures are likely to become elevated as the price of both oil and food increase.

The rising oil and food prices pose significant downside risks to the outlook. The increase in oil prices can derail the slow recovery in the tourism sector as the price of travelling becomes prohibitively high for some, due to the airlines response to higher fuel costs as well the passage of the Air passenger duty (APD) implemented by the UK government.



DOMINICA

Overview

Preliminary data indicate that real economic activity in Dominica contracted by 0.3 per cent in 2010 following a decline of 1.1 per cent in 2009. Major sectors such as agriculture, construction, manufacturing as well as wholesale and retail trade, all registered falls in activity. Consumer prices rose by 1.2 per cent during 2010, on an end-of-period basis. The central government's fiscal operations resulted in an overall surplus in contrast to a deficit in 2009. The disbursed outstanding debt of the public sector rose, associated with increases in both the domestic and external debt stock. Developments in the banking sector were characterised by growth in monetary liabilities, and an increase in domestic credit. Commercial bank liquidity declined, but remained at a high level, while the weighted average interest rate spread between loans and deposits narrowed. In the external sector, a lower overall surplus was recorded, influenced by reduced net inflows on the capital and financial account.

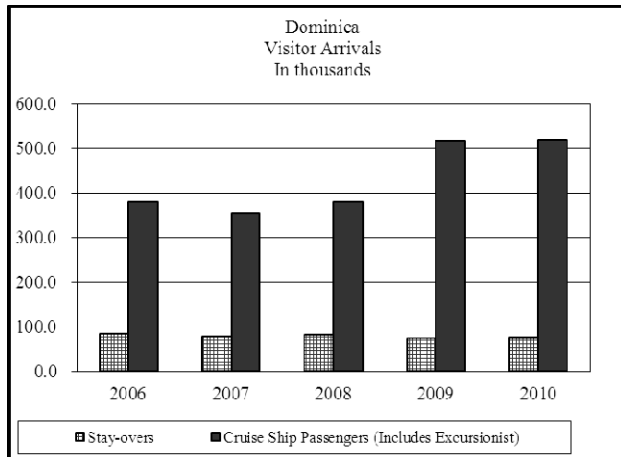
It is projected that economic activity will improve marginally in 2011, based on expected developments in tourism, agriculture and construction. The downside risks to these projections include a slow global recovery, rising international commodity prices and adverse weather conditions.

Output

The agricultural sector, a major contributor to economic growth, registered a decline of 4.8 per cent following two successive years of expansion. The outturn was largely influenced by a decline of 51.2 per cent to 2,875 tonnes in banana output which was constrained by the lingering effects of drought from the first quarter of 2010. In addition, the production of other crops and livestock is also estimated to have decreased by 4.7 per cent and 2.0 per cent respectively. These declines were partially offset by increases in value added by the fishing (3.0 per cent) and forestry (0.6 per cent) sub sectors.

Construction activity is estimated to have contracted further by 10.0 per cent in 2010, following a decline of 9.3 per cent in 2009. Public sector construction activity, which focused mainly on road construction and rehabilitation in 2010, was not as robust as the preceding year when there was post-hurricane related reconstruction. In the private sector, the number of construction starts fell by 18.5 per cent to 97, mainly influenced by a 23.4 per cent drop in the number of residential starts. Developments in the mining and quarrying sector, which supplies raw as well as processed materials for the construction industry, mirrored the contraction in construction activity as value added declined by 10.0 per cent during 2010.



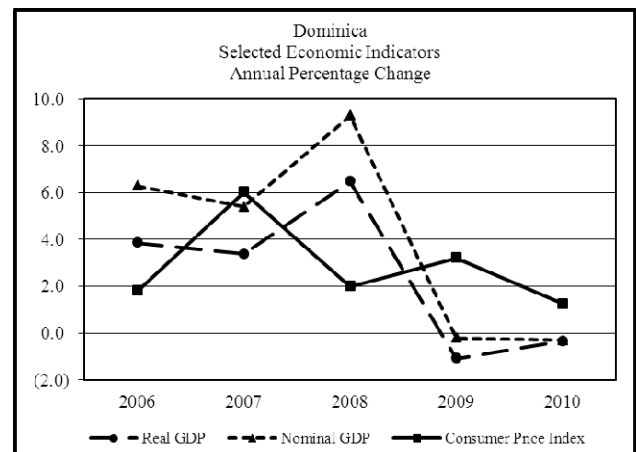


Activity in the manufacturing sector contracted for the fourth consecutive year, albeit at a slower rate than in 2009. Value added in the sector is estimated to have declined by 1.4 per cent, following a contraction of 5.0 per cent in 2009. The 2010 outcome was driven by a 3.6 per cent decline in the output of soap, while that of paints and varnishes fell by 26.9 per cent, impacted by low domestic and external demand. By contrast, the production of beverages rose by 1.8 per cent, as repaired machinery at a major plant boosted production from the first quarter of 2010.

The declines in the agricultural, construction and manufacturing sectors dampened wholesale and retail activity. Value added in the wholesale and retail trade sector fell slightly by 0.4 per cent compared with a 5.2 per cent fall in 2009.

The output of the hotels and restaurants sector rebounded in 2010, supported by intensified marketing initiatives, additional airlift, and increased room capacity in villa type properties. Value added in the hotels and restaurants sector, a proxy for

tourism activity, increased by 4.6 per cent, in contrast to a decline of 6.4 per cent in 2009. The improvement was attributed to growth in the number of stay-over visitors and cruise ship passengers. Stay-over arrivals are estimated to have risen by 2.1 per cent, reflecting increases in all the main source markets, namely, Canada (9.2 per cent), USA (5.9 per cent), UK (5.7 per cent), and the Caribbean (3.4 per cent). Likewise, cruise ship passenger arrivals rose marginally by 0.3 per cent to 517, 979 as the number of cruise ship calls increased by 9 to 272. The performance of the cruise sub-category was buoyed by inaugural visits from certain vessels and the redirection of ships to Dominica following the passage of hurricane Tomas in October 2010. As a result, total visitor arrivals was estimated to have increased by 0.5 per cent to 595,267. The improvement in the sector was tempered by an estimated reduction of 13.4 per cent to 771 in the number of excursionists.



Some other key sectors that recorded growth in real activity included education (3.4 per cent), real estate, renting and business activities (0.7 per cent), and

transport, storage and communications (0.3 per cent).

Prices, Wages and Employment

The rate of inflation, as measured by a change in the consumer price index, was 1.2 per cent in 2010, lower than the 3.2 per cent measured in 2009. The transport and communications sub-index, the second largest weighted sub-index, rose by 0.5 per cent, mainly influenced by higher fares. Among the other sub-indices, price increases were recorded for personal services (27.9 per cent), clothing and footwear (1.9 per cent), household furnishings and supplies (1.8 per cent), alcoholic beverages and tobacco (1.6 per cent) and education (0.5 per cent). Partially offsetting those increases was a marginal contraction (0.1 per cent) in the food sub-index, the largest weighted sub-index, influenced in part by declines in the cost of meat and dairy products.

Data on wages and employment movements in the private sector were unavailable, however in the public sector, all employees received a 3.0 per cent salary increase at the end of December 2010. In addition, non-established public sector workers received an increase in the minimum hourly wage rate, which took effect on 01 April, 2010. Meanwhile, the total number of persons employed in the public service decreased by 3.5 per cent to 3,912 at the end of 2010, with declines recorded in the number of both non-established workers (13.2 per cent) and established workers (2.6 per cent). By

contrast, the number of contractual employees rose by 51.6 per cent to 144.

Central Government Fiscal Operations

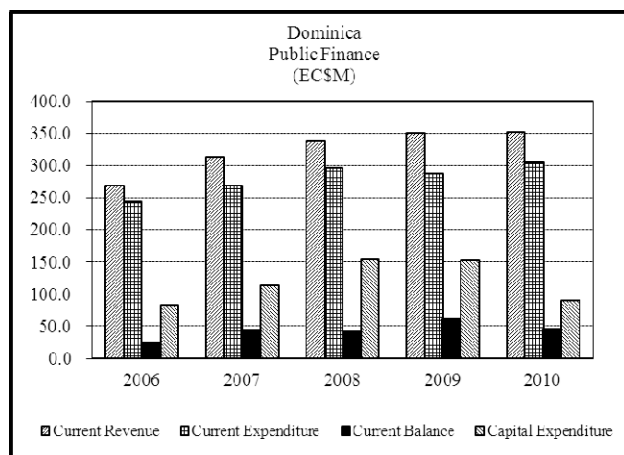
The central government's fiscal operations resulted in an overall surplus of \$17.1m in 2010, in contrast to a deficit of \$27.0m in 2009. The turnaround was marked by a fall in capital expenditure and marginal growth in current revenue. A primary surplus of \$38.1m (3.0 per cent of GDP) was recorded, in contrast to a deficit of \$13.0m (1.0 per cent of GDP) in 2009.

The current account surplus narrowed by 26.3 per cent to \$45.4m, as growth of current expenditure outpaced that of current revenue. Current revenue rose by 0.5 per cent to \$351.8m, as a result of a 2.3 per cent increase in tax receipts. The yield from taxes on income and profits rose by 11.6 per cent (\$6.5m), attributable to an increase in collections from corporation tax. Receipts from taxes on international trade and transactions were 4.7 per cent (\$3.3m) higher, influenced by larger receipts from import duties amid rising fuel prices. By contrast, collection from taxes on domestic goods and services declined by 1.0 per cent (\$1.9m), primarily associated with lower receipts from the value added tax (VAT). VAT collections fell by 1.5 per cent, mainly reflecting weak economic activity. The yield from property tax fell by 4.4 per cent (\$0.4m), partly associated with a decline in the collection of taxes from land transactions. The other component of



current revenue, non-tax revenue, contracted by 19.0 per cent (\$5.6m), due to a fall in receipts from rent and interest.

Current expenditure rose by 6.2 per cent to \$306.4m with increases recorded in all the major expenditure categories. Interest payments rose by 48.9 per cent (\$6.9m), reflecting larger domestic and external debt obligations. Outlays for goods and services increased by 5.5 per cent (\$4.6m), partly associated with higher payments for electricity. Spending on transfers and subsidies grew by 7.0 per cent (\$4.5m), largely on account of increased contributions to local and regional institutions. Expenditure on personal emoluments rose by 1.4 per cent (\$1.8m), influenced by salary and wage increases to public servants.



Capital expenditure contracted by 40.6 per cent to \$90.1m (7.2 per cent of GDP), as major projects that were ongoing in 2009 were completed. Capital grants amounted to \$58.3m, 5.5 per cent lower than the amount received in 2009.

Public Sector Debt

The total disbursed outstanding debt of the public sector was estimated at \$874.1m (69.4 per cent of GDP) at the end of 2010, up from \$862.8m (68.6 per cent of GDP) at the end of 2009. Of total outstanding debt, external debt rose by 1.1 per cent (\$6.8m), partly associated with unfavourable exchange rate movements. Domestic debt increased by 1.7 per cent (\$4.5m) reflecting greater use of the overdraft facilities at commercial banks. Central government debt, which accounted for 84.2 per cent of total public sector debt, grew by 3.1 per cent to \$736.1m. The outstanding debt of statutory bodies declined by 7.4 per cent to \$138.0m, due to scheduled amortization payments.

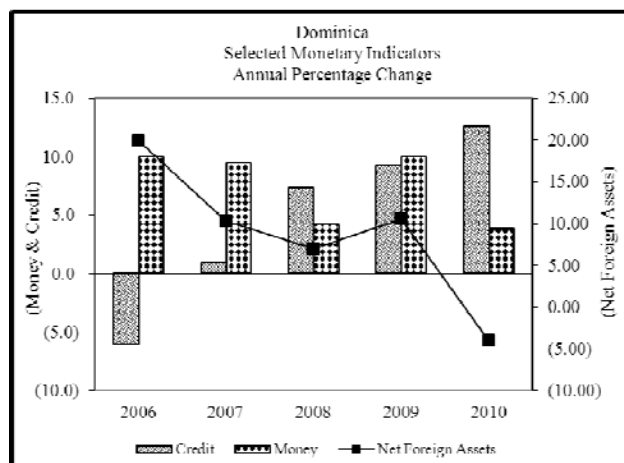
Money and Credit

Broad money (M2) rose by 3.8 per cent to \$1,010.2m at the end of 2010, compared with an expansion of 9.9 per cent during 2009. This performance reflected a 6.0 per cent rise in quasi money, which was tempered by a 4.7 per cent contraction in narrow money (M1). Growth in quasi money was attributed to increases in all of the subcomponents, but particularly in private sector time deposits (\$17.8m) and private sector foreign currency deposits (\$15.4m). There was a preference for higher interest bearing assets, as private sector demand deposits declined by 4.6 per cent,



contributing largely to the fall in M1. Currency with the public, another component of M1, fell also by 8.3 per cent, consistent with the fall-off in real economic activity.

The counterpart to the expansion in M2, was a 12.7 per cent increase to \$578.7m in domestic credit, mainly associated with growth in credit to the private sector. Private sector credit rose by 9.5 per cent, influenced by increases in outstanding loans to businesses (16.5 per cent) and households (5.1 per cent). The net deposits of the central government in the banking system grew by 6.8 per cent as a result of growth in deposits, which was partly offset by an increase in credit. By contrast, the net deposits of non-financial public enterprises fell by 7.0 per cent, primarily as a result of a decrease in their deposits.



The distribution of credit by economic activity indicated that credit rose for most categories. Credit for public administration rose more than two-fold, reflecting growth in total public sector debt.

Outstanding loans for tourism related activities expanded by 8.7 per cent, indicative of increased investment in hotel and villa-type properties. In addition, credit extended to the distributive trades sector increased by 41.2 per cent, while that for manufacturing, mining and quarrying rose by 37.8 per cent. Lending for personal use, which represented the bulk of total credit, grew by 1.2 per cent, dominated by credit for home construction and renovation. By contrast, declines were recorded in credit for transportation and storage (64.9 per cent), construction (22.9 per cent) and financial institutions (15.7 per cent).

The net foreign assets of the banking system fell by 4.0 per cent to \$535.0m at the end of 2010, in contrast to a 10.6 per cent expansion during the previous year. The contraction stemmed from developments in the commercial banking system. The net foreign assets of commercial banks contracted by 7.2 per cent, largely associated with a drawdown of the assets held with institutions outside the Eastern Caribbean Currency Union to finance the increased demand for credit. Dominica's imputed share of ECCB's reserves grew by 3.0 per cent to \$179.3m.

Liquidity in the commercial banking system contracted during 2010, but remained at a relatively high level. The ratio of liquid assets to total deposits plus liquid liabilities fell by 4.8 percentage points to 39.7 per cent. The loans and advances to total deposits ratio rose by 3.2 percentage points to 63.6



per cent. The cash reserves to deposits ratio rose to 8.4 per cent at the end of 2010 from 7.7 per cent at the end of 2009.

The spread between interest rates on loans and deposits decreased by 1.1 percentage points to 5.69 per cent at the end of 2010. The weighted average interest rate on loans declined by 1.04 percentage points to 8.95 per cent, reflecting loosened credit conditions which may have influenced the increased demand for credit. Meanwhile, the weighted average rate on deposits increased by 0.06 percentage point to 3.26 per cent.

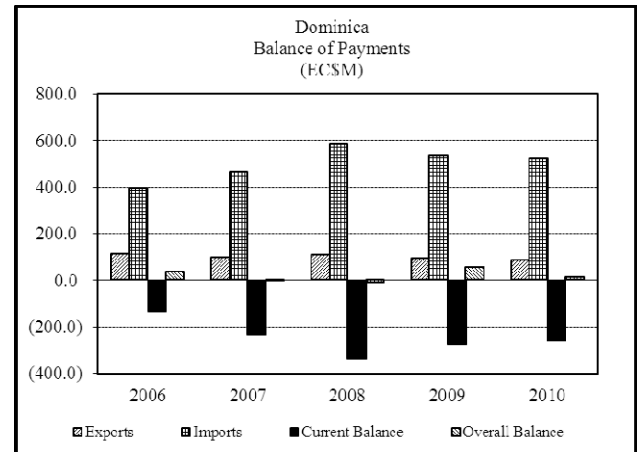
Balance of Payments

Dominica's economic and financial transactions with the rest of the world, are estimated to have resulted in an overall balance of payments surplus of \$12.9m, down from one of \$55.4m in 2009. This performance was mainly influenced by lower net inflows on the capital and financial account.

A surplus on the capital and financial account of \$274.3m (21.8 per cent of GDP) was recorded in 2010, compared with \$330.6m (26.3 per cent of GDP) a year earlier. The outturn was attributed to a contraction in inflows of official development assistance on the capital account, and a reduced surplus on the financial account, associated with lower net inflows of direct investment.

The current account deficit narrowed to \$261.4m (20.8 per cent of GDP) in 2010 from

\$275.2m (21.9 per cent of GDP) in 2009.



This development was influenced by improvements on all sub-accounts of the current account. The deficit on the goods and services account narrowed to \$282.1m (22.4 per cent of GDP) mainly reflecting a decrease of 1.4 per cent in the merchandise trade deficit to \$437.2m in 2010. Merchandise imports (f.o.b) fell by 2.3 per cent (\$12.4m) to \$522.9m, primarily associated with declines in imports of machinery and transport equipment, manufactured goods, and chemical and related products. Earnings from merchandise exports decreased by 9.3 per cent, consistent with the contraction in manufacturing activity and banana production. The receipts from banana exports fell by 37.4 per cent to \$5.7m, as a result of lower export volumes. Net inflows on the services account rose by 1.4 per cent to \$148.0m, primarily on account of a 2.9 per cent increase to \$198.5m in receipts from travel. On the income account, net outflows declined by 10.3 per cent, largely associated with reduced net outflows on investment income.



Prospects

The economy of Dominica is expected to register marginal growth in 2011, premised on improvements in the agricultural, tourism and construction sectors. Agricultural output is expected to recover buoyed by continued investment in the sector. These investments include replanting in the aftermath of the drought, expansion in livestock production, and the development of a coffee factory in 2011. Value added in the hotels and restaurants sector is expected to increase as a result of the general revival in the economies of source markets, continued marketing efforts and improved air access. Stay-over arrivals are likely to be boosted by a number of factors including night landing by a major regional air carrier at Melville Hall Airport scheduled to be underway in the first half of 2011; and intensification of the marketing thrust in the USA and Canada. In the cruise sub sector, however, the number of cruise visitors is likely to be lower in 2011, influenced by the end of visits by the Carnival cruise line on 2 November 2010. The level of construction activity is likely to rise in 2011, supported by new public sector projects such as the Pointe Michel sea defense project, the Petite Soufriere/Rosalie road, Dominica State College and State House complex. Work on a grant funded fifty-room hotel is also expected to commence in 2011.

The overall fiscal surplus of the central government is expected to be smaller relative to the outturn in

2010, primarily on account of a projected lower inflow of capital grants. Current savings are projected to be lower than in 2011, based on increased expenditure for personal emoluments as retroactive salary increases are likely to be awarded in January 2011. Current revenue growth is expected to be marginal, based on the projected mild improvement in economic activity.

The deficit on the current account of the balance of payments is projected to narrow, based primarily on a projected increase in export receipts, particularly from agriculture. Gross inflows from travel are expected to rise, in line with anticipated growth in stay-over arrivals.

The outlook is premised on the assumption that the lingering effects of the global economic and financial crisis will abate. Significant risks remain, particularly in the tourism and agricultural sectors. The increase in UK air taxes by the British travel industry on 1 November 2010, can potentially reduce travel demand in the UK. Lower than expected recovery of the USA and Canada economies can reverse any expected increase in North American visitors. In the agricultural sector, unfavourable weather could wipe out any expected gains. Another risk is associated with the volatility in commodity prices which could spark inflationary pressures, further dampening local consumption and investment.



GRENADA

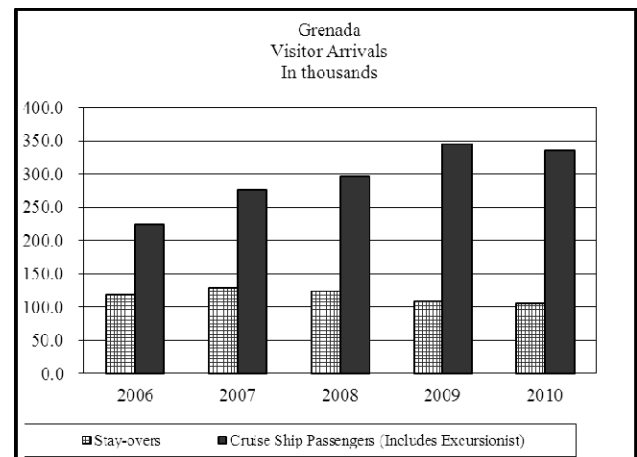
Overview

Economic activity in Grenada is provisionally estimated to have declined in 2010, albeit at a slower pace, relative to the outturn in 2009, largely influenced by a sluggish global economy. Real GDP contracted by 2.0 per cent in 2010, following a 7.6 per cent decline in 2009, partly due to smaller declines in key sectors such as construction and tourism and slow recovery in others. The consumer price index rose by 6.3 per cent during 2010. The overall deficit on the central government's fiscal accounts narrowed, largely on account of an increase in current revenue. Total outstanding public sector debt rose during 2010. Developments in the banking sector were marked by growth in monetary liabilities and domestic credit. Commercial bank liquidity fell during 2010, and the spread between the weighted average lending and deposit interest rates narrowed. An overall balance of payments deficit was recorded in 2010, in contrast to a surplus in 2009.

Economic activity is projected to increase marginally in 2011, based on expected improvements in construction activity and a recovery in the agricultural sector. 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 conditions.

Output

Output in the construction sector is estimated to have declined by 28.0 per cent following a contraction of 47.6 per cent in 2009. Tight credit conditions coupled with weak demand, as well as lower 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 2010 was generated mainly through the public sector investment programme which focused primarily on road maintenance and rehabilitation of public buildings.



Tourism activity weakened further in 2010 as value added in the hotels and restaurants sector, a proxy for tourism activity, declined by 4.9 per cent,

following a 7.6 per cent contraction in 2009. The outturn was mainly influenced by a reduction in the number of stay-over visitors, which fell by 4.4 per cent to 104,694, compared with an 11.6 per cent fall in 2009. The combined effects of low demand for leisure travel and adverse weather conditions that led to several flight delays and cancellations in the major source markets, were the main factors contributing to the decline in 2010. Consequently, stay-over arrivals from all the major source markets fell. Arrivals from the UK declined by 5.0 per cent, following a 21.8 per cent contraction in 2009, while the number of visitors from the USA, and the Caribbean fell by 1.4 per cent and 9.7 per cent respectively. By contrast, stay-over arrivals from Canada increased marginally by 0.4 per cent.

All other categories of visitors, including cruise ship passenger arrivals, registered declines. Yacht passenger arrivals fell by 13.6 per cent, following a 14.3 per cent fall in 2009; the decline reflected in part the lingering adverse effects of the global financial crisis on this type of traveller. The number of excursionists fell by 14.1 per cent to 2,429 in 2010. Cruise ship passenger arrivals declined by 2.7 per cent, as the number of cruise ship calls was reduced by 16.3 per cent to 206.

Agricultural activity faltered in 2010 after recording strong growth in the previous four years, largely resulting from an extensive drought in the first half of the year. Value added in that sector contracted by 1.1 per cent in 2010, reversing growth of 12.1 per cent in 2009. Output of all major crops, with the

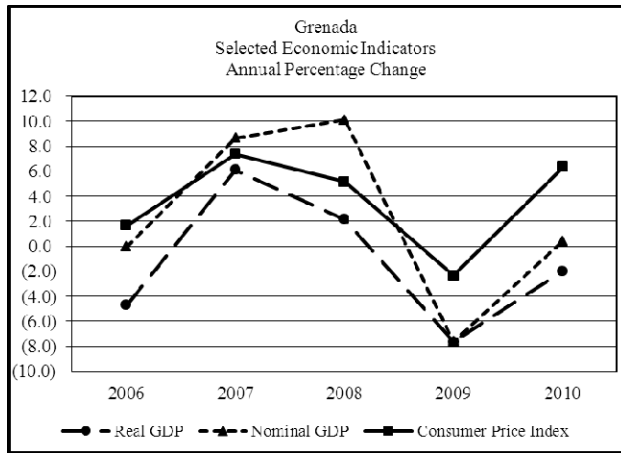
exception of cocoa, fell for the review period. Banana production decreased by 51.3 per cent to 859 tonnes, due to a combination of the continued impact of the Black Sigatoka disease and drought conditions on the crop, during the first half of the year. Similarly, production of nutmeg, mace and other crops fell by 45.2 per cent, 43.3 per cent and 0.2 per cent respectively. By contrast, cocoa output increased by 5.1 per cent as farmers responded to higher international prices for the product. In the other sub-sectors, the output of fish increased by 2.5 per cent, while growth was recorded in livestock (3.0 per cent) and forestry (5.0 per cent).

In the manufacturing sector, valued added is estimated to have expanded by 15.4 per cent in 2010, in contrast to a decline of 5.3 per cent in 2009. The increase in the output of manufactured goods was primarily driven by an expansion in beverage production. Output of soft drinks, the largest contributor in the manufacturing sector, grew by 94.5 per cent as the soft drinks plant that was closed for most of 2009, returned to full capacity in 2010. Rum production rose by 53.4 per cent stemming from increased capacity at one rum maker's plant. Production of beers and stouts increased by 5.6 per cent and 0.9 per cent respectively. In other areas of manufacturing, low domestic and external demand accounted for most of the decline in the production of flour (3.7 per cent) and paints (8.1 per cent).

Some other key sectors also recorded increases in value added during 2010. These include education (2.9 per cent), real estate, renting and business



activity (2.9 per cent) as well as mining and quarrying.



Prices, Wages and Employment

The rate of inflation, as measured by the consumer price index, rose by 6.3 per cent during 2010, in contrast to a decline of 2.4 per cent (on an end of period basis) in 2009. The increase in inflationary pressures mainly reflected the initial impact of the Value Added Tax (VAT), which was introduced during the first quarter of 2010. Consequently, all sub-indices, with the exception of housing and education, increased. Food, the heaviest weighted sub-index, rose by 8.9 per cent, on account of higher prices for meats, dairy products and vegetables. Prices associated with transport and communication rose by 8.5 per cent, while the fuel and light sub-index rose by 11.4 per cent, largely influenced by increases in international oil prices. By contrast, prices in the housing and education sub-indices fell by 3.8 per cent and 2.0 per cent respectively.

Data on wage movements and employment for the private sector were not available during 2010. In the public sector, no salary increases were granted, however increments and allowances were paid as scheduled throughout the year. Preliminary data also indicated that, civil service employment increased by an estimated 4.5 per cent to 5,507 in 2010 as a number of existing vacancies were filled.

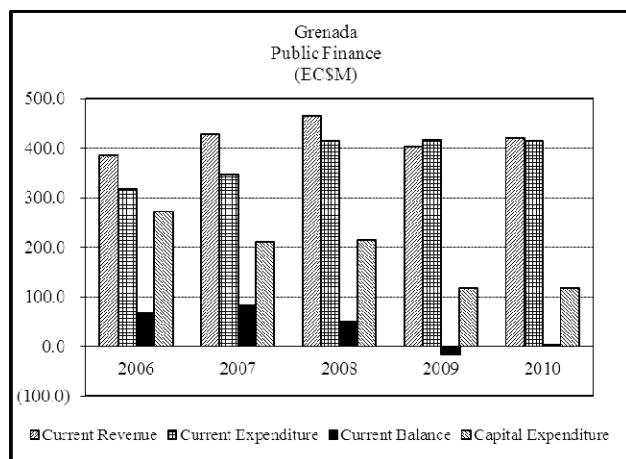
Central Government Fiscal Operations

Central government fiscal operations resulted in an overall deficit of \$35.2m in 2010, compared with one of \$102.6m in 2009. The reduction in the overall deficit was attributable to an increase in revenue, as expenditure remained virtually unchanged. The deficit was financed mainly from external loans. A primary surplus of \$4.7m (0.2 per cent of GDP) was realised, in contrast to a deficit of \$57.3m (2.8 per cent of GDP) in 2009. The current account balance returned to a surplus position of \$4.8m in 2010, after slipping to a deficit of \$14.9m in 2009, largely due to an increase in current revenue.

Current revenue expanded by 4.5 per cent to \$419.9m in 2010, largely associated with a 3.9 per cent (\$14.7m) rise in tax revenue. Receipts from taxes on domestic goods and services, which on the basis of the introduction of the VAT, increased by 36.4 per cent (\$27.6m), accounted for the total increase in tax collections. The expansion in tax



receipts was tempered by reductions in all other tax categories. Revenue from taxes on property fell by 11.1 per cent (\$2.1m), while collections from taxes on income and profits declined by 10.0 per cent (\$8.7m). These declines arose since a tax amnesty which was available in the first four months of 2009, and which influenced the increases in these categories in that year, were not available in 2010. The yield from taxes on international trade and transactions decreased marginally, by 1.1 per cent (\$2.2m), indicative of a change in the tax structure. Non-tax revenue rose by 15.8 per cent (\$3.4m) on account of increase collections from property income.



Current expenditure amounted to \$415.1m, representing a marginal decline (0.4 per cent) on the total recorded in 2009. The contraction in current expenditure stemmed mainly from decreases in spending on transfers and subsidies and interest payments. Outlays on transfers and subsidies fell by 17.8 per cent to \$77.4m, associated with on-going reforms in the social safety net programmes. Interest payments declined by 11.9 per cent (\$5.4m),

due mainly to a fall in domestic payments, reflecting the amortization of domestic debt. The overall decline in current expenditure was tempered by an increase of 19.7 per cent (16.9m) in spending on goods and services partly associated with higher prices. Increases in increments and allowances accounted for a 2.0 per cent (\$3.8m) rise in expenditure on personal emoluments.

Capital expenditure rose marginally by 1.1 per cent to \$118.4m (5.7 per cent of GDP). Road maintenance and school rehabilitation accounted for most of the capital outlays. Capital spending was largely financed by local resources and capital grants, which increased by \$27.8m in 2010. The rise in capital grants resulted mainly from increased project financing received from China, Petrocaribe, Japan and the EU/World Bank School Rehabilitation Programme.

Public Sector Debt

The outstanding debt of the public sector was estimated at \$1,942.1m at the end of 2010, representing an increase of 3.1 per cent on the total at the end of 2009. As a percentage of GDP, the outstanding debt of the public sector rose to 93.0 per cent from 91.7 per cent at the end of 2009. 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 3.7 per cent to \$1,746.7m, characterised by a 5.2 per cent increase in external debt, which offset a 1.9 per cent contraction in domestic debt.



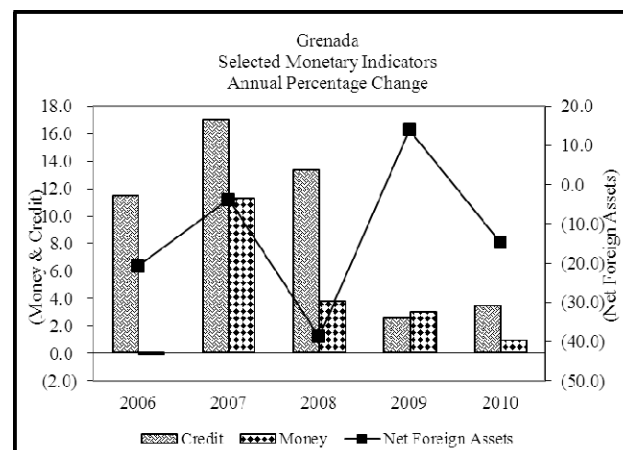
Money and Credit

A marginal increase of 1.0 per cent to \$1,837.4m was recorded in monetary liabilities (M2) during 2010, compared with growth of 3.0 per cent during 2009. The deceleration was consistent with the slowdown in the pace of economic activity. Of the main components, narrow money (M1) rose by 3.0 per cent (\$10.0m), in contrast to a 10.0 per cent (\$36.8m) fall in 2009. The rise was attributable to increases in EC dollar cheques and drafts issued (\$9.9m) and private sector demand deposits (\$8.0m). Currency with the public contracted by 7.4 per cent, due to the combined effect of a 4.5 per cent fall in currency in circulation and a 2.7 per cent rise in cash at commercial banks. Growth in quasi money, the other main component, decelerated to 0.5 per cent, down from 6.4 per cent during 2009. Declines in foreign currency deposits and the accumulation of private sector savings deposits were the main factors responsible for the deceleration in growth. By contrast, growth in time deposits accelerated.

The counterpart to growth in M2 was a 3.5 per cent increase in domestic credit to \$1,699.0m, underpinned by an expansion in lending to the private sector. Private sector credit rose by 5.6 per cent, on account of increases in credit to both households and businesses. Those increases were partially offset by a 11.9 per cent fall in outstanding credit to the non-bank financial institutions, on account of a reduction in loans extended. In the public sector, central government's net indebtedness to the banking system rose by 11.3 per cent to

\$110.0m, mainly attributable to a drawdown of their deposits held at the Central Bank. Meanwhile the net deposits of the non-financial public enterprises increased by 37.6 per cent (\$47.3m), largely resulting from increased deposits.

An analysis of credit by economic activity indicated a 3.2 per cent (\$36.4m) expansion in loans for personal use, led by a 2.4 per cent (\$15.2m) increase in loans for the acquisition of properties. Credit for tourism related activities rose by 18.8 per cent (\$27.9m), reflecting a continuing need for some tourism plants to borrow for cash flow support, as tourism performance remained weak. Increases were also recorded in borrowings for construction, mainly as a result of refinancing of construction related loans, as well as in credit for distributive trades, which grew by 7.9 per cent (\$10.7m), in contrast to a 9.7 per cent contraction in 2009. Credit for manufacturing (including mining and quarrying) declined marginally by 0.9 per cent in 2010 (\$0.3m); following an 8.1 per cent (\$3.1m) fall in 2009, while loans for agriculture (including fisheries) decreased by 2.2 per cent.



The net foreign assets of the banking system fell by 14.6 per cent to \$242.3m during 2010 as a result of both the central bank and commercial banks transactions. Commercial banks' external transactions led to a net liabilities position of \$35.2m at the end of 2010; as banks drew down on their assets held with institutions outside the Eastern Caribbean currency union to meet the demand for credit. Grenada's imputed share of ECCB's reserves decreased by 8.5 per cent to \$277.5m.

Liquidity in the commercial banking system decreased during 2010. The ratio of liquid assets to total deposits plus liquid liabilities fell by 1.3 percentage points to 23.0 per cent; while the ratio of loans and advances to total deposits grew by 0.3 percentage points to 83.6 per cent. The cash reserve to deposits ratio remained relatively unchanged at 7.2 per cent.

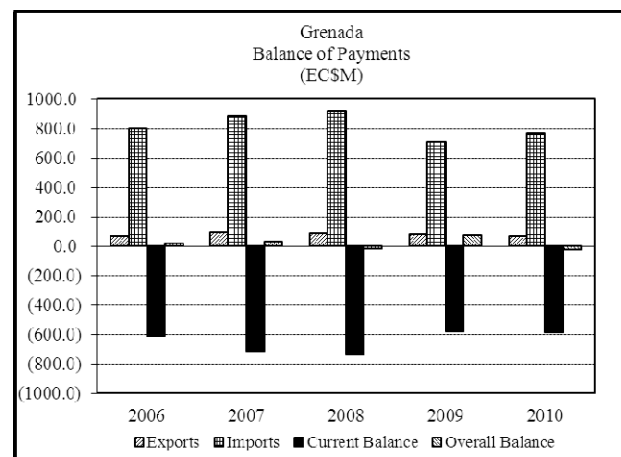
The interest rate spread between deposit and lending rates narrowed to 6.81 percentage points from 7.67 percentage points at the end of 2009. The weighted average interest rate on deposits fell to 2.65 per cent from 3.03 at the end of 2009, while the weighted average lending rate fell to 9.46 per cent from 10.70 per cent.

Balance of Payments

The overall balance of payments position deteriorated in 2010. External transactions resulted in an overall deficit of \$26.0m (1.3 per cent of GDP), in contrast to a surplus of \$69.7m (3.1 per

cent of GDP) in 2009, partly as a result of net outflows on the current account.

The current account deficit expanded to \$589.2m (28.7 per cent of GDP) from \$577.7m (25.9 per cent of GDP) in 2009. The larger deficit was mainly attributed to developments in the goods and services sub-accounts. The merchandise trade deficit rose to \$702.7m (34.2 per cent of GDP) from \$631.0m in 2009 (28.2 per cent of GDP), attributable to an expansion in the import bill. Payments for merchandise imports (f.o.b) increased by 8.2 per cent to \$767.9m. Concurrently, the value of merchandise exports fell by 17.2 per cent to \$65.2m, due to a 69.8 per cent (\$13.1m) decline in re-exports.



Transactions in the services account resulted in a net inflow of \$100.5m (4.9 per cent of GDP), approximately 11.1 per cent below the 2009 amount. On the income account, net outflows fell by 29.8 per cent (\$53.0m), influenced by a contraction in investment income.



The surplus on the capital and financial account fell by 13.0 per cent to \$563.2m in 2010, largely associated with a \$105.2m (38.0 per cent) fall in the inflows of direct investments. As a percentage of GDP, the surplus fell marginally to 27.0 per cent.

Prospects

The pace of economic activity is expected to improve in 2011, on the basis of recovery in some sectors of the economy. Construction activity is projected to rise in 2011, led by increased activity in the public sector investment programme. Projects such as the Grenville Market Square and the Agriculture Feeder Road projects, which were earmarked to begin in 2010, are on schedule to commence in 2011. Private sector construction activity is however projected to remain subdued, as access to funding remains constrained. Agricultural output is forecasted to increase, relative to the outturn of 2010, as crop production rises on the basis of increased effort by the authorities to improve crop yields. Tourism performance is likely to remain weak, as economic uncertainties persist in the source markets.

The overall deficit of the central government is projected to widen, particularly on account of increased capital spending. Current savings are expected to increase, due to the combined effect of higher levels of current revenue, following the implementation of the VAT and excise tax in February 2010 and further consolidations in current spending.

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

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 2011 can further dampen economic activity, particularly in the agriculture sector.



MONTSERRAT

Overview

Indications are that economic activity in Montserrat continued to contract in 2010, at a faster rate relative to the decline in 2009. Real GDP is provisionally estimated to have decreased by 2.9 per cent in 2010 in comparison with a contraction of 0.8 per cent in the previous year. This worsening of economic conditions was attributed to weak performances in a number of sectors, including construction and transport, storage and communications. Consumer prices rose by 2.5 per cent during 2010, on an end-of-period basis. The fiscal operations of the central government resulted in a narrowing of the overall surplus. The total outstanding debt of the public sector decreased, reflecting declines in both external and domestic borrowing. In the banking system, monetary liabilities and domestic credit both increased. Commercial banks liquidity remained at a high level, while the spread between commercial banks' weighted average interest rate on loans and deposits narrowed. In the external sector, a smaller overall surplus was recorded.

A slight improvement in real GDP is projected in 2011, based largely on expected developments in a number of sectors. The fiscal performance of the central government is projected to improve as the current account deficit narrows. However, risks to the economic outlook are tilted to the downside. They include the slow pace of recovery of the international economy, inflationary risks due to

increasing fuel and food prices, adverse weather and an active volcano.

Output

Value added in the construction sector, a major contributor to GDP, contracted by 26.0 per cent in 2010, following growth of 11.7 per cent in 2009. This outturn was largely the result of a major decline in public sector activity, associated with the delayed implementation of the Little Bay port expansion project. Activity in the private sector, which involved the building of a few residential properties, also declined in the period under review.

The contraction in construction activity partly influenced the lethargy in a number of other sectors. In the mining and quarrying sector, output declined by 74.0 per cent, associated in part with the loss and damage of equipment from increased volcanic activity in 2010. Value added in the transport, storage and communications sector declined by 8.7 per cent, as sea transport activity fell following two consecutive years of robust growth. Activity in the manufacturing and wholesale and retail trade sectors also declined by 15.0 per cent and 14.0 per cent respectively.

Value added in the agricultural sector contracted by 18.0 per cent, in contrast to growth of 16.7 per cent in the prior year. Crop production fell by 40.0 per cent, due mainly to drought conditions, compounded

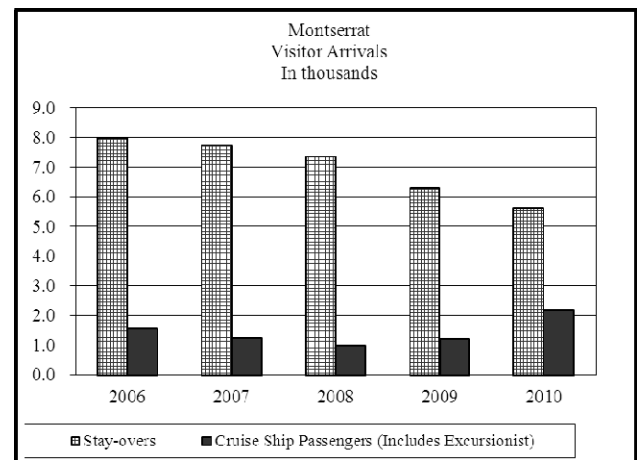


by acid rain and ash fall from the volcano. The fishing sub sector also experienced some serious setbacks in the review period, as fishermen spent less time at sea. As a consequence, output of fish declined by 17.0 per cent in contrast to an increase of 20.8 per cent in 2009. On the contrary, livestock production increased, reflecting policy measures taken by the Ministry of Agriculture to assist farmers with the rearing of small ruminants.

In the sector public administration, defence and compulsory social security, the largest contributor to GDP (35.4 per cent), activity expanded by 2.5 per cent following an increase of 3.6 per cent in 2009, as the number of persons in the civil service rose. Among the other sectors, value added in the real estate, renting and business sector, the second largest contributor to GDP, grew by 0.5 per cent, compared with growth of 0.2 per cent one year earlier. Value added in financial intermediation and health and social work increased by 1.4 per cent and 2.4 per cent respectively.

The tourism industry registered a turnaround in activity as value added in the hotels and restaurants sector, a proxy for tourism activity, grew by 8.5 per cent in contrast to a 15.2 per cent contraction in 2009. Growth in value added in 2010 was partly attributed to an increase in the number of visitors who stayed in paid accommodation, which more than offset the negative impact associated with an 11.6 per cent contraction in total stay-over arrivals. The distribution of arrivals by source markets showed that the number of visitors from the UK and

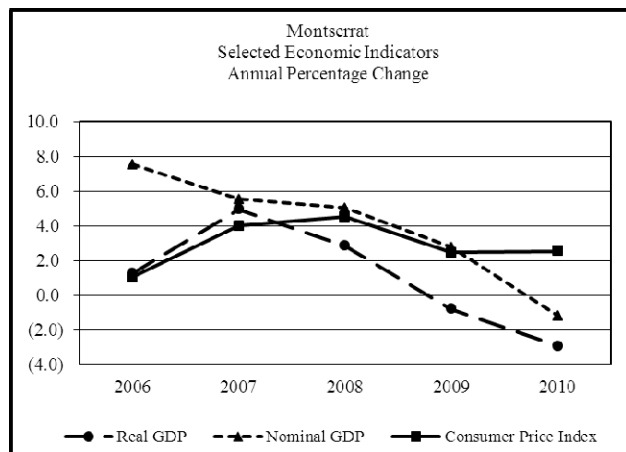
the Caribbean fell by 40.5 per cent (754) and 6.9 per cent (156) respectively, while that from the other markets increased. Arrivals from Canada increased by 27.3 per cent (100), while there were slight increases in arrivals from the USA and other countries. In the other categories of visitors, cruise passenger arrivals more than doubled, reflecting an increase in the number of cruise ship calls. The number of excursionists rose by 60.2 per cent, while yacht arrivals decreased by 25.9 per cent, as less yachts anchored in Montserrat in 2010.



Prices, Wages and Employment

The rate of inflation, as measured by the change in the consumer price index (CPI), was 2.6 per cent at the end of December 2010, the same level as at the end of 2009, reflecting increases in all the sub-indices. The food sub-index, the largest weighted in the basket of goods and services, rose by 3.3 per cent, compared with growth of 1.8 per cent during 2009, as consumers paid more for most imported commodities due to rising global food prices. The gas, electricity and water sub-index grew by 7.2 per

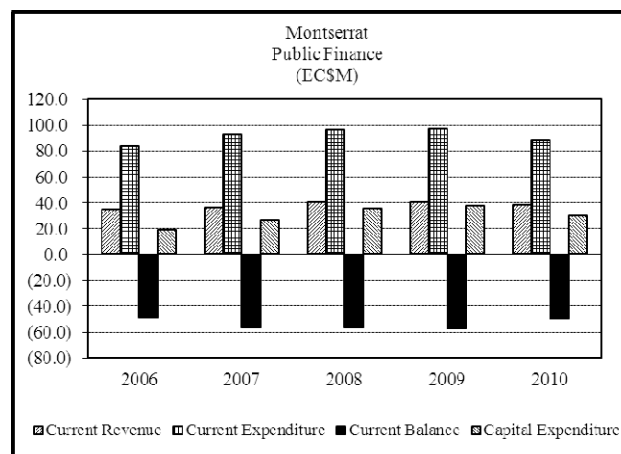
cent, in contrast to a decline of 4.5 per cent during 2009, influenced by increasing international oil prices. Inter alia, upward movements were also noted in the prices for alcohol and tobacco (5.3 per cent), household goods (4.1 per cent) and services (1.5 per cent).



Data on wage movements and employment in the private sector were not available for the review period. In the public sector, the number of workers increased as government employed additional staff in a few ministries. However, the wages of public sector employees were frozen as government sought to reduce expenditure.

Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall surplus of \$2.5m in 2010, lower than the \$5.9m recorded in 2009. The smaller surplus resulted primarily from a decline in grant receipts. A primary surplus of \$2.6m (1.7 per cent of GDP) was recorded, compared with one of \$6.0m (3.8 per cent of GDP) in the previous year.



The current account deficit (before grants) narrowed by \$7.5m to \$49.7m, as a fall in expenditure outpaced that of revenue. The current account deficit was financed by inflows of current grants, which amounted to \$47.5m, approximately 21.2 per cent lower than the total in 2009. Current expenditure fell by 9.5 per cent to \$88.1m, reflecting smaller outlays on goods and services and transfers and subsidies. Expenditure on goods and services fell by 23.4 per cent to \$18.3m, as government implemented deliberate measures to trim that sub-category. Outlays on transfers and subsidies fell by 15.0 per cent (\$4.8m) on account of a decline in pension payments. By contrast, spending on personal emoluments rose by 2.9 per cent (\$1.2m), partly reflecting an increase in public employment.

Current revenue decreased to \$38.4m from \$40.1m a year earlier, as a decline in tax collections more than offset an increase in non-tax revenue. Tax revenue fell by \$2.4m (6.7 per cent) to \$33.4m, attributable to decreased collections from all categories of taxes. Revenue from taxes on domestic goods and services



declined by \$1.0m (27.0 per cent), mirroring a 40.0 per cent fall in stamp duties and licenses. Collections from taxes on international trade and transactions fell by \$0.7m (4.9 per cent), partially associated with declines in the import duty and the customs service charge, consistent with a decrease in total imports. Non-tax revenue, however, grew by \$0.7m (16.3 per cent) to \$5.0m, but was insufficient to offset the declines in tax receipts.

Capital expenditure decreased by 19.7 per cent to \$29.8m (19.0 per cent of GDP) in 2010, in contrast to growth of 4.5 per cent a year ago. This expenditure was financed by smaller inflows of capital grants which totalled \$34.4m, about 13.8 per cent below the amount received in 2009.

Public Sector Debt

The total disbursed outstanding debt of the public sector was estimated at \$8.7m at the end of 2010, slightly below the \$9.3m recorded at the end of the previous year. The ratio of outstanding public sector debt to GDP fell to 5.5 per cent, from 5.8 per cent in 2009, reflecting a decline in the outstanding debt of both central government and public corporations. The total indebtedness of central government decreased by 7.2 per cent, as both foreign and domestic borrowing fell. Outstanding debt of the public corporations, which consists of only external

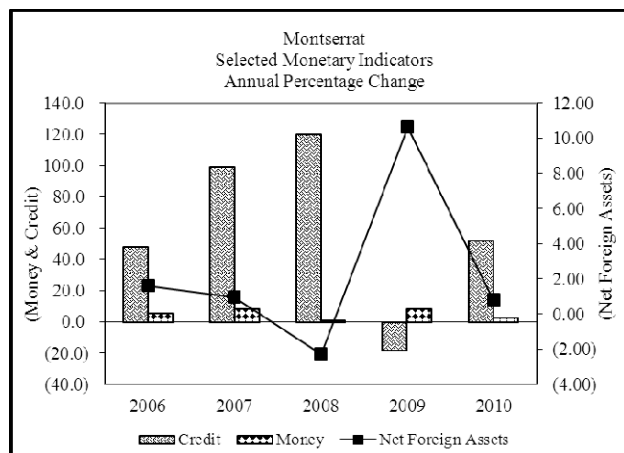
borrowing, was reduced by 5.6 per cent (\$0.4m).

Money and Credit

Monetary liabilities (M2) increased, but at the reduced rate of 2.8 per cent to \$170.5m during 2010, compared with growth of 8.4 per cent during 2009. The slowdown in the rate of growth largely reflected developments in narrow money (M1), which contracted by 7.1 per cent compared with a 3.1 per cent decline in 2009. The decline in M1 was attributed to a reduction of 16.9 per cent (\$3.9m) in private sector demand deposits. Quasi money, the other component of M2, expanded by 5.9 per cent (\$7.5m), largely on account of a 6.7 per cent increase in private sector savings deposits.

Commercial bank credit to the private sector expanded by 16.2 per cent (\$8.6m) during 2010, due mainly to increased lending to households (\$6.5m) to facilitate home construction and renovation. Net deposits of the central government grew by 29.9 per cent, as government increased its deposits held at commercial banks by 37.6 per cent. Net deposits of the non-financial public enterprises decreased by 13.8 per cent (\$3.1m), reflecting a fall in their deposits. Overall, domestic credit expanded by 52.5 per cent (\$5.2m) to \$15.1m.





An analysis of the distribution of credit by economic activity indicates that credit for personal use, which accounted for 77.9 per cent of total credit during 2010, increased by 13.5 per cent. Most of the increase in credit for that purpose was channelled into the acquisition of property, associated largely with home construction and renovation. Credit for construction, distributive trades and tourism also rose by \$1.1m, \$0.7m and \$0.4m respectively.

The net foreign assets of the banking system increased by 0.8 per cent to \$184.3m, compared with growth of 10.6 per cent during 2009. The outturn was attributed to a 17.6 per cent (\$6.8m) expansion in Montserrat's imputed share of the central bank's reserves. The net foreign assets of commercial banks fell by 3.7 per cent (\$5.4m), largely as a result of a decline in net assets held with banks and other institutions outside the Eastern Caribbean Currency Union.

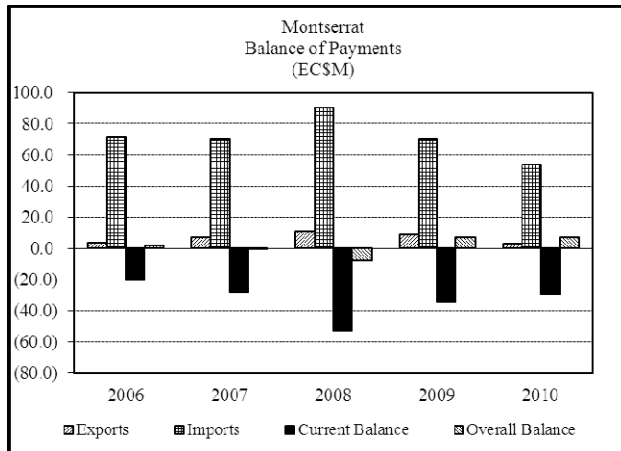
Liquidity in the commercial banking system contracted during 2010 but remained at a high level. The ratio of liquid assets to total deposits plus liquid liabilities fell by 2.1 percentage points to 87.4 per cent. This ratio remained well above the Bank's prudential limit of 20.0 to 25.0 per cent. The loans and advances to total deposits ratio rose by 2.8 percentage points to 27.2 per cent, on account of a faster rate of growth in total loans and advances relative to that of total deposits.

The spread between the weighted average interest rate on loans and deposits narrowed to 6.10 percentage points at the end of 2010, from 6.17 percentage points a year earlier. The narrowing of the spread was mainly due to a decline of 5.0 basis points in the weighted average interest rate on loans. The weighted average interest rate on deposits rose by 1.0 basis point to 2.59 per cent.

Balance of Payments

Preliminary data on the balance of payments indicate that Montserrat recorded an overall surplus for the second consecutive year. The overall surplus narrowed to \$6.8m in 2010, from \$7.1m in 2009. Improvements on both the capital and current accounts were responsible for this outturn.





The current account deficit narrowed to \$29.5m (18.8 per cent of GDP) from \$34.3m (21.5 per cent of GDP) in 2009, mainly associated with a reduction in the merchandise trade deficit. A large decline in imports contributed to a 17.9 per cent reduction in the merchandise trade deficit to \$50.8m during the review period. Import payments decreased by 23.7 per cent (\$16.7m), associated in part with the decline in construction activity. The value of exports fell by 65.1 per cent (\$5.5m) compared with the total recorded last year, largely attributable to a fall in the export of aggregate and sand, associated with the loss of equipment from volcanic activity in 2010.

The surplus on the capital and financial account is estimated to have decreased to \$36.3m, from \$41.4m in the prior year. This decrease was traced to developments on the capital account, associated with smaller capital transfers.

Prospects

The near term prospects for Montserrat are somewhat favourable. Marginal growth in real GDP

is projected, based on a likely increase in activity in a number of sectors. Forecasts for tourism, manufacturing and agriculture are positive, though developments in the construction sector are not expected to turnaround in the short term.

On the central government's fiscal account, the overall deficit (before grants) is projected to narrow, based on deliberate measures by the government to cut current expenditure. Among these measures are freezes on salaries and the award of annual increments for public servants in 2011. Consequently, an improvement in the current account balance is likely, although an increase in revenue collection is not anticipated. Capital expenditure is also projected to be below the 2010 level, since the major planned public sector projects are not likely to be implemented in the near term.

On the external accounts, the overall surplus is likely to narrow, based on an expected widening of the current account deficit. The current account deficit is projected to deteriorate as larger import payments are forecast, consistent with increasing international oil and food prices. A rise in export earnings in the short run is not anticipated since it will take time to replace the mining equipment lost during the volcanic activity in 2010.

The projections are largely contingent on the international economic and financial developments, more specifically the UK and Euro area. These developments could adversely impact grant inflows and ultimately the implementation of the public



sector investment programme. Other downside risks include the increasing cost of intra-regional and international travel, connected to rising oil and

commodity prices, adverse weather and the continued threat posed by the active Soufriere Hills Volcano.



ST KITTS AND NEVIS

Overview

The sluggish recovery in the global economy continued to restrict economic growth in St Kitts and Nevis during 2010, as the Federation recorded its second straight year of negative growth. Preliminary data indicate that real GDP contracted by 4.2 per cent compared with 4.4 per cent in 2009. The decline was reflected in the economy's key sectors. The consumer price index rose by 3.9 per cent on an end-of-period basis. The fiscal operations of the federal government resulted in a larger deficit in 2010, attributable to lower revenue collection. The total outstanding public sector debt of the federal government rose during the period under review. In the banking system, both monetary liabilities and domestic credit growth slowed while net foreign assets increased. Commercial bank liquidity tightened and the weighted average interest rate spread between loans and deposits widened. In the external sector, a larger overall surplus was recorded reflecting an improvement in the current account deficit.

Economic activity in St Kitts and Nevis is expected to make a partial recovery in 2011 as conditions in the global economy improve. Federal government fiscal operations are projected to improve as a number of cost cutting and revenue enhancing measures are implemented. Inflationary pressures are expected to rise in 2011 given the recent surge in energy, food and other commodity prices. The

external position of the balance of payments should deteriorate due to higher payments for imports, associated with projected rising oil, commodity and fuel prices. The increases in energy and food prices pose a downside risk to the economic outlook.

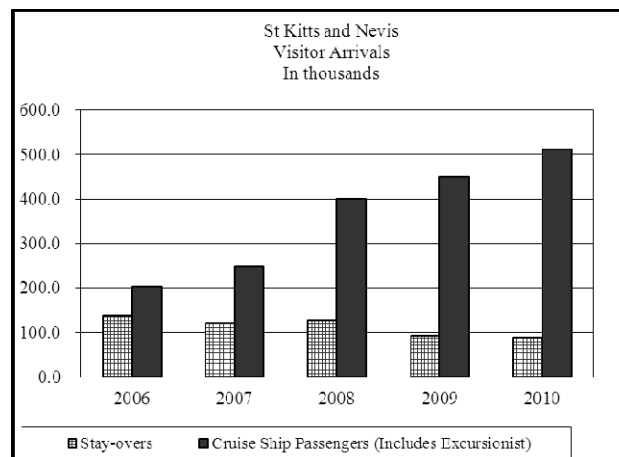
Output

Provisional data suggest that activity in the construction sector declined by 28.0 per cent in 2010 compared with a 15.7 per cent contraction in 2009. Private sector non-residential construction, which revolved mainly around Christophe Harbour, Oceans Edge and Kittian Hill projects, decelerated as the pace of work on these projects slowed during the review period. Private residential construction activity also remained subdued in 2010 as evidenced by the fall-off in the growth rate of commercial bank credit extended for home construction and renovation. During 2010 credit extended for this purpose rose by 2.4 per cent (EC\$7.1m) compared to a 10.5 per cent (EC\$28.1m) increase in 2009. Activity in the public sector continued to be constrained by the deteriorating fiscal situation, with work mostly focused on the West Basseterre Bypass road and other smaller projects.

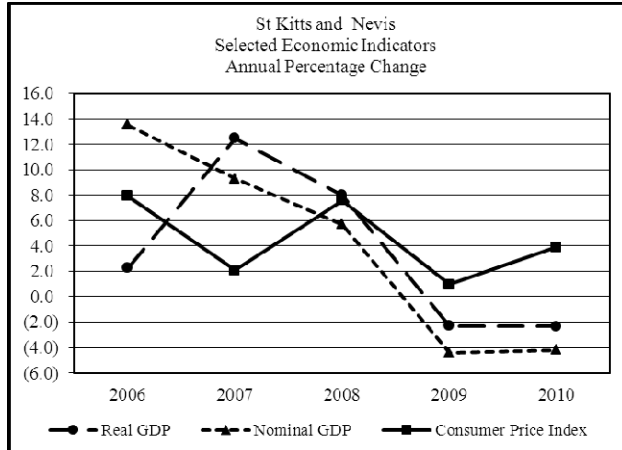
Declining incomes, high levels of unemployment coupled with weak economic activity in source markets and the late opening of the Four Seasons Resort, continued to have an impact on the tourism sector in 2010. Value added in the hotels and



restaurants sector, a proxy measure of tourism activity, is estimated to have declined by 2.0 per cent following a contraction of 28.3 per cent in 2009. Preliminary estimates indicate that the total number of stay-over visitors decreased by 4.5 per cent following a 27.1 per cent contraction in 2009. Stay-over arrivals from the USA and the Caribbean, which account for over 80.0 per cent of total arrivals, fell by 1.3 per cent and 12.7 per cent respectively compared with declines of 28.8 per cent and 22.7 per cent recorded in 2009. The decrease in arrivals from the two markets reflected weak economic conditions and the high cost of regional travel in the Caribbean region. These declines were partially offset by an increase in arrivals from the UK which rose by 3.7 per cent in contrast to a 34.8 per cent decline in 2009. The addition of a second British Airways flight from the U K contributed to the increase in arrivals from this market. Notwithstanding the poor performance of stay-over arrivals, the cruise sector continued to be buoyant as travellers opted for this multi-destination and, in some cases, cheaper form of vacation. Cruise ship passenger arrivals rose 13.7 per cent, consistent with an increase in cruise ship calls which grew by 10.2 per cent.



The manufacturing sector recorded a 15.0 per cent decline in value added as the production value of electrical components decreased due to weak demand in source markets, mainly the USA. Value added in wholesale and retail trade and transportation declined by 16.0 per cent and 2.9 per cent respectively. In contrast, output of the agricultural sector is estimated to have increased by 6.3 per cent. Value added from financial intermediation, a major contributor to GDP growth, grew by 1.9 per cent in 2010 lower than the 10.0 per cent rate of expansion in the previous year. Activity in the real estate, renting and business sector is estimated to have remained buoyant, as value added increased by 3.8 per cent compared with 2.9 per cent expansion in 2009.



Prices, Wages and Employment

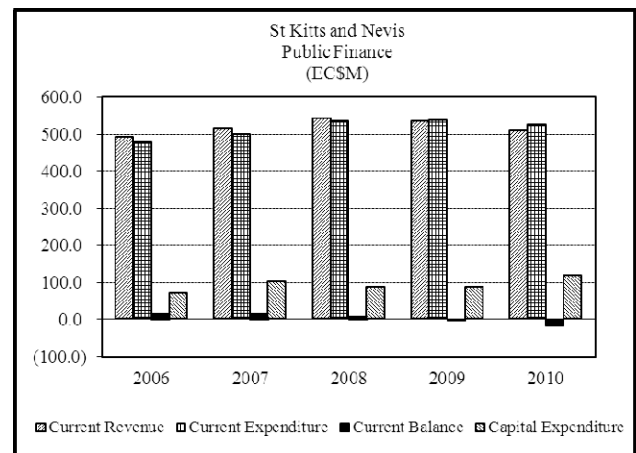
Inflationary pressures rose during 2010 as the consumer price index (CPI) rose by 3.9 per cent compared with 1.0 per cent in the previous year. The food sub-index, the largest weighted in the CPI basket, increased by 6.6 per cent, compared with growth of 0.5 per cent in 2009, reflecting increases in the international price of major food commodities. The second largest component of the CPI basket, transport and communication, rose by 1.1 per cent due to an increase in the cost of airline travel; while the third largest component, household furnishings and supplies, grew by 8.4 per cent. By contrast declines were recorded in the sub-indices housing (0.1 per cent), and fuel and light (2.1 per cent).

There were no wage increases in the public sector as the government froze salaries and wages in response to its deteriorating fiscal position. In addition, the number of workers employed by the federal government is estimated to have remained flat in 2010 as the government also implemented a hiring

freeze. Meanwhile, official data on private sector wages and employment were not available.

Federal Government Fiscal Operations

Preliminary data on the fiscal operations of the federal government indicate a deterioration in the fiscal position for 2010 relative to 2009. The overall deficit of \$73.7m recorded in 2010 was significantly higher than the \$10.7m in the previous year. The increase in the overall deficit was primarily influenced by developments on the current account. The current account deficit at the end of 2010 stood at \$17.1m compared with \$1.2m in 2009. A primary surplus (after grants) of \$52.0m (3.0 per cent of GDP) was recorded, compared with one of \$110.7 (6.1 per cent of GDP) in 2009.



Current revenue decreased by 5.3 per cent to \$507.8m, reflecting the impact of the decline in economic activity. Tax revenue, which accounts for 68.0 per cent of the total current revenue, fell by 13.1 per cent (\$51.5m) compared with a 6.2 per cent



decline in 2009. The decline in tax revenue was associated with decreases in receipts from taxes on income and profits and international trade and transactions. The yield from taxes on income and profits fell by \$55.0m to \$92.6m, as waning economic activity negatively impacted employment and business profits. This resulted in reduced collections from the business tax as well as the housing and social levy. Receipts collected from taxes on international trade and transactions declined by 6.9 per cent (\$11.7m), largely reflecting reduced collections from the consumption tax (\$13.5m) which was replaced by the VAT; hence there was no collection for this tax in December. Collections from taxes on domestic goods and services increased by 21.1 per cent (\$14.7m) in contrast to a revised 16.9 per cent decline in the corresponding period of 2009. This outturn was attributed to VAT collections. Meanwhile, the intake from non-tax revenue, the other component of current revenue, increased by 16.2 per cent (\$22.9m) due to the collection of fee arrears associated with the electricity department.

Current expenditure declined by 2.4 per cent to \$524.9m, in contrast to a revised growth rate of 0.3 per cent recorded in 2009. The decline in recurrent expenditure was reflected in decreases in all sub-categories with the exception of interest payments. Personal emoluments decreased by 4.4 per cent (\$10.4m) to \$223.5m, in contrast to developments in 2009, when payment of double salary in December resulted in a 10.3 per cent (\$21.7m) increase in the wage bill. This fall in expenditure for personal

emoluments was based on a deliberate policy of restricting overtime pay and the attrition of persons from the civil service. Outlays on goods and services contracted by 4.1 per cent (\$5.1m), while transfers and subsidies declined by 10.3 per cent, due to a reduction in transfers to overseas missions and other organisations. Interest payments rose by 3.6 per cent (\$4.4m), on account of increases in both domestic and external payments.

On the capital side, expenditure rose by 35.0 per cent to \$118.4m, primarily due to the purchase and installation of two new generators for the electricity department. No other major public sector projects were implemented during 2010.

Preliminary data show that capital revenue fell by 25.6 per cent (EC\$4.7m) as the pace of land sales slowed while grant receipts were down by 20.1 per cent reflecting a decline in both budgetary and capital grants.

On a disaggregated basis, the fiscal operations of the Nevis Island Administration (NIA) improved marginally as the overall deficit decreased by \$0.8m to \$30.0m by the end of 2010. The narrowing of the overall deficit was caused by improvements on the current account, as the deficit fell by \$3.2m to \$7.9m due to an increase in revenue. Current revenue rose by 8.2 per cent to \$93.6m in contrast to a 21.6 per cent decline in 2009. An increase in tax revenue collection was the key reason for the rise in current revenue. Tax revenues rose by 12.4 per cent primarily as a result of a 52.3 per cent (\$8.7m)



increase in stamp duties collected. However, all other categories of tax revenue fell; taxes on income and profits (8.1 per cent), property tax (11.8 per cent) and international trade (0.7 per cent). Current expenditure increased by 4.0 per cent (\$3.9m) in contrast to a reduction of 9.6 per cent (\$10.4m) in 2009. The increase in current expenditure was primarily attributable to a 25.4 per cent increase in spending on goods and services, as the NIA reduced its stock of arrears for good and services with the private sector. Capital expenditure increased by 41.4 per cent (\$27.8m).

In terms of the central government, preliminary data indicate a deterioration in fiscal operations in 2010. The overall balance shifted to a deficit of \$40.4m in 2010 from a surplus of \$20.0m in the previous year. The deterioration was influenced by a 17.6 per cent decrease in current revenue. Declines in the receipts from taxes collected on income and profits (39.9 per cent) and international trade and transactions (15.2 per cent) were the main contributing factors to the fall in current revenue. Current expenditure fell by 3.8 per cent (\$16.6m) to \$423.5, partly reflecting reduced expenditure on personal emoluments (4.9 per cent), goods and services (9.9 per cent) and transfers and subsidies (5.1 per cent). These declines were partially tempered by growth in interest payments (4.5 per cent). Meanwhile, capital expenditure increased by 41.4 per cent (\$27.8m) to \$94.9m, due to the purchase and instalment of two new generators for the electricity department.

Public Sector Debt

Total disbursed outstanding public debt of the federal government expanded by 5.3 per cent (\$137.4m) to \$2.78b, representing a debt to GDP ratio of 157.9 per cent compared with one of 145.3 per cent at the end of 2009. This increase in debt stock was attributable to a 5.3 per cent (EC\$ 107.1m) increase in the outstanding debt of central government, mainly domestic debt, as external debt decreased. The outstanding debt stock of public corporations at the end of 2010 rose by 4.9 per cent, due to a 10.6 per cent increase in domestic debt.

Money and Credit

During 2010, monetary liabilities (M2) increased by 8.6 per cent to \$1,911.0m, compared with a 5.4 per cent rise in 2009. The expansion in M2 reflected growth in both narrow money (M1) and quasi money. In particular narrow money (M1) rose by 40.0 per cent, in contrast to a decline of 5.5 per cent recorded in 2009. This outturn was the result of increases in currency with the public (29.0 per cent) and private sector demand deposits (49.8 per cent). Quasi money grew by 3.3 per cent compared to growth of 7.5 per cent in 2009; and was influenced by robust growth of 12.5 per cent in private sector time deposits.



Domestic credit rose by 8.6 per cent (\$146.0m) compared to growth of 5.8 per cent (\$93.1m) in 2009. The rise was influenced by a 4.6 per cent expansion in private sector credit. Of the components, credit extended to households increased by 7.7 per cent (\$60.9m) while business credit declined by 2.3 per cent. The federal government's net credit position with the banking system rose by 17.5 per cent (\$74.9m) compared with 26.8 per cent (\$90.3m) in 2009. The increase in the net credit of the federal government was due to an \$82.8m increase in credit extended to the government while the deposits of the government grew by 35.4 per cent (\$75.6m).

The distribution of credit by economic activity show increases in the two main categories; personal credit as well as other uses. Credit for other uses rose by 15.7 per cent (\$97.9m) influenced by an increase in credit extended to public administration. The stock of loans for personal use grew by 5.2 per cent (\$43.9m) with most of it channelled into the acquisition of property (\$18.7m). In addition, outstanding loans for tourism related purposes expanded at the increased rate of by 31.9 per cent (\$31.9m), compared with growth of 20.8 per cent during 2009. Those increases were partly offset by decreases in credit for distributive trades and agriculture.

The counterpart to the growth in M2 was a 3.1 per cent (\$18.6m) expansion in net foreign assets during 2010, in contrast to a revised 18.7 per cent contraction in 2009. The increase was attributable to

growth in St Kitts and Nevis' imputed share of the reserves at the Central Bank which rose by 26.6 per cent (\$88.4m), partly associated with an increase bankers' reserves. In contrast commercial banks' net foreign assets decreased by 25.3 per cent (\$69.7m), as banks increased their liabilities with banks outside the currency union.

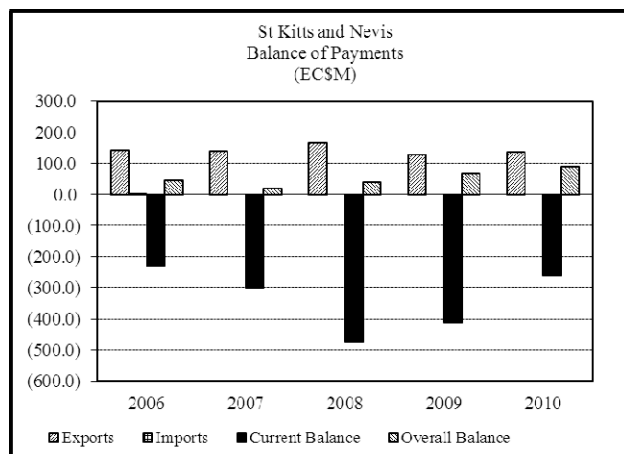
Liquidity in the commercial banking system remained high during 2010. The ratio of liquid assets to total deposits plus liquid liabilities fell by 1.0 percentage point to 52.9 per cent, while the loans and advances to total deposits ratio increased by 0.7 percentage point to 78.1 per cent, as credit growth slowed. The weighted average interest rate on deposits increased by eight basis points to 3.5 per cent, while that on loans decreased by three basis points to 8.5 per cent. Those movements led to the weighted average interest rate spread between loans and deposits declining by 5.0 percentage points at the end of 2010, down from 5.11 percentage points in 2009.

Balance of Payments

The overall position on the Balance of Payments is estimated to have improved in 2010. A larger surplus of \$88.4m was recorded compared with \$70.2m in 2009; the outturn being influenced by an improvement on the current account. The current account deficit narrowed to \$259.3m (14.7 per cent of GDP) compared to a revised deficit of \$412.4m (22.7 per cent of GDP) in 2009. The merchandise trade deficit narrowed to \$403.3m (22.9 per cent of



GDP) on account of lower import payments. The surplus on the services account increased by 9.7 per cent to \$95.2m, largely due to decreases in outflows from insurance and other business services. Those improvements were further reinforced by a 5.5 per cent increase in the surplus on government services account and a smaller net outflow on the income account. The 0.9 per cent decrease in travel receipts as a result of the fall in stay-over arrivals only partially offset those improvements.



The surplus on the capital and financial account declined to \$372.0m compared with \$511.0m in 2009. The smaller surplus on the capital and financial account was a result of a drawdown in commercial banks net foreign assets position.

Prospects

Global output is expected to continue to slowly expand in 2011 and the outlook for the Federation's main trading partners, particularly the USA, is for modest growth. The demand for St Kitts and Nevis' exports, mainly services, is therefore expected to

slowly strengthen in 2011. Against this background, output is projected to expand marginally in 2011, driven by growth in mining and quarrying, and the construction sectors as well as the tourism industry. An increase in the number of stay-over visitors is expected for 2011 due to the reopening of Four Seasons Resort and additional airlift from the USA, UK and Canada. Activity in the construction sector will be led by major projects such as, Beacon Heights Housing, the start of the Kittitian Hill and continued work at Christophe Harbour. The improvement in the construction sector will have positive spill-off effects on mining and quarrying output. The expansion in these sectors is expected to offset the impact of a slower rate of decline in the other sectors on overall GDP.

An improvement in the overall deficit is projected for the fiscal operations of the federal government in 2011, given the projections for both revenue and expenditure. The VAT is expected to impact revenue collections positively while measures aimed at reducing expenditure will improve the overall deficit.

In the banking system, monetary conditions are projected to remain favourable in 2011. Broad money is expected to continue increasing while credit conditions are likely to remain favourable due to the high levels of liquidity in the banking system.

On the external account, the current account deficit is projected to widen, based on expected increases in import payments, while the surplus on the capital



and financial account is expected to decline due to lower FDI inflows. These developments should lead to smaller overall surplus on the balance of payments. Gross travel receipts are likely to improve in 2011, on account of an anticipated increase in tourist arrivals and reduced discounting by hotels. Price pressures are likely to become elevated in 2011 given the increase in oil, commodity and food prices and the increase in the base price of electricity in St Kitts.

The main risk to the outlook, is the increase in oil and other commodity prices. Coupled with the

increase in these commodity prices, the increase in the electricity rate will likely reduce disposable incomes in the Federation as prices rise, putting upward pressure on wages in addition to the commensurate negative impact on the poverty level. The increase in oil prices can derail the slow recovery in the tourism sector, as the price of travelling rises with airlines increasing fares in response to higher fuel prices. In sum, these risks can have a negative impact on the prospects for the economic recovery.



SAINT LUCIA

Overview

Economic activity in Saint Lucia recovered in 2010 to grow by 4.4 per cent, following a contraction of 1.3 per cent in 2009. The outturn reflected higher value added in the construction and the hotels and restaurants sectors supported by an improvement in the performance of the wholesale and retail trade and transportation and storage sectors. The rate of expansion was constrained by declines in most of the other major sectors including manufacturing, financial intermediation and agriculture. Prices on an end-of-period basis fell by 1.6 per cent in contrast to a 1.0 per cent increase during 2009. The government recorded an overall deficit on its fiscal accounts, below that registered in 2009. Developments in the banking system were characterised by an expansion in monetary liabilities and a contraction in credit extended. In addition, liquidity eased and interest rate spreads narrowed. A smaller surplus was achieved on the balance of payments, influenced by a smaller surplus on the capital and financial account.

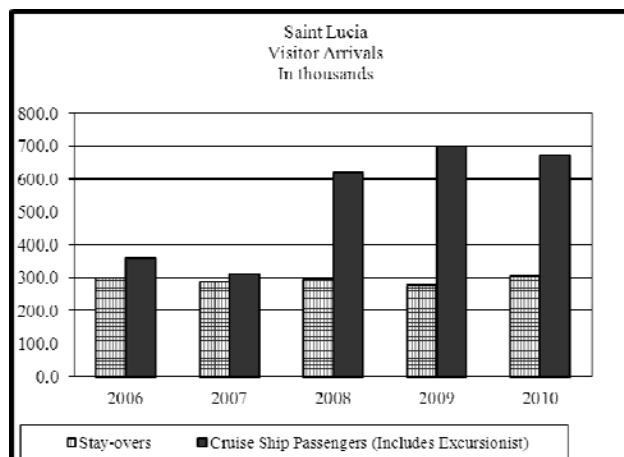
Economic activity in Saint Lucia is expected to strengthen further in 2011, in line with general developments in the global economy. This pick-up in economic activity is expected to be driven by a rebound in the construction sector and by an increase

in value added in the hotels and restaurants sector with spill-off effects in transportation, storage and communications. The fiscal accounts are projected to record a wider overall deficit, fuelled largely by an increase in capital expenditure. The current account balance on the balance of payments is anticipated to widen in line with higher import volumes and prices, which will be partly offset by loan and grant inflows on the capital and financial account. Possible downside risks include higher fuel and commodity prices, the possible negative effects on the tourism industry from the implementation of the Airline Passenger Duty by the UK government on overseas travel and further storm damage to the agricultural sector.

Output

The improvement in real GDP in 2010 largely reflected the performances of both the construction and the hotel and restaurant sectors. Construction activity rose by 20.5 per cent in 2010 reversing a 23.1 per cent contraction in 2009. This turnaround in the performance of the construction sector was buoyed by ongoing activity on a new general hospital, continuing rehabilitation of the road and communications infrastructure and preliminary repair work on a medical facility in the south of the island.



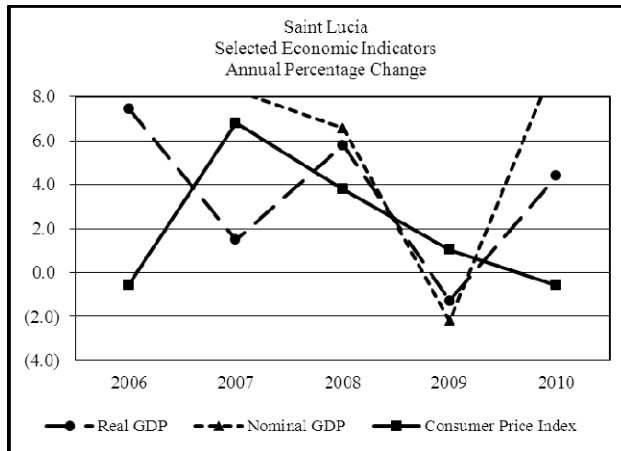


Value added in the hotel and restaurant sector, a proxy measure of activity in the tourism industry, rose by 7.1 per cent, fuelled by an increase in the number of stay-over visitors, reversing the 0.7 per cent contraction in value added in 2009. Stay-over arrivals rose by 9.9 per cent to 305,937 in contrast to a 5.8 per cent contraction in 2009. The increase was primarily due to a rise in the number of visitors originating from the USA and Canada of 30.8 per cent and 12.6 per cent respectively. Growth in stay-over arrivals from the USA, the largest source market, was associated with increased marketing via the internet and television media, including favourable coverage from a USA prime time television series which featured Saint Lucia for a week. Additionally, increased airlift out of that market and the resultant decline in airfares with airline competition contributed to an increase in arrivals. The Canadian market also benefitted from intensified marketing initiatives and the relative

strength of the Canadian economy which avoided much of the financial turmoil experienced in the USA. In contrast visitors from the UK market, which account for 22.0 per cent of total stay-over arrivals, fell by 6.2 per cent. This was largely as a result of the recession which negatively impacted consumers' spending power and the depreciation of the pound sterling, as well as inclement weather throughout Europe which resulted in a number of flight delays and cancellations during the earlier part of 2010. The number of stay-over visitors from the Caribbean fell by 10.3 per cent, due mainly to the high cost of inter-regional travel. Visitors from the French West Indies in particular, declined partly because of the depreciation of the Euro, which made the cost of a holiday in Saint Lucia comparatively more expensive.

In the cruise sub-sector, the number of cruise passengers fell by 4.2 per cent to 670,043 in contrast to growth of 12.8 per cent and a record number of passengers in 2009. This development reflected the loss of weekly port calls by a cruise line earlier in 2010. The number of excursionists and passengers arriving on yachts rose during the period under review. As result of those developments in the various sub-categories, total visitor arrivals rose by 1.1 per cent to 1,026,212, lower than the 7.1 per cent increase in 2009.





Value added in the agricultural sector fell by 15.7 per cent, largely influenced by a decline in banana production. The effects of hurricane Tomas in October, coupled with drought conditions in the first quarter of the year as well as flood damage in the latter half of the year, greatly reduced banana output which fell by 34.4 per cent to 21,701 tonnes.

Output of the manufacturing sector, recorded a 4.0 per cent contraction in 2010 in contrast to a 20.9 per cent improvement in 2009. The fall in the output of the sector was attributable to an estimated reduction in the production of the food, beverages and tobacco as well as corrugated paper and paperboard.

Prices, Wages and Employment

On an end-of-period basis the general price level, as measured by the consumer price index (CPI), fell by 1.6 per cent during the period under review. The reduction in prices was attributable to declines in the food and non-alcoholic beverages sub-index (0.5 per cent) transport (2.1 per cent), household furnishings, supplies and maintenance (10.4 per cent) and

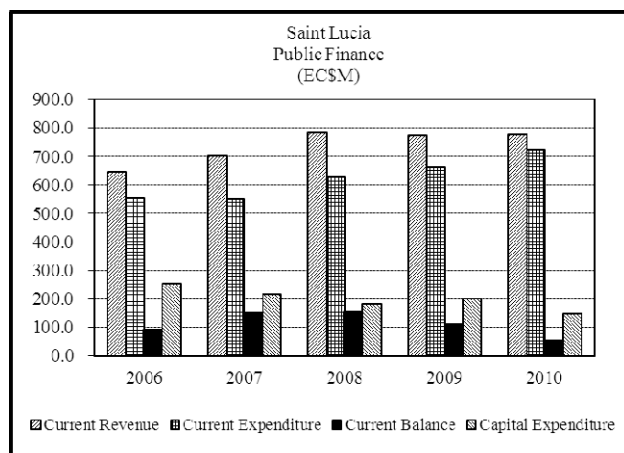
recreation and culture (18.1 per cent). Lower food prices largely reflected the policy of the government to subsidize price controlled food items such as rice, sugar and flour, while upward pressures on transportation costs were negated by the relatively stable bus fares during the period under review. The fall in the index was partially offset by an increase in education cost (30.3 per cent) associated with higher tertiary education school fees.

Central Government Fiscal Operations

The overall fiscal position of the central government improved to a deficit of \$20.5m compared with one of \$65.2m in 2009. A primary surplus of \$72.4m (2.2 per cent of GDP) was recorded compared with one of \$24.6m (0.8 per cent of GDP) in 2009. The improvement in fiscal operations largely reflected a reduction in the deficit on the capital account, as the surplus on the current account narrowed.

The smaller deficit on the capital account was due to the combined influence of lower expenditure and higher capital grant funds. Outlays on capital expenditure fell by 27.0 per cent to \$146.2m (4.5 per cent of GDP) relative to that recorded in 2009, as work on major highways and other public infrastructure were largely completed in 2010. Central government capital expenditure was however, partially buoyed by intensified work on the new national hospital. The lower deficit on the capital account also reflected higher grants of \$64.0m largely associated with the new hospital.

The current account surplus balance of the central government fell by 51.3 per cent to \$53.1m, as a result of higher current expenditure, which was partially offset by higher current revenue. Current revenue rose by 0.7 per cent to \$776.2m fuelled by higher tax and non-tax receipts. The increase in tax receipts was driven mainly by the performance of taxes on domestic goods and services as all other major tax sub-categories declined. Higher collections from taxes on domestic goods and services were attributable to increases in the receipts from hotel occupancy tax (35.7 per cent), and licenses (32.1 per cent). The performance of the hotel occupancy tax category was influenced by a larger number of stay-over arrivals. Declines were recorded for tax revenue from income and profits (1.4 per cent) and taxes on international trade and transactions (2.3 per cent), as a consequence of lower collections from airport tax and thru-put charges.



Current expenditure rose by 9.3 per cent to \$723.2m, attributed to general increases in all expenditure categories. Higher outlays were recorded on

personal emoluments (8.9 per cent), transfers and subsidies (13.3 per cent), goods and services (10.1 per cent) and interest payments (3.3 per cent). The increase in spending on personal emoluments was attributable to retroactive salary payments of \$7.9m made in April 2010. Meanwhile the increases in transfers and subsidies were consistent with efforts by the authorities to strengthen their social programmes in response to the impact of the crisis on the domestic economy. Higher spending on goods and services primarily represented the rising costs of utilities, supplies, operating and maintenance expenses and the rental of office space. The rise in interest payments was associated with the retirement of a bond.

Public Sector Debt

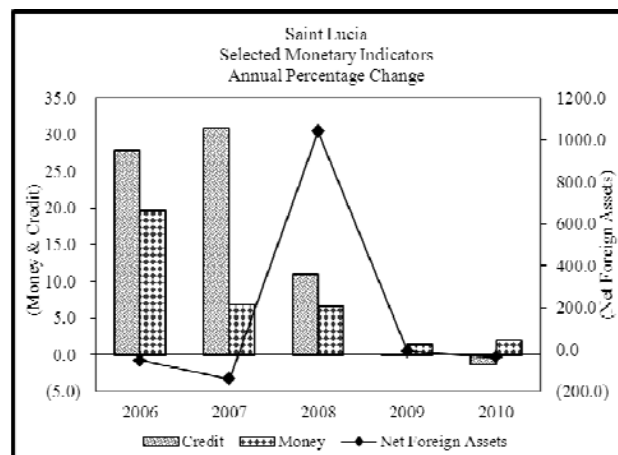
The disbursed outstanding public sector debt rose by 10.9 per cent to \$2,119.4m at the end of 2010 fuelled by an 11.8 per cent rise in central government indebtedness. The rise in central government debt reflected increased domestic borrowings through the issuance of new debt on the Regional Government Securities Market (RGSM). The external debt portfolio also increased (5.3 per cent) largely influenced by the activities of the central government as it contracted additional loans to facilitate the repair of infrastructure, damaged by the passage of hurricane Tomas. As a consequence of the developments in both domestic and external debt the debt to GDP ratio rose to 71.7 per cent at the end of 2010 compared with one of 66.3 per cent at the end of 2009.



Money and Credit

Monetary liabilities (M2) expanded at a faster pace of 1.9 per cent to \$2,559.2m, compared with a 1.3 per cent increase in 2009. This increase was driven by growth in quasi money, as narrow money (M1) contracted. Quasi money rose by 3.4 per cent fuelled by higher private sector savings deposits. This increase was partially tempered by a 2.3 per cent decline in M1, reflected in a contraction in both currency with the public and private sector demand deposits.

Domestic credit contracted by 1.3 per cent to \$3,410.1m, in contrast to an expansion of 0.1 per cent in 2009. Credit to the private sector grew by 1.5 per cent fuelled largely by increases in lending to households and businesses of 5.4 per cent and 1.5 per cent respectively. The central government moved to a net deposit position of \$52.0m at the end of 2010 from a net credit position of \$47.7m in the previous year, as a result of a combination of lower outstanding bank credit (5.4 per cent) and higher bank deposits (36.2 per cent). The fall in outstanding credit reflected a reduction in commercial bank loans and advances, while the rise in deposits at those institutions was associated with the proceeds from the issue of government instruments on the RGSM in the latter part of the year. Of the other main component of domestic credit, non-financial public enterprises' net deposits position rose by 1.0 per cent.



An analysis of the direction of credit by sector indicates that credit to tourism rose by 3.3 per cent in contrast to the 13.4 per cent contraction in 2009. This development is consistent with the observed recovery in the tourism industry reversing the decline recorded in 2009. Increases in credit to the distributive trades and the manufacturing sectors of 8.4 per cent and 3.5 per cent respectively were also recorded. Lending for personal use which accounts for the largest share, rose by 13.5 per cent in contrast to a 4.6 per cent contraction in the previous year, partly influenced by house and land purchases. Credit to the construction sector, however, fell by 13.6 per cent reflecting the general contraction in activity in that sector.

The net liability position of the banking system fell by 37.3 per cent to \$315.7m at the end of 2010. This development represented a combination of developments both in the commercial banking system as well as the central bank. The net liability position of the commercial banks fell by 11.2 per

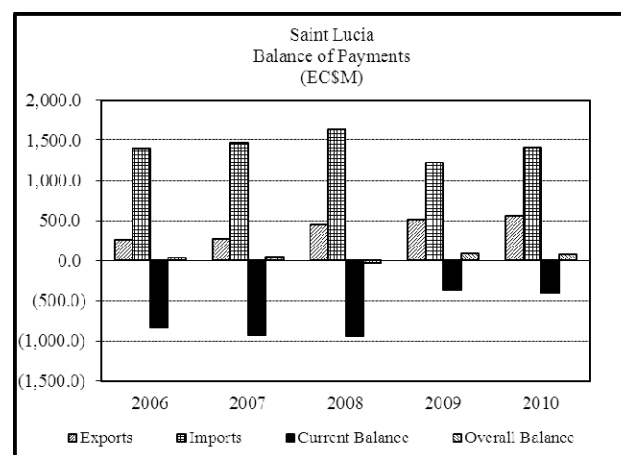
cent (\$102.2m), principally on account of an 18.0 per cent (\$183.1m) fall in the liabilities at banks outside of the ECCU. Saint Lucia's imputed share of the reserves held at the central bank rose by 21.1 per cent to \$492.3m.

Liquidity conditions in the commercial banking system eased in 2010 compared with levels in 2009. The ratio of liquid assets to total deposits plus liquid liabilities rose by 0.8 percentage points to 21.8 per cent while the ratio of the loans and advances to total deposits ratio fell by 1.5 percentage points to 115.8 per cent. At the end of December 2010 interest rate spreads between loans and deposits narrowed to 6.22 percentage points from 6.59 percentage points at the end of December 2009. The weighted average interest rate on deposits rose by 0.1 percentage point to 3.25 per cent at the end of 2010, while the weighted average lending rate fell by 0.3 percentage point to 9.48 per cent.

Balance of Payments

Preliminary estimates of the balance of payments for 2010 indicate an overall surplus of \$85.7m compared with one of \$89.5m in 2009. The lower overall surplus was associated with higher net outflows on the current account which was partially financed by increased net inflows on the capital and financial account. The deficit on the current account rose by 12.8 per cent to \$406.3m (12.6 per cent of GDP) due to an increase in the deficit on the goods account, as payments for merchandise imports (f.o.b.) rose by 15.5 per cent to \$1,408.2m. Earnings

from exports increased by 7.9 per cent to \$557.2m primarily from re-exports of petroleum products and machinery as banana export earnings fell by 25.6 per cent to \$41.9m. On the services account, net inflows increased by 13.9 per cent to \$500.0m fuelled by higher receipts on the travel account associated with a rise in stay-over arrivals.



On the capital and financial account net inflows rose by 9.4 per cent to \$492.0m (15.2 per cent of GDP), largely attributable to a 13.0 per cent increase in net inflows on the financial account. The performance was also attributable to a reduction in the net outflow of portfolio investment by 57.4 per cent to \$33.5m (1.0 per cent of GDP). The increase in inflows on the financial account was constrained partly by the actions of commercial banks who reduced their net liability position resulting in outflows of short-term capital of \$102.2m (3.2 per cent of GDP) compared with outflows of \$11.9m (0.4 per cent of GDP) in 2009. Additionally, declines in foreign direct investment net inflows by 17.3 per cent to \$326.9m (10.1 per cent of GDP), reflecting the lingering effects of the global



economic and financial crisis, further constrained the increase in net inflows. On the capital account, net inflows of capital grant funding fell by 10.9 per cent to \$58.9m (1.8 per cent of GDP) from \$66.1m (2.2 per cent of GDP in 2009).

Prospects

The economic outlook for Saint Lucia appears favourable, led by a rebound in construction and the continued robust performance of the hotels and restaurants sector. Nonetheless, there are some emerging risks as recent international developments threaten to constrain the global recovery and by implication Saint Lucia's major tourist markets. The outlook for tourism, while buoyed by the commendable performance of stay-overs in 2010, faces some uncertainties given the airlift challenges now confronting the authorities. This development is compounded by the prospect of a return to high fuel prices. The cruise subsector is projected to remain robust with the potential return of a major cruise line. Activity in the construction sector should be boosted, not only by work on two hospitals, but through major repairs to the damaged infrastructure as well as the commencement of a major capital project – the new terminal for the Hewanorra International Airport in the second half of 2011. Private sector construction is projected to remain below recent trends constrained by low foreign direct investment inflows. Value added in the manufacturing sector is projected to reflect general improvements in line with developments in the US economy, while the agricultural sector is

projected to contract further as farmers struggle to restore productive capacity after the passage of hurricane Tomas in October 2010.

The overall deficit on the fiscal accounts is expected to widen in 2010, in tandem with the increases in capital expenditure. Higher collections of current revenue are forecasted in line with expansions in GDP, while increases in current expenditure are expected to decelerate sharply in line with attempts by the government to contain expenditure. Interest payments are projected to rise as the outstanding debt increases.

A wider merchandise trade deficit is projected on the balance of payments fuelled by increased merchandise imports of construction materials as well as the higher cost of imports through commodity price inflation. Construction activity will be buoyed largely by activity in the public sector as uncertainty in the global economy delays business decisions in the private sector. Export earnings are projected to fall constrained by the performance of agriculture. Nonetheless, the balance of payments is projected to record an overall surplus in 2010 due to loan inflows from multinational institutions to finance capital projects..

The global economy is poised for moderate economic expansion and notwithstanding the challenges in the housing and labour markets in the USA, the major tourist market, that economy is projected to grow by 2.8 per cent. However, a number of downside risks threaten to derail the



economic recovery in Saint Lucia. The recent rapid escalation in crude oil prices represents a major exogenous shock that will impact both Saint Lucia's attractiveness as a holiday destination and the spending power of domestic consumers. Lower disposable income for both visitors to Saint Lucia and residents will translate to lower discretionary spending which may lead to some moderation in economic activity. Additionally, the implementation of the Airline Passenger Duty on overseas travellers

from the UK threatens to reduce the number of visitors from that market. The impact of the natural disasters in Japan and the subsequent nuclear fallout may be another risk that could constrain global economic activity and impact Saint Lucia's growth prospects indirectly. Protracted unrest in the Middle East and the associated uncertainty in that part of the world will serve to maintain upward pressure on the cost of energy. Other risks include adverse weather and diseases that threaten agricultural output.



ST VINCENT AND THE GRENADINES

Overview

Provisional data show that the trend of economic contraction observed in St Vincent and the Grenadines over the last two years continued in 2010. Economic activity for the year is estimated to have declined by 1.2 per cent, following a contraction of 0.6 per cent in 2009. The fall in real output was broad-based, associated with declines in a number of the major economic sectors. The consumer price index rose by 2.0 per cent, on an end-of-period basis. The overall deficit on the central government's fiscal accounts increased, mainly attributable to a reduction in capital grants. The total disbursed outstanding public sector debt rose on account of central government's borrowings. Developments in the banking system were marked by growth in monetary liabilities and net foreign assets and a decline in domestic credit. Commercial banks' liquidity rose, while the spread between their weighted average lending and deposit interest rates widened. The overall surplus on the balance of payments account increased in 2010.

Economic prospects for St Vincent and the Grenadines in 2011 appear favourable with real GDP growth projected to expand, based in part on anticipated robust activity in the construction, wholesale and retail trade and transport sectors. Growth is expected to be supported by an increase in tourism activity, contingent on the global economic recovery and the USA in particular. A wider overall

deficit is projected on the central government's fiscal accounts, based on an expected increase in expenditure. Notwithstanding, there are downside risks to these projections. Inflationary pressures are likely to increase, given the hikes in commodity prices, especially food and fuel. Other risks include unfavourable weather.

Output

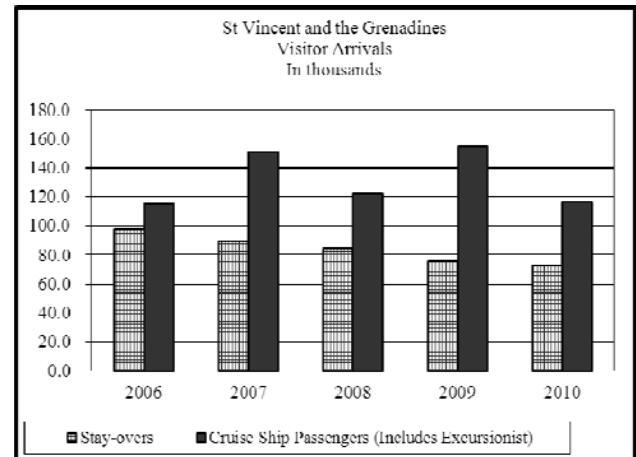
Value added in the construction sector decreased by 7.0 per cent, compared with a contraction of 7.9 per cent in 2009. The decrease in construction activity was influenced by a fall in investments in both public and private sectors, partly driven by lower investment inflows, associated with the adverse effects of the global economic and financial crisis. The decline in construction activity was also evidenced by the fall in imports of construction related materials. In the public sector, work concentrated on improving the transportation infrastructure and renovating a few public buildings. Private sector activity focused mainly on the completion of the first phase of a major hotel and a few residential buildings. The overall decrease in activity in the construction sector was reflected in a decline of 35.0 per cent in commercial bank lending for construction. Developments in the construction sector adversely affected activity in the mining and quarrying sector, which declined by 9.0 per cent in 2010, after a 7.9 per cent fall in value added in the previous year.



Activity in the transport, storage and communications sector, a major contributor to gross domestic product (14.6 per cent in 2010), fell by 5.3 per cent. In addition value added in the financial intermediation sector decreased by 2.6 per cent, in contrast to growth of 1.2 per cent in 2009.

Agricultural output fell by an estimated 6.4 per cent in 2010, following an expansion of the same magnitude in 2009. This was partly due to the impact of drought conditions in the first half of the year. The downturn in the agricultural sector was influenced largely by declines in the output of crops and fish. Banana output fell by an estimated 15.0 per cent, due to the adverse effects of disease in the first half of the year and a complete wipe out of the crop by hurricane Tomas in October 2010. In the other subsectors, fishing activity fell, while output in livestock and forestry improved marginally.

Activity in the manufacturing sector is estimated to have decreased by 2.5 per cent compared with a reduction of 1.4 per cent in 2009. The outturn was largely influenced by declines recorded in the output of rice and beer. Production of packaging and galvanize sheets were also below the levels of the prior year. These declines more than offset growth in the output of flour and feeds.

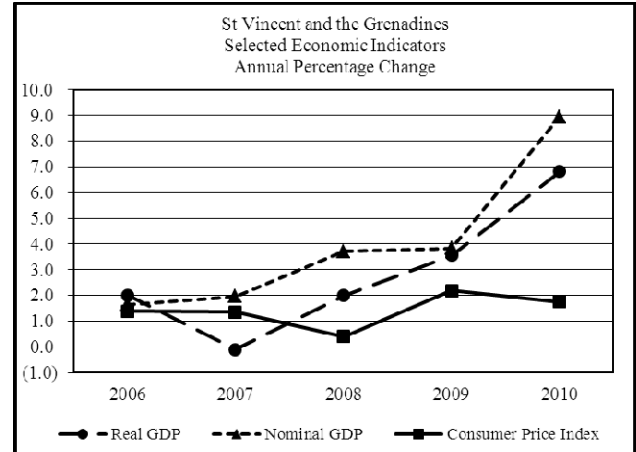


Value added in the hotels and restaurants sector, a measure of tourism activity, is estimated to have decreased by 2.3 per cent in 2010, following a decline of 15.4 per cent in 2009, when the sector experienced most of the negative impact of the global crisis. The performance in 2010 reflected a continued decline in the number of stay-over arrivals, which fell by 3.7 per cent to 72,645, mirroring a decline in arrivals from the main source market. Stay-over arrivals from the Caribbean were estimated to have fallen by 11.7 per cent, largely attributable to the high cost of intra-regional travel, coupled with reduced airlift. In addition, arrivals from the UK and other countries declined by 6.9 per cent and 6.3 per cent respectively, compared with falls of 13.6 per cent and 10.5 per cent respectively, the year before. By contrast, stay-over arrivals from

the USA increased by 8.7 per cent, while the number from Canada grew marginally by 0.5 per cent. Of the other categories of visitors, the number of cruise passengers decreased by 25.8 per cent, to 110,954, a reversal from growth of 28.1 per cent in 2009. This outturn was attributed to a 20.1 per cent fall in the number of cruise ship calls. The number of excursionists fell by 4.2 per cent, while yacht passengers increased by 5.5 per cent.

Prices, Wages and Employment

The consumer price index (CPI) rose by 2.0 per cent during 2010 on an end-of-period basis, in contrast to a fall of 1.6 per cent during 2009, partly reflecting the impact of growth in the prices of all sub-indices except household furnishings and supplies. The fuel and light sub-index rose by 6.2 per cent, reflecting increases in the cost of electricity (11.3 per cent) and kerosene (8.7 per cent) as a result of upward pressure on international oil prices. Higher costs of petroleum products (petrol) also contributed to a rise of 3.4 per cent in the transport and communications sub-index. The food sub-index, the largest weighted of the CPI basket, rose by 2.3 per cent in contrast to a decline of 2.2 per cent during 2009, attributable to price increases for vegetables, provisions, milk, sugar, chicken wings, oil and salt fish. Among the other sub-indices, prices for clothing and footwear increased by 1.8 per cent, while those for education and personal services were up by 1.7 per cent and 1.0 per cent respectively.



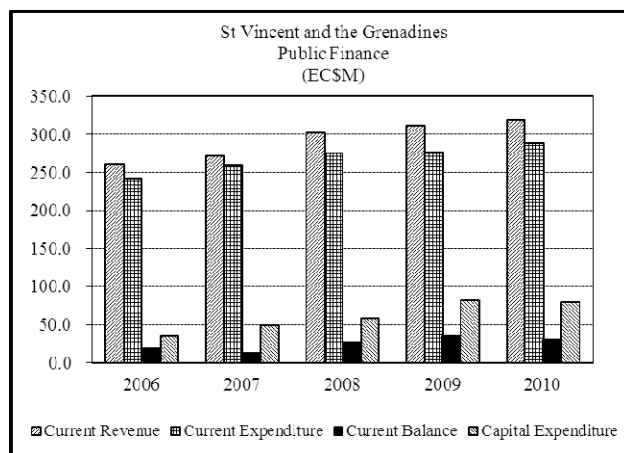
Official comprehensive data on wage movements and employment in the private sector are not available. However, employment in a number of sectors including construction, tourism, manufacturing and real estate declined in line with the contraction in economic activity. Noteworthy is a 15.7 per cent fall in the number of active employees in the hotel industry. In the public sector, civil servants received a 2.0 per cent salary increase in December 2010, retroactive from January 2010, in addition to a 3.0 per cent increase received in January 2010.

Central Government Fiscal Operations

The central government's fiscal operations resulted in an overall deficit (after grants) of \$67.2m, up from one of \$49.0m in 2009. The larger deficit was mainly attributed to a reduction in capital grants as well as a larger current account deficit.

The deficit was financed by external loans, as government used much cheaper foreign borrowing to pay off higher interest domestic obligations. A primary deficit of \$15.4m (0.8 per cent of GDP) was recorded, higher than one of \$0.8m in 2009.

The current account deficit more than doubled to \$8.6m, as growth in current expenditure outpaced an expansion in current revenue. Current expenditure was \$480.3m in 2010, 3.2 per cent above the total in 2009, on account of increases in all the main sub-categories except goods and services. Outlays on transfers and subsidies rose by 17.4 per cent (\$20.8m), partly driven by increases in spending on social safety net programmes and subventions to state-owned enterprises. Interest payments grew by 7.7 per cent, resulting from an increase in domestic obligations, while expenditure on personal emoluments rose by 4.6 per cent (\$9.8m), associated with a 5.0 per cent increase in salaries to public servants, effective January 2010. By contrast, expenditure on goods and services fell by 22.7 per cent (\$19.4m), as the government implemented policy measures to reduce spending.



Current revenue amounted to \$471.7m, representing an increase of 1.9 per cent relative to the total in 2009. Growth in current revenue mirrored an increase in non-tax revenue, which more than offset a decline in the intake from taxes. Receipts from taxes on domestic goods and services fell by 4.7 per cent (\$10.9m), largely reflecting decreases in collections from the value added tax (\$11.8m) and the excise tax (\$4.9m), consistent with the decline in economic activity. Revenue from taxes on international trade and transactions fell by 5.8 per cent (\$4.7m), as no consumption taxes were collected, since it was replaced by the value added tax. Receipts from taxes on income and profits fell by 1.6 per cent (\$1.8m), associated with a decline in intake from corporation taxes, following the reduction of corporate tax rates in the second half of 2009.

On the capital side, expenditure amounted to \$73.8m (3.9 per cent of GDP), representing a decline of 30.4 per cent relative to the total in 2009, as some projects were delayed. Capital grants totaled \$14.2m in 2010, down from \$58.3m in 2009, as major grant inflows continued to be constrained by developments in the global economy.

Public Sector Debt

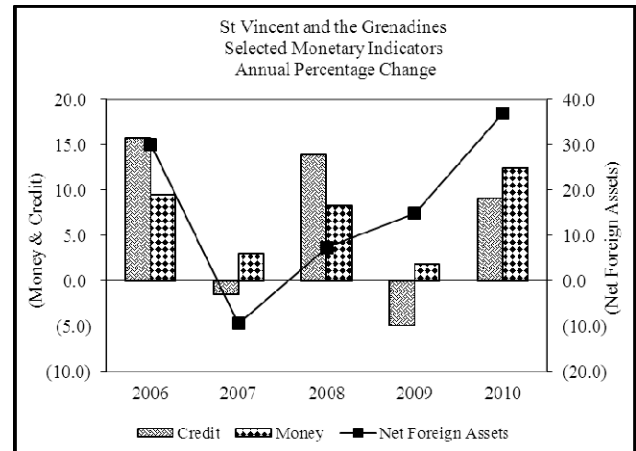
The total outstanding debt of the public sector was estimated at \$1,170.8m at the end of 2010, representing an increase of 5.0 per cent on the amount at the end of 2009. As a percentage of GDP, the public sector debt increased to 61.5 per cent from



59.1 per cent in December 2009. The disbursed outstanding debt of the central government, which accounted for 85.3 per cent of the total debt, increased by 12.2 per cent to \$999.0m (52.5 per cent of GDP), reflecting increased external borrowing. The stock of foreign debt of the central government rose by 25.1 per cent, while domestic debt declined by 12.7 per cent. Meanwhile, the outstanding debt of the public corporations fell by 23.5 per cent to \$171.8m. The debt service payments rose by 47.1 per cent to \$166.0m, influenced primarily by larger domestic principal repayments.

Money and Credit

Monetary liabilities (M2) grew by 2.6 per cent to \$1,114.0m during 2010, compared with growth of 0.3 per cent during 2009. Quasi money expanded by 5.7 per cent (\$41.7m), as a result of increases in private sector savings deposits (\$19.0m), foreign currency deposits (\$15.2m) and time deposits (\$7.5m). Narrow money (M1) fell by 3.8 per cent (\$13.5m), largely on account of a decline of 20.3 per cent (\$12.9m) in currency with the public. Currency with the public was negatively impacted by a fall in currency in circulation (\$14.8m), consistent with the weak economic activity.



Domestic credit contracted by 13.3 per cent to \$892.0m, influenced by declines in borrowing by the central government and non-financial public enterprises. Net credit to the central government fell by 82.5 per cent to \$22.3m, while lending to the non-financial public enterprises more than halved, as the government refinanced a large proportion of their debt in the commercial banking system with lower interest rate external borrowing. Private sector credit rose by 1.8 per cent (\$17.1m), as loans extended to businesses and households increased by 3.6 per cent and 0.8 per cent respectively.

An analysis of the distribution of credit by economic activity indicates that outstanding loans decreased by 7.6 per cent, compared with a fall of 3.1 per cent

during 2009. The main source of the decrease was a decline of 52.9 per cent (\$93.4m) in borrowing for public administration, as the government repaid a number of public corporations' loans. Credit for construction, transportation and acquisition of property also fell, consistent with the contraction in economic activity. Declines were also recorded in outstanding loans for manufacturing (\$2.0m) and agriculture (\$1.8m). Those declines were partly offset by increases of 62.8 per cent (\$22.8m) and 4.2 per cent (\$4.4m) in credit for tourism and distributive trades, respectively.

The net foreign assets of the banking system grew by 31.4 per cent to \$474.4m during 2010, in contrast to a decline of 6.2 per cent during the prior year. This outcome was partially influenced by growth of 10.9 per cent in the net foreign assets of commercial banks, reflecting an increase in assets held with institutions in other ECCB territories. Likewise, St Vincent and the Grenadines' imputed share of the reserves held by the ECCB grew by 47.3 per cent to \$299.1m.

Liquidity in the commercial banking system rose during 2010. This was evidenced by a 5.6 percentage point increase to 43.3 per cent in the ratio of liquid assets to total deposits plus liquid liabilities. The loans and advances to deposits ratio declined by 10.3 percentage points to 75.3 per cent.

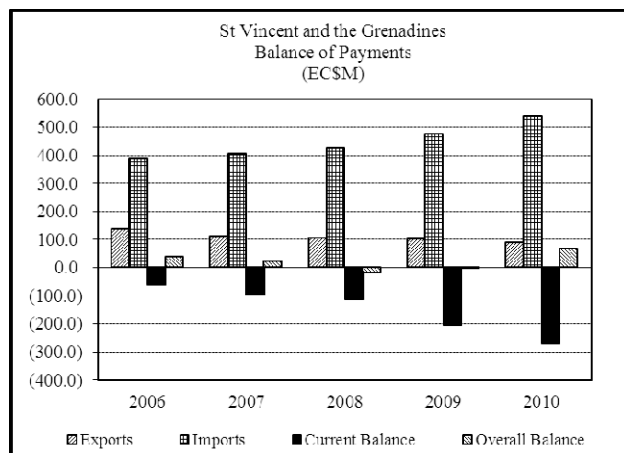
Commercial banks' weighted average interest rate on deposits decreased by 17 basis points to 2.76 per cent and that on loans fell by 14 basis points to 9.00 per cent. Consequently, the weighted average interest rate spread between loans and deposits increased to 6.24 percentage points from 6.21 percentage points at the end of December 2009.

Balance of Payments

St Vincent and the Grenadines' external sector transactions are estimated to have resulted in an overall balance of payments surplus of \$68.1m, up from one of \$12.6m in the previous year. The improvement was associated with an increase in the surplus on the capital and financial account, which more than financed the deficit on the current account. Commercial bank transactions led to a net outflow of \$17.2m in contrast to a net inflow of \$2.9m in 2009.

Transactions on the capital and financial account resulted in a 13.1 per cent increase to \$624.2m in net inflows, compared with \$552.0m in 2009. On the financial account, net inflows rose by 32.6 per cent (\$132.1m). By contrast, net inflows on the capital account fell by 40.9 per cent (\$59.9m), as capital transfers declined.





The current account deficit widened to an estimated \$556.1m (29.2 per cent of GDP) from \$539.4m (28.6 per cent of GDP) in 2009, mainly attributable to a larger merchandise trade deficit. The merchandise trade deficit is estimated to have expanded to \$694.4m from \$657.3m, largely reflecting a fall in export receipts. The value of exports amounted to \$108.6m, approximately 19.7 per cent below the level in the previous year, associated with declines in both re-exports and domestic exports. Earnings from domestic exports fell by 13.4 per cent (\$14.3m), partly due to a 37.4 per cent decline in receipts from bananas. Meanwhile, the import bill grew by 1.3 per cent (\$11.8m) in contrast to a fall of 10.6 per cent in 2009. Services transactions resulted in a net inflow of \$130.9m, roughly 6.7 per cent above the amount for the previous year.

Prospects

Amidst improvements in the global economy and the expectations for the US economy in particular, economic activity in St Vincent and the Grenadines

is projected to pick up in 2011. Activity in the construction sector, one of the main drivers of economic growth, is projected to gain momentum as rebuilding continues in the aftermath of hurricane Tomas. Also, the 2011 budget outlines a number of public sector projects, including the international airport's main terminal building, fire and rescue station and other landside facilities, which are expected to add robustness to construction activity.

Although the high rate of unemployment in the advanced economies is likely to keep travel demand in these markets subdued, the recovery in the US economy, though modest, is expected to positively impact visitor arrivals to St Vincent and the Grenadines. The performance in the cruise sub-sector is projected to improve in 2011, with spill-over effects in the transport, storage and communication sector, as more taxi operators are hired for site seeing and fun tours.

In the other sectors, activity in manufacturing and wholesale and retail trade is projected to increase in 2011, associated with the anticipated improvement in economic activity. Growth in agricultural output is not likely as crops, especially bananas and plantains, which were replanted after the hurricane, are not expected to be ready for harvest before the second half of the year.

The central government's fiscal operations are expected to yield a larger overall deficit as current expenditure is projected to increase. The outlook is for larger outlays on transfers and subsidies as the



social safety net programmes are expanded to accommodate hurricane Tomas victims. Additionally, growth in the wage bill is anticipated based on a negotiated 4.0 per cent salary increase for 2011. Higher interest payments are projected as the outstanding debt increases. Capital expenditure is also forecast to be above the 2010 level, as a result of the number of planned projects for this year.

In the external sector, the overall balance of payments surplus is likely to contract, associated with an increase in the current account deficit. The wider deficit is anticipated primarily as a result of larger import payments due to higher food prices and for building materials for the continued reconstruction and rehabilitation in the aftermath of

hurricane Tomas. Gross inflows from travel are however expected to be above the level of 2010, the consequence of an improved performance in the tourism industry.

There are several risks surrounding these projections. While the global economy is recovering from the international economic and financial crisis, some vulnerability remains in the financial sector. Labour market issues in the advanced economies have the potential to adversely affect foreign direct investments and remittance flows. Other factors, which may pose risks to economic recovery in St Vincent and the Grenadines, include increasing international oil and food prices and adverse weather conditions.



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



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TABLE 1
ECCU - Selected Economic Indicators

	2006	2007	2008	2009	2010
<i>(Annual Percentage Change Unless Otherwise Indicated)</i>					
National Income and Prices					
Nominal GDP at Factor Cost	9.8	10.9	6.1	(4.5)	0.7
Real GDP at Factor Cost	5.9	6.1	3.3	(5.3)	(1.8)
Nominal GDP at Market Prices	10.9	11.0	5.8	(5.3)	0.7
GDP Deflator	3.6	4.5	2.7	0.9	2.5
Consumer Prices (end of period)	2.2	5.9	4.3	1.1	3.0
Consumer Prices (period average)	3.7	3.2	7.2	0.9	3.3
Real GDP at Factor Cost by Selected Sectors					
Agriculture	5.8	0.0	10.3	(0.3)	(5.2)
Manufacturing	0.1	6.8	(1.8)	(1.7)	(5.5)
Mining & Quarrying	46.7	15.9	(0.5)	(22.4)	(12.2)
Electricity & Water	2.8	6.4	1.5	2.9	1.5
Construction	12.0	3.2	6.2	(21.7)	(16.0)
Wholesale and Retail	7.5	9.0	3.8	(13.6)	(2.6)
Hotels and Restaurants	7.2	5.6	(1.7)	(9.2)	2.6
Transport, Storage and Communications	1.0	8.9	2.1	(4.2)	(3.2)
Transport and Storage	0.2	11.4	0.4	(7.3)	(4.8)
Communications	2.2	5.0	4.9	0.9	(0.9)
Financial Intermediation	7.9	8.6	1.2	(0.3)	(0.7)
Real Estate, Renting and Business Activities	4.0	4.8	2.1	(0.5)	2.8
Public Administration, Defence & Compulsory Social Security	7.5	5.3	6.2	2.0	3.2
Education	7.9	8.5	4.7	3.3	2.6
Health and Social Work	1.3	4.3	2.9	2.1	0.5
Other Services	7.3	5.2	10.7	6.7	2.5
FISIM	13.2	17.3	(1.9)	1.3	(1.0)
<i>(In percent of GDP)</i>					
External Sector					
Current Account Balance	(25.8)	(29.8)	(31.0)	(21.6)	(17.9)
Overall Balance	1.9	0.9	(0.4)	2.9	2.0
Merchandise Trade Balance	(40.3)	(40.9)	(41.6)	(33.4)	(32.2)
Central Government					
Current Account Balance	1.1	3.2	1.5	(1.0)	(0.4)
Current Revenue	23.3	23.5	23.7	23.0	23.2
Current Expenditure	21.0	20.3	22.3	24.1	23.6
Capital Expenditure and Net Lending	8.2	7.5	7.1	6.2	4.3
Overall Fiscal Balance	(4.2)	(2.3)	(2.7)	(4.7)	(1.8)
<i>(in percent per annum)</i>					
Monetary Sector					
Weighted Deposit Interest Rates	3.3	3.3	3.3	3.2	3.2
Weighted Lending Interest Rates	9.9	9.5	9.5	9.5	9.5
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at Factor Cost	10,914.1	12,102.6	12,837.5	12,261.2	12,347.4
Real GDP at Factor Cost	10,914.1	11,583.6	11,962.3	11,322.4	11,123.5
Nominal GDP at Market Prices	12,906.1	14,327.5	15,158.8	14,348.4	14,455.4
GDP per capita (EC\$)	18,185	20,001	21,038	19,871	19,811
Merchandise Imports (f.o.b)	5,921.0	6,623.2	7,287.8	5,803.1	5,631.3
Merchandise Exports (f.o.b)	721.6	762.1	988.2	1,016.8	980.4
Gross Visitor Expenditure	3,094.8	3,184.6	3,106.5	2,846.8	2,965.4

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

^R=Revised ^P=Preliminary

Data available at 15 June 2011



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

	2006	2007	2008	2009	2010
Current Revenue	3,002.3	3,361.0	3,596.5	3,306.1	3,350.0
Tax Revenue	2,700.7	3,036.2	3,217.2	2,967.8	2,919.8
Taxes on Income and Profit ^{/1}	577.2	639.4	744.1	742.5	669.0
of which:					
Personal ^{/2}	203.1	219.1	240.2	245.3	242.5
Company	290.8	309.7	407.9	413.2	326.0
Taxes on Property	59.5	64.2	62.8	61.2	61.7
Taxes on Domestic Goods and Services	689.2	974.5	1,103.5	973.8	1,000.4
of which:					
Accommodation Tax	106.6	77.6	66.3	40.7	50.1
Licences	85.9	89.4	102.7	88.8	85.9
Sales Tax ^{/3}	10.7	197.5	238.3	204.3	179.5
Consumption Tax ^{/4}	52.0	50.5	49.9	45.5	15.5
Value Added Tax ^{/5}	69.0	189.6	267.9	267.3	404.7
Taxes on International Trade and Transactions	1,374.9	1,358.1	1,306.8	1,190.2	1,188.7
of which:					
Consumption Tax ^{/7}	532.3	413.6	345.6	365.7	229.8
Import Duties	402.4	463.2	478.8	401.1	411.1
Foreign Exchange Tax ^{/6}	2.4	0.8	-	-	-
Customs Service Charge ^{/7}	260.9	282.7	282.5	236.9	180.1
Non-Tax Revenue	301.6	324.8	379.4	338.3	430.2
Current Expenditure	2,865.3	3,058.2	3,373.9	3,451.5	3,410.5
Personal Emoluments	1,212.3	1,322.5	1,451.7	1,494.6	1,512.7
Goods and Services	629.5	698.3	809.0	757.6	707.3
Interest Payments	399.7	415.1	424.1	422.8	424.4
Domestic	180.7	197.3	198.7	212.4	247.5
External	219.0	217.8	225.5	210.4	176.9
Transfers and Subsidies	623.9	622.3	689.1	776.5	766.1
Pensions	179.8	224.5	180.7	207.1	204.6
Current Account Balance (before grants)	136.96	302.78	222.64	(145.40)	(60.49)
Capital Revenue	18.6	47.0	99.0	22.9	39.1
Grants	358.0	240.7	341.6	342.9	401.7
Current Grants	72.1	58.9	77.5	132.5	164.5
Capital Grants	285.8	181.8	264.1	210.4	237.3
Capital Expenditure and Net Lending	1,056.8	1,071.1	1,077.2	892.1	626.8
Capital Expenditure	1,056.2	1,058.9	1,062.9	885.5	623.0
Primary Balance	(498.46)	(302.68)	(331.43)	(591.83)	(223.83)
Overall Balance (after grants)	(540.2)	(477.1)	(413.9)	(671.7)	(246.5)
Financing	540.2	477.1	413.9	671.7	246.5
Domestic	301.7	297.5	296.6	398.5	(313.7)
ECCB (net)	(37.2)	(4.1)	21.7	39.3	(90.1)
Commercial Banks (net)	21.1	247.2	236.6	250.8	(370.6)
Other	321.0	54.4	(39.8)	102.0	161.0
External	142.8	76.0	147.9	175.9	555.0
Net Disbursements/(Amortisation)	137.5	48.7	148.7	172.9	492.0
Disbursement	303.9	271.4	393.9	437.1	880.1
Amortisation	(166.3)	(222.7)	(245.2)	(264.2)	(388.1)
Change in Government Foreign Assets	5.3	27.3	(0.8)	3.0	63.0
Arrears ^{/8}	92.4	103.6	47.4	103.7	(1,162.5)
Domestic	0.6	2.1	(2.8)	73.7	(903.4)
External	91.9	101.5	50.3	30.0	(259.1)

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 7 March 2011



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

	2006	2007	2008	2009	2010
Net Foreign Assets	3,177.9	3,031.4	2,271.8	1,895.3	2,197.6
Central Bank (net)	1,871.9	2,056.6	2,039.8	2,157.0	2,498.3
Foreign Assets	1,879.1	2,065.1	2,049.3	2,162.3	2,500.5
Foreign Liabilities	7.2	8.5	9.5	5.3	2.2
Commercial Banks (net)	1,306.0	974.8	232.0	(261.7)	(300.7)
Assets	3,789.7	4,270.5	3,750.5	4,015.1	3,248.8
Liabilities	2,483.7	3,295.7	3,518.5	4,276.8	3,549.5
Net Domestic Assets	7,607.1	8,852.6	9,914.1	10,499.6	10,475.8
Domestic Credit	9,030.9	10,889.3	12,111.2	12,704.7	12,510.2
Central Government (net)	888.9	1,132.0	1,390.3	1,680.4	1,219.8
Other Public Sector (net)	(1,058.5)	(1,194.1)	(1,310.7)	(1,300.6)	(1,322.9)
Private Sector	9,200.54	10,951.39	12,031.56	12,324.83	12,613.39
Households	4,793.76	5,473.57	6,023.40	6,137.77	6,290.85
Business	3,903.24	4,958.07	5,530.00	5,767.36	5,956.17
Non-Bank Financial Institutions (net)	210.70	225.12	182.41	134.37	136.76
Subsidiaries and Affiliates (net)	292.84	294.64	295.74	285.33	229.61
Other Items (net)	(1,423.80)	(2,036.69)	(2,197.16)	(2,205.06)	(2,034.41)
Money Supply (M2)	10,785.05	11,883.99	12,185.82	12,394.91	12,673.40
Money Supply (M1)	2,529.68	2,766.95	2,742.28	2,537.10	2,585.31
Currency	2,529.68	2,766.95	2,742.28	2,537.10	2,585.31
Demand Deposits	1,828.48	2,068.77	2,028.32	1,841.06	1,881.27
Quasi Money	8,255.37	9,117.05	9,443.54	9,857.81	10,088.09
Savings Deposits	4,370.17	4,707.45	4,963.66	5,222.29	5,282.05
Time Deposits	2,042.04	2,337.13	2,565.66	2,705.37	2,868.97
Foreign Currency Deposits	1,843.16	2,072.46	1,914.22	1,930.15	1,937.07

Source: ECCB

Data available at 7 March 2011

Table 4
ECCU - Selected Tourism Statistics

	2006	2007	2008	2009	2010
Total Visitors	3,205,572	3,572,167	3,647,277	3,971,294	3,849,503
Stay-Over Visitors	1,076,526	1,054,193	1,054,048	930,028	950,728
Of which:					
Visitor Arrivals by Air	1,076,526	1,054,193	1,054,048	930,028	950,728
USA	392,911	385,371	381,635	333,928	371,100
Canada	53,473	54,382	66,927	66,681	75,484
UK	227,070	251,656	246,433	201,202	188,609
Caribbean	304,137	252,107	253,811	229,180	213,503
Other Countries	98,935	110,677	105,242	99,037	102,032
Excursionists	122,580	115,366	86,423	73,018	77,762
Cruise Ship Passengers	1,851,150	2,301,876	2,407,812	2,868,562	2,705,131
Yacht Passengers	155,316	100,732	98,994	99,686	115,882
Number of Cruise Ship Calls	1,682	1,728	1,464	1,673	1,581
Total Visitor Expenditure (EC\$M)	3,094.77	3,184.61	3,106.46	2,846.79	2,929.75

SOURCE: Central Statistics Offices, OECS and ECCB

Data available 7 March 2011



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

	2006	2007	2008	2009	2010
Current Account	(3,331.9)	(4,263.1)	(4,696.9)	(3,105.1)	(2,590.7)
Goods and Services	(3,258.0)	(3,995.1)	(4,408.8)	(2,915.2)	(2,616.9)
Goods	(4,981.0)	(5,672.4)	(6,125.4)	(4,664.8)	(4,520.3)
Merchandise	(5,199.4)	(5,861.1)	(6,299.6)	(4,786.2)	(4,650.9)
Repair on goods	0.4	0.4	0.5	0.8	0.8
Goods procured in ports by carriers	218.0	188.3	173.6	120.7	129.8
Services	1,723.0	1,677.3	1,716.6	1,749.5	1,903.4
Transportation	(573.6)	(638.5)	(617.8)	(400.6)	(398.7)
Travel	2,677.3	2,722.0	2,624.3	2,392.0	2,520.7
Insurance Services	(207.5)	(216.8)	(242.9)	(217.3)	(211.2)
Other Business Services	(150.9)	(146.4)	(12.4)	(12.4)	4.1
Government Services	(22.3)	(43.0)	(34.6)	(12.2)	(11.5)
Income	(532.9)	(641.0)	(723.5)	(642.5)	(488.4)
Compensation of Employees	41.3	39.0	42.5	43.3	45.0
Investment Income	(574.2)	(680.0)	(766.0)	(685.8)	(533.4)
Current Transfers	459.0	373.0	435.4	452.6	514.6
General Government	173.0	112.8	148.5	176.7	221.9
Other Sectors	286.0	260.2	286.9	275.9	292.7
Capital and Financial Account	3,580.0	4,387.9	4,643.6	3,527.1	2,873.1
Capital Account	474.2	602.7	592.4	556.1	490.4
Capital Transfers	474.0	602.7	592.4	556.1	490.4
Acquisition and Disposal of Non-Produced, Non-Financial Assets	0.2	-	-	-	-
Financial Account	3,105.8	3,785.2	4,051.2	2,971.0	2,382.7
Direct Investment	2,899.7	3,234.1	2,653.4	1,873.8	1,556.3
Portfolio Investment	59.1	(71.6)	26.8	(44.5)	(32.6)
Other Investments	147.0	622.7	1,371.0	1,141.6	859.1
Public Sector Long Term	124.4	102.0	102.1	251.9	701.0
Other Public Sector Capital	0.0	-	-	-	-
Commercial Banks	82.9	331.2	742.8	493.7	39.0
Other Assets	(397.5)	(340.5)	(231.5)	35.2	55.7
Other Liabilities*	337.2	530.0	757.6	360.9	63.3
Overall Balance	248.1	124.8	(53.3)	422.0	282.4
Financing	(248.1)	(124.8)	53.3	(422.0)	(282.4)
Change in SDR holdings	-	-	-	(264.5)	79.1
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	5.2	27.2	(1.6)	3.0	(16.1)
Change in ECCU's Net Foreign Assets [#]	(253.2)	(152.0)	55.0	(160.6)	(345.3)

Source: ECCB

* includes errors and omissions

adjusted for valuation changes

Data available at 7 March 2011



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

Country	2006 ^R	2007 ^R	2008 ^R	2009 ^R	2010 ^P
Anguilla	120.3	141.2	170.9	191.5	235.1
Antigua and Barbuda	2,840.1	2,835.7	2,979.1	2,840.7	2,701.1
Dominica	951.9	917.9	898.1	900.6	916.3
Grenada	1,656.3	1,710.0	1,777.1	1,891.5	1,942.1
Montserrat	12.0	11.2	11.1	8.9	8.7
St Kitts and Nevis	2,379.6	2,474.0	2,489.6	2,556.5	2,749.4
Saint Lucia	1,718.0	1,857.1	1,884.8	1,903.5	2,119.4
St Vincent and the Grenadines	1,028.1	1,026.9	1,093.8	1,118.4	1,214.3
TOTAL ECCU	10,706.3	10,974.0	11,304.4	11,411.7	11,886.4

Source: ECCB

* Includes arrears of principal

Data available at 28 February 2011

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

Country	2006 ^R	2007 ^R	2008 ^R	2009 ^R	2010 ^P
Anguilla	103.2	121.1	149.6	172.3	217.4
Antigua and Barbuda	2,582.8	2,558.2	2,683.6	2,430.3	2,294.8
Dominica	789.3	762.1	749.2	750.9	766.6
Grenada	1,458.4	1,539.1	1,580.2	1,692.0	1,746.7
Montserrat	4.2	3.8	4.0	2.2	2.3
St Kitts and Nevis	1,473.0	1,515.4	1,550.7	1,627.5	2,135.4
Saint Lucia	1,428.0	1,595.4	1,616.2	1,634.1	1,835.4
St Vincent and the Grenadines	891.6	840.1	849.8	890.3	1,022.5
TOTAL ECCU	8,730.5	8,935.2	9,183.3	9,199.5	10,021.0

Source: ECCB

*Includes arrears of principal

Data available at 28 February 2011

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

Country	2006 ^R	2007 ^R	2008 ^R	2009 ^R	2010 ^P
Anguilla	26.9	11.0	40.3	51.0	215.8
Antigua and Barbuda	246.6	202.5	243.5	148.3	235.5
Dominica	54.9	55.1	58.2	29.2	34.3
Grenada	45.7	86.3	79.2	117.5	90.2
Montserrat	0.2	1.2	0.2	0.2	0.2
St Kitts and Nevis	209.2	205.9	212.6	184.4	213.0
Saint Lucia	122.7	136.2	355.2	348.7	92.8
St Vincent and the Grenadines	83.0	93.6	107.6	112.9	166.0
TOTAL ECCU	789.2	791.7	1,096.8	992.2	1,047.8

Source: ECCB

*The amounts are actual payments and not contractual obligations

Data available at 28 February 2011



Table 9
ECCU - Participation on the RGSM

	2006 ^R	2007 ^R	2008 ^R	2009 ^R	2010 ^P
Treasury Bills					
Number of Auctions	25	28	33	36	27
Amount Raised (EC\$M)	436.3	492.7	574.1	611.6	482.5
Subscriptions (EC\$M)	499.2	623.9	975.6	761.5	612.9
Bonds					
Number of Auctions	5	5	3	6	7
Amount Raised (EC\$M)	215.2	112.5	116.0	128.3	239.1
Subscriptions (EC\$M)	215.2	113.4	119.7	148.7	239.4
Total number of auctions	30	33	36	42	34
Total Amounts Raised (EC\$M)	651.5	605.2	690.1	739.9	721.6
Total Subscriptions (EC\$M)	714.4	741.3	1095.3	910.23	852.3

Source: ECCB

Data available at 28 February 2011

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

	2006	2007	2008	2009 ^P	2010 ^P
91-day Treasury Bill	5.97	6.04	5.71	5.83	5.08
180-day Treasury Bill	**	5.65	5.46	5.20	4.75
365-day Treasury Bill	5.89	6.47	6.50	6.22	6.19
3-year Bonds	**	**	**	**	6.25
5-year Bonds	8.25	7.00	6.80	7.00	6.80
6-year Bonds	**	**	**	7.19	7.25
7-year Bonds	8.00	**	**	8.00	**
8-year Bonds	**	**	**	**	7.5
10-year Bonds	7.24	7.54	7.50	**	**

Source: ECCB

Data available at 28 February 2011



Table 11
Anguilla - Selected Economic Indicators

	2006	2007	2008	2009	2010
<i>(Annual Percentage Change Unless Otherwise Indicated)</i>					
National Income and Prices					
Nominal GDP at Factor Cost	19.16	29.30	(0.46)	(13.13)	(2.48)
Real GDP at Factor Cost	15.64	17.23	0.93	(13.59)	(3.78)
GDP Deflator	3.04	10.29	(1.37)	0.54	1.35
Consumer Prices (end of period)	10.45	3.31	5.28	(0.79)	0.85
Consumer Prices (period average)	8.44	5.06	6.80	(0.68)	1.03
Real GDP at Factor Cost by Selected Sectors					
Agriculture, Forestry and Fishing	2.54	5.62	7.93	(8.24)	1.99
Manufacturing	28.81	45.64	(1.39)	(16.87)	(20.00)
Mining and Quarrying	11.47	12.32	(10.99)	(39.03)	(30.00)
Electricity and Water	11.58	10.28	(0.60)	3.77	11.21
Construction	24.33	63.95	8.38	(50.27)	(40.00)
Wholesale and Retail Trade	24.45	16.27	(6.03)	(2.01)	(8.00)
Hotels and Restaurants	10.26	1.01	(15.30)	(6.15)	13.89
Transport, Storage and Communications	34.74	17.28	(0.12)	(18.86)	(8.20)
Transport and Storage	22.57	27.20	(8.87)	(37.34)	(13.71)
Communications	54.74	4.37	13.76	4.61	(4.00)
Financial Intermediation	13.00	12.89	18.63	8.70	(0.67)
Real Estate, Renting and Business Activities	9.38	12.37	0.56	(9.36)	2.33
Public Administration, Defence & Compulsory Social Security	9.17	6.25	13.70	20.36	1.00
Education	(2.86)	3.54	10.46	(0.09)	1.00
Health and Social Work	3.01	2.34	5.36	(4.62)	1.00
Other Services	5.52	6.56	6.56	0.08	1.00
FISIM	(4.50)	25.18	3.36	(2.79)	(1.00)
Import Cover Ratio	14.51	21.70	14.28	14.22	12.86
<i>(In percent of GDP)</i>					
External Sector					
Current Account Balance	(50.82)	(51.70)	(60.09)	(31.50)	(23.54)
Overall Balance	0.74	0.86	(1.10)	(1.19)	0.84
Merchandise Trade Balance	(64.96)	(58.72)	(64.76)	(42.26)	(43.36)
External Debt (end-of-period)	3.59	3.16	5.01	6.23	22.48
Central Government					
Current Account Balance	4.70	4.16	(0.25)	(6.74)	(3.87)
Current Revenue	23.60	21.89	21.53	18.48	19.88
Current Expenditure	18.91	17.73	21.78	25.22	23.75
Capital Expenditure and Net Lending	5.62	6.14	3.89	1.32	0.40
Overall Fiscal Balance	1.02	(1.63)	(2.14)	(8.06)	0.05
<i>(in percent per annum)</i>					
Monetary Sector					
Weighted Deposit Interest Rates	3.72	3.59	3.93	3.54	3.40
Weighted Lending Interest Rates	9.90	9.63	9.66	10.07	10.46
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at Basic Prices	625.05	808.17	804.48	698.88	681.56
Real GDP at Basic Prices	625.04	732.75	739.54	639.05	614.91
Nominal GDP at Market Prices	768.22	960.93	949.21	802.53	784.21
GDP per Capita (EC\$)	53,894.89	64,552.52	60,971.60	50,277.61	47,896.82
Merchandise Imports (f.o.b)	532.11	589.02	645.67	401.42	374.01
Merchandise Exports (f.o.b)	33.07	24.80	30.98	62.28	34.00
Gross Visitor Expenditure	289.89	309.21	275.63	250.49	301.55

Source: Statistics Department and ECCB

Data available at 15 June 2011



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

	2005	2006	2007	2008	2009
Current Revenue	181.33	210.37	204.38	148.33	155.93
Tax Revenue	153.83	164.28	155.26	111.60	115.91
Taxes on Income and Profit	-	-	-	-	-
Taxes on Property	0.60	0.69	0.61	1.49	1.50
Taxes on Domestic Goods and Services	78.89	NA()	61.53	44.66	53.95
of Which:					
Stamp Duties	45.55	31.21	22.85	10.46	17.92
Accommodation Tax	14.72	13.54	15.07	11.36	11.85
Bank Deposit Levy	4.92	5.39	6.30	6.48	6.57
Taxes on International Trade and Transactions	74.34	NA()	93.12	65.44	60.46
of Which:					
Import Duty	62.53	82.73	77.81	55.22	51.59
Embarkation Tax	4.12	5.30	5.59	4.74	4.68
Foreign Currency Levy	1.41	0.29	-	-	-
Non-tax Revenue	27.50	46.09	49.13	36.74	40.02
Current Expenditure	145.23	170.35	206.74	202.40	186.27
Personal Emoluments	49.12	68.51	83.89	90.74	88.62
Goods and Services	52.22	53.75	59.83	48.41	39.23
Interest Payments	6.31	7.11	8.02	8.28	10.97
Domestic	5.46	6.29	7.43	6.60	8.78
External	0.85	0.82	0.59	1.68	2.18
Transfers and Subsidies	37.59	40.98	55.00	54.97	47.45
of Which: Pensions	2.60	4.88	6.40	7.27	8.93
Current Account Balance	36.10	40.02	(2.36)	(54.07)	(30.34)
Capital Revenue	0.08	3.38	9.83	0.00	-
Capital Grants	14.79	-	9.19	-	11.56
Capital Expenditure	43.17	59.02	36.94	10.58	3.13
Primary Balance (after grants)	14.11	(8.51)	(12.26)	(56.37)	11.33
Overall Balance (after grants)	7.80	(15.62)	(20.28)	(64.65)	0.37
Financing	(7.80)	15.62	20.28	64.65	(0.37)
Domestic	(7.40)	16.65	3.99	62.71	(113.60)
ECCB (net)	(0.01)	(0.34)	7.43	13.66	(13.90)
Commercial Banks (net)	(30.32)	35.75	5.92	43.93	(162.27)
Other	22.93	(18.76)	(9.36)	5.13	62.57
External	(0.40)	(1.03)	16.29	1.93	127.48
Net Disbursements/(Amortisation)	(0.40)	(1.03)	16.29	1.93	127.48
Disbursements	0.23	-	17.31	2.69	148.50
Amortisation	(0.63)	(1.03)	(1.02)	(0.75)	(21.02)
Change in Government Foreign Assets	-	-	-	-	-
Arrears	-	-	-	-	(14.25)
Domestic	-	-	-	-	(14.25)
External	-	-	-	-	-

Source: Ministry of Finance and ECCB

Data available at 7 March 2011



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

	2006	2007	2008	2009	2010
Net Foreign Assets	528.34	396.29	160.13	37.51	196.43
Central Bank (net)	112.91	121.15	110.69	101.14	107.71
Commercial Banks (net)	415.43	275.13	49.44	(63.63)	88.71
External (net)	334.40	170.72	84.61	36.34	31.54
Assets	530.29	436.04	327.61	305.08	293.22
Liabilities	195.89	265.31	243.00	268.75	261.68
Other ECCB Territories (net)	81.03	104.41	(35.17)	(99.97)	57.17
Assets	149.01	201.96	148.94	131.36	168.39
Liabilities	67.98	97.55	184.11	231.33	111.21
Net Domestic Assets	526.93	804.48	967.68	1,037.05	865.93
Domestic Credit	780.80	1,093.71	1,299.37	1,376.39	1,231.92
Central Government (net)	22.96	58.37	71.71	129.30	(46.87)
Other Public Sector (net)	(104.02)	(129.91)	(139.60)	(162.54)	(133.75)
Private Sector	861.87	1,165.25	1,367.26	1,409.62	1,412.54
Households	421.78	598.11	679.42	666.85	613.69
Business	420.84	541.19	668.15	717.99	777.08
Non-Bank Financial Institutions (net)	7.75	8.96	7.33	6.49	5.69
Subsidiaries and Affiliates (net)	11.50	16.99	12.36	18.30	16.08
Other Items (net)	(253.87)	(289.23)	(331.69)	(339.34)	(365.99)
Money Supply (M2)	1,055.28	1,200.76	1,127.81	1,074.55	1,062.36
Money Supply (M1)	51.36	63.53	55.48	51.38	46.05
Currency with the public	13.52	12.44	15.39	16.40	11.62
Demand Deposits	33.40	42.73	37.47	31.95	28.55
Quasi Money	1,003.91	1,137.23	1,072.32	1,023.18	1,016.31
Savings Deposits	81.25	96.34	101.13	101.18	102.16
Time Deposits	86.05	100.97	68.45	102.41	118.74
Foreign Currency Deposits	836.61	939.92	902.74	819.59	795.41

Source: ECCB

Data available at 3 March 2011

Table 14
Anguilla - Selected Tourism Statistics

	2006	2007	2008	2009	2010
Total Visitor Arrivals	167,245	164,067	127,862	112,115	130,663
Stay-Over Arrivals	72,962	77,652	68,284	57,891	74,008
Of Which:					
USA	44,489	45,974	40,202	34,073	44,727
Canada	1,977	2,393	2,074	2,032	3,043
UK	4,344	4,568	3,816	2,947	3,410
Caribbean	15,278	15,425	14,748	12,924	14,658
Other Countries	6,874	9,292	7,444	5,915	8,170
Excursionists	94,283	86,415	59,578	54,224	56,655
Total Visitor Expenditure (EC\$M)	289.89	309.21	275.63	250.49	301.53

Source: ECCB and Statistics Department

Data available at 7 March 2011



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

	2006	2007	2008	2009	2010
Current Account	(390.4)	(496.8)	(570.4)	(252.8)	(184.6)
Goods and Services	(411.9)	(480.8)	(531.8)	(223.1)	(174.3)
Goods	(499.1)	(564.3)	(614.8)	(338.9)	(340.0)
Merchandise	(499.0)	(564.2)	(614.7)	(339.1)	(340.0)
Repair on Goods	0.0	0.0	0.0	0.0	0.0
Goods Procured in Port by Carriers	(0.1)	(0.1)	(0.1)	0.3	0.0
Services	87.2	83.5	83.0	115.8	165.7
Transportation	(66.8)	(78.3)	(80.3)	(46.6)	(42.2)
Travel	255.9	267.6	228.7	207.0	259.2
Insurance Services	(9.9)	(10.0)	(11.0)	(6.9)	(6.6)
Other Business Services	(94.2)	(100.1)	(60.1)	(43.4)	(50.6)
Government Services	2.2	4.4	5.6	5.8	5.9
Income	21.1	4.5	(22.4)	(16.5)	(17.7)
Compensation of Employees	10.0	(0.2)	5.7	9.3	9.7
Investment Income	11.1	4.7	(28.2)	(25.8)	(27.4)
Current Transfers	0.4	(20.6)	(16.2)	(13.2)	7.4
General Government	17.1	6.8	3.9	1.6	20.9
Other Sectors	(16.7)	(27.4)	(20.1)	(14.9)	(13.4)
Capital and Financial Account	396.1	505.0	559.9	242.0	197.2
Capital Account	48.3	37.1	44.2	31.0	43.8
Capital Transfers	48.3	37.1	44.2	31.0	43.8
Acquisition and Disposal of Non-Produced Non-Financial Assets	-	-	-	-	-
Financial Account	347.8	467.9	515.7	210.9	153.4
Direct Investment	383.4	321.0	266.5	125.1	198.2
Portfolio Investment	9.5	(0.8)	14.7	(9.4)	5.9
Other Investments	(45.1)	147.7	234.5	95.3	(50.7)
Public Sector Long Term	0.6	2.6	17.7	(1.0)	126.5
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	(4.8)	140.3	225.7	113.1	(152.3)
Other Assets	(36.7)	(55.6)	(64.9)	(23.4)	(39.7)
Other Liabilities*	(4.1)	60.4	56.0	6.6	14.9
Overall Balance	5.7	8.2	(10.5)	(9.6)	6.6
Financing	(5.7)	(8.2)	10.5	9.6	(6.6)
Change in SDR holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	-	-	-	-	-
Change in Imputed Reserves	(5.7)	(8.2)	10.5	9.6	(6.6)

Source: ECCB and Statistics Department

* includes errors and omissions

Data available at 7 March 2011



Table 16
Antigua and Barbuda - Selected Economic Indicators

	2006	2007	2008	2009	2010
	<i>(Annual Percentage Change Unless Otherwise Indicated)</i>				
National Income and Prices					
Nominal GDP at Basic Prices	12.8	10.9	6.0	(7.3)	(4.1)
Real GDP at Basic Prices	12.9	8.3	2.2	(9.6)	(5.9)
Nominal GDP at Market Prices	13.6	13.4	4.6	(9.1)	(3.3)
GDP Deflator	(0.0)	2.4	3.8	2.5	2.0
Consumer Prices (end of period)	0.0	5.2	0.7	2.4	2.9
Consumer Prices (period average)	1.8	1.4	5.3	(0.6)	3.4
Real GDP at Factor Cost by Selected Sectors					
Agriculture, Forestry and Fishing	15.0	9.2	(2.0)	(17.5)	3.6
Mining and Quarrying	76.5	9.5	0.3	(25.4)	(12.0)
Manufacturing	12.4	9.1	(8.0)	(5.3)	(15.0)
Electricity and Water	3.0	10.4	5.7	1.5	2.4
Construction	46.1	7.4	0.6	(8.7)	(27.0)
Wholesale and Retail Trade	9.6	14.7	5.0	(21.5)	(7.0)
Hotels and Restaurants	1.6	5.3	2.3	(8.1)	(0.8)
Transport, Storage and Communications	6.3	5.4	(1.8)	(9.4)	(5.9)
Transport	16.1	11.5	(5.7)	(14.5)	(9.4)
Communication	(6.2)	(4.2)	5.4	(1.0)	(1.0)
Financial Intermediation	21.0	8.3	5.5	(13.1)	(3.5)
Real Estate, Renting and Business Activities	7.2	16.5	(0.1)	(4.8)	0.9
Public Administration, Defence & Compulsory Social Security	7.3	(1.8)	3.8	(4.7)	1.0
Education	16.8	13.6	(6.0)	0.2	1.6
Health and Social Work	(2.5)	7.7	3.9	3.2	1.0
Other Services	4.9	5.7	20.9	4.9	2.9
FISIM	13.2	26.6	(10.2)	(0.4)	(5.0)
Import Cover Ratio	13.1	12.9	10.5	12.4	9.2
	<i>(In percent of GDP)</i>				
External Sector					
Current Account Balance	(25.1)	(29.3)	(25.9)	(19.3)	(9.3)
Overall Balance	1.3	0.0	(0.4)	(0.8)	1.0
Merchandise Trade Balance	(45.1)	(46.6)	(45.3)	(39.4)	(33.6)
Public Sector External Debt (end-of-period)	30.3	25.8	24.1	25.5	18.8
Central Government					
Current Account Balance	(2.6)	(0.7)	(0.8)	(5.5)	(1.3)
Current Revenue	19.2	20.4	19.8	17.6	19.6
Current Expenditure	21.8	21.1	20.6	23.1	20.9
Capital Expenditure and Net Lending	6.8	5.6	6.0	5.2	1.6
Overall Fiscal Balance	(6.8)	(5.6)	(5.9)	(10.6)	(1.1)
	<i>(in percent per annum)</i>				
Monetary Sector					
Weighted Deposit Interest Rates	3.5	3.3	3.3	3.3	3.2
Weighted Lending Interest Rates	10.4	10.4	10.1	8.9	10.3
	<i>(in millions of EC dollars, unless otherwise stated)</i>				
Memo					
Nominal GDP at Basic Prices	2,703.9	2,999.0	3,180.3	2,947.0	2,827.0
Real GDP at Basic Prices	2,703.9	2,927.5	2,990.5	2,704.4	2,544.6
Nominal GDP at Market Prices	3,139.0	3,558.3	3,720.8	3,383.5	3,270.3
GDP per capita (EC\$)	37,222	41,422	42,520	37,958	36,016
Merchandise Imports (f.o.b)	1,479.2	1,727.4	1,758.8	1,397.3	1,159.8
Merchandise Exports (f.o.b)	62.9	68.1	72.9	63.6	62.0
Gross Visitor Expenditure	882.2	912.2	901.7	823.8	812.1

Source: Statistics Department and ECCB

Data available at 7 March 2011



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

	2006	2007	2008	2009 ^R	2010 ^P
Current Revenue	602.7	724.7	736.0	595.9	639.6
Tax Revenue	567.6	690.9	692.4	573.4	576.5
Taxes on Income and Profit	111.5	100.9	111.5	98.0	92.4
of which:					
Personal Income	42.0	50.0	46.9	35.7	33.4
Company	69.1	50.4	63.4	62.0	58.8
Business Tax	0.023	0.023	-	-	-
Taxes on Property	11.3	8.9	14.1	14.9	17.7
Taxes on Domestic Goods and Services	120.0	281.7	321.6	252.6	222.8
of which:					
Stamp Duties	45.6	45.2	59.5	29.5	31.3
Hotel and Guest Tax	39.9	12.8	0.2	-	-
Telecommunications Tax					
Antigua and Barbuda Sales Tax	0.0	196.9	237.8	203.8	179.3
Taxes on International Trade and Transactions	324.8	299.4	245.2	207.9	243.5
of which:					
Import Duty	82.3	92.6	97.5	78.9	79.1
Consumption Tax	123.2	68.6	19.8	25.5	30.9
Customs Service Charge	79.5	94.2	82.4	63.0	5.5
Foreign Currency Levy	7.6	8.2	9.9	10.5	21.7
Non-Tax Revenue	35.1	33.8	43.6	22.5	63.1
Current Expenditure	684.1	749.6	766.3	781.7	682.5
Personal Emoluments	268.2	309.0	300.4	290.7	272.6
Goods and Services	126.2	147.6	185.0	171.0	125.5
Interest Payments	98.1	104.5	102.6	95.6	78.9
Domestic	37.3	35.6	32.4	39.6	54.8
External	60.822	68.888	70.209	56.028	24.184
Transfers and Subsidies	191.6	188.5	178.3	224.4	205.5
of Which: Pensions	42.9	79.5	58.0	72.5	70.0
Current Account Balance	(81.4)	(25.0)	(30.3)	(185.9)	(43.0)
Capital Revenue	5.0	5.1	4.3	2.5	14.8
Grants	75.3	20.0	30.0	-	44.9
of which: Capital Grants	75.3	20.0	30.0	-	13.0
Debt Forgiveness	-	-	-	-	-
Capital Expenditure	213.6	200.5	225.0	175.0	53.6
Primary Balance (after grants)	(116.7)	(95.8)	(118.4)	(262.8)	42.1
Overall Balance (before grants)	(290.0)	(220.3)	(250.9)	(358.4)	(81.8)
Overall Balance (after grants)	(214.7)	(200.3)	(220.9)	(358.4)	(36.9)
Financing	214.7	200.3	220.9	358.4	36.9
Domestic	140.0	82.8	55.7	177.6	(84.3)
ECCB (net)	(1.6)	(15.3)	14.2	77.6	(31.9)
Commercial Banks (net)	(64.4)	61.9	207.9	86.7	(102.8)
Other	206.1	36.2	(166.4)	13.4	50.5
External	(13.0)	21.4	66.5	96.1	139.5
Net Disbursements/(Amortisation)	(13.1)	19.1	66.5	96.1	97.0
Disbursements	7.023	36.505	85.157	145.254	169.516
Amortisation	(20.165)	(17.422)	(18.624)	(49.174)	(72.565)
Change in Govt. Foreign Assets	0.1	2.3	-	-	42.6
Arrears	87.8	96.1	98.7	84.7	(1,172.0)
Domestic	7.9	7.5	3.7	53.4	(910.5)
External	79.9	88.6	95.0	31.3	(261.5)

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 7 March 2011



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

	2006 ^R	2007 ^R	2008 ^R	2009 ^R	2010 ^P
Net Foreign Assets	926.12	887.78	550.66	379.77	436.10
Central Bank (net)	385.06	388.34	372.61	292.26	367.42
Commercial Banks (net)	541.07	499.44	178.06	87.51	68.68
External (net)	771.39	486.72	199.88	(128.10)	(110.66)
Assets	1,224.96	1,466.62	1,163.07	1,147.18	523.65
Liabilities	453.56	979.90	963.19	1,275.28	634.31
Other ECCB Territories (net)	(230.33)	12.73	(21.82)	215.61	179.35
Assets	544.25	733.49	791.88	862.87	966.49
Liabilities	774.58	720.77	813.70	647.26	787.15
Net Domestic Assets	1,728.75	2,067.32	2,470.29	2,617.11	2,570.30
Domestic Credit	2,028.76	2,366.00	2,735.00	3,033.76	2,915.08
Central Government (net)	195.60	242.15	464.25	628.54	493.75
Other Public Sector (net)	(226.99)	(220.55)	(289.01)	(134.33)	(105.34)
Private Sector	2,060.15	2,344.40	2,559.77	2,539.55	2,526.67
Households	1,097.40	1,202.04	1,327.04	1,320.25	1,324.22
Business	908.07	1,081.49	1,139.80	1,142.74	1,139.15
Non-Bank Financial Institutions (net)	35.82	45.06	31.21	16.11	19.24
Subsidiaries and Affiliates (net)	18.87	15.82	61.72	60.45	44.06
Other Items (net)	(300.01)	(298.68)	(264.71)	(416.64)	(344.78)
Money Supply (M2)	2,654.87	2,955.10	3,020.96	2,996.88	3,006.40
Money Supply (M1)	726.11	741.28	759.76	630.51	619.05
Currency with the Public	143.71	133.88	142.89	146.13	137.74
Demand Deposits	534.44	571.49	577.12	459.62	448.15
Quasi Money	1,928.76	2,213.83	2,261.20	2,366.37	2,387.35
Savings Deposits	818.54	902.47	934.84	960.27	964.93
Time Deposits	874.62	972.91	1,057.43	1,000.24	989.33
Foreign Currency Deposits	235.60	338.44	268.94	405.86	433.10

Source: ECCB and Development Planning Unit
Data available at 7 March 2011

Table 19
Antigua and Barbuda - Selected Tourism Statistics

	2006	2007	2008 ^R	2009 ^R	2010 ^P
Total Visitor Arrivals	864,057	959,260	888,992	965,431	815,440
Stay-Over Arrivals	253,669	261,786	265,955	234,410	232,524
of which:					
USA	73,497	78,697	84,032	82,068	81,860
Canada	10,053	10,489	13,189	12,947	17,899
UK	89,563	96,797	89,514	73,251	66,945
Caribbean	53,988	46,724	49,113	38,302	37,701
Other Countries	8,584	14,944	13,704	10,776	9,805
Cruise Ship Passengers ¹¹	583,673	672,788	597,124	709,795	557,030
Cruise Calls ¹²	355	380	317	367	304
Yacht Passengers	26,715	24,686	25,913	21,226	25,886
Yacht Calls	4,098	4,249	3,670	3,761	4,078
Total Visitor Expenditure (EC\$M)	882.22	912.18	901.71	823.81	812.09

Source: ECCB and Development Planning Unit

¹¹ includes Excursionists

¹² Windjammer Calls

Data available at 7 March 2011



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

	2006 ^R	2007 ^R	2008 ^R	2009 ^R	2010 ^P
Current Account	(787.76)	(1,040.99)	(965.52)	(653.18)	(304.28)
Goods and Services	(720.76)	(938.90)	(869.81)	(588.13)	(313.82)
Goods	(1,311.32)	(1,591.81)	(1,653.13)	(1,330.04)	(1,092.99)
Merchandise	(1,416.32)	(1,659.31)	(1,685.85)	(1,333.71)	(1,097.71)
Repair on goods	0.09	0.19	0.19	0.19	0.19
Goods procured in ports by carriers	104.91	67.32	32.52	3.48	4.53
Services	590.56	652.91	783.32	741.91	779.17
Transportation	(20.81)	(17.03)	114.18	156.22	175.00
Travel	759.82	772.32	744.13	676.82	673.12
Insurance Services	(91.55)	(94.75)	(101.97)	(105.44)	(98.02)
Other Business Services	(63.83)	(6.72)	26.51	10.78	24.37
Government Services	6.94	(0.91)	0.47	3.53	4.70
Income	(126.21)	(142.20)	(162.78)	(137.21)	(86.75)
Compensation of Employees	19.49	22.61	25.09	23.09	23.62
Investment Income	(145.70)	(164.81)	(187.88)	(160.30)	(110.37)
Current Transfers	59.20	40.11	67.08	72.16	96.29
General Government	5.26	(12.34)	7.29	9.72	30.71
Other Sectors	53.94	52.45	59.79	62.44	65.58
Capital and Financial Account	828.96	1,041.84	949.79	625.74	336.84
Capital Account	85.25	30.00	40.00	11.34	22.81
Capital Transfers	85.25	30.00	40.00	11.34	22.81
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	743.71	1,011.84	909.79	614.40	314.03
Direct Investment	968.81	913.15	470.31	318.75	155.24
Portfolio Investment	66.92	(3.32)	29.15	(16.50)	3.14
Other Investments	(292.02)	102.01	410.32	312.16	155.64
Public Sector Long Term	(68.97)	(18.31)	4.84	104.53	338.74
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	(174.25)	41.62	321.39	90.55	18.83
Other Assets	(193.86)	(121.82)	(114.35)	6.66	(11.31)
Other Liabilities*	145.05	200.52	198.45	110.43	(190.61)
Overall Balance	41.20	0.86	(15.73)	(27.44)	32.57
Financing	(41.20)	(0.86)	15.73	27.44	(32.57)
Change in SDR holdings	-	-	-	(52.91)	51.12
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	0.14	2.42	-	-	(8.53)
Change in Imputed Reserves	(41.34)	(3.28)	15.73	80.35	(75.16)

Source: Central Statistics Office and ECCB

*includes errors and omissions

Data available at 7 March 2011



Table 21
Dominica - Selected Economic Indicators

	2006 ^R	2007 ^R	2008 ^R	2009 ^R	2010 ^P
<i>(Annual Percentage Change Unless Otherwise Indicated)</i>					
National Income and Prices					
Nominal GDP at Basic Prices	6.3	5.4	9.3	(0.2)	(0.3)
Real GDP at Basic Prices	3.8	3.4	6.5	(1.1)	(0.3)
GDP Deflator	7.1	7.6	9.4	0.4	0.1
Consumer Prices (end of period)	2.4	1.9	2.6	0.9	0.0
Consumer Prices (period average)	1.8	6.0	2.0	3.2	1.2
	2.6	3.2	6.3	0.0	3.2
Real GDP at Basic Prices by Selected Sectors					
Agriculture, Forestry and Fishing	1.1	(8.7)	14.5	1.3	(4.8)
Manufacturing	5.4	(4.0)	(12.2)	(5.0)	(1.4)
Mining and Quarrying	11.3	27.6	25.2	(11.0)	(10.0)
Electricity and Water	1.4	1.9	2.1	6.8	6.2
Construction	9.1	26.3	32.6	(9.3)	(10.0)
Wholesale and Retail Trade	(4.2)	17.6	8.9	(5.2)	(0.4)
Hotels and Restaurants	9.1	0.1	1.6	(6.4)	4.6
Transport, Storage and Communications	7.6	7.9	5.5	(3.3)	0.3
Transport and Storage	8.8	10.8	3.8	(0.0)	(1.4)
Communications	6.0	4.3	7.7	(7.4)	2.5
Financial Intermediation	6.0	10.9	2.1	0.5	3.8
Real Estate, Renting and Business Activities	(1.1)	1.3	1.9	0.2	0.7
Public Administration, Defence & Compulsory Social Security	2.1	1.8	(2.7)	5.7	0.1
Education	13.7	(6.2)	6.9	0.2	3.4
Health and Social Work	(0.7)	2.5	2.2	3.1	0.1
Other Services	4.4	1.6	(2.1)	1.4	3.5
FISIM	9.7	10.0	(1.2)	(2.3)	5.7
<i>(In percent of GDP)</i>					
External Sector					
Current Account Balance	(12.6)	(20.5)	(26.8)	(21.9)	(20.8)
Overall Balance	3.4	(0.3)	(0.7)	4.4	1.0
Merchandise Trade Balance	(26.7)	(32.1)	(38.2)	(35.2)	(34.7)
Total Public Sector Debt (end-of-period)	491.8	456.5	406.8	379.4	374.3
Central Government					
Current Account Balance	2.3	3.9	3.4	4.9	3.6
Current Revenue	25.3	27.3	27.0	27.8	27.9
Current Expenditure	22.9	23.4	23.6	22.9	24.3
Capital Expenditure and Net Lending	7.6	9.8	12.2	12.0	7.0
Overall Fiscal Balance	0.9	(0.8)	(2.6)	(2.1)	1.4
<i>(in percent per annum)</i>					
Monetary Sector					
Weighted Deposit Interest Rates	3.4	3.2	3.2	3.2	3.3
Weighted Lending Interest Rates	9.2	9.2	8.9	10.0	8.9
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at Basic Prices	879.3	926.7	1,012.7	1,010.4	1,007.2
Real GDP at Basic Prices	879.3	909.0	967.9	957.3	954.0
Nominal GDP at Market Prices	1,064.7	1,145.2	1,252.8	1,258.2	1,259.3
GDP per capita (EC\$)	14,993	16,048	17,452	17,408	17,081
Merchandise Imports (f.o.b)	396.5	465.3	586.9	535.2	522.9
Merchandise Exports (f.o.b)	112.0	98.1	108.0	91.8	85.7
Gross Visitor Expenditure	193.6	201.1	220.8	227.4	233.5

Source: Statistics Department and ECCB

Data available at 7 March 2011



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

	2006	2007	2008	2009 ^R	2010 ^R
Current Revenue	269.0	312.2	337.8	350.1	351.8
Tax Revenue	247.9	285.5	307.4	320.6	327.9
Taxes on Income and Profit	50.5	53.2	52.2	55.9	62.4
of which:					
Personal Income Tax	33.0	37.2	35.0	32.1	29.6
Corporation Tax	18.3	18.4	19.8	26.4	33.6
Stabilisation Levy	0.8	0.1	0.0	0.0	0.0
Taxes on Property	7.5	9.3	10.3	9.1	8.7
Taxes on Domestic Goods and Services	123.2	162.7	176.1	185.9	184.0
of which:					
Value Added Tax (VAT)	69.0	101.6	114.3	124.9	123.0
Licences	14.6	16.4	18.6	18.1	18.0
Excise Tax	25.4	42.3	41.0	40.7	39.8
Taxes on International Trade and Transactions	66.6	60.3	68.7	69.6	72.9
of which:					
Import Duty	28.4	31.0	36.3	33.6	39.4
Service Charge (imports)	13.0	14.6	15.9	17.5	15.7
Environmental Levy	6.1	6.4	7.4	8.1	9.3
Non-Tax Revenue	21.2	26.8	30.4	29.5	23.9
Current Expenditure	244.2	267.9	295.6	288.5	306.4
Personal Emoluments	109.6	117.5	120.2	125.7	127.5
Goods and Services	46.7	64.4	87.3	84.4	89.0
Interest Payments	34.6	28.2	24.5	14.1	21.0
Domestic	14.4	8.6	5.7	4.2	8.0
External	20.2	19.6	18.8	9.9	13.0
Transfers and Subsidies	53.3	57.8	63.7	64.3	68.8
of which: Pensions	12.5	15.5	15.1	17.1	15.1
Current Account Balance	24.8	44.3	42.1	61.6	45.4
Capital Revenue	0.8	0.9	0.4	0.4	1.6
Grants	63.8	57.2	78.2	61.7	58.3
of which: Capital Grants	63.8	57.2	78.2	61.7	58.3
Capital Expenditure and Net Lending	80.4	112.2	153.2	150.8	88.2
of which: Capital Expenditure	83.6	113.0	154.3	151.8	90.1
Primary Balance (after grants)	43.7	18.5	(8.1)	(13.0)	38.1
Overall Balance (before grants)	(54.8)	(66.9)	(110.7)	(88.7)	(41.2)
Overall Balance (after grants)	9.1	(9.7)	(32.5)	(27.0)	17.1
Financing	(9.1)	9.7	32.5	27.0	(17.1)
Domestic	(15.1)	18.5	92.3	(2.6)	(21.9)
ECCB (net)	(13.0)	16.6	(8.8)	(9.3)	6.4
Commercial Banks (net)	(51.2)	(23.7)	4.9	18.8	(9.7)
Other	49.0	25.7	96.3	(12.0)	(18.5)
External	1.4	(16.2)	(8.5)	35.0	4.0
Net Disbursements/(Amortisation)	0.2	(12.9)	(3.1)	32.0	11.6
Disbursements	13.4	8.0	15.5	44.9	26.408
Amortisation	(13.2)	(20.9)	(18.7)	(12.9)	(14.784)
Change in Government Foreign Assets	1.2	(3.4)	(5.4)	3.0	(7.6)
Arrears	4.7	7.4	(51.3)	(5.4)	0.8
Domestic	(7.3)	(5.5)	(6.5)	(4.2)	(1.7)
External	12.0	12.9	(44.7)	(1.3)	2.5

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 7 March 2011



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

	2006 ^R	2007 ^R	2008 ^R	2009 ^R	2010 ^P
Net Foreign Assets	427.2	471.2	504.1	557.3	535.0
Central Bank (net)	170.2	163.2	148.8	174.1	179.3
Commercial Banks (net)	257.1	307.9	355.4	383.3	355.7
External (net)	61.7	108.6	35.6	48.9	19.1
Assets	246.8	303.6	238.1	232.5	182.7
Liabilities	185.1	195.0	202.5	183.6	163.6
Other ECCB Territories (net)	195.4	199.4	319.8	334.4	336.6
Assets	234.6	276.2	398.7	426.9	429.7
Liabilities	39.2	76.9	79.0	92.5	93.2
Net Domestic Assets	348.7	378.3	380.9	415.7	475.2
Domestic Credit	434.3	438.1	470.4	513.7	578.7
Central Government (net)	(46.5)	(53.7)	(57.6)	(48.2)	(51.5)
Other Public Sector (net)	(58.0)	(73.3)	(83.9)	(92.5)	(86.0)
Private Sector	538.8	565.0	611.9	654.3	716.2
Households	328.2	367.1	383.4	389.5	409.4
Business	203.0	191.7	222.3	256.4	298.6
Non-Bank Financial Institutions (net)	2.6	2.2	2.2	1.8	1.6
Subsidiaries and Affiliates (net)	5.0	4.0	4.0	6.6	6.6
Other Items (net)	(85.6)	(59.8)	(89.5)	(98.0)	(103.5)
Money Supply (M2)	775.9	849.4	885.0	973.0	1010.2
Money Supply (M1)	180.9	201.3	187.4	202.1	192.7
Currency with the Public	45.4	49.0	43.9	50.7	46.5
Demand Deposits	129.2	147.4	139.5	147.7	140.9
Quasi Money	595.1	648.1	697.6	771.0	817.5
Savings Deposits	398.6	445.2	473.3	520.5	533.9
Time Deposits	184.2	192.7	208.9	236.3	254.1
Foreign Currency Deposits	12.2	10.2	15.5	14.2	29.6

Source: ECCB

Data available at 7 March 2011

Table 24
Dominica - Selected Tourism Statistics

	2006 ^R	2007 ^R	2008 ^R	2009 ^R	2010 ^P
Total Visitor Arrivals	464,611	433,260	462,698	592,219	595,267
Stay-Over Arrivals	84,041	77,809	81,112	74,924	76,517
of which:					
USA	22,011	21,495	20,518	18,193	19,266
Canada	2,552	2,615	3,346	2,618	2,858
UK	6,503	6,229	7,211	4,354	4,601
Caribbean	46,579	40,511	41,091	40,524	41,899
Other Countries	6,396	6,959	8,946	9,235	7,893
Excursionists	927	936	915	890	771
Cruise Ship Passengers	379,643	354,515	380,671	516,405	517,979
Number of Cruise Ship Calls	314	252	211	263	272
Total Visitor Expenditure (EC\$M)	193.56	201.06	220.78	227.39	233.54

Source: ECCB and Development Planning Unit

Data available at 7 March 2011



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

	2006 ^R	2007	2008 ^R	2009 ^R	2010 ^P
Current Account	(134.6)	(234.8)	(335.6)	(275.2)	(261.4)
Goods and Services	(146.9)	(238.9)	(337.5)	(289.9)	(282.1)
Goods	(277.0)	(360.0)	(468.4)	(435.8)	(430.1)
Merchandise	(284.6)	(367.2)	(478.9)	(443.4)	(437.2)
Repair on goods	0.0	0.0	0.0	0.0	0.0
Goods procured in ports by carriers	7.5	7.2	10.5	7.6	7.1
Services	130.1	121.1	130.9	145.9	148.0
Transportation	(57.2)	(73.8)	(81.0)	(75.5)	(74.2)
Travel	167.1	172.5	190.7	192.9	198.5
Insurance Services	(12.8)	(16.2)	(15.4)	(14.8)	(14.5)
Other Business Services	33.1	38.7	34.4	32.6	35.3
Government Services	(0.2)	(0.2)	2.3	10.6	2.9
Income	(40.5)	(53.0)	(49.5)	(36.9)	(33.1)
Compensation of Employees	2.9	2.5	2.5	2.9	2.9
Investment Income	(43.5)	(55.5)	(52.0)	(39.7)	(36.0)
Current Transfers	52.9	57.1	51.4	51.6	53.7
General Government	0.8	(0.9)	(0.2)	0.0	0.1
Other Sectors	52.1	58.0	51.6	51.5	53.6
Capital and Financial Account	170.8	231.2	326.5	330.6	274.3
Capital Account	75.5	156.5	155.4	118.8	78.6
Capital Transfers	75.5	156.5	155.4	118.8	78.6
Acquisition and Disposal of Non-Produced, Non-Financial Assets	0.0	0.0	0.0	0.0	0.0
Financial Account	95.3	74.7	171.1	211.8	195.7
Direct Investment	70.0	109.3	152.7	111.5	83.2
Portfolio Investment	(0.3)	4.6	(8.9)	0.5	7.7
Other Investments	25.7	(39.3)	27.3	99.8	104.8
Public Sector Long Term	(7.8)	(18.0)	(9.1)	21.7	5.6
Other Public Sector Capital	0.0	0.0	0.0	0.0	0.0
Commercial Banks	(33.6)	(50.9)	(47.4)	(27.9)	27.6
Other Assets	6.6	(30.2)	(13.7)	10.9	8.6
Other Liabilities*	60.5	59.8	97.6	95.1	63.0
Overall Balance	36.2	(3.6)	(9.1)	55.4	12.9
Financing	(36.2)	3.6	9.1	(55.4)	(12.9)
Change in SDR Holdings	0.0	0.0	0.0	(33.2)	0.0
Change in Reserve Position with the Fund	0.0	0.0	0.0	0.0	0.0
Change in Government Foreign Assets	1.2	(3.4)	(5.4)	3.0	(7.6)
Change in Imputed Reserves	(37.5)	6.9	14.4	(25.3)	(5.2)

Source: ECCB and Central Statistics Office

*includes errors and omissions

Data available at 7 March 2011



Table 26
Grenada - Selected Economic Indicators

	2006 ^R	2007 ^R	2008 ^R	2009 ^R	2010 ^P
	<i>(annual percentage change unless otherwise stated)</i>				
National Income and Prices					
Nominal GDP at Basic Prices	(0.0)	8.6	10.1	(7.6)	0.4
Real GDP at Basic Prices	(4.7)	6.1	2.2	(7.6)	(2.0)
Nominal GDP at Market Prices	0.5	8.3	9.3	(8.3)	1.6
GDP Deflator	4.9	2.4	7.8	0.0	2.4
Consumer Prices (end of period)	1.7	7.4	5.2	(2.4)	6.3
Consumer Prices (period average)	4.3	3.9	8.0	(0.3)	5.0
Real GDP at Basic Prices by Selected Sectors					
Agriculture, Forestry and Fishing	31.1	1.6	9.9	12.1	(1.0)
Mining and Quarrying	40.8	(1.9)	(2.5)	(40.8)	3.0
Manufacturing	(2.6)	1.8	(4.9)	(5.3)	15.4
Electricity and Water	9.5	6.4	3.5	1.2	(0.6)
Construction	(32.5)	(5.6)	(7.0)	(47.6)	(28.0)
Wholesale and Retail Trade	5.7	2.9	0.6	(17.8)	(14.0)
Hotels and Restaurants	69.7	2.4	3.0	(7.6)	(4.9)
Transport, Storage and Communications	(14.6)	11.2	(1.5)	(10.1)	(4.6)
Transport	(20.5)	2.4	(3.0)	(18.1)	(10.0)
Communications	2.2	31.0	1.0	3.2	2.5
Financial Intermediation	(5.8)	14.7	1.8	3.7	(0.7)
Real Estate, Renting and Business Activities	(2.6)	0.6	0.0	(2.4)	2.9
Public Administration, Defence & Compulsory Social Security	10.3	10.4	3.6	(2.4)	2.0
Education	4.9	21.9	16.0	5.7	2.9
Health and Social Work	5.3	(4.0)	0.9	2.6	2.9
Other Services	0.1	4.0	2.2	(1.6)	2.5
FISIM	10.7	14.2	3.6	(1.6)	(3.0)
Import Cover Ratio	9.9	9.3	8.5	10.9	8.8
	<i>(in percent of GDP)</i>				
External Sector					
Current Account Balance	(32.3)	(34.8)	(33.1)	(28.1)	(28.2)
Overall Balance	0.8	1.4	(0.9)	3.4	(1.2)
Merchandise Trade Balance	(38.8)	(38.8)	(37.2)	(30.7)	(33.7)
Public Sector External Debt (end-of-period)	61.1	59.0	55.4	64.4	66.7
Central Government					
Current Account Balance	3.6	4.0	2.3	(0.7)	0.2
Current Revenue	20.4	20.9	20.7	19.6	20.1
Current Expenditure	16.8	16.9	18.5	20.3	19.9
Capital Expenditure and Net Lending	14.3	10.3	9.5	5.7	5.7
Overall Fiscal Balance	(5.2)	(5.3)	(5.0)	(5.0)	(1.7)
	<i>(in percent per annum)</i>				
Monetary Sector					
Weighted Deposit Interest Rates	3.0	3.0	3.2	3.0	2.6
Weighted Lending Interest Rates	9.7	9.6	9.2	10.7	9.5
	<i>(in millions of EC Dollars, unless otherwise stated)</i>				
Memo					
Nominal GDP at Basic Prices	1,611.5	1,750.8	1,927.8	1,781.1	1,788.5
Real GDP at Basic Prices	1,611.5	1,709.8	1,746.7	1,613.1	1,581.1
Nominal GDP at Market Prices	1,892.8	2,049.7	2,241.0	2,055.0	2,087.8
GDP per capita (EC\$)	17,504	18,800	20,424	18,610	18,679
Merchandise Imports (f.o.b)	802.1	885.3	914.7	709.8	767.9
Merchandise Exports (f.o.b)	68.5	90.2	81.7	78.8	65.2
Gross Visitor Expenditure	253.3	293.6	293.2	267.2	259.7

Source: Statistics Department and ECCB

Data available at 4 March 2011



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

	2006	2007	2008	2009	2010 ^P
Current Revenue	359.74	386.03	428.44	464.51	401.80
Tax Revenue	343.89	359.98	402.83	433.78	379.94
Taxes on Income and Profit	57.71	56.03	74.83	94.56	87.23
of which:					
Personal ¹	13.89	13.67	16.31	23.39	28.22
Company ²	42.31	31.57	45.80	71.17	59.01
Taxes on Property	15.36	22.62	29.04	25.96	18.84
Taxes on Domestic Goods and Services	59.95	69.01	71.27	78.66	75.97
of which:					
Value Added Tax	0.00	0.00	-	-	-
Consumption Duty	27.32	32.74	36.12	40.88	37.53
Stamp Duties	7.52	4.80	5.39	5.54	4.27
Licenses	13.89	16.56	14.13	17.21	16.36
Taxes on International Trade and Transactions	210.87	212.32	227.68	234.60	197.89
of which:					
Import Duty	50.13	47.27	50.98	56.03	44.32
Consumption Tax	109.81	104.31	100.10	108.06	84.55
Customs Service Charge	44.53	40.14	40.12	44.02	33.33
Non-Tax Revenue	15.85	26.05	25.61	30.74	21.87
Current Expenditure	301.11	317.45	346.04	413.60	416.65
Personal Emoluments	150.84	153.96	158.40	200.81	191.24
Goods and Services	67.91	66.10	79.08	84.68	85.95
Interest Payments	27.76	29.03	33.02	34.88	45.31
Domestic	13.91	8.66	11.22	9.72	14.47
External	13.85	20.36	21.79	25.15	30.84
Transfers and Subsidies	54.60	68.37	75.55	93.24	94.14
of which: Pensions	16.94	18.94	18.72	24.93	23.35
Current Account Balance	58.63	68.58	82.39	50.91	(14.85)
Capital Revenue	0.32	0.12	0.09	0.10	0.14
Grants	160.52	104.67	19.85	51.54	29.15
of which:					
Capital Grants	65.63	86.30	19.64	34.80	12.71
Capital Expenditure and Net Lending	163.64	271.28	211.27	213.88	117.07
of which: Capital Expenditure	163.64	271.28	211.27	213.88	117.07
Primary Balance after Grants	83.58	(68.88)	(75.92)	(76.44)	(57.31)
Overall Balance (before grants)	(104.69)	(202.58)	(128.79)	(162.86)	(131.77)
Overall Balance (after grants)	55.82	(97.91)	(108.94)	(111.32)	(102.62)
Financing	(55.82)	97.91	108.94	111.32	102.62
Domestic	(175.42)	56.52	102.41	90.03	90.27
ECCB (net)	(0.91)	(5.84)	12.57	1.42	(36.91)
Commercial Banks (net)	(55.63)	28.08	54.44	17.12	12.87
Other	(118.88)	34.28	35.40	71.48	114.32
External	101.19	41.39	6.52	21.29	12.35
Net Disbursements/(Amortisation)	101.39	41.62	6.77	17.29	12.35
Disbursements	115.65	58.14	29.54	51.36	39.15
Amortisation	(14.26)	(16.52)	(22.78)	(34.07)	(26.80)
Change in Government Foreign Assets	(0.20)	(0.23)	(0.24)	4.00	-
Arrears	18.41	-	-	-	-
Domestic	5.30	-	-	-	-
External	13.11	-	-	-	-

Source: Ministry of Finance, Treasury Department and ECCB Estimates

¹ Includes Debt Service Levy

² Includes Business Levy

Data available at 4 March 2011



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

	2006 ^R	2007 ^R	2008 ^R	2009 ^R	2010 ^P
Net Foreign Assets	421.47	405.63	248.79	283.67	242.30
Central Bank (net)	269.43	298.21	280.96	303.45	277.46
Commercial Banks (net)	152.04	107.42	(32.17)	(19.78)	(35.16)
External (net)	5.82	(35.19)	(130.21)	(140.11)	(194.83)
Assets	394.94	388.88	365.91	340.23	285.72
Liabilities	389.12	424.07	496.12	480.34	480.55
Other ECCB Territories (net)	146.21	142.61	98.04	120.34	159.67
Assets	291.86	255.20	207.35	209.08	228.76
Liabilities	145.65	112.59	109.30	88.74	69.09
Net Domestic Assets	1,108.73	1,297.58	1,518.40	1,536.36	1,595.09
Domestic Credit	1,206.98	1,412.68	1,601.05	1,641.80	1,699.04
Central Government (net)	37.34	104.35	122.89	98.85	110.01
Other Public Sector (net)	(73.34)	(116.83)	(118.52)	(125.80)	(173.12)
Private Sector	1,242.98	1,425.16	1,596.68	1,668.76	1,762.15
Households	776.56	886.36	995.69	1,087.57	1,130.90
Business	447.34	522.84	567.12	565.41	617.35
Non-Bank Financial Institutions (net)	11.96	13.41	33.86	15.78	13.91
Subsidiaries and Affiliates (net)	7.13	2.56	-	-	-
Other Items (net)	(98.25)	(115.10)	(82.66)	(105.44)	(103.95)
Money Supply (M2)	1,530.19	1,703.20	1,767.19	1,820.03	1,837.39
Money Supply (M1)	338.09	394.08	369.06	332.26	342.29
Currency	104.50	107.77	103.40	106.66	98.82
Demand Deposits	221.07	268.43	252.12	217.67	225.70
Quasi Money	1,192.10	1,309.13	1,398.13	1,487.77	1,495.11
Savings Deposits	899.13	915.83	980.59	1,014.42	1,011.60
Time Deposits	212.56	264.47	291.64	339.17	371.18
Foreign Currency Deposits	80.42	128.83	125.91	134.18	112.33

Source: ECCB

Data available at 4 March 2011

Table 29
Grenada - Selected Tourism Statistics

	2006	2007	2008	2009 ^R	2010 ^P
Total Visitor Arrivals	347,295	410,811	426,900	459,391	444,390
Stay-Over Arrivals	118,653	129,088	123,770	109,474	104,694
Of Which:					
USA	27,126	27,132	25,868	24,734	24,399
Canada	6,335	6,017	6,927	6,921	6,949
UK	25,042	33,816	34,635	27,090	25,737
Caribbean	30,927	28,856	28,987	25,739	23,244
Other Countries	29,223	33,267	27,353	24,990	24,365
Excursionists	4,821	5,935	5,121	2,828	2,429
Yacht Passengers	4,733	4,232	4,730	4,055	3,502
Cruise Ship Passengers	218,647	270,259	292,712	342,852	333,765
Number of Cruise Ship Calls	221	258	217	246	206
Total Visitor Expenditure (EC\$M)	253.3	293.6	293.2	267.2	259.7

Source: ECCB and Development Planning Unit

Data available at 7 March 2011



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

	2006 ^R	2007 ^R	2008 ^R	2009 ^R	2010 ^P
Current Account	(612.10)	(713.53)	(741.02)	(577.68)	(589.21)
Goods and Services	(648.24)	(668.11)	(708.35)	(501.33)	(583.61)
Goods	(714.92)	(775.32)	(805.39)	(614.48)	(684.07)
Merchandise	(733.63)	(795.09)	(832.98)	(630.96)	(702.70)
Repair on goods	0.04	0.00	0.01	0.00	-
Goods procured in ports by carriers	18.67	19.77	27.58	16.48	18.62
Services	66.68	107.22	97.04	113.15	100.46
Transportation	(102.62)	(113.45)	(119.52)	(93.45)	(99.29)
Travel	211.37	250.94	263.30	239.22	233.12
Insurance Services	(29.40)	(28.05)	(26.16)	(24.73)	(26.60)
Other Business Services	(5.00)	5.05	(4.77)	5.83	7.22
Government Services	(7.66)	(7.28)	(15.81)	(13.72)	(13.99)
Income	(77.99)	(116.23)	(132.99)	(178.13)	(125.10)
Compensation of Employees	2.19	0.67	0.51	0.47	0.47
Investment Income	(80.18)	(116.90)	(133.50)	(178.60)	(125.58)
Current Transfers	114.13	70.81	100.32	101.79	119.50
General Government	46.40	13.44	44.04	62.16	79.93
Other Sectors	67.73	57.37	56.28	39.62	39.57
Capital and Financial Account	627.33	742.55	719.77	647.42	563.23
Capital Account	166.75	104.84	110.70	104.42	133.67
Capital Transfers	166.75	104.84	110.70	104.42	133.67
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	460.57	637.71	609.07	543.00	429.55
Direct Investment	242.43	422.70	384.05	276.90	171.75
Portfolio Investment	(2.02)	(6.92)	(0.70)	37.86	13.65
Other Investments	220.17	221.93	225.73	228.23	244.15
Public Sector Long Term	53.48	51.95	31.60	70.15	29.65
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	125.12	44.61	139.59	(12.39)	15.38
Other Assets	(36.18)	(23.47)	(12.30)	17.85	44.01
Other Liabilities*	77.74	148.84	66.84	152.62	155.11
Overall Balance	15.23	29.02	(21.25)	69.75	(25.99)
Financing	(15.23)	(29.02)	21.25	(69.75)	25.99
Change in SDR Holdings	-	-	-	(47.26)	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	(0.23)	(0.24)	4.00	-	-
Change in Imputed Reserves	(15.00)	(28.78)	17.25	(22.49)	25.99

Source: ECCB and Statistical Department

* includes errors and omissions

Data available at 4 March 2011



Table 31
Montserrat - Selected Economic Indicators

	2006 ^R	2007 ^R	2008 ^R	2009 ^R	2010 ^P
<i>(annual percentage change unless otherwise stated)</i>					
National Income and Prices					
Nominal GDP at basic prices	7.5	5.5	5.0	2.8	(1.2)
Real GDP at basic prices	1.3	4.9	2.8	(0.8)	(2.9)
Nominal GDB at Market Prices	5.5	4.2	6.3	2.1	(1.8)
GDP Deflator	7.5	5.5	5.0	2.8	(1.2)
Consumer Prices (end of period)	1.0	4.0	4.5	2.5	2.5
Consumer Prices (period average)	1.9	2.7	4.9	2.8	2.1
Real GDP at Factor Cost by Selected Sectors					
Agriculture, Forestry and Fishing	15.0	(8.0)	(16.9)	16.7	(18.0)
Manufacturing	13.9	5.7	3.6	(10.2)	(15.0)
Mining and Quarrying	(35.6)	187.9	(35.4)	(17.5)	(74.0)
Electricity and Water	2.2	1.0	0.9	2.2	5.1
Construction	(33.7)	(11.8)	3.8	11.7	(26.0)
Wholesale and Retail Trade	1.0	(3.7)	18.7	(21.6)	(14.0)
Hotels and Restaurants	(5.7)	10.8	6.2	(15.2)	8.5
Transport, Storage and Communications	14.9	7.5	1.4	(5.5)	(8.7)
Transport and Storage	29.7	23.5	(1.6)	(11.6)	(17.4)
Communications	5.1	(5.6)	4.7	0.7	(1.0)
Financial Intermediation	(4.5)	6.7	(2.4)	1.7	1.4
Real Estate, Renting and Business Activities	2.6	0.9	0.9	0.2	0.5
Public Administration, Defence & Compulsory Social Security	9.4	6.6	4.9	3.6	2.5
Education	8.7	17.7	(0.0)	(6.2)	2.3
Health and Social Work	9.5	5.6	3.9	3.3	2.4
Other Services	2.7	3.9	0.8	2.8	2.0
FISIM	(4.0)	(3.3)	(2.8)	21.2	1.5
Import Cover Ratio	19.2	22.0	15.6	22.1	25.8
<i>(as a percentage of GDP)</i>					
External Sector					
Current Account Balance	(14.4)	(19.1)	(34.0)	(21.5)	(18.8)
Overall Balance	1.2	(0.2)	(4.9)	4.4	4.3
Merchandise Trade Balance	(48.2)	(43.0)	(50.9)	(38.7)	(32.3)
Public Sector External Debt (end-of-period)	7.2	6.6	5.8	5.5	5.3
Central Government					
Current Account Balance	(34.6)	(38.4)	(36.2)	(35.8)	(31.7)
Current Revenue	24.4	24.3	25.7	25.1	24.5
Current Expenditure	59.1	62.7	61.8	60.9	56.1
Capital Expenditure and Net Lending	13.2	18.0	22.7	23.2	19.0
Overall Fiscal Balance	(2.8)	(4.9)	(8.6)	3.7	1.6
<i>(per cent per annum)</i>					
Monetary Sector					
Weighted Average Deposit Interest Rate	2.7	2.6	2.5	2.6	2.6
Weighted Average Lending Interest Rate	10.5	10.3	9.6	8.7	8.7
<i>(in millions of EC Dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at basic prices	125.5	132.4	139.1	142.9	141.3
Real GDP at basic prices	125.5	131.7	135.4	134.4	130.5
Nominal GDP at market prices	141.3	147.2	156.5	159.9	157.0
GDP per capita (EC\$)	26,960	27,485	28,530	28,364	28,140
Merchandise Imports (f.o.b)	71.8	70.4	90.6	70.4	53.7
Merchandise Exports (f.o.b)	3.7	7.1	11.0	8.5	3.0
Gross Visitor Expenditure	20.9	20.1	19.0	16.4	14.0

Source: Statistics Department and ECCB

Data available at 10 March 2011



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

	2006 ^R	2007 ^R	2008 ^R	2009 ^R	2010 ^P
Current Revenue	34.5	35.8	40.2	40.1	38.4
Tax Revenue	31.8	31.6	34.4	35.8	33.4
Taxes on Income and Profit	13.5	14.4	15.0	16.8	16.3
of which:					
Company	1.8	1.7	2.1	2.7	1.8
Personal	11.3	12.2	12.3	13.4	13.5
Taxes on Property	1.4	1.4	1.0	1.1	0.9
Taxes on Domestic Goods and Services	3.5	3.4	3.7	3.7	2.7
of which:					
Insurance and Company Levy	0.2	0.3	0.2	0.2	0.2
Stamp Duty and Licenses	2.1	2.2	2.4	2.5	1.5
Taxes on International Trade and Transactions	13.4	12.4	14.8	14.2	13.5
of which:					
Import Duty	3.6	3.5	4.4	4.2	3.9
Consumption Tax	5.4	5.1	6.2	6.3	6.3
Customs Service Charge	3.2	3.1	3.9	3.5	3.3
Foreign Currency Levy	0.9	0.5	-	-	-
Non-Tax Revenue	2.7	4.2	5.7	4.3	5.0
Current Expenditure	83.4	92.3	96.8	97.3	88.1
Personal Emoluments	35.5	37.9	39.2	41.4	42.6
Goods and Services	25.7	30.8	31.5	23.9	18.3
Interest Payments	0.1	0.1	0.1	0.1	0.1
Domestic	0.1	0.1	0.1	0.1	0.1
External	0.0	0.1	0.0	0.0	0.0
Transfers and Subsidies	22.1	23.5	25.9	31.9	27.1
of which: Pensions	10.7	12.1	13.4	17.3	12.0
Current Account Balance (before grants)	(48.9)	(56.6)	(56.6)	(57.2)	(49.7)
Current Grants	53.4	58.0	56.7	60.3	47.5
Current Account Balance (after grants)	4.5	1.4	0.1	3.1	(2.2)
Capital Revenue	-	-	-	-	-
Capital Grants	10.2	18.0	22.0	39.9	34.4
Capital Expenditure	18.6	26.6	35.5	37.1	29.8
Primary Balance (after grants)	(3.9)	(7.0)	(13.4)	6.0	2.6
Overall Balance (before grants)	(67.6)	(83.1)	(92.1)	(94.3)	(79.5)
Overall Balance (after grants)	(4.0)	(7.2)	(13.5)	5.9	2.5
Financing	4.0	7.2	13.5	(5.9)	(2.5)
Domestic	4.2	7.2	13.6	(5.7)	(2.4)
ECCB (net)	(0.0)	(0.7)	(1.3)	(0.7)	(0.4)
Commercial Banks (net)	6.9	(1.3)	7.4	(1.0)	(6.1)
Other	(2.7)	9.1	7.4	(4.0)	4.1
External	(0.2)	(0.0)	(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)	0.1	-	-	-
Arrears	-	-	-	-	-
Domestic	-	-	-	-	-
External	-	-	-	-	-

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 10 March 2011



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

	2006 ^R	2007 ^R	2008 ^R	2009 ^R	2010 ^P
Net Foreign Assets	167.6	169.2	165.3	182.9	184.3
Central Bank (net)	39.3	39.1	31.5	38.6	45.4
Commercial Banks (net)	128.3	130.0	133.8	144.3	138.9
External (net)	42.2	49.4	43.6	51.1	37.2
Assets	75.3	89.8	86.0	90.8	70.0
Liabilities	33.1	40.4	42.4	39.7	32.8
Other ECCB Territories (net)	86.1	80.6	90.2	93.1	101.7
Assets	120.9	153.9	187.3	203.7	208.2
Liabilities	34.9	73.2	97.1	110.6	106.5
Net Domestic Assets	(27.9)	(17.4)	(12.3)	(17.1)	(13.8)
Domestic Credit	(10.1)	(0.1)	12.1	9.9	15.1
Central Government (net)	(23.5)	(25.5)	(19.3)	(21.0)	(27.5)
Other Public Sector (net)	(20.3)	(15.1)	(14.8)	(22.2)	(19.2)
Private Sector	33.6	40.5	46.2	53.2	61.8
Households	25.7	33.0	38.2	45.3	51.8
Businesses	6.7	6.7	7.9	7.9	10.0
Non-Bank Financial Institutions (net)	1.3	0.7	0.1	-	-
Subsidiaries and Affiliates (net)	-	-	-	-	-
Other Items (net)	(17.8)	(17.3)	(24.5)	(27.0)	(28.9)
Money Supply (M2)	139.7	151.7	153.0	165.8	170.5
Money Supply (M1)	36.6	43.2	39.3	38.1	35.4
Currency with the Public	14.2	15.1	11.6	14.9	16.0
Demand Deposits	22.3	26.8	27.6	23.1	19.2
Quasi Money	103.1	108.5	113.7	127.6	135.1
Savings Deposits	91.3	93.4	99.8	110.6	118.0
Time Deposits	5.0	5.6	6.1	9.2	10.4
Foreign Currency Deposits	6.8	9.5	7.7	7.8	6.7

Source: ECCB

Data available at 10 March 2011

Table 34
Montserrat - Selected Tourism Statistics

	2006	2007 ^R	2008	2009 ^R	2010 ^P
Total Visitor Arrivals	9,565	8,987	10,159	8,864	8,748
Stay-Over Arrivals	7,991	7,746	7,360	6,311	5,580
Of Which:					
USA	2,153	2,109	1,922	1,606	1,633
Canada	393	388	425	367	467
UK	2,321	2,190	2,152	1,864	1,110
Caribbean	2,868	2,796	2,658	2,267	2,111
Other Countries	256	263	203	207	259
Excursionists	1,509	968	959	1,024	1,640
Cruise Ship Passengers	65	273	0	189	535
Yacht Passengers	1209	1463	1840	1340	993
Number of Yacht	309	311	354	295	216
Number of Cruise Ship Calls	1	3	0	1	2
Total Visitor Expenditure (EC\$M)	20.9	20.1	19.0	16.4	14.0

Source: Ministry of Finance and ECCB

Data available at 10 March 2011



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

	2006	2007	2008 ^R	2009 ^R	2010 ^P
Current Account	(20.4)	(28.1)	(53.2)	(34.3)	(29.5)
Goods and Services	(73.8)	(73.7)	(105.1)	(77.3)	(66.7)
Goods	(66.9)	(62.1)	(79.6)	(61.7)	(50.7)
Merchandise	(68.0)	(63.3)	(79.6)	(61.9)	(50.8)
Repair on goods	0.0	0.0	0.0	0.0	0.0
Goods procured in ports by carriers	1.1	1.2	0.0	0.2	0.1
Services	(6.9)	(11.6)	(25.5)	(15.7)	(16.0)
Transport	(10.7)	(13.5)	(16.7)	(14.5)	(12.6)
Travel	13.3	12.3	10.3	8.4	6.1
Insurance Services	(1.5)	(1.9)	(2.1)	(1.6)	(1.2)
Other Business Services	(1.8)	(0.7)	(1.2)	(4.9)	(5.1)
Government Services	(6.2)	(7.8)	(15.8)	(3.1)	(3.2)
Income	(5.2)	(10.1)	(12.0)	(9.8)	(9.4)
Compensation of Employees	-	(1.6)	(1.4)	(2.0)	(1.8)
Investment Income	(5.2)	(8.5)	(10.6)	(7.7)	(7.6)
Current Transfers	58.6	55.7	64.0	52.8	46.6
General Government	65.7	63.1	71.3	58.8	52.4
Other Sectors	(7.0)	(7.4)	(7.3)	(6.0)	(5.9)
Capital and Financial Account	22.1	27.9	45.5	41.4	36.3
Capital Account	9.8	13.7	20.6	50.6	41.6
Capital Transfers	9.8	13.7	20.6	50.6	41.6
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	12.3	14.2	24.9	(9.2)	(5.3)
Direct Investment	10.8	18.5	34.2	6.9	6.0
Portfolio Investment	0.2	0.3	(1.4)	1.3	-
Other Investments	1.4	(4.6)	(7.9)	(17.4)	(11.4)
Public Sector Long Term	(0.5)	(1.0)	(0.6)	(0.6)	(0.6)
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	(1.0)	(1.7)	(3.8)	(10.5)	5.4
Other Assets	(7.6)	(10.5)	0.1	10.2	10.0
Other Liabilities*	10.5	8.6	(3.6)	(16.5)	(26.1)
Overall Balance	1.8	(0.3)	(7.6)	7.1	6.8
Financing	(1.8)	0.3	7.6	(7.1)	(6.8)
Change in SDR holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	(0.1)	0.1	-	-	-
Change in Imputed Reserves	(1.6)	0.2	7.6	(7.1)	(6.8)

Source: ECCB and Ministry of Finance

*includes errors and omissions

Data available at 20 April 2011



Table 36
St Kitts and Nevis Selected Economic Indicators

	2006 ^R	2007 ^R	2008 ^R	2009 ^R	2010 ^P
<i>(annual percentage change unless otherwise indicated)</i>					
National Income and Prices					
Nominal GDP at Factor Cost	13.5	12.5	8.0	(2.3)	(2.3)
Real GDP at Factor Cost	2.3	9.3	5.7	(4.4)	(4.2)
GDP Deflator	11.0	2.9	2.2	2.2	1.9
Consumer Prices (end of period)	7.9	2.1	7.6	1.0	(2.5)
Consumer Prices (period average)	8.5	4.5	5.4	1.9	(0.3)
Real GDP at basic prices by Selected Sectors					
Agriculture , Forestry and Fishing	(31.3)	(9.1)	12.9	(9.1)	6.3
Manufacturing	(12.4)	6.1	10.2	(18.0)	(15.0)
Mining and Quarrying	7.3	(12.3)	5.0	25.7	(52.0)
Electricity and Water	(16.9)	11.3	(11.6)	5.8	1.5
Construction	8.2	14.6	4.2	(15.7)	(28.0)
Wholesale and Retail Trade	(0.2)	(3.4)	6.9	(9.8)	(16.0)
Hotels and Restaurants	10.5	30.3	2.2	(28.3)	(2.0)
Transport , Storage and Communications	6.0	12.2	15.2	(2.4)	(2.9)
Transport and Storage	14.5	14.1	18.6	(7.9)	(3.6)
Communications	9.2	10.0	11.1	4.7	(2.0)
Financial Intermediation	4.9	7.3	(8.9)	10.0	1.9
Real Estate, Renting and Business Activities	1.9	6.8	5.8	2.9	3.8
Public Administration, Defence & Compulso	3.1	12.1	14.4	7.0	3.5
Education	4.4	2.3	12.7	2.7	3.1
Health and Social Work	(0.9)	3.7	4.4	(1.4)	3.1
Other Services	3.1	3.8	5.8	2.6	3.0
FISIM	4.4	3.6	(10.1)	1.4	2.0
Import Cover Ratio	17.7	20.9	19.6	28.9	38.2
<i>(as a percentage of GDP)</i>					
External Sector					
Current Account Balance	(14.4)	(17.2)	(25.0)	(22.7)	(14.7)
Overall Balance	2.9	1.1	2.1	3.9	5.0
Merchandise Trade Balance	(28.2)	(29.0)	(31.8)	(30.2)	(22.9)
Public Sector External Debt (end-of-period)	52.7	47.2	42.5	45.8	46.4
Central Government					
Current Account Balance	0.8	0.9	0.4	(0.1)	(1.0)
Current Revenue	30.9	29.5	28.6	29.5	28.9
Current Expenditure	30.0	28.6	28.3	29.6	29.8
Capital Expenditure and Net Lending	4.5	5.8	4.6	4.8	6.7
Overall Fiscal Balance	(2.0)	(1.9)	(0.3)	(0.6)	(4.2)
<i>(per cent per annum)</i>					
Monetary Sector					
Weighted Average Deposit Interest Rate	3.7	3.8	3.7	3.4	3.5
Weighted Average Lending Interest Rate	9.4	9.0	8.6	8.5	8.5
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at basic prices	1,333.6	1,500.2	1,620.0	1,582.7	1,545.7
Real GDP at basic prices	1,333.6	1,457.5	1,540.4	1,471.9	1,410.1
Nominal GDP at market prices	1,591.6	1,748.2	1,895.7	1,816.9	1,759.6
GDP Per Capita (EC\$)	31,838	34,523	36,953	34,723	28,961
Merchandise Imports (f.o.b)	592.9	646.7	771.8	677.4	541.9
Merchandise Exports (f.o.b)	143.3	139.4	169.3	128.5	138.5
Gross Visitor Expenditure	355.4	336.9	297.2	225.4	222.2

Source: Statistics Department and ECCB

Data available at 16 March 2011



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

	2006	2007	2008	2009 ^R	2010
Current Revenue	491.52	516.14	542.91	536.39	507.82
Tax Revenue	374.12	399.57	420.72	394.46	342.97
Taxes on Income and Profit	98.44	115.95	134.76	147.60	92.60
of which:					
Company	66.44	77.49	92.78	108.86	53.20
Social Services Levy	30.21	33.01	37.21	36.22	33.34
Taxes on Property	8.72	7.42	6.35	8.89	9.36
Taxes on Domestic Goods and Services	90.83	84.11	83.86	69.67	84.40
of which:					
Hotel Room Tax	15.87	14.25	13.52	4.64	4.73
Licences	7.99	9.73	9.33	9.68	9.76
Gasoline Levy	1.97	0.65	0.00	0.00	0.00
Stamp duties	47.07	38.35	33.00	32.87	29.72
Value Added Tax	-	-	-	-	17.94
Taxes on International Trade and Transactions	176.12	192.09	195.76	168.30	156.61
of which:					
Import Duty	49.44	53.08	53.02	46.26	48.50
Consumption Tax	84.10	94.17	95.14	78.65	65.16
Customs Service Charge	34.11	35.28	38.18	34.10	33.50
Non-Tax Revenue	117.40	116.57	122.18	141.92	164.85
Current Expenditure	478.23	500.09	536.18	537.62	524.94
Personal Emoluments	169.51	189.72	212.11	233.89	223.50
Goods and Services	129.43	140.38	136.58	123.26	118.16
Interest Payments	109.21	115.89	128.86	121.38	125.77
Domestic	67.52	76.86	86.41	77.69	85.21
External	41.69	39.03	42.45	43.69	40.56
Transfers and Subsidies	70.08	54.10	58.63	59.09	57.52
of which: Pensions	22.71	23.62	19.53	21.38	22.06
Current Account Balance	13.29	16.05	6.72	(1.24)	(17.12)
Capital Revenue	5.60	36.44	62.00	18.24	13.58
Grants	27.01	28.37	28.25	67.56	53.96
of which: Capital Grants	26.70	27.65	24.16	11.87	8.65
Capital Expenditure and Net Lending	77.00	113.78	101.76	95.26	124.15
of which: Capital Expenditure	70.99	100.68	86.40	87.69	118.42
Primary Balance (after grants)	78.11	82.98	124.08	110.68	52.03
Overall Balance (before Grants)	(58.11)	(61.28)	(33.03)	(78.27)	(127.69)
Overall Balance (after grants)	(31.10)	(32.91)	(4.78)	(10.70)	(73.74)
Financing	31.10	32.91	4.78	10.70	73.74
Domestic	74.60	78.96	(38.47)	39.00	100.00
ECCB (net)	1.09	(0.44)	(24.61)	36.21	(13.62)
Commercial Banks (net)	69.74	42.72	(103.11)	54.09	88.09
Other	3.78	36.68	89.25	(51.30)	25.54
External	(43.50)	(46.05)	43.25	(28.30)	(26.27)
Net Disbursements/(Amortisation)	(43.50)	(46.05)	43.25	(28.30)	(26.27)
Disbursements	15.18	24.85	99.52	32.15	36.53
Amortisation	(58.68)	(70.90)	(56.27)	(60.45)	(62.80)
Change in Govt. Foreign Assets	0.00	0.00	0.00	0.00	0.00
Arrears	0.00	0.00	0.00	0.00	0.00
Domestic	0.00	0.00	0.00	0.00	0.00
External	0.00	0.00	0.00	0.00	0.00

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 15 May 2011



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

	2006 ^R	2007 ^R	2008 ^R	2009 ^R	2010 ^P
Net Foreign Assets	457.94	557.56	746.66	607.36	625.99
Central Bank (net)	239.14	258.28	297.75	331.92	420.29
Commercial Banks (net)	218.80	299.28	448.91	275.45	205.70
External (net)	197.88	425.55	506.69	469.06	393.14
Assets	635.41	870.40	962.21	1,297.64	1,304.82
Liabilities	437.53	444.85	455.52	828.59	911.68
Other ECCB Territories (net)	20.92	(126.27)	(57.78)	(193.61)	(187.44)
Assets	281.93	227.99	344.02	380.50	485.18
Liabilities	261.01	354.26	401.80	574.11	672.61
Net Domestic Assets	1,009.83	1,079.07	922.18	1,151.93	1,285.01
Domestic Credit	1,441.04	1,566.74	1,608.94	1,702.00	1,848.04
Central Government (net)	422.49	464.77	337.13	427.41	502.32
Other Public Sector (net)	(30.35)	(71.39)	29.06	(36.47)	(25.95)
Private Sector	1,048.91	1,173.36	1,242.75	1,311.06	1,371.66
Households	573.12	654.25	737.21	794.74	855.68
Business	326.38	364.49	419.38	435.43	425.43
Non-Bank Financial Institutions (net)	100.98	108.99	41.32	46.48	47.35
Subsidiaries and Affiliates (net)	48.42	45.63	44.83	34.41	43.21
Other Items (net)	(431.21)	(487.67)	(686.76)	(550.08)	(563.02)
Money Supply (M2)	1,467.78	1,636.62	1,668.85	1,759.29	1,911.01
Money Supply (M1)	217.43	237.99	270.05	255.24	357.33
Currency	55.10	56.19	70.12	78.33	101.05
Demand Deposits	146.35	169.85	181.59	165.53	247.98
Quasi Money	1,250.35	1,398.63	1,398.80	1,504.05	1,553.68
Savings Deposits	521.81	565.62	602.57	638.55	638.43
Time Deposits	309.55	377.63	398.12	490.97	552.40
Foreign Currency Deposits	418.99	455.39	398.10	374.53	362.84

Source: ECCB

Data available at 16 March 2011

Table 39
St Kitts and Nevis - Selected Tourism Statistics

	2006	2007	2008	2009	2010 ^P
Total Visitor Arrivals	349,733	379,473	533,353	547,561	602,097
Stay-Over Arrivals	139,268	123,062	127,705	93,081	88,925
of which:					
USA	77,587	69,894	76,455	54,410	53,704
Canada	8,130	7,116	7,805	6,413	5,695
UK	11,148	12,162	9,970	6,496	6,734
Caribbean	37,813	28,822	28,982	22,410	19,558
Other Countries	4,590	5,068	4,493	3,352	3,234
Excursionists	4,514	5,177	3,920	3,718	6,882
Yacht Passengers	2,876	1,911	812	209	231
Cruise Ship Passengers	203,075	249,323	400,916	450,553	506,059
Number of Cruise Ship Calls	261	242	232	235	259
Total Visitor Expenditure (EC\$M)	355.4	336.9	297.2	225.4	222.2

Source: Tourism Authority, Immigration Department and ECCB Estimates

Data available at 16 March 2011



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

	2006 ^R	2007	2008 ^R	2009 ^R	2010 ^P
Current Account	(229.79)	(300.43)	(473.02)	(412.36)	(259.25)
Goods and Services	(229.44)	(298.27)	(474.87)	(445.45)	(290.23)
Goods	(435.47)	(490.91)	(585.56)	(532.21)	(385.41)
Merchandise	(449.55)	(507.28)	(602.46)	(548.83)	(403.32)
Repair on goods	0.19	0.20	0.26	0.53	0.58
Goods procured in ports by carriers	13.88	16.17	16.63	16.08	17.33
Services	206.03	192.65	110.70	86.76	95.18
Transport	(85.54)	(80.80)	(120.19)	(74.40)	(70.78)
Travel	318.91	303.20	258.00	196.73	195.03
Insurance Services	(19.86)	(22.86)	(32.50)	(28.37)	(24.60)
Other Business Services	(10.42)	(11.96)	0.08	(14.14)	(11.78)
Government Services	2.93	5.08	5.30	6.94	7.32
Income	(87.32)	(80.95)	(87.58)	(90.09)	(85.07)
Compensation of Employees	(2.16)	(1.37)	(1.48)	(1.46)	(1.34)
Investment Income	(85.16)	(79.58)	(86.10)	(88.64)	(83.73)
Current Transfers	86.97	78.78	89.43	123.19	116.04
General Government	23.28	12.39	12.43	42.89	33.17
Other Sectors	63.69	66.39	77.00	80.29	82.88
Capital and Financial Account	276.09	319.82	537.74	511.03	371.96
Capital Account	35.98	38.28	60.19	23.73	20.68
Capital Transfers	35.75	38.28	60.19	23.73	20.68
Acquisition and Disposal of Non-Produced, Non-Financial Assets	0.23	0.00	0.00	0.00	0.00
Financial Account	240.11	281.54	477.55	487.31	351.28
Direct Investment	298.12	363.11	480.35	353.03	345.63
Portfolio Investment	(56.62)	(35.03)	28.27	(28.63)	(26.53)
Other Investments	(1.39)	(46.53)	(31.07)	162.91	32.18
Public Sector Long Term	17.36	(1.33)	68.26	(4.69)	(25.07)
Commercial Banks	(35.30)	(80.48)	(149.63)	173.47	69.75
Other Assets	(10.60)	16.44	(16.62)	(17.07)	(16.23)
Other Liabilities*	27.15	18.84	66.92	11.21	3.73
Overall Balance	46.30	19.39	39.75	70.16	88.38
Financing	(46.30)	(19.39)	(39.75)	(70.16)	(88.38)
Change in SDR holdings	0.00	0.00	0.00	(35.99)	0.00
Change in Reserve Position with the Fund	0.00	0.00	0.00	0.00	0.00
Change in Government Foreign Assets	(0.18)	(0.26)	(0.28)	0.00	0.00
Change in Imputed Reserves	(46.11)	(19.13)	(39.47)	(34.17)	(88.38)

Source: Planning Unit and ECCB

* Includes errors and omissions

Data available at 15 May 2011



Table 41
Saint Lucia - Selected Economic Indicators

	2006	2007	2008	2009	2010
	<i>(annual percentage change unless otherwise stated)</i>				
National Income and Prices					
Nominal GDP at basic prices	11.4	8.3	6.6	(2.2)	9.7
Real GDP at basic prices	7.4	1.5	5.8	(1.3)	4.4
GDP Deflator	3.7	6.7	0.7	(0.9)	5.1
Consumer Prices (end of period)	(0.6)	8.2	3.8	1.0	(0.6)
Consumer Prices (period average)	2.3	3.1	8.2	1.0	1.8
Real GDP at Factor Cost by Selected Sectors					
Agriculture, Forestry and Fishing	7.8	(5.0)	31.4	(5.4)	(15.7)
Manufacturing	3.0	13.0	(4.9)	20.9	(4.0)
Mining and Quarrying	368.0	60.1	(23.9)	(17.4)	10.5
Electricity and Water	3.0	4.5	1.9	4.4	(1.7)
Construction	42.2	(28.0)	38.5	(23.1)	20.5
Wholesale and Retail Trade	14.7	2.8	0.9	(13.1)	14.5
Hotels and Restaurants	(2.1)	0.5	(3.0)	(0.7)	7.1
Transport, Storage and Communications	(5.0)	13.4	1.8	2.9	(0.1)
Transport and Storage	(3.6)	18.6	1.6	3.7	1.8
Communications	(7.1)	5.9	2.3	1.6	(3.1)
Financial Intermediation	2.9	12.3	(1.1)	(1.4)	(0.9)
Real Estate, Renting and Business Activities	5.6	(1.0)	4.0	3.4	5.9
Public Administration, Defence & Compulsory Social Security	14.2	8.1	6.4	1.3	10.0
Education	14.4	7.0	3.6	7.0	3.0
Health and Social Work	9.6	4.2	2.1	2.2	(4.9)
Other Services	13.1	9.8	12.6	15.9	2.1
FISIM	42.2	26.5	6.2	8.3	(1.1)
	<i>(as a percentage of GDP)</i>				
External Sector					
Current Account Balance	(31.4)	(32.4)	(30.7)	(12.1)	(12.6)
Overall Balance	1.4	1.7	(1.0)	3.0	2.6
Merchandise Trade Balance	(45.6)	(43.8)	(41.4)	(25.8)	(28.6)
Public Sector External Debt (end-of-period)	64.6	64.7	61.9	64.0	31.2
Central Government					
Current Account Balance	3.4	10.5	5.1	3.7	1.6
Current Revenue	24.4	24.5	25.6	25.8	24.0
Current Expenditure	15.1	14.0	20.6	22.2	22.4
Capital Expenditure and Net Lending	9.5	7.5	5.9	6.7	4.5
Overall Fiscal Balance	(5.9)	3.3	0.0	(2.2)	(0.6)
	<i>(per cent per annum)</i>				
Monetary Sector					
Weighted Average Deposit Interest Rate	2.9	3.1	3.2	3.1	3.3
Weighted Average Lending Interest Rate	10.2	8.8	9.6	9.7	9.5
	<i>(in millions of EC dollars, unless otherwise stated)</i>				
Memo					
Nominal GDP at basic prices	2,222.1	2,405.6	2,563.4	2,506.7	2,750.4
Real GDP at basic prices	2,222.1	2,255.2	2,385.9	2,355.2	2,458.8
Nominal GDP at market prices	2,658.8	2,869.2	3,046.1	2,984.6	3,234.1
GDP per capita (ECS)	15,980	17,044	17,883	17,315	18,617
Merchandise Imports (f.o.b)	1,406.6	1,462.6	1,633.0	1,219.0	1,408.2
Merchandise Exports (f.o.b)	195.2	205.5	373.4	448.1	483.4
Gross Visitor Expenditure	793.7	814.5	839.7	799.7	888.1

Source: Statistics Department and ECCB

Data available at 15 June 2011



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

	2006	2007	2008	2009	2010
Current Revenue	644.7	699.9	781.3	770.8	776.2
Tax Revenue	603.8	659.0	725.3	724.0	729.0
Taxes on Income and Profit	148.4	176.6	225.7	226.3	223.2
of which:					
Personal	65.5	66.1	76.3	77.5	79.9
Company	60.1	72.8	111.9	109.4	89.8
Taxes on Property	4.7	4.9	2.3	4.2	3.3
Taxes on Domestic Goods and Services	105.6	119.7	132.2	107.4	125.1
of which:					
Stamp Duty	22.2	31.0	28.7	20.3	16.7
Hotel Occupancy Tax	28.3	30.8	37.5	24.7	33.5
Licenses	21.0	19.6	26.5	19.0	25.1
Taxes on International Trade and Transactions	345.2	357.9	365.1	386.1	377.4
of which:					
Consumption Tax (Imports)	110.8	113.5	115.7	164.0	111.8
Import Duty	94.9	105.4	108.2	93.7	99.3
Service Charge (Imports)	64.9	66.7	67.3	61.2	61.9
Excise Tax (Imports)	40.9	40.1	38.2	26.3	67.8
Non-Tax Revenue	40.9	40.8	55.9	46.8	47.2
Current Expenditure	554.1	549.5	627.4	661.8	723.2
Personal Emoluments	255.1	252.4	288.3	309.0	336.6
Goods and Services	108.5	107.6	133.1	135.0	148.7
Interest Payments	79.1	81.1	78.4	89.8	92.8
Domestic	27.1	34.8	33.2	44.2	50.4
External	52.0	46.3	45.2	45.6	42.5
Transfers and Subsidies	114.5	112.0	127.7	127.9	145.0
of which: Pensions	41.4	41.0	6.7	7.0	8.6
Current Account Balance (before grants)	90.5	150.4	153.9	109.0	53.1
Capital Revenue	0.9	0.0	6.7	0.1	8.6
Grants	3.3	9.3	20.7	25.9	64.0
of which: Capital Grants	3.3	9.3	20.7	25.9	64.0
Capital Expenditure and Net Lending	251.3	216.3	179.9	200.2	146.2
of which: Capital Expenditure	251.3	216.3	179.9	200.2	146.2
Primary Balance (after grants)	(77.4)	24.4	79.8	24.6	72.4
Overall Balance (before grants)	(159.8)	(65.9)	(19.3)	(91.1)	(84.5)
Overall Balance (after grants)	(156.6)	(56.7)	1.4	(65.2)	(20.5)
Financing	156.6	56.7	(1.4)	65.2	20.5
Domestic	52.0	(7.4)	3.2	28.4	(60.5)
ECCB (net)	(9.8)	(23.4)	49.1	(9.1)	(46.6)
Commercial Banks (net)	68.4	72.6	2.7	(12.2)	(53.0)
Other	(6.6)	(208.1)	(48.5)	49.8	39.2
External	104.6	64.1	(4.6)	36.8	80.9
Net Disbursements/(Amortisation)	92.3	62.8	(4.6)	36.8	80.9
Disbursements	113.4	112.5	63.1	103.8	209.2
Amortisation	(21.1)	(49.7)	(67.7)	(67.0)	(128.2)
Change in Government Foreign Assets	12.3	1.3	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 7 March 2011



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

	2006	2007	2008	2009	2010
Net Foreign Assets	117.62	(47.66)	(543.34)	(503.58)	(315.70)
Central Bank (net)	356.92	408.25	378.76	406.63	492.29
Commercial Banks (net)	(239.31)	(455.91)	(922.10)	(910.21)	(807.99)
External (net)	(224.71)	(292.15)	(525.60)	(572.59)	(382.25)
Assets	427.03	486.22	396.94	441.69	448.88
Liabilities	651.74	778.37	922.55	1,014.28	831.13
Other ECCB Territories (net)	(14.60)	(163.76)	(396.50)	(337.62)	(425.74)
Assets	388.14	584.43	306.74	367.66	376.32
Liabilities	402.74	748.19	703.24	705.28	802.06
Net Domestic Assets	2,055.75	2,368.86	3,021.02	3,014.39	2,874.89
Domestic Credit	2,379.14	3,112.34	3,453.35	3,456.10	3,410.07
Central Government (net)	(32.02)	17.25	69.03	47.66	(52.01)
Other Public Sector (net)	(214.76)	(243.41)	(296.29)	(337.01)	(340.35)
Private Sector	2,625.92	3,338.51	3,680.61	3,745.45	3,802.43
Households	1,068.74	1,191.79	1,273.77	1,240.90	1,307.75
Business	1,318.09	1,899.01	2,176.10	2,297.73	2,332.65
Non-Bank Financial Institutions (net)	37.17	38.10	57.94	41.25	42.34
Subsidiaries and Affiliates (net)	201.92	209.61	172.80	165.57	119.69
Other Items (net)	(323.39)	(743.49)	(432.33)	(441.71)	(535.18)
Money Supply (M2)	2,173.36	2,321.19	2,477.68	2,510.80	2,559.19
Money Supply	605.70	684.91	672.51	659.58	644.53
Currency	126.58	128.05	142.57	142.46	151.53
Demand Deposits	460.62	540.78	518.85	504.23	481.77
Quasi Money	1,567.66	1,636.29	1,805.17	1,851.22	1,914.66
Savings Deposits	1,075.84	1,167.79	1,226.57	1,301.71	1,319.01
Time Deposits	271.26	319.20	420.06	405.44	443.67
Foreign Currency Deposits	220.57	149.30	158.54	144.07	151.99

Source: ECCB

Data available at 7 March 2011

Table 44
Saint Lucia - Selected Tourism Statistics

	2006	2007	2008	2009	2010
Total Visitor Arrivals	695,279	931,685	947,445	1,014,761	1,026,212
Stay-Over Arrivals	302,510	287,518	295,761	278,491	305,937
of Which:					
USA	117,450	113,433	108,596	98,685	129,085
Canada	17,491	18,640	26,279	28,563	32,154
UK	73,312	79,180	83,693	71,853	67,417
Caribbean	78,465	59,049	59,757	60,179	53,998
Other Countries	15,792	17,216	17,436	19,211	23,283
Excursionists	7,051	7,841	9,582	4,967	7,613
Cruise Ship Passengers	359,573	610,163	619,680	699,306	670,043
Yacht Passengers	26,145	26,163	22,422	31,997	42,619
Number of Cruise Ship Calls	267	314	315	397	380
Total Visitor Expenditure (EC\$M)	793.7	814.5	839.7	799.7	888.1

Source: Saint Lucia Tourist Board

Data available at 7 March 2011



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

	2006	2007	2008	2009	2010
Current Account	(834.3)	(930.6)	(936.3)	(360.1)	(406.3)
Goods and Services	(719.5)	(783.7)	(785.7)	(263.4)	(350.9)
Goods	(1,145.7)	(1,189.3)	(1,185.6)	(702.5)	(850.9)
Merchandise	(1,211.4)	(1,257.1)	(1,259.6)	(770.9)	(924.8)
Repair on goods	0.0	0.0	0.0	0.0	0.0
Goods procured in ports by carriers	65.7	67.8	74.0	68.5	73.9
Services	426.2	405.6	399.9	439.1	500.0
Transport	(158.9)	(171.2)	(205.1)	(151.7)	(173.6)
Travel	687.5	700.4	717.4	673.6	758.3
Insurance Services	(26.4)	(22.2)	(31.4)	(16.4)	(20.3)
Other Business Services	(71.3)	(88.7)	(68.7)	(58.5)	(56.2)
Government Services	(4.6)	(12.7)	(12.3)	(7.9)	(8.2)
Income	(147.1)	(183.5)	(194.5)	(130.3)	(95.0)
Compensation of Employees	0.3	0.5	0.5	0.5	0.5
Investment Income	(147.4)	(184.0)	(195.0)	(130.8)	(95.5)
Current Transfers	32.3	36.6	43.8	33.5	39.6
General Government	(1.2)	7.5	10.5	1.4	1.5
Other Sectors	33.6	29.1	33.3	32.1	38.1
Capital and Financial Account	870.5	980.6	906.8	449.7	492.0
Capital Account	30.7	23.4	29.4	69.8	62.7
Capital Transfers	30.7	23.4	29.4	69.8	62.7
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	839.8	957.2	877.4	379.9	429.3
Direct Investment	631.6	734.1	435.3	395.3	326.9
Portfolio Investment	(8.0)	1.3	(25.8)	(78.7)	(33.5)
Other Investments	216.2	221.8	468.0	63.3	135.9
Public Sector Long Term	67.6	54.7	(25.5)	36.3	91.2
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	174.0	216.6	466.2	(11.9)	(102.2)
Other Assets	(47.0)	(78.7)	19.6	55.8	36.0
Other Liabilities*	21.6	29.2	7.7	(16.9)	110.9
Overall Balance	36.3	50.0	(29.5)	89.5	85.7
Financing	(36.3)	(50.0)	29.5	(89.5)	(85.7)
Change in SDR Holdings	-	-	-	(61.7)	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	12.3	1.3	-	-	-
Change in Imputed Reserves	(48.6)	(51.3)	29.5	(27.9)	(85.7)

Source: ECCB and Statistics Department

* includes errors and omissions

Data available at 7 March 2011



Table 46
St Vincent and the Grenadines - Selected Economic Indicators

	2006 ^R	2007 ^R	2008 ^R	2009 ^R	2010 ^R
	<i>(annual percentage change unless otherwise stated)</i>				
National Income and Prices					
Nominal GDP at basic prices	9.1	11.8	0.6	0.1	0.9
Real GDP at basic prices	6.0	3.3	(0.3)	(0.6)	(1.2)
Nominal GDP at Market Prices	10.8	12.1	2.6	(0.5)	0.8
GDP Deflator	2.9	8.2	0.9	0.7	2.1
Consumer Prices (end of period)	4.8	8.3	8.7	(1.6)	2.0
Consumer Prices (period average)	3.0	6.9	10.1	0.4	1.5
Real GDP at Factor Cost by Selected Sectors					
Agriculture, Forestry and Fishing	3.5	11.0	(4.3)	6.4	(6.4)
Mining and Quarrying	5.0	13.8	5.1	(7.9)	(9.0)
Manufacturing	(0.0)	(4.5)	(0.4)	(1.4)	(2.5)
Electricity and Water	2.3	4.0	(1.6)	0.5	(1.1)
Construction	8.6	13.0	(10.4)	(7.9)	(7.0)
Wholesale and Retail Trade	4.9	9.1	3.9	(3.4)	3.0
Hotels and Restaurants	25.0	(0.3)	(5.5)	(15.4)	(2.3)
Transport, Storage and Communications	10.3	(0.4)	1.5	0.2	(5.3)
Transport	8.9	5.0	1.1	0.1	(7.3)
Communication	13.5	(11.2)	2.4	0.5	(0.5)
Financial Intermediation	4.8	(3.9)	5.3	1.2	(2.6)
Real Estate, Renting and Business Activities	5.4	0.7	2.1	1.4	1.4
Public Administration, Defence & Compulsory Social Security	6.4	6.3	8.0	3.9	2.5
Education	(2.6)	(2.7)	(20.3)	0.9	1.0
Health and Social Work	1.2	4.9	0.5	3.6	1.0
Other Services	15.4	(4.7)	18.3	2.9	2.9
FISIM	6.9	6.3	10.8	(1.0)	(2.0)
Import Cover Ratio	8.7	7.1	5.9	5.5	6.6
	<i>(in percent of GDP)</i>				
External Sector					
Current Account Balance	(19.5)	(28.3)	(32.8)	(28.6)	(29.2)
Overall Balance	2.0	(0.3)	(0.5)	0.7	3.6
Merchandise Trade Balance	(32.5)	(35.0)	(39.3)	(34.8)	(36.5)
Public Sector External Debt (end-of-period)	41.7	32.0	33.0	36.2	43.2
Central Government					
Current Account Balance	2.2	3.0	3.1	(0.1)	(0.5)
Current Revenue	23.8	23.5	25.8	24.5	24.8
Current Expenditure	21.5	20.5	22.7	24.7	25.2
Capital Expenditure and Net Lending	6.1	7.1	6.9	5.6	3.9
Overall Fiscal Balance	(3.2)	(2.5)	(0.6)	(2.6)	(3.5)
	<i>(in percent per annum)</i>				
Monetary Sector					
Weighted Average Deposit Interest Rate	2.8	2.8	2.8	2.9	2.8
Weighted Average Lending Interest Rate	9.9	9.6	9.6	9.1	9.0
	<i>(in millions of EC dollars, unless otherwise stated)</i>				
Memo					
Nominal GDP at basic prices	1,413.2	1,579.7	1,589.8	1,591.3	1,605.4
Real GDP at basic prices	1,413.2	1,460.1	1,455.9	1,447.1	1,429.6
Nominal GDP at market prices	1,649.8	1,848.7	1,896.7	1,887.6	1,902.9
GDP per capita (EC\$)	16,270	18,463	19,133	18,970	19,323
Merchandise Imports (f.o.b)	639.7	776.5	886.5	792.6	803.0
Merchandise Exports (f.o.b)	102.9	128.8	141.0	135.2	108.6
Gross Visitor Expenditure	305.8	297.0	259.3	236.3	234.3

Source: Statistics Department and ECCB

Data available at 8 March 2011



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

	2006	2007	2008	2009 ^R	2010 ^P
Current Revenue	392.5	433.5	489.5	462.7	471.7
Tax Revenue	361.7	402.6	448.0	428.0	410.7
Taxes on Income and Profit	98.8	103.6	110.4	110.6	108.8
of which:					
Individual	49.3	54.3	56.0	57.9	61.7
Company Tax	43.5	43.1	46.7	44.8	40.0
Taxes on Property	2.6	2.6	2.2	2.7	2.9
Taxes on Domestic Goods and Services	98.2	185.3	245.8	233.9	223.0
of which:					
Stamp Duty	38.2	28.0	29.2	18.9	22.7
Excise Tax	1.8	13.9	17.3	32.7	27.8
Value Added Tax	-	88.1	153.5	142.4	130.6
Taxes on International Trade and Transactions	162.1	111.1	89.5	80.7	76.0
of which:					
Import Duty	34.0	43.9	45.6	44.8	44.4
Consumption Tax	94.2	32.0	0.5	6.6	-
Customs Service Charge	26.1	28.7	30.8	24.4	27.3
Non-Tax Revenue	30.8	30.9	41.6	34.7	61.0
Current Expenditure	355.4	378.8	431.3	465.5	480.3
Personal Emoluments	171.3	189.0	206.8	212.0	221.8
Goods and Services	74.6	74.7	91.0	85.6	66.2
Interest Payments	43.2	45.3	46.8	48.1	51.8
Domestic	20.2	23.9	23.8	25.6	31.5
External	23.0	21.3	23.0	22.6	20.3
Transfers and Subsidies	66.4	69.9	86.7	119.7	140.5
of which: Pensions	28.1	29.2	36.7	41.2	45.3
Current Account Balance	37.1	54.7	58.2	(2.8)	(8.6)
Capital Revenue	6.0	0.9	15.7	1.5	1.0
Grants	5.5	30.0	45.2	58.3	14.2
of which: Capital Grants	5.5	30.0	45.2	58.3	14.2
Capital Expenditure and Net Lending	101.3	131.5	131.0	106.0	73.8
of which: Capital Expenditure	103.6	131.5	131.0	106.0	73.8
Primary Balance (after grants)	(9.5)	(0.5)	34.9	(0.8)	(15.4)
Overall Balance (before grants)	(58.2)	(75.8)	(57.1)	(107.3)	(81.3)
Overall Balance (after grants)	(52.7)	(45.8)	(11.9)	(49.0)	(67.2)
Financing	52.7	45.8	11.9	49.0	67.2
Domestic	0.1	(1.6)	(1.8)	2.3	(127.6)
Central Banks (net)	(2.8)	14.3	4.7	(21.9)	1.3
Commercial Banks (net)	(2.9)	4.8	15.8	41.2	(106.6)
Other	5.9	(20.7)	(22.3)	(17.0)	(22.4)
External	52.6	47.4	13.7	22.2	171.8
Net Disbursements/(Amortisation)	60.6	20.1	13.1	22.2	143.8
Disbursements	96.5	60.0	61.9	69.1	199.4
Amortisation	(35.9)	(39.9)	(48.7)	(46.9)	(55.6)
Change in Govt. Foreign Assets	(8.0)	27.2	0.6	-	28.0

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 8 March 2011



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

	2006 ^R	2007 ^R	2008 ^R	2009 ^R	2010 ^P
Net Foreign Assets	428.39	352.46	384.94	361.19	474.45
Central Bank (net)	210.43	232.68	223.88	203.03	299.13
Commercial Banks (net)	217.96	119.78	161.06	158.16	175.33
External (net)	117.29	61.14	17.42	(26.29)	(94.02)
Assets	255.01	228.92	210.61	160.01	139.76
Liabilities	137.72	167.78	193.18	186.30	233.78
Other ECCB Territories (net)	100.67	58.64	143.64	184.45	269.35
Assets	257.53	338.78	377.95	365.48	390.72
Liabilities	156.86	280.14	234.31	181.03	121.37
Net Domestic Assets	557.04	711.01	697.97	724.58	639.55
Domestic Credit	796.60	933.88	985.53	1,029.23	891.99
Central Government (net)	68.68	87.83	108.29	127.61	22.33
Other Public Sector (net)	(60.33)	(53.15)	(49.20)	(41.23)	(90.35)
Private Sector	788.25	899.20	926.44	942.85	960.00
Households	502.26	540.84	588.68	592.67	597.42
Business	272.84	350.62	329.31	343.71	355.92
Non-Bank Financial Institutions (net)	13.15	7.75	8.45	6.47	6.66
Subsidiaries and Affiliates (net)	-	-	-	-	-
Other Items (net)	(239.56)	(222.87)	(287.56)	(304.65)	(252.44)
Money Supply (M2)	985.43	1,063.47	1,082.91	1,085.77	1,114.00
Money Supply (M1)	371.04	398.14	386.29	359.13	345.66
Currency	80.50	89.82	80.54	63.50	50.61
Demand Deposits	281.16	301.26	294.04	284.89	289.12
Quasi Money	614.39	665.33	696.62	726.64	768.34
Savings Deposits	483.69	520.86	544.86	575.02	594.02
Time Deposits	98.74	103.60	115.00	121.65	129.16
Foreign Currency Deposits	31.96	40.87	36.76	29.96	45.16

Source: ECCB

Data available at 8 March 2011

Table 49
St Vincent and the Grenadines - Selected Tourism Statistics

	2006	2007	2008	2009 ^R	2010 ^P
Total Visitor Arrivals	306,578	283,161	249,868	270,952	231,682
Stay-Over Arrivals	97,432	89,532	84,101	75,446	72,645
Of Which:					
USA	28,598	26,637	24,042	20,159	21,918
Canada	6,542	6,724	6,882	6,820	6,855
UK	14,837	16,714	15,442	13,347	12,423
Caribbean	38,219	29,924	28,475	26,835	23,684
Other Countries	9,236	9,533	9,260	8,285	7,765
Excursionists	9,034	6,797	5,781	5,185	4,968
Yacht Passengers	93,638	42,277	43,277	40,859	43,115
Cruise Ship Passengers	106,474	144,555	116,709	149,462	110,954
Number of Cruise Ship Calls	263	279	172	164	131
Total Visitor Expenditure (EC\$M)	305.8	297.0	259.3	236.3	234.3

Source: Department of Tourism and ECCB Estimates

Data available at 8 March 2011



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

	2006 ^R	2007 ^R	2008 ^R	2009 ^R	2010 ^P
Current Account	(322.3)	(523.4)	(621.9)	(539.4)	(556.1)
Goods and Services	(307.4)	(512.7)	(595.7)	(526.6)	(555.2)
Goods	(530.6)	(638.7)	(733.0)	(649.2)	(686.1)
Merchandise	(536.9)	(647.7)	(745.5)	(657.3)	(694.4)
Repair on goods	0.0	0.0	0.0	0.0	0.0
Goods procured in ports by carriers	6.2	8.9	12.5	8.1	8.3
Services	223.2	126.0	137.3	122.6	130.9
Transport	(71.0)	(90.3)	(109.2)	(100.7)	(101.0)
Travel	263.4	242.6	211.8	197.4	197.3
Insurance Services	(16.1)	(20.8)	(22.4)	(19.1)	(19.3)
Other Business Services	62.6	18.1	61.3	59.3	60.9
Government Services	(15.7)	(23.6)	(4.3)	(14.3)	(7.1)
Income	(69.4)	(65.1)	(61.7)	(43.6)	(36.4)
Compensation of Employees	8.5	15.8	11.0	10.6	10.9
Investment Income	(77.9)	(80.9)	(72.7)	(54.2)	(47.3)
Current Transfers	54.4	54.4	35.5	30.8	35.5
General Government	15.7	22.8	(0.8)	0.1	3.2
Other Sectors	38.7	31.7	36.4	30.8	32.2
Capital and Financial Account	355.0	518.4	613.1	552.0	624.2
Capital Account	22.0	198.8	131.9	146.4	86.5
Capital Transfers	22.0	198.8	131.9	146.4	86.5
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	333.0	319.7	481.2	405.6	537.7
Direct Investment	294.6	352.3	430.0	286.4	269.3
Portfolio Investment	33.8	(9.2)	(8.4)	49.1	(3.0)
Other Investments	4.6	(23.5)	59.6	70.1	271.4
Public Sector Long Term	62.7	31.4	14.9	25.5	135.0
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	26.2	98.2	(41.3)	2.9	(17.2)
Other Assets	(56.9)	(53.7)	(29.4)	(25.7)	24.4
Other Liabilities*	(27.3)	(99.3)	115.4	67.5	129.2
Overall Balance	32.7	(5.0)	(8.8)	12.6	68.1
Financing	(32.7)	5.0	8.8	(12.6)	(68.1)
Change in SDR holdings	-	-	-	(33.5)	28.0
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	(8.0)	27.2	-	-	-
Change in Imputed Reserves	(24.7)	(22.3)	8.8	20.9	(96.1)

Source: ECCB

*includes errors and omissions

Data available at 8 March 2011

