

*Annual Economic and
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EASTERN CARIBBEAN CENTRAL BANK



ADDRESS

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

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

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INTERNATIONAL ECONOMIC DEVELOPMENTS

Overview

The global economy experienced a period of unprecedented turbulence which began with the crisis in the subprime mortgage sector in the USA in 2007. The global economy decelerated rapidly as the financial crisis intensified and lending institutions withheld credit from consumers in response to increasing mortgage defaults. As a significant proportion of mortgages became irrecoverable, a growing number of lending institutions were pushed to the brink of bankruptcy. Global output is estimated to have contracted by 0.8 per cent in 2009, in contrast to a 3.0 per cent expansion in 2008. The contraction in global output was largely attributable to declines in GDP for the USA, and European economies, which contributed to a 12.3 per cent reduction in the volume of world trade, reversing the 2.8 per cent expansion recorded in 2008. The rapid increases in commodity prices experienced in 2008 were reversed in 2009 as significant contractions were recorded for both oil and nonfuel commodities. Consumer prices moderated in both advanced and emerging economies.

Petroleum prices were lower on average in 2009 (US\$63.90 per barrel) relative to 2008 average prices (US\$98.60 per barrel). The reduction in average fuel prices during 2009 was attributed to a fall in demand, reversing rapid increases in the previous year in response to constraints in supply

and sustained demand for the commodity. At the end of 2009, however, petroleum prices rose to US\$79.40 per barrel, compared with US\$44.60 per barrel at the end of 2008.

Developments in the Major Economies

Real GDP in the **USA** fell by 2.4 per cent in 2009, largely weighed down by a steep reduction in output during the first half of the year. Aggressive fiscal and monetary stimulus packages, coupled with rapid inventory rebuilding, served to moderate the decline by the end of the year. Real GDP in the fourth quarter of 2009 rose by 5.6 per cent on an annual basis, compared with a 2.2 per cent expansion in the third quarter of 2009, reflecting a 3.8 per cent expansion in inventories. Business investment, which represented a drag on GDP growth in the previous quarters, contributed 0.6 percentage point to GDP growth in the fourth quarter. The positive effect of foreign trade - a major contributor to growth in previous quarters - diminished during the final quarter of the year as imports rose, consistent with the recovery in consumer optimism and personal consumption expenditure.

Price developments in the USA point to reversals in inflationary pressures compared with the performance in the previous year. During 2009 prices declined on average by 0.4 per cent in contrast to a 3.8 per cent rate of inflation in 2008. The reversal was mainly attributable to reductions in fuel



prices as oil represents a major component of the CPI basket.

The economic performance of **Canada** deteriorated as GDP fell by 2.6 per cent in 2009, in contrast to a 0.4 per cent expansion in 2008. The outturn was mainly associated with the global economic and financial crisis and the associated impact on Canada's trade performance. Exports of goods and services contracted by 14.0 per cent in 2009, largely in response to a reduction in US demand, primarily for automobiles and construction-related products. The export performance represented a further deterioration from the 4.7 per cent reduction in 2008. Canada's terms of trade weakened, resulting in lower real gross domestic income. Therefore, excess capacity and weaker terms of trade led to declines in the performance of corporations, which resulted in reductions in employment and fixed investment. Consumer price inflation slowed to a 0.4 per cent increase in 2009 from 2.4 per cent in 2008. The Central Bank, through aggressive and pre-emptive monetary policy actions was able to keep trend inflation within its target of 1.0 per cent to 3.0 per cent. The Central Bank lowered the overnight lending rate to as low as a quarter of a per cent on 21 April 2009.

Value added in the **UK** economy contracted by 4.9 per cent in 2009, a reversal of the 0.5 per cent expansion recorded in 2008. The performance was the worst since 1921 as the economy contracted for six consecutive quarters before exiting the recession in the fourth quarter of 2009. The downturn was

influenced by developments in the global financial system, which resulted in a number of bank failures and prompted the Bank of England to administer one of the largest bank rescue packages (GBP1,400.0b). The UK economy was buffeted by declines in the real estate sector as reflected in lower house prices which fell by 7.6 per cent in 2009, compared with a 0.8 per cent decline in the previous year. Consumer prices rose by 2.1 per cent, below the 3.6 per cent increase recorded in 2008.

The economies of the **European Union** contracted by 4.1 per cent in contrast to a 0.6 per cent expansion in 2008, as the global economic and financial crisis impacted many of the banks and economies in this jurisdiction. The decline in value added for the euro zone was attributable to contractions in all of the major economies of the monetary union. Germany, Italy and Spain were the most severely impacted as the fall in global trade disrupted export markets, especially for Germany and Italy. Export volumes fell in Germany and Italy by 14.4 per cent and 20.3 per cent respectively, while a collapse in the real estate market in Spain impaired domestic demand. In response to the deepening recession caused by the financial crisis, the European Central Bank lowered the discount rate to 0.25 per cent on 13 May 2009 in an attempt to unlock credit markets. The rate remained unchanged throughout the remainder of 2009. Labour market conditions worsened as unemployment rates rose in Germany (7.6 per cent), France (9.1 per cent) and Italy (7.6 per cent). Consumer prices, as indicated by the harmonised index of consumer prices (HICP),

moderated to a 1.0 per cent increase in 2009, below the 3.7 per cent inflation rate in 2008.

The **Japanese** economy contracted by 5.3 per cent in 2009 compared with a 1.2 per cent contraction in 2008. However, there was a 1.1 per cent expansion in the final quarter of the year, which was fuelled by higher external demand for Japan's exports, coupled with robust personal consumption as well as stimulus measures implemented by the authorities. The generally depressed performance of the economy was largely influenced by declining business investment, in spite of the government's attempts at economic stimulus. Consistent with the depressed state of the economy, consumer prices fell by 1.2 per cent in 2009, in contrast to a 1.4 per cent inflation rate in 2008. Japan recorded a 25.1 per cent decline in exports in 2009, a reversal of the 1.8 per cent increase observed in the previous year. The unemployment rate rose to 5.2 per cent, above the 4.0 per cent jobless rate observed in 2008.

The **Chinese** economy expanded by 8.7 per cent in 2009, below the 9.6 per cent increase in 2008. The performance reflected a slowdown in global trade as the major markets for China's exports - the USA and the euro zone - entered the recession. However, growth was sustained in China through domestic stimulus-induced public investment, which partly offset the reduction in global trade and helped to maintain buoyancy in the Chinese economy. As a consequence of the government's aggressive capital investment programme aimed at stimulating domestic investment, the inflation rate remained

elevated at 7.8 per cent, but below the 9.1 per cent rate recorded in 2008. China's trade surplus with the USA fell to US\$226.8b, compared with one of US\$268.0b in 2008.

Commodity Prices

Prices for commodities rose during the first half of 2009 after sharp reductions during the latter half of 2008 and were influenced largely by developments in petroleum prices. Prices, however, have generally remained below the high levels experienced during the latter half of 2007 and the first half of 2008. At the end of 2009 petroleum prices were US\$79.40 per barrel, compared with US\$44.60 per barrel at the end of 2008. The World Bank's commodity price indices for energy, grain and timber recorded declines of 43.5 per cent, 36.0 per cent and 20.0 per cent respectively.

Prospects

Growth prospects for the global economy appear to be favourable; however, the expansion will be largely tilted to emerging and developing economies. Much of the advancement in the global performance will be stimulus-induced as the financial system remains fragile, especially in advanced countries. Growth is forecast at 3.9 per cent in 2010, and projected to accelerate further to 4.3 per cent in 2011. The performance will largely reflect developments in emerging countries (6.0 per cent), primarily influenced by increases in value-added in China and India of 10.0 per cent and 7.7



per cent respectively. Advanced economies are projected to grow more slowly by 2.1 per cent in 2010 and to strengthen further by 2.4 per cent in 2011. The outturn will be led by US growth of 2.7 per cent in 2010 and to a lesser extent the euro area (1.0 per cent). Other major economies anticipated to contribute to the global expansion in 2010 include Japan (1.7 per cent), the UK (1.3 per cent) and Canada (2.6 per cent). The global economic outlook

is also expected to be enhanced by the performances of Brazil and Mexico, which are projected to grow by 4.7 per cent and 4.0 per cent respectively, coupled with newly industrialised Asian economies (4.8 per cent) as they benefit from rising exports to China. In spite of a projected increase in commodity prices, which may raise inflationary concerns, excess global capacity coupled with low levels of aggregate demand are likely to contain inflation.

REGIONAL ECONOMIC DEVELOPMENTS

Overview

Data available for six of the seven non-ECCB member countries of the Caribbean Community (CARICOM) indicate that those economies faced severe challenges in 2009, as the global financial and economic crisis intensified. There was a broad-based contraction in output in the economies, with consequent negative impacts on employment, government revenue, international inflows (including tourism receipts, remittances and private capital flows) and on the financial sector. Soft private sector demand for credit resulted in a strong expansion in commercial banking system liquidity. There were some positive developments in respect of prices, as the depressed level of domestic demand and the moderation in international commodity prices resulted in the easing of inflationary pressures.

Output

Preliminary information available on the **Bahamian** economy indicates a decline in economic activity in 2009, due mainly to a downturn in the tourism industry, persistent softness in foreign-investment-led construction activity, and weak private sector demand. The performance of the **Barbados** economy reflected the severe impact of the global financial and economic crisis on the country's major trading partners. The economy contracted by 5.3 per cent, following stagnation in 2008. The downturn in

2009 was led by the slump in the tourism industry, which is estimated to have suffered a decline of 11.0 per cent in stay-over arrivals for the period January to November 2009. Tourism value-added declined by 8.7 per cent, following a decline of 1.2 per cent in 2008. The poor performance of the tourism industry had knock-on effects on other sectors, including manufacturing, non-sugar agriculture and construction. The performance of the construction and mining and quarrying sectors was affected by a slow-down in tourism-related projects and tight credit conditions in international markets that resulted in a halting of several real estate investment projects. The economy of **Belize** contracted in the third quarter of 2009, reflecting in part a decline in activity in the tourism sector. Data available for the first ten months of the year show a 6.5 per cent fall in stay-over arrivals. Real GDP growth in **Guyana** is estimated to have slowed, to 2.3 per cent, relative to growth of 3.1 per cent in 2008. The expansion in the economy was associated with growth of 3.3 per cent in sugar production and a 9.2 per cent increase in rice output. However, the fishing sector recorded a sharp decline of 10.5 per cent. In 2009, the economy of **Trinidad and Tobago** is estimated to have recorded its first annual contraction since 1993. GDP is estimated to have contracted by 3.0 per cent, in contrast to growth of 2.3 per cent in 2008. The decline in economic activity reflected an estimated downturn of 5.9 per cent in the non-energy sector, following growth of 3.5 per cent in 2008. The manufacturing sub-sector led the decline with an



estimated 6.0 per cent contraction. Meanwhile, output in the energy sector is estimated to have expanded marginally by 0.9 per cent, reversing a 0.5 per cent decline recorded in 2008.

Prices and Employment

International commodity prices declined in the latter half of 2008 with pass-through effects to the CARICOM member states in 2009. In the **Bahamas**, inflationary pressures eased, resulting in an inflation rate of 2.1 per cent in 2009, down from 4.5 per cent in 2008. Among the categories for which prices moderated were food and beverages (4.8 per cent), other goods and services (3.5 per cent) and transport and communication (1.8 per cent). In **Barbados**, the 12-month moving average inflation rate slowed to 3.1 per cent in 2009, from 8.6 per cent in 2008. In **Belize**, there was a significant deceleration in the pace of price increases; the inflation rate slowed to -1.1 per cent in 2009, from 6.4 per cent in 2008. The transportation and communication index fell by 5.6 per cent, while the rate of increase in food prices moderated to 1.6 per cent from 13.3 per cent in 2008. In **Guyana**, inflationary pressures eased somewhat in 2009, leading to an inflation rate of 3.6 per cent, compared with a rate of 6.4 per cent in the previous year. Deflation in the food sub-category by 4.3 per cent and in the clothing category by 4.6 per cent contributed to the reduction in the overall inflation rate. The moderation in prices was due, in part, to lower international commodity prices and to the effect of the government's policy decision to lower

the excise tax on two occasions during the year. In **Jamaica**, the annual inflation rate moderated to 10.2 per cent, compared with 16.8 per cent in 2008. The reduction was due in part to the slower rate of increase in the food and non-alcoholic beverages sub-index, which grew by 8.1 per cent, compared with 24.0 per cent in 2008, while the rate for the furnishings sub-index fell to 9.8 per cent from 16.3 per cent in the previous year. In **Trinidad and Tobago**, inflationary pressures subsided. The headline inflation rate was 1.3 per cent on a year-on-year basis to December 2009, compared with a rate of 14.5 per cent in the corresponding period of 2008. The moderation in inflation in 2009 reflected, in large measure, the year-on-year decline in the food sub-index by 0.2 per cent, following a surge of 30.6 per cent in 2008.

The contraction in domestic economic activity resulted in depressed labour markets across the region. The 2009 unemployment rate for the **Bahamas** is estimated at 14.2 per cent, a substantial increase from the 8.7 per cent rate recorded for 2008. In **Barbados**, the unemployment rate is estimated at over 10.0 per cent in 2009, compared with 8.1 per cent in 2008. Unemployment rose mainly in the beleaguered tourism sector and in construction and quarrying. Data available as at September 2009 show that the unemployment rate in **Belize** stood at 12.6 per cent, compared with 8.2 per cent as at May 2008. In **Trinidad and Tobago**, the unemployment rate is estimated to have risen to 5.7 per cent from 4.6 per cent in 2008.



Central Government Fiscal Developments

Data on the fiscal accounts of the central governments in the region show a deterioration across the CARICOM. The fiscal performance in 2009 was mainly characterised by a softening in tax revenue, due to weak economic activity.

In the **Bahamas**, the government's fiscal gap widened by 30.3 per cent to B\$176.2m during the first half of FY2009/2010, relative to the corresponding period of FY2008/2009. The deterioration was due to an increase in aggregate expenditure that outpaced the modest growth in revenue. On the revenue side, the slump in consumer demand reduced tax receipts by 12.2 per cent to B\$499.3m, as collections from international trade transaction taxes and other "miscellaneous" stamp taxes declined by 10.7 per cent and 21.3 per cent, respectively. Meanwhile, total expenditure expanded by 6.4 per cent to B\$805.1m due, in part, to a 36.3 per cent increase in capital outlays to B\$80.4m, mainly for infrastructural projects, and strong growth of 88.9 per cent in assistance to public entities to B\$59.6m. Current expenditure remained relatively stable at B\$665.2m.

The fiscal deficit widened in **Barbados** due to a decline in tax revenue and heavy borrowing by the government, both locally and from Trinidad and Tobago, to finance the widening gap. The deficit widened to BDS\$564.6m in 2009 from BDS\$454.9m in 2008. Revenue from VAT declined sharply by 18.1 per cent in 2009, resulting in a loss

of 5.8 per cent of total revenue. On the expenditure side, government expenditure is estimated to have increased by 3.4 per cent, compared with an increase of 14.1 per cent in 2008. The moderation in government expenditure was attributable to a slowdown in the growth of transfers and subsidies, coupled with a reduction in capital expenditure and interest payments.

In **Belize**, the central government's fiscal operations resulted in an overall deficit (with grants) of BZ\$58.0m for the first eleven months of 2009, a turnaround from the BZ\$36.6m surplus recorded in the corresponding period of 2008. The outturn stemmed mainly from the 13.6 per cent contraction in total revenue and grants that outweighed a 0.9 per cent reduction in total expenditure.

In **Guyana**, the fiscal accounts recorded a 15.0 per cent increase in current revenue to G\$94.9b, on account of improved collections from both tax and non-tax revenue. Total expenditure grew by 11.4 per cent to G\$127.4b, owing mainly to a 30.7 per cent surge in investment expenditure to \$47.0b and a 2.5 per cent increase in current expenditure.

In **Trinidad and Tobago**, the central government experienced a budget deficit of 5.3 per cent of GDP in the fiscal year 2008/2009, reversing the surplus of 7.8 per cent of GDP recorded in the previous year. The performance was due, in part, to a 33.0 per cent reduction in revenue intake, particularly energy revenue.



External Sector Development

Barbados recorded an improvement in the external current account in 2009. The deficit narrowed to 6.9 per cent of GDP in 2009, from 11.9 per cent in 2008, on account of reduced import payments due to lower oil prices. International inflows related to tourism, remittances and private capital flows declined in 2009. In **Belize**, data for the first ten months of 2009 show that total imports were 22.7 per cent below the level in the corresponding period in 2008, when they totalled BZ\$1.4b. In **Guyana**, the external current account deficit narrowed by 31.6 per cent to US\$219.7m, mainly as a result of a reduction in import payments. The largest contributor to the contraction in the total value of imports was imports of fuel and lubricants, which fell by 32.5 per cent on account of price decreases on the international market. Export earnings contracted modestly by 4.2 per cent to US\$768.2m, reflecting external price factors. In **Jamaica**, provisional data available for the first eleven months of 2009 show a reduction of US\$1,945.1m in the current account deficit for the period January to November 2009, relative to the comparable period in 2008. This narrowing of the deficit was due largely to a contraction in the merchandise trade deficit, stemming primarily from a decrease of US\$2,008.3m (61.2 per cent) in the value of mineral fuel imports. The impact of the contraction in imports on the merchandise trade deficit was partly offset by lower earnings from the major traditional exports, particularly alumina, as well as non-traditional exports, mainly ethanol. Based on data available for the first nine months of

2009, **Trinidad and Tobago's** external current account is estimated to have contracted significantly, with deficits in both the second and third quarters. For the period January to September, merchandise imports registered a fall of 37.0 per cent, while merchandise exports recorded a sharp decline of 50.0 per cent, relative to the comparable period in 2008.

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 marginally by 1.4 per cent, compared with 5.3 per cent in 2008. Liquidity conditions improved, consistent with sluggish private sector demand and public sector foreign currency borrowings. The gains in excess reserves of B\$54.8m more than offset the decline of B\$34.4m in 2008. Credit growth plummeted by B\$310.8m to B\$158.0m, reflecting the softness in private sector demand. A government external debt issue and an allocation of US\$178.8m in Special Drawing Rights (SDRs) by the International Monetary Fund (IMF) resulted in an expansion of external reserves by B\$154.7m to \$262.6m in 2009. In **Barbados**, monetary liabilities (M2) grew marginally by 0.8 per cent in 2009 relative to the 2.8 per cent increase in 2008. Domestic deposits at the commercial banks fell marginally, while credit growth was restricted by the economic downturn. However, commercial banking system liquidity continued to increase, rising by 8.9 per cent in 2009, compared with 10.7



per cent in 2009. Net international reserves (NIR) remained buoyed by capital inflows and an allocation of SDRs by the IMF. The NIR increased by BDS\$143.7m in 2009, in contrast to a decrease of BDS\$190.6m in 2008. In **Belize**, M2 increased by 6.4 per cent to BZ\$2093.2m in the period December 2008 to December 2009. In the previous period, monetary liabilities rose by 13.3 per cent. In **Guyana**, credit to the private sector expanded by 5.7 per cent, led by the agriculture sector (29.3 per cent) and real estate and mortgages (24.4 per cent). The growth in private sector credit was supported by interest rate developments during the year. Growth in M2 decelerated to 9.7 per cent in 2009, from 12.7 per cent in the previous year, reflecting the slow-down in the rate of increase in both narrow money and quasi-money. The weighted average time deposit rate rose by 6.0 basis points to 2.59 per cent, while the weighted average lending rate decreased by 17.0 basis points to 12.17 per cent. These developments resulted in a narrowing of the interest rate spread by 23.0 basis points to 9.53 percentage points. The performance on the balance of payments boosted the Bank of Guyana's external reserve position to US\$628.0m as at end 2009, from US\$356.0m as at end 2008. In **Jamaica**, M2 expanded by 6.0 per cent to J\$313,139.5m. Commercial banks' liquid assets ratio remained relatively unchanged at 36.59 per cent in December 2009, compared with 36.96 per cent in December 2008. The Bank of Jamaica's net international reserves contracted to US\$1,729.35m in December 2009, which was 2.5 per cent below the level in December 2008. In **Trinidad and Tobago**, private

sector credit growth was hindered by the uncertainty surrounding economic conditions. As a result, by December credit to the private sector had decreased by 4.0 per cent on a year-on-year basis. The lack of new credit led to banks having significant excess liquidity, which reached TT\$4.0b. Monetary liabilities grew at the robust pace of 26.0 per cent in the twelve months to December 2009, compared with 13.0 per cent in the corresponding period of 2008. Net official reserves contracted by US\$713.0m, despite the addition of US\$441.0m through the IMF's allocation of SDRs.

Outlook

The economic outlook for 2010 is clouded by uncertainty as concerns remain about the sustainability of the nascent recovery underway in the developed economies. In the **Bahamas**, despite some evidence of stabilization, the tourism industry is expected to continue performing below pre-crisis levels well into 2010. Activity in the construction sector is projected to be constrained by continuing tight credit conditions in foreign markets. These projections are expected to constrain growth, keep employment levels depressed, result in fiscal challenges and maintain liquidity at elevated levels. The prospects for **Barbados** suggest a marginal decline in output as tourism is projected to record a small contraction, with recovery beginning in 2011. The external current account deficit is projected to widen slightly due to an anticipated increase in imports, as international commodity prices and interest costs on external debt rise. Inflows for



project funding are projected to pick up but not enough to offset outflows, resulting in a projected decline for the NIR. The **Guyanese** economy is projected to grow by 4.4 per cent in 2010, with the non-sugar economy expected to expand by 3.4 per cent. The inflation rate is targeted at 4.0 per cent as continued recovery in commodity prices is anticipated. The projected firming in international prices is also projected to result in higher import payments, which would contribute to a widening of the external current account deficit to US\$263.8m. Export receipts are forecast at US\$776.5m, based on projected growth in the sugar and bauxite sectors. The performance of the fiscal accounts of the central government is projected to result in a smaller deficit of G\$14.9b. In **Jamaica**, real output is expected to

fall by 3.5 per cent in FY 2009/2010. In FY 2009/2010, the overall public sector deficit and the external current account deficit are projected to be 12.75 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 2010. The economy of **Trinidad and Tobago** is expected to emerge from the downturn in 2010; growth of 2.0 per cent is projected for the year. Given the expected improvement in domestic demand and an anticipated increase in international commodity prices, inflationary pressures are projected to rise. However, the performance of the labour market is expected to lag behind. A budget deficit comparable to the outturn for 2008/2009 is projected for fiscal year 2009/2010.



DOMESTIC ECONOMIC DEVELOPMENTS

Overview

The Eastern Caribbean Currency Union (ECCU) entered a recession in 2009, as the second round effects of the global economic and financial crisis intensified. Provisional estimates by the ECCB indicate that real GDP for the currency union fell by 7.3 per cent in contrast to an increase of 1.9 per cent in 2008. The contraction, the largest since the GDP data series was developed, was influenced by declining tourist arrivals and foreign direct investment flows as well as weak external demand for manufactured goods. Consequently, output decreased in the construction, hotels and restaurants, manufacturing, transportation, and wholesale and retail trade sectors. Economic activity contracted in all the member countries of the ECCU, except Montserrat, where output increased at a slower pace. Changes in real GDP ranged from negative 26.0 per cent in Anguilla to 1.0 per cent in Montserrat. Following on from developments in 2008, inflationary pressures continued to ease during 2009, largely attributable to a decrease in international oil and food prices, on average, during 2009 relative to that in 2008. Consumer prices fell by 0.6 per cent, in contrast to an increase of 3.9 per cent during 2008.

The combined overall deficit on the fiscal operations of member governments increased, largely as a result of a decline in revenue. The outstanding public sector debt expanded during 2009, marked by

growth in external borrowing. In the banking sector, monetary liabilities and domestic credit increased, albeit at slower rates, while net foreign assets contracted. Liquidity in the commercial banking system tightened, as growth in credit outpaced that of deposits. The spread between commercial banks weighted average lending and deposit interest rates increased to 6.26 percentage points. On the external accounts, an overall surplus was recorded, in contrast to a deficit in 2008, attributable to a decrease in the current account deficit.

Real GDP in the ECCU is projected to contract in 2010, as the tourism-dependent region continues to feel the impact of declining tourist arrivals and reduced access to financing. The economies of the major trading partners appear to be on a path to recovery, albeit sluggish and uneven, however downside risks remain for the ECCU. High unemployment, larger public debt and slow economic growth in the global arena, are likely to impede revenue growth, dampen investment and retard economic prospects in the ECCU. The protracted negative impact of external shocks on the economies of the Eastern Caribbean Currency Union (ECCU) has prompted member governments to articulate a set of consistent policies and approaches, which are presented in the form of a comprehensive plan of action, the ECCU Eight Point Stabilisation and Growth Programme. The elements of this strategic approach include (i) Suitably adapted Financial Programmes for each country; (ii) Fiscal



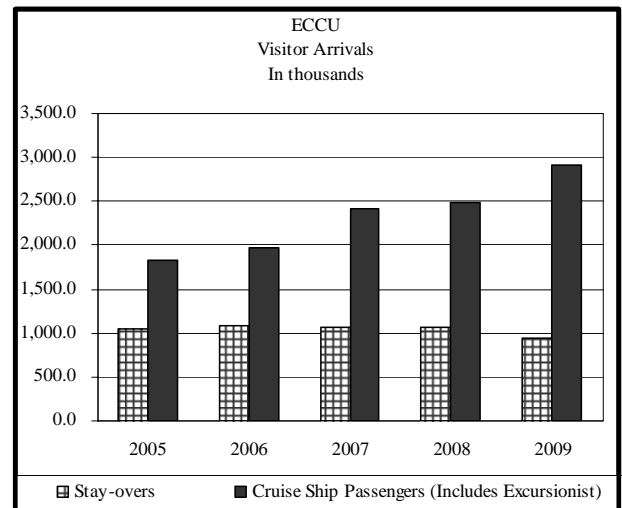
Reform Programmes; (iii) Debt Management Programmes; (iv) Public Sector Investment Programmes; (v) Social Safety Net Programmes; (vi) Financial Safety Net Programmes; (vii) Amalgamation of the Indigenous Commercial Banks; and (viii) Rationalisation, Development and Regulation of the Insurance Sector.

Output

Construction activity is estimated to have contracted in 2009, constrained by access to financing, precipitated by the downturn in global markets. Value added in the construction sector is estimated to have decreased by 28.7 per cent in contrast to the 1.7 per cent rate of growth realised in 2008. Consequently, the sector's share of GDP fell to 10.1 per cent from 13.2 per cent in 2008.

On an individual country basis, the largest decline was recorded in Anguilla, where value added fell by 60.0 per cent in contrast to growth of 17.4 per cent in 2008. This outcome was attributed to reduced access to financing for projects in both the public and private sector. As a result, public sector investment fell and work on some major private sector tourism-related projects halted. In Antigua and Barbuda, Dominica, St Kitts and Nevis and St Vincent and the Grenadines, construction activity also decreased following growth in 2008, while for Grenada and Saint Lucia activity contracted at a faster rate when compared with that in 2008. In Montserrat, value added in construction activity was estimated to have increased. In the ECCU, private

sector construction, which focused on tourism-related projects and residential properties, fell in 2009, as a result of declining foreign direct investment inflows.



Tourism activity continued its downward trend in 2009. Value added in the hotels and restaurants sector, an indicator of tourism activity, is estimated to have decreased by 12.9 per cent in 2009, following a revised 1.1 per cent contraction in 2008. As a share of GDP, the hotels and restaurants sector decreased to 8.1 per cent from 8.6 per cent in the previous year. The outcome in 2009 was associated with an 11.9 per cent decline to 935,669 in stay-over arrivals, attributable to the continued impact of a fall in disposable incomes and a decrease in travel from major source markets due to the impact of the global economic and financial crisis. Elevated airfares and reduced airlift also contributed to the fall in stay-over arrivals. The number of stay-over visitors from the USA and the UK fell by 13.0 per cent and 17.3 per cent respectively, compared with declines of 0.7

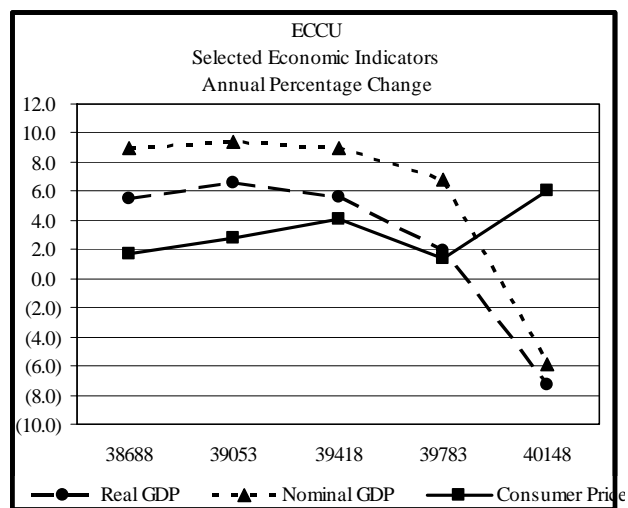


per cent and 2.4 per cent respectively in 2008. Arrivals from the Caribbean and Canada fell by 10.1 per cent and 1.1 per cent respectively, following increases of 0.5 per cent and 21.8 per cent respectively in 2008.

Of the other categories of visitors, growth in cruise passenger arrivals accelerated to 18.1 per cent from 4.6 per cent in 2008, as the number of cruise ship calls rose by 16.5 per cent in sharp contrast to a decline of 15.3 per cent in 2008. Yacht passenger arrivals rose by 4.2 per cent in contrast to a decline of 1.7 per cent in 2008, while the number of excursionists fell by 18.7 per cent compared with a decrease of 25.1 per cent in 2008. Overall, total visitor arrivals to the ECCU expanded by 8.1 per cent to roughly 4.0 million, following a 2.0 per cent increase in 2008.

In the manufacturing sector, activity declined by 9.3 per cent, following a contraction of 4.6 per cent in 2008, mainly attributable to weak external demand. Manufacturing output fell substantially in St Kitts and Nevis (17.0 per cent), reflecting a decrease in output of electronic components. Output fell in Dominica (9.7 per cent), associated with lower production of the main products, beverages and soap. In Grenada manufacturing activity fell by 6.5 per cent, largely as a result of a decrease in output of flour, rum and stout, while in St Vincent and the Grenadines, output fell by 6.0 per cent on account of a decrease in demand for beer, rice and animal feed.

Agricultural activity increased in 2009, with value added in that sector rising by 2.8 per cent following an expansion of 6.9 per cent in 2008. Despite the deceleration in growth, activity was buoyed by crop production and fishing. The expansion in crop production was associated with increased output of non-banana crops in Dominica, Grenada and St Vincent and the Grenadines. Banana output declined in Dominica, Grenada, Saint Lucia and St Vincent and the Grenadines; consequently total production fell by 17.0 per cent to 48,381 tonnes. Grenada and St Vincent and the Grenadines were the main contributors to the increase in the fisheries sub-sector.



Among the other sectors, value added in both the transportation and the wholesale and retail trade sectors fell by 7.4 per cent and 12.0 per cent, respectively following increases of 0.2 per cent and 1.0 per cent in 2008. This outcome was consistent with the contraction in construction and tourism activity. As a share of GDP, transportation contributed 11.5 per cent, while wholesale and retail



trade accounted for 10.8 per cent of the total. A decrease was also recorded in communications (1.6 per cent), while government services rose at a reduced rate of 1.4 per cent compared with 4.2 per cent in 2008.

Prices, Wages and Employment

The consumer price index (CPI) fell by 0.6 per cent, in contrast to an expansion of 3.9 per cent in 2008, on an end-of-period basis. This outturn was largely attributed to a decrease in international oil and food prices. The food sub-index, the largest weighted, declined by 0.2 per cent, following a 7.7 per cent increase in 2008. The fuel and light sub-index fell by 2.7 per cent, compared with 4.4 per cent in 2008, attributable to the decrease in international fuel prices during 2009. Prices in the clothing and footwear sub-index declined by 1.9 per cent on average, while the sub-index housing and utilities fell by 2.5 per cent. On an individual country basis, the consumer price index fell in 2009 for Anguilla, Grenada and St Vincent and the Grenadines, while in Montserrat, St Kitts and Nevis and Saint Lucia inflation rates were lower than in the previous year. Inflation rates increased in Antigua and Barbuda and Dominica in 2009. The variation in the consumer price index ranged from a decrease in prices of 2.4 per cent in Grenada to an increase of 2.5 per cent in Montserrat.

Official data on wage movements within the ECCU member countries indicate that there were increases in public sector wages and salaries in Dominica, St

Kitts and Nevis, Saint Lucia and St Vincent and the Grenadines. Increases in civil servants' wages and salaries were observed in Dominica (2.0 per cent), Saint Lucia (4.125 per cent) and St Vincent and the Grenadines (3.0 per cent). In Grenada only police officers received a 2.0 per cent increase, based on a pre-existing contract, while in St Kitts and Nevis, a bonus salary paid in December 2009 accounted for the increase in civil servants' wages and salaries. Complete data on private sector wages are unavailable. Anecdotal information suggests that wages fell for some persons in the hospitality, manufacturing and construction sectors as the impact of the global economic and financial crisis intensified and businesses reduced their workweek.

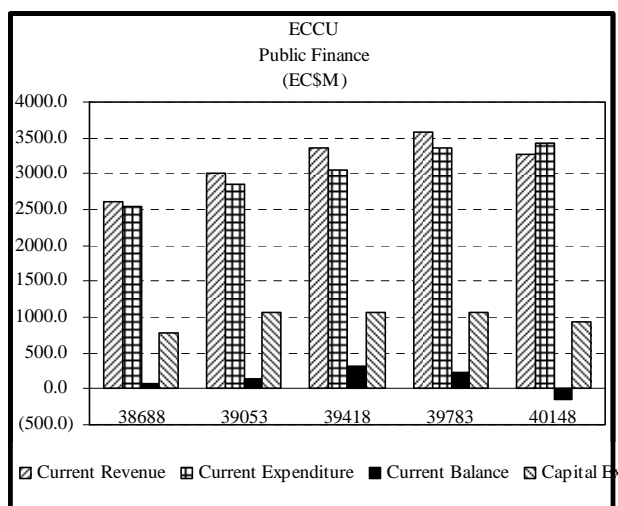
Official data on employment in the ECCU are unavailable. However, the level of employment is estimated to have fallen in 2009, particularly in the tourism industry and construction and manufacturing sectors. This evaluation is based on reports of lay-offs at some hotels and the contraction in construction and manufacturing activity, associated with the downturn in the global economy.

Central Government Fiscal Operations

Provisional data on the fiscal operations of the central governments reveal that the overall deficit increased by 76.0 per cent to \$734.4m. As a percentage of GDP, the deficit rose to 6.2 per cent from 3.2 per cent in 2008. The larger deficit was mainly as a result of a substantial fall in current revenue. The primary deficit (that is, the difference



between revenue and expenditure excluding interest payments), increased to \$630.1m from a deficit of \$330.5m in 2008. Among the member states, larger overall deficits were observed for Anguilla, Antigua and Barbuda and St. Vincent and the Grenadines; in Saint Lucia a deficit was generated in contrast to a surplus in 2008; in Dominica and Grenada a smaller deficit was realized, while in Montserrat and St Kitts and Nevis the deficit shifted to a surplus.



The central governments generated a current account deficit of \$153.1m (1.3 per cent of GDP), in contrast to a revised surplus of \$218.3m (1.7 per cent of GDP) in 2008. This outcome resulted from a sharp decline in revenue. Current revenue fell by 8.7 per cent to \$3,275.2m, in contrast to growth of 6.7 per cent in 2008 and reflected the contraction in economic activity as the global economic and financial crisis intensified. Collections from tax revenue fell by 8.2 per cent (\$264.7m) in contrast to an expansion of 6.0 per cent in 2008. Receipts from taxes on domestic goods and services decreased by 13.1 per cent, largely attributable to reduced

collections from the stamp duty in Anguilla, sales tax in Antigua and Barbuda and accommodation tax in St Kitts and Nevis. Collections from taxes on international trade and transactions also contracted (8.0 per cent), largely as a result of decreased yield from import duties and customs service charges, as the value of imports fell and economic activity declined. Non-tax revenue fell by 12.6 per cent (\$46.5m).

Current expenditure rose by 1.8 per cent to \$3,428.4m, compared with growth of 10.3 per cent in 2008. With the exception of spending on goods and services, outlays rose in all categories of expenditure. Outlays on transfers and subsidies increased by 11.3 per cent (\$77.8m), attributable in part to an expansion of social safety net programmes to cushion the impact of the global financial and economic crisis and larger transfers to public entities. Expenditure on personal emoluments rose by 2.3 per cent (\$32.8m), mainly reflecting salary increases to civil servants. Interest payments expanded by 2.5 per cent (\$10.5m) as a result of larger domestic obligations. Payments for goods and services fell by 7.6 per cent (\$60.8m), in contrast to growth of 15.0 per cent in 2008, partly attributable to cost cutting and savings measures introduced in 2009 as member governments attempted to control expenditure in response to a fall in revenue. Grant receipts (both current and capital) decreased by 2.1 per cent to \$334.6m (2.8 per cent of GDP), reflecting lower inflows to Anguilla, Antigua and Barbuda, Dominica and Grenada.



Capital expenditure fell by 11.2 per cent to \$944.4m (7.9 per cent of GDP), reflecting a contraction in public sector construction activity. The largest contraction in capital expenditure in 2009 was recorded in Grenada.

Public Sector Debt

The total stock of outstanding public sector debt of the ECCU member countries stood at \$11,411.7m at the end of 2009, compared with \$11,304.4m at the end of 2008. As a percentage of GDP, the debt rose to 95.9 per cent from 88.4 per cent in the previous year. The larger stock of debt was mainly attributed to growth of 4.3 per cent to \$2,212.1m in the debt of public corporations, which was mainly external. Central government debt rose by 0.2 per cent to \$9,199.5m, influenced by an expansion in external debt, while domestic debt fell by 2.1 per cent (\$93.4m). The decrease in domestic debt was largely associated with the restructuring of some commercial bank debt in one of the member countries. Debt service payments by central government fell by 9.5 per cent to \$992.3m compared with the total in 2008. Total external debt, which accounted for 50.5 per cent of the outstanding stock of public sector debt, rose by 2.8 per cent (\$156.5m), while total domestic debt fell by 0.9 per cent (\$49.2m).

Monetary and Financial Developments

Money and Credit

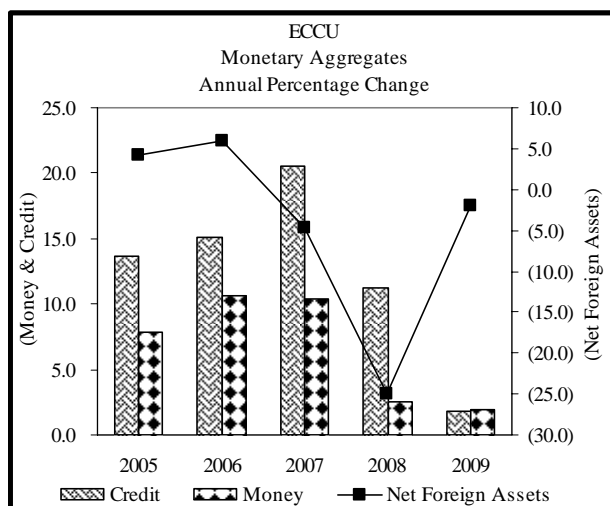
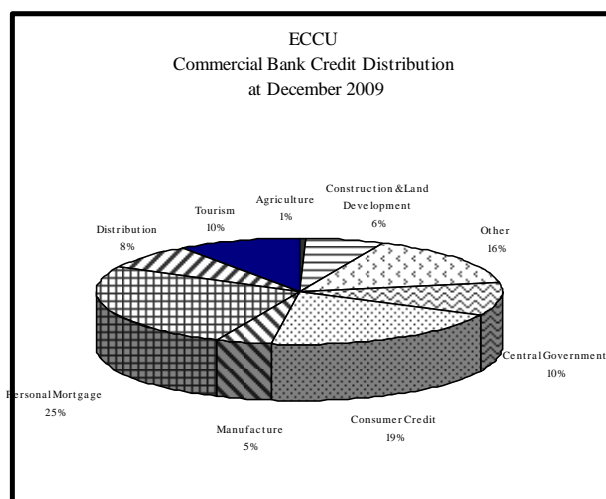
Monetary liabilities (M2) stood at \$12,313.6m, an increase of 1.9 per cent compared with the stock at the end of 2008. This outturn, however, was a slower rate of growth relative to the expansion of 2.6 per cent recorded during 2008, mainly as a result of the deceleration in economic activity. Of the main components of M2, quasi money rose by 4.4 per cent, compared with growth of 3.6 per cent in 2008, attributable to expansions in private sector savings, time and foreign currency deposits. M1 (comprising currency with the public and private sector demand deposits) declined by 7.0 per cent, compared with a decrease of 0.8 per cent in 2008. The contraction during 2009 mainly reflected a reduction in private sector demand deposits.

Domestic credit rose by 4.6 per cent, a marked deceleration from the 11.2 per cent growth recorded in 2008, reflecting a slower rate of increase in credit to the private sector. Outstanding loans to the private sector grew by 2.3 per cent, compared with an expansion of 9.9 per cent in 2008. In the private sector, outstanding loans to households and businesses increased by 1.9 per cent and 4.0 per cent respectively, compared with growth rates of 10.1 per cent and 11.5 per cent respectively, during 2008.



The deceleration in the rate of growth in credit to businesses was associated with stricter terms and conditions for lending by commercial banks, in the wake of the global financial crisis. The terms and conditions of lending tightened during 2009, as corroborated by the credit market conditions survey. The results of the survey, which covered January to June 2009 and expectations for the second half of 2009, 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 expansion in private sector credit slowed in all member countries, except Montserrat, where the rate increased, and Antigua and Barbuda where a contraction in the rate was observed.

deficits. In the rest of the public sector, the net deposits of non-financial public enterprises fell by 5.6 per cent, as enterprises increased their borrowing and reduced their deposits to meet financing requirements.



The distribution of commercial bank credit by economic activity shows growth of 1.3 per cent (\$77.8m) in credit for personal use, largely for the acquisition of property; a marked reduction compared with the expansion of 8.0 per cent recorded in 2008. Credit for construction and distributive trades decelerated, growing by 13.9 per cent and 5.6 per cent compared with 27.5 per cent and 12.6 per cent during 2008. Credit for tourism fell by 2.5 per cent following a 10.9 per cent expansion during 2008.

The central governments' net indebtedness to the banking system grew by 22.2 per cent to \$1,273.3m, as governments' accessed credit from the commercial banks to help finance their overall fiscal

The net foreign assets of the banking system fell by 16.9 per cent to \$1,887.6m, compared with the 25.1 per cent rate of decline recorded in 2008. This outcome was mainly influenced by commercial bank transactions. Commercial banks moved to a net



liabilities position of \$269.4m from a net assets position of \$232.0m at the end of December 2008, as growth in foreign liabilities outpaced that of foreign assets. The net foreign assets of the central bank rose by 5.8 per cent to \$2,157.0m, in contrast to a 0.8 per cent decrease during 2008.

Liquidity in the commercial banking system tightened during 2009. The ratio of liquid assets to total deposits plus liquid liabilities fell by 0.3 percentage point to 29.6 per cent compared with that at the end of 2008. The ratio of loans and advances to deposits rose by 0.2 percentage point to 90.7 per cent, as growth in loans and advances outpaced that of deposits.

The weighted average lending rate rose by 1 basis point to 9.49 per cent at the end of 2009, while the weighted average interest rate on deposits fell by 9 basis points to 3.23 per cent. Consequently, the weighted average interest rate spread increased to 6.26 percentage points from 6.16 percentage points at the end of December 2008.

Developments on the RGSM

Activity on the Regional Government Securities Market (RGSM) rose during 2009 relative to the outturn in 2008, marked by increases in both the volume and value of issues largely as a result of the strong performances in the first three quarters of 2009. The number of auctions rose to 42 from 36 in 2008, while the total value of issues increased by 7.2 per cent to \$739.9m. Despite the expansion in

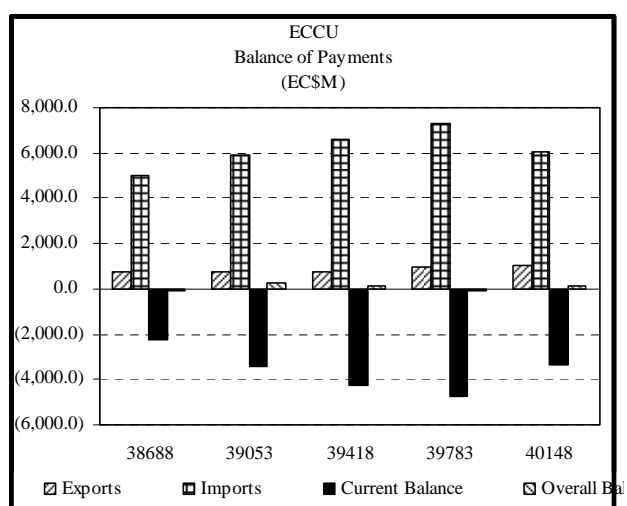
activity on the RGSM, eight issues were undersubscribed, attributable in part to weak investor demand for government securities. By comparison, in 2008 there were only two undersubscribed issues. Reflecting the weak investor demand, total annual subscriptions in the primary market were valued at \$910.2m, a decline of 16.9 per cent on the total recorded in 2008. The governments of Saint Lucia and Antigua and Barbuda increased their auctions by 4 and 1 respectively, while those of St Vincent and the Grenadines, and Grenada both reduced their issues by 1. Treasury bills remained the dominant product on the RGSM in 2009, accounting for 85.7 per cent of instruments issued, compared with 91.7 per cent during 2008. The market realised an increase in the supply of long-term securities, which rose to 6 from 3 in 2008, as member governments sought to optimize their redemption profiles and finance their fiscal operations. Trading activity on the secondary market for government securities fell by 49.8 per cent to \$16.2m during 2009.

The average weighted yield on 91-day Treasury bills rose by 9 basis points to 5.80 per cent at the end of 2009, compared with the yield at the end of 2008. The average weighted yield on the 180-day Treasury bill fell by 26 basis points to 5.20 per cent, while that on the 365-day Treasury bill rose by 76 basis points to 6.22 per cent. The average weighted yield on the 5-year bond increased by 5 basis points to 7.00 per cent.



Balance of Payments

Provisional data show that the overall balance of payments position of the ECCU improved in 2009. The overall balance shifted to a surplus of \$157.5m (1.3 per cent of GDP) from a deficit of \$53.3m (0.4 per cent of GDP) in 2008. This performance stemmed from a reduction in the current account deficit.



The current account deficit decreased to \$3,360.8m (28.2 per cent of GDP) from \$4,712.8m (36.9 per cent of GDP) in 2008, reflecting a decline in the merchandise trade deficit. Payments for merchandise imports (f.o.b.) fell by 17.2 per cent to \$5,114.3m, attributable to the impact of decreases in international commodity prices, particularly oil. The contraction in economic activity also contributed to a lower import bill in 2009. The value of exports is estimated to have increased mainly on account of growth in re-exports. Net inflows from services fell by 1.7 per cent, largely attributable to a decrease in net travel receipts, the largest category on the

services account. Net travel receipts declined by 10.0 per cent to \$2,338.0m, in line with the fall in visitor arrivals, and discounting by some hotels in an effort to maintain competitiveness. Current transfers to central government rose by 1.9 per cent (\$8.3m).

The surplus on the capital and financial account fell by 24.5 per cent to \$3,518.3m, mainly attributable to reduced inflows of foreign direct investment (FDI). The fall in FDI inflows was indicative of the dampening effect of the global crisis and its impact on direct investment-related construction activity in some member countries. In the rest of the capital and financial account, commercial bank transactions resulted in a net inflow of \$163.4m compared with one of \$1,046.1m in 2008. Although banks continued to draw down on their assets abroad to finance domestic credit, the lower level of inflows in 2009 mirrored the reduced domestic demand for credit.

Prospects

Economic activity in the ECCU is projected to contract in 2010, as member countries continue to feel the effects of the sharp down-turn in construction and tourism recorded in 2009. Preliminary reports indicate that the global economy has begun to emerge from the recession; however, given the small size, openness and structural fragilities of ECCU member countries, it is unlikely that the ECCU will be able to pull out of their recession in the near term.



The construction sector is projected to contract in 2010, although the rate of decline is expected to slow relative to that of 2009. Finance flows to the region are projected to be low in 2010, as major trading partners rebalance their economies, including reassessing the impact of the various fiscal stimuli implemented in 2009, and addressing the high unemployment situation. Consequently FDI inflows are likely to be weak thereby curtailing private sector construction. In the absence of targeted policy action to access grant financing, public sector construction is likely to decline. The performance of the tourism industry is projected to remain dampened by international developments. The industry is likely to continue to be affected by reduced demand for travel given increased financial constraints, including job losses and wealth reduction. The implementation of a collective and decisive policy response will be critical in staving off even more negative outcomes.

In the wake of significant easing in 2009, inflation is projected to increase in 2010 as international commodity prices rise. The expected expansion in prices is based on the recovery in major trading partners.

On the fiscal accounts, revenue is projected to decline, in line with the contraction in economic activity. Expenditure is also likely to decrease as a result of financing constraints; however the fall in revenue is likely to outpace that of expenditure. An increase in the overall deficit is therefore projected. It is likely that member governments will implement

fiscal measures to militate against the deteriorating fiscal position. Such efforts include fiscal and debt consolidation and tax reforms in keeping with the Eight Point Stabilisation and Growth Programme.

On the external accounts, the overall surplus recorded in 2009 is projected to decrease as outflows associated with import payments increase and export earnings decrease due to weak external demand. The surplus on the capital and financial account is likely to decrease as inflows of foreign direct investment and remittances are projected to fall, albeit at a slower rate relative to that in 2009. The slowing of capital inflows, however, is likely to place increased pressure on international reserves.

Consistent with developments in 2009, monetary liabilities and net foreign assets are projected to contract in 2010, based on the lower level of economic activity and reduced FDI inflows. Financial stability issues are projected to increase, as commercial banks' operations are likely to be constrained by access to resources to fund credit demand. Liquidity is therefore projected to tighten.

The global recovery is likely to be a slow process, as economies adjust to wealth destruction and decreases in production and trade. Downside risks to the economic prospects in the ECCU are therefore significant. The discontinuation of the policy support provided in 2009 in some of the major economies may have a negative feedback on economic activity and on monetary and credit conditions in the ECCU. In an effort to respond to



the negative impact of the global crisis, the OECS Heads of Government and the ECCU Monetary Council have endorsed the ECCU Eight Point Stabilisation and Growth programme. This programme is intended to provide a collaborative response to reform the economic and financial

framework, stabilise the economies and provide the foundation for sustainable growth. The implementation of the ECCU Eight Point Stabilisation and Growth programme is therefore critical to fostering currency stability and economic recovery..



ANGUILLA

Overview

The pace of economic activity in Anguilla contracted considerably in 2009 relative to 2008, in the wake of the global economic and financial crisis. Provisional estimates indicate that real GDP fell by 26.0 per cent in contrast to growth of 4.5 per cent in 2008. The decline in economic activity was reflected across all sectors of the economy but more so in the construction and hotels and restaurant sectors. Consumer prices decreased by 1.3 per cent during 2009. The central government's fiscal position deteriorated due to a significant decline in revenue. The total outstanding public sector debt increased, in congruence with the deterioration in the fiscal position of the government. In the banking system, monetary liabilities contracted, influenced by decreases in deposits, while domestic credit expanded. Commercial bank liquidity eased and the weighted average interest rate spread between loans and deposits widened. In the external sector the overall deficit decreased due to a smaller current account deficit.

In spite of a projected improvement in the global economy, the Anguillian economy is not expected to exit the recession in 2010. Both tourism and construction activity are likely to remain depressed as unemployment, credit conditions and consumer spending remain weak in advanced economies. Without significant adjustment the fiscal position of the central government is likely to deteriorate in

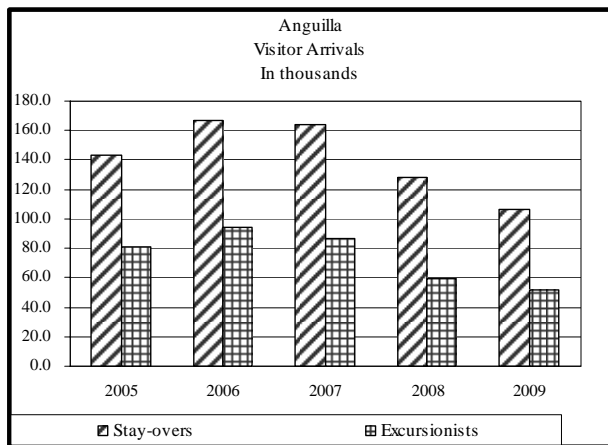
2010 given the projections for revenue and expenditure.

Output

Activity in the construction sector continued on its downward trend driven by significant reductions in the pace of implementation in both the private and public sectors. Provisional data indicate that value added in the construction sector declined by 60.0 per cent, in sharp contrast to growth of 17.4 per cent in 2008. Consequently, the share of the construction sector in GDP fell to 13.6 per cent from 25.6 per cent in 2008. In the private sector, work focused on the completion of a major hotel, the Viceroy Resort, which opened in November 2009, as well as minor refurbishment on two other hotels, the Cap Juluca and Malliouhana Hotel. There was also a significant slow down in private residential construction, based on commercial bank data which show a deceleration in credit for construction purposes to 15.2 per cent compared to growth of 47.3 per cent in 2008. In addition, credit for home construction and renovation contracted by 3.4 per cent in contrast to growth of 19.9 per cent in 2008. Public sector construction contracted, as evidenced by a decline in capital expenditure to \$10.6m from \$36.9m in 2008. The decrease was largely attributed to reduced access to financing. Reflecting the decline in overall construction activity were decreases in the volume of cement (45.3 per cent) and other construction related materials (65.5 per cent) imported.

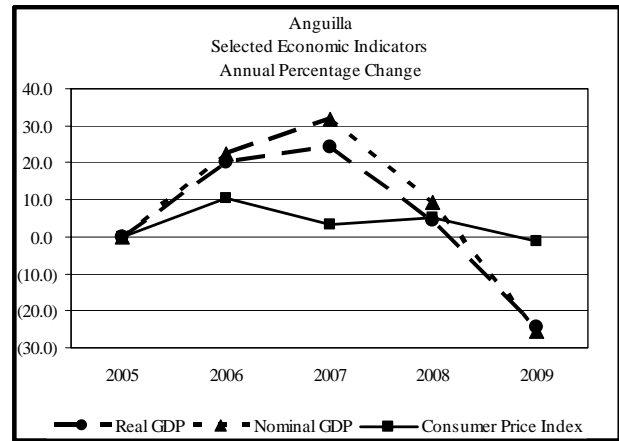


Amidst the economic and financial woes in advanced economies, value added in the hotels and restaurants sector, a proxy for activity in the tourism industry, is estimated to have declined by 15.0 per cent compared with a decrease of 12.1 per cent in 2008. The contraction in the value added was as a result of a decline in stay-over visitor arrivals and increases in discounting by hoteliers in order to attract visitors. Preliminary estimates indicate that the number of stay-over visitors decreased by 19.4 per cent to 55,046, the second consecutive year of decline. Of the major markets, arrivals from the USA, the largest source, decreased by 20.9 per cent to 31,780, while those from the Caribbean, the second largest source, fell by 4.7 per cent to 12,354. The number of excursionists declined by 31.1 per cent to 51,759 compared with a decline of 13.4 per cent recorded in 2008.



The decline in the economy’s two major sectors contributed to decreases in ancillary services including wholesale and retail (35.0 per cent) and transportation (39.1 per cent). Growth in the banking

and insurance sector decelerated to 1.0 per cent from 16.5 per cent in 2008.



Prices, Wages and Employment

Inflationary pressures eased during 2009 influenced by a decrease in prices of international oil and other commodities. The consumer price index (CPI) decreased by 1.3 per cent (on an end-of-period basis), in contrast to an increase of 5.8 per cent at the end of 2008. Declines were recorded in the sub-indices transportation and communication (7.2 per cent) and fuel and light (17.1 per cent), consistent with the decrease in international oil prices. The food sub-index, the largest weighted component in the CPI basket increased by 2.0 per cent compared with growth of 15.1 per cent in 2008.

There was a reduction in public sector wages in 2009 as the government repealed some of the wage increases granted in 2008 to help ameliorate the fiscal position of the government. Official data on private sector wages are not available; however,



anecdotal information suggests that wage pressures moderated due to a fall in economic activity.

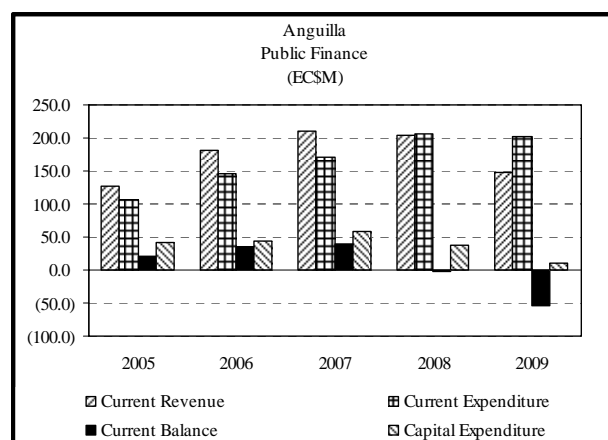
Commensurate with the decline in economic activity was an increase in the unemployment rate. Information obtained from the social security board indicates that the number of registered employees declined by 1,900 persons, attributable to a decrease in imported labour for major construction projects.

Central Government Fiscal Operations

The fiscal operations of the central government deteriorated in 2009 leading to a widening of the overall deficit to \$64.2m (11.5 per cent of GDP) from \$20.3m (2.6 per cent of GDP) at the end of 2008. Movements on the current account were largely responsible for the outturn in the overall position. A primary deficit of \$56.4m (10.0 per cent of GDP) was recorded, compared with one of \$12.3m (1.6 per cent of GDP) in 2008.

The current account deficit increased to \$54.1m (9.6 per cent of GDP) from \$2.4m (0.3 per cent of GDP) at the end of 2008. The deterioration on the current account was as a result of a 27.4 per cent reduction in the collection of current revenue, reflecting the impact of the fall in economic activity. The decrease in current revenue was marked by reductions in all categories of revenue. Tax revenue decreased by 28.1 per cent to \$111.8m as the yield from both taxes on domestic goods and services and international trade and transactions contracted. Receipts from taxes on domestic goods and services

declined by 27.4 per cent (\$16.9m), largely attributable to a 54.2 per cent (\$12.4m) contraction in stamp duty, as the pace of property sales declined. The yield from the hotel and guest tax fell by 26.6 per cent (\$3.9m), reflecting the decline in stay-over visitor arrivals, particularly those staying in hotels and other paid accommodation. Earnings from taxes on international trade and transactions declined by 29.7 per cent (\$27.7m), due to reduced collections from import duties (\$22.6m). Non-tax revenue fell by 25.2 per cent (\$12.4m), mainly attributable to reduced collections from work permits as the population of migrant workers decreased due to the completion of major construction projects.



Given the economic and financial conditions which prevailed in 2009, the government implemented a number of measures to curtail expenditure. Consequently, current expenditure fell by 2.1 per cent to \$202.4m, in contrast to growth of 21.4 per cent in 2008. The decline in current expenditure was attributed to a decrease of 19.1 per cent (\$11.1m) in spending on goods and services. By contrast, outlays for personal emoluments increased by



8.2 per cent to \$90.7m, compared with growth of 22.4 per cent in 2008. The increase was attributed to new hires in the public service. Interest payments increased by 3.2 per cent (\$0.3m), attributable to a rise in external interest payments.

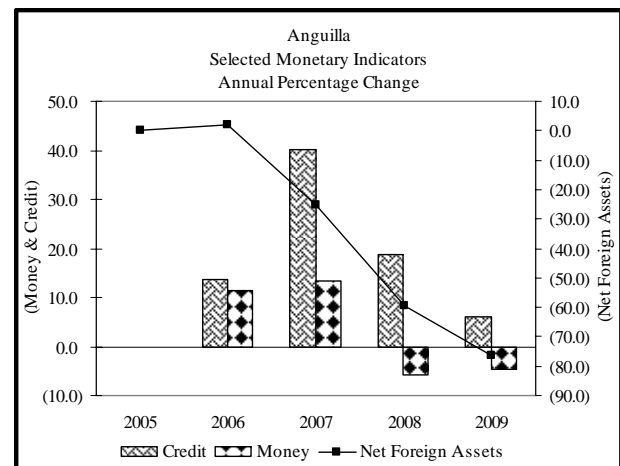
Public Sector Debt

The total disbursed outstanding debt of the public sector was estimated at \$191.5m at the end of 2009, representing an increase of 12.1 per cent on the total at the end of 2008. As a percentage of GDP, the outstanding debt rose to 34.0 per cent from 21.8 per cent at the end of 2008. The increase in the stock of public debt was driven by an expansion in central government debt, which rose by 15.1 per cent to \$172.3m. The increase in the central government debt stock was largely attributed to a rise of 16.8 per cent (\$20.0m) in domestic debt, mirroring the deterioration in the fiscal operations. Estimates of the outstanding debt of public corporations indicate a 9.2 per cent decrease to \$19.3m.

Money and Credit

Monetary liabilities (M2) contracted by 4.8 per cent following a 5.6 per cent decline in 2008. The contraction in monetary aggregates was broad based, as evidenced by a decrease in both narrow money (M1) and quasi money. M1 declined by 8.5 per cent compared with a decrease of 4.2 per cent in 2008. The drop in M1 was mainly attributed to a decrease of 14.7 per cent in private sector demand deposits. Quasi money decreased by 4.6 per cent during 2009

following a 5.7 per cent decline during 2008. The fall in quasi money during the period under review was largely the result of a 9.2 per cent decline in private sector foreign currency deposits, as foreign direct investment contracted.



The pace of domestic credit expansion decelerated to 5.9 per cent from an expansion of 18.8 per cent recorded in 2008, as banks tightened their lending terms and conditions. Outstanding loans to the private sector increased by 3.1 per cent (\$9.4m) compared with a 17.3 per cent expansion in 2008. The slowdown in domestic credit expansion to the private sector largely reflected decreases in credit to households and non-bank financial institutions, while outstanding loans to subsidiaries and affiliates rose. Growth in credit to the central government accelerated in 2009, with its net indebtedness to the banking system growing by 80.3 per cent to \$129.3m, as government attempted to finance the overall fiscal deficit.



The distribution of commercial bank credit by economic activity indicates that the bulk of the increase in credit was for tourism and personal use. Outstanding loans for tourism rose by 48.6 per cent (\$92.3m). Lending for personal use increased by 11.4 per cent, considerably less than the 37.7 per cent growth in 2008, mirroring the economic contraction.

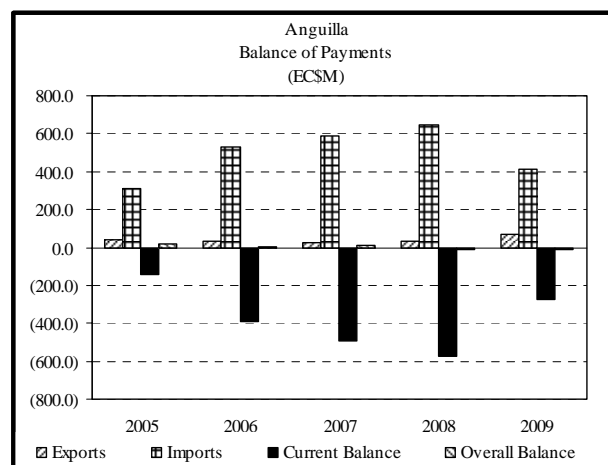
The net foreign assets of the banking system decreased by 76.6 per cent to \$37.5m during 2009, following a 59.6 per cent decline during the previous year. The decline was mainly attributed to developments in the commercial banking system. Commercial bank external transactions resulted in a shift to a net liabilities position of \$63.6m at the end of 2009 from net assets of \$49.4m at the end of December 2008. This development largely reflected a drawdown of their assets and growth in liabilities abroad and in other ECCB territories, as banks decreased their overseas investments to fund their domestic activities. Anguilla's imputed share of the reserves held at the Central Bank decreased by 8.6 per cent (\$9.6m).

Liquidity in the commercial banking system tightened relative to 2008. The ratio of liquid assets to total deposits plus liquid liabilities fell by 2.2 percentage points to 28.3 per cent at the end of 2009, while the loans and advances to total deposits ratio rose by 8.8 percentage points to 110.0 per cent. The weighted average interest rate on deposits fell by 0.4 percentage points to 3.5 per cent, while that on loans increased by 0.4 percentage point to 10.1 per cent.

Those movements led to a widening of the weighted average interest spread, by 0.8 percentage points to 6.5 percentage points.

Balance of Payments

Preliminary estimates of the balance of payments show an overall deficit of \$9.6m (1.7 per cent of GDP) compared with one of \$10.5m (1.3 per cent of GDP). The decrease in the deficit was influenced by a reduction in net outflows on the current account. The current account deficit fell to \$276.5m (49.0 per cent of GDP) from \$570.4m (72.7 per cent of GDP) in 2008. The smaller deficit was attributed to a 44.2 per cent reduction on the merchandise trade account, which moved to a deficit of \$343.2m (60.9 per cent of GDP) from one of \$617.4m (72.7 per cent of GDP) in 2008. This outturn was due to a fall in the volume and value of imports, most notably petroleum related products.



Transactions in the services account resulted in a net inflow of \$94.3m (16.7 per cent of GDP), roughly 13.6 per cent above the amount recorded in 2008,



due to smaller outflows for transportation and insurance purposes. Net inflows from travel declined by 17.1 per cent, attributable to the fall in visitor arrivals.

The surplus on the capital and financial account declined to \$266.9m (47.3 per cent of GDP) from \$559.9m (71.4 per cent of GDP) in 2008. The decrease was attributed to smaller inflows of foreign direct investment, which declined by 42.5 per cent as a result of the global financial crisis. Net inflows of commercial bank short-term capital fell by 49.9 per cent (\$112.6m), partly as a result of the tightening of liquidity in the domestic banking system.

Prospects

Despite some signs of improvement in advanced economies, it is not likely that Anguilla's economy will recover until late 2010, based on the lagged transmission effect. Consequently, another year of economic contraction is projected in 2010. Construction activity is expected to remain weak, as foreign direct investment inflows continue to be adversely affected by global developments and domestic financing remains constrained. The rate of decline in the tourism industry is projected to slow; but the performance of the industry is likely to remain weak due to the slow recovery in the main source market, the USA. Activity in ancillary

sectors, such as wholesale and retail and transportation, that receive spin-offs from the tourism and construction sectors, is also projected to remain depressed.

The fiscal operations of the central government are likely to deteriorate, based on a fall in revenue and increased spending. Revenue projections are likely to weaken, mirroring the contraction in economic activity. Current expenditure is projected to increase as a result of larger outlays on personal emoluments. On the external accounts, the merchandise trade deficit is projected to decline, based on expected decreases in import volume and payments, in line with the contraction in economic activity and the fall in international prices of some commodities, particularly oil. Gross inflows from travel are likely to be lower than the total in 2009, consistent with a projected decline in visitor arrivals. In the banking system, a further deceleration in the growth of M2 and domestic credit is expected in 2010, based on the anticipated contraction in economic activity and inflows of capital.

The downside risks to the outlook for Anguilla include further deterioration in the labour markets of developed countries and any derailing of the economic recovery of the global economy. These threats have the potential to further weaken the economic prospects.



ANTIGUA AND BARBUDA

Overview

Economic and financial developments in Antigua and Barbuda in 2009 largely reflected the negative impact of the global recession on trade and financial flows, as well as, the limited domestic policy space for executing countercyclical initiatives. Preliminary data indicate that real GDP contracted by 8.9 per cent in contrast to a 1.8 per cent expansion in 2008. The downturn was evidenced by a decline in activity in the construction sector and tourism industry, the main drivers of growth. In addition, value added contracted in the transport, communications and wholesale and retail trade sectors, also major contributors to GDP. The consumer price index rose by 2.4 per cent during 2009, on an end of period basis. The fiscal position of the central government deteriorated as the overall deficit widened. Notwithstanding this widening of the deficit, the total outstanding public sector debt declined. Meanwhile, the balance of payments position deteriorated in 2009, as reflected by an increase in the overall deficit. Smaller inflows on the financial and capital account contributed to the widening of the overall balance of payments deficit, as the rate of outflows on the current account decreased. Developments in the banking sector broadly reflected those in the real sector, as monetary liabilities and net foreign assets contracted, while domestic credit expanded. Commercial bank liquidity fell, and the weighted average interest rate spread narrowed.

The economic outlook for Antigua and Barbuda is dependent on the pace of recovery in the global economy, particularly in the USA and UK, as well as movements in key macroeconomic variables such as oil prices, the strength of the US dollar and interest rates. Notwithstanding the general improvement in global economic activity in recent times, especially in the USA, the headwinds from the economic recession and the financial crisis are expected to stymie the recovery of the local economy. Economic activity in Antigua and Barbuda is projected to decline further in 2010, albeit at a slower pace, as value added by the hotels and restaurants and construction sectors are expected to contract. The decline in these two main sectors is likely to have negative spillover effects on other key service sectors, such as wholesale and retail trade and transport. Central government's fiscal operations are projected to improve based on measures announced in the 2010 budget.

Inflationary pressures are expected to remain contained during 2010, although commodity prices, especially oil prices, are expected to increase in line with global demand/consumption. On the external front, the overall balance of payments deficit is expected to narrow on account of inflows from loan disbursements and other official flows, as the outflows on the current account slow, in line with projected declines in imports. There are a number of downside risks which could result in a sharper than



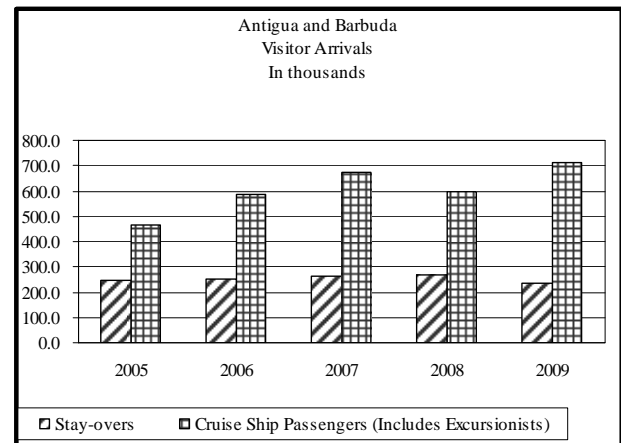
anticipated contraction in real economic activity. The main risk is that the recession in the USA and UK, major trading partners, may be further constrained by unresolved macroeconomic imbalances. On the upside, however, there is the possibility that new job creation initiatives to be implemented by the USA and some other major industrial countries could intensify and consolidate the pace of recovery in those economies, which in turn should improve the recovery prospects of regional economies.

Output

The negative shock of the global recession to the export service sectors, workers remittances and foreign direct investment flows led to a sharp contraction in economic activity in Antigua and Barbuda during 2009 relative to the outturn in 2008.

Value added in the construction sector, one of the largest contributors to GDP, is estimated to have declined by 25.0 per cent, in contrast to growth of 5.0 per cent recorded in 2008. The contribution of the sector to real GDP fell to 15.9 per cent from 19.4 per cent in 2008. In the public sector, no major projects were started and most of the ongoing work focused on repairing roads and refurbishing schools and some government buildings. Work on two major projects, a car park and the airport development, were stalled due to financing difficulties. Activity in the private sector revolved around the construction of dwellings and commercial buildings, including a medical university and a shopping mall. Some

major tourism projects such as La Perla's (Jolly Harbour), Eden Beach Club, Marina Residences, Reeds Point and Pearn's Point, were adversely affected by the tightening in global liquidity and were either scaled back or put on hold.



The performance of the tourism industry, the other major driver of economic activity, was weak during 2009 relative to that of 2008. Value added in the hotels and restaurants sector, an indicator of the level of tourism activity, declined by 15.0 per cent, in contrast to growth of 1.5 per cent in 2008. Consequently, the sector's contribution to GDP fell to 9.7 per cent from 10.4 per cent in 2008. Developments in the sector in 2009 reflected the negative effects of continued high levels of unemployment, soft housing markets and subdued economic activity in major source markets, on the demand for leisure services. Stay-over arrivals fell by 12.3 per cent to 233,226 in contrast to an increase of 1.6 per cent in 2008. All the major source markets recorded declines. Arrivals from the USA and UK markets, which accounted for 66.3 per cent of total stay-over arrivals, fell by 3.6 per cent and 17.8 per

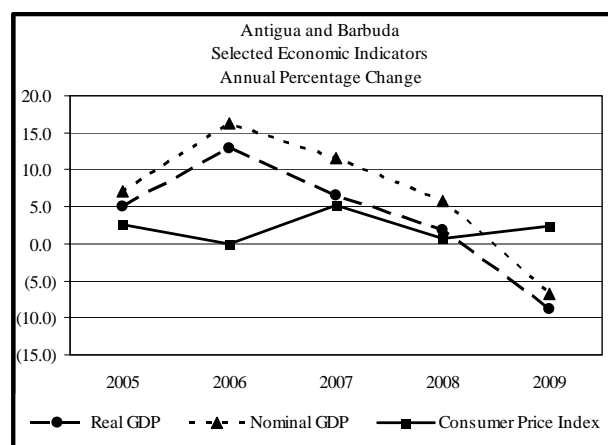


cent respectively. By contrast, in 2008 stay-over arrivals from the USA increased by 6.8 per cent, while arrivals from the UK declined by 7.5 per cent. Of the other major source markets, arrivals from Canada declined by 6.9 per cent in contrast to a 25.7 per cent increase in 2008, while the number of visitors from the Caribbean fell by 21.8 per cent, in contrast to growth of 5.1 per cent in the previous year. The performance of the Caribbean market was influenced by the general fall-off in economic activity in other regional economies as a result of the global economic and financial crisis, and the concomitant decline in discretionary consumer spending power. In addition, the sustained high cost of intra-regional travel led to a decline in demand for leisure services exported by Antigua and Barbuda. These declines were partially offset by increases of 12.8 per cent and 7.9 per cent in arrivals from Germany and Italy respectively.

Notwithstanding the poor performance of the stay-over sub-sector, the cruise segment continued to be resilient, as travelers sought out more value packages given the reduction in their spending power. Cruise-ship passenger arrivals increased by 13.9 per cent, as the number of cruise ship calls rose to 361 from 317 in 2008. Meanwhile, yacht passengers fell by 18.8 per cent, although the number of calls increased marginally.

The contraction in the pace of activity in the construction and hotels and restaurants sectors had negative spill-over effects on other key ancillary service sectors, such as wholesale and retail and

transport. Value added in the transport sector fell by 5.0 per cent, following a 2.6 per cent decrease in 2008. This decline was reflected in the major sub-sectors - air, road and sea. Air transport was affected by the fall in stay-over arrivals and departures at the airport; road transport was impacted by developments in the tourism industry and the construction sector; while the contraction in sea transport partly mirrored the fall off in cargo landed and loaded at the sea port. In the wholesale and retail trade sector, value added fell by 15.0 per cent in contrast to growth of 5.0 per cent in 2008.



Prices, Wages and Employment

The consumer price index (CPI) rose by 2.4 per cent (on an end-of-period basis), which was higher than the 0.7 per cent increase during 2008. The increase in the CPI during the period under review was attributed to increases in the sub-indices food, alcoholic beverages and tobacco, fuel and light as well as household furnishing and supplies. Advances in commodity prices, such as meat, dairy, cereal, bakery and fat and oil products, led to an 8.8 per



cent increase in the food sub-index, the largest weighted. The fuel and light sub-index rose by 10.4 per cent reflecting the impact of the introduction of the partial pass through pricing regime in August 2009 and the subsequent upward adjustments in the fuel surcharge rate. This increase in the fuel and light sub-index in 2009 represented a reversal of developments in 2008 when it fell by 10.2 per cent. Increases were also recorded for the sub-indices clothing and footwear (3.0 per cent) and alcoholic beverages and tobacco (6.2 per cent). These increases were partially offset by declines in the other sub-indices.

In terms of wages and salaries, no increases were granted during 2009 to public sector employees. Data on employment in the public and private sectors are not available; however, anecdotal information indicates that employment levels fell during 2009, particularly in the private sector as businesses adjusted capacity levels to the falling demand.

Central Government Fiscal Operations

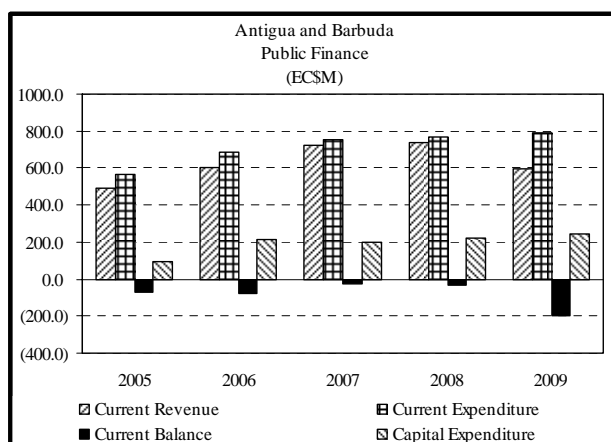
The fiscal operations of the central government deteriorated in 2009, as the overall deficit widened on account of a sharp decline in revenue and growth in capital spending. Provisional data indicate that an overall deficit of \$438.0m (14.8 per cent of GDP) was recorded in 2009, almost double the revised deficit of \$220.1m (7.4 per cent of GDP) in 2008. The deterioration in the overall balance largely reflected a decline in current revenue. The deficit

was financed mainly by borrowing from the domestic financial system and an accumulation of domestic arrears. A primary deficit of \$322.1m (10.9 per cent of GDP) was recorded compared with one of \$117.5m (3.6 per cent of GDP) in 2008. The current account deficit increased to \$194.3m (6.6 per cent of GDP) in 2009 from \$30.3m (0.9 per cent of GDP) in 2008.

Current revenue fell by 18.8 per cent to \$597.3m, in contrast to growth of 1.6 per cent recorded in 2008. As a ratio of GDP, revenue fell to 20.2 per cent from 24.8 per cent in 2008. The sharp decline in revenue was influenced mainly by the general slowdown in economic activity, which started in the latter half of 2008, and intensified in 2009. In addition, the erosion of the tax base through concessions to consumers on a wide range of essential food items, to cushion the impact of shocks from rising oil and food prices, as well as an increase in breaches in tax compliance contributed to poor revenue performance. Tax revenue declined by 17.4 per cent to \$571.9, as receipts fell, from all the major sub-categories, except for those from taxes on property. Collections from taxes on domestic goods and services fell by 25.0 per cent to \$241.2m in 2009, in contrast to a 14.2 per cent increase in 2008. Revenue from the Antigua and Barbuda Sales Tax (ABST) amounted to \$203.8m, representing a 14.3 per cent decrease on the total collected in 2008. The performance of the ABST in 2009 was impacted by the general decline in economic activity as well as challenges with regard to tax compliance. Meanwhile, revenue from taxes on international



trade and transactions, a major sub-category, fell by 11.2 per cent (\$27.4m) to \$217.8m. This outturn was driven mainly by a fall in the yield from consumption taxes and the customs service charge, consistent with the decline in import levels. Collections from taxes on income and profits decreased by 12.1 per cent (\$13.4m), mainly on account of reduced collections from personal income tax, as employment declined in 2009. Non-tax revenue fell by 41.7 per cent (\$18.2m), to \$25.4m.



Notwithstanding the decline in current revenues, current expenditure remained sticky as it rose by 3.3 per cent to \$791.6m compared with an increase of 2.2 per cent in 2008. As a share of GDP, expenditure increased to 26.7 per cent from 25.9 per cent in 2008. An expansion in interest payments and expenditure on transfers and subsidies, contributed to growth in current expenditure in 2009. Interest payments rose by 13.0 per cent driven mainly by larger outlays for domestic payments. Spending on transfers and subsidies increased by 23.5 per cent (\$41.3m), in contrast to a decline of 5.4 per cent in 2008. An expansion in social safety net programmes

and other support programmes, in an attempt to cushion the effects of the global economic and financial crisis on vulnerable groups, as well as the full operationalisation of the Mount St John's Medical Centre, were the main factors which contributed to the significant increase in outlays for transfers and subsidies. These increases were partially offset by declines in expenditure on personal emoluments and goods and services. Spending on personal emoluments decreased by 2.0 per cent (\$5.9m), while outlays on goods and services fell by 12.6 per cent (\$23.4m), reflecting the impact of cost cutting and saving measures introduced in 2009 in an attempt to control expenditure given the decline in revenues. Capital expenditure was estimated to have increased by 9.4 per cent to \$246.2m (8.3 per cent of GDP).

Public Sector Debt

The total public sector debt decreased by 4.6 per cent to \$2,840.7m during 2009. The contraction in the debt stock was due mainly to a reduction in domestic indebtedness, which declined by 9.0 per cent to \$1,642.6m. This decline in the domestic debt stock was the result of consolidation and refinancing of loans at some commercial banks. By contrast, external debt increased by 2.0 per cent to \$1,198.1m, due to a rise in the outstanding debt of the public corporations. As a share of GDP, however, the total public sector debt rose to 95.8 per cent from 91.7 per cent at the end of 2008.



Money and Credit

Developments in the banking sector largely mirrored those in the real sector during the review period. Monetary liabilities (M2) decreased by 0.3 per cent to \$2972.1m, in contrast to growth of 2.1 per cent in 2008. The fall in M2 reflected the decline in economic activity and highlights the extent to which the earning capacity of businesses and households were impaired. Narrow money (M1), one of the major components of M2, fell by 15.9 per cent, primarily due to a decline of 20.4 per cent in private sector demand deposits. This decrease in M1 was offset by a 4.7 per cent increase in quasi money, the other major component of M2, which accounts for approximately 80.0 per cent of the total. Of the components of quasi money, increases were recorded in private sector saving deposits (2.7 per cent) and foreign currency deposits (50.9 per cent), while time deposits fell by 5.4 per cent. The expansion in foreign currency deposits was due to the transfer of funds from a non-financial public enterprise to a private entity during the first quarter of 2009.

Notwithstanding the decline in M2, domestic credit expanded by 10.9 per cent to \$3,033.8m during 2009, compared with growth of 15.6 per cent rate recorded in 2008. The outturn in 2009 was attributed mainly to increased borrowing by the central government, as private sector credit contracted. Net credit to central government rose by 35.5 per cent to \$628.6m, as government borrowed from the banking system to help finance the overall

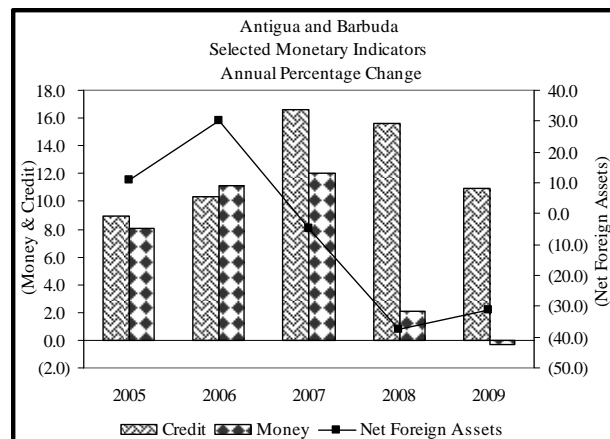
fiscal deficit. Central government's indebtedness to the commercial banking system rose by 6.8 per cent, representing a substantially slower rate of growth relative to the expansion of 40.5 per cent in 2008. The deceleration in central government borrowing was consistent with the policy stance, to reduce the exposure of commercial banks to the government and boost their liquidity position. To this end, the government consolidated and refinanced loans with some banks, reduced some arrears, and remained current with its debt servicing obligations. The deposits of central government at commercial banks fell by 39.1 per cent (\$47.9m) during 2009, partly attributable to the aforementioned policy stance. Outstanding credit to the private sector contracted by 0.8 per cent, mirroring decreases in credit to households, non-bank financial institutions and subsidiaries and affiliates. These declines were partially tempered by a 0.3 per cent increase in credit to businesses. The net deposits of non-financial public enterprises, the other major sub-category of domestic credit, decreased by 53.5 per cent (\$154.7m), mainly on account of a 36.8 per cent (\$138.4m) reduction in deposits at commercial banks. The deterioration in the net deposit positions of these entities contributed to the tightening of liquidity in the banking system.

An analysis of credit allocation by economic activity indicates that credit contracted for all the main sectors, except for tourism and distributive trades. Credit for personal use, which accounts for approximately 42.0 per cent of total credit on average, fell by 1.0 per cent to \$1,303.8.0m, in



contrast to an 8.4 per cent expansion during 2008. The decline was influenced by decreases of 6.8 per cent and 6.5 per cent in credit for the purchase of durable goods and other personal use, respectively. These declines more than offset the 3.5 per cent growth in credit for the acquisition of property, the other major sub-category of personal credit. This increase was driven by an expansion in credit for house and land purchases. Credit extended for primary productive activities such as agriculture and fisheries fell by 5.0 per cent compared with a 1.2 per cent decline in 2008. Outstanding loans for secondary sector activities, namely construction and manufacturing, contracted by 12.7 per cent and 17.9 per cent respectively. Overall, these declines were partly tempered by an expansion in credit for tertiary/service sector activities, as evidenced by increases in outstanding loans for tourism (9.9 per cent) and distributive trade 9.1 per cent.

The net foreign assets of the banking system contracted by 31.0 per cent to \$379.8m, mainly reflecting developments in the commercial banking sector. Commercial bank external transactions resulted in a shift to a net liabilities position of \$128.1m at the end of 2009 from net assets of \$199.9m at the end of December 2008. This outturn largely reflected a drawdown of their assets and growth in liabilities to institutions outside of the Eastern Caribbean Currency Union. Antigua and Barbuda's imputed share of the reserves held at the Central Bank fell by 21.6 per cent to \$292.3m.



Liquidity in the commercial banking sector fell during 2009. The ratio of liquid assets to total deposits plus liquid liabilities decreased to 42.0 per cent from 42.3 per cent in 2008. The loans to deposits ratio increased to 91.3 per cent, from 87.7 per cent in 2008. The cash reserves to deposits ratio fell marginally to 7.1 per cent from 7.5 per cent in 2008.

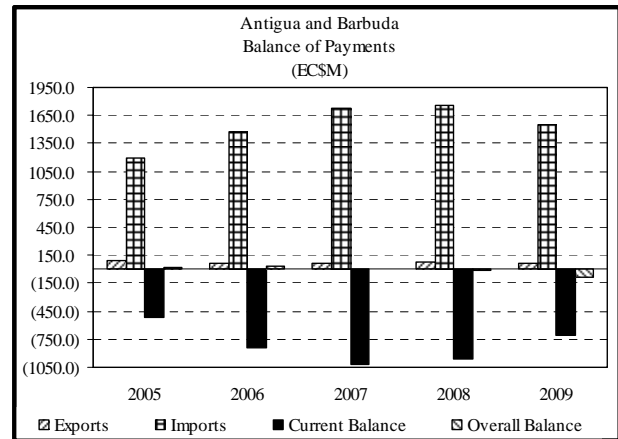
The weighted average interest rate spread fell to 5.6 percentage points from 6.8 percentage points at the end of 2008. The overall change was attributed to movements in lending rates, which fell by 118 basis points to 8.9 per cent. This decline in the weighted average lending rates was partially fuelled by falling mortgage rates. By contrast, the weighted average interest rate on deposits decreased marginally by 3.0 basis points to 3.31 per cent.

Balance of Payments

An overall balance of payments deficit of \$80.4m (2.7 per cent of GDP) was recorded in 2009, following one of \$15.7m (0.5 per cent of GDP) in 2008. The deterioration in the overall balance was attributed to a decrease in net inflows on the capital and financial account.

The current account deficit decreased to \$706.3m (23.8 per cent of GDP) in 2009, compared with a revised one of \$956.7m (29.4 per cent) in 2008. The reduction in the deficit was attributed in part to a decline in the merchandise trade deficit, as a result of a 12.4 per cent fall in imports payments to \$1,544.3m (fob) from \$1,761.9m. These developments were consistent with the general decline in economic activity and the concomitant fall in domestic demand, especially for oil and related petroleum products. The surplus on the services account decreased by 5.6 per cent (\$44.4m), largely as a result of the deterioration in the travel account, which more than offset improvements in the transportation, insurance and other business services accounts. The travel account surplus fell by 9.7 per cent (\$72.4m), as gross inflows decreased by 9.1 per cent to \$802.1m, reflecting to some extent reduced spending by visitors and the discounting of hotel rates by some hoteliers in the wake of the financial and economic crisis. The surplus on the transportation account increased by 16.7 per cent due to a fall in gross outflows, while the surplus on the other business services account increased by 10.1

per cent reflecting lower levels of outflows for such services.



On the capital and financial account, the surplus contracted by 32.9 per cent to \$614.2m (20.7 per cent of GDP) from a revised figure of \$915.4m (28.2 per cent of GDP) in 2008, mainly on account of a decrease in inflows of foreign direct investment. Net inflows of foreign direct investment, largely for tourism-related projects, fell by 25.3 per cent to \$349.5m, as the global credit crunch affected the funding of some major projects. This fall was further reinforced by a decline in net inflows of commercial bank short term capital (\$255.8m), as banks drew down their assets and borrowed abroad to meet liquidity demands.

Prospects

The economic outlook for Antigua and Barbuda is very much dependent on the pace of recovery in global economic and financial conditions, particularly USA and UK economic growth, as well



as movements in key macroeconomic variables such as oil prices, the strength of the US dollar and interest rates.

Notwithstanding projections for an improved global outlook and the recent favourable performance of the US economy, the forecast is for a sluggish recovery in advance economies as continued weak financial systems, faltering housing market and still impaired households, as well as businesses balance sheets, put a drag on economic activity. As a result, economy activity in Antigua and Barbuda is expected to contract for a second consecutive year, albeit at a relatively slower pace. Real GDP growth is projected to decline by 6.5 per cent in 2010, primarily based on an expected weak performance in the tourism industry and subdued construction activity.

Demand for travel and other leisure services, especially from major source markets such as the USA and UK, is expected to be weak, as a result of continued uncertainty in the pace and sustainability of the recovery in these source markets. Consequently, consumer confidence and willingness to engage in discretionary spending is likely to be negatively impacted. High unemployment levels and the loss of wealth from the housing and equity markets, may result in a slow recovery in stay-over arrivals to Antigua and Barbuda

In the construction sector, developments in both the private and public sphere are expected to lead to depressed activity in 2010. On the private front,

notwithstanding the significant improvements in the global financial systems, the perceived reduction in investors' risk appetite is expected to adversely impact foreign direct investments (FDI) inflows. Hence, tourism-related and other construction projects that are funded by such flows will be negatively impacted. The restriction on capital spending is also likely to put a further damper on construction activity. The projected contraction in the tourism industry and construction sector is expected to have negative spin-off effects on other services-related sectors such as transportation, banks and insurance and wholesale and retail trade.

The fiscal operations of the central government are projected to improve in 2010 based largely on the implementation of the economic stabilisation and adjustment measures announced in the 2010 budget. These measures are expected to lead to increased revenue receipts and better expenditure management. Successful implementation of these fiscal measures is expected to unlock financing resources that would allow government to reduce their arrears and meet their fiscal requirements in 2010.

Inflationary pressures are expected to remain subdued and contained during 2010, as inflation in the anchor country, the USA is projected to remain stable around the 2.0 per cent rate targeted by the monetary authority. In addition, inflation expectations remain well anchored given the fixed exchange rate regime.



On the external front, a smaller overall balance of payments (BOP) deficit is forecast in 2010, influenced by inflows of grants and loan disbursements as well as inflows of commercial banks short-term capital.

The main risks to the above projections are as follows: a premature withdrawal of stimulus policies and programmes, which could reverse the gains from the global recovery to date; a stronger than anticipated increase in commodity prices, especially oil, which could lead to a rise in the cost of doing business and disrupt consumer spending plans;

further deterioration in the fiscal positions of some advanced economies, which could lead to growth in borrowing costs and unstable financial markets; and slower than anticipated improvements in housing and labour market. If these risks are realised they could further constrain the global recovery, which in turn may lead to a sharper contraction in real economic activity in Antigua and Barbuda in 2010. The upside is that new job creating initiatives to be implemented by the US, along with the fiscal adjustments to be undertaken by some countries in the Eurozone, should improve consumer confidence and intensify the global recovery.



DOMINICA

Overview

Provisional data show that economic activity in Dominica contracted in 2009 relative to the level in 2008 due to the effects of the global economic and financial crisis. Real GDP is estimated to have fallen by 2.2 per cent in contrast to growth of 3.2 per cent in 2008. The turnaround was primarily reflective of a contraction in construction activity. In addition, there were declines in the manufacturing, hotels and restaurants, wholesale and retail trade, and transportation sectors, as well as a slowdown in the rate of growth in agriculture. The consumer price index rose by 3.3 per cent during 2009, on an end-of-period basis. The overall deficit on the central government's fiscal accounts decreased, largely attributable to an expansion in current savings. On balance, the disbursed outstanding debt of the public sector rose marginally, as an increase in domestic debt outweighed a reduction in the external debt stock. Developments in the banking sector were marked by robust growth in monetary liabilities on account of increases in net foreign assets and domestic credit. Commercial bank liquidity declined, but remained at a high level. The weighted average interest rate spread between loans and deposits increased. External sector transactions, particularly on the current account, led to an overall balance of payments surplus during 2009.

Preliminary indications are that economic activity will continue to decline in 2010, as activity in the depressed sectors is not likely to rebound in the near term. On the upside, visitor arrivals, particularly cruise ship passengers, are expected to increase as a result of additional calls. Agricultural output is projected to be above the level of 2009 as the sector continues to recover from hurricane damage in August 2007. The downside risks to these projections include a prolonged global economic recession, rising international commodity prices and adverse weather.

Output

Construction activity, which provided significant impetus to growth in recent years, is estimated to have contracted by 20.9 per cent in 2009, in contrast to a decade-high expansion of 17.1 per cent in 2008. As a result, the sector's share of GDP decreased by 1.8 percentage points to 7.6 per cent. The turnaround in activity was largely attributable to ongoing financing difficulties for residential and foreign direct investment projects in the private sector. Moreover the completion of some post-hurricane reconstruction projects, such as upgrading road networks, fortifying river embankments and strengthening sea defence walls in the first half of the year, meant that the level of public sector activity was not sustained throughout the year. Value added in the mining and quarrying sector also fell by

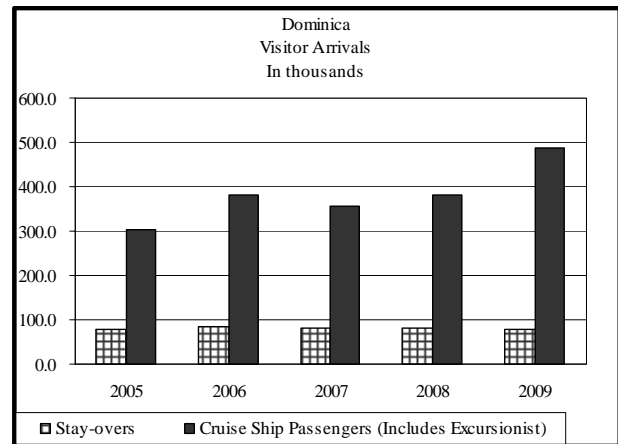


20.9 per cent, mirroring the decline in construction activity.

The manufacturing sector registered its third consecutive annual contraction, which began in 2007 when dental cream production was discontinued. Value added in the sector is estimated to have fallen by 9.7 per cent, following a decline of 27.0 per cent in 2008. As a share of GDP, manufacturing activity decreased by 0.3 percentage point to 3.7 per cent. Output of the main product categories fell, led by a 9.6 per cent reduction in the production of soap due to the loss of external market share. Beverage production decreased by 6.2 per cent, reflecting low domestic demand as a result of competition from imported drinks. Those declines were tempered by a 3.2 per cent increase in the output of paints and varnishes.

Value added in the hotels and restaurants sector, a proxy for tourism activity, declined by 5.8 per cent, in contrast to growth of 4.5 per cent in 2008. The downturn was influenced by a reduction in the number of stay-over visitors. Estimates of stay-over arrivals show a 3.9 per cent contraction to 85,271, as opposed to a 0.8 per cent expansion in 2008, largely attributable to the effects of the global recession as well as some industry normalisation following the celebration of Reunion Year in 2008. The decline in the number of overnight tourists was broad-based, with reductions in each of the main source markets, namely the USA (5.0 per cent), the UK (4.4 per cent), Canada (4.0 per cent) and the Caribbean (3.1 per cent). By contrast, cruise ship passenger arrivals

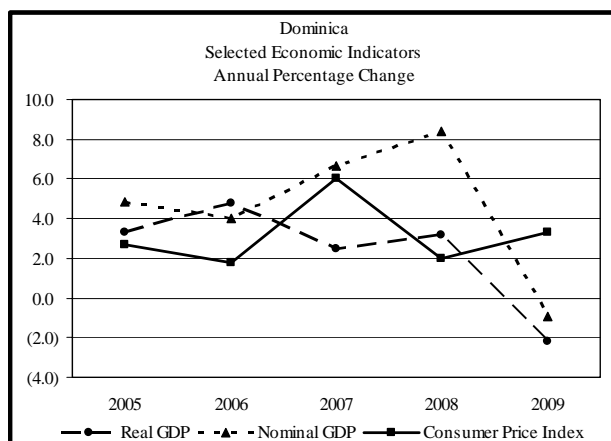
rose by 27.6 per cent to 485,768, primarily on account of more frequent calls by larger vessels, suggesting a preference for the all-inclusive concept of cruise vacations. On balance, total visitor arrivals are estimated to have increased by 21.9 per cent to 573,156, representing an improved performance relative to a 6.1 per cent expansion in 2008.



In the wholesale and retail trade sector, value added fell by 5.5 per cent, reflecting a decline in imports of consumer goods. Declines were also recorded in value added from transportation (3.9 per cent) and communications (1.0 per cent).

By contrast, performance in the agricultural sector improved, as value added increased by 5.0 per cent, following an expansion of 10.1 per cent in 2008. Activity in the crops sub-sector rose by 6.5 per cent, largely attributable to an increase in the production of root crops and tropical fruits (excluding bananas) as part of the ongoing agricultural diversification initiative. Output of bananas fell by 31.1 per cent to 6,326 tonnes, influenced by a production loss in the second half of the year that reversed earlier gains.

Among the other agricultural sub-sectors, livestock, forestry and fish production were estimated to have increased marginally. Value added also expanded in the electricity and water, banks and insurance, and government services sectors of the economy.



Prices, Wages and Employment

The rate of inflation, as measured by a change in the consumer price index, increased to 3.3 per cent from 2.0 per cent during 2008. The main contributing factors to the increase in 2009 were the rising costs of food (the largest weighted sub-index) and fuel and electricity. The average cost of food items rose by 5.6 per cent, largely attributable to increases in the prices of meat, fish, fruit and vegetables. Prices in the fuel and light sub-index rose by 10.9 per cent as a result of higher costs of fuel supplies and electricity services. Among the other sub-indices, price increases were recorded for alcoholic beverages and tobacco (7.2 per cent), education (4.5 per cent), clothing and footwear (3.2 per cent) and household furnishings and supplies (2.0 per cent). Partially offsetting those increases was a 3.1 per cent

decline in prices in the housing sub-index, reflecting a reduction in the cost of home repairs.

Data on wage increases in the private sector are not available. Anecdotal information suggests that wages fell for some categories of workers in the hospitality sector, as a result of the global economic crisis. In the public sector, employees received a 2.0 per cent salary increase for the fiscal year (July 2008 to June 2009). Negotiations for the current triennium up to June 2012 were still ongoing at the end of the 2009.

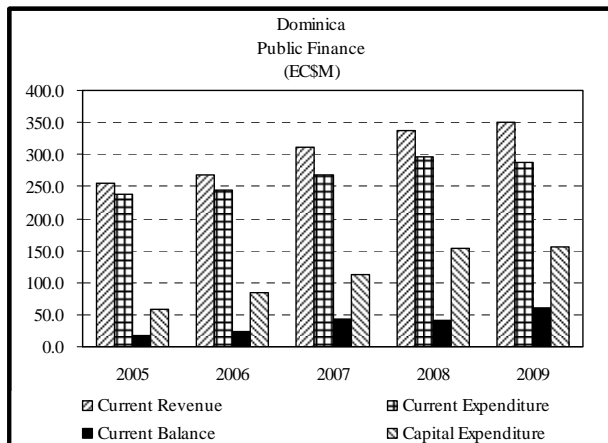
The total number of persons employed in the public service fell by 3.3 per cent to 3,780 at the end of 2009. The decline reflected a 32.7 per cent reduction to 520 in the number of non-established workers. By contrast, the number of contractual employees more than doubled to 177 from 83, while the number of public servants on the permanent establishment increased marginally (0.9 per cent) to 3,083. Although information on private sector employment is not available, it is likely that employment in the tourism industry and construction sector declined on the basis of the contraction of activity in those sectors.

Central Government Fiscal Operations

The central government's fiscal operations resulted in an overall deficit of \$30.3m (3.0 per cent of GDP) in 2009, compared with one of \$32.5m (3.2 per cent of GDP) in 2008. The smaller deficit was mainly attributed to an increase in current savings, which



more than offset a reduction in capital grants. The deficit was largely financed by external borrowing. A primary deficit of \$16.3m was recorded, above that of \$8.1m in 2008. The current account surplus expanded by 46.3 per cent to \$61.6m (6.1 per cent of GDP), as a result of the combined effect of growth in current revenue and a contraction in current expenditure.



Current revenue grew by 3.6 per cent to \$350.1m (34.5 per cent of GDP), attributable to a 4.3 per cent increase in tax revenue. The intake from taxes on domestic goods and services rose by 5.6 per cent (\$9.8m), primarily reflecting growth in collections from the value added tax. Receipts from taxes on income and profit rose by 7.1 per cent (\$3.7m), influenced by a larger intake from corporation tax (\$6.6m) largely due to the settlement of arrears. Partially offsetting the gains from the company tax was an 8.3 per cent (\$2.9m) reduction in the yield from personal income tax, associated with the continuation of income tax reform. Revenue from taxes on international trade and transactions grew by 1.3 per cent (\$0.9m). By contrast, property tax

receipts declined by 11.7 per cent (\$1.2m) as a result of reduced collections from land sales and transfers. Non-tax receipts fell marginally (\$0.9m).

Current expenditure, at \$288.5m (28.4 per cent of GDP), was 2.4 per cent below the total in 2008, largely influenced by lower interest payments. Interest expenses decreased by 42.4 per cent (\$10.4m), mainly as a result of a reduction in external obligations. Outlays on goods and services declined by 3.3 per cent. By contrast, expenditure on personal emoluments grew by 4.6 per cent, associated with salary increases and retroactive payments given to public servants. Spending on transfers and subsidies rose by 0.9 per cent, reflecting the provision of additional social safety nets in response to the global economic and financial crisis.

On the capital account, grant disbursements totalled \$61.7m, down from \$78.2m at the end of 2008. The main donors were Venezuela and the European Union, from which aid was primarily used for rural agricultural development (including support to fishermen) and capital projects. Capital expenditure amounted to \$155.1m (15.2 per cent of GDP), representing a marginal increase (0.5 per cent) compared with the total in 2008. Major projects undertaken during the year included improving the road network (inclusive of the interior road to the Melville Hall Airport), extending the runway and fortifying the Soufriere-Scotshead sea defence wall.



Public Sector Debt

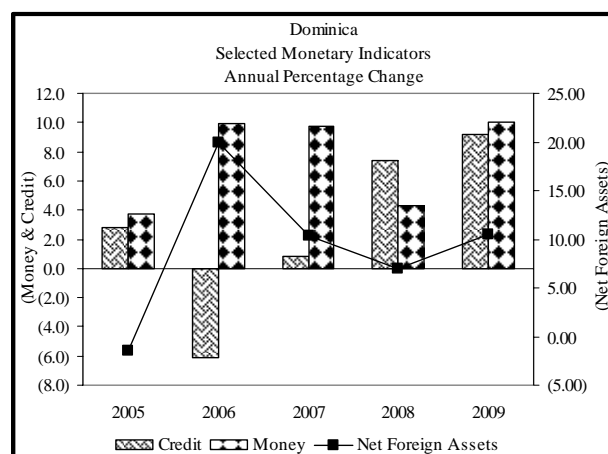
The total disbursed outstanding debt of the public sector was estimated at \$900.6m at the end of 2009, up from \$898.1m at the end of 2008. As a percentage of GDP, the debt stock remained at 88.8 per cent at the end of both years. The disbursed outstanding debt of the central government rose by 0.2 per cent (\$1.7m) to \$750.9m as an increase in its domestic debt was almost entirely offset by a reduction in external holdings. The disbursed outstanding debt of statutory bodies amounted to \$149.7m, roughly 0.5 per cent (\$0.8m) above the total at the end of 2008.

Money and Credit

Broad money (M2) grew by 10.0 per cent to \$969.3m at the end of 2009, following a 4.3 per cent increase during 2008. The acceleration was underpinned by an accumulation of interest-bearing deposits as several individuals redirected funds from insurance companies to commercial banks. Quasi money increased by 10.5 per cent (\$73.4m), resulting from expansions in private sector savings deposits (\$47.2m) and time deposits (\$27.4m). Narrow money rose by 8.2 per cent (\$15.0m), largely reflecting increases in private sector demand deposits.

Domestic credit expanded by 9.2 per cent to \$513.7m, mainly stemming from additional disbursements to the private sector. Private sector credit grew by 6.9 per cent, associated with increases

in outstanding loans to businesses (\$34.1m) and households (\$6.1m). The net deposits of the central government in the banking system fell by 16.3 per cent as a result of a reduction in its deposits, which was partly offset by a decline in credit. By contrast, the net deposits of non-financial public enterprises increased by 10.3 per cent, primarily on account of increases in their deposits.



The distribution of commercial bank lending by economic activity indicates that credit expanded in all categories, except for distributive trades. Credit for construction rose by 72.9 per cent (\$26.9m), largely on account of the reactivation of a loan that was previously classified as non-performing. Lending for personal use, the largest category, grew by 2.9 per cent (\$11.1m), mainly for the purpose of property acquisition. Outstanding loans for tourism rose by 41.2 per cent (\$7.9m), as hoteliers took advantage of low occupancy levels to renovate their facilities. Credit for distributive trades decreased by 4.0 per cent, while lending for manufacturing (including mining and quarrying) and agriculture and fisheries were largely unchanged.



The net foreign assets of the banking system stood at \$557.3m at the end of 2009, representing a 10.6 per cent expansion from the total at the end of 2008. The net foreign assets of commercial banks grew by 7.9 per cent, associated with an increase in assets held with institutions in other ECCB territories and a reduction in liabilities held outside the currency union. Dominica's imputed share of ECCB's reserves rose by 17.0 per cent to \$174.1m.

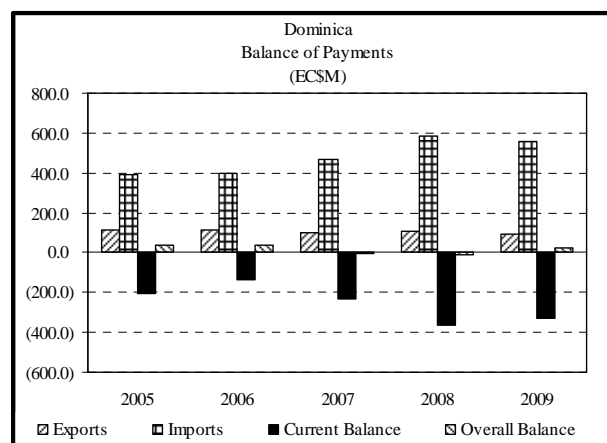
Liquidity in the commercial banking system fell during 2009 but remained at a relatively high level. The ratio of liquid assets to total deposits plus liquid liabilities declined by 1.3 percentage points to 44.5 per cent. The loans and advances to total deposits ratio increased by 2.1 percentage points to 60.4 per cent. The cash reserves to deposits ratio increased to 7.7 per cent at the end of 2009 from 7.5 per cent at the end of 2008.

The spread between interest rates on loans and deposits increased by 1.13 percentage points during 2009. The weighted average interest rate on loans rose by 1.12 percentage points to 9.99 per cent, whereas that on deposits decreased by 0.02 percentage point to 3.20 per cent.

Balance of Payments

External sector transactions are estimated to have resulted in an overall balance of payments surplus of \$22.2m (2.2 per cent of GDP), as opposed to a deficit of \$9.1m (0.9 per cent of GDP) in 2008. The turnaround was influenced by smaller net outflows

on the current account, which outweighed a contraction in the net inflows on the capital and financial account. The current account deficit narrowed to \$332.6m (32.8 per cent of GDP) in 2009 from \$367.5m (36.4 per cent of GDP) in 2008. This outturn mainly reflected a decrease in the merchandise trade deficit to 45.5 per cent of GDP from 47.4 per cent of GDP in 2008, attributable to a decline in the import bill. Merchandise imports (f.o.b) contracted by 5.5 per cent (\$32.2m) to \$554.7m. Earnings from merchandise exports fell by 13.9 per cent, consistent with the decline in manufacturing activity and banana production. Revenue from soap exports decreased by 22.5 per cent due to weak external demand. There were no receipts from dental cream exports as production was discontinued in September 2007 and exports ceased when the remaining stock was fully depleted in the third quarter of 2008. Banana export receipts declined by 15.7 per cent to \$8.9m, indicative of lower export volumes despite more favourable unit prices.



On the income account, net outflows fell by 29.7 per cent, mostly associated with a decline in interest



payments on public sector debt. Net inflows on the services account grew by 6.3 per cent to \$109.9m, primarily due to lower outflows for transportation services consistent with the economic contraction. Net travel receipts, the largest category under the services account, declined by 3.6 per cent to \$157.2m, representing the dual effect of room discounts and lower occupancy levels at hotels.

Partially offsetting the improvement on the current account was a reduction in the surplus on the capital and financial account to \$354.9m (35.0 per cent of GDP) from \$358.5m (35.5 per cent of GDP) in 2008. This outturn was due to a decline in inflows of official development assistance on the capital account, which was partly outweighed by a larger surplus on the financial account as a result of a smaller net outflow in commercial bank short-term capital.

Prospects

The complete transition of Dominica's economy from recession to recovery is not likely to happen in the near term, premised principally on the lagged transmission effect of a global turnaround. Consequently real GDP is expected to register a marginal decline of 0.7 per cent in 2010. The level of construction activity is likely to remain subdued, given private sector financing difficulties as a result of tight credit conditions and dwindling inflows of foreign direct investment and remittances. Moreover, major public sector projects, namely the West Coast Road, the Dominica State College and

the President's House, have experienced implementation delays. Value added in the hotels and restaurants sector is expected to fall, as high US unemployment levels and the introduction of the UK's Air Passenger Duty in November 2009 are likely to affect tourism demand from those markets. However, activity in the cruise ship sub-sector is anticipated to remain robust based on the scheduled visits to September 2010. Prospects for the manufacturing sector will continue to be adversely affected by weak demand for some major commodities. By contrast, agricultural output is expected to increase as a result of ongoing measures to improve productivity and facilitate regional trade.

The overall fiscal deficit of the central government is likely to be smaller relative to the outturn in 2009, largely as a result of a projected increase in capital grants. Funds from the European Union, in particular, are expected to be released in the first half of 2010. Current savings are likely to be lower than in 2009, based on increased expenditure for personal emoluments as new wage negotiations are ongoing with the unions representing public servants. Tax revenue growth, as a result of efficiency gains in tax administration and collections, will partially offset some of the additional payments.

The deficit on the current account of the balance of payments is projected to widen as larger net outflows from income transactions and trade in goods and services are expected. Gross inflows from travel are expected to decline, consistent with the anticipated reduction in stay-over arrivals. On



the upside, the merchandise trade deficit is likely to narrow slightly based on the expected growth in agricultural exports and higher unit prices for bananas.

The projections are predicated on developments in the external and domestic economic environment. More specifically, downside risks include a

persistently high US unemployment rate, slower than expected recovery in the global economy, inflationary pressures and adverse weather. If realised, those risks can plunge the domestic economy into a deeper recession and negatively impact external sector transactions and the central governments' fiscal operations.



GRENADA

Overview

Preliminary data indicate that the pace of economic activity in Grenada slowed in 2009 relative to that in 2008, largely reflecting the impact of the global economic and financial crisis. Real GDP is provisionally estimated to have contracted by 7.7 per cent in 2009, reversing the revised 2.2 per cent growth recorded in 2008. The decrease was largely attributed to declines in construction, tourism and manufacturing activity. The consumer price index fell by 2.4 per cent during 2009. The overall deficit on the central government's fiscal accounts narrowed, attributable to a decline in capital expenditure. Total outstanding public sector debt rose, based primarily on increased central government borrowings. Developments in the banking sector were marked by growth in monetary liabilities and domestic credit. Commercial bank liquidity fell during 2009, and the spread between the weighted average lending and deposit interest rates widened. The overall balance of payments deficit decreased in 2009, when compared to the 2008 outturn.

Economic activity is projected to decline further in 2010, based on projected contractions in the construction and tourism sectors. The overall fiscal deficit of the central government is projected to decrease, contingent on an improvement in tax collection. Downside risks to the projections

include the lag effect of the global recession on the Grenadian economy and adverse weather.

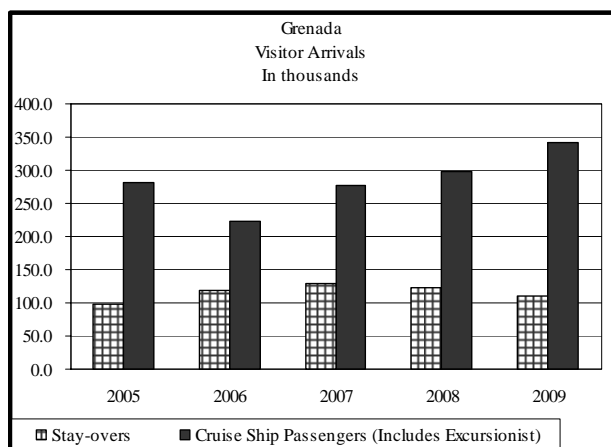
Output

Output in the construction sector is estimated to have declined by 50.0 per cent following a contraction of 15.1 per cent in 2008, reflecting lower levels of investment in both the private and public sectors. Correspondingly, the sector's contribution to GDP fell to 4.4 per cent, from 8.2 per cent in 2008. The fall in construction activity was largely a consequence of the global financial crisis and economic recession, which adversely affected the demand for villas and condominiums. As a result construction activity halted on most major foreign direct investment funded projects; consequently, value added in that sector declined. Construction activity in 2009 focused on repairs to residential buildings, road development and rehabilitation of public buildings.

Tourism activity weakened in 2009. Value added in the hotels and restaurants sector, an indicator of tourism activity, declined by 19.0 per cent, following a 3.0 per cent contraction in 2008. The outturn was mainly influenced by a reduction in the number of stay-over visitors, which fell sharply by 11.6 per cent to 109,407, reflecting the impact of the recession on employment and the demand for leisure travel in the major source markets. Consequently, stay-over arrivals from all the major source markets



fell. Arrivals from the UK declined by 21.8 per cent after growing by 2.4 per cent in 2008, while the number of visitors from the Caribbean, the USA and Canada fell by 10.8 per cent, 4.3 per cent and 1.4 per cent, respectively.



All other categories of visitors, with the exception of cruise ship passenger arrivals, registered declines. Yacht passenger arrivals fell by 20.1 per cent, following an 11.8 per cent increase in 2008; the decline reflected in part the effects of the financial crisis on this type of passenger. The number of excursionists contracted by 44.8 per cent to 2,828 in 2009. Cruise ship passenger arrivals increased by 16.1 per cent, as the number of cruise ship calls increased by 12.4 per cent to 244.

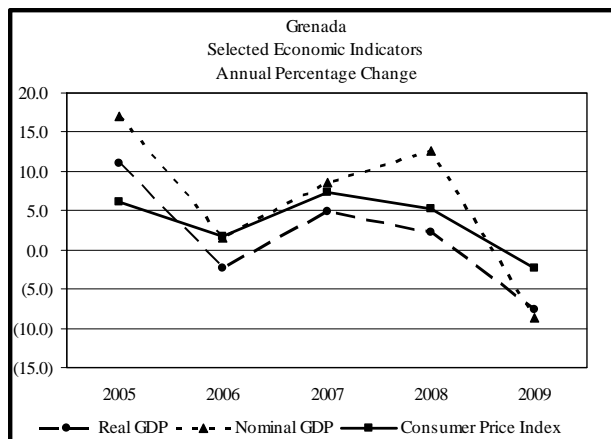
Activity in the manufacturing sector is estimated to have fallen by 6.5 per cent in 2009, compared with a decline of 5.0 per cent in 2008. Declines in the output of several manufactured goods, including flour, rum and stout accounted for most of the decrease. Production of flour fell by 1.8 per cent mainly attributable to lower domestic demand.

Output of rum and stout fell by 27.1 per cent, and 14.3 per cent respectively, reflecting lower demand for these products. Paint production contracted by 14.1 per cent, influenced by the slowdown in construction activity. Those declines were partly offset by increases in the output of soft drinks (31.6 per cent), the largest contributor in the manufacturing sector, and poultry feed (8.2 per cent). The soft drink plant, which closed in June 2008 for retrofitting purposes, reopened in the second quarter of 2009, contributing to the expansion in production.

Agricultural activity remained strong in 2009. Value added in that sector expanded by 9.4 per cent in 2009, following growth of 11.1 per cent in 2008. The sector's contribution to GDP rose to 7.4 per cent from 6.3 per cent in 2008. Growth was boosted by increased yields from traditional crops, as crops replanted following the passage of Hurricane Ivan matured. Increased output was recorded for cocoa (49.4 per cent), nutmeg (30.7 per cent) and mace (21.0 per cent). By contrast banana output fell by 16.7 per cent to 1,763 tonnes reflecting the impact of the Black Sigatoka disease. In the other sub-sectors, the output of fish increased by 1.5 per cent, while marginal growth was recorded in livestock (0.8 per cent) and forestry (0.4 per cent).

Increases were also recorded in value added from banks and insurance, communications and government services, the largest contributor to GDP.





Prices, Wages and Employment

The rate of inflation, as measured by the consumer price index, fell by 2.4 per cent during 2009, in contrast to an increase of 5.2 per cent (on an end of period basis) in 2008. The deflation is underpinned by a 5.7 per cent fall in the food sub-index, the largest weighted. Lower prices for cereal products including rice and flour, poultry, dairy products and vegetables contributed to the decrease in the food sub-index. Prices in the fuel and light sub-index fell by 2.4 per cent largely influenced by a decrease in international oil prices. Small increases were recorded in the sub-indices, housing (0.4 per cent) and household furnishings and supplies (0.5 per cent), while prices for personal services remained unchanged when compared to the level in 2008.

Official data on wage movements during 2009 are not available for the private sector. In the public sector, a 2.0 per cent salary increase was paid to police officers in January 2009, based on a pre-existing contract. No other salary increases were granted for the period under review.

Official data on employment are unavailable for 2009. However, information from the National Insurance Scheme indicates a net decline of 14.8 per cent in the number of active contributors in 2009 compared with the number in 2008. The contraction is consistent with the downturn in economic activity, particularly in the construction sector. Civil service employment increased by an estimated 2.0 per cent, to 5,271 in 2009, partly associated with the establishment of new government ministries and departments.

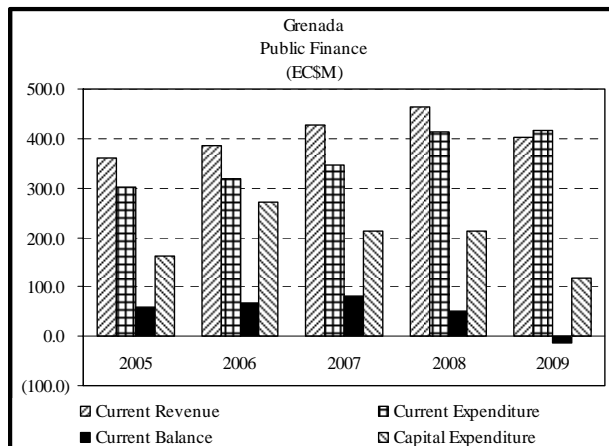
Central Government Fiscal Operations

Central government fiscal operations resulted in an overall deficit of \$102.6m (6.2 per cent of GDP) in 2009, compared with one of \$111.3m (6.1 per cent of GDP) in 2008. The reduction in the overall deficit largely reflected a decline in outlays for capital expenditure. The deficit was financed from the domestic banking system and external loans. A primary deficit of \$57.3m (3.5 per cent of GDP) was recorded, compared with one of \$76.4m (4.2 per cent of GDP) in 2008. The current account balance moved to a deficit position in 2009, the first time since 2004, the year of Hurricane Ivan. Current transactions resulted in a deficit of \$14.8m (0.9 per cent of GDP), in contrast to a surplus of \$50.9m (2.8 per cent of GDP) in 2008, largely attributable to a decline in current revenue.

Current revenue contracted by 13.5 per cent to \$401.8m (24.2 per cent of GDP) in 2009, reflecting a 12.4 per cent (\$53.8m) decline in tax revenue.



Receipts from taxes on income and profits declined by 7.7 per cent (\$7.3m), attributable to a 17.1 per cent (\$12.2m) fall in receipts from company tax. By contrast, the yield from personal taxes increased by 20.7 per cent (\$4.8m), mainly associated with a tax amnesty introduced in the latter part of 2008, which ended in April 2009. Revenue from taxes on international trade and transactions decreased by 15.6 per cent (\$36.7m), attributable to a contraction in both the value and volume of imports. Collections from taxes on domestic goods and services fell by 3.4 per cent (\$2.7m), reflecting in part the downturn in economic activity for the period under review.



Current expenditure amounted to \$416.6m, representing a marginal increase (0.7 per cent) on the total realised in 2008. As a percentage of GDP, current expenditure rose to 25.1 per cent from 22.6 per cent in 2008. Growth in expenditure stemmed mainly from increases in outlays on interest payments, in line with the existing debt stock and the effects of the stepwise debt servicing arrangement with some creditors. Interest payments

rose by 29.9 per cent (\$10.4m) due to an increase in both domestic and external payments. Outlays on transfers and subsidies rose by 1.0 per cent to \$94.1m, associated with an increase in outlays for social safety net programmes. Spending on goods and services increased by 1.5 per cent, due in part to an increase in the number of government ministries and departments. Despite the increase in the civil service, expenditure on personal emoluments fell by 4.8 per cent (\$9.6m), as retroactive payments paid in 2008 were not repeated in 2009.

Capital expenditure, at \$117.1m (7.1 per cent of GDP), was 45.3 per cent (\$96.8m) below the total in 2008. The contraction was mainly associated with efforts by the authorities to limit capital spending in line with available resources. Road development and maintenance and school rehabilitation accounted for most of the outlay. Capital spending was largely financed by local resources as capital grants fell by 63.5 per cent to \$12.7m.

Public Sector Debt

The outstanding debt of the public sector was estimated at \$1,891.5m at end of 2009, representing an increase of 6.4 per cent on the total at the end of 2008. As a percentage of GDP the outstanding debt of the public sector rose to 114.7 per cent from 108.0 per cent at the end of 2008. Growth in public sector debt was driven largely by increases in borrowing by the central government. The total disbursed outstanding debt of the central government grew by 7.1 per cent to \$1,692.0m, mainly attributable to a



10.6 per cent increase in domestic debt. Estimates of the outstanding debt of public corporations indicate a 1.4 per cent increase to \$199.5m.

Money and Credit

Monetary liabilities (M2) increased by 3.3 per cent to \$1,812.1m during 2009 compared with growth of 4.1 per cent during 2008. The deceleration was consistent with the slowdown in the pace of economic activity. Growth in quasi money slowed to 6.4 per cent from 6.8 per cent during 2008 associated mainly with a deceleration in the accumulation of private sector savings deposits. By contrast, growth in time deposits accelerated, on account of increases in the minimum interest rate. Foreign currency deposits expanded, attributable in part to an expansion in the number of students attending the St Georges University. Narrow money (M1), which is closely linked to consumer transactions, fell by 8.8 per cent, attributable to declines in private sector demand deposits. Currency with the public expanded, as the fall in cash at commercial banks overwhelmed that of currency in circulation.

The counterpart to growth in M2 was a 2.6 per cent increase in domestic credit to \$1,641.8m, underpinned by an expansion in lending to the private sector. Private sector credit rose by 4.5 per cent, due to increases in outstanding loans to households, while lending to businesses contracted. The central government's net indebtedness to the banking system fell by 19.6 per cent to \$98.8m,

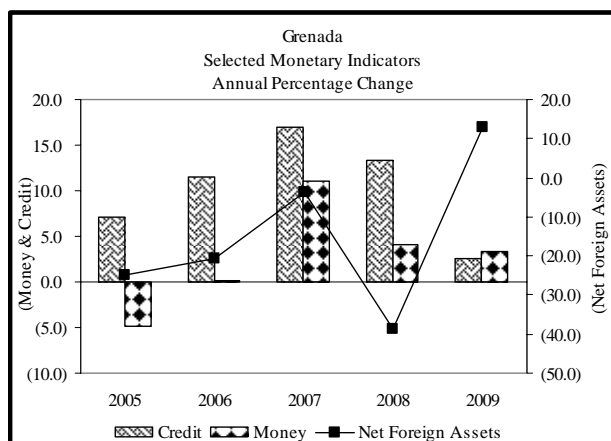
partly attributable to an increase in their deposits, which were supported by grant funds received in December 2009. Outstanding credit to the non-bank financial institutions fell by 53.4 per cent on account of a reduction in investments. The net deposits of the non-financial public enterprises increased by 6.1 per cent (\$7.3m) largely resulting from growth in deposits.

An analysis of credit by economic activity revealed that personal loans expanded by 8.5 per cent (\$90.1m), led by a 6.8 per cent (\$40.1m) increase in loans for the acquisition of properties. Credit for tourism related activities rose by 6.7 per cent (\$9.3m) as some tourism plants borrowed for cash flow support amidst the downturn in tourism activity. Outstanding loans for construction grew at a slower pace, mirroring developments in that sector. Consistent with the downturn in economic activity, credit for distributive trade contracted by 9.7 per cent (\$14.4m), after expanding by 23.8 per cent in 2008. Credit for manufacturing (including mining and quarrying) declined by 8.1 per cent in 2009 (\$3.1m); following a 67.3 per cent (\$m) growth in 2008 associated with loans for plant retrofitting by one of the major companies. Loans for agriculture (including fisheries) declined marginally (0.3 per cent).

The net foreign assets of the banking system grew by 12.9 per cent to \$281.0m during 2009. Commercial banks' external transactions generated a net liabilities position of \$22.4m at the end of 2009. This development reflected a drawdown of their



assets and growth in liabilities to institutions outside the Eastern Caribbean Currency Union, as banks borrowed from abroad to meet the demand for credit. Grenada's imputed share of ECCB's reserves increased by 8.0 per cent to \$303.4m.

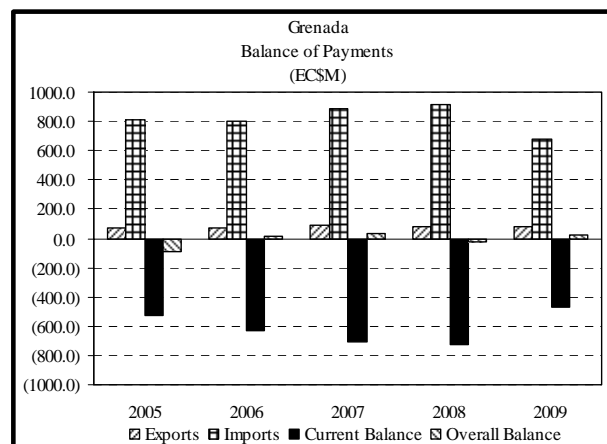


Liquidity in the commercial banking system decreased during 2009. The ratio of liquid assets to total deposits plus liquid liabilities fell by 2.4 percentage points to 24.2 per cent, below the prudential benchmark of 25.0 per cent. The ratio of loans and advances to total deposits grew by 3.3 percentage points to 83.3 per cent. The cash reserve to deposits ratio fell to 7.2 per cent from 7.8 per cent in 2008.

The interest rate spread between deposit and lending rates widened to 7.71 percentage points from 6.26 percentage points at end of 2008. The weighted average interest rate on deposits fell to 3.03 per cent from 3.16 at the end of 2008, while the weighted average lending rate increased to 10.68 per cent from 9.42 per cent.

Balance of Payments

The overall balance of payments position improved in 2009. External transactions resulted in an overall surplus of \$22.5m (1.4 per cent of GDP), in contrast to a deficit of \$21.3m (1.2 per cent of GDP) in 2008 largely as a result of lower net outflows on the current account. The current account deficit narrowed to \$472.0m (28.6 per cent of GDP) from \$725.6m (39.6 per cent of GDP) in 2008. The smaller deficit was mainly attributed to developments in the goods and services sub-accounts.



The merchandise trade deficit fell to \$604.4m (36.7 per cent of GDP) from \$833.0m (45.5 per cent of GDP) in 2008, attributable to a contraction in the import bill. Payments for merchandise imports (f.o.b) declined by 25.4 per cent to \$682.4m, reflecting a fall in the volume of imports for the year. The value of merchandise exports fell by 4.4 per cent to \$78.1m, due to a 6.2 per cent decline in domestic exports.



Transactions on the services account resulted in a net inflow of \$128.5m (7.8 per cent of GDP), roughly 20.8 per cent above the amount in 2008. On the income account, net outflows fell by 4.4 per cent, led primarily by a contraction in investment income.

The surplus on the capital and financial account declined by 29.8 per cent to \$494.5m in 2009, influenced by lower inflows of capital grants and foreign direct investments. As a percentage of GDP, the surplus fell to 30.0 per cent from 38.5 per cent in 2008.

Prospects

The pace of economic activity is expected to slow even further in 2010, on the basis of weak performances in most sectors of the economy. Tourism activity is likely to remain weak, reflecting the lag effect of the global economic and financial crisis on travel from the source markets. The declining trend in construction activity is projected to continue in 2010, albeit at a slower pace, as access to funding remains constrained. However, funding for some public sector investment projects, including the Grenville Market Square, a feeder road project and school repairs and refurbishment, have been secured and are likely to boost activity in the

construction sector in 2010. Agricultural output is forecast to increase, albeit at a slower rate relative to that in 2009, as crop output continue to rise.

The overall deficit of the central government is projected to narrow, as growth in revenue is likely to outpace that of expenditure. Current savings are projected to increase, due to an expected expansion in current revenue, following the implementation of the value added tax (VAT) and excise tax in February 2010.

In the external sector, the merchandise trade deficit is likely to decrease, based on lower import payments, consistent with the slow pace of economic activity. Net inflows from travel are expected to fall in line with a reduction in visitor arrivals. 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. Even as the industrialised economies show signs of recovery, such positive effects are not likely to impact the Grenadian economy until the latter part of 2010. Additionally, adverse weather in 2010 can further dampen economic activity.



MONTSERRAT

Overview

Provisional data indicate that economic activity in Montserrat continued to expand in 2009, albeit at a slower pace relative to the increase in 2008. Real GDP growth is provisionally estimated at 1.0 per cent compared with 5.4 per cent in 2008. An increase in construction activity provided the impetus for growth. Consumer prices rose by 2.5 per cent during 2009, on an end-of-period basis. The central government's fiscal operations resulted in an overall surplus, in contrast to an overall deficit in 2008. The total outstanding debt of the public sector continued to decrease during 2009. In the banking system, monetary liabilities increased, influenced by growth in net foreign assets, as domestic credit declined. Commercial bank liquidity remained at a high level, and the spread between the weighted average interest rate on loans and deposits narrowed. In the external sector, an overall surplus was realised in contrast to a deficit in 2008, as a result of decreased outflows on the current account.

Real GDP is projected to expand in 2010, based largely on expected developments in construction and wholesale and retail trade. The fiscal performance of the central government is projected to deteriorate as the current account deficit widens. Risks to this outlook include adverse developments in the UK/Euro economies, continued threat of

volcanic activity, limited air access, increasing cost of intra-regional travel and adverse weather.

Output

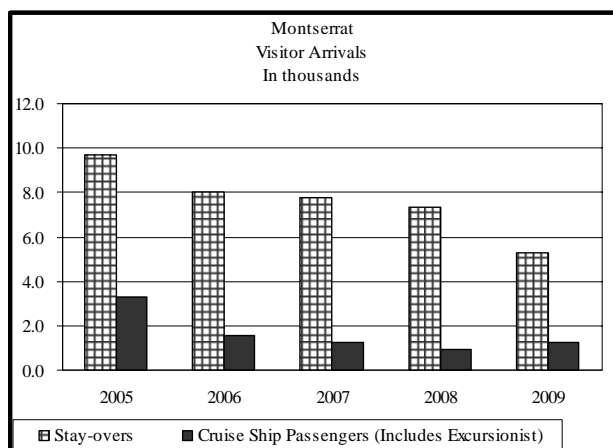
Construction activity, a major contributor to GDP, remained robust in 2009. Value added in that sector expanded by 7.0 per cent, compared with growth of 3.3 per cent in 2008. As a result, the sector's contribution to GDP increased to 11.6 per cent from 10.9 per cent in 2008. Construction was driven by activity in both the public and private sectors. In the public sector, activity was concentrated on the Little Bay Development project and rehabilitation of public facilities. Activity in the private sector focused on the renovation and building of residential properties, marked by an increase in the number of construction starts. Partly reflecting the expansion in residential construction was a 27.4 per cent rise in commercial bank credit for home construction and renovation. Growth in the construction sector also contributed to an expansion in output in mining and quarrying. Value added in that sector increased by 0.5 per cent in contrast to a decline of 5.1 per cent in 2008. Its contribution to GDP remained relatively unchanged at 2.5 per cent in 2009.

Value added in the agricultural sector, which accounted for 2.5 per cent of GDP in 2009, rose by 30.1 per cent following growth of 24.5 per cent in 2008. Crop production grew by 55.0 per cent, driven mainly by initiatives to increase food production of vegetables, bananas and plantains.



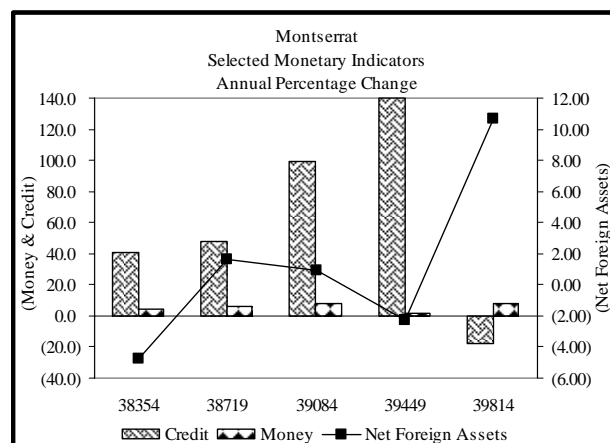
Growth in the agricultural sector was also influenced by increases in the sub-sectors, fishing (5.0 per cent) and forestry (2.0 per cent).

The government services sector, the largest contributor to GDP (37.1 per cent), expanded by 2.0 per cent following an increase of 5.4 per cent in 2008, as the number of persons in the civil service rose. Among the other sectors, value added in the banks and insurance sector, the second largest contributor to GDP, grew by 1.0 per cent, compared with growth of 7.4 per cent in 2008. The sector's contribution to GDP was unchanged at 15.9 per cent.



Value added in the hotels and restaurants sector, a proxy for tourism activity, fell by 22.0 per cent, in contrast to an expansion of 9.5 per cent in 2008. The outturn in 2009 was attributed to a decline in the number of visitors in paid accommodation. Stay-over arrivals decreased by 27.6 per cent, mirroring declines in all major markets, as the global crisis continued to negatively impact the demand for travel. The distribution of tourist arrivals by source markets indicates that the number of visitors from

the Caribbean, the UK and the USA fell by 25.6 per cent (680), 29.9 per cent (644) and 31.0 per cent (595) respectively, and those from Canada declined by 22.8 per cent (97). Yacht passenger arrivals decreased by 26.5 per cent, on account of fewer yachts anchoring in Montserrat. Collectively these declines led to a fall of 22.5 per cent in the total number of visitor arrivals.



Prices, Wages and Employment

The rate of inflation, as measured by the change in the consumer price index (CPI), was 2.5 per cent during 2009, compared with 4.5 per cent in 2008. The deceleration was partially linked to a decrease in the price of a few imported commodities. The food sub-index, the largest weighted in the basket of goods and services, rose by 1.8 per cent, a marked decrease compared with 11.0 per cent in 2008, when consumers paid higher prices for imported dairy and poultry products. A 30.8 per cent rise in school fees and an expansion of 55.7 per cent in gasoline prices were primarily responsible for an increase of 6.9 per cent in the services sub-index. Prices of household



goods rose, by 3.5 per cent. Those increases were partly offset by a fall of 4.5 per cent in the gas, electricity and water sub-index, reflecting a decline of 8.6 per cent in the price of a 100.0 pound cylinder of propane gas, and a decrease of 2.7 per cent in the cost of 100.0 kilo watts of electricity.

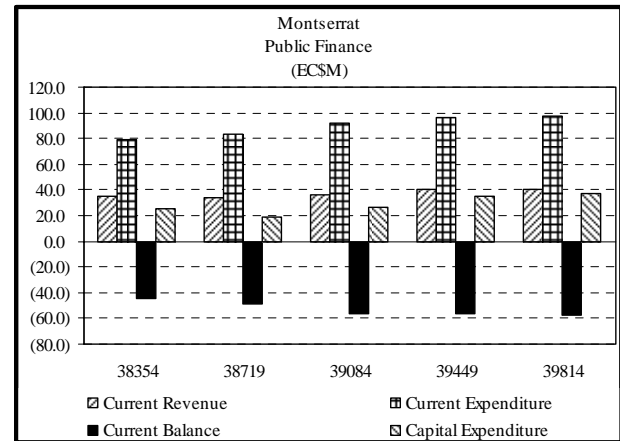
Data on wage movements and employment in the private sector were not available for the review period. In the public sector the number of workers increased as government employed additional staff in a few ministries. Public sector employees however were not granted wage increases in 2009.

Central Government Fiscal Operations

The fiscal operations of the central government generated an overall surplus of \$5.9m (4.2 per cent of GDP) in 2009, in contrast to a deficit of \$13.5m (10.0 per cent of GDP) in 2008. This outturn was a result of an increase of 27.4 per cent in grant receipts. A primary surplus of \$6.0m (4.3 per cent of GDP) was recorded, in contrast to a deficit of \$13.4m (9.9 per cent of GDP) in the previous year.

Occasioned by an increase in current expenditure, the current account deficit (before grants) widened by \$1.1m to \$57.2m. Current expenditure grew by 0.6 per cent to \$97.3m, attributable to increased outlays on transfers and subsidies and personal emoluments. Expenditure on transfers and subsidies rose by 23.1 per cent to \$31.9m, on account of increased public assistance and pension payments.

Outlays on personal emoluments rose by 5.5 per cent, reflecting an increase in employment.



Current revenue decreased marginally to \$40.1m, as a decline in non-tax revenue outpaced the increase in tax collections. Non-tax revenue fell by \$1.5m to \$4.3m, mainly reflecting smaller collections from fees and stamp duties. Tax revenue rose by 4.1 per cent to \$35.8m, largely attributable to increased collections from taxes on income and profits, mirroring higher intakes from personal and company taxes. Revenue from taxes on international trade and transactions fell by 3.5 per cent, predominantly associated with a decline in the customs service charge, consistent with a decline in total imports. The current account deficit was financed by inflows of current grants which amounted to \$60.3m, an estimated 6.4 per cent above the total in 2008.

Capital expenditure increased by 4.5 per cent to \$37.1m (26.8 per cent of GDP) in 2009, mainly financed by larger inflows of capital grants. Inflows of capital grants totalled \$39.9m, roughly 81.5 per



cent (\$19.9m) more than the amount received in 2008.

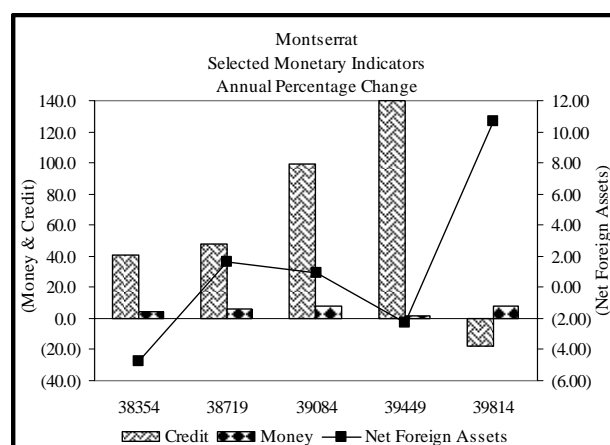
Public Sector Debt

The total disbursed outstanding debt of the public sector was estimated at \$8.9m at the end of 2009, below the \$11.1m recorded at the end of 2008. The ratio of outstanding public sector debt to GDP fell to 6.4 per cent, from 8.2 per cent in 2008, reflecting a decline in the outstanding debt of both central government and public corporations. A \$1.4m fall in domestic borrowing was the main reason for a 45.0 per cent (\$1.8m) decline in the indebtedness of central government. The public corporations paid off their domestic debt and also reduced their external borrowing by \$0.4m; hence a fall in their total outstanding debt in 2009.

Money and Credit

Monetary liabilities (M2) increased by 8.3 per cent to \$165.5m during 2009, a marked acceleration compared with growth of 1.6 per cent during 2008. This outcome largely reflected developments in quasi money, which expanded by 12.3 per cent (\$14.0m) following growth of 4.7 per cent (\$5.1m) during 2008. The increase in quasi money was attributed to growth in savings deposits (\$10.8m) and time deposits (\$3.1m). Narrow money (M1) fell by 3.2 per cent after contracting by 6.4 per cent during the previous year. The outturn was mainly the result of a 16.5 per cent (\$4.5m) reduction in private sector demand deposits.

Commercial bank credit to the private sector expanded by 15.2 per cent (\$7.0m), due mainly to increased lending to households (\$7.0m) to facilitate home construction and renovation. Central government's net deposit position rose by 9.0 per cent, as government reduced its outstanding loans with commercial banks. Net deposits of the non-financial public enterprises grew by \$7.4m, reflecting an increase in their deposits.



An analysis of the distribution of credit by economic activity indicates that credit for personal use, which accounted for 78.8 per cent of total credit during 2009, increased by 9.6 per cent. Most of the increase in credit for that purpose was utilised for the acquisition of property, more specifically home construction and renovation. Credit for tourism rose by 7.6 per cent (\$4.2m), while that for the distributive trades decreased by 36.9 per cent (\$1.8m).

The net foreign assets of the banking system stood at \$182.9m at the end of December 2009, roughly 10.6 per cent above the total at the end of December



2008. Growth in net foreign assets was traced to a 22.5 per cent (\$7.1m) expansion in Montserrat's imputed share of the Central Bank's reserves. Commercial banks' net foreign assets grew by 7.8 per cent (\$10.4m), largely as a result of an increase in net assets held with banks and other institutions outside the Eastern Caribbean Currency Union.

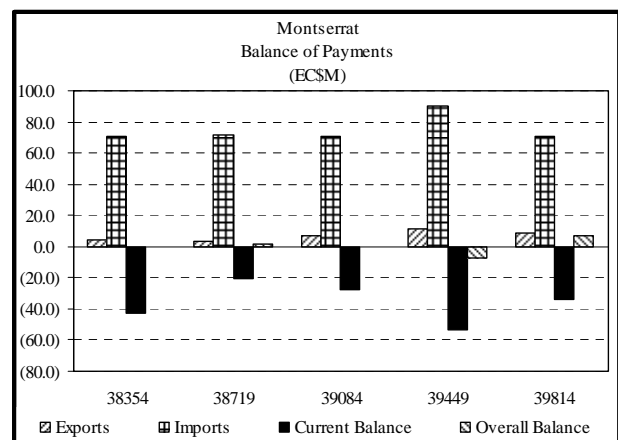
Liquidity in the commercial banking system remained at a high level during 2009. The ratio of liquid assets to total deposits plus liquid liabilities grew by 0.3 percentage point to 89.4 per cent. The loans and advances to total deposits ratio rose by 0.9 percentage points to 24.4 per cent, on account of a faster rate of growth in total loans and advances relative to that of total deposits.

The weighted average interest rate spread between loans and deposits narrowed to 6.17 percentage points at the end of 2009. The narrowing of the spread was the result of an increase of 5.0 basis points in the weighted average interest rate on deposits, along with a decline of 83.0 basis points in the weighted average interest rate on lending.

Balance of Payments

Preliminary data on the balance of payments indicate that Montserrat's external position improved in 2009. An overall surplus of \$7.1m (5.1 per cent of GDP) was recorded, in contrast to a deficit of \$7.6m (5.6 per cent of GDP) in 2008. This outturn stemmed from an improvement on the current

The current account deficit narrowed to \$34.2m (24.7 per cent of GDP) from \$53.3m (39.4 per cent of GDP) in 2008, mainly associated with a reduction in the merchandise trade deficit. A large decline in imports contributed to a reduction of 22.3 per cent to \$61.9m in the merchandise trade deficit. Import payments decreased by 22.3 per cent (\$20.2m), associated in part with the decline in wholesale and retail activity. The value of exports fell by 22.5 per cent (\$2.5m) compared with the total in 2008, partly attributable to a fall in the export of crude materials and miscellaneous manufactured articles.



Notwithstanding the improvement on the current account, the surplus on the capital and financial account is estimated to have decreased to \$38.9m (28.1 per cent of GDP), from \$44.7m (33.1 per cent of GDP) in 2008. This decline was attributed to reduced inflows of direct investment, which more than offset the increase in receipts from capital grants.



Prospects

Growth in real GDP in 2010 for Montserrat is projected at 2.1 per cent, based on a likely increase in activity in the construction sector, supported by developments in wholesale and retail trade. Construction activity is expected to be public sector driven, with a continued focus on social and economic infrastructure, especially on the development of Little Bay as the prospective capital of the island.

The overall fiscal deficit (before grants) of the central government is projected to widen, based on an anticipated deterioration in the current account deficit. An increase in revenue collection is not anticipated, while current expenditure is likely to expand. Capital expenditure is projected to be above the 2009 level, concomitant with heightened activity in the construction sector.

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 increased activity in the construction sector and other ancillary sectors. A rise in export earnings is anticipated based on an increase in external demand for sand and aggregate as general economic activity picks up.

These projections are largely contingent on developments on the international scene, more specifically the rate at which the economies of the UK and Euro area recover from the global recession. These developments could adversely impact grant inflows and ultimately the implementation of the government's capital programme. Other downside risks include the increasing cost of intra-regional and international travel, adverse weather and the continued threat posed by the active Soufriere Hills Volcano.



ST KITTS AND NEVIS

Overview

Provisional data indicate that real GDP in St Kitts and Nevis contracted by 9.6 per cent in 2009, the sharpest decline on record, in contrast to growth of 4.6 per cent recorded in 2008. The decline in economic activity was largely influenced by the global economic and financial crisis and its impact on activities in the hotels and restaurants, manufacturing and construction sectors, the economy's leading sectors. Consumer prices increased by 1.0 per cent during 2009. The fiscal operations of the federal government improved, marked by a shift to an overall surplus from a revised overall deficit, mainly attributable to an increase in grants. The total outstanding public sector debt rose during the period under review. In the banking system, monetary liabilities expanded, influenced by an increase in net foreign assets as domestic credit fell. Commercial bank liquidity eased and the weighted average interest rate spread between loans and deposits widened. In the external sector, a smaller overall surplus was recorded, reflecting a widening of the current account deficit.

The economy of St Kitts and Nevis faces challenges from the external environment, notably the impact of the projected slow recovery in advanced economies. Economic activity is projected to contract further in 2010 based on the outlook for performance in the tourism and the construction sectors. The fiscal operations of the federal government are likely to

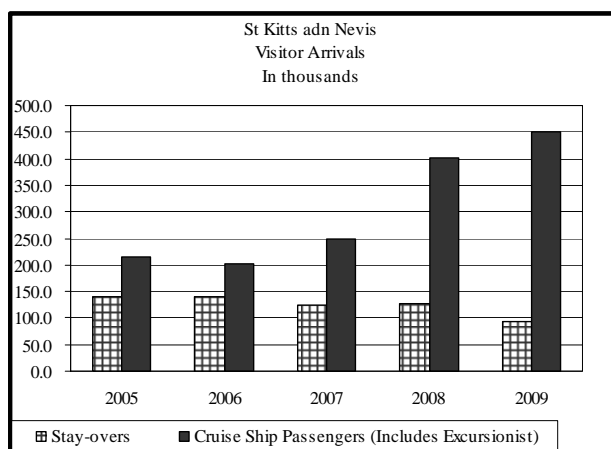
deteriorate relative to the outturn in 2009, due to an anticipated decline in grant inflows and a projected increase in expenditure. Price pressures are projected to remain subdued in 2010 given the outlook for commodity prices. On balance, risks are weighted to the downside though receding as the global economic recovery strengthens.

Output

Construction activity is estimated to have contracted in 2009 due mainly to a slowdown in FDI funded tourism related projects. Activity in the construction sector, which accounts for 12.5 per cent of GDP, declined by an estimated 25.0 per cent. Public sector construction and non residential private construction remained weak. In the private sector, major projects included the Silver Reef and Ocean Edge resorts and Beaumont Park. Activity in the public sector decreased, as some major road projects were completed and a number of projects planned for 2009 were postponed due to funding constraints. Reflecting the decline in overall construction activity were decreases in the import volumes of cement (33.0 per cent) and other construction related materials (22.4 per cent). Despite a general contraction in activity in the construction sector, private residential construction is estimated to have remained buoyant as evidenced by an increase in the credit extended for home construction and renovation. Credit extended for home construction and renovation increased by 10.5 per cent (\$28.1m).



Value added in the hotels and restaurants sector, a proxy for tourism activity, is estimated to have declined by 20.0 per cent following growth of 1.5 per cent in 2008. The sector's contribution to GDP fell to 5.4 per cent from 6.2 per cent in 2008. The downturn in 2009 was influenced by the impact of the global crisis on leisure travel as well as the closure of the Four Seasons Resort since October 2008. Preliminary estimates indicate a decline in the number of stay-over visitors from all major markets. The total number of stay-over visitors decreased by 27.1 per cent (34,624), of which arrivals from the USA and the Caribbean, which jointly accounted for 83.0 per cent of the total, decreased by 28.8 per cent and 22.7 per cent respectively. Of the other categories of visitors, cruise passenger arrivals rose by 12.4 per cent to 450,553, attributable to an increase in the number of cruise ship calls.



Activity in the manufacturing sector is estimated to have declined by 17.0 per cent in 2009, mainly associated with a decrease in production of electrical components. The sector's contribution to GDP fell

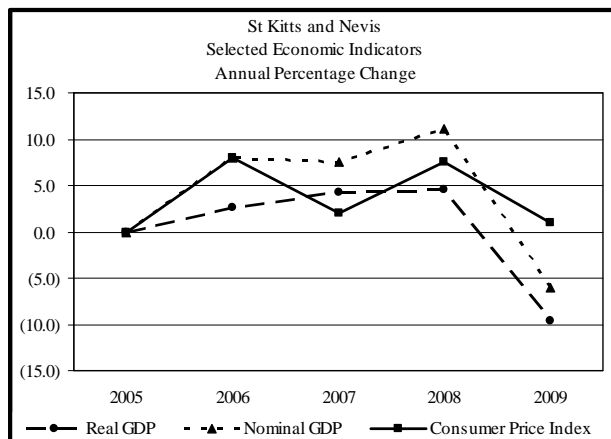
to 10.0 per cent from 10.9 per cent in 2008. This downturn was precipitated by a decline in external demand for electrical components, largely as a result of global economic conditions. Value added in wholesale and retail trade and transportation sectors declined by 10.5 per cent and 11.8 per cent respectively. Output in the agricultural sector is also estimated to have declined by 3.3 per cent, due to adverse weather, particularly drought conditions. By contrast activity in the banking and insurance sector, which contributed approximately 18.3 per cent to GDP is estimated to have grown by 7.9 per cent in 2009 in contrast to a decline of 1.3 per cent in 2008.

Prices, Wages and Employment

Inflationary pressures eased during 2009. The consumer price index (CPI) increased by 1.0 per cent compared with an expansion of 7.6 per cent in 2008. The food sub-index, the largest weighted in the CPI basket, increased by 0.4 per cent, compared with growth of 9.0 per cent in 2008, reflecting the fall in prices of major food commodities. Declines were recorded in the sub-indices housing (8.6 per cent), clothing and footwear (3.0 per cent) and fuel and light (0.6 per cent).

Wages in the public sector increased, mainly attributable to the bonus salary granted in December 2009. Official data on private sector wages are not available; however, anecdotal information suggests that wage pressures moderated due to a fall in economic activity.





Official data on unemployment in St Kitts and Nevis are unavailable. Data on employment by the central government in St Kitts show a 0.9 per cent increase to 4680, while that for the Nevis Island administration show a 4.3 per cent expansion to 1462. Anecdotal information reveals layoffs in the hotels and restaurant, construction and manufacturing sectors due to the fall in economic activity, which may have contributed to an increase in the unemployment rate.

Central Government Fiscal Operations

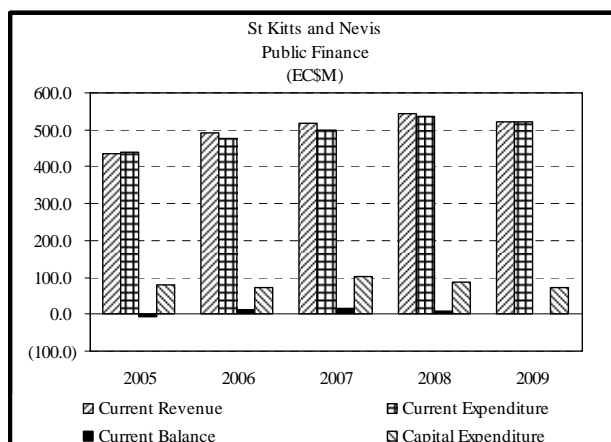
Preliminary data on the fiscal operations of the federal government show that an overall surplus of \$9.5m (0.7 per cent of GDP) was realised in 2009, in contrast to a revised deficit of \$4.8m (0.3 per cent of GDP) in 2008. The improvement in the overall position of the federal government primarily reflected larger grant inflows. Despite the improvement in the overall fiscal position, the current account balance shifted to a deficit of \$0.5m from a surplus of \$6.7m in 2008, as growth in current expenditure outstripped that of current

revenue. A primary surplus (after grants) of \$126.8m (8.9 per cent of GDP) was generated in 2009, compared with one of \$124.1m (8.1 per cent of GDP) in 2008.

Grant receipts more than doubled in 2009 to \$59.3m, reflecting an increase in current grants, as capital grants contracted. Preliminary data show that capital revenue decreased by 57.8 per cent influenced by a slow down in the pace of land sales. Capital expenditure declined by 16.5 per cent to \$72.2m, as some major projects that were under construction in 2008 were completed such as the West Basseterre by pass road.

Current expenditure declined by 2.7 per cent to \$521.7m (36.7 per cent of GDP), in contrast to growth of 7.2 per cent in the corresponding period of 2008. The decline in current expenditure was reflected in decreases in all of the sub-categories, except personal emoluments. Expenditure on goods and services contracted by 4.6 per cent (\$6.5m), associated in part with lower prices for fuel. Interest payments fell by 9.0 per cent (\$19.7m), reflecting decreases in both domestic and external payments. Outlays associated with transfers and subsidies declined by 7.5 per cent, due to a decrease in transfers to overseas missions and other regional and international agencies. By contrast, expenditure on personal emoluments, which accounted for 43.1 per cent of current expenditure, rose by 3.7 per cent (\$7.8m) on account of an increase in the number of civil servants as well as a bonus salary payment in December 2009.





Current revenue decreased by 4.0 per cent to \$521.2m (36.7 per cent of GDP), reflecting the fall in economic activity. Tax revenue fell by 9.5 per cent (\$40.1m), as a result of decreases in receipts from both taxes on domestic goods and services and taxes on international trade and transactions, which together account for over 60.0 per cent of tax receipts. Collections from taxes on domestic goods and services decreased by 14.9 per cent (\$12.5m), largely reflecting a decline in receipts from the hotel and guest tax (\$8.9m). This outcome was consistent with the decrease in stay-over visitor arrivals, associated with the global economic slow down and the closure of the Four Seasons Resort. Taxes from international trade and transactions decreased by 15.5 per cent (\$30.3m), reflecting reduced collections from the consumption tax (18.6 per cent) and import duties (14.6 per cent). The reduction in receipts from these two sources reflected a decline in imports as economic activity contracted. Non-tax revenue increased by 15.0 per cent (\$18.3m), mainly attributable to an increase in collections from the electricity department.

On a disaggregated basis, the fiscal operations of the central government resulted in an overall surplus of \$40.4m, up from one of \$16.0m in 2008, mainly as a result of larger inflows of grants. Capital expenditure declined by 18.4 per cent (\$11.6m), as some major projects were completed. The current account surplus increased to \$10.6m from \$4.3m in 2008, attributable to a decrease in expenditure. Current expenditure fell by 1.5 per cent, reflecting lower outlays on goods and services, transfers and subsidies and interest payments, which offset growth in personal emoluments. Tax receipts fell by 5.4 per cent (\$18.2m), largely as a result of a contraction in collections from taxes on international trade and transactions (\$23.9m). Non-tax revenue increased by 18.8 per cent (\$18.0m), associated in part with larger collections from the electricity department.

The fiscal operations of the Nevis island administration (NIA) deteriorated in 2009, as the overall deficit widened to \$30.9m from \$20.8m in 2008. The increase in the overall deficit was attributed to developments on the current account, which resulted in a deficit position of \$11.2m from a surplus position of \$2.4m in 2008. The reversal on the current account was attributed to a 19.5 per cent decline in current revenue to \$88.8m. Of the components of current revenue, declines were recorded in receipts from taxes on income and profits (5.6 per cent), taxes on domestic goods and services (47.7 per cent) and taxes on international trade and transactions (17.6 per cent). In response to the economic downturn, the NIA undertook measures to curtail current expenditure. These



measures led to a 7.4 per cent (\$8.0m) decline in current expenditure. Outlays on goods and services fell by 4.8 per cent (\$1.3m) and interest payments decreased by 37.1 per cent (\$6.5m). Expenditure on personal emoluments declined by 4.6 per cent, while outlays on transfers and subsidies increased by 29.7 per cent (\$2.4m). Capital expenditure fell by 11.4 per cent (\$2.7m), as some projects were completed and those planned for 2009 were postponed due to weak economic and fiscal conditions.

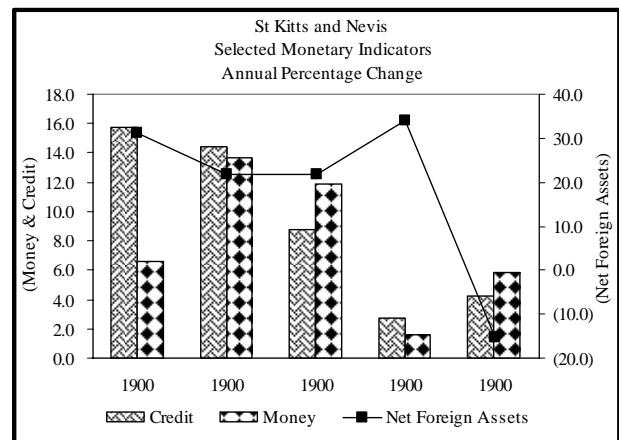
Public Sector Debt

The total outstanding disbursed debt of the public sector was \$2.6b (180.0 per cent of GDP) at the end of 2009, up from \$2.5b (162 per cent of GDP) at the end of 2008. Central government debt, which accounted for roughly 64.0 per cent of total public sector debt, rose by 5.0 per cent to \$1.6b, mainly attributable to an 8.1 per cent expansion in domestic debt. The outstanding debt of the public corporations decreased by 1.1 per cent to \$929.0m, due to a 6.1 per cent decline in the external component.

Money and Credit

Monetary liabilities (M2) expanded by 5.9 per cent to \$1,747.7m during 2009, outstripping the increase of 1.6 per cent recorded during 2008. Growth in M2 was largely influenced by an expansion in quasi money, which rose by 7.5 per cent. The increase in quasi money was due to growth in private sector

time deposits (23.3 per cent) and savings deposits (6.0 per cent), while foreign currency deposits declined (5.9 per cent). Narrow money (M1), the other component of M2, decreased by 3.2 per cent in contrast to growth of 11.4 per cent during 2008. The contraction in M1 was largely as a result of a 9.0 per cent decline in private sector demand deposits.



Domestic credit rose by 4.2 per cent to \$1,677.0m compared with an expansion of 2.7 per cent in 2008. The increase during 2008 was underpinned by growth in private sector credit and in lending to the federal government. Credit to the private sector expanded by 4.2 per cent (\$51.9m), mainly due to increased lending to households (\$59.3m). The federal government's net indebtedness to the banking system grew by 11.3 per cent to \$375.2m, as government accessed credit from the commercial banks to help finance their fiscal transactions. In the rest of the public sector, outstanding credit to non-financial public enterprises fell by 75.6 per cent (\$22.0m), largely reflecting an increase in their deposits (\$24.6m).



The distribution of credit by economic activity indicates growth of 5.4 per cent (\$118.4m) in total credit extended during 2009, of which the bulk was channelled into personal use and the construction sector. Credit for personal use rose by 6.3 per cent (\$49.7m), primarily for home construction and renovation and house and land purchase. The pace of credit growth for construction decelerated to 11.0 per cent (\$24.5m), from 20.8 per cent (\$38.4m) during 2008. Credit for tourism fell by 11.3 per cent, consistent with decreased activity in that sector.

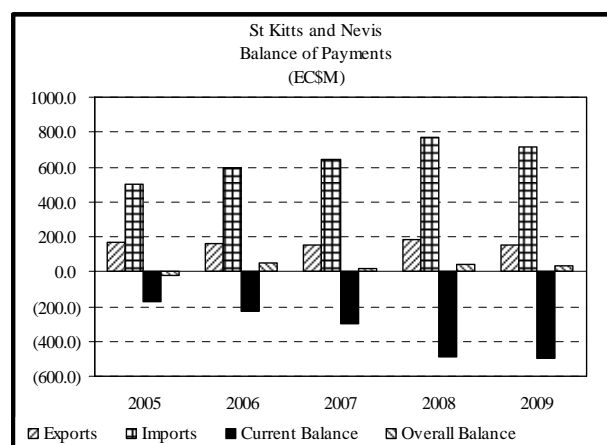
The net foreign assets of the banking system contracted, by 15.3 per cent (\$114.5m), mainly reflecting developments in the commercial banking sector. Net foreign assets of commercial banks decreased by 33.1 per cent (\$148.7m), on account of increased liabilities to institutions outside the Eastern Caribbean Currency Union as well as to those within the rest of the currency union. The expansion in commercial banks' liabilities was associated in part with efforts to finance growth in demand for credit by the private sector and the federal government. St Kitts and Nevis' imputed share of the reserves held at the Central Bank rose by 11.5 per cent (\$34.2m).

Liquidity in the commercial banking system remained at a high level during 2009. The ratio of liquid assets to total deposits plus liquid liabilities rose by 1.3 percentage points to 53.8 per cent, while the loans and advances to total deposits ratio decreased by 11.3 percentage points to 77.4 per cent,

as credit growth slowed. The weighted average interest rate on deposits decreased by 0.34 percentage point to 3.4 per cent, while that on loans decreased by 0.12 percentage point to 8.7 per cent. Those movements led to a widening of the weighted average interest spread by 0.2 percentage points to 5.1 percentage points.

Balance of Payments

Preliminary estimates of the balance of payments indicate that the overall surplus decreased to \$34.2m (2.4 per cent of GDP) compared with one of \$39.8m (2.6 per cent of GDP) in 2008. This outturn was influenced by larger net outflows on the current account.



The current account deficit increased to \$499.1m (35.1 per cent of GDP) from \$488.2m (31.7 per cent of GDP) in 2008, mainly reflecting a decrease in net inflows on the services account. Reduced inflows from travel (26.6 per cent), consistent with the contraction in stay-over arrivals, contributed to a 56.8 per cent decline to \$43.8m in net inflows on the



services account. By contrast, the merchandise trade deficit decreased to \$577.0m (40.6 per cent of GDP) from \$602.5m (39.1 per cent of GDP). Import payments fell by 6.9 per cent (\$53.5m), consistent with the contraction in economic activity. Earnings from merchandise exports declined by 16.5 per cent (\$28.0m), largely attributable to the decrease in production of electronic components. The surplus on the capital and financial account rose to \$533.2m (36.6 per cent of GDP) from \$527.9m (34.3 per cent of GDP) in 2008.

Prospects

Based on the sharp decline in economic activity in 2009 and in addition to uncertainty with regard to the sustainability of the nascent recovery underway in the developed economies, real output in St Kitts and Nevis is projected to contract in 2010. Moreover, the declining trend in construction activity is projected to continue in 2010, on the basis of reduced access to foreign direct investment and concessional financing. Tourism activity is likely to remain weak, as travel continues to be impacted by the slow recovery in the major source markets.

The fiscal operations of the federal government are projected to deteriorate resulting in an overall deficit in 2010. The projection is based on a decline in revenue as economic activity contracts and an increase in expenditure.

In the external sector, the current account deficit is projected to decline, based on expected decreases in imports, while the surplus on the capital and financial account is expected to decline due to lower FDI inflows. Consequently, the overall surplus on the balance of payments is likely to decrease. Gross travel receipts are likely to decline in 2010 due to fewer visitor arrivals and discounting by hotels.

In the banking system, monetary conditions are projected to remain favourable. Broad money is expected to increase, while credit conditions are likely to remain favourable due to the high level of liquidity in the banking system. Inflation pressures are projected to continue to ease based on the outlook for oil and other major commodity prices.



SAINT LUCIA

Overview

Economic activity in Saint Lucia is estimated to have deteriorated in 2009 relative to the performance in 2008. Provisional data indicate that real GDP contracted by 5.2 per cent in 2009, in contrast to a 0.7 per cent expansion in 2008. The outturn in 2009 was influenced by decreases in value added for the hotels and restaurants and construction - the main productive sectors. The declines were partially offset by an increase in value added for manufacturing. Consumer prices rose by 1.0 per cent rate during 2009 (on an end-of-period basis). The fiscal operations of the central government resulted in an overall deficit, in contrast to an overall surplus in 2008. The overall deficit reflected an increase in both current and capital expenditure, as well as lower current revenue. Monetary liabilities increased, albeit at a slower rate relative to the expansion in 2009; commercial bank liquidity tightened, while the spread between commercial banks' weighted average interest rate on loans and deposits widened. An overall surplus was recorded on the balance of payments in contrast to a deficit in 2008, as lower net outflows on the current account offset a reduction in net inflows on the capital and financial account.

The outlook for the economy appears to be mixed with risks largely tilted to the downside. Economic activity is projected to increase based in part on the recovery in the global economy, with much of the

improvement concentrated in the hotel and restaurants sector. This is expected to be supported by a recovery in the construction, manufacturing and agricultural sectors. Activity in the hotel and restaurants sector will be buoyed by increased airlift, intensified marketing and lower air fares associated with increased competition. Construction activity will be led by the public sector through the implementation of a number of capital projects, as foreign direct investment (FDI) inflows will remain low. An expansion in the overall fiscal deficit is projected, largely reflecting increases in capital expenditure. Major downside risks include the sustainability of the global recovery and whether the growing global optimism will be sufficient to overcome the damage to the global financial system and avert a potential double dip recession.

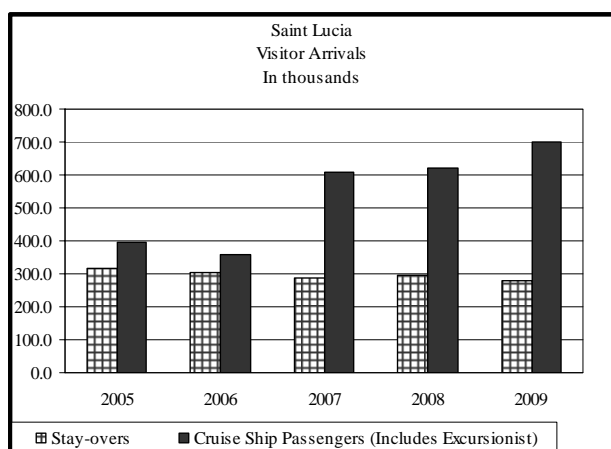
Output

Value added in the hotels and restaurants sector declined by 6.5 per cent, in contrast to a 2.2 per cent increase in 2008. However, the sector's contribution to GDP remained relatively unchanged at 11.6 per cent compared with the outturn in 2008. The performance in 2009 was attributed to a 5.8 per cent reduction in stay-over arrivals to 278,491, reflecting decreases in arrivals from the major source markets. The number of stay-over visitors from the UK and the USA fell by 14.1 per cent and 9.1 per cent respectively, consistent with the economic downturn experienced in those markets. The declines were



partly offset by increased arrivals from Canada and the Caribbean. The number of Canadian visitors rose by 8.7 per cent, reflecting improved airlift coupled with the relative strength of the Canadian economy in spite of the global downturn. Arrivals from the Caribbean rose by 0.7 per cent.

Cruise passenger arrivals increased by 12.9 per cent to 699,306, outpacing the 1.6 per cent rise in 2008. The expansion in 2009 was associated with growth of 26.0 per cent in the number of cruise ship calls. The number of excursionists fell by 48.2 per cent while yacht arrivals rose by 42.7 per cent. Total visitor arrivals increased by 7.1 per cent to 1,014,761 compared with growth of 1.7 per cent in 2008.



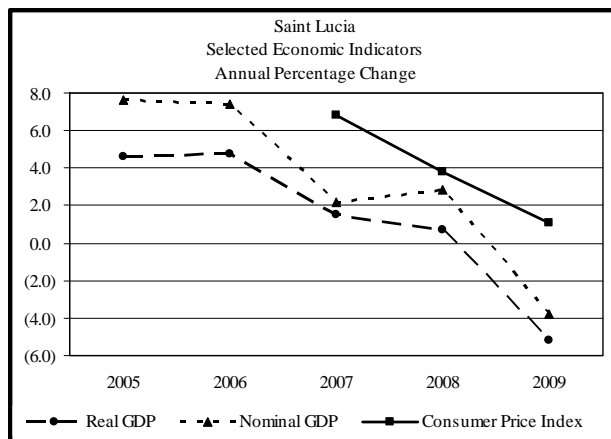
Value added in the construction sector fell by 24.4 per cent in 2009 compared with a decline of 14.4 per cent in 2008. The sector's share of GDP decreased to 5.3 per cent from 6.6 per cent in 2008. Activity in the construction sector was impacted by reductions in FDI inflows, which adversely affected a number of large construction projects. In the private sector,

work was ongoing on a shopping mall in Rodney Bay, hotel/villa developments in the north-western and south-western parts of the island as well as residential properties. Residential construction was estimated to have increased based on a 6.4 per cent expansion in commercial bank loans for home construction and renovation. Construction activity was largely supported by an increase in public sector projects, as work commenced on a number of infrastructural projects including roads and hospitals.

Value added in the agricultural sector fell by 8.5 per cent, a sharp contrast to an expansion of 20.5 per cent in 2008. The outturn in 2009 was influenced by a 15.7 per cent fall to 33,248 tonnes in banana production, reflecting drought conditions and the presence of Black Sigatoka disease. The agricultural sector's share of GDP decreased to 3.8 per cent from 3.9 per cent in 2008.

Value added in manufacturing increased by 1.0 per cent in 2009, in contrast to a 5.4 per cent contraction in 2009. As a share of GDP, the sector's contribution rose to 6.3 per cent from 5.9 per cent in 2008. The improvement in 2009 reflected increases in the output of most of the major manufactured items including food, beverages and tobacco (6.0 per cent) and paper products (3.6 per cent). By contrast, reductions were recorded in output of electrical products (2.6 per cent) and metal products (7.7 per cent).





Prices, Wages and Employment

Consumer price inflation in Saint Lucia was 1.0 per cent during 2009, down from 3.8 per cent in 2008. The lower rate of inflation was associated in part with a fall in international oil and food prices during the latter part of 2008. Prices in the food and non-alcoholic beverages sub-index, the largest weighted, decreased by 1.6 per cent, in contrast to an increase of 5.7 per cent in 2008. Prices also fell in the sub-indices clothing and footwear (9.0 per cent), health (3.6 per cent) and housing, utilities, gas and fuels (1.3 per cent). By contrast, higher prices were recorded for alcoholic beverages, tobacco and narcotics (7.3 per cent), household furnishings, supplies and maintenance (7.3 per cent) and education (7.4 per cent).

Data on private sector wage movements were not available for 2009. Public sector employees received a 4.125 per cent wage increase in April 2009, as part of a previously negotiated salary arrangement. In the final quarter of 2009 the rate of

unemployment stood at 20.5 per cent, compared with 16.8 per cent recorded in the last quarter of 2008.

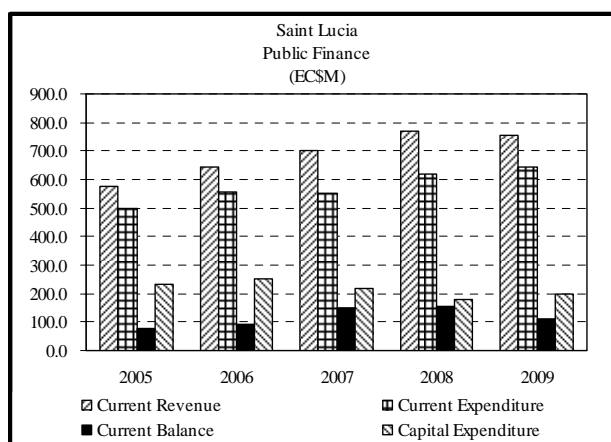
Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall deficit of \$65.2m (2.6 per cent of GDP), in contrast to a revised surplus of \$1.4m (0.1 per cent of GDP). The shift in the overall balance was attributed to a smaller surplus on the current account coupled with increased capital outlays. A primary surplus of \$24.6m (1.0 per cent of GDP) was realised, compared with one of \$79.8m (3.0 per cent of GDP) in 2008.

The current account surplus fell by 29.2 per cent to \$109.0m, associated with a reduction in current revenue and an increase in current expenditure. Current revenue fell by 2.3 per cent to \$753.8m (29.3 per cent of GDP). Tax revenue declined by 0.2 per cent mainly reflecting an 18.8 per cent fall in collections from taxes on domestic goods and service. The contraction was largely associated with declines in the yield from hotel occupancy tax (34.1 per cent) and stamp duties (29.3 per cent). The decrease in receipts from the hotel occupancy tax was consistent with the fall in stay-over arrivals, while the decline in the yield from stamp duties was attributed to lower land sales. Revenue from taxes on international trade and transactions rose by 5.8 per cent, mainly attributable to larger collections from consumption tax on fuel.



Current expenditure rose by 4.5 per cent to \$644.8m (25.1 per cent of GDP), reflecting larger outlays on personal emoluments and interest payments. Expenditure on personal emoluments rose by 7.2 per cent (\$20.8m), influenced by salary increases to civil servants in October 2008 and April 2009. Interest payments increased by 14.6 per cent (\$11.5m), due to an increase in domestic payments. The expansion in domestic interest payments was associated with an increase in bond issues on the Regional Government Securities Market, which were redeemed in the latter part of 2009.



Capital expenditure, at \$200.2m (7.8 per cent of GDP), was 11.3 per cent above the level in 2008. The increase was mainly associated with work on a number of highways, preliminary work on a new general hospital and other maintenance work on culverts and bridges throughout the island. Capital spending was financed in part by grants, which rose by 25.3 per cent (\$5.2m).

Public Sector Debt

The outstanding debt of the public sector was estimated at \$1,903.5m at the end of 2009, an increase of 1.0 per cent on the total at the end of 2008. As a percentage of GDP, the outstanding debt increased to 73.9 per cent from 70.8 per cent at the end of 2008. Growth in public sector debt was mainly as a result of an increase in borrowings by central government. The total disbursed outstanding debt of the central government rose by 1.1 per cent to \$1,634.1m, mainly attributable to an increase in external debt. Estimates of the outstanding debt of public corporations indicate a 0.3 per cent increase to \$228.1m.

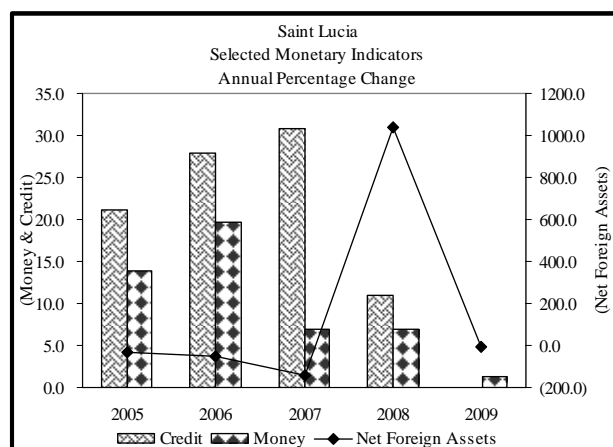
Money and Credit

Broad money (M2) expanded by 1.3 per cent to \$2,497.9m, compared with an increase of 7.0 per cent in 2008. The marked deceleration was attributed to a slower rate of growth in quasi money and a contraction in narrow money (M1). Quasi money rose by 2.6 per cent compared with growth of 10.3 per cent in 2008. The rise in quasi money was attributed to an increase in private sector savings deposits. M1 fell by 2.2 per cent, largely reflecting a decrease in private sector demand deposits.

Domestic credit increased marginally (0.1 per cent) to \$3,456.1m, compared with an 11.0 per cent



expansion recorded in 2008. Growth in credit to the private sector slowed to 1.8 per cent from 10.3 per cent in 2008, marked by a contraction in credit to households and a reduced rate of growth in lending to businesses. Net credit to the central government fell by 31.0 per cent to \$47.7m, largely attributable to a contraction in central government's borrowings from the commercial banks. Commercial bank credit extended to central government fell by 13.8 per cent, influenced by declines in loans and advances (22.7 per cent) and outstanding debentures (13.7 per cent), while the deposits of the central government at the commercial banks decreased by 6.0 per cent. The net deposits position of non-financial public enterprises rose by 13.7 per cent as deposit accumulation outpaced credit expansion. Credit to non-bank financial institutions fell by 28.8 per cent.



An analysis of credit by economic activity indicates increases in outstanding loans for all activities, except for personal use, which contracted by 1.4 per cent. However, the rate of growth for credit to construction and tourism decelerated markedly, by

37.8 per cent and 8.2 per cent compared with an expansion of 59.3 per cent and 48.6 per cent respectively in 2008, reflecting weak performance in both sectors.

The net liabilities position of the banking system fell by 7.3 per cent to \$503.6m at the end of 2009. The decrease was attributed to an increase in commercial bank assets held in financial institutions abroad and in other ECCB territories. Saint Lucia's imputed share of the reserves held at the Central Bank rose by 7.4 per cent to \$406.6m.

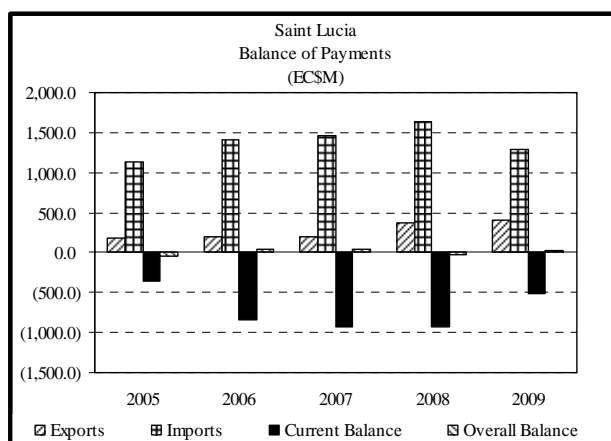
Liquidity in the commercial banking system remained tight in 2009 compared with the level in 2008. The ratio of liquid assets to total deposits plus liquid liabilities increased by 2.0 percentage points to 22.2 per cent, and the ratio of the loans and advances to total deposits rose by 2.3 percentage points to 117.3 per cent. At the end of December 2009 the weighted average interest rate spread between loans and deposits widened to 6.52 percentage points from 6.42 percentage points at the end of December 2008. The weighted average interest rate on deposits was 3.21 per cent, representing a 0.95 percentage point increase from that at the end of 2008, while the weighted average interest rate on lending increased by 1.45 percentage points to 9.73 per cent.

Balance of Payments

Preliminary estimates of the balance of payments for 2009 indicate an overall surplus of \$27.9m (1.1 per



cent of GDP) in contrast to a deficit of \$29.5m (1.1 per cent of GDP) in 2008. The shift to a surplus was attributed to lower net outflows on the current account, which offset a fall in net inflows on the capital and financial account. The deficit on the current account fell by 46.0 per cent to \$505.3m (19.6 per cent of GDP) largely reflecting a contraction in the deficit on the goods account. Payments for merchandise imports (f.o.b.) declined by 21.5 per cent to \$1,281.8m attributable to reductions in the demand for imports consistent with lower activity in construction and tourism. Export earnings increased by 10.4 per cent to \$412.4m (16.0 per cent of GDP), mainly reflecting larger re-exports of machinery and petroleum products. Banana export earnings increased by 1.2 per cent to \$55.3m (2.1 per cent of GDP), as a result of an increase in the average price per tonne. On the services account, net inflows rose by 8.4 per cent to \$433.7m (16.8 per cent of GDP) as lower inflows were offset by smaller outflows. Inflows from travel declined by 4.8 per cent to \$799.7m, largely influenced by decreases in stay-over arrivals.



On the capital and financial account, net inflows fell by 41.2 per cent to \$533.1m (20.7 per cent of GDP), largely attributable to a lower net outflow of commercial bank short-term capital. Commercial banks reduced their net liability position resulting in outflows of short-term capital of \$11.9m (0.5 per cent of GDP) in contrast to net inflows of \$466.2m (17.5 per cent of GDP) in 2008. A reduction in net inflows of direct investment by 3.0 per cent to \$422.4m (16.4 per cent of GDP) also contributed to smaller net inflows on the financial account, as a number of externally financed construction projects came to a halt. Net outflows of portfolio investment declined by 68.2 per cent to \$8.2m (0.3 per cent of GDP).

Prospects

The global economic recovery appears to be gathering pace, however the sustainability of the recovery remains uncertain. In Saint Lucia, tourism is projected to rebound as marketing initiatives coupled with increased airlift result in an expansion in stay-over visitors. The cruise sub-sector is projected to grow based on an increase in scheduled cruise ship calls and a rise in the number of cruise passengers. In the construction sector, the commencement of a number of large projects in late 2009 will provide a boost to the sector in 2010. However, increases in value added will be constrained by protracted delays in the inflow of foreign direct investment and the associated impact on private sector construction activity. Construction activity will therefore be buoyed by public sector



activity as uncertainty in the global economy delays business decisions in the private sector. Value added in the manufacturing sector is projected to increase in line with improved economic conditions in the export markets as well as the domestic economy.

The overall deficit on the fiscal accounts is projected to widen in 2010, as a result of an increase in capital expenditure as work on major public sector projects intensifies. Current revenue is likely to grow in line with heightened economic activity. Downward pressure will be exerted on current expenditure as measures are implemented to contain the wage bill and reduce outlays on goods and services. Interest payments are projected to rise as debt service obligations increase in tandem with an expansion in the public sector investment programme.

In the external sector, the merchandise trade deficit is projected to widen owing to an increase in merchandise imports, consistent with the expansion

in construction activity. Larger export earnings are projected based on increases in manufactured exports, as external demand in major markets strengthens. Net inflows from travel are expected to increase consistent with an expansion in visitor arrivals. The surplus on the capital and financial account is projected to rise based on growth in inflows from grant and loan disbursements.

Downside risks to the projections include a weak global recovery with slower growth likely for the euro area. This development may limit the number of stay-over visitors and adversely impact the level of visitor spending. Adverse weather including prolonged drought, as well as the presence of the Black Sigatoka disease, threaten to reduce output in the agricultural sector. Pressures on the fiscal operations of the central government may increase as government seeks to expand the reach of its social safety net programme in response to the rising unemployment rate.



ST VINCENT AND THE GRENADINES

Overview

Based on provisional data, economic activity in St Vincent and the Grenadines continued to contract in 2009, reflecting the impact of the global economic and financial crisis. Real GDP is estimated to have declined by 1.1 per cent, following a contraction of 0.6 per cent in 2008. The decrease in real output was largely attributed to a fall in construction and tourism activity, coupled with weak performances in the manufacturing and wholesale and retail sectors. The economic contraction was accompanied by a 1.6 per cent fall in the consumer price index (on an end-of-period basis). The central government's fiscal operations resulted in a larger overall deficit compared with the level in 2008. The total disbursed outstanding debt of the public sector rose during 2009, reflecting an increase in external debt. In the banking system, monetary liabilities and domestic credit increased, while net foreign assets declined. Commercial bank liquidity contracted, but remained at a high level. The spread between commercial banks' weighted average interest rate on loans and deposits narrowed. The overall deficit on the balance of payments increased during 2009.

Real output is projected to decline marginally in 2010, based in part on an expected decline in activity in the construction, wholesale and retail trades and manufacturing sectors. Performance in the tourism industry is likely to deteriorate, contingent on developments in the labour markets of the source

countries. A wider overall deficit is projected on the central government's fiscal accounts, based on an expected increase in expenditure. The merchandise trade deficit is projected to widen, on account of larger import payments and smaller net inflows from services. Other risks to the projections include an increase in oil and food prices and unfavourable weather.

Output

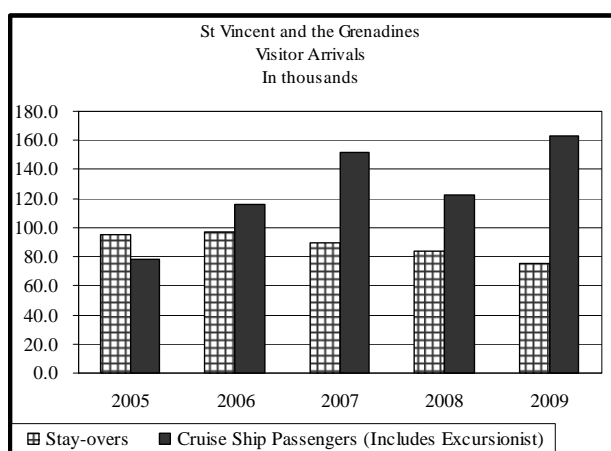
Value added in the construction sector decreased by 8.5 per cent, in contrast to growth of 1.4 per cent in 2008. The sector's share of GDP fell to 10.3 per cent from 11.0 per cent in 2008. The contraction in construction activity was underpinned by a fall in investments in both public and private sectors, driven in part by tight liquidity conditions in the international markets. The decline in construction activity was also reflected in a fall in imports of construction related materials. Public sector projects included road rehabilitation and completion of a number of public buildings. In the private sector, activity focused mainly on a major hotel and a few residential buildings. The overall decrease in activity in this sector was partly evidenced by declines in commercial bank lending for construction (1.5 per cent) and for home construction and renovation (1.6 per cent). Developments in the construction sector adversely affected activity in the mining and quarrying sector,



which declined by 8.5 per cent in 2009, in contrast to an increase in value added in the previous year.

The decline in overall economic activity contributed to a fall in wholesale and retail trade, a major contributor to gross domestic product (17.5 per cent in 2009). Value added in this sector decreased by 6.5 per cent, compared with a contraction of 1.5 per cent in 2008.

In the manufacturing sector, value added decreased, albeit at a slower pace. A contraction of 6.0 per cent was recorded in that sector in 2009, compared with one of 9.7 per cent in 2008. Declines were recorded in output of beer (34.7 per cent), rice (23.6 per cent) and feeds (14.8 per cent) as a result of a fall in demand, brought about by the adverse impact of the recent crisis on consumer spending and employment. Notwithstanding, output of flour increased marginally (1.0 per cent) as the price for that commodity fell.

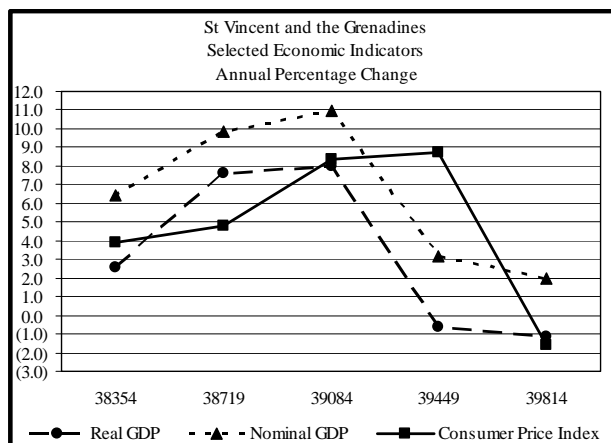


Value added in the hotels and restaurants sector, which is used as an indicator of the level of tourism

activity, is estimated to have decreased by 8.0 per cent in 2009 compared to a fall of 2.7 per cent in the prior year. The sector's contribution to GDP fell to 1.7 per cent from 1.8 per cent in 2008. This outturn reflects a 9.9 per cent decline to 75,815 in the number of stay-over visitors, mirroring declines in all the major source markets. Stay-over arrivals from the USA and the UK fell by 15.1 per cent and 11.7 per cent respectively, largely attributable to the recessionary conditions in these economies. Arrivals from other countries declined by 10.3 per cent while those from the Caribbean - the largest source market - dropped by 6.0 per cent, primarily on account of an increase in intra-regional air fares. Of the other categories of visitors, the number of cruise passengers rose by 35.2 per cent to 157,785 in 2009, a reversal from the decline in the previous year. This outturn was attributed to the introduction of larger cruise vessels and an increase of 19.2 per cent in the number of cruise ship calls. The number of excursionists fell by 14.3 per cent, while yacht passengers increased by 3.0 per cent.

Value added in the agricultural sector increased in spite of the economic downturn. Activity in that sector grew by an estimated 5.7 per cent in 2009, in contrast to a contraction of 6.5 per cent recorded in 2008. Consequently, agriculture's contribution to GDP increased to 9.6 per cent from 9.0 per cent in 2008. The upturn in the agricultural sector was influenced by an increase in the output of non-banana crops and by positive developments in the fisheries sub-sector. Fisher folk received better amenities and received loans on concessionary

terms, which assisted in increasing efficiency and improving the overall output of fish.



Prices, Wages and Employment

The consumer price index (CPI) fell by 1.6 per cent during 2009 on an end-of-period basis, in contrast to an increase of 8.7 per cent during 2008 partly reflecting the impact of declines in the prices of fuel and food. The fuel and light sub-index fell by 13.9 per cent, reflecting decreases in the cost of kerosene (42.8 per cent) and electricity (1.8 per cent) as a result of lower international oil prices, particularly in the first half of the year. Lower costs of petroleum products also contributed to a decline in the transport and communications sub-index (0.4 per cent). The food sub-index, the largest weighted of the CPI basket, declined by 2.2 per cent in contrast to an expansion of 14.3 per cent during 2008, attributable to a drop in the prices of fish, flour, milk and local agricultural produce. Among the other sub-indices, price increases were noted for alcoholic beverages and tobacco (2.8 per cent) and personal services (0.5 per cent).

Official data on wage movements in the private sector are not available. The contraction in economic activity, particularly in the construction sector and tourism industry, led to decreases in employment in these sectors of 7.9 per cent and 11.5 per cent respectively. According to anecdotal information, the impact of the crisis resulted in shortened work-weeks and temporary lay-offs.

Based on information from the National Insurance Services in St Vincent and the Grenadines, the total number of active employees declined by 8.9 per cent in 2009. Of that total, 34.9 per cent represent public sector employees; a decrease of 15.4 per cent on the revised number for 2008. Public servants received a salary increase of 3.0 per cent effective January 2009.

Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall deficit of \$49.0m (3.1 per cent of GDP), well above that of \$11.9m (0.8 per cent of GDP) in 2008. The larger deficit resulted primarily from developments on the current account. A primary deficit of \$0.8m was recorded, in contrast to a surplus of \$34.9m a year earlier. Grant receipts rose by 29.2 per cent to \$58.3m. Capital expenditure fell by 19.1 per cent to \$106.0m (6.8 per cent of GDP), as access to external sources of funds remained limited.

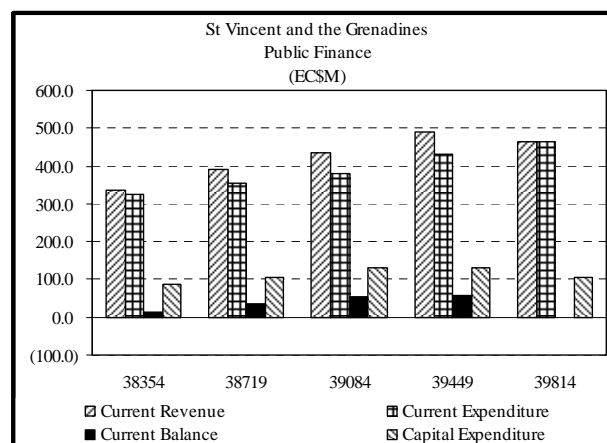
A current account deficit of \$2.8m (0.2 per cent of GDP) was realised in contrast to a surplus of \$58.2m



(3.7 per cent of GDP) in 2008. The deficit was attributed to an increase in expenditure, in addition to a decline in revenue. Current expenditure increased by 7.9 per cent to \$465.5m, and as a percentage of GDP rose to 29.8 per cent from 27.5 per cent in 2008. Growth in current expenditure was a result of increases in outlays on three of the four categories of expenditure. Outlays on transfers and subsidies expanded by 38.2 per cent (\$33.1m), influenced largely by an increase in spending on social safety net programmes in order to mitigate the adverse effects of the international financial crisis. Expenditure on personal emoluments rose by 2.5 per cent (\$5.1m), mainly on account of a salary reclassification exercise and wage increases to public servants. Interest payments were 3.0 per cent (\$1.4m) above the total in 2008, associated with larger domestic debt obligations. By contrast, expenditure on goods and services fell by 5.9 per cent (\$5.4m), as government implemented policy measures to reduce spending, and international oil prices declined.

Current revenue totaled \$462.7m, a decline of 5.5 per cent relative to the total in 2008. As a percentage of GDP, current revenue decreased to 29.6 per cent in 2009 from 31.2 per cent in the previous year. The contraction in current revenue resulted primarily from a fall-off of 4.5 per cent (\$20.0m) in tax revenue. Receipts from taxes on domestic goods and services fell by 6.8 per cent (\$16.8m), on account of a 7.3 per cent (\$11.1m) decrease in collections from the value added tax (VAT) and a 35.0 per cent (\$10.2m) decline in the

yield from stamp duties consistent with the downturn in economic activity. Revenue from taxes on international trade and transactions fell by 4.4 per cent, reflecting a further reduction in receipts from the consumption tax, which was replaced by the VAT in May 2007 and a decline in the yield from import duties, consistent with the fall in total imports. Receipts from taxes on income and profits rose by 0.2 per cent, reflecting an increase in the yield from personal income taxes, which more than offset a fall in collections from corporation tax. The company tax rate was reduced from 32.5 per cent to 30.0 per cent in 2009 as per the recommendations of the ECCU Commission on Tax and Tax Administration Reform. Non-tax revenue fell by 16.6 per cent (\$6.9m).



On the capital account, revenue fell by 90.6 per cent (\$14.2m), largely attributable to a decline in land sales. Capital expenditure decreased by 19.1 per cent to \$106.0m (6.8 per cent of GDP), as some infrastructural and development projects were completed. Capital grants increased by 29.2 per cent to \$58.3m.



Public Sector Debt

The total outstanding debt of the public sector was estimated at \$1,118.2m at the end of 2009, representing an increase of 2.3 per cent on the amount at the end of 2008. As a percentage of GDP, the public sector debt increased to 71.6 per cent from 69.6 per cent in December 2008. The disbursed outstanding debt of the central government, which accounted for 79.6 per cent of the total debt, rose by 4.8 per cent to \$890.3m (57.0 per cent of GDP), reflecting increased external borrowing. The stock of foreign debt of the central government rose by 12.0 per cent, while domestic debt declined by 7.0 per cent. The disbursed outstanding debt of the public corporations fell by 6.5 per cent to \$228.1m. The debt service payments rose by 5.0 per cent to \$112.9, influenced by larger domestic principal repayments.

Money and Credit

Monetary liabilities (M2) grew by 0.4 per cent to \$1,075.0m during 2009, compared with growth of 1.4 per cent during 2008. Quasi money expanded by 4.3 per cent (\$30.0m), as a result of increases in private sector savings deposits (\$30.2m) and time deposits (\$6.6m). Those increases more than offset a decline of 18.5 per cent (\$6.8m) in private sector foreign currency deposits. Narrow money (M1) fell by 7.0 per cent (\$26.2m), largely on account of a decline of 21.2 per cent (\$17.0m) in currency with the public.

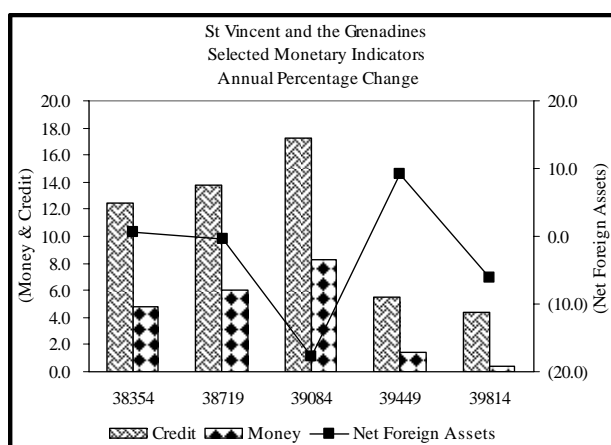
The source of the increase in M2 was growth of 4.4 per cent to \$1029.2m in domestic credit. The expansion in credit emanated from increased borrowing by the central government and the private sector. The net indebtedness of the central government to the banking system rose by 17.8 per cent to \$127.6m, as government borrowed more and drew down on their deposits to finance the overall deficit. Credit to the private sector rose by 1.8 per cent, as loans extended to businesses and households increased by 4.4 per cent and 0.7 per cent respectively. In the rest of the public sector, net deposits of non-financial public enterprises fell by 16.2 per cent influenced largely by a fall in their deposits.

An analysis of the distribution of credit by economic activity indicates that outstanding loans decreased by 3.1 per cent, influenced by contractions in lending for most categories. Credit for construction, tourism and personal use decreased consistent with the contraction in economic activity. Outstanding loans for agriculture almost halved in 2009; however, the sector was supported by the allocation of additional resources to farmers by the Ministry of Agriculture through its agricultural diversification programme. Among the other areas of economic activity, credit for distributive trade grew by 15.0 per cent, while lending for manufacturing rose by 14.5 per cent.

The net foreign assets of the banking system decreased by 6.2 per cent to \$361.3m during 2009, in contrast to growth of 9.2 per cent during the



previous year. This outcome was attributed largely to a more than threefold decline in the net foreign assets of commercial banks. Commercial banks reduced their assets held with institutions outside of the currency union and borrowed abroad to finance the increase in domestic credit; hence moving to a net liability position. St Vincent and the Grenadines' imputed share of the reserves held by the ECCB fell by 9.3 per cent to \$203.0m.

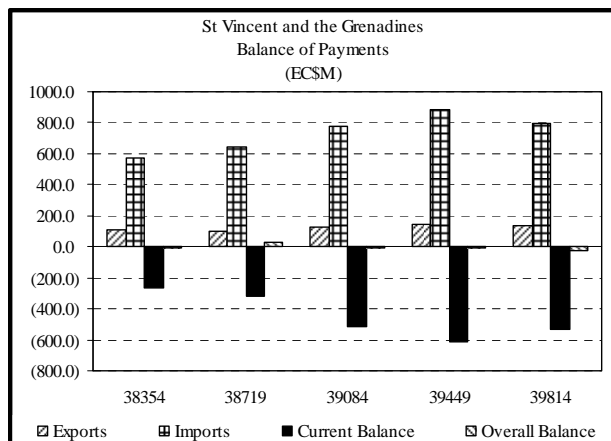


Liquidity in the commercial banking system fell during 2009 but remained at a high level. This was evidenced by a 3.8 percentage point decline to 37.7 per cent in the ratio of liquid assets to total deposits plus liquid liabilities. The loans and advances to deposits ratio decreased by 1.6 percentage points to 85.6 per cent. Commercial banks' weighted average interest rate on deposits increased by 17 basis points to 2.93 per cent and that on loans declined by 46 basis points to 9.14 per cent. As a result the spread between interest rates on loans and deposits fell to 6.21 percentage points from 6.84 percentage points in 2008.

Balance of Payments

St Vincent and the Grenadines' external sector transactions are estimated to have resulted in an overall balance of payments deficit of \$20.9m (1.3 per cent of GDP), compared with one of \$8.8m (0.6 per cent of GDP) in 2008. The deterioration was associated with a decrease in the surplus on the capital and financial account, attributable to smaller inflows of foreign direct investment (30.8 per cent). Commercial bank transactions led to a net inflow of \$2.8m in contrast to a net outflow of \$41.3m in 2008.

The current account deficit decreased to an estimated \$534.9m (34.2 per cent of GDP) from \$615.3m (39.2 per cent of GDP) in 2008, mainly attributable to a smaller merchandise trade deficit. The merchandise trade deficit is estimated to have decreased to \$658.0m from \$745.5m, reflecting a 12.6 per cent fall in import payments. The decline in the import bill was attributed in part to a fall in almost all categories of imports. The general decline in imports mirrored the contraction in economic activity, brought about by the global economic and financial crisis. The value of exports amounted to \$134.7m, approximately 4.4 per cent below the level in 2008, associated primarily with a decline in re-exports of machinery and transport equipment. Domestic exports however, grew by 3.1 per cent attributable to small increases in the export values of flour and bananas.



Services transactions resulted in a net inflow of \$107.5m, roughly 4.8 per cent below the amount realised in 2008. This performance was largely influenced by a 6.3 per cent fall in travel receipts, consistent with the decline in visitor arrivals.

Prospects

Based on the pace of the global recovery and the expectations for the US economy in particular, economic activity in St Vincent and the Grenadines is projected to decline marginally in 2010. Activity in the construction sector, one of the main drivers of economic growth, is projected to remain sluggish in 2010. The projected decline in construction activity is based on the negative impact of the international financial crisis on foreign direct investment, which is a major source of funding for capital projects. Based on the 2010 budget capital projects include the development of Canouan resort, E.T. Joshua Airport rehabilitation, West St George Secondary School and road rehabilitation and construction.

The nascent recovery in the USA, coupled with increased unemployment in the economies of the source markets are likely to continue to adversely affect the tourism industry, particularly stay-over arrivals. The number of cruise passenger arrivals are projected to increase in 2010, with spill-over effects in the transport sector, through road transport, as more taxis are utilised for organised tours.

Both manufacturing and wholesale and retail trade are projected to decline in 2010 before gaining momentum from increasing global demand. Growth in agricultural output is expected, albeit at a slower pace, on account of efforts by government and farmers to improve output of crops, livestock and fish.

The central government's fiscal operations are expected to yield a larger overall deficit as current expenditure is projected to increase, based on government's plan to continue to adopt counter-cyclical fiscal policies. Larger amounts are projected for transfers and subsidies as the social safety net programmes are expanded. Additionally, increased outlays on personal emoluments are expected based on a negotiated 3.0 per cent salary increase in 2010. These planned policies are likely to contribute to an increase in the debt burden and larger interest payments.

Capital expenditure is also forecast to be above the 2009 level, as a result of an anticipated increase in the inflow of capital grants.



On the external sector, the overall balance of payments deficit is likely to widen, associated with an expansion in the current account deficit. That increase is expected based in part on larger import payments and smaller net inflows from services transactions. Gross inflows from travel are expected to be below the level of 2009, the consequence of a weak performance by the tourism industry.

The risks to these projections are tilted to the downside. While the global crisis is winding down,

the pace of the recovery varies across countries. In the USA and the UK, private consumption is still being curtailed by unemployment, which has the potential to adversely affect foreign direct investments, remittance flows and visitor expenditure. Other factors, which may pose risks to the economic recovery in St Vincent and the Grenadines, include a rise in the cost of food and oil and adverse weather.



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

	2005 ^R	2006 ^R	2007 ^R	2008 ^R	2009
<i>(annual percentage change unless otherwise stated)</i>					
National Income and Prices					
Nominal GDP at basic prices	9.0	9.4	9.0	6.8	(5.9)
Real GDP at basic prices	5.5	6.6	5.6	1.9	(7.3)
GDP Deflator	3.3	2.7	3.2	4.8	1.6
Consumer Prices (end of period)	4.2	1.6	5.4	3.9	(0.6)
Consumer Prices (period average)	3.1	3.2	2.6	6.8	(0.8)
Real GDP at Factor Cost by Selected Sectors					
Agriculture	(12.1)	5.0	4.1	6.9	2.8
Manufacturing	9.0	1.2	2.7	(4.6)	(9.3)
Mining and Quarrying	16.3	36.9	21.5	3.2	(22.8)
Electricity and Water	1.4	3.0	7.2	0.4	2.0
Construction	19.3	12.4	6.2	1.7	(28.7)
Wholesale and Retail	7.7	6.1	5.7	1.0	(12.0)
Hotels and Restaurants	1.2	5.6	0.1	(1.1)	(12.8)
Transportation	3.1	6.6	7.2	0.2	(7.4)
Communications	9.8	4.3	7.0	4.1	(1.6)
Banks and Insurance	10.0	14.3	8.7	1.7	2.5
Real Estate and Housing	3.7	4.7	5.9	3.9	1.7
Government Services	2.8	3.3	5.0	4.2	1.4
Other Services	5.0	6.2	11.4	6.6	1.9
<i>(as a percentage of GDP)</i>					
External Sector					
Current Account Balance	(22.3)	(30.9)	(35.2)	(36.9)	(28.2)
Overall Balance	(0.5)	2.3	1.0	(0.4)	1.3
Merchandise Trade Balance	(42.5)	(47.3)	(48.7)	(49.3)	(42.5)
Central Government					
Current Account Balance	0.7	1.3	2.5	1.7	(1.3)
Current Revenue	26.4	27.3	27.9	28.1	27.5
Current Expenditure	25.7	26.0	25.4	26.3	28.8
Capital Expenditure and Net Lending	7.8	9.6	8.9	8.4	8.2
Overall Fiscal Balance	1.8	(4.9)	(4.0)	(3.3)	(6.2)
Total Public Sector Debt (end of period)	103.3	97.4	91.2	88.4	95.9
<i>(per cent per annum)</i>					
Monetary Sector					
Weighted Average Deposit Interest Rate	3.25	3.28	3.26	3.32	3.23
Weighted Average Lending Interest Rate	10.24	9.94	9.46	9.48	9.49
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at basic prices	8,186.7	8,954.6	9,759.3	10,422.2	9,810.3
Real GDP at basic prices	5,734.5	6,110.3	6,454.0	6,574.9	6,092.7
Nominal GDP at market prices	9,922.8	10,990.7	12,029.6	12,783.6	11,900.7
GDP per capita (EC\$)	13,689	14,909	16,129	17,050	15,889
Merchandise Imports (f.o.b)	4,983.4	5,921.0	6,623.2	7,291.0	6,058.6
Merchandise Exports (f.o.b)	763.9	721.6	762.1	988.2	1,005.4
Gross Visitor Expenditure	3,076.6	3,094.8	3,184.6	3,078.9	2,775.5

Source: Statistics Department and ECCB

* Excluding Antigua and Barbuda's debt forgiveness

Data available at 22 February 2010



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

	2005 ^R	2006 ^R	2007 ^R	2008 ^R	2009 ^P
Current Revenue	2,617.1	3,002.3	3,361.0	3,586.4	3,275.2
Tax Revenue	2,356.9	2,700.7	3,036.2	3,217.2	2,952.5
Taxes on Income and Profit ^{/1}	516.2	577.2	639.4	744.1	729.8
of which:					
Personal ^{/2}	180.4	203.1	219.1	240.2	244.3
Company	277.3	290.8	309.7	407.9	401.3
Taxes on Property	46.8	59.5	64.2	62.8	61.3
Taxes on Domestic Goods and Services	497.8	689.2	974.5	1,103.5	959.3
of which:					
Accommodation Tax	98.1	106.6	77.6	66.3	40.7
Licences	67.4	85.9	89.4	102.7	89.3
Sales Tax ^{/3}	NA()	10.7	197.5	238.3	204.3
Consumption Tax ^{/4}	47.3	52.0	50.5	49.9	45.6
Value Added Tax ^{/5}	-	69.0	189.6	267.9	267.3
Taxes on International Trade and Transactions	1,296.1	1,374.9	1,358.1	1,306.8	1,202.1
of which:					
Consumption Tax ^{/7}	547.7	532.3	413.6	345.6	367.1
Import Duties	367.7	402.4	463.2	478.8	400.1
Foreign Exchange Tax ^{/6}	3.3	2.4	0.8	-	-
Customs Service Charge ^{/7}	232.0	260.9	282.7	282.5	243.2
Non-Tax Revenue	260.1	301.6	324.8	369.2	322.7
Current Expenditure	2,546.8	2,862.3	3,054.7	3,368.1	3,428.4
Personal Emoluments	1,128.1	1,212.3	1,322.5	1,451.7	1,484.4
Goods and Services	565.8	626.4	694.8	798.9	738.1
Interest Payments	350.4	399.7	415.1	428.5	439.0
Domestic	144.8	180.7	197.3	198.7	228.8
External	205.6	219.0	217.8	229.9	210.2
Transfers and Subsidies	502.5	623.9	622.3	689.1	766.8
Pensions	164.9	179.8	224.5	180.7	202.1
Current Account Balance (before grants)	70.26	140.04	306.32	218.3	(153.1)
Capital Revenue	43.4	18.6	47.0	99.9	31.1
Grants	294.2	358.0	240.7	341.6	334.6
Current Grants	132.9	72.1	58.9	77.5	129.6
Capital Grants	161.3	285.8	181.8	264.1	205.0
Capital Expenditure and Net Lending	772.1	1,056.8	1,071.1	1,077.2	971.9
Capital Expenditure	779.9	1,056.2	1,058.9	1,062.9	944.4
Primary Balance	533.38	(140.50)	(61.98)	11.1	(295.4)
Overall Balance (after grants)	183.0	(540.2)	(477.1)	(417.4)	(734.4)
Financing	(183.0)	540.2	477.1	417.4	734.4
Domestic	(39.3)	308.4	301.8	287.1	400.0
ECCB (net)	6.2	(37.2)	(4.1)	42.2	49.4
Commercial Banks (net)	152.1	24.3	269.6	136.1	(148.5)
Other	(197.5)	321.4	36.3	108.7	499.0
External	(85.7)	139.3	71.8	82.9	128.3
Net Disbursements/(Amortisation)	(59.3)	134.0	44.4	83.7	125.3
Disbursement	489.2	303.8	271.4	393.9	424.7
Amortisation	(548.5)	(169.9)	(227.0)	(310.3)	(299.4)
Change in Government Foreign Assets	(26.4)	5.3	27.3	(0.8)	3.0
Arrears ^{/8}	(58.0)	92.4	103.6	47.4	206.1
Domestic	0.5	0.6	2.1	(2.8)	182.1
External	(58.5)	91.9	101.5	50.3	24.0

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 19 March 2010



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

	2005	2006	2007 ^R	2008 ^R	2009
Net Foreign Assets	3,000.8	3,177.9	3,026.4	2,271.8	1,887.6
Central Bank (net)	1,611.9	1,871.9	2,056.6	2,039.8	2,157.0
Foreign Assets	1,622.4	1,879.1	2,065.1	2,049.3	2,162.3
Foreign Liabilities	10.5	7.2	8.5	9.5	5.3
Commercial Banks (net)	1,767.6	1,691.3	1,278.1	232.0	(269.4)
Assets	3,490.2	3,789.7	4,265.6	3,749.9	4,015.2
Liabilities	2,101.3	2,483.7	3,295.9	3,517.9	4,284.6
Net Domestic Assets	6,638.8	7,492.0	8,754.3	9,812.9	10,426.0
Domestic Credit	7,849.0	9,030.9	10,889.4	12,111.2	12,673.1
Central Government (net)	631.4	618.5	884.0	1,041.8	1,273.3
Other Public Sector (net)	(664.1)	(788.1)	(946.2)	(962.2)	(908.5)
Private Sector	7,881.77	9,200.54	10,951.61	12,031.56	12,308.40
Households	4,232.03	4,793.76	5,473.82	6,023.40	6,139.49
Business	3,139.07	3,903.24	4,958.03	5,530.00	5,751.00
Non-Bank Financial Institutions (net)	224.05	210.70	225.12	182.41	132.57
Subsidiaries and Affiliates (net)	286.62	292.84	294.64	295.74	285.33
Other Items (net)	(1,210.22)	(1,538.99)	(2,135.13)	(2,298.28)	(2,247.15)
Money Supply (M2)	9,639.60	10,669.85	11,780.61	12,084.70	12,313.58
Money Supply (M1)	2,240.49	2,414.48	2,663.54	2,641.16	2,455.77
Currency	521.40	586.00	594.71	612.84	621.37
Demand Deposits	1,719.09	1,828.48	2,068.83	2,028.32	1,834.40
Quasi Money	7,399.12	8,255.37	9,117.07	9,443.54	9,857.81
Savings Deposits	3,955.85	4,370.17	4,707.47	4,963.66	5,222.29
Time Deposits	1,936.44	2,042.04	2,337.13	2,565.66	2,705.37
Foreign Currency Deposits	1,506.82	1,843.16	2,072.46	1,914.22	1,930.15

Source: ECCB
Data available at 21 February 2010

Table 4
ECCU - Selected Tourism Statistics

	2005 ^R	2006	2007 ^R	2008 ^R	2009
Total Visitors	3,027,731	3,214,514	3,582,393	3,654,798	3,952,046
Stay-Over Visitors	1,055,968	1,085,468	1,064,419	1,061,548	935,669
Of which:					
Visitor Arrivals by Air	1,055,968	1,085,468	1,064,419	1,061,548	935,669
USA	375,356	394,437	386,368	383,733	333,835
Canada	49,573	53,758	54,474	66,356	65,631
UK	231,376	227,786	252,305	246,204	203,695
Caribbean	297,973	309,089	260,068	261,244	234,984
Other Countries	101,690	100,398	111,204	104,011	97,524
Excursionists	112,052	122,580	115,366	86,444	70,279
Cruise Ship Passengers	1,723,084	1,851,150	2,301,876	2,407,812	2,842,959
Yacht Passengers	136,627	155,316	100,732	98,994	103,139
Number of Cruise Ship Calls	1,501	1,682	1,728	1,464	1,706
Total Visitor Expenditure (EC\$M)	3,076.60	3,094.77	3,184.61	3,078.89	2,775.47

SOURCE: Central Statistics Offices, OECS and ECCB
Data available as at 21 February 2010

Notes:
Excursionists include sea arrivals for Saint Lucia and exclude Antigua and Barbuda
Cruise ship passengers exclude Anguilla but include excursionists for Antigua and Barbuda
Cruise ship calls exclude Anguilla
Yacht passengers include St Kitts and Nevis and St Vincent and the Grenadines



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

	2005 ^R	2006 ^R	2007 ^R	2008 ^R	2009
Current Account	(2,208.2)	(3,394.3)	(4,232.6)	(4,712.8)	(3,360.8)
Goods and Services	(2,046.1)	(3,258.0)	(3,943.5)	(4,403.0)	(3,188.3)
Goods	(4,015.4)	(4,981.0)	(5,628.6)	(6,073.0)	(4,830.2)
Merchandise	(4,219.6)	(5,199.4)	(5,861.1)	(6,302.7)	(5,053.1)
Repair on goods	0.4	0.4	0.4	0.5	0.5
Goods procured in ports by carriers	203.7	218.0	232.1	229.3	222.5
Services	1,969.4	1,723.1	1,685.0	1,670.0	1,641.9
Transportation	(470.3)	(573.6)	(632.0)	(625.9)	(481.4)
Travel	2,706.6	2,677.3	2,722.0	2,598.7	2,338.0
Insurance Services	(129.6)	(207.5)	(216.8)	(249.6)	(216.9)
Other Business Services	(80.6)	(150.9)	(145.1)	0.3	46.0
Government Services	(56.7)	(22.3)	(43.0)	(53.5)	(43.8)
Income	(670.0)	(578.7)	(662.1)	(748.5)	(619.5)
Compensation of Employees	23.0	41.3	39.0	42.5	42.6
Investment Income	(693.0)	(620.0)	(701.1)	(791.0)	(662.1)
Current Transfers	507.9	442.4	373.0	438.7	447.0
General Government	167.2	156.4	112.8	151.8	180.4
Other Sectors	340.7	286.0	260.2	286.8	266.6
Capital and Financial Account	2,158.2	3,642.4	4,357.5	4,659.4	3,518.3
Capital Account	896.7	474.2	608.9	593.7	539.4
Capital Transfers	896.7	474.0	608.9	593.7	539.4
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	0.2	-	-	-
Financial Account	1,261.5	3,168.2	3,748.6	4,065.7	2,978.9
Direct Investment	1,739.9	2,899.7	3,220.6	2,651.0	1,990.4
Portfolio Investment	84.0	59.1	(71.7)	1.6	(68.5)
Other Investments	(562.4)	209.4	599.7	1,413.1	1,056.9
Public Sector Long Term	(294.7)	13.3	88.1	20.0	185.7
Other Public Sector Capital	14.1	0.0	-	-	-
Commercial Banks	(142.2)	76.3	413.2	1,046.1	163.4
Other Assets	(269.1)	(397.5)	(340.5)	(208.6)	(176.7)
Other Liabilities*	129.5	517.3	438.9	555.5	884.5
Overall Balance	(50.0)	248.1	124.9	(53.3)	157.5
Financing	50.0	(248.1)	(124.9)	53.3	(157.5)
Change in SDR holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	(26.4)	5.2	27.1	(1.6)	3.0
Change in ECCU's Net Foreign Assets [#]	76.4	(253.2)	(152.0)	55.0	(160.6)

Source: ECCB

* includes errors and omissions

adjusted for valuation changes

Data available at 21 February 2010



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

Country	2005 ^R	2006 ^R	2007 ^R	2008 ^R	2009 ^P
Anguilla	110.2	120.3	141.2	170.9	191.5
Antigua and Barbuda	2,812.8	2,840.1	2,835.7	2,979.1	2,840.7
Dominica	951.7	951.9	917.9	898.1	900.6
Grenada	1,578.8	1,656.3	1,710.0	1,777.1	1,891.5
Montserrat	12.7	12.0	11.2	11.1	8.9
St Kitts and Nevis	2,215.7	2,379.6	2,474.0	2,489.6	2,556.5
Saint Lucia	1,583.6	1,718.0	1,857.1	1,884.8	1,903.5
St Vincent and the Grenadines	981.3	1,028.1	1,026.9	1,093.8	1,118.4
TOTAL ECCU	10,246.7	10,706.3	10,974.0	11,304.4	11,411.7

Source: ECCB

* Includes arrears of principal

Data available at February 2010

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

Country	2005	2006	2007	2008 ^R	2009 ^P
Anguilla	91.8	103.2	121.1	149.6	172.3
Antigua and Barbuda	2,523.0	2,582.8	2,558.2	2,683.6	2,430.3
Dominica	775.1	789.3	762.1	749.2	750.9
Grenada	1,382.3	1,458.4	1,539.1	1,580.2	1,692.0
Montserrat	4.2	4.2	3.8	4.0	2.2
St Kitts and Nevis	1,364.0	1,473.0	1,515.4	1,550.7	1,627.5
Saint Lucia	1,293.5	1,428.0	1,595.4	1,616.2	1,634.1
St Vincent and the Grenadines	850.4	891.6	840.1	849.8	890.3
TOTAL ECCU	8,284.3	8,730.5	8,935.2	9,183.3	9,199.5

Source: ECCB

*Includes arrears of principal

Data available at February 2010

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

Country	2005	2006	2007	2008 ^R	2009 ^P
Anguilla	6.7	26.9	11.0	40.3	51.0
Antigua and Barbuda	569.5	246.6	202.5	243.5	148.3
Dominica	35.1	54.9	55.1	58.2	29.2
Grenada	45.9	45.7	86.3	79.2	117.5
Montserrat	0.2	0.2	1.2	0.2	0.2
St Kitts and Nevis	158.1	209.2	205.9	212.6	184.4
Saint Lucia	102.8	122.7	136.2	355.2	348.7
St Vincent and the Grenadines	62.3	83.0	93.6	107.6	112.9
TOTAL ECCU	980.7	789.2	791.7	1,096.8	992.2

Source: ECCB

*The amounts are actual payments and not contractual obligations

Data available at February 2010



Table 9
ECCU - Participation on the RGSM

	2005	2006	2007	2008	2009
Treasury Bills					
Number of Auctions	16	25	28	33	36
Amount Raised (EC\$M)	291.5	436.3	492.7	574.1	611.6
Subscriptions (EC\$M)	563.1	499.3	623.9	975.6	761.5
Bonds					
Number of Auctions	2	5	5	3	6
Amount Raised (EC\$M)	75.0	215.2	112.5	116.0	128.3
Subscriptions (EC\$M)	75.0	215.2	117.4	119.7	148.7
of which:					
Banks	59.5	n.a.	n.a.	n.a.	n.a.
Social Security	-	n.a.	n.a.	n.a.	n.a.
Total number of auctions	18	30	33	36	42
Total Amounts Raised (EC\$M)	366.5	651.5	605.2	690.1	739.9
Total Subscriptions (EC\$M)	638.1	714.5	741.3	1095.3	910.2

Source: ECCB

Data available at February 2010

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

	2005	2006	2007	2008	2009
91-day Treasury Bill	4.74	5.94	6.04	5.71	5.80
180-day Treasury Bill	-	-	5.65	5.46	5.20
365-day Treasury Bill	-	-	5.65	5.46	6.22
5-year Bonds	4.97	5.82	6.47	6.50	7.00
6-year Bonds	5.50	8.25	7.00	6.80	7.19
7-year Bonds	-	8.00	-	-	8.00
10-year Bonds	6.50	7.24	7.54	7.50	-

Source: ECCB

Data available at February 2010



Table 11
Anguilla - Selected Economic Indicators

	2005	2006	2007 ^R	2008 ^R	2009 ^P
<i>(annual percentage change unless otherwise stated)</i>					
National Income and Prices					
Nominal GDP at basic prices	16.4	22.5	31.8	9.4	(25.5)
Real GDP at basic prices	10.7	20.1	24.5	4.5	(24.4)
GDP Deflator	5.1	2.0	5.9	4.7	(1.5)
Consumer Prices (end of period)	3.3	10.4	3.3	5.3	(1.3)
Consumer Prices (period average)	4.6	8.4	5.1	6.8	(0.8)
Real GDP at Factor Cost by Selected Sectors					
Agriculture	2.0	4.3	10.9	4.3	2.2
Manufacturing	142.5	9.0	29.3	(2.3)	(39.9)
Electricity and Water	15.3	14.7	7.8	(1.0)	(5.0)
Construction	10.5	47.2	65.7	17.4	(60.0)
Wholesale and Retail Trade	10.0	14.5	9.5	(7.9)	(35.0)
Hotels and Restaurants	15.0	17.5	6.4	(12.1)	(15.0)
Transport	11.2	26.3	28.4	(5.5)	(39.1)
Communications	9.0	(0.9)	23.2	21.5	(2.0)
Banks and Insurance	3.4	6.2	45.2	16.5	1.0
Real Estate and Housing	2.0	3.0	4.0	5.0	1.0
Government Services	3.8	9.8	3.8	4.7	(3.0)
Other Services	3.0	10.1	3.9	2.2	(10.0)
<i>(as a percentage of GDP)</i>					
External Sector					
Current Account Balance	(30.7)	(66.2)	(67.2)	(72.7)	(49.0)
Overall Balance	3.2	1.0	1.1	(1.3)	(1.7)
Merchandise Trade Balance	(58.6)	(84.6)	(76.3)	(78.4)	(60.9)
Central Government					
Current Account Balance	4.6	6.1	5.4	(0.3)	(9.6)
Current Revenue	27.7	30.7	28.5	26.1	26.3
Current Expenditure	23.1	24.6	23.0	26.4	35.9
Capital Expenditure and Net Lending	8.9	7.3	8.0	4.7	1.9
Overall Fiscal Balance	(3.4)	1.3	(2.1)	(2.6)	(11.5)
Total Public Sector Debt (end of period)	24.1	20.4	19.1	21.3	34.0
<i>(per cent per annum)</i>					
Monetary Sector					
Weighted Average Deposit Interest Rate	3.5	3.7	3.6	3.9	3.5
Weighted Average Lending Interest Rate	9.9	9.9	9.6	9.7	10.1
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at basic prices	356.4	436.8	575.6	629.6	469.1
Real GDP at basic prices	245.2	294.6	366.6	383.0	289.6
Nominal GDP at market prices	458.3	590.0	739.2	784.2	564.0
GDP per Capita (EC\$)	26133.6	30641.9	38665.9	40809.6	29808.7
Merchandise Imports (f.o.b)	308.5	532.1	589.0	645.7	414.0
Merchandise Exports (f.o.b)	39.8	33.1	24.8	31.0	70.7
Gross Visitor Expenditure	231.9	289.9	309.2	275.6	223.3

Source: Statistics Department and ECCB

Data available at 19 February 2010



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

	2005	2006	2007	2008	2009
Current Revenue	126.8	181.3	210.4	204.4	148.3
Tax Revenue	102.4	153.8	164.3	155.3	111.6
Taxes on Income and Profit	-	-	-	-	-
Taxes on Property	0.5	0.6	0.7	0.6	1.5
Taxes on Domestic Goods and Services	43.9	78.9	66.3	61.5	44.7
of Which:					
Stamp Duties	17.4	45.6	31.2	22.9	10.5
Accommodation Tax	12.6	14.7	13.5	15.1	11.4
Bank Deposit Levy	4.1	4.9	5.4	6.3	6.5
Taxes on International Trade and Transactions	58.0	74.3	97.3	93.1	65.4
of Which:					
Import Duty	48.5	62.5	82.7	77.8	55.2
Embarkation Tax	3.6	4.1	5.3	5.6	4.7
Foreign Currency Levy	1.0	1.4	0.3	(0.0)	-
Non-tax Revenue	24.4	27.5	46.1	49.1	36.7
Current Expenditure	105.9	145.2	170.4	206.7	202.4
Personal Emoluments	40.8	49.1	68.5	83.9	90.7
Goods and Services	35.3	52.2	53.7	59.8	48.4
Interest Payments	4.7	6.3	7.1	8.0	8.3
Domestic	4.0	5.5	6.3	7.4	6.6
External	0.7	0.9	0.8	0.6	1.7
Transfers and Subsidies	25.1	37.6	41.0	55.0	55.0
of Which: Pensions	2.0	2.6	4.9	6.4	7.3
Current Account Balance	21.0	36.1	40.0	(2.4)	(54.1)
Capital Revenue	0.0	0.1	3.4	9.8	0.0
Capital Grants	4.4	14.8	-	9.2	-
Capital Expenditure	40.9	43.2	59.0	36.9	10.6
Primary Balance (after grants)	(10.8)	14.1	(8.5)	(12.3)	(56.4)
Overall Balance (after grants)	(15.5)	7.8	(15.6)	(20.3)	(64.6)
Financing	15.5	(7.8)	15.6	20.3	64.6
Domestic	15.9	(7.4)	16.6	4.0	62.7
ECCB (net)	(0.1)	(0.0)	(0.3)	7.4	13.7
Commercial Banks (net)	16.7	(30.3)	35.7	5.9	43.9
Other	(0.7)	22.9	(18.8)	(9.4)	5.1
External	(0.4)	(0.4)	(1.0)	16.3	1.9
Net Disbursements/(Amortisation)	(0.4)	(0.4)	(1.0)	16.3	1.9
Disbursements	0.1	0.2	-	17.3	2.7
Amortisation	(0.5)	(0.6)	(1.0)	(1.0)	(0.8)
Change in Government Foreign Assets	-	-	-	-	-
Arrears	-	-	-	-	-
Domestic	-	-	-	-	-
External	-	-	-	-	-

Source: Ministry of Finance and ECCB

Data available at 19 February 2010



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

	2005	2006	2007	2008 ^R	2009
Net Foreign Assets	517.8	528.3	396.3	160.1	37.5
Central Bank (net)	107.2	112.9	121.2	110.7	101.1
Commercial Banks (net)	410.6	415.4	275.1	49.4	(63.6)
External (net)	336.8	334.4	170.7	84.6	36.3
Assets	524.6	530.3	436.0	327.6	305.1
Liabilities	187.8	195.9	265.3	243.0	268.7
Other ECCB Territories (net)	73.8	81.0	104.4	(35.2)	(100.0)
Assets	143.8	149.0	202.0	148.9	131.4
Liabilities	70.0	68.0	97.6	184.1	231.3
Net Domestic Assets	426.1	522.5	796.1	965.0	1,034.0
Domestic Credit	686.3	780.8	1,093.7	1,299.4	1,376.4
Central Government (net)	53.3	23.0	58.4	71.7	129.3
Other Public Sector (net)	(93.1)	(104.0)	(129.9)	(139.6)	(162.5)
Private Sector	726.1	861.9	1,165.3	1,367.3	1,409.6
Households	333.9	421.8	598.1	679.4	666.9
Business	377.2	420.8	541.2	668.1	718.0
Non-Bank Financial Institutions (net)	4.9	7.7	9.0	7.3	6.5
Subsidiaries and Affiliates (net)	10.1	11.5	17.0	12.4	18.3
Other Items (net)	(260.2)	(258.3)	(297.6)	(334.3)	(342.4)
Money Supply (M2)	943.9	1,050.8	1,192.4	1,125.2	1,071.5
Money Supply (M1)	32.4	46.9	55.2	52.9	48.3
Currency with the public	9.6	13.5	12.4	15.4	16.4
Demand Deposits	22.8	33.4	42.7	37.5	31.9
Quasi Money	911.5	1,003.9	1,137.2	1,072.3	1,023.2
Savings Deposits	70.6	81.3	96.3	101.1	101.2
Time Deposits	74.1	86.1	101.0	68.5	102.4
Foreign Currency Deposits	766.9	836.6	939.9	902.7	819.6

Source: ECCB

Data available at 19 February 2010

Table 14
Anguilla - Selected Tourism Statistics

	2005	2006	2007	2008 ^R	2009 ^P
Total Visitor Arrivals	143186	167245	164067	127860	106625
Stay-Over Arrivals	62084	72962	77652	68282	55046
Of Which:					
USA	41733	44489	45974	40202	31780
Canada	1792	1977	2393	2074	1844
UK	3834	4344	4568	3816	2896
Caribbean	8529	15278	15425	14707	12354
Other Countries	6196	6874	9292	7483	6172
Excursionists	81102	94283	86415	59578	51579
Total Visitor Expenditure (EC\$M)	231.9	289.9	309.2	275.6	223.3

Source: ECCB and Statistics Department

Data available at 24 February 2010



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

	2005	2006	2007 ^R	2008 ^R	2009 ^P
Current Account	(140.5)	(390.4)	(496.8)	(570.4)	(276.5)
Goods and Services	(153.9)	(411.9)	(480.8)	(531.8)	(249.0)
Goods	(268.1)	(499.1)	(564.3)	(614.8)	(343.3)
Merchandise	(268.7)	(499.0)	(564.2)	(614.7)	(343.2)
Repair on Goods	0.0	0.0	0.0	0.0	0.0
Goods Procured in Port by Carriers	0.6	(0.1)	(0.1)	(0.1)	(0.0)
Services	114.2	87.2	83.5	83.0	94.3
Transportation	(39.0)	(66.8)	(78.3)	(80.3)	(49.8)
Travel	205.5	255.9	267.6	228.7	189.6
Insurance Services	(5.6)	(9.9)	(10.0)	(11.0)	(6.7)
Other Business Services	(49.7)	(94.2)	(100.1)	(60.0)	(44.2)
Government Services	3.0	2.2	4.4	5.6	5.4
Income	10.7	21.1	4.5	(22.4)	(20.1)
Compensation of Employees	8.1	10.0	(0.2)	5.7	6.9
Investment Income	2.7	11.1	4.7	(28.2)	(27.0)
Current Transfers	2.6	0.4	(20.6)	(16.2)	(7.4)
General Government	9.2	17.1	6.8	3.9	3.5
Other Sectors	(6.6)	(16.7)	(27.4)	(20.1)	(10.9)
Capital and Financial Account	155.3	396.1	505.0	559.9	266.9
Capital Account	34.6	48.3	37.1	44.2	34.9
Capital Transfers	34.6	48.3	37.1	44.2	34.9
Acquisition and Disposal of Non-Produced					
Non-Financial Assets	-	-	-	-	-
Financial Account	120.7	347.8	467.9	515.7	232.1
Direct Investment	316.7	383.4	321.0	266.5	153.3
Portfolio Investment	1.6	9.5	(0.8)	32.0	16.9
Other Investments	(197.7)	(45.1)	147.7	217.2	61.9
Public Sector Long Term	(2.1)	0.6	2.6	0.4	0.6
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	(168.7)	(4.8)	140.3	225.7	113.1
Other Assets	(24.8)	(36.7)	(55.6)	(65.5)	(54.5)
Other Liabilities*	(2.0)	(4.1)	60.4	56.6	2.8
Overall Balance	14.7	5.7	8.2	(10.5)	(9.6)
Financing	(14.7)	(5.7)	(8.2)	10.5	9.6
Change in SDR holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	-	-	-	-	-
Change in Imputed Reserves	(14.7)	(5.7)	(8.2)	10.5	9.6

Source: ECCB and Statistics Department

* includes errors and omissions

Data available at 19 February 2010



Table 16
Antigua and Barbuda - Selected Economic Indicators

	2005 ^R	2006 ^R	2007 ^R	2008 ^R	2009 ^P
<i>(annual percentage change unless otherwise stated)</i>					
National Income and Prices					
Nominal GDP at basic prices	7.2	16.2	11.6	5.8	(6.7)
Real GDP at basic prices	5.0	12.9	6.5	1.8	(8.9)
GDP Deflator	2.0	3.0	4.8	4.0	2.4
Consumer Prices (end of period)	2.5	0.0	5.2	0.7	2.4
Consumer Prices (period average)	2.1	1.8	1.4	5.3	(0.6)
Real GDP at Factor Cost by Selected Sectors					
Agriculture	3.0	2.9	3.3	2.7	3.6
Manufacturing	3.8	8.6	8.5	3.0	(17.0)
Electricity and Water	6.4	5.4	10.1	5.5	1.6
Construction	19.5	35.0	6.0	5.0	(25.0)
Wholesale and Retail Trade	3.9	10.9	12.0	5.0	(15.0)
Hotels and Restaurants	(1.1)	2.4	4.9	1.5	(15.0)
Transport	(2.3)	13.2	12.1	(2.6)	(5.0)
Communications	8.0	5.0	7.0	5.0	(1.0)
Banks and Insurance	19.0	26.7	3.4	(4.0)	-
Real Estate and Housing	3.5	7.0	5.0	3.0	3.5
Government Services	2.9	1.9	8.2	0.5	1.5
Other Services	2.2	8.4	3.3	0.5	(1.0)
<i>(as a percentage of GDP)</i>					
External Sector					
Current Account Balance	(21.7)	(30.7)	(32.9)	(29.4)	(23.8)
Overall Balance	0.8	1.5	0.0	(0.5)	(2.7)
Merchandise Trade Balance	(47.2)	(51.9)	(53.2)	(52.0)	(49.9)
Central Government					
Current Account Balance	(3.0)	(3.0)	(0.8)	(1.0)	(6.5)
Current Revenue	21.1	22.1	23.2	24.8	20.2
Current Expenditure	24.1	25.1	24.0	25.9	26.7
Capital Expenditure and Net Lending	4.0	7.8	6.4	7.6	9.2
Overall Fiscal Balance	18.1	(7.9)	(6.4)	7.4	(14.8)
Total Public Sector Debt (end of period)	120.2	104.1	90.9	91.7	95.8
<i>(per cent per annum)</i>					
Monetary Sector					
Weighted Average Deposit Interest Rate	3.9	3.5	3.3	3.3	3.3
Weighted Average Lending Interest Rate	10.9	10.4	10.4	10.1	8.9
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at basic prices	1,974.2	2,294.3	2,560.2	2,708.5	2,527.2
Real GDP at basic prices	1,494.4	1,686.9	1,796.5	1,827.9	1,665.4
Nominal GDP at market prices	2,340.4	2,729.4	3,119.5	3,249.0	2,963.8
GDP per capita (EC\$)	23,847.4	27,206.1	29,803.6	30,952.5	28,352.0
Merchandise Imports (f.o.b)	1,199.8	1,479.2	1,727.4	1,761.9	1,544.3
Merchandise Exports (f.o.b)	95.7	62.9	68.1	72.9	66.7
Gross Visitor Expenditure	835.5	882.2	912.2	901.7	820.1

Source: Statistics Department and ECCB

Data available at 19 February 2010



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

	2005	2006	2007	2008	2009 ^P
Current Revenue	493.7	602.7	724.7	736.01	597.33
Tax Revenue	455.0	567.6	690.9	692.36	571.90
Taxes on Income and Profit	63.8	111.5	100.9	111.46	98.01
of which:					
Personal Income	23.4	42.0	50.0	46.9	35.7
Company	38.1	69.1	50.4	63.4	62.0
Business Tax	0.2	0.0	0.0	-	-
Taxes on Property	10.5	11.3	8.9	14.1	14.9
Taxes on Domestic Goods and Services	100.5	120.0	281.7	321.6	241.2
of which:					
Stamp Duties	36.3	45.6	45.2	59.5	29.5
Hotel and Guest Tax	33.5	39.9	12.8	0.2	-
Telecommunications Tax	9.8	8.2	2.4	-	-
Antigua and Barbuda Sales Tax	n.a	-	196.9	237.8	203.8
Taxes on International Trade and Transactions	280.2	324.8	299.4	245.2	217.8
of which:					
Import Duty	71.2	82.3	92.6	97.5	78.9
Consumption Tax	103.3	123.2	68.6	19.8	34.7
Customs Service Charge	65.7	79.5	94.2	82.4	63.0
Foreign Currency Levy	1.4	-	-	-	-
Non-Tax Revenue	38.6	35.1	33.8	43.6	25.4
Current Expenditure	563.3	684.1	749.6	766.3	791.6
Personal Emoluments	252.8	268.2	309.0	300.4	294.5
Goods and Services	111.0	126.2	147.6	185.0	161.6
Interest Payments	89.3	98.1	104.5	102.6	115.9
Domestic	33.9	37.3	35.6	32.4	58.4
External	55.356	60.822	68.888	70.209	57.6
Transfers and Subsidies	110.2	191.6	188.5	178.3	219.6
of Which: Pensions	38.2	42.9	79.5	58.0	67.7
Current Account Balance	(69.6)	(81.4)	(25.0)	(30.3)	(194.3)
Capital Revenue	18.0	5.0	5.1	5.2	2.5
Grants	568.7	75.3	20.0	30.0	-
of which: Capital Grants	21.4	75.3	20.0	30.0	-
Debt Forgiveness	547.25	-	-	-	-
Capital Expenditure	94.2	213.6	200.5	225.0	246.2
Primary Balance (after grants)	512.1	(116.7)	(95.8)	(117.5)	(322.07)
Overall Balance (before grants)	(145.8)	(290.0)	(220.3)	(250.1)	(437.99)
Overall Balance (after grants)	422.9	(214.7)	(200.3)	(220.1)	(437.99)
Financing	(422.9)	214.7	200.3	220.1	437.99
Domestic	44.1	140.0	82.8	54.8	132.27
ECCB (net)	1.2	(1.6)	(15.3)	14.2	77.56
Commercial Banks (net)	(7.1)	(64.4)	84.2	185.5	86.73
Other	50.0	206.1	13.9	(144.9)	(32.02)
External	(397.2)	(13.0)	21.4	66.5	94.15
Net Disbursements/(Amortisation)	(397.1)	(13.1)	19.1	66.5	94.15
Disbursements	22.403	7.023	36.505	85.157	153.30
Amortisation	(419.491)	(20.165)	(17.422)	(18.624)	(59.15)
Change in Govt. Foreign Assets	(0.1)	0.1	2.3	-	-
Arrears	(69.7)	87.8	96.1	98.7	211.58
Domestic	13.2	7.9	7.5	3.7	186.29
External	(83.0)	79.9	88.6	95.0	25.29

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 19 March 2010



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

	2005 ^R	2006 ^R	2007 ^R	2008 ^R	2009 ^P
Net Foreign Assets	710.54	926.12	882.75	550.66	379.77
Central Bank (net)	343.72	385.06	388.34	372.61	292.26
Commercial Banks (net)	366.82	541.07	494.42	178.06	87.51
External (net)	612.82	771.39	481.69	199.88	(128.10)
Assets	1,026.07	1,224.96	1,461.76	1,163.07	1,147.18
Liabilities	413.25	453.56	980.07	963.19	1,275.28
Other ECCB Territories (net)	(246.00)	(230.33)	12.73	(21.82)	215.61
Assets	507.62	544.25	733.49	791.88	862.87
Liabilities	753.62	774.58	720.77	813.70	647.26
Net Domestic Assets	1,636.18	1,680.80	2,036.53	2,430.54	2,592.35
Domestic Credit	1,838.30	2,028.76	2,366.09	2,735.00	3,033.76
Central Government (net)	261.68	195.60	264.54	464.25	628.54
Other Public Sector (net)	(180.40)	(226.99)	(243.07)	(289.01)	(134.33)
Private Sector	1,757.03	2,060.15	2,344.62	2,559.77	2,539.55
Households	937.56	1,097.40	1,202.28	1,327.04	1,320.25
Business	728.09	908.07	1,081.45	1,139.80	1,142.74
Non-Bank Financial Institutions (net)	60.38	35.82	45.06	31.21	16.11
Subsidiaries and Affiliates (net)	31.00	18.87	15.82	61.72	60.45
Other Items (net)	(202.12)	(347.96)	(329.56)	(304.47)	(441.40)
Money Supply (M2)	2,346.72	2,606.92	2,919.28	2,981.20	2,972.12
Money Supply (M1)	554.80	678.16	705.43	720.00	605.75
Currency with the Public	122.14	143.71	133.88	142.89	146.13
Demand Deposits	432.66	534.44	571.56	577.12	459.62
Quasi Money	1,791.91	1,928.76	2,213.84	2,261.20	2,366.37
Savings Deposits	744.38	818.54	902.49	934.84	960.27
Time Deposits	853.21	874.62	972.91	1,057.43	1,000.24
Foreign Currency Deposits	194.32	235.60	338.44	268.94	405.86

Source: ECCB and Development Planning Unit
Data available at 19 February 2010

Table 19
Antigua and Barbuda - Selected Tourism Statistics

	2005	2006	2007	2008	2009 ^P
Total Visitor Arrivals	729,653	864,057	959,260	888,881	964,247
Stay-Over Arrivals	245,380	253,669	261,786	265,844	233,226
of which:					
USA	68,637	73,497	78,697	84,032	81,001
Canada	9,898	10,053	10,489	13,189	12,281
UK	93,037	89,563	96,797	89,514	73,546
Caribbean	48,424	53,988	46,724	49,113	38,393
Other Countries	8,870	8,584	14,944	13,704	10,605
Cruise Ship Passengers ¹	466,851	583,673	672,788	597,124	709,795
Cruise Calls ²	321	355	380	317	361
Yacht Passengers	17,422	26,715	24,686	25,913	21,226
Yacht Calls	2,613	4,098	4,249	3,670	3,761
Total Visitor Expenditure (EC\$M)	835.53	882.22	912.18	901.71	820.05

Source: ECCB and Development Planning Unit

¹ includes Excursionists

² Windjammer Calls

Data available at 19 February 2010



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

	2005	2006	2007	2008	2009 ^P
Current Account	(508.32)	(837.62)	(1,025.69)	(956.65)	(706.25)
Goods and Services	(371.12)	(720.76)	(893.79)	(811.84)	(653.72)
Goods	(1,006.06)	(1,311.32)	(1,547.99)	(1,600.63)	(1,398.12)
Merchandise	(1,104.05)	(1,416.32)	(1,659.31)	(1,689.00)	(1,477.62)
Repair on goods	0.19	0.09	0.19	0.19	0.17
Goods procured in ports by carriers	97.80	104.91	111.14	88.17	79.32
Services	634.95	590.57	654.19	788.80	744.39
Transportation	17.85	(20.81)	(17.03)	90.14	105.19
Travel	727.38	759.82	772.32	746.11	673.71
Insurance Services	(56.63)	(91.55)	(94.75)	(108.09)	(99.62)
Other Business Services	(52.27)	(63.83)	(5.44)	46.73	51.45
Government Services	(1.38)	6.94	(0.91)	13.90	13.66
Income	(158.80)	(176.07)	(172.01)	(184.97)	(92.84)
Compensation of Employees	17.72	19.49	22.61	25.09	24.14
Investment Income	(176.52)	(195.55)	(194.61)	(210.06)	(116.98)
Current Transfers	21.60	59.20	40.11	40.15	40.31
General Government	2.14	5.26	(12.34)	(19.64)	(18.02)
Other Sectors	19.46	53.94	52.45	59.79	58.33
Capital and Financial Account	527.86	878.82	1,026.68	940.92	625.91
Capital Account	578.68	85.25	30.00	40.00	9.41
Capital Transfers	578.68	85.25	30.00	40.00	9.41
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	(50.82)	793.57	996.68	900.92	616.50
Direct Investment	596.60	968.81	913.15	468.19	349.54
Portfolio Investment	28.43	66.92	(3.32)	(8.90)	(35.60)
Other Investments	(675.85)	(242.16)	86.85	441.64	302.56
Public Sector Long Term	(441.35)	(68.97)	(18.31)	4.84	59.25
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	(49.31)	(174.25)	46.65	316.36	90.55
Other Assets	(152.53)	(193.86)	(121.82)	(86.33)	(76.97)
Other Liabilities*	(32.66)	194.91	180.33	206.77	229.73
Overall Balance	19.54	41.20	0.99	(15.73)	(80.35)
Financing	(19.54)	(41.20)	(0.99)	15.73	80.35
Change in SDR holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	(0.14)	0.14	2.29	-	-
Change in Imputed Reserves	(19.39)	(41.34)	(3.28)	15.73	80.35

Source: Central Statistics Office and ECCB

*includes errors and omissions

Data available at 19 February 2010



Table 21
Dominica - Selected Economic Indicators

	2005	2006 ^R	2007 ^R	2009 ^R	2009 ^P
(annual percentage change unless otherwise stated)					
National Income and Prices					
Nominal GDP at basic prices	4.9	4.0	6.7	8.4	(0.9)
Real GDP at basic prices	3.3	4.8	2.5	3.2	(2.2)
GDP Deflator	1.5	(0.7)	4.0	5.0	1.3
Consumer Prices (end of period)	2.7	1.8	6.0	2.0	3.3
Consumer Prices (period average)	1.7	2.6	3.2	6.3	0.1
Real GDP at Factor Cost by Selected Sectors					
Agriculture	(0.4)	2.4	(5.3)	10.1	5.0
Manufacturing	0.4	0.5	(4.0)	(27.0)	(9.7)
Electricity and Water	6.4	3.4	2.0	1.0	6.2
Construction	3.5	8.5	12.8	17.1	(20.9)
Wholesale and Retail Trade	5.0	4.5	4.7	7.1	(5.5)
Hotels and Restaurants	6.5	15.0	(12.7)	4.5	(5.8)
Transport	0.3	7.2	0.8	9.2	(3.9)
Communications	8.5	8.5	2.8	3.0	(1.0)
Banks and Insurance	9.2	4.7	6.9	2.1	4.6
Government Services	(0.4)	1.5	3.3	1.8	2.5
Other Services	6.3	3.1	2.5	3.0	1.0
(as a percentage of GDP)					
External Sector					
Current Account Balance	(25.4)	(15.8)	(25.2)	(36.4)	(32.8)
Overall Balance	4.7	4.2	(0.4)	(0.9)	2.2
Merchandise Trade Balance	(34.9)	(33.4)	(39.5)	(47.4)	(45.5)
Central Government					
Current Account Balance	2.2	2.9	4.8	4.2	6.1
Current Revenue	31.6	31.6	33.6	33.4	34.5
Current Expenditure	29.4	28.7	28.8	29.2	28.4
Capital Expenditure and Net Lending	6.7	9.4	12.1	15.2	15.2
Overall Fiscal Balance	(1.4)	1.1	(1.0)	(3.2)	(3.0)
Total Public Sector Debt (end of period)	117.8	111.7	98.7	88.8	88.8
(per cent per annum)					
Monetary Sector					
Weighted Average Deposit Interest Rate	3.0	3.4	3.2	3.2	3.2
Weighted Average Lending Interest Rate	9.9	9.2	9.2	8.9	10.0
(in millions of EC Dollars, unless otherwise stated)					
Memo					
Nominal GDP at basic prices	641.3	666.9	711.3	770.8	763.8
Real GDP at basic prices	442.5	463.6	475.2	490.4	479.7
Nominal GDP at market prices	808.0	852.3	929.8	1,010.9	1,014.5
GDP per capita (EC\$)	9,072	9,392	9,973	10,764	10,617
Merchandise Imports (f.o.b)	394.0	396.5	465.3	586.9	554.7
Merchandise Exports (f.o.b)	111.9	112.0	98.1	108.0	93.0
Gross Visitor Expenditure	154.0	193.6	201.1	193.2	183.3

Source: Statistics Department and ECCB
Data available at 25 February 2010



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

	2005	2006	2007	2008	2009
Current Revenue	255.1	269.0	312.2	337.8	350.1
Tax Revenue	229.3	247.9	285.5	307.4	320.6
Taxes on Income and Profit	50.7	50.5	53.2	52.2	55.9
of which:					
Personal Income Tax	30.3	33.0	37.2	35.0	32.1
Corporation Tax	21.4	18.3	18.4	19.8	26.4
Stabilisation Levy	0.4	0.8	0.1	0.0	0.0
Taxes on Property	6.9	7.5	9.3	10.3	9.1
Taxes on Domestic Goods and Services	59.3	123.2	162.7	176.1	185.9
of which:					
Sales Tax	37.7	10.7	0.6	0.5	0.5
Consumption Tax	5.1	1.4	0.0	0.0	0.0
Hotel Occupancy	0.7	0.4	0.1	0.1	0.0
Value Added Tax (VAT)	0.0	69.0	101.6	114.3	124.9
Taxes on International Trade and Transactions	112.5	66.6	60.3	68.7	69.6
of which:					
Consumption Duty (imports)	58.3	10.2	0.1	0.1	0.0
Import Duty	27.8	28.4	31.0	36.3	33.6
Service Charge (imports)	12.5	13.0	14.6	15.9	17.5
Non-Tax Revenue	25.8	21.2	26.8	30.4	29.5
Current Expenditure	237.4	244.2	267.9	295.6	288.5
Personal Emoluments	108.5	109.6	117.5	120.2	125.7
Goods and Services	50.0	46.7	64.4	87.3	84.4
Interest Payments	25.9	34.6	28.2	24.5	14.1
Domestic	7.9	14.4	8.6	5.7	4.2
External	18.0	20.2	19.6	18.8	9.9
Transfers and Subsidies	53.1	53.3	57.8	63.7	64.3
of which: Pensions	13.3	12.5	15.5	15.1	17.1
Current Account Balance	17.7	24.8	44.3	42.1	61.6
Capital Revenue	17.1	0.8	0.9	0.4	0.4
Grants	8.0	63.8	57.2	78.2	61.7
of which: Capital Grants	8.0	63.8	57.2	78.2	61.7
Capital Expenditure and Net Lending	54.5	80.4	112.2	153.2	154.1
of which: Capital Expenditure	57.8	83.6	113.0	154.3	155.1
Primary Balance (after grants)	14.2	43.7	18.5	(8.1)	(16.3)
Overall Balance (before grants)	(19.7)	(54.8)	(66.9)	(110.7)	(92.0)
Overall Balance (after grants)	(11.7)	9.1	(9.7)	(32.5)	(30.3)
Financing	11.7	(9.1)	9.7	32.5	30.3
Domestic	24.0	(15.1)	18.5	92.3	0.7
ECCB (net)	(12.9)	(13.0)	16.6	(8.8)	(9.3)
Commercial Banks (net)	16.1	(51.2)	(23.7)	4.9	18.8
Other	20.8	49.0	25.7	96.3	(8.7)
External	(5.6)	1.4	(16.2)	(8.5)	35.0
Net Disbursements/(Amortisation)	14.7	0.2	(12.9)	(3.1)	32.0
Disbursements	20.7	13.4	8.0	15.5	44.9
Amortisation	(6.0)	(13.2)	(20.9)	(18.7)	(12.9)
Change in Government Foreign Assets	(20.4)	1.2	(3.4)	(5.4)	3.0
Arrears	(6.7)	4.7	7.4	(51.3)	(5.4)
Domestic	(18.0)	(7.3)	(5.5)	(6.5)	(4.2)
External	11.4	12.0	12.9	(44.7)	(1.3)

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 23 March 2010



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

	2005 ^R	2005 ^R	2006 ^R	2008 ^R	2009 ^P
Net Foreign Assets	356.2	427.2	471.2	504.1	557.3
Central Bank (net)	132.7	170.2	163.2	148.8	174.1
Commercial Banks (net)	223.5	257.1	307.9	355.4	383.3
External (net)	13.6	61.7	108.6	35.6	48.9
Assets	174.0	246.8	303.6	237.5	232.5
Liabilities	160.4	185.1	195.0	201.9	183.6
Other ECCB Territories (net)	209.9	195.4	199.4	319.8	334.4
Assets	228.7	234.6	276.2	398.7	426.9
Liabilities	18.8	39.2	76.9	79.0	92.5
Net Domestic Assets	344.2	342.5	373.4	376.9	412.0
Domestic Credit	462.5	434.3	438.1	470.4	513.7
Central Government (net)	17.6	(46.5)	(53.7)	(57.6)	(48.2)
Other Public Sector (net)	(40.8)	(58.0)	(73.3)	(83.9)	(92.5)
Private Sector	485.7	538.8	565.0	611.9	654.3
Households	267.86	292.69	328.18	367.14	383.36
Business	182.80	185.15	203.03	191.71	222.29
Non-Bank Financial Institutions (net)	2.43	2.88	2.63	2.17	2.20
Subsidiaries and Affiliates (net)	5.00	5.00	5.00	4.03	4.03
Other Items (net)	(118.3)	(91.9)	(64.7)	(93.4)	(101.7)
Money Supply (M2)	700.4	769.7	844.5	881.1	969.3
Money Supply (M1)	172.3	174.6	196.5	183.4	198.4
Currency with the Public	39.0	45.4	49.0	43.9	50.7
Demand Deposits	133.4	129.2	147.4	139.5	147.7
Quasi Money	528.0	595.1	648.1	697.6	771.0
Savings Deposits	348.6	398.6	445.2	473.3	520.5
Time Deposits	167.7	184.2	192.7	208.9	236.3
Foreign Currency Deposits	11.6	12.2	10.2	15.5	14.2

Source: ECCB

Data available at 24 February 2010

Table 24
Dominica - Selected Tourism Statistics

	2005	2006	2007	2008 ^R	2009 ^P
Total Visitor Arrivals	388,480	473,553	443,486	470,332	573,156
Stay-Over Arrivals	86,319	92,983	88,035	88,725	85,271
of which:					
USA	18,492	23,537	22,492	22,616	21,476
Canada	1,977	2,837	2,707	2,775	2,663
UK	6,117	7,219	6,878	6,982	6,675
Caribbean	47,126	51,531	48,472	48,565	47,040
Other Countries	12,607	7,859	7,486	7,787	7,417
Excursionists	650	927	936	936	842
Cruise Ship Passengers	301,511	379,643	354,515	380,671	485,768
Number of Cruise Ship Calls	234	314	252	211	264
Total Visitor Expenditure (EC\$M)	154.0	193.6	201.1	193.2	183.3

Source: ECCB and Development Planning Unit

Data available at 19 February 2010



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

	2005 ^R	2006	2007 ^R	2008 ^R	2009 ^P
Current Account	(205.4)	(134.6)	(234.8)	(367.5)	(332.6)
Goods and Services	(180.3)	(146.9)	(238.9)	(365.0)	(342.8)
Goods	(278.2)	(277.0)	(360.0)	(468.4)	(452.7)
Merchandise	(282.2)	(284.6)	(367.2)	(478.9)	(461.7)
Repair on goods	0.0	0.0	0.0	0.0	0.0
Goods procured in ports by carriers	4.0	7.5	7.2	10.5	9.0
Services	97.9	130.1	121.1	103.4	109.9
Transportation	(61.8)	(57.2)	(73.8)	(81.0)	(72.8)
Travel	127.7	167.1	172.5	163.1	157.2
Insurance Services	(10.7)	(12.8)	(16.2)	(15.4)	(13.8)
Other Business Services	45.1	33.1	38.7	34.4	37.2
Government Services	(2.4)	(0.2)	(0.2)	2.3	2.1
Income	(78.2)	(40.5)	(53.0)	(53.9)	(37.9)
Compensation of Employees	3.7	2.9	2.5	2.5	2.4
Investment Income	(82.0)	(43.5)	(55.5)	(56.4)	(40.3)
Current Transfers	53.1	52.9	57.1	51.4	48.0
General Government	0.6	0.8	(0.9)	(0.2)	1.2
Other Sectors	52.5	52.1	58.0	51.6	46.8
Capital and Financial Account	244.4	170.8	231.2	358.5	354.9
Capital Account	49.4	75.5	156.5	155.4	133.3
Capital Transfers	49.4	75.5	156.5	155.4	133.3
Acquisition and Disposal of Non-Produced, Non-Financial Assets	0.0	0.0	0.0	0.0	0.0
Financial Account	195.0	95.3	74.7	203.1	221.6
Direct Investment	51.9	70.0	109.3	152.7	140.8
Portfolio Investment	10.2	(0.3)	4.6	(8.9)	7.9
Other Investments	132.9	25.7	(39.3)	59.3	72.9
Public Sector Long Term	13.6	(7.8)	(18.0)	(9.1)	30.4
Other Public Sector Capital	0.8	0.0	0.0	0.0	0.0
Commercial Banks	23.8	(33.6)	(50.9)	(47.4)	(27.9)
Other Assets	16.6	6.6	(30.2)	(13.7)	(14.4)
Other Liabilities*	78.0	60.5	59.8	129.5	84.9
Overall Balance	39.0	36.2	(3.6)	(9.1)	22.2
Financing	(39.0)	(36.2)	3.6	9.1	(22.2)
Change in SDR Holdings	0.0	0.0	0.0	0.0	0.0
Change in Reserve Position with the Fund	0.0	0.0	0.0	0.0	0.0
Change in Government Foreign Assets	(20.4)	1.2	(3.4)	(5.4)	3.0
Change in Imputed Reserves	(18.6)	(37.5)	6.9	14.4	(25.3)

Source: ECCB and Central Statistics Office

*includes errors and omissions

Data available at 25 February 2010



Table 26
Grenada - Selected Economic Indicators

	2005 ^R	2006 ^R	2007 ^R	2008 ^R	2009 ^P
<i>(annual percentage change unless otherwise stated)</i>					
National Income and Prices					
Nominal GDP at basic prices	17.0	1.5	8.6	12.6	(8.7)
Real GDP at basic prices	11.0	(2.3)	4.9	2.2	(7.7)
GDP Deflator	5.3	3.9	3.4	10.2	(1.2)
Consumer Prices (end of period)	6.2	1.7	7.4	5.2	(2.4)
Consumer Prices (period average)	3.5	4.3	3.9	8.0	(0.3)
Real GDP at Factor Cost by Selected Sectors					
Agriculture	(41.2)	23.8	5.9	11.1	9.4
Manufacturing	16.9	(2.6)	2.2	(5.0)	(6.5)
Electricity and Water	4.7	13.0	8.4	4.1	2.4
Construction	83.1	(30.0)	(9.7)	(15.1)	(50.0)
Wholesale and Retail Trade	33.3	(9.9)	0.3	(2.8)	(18.0)
Hotels and Restaurants	(42.5)	50.6	12.1	(3.0)	(19.0)
Transport	19.8	(13.8)	2.9	0.4	(12.4)
Communications	25.4	5.6	3.6	3.6	(2.5)
Banks and Insurance	(1.1)	1.2	4.2	6.1	7.0
Real Estate and Housing	(4.3)	10.0	5.0	3.0	2.0
Government Services	(4.5)	7.0	1.3	5.3	(3.8)
Other Services	9.4	5.0	27.0	16.2	8.0
<i>(as a percentage of GDP)</i>					
External Sector					
Current Account Balance	(34.9)	(41.3)	(42.9)	(39.6)	(28.4)
Overall Balance	(5.8)	1.0	1.8	(1.2)	1.4
Merchandise Trade Balance	(49.2)	(48.1)	(48.3)	(45.5)	(36.4)
Central Government					
Current Account Balance	3.9	4.5	5.0	2.8	(0.9)
Current Revenue	24.1	25.3	26.0	25.4	24.2
Current Expenditure	20.1	20.8	21.0	22.6	25.1
Capital Expenditure and Net Lending	10.9	17.8	12.8	11.7	7.1
Overall Fiscal Balance	3.7	(6.4)	(6.6)	(6.1)	(6.2)
Total Public Sector Debt (end of period)	107.1	111.3	108.0	97.0	113.9
<i>(per cent per annum)</i>					
Monetary Sector					
Weighted Average Deposit Interest Rate	2.7	3.0	3.0	3.2	3.0
Weighted Average Lending Interest Rate	10.0	9.7	9.6	9.2	10.7
<i>(in millions of EC Dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at basic prices	1,224.6	1,242.7	1,348.9	1,518.7	1,386.2
Real GDP at basic prices	819.7	800.5	840.0	858.4	792.7
Nominal GDP at market prices	1,495.4	1,524.0	1,647.9	1,831.9	1,660.1
GDP per capita (EC\$)	11,419.1	11,492.0	12,372.1	13,840.8	12,554.0
Merchandise Imports (f.o.b)	809.9	802.1	885.3	914.7	682.4
Merchandise Exports	74.6	68.5	90.2	81.7	78.1
Gross Visitor Expenditure	192.8	253.3	293.6	293.2	266.7

Source: Statistics Department and ECCB

Data available at 22 February 2010



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

	2005	2006	2007 ^R	2008 ^R	2009 ^P
Current Revenue	359.7	386.0	428.4	464.5	401.8
Tax Revenue	343.9	360.0	402.8	433.8	379.9
Taxes on Income and Profit	57.7	56.0	74.8	94.6	87.2
of which:					
Personal ¹	13.9	13.7	16.3	23.4	28.2
Company ²	42.3	31.6	45.8	71.2	59.0
Taxes on Property	15.4	22.6	29.0	26.0	18.8
Taxes on Domestic Goods and Services	59.9	69.0	71.3	78.7	76.0
of which:					
Consumption Tax	27.3	32.7	36.1	40.9	37.5
Stamp Duties	7.5	4.8	5.4	5.5	4.3
Licenses	13.9	16.6	14.1	17.2	16.4
Taxes on International Trade and Transactions	210.9	212.3	227.7	234.6	197.9
of which:					
Import Duty	50.1	47.3	51.0	56.0	44.3
Consumption Tax	109.8	104.3	100.1	108.1	84.6
Customs Service Charge	44.5	40.1	40.1	44.0	33.3
Non-Tax Revenue	15.9	26.0	25.6	30.7	21.9
Current Expenditure	301.1	317.5	346.0	413.6	416.6
Personal Emoluments	150.8	154.0	158.4	200.8	191.2
Goods and Services	67.9	66.1	79.1	84.7	86.0
Interest Payments	27.8	29.0	33.0	34.9	45.3
Domestic	13.9	8.7	11.2	9.7	14.5
External	13.9	20.4	21.8	25.2	30.8
Transfers and Subsidies	54.6	68.4	75.5	93.2	94.1
of which: Pensions	16.9	18.9	18.7	24.9	23.3
Current Account Balance	58.6	68.6	82.4	50.9	(14.8)
Capital Revenue	0.3	0.1	0.1	0.1	0.1
Grants	160.5	104.7	19.9	51.5	29.2
of which:					
Capital Grants	65.6	86.3	19.6	34.8	12.7
Capital Expenditure and Net Lending	163.6	271.3	211.3	213.9	117.1
of which: Capital Expenditure	163.6	271.3	211.3	213.9	117.1
Primary Balance after Grants	83.6	(68.9)	(75.9)	(76.4)	(57.3)
Overall Balance (before grants)	(104.7)	(202.6)	(128.8)	(162.9)	(131.8)
Overall Balance (after grants)	55.8	(97.9)	(108.9)	(111.3)	(102.6)
Financing	(55.8)	97.9	108.9	111.3	102.6
Domestic	(175.4)	56.5	102.4	90.0	90.3
ECCB (net)	(0.9)	(5.8)	12.6	1.4	(36.9)
Commercial Banks (net)	(55.6)	28.1	54.4	17.1	12.9
Other	(118.9)	34.3	35.4	71.5	114.3
External	101.2	41.4	6.5	21.3	12.3
Net Disbursements/(Amortisation)	101.4	41.6	6.8	17.3	12.3
Disbursements	115.6	58.1	29.5	51.4	39.1
Amortisation	(14.3)	(16.5)	(22.8)	(34.1)	(26.8)
Change in Government Foreign Assets	(0.2)	(0.2)	(0.2)	4.0	-
Arrears	18.4	-	-	-	-
Domestic	5.3	-	-	-	-
External	13.1	-	-	-	-

Source: Ministry of Finance, Treasury Department and ECCB Estimates

¹ Includes Debt Service Levy

² Includes Business Levy

Data available at 22 February 2010



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

	2005 ^R	2006 ^R	2007 ^R	2008 ^R	2009 ^P
Net Foreign Assets	531.6	421.5	405.6	248.8	281.0
Central Bank (net)	254.4	269.4	298.2	281.0	303.4
Commercial Banks (net)	277.2	152.0	107.4	(32.2)	(22.4)
External (net)	77.3	5.8	(35.2)	(130.2)	(142.8)
Assets	422.2	394.9	388.9	365.9	337.6
Liabilities	344.9	389.1	424.1	496.1	480.3
Other ECCB Territories (net)	199.8	146.2	142.6	98.0	120.3
Assets	328.1	291.9	255.2	207.3	209.1
Liabilities	128.3	145.6	112.6	109.3	88.7
Net Domestic Assets	984.2	1,096.2	1,279.7	1,504.9	1,531.1
Domestic Credit	1,082.5	1,207.0	1,412.7	1,601.1	1,641.8
Central Government (net)	15.1	37.3	104.3	122.9	98.8
Other Public Sector (net)	(47.1)	(73.3)	(116.8)	(118.5)	(125.8)
Private Sector	1,114.5	1,243.0	1,425.2	1,596.7	1,668.8
Households	713.5	776.6	886.4	995.7	1,087.6
Business	374.9	447.3	522.8	567.1	565.4
Non-Bank Financial Institutions (net)	18.0	12.0	13.4	33.9	15.8
Subsidiaries and Affiliates (net)	8.2	7.1	2.6	-	-
Other Items (net)	(98.3)	(110.8)	(133.0)	(96.2)	(110.7)
Money Supply (M2)	1,515.8	1,517.7	1,685.3	1,753.7	1,812.1
Money Supply (M1)	334.1	325.6	376.2	355.5	324.3
Currency	105.3	104.5	107.8	103.4	106.7
Demand Deposits	228.8	221.1	268.4	252.1	217.7
Quasi Money	1,181.7	1,192.1	1,309.1	1,398.1	1,487.8
Savings Deposits	866.2	899.1	915.8	980.6	1,014.4
Time Deposits	209.2	212.6	264.5	291.6	339.2
Foreign Currency Deposits	106.3	80.4	128.8	125.9	134.2

Source: ECCB

Data available at 22 February 2010

Table 29
Grenada - Selected Tourism Statistics

	2005	2006	2007 ^R	2008 ^R	2009 ^P
Total Visitor Arrivals	384,371	347,295	410,811	426,900	455,964
Stay-Over Arrivals	98,548	118,653	129,088	123,770	109,407
Of Which:					
USA	25,181	27,126	27,132	25,868	24,747
Canada	4,341	6,335	6,017	6,927	6,828
UK	15,605	25,042	33,816	34,635	27,096
Caribbean	28,067	30,927	28,856	28,987	25,864
Other Countries	25,354	29,223	33,267	27,353	24,872
Excursionists	5,823	4,821	5,935	5,121	2,828
Yacht Passengers	4,353	4,733	4,232	4,730	3,779
Cruise Ship Passengers	275,085	218,647	270,259	292,712	339,752
Number of Cruise Ship Calls	260	221	258	217	244
Total Visitor Expenditure (EC\$M)	192.8	253.3	293.6	293.2	266.7

Source: ECCB and Development Planning Unit

Data available at 22 February 2010



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

	2005 ^R	2006 ^R	2007 ^R	2008 ^R	2009 ^P
Current Account	(521.8)	(628.7)	(706.2)	(725.6)	(472.0)
Goods and Services	(667.7)	(648.2)	(660.8)	(699.0)	(449.5)
Goods	(721.2)	(714.9)	(775.3)	(805.4)	(578.0)
Merchandise	(735.3)	(733.6)	(795.1)	(833.0)	(604.4)
Repair on goods	0.0	0.0	0.0	0.0	-
Goods procured in ports by carriers	14.1	18.7	19.8	27.6	26.4
Services	53.5	66.7	114.6	106.4	128.5
Transportation	(101.2)	(102.6)	(106.1)	(110.3)	(79.3)
Travel	165.7	211.4	250.9	263.3	239.9
Insurance Services	2.6	(29.4)	(28.0)	(26.2)	(20.4)
Other Business Services	3.9	(5.0)	5.1	(4.7)	3.0
Government Services	(17.5)	(7.7)	(7.3)	(15.8)	(14.6)
Income	(76.4)	(78.0)	(116.2)	(126.9)	(121.3)
Compensation of Employees	0.1	2.2	0.7	0.5	0.5
Investment Income	(76.4)	(80.2)	(116.9)	(127.4)	(121.8)
Current Transfers	222.2	97.5	70.8	100.3	98.8
General Government	84.5	29.8	13.4	44.0	46.6
Other Sectors	137.8	67.7	57.4	56.3	52.3
Capital and Financial Account	447.8	643.9	735.2	704.3	494.5
Capital Account	126.9	166.8	105.8	110.7	91.0
Capital Transfers	126.9	166.8	105.8	110.7	91.0
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	320.9	477.2	629.4	593.6	403.5
Direct Investment	189.4	242.4	409.4	384.0	245.5
Portfolio Investment	48.1	(2.0)	(6.9)	(0.7)	(6.3)
Other Investments	83.4	236.8	226.9	210.3	164.3
Public Sector Long Term	62.5	19.0	51.6	37.5	41.2
Other Public Sector Capital	13.3	-	-	-	-
Commercial Banks	103.2	125.1	44.6	139.6	(9.7)
Other Assets	(16.5)	(36.2)	(23.5)	(12.3)	(2.0)
Other Liabilities*	(79.0)	128.8	154.1	45.5	134.8
Overall Balance	(74.0)	15.2	29.0	(21.2)	22.5
Financing	74.0	(15.2)	(29.0)	21.2	(22.5)
Change in SDR Holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	(0.2)	(0.2)	(0.2)	4.0	-
Change in Imputed Reserves	74.2	(15.0)	(28.8)	17.2	(22.5)

Source: ECCB and Statistical Department

* includes errors and omissions

Data available at 22 February 2010



Table 31
Montserrat - Selected Economic Indicators

	2005 ^R	2006 ^R	2007 ^R	2008 ^R	2009 ^P
<i>(annual percentage change unless otherwise stated)</i>					
National Income and Prices					
Nominal GDP at basic prices	4.4	6.9	4.0	6.8	3.3
Real GDP at basic prices	(0.3)	(4.0)	2.9	5.4	1.0
GDP Deflator	4.4	6.9	4.0	6.8	3.3
Consumer Prices (end of period)	2.9	1.0	4.0	4.5	2.5
Consumer Prices (period average)	2.7	1.9	2.7	4.9	2.8
Real GDP at Factor Cost by Selected Sectors					
Agriculture	(12.5)	15.5	2.7	24.5	30.1
Manufacturing	44.2	(10.0)	0.5	6.6	1.5
Mining and Quarrying	88.9	276.5	158.7	(5.1)	0.5
Electricity and Water	11.0	2.5	1.0	1.1	2.0
Construction	1.1	(33.8)	(11.7)	3.3	7.0
Wholesale and Retail Trade	2.8	(1.7)	(6.3)	22.5	(7.5)
Hotels and Restaurants	31.0	(7.9)	13.4	9.5	(22.0)
Transport	(0.2)	7.2	(1.2)	5.1	(6.3)
Communications	(1.8)	0.8	4.6	1.6	(1.0)
Banks and Insurance	9.4	(3.3)	21.9	7.4	1.0
Real Estate and Housing	2.0	5.6	0.8	1.0	2.0
Government Services	(4.9)	4.5	6.8	5.4	2.0
Other Services	4.8	(0.6)	6.2	6.1	1.0
<i>(as a percentage of GDP)</i>					
External Sector					
Current Account Balance	(36.7)	(16.7)	(22.5)	(39.4)	(24.7)
Overall Balance	(0.3)	1.4	(0.2)	(5.6)	5.1
Merchandise Trade Balance	(57.4)	(55.8)	(50.6)	(58.9)	(44.7)
Central Government					
Current Account Balance (before grants)	(37.9)	(40.2)	(45.3)	(41.9)	(41.3)
Current Revenue	29.8	28.3	28.6	29.7	28.9
Current Expenditure	67.6	68.5	73.9	71.6	70.3
Capital Expenditure and Net Lending	21.8	15.3	21.2	26.3	26.8
Overall Fiscal Balance	(15.5)	(3.3)	(5.7)	(10.0)	4.2
Total Public Sector Debt (end of period)	10.9	9.9	9.0	8.2	6.4
<i>(per cent per annum)</i>					
Monetary Sector					
Weighted Average Deposit Interest Rate	2.5	2.7	2.6	2.5	2.6
Weighted Average Lending Interest Rate	10.5	10.5	10.3	9.6	8.7
<i>(in millions of EC Dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at basic prices	98.7	105.5	109.8	117.3	121.2
Real GDP at basic prices	60.6	58.2	59.9	63.1	63.8
Nominal GDP at market prices	116.3	121.9	125.0	135.2	138.5
GDP per capita (EC\$)	20,625	22,666	22,780	24,058	24,568
Merchandise Imports (f.o.b)	70.7	71.8	70.4	90.6	70.4
Merchandise Exports (f.o.b)	4.0	3.7	7.1	11.0	8.5
Gross Visitor Expenditure	24.3	20.9	20.1	19.0	13.9

Source: Statistics Department and ECCB

Data available at 19 February 2010



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

	2005 ^R	2006 ^R	2007 ^R	2008 ^R	2009 ^P
Current Revenue	34.6	34.5	35.8	40.2	40.1
Tax Revenue	32.5	31.8	31.6	34.4	35.8
Taxes on Income and Profit	13.0	13.5	14.4	15.0	16.8
of which:					
Company	1.8	1.8	1.7	2.1	2.7
Personal	11.0	11.3	12.2	12.3	13.4
Taxes on Property	1.4	1.4	1.4	1.0	1.1
Taxes on Domestic Goods and Services	3.3	3.5	3.4	3.7	3.7
of which:					
Hotel and Guest Tax	0.0	0.1	0.0	0.0	0.0
Insurance and Company Levy	0.3	0.2	0.3	0.2	0.2
Stamp Duty and Licenses	2.2	2.1	2.2	2.4	2.5
Taxes on International Trade and Transactions	14.7	13.4	12.4	14.8	14.2
of which:					
Import Duty	4.0	3.6	3.5	4.4	4.2
Consumption Tax	6.3	5.4	5.1	6.2	6.3
Customs Service Charge	3.3	3.2	3.1	3.9	3.5
Foreign Currency Levy	0.9	0.9	0.5	-	-
Non-Tax Revenue	2.1	2.7	4.2	5.7	4.3
Current Expenditure	78.7	83.4	92.3	96.8	97.3
Personal Emoluments	30.3	35.5	37.9	39.2	41.4
Goods and Services	24.6	25.7	30.8	31.5	23.9
Interest Payments	0.1	0.1	0.1	0.1	0.1
Domestic	0.1	0.1	0.1	0.1	0.1
External	0.1	0.0	0.1	0.0	0.0
Transfers and Subsidies	23.7	22.1	23.5	25.9	31.9
of which: Pensions	7.6	10.7	12.1	13.4	17.3
Current Account Balance (before grants)	(44.0)	(48.9)	(56.6)	(56.6)	(57.2)
Current Grants	37.4	53.4	58.0	56.7	60.3
Current Account Balance (after grants)	(6.7)	4.5	1.4	0.1	3.1
Capital Revenue	-	-	-	-	-
Capital Grants	14.0	10.2	18.0	22.0	39.9
Capital Expenditure	25.4	18.6	26.6	35.5	37.1
Primary Balance (after grants)	(17.9)	(3.9)	(7.0)	(13.4)	6.0
Overall Balance (before grants)	(69.4)	(67.6)	(83.1)	(92.1)	(94.3)
Overall Balance (after grants)	(18.0)	(4.0)	(7.2)	(13.5)	5.9
Financing	18.0	4.0	7.2	13.5	(5.9)
Domestic	18.2	4.2	7.2	13.6	(5.7)
ECCB (net)	(0.2)	(0.0)	(0.7)	(1.3)	(0.7)
Commercial Banks (net)	10.3	6.9	(1.3)	7.4	(1.0)
Other	8.2	(2.7)	9.1	7.4	(4.0)
External	(0.2)	(0.2)	(0.0)	(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)	0.1	-	-
Arrears	-	-	-	-	-
Domestic	-	-	-	-	-
External	-	-	-	-	-

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 19 February 2010



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

	2005 ^R	2006 ^R	2007 ^R	2008 ^R	2009 ^P
Net Foreign Assets	164.9	167.6	169.2	165.3	182.9
Central Bank (net)	37.7	39.3	39.1	31.5	38.6
Commercial Banks (net)	127.3	128.3	130.0	133.8	144.3
External (net)	39.4	42.2	49.4	43.6	51.1
Assets	73.7	75.3	89.8	86.0	90.8
Liabilities	34.3	33.1	40.4	42.4	39.7
Other ECCB Territories (net)	87.8	86.1	80.6	90.2	93.1
Assets	90.0	120.9	153.9	187.3	203.7
Liabilities	2.2	34.9	73.2	97.1	110.6
Net Domestic Assets	(33.3)	(28.0)	(18.8)	(12.5)	(17.3)
Domestic Credit	(19.5)	(10.1)	(0.1)	12.1	9.9
Central Government (net)	(30.4)	(23.5)	(25.5)	(19.3)	(21.0)
Other Public Sector (net)	(17.2)	(20.3)	(15.1)	(14.8)	(22.2)
Private Sector	28.1	33.6	40.5	46.2	53.2
Households	21.5	25.7	33.0	38.2	45.3
Businesses	6.5	6.7	6.7	7.9	7.9
Non-Bank Financial Institutions (net)	-	1.3	0.7	0.1	-
Subsidiaries and Affiliates (net)	-	-	-	-	-
Other Items (net)	(13.9)	(17.9)	(18.7)	(24.6)	(27.3)
Money Supply (M2)	131.6	139.6	150.4	152.8	165.5
Money Supply (M1)	33.9	36.5	41.9	39.2	37.9
Currency with the Public	12.3	14.2	15.1	11.6	14.9
Demand Deposits	21.6	22.3	26.8	27.6	23.1
Quasi Money	97.7	103.1	108.5	113.7	127.6
Savings Deposits	87.3	91.3	93.4	99.8	110.6
Time Deposits	5.5	5.0	5.6	6.1	9.2
Foreign Currency Deposits	4.9	6.8	9.5	7.7	7.8

Source: ECCB

Data available at 19 February 2010

Table 34
Montserrat - Selected Tourism Statistics

	2005	2006 ^R	2007	2008	2009 ^P
Total Visitor Arrivals	12,996	9,565	10,450	10,159	7,875
Stay-Over Arrivals	9,690	7,991	7,746	7,360	5,332
Of Which:					
USA	2,034	2,153	2,109	1,922	1,327
Canada	404	393	388	425	328
UK	2,968	2,321	2,190	2,152	1,508
Caribbean	3,987	2,868	2,796	2,658	1,978
Other Countries	297	256	263	203	191
Excursionists	3,137	1,509	968	959	1,190
Cruise Ship Passengers	169	65	273	-	-
Yacht Passengers	2	1	3	-	-
Number of Yacht	1143	1209	1463	1840	1353
Number of Cruise Ship Calls	269	309	311	354	299
Total Visitor Expenditure (EC\$M)	24.3	20.9	20.1	19.0	13.9

Source: Ministry of Finance and ECCB

Data available at 19 February 2010



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

	2005 ^R	2006 ^R	2007 ^R	2008 ^R	2009 ^P
Current Account	(42.7)	(20.4)	(28.1)	(53.3)	(34.2)
Goods and Services	(95.2)	(73.8)	(73.7)	(105.2)	(82.1)
Goods	(65.6)	(66.9)	(62.1)	(79.6)	(61.9)
Merchandise	(66.8)	(68.0)	(63.3)	(79.6)	(61.9)
Repair on goods	0.0	0.0	0.0	0.0	0.0
Goods procured in ports by carriers	1.1	1.1	1.2	0.0	0.0
Services	(29.5)	(6.9)	(11.6)	(25.7)	(20.2)
Transport	(9.2)	(10.7)	(13.5)	(16.8)	(15.1)
Travel	17.2	13.3	12.3	10.3	4.8
Insurance Services	(1.1)	(1.5)	(1.9)	(2.1)	(1.7)
Other Business Services	(12.0)	(1.8)	(0.7)	(0.8)	(0.3)
Government Services	(24.4)	(6.2)	(7.8)	(16.3)	(8.0)
Income	(7.6)	(5.2)	(10.1)	(12.0)	(12.8)
Compensation of Employees	(2.0)	-	(1.6)	(1.4)	(1.3)
Investment Income	(5.6)	(5.2)	(8.5)	(10.6)	(11.5)
Current Transfers	60.0	58.6	55.7	64.0	60.7
General Government	66.8	65.7	63.1	71.3	68.6
Other Sectors	(6.7)	(7.0)	(7.4)	(7.3)	(8.0)
Capital and Financial Account	42.4	22.1	27.9	45.6	41.3
Capital Account	14.5	9.8	13.7	20.6	33.7
Capital Transfers	14.5	9.8	13.7	20.6	33.7
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	27.9	12.3	14.2	25.0	7.6
Direct Investment	14.7	10.8	18.2	34.0	20.6
Portfolio Investment	(0.3)	0.2	0.1	(1.4)	-
Other Investments	13.5	1.4	(4.1)	(7.6)	(12.9)
Public Sector Long Term	(0.5)	(0.5)	(1.0)	(0.6)	(0.6)
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	7.8	(1.0)	(1.7)	(3.8)	(10.5)
Other Assets	(5.7)	(7.6)	(10.5)	0.1	0.1
Other Liabilities*	12.0	10.5	9.1	(3.3)	(2.0)
Overall Balance	(0.3)	1.8	(0.3)	(7.6)	7.1
Financing	0.3	(1.8)	0.3	7.6	(7.1)
Change in SDR holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	(0.1)	(0.1)	0.1	-	-
Change in Imputed Reserves	0.4	(1.6)	0.2	7.6	(7.1)

Source: ECCB and Ministry of Finance

*includes errors and omissions

Data available at 29 February 2010

Table 36
St Kitts and Nevis Selected Economic Indicators

	2005	2006	2007 ^R	2008 ^R	2009 ^P
<i>(annual percentage change unless otherwise indicated)</i>					
National Income and Prices					
Nominal GDP at basic prices	9.4	8.0	7.6	11.1	(6.1)
Real GDP at basic prices	5.2	2.6	4.2	4.6	(9.6)
GDP Deflator	4.0	5.2	3.3	6.2	3.9
Consumer Prices (end of period)	6.0	7.9	2.1	7.6	1.0
Consumer Prices (period average)	3.4	8.5	4.5	5.3	2.0
Real GDP at basic prices by Selected Sectors					
Agriculture	(2.5)	(19.9)	9.0	14.3	(3.3)
Manufacturing	3.0	(6.3)	1.9	2.7	(17.0)
Electricity and Water	0.8	7.6	1.7	1.6	2.5
Construction	1.1	8.4	4.4	2.6	(25.0)
Wholesale and Retail Trade	2.1	9.3	4.4	7.6	(10.5)
Hotels and Restaurants	19.4	(0.9)	(11.5)	1.5	(20.0)
Transport	2.9	0.4	4.8	21.1	(11.8)
Communications	18.1	1.7	10.3	(2.7)	(3.0)
Banks and Insurance	9.2	8.4	7.7	(1.1)	7.9
Real Estate and Housing	1.0	6.0	2.0	2.0	2.5
Government Services	3.4	3.4	6.0	1.8	2.0
Other Services	5.1	11.2	10.8	3.8	(4.0)
<i>(as a percentage of GDP)</i>					
External Sector					
Current Account Balance	(14.8)	(17.5)	(21.7)	(31.7)	(35.1)
Overall Balance	(1.5)	3.5	1.4	2.6	2.4
Merchandise Trade Balance	(29.0)	(34.2)	(36.6)	(39.1)	(40.6)
Central Government					
Current Account Balance	(0.5)	1.0	1.2	0.4	(0.0)
Current Revenue	36.6	37.4	37.2	35.3	36.7
Current Expenditure	37.1	36.4	36.1	34.8	36.7
Capital Expenditure and Net Lending	6.7	5.4	7.3	5.6	5.1
Overall Fiscal Balance	(4.1)	(2.4)	(2.4)	(0.3)	0.7
Total Public Sector Debt (end of period)	187.0	180.9	178.5	161.7	179.9
<i>(per cent per annum)</i>					
Monetary Sector					
Weighted Average Deposit Interest Rate	4.1	3.7	3.8	3.7	3.4
Weighted Average Lending Interest Rate	9.7	9.4	9.0	8.6	8.5
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at basic prices	979.3	1,057.3	1,137.7	1,263.7	1,186.6
Real GDP at basic prices	627.5	643.7	670.8	701.8	634.5
Nominal GDP at market prices	1,184.5	1,315.3	1,385.7	1,539.4	1,420.9
GDP Per Capita (EC\$)	19,843	21,151	22,466	24,633	22,676
Merchandise Imports (f.o.b)	500.1	592.9	646.7	771.8	718.3
Merchandise Exports (f.o.b)	157.0	143.3	139.4	169.3	141.3
Gross Visitor Expenditure	327.1	355.4	336.9	297.2	225.4

Source: Statistics Department and ECCB

Data available at 19 February 2010



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

	2005	2006	2007	2008 ^R	2009 ^P
Current Revenue	433.73	491.52	516.14	542.91	521.16
Tax Revenue	344.13	374.12	399.57	420.72	380.67
Taxes on Income and Profit	101.58	98.44	115.95	134.76	134.87
of which:					
Company	68.73	66.44	77.49	92.78	96.98
Social Services Levy	31.03	30.21	33.01	37.21	35.24
Taxes on Property	5.03	8.72	7.42	6.35	8.98
Taxes on Domestic Goods and Services	68.06	90.83	84.11	83.86	71.38
of which:					
Hotel Room Tax	15.01	15.87	14.25	13.52	4.67
Licences	7.72	7.99	9.73	9.33	10.14
Gasoline Levy	0.05	1.97	0.65	0.00	0.00
Stamp duties					
Taxes on International Trade and Transactions	169.46	176.12	192.09	195.76	165.44
of which:					
Import Duty	49.13	49.44	53.08	53.02	45.28
Consumption Tax	80.45	84.10	94.17	95.14	77.42
Customs Service Charge	31.77	34.11	35.28	38.18	33.82
Non-Tax Revenue	89.60	117.40	116.57	122.18	140.49
Current Expenditure	439.85	478.23	500.09	536.18	521.66
Personal Emoluments	163.11	169.51	189.72	212.11	219.89
Goods and Services	114.66	129.43	140.38	136.58	130.28
Interest Payments	95.81	109.21	115.89	128.86	117.28
Domestic	48.44	67.52	76.86	86.41	75.29
External	47.36	41.69	39.03	42.45	41.99
Transfers and Subsidies	66.26	70.08	54.10	58.63	54.21
of which: Pensions	21.09	22.71	23.62	19.53	21.24
Current Account Balance	(6.11)	13.29	16.05	6.72	(0.51)
Capital Revenue	4.03	5.60	36.44	62.00	26.45
Grants	32.23	27.01	28.37	28.25	59.27
of which: Capital Grants	31.56	26.70	27.65	24.16	6.47
Capital Expenditure and Net Lending	78.81	77.00	113.78	101.76	75.72
of which: Capital Expenditure	78.84	70.99	100.68	86.40	72.15
Primary Balance (after grants)	47.14	78.11	82.98	124.08	126.78
Overall Balance (before Grants)	(80.90)	(58.11)	(61.28)	(33.03)	(49.77)
Overall Balance (after grants)	(48.67)	(31.10)	(32.91)	(4.78)	9.50
Financing	48.67	31.10	32.91	4.78	(9.50)
Domestic	96.02	74.60	78.96	(38.47)	20.46
ECCB (net)	0.21	1.09	(0.44)	(24.61)	36.21
Commercial Banks (net)	88.49	69.74	42.72	(103.11)	(338.74)
Other	7.32	3.78	36.68	89.25	322.99
External	(47.35)	(43.50)	(46.05)	43.25	(29.96)
Net Disbursements/(Amortisation)	(46.89)	(43.50)	(46.05)	43.25	(29.96)
Disbursements	9.07	15.18	24.85	99.52	29.06
Amortisation	(55.96)	(58.68)	(70.90)	(56.27)	(59.02)
Change in Govt. Foreign Assets	(0.46)	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 19 February 2010



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

	2005	2006	2007	2008 ^R	2009 ^P
Net Foreign Assets	376.52	457.94	557.56	746.66	632.17
Central Bank (net)	193.03	239.14	258.28	297.75	331.92
Commercial Banks (net)	183.50	218.80	299.28	448.91	300.26
External (net)	210.41	197.88	425.55	506.69	493.87
Assets	598.80	635.41	870.40	962.21	1,297.64
Liabilities	388.39	437.53	444.85	455.52	803.78
Other ECCB Territories (net)	(26.91)	20.92	(126.27)	(57.78)	(193.61)
Assets	250.30	281.93	227.99	344.02	380.50
Liabilities	277.22	261.01	354.26	401.80	574.11
Net Domestic Assets	901.10	993.86	1,067.11	903.85	1,115.51
Domestic Credit	1,259.08	1,441.04	1,566.74	1,608.94	1,676.97
Central Government (net)	351.66	422.49	464.77	337.13	375.19
Other Public Sector (net)	(33.69)	(30.35)	(71.39)	29.06	7.10
Private Sector	941.11	1,048.91	1,173.36	1,242.75	1,294.69
Households	516.82	573.12	654.25	737.21	796.54
Business	287.78	326.38	364.49	419.38	419.06
Non-Bank Financial Institutions (net)	86.93	100.98	108.99	41.32	44.68
Subsidiaries and Affiliates (net)	49.58	48.42	45.63	44.83	34.41
Other Items (net)	(357.99)	(447.19)	(499.62)	(705.10)	(561.46)
Money Supply (M2)	1,277.62	1,451.80	1,624.67	1,650.51	1,747.68
Money Supply (M1)	175.89	201.45	226.04	251.71	243.63
Currency	49.88	55.10	56.19	70.12	78.33
Demand Deposits	126.01	146.35	169.85	181.59	165.30
Quasi Money	1,101.73	1,250.35	1,398.63	1,398.80	1,504.05
Savings Deposits	471.01	521.81	565.62	602.57	638.55
Time Deposits	287.73	309.55	377.63	398.12	490.97
Foreign Currency Deposits	342.99	418.99	455.39	398.10	374.53

Source: ECCB

Data available at 19 February 2010

Table 39
St Kitts and Nevis - Selected Tourism Statistics

	2005	2006	2007 ^R	2008 ^R	2009 ^P
Total Visitor Arrivals	364,519	349,733	379,473	533,353	547,561
Stay-Over Arrivals	140,504	139,268	123,062	127,705	93,081
of which:					
USA	79,569	77,587	69,894	76,455	54,410
Canada	8,468	8,130	7,116	7,805	6,413
UK	11,149	11,148	12,162	9,970	6,496
Caribbean	36,994	37,813	28,822	28,982	22,410
Other Countries	4,324	4,590	5,068	4,493	3,352
Excursionists	4,309	4,514	5,177	3,920	3,718
Yacht Passengers	4,355	2,876	1,911	812	209
Cruise Ship Passengers	215,351	203,075	249,323	400,916	450,553
Number of Cruise Ship Calls	244	261	242	232	235
Total Visitor Expenditure (EC\$M)	327.1	355.4	336.9	297.2	225.4

Source: Tourism Authority, Immigration Department and ECCB Estimates

Data available at 19 February 2010



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

	2005	2006	2007 ^R	2008 ^R	2009 ^P
Current Account	(174.74)	(229.80)	(300.43)	(488.18)	(499.07)
Goods and Services	(144.37)	(229.45)	(298.27)	(484.29)	(519.08)
Goods	(328.59)	(435.48)	(490.92)	(585.56)	(562.87)
Merchandise	(343.11)	(449.55)	(507.28)	(602.46)	(576.97)
Repair on goods	0.19	0.19	0.20	0.26	0.22
Goods procured in ports by carriers	14.33	13.88	16.17	16.63	13.88
Services	184.22	206.03	192.65	101.27	43.79
Transport	(72.90)	(85.54)	(80.80)	(120.19)	(112.97)
Travel	297.51	318.91	303.20	258.00	189.26
Insurance Services	(22.15)	(19.86)	(22.86)	(32.50)	(30.01)
Other Business Services	(18.81)	(10.42)	(11.96)	(7.62)	(6.77)
Government Services	0.56	2.93	5.08	3.58	4.29
Income	(94.87)	(87.32)	(80.95)	(93.32)	(88.16)
Compensation of Employees	(6.33)	(2.16)	(1.37)	(1.49)	(1.32)
Investment Income	(88.54)	(85.16)	(79.58)	(91.83)	(86.84)
Current Transfers	64.50	86.97	78.78	89.43	108.17
General Government	8.19	23.28	12.39	12.43	38.44
Other Sectors	56.31	63.69	66.39	77.00	69.73
Capital and Financial Account	156.71	276.09	319.82	527.94	533.23
Capital Account	39.75	35.98	38.28	59.27	16.83
Capital Transfers	39.75	35.75	38.28	59.27	16.83
Acquisition and Disposal of Non-Produced, Non-Financial Assets	0.00	0.23	0.00	0.00	0.00
Financial Account	116.96	240.12	281.55	468.67	516.40
Direct Investment	251.09	298.12	363.11	480.35	360.63
Portfolio Investment	(40.56)	(56.62)	(35.02)	28.28	(32.23)
Other Investments	(93.56)	(1.39)	(46.54)	(39.96)	188.00
Public Sector Long Term	(16.90)	17.36	(5.76)	6.71	(8.33)
Commercial Banks	(107.92)	(35.30)	(80.48)	(149.63)	(191.94)
Other Assets	(13.65)	(10.60)	16.44	(16.62)	(15.68)
Other Liabilities*	44.91	27.16	23.27	119.58	403.95
Overall Balance	(18.03)	46.30	19.39	39.75	34.17
Financing	18.03	(46.30)	(19.39)	(39.75)	(34.17)
Change in SDR holdings	0.00	0.00	0.00	0.00	0.00
Change in Reserve Position with the Fund	0.00	0.00	0.00	0.00	0.00
Change in Government Foreign Assets	(0.46)	(0.18)	(0.26)	(0.28)	0.00
Change in Imputed Reserves	18.49	(46.11)	(19.13)	(39.47)	(34.17)

Source: Planning Unit and ECCB

* Includes errors and omissions

Data available at 19 February 2010



Table 41
Saint Lucia - Selected Economic Indicators

	2005 ^R	2006 ^R	2007 ^R	2008 ^R	2009 ^P
<i>(annual percentage change unless otherwise stated)</i>					
National Income and Prices					
Nominal GDP at basic prices	7.7	7.4	2.2	2.8	(3.8)
Real GDP at basic prices	4.6	4.8	1.5	0.7	(5.2)
GDP Deflator	2.9	2.5	0.7	2.1	1.5
Consumer Prices (end of period)	5.2	(0.6)	8.2	3.8	1.0
Consumer Prices (period average)	3.9	2.3	3.1	8.2	0.9
Real GDP at Factor Cost by Selected Sectors					
Agriculture	(24.7)	9.8	2.4	20.5	(8.5)
Manufacturing	16.3	6.7	2.2	(5.4)	1.0
Electricity and Water	(13.4)	(8.8)	9.2	(8.2)	0.2
Construction	12.5	13.2	(10.3)	(14.4)	(24.4)
Wholesale and Retail Trade	5.8	9.0	4.6	(3.3)	(12.6)
Hotels and Restaurants	6.3	(2.7)	(7.4)	2.2	(6.5)
Transport	0.7	9.7	1.7	0.4	(11.2)
Communications	7.3	1.0	3.0	2.4	(1.0)
Banks and Insurance	9.6	21.4	9.4	4.5	0.5
Real Estate and Housing	5.7	2.6	7.6	5.4	0.5
Government Services	8.4	2.1	3.8	8.4	3.0
Other Services	1.9	3.9	4.0	0.7	(2.9)
<i>(as a percentage of GDP)</i>					
External Sector					
Current Account Balance	(15.1)	(33.2)	(36.0)	(35.2)	(19.6)
Overall Balance	(1.9)	1.4	1.9	(1.1)	1.1
Merchandise Trade Balance	(41.3)	(48.2)	(48.6)	(47.3)	(33.7)
Central Government					
Current Account Balance	3.4	3.6	5.8	5.8	4.2
Current Revenue	24.8	25.6	27.1	29.0	29.3
Current Expenditure	21.4	22.0	21.2	23.2	25.0
Capital Expenditure and Net Lending	10.1	10.0	8.4	6.8	7.8
Overall Fiscal Balance	(6.5)	(6.2)	(2.2)	0.1	(2.5)
Total Public Sector Debt (end of period)	68.4	68.3	71.8	70.8	73.9
<i>(per cent per annum)</i>					
Monetary Sector					
Weighted Average Deposit Interest Rate	2.7	2.9	3.1	3.2	3.2
Weighted Average Lending Interest Rate	10.5	10.2	8.8	9.6	9.7
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at basic prices	1,924.4	2,066.3	2,112.0	2,171.5	2,089.4
Real GDP at basic prices	1,333.1	1,397.0	1,417.7	1,427.9	1,353.7
Nominal GDP at market prices	2,316.8	2,513.5	2,586.2	2,662.4	2,576.4
GDP per capita (EC\$)	11,692	12,385	12,546	12,749	12,145
Merchandise Imports (f.o.b)	1,128.9	1,406.6	1,462.6	1,633.0	1,281.8
Merchandise Exports (f.o.b)	173.2	195.2	205.5	373.4	412.4
Gross Visitor Expenditure	1,030.5	793.7	814.5	839.7	799.7

Source: Statistics Department and ECCB

Data available at 03 March 2010



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

	2005	2006 ^R	2007 ^R	2008 ^R	2009
Current Revenue	575.7	644.7	699.9	771.1	753.8
Tax Revenue	540.8	603.8	659.0	725.3	724.0
Taxes on Income and Profit	139.6	148.4	176.6	225.7	226.3
of which:					
Personal	53.1	65.5	66.1	76.3	77.5
Company	60.4	60.1	72.8	111.9	109.4
Taxes on Property	4.0	4.7	4.9	2.3	4.2
Taxes on Domestic Goods and Services	89.5	105.6	119.7	132.2	107.4
of which:					
Stamp Duty	16.5	22.2	31.0	28.7	20.3
Hotel Occupancy Tax	29.3	28.3	30.8	37.5	24.7
Licenses	11.0	21.0	19.6	26.5	19.0
Taxes on International Trade and Transactions	307.7	345.2	357.9	365.1	386.1
of which:					
Consumption Tax (Imports)	109.3	110.8	113.5	115.7	164.0
Import Duty	84.0	94.9	105.4	108.2	93.7
Service Charge (Imports)	51.8	64.9	66.7	67.3	61.2
Excise Tax (Imports)	29.4	40.9	40.1	38.2	26.3
Non-Tax Revenue	34.9	40.9	40.8	45.8	29.7
Current Expenditure	496.7	554.1	549.5	617.3	644.8
Personal Emoluments	222.7	255.1	252.4	288.3	309.0
Goods and Services	91.0	105.5	104.1	122.9	117.9
Interest Payments	70.0	79.1	81.1	78.4	89.8
Domestic	21.1	27.1	34.8	33.2	44.2
External	48.9	52.0	46.3	45.2	45.6
Transfers and Subsidies	113.1	114.5	112.0	127.7	127.9
of which: Pensions	42.4	41.4	41.0	6.7	7.0
Current Account Balance (before grants)	79.0	90.5	150.4	153.9	109.0
Capital Revenue	0.0	0.9	0.0	6.7	0.1
Grants	4.2	3.3	9.3	20.7	25.9
of which: Capital Grants	4.2	3.3	9.3	20.7	25.9
Capital Expenditure and Net Lending	234.1	251.3	216.3	179.9	200.2
of which: Capital Expenditure	234.1	251.3	216.3	179.9	200.2
Primary Balance (after grants)	(81.0)	(77.4)	24.4	79.8	24.6
Overall Balance (before grants)	(155.2)	(159.8)	(65.9)	(19.3)	(91.1)
Overall Balance (after grants)	(151.0)	(156.6)	(56.7)	1.4	(65.2)
Financing	151.0	156.6	56.7	(1.4)	65.2
Domestic	49.3	55.6	(3.2)	68.3	61.6
ECCB (net)	3.7	(9.8)	(23.4)	49.1	(9.1)
Commercial Banks (net)	35.9	68.4	72.6	2.7	(12.2)
Other	9.7	(3.1)	(52.4)	16.5	83.0
External	101.6	101.0	59.8	(69.6)	3.6
Net Disbursements/(Amortisation)	99.9	88.7	58.5	(69.6)	3.6
Disbursements	130.1	113.4	112.5	63.1	86.5
Amortisation	(30.1)	(24.7)	(54.0)	(132.7)	(82.9)
Change in Government Foreign Assets	1.7	12.3	1.3	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 03 March 2010



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

	2005 ^R	2006 ^R	2007 ^R	2008 ^R	2009 ^P
Net Foreign Assets	243.04	117.62	(47.66)	(543.34)	(503.58)
Central Bank (net)	308.34	356.92	408.25	378.76	406.63
Commercial Banks (net)	(65.30)	(239.31)	(455.91)	(922.10)	(910.21)
External (net)	(82.71)	(224.71)	(292.15)	(525.60)	(605.16)
Assets	350.54	427.03	486.22	396.94	436.14
Liabilities	433.25	651.74	778.37	922.55	1,041.31
Other ECCB Territories (net)	17.40	(14.60)	(163.76)	(396.50)	(305.05)
Assets	284.93	388.14	584.43	306.74	367.66
Liabilities	267.53	402.74	748.19	703.24	672.70
Net Domestic Assets	1,557.55	2,037.25	2,352.78	3,009.93	3,001.50
Domestic Credit	1,860.89	2,379.14	3,112.34	3,453.35	3,456.10
Central Government (net)	(90.65)	(32.02)	17.25	69.03	47.66
Other Public Sector (net)	(185.24)	(214.76)	(243.41)	(296.29)	(337.01)
Private Sector	2,136.79	2,625.92	3,338.51	3,680.61	3,745.45
Households	950.99	1,068.74	1,191.79	1,273.77	1,240.90
Business	966.28	1,318.09	1,899.01	2,176.10	2,297.73
Non-Bank Financial Institutions (net)	36.76	37.17	38.10	57.94	41.25
Subsidiaries and Affiliates (net)	182.77	201.92	209.61	172.80	165.57
Other Items (net)	(303.35)	(341.89)	(759.56)	(443.42)	(454.60)
Money Supply (M2)	1,800.58	2,154.86	2,305.12	2,466.58	2,497.91
Money Supply	585.17	587.20	668.83	661.41	646.70
Currency	106.38	126.58	128.05	142.57	142.46
Demand Deposits	478.79	460.62	540.78	518.85	504.23
Quasi Money	1,215.41	1,567.66	1,636.29	1,805.17	1,851.22
Savings Deposits	926.79	1,075.84	1,167.79	1,226.57	1,301.71
Time Deposits	223.72	271.26	319.20	420.06	405.44
Foreign Currency Deposits	64.90	220.57	149.30	158.54	144.07

Source: ECCB

Data available at 03 March 2010

Table 44
Saint Lucia - Selected Tourism Statistics

	2005 ^R	2006	2007	2008	2009 ^P
Total Visitor Arrivals	747,308	695,279	931,685	947,445	1,014,761
Stay-Over Arrivals	317,939	302,510	287,518	295,761	278,491
of Which:					
USA	112,557	117,450	113,433	108,596	98,685
Canada	16,506	17,491	18,640	26,279	28,563
UK	84,725	73,312	79,180	83,693	71,853
Caribbean	84,902	78,465	59,049	59,757	60,179
Other Countries	19,249	15,792	17,216	17,436	19,211
Excursionists	7,541	7,051	7,841	9,582	4,967
Cruise Ship Passengers	394,364	359,573	610,163	619,680	699,306
Yacht Passengers	27,464	26,145	26,163	22,422	31,997
Number of Cruise Ship Calls	258	267	314	315	397
Total Visitor Expenditure (EC\$M)	1,030.5	793.7	814.5	839.7	799.7

Source: Saint Lucia Tourist Board

Data available at 03 March 2010



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

	2005	2006	2007	2008	2009
Current Account	(349.6)	(834.3)	(930.6)	(935.9)	(505.3)
Goods and Services	(188.8)	(719.5)	(783.7)	(785.7)	(354.0)
Goods	(889.2)	(1,145.7)	(1,189.3)	(1,185.6)	(787.7)
Merchandise	(955.7)	(1,211.4)	(1,257.1)	(1,259.6)	(869.4)
Repair on goods	0.0	0.0	0.0	0.0	0.0
Goods procured in ports by carriers	66.4	65.7	67.8	74.0	81.7
Services	700.4	426.2	405.6	399.9	433.7
Transport	(140.0)	(158.9)	(171.2)	(205.1)	(164.3)
Travel	925.4	687.5	700.4	717.4	689.7
Insurance Services	(20.8)	(26.4)	(22.2)	(31.4)	(23.6)
Other Business Services	(61.5)	(71.3)	(88.7)	(68.7)	(56.6)
Government Services	(2.7)	(4.6)	(12.7)	(12.3)	(11.6)
Income	(195.8)	(147.1)	(183.5)	(194.1)	(186.4)
Compensation of Employees	0.5	0.3	0.5	0.5	0.5
Investment Income	(196.2)	(147.4)	(184.0)	(194.6)	(187.0)
Current Transfers	35.0	32.3	36.6	43.8	35.2
General Government	(3.3)	(1.2)	7.5	10.5	10.2
Other Sectors	38.4	33.6	29.1	33.3	25.0
Capital and Financial Account	304.7	870.5	980.6	906.4	533.1
Capital Account	14.4	30.7	23.4	29.4	41.7
Capital Transfers	14.4	30.7	23.4	29.4	41.7
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	290.3	839.8	957.2	877.0	491.5
Direct Investment	211.2	631.6	734.1	435.3	422.4
Portfolio Investment	64.9	(8.0)	1.3	(25.8)	(8.2)
Other Investments	14.1	216.2	221.8	467.6	77.2
Public Sector Long Term	20.2	64.0	50.5	(25.5)	23.7
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	66.5	174.0	216.6	466.2	(11.9)
Other Assets	(90.3)	(47.0)	(78.7)	19.6	18.9
Other Liabilities*	17.7	25.2	33.4	7.3	46.6
Overall Balance	(44.9)	36.3	50.0	(29.5)	27.9
Financing	44.9	(36.3)	(50.0)	29.5	(27.9)
Change in SDR Holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	1.7	12.3	1.3	-	-
Change in Imputed Reserves	43.2	(48.6)	(51.3)	29.5	(27.9)

Source: ECCB and Statistics Department

* includes errors and omissions

Data available at 03 March 2010



Table 46
St Vincent and the Grenadines - Selected Economic Indicators

	2005 ^R	2006 ^R	2007 ^R	2008 ^R	2009 ^P
<i>(annual percentage change unless otherwise stated)</i>					
National Income and Prices					
Nominal GDP at basic prices	6.4	9.8	11.0	3.2	2.0
Real GDP at basic prices	2.6	7.6	8.0	(0.6)	(1.1)
GDP Deflator	3.7	2.0	2.7	3.8	3.1
Consumer Prices (end of period)	3.9	4.8	8.3	8.7	(1.6)
Consumer Prices (period average)	3.7	3.0	6.9	10.1	0.4
Real GDP at Factor Cost by Selected Sectors					
Agriculture	(3.9)	7.2	12.7	(6.5)	5.7
Manufacturing	1.6	3.0	1.1	(9.7)	(6.0)
Electricity and Water	8.4	1.8	4.9	(0.9)	3.4
Construction	0.4	11.4	14.4	1.4	(8.5)
Wholesale and Retail Trade	4.4	6.8	4.7	(1.5)	(6.5)
Hotels and Restaurants	9.5	1.3	1.7	(2.7)	(8.0)
Transport	(0.7)	17.5	11.5	(8.2)	3.3
Communications	(1.1)	10.3	12.4	5.1	(2.0)
Banks and Insurance	10.4	5.8	6.8	(3.0)	2.7
Government Services	5.3	4.3	3.7	9.0	3.0
Other Services	10.0	3.5	5.0	5.0	2.0
<i>(as a percentage of GDP)</i>					
External Sector					
Current Account Balance	(22.3)	(23.7)	(34.5)	(39.2)	(34.2)
Overall Balance	(0.6)	2.4	(0.3)	(0.6)	(1.3)
Merchandise Trade Balance	(38.6)	(39.9)	(43.3)	(47.5)	(42.1)
Central Government					
Current Account Balance	1.1	2.8	3.7	3.7	(0.2)
Current Revenue	28.1	29.2	29.0	31.2	29.6
Current Expenditure	26.9	26.4	25.3	27.5	29.8
Capital Expenditure and Net Lending	6.7	7.5	8.8	8.3	6.8
Overall Fiscal Balance	(4.2)	(3.9)	(3.1)	(0.8)	(3.1)
Total Public Sector Debt (end of period)	81.6	76.5	68.6	69.6	71.6
<i>(per cent per annum)</i>					
Monetary Sector					
Weighted Average Deposit Interest Rate	2.9	2.8	2.8	2.8	2.9
Weighted Average Lending Interest Rate	9.8	9.9	9.6	9.6	9.1
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at basic prices	987.9	1,084.9	1,203.8	1,242.1	1,266.9
Real GDP at basic prices	711.6	766.0	827.4	822.5	813.4
Nominal GDP at market prices	1,203.0	1,344.3	1,496.4	1,570.6	1,562.6
GDP per capita (EC\$)	9,413	10,699	12,023	12,358	12,557
Merchandise Imports (f.o.b)	571.5	639.7	776.5	886.5	792.7
Merchandise Exports (f.o.b)	107.7	102.9	128.8	141.0	134.7
Gross Visitor Expenditure	280.5	305.8	297.0	259.3	243.0

Source: Statistics Department and ECCB

Data available at 19 February 2010



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

	2005 ^R	2006 ^R	2007 ^R	2008 ^R	2009 ^P
Current Revenue	337.7	392.5	433.5	489.5	462.7
Tax Revenue	308.9	361.7	402.6	448.0	428.0
Taxes on Income and Profit	89.8	98.8	103.6	110.4	110.6
of which:					
Individual	41.1	49.3	54.3	56.0	57.9
Company Tax	44.4	43.5	43.1	46.7	44.8
Taxes on Property	3.0	2.6	2.6	2.2	2.7
Taxes on Domestic Goods and Services	73.3	98.2	185.3	245.8	229.1
of which:					
Stamp Duty	21.0	38.2	28.0	29.2	18.9
Consumption Duties	6.9	7.2	3.6	-	-
Hotel Turnover Tax	6.8	7.3	6.1	0.0	-
Value Added Tax	-	-	88.1	153.5	142.4
Taxes on International Trade and Transactions	142.8	162.1	111.1	89.5	85.6
of which:					
Import Duty	33.0	34.0	43.9	45.6	44.8
Consumption Tax	80.3	94.2	32.0	0.5	0.0
Customs Service Charge	22.4	26.1	28.7	30.8	31.0
Non-Tax Revenue	28.8	30.8	30.9	41.6	34.7
Current Expenditure	323.9	355.4	378.8	431.3	465.5
Personal Emoluments	159.0	171.3	189.0	206.8	212.0
Goods and Services	71.4	74.6	74.7	91.0	85.6
Interest Payments	36.9	43.2	45.3	46.8	48.2
Domestic	15.4	20.2	23.9	23.8	25.6
External	21.5	23.0	21.3	23.0	22.6
Transfers and Subsidies	56.6	66.4	69.9	86.7	119.7
of which: Pensions	23.3	28.1	29.2	36.7	41.2
Current Account Balance	13.8	37.1	54.7	58.2	(2.8)
Capital Revenue	3.9	6.0	0.9	15.7	1.5
Grants	12.0	5.5	30.0	45.2	58.3
of which: Capital Grants	12.0	5.5	30.0	45.2	58.3
Capital Expenditure and Net Lending	80.6	101.3	131.5	131.0	106.0
of which: Capital Expenditure	85.1	103.6	131.5	131.0	106.0
Primary Balance (after grants)	(14.0)	(9.5)	(0.5)	34.9	(0.8)
Overall Balance (before grants)	(62.9)	(58.2)	(75.8)	(57.1)	(107.4)
Overall Balance (after grants)	(50.9)	(52.7)	(45.8)	(11.9)	(49.0)
Financing	50.9	52.7	45.8	11.9	49.0
Domestic	(111.4)	0.1	(1.6)	(1.8)	37.6
Central Banks (net)	17.9	(2.8)	14.3	4.7	(21.9)
Commercial Banks (net)	47.4	(2.9)	4.8	15.8	41.2
Other	(176.7)	5.9	(20.7)	(22.3)	18.3
External	162.3	52.6	47.4	13.7	11.4
Net Disbursements/(Amortisation)	169.1	60.6	20.1	13.1	11.4
Disbursements	191.2	96.5	60.0	61.9	69.1
Amortisation	(22.1)	(35.9)	(39.9)	(48.7)	(57.7)
Change in Govt. Foreign Assets	(6.8)	(8.0)	27.2	-	-

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 19 February 2010



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

	2005 ^R	2006 ^R	2007 ^R	2008 ^R	2009 ^P
Net Foreign Assets	429.9	428.4	352.5	384.9	361.3
Central Bank (net)	185.7	210.4	232.7	223.9	203.0
Commercial Banks (net)	244.1	218.0	119.8	161.1	158.2
External (net)	181.2	117.3	61.1	17.4	(26.2)
Assets	320.3	255.0	228.9	210.6	160.1
Liabilities	139.1	137.7	167.8	193.2	186.3
Other ECCB Territories (net)	62.9	100.7	58.6	143.6	184.5
Assets	178.4	257.5	338.8	377.9	365.5
Liabilities	115.5	156.9	280.1	234.3	181.0
Net Domestic Assets	490.7	547.7	703.9	686.3	713.8
Domestic Credit	700.2	796.6	933.9	985.5	1,029.2
Central Government (net)	74.4	68.7	87.8	108.3	127.6
Other Public Sector (net)	(66.6)	(60.3)	(53.2)	(49.2)	(41.2)
Private Sector	692.4	788.2	899.2	926.4	942.8
Households	465.1	502.3	540.8	588.7	592.6
Business	213.2	272.8	350.6	329.3	343.7
Non-Bank Financial Institutions (net)	14.2	13.1	7.7	8.4	6.5
Subsidiaries and Affiliates (net)	-	-	-	-	-
Other Items (net)	(209.6)	(248.9)	(229.9)	(299.3)	(315.4)
Money Supply (M2)	920.5	976.0	1,056.4	1,071.2	1,075.0
Money Supply (M1)	349.5	361.7	391.1	374.6	348.4
Currency	74.4	80.5	89.8	80.5	63.5
Demand Deposits	275.0	281.2	301.3	294.0	284.9
Quasi Money	571.1	614.4	665.3	696.6	726.6
Savings Deposits	440.9	483.7	520.9	544.9	575.0
Time Deposits	115.3	98.7	103.6	115.0	121.7
Foreign Currency Deposits	15.0	32.0	40.9	36.8	30.0

Source: ECCB

Data available at 19 February 2010

Table 49
St Vincent and the Grenadines - Selected Tourism Statistics

	2005	2006	2007 ^R	2008 ^R	2009 ^P
Total Visitor Arrivals	256,075	306,578	283,161	249,868	283,132
Stay-Over Arrivals	95,504	97,432	89,532	84,101	75,815
Of Which:					
USA	27,153	28,598	26,637	24,042	20,409
Canada	6,187	6,542	6,724	6,882	6,711
UK	13,941	14,837	16,714	15,442	13,625
Caribbean	39,944	38,219	29,924	28,475	26,766
Other Countries	8,279	9,236	9,533	9,260	8,304
Excursionists	8,928	9,034	6,797	5,781	4,957
Yacht Passengers	81,890	93,638	42,277	43,277	44,575
Cruise Ship Passengers	69,753	106,474	144,555	116,709	157,785
Number of Cruise Ship Calls	182	263	279	172	205
Total Visitor Expenditure (EC\$M)	280.5	305.8	297.0	259.3	243.0

Source: Department of Tourism and ECCB Estimates

Data available at 19 February 2010



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

	2005	2006	2007 ^R	2008 ^R	2009 ^P
Current Account	(268.3)	(318.3)	(515.6)	(615.3)	(534.9)
Goods and Services	(244.8)	(307.4)	(513.6)	(620.1)	(538.2)
Goods	(458.5)	(530.6)	(638.7)	(733.1)	(645.7)
Merchandise	(463.8)	(536.9)	(647.7)	(745.5)	(658.0)
Repair on goods	0.0	0.0	0.0	0.0	0.0
Goods procured in ports by carriers	5.3	6.2	8.9	12.5	12.2
Services	213.8	223.2	125.1	113.0	107.5
Transport	(64.1)	(71.0)	(91.2)	(102.4)	(92.4)
Travel	240.3	263.4	242.6	211.8	193.9
Insurance Services	(15.2)	(16.1)	(20.8)	(23.0)	(21.0)
Other Business Services	64.7	62.6	18.1	61.0	62.1
Government Services	(11.9)	(15.7)	(23.6)	(34.4)	(35.1)
Income	(72.3)	(65.3)	(56.4)	(60.9)	(59.9)
Compensation of Employees	1.3	8.5	15.8	11.0	10.8
Investment Income	(73.5)	(73.8)	(72.2)	(71.9)	(70.7)
Current Transfers	48.7	54.4	54.4	65.7	63.3
General Government	(0.9)	15.7	22.8	29.4	29.9
Other Sectors	49.7	38.7	31.7	36.3	33.4
Capital and Financial Account	260.5	351.0	510.6	606.5	514.0
Capital Account	38.4	22.0	204.0	134.2	178.7
Capital Transfers	38.4	22.0	204.0	134.2	178.7
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	222.1	329.0	306.6	472.3	335.3
Direct Investment	108.2	294.6	352.4	430.0	297.7
Portfolio Investment	(22.1)	33.8	(9.2)	(12.9)	(10.9)
Other Investments	136.0	0.6	(36.7)	55.3	48.5
Public Sector Long Term	70.0	(10.3)	26.5	5.8	39.6
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	(17.6)	26.2	98.2	(41.3)	2.8
Other Assets	14.9	(56.9)	(53.7)	(33.8)	(32.2)
Other Liabilities*	68.8	41.6	(107.6)	124.6	38.3
Overall Balance	(7.8)	32.7	(5.0)	(8.8)	(20.9)
Financing	7.8	(32.7)	5.0	8.8	20.9
Change in SDR holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	(6.8)	(8.0)	27.2	-	-
Change in Imputed Reserves	14.6	(24.7)	(22.3)	8.8	20.9

Source: ECCB

*includes errors and omissions

Data available at 19 February 2010

