

# Eastern Caribbean Central Bank



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# EASTERN CARIBBEAN CENTRAL BANK

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**The ECCB welcomes your questions and comments on this publication.**



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## DOMESTIC ECONOMIC DEVELOPMENTS

### Overview

The economy of the Eastern Caribbean Currency Union (ECCU) is estimated to have remained buoyant in the first half of 2007. Preliminary data indicate that economic activity was above the level in the corresponding period of 2006, supported by expansions in construction and manufacturing and a rebound in agricultural production. Public and private sector construction activity intensified in the early part of the period under review in preparation for Cricket World Cup (CWC) 2007 held from mid-March to late April. The agricultural sector strengthened as a result of a rebound in banana production. Manufacturing output increased, partly in response to higher export demand. Performance in the tourism industry was mixed, as growth was recorded in cruise ship passenger arrivals, while the number of stay-over visitors decreased. On an individual country basis, economic activity expanded in all the member countries except Montserrat, where a contraction was recorded as a result of a decline in the construction sector. Consumer prices increased in all the member countries, partly reflecting the impact of rising prices of international oil and other commodities. The merchandise trade deficit is estimated to have widened, based on an increase in import payments. The central governments incurred a larger overall fiscal deficit. The total outstanding debt of the public sector rose. Monetary liabilities expanded, largely driven by growth in domestic credit. Commercial bank liquidity fell, but remained at a

high level. The spread between interest rates on loans and deposits narrowed.

In the second half of 2007 economic activity is projected to increase relative to the level in the corresponding period of 2006. The expansion will be largely driven by construction, based on ongoing projects and projects planned for the second half of the year. The overall expansion in economic activity is expected to be dampened by a contraction in the agricultural sector, as banana production is projected to decline as a result of damage to plants in Dominica and Saint Lucia by hurricane Dean in August 2007. In the tourism industry, the number of cruise ship passengers is projected to increase. Some improvement is expected in the stay-over visitors category, based on intense marketing by some countries and likely increases in airlift and tourism accommodation in the latter part of the year. The risks to the projections are tilted towards the downside, and include high and rising international oil prices and a likely slow down in economic activity in the US.

### Output

The construction sector continued to expand in the first six months of 2007, but the rate is estimated to have slowed relative to that in the corresponding period of 2006. Public sector construction activity slowed markedly in the second quarter of 2007, following the completion of CWC related projects in the first quarter. This was evidenced by a 4.6 per cent decline in central

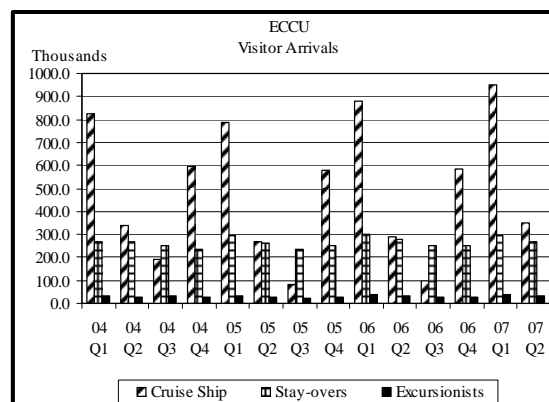


governments' capital outlays in the period under review compared with the total in the first half of 2006. In the private sector construction activity remained robust, driven by ongoing work on a number of hotels, villas, commercial buildings and residential properties. Private sector construction activity was supported in part by increases in commercial bank credit for construction and land development (17.1 per cent) and home construction and renovation (21.4 per cent) during the period under review.

The available data on the major manufactured products indicate an increase in output in the manufacturing sector. The higher level of production was driven by an increase in external demand, as well as a rise in domestic demand partly associated with the expansion in construction activity and the hosting of CWC 2007 by some member countries. Increases were recorded in production of soap and dental cream in Dominica, toilet paper, animal feed, beer and soft drinks in Grenada, as well as paperboard, boxes and electrical components in Saint Lucia. In St Kitts and Nevis output of beverages, cement blocks and other construction related products rose, while production of beer, rice and flour declined in St Vincent and the Grenadines, attributable to increases in the cost of inputs and transportation.

Agricultural activity is estimated to have rebounded, on account of a strong performance in the banana industry. Banana production increased by 17.4 per cent to 35,488 tonnes, well above the 1.7 per cent rate of growth recorded in the first half of 2006. The improvement was attributed to

favourable weather coupled with better prices for banana sold under the Fair Trade label. Of the four banana producing countries, growth in output was significant for Saint Lucia and Grenada. Production rose marginally in St Vincent and the Grenadines, while in Dominica output fell as a result of drought. The available information on other agricultural crops indicate increases in output of vegetable and root crops in Dominica, Grenada and St Kitts and Nevis, partly reflecting the impact of agricultural diversification and recovery programmes as well as a rise in demand.



The performance of the tourism industry was mixed. Cruise ship passenger arrivals rose by 11.0 per cent to 1.3m, marginally above the 10.5 per cent rate of increase in the first half of 2006. Of the member countries, strong growth in arrivals was recorded in Grenada, Saint Lucia and St Vincent and the Grenadines, partly on account of visits by larger cruise ships. The number of stay-over visitors declined by 2.3 per cent to 561,498, in contrast to a 3.5 per cent increase in the first half of 2006. The weak performance was attributed in part to a 4.2 per cent fall in stay-over arrivals from the USA (4.2 per cent), reflecting competition from other destinations, the slow





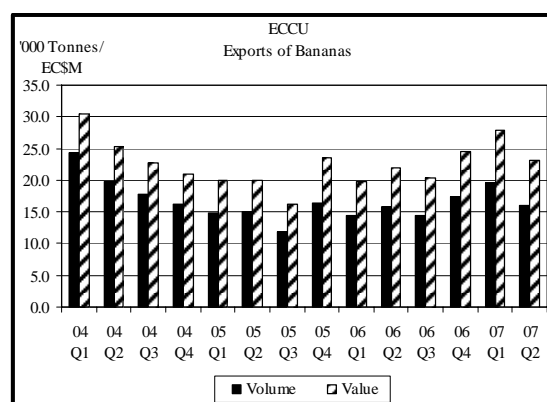
down in the US economy and the impact of the requirement for US visitors to own a passport. Arrivals from the rest of the Caribbean also fell, largely on account of an increase in regional airfares and reduced airlift, following the merger of two regional airlines in early 2007. In contrast the number of visitors from the UK rose by 10.0 per cent, as a result of a combination of factors including increased marketing, CWC 2007 and the depreciation of the EC dollar in relation to the pound sterling. The number of yacht passengers rose by 4.7 per cent to 107,092, largely reflecting growth in arrivals in St Vincent and the Grenadines.

### Prices

High and rising international oil and other commodity prices continued to have an adverse impact on consumer prices in the ECCU during the first half of 2007. The consumer price index (CPI) rose in all the member countries, largely reflecting higher prices for fuel and light as well as food, mainly meat and dairy products and fruits and vegetables. Increases in the CPI ranged from 0.3 per cent in Anguilla to 4.3 per cent in St Vincent and the Grenadines. These compare with rates of increases ranging from 0.1 per cent in Saint Lucia to 4.9 per cent in St Kitts and Nevis during the first half of the previous year. The relatively large increase in the CPI for St Vincent and the Grenadines during the period under review was attributed to a rise in the cost of petroleum based products and electricity generation.

### Trade and Payments

Complete trade data for all the member countries are unavailable. Import payments are likely to have increased based on the expansion in economic activity and higher prices for some commodities, particularly fuel. Receipts from domestic exports are estimated to have exceeded the total in the first half of the previous year, based on a 22.3 per cent increase to \$51.8m in earnings from banana. This outcome was attributed to favourable prices and exchange rate movements, as well as a rise in the volume of banana exported. Increased receipts were also recorded from exports of soap, nutmeg oil and animal feed.



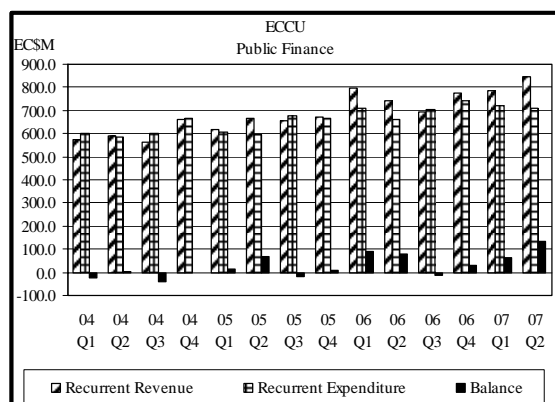
Gross receipts from tourism increased by 1.2 per cent to \$1,678.6m, reflecting growth in cruise visitors. Net disbursements to the central governments declined by \$42.0m as loan amortisation increased while disbursements fell. Commercial banks' transactions resulted in a net inflow of \$37.2m in short term capital, in contrast to a net outflow of \$316.4m during the first half of



2006, as some banks borrowed from abroad or drew down on their foreign asset holdings to meet the increased demand for domestic credit.

### Central Government Fiscal Operations

The consolidated fiscal operations of the central governments indicate a larger overall fiscal deficit, \$218.9m in the first six months of 2007 compared with one of \$160.4m in the corresponding period of 2006. This outturn was influenced by lower grant receipts coupled with a decline in the current account surplus. The primary balance shifted to a deficit of \$11.6m from a surplus of \$35.3m in the first half of 2006. Of the member countries, larger overall deficits were recorded in Antigua and Barbuda and Grenada, while the deficit declined in St Kitts and Nevis, Saint Lucia and St Vincent and the Grenadines. Anguilla and Dominica reported lower surpluses, while Montserrat shifted to a deficit from a surplus in the first half of 2006.



The current operations of the central governments resulted in a current account surplus of \$146.5m, compared with one of \$168.5m in the first half of 2006. Current revenue rose by

2.7 per cent (\$41.4m), largely reflecting increases in receipts from taxes on domestic goods and services (\$40.8m) and taxes on income and profits (\$16.3m), that were partly offset by declines in the other tax categories. The increase in receipts from taxes on domestic goods and services partly reflected the classification, under this category, of the sales tax in Antigua and Barbuda introduced in January 2007 and the value added tax (VAT) in St Vincent and the Grenadines in May 2007. Growth in receipts from taxes on income and profits stemmed largely from the collection of arrears, particularly in St Kitts and Nevis, and Saint Lucia. Revenue from taxes on international trade and transactions fell by 0.9 per cent, reflecting a decline in receipts from consumption tax partly due to the replacement of consumption tax with the sales tax in Antigua and Barbuda. In those developments, receipts from taxes on international trade and transactions fell to 45.7 per cent of total tax revenue from 47.6 per cent in the first half of 2006, while revenue from taxes on domestic goods and services rose to 28.2 per cent from 26.2 per cent. Non-tax revenue fell by 2.5 per cent to \$155.7m.

Current expenditure grew by 4.6 per cent, mainly driven by larger outlays on transfers and subsidies and interest payments. The increase in spending on transfers and subsidies (10.1 per cent) is partly associated with the payment of pensions under the voluntary separation and early retirement programme in Antigua and Barbuda. Interest payments rose by 5.7 per cent, reflecting growth in external interest payments associated with an increase in the stock of external debt.



Grant receipts declined by 30.3 per cent, as major CWC related capital projects were completed in the earlier part of the period under review. Capital expenditure also declined, by 3.3 per cent, associated with the completion of CWC related projects.

**Public Sector Debt**

The total outstanding debt of the public sector stood at \$11,216.6m at the end of June 2007, representing an increase of 2.1 per cent on the debt stock at the end of December 2006. The increase was largely on account of a 2.2 per cent expansion to \$9,136.8m in central governments’ debt. On an individual country basis, increases in outstanding public sector debt were recorded for Antigua and Barbuda, Grenada, St Kitts and Nevis, and Saint Lucia. The stock of debt in Anguilla, Dominica and St Vincent and the Grenadines was lower, while it remained unchanged for Montserrat.

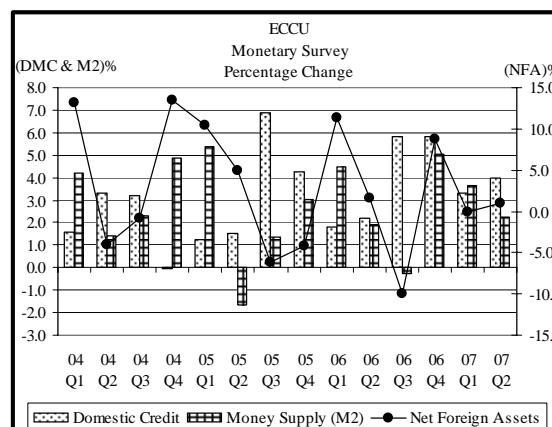
**Monetary and Financial Developments**

*Money and Credit*

Monetary liabilities of the ECCU expanded by 5.9 per cent to \$10,706.2m during the period under review, reflecting growth in economic activity. The expansion was mirrored in a 6.1 per cent increase in quasi money, attributable to growth in private sector time deposits (9.9 per cent), foreign currency deposits (8.1 per cent) and savings deposits (3.7 per cent). In the case of narrow money (M1), private sector demand deposits, which are closely associated with business activity, grew by 9.1 per cent compared with 7.5 per cent during the first six months of 2006.

Currency with the public (the other component of M1) declined by 5.0 per cent.

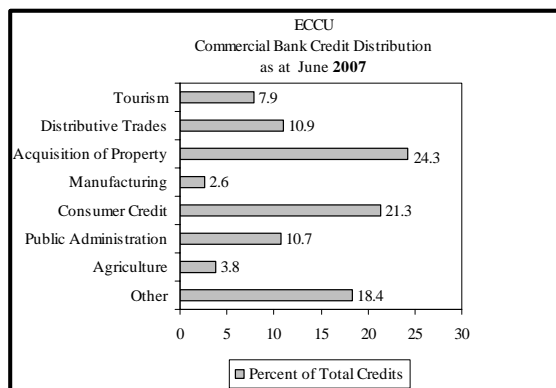
Domestic credit rose by 7.5 per cent, spurred by strong growth in credit to the private sector partly reflecting an increase in business and consumer confidence. Private sector credit increased by 8.9 per cent, mirroring expansions in credit to businesses (12.6 per cent) and households (6.0 per cent) associated, to some extent, with CWC preparations. The expansion in domestic credit was also influenced by growth of 8.6 per cent in net credit to the central governments, largely from the commercial banking system, to finance capital spending. Commercial bank credit to central governments rose by 6.8 per cent, reflecting increases in loans and advances to the governments of Antigua and Barbuda, Grenada, St Kitts and Nevis and Saint Lucia.



The distribution of credit by economic activity indicates a 17.1 per cent increase in outstanding credit for construction and land development, reflecting the buoyancy of the construction sector. Credit for tourism rose by 11.9 per cent, partly associated with ongoing improvements and expansions to tourism facilities. Credit for



personal use was up by 5.0 per cent, mainly attributed to increases in mortgages for home construction and renovation.



The net foreign assets of the banking system rose by 1.0 per cent to \$3,360.3m during the period under review, reflecting an increase in the net foreign assets of the Central Bank. Commercial bank net foreign assets declined by 2.6 per cent to \$1,417.9m, largely attributable to an increase in foreign liabilities as some banks borrowed from abroad to meet the higher level of demand for credit.

Commercial bank liquidity declined, but remained at a high level. The ratio of liquid assets to total deposits plus liquid liabilities fell by 0.5 percentage point to 34.3 per cent, while the loans and advances to deposits ratio was higher by 1.1 percentage point to 79.7 per cent.

The spread between the weighted average deposit and lending interest rates narrowed by 0.11 percentage point to 6.55 percentage points at the end of June 2007. The weighted average interest rate on loans declined to 9.81 per cent at the end of

June 2007 from 9.94 per cent at the end of December 2006. The weighted average interest rate on deposits fell to 3.26 per cent from 3.28 per cent, largely reflecting lower interest on demand deposits.

### *Developments on the RGSM*

Activity in the Regional Government Securities Market (RGSM) increased in the first half of 2007. The number of securities issued rose to 13 from 12 in the first half of 2006 and the total bid amount increased by 1.3 per cent to \$278.4m. However, the volume of funds issued amounted to \$225.0m, a decline of 0.3 per cent in the first half of 2007 relative to the total in the corresponding period of 2006. The total amount of government securities on the RGSM at the end of June 2007 stood at \$715.0m.

Only 91-day treasury bills were issued during the first half of 2007. Member governments participating in the market during the period under review were Antigua and Barbuda, Saint Lucia and St Vincent and the Grenadines.

The average yield of the 91-day Treasury bills issued on the RGSM by the government of Antigua and Barbuda declined to 6.46 per cent during the first half of 2007 from 6.5 per cent in December 2006. For those issued by the government of Saint Lucia, the average yield increased to 5.99 per cent from 5.0 per cent, while those by the government of St Vincent and the Grenadines declined to 5.68 per cent from 5.82 per cent.



### The Secondary Market

Activity in the secondary market for government securities increased in the first half of 2007. The volume of trading in the market increased by 49.0 per cent, and the total value of securities rose by 54.4 per cent to \$21.2m. The member governments whose securities were traded during this period were Antigua and Barbuda, Saint Lucia and St Vincent and the Grenadines. This compares favourably with trading activity in the previous period, when only the government of Saint Lucia traded securities in the secondary market.

### **Prospects**

Economic activity is projected to expand in 2007 albeit at a slow rate relative to that in 2006. The expansion is expected to be driven largely by construction, although the rate of growth will slow as major CWC related projects in the public sector were completed in the first half of 2007. Private sector activity is expected to provide the main impetus to growth in the construction sector.

In the tourism industry, the number of cruise ship passengers is projected to surpass that of 2006, based on the performance in the first half of 2007 and assuming no significant changes in the cruise ship itinerary and global conditions in the second half. Growth in stay-over arrivals is contingent on developments in the second half of 2007. Intense marketing, the availability of additional tourism accommodation and planned increases in airlift in some countries in the second

half of the year are likely to contribute to growth in stay-over visitor arrivals.

The prospects for growth in the agricultural sector in 2007 have been severely dampened following hurricane damage to banana plants in Dominica and Saint Lucia in August 2007. Consequently banana production is projected to decline significantly in the second half of 2007.

In the external sector, the merchandise trade deficit is projected to widen in 2007 compared with 2006. Import payments are expected to increase as economic activity, particularly construction, expands and international oil prices rise. Domestic export receipts are likely to contract, based on a decline in earnings from banana. Gross inflows from tourism are likely to increase, based on growth in cruise ship passengers.

The overall fiscal deficit of the central governments is projected to widen, based on a decrease in grant receipts and a likely increase in capital expenditure. Capital outlays are projected to rise in the latter part of 2007 partly as a result of rehabilitation work in Dominica in the aftermath of hurricane Dean.

Possible downside risks to the projections include a likely slowdown in the US economy, high and rising international oil prices, adverse weather, reduced intra-regional airlift and increases in intra-regional airfares.



## ANGUILLA

### Overview

Anguilla's economy continued to expand in the first half of 2007, a trend observed since 2003. Economic activity in the period under review is estimated to have been above the level in the first half of 2006. This outturn was mainly attributed to increased activity in the construction sector, supported by growth in the tourism industry. The consumer price index rose by 0.3 per cent. The merchandise trade deficit widened, reflecting larger import payments. The central government's fiscal operations resulted in a smaller overall surplus. The total outstanding public sector debt declined during the period under review. In the banking sector, net domestic assets increased, contributing to growth in monetary liabilities. Commercial bank liquidity remained at a high level. The weighted average interest rate spread widened marginally.

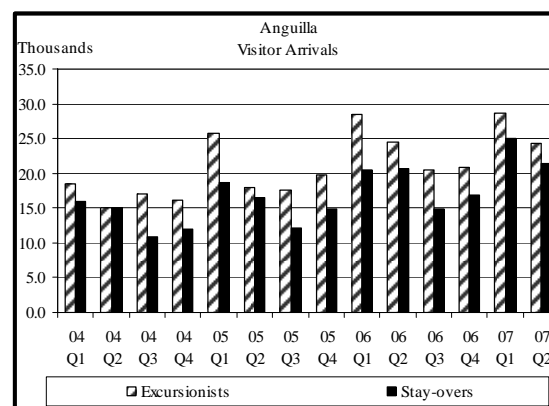
Economic output is projected to rise in the remainder of 2007, led by developments in the construction sector and the tourism industry. Activity in the construction sector and the tourism industry is likely to be above the level in the second half of 2006. Downside risks to the projections include unfavourable weather, rising international oil prices, a likely slowdown in the US economy and an increase in regional airfares.

### Output

Construction activity was robust in the first half of 2007, fuelled by intensified work on a

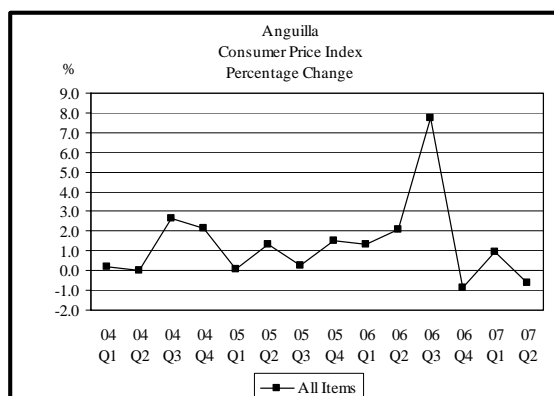
number of ongoing private and public sector projects. In the private sector work focused on hotel and villa development, particularly, the Viceroy Resorts and Residences, Flag luxury development and the Royale Caribbean resorts. Growth in private sector construction was supported in part by an increase in commercial bank credit for construction (74.7 per cent) and for home construction and renovation (22.3 per cent). Public sector activity focused on road and seaport development, as well as renovating public buildings.

Performance in the tourism industry is estimated to have improved in the first half of 2007. Total visitor arrivals grew by 6.0 per cent to 99,571, reflecting increases in all categories of visitors. The number of stay-over visitors rose by 12.0 per cent to 46,091, mirroring growth in all the major markets. Of the major markets, arrivals from the USA, the largest source market, increased by 10.0 per cent and those from the Caribbean rose by 5.4 per cent. The number of excursionists increased marginally (1.2 per cent).



## Prices

The rate of inflation, as measured by the consumer price index, rose by 0.3 per cent during the first half of 2007 compared with an increase of 3.4 per cent during the corresponding period of 2006. The food sub-index, (the largest weighted), rose by 2.8 per cent, reflecting higher prices for items such as meats, cereals, dairy products, fruits and vegetables. The transportation and communication sub-index increased by 3.0 per cent on account of higher prices for motor vehicles. An increase in pre-school fees was primarily responsible for the 6.4 per cent in the education sub-index. These increases were partly offset by declines in fuel and light (5.2 per cent) and clothing and footwear (4.5 per cent), which were influenced by decreases in the cost of electricity and kerosene, and adult clothing respectively.



## Trade and Payments

Estimates of merchandise trade indicate a deficit of \$297.3m in the first half of 2007, compared with one of \$202.3m in the corresponding period of 2006. The widening of

the deficit was attributed to a 45.3 per cent increase in import payments, driven in part by an expansion in economic activity and rising fuel costs. The value of total exports rose by 17.8 per cent (\$2.2m), influenced by an increase in domestic exports, particularly concrete blocks and rum.

Gross travel receipts are estimated to have increased by 4.9 per cent to \$162.2m, in line with growth in visitor arrivals. Commercial banks' external transactions resulted in a net inflow of \$26.3m in short-term capital, in contrast to a net outflow of \$78.4m in the first half of 2006.

## Central Government Fiscal Operations

The fiscal operations of the central government resulted in a smaller overall surplus of \$10.2m, compared with one of \$20.3m in the first half of 2006. This outturn was attributed to a 75.5 per cent increase to \$24.6m in capital outlays, partly associated with road and port development. A primary surplus of \$13.7m was realised, compared with one of \$23.0m in the first half of 2006.

A current account surplus of \$34.8m was recorded, marginally above the surplus of \$34.3m in the first half of 2006. Current revenue rose by 12.9 per cent to \$109.1m, mainly as a result of larger collections from taxes on international trade and transactions and an increase in non-tax revenue. Receipts from international trade and transactions rose by 41.7 per cent, underpinned by an increase in import duty, consistent with growth in the value of imports. Non-tax revenue rose by

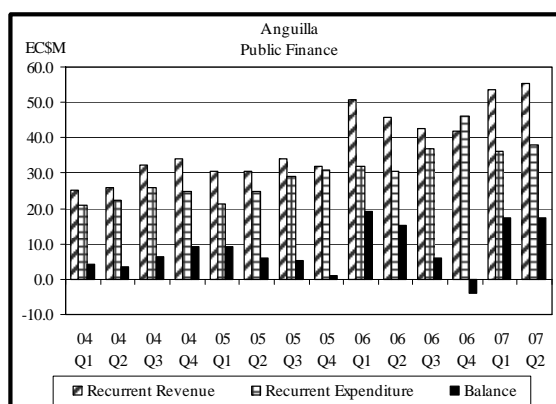


55.7 per cent (\$6.7m), mainly attributable to higher receipts from pier dues, water charges, villa rental fees and annual company fees. Lower receipts were recorded for domestic goods and services (16.3 per cent), mirroring a fall in revenue from stamp duties. The decline in receipts from stamp duties resulted in part from a decrease in the sale of land, partly attributable to a six-week moratorium on alien land holding licenses implemented in February 2007 and re-introduced in June 2007.

Outlays on transfers and subsidies fell by 1.3 per cent, in contrast to growth of 54.7 per cent in the first half of 2006, when increased subventions were made to the Health Authority, Tourist Board and the Albena Lake Hodge Comprehensive School.

**Public Sector Debt**

The public sector disbursed outstanding debt was estimated at \$110.1m at the end of June 2007, roughly 7.6 per cent below the total at the end of December 2006. This outturn reflected reductions in the debt stock of both the central government and public corporations. The central government’s outstanding debt, which accounts for 82.0 per cent of the total public sector debt, decreased by 7.2 per cent to \$90.3m, associated with a decline in domestic borrowing.



Current expenditure rose by 19.2 per cent to \$74.3m in the first six months of 2007, influenced by increases in outlays for goods and services and personal emoluments. Spending on goods and services grew by 32.1 per cent, largely as a result of higher costs for operations, supplies and materials, professional and consultancy services, insurance and rental of heavy equipment. Expenditure on personal emoluments rose by 24.3 per cent, driven by salary increases awarded to public servants in the second half of 2006, recruitment of temporary staff and higher social security payments. Interest payments rose by 29.3 per cent (\$0.8m), attributable to increases in domestic (\$0.6m) and external (\$0.2m) payments.

**Money and Credit**

Monetary liabilities (M2) expanded by 10.1 per cent to \$1,132.6m during the first half of 2007, compared with an 11.6 per cent increase during the corresponding period of 2006. This outcome largely reflected the expansion in economic activity. Growth in M2 was influenced by a 10.7 per cent increase in quasi money. Growth in quasi money largely reflected an 11.2 per cent (\$91.6m) increase in private sector foreign currency deposits, associated with the expansion in tourism activity and inflows of foreign direct investment. Narrow money fell by 2.6 per cent, attributable to a 3.8 per cent decline in private sector demand deposits.

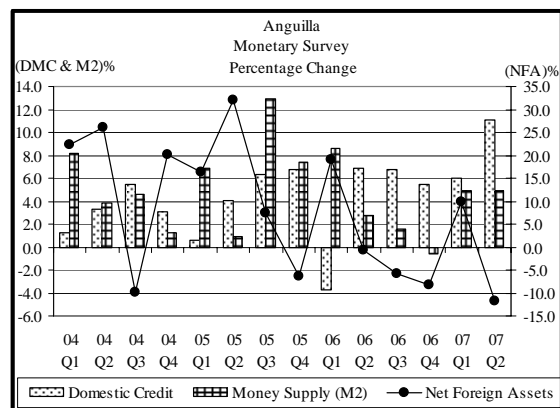




Domestic credit rose by 17.7 per cent to \$892.4m, reflecting in part an expansion in private sector borrowing. Commercial bank credit to the private sector grew by 16.5 per cent, attributable to increases in outstanding loans to businesses (18.1 per cent) and households (15.4 per cent). Central government's net indebtedness to the banking system increased by 35.0 per cent, associated in part with a fall in deposits. In the rest of the public sector, the net deposits of the non-financial public enterprises increased by 15.3 per cent, largely influenced by growth in deposits. The net deposits of non-bank financial institutions contracted by 14.4 per cent, reflecting a reduction in deposits.

The distribution of credit by economic activity shows growth in commercial bank credit for construction, personal use and tourism. Credit for construction increased by 74.7 per cent mirroring the expansion in that sector. Outstanding loans for personal use rose by 17.0 per cent, largely on account of growth in lending for durable consumer goods and home construction and renovation. Credit for tourism grew by 11.7 per cent consistent with growth in the tourism industry, while credit for manufacturing decreased.

The net foreign assets of the banking system increased by 0.2 per cent to \$529.3m. Commercial banks' net foreign assets fell by 6.3 per cent, largely the result of growth of 19.7 per cent in liabilities held with institutions outside the currency union. Anguilla's imputed share of the reserves held at the ECCB rose by 24.2 per cent.



Liquidity in the commercial banking system fell, but remained at a high level during the first six months of 2007. The ratio of liquid assets to total deposits plus liquid liabilities declined by 2.7 percentage points to 46.3 per cent. The loans and advances to total deposits ratio increased by 3.5 percentage points to 75.0 per cent.

The weighted average interest rate on loans declined by 0.08 percentage point to 9.82 per cent and that on deposits decreased by 0.11 percentage point to 3.61 per cent. Consequently, the interest rate spread between loans and deposits widened to 6.21 percentage points at the end of June 2007, from 6.18 percentage points at the end of December 2006.

### Prospects

The expansion in economic activity is likely to continue in the rest of 2007. Consequently, the economy is expected to expand in 2007, based on the outlook for construction and tourism. Construction activity in the private sector is expected to be buoyed by ongoing tourism-related



projects including hotel and villa development. Performance in the tourism industry is likely to improve through increased visitor arrivals, based on additional airlift and intense marketing. The industry is also expected to benefit from the completion, in October 2007, of the first phase of a tennis facility, including tennis courts and the main building.

A current account surplus is projected in the rest of 2007 based on expected growth in current revenue, consistent with the expansion in economic activity. Growth in current revenue is likely to exceed that of current expenditure in spite of projected increases in outlays for goods and services and personal emoluments. Capital expenditure is likely to increase on account of

larger outlays on road and seaport development. As a result, an overall deficit is projected.

In the external accounts, the merchandise trade deficit is projected to widen, based on an increase in imports payments, associated with growth in economic activity. Gross travel receipts are projected to rise, in line with the anticipated increase in visitor arrivals.

Downside risks to these projections include unfavourable weather, increasing international oil prices and a slowdown in the US economy. These can dampen economic activity, and contribute to increases in consumer prices and the merchandise trade deficit. In addition, the high cost of intra-regional travel can adversely affect visitor arrivals.



## ANTIGUA AND BARBUDA

### Overview

Preliminary estimates suggest that economic activity in Antigua and Barbuda expanded in the first six months of 2007, relative to the level in the corresponding period of 2006. This outturn was largely influenced by developments in the construction sector. Activity in the tourism industry declined. The consumer price index increased by 0.5 per cent during the period being reviewed. The merchandise trade deficit widened. The fiscal operations of the central government resulted in a larger overall deficit. The outstanding debt of the public sector rose during the period under review. Commercial bank liquidity tightened, while the weighted average interest rate spread between loans and deposits increased.

In the second half of 2007 output is projected to be above the level in the corresponding period of 2006, fuelled by developments in construction and an improvement in tourism. The overall deficit of the central government is projected to decrease, based on an increase in current revenue coupled with a decrease in capital expenditure. These projections are contingent on the evolution of the global economy, favourable weather and developments in air transport, particularly regional airlift and airfares.

### Output

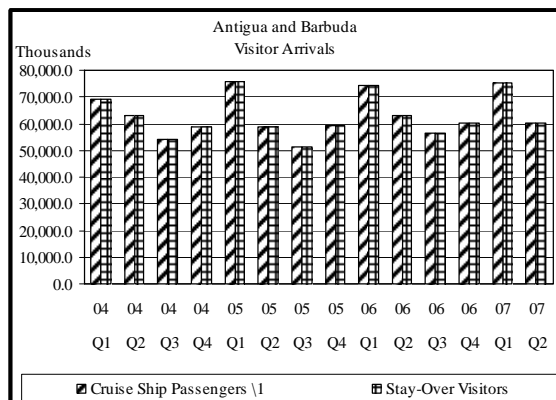
Activity in the construction sector increased in the first half of 2007, compared with the level in

the corresponding period of 2006, driven by a high level of activity in both the private and public sectors. Public sector activity was largely associated with completing the stadium and various road-works for hosting Cricket World Cup (CWC) 2007 in April, as well as general road development (in both Antigua and Barbuda), the airport redevelopment project and constructing a car park. In the private sector, the focus was on both residential and commercial development, including hotels and other tourism-related facilities. The expansion in construction activity was supported in part by an increase in commercial bank credit for home construction and renovation. Reflecting the higher level of construction activity were increases in imports of construction materials and in domestic production of aggregates.

Activity in the tourism industry decreased in the first six months of 2007 relative to the performance in the comparable period in 2006. Total visitor arrivals decreased by 5.4 per cent to 504,354, reflecting contractions in both the stay-over and cruise visitor categories. The number of stay-over arrivals fell by 1.2 per cent to 135,564, in contrast to a 1.8 per cent expansion in the first half of 2006. Stay-over arrivals from the Caribbean declined by 15.7 per cent, largely attributable to reduced regional airlift. Tourist arrivals from the US decreased by 2.9 per cent, partly reflecting a slowdown in economic activity in that market and the impact of the US passport requirement. Those declines were partially offset by a 5.7 per cent increase in the number of stay-



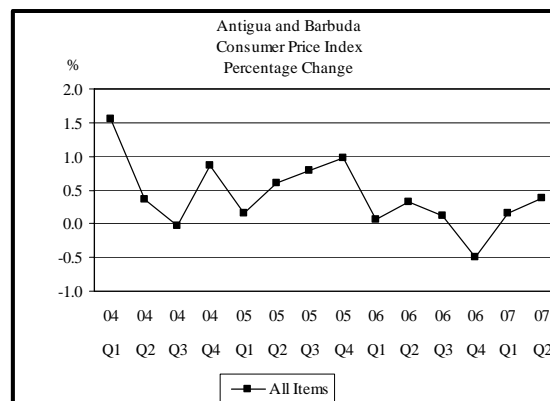
over arrivals from the UK, attributable to favourable exchange rate developments and marketing activities. Among the other markets, arrivals from Canada and Germany decreased, while arrivals from Italy increased. The number of cruise-ship passengers fell by 6.9 per cent to 368,790.



**Prices**

The consumer price index rose by 0.5 per cent during the first half of 2007, largely on an account of an increase in food prices. The food sub-index, which accounts for 21.4 per cent of the total basket of goods and services, grew by 1.2 per cent, reflecting increases in prices for dairy products and meats, particularly beef and poultry. The fuel and light sub-index rose by 7.3 per cent, mainly on account of an increase in the cost of electricity. International oil price developments partly influenced the outturn in the food and fuel and light sub-indices. The transport and communications sub-index rose by 1.3 per cent, attributable in part to an increase in the price of communication services and the introduction of the Antigua and Barbuda Sales Tax (ABST). The overall increase in the consumer price index was

dampened by a 3.4 per cent decline in the household furnishings and supplies sub-index.



**Trade and Payments**

In the absence of complete merchandise trade statistics for the first half of 2007, data on cargo throughput were analysed to assess trade developments. The data indicate increases in the volume of both imports and exports. The volume of imports rose by 26.1 per cent, compared with the total in the corresponding period of 2006. Imports of general cargo grew by 21.4 per cent, partly associated with replenishing inventories. The volume of cement imports increased by 2.0 per cent, consistent with the expansion in construction activity. Growth of 38.2 per cent was recorded in the volume of fuel imported. The volume of exports increased by 46.1 per cent, mainly reflecting re-exports of fuel (46.3 per cent) and vehicles. The re-export of vehicles was induced by the completion of large-scale construction projects, including the stadium.

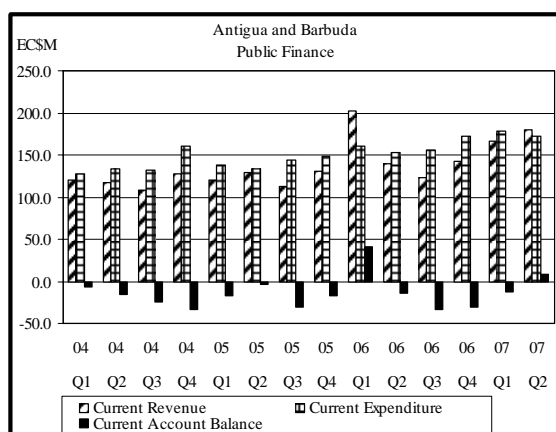
Gross travel receipts contracted by 0.4 per cent to \$485.0m in line with the decline in visitor arrivals. Commercial bank transactions resulted in



a net inflow of \$28.1m during the first half of 2007, in contrast to a net outflow of \$183.9m in the comparable period of 2006. Inflows of official grants amounted to \$10.0m, associated with the financing of the airport redevelopment project.

**Central Government Fiscal Operations**

The fiscal operations of the central government generated an overall deficit \$102.7m in the first half of 2007, more than double that of \$48.1m in the comparable period of 2006. The larger overall deficit reflected developments in the current account, where a deficit of \$4.5m was recorded, in contrast to a surplus of \$27.4m in the first half of 2006. The overall deficit was largely financed from domestic sources, particularly from the commercial banking sector and the Regional Government Securities Market.



The deterioration in the current account balance was traced to an expansion in current expenditure, as current revenue increased. Current expenditure rose by 11.7 per cent to \$351.2m, driven by increases in transfers and interest payments. Outlays on transfers grew by 25.8 per cent to \$101.1m, largely on account of pension

payments under the voluntary separation and early retirement programme. Interest payments rose by 22.6 per cent, mainly attributable to larger outlays in respect of external debt.

Current revenue increased by 1.5 per cent to \$346.7m compared with the total in the first half of 2006, mainly on account of growth in revenue from taxes. The introduction of the Antigua and Barbuda Sales Tax (ABST) in January 2007 altered the tax structure in that country, with taxes on domestic goods and services increasing in importance. In the first half of 2007 the yield from taxes on domestic goods and services rose by 97.6 per cent to \$131.8m, primarily reflecting collections from the ABST, which totalled \$76.5m. Meanwhile, receipts from taxes on international trade and transactions decreased by 21.7 per cent to \$130.6m, mirroring a fall in consumption tax collections on account of the introduction of the ABST. Accordingly, the share of receipts from taxes on domestic goods and services rose to 40.1 per cent of total tax revenue from 20.6 per cent in the first half of 2006, while that from taxes on international trade and transactions fell to 37.7 per cent from 51.6 per cent. Of the other tax categories, revenue from stamp duties rose by 25.4 per cent, largely on account of increased activity in the real estate market. The intake from taxes on income and profits decreased by 22.7 per cent to \$62.8m, largely attributable to a 42.0 per cent fall in company tax collections. This outturn contrasts with the performance in the comparable period of 2006 when receipts rose substantially on account of extraordinary collections of company tax arrears. Collections of property taxes decreased by



63.7 per cent, mainly on account of timing issues associated with the revision of the property tax regime.

Capital expenditure decreased by 8.0 per cent to \$110.5m, reflecting the completion of major infrastructural projects associated with the hosting of CWC 2007.

### **Public Sector Debt**

The disbursed outstanding debt of the public sector increased by 3.5 per cent to \$3,066.3m during the period under review. This outturn was largely attributed to an increase in central government's domestic and external indebtedness, partly reflecting an accumulation of arrears.

### **Money and Credit**

Monetary liabilities (M2) expanded by 4.9 per cent to \$2,595.6m during the first half of 2007, partly associated with the increase in economic activity and inflows of foreign direct investment. The growth in M2 was mainly reflected in quasi money, which rose by 6.5 per cent to \$1,953.8m, on account of growth in all sub-categories: private sector foreign currency deposits (15.1 per cent), time deposits (7.7 per cent) and savings deposits (3.3 per cent).

Domestic credit increased by 6.6 per cent to \$2,021.8m during the review period, largely reflecting growth in credit to the private sector. Private sector credit remained buoyant, increasing by 8.2 per cent compared with the 9.2 per cent rate of growth during the corresponding period of

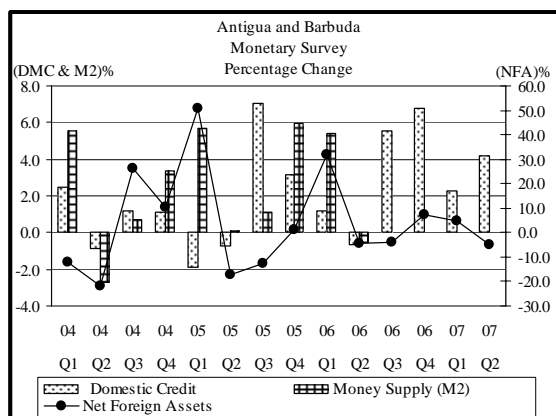
2006. Increases were recorded in lending to both businesses (13.1 per cent) and households (4.1 per cent). The central government's net indebtedness to the banking sector fell by 16.9 per cent to \$162.5m. This decline was largely on account of a 28.0 per cent (\$48.6m) increase in deposits which more than offset growth of 4.3 per cent (\$15.8m) in credit, mainly in the form of loans and advances from the commercial banks. In the rest of the public sector, the net deposits of the non-financial public enterprises rose by 2.8 per cent, as growth in deposits exceeded an increase in credit.

The distribution of credit by economic activity indicates that outstanding loans for tourism-related activities expanded by 20.3 per cent (\$38.2m), in line with the increased level of investment activity in that industry. Credit for home construction and renovation, and for construction and land development increased by 23.7 per cent (\$53.0m) and 15.3 per cent (\$26.8m) respectively, further evidence of continued dynamism in the construction sector. Outstanding loans for professional and other services also increased, by 34.5 per cent (\$81.6m).

The net foreign assets of the banking system contracted by 0.3 per cent to \$923.7m, largely on account of developments in the commercial banking sector. The net foreign assets of commercial banks decreased by 5.2 per cent to \$513.0m, in contrast to an increase in the comparable period of 2006. To a large extent, the decline reflected a drawdown on assets held with banks and other institutions outside the currency union to meet the increased demand for domestic credit. Antigua and Barbuda's imputed share of



the Central Bank's reserves increased by 6.7 per cent to \$410.7m.



Commercial bank liquidity fell during the first half of 2007. The ratio of liquid assets to total deposits plus liquid liabilities decreased by 3.7 percentage points to 41.9 per cent. The cash reserves ratio stood at 8.6 per cent, or 1.2 percentage points below the level at the end of 2006. The loans and advances to total deposits ratio increased to 78.1 per cent from 77.6 per cent, reflecting a faster rate of growth in loans relative to the increase in deposits.

Notwithstanding the decrease in liquidity, changes to the structure of interest rates were minimal. The weighted average deposit rate decreased to 3.44 per cent from 3.54 per cent at the end of 2006, while the weighted average lending rate decreased to 10.35 per cent from 10.4 per cent. As a result, the weighted average interest rate spread increased by 0.05 percentage point to 6.91 percentage points.

## Prospects

The economy is projected to experience real growth in 2007, driven largely by the construction sector. Construction activity is expected to intensify in both the public and private sectors. Tourism activity is projected to increase, despite the weak performance in the first half of the year. This projection is based on increased room capacity in the second half of 2007, intensified marketing activities and favourable international developments, particularly in respect of exchange rate movements.

The central government's current account deficit is projected to fall below that recorded in 2006, based on a faster rate of growth in revenue relative to expenditure. Capital expenditure is projected to decrease. However, the overall deficit is expected to increase due largely to a fall in official grants.

In the external sector the merchandise trade deficit is projected to widen, based on an increase in import payments driven by the general economic expansion and rising international oil prices.

The downside risks to these projections derive largely from uncertainty with respect to the international economic environment. Adverse developments in the USA could result in a decrease in tourist arrivals and foreign direct



investments from that country, thereby dampening economic activity. Further increases in international oil prices can lead to a rise in consumer prices and a contraction in aggregate

demand. Unfavourable developments in respect of air transportation, particularly regional airlift and airfares, can also have an adverse impact on the projections.





## DOMINICA

### Overview

Economic activity in Dominica expanded in the first six months of 2007 compared with the level in the corresponding period of 2006. The agricultural, construction and manufacturing sectors were the main stimuli to growth. The performance of the tourism industry was mixed. The consumer price index rose by 2.9 per cent, on an end of period basis. In the external sector, the merchandise trade deficit widened, due to growth in import payments. The central government's fiscal operations resulted in a smaller overall surplus. Total outstanding public sector debt declined during the period under review. In the banking system, monetary liabilities and net foreign assets expanded, while domestic credit declined. Liquidity in the commercial banking system increased. The weighted average interest rate spread narrowed during the first half of 2007.

Economic performance in the second half of 2007 is likely to be below the level recorded in the corresponding period of 2006, primarily on account of developments in agriculture. Output in the agricultural sector is projected to decline, based on damage to crops by hurricane Dean in August 2007. The merchandise trade deficit is projected to widen. Adverse weather, a slowdown in the US economy and increases in international oil prices pose downside risks to the economic outlook.

### Output

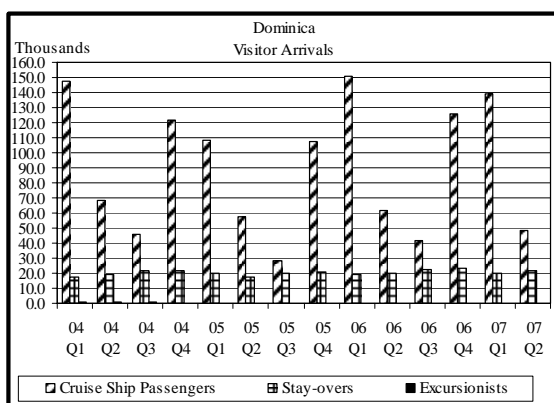
Agricultural output is estimated to have increased in the first half of 2007, largely attributable to growth in non-banana production and an increase in the quantity of fish caught. Production of non-banana crops such as yam dasheen and pumpkin is estimated to have increased due to higher export demand. Fish production rose, influenced by the use of modernized fishing vessels and techniques. By contrast, banana output declined by 3.0 per cent to 5548 tonnes, reflecting in part the effects of drought in the second quarter of 2007.

Output in the manufacturing sector is estimated to have increased in the first half of 2007, relative to the level in the first half of 2006. Production of soap and dental cream rose by 32.4 per cent and 16.0 per cent respectively due to a higher level of demand. In the rest of the manufacturing sector, beverage production contracted by 2.7 per cent reflecting a fall in demand.

Construction activity is estimated to have expanded, influenced primarily by growth in private sector investment. The number of building starts increased by 13 and the value rose by \$6.6m in the first half of 2007 compared with the corresponding period of 2006. Private sector residential construction increased, evidenced in



part by growth of 7.4 per cent in commercial bank credit for home construction and renovation. Access to a special mortgage facility through government’s housing development programme, initiated in the first quarter of 2007, also contributed to growth in private residential construction. In the public sector, activity was buoyed by intensified work on the airport development project, road construction and rehabilitation and the development of eco-tourism sites. Work also continued on the Windsor Park Stadium and related infrastructure, which neared completion.

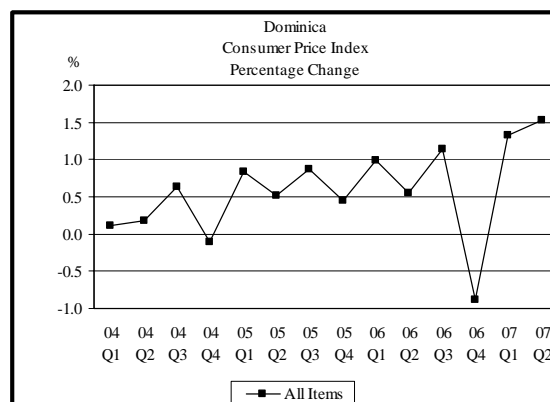


In the tourism industry, the number of stay-over visitors is estimated to have increased by 3.4 per cent to 43,957. This outturn was attributed in part to the filming of a reality show and successful niche marketing for adventure tourism. Of the major markets, arrivals from the USA increased by 5.4 per cent and those from the Caribbean rose by 2.3 per cent. Cruise ship passenger arrivals declined by 11.4 per cent to 187,853 in the first half of 2007, in contrast to an increase of 27.7 per cent in the corresponding period of 2006. This outturn reflected a fall of 19.1 per cent to 157 in the number of cruise ship

calls, as cruise ships were diverted to other destinations. Total visitor arrivals decreased by 8.9 per cent to 232,383 on account of the decline in cruise ship arrivals.

**Prices**

The consumer price index rose by 2.9 per cent during the first half of 2006, on an end of period basis. The increase was largely influenced by higher prices for food, fuel and light, transportation and communication and housing and utilities. The food sub-index increased by 2.0 per cent, reflecting higher prices for meat, fish, dairy products and cereal. The fuel and light sub-index rose by 18.0 per cent, mainly attributable to an increase in the cost of electricity. The transportation and communication sub-index increased by 4.6 per cent, partly on account of higher prices for vehicles. The housing and utilities sub-index grew by 0.9 per cent due to a rise in the cost of house repairs.



**Trade and Payments**

A merchandise trade deficit of \$206.2m was recorded in the first six months of 2007, roughly



27.4 per cent above the deficit in the corresponding period of 2006. The widening of the deficit was attributed to a 21.7 per cent rise in import payments, primarily associated with increases in imports of manufactured goods and mineral fuels. Imports of construction material rose by 5.5 per cent, consistent with the robust activity in the sector. Earnings from domestic exports rose by 4.3 per cent to \$53.7m, on account of growth in receipts from soap and bananas. Larger export earnings from soap were associated with higher export demand while that of bananas reflected higher prices under the Fair Trade label and favourable exchange rate movements.

Gross receipts from travel are estimated to have increased by 11.8 per cent to \$101.3m, mirroring growth in stay-over arrivals. The transactions of commercial banks resulted in a net outflow of \$93.8m in short-term capital, largely associated with an increase in assets held with banks and other institutions outside the currency union. External loan disbursements to the central government more than doubled to \$5.6m, mainly reflecting a loan to meet Government's premiums for the first two years under the regional Catastrophe Insurance Fund. External principal repayments amounted to \$10.6m during the first half of 2007, compared with \$5.5m in the corresponding period of 2006.

### **Central Government Fiscal Operations**

The central government's fiscal operations resulted in an overall surplus of \$7.3m in the first half of 2007, down from \$7.6m in the corresponding period of 2006. The smaller surplus

reflected an increase in expenditure and a reduction in inflows of capital grants. A primary surplus of \$21.4m was recorded, down from one of \$29.5m in the first six months of 2006.

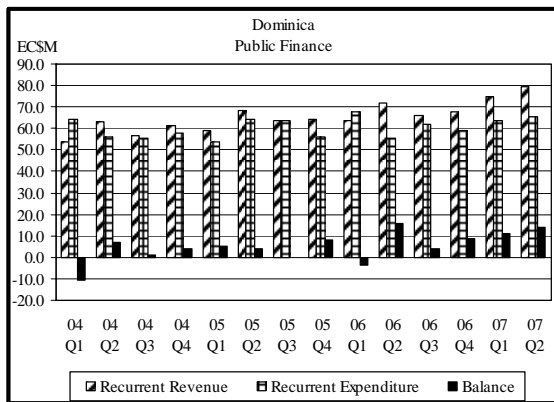
A current account surplus of \$25.1m was realised, more than double that in the comparable period of 2006. Current revenue rose by 13.6 per cent to \$154.0m, mainly attributable to growth in tax revenue. This performance reflected the impact of the implementation of the value added tax (VAT) and excise tax in March 2006. Receipts from taxes on domestic goods and services rose by 41.7 per cent, mainly on account of increases of \$19.8m and \$12.8m in the yield from VAT and excise tax respectively. Revenue from taxes on income and profits increased by 2.2 per cent, mainly associated with higher collections from personal income tax. By contrast, receipts from taxes on international trade and transactions contracted by 24.8 per cent, as a result of the replacement of sub-taxes under this category by the VAT. Non-tax revenue rose by 43.6 per cent (\$4.4m), partly reflecting increases in receipts from fees, fines and sales.

Current expenditure grew by 4.5 per cent to \$128.9m, as a result of increases in payments for goods and services and larger outlays on transfers and subsidies. Growth in outlays on goods and services was influenced by an increase in the cost of electricity. Higher expenditure on transfers and subsidies reflected increased transfers for the restructuring of the National Development Corporation (NDC) and growth in pension payments. Expenditure on personal emoluments rose by 7.0 per cent, reflecting in part retroactive



payments associated with a 3.0 per cent salary increase to public servants, effective June 2007. By contrast, interest payments contracted by 36.0 per cent (\$7.9m), reflecting the impact of debt restructuring and the reduction in the stock of debt. Domestic interest payments fell by 63.9 per cent (\$7.4m). This outcome contrasts with the performance in the first six months of 2006 when payments rose substantially as a result of debt restructuring efforts. External interest payments declined by 4.4 per cent (\$0.5m).

Capital expenditure amounted to \$52.3m, up from \$45.0m in the first six months of 2006, mainly associated with the airport development project and the construction and rehabilitation of roads. Capital grants contracted by 13.8 per cent to \$33.2m.



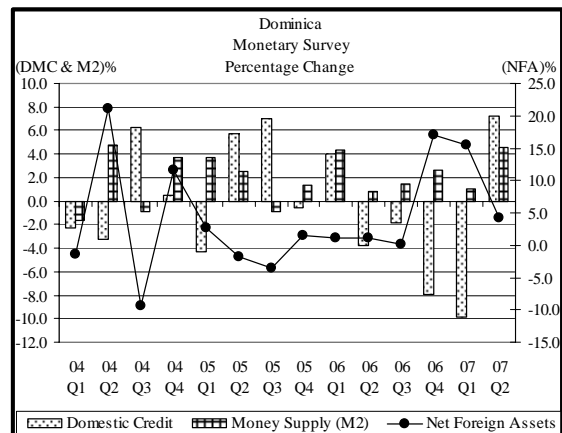
**Public Sector Debt**

The total outstanding public sector debt was \$928.6m at the end of June 2007, a decline of 2.5 per cent on the total at the end of December 2006. This development was mainly attributed to a reduction in the debt of the central government. The central government debt, which accounted for

83.0 per cent of the total public sector debt, decreased by 2.2 per cent.

**Money and Credit**

Monetary liabilities (M2) rose by 5.7 per cent to \$726.1m during the period January to June 2007, associated with growth in both narrow money (M1) and quasi money. M1 expanded by 16.1 per cent, reflecting an increase in private sector demand deposits (26.5 per cent). Quasi money rose by 3.0 per cent on account of an increase in private sector savings deposits (5.3 per cent).



Domestic credit contracted by 3.3 per cent, largely associated with developments in central government’s accounts. Deposits of the central government’s grew by 13.2 per cent, influenced by inflows of grants. Consequently, the net deposits of the central government rose by 34.8 per cent. The net deposits of non-bank financial institutions rose by 11.2 per cent, reflecting a decrease in credit and an increase in deposits. By contrast, credit to the private sector grew by 3.2 per cent, attributable to increased borrowing by households.



The composition of credit by economic activity shows an increase in outstanding loans for construction (25.8 per cent), in line with the expansion in activity in that sector. An increase was also recorded for distributive trades (9.0 per cent), indicative of growth in economic activity. By contrast, decreases were recorded in credit for tourism (9.1 per cent), manufacturing (3.9 per cent) and agriculture (0.5 per cent).

The net foreign assets of the banking system rose by 20.4 per cent to \$514.2m, due to developments in the commercial banking sector. Commercial banks' net foreign assets rose by 36.5 per cent, largely reflecting growth in net assets held with banks and other institutions outside of the currency union. Dominica's imputed share of the Central Bank's reserves declined by 4.0 per cent.

Liquidity in the commercial banking system remained at a high level during the period under review. The ratio of liquid assets to total deposits plus liquid liabilities rose by 4.6 percentage points to 57.1 per cent at the end of June 2007. The loans and advances to total deposits ratio fell by 2.2 percentage points.

The spread between commercial bank lending and deposit interest rates narrowed by 0.31 percentage point to 5.51 per cent at the end of June 2007. The weighted average deposit rate declined by 0.02 percentage point to 3.33 per cent, and that on loans fell by 0.33 percentage point to 8.84 per cent.

## Prospects

A downturn in economic activity is projected for the rest of 2007, partly on account of developments in the agricultural sector. The passage of hurricane Dean in August resulted in damage to over 90.0 per cent of the banana crop. Consequently, a contraction in agricultural output is projected for the rest of the year. The decline in economic activity is also likely to be influenced by developments in the manufacturing sector. The discontinuation of production of dental cream and household cleaners by a major manufacturer in September 2007 is likely to have a dampening effect on output in the manufacturing sector. Growth in soap production is projected on account of a higher level of demand. In the tourism industry, an increase in the number of stay-over arrivals is anticipated, based in part on extensive online marketing and efforts to upgrade the tourism product, including the enforcement of minimum health, safety and security standards. Construction activity is projected to expand, fuelled by private sector investment in residential development and public sector investment in road construction and rehabilitation. Financial support through the government housing assistance programme is also likely to spur residential construction.

The current account surplus is projected to decrease based on growth in current expenditure associated with salary increases and larger outlays on transfers and subsidies. Repairs to public infrastructure and ongoing airport and road



development will contribute to a higher level of capital expenditure.

In the external sector, the merchandise trade deficit is expected to widen, based on an expansion in imports and a decline in export receipts from banana. Gross inflows from travel

are projected to be above the level in the comparable period of 2006, consistent with the increase in stay-over arrivals.

Downside risks to the projections include unfavourable weather, a slowdown in the US economy and increases in international oil prices.



## G R E N A D A

### Overview

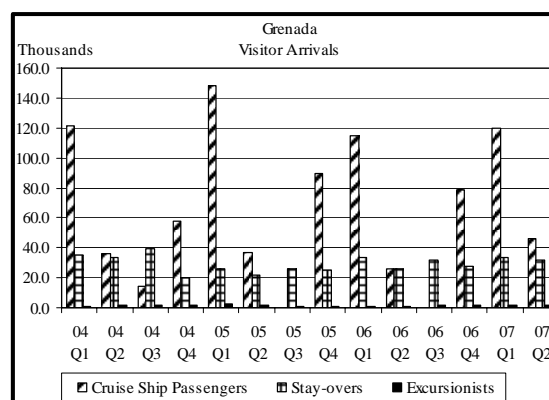
Economic performance in Grenada is estimated to have improved in the first half of 2007, relative to the outcome in the corresponding period of 2006. The improvement was underpinned by developments in tourism, agriculture and, to a lesser extent, manufacturing. Consumer prices increased by 0.6 per cent, on an end of period basis. In the external sector, the merchandise trade deficit increased as a result of growth in import payments. The fiscal operations of the central government resulted in a larger overall deficit. Total outstanding public sector debt rose on account of central government's borrowing. In the banking system, broad money expanded, influenced by increases in domestic credit and net foreign assets. Commercial bank liquidity fell, but remained at a high level. The spread between commercial bank weighted average interest rate on loans and deposits narrowed.

The prospects for economic growth for the rest of 2007 are largely positive, based on expected activity in the tourism industry and the agricultural and manufacturing sectors. These projections are contingent on favourable weather, US economic growth and stable international oil prices.

### Output

In the tourism industry, total visitor arrivals increased by 16.0 per cent to 237,704 in the first half of 2007, in contrast to the 14.8 per cent

decline in the corresponding period of 2006. The turnaround was mainly attributed to a rebound in cruise ship activity, as passenger arrivals increased by 18.4 per cent to 165,993, in contrast to a decline of 24.3 per cent in the first half of 2006. There were 14 additional calls relative to the number visiting in the first six months of 2006, as vessels made repeat calls to allow passengers to attend Cricket World Cup (CWC) 2007. Stay-over arrivals grew by 10.0 per cent to 65,336, influenced by the hosting of CWC 2007, the reopening of a hotel in Grand Anse and additional airlift out of Europe. Hotel occupancy was reported to have been high especially in the second quarter, relative to the corresponding period in 2006, as seasonal guests deferred travel until after CWC 2007. Estimates of stay-over arrivals by country of origin indicate increases in the number of visitors from Europe, particularly the UK (34.3 per cent). Arrivals from the Caribbean declined by 7.3 per cent, as a result of higher intra-regional airfares. The number of excursionists increased by 82.7 per cent to 3,297, partly attributable to CWC 2007 matches, whereas yacht passenger arrivals decreased by 25.0 per cent.



Output in the agricultural sector continued to expand, partly reflecting the success of a crop recovery programme. Among the traditional crops, cocoa production more than tripled to 222 tonnes, and output of mace and nutmeg grew by 57.1 per cent and 9.7 per cent respectively. Banana production increased by 26.1 per cent to 377 tonnes, the highest level recorded in the first half of the year over the last decade.

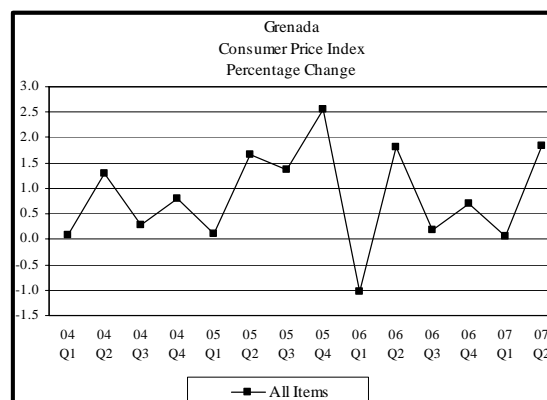
Performance in the manufacturing sector improved, reflecting growth in output of some major commodities. In particular, toilet paper production increased by 17.7 per cent in contrast to a decline of 19.6 per cent in the first half of 2006, as the manufacturing company resolved difficulties in sourcing raw materials. Beer production grew by 16.6 per cent and output of other beverages (soft drinks, malt and stout) increased by 3.1 per cent on average. The higher production levels of beverages were attributed to an increase in domestic demand, associated with the hosting of CWC 2007. Output of flour and prepared animal feed increased by 9.7 per cent and 9.1 per cent respectively, on account of higher external demand.

Activity in the construction sector is estimated to have declined, as various public sector projects were completed in the review period. These included Phase II of the general hospital, the national stadium, and bridge and road repairs. Private sector activity was buoyant and focused on investment in residential housing, hotel development and student accommodation at the St George's University campus. The fall in overall construction activity was partly evidenced by a

14.1 per cent decline in the import value of construction materials.

## Prices

The consumer price index rose by 0.6 per cent during the first half of 2007, partly reflecting increases in the prices of food, fuel and light, and housing. Prices in the food sub-index, the highest weighted, rose by 1.6 per cent, attributable to increases in the prices of meat, fish and provisions. A 1.5 per cent rise in the housing sub-index reflected price increases for building materials, particularly cement, galvanised sheet and nails. Higher costs of petroleum products and electricity services, in response to rising international oil prices, led to a 7.4 per cent increase in the fuel and light sub-index. There were decreases in the sub-indices transport and communications (1.0 per cent) and education (0.6 per cent).



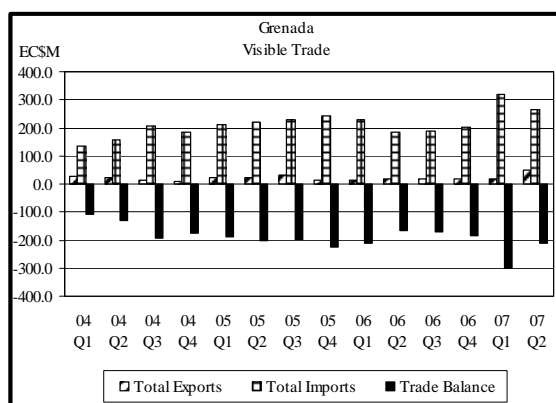
## Trade and Payments

A merchandise trade deficit of \$513.2m is estimated, well above that of \$380.1m in the first half of 2006, as a result of larger import payments (f.o.b.). Growth of 40.8 per cent to \$581.3m in





import payments mainly reflected increases in the value of machinery and transport equipment, mineral fuels and lubricants, manufactured goods and food. The value of exports more than doubled to \$68.1m, primarily resulting from an increase in the value of re-exports. This outturn was associated with an increase in the re-export of machinery and transport equipment on the completion of a number of construction projects, including CWC 2007 related activities. Domestic export earnings rose by 8.6 per cent to \$25.0m, on account of larger receipts for both manufactured and agricultural goods. Earnings from manufactured exports increased by 26.9 per cent, mainly as a result of higher demand for nutmeg oil and prepared animal feed. Receipts from agricultural exports rose by 59.0 per cent.



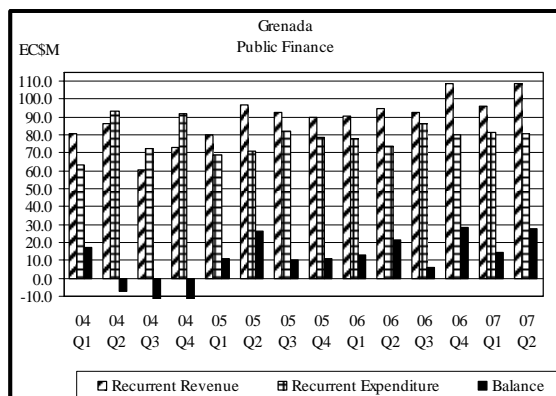
Gross travel receipts are estimated at \$148.6m, an increase of 15.3 per cent on the total for the first half of 2006, reflecting growth in visitor arrivals. There was a net inflow of \$4.0m in commercial bank short-term capital, compared with one of \$46.3m during the first six months of 2006. External disbursements to the central government fell by 36.7 per cent to \$13.0m, whereas amortisation increased by 16.6 per cent to \$10.0m.

## Central Government Fiscal Operations

The central government incurred an overall deficit of \$31.1m, slightly above one of \$30.6m in the first half of 2006. The deficit was largely financed from domestic sources, mainly commercial banks. The widening of the deficit stemmed mainly from a reduction in capital grants, which offset additional current savings. The current account surplus expanded by 24.6 per cent to \$42.3m, as growth in current receipts outpaced that in current expenditure. A primary deficit of \$17.7m was realised, down from one of \$20.1m in the corresponding period of 2006.

Current revenue rose by 10.5 per cent to \$204.7m, reflecting increased tax receipts as a result of reform measures and ongoing improvements in tax administration. Collections from taxes on international trade and transactions grew by 9.5 per cent (\$9.3m), underpinned by larger receipts from the petrol tax, attributable to the implementation of an automatic fuel pricing mechanism in October 2006. The intake from taxes on income and profits increased by 28.6 per cent (\$8.0m), on account of the collection of tax arrears, consequent upon the establishment of a recovery and collection unit in January 2007. Receipts from taxes on property rose by 34.1 per cent (\$3.8m), due largely to property transfers. Collections from taxes on domestic goods and services fell by 3.6 per cent, reflecting a decline in the intake from licences. Non-tax receipts decreased by 2.7 per cent, mirroring declines from interest and rents.





Current expenditure increased by 7.3 per cent to \$162.4m, on account of higher outlays for all categories of expenditure. Spending on transfers and subsidies rose by 19.6 per cent (\$6.3m), as a result of larger subventions to the poor and payment of contribution arrears to regional and international bodies. Interest payments grew by 28.5 per cent (\$3.0m), associated with increased domestic and external obligations. Outlays on personal emoluments expanded by 1.9 per cent, attributable to the payment of increments to civil servants. Expenditure on goods and services rose by 0.9 per cent.

On the capital account, inflows of grants fell by 56.5 per cent to \$18.3m compared with the total in the first six months of 2006, reflecting the completion of major public sector projects. Grant receipts were primarily related to the building of the Grenada National Stadium, which was completed during the first quarter of 2007. At \$91.7m, capital expenditure was 15.9 per cent less than the amount in the corresponding period of 2006.

## Public Sector Debt

The disbursed outstanding debt of the public sector totalled \$1,704.3m at the end of June 2007, roughly 1.0 per cent above the level at the end of December 2006. The outstanding debt of the central government rose by 1.7 per cent to \$1,483.9m, reflecting increases in both domestic and external debt to finance capital expenditure. Estimates of public corporations' outstanding debt indicate a 3.6 per cent decline to \$220.4m during the first half of 2007.

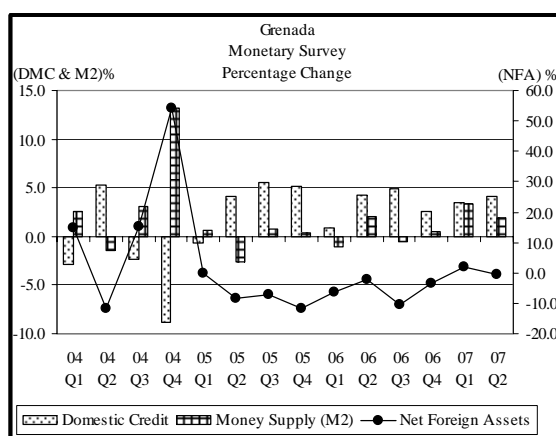
## Money and Credit

Monetary liabilities (M2) expanded by 5.3 per cent to \$1,561.5m during the first half of 2007, well above the 0.9 per cent increase during the corresponding period of 2006. The acceleration was underpinned by buoyant economic activity, which contributed to an accumulation of private sector deposits. Quasi-money rose by 4.6 per cent (\$54.5m), driven largely by growth in private sector time deposits (\$24.8m) and foreign currency deposits (\$24.6m). Narrow money increased by 7.9 per cent, as a result of an expansion in private sector demand deposits, which was partially offset by a decline in currency with the public.

Domestic credit rose by 7.7 per cent to \$1,262.0m, indicative of increased borrowings by the private sector and the central government. Private sector credit grew by 7.1 per cent (\$86.9m), mirroring increases in outstanding loans



to households and businesses. The net indebtedness of the central government to the banking system almost doubled to \$70.4m, influenced by growth of 10.0 per cent in commercial bank credit and a 27.6 per cent reduction in its deposits. The net deposits of non-bank financial institutions and non-financial public enterprises expanded by 71.8 per cent (\$16.8m) and 16.7 per cent (\$12.2m) respectively, mainly on account of increases in their deposits.



The distribution of credit by economic activity indicates that the bulk of the expansion in credit (62.8 per cent) was for personal use. Credit for that purpose increased by 6.0 per cent, primarily for home construction and renovation. Outstanding loans for agriculture and fisheries more than doubled, consistent with increased activity in that sector. Among the other sectors, there was increased lending for tourism and construction, while credit for distribution and manufacturing (including mining and quarrying) decreased.

The net foreign assets of the banking system rose by 1.5 per cent to \$427.7m, in contrast to a decline of 8.6 per cent during the first half of 2006.

Growth was influenced by larger inflows of foreign direct investment associated with hotel development. An expansion of 3.8 per cent was recorded in Grenada's imputed share of ECCB's reserves. This increase was partly offset by a decline of 2.6 per cent in the net foreign assets of the commercial banks, mainly representing a reduction in assets held with institutions within the rest of the currency union.

Liquidity in the commercial banking system continued to be high, despite a decline in the level. The ratio of liquid assets to total deposits plus liquid liabilities fell by 3.7 percentage points to 31.0 per cent. The loans and advances to total deposits ratio remained largely unchanged at 73.2 per cent.

The interest rate spread between deposit and lending rates decreased by 0.12 percentage point to 6.61 percentage points during the period under review. The weighted average interest rate on deposits increased to 3.04 per cent at the end of June 2007 from 2.99 per cent at the end of December 2006. In contrast, the weighted average rate on credit fell to 9.65 per cent from 9.72 per cent.

## Prospects

The economic outlook for 2007 is largely favourable, based on the performance in the first half and expected developments in the rest of the year. Tourism activity is likely to be the main impetus for growth, supported by developments in agriculture and manufacturing. The number of stay over visitors is expected to increase as a result



of CWC 2007 activities in the first half of 2007, additional airlift, extensive marketing and enhancements to the overall tourism product. The manufacturing sector is likely to rebound, in line with increased demand for some major commodities. Output in the agricultural sector is expected to increase, based on a new arrangement to transport fresh fruits, particularly mangoes and golden apples, to Canada. However, growth in agriculture is likely to be tempered by damage to tree crops following the passage of hurricane Felix. Construction activity is likely to decline on account of the completion of major infrastructural projects.

The fiscal balances of the central government are expected to improve in 2007. A larger current account surplus is likely on account of the new petrol tax and improved efficiency in collections.

Capital expenditure is expected to decline, associated with the completion of major CWC related projects earlier in the year. Based on these projections, a lower overall deficit is projected.

In the external sector, the merchandise trade deficit is projected to widen as payments for imports rise, consistent with economic expansion and increases in international oil prices. Domestic exports are also likely to increase, based on growth in manufacturing and agricultural exports. Gross travel receipts are expected to be above the level in 2006 as a result of additional visitor arrivals.

The downside risks to the projections include unfavourable weather, a slowdown in the US economy and an upswing in international oil prices, which could adversely affect macroeconomic performance and consumer prices.



## MONTserrat

### Overview

Preliminary data indicate that economic activity in Montserrat contracted in the first half of 2007 compared with the performance in the corresponding period of 2006. This outcome was largely the result of a decline in construction activity, which contributes significantly to Montserrat's gross domestic product (GDP). Consumer prices rose by 2.3 per cent during the review period. The merchandise trade deficit narrowed, mainly on account of a decline in import payments. An overall deficit was recorded on the central government's fiscal accounts, in contrast to a surplus in the first half of 2006. Total outstanding public sector debt fell marginally. In the banking sector, monetary liabilities and net foreign assets increased and commercial bank liquidity remained at a high level. The weighted average interest rates spread widened marginally.

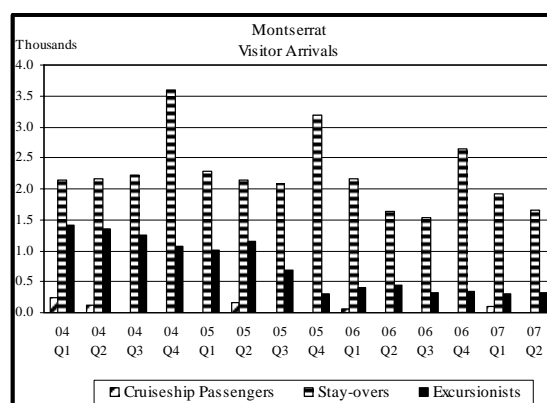
Economic prospects for the second half of 2007 are largely contingent on developments in the construction sector. Activity in the construction sector is likely to be below the level in the second half of 2006. Rising international oil prices, an increase in regional airfares and a likely slowdown in the US economy are also expected to have an adverse effect on economic activity in Montserrat.

### Output

The decline in construction activity in the first half of 2007 was attributed to a slowdown in the

pace of public sector activity, as work on major projects neared completion. Public sector activity focused on a public market in Little Bay and completing the Lookout housing project. In the private sector, activity concentrated on residential construction. The decline in construction activity was partly evidenced by decreases of 58.0 per cent and 79.2 per cent in the value and number of construction starts respectively.

Activity in the tourism industry is estimated to have declined in the period under review, partly due to inadequate access to the island and an increase in airfares. Total visitor arrivals fell by 1.6 per cent to 5,399, attributable to decreases in the number of stay over visitors and excursionists. Stay-over arrivals decreased by 5.6 per cent to 3,587, reflecting declines in arrivals from all the major markets. The number of excursionists fell by 26.0 per cent (219). Cruise ship and yacht passenger arrivals increased by 56.9 per cent (37) and 39.3 per cent (307), as a result of the visit of larger vessels.



Agricultural output is estimated to have declined, attributable to a fall in production of



vegetables and root crops and a contraction in the quantity of fish caught. The volume of vegetables and root crops fell by 56.8 per cent, mainly as a result of unfavourable weather. The volume of fish caught decreased by 28.8 per cent to 43, 221 pounds, on account of an extension in the maritime exclusion zone in early 2007.

**Prices**

The consumer price index rose by 2.3 per cent during the first half of 2007, compared with a 0.5 per cent increase during the corresponding period of 2006. The food sub-index (the largest weighted) rose by 2.6 per cent, mainly attributable to higher prices for items such as frozen chicken parts, vegetables, orange juice, margarine and eggs. Higher prices for petroleum products led to increases in the services sub-index and the gas, electricity and water sub-index. The services sub-index rose by 4.1 per cent reflecting an increase in the price of gasoline and oil. An increase in cooking gas was largely responsible for the 3.4 per cent rise in the gas, electricity and water sub-index. The household goods sub-index increased by 2.8 per cent, on account of higher prices of paint thinner, baby powder, detergent, conditioner, toothpaste, disinfectant and vitamins.

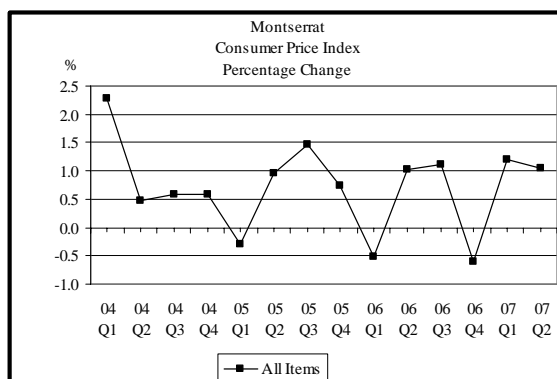
**Trade and Payments**

A merchandise trade deficit of \$32.7m is estimated in the first half of 2007, below that of \$38.0m in the corresponding period of 2006. The narrowing of the deficit was influenced by a decrease in import payments combined with an increase in the value of exports. Import payments fell by 9.3 per cent to \$36.1m, mainly attributable to a fall in imports of vehicles, boilers, machinery and mechanical appliances. The value of exports almost doubled to \$3.4m, compared with the total in the first half of 2006. This outturn was attributed to a more than twofold rise in domestic exports to \$2.4m, on account of larger earnings from aggregate and sand, reflecting an increase in the volume exported. Gross travel receipts are estimated to have decreased by 6.2 per cent to \$10.1m, in line with the decline in visitor arrivals.

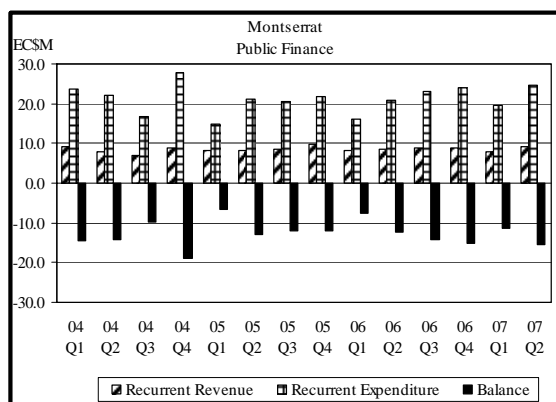
Grant inflows rose by 10.5 per cent to \$31.9m, representing an increase in current grants. Commercial banks' external transactions resulted in a net outflow of \$16.2m in short term capital, compared with one of \$1.6m in the first half of 2006.

**Central Government Fiscal Operations**

The central government's fiscal operations resulted in an overall deficit of \$3.5m in the first half of 2007, in contrast to a surplus of \$0.6m in the corresponding period of 2006. This outturn was the result of an increase in current expenditure. The primary balance shifted to a deficit of \$3.0m, from a surplus of \$1.1m in the first six months of 2006.



A current account deficit of \$26.9m was recorded, well above the deficit of \$20.1m in the first half of 2006, attributable to the increase in expenditure. Current expenditure grew by 19.5 per cent to \$44.1m, underpinned by larger outlays on transfers and subsidies, personal emoluments and goods and services. Outlays on transfers and subsidies rose 32.5 per cent (\$2.9m) as a result of increases in pensions and social security contributions. Expenditure on personal emoluments grew by 13.7 per cent (\$2.2m), mainly reflecting increases in salaries, wages and allowances. Growth of 18.3 per cent (\$2.1m) in spending on goods and services was mainly associated with larger outlays for supplies and materials, advertising and rental. Current revenue rose by 2.1 per cent to \$17.1m, on account of larger collections from personal income tax, reflecting wage and salary increases. Non-tax revenue rose by 37.7 per cent (\$0.5m), partly attributable to increases in receipts from interest and dividends and hospital services.



Grant receipts increased by 10.5 per cent (\$3.0m), reflecting larger inflows of current grants. Capital expenditure grew by 3.6 per cent (\$0.3m),

on account of the purchase of equipment for ash cleaning and for the cultural centre.

### Public Sector Debt

The public sector disbursed outstanding debt was estimated at \$11.8m at the end of June 2007, marginally below the total of \$12.0m at the end of December 2006. The outstanding debt of the public corporations, which account for 64.9 per cent of the total public sector debt stock, fell by 1.8 per cent, reflecting a decrease in external debt. The outstanding debt of the central government was virtually unchanged at \$4.2m.

### Money and Credit

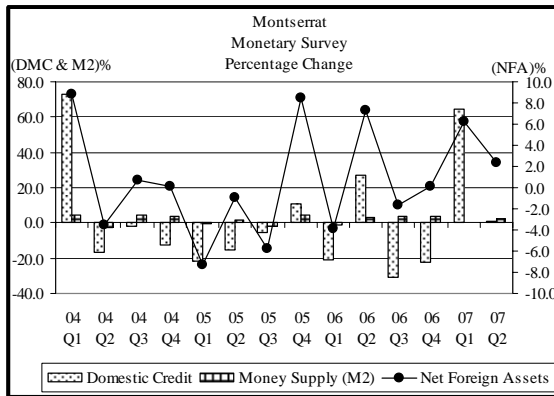
Monetary liabilities expanded by 2.4 per cent to \$138.1m during the first half of 2007, compared with the 1.7 per cent increase in the corresponding period of 2006. This outturn was associated with a 4.2 per cent expansion in quasi money, driven by increases in private sector time deposits (6.9 per cent) and savings deposits (4.3 per cent). Narrow money fell by 3.4 per cent, attributable to a decrease in demand deposits.

Commercial bank credit to the private sector increased by 10.9 per cent to \$35.9m during the first half of 2007, substantially above the 2.2 per cent rate in the corresponding period of 2006. This outcome stemmed from growth of 13.7 per cent in outstanding loans to households. Central government's deposits with commercial banks rose by 73.7 per cent to \$37.4m, partly reflecting larger inflows of grants. Consequently, central



government’s net deposits rose by 69.2 per cent to \$39.8m. The net deposits of non-financial public enterprises declined by 20.0 per cent (\$4.1m), mirroring a reduction in their deposits.

member countries. The loans and advances to total deposits ratio declined by 0.3 percentage point to 18.1 per cent.



The weighted average interest rate on deposits fell by 0.17 percentage point to 2.50 per cent and that on loans decreased by 0.02 percentage point to 10.46 per cent. As a result the interest rate spread between loans and deposits widened to 7.97 percentage points at the end of June 2007, from 7.81 percentage points at the end of December 2006.

An analysis of credit by economic activity shows that most of the increase in commercial bank lending was channelled into personal use. Credit for that purpose increased by 10.3 per cent (\$2.9m), associated with the purchase of durable consumer goods and the acquisition of property

**Prospects**

The contraction in economic activity is likely to continue in the rest of 2007. As a consequence real GDP is projected to decline in 2007. An improvement in construction activity is likely in the latter part of the year as the sheltered housing for the mentally challenged and the Little Bay town (Phase 1) are scheduled to begin. However, this improvement will be insufficient to offset the decline in construction in the previous months of 2007.

The net foreign assets of the banking system rose by 8.7 per cent to \$179.7m, influenced in part by grant inflows. Commercial banks’ net foreign assets increased by 12.8 per cent (\$16.2m), reflecting growth in assets held with institutions in the rest of the Eastern Caribbean currency union and abroad. Montserrat’s imputed share of the Central Bank’s reserves declined by \$1.8m to \$37.5m.

Activity in the tourism industry is projected to increase, based on the hosting of a CARICOM international pageant in July 2007 and the likely resumption of a ferry service to and from Antigua and Barbuda. The outlook for agricultural production is contingent on weather conditions.

Liquidity in the commercial banking system was at a high level during the first half of 2007. The ratio of liquid assets to total deposits plus liquid liabilities rose by 4.1 percentage points to 109.4 per cent – the highest ratio among the ECCU

Central government’s current account deficit (before grants) is projected to widen, based on growth in expenditure. Larger outlays on personal emoluments and transfers and subsidies resulting





from salary increases are projected. Growth in current revenue is likely, partly on account of larger receipts from personal income taxes associated with salary increases. The outlook for capital expenditure is dependent on the rate of implementation of the public sector investment programme.

Increasing international oil prices, the high cost of intra-regional travel, a slowdown in the US economy and unfavourable weather can further dampen economic activity in Montserrat in 2007.



## ST KITTS AND NEVIS

### Overview

The economy of St Kitts and Nevis remained buoyant in the first half of 2007. Preliminary data indicate that economic activity was above the level in the corresponding period of 2006. This performance was attributed to increased activity in the construction and agricultural sectors. Tourism and manufacturing activity is estimated to have declined. Consumer prices rose by 2.3 per cent during the period under review. The overall deficit of the federal government narrowed, as a result of an increase in current revenue. Total public sector outstanding debt rose. Monetary liabilities and domestic credit increased, while the net foreign assets of the banking system fell. Commercial bank liquidity rose and the weighted average interest rate spread between deposits and loans increased.

In the remainder of 2007 growth in the economy is projected, as activity in the construction, agricultural and manufacturing sectors is expected to be above the level in the corresponding period of 2006. Some improvement in tourism activity is likely towards the latter part of the year based on an increase in airlift from the USA and the re-opening of a hotel. The fiscal operations of the federal government are likely to result in a widening of the overall deficit, as capital expenditure is expected to increase. High and rising international oil prices, a slowdown in the US economy and unfavourable weather pose downside risks to the projections.

### Output

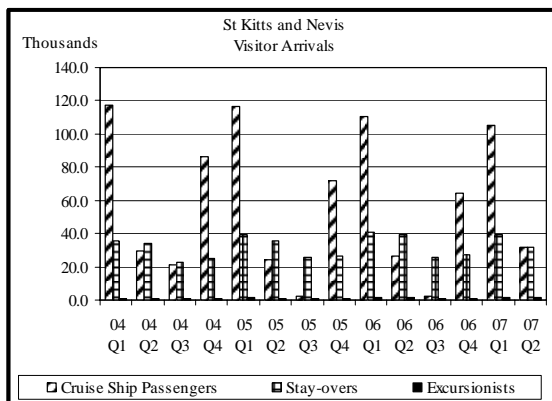
Growth in the construction sector in the first half of 2007 was fuelled by activity in both the public and private sectors. The major public sector projects undertaken included the Old Road fisheries complex and upgrading sporting facilities, particularly the Warner Park Stadium, which were completed in the period under review; constructing an athletic stadium in Bird Rock, road development, including the West Basseterre bypass road, the Nevis Island main road and link roads. In the private sector, construction activity focussed on commercial properties particularly at Port Zante, the Beaumont Park racetrack, and residential, hotel, villa and condominium developments.

Agricultural output rose in the first half of 2007, in contrast to a decline in the first half of 2006. The rebound was influenced by increased production of crops and livestock. The use of additional land for cultivating peanut and sweet potato and an increase in pineapple output for sale to hotels contributed to growth in crop production. In the livestock sub-sector, increases were recorded in output of beef, mutton and eggs.

Complete tourism data are not available for the period under review. Provisional data indicate a 3.8 per cent decline in visitor arrivals relative to the total in the first half of 2006. The number of stay-over visitors is estimated to have decreased by 11.1 percent, reflecting fewer tourists from all



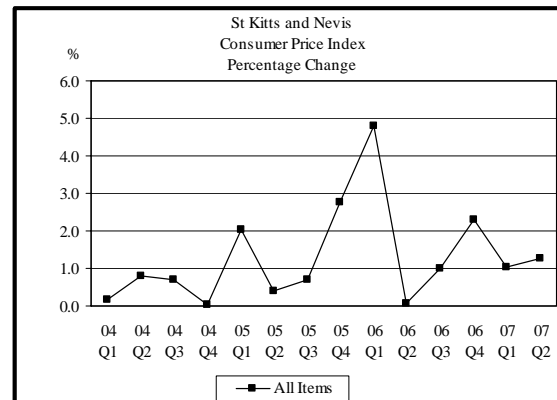
the major markets, with the exception of the UK. The largest declines were recorded for visitors from the USA and the Caribbean, partly attributable to higher airfares and a decrease in airlift as a result of the merger of two airlines. Cruise ship passenger arrivals increased marginally, by 0.1 per cent, despite a 13.9 per cent reduction in the number of cruise ship calls; this outcome was on account of visits by larger cruise vessels.



Output in the manufacturing sector is estimated to have contracted, in contrast to an expansion in the first half of 2006. The decline was primarily as a result of a fall in production of electronic components, which accounts for a substantial proportion of total manufacturing output. Production of beverages increased, largely on account of a higher level of external demand for alcoholic drinks. The expansion in the construction sector was largely responsible for an increase in production of building supplies, mainly concrete blocks and ready-mix concrete. A company manufacturing windows, which began operations in the last quarter of 2006, also contributed to growth in output of building supplies.

**Prices**

The consumer price index (CPI) rose by 2.3 per cent, on an end of period basis, during the first half of 2007. On average, higher prices were recorded for each of the sub-indices with the exception of the housing and fuel and light sub-indices. The food sub-index, which has the largest weight, rose by 3.7 per cent, partly as a result of price increases for meat products and vegetables. Prices in the clothing and footwear sub-index rose by 3.6 per cent, largely attributable to an increase in the cost of female suits, dresses and men’s pants. Higher prices for computer equipment led to a 3.1 per cent increase in the education sub-index.



**Trade and Payments**

Complete trade statistics are not available for the period under review. It is likely that the value of exports was above that in the first half of 2006, based on the expansion in the economy particularly in the construction sector. Receipts from exports of alcoholic beverages are estimated to have increased influenced by a higher level of



external demand. Export earnings from electronic components are estimated to have contracted, attributable to a fall in demand.

Gross travel receipts are estimated to have decreased by 18.7 per cent to \$155.6m, reflecting the decline in visitor arrivals. External loan disbursements to the federal government are estimated to have contracted by 18.4 per cent to \$7.3m, and principal repayments by 16.9 per cent to \$25.2m, on account of a decline in external borrowing. Commercial bank transactions resulted in a net inflow of \$3.9m in short-term capital.

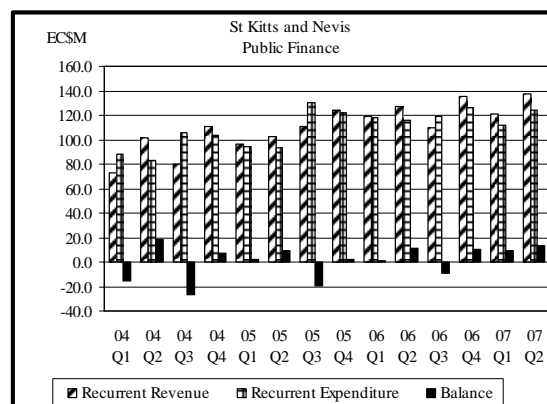
### Federal Government Fiscal Operations

The fiscal operations of the federal government resulted in an overall deficit estimated at \$10.2m in the first half of 2007, compared with one of \$15.2m in the corresponding period of 2006. The smaller deficit was attributed to strong growth in current revenue, which led to a widening of the current account surplus. The primary surplus increased by 12.6 per cent to \$40.9m.

The current account surplus almost doubled to \$22.2m, resulting from a 4.9 per cent increase to \$257.7m in current revenue. The expansion in current revenue was primarily on account of growth in tax revenue, 7.3 per cent (\$13.5m). Of tax revenue, receipts from taxes on income and profits rose by 33.8 per cent (\$15.1m), as a result of collections of corporate income tax arrears and amendments to the tax legislation. With those amendments companies are required to file income tax returns earlier. Additionally, subsidiaries are now included in the tax base for payment of

withholding tax. Collections from taxes on international trade and transactions grew by 10.6 per cent, partly associated with a higher volume of imports. Those increases were partly offset by declines in receipts from taxes on domestic goods and services, particularly stamp duties, and taxes on property, largely on account of a reduction in land sales. Non-tax revenue fell by 2.2 per cent, partly as a result of reduced collections by the electricity department, associated with changes in the method of calculating the fuel surcharge in St Kitts.

Current expenditure increased by 0.9 per cent to \$235.4m, attributable to larger outlays on personal emoluments and goods and services, which were partly outweighed by a decline in transfers. Expenditure on personal emoluments rose by 6.6 per cent, influenced by an increase in staff. Spending on goods and services was 2.5 per cent above the level in the first half of 2006, resulting from higher oil prices and an increase in expenditure on supplies and materials. Outlays on transfers and subsidies declined by 11.3 per cent, partly attributable to a reduction in transfers to statutory bodies.



Capital expenditure rose by 17.2 per cent to \$43.2m, mainly associated with the Old Road fisheries complex, road development and other infrastructure development projects including upgrading and developing sporting facilities. Capital grants declined by 19.2 per cent to \$8.7m, as the main grant funded projects – the Old Road fisheries complex and the Warner Park cricket stadium – were completed during the period under review.

On a disaggregated level, preliminary estimates indicate that the central government realised an overall fiscal surplus of \$1.8m, in contrast to a deficit of \$14.5m in the first half of 2006. This performance resulted from a five-fold increase in the current account surplus and a 25.7 per cent reduction in capital expenditure as major CWC related projects were completed in the first quarter of 2007. Current revenue rose by 3.2 per cent on account of increased collections from taxes on income and profits, and taxes on international trade and transactions. Current expenditure decreased by 0.9 per cent, as transfers to statutory bodies fell.

The fiscal operations of the Nevis Island Administration (NIA) resulted in an overall deficit of \$11.9m compared with one of \$0.7m in the first half of 2006. The larger deficit resulted from a more than two-fold increase in capital expenditure, mainly the result of road development. The current account surplus rose by 17.6 per cent, reflecting strong growth in revenue, which was broad based. Receipts from taxes on income and

profits rose, reflecting increased collections of the Social Services Levy on account of greater compliance. Revenue from property taxes, and taxes on domestic goods and services also rose, partly influenced by a boom in the real estate market in Nevis. Growth in collections from taxes on international trade and transactions was attributed in part to an increase in the volume of imports. Non-tax revenue was above the level in the first half of 2006, associated with a strong performance of the financial services sector. Current expenditure grew by 10.5 per cent, resulting from increases in spending on personal emoluments, and goods and services, as well as in transfers to local institutions.

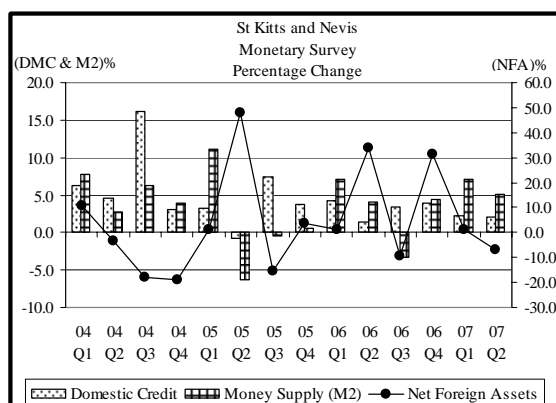
#### **Public Sector Debt**

The total outstanding debt of the public sector is estimated to have increased by 3.6 per cent to \$2,531.9m during the first half of 2007. The federal government's outstanding debt rose by 4.0 per cent to \$1,532.7m at the end of June 2007. This outturn reflected growth of 8.1 per cent in domestic debt, which was partly offset by a 2.3 per cent decline in external debt. The increase in domestic debt was attributed to additional borrowing from commercial banks, partly for infrastructure development. The stock of external debt fell, as principal repayments exceeded loan receipts from bilateral and multilateral creditors. The outstanding debt of statutory bodies is estimated to have risen by 2.9 per cent to \$999.2m, resulting from increases in both external and domestic debt.



## Money and Credit

Monetary liabilities (M2) increased by 12.5 per cent to \$1,460.0m during the first half of 2007, partly influenced by the expansion in the economy. Quasi money, which accounted for just over 86.0 per cent of M2, rose by 12.9 per cent, on account of increases in foreign currency deposits of private businesses and savings and time deposits of households. M1 grew by 10.1 per cent, resulting from an increase in private sector demand deposits, which was partly offset by a reduction in currency with the public.



Domestic credit expanded by 4.4 per cent to \$1,344.5m, attributable to increased lending to the federal government, private sector and non-bank financial institutions. The net indebtedness of the federal government to the banking system rose by 13.3 per cent, mainly as a result of additional borrowing from commercial banks by both the central government and the NIA. Commercial bank credit to the central government grew by 9.0 per cent, associated to a large extent with utilities upgrading. Credit to the NIA from commercial banks rose by 38.3 per cent, largely representing borrowing for road development. Outstanding

loans to the private sector grew by 5.6 per cent, reflecting increases in credit to households (6.4 per cent) and businesses (4.2 per cent). Net credit to the non-bank financial institutions from the commercial banking system rose by 1.1 per cent, resulting from faster growth in credit relative to the increase in deposits.

The distribution of commercial bank credit by economic activity shows that most of the increase in credit was channeled into public administration which rose by 15.2 per cent (\$53.4m) associated with infrastructure upgrading. Credit for personal use, mainly for home construction and renovation and other purposes, including education and health, increased by 8.1 per cent (\$50.1m). Outstanding loans for construction and land development rose by 12.2 per cent (\$17.4m), partly supporting the expansion in activity in that sector. Credit for manufacturing rose by 10.7 per cent (\$2.5m), largely for the upgrade of plant equipment, and that for tourism-related activity increased by 4.3 per cent (\$2.9m).

The net foreign assets of the banking system fell by 5.6 per cent to \$573.2m during the first half of 2007. The decline largely reflected a 12.6 per cent reduction to \$209.1m in St Kitts and Nevis' imputed share of the Central Bank's reserves. Commercial banks' net foreign assets also fell, by 1.1 per cent, as a result of a reduction in assets held with banks and other financial institutions in the other ECCB territories and an increase in liabilities to those institutions.

Liquidity in the commercial banking system rose during the period under review. The ratio of



liquid assets to total deposits plus liquid liabilities increased to 46.3 per cent at the end of June 2007 from 45.5 per cent at the end of December 2006, largely attributable to growth in balances due from banks outside the currency union. The loans and advances to deposits ratio declined by 2.1 percentage points to 83.0 per cent, reflecting faster growth in deposits relative to the increase in loans. Commercial banks' weighted average interest rate on credit fell by 0.03 percentage point to 9.36 per cent and that on deposits declined by 0.12 percentage point to 3.61 per cent. As a result, the weighted average interest rate spread between loans and deposits rose to 5.74 percentage points from 5.65 percentage points at the end of December 2006.

### **Prospects**

The St Kitts and Nevis' economy is projected to expand in 2007, based on the performance in the first half of the year and likely developments for the rest of 2007. Activity in the construction sector is likely to provide the main impetus for growth as work continues on developing roads, sporting facilities, tourist amenities and residential and commercial properties. Agricultural crop production is expected to increase in the remainder of the year on account of an expansion in acreage under cultivation and a higher level of domestic demand. In the manufacturing sector, output of beverages is expected to increase, partly based on

plant upgrades by some beverage producers. In the tourism industry, stay-over arrivals are likely to increase, particularly in the last quarter, on account of an expansion in the room stock and additional airlift from the US. However, the increase in arrivals is not likely to offset the decline in stay over arrivals experienced in the first half of the year.

The overall fiscal deficit of the federal government is projected to increase based on larger outlays on capital projects, particularly road development. The current account surplus is expected to widen, reflecting faster growth in revenue relative to an increase in expenditure. Current revenue is projected to expand, partly as a result of a likely increase in collections from taxes on property on account of market value assessments implemented in June 2007. Receipts from taxes on income and profits are also expected to increase, based on ongoing efforts to collect arrears.

The major downside risks to the projections include increases in international oil prices, a slowdown in the US economy and unfavourable weather. Rising oil prices could increase the cost of travel, further reducing visitor arrivals to St Kitts and Nevis, and contribute to higher domestic prices and an increase in government expenditure.



## SAINT LUCIA

### Overview

The economy of Saint Lucia expanded in the first six months of 2007 compared with the corresponding period of 2006, largely based on increased activity in construction, agriculture and manufacturing. In the tourism industry performance was mixed, as cruise ship passenger arrivals rose, while the number of stay-over visitors fell. Consumer prices rose by 1.6 per cent, on an end of period basis. The merchandise trade deficit is estimated to have widened on account of an increase in import payments. The overall deficit of the central government is estimated to have narrowed associated with improvements in the current and capital accounts. Monetary liabilities and domestic credit increased, and liquidity in the commercial banking system tightened. The interest rate spread between loans and deposits narrowed.

In the second half of 2007 some slowdown in economic activity is likely, partly on account of damage to agricultural crops, particularly banana, by hurricane Dean in August. Economic activity will be driven by developments in construction and manufacturing. In the tourism industry, cruise ship passenger arrivals are likely to exceed the total in the second half of 2006, while the downward trend in stay-over arrivals observed in the first half of the year is likely to continue. The merchandise trade deficit is expected to widen, based on larger import payments associated with the expansion in economic activity, and a decline in banana export receipts. Major downside risks to

the projections include a slowing US economy, high and volatile petroleum prices and unfavourable weather.

### Output

The expansion in construction activity in the first six months of 2007 was influenced by developments in both the private and public sectors. Activity in the private sector involved constructing hotels, villas, a golf course and an entertainment complex in the city. Residential construction also increased, evidenced in part by an 18.6 per cent expansion in commercial bank credit for home construction and renovation. In the public sector, work continued on major highways in the north and the east coast of the island and a secondary school which neared completion.

Output in the agricultural sector continued to recover in the first half of 2007, as performance in the banana industry strengthened. Banana production increased by 34.8 per cent to 20,516 tonnes, substantially above the 1.5 per cent rate of growth recorded in the corresponding period of 2006. This development reflected a combination of factors including favourable export prices for bananas sold under the Fair Trade label, improved weather and the success of efforts to contain the spread of leaf spot disease. Complete data on non-banana agricultural production were unavailable.

In the tourism industry, cruise ship activity rebounded in the period under review. The





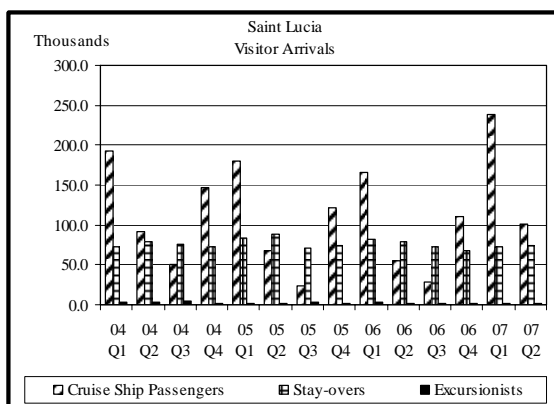
number of cruise passengers rose by 53.5 per cent to 339,925, in contrast to a 10.6 per cent decline in the first half of 2006. This upturn was associated with the return of a major cruise line. The downward trend in stay-over arrivals continued. The number of stay-over visitors fell by 7.9 per cent to 147,821, at a rate above that of 6.5 per cent in the first half of 2006. The decline reflected, in part, the impact of the US passport requirement, reduced airlift for intra-regional travel and higher regional airfares. Stay-over arrivals from the Caribbean, particularly from the French West Indies, fell by 28.6 per cent, and those from the US declined by 7.9 per cent. Of the other markets, arrivals from Canada fell marginally, while the number from the UK rose by 4.6 per cent partly on account of intensified tourism promotion. Despite the decline in stay-over arrivals, hotel occupancy rates remained relatively unchanged, averaging 69.4 per cent in the first six months of 2007 compared with 69.3 per cent in the corresponding period of 2006. This outcome is partly attributed to the increase in UK visitors who normally stay longer compared with Caribbean visitors who tend to have shorter stays or stay in private homes with friends or relatives.

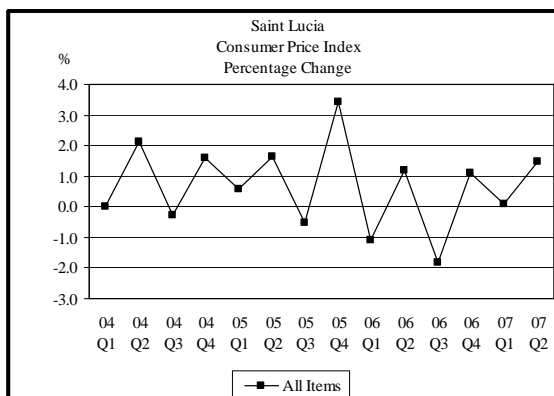
Of the other categories of visitors, the number of excursionists fell by 22.8 per cent, while visitors by yacht increased marginally. With the strong growth in cruise ship passenger arrivals, total visitor arrivals rose by 26.1 per cent to 506,379, in contrast to an 8.3 per cent decline in the first half of 2006.

Data on manufacturing output indicate an expansion in the first six months of 2007 compared with the corresponding period of 2006. Increases were recorded in the production of paperboard (15.0 per cent) and boxes (0.7 per cent), partly associated with the expansion in activity in the banana industry. Output of domestic appliances and electrical products also rose, by 6.0 per cent, while the production of alcoholic beverages fell by 16.3 per cent, reflecting a decline in output of bulk rum as a result of fire damage to a major distillery earlier in the year.

**Prices**

Consumer prices rose by 1.6 per cent during the first six months of 2007. The food sub-index, which has the largest weight in the goods and services basket, increased by 3.1 per cent attributable to higher prices for fruits, coffee and cocoa and oils and fats. Price increases were also recorded for the housing sub-index (0.1 per cent), which also has a large weight, and for alcoholic beverages and tobacco (3.3 per cent), and fuel and light (0.6 per cent). In contrast prices for medical care and health fell by 1.2 per cent, reflecting lower costs for medical products.





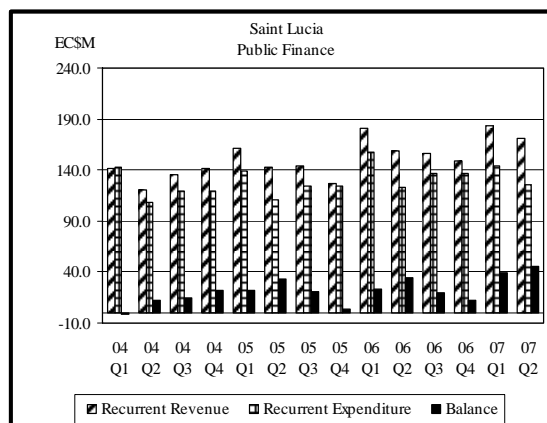
**Trade and Payments**

A merchandise trade deficit of \$733.0m was estimated for the first six months of 2007 compared with one of \$648.2m for the corresponding period of 2006. The larger deficit reflected a 12.9 per cent increase in import payments, partly associated with the expansion in the economy. Receipts from domestic exports were estimated to have increased by 30.7 per cent, primarily influenced by growth in banana export earnings, reflecting a larger volume exported and favourable exchange rate movements and prices under the Fair Trade label.

Gross travel inflows rose by 0.1 per cent to \$423.6m, associated primarily with the performance of the cruise industry, as the number of stay-over visitors fell. The activities of commercial banks resulted in a net inflow of \$210.3m in short-term capital, in contrast to a net outflow of \$13.6m in the first half of 2006. Net external loan disbursements to the central government amounted to \$5.7m compared with \$60.4m in the corresponding period of 2006. Gross inflows of capital grants for the central government more than doubled to \$7.8m.

**Central Government Fiscal Operations**

The central government incurred an overall fiscal deficit estimated at \$21.5m in the first six months of 2007, compared with one of \$75.6m in the corresponding period of 2006. The smaller deficit was the result of an increase in current savings and a reduction in capital expenditure. The primary balance shifted to a surplus of \$25.0m from a deficit of \$36.1m in the first six months of 2006.



A current account surplus of \$85.1m was realised, well above that of \$58.4m recorded in the first six months of 2006, attributable to an increase in revenue and a reduction in expenditure. Current revenue grew by 4.4 per cent to \$354.6m, fuelled by a 10.0 per cent increase in tax revenue, as non-tax receipts fell. Revenue from taxes on income and profits rose by 17.9 per cent, reflecting larger receipts from withholding taxes and corporation taxes partly associated with the collection of arrears. Receipts from taxes on international trade and transactions rose by 7.8 per cent, largely influenced by an increase in collections from service tax and import duties, in line with growth in the value of imports.



Current expenditure fell by 4.1 per cent to \$269.5m, largely influenced by a 7.4 per cent reduction in outlays on personal emoluments. This outturn contrasts with the performance in the first half of 2006 when expenditure on personal emoluments rose by 19.7 per cent, associated with retro-active salary payments. Expenditure on goods and services also declined, by 12.1 per cent, reflecting a decrease in rental payments. Interest payments rose by 17.9 per cent, on account of a increases in both domestic and external payments.

In the capital account, grant receipts more than doubled to \$7.8m. Capital expenditure fell by 17.1 per cent to \$114.4m as some major projects, particularly CWC related, were completed or neared completion.

**Public Sector Debt**

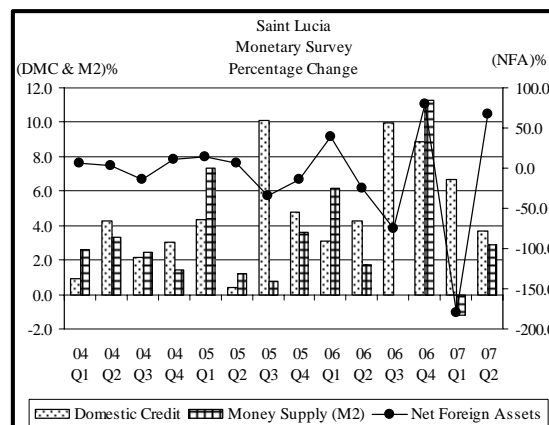
Total disbursed outstanding debt of the public sector is estimated to have risen by 3.6 per cent to \$1,820.3m during the first six months of 2007. The increase was attributed to a 4.5 per cent rise in central government’s borrowings, largely from domestic sources in order to finance the capital expenditure programme. The outstanding debt of the statutory bodies fell by 0.6 per cent to \$310.4m.

**Money and Credit**

Broad money (M2) expanded by 1.7 per cent to \$2,090.2m during the first six months of 2007, compared with an increase of 8.0 per cent during the corresponding period of 2006. Growth in M2 was mainly on account of a 6.3 per cent increase in

narrow money, reflecting an expansion in private sector demand deposits. Quasi money, the other component of M2, fell marginally to \$1,494.3m, associated with a decline in foreign currency deposits as both savings and time deposits increased.

The counterpart to the increase in M2 was growth of 10.6 per cent to \$2,522.9m in domestic credit. The expansion in credit was influenced in part by an increase in outstanding loans to the private sector, both businesses (14.6 per cent) and households (4.7 per cent). The central government’s indebtedness to the banking system also rose, by 23.7 per cent, mainly for financing capital projects, while its deposits increased by 0.8 per cent. Consequently, the central government moved to a net credit position of \$34.1m at the end of June 2007 from a net deposits position of \$32.0m at the end of 2006. The net deposits of the non-financial public enterprises rose by 12.9 per cent, reflecting an 8.7 per cent increase in deposits.



An analysis of credit by economic activity shows that a large proportion of the increase in credit was directed to utilities and public administration, associated with investments in



infrastructure upgrading and development. Substantial increases were also recorded in credit for tourism (12.2 per cent), partly reflecting the expansion in tourism-related construction projects. Outstanding loans for personal use rose by 3.9 per cent, on account of increased lending for the purchase of house and land, as well as consumer durables.

At the end of June 2007 the banking system was in a net foreign liabilities position of \$30.4m, in contrast to net foreign assets of \$117.6m at the end of December 2006. This development was mainly attributed to developments in the commercial banking sector. The net foreign liabilities of commercial banks rose by 87.9 per cent, reflecting a fall in assets and an increase in liabilities as banks drew down on their assets and borrowed from abroad to meet the increased demand for credit. Saint Lucia's imputed share of the reserves of the central bank increased by 17.5 per cent to \$419.2m.

Liquidity in the commercial banking system tightened during the first six months of 2007. This assessment is based on a 2.0 percentage point fall to 23.4 per cent in the ratio of liquid assets to total deposits plus liquid liabilities. The tightening in liquidity was also reflected in a 5.5 percentage point increase to 99.1 per cent in the loans and advances to total deposits ratio.

The weighted average deposit interest rate increased by 0.07 percentage point to 3.05 per cent while the weighted average interest rate on lending declined by 0.05 percentage point to 10.05 per cent. As a result, the weighted average interest

rate spread narrowed by 0.29 percentage point to 7.00 percentage points at the end of June 2007.

### Prospects

Economic growth is projected in 2007, albeit at a reduced rate compared with the performance in 2006. The expansion will be led mainly by construction, but the pace of activity in that sector is likely to slow as some major projects associated with CWC 2007 were completed in the first half of 2007. Major ongoing projects during the second half of 2007 include hotels, villas and commercial buildings. Agricultural production is likely to contract in 2007, as the strong growth in banana output recorded in the first half of the year is likely to be more than offset by a decline in the second half on account of hurricane damage to banana plants. In the tourism industry, the increasing trend in cruise ship passenger arrivals is likely to continue in the second half of 2007. However, stay-over visitor arrivals, particularly from the Caribbean, are likely to contract, based on reduced intra-regional airlift and high airfares.

The merchandise trade deficit is expected to widen, based on larger import payments associated with the expansion in the economy, and a likely contraction in export receipts from agricultural crops, particularly banana.

The overall deficit of the central government is projected to narrow in 2007. A fall in capital expenditure is expected as some major projects are completed, while current revenue is projected to increase based on the expansion in economic



activity. The deficit is expected to be financed partly through the issuance of instruments on the Regional Government Securities Market (RGSM) and by borrowing from the domestic banking system.

in the sub prime mortgage market, and high and volatile oil prices. Unfavourable weather, mainly hurricane, also poses risks to the agricultural sector, particularly the banana industry.

Downside risks to the projections include slower growth in the US associated with defaults



## ST VINCENT AND THE GRENADINES

### Overview

The economy of St Vincent and the Grenadines is estimated to have expanded in the first half of 2007 relative to the outcome in the comparable period of 2006. This outcome was largely driven by developments in the construction sector and the tourism industry. The consumer price index rose by 4.3 per cent, on an end of period basis. In the external sector, the merchandise trade deficit widened on account of an increase in import payments. The central government's fiscal operations resulted in a narrowing of the overall deficit. The total disbursed outstanding debt of the public sector fell marginally during the period under review. Monetary liabilities and domestic credit increased, while commercial bank liquidity remained at a high level. The spread between commercial bank weighted average interest rate on deposits and loans narrowed.

Economic activity is projected to expand in the second half of 2007, based on ongoing and expected developments in the construction sector and the tourism industry. Downside risks to these projections include rising international oil prices and the attendant impact on inflation, unfavourable weather and a slowdown in economic activity in the United States - a major trading partner.

### Output

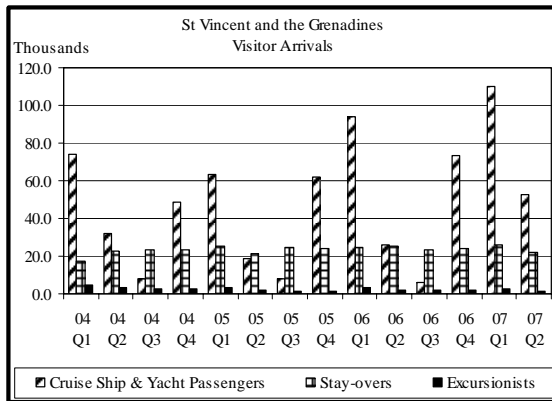
The expansion in construction activity in the first half of 2007 was fuelled by developments in

both the public and private sectors. Activity in the public sector focused on road rehabilitation and construction, airport re-development, constructing and upgrading school facilities, learning resource centres, and low-income housing. In the private sector, work intensified on constructing hotel resorts and private homes. This assessment was supported in part by a 17.3 per cent expansion in commercial bank lending for home construction and renovation, compared with an increase of 1.5 per cent in the corresponding period of 2006.

In the tourism industry, visitor arrivals increased by 22.3 per cent to 214,798 in the first half of 2007, in comparison with the corresponding period of 2006. This outturn was attributed in part to growth in cruise ship activity, as cruise ship passenger arrivals rose by 55.4 per cent to 98,405. Growth in cruise passenger arrivals was on account of an increase in the number of cruise ship calls, particularly calls by larger size vessels. Stay-over arrivals fell by 4.2 per cent to 48,001, mainly reflecting declines in the number of visitors from the Caribbean (23.9 per cent) and the United States (2.1 per cent) - the two major markets. The increased cost of regional air travel and a reduction in airlift contributed in part to the decline in Caribbean arrivals, while more stringent travel requirements and increased competition from the cruise industry may have led to the reduction in arrivals from the US. By contrast, arrivals from the United Kingdom rose by 23.2 per cent, partly attributable to the hosting of Cricket World Cup (CWC) 2007 warm-up matches and favourable exchange rate movements. Of the



other categories of visitors, the number of yacht passengers rose by 13.0 per cent (7,417), while the number of excursionists fell by 23.0 per cent (1,218). Growth in the number of yacht passengers reflected in part the impact of anti-crime and harassment measures.



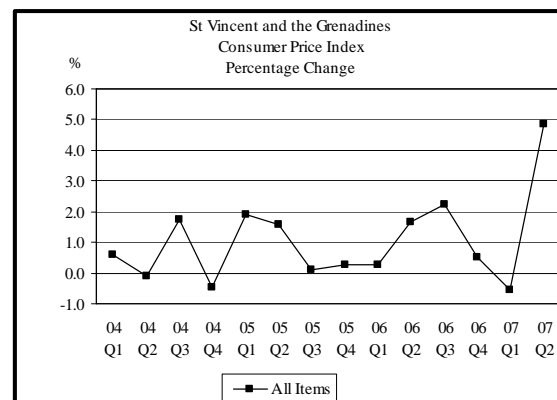
Output in the agricultural sector expanded marginally, primarily attributable to an increase in banana production. Banana output rose by 0.7 per cent to 9,048 tonnes in the first half of 2007, in contrast to a decline of 0.9 per cent in the corresponding period of 2006. Higher prices offered under the Fair Trade label and an increase in the number of banana farmers, contributed to the expansion in production.

Performance in the manufacturing sector deteriorated, reflecting declines in the production of some major commodities. In particular, beer production fell by 21.4 per cent due to reductions in domestic and external demand. Declines were also recorded in output of rice (9.3 per cent) and flour (4.2 per cent), mainly on account of increases in input prices and transportation costs. Output of animal feeds rose by 14.5 per cent, as a result of an increase in local and regional demand. PVC pipe

production increased by 26.2 per cent, mainly as a result of the expansion in construction activity.

**Prices**

The consumer price index rose by 4.3 per cent during the first half of 2007, mainly influenced by a 2.1 per cent increase in the food sub-index - the largest weighted. Prices in the food sub-index, rose on account of increases in the prices of fresh fruit and vegetables. Higher raw material costs contributed to an 18.3 per cent increase in the clothing and footwear sub-index. Increases in the fuel and light sub-index (7.4 per cent) and transport and communication sub-index (4.7 per cent) were attributed in part to a rise in international oil prices, which resulted in higher costs of petroleum based products and electricity generation.



**Trade and Payments**

A merchandise trade deficit of \$347.9m is estimated, compared with one of \$297.8m in the corresponding period of 2006. The widening of the deficit was attributed to a 21.4 per cent increase to \$422.1m in import payments, reflecting



growth in imports of machinery and transport equipment associated with the expansion in construction. Import payments for mineral fuels, lubricants and other materials also rose, mainly on account of higher international oil prices. The value of exports rose by 48.8 per cent to \$74.3m, largely associated with a three-fold increase in the value of re-exports. This outturn was mainly associated with the expansion in the re-export of machinery and transport equipment after the hosting of CWC 2007 warm up matches. Domestic export earnings increased by 9.6 per cent to \$49.7m, on account of larger receipts for exports of animal feed and banana. The rise in animal feed exports can be attributed to growth in regional demand, while the increase in banana receipts was consistent with the expansion in export volume and higher prices under the Fair Trade label.

Gross inflows from travel rose by 11.5 per cent to \$191.8m, reflecting the increase in visitor arrivals. The external transactions of commercial banks resulted in a net outflow of \$61.0m in short-term capital compared with one of \$9.2m during the corresponding period of 2006. External disbursements to the central government amounted to \$30.8m, compared with \$9.3m during the first half of 2006, while amortisation rose by 2.1 per cent to \$18.9m.

### Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall deficit of \$13.9m in the first half of 2007, compared with one of \$19.5m in the corresponding period of

2006. The reduction in the deficit was mainly attributed to improvements in the current account. A primary surplus of \$9.1m was realised, up from one of \$4.9m in the first half of 2006.

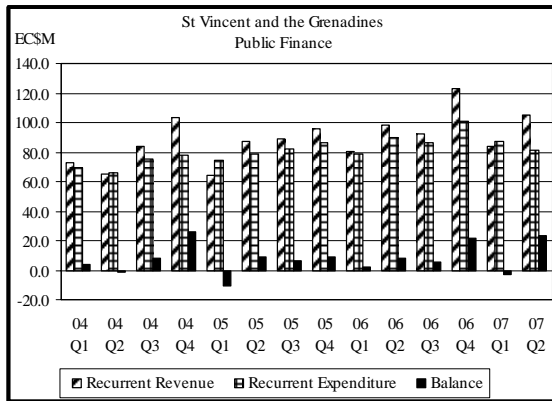
The current account surplus totalled \$20.2m, well above that of \$10.3m recorded in the first half of 2006, as growth in revenue outpaced that in expenditure. Current revenue rose by 5.9 per cent to \$188.9m in the first half of 2007, on account of larger receipts from taxes on domestic goods and services. On 01 May 2007, the consumption tax was replaced by a value added tax (VAT). The yield from taxes on domestic goods and services rose by 40.9 per cent (\$18.2m), mainly attributable to an increase in receipts from the value added tax (\$16.5m) and excise duties (\$1.7m). Receipts from taxes on international trade and transactions fell by 5.7 per cent to \$66.70m, largely associated with a decline in collections from the consumption tax (23.6 per cent). Revenue from taxes on income and profits fell by 11.9 per cent (\$5.6m), mainly attributable to a fall in corporate tax receipts. This outturn contrasts with the performance in the corresponding period of 2006 when receipts increased markedly, as a result of the collection of arrears. Revenue from non-tax sources rose by 11.9 per cent.

Current expenditure increased by 0.3 per cent to \$168.7m, attributable in part to growth in outlays on personal emoluments. Expenditure on personal emoluments rose by 2.0 per cent (\$1.7m), largely reflecting retroactive payments associated with increases to some categories of public sector workers, effective January 2006. Capital expenditure rose by 26.9 per cent to \$43.5m,





largely representing outlays on infrastructure development projects.



**Public Sector Debt**

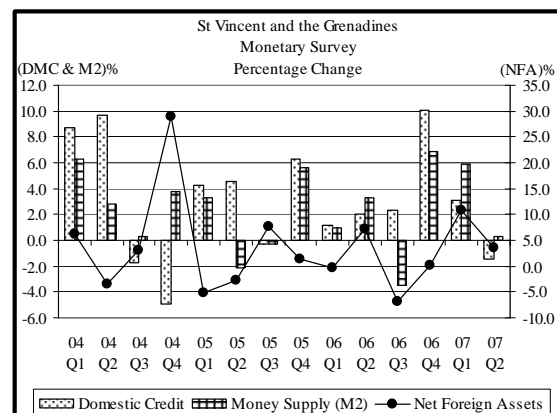
Preliminary data indicate that the disbursed outstanding debt of the public sector totalled \$1,043.3m at the end of June 2007, a decline of 1.1 per cent on the amount recorded at the end of December 2006. Decreases were recorded in the outstanding debt of both the central government and the public corporations. The disbursed outstanding debt of the central government, which accounted for 84.6 per cent of total public sector debt, fell by 1.0 per cent to \$883.1m. This outcome was attributed to a 9.2 per cent decrease in domestic debt, as external debt rose by 3.1 per cent.

**Money and Credit**

Monetary liabilities (M2) increased by 6.3 per cent to \$998.7m during the first half of 2007, partly influenced by growth in economic activity. The expansion in M2 largely reflected increases of 7.2 per cent and 5.7 per cent in narrow money (M1) and quasi-money respectively. Growth in

M1 resulted from a 9.3 per cent increase in private sector demand deposits. Of the components of quasi-money, increases were recorded in private sector foreign currency deposits (33.9 per cent) and private sector savings deposits (6.1 per cent). The strong growth in foreign currency deposits was attributed in part to inflows of direct investment for tourism-related development activity.

Domestic credit rose by 1.6 per cent to \$772.2m, mainly attributable to increased borrowing by the private sector. Credit to the private sector rose by 9.5 per cent, marked by increases in outstanding loans to businesses (20.1 per cent) and households (3.7 per cent), indicative of the expansion in economic activity. The net deposits of the non-financial public enterprises increased by 2.3 per cent, attributable to a decline in credit. The net indebtedness of the central government to the banking system fell by 54.8 per cent, on account of a decrease in commercial banks' holdings of treasury bills and debentures.



The composition of credit by economic activity shows increases in outstanding loans for construction (17.2 per cent) and tourism



(15.4 per cent), consistent with the higher level of activity. Credit for manufacturing increased by 10.9 per cent and outstanding loans for personal use rose by 2.8 per cent, reflecting growth in credit for home construction and renovation and for the purchase of durable consumer goods.

Growth of 14.6 per cent to \$490.9m in net foreign assets was the main counterpart to the increase in monetary liabilities. The increase largely reflected a 28.0 per cent expansion in the net foreign assets of commercial banks, mainly indicative of growth in assets held with banks and other institutions outside the currency union. St Vincent and the Grenadines' imputed share of the Central Bank's reserves was \$212.0m at the end of June 2007, representing a 0.7 per cent increase over the level at the end of December 2006.

Liquidity in the commercial banking system remained at a high level during the first half of 2007. The ratio of liquid assets to total deposits plus liquid liabilities rose by 3.7 percentage points to 46.8 per cent. The loans and advances to total deposits ratio increased by 0.3 percentage point to 78.8 per cent.

Commercial banks' weighted average interest rate on deposits stood at 2.70 per cent at the end of June 2007, a decline of 0.05 percentage point from the rate at the end of December 2006. The weighted average interest rate on loans declined by 0.51 percentage point to 9.39 per cent. Consequently, the spread between the two rates fell to 6.69 percentage points from 7.15 percentage points at the end of 2006.

## Prospects

Growth in economic activity is projected for 2007, based on developments in the first half of the year and the outlook for the rest of 2007. The primary driver of growth is expected to be the construction sector, supported by the tourism industry. In the construction sector, activity will focus on repairing and developing roads, airport re-development, school rehabilitation and construction and low-income housing. Work is expected to intensify on a library complex, a national diagnostic centre and a fish-landing complex at Owia. The start of construction of an international airport at Argyle in the second half of 2007 is also expected to contribute to growth in economic activity. In the private sector, activity will focus on constructing and renovating hotel resorts and private homes.

Activity in the tourism industry is projected to expand, based on an increase in cruise passengers and yacht visitor arrivals. Renewed promotional and branding efforts are likely to contribute to growth in visitor arrivals. In the manufacturing sector, output of construction-related materials and animal feeds is expected to expand based on an increase in demand. Prospects for the agricultural sector, particularly the banana crop, are contingent upon the successful containment of Moko disease.

On the central government's fiscal accounts, the current account surplus is projected to increase, as revenue expands on account of the expansion in economic activity and the implementation of the VAT. Capital expenditure is likely to increase, as a number of public sector projects intensify.



The merchandise trade deficit is projected to widen, based on larger import payments associated with the expansion in economic activity and increases in international oil prices. Domestic export earnings will be largely contingent on developments in the banana industry. Receipts from animal feeds and construction-related materials are projected to expand, based on an increase in demand. Gross travel receipts are likely to rise as visitor arrivals are projected to increase.

Monetary liabilities are projected to expand, consistent with the increase in economic activity. Growth in net foreign assets is also likely, based on grant and foreign direct investment inflows.

Major risks to the prospects for St Vincent and the Grenadines include an increase in international oil prices, a slowdown in economic activity in the US and unfavourable weather.



## INTERNATIONAL ECONOMIC DEVELOPMENTS

### Output

Preliminary estimates show that the global economic expansion continued at a brisk pace during the first half of 2007, albeit at a slower rate compared with the corresponding period of 2006. Real output was buoyed by continued robustness in the south-east Asian economies of China and India and sustained expansions in Russia and the Middle-East.

In North America, the US economy rebounded in the second quarter of 2007 growing by a 3.8 per cent annualised rate compared with 0.6 per cent in the first quarter of 2007. The performance in the second quarter reflected the positive impact of net exports associated with exchange rate competitiveness and a boost in business investment occasioned by strong corporate profits. The Canadian economy exhibited fairly robust growth in the first half of 2007. The economy grew at an estimated annualised rate of 2.8 per cent in the second quarter of 2007 after an initial increase of 3.7 per cent in the preceding quarter. The main economic driver in Canada was strong domestic demand, as the net worth of Canadians continued to rise, partly reflecting strength in Canada's terms of trade fuelled by rising commodity prices.

In the UK, preliminary data indicate a 0.8 per cent increase in output in the second quarter, marginally above the first quarter performance. Growth in the Euro area was estimated to have slowed during the second quarter to 0.3 per cent,

from the 0.8 per cent expansion recorded during the first quarter of 2007. Developments in the Euro zone were largely influenced by Germany, with growth led by exports and supported by an increase in domestic demand.

In Japan, value added was estimated at close to 2.0 per cent in the second quarter similar to the rate in the first quarter. However, there were notable decelerations in business investment and export growth along with subdued consumer expenditure. The Chinese economy expanded rapidly in the first half of the year. Growth was estimated at 11.9 per cent in the second quarter of 2007, fuelled by expanded investment activity and rising exports especially to the US. Attempts by the authorities to cool the economic expansion through higher interest rates, credit allocation controls and increases in banks' reserve requirements have been largely unsuccessful.

### Developments in Oil and Consumer Prices

#### Oil Prices

Petroleum prices continued to escalate in the period under review, spurred on by a number of global factors including supply pressures caused by elevated global demand, limited refining capacity and geopolitical tensions in the Middle-East and Nigeria. After declining to a low of US\$50.48 per barrel on 18 January 2007, the price of petroleum steadily rose to a four month high of US \$70.68 per barrel on 29 June 2007, partly attributable to an increase in global demand and concerns over the supply of gasoline and crude oil



for the summer driving season and. The fall in petroleum prices in the beginning of 2007 was influenced by a surge in oil and fuel supplies, as a result of an unexpected increase in oil inventories at the US strategic petroleum reserve. Despite the increase, the average price of oil was \$61.68 per barrel in the first half of 2007, which was below the average of \$70.17 per barrel in the corresponding period of 2006.

### **Consumer Prices**

Consumer prices continued to face upward pressure, associated with increases in the price of energy and other commodities. In the US overall consumer prices rose by a 5.2 per cent annual rate during the second quarter compared with 4.7 per cent during the previous quarter. Core inflation rates (which exclude the volatile components of fuel and food) increased by 2.3 per cent at an annualised rate for the first and second quarters of 2007. UK inflation rates remained above the targeted 2.0 per cent rate during the first half of 2007, prompting a series of interest rate hikes by the Bank of England. In the Euro zone inflation moderated slightly below 2.0 per cent upper limit target range set by the European Central Bank. The rate of inflation in Japan remained low as the general CPI declined by 0.2 per cent in June on an annual basis. Inflationary pressures in China quickened during the second quarter, rising at an annual rate of 4.0 per cent.

### **Monetary Policy Developments**

During the period under review monetary policy was for the most part accommodative. After consecutive interest rate hikes from July

2004 to July 2006, the US Federal Reserve bank left the Fed funds rate unchanged at 5.25 per cent in June 2007. In the UK, the Bank of England left interest rates unchanged at 5.5 per cent in June after an increase to 5.5 per cent the previous month. In June the European Central Bank raised interest rates to 4.0 per cent on concerns of price stability. The Bank of Japan left interest rates unadjusted at 0.5 per cent in June as the Japanese economy continued to experience low inflation, associated with weak domestic demand.

### **Outlook**

The prospects for the global economy for 2007 are encouraging with growth in output projected at 5.2 per cent, marginally below the 5.5 per cent rate of expansion recorded in 2006. Global economic growth will hinge largely on strong economic performances of the south-east Asian countries of China (11.2 per cent) and India (9.0 per cent), and to a lesser extent Russia and Middle-eastern countries. The outlook for the European Union is largely positive, although some slowdown is anticipated primarily associated with the appreciating euro and its attendant impact on the export sector. The European Central Bank is likely to raise interest rates to contain inflationary pressures. In the UK the expansion is also expected to slow, as the appreciation of the pound will render UK exports less price competitive. In addition, successive interest rate increases by the Bank of England to stem inflationary pressures, is likely to gradually diffuse demand in the housing sector and subsequently consumer demand. The US, for the first time, will not lead major industrialised countries in GDP growth since 2003



as the increase in value added will likely decelerate during the second half of the year to a rate of 2.0 per cent for 2007. Major downside risks to the projections include the potential for

restrained global economic output as a result of the international 'credit crunch' and high and volatile oil prices.



## REGIONAL ECONOMIC DEVELOPMENTS

### Output

Data available for four of the non-ECCB member countries of the Caribbean Community (CARICOM) – the Bahamas, Barbados, Jamaica and Trinidad and Tobago – indicate that their economies grew in the first six months of 2007 compared with the corresponding period in 2006. In the Bahamas, growth in the economy was largely underpinned by residential and tourism investments. Real GDP growth was robust in Barbados, at 4.4 per cent driven by an increase in tourism output primarily associated with the hosting of some of the Cricket World Cup (CWC) 2007 matches in the second quarter. Growth in tourism activity was also supported by a strong increase in the number of cruise ship passengers, in contrast to a 20.0 per cent decrease in the first half of 2006. The rebound in passenger arrivals was attributed to an increase in the number of cruise calls as well as longer itineraries. The hosting of the CWC matches also contributed to an expansion in activity in the wholesale and retail, utilities and transportation as well as the communication sectors. Construction activity, which led the increase in economic developments in the past two years, moderated as some of the large projects were completed for the hosting of CWC 2007. In Jamaica, real GDP growth is, estimated to have slowed in the first half of 2007 relative to the comparable period of 2006, largely as a result of a downturn in the tourism and mining industries. The economic expansion was led by activity in construction and installation,

distributive trade and transport, storage and communication, supported by increased credit to those sectors. Real GDP growth in Trinidad and Tobago, is estimated at 5.8 per cent in the first quarter of 2007 (the latest period for which data are available), driven by a strong performance in the non-energy sector. Within the non-energy sector, the strongest growth was recorded in the construction sector. Activity in that sector rose by 14.2 per cent, attributable in part to public sector rehabilitation work on roads and bridges, and a waterfront project. Activity in the agricultural sector declined, reflecting a fall in sugar and citrus production due in part to adverse weather.

### Prices

Consumer prices in the Bahamas rose to 2.4 per cent on an annual point-to-point basis at the end of June 2007 from 1.6 per cent at the end of June 2006, reflecting higher prices for food and beverages as well as recreation entertainment and services. In Barbados the moving average rate of inflation fell by 0.8 percentage point to 6.2 per cent at the end of April 2007, attributable to the pass-through effects of declines in international oil prices. Annual point-to-point inflation in Jamaica was 5.6 per cent at the end of June 2007, associated in part with higher imported international commodity prices. In Trinidad and Tobago, inflation (on an annual basis) decelerated to 7.9 per cent at the end of May 2007, as the rate of increase in food prices, the largest contributor to inflation, slowed.



## Employment

Indications are that the increase in economic activity in the period under review had a positive impact on the average level of unemployment. In Barbados, the average level of unemployment fell by 0.3 percentage point to 7.8 per cent in the first three months of 2007 (the latest period for which data are available). The unemployment rate in Jamaica was 9.5 per cent at the end of April 2007 (the latest period for which data was available), below the 10.7 per cent at the end of June 2006. In Trinidad and Tobago, the unemployment rate was 6.5 per cent during the first three months of 2007 compared with 6.8 per cent in the corresponding period of 2006.

## Central Government Fiscal Operations

The central government of Barbados incurred an overall deficit of BDS\$101.7m in the first six months of 2007, in contrast to a surplus of BDS\$3.9m in the corresponding period of 2006. This outturn was attributed to a strong expansion in expenditure relative to the increase in revenue. In Trinidad and Tobago, the central government's operations resulted in an overall surplus of TT\$1,621.6m in the first half of the fiscal year 2006/07 (which is October 2006 to end March 2007) less than half the surplus of TT\$3,308.7m recorded in the corresponding period of the previous fiscal year. The lower surplus was associated with a decline in revenue collections attributable to administrative delays in the processing of payments.

## External Sector Developments

In the Bahamas private sector credit expansion slowed, contributing to a decrease in import payments, while tourism-sector investment inflows were reported to have increased. As a result, the overall deficit of the balance of payments in the Bahamas declined in the first half of 2007. In Barbados, the current account deficit fell from BDS\$210.4m to roughly BDS\$149.0m in the first six months of 2007, largely attributable to an increase in gross inflows from travel. In Trinidad and Tobago, preliminary data indicate an overall balance of payments surplus of TT\$341.3m in the first quarter of 2007.

## Monetary and Credit Developments

In the Bahamas an improvement in liquidity conditions, an increase in external reserves and slower growth in domestic credit characterised monetary and credit developments. In addition, domestic foreign currency credit fell, while Bahamian dollar deposits rose, mirroring an accumulation in savings and fixed balances. In Barbados, domestic deposits rose, due in part to an increase in foreign capital inflows. The central government's injection of funds into the commercial banking system, by reducing its deposits at the central bank, also contributed to an expansion in domestic deposits. Credit to the personal sector, central government and statutory bodies declined largely as a result of a restrictive policy stance taken by the monetary authorities in 2006. Consequently, liquidity in the banking





system eased in response to faster deposit growth relative to the increase in credit. In Jamaica developments in the international arena, particularly with respect to commodity prices and interest rates, contributed to a decline in net private capital inflows, which led to foreign exchange instability. In response, the Bank of Jamaica sold foreign currency to the market as a means of restoring stability. The Bank, as part of its open market operations, offered a two-year variable rate certificate of deposit to mop up excess liquidity in the system. In Trinidad and Tobago, the Central Bank kept a tight monetary policy stance in the first five months of 2007, marked by an increase in open market operations through the issuance of two bonds, so as to absorb excess liquidity. The tight monetary policy stance was also evidenced by an increase in interest rates. The 'Repo' rate was unchanged at 8.0 per cent during the period January to May 2007. The three month and six month treasury bill rate rose to 6.83 per cent and 7.05 per cent respectively, from 6.74 per cent and 6.78 per cent at the end of December 2006.

## **Outlook**

The economic prospects for the Bahamas for the rest of 2007 are positive. Growth in the economy is expected to be sustained by residential and tourism investments and strong consumer demand. In Barbados, the economy is projected to grow by roughly 4.0 per cent in 2007, based on strong growth in the non-traded sectors, including construction activity, transportation and storage and communication services. Based on the rebound in tourism activity in the first half of 2007 and the prospects for the latter half, tourist arrivals are projected to increase, thereby spurring activity in the traded sector. As a result of strong economic performance, unemployment is expected to remain low, liquidity is projected to increase and the fiscal deficit is likely to widen. In Jamaica real GDP is projected to increase, led by a higher level of activity in mining and quarrying and construction and installation. In Trinidad and Tobago economic growth is projected at roughly 6.0 per cent in 2007, based on developments in the energy sector and sustained activity in the construction sector.



## 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 Tourism Statistics

	2006 <sup>R</sup> 2 <sup>nd</sup> Qr	2006 <sup>R</sup> 3 <sup>rd</sup> Qr	2006 <sup>R</sup> 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 <sup>P</sup> 2 <sup>nd</sup> Qr	2006 <sup>R</sup> Jan - Jun	2007 <sup>P</sup> Jan - Jun
Total Visitors	626,186	387,488	904,737	1,342,394	693,411	1,915,288	2,035,805
Stay-Over Visitors	276,417	251,003	253,401	295,573	265,925	574,693	561,498
Of which:							
USA	107,928	80,185	87,624	114,685	103,339	227,686	218,024
Canada	9,506	7,753	13,461	21,689	9,180	32,019	30,869
UK	53,287	46,605	59,864	72,467	59,650	120,078	132,117
Caribbean	81,918	93,998	67,047	54,500	65,782	142,834	120,282
Other Countries	23,778	22,462	25,405	32,232	27,974	52,076	60,206
Excursionists <sup>1</sup>	31,516	26,671	27,089	36,899	32,065	68,159	68,964
Cruise Ship Passengers <sup>2</sup>	287,963	97,661	583,400	949,114	349,137	1,170,126	1,298,251
Yacht Passengers <sup>4</sup>	30,290	12,153	40,847	60,808	46,284	102,310	107,092
Number of Cruise Ship Calls <sup>3</sup>	239	71	506	816	289	1,108	1,105
Total Visitor Expenditure (EC\$M)	<b>743.68</b>	<b>626.75</b>	<b>734.65</b>	<b>921.58</b>	<b>757.00</b>	<b>1,658.59</b>	<b>1,678.58</b>

Sources: Central Statistics Offices, OECS and ECCB

<sup>1</sup> Excursionists includes Sea Arrivals for Saint Lucia and excludes Antigua and Barbuda.

<sup>2</sup> Cruiseship passengers excludes Anguilla but includes Antigua and Barbuda.

<sup>3</sup> Cruiseship calls excludes Anguilla and St Vincent and the Grenadines.

<sup>4</sup> Yacht passengers includes St Kitts and Nevis and St Vincent and the Grenadines.

**Data available at 17 August 2007**

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

	2006 1 <sup>st</sup> Qr	2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 <sup>P</sup> 2 <sup>nd</sup> Qr
Net Foreign Assets	3,343.07	3,394.72	3,057.16	3,327.10	3,326.87	3,360.27
Central Bank (net)	1,594.29	1,689.46	1,710.80	1,871.93	1,874.65	1,942.33
External Assets	1,601.22	1,696.14	1,719.51	1,879.10	1,883.14	1,950.79
External Liabilities	6.93	6.68	8.71	7.17	8.49	8.46
Commercial Banks (net)	1,748.78	1,705.26	1,346.37	1,455.17	1,452.23	1,417.94
External Assets	3,808.44	3,803.72	3,664.45	3,938.91	3,979.12	3,998.27
External Liabilities	2,059.66	2,098.46	2,318.08	2,483.74	2,526.89	2,580.34
Net Domestic Assets	6,120.72	6,247.79	6,560.74	6,778.04	7,144.01	7,345.96
Domestic Credit	7,398.28	7,560.64	8,000.51	8,467.26	8,749.09	9,098.64
Central Government (net)	553.45	568.36	560.92	618.46	641.45	671.38
Other Public Sector (net)	(673.01)	(715.46)	(738.47)	(787.03)	(863.60)	(891.56)
Non-Bank Financial Institutions (net)	(164.80)	(228.77)	(164.49)	(172.53)	(189.36)	(228.92)
Subsidiaries & Affiliates (net)	96.38	102.85	99.57	111.36	61.86	72.83
Private Sector	7,586.26	7,833.66	8,242.98	8,697.00	9,098.75	9,474.91
Other Items (net)	(1,277.56)	(1,312.85)	(1,439.78)	(1,689.22)	(1,605.08)	(1,752.69)
Monetary Liabilities (M2)	9,463.79	9,642.51	9,617.90	10,105.14	10,470.89	10,706.23
Money Supply (M1)	2,167.11	2,185.76	2,097.63	2,258.90	2,376.52	2,382.26
Currency with the Public	502.27	503.91	505.24	586.00	558.10	556.55
Demand Deposits	1,664.84	1,681.85	1,592.40	1,672.90	1,818.42	1,825.71
Quasi Money	7,296.68	7,456.75	7,520.27	7,846.24	8,094.36	8,323.97
Savings Deposits	4,025.92	4,121.84	4,198.78	4,337.71	4,445.00	4,499.34
Time Deposits	1,702.04	1,731.45	1,744.91	1,746.69	1,828.85	1,919.57
Foreign Currency Deposits	1,568.72	1,603.47	1,576.58	1,761.84	1,820.52	1,905.06

Source: Eastern Caribbean Central Bank

**Data available at 17 August 2007**



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

	2006 <sup>R</sup> 2 <sup>nd</sup> Qr	2006 <sup>R</sup> 3 <sup>rd</sup> Qr	2006 <sup>R</sup> 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 <sup>P</sup> 2 <sup>nd</sup> Qr	2006 <sup>R</sup> Jan - Jun	2007 <sup>P</sup> Jan - Jun
<b>Current Revenue</b>	742.62	691.37	775.97	766.35	814.64	1,539.54	1,580.99
Tax Revenue	670.10	624.64	700.14	685.61	739.68	1,379.79	1,425.29
Taxes on Income & Profits <sup>11</sup>	149.58	127.21	127.87	158.55	184.09	326.31	342.64
Of Which:							
Personal Income Tax <sup>12</sup>	50.22	49.49	49.08	52.33	62.44	104.53	114.77
Company	74.44	57.96	58.43	72.63	97.28	178.36	169.91
Taxes on Property	18.57	11.16	13.68	9.64	19.07	34.63	28.71
Taxes on Domestic Goods & Services	183.11	158.31	169.27	188.38	214.00	361.61	402.38
Of Which:							
Accommodation Tax	36.07	20.97	15.68	34.91	21.21	69.90	56.12
Licences	15.17	14.29	25.71	24.65	19.05	45.88	43.70
Sales Tax <sup>13</sup>	0.20	0.11	0.15	20.92	56.04	10.47	76.96
Value Added Tax <sup>14</sup>	22.93	20.02	22.74	23.27	22.76	10.47	46.03
Consumption Tax <sup>14</sup>	13.09	12.69	11.79	12.85	15.51	27.49	28.36
Stamp Duties <sup>14</sup>	55.21	46.88	47.26	48.36	51.47	109.78	99.83
Taxes on International Trade and Transactions	318.84	327.96	389.32	329.04	322.52	657.25	651.56
Of Which:							
Import Duties	93.93	91.92	119.02	108.32	110.01	191.47	218.33
Consumption Tax <sup>15</sup>	123.55	127.43	145.14	99.08	102.06	259.72	201.15
Customs Service Charge <sup>15</sup>	59.10	65.93	74.99	69.25	62.17	120.01	131.43
Non-Tax Revenue	72.52	66.73	75.83	80.74	74.96	159.75	155.70
<b>Current Expenditure</b>	662.52	706.81	743.62	722.91	711.59	1,371.04	1,434.50
Personal Emoluments	293.06	297.72	319.69	295.87	309.83	593.50	605.70
Goods and Services	141.62	155.43	170.40	152.23	153.40	294.67	305.63
Interest Payments	142.29	156.40	139.91	154.72	141.40	195.97	296.12
Domestic	94.42	109.78	95.01	110.39	96.84	89.16	207.23
External	47.67	46.62	44.90	44.33	44.56	106.82	88.89
Transfers and Subsidies	133.42	143.88	158.52	164.42	151.52	286.90	315.95
Of Which: Pensions	41.13	45.88	46.35	56.00	n.a	86.18	n.a
<b>Current Account Balance</b>	80.10	(15.44)	32.35	43.45	103.05	168.50	146.49
<b>Capital Revenue</b>	4.03	6.91	3.82	1.75	1.72	7.86	3.47
<b>Grants</b>	108.40	87.45	75.32	44.55	68.92	170.46	118.88
<b>Capital Expenditure and Net Lending</b>	242.94	255.19	278.11	301.47	186.22	507.26	487.69
Of Which: Capital Expenditure	240.42	255.93	278.66	302.21	186.43	505.44	488.64
<b>Primary Balance</b>	44.01	(66.49)	(71.61)	(101.33)	84.29	35.53	(11.62)
<b>Overall Balance</b>	(50.40)	(176.27)	(166.62)	(211.72)	(12.55)	(160.44)	(218.85)
<b>Financing</b>	50.40	176.27	166.62	206.31	12.55	160.44	218.86
Domestic	26.54	128.61	136.06	153.54	10.46	86.62	164.00
ECCB (net)	(16.78)	(11.19)	(6.43)	(27.38)	(13.06)	(19.62)	(40.44)
Commercial Banks (net)	31.69	3.75	63.97	50.37	42.99	(43.39)	93.36
Other	11.63	136.05	78.52	130.55	(19.47)	149.64	111.08
External	4.54	30.20	1.77	30.17	(15.20)	27.63	14.98
Net Amortisation/(Amortisation)	6.86	19.64	4.29	0.90	(12.59)	30.33	(11.69)
Disbursements	45.03	66.68	118.66	66.19	23.39	114.68	89.58
Amortisation	(38.17)	(47.03)	(114.37)	(65.29)	(35.98)	(84.34)	(101.27)
Change in Government Foreign Assets	(2.31)	10.56	(2.52)	29.28	(2.61)	(2.70)	26.67
Arrears <sup>16</sup>	19.32	17.45	28.80	22.59	17.28	46.19	39.87
Domestic	1.11	(2.27)	(0.04)	0.15	(2.23)	2.87	(2.09)
External	18.20	19.73	28.84	22.44	19.52	43.32	41.96

Source: Ministry of Finance and ECCB

<sup>11</sup> Taxes on income and profits are not collected in Anguilla

<sup>12</sup> Includes a social services levy which is applied in St Kitts and Nevis

<sup>13</sup> Dominica is the only territory with a sales tax

<sup>14</sup> Excludes Anguilla, Antigua and Barbuda and Montserrat

<sup>15</sup> For all territories except Anguilla

<sup>16</sup> Excludes Montserrat and St Vincent and the Grenadines



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

	2003	2004	2005	2006 <sup>R</sup>	Jun 2007 <sup>P</sup>
Anguilla	64.2	94.9	115.1	119.2	110.1
Antigua and Barbuda	2,829.4	3,500.6	2,774.7	2,961.9	3,066.3
Dominica	930.7	879.8	951.7	952.1	928.6
Grenada	1,316.4	1,527.4	1,602.1	1,686.9	1,704.3
Montserrat	15.2	13.2	12.7	12.0	11.8
St Kitts and Nevis	1,731.7	2,065.5	2,277.8	2,444.9	2,531.9
Saint Lucia	1,267.4	1,484.2	1,629.1	1,756.4	1,820.3
St Vincent and the Grenadines	816.4	955.8	992.2	1,055.1	1,043.3
<b>TOTAL ECCU</b>	<b>8,971.4</b>	<b>10,521.4</b>	<b>10,355.3</b>	<b>10,988.5</b>	<b>11,216.6</b>

Source: ECCB

\* Includes arrears of principal

Data available at 17 August 2007

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

	2003	2004	2005	2006 <sup>R</sup>	Jun 2007 <sup>P</sup>
Anguilla	37.5	69.7	92.0	97.3	90.3
Antigua and Barbuda	2,665.2	3,288.2	2,578.9	2,785.3	2,862.0
Dominica	745.3	694.3	775.1	788.3	770.8
Grenada	1,040.0	1,234.0	1,382.3	1,458.4	1,483.9
Montserrat	5.9	4.6	4.2	4.2	4.2
St Kitts and Nevis	1,169.9	1,243.1	1,364.0	1,474.4	1,532.7
Saint Lucia	958.9	1,186.3	1,309.7	1,444.2	1,509.9
St Vincent and the Grenadines	728.0	836.1	849.8	890.3	883.1
<b>TOTAL ECCU</b>	<b>7,350.7</b>	<b>8,556.3</b>	<b>8,356.1</b>	<b>8,942.4</b>	<b>9,136.8</b>

Source: ECCB

Data available at 17 August 2007

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

	2003	2004	2005	2006 <sup>R</sup>	Jan - Jun 2006	Jan - Jun 2007 <sup>P</sup>
Anguilla	6.8	8.6	5.2	26.9	3.84	5.02
Antigua and Barbuda	136.0	197.0	550.2	246.6	105.40	87.39
Dominica	56.1	54.3	37.4	55.8	32.59	27.53
Grenada	103.0	138.7	62.6	45.7	19.03	24.92
Montserrat	1.8	1.4	0.3	1.3	0.48	0.47
St Kitts and Nevis	123.4	132.1	158.2	206.2	94.39	84.62
Saint Lucia	83.2	158.5	130.1	129.7	65.74	78.08
St Vincent and the Grenadines	97.0	142.0	164.9	138.7	45.96	48.18
<b>TOTAL ECCU</b>	<b>607.30</b>	<b>832.60</b>	<b>1,108.90</b>	<b>853.76</b>	<b>367.41</b>	<b>356.21</b>

Source: ECCB

Data available at 17 August 2007





**Table 7**  
**Regional Government Securities Market (RGSM)**  
**Funds Raised on the RGSM (EC\$M)**

	2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 1 <sup>st</sup> Qr	2007 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 Jan - Jun
Total Bid Amount	130.00	303.73	112.32	109.58	168.82	274.80	278.40
Volume	109.20	326.83	99.00	99.00	126.00	225.70	225.00

Source: ECSE

Data available at end of August 2007

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

	2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2006 1 <sup>st</sup> Qr	2007 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 Jan - Jun
91-day Treasury Bills	6.08	6.17	6.13	6.17	5.99	5.76	6.07
365-day Treasury Bills	5.50	6.16	**	**	**	5.50	**
5-year Bond	**	8.25	**	**	**	**	**
7-year Bond	**	8.00	**	**	**	**	**
10-year Bond	**	7.44	**	**	**	6.50	**

Source: ECSE

Data available at end of August 2007

**Table 9**  
**Regional Government Securities Market (RGSM)**  
**Secondary Market Activity on the RGSM (EC\$M)**

	2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2006 1 <sup>st</sup> Qr	2007 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 Jan - Jun
Volume	2.40	9.70	10.80	19.60	0.67	13.60	20.27
Value	2.40	9.60	11.80	20.10	1.05	13.70	21.15

Source: ECSE

Data available at end of August 2007



**Table 10**  
**Liabilities of the Eastern Caribbean Central Bank**  
**In thousands of Eastern Caribbean dollars**

Period Ended	Demand Liabilities							General Reserve	Other Liabilities	Total Liabilities
	Currency in Circulation	Due to Banks			Foreign Liabilities	Other Demand Liabilities	Total			
		Bankers Reserves	Bankers Fixed Deposits	Other						
1988 Dec.	274,051	187,025	48,500	5,892	8,840	8,098	532,406	27,798	28,822	586,025
1989 Dec.	313,546	205,576	25,339	-	16,739	5,341	566,541	32,112	50,439	646,092
1990 Dec.	330,021	224,373	62,060	-	13,657	22,170	652,280	33,527	50,320	728,847
1991 Dec.	344,636	241,612	42,574	-	27,268	30,970	687,060	41,960	58,401	775,877
1992 Dec.	350,279	325,656	34,177	20,969	27,954	34,198	793,234	45,825	73,692	896,594
1993 Dec.	365,832	308,364	34,173	1,107	12,496	51,252	773,224	51,941	79,275	883,733
1994 Dec.	381,101	306,277	28,388	13,197	12,789	51,961	793,715	51,941	59,728	879,403
1995 Dec.	417,504	307,852	63,084	10,561	18,084	61,219	878,305	51,941	102,149	1,006,414
1996 Dec.	420,212	308,126	14,447	16,070	19,879	75,322	854,057	51,941	74,398	954,415
1997 Dec.	439,669	320,352	12,901	36,785	7,919	90,734	908,360	51,941	58,616	992,936
1998 Dec.	478,206	416,145	30,563	27,341	4,291	102,107	1,058,654	51,941	65,742	1,150,357
1999 Dec.	575,278	385,607	28,977	22,672	8,507	93,875	1,114,915	51,941	44,946	1,185,822
2000 Dec.	538,574	459,321	19,590	39,197	17,105	96,742	1,170,529	51,941	66,077	1,262,567
2001 Dec.	539,974	606,898	20,252	35,626	11,921	77,254	1,291,925	51,941	94,566	1,409,731
2002 Dec.	561,149	639,426	17,832	88,575	7,771	84,813	1,399,566	61,664	110,221	1,542,751
2003 Dec.	608,200	742,222	17,464	68,785	8,503	81,581	1,526,754	68,057	85,401	1,651,013
2004 Dec.	662,897	939,133	19,174	26,703	4,563	110,985	1,763,455	80,748	72,706	1,894,778
2005 Mar.	605,775	890,443	24,322	55,852	6,081	178,849	1,761,322	73,297	63,663	1,877,200
Jun.	590,534	955,292	25,641	21,484	5,934	121,674	1,720,559	77,523	76,420	1,853,420
Sep.	589,049	810,152	25,641	23,915	8,805	118,488	1,576,049	77,523	68,748	1,701,237
Dec.	732,831	775,041	28,806	22,696	10,480	106,968	1,676,822	77,523	71,944	1,805,207
2006 Jan.	625,328	874,730	29,044	23,751	8,464	131,335	1,692,652	77,523	71,212	1,820,305
Feb.	620,076	890,564	29,044	29,759	9,218	105,217	1,683,879	77,523	68,931	1,809,251
Mar.	627,450	865,394	31,211	24,606	6,927	121,800	1,677,389	80,765	55,752	1,834,153
Apr.	631,319	915,707	31,921	36,178	11,146	115,384	1,741,656	83,550	55,964	1,901,416
May	638,929	964,802	32,610	25,476	6,556	117,874	1,786,247	83,550	57,083	1,947,126
Jun.	627,090	932,306	29,071	36,957	6,683	120,035	1,752,141	83,550	56,851	1,912,788
Jul.	630,681	926,549	29,071	40,753	9,590	126,814	1,763,459	83,550	66,438	1,933,693
Aug.	640,240	858,301	29,071	25,724	7,423	181,449	1,742,208	83,550	76,628	1,922,633
Sep.	624,741	927,047	29,071	23,361	8,710	135,759	1,748,689	83,550	83,789	1,936,274
Oct.	621,654	822,173	22,130	22,844	7,533	140,303	1,636,637	83,550	88,357	1,828,790
Nov.	657,584	839,093	22,130	24,413	7,036	123,843	1,674,100	83,550	94,548	1,872,444
Dec.	783,319	936,007	11,465	24,049	7,171	134,041	1,896,053	83,550	91,512	2,091,362
2007 Jan.	689,958	1,089,244	11,465	23,855	7,022	134,276	1,955,821	83,550	91,782	2,151,400
Feb.	696,868	1,061,120	11,465	22,980	10,844	132,233	1,935,511	83,550	101,963	2,141,270
Mar.	708,614	983,962	11,465	24,573	8,495	159,824	1,896,933	90,761	71,631	2,080,814
Apr.	701,869	1,050,483	11,465	27,870	14,151	157,124	1,962,963	94,521	76,229	2,155,202
May.	701,407	1,071,401	14,165	30,906	6,473	183,836	2,008,189	94,521	71,606	2,195,805
Jun.	692,102	1,060,590	12,067	26,897	8,459	160,849	1,960,964	94,521	68,800	2,145,773

Source: Eastern Caribbean Central Bank

Data available at August 2007



**Table 11**  
**Assets of the Eastern Caribbean Central Bank**  
**In thousands of Eastern Caribbean dollars**

Period Ended	External Assets <sup>1/</sup>				Claims on Central Government				Other Assets	Total Assets
	Fixed Call Deposits	Securities	Foreign Balances	Other External Assets	Local Government Debentures	Local Treasury Bills	Loans and Advances	Other Claims		
1988 Dec.	118,695	270,289	35,098	-	30,337	26,837	88,288	-	16,482	586,025
1989 Dec.	191,193	259,602	34,251	-	33,037	29,407	86,215	-	12,388	646,092
1990 Dec.	212,876	289,667	41,703	-	34,047	48,780	87,099	-	14,675	728,847
1991 Dec.	180,848	355,118	54,147	-	34,047	50,259	88,124	-	13,333	775,877
1992 Dec.	162,344	534,208	50,088	-	32,426	11,020	84,244	-	22,264	896,594
1993 Dec.	166,815	498,788	53,869	-	37,708	15,154	69,828	-	41,572	883,733
1994 Dec.	171,387	477,940	48,812	-	33,402	10,004	73,050	-	64,808	879,403
1995 Dec.	268,990	521,573	46,209	-	36,549	7,055	60,270	1,662	64,106	1,006,414
1996 Dec.	201,196	522,770	54,686	-	41,549	13,007	53,092	1,485	66,630	954,415
1997 Dec.	288,501	465,679	69,523	-	41,549	10,055	41,969	1,771	73,891	992,936
1998 Dec.	389,649	522,460	53,534	-	40,696	10,055	37,048	1,525	95,390	1,150,357
1999 Dec.	256,812	679,380	48,193	-	40,696	11,405	37,371	3,836	108,128	1,185,822
2000 Dec.	347,835	657,418	30,681	-	43,196	10,224	36,160	5,896	131,157	1,262,567
2001 Dec.	406,985	764,562	32,555	-	40,196	7,054	34,233	8,687	115,459	1,409,731
2002 Dec.	354,165	948,848	35,475	24,429	37,296	3,923	29,702	1,015	107,898	1,542,751
2003 Dec.	320,741	1,084,908	50,185	1,819	36,148	3,923	46,065	2,454	104,771	1,651,013
2004 Dec.	574,727	1,058,481	74,295	-	35,448	1,952	20,613	533	128,728	1,894,778
2005 Mar.	592,853	1,042,925	52,328	-	35,448	1,952	14,770	202	136,721	1,877,200
Jun.	459,733	1,168,345	44,075	-	35,448	1,952	12,073	32	131,761	1,853,420
Sep.	293,925	1,184,097	37,054	-	35,448	1,702	18,509	0	130,502	1,701,237
Dec.	400,729	1,191,028	30,440	-	35,448	1,702	20,344	4	125,512	1,805,207
2006 Jan.	363,957	1,199,348	57,951	-	35,448	1,702	36,998	34	124,866	1,820,305
Feb.	420,956	1,180,967	20,446	-	32,301	1,702	28,806	0	124,073	1,809,251
Mar.	551,850	1,014,792	34,574	-	36,041	1,702	28,620	-	166,573	1,834,153
Apr.	617,229	1,021,685	47,990	-	36,041	1,702	11,500	-	165,269	1,901,416
May	653,030	1,020,707	61,616	-	36,041	1,702	8,644	-	165,385	1,947,126
Jun.	628,630	1,031,698	35,814	-	36,041	1,702	13,763	63	165,076	1,912,788
Jul.	483,837	1,219,122	20,526	-	36,041	1,702	12,006	0	160,458	1,933,693
Aug.	384,396	1,271,418	64,769	-	31,041	1,702	7,098	0	162,208	1,922,633
Sep.	631,538	1,069,826	18,143	-	22,757	1,702	30,285	0	162,023	1,936,274
Oct.	535,178	1,069,450	18,724	-	22,757	1,702	20,433	-	160,546	1,828,790
Nov.	538,833	1,067,610	63,543	-	22,757	1,702	17,460	-	160,538	1,872,444
Dec.	795,726	1,032,821	50,555	-	22,757	1,702	24,737	-	163,065	2,091,362
2007 Jan.	818,209	1,078,397	47,369	-	22,757	1,702	20,456	34	162,474	2,151,400
Feb.	815,140	1,040,685	95,336	-	18,757	1,702	12,219	141	157,290	2,141,270
Mar.	866,087	986,629	30,425	-	18,757	1,702	19,015	32	158,167	2,080,814
Apr.	908,649	1,020,245	36,580	-	18,757	1,702	7,533	0	161,735	2,155,202
May	895,217	1,015,325	96,431	-	18,757	1,702	7,005	0	161,367	2,195,805
Jun.	896,258	1,034,038	20,497	-	18,257	1,702	14,374	89	160,557	2,145,773

Source: Eastern Caribbean Central Bank

<sup>1/</sup> Includes Funds Under Management: Government of Grenada Bond Proceeds from July 2002

Data available at August 2007



**Table 12**  
**Eastern Caribbean Central Bank**  
**Net Issue of Notes in each Territory**  
**(In thousands of Eastern Caribbean dollars)**

Period Ended	Antigua and Barbuda			Grenada	Montserrat	St Kitts and Nevis		St Vincent and the Grenadines	Total
	Anguilla	Barbuda	Dominica			Saint Lucia	Grenadines		
1988 Dec.	6,500	47,557	27,083	42,707	10,661	22,902	73,716	27,892	259,018
1989 Dec.	7,391	54,075	30,796	48,561	12,122	26,041	83,820	31,715	294,521
1990 Dec.	5,340	57,373	31,357	51,727	11,160	29,808	86,357	34,198	307,319
1991 Dec.	5,438	65,815	33,362	53,415	10,252	28,931	88,895	33,657	319,764
1992 Dec.	6,991	61,646	32,765	52,813	8,285	30,045	86,983	44,085	323,613
1993 Dec.	6,988	68,205	36,855	59,893	8,153	33,351	86,239	38,019	337,702
1994 Dec.	6,698	72,852	32,364	64,148	8,698	35,656	87,989	42,150	350,553
1995 Dec.	9,287	88,849	38,803	66,748	8,940	37,844	95,296	38,795	384,563
1996 Dec.	9,345	79,005	39,844	70,057	10,217	40,878	93,951	42,010	385,308
1997 Dec.	9,570	76,867	39,538	76,508	18,280	40,727	91,671	49,332	402,494
1998 Dec.	11,034	89,505	37,756	80,182	14,454	42,553	111,608	51,395	438,487
1999 Dec.	12,547	108,183	52,025	94,643	16,168	54,631	113,808	80,195	532,199
2000 Dec.	10,176	101,527	45,405	96,393	11,321	52,153	110,519	65,247	492,742
2001 Dec.	11,124	99,009	44,662	97,674	13,137	49,176	107,317	70,325	492,423
2002 Dec.	10,790	107,880	48,656	98,645	12,445	47,073	112,417	73,691	511,598
2003 Dec.	11,788	123,160	47,223	109,692	14,368	50,916	119,509	78,666	555,321
2004 Dec.	12,828	141,678	48,963	125,089	14,371	54,407	126,885	82,220	606,442
2005 Mar.	9,733	127,108	46,666	113,613	12,801	51,519	111,882	75,045	548,366
Jun.	10,501	123,666	47,468	109,799	12,043	48,573	104,902	75,038	531,991
Sep.	10,751	125,691	44,890	110,721	12,679	50,682	103,241	70,813	529,468
Dec.	12,795	155,859	53,110	131,599	15,098	58,965	146,964	97,115	671,505
2006 Jan.	11,859	135,937	42,599	110,120	14,492	52,326	115,888	80,580	563,802
Feb.	11,661	139,073	43,304	109,260	13,949	51,810	114,887	74,496	558,439
Mar.	10,473	137,493	47,381	110,853	13,020	52,373	115,772	78,165	565,530
Apr.	11,444	138,297	48,795	105,507	12,301	54,195	116,686	81,620	568,844
May	13,317	138,429	47,797	113,170	13,031	55,613	116,699	77,875	575,930
Jun.	12,675	139,123	46,331	109,674	13,107	56,072	113,825	72,880	563,687
Jul.	12,648	139,335	48,776	107,404	14,064	55,219	112,457	76,822	566,725
Aug.	13,949	140,321	51,028	109,296	12,862	55,759	118,889	73,834	575,939
Sep.	14,693	134,181	47,570	104,594	14,348	55,523	113,861	75,342	560,113
Oct.	13,918	135,817	49,190	104,557	13,112	55,810	115,009	69,553	556,968
Nov.	13,810	141,695	50,692	109,418	12,641	58,921	125,541	79,683	592,403
Dec.	16,452	168,666	57,996	130,112	15,679	70,904	163,395	94,047	717,252
2007 Jan.	15,082	155,538	51,097	111,874	14,580	60,909	129,142	85,528	623,750
Feb.	15,638	153,034	54,057	109,971	16,341	60,872	132,930	87,378	630,220
Mar.	16,585	164,852	52,352	110,854	15,873	61,063	133,407	86,248	641,234
Apr.	16,018	156,745	53,383	114,308	16,896	60,501	133,205	83,278	634,335
May	16,697	153,777	50,836	116,282	15,273	62,024	134,804	83,656	633,348
Jun.	15,954	156,263	49,944	108,783	15,281	58,853	130,273	88,309	623,660

Source: Eastern Caribbean Central Bank

Data available at August 2007



**Table 13**  
**Eastern Caribbean Central Bank**  
**Net Issue of Coins in each Territory**  
**In thousands of Eastern Caribbean dollars**

Period Period Ended	Antigua and Barbuda		Dominica	Grenada	Montserrat	St Kitts and Nevis		St Vincent and the Grenadines		Sub-Total	Former	Proof Sets	Net Total
	Anguilla	Barbuda				BCCB/ECCA Members							
1988 Dec.	67	3,248	932	1,962	494	1,411	2,727	1,607	12,447	2,588	114	15,150	
1989 Dec.	108	3,920	1,376	2,175	567	2,056	4,132	2,105	16,439	2,585	114	19,139	
1990 Dec.	139	4,627	1,827	2,872	831	2,339	4,786	2,694	20,116	2,585	115	22,816	
1991 Dec.	188	5,126	1,927	3,262	892	2,524	5,511	2,858	22,287	2,585	115	24,987	
1992 Dec.	322	5,612	1,933	3,439	894	2,727	6,035	3,112	24,072	2,585	117	26,775	
1993 Dec.	380	6,010	1,959	3,619	854	2,940	6,603	3,172	25,538	2,585	117	28,240	
1994 Dec.	448	6,695	2,064	3,970	870	3,221	7,398	3,289	27,956	2,593	117	30,666	
1995 Dec.	527	7,339	2,211	4,269	945	3,466	7,996	3,616	30,369	2,593	117	33,079	
1996 Dec.	616	7,814	2,340	4,636	852	3,742	8,520	3,831	32,353	2,593	117	35,063	
1997 Dec.	665	8,316	2,564	5,144	890	4,088	8,954	4,009	34,629	2,573	117	37,319	
1998 Dec.	775	8,938	2,744	5,596	849	4,236	9,693	4,347	37,180	2,551	117	39,848	
1999 Dec.	917	9,590	2,944	6,209	885	4,597	10,605	4,799	40,547	2,546	117	43,210	
2000 Dec.	1,019	10,172	3,060	6,786	913	4,914	11,364	5,063	43,290	2,540	117	45,947	
2001 Dec.	1,062	10,569	3,144	7,155	916	5,243	11,775	5,213	45,076	2,532	117	47,725	
2002 Dec.	1,122	11,103	3,365	7,648	927	5,468	11,975	5,444	47,052	2,532	117	49,701	
2003 Dec.	1,225	11,934	3,675	8,096	923	5,719	12,812	6,016	50,400	2,542	117	53,060	
2004 Dec.	1,372	12,784	3,853	8,824	945	6,198	13,585	6,426	53,988	2,475	117	56,580	
2005 Mar.	1,413	13,080	3,895	9,064	954	6,345	13,768	6,422	54,943	2,466	117	57,526	
Jun.	1,513	13,438	3,981	9,248	955	6,511	13,946	6,485	56,077	2,471	117	58,665	
Sep.	1,549	13,669	3,984	9,491	961	6,607	14,204	6,650	57,115	2,498	117	59,730	
Dec.	1,614	13,974	4,147	9,720	970	6,814	14,755	6,866	58,859	2,498	117	61,475	
2006 Jan.	1,635	14,027	4,169	9,770	970	6,866	14,757	6,867	59,060	2,498	117	61,676	
Feb.	1,659	14,070	4,208	9,790	970	6,869	14,767	6,838	59,170	2,498	117	61,786	
Mar.	1,682	14,191	4,219	9,825	970	6,941	14,787	6,840	59,455	2,498	117	62,070	
Apr.	1,701	14,482	4,231	9,871	970	6,902	14,914	6,937	60,009	2,498	117	62,624	
May	1,718	14,570	4,251	9,950	970	6,966	15,110	6,997	60,533	2,498	117	63,148	
Jun.	1,781	14,619	4,247	10,014	978	7,054	15,207	7,037	60,937	2,498	117	63,553	
Jul.	1,798	14,723	4,273	10,173	983	7,158	15,284	7,098	61,490	2,498	117	64,106	
Aug.	1,829	14,807	4,323	10,266	983	7,125	15,379	7,124	61,836	2,498	117	64,451	
Sep.	1,850	14,887	4,361	10,317	983	7,183	15,444	7,136	62,162	2,498	117	64,777	
Oct.	1,850	14,940	4,212	10,329	983	7,185	15,566	7,157	62,221	2,498	117	64,836	
Nov.	1,877	15,026	4,303	10,395	989	7,292	15,634	7,200	62,716	2,478	117	65,311	
Dec.	1,953	15,172	4,426	10,480	989	7,355	15,873	7,353	63,601	2,478	117	66,196	
2007 Jan.	1,953	15,270	4,451	10,509	989	7,306	15,882	7,383	63,742	2,478	117	66,337	
Feb.	2,016	15,398	4,512	10,564	1,001	7,302	15,932	7,457	64,182	2,478	117	66,777	
Mar.	2,035	15,661	4,539	10,630	1,001	7,490	16,056	7,502	64,914	2,466	117	67,497	
Apr.	2,035	15,763	4,484	10,649	1,002	7,436	16,122	7,578	65,068	2,466	117	67,651	
May	2,099	15,936	4,505	10,685	1,002	7,451	16,238	7,676	65,593	2,466	117	68,176	
Jun.	2,120	16,014	4,496	10,694	1,013	7,540	16,310	7,789	65,976	2,466	117	68,559	

Source: Eastern Caribbean Central Bank

Data available at August 2007



**Table 14**  
**Eastern Caribbean Currency Union**  
**Commercial Banks' Liabilities**  
**In thousands of Eastern Caribbean dollars**

Period Ended	Deposits					Balances Due to			Foreign Liabilities	Other Liabilities	Total Liabilities
	Demand	Time	Savings	Foreign Currency	Total Deposits	ECCB	Other Local Banks	Other ECCB Area Banks			
1988 Dec.	439,388	936,921	962,617	122,639	2,461,565	7,163	22,930	78,430	102,947	419,751	3,092,786
1989 Dec.	517,511	1,034,168	1,133,595	181,679	2,866,953	9,212	29,447	67,061	118,885	459,421	3,550,979
1990 Dec.	541,383	1,229,472	1,209,788	204,214	3,184,857	3,509	29,403	48,100	147,847	512,321	3,926,037
1991 Dec.	477,383	1,413,736	1,308,981	257,801	3,457,901	4,647	15,408	54,401	139,032	527,479	4,198,868
1992 Dec.	615,289	1,441,961	1,492,213	268,296	3,817,759	1,425	17,142	103,062	222,093	539,334	4,700,815
1993 Dec.	658,841	1,484,685	1,727,798	322,671	4,193,995	22,881	22,637	138,423	217,605	588,241	5,183,782
1994 Dec.	713,348	1,520,847	1,960,821	368,712	4,563,728	15,129	42,610	137,733	259,602	571,851	5,590,653
1995 Dec.	837,357	1,707,660	2,170,099	468,891	5,184,007	6,925	38,992	136,449	234,749	630,974	6,232,096
1996 Dec.	836,811	1,861,007	2,293,815	504,741	5,496,374	11,868	21,857	204,682	354,281	665,320	6,754,382
1997 Dec.	929,221	2,026,049	2,446,297	630,815	6,032,382	10,826	29,064	273,809	398,261	726,307	7,470,649
1998 Dec.	1,072,583	2,325,523	2,726,487	732,452	6,857,045	33,273	65,467	269,738	361,622	861,331	8,448,476
1999 Dec.	1,139,743	2,659,850	2,827,501	1,074,748	7,701,842	22,960	54,808	324,615	454,185	967,219	9,525,629
2000 Dec.	1,136,246	2,996,261	2,949,685	1,315,030	8,397,222	48,382	47,458	427,559	481,779	1,084,129	10,486,529
2001 Dec.	1,254,204	3,264,232	3,129,019	1,352,390	8,999,845	43,754	69,002	335,708	538,375	1,273,800	11,260,484
2002 Dec.	1,376,894	3,391,905	3,434,458	1,530,443	9,733,700	16,915	103,828	448,337	588,434	1,365,156	12,256,370
2003 Dec.	1,581,344	3,531,934	3,799,435	1,616,180	10,528,893	28,322	68,704	447,793	537,517	1,615,179	13,226,408
2004 Dec.	2,110,878	3,451,160	4,407,015	1,809,902	11,778,955	10,838	29,937	788,448	724,392	1,834,432	15,167,002
2005 Mar.	2,244,687	3,433,244	4,575,441	1,993,484	12,246,856	15,699	39,625	910,464	748,442	2,003,359	15,964,445
Jun.	2,152,819	3,563,005	4,676,743	1,946,901	12,339,468	4,649	58,302	1,669,151	699,408	2,045,215	16,816,193
Sep.	2,124,530	3,534,364	4,710,794	1,959,902	12,329,590	8,515	36,805	1,844,492	833,092	2,124,331	17,176,825
Dec.	2,256,712	3,535,176	4,785,500	2,013,499	12,590,887	11,169	40,756	1,453,522	961,562	2,230,468	17,288,364
2006 Jan.	2,302,905	3,531,687	4,857,872	2,108,596	12,801,060	6,925	37,162	1,435,273	985,391	2,207,780	17,473,591
Feb.	2,318,467	3,546,925	4,879,859	2,148,778	12,894,029	9,493	38,846	1,442,519	948,593	2,181,546	17,515,026
Mar.	2,374,923	3,575,583	4,935,718	2,217,212	13,103,436	9,519	36,458	1,574,777	940,365	2,234,136	17,898,691
Apr.	2,401,895	3,618,889	5,001,048	2,224,647	13,246,479	37,206	23,899	1,620,943	937,475	2,231,873	18,097,875
May	2,456,904	3,644,044	5,043,314	2,290,967	13,435,229	6,676	24,954	1,600,421	902,128	2,197,101	18,166,509
Jun.	2,424,268	3,681,041	5,076,030	2,266,756	13,448,095	16,420	28,872	1,626,380	939,252	2,245,051	18,304,070
Jul.	2,424,855	3,654,635	5,134,352	2,278,440	13,492,282	11,931	45,489	1,596,724	1,005,283	2,228,001	18,379,710
Aug.	2,322,884	3,639,571	5,177,168	2,338,572	13,478,195	8,119	37,894	1,548,335	1,071,537	2,304,146	18,448,226
Sep.	2,355,516	3,681,420	5,229,098	2,290,136	13,556,170	15,741	18,224	1,553,230	1,113,503	2,335,295	18,592,163
Oct.	2,363,074	3,690,054	5,256,004	2,371,060	13,680,192	10,367	19,795	1,427,854	1,105,217	2,522,262	18,765,687
Nov.	2,353,320	3,740,323	5,258,012	2,371,344	13,722,999	8,473	10,158	1,666,409	1,120,478	2,448,696	18,977,213
Dec.	2,410,191	3,762,594	5,317,937	2,516,502	14,007,224	9,986	12,395	1,666,225	1,267,928	2,553,336	19,517,094
2007 Jan.	2,537,353	3,832,176	5,365,730	2,616,758	14,352,017	17,704	35,432	1,260,935	1,174,043	2,621,336	19,461,467
Feb.	2,619,477	3,871,840	5,389,169	2,580,297	14,460,783	8,134	39,464	1,301,840	1,180,740	2,670,882	19,661,843
Mar.	2,669,987	3,935,341	5,428,625	2,632,413	14,666,366	6,635	24,188	1,332,943	1,257,075	2,654,860	19,942,067
Apr.	2,724,218	4,029,929	5,450,114	2,664,135	14,868,396	8,584	27,290	1,512,710	1,110,585	2,636,474	20,164,039
May	2,738,787	4,100,206	5,506,362	2,685,252	15,030,607	8,380	21,355	1,502,526	1,332,763	2,599,840	20,495,471
Jun.	2,690,812	4,118,075	5,501,132	2,728,347	15,038,366	8,500	18,527	1,543,320	1,326,578	2,876,936	20,812,227

Source: Eastern Caribbean Central Bank

Data available at August 2007



**Table 15**  
**Eastern Caribbean Currency Union**  
**Commercial Banks' Assets**  
(In thousands of Eastern Caribbean dollars)

Period Ended	Claims On				Loans and Advances	Investments		Foreign Assets	Other Assets	Total Assets
	Central Bank		Other Local Banks	Other ECCB Area Banks		Treasury Bills	Securities			
	Cash	Deposits <sup>1/</sup>								
1988 Dec.	56,098	233,661	42,529	68,623	1,837,663	29,494	54,984	585,801	183,933	3,092,786
1989 Dec.	64,769	233,688	49,319	52,824	2,314,801	40,882	58,673	504,916	231,107	3,550,979
1990 Dec.	82,221	274,478	52,747	54,467	2,629,932	33,586	62,356	472,194	264,056	3,926,037
1991 Dec.	88,198	285,741	54,991	61,517	2,877,521	34,798	57,448	520,894	217,760	4,198,868
1992 Dec.	75,000	375,802	44,087	97,799	3,180,644	81,762	75,105	553,825	216,791	4,700,815
1993 Dec.	93,098	352,074	45,772	106,283	3,544,569	94,380	76,853	588,803	281,950	5,183,782
1994 Dec.	95,556	334,734	47,149	167,795	3,766,254	97,476	80,094	631,488	370,107	5,590,653
1995 Dec.	105,925	363,339	36,811	151,869	4,232,406	100,852	78,321	724,952	437,621	6,232,096
1996 Dec.	121,851	329,480	24,207	210,991	4,760,786	114,565	79,321	700,801	412,380	6,754,382
1997 Dec.	124,360	376,564	41,088	284,504	5,343,260	125,598	81,721	715,947	377,607	7,470,649
1998 Dec.	131,183	484,983	72,001	255,744	5,898,557	119,603	80,986	914,795	490,624	8,448,476
1999 Dec.	183,813	447,743	71,337	341,251	6,452,778	139,517	136,962	1,183,025	569,203	9,525,629
2000 Dec.	149,101	513,979	46,275	456,613	7,094,459	207,631	207,935	1,140,134	670,402	10,486,529
2001 Dec.	164,057	681,876	77,586	367,919	7,297,589	308,733	184,217	1,480,303	698,204	11,260,484
2002 Dec.	165,426	753,976	92,451	489,697	7,570,138	334,632	252,867	1,824,625	772,558	12,256,370
2003 Dec.	178,586	798,603	69,184	606,996	7,600,182	379,680	300,691	2,319,443	973,043	13,226,408
2004 Dec.	176,755	981,971	31,129	851,171	8,206,068	393,100	410,116	2,849,034	1,267,658	15,167,002
2005 Mar.	138,782	951,418	34,475	1,055,432	8,347,561	418,913	392,263	3,197,849	1,427,752	15,964,445
Jun.	133,772	983,490	36,331	1,674,241	8,551,495	426,684	416,819	3,401,325	1,192,036	16,816,193
Sep.	116,865	826,612	43,068	1,817,874	8,952,945	389,357	427,183	3,356,240	1,246,681	17,176,825
Dec.	211,429	818,968	69,324	1,439,736	9,297,763	365,634	470,829	3,244,298	1,370,383	17,288,364
2006 Jan.	155,849	901,499	85,455	1,401,976	9,380,176	348,986	483,898	3,390,070	1,325,682	17,473,591
Feb.	141,937	920,847	89,238	1,429,370	9,467,022	345,929	472,255	3,366,216	1,282,212	17,515,026
Mar.	125,176	912,362	82,874	1,578,992	9,574,434	359,789	482,256	3,548,876	1,233,932	17,898,691
Apr.	127,944	938,370	50,301	1,623,096	9,697,261	365,382	482,102	3,483,796	1,329,623	18,097,875
May.	164,226	995,908	25,539	1,597,618	9,778,719	364,703	480,441	3,560,879	1,198,476	18,166,509
Jun.	123,176	964,496	25,886	1,594,308	9,901,453	367,011	482,589	3,515,002	1,330,149	18,304,070
Jul.	136,501	1,013,219	50,536	1,587,508	10,047,583	365,089	479,027	3,346,826	1,353,421	18,379,710
Aug.	162,559	929,236	45,917	1,496,506	10,250,433	365,651	525,163	3,381,965	1,290,796	18,448,226
Sep.	119,505	959,960	31,856	1,541,291	10,388,368	364,090	526,762	3,352,785	1,307,546	18,592,163
Oct.	134,865	808,076	33,497	1,574,614	10,642,607	365,565	518,746	3,419,317	1,268,400	18,765,687
Nov.	162,692	888,933	25,082	1,618,872	10,812,975	352,890	508,544	3,303,472	1,303,753	18,977,213
Dec.	197,314	981,373	11,942	1,649,335	11,013,448	346,246	496,249	3,440,713	1,380,474	19,517,094
2007 Jan.	169,762	1,099,680	27,382	1,295,658	11,159,657	353,916	494,731	3,521,332	1,339,349	19,461,467
Feb.	176,235	1,116,369	32,522	1,278,528	11,320,345	327,542	477,567	3,577,713	1,355,022	19,661,843
Mar.	150,511	1,029,224	20,914	1,367,430	11,569,772	321,423	479,626	3,525,106	1,478,061	19,942,067
Apr.	138,982	1,056,124	23,591	1,557,659	11,690,381	318,441	476,877	3,491,853	1,410,131	20,164,039
May.	179,396	1,070,847	16,586	1,530,347	11,878,776	308,156	481,548	3,615,529	1,414,286	20,495,471
Jun.	135,549	1,115,832	21,152	1,565,401	11,984,468	309,945	481,506	3,657,570	1,540,804	20,812,227

Source: Eastern Caribbean Central Bank

<sup>1/</sup> Includes Statutory Reserve Requirements

Data as at August 2007



**Table 16**  
**Eastern Caribbean Currency Union**  
**Money Supply**  
**(In thousands of Eastern Caribbean dollars)**

Period Ended	ECCB Notes in Circulation	ECCB <sup>1/</sup> Coins in Circulation	Cash at Commercial Banks	Notes and Coins Held by the Public	Demand Deposits	Money Supply (M1)	Quasi <sup>2/</sup> Money	Money Supply (M2)
1988 Dec.	259,018	15,033	56,098	217,953	272,176	490,129	1,379,885	1,870,014
1989 Dec.	294,521	19,025	64,769	248,777	321,104	569,881	1,657,368	2,227,249
1990 Dec.	307,319	22,701	82,221	247,800	343,222	591,022	1,861,124	2,452,146
1991 Dec.	319,764	24,872	88,198	256,438	335,171	591,609	2,073,827	2,665,436
1992 Dec.	323,613	26,665	75,000	275,279	444,646	719,925	2,150,802	2,870,727
1993 Dec.	337,702	28,131	93,098	272,734	475,244	747,978	2,400,061	3,148,039
1994 Dec.	350,553	30,549	95,556	285,545	507,658	793,203	2,602,057	3,395,260
1995 Dec.	384,563	32,941	105,925	311,579	601,276	912,855	2,961,530	3,874,385
1996 Dec.	385,308	34,904	121,851	298,361	584,536	882,897	3,065,536	3,948,433
1997 Dec.	402,494	37,175	124,360	315,309	648,632	963,941	3,361,407	4,325,348
1998 Dec.	438,487	39,720	131,183	347,023	744,032	1,091,055	3,790,630	4,881,685
1999 Dec.	532,199	43,079	183,813	391,465	802,023	1,193,488	4,205,830	5,399,318
2000 Dec.	492,742	45,832	149,101	389,473	824,763	1,214,236	4,756,951	5,971,187
2001 Dec.	492,423	47,551	164,057	375,917	872,572	1,248,489	5,073,632	6,322,121
2002 Dec.	511,598	49,550	165,426	395,723	925,940	1,321,663	5,415,314	6,736,977
2003 Dec.	555,321	52,879	178,586	429,614	1,078,516	1,508,130	5,871,564	7,379,694
2004 Dec.	606,442	56,454	176,755	486,142	1,409,877	1,896,019	6,471,589	8,367,608
2005 Mar.	548,366	57,409	138,782	466,993	1,543,810	2,010,803	6,807,637	8,818,440
Jun.	531,991	58,543	133,772	456,762	1,450,409	1,907,171	6,763,686	8,670,857
Sep.	529,468	59,581	116,865	472,184	1,451,708	1,923,892	6,866,133	8,790,025
Dec.	671,505	61,325	211,429	521,402	1,565,289	2,086,691	6,968,949	9,055,640
2006 Jan.	563,802	61,526	155,849	469,479	1,606,494	2,075,973	7,127,482	9,203,455
Feb.	558,439	61,636	141,937	478,139	1,630,720	2,108,859	7,165,451	9,274,310
Mar.	565,530	61,921	125,176	502,274	1,664,837	2,167,111	7,296,682	9,463,793
Apr.	568,844	62,475	127,944	503,375	1,676,140	2,179,515	7,372,207	9,551,722
May	575,930	62,999	164,226	474,703	1,719,487	2,194,190	7,439,742	9,633,932
Jun.	563,687	63,403	123,176	503,914	1,681,847	2,185,761	7,456,751	9,642,512
Jul.	566,725	63,956	136,501	494,180	1,677,021	2,171,201	7,464,858	9,636,059
Aug.	575,939	64,301	162,559	477,681	1,618,885	2,096,566	7,523,395	9,619,961
Sep.	560,113	64,628	119,505	505,236	1,592,399	2,097,635	7,520,266	9,617,901
Oct.	556,968	64,687	134,865	486,789	1,609,396	2,096,185	7,599,958	9,696,143
Nov.	592,403	65,182	162,692	494,892	1,589,425	2,084,317	7,663,189	9,747,506
Dec.	717,252	66,067	197,314	586,005	1,672,897	2,258,902	7,846,237	10,105,139
2007 Jan.	623,750	66,208	169,762	520,196	1,747,087	2,267,283	7,841,924	10,109,207
Feb.	630,220	66,648	176,235	520,633	1,791,009	2,311,642	7,969,054	10,280,696
Mar.	641,234	67,380	150,511	558,103	1,818,420	2,376,523	8,094,363	10,470,886
Apr.	634,335	67,534	138,982	562,887	1,849,300	2,412,187	8,155,119	10,567,306
May	633,348	68,059	179,396	522,011	1,852,364	2,374,375	8,267,980	10,642,355
Jun.	623,660	68,442	135,549	556,553	1,825,706	2,382,259	8,326,807	10,709,066

Source: Eastern Caribbean Central Bank

<sup>1/</sup> Includes coins of the former British Caribbean Currency Board (BCCB) and the Eastern Caribbean Currency Authority (ECCA)

<sup>2/</sup> Includes Time, Savings, and Foreign Currency Deposits of the Private Sector

**Data available at August 2007**





**Table 17**  
**Eastern Caribbean Currency Union**  
**Sectoral Distribution of Loans & Advances**  
**(In thousands of Eastern Caribbean dollars)**

	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05
Agriculture	296,990	298,190	301,941	300,448	291,936	308,608	310,639	324,887	340,256
Fisheries	15,199	14,281	13,943	13,345	13,836	14,383	13,808	11,996	12,266
Manufacturing	225,761	233,482	233,761	241,077	228,771	231,202	225,219	225,387	219,535
Food & Non-Alcoholic Bev	45,530	45,699	41,919	45,998	43,164	43,754	39,537	40,499	42,865
Clothing & Accessories	18,066	17,702	17,222	15,842	19,168	17,495	15,711	14,111	14,595
Other Industries <sup>1/</sup>	162,165	170,081	174,620	179,237	166,439	169,953	169,971	170,777	162,075
Distributive Trades	815,993	799,714	796,969	777,084	777,588	784,936	806,501	797,393	810,764
Tourism	573,281	568,525	595,406	570,712	578,483	584,344	599,639	633,753	587,506
Entertainment	80,774	75,910	83,858	87,765	86,848	81,217	83,061	81,528	79,671
Transport	192,393	191,782	191,026	153,237	150,789	153,582	147,049	138,924	157,522
Public Utilities	157,589	168,821	150,090	177,126	187,550	199,767	209,558	204,956	203,398
Construction & Land Dev.	345,576	362,011	325,080	340,046	360,108	450,785	465,960	461,324	470,897
Gov't & Statutory Bodies	659,509	650,024	640,754	619,044	615,406	573,281	665,857	753,712	786,817
Professional Services	489,994	491,167	493,937	491,835	517,650	539,746	526,599	550,712	565,185
Financial Institutions	115,367	141,190	143,926	148,595	143,868	138,036	122,264	125,102	114,935
Personal	3,548,067	3,520,555	3,579,290	3,679,868	3,691,596	3,769,985	3,895,889	3,896,394	3,998,809
Acquisition of Property <sup>2/</sup>	1,913,957	1,987,247	2,012,929	2,053,180	2,056,242	2,137,222	2,175,353	2,209,624	2,235,275
Durable Consumer Goods	252,425	281,882	275,487	287,542	290,524	283,180	287,438	293,752	306,893
Other Personal Loans	1,381,685	1,251,426	1,290,874	1,339,146	1,344,830	1,349,583	1,433,098	1,393,018	1,456,641
<b>TOTAL</b>	<b>7,516,493</b>	<b>7,515,652</b>	<b>7,549,981</b>	<b>7,600,182</b>	<b>7,644,429</b>	<b>7,829,872</b>	<b>8,072,043</b>	<b>8,206,068</b>	<b>8,347,561</b>
<b>% of Long Term Loans to Total Loans</b>	<b>62.01</b>	<b>62.19</b>	<b>64.35</b>	<b>64.45</b>	<b>62.70</b>	<b>63.38</b>	<b>64.52</b>	<b>64.79</b>	<b>64.89</b>
	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06	Sep-06	Dec-06	Mar-07	Jun-07
Agriculture	347,859	333,797	336,924	335,207	334,931	333,473	330,456	344,662	346,275
Fisheries	12,905	11,386	11,584	12,571	13,251	12,770	11,660	13,572	13,013
Manufacturing	218,315	222,418	232,683	240,931	244,163	248,268	267,249	267,180	266,326
Food & Non-Alcoholic Bev	42,205	42,310	42,526	45,869	46,037	47,705	52,734	54,154	55,292
Clothing & Accessories	15,173	16,764	16,628	15,315	14,938	12,623	13,590	14,394	15,402
Other Industries <sup>1/</sup>	160,937	163,344	173,529	179,747	183,188	187,940	200,925	198,632	195,632
Distributive Trades	845,528	863,663	864,059	871,195	862,940	870,190	870,117	871,862	868,717
Tourism	601,479	677,136	744,463	770,265	820,538	941,729	1,060,845	1,138,241	1,187,103
Entertainment	77,177	81,067	80,213	80,287	91,508	98,134	100,837	103,024	107,525
Transport	166,151	172,335	180,955	193,824	206,647	214,629	227,557	263,119	266,010
Public Utilities	196,261	143,963	195,035	265,297	273,509	292,184	354,024	448,154	488,776
Construction	495,351	498,307	512,904	507,625	536,967	599,267	659,035	690,663	771,710
Government Services	751,062	909,043	931,636	926,713	997,570	1,050,114	1,105,220	1,199,780	1,235,074
Professional Services	576,577	635,495	650,753	725,183	799,253	838,487	907,297	974,547	1,077,527
Financial Institutions	146,751	151,292	144,262	145,068	135,999	128,531	127,190	124,832	114,918
Personal	4,116,079	4,253,043	4,412,292	4,500,268	4,584,177	4,760,592	4,991,961	5,130,136	5,241,499
Acquisition of Property <sup>2/</sup>	2,333,066	2,389,833	2,523,855	2,602,237	2,671,450	2,756,884	2,829,354	2,892,833	2,887,023
Durable Consumer Goods	328,016	345,027	371,578	402,756	420,926	442,197	478,567	490,439	531,352
Other Personal Loans	1,454,997	1,518,183	1,516,859	1,495,275	1,491,801	1,561,511	1,684,040	1,746,864	1,823,124
<b>TOTAL</b>	<b>8,551,495</b>	<b>8,952,945</b>	<b>9,297,763</b>	<b>9,574,434</b>	<b>9,901,453</b>	<b>10,388,368</b>	<b>11,013,448</b>	<b>11,569,772</b>	<b>11,984,473</b>
<b>% of Long Term Loans to Total Loans</b>	<b>64.50</b>	<b>62.80</b>	<b>62.76</b>	<b>62.89</b>	<b>62.55</b>	<b>61.66</b>	<b>62.51</b>	<b>64.75</b>	<b>64.95</b>

Source: Eastern Caribbean Central Bank

<sup>1/</sup> Includes Mining & Quarrying<sup>2/</sup> Includes House & Land Purchase and Home Construction

Data available at August 2007



**Table 18**  
**Comparative Treasury Bills Monthly Discount Rates**

Period Ended	USA <sup>1/</sup>	UK <sup>1/</sup>	Barbados <sup>2/</sup>	Jamaica <sup>3/</sup>	Trinidad <sup>2/</sup>	Guyana <sup>2/</sup>
1988 Dec.	6.67	9.80	4.75	18.50	4.88	11.03
1989 Dec.	8.12	13.28	4.90	19.10	7.13	15.19
1990 Dec.	7.51	14.09	7.07	26.21	7.50	30.00
1991 Dec.	5.41	10.82	9.34	25.56	7.67	30.94
1992 Dec.	3.46	8.94	10.88	34.36	9.26	25.75
1993 Dec.	3.02	5.21	5.44	28.85	9.45	16.83
1994 Dec.	4.27	5.15	7.26	42.98	10.00	17.66
1995 Dec.	5.51	6.33	8.01	27.65	8.41	17.51
1996 Dec.	5.02	5.78	6.85	37.95	10.44	11.35
1997 Dec.	5.07	6.48	3.61	21.14	9.83	8.91
1998 Dec.	4.82	6.82	5.61	25.65	11.93	8.33
1999 Dec.	4.66	5.04	5.83	20.75	10.40	11.31
2000 Dec.	5.84	5.80	5.29	18.24	10.56	9.88
2001 Dec.	3.45	4.77	3.14	16.71	8.55	7.78
2002 Dec.	1.61	3.86	2.10	15.54	4.83	4.94
2003 Dec.	0.92	3.76	0.77	22.51	4.81	3.20
2004 Dec.	6.03	14.02	7.06	45.77	14.17	11.33
2005 Mar.	7.70	14.12	9.01	41.81	14.21	11.51
Jun.	8.65	13.98	13.84	39.74	14.49	11.40
Sep.	10.13	13.27	14.87	39.21	14.81	11.32
Dec.	11.54	13.25	17.73	39.86	14.86	11.26
2006 Jan.	4.20	4.39	5.69	13.30	5.01	3.88
Feb.	4.41	4.38	5.83	13.24	5.00	3.88
Mar.	4.51	4.40	6.22	13.18	5.43	3.85
Apr.	4.59	4.42	5.87	13.07	5.68	3.85
May	4.72	4.50	6.04	12.84	6.10	3.85
Jun.	4.79	4.54	6.19	12.82	6.12	3.85
Jul.	4.96	4.53	4.81	12.81	6.14	3.85
Aug.	4.98	4.75	5.20	12.79	6.42	4.02
Sep.	4.82	4.84	6.21	12.49	6.70	3.98
Oct.	4.89	4.94	6.43	12.30	6.72	4.14
Nov.	4.95	5.01	6.49	12.28	6.78	4.14
Dec.	4.84	5.08	6.56	12.31	6.74	4.16
2007 Jan.	4.96	5.30	6.91	11.99	6.80	4.16
Feb.	5.02	5.34	6.85	11.94	6.75	3.94
Mar.	4.96	5.33	5.74	11.65	n.a	3.94
Apr.	4.87	5.43	n.a	n.a	n.a	3.94
May	4.77	n.a	n.a	n.a	n.a	n.a
Jun.	n.a	n.a	n.a	n.a	n.a	n.a

SOURCE: International Monetary Fund

**Quarterly and Annual data are period averages**

<sup>1/</sup> **UK and USA** - Arithmetic average of daily market yields

<sup>2/</sup> **Barbados, Trinidad & Guyana** - Average tender rate for three months.

<sup>3/</sup> **Jamaica** - Average yield of bills issued during the month with maturities closest to 180 days

**Data available at August 2007**



**Table 19**  
**Anguilla - Selected Tourism Statistics**

	2006 <sup>R</sup> 2 <sup>nd</sup> Qr	2006 <sup>R</sup> 3 <sup>rd</sup> Qr	2006 <sup>R</sup> 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 <sup>E</sup> 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 Jan - Jun
Total Visitors	45,098	35,415	37,847	53,571	46,000	93,983	99,571
Stay-Over Visitors	20,703	14,870	16,948	24,974	21,117	41,144	46,091
Of which:							
USA	13,229	6,801	10,151	16,808	13,493	27,537	30,301
Canada	351	260	596	926	358	1,121	1,284
UK	1,132	1,010	1,161	1,340	1,154	2,173	2,494
Italy	277	502	211	518	283	588	801
Germany	149	56	129	171	152	276	323
Caribbean	4,305	5,059	3,291	2,912	4,391	6,928	7,303
Other Countries	1,260	1,182	1,409	2,299	1,286	2,521	3,585
Excursionists	24,395	20,545	20,899	28,597	24,883	52,839	53,480
Total Visitor Expenditure (EC\$M)	<b>74.67</b>	<b>66.47</b>	<b>68.83</b>	<b>80.62</b>	<b>81.58</b>	<b>154.60</b>	<b>162.20</b>

Sources: Department of Finance and Statistical Department and ECCB estimates: April to June 2007

Data available at 17 August 2007

**Table 20**  
**Anguilla - Consumer Price Index**  
**January 2001 = 100**

	Weight	Index Jun 2007	Percentage Change*						
			2006 <sup>R</sup> 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 <sup>R</sup> 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 <sup>P</sup> 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 Jan - Jun
All Items	1,000.0	130.40	2.10	7.72	(0.84)	0.92	(0.61)	3.43	0.31
Food	321.2	120.70	1.72	4.10	0.43	1.45	1.34	2.44	2.81
Alcoholic Beverages and Tobacco	3.0	107.80	-	1.28	0.29	4.85	(0.19)	0.60	4.66
Housing	171.5	107.20	0.71	9.83	1.29	(0.82)	(1.56)	2.58	(2.37)
Fuel and Light	68.6	132.30	-	6.65	-	0.07	(5.23)	0.02	(5.16)
Clothing and Footwear	30.7	144.40	3.75	(1.07)	2.30	(1.46)	(3.09)	1.57	(4.50)
Household Furnishings and Supplies	97.3	169.20	7.01	27.30	0.58	(1.90)	(0.88)	23.12	(2.76)
Transport and Communications	235.3	140.00	2.67	6.61	(5.30)	3.83	(0.78)	(0.10)	3.02
Medical Care and Expenses	30.9	135.90	0.07	0.89	0.07	0.07	-	1.72	0.07
Education	9.9	203.80	-	1.87	0.58	3.29	3.03	2.05	6.42
Personal Services	16.4	135.10	-	2.07	0.15	1.50	-	6.66	1.50
Miscellaneous	15.3	102.30	(2.89)	(3.57)	(1.41)	(4.92)	(3.85)	(1.51)	(8.58)

Sources: Statistics Department, Ministry of Finance

\*at end of period

Data available at 17 August 2007



**Table 21**  
**Anguilla - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

	2006 <sup>R</sup>	2006	2006 <sup>R</sup>	2007 <sup>R</sup>	2007 <sup>P</sup>	2006	2007 <sup>P</sup>
	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
<b>Current Revenue</b>	45.69	42.74	41.98	53.56	55.49	96.61	109.05
Tax Revenue	40.43	35.66	33.65	44.32	45.92	84.52	90.23
Taxes on Property	0.28	0.04	0.15	0.33	0.13	0.40	0.46
Taxes on Domestic Goods & Services	22.75	17.60	10.50	19.32	23.21	50.79	42.54
Of Which:							
Accommodation Tax	4.52	2.65	1.49	5.87	5.24	10.57	11.10
Bank Deposit Levy	1.17	3.75	-	-	0.78	1.17	0.78
Licences	2.58	2.40	1.69	4.72	2.87	6.48	7.59
Stamp Duties	13.72	8.01	6.53	7.55	13.21	31.01	20.76
Taxes on International Trade and Transactions:	17.40	18.02	23.00	24.67	22.57	33.33	47.24
Of Which:							
Import Duty	14.48	15.12	19.62	20.61	19.00	27.79	39.61
Customs Surcharge	0.70	0.74	0.99	1.19	1.08	1.35	2.27
Ticket Tax	0.39	0.30	0.40	0.26	0.35	0.68	0.61
Embarkation Tax	1.16	1.01	0.90	1.46	1.41	0.50	0.29
Non-Tax Revenue	5.26	7.08	8.33	9.25	9.57	12.09	18.82
<b>Current Expenditure</b>	30.41	36.84	46.05	36.20	38.08	62.34	74.28
Personal Emoluments	11.77	12.69	13.66	13.89	14.42	22.77	28.30
Goods and Services	8.10	14.20	19.81	11.31	12.73	18.21	24.04
Interest Payments	1.52	1.54	2.04	2.02	1.51	2.73	3.52
Domestic	1.35	1.36	1.53	1.84	1.34	2.56	3.19
External	0.17	0.17	0.51	0.17	0.16	0.17	0.34
Transfers & Subsidies	9.03	8.41	10.53	8.98	9.43	18.64	18.41
Of Which: Pensions	0.66	0.70	0.63	0.88	1.10	1.27	1.98
<b>Current Account Balance</b>	15.28	5.90	(4.07)	17.37	17.40	34.27	34.77
<b>Capital Revenue</b>	-	0.08	-	0.00	0.00	-	0.00
<b>Grants</b>							
Of which: Capital Grants	-	-	14.79	-	-	-	-
<b>Capital Expenditure</b>	7.29	13.55	15.60	12.56	12.06	14.02	24.61
Of which: Capital Expenditure	7.29	13.55	15.60	12.56	12.06	14.02	24.61
<b>Primary Balance (before grants)</b>	9.50	(6.04)	(17.62)	6.83	6.85	22.98	13.69
<b>Primary Balance (after grants)</b>	9.50	(6.04)	(2.83)	6.83	6.85	22.98	13.69
<b>Overall Balance</b>	7.98	(7.58)	(4.88)	4.81	5.35	20.25	10.16
<b>Financing</b>	(7.98)	7.58	4.88	(4.81)	(5.35)	(20.25)	(10.16)
Domestic	(7.88)	7.71	5.19	(4.81)	(5.35)	(20.30)	(10.16)
ECCB (net)	0.00	0.06	(0.30)	(0.29)	(0.02)	0.22	(0.32)
Commercial Banks (net)	(4.69)	7.75	(19.58)	(0.53)	8.88	(18.48)	8.35
Other	(3.19)	(0.09)	25.07	(3.99)	(14.20)	(2.05)	(18.19)
External	(0.11)	(0.14)	(0.31)	-	-	0.05	
Net Amortisation	(0.11)	(0.14)	(0.31)	-	-	0.05	
Disbursements	-	-	-	-	-	0.23	
Amortisation	(0.11)	(0.14)	(0.31)	-	-	(0.18)	
Change in Government Foreign Assets	-	-	-	-	-	-	

Source: Ministry of Finance and Treasury Department  
Data available at 17 August 2007



**Table 22**  
**Anguilla - External Trade**  
**(EC\$M)**

	2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 <sup>E</sup> 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 <sup>E</sup> Jan - Jun
Total Exports (without transshipment)	6.05	2.50	18.47	6.80	7.43	12.08	14.23
Total Imports (without transshipment)	102.19	112.31	144.94	160.63	150.87	214.34	311.50
Trade Balance	(96.14)	(109.81)	(126.46)	(153.83)	(143.44)	(202.26)	(297.27)

Source: Statistical Department, Ministry of Finance and ECCB estimates: June 2007

**Data available at 17 August 2007**

**Table 23**  
**Anguilla - Monetary Survey**  
**(EC\$M at end of period)**

	2006 1 <sup>st</sup> Qr	2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 <sup>P</sup> 2 <sup>nd</sup> Qr
Net Foreign Assets	616.45	611.54	575.91	528.34	581.08	529.32
Central Bank (net)	110.23	122.51	135.48	112.91	125.63	140.24
Commercial Banks (net)	506.23	489.03	440.43	415.43	455.45	389.09
External (net)	386.61	390.28	353.81	334.40	352.11	290.18
Assets	586.90	584.82	577.56	530.29	567.80	524.71
Liabilities	200.29	194.55	223.75	195.89	215.69	234.54
Other ECCB Territories	119.62	98.75	86.63	81.03	103.33	98.91
Assets	193.47	158.19	146.55	149.01	191.10	180.09
Liabilities	73.85	59.44	59.93	67.98	87.77	81.19
Net Domestic Assets	374.85	407.10	459.18	500.07	498.21	603.26
Domestic Credit	630.49	673.57	719.29	758.38	803.65	892.44
Central Government (net)	39.71	35.03	42.83	22.96	22.13	30.99
Other Public Sector (net)	(97.34)	(98.10)	(100.19)	(104.02)	(112.89)	(119.91)
Non-Bank Financial Institutions (net)	(21.22)	(21.80)	(16.38)	(14.65)	(14.05)	(12.55)
Subsidiaries and Affiliates (net)	10.64	10.64	11.25	11.48	11.48	12.42
Private Sector	698.69	747.80	781.77	842.62	896.98	981.50
Other Items (net)	(255.64)	(266.47)	(260.11)	(258.31)	(305.44)	(289.18)
Monetary Liabilities (M2)	991.30	1,018.65	1,035.09	1,028.42	1,079.29	1,132.58
Money Supply (M1)	27.56	35.21	40.20	44.75	39.31	43.59
Currency with the Public	9.67	12.01	13.01	13.52	13.41	13.57
Demand Deposits	17.88	23.20	27.19	31.22	25.90	30.02
Quasi Money	963.75	983.44	994.89	983.67	1,039.98	1,088.99
Savings Deposits	71.04	73.26	75.59	80.98	82.24	88.13
Time Deposits	74.34	79.01	82.13	82.80	88.48	89.34
Foreign Currency Deposits	818.37	831.17	837.17	819.89	869.25	911.52

Source: Eastern Caribbean Central Bank

**Data available at 17 August 2007**



**Table 24**  
**Antigua and Barbuda - Selected Tourism Statistics**

	2006 <sup>R</sup>	2006 <sup>R</sup>	2006 <sup>R</sup>	2007 <sup>R</sup>	2007 <sup>P</sup>	2006	2007 <sup>P</sup>
	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
Total Visitors	172,248	81,501	222,709	347,407	156,947	533,132	504,354
Stay-Over Visitors	63,000	56,414	60,098	75,367	60,197	137,157	135,564
Of which:							
USA	19,434	14,494	15,407	24,074	18,250	43,596	42,324
Canada	1,951	1,189	2,304	4,243	1,663	6,560	5,906
Europe	24,622	20,905	28,284	31,635	25,759	57,349	57,394
UK	20,618	17,639	24,218	27,295	23,112	47,706	50,407
Germany	757	390	745	1,076	800	1,890	1,876
Switzerland	212	145	230	281	188	548	469
Italy	1,218	1,618	1,243	2,110	1,097	3,133	3,207
France	325	225	346	482	340	811	822
Other Europe	1,492	888	1,502	391	222	3,261	613
Caribbean	14,160	17,363	12,174	10,105	10,508	24,451	20,613
South America	287	236	241	236	247	532	483
Other Countries	2,546	2,227	1,688	5,074	3,770	4,669	8,844
Cruise Ship Passengers \1	109,248	25,087	162,611	272,040	96,750	395,975	368,790
Number of Cruise Ship Calls	56	23	112	189	57	220	246
Total Visitor Expenditure (EC\$M)	<b>214.10</b>	<b>182.24</b>	<b>205.17</b>	<b>276.01</b>	<b>209.30</b>	<b>494.81</b>	<b>485.30</b>

Sources: Department of Tourism and Eastern Caribbean Central Bank

/1 Includes Excursionists

Data available at 06 September 2007

**Table 25**  
**Antigua and Barbuda - Consumer Price Index**  
**January 1993 = 100**

	Weight	Index Jun 2007	Percentage Change*						
			2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 1 <sup>st</sup> Qr	2007 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 Jan - Jun
<b>All Items</b>	1,000.0	111.49	0.32	0.13	(0.49)	0.16	0.38	0.38	0.54
Food	214.2	109.90	0.80	0.59	0.15	1.23	-	0.62	1.23
Alcoholic Beverages & Tobacco	1.6	120.33	-	2.18	0.84	8.58	-	0.63	8.58
Housing	218.3	109.74	-	-	-	-	-	-	-
Fuel & Light	63.9	115.71	2.28	-	(7.82)	1.21	5.99	3.47	7.28
Clothing & Footwear	110.6	108.57	-	(0.02)	-	0.52	-	-	0.52
Household Furnishings & Supplies	126.0	110.49	-	-	-	(3.39)	-	-	(3.39)
Transport & Communications	153.5	111.12	-	-	-	1.29	-	-	1.29
Medical Care & Expenses	27.6	111.25	-	-	-	-	-	-	-
Education	23.4	116.77	-	-	-	-	-	0.93	-
Personal Services	43.0	131.87	-	-	-	-	-	-	-
Miscellaneous	17.9	108.77	-	-	-	0.12	-	-	0.12

Source: Ministry of Finance

\*at end of period

Data available at 06 September 2007



**Table 26**  
**Antigua and Barbuda - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

	2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 <sup>P</sup> 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 <sup>P</sup> Jan - Jun
<b>Current Revenue</b>	139.08	122.88	141.88	166.76	179.98	341.76	346.74
Tax Revenue	130.12	114.18	133.90	157.64	170.63	323.36	328.28
Taxes on Income & Profits	22.59	16.69	17.80	30.10	32.72	81.24	62.82
Of Which:							
Personal Income	11.46	9.94	10.44	14.50	13.57	21.86	28.06
Company	11.08	6.75	7.21	15.32	19.00	59.16	34.32
Taxes on Property	4.10	1.65	0.98	0.89	2.24	8.63	3.13
Taxes on Domestic Goods & Services	33.04	24.07	29.30	56.55	75.20	66.66	131.75
Of Which:							
Sales Tax	-	-	-	20.77	55.75	-	76.52
Stamp Duties	10.27	8.72	16.23	14.21	11.67	20.63	25.88
Hotel and Guest Tax	14.14	7.48	5.90	11.99	0.68	26.48	12.67
Taxes on International Trade and Transactions:	70.38	71.76	85.83	70.11	60.47	166.84	130.58
Of Which:							
Import Duty	17.10	16.64	23.61	23.01	22.98	42.08	45.99
Consumption Tax	27.61	28.14	27.72	9.34	10.62	67.30	19.96
Customs Service Charge	17.05	19.19	23.80	24.23	15.59	36.52	39.83
Environmental Tax	1.44	1.74	3.98	2.91	2.20	4.22	5.11
Passenger Facility Charge	1.92	1.57	1.56	1.90	2.31	4.49	4.21
Non-Tax Revenue	8.96	8.70	7.97	9.11	9.35	18.39	18.46
<b>Current Expenditure</b>	153.27	156.10	172.26	179.05	172.18	314.40	351.23
Personal Emoluments	64.55	63.25	75.48	65.00	65.00	128.08	129.99
Other Goods & Services	25.87	31.32	26.88	32.50	32.50	60.93	65.00
Interest Payments	23.13	29.14	23.95	25.61	29.52	44.99	55.14
Domestic	10.02	11.53	7.35	8.83	10.44	18.38	19.27
External	13.11	17.61	16.60	16.79	19.09	26.61	35.87
Transfers & Subsidies	39.72	32.39	45.94	55.94	45.16	80.39	101.10
Of Which: Pensions	11.22	9.10	10.56	21.07	21.07	22.34	42.14
<b>Current Account Balance</b>	(14.19)	(33.22)	(30.38)	(12.29)	7.79	27.35	(4.49)
<b>Capital Revenue</b>	1.30	1.07	1.25	1.32	0.99	2.72	2.31
<b>Grants</b>	21.00	8.00	5.00	10.00	-	42.00	10.00
Of which: Capital Grants	21.00	8.00	5.00	10.00	-	11.43	42.00
Debt Forgiveness	-	-	-	-	-	-	-
<b>Capital Expenditure and Net Lending</b>	54.17	45.79	34.16	80.50	30.00	120.14	110.50
<b>Primary Balance</b>	(22.93)	(40.80)	(34.33)	(55.85)	8.31	(3.08)	(47.55)
<b>Overall Balance</b>	(46.06)	(69.94)	(58.29)	(81.47)	(21.22)	(48.07)	(102.69)
<b>Financing</b>	46.06	69.94	58.29	81.47	21.22	48.07	102.69
Domestic	29.06	58.28	33.12	68.16	4.13	13.97	72.29
ECCB (net)	(0.50)	(0.63)	(0.31)	(2.41)	(13.61)	(0.70)	(16.02)
Commercial Banks (net)	(27.21)	3.68	21.38	38.89	(55.94)	(89.50)	(17.05)
Other	56.76	55.23	12.06	31.68	73.68	104.16	105.36
External	(1.94)	(5.35)	(3.89)	(6.76)	(2.30)	(7.61)	(9.06)
Net Amortisation/(Amortisation)	(1.98)	(5.39)	(3.92)	(6.72)	(2.75)	(7.68)	(9.47)
Disbursements	1.55	0.01	0.60	-	4.01	2.57	4.01
Amortisation	(3.53)	(5.40)	(4.52)	(6.72)	(6.76)	(10.25)	(13.48)
Change in Government Foreign Assets	0.04	0.04	0.02	(0.04)	0.45	0.07	0.41
Arrears	18.94	17.01	29.06	20.07	19.39	41.71	39.46
Domestic	2.32	0.87	1.30	0.69	0.01	5.72	0.70
External	16.61	16.14	27.76	19.37	19.38	35.99	38.75

Source: Ministry of Finance, Treasury Department and ECCB Estimates  
Data available at 06 September 2007



**Table 27**  
**Antigua and Barbuda - Monetary Survey**  
**(EC\$M at end of period)**

	2006 1 <sup>st</sup> Qr	2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 2 <sup>nd</sup> Qr
Net Foreign Assets	936.75	896.18	863.08	926.12	972.04	923.67
Central Bank (net)	348.65	345.48	325.50	385.06	364.50	410.72
Commercial Banks (net)	588.10	550.70	537.58	541.07	607.54	512.95
External (net)	779.91	752.35	701.37	771.39	622.84	600.22
Assets	1,121.19	1,139.80	1,081.55	1,224.96	1,115.02	1,055.39
Liabilities	341.29	387.45	380.18	453.56	492.18	455.17
Other ECCB Territories	(191.80)	(201.64)	(163.79)	(230.33)	(15.30)	(87.27)
Assets	587.15	605.80	575.17	544.25	464.42	531.47
Liabilities	778.95	807.45	738.96	774.58	479.72	618.75
Net Domestic Assets	1,371.00	1,413.37	1,472.92	1,549.43	1,637.33	1,671.98
Domestic Credit	1,695.03	1,683.85	1,776.94	1,897.40	1,940.48	2,021.77
Central Government (net)	199.19	171.48	174.54	195.60	232.08	162.53
Other Public Sector (net)	(203.24)	(207.78)	(214.83)	(226.99)	(234.01)	(233.31)
Non-Bank Financial Institutions (net)	(35.50)	(63.18)	(33.50)	(36.88)	(23.99)	(30.09)
Subsidiaries & Affiliates (net)	(23.78)	(36.19)	(44.02)	(39.80)	(112.40)	(47.40)
Private Sector	1,758.38	1,819.51	1,894.76	2,005.46	2,078.79	2,170.05
Other Items (net)	(324.04)	(270.47)	(304.02)	(347.96)	(303.15)	(349.79)
Monetary Liabilities (M2)	2,307.75	2,309.55	2,336.00	2,475.56	2,609.37	2,595.65
Money Supply (M1)	557.06	542.67	547.86	641.75	680.33	641.83
Currency with the Public	121.16	121.93	120.16	143.71	134.94	136.98
Demand Deposits	435.91	420.75	427.71	498.04	545.39	504.85
Quasi Money	1,750.69	1,766.88	1,788.14	1,833.81	1,929.03	1,953.82
Savings Deposits	777.10	797.52	815.69	817.86	844.27	844.94
Time Deposits	792.18	803.38	805.97	813.21	838.58	875.53
Foreign Currency Deposits	181.41	165.99	166.48	202.74	246.18	233.35

Source: Eastern Caribbean Central Bank

Data available at 06 September 2007





**Table 28**  
**Dominica - Selected Tourism Statistics**

	2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 <sup>E</sup> 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 Jan - Jun
Total Visitors	83,368	66,253	152,189	160,967	71,416	255,111	232,383
Stay-Over Visitors	21,485	24,311	26,168	21,491	22,466	42,504	43,957
Of which:							
USA	5,990	5,885	5,511	6,281	6,514	12,141	12,795
Canada	518	584	1,005	747	559	1,248	1,306
UK	1,260	1,872	2,183	1,949	1,359	3,164	3,308
Caribbean	12,076	14,541	14,873	10,275	12,342	22,117	22,617
Other Countries	1,641	1,429	2,596	2,239	1,692	3,834	3,931
Excursionists	383	192	222	315	258	513	573
Cruise Ship Passengers	61,500	41,750	125,799	139,161	48,692	212,094	187,853
Number of Cruise Ship Calls	38	23	97	127	30	194	157
Total Visitor Expenditure (EC\$M)	<b>42.84</b>	<b>42.36</b>	<b>52.05</b>	<b>51.33</b>	<b>49.98</b>	<b>90.64</b>	<b>101.31</b>

Sources: Central Statistical Office and ECCB Estimates

**Data available at 17 August 2007**

**Table 29**  
**Dominica - Consumer Price Index**  
**January 2001 = 100**

	Weight	Index Jun 2007	Percentage Change*						
			2006 <sup>R</sup> 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 1 <sup>st</sup> Qr	2007 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 Jan - Jun
<b>All Items</b>	1,000.0	112.61	0.55	1.14	(0.88)	1.32	1.52	1.54	2.87
Food	328.8	117.35	0.21	0.74	1.26	0.35	1.60	2.40	1.95
Alcoholic Beverages and Tobacco	9.5	113.51	(0.27)	(0.12)	2.81	2.99	(0.02)	7.71	2.98
Housing and Utilities	111.7	114.33	(0.01)	2.72	-	0.51	0.35	0.32	0.86
Fuel and Light	58.6	159.33	4.99	4.54	(12.84)	12.22	5.18	5.79	18.03
Clothing and Footwear	82.1	95.93	(0.16)	0.11	(0.06)	0.15	(0.19)	(0.99)	(0.04)
Household and Furnishing Equipment	93.5	97.10	(0.27)	(0.56)	0.24	(0.04)	(0.12)	0.05	(0.16)
Transportation and Communication	194.3	104.36	0.75	0.27	(1.74)	1.51	3.05	(0.39)	4.61
Medical Care and Expenses	31.6	109.20	0.16	7.21	0.06	(0.63)	0.17	2.46	(0.46)
Education	29.0	113.34	0.14	(0.07)	0.53	(0.40)	0.02	0.63	(0.38)
Personal Services	42.5	114.61	-	-	-	(0.01)	-	5.52	(0.01)
Miscellaneous	18.4	108.57	(0.34)	0.09	0.50	(0.45)	(0.47)	(0.47)	(0.91)

Source: Central Statistical Office

\*at end of period

**Data available at 17 August 2007**



**Table 30**  
**Dominica - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

	2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 Jan - Jun
<b>Current Revenue</b>	71.57	65.82	67.68	74.67	79.28	135.53	153.95
Tax Revenue	66.45	60.10	62.33	68.70	70.76	125.44	139.46
Taxes on Income, Profit and Capital Gains	14.03	11.24	12.04	13.46	14.35	27.22	27.81
Of Which:							
Personal Income	8.95	7.41	7.73	8.62	10.85	17.89	19.46
Corporation	4.80	4.23	4.75	5.18	4.71	9.27	9.89
Development Levy	-	-	-	-	-	-	-
Stabilisation Levy	0.58	0.06	0.04	0.07	0.01	0.68	0.07
Taxes on Property	2.37	1.57	1.80	1.65	2.14	4.16	3.79
Taxes on Domestic Goods and Services	35.36	33.81	33.58	39.25	39.84	55.82	79.09
Of Which:							
Sales Tax	0.20	0.11	0.15	0.15	0.29	10.47	0.45
Licenses	3.22	4.81	2.67	4.12	5.62	7.11	9.74
Consumption Tax	0.00	0.01	0.05	-	-	1.31	-
Hotel Accommodation Tax	0.02	0.10	0.01	0.03	0.02	0.29	0.04
Value Added Tax	22.93	20.02	22.74	23.27	22.76	26.26	46.03
Excise Tax	8.60	8.32	7.71	11.31	10.83	9.39	22.14
Taxes on International Trade and Transactions	14.70	13.48	14.91	14.34	14.43	38.24	28.77
Of Which:							
Consumption Tax	0.26	0.02	0.03	(0.26)	0.37	10.18	0.11
Import Duty	7.22	6.32	8.04	7.24	7.07	14.02	14.31
Customs Service Charge/Customs Surcharge	3.36	3.21	3.43	3.34	3.49	6.35	6.83
Non-Tax Revenue	5.12	5.72	5.35	5.97	8.52	10.09	14.49
<b>Current Expenditure</b>	55.69	61.82	59.06	63.71	65.17	123.37	128.88
Personal Emoluments	26.25	27.80	27.97	27.35	30.31	53.88	57.66
Goods and Services	12.23	10.87	13.50	13.94	13.67	22.34	27.61
Interest Payments	5.81	8.40	4.30	6.92	7.12	21.92	14.03
Domestic	4.26	1.31	1.45	1.34	2.87	11.65	4.21
External	1.56	7.09	2.84	5.58	4.25	10.27	9.82
Transfers and Subsidies	11.40	14.74	13.29	15.50	14.07	25.22	29.58
Of Which: Pensions	2.26	3.45	3.40	3.58	3.55	5.66	7.13
<b>Current Account Balance</b>	15.89	4.00	8.63	10.96	14.11	12.16	25.07
<b>Capital Revenue</b>	0.15	0.31	0.19	0.15	0.17	0.34	0.32
<b>Grants</b>	23.07	11.76	9.12	16.24	16.94	38.48	33.18
Of which: Capital Grants	23.07	11.76	9.12	16.24	16.94	38.48	33.18
<b>Capital Expenditure and Net Lending</b>	26.38	13.18	21.15	28.41	22.84	43.43	51.25
Of which: Capital Expenditure	27.15	14.31	21.70	29.15	23.10	44.96	52.25
<b>Primary Balance</b>	18.55	11.30	1.09	5.85	15.49	29.47	21.35
<b>Overall Balance</b>	12.73	2.90	(3.20)	(1.06)	8.38	7.55	7.32
<b>Financing</b>	(12.73)	(2.90)	3.20	1.06	(8.38)	(7.55)	(7.32)
Domestic	(10.97)	(5.11)	0.82	2.07	(2.69)	(8.17)	(0.62)
ECCB (net)	(1.98)	(3.55)	(2.36)	(1.44)	(1.79)	(7.08)	(3.22)
Commercial Banks (net)	1.50	(22.15)	(24.56)	(26.60)	13.65	(4.46)	(12.95)
Other	(10.49)	20.59	27.74	30.10	(14.55)	9.77	15.55
External	(2.14)	1.77	2.65	(3.52)	(3.58)	(3.87)	(7.11)
Net Amortisation	(0.36)	(0.26)	2.68	(4.35)	(0.61)	(3.11)	(4.96)
Disbursements	1.80	4.87	6.09	1.30	4.32	2.43	5.63
Amortisation	(2.15)	(5.13)	(3.41)	(5.65)	(4.94)	(5.53)	(10.59)
Change in Government Foreign Assets	(1.78)	2.02	(0.03)	0.82	(2.97)	(0.76)	(2.15)
Other Foreign Financing	-	-	-	-	-	-	-
Arrears	0.38	0.44	(0.26)	2.52	(2.11)	4.48	0.41
Domestic	(1.21)	(3.14)	(1.34)	(0.55)	(2.24)	(2.85)	(2.79)
External	1.59	3.59	1.08	3.07	0.14	7.33	3.21

Source: Ministry of Finance  
Data available at 17 August 2007



**Table 31**  
**Dominica - Selected Trade Statistics**  
 (Value: EC\$M; Volume: tonnes)

	2006 <sup>R</sup> 2 <sup>nd</sup> Qr	2006 <sup>R</sup> 3 <sup>rd</sup> Qr	2006 <sup>R</sup> 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 Jan - Jun
Visible Trade Balance	(87.98)	(82.18)	(94.72)	(97.90)	(108.25)	(161.75)	(206.15)
Total Imports	116.68	111.37	124.75	128.51	132.49	214.50	261.00
Total Exports	28.70	29.20	30.03	30.61	24.24	52.75	54.85
Re-Exports	0.48	0.58	0.85	0.42	0.76	1.29	1.18
Domestic Exports	28.22	28.62	29.18	30.19	23.48	51.46	53.67
Of Which:							
Bananas							
Value	4.56	4.11	4.15	4.21	4.16	8.02	8.37
Volume	3,173	2,847	2,842	2,884	2,664	5,719	5,548
Soap							
Value	7.38	7.63	7.78	9.67	6.11	13.13	15.78
Volume	2,119	2,227	2,231	2,772	1,749	3,871	4,521
Dental Cream							
Value	3.96	4.46	4.23	4.23	1.88	7.50	6.11
Volume	346	449	403	396	261	741	657

Source: Central Statistical Office, Dominica Coconut Products and WIBDECO  
 Data available at 17 August 2007

**Table 32**  
**Dominica - Monetary Survey**  
 (EC\$M at end of period)

	2006 1 <sup>st</sup> Qr	2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 2 <sup>nd</sup> Qr
Net Foreign Assets	360.06	364.11	364.79	427.21	493.69	514.23
Central Bank (net)	143.66	152.59	166.89	170.16	183.38	163.35
Commercial Banks (net)	216.40	211.52	197.90	257.06	310.31	350.88
External (net)	32.36	24.34	32.69	61.67	97.69	114.67
Assets	206.31	207.53	213.82	246.77	284.36	303.49
Liabilities	173.95	183.19	181.14	185.10	186.67	188.82
Other ECCB Territories	184.04	187.18	165.22	195.38	212.62	236.21
Assets	213.80	218.31	218.73	234.57	246.26	270.76
Liabilities	29.76	31.13	53.51	39.19	33.64	34.55
Net Domestic Assets	294.02	295.62	304.51	259.96	200.79	211.89
Domestic Credit	405.85	390.47	383.08	352.83	318.02	341.07
Central Government (net)	6.58	6.10	(19.60)	(46.52)	(74.55)	(62.69)
Other Public Sector (net)	(50.17)	(52.51)	(55.28)	(57.00)	(61.39)	(61.82)
Non-Bank Financial Institutions (net)	(56.83)	(60.47)	(59.86)	(68.58)	(82.39)	(76.27)
Subsidiaries and Affiliates (net)	(5.94)	(6.10)	(6.08)	(6.28)	(6.14)	(6.31)
Private Sector	512.22	503.44	523.90	531.21	542.51	548.16
Other Items (net)	(111.83)	(94.85)	(78.58)	(92.86)	(117.23)	(129.18)
Monetary Liabilities (M2)	654.08	659.72	669.30	687.17	694.48	726.12
Money Supply (M1)	152.98	146.58	145.60	138.31	152.00	160.53
Currency with the Public	39.73	38.93	41.60	45.44	45.18	43.01
Demand Deposits	113.25	107.66	104.00	92.87	106.82	117.52
Quasi Money	501.10	513.14	523.70	548.86	542.48	565.59
Savings Deposits	352.81	362.15	371.53	392.32	394.79	413.06
Time Deposits	137.45	139.30	142.67	145.43	137.97	142.11
Foreign Currency Deposits	10.84	11.69	9.51	11.12	9.72	10.42

Source: Eastern Caribbean Central Bank  
 Data available at 17 August 2007



**Table 33**  
**Grenada - Selected Tourism Statistics**

	2006	2006	2006	2007 <sup>R</sup>	2007 <sup>P</sup>	2006	2007 <sup>P</sup>
	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
Total Visitors	53,776	33,926	108,574	156,505	81,199	204,832	237,704
Stay-Over Visitors	26,137	31,519	27,717	33,431	31,905	59,417	65,336
Of which:							
USA	5,676	6,982	5,572	7,737	6,427	14,572	14,164
Canada	823	1,620	1,286	2,327	938	3,429	3,265
Europe	6,799	6,130	8,707	12,605	9,400	17,697	22,005
Of which:							
West Germany	487	174	747	956	590	1,676	1,546
United Kingdom	5,365	5,226	6,762	9,739	7,792	13,054	17,531
Caribbean	7,873	9,855	6,443	6,142	7,414	14,629	13,556
Other Countries	4,966	6,932	5,709	4,620	7,726	9,090	12,346
Excursionists	875	1,543	1,473	1,770	1,527	1,805	3,297
Cruise Ship Passengers	25,732	64	78,397	119,584	46,409	140,223	165,993
Yacht Passengers	970	614	885	1,439	988	3,234	2,427
Number of Cruise Ship Calls	31	1	67	111	56	153	167
Total Visitor Expenditure (EC\$M)	<b>54.01</b>	<b>62.98</b>	<b>61.50</b>	<b>79.86</b>	<b>68.69</b>	<b>128.80</b>	<b>148.55</b>

Sources: Board of Tourism and ECCB Estimates (Excursionists, Yachts and Other Sea Arrivals) for June 2007  
Data available at 20 August 2007

**Table 34**  
**Grenada - Consumer Price Index**  
**January 2001 = 100**

	Weight	Index Jun 2007	Percentage Change*						
			2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 1 <sup>st</sup> Qr	2007 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 Jan - Jun
<b>All Items</b>	1000.0	115.48	1.44	0.55	0.71	0.05	0.49	0.39	0.55
Food	367.5	118.61	2.11	1.52	0.98	0.09	1.52	1.72	1.62
Alcoholic Beverages & Tobacco	8.6	108.38	0.08	0.12	(0.04)	0.19	0.01	0.14	0.20
Housing	102.0	123.53	2.02	1.43	1.90	0.86	0.56	1.16	1.45
Fuel and Light	55.0	132.13	2.32	(2.80)	0.65	(0.09)	7.39	(9.15)	7.35
Clothing and Footwear	97.7	99.29	0.06	0.12	(0.01)	0.53	0.10	0.06	0.63
Household Furnishings & Supplies	156.5	106.94	0.23	0.14	0.09	(0.06)	0.64	0.23	0.58
Transport and Communications	95.3	119.89	1.38	(0.26)	0.40	(1.04)	0.10	0.85	(0.95)
Medical Care and Expenses	46.5	119.14	0.82	0.13	0.65	1.56	0.18	0.97	1.76
Education	37.4	112.58	0.36	-	-	(0.71)	0.09	0.55	(0.62)
Personal Services	16.0	101.20	-	-	-	-	0.09	-	0.09
Miscellaneous	17.5	106.17	0.10	1.06	0.62	0.43	0.84	0.49	1.28

Sources: Central Statistical Office and Ministry of Finance, ECCB Estimates for June 2007

\*at end of period

Data available at 20 August 2007



**Table 35**  
**Grenada - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

	2006	2006	2006	2007 <sup>R</sup>	2007	2006	2007
	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
<b>Current Revenue</b>	94.74	92.33	108.42	96.22	108.44	185.28	204.66
Tax Revenue	88.05	83.52	102.17	91.31	102.68	174.30	193.98
Taxes on Income and Profits	13.76	13.41	14.59	16.58	19.46	28.03	36.04
Of Which:							
Personal Income	2.85	3.62	3.14	4.85	3.67	6.91	8.52
Company	7.53	6.72	8.53	8.58	12.23	16.32	20.81
Taxes on Property	7.29	4.02	7.57	4.08	10.71	11.03	14.79
Taxes on Domestic Goods and Services	17.35	13.54	18.13	18.37	17.61	37.34	35.99
Of Which:							
Consumption Duties	8.81	7.85	7.91	8.97	9.26	16.98	18.23
Stamp Duties	1.48	1.17	0.92	1.20	1.52	2.70	2.72
Licences	3.00	1.05	5.24	4.39	3.06	10.26	7.44
Taxes on International Trade and Transactions	49.65	52.55	61.87	52.28	54.89	97.90	107.17
Of Which:							
Import Duty	10.82	11.17	13.62	11.33	12.02	22.48	23.36
Consumption Tax	24.68	27.89	28.72	22.54	24.76	47.70	47.30
Customs Service Charge	9.69	9.64	10.38	9.73	8.88	20.12	18.61
Petrol Tax	2.91	2.14	1.03	7.04	7.22	4.69	14.27
Non-Tax Revenue	6.69	8.82	6.26	4.92	5.76	10.97	10.67
<b>Current Expenditure</b>	73.61	86.29	79.80	81.74	80.66	151.37	162.40
Personal Emoluments	37.53	39.92	38.95	37.57	38.97	75.09	76.54
Goods and Services	17.09	14.27	18.27	16.25	17.62	33.56	33.86
Interest Payments	3.78	14.43	4.12	8.12	5.32	10.47	13.45
Domestic	0.62	6.79	0.67	0.65	1.88	1.20	2.53
External	3.17	7.64	3.45	7.47	3.45	9.27	10.92
Transfers and Subsidies	15.20	17.66	18.46	19.80	18.75	32.24	38.55
Of Which: Pensions	4.41	4.89	4.60	4.66	4.70	9.44	9.36
<b>Current Account Balance</b>	21.13	6.04	28.62	14.49	27.77	33.91	42.26
<b>Capital Revenue</b>	0.01	0.07	0.00	0.03	0.01	0.06	0.04
<b>Grants</b>	30.39	43.70	16.52	5.21	13.05	44.45	18.26
Of which: Capital Grants	30.39	30.53	13.82	5.21	13.05	41.95	18.26
<b>Capital Expenditure and Net Lending</b>	74.65	93.97	68.34	43.06	48.61	108.97	91.67
Of which: Capital Expenditure	74.65	93.97	68.34	43.06	48.61	108.97	91.67
<b>Primary Balance</b>	(19.34)	(29.73)	(19.08)	(15.22)	(2.45)	(20.08)	(17.66)
<b>Overall Balance</b>	(23.13)	(44.16)	(23.20)	(23.34)	(7.77)	(30.55)	(31.11)
<b>Financing</b>	23.13	44.16	23.20	23.34	7.77	30.55	31.11
Domestic	15.07	21.23	28.85	19.23	8.99	18.70	28.22
ECCB (net)	(5.57)	(0.69)	0.31	1.91	5.87	(5.46)	7.79
Commercial Banks (net)	20.91	16.24	3.62	19.95	5.27	8.22	25.23
Other	(0.28)	5.69	24.92	(2.64)	(2.16)	15.94	(4.80)
External	8.06	22.93	(5.65)	4.12	(1.22)	11.85	2.89
Net Amortisation	8.13	22.99	(5.60)	4.17	(1.15)	11.96	3.02
Disbursements	13.12	25.37	12.27	8.97	4.01	20.50	12.97
Amortisation	(4.99)	(2.38)	(17.87)	(4.80)	(5.16)	(8.54)	(9.96)
Change in Government Foreign Assets	(0.07)	(0.06)	(0.05)	(0.05)	(0.07)	(0.11)	(0.12)
Arrears	-	-	-	-	-	-	-
Domestic	-	-	-	-	-	-	-
External	-	-	-	-	-	-	-

Source: Ministry of Finance  
Data available at 24 August 2007



**Table 36**  
**Grenada - Selected Agricultural Production**

	Unit	2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 1 <sup>st</sup> Qr	2007 <sup>P</sup> 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 <sup>P</sup> Jan - Jun
Bananas	(tonnes)	186	264	367	165	212	299	377
Cocoa	(tonnes)	47	8	15	111	111	67	222
Nutmeg	(tonnes)	50	49	58	83	41	113	124
Mace	(tonnes)	4	3	3	5	6	7	11

Source: Central Statistical Office and ECCB Estimates for April to June 2007

**Data available at 20 August 2007**

**Table 37**  
**Grenada - Selected Trade Statistics**  
(Value: EC\$M; Volume: tonnes)

	2006 <sup>R</sup> 2 <sup>nd</sup> Qr	2006 <sup>R</sup> 3 <sup>rd</sup> Qr	2006 <sup>R</sup> 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 <sup>P</sup> 2 <sup>nd</sup> Qr	2006 <sup>R</sup> Jan - Jun	2007 <sup>P</sup> Jan - Jun
<b>Visible Trade Balance</b>	(166.70)	(170.86)	(184.80)	(300.54)	(212.61)	(380.07)	(513.15)
<b>Total Imports</b>	183.97	188.44	200.67	317.58	263.70	412.71	581.28
<b>Total Exports</b>	17.28	17.59	15.87	17.04	51.09	32.64	68.13
Re-Exports	4.57	5.07	3.59	5.56	37.54	9.59	43.10
Domestic Exports	12.71	12.52	12.28	11.47	13.55	23.05	25.03
Of Which:							
Bananas							
Volume	23.34	144.80	87.59	66.29	17.28	23.34	83.57
Value	0.04	0.20	0.12	0.09	0.03	0.04	0.12
Nutmeg							
Volume	112.41	181.65	196.35	232.95	130.29	261.41	363.24
Value	1.32	2.03	1.61	2.22	2.22	3.52	4.43
Mace							
Volume	1.20	5.12	0.98	6.24	10.98	9.58	17.22
Value	0.02	0.12	0.02	0.12	0.22	0.23	0.34
Cocoa							
Volume	57.02	14.86	0.00	110.98	72.29	57.02	183.27
Value	0.53	0.17	0.00	1.14	0.84	0.53	1.99
Manufactured Exports							
Volume	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Value	6.80	8.09	8.61	8.21	7.47	12.36	15.68

Source: Central Statistical Office and WIBDECO, ECCB estimates for exports for April to June

**Data available at 29 August 2007**



**Table 38**  
**Grenada - Monetary Survey**  
**(EC\$M at end of period)**

	2006 1 <sup>st</sup> Qr	2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 2 <sup>nd</sup> Qr
Net Foreign Assets	497.34	486.10	435.79	421.47	430.62	427.69
Central Bank (net)	245.21	255.24	253.03	269.43	258.19	279.63
Commercial Banks (net)	252.13	230.86	182.76	152.04	172.43	148.06
External (net)	53.00	43.97	19.03	5.82	44.82	14.37
Assets	394.29	391.72	381.38	394.94	421.15	414.17
Liabilities	341.30	347.75	362.35	389.12	376.33	399.80
Other ECCB Territories	199.14	186.89	163.73	146.21	127.61	133.69
Assets	326.29	315.33	287.83	291.86	212.57	181.27
Liabilities	127.15	128.45	124.09	145.65	84.96	47.58
Net Domestic Assets	955.95	996.00	1,038.40	1,060.91	1,101.16	1,133.77
Domestic Credit	1,044.78	1,088.82	1,142.23	1,171.71	1,211.82	1,261.95
Central Government (net)	2.51	17.86	33.41	37.34	59.21	70.36
Other Public Sector (net)	(44.59)	(47.04)	(48.70)	(73.33)	(87.31)	(85.56)
Non-Bank Financial Institutions (net)	(30.40)	(29.92)	(31.84)	(23.33)	(23.52)	(40.08)
Subsidiaries and Affiliates (net)	7.23	7.36	7.36	7.13	6.97	6.42
Private Sector	1,110.02	1,140.56	1,182.00	1,223.89	1,256.48	1,310.81
Other Items (net)	(88.83)	(92.82)	(103.83)	(110.79)	(110.66)	(128.18)
Monetary Liabilities (M2)	1,453.28	1,482.10	1,474.19	1,482.38	1,531.78	1,561.46
Money Supply (M1)	311.42	330.92	306.26	309.46	329.18	334.01
Currency with the Public	100.47	98.92	96.30	104.50	100.48	98.07
Demand Deposits	210.95	232.00	209.96	204.96	228.70	235.94
Quasi Money	1,141.86	1,151.17	1,167.93	1,172.92	1,202.60	1,227.45
Savings Deposits	870.64	880.58	885.20	894.87	908.60	900.02
Time Deposits	192.33	197.56	206.86	201.16	208.89	225.96
Foreign Currency Deposits	78.89	73.04	75.87	76.89	85.11	101.47

Source: Eastern Caribbean Central Bank

**Data available at 20 August 2007**



**Table 39**  
**Montserrat - Selected Tourism Statistics**

	2006	2006	2006	2007	2007 <sup>P</sup>	2006	2007 <sup>P</sup>
	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
Total Visitors	2,369	2,012	3,276	2,801	2,598	5,486	5,399
Stay-Over Visitors	1,635	1,543	2,649	1,925	1,662	3,799	3,587
Of which:							
USA	452	388	635	606	443	1,130	1,049
Canada	53	24	120	157	50	249	207
UK	393	416	930	483	452	975	935
Caribbean	680	669	879	616	657	1,320	1,273
Other Countries	57	46	85	63	60	125	123
Excursionists	435	318	350	302	320	841	622
Cruise Ship Passengers	-	-	-	102	-	65	102
Number of Cruise Ship Calls	-	-	-	1	-	1	1
Yacht Passengers	299	151	277	472	616	781	1,088
Number of Yachts	116	25	44	105	128	240	233
Total Visitor Expenditure (EC\$M)	<b>4.11</b>	<b>3.54</b>	<b>6.57</b>	<b>5.87</b>	<b>4.25</b>	<b>10.80</b>	<b>10.13</b>

Sources: Department of Tourism and Eastern Caribbean Central Bank

Data available at 17 August 2007

**Table 40**  
**Montserrat - Consumer Price Index**  
**January 2001 = 100**

	Weight	Index Jun 2007	Percentage Change*						
			2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 1 <sup>st</sup> Qr	2007 <sup>P</sup> 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 <sup>P</sup> Jan - Jun
<b>All Items</b>	1,000.00	222.60	1.03	1.11	(0.59)	1.19	1.04	0.51	2.25
Food	495.00	212.80	0.79	2.41	(0.19)	2.22	0.33	0.45	2.55
Alcoholic and Tobacco	46.00	213.00	(1.09)	0.43	1.00	0.42	0.14	(1.32)	0.57
Household Goods	102.00	167.10	0.38	(0.50)	2.20	2.03	0.78	(2.62)	2.83
Gas, Electricity and Water	18.00	192.70	7.53	(1.24)	(2.10)	(0.48)	3.88	4.73	3.38
Rent	7.00	955.70	-	-	-	-	-	-	-
Clothing and Footwear	179.00	220.80	0.59	-	-	-	-	0.45	-
Services	153.00	267.30	2.42	0.30	(3.86)	(0.04)	4.13	2.11	4.09

Sources: Statistics Department, Ministry of Finance

\*at end of period

Data available at 17 August 2007





**Table 41**  
**Montserrat - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

	2006 <sup>R</sup>	2006	2006	2007 <sup>R</sup>	2007 <sup>P</sup>	2006	2007 <sup>P</sup>
	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
<b>Current Revenue</b>	8.47	8.97	8.76	8.01	9.12	16.77	17.13
Tax Revenue	7.82	8.24	8.14	7.00	8.26	15.41	15.26
Taxes on Income and Profits	3.65	3.38	2.95	3.28	4.17	7.15	7.45
Of Which:							
Personal Income	2.93	3.06	2.65	2.82	3.32	5.63	6.14
Company	0.63	0.23	0.19	0.37	0.85	1.34	1.22
Taxes on Property	0.11	0.82	0.34	0.25	0.08	0.29	0.32
Taxes on Domestic Goods and Services	0.87	0.90	0.62	1.02	0.96	1.93	1.98
Of Which:							
Hotel Occupancy	0.03	0.01	0.01	0.02	0.01	0.04	0.02
Insurance Company Levy	0.02	0.08	0.06	0.04	0.05	0.06	0.08
Licenses and Stamp Duties	1.30	0.25	0.39	0.77	0.68	2.11	1.45
Taxes on International Trade and Transactions	3.20	3.14	4.24	2.45	3.06	6.04	5.51
Of Which:							
Import Duty	0.84	0.79	1.16	0.65	0.83	1.65	1.48
Consumption Tax	1.21	1.35	1.82	0.93	1.22	2.28	2.15
Customs Service Charge	0.77	0.80	0.93	0.51	0.77	1.51	1.28
Non-Tax Revenue	0.65	0.73	0.62	1.01	0.86	1.36	1.87
<b>Current Expenditure</b>	20.86	23.16	23.93	19.53	24.53	36.88	44.06
Personal Emoluments	8.08	10.11	9.23	9.14	9.27	16.19	18.41
Goods and Services*	7.31	6.06	8.15	5.15	8.44	11.49	13.59
Interest Payments	0.18	0.75	-	0.41	0.00	0.42	0.41
Domestic	-	-	-	0.05	0.00	0.05	0.05
External	0.18	0.75	-	0.36	-	0.37	0.36
Transfers and Subsidies	5.29	6.25	6.54	4.83	6.82	8.79	11.65
Of Which: Pensions	2.09	3.40	3.00	3.15	3.16	4.27	6.31
<b>Current Account Balance</b>	7.80	(0.19)	(0.65)	(6.21)	8.58	(20.11)	(26.93)
<b>Capital Revenue</b>	-	-	-	-	-	-	-
<b>Grants</b>	24.15	17.86	16.87	7.94	23.98	28.90	31.93
Of which: Capital Grants	3.97	3.86	2.35	2.63	-	3.99	2.63
<b>Capital Expenditure and Net Lending</b>	5.73	3.65	6.85	1.39	7.05	8.15	8.44
<b>Primary Balance</b>	6.22	0.77	(5.16)	(4.56)	1.53	1.06	(3.04)
<b>Overall Balance</b>	6.04	0.02	(5.16)	(4.98)	1.53	0.64	(3.45)
<b>Financing</b>	(6.04)	(0.02)	5.16	4.98	(1.53)	(0.64)	3.45
Domestic	(5.99)	0.05	5.22	5.02	(1.48)	(0.56)	3.54
ECCB (net)	0.30	(0.08)	(0.11)	(0.33)	(0.05)	0.14	(0.38)
Commercial Banks (net)	(7.88)	4.60	5.76	(13.71)	(2.17)	(3.41)	(15.88)
Other	1.59	(4.47)	(0.42)	19.06	0.74	2.71	19.80
External	(0.04)	(0.07)	(0.07)	(0.04)	(0.04)	(0.08)	(0.09)
Net Amortisation/(Amortisation)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.06)	(0.06)
Disbursements	-	-	-	-	-	-	-
Amortisation	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.06)	(0.06)
Change in Government Foreign Assets	(0.01)	(0.04)	(0.04)	(0.01)	(0.01)	(0.02)	(0.03)

Source: Ministry of Finance

\*Goods and Services includes Miscellaneous Payments

Data available at 17 August 2007



**Table 42**  
**Montserrat - Selected Trade Statistics**  
 (Value: EC\$M)

	2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 1 <sup>st</sup> Qr	2007 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 Jan - Jun
Visible Trade Balance	(19.09)	(16.14)	(23.70)	(13.03)	(19.66)	(37.96)	(32.69)
Total Imports	20.34	17.44	24.25	14.02	22.11	39.83	36.13
Total Exports	1.25	1.31	0.55	0.99	2.44	1.87	3.43
Total Domestic Exports	0.60	0.66	0.49	0.57	1.84	0.91	2.41
Total Re-Exports	0.65	0.64	0.06	0.41	0.61	0.96	1.02

Source: Ministry of Finance  
 Data available at 17 August 2007

**Table 43**  
**Montserrat - Monetary Survey**  
 (EC\$M at end of period)

	2006 1 <sup>st</sup> Qr	2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 <sup>P</sup> 2 <sup>nd</sup> Qr
Net Foreign Assets	156.42	167.86	165.15	165.31	175.58	179.66
Central Bank (net)	34.15	41.27	38.40	39.30	37.39	37.49
Commercial Banks (net)	122.27	126.59	126.76	126.00	138.19	142.17
External (net)	38.83	46.26	19.59	42.22	61.32	63.49
Assets	74.62	79.63	76.59	75.30	95.25	102.15
Liabilities	35.79	33.37	57.00	33.09	33.93	38.66
Other ECCB Territories	83.44	80.34	107.17	83.79	76.87	78.69
Assets	85.17	94.87	109.83	118.65	118.58	132.35
Liabilities	1.73	14.54	2.67	34.86	41.71	53.66
Net Domestic Assets	(34.47)	(42.05)	(34.96)	(30.45)	(40.52)	(41.59)
Domestic Credit	(21.71)	(27.59)	(19.07)	(14.86)	(24.40)	(24.56)
Central Government (net)	(26.09)	(33.67)	(29.15)	(23.51)	(37.55)	(39.77)
Other Public Sector (net)	(16.42)	(16.16)	(18.72)	(20.26)	(18.92)	(16.21)
Non-Bank Financial Institutions (net)	(7.08)	(6.45)	(2.01)	(3.48)	(3.28)	(4.49)
Subsidiaries and Affiliates (net)	-	-	-	-	-	-
Private Sector	27.88	28.69	30.81	32.38	35.35	35.90
Other Items (net)	(12.77)	(14.46)	(15.89)	(15.59)	(16.12)	(17.02)
Monetary Liabilities (M2)	121.95	125.81	130.19	134.86	135.06	138.07
Money Supply (M1)	29.41	30.66	29.56	32.70	32.54	31.60
Currency with the Public	11.50	12.62	14.21	14.18	14.90	14.53
Demand Deposits	17.91	18.04	15.35	18.53	17.64	17.07
Quasi Money	92.54	95.15	100.63	102.16	102.52	106.48
Savings Deposits	82.84	84.88	90.66	91.26	91.69	95.14
Time Deposits	4.85	4.69	4.07	4.93	5.02	5.27
Foreign Currency Deposits	4.85	5.57	5.90	5.97	5.81	6.07

Source: Eastern Caribbean Central Bank  
 Data available at 17 August 2007



**Table 44**  
**St Kitts and Nevis - Selected Tourism Statistics**

	2006 2 <sup>nd</sup> Qr	2006 <sup>E</sup> 3 <sup>rd</sup> Qr	2006 <sup>E</sup> 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 <sup>E</sup> 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 <sup>E</sup> Jan - Jun
Total Visitors	67,359	28,525	92,434	147,700	65,594	221,782	213,294
Stay-Over Visitors	39,208	25,368	27,464	39,067	32,074	80,065	71,141
Of which:							
USA	22,076	12,682	17,241	24,143	18,686	48,722	42,829
Canada	1,473	778	2,378	2,576	1,450	4,449	4,026
UK	2,532	2,286	2,260	3,885	2,285	5,363	6,170
Caribbean	11,573	8,887	4,770	6,664	8,555	18,946	15,219
Other Countries	1,554	735	815	1,799	1,098	2,585	2,897
Excursionists	1,307	820	600	1,766	1,227	2,473	2,993
Cruise Ship Passengers	26,218	2,075	63,956	105,483	31,700	137,044	137,183
Yatch Passengers	626	262	414	1,384	593	2,200	1,977
Number of Cruise Ship Calls	37	4	73	126	35	187	161
Total Visitor Expenditure (EC\$M)	<b>89.99</b>	<b>56.85</b>	<b>67.13</b>	<b>97.03</b>	<b>58.61</b>	<b>191.42</b>	<b>155.64</b>

Source: Ministry of Sustainable Development (St Kitts); Tourism Authority (Nevis); Eastern Caribbean Central Bank  
Data available at 19 August 2007

**Table 45**  
**St Kitts and Nevis - Consumer Price Index**  
**January 1993 = 100**

	Weight	Index Jun 2007	Percentage Change*						
			2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 1 <sup>st</sup> Qr	2007 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 Jan - Jun
<b>All Items</b>	1,000.00	127.50	0.07	1.00	2.30	1.04	1.27	4.88	2.33
Food	280.50	126.70	1.84	2.19	0.74	2.21	1.44	4.03	3.68
Alcoholic Beverages and Tobacco	7.10	109.70	1.63	2.08	1.11	0.46	0.09	1.26	0.55
Housing	129.90	115.40	(0.30)	-	1.94	(0.26)	0.17	4.89	(0.09)
Fuel and Light	43.70	103.80	0.67	(0.38)	(0.38)	(0.67)	0.10	0.23	(0.57)
Clothing and Footwear	92.90	125.50	(2.74)	0.80	6.32	2.64	0.88	1.09	3.55
Transportation and Communication	21.40	148.10	0.34	0.21	1.87	(0.75)	1.65	12.82	0.89
Household Furnishings and Supplies	37.20	120.80	(2.52)	0.73	3.78	3.47	1.34	(1.25)	4.86
Medical Care and Expenses	140.50	150.10	(0.93)	2.84	3.67	-	0.13	4.46	0.13
Education	192.70	125.00	8.60	2.45	3.32	0.58	2.54	11.91	3.14
Personal Services	19.90	115.20	0.55	0.74	0.37	5.59	-	4.27	5.59
Miscellaneous	34.20	114.80	(2.58)	0.56	5.35	1.31	(0.78)	(1.25)	0.53

Sources: Ministry of Sustainable Development

\*at end of period

Data available at 19 August 2007



**Table 46**  
**St Kitts and Nevis - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

	2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 Jan - Jun
<b>Current Revenue</b>	126.94	110.11	135.81	120.52	137.15	245.60	257.67
Tax Revenue	97.36	85.87	104.00	87.48	110.22	184.24	197.69
Taxes on Income and Profits	28.72	24.04	29.71	22.39	37.40	44.70	59.79
Of Which:							
Company	21.43	14.59	21.24	14.42	27.46	30.61	41.88
Social Services	6.78	8.76	8.13	7.63	7.90	13.32	15.53
Taxes on Property	2.68	0.97	1.33	1.24	2.06	6.43	3.30
Taxes on Domestic Goods and Services	23.58	18.38	20.24	23.12	22.01	52.21	45.14
Of Which:							
Hotel Room Tax	5.26	2.90	2.28	5.18	4.61	10.69	9.79
Stamp Duties	12.51	9.80	7.49	9.87	10.14	29.78	20.01
Gasoline Levy	0.37	0.47	0.95	0.24	0.41	0.55	0.65
Taxes on International Trade and Transactions	42.38	42.48	52.73	40.73	48.74	80.90	89.47
Of Which:							
Import Duty	12.16	11.53	14.41	11.62	12.59	23.50	24.20
Consumption Tax	20.02	20.54	25.82	19.03	24.94	37.74	43.97
Customs Service Charge	7.95	8.08	10.42	8.02	8.98	15.61	17.00
Non-Tax Revenue	29.58	24.24	31.81	33.04	26.93	61.36	59.98
<b>Current Expenditure</b>	115.44	118.98	125.87	111.30	124.13	233.37	235.43
Personal Emoluments	41.37	41.79	45.08	42.67	45.39	82.64	88.06
Goods and Services	33.72	34.15	34.95	27.64	34.17	60.32	61.81
Interest Payments	25.79	27.49	30.20	25.02	26.03	51.52	51.05
Domestic	19.30	12.99	23.75	12.73	17.33	30.79	30.06
External	6.50	14.51	6.45	12.30	8.70	20.73	20.99
Transfers and Subsidies	14.55	15.54	15.64	15.96	18.54	38.90	34.50
Of Which: Pensions	5.01	5.67	6.38	5.84	5.13	10.67	10.96
<b>Current Account Balance</b>	11.50	(8.87)	9.94	9.22	13.02	12.22	22.24
<b>Capital Revenue</b>	1.76	0.20	2.12	0.05	0.33	3.28	0.39
<b>Grants</b>	5.93	3.60	12.41	5.41	3.33	11.00	8.74
Of which: Capital Grants	5.91	3.60	12.29	5.41	3.33	10.82	8.74
<b>Capital Expenditure and Net Lending</b>	21.46	14.62	20.70	19.82	23.49	41.69	43.30
Of which: Capital Expenditure	17.92	13.39	20.70	19.82	23.43	36.90	43.24
<b>Primary Balance</b>	23.51	7.80	33.98	19.89	21.00	36.33	40.89
<b>Overall Balance</b>	(2.28)	(19.69)	3.78	(5.13)	(5.03)	(15.19)	(10.16)
<b>Financing</b>	2.28	19.69	(3.78)	5.13	5.03	15.19	10.16
Domestic	6.30	37.15	0.92	21.70	6.33	36.52	28.03
ECCB (net)	3.78	(0.02)	(0.93)	(1.32)	(0.30)	2.04	(1.63)
Commercial Banks (net)	23.35	(4.56)	10.58	34.29	23.55	63.72	57.84
Other	(20.83)	41.73	(8.72)	(11.27)	(16.91)	(29.23)	(28.18)
External	(4.02)	(17.46)	(4.70)	(16.57)	(1.30)	(21.34)	(17.87)
Net Amortisation	(4.02)	(17.46)	(4.70)	(16.57)	(1.30)	(21.34)	(17.87)
Disbursements	5.12	2.88	3.35	2.72	4.58	8.95	7.30
Amortisation	(9.14)	(20.34)	(8.05)	(19.29)	(5.88)	(30.29)	(25.17)
Change in Government Foreign Assets	-	-	-	-	-	-	-
Arrears	-	-	-	-	-	-	-
Domestic	-	-	-	-	-	-	-
External	-	-	-	-	-	-	-

Source: Ministry of Finance and ECCB Estimates  
Data available at 19 August 2007



**Table 47**  
**St Kitts and Nevis - Monetary Survey**  
**(EC\$M at end of period)**

	2006 1 <sup>st</sup> Qr	2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 2 <sup>nd</sup> Qr
Net Foreign Assets	380.75	510.25	462.61	607.15	614.25	573.23
Central Bank (net)	203.97	210.34	204.98	239.15	258.76	209.11
Commercial Banks (net)	176.78	299.91	257.63	368.00	355.49	364.13
External (net)	318.74	378.17	316.65	347.08	409.86	444.90
Assets	710.89	724.69	711.95	784.61	847.54	881.79
Liabilities	392.15	346.52	395.30	437.53	437.68	436.89
Other ECCB Territories	(141.96)	(78.25)	(59.02)	20.92	(54.37)	(80.78)
Assets	238.37	235.26	264.91	281.93	208.82	227.92
Liabilities	380.33	313.51	323.93	261.01	263.19	308.69
Net Domestic Assets	852.30	774.03	780.16	691.18	777.14	887.75
Domestic Credit	1,180.55	1,197.84	1,239.31	1,287.58	1,316.78	1,344.55
Central Government (net)	390.29	417.42	412.84	422.49	455.46	478.70
Other Public Sector (net)	(34.50)	(40.17)	(37.29)	(30.35)	(58.71)	(70.47)
Non-Bank Financial Institutions (net)	36.08	22.19	35.43	37.91	39.75	38.32
Subsidiaries & Affiliates (net)	(44.03)	(47.47)	(41.57)	(41.98)	(45.86)	(52.04)
Private Sector	832.71	845.88	869.90	899.51	926.14	950.03
Other Items (net)	(328.25)	(423.81)	(459.15)	(596.39)	(539.64)	(456.80)
Monetary Liabilities (M2)	1,233.06	1,284.29	1,242.77	1,298.33	1,391.38	1,460.98
Money Supply (M1)	179.84	172.60	177.65	184.49	201.18	203.10
Currency with the Public	46.68	51.08	47.50	55.10	51.89	51.18
Demand Deposits	133.17	121.52	130.15	129.38	149.29	151.91
Quasi Money	1,053.22	1,111.69	1,065.12	1,113.84	1,190.20	1,257.89
Savings Deposits	481.18	495.68	500.01	518.94	535.43	547.34
Time Deposits	191.02	188.72	189.22	188.10	188.51	206.56
Foreign Currency Deposits	381.02	427.29	375.89	406.80	466.27	503.98

Source: Eastern Caribbean Central Bank

**Data available at 19 August 2007**



**Table 48**  
**Saint Lucia - Selected Tourism Statistics**

	2006 <sup>R</sup>	2006	2006	2007 <sup>R</sup>	2007	2006	2007
	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
Total Visitors	143,450	107,196	186,554	321,305	185,074	401,483	506,379
Stay-Over Visitors	78,839	73,338	68,667	73,070	74,751	160,505	147,821
Of which:							
USA	33,399	27,021	26,365	26,560	32,420	64,064	58,980
Canada	2,858	2,073	4,117	8,382	2,841	11,301	11,223
Europe	20,839	17,720	21,515	25,580	21,270	46,330	46,850
UK	18,301	14,975	18,488	22,361	19,310	39,849	41,671
France	709	971	1,000	1,211	801	1,793	2,012
Germany	611	450	658	599	340	1,461	939
Caribbean	20,705	26,007	15,773	11,518	14,677	36,685	26,195
Excursionists	1,817	1,397	1,366	1,282	1,997	4,248	3,279
Cruise Ship Passengers	55,865	28,145	110,035	238,367	101,558	221,393	339,925
Number of Cruise Ship Calls	43	10	73	131	48	184	179
Yacht Passengers	6,929	4,316	6,486	8,586	6,768	15,337	15,354
Total Visitor Expenditure (EC\$M)	191.64	163.11	182.21	226.61	197.02	423.12	423.62

Source: Saint Lucia Tourist Board  
**Data available at 25 August 2007**

**Table 49**  
**Saint Lucia - Consumer Price Index**  
**January 2001 = 100**

	Weight	Index Jun 2007	Percentage Change*						
			2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 Jan - Jun
<b>All Items</b>	1,000.00	194.70	1.21	(1.81)	1.11	0.10	1.46	0.10	1.56
Food	467.51	203.90	2.08	(4.13)	2.75	0.15	2.93	(0.54)	3.08
Alcoholic Beverages and Tobacco	28.17	169.90	-	(5.78)	6.13	2.37	0.89	1.67	3.28
Clothing and Footwear	64.97	248.90	-	17.03	(14.56)	-	-	-	-
Housing	135.34	137.60	-	0.15	-	0.07	-	-	0.07
Fuel and Light	44.95	156.50	6.43	0.86	(5.01)	(1.09)	1.76	5.53	0.64
Furniture and Household Appliances	57.71	191.90	-	-	-	-	-	-	-
Medical Care and Health	22.78	261.20	-	0.30	-	(1.06)	(0.15)	5.65	(1.21)
Transportation and Communication	63.48	198.00	-	0.51	0.61	0.51	(0.45)	(0.46)	0.05
Recreation and Entertainment	32.36	309.20	(0.16)	0.98	(0.10)	-	-	0.29	-
Miscellaneous Goods and Services	82.73	159.50	-	-	-	-	-	0.57	-

Source: Central Statistical Office  
 \*at end of period  
**Data available at 25 August 2007**



**Table 50**  
**Saint Lucia - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

	2006 <sup>R</sup> 2 <sup>nd</sup> Qr	2006 <sup>R</sup> 3 <sup>rd</sup> Qr	2006 <sup>R</sup> 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 Jan - Jun
<b>Current Revenue</b>	158.21	156.23	148.87	183.36	171.26	339.58	354.62
Tax Revenue	148.47	150.80	143.16	174.83	166.03	309.87	340.87
Taxes on Income and Profits	41.03	35.93	21.22	57.28	50.32	91.27	107.60
Of Which:							
Personal Income	15.56	15.30	14.38	17.50	17.27	35.84	34.77
Company	18.24	16.23	1.40	25.80	23.86	42.51	49.66
Taxes on Property	1.35	0.85	0.80	0.97	1.33	3.00	2.30
Taxes on Domestic Goods and Services	23.95	24.21	29.05	28.30	26.54	52.33	54.84
Of Which:							
Consumption Duty	1.87	2.87	1.75	1.56	4.20	4.74	5.76
Licenses	1.59	1.80	8.27	3.77	1.74	10.90	5.51
Hotel Occupancy Tax	9.26	6.68	5.29	8.21	8.34	16.36	16.55
Taxes on International Trade and Transactions	82.14	89.81	92.08	88.29	87.83	163.27	176.13
Of Which:							
Consumption Tax (Imports)	28.08	27.69	28.11	27.66	29.81	55.01	57.47
Import Duty	22.63	23.64	26.98	24.84	25.02	44.27	49.85
Service Charge (Imports)	14.06	18.82	17.63	17.61	16.92	28.42	34.53
Non-Tax Revenue	9.74	5.43	5.71	8.53	5.22	29.71	13.75
<b>Current Expenditure</b>	123.57	136.85	136.10	143.99	125.55	281.19	269.54
Personal Emoluments	61.83	60.48	63.15	57.30	64.35	131.43	121.65
Goods and Services	18.64	25.93	24.02	30.86	17.92	55.51	48.77
Interest Payments	18.62	18.72	20.94	27.37	19.18	39.48	46.55
Domestic	6.95	7.43	5.56	8.50	8.86	14.11	17.36
External	11.67	11.29	15.38	18.88	10.32	25.36	29.19
Transfers and Subsidies	24.47	31.73	27.99	28.46	24.10	54.78	52.56
Of Which: Pensions	9.47	12.60	9.90	9.36	9.46	18.91	18.82
<b>Current Account Balance</b>	34.64	19.38	12.77	39.37	45.71	58.39	85.08
<b>Capital Revenue</b>	0.54	0.02	0.05	0.04	-	0.85	0.04
<b>Grants</b>	1.51	-	-	5.13	2.66	3.27	7.79
Of which: Capital Grants	1.51	-	-	5.13	2.66	3.27	7.79
<b>Capital Expenditure and Net Lending</b>	31.43	47.49	65.76	98.25	16.18	138.07	114.43
<b>Primary Balance</b>	23.88	(9.37)	(32.01)	(26.34)	51.37	(36.08)	25.03
<b>Overall Balance (after grants)</b>	5.26	(28.08)	(52.94)	(53.71)	32.19	(75.55)	(21.52)
<b>Financing</b>	(5.26)	28.08	52.94	53.71	(32.19)	75.55	21.52
Domestic	(16.27)	(2.85)	49.62	49.64	(35.08)	15.78	14.55
ECCB (net)	1.07	(3.97)	(2.33)	(7.01)	(4.85)	(3.48)	(11.86)
Commercial Banks (net)	13.07	8.58	45.06	27.87	50.13	14.77	78.00
Other	(30.41)	(7.45)	6.88	28.78	(80.36)	4.48	(51.58)
External	11.01	30.93	3.33	4.08	2.89	59.78	6.97
Net Amortisation	11.25	17.92	3.36	2.77	2.89	60.44	5.66
Disbursements	16.90	24.84	17.85	22.90	5.93	70.69	28.82
Amortisation	(5.65)	(6.92)	(14.50)	(20.13)	(3.04)	(10.25)	(23.17)
Change in Government Foreign Assets	(0.24)	13.01	(0.03)	1.31	-	(0.67)	1.31

Source: Ministry of Finance, Treasury Department and ECCB Estimates  
Data available at 25 August 2007



**Table 51**  
**Saint Lucia - Banana Production**

	2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 Jan - Jun
Volume (tonnes)	8,151	8,301	10,457	11,265	9,251	15,223	20,516
Value (EC\$M)	11.24	11.70	14.48	16.20	13.39	20.98	29.59
Unit Price (EC\$/ tonnes)	1,379.03	1,409.34	1,384.61	1,437.80	1,447.89	2,755.62	2,885.69

Source: WIBDECO

Data available at 25 August 2007

**Table 52**  
**Saint Lucia - Selected Trade Statistics**  
**(Value: EC\$M)**

	2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 1 <sup>st</sup> Qr	2007 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 Jan - Jun
<b>Total Exports</b>	51.26	47.06	46.88	63.42	50.00	101.30	113.43
Total Domestic Exports	31.51	31.86	33.87	37.21	33.02	53.66	70.24
Total Re-Exports	19.74	15.20	13.00	26.21	16.98	47.64	43.19
<b>Total Imports</b>	391.76	384.99	464.01	423.36	423.10	749.46	846.47
<b>Trade Balance</b>	(340.50)	(337.93)	(417.13)	(359.94)	(373.10)	(648.16)	(733.04)

Source: Central Statistical Office

Data available at 25 August 2007





**Table 53**  
**Saint Lucia - Monetary Survey**  
**(EC\$M at end of period)**

	2006 1 <sup>st</sup> Qr	2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 2 <sup>nd</sup> Qr
Net Foreign Assets	338.54	255.34	65.40	117.62	(92.82)	(30.38)
Central Bank (net)	288.63	307.03	295.01	356.92	334.40	419.22
Commercial Banks (net)	49.90	(51.69)	(229.60)	(239.31)	(427.21)	(449.60)
External (net)	(37.60)	(112.72)	(228.05)	(224.71)	(301.22)	(279.82)
Assets	415.55	373.85	353.38	427.03	339.69	396.34
Liabilities	453.15	486.57	581.43	651.74	640.91	676.16
Other ECCB Territories	87.50	61.03	(1.55)	(14.60)	(126.00)	(169.78)
Assets	342.22	395.45	357.69	388.14	232.62	320.76
Liabilities	254.71	334.42	359.24	402.74	358.61	490.53
Net Domestic Assets	1,478.66	1,593.21	1,783.11	1,938.58	2,124.26	2,120.57
Domestic Credit	1,826.74	1,904.38	2,094.11	2,280.48	2,432.61	2,522.94
Central Government (net)	(93.50)	(79.36)	(74.75)	(32.02)	(11.16)	34.12
Other Public Sector (net)	(170.66)	(190.11)	(193.93)	(214.76)	(241.68)	(242.53)
Non-Bank Financial Institutions (net)	(19.11)	(48.30)	(38.55)	(40.39)	(45.91)	(58.23)
Subsidiaries and Affiliates (net)	152.27	174.61	172.62	180.81	207.81	159.74
Private Sector	1,957.75	2,047.54	2,228.72	2,386.83	2,523.54	2,629.84
Other Items (net)	(348.09)	(311.17)	(311.01)	(341.90)	(308.35)	(402.37)
Monetary Liabilities (M2)	1,817.19	1,848.55	1,848.51	2,056.20	2,031.45	2,090.20
Money Supply (M1)	571.06	569.99	518.46	560.67	575.81	595.89
Currency with the Public	100.91	100.28	100.69	126.58	114.17	115.81
Demand Deposits	470.15	469.72	417.77	434.09	461.64	480.08
Quasi Money	1,246.13	1,278.56	1,330.05	1,495.53	1,455.64	1,494.31
Savings Deposits	952.17	977.86	1,008.63	1,064.90	1,084.29	1,104.10
Time Deposits	214.30	228.98	230.82	222.69	279.65	292.82
Foreign Currency Deposits	79.67	71.72	90.61	207.94	91.70	97.39

Source: Eastern Caribbean Central Bank

Data available at 17 August 2007



**Table 54**  
**St Vincent and the Grenadines - Selected Tourism Statistics**

	2006	2006	2006	2007 <sup>R</sup>	2007 <sup>P</sup>	2006	2007 <sup>P</sup>
	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
Total Visitors	53,732	31,571	99,380	139,038	75,760	175,627	214,798
Stay-Over Visitors	25,410	23,640	23,690	26,248	21,753	50,102	48,001
Of which:							
USA	7,672	5,932	6,742	8,476	7,106	15,924	15,582
Canada	1,479	1,225	1,655	2,331	1,321	3,662	3,652
UK	3,686	3,181	3,862	5,415	4,186	7,794	9,601
Caribbean	10,546	11,617	8,844	6,268	7,238	17,758	13,506
Other Countries	2,027	1,685	2,587	3,758	1,902	4,964	5,660
Excursionists	2,242	1,670	2,077	2,586	1,483	5,287	4,069
Yacht Passengers	16,680	5,721	31,011	35,827	28,496	56,906	64,323
Cruise Ship Passengers	9,400	540	42,602	74,377	24,028	63,332	98,405
Number of Cruise Ship Calls	34	10	84	131	63	169	194
Total Visitor Expenditure (EC\$M)	<b>70.08</b>	<b>47.73</b>	<b>86.11</b>	<b>104.26</b>	<b>87.56</b>	<b>171.96</b>	<b>191.82</b>

Sources: Department of Tourism  
**Data available at 17 August 2007**

**Table 55**  
**St Vincent and the Grenadines - Consumer Price Index**  
**January 2001 = 100**

	Weight	Index Jun 2007	Percentage Change*						
			2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 1 <sup>st</sup> Qr	2007 <sup>P</sup> 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 <sup>P</sup> Jan - Jun
<b>All Items</b>	1,000.00	119.21	1.65	2.25	0.53	(0.53)	4.86	1.92	4.30
Food	536.1	121.00	1.16	3.08	1.02	(1.49)	3.65	1.52	2.11
Alcoholic Beverages and Tobacco	9.5	123.75	-	1.63	0.27	1.57	8.20	0.64	9.90
Housing	97.9	104.76	1.55	0.10	0.19	(0.23)	0.19	0.77	(0.04)
Fuel and Light	29.8	147.96	18.17	(1.22)	(5.10)	2.88	4.37	16.57	7.37
Clothing and Footwear	88.7	115.14	0.10	(0.10)	(0.61)	8.95	8.61	0.10	18.34
Household Furnishings and Supplies	61.5	107.03	0.20	0.50	0.10	2.28	3.40	1.00	5.76
Transport and Communications	68.5	120.25	2.62	4.65	-	(4.22)	9.37	6.50	4.75
Medical Care and Expenses	10.1	121.19	-	-	-	10.22	2.09	-	12.53
Education	34.3	150.82	-	3.51	2.52	-	15.93	(0.89)	15.93
Personal Services	33.5	116.91	0.50	3.65	0.95	2.10	8.02	-	10.29
Miscellaneous	30.1	104.59	-	-	2.80	(15.81)	5.73	-	(10.99)

Source: Central Statistical Office, Ministry of Finance  
 \*at end of period  
**Data available at 17 August 2007**



**Table 56**  
**St Vincent and the Grenadines - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

	2006 <sup>R</sup>	2006	2006	2007	2007 <sup>P</sup>	2006	2007 <sup>P</sup>
	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
<b>Current Revenue</b>	97.92	92.29	122.56	84.01	104.85	178.42	188.87
Tax Revenue	91.40	86.28	112.80	75.10	96.11	162.64	171.21
Taxes on Income & Profits	25.81	22.53	29.57	15.46	25.67	46.70	41.13
Of Which:							
Individual	13.15	11.34	13.06	10.92	14.44	24.93	25.35
Company Tax	10.72	9.21	15.12	2.96	9.16	19.13	12.12
Taxes on Property	0.39	1.24	0.70	0.25	0.37	0.69	0.62
Taxes on Domestic Goods and Services	26.21	25.79	27.86	23.22	39.54	44.53	62.76
Of Which:							
Stamp Duties	12.40	12.38	8.40	8.31	9.12	17.40	17.43
Consumption Duties	1.95	1.70	1.68	1.99	1.61	3.78	3.60
Hotel Turnover Tax	2.85	1.14	0.71	3.61	2.33	5.47	5.94
Value Added Tax	-	-	-	-	16.53	-	-
Excise Tax	0.58	0.32	0.43	0.43	2.27	1.05	2.70
Taxes on International Trade and Transactions	38.99	36.72	54.67	36.17	30.52	70.73	66.70
Of Which:							
Import Duty	8.68	6.72	11.58	9.03	10.51	15.67	19.54
Consumption Tax	21.68	21.81	32.92	19.85	10.34	39.50	30.19
Customs Service Charge	6.22	6.19	8.40	5.81	7.54	11.48	13.35
Non-Tax Revenue	6.52	6.01	9.77	8.91	8.75	15.78	17.66
<b>Current Expenditure</b>	89.67	86.77	100.56	87.40	81.29	168.12	168.69
Personal Emoluments	41.68	41.68	46.18	42.96	42.13	83.42	85.09
Goods and Services	18.67	18.63	24.81	14.58	16.35	32.31	30.93
Interest Payments	15.57	9.31	9.45	14.91	8.16	24.45	23.07
Domestic	5.17	5.20	4.59	10.39	1.84	10.42	12.23
External	10.40	4.11	4.86	4.52	6.32	14.04	10.84
Transfers and Subsidies	13.76	17.15	20.12	14.95	14.65	27.94	29.60
Of Which: Pensions	6.52	6.06	7.90	7.46	6.56	14.13	14.02
<b>Current Account Balance</b>	8.24	5.52	22.01	(3.38)	23.56	10.30	20.18
<b>Capital Revenue</b>	0.27	5.16	0.19	0.16	0.22	0.61	0.38
<b>Grants</b>	2.36	2.53	0.61	0.03	8.96	2.36	8.99
Of which: Capital Grants	2.36	2.53	0.61	0.03	8.96	2.36	8.99
<b>Capital Expenditure and Net Lending</b>	21.82	22.94	45.55	17.48	26.00	32.80	43.48
Of which: Capital Expenditure	22.07	23.77	45.55	17.48	26.00	34.25	43.48
<b>Primary Balance</b>	4.62	(0.41)	(13.28)	(5.75)	14.89	4.93	9.14
Overall Balance (after grants)	(10.95)	(9.72)	(22.74)	(20.66)	6.73	(19.52)	(13.93)
<b>Financing</b>	10.95	9.72	22.74	20.66	(6.73)	19.52	13.93
Domestic	17.22	12.13	12.31	(28.22)	2.92	30.68	(25.31)
ECCB (net)	(13.22)	(1.80)	(0.16)	(7.25)	1.91	(0.86)	(5.33)
Commercial Banks (net)	12.63	(10.38)	21.71	(29.79)	(0.38)	(14.26)	(30.18)
Other	17.81	24.31	(9.24)	8.82	1.39	45.79	10.21
External	(6.27)	(2.41)	10.42	48.88	(9.65)	(11.15)	39.24
Net Amortisation/(Amortisation)	(6.03)	2.00	12.81	21.64	(9.65)	(9.94)	11.99
Disbursements	6.54	8.71	78.49	30.31	0.53	9.31	30.84
Amortisation	(12.57)	(6.71)	(65.68)	(8.67)	(10.18)	(19.25)	(18.85)
Change in Government Foreign Assets	(0.24)	(4.41)	(2.39)	27.25	-	(1.21)	27.25

Source: Ministry of Finance

Data available at 17 August 2007



**Table 57**  
**St Vincent and the Grenadines - Selected Trade Statistics**  
(Value: EC\$M; Volume: tonnes)

	2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 <sup>P</sup> 2 <sup>nd</sup> Qr	2006 Jan - Jun	2007 <sup>P</sup> Jan - Jun
<b>Visible Trade Balance</b>	(153.03)	(161.15)	(185.76)	(173.68)	(174.18)	(297.82)	(347.87)
<b>Total Imports</b>	178.65	187.52	197.77	222.65	199.46	347.73	422.11
<b>Total Exports</b>	25.62	26.37	12.02	48.97	25.28	49.91	74.25
Re-Exports	3.13	4.02	0.57	23.69	0.85	4.55	24.54
Domestic Exports	22.49	22.35	11.45	25.27	24.43	45.37	49.71
Of Which:						-	-
Bananas						-	-
Volume	4.30	2.95	3.82	5.20	3.84	8.98	9.05
Value	5.95	4.14	5.52	7.30	5.32	12.32	12.62
Flour						-	-
Volume	2.44	2.39	2.37	2.33	2.70	5.16	5.03
Value	3.37	3.40	3.43	3.35	4.01	7.16	7.36
Rice						-	-
Volume	1.16	1.56	1.48	1.06	0.91	2.48	1.97
Value	1.81	2.50	2.51	1.79	1.70	3.86	3.49

Source: Central Statistical Office  
Data available at 17 August 2007

**Table 58**  
**St Vincent and the Grenadines - Monetary Survey**  
(EC\$M at end of period)

	2006 1 <sup>st</sup> Qr	2006 2 <sup>nd</sup> Qr	2006 3 <sup>rd</sup> Qr	2006 4 <sup>th</sup> Qr	2007 <sup>R</sup> 1 <sup>st</sup> Qr	2007 <sup>P</sup> 2 <sup>nd</sup> Qr
Net Foreign Assets	428.11	459.24	427.32	428.39	474.33	490.88
Central Bank (net)	175.90	205.90	211.94	210.43	218.04	211.95
Commercial Banks (net)	252.21	253.34	215.38	217.96	256.29	278.93
External (net)	176.94	182.62	131.29	117.29	164.80	169.93
Assets	298.69	301.68	268.23	255.01	308.31	320.23
Liabilities	121.75	119.07	136.94	137.72	143.52	150.30
Other ECCB Territories	75.27	70.72	84.09	100.67	91.50	109.00
Assets	190.83	190.03	182.00	257.53	293.16	324.91
Liabilities	115.56	119.31	97.91	156.86	201.67	215.91
Net Domestic Assets	454.61	452.14	452.06	511.37	521.28	507.81
Domestic Credit	661.69	675.12	690.96	760.32	783.82	772.24
Central Government (net)	59.90	59.31	47.13	68.68	29.52	31.05
Other Public Sector (net)	(56.09)	(63.59)	(69.52)	(60.33)	(48.70)	(61.73)
Non-Bank Financial Institutions (net)	(30.74)	(20.84)	(17.78)	(23.14)	(35.96)	(45.54)
Subsidiaries and Affiliates (net)	-	-	-	-	-	-
Private Sector	688.62	700.24	731.12	775.10	838.96	848.46
Other Items (net)	(207.09)	(222.98)	(238.90)	(248.95)	(262.54)	(264.42)
Monetary Liabilities (M2)	882.72	911.38	879.38	939.76	995.61	998.70
Money Supply (M1)	335.32	354.66	329.58	344.31	363.70	369.24
Currency with the Public	69.68	65.69	69.30	80.50	80.67	80.93
Demand Deposits	265.63	288.97	260.28	263.81	283.04	288.31
Quasi Money	547.40	556.72	549.79	595.45	631.91	629.45
Savings Deposits	438.16	449.91	451.47	476.57	503.68	506.61
Time Deposits	95.56	89.80	83.17	88.38	81.75	81.99
Foreign Currency Deposits	13.68	17.00	15.15	30.50	46.48	40.85

Source: Eastern Caribbean Central Bank  
Data available at 17 August 2007



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# A DEVELOPMENT AGENDA FOR THE CARIBBEAN: FINANCIAL AND ECONOMIC APPROACHES

A Review by Dr Simon B Jones-Hendrickson<sup>1</sup>

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The book, *A Development Agenda for the Caribbean: Financial and Economic Approaches* by K Dwight Venner, comprises 60 articles and speeches of Sir Dwight, the second Governor of the Eastern Caribbean Central Bank, and records presentations over the period 1990 to 2006. The 60 articles are masterfully arrayed in ten sections that deal with *the Eastern Caribbean Central Bank and how it facilitates monetary stability and encourages financial development; financial sector development in the Eastern Caribbean Currency Union (ECCU); capital market development in the ECCU; Caribbean corporate governance; the economic issues underlying the building of a policymaking framework; the development of small states in the context of globalisation; imperatives for Caribbean development; the OECS and the CARICOM Single Market and Economy; furthering economic development in the Caribbean; and finally, Caribbean countries in the international arena.*

The 60 articles in the 10 sections along with a foreword by Sir Alister McIntyre, one of the Deans of Caribbean economics, and a very reflective introductory essay by Mr Marius St Rose, former Vice President of the Caribbean Development Bank and a compadre and compatriot of Sir Dwight, form the essential core of the book. This book has been long in coming.

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That it has come now is not for want of asking, but as they say, no good wine is drunk before its time. This book is timely and will stand the test of time.

I first encountered the work of K Dwight Venner in the 1970s in an article in *Social and Economic Studies*, when I was at Exeter University in England doing my PhD. I was suitably impressed with the article. When I decided to teach at the University of the West Indies in Mona, under the chairmanship of the late George Beckford (GBeck), it was a great deal of joy to meet K Dwight Venner and the rest of his colleagues - Compton Bourne, GBeck, Owen Jefferson, Al Francis among others.

Mr Venner left us at Mona for a job at the helm of the Ministry of Finance in Saint Lucia. He also left our UWI Cricket team, of which we both shared playing time. He went to Saint Lucia and, by all accounts, raised the level and standard of financial intelligence in that country. From there he moved to St Kitts to take up the position of Governor of the ECCB.

These 60 essays, a small selection of the volume of work that I know Sir Dwight has written, is a signal testament to his vision from years past, about what the Caribbean should be. Although the work is sourced in the Eastern Caribbean, the essentiality of the work is seminal for the entire Caribbean. Sir Dwight is the third of the Caribbean Central Bank Governors, past and present, who have given us some of their work



under one cover. Sir Courtney Blackman, former Governor of the Central Bank of Barbados, and Ms Marion Williams, current Governor of the Central Bank of Barbados, have also compiled some of their works.

Sir Dwight's 60 articles range from 1990 to 2006 and, of necessity, a certain level of repetition is in the presentations. In repeating the concepts, he has reinforced the critical and essential features of the role of central banks, especially the Eastern Caribbean Central Bank. Pragmatically, he is now the longest serving central bank Governor in the Western Hemisphere. There was a time when he and former FED Chairman Greenspan were running neck and neck. Greenspan has left. Sir Dwight is still in the saddle giving cogent, concise and coherent advice to the public sector, the academy, the all and sundry of who would listen, and who needs to listen, if we are to make this part of paradise that we call home, the best it can be.

Economics is a congeries of theories. It takes a certain skill, flair and facility to take the mystifying centralities of the discipline and make it understandable to the laymen and the academic, without making it pabulum, and without in the process, losing the kernel of the theoretical foundation of the work. All through Sir Dwight's *Development Agenda for the Caribbean* we get a sense of urgency, a sense of commitment, and a sense of caring.

He is at his best as he outlines the salient features of financial issues in the Caribbean and calls on the political directorate to step up to the

plate and make hay while the sun is shining. He is also at his best as the work is located within the context of cognate economic theory, decisions and strong theoretical approaches to development. The fact that the ECCB is more than a traditional central bank, gives Governor Venner an ample opportunity to use a broad canvas on which to paint his masterpiece of economic development. That development is underpinned within monetary economics, but at the same time, the ideas are readable, comprehensible, and located into certain epistemic moments where hegemonic interests have to take precedence. For example, in the first chapter on the role of the ECCB in the financial system, to the last chapter where we are admonished to secure our Caribbean monetary system, in light of the unfortunate black listing of our countries, he brings to bear highly technical stuff with a clarity born of a practical and academic marriage.

While there is a certain periodicity to the work, a long-run dynamic could be elicited. In the context of cost-curves, we can contend that the many periodic episodes that are discussed in the book are indeed optimal solutions at least cost-bases; and if they are at least cost, presumably they are at optimal levels. Hence, these series of least cost bases are indeed long-run opportunities for the region, if the region repositions itself from a stability, efficiency, transparency and responsibility perspective. The work is crafted in a bold relief across a variety of audiences: the average consumer; the financial community; the political directorate; the academic community, the administrators, insurance agents, and the rest.



Sir Dwight's case is made as the academic that he is; the practitioner that he has grown to be, and the philosopher that these sixty pieces will stamp on his work going forward. When one considers this volume, we who have laboured in the vineyard, know that we have made a mark. It is for others to say that "that mark will have a lasting effect, years from now". But humility will only permit me to say that the vision that Dwight, Marius and others had years ago at Mona is alive and well in *A Development Agenda for the Caribbean*. Indeed, were he a practicing politician, the work could have been easily entitled the Manifesto for Change in Caribbean Financial and Economic Development.

This book is not designed to say that there will be genetic recipes for success, if we merely work the Agenda for Development. What the author is clearly enunciating is that in the Eastern Caribbean, and indeed in the wider Caribbean, there are certain distinctive capabilities and well crafted architecture that are within our grasp that, even though we are small states, we have a role to play in the region and in the international arena. As the world economy changes, we have to surmount the barriers to our success, and locate ourselves along a development trajectory that must be of our own making. This point is clearly made in "The Prospects for a Unified Caribbean". "I have no doubt," Sir Dwight notes, "that if we bring together the genius of the Caribbean people as a regional collectivity with our people in the Diaspora and with the help from our friends of long-standing, we will survive as viable entities and enter the new millennium with confidence as a united people" (Venner, p. 500). In this apparent

political statement, he lays out the concepts, models and techniques that we, as economists, have long espoused. He says that these factors are essential as we go forward. Lest it is thought that finance is not important, he makes the case that sound and solid financial institutions in the Eastern Caribbean, and the Caribbean in general, are of central moment in the development process.

Sir Dwight has offered a rich variety of ideas from a vast array of sources and has spoken to a host of persons and personalities in these 60 essays. From his seminal piece at the first meeting of the Association of Caribbean Economists to seminal pieces at the pre-eminent ECCB Development conferences, Sir Dwight Venner has done all of us regionally and sub-regionally, proud in this collection.

If this book has a weakness, it lies in the level of repetition. Given the nature of the thrust of the job of Governor, it is inevitable that there are levels of repetitions. But, as I noted earlier, some repetitions are worth it. A certain concept about the nature of central banking is worthy of repeating, particularly when that Central Bank is not the traditional, conservative bank, exclusively sequestered in monetary policy. That the ECCB is a bankers' bank, a governments' bank, a facilitator of development initiatives, a country advisor, and more, makes repetition inevitable.

For me sections 6 and 8 are of paramount importance, in terms of my own philosophical involvement with the Eastern Caribbean. Section 6 deals with the development of small states in the context of globalisation; and section 8 deals with



the “OECS and the CSME: Towards an Economic Union.” The catalytic role of education in the region, especially University education, is pivotal in our going forward. But, like Sir Dwight, I believe that this Development Agenda for the Caribbean, located as it were in the financial and economic approaches, are lessons for the entire Caribbean. These lessons from the OECS, the ECCB and the ECCU, however way we wish to apply the sobriquet, are lessons for the entire Caribbean. As much as we all are now marching

to the tune of the Caribbean Single Market and Economy (CSME), at the end of the day, the ECCU, the ECCB and the OECS have presented tangible evidence that small is not a constraint to survival. I am sure there are much more sources to this book; but I suspect that Sir Dwight will bring these out in his next volume. For now, however, this **Development Agenda for the Caribbean**, anchored in financial and economic approaches, should be well served, well ventilated and well used in the Caribbean and beyond.

