

Annual Economic and Financial Review



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EASTERN CARIBBEAN CENTRAL BANK



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INTERNATIONAL ECONOMIC DEVELOPMENTS

Overview

Global economic growth moderated to 4.9 per cent in 2007, just below the 5.0 per cent increase recorded in 2006, and was largely associated with a deceleration in the fourth quarter of 2007. The economic performances of emerging economies, primarily those of China and India, continued to sustain global growth. Some emerging economies benefited from the strong momentum of domestic demand, more disciplined macroeconomic policy frameworks, and higher export earnings from food, oil and other commodities. Economic growth in the United States slowed to a 2.2 per cent rate in 2007 compared with a 2.9 per cent increase in the previous year. Weakness in the housing sector along with an observed softening in manufacturing activity influenced declines in consumption and employment during the fourth quarter of 2007, with a consequential negative impact on the economic performance for that year. Growth also slowed in Western Europe, and confidence indicators deteriorated. In Japan, growth was dampened by a tightening in building standards, while consumer and business sentiment weakened.

Commodity prices rose in 2007 compared with price levels in 2006. The increases were fuelled by upward movements in the price of fuel and food. Petroleum prices increased by 65.1 per cent during the year, to a high of US\$96.0 a barrel in December 2007 and partly contributed to the moderation in global output. Sharp increases were also recorded

for the price of food particularly fats and oils and grains.

Developments in the Major Economies

The slowdown in the US economy mainly reflected adverse developments in the housing market resulting in a sharp decline in residential fixed investment and a dampening in the rate of increase in consumer spending. Fragility in the financial sector during the second half of 2007 linked to the collapse of the sub-prime mortgage market led to slower growth in the fourth quarter. The declines in the mortgage markets and the financial sector were partly offset by increased export earnings fuelled in part by the depreciating US currency. The deficits on the fiscal account and the external account improved, primarily due to larger tax inflows in the earlier part of 2007 and a higher level of exports.

Headline consumer price inflation was 2.8 per cent in 2007 compared with a 3.2 per cent rate in 2006. Consumer prices rose steadily each month compared with prices in 2006 with the exception of a brief decline in the summer months. Inflationary pressures were partially mitigated by slowing economic growth. Higher prices were influenced primarily by increases for food and energy. Prices, excluding the components of food and energy, (core inflation) moderated to 2.3 per cent during 2007, a decline of 0.2 percentage point compared with the rate in the previous year.



Canada recorded a 2.7 per cent increase in GDP in 2007 marginally below the 2.8 per cent increase recorded in the previous year. The Canadian economy was sustained by high demand for the country's exports, which are heavily weighted in commodities such as oil and metals. Higher prices for commodities coupled with a steady depreciation in the US currency, influenced gains in the Canadian dollar relative to the US dollar up to November 2007. The strong demand for commodities produced in Canada, contributed to higher real incomes which supported strong domestic demand. The performance also impacted the labour market resulting in historically low rates of unemployment. Headline inflation in Canada averaged 2.2 per cent in 2007, 0.2 percentage points above that recorded in the previous year. Core inflation rose by 2.1 per cent in 2007 compared with a 1.5 per cent increase in 2006.

During 2007 the **UK** economy expanded by 3.1 per cent in real terms, above the 2.9 per cent increase recorded in 2006. The performance was largely influenced by strong domestic demand, a vibrant housing market as reflected in rising house prices and robust export growth despite the strengthening pound. Inflationary pressures increased in the UK during the year fuelled by strong consumer demand and the vibrant housing market, causing the Bank of England to increase interest rates steadily during the year in order to limit inflationary pressures. Headline inflation remained unchanged in 2007 at 2.3 per cent compared with 2006, whereas core

inflation was 1.7 per cent in 2007, above the 1.3 per cent rate in 2006

The economies of the **European Union** grew by 2.6 per cent compared with a 2.8 per cent increase in 2006. The slower growth partly reflected the contagion effects of the financial market turmoil in the USA that spread to other jurisdictions in the global economy. Higher interest rates, the strengthening of the euro and more stringent lending requirements contributed to the moderation in growth. The performance of the Euro zone was buoyed by that of the German economy, which grew at a rate of 2.6 per cent, which was above its historical trend, reflecting strong domestic demand. The unemployment rate in that country continued to decline while the fiscal situation improved largely reflecting the implementation of tax reforms. The economic performance of the EU was also supported by robust growth and improved labour market conditions in France and Italy. Faced with a slower rate of growth, while concurrently experiencing elevated inflation rates, the European Central Bank increased interest rates on two occasions to 5.0 per cent in an attempt to contain price pressures as the rate of inflation remained above the Bank's target of 2.0 per cent. Price pressures intensified in the EU, partly attributed to the implementation of a 3.0 percentage point increase to 19.0 per cent in the rate of the value-added-tax for Germany on 01 January 2007, along with higher prices for energy and food throughout the economic union.



The economy of **Japan** recorded an increase in output of 2.1 per cent in 2007, decelerating by 0.3 percentage point compared with the rate of growth in 2006. A fall off in economic activity was recorded during the second half of the year, attributable to declines in housing and corporate construction starts. Nonetheless, higher economic output was supported by business investment and a vibrant export sector. Despite increased costs for imported raw materials, consumer prices remained contained, influenced by downward pressures on wages in the last quarter of 2007. The rate of inflation, as indicated by the change in the CPI, was 0.1 per cent compared with a 2.1 per cent increase in 2006.

In **China**, the economic expansion remained robust at the end of 2007, fuelled by domestic demand. Growth in 2007 is provisionally estimated at 11.4 per cent slightly ahead of the 11.2 per cent rate of expansion recorded in 2006. The economic performance was driven to a large extent by international trade, with the trade surplus reaching \$262.2 billion in 2007, a 48.0 per cent increase over 2006. As a consequence of the rate of expansion, consumer price inflation rose consistent with sharp increases in food and commodity prices globally. Inflationary pressures that have confronted other countries in relation to commodities and food have also impacted China prompting the Central Bank to raise the reserve requirements of commercial banks from 10 per cent to 15 per cent in order to limit the expansion of credit.

Commodity Prices

Prices for commodities rose steadily in 2007 culminating with a period of high volatility in oil prices during the final quarter of the year. At the end of 2007 petroleum prices rose to \$96.0 per barrel compared with \$61.1 per barrel in 2006. The IMF's commodity price index rose by about 30.0 per cent in December 2007 compared with prices at the end of 2006. The increases were led by higher prices for oil and food items including wheat, corn, and soybean. Inflationary pressures were also pronounced for base metals such as tin, nickel and copper. Higher energy prices reflected escalating demand in emerging economies such as China and India as well as sustained demand in the US. Supply constraints in the form of refining capacity, higher exploration costs and a shortage of skilled labour and specialised equipment also contributed to the hike in oil prices. Higher food prices reflected the increased use of corn for bio-fuel production; wheat prices rose owing to supply shortages caused by drought and other weather related conditions in a number of the major producing countries.

Prospects

Against this background, global growth is projected at 3.7 per cent in 2008, a deceleration from 4.9 per cent in 2007. The projections for the advanced economies of the Organisation for Economic Cooperation and Development (OECD) have been



reduced to 1.3 per cent compared with the 2.7 per cent performance in 2007. Projected growth for the United States in 2008 is 0.5 per cent, reflecting the spill-over effects of the downturn in the housing market and the fall out in the financial sector related to the sub-prime mortgage crisis from the previous year. For the Euro area, growth is projected at 1.4 per cent compared to 2.6 per cent during 2007. The economic performance of the Canadian economy is likely to weaken to a 1.3 per cent growth rate, largely reflecting the adverse impact of a slowing US economy to which about 80.0 per cent of Canada's exports are destined. The expansion of the UK economy is expected to slow to 1.6 per cent constrained by a weakening housing market as reflected in falling house prices, and lower demand

for UK exports. The economy of Japan is projected to expand at a slower pace (1.4 per cent) as the effects of rising commodity prices is expected to have a negative impact on domestic consumption and the demand for Japan's exports. Growth in emerging and developing economies should moderate to 6.7 per cent from 7.9 per cent in 2006. The major contributors to this slower performance include China and India which are projected to grow at slower rates of 9.3 per cent and 7.9 per cent respectively. Commodity price pressures are projected to ease somewhat in response to an expected slowdown in global economic output in 2008 and 2009 compared with the performance in the period under review.



REGIONAL ECONOMIC DEVELOPMENT

Overview

Key macroeconomic data for four non-ECCB member countries of the Caribbean Community (CARICOM) - The Bahamas, Barbados, Jamaica and Trinidad and Tobago – indicate an increase in economic activity in 2007 relative to 2006. Real GDP growth, however, was tempered by the impact of Hurricane Dean in August 2007, global financial shocks and rising food and commodity prices. Fiscal deficits were recorded for most countries, with the exception of Trinidad and Tobago. The external sector performance improved during the year for most countries, with the exception of Jamaica, as indicated by a decrease in their current account deficits.

Output

In the **Bahamas**, output was estimated to have increased by 3.1 per cent compared with growth of 3.4 per cent in 2006. The deceleration in growth was mainly attributable to developments in the tourism industry, the major contributor to real output. Total visitor arrivals fell by 2.9 per cent in 2007 relative to the level in 2006, due to a decline in arrivals by both air and sea. Economic activity, however, was supported by robust private sector demand.

Data available for the first nine months of 2007 indicated that in **Barbados** real output expanded by 4.4 per cent compared with growth of

3.7 per cent in the corresponding period of 2006. The increase was fuelled in part by a rise in activity in the non-traded sectors, particularly wholesale and retail trade, construction, transport, storage and telecommunications and business and other services. Real tourism output also expanded in 2007, mainly attributable to an increase in visitor arrivals for Cricket World Cup (CWC) 2007 in the second quarter of 2007.

Provisional estimates indicate that real GDP in **Jamaica** grew by 1.4 per cent in 2007, compared with an expansion of 2.5 per cent in 2006. Growth in economic activity was supported by an increase in construction and installation, distributive trade, financing and insurance and tourism. The deceleration in growth however, was influenced by the passing of Hurricane Dean at the end of August 2007, and extensive rainfall in October 2007. These two events had a negative impact on the agriculture, mining and electricity and water sectors.

Real output in **Trinidad and Tobago** rose at an estimated 5.5 per cent in 2007, compared with growth of 12.0 per cent in 2006. The expansion was attributed largely to developments in the non-energy sector, particularly in the distribution and construction sectors. Activity in the distribution sector was buttressed by a rise in retail trade while the increase in the construction sector was influenced by both public and private sector projects. These included ongoing rehabilitation of roads and bridges, work on the Port-of-Spain Waterfront



project, the Government Campus and private sector building projects.

Prices, Wages and Employment

Consumer price inflation across CARICOM member states, as in the member territories of the ECCU, was influenced by increases in global food and oil prices. In the **Bahamas**, consumer price inflation rose to 2.6 per cent in 2007 from 2.3 per cent in 2006. In **Barbados**, the twelve-month moving average rate of inflation stood at 4.2 per cent at the end of October 2007 (the latest period for which data are available), down from 8.4 per cent at the end of October 2006. The lower rate of inflation was attributed to price decelerations in all categories except for alcoholic beverages and tobacco and fuel and light. Inflationary pressures intensified in **Jamaica**, with inflation increasing to 16.8 per cent from 5.6 per cent a year earlier. The higher inflation rate mainly reflected price movements in food and non-alcoholic beverages as well as housing, water, electricity, gas and other fuels. In **Trinidad and Tobago**, inflation decelerated to 7.6 per cent from 9.1 per cent at the end of 2006. This outturn was attributed in part to an aggressive programme of liquidity absorption coupled with initiatives to reduce domestic agricultural prices.

Employment

An increase in economic activity across the region in 2007 is likely to have contributed to a lower rate of unemployment. In **Barbados**, the average rate of

unemployment for the first nine months of 2007 (the latest period for which data are available) was 7.1 per cent compared with a rate of 9.8 per cent in the corresponding period of 2006. Based on the level of economic activity it is projected that unemployment will stay below the country's benchmark of 10.0 per cent. In **Trinidad and Tobago**, the unemployment rate averaged 6.3 per cent in the first six months of 2007 (the latest period for which data are available) compared with 7.0 per cent in the corresponding period of 2006. Strong demand for workers in the construction sector contributed to the tight labour market. A decline in the total labour force has been observed however, and this has been attributed in part to government's initiative to finance tertiary education, which resulted in a rise in enrolment rates at such institutions.

Central Governments' Fiscal Developments

Provisional estimates of fiscal developments in the **Bahamas** indicate a widening in the government's deficit position. Government revenue rose by 1.5 per cent to B\$1,300.0m relative to the amount in 2006, while expenditure increased by 12.0 per cent to B\$1,600.0m relative to the total in 2006. In **Barbados** it is likely that the overall deficit increased in 2007 compared with the level in 2006, as growth in total expenditures outpaced that of total revenue. Total revenue rose by 1.3 per cent in the first nine months of 2007 (latest period for which data are available) compared with growth of 12.6 per cent in the corresponding period of 2006. The lower



rate of increase was reflected in collections for both direct and indirect taxes. Estimates of total expenditure grew at a rate of 8.1 per cent for the first nine months of 2007, the same as in the corresponding period of 2006. This outturn was mainly driven by a rise in current expenditure; the largest increase being recorded for outlays on personal emoluments (11.9 per cent), attributable to a 7.5 per cent increase in wages and salaries, which was due in 2006 but paid in April 2007. Data available for the first nine months of the fiscal year 2006/07 (October 2006 to end June 2007) indicate that the central government of **Trinidad and Tobago** realised a larger overall surplus of TT\$5,402.1m. By contrast, the non-oil fiscal deficit widened to TT\$9,019.1m from TT\$7,375.0m in the nine-month period ending June 2006.

External Sector Developments

Available data for the first nine months of 2007 indicate a widening in the overall balance of payments deficit in the **Bahamas**. This outturn was attributed to smaller inflows on the capital and financial account, reflecting in part a lower level of foreign direct investment. The deficit on the current account narrowed, influenced by a decrease in the deficit on the goods and services account.

In **Barbados**, data available for the period January to September 2007 show a decrease in the current account deficit to BDS\$299.1m from \$404.0m in the corresponding period of 2006. This outturn was attributed to an expansion in travel credits, which

offset a decline in earnings from domestic exports and a rise in retained imports. On the capital and financial account, the surplus increased by 58.9 per cent to BDS\$623.7m, reflecting larger public and private sector capital inflows. As a result of developments on the current account and the capital and financial account, a surplus of BDS\$314.5m was estimated for the first nine months of 2007 compared with one of BDS\$5.1m in the corresponding period of 2006.

In **Jamaica** a deceleration in output growth as well as the impact of rising food and oil prices is likely to have contributed to a widening of the current account deficit. In addition, the passage of Hurricane Dean as well as adverse weather conditions in the latter part of the year would have impacted economic activity and contributed to the increase in the current account deficit.

A strong overall surplus of US\$1,200.0m was recorded in **Trinidad and Tobago** during the period January to September 2007 (latest period for which data are available). At the end of September 2007, gross official reserves stood at roughly 9.7 months of imports of goods and services.

Monetary and Credit Developments

The monetary stance of the central banks of the four CARICOM countries under review remained tight in 2007 relative to 2006, based in part on persistent inflationary pressures. In the **Bahamas**, liquidity expanded marked by growth of B\$105.5m in



commercial banks excess reserves. In addition, excess liquid assets rose by B\$145.4m in contrast to a decline of B\$103.0m in 2006. The Central Bank's net purchase of foreign currency from commercial banks more than quadrupled to B\$190.6m. In spite of this outturn, net sales to the public sector increased, attributable in part to the rise in expenditure for fuel. Growth in domestic credit decelerated relative to the pace in 2006. Slower growth in consumer credit and mortgages contributed to a moderation in private sector credit growth, and by extension, domestic credit growth. Net claims on the public corporations contracted; however the net indebtedness of government to the Central Bank rose as Treasury bills held by commercial banks were liquidated to meet various obligations. Growth in Bahamian dollar deposits accelerated largely influenced by an expansion in higher yielding fixed deposits, while saving and demand deposit growth moderated.

In **Barbados**, liquidity in the banking system improved, marked by an increase in the liquid asset ratio to 11.3 per cent at the end of September 2007 from 7.9 per cent at the end of December 2006. An expansion in domestic deposits outpaced growth in commercial bank lending to the non-financial private sector. The excess cash to deposit ratio rose to 5.2 per cent from 0.5 per cent during the nine-month period ending September 2007. The interest rate spread between deposit and lending rates widened during the first nine months of 2007. The weighted average interest rate on deposits rose to 5.2 per cent from 5.11 per cent at the end of 2006, while the

weighted average interest rate on loans fell to 10.76 per cent from 10.92 per cent at the end of 2006. Increases were recorded in credit to the non-financial private sector (4.9 per cent) and the personal sector (8.8 per cent), while domestic deposits at commercial banks rose by 13.8 per cent.

Instability in the foreign exchange market, influenced by various factors including an increasing preference for foreign currency denominated assets and high levels of Jamaica Dollar liquidity, continued to exert pressure on monetary policy in **Jamaica** in 2007. In addition, rising international prices for oil and other commodities resulted in increased spending on imports and higher demand for foreign currency. In December 2007, however, the foreign exchange market was favourably affected by an expansion in foreign currency inflows from tourism and remittances as well as growth in foreign investor participation in the Jamaica equities market. Aggressive open market operations in the fourth quarter of 2007 coupled with an expansion in credit to the private sector by the banking system, influenced an increase in the broad money supply.

In **Trinidad and Tobago**, the Central Bank issued net bills and notes of TT\$4,025.1m between January and September 2007, in an effort to mop up excess liquidity. In addition, foreign exchange sales of US\$715.0m to the financial system contributed to the absorption of liquidity. A special interest-bearing deposit of TT\$500.0m, introduced in June 2006 was also rolled over. In keeping with the Central Bank's tight monetary stance, its "Repo"



rate was left unchanged at 8.0 per cent during the nine-month period ending September 2007.

Outlook

The outlook for 2008 is positive for most countries; however, inflationary pressures, resulting from rising prices of food, oil and other commodities and the slowdown in the global economy, emanating from developments in the US, including the depreciation of the US dollar, are likely to pose downside risks to any projections.

In the **Bahamas** economic prospects are expected to remain positive in 2008 driven by an expansion in private sector demand.

In **Barbados** the forecast is for real GDP to increase in 2008, largely driven by activity in both the traded and non-traded sectors. Growth in activity in the tourism industry is expected to propel developments in the traded sectors, while robust performance in wholesale and retail and the construction sectors is projected to spur an expansion in the non-traded

sectors. The increase in real economic activity is expected to lead to a reduction in the unemployment rate relative to the level recorded in 2007.

In **Jamaica** real economic growth is projected to increase in 2008 relative to the level in 2007. The expansion is based on increased activity in the goods sector and continued expansion in the services sector. Growth is projected in construction and installation, mining, finance and insurance, distributive trade and manufacturing. An aggressive monetary stance by the Bank of Jamaica is likely to prevent incipient capital outflows and the attendant impact on the current account, and combat emergent inflationary pressures.

Growth in the **Trinidad and Tobago** economy is expected to continue in 2008, based on ongoing and likely developments in both the energy and non-energy sectors. Conditions in the labour market are expected to remain tight. The monetary stance of the Central Bank of Trinidad and Tobago is likely to tighten in response to concerns over inflationary pressures in the economy.



DOMESTIC ECONOMIC DEVELOPMENTS

Overview

Economic activity in the Eastern Caribbean Currency Union (ECCU) continued to expand in 2007. Provisional data indicate that real GDP increased by 4.3 per cent compared with 6.2 per cent in 2006. The expansion was driven by growth in the construction sector, primarily associated with tourism related investments, which had positive spill-over effects on the transport, wholesale and retail, banking and insurance, and electricity and water sectors. Real GDP is estimated to have increased in all the ECCU member countries, at rates ranging from 0.5 per cent in Saint Lucia to 11.9 per cent in Anguilla.

The expansion in real GDP was achieved in an environment of rising prices. Consumer prices for the ECCU as a whole rose by 6.1 per cent, up from 1.3 per cent in 2006, mainly reflecting the impact of prices of oil, food and other commodities on the international market.

The consolidated overall fiscal deficit narrowed on account of an improvement in the current operations and a fall in capital expenditure as some major projects were completed. Outstanding public sector debt as a percentage of GDP fell at the end of 2007.

Monetary developments were characterised by strong growth in monetary liabilities and domestic credit, and a fall in net foreign assets as commercial banks drew down on external assets and borrowed

abroad to finance domestic credit. Liquidity fell and the weighted average interest rate spread between deposits and loans narrowed. Activity on the Regional Government Securities Market (RGSM) increased, reflecting issues of new securities by two participating governments.

In the external sector, the overall balance of payments surplus fell, largely as a result of a widening of the current account deficit, reflecting in part an increase in payments for imports.

Real GDP growth is projected to slow in the ECCU economy in 2008 relative to 2007, based primarily on a deceleration in growth in the construction sector. Construction activity in the public sector is projected to contract following robust activity associated with preparations for hosting Cricket World Cup (CWC) 2007. By contrast, private sector construction is projected to remain buoyant, as a result of ongoing and new projects. Activity in the tourism industry is likely to benefit from additional airlift and the introduction of larger-sized cruise ship vessels in some countries. The economic outlook for the ECCU is however, contingent on developments in the global economy. A slowing US economy and rising oil, food and other commodity prices pose downside risks to the projections.

Output

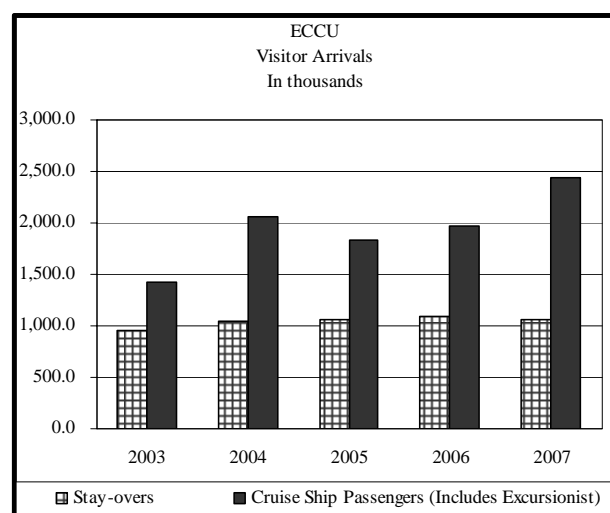
Value added in the construction sector expanded by an estimated 6.6 per cent following growth of



11.9 per cent in 2006. The increase in value added for construction in the member countries was highest for St Vincent and the Grenadines (18.0 per cent), Anguilla and Dominica (15.0 per cent), followed by Antigua and Barbuda (12.0 per cent). Growth in construction was mainly driven by activity in the private sector, as the level of activity in the public sector waned following the completion of major CWC 2007 related projects earlier in the year. In the private sector, activity focused on tourist related facilities such as hotels, villas, marinas and golf courses. Other activities included the construction of commercial buildings and residential accommodation. The pace of residential construction heightened in 2007 supported by tax incentives extended to persons investing in accommodation for CWC 2007 in the earlier part of the year. Among the public sector projects undertaken in 2007 were road and other infrastructure developments, the upgrading of airports, construction of schools and sporting facilities.

Developments in the hotels and restaurants sector resulted in an estimated increase of 0.5 per cent in value added compared with 6.0 per cent in 2006. The expansion was attributable to an increase in the number of visitors staying in paid accommodation notwithstanding a 1.4 per cent decline in total stay-over arrivals. This development reflected a fall in the number of Caribbean visitors, a greater proportion of whom stays at non-paid accommodation. The number of Caribbean stay-over visitors declined by 13.9 per cent attributable to

higher intra regional air fares and fewer scheduled flights as a result of the merger of two regional airlines. Arrivals from the USA, the largest market, fell by 2.5 per cent to 384,659 in contrast to an increase in 2006. This outturn reflected intense competition from other holiday destinations coupled with passport requirements for Americans travelling to the Caribbean. The UK market recorded an 11.4 per cent increase in the number of stay-over visitors attributable largely to CWC 2007. These developments resulted in a 1.4 per cent fall in the total number of stay-over visitors to 1.1m. Among the member countries, increases in stay-over arrivals were recorded only in Grenada (10.9 per cent), Anguilla (4.5 per cent) and Antigua and Barbuda (3.2 per cent).



The number of cruise ship passengers rose by 25.7 per cent to a record level of 2.3m, influenced by the introduction of larger sized cruise vessels and the return of a major cruise line. Increases were recorded in all the countries for which cruise arrivals are reported, except Dominica. Of the other

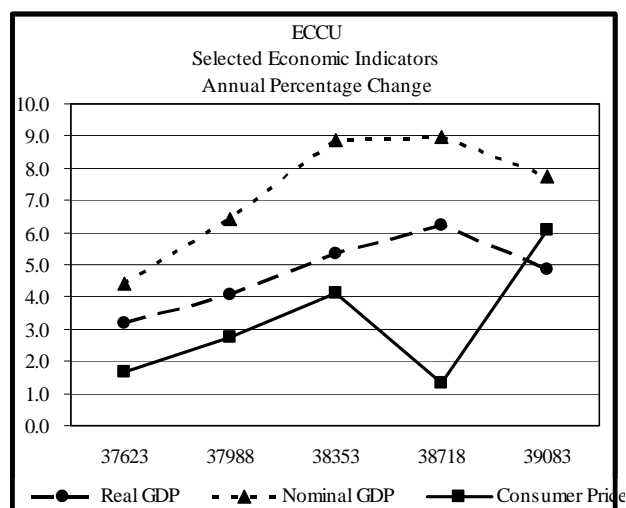


categories of visitor, the number of yacht passengers rose by 6.8 per cent while that of excursionists fell by 0.1 per cent. These developments resulted in an increase of 14.7 per cent to approximately 3.7m in the total number of visitors.

Output in the agricultural sector is estimated to have increased by 1.2 per cent compared with a 5.7 per cent expansion in 2006. The increase in value added was attributable to higher banana output. Banana production rose by 1.9 per cent to 45,565 tonnes notwithstanding the adverse impact of Hurricane Dean on the banana industries of Dominica and Saint Lucia during the year. In Saint Lucia and Grenada banana production increased by 11.9 per cent and 29.4 per cent respectively while it declined in Dominica and St Vincent and the Grenadines. In Saint Lucia the higher production reflected the appreciable rise in pre-Dean output which more than compensated for the sharp post-Dean fall in production. In Grenada production of cocoa more than doubled to 225 tonnes, roughly one third of the pre-Ivan level. Production of nutmeg and mace also increased by 34.4 per cent and 71.5 per cent (9 tonnes) respectively. Output of non-banana agriculture in Dominica and Saint Lucia declined reflecting the impact of Hurricane Dean. In St Vincent and the Grenadines production of non-banana agriculture is estimated to have increased.

Value added in the manufacturing sector is estimated to have increased by 1.1 per cent. In Grenada,

increases were recorded in output of toilet paper, paint, soft drinks and beer, the latter attributable to increased domestic demand associated with CWC 2007. In Saint Lucia, higher output of paper, paper board and plastic products contributed to the growth in manufacturing production. Manufacturing output however declined in St Vincent and the Grenadines reflecting a fall in production of rice and beer.



The electricity and water sector grew by an estimated 9.9 per cent, following growth of 3.1 per cent in 2006. The acceleration was associated with increased demand as a result of expansions in the stock of both residential and tourist accommodation.

Value added in the transport sector expanded by 5.9 per cent fuelled by increases in the number of cruise ship passengers. The wholesale and retail sector grew by 5.0 per cent down slightly from an increase of 4.8 per cent in 2006.

Prices, Wages and Employment

The consumer price index (CPI) rose by an average of 6.1 per cent (end of period) during 2007 up from 1.3 per cent during 2006. The elevated price levels stemmed mainly from higher prices for food and fuel. The retail price of fuel increased in 2007 for all countries except Antigua and Barbuda and Saint Lucia. In the food category, increases were recorded in the prices of fruits, vegetables, meats, milk and dairy products, cereal, bread and non alcoholic beverages. All countries experienced increases in the CPI ranging from 3.5 per cent for Anguilla to 8.3 per cent for St Vincent and the Grenadines.

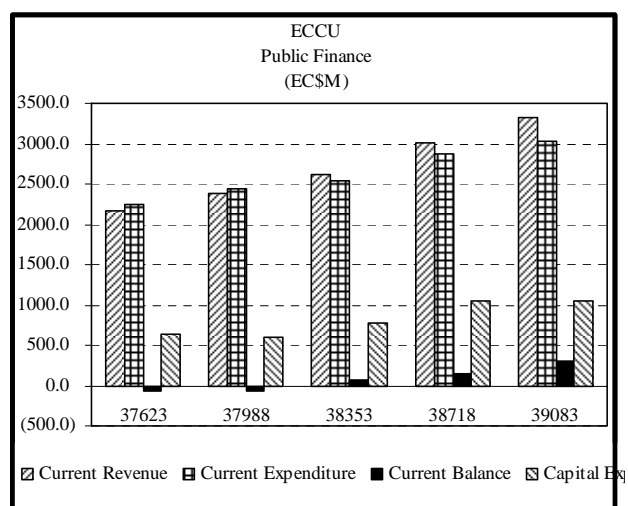
Wages and salaries in the public sector increased in Anguilla (20.0 per cent), St Kitts and Nevis (5.0 per cent) and St Vincent and the Grenadines (5.0 per cent) in 2007. While data on private sector wages are unavailable, anecdotal information suggests upward pressure on wages in the construction sector particularly among skilled workers. This is based on robust construction activity in some countries coupled with shortages of local skilled workers. The national minimum wage in Antigua and Barbuda was increased by 25.0 per cent to \$7.50 an hour at the end of 2007.

Complete data on employment are unavailable. However, indications are that the level of employment may have increased in the construction sector on the basis of the robust activity in that sector. In Anguilla, the total number of registered

employees increased by 22.0 per cent indicating a tightening of the labour market in that country.

Central Government Fiscal Operations

The consolidated fiscal operations of the central governments resulted in a lower overall deficit of \$468.1m (4.0 per cent of GDP) compared with \$537.0m (4.9 per cent of GDP) in 2006. This outturn stemmed largely from an improvement in the current operations of the governments resulting in a more than doubling of the current account surplus. The primary balance shifted to a deficit of \$43.0m (0.4 per cent of GDP) from one of \$136.2m (1.2 per cent of GDP) in the previous year, reflecting the improvement on the current account and a fall in capital expenditure. On a country basis, lower deficits were recorded in Antigua and Barbuda, St Kitts and Nevis and Saint Lucia. Larger deficits were recorded in Grenada, Montserrat and St Vincent and the Grenadines while Anguilla moved from a surplus position to a deficit and Dominica recorded a lower surplus.



The current operations of the central governments resulted in a surplus of \$294.5m (2.5 per cent of GDP) compared with \$140.1m (1.3 per cent of GDP) in 2006. Receipts from current revenue grew by 10.6 per cent to \$3,320.6m (28.1 per cent of GDP) partly reflecting new tax measures implemented in 2007 in some countries. The introduction of sales tax in Antigua and Barbuda and value added tax (VAT) in St Vincent and the Grenadines to replace the consumption tax and service charge on imports have resulted in increased collections of taxes on domestic goods and services and a fall in receipts from taxes on international trade and transactions. Collections from taxes on domestic goods and services rose by 39.7 per cent, while that of taxes on international trade and transactions declined by 3.1 per cent. Receipts from taxes on income and profits increased by 10.8 per cent reflecting higher taxable profits and collections of tax arrears in some countries. Non tax receipts rose by 6.7 per cent as collections of fees and fines rose.

Current expenditure increased by 5.7 per cent to \$3,026.1m (25.6 per cent of GDP) at a slower rate than the increase of 12.5 per cent in 2006. The expansion in current outlays was largely associated with higher spending on personal emoluments (6.3 per cent), goods and services (8.6 per cent) and interest payments (6.1 per cent). The rise in outlays on personal emoluments reflected salary and wage increases awarded to civil servants in Anguilla, St Kitts and Nevis and St Vincent and the

Grenadines during the year. The higher expenditure on interest payments was attributable to increases in the stock of outstanding public debt. Outlays on goods and services increased partly influenced by the higher cost of fuel and electricity.

Capital spending declined by 0.7 per cent to \$1,049.0m (8.9 per cent of GDP) reflecting the completion of CWC 2007 related projects in some member countries. However, major capital projects undertaken during the year included road construction and rehabilitation in Antigua and Barbuda, Dominica, St Kitts and Nevis, Saint Lucia and St Vincent and the Grenadines.

Public Sector Debt

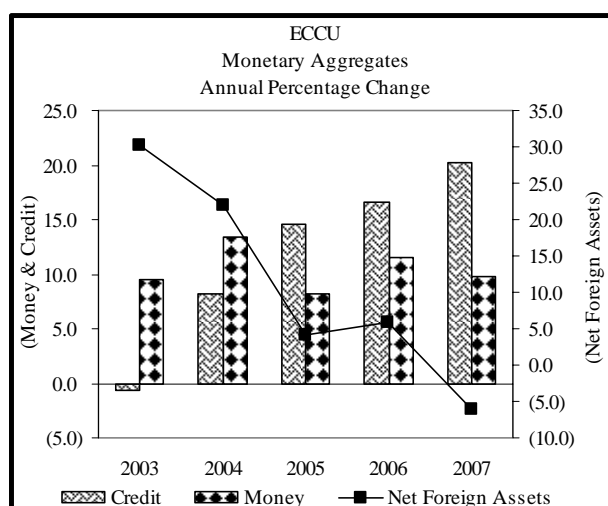
The total stock of outstanding public debt in the ECCU member countries increased by 3.5 per cent to \$11,290.0m (95.7 per cent of GDP) compared with \$10,905.0m (99.1 per cent of GDP) in 2006. The stock of public sector debt rose in all countries except Dominica, Montserrat and St Vincent and the Grenadines. The higher debt stock was attributable to an increase of 4.3 per cent to \$9,324.6m (79.0 per cent of GDP) in central governments' debt. Of total central governments' debt, domestic debt rose by 10.4 per cent while external debt was 0.1 per cent lower. The rise in central governments' domestic debt largely reflected commercial bank loan disbursements to the governments of Antigua and Barbuda, Grenada, St Kitts and Nevis, Saint Lucia and St Vincent and the Grenadines.



Monetary and Financial Developments

Money and Credit

Developments in money and credit were characterised by an acceleration in growth of domestic credit, which resulted in a fall in net foreign assets, as commercial banks drew down on their foreign assets to finance the increasing demand for credit. These developments resulted in an expansion of 9.8 per cent in monetary liabilities to \$11,089.9m associated mainly with an increase in quasi money. Quasi money grew by 9.5 per cent largely reflecting increases in private sector savings and time deposits. Narrow money rose by 10.7 per cent driven by increases in private sector demand deposits.



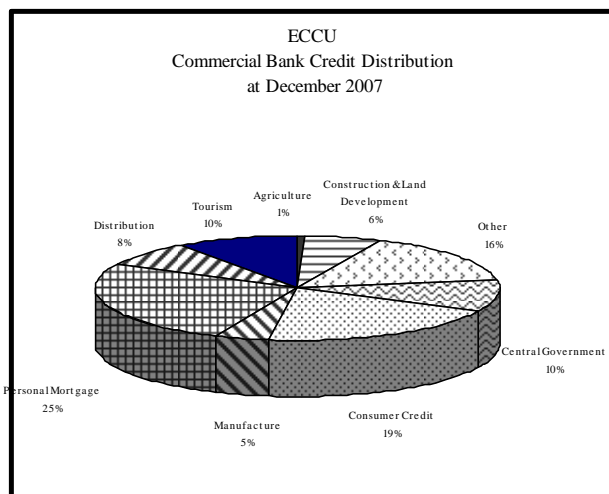
The increase in domestic credit was mainly influenced by an expansion in private sector credit of 19.9 per cent. Outstanding household and business credit grew by 14.2 per cent and 26.9 per cent respectively. Growth in lending to businesses partly reflected credit extended for investment in tourism

related properties. All member countries recorded expansions in private sector credit ranging from 5.2 per cent in Dominica to 36.9 per cent in Anguilla. The net deposits of non-bank financial institutions increased by 11.4 per cent reflecting increases in deposits.

Net credit to the central governments increased by 37.2 per cent to \$848.5m in contrast to a 2.0 per cent decline in 2006. The rise in governments' outstanding credit to the banking system is attributable to an increase of 14.5 per cent in commercial bank credit coupled with a decline of 5.3 per cent in deposits. Increases in commercial bank credit were recorded for all the member countries except Dominica and Montserrat. Net deposits of non-bank financial enterprises rose by 28.1 per cent largely representing an increase in deposits of the social security systems.

The distribution of credit by economic activity shows that outstanding credit for tourism increased by 39.2 per cent reflecting investments in tourism accommodation facilities. Credit for construction and land development increased by 34.5 per cent, consistent with the expansion in construction activity in 2007. The expansion in credit for construction was also supported by an increase of 8.3 per cent in outstanding credit for acquisition of property. Credit for professional and other services accelerated to 32.2 per cent reflecting the growing significance of specialised services in economic activity.





The net foreign assets of the banking system fell by 6.2 per cent to \$2,982.5m reflecting the decline in commercial banks' foreign assets. Commercial banks drew down their foreign assets to finance the heightened demand for credit, resulting in a 23.0 per cent fall in commercial banks' net foreign assets. In contrast, the net foreign assets of the central bank grew by 9.8 per cent reflecting accumulation of foreign assets.

Commercial bank liquidity tightened but remained high. The ratio of liquid assets to total deposits plus liquid liabilities declined by 0.3 percentage point to 40.9 per cent while the loans and advances to total deposits ratio rose by 6.4 percentage points to 85.0 per cent.

The weighted average interest rate spread narrowed to 6.19 percentage points from 6.66 percentage points, reflecting a fall in the average interest rate on credit. The weighted average lending rate declined by 0.48 percentage point to 9.46 per cent as competition among commercial banks intensified.

The weighted average deposit rate remained largely unchanged at 3.27 per cent.

Developments on the RGSM

There were 33 auctions on the RGSM during 2007, compared with 10 auctions during 2006 as the Governments of Saint Lucia and Grenada each issued two additional securities. The Government of Saint Lucia issued its first US dollar instrument in the form of a 10-year bond and introduced the first 180-day Treasury bill on the RGSM, bringing its total number of issues to seven. The additional securities for the Government of Grenada comprised a 365-day Treasury bill and a 5-year Treasury note which brought its total number of issues to three securities. The Government of Antigua and Barbuda issued one less security during the year.

Although the number of auctions increased, the total dollar value of securities traded fell by 9.0 per cent to \$605.2m, compared with \$665.2m in 2006. The funds raised by member governments were utilised primarily for refinancing debt and financing major capital projects.

Short-term debt accounted for 81.4 per cent of securities issued in 2007 compared with 67.6 per cent in 2006. The major contributors to short-term debt were the Governments of Antigua and Barbuda and St Vincent and the Grenadines whose securities were primarily 91-day Treasury bills. Moreover the Government of Antigua and Barbuda issued 91-day Treasury bills exclusively in 2007 increasing the percentage of short-term debt issued for the year.



The major investors on the RGSM continued to be the commercial banks and social security systems. The commercial banks continued to be the major players in the market as they performed the role of both investors and brokers. However, there are indications that the level of participation by social security systems declined marginally during the review period.

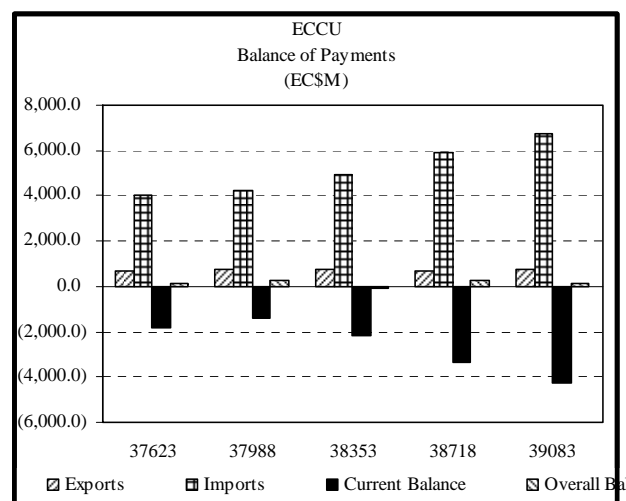
The yields on securities issued on the RGSM increased except for the 5-year bond, which declined by 125 basis points to 7.0 per cent. Tighter commercial bank liquidity conditions generally led to the increase in yields across the maturity spectrum. The greatest increase in yields was on the short end of the curve, in particular the 365-day Treasury bill, which increased by 65 basis points to 6.50 per cent. The average weighted yield on 91-day Treasury bills rose by 10 basis points to 6.04 per cent, while that of the 10-year bond increased by 30 basis points to 7.54 per cent.

The volume of secondary market activity on the RGSM declined to \$26.1m in 2007 from \$40.8m in 2006, partly reflecting less activity by the social security systems which were major purchasers of securities retailed by underwriters. Trading activity was strong during the first and third quarters of 2007, similar to the pattern observed in the previous year.

Balance of Payments

Preliminary data show that the balance of payments position of the currency union declined in 2007 as

the overall surplus fell to an estimated \$125.3m (1.1 per cent of GDP) from \$248.3m (2.3 per cent of GDP) in 2006. This outturn was attributable to a deterioration on the current account deficit to \$4,264.3m (36.1 per cent of GDP) from \$3,365.2m (30.7 per cent of GDP) in 2006. The widening of the current account deficit largely reflected increases in payments for imports. Import payments rose by 14.4 per cent to an estimated \$6,731.0m (f.o.b) associated with increased economic activity and higher commodity prices, particularly fuel. The value of exports was up by an estimated 9.8 per cent mainly attributable to increases in re-exports in Antigua and Barbuda, Grenada and St Vincent and the Grenadines. Export earnings from banana were down by 14.1 per cent to \$74.6m as export revenue declined in Dominica, Saint Lucia and St Vincent and the Grenadines. Inflows from gross travel receipts rose by 3.2 per cent on account of increases in the number of cruise ship visitors. The lower current account balance was also driven by a decline in current transfers reflecting lower bilateral transfers to the governments.



On the capital and financial account net inflows increased as a result of higher inflows of foreign direct investment. Net inflows on the capital account rose by 52.8 per cent on account of debt relief in St Vincent and the Grenadines. Inflows of foreign direct investment increased to a record level of \$3,547.2m (30.0 per cent of GDP) associated with investment in tourism related construction projects in the member countries. Commercial bank transactions resulted in net inflows of \$389.1m in contrast to net outflows of \$300.1m in the previous year as banks brought in funds to finance the increase in domestic demand for credit.

Prospects

The economic outlook for the currency union will be heavily influenced by developments in the international economy. The US-led slow-down in the international economy is expected to influence a deceleration in real GDP growth in the ECCU in 2008. The construction sector, which has been the main driver of growth, is expected to slow as major projects are completed in some countries. Growth in construction is expected to be supported mainly by activity in the private sector as construction of tourism related facilities will continue. Public sector construction activity is projected to wane on the basis of an expected reduction in central government capital expenditure. The slowdown in construction will impact other sectors such as transport, water and electricity, wholesale and retail, and banking and insurance.

The number of visitors to the member countries is projected to increase on the basis of growth in both stay-over and cruise arrivals. Notwithstanding the slowing international economy additional airlift to Antigua and Barbuda, Grenada, St Kitts and Nevis and Saint Lucia in the latter part of 2007 and early 2008 is expected to result in increased arrivals.

Consumer prices are expected to contribute to increase in 2008 due to the projected higher prices of oil and other primary commodities on the international market. The policy responses by some governments to include a broader range of goods under price control as well as to reduce or remove import duties on certain commodities may mitigate the short-term impact of further price increases.

The current account balance is projected to deteriorate based on slow growth in current revenue receipts relative to expenditure, reflecting a slowdown in economic activity. The overall deficit of the central governments is expected to widen mirroring developments on the current account.

Monetary liabilities and domestic credit are projected to increase in 2008 albeit at a reduced rate compared with that of the previous year reflecting the slowdown in growth in commercial bank credit. The current account deficit of the balance of payments is expected to widen as import payments are likely to increase, partly reflecting higher prices of imported goods. Gross travel receipts are projected to increase on the basis of growth in the number of visitors. The deficit on the current



account is likely to be largely financed by inflows of foreign direct investment associated mainly with tourism related projects.

The balance of risks to the outlook tilts on the downside given the tightening of credit conditions in

global financial markets and the associated US-led slowdown in the international economy. The outlook is also likely to be adversely impacted by higher commodity prices, particularly oil.



ANGUILLA

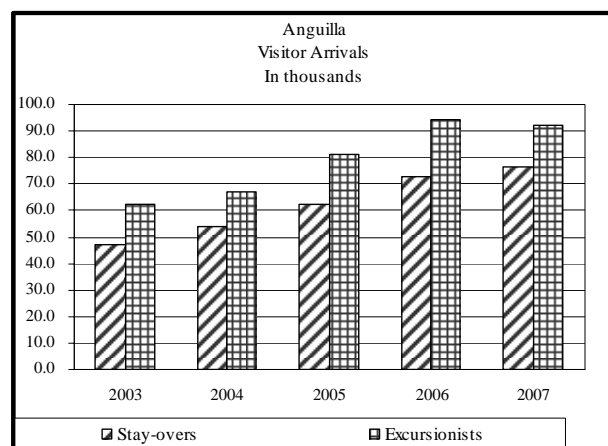
Overview

The economy of Anguilla experienced another year of double digit growth, 11.9 per cent in 2007 following an increase of 15.0 per cent in 2006. Growth was broad based, fuelled by activity in tourism and construction. Consumer prices rose by 1.9 per cent during 2007, on an end of period basis. The fiscal operations of the central government resulted in an overall deficit, in contrast to a surplus in 2006. Total outstanding debt of the public sector rose during 2007. Monetary liabilities increased influenced by growth in domestic credit. Commercial bank liquidity remained high despite a decline in the level. The spread between the commercial banks' weighted average interest rate on loans and deposits narrowed. In the external sector, an increase in the overall surplus was recorded, reflecting larger inflows on the capital and financial account.

The economy is projected to expand in 2008, largely based on buoyant activity in the construction sector and expected developments in the tourism industry. A current account surplus is projected on the central government's fiscal accounts, based on strong growth in revenue relative to the increase in expenditure. The projections are contingent on strong external demand for Anguilla's tourism product and favourable weather. A slowdown in the US economy and rising prices of international oil and other commodities could dampen the expansion in economic activity.

Output

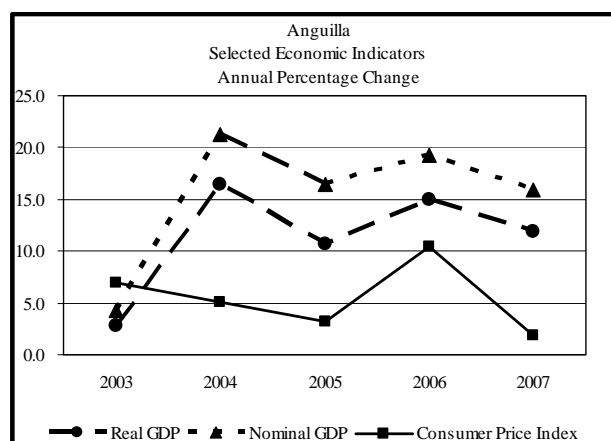
Value added in the hotels and restaurants sector, an indicator of the level of tourism activity, is estimated to have increased by 13.0 per cent in 2007 compared with 17.5 per cent in the previous year. The sector continued to be the largest contributor to economic output in Anguilla, accounting for 33.0 per cent of GDP in 2007. An increase of 4.9 per cent to 76,568 in the number of stay-over visitors was responsible for growth in value added in that sector. The breakdown of arrivals by markets indicates increases in visitors from Canada (13.5 per cent), the US (4.1 per cent) and the UK (2.9 per cent). By contrast, stay over arrivals from the Caribbean declined by 5.2 per cent, partly as a result of an increase in regional airfares. The number of excursionists fell by 2.4 per cent to 91,985.



In the construction sector, value added rose by 15.0 per cent, following growth of 36.6 per cent in 2006. The sector's contribution to GDP increased to 17.1 per cent from 16.7 per cent in 2006. Growth in



construction activity was fuelled by private and public sector investment activity. In the private sector, work continued on estate homes, villas and hotels. Public sector activity focused on rehabilitating roads, port development at Road Bay, a terminal building at Blowing Point, and expansions to primary schools and the hospital.



The increase in activity in the tourism industry and the construction sector contributed to growth in most of the other sectors. In the banking and insurance sector, the second largest contributor to GDP (17.6 per cent), value added rose by 15.1 per cent. Value added for both the transport sector, and electricity and water services and mining sector grew by an estimated 15.0 per cent. Increases in value added were also recorded for wholesale and retail trade (12.0 per cent) and communications (6.0 per cent). Value added in government services grew by 10.5 per cent, attributable in part to an increase in the number of civil servants.

Prices, Wages and Employment

Inflationary pressures eased during 2007. The rate of inflation, as measured by the change in the consumer price index (CPI) on an end of period basis, was 3.5 per cent during 2007, down from 10.5 per cent during 2006 when strong demand for housing, household supplies and food contributed to inflationary pressures. The household furnishings and supplies sub-index rose by 0.3 per cent compared with growth of 59.5 per cent during 2006. Prices in the food sub-index, the largest weighted of the CPI basket, rose by 6.7 per cent relative to an expansion of 7.1 per cent in the previous year. The housing sub-index fell by 0.1 per cent during 2007 in contrast to growth of 14.1 per cent in 2006. A 4.5 per cent decline was recorded for the fuel and light sub-index, following an increase of 6.7 per cent during 2006, largely as a result of a fall in the electricity surcharge and in the price of candles.

Data on wage movements in the public sector show that in 2007 civil servants received a 20.0 per cent increase in 2007 and a 50.0 per cent bonus in December. Official data on private sector wage movements are not available. An increase in demand for labour resulting from growth in both the construction sector and tourism industry is likely to have pushed wages upwards.

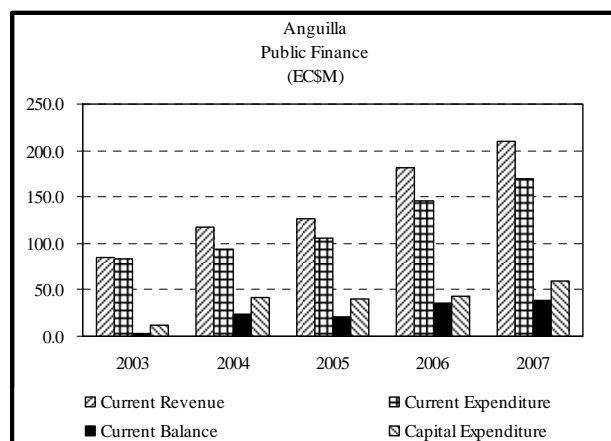
Based on information from the Anguilla Social Security Board, the number of registered employees



was 8,752 in 2007, representing a 22.0 per cent increase on the total in 2006. Of that total, 1,263 were public sector employees, an increase of 7.5 per cent on the amount in 2006. The number of private sector employees rose by 75.0 per cent to 5,991. The total number of work permits granted more than doubled to 3,225 in 2007.

Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall deficit of \$16.3m (2.5 per cent of GDP) in contrast to a surplus of \$7.6m (1.3 per cent of GDP) in 2006. The deterioration in the overall balance was attributed mainly to increases in both current and capital expenditure. Capital outlays rose by 36.6 per cent to \$59.0m (9.0 per cent of GDP), largely associated with developing the road network and seaports at Blowing Point and Road Bay and expanding the hospital and primary schools. Capital revenue rose to \$3.4m from \$0.1m in 2006, largely representing land sales.



A current account surplus of \$39.3m (6.0 per cent of GDP) was realised compared with one of \$35.9m

(6.2 per cent of GDP) in 2006, as growth in revenue outpaced that of expenditure. Current revenue increased by 15.8 per cent to \$209.7m mirroring the expansion in economic activity. As a percentage of GDP, it rose to 32.1 per cent from 31.3 per cent in 2006. The expansion in current revenue mainly resulted from growth of 67.6 per cent (\$18.6m) in non-tax revenue, reflecting larger receipts from work permit fees, pier dues and company registration fees. Collections from taxes grew by 6.5 per cent (\$10.0m). Of tax revenue, receipts from taxes on international trade and transactions increased by 31.0 per cent (\$23.0m), largely influenced by growth in import duties (\$20.2m). This increase was partly offset by a decline of 16.6 per cent (\$13.1m) in receipts from taxes on domestic goods and services, reflecting a fall in collections of stamp duties. An extension of the moratorium on alien land holding licenses was the main contributing factor to the fall in stamp duties.

Current expenditure totaled \$170.4m (26.1 per cent of GDP), representing a 17.4 per cent increase on the amount in 2006. Growth in current expenditure was broad-based, with personal emoluments as the main driver. Outlays on personal emoluments grew by 39.5 per cent (\$19.4m), largely on account of salary increases and the bonus paid to public servants. Spending on transfers and subsidies rose by 9.0 per cent (\$3.4m), largely due to an increase in pension payments. Interest payments grew by 12.7 per cent (\$0.8m), associated with larger debt obligations, both domestic and external. Increases in the costs for supplies and materials and selected services



accounted for a 2.9 per cent (\$1.5m) rise in spending on goods and services.

Public Sector Debt

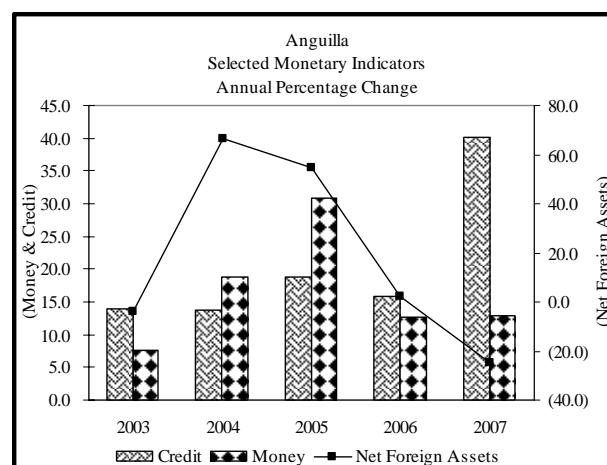
The total outstanding debt of the public sector was estimated at \$135.1m at the end of 2007, a rise of 18.5 per cent on the amount at the end of 2006. As a percentage of GDP, however, the public sector debt fell marginally to 20.7 per cent from 20.9 per cent in 2006. The disbursed outstanding debt of the central government, which accounted for 85.2 per cent of total debt, increased by 18.5 per cent to \$115.1m, as government borrowed to finance the overall deficit. The central government's stock of domestic debt grew by 21.2 per cent, reflecting an increase in commercial bank credit, while external borrowing decreased by 6.6 per cent.

Money and Credit

Monetary liabilities (M2) expanded by 13.0 per cent to \$1,161.8m during 2007, largely reflecting an increase in quasi money. Quasi money grew by 12.8 per cent (\$125.7m), influenced by growth of \$95.6m in private sector foreign currency deposits associated in part with the expansion in tourism and inflows of foreign direct investment. Private sector savings and time deposits grew by 18.6 per cent (\$15.1m) and 18.1 per cent (\$15.0m) respectively, consistent with growth in economic activity. Narrow money rose by 17.2 per cent (\$7.7m), on account of an increase in private sector demand deposits.

The counterpart to growth in M2 was a 40.2 per cent increase to \$1,063.1m in domestic credit, on account of expansions in private sector credit and net credit to the central government. Private sector credit increased by 36.9 per cent, mirroring growth in outstanding loans to households and businesses. The net indebtedness of the central government to the banking system rose to \$44.4m from \$23.0m, as government borrowed from the commercial banking system and drew down on its deposits to finance the overall deficit. Credit to the central government increased by 13.5 per cent while its deposits fell by 18.3 per cent.

The composition of credit by economic activity indicates increases in outstanding loans for construction (69.6 per cent) and tourism (33.6 per cent), mirroring expansions in those activities. Outstanding loans for personal use, primarily for durable consumer goods and house and land purchase, rose by 30.6 per cent. In the other areas of economic activity, credit for distributive trades grew by 12.4 per cent, while declines were recorded in credit for mining and quarrying (10.4 per cent) as well as for agriculture and fisheries (2.1 per cent).



The net foreign assets of the banking system declined by 25.0 per cent to \$396.3m during 2007, in contrast to an increase of 2.0 per cent during 2006. The decrease resulted primarily from developments in the commercial banking sector. The net foreign assets of commercial banks fell by 33.8 per cent to \$275.1m, as banks borrowed from abroad and drew down on their assets held with banks and other institutions outside the Eastern Caribbean Currency Union (ECCU) to finance credit demand. Anguilla's imputed share of the Central Bank's reserves increase by 7.4 per cent to \$121.2m.

Liquidity in the commercial banking system fell during 2007. The ratio of liquid assets to total deposits plus liquid liabilities declined by 9.4 percentage points to 39.6 per cent. The loans and advances to total deposits ratio rose by 13.8 percentage points to 85.3 per cent, as the increase in commercial bank lending outpaced growth in deposits.

The weighted average interest rate spread between loans and deposits narrowed to 5.94 per cent from 6.18 per cent at the end of 2006. The weighted average interest rate on deposits was 3.69 per cent, representing a decline of 3.0 basis points, and that on loans fell by 26.0 basis points to 9.64 per cent.

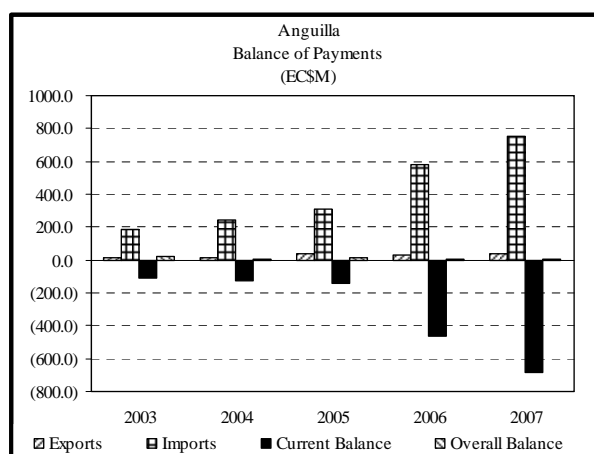
Balance of Payments

The overall balance of payments position improved in 2007. An overall surplus of \$8.2m (1.3 per cent

of GDP) was recorded compared with one of \$5.7m (1.0 per cent of GDP) in 2006. This outturn was influenced by larger net inflows on the capital and financial account.

The surplus on the capital and financial account increased to \$696.1m (106.5 per cent of GDP), from \$470.6m (81.3 per cent of GDP) in 2006, due in part to larger inflows of direct investment (32.4 per cent) associated in part with the construction of villas and residences. In addition, there was a net inflow of \$140.3m in short-term capital by commercial banks, in contrast to a net outflow of \$4.8m in 2006.

The current account deficit widened to \$687.8m (105.2 per cent of GDP) from \$464.9m (80.4 per cent of GDP) in 2006, attributable to a larger deficit on the merchandise trade account combined with a decrease in net inflows from services. The merchandise trade deficit widened to \$719.7m from \$549.0m in 2006, reflecting an increase of 30.0 per cent in import payments partly as a result of the expansion in economic activity. Increases in the quantity of rum and concrete blocks exported contributed to growth of 11.8 per cent in export receipts.



Services transactions resulted in a net inflow of \$20.3m, representing a 67.6 per cent decline from the amount in 2006. This decline was influenced by larger outflows for transportation, construction and engineering services. Gross receipts from travel are estimated to have increased by 11.1 per cent to \$322.2m, consistent with the growth in visitor arrivals.

Prospects

The double digit rates of real GDP growth experienced in Anguilla over the last four years is projected to continue in 2008. The main drivers of the economic expansion are expected to be tourism and construction. In the tourism industry, further growth in visitor arrivals is projected, as marketing efforts intensify, and additional hotel accommodation and tourism amenities come on stream. In the construction sector, work will intensify on major ongoing tourism-related development projects in the private sector. In addition, construction is likely to start on the first phase of some projects which have already received planning approval, with the building cycle staggered over a period of up to 12 years. Activity in the public sector is expected to be buoyed by the

expansion of educational facilities, the construction of office space and the development of roads and seaports. On the fiscal accounts, the central government's operations are expected to yield a current account surplus, albeit below the 2007 level. The smaller surplus is projected based on a likely decrease in revenue associated with continued enforcement of the moratorium on alien land holding licenses. Government's outlined plan for investment in social infrastructure is likely to increase capital expenditure and result in a larger overall fiscal deficit. On the balance of payments, the merchandise trade deficit is likely to widen, based on larger outflows for import payments, particularly construction material and other consumer items, consistent with the economic expansion. Gross inflows from travel are expected to increase, based on growth in visitor arrivals.

The downside risks to the projections include slowing global growth, turbulence in the US financial market, rising international oil prices and unfavourable weather. In addition, further increases in the cost of intra-regional travel and in demand for skilled workers could adversely affect the prospects for Anguilla.



ANTIGUA AND BARBUDA

Overview

Economic activity in Antigua and Barbuda remained vibrant in 2007, although the pace slowed compared with that in 2006. Based on preliminary data real GDP is estimated to have increased by 6.3 per cent, following an expansion of 12.2 per cent in 2006. Growth was broad based, influenced largely by increased activity in construction and tourism. The consumer price index rose by 5.1 per cent during 2007, on an end of period basis. The fiscal operations of the central government resulted in a lower overall deficit. The total public sector outstanding debt increased. Monetary liabilities and domestic credit rose, while net foreign assets of the banking system contracted. Liquidity in the banking system increased in 2007 and the weighted average interest rate spread increased slightly. A smaller overall balance of payments surplus was recorded, largely attributable to increased outflows on the current account.

The economy of Antigua and Barbuda is projected to expand at a slower rate in 2008, compared with that of the previous year. This outturn is likely as a result of a deceleration in both the construction and government services sectors. In the tourism industry, ongoing tourism marketing and additional tourism accommodation are expected to contribute to an increase in stay-over arrivals, and hence to growth in value added in the hotels and restaurants sector. On the fiscal operations, a current account surplus is projected based on the central

government's fiscal reform programme, particularly as it relates to expenditure control. These projections however, are contingent on favourable developments in the international economy. Rising commodity prices and a US led slowdown in the international economy are the main downside risks to the projections.

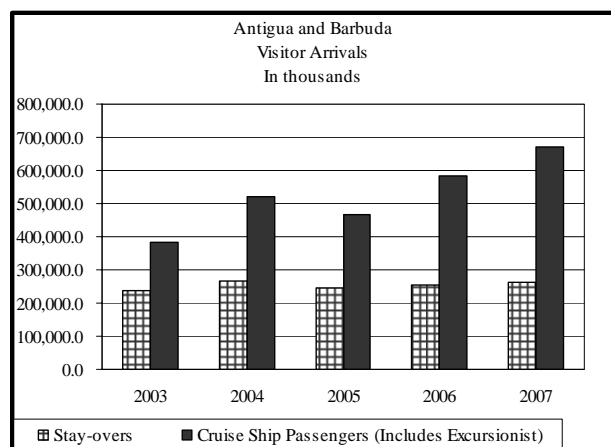
Output

The double digit growth in construction activity, experienced since 2005, continued in 2007, although at a reduced rate. Value added in the construction sector is estimated to have expanded by 12.0 per cent compared with 35.0 per cent in 2006. The sector's contribution to GDP rose by 1.0 percentage point to 19.9 per cent in 2007. The expansion was supported in part by private sector investment in tourist accommodation, private dwellings and commercial buildings including a campus facility by an American university. The pace of public sector activity is estimated to have slowed as some major projects, associated with preparations for cricket world cup (CWC) 2007, were completed in the early half of the year. The focus of activity was on road development and a car park.

Activity in the tourism industry continued to strengthen in 2007. Value added in the hotels and restaurants sector, an indicator of the level of tourism activity, grew by 3.0 per cent following a 2.5 per cent increase in 2006 and a 1.1 per cent decline in 2005. The sector's contribution to GDP

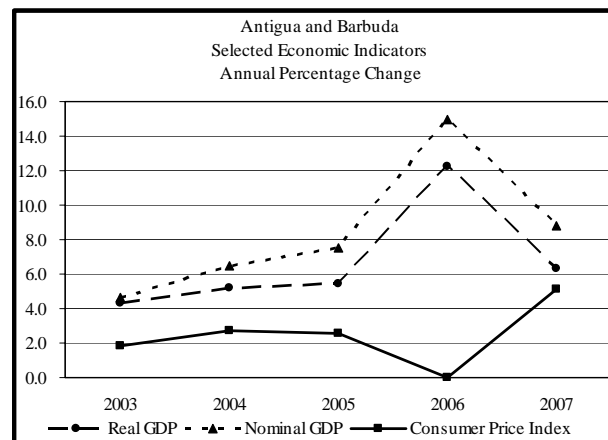


however, fell marginally to 10.3 per cent from 10.6 per cent in 2006. The expansion in value added was largely influenced by a 3.2 per cent increase to 261,786 in stay-over arrivals, with most of the growth occurring in the last quarter. Improvement in the marketing strategy, a depreciation of the EC dollar in relation to the pound sterling and the Canadian dollar, additional airlift and increased accommodation as a result of the opening of some resorts in the last quarter, contributed to growth in stay-over arrivals. Among the major markets, expansions were recorded in stay-over arrivals from the UK (8.1 per cent), U.S.A. (7.1 per cent), and Canada (4.3 per cent). The number of stay-over visitors from the Caribbean decreased by 13.5 per cent, due in part to reduced airlift and an increase in regional airfares following the merger of two airline companies. Among the other categories of visitors, the number of cruise-ship passengers increased by 15.3 per cent, as a result of more calls by larger vessels. The number of yacht passengers declined by 8.2 per cent.



The expansion in tourism and construction activity contributed to increases in value-added for banks

and insurance (6.3 per cent), transport (4.9 per cent), communications (7.0 per cent) and wholesale and retail trade (5.0 per cent) sectors.



Prices, Wages and Employment

The consumer price index (CPI) rose by 5.1 per cent during 2007 (on an end-of-period basis), after remaining virtually unchanged in 2006. The rate was the highest since 2003. Among the sub-indices, the largest increase was recorded for fuel and light which rose by 19.4 per cent, primarily on account of adjustments to the fuel surcharge for electricity. The food sub-index increased by 7.0 per cent, reflecting upward movements in prices of meats, dairy products and fruits and vegetables, attributable to higher import prices. The transport and communications sub-index rose by 9.4 per cent, largely reflecting an increase in the cost of communication services.

The minimum wage was increased in December 2007 from \$6.00 per hour to \$7.50 hour. Data on employment in the public and private sectors are not available. Employment levels are expected to have



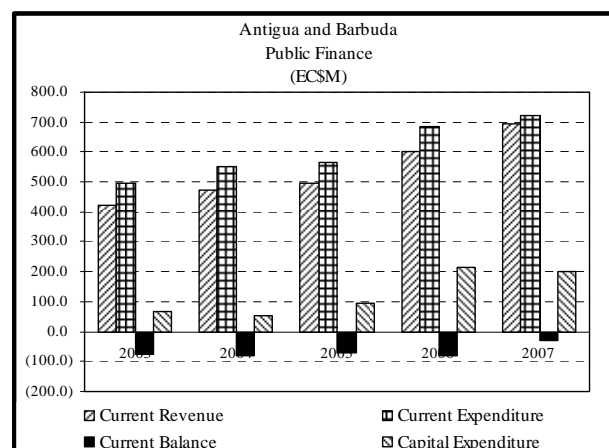
remained high through 2007, despite the deceleration in growth and government's voluntary separation programme. Moreover, shortages of skilled labour, which constrained construction activity in the earlier part of 2007, were most likely alleviated with the completion of some major projects.

Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall deficit of \$205.5m (6.8 per cent of GDP) in 2007, slightly lower than the deficit of \$214.8m (7.9 per cent of GDP) reported in 2006, largely attributable to an improvement in the current account operations. The deficit was financed mainly by borrowing from the domestic financial system and the accumulation of arrears.

A current account deficit of \$30.1m (1.0 per cent of GDP) was recorded in 2007, well below the revised deficit of \$81.4m (3.0 per cent of GDP) in 2006. This outturn was largely attributable to improvements in revenue performance. Current revenue rose by 15.0 per cent to \$693.2m (23.1 per cent of GDP) buoyed by reforms to the tax system, robust economic activity and improved tax administration. Tax revenue increased by 15.6 per cent (\$88.8m) reflecting higher receipts from taxes on domestic goods and services. Collections from taxes on domestic goods and services more than doubled, to \$271.8m, largely influenced by the introduction of the Antigua and Barbuda Sales Tax (ABST) on 29 January 2007. Revenue from the

ABST amounted to \$187.1m in 2007. With the introduction of the ABST the consumption tax was eliminated except on oil products. Receipts from taxes on international trade and transactions fell by 15.4 per cent (\$50.1m), reflecting reduced consumption tax collections. The yield from taxes on income and profits contracted 9.5 per cent (\$10.6m), mainly on account of a fall in company tax receipts largely reflecting a return to normalcy following the collection of arrears in 2006. Non-tax revenue increased by 4.8 per cent (\$1.7m), mainly reflecting larger receipts from stamp duty associated with land sales.



Current expenditure rose by 5.7 per cent to \$723.3m, but as share of GDP, decreased to 24.1 per cent from 25.2 per cent in 2006. Increases in interest payments, and transfers and subsidies were largely responsible for growth in expenditure. Interest payments grew by 13.1 per cent (\$12.9m) reflecting an increase in external debt. Transfers and subsidies increased by 4.7 per cent (\$9.0m), largely representing pension payments associated with the rationalisation of the public service. Pension



payments increased to \$104.3m in 2007 from \$42.9m in 2006. Outlays on goods and services and personal emoluments were estimated to have increased by 7.0 per cent and 3.2 per cent respectively.

Capital expenditure contracted by 6.2 per cent to \$200.5m (6.7 per cent of GDP) as some major projects were completed in the first half of the year. Capital expenditure focused on rehabilitating roads, re-developing the airport and completing the stadium.

Public Sector Debt

The total public sector debt increased by 6.1 per cent to \$3,153.69m (105.1 per cent of GDP), reflecting an increase in central government's indebtedness. Central government debt increased by 6.7 per cent, largely on account of the accumulation of arrears. The outstanding debt of the public corporations contracted by 4.6 per cent.

Money and Credit

Monetary liabilities increased by 10.4 per cent to \$2,733.4m during 2007, driven by buoyant economic activity and inflows of foreign direct investment. Growth was recorded for both narrow money, M1, (4.8 per cent) and quasi money (12.4 per cent). The expansion in M1 emanated from growth in private sector demand deposits (8.1 per cent), as currency held with the public decreased (6.8 per cent). Strong growth was

reported for all components of quasi money namely private sector foreign currency deposits (27.8 per cent), time deposits (13.8 per cent) and savings deposits (7.2 per cent).

Domestic credit increased by 14.7 per cent to \$2177.0m, partly reflecting growth in private sector borrowing. Outstanding credit to the private sector rose by 13.3 per cent, mirroring increases in credit to both households (18.8 per cent) and businesses (18.9 per cent). Net credit to central government increased by 35.2 per cent to \$264.5m. This increase was the combined result of a 15.6 per cent growth in commercial bank credit and a 16.9 per cent decrease in government deposits at commercial banks associated with financing the overall deficit. Of the other components of domestic credit, net credit to non-financial public enterprises decreased by 35.1 per cent, reflecting an increase in deposits (27.4 per cent).

The distribution of credit by economic activity indicates increased leading to the main sectors driving real growth. Credit extended to the construction sector increased by 22.2 per cent and tourism-related lending rose by 27.1 per cent. Outstanding loans for personal use grew by 5.3 per cent. Within this category, credit for the acquisition of property, largely for home construction and renovation, increased by 11.4 per cent, partly reflecting the expansion in the construction sector, while that for the purchase of non-durable personal goods fell by 4.9 per cent



The net foreign assets of the banking system contracted by 3.3 per cent, mainly reflecting developments in the commercial banking sector. Net foreign assets of commercial banks decreased by 6.2 per cent, mainly on account of increased liabilities to entities outside the currency union. The developments were mainly attributed to the strong demand for credit by the domestic private sector.

Liquidity in the commercial banking sector remained high in 2007. The ratio of liquid assets to total deposits plus liquid liabilities increased to 48.2 per cent, from 45.7 per cent in 2006. The cash reserves to deposits ratio, decreased to 7.5 per cent from 9.8 per cent in 2006. The loans to deposits ratio stood at 78.8 per cent, up from 77.6 per cent in 2006.

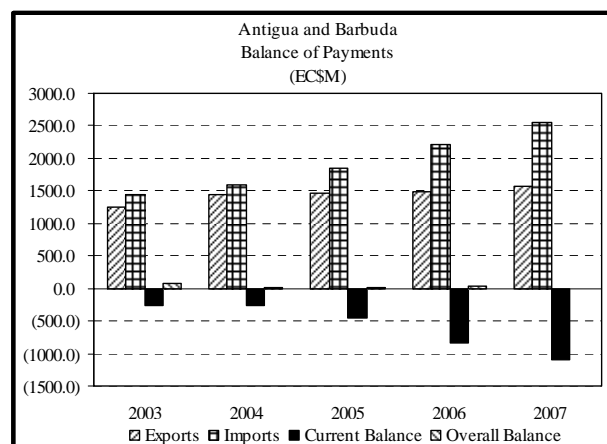
The weighted average interest rate spread increased to 6.97 percentage points from 6.86 percentage points during 2006. The overall change was attributed to movements in both weighted deposit and lending rates. The weighted average deposit rate increased by 25 basis points to 3.43 per cent, mainly on account of increased competition among financial institutions. The weighted average lending rate decreased by 32 basis points to 10.52 per cent, partly influenced by falling mortgage rates.

Balance of Payments

An overall balance of payments surplus of \$2.3m (0.1 per cent of GDP) was recorded in 2007, well below that of \$41.2m (1.5 per cent of GDP) in 2006. This result was attributed largely to a widening of

the current account deficit, which more than offset an increase in net inflows on the capital and financial account.

A current account deficit of \$1,084.7m (36.1 per cent of GDP) was recorded in 2007, compared with one of \$834.5m (30.7 per cent) in 2006. The larger deficit mirrored in part developments on the merchandise trade account, which widened as a result of a 16.8 per cent rise to \$1,727.4m in import payments (f.o.b), associated with increases in import prices. The surplus on the services account decreased by 7.0 per cent (\$41.4m), largely reflecting an increase in net outflows for transportation and insurance services. Those outflows were partially offset by an increase of 3.4 per cent to \$912.0m in gross travel receipts, consistent with growth in visitor arrivals. On the income account, net outflows contracted, mainly reflecting lower outflows of investment income.



On the capital and financial account, the surplus expanded to \$1,086.9m (36.2 per cent of GDP) from \$875.7m (32.2 per cent of GDP) in 2006, mainly on



account of increased inflows of foreign direct investment and commercial bank short term capital. Net inflows of foreign direct investment, largely for tourism-related projects, rose by 4.4 per cent to \$1,055.6m. Commercial bank transactions resulted in a net inflow of \$33.6m in short term capital, in contrast to a net outflow of \$174.3m in 2006.

Prospects

Real GDP growth is expected to decelerate in 2008, primarily on account of an easing in the construction boom and expected developments in government services. Construction activity is expected to increase at a slow rate, following the completion of major projects associated with CWC 2007. Hotel and home construction and airport development are expected to be the major activities. Activity in the government services sector is projected to slow based on the voluntary separation and early retirement programme introduced by Government in 2007. Value added in the hotels and restaurants sector is projected to increase, mainly on account of an expansion in room stock, additional airlift and more focused marketing activities. Other service sectors are generally expected to benefit from the expansion in tourism and construction.

The fiscal operations of the central government are projected to generate a current account surplus based

on an increase in revenue and some restraint on expenditure. Current revenue is expected to expand based in part on a rise in collections from the ABST. The Voluntary Separation and Early Retirement Programme implemented as one of government's expenditure control measures under its public sector reform programme, is likely to result in a fall in personal emoluments in 2008. There should also be some reduction in private sector transfers as some ad-hoc transfers effected in 2006 and 2007 no longer apply. Capital expenditure is expected to decline from the high levels of the previous two years, based on a reduction in the number of major projects in government's public sector investment programme for 2008.

The main risks to the above projections are directly linked to developments in the international economy. The continued escalation in prices of international oil and other commodities can threaten the fiscal performance, visitor arrivals and economic performance generally. Further, current instability in international financial markets, if protracted and exacerbated can weaken demand for foreign direct investment. There are expectations of a recession in the US economy; should this occur, it could also adversely impact developments in Antigua and Barbuda.



DOMINICA

Overview

Economic activity in Dominica continued to expand in 2007, albeit at a slower rate relative to the increase in 2006, as a result of hurricane damage to food and vegetable crops in August 2007. Real GDP growth is provisionally estimated to have increased by 1.6 per cent compared with 4.0 per cent in 2006. The expansion in 2007 was driven in part by growth in construction and wholesale and retail trade. Consumer prices rose by 4.8 per cent during 2007. The central government's fiscal operations generated a smaller overall surplus, mainly resulting from developments on the capital account. Total outstanding public sector debt fell, reflecting decreases in both external and domestic debt stocks. In the banking system, monetary liabilities increased, influenced by growth in net foreign assets as domestic credit declined. Commercial bank liquidity remained at a high level, and the weighted average interest rate spread widened. In the external sector, a smaller overall surplus was realised, influenced by larger outflows on the current account.

The economy is projected to expand in 2008, based on expected developments in construction and a rebound in agricultural and tourism activities. Increases in current and capital expenditure are projected to outpace growth in revenue collection, resulting in a lower overall surplus on the fiscal accounts of the central government. Adverse weather, a slowdown in the US economy and rising

international oil prices pose some downside risks to the economic prospects for Dominica in 2008.

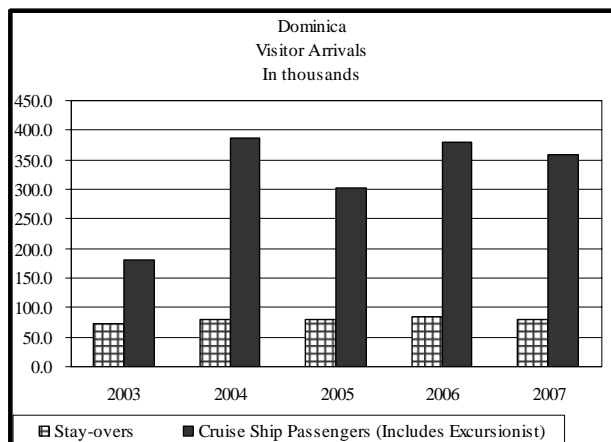
Output

Construction activity remained robust in 2007. Value added in the sector rose by 6.5 percentage points to 15.0 per cent, the highest rate of growth in the last ten years, partly attributable to hurricane-related reconstruction work and efforts by government to increase the rate of implementation of the public sector investment programme (PSIP). Public sector investment in infrastructural development was the main driver of construction activity. Among the projects in the public sector were eco-tourism sites, bridges and road development, the Melville Hall air access improvement programme, the Soufriere-to-Scottshead sea defence wall, and the Windsor Park Stadium, which was completed in October 2007. In the private sector, activity focussed on residential construction, supported in part by government's housing development programme. Partly reflecting the increase in residential construction was a 7.0 per cent rise in commercial bank credit for home construction and renovation.

Increases were registered in value added in wholesale and retail trade (8.0 per cent) and mining and quarrying (7.9 per cent), consistent with developments in the construction sector. Among the other service sectors, value added for transportation



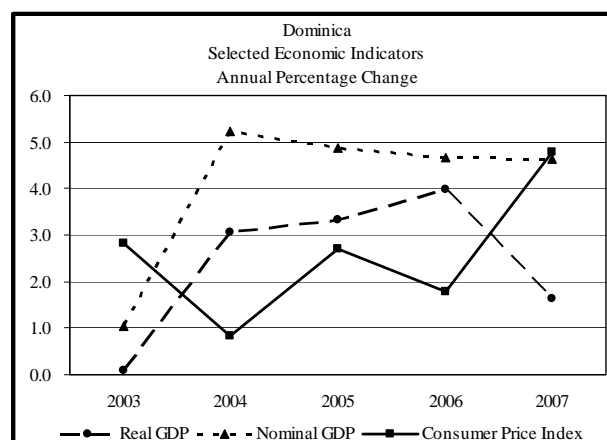
increased by 4.5 per cent, and by 2.0 per cent for each of the sectors, government services and communications.



Tourism activity, as measured by value added in the hotels and restaurants sector, declined by 10.0 per cent in contrast to growth of 15.0 per cent in 2006. This outturn was attributed to a 5.6 per cent fall to 87,783 in the number of stay-over visitors, reflecting contractions in arrivals from all the source markets. Of the major markets, arrivals from the Caribbean and the US decreased by 6.2 per cent and 4.6 per cent respectively, influenced in part by higher regional air-fares and the impact of the new US passport requirement. Of the other categories of visitors, cruise ship passenger arrivals fell by 5.5 per cent to 358,624, reflecting a 13.7 per cent decline in the number of cruise ship calls. The number of excursionists rose marginally by 1.0 per cent to 936, following growth of 42.6 per cent in the previous year.

Agricultural production decreased in 2007, reflecting the impact of hurricane damage to the crop and

fishing sub-sectors, estimated at \$30.4m. Value added in the sector fell by 4.0 per cent after registering growth of 3.4 per cent in 2006. As a share of GDP the contribution of the agricultural sector decreased to 16.1 per cent from 17.0 per cent in the previous year. In the crops sub-sector, value added fell by 5.0 per cent, mainly resulting from a 40.3 per cent decline to 6,814 tonnes in banana output which more than offset an increase in the first half of 2007. Value added in the fishing sub-sector decreased by 2.0 per cent, in contrast to growth of 12.0 per cent in 2006.



Manufacturing activity continued to decline in 2007. Value added in the manufacturing sector is estimated to have decreased by 7.0 per cent, following a reduction of 2.0 per cent in 2006. Output of dental cream is estimated to have fallen by 2.5 per cent, as that product line was discontinued at the end of September 2007. Decreases were also recorded in the production of beverages (4.0 per cent) and soap (1.1 per cent), mainly attributable to a fall in demand.



Prices, Wages and Employment

Consumer prices rose by 4.8 per cent during 2007 on an end of period basis, largely reflecting increases in international oil and commodity prices. The food sub-index, the largest weighted, rose by 7.4 per cent, driven by higher import prices for dairy products and an increase in the cost of local fruits and vegetables associated with a shortage of agricultural produce in the aftermath of the hurricane. Of the other sub-indices, the fuel and light sub-index rose substantially, by 16.1 per cent, on account of an increase in the cost of electricity. The transportation and communication sub-index also rose (4.0 per cent) the increase being associated with higher air-fares.

Information on wage movements in the public sector indicates that civil servants received a 3.0 per cent salary increase in June 2007, retroactive from July 2006.

The number of persons employed in the public service decreased by 30.5 per cent to 3,866 in 2007, as a result of efforts to streamline the public service by downsizing and outsourcing. The number of non-established workers fell by 70.7 per cent to 753, while that of established workers rose by 3.6 per cent to 3,025.

Data are unavailable for employment and wages in the private sector. It is likely that employment in the construction sector increased, in line with the expansion in the sector.

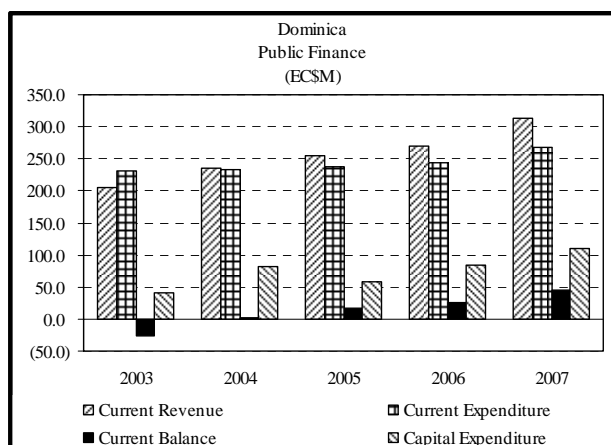
Central Government Fiscal Operations

Central government's fiscal operations resulted in an overall surplus in 2007, for the third consecutive year. The surplus amounted to \$11.0m (1.2 per cent of GDP) compared with one of \$12.2m (1.4 per cent of GDP) in 2006. The smaller surplus was attributed to an increase in capital expenditure, which outweighed the improvement on the current account balance. A primary surplus of \$38.9m (4.3 per cent of GDP) was realised, compared with one of \$46.8m (5.5 per cent of GDP) in 2006.

A current account surplus of \$44.9m (4.9 per cent of GDP) was recorded in 2007, well above that of \$24.8m (2.9 per cent of GDP) in 2006, as growth in revenue outpaced that of expenditure. Current revenue rose by 16.1 per cent to \$312.2m relative to the amount in 2006. As a percentage of GDP current revenue increased to 34.2 per cent from 31.4 per cent in 2006. The larger revenue intake was mainly attributed to a 15.2 per cent (\$37.6m) increase in tax receipts. The yield from taxes on domestic goods and services grew by 32.1 per cent (\$39.5m), reflecting larger receipts from the value added tax (VAT) and excise taxes introduced in March 2006. Increases were recorded in receipts from taxes on income and profits (\$2.7m) and taxes on property (\$1.8m). Those increases were partly offset by a contraction in receipts from taxes on international trade and transactions (\$6.3m), consequent to the replacement of the consumption tax with the VAT. Non-tax revenue rose by



26.4 per cent (\$5.6m) mainly on account of larger receipts from fees, fines and sales.



Current expenditure grew by 9.5 per cent to \$267.3m, reflecting larger outlays for all categories of expenditure, except interest payments. As a percentage of GDP, current expenditure increased to 29.3 per cent from 28.5 per cent in 2006. Expenditure on goods and services rose by 37.9 per cent influenced by the higher cost of electricity and increased spending on supplies and materials. Outlays on personal emoluments were 7.2 per cent above the total in 2006, partly associated with salary increases to public servants. Spending on transfers and subsidies rose by 7.9 per cent, partly resulting from increases in payments to pensioners and local and regional institutions. By contrast, interest payments fell by 19.4 per cent, reflecting the impact of debt restructuring and a reduction in the level of debt.

Capital expenditure rose by 32.9 per cent to \$111.1m consistent with the increase in public sector construction activity, including improving air access,

constructing and rehabilitating roads and bridges damaged by hurricane, building a sea wall and housing development. Capital projects were mainly financed by inflows of grants, which amounted to \$75.4m, up from \$67.0m in 2006.

Public Sector Debt

The total disbursed outstanding debt of the public sector was estimated at \$931.9m (102.0 per cent of GDP) at the end of 2007, down from \$951.9m (111.1 per cent of GDP) at the end of 2006. Of total outstanding debt, external debt contracted by 1.1 per cent to \$665.1m, and the domestic debt fell by 4.6 per cent to \$266.8m. Central government debt, which accounted for 83.4 per cent of total public sector debt, declined by 1.6 per cent to \$777.1m, reflecting the impact of debt restructuring. The disbursed outstanding debt of statutory bodies stood at \$154.8m, roughly 4.8 per cent below the total at the end of 2006. In those developments, debt service payments declined by 1.7 per cent to \$54.8m in 2007 compared with the level in 2006. As a share of current revenue, debt service payments fell to 17.6 per cent from 20.7 per cent in 2006.

Money and Credit

Monetary liabilities (M2) rose by 9.0 per cent to \$749.1m during 2007, partly influenced by the expansion in the economy. Growth in M2 was partly attributed to a 7.5 per cent (\$41.0m) increase in quasi money, reflecting an expansion in private sector savings deposits. Narrow money (M1) rose



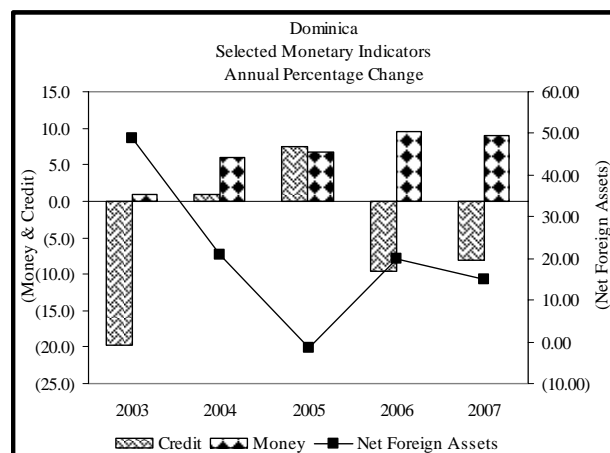
by 15.0 per cent (\$20.8m), on account of increases in both currency with the public and private sector demand deposits.

Domestic credit declined by 8.6 per cent to \$322.6m at the end of 2007, mainly attributable to developments on the accounts of the central government. Credit to the central government from the banking system fell marginally while deposits rose by 23.4 per cent associated with larger grant inflows. Consequently, net deposits of central government rose to \$75.2m from \$46.5m during 2006. The net deposits of non-bank financial institutions and non-financial public enterprises increased by 36.0 per cent and 26.0 per cent respectively, associated with growth in deposits and reductions in credit. Private sector credit rose by 5.2 per cent, reflecting an increase in lending to households.

An analysis of the composition of credit by economic activity indicates that the bulk of the increase in credit was channeled into personal use. Credit for personal use rose by 7.3 per cent, largely for home construction and renovation. Outstanding loans for construction more than doubled and that for distributive trades increased by 6.4 per cent, in line with the expansion in activity in those sectors. By contrast, declines were recorded in credit for manufacturing (47.3 per cent), tourism (29.6 per cent) and agriculture and fisheries (4.6 per cent).

The net foreign assets of the banking system grew by 15.3 per cent to \$492.6m at the end of 2007,

compared with the total at the end of 2006. This outturn was largely influenced by a 19.8 per cent increase in the net foreign assets of commercial banks, associated with inflows of official grants. Dominica's imputed share of the Central Bank's reserves rose by 8.5 per cent to \$184.7m.



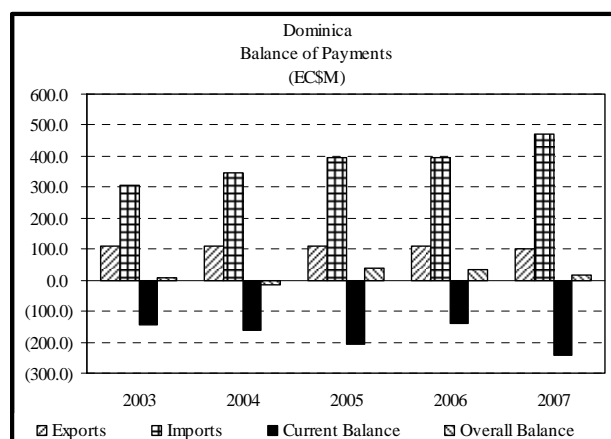
Liquidity in the commercial banking system increased during 2007. The ratio of liquid assets to total deposits plus liquid liabilities rose to 55.8 per cent from 52.5 per cent at the end of 2006. In addition, the ratio of loans and advances to total deposits fell by 3.2 percentage points to 54.3 per cent.

The weighted average interest rate on commercial bank deposits declined by 0.12 percentage point to 3.23 per cent at the end of December 2007, while that on loans rose by 0.01 percentage point to 9.18 per cent. Consequently, the spread between the two rates increased to 5.95 per cent from 5.82 per cent at the end of December 2006.



Balance of Payments

Preliminary estimates indicate that the overall surplus on the balance of payments fell to \$18.3m (2.0 per cent of GDP) from \$36.2m (4.2 per cent of GDP) in 2006, attributable to a widening of the current account deficit.



The current account deficit rose to \$242.1m (26.5 per cent of GDP) from \$139.4m (16.3 per cent of GDP) in 2006, primarily influenced by larger outflows on the goods account and a decrease in net inflows from services. On the goods account, the merchandise trade deficit is estimated to have risen by 29.7 per cent to \$369.1m (40.4 per cent of GDP). The widening of the deficit was associated with growth of 18.5 per cent to \$469.7m in import payments (f.o.b), on account of increases in the value of manufactured goods, mineral fuels and construction material. The value of exports fell by 10.2 per cent, reflecting reductions in export receipts from dental cream, bananas and soap attributable to decreases in the volume exported. Net inflows on the services account fell by 15.0 per cent to

\$110.6m. This performance was partly influenced by a 1.7 per cent decline in gross receipts from travel, reflecting a decline in visitor arrivals.

The surplus on the capital and financial account increased to \$260.4m (28.5 per cent of GDP) from \$175.6m (20.5 per cent of GDP) in 2006. This outturn was associated with developments on the financial account. Net inflows on the financial account rose by 75.9 per cent, primarily influenced by larger inflows of direct investment. Net inflows on the capital account also rose, by 11.4 per cent, associated with inflows of official development assistance from bilateral and multilateral sources.

Prospects

The economic outlook for Dominica in 2008 is positive, with growth in real GDP projected at 4.0 per cent. Construction is expected to provide the main impetus for growth, supported by agriculture and tourism. In the construction sector, activity will be driven by ongoing work on the Melville Hall air access improvement programme, the Soufriere-to-Scottshead sea defence wall, schools, bridges and roads. The government's ongoing housing development programme is expected to continue to spur private sector construction activity. An urban renewal and revitalization project, involving the construction of sidewalks, car park facilities and bridges, is projected to contribute to increased value added in the construction sector. Expansion in agricultural production is projected, based on efforts to stimulate recovery of the sector over the short to



medium term including improvements to farm access roads and the use of advanced fishing techniques. In the tourism industry, growth in stay-over arrivals is projected, supported by additional airlift, the restoration of tourism sites under the Eco-Tourism Development Programme, further implementation of a master plan to develop the tourism product by 2015 and increased destination marketing. Output in the manufacturing sector is likely to contract, as production of dental cream and household cleaners by a major manufacturer has ceased from September 2007.

A current account surplus is projected on the central government's fiscal accounts in 2008, as growth in current revenue is expected to outpace that of current expenditure. Tax revenue is projected to rise as the economy expands. Current expenditure is likely to be above the level in 2006, based on 2007/08 budget measures. These include increasing the provision of goods and services to enhance the working

environment of public officers and raising the amount of transfers to institutions. Capital expenditure is projected to rise based on new projects and as work intensifies on ongoing projects.

In the external sector, the current account deficit is projected to widen in 2008. This forecast is primarily based on an increase in import payments, attributable to the expansion in economic activity and a rise in import prices. Domestic export receipts are likely to decline, in line with a decrease in manufactured exports. Gross inflows from travel are expected to increase, based on growth in stay-over arrivals.

The downside risks to the projections include adverse weather, a slowdown in the US economy and rising international oil prices. These could adversely affect the macroeconomic performance and consumer prices.

GRENADA

Overview

Based on provisional data real GDP in Grenada is estimated to have increased by 3.5 per cent in 2007, in contrast to a 2.4 per cent rate of decline in 2006. The turnaround in economic activity was attributed to growth in most economic sectors, led by tourism and agriculture, as well as a rebound in the manufacturing and transport sectors. Economic growth was accompanied by a 7.4 per cent rise in the consumer price index (on an end of period basis). The overall deficit on the central government's fiscal accounts increased, attributable to a reduction in capital grants. Total outstanding public sector debt rose on account of central government's borrowings. Developments in the banking sector were marked by robust growth in monetary liabilities and domestic credit. Commercial bank liquidity declined but remained at a relatively high level. The spread between commercial bank weighted average lending and deposit interest rates was largely unchanged. The overall surplus on the balance of payments account increased during 2007.

The economy is projected to expand in 2008 on the strength of expected developments in the tourism industry, and agricultural and manufacturing sectors as well as a rebound in construction activity. The overall fiscal deficit of the central government is likely to narrow, based on a projected increase in capital grants. Unfavourable developments in the US economy, further increases in prices of international oil and other commodities as well as

adverse weather and currency movements pose downside risks to the prospects for economic growth.

Output

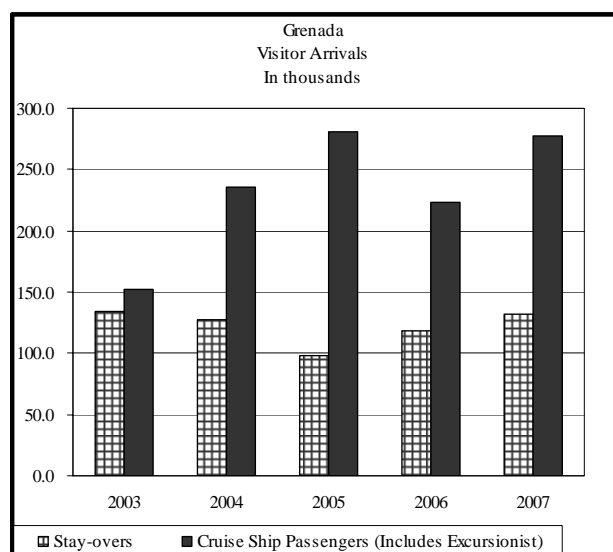
Value added in the hotels and restaurants sector, a measure of tourism activity, expanded by 10.0 per cent following a recovery of 50.6 per cent in 2006 when most of the hotel properties damaged during hurricane Ivan were reopened. The performance in 2007 reflected continued growth in stay-over visitor arrivals. The number of stay-over visitors grew by 10.9 per cent to 131,580, associated with increased marketing and promotion, the reopening of a hotel in Grand Anse and additional flights out of Europe and the US. Hotel occupancy was reported to have been high relative to 2006, largely attributable to the hosting of CWC 2007 and various regional and international conferences.

Of the major markets, arrivals from the UK rose by 37.2 per cent, as a result of additional airlift and an appreciation of the pound sterling relative to the US dollar (to which the EC dollar is pegged). The number of visitors from the Caribbean fell by 4.9 per cent on account of higher airfares and reduced air capacity, following the alliance between two regional carriers. The share of UK visitors rose to 26.1 per cent from 21.1 per cent in 2006, surpassing those of both the US (21.0 per cent) and the Caribbean (22.4 per cent) and accounting for the



largest source market for tourists to Grenada for the first time in at least two decades.

Cruise ship passenger arrivals increased by 24.0 per cent to 271,274, as opposed to a decline of 20.5 per cent in 2006. This upturn was the result of 45 additional calls, as vessels made repeat visits for CWC games. The number of excursionists increased by 35.7 per cent to 6,540, influenced in part by the CWC 2007 activities. On the other hand, yacht passenger arrivals fell by 10.6 per cent.



Agricultural output grew by 4.2 per cent in 2007, following a 28.1 per cent expansion in 2006 due to ongoing recovery of the crops sub-sector from hurricane damage in September 2004. The sector's contribution to GDP remained at 5.9 per cent in 2007. Cocoa production more than doubled to 225 tonnes, and output of mace and nutmeg increased by 71.5 per cent and 34.4 per cent respectively. Nonetheless, production of these traditional crops remained well below pre-hurricane Ivan levels.

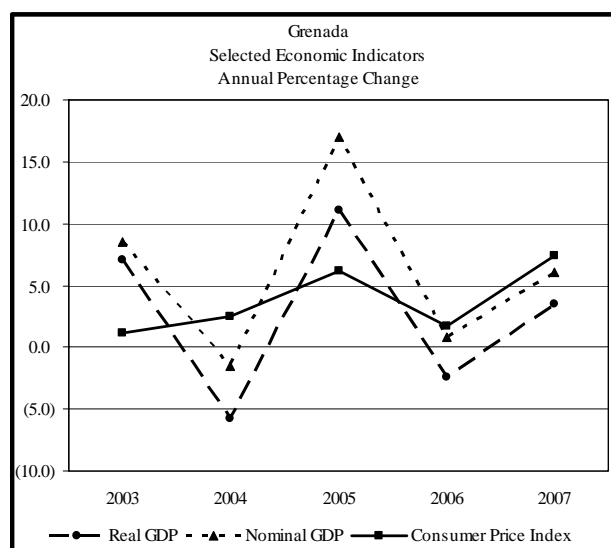
Among the non-traditional crops, banana production increased by 16.3 per cent to 1,336 tonnes, indicating full recovery in the banana industry. In the other sub-sectors, output of livestock and forestry increased by 7.0 per cent and 2.0 per cent respectively, whereas value added in the fishing sub-sector fell by 6.0 per cent.

Activity in the manufacturing sector is estimated to have increased by 4.5 per cent in contrast to a reduction of 2.8 per cent in 2006. The improvement was largely influenced by a higher level of beverage production, attributable to an increase in domestic demand, associated with the hosting of CWC 2007. Output of soft drinks grew by 1.0 per cent after declining by 31.9 per cent in 2006, as a result of increased competition from regional imports. The output of other beverages increased, particularly beer (8.3 per cent) and malt (6.8 per cent). Of the other manufactured goods, increases were also recorded in output of grain mill and bakery products, toilet paper and paint, while production of chemicals, except paint, fell.

The economic expansion, driven by tourism activity, led to increased demand for related services. The main sectors included electricity and water (10.0 per cent), transport (9.6 per cent), real estate and housing (6.5 per cent), communications (6.0 per cent) and banks and insurance (5.5 per cent).

Construction activity continued to contract, although the rate slowed to 5.0 per cent, from the 30.1 per cent decline in 2006, as major post-hurricane

reconstruction projects were completed. The sector's share of GDP fell by 0.9 percentage point to 10.5 per cent. In the public sector, work concentrated on improving the transportation infrastructure and rebuilding the Grenada National Stadium in preparation for CWC 2007. Private sector activity included building villas, homes and dormitories and renovating hotels. Value added in the wholesale and retail trade sector also fell by 5.0 per cent, partly associated with the decline in construction activity.



Prices, Wages and Employment

Consumer prices rose by 7.4 per cent, up from 1.7 per cent during 2006, largely attributable to increases in the international prices of oil and other commodities. The accelerated rate of inflation reflected price increases in all sub-indices, led by food and fuel. Prices in the food sub-index rose by 12.0 per cent, largely associated with increases in the prices of dairy products, particularly milk. Higher

costs of petroleum products resulted in increases in the sub-indices fuel and light (19.8 per cent) and transport and communications (6.3 per cent). Among the other sub-indices, price increases were noted for medical care and expenses (7.7 per cent), alcoholic beverages and tobacco (5.1 per cent) and education (5.1 per cent).

Official data on private sector wages are not available. Anecdotal information suggests that wages increased for some categories of workers, as a result of higher consumer prices. In the public sector, police officers received salary increases ranging from 3.0 per cent to 6.0 per cent, which were paid in December 2007. Negotiations were ongoing at the end of 2007 for the other categories of public servants.

Official data on employment are not available. However, information from the National Insurance Scheme indicates a net increase in contributors, suggesting that overall employment expanded. Employers reported job growth in the tourism industry and some service sectors, associated in part with hotel expansions and new ventures. Civil service employment increased marginally to 5,008.

Central Government Fiscal Operations

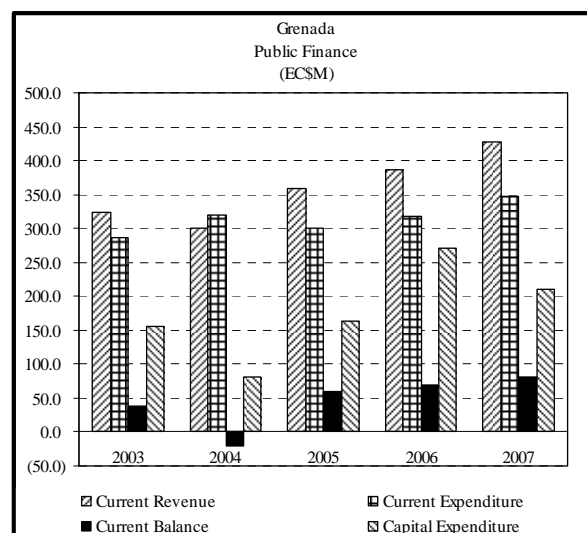
The central government's fiscal operations resulted in an overall deficit of \$109.7m (6.8 per cent of GDP) in 2007, up from one of \$97.9m (6.5 per cent of GDP) in 2006. The larger deficit was mainly attributed to a reduction in capital grants, which



more than offset additional current savings. The deficit was financed by borrowing from the domestic banking system, as well as by external loans and Treasury bill issues on the Regional Government Securities Market. A primary deficit of \$75.9m was recorded, above that of \$68.9m in 2006. The current account surplus expanded by 19.1 per cent to \$81.7m (5.1 per cent of GDP), as growth in current revenue outpaced an expansion in current expenditure.

Current revenue increased by 11.0 per cent to \$428.4m (26.6 per cent of GDP) compared with the amount in 2006. Growth in current revenue mirrored increases in tax receipts, which were largely associated with economic expansion and improvements in tax compliance and administration. As a result, all major categories of tax revenue generated larger yields. The intake from taxes on income and profits increased by 33.6 per cent (\$18.8m), with the collection of company tax arrears following the establishment of a recovery and collection unit in January 2007. Collections from the national reconstruction levy (NRL), which was implemented in January 2006, amounted to roughly \$10.0m. Revenue from property taxes increased by 28.3 per cent, associated with arrears collection and property transfers. Proceeds from taxes on international trade and transactions rose by 7.3 per cent, resulting from an increase in the value of imports. Receipts from taxes on domestic goods and services grew by 3.3 per cent, mainly attributable to larger collections from consumption tax.

Current expenditure, at \$346.8m (21.5 per cent of GDP), was 9.2 per cent above the total in 2006. Outlays on goods and services rose by 19.7 per cent, partly driven by increases in the cost of fuel and electricity services. Interest payments grew by 16.6 per cent, resulting from increases in both domestic and external obligations. Spending on transfers and subsidies rose by 10.3 per cent, reflecting the provision of additional safety nets to the poor and vulnerable groups in response to rising consumer prices. Expenditure on personal emoluments grew by 2.9 per cent, associated with the increase in salaries to police officers.



Capital expenditure amounted to \$211.3m (13.1 per cent of GDP), representing a decline of 22.1 per cent relative to the total in 2006 as some projects were completed. Major projects completed during the year included the Grenada National Stadium, as well as bridge and road improvement in preparation for

CWC 2007. Capital grants totalled \$19.6m in 2007, down from \$86.3m in 2006, as major grant financed projects were completed. The main donors were Venezuela, the European Union and Trinidad and Tobago for social investment and CWC-related expenditure.

Public Sector Debt

The disbursed outstanding debt of the public sector totalled \$1,749.7m (108.5 per cent of GDP) at the end of 2007, roughly 3.7 per cent above the level at the end of 2006. The outstanding debt of the central government rose by 5.5 per cent to \$1,539.1m, reflecting increased borrowings to finance capital expenditure. Estimates of public corporations' outstanding debt indicate a 7.8 per cent decline to \$210.6m.

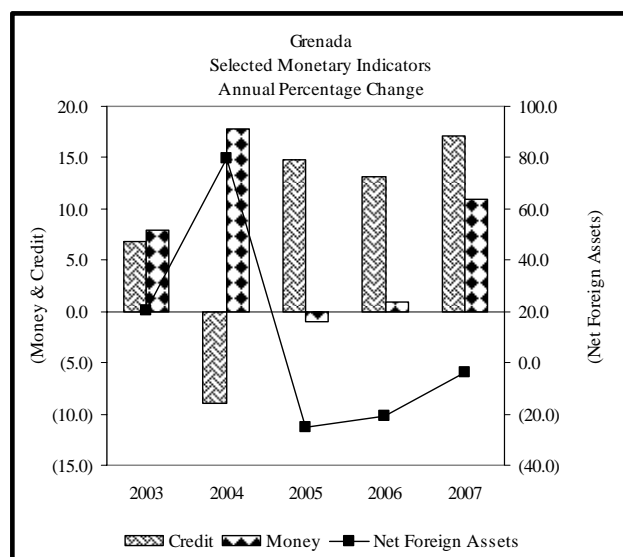
Money and Credit

Broad money (M2) grew by 10.9 per cent to \$1,644.7m during 2007, well above the 0.9 per cent increase during 2006. The acceleration was underpinned by the upturn in economic activity and an increase in inflows of foreign direct investment. Narrow money rose by 15.0 per cent (\$46.3m), largely reflecting increases in private sector demand deposits (\$43.0m). Quasi money grew by 9.9 per cent (\$116.0m) as a result of expansions in all of its components, with the largest increase recorded for private sector time deposits (\$52.9m).

The counterpart to the expansion in M2 was a 17.1 per cent increase to \$1,372.1m in domestic credit, indicative of increased borrowings by the private sector and central government. Credit to the private sector rose by 15.1 per cent, reflecting increases in outstanding loans to households and businesses. Net claims on the central government almost tripled to \$104.3m, as a result of an increase in credit (\$33.4m) and a drawdown of deposits (\$33.6m) to finance the overall fiscal deficit. The net deposits of the non-financial public enterprises and non-bank financial institutions grew by 59.3 per cent and 16.7 per cent respectively, largely attributable to an increase in deposits reflecting an improvement in their performances.

The distribution of credit by economic activity indicates increases in outstanding loans for all categories, except for manufacturing (including mining and quarrying), which declined by 5.4 per cent. Lending for personal use, which represented the bulk of the expansion in credit, grew by 13.7 per cent, primarily for the acquisition of property. Credit for agriculture and fisheries more than doubled, consistent with increased activity in those areas. Outstanding loans for tourism rose by 12.7 per cent, primarily used for renovating and expanding hotel facilities. Increases were also recorded in credit for construction and distributive trades.





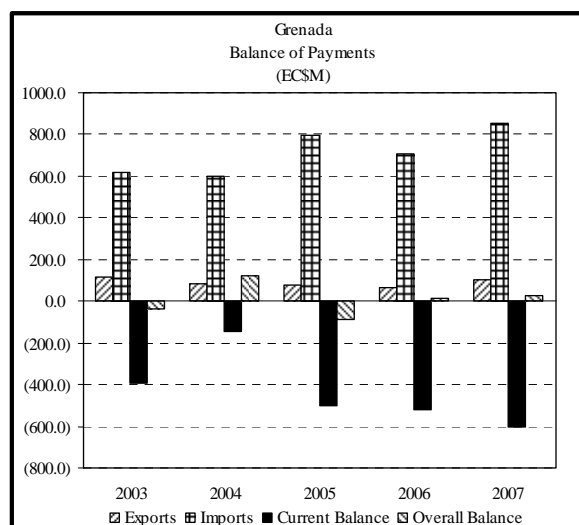
The net foreign assets of the banking system fell by 3.7 per cent to \$405.9m, compared with the decline of 20.7 per cent during 2006. The decrease was influenced by commercial banks' transactions. The net foreign assets of the commercial banks were 29.1 per cent below the level at the end of December 2006, largely as a result of an increase in liabilities to institutions outside the currency union. Grenada's imputed share of ECCB's reserves rose by 10.7 per cent to \$298.2m.

Liquidity in the commercial banking system fell during 2007 but remained at a relatively high level. The ratio of liquid assets to total deposits plus liquid liabilities declined by 2.6 percentage points to 32.1 per cent. The loans and advances to total deposits ratio rose by 2.7 percentage points to 75.9 per cent. The cash reserves to deposits ratio increased to 8.2 per cent at the end of 2007 from 7.8 per cent at the end of 2006.

The interest rate spread between deposit and lending rates decreased by 0.13 percentage point to 6.61 per cent at the end of 2007. The weighted average interest rate on deposits increased to 3.04 per cent at the end of 2007 from 2.99 per cent at the end of 2006. In contrast, the weighted average lending rate fell to 9.65 per cent from 9.72 per cent.

Balance of Payments

External sector transactions are estimated to have resulted in an overall balance of payments surplus of \$28.8m (1.8 per cent of GDP), up from one of \$15.2m (1.0 per cent of GDP) in 2006. The improvement was associated with an increase in the surplus on the capital and financial account, attributable to larger inflows of foreign direct investment (59.9 per cent). In the rest of the capital and financial account, inflows of official development assistance fell by 81.0 per cent to \$19.6m, as some major public sector projects were completed. Commercial bank transactions led to a net inflow of \$44.3m compared with one of \$125.1m in 2006.



The current account deficit expanded to \$600.4m (37.3 per cent of GDP) in 2007 from \$520.6m (34.3 per cent of GDP) in 2006. The larger deficit was on account of a 16.7 per cent increase to \$751.9m in the merchandise trade deficit. A 20.1 per cent increase in import payments to \$853.2m contributed to the widening of the merchandise trade deficit. The increase in import payments stemmed partly from higher import prices for food and fuel, and the expansion in economic activity. The value of exports rose by 53.2 per cent (\$35.2m), influenced by increased earnings from agricultural produce, particularly fish, cocoa and mace reflecting larger volumes and more favourable prices.

Net inflows on the services account grew by 24.8 per cent to \$105.8m, due to larger inflows from travel. Net travel receipts, the largest category under the services account, increased by 27.6 per cent to \$268.6m, in line with growth in visitor arrivals. On the income account, net outflows rose by 6.6 per cent, partly associated with an increase in interest payments on public sector debt.

Prospects

The pace of economic growth is expected to accelerate in 2008 on the basis of increased activity in all sectors of the economy. Heightened activity in the hotels and restaurants sector, supported by additional hotel room stock and airlift from Europe and the US will likely contribute to the overall economic expansion. Value-added in the

construction sector is likely to rebound, primarily based on new hotel and resort development, and as work intensifies on some ongoing projects. Work is expected to advance on the second phase of the Princess Alice Hospital development and other public sector infrastructural projects. Agricultural production is expected to continue on the path of recovery as more farm lands and access roads are cleared.

Preliminary projections point to a reduction in the overall deficit on account of an expected increase in capital grants. Notwithstanding government savings are likely to be lower than in 2007, largely resulting from increased expenditure obligations for personal emoluments based on negotiations with the Public Service Union. Tax revenue growth, associated with the expansion in the economy and efficiency gains in tax administration and collections, will offset some of the additional payments.

The deficit on the current account of the balance of payments is projected to widen as larger net outflows from merchandise trade transactions are expected, influenced by the expansion in the economy, US dollar depreciation and increases in international commodity prices. Nonetheless, domestic exports are likely to increase, based on growth in manufacturing and agricultural exports. Gross inflows from travel are projected to rise in line with the anticipated growth in visitor arrivals.

Downside risks to these prospects include threats posed to the global economy by the US economy



which continues to be adversely affected by the sub-prime mortgage crisis, rising prices of oil and other

commodities, further depreciation of the US dollar and unfavourable weather.



MONTSERRAT

Overview

Provisional data indicate that economic activity in Montserrat expanded by 0.9 per cent in 2007, in contrast to a contraction of 2.8 per cent in 2006. This expansion was attributed in part to increases in value added for government services, mining and quarrying, banks and insurance, and hotels and restaurants. The construction sector, a major contributor to economic activity in Montserrat, fell for the second year in succession albeit at a reduced rate. Consumer prices rose by 4.0 per cent on average during 2007 on an end of period basis. The fiscal operations of the central government resulted in a widening of the overall deficit, reflecting growth in capital expenditure. Total outstanding debt of the public sector fell during 2007. In the banking system, monetary liabilities and net foreign assets increased and commercial bank liquidity remained at a high level. The spread between commercial banks weighted average interest rate on loans and deposits fell marginally. In the external sector, an overall deficit was recorded in contrast to a surplus in 2006, as a result of increased outflows on the current account.

Real GDP is projected to expand in 2008, largely based on expected growth in government services and construction activity, and to a lesser extent on a likely increase in mining and quarrying, and tourism activity. Risks to this outlook include rising international oil prices, limited air access, the

increasing cost of intra-regional travel and the continued threat of volcanic activity.

Output

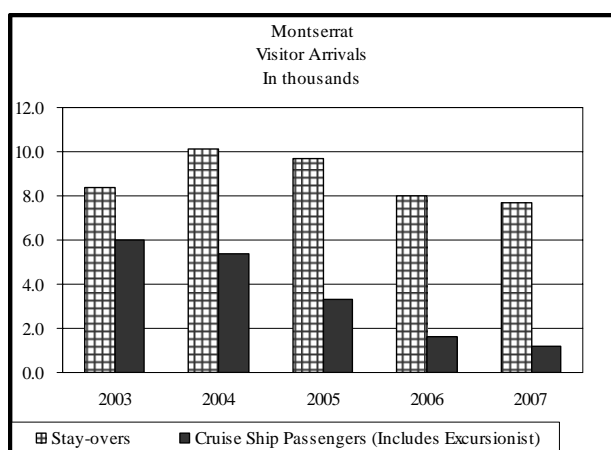
Value added by the government services sector, the largest contributor to economic output, increased by 0.6 per cent in 2007 compared with 7.0 per cent in 2006. Growth in 2007 was attributed to an increase in civil servant employment. However, the sector's contribution to GDP fell by 0.1 percentage point to 35.7 per cent in 2007.

Value added in the mining and quarrying sector more than tripled for the second consecutive year. This performance was partly linked to an increase in the number of companies involved in the production of sand and aggregate for export. Greater access to aggregate and sand, previously in the unsafe zone, also contributed to the increase in value added in the sector.

Despite a 3.0 per cent decline in stay-over arrivals, value added in the hotels and restaurants sector grew by 12.4 per cent following a contraction of 7.9 per cent in 2006. Growth in value added was attributed to a 13.4 per cent increase in the number of stay-over visitors in paid accommodation. The breakdown of stay-over visitors by market source indicates that arrivals from the Caribbean and the UK, the major markets, fell by 2.5 per cent and 5.6 per cent respectively in 2007, the third consecutive



year of decline. Of the other categories of visitors, cruise ship passenger arrivals more than tripled to 273 due to the berthing of larger vessels, and yacht visitors grew by 21.0 per cent to 1,463, reflecting an increase in the number of yachts. Notwithstanding, total visitor arrivals declined by 3.0 per cent, as the decreases in stay-over arrivals and excursionists outweighed the increases in cruise ship passenger and yacht arrivals.



In the rest of the services sector, value added for banks and insurance, which accounted for 13.3 per cent of GDP, rose by 3.0 per cent. Growth in value added was also recorded for real estate and housing (2.0 per cent) and communications (1.4 per cent). By contrast, value added contracted in wholesale and retail (9.8 per cent), transport (3.1 per cent), and electricity and water (1.2 per cent).

Activity in the construction sector, a major contributor to GDP, declined for the second consecutive year, although at a reduced rate, 12.0 per cent compared with that of 33.8 per cent in 2006. The decrease in value added in 2007 was largely on

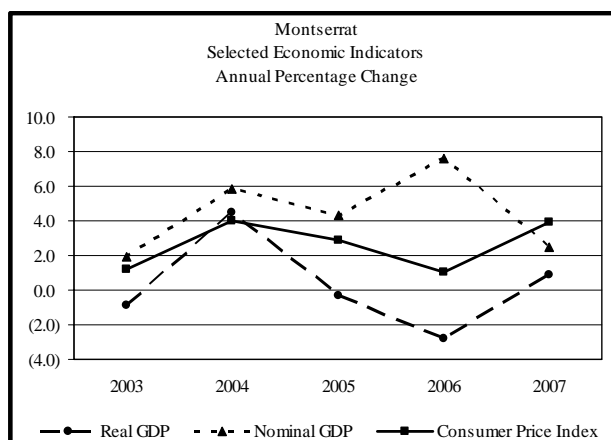
account of a decline in activity in the private sector. Partly reflecting the decline in private sector activity were decreases in the number and value of new commercial construction starts. In the public sector, activity focused on a public market and completing work on the Lookout housing project (involving the construction of 60 residential units) which began in the latter half of the previous year.

Agricultural output contracted by 9.3 per cent in 2007, following growth of 15.5 per cent in the preceding year. This performance was influenced by a fall of 49.2 per cent in the production of vegetable and root crops, particularly white potatoes, carrots, christophenes and onions, as a result of unfavourable weather. An extension of the maritime exclusion zone in the earlier part of 2007 had a negative impact on fishing activity, and resulted in an estimated 30.0 per cent fall in total fish landings.

Prices, Wages and Employment

The rate of inflation as measured by the change in the consumer price index (CPI) rose to 4.0 per cent during 2007 (on an end of period basis) from 1.0 per cent during 2006. The main factors contributing to the increase was the rising costs of food, services and gas, electricity and water. The food sub-index, the largest weighted, rose by 5.6 per cent influenced by increases in the prices of vegetables, dairy products and chicken parts. Rising international oil prices were largely responsible for increases of 5.7 per cent and 5.9 per cent in the services and gas, and electricity and water sub-indices respectively. Prices

rose by 2.1 per cent in both the household goods and alcohol and tobacco sub-indices.



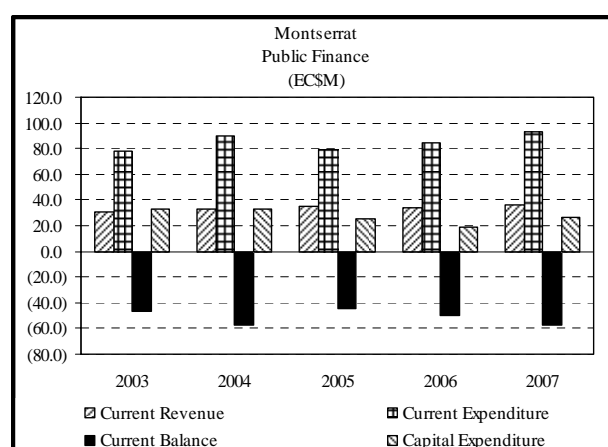
In the public service, wages and salaries remained generally stable in 2007. Data on wages and salaries in the private sector are not available.

Data on employment in the public sector show an expansion in the total number of workers to 941 from 755 in 2006. The number of established workers in the public sector is estimated to have increased by 2.1 per cent to 637, as government hired additional technical and clerical staff. Detailed data on private sector employment are not available. However, employment in the construction sector is likely to have declined based on the fall in construction activity.

Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall deficit in 2007, for the third consecutive year. A deficit of \$8.0m (6.5 per cent of GDP) was recorded; almost double that of \$4.5m

(3.7 per cent of GDP) in 2006. The deterioration in the overall balance was mainly attributed to an \$8.0m increase in capital expenditure to \$26.6m (21.5 per cent of GDP), largely associated with work on the Lookout housing project and the first floor of the public market at Little Bay. Capital spending was financed by grants, which rose to \$18.0m from \$10.2m in 2006. The primary deficit widened to \$7.0m from \$3.3m in 2006.



The current account deficit before grants widened to \$57.4m (46.4 per cent of GDP) from \$49.5m (40.4 per cent of GDP) in 2006, largely attributable to growth in current expenditure, which more than offset an increase in current revenue. Current expenditure rose by \$9.2m to \$93.2m, underpinned by increases in spending on goods and services, personal emoluments, and transfers and subsidies. As a percentage of GDP, expenditure rose to 75.3 per cent from 68.5 per cent in 2006. Outlays on goods and services grew by 19.9 per cent (\$5.1m), reflecting increased expenditure on public works. Expenditure on personal emoluments rose by 6.7 per cent (\$2.4m), reflecting in part increases in the



number employed. Spending associated with transfers and subsidies grew by 8.9 per cent (\$1.9m), primarily as a result of larger subventions to the Montserrat Volcano Observatory. Current revenue grew by \$1.8m to \$35.8m (28.9 per cent of GDP). The increase in revenue mainly reflected growth in non-tax receipts.

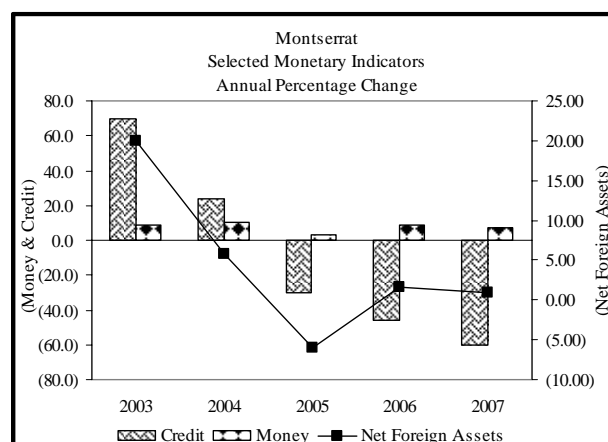
Public Sector Debt

The total outstanding debt of the public sector was estimated at \$11.2m at the end of 2007, a decline of 6.8 per cent on the amount at the end of 2006. As a percentage of GDP the public sector debt fell to 9.0 per cent from 9.8 per cent in 2006. The decline in public sector debt mainly reflected a 10.4 per cent decrease to \$3.8m in the outstanding debt of the central government. Of the stock of central government debt, the external debt fell by 4.9 per cent and domestic debt declined by 17.2 per cent.

Money and Credit

Monetary liabilities increased by 7.2 per cent to \$144.6m during 2007, reflecting growth in quasi money and narrow money (M1). Quasi money expanded by 5.7 per cent (\$5.8m), mainly attributable to growth in private sector foreign currency deposits (\$3.2m), and savings deposits (\$2.0m). M1 grew by 11.9 per cent (\$3.9m), primarily reflecting an increase in private sector demand deposits (\$3.0m).

Commercial bank credit to the private sector rose by 22.8 per cent (\$7.4m), associated with growth in outstanding loans to households (\$7.3m). Central government's borrowing from the banking system fell by 6.7 per cent (\$0.1m), while its deposits increased by 7.3 per cent (\$1.8m) associated with grant inflows. Consequently, the net deposits of the central government grew by 8.5 per cent (\$2.0m). The net deposits of non-bank financial institutions increased by 45.7 per cent (\$1.6m), reflecting a reduction in credit and a rise in deposits. The net deposits of non-financial public enterprises declined by 25.6 per cent (\$5.2m), mirroring a decline in their deposits.



The distribution of credit by economic activity indicates that credit for personal use increased by 25.1 per cent (\$7.0m). Of personal loans, the largest portion of credit was for property acquisition, which rose by 26.9 per cent (\$5.0m) during 2007. Credit for mining and quarrying increased significantly, reflecting the expansion in activity in that sector.

Outstanding loans for agriculture and distributive trades fell, consistent with the reduced activity in these sectors.

The net foreign assets of the banking system amounted to \$166.9m at the end of 2007, an increase of 1.0 per cent (\$1.6m) on the total at the end of 2006. The expansion was attributed to growth of 1.3 per cent in the net foreign assets of commercial banks, as assets held at institutions, both within and outside of the Eastern Caribbean currency union, rose. Montserrat's imputed share of the Central Bank's reserves declined by 0.5 per cent to \$39.1m.

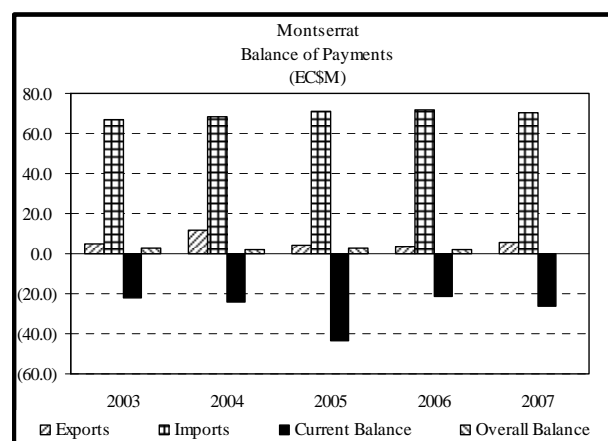
Liquidity in the commercial banking system increased during 2007. The ratio of liquid assets to total deposits plus liquid liabilities rose by 3.0 percentage points to 108.3 per cent. The loans and advances to total deposits ratio increased by 2.2 percentage points to 20.5 per cent.

The interest rate spread between loans and deposits narrowed to 7.71 percentage points at the end of December 2007 from 7.81 percentage points at the end of December 2006. The weighted average interest rate on deposits fell by 0.08 percentage point to 2.59 per cent, while that on loans decreased by 0.18 percentage point to 10.30 per cent.

Balance of Payments

Preliminary data on the balance of payments indicate that the external position of Montserrat deteriorated in 2007. An overall deficit of \$0.3m (0.2 per cent of

GDP) was recorded, in contrast to a surplus of \$1.8m (1.4 per cent of GDP) in 2006. The deterioration stemmed from a widening of the current account deficit and a reduction in net inflows on the capital and financial account.



The current account deficit rose to \$25.9m (21.0 per cent of GDP) from \$21.4m (17.5 per cent of GDP) in 2006. This outturn was attributed in part to larger outflows in the services account. On the services account, net outflows rose by 56.5 per cent (\$3.9m), partly reflecting larger outflows from transportation and other business services. Gross inflows from travel were estimated to have declined by 0.8 per cent to \$20.1m, consistent with the fall in visitor arrivals. In the merchandise trade account, the deficit fell by 1.5 per cent to \$65.2m, associated with a 1.9 per cent (\$1.4m) reduction in import payments and a 40.5 per cent (\$1.5m) increase in the value of exports. The substantial increase in the value of exports was influenced by a rise in the volume of sand and aggregate exported. On the income account, net outflows increased by 44.4 per cent



(\$2.8m), mainly attributable to larger outlays for compensation of employees.

The capital and financial account realised a surplus of \$25.7m (20.8 per cent of GDP), compared with one of \$23.2m (18.7 per cent of GDP) in 2006. This outturn was mainly attributed to an increase in grant receipts.

Prospects

Economic growth is projected in 2008, based on likely expansions in government services and construction – the major sectors. Growth in the government services sector is based on the planned creation of new posts for skilled personnel to assist with the implementation of public sector reform. In the construction sector, activity is projected to increase as work on the Little Bay infrastructural development and the housing facility for the mentally challenged, is expected to intensify in 2008. Public sector investment is also expected to focus on road development. Residential construction is also likely to expand, as proceeds from the sale of houses under the Lookout project will be used for further development of the housing stock.

Activity in the tourism industry is expected to increase, based on the likely resumption of a ferry

service to and from Antigua and Barbuda. Value added in mining and quarrying is projected to increase consistent with the expected buoyancy in construction and a likely rise in external demand for sand and aggregate.

On the fiscal accounts of the central government, expenditure on personal emoluments is projected to increase, based on a pay review strategy which is likely to result in upward revisions in professional allowances and salaries in the public service. As a result, the central government's fiscal operations are expected to result in a larger overall deficit.

In the external sector, an increase in receipts from merchandise exports is likely, based on a rise in the volume of sand and aggregate exported. Growth in the value of imports of construction materials is projected consistent with the expected increase in construction activity. Gross inflows from travel are expected to increase with the growth in visitor arrivals. Higher grant receipts are anticipated, partly to finance the capital expenditure programme of the government.

The downside risks to these projections include further increases in international oil prices and the cost of intra-regional travel, a slow down in the economies of major markets, particularly the US, and sporadic volcanic activity.



ST KITTS AND NEVIS

Overview

Economic activity in St Kitts and Nevis continued to expand in 2007, although at a slower rate relative to the increase in 2006. Real GDP growth is provisionally estimated at 3.1 per cent in 2007 in comparison to 4.0 per cent in 2006. Value added increased in all sectors with the exception of hotels and restaurants which contracted. Consumer prices rose by 4.0 per cent during 2007 on an end of period basis. The federal government's overall deficit fell marginally, as the increase in revenue exceeded that in expenditure. The outstanding debt of the public sector increased. Monetary liabilities expanded, supported by growth in net foreign assets and domestic credit. Commercial bank liquidity declined, while the spread between deposit and lending interest rates narrowed. In the external sector, a lower overall surplus was recorded reflecting a widening of the current account deficit.

Growth in economic activity is projected in 2008, driven by construction associated with investments in tourism-related projects. The tourism industry is expected to rebound on the basis of likely increases in the number of stay-over and cruise ship passengers. Unfavourable developments in the US economy and rising prices of oil and other commodities pose downward risks to the prospects.

Output

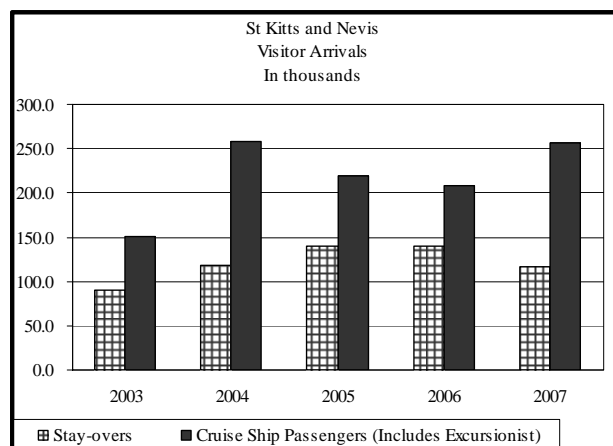
Value added in the construction sector is estimated to have increased by 6.5 per cent in 2007 compared with growth of 9.0 per cent in 2006, driven by activity in both the private and public sector. Major projects in the private sector included villas, shopping facilities, residential accommodation and a racecourse. Activity in the public sector focused on the West Basseterre by-pass road, the Bird Rock stadium, the Nevis island main road and a rural secondary school.

Value added in the manufacturing sector is estimated to have risen by 1.8 per cent, in contrast to a decline of 4.2 per cent in 2006. The turnaround was partly attributed to increased production of concrete blocks and ready mix concrete, associated with the expansion in the construction sector. Increases were also recorded in output of beverages reflecting a higher level of domestic and external demand for alcoholic beverages, and an increase in the production of electronic components to satisfy a rise in external demand.

Agricultural production rose by 6.9 per cent following a contraction of 21.2 per cent in 2006. The rebound emanated from increases in output of crops and livestock, reflecting the impact of



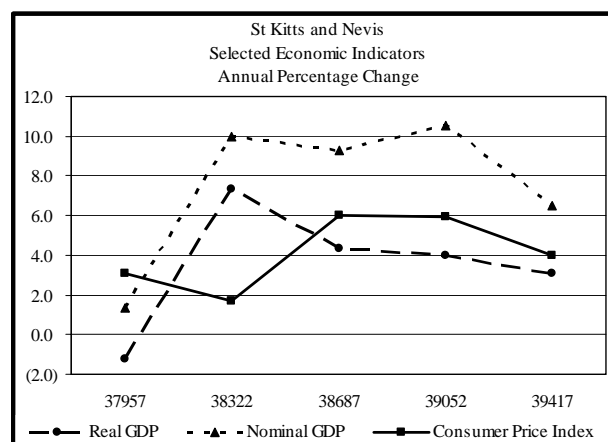
programmes introduced by the government following the closure of the sugar industry in 2005. Increases were recorded in the production of tomato, sweet pepper, cabbage, carrot, potato and peanut. In the livestock sub-sector, output of beef, mutton, goat and eggs increased.



Value added in the hotel and restaurant sector, which is used as a proxy for tourism activity, is estimated to have declined by 11.0 per cent in contrast to a 4.0 per cent increase in 2006. This outturn reflects a 15.7 per cent decline to 117,348 in the number of stay-over visitors. The fall in stay-over arrivals was attributed to higher airfares, a decrease in airlift by regional carriers and increased competition from other destinations. Of the major markets, the largest declines were reported for stay-over visitors from the Caribbean (21.2 per cent), followed by Canada (17.8 per cent), the USA (16.1 per cent) and the UK (3.4 per cent). Of the other categories of visitors, the number of cruise ship passengers rose by 23.8 per cent to 251,355 in 2007, a reversal from the decline in the previous year. This outturn was attributed to

the introduction of new cruise lines coupled with the use of larger ships.

Among the other sectors, value added for wholesale and retail trade expanded by 4.0 per cent, partly reflecting the spin-offs from the increase in construction activity. Increases were also recorded for the banking and insurance (9.2 per cent), electricity and water (5.6 per cent) and communications (3.0 per cent) sectors.



Prices, Wages and Employment

The rate of inflation as measured by the change in the consumer price index (CPI) was 4.0 per cent during 2007 compared with 5.9 per cent in 2006. Increases in the price level were observed for all the sub-indices except fuel and light and household supplies. The food sub-index, the largest weighted, rose by 5.8 per cent, reflecting price increases for meats, dairy products, fruits and vegetables and non alcoholic beverages. Prices in the transport and communications sub-index, the second largest

weighted of the CPI basket, rose by 4.9 per cent reflecting an average increase of \$2.00 per gallon in the retail price of fuel. The housing sub-index increased by 1.8 per cent driven by higher demand for housing. The medical care and expenses sub-index rose by 4.9 per cent, largely as a result of an increase in the cost of dental care. Prices in the education sub-index rose by 6.4 per cent on account of increases in fees charged by privately owned schools. In contrast, the household furnishings and supplies sub-index declined by 2.8 per cent, reflecting lower prices for furniture and refrigerators.

Wages in the public sector is estimated to have increased, mainly attributable to a 5.0 per cent rise in wages and salaries at the end of 2007 retroactive to January 2007. In the private sector, anecdotal evidence suggests upward pressure on wages, particularly for skilled labour.

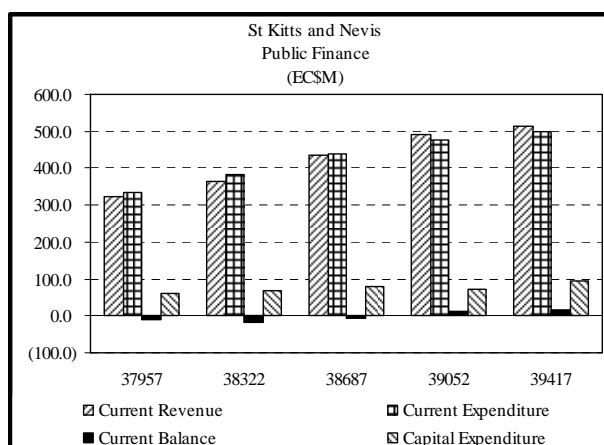
Official data on unemployment in St Kitts and Nevis are unavailable. Data on the number of workers employed by the federal government indicate a 2.0 per cent increase to 5,684 in 2007.

Central Government Fiscal Operations

The overall fiscal deficit of the federal government declined to \$30.8m (2.2 per cent of GDP) in 2007 from \$31.1m (2.3 per cent of GDP). The smaller overall deficit reflected an increase in the current account surplus and an expansion in capital revenue associated with the receipt of \$32.2m from the sale

of governments' shares in a telephone company. A primary surplus of \$84.9m (6.0 per cent of GDP) was realised in 2007, up from one of \$78.1m (5.8 per cent of GDP) in 2006.

The fiscal operations of the federal government resulted in a current account surplus of \$14.9m (1.1 per cent of GDP) compared with one of \$13.3m (1.0 per cent of GDP) in 2006, as revenue grew at a faster pace than expenditure. Current revenue rose by 4.3 per cent to \$512.6m reflecting an increase in tax receipts. Of the major categories of tax revenue, receipts from taxes on income and profits grew by 17.8 per cent, mainly attributable to the collection of company tax arrears and amendments to the tax legislation, which resulted in a widening of the base for company tax. Receipts from taxes on international trade and transactions were higher by 9.1 per cent, due to increases in collections of consumption tax, reflecting the impact of the full pass-through of fuel prices introduced in the fourth quarter of 2006. Revenue from taxes on domestic goods and services fell by 7.4 per cent, mainly on account of a decline in collection of stamp duty from land sales. Non-tax revenue declined by 3.7 per cent, mainly reflecting a fall in receipts from interest and dividend.



Current expenditure rose by 4.1 per cent to \$497.7m in 2007, with increases recorded in most of the categories. As a percentage of GDP, however, current expenditure fell by 0.6 percentage point to 35.2 per cent compared with the ratio in 2006. Outlays on personal emoluments rose by 12.6 per cent, mainly attributable to the retroactive salary increases paid to public officers at the end of 2007. Spending on goods and services increased by 7.9 per cent, associated in part with higher prices for fuel and supplies for government agencies. Interest payments rose by 6.0 per cent, mainly as a result of a higher level of domestic debt. Outlays on transfers and subsidies fell by 26.6 per cent, reflecting reductions in subventions to statutory bodies.

Capital outlays increased by 34.7 per cent to \$95.6m, associated with major projects implemented in 2007. These included the West Basseterre bypass road, the Nevis island main road, the Bird Rock stadium, and a rural secondary school, as well as the Old Road fisheries facility and the Warner Park stadium which were completed in the earlier half of 2007. Capital grants declined by 29.1 per cent (\$7.8m), as some grant funded projects were completed in early 2007.

On a disaggregated level, the fiscal operations of the central government resulted in an overall surplus of \$1.8m, in contrast to a deficit of \$29.3m in 2006. This performance stemmed from a \$32.2m windfall from the sale of government shares. Current revenue rose by 3.7 per cent on account of increases in receipts from taxes on income and profits

associated with the collection of arrears and amendments to the tax legislation, and from taxes on international trade and transactions reflecting a larger intake from consumption tax. An increase of 1.7 per cent was recorded in current expenditure, attributable to higher outlays on personal emoluments, goods and services and interest payments. Capital expenditure remained largely unchanged at \$53.9m.

The fiscal operations of the Nevis Island Administration (NIA) resulted in an overall deficit of \$32.6m, well above that of \$1.8m in 2006. The wider deficit was attributed mainly to growth in capital expenditure to \$41.7m from \$17.2m in 2006, primarily associated with the construction of the Nevis island main road. Strong growth in expenditure relative to the increase in revenue resulted in a smaller current account surplus of \$9.1m compared with \$15.4m in 2006. The increase in current expenditure was driven by salary increases in 2007.

Public Sector Debt

The total stock of public sector debt stood at \$2,409.0m at the end of 2007, representing an increase of 1.3 per cent on the amount at the end of 2006, mainly attributable to growth in the outstanding debt of the federal government. However, as a percentage of GDP the public sector debt was 170.2 per cent compared with 178.0 per cent in 2006. The total outstanding debt of the federal government rose by 2.0 per cent to



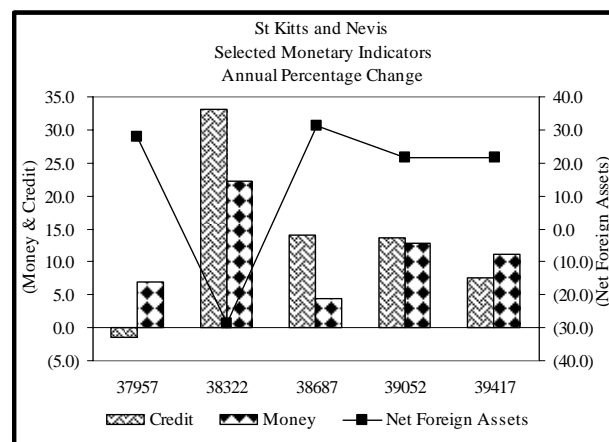
\$1,504.0m, reflecting increased domestic borrowing. The stock of domestic debt of the federal government rose by 5.9 per cent to \$1,645.4m, while external debt declined by 7.5 per cent to \$763.6m. The debt service payments rose by 0.6 per cent to \$210.4m, influenced by higher domestic interest payments. The ratio of debt service payments to current revenue, however, fell to 41.0 per cent from 42.6 per cent in 2006.

Money and Credit

Monetary liabilities (M2) expanded by 11.2 per cent to \$1,443.6m during 2007, reflecting an 11.2 per cent expansion in quasi money. Increases were recorded in all of the components of quasi money, namely private sector savings deposits (8.4 per cent), time deposits (23.8 per cent) and foreign currency deposits (8.9 per cent). The expansion in time deposits may have been influenced in part by an increase, from 6.5 per cent at end 2006 to 7.0 per cent at end 2007, in the maximum rate of interest on time deposits held for six months and over. The narrow money supply (M1) expanded by 11.2 per cent, driven mainly by an increase in private sector demand deposits.

Domestic credit grew by 7.6 per cent to \$1,385.6m, attributable in part to the expansion in economic activity. Private sector credit (the largest component of domestic credit) increased by 13.3 per cent, fuelled by growth in household and business credit. Credit to households grew by 14.2 per cent, and

outstanding loans to businesses rose by 11.7 per cent, with most of the increase occurring during the fourth quarter of 2007.



The net indebtedness of the federal government to the banking system increased by 10.0 per cent compared with the level at the end of 2006, as government borrowed from commercial banks to finance the overall deficit. Outstanding loans and advances from commercial banks grew by 12.7 per cent (\$65.7m). Total deposits of the federal government in the banking system increased by 24.3 per cent (\$24.7m), largely reflecting growth of 27.2 per cent in central government's deposits associated with the sale of shares. In the rest of the public sector, the net deposits of non-financial public enterprises more than doubled to \$71.4m, reflecting a 10.8 per cent increase in deposits.

Credit to the non-bank financial institutions increased at a slower rate relative to the expansion in their deposits, resulting in a 9.9 per cent decline in the net credit position.



The distribution of credit by economic activity shows that credit for construction increased by 29.7 per cent, consistent with the expansion in activity in the sector. Growth was also recorded in credit for personal use (15.5 per cent), primarily associated with an increase in lending for home construction and renovation. Credit for tourism purposes increased by 8.9 per cent, in contrast to a decline of 2.3 per cent in 2006.

The net foreign assets of the banking system grew by 20.7 per cent to \$552.7m, mainly reflecting increases in commercial banks' foreign assets. This outturn was attributed to a more than doubling of commercial banks' external assets held with institutions outside of the ECCU. St Kitts and Nevis' imputed share of the Central Bank's reserves rose by 6.0 per cent to \$253.4m.

Commercial bank liquidity tightened slightly in 2007. The loans and advances to deposits ratio rose by 1.8 percentage points to 86.9 per cent. The ratio of liquid assets to total deposits plus liquid liabilities declined by 0.3 percentage point to 45.2 per cent.

The spread between interest rates on deposits and loans declined by 0.41 percentage point to 5.24 per cent at the end of December 2007. The weighted average interest rate on deposits rose to 3.78 per cent at the end of 2007 from 3.73 per cent at the end of 2006, while that on loans fell to 9.02 per cent from 9.38 per cent.

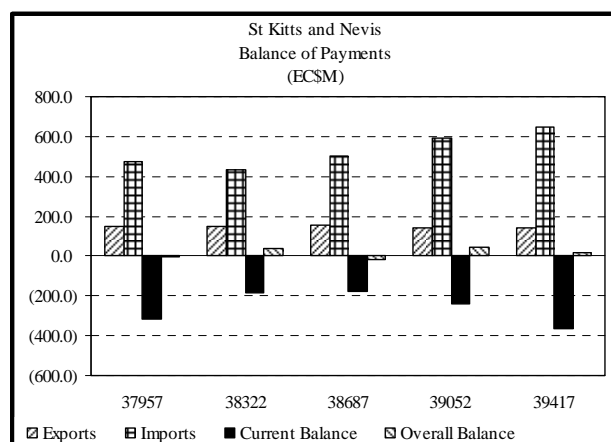
Balance of Payments

Preliminary estimates of the balance of payments show an overall surplus of \$14.2m (1.0 per cent of GDP) in 2007, well below that of \$46.3m (3.5 per cent of GDP) in 2006. This outcome was attributed to an increase in net outflows on the current account. The current account deficit increased to \$365.6m (25.8 per cent of GDP) from \$242.4m (18.1 per cent of GDP) in 2006, influenced primarily by a widening of the merchandise trade deficit and a decrease in net inflows on the services account. The value of imports rose by 9.5 per cent, largely reflecting increases in import payments for food, fuel, and transport equipment partly as a result of the expansion of the economy and higher international prices. The value of exports is estimated to have declined by 2.6 per cent to \$139.6m, reflecting in part a fall in re-exports of machinery and construction equipment, as receipts from domestic exports, largely electronic components and beverages, rose by 1.5 per cent. Consequently, the merchandise trade deficit rose by 13.3 per cent to \$509.5m. On the services account, net inflows fell, reflecting a decrease in net inflows from travel (15.6 per cent), consistent with the fall in tourist arrivals. On the income account, the deficit is estimated to have narrowed, mainly as a result of smaller outflows of investment income.

Transactions on the capital and financial account resulted in a 31.6 per cent increase to \$379.8m in net



inflows, equivalent to 26.8 per cent of GDP in 2007 compared with 21.6 per cent of GDP in 2006. This expansion was primarily associated with developments on the financial account. Net inflows on the financial account rose by 39.0 per cent (\$98.7m), mainly as a result of growth of 29.2 per cent (\$86.9m) in net inflows of direct investment associated with tourism-related developments. Grant receipts fell by 21.5 per cent, as some grant funded projects were completed in 2007.



Prospects

Economic growth in 2008 is projected to be slightly above the level in 2007 supported by developments in construction and tourism. Those developments are expected to filter through to the other sectors resulting in increased activity in wholesale and retail, transport, communications, banks and insurance and real estate services.

Construction activity is projected to expand, based on expected developments in the private sector. Growth in foreign direct investment for a number of

high-end tourist accommodation projects is likely to boost private sector construction activity. In the public sector, construction activity will focus on roads, residential accommodation and a sporting facility.

The tourism industry is projected to rebound in 2008, as growth in stay-over and cruise ship passenger arrivals is likely, based on additional flights and an increase in the number of scheduled cruise ship visits. Two additional direct flights from the US, the largest market, are expected to provide a fillip to the industry. In addition, the number of cruise ship passengers is projected to rise as a result of calls by larger vessels and inaugural visits by some ships.

The fiscal operations of the federal government are expected to result in a lower current account surplus. This outlook is based on an expected slower rate of growth in current revenue relative to that of expenditure. The slow down in current revenue growth is projected on the basis of increases in revenue foregone as a result of additional tax exemptions, while current expenditure is expected to be higher due to increases in salaries and wages and the cost of fuel. Capital expenditure is projected to be lower relative to 2007 as major capital projects are likely to be completed.

In the external sector, the current account deficit is projected to widen, as a result of increases in import payments in line with the expansion in economic activity and rising prices of international oil and



other commodities. Gross travel receipts are projected to increase on the basis of a larger number of visitors. Direct investment inflows are expected to grow, consistent with plans for developing tourist accommodation facilities.

economy, a tightening of the domestic labour market particularly for skilled workers, and high and rising costs of fuel, building materials and other commodities.

There are some downside risks to the projections for growth. These include a slowdown in the US



SAINT LUCIA

Overview

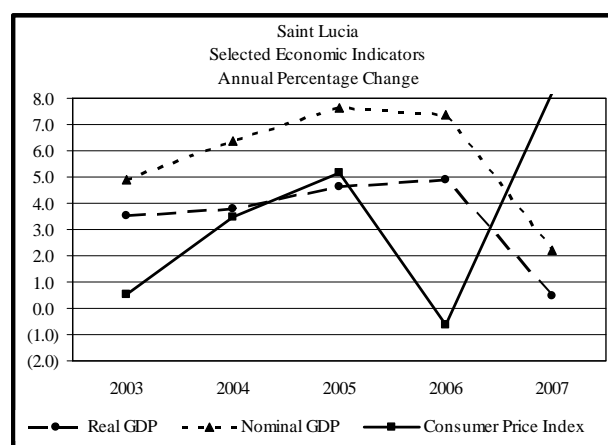
The pace of economic activity in Saint Lucia is estimated to have slowed in 2007, with real GDP growth provisionally estimated to have increased by 0.5 per cent compared with 4.9 per cent in 2006. The deceleration in growth was mainly associated with a contraction in activity in the construction sector and the tourism industry. The consumer price index rose by 8.2 per cent during 2007 (on an end of period basis), in contrast to a fall of 0.6 per cent in 2006. The overall deficit on the central government's fiscal accounts narrowed in 2007, reflecting a decrease in capital expenditure. Total outstanding public sector debt rose, reflecting growth in both domestic and external debt stocks. Monetary liabilities increased, consistent with the expansion in economic activity. Commercial bank liquidity rose marginally. The spread between commercial banks' weighted average interest rate on loans and deposits narrowed. In the external sector, a larger overall surplus was recorded on the balance of payments, attributable to increased inflows of foreign direct investment.

Further growth in real GDP is projected in 2008, associated largely with a likely expansion in the construction sector and an improvement in performance in tourism industry. The overall fiscal deficit is likely to widen, based on an increase in capital spending associated with the upgrading of infrastructure. Downside risks to the projections include a slowdown in US economic growth and

increases in prices of international oil and other commodities.

Output

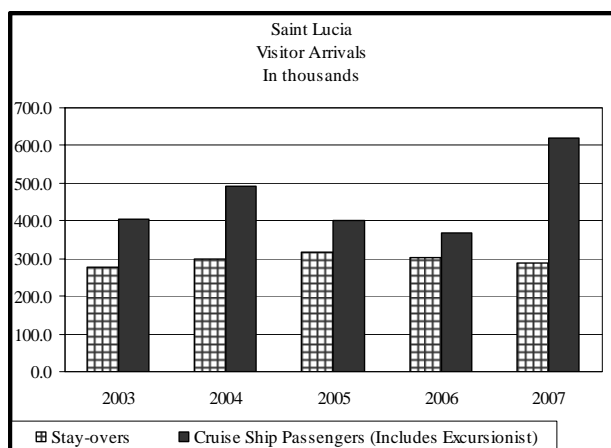
Value added in the construction sector fell by 10.3 per cent in contrast to growth of 13.2 per cent in 2006. The sector's contribution to GDP fell to 6.5 per cent from 7.4 per cent in 2006. The completion of a number of projects during the first quarter of 2007, associated with the hosting of Cricket World Cup (CWC) 2007 contributed to the decrease in that sector. In the public sector work included major enhancements to the Beausejour Stadium, including the construction of an access road to the facility, and the completion of the Castries to Gros Islet and Castries to Vieux Fort highways.



Major private sector projects included hotel and villa developments in the northern and eastern sections of the island and entertainment facilities in and around Castries. Private sector residential construction is



estimated to have increased, based in part on growth of 23.9 per cent in commercial bank credit for home construction and renovation, well above the 8.0 per cent rate recorded in 2006.



Value added in the hotel and restaurants sector, a major indicator of the level of tourism activity, fell by 7.4 per cent compared with a decline of 2.7 per cent in 2006. The fall in value added was the result of a 5.0 per cent decline to 287,518 in the number of stay-over visitors, largely reflecting a reduction in visitor arrivals from the Caribbean and the USA. Visitors from the Caribbean, the second major market, declined by 24.7 per cent, mainly reflecting increases in regional airfares and reduced airlift following the merger of two major airlines. Stay-over arrivals from the USA, the major market, declined by 3.3 per cent, attributable in part to a slowdown in that economy. By contrast, the number of visitors from the UK and Canadian markets rose by 8.0 per cent and 6.6 per cent respectively. Of the other categories of visitors, cruise ship passenger arrivals increased by 69.7 per cent to 610,165 in 2007. This outturn was influenced by a 17.6 per

cent expansion in the number of cruise calls to 314, partly associated with the return of a major cruise line. The number of excursionists rose by 11.2 per cent, while yacht passenger arrivals declined by 2.1 per cent. The sector's contribution to GDP declined by 0.9 percentage point to 11.7 per cent.

Value added in the agricultural sector increased by 0.8 per cent, compared with an expansion of 9.8 per cent in 2006. The slower rate of growth was associated with a decrease in the output of bananas. Banana production declined by 10.8 per cent to 30,318 tonnes, attributable to damage to banana plants by hurricane Dean in August 2007. This development in the latter part of the year, more than offset the increase in banana output recorded in the first eight months of 2007.

Manufacturing output rose by 1.7 per cent compared with growth of 6.7 per cent in 2006. The sector's share of GDP increased marginally to 6.3 per cent from 6.2 per cent in 2006. Increases were recorded in the production of paper, paper board and plastic products. By contrast, output of alcoholic beverages, mainly bulk rum, contracted in 2007 relative to the level in 2006. This outturn, which contributed to the deceleration in the rate of growth in the manufacturing sector, was attributed to fire damage to a major distillery earlier in the year.

Prices, Wages and Employment

Consumer prices rose by 8.2 per cent in 2007 (on an end of period basis), largely reflecting increases in



the price of food (13.7 per cent) and fuel and light (6.9 per cent). Of the food sub-index, higher prices were recorded for fruits (22.8 per cent), vegetables (15.9 per cent), and milk and dairy products (17.3 per cent). The increase in the “fuel and light” sub-index was associated with higher energy costs. In contrast, prices for medical care and health fell by 1.3 per cent.

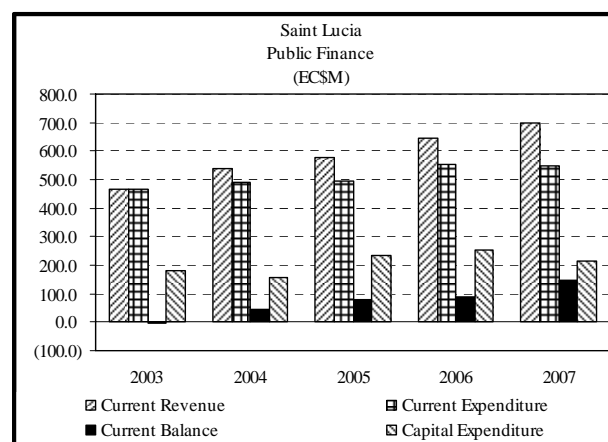
There were no wage increases in the public sector in 2007. The average number of workers in the public service of the central government rose by 1.0 per cent to 8,037, based in part on the recruitment of additional police officers, prison officers and firemen in preparation for the hosting of Cricket World Cup (CWC) 2007. Official data on wage movements and employment in the private sector are not available.

Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall deficit of \$55.5m (2.1 per cent of GDP) compared with one of \$156.6m (6.2 per cent of GDP) in 2006. The narrowing of the deficit reflected an increase in current savings and a reduction in capital outlays. The primary balance moved to a surplus of \$28.6m (1.1 per cent of GDP) from a deficit of \$77.5m (3.0 per cent of GDP) in 2006.

The fiscal operations of the central government resulted in a current account surplus of \$148.8m (5.7 per cent of GDP) compared with one of \$90.5m

(3.6 per cent of GDP) in 2006. This outturn reflected an 8.3 per cent improvement in current revenue to \$698.0m (26.9 per cent of GDP), associated with an increase in tax revenue. Revenue from taxes on income and profits rose by 19.0 per cent, reflecting increases in the collection of corporation tax and withholding tax partly associated with the collection of arrears. Receipts from taxes on domestic goods and services increased by 13.0 per cent, largely influenced by a higher yield from stamp duty associated with land sales. Revenue from taxes on international trade and transactions rose by 3.7 per cent (\$12.7m) consistent with a rise in imports.



Current expenditure declined by 0.9 per cent to \$549.2m (21.2 per cent of GDP), associated with decreases in personal emoluments and goods and services. Personal emoluments fell by 2.0 per cent (\$5.1m). This outturn was linked to the high base in 2006 when expenditure on personal emoluments increased as a result of retro-active salary payments. Outlays on goods and services fell by 2.0 per cent (\$2.1m) reflecting government’s attempts at fiscal



restraint. In contrast, interest payments rose by 6.2 per cent (\$4.9m), influenced by a higher level of outstanding domestic debt.

Outlays on capital expenditure fell by 15.0 per cent to \$213.6m (8.2 per cent of GDP), as the implementation rate of a number of new projects slowed and work concluded on major infrastructural projects. Major projects that were completed during the year include the upgrade of the cricket stadium in preparation for the hosting of CWC 2007, the construction of the Castries Gros Islet highway, the rehabilitation of the East Coast road and the completion of a water distribution project.

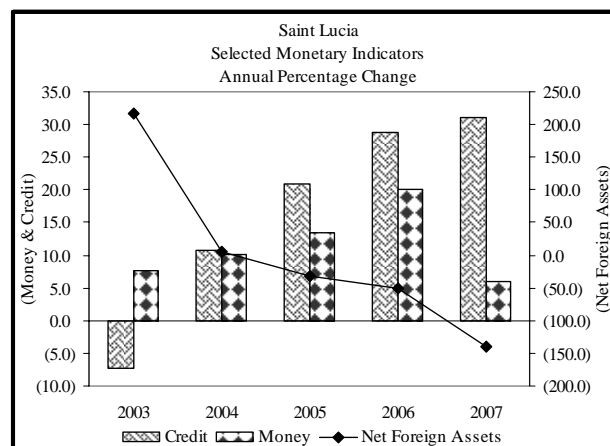
Public Sector Debt

The outstanding stock of public sector debt rose by 9.4 per cent to \$1,906.6m during 2007. The ratio of debt to GDP increased by 4.4 percentage points to 73.5 per cent, primarily influenced by an increase in the outstanding domestic debt of the central government. The domestic debt of the central government rose by 29.1 per cent to \$607.7m, largely reflecting an increase in loans from commercial banks and the issue of additional securities on the Regional Government Securities Market (RGSM).

Money and Credit

Monetary liabilities (M2) expanded by 6.0 per cent to \$2,179.7m, well below the 20.1 per cent rate of increase during 2006. Quasi money rose by 3.3 per

cent compared with growth of 28.4 per cent during 2006. Of quasi money, a lower rate of increase was recorded for private sector savings deposits, while foreign currency deposits decreased in contrast to an expansion during 2006. Narrow money increased by 13.3 per cent (\$74.4m), primarily attributable to growth in private sector demand deposits (\$73.3m).



Domestic credit rose by 31.1 per cent to \$2,990.4m, influenced by increased borrowing by the private sector, particularly businesses. Credit to the private sector expanded by 29.5 per cent, reflecting growth in lending to businesses (44.1 per cent) and households (11.5 per cent), fuelled by an increase in demand for credit for investment purposes and to finance the purchase of consumer items. The central government moved to a net credit position of \$17.2m from a net deposit position of \$32.0m at the end of 2006. This development reflected a 20.6 per cent (\$60.0m) increase in central government borrowing, while its deposits at commercial banks rose by 3.3 per cent (\$10.7m). The indebtedness of the central government to commercial banks, mainly to finance capital projects, increased by

19.7 per cent. The net deposits of non-financial public enterprises rose by 13.3 per cent, attributable to an increase in deposits coupled with a fall in outstanding loans.

The distribution of credit by economic activity reveals that a significant proportion of outstanding credit was directed to the tourism industry. Credit to tourism rose by 59.6 per cent consistent with the elevated level of tourism related construction particularly in the private sector. Credit for construction and land development rose by 46.6 per cent indicative of the buoyancy in that sector. Loans for personal use increased by 11.8 per cent, largely reflecting increased lending for home construction and renovation and the purchase of durable consumer goods.

The banking system moved to a net foreign liabilities position of \$64.2m from a net assets position of \$117.6m at the end of December 2006. This development reflected the activities of commercial banks as they borrowed from abroad to satisfy the demand for credit in the domestic economy. The net foreign liabilities of commercial banks rose by 90.5 per cent, reflecting increases in liabilities with institutions within and outside of the Eastern Caribbean Currency Union. Saint Lucia's imputed share of the reserves held at the Central Bank rose by 9.8 per cent to \$391.7m.

Commercial banks' liquidity remained tight in 2007. The ratio of loans and advances to total deposits increased by 19.7 percentage points to 113.3 per

cent, while the liquid assets to total deposits plus liquid liabilities ratio rose marginally to 25.6 per cent from 25.4 per cent in 2006. At the end of December 2007, the interest rate spread between loans and deposits narrowed to 5.77 percentage points from 7.29 percentage points at the end of December 2006. The weighted average interest rate on deposits was 3.07 per cent, or 0.16 percentage point above the level at the end of 2006, while the weighted average interest rate on lending decreased by 1.36 percentage points to 8.84 per cent.

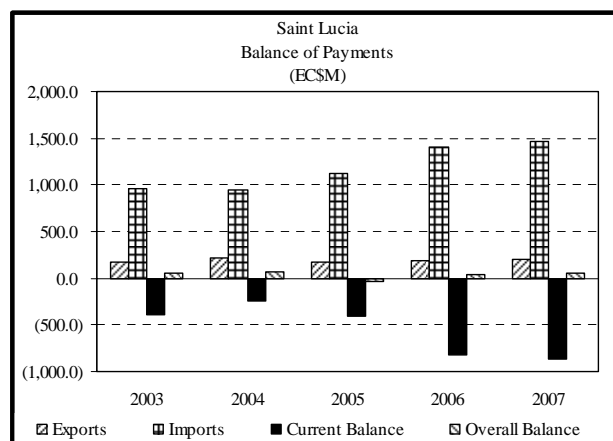
Balance of Payments

The overall balance of payments position improved in 2007. An overall surplus of \$33.4m (1.3 per cent of GDP) was recorded compared with one of \$37.3m (1.4 per cent of GDP) in 2006. This outturn largely reflected an increase in net inflows on the capital and financial account. The surplus on the capital and financial account rose to \$896.6m (34.6 per cent of GDP) from \$854.6m (33.9 per cent of GDP) in 2006. This outturn was largely associated with an increase in receipts of foreign direct investment for the construction of a number of hotels and other tourism-related projects.

The current account deficit increased by 5.6 per cent to \$863.2m (33.3 per cent of GDP) reflecting a larger deficit on the goods account. Of the goods account, the merchandise trade deficit expanded by 3.9 per cent to \$1,258.7m (48.6 per cent of GDP), reflecting an increase in import payments. Payments for imports (f.o.b.) rose by 3.8 per cent (\$54.0m),



associated with an expansion in economic activity. Earnings from merchandise exports rose by 3.4 per cent (\$6.6m) buoyed by the performance of the manufacturing sector. Earnings from the export of bananas fell by 7.5 per cent to \$43.6m.



On the services account, net inflows rose by 3.2 per cent to \$460.9m (17.8 per cent of GDP), mainly reflecting increased inflows on the travel account. Gross travel receipts rose by 3.8 per cent (\$29.5m), primarily attributable to an expansion in the number of cruise-ship passengers.

Prospects

The economic outlook for Saint Lucia appears positive for 2008, based on expected developments in construction, tourism and agriculture. Activity in the construction sector is likely to increase as work on a number of on-going hotel projects including Le Paradis on Praslin Bay, the Landings, and villas in the Rodney Bay and Cap Estate areas intensifies. Other commercial projects include retail properties in Castries, Rodney Bay and Choc as well as

residential construction. Performance in the tourism industry is expected to improve based on increased marketing and additional chartered flights from the Canadian market. These prospects may be tempered by the loss of scheduled service of one regional airline. Activity in the cruise sector is expected to continue to expand, based on the projected increase in the size of the vessels and the frequency of calls. The medium-term prospects for the agricultural sector appear favourable, largely reflecting a recovery in banana output and steady increases in non-banana agriculture. The projections will depend largely on favourable weather and the continued efforts by the authorities to contain the leaf spot disease. Long-term challenges for the sector include escalating production costs, diminished preferential market access and the migration of labour to other sectors of the economy.

The overall deficit of the central government is expected to widen in 2008, largely associated with an increase in capital expenditure as the implementation rate of the Public Sector Investment Programme increases. Infrastructural work in the city of Castries is likely to begin later in the year as major enhancements are made to the transportation and communications network. Growth in current revenue is anticipated, in line with an expansion in economic activity. Current expenditure is projected to increase based in part on larger outlays on personal emoluments as new pay packages are negotiated in the civil service. Growth in interest payments is projected mainly as a result of an increase in central government's outstanding debt.



In the external sector the merchandise trade deficit is projected to widen, consistent with an increase in construction related imports. Receipts from the exports of bananas are likely to rise, based on a projected growth in output.

and other commodities. These factors could have an adverse impact on domestic prices, tourism, the external current account balance and the fiscal operations of the central government.

Major downside risks include slower growth in the USA, and high and increasing prices for petroleum



ST VINCENT AND THE GRENADINES

Overview

Economic activity in St Vincent and the Grenadines continued to expand at a brisk pace in 2007. Real GDP is provisionally estimated to have increased by 7.8 per cent, following a 6.9 per cent rate of growth in 2006. The expansion was under-pinned by vibrant activity in the construction sector and the tourism industry, which contributed to increased growth in the mining and quarrying, wholesale and retail trade and transport sectors. Inflationary pressures increased during 2007, as evidenced by an acceleration in the rate of growth in consumer prices to 8.3 per cent from 4.8 per cent during 2006. The central government's fiscal operations resulted in a larger overall deficit compared with the level in 2006. The total disbursed outstanding debt of the public sector fell during 2007. In the banking system, monetary liabilities and domestic credit increased, while net foreign assets declined. Commercial bank liquidity remained high, despite a decrease in the level. The spread between commercial bank lending and deposit interest rates narrowed. In the external sector, an overall balance of payments deficit was realised in contrast to a surplus in 2006, attributable to higher outflows on the current account.

The economic prospects for St Vincent and the Grenadines in 2008 are favourable, however, real GDP growth is likely to be below the rate for 2007. Construction activity, which has been the main driver of growth in recent years, is expected to

moderate. Growth will be supported by an increase in tourism activity and continued expansion in the non-traded sectors. On the central government's fiscal accounts, a reduction in the overall deficit is projected, based on fiscal reform measures enacted in 2007. Notwithstanding, there are several downside risks to these projections. Economic growth in the United States of America, a major trading partner, is projected to be below trend in 2008. Concomitantly, the balance of risks to inflation is on the upside with increases in commodity prices projected and a further depreciation of the US dollar, to which the EC dollar is pegged.

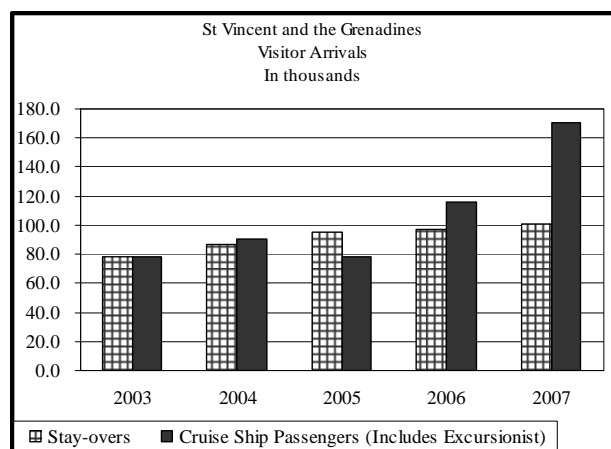
Output

The construction sector remained the major driver of economic activity in 2007 with value added increasing by 18.0 per cent, well above the 11.4 per cent rate of expansion in 2006. The sector's share of GDP rose to 11.3 per cent from 10.4 per cent in 2006. Construction growth was fuelled by both public and private sector projects. Public sector projects included road rehabilitation, airport redevelopment and expansion, schools and the national library complex. Private sector activity focused on residential housing and construction and renovation of hotels and resorts. The increase in residential housing activity was partly evidenced by an expansion of 18.6 per cent in commercial bank credit for home construction and renovation, well



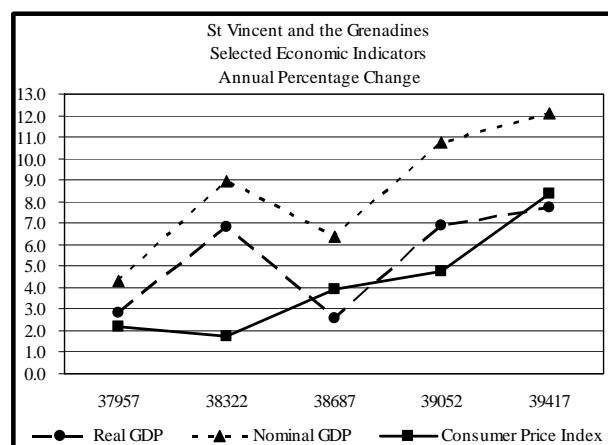
above the 3.2 per cent rate of increase recorded in 2006.

Value added in the hotels and restaurants sector, an indicator of tourism activity, rose by 3.0 per cent, compared with a 1.0 per cent expansion in 2006. However, the sector's contribution to GDP fell marginally to 1.9 per cent from 2.0 per cent in 2006. The expansion in value added was attributed to growth of 3.2 per cent to 100,560 in the number of stay-over visitors. The breakdown of stay-over arrivals by source market indicates strong growth in the number of visitors from the UK (21.4 per cent). The hosting of warm up matches of the Cricket World Cup (CWC) 2007, and the appreciation of the pound sterling in relation to the EC dollar contributed in part to the expansion in UK arrivals. Increases were also recorded in the number of visitors from Canada (8.0 per cent) and the USA (2.7 per cent). Arrivals from the Caribbean, however, declined by 6.7 per cent, mainly attributable to the higher regional airfares and reduced airlift following the merger of two airlines in the first quarter of 2007.



In the other categories of visitors, yacht passenger arrivals rose by 14.7 per cent to 107,389, partly reflecting the impact of anti-crime and harassment measures re-introduced in 2007. Cruise ship passenger arrivals increased by 52.6 per cent to 162,476, on account of additional cruise ship calls, while the number of excursionists fell by 14.0 per cent to 7,766.

In the agricultural sector, value added increased by 1.7 per cent, compared with an expansion of 7.6 per cent in 2006. The reduced rate of growth was triggered by an 8.0 per cent decline in output in the banana sub-sector, reflecting the impact of the Moko disease and damage to plants by hurricane Dean in August 2007. Value added in the 'other crops' category increased by 3.0 per cent compared with growth of 8.3 per cent in 2006.



Value added in the manufacturing sector is estimated to have declined by 7.0 per cent in 2007, in contrast to an expansion of 2.9 per cent in 2006. This deterioration was mainly associated with declines of 13.8 per cent and 10.1 per cent in output of rice and



beer respectively, as a result of a fall in domestic and external demand and increases in production and transportation costs. Those decreases were tempered by a 4.8 per cent expansion in output of feeds.

The expansion in the construction sector and the tourism industry had positive spillover effects on the non-traded sectors. In the transport sector, value added increased by 13.1 per cent compared with growth of 18.0 per cent in 2006. As a consequence, the sector's contribution to GDP rose from 16.4 per cent to 17.2 per cent. The wholesale and retail trade sector grew by 9.0 per cent, and value added in the banks and insurance and communication sectors rose by 6.5 per cent and 4.5 per cent respectively.

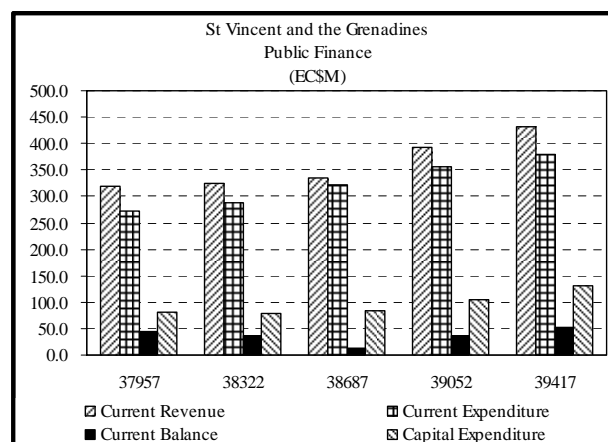
Prices, Wages and Employment

Inflationary pressures increased during 2007, partly influenced by rising international prices of oil, food and other commodities. The consumer price index rose by 8.3 per cent on an end of period basis, almost double the 4.8 per cent rate recorded during 2006. The food sub-index, the largest weighted, rose by 9.6 per cent, attributable to increases in prices of beef, chicken, dairy products and consumer staples. A rise in fees for private primary school led to a 15.9 per cent increase in the education sub-index. Increased raw material costs resulted in a 14.6 per cent expansion in the clothing and footwear sub-index. The sub-indices fuel and light and transport and communication rose by 8.4 per cent and 4.7 per cent respectively, mainly associated with increases in petrol prices and the fuel surcharge.

Data on wage increases in the private sector are not available. In the public sector, civil servants received a 5.0 per cent salary increase in November 2007 retroactive from January 2007. The total number of workers in the public sector rose to 6,707 from 6,570 in 2006. Official data on employment levels in the private sector are not available. However, employment in the construction sector is likely to have increased as robust activity in that sector may have led to a higher demand for workers, particularly skilled labour, placing a premium on private sector wage levels.

Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall deficit of \$53.3m (3.6 per cent of GDP) in 2007, compared with one of \$52.0m (3.8 per cent of GDP) in 2006. The larger deficit was mainly attributed to an increase in capital outlays, which offset an expansion in current savings. The deficit was financed in part from domestic sources. A primary deficit of \$8.6m (0.6 per cent of GDP) was recorded compared with one of \$8.8m (0.7 per cent of GDP) in 2006.



Capital expenditure increased by 27.0 per cent (\$27.9m), associated with infrastructural and social projects, including road rehabilitation, low-income housing, airport re-development and the construction of schools.

Central government's savings increased to \$52.5m (3.5 per cent of GDP) from \$37.8m (2.8 per cent of GDP) in 2006, mainly reflecting strong revenue growth. Current revenue increased by 9.5 per cent to \$430.8m relative to the amount in 2006. As a percentage of GDP, current revenue fell to 28.9 per cent from 29.1 per cent in 2006. Receipts from taxes on domestic goods and services rose by 87.5 per cent (\$85.9m), attributable in part to buoyant economic activity and the introduction of the value-added tax (VAT) and revisions to excise taxes on 01 May 2007. VAT collections totalled \$87.0m in the six months ending December 2007, while excise tax receipts rose to \$13.8m from \$1.8m in 2006. The yield from taxes on income and profits increased by 4.8 per cent (\$4.8m), reflecting larger receipts from personal income tax. The introduction of the VAT induced a shift in collections from taxes on international transactions towards taxes on domestic goods and services. Consequently, receipts from taxes on international trade and transactions declined by 32.4 per cent (\$52.6m), reflecting a fall in collections from consumption tax (\$62.8m). Revenue from import duty rose by 27.6 per cent (\$9.4m) on account of an increase in import payments, consistent with growth in the economy.

Current expenditure rose by 6.4 per cent to \$378.3m (25.4 per cent of GDP), mainly attributable to increased outlays on personal emoluments, interest payments and transfers and subsidies. Expenditure on personal emoluments grew by 9.8 per cent on account of salary enhancements for some categories of public sector workers. Outlays on transfers and subsidies rose by 7.2 per cent primarily on account of increases in training costs and pension benefits. Interest payments expanded by 3.5 per cent, mainly reflecting larger domestic payments as domestic borrowing rose.

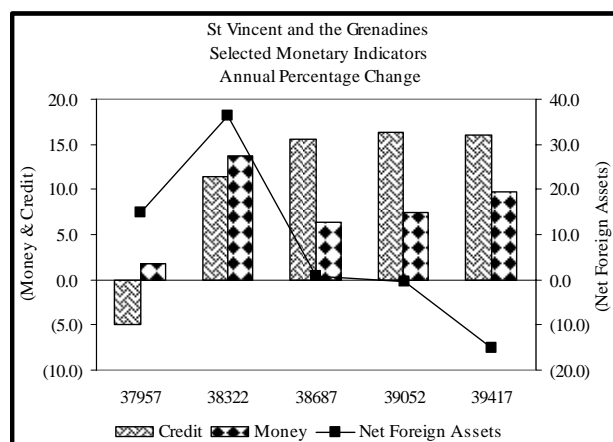
Public Debt

Based on preliminary data, the total outstanding debt of the public sector stood at \$997.4m at the end of 2007, a decrease of 4.1 per cent on the amount at the end of 2006, reflecting a decline in the debt of the central government. As a percentage of GDP, the public sector debt fell to 67.0 per cent from 76.9 per cent at the end of 2006. Central government's debt declined by 9.1 per cent to \$809.7m (54.5 per cent of GDP), on account of debt forgiveness associated with the Ottley Hall shipyard. The disbursed outstanding debt of the public corporations rose by 25.3 per cent (\$37.9m), mainly associated with financing of a new power plant project.



Money and Credit

Monetary liabilities (M2) grew by 9.7 per cent to \$1,030.7m during 2007, reflecting the expansion in economic activity. Increases of 10.8 per cent and 9.0 per cent in narrow money (M1) and quasi-money respectively contributed to growth in M2. The expansion in M1 reflected increases in both currency with the public and private sector demand deposits. The increase in quasi-money was fuelled by growth in private sector foreign currency deposits, and savings deposits, which more than offset a decline in private sector time deposits.



The source of the increase in M2 was growth of 16.0 per cent to \$881.6m in domestic credit. The expansion in credit emanated from increased borrowing by the private sector and the central government. Credit to the private sector rose by 14.0 per cent, as loans extended to businesses and households increased by 27.1 per cent and 6.9 per cent respectively. The net indebtedness of the central government to the banking system rose by 27.9 per cent (\$19.1m), largely reflecting an increase

in credit extended as government borrowed to finance its capital programme. Credit to the non-financial public enterprises also increased, by 35.9 per cent (\$15.7m), mainly associated with the financing of a new power plant. This expansion contributed to an 11.8 per cent decline to \$53.2m in the net deposits of those enterprises. The net deposits of the non-bank financial institutions expanded by 58.3 per cent, largely resulting from growth in their deposits.

An analysis of the distribution of credit by economic activity indicates that credit for tourism and construction expanded by 42.6 per cent and 19.0 per cent respectively, consistent with the expansion in activity in those sectors. Outstanding loans for personal use rose by 7.4 per cent, mainly attributable to growth in credit for home construction and renovation. Other notable increases in credit were recorded for agriculture and fisheries (23.9 per cent), and manufacturing and quarrying (11.7 per cent).

The net foreign assets of the banking system fell by 15.2 per cent to \$363.3m during 2007, following a decline of 0.3 per cent during the previous year. This outcome was attributed largely to a 40.1 per cent decline in the net foreign assets of commercial banks. Commercial banks reduced their assets held with institutions outside of the currency union and borrowed abroad to finance the increase in domestic credit. St Vincent and the Grenadines' imputed share of the reserves held by the ECCB rose by 10.6 per cent to \$232.7m.

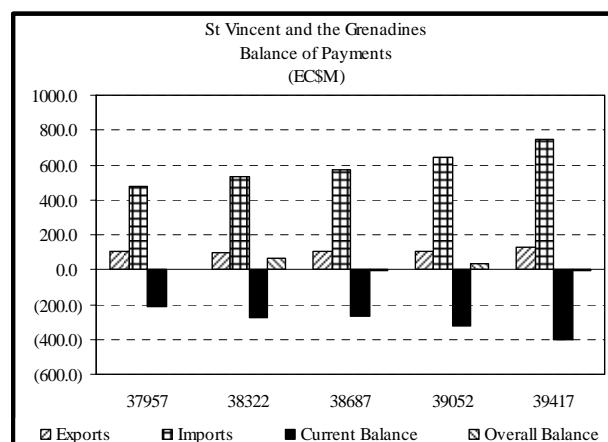
Liquidity in the commercial banking system fell during 2007 but remained at a high level. This was evidenced by a 1.4 percentage point decline to 41.7 per cent in the ratio of liquid assets to total deposits plus liquid liabilities. The ratio of loans and advances to total deposits rose by 5.6 percentage points to 84.1 per cent, as the increase in loans and advances outpaced that of deposits. The weighted average interest rate on deposits fell by 0.3 percentage point to 2.85 per cent, and that on credit declined by 0.25 percentage point to 9.65 per cent during 2007. As a result, the spread between the lending and deposit rates fell by 0.22 percentage point to 6.80 per cent.

Balance of Payments

The overall balance of payments position deteriorated in 2007. An overall deficit of \$5.0m (0.3 per cent of GDP) was recorded, in contrast to a surplus of \$32.7m (2.4 per cent of GDP) in 2006. This outcome was influenced by larger net outflows on the current account.

The current account deficit widened to an estimated \$402.3m (27.0 per cent of GDP) from \$324.3m (24.0 per cent of GDP) in 2006, associated mainly with developments in the goods accounts. The merchandise trade deficit increased by 13.5 per cent to \$615.4m (f.o.b.), as growth in import payments outweighed an increase in export receipts. Import payments rose by 15.3 per cent (\$112.4m), on

account of the expansion in economic activity and an increase in import prices, notably, food and oil related products. Increases were recorded in import payments for mineral fuels and related materials (\$35.5m), food and live animals (\$26.0m) and machinery and transport equipment (\$27.8m). Earnings from domestic exports rose by 25.2 per cent (\$19.9m), attributable in part to larger receipts from feeds, flour and galvanised sheeting as a result of an increase in demand.



On the services account, net inflows rose by 0.5 per cent to \$232.5m, largely attributable to an increase in gross travel receipts which were partly offset by larger outflows for transportation services. On the income account, net outflows increased by 7.7 per cent, reflecting larger outflows of investment income.

The surplus on the capital and financial account rose to \$397.3m (26.7 per cent of GDP) from \$357.0m (26.4 per cent of GDP) in 2006.



Prospects

A further expansion in economic activity is projected in 2008, based on ongoing and likely developments in construction, tourism and agriculture. The increase in real GDP, however, is likely to slow relative to 2007. The pace of activity in the construction sector is expected to moderate as a number of ongoing tourism-related projects will be completed. The construction of the international airport at Argyle will drive activity in that sector over the short to medium-term. Growth in construction activity is expected to have a positive impact on the non-traded sectors, particularly wholesale and retail trade and transport. Activity in the tourism industry is projected to expand, based on likely increases in cruise and stay-over arrivals. Cruise ship passenger arrivals are expected to remain robust, based on the schedule of cruise ship calls. Stay-over arrivals are likely to increase, as a result of additions to hotel capacity, upgrading of tourist sites, and a focused marketing campaign. Growth in agricultural output is expected to increase, due to an extensive re-planting programme geared towards reviving banana production which was affected by disease. Manufacturing output is projected to decline, as the industry has been negatively impacted by escalating costs of raw materials.

On the fiscal accounts, a current account surplus is projected, as revenue growth is expected to outpace

the increase in expenditure. The increase in revenue is based on the fiscal reform measures enacted in 2007. Increases in the wage bill and larger interest payments associated with the higher debt stock will contribute to growth in expenditure. A narrowing of the overall deficit is projected however, as capital expenditure outlays are expected to decline.

Monetary liabilities and domestic credit are projected to grow in line with the expansion in economic activity. In the external sector, the current account deficit is projected to widen, partly on account of faster growth in import payments relative to an increase in earnings from exports. Gross travel receipts are expected to be larger than in 2007, consistent with the projected increase in visitor arrivals.

There are several risks surrounding these projections. The international environment is less benign than in previous years, with the economy of the United States of America, a major trading partner, forecasted to record sub-optimal growth at best, or at worst a major downturn. This could result in a more marked deceleration in GDP growth in St Vincent and the Grenadines. Increasing food and energy prices and the depreciation of the US dollar, to which the EC dollar is tied, point to upside risks for inflation.



NOTES FOR STATISTICAL TABLES AND MONETARY SURVEY

NOTES ON STATISTICAL TABLES

GENERAL

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

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

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

NOTES TO THE MONETARY SURVEY

1. Central government represents central and local government.
 - 1.1 Domestic Credit to Central Government (net)

Central Bank and commercial banks' total holdings of Treasury Bills and Debentures

plus Central Bank and commercial banks' loans and advances to central government

plus Central Bank interest due on Securities

minus Total central government deposits held with the Central Bank and commercial banks

minus Sinking Fund Call Account and Government Operating Account held with the Central Bank
2. Other Public Sector represents national insurance (social security scheme) and non-financial public enterprises.
3. Private Sector represents households and private businesses.
4. Currency = total currency liabilities of the Central Bank less commercial banks' holdings of local currency cash.
5. Demand Deposits = total private businesses and households residents' demand deposits.
6. Savings Deposits = total private businesses and households residents' savings deposits.
7. Time Deposits = total private businesses and households residents' time deposits.
8. Foreign Currency Deposits = total private businesses and households residents' foreign currency deposits



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Table 1
ECCU - Selected Economic Indicators

	2003 ^R	2004 ^R	2005 ^R	2006 ^R	2007 ^P
<i>(annual percentage change unless otherwise stated)</i>					
National Income and Prices					
Nominal GDP at basic prices	4.5	6.4	9.0	9.3	7.0
Real GDP at basic prices	3.3	3.9	5.5	6.2	4.3
GDP Deflator	1.2	2.4	3.3	2.9	2.6
Consumer Prices (end of period)	1.7	2.8	4.1	1.3	6.1
Consumer Prices (period average)	1.5	2.1	2.9	3.1	1.6
Real GDP at Factor Cost by Selected Sectors					
Agriculture	(4.4)	(0.9)	(12.1)	5.7	1.2
Manufacturing	1.7	(2.7)	9.0	1.1	1.1
Mining and Quarrying	6.7	(6.2)	16.3	36.9	8.0
Electricity and Water	2.9	2.8	1.4	3.1	9.9
Construction	3.9	5.2	19.3	11.9	6.6
Wholesale and Retail	5.3	2.0	7.7	4.8	5.0
Hotels and Restaurants	12.5	6.6	0.4	6.0	0.5
Transportation	7.8	12.7	3.0	6.7	5.9
Communications	(1.8)	3.1	9.8	3.9	3.6
Banks and Insurance	2.4	8.3	7.7	9.0	8.1
Real Estate and Housing	2.9	1.9	3.7	4.7	5.9
Government Services	1.0	3.2	2.8	5.1	2.3
Other Services	5.1	2.5	5.0	5.8	6.9
<i>(as a percentage of GDP)</i>					
External Sector					
Current Account Balance	(21.8)	(15.5)	(22.0)	(30.6)	(36.1)
Overall Balance	1.5	3.2	(0.4)	2.3	1.1
Merchandise Trade Balance	(38.9)	(38.2)	(42.1)	(47.0)	(50.4)
Central Government					
Current Account Balance	(0.9)	(0.7)	0.7	1.3	2.5
Current Revenue	25.6	26.2	26.2	27.3	28.1
Current Expenditure	26.5	26.9	25.5	26.0	25.6
Capital Expenditure and Net Lending	7.5	6.8	7.7	9.6	8.9
Overall Fiscal Balance	(5.0)	(3.6)	2.2	(4.9)	(4.0)
Total Public Sector Debt (end of period)	105.6	115.0	101.1	99.1	95.7
<i>(per cent per annum)</i>					
Monetary Sector					
Weighted Average Deposit Interest Rate	4.8	3.2	3.2	3.3	3.3
Weighted Average Lending Interest Rate	13.2	10.4	10.2	9.9	9.5
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at basic prices	7,059.8	7,509.6	8,188.7	8,950.9	9,574.8
Real GDP at basic prices	5,229.8	5,433.6	5,733.5	6,088.8	6,350.6
Nominal GDP at market prices	8,491.9	9,119.2	9,994.5	11,000.0	11,800.7
GDP per capita (EC\$)	12,087	12,718	13,688	14,763	15,738
Merchandise Imports (f.o.b)	4,006.9	4,228.5	4,967.2	5,884.3	6,731.0
Merchandise Exports (f.o.b)	705.0	744.8	763.2	719.2	784.8
Gross Visitor Expenditure	2,636.0	2,926.0	3,007.6	3,043.0	3,148.7

Source: Statistics Department and ECCB

* Excluding Antigua and Barbuda's debt forgiveness

Data available at 28 February 2008



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

	2003 ^R	2004 ^R	2005 ^R	2006 ^R	2007 ^P
Current Revenue	2,171.6	2,385.6	2,615.5	3,002.9	3,320.6
Tax Revenue	1,890.8	2,107.9	2,355.4	2,700.6	2,997.9
Taxes on Income and Profit ^{/1}	418.9	418.9	516.2	577.2	639.4
of which:					
Personal ^{/2}	148.7	161.0	180.4	203.1	219.1
Company	229.6	215.4	277.3	290.8	309.7
Taxes on Property	43.2	45.2	46.2	59.5	64.4
Taxes on Domestic Goods and Services	379.6	475.9	497.3	689.0	962.2
of which:					
Accommodation Tax	66.6	89.4	98.1	106.6	77.6
Licences	58.1	77.9	67.4	85.9	88.8
Sales Tax ^{/3}	23.8	32.6	37.7	10.7	187.7
Consumption Tax ^{/4}	46.8	45.9	46.9	52.0	50.5
Value Added Tax ^{/5}	-	-	-	69.0	188.5
Taxes on International Trade and Transactions	1,049.1	1,167.9	1,295.7	1,374.9	1,331.9
of which:					
Consumption Tax ^{/7}	482.3	521.1	547.5	532.3	385.7
Import Duties	288.3	310.0	367.4	402.4	466.0
Foreign Exchange Tax ^{/6}	11.4	12.7	3.3	2.4	0.8
Customs Service Charge ^{/7}	172.0	193.0	231.9	260.9	282.5
Non-Tax Revenue	280.8	277.7	260.1	302.3	322.7
Current Expenditure	2,247.4	2,450.8	2,545.1	2,862.8	3,026.1
Personal Emoluments	1,067.3	1,101.9	1,128.0	1,212.3	1,288.0
Goods and Services	453.4	516.6	566.5	627.6	681.7
Interest Payments	342.8	397.3	349.3	400.8	425.1
Domestic	137.5	130.9	144.8	180.7	194.8
External	205.3	266.4	204.6	220.1	230.3
Transfers and Subsidies	383.8	435.0	501.2	622.2	631.4
Pensions	133.8	152.5	164.9	179.8	249.9
Current Account Balance (before grants)	(75.74)	(65.20)	70.43	140.09	294.48
Capital Revenue	33.7	35.3	43.4	18.6	45.8
Grants	258.8	283.5	327.3	361.1	244.2
Current Grants	64.8	135.9	132.9	72.1	58.2
Capital Grants	194.0	147.5	194.3	289.0	186.0
Debt Forgiveness					
Capital Expenditure and Net Lending	638.6	622.0	772.1	1,056.8	1,052.5
Capital Expenditure	633.7	594.5	779.9	1,056.2	1,049.1
Primary Balance	(79.05)	71.13	565.60	(136.24)	(42.97)
Overall Balance (before grants)					
Overall Balance (after grants)	(421.9)	(326.1)	216.3	(537.0)	(468.1)
Excluding Antigua and Barbuda's Debt Forgiveness					
Financing	421.9	326.1	(216.3)	537.0	468.1
Domestic	(145.0)	(52.1)	89.9	381.1	417.2
ECCB (net)	20.0	(62.8)	6.2	(37.2)	(4.1)
Commercial Banks (net)	(141.3)	13.5	152.1	24.3	255.6
Other	(23.7)	(2.9)	(68.3)	394.0	165.7
External	449.7	252.4	(248.2)	63.4	(46.2)
Net Disbursements/(Amortisation)	543.6	274.6	(221.8)	58.1	(72.3)
Disbursement	734.9	568.9	489.2	303.9	177.7
Amortisation	(191.3)	(294.3)	(711.0)	(245.7)	(249.9)
Change in Government Foreign Assets	(93.9)	(22.2)	(26.4)	5.3	26.1
Arrears ^{/8}	117.1	125.9	(58.0)	92.4	97.1
Domestic	44.7	15.1	0.5	0.6	2.1
External	72.4	110.8	(58.5)	91.9	95.0

SOURCE: Statistics Department, OECS and ECCB

^{/1} Taxes on Income and Profits are not collected in Anguilla^{/3} Includes data for Dominica and Antigua and Barbuda^{/4} Excludes Anguilla, Antigua and Barbuda and Montserrat^{/5} Includes Dominica and St Vincent and the Grenadines^{/7} For all territories except Anguilla^{/2} Included is a Social Services Levy which is applied in St Kitts and Nevis. Not collected in Antigua and Barbuda^{/6} Only includes Anguilla and Montserrat^{/8} Only includes Antigua and Barbuda and Dominica

Data available at 28 February 2008



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

	2003	2004	2005	2006 ^R	2007 ^P
Net Foreign Assets	2,362.2	2,882.8	3,000.6	3,177.9	2,982.5
Central Bank (net)	1,449.1	1,702.9	1,611.7	1,871.9	2,055.8
Foreign Assets	1,457.7	1,707.5	1,622.2	1,879.1	2,064.2
Foreign Liabilities	8.5	4.6	10.5	7.2	8.4
Commercial Banks (net)	1,394.8	1,179.9	1,388.9	1,689.0	1,300.0
Assets	2,500.9	3,062.3	3,490.2	3,789.7	4,276.9
Liabilities	1,587.8	1,882.4	2,101.3	2,483.7	3,278.9
Net Domestic Assets	5,017.5	5,484.8	6,055.0	6,927.2	8,107.4
Domestic Credit	5,858.1	6,340.7	7,266.2	8,467.3	10,152.4
Central Government (net)	522.4	473.1	631.4	618.5	848.5
Other Public Sector (net)	(747.3)	(677.0)	(663.0)	(787.0)	(1,008.2)
Non-Bank Financial Institutions (net)	(264.0)	(202.5)	(187.4)	(172.5)	(192.1)
Subsidiaries and Affiliates (net)	115.4	135.9	114.1	111.4	77.3
Private Sector	6,231.6	6,611.2	7,371.1	8,697.0	10,427.0
Other Items (net)	(840.6)	(855.9)	(1,211.1)	(1,540.0)	(2,045.0)
Money Supply (M2)	7,379.7	8,367.6	9,055.6	10,105.1	11,089.9
Money Supply (M1)	1,508.1	1,896.0	2,086.7	2,258.9	2,500.9
Currency	429.6	486.1	521.4	586.0	601.8
Demand Deposits	1,078.5	1,409.9	1,565.3	1,672.9	1,899.1
Quasi Money	5,871.6	6,471.6	6,968.9	7,846.2	8,589.0
Savings Deposits	3,106.1	3,601.6	3,913.5	4,337.7	4,657.4
Time Deposits	1,787.4	1,688.7	1,647.5	1,746.7	2,024.3
Foreign Currency Deposits	978.1	1,181.3	1,407.9	1,761.8	1,907.3

Source: ECCB

Data available at 28 February 2008

Table 4
ECCU - Selected Tourism Statistics

	2003 ^R	2004 ^R	2005 ^R	2006 ^R	2007 ^P
Total Visitors	2,510,026	3,244,962	3,027,731	3,214,551	3,685,713
Of which:					
Stay-Over Visitors	947,473	1,042,542	1,055,968	1,085,468	1,070,441
Visitor Arrivals by Air	925,738	1,020,372	1,055,968	1,085,468	1,070,441
USA	296,034	350,294	375,356	394,437	384,659
Canada	42,602	44,927	49,573	53,758	54,180
UK	223,488	242,737	231,376	227,786	253,761
Caribbean	274,989	289,697	297,973	309,089	266,020
Other Countries	88,625	92,717	101,690	100,398	111,821
Visitor Arrivals by Sea	21,735	22,170	n.a	n.a	n.a
Excursionists	113,892	115,100	112,052	122,580	122,512
Cruise Ship Passengers	1,313,210	1,949,929	1,723,084	1,851,187	2,326,955
Yacht Passengers	135,451	137,391	136,627	155,316	165,805
Number of Cruise Ship Calls	1,558	1,842	1,501	1,682	1,759
Total Visitor Expenditure (EC\$M)	2,635.85	2,934.03	3,007.24	3,043.80	3,128.82

SOURCE: Central Statistics Offices, OECS and ECCB

Data available as at 19 February 2008

Notes:

Excursionists include sea arrivals for Saint Lucia and exclude Antigua and Barbuda

Cruise ship passengers exclude Anguilla but include excursionists for Antigua and Barbuda

Cruise ship calls exclude Anguilla

Yacht passengers include St Kitts and Nevis and St Vincent and the Grenadines



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

	2003 ^R	2004 ^R	2005 ^R	2006 ^R	2007 ^P
Current Account	(1,854.8)	(1,414.5)	(2,200.4)	(3,365.2)	(4,264.3)
Goods and Services	(1,551.2)	(1,270.4)	(2,081.7)	(3,223.2)	(4,117.1)
Goods	(3,201.0)	(3,328.7)	(3,999.9)	(4,946.8)	(5,702.7)
Merchandise	(3,301.9)	(3,483.7)	(4,204.0)	(5,165.1)	(5,946.2)
Repair on goods	0.1	0.4	0.4	0.4	0.3
Goods procured in ports by carriers	100.8	154.7	203.7	218.0	243.2
Services	1,649.8	2,058.2	1,918.1	1,723.6	1,585.6
Transportation	(374.3)	(380.4)	(468.5)	(550.5)	(658.7)
Travel	2,313.5	2,582.8	2,637.7	2,625.5	2,709.9
Insurance Services	(144.7)	(19.0)	(129.2)	(205.9)	(233.0)
Other Business Services	(83.4)	(56.8)	(65.1)	(123.2)	(207.8)
Government Services	(61.2)	(68.3)	(56.7)	(22.3)	(24.7)
Income	(652.2)	(738.3)	(626.5)	(584.4)	(575.3)
Compensation of Employees	9.5	23.4	23.0	41.3	40.2
Investment Income	(661.8)	(761.7)	(649.5)	(625.6)	(615.4)
Current Transfers	348.7	594.2	507.9	442.4	428.1
General Government	123.0	187.1	167.2	156.4	148.7
Other Sectors	225.7	407.1	340.7	286.0	279.4
Capital and Financial Account	1,978.4	1,710.5	2,156.7	3,613.5	4,389.6
Capital Account	354.2	366.5	911.7	488.9	747.1
Capital Transfers	353.7	366.5	911.7	488.6	746.9
Acquisition and Disposal of Non-Produced, Non-Financial Assets	0.5	-	-	0.2	0.2
Financial Account	1,624.3	1,343.9	1,245.0	3,124.6	3,642.5
Direct Investment	1,500.2	1,212.2	1,707.4	2,986.1	3,486.8
Portfolio Investment	407.6	195.7	84.0	59.1	(25.9)
Other Investments	(283.5)	(64.0)	(546.4)	79.5	181.6
Public Sector Long Term	102.8	12.9	(341.5)	15.2	(57.3)
Other Public Sector Capital	-	-	14.1	0.0	-
Commercial Banks	(935.9)	214.9	(209.0)	(300.1)	389.1
Other Assets	(161.7)	(256.5)	(269.1)	(397.6)	(334.0)
Other Liabilities*	711.3	(35.4)	259.1	762.0	183.8
Overall Balance	123.7	296.0	(43.7)	248.3	125.3
Financing	(123.7)	(296.0)	43.7	(248.3)	(125.3)
Change in SDR holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	1.2	(33.6)	(32.9)	5.2	26.0
Change in ECCU's Net Foreign Assets [#]	(124.9)	(262.4)	76.6	(253.4)	(151.2)

Source: ECCB

* includes errors and omissions

adjusted for valuation changes

Data available at 28 February 2008

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

Country	2003 ^R	2004 ^R	2005 ^R	2006 ^R	2007 ^P
Anguilla	64.2	94.9	115.1	119.2	130.6
Antigua and Barbuda	2,829.4	3,500.6	2,588.5	2,973.3	3,153.7
Dominica	930.7	879.8	951.7	951.9	931.9
Grenada	1,316.4	1,527.4	1,602.1	1,686.9	1,749.7
Montserrat	15.2	13.2	12.7	12.0	11.2
St Kitts and Nevis	1,731.7	2,003.4	2,215.7	2,378.6	2,409.0
Saint Lucia	1,274.6	1,514.3	1,629.6	1,742.5	1,906.6
St Vincent and the Grenadines	805.6	955.8	992.2	1,040.5	997.4
TOTAL ECCU	8,967.8	10,489.3	10,107.5	10,905.0	11,290.0

Source: ECCB

* Includes arrears of principal

Data available at 19 February 2008

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

Country	2003 ^R	2004 ^R	2005 ^R	2006 ^R	2007 ^P
Anguilla	37.5	69.7	92.0	97.3	107.5
Antigua and Barbuda	2,665.2	3,288.2	2,392.7	2,799.8	2,988.2
Dominica	745.3	694.3	775.1	789.3	777.0
Grenada	1,040.0	1,234.0	1,382.3	1,458.4	1,539.1
Montserrat	5.9	4.6	4.2	4.2	3.8
St Kitts and Nevis	1,169.9	1,243.1	1,364.0	1,474.4	1,504.0
Saint Lucia	965.7	1,215.8	1,309.7	1,428.0	1,595.4
St Vincent and the Grenadines	720.4	836.1	849.8	890.7	809.7
TOTAL ECCU	7,349.9	8,585.9	8,169.9	8,942.1	9,324.6

Source: ECCB

*Includes arrears of principal

Data available at 19 February 2008

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

Country	2003 ^R	2004 ^R	2005 ^R	2006 ^R	2007 ^P
Anguilla	6.8	8.6	6.7	26.9	11.0
Antigua and Barbuda	136.0	197.0	569.5	246.6	193.3
Dominica	56.1	54.3	37.4	55.8	54.8
Grenada	103.0	138.7	65.0	45.7	86.3
Montserrat	2.3	1.6	1.1	1.2	2.1
St Kitts and Nevis	123.4	132.1	158.1	209.2	210.4
Saint Lucia	117.2	158.5	102.8	129.7	139.1
St Vincent and the Grenadines	97.0	142.0	201.4	138.7	93.1
TOTAL ECCU	641.8	832.9	1,142.1	853.8	790.0

Source: ECCB

*The amounts are actual payments and not contractual obligations

Data available at 19 February 2008



Table 9
ECCU - Participation on the RGSM

	2003	2004	2005	2006	2007
Treasury Bills					
Number of Auctions	11.0	13.0	16.0	25.0	28.0
Issue Amount (EC\$M)	184.0	228.0	294.0	450.0	492.7
Subscriptions (EC\$M)	287.0	417.9	563.1	499.3	611.8
of which:					
Banks	231.1	348.8	439.3	n.a	n.a
Social Security	16.0	17.9	16.7	n.a	n.a
Bonds					
Number of Auctions	-	5.0	2.0	5.0	5.0
Issue Amount (EC\$M)	-	187.0	75.0	215.2	112.5
Subscriptions (EC\$M)	-	277.2	75.0	215.2	113.4
of which:					
Banks	-	120.7	59.5	n.a	n.a
Social Security	-	49.3	-	n.a	n.a
Total number of auctions	11.0	18.0	18.0	30.0	33.0
Total issue amount	184.0	415.0	369.0	665.2	605.2

Source: ECCB

Data available at March 2008

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

	2004	2005	2006	2007
91-day Treasury Bill	4.68	4.74	5.94	6.04
365-day Treasury Bill	--	--	--	5.65
5-year Bonds	5.26	4.97	5.82	6.47
6-year Bonds	5.79	5.50	8.25	7.00
7-year Bonds	--	--	8.00	--
10-year Bonds	7.00	6.50	7.24	7.54

Source: ECCB

Data available at March 2008



Table 11
Anguilla - Selected Economic Indicators

	2003 ^R	2004 ^R	2005 ^R	2006 ^R	2007 ^P
<i>(annual percentage change unless otherwise stated)</i>					
National Income and Prices					
Nominal GDP at basic prices	4.3	21.3	16.4	19.3	15.9
Real GDP at basic prices	2.8	16.4	10.7	15.0	11.9
GDP Deflator	1.4	4.1	5.1	3.8	3.6
Consumer Prices (end of period)	6.9	5.1	3.2	10.5	3.5
Consumer Prices (period average)	3.2	4.4	4.6	8.4	5.1
Real GDP at Factor Cost by Selected Sectors					
Agriculture	1.5	7.1	2.0	5.0	4.4
Manufacturing	9.6	(24.7)	142.5	8.9	10.0
Electricity and Water	3.9	6.7	15.3	14.7	15.0
Construction	3.2	38.4	10.5	36.6	15.0
Wholesale and Retail Trade	5.9	4.4	10.0	14.5	12.0
Hotels and Restaurants	6.7	15.1	15.0	17.5	13.0
Transport	2.9	18.6	11.2	20.1	14.9
Communications	(9.7)	23.7	9.0	(0.9)	6.0
Banks and Insurance	6.3	25.8	3.4	6.0	15.1
Real Estate and Housing	2.4	1.8	2.0	3.0	4.0
Government Services	4.6	5.9	3.8	7.4	10.5
Other Services	25.5	(7.3)	3.0	7.1	7.2
<i>(as a percentage of GDP)</i>					
External Sector					
Current Account Balance	(33.9)	(31.8)	(30.6)	(80.4)	(105.2)
Overall Balance	6.0	0.7	3.2	1.0	1.3
Merchandise Trade Balance	(53.8)	(56.6)	(58.6)	(94.9)	(110.1)
Central Government					
Current Account Balance	0.8	5.8	4.6	6.2	6.0
Current Revenue	26.9	29.2	27.7	31.3	32.1
Current Expenditure	26.1	23.3	23.1	25.1	26.1
Capital Expenditure and Net Lending	4.0	10.4	8.9	7.5	9.0
Overall Fiscal Balance	2.8	(4.1)	(3.4)	1.3	(2.5)
Total Public Sector Debt (end of period)	20.2	23.6	25.4	20.9	20.7
<i>(per cent per annum)</i>					
Monetary Sector					
Weighted Average Deposit Interest Rate	3.89	5.38	3.73	3.72	3.69
Weighted Average Lending Interest Rate	10.65	10.73	10.09	9.90	9.64
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at basic prices	252.4	306.1	356.4	425.3	492.8
Real GDP at basic prices	190.1	221.4	245.2	281.9	315.3
Nominal GDP at market prices	317.8	402.4	458.3	578.5	653.6
GDP per Capita (EC\$)	20,690.2	24,444.2	26,133.6	30,629.5	34,867.7
Merchandise Imports (f.o.b)	182.4	243.4	308.5	582.1	756.7
Merchandise Exports (f.o.b)	11.5	15.5	39.8	33.1	37.0
Gross Visitor Expenditure	173.9	186.9	232.3	290.0	322.2

Source: Statistics Department and ECCB

Data available at 19 February 2008



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

	2003	2004	2005	2006 ^R	2007 ^P
Current Revenue	85.4	117.4	126.8	181.1	209.7
Tax Revenue	65.9	96.9	102.4	153.6	163.6
Taxes on Income and Profit	-	-	-	-	-
of Which:					
Taxes on Property	0.6	0.6	0.5	0.6	0.7
Taxes on Domestic Goods and Services	28.1	48.8	43.9	78.7	65.6
of Which:					
Stamp Duties	6.9	21.9	17.4	45.6	31.2
Accommodation Tax	9.1	12.0	12.6	14.7	13.5
Bank Deposit Levy	3.5	4.9	4.1	4.9	5.4
Taxes on International Trade and Transactions	37.2	47.5	58.0	74.3	97.3
of Which:					
Import Duty	30.2	38.7	48.5	62.5	82.7
Embarkation Tax	3.4	3.3	3.6	4.1	5.3
Non-tax Revenue	19.5	20.5	24.4	27.5	46.1
Current Expenditure	83.0	93.9	105.9	145.2	170.4
Personal Emoluments	42.4	36.3	40.8	49.1	68.5
Goods and Services	33.7	34.6	35.3	52.2	53.7
Interest Payments	3.5	3.2	4.7	6.3	7.1
Domestic	2.6	2.3	4.0	5.5	6.3
External	0.9	0.9	0.7	0.9	0.8
Transfers and Subsidies	3.4	19.8	25.1	37.6	41.0
of Which: Pensions	1.7	1.8	2.0	2.6	4.9
Current Account Balance	2.5	23.5	21.0	35.9	39.3
Capital Revenue	16.5	-	0.0	0.1	3.4
Capital Grants	2.7	1.5	4.4	14.8	-
Capital Expenditure	12.6	41.7	40.9	43.2	59.0
Primary Balance (after grants)	12.5	(13.4)	(10.8)	13.9	(9.2)
Overall Balance (before grants)	6.4	(18.2)	20.0	(7.2)	(16.3)
Overall Balance (after grants)	9.1	(16.7)	(15.5)	7.6	(16.3)
Financing	(9.1)	16.7	15.5	(7.6)	16.3
Domestic	(8.8)	15.9	15.9	(7.2)	17.4
ECCB (net)	(0.5)	0.2	(0.1)	(0.0)	(0.3)
Commercial Banks (net)	(6.3)	24.1	16.7	(30.3)	21.7
Other	(2.0)	(8.4)	(0.7)	23.1	(4.1)
External	(0.3)	0.7	(0.4)	(0.4)	(1.0)
Net Disbursements/(Amortisation)	(0.3)	0.7	(0.4)	(0.4)	(1.0)
Disbursements	1.1	1.2	0.1	0.2	-
Amortisation	(1.4)	(0.5)	(0.5)	(0.6)	(1.0)
Change in Government Foreign Assets	-	-	-	-	-
Arrears	-	-	-	-	-
Domestic	-	-	-	-	-
External	-	-	-	-	-

Source: Ministry of Finance and ECCB

Data available at 19 February 2008



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

	2003	2004	2005	2006	2007 ^P
Net Foreign Assets	200.6	334.4	517.8	528.3	396.3
Central Bank (net)	89.9	92.5	107.2	112.9	121.2
Commercial Banks (net)	110.8	241.9	410.6	415.4	275.1
External (net)	64.6	193.7	336.8	334.4	170.7
Assets	282.3	420.0	524.6	530.3	436.0
Liabilities	217.7	226.3	187.8	195.9	265.3
Other ECCB Territories (net)	46.2	48.2	73.8	81.0	104.4
Assets	74.0	135.1	143.8	149.0	202.0
Liabilities	27.8	86.9	70.0	68.0	97.6
Net Domestic Assets	386.5	363.3	395.0	500.1	765.5
Domestic Credit	484.7	551.4	655.2	758.4	1,063.1
Central Government (net)	12.3	36.7	53.3	23.0	44.4
Other Public Sector (net)	(67.8)	(81.4)	(93.1)	(104.0)	(129.9)
Non-Bank Financial Institutions (net)	(9.2)	(7.2)	(26.2)	(14.7)	(21.7)
Subsidiaries and Affiliates (net)	9.0	13.4	10.1	11.5	17.0
Private Sector	540.4	589.9	711.1	842.6	1,153.3
Other Items (net)	(98.2)	(188.1)	(260.2)	(258.3)	(297.6)
Money Supply (M2)	587.1	697.7	912.8	1,028.4	1,161.8
Money Supply (M1)	24.5	26.1	29.8	44.7	52.4
Currency with the public	9.0	9.5	9.6	13.5	12.4
Demand Deposits	15.5	16.6	20.2	31.2	39.9
Quasi Money	562.6	671.7	882.9	983.7	1,109.4
Savings Deposits	51.9	60.1	69.6	81.0	96.1
Time Deposits	55.6	50.0	70.9	82.8	97.8
Foreign Currency Deposits	455.1	561.6	742.5	819.9	915.5

Source: ECCB

Data available at 19 February 2008

Table 14
Anguilla - Selected Tourism Statistics

	2003 ^R	2004 ^R	2005 ^R	2006 ^R	2007 ^P
Total Visitor Arrivals	109,282	120,788	143,186	167,245	168,553
Of Which:					
Stay-Over Arrivals	46,915	53,987	62,084	72,962	76,568
USA	30,644	35,751	41,733	44,489	46,309
Canada	1,289	1,549	1,792	1,977	2,243
UK	2,962	3,198	3,834	4,344	4,469
Caribbean	7,362	7,129	8,529	15,278	14,491
Other Countries	4,658	6,360	6,196	6,874	9,056
Excursionists	62,367	66,801	81,102	94,283	91,985
Total Visitor Expenditure (EC\$M)	173.9	186.9	231.9	289.9	322.2

Source: ECCB and Statistics Department

Data available at 19 February 2008



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

	2003 ^R	2004 ^R	2005 ^R	2006 ^R	2007 ^P
Current Account	(107.6)	(128.0)	(140.1)	(464.9)	(687.8)
Goods and Services	(92.2)	(142.6)	(153.5)	(486.4)	(699.5)
Goods	(171.0)	(227.2)	(268.0)	(549.1)	(719.8)
Merchandise	(171.0)	(227.9)	(268.7)	(549.0)	(719.7)
Repair on Goods	0.0	0.0	0.0	0.0	0.0
Goods Procured in Port by Carriers	(0.1)	0.6	0.6	(0.1)	(0.1)
Services	78.8	84.6	114.5	62.7	20.3
Transportation	(26.4)	(30.9)	(39.0)	(72.5)	(94.5)
Travel	150.0	162.5	205.9	256.0	282.1
Insurance Services	(2.7)	(4.9)	(5.6)	(11.0)	(14.6)
Other Business Services	(39.0)	(40.9)	(49.7)	(112.0)	(155.0)
Government Services	(3.1)	(1.2)	3.0	2.2	2.3
Income	(16.1)	2.1	10.7	21.1	25.0
Compensation of Employees	1.3	10.4	8.1	10.0	10.3
Investment Income	(17.4)	(8.3)	2.7	11.1	14.8
Current Transfers	0.6	12.6	2.6	0.4	(13.4)
General Government	10.0	19.7	9.2	17.1	9.3
Other Sectors	(9.4)	(7.2)	(6.6)	(16.7)	(22.7)
Capital and Financial Account	126.7	130.6	154.9	470.6	696.1
Capital Account	21.1	22.1	34.6	48.3	36.2
Capital Transfers	21.1	22.1	34.6	48.3	36.2
Acquisition and Disposal of Non-Produced Non-Financial Assets	-	-	-	-	-
Financial Account	105.6	108.5	120.3	422.3	659.8
Direct Investment	79.4	234.2	316.7	442.7	586.1
Portfolio Investment	(0.6)	3.2	1.6	9.5	10.2
Other Investments	26.9	(128.9)	(198.1)	(29.9)	63.5
Public Sector Long Term	(0.6)	0.9	(2.1)	0.6	(2.0)
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	27.9	(131.1)	(168.7)	(4.8)	140.3
Other Assets	(35.2)	(36.6)	(24.8)	(36.7)	(30.3)
Other Liabilities*	34.8	38.0	(2.4)	11.1	(44.5)
Overall Balance	19.1	2.6	14.7	5.7	8.2
Financing	(19.1)	(2.6)	(14.7)	(5.7)	(8.2)
Change in SDR holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	-	-	-	-	-
Change in Imputed Reserves	(19.1)	(2.6)	(14.7)	(5.7)	(8.2)

Source: ECCB and Statistics Department

* includes errors and omissions

Data available at 19 February 2008



Table 16
Antigua and Barbuda - Selected Economic Indicators

	2003	2004	2005	2006	2007
<i>(annual percentage change unless otherwise stated)</i>					
National Income and Prices					
Nominal GDP at basic prices	4.6	6.5	7.5	14.9	8.8
Real GDP at basic prices	4.3	5.2	5.5	12.2	6.3
GDP Deflator	0.3	1.2	1.9	2.4	2.3
Consumer Prices (end of period)	1.8	2.8	2.5	0.0	5.1
Consumer Prices (period average)	2.0	2.0	2.1	1.8	1.4
Real GDP at Factor Cost by Selected Sectors					
Agriculture	2.5	2.6	3.0	2.9	3.3
Manufacturing	7.9	(4.0)	3.8	5.0	7.5
Electricity and Water	(2.7)	6.4	6.4	5.4	11.1
Construction	6.7	2.5	19.5	35.0	12.0
Wholesale and Retail Trade	3.6	2.9	3.9	9.6	5.0
Hotels and Restaurants	10.2	6.8	(1.1)	2.4	3.0
Transport	14.7	14.6	(2.3)	13.4	4.9
Communications	1.4	3.1	8.0	5.0	7.0
Banks and Insurance	(2.3)	10.8	9.8	7.0	6.3
Real Estate and Housing	3.0	3.5	3.5	7.0	5.0
Government Services	2.9	4.6	2.9	5.4	2.3
Other Services	2.2	3.0	2.2	8.4	6.5
<i>(as a percentage of GDP)</i>					
External Sector					
Current Account Balance	(12.9)	(11.7)	(19.6)	(30.7)	(36.1)
Overall Balance	3.5	0.8	0.8	1.5	0.1
Merchandise Trade Balance	(43.2)	(45.5)	(46.8)	(52.1)	(55.2)
Central Government					
Current Account Balance	(3.7)	(3.7)	(3.0)	(3.0)	(1.0)
Current Revenue	20.8	21.4	20.9	22.2	23.1
Current Expenditure	24.4	25.0	23.9	25.2	24.1
Capital Expenditure and Net Lending	3.2	2.5	4.0	7.9	6.7
Overall Fiscal Balance	(6.2)	(3.0)	17.9	(7.9)	(6.8)
Total Public Sector Debt (end of period)	138.9	158.4	109.8	109.4	105.1
<i>(per cent per annum)</i>					
Monetary Sector					
Weighted Average Deposit Interest Rate	5.1	3.7	4.0	3.5	3.2
Weighted Average Lending Interest Rate	13.4	11.3	11.1	10.4	10.2
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at basic prices	1,728.4	1,840.4	1,978.8	2,274.2	2,474.1
Real GDP at basic prices	1,350.4	1,420.9	1,498.6	1,681.7	1,787.7
Nominal GDP at market prices	2,036.7	2,210.0	2,358.2	2,716.7	3,001.5
GDP per capita (EC\$)	21,664.8	22,645.5	23,902.0	26,968.0	28,801.1
Merchandise Imports (f.o.b)	929.8	1,062.6	1,199.8	1,479.2	1,727.4
Merchandise Exports (f.o.b)	49.4	57.8	95.1	62.9	70.6
Gross Visitor Expenditure	809.5	910.8	835.5	882.2	912.0

Source: Statistics Department and ECCB

Data available at 26 February 2008



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

	2003	2004	2005	2006	2007
Current Revenue	422.8	472.3	493.7	602.7	693.2
Tax Revenue	383.2	427.2	455.0	567.6	656.4
Taxes on Income and Profit	62.6	46.4	63.8	111.5	100.9
of which:					
Personal Income	0.2	0.2	23.4	42.0	50.0
Company	57.0	40.5	38.1	69.1	50.4
Business Tax	0.6	0.4	0.2	0.0	0.0
Taxes on Property	11.1	10.0	10.5	11.3	8.9
Taxes on Domestic Goods and Services	83.9	96.8	100.5	120.0	271.8
of which:					
Stamp Duties	21.4	27.5	36.3	45.6	45.2
Hotel and Guest Tax	22.2	33.9	33.5	39.9	12.8
Telecommunications Tax	8.3	8.6	9.8	8.2	2.4
Taxes on International Trade and Transactions	225.6	274.0	280.2	324.8	274.8
of which:					
Import Duty	57.0	60.5	71.2	82.3	95.9
Consumption Tax	85.7	100.0	103.3	123.2	41.4
Customs Service Charge	52.8	58.8	65.7	79.5	94.3
Foreign Currency Levy	9.3	10.5	1.4	-	-
Non-Tax Revenue	39.7	45.1	38.6	35.1	36.8
Current Expenditure	497.4	553.0	563.3	684.1	723.3
Personal Emoluments	250.2	251.1	252.8	268.2	276.8
Goods and Services	95.9	109.9	111.0	126.2	135.0
Interest Payments	77.5	109.1	89.3	98.1	110.9
Domestic	32.7	37.8	33.9	37.3	35.6
External	44.8	71.3	55.4	60.8	75.3
Transfers and Subsidies	73.9	83.0	110.2	191.6	200.6
of Which: Pensions	31.2	32.7	38.2	42.9	104.3
Current Account Balance	(74.6)	(80.7)	(69.6)	(81.4)	(30.1)
Capital Revenue	3.0	22.1	18.0	5.0	5.1
Grants	11.2	48.5	568.7	75.3	20.0
of which: Capital Grants	11.2	6.3	21.4	75.3	20.0
Debt Forgiveness	-	42.25	547.25	-	-
Capital Expenditure	65.5	55.2	94.2	213.6	200.5
Primary Balance (after grants)	(48.4)	43.8	512.1	(116.7)	(94.6)
Overall Balance (before grants)	(137.0)	(113.8)	(145.8)	(290.0)	(225.5)
Overall Balance (after grants)	(125.8)	(65.3)	422.9	(214.7)	(205.5)
Financing	125.8	65.3	(422.9)	214.7	205.5
Domestic	(8.3)	(10.9)	44.1	140.0	98.0
ECCB (net)	0.2	(5.7)	1.2	(1.6)	(15.3)
Commercial Banks (net)	(1.6)	(19.4)	(7.1)	(64.4)	84.2
Other	(6.9)	14.2	50.0	206.1	29.0
External	31.4	(9.1)	(397.2)	(13.0)	11.4
Net Disbursements/(Amortisation)	31.5	(9.0)	(397.1)	(13.1)	10.3
Disbursements	57.0	30.1	22.4	7.0	36.5
Amortisation	(25.5)	(39.1)	(419.5)	(20.2)	(26.2)
Change in Govt. Foreign Assets	(0.1)	(0.1)	(0.1)	0.1	1.0
Arrears	102.7	85.4	(69.7)	87.8	96.1
Domestic	40.0	8.0	13.2	7.9	7.5
External	62.7	77.4	(83.0)	79.9	88.6

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 26 February 2008



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

	2003	2004	2005	2006	2007
Net Foreign Assets	668.0	641.8	710.5	926.1	895.8
Central Bank (net)	307.1	324.3	343.7	385.1	388.3
Commercial Banks (net)	360.8	317.5	366.8	541.1	507.5
External (net)	320.5	422.7	612.8	771.4	488.6
Assets	609.7	727.2	1,026.1	1,225.0	1,468.6
Liabilities	289.1	304.6	413.3	453.6	980.1
Other ECCB Territories (net)	40.3	(105.1)	(246.0)	(230.3)	18.9
Assets	192.9	198.3	507.6	544.3	737.6
Liabilities	152.6	303.5	753.6	774.6	718.7
Net Domestic Assets	1,203.1	1,401.1	1,473.5	1,549.4	1,837.6
Domestic Credit	1,499.3	1,558.4	1,675.7	1,897.4	2,177.0
Central Government (net)	292.7	267.6	261.7	195.6	264.5
Other Public Sector (net)	(167.2)	(162.5)	(180.4)	(227.0)	(306.6)
Non-Bank Financial Institutions (net)	(70.1)	(14.3)	(35.5)	(36.9)	(1.1)
Subsidiaries and Affiliates (net)	(47.8)	(40.5)	(35.8)	(39.8)	(52.7)
Private Sector	1,491.6	1,508.1	1,665.6	2,005.5	2,272.7
Other Items (net)	(296.2)	(157.4)	(202.1)	(348.0)	(339.4)
Money Supply (M2)	1,871.1	2,042.9	2,184.1	2,475.6	2,733.4
Money Supply (M1)	369.5	444.5	525.3	641.8	672.5
Currency with the Public	98.9	113.3	122.1	143.7	133.9
Demand Deposits	270.7	331.2	403.2	498.0	538.6
Quasi Money	1,501.6	1,598.4	1,658.7	1,833.8	2,060.9
Savings Deposits	577.1	683.4	741.7	817.9	876.5
Time Deposits	817.6	780.1	780.2	813.2	925.4
Foreign Currency Deposits	106.8	134.8	136.8	202.7	259.0

Source: ECCB and Development Planning Unit
Data available at 26 February 2008

Table 19
Antigua and Barbuda - Selected Tourism Statistics

	2003	2004 ^R	2005 ^R	2006 ^P	2007
Total Visitor Arrivals	640,381	808,158	729,653	864,057	959,091
Of Which:					
Stay-Over Arrivals	239,185	267,627	245,380	253,669	261,786
of which:					
USA	64,523	70,440	68,637	73,497	78,697
Canada	8,592	9,441	9,898	10,053	10,489
UK	81,275	97,955	93,037	89,563	96,797
Caribbean	43,318	48,277	48,424	53,988	46,724
Other Countries	3,801	3,387	8,870	8,584	14,944
Yacht Passengers	17,362	17,778	17,422	26,715	24,517
Cruise Ship Passengers ¹	383,834	522,753	466,851	583,673	672,788
Number of Cruise Ship Calls ²	294	375	321	355	380
Total Visitor Expenditure (EC\$M)	809.51	910.76	835.53	882.22	911.97

Source: ECCB and Development Planning Unit

¹ includes Excursionists

² Windjammer Calls

Data available at 26 February 2008



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

	2003	2004	2005	2006	2007
Current Account	(263.41)	(258.47)	(462.60)	(834.54)	(1,084.65)
Goods and Services	(194.71)	(157.59)	(369.71)	(720.76)	(989.63)
Goods	(830.41)	(932.12)	(1,006.64)	(1,311.32)	(1,538.83)
Merchandise	(880.36)	(1,004.79)	(1,104.62)	(1,416.32)	(1,656.73)
Repair on goods	-	0.19	0.19	0.09	0.10
Goods procured in ports by carriers	49.95	72.49	97.80	104.91	117.81
Services	635.70	774.53	636.93	590.56	549.21
Transportation	35.65	36.86	17.85	(20.81)	(52.09)
Travel	715.49	809.52	727.37	759.82	774.52
Insurance Services	(68.83)	(48.00)	(56.63)	(91.55)	(103.98)
Other Business Services	(38.70)	(19.32)	(50.27)	(63.83)	(74.60)
Government Services	(7.91)	(4.52)	(1.38)	6.94	5.37
Income	(104.48)	(123.43)	(114.48)	(172.99)	(150.64)
Compensation of Employees	14.08	16.62	17.72	19.49	19.98
Investment Income	(118.56)	(140.05)	(132.20)	(192.47)	(170.62)
Current Transfers	35.78	22.54	21.60	59.20	55.62
General Government	3.09	1.76	2.14	5.26	3.99
Other Sectors	32.68	20.79	19.46	53.94	51.62
Capital and Financial Account	334.00	275.81	482.13	875.74	1,086.90
Capital Account	27.52	57.51	578.68	85.25	30.00
Capital Transfers	27.52	57.51	578.68	85.25	30.00
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	306.48	218.29	(96.55)	790.49	1,056.90
Direct Investment	449.07	216.99	576.60	1,010.81	1,055.56
Portfolio Investment	7.12	32.67	28.43	66.92	(16.23)
Other Investments	(149.71)	(31.37)	(701.58)	(287.24)	17.58
Public Sector Long Term	(29.04)	(63.31)	(441.35)	(68.97)	1.70
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	(268.62)	43.33	(49.31)	(174.25)	33.59
Other Assets	(53.92)	(61.78)	(152.53)	(193.86)	(160.39)
Other Liabilities*	201.88	50.39	(58.39)	149.83	142.68
Overall Balance	70.59	17.34	19.54	41.20	2.25
Financing	(70.59)	(17.34)	(19.54)	(41.20)	(2.25)
Change in SDR holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	(0.09)	(0.13)	(0.14)	0.14	1.03
Change in Imputed Reserves	(70.50)	(17.20)	(19.39)	(41.34)	(3.28)

Source: Central Statistics Office and ECCB

*includes errors and omissions

Data available at 26 February 2008



Table 21
Dominica - Selected Economic Indicators

	2003 ^R	2004 ^R	2005 ^R	2006 ^R	2007 ^P
(annual percentage change unless otherwise stated)					
National Income and Prices					
Nominal GDP at basic prices	1.0	5.2	4.9	4.7	4.6
Real GDP at basic prices	0.1	3.0	3.3	4.0	1.6
GDP Deflator	0.9	2.1	1.5	0.6	3.0
Consumer Prices (end of period)	2.8	0.8	2.7	1.8	4.8
Consumer Prices (period average)	1.5	2.4	1.7	2.6	3.1
Real GDP at Factor Cost by Selected Sectors					
Agriculture	(3.4)	3.5	(0.4)	3.4	(4.0)
Manufacturing	0.9	2.8	0.4	(2.0)	(7.0)
Electricity and Water	(1.9)	5.2	6.4	4.3	1.7
Construction	11.4	3.3	3.5	8.5	15.0
Wholesale and Retail Trade	3.4	3.3	5.0	3.5	8.0
Hotels and Restaurants	(3.1)	11.7	6.5	15.0	(10.0)
Transport	6.4	10.0	0.3	6.7	4.5
Communications	(26.5)	3.5	8.5	5.3	2.0
Banks and Insurance	3.6	5.2	9.2	6.0	1.3
Government Services	(2.0)	(0.7)	(0.4)	1.5	2.0
Other Services	(1.9)	2.7	6.3	3.1	2.5
(as a percentage of GDP)					
External Sector					
Current Account Balance	(20.2)	(21.1)	(25.4)	(16.3)	(26.5)
Overall Balance	1.0	(2.1)	4.7	4.2	2.0
Merchandise Trade Balance	(27.6)	(30.3)	(34.9)	(33.2)	(40.4)
Central Government					
Current Account Balance	(3.8)	0.2	2.2	2.9	4.9
Current Revenue	28.8	30.5	31.6	31.4	34.2
Current Expenditure	32.6	30.3	29.4	28.5	29.3
Capital Expenditure and Net Lending	5.5	10.3	6.7	9.4	12.1
Overall Fiscal Balance	(4.4)	(1.5)	2.7	1.4	1.2
Total Public Sector Debt (end of period)	131.2	114.2	117.8	111.1	102.0
(per cent per annum)					
Monetary Sector					
Weighted Average Deposit Interest Rate	3.5	3.0	3.0	3.4	3.2
Weighted Average Lending Interest Rate	11.8	9.8	9.9	9.2	9.2
(in millions of EC Dollars, unless otherwise stated)					
Memo					
Nominal GDP at basic prices	581.1	611.4	641.3	671.1	702.3
Real GDP at basic prices	415.6	428.2	442.5	460.1	467.6
Nominal GDP at market prices	709.7	770.1	808.0	856.5	913.5
GDP per capita (EC\$)	8,323	8,683	9,072	9,457	9,859
Merchandise Imports (f.o.b)	304.0	345.0	394.0	396.5	469.7
Merchandise Exports (f.o.b)	108.0	111.7	111.9	112.0	100.6
Gross Visitor Expenditure	141.4	163.7	154.0	193.6	190.4

Source: Statistics Department and ECCB

Data available at 21 February 2008



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

	2003	2004	2005	2006 ^R	2007 ^P
Current Revenue	204.3	234.6	255.1	269.0	312.2
Tax Revenue	179.4	205.2	229.3	247.9	285.5
Taxes on Income and Profit	45.2	39.2	50.7	50.5	53.2
of which:					
Personal Income Tax	27.8	27.5	30.3	33.0	37.2
Corporation Tax	9.5	8.6	21.4	18.3	18.4
Stabilisation Levy	9.3	4.7	0.4	0.8	0.1
Taxes on Property	1.9	4.7	6.9	7.5	9.3
Taxes on Domestic Goods and Services	40.2	55.9	59.3	123.2	162.7
of which:					
Sales Tax	23.8	32.6	37.7	10.7	0.6
Consumption Tax	5.6	4.8	5.1	1.4	0.0
Hotel Occupancy	0.6	0.8	0.7	0.4	0.1
Value Added Tax (VAT)	-	-	-	69.0	101.6
Taxes on International Trade and Transactions	92.2	105.5	112.5	66.6	60.3
of which:					
Consumption Duty (imports)	52.7	55.9	58.3	10.2	0.1
Import Duty	21.1	25.1	27.8	28.4	31.0
Service Charge (imports)	8.3	11.6	12.5	13.0	14.6
Non-Tax Revenue	24.9	29.4	25.8	21.2	26.8
Current Expenditure	231.5	233.1	237.4	244.2	267.3
Personal Emoluments	115.6	109.3	108.5	109.6	117.5
Goods and Services	29.6	38.3	50.0	46.7	64.4
Interest Payments	44.6	41.6	25.9	34.6	27.9
External	17.1	12.2	7.9	14.4	8.6
Domestic	27.4	29.4	18.0	20.2	19.3
Transfers and Subsidies	41.7	43.8	53.1	53.3	57.5
of which: Pensions	11.7	12.0	13.3	12.5	15.5
Current Account Balance	(27.2)	1.5	17.7	24.8	44.9
Capital Revenue	1.4	2.6	17.1	0.8	0.9
Grants	33.2	63.8	41.1	67.0	75.4
of which: Capital Grants	24.7	56.1	41.1	67.0	75.4
Capital Expenditure and Net Lending	38.8	79.1	54.5	80.4	110.2
of which: Capital Expenditure	41.4	82.3	57.8	83.6	111.1
Primary Balance (after grants)	13.1	30.4	47.3	46.8	38.9
Overall Balance (before grants)	(64.6)	(75.0)	(19.7)	(54.8)	(64.3)
Overall Balance (after grants)	(31.4)	(11.2)	21.4	12.2	11.0
Financing	31.4	11.2	(21.4)	(12.2)	(11.0)
Domestic	(10.8)	(22.2)	(6.9)	(17.4)	4.6
ECCB (net)	(10.6)	5.9	(12.9)	(13.0)	(4.9)
Commercial Banks (net)	(12.6)	(19.2)	16.1	(51.2)	(23.7)
Other	12.4	(8.8)	(10.0)	46.7	33.3
External	29.7	32.6	(7.9)	0.5	(16.6)
Net Disbursements/(Amortisation)	31.0	31.5	12.5	(0.7)	(13.2)
Disbursements	40.1	41.5	20.7	13.4	8.0
Amortisation	(9.1)	(10.0)	(8.2)	(14.1)	(21.2)
Change in Government Foreign Assets	(1.3)	1.1	(20.4)	1.2	(3.4)
Arrears	12.5	0.8	(6.7)	4.7	0.9
Domestic	3.0	(9.3)	(18.0)	(7.3)	(5.5)
External	9.6	10.1	11.4	12.0	6.4

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 21 February 2008



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

	2003	2004	2005	2006	2007 ^P
Net Foreign Assets	299.2	361.4	356.2	427.2	492.6
Central Bank (net)	128.8	114.1	132.7	170.2	184.7
Commercial Banks (net)	170.4	247.3	223.5	257.1	307.9
External (net)	81.0	84.9	13.6	61.7	108.6
Assets	177.0	227.6	174.0	246.8	303.6
Liabilities	96.0	142.7	160.4	185.1	195.0
Other ECCB Territories (net)	89.4	162.4	209.9	195.4	199.4
Assets	98.2	183.4	228.7	234.6	276.2
Liabilities	8.9	21.0	18.8	39.2	76.9
Net Domestic Assets	255.3	226.0	270.8	260.0	256.5
Domestic Credit	359.3	362.9	390.2	352.8	322.6
Central Government (net)	27.9	14.5	17.6	(46.5)	(75.2)
Other Public Sector (net)	(3.8)	(21.7)	(39.8)	(57.0)	(71.8)
Non-Bank Financial Institutions (net)	(81.8)	(75.9)	(59.9)	(68.6)	(93.3)
Subsidiaries and Affiliates (net)	(3.5)	(4.7)	(5.6)	(6.3)	4.0
Private Sector	420.6	450.7	477.8	531.2	558.9
Other Items (net)	(104.0)	(136.9)	(119.4)	(92.9)	(66.1)
Money Supply (M2)	554.5	587.4	627.0	687.2	749.1
Money Supply (M1)	107.9	111.2	143.0	138.3	159.1
Currency with the Public	34.2	37.6	39.0	45.4	49.0
Demand Deposits	73.7	73.6	104.1	92.9	110.1
Quasi Money	446.6	476.2	483.9	548.9	589.9
Savings Deposits	279.0	328.5	343.0	392.3	437.7
Time Deposits	157.4	134.3	130.6	145.4	142.1
Foreign Currency Deposits	10.2	13.4	10.3	11.1	10.1

Source: ECCB

Data available at 21 February 2008

Table 24
Dominica - Selected Tourism Statistics

	2003	2004	2005	2006 ^R	2007 ^P
Total Visitor Arrivals	254,162	466,278	388,480	473,553	447,343
of which:					
Stay-Over Arrivals	73,190	80,087	86,319	92,983	87,783
USA	15,717	17,515	18,492	23,537	22,444
Canada	1,954	1,633	1,977	2,837	2,698
UK	6,034	6,015	6,117	7,219	6,859
Caribbean	43,408	48,540	47,126	51,531	48,329
Other Countries	6,077	6,384	12,607	7,859	7,453
Excursionists	3,928	2,577	650	927	936
Cruise Ship Passengers	177,044	383,614	301,511	379,643	358,624
Number of Cruise Ship Calls	206	287	234	314	271
Total Visitor Expenditure (EC\$M)	141.4	163.7	154.0	193.6	190.4

Source: ECCB and Development Planning Unit

Data available at 21 February 2008



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

	2003 ^R	2004 ^R	2005 ^R	2006 ^R	2007 ^P
Current Account	(143.6)	(162.6)	(205.4)	(139.4)	(242.1)
Goods and Services	(105.1)	(117.8)	(180.3)	(146.9)	(251.7)
Goods	(193.3)	(229.1)	(278.2)	(277.0)	(362.3)
Merchandise	(196.0)	(233.2)	(282.2)	(284.6)	(369.1)
Repair on goods	0.0	0.0	0.0	0.0	0.0
Goods procured in ports by carriers	2.7	4.1	4.0	7.5	6.8
Services	88.2	111.3	97.9	130.1	110.6
Transportation	(40.3)	(42.8)	(61.8)	(57.2)	(66.3)
Travel	117.3	138.9	127.7	167.1	162.7
Insurance Services	(6.6)	(10.5)	(10.7)	(12.8)	(14.6)
Other Business Services	25.6	26.2	45.1	33.1	29.0
Government Services	(7.8)	(0.6)	(2.4)	(0.2)	(0.3)
Income	(72.9)	(90.0)	(78.2)	(45.3)	(44.8)
Compensation of Employees	1.7	4.2	3.7	2.9	2.9
Investment Income	(74.6)	(94.3)	(82.0)	(48.3)	(47.8)
Current Transfers	34.5	45.2	53.1	52.9	54.4
General Government	1.0	(4.4)	0.6	0.8	0.8
Other Sectors	33.4	49.6	52.5	52.1	53.6
Capital and Financial Account	150.9	146.7	244.4	175.6	260.4
Capital Account	50.7	72.4	49.4	75.5	84.1
Capital Transfers	50.7	72.4	49.4	75.5	84.1
Acquisition and Disposal of Non-Produced, Non-Financial Assets	0.0	0.0	0.0	0.0	0.0
Financial Account	100.2	74.3	195.0	100.2	176.3
Direct Investment	85.0	70.7	51.9	72.3	125.3
Portfolio Investment	9.4	(6.7)	10.2	(0.3)	6.7
Other Investments	5.8	10.3	132.9	28.1	44.3
Public Sector Long Term	27.5	28.8	11.3	(6.0)	(15.0)
Other Public Sector Capital	0.0	0.0	0.8	0.0	0.0
Commercial Banks	(92.1)	(76.9)	23.8	(33.6)	(50.9)
Other Assets	20.3	(5.1)	16.6	6.6	30.0
Other Liabilities*	50.2	63.6	80.3	61.1	80.1
Overall Balance	7.3	(15.8)	39.0	36.2	18.3
Financing	(7.3)	15.8	(39.0)	(36.2)	(18.3)
Change in SDR Holdings	0.0	0.0	0.0	0.0	0.0
Change in Reserve Position with the Fund	0.0	0.0	0.0	0.0	0.0
Change in Government Foreign Assets	(1.3)	1.1	(20.4)	1.2	(3.7)
Change in Imputed Reserves	(6.0)	14.8	(18.6)	(37.5)	(14.5)

Source: ECCB and Central Statistics Office

*includes errors and omissions

Data available at 21 February 2008



Table 26
Grenada - Selected Economic Indicators

	2003 ^R	2004 ^R	2005 ^R	2006 ^R	2007 ^P
<i>(annual percentage change unless otherwise stated)</i>					
National Income and Prices					
Nominal GDP at basic prices	11.7	(1.5)	17.0	0.8	6.0
Real GDP at basic prices	8.9	(5.7)	11.0	(2.4)	3.5
GDP Deflator	2.7	4.5	5.3	3.2	2.4
Consumer Prices (end of period)	1.1	2.5	6.2	1.7	7.4
Consumer Prices (period average)	2.2	2.2	3.5	4.3	3.9
Real GDP at Factor Cost by Selected Sectors					
Agriculture	22.7	(7.5)	(41.2)	28.1	4.2
Manufacturing	(3.8)	(16.3)	16.9	(2.8)	4.5
Electricity and Water	10.2	(7.9)	4.7	13.0	10.0
Construction	27.2	5.7	83.1	(30.1)	(5.0)
Wholesale and Retail Trade	7.9	(19.9)	33.3	(16.7)	(5.0)
Hotels and Restaurants	20.2	(13.1)	(42.5)	50.6	10.0
Transport	9.4	10.1	19.8	(14.0)	9.6
Communications	(9.7)	(16.6)	25.4	6.1	6.0
Banks and Insurance	14.6	1.0	(1.1)	1.2	5.5
Real Estate and Housing	3.0	(10.0)	(4.3)	10.0	6.5
Government Services	10.1	2.5	(4.5)	5.5	2.5
Other Services	9.3	2.5	9.4	5.0	5.0
<i>(as a percentage of GDP)</i>					
External Sector					
Current Account Balance	(30.4)	(11.7)	(33.7)	(34.3)	(37.3)
Overall Balance	(2.7)	9.9	(5.8)	1.0	1.8
Merchandise Trade Balance	(38.9)	(40.5)	(48.1)	(42.5)	(46.6)
Central Government					
Current Account Balance	2.9	(1.6)	3.9	4.5	5.1
Current Revenue	25.0	23.7	24.1	25.5	26.6
Current Expenditure	22.0	25.3	20.1	20.9	21.5
Capital Expenditure and Net Lending	12.0	8.3	10.9	17.9	13.1
Overall Fiscal Balance	(4.5)	(2.6)	3.7	(6.5)	(6.8)
Total Public Sector Debt (end of period)	101.5	120.5	107.1	111.3	108.5
<i>(per cent per annum)</i>					
Monetary Sector					
Weighted Average Deposit Interest Rate	3.7	3.0	2.6	3.0	3.0
Weighted Average Lending Interest Rate	12.1	10.7	10.0	9.7	9.6
<i>(in millions of EC Dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at basic prices	1,062.8	1,047.1	1,224.6	1,234.3	1,308.7
Real GDP at basic prices	783.0	738.2	819.7	800.3	828.7
Nominal GDP at market prices	1,296.6	1,267.2	1,495.4	1,515.6	1,611.9
GDP per capita (EC\$)	10,231.8	9,957.5	11,564.6	11,578.1	12,193.7
Merchandise Imports (f.o.b)	616.9	599.9	793.7	710.2	853.2
Merchandise Exports	112.9	86.5	74.6	66.1	101.3
Gross Visitor Expenditure	280.1	225.4	192.8	252.4	296.7

Source: Statistics Department and ECCB

Data available at 19 February 2008



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

	2003	2004	2005 ^R	2006	2007
Current Revenue	323.6	300.8	359.7	386.0	428.4
Tax Revenue	298.3	279.5	343.9	360.0	402.8
Taxes on Income and Profit	47.5	43.0	57.7	56.0	74.8
of which:					
Personal ¹	10.1	11.3	13.9	13.7	16.3
Company ²	35.5	30.3	42.3	31.6	45.8
Taxes on Property	17.0	16.4	15.4	22.6	29.0
Taxes on Domestic Goods and Services	59.0	52.0	59.9	69.0	71.3
of which:					
Value-added Tax	-	-	-	0.0	-
Consumption Tax	28.2	26.3	27.3	32.7	36.1
Stamp Duties	4.1	4.7	7.5	4.8	5.4
Licenses	14.5	8.5	13.9	16.6	14.1
Taxes on International Trade and Transactions	174.8	168.1	210.9	212.3	227.7
of which:					
Import Duty	42.4	39.8	50.1	47.3	51.0
Consumption Tax	93.6	93.0	109.8	104.3	100.1
Customs Service Charge	31.7	29.7	44.5	40.1	40.1
Non-Tax Revenue	25.3	21.3	15.9	26.0	25.6
Current Expenditure	285.7	320.8	301.1	317.5	346.8
Personal Emoluments	130.4	147.6	150.8	154.0	158.4
Goods and Services	40.5	46.1	67.9	66.1	79.1
Interest Payments	63.1	71.8	27.8	29.0	33.8
Domestic	17.2	13.8	13.9	8.7	11.3
External	45.8	58.0	13.9	20.4	22.5
Transfers and Subsidies	51.8	55.3	54.6	68.4	75.5
of which: Pensions	14.2	17.6	16.9	18.9	18.7
Current Account Balance	37.9	(19.9)	58.6	68.6	81.7
Capital Revenue	0.3	1.2	0.3	0.1	0.1
Grants	59.2	90.7	160.5	104.7	19.9
of which:					
Capital Grants	59.2	18.6	65.6	86.3	19.6
Capital Expenditure and Net Lending	155.4	105.0	163.6	271.3	211.3
of which: Capital Expenditure	155.4	81.9	163.6	271.3	211.3
Primary Balance after Grants	5.0	38.9	83.6	(68.9)	(75.9)
Overall Balance (before grants)	(117.3)	(123.7)	(104.7)	(202.6)	(129.5)
Overall Balance (after grants)	(58.1)	(32.9)	55.8	(97.9)	(109.7)
Financing	58.1	32.9	(55.8)	97.9	109.7
Domestic	(16.7)	(102.6)	(156.3)	68.8	102.6
ECCB (net)	31.5	(10.3)	(0.9)	(5.8)	12.6
Commercial Banks (net)	24.1	(44.7)	(55.6)	28.1	54.4
Other	(72.2)	(47.7)	(99.7)	46.5	35.6
External	72.8	95.8	82.0	29.1	7.1
Net Disbursements/(Amortisation)	50.7	117.0	82.2	29.4	7.3
Disbursements	79.5	174.3	115.6	58.1	29.5
Amortisation	(28.8)	(57.3)	(33.4)	(28.8)	(22.2)
Change in Government Foreign Assets	22.1	(21.2)	(0.2)	(0.2)	(0.2)
Arrears	1.9	39.7	18.4	-	-
Domestic	1.8	16.4	5.3	-	-
External	0.2	23.3	13.1	-	-

Source: Ministry of Finance, Treasury Department and ECCB Estimates

¹ Includes Debt Service Levy² Includes Business Levy

Data available at 19 February 2008



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

	2003	2004 ^R	2005 ^R	2006	2007
Net Foreign Assets	395.1	709.0	531.6	421.5	405.9
Central Bank (net)	224.7	328.6	254.4	269.4	298.2
Commercial Banks (net)	170.4	380.4	277.2	152.0	107.7
External (net)	58.1	177.4	77.3	5.8	(34.9)
Assets	330.7	535.7	422.2	394.9	389.2
Liabilities	272.6	358.3	344.9	389.1	424.0
Other ECCB Territories (net)	112.3	202.9	199.8	146.2	142.6
Assets	131.0	304.4	328.1	291.9	255.2
Liabilities	18.7	101.5	128.3	145.6	112.6
Net Domestic Assets	865.3	775.1	937.4	1,060.9	1,238.8
Domestic Credit	991.9	902.8	1,035.8	1,171.7	1,372.1
Central Government (net)	126.6	71.6	15.1	37.3	104.3
Other Public Sector (net)	(61.4)	(90.5)	(47.1)	(73.3)	(116.8)
Non-Bank Financial Institutions (net)	(27.9)	(90.0)	(28.8)	(23.3)	(27.2)
Subsidiaries and Affiliates (net)	21.7	15.0	8.2	7.1	2.6
Private Sector	933.0	996.7	1,088.3	1,223.9	1,409.2
Other Items (net)	(126.6)	(127.7)	(98.3)	(110.8)	(133.3)
Money Supply (M2)	1,260.4	1,484.1	1,469.0	1,482.4	1,644.7
Money Supply (M1)	241.1	340.5	315.3	309.5	355.8
Currency	84.7	102.1	105.3	104.5	107.8
Demand Deposits	156.4	238.4	210.1	205.0	248.0
Quasi Money	1,019.3	1,143.7	1,153.7	1,172.9	1,288.9
Savings Deposits	692.6	841.0	862.2	894.9	914.2
Time Deposits	230.7	213.5	189.8	201.2	254.1
Foreign Currency Deposits	96.0	89.2	101.6	76.9	120.7

Source: ECCB

Data available at 19 February 2008

Table 29
Grenada - Selected Tourism Statistics

	2003 ^R	2004 ^R	2005	2006 ^R	2007 ^P
Total Visitor Arrivals	299,215	375,955	384,371	347,332	414,923
of which:					
Stay-Over Arrivals	133,724	127,919	98,548	118,653	131,580
USA	30,924	27,451	25,181	27,126	27,688
Canada	5,296	5,111	4,341	6,335	6,251
UK	32,506	27,564	15,605	25,042	34,355
Caribbean	36,871	39,209	28,067	30,927	29,417
Other Countries	28,127	28,584	25,354	29,223	33,869
Excursionists	4,931	6,145	5,823	4,821	6,540
Yacht Passengers	6,695	5,019	4,353	4,733	4,232
Cruise Ship Passengers	146,925	229,800	275,085	218,684	271,274
Number of Cruise Ship Calls	267	249	260	221	266
Total Visitor Expenditure (EC\$M)	280.0	233.4	192.8	253.3	296.7

Source: ECCB and Development Planning Unit

Data available at 19 February 2008



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

	2003 ^R	2004 ^R	2005 ^R	2006 ^R	2007 ^P
Current Account	(394.0)	(147.7)	(503.4)	(520.6)	(600.4)
Goods and Services	(356.2)	(321.8)	(649.2)	(540.6)	(617.5)
Goods	(493.9)	(498.6)	(704.9)	(625.4)	(723.3)
Merchandise	(504.0)	(513.4)	(719.0)	(644.1)	(751.9)
Repair on goods	-	0.0	0.0	0.0	-
Goods procured in ports by carriers	10.1	14.8	14.1	18.7	28.6
Services	137.7	176.9	55.7	84.8	105.8
Transportation	(81.6)	(82.4)	(99.4)	(88.4)	(109.1)
Travel	257.4	202.5	165.7	210.5	268.6
Insurance Services	(14.8)	96.6	3.0	(26.6)	(30.9)
Other Business Services	(12.2)	(9.7)	3.9	(3.1)	(14.8)
Government Services	(11.1)	(30.1)	(17.5)	(7.7)	(7.9)
Income	(136.3)	(152.3)	(76.4)	(77.5)	(82.6)
Compensation of Employees	0.1	0.1	0.1	2.2	2.2
Investment Income	(136.4)	(152.4)	(76.5)	(79.7)	(84.8)
Current Transfers	98.5	326.4	222.2	97.5	99.6
General Government	48.1	106.9	84.5	29.8	30.4
Other Sectors	50.5	219.4	137.8	67.7	69.2
Capital and Financial Account	359.4	272.8	429.4	535.8	629.2
Capital Account	116.6	107.6	126.9	166.8	85.0
Capital Transfers	116.6	107.6	126.9	166.8	85.0
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	242.8	165.3	302.5	369.0	544.1
Direct Investment	240.8	175.5	189.4	230.0	376.7
Portfolio Investment	78.5	81.1	48.1	(2.0)	1.7
Other Investments	(76.5)	(91.3)	65.0	141.1	165.7
Public Sector Long Term	59.8	(3.0)	17.9	19.0	(3.0)
Other Public Sector Capital	-	-	13.3	-	-
Commercial Banks	(79.8)	(210.0)	103.2	125.1	44.3
Other Assets	(54.3)	(10.7)	(16.5)	(36.2)	(36.9)
Other Liabilities*	(2.2)	132.4	(52.9)	33.2	161.4
Overall Balance	(34.6)	125.1	(74.0)	15.2	28.8
Financing	34.6	(125.1)	74.0	(15.2)	(28.8)
Change in SDR Holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	22.1	(21.2)	(0.2)	(0.2)	-
Change in Imputed Reserves	12.5	(103.9)	74.2	(15.0)	(28.8)

Source: ECCB and Statistical Department

* includes errors and omissions

Data available at 19 February 2008



Table 31
Montserrat - Selected Economic Indicators

	2003 ^R	2004 ^R	2005 ^R	2006 ^R	2007 ^P
<i>(annual percentage change unless otherwise stated)</i>					
National Income and Prices					
Nominal GDP at basic prices	1.9	5.8	4.4	7.6	2.5
Real GDP at basic prices	(0.9)	4.5	(0.3)	(2.8)	0.9
GDP Deflator	1.9	5.8	4.4	7.6	2.5
Consumer Prices (end of period)	1.2	4.0	2.9	1.0	4.0
Consumer Prices (period average)	1.2	3.1	2.7	1.9	2.7
Real GDP at Factor Cost by Selected Sectors					
Agriculture	(0.8)	(18.6)	(12.5)	15.5	(9.3)
Manufacturing	-	-	44.2	(9.3)	(4.4)
Mining and Quarrying	-	80.0	88.9	276.5	223.4
Electricity and Water	3.4	(2.7)	11.0	2.5	(1.2)
Construction	(15.7)	2.4	1.1	(33.8)	(12.1)
Wholesale and Retail Trade	(3.4)	0.4	2.8	(2.1)	(9.8)
Hotels and Restaurants	(31.6)	33.8	31.0	(7.9)	12.4
Transport	6.8	3.2	(0.2)	7.3	(3.1)
Communications	(1.4)	1.6	(1.8)	0.8	1.4
Banks and Insurance	8.8	10.2	9.4	(3.2)	3.0
Real Estate and Housing	4.5	1.7	2.0	5.7	2.0
Government Services	4.0	5.2	(4.9)	7.0	0.6
Other Services	(0.6)	8.6	4.8	(0.6)	3.0
<i>(as a percentage of GDP)</i>					
External Sector					
Current Account Balance	(21.8)	(22.0)	(37.6)	(17.5)	(21.0)
Overall Balance	2.5	2.2	2.2	1.4	(0.2)
Merchandise Trade Balance	(60.6)	(51.4)	(57.5)	(55.5)	(52.7)
Central Government					
Current Account Balance (before grants)	(45.9)	(52.1)	(38.0)	(40.4)	(46.4)
Current Revenue	29.9	29.3	29.8	28.2	28.9
Current Expenditure	75.8	81.4	67.8	68.5	75.3
Capital Expenditure and Net Lending	32.2	29.8	21.8	15.2	21.5
Overall Fiscal Balance	18.6	1.6	(15.6)	(3.7)	(6.5)
Total Public Sector Debt (end of period)	14.9	11.9	10.9	9.8	9.0
<i>(per cent per annum)</i>					
Monetary Sector					
Weighted Average Deposit Interest Rate	2.9	2.3	2.5	2.7	2.6
Weighted Average Lending Interest Rate	12.2	11.0	10.5	10.5	10.3
<i>(in millions of EC Dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at basic prices	89.4	94.6	98.7	106.2	108.8
Real GDP at basic prices	58.2	60.8	60.6	58.9	59.4
Nominal GDP at market prices	102.3	110.6	116.3	122.5	123.8
GDP per capita (EC\$)	19,940	20,203	20,625	21,116	20,598
Merchandise Imports (f.o.b)	66.7	68.3	70.8	71.8	70.4
Merchandise Exports (f.o.b)	4.8	11.4	3.9	3.7	5.2
Gross Visitor Expenditure	19.8	24.8	24.3	20.9	20.3

Source: Statistics Department and ECCB

Data available at 25 February 2008



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

	2003 ^R	2004 ^R	2005 ^R	2006	2007
Current Revenue	30.6	32.4	34.6	34.5	35.8
Tax Revenue	26.6	30.6	32.5	31.8	31.6
Taxes on Income and Profit	12.8	13.1	13.0	13.5	14.4
of which:					
Company	2.0	1.7	1.8	1.8	1.7
Personal	10.5	10.8	11.0	11.3	12.2
Taxes on Property	0.5	1.0	1.4	1.4	1.4
Taxes on Domestic Goods and Services	2.6	3.2	3.3	3.5	3.4
of which:					
Hotel and Guest Tax	-	0.0	0.0	0.1	0.0
Insurance and Company Levy	0.1	0.3	0.3	0.2	0.3
Stamp Duty and Licenses	1.6	1.9	2.2	2.1	2.2
Taxes on International Trade and Transactions	10.7	13.2	14.7	13.4	12.4
of which:					
Import Duty	2.2	3.1	4.0	3.6	3.5
Consumption Tax	3.9	5.1	6.3	5.4	5.1
Customs Service Charge	3.6	3.7	3.3	3.2	3.1
Foreign Currency Levy	0.8	1.1	0.9	0.9	0.5
Non-Tax Revenue	4.0	1.8	2.1	2.7	4.2
Current Expenditure	77.5	90.1	78.8	84.0	93.2
Personal Emoluments	25.0	25.9	30.3	35.5	37.9
Goods and Services	27.3	29.8	24.6	25.7	30.8
Interest Payments	0.6	0.5	1.0	1.2	1.0
Domestic	0.1	0.1	0.1	0.1	0.1
External	0.5	0.5	0.9	1.1	0.9
Transfers and Subsidies	24.6	33.9	23.0	21.6	23.5
of which: Pensions	6.8	12.1	7.6	10.7	12.1
Current Account Balance (before grants)	(47.0)	(57.7)	(44.2)	(49.5)	(57.4)
Current Grants	55.8	55.8	37.4	53.4	58.0
Current Account Balance (after grants)	8.9	(1.8)	(6.9)	4.0	0.6
Capital Revenue	-	-	-	-	-
Capital Grants	43.1	24.6	14.0	10.2	18.0
Capital Expenditure	32.9	33.0	25.4	18.6	26.6
Primary Balance (after grants)	19.7	2.2	(17.2)	(3.3)	(7.0)
Overall Balance (before grants)	(79.9)	(90.6)	(69.6)	(68.1)	(84.0)
Overall Balance (after grants)	19.0	1.7	(18.2)	(4.5)	(8.0)
Financing	(19.0)	(1.7)	18.2	4.5	8.0
Domestic	(17.0)	(2.5)	18.4	4.7	8.0
ECCB (net)	0.0	(0.2)	(0.2)	(0.0)	(0.7)
Commercial Banks (net)	(12.6)	(5.9)	10.3	6.9	(1.3)
Other	(4.4)	3.6	8.4	(2.2)	10.0
External	(2.0)	0.8	(0.2)	(0.2)	(0.0)
Net Disbursements/(Amortisation)	(1.7)	(0.1)	(0.1)	(0.1)	(0.1)
Disbursements	-	-	-	-	-
Amortisation	(1.7)	(0.1)	(0.1)	(0.1)	(0.1)
Change in Govt. Foreign Assets	(0.4)	0.9	(0.1)	(0.1)	0.1
Arrears	-	-	-	-	-
Domestic	-	-	-	-	-
External	-	-	-	-	-

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 25 February 2008



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

	2003	2004	2005	2006	2007 ^P
Net Foreign Assets	163.6	173.1	162.6	165.3	166.9
Central Bank (net)	41.1	38.1	37.7	39.3	39.1
Commercial Banks (net)	122.5	135.1	125.0	126.0	127.7
External (net)	24.6	38.7	39.4	42.2	49.4
Assets	51.0	67.4	73.7	75.3	89.8
Liabilities	26.4	28.8	34.3	33.1	40.4
Other ECCB Territories (net)	97.9	96.4	85.5	83.8	78.3
Assets	99.4	99.3	87.7	118.6	151.6
Liabilities	1.5	2.9	2.2	34.9	73.2
Net Domestic Assets	(55.3)	(53.6)	(39.0)	(30.4)	(22.3)
Domestic Credit	(31.8)	(39.3)	(27.4)	(14.9)	(5.9)
Central Government (net)	(34.4)	(40.4)	(30.4)	(23.5)	(25.5)
Other Public Sector (net)	(15.1)	(17.0)	(17.2)	(20.3)	(15.1)
Non-Bank Financial Institutions (net)	(5.3)	(5.6)	(7.9)	(3.5)	(5.1)
Subsidiaries and Affiliates (net)	-	-	-	-	(0.0)
Private Sector	22.9	23.7	28.1	32.4	39.8
Other Items (net)	(23.6)	(14.4)	(11.6)	(15.6)	(16.4)
Money Supply (M2)	108.3	119.5	123.7	134.9	144.6
Money Supply (M1)	32.7	36.1	32.0	32.7	36.6
Currency with the Public	12.6	13.0	12.3	14.2	15.1
Demand Deposits	20.2	23.1	19.7	18.5	21.5
Quasi Money	75.5	83.5	91.7	102.2	108.0
Savings Deposits	68.2	76.0	82.3	91.3	93.3
Time Deposits	3.8	4.3	5.4	4.9	5.5
Foreign Currency Deposits	3.5	3.2	4.0	6.0	9.2

Source: ECCB

Data available at 25 February 2008

Table 34
Montserrat - Selected Tourism Statistics

	2003 ^R	2004 ^R	2005 ^R	2006	2007 ^P
Total Visitor Arrivals	14,436	15,578	14,139	10,774	10,450
Of Which:					
Stay-Over Arrivals	8,414	10,132	9,690	7,991	7,746
USA	1,601	2,083	2,034	2,153	2,109
Canada	302	334	404	393	388
UK	2,271	3,021	2,968	2,321	2,190
Caribbean	4,035	4,380	3,987	2,868	2,796
Other Countries	205	314	297	256	263
Excursionists	5,159	5,083	3,137	1,509	968
Cruise Ship Passengers	863	363	169	65	273
Number of Cruise Ship Calls	14	5	2	1	2
Total Visitor Expenditure (EC\$M)	19.8	24.8	24.3	20.9	20.1

Source: Ministry of Finance and ECCB

Data available at 25 February 2008



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

	2003 ^R	2004 ^R	2005 ^R	2006 ^R	2007 ^P
Current Account	(22.3)	(24.3)	(43.7)	(21.4)	(25.9)
Goods and Services	(78.1)	(77.8)	(95.3)	(73.8)	(74.9)
Goods	(60.5)	(55.4)	(65.8)	(66.9)	(64.1)
Merchandise	(61.9)	(56.9)	(66.9)	(68.0)	(65.2)
Repair on goods	0.0	0.0	0.0	0.0	0.0
Goods procured in ports by carriers	1.5	1.5	1.1	1.1	1.1
Services	(17.6)	(22.5)	(29.5)	(6.9)	(10.8)
Transport	(8.3)	(8.8)	(9.2)	(10.7)	(12.6)
Travel	14.5	19.1	17.2	13.3	12.7
Insurance Services	(1.0)	(1.2)	(1.1)	(1.5)	(1.5)
Other Business Services	(8.3)	(14.6)	(12.0)	(1.8)	(3.1)
Government Services	(14.6)	(17.1)	(24.4)	(6.2)	(6.3)
Income	(3.7)	(9.1)	(8.5)	(6.3)	(9.1)
Compensation of Employees	(0.6)	(2.3)	(2.0)	-	(2.0)
Investment Income	(3.1)	(6.8)	(6.5)	(6.3)	(7.1)
Current Transfers	59.5	62.7	60.0	58.6	58.0
General Government	64.8	68.1	66.8	65.7	66.7
Other Sectors	(5.2)	(5.4)	(6.7)	(7.0)	(8.7)
Capital and Financial Account	24.9	26.7	46.2	23.2	25.7
Capital Account	38.8	32.0	29.5	24.9	31.4
Capital Transfers	38.8	32.0	29.5	24.9	31.4
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	(13.9)	(5.3)	16.7	(1.7)	(5.7)
Direct Investment	5.6	6.3	2.2	5.9	6.2
Portfolio Investment	0.2	0.1	(0.3)	0.2	0.2
Other Investments	(19.7)	(11.7)	14.9	(7.7)	(12.1)
Public Sector Long Term	(2.0)	(0.5)	(0.5)	(0.5)	(0.5)
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	(25.0)	(12.6)	10.1	(1.0)	(1.7)
Other Assets	0.6	2.6	(5.7)	(7.6)	(10.6)
Other Liabilities*	6.6	(1.1)	11.0	1.3	0.8
Overall Balance	2.6	2.4	2.5	1.8	(0.3)
Financing	(2.6)	(2.4)	(2.5)	(1.8)	0.3
Change in SDR holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	(0.4)	(5.4)	(2.9)	(0.1)	0.1
Change in Imputed Reserves	(2.2)	3.1	0.4	(1.6)	0.2

Source: ECCB and Ministry of Finance

*includes errors and omissions

Data available at 25 February 2008



Table 36
St Kitts and Nevis Selected Economic Indicators

	2003 ^R	2004 ^R	2005 ^R	2006 ^R	2007 ^P
<i>(annual percentage change unless otherwise indicated)</i>					
National Income and Prices					
Nominal GDP at basic prices	1.4	10.0	9.3	10.5	6.5
Real GDP at basic prices	(1.2)	7.3	4.4	4.0	3.1
GDP Deflator	2.7	2.4	4.7	6.3	3.3
Consumer Prices (end of period)	3.1	1.7	6.0	5.9	4.0
Consumer Prices (period average)	2.2	2.3	3.4	8.6	4.3
Real GDP at basic prices by Selected Sectors					
Agriculture	(12.4)	11.7	(2.5)	(21.2)	6.9
Manufacturing	(0.2)	3.8	3.0	(4.2)	1.8
Electricity and Water	10.6	8.3	0.8	7.6	5.6
Construction	(12.6)	1.3	1.1	9.0	6.5
Wholesale and Retail Trade	4.7	(1.3)	2.1	8.6	4.0
Hotels and Restaurants	31.3	29.9	8.6	4.0	(11.0)
Transport	(0.5)	34.1	1.5	1.0	1.2
Communications	(4.4)	3.4	18.1	11.8	3.0
Banks and Insurance	2.2	17.3	9.2	6.7	9.2
Government Services	(1.0)	2.6	3.4	3.5	3.5
Other Services	8.1	3.4	5.1	6.5	2.0
<i>(as a percentage of GDP)</i>					
External Sector					
Current Account Balance	(32.0)	(17.1)	(14.8)	(18.1)	(25.8)
Overall Balance	(0.3)	3.4	(1.5)	3.5	1.0
Merchandise Trade Balance	(33.4)	(26.6)	(29.0)	(33.6)	(36.0)
Central Government					
Current Account Balance	(1.2)	(1.5)	(0.5)	1.0	1.1
Current Revenue	32.9	33.9	36.7	36.8	36.2
Current Expenditure	34.1	35.4	37.2	35.8	35.2
Capital Expenditure and Net Lending	6.4	6.2	6.7	5.3	6.8
Overall Fiscal Balance	(8.2)	(7.9)	(4.1)	(2.3)	(2.2)
Total Public Sector Debt (end of period)	177.2	185.9	187.4	178.0	170.2
<i>(per cent per annum)</i>					
Monetary Sector					
Weighted Average Deposit Interest Rate	4.1	3.6	4.1	3.7	4.0
Weighted Average Lending Interest Rate	12.0	9.9	9.7	9.4	9.3
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at basic prices	813.1	894.0	976.8	1,079.6	1,150.1
Real GDP at basic prices	555.5	596.2	622.2	647.1	667.2
Nominal GDP at market prices	977.5	1,077.9	1,182.4	1,336.6	1,415.2
GDP Per Capita (EC\$)	16,927	18,350	19,793	21,594	22,710
Merchandise Imports (f.o.b)	474.2	434.2	500.1	592.9	649.0
Merchandise Exports (f.o.b)	148.2	147.6	157.0	143.3	139.6
Gross Visitor Expenditure	203.5	277.1	327.1	329.7	286.9

Source: Statistics Department and ECCB

Data available at 19 February 2008



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

	2003	2004	2005	2006 ^R	2007 ^P
Current Revenue	321.4	365.4	433.7	491.5	512.6
Tax Revenue	233.9	281.9	344.1	374.1	399.5
Taxes on Income and Profit	64.1	80.4	101.6	98.4	116.0
of which:					
Company	41.9	52.4	68.7	66.4	77.5
Social Services Levy	21.4	25.9	31.0	30.2	33.0
Taxes on Property	5.2	5.1	5.0	8.7	7.4
Taxes on Domestic Goods and Services	45.2	56.0	68.1	90.8	84.1
of which:					
Hotel Room Tax	9.4	12.5	15.0	15.9	14.2
Licences	8.3	7.4	7.7	8.0	9.7
Gasoline Levy	3.0	0.7	0.1	2.0	0.7
Stamp duties	14.2	24.1	30.2	47.1	38.3
Taxes on International Trade and Transactions	119.3	140.5	169.5	176.1	192.1
of which:					
Import Duty	36.5	40.7	49.1	49.4	53.1
Consumption Tax	56.5	68.7	80.4	84.1	94.2
Customs Service Charge	19.1	24.3	31.8	34.1	35.3
Non-Tax Revenue	87.5	83.5	89.6	117.4	113.1
Current Expenditure	333.1	381.5	439.8	478.2	497.7
Personal Emoluments	144.1	159.7	163.1	169.5	190.9
Goods and Services	79.0	95.8	114.7	129.4	139.6
Interest Payments	74.5	81.6	95.8	109.2	115.7
Domestic	31.0	33.7	48.4	67.5	76.7
External	43.5	47.8	47.4	41.7	39.0
Transfers and Subsidies	35.6	44.3	66.3	70.1	51.4
of which: Pensions	16.7	21.2	21.1	22.7	24.2
Current Account Balance	(11.8)	(16.1)	(6.1)	13.3	14.9
Capital Revenue	2.2	4.6	4.0	5.6	35.2
Grants	6.1	4.1	32.2	27.0	18.9
of which: Capital Grants	5.7	3.8	31.6	26.7	18.9
Capital Expenditure and Net Lending	76.4	78.1	78.8	77.0	99.9
of which: Capital Expenditure	62.5	66.7	78.8	71.0	95.6
Primary Balance (after grants)	(5.4)	(3.9)	47.1	78.1	84.9
Overall Balance (before Grants)	(86.0)	(89.5)	(80.9)	(58.1)	(49.7)
Overall Balance (after grants)	(79.9)	(85.5)	(48.7)	(31.1)	(30.8)
Financing	79.9	85.5	48.7	31.1	30.8
Domestic	(62.5)	120.6	96.0	74.6	80.5
ECCB (net)	(13.4)	11.6	0.2	1.1	(0.4)
Commercial Banks (net)	(76.8)	74.9	88.5	69.7	42.7
Other	27.7	34.1	7.3	3.8	38.3
External	142.3	(35.1)	(47.3)	(43.5)	(49.7)
Net Disbursements/(Amortisation)	142.3	(35.2)	(46.9)	(43.5)	(49.7)
Disbursements	186.6	10.3	9.1	15.2	20.5
Amortisation	(44.3)	(45.5)	(56.0)	(58.7)	(70.2)
Change in Govt. Foreign Assets	-	0.0	(0.5)	-	-
Arrears	-	-	-	-	-
Domestic	-	-	-	-	-
External	-	-	-	-	-

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 19 February 2008



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

	2003	2004	2005	2006 ^R	2007 ^P
Net Foreign Assets	402.3	287.1	376.5	457.9	552.7
Central Bank (net)	174.6	211.5	193.0	239.1	253.4
Commercial Banks (net)	227.6	75.6	183.5	218.8	299.3
External (net)	419.8	225.7	210.4	197.9	425.5
Assets	629.6	538.6	598.8	635.4	870.4
Liabilities	209.8	312.9	388.4	437.5	444.8
Other ECCB Territories (net)	(192.2)	(150.1)	(26.9)	20.9	(126.3)
Assets	67.6	122.7	250.3	281.9	228.0
Liabilities	259.8	272.8	277.2	261.0	354.3
Net Domestic Assets	500.8	815.8	774.3	840.4	890.9
Domestic Credit	745.3	992.1	1,132.3	1,287.6	1,385.6
Central Government (net)	176.5	263.0	351.7	422.5	464.8
Other Public Sector (net)	(124.7)	(46.5)	(33.7)	(30.3)	(71.4)
Non-Bank Financial Institutions (net)	25.5	48.8	41.0	37.9	34.1
Subsidiaries and Affiliates (net)	(19.3)	(21.7)	(31.3)	(42.0)	(60.6)
Private Sector	687.4	748.5	804.6	899.5	1,018.7
Other Items (net)	(244.6)	(176.3)	(358.0)	(447.2)	(494.7)
Money Supply (M2)	903.0	1,102.9	1,150.8	1,298.3	1,443.6
Money Supply (M1)	133.1	166.9	163.7	184.5	205.1
Currency	39.9	44.6	49.9	55.1	56.2
Demand Deposits	93.2	122.3	113.8	129.4	148.9
Quasi Money	769.9	936.0	987.1	1,113.8	1,238.4
Savings Deposits	361.2	418.2	468.1	518.9	562.5
Time Deposits	144.6	203.5	183.3	188.1	232.9
Foreign Currency Deposits	264.2	314.2	335.7	406.8	443.0

Source: ECCB

Data available at 19 February 2008

Table 39
St Kitts and Nevis - Selected Tourism Statistics

	2003	2004	2005 ^R	2006 ^R	2007 ^P
Total Visitor Arrivals	246,788	382,290	364,519	349,733	376,499
of which:					
Stay-Over Arrivals	90,562	117,638	140,504	139,268	117,348
USA	32,353	64,859	79,569	77,587	65,085
Canada	6,757	6,325	8,468	8,130	6,680
UK	11,467	11,004	11,149	11,148	10,770
Caribbean	36,673	31,909	36,994	37,813	29,815
Other Countries	3,312	3,541	4,324	4,590	4,998
Excursionists	4,054	3,045	4,309	4,514	5,179
Yacht Passengers	5,855	7,072	4,355	2,876	2,617
Cruise Ship Passengers	146,317	254,535	215,351	203,075	251,355
Number of Cruise Ship Calls	270	373	244	261	243
Total Visitor Expenditure (EC\$M)	203.5	277.1	327.1	329.7	286.9

Source: Tourism Authority, Immigration Department and ECCB Estimates

Data available at 19 February 2008



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

	2003 ^R	2004 ^R	2005 ^R	2006 ^R	2007 ^P
Current Account	(312.6)	(184.6)	(174.7)	(242.4)	(365.6)
Goods and Services	(244.7)	(128.8)	(144.4)	(242.0)	(369.7)
Goods	(319.5)	(275.5)	(328.6)	(435.5)	(495.7)
Merchandise	(326.0)	(286.7)	(343.1)	(449.6)	(509.5)
Repair on goods	0.1	0.1	0.2	0.2	0.2
Goods procured in ports by carriers	6.5	11.1	14.3	13.9	13.5
Services	74.8	146.7	184.2	193.5	126.1
Transport	(62.0)	(62.7)	(72.9)	(70.4)	(76.1)
Travel	181.5	251.0	297.5	293.2	247.6
Insurance Services	(20.3)	(18.2)	(22.1)	(19.9)	(21.6)
Other Business Services	(20.2)	(22.2)	(18.8)	(12.3)	(26.6)
Government Services	(4.2)	(1.2)	0.6	2.9	2.7
Income	(118.1)	(105.0)	(94.9)	(87.3)	(83.7)
Compensation of Employees	(8.9)	(7.7)	(6.3)	(2.2)	(2.4)
Investment Income	(109.2)	(97.3)	(88.5)	(85.2)	(81.3)
Current Transfers	50.2	49.2	64.5	87.0	87.8
General Government	(1.2)	(3.6)	8.2	23.3	23.5
Other Sectors	51.4	52.8	56.3	63.7	64.2
Capital and Financial Account	310.0	221.5	156.7	288.7	379.8
Capital Account	14.5	14.5	39.8	35.5	28.0
Capital Transfers	14.0	14.5	39.8	35.3	27.7
Acquisition and Disposal of Non-Produced, Non-Financial Assets	0.5	-	-	0.2	0.2
Financial Account	295.5	207.0	117.0	253.2	351.9
Direct Investment	204.2	124.6	251.1	298.1	385.0
Portfolio Investment	129.7	(26.6)	(40.6)	(56.6)	(51.8)
Other Investments	(38.3)	108.9	(93.6)	11.6	18.7
Public Sector Long Term	6.0	(2.2)	(16.9)	17.4	(14.8)
Commercial Banks	(89.8)	152.1	(107.9)	(35.3)	(80.5)
Other Assets	(16.4)	(60.4)	(13.7)	(10.6)	(11.7)
Other Liabilities*	61.9	19.5	44.9	40.2	125.6
Overall Balance	(2.6)	36.8	(18.0)	46.3	14.2
Financing	2.6	(36.8)	18.0	(46.3)	(14.2)
Change in SDR holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	-	0.0	(0.5)	(0.2)	-
Change in Imputed Reserves	2.6	(36.9)	18.5	(46.1)	(14.2)

Source: Planning Unit and ECCB

* Includes errors and omissions

Data available at 19 February 2008



Table 41
Saint Lucia - Selected Economic Indicators

	2003 ^R	2004 ^R	2005 ^R	2006 ^R	2007 ^P
<i>(annual percentage change unless otherwise stated)</i>					
National Income and Prices					
Nominal GDP at basic prices	4.9	6.4	7.7	7.4	2.2
Real GDP at basic prices	3.5	3.8	4.6	4.9	0.5
GDP Deflator	1.4	2.5	2.9	2.4	1.7
Consumer Prices (end of period)	0.5	3.5	5.2	(0.6)	8.2
Consumer Prices (period average)	1.0	1.5	3.9	2.3	2.8
Real GDP at Factor Cost by Selected Sectors					
Agriculture	(15.7)	(2.9)	(24.7)	9.8	0.8
Manufacturing	4.4	(3.0)	16.3	6.7	1.7
Electricity and Water	1.9	1.9	(13.4)	(8.7)	12.7
Construction	1.6	1.0	12.5	13.2	(10.3)
Wholesale and Retail Trade	7.8	8.4	5.8	9.0	4.6
Hotels and Restaurants	16.6	5.9	6.3	(2.7)	(7.4)
Transport	4.3	7.3	0.6	9.7	0.3
Communications	4.5	4.6	7.3	(0.2)	3.5
Banks and Insurance	2.0	4.5	9.6	21.4	12.1
Real Estate and Housing	3.3	3.3	5.7	2.6	7.6
Government Services	(2.1)	4.1	8.4	7.0	(0.9)
Other Services	(0.0)	0.6	1.9	3.9	14.4
<i>(as a percentage of GDP)</i>					
External Sector					
Current Account Balance	(19.7)	(10.9)	(17.1)	(32.4)	(33.3)
Overall Balance	2.4	3.3	(1.7)	1.4	1.3
Merchandise Trade Balance	(39.1)	(33.5)	(40.3)	(48.1)	(48.5)
Central Government					
Current Account Balance	(0.1)	2.2	3.3	3.6	5.7
Current Revenue	23.0	24.9	24.2	25.6	26.9
Current Expenditure	23.1	22.7	20.9	22.0	21.2
Capital Expenditure and Net Lending	9.0	7.2	9.9	10.0	8.2
Overall Fiscal Balance	(6.5)	(4.6)	(6.4)	(6.2)	(2.1)
Total Public Sector Debt (end of period)	63.1	70.0	68.6	69.1	73.5
<i>(per cent per annum)</i>					
Monetary Sector					
Weighted Average Deposit Interest Rate	6.8	2.8	-	2.9	3.1
Weighted Average Lending Interest Rate	15.3	10.7	-	10.2	8.8
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at basic prices	1,680.2	1,787.5	1,924.3	2,066.2	2,111.4
Real GDP at basic prices	1,227.6	1,274.2	1,333.2	1,398.4	1,405.2
Nominal GDP at market prices	2,019.3	2,163.0	2,374.1	2,519.8	2,592.6
GDP per capita (EC\$)	10,377	10,949	11,562	12,090	12,578
Merchandise Imports (f.o.b)	957.2	939.6	1,128.9	1,406.5	1,460.5
Merchandise Exports (f.o.b)	167.6	215.4	173.2	195.2	201.8
Gross Visitor Expenditure	761.6	879.3	961.2	768.4	798.0

Source: Statistics Department and ECCB

Data available at 26 February 2008



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

	2003	2004	2005	2006	2007
Current Revenue	465.3	537.8	575.7	644.7	697.9
Tax Revenue	431.0	495.7	540.8	603.8	658.6
Taxes on Income and Profit	109.7	116.4	139.6	148.4	176.6
of which:					
Personal	43.8	47.1	53.1	65.5	66.1
Company	44.8	44.2	60.4	60.1	72.8
Taxes on Property	4.3	4.9	4.0	4.7	4.9
Taxes on Domestic Goods and Services	60.7	93.3	89.5	105.6	119.3
of which:					
Stamp Duty	10.1	15.7	16.5	22.2	31.0
Hotel Occupancy Tax	21.1	25.1	29.3	28.3	30.8
Licenses	6.1	25.1	11.0	21.0	19.2
Taxes on International Trade and Transactions	256.4	281.0	307.7	345.2	357.9
of which:					
Consumption Tax (Imports)	110.8	116.6	109.3	110.8	113.5
Import Duty	69.8	72.7	84.0	94.9	105.4
Service Charge (Imports)	37.2	44.2	51.8	64.9	66.7
Excise Tax (Imports)	18.8	22.6	29.4	40.9	40.1
Non-Tax Revenue	34.3	42.0	34.9	40.9	39.3
Current Expenditure	466.6	490.4	496.7	554.1	549.2
Personal Emoluments	220.6	227.1	222.7	255.1	249.9
Goods and Services	89.5	95.5	91.0	105.5	103.4
Interest Payments	51.3	61.9	70.0	79.1	84.0
Domestic	20.5	18.3	21.1	27.1	32.9
External	30.8	43.6	48.9	52.0	51.1
Transfers and Subsidies	105.2	105.9	113.1	114.5	111.9
of which: Pensions	31.6	35.3	42.4	41.4	41.0
Current Account Balance (before grants)	(1.3)	47.4	79.0	90.5	148.8
Capital Revenue	8.6	0.9	0.0	0.9	0.1
Grants	43.0	6.0	4.2	3.3	9.3
of which: Capital Grants	43.0	6.0	4.2	3.3	9.3
Capital Expenditure and Net Lending	181.4	154.8	234.1	251.3	213.6
of which: Capital Expenditure	181.4	154.8	234.1	251.3	213.6
Primary Balance (after grants)	(79.8)	(38.7)	(81.0)	(77.4)	28.5
Overall Balance (before grants)	(174.1)	(106.6)	(155.2)	(159.8)	(64.7)
Overall Balance (after grants)	(131.1)	(100.5)	(151.0)	(156.6)	(55.5)
Financing	131.1	100.5	151.0	156.6	55.5
Domestic	2.0	50.1	49.4	62.5	73.2
ECCB (net)	(3.7)	(13.2)	3.7	(9.8)	(23.4)
Commercial Banks (net)	(4.4)	(12.7)	35.9	68.4	72.6
Other	10.0	76.0	9.7	3.9	24.0
External	129.1	50.4	101.6	94.0	(17.8)
Net Disbursements/(Amortisation)	239.1	48.9	99.9	81.7	(19.1)
Disbursements	256.1	82.0	130.1	113.4	52.2
Amortisation	(17.0)	(33.1)	(30.2)	(31.7)	(71.3)
Change in Government Foreign Assets	(110.0)	1.5	1.7	12.3	1.3
Arrears	0.0	0.0	0.0	0.0	0.0
Domestic	0.0	0.0	0.0	0.0	0.0
External	0.0	0.0	0.0	0.0	0.0

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 26 February 2008



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

	2003	2004 ^R	2005 ^R	2006	2007
Net Foreign Assets	337.8	352.7	243.0	117.6	(64.2)
Central Bank (net)	282.6	351.5	308.3	356.9	391.7
Commercial Banks (net)	55.2	1.2	(65.3)	(239.3)	(455.9)
External (net)	(143.6)	(69.4)	(82.7)	(224.7)	(292.1)
Assets	199.7	299.9	350.5	427.0	486.2
Liabilities	343.3	369.3	433.3	651.7	778.4
Other ECCB Territories (net)	198.8	70.6	17.4	(14.6)	(163.8)
Assets	229.2	182.9	284.9	388.1	584.4
Liabilities	30.4	112.3	267.5	402.7	748.2
Net Domestic Assets	1,032.6	1,156.4	1,468.7	1,938.6	2,243.9
Domestic Credit	1,323.3	1,465.3	1,772.1	2,280.5	2,990.4
Central Government (net)	(104.4)	(130.3)	(90.7)	(32.0)	17.2
Other Public Sector (net)	(186.4)	(194.2)	(185.2)	(214.8)	(243.4)
Non-Bank Financial Institutions (net)	(39.4)	(35.4)	(37.8)	(40.4)	(41.3)
Subsidiaries and Affiliates (net)	155.3	174.7	168.5	180.8	167.1
Private Sector	1,498.2	1,650.4	1,917.3	2,386.8	3,090.8
Other Items (net)	(290.7)	(308.9)	(303.4)	(341.9)	(746.5)
Money Supply (M2)	1,370.4	1,509.1	1,711.8	2,056.2	2,179.7
Money Supply	343.1	481.3	547.3	560.7	635.4
Currency	91.3	99.2	106.4	126.6	128.0
Demand Deposits	251.8	382.1	440.9	434.1	507.4
Quasi Money	1,027.3	1,027.8	1,164.5	1,495.5	1,544.2
Savings Deposits	755.2	810.4	916.3	1,064.9	1,150.8
Time Deposits	240.2	178.7	185.9	222.7	283.3
Foreign Currency Deposits	31.9	38.7	62.2	207.9	110.2

Source: ECCB

Data available at 26 February 2008

Table 44
Saint Lucia - Selected Tourism Statistics

	2003	2004	2005	2006	2007
Total Visitor Arrivals	704,236	813,681	747,308	695,279	931,111
of which:					
Stay-Over Arrivals	276,948	298,431	317,939	302,510	287,518
USA	98,078	107,089	112,557	117,450	113,516
Canada	13,494	15,315	16,506	17,491	18,640
UK	75,426	81,370	84,725	73,312	79,180
Caribbean	70,543	74,242	84,902	78,465	59,049
Other Countries	19,407	20,415	19,249	15,792	17,133
Excursionists	12,817	11,441	7,541	7,051	7,841
Cruise Ship Passengers	393,262	481,279	394,364	359,573	610,165
Yacht Passengers	21,209	22,530	27,464	26,145	25,587
Number of Cruise Ship Calls	262	328	258	267	314
Total Visitor Expenditure (EC\$M)	761.6	879.3	961.1	768.4	798.0

Source: Saint Lucia Tourist Board

Data available at 26 February 2008



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

	2003	2004	2005	2006	2007
Current Account	(397.6)	(235.9)	(405.4)	(817.3)	(863.2)
Goods and Services	(295.1)	(87.2)	(244.6)	(699.2)	(728.7)
Goods	(763.3)	(679.6)	(889.2)	(1,145.6)	(1,189.6)
Merchandise	(789.5)	(724.2)	(955.7)	(1,211.3)	(1,258.7)
Repair on goods	0.0	0.0	0.0	0.0	0.0
Goods procured in ports by carriers	26.2	44.6	66.4	65.7	69.1
Services	468.2	592.4	644.6	446.4	460.9
Transport	(137.0)	(131.8)	(140.0)	(158.9)	(166.4)
Travel	665.3	779.8	856.1	662.2	686.3
Insurance Services	(18.2)	(18.9)	(20.8)	(26.4)	(27.1)
Other Business Services	(34.4)	(28.5)	(48.0)	(25.9)	(27.0)
Government Services	(7.6)	(8.2)	(2.7)	(4.6)	(4.9)
Income	(137.3)	(186.3)	(195.8)	(150.4)	(167.0)
Compensation of Employees	0.3	0.4	0.5	0.3	0.3
Investment Income	(137.5)	(186.6)	(196.2)	(150.7)	(167.3)
Current Transfers	34.8	37.6	35.0	32.3	32.5
General Government	0.1	(0.5)	(3.3)	(1.2)	(1.5)
Other Sectors	34.7	38.1	38.4	33.6	33.9
Capital and Financial Account	447.1	308.3	364.2	853.6	896.6
Capital Account	46.1	9.3	14.4	30.7	15.6
Capital Transfers	46.1	9.3	14.4	30.7	15.6
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	400.9	299.0	349.8	822.9	881.0
Direct Investment	287.4	206.6	211.2	631.6	704.5
Portfolio Investment	169.5	44.0	64.9	(8.0)	(7.0)
Other Investments	(55.9)	48.4	73.6	199.3	183.5
Public Sector Long Term	44.4	45.4	20.2	64.0	(40.0)
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	(196.4)	54.0	66.5	174.0	216.6
Other Assets	(16.7)	(79.8)	(90.3)	(47.1)	(49.3)
Other Liabilities*	112.9	28.8	77.3	8.3	56.2
Overall Balance	49.4	72.4	(41.2)	36.3	33.4
Financing	(49.4)	(72.4)	41.2	(36.3)	(33.4)
Change in SDR Holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	(14.9)	(3.5)	(2.0)	12.3	1.3
Change in Imputed Reserves	(34.5)	(68.9)	43.2	(48.6)	(34.7)

Source: ECCB and Statistics Department

* includes errors and omissions

Data available at 26 February 2008



Table 46
St Vincent and the Grenadines - Selected Economic Indicators

	2003 ^R	2004 ^R	2005 ^R	2006 ^R	2007 ^P
<i>(annual percentage change unless otherwise stated)</i>					
National Income and Prices					
Nominal GDP at basic prices	4.3	8.9	6.4	10.7	12.1
Real GDP at basic prices	2.8	6.8	2.6	6.9	7.7
GDP Deflator	1.4	2.0	3.7	3.6	4.1
Consumer Prices (end of period)	2.2	1.7	3.9	4.8	8.3
Consumer Prices (period average)	0.2	3.0	3.7	3.0	6.9
Real GDP at Factor Cost by Selected Sectors					
Agriculture	(2.2)	(5.2)	(3.9)	7.6	1.7
Manufacturing	0.7	3.3	1.6	2.9	(7.0)
Electricity and Water	7.5	7.1	8.4	1.7	10.1
Construction	8.2	14.7	0.4	11.4	18.0
Wholesale and Retail Trade	4.2	9.8	4.4	6.8	9.0
Hotels and Restaurants	(5.7)	7.3	9.5	1.0	3.0
Transport	7.8	10.1	(0.7)	18.0	13.1
Communications	(2.0)	19.3	(1.1)	2.0	4.5
Banks and Insurance	3.5	3.1	10.4	5.8	6.5
Government Services	2.5	2.5	5.3	4.3	4.0
Other Services	7.9	6.0	10.0	3.5	5.0
<i>(as a percentage of GDP)</i>					
External Sector					
Current Account Balance	(20.8)	(24.7)	(22.3)	(24.0)	(27.0)
Overall Balance	(0.1)	6.1	(0.6)	2.4	(0.3)
Merchandise Trade Balance	(36.1)	(39.1)	(38.6)	(40.0)	(41.3)
Central Government					
Current Account Balance	4.4	3.3	1.2	2.8	3.5
Current Revenue	30.8	29.1	28.0	29.1	28.9
Current Expenditure	26.4	25.8	26.8	26.3	25.4
Capital Expenditure and Net Lending	7.3	6.7	6.7	7.5	8.8
Overall Fiscal Balance	(2.3)	(1.4)	(4.2)	(3.8)	(3.6)
Total Public Sector Debt (end of period)	78.1	85.5	82.6	76.9	67.0
<i>(per cent per annum)</i>					
Monetary Sector					
Weighted Average Deposit Interest Rate	4.5	2.8	3.0	2.8	2.8
Weighted Average Lending Interest Rate	12.0	8.8	9.9	9.9	9.6
<i>(in millions of EC dollars, unless otherwise stated)</i>					
Memo					
Nominal GDP at basic prices	852.3	928.4	987.9	1,094.0	1,226.7
Real GDP at basic prices	649.5	693.7	711.6	760.5	819.4
Nominal GDP at market prices	1,032.1	1,118.0	1,201.8	1,353.8	1,488.8
GDP per capita (EC\$)	8,183	8,880	9,413	10,385	11,601
Merchandise Imports (f.o.b)	475.7	535.5	571.5	645.1	744.0
Merchandise Exports (f.o.b)	102.6	98.9	107.7	102.9	128.5
Gross Visitor Expenditure	246.2	258.0	280.5	305.8	322.3

Source: Statistics Department and ECCB

Data available at 05 March 2008



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

	2003	2004	2005	2006	2007 ^P
Current Revenue	318.2	324.9	336.1	393.3	430.8
Tax Revenue	272.5	290.9	307.3	361.7	399.9
Taxes on Income and Profit	77.0	80.4	89.8	98.8	103.6
of which:					
Individual	35.1	38.5	41.1	49.3	54.3
Company Tax	38.1	37.5	44.4	43.5	43.1
Taxes on Property	2.7	2.5	2.5	2.6	2.8
Taxes on Domestic Goods and Services	59.9	70.0	72.7	98.2	184.1
of which:					
Stamp Duty	19.9	20.9	21.0	38.2	28.0
Consumption Duties	6.0	7.5	6.4	7.2	3.6
Hotel Turnover Tax	4.2	5.1	6.8	7.3	6.1
Value Added Tax	n.a	n.a	n.a	-	86.9
Taxes on International Trade and Transactions	132.9	138.1	142.3	162.1	109.6
of which:					
Import Duty	29.2	29.5	32.7	34.0	43.3
Consumption Tax	78.9	81.8	80.0	94.2	31.4
Customs Service Charge	19.3	20.8	22.3	26.1	28.3
Non-Tax Revenue	45.7	34.0	28.8	31.6	30.8
Current Expenditure	272.5	288.1	322.0	355.4	378.3
Personal Emoluments	139.1	144.8	158.9	171.3	188.1
Goods and Services	57.9	66.6	72.1	75.8	75.6
Interest Payments	27.8	27.6	35.0	43.2	44.7
Domestic	16.4	12.7	15.5	20.2	23.4
External	11.5	14.8	19.5	23.0	21.3
Transfers and Subsidies	47.6	49.1	55.9	65.2	69.9
of which: Pensions	19.7	19.8	23.3	28.1	29.2
Current Account Balance	45.7	36.8	14.2	37.8	52.5
Capital Revenue	1.7	3.9	4.0	6.0	0.9
Grants	4.5	18.7	12.0	5.5	24.8
of which: Capital Grants	4.5	18.7	12.0	5.5	24.8
Capital Expenditure and Net Lending	75.6	75.1	80.6	101.3	131.5
of which: Capital Expenditure	82.0	78.9	85.1	103.6	131.5
Primary Balance (after grants)	4.1	11.9	(15.5)	(8.8)	(8.6)
Overall Balance (before grants)	(28.2)	(34.4)	(62.5)	(57.5)	(78.1)
Overall Balance (after grants)	(23.7)	(15.7)	(50.5)	(52.0)	(53.3)
Financing	23.7	15.7	50.5	52.0	53.3
Domestic	(22.9)	(100.6)	29.2	55.1	32.9
Central Banks (net)	12.2	(54.5)	17.9	(2.8)	14.3
Commercial Banks (net)	(51.0)	16.4	47.4	(2.9)	4.8
Other	15.9	(62.6)	(36.1)	60.9	13.7
External	46.7	116.3	21.3	(3.1)	20.4
Net Disbursements/(Amortisation)	50.9	120.8	28.1	4.9	(6.8)
Disbursements	114.4	229.5	191.2	96.5	30.8
Amortisation	(63.5)	(108.7)	(163.2)	(91.6)	(37.7)
Change in Govt. Foreign Assets	(4.2)	(4.5)	(6.8)	(8.0)	27.2

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 05 March 2008



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

	2003	2004	2005	2006	2007 ^P
Net Foreign Assets	313.4	426.8	429.9	428.4	363.3
Central Bank (net)	136.2	200.3	185.7	210.4	232.7
Commercial Banks (net)	177.2	226.5	244.1	218.0	130.6
External (net)	88.1	106.2	181.2	117.3	82.2
Assets	220.9	245.8	320.3	255.0	233.1
Liabilities	132.8	139.5	139.1	137.7	150.9
Other ECCB Territories (net)	89.1	120.2	62.9	100.7	48.4
Assets	168.5	192.7	178.4	257.5	337.9
Liabilities	79.5	72.4	115.5	156.9	289.5
Net Domestic Assets	409.1	394.7	444.2	511.4	667.4
Domestic Credit	507.9	565.8	653.8	760.3	881.6
Central Government (net)	47.2	9.1	74.4	68.7	87.8
Other Public Sector (net)	(120.9)	(63.2)	(66.6)	(60.3)	(53.2)
Non-Bank Financial Institutions (net)	(55.9)	(23.1)	(32.2)	(23.1)	(36.6)
Subsidiaries and Affiliates (net)	-	(0.2)	-	-	(0.0)
Private Sector	637.5	643.2	678.2	775.1	883.6
Other Items (net)	(98.8)	(171.1)	(209.6)	(248.9)	(214.2)
Money Supply (M2)	722.43	821.49	874.08	939.76	1,030.68
Money Supply (M1)	253.70	287.04	327.71	344.31	381.65
Currency	56.65	64.39	74.44	80.50	96.94
Demand Deposits	197.04	222.65	253.27	263.81	284.71
Quasi Money	468.74	534.46	546.37	595.45	649.04
Savings Deposits	320.79	383.91	430.19	476.57	526.26
Time Deposits	137.47	124.37	101.38	88.38	83.13
Foreign Currency Deposits	10.47	26.18	14.80	30.50	39.65

Source: ECCB

Data available at 05 March 2008

Table 49
St Vincent and the Grenadines - Selected Tourism Statistics

	2003	2004	2005	2006	2007 ^P
Total Visitor Arrivals	241,526	261,469	256,075	306,578	378,191
Of Which:					
Stay-Over Arrivals	78,535	86,721	95,504	97,432	100,560
USA	22,194	25,106	27,153	28,598	29,368
Canada	4,918	5,219	6,187	6,542	7,064
UK	11,547	12,610	13,941	14,837	18,008
Caribbean	32,779	36,011	39,944	38,219	35,643
Other Countries	7,097	7,775	8,279	9,236	10,477
Excursionists	13,696	12,936	8,928	9,034	7,766
Yacht Passengers	84,330	84,227	81,890	93,638	107,389
Cruise Ship Passengers	64,965	77,585	69,753	106,474	162,476
Number of Cruise Ship Calls	245	225	182	263	284
Total Visitor Expenditure (EC\$M)	246.2	258.0	280.5	305.8	322.3

Source: Department of Tourism and ECCB Estimates

Data available at 05 March 2008



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

	2003	2004	2005 ^R	2006 ^R	2007 ^P
Current Account	(214.6)	(275.7)	(268.3)	(324.3)	(402.3)
Goods and Services	(185.1)	(236.8)	(244.8)	(313.5)	(385.5)
Goods	(369.1)	(431.2)	(458.5)	(535.9)	(609.0)
Merchandise	(373.1)	(436.6)	(463.8)	(542.2)	(615.4)
Repair on goods	-	0.0	0.0	0.0	0.0
Goods procured in ports by carriers	4.0	5.4	5.3	6.2	6.4
Services	184.1	194.4	213.8	222.5	223.5
Transport	(54.4)	(57.9)	(64.1)	(71.6)	(81.7)
Travel	212.1	219.4	240.3	263.4	275.3
Insurance Services	(12.3)	(13.9)	(15.2)	(16.2)	(18.6)
Other Business Services	43.7	52.1	64.7	62.6	64.3
Government Services	(5.0)	(5.3)	(11.9)	(15.7)	(15.8)
Income	(64.3)	(77.0)	(72.3)	(65.3)	(70.3)
Compensation of Employees	1.6	1.8	1.3	8.5	8.7
Investment Income	(66.0)	(78.8)	(73.5)	(73.8)	(79.0)
Current Transfers	34.8	38.1	48.7	54.4	53.6
General Government	(2.7)	(1.0)	(0.9)	15.7	15.5
Other Sectors	37.6	39.1	49.7	38.7	38.1
Capital and Financial Account	213.3	344.3	260.5	357.0	397.3
Capital Account	38.8	51.1	38.4	22.0	436.8
Capital Transfers	38.8	51.1	38.4	22.0	436.8
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	174.5	293.2	222.1	335.0	(39.5)
Direct Investment	148.9	177.4	108.2	294.6	247.4
Portfolio Investment	55.9	89.6	(22.1)	33.8	(4.1)
Other Investments	(30.3)	26.3	136.0	6.6	(282.9)
Public Sector Long Term	(3.2)	6.9	70.0	(10.3)	16.2
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	(46.1)	(49.3)	(17.6)	26.2	87.4
Other Assets	(47.3)	(23.4)	14.9	(56.9)	(22.8)
Other Liabilities*	66.3	92.1	68.8	47.6	(363.7)
Overall Balance	(1.3)	68.6	(7.8)	32.7	(5.0)
Financing	1.3	(68.6)	7.8	(32.7)	5.0
Change in SDR holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	(4.2)	(4.5)	(6.8)	(8.0)	27.3
Change in Imputed Reserves	5.5	(64.2)	14.6	(24.7)	(22.3)

Source: ECCB

*includes errors and omissions

Data available at 05 March 2008

