

*Annual Economic and  
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*2005*



# EASTERN CARIBBEAN CENTRAL BANK

## PARTICIPATING GOVERNMENTS

Anguilla  
Antigua and Barbuda  
Dominica  
Grenada  
Montserrat  
St Kitts and Nevis  
Saint Lucia  
St Vincent and the Grenadines

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## CONTENTS

### ECONOMIC REVIEW

International Economic Developments ..... 1

Regional Economic Developments ..... 5

Domestic Economic Developments ..... 12

#### Country Performances

Anguilla ..... 20

Antigua and Barbuda ..... 26

Dominica ..... 33

Grenada ..... 40

Montserrat ..... 47

St Kitts and Nevis ..... 53

Saint Lucia ..... 60

St Vincent and the Grenadines ..... 67

NOTES FOR STATISTICAL TABLES AND MONETARY SURVEY ..... 74

STATISTICAL TABLES INDEX ..... 75



## INTERNATIONAL ECONOMIC DEVELOPMENTS

### Overview

Despite sharp increases in energy and commodity prices global output continued to expand in 2005, but at a slower pace than in 2004. Estimates by the International Monetary Fund indicate that real output rose by 4.5 per cent in 2005, slightly below the peak performance rate of increase of 5.0 per cent in 2004. As in 2004, the main engines of growth were the United States and China, supported by a rise in momentum in Japan. Inflationary pressures on the global economy continued to be moderate, as evidenced by a 1.5 per cent increase in the core rate of inflation (excludes food and energy).

### Developments in the Major Economies

Economic growth in the United States slowed to 3.5 per cent in 2005 from the 4.2 per cent rate in 2004. It is likely that growth would have been stronger were it not for the adverse effects of hurricane Katrina on aggregate output. In the first three quarters of 2005 the economy increased at relatively strong rates of 3.8 per cent, 3.1 per cent and 4.1 per cent respectively, but growth slowed sharply to 1.7 per cent in the final quarter. Among the reasons cited for the slowdown were a deceleration in personal consumption expenditure, less federal government spending and an increase in imports. The main contributors to growth were private consumption and investment spending, but

these grew at slower rates than in 2004. Consumer spending, which accounts for over two-thirds of the economy, increased by 3.5 per cent following growth of 3.9 per cent in 2004. The deceleration in the rate of consumption expenditure reflected the impact of rising oil prices, which reached a high of US\$71 a barrel at the end of August 2005. Slow wage growth together with the rise in energy prices led to a decline in consumer purchasing power and households' savings. The rate of increase in gross private domestic investment slowed to 6.1 per cent from 11.9 per cent in 2004. The consumer price index (CPI) rose by 3.4 per cent in 2005, marginally above the 3.3 per cent increase in 2004. Despite record-high energy prices, the core CPI, which excludes food and energy, rose 2.2 per cent, at the same rate as in 2004 and equal to the average for the last 10 years. This outturn suggests that businesses were unable to pass the high energy prices through to the rest of the economy.

The labour market strengthened in 2005 with the addition of 2.02 million jobs, influenced by the growth in GDP. This compares with 2.19 million in 2004 - the highest level in 5 years. The sustained job creation and tighter labour market conditions resulted in a fall in the unemployment rate to 4.9 per cent at the end of 2005 from 5.4 per cent at the end of 2004.

The Canadian economy grew by 2.9 per cent in real terms in 2005, at the same rate as in 2004.



Economic growth was fuelled by consumer spending, which rose as a result of low interest rates, rising employment and strong growth in labour income. Consumer spending grew by 4.0 per cent, reflecting a rise in expenditure on goods and services. Business investment continued to be strong during the year, associated with low interest rates, strong corporate profits and falling import prices for machinery and equipment. Investment in machinery and equipment rose 10.7 per cent in 2005, the best annual performance in eight years. Growth was estimated at near capacity, influenced by a number of factors including low interest rates, buoyant economic growth in the US, and rising oil and gas prices that have caused the value of Canada's exports to rise. The 10.7 per cent rate of increase in corporate profits was slower than the 18.7 per cent rise in 2004, but it marked a continuation of the trend in strong corporate returns which began in 1993. Also benefiting from the buoyant business climate were wages, salaries and other income which rose by 5.4 per cent, the strongest annual increase since 2000. Despite high and rising energy prices in 2005, inflation, as measured by the change in the consumer price index, was contained at 2.2 per cent slightly above the 1.8 per cent rate in 2004. The core rate of inflation, which is used by the Bank of Canada to gauge price trends when setting interest rates, was 1.6 per cent.

Real economic growth in the United Kingdom slowed to 1.8 per cent in 2005 from 3.2 per cent the year before. Growth was led by a 2.6 per cent expansion in the services sector which more than

offset the contractions in the manufacturing, mining and utilities sectors. Business investment and consumer spending weakened during the year but exports were relatively strong and government investment rose sharply. Growth in consumer spending slowed to 1.8 per cent from 3.5 per cent in 2004. This performance was influenced by consumer-related industries which experienced some of the strongest slowdowns. During the second half of 2005 inflation moved above the 2.0 per cent target rate due to rising oil and gas prices. However, it fell back to its target towards the end of the year. Underlying inflation (excludes energy and food) remained below its 2.0 per cent target level. Labour markets remained tight during the year with employment at record levels. The unemployment rate was estimated at 4.9 per cent, which is significantly lower than the average for the European Union.

Gross domestic product in the euro zone grew at a 1.4 per cent real rate in 2005. This was below the 1.8 per cent reported for the previous year. There was a rise in consumer prices as indicated by the average inflation rate of 2.2 per cent which was marginally above that of 2.1 per cent in the two preceding years. The rise in inflation in 2005 was due to higher energy and commodity prices. In December the Governing Council of the European Central Bank (ECB) increased the key ECB interest rate by 25 basis points to 2.25 per cent. This rate had been unchanged at an historic low for two and a half years.





The economic recovery in Japan, which began in the final quarter of 2004, carried over into 2005 with real GDP growth of 2.8 per cent compared with 2.3 per cent in the prior year. Growth was supported by expansions in private consumption and non-residential investment. The expansion in private sector consumption was fuelled by improvements in income and employment conditions. Favourable financing conditions, together with healthy corporate profits and the replacement of ageing capital stock, were among the factors that contributed to the growth in non-residential investment. The average rate of inflation was negative 0.3 per cent which followed no change in 2004. Towards the end of the year, the Bank of Japan signalled that its quantitative easing policy, which has been in place since March 2001, could end in 2006.

In China the pace of economic growth slowed to 9.9 per cent from 10.1 per cent in 2004. This is the fourth year that growth has exceeded 9.0 per cent. Economic activity was led by strong consumer spending, investment and trade. China maintained an expansionary trade policy during the year and recorded large bilateral surpluses with a number of countries including the United States and several European Union countries. These have been a cause for trade friction. The trade surplus rose to \$102 billion from \$31.9 billion in 2004. Inflation slowed to 1.8 per cent in 2005 from 3.9 per cent in the previous year, as food prices rose moderately.

### **Commodity Prices**

During 2005 there were increases in both oil and non-oil commodity prices. The price of crude oil rose temporarily to US\$71 a barrel at the end of August, largely as a result of hurricane activity in the Gulf of Mexico, but receded in October and November. The average price of crude oil in 2005 was US\$50 a barrel, up from US\$38 in 2004. Price increases for some non-fuel metals slowed during the year. Strong demand from the United States and China increased the prices for metals such as copper and zinc, which are used for construction and manufacturing.

### **Prospects**

The outlook for continued global economic growth in 2006 remains favourable, although growth is expected to slow to a rate between 3.0 per cent and 4.0 per cent. Slower growth is likely as some countries, particularly China, impose voluntary restraint to avoid overheating the economy. The United States is projecting a slowdown in the rate of growth in response to inflationary pressures. The European Union is expected to experience higher growth based on an improvement in consumer and business confidence. Growth will continue to be driven by the United States and China, but economic expansion in India and other large developing countries is likely to play an increasingly important role.



The downside risks to this outlook are basically the same as in the previous year and are associated with uncertainty regarding the price of crude oil,

which is likely to remain high. Other factors include geopolitical tensions and the threat of rising inflation and its impact on global economic growth.



## REGIONAL ECONOMIC DEVELOPMENTS

### Overview

The economic performance among the larger member countries of the Caribbean Community (CARICOM) was mixed in 2005. Growth was relatively strong in The Bahamas, Barbados, Belize and Trinidad and Tobago. In Jamaica economic growth slowed, reflecting the adverse effects of three hurricanes in the second half of the year. Economic activity contracted in Guyana on account of severe flooding at the start of the year, which more than offset strong growth in the second half.

Except for Trinidad and Tobago, most countries reported fiscal deficits, which in some cases were below the 2004 levels. External sector performance weakened during the year for most countries as indicated by the wider current account deficits. The deficits were partially financed by inflows of foreign direct investment and grants.

### Output

The economy of The Bahamas grew by an estimated 3.5 per cent in real terms, despite the rise in global oil prices and devastating hurricanes in 2005. Growth was influenced by increases in foreign investment, construction and tourism activity, and strong consumer spending. The construction sector grew significantly compared with the performance in 2004, driven by an increase in residential mortgage lending, hurricane repairs, as

well as robust foreign investment in tourism-related projects. Tourism activity benefited from favourable economic conditions in the US and gains in room revenue. Air arrivals increased by 4.4 per cent compared with 1.5 per cent in 2004. Arrivals by cruise passengers fell by 0.3 per cent to 3.4 million in 2005, following a 13.1 per cent increase in 2004. Consequently total visitor arrivals rose marginally, by 0.9 per cent to 5.1 million.

In Barbados output of goods and services is estimated to have expanded by 3.9 per cent in 2005 compared with 4.8 per cent in 2004. The growth in 2005 was led by a surge in the dominant construction sector, fuelled by strong residential construction activity and preparations for Cricket World Cup 2007. Growth in value-added from construction was estimated at 13.5 per cent in 2005, compared with 2.8 per cent in the previous year. In the agricultural sector, sugar production increased by 11.3 per cent to 38,420 tons, as a result of improved weather. Non-sugar agriculture grew by 0.6 per cent, largely as a result of an increase in production of chicken. Value-added from tourism is estimated to have declined by 3.8 per cent as both stay-over and cruise ship visitor arrivals fell. Stay-over visitor arrivals were down 0.9 per cent from their 2004 level, reflecting, in part, reduced airlift. The breakdown of arrivals by market source indicates a 5.2 per cent fall in the number of visitors from the UK, the single largest market, following a substantial increase in 2004 when Barbados hosted



test cricket between England and the West Indies. Cruise ship passenger arrivals contracted by 21.9 per cent to 563,588. This outturn reflected a decline in cruise ship calls, attributed to the growth in home porting activity on the US mainland, partly in response to high fuel costs which influence cruise ship routes.

In Belize real economic growth is estimated to have slowed to 3.5 per cent in 2005 from 4.6 per cent in 2004, partly reflecting the impact of tighter fiscal and monetary policies that were implemented to dampen consumption. In the agricultural sector, unfavourable weather during part of the year contributed to decreases in the production of sugar (13.8 per cent) and molasses (9.8 per cent). Deliveries of citrus products rose 21.9 per cent due to good weather during the harvesting period. Exports of marine products rose 8.4 per cent, reflecting increases in the output of shrimp and fish fillet. Data available up to November 2005 show a mixed performance in the tourism industry. The number of stay-over visitors rose by 2.5 per cent. Cruise ship passenger arrivals declined by 6.1 per cent, reflecting a reduction in cruise ship calls due in part to a very active hurricane season in 2005.

The economy of Guyana was adversely affected by flooding in the early part of 2005. This caused the economy to contract by 5.9 per cent in the first half of the year. However, an improved economic performance in the second half of the year, tempered the decline in real GDP to 3.0 per cent in 2005. The

agricultural sector contracted by 13.8 per cent, reflecting reduced output of sugar (24.3 per cent) and rice (16.1 per cent) on account of the flood. Output from the mining sector fell 17.8 per cent, as an outbreak of malaria in the primary mining districts caused a temporary closure of mines in the first quarter. A 13.3 per cent increase in bauxite output was more than offset by declines in the production of gold (27.5 per cent) and diamonds (21.4 per cent). The engineering and construction sector grew by 9.4 per cent.

Real GDP in Jamaica is estimated to have accelerated to 1.6 per cent in 2005 from 0.9 per cent in 2004. This growth was achieved despite the adverse economic impact on the economy of three hurricanes in the second half of the year. The services sector continued to be the largest contributor to growth, mainly fuelled by continued expansion in the communications sub-sector and a recovery in tourism. Within the goods producing sectors, growth in construction and mining were partially offset by declines in agriculture and manufacturing. The growth in output from construction and mining was derived mainly from expansions in the hotel and bauxite sectors, led by continued foreign direct investment. Other construction activity included road expansion, improvements to air and sea ports, housing developments and post-hurricane rehabilitation. Agricultural production was severely affected by adverse weather, which caused a decline in both domestic and export crops.



In Trinidad and Tobago real GDP expanded by 7.0 per cent in 2005 compared with 6.5 per cent in 2004. The energy sector grew by 11.0 per cent following growth of 7.9 per cent in 2004. This performance was attributed mainly to increases in output from the sub-sectors exploration and production (9.2 per cent), refining (10.0 per cent) and petrochemicals (27.0 per cent). Growth of 4.0 per cent in the non-energy sector was led by construction, distribution and manufacturing. The construction sector grew by 8.1 per cent, reflecting increases in public and private sector investment in residential and commercial buildings and in government's expenditure on infrastructural development.

### **Prices, Wages and Employment**

Inflation in most of the larger CARICOM countries gained momentum during the year. The increases in the consumer price indices were generally higher than in 2004 as a result of the rise in international oil prices and domestic factors which varied across countries. Of the countries for which data are available, inflation in Guyana was reported at 8.2 per cent, up from 5.5 per cent in 2004, influenced by significant increases in the price of fuel, housing, education and food. In Trinidad and Tobago inflation was 6.9 per cent in 2005 compared with 3.7 per cent in the previous year. Inflation was driven mainly by food prices which rose on average by 22.9 per cent. Excluding the effect of food prices, core inflation rose moderately by 2.7 per cent compared with 1.6 per cent in 2004. Inflation in

Barbados rose to 6.0 per cent from 1.4 per cent in 2004, reflecting increases in the international price of oil. This is the highest level of inflation reported for Barbados since the introduction of the value added tax in 1997. Inflation in the Bahamas rose to 2.2 per cent in 2005 from 1.0 per cent in 2004, influenced mainly by cost increases for medical care and health, food and beverages, education and housing. In Belize the increase in the consumer price index over the twelve months ended November 2005 was 4.2 per cent compared with 3.1 per cent in the previous twelve-month period. All sub-indices increased except clothing and footwear which remained unchanged. The higher rate of inflation was attributed to new taxes and increases in the international price of oil. At 12.9 per cent in 2005, Jamaica was the only country to record a lower inflation rate than in 2004 and to report double digit inflation. Among the factors that influenced price increases in Jamaica were the unfavourable weather and rising international oil prices.

The available data on wages in the region indicate that in Belize public sector rates of pay were higher during fiscal year 2005/2006 as a result of collective bargaining agreements. An 8.0 per cent general wage increase was awarded to civil servants in April 2005. Automatic wage increments averaging between 3.0 per cent and 5.0 per cent were frozen for 12 months beginning in July. In Barbados, public sector workers were given a 3.0 per cent increase during the year in accordance with an agreement with a national union. Public sector workers in Guyana were awarded a 7.3 per cent



wage increase in December, retroactive to 01 January 2005. This was the third consecutive year that pay awards were given in line with inflation. However, with inflation at 8.2 per cent, real income fell for wages earned at the lowest level. Data on private sector wages are not available. There are indications that in some countries private sector income rose in nominal terms. In Jamaica the minimum wage was increased by 20.0 per cent to J\$2,400 per week from J\$2,000, effective 31 January 2005. In Trinidad and Tobago there was some tightening in the labour market, as reflected in an increase in the average yearly wage.

Unemployment in The Bahamas in 2005 is estimated to have remained unchanged at around 10.2 per cent. In some areas the unemployment rate was reported as high as 11.0 per cent, largely as a result of disruptions to economic activity caused by hurricanes. In Belize, based on a labour force survey conducted in April, the unemployment rate for that month was 11.0 per cent compared with 11.6 per cent a year earlier. The fall in the rate was generated by modest economic growth. In Barbados the unemployment rate averaged 9.1 per cent in 2005 compared with 9.6 per cent in 2004. The decline in unemployment was partly associated with the boom in the construction sector. Data for April 2005 indicate that the unemployment rate in Jamaica was 12.2 per cent, compared with an average rate of 13.0 per cent one year earlier. Employment gains were reported in the service sectors including financing, insurance, real estate and hotels and restaurants. In Trinidad and Tobago the

unemployment rate averaged 8.5 per cent in the first six months of 2005, below the 9.0 per cent rate in the corresponding period of the previous year, as buoyancy in the economy was reflected in the labour market. Data from the Central Statistical Office indicated that 20,000 new jobs were created in the first six months of 2005.

### **Central Government Fiscal Operations**

In The Bahamas, the overall fiscal deficit narrowed to \$162.9m in 2005 from \$199.1 in 2004. This reflected an improvement in public finances which was due to the pick-up in real sector activity and improvement in revenue collection measures. Total revenue increased by 16.8 per cent and this helped to reduce the fiscal deficit to \$9.0m from \$73.5m in 2004. The pace of capital spending accelerated to 35.8 per cent in 2005 from 15.0 per cent a year earlier. This outturn was due in part to the recovery effort in the wake of two hurricanes in 2004 as well as ongoing infrastructural improvements.

In Barbados the overall deficit rose to \$128.2m from \$62.1m in 2004, on account of increased spending. Government savings declined as the 6.8 per cent growth in current receipts was outpaced by an 8.4 per cent increase in current expenditure. Capital expenditure and net lending grew by \$52.2m to \$159.8m, partly associated with preparations to host Cricket World Cup 2007. In Belize the overall fiscal deficit amounted to \$57.9m in 2005 compared with \$62.7m in 2004. Despite the reduced deficit,



the outturn was worse than expected, based on targets set as part of a self-imposed fiscal adjustment programme. Capital expenditure fell to \$46.4m in 2005 from \$90.4m in 2004, reflecting restraint in spending as part of the fiscal adjustment programme, together with a slowdown in the implementation of projects.

The central government's overall fiscal deficit more than doubled in Guyana, as both the capital and current accounts weakened during the year. Total current revenue rose by 8.5 per cent and exceeded the budgeted amount. This increase was due in part to the implementation of a number of measures to boost efficiency. On the expenditure side, current outlays increased by 12.8 per cent, reflecting unanticipated spending on flood-relief related projects and one-off expenses associated with upcoming general elections. Capital expenditure increased by over 50.0 per cent, associated with major drainage and irrigation work in the aftermath of the flood. Other large scale projects included road works, airport expansion and a new stadium for Cricket World Cup 2007.

Preliminary data for fiscal year 2004/05 indicate that Trinidad and Tobago realised an overall surplus of \$299.7m compared with one of \$211.5m in fiscal year 2003/04. Total revenue and grants rose by 33.7 per cent to \$27,915.3m, driven by increases in receipts from taxes on profits, incomes and international trade. The growth in revenue was also influenced by the higher than budgeted prices for crude and natural gas which allowed the government

to transfer \$2.6 billion to the Interim Revenue Stabilisation Fund.

### **Money and Credit**

Monetary policy varied across the larger CARICOM countries as the respective central banks addressed specific macroeconomic problems. In broad terms, monetary policy generally focused on issues relating to money supply growth, liquidity management, stable prices and private sector credit growth.

In The Bahamas the growth in the money supply remained strong at 9.2 per cent, although slightly below that of 10.4 per cent in 2004. Private sector credit expanded by 14.2 per cent, reflecting growth in outstanding loans and advances to households. This rise in credit was partly attributed to an easing of monetary policy, mainly reductions of 50 basis points in both the discount rate and the prime lending rate to 5.25 per cent and 5.5 per cent respectively during 2005. In Belize broad money expanded by 6.6 per cent, in line with the growth in economic activity. Credit to the private sector grew by 5.5 per cent compared with an 11.1 per cent rate in 2004. The slowdown in the rate of growth resulted from a fall in excess liquidity. The net foreign assets of the banking system rose to \$67.4m at the end of 2005 from \$42.6m in 2004, largely as a result of two bond issues early in the year. At the end of December 2005 the broad money supply in Guyana was 8.3 per cent above the total at the end of



the previous year. Loans and advances to the private sector increased by 8.4 per cent, in contrast to the 0.4 per cent decline in the previous year. Interest rates continued to trend downwards as commercial bank liquidity increased. In Jamaica the growth rate of the broad money supply decelerated to 8.6 per cent from 16.4 per cent in 2004. At the end of December 2005 outstanding loans and advances were 16.5 per cent above the level at the end of 2004. An improvement in the liquidity position of the commercial banks was accompanied by a fall in interest rates.

### External Sector

In The Bahamas provisional data indicate that the current account deficit on the balance of payments more than doubled in 2005. This performance reflected a sharp rise in the merchandise trade deficit, which more than offset gains in the services and income accounts. Despite improvement in the capital and financial accounts, the overall balance of payments shifted to a deficit of \$89.0m in 2005 from a surplus of \$183.6m in the previous year.

In Barbados the current account deficit was reported to have exceeded 12.0 per cent of GDP in 2005, for the second consecutive year. Strong growth in receipts from merchandise exports were more than offset by an increase in payments for imports. Despite a decrease in net inflows from travel, the services account improved as a result of higher receipts from other services. An increase in

private capital inflows, together with government borrowing contributed to a rise in the net international reserves. The current account deficit in Guyana more than doubled as exports fell while imports rose. The fall in exports reflected the impact of the flood on the production of some commodities. The capital account surplus rose to \$180.6m from \$38.9m in 2004, reflecting an increase in private investment inflows and a decrease in debt servicing. Consequently, the overall balance of payments shifted to a surplus of \$8.1m from a deficit of \$43.1m in 2004.

In Trinidad and Tobago data for the first six months of 2005 indicate a current account surplus on the balance of payments of \$1,681.1m. This performance reflected larger export receipts, influenced by increases in the world market prices for crude oil, natural gas and petrochemicals. The larger current account surplus more than offset a widening of the deficit on the capital and financial account. As a result, an overall balance of payments surplus of \$634.4m was realised for the first six months of 2005.

### Prospects

Real economic growth in the larger CARICOM countries in 2006 is likely to accelerate as some of the factors which suppressed growth in 2005 are unlikely to be repeated. Economic growth will continue to be buoyed by construction activity as some countries upgrade infrastructure and build stadia and other facilities in preparation for Cricket World Cup





2007. An improvement in tourism performance is expected, particularly in those countries that experienced a fall in visitor arrivals in 2005 as a result of record hurricane activity. The outlook for agriculture is uncertain, based on the prospects of falling prices on the world market for a number of traditional crops. The fiscal performance of member

countries is likely to improve in line with the overall economic expansion. However, a number of factors pose a downside risk to these projections. These include a sharp slowdown in US economic growth and higher oil prices which have the potential to spark a new round of inflation and suppress regional economic growth.



## DOMESTIC ECONOMIC DEVELOPMENTS

### Overview

Economic growth in the Eastern Caribbean Currency Union (ECCU) accelerated in 2005, for the fourth consecutive year. Real GDP grew by 5.8 per cent, up from 4.1 per cent in 2004 and an average of 1.9 per cent in 2002 to 2003. The expansion was mainly driven by strong growth in construction activity as some countries began preparations for Cricket World Cup (CWC) 2007. Consumer prices in the ECCU rose by 4.3 per cent, reflecting the impact of higher international oil prices. The consolidated fiscal operations of the central governments resulted in a smaller overall fiscal deficit. The disbursed outstanding debt of the central governments rose in 2005. In the banking system strong growth was recorded in domestic credit, led by increased borrowing by the private sector. Interest rates on time deposits trended downwards. Liquidity in the commercial banks decreased, but it remained at a high level. In the external sector the overall balance of payments shifted to a deficit, reflecting a widening of the current account deficit.

The pace of economic activity in the ECCU is expected to accelerate in 2006 as construction intensifies in countries preparing to host CWC 2007. Strong growth in construction will have positive spillover effects on the wholesale and retail trade, mining and quarrying, and transportation sectors. Value added in the hotels and restaurants sector is

projected to expand based on an increase in airlift, ongoing tourism promotion and the reopening of major hotels in Grenada. Increases in international oil prices and interest rates in the USA, as well as growing geopolitical tensions, pose some risks to the forecast.

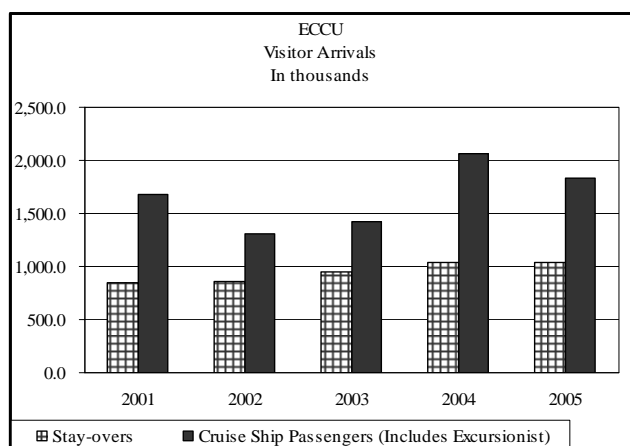
### Output

Value added in the construction sector grew by an estimated 20.3 per cent in 2005, substantially above the 4.9 per cent rate recorded in 2004. Construction activity increased in all ECCU member countries except Montserrat where a decline was recorded on account of the completion of major projects in late 2004 and early 2005. Both the public and private sectors contributed to the expansion in construction in the ECCU. Public sector projects included cricket stadia in Antigua and Barbuda, Grenada and St Kitts and Nevis, constructing and upgrading public buildings and roads. In the private sector, activity focused on building and rehabilitating hotels, villas, golf courses and residential properties. Post hurricane restoration in Grenada also contributed significantly to the increase in construction activity.

The pace of activity in tourism slowed in 2005. Value added in the hotels and restaurants sector, an indicator of the level of tourism activity, rose by 0.2 per cent, following increases of 6.6 per cent and 12.5 per cent in 2004 and 2003 respectively. This



performance was partly attributed to a slowdown in the rate of growth of stay-over visitor arrivals, 0.2 per cent compared with an increase of 10.2 per cent in 2004. Stay-over arrivals rose in four of the member countries, but the increases were almost offset by declines in Grenada (26.8 per cent), Antigua and Barbuda (2.7 per cent), Dominica (1.8 per cent) and Montserrat (4.4 per cent). The relatively large decline in Grenada was attributed to the closure of some hotels for repairs, reflecting the lingering effects of the hurricane.



Of the major markets, stay-over arrivals from the USA rose by 6.1 per cent, while those from the UK and the Caribbean declined by 7.0 per cent and 3.6 per cent respectively. The number of cruise ship passengers to the ECCU (excluding Anguilla) declined by 11.7 per cent to 1.7m, as there were 321 fewer cruise ship calls to the sub region. Except for Grenada, all the countries reported declines in cruise ship passenger arrivals. The number of yacht passengers declined by 1.6 per cent to 134,477, while excursionists rose by 2.5 per cent to 111,719.

Output in the agricultural sector declined by 11.7 per cent, after remaining relatively flat in 2004. This outturn was influenced by a reduction in output of the major traditional export crops. Banana production decreased by 25.6 per cent to 58,061 tonnes, reflecting a fall in output in all the banana producing countries. The decline was attributed to a combination of factors including the lingering effects of hurricane Ivan and the abandonment of banana farms by some farmers as a result of low prices and higher production standards required by the market. Sugar cane production in St Kitts and Nevis declined by 15.7 per cent to 142,693 tons, partly the result of unfavourable weather and a reduction in acreage under cultivation. In Grenada, cocoa, nutmeg and mace production fell markedly, on account of hurricane damage.

Manufacturing production rebounded in 2005, with growth estimated at 6.5 per cent, following increases averaging 0.4 per cent in the previous two years. This performance stemmed from increased output of beverages, dental cream, animal feeds and manufactured food items, partly in response to higher demand on the export market. Production of beer, malt and soft drinks in Grenada also increased, as some manufacturing plants reopened.

### Prices, Wages and Employment

Consumer prices rose by 4.3 per cent on average for the ECCU in 2005, well above the 2.6 per cent rate registered in 2004, reflecting the impact of



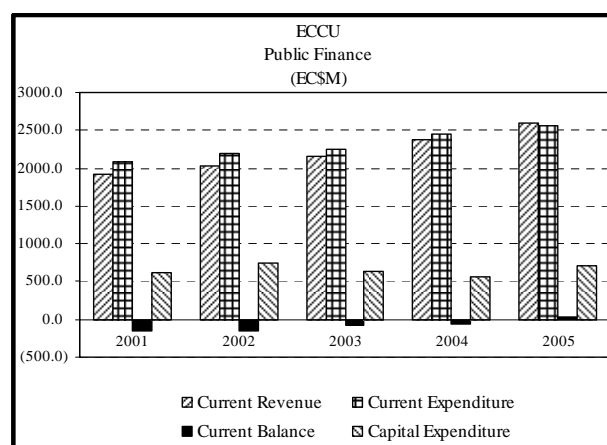
increases in international oil prices. All the member countries registered increases, ranging from 2.5 per cent in Antigua and Barbuda to 7.2 per cent in St Kitts and Nevis. Higher prices for petrol on the domestic market as well as increases in electricity rates and bus fares in some member countries were largely responsible for the rise in the sub-indices fuel and light, and transport and communications. Prices in the food sub index also increased, partly reflecting the impact of higher energy prices on imported food items.

Data on wage movements in the public sector indicate increases in salaries paid to civil servants in Anguilla (10.0 per cent), Montserrat (10.0 per cent), Grenada (4.5 per cent) and St Vincent and the Grenadines (3.0 per cent) in 2005. Complete data on employment in the ECCU are unavailable for 2005. The available data on civil service employment indicate that the number of employees increased in Montserrat and Saint Lucia, partly reflecting growth in the police force. It is likely that employment in construction increased in 2005, consistent with the expansion in activity in that sector.

### Central Government Fiscal Operations

The consolidated fiscal operations of the central governments resulted in a lower overall deficit of \$288.1m (excluding debt forgiven in Antigua and Barbuda) in 2005, compared with \$342.0m in 2004. As a percentage of GDP the overall fiscal deficit fell to 3.0 per cent from 3.3 per cent in 2004. Of the member countries, higher overall deficits were

recorded for Antigua and Barbuda, Saint Lucia and St Vincent and the Grenadines. Anguilla and St Kitts and Nevis recorded smaller deficits, while Dominica and Grenada shifted from deficit to surplus. Montserrat recorded a deficit following a surplus in 2004. A primary surplus (after grants) of \$87.4m (0.9 per cent of GDP) was recorded in 2005 compared with one of \$54.9m (0.6 per cent of GDP) in 2004.



The current account balance shifted from a deficit of \$65.4m to a surplus of \$29.6m in 2005, reflecting strong growth in revenue. Current revenue grew by 9.0 per cent to \$2,593.4m, reflecting the expansion in economic activity and new tax measures in Antigua and Barbuda. Revenue from taxes on income and profit rose by 23.4 per cent, reflecting the reintroduction of personal income tax in Antigua and Barbuda and increased corporate profits in most of the other countries. Receipts from taxes on international trade and transactions increased by 10.8 per cent, stemming from growth in import payments.



Current expenditure rose by 4.9 per cent to \$2,563.8m, mainly reflecting growth in outlays on goods and services and transfers and subsidies. Expenditure on transfers and subsidies increased by 15.0 per cent, largely attributed to severance payments to former sugar workers in St Kitts and Nevis. The larger outlays on goods and services were partly due to an increase in Grenada in relation to replacement of items damaged during the hurricane. Higher fuel costs in all the countries also contributed to the increase in outlays on goods and services. Interest payments fell by 5.4 per cent to \$375.5m, reflecting declines in external interest payments in Antigua and Barbuda, Dominica and Grenada due to debt restructuring.

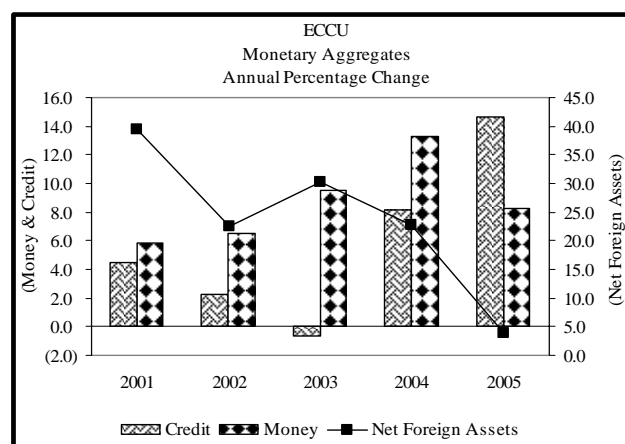
Capital expenditure rose by 24.9 per cent to \$695.3m, consistent with a rise in capital projects undertaken in 2005. Capital outlays increased for all the countries except Anguilla, Dominica and Montserrat.

### Money and Credit

Money and credit conditions during 2005 were characterised by decelerations in the rate of growth of broad money and the net foreign assets of the banking system and a strong increase in domestic credit. These developments in the monetary aggregates were consistent with the strengthening in economic activity.

Broad money (M2) increased by 8.3 per cent to \$9,055.6m, compared with 13.3 per cent in 2004.

The increase in M2 during 2005 largely reflected growth in all the components except private sector time deposits, which continued to contract. Private sector foreign currency deposits rose by 19.5 per cent. Growth in foreign currency deposits was substantial for Anguilla, associated in part with the expansion in tourism and the higher level of foreign direct investment activity. Private sector demand deposits rose by 11.1 per cent, and private sector savings deposits, which accounted for 43.2 per cent of M2, increased by 8.7 per cent.



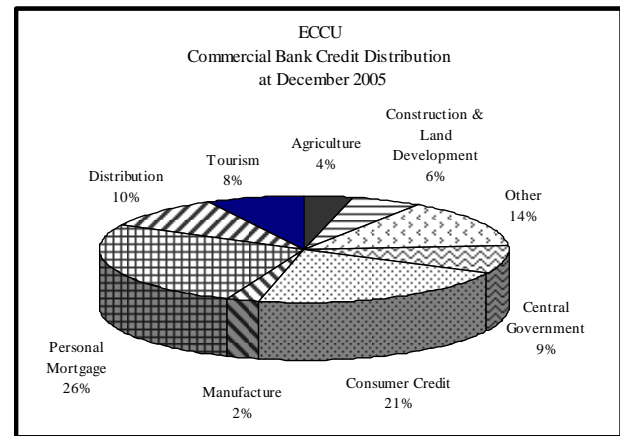
Domestic credit rose by 14.8 per cent to \$7,271.7m, up from a rate of 8.2 per cent during 2004, largely influenced by increased borrowing by both the private sector and central governments. Outstanding loans to the private sector rose by 11.5 per cent, compared with 6.1 per cent during 2004. Strong growth in credit was recorded for both households and businesses, influenced by an increase in business confidence and an easing in commercial bank credit conditions. This development was corroborated by the results of a credit market conditions survey conducted by the

ECCB in January 2006 with all commercial banks in the ECCU. The survey, which covered July to December 2005 and expectations for the first half of 2006, showed that banks eased their terms and conditions for business loans. They reduced interest rates, maximum size of loans, maximum loan maturity and non-interest loan costs. Most banks indicated an overall increase in demand for business loans. The banks also reported an easing in the terms and conditions for household loans. The easing was largely reflected in a reduction in interest rates, particularly for mortgages.

Net credit to the central governments rose by 34.7 per cent to \$637.1m, reflecting increased borrowing, largely from the commercial banks, to finance part of the overall deficit. Of the member governments, increases in credit were recorded for Anguilla, Dominica, St Kitts and Nevis, Saint Lucia and St Vincent and the Grenadines. The net deposits of the non-bank financial institutions and the non-financial public enterprises fell by 7.5 per cent and 2.6 per cent respectively, partly on account of increased borrowing.

The distribution of commercial bank credit by economic activity shows strong growth in outstanding loans for personal use (13.2 per cent), particularly for the acquisition of property. This increase was triggered in part by the special mortgage packages offered by some banks. Credit for tourism rose by 17.5 per cent, largely reflecting a strong increase in Saint Lucia associated with hotel development. Outstanding loans for construction

were 11.2 per cent above the level at the end of 2004, in line with the expansion in activity in that sector.



The net foreign assets of the banking system in the currency union rose by 3.8 per cent to \$3,012.1m, well below the 22.9 per cent rate of increase in 2004. The slowdown in the rate was attributed to the increase in import-related spending, fuelled in part by the strong growth in domestic credit. The net foreign assets of the commercial banks rose by 16.8 per cent to \$1,400.7m, while those of the Central Bank declined by 5.4 per cent to \$1,611.4m.

Commercial bank liquidity decreased during 2005, but was still at a high level. The ratio of liquid assets to total deposits plus liquid liabilities declined by 1.9 percentage points to 36.6 per cent. The loans and advances to deposits ratio rose by 4.2 percentage points to 73.9 per cent, reflecting an increase in loans and advances. Interest rates in the ECCU banking system remained generally stable during 2005, except for commercial bank

interest rates on time deposits. The maximum rate on three-month time deposits fell by 25 basis points to 5.0 per cent, while deposits of over six months to 12 months moved from a range of 1.0 per cent to 8.0 per cent to one of 0.25 per cent to 6.5 per cent. The rates on savings deposits ranged from 3.0 per cent to 5.5 per cent, and commercial banks' prime lending rates (the benchmark rate) ranged from 8.5 per cent to 12.0 per cent. During 2005 some commercial banks offered special mortgage packages at interest rates of 7.5 per cent.

### Balance of Payments

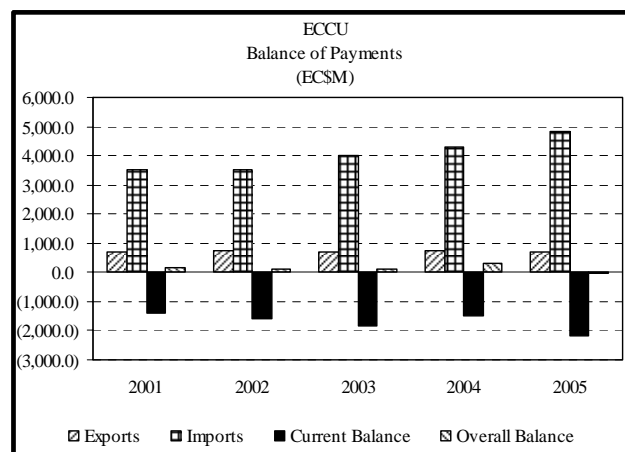
Based on preliminary data the balance of payments position of the currency union deteriorated in 2005. The overall balance shifted to a deficit of 0.5 per cent of GDP from a surplus of 3.3 per cent of GDP in 2004. The deterioration stemmed largely from a widening of the current account deficit to 22.7 per cent of GDP from 16.4 per cent of GDP in 2004, reflecting in part larger net outflows for merchandise trade and reduced receipts from services transactions.

The deficit on the merchandise trade account is estimated to have increased by 3.0 percentage points to 42.3 per cent of GDP in 2005, attributed to an increase in import payments coupled with a decline in the value of exports.

Payment for imports (f.o.b) rose by 12.2 per cent to \$4,829.6m, reflecting the expansion in economic activity and increases in prices of some

commodities, particularly fuel. The value of exports is estimated to have decreased by 8.6 per cent to \$702.8m, reflecting reduced receipts from traditional export commodities, particularly banana (20.0 per cent to \$99.4m) and sugar (5.0 per cent to \$15.6m).

Net inflows from services transactions fell by 8.9 per cent to \$1,832.6m, on account of larger outflows for insurance and transportation services and reduced inflows from travel.



On the capital and financial account, the surplus rose to 21.4 per cent of GDP from 19.6 per cent in 2004. Inflows of official capital grants almost tripled to \$772.4m, largely associated with cricket stadia being built in Antigua and Barbuda, Grenada and St Kitts and Nevis and debt forgiven in Antigua and Barbuda. Net inflows of foreign direct investment, largely for tourism related development projects, rose by 13.9 per cent. The external transactions of commercial banks resulted in a net outflow of \$201.7m, compared with one of \$285.9m in 2004.



## Public Sector Debt

Preliminary data indicate that the outstanding debt stock of the public sector was \$9,755.8m at the end of 2005, roughly 1.7 per cent above the level at the end of 2004. As a percentage of GDP however, the debt stock declined to 100.0 per cent from 106.6 per cent in 2004. Increases in the stock of public debt were recorded in all countries except Antigua and Barbuda and Montserrat.

The higher level of public sector debt was largely the result of increased borrowing by the central governments. The stock of debt of the central governments rose by 3.0 per cent to \$8,011.9m (or 82.1 per cent of GDP), reflecting increased domestic borrowing. Central governments' outstanding external debt declined by 7.6 per cent to \$4,539.0m (46.5 per cent of GDP), partly reflecting debt forgiven in Antigua and Barbuda in 2005.

## Prospects

The pace of economic activity in the ECCU is projected to increase in 2006, fuelled in part by ongoing construction associated with preparations to host CWC 2007. The focus of public sector activity will be cricket stadia in Antigua and Barbuda, Grenada, St Kitts and Nevis and Saint Lucia, as well as roads, schools and airport facilities. Private sector projects include hotels, villas and residential properties.

Tourism activity is expected to increase in 2006. Growth in stay-over visitor arrivals is projected on the basis of additional airlift, ongoing marketing and the reopening of hotels in Grenada, assuming favourable economic conditions in the major source markets. In the cruise visitor category, performance is expected to be weak as the Caribbean loses market share to other cruise destinations, particularly the US "homeland" ports.

Agricultural production is projected to decline in 2006, partly due to the closure of the sugar industry in St Kitts and Nevis in July 2005 and a weak performance in the banana industry. Banana production is projected to contract as some farmers exit the industry in the face of low prices and relatively high production costs. In Grenada production of cocoa and nutmeg is expected to be negligible, reflecting the lingering impact of the hurricane.

Consumer prices are projected to rise in 2006 on the basis of increases in international oil prices which are likely to lead to higher prices for both domestic and imported goods. Increases in the cost of freight are expected to result in higher prices for food. The labour market is expected to tighten, reflecting increases in demand for skilled construction labour.

The current fiscal operations of the central governments are expected to strengthen. Strong growth in current revenue is projected based on new





tax measures in some countries and the expansion in economic activity. Larger outlays on personal emoluments, goods and services, and interest payments are likely to lead to an increase in current expenditure. However, the growth in revenue is expected to surpass that of expenditure, resulting in a larger current account surplus. Capital expenditure is projected to increase, largely influenced by a higher level of spending in Antigua and Barbuda,

Grenada and St Kitts and Nevis.

The external current account deficit is projected to widen as import payments increase, driven by higher fuel prices and import volume on account of the acceleration in economic activity. The current account deficit is expected to be partly financed by inflows of foreign direct investment for tourism related development projects.



## ANGUILLA

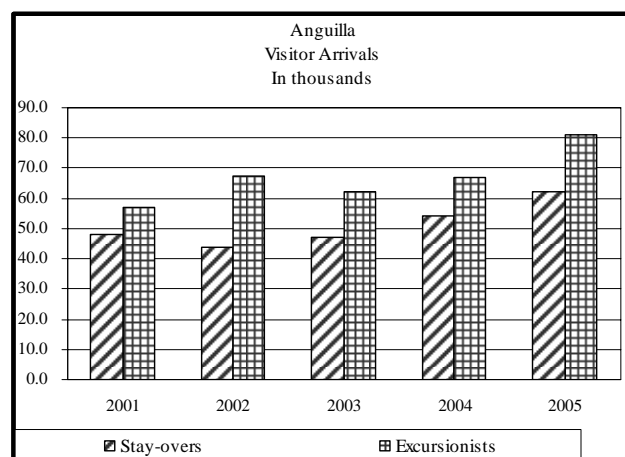
### Overview

The economy of Anguilla experienced another year of double-digit growth, 10.9 per cent in 2005 following growth of 16.4 per cent in 2004. This compares with consecutive years of double digit growth averaging 13.0 per cent in 1985 to 1988. The performance in 2005 stemmed from robust activity in both construction and tourism. The consumer price index rose by 3.2 per cent on an end of period basis. A larger overall deficit was recorded in the fiscal operations of the central government, reflecting an increase in capital expenditure. In the banking system monetary liabilities, domestic credit and net foreign assets increased, liquidity remained at a high level and interest rates were stable. Preliminary estimates indicate an overall balance of payments surplus on the external accounts, mainly influenced by higher inflows on the capital and financial account.

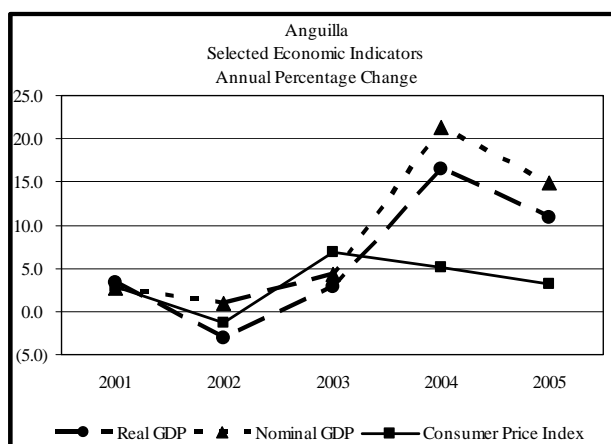
The economic expansion is expected to continue in 2006, primarily driven by robust construction in both the private and public sectors and an increase in tourism activity. The overall fiscal balance is projected to shift to a surplus, on account of an increase in grant receipts. Labour shortages, high oil prices and strong demand for scarce primary resources are the main risks to the positive outlook for the real sector.

### Output

The hotels and restaurants sector continued to be the largest contributor (31.9 per cent) to economic output in Anguilla in 2005. Value added in that sector is estimated to have expanded by 15.0 per cent, influenced by growth in stay-over arrivals. The number of stay-over visitors rose by 15.0 per cent to 62,084, partly as a result of increased marketing and promotional efforts, including re-branding the tourism product. Growth was recorded in arrivals from all the major source markets. Visitors from the USA, the major market, rose by 16.6 per cent to 41,733. Of the other markets, substantial increases were recorded in arrivals from the Caribbean (19.6 per cent), the UK (19.9 per cent) and Canada (15.7 per cent). The number of excursionists rose by 21.4 per cent to 81,102.



Value added in the construction sector grew by 12.4 per cent, increasing the sector's contribution to GDP to 14.3 per cent in 2005. Both public and private sector activities fuelled the expansion in construction. Road rehabilitation, port development and the airport expansion project comprised the bulk of public sector construction. Private sector construction focussed on estate homes and villas for a major hotel and golf course project, residences and various small-scale villa developments.



Of the other sectors, the largest increase in value added was recorded for manufacturing which more than doubled as the sugar refinery, established in October 2004, had its first full year of operations. Value added in the transport sector rose by 9.0 per cent, influenced by expansions in construction and tourism activity. Value added from the electricity and water sector rose by 15.3 per cent, compared with growth of 6.7 per cent in 2004, reflecting increased electricity demand and improved electricity services. Output in the banks and insurance sector and the government services sector

increased by 3.4 per cent and 1.0 per cent respectively.

### Prices, Wages and Employment

The rate of inflation, measured by the change in the consumer price index on an end of period basis, was 3.3 per cent during 2005 compared with 5.1 per cent during 2004. The rise in the general price level in 2005 reflected increases in the sub-indices "housing" (10.6 per cent), "food" (3.0 per cent), and "transport and communications" (2.4 per cent). Those sub-indices account for approximately 73.0 per cent of the basket of consumer goods and services. The growth in the "housing" sub-index reflected higher costs for insurance, paint, water delivery and cement. Increases in prices of fish and meat products and gasoline at the pump accounted for the rise in the "transport and communications" sub-index. Those increases were partly offset by declines in the sub-indices "household furnishings and supplies" (5.6 per cent) and "clothing and footwear" (5.2 per cent).

Civil servants were awarded a 10.0 per cent increase in wages and salaries in the latter part of 2005. Data on private sector wage adjustments in 2005 were not available. It is likely that wages in the private sector increased as a result of the tight labour market conditions, particularly in the construction sector. Plans to establish a minimum wage rate were not finalised by the end of the year.



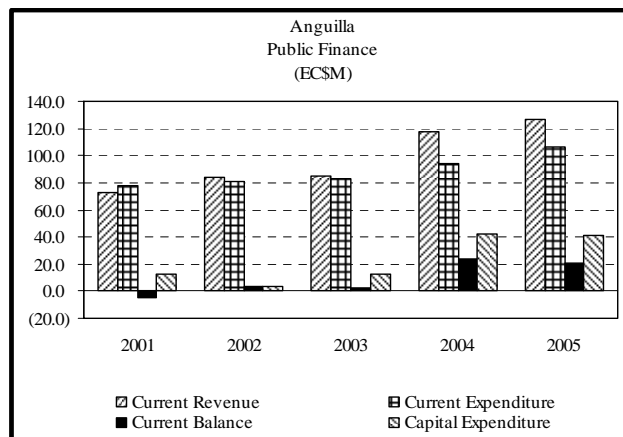
Employment is estimated to have increased substantially in 2005 on account of the high level of construction and tourism activity. As a result of the tight labour market conditions, additional labour was imported to supplement the existing workforce in the construction sector.

### Central Government Fiscal Operations

The overall fiscal deficit of the central government declined to \$15.5m (3.5 per cent of GDP) in 2005 from \$16.7m (4.2 per cent of GDP) in 2004. This was due in part to an increase in capital grants. Capital grants, mainly from the Department for International Development (DFID), more than doubled to \$4.4m in 2005 from \$1.5m in 2004. Inflows of grants were used to finance a mental home and to renovate government offices. Capital expenditure amounted to \$40.9m in 2005 compared with \$41.7m in 2004.

A current account surplus of \$21.0m (4.7 per cent of GDP) was realised compared with one of \$23.5m (5.9 per cent of GDP) in 2004. The narrowing of the surplus reflected a higher rate of growth in current expenditure relative to the increase in current revenue.

Current revenue rose by 9.4 per cent to \$126.8m (28.6 per cent of GDP) in 2005 and exceeded the budgeted estimate by \$24.8m. The growth in revenue was largely due to higher collections from taxes on international trade and transactions, particularly import duties, and from non-tax revenue.



Revenue from taxes on international trade and transactions rose by 22.0 per cent, attributed to growth in receipts from import duties (25.3 per cent). Revenue from the ticket tax rose to \$1.2m from \$0.3m in 2004, indicative of the increase in tourist arrivals. Revenue from non-tax sources grew by \$3.9m owing to an increase in earnings from government departments. Revenue from taxes on domestic goods and services decreased by 10.0 per cent (\$4.9m), mainly as a result of reduced earnings from stamp duties and the levy on bank deposits.

Current expenditure, at \$105.9m, was 12.7 per cent above the total in 2004 and exceeded the budgeted estimate by \$9.8m. As a share of GDP, expenditure increased to 23.9 per cent from 23.4 per cent in 2004. The expansion in current expenditure was influenced by larger outlays on all its components, particularly transfers and subsidies and personal emoluments. Expenditure associated with transfers and subsidies grew by 26.7 per cent (\$5.3m), largely due to increased supplemental subventions to the Tourist Board and the Health Authority. Outlays on personal emoluments rose by



12.3 per cent (\$4.5m), attributed to salary increases. Interest payments were 44.9 per cent (\$1.5m) above the total in 2004, reflecting larger domestic payments on account of increased borrowing from commercial banks.

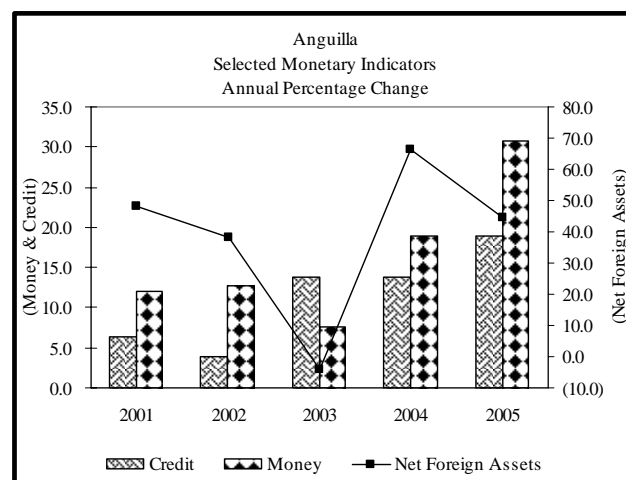
Total disbursed outstanding debt of the central government amounted to \$90.2m (20.3 per cent of GDP) at the end of 2005, compared with \$66.6m (16.6 per cent of GDP) in 2004. The increase was due primarily to additional commercial bank loans to finance the road rehabilitation and airport expansion projects. The ratio of debt service payments to current revenue rose to 4.1 per cent from 3.2 per cent in 2004, attributed to a higher rate of growth in interest payments relative to the increase in current revenue.

### Money and Credit

Total monetary liabilities (M2) expanded by 30.8 per cent to \$912.8m, well above the 18.8 per cent rate of growth during 2004, partly influenced by increased capital inflows associated with hotel development and offshore banking activities. This performance was mainly attributed to a 31.5 per cent increase in quasi money, reflecting strong growth in all its components. Private sector time deposits and foreign currency deposits increased by 41.8 per cent and 32.2 per cent respectively, and savings deposits rose by 15.8 per cent. Narrow money grew by 14.2 per cent, primarily driven by growth in private sector demand deposits.

Domestic credit expanded by 18.8 per cent to \$655.2m, mainly attributed to a 20.5 per cent increase in private sector credit. Growth in credit to the private sector was reflective of increases in lending to businesses (24.9 per cent) and households (15.8 per cent). Net credit to the central government from the banking system rose by 45.2 per cent (\$16.6m) in 2005, attributed to increased borrowing for the airport expansion project and road reconstruction.

A breakdown of credit by economic activity indicates that 46.4 per cent of commercial bank credit was granted for personal loans, of which more than half was used to acquire property. Credit extended for house and land purchase rose 14.2 per cent, and that for home construction and renovation increased by 8.4 per cent. Increases were also recorded in outstanding loans for construction (52.4 per cent), manufacturing (39.4 per cent) and the distributive trades (4.9 per cent), while credit for tourism declined by 4.3 per cent.



The net foreign assets of the banking system rose by 44.4 per cent to \$482.4m, mainly reflecting an expansion in commercial banks' net external assets held outside the currency union. Net assets held abroad increased by 55.3 per cent to \$375.2m, attributed to growth in assets and a reduction in liabilities to banks and other institutions. Anguilla's imputed share of the Central Bank's reserves increased by 15.9 per cent to \$107.2m.

The commercial banking system maintained a high liquidity position at the end of 2005. The ratio of liquid assets to total deposits plus liquid liabilities rose to 51.3 per cent from 49.3 per cent at the end of 2004, influenced by an increase in liquid assets, particularly from foreign investments. The loans and advances to total deposits ratio increased by 2.6 percentage points to 68.4 per cent.

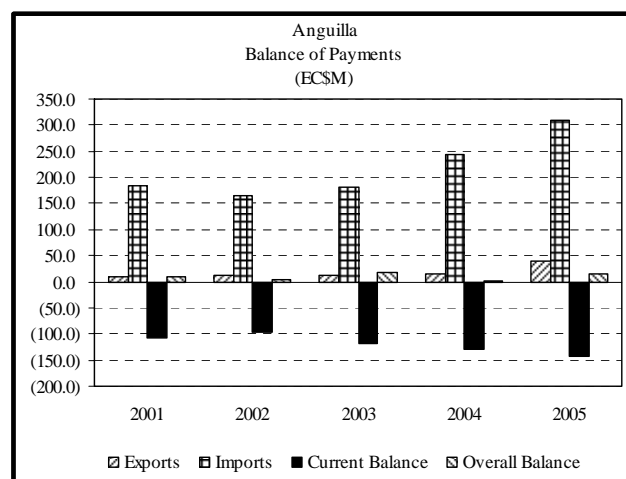
Interest rates remained stable during 2005. Interest rates on savings deposits ranged from 3.0 per cent to 5.0 per cent. The rates on time deposits with maturities of over two years ranged from 1.0 per cent to 8.0 per cent. Prime lending rates ranged from 10.0 per cent to 12.0 per cent.

**Balance of Payments**

An overall balance of payments surplus of \$14.7m (3.3 per cent of GDP) was recorded in 2005 compared with a surplus of \$2.6m (0.7 per cent of GDP) in 2004. The improved performance was the result of increased inflows on the capital and

financial account, which more than offset a widening of the current account deficit.

The current account deficit rose to \$201.5m (45.4 per cent of GDP) in 2005 from \$129.1m (32.2 per cent of GDP) in 2004. This outturn was due in part to a widening of the merchandise trade deficit to \$294.7m, mainly reflecting growth in the import bill. As a share of GDP, the trade deficit rose to 66.5 per cent from 57.0 per cent in 2004. Import payments (f.o.b.) increased by 39.1 per cent to \$338.7m from \$243.5m in 2004, largely due to imports of sugar for the refinery plant and machinery and materials for the major hotel developments and the airport expansion. Earnings from exports more than doubled to \$44.6m, mainly attributable to the re-export of sugar. On the goods and services account, net inflows from services grew by 3.5 per cent to \$86.7m, mainly as a result of increased inflows from travel. Consistent with growth in the number of stay-over arrivals and excursionists, gross tourism receipts were estimated at \$232.3m compared with \$186.2m in 2004.



A surplus of \$216.2m was recorded on the capital and financial account in 2005, compared with one of \$131.7m in 2004. As a share of GDP the surplus rose to 48.8 per cent from 32.9 per cent in 2004. Inflows of foreign direct investment associated with hotel construction and land development by non-residents contributed to the increase in the surplus on the capital and financial account. Grants to the central government totalled \$4.4m in 2005 compared with \$1.5m in the previous year. Commercial bank transactions resulted in a net outflow of \$133.7m, slightly above the net outflow of \$130.8m in 2004, partly associated with activity by trust companies and offshore banks.

### **Prospects**

The economic outlook for Anguilla in 2006 is positive, with real GDP projected to grow by 7.7 per cent. Increased private and public sector construction and tourism activity are expected to be the main drivers of economic growth. Homes and

two major luxury resorts will contribute to growth in private sector construction activity. Public sector construction will focus mainly on road and port development. Stay-over arrivals are expected to increase in 2006, influenced in part by ongoing marketing efforts and the completion of the airport runway to provide direct access from international destinations to Anguilla.

On the central government's fiscal accounts, growth in current revenue is projected as a result of the economic expansion. In the case of expenditure, interest payments on domestic loans are likely to rise, based on an increase in commercial bank credit to finance road reconstruction. Capital expenditure is projected to increase, associated with road and port development. In the external sector, the merchandise trade deficit is expected to widen as import payments grow. The anticipated increase in the number of stay-over arrivals, particularly up-scale clientele, will likely result in higher gross travel receipts.



## ANTIGUA AND BARBUDA

### Overview

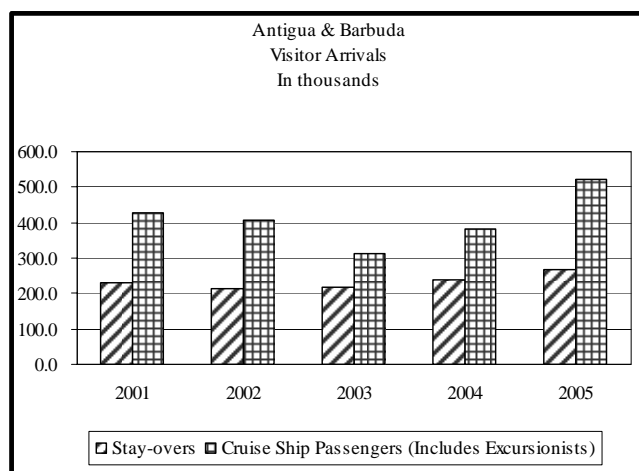
Preliminary estimates show that real GDP in Antigua and Barbuda grew by 5.3 per cent in 2005 following a 5.2 per cent increase in 2004, influenced primarily by growth in construction. The consumer price index rose by 2.4 per cent. The overall balance (before grants) of the central government's accounts shows a widening of the deficit, largely attributed to an increase in capital expenditure. In the banking system, monetary liabilities increased, net foreign assets declined and commercial bank liquidity remained at a high level.

In 2006 output is projected to expand, fuelled primarily by construction. Consequently, the merchandise trade deficit is likely to widen, but an overall balance of payments surplus is expected as a result of higher inflows of direct investment. On the fiscal operations, the current account position is projected to improve based on the central government's programme of fiscal reform, which includes additional tax and expenditure measures.

### Output

Activity in the construction sector grew by 19.5 per cent in 2005 following growth of 2.5 per cent in 2004. The sector's contribution to GDP rose by 1.9 percentage points to 15.7 per cent in 2005. The increase in the pace of construction activity stemmed

from intensified work on a number of public and private sector projects, particularly in the latter part of the year. Private sector projects included a new hotel, expanding and renovating a number of hotels in preparation for the 2005/06 tourist season and Cricket World Cup 2007, business complexes, a new parliament building, and private and commercial residential properties. Public sector activity focussed on a fisheries complex, roads and drains, and refurbishing government buildings. In the fourth quarter of 2005 work intensified on the cricket stadium and the associated infrastructural development.



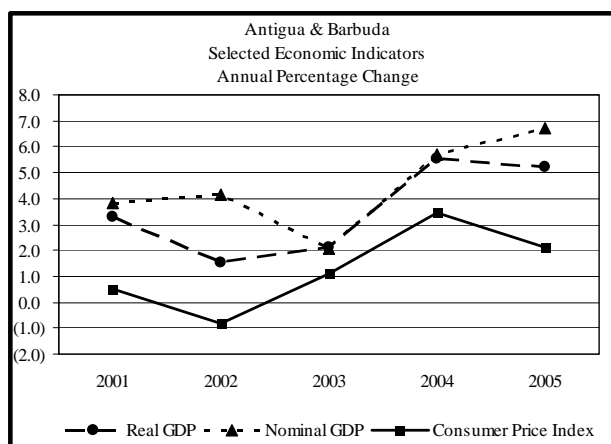
Tourism activity, as measured by value-added in the hotels and restaurants sector, declined by 1.1 per cent in 2005 in contrast to growth of 6.8 per cent in 2004. The sector's contribution to GDP declined from 12.4 per cent in 2004 to 11.7 per cent in 2005. The number of stay-over visitors decreased by 2.7 per cent to 260,530. This development contrasts





with the performance in 2004 when the number of stay-over visitors grew by 11.9 per cent, partly associated with test cricket in Antigua and Barbuda. The closure of one hotel and a reduction in the scale of operations of another also contributed to the decrease in stay-over arrivals. Declines in arrivals were recorded for all the major markets. Stay-over arrivals from the UK and the USA decreased by 7.4 per cent and 5.5 per cent respectively. The number of stay-over visitors from Switzerland, Italy and other Caribbean countries also decreased. Those reductions were partly offset by growth in arrivals from Canada, Germany and other European countries.

Cruise ship passenger arrivals decreased by 10.7 per cent to 466,851, reflecting a 13.5 per cent reduction in the number of cruise ship calls. The decline in cruise ship passengers was largest in the third quarter when the number fell by 52.6 per cent, largely because a cruise line reallocated ships to the Pacific.



Of the other service sectors, output of electricity and water rose by 6.4 per cent, reflecting an increase

in electricity consumption, partly attributed to the higher level of economic activity. Output in the wholesale and retail trades sector rose by 3.2 per cent, largely driven by growth in demand for consumer durables and building materials associated with the expansion in construction activity. Value added in the transport sector grew at a reduced rate of 1.5 per cent compared with an increase of 14.6 per cent in 2004, reflecting a slowdown in the pace of activity in the “road transport” and “sea transport” sub-sectors. This performance was associated with the decline in the number of cruise ship passengers. Increases in value added were also recorded for the banks and insurance (3.9 per cent), communications (8.0 per cent) and the government services (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 2.5 per cent during 2005, reflecting increases in most sub-indices. The sub-indices “fuel and light” and “transport and communication” rose by (17.7 per cent) and (1.1 per cent) respectively, attributed to increases in bus and taxi fares and in the cost of electricity, gasoline and diesel. Notable increases were also recorded for the sub-indices ‘education’ (11.0 per cent) and “household furnishing and supplies” (4.8 per cent). The “food” sub-index rose by 1.5 per cent.

There were no increases in wages and salaries of civil servants in 2005. Data on wage movements in



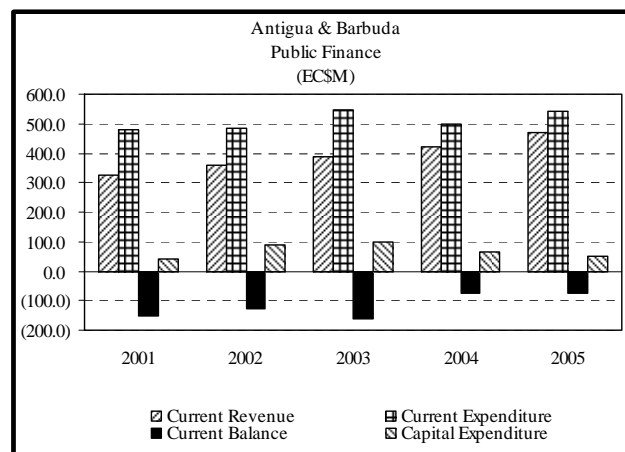
the private sector are not available but it is likely that the increased demand for construction workers may have placed a premium on wages in that sector during 2005.

### Central Government Fiscal Operations

Based on preliminary data a current account deficit of \$69.6m was recorded in 2005 compared with one of \$80.7m in 2004. As a share of GDP, the current account deficit narrowed to 3.0 per cent from 4.0 per cent in 2004, partly reflecting faster growth in current revenue relative to the increase in current expenditure. Current revenue grew by 4.5 per cent to \$493.7m (21.0 per cent of GDP), but fell short of the budgeted figure of \$523.5m. The growth in revenue largely reflected increased receipts from taxes on income and profits (37.5 per cent), attributed to the reintroduction of personal income tax in April 2005. The increase was partly offset by a 5.4 per cent decline in revenue from company tax, reflecting a reduction in the rate from 35.0 per cent to a range of 27.5 per cent to 30.0 per cent, effective 1 January 2005. Revenue from the business turnover tax also declined, as the 2.0 per cent turnover tax levied on unincorporated businesses was replaced by the personal income tax. Effective January 2005, those businesses were required to contribute 1.0 per cent of their gross income, which will be offset against the personal income tax due at the end of 2005.

Revenue from taxes on international trade and transactions grew by 2.3 per cent. This performance

was driven primarily by larger collections from the import duty (17.7 per cent) and the customs service charge (11.7 per cent), associated with an increase in import payments and improvements in tax administration. Receipts from the consumption tax rose by 3.3 per cent in 2005, partly influenced by the government's decision to increase the retail price of gasoline and diesel in the second half of the year. The yield from taxes on domestic goods and services grew by 3.9 per cent in 2005, influenced by increased inflows from stamp duties. Non-tax revenue declined as a result of a fall in collections from services and fees.



Current expenditure increased by 1.9 per cent to \$563.3m (24.0 per cent of GDP), which was \$46.3m less than the budgeted amount for 2005. This outturn primarily reflected higher outlays on transfers and subsidies (32.9 per cent). The growth in this category of expenditure was associated with a rise in the minimum level of pension from \$500 to \$750, the transfer of funds to a new public corporation and contributions to regional institutions. Expenditure on personal emoluments,



and goods and services increased by less than 1.0 per cent. Those increases were partly offset by an 18.1 per cent decline in interest payments. External interest obligations fell by 22.4 per cent, attributed to debt forgiveness by two creditors at the end of 2004. Domestic interest payments also decreased, by 10.2 per cent, following an increase associated with the payment of arrears in 2004.

Capital expenditure of \$94.2m (4.0 per cent of GDP) was 70.6 per cent above the amount in 2004, but below the budgeted total of \$116.2m for 2005. The increase in expenditure was associated with a fisheries project, construction and renovation of police stations, infrastructural development in Barbuda and in the area surrounding the new cricket stadium. Receipts of capital grants for the fisheries and stadium projects more than tripled to \$21.4m.

The transactions on the current and capital accounts resulted in a widening of the overall deficit to \$145.8m from \$113.8m in 2004. As a percentage of GDP the overall deficit rose to 6.2 per cent from 4.8 per cent in 2004. However, debt forgiveness totalling \$547.3m resulted in an overall surplus of \$422.9m.

Preliminary data indicate that the total disbursed outstanding debt (including arrears) of the central government declined by 11.8 per cent to \$2,138.8m at the end of 2005. In relation to GDP the debt stock

fell by 12.1 percentage points to 101.5 per cent. The outturn in 2005 was attributed to debt forgiveness (\$547.3m) from an external creditor.

### **Money and Credit**

Monetary liabilities (M2) rose by 6.9 per cent to \$2,184.1m during 2005, mirroring the expansion in economic activity. Growth was recorded for both narrow money (M1) and quasi money. M1 rose by 18.2 per cent, reflecting increases in demand deposits (21.7 per cent) and currency held with the public (7.8 per cent). The growth in demand deposits was largely associated with the inflow of funds to two private businesses. Quasi money grew by 3.8 per cent, fuelled by an 8.5 per cent rise in private sector savings deposits. Foreign currency deposits rose by 1.4 per cent compared with growth of 26.2 per cent in 2004, attributed to waning tourism activity. Private sector time deposits remained relatively stable.

The counterpart to the growth in M2 was an expansion of 7.5 per cent to \$1,675.7m in domestic credit. The rise in credit was influenced by an increase in private sector borrowing and a decline in the net deposits of non-bank financial institutions. Credit to the private sector grew by 10.5 per cent, attributed to a rise in lending to households (18.0 per cent) and business entities (2.0 per cent). The net deposits of the non-bank financial institutions increased as a result of growth in their deposits.



Net lending to the central government declined by 2.2 per cent to \$261.7m, reflecting a fall in outstanding loans and advances and a decline in deposits.

The distribution of credit by economic activity shows that commercial bank lending for the acquisition of property, which includes home construction and renovation, grew by 13.6 per cent, indicative of the increased level of activity in the construction sector. Outstanding loans for tourism rose by 8.7 per cent, partly reflecting the efforts by some businesses to prepare for the 2005/06 tourist season. A decline was recorded in outstanding loans for manufacturing (12.5 per cent).

The net foreign assets of the banking system declined by 5.0 per cent to \$693.7m, reflecting a fall in commercial banks' net foreign assets. Commercial bank transactions resulted in a 13.7 per cent reduction in their net foreign assets, primarily attributed to growth in their liabilities to banks and other institutions in the rest of the Eastern Caribbean Currency Union (ECCU). At the end of September

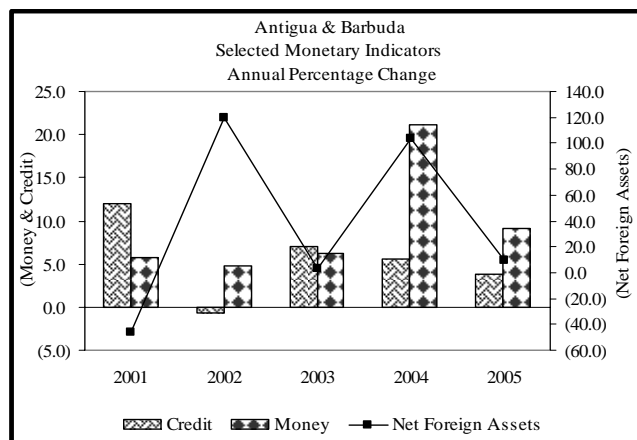
2005 Antigua and Barbuda's imputed share of the Central Bank's reserves stood at \$343.7m, representing a 6.0 per cent increase on the level at the end of December 2004.

The commercial banking sector continued to operate with a high level of liquidity during 2005. The ratio of liquid assets to total deposits plus liquid liabilities grew by 16.5 percentage points to 53.9 per cent. The ratio of loans and advances to total deposits rose by 1.6 percentage points to 76.2 per cent. The cash reserve to deposits ratio stood at 8.9 per cent.

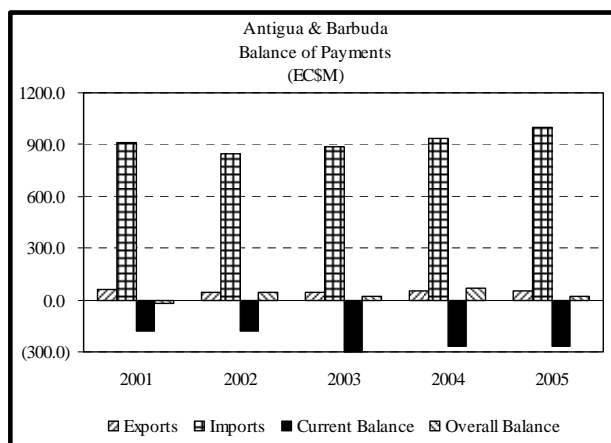
There were some adjustments to interest rates during 2005. The maximum rate on savings deposits continued its downward trend, declining by 0.75 percentage point to 4.25 per cent. The rates on six to twelve month time deposits ranged from 0.25 per cent to 5.5 per cent compared with a range of 1.0 per cent to 7.0 per cent in 2004. Prime lending rates ranged from 10.0 per cent to 11.5 per cent.

### Balance of Payments

Preliminary estimates of the balance of payments for 2005 show an overall surplus of \$19.5m in 2005 compared with one of \$17.1m in 2004. As a percentage of GDP the overall surplus remained relatively stable at 0.8 per cent. This outcome stemmed from larger net inflows on the capital and financial account, which more than offset a 60.9 per cent increase in the current account deficit to \$362.6m (15.4 per cent of GDP).



The larger current account deficit primarily reflected developments on the goods and services accounts. The merchandise trade deficit grew by 9.6 per cent to \$1,037.4m (44.1 per cent of GDP), reflecting larger import payments. Merchandise import payments rose by 9.6 per cent to \$1,093.9m, partly associated with increases in international oil prices and the expansion in economic activity. The surplus on the services account decreased by 7.5 per cent to \$691.93m (29.4 per cent of GDP), largely reflecting a fall in gross travel receipts associated with the decline in visitor arrivals.



On the income account, net outflows fell by 8.1 per cent to \$112.6m (4.8 per cent of GDP) in contrast to growth of 17.7 per cent in 2004. The decline in 2005 was attributed to lower debt service payments by the public sector. Interest obligations on the stock of external debt decreased by 23.4 per cent to \$54.7m, reflecting debt forgiveness by one creditor.

Net inflows on the capital and financial account grew by 57.6 per cent to \$382.1m (16.3 per cent of

GDP). This was partly associated with a 48.3 per cent increase in net inflows of direct investments to \$306.8m. Capital transfers rose from \$57.5m to \$577.7m, largely reflecting debt forgiveness of \$547.3m. Commercial bank transactions resulted in a net inflow of \$55.5m, signalling the drawing down of external assets.

### Prospects

In 2006 real GDP is projected to grow by 12.0 per cent, based primarily on developments in the construction sector associated with new and ongoing private and public sector projects. Activity in the private sector is expected to be dominated by work on new and existing tourist accommodations for Cricket World Cup. Work is also expected to escalate on a number of private and commercial residential properties. In the public sector, work on the cricket stadium and the airport runway and terminal building is expected to intensify in 2006. Other public sector projects include infrastructural development, particularly around the cricket stadium, road development in Barbuda, and new headquarters for a statutory body.

Tourism is expected to rebound in 2006. Indications are that stay-over arrivals will grow based on an increase in the number of hotel rooms, additional airlift from the USA and the UK and a new marketing thrust in the USA and Western Europe. The number of cruise passengers is forecast to rise in 2006, as cruise ship calls increase.

The current account deficit of the central government is projected to narrow in 2006 as current revenue increases and current expenditure declines. The projections for growth in current revenue are based on new taxes and improvements in tax administration. A sales tax is to be introduced and the method of property assessment will be changed to a market value approach. The decline in expenditure will stem from a reduction in outlays on personal emoluments, as the government continues its programme of public sector reform. Capital expenditure is expected to increase as preparations intensify for Cricket World Cup. Thus, the overall deficit is projected to widen.

Monetary liabilities and domestic credit are projected to increase as economic activity expands.

In the external accounts, the merchandise trade deficit is likely to widen, fuelled by an increase in payments for imports associated with rising oil prices and an expansion in economic activity, particularly construction. Gross travel receipts are expected to increase, driven by growth in stay-over arrivals. Consumer prices are forecast to increase, in line with the rise in inflation in the major trading partner countries.

These projections are contingent on favourable conditions in the international economy. Unfavourable weather may weaken the outturn of the construction sector, while developments in the global economy, including rising oil prices and interest rates, could have an adverse impact on the merchandise trade balance, consumer prices and central government's fiscal position.



## DOMINICA

### Overview

Economic activity in Dominica is estimated to have increased by 3.4 per cent in 2005. This is the third consecutive year of growth, following declines averaging 4.7 per cent in 2002 and 2001 when that country was in the midst of an economic crisis. A three-year poverty reduction and growth facility (PRGF) arrangement with the International Monetary Fund, which began in the fiscal year 2003, has promoted a strong fiscal adjustment that has ultimately led to greater business and consumer confidence and a rebound in economic activity. Growth in 2005 was fuelled by increases in all but three economic sectors; contractions were recorded in agriculture, hotels and restaurants, and transportation. The consumer price index rose by 2.7 per cent during 2005. The central government's fiscal operations resulted in an overall surplus (after grants), associated with an increase in revenue and a reduction in capital expenditure. In the banking system, monetary liabilities and domestic credit expanded and liquidity remained high. In the external sector an overall balance of payments surplus was recorded, in contrast to a deficit in 2004, mainly the result of an increase in inflows on the capital and financial account.

In 2006 output is projected to expand, based on an increase in construction activity. The central government's current account surplus is projected to decline, as the strong increase in tax revenue realised

in 2005 is not likely to be repeated in 2006. An expansion in capital expenditure is anticipated based on efforts to increase the rate of implementation of the public sector investment programme (PSIP). Consequently, the overall surplus is likely to decrease. Rising oil prices on the international market pose some downside risks to growth prospects for the economy. In addition, the rate of grant disbursements, particularly from the European Union, will influence the pace of construction activity.

### Output

Growth in economic activity was mainly driven by expansion in the services sectors. Output in the wholesale and retail trade sector grew by 11.0 per cent, partly reflecting the increase in construction activity. The sector's contribution to GDP rose to 14.7 per cent from 13.7 per cent in 2004. Value added in the telecommunications sector rose by an estimated 8.0 per cent, influenced by an expansion in cellular phone business activity as new telephone companies started operations in the second half of 2004. The sector's share of total output expanded to 9.1 per cent from 8.7 per cent in 2004. Output of government services increased by 2.2 per cent following declines averaging 1.4 per cent in the previous two years. The increase was attributed to the reinstatement of the 5.0 per cent cut in wages and salaries. However, the sector's share of real output decreased to 19.9 per cent from 20.2 per cent



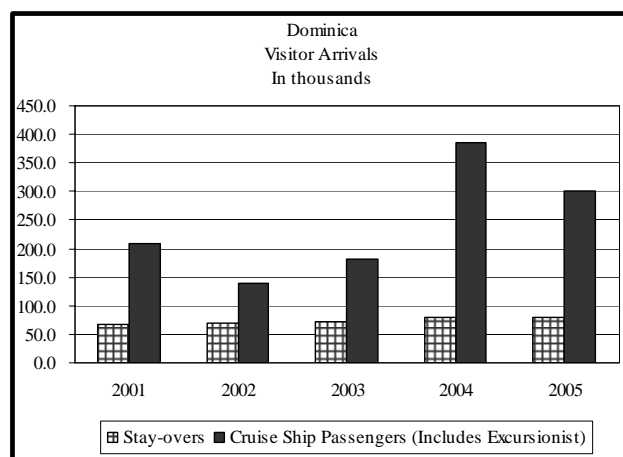
in 2004. Value added for banks and insurance expanded by 5.0 per cent and accounted for 13.8 per cent of total gross domestic product.

Value added in the construction sector grew by 2.7 per cent compared with 3.3 per cent in 2004. The sector's contribution to GDP decreased by 0.1 percentage point to 7.2 per cent. The expansion in value added was largely fuelled by developments in the public sector. Public sector projects included rehabilitating roads, improving and expanding the airport, building a sports stadium, relocating and expanding schools and developing ecotourism sites. In the private sector, work focused on building a hotel. Private sector residential construction activity is estimated to have declined, based in part on a 30.6 per cent decrease in the number of homes under construction relative to 2004. In addition, there was a 0.6 per cent reduction in commercial bank credit extended for home construction and renovation.

Output in the manufacturing sector is estimated to have grown by 1.5 per cent in 2005. Increases in output were recorded for beverages (16.1 per cent), dental cream (4.3 per cent) and other manufactured products (15.5 per cent), associated with additional local and external demand. By contrast, soap production fell by 16.2 per cent, mainly attributable to reduced regional demand. As a share of GDP, the manufacturing sector accounted for 6.3 per cent compared with 6.4 per cent in 2004. Output of electricity and water rose by 2.7 per cent, indicative of higher consumption. The sector's share of real

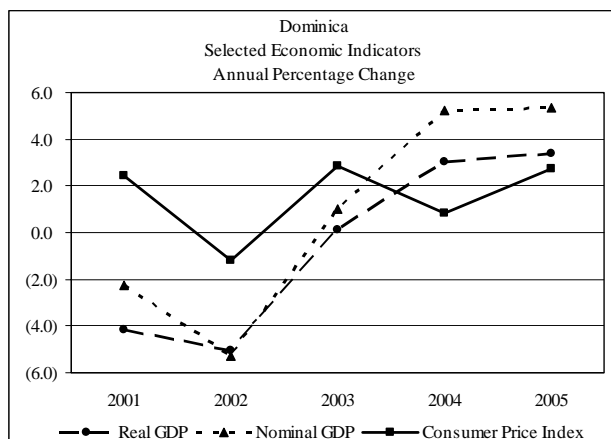
output remained unchanged at 4.9 per cent.

Activity in the tourism industry, as measured by value added in the hotels and restaurants sector, grew by an estimated 1.1 per cent, following an expansion of 11.7 per cent in 2004. The sector's contribution to GDP fell by 0.1 percentage point to 2.6 per cent. The number of stay-over visitors in paid accommodation rose by 1.7 per cent to 24,607. Notwithstanding, the total number of stay-over visitors fell by 1.8 per cent to 78,621. This performance was mainly associated with a decline in visitors from the Caribbean – the major market. By contrast, stay-over arrivals from the USA, the second largest market, rose by 1.1 per cent. Of the other visitor categories, cruise ship passengers decreased by 21.5 per cent to 301,294, consistent with an 18.5 per cent decline in the number of cruise ship calls. The number of excursionists fell sharply to an estimated 676 persons from 2,577 in 2004, mainly reflecting a reduction in organised charters from the French islands, particularly Guadeloupe. These developments resulted in an 18.4 per cent decrease to 380,591 in total visitors to Dominica.





Output in the agricultural sector is estimated to have declined by 0.6 per cent in contrast to an expansion of 3.5 per cent in 2004, largely associated with a decrease in banana production. Banana output fell by 16.0 per cent to 10,683 tonnes, mainly as a result of unfavourable weather. The agricultural sector's share of GDP decreased to 17.1 per cent from 17.8 per cent in 2004.



### Prices, Wages and Employment

The rate of inflation as measured by the change in the consumer price index (CPI), on an end of period basis, was 2.7 per cent during 2005, compared with 0.8 per cent during 2004. The increase in 2005 was mainly associated with rising costs of “food” and “fuel and light”. Increases in the cost of meats and vegetables largely contributed to growth of 3.7 per cent in the food sub-index. The rise in the “fuel and light” sub-index (23.8 per cent) was associated with higher international oil prices which resulted in increases in the retail price of gasoline. By contrast, decreases were recorded in the sub-indices “transport and communications” (0.7 per cent) and “housing” (0.6 per cent).

In August 2005 the government reversed a 5.0 per cent cut in public sector wages that was introduced in the 2003 budget as one of the fiscal measures under the PRGF programme. Consequently, an increase was recorded in the wages and salaries of civil servants. Data are not available on private sector wages and salaries. Data on employment are not available. It is likely that the number of civil servants declined during 2005 due to attrition.

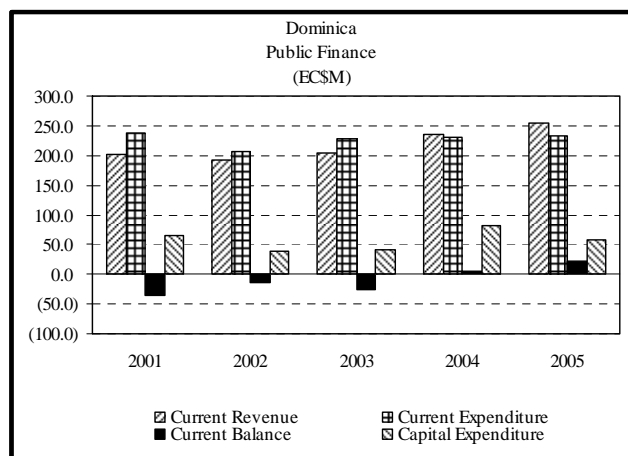
### Central Government Fiscal Operations

The fiscal operations of the central government resulted in a current account surplus of \$22.5m (2.8 per cent of GDP), compared with a surplus of \$4.6m (0.6 per cent of GDP) in 2004. This outcome was attributed to an 8.7 per cent expansion to \$255.1m in current revenue, which as a share of GDP rose by 1.0 percentage point to 31.5 per cent. The growth in current revenue largely reflected increased receipts from taxes on income and profits (29.3 per cent). This outcome was influenced by growth in revenue from corporation tax (\$12.8m), due in part to one-off payments of corporation withholding tax.

Receipts from taxes on international trade and transactions, which accounted for 49.1 per cent of tax revenue, rose by 6.6 per cent. Within this category, increases were recorded in collections from import duty (10.8 per cent), consumption tax (4.3 per cent) and customs service charge (7.8 per cent). The larger yield from taxes on international trade and transactions was mainly associated with an increase in



the value of imports, particularly non-oil products.



Revenue from taxes on domestic goods and services increased by 6.1 per cent, primarily reflecting growth of 15.6 per cent in revenue from the sales tax, as economic activity expanded. Collections from property tax rose by 46.8 per cent, mainly attributed to growth in receipts from land transfer taxes. Non-tax revenue decreased by 12.2 per cent.

Current expenditure increased by 1.1 per cent to \$232.6m, but as a share of GDP declined by 1.2 percentage points to 28.7 per cent. Outlays on goods and services rose by 28.4 per cent, primarily reflecting growth in unprocessed claims of a statutory body. Expenditure on transfers and subsidies increased by 21.2 per cent, mainly associated with gratuity payments and the settlement of some arrears on contributions to regional institutions. Expenditure on personal emoluments fell by 0.7 per cent. Interest obligations contracted by 37.7 per cent, primarily because of decreases in both domestic and external interest rates negotiated

through the government's debt restructuring exercise.

Capital expenditure was associated with road rehabilitation, airport improvement and expansion, construction of a sports stadium, relocation of one school and expansion of another, and an ecotourism development project. Capital expenditure appears to have been underestimated in 2005, especially on the sports stadium and the airport improvement project. Both of these are major grant-financed public sector projects. Capital revenue amounted to \$17.1m compared with \$2.6m in 2004, attributed to an increase in land sales. A primary surplus of \$53.6m (6.6 per cent of GDP) was realised, compared with a surplus of \$33.5m (4.4 per cent of GDP) in 2004. An overall surplus of \$27.8m (3.2 per cent of GDP) was recorded in contrast to a deficit of \$8.1m (1.1 per cent of GDP) in 2004.

The total disbursed outstanding debt (including arrears) of the central government stood at \$732.2m at the end of 2005, an increase of 2.2 per cent on the level at the end of 2004. However, the total debt of the central government as a percentage of GDP fell to 90.3 per cent from 93.0 per cent in 2004. The increase in the debt stock was attributed mainly to growth of 2.6 per cent to \$504.2m in external debt, primarily associated with loan disbursements from the Caribbean Development Bank, as well as financing from the International Monetary Fund under the PRGF arrangement with Dominica. The stock of domestic debt rose by 1.5 per cent to



\$228.0m, partly because the government assumed an outstanding loan of a former statutory body.

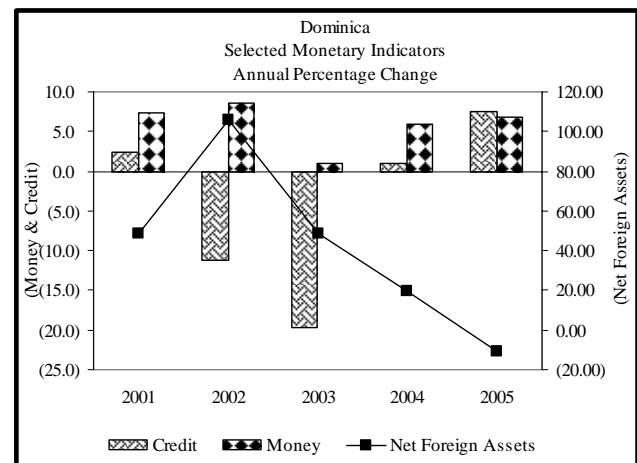
Debt service payments amounted to \$37.9m, a decrease of 30.2 per cent from the total in 2004, largely reflecting the impact of government's comprehensive debt restructuring exercise, which began in April 2004. As part of the debt restructuring exercise, government exchanged existing eligible claims with three series of bonds, each with a fixed coupon of 3.5 per cent. As a share of current revenue, debt service payments represented 14.9 per cent, down from 23.1 per cent in 2004.

### Money and Credit

Broad money (M2) increased by 6.7 per cent to \$627.0m at the end of 2005, partly reflecting growth in the economy. Both narrow money (M1) and quasi money expanded. M1 rose by 28.6 per cent, mainly associated with growth in demand deposits (41.4 per cent). Quasi money increased by 1.6 per cent, reflecting an expansion in savings by private sector businesses and individuals.

Domestic credit expanded by 7.5 per cent to \$390.2m as borrowing by the private sector and central government grew. Net borrowing by the central government from the banking system expanded by 21.4 per cent, largely associated with an increase in commercial bank credit. Loans and advances from commercial banks to the central government rose by 28.8 per cent (\$4.6m).

Commercial bank holdings of debentures grew by 31.4 per cent (\$8.2m), primarily as a result of government's debt restructuring exercise. Deposits of the central government rose by 19.2 per cent, mainly reflecting payments made to an escrow account held at the Central Bank for debt restructuring. Outstanding claims on the private sector rose by 6.0 per cent, associated with growth in credit to households (9.3 per cent) and businesses (1.3 per cent). The composition of credit by economic activity shows increases in outstanding loans for manufacturing (24.7 per cent), construction (3.1 per cent), tourism (12.9 per cent) and personal use (11.2 per cent). By contrast, decreases were recorded in outstanding credit for agriculture (2.1 per cent) and distributive trades (6.4 per cent).



The net foreign assets of the banking system contracted by 10.9 per cent to \$318.0m during 2005. This outcome was mainly associated with a decline of 23.7 per cent in the net foreign assets of commercial banks, as banks reduced their assets held with institutions outside the currency union. Dominica's

imputed share of the reserves held by the ECCB rose by 16.3 per cent.

Liquidity in the commercial banking system remained at a high level during 2005, despite some decrease as indicated by the liquidity ratios. The ratio of liquid assets to total deposits plus liquid liabilities was 48.7 per cent, roughly 5.8 percentage points below that at the end of 2004, partly reflecting a reduction in treasury bills and liquid assets due from banks abroad. The ratio of loans and advances to total deposits was 58.1 per cent compared with 57.5 per cent in 2004. Commercial bank interest rates were unchanged during 2005. Rates on savings deposits ranged from 3.0 per cent to 4.25 per cent and rates on time deposits ranged from 1.0 per cent to 6.0 per cent. Prime lending rates remained within the range of 8.5 per cent to 10.0 per cent.

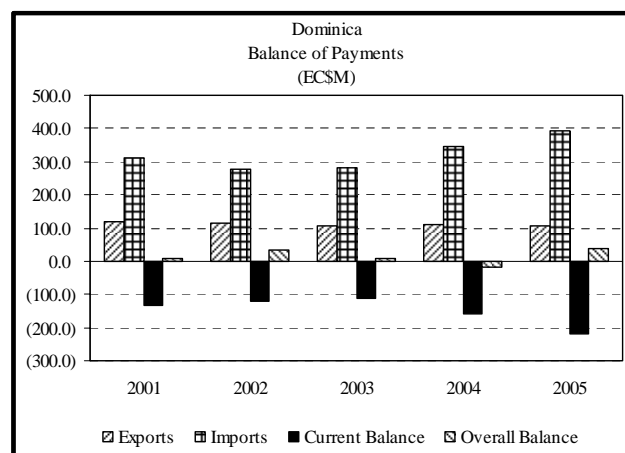
### Balance of Payments

The balance of payments position improved in 2005, influenced by an expansion in inflows on the capital and financial account. An overall surplus of \$39.0m (4.8 per cent of GDP) was recorded, in contrast to a deficit of \$15.9m (2.1 per cent of GDP) in 2004. The current account deficit widened to \$217.7m (26.8 per cent of GDP) from \$159.0m (20.6 per cent of GDP) in 2004. This outturn was due in part to an increase in the merchandise trade deficit to \$190.0m from \$118.7m in 2004, as import payments grew (f.o.b.) and export receipts declined. Merchandise imports grew by 14.0 per cent to \$393.1m, mainly associated with an expansion in

economic activity and an increase in payments for non-petroleum based products. The value of exports amounted to \$108.2m, reflecting a 2.3 per cent decline on the total in 2004. This outcome partly reflected a 4.8 per cent decrease in domestic export receipts, associated with reduced earnings from banana (11.5 per cent) and soap (11.3 per cent).

In the services account, net inflows amounted to \$90.9m, down from \$111.3m in 2004, influenced primarily by developments in the travel sub-account. Gross travel receipts decreased by 7.8 per cent to \$150.9m, consistent with the reduction in the number of visitors.

Net outflows on the income account fell to \$73.4m from \$85.5m in 2004. This outturn was primarily associated with lower interest payments on loan and bond transactions as a result of government's debt restructuring exercise.



The surplus on the capital and financial account increased by 79.3 per cent to \$256.6m (31.7 per cent of GDP) in 2005, influenced by an expansion in

inflows on the financial account. The net surplus on the financial account rose to \$215.0m from \$70.7m in 2004. There was a net inflow of \$57.7m in commercial bank short-term capital, in contrast to a net outflow of \$72.6m in 2004.

### **Prospects**

The economic outlook for Dominica in 2006 is positive, with growth in real GDP projected at 2.8 per cent, partly based on an expansion in construction. Public sector investment is anticipated to boost construction activity. Intensified work on the sports stadium, which is expected to be completed in 2006, is likely to provide the impetus for growth in the sector. Ongoing infrastructural development, including the airport improvement project, as well as renovations to schools and completion of a major secondary school in the north of the island, is expected to have a positive impact on value added for construction.

In the agricultural sector banana production is expected to increase as export demand grows to satisfy a new regional market. Activity in the tourism industry is likely to increase, albeit marginally, as a result of promotional and marketing efforts undertaken in 2005. The cruise sub-sector is likely to benefit from an increase in cruise ship calls, based on the 2005/06 itinerary. Output in the manufacturing sector is likely to fall, reflecting reduced production of soap and dental cream, which are facing declining trends in export demand.

The central government's fiscal operations are expected to improve in 2006, as the authorities in Dominica continue to implement their programme of economic transformation and poverty reduction. Current revenue is projected to grow but at a slower rate than the increase in expenditure. The strong growth in receipts from corporation tax in 2005 is not expected to be repeated in 2006. The value added tax (VAT) and the excise tax implemented in March 2006 are projected to be revenue neutral for the rest of the year. The VAT replaces the consumption tax, sales tax, hotel occupancy tax and entertainment tax. The standard VAT rate will be 15.0 per cent on taxable activities; a reduced rate of 10.0 per cent will be levied on hotel accommodation. Outlays on transfers and subsidies are projected to increase, mainly due to payments of retirement benefits and gratuities. The central government is likely to realise a smaller surplus on its current account. Capital expenditure is projected to increase as work intensifies on ongoing projects. Consequently, the overall surplus is likely to be lower than the level realised in 2005.

In the external sector the current account deficit is projected to widen, associated with growth in imports for construction and the general increase in economic activity. Inflows from travel will increase as the number of visitors grows. Broad money and domestic credit are projected to rise, based on the expansion in the economy. Liquidity in the commercial banking system is likely to remain at a high level. Consumer prices are projected to increase, mainly influenced by rising oil prices.



## GRENADA

### Overview

Provisional estimates indicate that real output in Grenada grew by 12.1 per cent in 2005, in contrast to a decline of 6.9 per cent in 2004. The expansion was fuelled in part by growth in construction, transport and wholesale and retail trade. The consumer price index rose by 5.8 per cent during 2005. The fiscal operations of the central government resulted in an overall surplus, attributed to higher revenue collections and inflows of official grants. In the banking system, monetary liabilities and net foreign assets declined. Liquidity remained high, despite a decrease in the level. In the external sector an overall balance of payments deficit was realised in contrast to a surplus in 2004, influenced by higher outflows on the current account.

The economy is projected to expand by 7.4 per cent in 2006, based on expected developments in construction and manufacturing and a rebound in agricultural and tourism activities. The fiscal operations of the central government are likely to benefit from a comprehensive medium term reform programme to be implemented in 2006. Rising interest rates on the international market as well as high oil prices pose some downside risks to developments in Grenada in 2006.

### Output

Value added in the construction sector grew by 91.0 per cent in 2005, fuelled by post-Ivan rehabilitation and other investments in both the public and private sectors. In the public sector, projects included refurbishing schools, replacing roads and bridges and ongoing work on the headquarters for a statutory body. In the fourth quarter of 2005 work began on a new stadium. Private sector construction projects in 2005 included refurbishing hotels and private dwellings damaged during hurricane Ivan and tropical storm Emily.

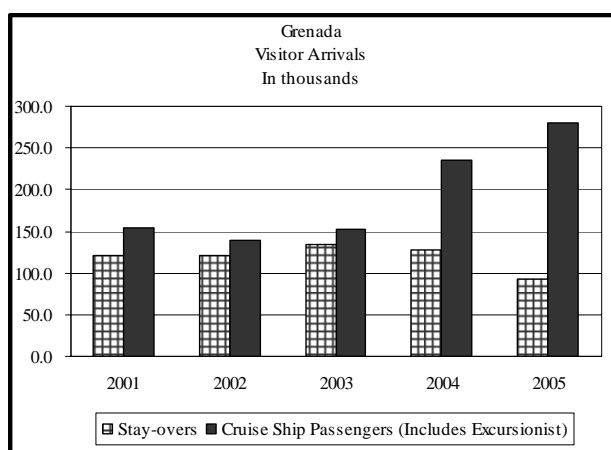
In the wholesale and retail trade sector value added rose by 27.5 per cent, supported by strong growth in demand for imports to facilitate reconstruction. In the transport sector value added grew by 23.7 per cent, attributed to increases in construction activity and cruise passenger arrivals. Increases in value added were also recorded for the communications (30.7 per cent) and electricity and water (4.7 per cent) sectors.

Manufacturing activity rebounded in 2005. Value added rose by 18.8 per cent, in contrast to a 14.6 per cent decline in 2004. The improvement in 2005 reflected increased production of malt



(22.7 per cent), beer (16.0 per cent) and soft drinks (11.0 per cent); output of these products fell in 2004 after hurricane Ivan disrupted operations at the brewery.

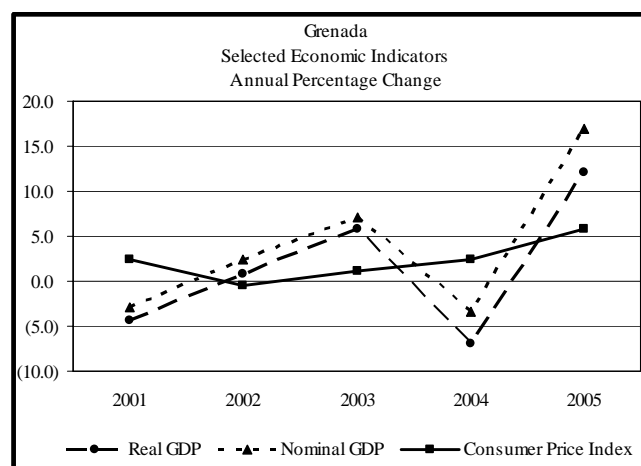
In the grain mill and bakery products category, output of macaroni almost tripled while production of flour rose by 52.2 per cent. Increased output was recorded for prepared animal feed, and chemicals and paints.



Value added in the hotels and restaurants sector, which is used as a proxy for tourism activity, decreased by 42.5 per cent following a contraction of 13.1 per cent in 2004. This performance stemmed from a 26.8 per cent fall in the number of stay-over visitors, as some hotels operated below capacity after the hurricane. Of the major markets, the largest decline was reported for stay-over visitors from the UK (45.6 per cent), followed by the Caribbean (30.2 per cent), Canada (20.8 per cent) and the USA (16.0 per cent). Yacht visitor arrivals fell by 10.2 per cent and the number of excursionists declined by 5.1 per cent to 5,829. In the case of cruise passengers,

arrivals increased by 19.7 per cent to 275,082, reflecting calls by new ships including the Queen Mary 2.

Agricultural output continued its downward trend for the third successive year. Value added in the sector fell by 38.1 per cent, following contractions averaging 4.9 per cent in 2004 and 2003. This performance reflected a fall in the output of all traditional crops. Decreases were recorded in the output of nutmeg (94.9 per cent), mace (94.5 per cent) and cocoa (93.8 per cent), attributed to hurricane damage to the tree stock. Livestock production fell by 8.0 per cent, while output from the fish and forestry sub-sectors contracted by 13.0 per cent and 3.2 per cent, respectively.



### Prices, Wages and Employment

The rate of inflation, as measured by the change in the consumer price index (CPI) on an end of period basis, was 5.8 per cent during 2005, up from 2.5 per cent during 2004. The acceleration in the

rate was linked to increases in the cost of “fuel and light”, “food, drink and tobacco”, “transport and communications” and “housing”. The “fuel and light” sub-index rose by 29.3 per cent, reflecting adjustments to the electricity surcharge following increases in international oil prices. The increase in the “food, drink and tobacco” sub-index (6.9 per cent) was associated with higher costs of some vegetables and meat. The price of transportation and communications rose by 3.9 per cent, influenced by higher fuel prices and bus fares.

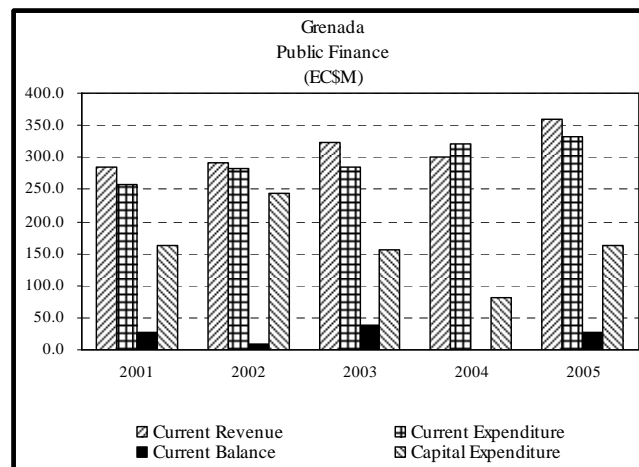
Information on wage increases in the private sector was not available. In the public sector there was a 4.5 per cent increase in salaries for central government employees in 2005. Within the central government the number of established and non-established workers remained virtually unchanged at 4,997 and 329 respectively. Data on private sector employment are not available but it is likely that employment in the construction sector increased, based on the strong activity recorded in 2005.

### Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall surplus of \$24.2m (1.8 per cent of GDP), in contrast to a deficit of \$32.9m (2.9 per cent of GDP) in 2004. The main contributing factors to this development were increases in grants and current revenue, as the central government continued to benefit from donor assistance for its recurrent and capital programmes. Consequently a

primary surplus of \$83.6m was recorded in 2005, compared with one of \$38.9m in 2004.

Current revenue increased by 19.6 per cent to \$359.7m, compared with the amount in 2004. As a percentage of GDP current revenue rose to 26.6 per cent from 26.1 per cent in 2004. The expansion in current revenue reflected a 23.0 per cent increase in tax revenue as non-tax revenue decreased. Increases were reported for all major categories of tax revenue except for taxes on property, which declined by 6.3 per cent. Receipts from taxes on international trade and transactions rose by 25.4 per cent. This performance reflected increases in collections from import-related levies such as the customs service charge (50.1 per cent), import duty (25.9 per cent) and consumption tax (18.0 per cent), attributed to growth in the value of imports. Revenue from taxes on income and profits grew by 34.1 per cent due to the collection of arrears. Receipts from taxes on domestic goods and services rose by 15.4 per cent, largely influenced by increased intake from stamp duty and licences. A fall in receipts of dividends was largely responsible for a decline of 25.6 per cent in revenue from non-tax sources.





Current expenditure increased by 3.7 per cent to \$332.7m in 2005. However, as a percentage of GDP, current expenditure fell by 3.3 percentage points to 24.6 per cent compared with the ratio in 2004. Spending on goods and services rose by 47.3 per cent as supplies and materials damaged during the hurricane were replaced. Outlays on personal emoluments grew by 2.2 per cent, as a result of the 4.5 per cent salary increase. Interest payments fell by 17.3 per cent to \$59.4m, attributed to the capitalisation of some due payments as part of the debt restructuring exercise.

Capital expenditure and net lending almost doubled to \$163.6m (12.1 per cent of GDP) in 2005. Significant outlays were made for housing, school reconstruction and the repair of infrastructure. Capital grants amounted to \$65.6m in 2005 compared with \$18.6m in 2004.

Total disbursed outstanding debt of the central government increased by 14.3 per cent to \$1,411.2m (104.4 per cent of GDP) in 2005. The stock of external debt increased by 17.0 per cent to \$1,073.5m, as government contracted new loans and issued a bond to facilitate the reconstruction programme. Notwithstanding the increase in the debt portfolio, total debt service payments fell by 39.1 per cent to \$92.8m as a result of debt restructuring. Consequently, the total debt service to current revenue ratio fell to 25.8 per cent from 54.4 per cent in 2004.

## Money and Credit

The stock of broad money (M2) declined by 1.0 per cent to \$1,469.0m, reflecting a 7.3 per cent contraction in narrow money (M1). Of the components of M1, private sector demand deposits fell by 11.8 per cent, while currency with the public increased by 3.1 per cent. Quasi money rose by 0.9 per cent, attributed to growth in private sector savings and foreign currency deposits. Private sector time deposits continued on a downward trend, contracting by 11.1 per cent to \$189.8m in 2005, following a 7.5 per cent decline in the previous year.

The counterpart to the contraction in M2 was a fall of 48.4 per cent in net foreign assets. Commercial banks' net foreign assets decreased by 74.9 per cent, largely reflecting a decline in assets held with institutions abroad and in the rest of the ECCU. Grenada's imputed share of the reserves held by the ECCB decreased by 22.6 per cent.

Domestic credit rose by 14.8 per cent in contrast to a decline of 9.1 per cent in 2004, mainly reflecting growth in credit to the private sector. Credit to the private sector expanded by 9.2 per cent, attributed to an increase in outstanding loans to households and businesses. Credit to the central government totalled \$104.0m, roughly 17.6 per cent less than in 2004, partly the result of a decrease in debentures held by commercial banks. The deposits of the central government increased by 62.8 per cent to \$88.9m,



reflecting receipts of external loans and inflows of official grants. As a consequence, the net indebtedness of the central government contracted by 78.9 per cent, mirroring the improvement in the fiscal accounts. In the rest of the public sector an increase in credit combined with a withdrawal of deposits resulted in a 48.2 per cent decrease in the net deposits of the non-financial public enterprises. Credit to the non-bank financial institutions grew by 3.0 per cent, while their deposits fell by 56.5 per cent, resulting in a decrease in their net deposits.

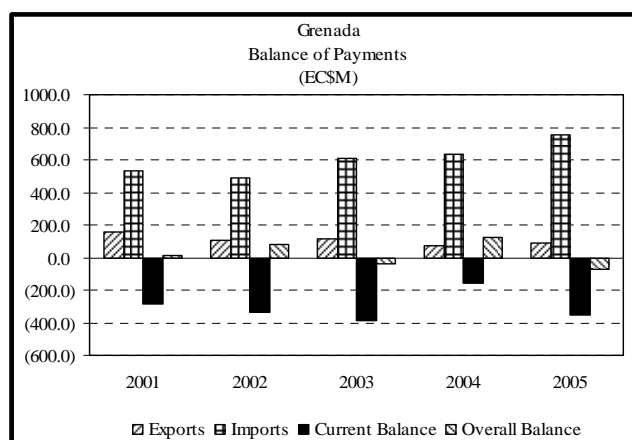
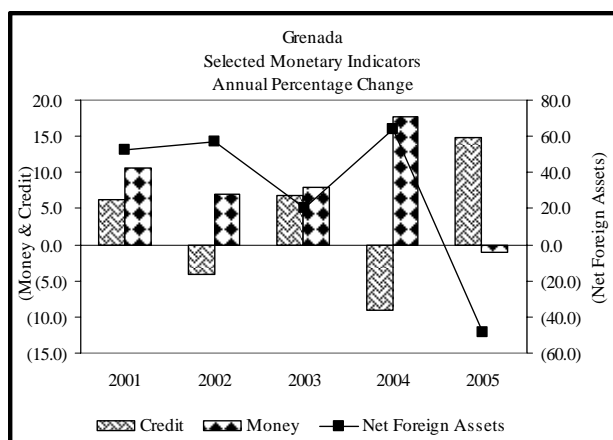
The composition of credit by economic activity indicates that during 2005 lending for construction increased by 70.7 per cent, consistent with the expansion in activity in that sector. Credit for tourism-related purposes grew by 5.6 per cent as stakeholders sourced capital to refurbish establishments damaged by the hurricane. In 2004 credit for tourism-related purposes declined by 3.6 per cent. Outstanding credit for personal use, which accounts for 60.0 per cent of total credit, rose by 6.3 per cent to \$689.9m. By contrast, decreases were recorded in credit for manufacturing (27.4 per cent) and agriculture (4.0 per cent).

Commercial bank liquidity decreased in 2005, but remained at a high level. The ratio of liquid assets to deposits plus liquid liabilities fell by 13.0 percentage points to 30.9 per cent. The ratio of loans and advances to total deposits increased by 8.4 percentage points to 66.0 per cent.

There were some downward movements in interest rates during the period. The maximum interest rate on savings deposits declined to 4.0 per cent from 5.5 per cent. The maximum rate on time deposits fell to 5.0 per cent from 8.0 per cent in 2004.

**Balance of Payments**

Preliminary estimates of the balance of payments show a deterioration in 2005. An overall deficit of \$74.0m (5.5 per cent of GDP) was recorded, in contrast to a surplus of \$125.1m (10.9 per cent of GDP) in 2004, attributed to higher outflows on the current account. The current account deficit widened to \$342.2m (25.3 per cent of GDP) from \$150.6m (13.1 per cent of GDP) in 2004. This outturn was influenced primarily by a



widening of the deficit on the goods and services account.

Net outflows on the merchandise trade account rose by 19.6 per cent, mainly reflecting growth in the import bill to facilitate the economic recovery. As a share of GDP, the merchandise trade deficit rose to 49.4 per cent from 48.5 per cent in 2004. The value of imports (f.o.b) was estimated to have risen by 17.6 per cent to \$756.8m. Growth in the export of manufactured products, particularly flour and animal feed, was largely responsible for a 4.3 per cent increase in the value of exports. By contrast contractions were recorded in export receipts from cocoa (95.6 per cent) and nutmegs (0.2 per cent).

On the services account, net inflows fell by 62.3 per cent, reflecting lower inflows from travel (14.4 per cent) and insurance services (43.5 per cent). On the income account, net outflows decreased by 39.4 per cent, as direct investment income outflows fell and interest payments on bonds and loans by the central government contracted.

The surplus on the capital and financial account decreased by 2.7 per cent to \$268.2m, equivalent to 19.8 per cent of GDP in 2005 compared with 23.9 per cent of GDP in 2004. This decline was mainly associated with a contraction of 51.3 per cent to \$71.1m in net inflows of direct investment and a decline in portfolio flows, mainly to the central government. On the other investment sub-account, inflows of official loans to the central government grew by 65.0 per cent to \$74.5m, while principal

repayments decreased by 41.4 per cent to \$17.2m. The decline in principal repayments reflected restructuring of the external debt portfolio. Net inflows on the capital account rose by 18.1 per cent, reflecting larger inflows of capital grants.

### **Prospects**

Grenada's economic recovery is expected to continue in 2006 with real GDP projected to grow by 7.4 per cent, supported by ongoing and new construction projects. Construction activity in the public sector will be buoyed by work on the new stadium, low cost houses and ongoing rehabilitation of buildings damaged during hurricane Ivan. In the private sector, activity is expected to be led by the construction and expansion of homes to increase the room stock in preparation for the Cricket World Cup 2007. Other activities will include a new resort and dormitories at a university. Tourism activity is expected to rebound with the full reopening of most hotels, an increase in airlift and intense marketing. In the agricultural sector, increased production of non-traditional crops is likely to boost output.

The current account operations of the central government are expected to improve based on the positive economic outlook as well as the implementation of reform measures aimed at enhancing growth and macroeconomic stability. Lower debt service obligations are projected for 2006, reflecting the impact of the debt restructuring exercise. Capital expenditure for 2006 is expected



to be above the level in 2005 due to the ongoing rehabilitation and reconstruction projects.

In the external sector the current account deficit is projected to widen, based on increased net outflows on the merchandise trade account. Inflows from travel are expected to rise, consistent with the anticipated growth in visitor arrivals. Reduced outflows on the income account are

projected on account of a decrease in interest payments.

The downside risks to the projections are increases in interest rates and oil prices, and the timing of implementation of fiscal reform measures. In addition, performance in the tourism industry will be contingent on developments in the economies of the major markets.



## MONTSERRAT

### Overview

Preliminary estimates indicate that the Montserrat economy expanded by 1.6 per cent in 2005 following growth of 4.5 per cent in 2004. The slowdown in the rate of growth was largely attributed to a decline in construction activity, which partly offset increases in value added for government services, mining and quarrying, manufacturing, and wholesale and retail trade. The consumer price index (CPI) rose by 2.9 per cent during 2005, on an end of period basis.

The fiscal operations of the central government resulted in an overall deficit in 2005 in contrast to a surplus in 2004, attributed to a reduction in capital grants. On the external account, the overall balance shifted from a surplus in 2004 to a deficit, mainly associated with a widening of the current account deficit. Monetary liabilities expanded, while net foreign assets contracted. Liquidity in the commercial banking system remained at a high level.

The economy is projected to expand in 2006, driven in part by growth in construction. Residential housing is expected to provide the major impetus in this sector. The fiscal operations of the central government are projected to improve.

### Output

Value added for government services, the largest contributor to overall output, is estimated to have increased by 3.1 per cent in 2005 compared with growth of 5.2 per cent in 2004. The expansion was largely attributed to an increase in civil service employment. In the mining and quarrying sector, value added rose by 88.9 per cent, as local mining companies began exporting sand and aggregate. Value added from manufacturing grew by 44.2 per cent, on account of an increase in production by a block making company.

Of the other sectors, increases were recorded in value added for electricity and water (10.3 per cent), banks and insurance (5.0 per cent), wholesale and retail trade (2.8 per cent), communications (2.2 per cent) and real estate and housing (2.0 per cent).

Value added in the construction sector, the second largest contributor (16.6 per cent) to gross domestic product (GDP), is estimated to have declined by 4.5 per cent in 2005 following growth of 2.4 per cent in 2004. This performance was largely associated with a fall in public sector construction activity attributed to the completion of some projects, particularly the airport development project. Public sector construction activity in 2005



focused on road and infrastructure development, a government building and health care facilities. In the private sector, construction activity included a supermarket, vegetable shop, headquarters for a bank and homes. The number and value of residential starts rose by 12.9 per cent and 62.5 per cent respectively, partly on account of increased lending by banks.

Performance in the agricultural sector continued to be weak in 2005. Value added for that sector fell by 12.5 per cent following a decline of 18.6 per cent in 2004. Output of vegetable and root crops contracted by an estimated 8.0 per cent due to unfavourable weather. Livestock production also declined, by 58.1 per cent, attributed to a fall in output of eggs and increased competition from imports of mutton and lamb. Fish landings grew by 60.7 per cent, partly reflecting favourable weather and improved recording of fish catch.

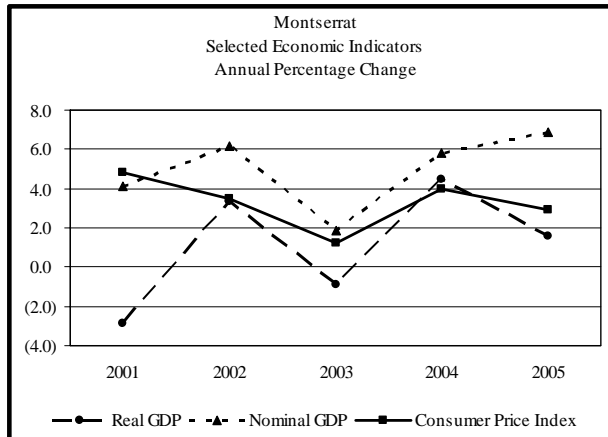
Value added for transport contracted by 2.0 per cent, reflecting reductions in the “sea transport” and “road transport” sub-sectors as a result of the termination of the ferry service and the fall in construction activity. The fall in activity in these sub-sectors was moderated by growth in the air transport sub-sector, associated with the opening of the airport.

## Prices, Wages and Employment

The rate of inflation, as measured by the change in the CPI (on an end of period basis), was 2.9 per cent during 2005, influenced by increases in all sub-indices with the exception of “rent”, which remained unchanged and “clothing” which fell by 0.1 per cent. The “gas, electricity and water” sub-index recorded the largest increase at 5.9 per cent, due to higher fuel surcharge rates. Growth of 4.9 per cent in the “household goods” sub-index was attributed to increases in the cost of building material, toilet paper and toothpaste. Prices in the “food” sub-index, which accounts for almost 50 per cent of the CPI, rose by 3.9 per cent, reflecting increases in the cost of chicken, white sugar and evaporated milk. The “services” sub-index grew by 3.3 per cent on average, as a result of higher school fees and the rise in fuel prices.

Public sector workers received a 10.0 per cent salary increase effective January 2005. The increase was intended to offset the larger deductions from salaries, associated with social security contributions. Prior to 2005 public sector workers were not required to make contributions to the Social Security Board. Information on wages and salaries in the private sector was not available.



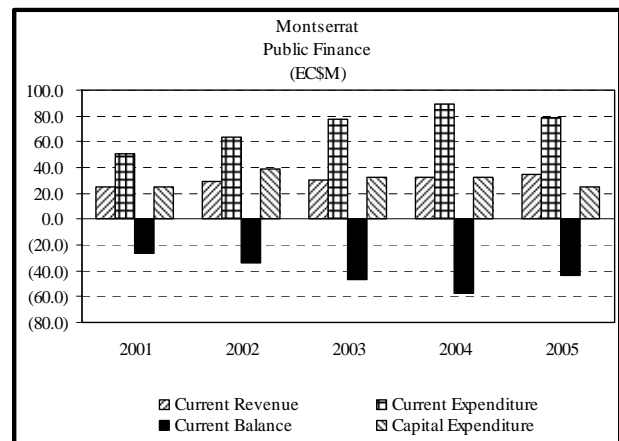


Employment in the public sector expanded, partly on account of an increase in the size of the police force. Complete data on private sector employment were not available. It is likely that employment in the construction sector decreased due to the decline in construction activity.

### Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall deficit of \$5.8m (5.0 per cent of GDP) in contrast to a surplus of \$2.0m (1.8 per cent of GDP) in 2004. This outturn was attributed to lower capital grant receipts. Capital expenditure fell to \$25.3m (22.0 per cent of GDP) from \$32.8m (29.8 per cent of GDP) in 2004, as construction of the Gerald's Airport was completed. Capital expenditure in 2005 was associated with land preparation and housing development. Available data indicate that capital grants received from the British government and the European Union totalled \$14.0m in 2005 compared with \$36.3m in 2004.

The current account deficit (before grants) narrowed to \$43.4m (37.8 per cent of GDP) from \$57.4m (51.9 per cent of GDP) in 2004, associated with larger revenue collection and reduced expenditure. Current revenue grew by 6.8 per cent to \$34.6m (30.1 per cent of GDP), surpassing the budgeted estimate of \$32.7m. The increase in revenue largely reflected growth in receipts from taxes (\$1.9m). The yield from taxes on international trade and transactions rose by 11.3 per cent (\$1.5m), contributing the largest share of the increase in tax revenue. This was on account of the higher value of imports, associated with the rise in international oil prices. Increases were recorded in collections from import duties (27.2 per cent) and the consumption tax (22.8 per cent). However, revenue from the customs service charge fell by 9.4 per cent, associated with adjustments to the trade tariffs.



Current expenditure contracted by 13.1 per cent to \$78.1m (68.0 per cent of GDP), which was 2.6 per cent less than the budgeted amount. The fall in expenditure was partly attributed to a 32.0 per cent

decrease in outlays on transfers and subsidies, mainly related to the cessation of subventions to Montserrat Aviation Services and reduced social security contributions. In 2004 social security contributions rose substantially as the government made retroactive payments to the Social Security Board on behalf of civil servants. Spending on goods and services declined by 17.6 per cent, reflecting a reduction in emergency expenditure associated with volcanic activity. Outlays on personal emoluments rose by 17.1 per cent, indicative of growth in the number of public sector employees and salary increases effective January 2005.

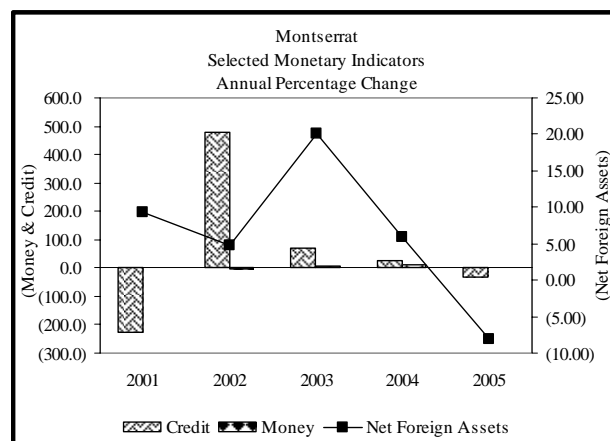
The total outstanding central government debt stood at \$4.5m (3.9 per cent of GDP) at the end of 2005, down from \$4.6m (4.2 per cent of GDP) in 2004. Of this, external debt fell by 4.6 per cent to \$2.5m. Interest payments totalled \$0.2m, down from \$0.3m in 2004.

### Money and Credit

Total monetary liabilities (M2) expanded by 3.5 per cent \$123.7m, well below the 10.3 per cent rate of increase during 2004, mirroring the lower level of economic activity. Quasi money grew by 9.9 per cent, reflecting increases in private sector savings deposits (\$6.3m), time deposits (\$1.1m) and foreign currency deposits (\$0.8m). Narrow money (M1) contracted by 11.4 per cent, largely on account of a reduction in private sector demand deposits.

Credit to the private sector grew by 18.4 per cent (\$4.4m), associated with increases in outstanding loans to households (\$2.6m) and businesses (\$1.8m). The net deposits of the central government fell by 24.8 per cent, due to a decrease in grant receipts and a drawdown on deposits to finance the fiscal operations.

The distribution of credit by economic activity indicates that commercial bank lending for personal use, which accounts for the largest share of total credit, increased by 15.1 per cent (\$3.0m). Of personal loans, credit for the acquisition of property grew by \$1.2m. Outstanding loans for distributive trades and construction also rose, by \$1.0m and \$0.1m respectively.



The net foreign assets of the banking system contracted by 8.2 per cent to \$159.0m, primarily attributed to a decline in the commercial banks' net foreign assets. Commercial bank assets held at institutions in other countries within the currency union fell by 11.6 per cent, as banks drew down on their assets to meet the increased demand for credit



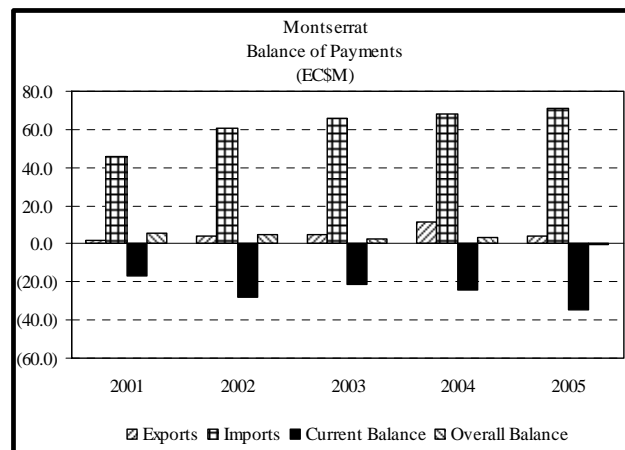


by the private sector and withdrawals by the central government. Montserrat's imputed share of the Central Bank's reserves contracted by 1.1 per cent to \$37.7m.

Liquidity in the commercial banking system remained at a high level during 2005. The ratio of liquid assets to total deposits plus liquid liabilities rose to 107.4 per cent from 102.9 per cent at the end of 2004, due to an increase in liquid assets. The loans and advances to total deposits ratio increased by 2.0 percentage points to 15.4 per cent, reflecting higher outstanding balances on loans and advances. The cash reserve ratio declined to 16.2 per cent. Lending rates remained relatively stable during 2005, except for the maximum interest rate offered on savings deposits which rose by 1.0 percentage point to 4.5 per cent. The maximum interest rate on time deposits trended downwards. The rate for the three to six-month category fell by 2.0 percentage points to 2.0 per cent and that for the one to two-year category decreased by 2.5 percentage points to 1.5 per cent.

### Balance of Payments

Preliminary estimates of the balance of payments for 2005 indicate a deterioration of Montserrat's external position. An overall deficit of \$0.3m (0.3 per cent of GDP) was realised in contrast to a surplus of \$3.5m (3.2 per cent of GDP) in 2004. This is the first overall deficit recorded since 2000. The deterioration of the overall balance stemmed from a widening of the current account deficit.



The current account deficit rose to \$34.9m (30.4 per cent of GDP) from \$24.1m (21.8 per cent of GDP) in 2004. This performance was partly attributed to a decrease in net inflows from current transfers, mainly budgetary support, due to some improvement in the central government's current account position. The deficit on the merchandise trade account grew by 17.8 per cent, associated with a reduction in the value of re-exports of transport and machinery equipment and an increase in import payments related to higher fuel prices. Domestic exports grew more than threefold as local mining companies began exporting sand and aggregate. On the services account the deficit contracted by 44.0 per cent due to a decline in outflows for other business services, particularly construction and engineering, consistent with the decline in construction activity. Gross travel receipts decreased by 2.0 per cent to \$24.3m, reflecting the fall in visitor arrivals.

The surplus on the capital and financial account expanded by 25.0 per cent (\$6.9m), largely influenced by developments in the financial account,



which shifted from a deficit of \$5.0m in 2004 to a surplus of \$25.0m. The outcome on the financial account was primarily attributed to net inflows (\$13.7m) of commercial bank short term capital; in 2004 commercial banks recorded net outflows of \$12.6m. Net inflows on the capital account decreased by an estimated \$23.1m, reflecting smaller receipts of capital grants as some major public sector projects were completed in the first half of 2005.

### Prospects

Economic performance in Montserrat is likely to improve in 2006, based in part on an increase in construction driven by housing development. The housing plan is outlined in the “Montserrat Housing Strategy – Vision 2010” unveiled in December 2005. The major projects planned for 2006 are the Montserrat housing and resettlement project and the Lookout housing development phase II, which will include housing for vulnerable groups, in particular the elderly and mentally challenged. Public sector activity is expected to focus on infrastructural development at Little Bay.

Increased marketing efforts as highlighted in the “National Tourism Strategy and Plan” are expected to result in greater demand for travel to Montserrat.

However, performance in the tourism industry will depend on improvements in transport services to Montserrat, economic conditions in the major tourism markets, as well as developments in relation to volcanic activity.

Value added in the mining and quarrying sector is projected to grow, based on the likely increase in construction activity, along with anticipated growth in exports by local mining companies.

On the fiscal accounts, a significant reduction in outlays on transfers and subsidies is projected based on plans to privatise Montserrat Aviation Services. Expenditure on domestic goods and services will increase as international oil prices rise. Revenue collection is projected to increase as economic activity expands. The overall fiscal balance will likely improve on account of an increase in grant receipts.

In the external sector, the current account deficit is projected to widen on account of an expansion in the merchandise trade deficit. Import payments are likely to grow in line with the expansion in construction activity and rising oil prices. Although the value of domestic exports is projected to rise, the increase will not be sufficient to offset the larger import bill.



## ST KITTS AND NEVIS

### Overview

Real GDP in St Kitts and Nevis grew at an estimated 4.1 per cent rate in 2005, compared with growth of 7.3 per cent in 2004. The expansion was influenced largely by developments in the construction and hotels and restaurants sectors. Value added for manufacturing increased, while a decline was recorded for agriculture. The consumer price index rose by 7.2 per cent during 2005. Central government's overall fiscal deficit narrowed, as the growth in revenue was above that in expenditure. Commercial bank liquidity decreased, but remained at a high level. An overall balance of payments deficit was recorded in contrast to a surplus in 2004, partly on account of an increase in import payments for merchandise.

Economic activity is projected to expand in 2006 mainly as a result of robust growth in construction and tourism, as St Kitts and Nevis prepares to host international cricket matches in 2006 and Cricket World Cup in 2007. Downside risks to the economy include increases in prices and wages on account of a higher level of demand for construction materials and labour. Rising oil prices are also expected to have an adverse effect on economic activity.

### Output

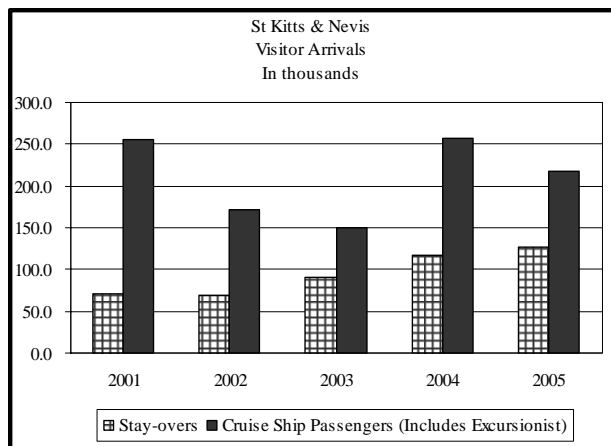
Value added in the construction sector increased by 5.6 per cent in 2005 compared with 1.3 per cent

in 2004. This increase, which was the largest in the last five years, stemmed from major public and private sector construction projects. Public sector construction was dominated by work on the Warner Park sports complex in preparation for Cricket World Cup. Private sector construction activity focused on an international school of nursing, a golf course, a racecourse, condominiums and villas.

Tourism activity continued to expand in 2005, although at a reduced pace. Based on provisional data value added in the hotels and restaurant sector, an indicator of tourism activity, rose by 7.5 per cent following growth of 29.9 per cent in 2004. The expansion was attributed to an increase in stay-over arrivals. The number of stay-over visitors is estimated to have risen by 8.0 per cent to 127,025, reflecting increases in tourism promotion and airlift, particularly from North America. Visitor arrivals from the USA, the major market, grew by 23.9 per cent, while those from the UK declined by 14.9 per cent. Activity in the cruise ship sub-sector was less buoyant, as the number of cruise passengers declined by 15.8 per cent to 214,218 reflecting fewer cruise ship calls as cruise lines diverted some ships to other destinations.

Output in the manufacturing sector is estimated to have grown by 0.6 per cent, reflecting increased production of concrete products associated with the expansion in construction, as well as higher demand for electronic components and bottled water.



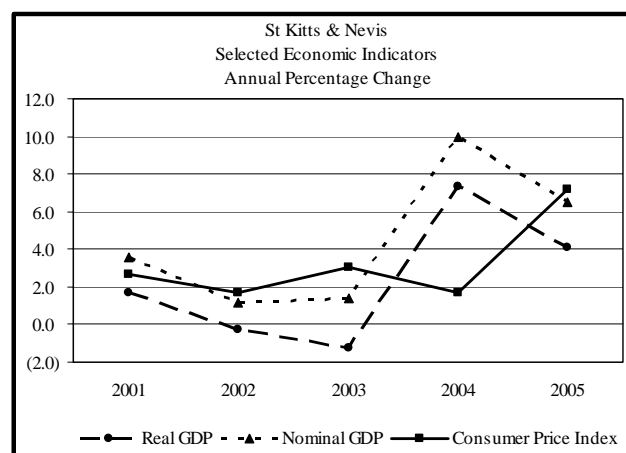


Those increases were partly offset by a 24.2 per cent decline to 10,729 tons in sugar production, reflecting a fall in output of sugar cane.

In the agricultural sector, value added fell by 6.6 per cent following growth of 11.7 per cent in 2004. This outturn was mainly attributed to a 15.7 per cent decrease to 142,693 tons in sugar cane production, reflecting a fall in acreage under cultivation. The government closed the operations of the sugar industry at the end of the July 2005 harvesting season, in the face of high production costs and annual losses. Value added for other crops including tomato, sweet pepper, cabbage and carrot declined by 24.5 per cent, partly reflecting adverse weather. Production of livestock was also down, while output of eggs increased by 18.7 per cent.

Value added in the transport sector grew by 1.4 per cent, compared with 34.1 per cent in 2004. The reduced growth rate was attributed to the fall in cruise ship activity, which partly offset positive spillover effects from the expansion in construction and stay-over visitor arrivals. Output in the

wholesale and retail trade sector grew by 6.3 per cent, in contrast to the decline of 1.3 per cent in 2004, partly driven by the expansion in construction. Value added for government services increased by 1.7 per cent.



### Prices, Wages and Employment

The consumer price index rose 7.2 per cent during the review period, up from 1.7 per cent in 2004. The rise in the price index was driven largely by price increases in the sub-indices “fuel and light” (33.6 per cent), “transport and communications” (15.6 per cent) and “food” (5.3 per cent). Those increases were influenced by higher prices for oil on the international market.

Data on wage movements in the private sector are not available for 2005. There were no wage increases in the public sector in 2005.

Complete data on the level of employment in St Kitts and Nevis are not available. Preliminary



data from the Social Security Board show that the number of contributors rose by 5.6 per cent in 2005, with the largest increase (10.7 per cent) in the hotels and restaurant sector. Employment in construction is likely to have increased on account of the expansion in that sector, while the number employed in the agricultural and manufacturing sectors is estimated to have declined following the closure of the sugar industry.

### **Central Government Fiscal Operations**

The fiscal operations of the federal government, including the Nevis Island Administration (NIA), resulted in an overall deficit of \$48.8m (4.1 per cent of GDP), representing an improvement over 2004 when the deficit stood at \$85.5m (7.9 per cent of GDP). The lower overall deficit reflected a narrowing of the current account deficit and an increase in grant receipts. The primary balance showed a surplus of \$42.3m, in contrast to a deficit of \$3.9m in 2004.

The current account deficit contracted to \$9.4m from \$16.1m in 2004, as revenue grew at a faster pace than expenditure. As a percentage of GDP the deficit fell to 0.8 per cent from 1.5 per cent in 2004. Current revenue increased by 15.8 per cent to \$423.1m (35.7 per cent of GDP), surpassing the budget estimate of \$405.1m. This performance reflected higher receipts from tax and non-tax sources. Of tax revenue, collections from taxes on income and profits rose by 26.4 per cent, largely on

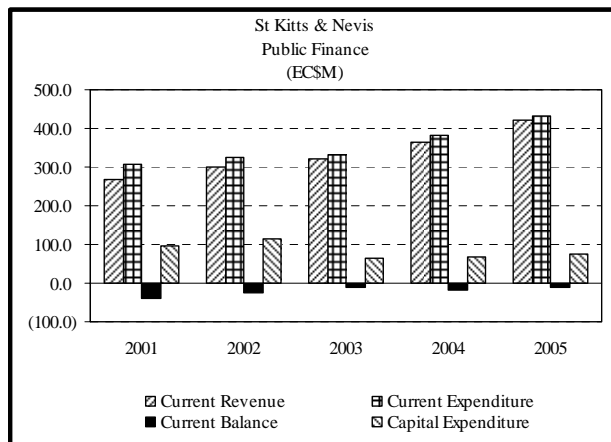
account of increased proceeds from the corporate income tax and the social services levy. Receipts from the corporate income tax grew as profits increased and the level of compliance by companies rose. The yield from taxes on international trade and transactions expanded by 20.7 per cent due to ongoing improvements in tax administration, along with higher import payments. Receipts from non-tax sources rose by 7.3 per cent, partly reflecting increased collections by the electricity department particularly in the last quarter when the fuel surcharge was reintroduced.

Current expenditure grew by 13.4 per cent to \$432.5m (36.5 per cent of GDP), exceeding the budgeted amount by 11.1 per cent. The increase in expenditure was broad based. Outlays on transfers and subsidies grew by 42.6 per cent, largely as a result of severance payments to former sugar workers on behalf of the St Kitts Sugar Manufacturing Corporation (SSMC). Spending on goods and services rose by 20.1 per cent, partly on account of higher operating costs of the electricity department. Interest payments were 11.7 per cent above the total in 2004, attributed to an increase in domestic debt obligations. Outlays on personal emoluments rose by 2.1 per cent.

Capital expenditure was 13.4 per cent above the level in 2004, mainly associated with infrastructural development projects including the Warner Park project, road and housing development, improvements to the electricity and water supply,



and a new community centre. Capital grants, which were \$28.2m higher than in 2004, were mainly related to the Warner Park project.



The disaggregated accounts of the federal government indicate that the operations of the central government resulted in a contraction of the overall deficit to \$45.3m from \$79.9m in 2004. A primary surplus of \$32.3m was realised in contrast to a primary deficit of \$13.2m in 2004. The current account deficit narrowed to \$20.9m from \$22.7m in 2004, reflecting growth in revenue that more than offset the expansion in expenditure. Current revenue rose by 18.3 per cent to \$339.5m, surpassing the budgeted amount by 5.3 per cent. This was attributed to increases from all categories of revenue sources with the exception of the property tax. Current expenditure rose by 16.4 per cent to \$360.4m in 2005 compared with the total in 2004. This outturn was influenced by increased outlays on transfers and subsidies (51.8 per cent), goods and services (23.3 per cent), interest payments (16.3 per cent) and personal emoluments (1.7 per cent).

Capital expenditure rose by 11.2 per cent to \$60.7m.

The fiscal operations of the Nevis Island Administration (NIA) also showed a smaller overall deficit, \$3.5m in 2005 compared with \$5.6m in the previous year, reflecting an improvement in the current account position. A current account surplus of \$11.5m was recorded, the highest over the past five years. Current revenue grew by 6.6 per cent, largely influenced by increases in receipts from taxes on income and profits (36.1 per cent) and taxes on international trade and transactions (13.8 per cent). Current expenditure rose by 0.5 per cent. Capital expenditure amounted to \$14.9m, up by \$2.8m from the 2004 level, partly associated with road improvements.

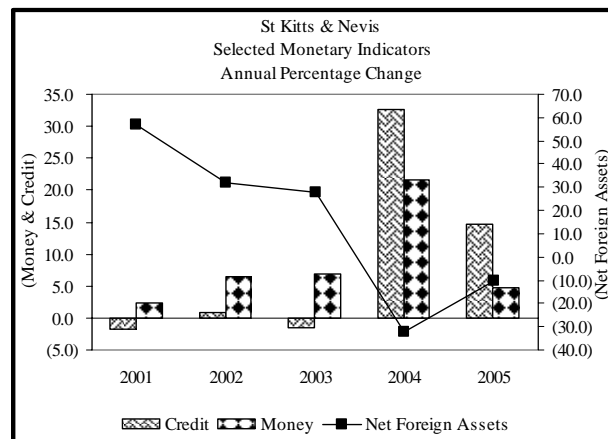
The total outstanding debt of the federal government was estimated at \$1,348.1m (113.8 per cent of GDP) at the end of 2005, compared with \$1,265.4m (117.4 per cent of GDP) at the end of 2004. The stock of domestic debt rose by 23.9 per cent to \$756.1m, while that of external debt contracted by 9.7 per cent to \$592.0m. The higher level of domestic debt largely represented increased borrowing by the central government, partly associated with severance payments to sugar workers. The reduction in external debt reflected lower borrowings by the federal government. Total debt service payments were estimated to have increased by 16.2 per cent to \$153.5m, consistent with the higher level of outstanding debt. As a percentage of current revenue, debt service payments rose marginally to 36.3 per cent.



## Money and Credit

Total monetary liabilities (M2) grew by 4.7 per cent to \$1,150.8m during 2005, reflecting growth of 5.9 per cent in quasi money. Of the components of quasi money, private sector savings deposits and foreign currency deposits rose by 12.0 per cent and 8.0 per cent, respectively. Those increases were partly offset by a 9.9 per cent reduction in private sector time deposits, possibly representing a shift to savings deposits, mainly by households. The narrow money supply (M1) fell by 1.6 per cent, reflecting a contraction in demand deposits of the non-financial public enterprises.

The counterpart to the growth in M2 was a 14.6 per cent increase to \$1,132.7m in domestic credit, partly associated with the expansion in economic activity. Outstanding credit to the private sector grew by 7.5 per cent, attributed to increases in credit to households (10.2 per cent) and business entities (3.1 per cent). The net indebtedness of the federal government to the banking system was 33.7 per cent above the level at the end of 2004, mainly reflecting an increase in commercial bank credit. Outstanding loans and advances from commercial banks to the central government more than doubled, partly influenced by a loan to meet severance payments to former sugar workers in the latter part of the year. In the rest of the public sector the net deposits of the non-financial public enterprises fell by 32.9 per cent (\$16.5m), as a result of growth in credit.



The net foreign assets of the banking system fell by 10.5 per cent to \$244.2m during 2005. This performance was partly the result of reduced inflows of public sector loan funds and other investment income from abroad, coupled with a drawdown of commercial bank assets to finance the increase in merchandise imports. Commercial banks' net foreign assets decreased by 15.8 per cent, largely reflecting a fall in assets held in institutions outside the currency union. St Kitts and Nevis' imputed share of the reserves held at the Central Bank contracted by 8.7 per cent to \$193.0m.

The distribution of credit by economic activity shows a 33.0 per cent rise in outstanding loans for construction, consistent with the strong performance of that sector. Credit for personal use rose by 9.7 per cent, reflecting an increase in lending for the acquisition of property influenced by special mortgage packages offered by some commercial banks. Growth was also recorded in credit for agriculture (10.7 per cent) and distributive trades (4.4 per cent). By contrast decreases were recorded

in outstanding credit for manufacturing (9.2 per cent) and tourism (0.6 per cent).

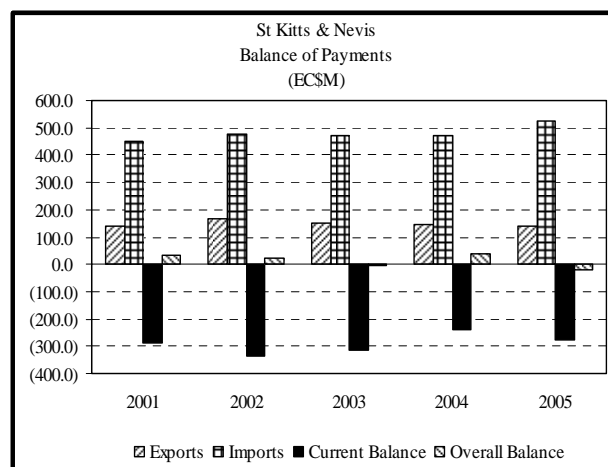
Commercial bank liquidity decreased during 2005 but remained at a high level. The ratio of liquid assets to total deposits plus liquid liabilities fell by 6.0 percentage points to 40.4 per cent during 2005. The loans and advances to deposits ratio rose by 7.2 percentage points to 80.4 per cent, reflecting a faster rate of growth in loans (15.9 per cent) relative to the increase in deposits (8.1 per cent). Interest rates remained stable during the period under review.

### Balance of Payments

An overall deficit of \$19.1m (1.6 per cent of GDP) was recorded on the balance of payments in 2005 in contrast to a surplus of \$36.9m (3.4 per cent of GDP) in 2004. This outturn stemmed from a widening of the current account deficit by 0.8 percentage point to 23.3 per cent of GDP, and a reduction in net inflows on the capital and financial account.

The widening of the current account deficit resulted from a deterioration in the merchandise trade balance as increases in import payments outweighed export receipts. The value of merchandise imports is estimated to have risen by 10.3 per cent to \$522.5m, largely reflecting increased imports of construction materials and the impact of higher fuel costs. The value of exports rose by 0.5 per cent to \$155.8m, mainly attributed to

an increase in the volume of electrical components. Receipts from sugar exports declined by 5.0 per cent to \$15.6m, reflecting a fall in the volume exported. Gross travel receipts increased by 4.5 per cent to \$289.5m as a result of the growth in the number of stay-over visitors.



The surplus on the capital and financial account declined by 6.8 per cent to \$256.5m. This performance was partly attributed to a reduction in net inflows of commercial bank short term capital, \$9.7m compared with \$166.2m in 2004. The public sector loan transactions resulted in a net repayment of \$9.3m in contrast to a net disbursement of \$31.9m in 2004, consistent with the decrease in external debt.

### Prospects

Economic activity is expected to increase in 2006 as preparations intensify for Cricket World Cup 2007. Growth in construction and tourism is projected. The expansion in construction activity





will be driven by private sector investment in condominiums and villas, a tourist resort at La Vallee Greens, a racecourse and residential properties. In the public sector, activity will focus on the Warner Park sports complex, airport expansion, and road construction and rehabilitation. Ongoing promotion, increased airlift and international cricket matches will contribute to an expansion in tourism activity in 2006. The closure of the sugar industry will result in lower output in the agricultural sector, as production of other crops is unlikely to compensate for the cessation of sugar cane production. In the manufacturing sector production of electronic components is likely to increase, based on higher demand from an expanding US economy. Output of concrete blocks will rise in line with increased activity in the construction sector.

Consumer prices are projected to increase, partly based on rising international oil prices, which are likely to lead to higher retail prices of fuel and other goods and services.

On the fiscal accounts of the federal government, current revenue is projected to increase in line with growth in the economy. Current expenditure is expected to expand, partly on account of rising fuel prices. Capital outlays are projected to be above the level in 2005, associated with major construction projects such as Warner Park development and airport expansion.

In the external sector the current account deficit is expected to widen, based on an increase in import payments as economic activity expands. Direct investment inflows are projected to increase, associated with tourism-related development projects.

A major challenge for St Kitts and Nevis is to accelerate the pace of economic transformation to compensate for the closure of the sugar industry. Another contending issue is maintaining a sustainable level of economic activity after the Cricket World Cup.



## SAINT LUCIA

### Overview

The pace of economic activity in Saint Lucia accelerated in 2005 with real GDP growth provisionally estimated to have increased by 5.8 per cent compared with 4.8 per cent in 2004. Increased activity in construction, tourism, and wholesale and retail contributed largely to the expansion of the economy. The agricultural sector contracted as banana output fell. Consumer prices rose by 5.2 per cent in 2005. The central government incurred an overall deficit that was above the level recorded in 2004. Monetary liabilities and domestic credit increased, while liquidity in the banking system tightened. Commercial bank interest rates on time deposits declined. Provisional estimates indicate an overall deficit on the balance of payments, in contrast to a surplus in 2004. This outturn was associated with increased outflows to finance merchandise imports.

The prospects for 2006 are favourable. Preparations to host Cricket World Cup in 2007 and foreign direct investment in hotel development will provide a major boost to construction and overall economic activity. An increase in agricultural output is anticipated as banana production recovers from the effects of disease and drought in 2005. The major risk to the prospects is rising international oil prices.

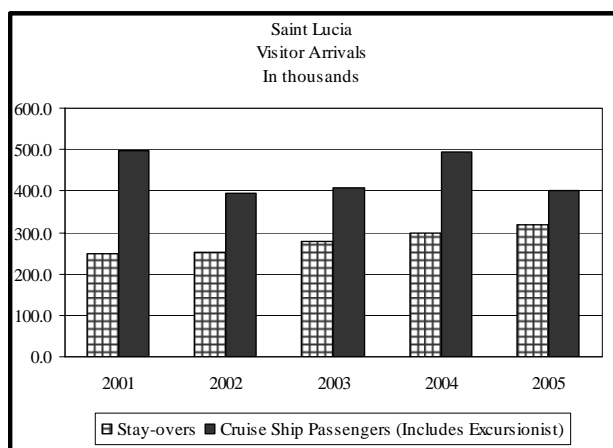
### Output

In the construction sector value added grew by 10.4 per cent in 2005 well above the increase of 1.0 per cent in the previous year. Construction contributed 7.8 per cent to GDP in 2005 compared with 7.5 per cent in 2004. The acceleration in the rate of growth was fuelled in part by public sector projects associated with preparations for Cricket World Cup 2007 and infrastructural development. Projects included expanding the Beausejour cricket stadium, building an access road, the Castries to Vieux Fort highway, a number of new schools in preparation for universal secondary education, coastal revetment in Dennery and a psychiatric hospital. Private sector activity focused on constructing residential buildings, completing one new hotel and continuing work on three others. In addition, construction started on three large properties in the north-western and south-eastern sections of the island.

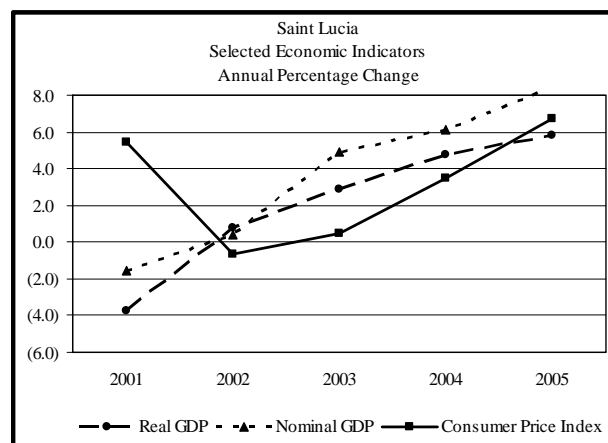
Value added in the hotels and restaurants sector, an indicator of the level of tourism activity, rose by 6.3 per cent in 2005 compared with an increase of 5.9 per cent in 2004. The sector's contribution to GDP, however, remained virtually unchanged. Activity in the sector was influenced largely by a rise in stay-over arrivals, as the number of cruise passengers and excursionists fell.



Stay-over arrivals, which accounted for 42.5 per cent of the total number of visitors in 2005, grew by 6.5 per cent to 317,939. Arrivals from the USA, the major market, rose by 5.1 per cent due to intensified marketing, increased airlift and the inaugural Heineken Kalalu World Music Festival. Increases were also recorded in arrivals from the Caribbean (14.1 per cent), Canada (7.8 per cent) and Europe (4.2 per cent). The average hotel occupancy rate increased to 68.7 per cent in 2005 from 61.9 per cent in 2004. Cruise ship passenger arrivals, which represented 52.8 per cent of total visitor arrivals, decreased by 18.1 per cent to 394,431, in contrast to an increase of 22.4 per cent in 2004. This performance was influenced by a 21.3 per cent reduction in the number of cruise ship calls to 258, reflecting the rerouting of cruise ships in response to an unusually active hurricane season and rehabilitation work on the Castries cruise port in 2005. Excursionists declined by 34.1 per cent, while yacht passengers rose 21.9 per cent.



Value added in the agricultural sector declined by 21.9 per cent in 2005 in contrast to a 1.8 per cent increase in 2004. Consequently, the sector's contribution to total output fell to 3.3 per cent from 4.5 per cent in 2004. The decline in value added resulted largely from a 36.2 per cent fall in banana output to 30,007 tonnes; in the previous year production rose by 17.7 per cent. The fall in banana output was attributed to leaf spot disease and hurricane damage. A 16.9 per cent reduction in other crops also contributed to the fall in value added for agriculture.



Manufacturing output, which contributed about 6.7 per cent to value added, expanded by 5.9 per cent in 2005, following growth of 8.3 per cent in 2004. Increases in output were recorded for food and beverages, paperboard, industrial chemicals, plastic and paper products. The production of copra and its derivatives declined, as weak market conditions led to a shift to more price competitive products.



## Prices, Wages and Employment

The rate of inflation as measured by the change in the consumer price index (CPI) was 5.2 per cent during 2005, compared with 3.5 per cent during 2004. The rise in the CPI reflected increases in most of the sub-indices. Of the major sub-indices, increases were recorded for “food” (9.4 per cent), “transportation and communication” (6.4 per cent) and “fuel and light” (6.1 per cent). Higher prices for vegetables, tubers and frozen meat influenced the rise in the “food” sub-index. The increase in the “transportation and communication” sub-index was associated with a hike in bus fares in July 2005 as a result of rising international oil prices. The rise in the “fuel and light” sub-index was also attributed to increases in oil prices.

Public sector wage negotiations were concluded in November with an agreement by the government to grant a 10.0 per cent retroactive salary increase over three years. Under this agreement, public sector workers will receive increases of 3.0 per cent for each of the fiscal years ended March 2005 and 2006 and 4.0 per cent for the fiscal year ending March 2007.

Though official figures were unavailable, it is estimated that the unemployment rate fell during the year. Public sector employment increased by 0.6 per cent to 9,334, as government hired more civil servants and recruited additional police officers. Employment numbers for the private sector are unavailable. It is likely that employment in

construction increased as a result of strong activity in that sector.

## Central Government Fiscal Operations

An overall deficit of \$83.3m (3.6 per cent of GDP) was recorded on the fiscal accounts of the central government, compared with one of \$63.1m (2.9 per cent of GDP) at the end of 2004. The widening of the deficit was attributed to increases in both capital and current expenditure. The primary balance showed a deficit of \$13.3m compared with one of \$1.2m in 2004. The current account surplus of the central government rose to \$79.0m (3.4 per cent of GDP) from \$47.4m (2.2 per cent of GDP) in 2004.

Current revenue grew by 7.1 per cent to \$575.7m at a reduced rate compared with a 15.6 per cent increase in 2004. As a share of GDP, current revenue fell to 24.8 per cent from 25.0 per cent in 2004. The larger current revenue intake was attributed to a 9.1 per cent rise in tax receipts, reflecting growth in collection of taxes on income and profits (9.1 per cent) and taxes on international trade and transactions (9.5 per cent).

Growth in receipts from taxes on income and profits stemmed from increases in withholding taxes (67.9 per cent), corporation tax (36.5 per cent), and individual income tax (12.8 per cent), consistent with robust economic activity. The larger proceeds from taxes on international trade and transactions were attributed primarily to increases in the

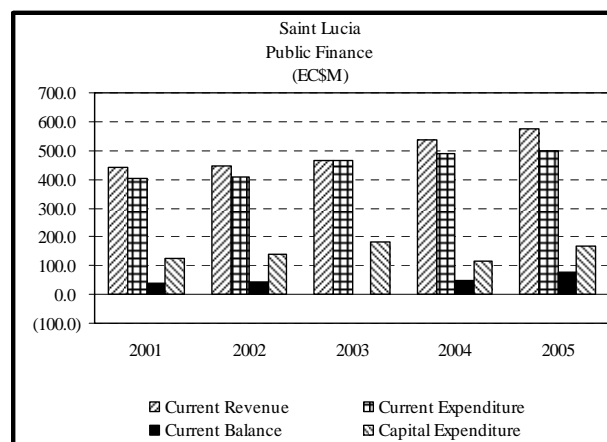


receipts from excise taxes (30.1 per cent), service charges (17.3 per cent), and import duties (15.6 per cent), associated with growth in both the volume and value of imports. Those increases were partly offset by lower receipts from consumption duty (6.3 per cent), reflecting the impact of rising oil prices. There is the tendency for revenue from consumption duty to fall when oil prices rise, as government continued to absorb some of the increase.

Revenue from taxes on domestic goods and services fell by 4.1 per cent in 2005, largely as a result of a 56.3 per cent decline in receipts from licences. In the previous year revenue from licences rose substantially as a result of an extraordinary payment by a company. Non-tax revenue also fell, by 17.1 per cent, with declines recorded for most of the subcategories with the exception of interest and rents.

Current expenditure rose 1.3 per cent to \$496.7m in 2005, well below the 5.1 per cent rate of increase in 2004. As a percentage of GDP, current expenditure fell to 21.4 per cent from 22.8 per cent recorded in the previous year. Growth in interest payments (13.1 per cent) attributed to a larger debt portfolio was partly responsible for the increase in expenditure. Domestic interest payments grew by 15.5 per cent and external interest payments by 12.1 per cent. Outlays on transfers and subsidies rose by 6.7 per cent, largely reflecting an increase in pensions. Outlays on goods and services were 4.7 per cent below the total in 2004, influenced by

expenditure restraint. Expenditure on personal emoluments fell by 1.9 per cent; in the previous year outlays rose substantially associated with retroactive salary payments.



Capital expenditure rose by 41.9 per cent to \$166.5m, in contrast to a 9.4 per cent decline in 2004. The increase was associated with infrastructural work in preparation for Cricket World Cup 2007 and additional schools being built to facilitate universal secondary education at the beginning of the 2006 school year.

At the end of 2005 the central government's disbursed outstanding debt amounted to \$1,428.2m, representing a 13.6 per cent increase on the total at the end of 2004. The debt to GDP ratio rose to 61.6 per cent from 58.4 per cent in 2004. External debt increased by 12.1 per cent as a result of the issue of a bond on the Regional Government Securities Market (RGSM) and additional loans to finance the stadium expansion. The domestic debt grew by



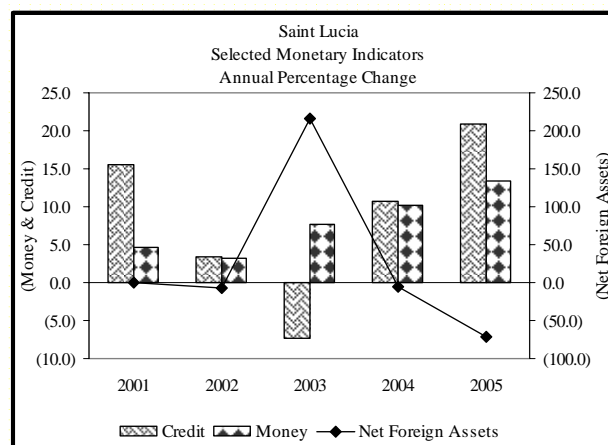
4.6 per cent, on account of bonds issued as part financing for the stadium.

### Money and Credit

Broad money (M2) grew by 13.4 per cent to \$1,711.8m during 2005, influenced by the expansion in economic activity. Increases were recorded in both narrow money, M1, (13.7 per cent) and quasi money (13.3 per cent). Of the components of M1, private sector demand deposits and currency with the public sector rose by 15.4 per cent and 7.3 per cent respectively. The growth in quasi money, was influenced by increases in private sector foreign currency deposits (60.7 per cent) and private sector savings deposits (13.1 per cent).

Domestic credit rose by 21.3 per cent to \$1,777.9m mirroring the high level of economic activity and an increase in consumer and business confidence. Outstanding loans to the private sector expanded by 16.2 per cent driven by increased borrowing by both businesses and households. Credit to the central government rose by 49.0 per cent to \$279.1m, as holdings of treasury bills and debentures increased and government contracted additional loans to finance its capital programme. The central government's deposits in the banking system increased by 14.6 per cent to \$364.0m. Growth in credit outpaced that of deposits; as a result the net deposits of the central government fell by 34.8 per cent to \$84.9m. The net deposits of the non-financial public enterprises declined by 4.5 per

cent, as the rate of credit accumulation exceeded that of deposits.



An analysis of the composition of credit by economic activity indicates strong increases in credit for tourism (32.7 per cent), manufacturing and quarrying (18.5 per cent), distributive trades (16.7 per cent) and construction (12.2 per cent), in line with the expansion in activity in those sectors. Outstanding loans for personal use grew by 10.9 per cent, with most of the increase channelled into house and land purchase and the acquisition of durable consumer goods.

The net foreign assets of the banking system fell by 73.5 per cent to \$84.5m at the end of 2005, compared with the total at the end of 2004. This outturn was largely influenced by a \$215.1m increase in commercial bank liabilities, which was partly offset by a \$39m rise in foreign assets. As a result the net foreign liabilities of the commercial banks rose to \$218.1m from \$33.0m at the end of 2004. Saint Lucia's imputed share of the Central

Bank's reserves fell by 13.9 per cent to \$302.6m.

Liquidity in the commercial banking system tightened during 2005. The ratio of liquid assets to total deposits plus liquid liabilities fell by 5.3 percentage points to 25.5 per cent. In addition, the loans and advances to deposits ratio increased by 5.0 percentage points to 85.7 per cent. Interest rates offered by commercial banks on some categories of deposits fell during the year. The maximum rates on time deposits held for periods of three months, six months and twelve months fell to a range of 3.0 per cent to 4.0 per cent at the end of 2005 from a range of 5.25 per cent to 5.75 per cent one year earlier. Demand deposits attracted a maximum rate of 3.0 per cent at the end of 2005 compared with 3.5 per cent at the end of the previous year.

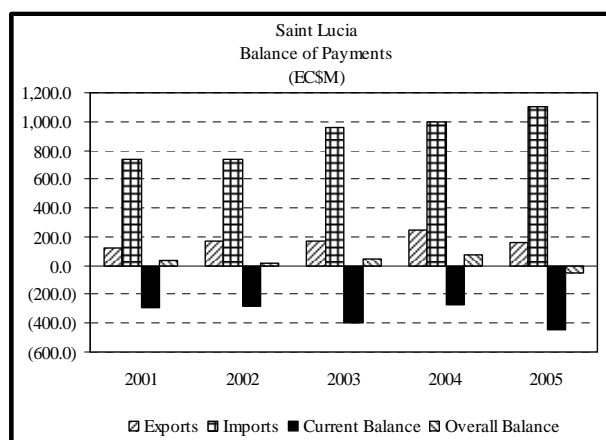
### Balance of Payments

Preliminary estimates indicate that the overall balance of payments moved to a deficit of \$47.0m (2.0 per cent of GDP) in 2005 from a surplus of \$72.4m (3.4 per cent of GDP) in 2004. This development was attributed to higher net outflows on the current account. The deficit on the current account increased to 18.2 per cent of GDP from 12.5 per cent of GDP in 2004, primarily influenced by larger outflows for merchandise imports.

The merchandise trade deficit is estimated to have risen by 27.3 per cent to \$949.3m (40.9 per cent of GDP). This performance was influenced by

an 11.1 per cent increase in import payments (f.o.b) to \$1,106.9m, partly associated with the higher level of construction activity and the rise in the cost of fuel and other imported goods. Earnings from domestic exports fell by 25.1 per cent to \$91.6m, largely attributed to a 23.5 per cent decline in banana export receipts to \$41.3m.

Net inflows on the services account rose by 9.1 per cent to \$638.0m. This performance was largely as a result of an increase in gross receipts from travel, reflecting growth in stay-over arrivals.



On the capital and financial account, net inflows increased by 10.3 per cent to \$379.1m, reflecting larger inflows of direct investment associated with hotel and other tourism related construction projects. Portfolio investment inflows were 21.1 per cent above the level in 2004 associated with the issue of bonds by central government. Net inflows of capital transfers fell by 19.4 per cent (\$1.8m). The surplus on the capital and financial account was insufficient to finance the deficit on the current account.

## Prospects

The economic forecast for Saint Lucia for 2006 is positive, with growth expected to be driven by construction and tourism. Public sector construction will include ongoing work on projects for Cricket World Cup 2007, stadium, infrastructural work on bridges and roads, and additional schools to facilitate universal secondary education. In the private sector, construction will continue on three major hotels while some others will be expanded. Stay-over visitors are projected to increase based on additional airlift with the likely reintroduction of service by Air Jamaica in early 2006, and as Saint Lucia intensifies marketing and capitalises on its status as the premier wedding and honeymoon destination in the Caribbean. Cruise arrivals are also forecast to increase, based on completion of the port rehabilitation. The outlook for the agricultural sector is uncertain, owing to the loss of preferential access for bananas into the European market. The industry continues to be hampered by high costs, leaf spot infestation and the gradual exodus of farmers.

The central government's overall deficit is expected to widen due to an increase in capital expenditure associated with preparations for Cricket

World Cup 2007 and universal secondary education. The deficit will be financed through external and domestic borrowing. Current revenue will be buoyed by the expansion in economic activity. Growth in current expenditure will be fuelled by increases in interest payments, personal emoluments, and transfers and subsidies. Interest payments will increase based on the higher level of outstanding debt. Growth in outlays on personal emoluments, and transfers and subsidies is projected, influenced by the recently negotiated retroactive salary increases.

Developments in construction and rising international oil prices will contribute to a widening of the merchandise trade deficit. Banana export receipts are likely to remain depressed given the developments in the industry.

A number of downside risks threaten the favourable outlook for Saint Lucia. Of greatest significance is the rising cost of energy and its associated impact on prices. Intensified geopolitical tensions threaten to push oil prices even higher and this could have an adverse impact on both the fiscal outturn and the general cost of doing business in Saint Lucia, rendering it less price competitive relative to its major trading partners.





## ST VINCENT AND THE GRENADINES

### Overview

Economic activity in St Vincent and the Grenadines continued to expand in 2005, although at a slower rate relative to the increase in 2004. Real GDP growth is provisionally estimated at 2.2 per cent in comparison with an expansion of 6.8 per cent in 2004. Tourism activity provided the main impetus to growth. Value added for construction and manufacturing also increased, but at reduced rates, while agricultural output contracted. The fiscal operations of the central government resulted in a higher overall deficit. An overall balance of payments deficit was recorded, contrasting with an overall surplus at the end of 2004. In the banking system, broad money and domestic credit increased, and liquidity remained at a high level. Consumer prices rose by 3.9 per cent during 2005.

In 2006 real GDP growth is projected based on expected developments in construction, distributive trades, agriculture and tourism. Unfavourable weather as well as rising international oil prices and interest rates may pose some downside risks to economic performance in St Vincent and the Grenadines.

### Output

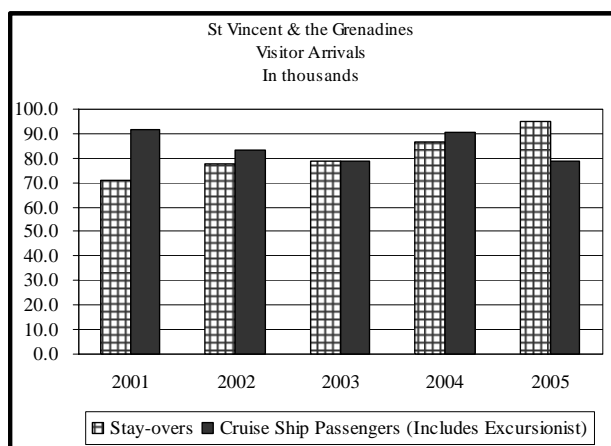
Value added in the hotels and restaurants sector, an indicator of tourism activity, increased by 10.6 per cent, following growth of 7.3 per cent in 2004

and a 5.7 per cent decline in 2003. The sector's contribution to GDP increased to 2.2 per cent from 2.0 per cent in 2004. The improvement in value added was primarily on the basis of sustained increases in the number of stay-over visitors throughout the year. Provisional data on stay-over visitors show that arrivals totalled 94,966, surpassing last year's record level by 9.5 per cent. The reopening of two hotels in mid-2004, the filming of a Disney movie by a 300-member crew from the USA, the reintroduction of direct air access from Puerto Rico to St Vincent and the launch of a promotional DVD all influenced the outturn in the stay-over visitor category. Estimates of stay-over visitors by country of origin indicate increases in visitors from all of the major markets, particularly the USA and the Caribbean.

In the other categories of visitors the number of excursionists is estimated to have decreased by 28.5 per cent to 9,255. Actual data available for the cruise sub-category show a 10.1 per cent fall in the number of passengers to 69,753 as a result of 42 fewer calls by cruise ships. The number of yacht passengers is estimated to have declined by 6.1 per cent.

Construction activity is estimated to have increased by 0.4 per cent. This rate is well below the 14.7 per cent expansion in 2004 when activity was boosted by a resort construction in Canouan and renovations to two hotels on the mainland.

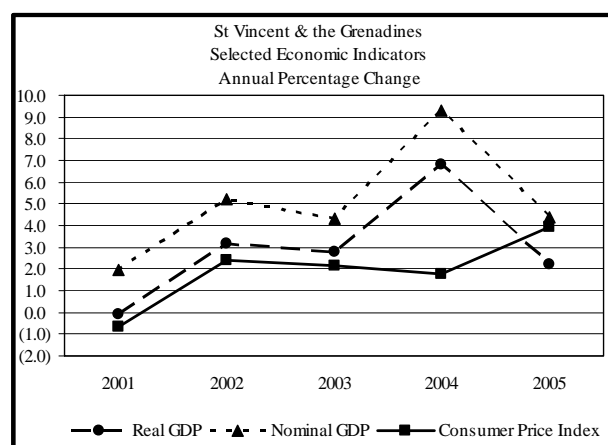




The sector's share of GDP, however, fell marginally to 10.0 per cent in 2005. Public sector investment in infrastructural development was the main driver of construction activity. Among the projects in the public sector were a correctional facility, a number of learning resource centres and low-income homes, the Windward Highway upgrade and the Kingstown Fish Market refurbishment. Private sector construction projects included housing development and renovations to tourism-related facilities.

Value added in the manufacturing sector increased by 2.1 per cent, following growth rates of 3.3 per cent and 0.7 per cent in 2004 and 2003 respectively. Output of beer rose by 16.8 per cent, reflective of greater domestic demand due to marketing initiatives to celebrate the manufacturing company's 20<sup>th</sup> anniversary. The production of feeds grew by 2.1 per cent in response to increased export demand. Output of rice and flour decreased by 6.3 per cent and 3.9 per cent respectively.

Value added in the agricultural sector fell by 6.0 per cent, following contractions of 4.9 per cent in 2004 and 2.2 per cent in 2003, influenced by developments in the banana industry. Banana production decreased by 23.2 per cent to 17,373 tonnes, the lowest recorded output. Reduced weekly yields were registered up to mid-August 2005, reflecting the lagged effect of tropical storm damage in late 2004 as well as drought in the first quarter of 2005. In the last quarter banana production increased by 19.8 per cent relative to the total in the corresponding period of 2004, but was not enough to offset the declines recorded in the previous quarters. In the rest of the agricultural sector, value added in the livestock and forestry sub-sectors increased by 1.9 per cent and 1.0 per cent respectively.



Value added in the electricity and water services sector expanded by 8.4 per cent, attributable to an increase in demand. In the communications sector value added rose by 9.2 per cent. Value added for government services rose by an estimated

6.2 per cent, reflecting salary increases awarded to civil servants effective January 2005. Growth was also recorded in value added for banks and insurance (4.4 per cent) and wholesale and retail trade (2.8 per cent). Value added in the transport sector declined by 6.7 per cent in 2005, influenced in part by the fall in the number of cruise ship passengers.

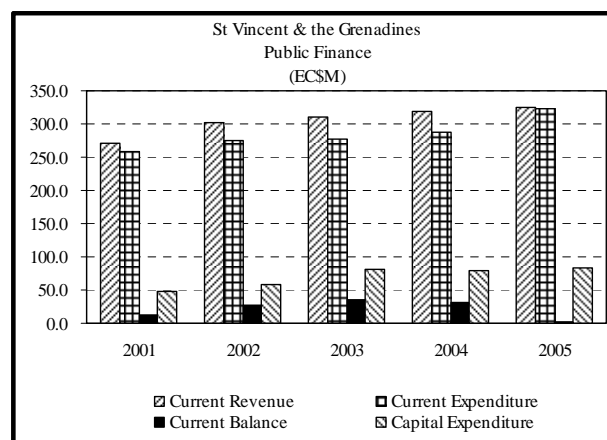
### Prices, Wages and Employment

The consumer price index increased by 3.9 per cent during 2005, largely attributed to movements in the “food” and “fuel and light” sub-indices. A 6.0 per cent rise in the “food” sub-index, was influenced by increases in the prices of beef, chicken and fish. Rising international prices for crude oil led to increases in the cost of petroleum products and electricity services and contributed to a 17.1 per cent rise in the “fuel and light” sub-index. Of the remaining sub-indices, increases were recorded for “personal services” (4.9 per cent) and “alcoholic beverages and tobacco” (4.3 per cent), while reductions were observed for “household furnishings and supplies” (2.9 per cent) and “transport and communications” (2.2 per cent).

Wages and salaries paid to public sector employees rose by 3.0 per cent as of 1 January 2005. Information on wage movements in the private sector is not available for 2005. Data on employment for 2005 are also not available. Employment in the hotel industry is likely to have increased in 2005 based on growth in stay-over visitor arrivals.

### Central Government Fiscal Operations

The fiscal accounts of the central government showed an overall deficit of \$62.2m in 2005, well above the deficit of \$32.8m in 2004. As a percentage of GDP, the deficit increased to 5.3 per cent from 2.9 per cent in 2004. The deficit was financed mainly by external borrowing. The larger overall deficit was the result of developments in the current account. A smaller current account surplus of \$2.7m (0.2 per cent of GDP) was recorded in 2005 compared with one of \$30.6m (2.7 per cent of GDP) in 2004. The reduction was attributed to an increase in expenditure, which more than offset growth in revenue.



Current expenditure increased by 11.8 per cent to \$322.0m and as a percentage of GDP rose to 27.3 per cent from 25.7 per cent in 2004. Interest payments were 26.8 per cent above the total in 2004, the result of an increase in the stock of central government debt associated with bond issues in late 2004. Expenditure in relation to transfers and subsidies increased by 12.2 per cent, influenced by



additional payments to pensioners and social welfare beneficiaries. The 3.0 per cent salary increase paid to civil servants contributed to growth of 9.7 per cent in outlays on personal emoluments. Payments for goods and services grew by 9.5 per cent, attributed to larger outlays for electricity consumption and the commissioning of a system to produce machine-readable passports.

Current revenue amounted to \$324.7m, which represented a 1.9 per cent increase on the total for 2004. However, as a percentage of GDP revenue fell to 27.6 per cent from 28.4 per cent in 2004. The growth in revenue reflected an increase in tax receipts, associated in part with the expansion in economic activity. Receipts from taxes on income and profit rose by 12.6 per cent as arrears were collected from a large corporation and civil servants' salaries were increased. The intake from taxes on international trade and transactions grew by 2.0 per cent, mirroring an increase in the value of imports. On the other hand, proceeds from taxes on domestic goods and services fell by 4.1 per cent. Receipts from all sub-items in this tax category declined except for the hotel turnover tax and the airport service charge, which contributed additional revenue consistent with the growth in stay-over visitor arrivals.

Capital expenditure rose by 5.6 per cent to \$83.3m in 2005, and as a percentage of GDP remained stable at 6.7 per cent. The increased capital outlays were associated with infrastructural development. The capital implementation ratio

however decreased by 19.3 percentage points to 40.0 per cent in 2005, due to capacity constraints and a shortage of cement. Capital grants totalled \$5.2m, roughly 33.3 per cent below the total in 2004, as some grant-funded projects were completed in the first half of the year.

Preliminary estimates show that the outstanding stock of central government debt amounted to \$858.7m (72.9 per cent of GDP), compared with a total of \$808.9m (72.2 per cent of GDP) in 2004. The increase was primarily attributed to disbursements of new loans under the Special Road Programme.

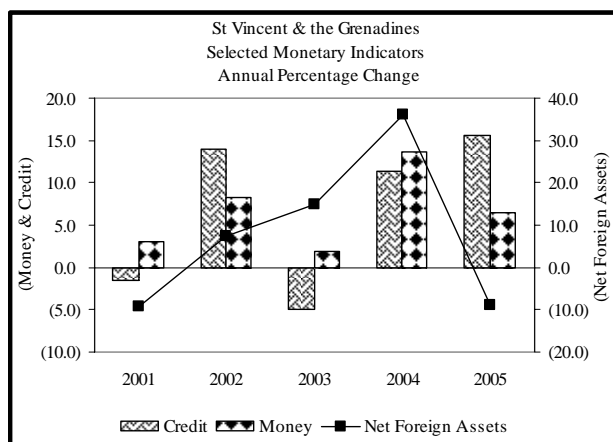
### **Money and Credit**

Broad money (M2) increased by 6.4 per cent to \$874.1m compared with growth of 13.7 per cent during 2004. The expansion in M2 reflected increases of 14.2 per cent and 2.2 per cent in narrow money (M1) and quasi-money respectively. Growth in private sector demand deposits contributed the most to the increase in M1. Of the components of quasi-money, private sector savings deposits rose by 12.1 per cent, which more than offset reductions in private sector foreign currency and time deposits.

Domestic credit increased by 15.9 per cent to \$655.7m, indicative of increased borrowings by the private sector and the central government. Private sector credit grew by 5.4 per cent, reflecting increases in outstanding loans to households and businesses. The net indebtedness of the central



government rose to \$76.3m from \$9.1m at the end of 2004, attributed to an increase in commercial bank credit to finance the larger overall fiscal deficit. The net deposits of the non-bank financial institutions and the non-financial public enterprises grew by 39.4 per cent and 5.4 per cent respectively, on account of reduced borrowings by these entities.



The composition of credit by economic activity indicates increases in outstanding loans for distributive trades (12.3 per cent) and manufacturing, mining and quarrying (6.5 per cent), consistent with the expansion in these sectors. Lending for personal use rose by 6.2 per cent, primarily for the acquisition of property. Credit for agriculture fell by 6.2 per cent.

The net foreign assets of the banking system decreased by 9.3 per cent to \$387.0m in 2005, in contrast to growth of 36.2 per cent in 2004. The decline reflected in part a reduction in commercial banks' net foreign assets (10.3 per cent), largely those held with banks and institutions in the rest of the currency union. St Vincent and the Grenadines'

imputed share of the Central Bank's reserves fell by 8.2 per cent to \$183.8m.

Commercial bank liquidity remained at a high level during 2005. The ratio of liquid assets to total deposits plus liquid liabilities was 40.9 per cent at the end of 2005, marginally below the ratio at the end of 2004. The ratio of loans and advances to total deposits was 72.9 per cent, roughly 1.7 percentage points above the level at the end of 2004.

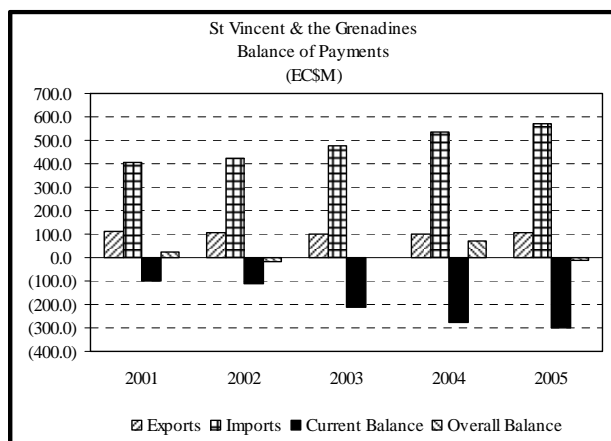
Commercial banks adjusted interest rates on time deposits and loans during 2005. The maximum rates on time deposits held for less than a year ranged from 2.5 per cent to 3.8 per cent, down from a range of 3.3 per cent to 4.0 per cent at the end of 2004. The maximum lending rate fell by 1.5 percentage points to 15.0 per cent. The savings rate ranged from 3.0 per cent to 4.5 per cent and the prime lending rate ranged from 9.0 per cent to 11.0 per cent.

### Balance of Payments

Preliminary data on the balance of payments indicate that the external position of St Vincent and the Grenadines deteriorated in 2005. The overall balance shifted to a deficit of \$9.7m (0.8 per cent of GDP) from a surplus of \$68.6m (6.1 per cent of GDP) in 2004, attributed to lower net inflows on the capital and financial account.

The surplus on the capital and financial account declined by 22.1 per cent to \$269.0m (22.8 per cent

of GDP) in 2005, primarily influenced by lower inflows of foreign direct investment and portfolio investment. Net inflows of foreign direct investment fell by 85.9 per cent, associated with the completion of the resort on Canouan in 2004. The reduction in portfolio investment resulted from lower disbursements from bond issues, compared with the amount in the previous year. Commercial bank activity resulted in net inflows of short term capital of \$23.4m in 2005, as banks drew down on their assets abroad to meet the increased demand for credit. Net inflows of public sector loans rose sharply, associated with infrastructural development. Net inflows of capital transfers increased by 13.9 per cent (\$7.1m).



A current account deficit of \$278.7m was recorded, roughly 0.7 per cent above the deficit in 2004. As a percentage of GDP, however, the deficit fell by 1.0 percentage point to 23.7 per cent. The merchandise trade deficit is estimated to have increased by 1.4 per cent to \$442.9m as a result of larger import payments (f.o.b.). Growth of 2.2 per cent in import payments reflected in part increased

imports of machinery and transport equipment, associated with the Disney movie and the expansion in construction activity. Payments for food imports also rose, partly attributed to increases in prices of some items. The value of exports amounted to \$104.3m, approximately 5.5 per cent above the total in 2004, resulting from an increase in the value of re-exports. This outturn was associated with increases in the re-export of manufactured articles as well as machinery and transport equipment on completion of the Disney film, and a number of construction projects including the resort on Canouan. Domestic export earnings rose marginally.

The deficit on the income account increased by 5.1 per cent, influenced by higher outflows of investment income, largely interest payments reflecting the increase in the external debt stock during 2005. Net inflows on the services account rose by 3.7 per cent on account of a 5.6 per cent increase to \$272.5m in gross receipts from travel, reflecting the growth in stay-over visitor arrivals.

## Prospects

Real GDP is projected to expand by 6.1 per cent in 2006 based on likely developments in construction, agriculture and tourism. Infrastructure upgrading in preparation for warm-up matches for Cricket World Cup 2007 and projects planned for 2006 are expected to boost construction activity. Public sector projects will include ongoing work on the Arnos Vale sporting complex, the national

stadium, a correctional facility and the low-income housing project. Work is expected to begin on rehabilitating the E T Joshua airport terminal building and on a new jetport on Canouan. Agricultural production is forecast to increase, based on an improved performance in the banana industry and continued expansion in the non-banana sub-sectors. Manufacturing output is expected to be higher in 2006 due to more aggressive promotions by leading companies in regional markets. Growth in stay-over arrivals is projected, as a result of extensive marketing and enhancements to the overall tourism product.

The fiscal operations of the central government are likely to result in a larger overall deficit and a smaller current account surplus as growth in expenditure is expected to outpace that of revenue. Debt servicing costs will increase based on new loans and bond issues in 2006 to finance capital expenditure. Growth in outlays on personal emoluments is projected based on salary and wage increases effective 01 January 2006. These include a 4.5 per cent salary increase to civil servants, teachers, nurses and police. Allowances to civil servants increased by an average of 20.0 per cent. Current revenue is expected to increase in 2006 on account of the expansion in economic activity and continued improvements in tax administration.

There were no additional tax measures in the 2006 budget address. However, a reduction of discretionary duty concessions introduced at the beginning of 2006 should generate larger receipts from taxes on international trade and transactions. Increases in the price of some petroleum products and the adoption of a more flexible retail fuel pricing system should result in additional revenue from taxes on those products.

In the external sector, the current account deficit is projected to widen in 2006. This forecast is primarily based on an increase in import payments attributed to the expansion in economic activity and higher international oil prices. Domestic export receipts are likely to increase in line with growth in the agricultural and manufacturing sectors. Gross inflows from travel are expected to increase, based on growth in stay-over arrivals. Monetary liabilities and private sector credit are likely to increase, consistent with a higher level of economic activity. Liquidity in the commercial banking system is expected to remain at a high level.

The downside risks to the projections include unfavourable weather and rising international oil prices and interest rates, which could adversely affect macroeconomic performance and consumer prices.



## 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.





## STATISTICAL TABLES

	<b>PAGE</b>
<b>ECCU</b>	
Table 1 Selected Economic Indicators .....	77
Table 2 Consolidated Central Government Fiscal Operations .....	78
Table 3 Monetary Survey .....	79
Table 4 Selected Tourism Statistics .....	79
Table 5 Balance of Payments - Analytical Survey .....	80
Table 6 Total Public Sector Disbursed Outstanding Debt.....	81
Table 7 Central Government Disbursed Outstanding Debt.....	81
Table 8 Total Actual Debt Service Payments.....	81
 <b>ANGUILLA</b>	
Table 9 Selected Economic Indicators .....	82
Table 10 Central Government Fiscal Operations .....	83
Table 11 Monetary Survey .....	84
Table 12 Selected Tourism Statistics .....	84
Table 13 Balance of Payments .....	85
 <b>ANTIGUA AND BARBUDA</b>	
Table 14 Selected Economic Indicators .....	86
Table 15 Central Government Fiscal Operations .....	87
Table 16 Monetary Survey .....	88
Table 17 Selected Tourism Statistics .....	88
Table 18 Balance of Payments .....	89
 <b>DOMINICA</b>	
Table 19 Selected Economic Indicators .....	90
Table 20 Central Government Fiscal Operations .....	91
Table 21 Monetary Survey .....	92
Table 22 Selected Tourism Statistics .....	92
Table 23 Balance of Payments .....	93



**GRENADA**

Table 24	Selected Economic Indicators .....	94
Table 25	Central Government Fiscal Operations .....	95
Table 26	Monetary Survey .....	96
Table 27	Selected Tourism Statistics .....	96
Table 28	Balance of Payments .....	97

**MONTserrat**

Table 29	Selected Economic Indicators .....	98
Table 30	Central Government Fiscal Operations .....	99
Table 31	Monetary Survey .....	100
Table 32	Selected Tourism Statistics .....	100
Table 33	Balance of Payments .....	101

**ST KITTS AND NEVIS**

Table 34	Selected Economic Indicators .....	102
Table 35	Central Government Fiscal Operations .....	103
Table 36	Monetary Survey .....	104
Table 37	Selected Tourism Statistics .....	104
Table 38	Balance of Payments .....	105

**SAINT LUCIA**

Table 39	Selected Economic Indicators .....	106
Table 40	Central Government Fiscal Operations .....	107
Table 41	Monetary Survey .....	108
Table 42	Selected Tourism Statistics .....	108
Table 43	Balance of Payments .....	109

**ST VINCENT AND THE GRENADINES**

Table 44	Selected Economic Indicators .....	110
Table 45	Central Government Fiscal Operations .....	111
Table 46	Monetary Survey .....	112
Table 47	Selected Tourism Statistics .....	112
Table 48	Balance of Payments .....	113



**Table 1**  
**ECCU**  
**Selected Economic Indicators**

	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
<i>(annual percentage change unless otherwise stated)</i>					
<b>National Income and Prices</b>					
Nominal GDP at basic prices	0.8	1.3	4.3	6.2	8.4
Real GDP at basic prices	(1.3)	0.7	3.0	4.1	5.8
GDP Deflator	2.1	0.6	1.3	2.0	2.5
Consumer Prices (end of period)	2.5	(0.1)	1.9	2.6	4.3
Consumer Prices (period average)	2.7	0.3	1.6	1.9	3.1
<b>Real GDP at Factor Cost by Selected Sectors</b>					
Agriculture	(8.4)	6.8	(5.2)	0.0	(11.7)
Manufacturing	(0.2)	(0.2)	0.2	0.5	6.5
Mining and Quarrying	(6.3)	(1.5)	6.7	(6.2)	16.4
Electricity and Water	5.6	1.9	2.9	2.8	5.7
Construction	(1.5)	(2.5)	3.8	4.9	20.3
Wholesale and Retail	(5.4)	(0.3)	5.3	2.0	8.4
Hotels and Restaurants	(5.2)	(0.5)	12.5	6.6	0.2
Transportation	(2.9)	(1.0)	7.3	12.2	3.7
Communications	0.4	(0.3)	(1.8)	3.8	11.9
Banks and Insurance	(0.4)	3.9	2.4	8.4	4.8
Real Estate and Housing	3.0	2.3	2.9	1.9	3.7
Government Services	2.7	3.3	0.8	3.3	3.0
Other Services	(0.7)	0.9	2.8	0.7	3.6
<i>(as a percentage of GDP)</i>					
<b>External Sector</b>					
Current Account Balance	(18.2)	(20.3)	(22.0)	(16.4)	(22.7)
Overall Balance	2.4	1.6	1.5	3.3	(0.5)
Merchandise Trade Balance	(36.1)	(35.1)	(39.2)	(39.3)	(42.3)
<b>Central Government</b>					
Current Account Balance	(2.0)	(2.2)	(1.0)	(0.7)	0.3
Current Revenue	24.8	25.6	25.9	26.5	26.6
Current Expenditure	26.7	27.8	26.9	27.2	26.3
Capital Expenditure and Net Lending	8.0	9.8	7.6	6.5	7.0
Overall Fiscal Balance	(7.2)	(8.9)	(5.1)	(3.3)	(3.0)
Total Public Sector Debt (end of period)	91.6	101.9	105.6	106.6	100.0
<i>(per cent per annum)</i>					
<b>Monetary Sector</b>					
Weighted Deposit Interest Rates	4.3	3.8	4.7	3.2	n.a
Weighted Lending Interest Rates	11.5	11.3	13.0	10.4	n.a
<i>(in millions of EC dollars, unless otherwise stated)</i>					
<b>Memo</b>					
Nominal GDP at basic prices	6,588.6	6,672.5	6,956.4	7,388.1	8,008.6
Real GDP at basic prices	4,988.7	5,021.1	5,167.0	5,378.8	5,689.4
Nominal GDP at market prices	7,767.3	7,958.6	8,367.8	8,995.1	9,752.8
GDP per capita (EC\$)	11,381	11,491	11,969	12,681	13,613
Merchandise Imports (f.o.b)	3,513.9	3,517.2	3,982.3	4,347.3	4,813.3
Merchandise Exports (f.o.b)	709.2	724.8	705.8	768.2	804.0
Gross Visitor Expenditure	2,311.1	2,253.5	2,624.5	2,926.5	2,921.3

Source: Statistics Department and ECCB

Data available at 26 March 2006



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

	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
<b>Current Revenue</b>	1,922.8	2,034.4	2,164.8	2,379.4	2,593.4
Tax Revenue	1,640.9	1,740.1	1,878.1	2,089.1	2,320.3
Taxes on Income and Profit <sup>/1</sup>	423.7	415.0	418.9	417.8	515.7
of which:					
Personal <sup>/2</sup>	151.3	150.5	148.7	159.9	180.1
Company	241.6	230.5	229.6	215.4	277.2
Taxes on Property	28.3	43.8	43.2	45.2	46.2
Taxes on Domestic Goods and Services	306.7	336.7	366.8	457.8	463.6
of which:					
Accommodation Tax	67.7	62.8	66.6	89.4	98.1
Licences <sup>/3</sup>	43.3	54.9	58.1	77.9	67.4
Sales Tax <sup>/4</sup>	16.7	17.5	23.8	32.6	37.7
Consumption Tax <sup>/5</sup>	43.4	42.1	46.8	45.5	46.3
Taxes on International Trade and Transactions	882.2	944.7	1,049.2	1,168.4	1,294.7
of which:					
Consumption Tax <sup>/7</sup>	416.9	459.3	482.4	520.6	545.9
Import Duties	250.9	250.2	288.3	311.2	366.9
Foreign Exchange Tax <sup>/6</sup>	8.4	8.4	11.4	12.7	3.3
Customs Service Charge <sup>/8</sup>	132.7	146.7	172.0	192.8	231.5
Non-Tax Revenue	282.0	294.3	286.7	290.3	273.1
<b>Current Expenditure</b>	2,075.2	2,209.2	2,247.9	2,444.9	2,563.8
Personal Emoluments	1,021.7	1,044.4	1,067.3	1,101.9	1,128.0
Goods and Services	482.8	487.8	454.4	513.5	562.9
Interest Payments	263.1	327.0	342.4	397.0	375.5
Domestic	151.2	157.5	137.5	129.8	153.9
External	112.0	169.5	204.8	267.2	221.5
Transfers and Subsidies	307.6	350.0	383.8	432.5	497.4
Pensions	113.9	127.8	133.8	152.5	184.6
<b>Current Account Balance (before grants)</b>	(152.4)	(174.8)	(83.1)	(65.4)	29.6
<b>Capital Revenue</b>	11.2	36.5	33.7	35.4	48.2
<b>Grants</b>	199.9	212.0	260.6	272.4	321.6
Current Grants	41.6	45.5	64.8	135.9	144.5
Capital Grants	158.3	166.6	195.8	136.4	177.0
Debt Forgiveness	-	-	-	42.2	547.3
<b>Capital Expenditure and Net Lending</b>	619.5	782.4	638.6	584.3	687.5
Capital Expenditure	621.5	737.1	633.7	556.9	695.3
<b>Primary Balance</b>	297.65	(381.71)	(85.13)	97.19	634.64
Overall Balance (before grants)	(360.9)	(496.7)	(166.9)	(27.4)	(62.4)
<b>Overall Balance (after grants)</b>	(560.8)	(708.7)	(427.5)	(299.8)	259.2
Excluding Antigua and Barbuda's Debt Forgiveness				(342.0)	(288.1)
<b>Financing</b>	560.8	708.7	427.5	299.8	(259.2)
Domestic	(29.2)	(173.4)	(139.6)	(71.2)	11.3
ECCB (net)	4.1	(31.8)	20.0	(62.8)	11.9
Commercial Banks (net)	6.1	21.1	(141.3)	13.5	152.1
Other	(39.5)	(162.7)	(18.3)	(21.9)	(152.7)
External	411.3	732.0	449.9	247.8	(200.4)
Net Disbursements/(Amortisation)	421.3	750.8	543.6	274.6	(187.2)
Disbursement	458.5	804.6	700.8	568.9	487.4
Amortisation	(37.2)	(53.8)	(157.2)	(294.3)	(674.5)
Change in Govt. Foreign Assets	(10.0)	(18.8)	(93.7)	(26.8)	(13.2)
Arrears	178.7	150.0	117.1	123.2	(70.1)
Domestic	127.0	82.1	44.7	15.1	0.5
External	51.8	68.0	72.4	108.1	(70.6)

SOURCE: Statistics Department, OECS and ECCB

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

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

/3 Excludes St Vincent and the Grenadines

/4 Dominica is the only territory with a Sales tax

/5 For all territories except Anguilla, Antigua and Barbuda, Montserrat, and St Kitts and Nevis

/6 Only includes Anguilla and Montserrat

/7 For all territories except Anguilla

/8 For all territories except Anguilla

Data available at 27 March 2006



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

	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
<b>Net Foreign Assets</b>	1,480.0	1,814.1	2,362.2	2,902.0	3,012.10
Central Bank (net)	1,229.6	1,355.1	1,449.2	1,702.9	1,611.40
Foreign Assets	1,204.1	1,362.9	1,457.7	1,707.5	1,621.90
Foreign Liabilities	11.9	7.8	8.5	4.6	10.50
Commercial Banks (net)	250.4	458.9	913.1	1,199.0	1,400.70
Assets	1,668.9	2,016.9	2,583.5	3,175.9	3,441.50
Liabilities	1,418.5	1,557.9	1,670.4	1,976.9	2,040.80
<b>Net Domestic Assets</b>	4,842.2	4,922.9	5,017.5	5,460.6	6,043.5
<b>Domestic Credit</b>	5,765.5	5,895.0	5,858.1	6,335.7	7,271.7
Central Government (net)	654.4	643.7	522.4	473.1	637.1
Other Public Sector (net)	(723.6)	(731.9)	(747.3)	(681.0)	(663.0)
Non-Bank Financial Institutions (net)	(230.8)	(252.5)	(264.0)	(202.5)	(187.4)
Subsidiaries and Affiliates (net)	86.4	101.6	115.4	135.9	114.1
Private Sector	5,979.1	6,134.1	6,231.6	6,610.2	7,370.9
<b>Other Items (net)</b>	(923.4)	(972.2)	(840.7)	(875.1)	(1,228.2)
<b>Money Supply (M2)</b>	6,322.1	6,737.0	7,379.7	8,362.6	9,055.6
Money Supply (M1)	1,248.5	1,321.7	1,508.1	1,895.2	2,086.7
Currency	375.9	395.7	429.6	486.1	521.4
Demand Deposits	872.6	925.9	1,078.5	1,409.0	1,565.3
Quasi Money	5,073.6	5,415.3	5,871.6	6,467.4	6,968.9
Savings Deposits	2,591.5	2,827.2	3,106.1	3,600.9	3,913.5
Time Deposits	1,680.6	1,669.5	1,787.4	1,688.0	1,647.5
Foreign Currency Deposits	801.5	918.7	978.1	1,177.8	1,407.9

Source: ECCB

Data available at 27 March 2006

**Table 4**  
**ECCU - Selected Tourism Statistics**

	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
Total Visitors	2,667,936	2,321,711	2,505,095	3,238,042	3,012,482
Of which:					
Stay-Over Visitors	851,522	862,341	947,473	1,042,541	1,044,488
Visitor Arrivals by Air	829,911	842,027	925,738	1,020,371	1,022,762
USA	274,807	282,840	296,034	350,385	371,726
Canada	43,156	40,939	42,602	44,938	49,947
UK	194,062	192,378	223,488	242,611	225,653
Caribbean	228,112	246,524	274,989	289,985	279,554
Other Countries	89,774	79,346	88,625	92,452	95,882
Visitor Arrivals by Sea	21,611	20,314	21,735	22,170	21,726
Excursionists	97,539	105,067	108,961	108,955	111,719
Cruise Ship Passengers	1,582,398	1,208,885	1,313,210	1,949,920	1,721,798
Yacht Passengers	136,477	145,418	135,451	136,626	134,477
Number of Cruise Ship Calls	1,526	1,400	1,558	1,838	1,517
Total Visitor Expenditure (EC\$M)	2,311	2,253	2,624	2,926	2,921

SOURCE: Central Statistics Offices, OECS and ECCB

Data available as at 27 March 2006

**Notes:**

Only cruise, yacht and total arrivals data for St Kitts and Nevis are included from 2002  
Excursionists includes sea arrivals for Saint Lucia and excludes Antigua and Barbuda  
Cruise ship passengers excludes Anguilla but includes excursionists for Antigua and Barbuda  
Cruise ship calls excludes Anguilla and St Vincent and the Grenadines  
Yacht passengers includes St Kitts and Nevis and St Vincent and the Grenadines



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

	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
<b>Current Account</b>	(1,397.0)	(1,609.3)	(1,838.5)	(1,471.6)	(2,216.5)
Goods and Services	(1,168.2)	(1,298.5)	(1,546.0)	(1,370.4)	(2,147.3)
Goods	(2,711.2)	(2,715.3)	(3,175.8)	(3,381.2)	(3,979.9)
Merchandise	(2,804.6)	(2,792.6)	(3,276.6)	(3,536.3)	(4,126.8)
Repair on goods	0.2	0.2	0.1	0.4	0.3
Goods procured in ports by carriers	93.2	77.1	100.8	154.7	146.6
Services	1,543.0	1,416.8	1,629.8	2,010.8	1,832.6
Transportation	(302.3)	(282.9)	(371.8)	(396.2)	(464.0)
Travel	2,013.4	1,952.0	2,302.0	2,580.3	2,548.1
Insurance Services	(102.7)	(122.9)	(143.6)	(21.3)	(89.7)
Other Business Services	(9.6)	(77.1)	(95.5)	(83.6)	(95.0)
Government Services	(55.9)	(52.3)	(61.3)	(68.3)	(66.8)
Income	(525.1)	(580.1)	(641.6)	(697.4)	(629.1)
Compensation of Employees	32.1	5.9	9.5	21.4	27.1
Investment Income	(551.4)	(586.0)	(651.2)	(718.8)	656.2
Current Transfers	296.4	269.3	349.1	596.2	559.9
General Government	76.5	56.2	122.5	188.9	143.3
Other Sectors	219.9	213.1	226.6	407.3	416.6
<b>Capital and Financial Account</b>	1,578.5	1,737.2	1,962.3	1,766.0	2,089.0
Capital Account	362.0	356.2	353.7	367.2	884.2
Capital Transfers	361.3	355.7	353.2	367.2	884.2
Acquisition and Disposal of Non-Produced, Non-Financial Assets	0.7	0.5	0.5	-	-
Financial Account	1,216.5	1,381.0	1,608.5	1,398.8	1,204.9
Direct Investment	999.0	923.5	1,493.7	1,174.2	1,337.5
Portfolio Investment	149.7	447.4	406.0	182.2	97.1
Other Investments	67.8	10.1	(291.1)	42.5	(229.8)
Public Sector Long Term	208.7	93.6	48.1	44.8	(284.3)
Other Public Sector Capital	-	1.5	-	-	-
Commercial Banks	(244.4)	(208.6)	(454.1)	(285.9)	(201.7)
Other Assets	(133.0)	(101.7)	(132.9)	(220.9)	(161.6)
Other Liabilities*	236.4	225.3	247.8	507.8	498.0
<b>Overall Balance</b>	181.5	127.9	123.8	296.9	(47.2)
<b>Financing</b>	(181.5)	(127.9)	(123.8)	(296.9)	47.2
Change in SDR holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	(16.7)	(20.5)	1.1	(34.5)	(29.6)
Change in ECCU's Net Foreign Assets <sup>#</sup>	(164.8)	107.4	(124.9)	(262.4)	76.8

Source: ECCB

\* includes errors and omissions

# adjusted for valuation changes

Data available at 4 April 2006



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

Country	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
Anguilla	50.4	55.6	53.6	91.7	108.0
Antigua and Barbuda	2,462.9	2,680.9	2,855.4	2,669.2	2,384.9
Dominica	915.6	874.4	900.2	872.0	879.4
Grenada	846.3	1,247.4	1,365.7	1,574.3	1,629.2
Montserrat	27.7	19.8	15.2	13.2	12.7
St Kitts and Nevis	1,222.9	1,442.6	1,620.8	1,927.1	2,064.3
Saint Lucia	878.6	1,020.4	1,194.9	1,558.2	1,702.2
St Vincent and the Grenadines	636.0	731.2	774.5	884.1	975.1
TOTAL ECCU	7,040.4	8,072.3	8,780.3	9,589.8	9,755.8

Source: ECCB

\* Includes arrears of principal

Data available at 27 March 2006

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

Country	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
Anguilla	24.4	29.5	32.6	67.0	90.2
Antigua and Barbuda	2,271.1	2,493.1	2,665.2	2,426.1	2,138.8
Dominica	777.2	724.8	745.0	716.1	732.2
Grenada	636.5	926.4	1,053.0	1,235.0	1,411.2
Montserrat	10.7	10.8	5.9	4.6	4.5
St Kitts and Nevis	834.5	1,028.6	1,165.8	1,265.4	1,348.1
Saint Lucia	639.2	777.5	958.9	1,257.1	1,428.2
St Vincent and the Grenadines	567.8	652.6	695.8	808.9	858.7
TOTAL ECCU	5,761.4	6,643.3	7,322.2	7,780.2	8,011.9

Source: ECCB

Data available at 27 March 2006

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

Country	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
Anguilla	2.1	4.2	6.8	8.6	5.0
Antigua and Barbuda	150.8	126.5	105.6	197.0	531.3
Dominica	54.3	54.1	41.4	54.3	37.9
Grenada	59.3	92.5	100.3	152.4	92.8
Montserrat	2.2	2.3	1.8	1.3	0.3
St Kitts and Nevis	75.6	102.3	123.4	132.1	153.5
Saint Lucia	139.4	164.7	119.8	154.5	102.5
St Vincent and the Grenadines	41.2	46.2	148.5	194.9	219.5
TOTAL ECCU	524.9	592.8	647.5	895.1	1,142.8

Source: ECCB

\*Excluding Antigua and Barbuda's Debt Forgiveness

Data available at 27 March 2006



**Table 9**  
**Anguilla - Selected Economic Indicators**

	2001	2002	2003 <sup>R</sup>	2004 <sup>R</sup>	2005
<i>(annual percentage change unless otherwise stated)</i>					
<b>National Income and Prices</b>					
Nominal GDP at basic prices	2.7	0.9	4.3	21.3	14.9
Real GDP at basic prices	3.3	(3.1)	2.9	16.4	10.9
GDP Deflator	(0.6)	4.1	1.4	4.2	3.6
Consumer Prices (end of period)	2.9	(1.4)	6.9	5.1	3.2
Consumer Prices (period average)	4.7	0.5	3.2	4.4	4.6
Real GDP at Factor Cost by Selected Sectors					
Agriculture	(5.2)	15.1	1.5	7.1	2.0
Manufacturing	2.1	1.2	9.6	(24.7)	142.5
Electricity and Water	14.8	9.2	3.9	6.7	15.3
Construction	(14.6)	(8.4)	3.2	38.4	12.4
Wholesale and Retail Trade	(5.0)	(10.8)	5.9	4.4	10.0
Hotels and Restaurants	9.5	(8.3)	6.7	15.1	15.0
Transport	(3.6)	(4.7)	2.9	18.6	9.0
Banks and Insurance	22.0	(10.5)	6.3	25.8	3.4
Government Services	4.3	3.2	4.6	5.9	1.0
Other Services	4.9	2.5	25.5	(7.3)	3.0
<i>(as a percentage of GDP)</i>					
<b>External Sector</b>					
Current Account Balance	(36.2)	(31.7)	(37.4)	(32.2)	(45.4)
Overall Balance	3.5	1.8	6.0	0.6	3.3
Merchandise Trade Balance	(58.9)	(50.5)	(53.8)	(56.8)	(66.3)
<b>Central Government</b>					
Current Account Balance	(1.7)	1.0	0.8	5.9	4.7
Current Revenue	24.4	27.5	26.9	29.3	28.6
Current Expenditure	26.1	26.5	26.1	23.4	23.9
Capital Expenditure and Net Lending	4.2	1.1	4.0	10.4	9.2
Overall Fiscal Balance	(3.8)	0.6	2.8	(4.2)	(3.5)
Total Public Sector Debt (end of period)	16.9	18.2	18.3	21.7	24.4
<i>(per cent per annum)</i>					
<b>Monetary Sector</b>					
Weighted Deposit Interest Rates	3.3	3.2	3.9	5.4	--
Weighted Lending Interest Rates	10.6	10.3	10.6	10.7	--
<i>(in millions of EC dollars, unless otherwise stated)</i>					
<b>Memo</b>					
Nominal GDP at basic prices	239.8	242.0	252.4	306.1	351.6
Real GDP at basic prices	190.8	184.9	190.2	221.4	245.6
Nominal GDP at market prices	297.5	305.3	317.8	400.7	443.4
GDP per Capita (ECS)	20,740	20,300	20,690	24,444	28,075
Merchandise Imports (f.o.b)	184.6	166.1	182.4	243.4	338.6
Merchandise Exports (f.o.b)	9.5	11.8	11.5	15.2	43.9
Gross Visitor Expenditure	166.6	153.6	162.7	186.2	213.0

Source: Statistics Department and ECCB

\*ECCB Estimates

Data available at 19 June 2006





**Table 10**  
**Anguilla - Central Government Fiscal Operations**  
**(In millions of Eastern Caribbean dollars)**

	2001 <sup>R</sup>	2002	2003	2004 <sup>R</sup>	2005 <sup>P</sup>
<b>Current Revenue</b>	72.7	83.9	85.4	117.4	126.8
Tax Revenue	58.3	63.8	65.9	96.9	102.4
Taxes on Income and Profit	--	--	--	--	--
of Which:					
Taxes on Property	0.6	0.5	0.6	0.6	0.5
Taxes on Domestic Goods and Services	23.1	29.0	28.1	48.8	43.9
of Which:					
Stamp Duties	4.8	8.8	6.9	21.9	17.4
Accommodation Tax	7.8	9.2	9.1	12.0	12.6
Bank Deposit Levy	2.4	2.5	3.5	4.9	4.1
Taxes on International Trade and Transactions	34.6	34.4	37.2	47.5	58.0
of Which:					
Import Duty	30.1	29.8	30.2	38.7	48.5
Foreign Currency Levy	1.1	0.9	1.3	1.1	1.0
Embarkation Tax	2.5	2.8	3.4	3.3	3.6
Non-tax Revenue	14.4	20.1	19.5	20.5	24.4
<b>Current Expenditure</b>	77.7	81.0	83.0	93.9	105.9
Personal Emoluments	39.6	41.1	42.4	36.3	40.8
Goods and Services	34.1	33.8	33.7	34.6	35.3
Interest Payments	1.9	3.4	3.5	3.2	4.7
Domestic	1.4	2.8	2.6	2.3	4.0
External	0.4	0.6	0.9	0.9	0.7
Transfers and Subsidies	2.2	2.8	3.4	19.8	25.1
of Which: Pensions	1.4	1.6	1.7	1.8	2.0
<b>Current Account Balance</b>	(5.1)	3.0	2.5	23.5	21.0
Capital Revenue	--	--	16.5	--	0.0
Capital Grants	6.2	2.1	2.7	1.5	4.4
<b>Capital Expenditure and Net Lending</b>	12.4	3.3	12.6	41.7	40.9
of which: Capital Expenditure	12.4	3.3	12.6	41.7	40.9
<b>Primary Balance (after grants)</b>	(9.5)	5.1	12.5	(13.4)	(10.8)
Overall Balance (before grants)	(17.5)	(0.4)	6.4	(18.2)	(20.0)
<b>Overall Balance (after grants)</b>	(11.3)	1.7	9.1	(16.7)	(15.5)
<b>Financing</b>	11.3	(1.7)	(9.1)	16.7	15.5
Domestic	9.5	(1.8)	(8.8)	15.9	15.9
ECCB (net)	5.0	(4.4)	(0.5)	0.2	(0.1)
Commercial Banks (net)	3.3	3.7	(6.3)	24.1	16.9
Other	1.2	(1.1)	(2.0)	(8.4)	(0.9)
External	1.8	0.1	(0.3)	0.7	(0.4)
Net Disbursements/(Amortisation)	1.8	0.1	(0.3)	0.7	(0.4)
Disbursements	2.0	0.5	1.1	1.2	0.1
Amortisation	(0.2)	(0.4)	(1.4)	(0.5)	(0.5)
Change in Government Foreign Assets	--	--	--	--	--
Arrears	--	--	--	--	--
Domestic	--	--	--	--	--
External	--	--	--	--	--

Source: Ministry of Finance and ECCB

Data available at 16 March 2006



**Table 11**  
**Anguilla - Monetary Survey**  
(In millions of Eastern Caribbean dollars)

	2001	2002	2003	2004 <sup>R</sup>	2005 <sup>P</sup>
<b>Net Foreign Assets</b>	151.7	209.4	200.6	334.0	482.4
Central Bank (net)	65.3	70.8	89.9	92.5	107.2
Commercial Banks (net)	86.4	138.6	110.8	241.5	375.2
External (net)	50.8	92.0	64.6	193.7	336.8
Assets	229.6	284.7	282.3	420.0	524.6
Liabilities	178.9	192.7	217.7	226.3	187.8
Other ECCB Territories (net)	35.7	46.6	46.2	47.8	38.4
Assets	49.9	65.8	74.0	129.7	108.4
Liabilities	14.2	19.2	27.8	81.9	70.0
<b>Net Domestic Assets</b>	332.5	336.2	386.5	363.7	430.4
<b>Domestic Credit</b>	409.8	425.7	484.7	551.4	655.2
Central Government (net)	19.8	19.1	12.3	36.7	53.3
Other Public Sector (net)	(57.0)	(65.8)	(67.8)	(81.4)	(93.1)
Non-Bank Financial Institutions (net)	(13.9)	(11.1)	(9.2)	(7.2)	(26.2)
Subsidiaries and Affiliates (net)	3.1	4.3	9.0	13.4	10.1
Private Sector	457.7	479.2	540.4	589.9	711.1
<b>Other Items (net)</b>	(77.2)	(89.5)	(98.2)	(187.7)	(224.8)
Money Supply (M2)	484.2	545.6	587.1	697.7	912.8
Money Supply (M1)	20.4	19.5	24.5	26.1	29.8
Currency with the public	9.0	8.2	9.0	9.5	9.6
Demand Deposits	11.4	11.3	15.5	16.6	20.2
Quasi Money	463.9	526.1	562.6	671.6	882.9
Savings Deposits	46.9	50.0	51.9	60.1	69.6
Time Deposits	44.5	49.2	55.6	50.0	70.9
Foreign Currency Deposits	372.6	426.8	455.1	561.6	742.5

Source: ECCB and Development Planning Unit

Data available at 15 March 2006

**Table 12**  
**Anguilla - Selected Tourism Statistics**

	2001	2002	2003	2004 <sup>R</sup>	2005 <sup>P</sup>
Total Visitor Arrivals	104,974	111,118	109,282	120,788	143,186
Of Which:					
Stay-Over Arrivals	47,944	43,969	46,915	53,987	62,084
USA	30,099	28,755	30,644	35,751	41,733
Canada	1,258	1,301	1,289	1,549	1,792
UK	2,789	2,529	2,962	3,198	3,834
Italy	2,746	707	945	1,086	1,199
Germany	546	537	649	1,019	410
Rest of Europe	1,946	1,610	1,752	2,734	2,670
Caribbean	7,369	7,455	7,362	7,129	8,529
Other Countries	1,191	1,075	1,312	1,521	1,917
Excursionist	57,030	67,149	62,367	66,801	81,102
Total Visitor Expenditure (EC\$M)	166.6	153.6	162.7	186.2	232.29

Source: ECCB and Development Planning Unit

Data available at 16 March 2006



**Table 13**  
**Anguilla - Balance of Payments**  
(In millions of Eastern Caribbean dollars)

	2001	2002	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
<b>Current Account</b>	(107.7)	(96.9)	(118.9)	(129.1)	(201.5)
Goods and Services	(90.8)	(81.9)	(103.5)	(143.7)	(207.3)
Goods	(175.3)	(154.6)	(171.0)	(227.6)	(294.0)
Merchandise	(175.1)	(154.3)	(171.0)	(228.2)	(294.7)
Repair on Goods	0.1	0.0	0.0	0.0	-
Goods Procured in Port by Carriers	(0.3)	(0.3)	(0.1)	0.6	0.6
Services	84.5	72.7	67.6	83.9	86.7
Transportation	(28.6)	(23.8)	(26.4)	(30.9)	(42.7)
Travel	143.1	131.1	138.7	161.7	185.2
Insurance Services	(3.2)	(2.7)	(2.7)	(4.9)	(7.0)
Other Business Services	(24.0)	(27.7)	(39.0)	40.9	(47.5)
Government Services	(2.8)	(4.2)	(3.1)	1.2	(1.3)
Income	(20.3)	(17.3)	(16.1)	2.1	3.4
Compensation of Employees	-	0.6	1.3	10.4	11.8
Investment Income	(20.3)	(17.9)	(17.4)	(8.3)	(8.4)
Current Transfers	3.4	2.3	0.6	12.6	2.4
General Government	6.9	6.4	10.0	19.7	12.5
Other Sectors	(3.5)	(4.1)	(9.4)	(7.2)	(10.1)
<b>Capital and Financial Account</b>	118.2	102.3	138.0	131.7	216.2
Capital Account	23.8	21.6	21.1	22.1	23.5
Capital Transfers	23.8	21.6	21.1	22.1	23.5
Acquisition and Disposal of Non-Produced Non-Financial Assets	-	-	-	-	-
Financial Account	94.4	80.7	116.9	109.6	192.7
Direct Investment	80.0	89.8	79.4	234.2	263.5
Portfolio Investment	3.1	0.0	(0.6)	3.2	3.3
Other Investments	11.3	9.1	38.1	(127.7)	(74.1)
Public Sector Long Term	4.0	(1.0)	(0.6)	0.9	(2.1)
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	(38.7)	(52.2)	27.9	(130.8)	(133.7)
Other Assets	(9.4)	(1.5)	(35.2)	(36.6)	(41.8)
Other Liabilities*	55.4	45.7	46.0	38.7	103.5
<b>Overall Balance</b>	10.5	5.4	19.1	2.6	14.7
<b>Financing</b>	(10.5)	(5.4)	(19.1)	(2.6)	(14.7)
Change in SDR holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	-	-	-	-	-
Change in Imputed Reserves	(10.5)	(5.4)	(19.1)	(2.6)	(14.7)

Source: ECCB and Development Planning Unit

\* includes errors & omissions

**Data available at 15 March 2006**



**Table 14**  
**Antigua and Barbuda - Selected Economic Indicators**

	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>	2005
<i>(annual percentage change unless otherwise stated)</i>					
<b>National Income and Prices</b>					
Nominal GDP at basic prices	4.1	2.0	4.6	6.5	7.1
Real GDP at basic prices	1.5	2.0	4.3	5.2	5.3
GDP Deflator	2.6	(0.1)	0.3	1.2	1.7
Consumer Prices (end of period)	1.3	2.5	1.8	2.8	2.5
Consumer Prices (period average)	1.5	2.4	2.0	2.0	2.1
<b>Real GDP at Factor Cost by Selected Sectors</b>					
Agriculture	(0.1)	1.0	2.5	2.7	3.0
Manufacturing	2.5	3.2	7.9	(4.0)	0.9
Electricity and Water	1.7	4.1	(2.7)	6.4	6.4
Construction	4.0	3.5	6.7	2.5	19.5
Wholesale and Retail Trade	(2.0)	(2.8)	3.6	2.9	3.2
Hotels and Restaurants	(7.8)	2.1	10.2	6.8	(1.1)
Transport	(3.7)	(3.3)	14.7	14.6	(1.5)
Communications	5.1	0.4	1.4	3.1	8.0
Banks and Insurance	(5.9)	11.7	(2.3)	10.8	3.8
Government Services	3.8	5.7	2.9	4.6	3.0
Other Services	1.0	3.5	2.2	2.7	4.0
<b>External Sector</b>					
Current Account Balance	(9.3)	(15.3)	(13.5)	(10.2)	(15.4)
Overall Balance	2.3	1.1	3.5	0.8	0.8
Merchandise Trade Balance	(42.5)	43.5	43.3	42.8	44.1
<b>Central Government</b>					
Current Account Balance	(6.7)	(8.3)	(3.7)	(3.7)	(3.0)
Current Revenue	18.9	20.1	20.8	21.4	21.0
Current Expenditure	25.6	28.2	24.4	25.0	24.0
Capital Expenditure and Net Lending	4.8	5.2	3.2	2.5	4.0
Overall Fiscal Balance	(10.9)	(11.8)	(6.2)	(3.0)	18.0
<b>Monetary Sector</b>					
Weighted Deposit Interest Rates	4.4	4.3	5.1	3.7	3.9
Weighted Lending Interest Rates	11.5	11.3	13.4	11.3	10.9
<i>(in millions of EC dollars, unless otherwise stated)</i>					
<b>Memo</b>					
Nominal GDP at basic prices	1,620.2	1,651.9	1,728.4	1,840.6	1,970.5
Real GDP at basic prices	1,269.0	1,294.6	1,350.4	1,420.9	1,496.3
Nominal GDP at market prices	1,884.4	1,929.5	2,036.7	2,209.7	2,349.8
GDP per capita (EC\$)	21,391.7	21,412.4	21,945.4	22,965.1	24,165.3
Merchandise Imports (f.o.b)	847.2	887.0	932.2	999.4	1,093.9
Merchandise Exports (f.o.b)	46.1	47.0	50.2	53.0	56.5
Gross Visitor Expenditure	734.6	739.2	809.5	911.8	883.6

Source: Statistics Department and ECCB

Data available at 16 June 2006



**Table 15**  
**Antigua and Barbuda - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

	2001	2002	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
<b>Current Revenue</b>	356.7	387.6	422.8	472.3	493.7
Tax Revenue	317.3	348.0	383.2	427.2	455.0
Taxes on Income and Profit	47.6	61.4	62.6	46.4	63.8
of which:					
Personal Income	--	--	0.1	0.1	9.3
Company	43.0	55.6	57.0	40.5	38.1
Business Tax	1.2	1.3	0.6	0.4	0.2
Taxes on Property	6.0	7.9	11.1	10.0	10.5
Taxes on Domestic Goods and Services	68.2	70.4	83.9	96.8	100.5
of which:					
Stamp Duties	16.1	18.7	21.4	27.5	36.3
Hotel and Guest Tax	23.1	20.7	22.2	33.9	33.5
Telecommunications Tax	9.6	8.7	8.3	8.6	9.8
Taxes on International Trade and Transactions	195.6	208.3	225.6	274.0	280.2
of which:					
Import Duty	55.9	54.6	57.0	60.5	71.2
Consumption Tax	76.8	81.0	85.7	100.0	103.3
Customs Service Charge	38.9	48.8	52.8	58.8	65.7
Foreign Currency Levy	6.5	6.6	9.3	10.5	1.4
Non-Tax Revenue	39.3	39.6	39.7	45.1	38.6
<b>Current Expenditure</b>	482.6	547.5	497.4	553.0	563.3
Personal Emoluments	225.2	236.8	250.2	251.1	252.8
Goods and Services	130.0	153.1	95.9	109.9	111.0
Interest Payments	75.3	94.8	77.5	109.1	89.3
Domestic	45.2	49.7	32.7	37.8	33.9
External	30.1	45.1	44.8	71.3	55.4
Transfers and Subsidies	52.1	62.8	73.9	83.0	110.2
of Which: Pensions	17.5	22.6	31.2	32.7	38.2
<b>Current Account Balance</b>	(125.9)	(159.8)	(74.6)	(80.7)	(69.6)
Capital Revenue	1.4	3.4	3.0	22.1	18.0
Grants	10.2	28.6	11.2	48.5	568.7
of which: Capital Grants	10.2	28.6	11.2	6.3	21.4
Debt Forgiveness	-	-	-	42.3	547.25
<b>Capital Expenditure and Net Lending</b>	90.8	99.7	65.5	55.2	94.2
of which: Capital Expenditure	90.8	99.7	65.5	53.0	(76.2)
<b>Primary Balance (after grants)</b>	(129.9)	(132.7)	(48.4)	43.8	512.2
Overall Balance (before grants)	(215.3)	(256.2)	(137.0)	(113.8)	(145.8)
<b>Overall Balance (after grants)</b>	(205.1)	(227.6)	(125.8)	(65.3)	422.9
<b>Financing</b>	205.1	227.6	125.8	65.3	(422.9)
Domestic	8.8	17.6	(8.4)	(11.2)	43.8
ECCB (net)	(1.6)	(8.4)	0.2	(5.7)	1.2
Commercial Banks (net)	(12.6)	13.3	(1.6)	(19.4)	(7.1)
Other	23.1	12.7	(7.0)	13.9	49.7
External	57.8	37.1	31.6	(8.9)	(396.9)
Net Disbursements/(Amortisation)	57.3	36.6	31.5	(9.0)	(397.1)
Data Disbursements	90.2	59.5	57.0	30.1	22.4
Amortisation	(32.9)	(22.9)	(25.5)	(39.1)	(419.5)
Change in Govt. Foreign Assets	0.5	0.5	(0.1)	0.1	0.1
Arrears	138.5	172.9	102.7	85.4	(69.7)
Domestic	99.5	99.0	40.0	8.0	13.2
External	39.0	73.9	62.7	77.4	(83.0)

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 13 March 2006



**Table 16**  
**Antigua and Barbuda - Monetary Survey**  
**(In millions of Eastern Caribbean dollars)**

	2001	2002	2003	2004 <sup>R</sup>	2005
<b>Net Foreign Assets</b>	320.0	328.8	668.0	729.8	693.7
Central Bank (net)	215.2	236.6	307.1	324.3	343.7
Commercial Banks (net)	104.8	92.2	360.8	405.5	349.9
External (net)	205.4	243.5	320.5	429.9	618.0
Assets	466.1	515.8	609.7	727.2	1,005.4
Liabilities	260.7	272.4	289.1	297.3	387.3
Other ECCB Territories (net)	(100.6)	(151.2)	40.3	(24.4)	(268.1)
Assets	39.7	140.5	192.9	169.1	511.0
Liabilities	140.3	291.7	152.6	193.5	779.1
<b>Net Domestic Assets</b>	1,133.6	1,216.3	1,203.1	1,313.1	1,490.4
<b>Domestic Credit</b>	1,327.2	1,420.1	1,499.3	1,558.5	1,675.7
Central Government (net)	289.3	294.1	292.7	267.6	261.7
Other Public Sector (net)	(213.9)	(214.4)	(167.2)	(162.5)	(180.4)
Non-Bank Financial Institutions (net)	(63.5)	(82.9)	(70.1)	(14.2)	(35.5)
Subsidiaries and Affiliates (net)	(33.4)	(33.8)	(47.8)	(40.5)	(35.8)
Private Sector	1,348.7	1,457.0	1,491.6	1,508.1	1,665.6
<b>Other Items (net)</b>	(193.7)	(203.8)	(296.2)	(245.3)	(185.3)
<b>Money Supply (M2)</b>	1,453.6	1,545.1	1,871.1	2,042.9	2,184.1
Money Supply (M1)	307.1	308.0	369.5	444.5	525.3
Currency with the Public	78.1	88.2	98.9	113.3	122.1
Demand Deposits	229.0	219.8	270.7	331.2	403.2
Quasi Money	1,146.4	1,237.1	1,501.6	1,598.4	1,658.7
Savings Deposits	511.6	524.8	577.1	683.4	741.7
Time Deposits	554.3	594.8	817.6	780.1	780.2
Foreign Currency Deposits	80.6	117.5	106.8	134.8	136.8

Source: ECCB and Development Planning Unit

Data available at 13 March 2006

**Table 17**  
**Antigua and Barbuda - Selected Tourism Statistics**

	2001	2002	2003	2004 <sup>R</sup>	2005
Total Visitor Arrivals	641,435	548,833	640,381	808,148	744,803
Of Which:					
Stay-Over Arrivals	214,787	218,399	239,185	267,626	260,530
of which:					
USA	60,176	60,679	64,523	70,531	66,644
Canada	12,839	10,184	8,592	9,452	9,571
UK	67,785	72,401	81,275	97,829	90,568
Caribbean	34,260	37,372	43,318	48,565	47,319
Other Countries	2,697	2,465	3,801	3,135	8,665
Yacht Passengers	17,836	18,193	17,362	17,778	17,422
Cruise Ship Passengers <sup>1</sup>	408,812	312,241	383,834	522,744	466,851
Number of Cruise Ship Calls <sup>2</sup>	271	200	294	371	321
Visitor Expenditure (EC\$M)	734.6	739.2	809.5	911.8	883.6

Source: ECCB and Development Planning Unit

<sup>1</sup> includes Excursionists

<sup>2</sup> Windjammer Calls

Data available at 10 March 2006



**Table 18**  
**Antigua and Barbuda - Balance of Payments**  
(In millions of Eastern Caribbean dollars)

	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
<b>Current Account</b>	(174.2)	(294.9)	(275.6)	(225.3)	(362.6)
Goods and Services	(132.0)	(198.1)	(207.9)	(125.4)	(271.7)
Goods	(755.9)	(799.6)	(832.1)	(873.7)	(963.6)
Merchandise	(801.1)	(839.9)	(882.0)	(946.3)	(1,037.4)
Repair on goods	0.0	0.0	--	0.2	0.2
Goods procured in ports by carriers	45.1	40.3	49.9	72.5	73.6
Services	624.0	601.5	624.2	748.2	691.9
Transportation	43.9	53.3	35.7	35.5	26.3
Travel	649.4	649.8	715.5	810.6	776.2
Insurance Services	(42.9)	(59.1)	(68.2)	(47.5)	(51.4)
Other Business Services	(21.6)	(34.8)	(50.7)	(45.8)	(54.6)
Government Services	(4.9)	(7.8)	(8.0)	(4.5)	(4.5)
Income	(66.9)	(111.9)	(104.2)	(122.6)	(112.6)
Compensation of Employees	35.1	8.9	14.1	16.6	17.1
Investment Income	(102.0)	(120.9)	(118.2)	(139.2)	(129.7)
Current Transfers	24.7	15.2	36.4	22.7	21.7
General Government	2.0	(1.7)	2.9	1.8	1.5
Other Sectors	22.7	16.9	33.6	20.9	20.2
<b>Capital and Financial Account</b>	217.4	315.7	346.3	242.4	382.1
Capital Account	32.2	37.6	27.5	57.5	577.7
Capital Transfers	32.2	37.6	27.5	57.5	577.7
Acquisition and Disposal of Non-Produced, Non-Financial Assets	0.0	0.0	0.0	0.0	0.0
Financial Account	185.2	278.1	318.7	184.9	(195.6)
Direct Investment	265.8	177.8	449.1	206.7	306.8
Portfolio Investment	(6.8)	(5.9)	5.6	19.1	0.6
Other Investments	(73.8)	106.2	(135.9)	(40.9)	(503.0)
Public Sector Long Term	27.9	(17.5)	(54.1)	(87.6)	(435.3)
Other Public Sector Capital	--	--	--	--	--
Commercial Banks	(130.9)	12.6	(268.6)	(44.7)	55.5
Other Assets	(10.1)	(29.2)	(25.1)	(26.3)	(4.2)
Other Liabilities*	39.3	140.3	211.9	117.6	(118.9)
<b>Overall Balance</b>	43.2	20.9	70.6	17.1	19.5
<b>Financing</b>	(43.2)	(20.9)	(70.6)	(17.1)	(19.5)
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	0.5	0.5	(0.1)	0.1	(0.1)
Change in Imputed Reserves	(43.7)	(21.4)	(70.5)	(17.2)	(19.4)

Source: Central Statistics Office and ECCB

\*includes errors & omissions

Data available at 13 March 2006



**Table 19**  
**Dominica - Selected Economic Indicators**

	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005
<b>(annual percentage change unless otherwise stated)</b>					
<b>National Income and Prices</b>					
Nominal GDP at basic prices	(2.3)	(5.3)	1.0	5.2	5.3
Real GDP at basic prices	(4.2)	(5.1)	0.1	3.1	3.4
GDP Deflator	2.0	(0.2)	0.9	2.1	1.9
Consumer Prices (end of period)	2.4	(1.2)	2.8	0.8	2.7
Consumer Prices (period average)	2.2	(0.5)	1.5	2.4	1.7
<b>Real GDP at Factor Cost by Selected Sectors</b>					
Agriculture	(6.6)	(0.7)	(3.4)	3.5	(0.6)
Manufacturing	(13.6)	(2.3)	0.9	2.8	1.5
Electricity and Water	3.3	0.6	(1.9)	5.2	2.7
Construction	(2.2)	(25.6)	11.4	3.3	2.7
Wholesale and Retail Trade	(0.7)	(5.2)	3.4	3.3	11.0
Hotels and Restaurants	(7.4)	(3.3)	(3.1)	11.7	1.1
Transport	(5.5)	(13.1)	6.3	10.0	(1.5)
Communications	(6.5)	(1.6)	(26.5)	3.5	8.0
Banks and Insurance	(3.3)	(5.8)	3.6	5.2	5.0
Government Services	4.6	3.5	(2.0)	(0.7)	2.2
Other Services	2.7	4.6	(1.9)	2.7	2.9
<b>(as a percentage of GDP)</b>					
<b>External Sector</b>					
Current Account Balance	(18.7)	(17.6)	(16.0)	(20.6)	(26.8)
Overall Balance	1.3	4.9	1.0	(2.1)	4.8
Merchandise Trade Balance	(27.2)	(23.4)	(24.7)	(30.4)	(35.1)
<b>Central Government</b>					
Current Account Balance	(5.0)	(5.4)	(3.5)	0.6	2.8
Current Revenue	28.2	28.0	28.8	30.5	31.5
Current Expenditure	33.1	33.4	32.3	29.9	28.7
Capital Expenditure and Net Lending	8.7	5.3	5.5	10.3	6.7
Overall Fiscal Balance	(9.6)	(8.4)	(4.1)	(1.1)	3.2
Total Public Sector Debt (end of period)	127.4	127.1	126.8	113.2	108.5
<b>(per cent per annum)</b>					
<b>Monetary Sector</b>					
Weighted Deposit Interest Rates	4.0	3.6	3.5	3.0	n/a
Weighted Lending Interest Rates	11.0	11.0	11.8	9.8	n/a
<b>(in millions of EC Dollars, unless otherwise stated)</b>					
<b>Memo</b>					
Nominal GDP at basic prices	607.5	575.2	581.1	611.4	644.0
Real GDP at basic prices	437.4	415.2	415.6	428.2	442.7
Nominal GDP at market prices	718.6	688.1	709.7	770.1	810.7
GDP per capita (EC\$)	8,517.0	8,238.0	8,323.0	8,759.0	9,329.0
Merchandise Imports (f.o.b)	312.4	276.4	283.1	344.9	393.1
Merchandise Exports (f.o.b)	117.2	115.2	108.0	110.8	108.2
Gross Visitor Expenditure	125.4	123.3	141.2	163.7	150.9

Source: Statistics Department and ECCB  
Data available at 19 June 2006





**Table 20**  
**Dominica - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

	2001 <sup>R</sup>	2002 <sup>R</sup>	2005	2004 <sup>R</sup>	2005
<b>Current Revenue</b>	202.3	192.9	204.3	234.6	255.1
Tax Revenue	162.9	162.0	179.4	205.2	229.3
Taxes on Income and Profit	44.5	3.1	45.2	39.2	50.7
of which:		2.2			
Personal	30.1	28.4	27.8	27.5	30.3
Company	16.0	9.8	9.5	8.6	21.4
Stabilisation Levy	0.0	4.9	9.3	4.7	0.4
Taxes on Property	2.4	2.6	1.9	4.7	6.9
Taxes on Domestic Goods and Services	30.3	32.4	40.2	55.9	59.3
of which:		2.8			
Sales Tax	16.7	17.5	23.8	32.6	37.7
Consumption Tax	5.1	4.1	5.6	4.8	5.1
Hotel Occupancy	0.6	0.5	0.6	0.8	0.7
Taxes on International Trade and Transactions	85.7	85.4	92.2	105.4	112.5
of which:					
Consumption Duty (imports)	49.6	51.4	52.7	55.9	58.3
Import Duty	21.3	19.6	21.1	25.1	27.8
Service Charge (imports)	6.5	6.0	8.3	11.6	12.5
Non-Tax Revenue	39.4	30.9	24.9	29.4	25.8
<b>Current Expenditure</b>	238.2	229.9	229.0	230.0	232.6
Personal Emoluments	123.7	123.9	115.6	109.3	108.5
Goods and Services	32.3	29.3	27.1	35.2	45.2
Interest Payments	40.2	40.1	44.6	41.6	25.9
External	18.4	21.1	27.4	29.4	18.0
Domestic	21.8	19.0	17.1	12.2	7.9
Transfers and Subsidies	41.9	0.6	41.7	43.8	53.1
of which: Pensions	10.1	10.8	11.7	12.0	13.3
<b>Current Account Balance</b>	(35.9)	(37.0)	(24.7)	4.6	22.5
Capital Revenue	3.3	1.8	1.4	2.6	17.1
Grants	25.9	14.0	33.2	63.8	30.6
of which: Capital Grants	25.9	14.0	24.7	56.1	30.6
<b>Capital Expenditure and Net Lending</b>	62.4	36.6	38.8	79.1	42.4
of which: Capital Expenditure	64.9	39.7	41.4	82.3	45.8
<b>Primary Balance (after grants)</b>	(28.8)	(17.7)	15.7	33.5	53.6
Overall Balance (before grants)	(94.9)	(71.8)	(62.1)	(71.9)	(2.9)
<b>Overall Balance (after grants)</b>	(69.1)	428.6	(28.9)	(8.1)	27.8
<b>Financing</b>	69.1	57.8	28.9	8.1	(27.8)
Domestic	4.6	(0.4)	(13.3)	(25.3)	(13.2)
ECCB (net)	(1.7)	0.3	(10.6)	5.9	(12.9)
Commercial Banks (net)	22.6	(39.4)	(12.6)	(19.2)	16.1
Other	(16.3)	38.7	9.9	(11.9)	(16.3)
External	40.6	60.1	29.7	32.6	(7.9)
Net Disbursements/(Amortisation)	44.9	55.5	31.0	31.5	12.5
Disbursements	49.8	62.2	40.1	41.5	20.7
Amortisation	(4.9)	(6.7)	(9.1)	(10.0)	(8.2)
Change in Govt. Foreign Assets	(4.3)	4.7	(1.3)	1.1	(20.4)
Arrears	23.9	(1.9)	12.5	0.8	(6.7)
Domestic	16.6	(4.0)	3.0	(9.3)	(18.0)
External	7.3	2.1	9.6	10.1	11.4

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 23 March 2006



**Table 21**  
**Dominica - Monetary Survey**  
**(In millions of Eastern Caribbean dollars)**

	2001	2002	2003	2004 <sup>R</sup>	2005
<b>Net Foreign Assets</b>	97.6	201.0	299.2	357.0	318.0
Central Bank (net)	84.3	122.8	128.8	114.1	132.7
Commercial Banks (net)	13.3	78.2	170.4	242.9	185.3
External (net)	14.8	3.1	81.0	88.9	27.4
Assets	105.7	2.2	177.0	227.6	174.0
Liabilities	90.9	95.9	96.0	138.8	146.5
Other ECCB Territories (net)	(1.5)	14.9	89.4	154.0	157.8
Assets	32.6	48.8	98.2	175.1	176.7
Liabilities	34.2	33.9	8.9	21.0	18.8
<b>Net Domestic Assets</b>	408.4	2.8	255.3	230.4	309.0
<b>Domestic Credit</b>	503.7	4.1	359.3	362.9	390.2
Central Government (net)	90.1	51.1	27.9	14.5	17.6
Other Public Sector (net)	10.0	10.6	(3.8)	(21.7)	(39.8)
Non-Bank Financial Institutions (net)	(37.7)	(46.6)	(81.8)	(75.9)	(59.9)
Subsidiaries and Affiliates (net)	1.6	(1.1)	(3.5)	(4.7)	(5.6)
Private Sector	439.6	433.3	420.6	450.7	477.8
<b>Other Items (net)</b>	(95.3)	(99.1)	(104.0)	(132.6)	(81.2)
<b>Money Supply (M2)</b>	506.0	549.2	554.5	587.4	627.0
Money Supply (M1)	91.6	106.6	107.9	111.2	143.0
Currency with the Public	34.6	35.5	34.2	37.6	39.0
Demand Deposits	57.0	71.1	73.7	73.6	104.1
Quasi Money	414.4	442.6	446.6	476.2	483.9
Savings Deposits	259.0	262.2	279.0	328.5	343.0
Time Deposits	139.5	158.2	157.4	134.3	130.6
Foreign Currency Deposits	15.9	0.6	10.2	13.4	10.3

Source: ECCB

Data available at 23 March 2006

**Table 22**  
**Dominica - Selected Tourism Statistics**

	2001	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
Total Visitor Arrivals	275,999	207,726	254,162	466,278	380,591
of which:					
Stay-Over Arrivals	66,393	69,163	73,190	80,087	78,621
USA	14,493	15,464	15,717	17,515	17,703
Canada	1,870	2,039	1,954	1,633	1,739
UK	5,967	5,652	6,034	6,015	5,790
Caribbean	37,851	40,289	43,408	48,540	47,149
Other Countries	6,212	5,749	6,077	6,384	6,240
Excursionists	1,979	1,674	3,928	2,577	676
Cruise Ship Passengers	207,627	136,859	177,044	383,614	301,294
Number of Cruise Ship Calls	231	187	206	287	234
Total Visitor Expenditure (EC\$M)	125.4	122.9	141.4	163.7	150.9

Source: ECCB and Development Planning Unit

Data available at 23 March 2006



**Table 23**  
**Dominica - Balance of Payments**  
(In millions of Eastern Caribbean dollars)

	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
<b>Current Account</b>	(134.3)	(120.9)	(113.4)	(159.0)	(217.7)
Goods and Services	(120.2)	(88.9)	(81.5)	(118.7)	(190.0)
Goods	(192.6)	(158.6)	(172.4)	(230.0)	(280.8)
Merchandise	(195.2)	3.1	(175.1)	(234.1)	(284.9)
Repair on goods	--	2.2	--	--	--
Goods procured in ports by carriers	2.6	2.5	2.7	4.1	4.0
Services	72.4	69.7	90.8	111.3	90.9
Transportation	(37.5)	(35.2)	(37.9)	(42.8)	(48.6)
Travel	100.5	98.7	117.1	138.9	125.1
Insurance Services	(5.6)	(7.9)	(6.1)	(10.4)	(11.7)
Other Business Services	19.1	2.8	25.6	26.2	26.7
Government Services	(4.2)	(6.0)	(7.9)	(0.6)	(0.7)
Income	(61.3)	4.1	(66.3)	(85.5)	(73.4)
Compensation of Employees	3.8	1.5	1.7	2.2	2.2
Investment Income	(65.0)	(70.3)	(68.0)	(87.7)	(75.6)
Current Transfers	47.2	36.8	34.5	45.2	45.7
General Government	16.0	2.8	1.0	(4.4)	(5.5)
Other Sectors	31.2	34.0	33.4	49.6	51.2
<b>Capital and Financial Account</b>	143.6	154.7	120.8	143.1	256.6
Capital Account	48.5	55.3	50.7	72.4	41.6
Capital Transfers	48.5	55.3	50.7	72.4	41.6
Acquisition and Disposal of Non-Produced, Non-Financial Assets	--	--	--	--	--
Financial Account	95.1	99.4	70.1	70.7	215.1
Direct Investment	39.7	47.8	78.4	64.1	69.7
Portfolio Investment	(0.6)	32.7	9.4	(6.7)	1.1
Other Investments	56.0	18.9	(17.8)	13.2	144.3
Public Sector Long Term	60.6	0.6	27.5	28.8	17.3
Other Public Sector Capital	--	--	--	--	--
Commercial Banks	(27.0)		(92.2)	(72.6)	57.7
Other Assets	(13.6)	(7.6)	20.3	(5.1)	(12.6)
Other Liabilities*	36.0		26.6	62.1	81.9
<b>Overall Balance</b>	9.3	33.9	7.3	(15.9)	39.0
<b>Financing</b>	(9.3)	(33.9)	(7.3)	15.9	(39.0)
Change in SDR Holdings	--	--	--	--	--
Change in Reserve Position with the Fund	--	--	--	--	--
Change in Government Foreign Assets	(4.3)	4.7	(1.3)	1.1	(20.4)
Change in Imputed Reserves	(5.0)	(38.5)	(6.0)	14.8	(18.6)

Source: ECCB and Central Statistic Office

\*includes errors & omissions

Data available at 23 March 2006



**Table 24**  
Grenada - Selected Economic Indicators

	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
<i>(annual percentage change unless otherwise stated)</i>					
<b>National Income and Prices</b>					
Nominal GDP at basic prices	(2.9)	2.4	7.2	(3.3)	17.0
Real GDP at basic prices	(4.4)	0.8	5.8	(6.9)	12.1
GDP Deflator	1.5	1.6	1.3	3.8	4.3
Consumer Prices (end of period)	2.5	(0.4)	1.1	2.5	5.8
Consumer Prices (period average)	3.2	(0.5)	2.2	2.3	3.5
<b>Real GDP at Factor Cost by Selected Sectors</b>					
Agriculture	(2.9)	19.0	(2.4)	(7.3)	(38.1)
Manufacturing	(7.0)	(3.8)	(2.4)	(14.6)	18.8
Electricity and Water	7.0	3.3	6.7	(7.9)	4.7
Construction	(18.9)	1.0	26.0	3.3	91.0
Wholesale and Retail Trade	(3.2)	0.5	7.4	(19.9)	27.5
Hotels and Restaurants	(1.8)	5.6	13.8	(13.1)	(42.5)
Transport	(9.0)	1.8	7.5	6.3	23.7
Communications	(3.6)	(11.4)	1.9	(12.0)	30.7
Banks and Insurance	6.1	6.1	8.0	1.0	(1.5)
Government Services	(0.7)	5.2	0.6	3.5	(6.4)
Other Services	7.3	(14.5)	2.4	(15.7)	3.0
<i>(as a percentage of GDP)</i>					
<b>External Sector</b>					
Current Account Balance	(26.6)	(30.6)	(32.4)	(13.1)	(25.3)
Overall Balance	1.5	7.7	(2.9)	10.9	(5.5)
Merchandise Trade Balance	(34.7)	(34.8)	(41.6)	(48.5)	(49.4)
<b>Central Government</b>					
Current Account Balance	2.5	0.8	3.2	(1.7)	2.0
Current Revenue	26.7	26.6	27.0	26.1	26.6
Current Expenditure	24.2	25.7	23.8	27.9	24.6
Capital Expenditure and Net Lending	15.2	22.2	13.0	9.1	12.1
Overall Fiscal Balance	(8.5)	(19.0)	(4.8)	(2.9)	1.8
Total Public Sector Debt (end of period)	79.3	113.4	114.0	136.7	120.5
<i>(per cent per annum)</i>					
<b>Monetary Sector</b>					
Weighted Deposit Interest Rates	4.2	3.2	3.7	2.8	n/a
Weighted Lending Interest Rates	10.1	10.5	12.1	10.0	n/a
<i>(in millions of EC Dollars, unless otherwise stated)</i>					
<b>Memo</b>					
Nominal GDP at basic prices	878.2	899.4	963.9	931.6	1,089.6
Real GDP at basic prices	670.7	676.3	715.6	666.2	746.7
Nominal GDP at market prices	1,067.5	1,100.3	1,197.8	1,151.7	1,352.1
GDP per capita (EC\$)	8,557.1	8,689.5	9,280.0	8,915.9	10,253.4
Merchandise Imports (f.o.b)	531.4	489.8	611.4	643.6	756.8
Merchandise Exports	160.7	107.0	112.9	84.9	88.5
Gross Visitor Expenditure	225.3	247.0	280.1	225.4	192.9

Source: Statistics Department and ECCB

Data available at 16 June 2006



**Table 25**  
**Grenada - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

	2001 <sup>R</sup>	2002	2003 <sup>R</sup>	2004 <sup>R</sup>	2005
<b>Current Revenue</b>	284.9	292.5	323.6	300.8	359.7
Tax Revenue	256.6	262.4	298.3	279.5	343.9
Taxes on Income and Profit	57.4	43.5	47.5	43.0	57.7
of which:					
Personal <sup>1</sup>	8.5	8.8	10.1	11.3	13.9
Company <sup>2</sup>	46.5	32.5	35.5	30.3	42.3
Taxes on Property	10.0	18.0	17.0	16.4	15.4
Taxes on Domestic Goods and Services	45.4	49.6	59.0	52.0	59.9
of which:					
Value-added Tax	0.2	0.0	0.0	0.0	0.0
Consumption Tax	26.3	25.6	28.2	26.3	27.3
Stamp Duties	2.9	3.4	4.1	4.7	7.5
Licenses	5.6	11.0	14.5	8.5	13.9
Taxes on International Trade and Transactions	143.9	151.3	174.8	168.1	210.9
of which:					
Import Duty	32.2	31.7	42.4	39.8	50.1
Consumption Tax	84.7	83.7	93.6	93.0	109.8
Customs Service Charge	25.5	25.5	31.7	29.7	44.5
Foreign Currency Levy	0.0	0.0	0.0	0.0	0.0
Non-Tax Revenue	28.3	30.1	25.3	21.3	15.9
<b>Current Expenditure</b>	258.4	283.3	285.7	320.8	332.7
Personal Emoluments	127.9	124.6	130.4	147.6	150.8
Goods and Services	52.6	47.5	40.5	46.1	67.9
Interest Payments	27.9	51.8	63.1	71.8	59.4
Domestic	13.3	12.7	17.2	13.8	27.8
External	14.6	39.1	45.8	58.0	31.6
Transfers and Subsidies	50.0	59.3	51.8	55.3	54.6
of which: Pensions	14.2	14.0	14.2	17.6	16.9
<b>Current Account Balance</b>	26.5	9.2	37.9	(19.9)	27.0
Capital Revenue	0.5	2.7	0.3	1.2	0.3
Grants	45.2	23.5	59.2	90.7	160.5
of which:					
Capital Grants	33.6	19.5	59.2	18.6	65.6
<b>Capital Expenditure and Net Lending</b>	162.6	244.5	155.4	105.0	163.6
of which: Capital Expenditure	162.6	244.5	155.4	81.9	163.6
<b>Primary Balance after Grants</b>	(62.6)	(157.2)	5.0	38.9	83.6
Overall Balance (before grants)	(135.6)	(232.5)	(117.3)	(123.7)	(136.3)
<b>Overall Balance (after grants)</b>	(90.4)	(209.0)	(58.1)	(32.9)	24.2
<b>Financing</b>	90.4	209.0	58.1	32.9	(24.2)
Domestic	23.2	(43.1)	(16.7)	(102.6)	(124.6)
ECCB (net)	1.0	(30.8)	31.5	(10.3)	(0.9)
Commercial Banks (net)	33.9	7.2	24.1	(44.8)	(55.5)
Other	(11.7)	(19.5)	(72.2)	(47.6)	(68.2)
External	49.4	273.0	72.8	95.8	82.0
Net Disbursements/(Amortisation)	48.3	292.8	50.7	117.0	82.2
Disbursements	67.2	318.0	79.5	174.3	115.7
Amortisation	(18.9)	(25.2)	(28.8)	(57.3)	(33.4)
Change in Govt. Foreign Assets	1.2	(19.8)	22.1	(21.2)	(0.2)
Arrears	17.8	21.0	1.9	39.7	18.4
Domestic	10.8	13.0	1.8	16.4	5.3
External	6.9	(8.0)	0.2	23.3	13.1

Source: Ministry of Finance, Treasury Department and ECCB Estimates

<sup>1</sup> Includes Debt Service Levy

<sup>2</sup> Includes Business Levy

Data available at 2 March 2006



**Table 26**  
**Grenada - Monetary Survey**  
(In millions of Eastern Caribbean dollars)

	2001	2002	2003 <sup>R</sup>	2003 <sup>R</sup>	2005
<b>Net Foreign Assets</b>	208.5	327.7	395.1	648.6	334.8
Central Bank (net)	172.6	237.2	224.7	328.6	254.4
Commercial Banks (net)	35.9	90.6	170.4	320.0	80.4
External (net)	(33.8)	2.7	58.1	177.4	77.3
Assets	224.5	272.9	330.7	535.7	422.2
Liabilities	258.3	270.2	272.6	358.3	344.9
Other ECCB Territories (net)	69.7	87.9	112.3	142.5	3.1
Assets	81.2	99.6	131.0	193.5	131.3
Liabilities	11.5	11.6	18.7	51.0	128.3
<b>Net Domestic Assets</b>	881.8	839.6	865.3	834.7	1,134.2
Domestic Credit	968.0	928.2	991.9	902.1	1,035.8
Central Government (net)	94.7	71.1	126.6	71.6	15.1
Other Public Sector (net)	(5.5)	(31.9)	(61.4)	(91.0)	(47.1)
Non-Bank Financial Institutions (net)	(7.6)	(7.3)	(27.9)	(90.0)	(28.8)
Subsidiaries and Affiliates (net)	-	-	21.7	15.0	8.2
Private Sector	886.4	896.2	933.0	996.6	1,088.3
<b>Other Items (net)</b>	(86.1)	(88.5)	(126.6)	(67.3)	98.4
<b>Money Supply (M2)</b>	1,090.4	1,167.4	1,260.4	1,483.4	1,469.0
Money Supply (M1)	192.3	212.0	241.1	340.2	315.3
Currency	70.2	75.2	84.7	102.1	105.3
Demand Deposits	122.1	136.8	156.4	238.1	210.1
Quasi Money	898.0	955.4	1,019.3	1,143.1	1,153.7
Savings Deposits	540.0	632.1	692.6	840.5	862.2
Time Deposits	283.3	243.9	230.7	213.5	189.8
Foreign Currency Deposits	74.8	79.4	96.0	89.2	101.6

Source: ECCB

Data available at 1 March 2006

**Table 27**  
**Grenada - Selected Tourism Statistics**

	2001	2002	2003	2004 <sup>R</sup>	2005
Total Visitor Arrivals	275,421	271,571	294,284	369,810	379,502
of which:					
Stay-Over Arrivals	121,215	121,074	133,724	127,919	93,633
USA	32,219	29,961	30,924	27,451	23,060
Canada	5,442	4,306	5,296	5,111	4,050
UK	28,488	28,688	32,506	27,564	14,996
Caribbean	27,540	33,242	36,871	39,209	27,368
Other Countries	27,526	24,877	28,127	28,584	24,159
Excursionists	6,825	4,094	4,931	6,145	5,829
Yacht Passengers	n.a.	8,975	6,695	5,019	4,508
Cruise Ship Passengers	147,381	135,061	146,925	229,800	275,082
Number of Cruise Ship Calls	288	259	267	249	257
Total Visitor Expenditure (EC\$M)	225.3	247.0	279.9	225.4	192.9

Source: ECCB and Development Planning Unit

Data available at 1 March 2006



**Table 28**  
**Grenada - Balance of Payments**  
(In millions of Eastern Caribbean dollars)

	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
<b>Current Account</b>	(283.8)	(337.2)	(388.0)	(150.6)	(342.2)
Goods and Services	(229.0)	(272.0)	(350.7)	(373.7)	(587.0)
Goods	(359.7)	(376.5)	(488.4)	(543.9)	(651.2)
Merchandise	(370.7)	(382.8)	(498.5)	(558.7)	(668.3)
Repair on goods	-	-	-	-	-
Goods procured in ports by carriers	11.0	6.4	10.1	14.8	17.1
Services	130.7	104.4	137.7	170.2	64.1
Transportation	(66.7)	(61.1)	(81.6)	(85.9)	(103.6)
Travel	204.8	226.1	257.4	200.0	164.9
Insurance Services	(12.4)	(8.4)	(14.8)	95.9	39.0
Other Business Services	3.6	(48.0)	(12.2)	(9.7)	(4.9)
Government Services	1.4	(4.1)	(11.1)	(30.1)	(31.2)
Income	(111.9)	(128.2)	(135.8)	(104.9)	(63.6)
Compensation of Employees	0.1	0.1	0.1	0.1	0.1
Investment Income	(112.0)	(128.3)	(135.9)	(105.0)	(63.7)
Current Transfers	57.1	63.0	98.5	328.1	308.5
General Government	5.7	6.4	48.1	108.6	84.5
Other Sectors	51.4	56.6	50.5	219.4	224.0
<b>Capital and Financial Account</b>	299.6	421.5	353.4	275.7	268.2
Capital Account	114.8	86.0	116.6	107.6	127.1
Capital Transfers	114.2	86.0	116.6	107.6	127.1
Acquisition and Disposal of Non-Produced, Non-Financial Assets	0.7	-	-	-	-
Financial Account	184.8	335.6	236.8	168.1	141.1
Direct Investment	158.6	158.9	240.8	145.9	71.1
Portfolio Investment	(0.7)	290.9	78.6	81.1	28.2
Other Investments	26.9	(114.2)	(82.5)	(58.8)	41.8
Public Sector Long Term	46.8	11.4	31.1	7.8	57.5
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	(54.9)	(54.7)	(79.8)	(149.6)	67.5
Other Assets	(14.3)	(38.4)	(54.3)	(10.7)	(8.3)
Other Liabilities*	49.3	(32.5)	20.5	93.6	(74.9)
<b>Overall Balance</b>	15.8	84.3	(34.6)	125.1	(74.0)
<b>Financing</b>	(15.8)	(84.3)	34.6	(125.1)	74.0
Change in SDR Holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	1.2	(19.8)	22.1	(21.2)	(0.2)
Change in Imputed Reserves	(17.0)	(64.5)	12.5	(103.9)	74.2

Source: ECCB and Statistical Department

\* includes errors & omissions

Data available at 2 March 2006



**Table 29**  
**Montserrat - Selected Economic Indicators**  
**(In millions of Eastern Caribbean dollars)**

	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
<i>(annual percentage change unless otherwise stated)</i>					
<b>National Income and Prices</b>					
Nominal GDP at basic prices	4.1	6.2	1.9	5.8	6.9
Real GDP at basic prices	(2.8)	3.3	(0.9)	4.5	1.6
GDP Deflator	4.1	6.2	1.9	5.8	5.2
Consumer Prices (end of period)	4.9	3.5	1.2	4.0	2.9
Consumer Prices (period average)	4.8	4.0	1.2	3.1	2.7
<b>Real GDP at Factor Cost by Selected Sectors</b>					
Agriculture	(17.3)	38.4	(0.8)	(18.6)	(12.5)
Manufacturing	--	--	--	--	44.2
Mining and Quarrying	--	(28.6)	--	80.0	88.9
Electricity and Water	4.9	(3.3)	3.4	(2.7)	10.3
Construction	(7.7)	31.6	(15.7)	2.4	(4.5)
Wholesale and Retail Trade	(7.9)	9.0	(3.4)	0.4	2.8
Hotels and Restaurants	27.4	2.2	(31.6)	33.8	31.0
Transport	2.5	1.2	6.8	3.2	(2.0)
Communications	(30.3)	2.7	(1.4)	1.6	(2.2)
Banks and Insurance	(21.8)	19.3	8.8	10.2	5.0
Real Estate and Housing	3.3	3.8	4.5	1.7	2.0
Government Services	1.6	1.3	4.0	5.2	3.1
Other Services	4.9	4.7	(0.6)	8.6	4.8
<b>External Sector</b>					
Current Account Balance	(17.9)	(26.9)	(21.0)	(21.8)	(30.4)
Overall Balance	6.1	3.0	2.5	3.2	(0.3)
Merchandise Trade Balance	(47.0)	(55.1)	(60.1)	(51.4)	(56.8)
<b>Central Government</b>					
Current Account Balance (before grants)	(27.7)	(33.2)	(45.5)	(51.9)	(37.8)
Current Revenue	26.9	28.4	29.9	29.3	30.1
Current Expenditure	54.6	61.7	75.4	81.2	68.0
Capital Expenditure and Net Lending	26.2	37.9	32.2	29.6	22.0
Overall Fiscal Balance	3.6	6.6	19.1	1.8	(5.0)
Total Public Sector Debt (end of period)	29.6	19.3	14.9	11.9	(10.9)
<b>Monetary Sector</b>					
Weighted Deposit Interest Rates	3.4	2.9	2.9	2.3	2.5
Weighted Lending Interest Rates	11.6	11.3	12.2	11.0	10.5
<b>Memo</b>					
Nominal GDP at basic prices	82.6	87.7	89.4	94.6	101.1
Real GDP at basic prices	56.9	58.7	58.2	60.8	61.7
Nominal GDP at market prices	93.7	102.6	102.3	110.6	114.9
GDP per capita (EC\$)	18,289	19,226	19,940	20,203	21,277
Merchandise Imports (f.o.b)	46.0	60.5	66.2	68.3	70.8
Merchandise Exports (f.o.b)	1.9	4.0	4.8	11.5	3.9
Gross Visitor Expenditure	22.9	23.4	19.8	24.8	24.3

Source: Statistics Department and ECCB

Data available at 28 June 2006





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

	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005
<b>Current Revenue</b>	25.2	29.2	30.6	32.4	34.6
Tax Revenue	23.6	27.2	26.6	30.6	32.5
Taxes on Income and Profit	11.9	11.0	12.8	13.1	13.0
of which:					
Company	2.5	1.6	2.0	1.7	1.8
Personal	9.4	8.9	10.5	10.8	11.0
Taxes on Property	0.1	0.8	0.5	1.0	1.4
Taxes on Domestic Goods and Services	3.1	2.9	2.6	3.2	3.3
of which:					
Hotel and Guest Tax	--	--	--	0.0	0.0
Insurance and Company Levy	0.2	0.2	0.1	0.3	0.3
Stamp Duty and Licenses	1.2	1.8	1.6	1.9	2.2
Taxes on International Trade and Transactions	8.4	12.4	10.7	13.2	14.7
of which:					
Import Duty	1.1	2.4	2.2	3.1	4.0
Consumption Tax	2.8	4.5	3.9	5.1	6.3
Customs Service Charge	2.7	4.1	3.6	3.7	3.3
Foreign Currency Levy	0.7	0.9	0.8	1.1	0.9
Non-Tax Revenue	1.7	2.0	4.0	1.8	2.1
<b>Current Expenditure</b>	51.2	63.3	77.1	89.8	78.1
Personal Emoluments	22.9	24.5	25.0	25.9	30.3
Goods and Services	22.2	17.9	27.3	29.8	24.6
Interest Payments	0.0	0.1	0.2	0.3	0.2
Domestic	--	--	0.1	0.2	0.1
External	0.0	0.1	0.1	0.1	0.1
Transfers and Subsidies	6.0	20.9	24.6	33.9	23.0
of which: Pensions	4.8	7.0	6.8	12.1	7.6
<b>Current Account Balance (before grants)</b>	(26.0)	(34.1)	(46.5)	(57.4)	(43.4)
Current Grants	29.4	40.9	55.8	55.8	49.0
<b>Current Account Balance (after grants)</b>	3.4	6.8	9.3	(1.6)	5.5
Capital Revenue	--	--	--	--	--
Capital Grants	24.5	38.9	43.1	36.3	14.0
<b>Capital Expenditure and Net Lending</b>	24.5	38.9	32.9	32.8	25.3
of which: Capital Expenditure	24.5	38.9	32.9	32.8	25.3
<b>Primary Balance (after grants)</b>	3.4	6.9	19.7	2.2	(5.6)
Overall Balance (before grants)	(50.5)	(73.0)	(79.4)	(90.2)	(68.8)
Overall Balance (after grants)	3.4	6.8	19.5	2.0	(5.8)
<b>Financing</b>	(3.4)	(6.8)	(19.5)	(2.0)	5.8
Domestic	(1.6)	(5.2)	(17.5)	4.7	6.0
ECCB (net)	(1.1)	(0.6)	0.0	(0.2)	(0.2)
Commercial Banks (net)	(4.2)	(7.7)	(12.6)	(5.9)	10.3
Other	3.7	3.1	(4.9)	10.7	(4.0)
External	(0.3)	(1.6)	(2.0)	(6.7)	(0.2)
Net Disbursements/(Amortisation)	(0.2)	(2.2)	(1.7)	(0.1)	(0.1)
Disbursements	--	--	--	--	--
Amortisation	(0.2)	(2.2)	(1.7)	(0.1)	(0.1)
Change in Govt. Foreign Assets	(0.1)	0.6	(0.4)	(6.6)	(0.1)
Arrears	(1.5)	--	--	--	--
Domestic	--	--	--	--	--
External	(1.5)	--	--	--	--

Source: Ministry of Finance, Treasury Department

Data available at 18 January 2006



**Table 31**  
**Montserrat - Monetary Survey**  
(In millions of Eastern Caribbean dollars)

	2001	2002	2003	2004	2005
<b>Net Foreign Assets</b>	130.2	136.3	163.6	173.1	159.0
Central Bank (net)	33.7	38.9	41.1	38.1	37.7
Commercial Banks (net)	96.4	97.4	122.5	135.1	121.3
External (net)	4.0	6.6	24.6	38.7	35.7
Assets	26.7	32.1	51.0	67.4	70.0
Liabilities	22.8	25.5	26.4	28.8	34.3
Other ECCB Territories (net)	92.4	90.8	97.9	96.4	85.6
Assets	94.6	91.9	99.4	99.3	87.7
Liabilities	2.2	1.1	1.5	2.9	2.1
<b>Net Domestic Assets</b>	(28.1)	(36.5)	(55.3)	(53.6)	(35.3)
Domestic Credit	(3.2)	(18.7)	(31.8)	(39.3)	(27.4)
Central Government (net)	(13.5)	(21.8)	(34.4)	(40.4)	(30.4)
Other Public Sector (net)	(13.2)	(14.3)	(15.1)	(17.0)	(17.2)
Non-Bank Financial Institutions (net)	(0.4)	(4.9)	(5.3)	(5.6)	(7.9)
Subsidiaries and Affiliates (net)	--	--	--	--	--
Private Sector	23.9	22.2	22.9	23.7	28.1
<b>Other Items (net)</b>	(24.9)	(17.8)	(23.6)	(14.4)	(7.9)
<b>Money Supply (M2)</b>	102.0	99.8	108.3	119.5	123.7
Money Supply (M1)	25.4	26.3	32.7	36.1	32.0
Currency	11.8	10.8	12.6	13.0	12.3
Demand Deposits	13.6	15.5	20.2	23.1	19.7
Quasi Money	76.6	73.5	75.5	83.5	91.7
Savings Deposits	69.9	66.9	68.2	76.0	82.3
Time Deposits	4.3	3.7	3.8	4.3	5.4
Foreign Currency Deposits	2.4	2.9	3.5	3.2	4.0

Source: ECCB

Data available at 14 February 2006

**Table 32**  
**Montserrat - Selected Tourism Statistics**

	2001	2002	2003	2004 <sup>R</sup>	2005
Total Visitor Arrivals	15,618	14,779	14,436	15,578	13,254
Of Which:					
Stay-Over Arrivals	9,800	9,623	8,414	10,132	9,690
USA	1,652	1,950	1,601	2,083	2,034
Canada	368	375	302	334	404
UK	2,419	2,581	2,271	3,021	2,968
Caribbean	5,123	4,453	4,035	4,380	3,987
Other Countries	238	264	205	314	297
Excursionists	5,818	5,156	5,159	5,083	3,395
Cruise Ship Passengers	0	0	863	363	169
Number of Cruise Ship Calls	0	0	14	5	2
Total Visitor Expenditure (EC\$M)	22.9	23.4	19.8	24.8	24.3

Source: Ministry of Finance and ECCB

Data available at 9 February 2006



**Table 33**  
**Montserrat - Balance of Payments**  
(In millions of Eastern Caribbean dollars)

	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
<b>Current Account</b>	(16.8)	(27.6)	(21.4)	(24.1)	(34.9)
Goods and Services	(63.0)	(61.6)	(77.5)	(77.8)	(77.9)
Goods	(43.6)	(55.2)	(59.9)	(55.3)	(65.3)
Merchandise	(44.1)	(56.5)	(61.4)	(56.8)	(66.9)
Repair on goods	-	-	0.0	0.0	0.0
Goods procured in ports by carriers	0.5	1.3	1.5	1.5	1.6
Services	(19.5)	(6.5)	(17.2)	(22.5)	(12.6)
Transport	(5.8)	(7.6)	(8.2)	(8.8)	(9.0)
Travel	18.0	18.4	14.5	19.1	18.6
Insurance Services	(0.7)	(0.9)	(0.9)	(1.2)	(1.2)
Other Business Services	(2.0)	(1.8)	(8.2)	(14.6)	(8.5)
Government Services	(28.9)	(14.6)	(14.6)	(17.1)	(12.6)
Income	(1.7)	(8.3)	(3.3)	(9.1)	(7.9)
Compensation of Employees	-	-	(0.6)	(2.3)	(1.4)
Investment Income	(1.7)	(8.3)	(2.7)	(6.8)	(6.5)
Current Transfers	48.0	42.3	59.3	62.8	50.9
General Government	51.3	48.3	64.5	68.1	56.0
Other Sectors	(3.3)	(6.0)	(5.2)	(5.3)	(5.1)
<b>Capital and Financial Account</b>	22.5	32.2	24.0	27.6	34.5
Capital Account	20.8	34.4	38.8	32.7	9.6
Capital Transfers	20.8	34.4	38.8	32.7	9.6
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	1.7	(2.2)	(14.8)	(5.0)	25.0
Direct Investment	1.4	1.7	5.6	6.3	2.6
Portfolio Investment	(1.6)	(0.6)	0.2	0.1	0.1
Other Investments	(1.9)	(3.4)	(20.6)	(11.5)	22.3
Public Sector Long Term	(1.5)	(5.2)	(2.0)	(0.5)	(0.5)
Other Public Sector Capital	-	1.5	-	-	-
Commercial Banks	(5.4)	(1.0)	(25.0)	(12.6)	13.8
Other Assets	(2.3)	(0.7)	0.6	2.6	2.6
Other Liabilities*	11.1	1.9	5.8	(0.9)	6.4
<b>Overall Balance</b>	5.7	4.5	2.6	3.5	(0.3)
<b>Financing</b>	(5.7)	(4.5)	(2.6)	(3.5)	0.3
Change in SDR holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	(0.1)	0.6	(0.4)	(6.6)	(0.1)
Change in Imputed Reserves	(5.7)	(5.2)	(2.2)	3.1	0.4

Source: ECCB and Ministry of Finance

\*includes errors & omissions

Data available at 13 February 2006



**Table 34**  
**St Kitts and Nevis Selected Economic Indicators**

	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
<i>(annual percentage change unless otherwise indicated)</i>					
<b>National Income and Prices</b>					
Nominal GDP at basic prices	3.6	1.2	1.4	10.0	6.5
Real GDP at basic prices	1.7	(0.3)	(1.2)	7.3	4.1
GDP Deflator	1.9	1.5	2.7	2.4	2.3
Consumer Prices (end of period)	2.7	1.7	3.1	1.7	7.2
Consumer Prices (period average)	2.3	2.0	2.2	2.3	3.6
Real GDP at basic prices by Selected Sectors					
Agriculture	11.1	13.3	(12.4)	11.7	(6.6)
Manufacturing	6.6	(4.0)	(0.2)	3.8	0.6
Electricity and Water	3.9	9.8	10.6	8.3	0.8
Construction	4.2	(5.6)	(12.6)	1.3	5.6
Wholesale and Retail Trade	(11.5)	0.3	4.7	(1.3)	6.3
Hotels and Restaurants	3.9	(3.6)	31.3	29.9	7.5
Transport	3.5	7.9	(0.5)	34.1	1.4
Communications	2.0	(6.8)	(4.4)	3.4	14.8
Banks and Insurance	(1.0)	1.8	2.2	17.3	7.5
Government Services	2.6	3.8	(1.0)	2.6	1.7
Other Services	(2.6)	1.4	8.1	3.4	3.0
<i>(as a percentage of GDP)</i>					
<b>External Sector</b>					
Current Account Balance	(31.3)	(35.5)	(32.0)	(22.1)	(23.3)
Overall Balance	3.4	2.5	(0.3)	3.4	(1.6)
Merchandise Trade Balance	(33.3)	(33.0)	(33.4)	(30.6)	(32.3)
<b>Central Government</b>					
Current Account Balance	(4.3)	(2.6)	(1.2)	(1.5)	(0.8)
Current Revenue	28.9	31.6	32.9	33.9	35.7
Current Expenditure	33.2	34.2	34.1	35.4	36.5
Capital Expenditure and Net Lending	10.4	17.7	7.8	7.2	6.4
Overall Fiscal Balance	(11.8)	(16.6)	(8.2)	(7.9)	(4.1)
Total Public Sector Debt (end of period)	132.3	152.2	165.8	178.8	174.3
<i>(per cent per annum)</i>					
<b>Monetary Sector</b>					
Weighted Deposit Interest Rates	4.2	3.8	4.1	3.6	n.a
Weighted Lending Interest Rates	11.1	10.4	12.0	9.9	n.a
<i>(in millions of EC dollars, unless otherwise stated)</i>					
<b>Memo</b>					
Nominal GDP at basic prices	792.8	802.1	813.1	894.0	952.1
Real GDP at basic prices	564.1	562.5	555.5	596.2	620.5
Nominal GDP at market prices	924.5	947.6	977.5	1,077.9	1,184.6
GDP Per Capita (EC\$)	17,193	17,172	17,186	18,653	19,286
Merchandise Imports (f.o.b)	449.3	479.3	473.0	473.7	522.5
Merchandise Exports (f.o.b)	141.7	166.2	148.2	143.9	139.9
Gross Visitor Expenditure	167.0	154.3	203.4	279.2	302.9

Source: Statistics Department and ECCB

Data available at 26 June 2006



**Table 35**  
**St Kitts and Nevis - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
<b>Current Revenue</b>	267.2	299.1	321.4	365.4	423.1
Tax Revenue	194.6	212.1	233.9	281.9	333.5
Taxes on Income and Profit	57.7	61.9	64.1	80.4	101.6
of which:					
Company	36.4	38.8	41.9	52.4	68.7
Social Services Levy	20.3	22.0	21.4	25.9	31.0
Taxes on Property	4.4	4.5	5.2	5.1	5.0
Taxes on Domestic Goods and Services	38.2	41.3	45.2	56.0	57.4
of which:					
Hotel Room Tax	10.0	8.2	9.4	12.5	15.0
Licences	4.8	5.4	8.3	7.4	7.7
Gasoline Levy	3.7	5.6	3.0	0.7	0.1
Taxes on International Trade and Transactions	94.3	104.3	119.3	140.5	169.5
of which:					
Import Duty	31.2	33.7	36.5	40.7	49.1
Consumption Tax	44.0	50.8	56.5	68.7	80.4
Customs Service Charge	13.7	15.7	19.1	24.3	31.8
Non-Tax Revenue	72.6	87.0	87.5	83.5	89.6
<b>Current Expenditure</b>	307.0	323.5	333.1	381.5	432.5
Personal Emoluments	140.3	144.2	144.1	159.7	163.1
Goods and Services	79.5	78.9	79.0	95.8	115.1
Interest Payments	52.4	66.9	74.5	81.6	91.1
Domestic	34.0	35.3	31.0	33.7	43.7
External	18.5	31.6	43.5	47.8	47.4
Transfers and Subsidies	34.7	33.6	35.6	44.3	63.2
of which: Pensions	17.1	19.4	16.7	21.2	40.8
<b>Current Account Balance</b>	(39.7)	(24.5)	(11.8)	(16.1)	(9.4)
Capital Revenue	3.7	6.5	2.2	4.6	4.0
Grants	22.4	28.3	6.1	4.1	32.2
of which: Capital Grants	21.7	27.9	5.7	3.8	31.6
<b>Capital Expenditure and Net Lending</b>	95.7	167.5	76.4	78.1	75.6
of which: Capital Expenditure	95.7	115.9	62.5	66.7	75.6
<b>Primary Balance (after grants)</b>	(57.0)	(90.3)	(5.4)	(3.9)	42.3
Overall Balance (before Grants)	(131.8)	(185.5)	(86.0)	(89.5)	(81.0)
<b>Overall Balance (after grants)</b>	(109.4)	(157.2)	(79.9)	(85.5)	(48.8)
<b>Financing</b>	109.4	157.2	79.9	85.5	48.8
Domestic	(19.2)	21.0	(62.5)	120.7	97.5
ECCB (net)	(2.4)	1.5	(13.4)	11.6	0.8
Commercial Banks (net)	14.0	(18.3)	(76.8)	74.9	88.5
Other	(30.7)	37.8	27.7	34.2	8.3
External	128.6	136.2	142.3	(35.2)	(48.7)
Net Disbursements/(Amortisation)	128.4	135.5	142.3	(35.2)	(48.7)
Disbursements	146.8	162.9	186.6	10.3	7.2
Amortisation	(18.4)	(27.4)	(44.3)	(45.5)	(56.0)
Change in Govt. Foreign Assets	0.2	0.6	-	-	-
Arrears	-	-	-	-	-
Domestic	-	-	-	-	-
External	-	-	-	-	-

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 7 March 2006



**Table 36**  
**St Kitts and Nevis - Monetary Survey**  
(In millions of Eastern Caribbean dollars)

	2001	2002	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
<b>Net Foreign Assets</b>	239.3	315.1	402.3	272.9	244.2
Central Bank (net)	153.3	177.2	174.6	211.5	192.5
Commercial Banks (net)	86.0	137.9	227.6	61.4	51.7
External (net)	196.9	245.7	419.8	228.9	216.0
Assets	373.5	500.5	712.3	651.7	592.0
Liabilities	176.7	254.8	292.5	422.8	376.0
Other ECCB Territories (net)	(110.9)	(107.8)	(192.2)	(167.5)	(164.3)
Assets	73.5	99.2	67.6	101.7	112.9
Liabilities	184.4	207.0	259.8	269.2	277.2
<b>Net Domestic Assets</b>	555.0	529.7	500.8	825.8	906.6
<b>Domestic Credit</b>	750.1	756.8	745.3	987.9	1,132.7
Central Government (net)	283.5	266.7	176.5	263.0	352.2
Other Public Sector (net)	(154.6)	(125.7)	(124.7)	(50.2)	(33.7)
Non-Bank Financial Institutions (net)	(4.5)	(13.3)	25.5	48.8	41.0
Subsidiaries and Affiliates (net)	(50.0)	(30.2)	(19.3)	(21.7)	(31.3)
Private Sector	675.6	659.3	687.4	748.0	804.4
<b>Other Items (net)</b>	(195.1)	(227.1)	(244.6)	(162.2)	(226.0)
<b>Money Supply (M2)</b>	794.2	844.8	903.0	1,098.7	1,150.8
Money Supply (M1)	106.2	119.9	133.1	166.4	163.7
Currency	36.1	37.7	39.9	44.6	49.9
Demand Deposits	70.1	82.2	93.2	121.8	113.8
Quasi Money	688.1	724.9	769.9	932.3	987.1
Savings Deposits	305.9	335.0	361.2	418.1	468.1
Time Deposits	147.3	153.6	144.6	203.5	183.3
Foreign Currency Deposits	234.8	236.3	264.2	310.7	335.7

Source: ECCB

Data available at 7 March 2006

**Table 37**  
**St Kitts and Nevis - Selected Tourism Statistics**

	2001	2002	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>E</sup>
Total Visitor Arrivals	333,361	246,364	246,788	382,290	350,737
Stay-Over Arrivals	70,565	68,998	90,562	117,638	127,025
Excursionists	3,662	3,853	4,054	3,045	3,471
Yacht Passengers	6,962	6,283	5,855	7,072	6,023
Cruise Ship Passengers	252,172	167,230	146,317	254,535	214,218
Number of Cruise Ship Calls	358	245	270	373	262
Total Visitor Expenditure (EC\$M)	167.0	154.3	203.5	277.1	289.5

Source: Tourism Authority, Immigration Department and ECCB Estimates

Data available at 20 March 2006



**Table 38**  
**St Kitts and Nevis - Balance of Payments**  
**(In millions of Eastern Caribbean dollars)**

	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
<b>Current Account</b>	(290.0)	(336.4)	(312.7)	(238.4)	(275.6)
Goods and Services	(240.0)	(278.0)	(244.7)	(175.5)	(214.4)
Goods	(301.2)	(309.3)	(319.5)	(318.6)	(366.7)
Merchandise	(307.6)	(313.1)	(326.0)	(329.8)	(382.6)
Repair on goods	0.0	0.0	0.1	0.1	0.1
Goods procured in ports by carriers	6.3	3.9	6.5	11.1	15.8
Services	61.2	31.3	74.8	143.1	152.3
Transport	(52.3)	(59.1)	(62.0)	(67.2)	(74.6)
Travel	145.2	133.8	181.5	253.1	272.5
Insurance Services	(17.0)	(19.6)	(20.3)	(19.1)	(20.9)
Other Business Services	(14.4)	(20.8)	(20.2)	(22.4)	(23.0)
Government Services	(0.3)	(3.0)	(4.2)	(1.2)	(1.7)
Income	(93.4)	(102.8)	(118.2)	(112.1)	(110.4)
Compensation of Employees	(7.3)	(7.4)	(8.9)	(7.7)	(4.8)
Investment Income	(86.1)	(95.1)	(109.2)	(104.4)	(105.6)
Current Transfers	43.4	44.4	50.2	49.2	49.3
General Government	(3.2)	(1.1)	(1.3)	(3.6)	(4.2)
Other Sectors	46.5	45.5	51.5	52.8	53.5
<b>Capital and Financial Account</b>	321.3	359.7	310.1	275.3	256.5
Capital Account	29.5	39.4	14.1	14.5	39.0
Capital Transfers	29.5	38.9	13.6	14.5	39.0
Acquisition and Disposal of Non-Produced, Non-Financial Assets	0.0	0.5	0.5	0.0	0.0
Financial Account	291.9	320.3	296.0	260.8	217.5
Direct Investment	237.9	215.4	204.1	124.6	127.2
Portfolio Investment	115.2	82.0	129.7	(26.6)	(31.9)
Other Investments	(61.2)	23.0	(37.8)	162.7	122.2
Public Sector Long Term	15.4	44.5	5.9	31.9	(9.3)
Commercial Banks	(55.3)	(51.9)	(89.8)	166.2	9.7
Other Assets	(20.8)	8.0	(16.4)	(60.4)	(15.1)
Other Liabilities*	(0.5)	22.3	62.4	25.0	136.9
<b>Overall Balance</b>	31.3	23.3	(2.6)	36.9	(19.1)
<b>Financing</b>	(31.3)	(23.3)	2.6	(36.9)	19.1
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	0.2	0.6	0.0	0.0	0.0
Change in Imputed Reserves	(31.5)	(23.9)	2.6	(36.9)	19.1

Source: Planning Unit and ECCB

\* Includes Errors & Omissions

Data available at 20 March 2006



**Table 39**  
**Saint Lucia - Selected Economic Indicators**

	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
	<i>(annual percentage change unless otherwise stated)</i>				
<b>National Income and Prices</b>					
Nominal GDP at basic prices	(1.6)	0.4	4.9	6.1	8.4
Real GDP at basic prices	(3.7)	0.8	2.9	4.8	5.8
GDP Deflator	2.2	(0.4)	2.0	1.3	2.5
Consumer Prices (end of period)	5.5	(0.7)	0.5	3.5	6.7
Consumer Prices (period average)	5.3	(0.3)	1.0	1.5	4.0
<b>Real GDP at Factor Cost by Selected Sectors</b>					
Agriculture	(24.4)	4.4	(15.7)	1.8	(21.9)
Manufacturing	0.5	8.9	(1.7)	8.3	5.9
Electricity and Water	4.6	(2.5)	1.9	1.9	4.4
Construction	(5.0)	(4.8)	1.6	1.0	10.4
Wholesale and Retail Trade	(14.5)	1.2	7.8	8.4	9.1
Hotels and Restaurants	(10.5)	(0.6)	16.6	5.9	6.3
Transport	(1.3)	(3.8)	2.3	7.9	6.3
Communications	11.8	7.5	4.5	4.6	7.3
Banks and Insurance	2.7	1.2	1.7	4.9	8.7
Real Estate and Housing	3.4	2.4	3.3	3.3	5.7
Government Services	2.4	(1.6)	(2.1)	4.1	8.4
Other Services	(7.3)	1.8	(0.0)	0.6	1.9
	<i>(as a percentage of GDP)</i>				
<b>External Sector</b>					
Current Account Balance	(15.6)	(14.9)	(19.8)	12.5	18.2
Overall Balance	1.8	0.8	2.5	3.4	(2.0)
Merchandise Trade Balance	(33.2)	(29.8)	(39.6)	(34.6)	(40.9)
<b>Central Government</b>					
Current Account Balance	2.2	2.2	(0.1)	2.2	3.4
Current Revenue	23.9	23.5	23.3	25.0	24.8
Current Expenditure	21.7	21.4	23.4	22.8	21.4
Capital Expenditure and Net Lending	6.6	7.3	9.1	5.4	7.2
Overall Fiscal Balance	(3.4)	(2.4)	(6.6)	(2.9)	(3.6)
Total Public Sector Debt (end of period)	47.5	53.7	59.9	72.4	73.4
<b>Monetary Sector</b>					
Weighted Deposit Interest Rates	4.8	3.8	6.8	2.8	n/a
Weighted Lending Interest Rates	12.8	12.5	15.3	10.7	n/a
	<i>(in millions of EC dollars, unless otherwise stated)</i>				
<b>Memo</b>					
Nominal GDP at basic prices	1,590.8	1,597.0	1,675.7	1,778.5	1,928.5
Real GDP at basic prices	1,187.6	1,197.2	1,232.1	1,291.3	1,366.1
Nominal GDP at market prices	1,850.7	1,899.2	1,994.1	2,153.4	2,319.9
GDP per capita (EC\$)	10,067	10,036	10,433	10,949	11,744
Merchandise Imports (f.o.b)	734.6	734.1	957.2	996.2	1,106.9
Merchandise Exports (f.o.b)	119.6	167.6	167.7	250.6	157.6
Gross Visitor Expenditure	629.1	567.0	761.6	879.3	932.6

Source: Statistics Department and ECCB

Data available at 11 July 2006





**Table 40**  
**Saint Lucia - Central Government Fiscal Operations**  
(In million of Eastern Caribbean dollars)

	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005
<b>Current Revenue</b>	442.1	447.2	465.3	537.8	575.7
Tax Revenue	397.4	404.9	431.0	495.7	540.8
Taxes on Income and Profit	133.7	107.6	109.7	116.4	139.6
of which:					
Personal	49.2	47.4	43.8	47.1	53.1
Company	62.6	45.8	44.8	44.2	60.4
Taxes on Property	1.3	6.9	4.3	4.9	4.0
Taxes on Domestic Goods and Services	54.5	68.5	60.7	93.3	89.5
of which:					
Stamp Duty	8.9	18.9	10.1	15.7	16.5
Hotel Occupancy Tax	20.9	19.7	21.1	25.1	29.3
Licenses	6.8	10.1	6.1	25.1	11.0
Taxes on International Trade and Transactions	207.9	222.0	256.4	281.0	307.7
of which:					
Consumption Tax (Imports)	93.8	110.0	110.8	116.6	109.3
Import Duty	53.7	53.0	69.8	72.7	84.0
Service Charge (Imports)	28.8	28.5	37.2	44.2	51.8
Excise Tax (Imports)	15.5	14.9	18.8	22.6	29.4
Non-Tax Revenue	44.7	42.3	34.3	42.0	34.9
<b>Current Expenditure</b>	401.0	405.5	466.6	490.4	496.7
Personal Emoluments	213.5	211.1	220.6	227.1	222.7
Goods and Services	75.7	64.7	89.5	95.5	91.0
Interest Payments	40.8	43.8	51.3	61.9	70.0
Domestic	22.9	22.2	20.5	18.3	21.1
External	17.8	21.5	30.8	43.6	48.9
Transfers and Subsidies	71.0	85.9	105.2	105.9	113.1
of which: Pensions	31.2	33.0	31.6	35.3	42.4
<b>Current Account Balance (before grants)</b>	41.2	41.7	(1.3)	47.4	79.0
Capital Revenue	1.3	21.3	8.6	0.9	0.0
Grants	17.5	29.0	43.0	6.0	4.2
of which: Capital Grants	17.5	29.0	43.0	6.0	4.2
<b>Capital Expenditure and Net Lending</b>	122.9	138.1	181.4	117.3	166.5
of which: Capital Expenditure	122.9	138.1	181.4	117.3	166.5
<b>Primary Balance (after grants)</b>	(22.1)	(2.4)	(79.8)	(1.2)	(13.3)
Overall Balance (before balance)	(80.4)	(75.1)	(174.1)	(69.1)	(87.5)
<b>Overall Balance (after grants)</b>	(62.9)	(46.1)	(131.1)	(63.1)	(83.3)
<b>Financing</b>	69.6	46.1	131.1	63.1	83.3
Domestic	(47.5)	(161.2)	2.0	12.7	(18.3)
ECCB (net)	7.4	(7.8)	(3.7)	(13.2)	9.5
Commercial Banks (net)	(34.7)	24.5	(4.4)	(12.7)	35.9
Other	(20.2)	(178.0)	10.0	38.5	(63.6)
External	110.4	207.3	129.1	50.4	101.6
Net Disbursements/(Amortisation)	110.4	208.3	239.1	48.9	99.9
Disbursements	59.0	161.1	222.1	82.0	130.1
Amortisation	51.4	47.2	17.0	(33.1)	(30.2)
Change in Govt. Foreign Assets	0.0	(1.0)	(110.0)	1.5	1.7
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 30 March 2006



**Table 41**  
**Saint Lucia - Monetary Survey**  
(In millions of Eastern Caribbean dollars)

	2001	2002	2003 <sup>R</sup>	2004 <sup>R</sup>	2005
<b>Net Foreign Assets</b>	114.5	106.8	337.8	318.5	84.5
Central Bank (net)	235.2	248.1	282.6	351.5	302.6
Commercial Banks (net)	(120.7)	(141.3)	55.2	(33.0)	(218.1)
External (net)	(165.2)	(191.2)	(143.6)	(64.7)	(91.9)
Assets	100.1	108.3	199.7	300.0	333.1
Liabilities	265.2	299.5	343.3	365.0	424.9
Other ECCB Territories (net)	44.4	49.9	198.8	31.8	(126.2)
Assets	76.0	124.3	229.2	144.1	141.3
Liabilities	31.6	74.4	30.4	112.3	267.5
<b>Net Domestic Assets</b>	1,119.9	1,166.5	1,032.6	1,190.5	1,627.3
<b>Domestic Credit</b>	1,381.9	1,428.0	1,323.3	1,465.2	1,777.9
Central Government (net)	(113.1)	(96.3)	(104.4)	(130.2)	(84.9)
Other Public Sector (net)	(168.6)	(158.9)	(186.4)	(194.0)	(185.2)
Non-Bank Financial Institutions (net)	(43.4)	(32.7)	(39.3)	(35.4)	(37.8)
Subsidiaries and Affiliates (net)	165.1	162.4	155.3	174.7	168.5
Private Sector	1,541.8	1,553.5	1,498.2	1,650.1	1,917.3
<b>Other Items (net)</b>	(262.0)	(261.5)	(290.7)	(274.7)	(150.6)
<b>Money Supply (M2)</b>	1,234.3	1,273.3	1,370.4	1,509.0	1,711.8
Money Supply	283.8	287.6	343.1	481.2	547.3
Currency	82.1	83.6	91.3	99.2	106.4
Demand Deposits	201.7	204.0	251.8	382.0	440.9
Quasi Money	950.5	985.7	1,027.3	1,027.8	1,164.5
Savings Deposits	573.3	652.3	755.2	810.4	916.3
Time Deposits	364.4	309.6	240.2	178.7	185.9
Foreign Currency Deposits	12.8	23.8	31.9	38.7	62.2

Source: ECCB

Data available at 22 March 2006

**Table 42**  
**Saint Lucia - Selected Tourism Statistics**

	2001	2002	2003	2004	2004
Total Visitor Arrivals	767,037	673,871	704,236	813,681	747,375
of which:					
Stay-Over Arrivals	250,132	253,463	276,948	298,431	317,939
USA	91,248	94,044	98,078	107,089	112,557
Canada	12,213	12,927	13,494	15,315	16,506
UK	67,046	63,277	75,426	81,370	84,725
France	5,091	3,405	6,017	7,682	7,241
Germany	4,818	3,929	3,582	3,289	3,318
Caribbean	61,047	66,409	70,543	74,242	84,729
Excursionists	7,176	7,712	12,817	11,441	7,541
Cruise Ship Passengers	489,912	387,180	393,262	481,279	394,431
Yacht Passengers	19,817	25,516	21,209	22,530	27,464
Number of Cruise Ship Calls	378	245	262	328	258
Total Visitor Expenditure (EC\$M)	629.1	567.0	761.6	879.3	932.6

Source: Saint Lucia Tourist Board

Data available at 22 March 2006



**Table 43**  
**Saint Lucia - Balance of Payments**  
(In millions of Eastern Caribbean dollars)

	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
<b>Current Account</b>	(288.7)	(283.4)	(394.8)	(268.7)	(423.1)
Goods and Services	(202.2)	(220.7)	(295.1)	(116.3)	(283.2)
Goods	(588.1)	(546.9)	(763.2)	(701.0)	(921.2)
Merchandise	(615.0)	(566.6)	(789.5)	(745.7)	(949.3)
Repair on goods	0.0	--	0.0	0.0	0.0
Goods procured in ports by carriers	26.9	19.7	26.2	44.6	28.1
Services	385.8	326.2	468.2	584.7	638.0
Transport	(111.7)	(103.8)	(137.0)	(138.2)	(152.7)
Travel	543.3	(475.9)	665.3	779.9	853.0
Insurance Services	(11.6)	(13.1)	(18.2)	(20.1)	(22.3)
Other Business Services	(22.1)	(22.9)	(34.4)	(28.6)	(30.7)
Government Services	(12.1)	(10.1)	(7.6)	(8.2)	(9.3)
Income	(125.1)	(95.3)	(134.5)	(190.0)	(182.4)
Compensation of Employees	0.2	0.2	0.3	0.4	0.4
Investment Income	(125.3)	(95.5)	(134.8)	(190.3)	(182.8)
Current Transfers	38.6	32.6	34.8	37.6	42.5
General Government	(0.9)	(2.6)	0.1	(0.5)	(0.4)
Other Sectors	39.5	35.3	34.7	38.1	42.9
<b>Capital and Financial Account</b>	322.8	299.0	444.3	341.1	376.1
Capital Account	68.8	53.3	46.1	9.3	7.5
Capital Transfers	68.8	53.3	46.1	9.3	7.5
Acquisition and Disposal of Non-Produced, Non-Financial Assets	--	--	--	--	--
Financial Account	254.0	245.7	398.1	331.8	368.6
Direct Investment	158.8	140.2	287.4	215.1	406.9
Portfolio Investment	31.7	45.5	169.5	44.0	53.3
Other Investments	63.5	60.0	(58.7)	72.7	(91.6)
Public Sector Long Term	20.3	20.3	43.4	56.6	37.1
Other Public Sector Capital	--	--	--	--	--
Commercial Banks	26.6	20.6	(196.4)	88.1	--
Other Assets	(33.5)	(11.4)	(16.7)	(79.8)	(86.2)
Other Liabilities*	50.2	30.5	111.0	7.9	(42.5)
<b>Overall Balance</b>	34.1	15.6	49.4	72.4	(47.0)
<b>Financing</b>	(34.1)	(15.6)	(49.4)	(72.4)	47.0
Change in SDR Holdings	--	--	--	--	--
Change in Reserve Position with the Fund	--	--	--	--	--
Change in Government Foreign Assets	(6.7)	(2.7)	(14.9)	(3.5)	(2.0)
Change in Imputed Reserves	(27.4)	(12.9)	(34.5)	(68.9)	49.0

Source: ECCB and Statistics Department

\* includes errors & omissions

**Data available at 22 March 2006**



**Table 44**  
**St Vincent and the Grenadines**  
**Selected Economic Indicators**

	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
	<i>(annual percentage change unless otherwise stated)</i>				
<b>National Income and Prices</b>					
Nominal GDP at basic prices	2.0	5.2	4.3	9.3	4.4
Real GDP at basic prices	(0.1)	3.2	2.8	6.8	2.2
GDP Deflator	2.0	2.0	1.4	2.3	2.1
Consumer Prices (end of period)	(0.7)	2.4	2.2	1.7	3.9
Consumer Prices (period average)	0.9	1.9	0.2	3.0	3.7
<b>Real GDP at Factor Cost by Selected Sectors</b>					
Agriculture	(7.7)	7.8	(2.2)	(4.9)	(6.0)
Manufacturing	5.6	(6.1)	0.7	3.3	2.1
Electricity and Water	11.2	2.6	7.5	7.1	8.4
Construction	7.1	(2.9)	8.2	14.7	0.4
Wholesale and Retail Trade	3.4	3.1	4.2	9.8	2.8
Hotels and Restaurants	(3.0)	(8.0)	(5.7)	7.3	10.6
Transport	1.1	6.2	7.8	10.1	(6.7)
Communications	(12.2)	4.5	(2.0)	19.3	9.2
Banks and Insurance	(7.6)	10.1	3.5	3.1	4.4
Government Services	2.5	3.7	2.5	2.5	6.2
Other Services	4.0	4.7	7.9	6.0	10.0
	<i>(as a percentage of GDP)</i>				
<b>External Sector</b>					
Current Account Balance	(10.9)	(11.5)	(20.8)	(24.7)	(23.7)
Overall Balance	2.6	(1.8)	(0.1)	6.1	(0.8)
Merchandise Trade Balance	(31.8)	(32.3)	(36.1)	(38.9)	(37.6)
<b>Central Government</b>					
Current Account Balance	1.3	2.7	3.4	2.7	0.2
Current Revenue	29.1	30.6	30.2	28.4	27.6
Current Expenditure	27.8	27.9	26.7	25.7	27.3
Capital Expenditure and Net Lending	5.2	5.5	7.3	6.7	6.7
Overall Fiscal Balance	(1.7)	(2.0)	(3.1)	(2.9)	(5.3)
Total Public Sector Debt (end of period)	68.2	74.1	75.0	78.9	82.8
	<i>(per cent per annum)</i>				
<b>Monetary Sector</b>					
Weighted Deposit Interest Rates	4.5	4.2	4.5	2.8	--
Weighted Lending Interest Rates	11.9	11.4	12.0	8.8	--
	<i>(in millions of EC dollars, unless otherwise stated)</i>				
<b>Memo</b>					
Nominal GDP at basic prices	776.7	817.2	852.3	931.5	972.2
Real GDP at basic prices	612.3	631.8	649.5	693.9	709.2
Nominal GDP at market prices	932.1	986.1	1,032.1	1,121.1	1,178.3
GDP per capita (EC\$)	7,124	7,577	8,183	9,260	9,664
Merchandise Imports (f.o.b)	408.3	424.2	475.7	535.5	547.2
Merchandise Exports (f.o.b)	112.4	106.1	102.6	98.9	104.3
Gross Visitor Expenditure	240.3	245.7	246.2	258.0	272.5

Source: Statistics Department and ECCB

Data available at 16 June 2006



**Table 45**  
**St Vincent and the Grenadines**  
**Central Government Fiscal Operations**  
**(In millions of Eastern Caribbean dollars)**

	2001	2002	2003 <sup>R</sup>	2004 <sup>R</sup>	2005
<b>Current Revenue</b>	271.7	302.0	311.5	318.7	324.7
Tax Revenue	230.1	259.8	259.9	272.1	282.9
Taxes on Income and Profit	70.8	87.9	77.0	79.3	89.3
of which:					
Individual	33.8	35.0	35.1	37.4	40.8
Company Tax	33.5	45.2	38.2	37.4	44.3
Taxes on Property	3.5	2.5	2.7	2.5	2.5
Taxes on Domestic Goods and Services	43.9	42.7	47.1	51.8	49.7
of which:					
Stamp Duty	18.6	17.2	19.9	20.9	20.8
Consumption Duties	6.2	5.9	6.0	7.1	5.9
Hotel Turnover Tax	5.4	4.5	4.2	5.1	6.8
Taxes on International Trade and Transactions	111.9	126.7	133.0	138.5	141.3
of which:					
Import Duty	25.4	25.6	29.2	30.7	32.1
Consumption Tax	65.1	77.9	79.1	81.3	78.5
Customs Service Charge	16.6	18.2	19.3	20.6	21.9
Non-Tax Revenue	41.6	42.2	51.6	46.6	41.7
<b>Current Expenditure</b>	259.2	275.2	276.1	288.1	322.0
Personal Emoluments	128.6	138.3	139.1	144.8	158.9
Goods and Services	56.2	62.7	61.5	66.6	72.9
Interest Payments	24.6	26.1	27.8	27.6	35.0
Domestic	12.6	15.8	16.4	11.5	15.5
External	12.1	10.3	11.5	16.0	19.5
Transfers and Subsidies	49.7	48.1	47.6	49.1	55.1
of which: Pensions	17.5	19.3	19.7	19.8	23.3
<b>Current Account Balance</b>	12.5	26.7	35.4	30.6	2.7
Capital Revenue	1.0	0.8	1.7	3.9	8.8
Grants	18.7	6.8	6.3	7.8	5.2
of which: Capital Grants	18.7	6.8	6.3	7.8	5.2
<b>Capital Expenditure and Net Lending</b>	48.2	53.8	75.6	75.1	78.8
of which: Capital Expenditure	48.2	57.7	82.0	78.9	83.3
Primary Balance (after grants)	8.7	6.6	(4.5)	(5.2)	(27.2)
Overall Balance (before grants)	(34.7)	(26.3)	(38.6)	(40.6)	(67.3)
<b>Overall Balance (after grants)</b>	(15.9)	(19.5)	(32.3)	(32.8)	(62.2)
<b>Financing</b>	15.9	19.5	32.3	32.8	62.2
Domestic	(7.0)	(0.3)	(14.4)	(83.5)	4.4
Central Banks (net)	(2.1)	4.2	12.2	(54.5)	19.8
Commercial Banks (net)	(16.1)	37.9	(51.0)	16.4	47.4
Other	11.2	(42.3)	24.4	(45.5)	(62.8)
External	22.9	19.8	46.7	116.3	57.7
Net Disbursements/(Amortisation)	30.4	24.3	50.9	120.8	64.6
Disbursements	43.6	40.5	114.4	229.5	191.2
Amortisation	(13.2)	(16.2)	(63.5)	(108.7)	(126.7)
Change in Govt. Foreign Assets	(7.5)	(4.5)	(4.2)	(4.5)	(6.8)
Arrears	--	--	--	--	--
Domestic	--	--	--	--	--
External	--	--	--	--	--

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 14 March 2006



**Table 46**  
**St Vincent and the Grenadines - Monetary Survey**  
(In millions of Eastern Caribbean dollars)

	2001	2002	2003	2004 <sup>R</sup>	2005
<b>Net Foreign Assets</b>	254.0	272.8	313.4	426.8	387.0
Central Bank (net)	164.1	141.7	136.2	200.3	183.8
Commercial Banks (net)	89.9	131.1	177.2	226.5	203.1
External (net)	(22.5)	(3.6)	88.1	106.2	181.2
Assets	142.6	143.4	220.9	245.8	320.3
Liabilities	165.1	146.9	132.8	139.5	139.1
Other ECCB Territories (net)	112.3	134.7	89.1	120.2	21.9
Assets	141.5	170.2	168.5	192.7	137.5
Liabilities	29.1	35.6	79.5	72.4	115.5
<b>Net Domestic Assets</b>	400.9	436.4	409.1	394.7	487.1
<b>Domestic Credit</b>	468.6	534.0	507.9	565.8	655.7
Central Government (net)	44.0	86.0	47.2	9.1	76.3
Other Public Sector (net)	(120.9)	(131.6)	(120.9)	(63.2)	(66.6)
Non-Bank Financial Institutions (net)	(59.9)	(53.7)	(55.9)	(23.1)	(32.2)
Subsidiaries and Affiliates (net)	--	--	--	(0.2)	--
Private Sector	605.5	633.4	637.5	643.2	678.2
<b>Other Items (net)</b>	(67.7)	(97.6)	(98.8)	(171.1)	(168.6)
<b>Money Supply (M2)</b>	654.9	709.3	722.4	821.5	874.1
Money Supply (M1)	219.2	239.2	253.7	287.0	327.7
Currency	51.5	54.0	56.7	64.4	74.4
Demand Deposits	167.7	185.1	197.0	222.6	253.3
Quasi Money	435.7	470.1	468.7	534.5	546.4
Savings Deposits	285.0	304.0	320.8	383.9	430.2
Time Deposits	143.1	156.4	137.5	124.4	101.4
Foreign Currency Deposits	7.6	9.7	10.5	26.2	14.8

Source: ECCB

Data available at 14 March 2006

**Table 47**  
**St Vincent and the Grenadines - Selected Tourism Statistics**

	2001	2002	2003	2004	2005 <sup>P</sup>
Total Visitor Arrivals	254,091	247,449	241,526	261,469	253,034
Of Which:					
Stay-Over Arrivals	70,686	77,622	78,535	86,721	94,966
USA	19,362	22,410	22,194	25,106	27,639
Canada	3,929	5,268	4,918	5,219	5,799
UK	10,842	11,629	11,547	12,610	13,410
Caribbean	26,432	30,223	32,779	36,011	39,365
Other Countries	10,121	8,092	7,097	7,775	8,753
Excursionists	15,049	13,062	13,696	12,936	9,255
Yacht Passengers	91,862	86,451	84,330	84,227	79,060
Cruise Ship Passengers	76,494	70,314	64,965	77,585	69,753
Number of Cruise Ship Calls	n.a.	264	245	225	183
Total Visitor Expenditure (EC\$M)	240.3	245.7	246.2	258.0	272.5

Source: Department of Tourism and ECCB estimates

Data available at 14 March 2006



**Table 48**  
**St Vincent and the Grenadines - Balance of Payments**  
(In millions of Eastern Caribbean dollars)

	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>R</sup>	2005 <sup>P</sup>
<b>Current Account</b>	(101.5)	(111.9)	(214.6)	(276.8)	(278.7)
Goods and Services	(91.0)	(97.2)	(185.1)	(236.8)	(235.7)
Goods	(294.9)	(314.6)	(369.1)	(431.2)	(437.1)
Merchandise	(295.9)	(318.1)	(373.1)	(436.6)	(442.9)
Repair on goods	0.0	0.0	--	--	--
Goods procured in ports by carriers	1.0	3.4	4.0	5.5	5.8
Services	203.9	217.5	184.1	194.4	201.5
Transport	(43.7)	(45.6)	(54.4)	(57.9)	(59.2)
Travel	209.1	218.2	212.1	219.4	232.9
Insurance Services	(9.3)	(11.3)	(12.3)	(13.9)	(14.2)
Other Business Services	51.8	58.6	43.7	52.1	47.6
Government Services	(4.2)	(2.5)	(5.0)	(5.4)	(5.6)
Income	(44.5)	(47.5)	(64.4)	(78.1)	(82.1)
Compensation of Employees	0.3	2.0	1.6	1.8	1.8
Investment Income	(44.8)	(49.5)	(66.0)	(79.9)	(83.9)
Current Transfers	34.1	32.8	34.8	38.1	39.0
General Government	(1.3)	(2.2)	(2.7)	(1.0)	(1.0)
Other Sectors	35.3	35.0	37.6	39.1	40.1
<b>Capital and Financial Account</b>	126.0	94.1	213.3	345.5	269.0
Capital Account	23.7	28.6	38.8	51.1	58.2
Capital Transfers	23.7	28.6	38.8	51.1	58.2
Acquisition and Disposal of Non-Produced, Non-Financial Assets	--	--	--	--	--
Financial Account	102.4	65.4	174.6	294.3	210.8
Direct Investment	56.8	91.9	148.9	177.3	89.7
Portfolio Investment	9.4	2.7	55.9	89.6	50.0
Other Investments	36.2	(29.2)	(30.2)	27.4	71.1
Public Sector Long Term	35.1	5.6	(3.1)	6.9	51.1
Other Public Sector Capital	--	--	--	--	--
Commercial Banks	43.3	(41.2)	(46.1)	(49.3)	23.4
Other Assets	(28.9)	(20.9)	(47.3)	(23.4)	(3.5)
Other Liabilities*	(13.4)	27.3	66.3	93.2	0.2
<b>Overall Balance</b>	24.6	(17.8)	(1.2)	68.6	(9.7)
<b>Financing</b>	(24.6)	17.8	1.2	(68.6)	9.7
Change in SDR holdings	--	--	--	--	--
Change in Reserve Position with the Fund	--	--	--	--	--
Change in Government Foreign Assets	(7.5)	(4.5)	(4.3)	(4.5)	(6.8)
Change in Imputed Reserves	(17.1)	22.3	5.5	(64.2)	16.5

Source: ECCB

\*includes errors and omissions

Data available at 14 March 2006

