

# Annual Economic and Financial Review



2004

# EASTERN CARIBBEAN CENTRAL BANK

## PARTICIPATING GOVERNMENTS

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

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The ECCB welcomes your questions and comments on this publication.

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## **INTERNATIONAL ECONOMIC DEVELOPMENTS**

### **Overview**

The pace of world economic activity accelerated in 2004 with real GDP growth estimated at 5.0 per cent, up from 2.4 per cent in 2003. This was the fastest rate of increase in 30 years. The expansion in 2004 was driven by a combination of buoyant commodity prices and increased demand, supported by favourable financial market conditions. Among the major economies, the US and China were the main engines of growth. Inflationary pressures in the global economy were contained. In many countries there were marginal increases in consumer prices, excluding food and energy. External current account balances widened in some of the major economies in 2004, reflecting the effects of currency movements and high oil prices.

### **Developments in the Major Economies**

The US economy strengthened in 2004 although the pace of economic activity slowed during the latter part of the year. Real GDP growth is estimated to have increased to 4.4 per cent from 3.0 per cent in 2003. This rate was the largest since the increase of 4.5 per cent in 1999. The main contributors to growth in 2004 were consumption and business investment. Consumer spending, which accounts for over two-thirds of the economy, grew by 3.8 per cent in 2004, following growth of 3.3 per cent in 2003. The acceleration in the rate of consumption expenditure reflected the impact of higher oil and house prices and increased spending on automobiles in response to manufacturers' incentives. Business investment growth resulted from an expansion in corporate profitability aided by increases in labour productivity. The consumer price index (CPI) rose by 3.3 per cent, the largest increase in four years, attributable to the surge in energy prices.

Excluding food and energy, the core inflation rate for 2004 was 2.2 per cent.

The strength of GDP growth generated improvements in the labour market. Payroll employment increased by 2.2m in 2004, the largest growth since 1999. The unemployment rate averaged 5.5 per cent, down from 6.0 per cent in 2003.

Monetary policy was accommodative during the first half of 2004. The Federal Reserve held the benchmark interest rate at 1.0 per cent, the lowest since 1958, to stimulate growth. The Federal Open Market Committee (FOMC) raised the target federal funds rate in five steps during the year from 1.0 per cent in January to 2.25 per cent in December.

The US fiscal deficit rose to a record of \$412.6 billion for fiscal year 2004, which ended 30 September. This outturn was driven by increased government spending, due mainly to the war in Iraq and larger outlays on Medicare. In the external sector, the current account deficit is estimated at 5.7 per cent of GDP in 2004, reflecting strong growth in imports, partly as a result of an increase in petroleum prices.

In Canada real GDP rose by 2.8 per cent in 2004 compared with growth of 2.0 per cent in 2003, influenced by increased consumer and business spending. Consumer spending grew by 3.5 per cent, reflecting increased outlays on a variety of goods and services, associated with rising employment and disposable income. Investment spending was strong, associated with new housing construction and investment in plant and equipment. Despite high prices for energy, inflation was contained during the year as consumer prices rose by 1.8 per cent. The growth in payrolls was strong



during the year and at year end the unemployment rate was 7.0 per cent. On the fiscal account the surplus more than doubled to \$17 billion in 2004, as growth in revenue outpaced that in spending. Borrowing by the federal government declined, as evidenced by a decrease in federal bond liabilities.

The value of Canadian exports rose by 4.9 per cent, following a 2.4 per cent decline in 2003. Exports of goods grew by 5.2 per cent, led by increases in automotive products, machinery and equipment, and industrial goods and material. Net receipts from services rose by 2.7 per cent, influenced by growth in inflows from travel and transportation services. These increases were more than offset by growth of 8.2 per cent in imports; as a result of which the surplus on the goods and services account deteriorated.

In the United Kingdom the economy grew in real terms by 3.1 per cent in 2004. The expansion was driven by increased activity in the services sector, particularly business and financial services, transportation and communications. The services sector benefited from the buoyancy in the stock market and improved global economic conditions. Consumer price inflation was 1.6 per cent, which was below the target rate of 2.0 per cent set by the Bank of England. The deficit on the goods and services account rose to a record £39.3 billion in 2004, driven by a higher level of imports of goods as net inflows on the services account increased.

In the euro zone real GDP rose by 2.0 per cent in 2004 compared with a rate of 0.5 per cent in 2003, driven by an increase in exports in the first half of 2004. However growth was dampened during the second half of the year, as a result of the surge in oil prices and the appreciation of the euro. Growth accelerated in France and Spain, while contractions were recorded in Germany, the Netherlands, Italy and Greece. Inflation

was contained at 2.0 per cent in 2004 as rising oil prices were partly offset by the appreciation of the euro. In the absence of any significant inflationary pressure the European Central Bank held the benchmark lending rate at 2.0 per cent in 2004. The fiscal deficit in the euro area is estimated at 2.7 per cent of GDP, with deficits in France, Germany and Greece all exceeding the Stability and Growth Pact limit of 3.0 per cent of GDP.

In Japan strong growth in the first quarter was moderated by stagnation in the remaining nine months, resulting in real GDP growth of 2.6 per cent in 2004. The factors that contributed to the weak performance in the final three quarters of 2004 include a fall in consumption spending as well as strong typhoons and an earthquake, which affected consumer confidence. Rising energy prices had a negative impact on disposable income and consumer spending. Inflation stabilised during 2004.

In China real GDP rose by 9.5 per cent in 2004, led by increased investment and exports. Inflation rose to 3.9 per cent from 1.2 per cent in 2003, partly as a result of wage increases in some industries in response to labour shortages. The unemployment rate fell to 4.2 per cent of the urban labour force from 4.3 per cent in 2003. External trade continued on an expansionary path in 2004, with the result that China overtook Japan as the world's third largest merchandise trader behind the US and Germany. In 2004 China realised a trade surplus of US\$32 billion, an increase of US\$6.5 billion over that in 2003. Exports rose by 35.4 per cent to US\$593 billion and imports increased by 36.0 per cent to US\$561 billion. Meanwhile the fiscal deficit in 2004 was lower than budgeted as a result of an expansion in revenue.

Economic activity in Latin America grew at an average real rate of 5.7 per cent in 2004, the region's



best performance since the debt crisis in 1982. Regional growth was led by higher export demand as a result of the expansion in world trade. Total export receipts grew by 22.0 per cent in 2004, reflecting higher prices for petroleum, crude oil and metals, particularly in oil exporting countries such as Venezuela and Mexico. The current account balance improved as export growth outpaced that of imports. Inflation fell to an average of 7.5 per cent in 2004 from 8.5 per cent in 2003. However, several countries recorded inflation rates that were higher than in 2003, reflecting increases in the prices of commodities such as food, oils and fuels and some manufactured goods. As a result of the expansion in regional economic activity, job creation increased but real wages remained virtually unchanged. The unemployment rate fell to 10.0 per cent in 2004 from 10.7 per cent in 2003.

### **Commodity Prices**

The year 2004 was marked by high commodity prices driven by strong demand for commodities and restraints on production in some countries. Oil prices rose to a historical high, above US\$50 per barrel in October 2004, before declining and remaining above \$40 per barrel for the remainder of the year. The factors that contributed to high oil prices included strong demand, weather-related supply disruptions and concerns over the security of future supplies. At the end of 2004 prices of non-energy commodities were 10.0 per cent above the level at the end of 2003. The prices of metals and minerals increased by 24.6 per cent on average in 2004, largely as a result of strong demand, particularly from China, low inventories and the weakness of the dollar.

### **Exchange Rate Developments**

During 2004 the US dollar weakened vis-à-vis other major currencies. The depreciation of the US dollar was particularly pronounced against the euro. The main contributing factors were concerns about the size of the US twin deficits - the external current account and the fiscal. On an annual average basis the euro appreciated by 5.1 per cent against the US dollar. The Canadian dollar appreciated by 19.0 per cent relative to the US dollar as a result of an increase in demand for Canadian products. The euro strengthened against the pound sterling, the Canadian dollar and major Asian currencies in 2004. The decline in the pound sterling was partly influenced by indications of a slowdown in economic growth in the UK.

### **Prospects**

The outlook for global growth in 2005 is favourable. Real GDP is projected to increase by 4.3 per cent in 2005, underpinned by continued strong growth in China and increased investment in the US. Among the major countries, growth of 3.6 per cent is projected for the US economy. In Asia, excluding Japan, growth will likely slow to 7.1 per cent from 7.8 per cent in 2004. In Latin America economic growth of 3.6 per cent is projected for 2005 based on sustained domestic demand.

However, there are some downside risks to the global economic outlook. These include rising oil prices, higher interest rates, depreciation of the US dollar and increasing current account imbalances.



# REGIONAL ECONOMIC DEVELOPMENTS

## Overview

Economic indicators suggest that most of the larger members of the Caribbean Community (CARICOM) experienced growth in 2004, notwithstanding damage to several countries by hurricanes Frances, Ivan and Jeanne. The improvement stemmed from increased tourism activity, supported by favourable economic conditions in the major trading partner countries and ongoing investment in construction related projects. Among the countries, growth was strongest in Trinidad and Tobago and Belize. In Barbados real GDP growth accelerated. In The Bahamas and Jamaica the increase in output was below expectations, attributable to the impact of hurricane Ivan. During the year under review, inflation rates remained relatively low for most of the member countries.

The improved economic conditions had a positive impact on the fiscal accounts of the central governments of Guyana, Barbados and Belize. There were mixed performances in the external sector. Increases in the net international reserves were recorded for The Bahamas, Trinidad and Tobago and Jamaica. Despite narrower current account deficits in some other countries, net foreign reserves fell as a result of higher outflows on the capital and financial account. Increases were recorded in broad money and domestic credit.

## Output

Tourism was the impetus to the improved performances of CARICOM economies in 2004. The available information indicates increases in the number of visitors to all countries, with broad based growth across the source markets. A number of factors contributed to the increase, including a stronger global economy, a weaker US dollar relative to most

currencies, as well as additional airlift and tourism accommodation.

For the Bahamian economy real GDP growth is estimated at 2.5 per cent for 2004, underpinned by strong performances in tourism and construction. Growth was recorded in tourist arrivals, associated with enhanced promotional efforts, expansion of hotels in the Family Islands and additional flights from New York and the UK. The construction sector benefited from an increase in residential buildings, ongoing road rehabilitation and the start of expansion work at a Paradise Island resort. Partly reflecting the increase in residential construction activity was an upturn in mortgage commitments.

In Barbados economic performance strengthened. Output rose by 3.7 per cent in 2004, the third consecutive year of increase and the highest rate since 1998. This outcome was influenced by growth in value added in tourism and the non-traded sectors. In the tourism industry, increases were recorded in the number of stay-over visitors and cruise ship passengers.

In Belize real output grew at a reduced rate, with GDP increasing by 5.0 per cent in 2004 compared with 9.4 per cent in 2003. This performance was influenced by a slowdown in the pace of tourism activity, as the rate of growth in arrivals was below that recorded in 2003, reflecting the impact of hurricanes in Florida. Output in the agricultural and manufacturing sectors increased, driven by higher production levels of banana and sugar cane.

In Guyana the economy recovered in 2004, following the contraction experienced in the previous year. Real GDP rose by 1.5 per cent in contrast to the 0.7 per cent decline in 2003, supported by strong



performances in the construction and services sectors, partly associated with low-income housing development.

In Jamaica hurricanes Charley and Ivan contributed to a downward revision in the real GDP growth rate for 2004 from 2.1 per cent to 2.0 per cent. Real GDP growth was partly driven by increased value added in the construction sector, associated with a number of projects including modernisation of the seaports and the Norman Manley International Airport, an additional hotel and a new highway. Growth in the agricultural and manufacturing sectors was constrained as a result of hurricane damage to crops, as well as power outages and inadequate water and transportation services in the aftermath of the hurricanes.

Trinidad and Tobago recorded growth of 6.7 per cent in real GDP, spurred largely by developments in the energy sector. Increases were also recorded in tourism and manufacturing, while agricultural output declined.

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

Consumer price inflation remained in the single digit range in most of the larger CARICOM countries despite the increase in international oil prices. In The Bahamas and Barbados inflation exhibited a downward trend, while in Belize and Trinidad and Tobago it was above the 2003 level. Higher food prices contributed largely to the increase in the consumer price index. In Guyana a reduction in the consumption tax on oil imports resulted in a lower inflation rate. Jamaica however, recorded a double-digit inflation rate of 11.0 per cent, reflecting an increase in food prices in the aftermath of hurricane Ivan. Complete data on wage movements in the region are not available for 2004. Unemployment rates for most of the countries are likely to have edged

downwards in 2004 as a result of the economic expansion.

### **Central Government Fiscal Operations**

The available information indicates that fiscal performance improved in most of the countries in 2004, as evidenced by smaller overall deficits. This improvement was associated with a faster rate of growth in current revenue relative to the increase in current expenditure. In The Bahamas the overall deficit fell to \$143.2m from \$174.4m in 2003, reflecting increased revenue from the government's sale of shares in two companies. The overall operations of the central governments of Barbados and Belize also generated smaller deficits. Fiscal restraint exercised by the central government of Guyana resulted in a surplus on the current account for the first nine months of the year, in contrast to a deficit for the corresponding period of 2003. However, in Jamaica it is likely that the fiscal position of the central government weakened, influenced by a fall in revenue after the hurricanes. Preliminary estimates of fiscal performance in Trinidad and Tobago show a 16.2 per cent decrease in the current account surplus, as current expenditure grew faster than current revenue. The increase in revenue was mainly driven by higher oil prices.

### **Money and Credit**

During 2004 monetary policy in the majority of the larger CARICOM countries focussed on stimulating credit demand. Commercial banks in some countries reduced their lending rates, while the Central Bank of The Bahamas relaxed restrictions on outstanding credit. These efforts resulted in declines in the liquidity levels.

In The Bahamas growth was recorded in domestic credit, which had been relatively flat since 2002. Broad





money also increased, attributable to the strong performance of the tourism industry. Liquidity in the commercial banking system of Barbados tightened, following six consecutive years of increase. The Central Bank of Barbados implemented a number of policy measures, including reductions in the reserve requirement by 4.0 percentage points to 12.0 per cent and in the minimum rate on deposits by 25 basis points to 2.25 per cent. In Belize liquidity tightened as growth in credit outpaced that of deposits. The expansion in credit was broad based. During 2004 the Bank of Guyana continued to improve the soundness and oversight of the banking system. These efforts included modifications and updates to the Financial Institutions Act and the Bank of Guyana Act. In Jamaica, monetary policy continued to focus on keeping inflation low and lowering interest rates. During the year the exchange rate depreciated marginally. In Trinidad and Tobago liquidity management and a stable exchange rate were the focus of monetary policy during 2004. The reserve requirement was reduced by 3.0 percentage points to 11.0 per cent and the prime lending rate fell by 0.8 percentage point to 8.75 per cent.

### External Sector

External sector developments in the larger CARICOM countries were characterised by higher inflows from travel receipts and increased import payments, influenced in part by high international oil prices. In The Bahamas increased travel receipts and direct investment inflows resulted in an accumulation of external reserves. Barbados' current account deficit widened to 10.5 per cent of GDP, the largest since 1997. The deterioration was attributed to double-digit growth in all categories of imports. This development, coupled with lower capital and financial inflows, resulted in a decline in the net international reserves of the monetary authority. In Belize the current account deficit narrowed, reflecting a decline in imports and an increase

in the surplus on the services account. Much of the contraction in imports was associated with reduced purchases of capital goods. A smaller surplus was recorded on the capital and financial account, mainly due to lower inflows of official capital and increased outflows of other investments. The current account deficit narrowed in Guyana, reflecting an increase in export earnings. Jamaica reported a worsening in its current account deficit, influenced by an increase in import payments partly as a result of the rise in fuel prices. However, a higher level of inflows of direct investment and official capital resulted in an increase in the net international reserves of the Bank of Jamaica. In Trinidad and Tobago an overall balance of payments surplus was recorded, largely reflecting an increase in export receipts attributable to higher prices for oil, a major export of Trinidad and Tobago.

### Prospects

The outlook for the larger CARICOM countries for 2005 is promising. Economic activity is projected to expand, supported by tourism and construction. Growth in construction activity is likely to be driven by ongoing work on major public and private sector projects, including preparations for World Cup Cricket 2007. In addition the sector will benefit from rehabilitation efforts in those countries affected by the hurricanes. Continued global economic recovery, increased marketing and recent expansions in hotel room capacity in some member countries will boost activity in the tourism industry. The outlook for the agricultural sector is uncertain for 2005, as prices for the main export crops are expected to decline. In line with these expectations, the external current account deficit is not likely to improve. With respect to central government fiscal operations, most member countries are projecting increased revenue, based on the anticipated expansion in economic activity.



Rising oil prices could constrain growth in the region, reduce the competitiveness of regional goods and lower the intake from the consumption tax. The depreciation of the US dollar relative to other major currencies in 2004 was an important contributor to the improved performance of tourism. The prospects for the dollar are uncertain as the US trade deficit and interest rates

continue to rise. A further depreciation of the dollar will contribute to higher import prices for goods sourced from non-dollar trading countries. The threat of natural disasters is very real, given the predictions of above normal hurricane activity in 2005. The region will therefore continue to face the challenge of sustaining economic growth.



## DOMESTIC ECONOMIC DEVELOPMENTS

### Overview

Economic activity in the Eastern Caribbean Currency Union (ECCU) increased in 2004, the third consecutive year of expansion. Real GDP growth rose to 3.9 per cent from 3.5 per cent in 2003. The expansion was supported by strong growth in tourism and construction activity and a rebound in banana production. Consumer prices in the ECCU rose by 2.4 per cent during 2004. The consolidated fiscal operations of the central governments resulted in a smaller overall deficit. The disbursed outstanding debt of the central governments rose in 2004.

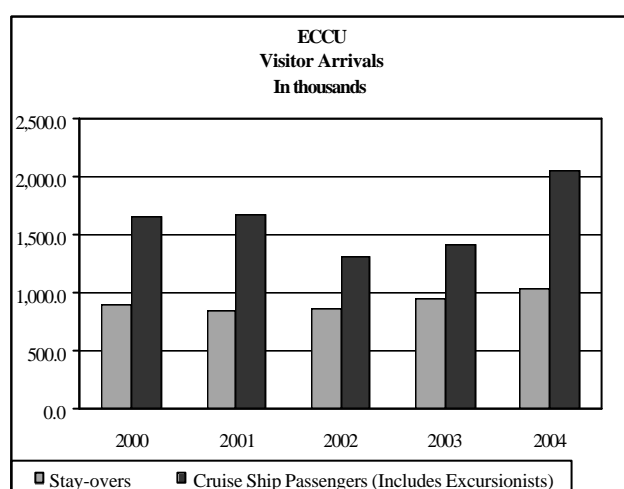
In the banking system strong growth was recorded in net foreign assets and broad money, consistent with the expansion in economic activity. Interest rates on time deposits trended downwards during 2004, partly attributable to the high levels of commercial bank liquidity. In the external sector the overall surplus increased, largely as a result of a higher level of inflows from travel and insurance proceeds.

In 2005 economic activity in the ECCU is projected to expand, as the number of visitors increases and construction activity intensifies. However, further hikes in international oil prices, adverse weather and international geo-political developments pose some downside risks to the 2005 projections.

### Output

Value added in the hotels and restaurants sector, an indicator of tourism activity, grew by an estimated 8.4 per cent in 2004, following a 12.4 per cent increase in 2003. All the member countries except Grenada reported increases in value added, with rates ranging from 5.9 per cent in St Lucia to 32.6 per cent in

St Kitts and Nevis. In Grenada value added declined by 13.1 per cent, largely reflecting the effect of hurricane Ivan in September. The number of stay-over visitors, the largest contributor to value added in the hotels and restaurants sector, rose by 10.1 per cent to 1.0m. Stay-over arrivals from the USA and UK, two of the major markets, grew by 11.0 per cent and 10.2 per cent respectively.



Of the other categories of visitors, the number of cruise ship passengers grew by 48.5 per cent to 1.9m, consistent with a 17.9 per cent increase in the number of cruise ship calls. The growth in calls was largely attributed to the inclusion of some member countries on the itinerary of the cruise liners. The number of yacht passengers fell marginally to 135,175, mainly reflecting a decline in arrivals to Grenada. These developments led to a 29.3 per cent increase to 3.2m in total visitors to the currency union in 2004. The growth in visitor arrivals was influenced by stronger economies in the main tourist markets, a weaker US dollar and increases in airlift to some ECCU countries.

The construction sector provided a boost to economic performance in the currency union in 2004.



Value added in that sector grew by 5.5 per cent compared with 4.4 per cent in 2003, driven by major construction projects in some member countries. Public sector projects included airport expansion and upgrading, road rehabilitation and low cost housing. Activity in the private sector focussed on hotel construction and golf courses. Partly reflecting the expansion in construction activity was a 36.0 per cent increase in commercial bank credit for construction.

Output in the agricultural sector is estimated to have expanded by 0.1 per cent in 2004 in contrast to a 4.7 per cent decline in the previous year, mainly on account of increases in banana production. Notwithstanding hurricane damage to banana crops in Grenada, St Lucia and St Vincent and the Grenadines, banana output rose by 15.9 per cent to 78,015 tonnes. Increases were recorded in all the banana producing countries except Grenada at rates ranging from 0.3 per cent in St Vincent and the Grenadines to 24.6 per cent in St Lucia. The improved performance stemmed from favourable weather during the first eight months of 2004, an increase in acreage under cultivation and ongoing investment to improve productivity in the industry.

Cocoa production grew by 23.7 per cent to 763 tonnes, partly as a result of a revitalisation programme coupled with an increase in the advance price offered to farmers. Output of nutmeg expanded by 13.5 per cent to 2,762 tonnes, attributable to favourable weather during the first eight months of 2004. Sugar cane production however fell by 0.1 per cent to 169,208 tons.

Output in the manufacturing sector is estimated to have declined by 1.8 per cent in 2004, partly reflecting lower production in Grenada. In St Lucia output of textile and copra derivatives contracted as a result of a fall in export demand. Increases were recorded in output of rice, beer and animal feed in St Vincent and the Grenadines. In Dominica production of beverages

and soap rose, reflecting increased demand in both local and external markets.

The higher level of activity in construction and tourism contributed to growth of 10.4 per cent in value added in the transport sector. Of the other service sectors, the wholesale and retail sector increased by 3.8 per cent and communications rose by 4.1 per cent.

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

The acceleration in economic activity in 2004 was achieved in a climate of relatively low inflation. The GDP weighted consumer price index (on an end of year basis) for the region rose by 2.4 per cent during 2004 compared with 1.5 per cent during 2003. Prices rose in all the member countries, driven in part by higher international oil prices, new tax measures and the appreciation of major currencies, including the euro and pound sterling, against the EC dollar. Increases in consumer prices ranged from 0.9 per cent in Dominica to 5.1 per cent in Anguilla.

Public sector wages rose in some member countries. Salary and wage increases were awarded to civil servants in Grenada (4.0 per cent), St Kitts and Nevis (10.0 per cent), St Lucia (3.0 per cent) and St Vincent and the Grenadines (4.0 per cent). Port Authority workers in Antigua and Barbuda received a 3.0 per cent wage increase and a 1.0 per cent bonus. The minimum wage rates for workers in some sections of the private sector in St Kitts and Nevis were also increased in 2004.

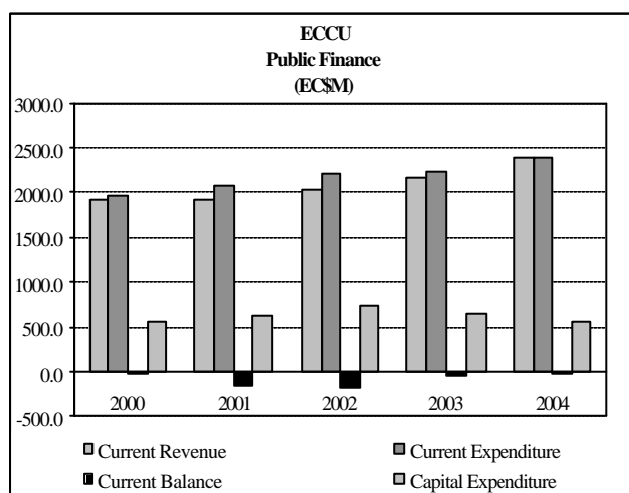
Comprehensive data on employment in the ECCU are not available for 2004. It is likely that the expansion in construction and tourism translated into increased employment in those areas. Hurricane damage to the economic infrastructure of Grenada may have resulted in some temporary layoffs in the last four months of



2004. In the public sector the available data indicate increases in employment in Montserrat, St Kitts and Nevis and St Lucia.

### Central Government Fiscal Operations

The consolidated fiscal operations of the central governments resulted in a decrease in the overall deficit to \$262.6m in 2004 from \$401.1m in 2003. As a percentage of GDP the overall deficit fell by 1.8 percentage points to 3.0 per cent. This performance was influenced by an increase in current revenue and lower capital outlays. The primary balance, (total revenue minus non-interest expenditure) shifted to a surplus of 1.3 per cent of GDP from a deficit of 0.9 per cent of GDP in 2003.



Of the member countries, lower overall fiscal deficits were recorded for Antigua and Barbuda, Grenada and St Lucia. In Dominica the overall balance shifted into surplus, reflecting the impact of the IMF supported Poverty Reduction and Growth Facility. In Montserrat the surplus fell, while Anguilla moved to an overall deficit from a surplus in 2003. St Kitts and Nevis and St Vincent and the Grenadines recorded larger overall deficits.

The current account deficit fell to 0.3 per cent of GDP from 0.7 per cent of GDP in 2003, reflecting a higher rate of growth in revenue relative to the increase in expenditure. Current revenue grew by 9.5 per cent to \$2,370.9m, attributable to stronger economic activity, new fiscal measures and improved tax administration in some member countries. Revenue from taxes on domestic goods and services rose by 24.3 per cent, reflecting increases in collections from hotel accommodation tax, licences, stamp duties and sales tax. Receipts from taxes on international trade and transactions grew by 11.6 per cent, attributable to growth in imports and increases in the rate of the consumption tax (in St Lucia) and the customs service charge (in Dominica and St Lucia). The yield from the consumption tax on imports grew by 7.9 per cent and collections of customs service charge rose by 12.1 per cent. These increases were partly offset by declines in revenue from taxes on income and profits (0.9 per cent) and from non-tax sources (1.0 per cent).

Current expenditure grew by 7.7 per cent to \$2,395.5m in 2004. The growth was broad based. Outlays on personal emoluments rose by 3.7 per cent, largely reflecting salary increases awarded to civil servants in Grenada, St Kitts and Nevis, St Lucia and St Vincent and the Grenadines. Growth of 10.9 per cent in expenditure on goods and services was partly driven by higher international oil prices, increased maintenance costs, and post-hurricane repairs. Interest payments rose by 13.5 per cent, influenced by an increase in external interest payments. Expenditure associated with transfers and subsidies rose by 10.1 per cent, reflecting an increase in pensions in some member countries and subventions to a statutory body established in Anguilla in early 2004.

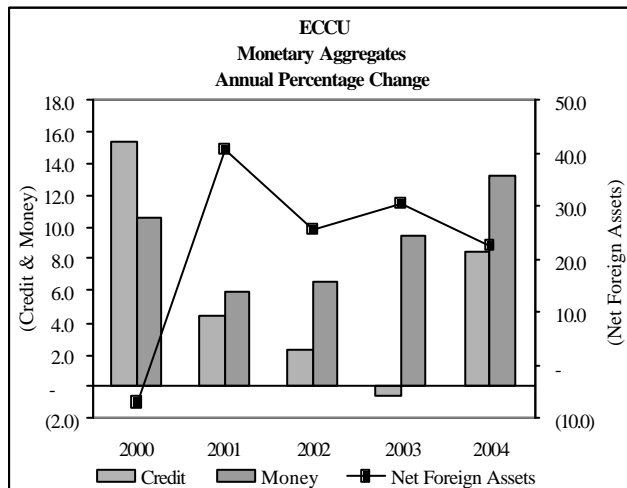
Capital expenditure and net lending declined by 9.7 per cent to \$576.8m, partly attributable to the completion of some major projects. Lower capital outlays were



recorded in Antigua and Barbuda, Montserrat, Grenada, St Lucia and St Vincent and the Grenadines. Capital expenditure in 2004 was associated with upgrading airports and electricity and water supplies as well as building roads, community centres, sporting complexes and low cost housing.

**Money and Credit**

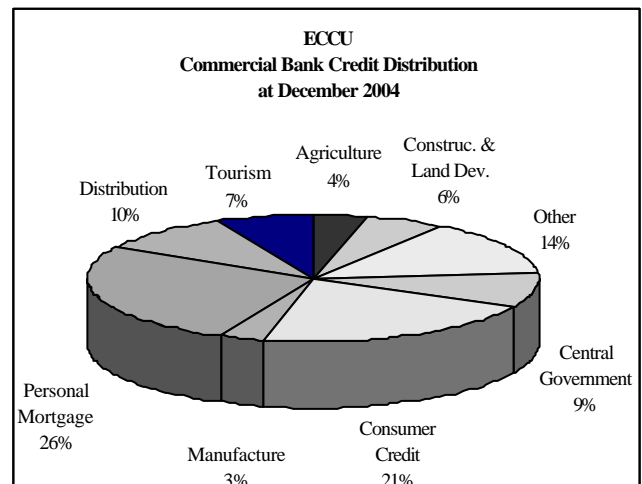
Broad money (M2) grew by 13.2 per cent to \$8,352.5m during 2004 compared with the increase of 9.5 per cent during 2003, consistent with the expansion in economic activity. The stock of narrow money (M1), which is linked to spending in the economy, rose by 25.1 per cent, reflecting an increase in private sector demand deposits. Quasi money rose by 10.1 per cent, driven by increases of 20.3 per cent and 15.9 per cent in private sector foreign currency and savings deposits. Time deposits fell by 5.6 per cent, partly attributable to lower interest rates on those deposits.



Domestic credit rose by 8.5 per cent to \$6,354.9m during 2004, partly reflecting the expansion in economic activity. Outstanding loans to the private sector grew by 6.2 per cent, attributable to increases in credit to both households (7.0 per cent) and business entities (5.1 per cent). Credit to the non-bank financial

institutions rose by 25.3 per cent, while their deposits fell by 2.6 per cent. Consequently, the net deposits of those institutions declined by 20.0 per cent. Increased borrowing by the non-financial public enterprises resulted in an 11.0 per cent decline in their net deposits. Reflecting in part the improvement in the fiscal position, the net indebtedness of the central governments fell by 13.5 per cent. Credit to the central governments rose by 7.0 per cent and their deposits grew by 25.6 per cent, partly associated with grants to Grenada following hurricane Ivan. All the new credit was obtained from commercial banks, largely in the form of investment in government bonds. Credit from the Central Bank fell by 33.9 per cent, attributable to declines in loans and advances and in the central governments' operating accounts.

The distribution of commercial bank credit by economic activity shows a 36.0 per cent increase in outstanding loans for construction, reflecting the strong performance of that sector. Credit for personal use rose by 5.7 per cent, influenced by growth in loans for home construction and renovation and for other personal use. Increases in credit were also recorded for distributive trades (4.2 per cent) and agriculture (4.2 per cent).



The net foreign assets of the currency union rose by 22.4 per cent to \$2,890.8m during 2004. This performance reflected increases in the net foreign assets of the Central Bank (17.5 per cent) and commercial banks (30.1 per cent). The increase in net external assets was associated with higher inflows of grants, travel receipts and foreign direct investment.

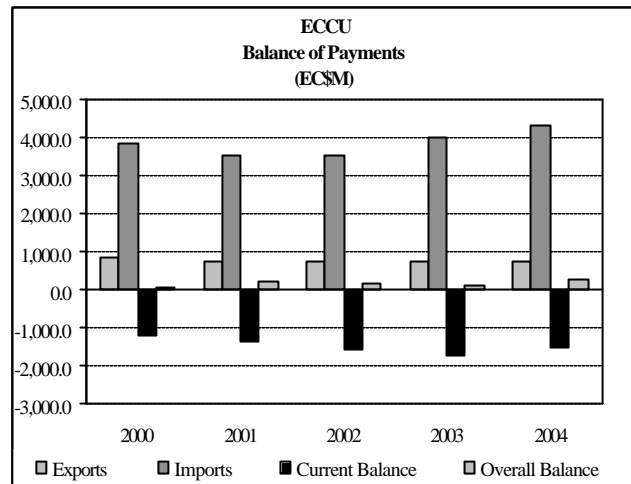
Commercial bank liquidity increased during 2004. The ratio of liquid assets to total deposits plus liquid liabilities was 38.1 per cent at the end of 2004, representing a 2.4 percentage point increase on the ratio for 2003. The loans and advances to deposits ratio declined by 2.4 percentage points to 69.8 per cent, reflecting an increase in deposits. Interest rates remained generally stable except for the maximum rate on time deposits in the category two years and under, which fell to 8.0 per cent from 9.25 per cent at the end of 2003.

### Balance of Payments

The external position of the currency union improved in 2004 relative to the performance in the previous year. An overall balance of payments surplus of \$278.0m was realised compared with one of \$123.8m in 2003. As a share of GDP, the surplus rose to 3.1 per cent from 1.5 per cent in 2003. The current account deficit is estimated to have narrowed to 17.2 per cent of GDP from 21.2 per cent of GDP in 2003. The improvement in the external position was largely attributed to higher inflows from services and transfers.

Net inflows from services transactions rose by 20.2 per cent to \$1,994.1m, reflecting higher inflows from travel. Gross travel receipts peaked at \$2,957.7m, representing a 12.7 per cent increase on the total in 2003. This performance was influenced by double-digit growth in the number of stay-over visitors and

cruise ship passengers. All the member countries except Grenada reported increases in travel receipts.



Net inflows of current transfers increased by 82.2 per cent to \$627.2m, equivalent to 7.1 per cent of GDP, up from 4.2 per cent of GDP in 2003. This outturn was attributed to increased inflows of budgetary support in some member countries and grants in kind as well as insurance proceeds associated with hurricane damage in Grenada.

The merchandise trade deficit is estimated to have widened to 40.5 per cent of GDP from 39.4 per cent in 2003, reflecting growth in the value of imports. Payments for imports are estimated to have increased by 8.4 per cent to \$4,313.6m, influenced in part by growth in economic activity and higher international oil prices. All the member countries with the exception of St Kitts and Nevis recorded increases in the value of imports, ranging from 3.6 per cent in Montserrat to 33.4 per cent in Anguilla. The growth in Anguilla was mainly associated with airport development.

The value of exports is estimated to have risen by 3.5 per cent to \$730.7m in contrast to a 2.6 per cent decrease in 2003, reflecting higher receipts from some



traditional exports and an increase in the value of re-exports. Revenue from domestic exports rose by 2.4 per cent to \$544.3m, after three consecutive years of decline. This outturn was largely attributed to growth of 16.4 per cent in earnings from banana exports, reflecting increases in the volume exported and in the unit price, as a result of favourable exchange rate movements. All banana-producing countries with the exception of Grenada recorded increases in banana export earnings, ranging from 1.1 per cent in St Vincent and the Grenadines to 27.2 per cent in Dominica. Receipts from nutmeg fell by 20.1 per cent as a result of a decrease in the volume exported. Earnings from sugar declined by 22.1 per cent, due to a fall in volume exported. The value of re-exports grew by 7.1 per cent, largely associated with re-exports of machinery from Montserrat and Anguilla on completion of their airport development projects.

Net outflows on the income account grew by 13.5 per cent, driven by an increase in the debt service payments by the member governments. Interest payments on loans and bonds amounted to \$299.2m in 2004, an increase of 24.6 per cent compared with the total in 2003.

The surplus on the capital and financial account is estimated to have declined by 2.4 percentage points to 20.3 per cent of GDP in 2004, influenced by developments in the financial account. Net inflows of portfolio investment fell to \$91.7m from \$400.9m in 2003, largely reflecting lower inflows to St Kitts and Nevis and St Lucia. Net inflows of foreign direct investment were 7.5 per cent below the level in 2003 as a result of lower inflows to Antigua and Barbuda. The external transactions of the commercial banks resulted in a net outflow of \$274.7m compared with one of \$454.1m in 2003. With regard to official long term capital, net inflows to the central government amounted to \$114.7m compared with \$49.0m in 2003.

## **Public Sector Debt**

Preliminary data indicate that at the end of December 2004 public sector outstanding debt (including arrears) amounted to \$9,481.9m, representing a 8.5 per cent increase on the total for 2003. As a percentage of GDP, the consolidated public sector debt rose to 107.1 per cent at the end of 2004 from 105.2 per cent at the end of 2003. The increase in the public sector debt stemmed from growth of 14.2 per cent in the stock of domestic debt, largely reflecting a higher level of borrowing by the central governments. At the end of 2004 the domestic debt of the central governments stood at \$3,029.8m, an increase of 10.1 per cent on the level at the end of 2003.

The consolidated external debt of the public sector increased by 8.2 per cent to \$5,862.4m. As a percentage of GDP the public sector external debt rose to 66.2 per cent from 65.3 per cent in 2003. The performance largely reflected increases in the external debt of the central governments in all of the territories except Montserrat.

The currency composition of the ECCU's external debt shows that at the end of 2004 the largest proportion was denominated in US dollars - 73.6 per cent compared with 68.7 per cent at the end of 2003. Euro debt accounted for 2.8 per cent of the total, down from 10.6 per cent in 2003. EC dollar debt represented 8.7 per cent compared with 7.5 per cent. The maturity profile of the debt stock indicates that the proportion of loans with a maturity period of fifteen years or more fell to 40.4 per cent from 53.1 per cent at the end of 2003. The proportion of debt falling due within five years rose to 4.2 per cent from 3.1 per cent at the end of 2003. Loans to governments on commercial terms (with significantly shorter repayment periods) contributed to the developments in the maturity profile of the debt.





Total debt service payments of the central governments increased by 20.7 per cent to \$753.6m in 2004. As a ratio of current revenue, debt service payments rose to 31.8 per cent from 28.8 per cent in 2003. External debt service payments as a proportion of export earnings rose to 9.6 per cent from 8.0 per cent in 2003.

The growth in debt service payments partly reflected an increase of 46.6 per cent in St Vincent and the Grenadines, associated with the issue of bonds on the external market. In Antigua and Barbuda debt service payments expanded by 30.8 per cent reflecting payments on two external loans. Higher principal repayments in relation to domestic debt contributed to an increase of 26.5 per cent in Anguilla. In Dominica debt service payments rose by 20.0 per cent as the central government resumed payments on a bond issued on the external market. St Lucia recorded a 15.3 per cent increase, reflecting principal repayments on a bond held by a Trinidad based bank. Of the other member countries, lower rates of increases were recorded for Grenada (17.4 per cent) and St Kitts and Nevis (1.5 per cent). Montserrat registered a 22.2 per cent decline, reflecting a reduction in outstanding debt. At the end of 2004 accumulated arrears by the public sector amounted to \$860.6m, representing a 4.8 per cent increase on the level at the end of 2003.

### Prospects

Growth in real GDP is projected for the ECCU in 2005, based on an increase in visitor arrivals and buoyancy in construction activity supported by a higher level of inflows of foreign direct investment and capital grants. Favourable economic conditions and additional airlift from the main tourist markets as well as increased investment in tourist accommodation are expected to contribute to growth in visitor arrivals. The construction sector is expected to benefit from inflows of both official

grants and foreign direct investment, associated with hotel development and stadia for World Cup Cricket 2007 in Antigua and Barbuda, Grenada, St Kitts and Nevis, and St Lucia. Rebuilding and rehabilitative efforts in Grenada will also provide a boost to construction activity in 2005. The pace of activity in the agricultural sector is likely to slow, partly as a result of hurricane damage to traditional crops, particularly in Grenada.

Notwithstanding the projected expansion in economic activity the overall fiscal deficit (before grants) of the central governments is projected to widen, based on an increase in capital expenditure associated in part with preparations for World Cup Cricket 2007. The current account balance is likely to improve, partly as a result of growth in revenue from new tax measures and ongoing improvements in tax administration. Growth in current expenditure is projected, albeit at a lower rate than that of revenue. The award of salary increases in some member countries in 2004 and 2005 is expected to contribute to the higher level of expenditure.

The external current account deficit is projected to widen in 2005 based on an increase in the merchandise trade deficit and lower inflows of current transfers. Growth in the value of imports is projected, driven by an expansion in construction and tourism activity. Inflows of current transfers are projected to fall, as receipts of hurricane-related aid are likely to be lower than in 2004. The widening of the current account deficit will be tempered by growth in travel receipts. The surplus on the capital and financial account is projected to increase, reflecting a higher level of inflows of development aid and official loans associated with the redevelopment of Grenada and preparations for the World Cup cricket. An increase in foreign direct investment inflows is projected, associated with tourism development projects.



Despite the projection for stronger economic activity, some downside risks and challenges exist.

These include further increases in international oil prices and higher international interest rates.



# ANGUILLA

## Overview

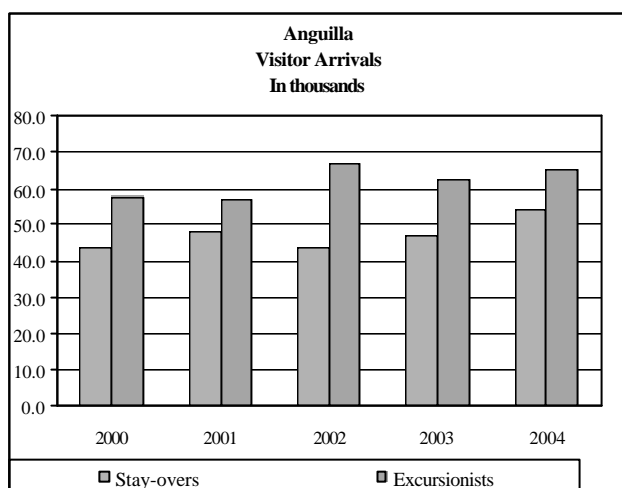
Economic activity in Anguilla is estimated to have expanded by 14.0 per cent in 2004 compared with growth of 3.3 per cent in 2003. This rate was the highest recorded since 1988 when real GDP expanded by 15.6 per cent. The 2004 expansion was attributed to increased tourism activity and growth in the construction sector. Consumer prices rose by 5.1 per cent, compared with growth of 6.9 per cent during 2003. The fiscal operations of the central government resulted in an overall deficit, largely due to a higher level of capital spending. Increases were recorded in monetary liabilities and net foreign assets, while interest rates remained relatively unchanged. Liquidity in the banking system remained high. On the external accounts an overall balance of payments surplus was recorded, primarily as a result of increased inflows on the financial account.

The economy is projected to expand in 2005, driven by growth in construction and tourism. Work on two major luxury resorts will be the main impetus for the expansion in construction activity. Tourist arrivals are expected to increase as a result of improved marketing and promotion, as well as increased airlift. Higher import payments and inflation are projected as a result of rising international oil prices.

## Output

Growth of 53.0 per cent in value added in the construction sector was a major contributor to the overall increase in output in 2004. The sector's contribution to GDP rose to 15.8 per cent from 11.8 per cent in 2003. Construction activity in both the public and private sectors was robust. Public sector construction activity centred on road development and

the airport expansion project, which included extending the runway, renovating the terminal facilities and upgrading equipment for air traffic control and fire services. Private sector construction focussed on a golf course and hotel project.

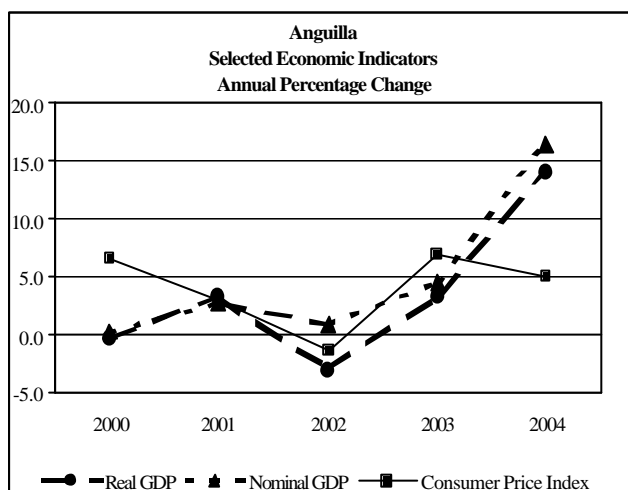


Value added in the hotels and restaurants sector grew by 14.5 per cent compared with growth of 6.7 per cent in 2003. Preliminary figures show that stay-over arrivals increased by 14.5 per cent to 53,711. The number of stay-over visitors from the USA grew by 15.2 per cent to 35,295, representing two-thirds of the total stay-over arrivals. Increases were also recorded in the number of stay-over visitors from the UK (8.6 per cent), Canada (18.4 per cent), Germany (69.0 per cent) and Italy (12.3 per cent). Those performances were largely due to increased marketing. Stay-over visitor arrivals from the Caribbean declined by 1.3 per cent. The number of excursionists rose by 4.9 per cent to 65,419, accounting for 54.9 per cent of the total visitors.

Value added in the transport sector rose by 22.1 per cent in 2004, influenced by increased construction and tourism activity. This sector's share of total output



increased to 5.2 per cent in 2004 from 4.8 per cent in 2003. Consistent with the growth in imports, value added in the wholesale and retail trade sector increased by 15.0 per cent compared with growth of 5.9 per cent in 2003. Of the other services, value added in the banks and insurance sector grew by 9.6 per cent and that for the government services sector rose by 2.0 per cent.



### Prices, Wages and Employment

The rate of inflation, as measured by the change in the consumer price index (on an end of period basis), was 5.1 per cent during 2004 compared with 6.9 per cent during 2003. Increases were recorded for all sub-indices except "housing", which declined by 2.1 per cent. The "food" sub-index, the highest weighted, rose by 4.6 per cent. Reflective of the increase in oil prices on the international market, the "fuel and light" sub-index rose by 14.4 per cent, almost twice the growth recorded during 2003. The sub-index "transport and communication" grew by 1.5 per cent. Data on private sector wage movements for 2004 are not available. In the public sector, wages and salaries remained stable. Complete data on employment are not available. However, it is likely that the expansion in tourism and construction activity resulted in an increase in employment.

### Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall deficit of \$18.4m (4.9 per cent of GDP) in 2004 in contrast to a surplus of \$9.1m (2.8 per cent of GDP) in 2003, largely as a result of increased capital expenditure. The current operations resulted in a surplus of \$21.8m (5.8 per cent of GDP), driven by strong growth in revenue relative to the increase in current expenditure. Current revenue exceeded its budgeted estimate by \$23.1m, while current expenditure was below the budgeted amount by \$3.6m.

Current revenue increased by 35.5 per cent to \$115.7m (30.8 per cent of GDP) in 2004 compared with the total in 2003, mainly as a result of higher tax collections. Receipts from taxes on domestic goods and services rose by 67.6 per cent, largely reflecting higher collections from the stamp duty. Revenue from the stamp duty more than tripled, associated with the sale of two large private residences. Receipts from the accommodation tax rose by 31.9 per cent (\$2.9m), reflecting the increase in stay-over arrivals and the collection of arrears.

Collections from taxes on international trade and transactions increased by 27.7 per cent to \$47.5m. Reflective of an expansion in imports, receipts from import duties rose by 28.1 per cent following growth of 1.3 per cent in 2003. Revenue from the ticket tax introduced in April 2003 more than quadrupled to \$1.4m.

Current expenditure increased by 13.1 per cent to \$93.9m compared with growth of 2.5 per cent in 2003. As a percentage of GDP, however, current expenditure fell to 25.0 per cent from 26.1 per cent in 2003. Higher outlays on transfers and subsidies were primarily responsible for the growth in current expenditure. Outlays on transfers and subsidies were \$16.4m above the total recorded in 2003, largely as a result of

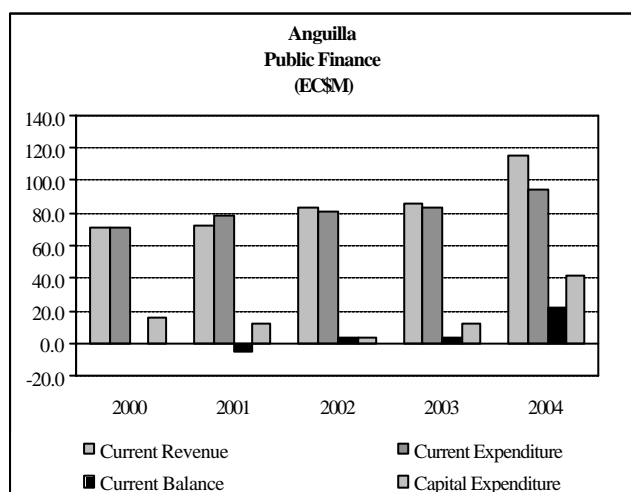


subventions to the Health Authority established in early 2004. Increased subsidies to other statutory bodies also contributed to higher outlays on transfers and subsidies. Expenditure on personal emoluments declined by 14.4 per cent in contrast to growth of 3.2 per cent in 2003. The transfer of some workers from the central government to the health authority accounted for this decline. Interest payments fell by 8.6 per cent (\$0.3m), in contrast to growth of 2.9 per cent in 2003.

service payments to current revenue was 7.4 per cent compared with 8.0 per cent in 2003.

### Money and Credit

Broad money (M2) increased by 18.9 per cent to \$698.1m compared with growth of 7.6 per cent during 2003. The acceleration in the rate was attributed in part to the expansion in economic activity. During 2004 quasi money grew by 19.4 per cent compared with an increase of 6.9 per cent during 2003. Of the components of quasi money, private sector foreign currency deposits exhibited the highest growth - 23.4 per cent - associated with proceeds from offshore banking activities. Private sector savings deposits rose by 15.8 per cent, while time deposits fell by 9.5 per cent. Indicative of the expansion in economic activity, M1 grew by 6.5 per cent, influenced by increases in private sector demand deposits (7.1 per cent) and currency with the public (5.6 per cent).



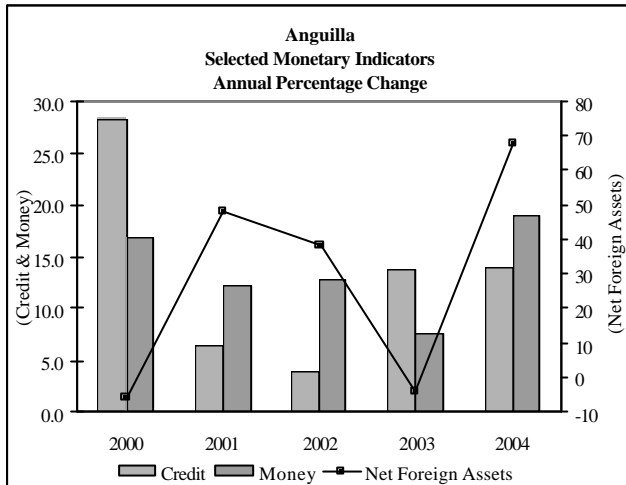
Capital expenditure more than tripled to \$41.7m (11.1 per cent of GDP) in 2004. The growth in capital expenditure was associated with road development and the Wallblake Airport improvement project, in particular the extension of the runway. Capital expenditure was financed through a combination of domestic loans, savings and grants.

Domestic credit expanded by 14.0 per cent to \$552.6m, driven by a 9.4 per cent increase in private sector credit. The growth in private sector credit was reflective of increased lending to households (9.3 per cent) and businesses (9.4 per cent). The net indebtedness of the central government to the banking system more than doubled in 2004, attributed to an increase in commercial bank credit to finance the airport project.

The total disbursed outstanding debt of the central government amounted to \$69.0m (18.4 per cent of GDP) at the end of 2004 compared with \$35.5m (11.2 per cent of GDP) at the end of 2003. Borrowing in 2004 consisted primarily of domestic loans from the commercial banking system to finance the airport expansion project. The external debt grew by 6.5 per cent to \$14.7m, equivalent to 3.9 per cent of GDP, down from 4.3 per cent of GDP in 2003. The ratio of debt

The distribution of credit by economic activity shows that a major portion of the increase in commercial bank credit was associated with mortgage financing. Outstanding loans for home construction and renovation increased by 36.0 per cent during 2004. Of the other activities, loans for construction increased by 14.6 per cent, while credit for tourism and the distributive trades fell by 1.2 per cent and 0.8 per cent respectively.





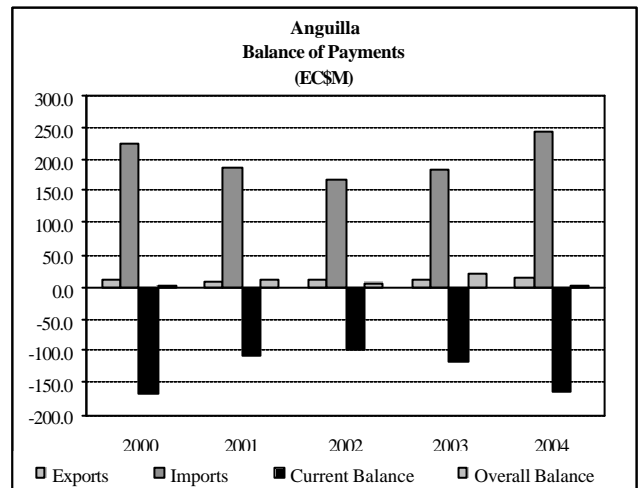
The net foreign assets of the banking system rose by 67.7 per cent to \$336.4m in contrast to a decline of 4.2 per cent during 2003. This increase was associated with an expansion in commercial banks' net external assets held outside the currency union, largely reflecting increases in their foreign investment and balances due from banks abroad. Anguilla's imputed share of the reserves held by the Central Bank increased by 2.9 per cent to \$92.5m.

Liquidity in the commercial banking system remained high during 2004. The ratio of liquid assets to total deposits plus liquid liabilities stood at 49.3 per cent compared with 43.5 per cent during 2003. The loans and advances to total deposits ratio fell by 0.6 percentage point to 66.1 per cent.

The maximum interest rate offered on savings deposits fell to 4.0 per cent during 2004 from 5.0 per cent during 2003. The maximum rate on time deposits fell by 2.0 percentage points to 6.0 per cent for deposits with maturity over one year to two years and increased by 1.0 percentage point to 8.0 per cent for deposits maturing after two years.

### Balance of Payments

Preliminary estimates of the balance of payments for 2004 show a widening of the current account deficit to \$163.9m (43.7 per cent of GDP) from \$116.4m (36.6 per cent of GDP) in 2003. This performance was largely attributed to an increase in the merchandise trade deficit, which more than offset higher inflows from travel. The merchandise trade deficit rose to 60.7 per cent of GDP in 2004 from 53.7 per cent of GDP in the previous year. Payments for imports (f.o.b.) rose by 33.4 per cent, mainly due to the importation of raw materials for the airport expansion and the hotel and golf course projects. The value of exports increased by 35.3 per cent to \$15.5m, reflecting growth in re-exports, mainly equipment from the airport project.



Net inflows from services increased by 12.2 per cent to \$81.0m in 2004 in contrast to a decline of 0.7 per cent in 2003. This outturn was mainly attributed to higher inflows from travel. Gross travel receipts were estimated at \$187.3m, consistent with the growth in visitor arrivals.



The surplus on the capital and financial account increased by 22.8 per cent to \$166.5m, equivalent to 44.4 per cent of GDP in 2004 compared with 42.6 per cent of GDP in 2003. This growth was mainly associated with higher inflows of foreign direct investment (FDI), which more than tripled to \$282.0m. A major hotel and golf course development and increased land sales to non-residents were the main contributors to the growth in FDI. Commercial bank transactions resulted in a net outflow of \$133.1m in 2004, in contrast to a net inflow of \$27.9m in 2003, reflecting a high level of liquidity. On the capital account, grants to the central government amounted to \$1.5m, associated with the airport expansion. These developments resulted in an overall balance of payments surplus of \$2.6m (0.7 per cent of GDP) compared with one of \$19.1m (6.0 per cent of GDP) in 2003.

### Prospects

The outlook for 2005 appears favourable. Growth in real GDP is projected based on likely developments in tourism and construction. Visitor arrivals are expected to increase, based on improved marketing and promotion. The tourism industry is also expected to benefit from coverage and publicity, by two major US television networks, of a wedding show and the Jazz Festival in Anguilla. The airport expansion will

facilitate larger aircraft, which could also boost visitor arrivals. The prospects for tourism will, however, depend on income growth in the industrialised countries, particularly the USA and Europe, as Anguilla depends on visitor arrivals from those markets.

Private sector construction activity will remain buoyant and contribute to the growth in the economy. Major projects include a new international championship golf course, a hotel and real estate properties.

A current account surplus is projected on the fiscal accounts of the central government based on improvements in expenditure control and tax administration. A computerised revenue system is to be implemented in 2005 to link all the major revenue collecting departments, including Customs and Financial Services. The system is expected to improve efficiency in revenue collections. The government of Anguilla is expecting a grant from the European Development Fund (EDF) that would be used to repay domestic loans for the airport expansion.

In the external sector, gross travel receipts will grow in line with the increase in visitor arrivals. Based on the expansion in construction and tourism activity, the import bill is likely to increase. Consumer prices will increase if energy costs continue to rise.



# ANTIGUA AND BARBUDA

## Overview

Provisional estimates indicate that output in Antigua and Barbuda grew by 5.2 per cent in 2004, fuelled primarily by growth in tourism, transport, and wholesale and retail trade. The consumer price index rose by 2.1 per cent. The central government's fiscal operations resulted in a smaller overall deficit, attributable to a decline in capital expenditure and higher revenue. In the banking system, monetary liabilities and net foreign assets expanded and liquidity remained high. The overall balance of payments surplus fell in 2004 as a result of lower inflows on the capital and financial account.

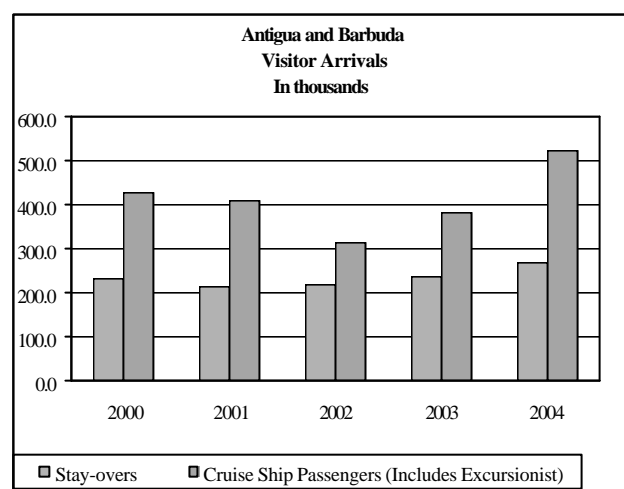
In 2005 output is projected to increase, driven by developments in tourism and construction. The merchandise trade deficit is likely to widen, but an overall balance of payments surplus is expected as a result of growth in inflows from travel and direct investment. The central government is expected to introduce tax and expenditure measures to strengthen the overall fiscal position.

## Output

Activity in the tourism industry, as measured by value added in the hotels and restaurants sector, grew by 12.0 per cent following the expansion of 10.2 per cent in 2003. In 2004 the sector's contribution to GDP increased by 0.8 percentage point to 12.9 per cent. This outturn was largely associated with an 11.9 per cent increase to 267,626 in the number of stay-over visitors.

An analysis of stay-over visitors by country reveals that 62.9 per cent of visitors originated from the USA and the UK. Visitor arrivals from the UK increased

by 20.4 per cent, attributable to increased airlift, an appreciation of the pound sterling against the US dollar and an international cricket match. Growth in the number of visitors from the USA (9.3 per cent) was largely associated with increased airlift and enhanced marketing. Arrivals from the Caribbean grew by 12.1 per cent.



The number of cruise ship passengers rose by 36.2 per cent to 522,744, attributable to an increase of 26.2 per cent to 371 in the number of cruise ship calls. Strong growth in the number of cruise ship passengers was observed throughout 2004.

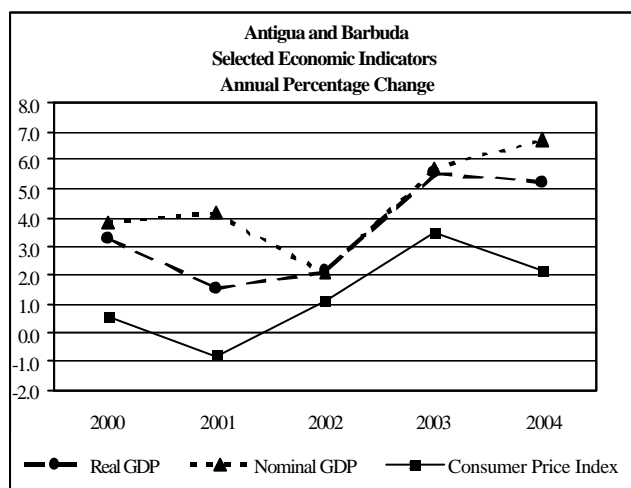
The increase in stay-over visitors and cruise ship passenger arrivals resulted in growth of 26.2 per cent to 808,148 in the total number of visitors in 2004.

Of the other service sectors, value added in the transport sector grew by 15.3 per cent, reflecting an increase in the "road transport" sub sector. This performance was associated with the larger number of cruise ship passengers. Output of electricity and water rose by 6.4 per cent following a decline of 2.7 per cent in 2003. The outturn in 2004 was attributed to





a return to normal production after intermittent disruptions in the previous year. Output in the wholesale and retail trade sector grew by 4.0 per cent, reflecting the expansion in economic activity. Output of government services rose by 2.0 per cent, while value added in the banks and insurance sector declined by 4.4 per cent.



Activity in the construction sector increased by 2.5 per cent following growth of 6.7 per cent in 2003. The decline in the pace of construction activity was attributed to the completion of villas in Jolly Harbour, and the postponement of work on two major private sector projects. Consequently, the sector's share of GDP decreased to 13.7 per cent from 14.1 per cent in 2003. Private sector construction projects in 2004 included four business complexes, two hotels, a new parliament building and a number of residential properties. Public sector activity focussed on road and drain improvements and a new public library. In the fourth quarter of 2004 work began on a fisheries complex and a new cricket stadium.

### Prices, Wages and Employment

The rate of inflation, as measured by the change in the consumer price index, was 2.1 per cent in 2004.

The rise in the general price level was primarily attributed to a 6.7 per cent increase in the "food" sub-index, which has the largest weight in the basket of consumer goods and services. The prices of most food items increased, partly reflecting the impact of higher oil prices. The rise in the "fuel and light" sub-index (1.4 per cent) was also associated with higher international oil prices. Increases were also recorded in the sub-indices "medical care and expenses" (3.5 per cent) and "education" (1.2 per cent). These increases were partly offset by decreases in the sub-indices "transport and communication" (3.0 per cent), "household furnishings and supplies" (2.2 per cent) and "clothing and footwear" (0.6 per cent).

There were no increases in the wages and salaries of civil servants. Employees at the Port Authority received a 3.0 per cent wage increase and a 1.0 per cent bonus during 2004. Complete data on employment are not available. It is likely that the growth of output in the hotels and restaurants sector resulted in an increase in the number of workers employed in the tourism industry.

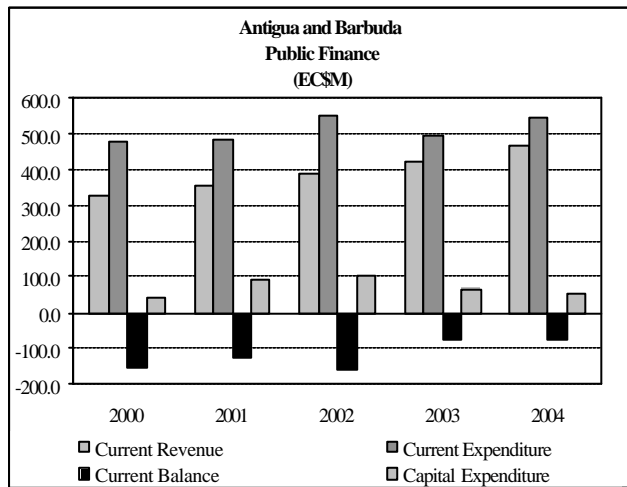
### Central Government Fiscal Operations

Preliminary data on the fiscal operations of the central government indicate that in 2004 an overall deficit of \$67.8m (3.1 per cent of GDP) was realised, compared with one of \$126.8m (6.2 per cent of GDP) in 2003. The lower overall deficit resulted from a reduction in capital expenditure and growth in revenue. The primary balance shifted to a surplus of \$36.9m from a deficit of \$49.3m in 2003. As a share of GDP, the current account deficit narrowed to 3.4 per cent from 3.7 per cent in 2003, reflecting faster growth in current revenue relative to the increase in current expenditure.



Current revenue rose by 11.3 per cent to \$468.2m, mostly reflecting growth in tax revenue (12.1 per cent), consistent with the expansion of the economy. The yield from taxes on international trade and transactions grew by 22.5 per cent (\$50.2m), attributable to an increase in the value of imports, particularly petroleum products, and higher receipts from the passenger facilitation charge introduced in July 2003.

Revenue from taxes on domestic goods and services grew by 15.7 per cent, fuelled by increased receipts from the hotel and guest tax and the stamp duty. The growth in revenue from the hotel and guest tax was associated with the increase in stay-over arrivals. Higher collections from the stamp duty were attributed to increases in land sales and mortgages for residential construction.



Receipts from taxes on income and profits contracted by 25.9 per cent in 2004. This outcome reflected a decline in revenue from the company tax, following an increase in 2003 associated with the collection of arrears.

Preliminary data show that current expenditure increased by 9.0 per cent to \$542.2m but was below

the budgeted amount of \$563.7m. Growth in interest payments (35.1 per cent), transfer and subsidy payments (8.5 per cent) and outlays on goods and services (8.1 per cent) contributed to the higher expenditure. The increase in interest obligations was largely attributed to the accumulation of external arrears. Higher outlays on transfers and subsidies reflected the government's initiatives in providing students with uniforms and increasing the minimum pension payment to \$500 per month. Expenditure on personal emoluments rose by 1.4 per cent, associated with a \$10.0m retroactive wage payment in December 2004. The increase in outlays on goods and services largely reflected payments for furniture and minor repairs to some offices.

Capital expenditure declined by 19.1 per cent to \$53.0m, as some projects were completed. In 2004 capital expenditure was associated with work on roads and drains, and equipment for the airport. Capital grants totalling \$11.1m were expended on a fisheries complex and preparatory work on the World Cup cricket stadium.

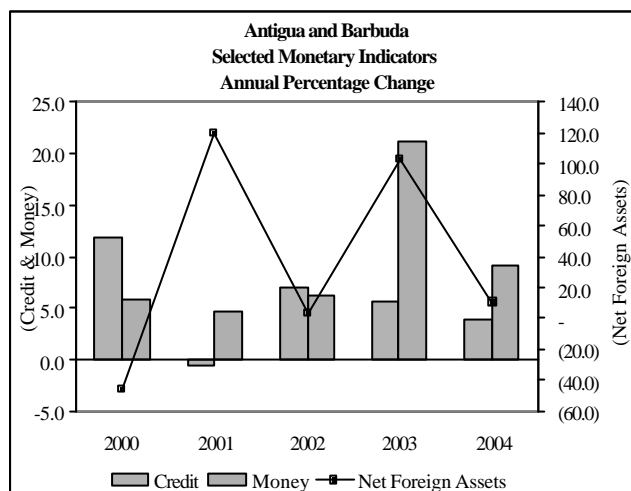
At the end of 2004 the total disbursed outstanding debt (including arrears) of the central government stood at \$2,676.2m, an increase of 0.5 per cent compared with the total at the end of 2003. The debt stock as a percentage of GDP rose to 132.9 per cent from 130.0 per cent in 2003.

**Money and Credit**

Monetary liabilities (M2) grew by 9.1 per cent to \$2,041.3m during 2004, reflecting the increase in economic activity. The expansion was reflected in both quasi money and narrow money (M1). Quasi money rose by 6.4 per cent, driven by growth in foreign currency deposits (25.2 per cent) and savings deposits (18.4 per cent). Time deposits declined by 4.6 per cent, in response to a reduction in interest rates. M1



rose by 20.2 per cent, reflecting a 22.2 per cent increase in demand deposits and a 14.6 per cent rise in currency held with the public.



Domestic credit expanded by 3.8 per cent to \$1,556.8m, influenced by growth in borrowing by the private sector and the non-bank financial institutions. Private sector credit grew by 2.0 per cent, attributable to increased loans to both households (3.1 per cent) and business entities (0.9 per cent). Outstanding credit, mainly in the form of investments, to non-bank financial institutions rose by 15.7 per cent, while their deposits declined by 41.2 per cent. As a consequence their net deposits with the commercial banks fell by 79.6 per cent.

Net borrowing by the central government declined by 8.6 per cent to \$267.6m, influenced by an increase in commercial bank deposits. This outcome was consistent with the improved fiscal performance. Commercial banks' holdings of treasury bills increased by 22.3 per cent to \$30.1m. This increase was partly offset by a 5.5 per cent (\$13.9m) reduction in loans and advances to central government.

The distribution of credit by economic activity reveals that commercial bank lending for home

construction and renovation grew by 11.2 per cent, reflecting increased mortgage promotions by some commercial banks. Credit to the construction sector rose by 21.4 per cent, indicative of the number of projects financed by the domestic banking system. Lending for tourism and the distributive trade declined by 12.9 per cent and 4.5 per cent respectively.

The net foreign assets of the banking system expanded by 9.9 per cent to \$733.9m. Antigua and Barbuda's imputed share of the Central Bank's reserves stood at \$324.3m at the end of December 2004, a 5.6 per cent increase above the level at the end of December 2003.

Commercial bank liquidity increased during 2004. The ratio of liquid assets to total deposits plus liquid liabilities grew by 0.6 percentage point to 37.4 per cent. The ratio of loans and advances to total deposits declined by 2.6 percentage points to 75.0 per cent. The cash reserve to deposits ratio grew by 0.9 percentage point to 9.6 per cent.

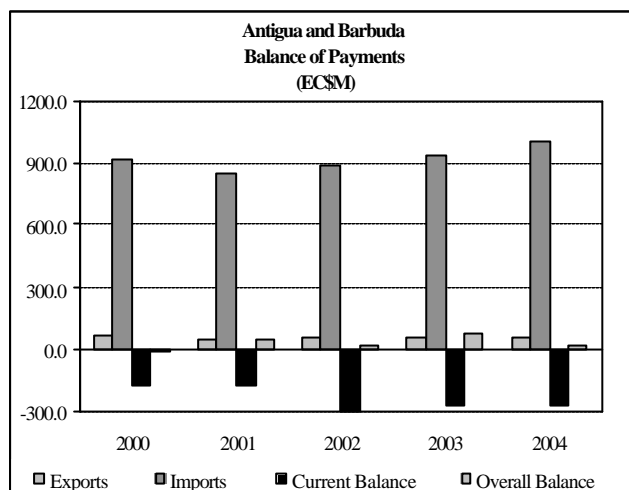
There were downward movements in most interest rates during the period. The maximum interest rate on savings deposits declined to 5.0 per cent from 8.0 per cent. The rates offered on time deposits decreased from a range from 1.0 per cent to 9.25 per cent to a range of 1.0 per cent to 7.0 per cent at the end of 2004.

### Balance of Payments

Preliminary data on the balance of payments for 2004 show that the current account deficit expanded by 1.6 per cent to \$271.6m (12.3 per cent of GDP), primarily reflecting developments on the merchandise trade and income accounts. The merchandise trade deficit increased by 7.0 per cent to \$943.5m, as a result of higher import payments. Merchandise imports (fob)



grew by 7.0 per cent to \$997.5m, consistent with the expansion in economic activity.



On the income account, net outflows rose by 20.4 per cent to \$136.2m (6.2 per cent of GDP) compared with the total in 2003. The increase in 2004 was largely associated with higher debt service payments by the public sector. Interest obligations on the stock of external debt increased by 32.6 per cent to \$75.2m.

The surplus on the services account rose by 12.5 per cent to \$725.8m. The outturn was mainly associated with a 12.5 per cent increase in gross travel receipts to \$910.8m, consistent with the growth in visitor arrivals.

In 2004 net inflows on the capital and financial account contracted by 14.6 per cent to \$288.7m. This was influenced by a 42.8 per cent decline in net inflows of direct investment. Capital transfers increased to \$62.3m from \$21.3m in 2003, primarily associated with debt forgiveness from a bilateral creditor. Commercial bank transactions resulted in net outflows of \$48.7m, reflecting a build-up of external assets. An overall balance of payments surplus of \$17.1m (0.8 per cent of GDP) was recorded in 2004.

## Prospects

In 2005 real GDP is projected to grow by 4.6 per cent based on developments in tourism and construction. Indications are that stay-over arrivals will increase in 2005, based on additional airlift by three airlines from the UK and increased marketing in the USA and western Europe. The number of cruise passengers is expected to increase in 2005, as a result of the addition of Antigua and Barbuda to the itinerary of two major cruise lines. Activity in the construction sector is likely to expand based on ongoing and new projects in the private and public sectors. In the private sector, work on the airport, two major hotels and three other accommodation facilities is expected to begin in the first half of 2005. In the public sector, work on the fisheries complex, the cricket stadium and the airport runway and terminal building is expected to intensify in 2005. Other public sector projects include road development in Barbuda, a bus terminal and headquarters for two statutory bodies.

The current account deficit of the central government is projected to narrow in 2005 as a result of an increase in current revenue and a likely decline in current expenditure. Growth in current revenue is based on the introduction of tax measures and improvements in tax administration. These measures include the re-introduction of personal income tax and a change in the method of assessing property from rental to market value. The expected decline in expenditure will be driven by a reduction in outlays on personal emoluments and a decrease in interest payments. Reduced spending on personal emoluments will result from the central government's plan for public sector reform. The fall in interest payments will be influenced by a decline in the debt stock and ongoing negotiations for further debt forgiveness and



restructuring. Capital expenditure is expected to increase based on a faster rate of implementation of the public sector investment programme (PSIP).

Monetary liabilities and domestic credit are projected to increase as economic activity expands. In the external account, the merchandise trade deficit is likely to widen, fuelled by larger payments for imports associated with high oil prices and an expansion in construction and tourism activity. Gross travel receipts are expected to increase as a result of growth in visitor arrivals. Consumer prices are forecast to rise in line

with higher inflation expectations in the major trading partner countries.

The downside risks to the projections are increases in oil prices and interest rates, as well as new tax measures. The impact of high international oil prices on the central government's fiscal operations has been mitigated by its decision to adopt a more flexible fuel-pricing regime. New taxes and higher prices are expected to have an adverse impact on consumer spending. Interest rates are likely to increase, which may dampen private sector demand for credit.



# DOMINICA

## Overview

Economic activity is provisionally estimated to have improved in 2004, marked by an increase of 3.5 per cent in real GDP, after three consecutive years of decline. Value added increased in all sectors with the exception of government services. Consumer prices rose by 0.9 per cent in 2004 (on an end of period basis). An overall surplus was recorded in the fiscal operations of the central government in contrast to a deficit in the previous year. In the external sector an overall balance of payments deficit was realised, mainly influenced by higher outflows on the current account. Monetary liabilities expanded, mirroring the increase in GDP growth. Liquidity in the commercial banking system increased.

The economy is projected to expand by 3.8 per cent in 2005, supported by structural and fiscal measures. During 2005 the authorities in Dominica are expected to implement a five-year plan for growth and social protection. The current account surplus of the central government is expected to increase, based on higher revenue collections as a result of a more efficient tax administration system. Current expenditure is projected to decline, reflecting reductions in outlays on personal emoluments and debt service payments.

## Output

The agricultural sector rebounded in 2004 after several consecutive years of decline. Value added in that sector increased by 3.1 per cent in contrast to decreases averaging 3.0 per cent between 2000 and 2003. The sector's share of GDP remained relatively flat at 17.7 per cent. The growth in agricultural output was mainly attributed to developments in the banana industry. Banana production rose by 20.7 per cent to

12,531 tonnes, influenced by an increased yield per acre and improved agronomic practices. Output of non-banana agricultural products rose by 6.4 per cent.

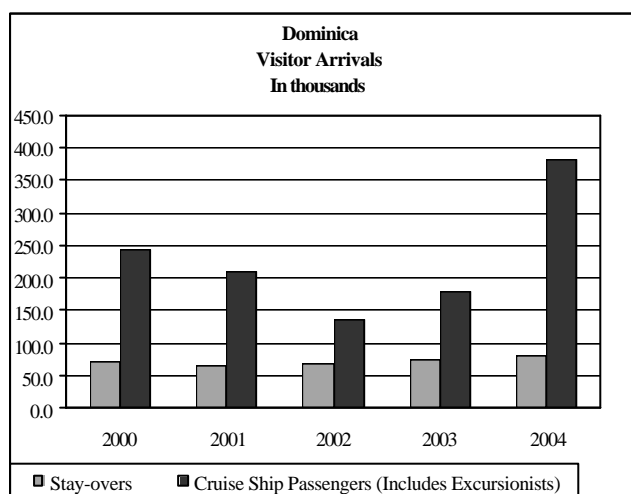
Construction activity increased, although at a slower pace than in 2003. Value added in the construction sector rose by 7.1 per cent compared with the 11.4 per cent rate in 2003. The sector's share of GDP expanded by 0.3 percentage point to 7.5 per cent. Growth in value added was influenced by higher levels of investment in both public and private sector projects, some of which started in 2003. Public sector construction projects included the fisheries complex at Marigot, rehabilitation of the Guilette/Penville road and sea defences at Guelle Lion/Anse Cola and at Deep Water Harbour/Canefield. In the private sector, activity focussed on residential construction. The number of homes under construction in 2004 grew by 28.4 per cent. Partly reflecting the increase in residential construction activity was a 14.4 per cent expansion in commercial bank credit extended for home construction and renovation.

In the manufacturing sector value added rose by 4.6 per cent compared with growth of 0.1 per cent in 2003. This outturn was attributed in part to an increase in the production of beverages (24.1 per cent), largely associated with increased beer production as local and external demand rose. Soap production rose by 4.0 per cent, due in part to higher demand for one of the brands.

Activity in the tourism industry is estimated to have increased in 2004. Value added in the hotels and restaurants sector, an indicator of the level of activity in the tourism industry, expanded by 10.9 per cent in contrast to a decline of 3.2 per cent in 2003. The sector's share of real output rose by 0.2 percentage



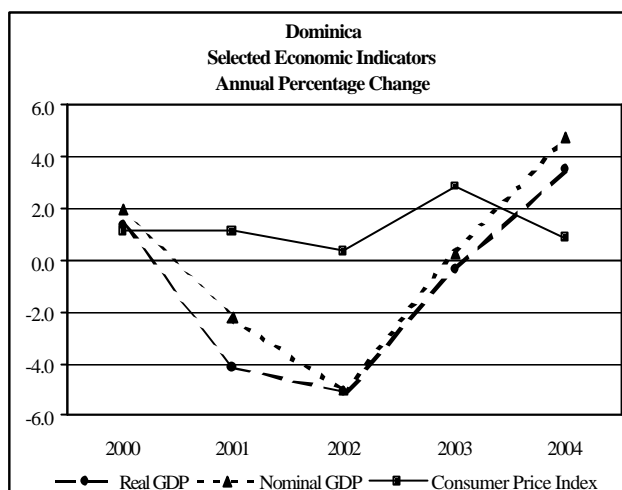
point to 2.6 per cent. This improvement was influenced by growth in the number of stay-over visitors, particularly those in paid accommodation. Arrivals from the Caribbean - the dominant market - increased by 11.0 per cent and those from the USA, the second largest market, rose by 12.0 per cent. The number of cruise ship passengers increased to 380,608 from 177,044 in 2003, in part reflecting the impact of 11 inaugural cruise ship calls including the Queen Mary II - the world's largest ship. The number of cruise ship calls rose to 286 in 2004 from 206 in 2003.



Value added in the transport sector expanded by 15.8 per cent compared with growth of 5.4 per cent in 2003. This outturn was influenced by increases in the road, sea and air transport sub-sectors, consistent with developments in construction and tourism. Value added in the communications sector was estimated to have increased by 6.0 per cent, following declines averaging 8.0 per cent in the previous four years. The outturn in 2004 was attributed in part to the start of operations by two mobile phone service providers.

Value added in the government services sector contracted by 4.8 per cent following a decline of 1.6 per cent in 2003. Consequently, the sector's share of real output fell by 1.7 percentage points to 19.4 per

cent. This outturn was associated with a reduction in the number of civil servants through retrenchment and attrition - one of the major expenditure control measures undertaken by government.



### Prices, Wages and Employment

The rate of inflation, as measured by the change in the consumer price index (CPI), was 0.9 per cent during 2004 compared with 2.8 per cent during 2003. The rise in the CPI was influenced in part by a 1.4 per cent increase in the "food" sub-index and growth of 3.3 per cent in the "housing" sub-index. Higher prices for meat largely contributed to the growth in the food sub-index, while increases in steel and cement prices influenced the rise in the "housing" sub-index. By contrast, decreases were recorded in the sub-indices for "fuel and light" (0.1 per cent) and "household furnishings and supplies" (1.5 per cent). The decline in the fuel and light sub-index mainly reflected a decrease in electricity rates, influenced by a one-off reduction in the fuel surcharge in December 2004.

In the public sector there were no salary increases during 2004. Data are not available on private sector wages and salaries. However the disposable income of workers in both the public and private sectors



benefitted from the removal of the 3.0 per cent stabilisation levy introduced in 2002 under the IMF's Stand-by Arrangement. Nominal wages and salaries for public sector workers continued to be affected by a 5.0 per cent cut introduced in July 2003 as part of the fiscal consolidation measures of the IMF programme. Data on employment are not available. It is likely that the higher level of economic activity resulted in increased employment in certain sectors.

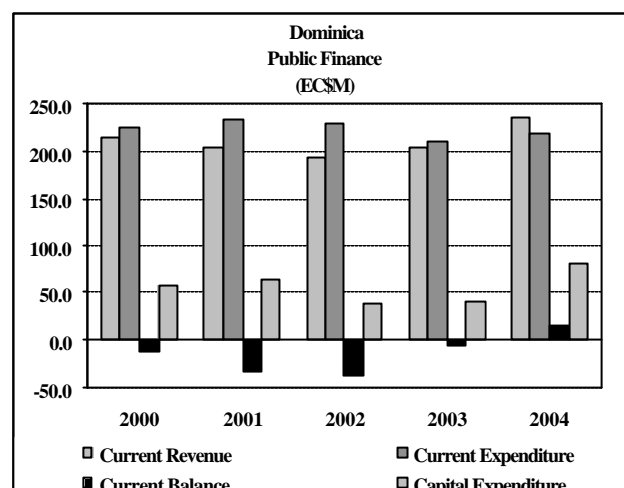
### Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall surplus of \$3.8m (0.5 per cent of GDP) in 2004 in contrast to a deficit of \$10.1m (1.4 per cent of GDP) in 2003. This outcome was largely attributed to growth in revenue as the government implemented fiscal reform measures to strengthen economic recovery.

A current account surplus of \$16.2m (2.1 per cent of GDP) was realised, in contrast to a deficit of \$5.9m (0.8 per cent of GDP) recorded in 2003. Current revenue rose by 14.8 per cent, influenced by higher receipts from tax and non-tax sources. Tax revenue expanded by 14.4 per cent, associated in part with growth in economic activity and improved tax administration and collection. Receipts from taxes on domestic goods and services rose by 39.1 per cent, mainly reflecting higher collections from the sales tax. The rate of the sales tax was increased to 7.5 per cent from 5.0 per cent in July 2003 and the tax base was broadened to include airline tickets purchased in Dominica.

Revenue from taxes on international trade and transactions rose by 14.3 per cent, associated with higher intake from import related taxes. Receipts from the consumption tax and the import duty increased by

6.1 per cent and 19.0 per cent respectively, largely influenced by growth in imports. Earnings from the customs service charge rose by 39.8 per cent in 2004, attributable in part to an increase in the rate from 2.0 per cent to 3.0 per cent effective 1 July 2003.



Revenue from property taxes more than doubled to \$4.7m, reflecting increased transfers and purchases of property influenced by lower mortgage rates. The yield from taxes on income and profit decreased by 13.3 per cent, mainly attributable to lower collections from the stabilisation levy, which was abolished in July 2004. Non-tax revenue rose by 18.1 per cent, reflecting growth in collections from fees, fines and sales.

Current expenditure increased by 3.9 per cent, influenced by growth in outlays on goods and services and external interest payments. Payments for goods and services rose by 29.7 per cent, with most of the increase occurring during the second quarter - the end of the fiscal year. External interest payments expanded by 94.5 per cent (\$12.0m), due in part to the resumption of payments on an external bond. By contrast interest payments on domestic commitments fell by 28.7 per cent (\$4.9m) as a result of a fall in domestic debt. Outlays on personal emoluments were reduced by 5.4





per cent, mainly attributable to a 5.0 per cent reduction in the public sector wage bill through retrenchment and attrition.

Capital expenditure and net lending amounted to \$78.3m (10.3 per cent of GDP) compared with \$38.8m (5.5 per cent of GDP) in 2003. Major capital projects in 2004 included the Japanese-funded Marigot fisheries complex and the CDB-funded Guelle Lion/Anse Cola sea defence wall. Of capital spending, \$55.7m was financed by grants. Capital revenue totalled \$2.6m. A primary surplus of \$40.7m (5.3 per cent of GDP) was realised in 2004.

At the end of 2004 the central government's total debt stock (including arrears) was estimated at \$760.5m, roughly 2.1 per cent above the level at the end of 2003. As a result of the improved economic activity, total debt as a percentage of GDP fell to 99.8 per cent from 105.6 per cent in 2003. Of the total, external debt rose by 9.8 per cent to \$535.8m, while the stock of domestic debt fell by 12.6 per cent to \$224.7m. The growth in external debt was in part associated with the economic recovery and stabilisation programme as well as government's contribution to the Caribbean Court of Justice. The decline in the domestic debt mainly reflected a reduction in the overdraft at commercial banks as a result of a debt restructuring exercise.

As part of a comprehensive debt management programme, the Commonwealth of Dominica began a debt restructuring exercise in April 2004. The government offered to exchange existing eligible claims with three series of bonds: the short bond (due 2014), the intermediate bond (due 2024) and the long bond (due 2034), each with a fixed interest coupon of 3.5 per cent. In addition, Dominica's largest single creditor agreed to restructure some of its claims by converting portions of outstanding loans into lower interest bearing

loans, and offering a 10-year moratorium and a 30-year maturity period on all loans.

Debt service payments rose by 20.0 per cent to \$49.7m in 2004, due in part to the resumption of payments on an external bond. The growth in debt service payments outpaced the increase in current revenue; as a result debt service payments as a share of current revenue rose to 21.2 per cent from 20.3 per cent in 2003.

### Money and Credit

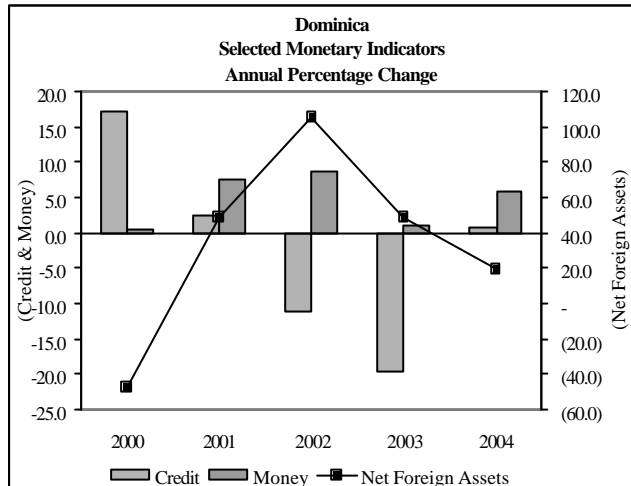
Broad money (M2) rose by 5.8 per cent to \$586.9m during 2004, attributed to the economic expansion. Of M2, quasi money increased by 6.5 per cent, attributable to expansions in private sector savings deposits (17.7 per cent) and foreign currency deposits (31.4 per cent). The increase in these deposits mainly reflected a higher level of savings by households. By contrast, private sector time deposits contracted by 15.0 per cent, possibly as a result of a fall in interest rates on those deposits. Narrow money (M1) rose by 3.1 per cent, mainly reflecting growth in currency in circulation.

Domestic credit increased by 0.9 per cent to \$362.4m in contrast to a decline of 19.7 per cent in 2003. The growth in domestic credit was influenced by a 7.2 per cent expansion in outstanding claims on the private sector. Of private sector credit, loans to households rose by 10.8 per cent and credit to businesses increased by 2.1 per cent.

The net indebtedness of the central government to the banking system fell by 48.0 per cent to \$14.5m during 2004. Central government's loans and advances from the commercial banks decreased by 69.8 per cent (\$36.8m), in part reflecting the improvement in the central government's fiscal operations. The Central Bank's holdings of Treasury bills declined by 77.8 per



cent (\$2.0m). The net deposits of the non-financial public enterprises rose to \$22.2m from \$3.8m in 2003, mainly associated with an increase in deposits of one of the enterprises.



The distribution of credit by economic activity reveals increases in commercial bank credit for distributive trades (17.4 per cent) and construction (13.9 per cent). By contrast decreases were recorded in credit extended for agriculture (0.5 per cent), manufacturing (12.7 per cent) and tourism (17.4 per cent).

The net foreign assets of the banking system rose by 19.4 per cent to \$357.1m during 2004, mainly reflecting developments in the commercial banking sector. Commercial banks' net foreign assets increased by 42.6 per cent, associated with an expansion in assets held with institutions in the rest of the Eastern Caribbean Currency Union. Dominica's imputed share of the reserves held by the ECCB decreased by 11.4 per cent.

During 2004 liquidity in the commercial banking system increased. The ratio of liquid assets to total deposits plus liquid liabilities rose to 52.7 per cent from 44.5 per cent at the end of 2003, primarily reflecting an increase in liquid assets. The loans and advances to

deposits ratio fell by 5.9 percentage points to 57.5 per cent, largely attributable to a 9.3 per cent expansion in deposits. The cash reserve ratio declined to 8.5 per cent at the end of December 2004 from 10.2 per cent at the end of December 2003.

The maximum interest rates on time deposits fell to 6.0 per cent from 8.0 per cent during 2003. The maximum prime lending rate fell to 10.0 per cent from 10.5 per cent, while the minimum rate remained unchanged at 8.5 per cent. The rates on savings deposits ranged from 3.0 per cent to 3.5 per cent.

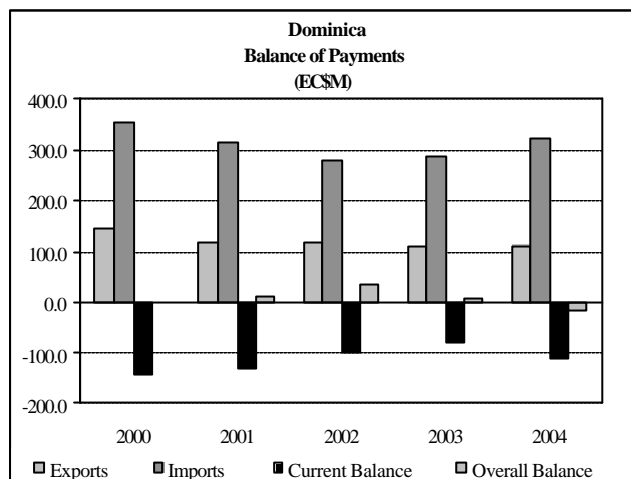
**Balance of Payments**

Dominica's external position deteriorated in 2004. The overall balance moved to a deficit of \$18.6m (2.4 per cent of GDP) from a surplus of \$7.3m (1.0 per cent of GDP) in 2003, attributable to a widening of the current account deficit.

The current account deficit rose to \$112.8m (14.8 per cent of GDP) in 2004 from \$79.5m (11.3 per cent of GDP) in 2003. This outcome was influenced by a deterioration on the merchandise trade account and higher outflows of income. Net outflows on the merchandise trade account rose by 19.4 per cent, mainly reflecting growth in the import bill. As a share of GDP, the merchandise trade deficit rose to 27.4 per cent from 24.8 per cent in 2003. The value of imports (f.o.b) increased by 13.1 per cent, associated with imports of machinery and equipment for two new telecommunication companies. Earnings from exports rose by 3.1 per cent, marked by growth in the exports of banana (27.2 per cent), soap (3.5 per cent) and beverages (21.3 per cent). On the income account, net outflows rose by 80.1 per cent, attributable to an increase in direct investment income outflows. By contrast, net inflows on the services account increased by 20.0 per cent, reflecting higher inflows from travel



(15.0 per cent), consistent with the expansion in visitor arrivals in 2004.



The surplus on the capital and financial account increased to \$94.3m from \$86.8m in 2003, and as a share of GDP rose to 12.4 per cent from 12.3 per cent. This outturn was influenced by developments on the capital account. Net inflows on the capital account rose by 25.6 per cent, reflecting an expansion in capital grants. On the financial account net inflows contracted by 15.2 per cent, marked by lower inflows of direct and portfolio investments. Inflows of official loans rose by 9.7 per cent, while principal repayments increased by 17.9 per cent. Net inflows of public sector long-term loans rose by 4.4 per cent. Commercial bank transactions resulted in a net outflow of \$72.7m compared with one of \$92.2m in 2003.

## Prospects

Dominica's economic recovery is expected to continue in 2005. Real GDP growth is projected at 3.8 per cent. Construction activity is likely to be buoyed by the Road Improvement and Maintenance (RIM)

project funded by the Caribbean Development Bank, reconstruction of schools, a new stadium and the Air Access Improvement Programme, which involves the renovation and expansion of the terminal building and car park at Melville Hall Airport. Growth in tourism activity is likely, based on increased marketing, favourable economic conditions in the major markets and the planned development of local eco-tourism sites. In the agricultural sector, banana production is expected to contract, partly as a result of a decrease in the number of farmers and landslide/earthquake damage in November 2004. In 2005 the authorities in Dominica are expected to implement a growth and social protection strategy aimed at stimulating growth and reducing poverty over a five-year period. Consequently emphasis will be placed on increasing productivity in the tourism industry and agricultural and fisheries sectors, and on enhancing linkages in the services and construction sectors.

The current account surplus of the central government will increase if it continues to follow a path of fiscal discipline and consolidation. This includes improving public expenditure management practices, strengthening the budgetary process and reforming the tax system. Lower debt service obligations are projected for 2005, reflecting the impact of the debt restructuring exercise. Retrenchment and attrition within the civil service are expected to contribute to smaller outlays on personal emoluments.

In the external sector the current account deficit is projected to widen as imports increase. Inflows from travel are expected to rise, consistent with the anticipated growth in total visitor arrivals. The projected decrease in interest payments is likely to be reflected in lower outflows on the income account.



# GRENADA

## Overview

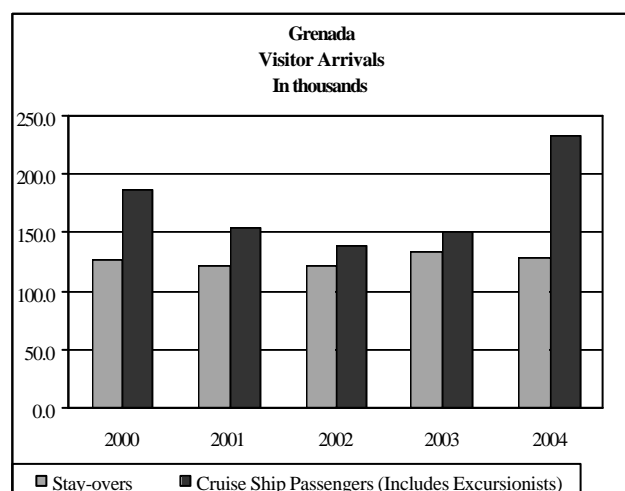
Economic activity in Grenada is provisionally estimated to have contracted by 3.0 per cent in 2004 following growth of 5.8 per cent in 2003. The primary cause of the contraction was the destruction wrought by hurricane Ivan in September, which resulted in declines in value added in agriculture, hotels and restaurants, manufacturing, construction, and wholesale and retail trade. Growth in value added was recorded for the communications, government services and transport sectors. The fiscal operations of the central government resulted in a narrowing of the overall deficit, on account of lower capital expenditure and an increase in grants. Developments in the banking system were characterised by an expansion in the rate of growth of monetary liabilities and net foreign assets. The consumer price index increased by 2.5 per cent on an end of period basis during 2004. In the external sector the overall balance shifted to a surplus from a deficit in 2003, largely as a result of inflows associated with budgetary support and insurance proceeds.

In 2005 output is projected to expand by 1.9 per cent, based primarily on an increase in construction activity associated with rehabilitation and reconstruction efforts. The central government's current account deficit is likely to increase as growth in expenditure will outpace that of revenue. In the external sector the current account deficit is expected to widen, based partly on higher imports and a contraction in insurance proceeds. Increases in interest rates and high oil prices on the international market pose some downside risks to the projections for economic growth. In addition, the pace of construction activity will depend on the rate of grant disbursements.

## Output

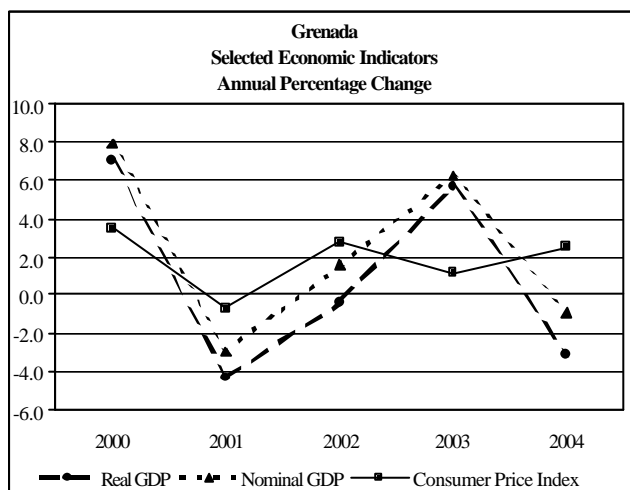
Value added in the agricultural sector contracted by 7.3 per cent in 2004 compared with a 2.4 per cent decline in 2003. Within this sector decreases were recorded for livestock production (10.0 per cent), forestry (19.4 per cent), fishing (16.7 per cent) and crop production (2.7 per cent), largely non-traditional crops. Increases were recorded in the output of nutmeg (13.5 per cent) and cocoa (23.7 per cent), attributable to strong growth in the first eight months due to favourable weather and an ongoing cocoa revitalisation programme.

Activity in the tourism industry, as measured by the hotels and restaurants sector, declined by 13.1 per cent after recording growth of 13.8 per cent in 2003. Stay-over visitor arrivals fell by 4.4 per cent to 127,904, reflecting contractions from most of the major markets. Declines were recorded in arrivals from the USA (11.2 per cent), UK (15.2 per cent) and Canada (3.5 per cent). Stay-over visitor arrivals from the Caribbean, which has become one of the major source markets, increased by 6.3 per cent to 39,209.



The number of cruise ship passengers rose by 54.5 per cent to 226,970, attributable to visits by larger vessels. The number of excursionists increased by 24.6 per cent, while yacht passenger arrivals fell by 24.8 per cent as a result of hurricane damage to the marinas.

Value added in the manufacturing sector contracted by 14.6 per cent in 2004, the fourth consecutive year of decline. The sector's share of total output fell by 0.9 percentage point to 6.5 per cent. This outturn was attributed to declines in the production of poultry feed (55.9 per cent), soft drinks (29.3 per cent), flour (27.2 per cent) and rum (16.0 per cent).



Construction activity fell in 2004, as major projects were completed in late 2003 and early 2004. Value added for construction decreased by 0.8 per cent in contrast to a 26.0 per cent increase in 2003. Construction activity in 2004 focussed on headquarters for a statutory body, road and bridge maintenance, ongoing work on the cruise port, phase II of the general hospital, and residential construction and repairs, particularly in the aftermath of hurricane Ivan.

The decreases in those sectors were partly offset by increases in value added for communications,

transport and government services. Value added in the communications sector grew by 7.2 per cent, largely associated with the entry into the market of a new mobile phone service provider.

Value added in the government services sector, the second largest contributor to GDP, rose by 3.5 per cent. In the transport sector, value added grew by 5.2 per cent, reflecting increases in the "road transport" and "sea transport" sub-sectors, largely influenced by cruise ship activity. Value added in the "air transport" sub-sector decreased by 2.7 per cent, due in part to the fall in stay-over visitor arrivals. The transport sector's share of GDP rose to 14.4 per cent from 13.3 per cent in 2003.

### Prices, Wages and Employment

The rate of inflation, as measured by the change in the consumer price index (on an end of period basis), was 2.5 per cent during 2004. Prices in the "food" sub-index rose by 2.8 per cent, reflecting in part higher prices for some vegetables and meats. Price increases were also recorded in the sub-indices "transportation and communication" (5.1 per cent) and "fuel and light" (6.9 per cent). Increases in boat and air fares contributed to the rise in the "transport and communications" sub-index. The "fuel and light" sub-index rose on account of higher prices for charcoal and electricity. Those increases were partly offset by declines in the sub-indices "household furnishing and supplies" (0.8 per cent) and "medical care and expenses" (0.9 per cent).

The available information on wages and salaries indicated that in 2004 civil servants received an increase of 4.0 per cent. Complete data on employment were not available during 2004. A survey conducted after hurricane Ivan shows that 4,000 persons were



unemployed. Worker displacements were particularly acute in the hotels and restaurants, agricultural and wholesale and retail trade sectors.

### Central Government Fiscal Operations

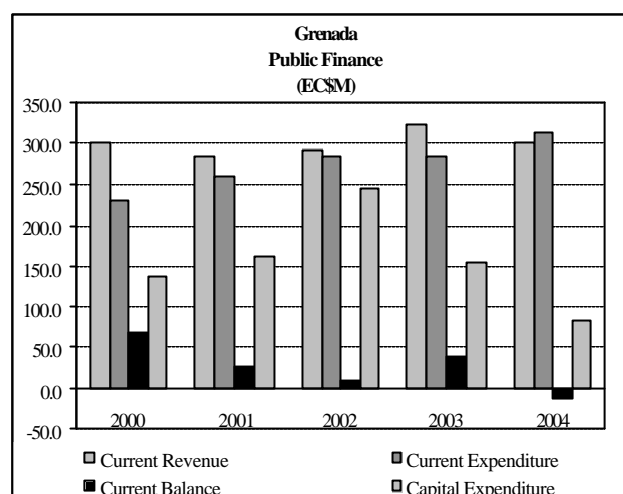
The fiscal operations of the central government resulted in a current account deficit of \$11.2m (1.0 per cent of GDP) in 2004, in contrast to a surplus of \$38.5m (3.2 per cent of GDP) in 2003. This development was attributed to a 7.0 per cent decline in current revenue coupled with a 9.4 per cent increase in current expenditure. As a share of GDP, current revenue declined by 1.5 percentage points to 25.5 per cent, while current expenditure rose by 2.6 percentage points to 26.4 per cent.

The decrease in current revenue was largely reflected in lower receipts from taxes on domestic goods and services, which fell by 12.0 per cent. This outcome was influenced by declines in revenue from licences (41.4 per cent) and consumption tax (6.7 per cent), due in part to the downturn in economic activity.

Receipts from taxes on international trade and transactions, which accounted for 60.1 per cent of tax revenue, fell by 3.8 per cent in contrast to growth of 15.5 per cent in 2003. Within this category, decreases were recorded in collections from the customs service charge (6.3 per cent), import duty (6.1 per cent) and consumption tax (0.6 per cent). The lower yield from taxes on international trade and transactions was the result of increased tax exemptions associated with the post-hurricane recovery.

Revenue from taxes on income and profits declined by 9.5 per cent. This outcome reflected a 14.6 per cent decrease in company tax receipts, as revenue from profits increased. Collections from non-tax sources decreased by 15.8 per cent to \$21.3m, associated with

contractions in profits and dividends, and receipts from administrative fees and charges.



The growth in current expenditure was influenced by higher outlays on all its components. Expenditure on personal emoluments rose by 13.2 per cent, associated with a 4.0 per cent salary increase as well as a 3.0 per cent retroactive salary payment for 2003. Spending on transfers and subsidies grew by 6.6 per cent, largely reflecting an increase in transfers to pensioners. Expenditure on goods and services increased by 13.8 per cent, primarily attributable to post-hurricane Ivan rehabilitation. Interest payments, which accounted for 20.2 per cent of current expenditure, increased by 1.0 per cent.

Capital expenditure fell by 47.3 per cent, reflecting the completion of major projects in late 2003 and early 2004. Capital expenditure was largely associated with road and bridge maintenance and phase II of the new general hospital. Grant receipts increased by 53.2 per cent (\$31.5m), reflecting inflows for budgetary support. A primary surplus of \$38.9m was recorded in 2004, up from one of \$5.0m in 2003. The developments in the current and capital accounts resulted in an overall deficit of \$24.2m (2.1 per cent of GDP) compared with one of \$57.5m (4.8 per cent of GDP) in 2003. The overall



deficit was financed through external borrowing and the accumulation of arrears.

The total disbursed outstanding debt (including arrears) of the central government stood at \$1,250.3m at the end of 2004, an increase of 17.3 per cent on the level in 2003. As a percentage of GDP, the total debt of the central government rose to 105.9 per cent from 89.0 per cent in 2003. The increase in the debt stock was attributed to growth of 22.4 per cent in external debt. External debt disbursements included a US\$41.5m bond for domestic debt refinancing and capital projects and a US\$4.4m emergency assistance loan from the IMF after hurricane Ivan. Scheduled debt service payments amounted to \$156.5m, an increase of 17.4 per cent over the total in 2003. As a share of current revenue, debt service payments represented 54.5 per cent, up from 41.2 per cent in 2003.

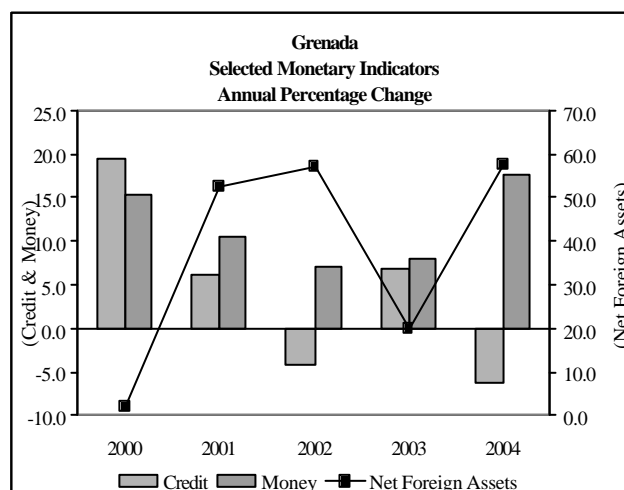
### Money and Credit

Broad money (M2) expanded by 17.7 per cent to \$1,483.4m during 2004, partly influenced by the inflow of insurance proceeds to compensate for property damage caused by hurricane Ivan. M1, which is closely related to spending in the economy, grew by 41.1 per cent, reflecting increases in currency with the public (20.5 per cent) and private sector demand deposits (52.2 per cent). Quasi money rose by 12.1 per cent, driven by growth in private sector savings deposits (21.4 per cent). The increase in quasi money was tempered by declines in time deposits (7.5 per cent) and foreign currency deposits (7.1 per cent).

Domestic credit fell by 6.3 per cent to \$929.9m during 2004 in contrast to an expansion of 6.9 per cent during 2003. This decline was associated with developments in both the public and private sectors. Net borrowing by the central government from the banking system fell by 40.7 per cent, as credit

decreased by 18.4 per cent while deposits almost doubled. This performance was on account of inflows of external loans and budgetary aid in the aftermath of the hurricane. The net deposits of the non-financial public enterprises increased by 48.3 per cent, reflecting growth in deposits and a decline in credit. The net deposits of the non-bank financial institutions more than tripled to \$90.0m, as lending to those declined, while their deposits rose due to the inflow of insurance proceeds. Outstanding credit to the private sector increased by 6.8 per cent, reflecting growth in credit to households (6.0 per cent) and private businesses (8.3 per cent).

The composition of credit by economic activity shows a mixed performance. Credit for manufacturing and agriculture fell by 27.9 per cent and 2.9 per cent respectively. By contrast, increases were recorded in outstanding credit for tourism related purposes (56.4 per cent) and construction (74.1 per cent). Outstanding credit for personal use, which accounts for more than half of total credit, rose by 3.8 per cent.



The counterpart to the growth in M2 was an expansion of 57.5 per cent in net foreign assets. This outcome reflected in part growth in commercial banks' net foreign assets (72.6 per cent), particularly those



held in institutions outside the ECCU, associated with inflows of insurance proceeds and grants. Grenada's imputed share of the ECCB's reserves increased by 46.2 per cent to \$328.6m.

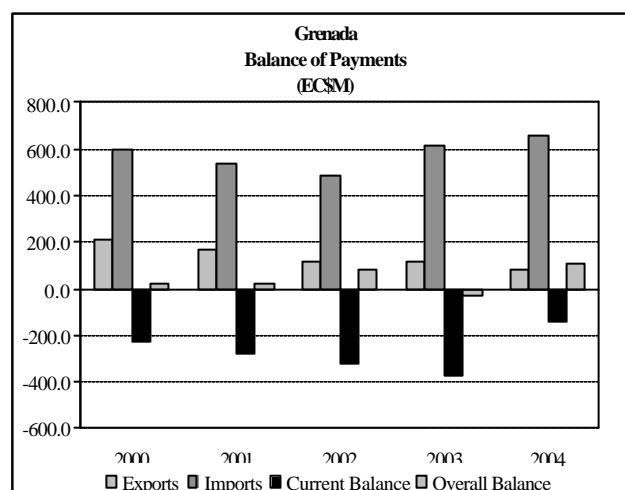
Liquidity within the commercial banking system remained high during 2004. The ratio of liquid assets to total deposits plus liquid liabilities was 42.7 per cent, 6.8 percentage points above that at the end of 2003. The loans and advances to deposits ratio fell by 10.5 percentage points to 57.6 per cent, reflecting a faster rate of growth in deposits (23.8 per cent) relative to the increase in loans and advances (4.7 per cent). In the case of interest rates, the maximum rate offered on savings deposits fell by 1.5 percentage points to 4.0 per cent during 2004. Rates on time deposits remained within the range of 1.0 per cent to 8.0 per cent.

### Balance of Payments

The performance of Grenada's external accounts in 2004 was influenced by post-Ivan flows. Preliminary estimates indicate that the current account deficit fell to \$149.3m (12.7 per cent of GDP) from \$377.2m (31.5 per cent of GDP) in 2003. This outcome reflected improvements in the current transfers and services accounts. Net inflows of current transfers were estimated at \$370.7m, a near quadrupling of the level in 2003, associated with an increase in budgetary assistance and higher inflows of insurance proceeds.

In the services account, net inflows amounted to \$176.0m, up from \$129.4m in 2003. This performance was associated in part with re-insurance receipts. By contrast, gross travel receipts are estimated to have decreased by 11.4 per cent, consistent with the decline in stay-over arrivals. Net outflows on the income account rose by 9.0 per cent, largely reflecting higher interest obligations of the government.

The merchandise trade deficit rose by 16.2 per cent to \$579.5m, reflecting an increase in import payments (8.2 per cent), coupled with a fall in the value of exports (27.4 per cent). In relation to GDP, the deficit rose to 49.1 per cent from 41.6 per cent in 2003. The expansion in imports was primarily associated with the importation of relief supplies after hurricane Ivan. In the case of exports, the decrease was influenced by a 20.1 per cent decline in nutmeg receipts, partly as a result of a fall in demand. Receipts from cocoa exports increased by 69.1 per cent on account of higher demand and improved prices.



Net inflows on the capital and financial account decreased to \$253.4m (21.5 per cent of GDP) from \$342.7m (28.6 per cent of GDP) in 2003, reflecting developments in the financial account. Net inflows of direct investment fell by 51.4 per cent on account of the completion of some major projects. The repayment of treasury bills floated on the Regional Government Securities Market contributed to a 15.9 per cent decrease in net inflows of portfolio investment.

On the capital account, net inflows were estimated at \$78.5m compared with \$116.6m in 2003, reflecting lower inflows of capital grants. The surplus on the





capital and financial account was more than sufficient to finance the current account deficit. As a consequence, an overall balance of payments surplus of \$104.1m (8.8 per cent of GDP) was recorded in contrast to a deficit of \$34.6m (2.9 per cent of GDP) in 2003.

## Prospects

Economic activity in Grenada is likely to recover in 2005. Output of goods and services is projected to increase by 1.9 per cent in 2005, based on expected developments in the construction, transport and wholesale and retail trade sectors.

Construction activity will be driven by projects in both the public and private sectors. Work is scheduled to start on physical infrastructure for education, health and social services. Ongoing public sector projects include phase II of the Melville Street cruise port and a new business complex for a statutory body. In the private sector, activity is expected to be driven by reconstruction and repair of homes and hotels.

Activity in the transport sector is expected to increase, consistent with anticipated growth in cruise ship arrivals and the expansion in construction. Cruise ship arrivals are expected to surpass the level in 2004, based on itinerary information for 2005. The expansion in construction activity is also likely to contribute to an

increase in value added in the wholesale and retail trade sector. Agricultural output is expected to contract based on hurricane damage to traditional crops and livestock. Value added in the hotels and restaurants sector is likely to decrease, as most hotels sustained major hurricane damage.

The central government's fiscal position will deteriorate, as growth in expenditure for economic recovery is likely to outpace that of revenue. A substantial portion of capital expenditure will be financed by grants. Efforts to restructure the central government debt will likely result in lower debt service payments. Given the country's exposure to the international capital market, the downside risk will be the gradual increase in global interest rates. Monetary liabilities and domestic credit are likely to increase, based on the growth in economic activity. Consumer prices are expected to rise as a result of high international oil prices.

In the external sector the current account deficit is expected to widen, based in part on higher import payments and lower insurance inflows. Travel receipts are projected to decrease, consistent with the decline in stay-over arrivals. Net inflows on the capital and financial account are likely to increase based on the expected inflows of capital grants and official loans to fund public sector infrastructural projects.



# MONTSERRAT

## Overview

Preliminary estimates indicate that in 2004 the Montserrat economy expanded by 4.5 per cent following a decline of 0.8 per cent in 2003. The expansion was broad based, except for a decrease in the agricultural sector. The consumer price index rose by 3.6 per cent on an end of period basis.

The fiscal operations of the central government resulted in a reduction in the overall surplus, reflecting an increase in current expenditure and a decline in capital grants. In the banking system, broad money (M2) increased, mirroring an expansion in net foreign assets. Liquidity remained high. The overall balance of payments surplus increased, mainly associated with higher inflows on the capital and financial account.

The expansion of the economy is expected to continue in 2005, driven in part by increases in construction and tourism activity. The fiscal operations of the central government are likely to improve.

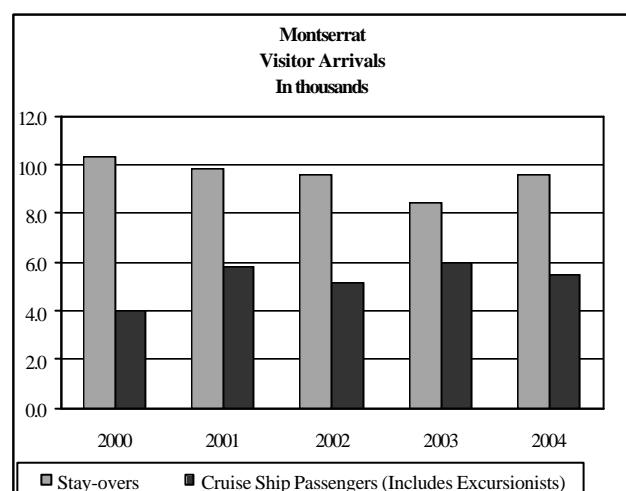
## Output

Government services continued to be the largest contributor (33.9 per cent) to economic output in Montserrat in 2004. Value added for that sector grew by 4.9 per cent, reflecting an increase in the number of public sector employees.

Activity in the tourism industry, as measured by value added in the hotels and restaurants sector, is estimated to have increased by 33.8 per cent in contrast to a 31.6 per cent decline in 2003. This performance was influenced by a 13.7 per cent increase in the number of stay-over visitors. Of the major markets

the largest increase was reported for stay-over visitors from the UK (17.3 per cent), followed by the USA (16.9 per cent), Canada (10.6 per cent) and the Caribbean (8.8 per cent).

The number of excursionists declined by 1.0 per cent to 5,106. In the case of cruise passengers, arrivals declined to 363 from 863 in 2003, reflecting the ad hoc nature of cruise ship visits to Montserrat. Consequently, the total number of visitors grew by 4.2 per cent to 15,038 in 2004.



Value added in the construction sector grew by 2.4 per cent, driven by public sector investment. In the public sector, the major projects were the airport development which started in November 2003, a community college, a prison, a mortuary and water development - phase III. Private sector activity is estimated to have contracted, reflecting a decline in residential construction. In 2004, construction started on 30 new residential units valued at \$4.5m compared with 74 valued at \$10.9m in 2003. Commercial development projects included business offices, a retail store and headquarters for a bank.

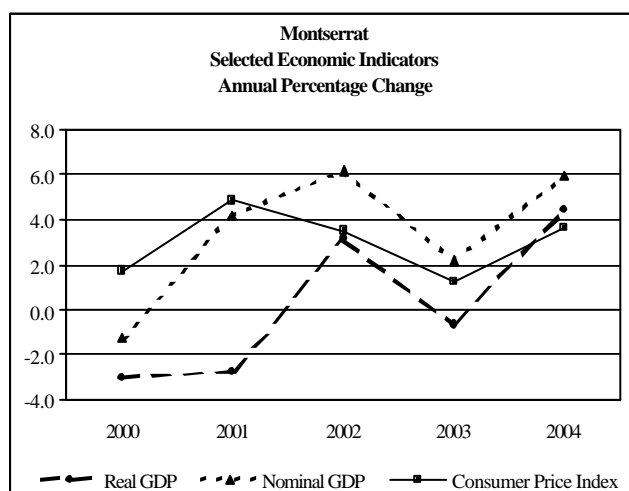


Of the other sectors the largest increase was recorded for mining and quarrying (80.0 per cent), as a new quarry began operations in April 2004. Increases in value added were also recorded for transport (3.2 per cent) and banks and insurance (10.2 per cent).

Value added in the agricultural sector declined by 17.8 per cent, reflecting a decrease in the output of vegetable and root crops due to heavy rains and a fall in fish landed as a result of rough seas.

### Prices, Wages and Employment

Consumer prices rose by 3.6 per cent (on an end of year basis) during 2004, influenced by increases in all sub-indices with the exception of "rent", which remained unchanged. Prices in the "food" sub-index grew by 4.1 per cent, reflecting increases in the cost of chicken, bacon and cooking oil. The sub-index "clothing and footwear" rose by 5.2 per cent, associated with higher prices for shoes. Growth of 3.7 per cent in the sub-index "gas, electricity and water", stemmed from increases in water rates and in the fuel surcharge on electricity.



In 2004 public sector wages remained unchanged. Information on wages in the private sector was not

available. Employment in the public sector rose by 14.2 per cent to 941. Within the central government the number of established workers increased by 5.2 per cent to 523 in 2004, and that of non-established workers grew by 44.9 per cent to 284. Complete data on private sector employment were not available. It is likely that employment in the tourism industry increased, based on the higher number of visitors.

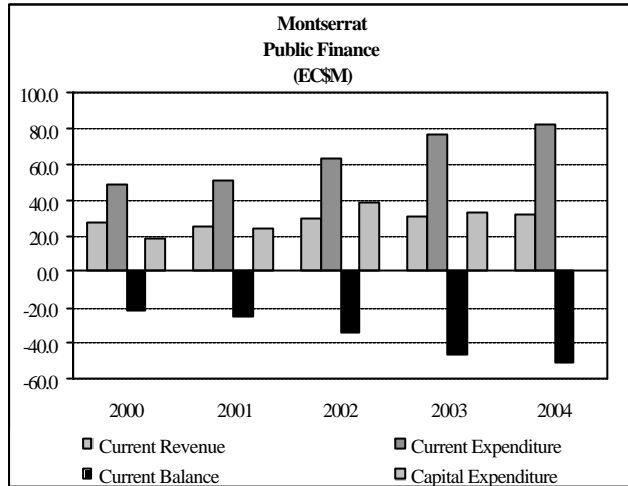
### Central Government Fiscal Operations

The overall surplus declined to \$9.3m (8.4 per cent of GDP) from \$19.5m (19.0 per cent of GDP) in 2003. This performance was associated with a widening of the current account deficit (before grants) to \$50.7m from \$46.5m in 2003, reflecting an increase in expenditure. Current expenditure, at \$83.0m, was 7.7 per cent above the level in 2003. Of current expenditure, outlays on goods and services, which accounted for the largest share, increased by 9.2 per cent (\$2.5m), partly reflecting higher spending on investment promotion, health care and maintenance services. Expenditure on transfers and subsidies grew by 10.2 per cent (\$2.5m), mainly associated with increased subventions to statutory bodies.

Current revenue expanded by 5.6 per cent to \$32.3m (29.1 per cent of GDP) in 2004. In relation to the budget, actual revenue was 3.5 per cent higher. The growth in current revenue was mainly attributed to a 13.9 per cent increase in tax revenue, as non-tax revenue declined by 50.0 per cent (\$2.0m). Of tax revenue, the yield from taxes on international trade and transactions rose by 24.3 per cent (\$26m), reflecting increases in receipts from the consumption tax and import duty, consistent with growth in imports. Collections from taxes on domestic goods and services increased by 23.1 per cent (\$0.6m), influenced by higher collections from stamp duties and licences.



Capital expenditure was estimated at \$32.8m (29.5 per cent of GDP), financed largely by official grants from the British government and the European Union.



The central government's total stock of debt stood at \$3.8m, down from \$4.9m at the end of 2003, primarily reflecting the maturity of a \$1.0m domestic bond in September 2004. External debt fell by 3.6 per cent to \$2.7m.

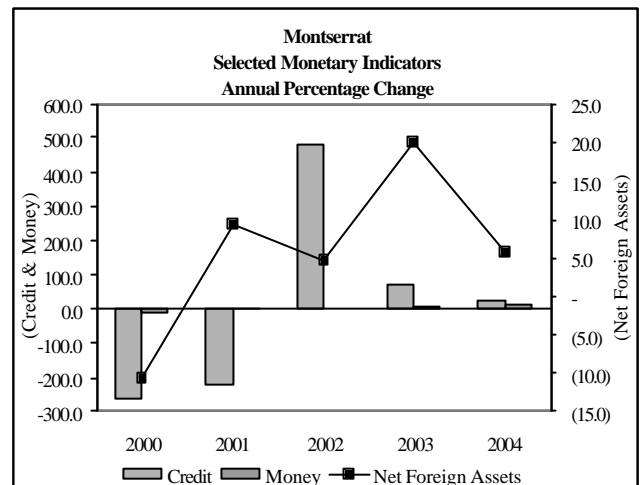
**Money and Credit**

Total monetary liabilities (M2) expanded by 10.3 per cent to \$119.5m during 2004, reflecting growth in quasi money and narrow money. Quasi money grew by 10.6 per cent (\$0.8m), largely reflecting an increase in private sector savings deposits. The growth in narrow money (M1) slowed to 10.4 per cent from 24.3 per cent during 2003. Of M1, private sector demand deposits increased by 14.4 per cent, less than half the rate recorded during 2003, and currency with the public rose by 3.2 per cent.

Credit to the private sector grew by 3.5 per cent during 2004, influenced by an increase in credit to households. The central government's indebtedness to the banking system declined by 7.2 per cent, while

its deposits rose by 16.2 per cent. As a consequence, the net deposits position improved.

A breakdown of credit by economic activity shows that lending for personal use grew by 5.3 per cent, largely as a result of increased borrowing for the acquisition of property. Contractions in credit were recorded for construction (6.3 per cent) and distributive trade (0.9 per cent).



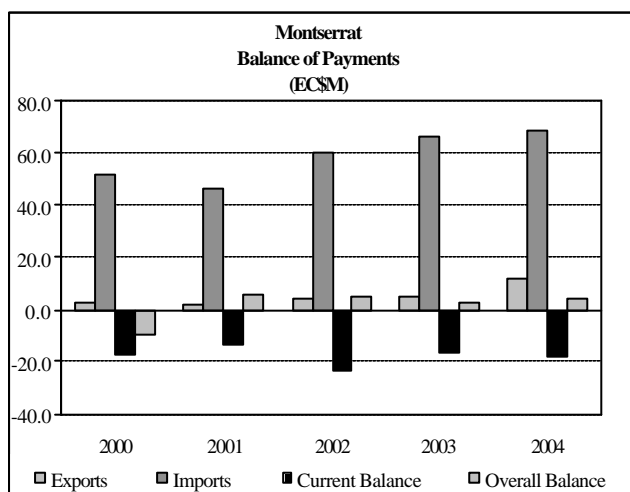
The net foreign assets of the banking system rose by 5.8 per cent to \$173.1m, largely attributable to growth of 57.3 per cent in commercial banks' net foreign assets held outside the currency union. Montserrat's imputed share of the Central Bank's reserves contracted by 7.3 per cent to \$38.1m.

Liquidity in the commercial banking system remained high. The ratio of liquid assets to total deposits plus liquid liabilities rose by 24.1 percentage points to 102.9 per cent, the highest level in the five-year period 2000 to 2004. The loans and advances to total deposits ratio decreased by 1.2 percentage points to 13.4 per cent. Interest rates remained unchanged, except for the minimum rate on time deposits over one to two years, which fell to 1.5 per cent from 2.0 per cent during 2003.



### Balance of Payments

Preliminary estimates of the balance of payments for 2004 show an overall surplus of \$4.2m (3.8 per cent of GDP) compared with one of \$2.6m (2.5 per cent of GDP) in 2003. The higher surplus reflected a 15.4 per cent (\$3.0m) increase in net inflows on the capital and financial account. This performance was largely influenced by lower outflows on the financial account. Commercial banks' transactions resulted in a net outflow of \$12.6m in short-term capital in 2004 compared with one of \$25.0m in 2003.



On the current account the deficit widened to \$18.2m (16.4 per cent of GDP) in 2003, attributable to larger outflows on the services and income accounts. On the services account the deficit grew by 19.2 per cent, reflecting increased outflows for other business services and for payments to non-residents employed on the airport project. The merchandise trade deficit declined by 7.0 per cent, reflecting an increase in the value of re-exports of machinery. Gross travel receipts rose by 17.2 per cent to \$23.2m, consistent with an increase in the number of stay-over arrivals.

### Prospects

The pace of economic activity in Montserrat is projected to increase in 2005, based in part on developments in tourism and construction. Activity in the tourism industry is expected to remain buoyant, contingent on volcanic inactivity and on developments in the major tourism markets. The industry is also expected to benefit when the new airport opens in 2005. Growth in construction activity is projected, driven by residential housing development as work on the Look Out II and the self-build housing III projects is expected to resume. Construction will continue on the headquarters for a bank. In addition, a private firm is expected to build 40 new residential units at Look Out. Public sector activity is expected to decline with the completion of the airport project in the first half of 2005.

Value added in the agricultural sector is projected to increase based on initiatives undertaken in 2004, including training extension officers, establishing a field station and demonstration farms, building a fisheries slipway, and implementing a farm irrigation project.

In the external sector, the current account deficit is projected to widen based on an expansion in imports and lower current grants. Current grants associated with the operation of the ferry service will be discontinued. Import payments are expected to rise as a result of increased imports of building materials in line with the growth in construction activity. On the services account, gross inflows from travel are projected to increase, based on growth in stay-over arrivals.

The current account deficit (before grants) of the central government is expected to narrow based on a



projected decline in current expenditure. Outlays on transfers and subsidies will decrease, reflecting the discontinuation of the ferry service following the reintroduction of airlift services in 2005. Expenditure on goods and services is projected to decline assuming low volcanic activity, which is expected to result in a

fall in outlays on emergency clean-up operations. The contractions will be partly offset by higher expenditure on personal emoluments, on account of a 10.0 per cent salary increase. Growth in current revenue is projected, in line with the expansion in economic activity.



# ST KITTS AND NEVIS

## Overview

The pace of economic activity accelerated in 2004, with real GDP provisionally estimated to have increased by 5.1 per cent compared with growth of 0.6 per cent in 2003. This improvement was fuelled in part by expansions in value added in the construction, manufacturing and hotels and restaurants sectors. By contrast, value added in wholesale and retail trade declined in 2004. The consumer price index (CPI) rose by 1.7 per cent on an end of period basis. The overall fiscal deficit of the central government widened in 2004, reflecting larger capital outlays. In the commercial banking sector liquidity remained high. Interest rates on time deposits declined. An overall balance of payments surplus was recorded in 2004 in contrast to a deficit in the previous year, partly on account of higher travel receipts.

In 2005 the economy is projected to expand as a result of likely developments in construction and tourism. The positive outlook for the real sector, however, could be affected by adverse international developments, in particular upward movements in oil prices and interest rates.

## Output

Construction activity rebounded in 2004 after two successive years of decline. Output is estimated to have increased by 1.0 per cent in contrast to decreases of 4.7 per cent and 5.6 per cent in 2003 and 2002 respectively. In the public sector, activity was associated with the rehabilitation of schools and roads, construction of low cost houses, community centres and sporting complexes, and upgrades to the electricity and water supply. Private sector construction projects included two golf courses, a racecourse, a nursing

university, condominiums and two headquarters - one for an airline and the other for a credit union. Private sector residential construction activity is estimated to have declined, based in part on a 21.7 per cent reduction in commercial bank credit for home construction and renovation during 2004.

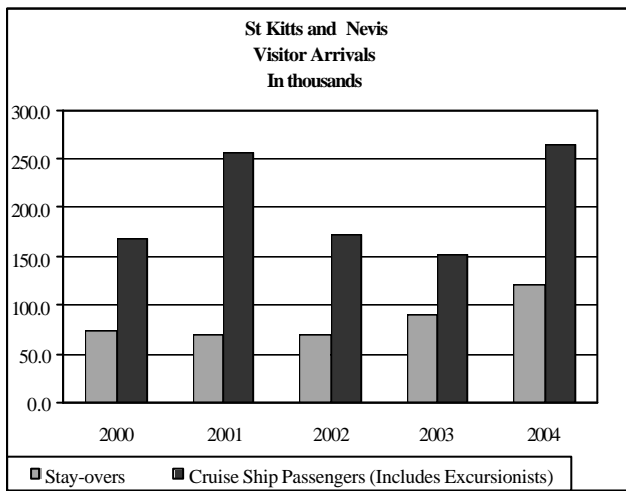
Output in the manufacturing sector is estimated to have expanded by 0.9 per cent in 2004, marginally above the 0.6 per cent rate of growth in 2003. An increase in output of beverages and higher production levels of cement blocks and pre-mixed concrete, associated with the developments in the construction sector, contributed to the growth in manufacturing. Production levels of sugar fell by 12.9 per cent to 14,157 tons, reflecting the decline in sugar cane reaped and a fall in the yield. Complete data on the production of electronic components are not available. It is likely that output of these components contracted in 2004 based in part on the closure of a major factory in March. In addition, statistics on US imports of electronic components from St Kitts and Nevis indicate a decline of 8.8 per cent in the value compared with the total in 2003.

Value added in the hotels and restaurants sector, an indicator of tourism activity, rose by 32.6 per cent in 2004, mirroring an increase in stay-over arrivals. This outturn was partly influenced by additional airlift from the USA and UK.

Of the other categories of visitors, cruise ship passenger arrivals were estimated at 260,121, representing a 77.8 per cent increase on the level in 2003. The number of cruise ship calls rose to 379 from 270 in 2003, partly reflecting the start of visits by some cruise lines, including the world's largest ocean liner that visited weekly.



Among the other service sectors, value added in the transport sector rose by 22.4 per cent in 2004, influenced in part by the expansion in construction and tourism. Government services increased by 2.5 per cent following the 1.0 per cent decline in 2003. Value added for banks and insurance and communications grew by 4.6 per cent and 4.2 per cent respectively. In the wholesale and retail trade sector, value added declined by 6.0 per cent, mainly reflecting a decrease in imports of consumer goods .

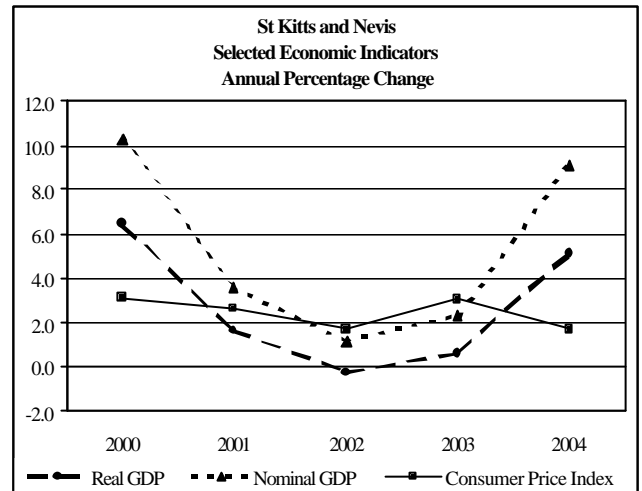


Value added in the agricultural sector is estimated to have expanded by 10.0 per cent in 2004. This performance was mainly attributed to increases in fish (36.8 per cent) and livestock production, particularly beef, influenced by higher domestic demand. By contrast, output of vegetable and root crops declined by 2.6 per cent, reflecting decreases in the production of onion, yam, and carrot, as re-planting efforts were affected by heavy rain in the fourth quarter of 2004. Output of sugar cane fell by 0.1 per cent to 169,208 tons.

**Prices, Wages and Employment**

Inflation, as measured by the change in the consumer price index, was 1.7 per cent during 2004.

There were increases in all sub-indices with the exception of "household furnishings", which fell by 0.7 per cent. Of the major sub-indices, growth was recorded for "food" (2.2 per cent) and "transport and communication" (1.8 per cent). The sub-index "housing" rose by 6.0 per cent, reflecting higher prices for building materials.



In 2004 wages and salaries in the public sector were above the level in 2003. The minimum wage for public service workers was increased to \$250 per week effective June. In August civil servants were given a 10.0 per cent salary increase, retroactive to 1 January 2004. In the private sector, the minimum wage increased for workers in tourism, manufacturing and wholesale and retail trade. The available data on employment in the public sector indicate that the number of civil servants rose by 1.2 per cent to 5,248 in 2004. In the private sector employment in the tourism industry is likely to have increased based on growth in visitor arrivals.

**Central Government Fiscal Operations**

The finances of the central government, including the Nevis Island Administration (NIA), resulted in an overall deficit of \$80.1m (7.3 per cent of GDP) in 2004,





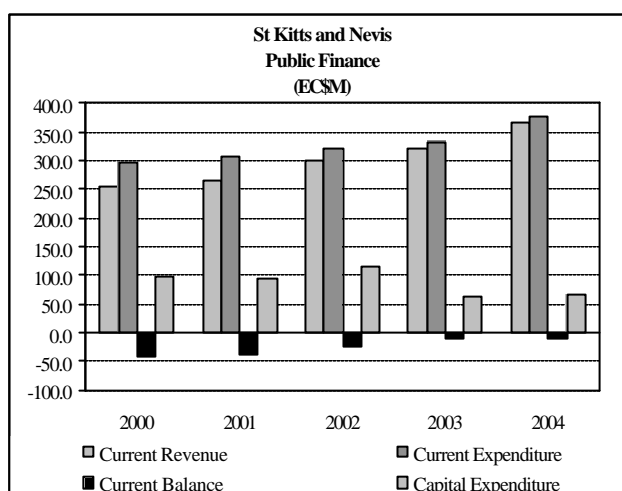
slightly above the deficit of \$79.9m (8.1 per cent of GDP) in 2003. An increase in expenditure contributed to the larger overall deficit. The shortfall was financed largely from domestic sources. The primary balance remained in deficit in 2004 and amounted to 0.4 per cent of GDP down from 0.5 per cent of GDP in 2003. A current account deficit of \$10.7m (1.0 per cent of GDP) was realised compared with one of \$11.8m (1.2 per cent of GDP) in 2003. The narrowing of the current account deficit reflected faster growth in revenue relative to the increase in expenditure.

Current revenue rose by 13.7 per cent to \$365.3m (33.5 per cent of GDP), reflecting an increase in tax receipts. Of tax revenue, collections from taxes on international trade and transactions rose by 17.8 per cent and revenue from taxes on domestic goods and services increased by 23.9 per cent. This outcome was the result of stronger enforcement of regulations at the Customs Department and improved administration at Inland Revenue. Proceeds from taxes on income and profit grew by 25.4 per cent, influenced by the collection of arrears from the corporate income tax. By contrast, receipts from non-tax sources fell by 4.6 per cent, partly attributable to lower proceeds from the electricity department. In the last quarter of 2004 all residential customers received a \$500 credit on electricity usage as partial compensation for frequent power outages during the year.

Current expenditure grew by 12.9 per cent to \$376.0m (34.5 per cent of GDP) in 2004 compared with the total in 2003. Expenditure on goods and services rose by 21.3 per cent, partly due to increased operating and maintenance costs at the electricity department, associated with higher oil prices. Outlays on personal emoluments rose by 10.8 per cent, mainly reflecting the 10.0 per cent salary increase to civil servants. Interest payments were above the 2003 total by 2.1 per cent reflecting increased external payments.

Expenditure related to transfers and subsidies expanded by 24.4 per cent, influenced in part by increased contributions to regional and international organisations as well as subventions to two statutory bodies.

Capital expenditure and net lending rose by 2.2 per cent in 2004, largely associated with higher capital outlays, as net lending to public corporations declined.



The operations of the central government, excluding the NIA, resulted in an overall deficit of \$79.9m compared with one of \$62.1m in 2003. The primary balance shifted to a deficit of \$13.2m in 2004 from a surplus of \$3.1m in 2003. A current account shortfall of \$22.7m was realised, well above that of \$17.7m in 2003, reflecting higher expenditure. Current expenditure rose by 13.2 per cent, attributable to larger outlays on personal emoluments, goods and services, transfers and subsidies as well as an increase in interest payments. Current revenue expanded by 12.2 per cent, reflecting the collection of arrears, improved tax administration and compliance. Capital revenue more than doubled to \$4.6m as a result of increased land sales. Capital expenditure and net lending increased by 25.1 per cent, associated with infrastructural development.



The operations of the Nevis Island Administration resulted in an overall deficit of \$0.2m in 2004, compared with one of \$17.8m recorded in 2003. A primary surplus of \$9.2m was realised in contrast to the deficit of \$8.5m in 2003. A current account surplus of \$12.0m was recorded, about twice that recorded in 2003. Current revenue rose by 19.5 per cent, largely reflecting growth in collections from taxes on domestic goods and services and from taxes on international trade and transactions. Current expenditure grew by 11.3 per cent in 2004, partly reflecting higher outlays on personal emoluments. Capital expenditure and net lending amounted to \$12.2m, down from \$23.7m in 2003, as some major projects were completed.

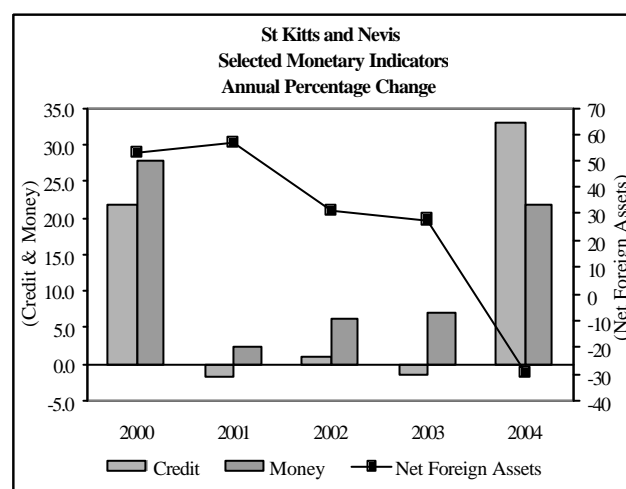
At the end of 2004 the total debt stock of the central government and the NIA was estimated at \$1,293.7m, roughly 11.0 per cent above the level at the end of 2003. As a percentage of GDP the debt stock remained stable at 118.6 per cent. Domestic debt rose by 24.3 per cent to \$609.7m, and the stock of external debt increased by 1.3 per cent to \$684.0m. The higher level of domestic debt reflected increased loans and advances and treasury bills issued. In 2004 growth in external debt was mainly attributed to borrowing by the NIA for land development, as disbursements to central government declined. Total debt service payments grew by 1.5 per cent to \$125.2m. As a share of current revenue, however, total debt service payments fell by 4.1 percentage points to 34.3 per cent.

### Money and Credit

Broad money (M2) increased by 21.7 per cent to \$1,099.0m at the end of 2004, reflecting the growth in the economy. Both quasi money and narrow money (M1) increased. Quasi money rose by 21.1 per cent, reflecting a higher level of savings by private sector businesses and individuals. Growth in demand deposits

(31.0 per cent) and currency with the public (11.8 per cent) contributed to an increase of 25.2 per cent in M1.

Domestic credit amounted to \$991.2m, about 33.0 per cent above the level at the end of 2003. Net credit to the central government from the banking system rose by 36.8 per cent to \$271.2m, mainly reflecting an increase in commercial bank credit. Loans and advances from commercial banks to the central government more than tripled and their holdings of treasury bills rose by 16.9 per cent. In the rest of the public sector, credit to the non-financial public enterprises increased by 42.4 per cent, associated with infrastructure development. This contributed to a fall in their net deposits. Loans to the private sector increased by 8.9 per cent, reflecting growth in credit to both businesses (13.7 per cent) and households (6.3 per cent).



The distribution of credit by economic activity shows that loans to the construction sector more than doubled, consistent with the escalated activity in that sector. Increases were also recorded in outstanding credit for personal use (7.2 per cent), agriculture and fisheries (12.2 per cent) and tourism (32.2 per cent).



The net foreign assets of the banking system declined by 29.5 per cent to \$283.5m during 2004. A 68.4 per cent decrease was recorded in the net foreign assets of commercial banks, as banks increased their liabilities with financial institutions abroad to finance the growth in credit. By contrast, St Kitts and Nevis' imputed share of the reserves at the Central Bank rose by 21.1 per cent.

Liquidity in the commercial banking system remained high during 2004 despite a decrease in the level. The ratio of liquid assets to total deposits plus liquid liabilities decreased by 7.0 percentage points to 46.1 per cent, while the loans and advances to deposits ratio rose by 3.9 percentage points to 75.6 per cent. The minimum interest rate on time deposits remained at 1.0 per cent at the end of December 2004, while the maximum rate decreased to 6.5 per cent from 7.0 per cent in the previous year.

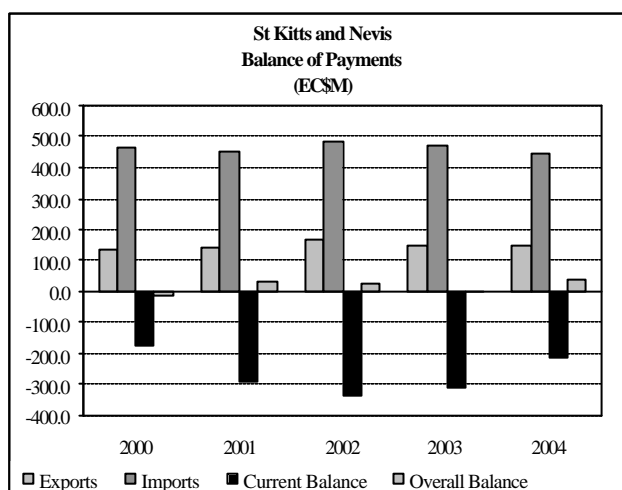
### Balance of Payments

An overall balance of payments surplus of \$36.9m (3.4 per cent of GDP) was recorded in 2004 in contrast to the deficit of \$2.6m (0.3 per cent of GDP) in the previous year. The improvement stemmed mainly from increased inflows on the current account. Net inflows on the capital and financial account declined in 2004 but were more than sufficient to finance current transactions.

The current account deficit was estimated to have declined to 19.4 per cent of GDP in 2004 from 31.7 per cent of GDP in 2003, reflecting higher travel receipts coupled with lower outflows for merchandise trade. The surplus on the services account more than doubled to \$159.2m, contributing to the narrower deficit. Receipts from travel rose by 41.9 per cent to \$288.7m, primarily as a result of growth in the numbers of stay-over visitors and cruise ship passengers. Net outflows

on the merchandise trade account declined by 7.3 per cent in 2004. Despite the expansion in economic activity, payments for merchandise imports are estimated to have decreased by 5.2 per cent, reflecting a fall in imports of consumer goods. Receipts from exports also fell, partly on account of a 22.1 per cent decline in the volume of sugar exported.

The deficit on the income account increased by 6.3 per cent, influenced by higher outflows of direct investment income and interest payments.



A surplus of \$248.1m was recorded on the capital and financial account, a decline of 19.9 per cent on the total for 2003. In relation to GDP, the surplus fell by 8.8 percentage points to 22.7 per cent. The smaller surplus was as a result of net outflows of portfolio investment amounting to \$76.9m in 2004. In the previous year there were net inflows of investment income of \$129.7m, associated with the issue of two external bonds - one by the central government and the other by the NIA.

### Prospects

The economic recovery is expected to continue in 2005. Real GDP is projected to increase, based in part



on growth in construction and tourism. Construction activity is expected to be driven by ongoing and new projects in both the public and private sectors. These projects include a nursing school, racecourse, golf course, stadium for the World Cup Cricket 2007, an upgrade of the ship berthing facility in Basseterre and housing and road development, including the West Basseterre by-pass road.

An expansion in value added in the hotels and restaurants sector is expected based on continued global economic expansion, the depreciation of the US dollar against other major currencies and increased marketing.

In the manufacturing sector, output of blocks and pre-mixed concrete is expected to increase based on the higher level of activity in the construction sector. The production of beverages will be above the 2004 total, based on the expansion and upgrade of a major company and on increased external marketing.

Performance in the agricultural sector will be influenced by developments in the non-sugar cane sub-sector. Output of vegetables and root crops is projected to be above the level in 2004. Further increases in livestock production and fishing are likely. By contrast, sugar cane production will decline in 2005 as a result of a reduction in acreage under cultivation. In light of high annual losses and an imminent reduction in the

world price of sugar, the government has announced its intention to close the operations of the sugar industry after the 2005 season. Raw sugar will no longer be manufactured for export.

Consumer prices are projected to increase, partly as a result of higher retail prices for fuel and public transportation, associated with the rise in international oil prices.

In the external sector the current account deficit is projected to widen, attributable to the increase in economic activity. Higher inflows of direct investment are expected, associated with the start of tourism-related projects in the private sector.

On the fiscal accounts of the central government (including the NIA), growth in current revenue is expected in line with the increase in economic activity and ongoing improvement in tax administration. Current expenditure is projected to grow at a rate below that of revenue. Capital spending is expected to be above the level in 2004, with the start and continuation of major public sector projects.

The projections for an expansion in the economy in 2005 can be adversely affected by external shocks. These include higher international oil prices and interest rates and unfavourable weather.



# ST LUCIA

## Overview

The economy of St Lucia expanded in 2004 - the third consecutive year of growth. Real GDP is provisionally estimated to have increased by 3.6 per cent following an expansion of 2.9 per cent in 2003. This growth was supported by activity in all of the sectors except manufacturing, which declined. The stronger economic performance contributed to a lower rate of unemployment. The consumer price index rose by 3.5 per cent in 2004. Central government's operations resulted in a smaller overall deficit relative to that in 2003. Monetary liabilities and domestic credit grew at a faster pace during 2004, while commercial bank liquidity declined. Interest rates on savings deposits remained unchanged. Provisional estimates indicate an increase in the overall balance of payments surplus, influenced in part by higher inflows from travel and direct investment.

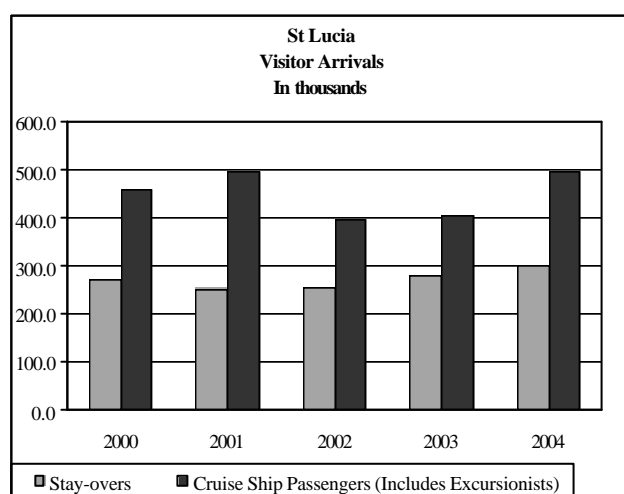
For 2005 the economic prospects are favourable. The economy is expected to benefit from an increase in tourism activity and major construction projects in both the public and private sectors. However, these prospects for 2005 will be largely contingent on the developments in the global economy, in particular the United States.

## Output

Value added in the agricultural sector grew by 5.1 per cent in 2004, in contrast to the 13.2 per cent decline in 2003. The sector accounted for 4.5 per cent of total output compared with 4.4 per cent in 2003. A major contributing factor to this performance was a 24.6 per cent increase in banana production to 42,326 tonnes, influenced by an improvement in yield per acre and favourable weather. Value added in the fishing sub-

sector grew by 0.3 per cent following the 9.3 per cent decline in the previous year. The performance in 2004 was attributed to an increase in fish landed. Value added in the other crop and livestock sub-sectors decreased by 2.4 per cent and 14.2 per cent respectively.

Value added in the hotels and restaurants sector, an indicator of the level of tourism activity, increased by 5.9 per cent compared with the growth of 16.6 per cent in 2003, and an average annual increase of 3.1 per cent over the last five years. The sector's share of output increased marginally to 13.6 per cent. Increases were recorded for all categories of visitors, except excursionists.



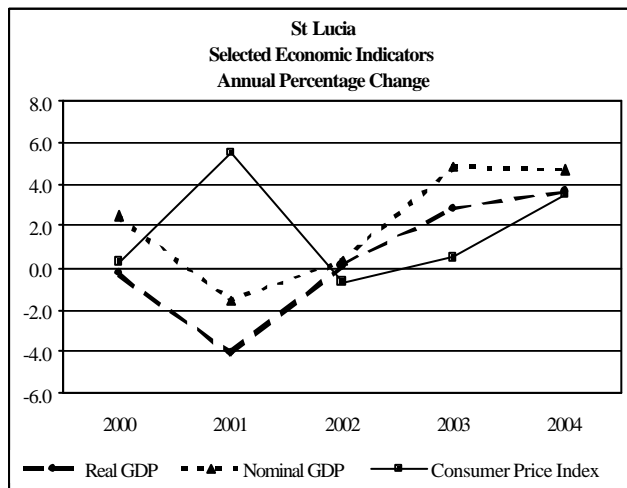
The number of stay-over visitors, who account for 36.7 per cent of the total arrivals, grew by 7.8 per cent, reflecting increases in arrivals from the major source markets. The number of visitors from the USA rose by 9.2 per cent, reflecting the economic recovery as well as increased airlift and incentives to travel offered by airlines and hotels. Arrivals from the UK grew by 7.9 per cent, partly reflecting the impact of the appreciation of the pound sterling against the US dollar.



The number of visitors from Canada and the Caribbean grew by 13.5 per cent and 5.2 per cent, respectively. The average occupancy rate was estimated at 64.8 per cent compared with 58.8 per cent in 2003. The rate was highest (73.2 per cent) for the all-inclusive hotels, and lowest (56.5 per cent) for the conventional hotels.

The number of cruise ship passengers rose by 22.4 per cent in 2004, following growth of 1.6 per cent in 2003. This outturn was attributed in part to a 25.2 per cent increase in the number of ship calls to 328. The number of yacht passengers rose by 6.2 per cent to 22,530, in contrast to a decline of 16.9 per cent in 2003.

The construction sector is estimated to have expanded by 3.1 per cent in 2004, after contracting by 3.8 per cent in 2003. The growth in 2004 was the first since 1999. Construction activity benefited from an intensified road rehabilitation programme, housing development and other ongoing government projects. The expansion was supported in part by a 7.0 per cent increase in commercial bank loans for construction.



Value added in the manufacturing sector declined by 2.5 per cent in 2004 in contrast to an increase of 0.6 per cent in the previous year. Output of textiles

decreased after a factory was closed. Production of copra derivatives also declined, reflecting a fall in export demand.

### 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 3.5 per cent during 2004. This compares with a rate of 0.5 per cent during 2003. The contributing factors to the increase in 2004 were rising costs for “food”, “fuel and light” and “clothing and footwear”. Food prices rose by 4.2 per cent, primarily reflecting the higher cost of vegetables and fruits. The increase in the “fuel and light” sub index (7.4 per cent), reflected higher international oil prices. The price of clothing and footwear rose by 5.0 per cent.

Information on wage increases in the private sector was not available. In the public sector there was a 3.0 per cent increase in salaries for central government employees in 2004.

The rate of unemployment up to June 2004 was 18.0 per cent, compared with 19.7 per cent at the end of 2003. Employment in the central government increased by 0.4 per cent to 7,913, reflecting growth in the number of civil servants and police officers. Employment in the private sector is likely to have increased based on the upturn in economic activity.

### Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall deficit of \$52.5m (2.6 per cent of GDP) compared with one of \$123.1m (6.4 per cent of GDP) in 2003. The main contributing factors to the narrowing of the overall balance were higher current revenue and a reduction in capital spending. The primary balance showed a surplus of \$9.5m in contrast



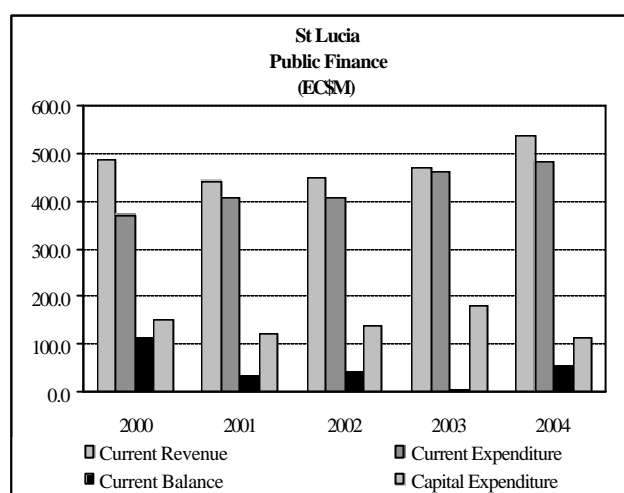
to a deficit of \$69.5m in 2003. The current account surplus increased to \$53.4m (2.6 per cent of GDP) in 2004 from \$6.7m (0.3 per cent of GDP) in the previous year.

Current revenue rose by 14.2 per cent to \$535.2m, representing 26.3 per cent of GDP, up from 24.3 per cent of GDP in 2003. Tax revenue grew by 14.1 per cent, reflecting increased collections from taxes on domestic goods and services and taxes on international trade and transactions.

Revenue from taxes on domestic goods and services expanded by 53.5 per cent, associated with increases in the yield from licences, stamp duties and hotel occupancy tax. Receipts from licences quadrupled to \$25.1m, reflecting a doubling in the cost of drivers' licences and the collection of arrears. An increase in land sales partly influenced the higher receipts from stamp duty. Revenue from the hotel occupancy tax rose by 19.0 per cent, associated with an increase in visitors staying in hotels. Receipts from taxes on international trade and transactions rose by 9.6 per cent, mainly reflecting an expansion of 18.8 per cent in collections from the service charge on imports. This outcome was associated with a 1.0 percentage point increase in the rate to 4.0 per cent effective May 2003. Proceeds from consumption tax on imports grew by 5.2 per cent, consistent with growth in imports and increases in the rates of consumption tax on selected items. Revenue from taxes on income and profits grew by 4.0 per cent due to increases in collections of arrears and individual income tax. Non-tax revenue rose by 15.0 per cent, associated with increased collections of the embarkation fee from cruise ship visitors.

Current expenditure grew by 4.3 per cent, below the 13.9 per cent rate of increase recorded in 2003. As a percentage of GDP, current expenditure was 23.7

per cent, 0.3 percentage point lower than the ratio a year ago. Interest payments rose by 15.7 per cent, reflecting higher external interest payments on account of the increase in the stock of external debt. Domestic interest payments declined by 10.7 per cent, as a result of continued efforts to refinance a portion of the domestic debt. Outlays on personal emoluments rose by 3.9 per cent due to salary increases. Expenditure on goods and services rose by 3.2 per cent, following growth of 38.3 per cent in 2003 when lease payments started on build-own-operate-transfer (BOOT) projects.



Capital expenditure and net lending fell by 37.8 per cent to \$112.9m (5.6 per cent of GDP) in 2004. This is in contrast to the outcome in 2003 when an increase of 31.4 per cent was recorded, reflecting a one-off capital transfer. In 2004 capital expenditure focussed on infrastructure upgrades and road development.

The central government's total disbursed outstanding debt at the end of 2004 was estimated at \$1,186.5m, up from \$966.9m in 2003. As a percentage of GDP the outstanding debt rose to 58.4 per cent from 50.1 per cent in 2003. The stock of external debt increased by 15.5 per cent to \$814.7m, mainly because



of bond issues on the Regional Government Securities Market (RGSM). Gross domestic debt outstanding grew by 42.0 per cent to \$371.7m, reflecting new issues of treasury bills and bonds on the RGSM. Total debt service payments rose by 15.3 per cent to \$138.2m, with interest payments accounting for 44.9 per cent of the total. As a percentage of current revenue, total debt service payments were 26.3 per cent.

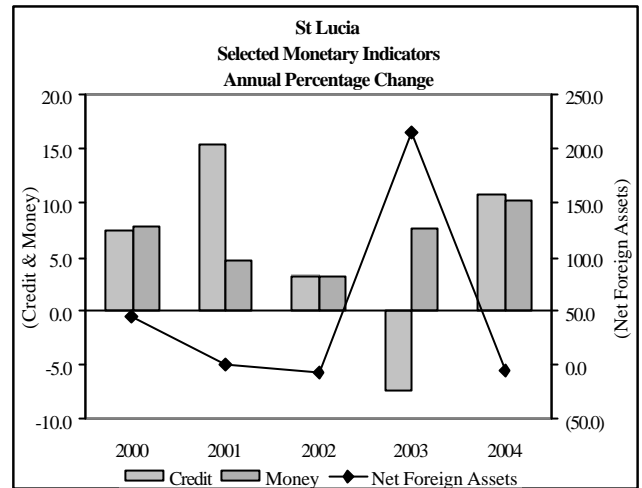
**Money and Credit**

The stock of broad money (M2) and domestic credit expanded during 2004 consistent with the increased economic activity, while net foreign assets declined.

M2 grew by 10.1 per cent compared with an increase of 7.6 per cent during 2003. The outturn in 2004 mainly reflected a 40.3 per cent increase in narrow money (M1). Of M1, private sector demand deposits expanded by 51.8 per cent, and currency with the public rose by 8.7 per cent. Quasi money, the other component of M2, remained flat compared with the total at the end of 2003. Private sector time deposits fell by 25.6 per cent. This decline was offset by increases in private sector savings deposits (7.3 per cent) and foreign currency deposits (21.3 per cent).

Domestic credit rose by 10.7 per cent in contrast to a decline of 7.1 per cent in 2003, mainly reflecting growth in credit to the private sector. Outstanding credit to the private sector expanded by 10.2 per cent, attributable to increased lending by both businesses and households. The increase in business credit reflected higher business confidence and improved economic activity. Outstanding credit to the central government totalled \$186.8m, roughly 33.1 per cent above that in 2003, partly attributed to an increase in commercial banks' holdings of debentures. Deposits of the central government rose by 29.8 per cent to \$317.5m. As a

consequence, its net deposits increased by 25.3 per cent, mirroring the improvement in the fiscal accounts.



The composition of credit by economic activity indicates that during 2004 credit for manufacturing more than doubled. Increases were also recorded in credit for professional and other services (61.9 per cent), personal use (7.9 per cent) and construction and land development (7.0 per cent). Credit for personal use, which accounted for 47.7 per cent of outstanding loans, was concentrated in home construction and renovation.

The net foreign assets of the banking system declined by 4.9 per cent to \$318.7m at the end of 2004 compared with the level at the end of 2003. Developments in the commercial banking system were largely responsible for the lower net foreign assets position. Commercial bank transactions resulted in realised net foreign liabilities of \$32.9m in contrast to net foreign assets of \$52.5m at the end of 2003. This outturn reflected in part a contraction in external assets held in banks and other institutions within the currency union and an increase in liabilities to those institutions. Commercial banks' net liabilities to banks and other institutions outside of the currency union fell by 54.7 per cent. St Lucia's imputed share of the Central Bank's reserves grew by 24.4 per cent to \$351.5m.





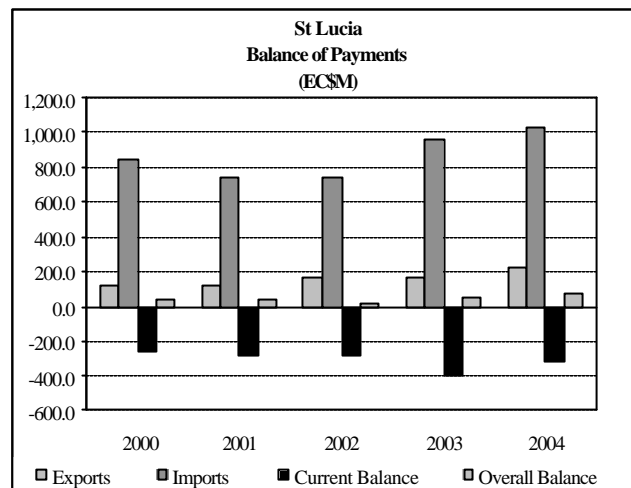
Liquidity in the banking system decreased in 2004 as domestic credit expanded. The ratio of liquid assets to total deposits plus liquid liabilities fell by 0.8 percentage points to 26.9 per cent. The loans and advances to deposits ratio fell by 1.2 percentage points to 80.7 per cent at the end of the period under review. Interest rates were stable during 2004. The rates on time deposits ranged from 1.0 per cent to 3.75 per cent. The maximum rate offered on savings deposits was 4.75 per cent. Prime lending rates ranged from 9.5 per cent to 10.0 per cent.

### Balance of Payments

Preliminary estimates of the balance of payments for 2004 indicate an increase in the overall surplus to \$72.4m from \$49.4m in 2003. As a percentage of GDP, the overall surplus rose to 3.6 per cent from 2.6 per cent in 2003. This performance was influenced by developments in the current account, reflective of the improvement in economic activity. The current account deficit fell to 15.9 per cent of GDP from 20.3 per cent in 2003, influenced mainly by a 20.1 per cent increase in net inflows on the services account. Net inflows from travel rose, reflecting an increase of 15.5 per cent in gross travel receipts to \$879.3m, indicative of the strong performance in tourism.

Within the goods account, the merchandise trade deficit is estimated to have increased by 3.3 per cent to \$815.9m (40.2 per cent of GDP). This performance was largely attributed to an 8.1 per cent rise in imports (f.o.b) to \$1,034.5m, associated with high international oil prices and increased economic activity. Domestic export earnings grew by 8.0 per cent to \$130.8m, largely reflecting increases in receipts from banana, which rose by 23.5 per cent (\$10.3m). The higher banana earnings was due to a number of factors including appreciation of the pound sterling against the EC dollar and higher

production levels. Net outflows on the income account rose by an estimated 10.1 per cent to \$143.8m. This performance was attributed to an increase in interest payments on the central government's external debt.



Net inflows on the capital and financial account fell by 10.2 per cent to \$396.4m (19.5 per cent of GDP). In the capital account, net inflows of capital transfers contracted by 79.0 per cent as a result of lower grant receipts by the central government. The net surplus on the financial account rose by 0.4 per cent to \$386.8m. There was a net inflow of \$85.4m in commercial bank short-term capital, in contrast to a net outflow of \$193.8m in 2003. Net inflows of direct investment totalled \$286.1m, representing a 9.5 per cent increase on the level in 2003. By contrast, net inflows of portfolio investment contracted in 2004 due to lower external bond issues. The surplus on the capital and financial account was more than sufficient to finance the deficit on the current account.

### Prospects

The economic prospects for St Lucia are promising. Notwithstanding the positive outlook, challenges remain, including high international oil prices and erosion of trade



preferences. Growth in tourism activity is expected based on an increase in stay-over arrivals, boosted by additional airlift from the USA and UK and expanded hotel room capacity. Public sector investment and proposed private sector ventures are expected to boost construction activity. Projects in the private sector include a hotel and resort chain at Pigeon Point. Public sector construction activity includes rehabilitation of the east coast highway, flood protection embankments in Dennery, and projects associated with World Cup Cricket in 2007. In the agricultural sector, banana production is expected to increase.

The overall fiscal deficit, as a proportion of GDP, is projected to widen in 2005 based on increased capital expenditure associated with various projects. Current

revenue is projected to grow but at a slower rate than the increase in expenditure. Outlays on personal emoluments are expected to increase, associated with the recruitment of additional security. Spending on goods and services is projected to expand on account of increased administrative costs in preparation for World Cup Cricket. The deficit will be financed mainly by external borrowing. 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. However, this outcome will be partly offset by an increase in inflows from travel. Higher capital and financial inflows are projected, which should result in an overall balance of payments surplus.



# ST VINCENT AND THE GRENADINES

## Overview

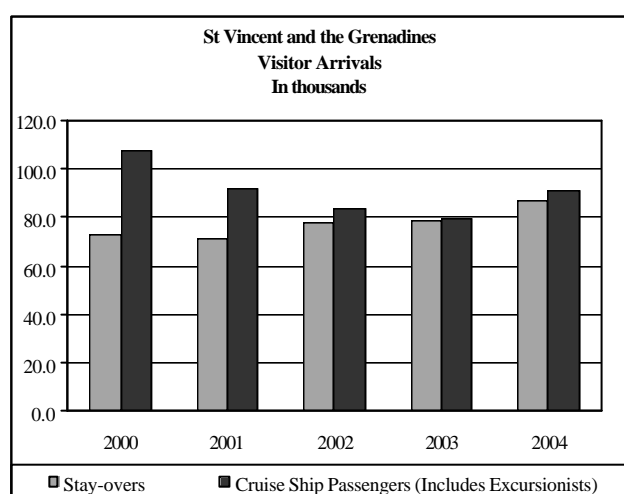
Economic performance in St Vincent and the Grenadines continued to improve in 2004. Real GDP growth is estimated at 5.4 per cent compared with 3.4 per cent in 2003. Increased activity was observed in all sectors of the economy, except agriculture. Consumer prices rose by 1.7 per cent. The central government's fiscal operations resulted in a higher overall deficit. Increases were recorded in broad money and commercial bank liquidity. In the external sector, an overall surplus was recorded, as a result of an increase in net inflows on the financial account.

Economic activity is projected to increase further in 2005 based on expected developments in the construction, wholesale and retail trade and manufacturing sectors. Downside risks to the projections include the possibility of unfavourable weather and its implications for agriculture and tourism. Increases in international oil prices also pose a risk to the economy via effects on consumer prices, central government revenue and the external current account balance.

## Output

Construction activity was vibrant in 2004. Value added in the sector expanded by 14.7 per cent relative to growth of 8.2 per cent in 2003. The sector's share of GDP increased by 0.8 percentage point to 10.2 per cent. This outturn was attributed to higher investment activity in both the public and private sectors. In the public sector, activity focussed on upgrading the Windward highway, extending the community college and building a correctional facility, stadium, public library complex as well as additional low-income houses.

Private sector investment included major renovations to a resort and construction of a golf course in Canouan, offices for an insurance company, and homes. The expansion in residential construction activity was supported in part by a 23.4 per cent increase in commercial bank lending for home construction and renovation during 2004; in 2003 credit had fallen by 10.0 per cent.



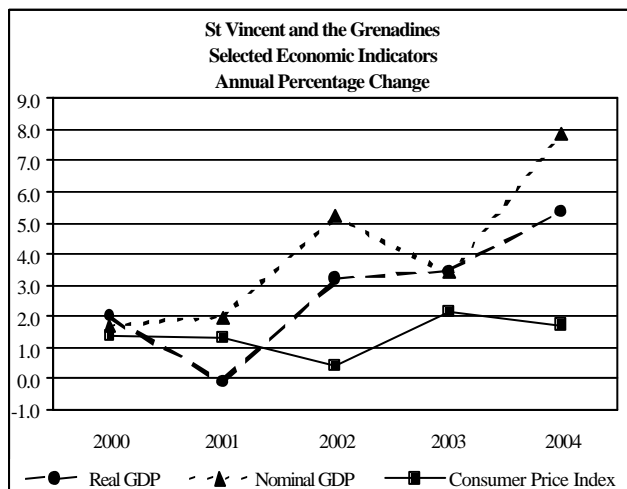
Output in the hotels and restaurants sector, which is used as a proxy for tourism activity, increased in 2004 following three successive years of decline. Value added in that sector grew by 5.5 per cent in contrast to a 5.7 per cent decrease in the previous year. The turnaround in value added reflected growth in stay-over visitor arrivals, particularly those staying in paid accommodation. The reopening of a resort in Canouan and a hotel on mainland St Vincent during 2004 contributed to the growth in arrivals. The number of stay-over visitors increased by 10.4 per cent to a record high of 86,721. Improvements in the global economy, increased tourism marketing and the appreciation of the euro positively influenced that performance. Estimates of stay-over visitors by country of origin



indicate growth from all major markets, particularly from the USA (13.1 per cent), the Caribbean (9.9 per cent) and the UK (9.2 per cent).

Cruise ship passenger arrivals increased by 19.4 per cent to 77,585 in 2004, although there were 20 less cruise ship calls than in 2003. Visits by some larger size vessels contributed to the increase in the number of cruise ship passengers. In the other categories decreases in arrivals were recorded for excursionists (5.5 per cent) and yacht passengers (0.1 per cent). Total visitor arrivals in 2004 increased by 8.3 per cent to a record high of 261,469, in contrast to a decline of 2.4 per cent in 2003.

Manufacturing activity continued to recover in 2004. Value added in the sector increased by 2.9 per cent, following growth of 0.7 per cent in 2003 and a contraction of 6.1 per cent in 2002. The improvement in 2004 reflected increased production of rice, beer and feeds. Rice production rose by 34.3 per cent in contrast to a reduction of 15.2 per cent reported in 2003, reflecting an increase in demand, particularly from Grenada and St Lucia. Output of beer and feeds increased by 12.6 per cent and 7.4 per cent respectively, influenced by intensified marketing and greater domestic demand.



Among the other sectors of the economy, value added for transport grew by 7.0 per cent in 2004, consistent with increases in construction activity and visitor arrivals. Value added in electricity and water rose by 7.1 per cent, attributable to higher demand. Increases in value added were also recorded for wholesale and retail trade (9.8 per cent), banking and insurance (3.9 per cent) and communications (3.0 per cent).

Agricultural production decreased in 2004 compared with output in 2003. Value added in the sector fell by 5.2 per cent, compared with a 2.2 per cent rate of decline in 2003. This performance reflected decreases in the crops and fishing sub-sectors. In the crops sub-sector value added fell by 7.2 per cent, reflecting a decline in output of non-banana crops. The production of bananas increased by 0.3 per cent. This outturn resulted from higher yields during January to August 2004, reflecting productivity gains from irrigation initiatives and recovery from the effects of drought in early 2003. However hurricane Ivan in September 2004 and heavy rains and mudslides in October and November almost erased the gains made earlier in the year. In the rest of the agricultural sector, value added in the livestock and forestry sub-sectors increased by 2.0 per cent and 1.1 per cent respectively in 2004. Value added in the fishing sub-sector declined by 2.0 per cent.

### Prices, Wages and Employment

The rate of inflation, as measured by the change in the consumer price index, was 1.7 per cent during 2004, down from 2.2 per cent recorded in 2003. The "food" sub-index increased by 2.0 per cent, reflecting higher prices of some food items, particularly fish and corned beef. The "fuel and light" sub-index grew by 7.5 per cent, influenced by increases in the fuel surcharge for electricity services and in the retail price for gasoline.

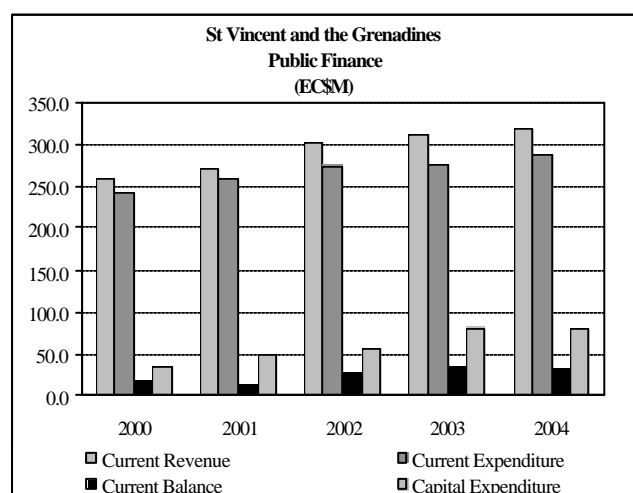


Increases were also recorded for "household furnishings and supplies" (5.8 per cent), "alcoholic beverages and tobacco" (3.9 per cent) and "transport and communications" (1.9 per cent). Price reductions were observed in the sub-indices "housing", "clothing and footwear" and "medical care and expenses". In each case, the decline was less than 1.0 per cent.

Public sector employees received a 4.0 per cent increase in wages and salaries effective 1 January 2004. Data on employment levels were not available. However it is likely that the rate of employment increased during the year as a result of the expanded tourism and construction activity.

### Central Government Fiscal Operations

The central government's fiscal operations resulted in a current account surplus of \$30.6m (2.8 per cent of GDP) in 2004 compared with one of \$35.4m (3.5 per cent of GDP) in the previous year. The smaller surplus was attributed to an increase in expenditure, which outweighed the growth in revenue.



Current expenditure increased by 4.3 per cent to \$288.1m, which was \$20.0m less than the budgeted amount for 2004. As a percentage of GDP, however,

current expenditure fell by 1.0 percentage point to 26.2 per cent. The increase in 2004 reflected larger outlays for all categories of expenditure, except interest payments. Expenditure on goods and services rose by 8.3 per cent, partly influenced by increased spending on utilities. Outlays on personal emoluments were 4.1 per cent above the total in 2003, associated with the 4.0 per cent salary increase and a \$200 tax-free bonus paid to civil servants in December. Expenditure on transfers and subsidies increased by 3.2 per cent as a result of higher payments to pensioners and social welfare beneficiaries.

Interest payments were 0.7 per cent lower in 2004 relative to payments in the previous year, influenced by a 29.3 per cent fall in domestic interest payments. The decline in domestic interest payments was partly attributed to the refinancing of an overdraft with lower interest debt contracted on the Regional Government Securities Market (RGSM). In contrast, foreign interest payments rose by 39.1 per cent as a result of bond issues on the international market in November 2003 and during 2004.

Current revenue rose by 2.3 per cent to \$318.7m compared with the amount in 2003. As a percentage of GDP current revenue fell to 28.9 per cent from 30.7 per cent in 2003. The expansion in revenue largely reflected a 4.7 per cent increase in tax revenue, as non-tax revenue decreased. Except for receipts from taxes on property, which declined by 7.4 per cent, increases were reported for all major categories of tax revenue. Of these categories, receipts from taxes on domestic goods and services rose by 10.0 per cent, largely influenced by increased intake from stamp duty on property transfers. Revenue from taxes on international trade and transactions rose by 4.1 per cent. This performance reflected larger collections from import-related levies - customs service charge (6.7 per cent), import duty (5.1 per cent) and consumption tax



(2.8 per cent), attributable to growth in the value of imports. Receipts from taxes on income and profit rose by 3.0 per cent, reflecting growth of 6.6 per cent in proceeds from the personal income tax, on account of salary increases. Revenue from non-tax sources declined by 9.7 per cent on account of a reduction in the receipt of dividends. Compared with the 2004 budget estimates, current revenue was \$25.1m below the budgeted amount, largely reflecting a \$10.0m variance in company tax receipts.

Capital expenditure, at \$78.9m, was 3.8 per cent less than the amount in 2003. As a percentage of GDP, capital expenditure fell to 7.2 per cent from 8.1 per cent in 2003. Given a budget of \$137.5m, actual capital expenditure translated into a lower capital implementation ratio of 57.4 per cent relative to 2003 when the rate was 60.0 per cent. Capital receipts (including grants) rose by 46.3 per cent (\$3.7m). The transactions in the current and capital accounts resulted in a 1.5 per cent increase in the overall deficit to \$32.8m, which was financed from external borrowing. As a percentage of GDP, the deficit decreased to 3.0 per cent in 2004 from 3.2 per cent in the previous year.

Total disbursed outstanding debt of the central government increased by 15.7 per cent to \$808.9m (73.4 per cent of GDP) in 2004. The increase was attributed to new disbursements from bond issues during 2004. These issues also contributed to growth of 46.6 per cent in debt service payments.

### Money and Credit

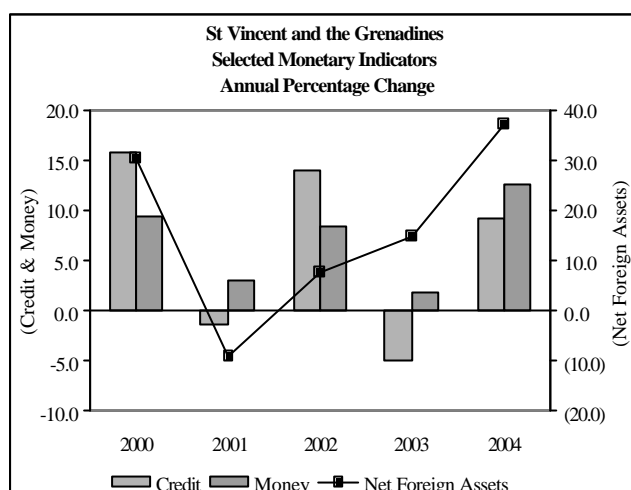
Total monetary liabilities (M2) stood at \$812.3m at the end of 2004, representing an increase of 12.4 per cent on the level at the end of 2003. The expansion reflected in part growth of 13.8 per cent in quasi-

money. Of the components of quasi money, private sector savings deposits rose by 19.6 per cent and foreign currency deposits more than doubled. These increases were partially offset by a 10.3 per cent reduction in private sector time deposits. The apparent shift of preference from time to savings accounts by depositors can be attributed to the reduction in interest rates on time deposits. The narrow money supply (M1) increased by 10.0 per cent, primarily driven by growth of 8.9 per cent in private sector demand deposits.

Domestic credit rose by 9.1 per cent to \$554.3m in contrast to a 4.9 per cent decline during 2003. This expansion was mostly influenced by increased borrowing by the non-financial public enterprises and the non-bank financial institutions. In the case of the non-financial public enterprises, an increase in credit combined with a withdrawal of deposits to finance two building projects resulted in a 64.8 per cent decrease in their net deposits. Credit to the non-bank financial institutions almost doubled while their deposits fell, resulting in a decrease in their net deposits.

The central government's deposits with the banking system rose by 20.7 per cent, while its borrowings declined by 16.2 per cent. Deposits held at the Central Bank increased by \$40.8m, representing proceeds from an external bond issue. The increase was partially offset by a \$16.0m reduction in deposits at commercial banks. Central Bank credit to the central government fell by \$13.7m, reflecting a decrease in advances. Loans to the central government from the commercial banking system declined by \$13.4m, largely attributable to decreases in Treasury bill holdings and debentures. The central government's transactions with the banking system resulted in net deposits of \$4.7m in contrast to a net credit of \$47.2m in 2004.





Credit to the private sector increased marginally to \$638.6m. An 8.4 per cent increase in outstanding loans to households was almost offset by a 14.1 per cent reduction in business credit.

The composition of credit by economic activity shows increases in loans for tourism (60.3 per cent), construction (26.0 per cent) and distributive trades (15.7 per cent), consistent with growth in those sectors. Lending for agriculture and fisheries fell by 81.1 per cent and credit for manufacturing (including mining and quarrying) decreased by 17.2 per cent.

The net foreign assets of the banking system expanded by 36.9 per cent to \$429.0m during 2004. Increases were recorded in both commercial banks' net foreign assets (29.1 per cent) and St Vincent and the Grenadines' imputed share of ECCB's reserves (47.1 per cent). The growth in net foreign assets of commercial banks largely reflected an increase in assets with institutions in the rest of the currency union.

Liquidity in the commercial banking system remained high during 2004. The ratio of liquid assets to total deposits plus liquid liabilities rose by 2.0 percentage points to 41.3 per cent, partly reflecting an increase in liquid assets particularly foreign investments.

The ratio of loans and advances to total deposits was 71.2 per cent.

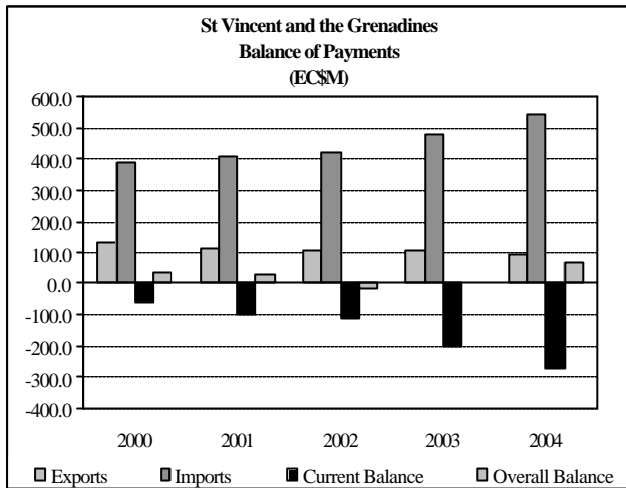
Commercial bank interest rates on deposits fell during 2004. The maximum interest rate on savings deposits decreased to 4.5 per cent from 5.0 per cent in 2003. The maximum rate on time deposits declined to 4.3 per cent from 7.5 per cent.

### Balance of Payments

The balance of payments position improved in 2004, influenced by higher inflows on the capital and financial account. An overall surplus of \$68.6m (6.2 per cent of GDP) was recorded, in contrast to a deficit of \$1.2m (0.1 per cent of GDP) in 2003. The current account deficit widened to \$271.1m (24.6 per cent of GDP) in 2004 from \$203.5m (20.0 per cent of GDP) in 2003. This outcome was influenced by an increase in the merchandise trade deficit. The deficit on that account rose to \$448.9m from \$373.1m in 2003. An increase in import payments (f.o.b.) and a reduction in export receipts accounted for the higher deficit. Merchandise imports grew by 13.5 per cent to \$539.8m, partly reflecting the expansion in economic activity and an increase in payments for petroleum-based products on account of higher international oil prices. In the case of total exports, the value amounted to \$90.9m, representing an 11.4 per cent decline on the amount in 2003. This outcome partly reflected a 1.8 per cent decrease in the value of domestic exports, associated with reduced earnings from beer and flour due to increased competition. Receipts from banana exports were 1.1 per cent above the total in 2003.

Net outflows on the income account fell to \$55.9m in 2004 from \$63.7m in 2003, as a result of lower outflows of direct investment, mainly reinvested earnings.





Transactions on the services account resulted in net inflows of \$195.1m, marginally above the level in 2003, influenced by developments in the travel sub-account. Gross travel receipts increased by 4.8 per cent to \$258.0m in 2004, consistent with growth in the number of visitors. This increase was partly offset by larger outflows for transportation services.

The surplus on the capital and financial account increased by 67.9 per cent to \$339.7m (30.8 per cent of GDP) in 2004. This expansion was associated largely with increases in inflows of portfolio and public sector long-term investment. Net inflows on the capital account increased by 19.0 per cent, reflecting higher inflows of grants to the public sector.

**Prospects**

The economic outlook for St Vincent and the Grenadines in 2005 is positive, with growth in real GDP projected at 6.6 per cent. Construction is expected to provide the impetus for growth, supported by tourism and manufacturing.

In the construction sector ongoing work on the national stadium, public library complex and the correctional facility is expected to have a positive impact on value-added. Activity in the tourism industry is likely to expand, based on an increase in visitor arrivals as a result of additional airlift from Puerto Rico to Canouan and assuming favourable conditions in the international economy. The cruise sub-sector is likely to benefit from increased visits, based on the 2004/2005 itinerary. Growth in the number of yacht passengers is projected for 2005 - the first increase in four years. The anticipated turnaround is based on a likely success of various promotional activities, including the country’s participation at international symposia and trade fairs. Growth in the manufacturing sector is likely to be sustained as a result of the extensive marketing programme. In the agricultural sector, banana production is projected to approximate the yield in 2004.

The central government is likely to realise a smaller surplus on its current account. Higher interest payments are projected as a result of an increase in the debt stock. Growth in outlays on personal emoluments is expected, based on a 3.0 per cent salary increase to civil servants effective January 2005. Additional tax measures proposed in the 2005 budget address are expected to contribute to an increase in current revenue. These measures include a 5.0 per cent tax on mobile calls and a 10.0 per cent tax on winnings in excess of \$500 from games of chance. Increases in the retail price of petroleum products, effective 01 January, will result in larger receipts from taxes on these products. Nonetheless, the overall deficit is likely to widen based on an increase in capital expenditure associated with projects to be implemented in 2005.





In the external sector, the merchandise trade deficit is expected to widen. Import payments are projected to increase, in line with growth in construction activity and high international oil prices. Earnings from visible exports are likely to decline as a result of increasing competition and lower unit prices for manufacturing and agricultural products. Higher gross travel receipts should result from the anticipated increase in visitor arrivals. M2 and private sector credit are likely to increase as a result of the expansion in the economy. Liquidity in the commercial banking system is expected to remain high.

The macroeconomic projections are contingent on favourable international developments. However, there are some downside risks. Higher international oil prices are expected to have an adverse impact on government revenue and consumer prices. Increases in international interest rates could dampen economic activity in St Vincent and the Grenadines.



# 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'

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

### NOTES TO THE MONETARY SURVEY

1. Central government represents central and local government.
  - 1.1 Domestic Credit to Central Government (net)
    - Central Bank and commercial banks' total holdings of Treasury Bills and Debentures
    - plus Central Bank and commercial banks' loans and advances to central government
    - plus Central Bank interest due on Securities
    - minus Total central government deposits held with the Central Bank and commercial banks
    - minus Sinking Fund Call Account and Government Operating Account held with the Central Bank
2. Other Public Sector represents national insurance (social security scheme) and non-financial public enterprises.
3. Private Sector represents households and private businesses.
4. Currency = total currency liabilities of the Central Bank less commercial banks' holdings of local currency cash.
5. Demand Deposits = total private businesses and households residents' demand deposits.
6. Savings Deposits = total private businesses and households residents' savings deposits.
7. Time Deposits = total private businesses and households residents' time deposits.
8. Foreign Currency Deposits = total private businesses and households residents' foreign currency deposits.

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<i>(annual percentage change unless otherwise stated)</i>					
<b>National Income and Prices</b>					
Nominal GDP at basic prices	4.1	0.8	1.3	4.4	5.8
Real GDP at basic prices	2.7	(1.3)	0.5	3.5	3.9
GDP Deflator	1.4	2.1	0.8	0.9	1.9
Consumer Prices (end of period)	1.7	1.3	0.3	1.5	2.4
Consumer Prices (period average)	2.6	1.7	0.4	1.3	1.8
<b>Real GDP at Factor Cost by Selected Sectors</b>					
Agriculture	1.1	(8.4)	5.3	(4.7)	0.1
Manufacturing	5.2	(1.4)	(1.3)	0.6	(1.8)
Electricity and Water	4.5	5.6	1.9	2.9	1.0
Construction	4.2	(1.5)	(2.5)	4.4	5.5
Wholesale and Retail	0.7	(5.4)	(0.3)	5.0	3.8
Hotels and Restaurants	(1.2)	(5.2)	(0.5)	12.4	8.4
Transport	1.3	(2.9)	(1.0)	6.2	10.4
Communications	6.1	0.4	(0.3)	1.4	4.1
Banks and Insurance	5.9	(0.4)	3.9	2.8	2.3
Government Services	1.9	2.7	3.4	2.1	2.0
Other Services	6.1	(0.7)	0.9	1.8	1.2
<i>(as a percentage of GDP)</i>					
<b>External Sector</b>					
Current Account Balance	(16.2)	(18.0)	(20.0)	(21.2)	(17.2)
Overall Balance	0.7	2.3	2.1	1.5	3.1
Merchandise Trade Balance	(39.3)	(36.4)	(35.4)	(39.4)	(40.5)
<b>Central Government</b>					
Current Account Balance	(0.3)	(2.0)	(2.2)	(0.7)	(0.3)
Current Revenue	25.3	24.9	25.8	26.1	26.8
Current Expenditure	25.6	26.9	28.0	26.8	27.1
Capital Expenditure and Net Lending	7.2	8.0	9.9	7.7	6.5
Overall Fiscal Balance	(4.3)	(7.3)	(9.0)	(4.8)	(3.0)
Total Public Sector Debt (end of period)	82.5	91.4	102.0	105.2	107.1
<i>(per cent per annum)</i>					
<b>Monetary Sector</b>					
Weighted Deposit Interest Rates	4.5	4.3	3.8	4.7	n.a
Weighted Lending Interest Rates	12.0	11.5	11.3	13.0	n.a
<i>(in millions of EC dollars, unless otherwise stated)</i>					
<b>Memo</b>					
Nominal GDP at basic prices	6,480.6	6,531.8	6,618.4	6,912.6	7,315.8
Real GDP at basic prices	5,048.1	4,981.0	5,006.3	5,180.4	5,382.3
Nominal GDP at market prices	7,663.2	7,711.2	7,885.6	8,304.6	8,853.5
GDP per capita (EC\$)	11,317	11,283	11,398	11,828	12,404
Merchandise Imports (f.o.b)	3,835.1	3,513.9	3,517.2	3,981.1	4,313.6
Merchandise Exports (f.o.b)	821.5	709.2	724.8	705.8	730.7
Gross Visitor Expenditure	2,478.0	2,311.1	2,253.6	2,624.3	2,957.7

Source: Statistics Department and ECCB

R = Revised      P = Preliminary

**Data available at 25 May 2005**

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Current Revenue</b>	1,938.4	1,921.4	2,034.4	2,166.1	2,370.9
Tax Revenue	1,645.9	1,639.5	1,740.1	1,878.4	2,086.0
Taxes on Income and Profit <sup>/1</sup>	430.5	423.7	415.0	421.1	417.5
of which:					
Personal <sup>/2</sup>	149.2	151.3	150.5	148.8	159.9
Company	250.0	241.6	230.5	229.6	215.4
Taxes on Property	25.6	28.3	43.8	43.2	44.1
Taxes on Domestic Goods and Services	290.5	306.5	336.7	367.0	456.3
of which:					
Accommodation Tax	58.3	67.7	62.8	66.6	89.4
Licences <sup>/3</sup>	49.6	43.3	54.9	58.6	78.8
Sales Tax <sup>/4</sup>	12.5	16.7	17.5	23.8	32.6
Consumption Tax <sup>/5</sup>	50.2	43.4	42.1	46.8	45.5
Taxes on International Trade and Transactions	899.4	881.0	944.7	1,047.1	1,168.1
of which:					
Consumption Tax <sup>/7</sup>	403.7	416.9	459.3	482.4	520.6
Import Duties	280.0	250.9	250.2	288.3	311.2
Foreign Exchange Tax <sup>/6</sup>	11.3	8.4	8.4	11.4	12.7
Customs Service Charge <sup>/7</sup>	121.3	132.7	146.7	172.0	192.8
Non-Tax Revenue	292.5	282.0	294.3	287.7	284.8
<b>Current Expenditure</b>	1,961.1	2,076.1	2,208.5	2,223.9	2,395.5
Personal Emoluments	977.9	1,023.6	1,044.5	1,060.2	1,099.2
Goods and Services	433.5	480.9	488.4	453.6	503.1
Interest Payments	275.4	268.3	324.2	329.3	373.8
Domestic	141.7	153.1	157.5	137.5	121.8
External	133.7	115.2	166.7	191.7	252.0
Transfers and Subsidies	274.3	303.3	351.4	380.8	419.3
Pensions	112.4	113.9	127.8	133.8	144.8
<b>Current Account Balance (before grants)</b>	(22.7)	(154.7)	(174.1)	(57.8)	(24.6)
<b>Capital Revenue</b>	25.3	11.2	36.5	33.7	19.3
<b>Grants</b>	214.3	199.9	212.1	261.7	319.5
Current Grants <sup>/8</sup>	33.6	41.6	45.5	64.8	136.6
Capital Grants	180.6	158.3	166.6	196.9	140.7
Debt Forgiveness	-	-	-	-	42.2
<b>Capital Expenditure and Net Lending</b>	548.6	619.5	782.4	638.6	576.8
Capital Expenditure	550.8	621.5	737.1	633.7	549.4
<b>Primary Balance</b>	(56.4)	(294.8)	(383.8)	(71.8)	111.2
Overall Balance (before grants)	(546.1)	(763.0)	(920.0)	(662.8)	(582.1)
<b>Overall Balance (after grants)</b>	(331.8)	(563.1)	(707.9)	(401.1)	(262.6)
<b>Financing</b>	331.8	563.1	707.9	401.1	262.6
Domestic	45.1	41.7	(69.4)	(195.2)	(286.1)
ECCB (net)	5.5	4.1	(31.8)	20.0	(62.8)
Commercial Banks (net)	163.8	6.1	21.1	(119.5)	(10.9)
Other	(124.2)	31.5	(58.7)	(95.6)	(212.4)
External	193.6	342.6	627.3	479.2	428.1
Net Disbursements/(Amortisation)	228.4	359.4	647.8	478.0	439.7
Disbursement	341.7	499.6	796.1	671.8	705.8
Amortisation	(113.3)	(140.3)	(148.3)	(193.8)	(266.2)
Change in Govt. Foreign Assets	(34.8)	(16.7)	(20.5)	1.1	(11.6)
Arrears	93.1	178.7	150.0	117.1	120.6
Domestic	97.1	127.0	82.1	44.7	10.1
External	(4.1)	51.8	68.0	72.4	110.5

SOURCE: Statistics Department, OECS and ECCB

R = Revised P = Preliminary

/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 For all territories except St Vincent and the Grenadines

/7 For all territories except Anguilla

/8 For all territories except Anguilla

Data available at 12 April 2005

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Net Foreign Assets</b>	1,024.8	1,442.6	1,814.1	2,362.2	2,890.8
Central Bank (net)	1,018.8	1,192.2	1,355.1	1,449.1	1,702.9
Foreign Assets	1,035.9	1,204.1	1,362.9	1,457.7	1,707.5
Foreign Liabilities	17.1	11.9	7.8	8.5	4.6
Commercial Banks (net)	6.0	250.4	459.0	913.1	1,187.8
Assets	1,292.7	1,668.9	2,016.9	2,583.5	3,155.4
Liabilities	1,286.7	1,418.5	1,557.9	1,670.4	1,967.6
<b>Net Domestic Assets</b>	4,946.4	4,879.6	4,922.9	5,017.5	5,461.7
<b>Domestic Credit</b>	5,519.7	5,765.5	5,895.0	5,858.1	6,354.9
Central Government (net)	644.2	654.4	643.7	544.2	470.5
Other Public Sector (net)	(742.9)	(723.6)	(731.9)	(769.0)	(684.7)
Non-Bank Financial Institutions (net)	(163.0)	(230.8)	(252.5)	(264.4)	(211.5)
Subsidiaries and Affiliates (net)	(61.5)	86.4	101.6	115.8	164.4
Private Sector	5,842.8	5,979.1	6,134.1	6,231.6	6,616.1
<b>Other Items (net)</b>	(573.3)	(886.0)	(972.2)	(840.7)	(893.1)
<b>Money Supply (M2)</b>	5,971.2	6,322.1	6,737.0	7,379.7	8,352.5
Money Supply (M1)	1,214.2	1,248.5	1,321.7	1,508.1	1,887.3
Currency	389.5	375.9	395.7	429.6	486.1
Demand Deposits	824.8	872.6	925.9	1,078.5	1,401.1
Quasi Money	4,757.0	5,073.6	5,415.3	5,871.6	6,465.2
Savings Deposits	2,460.6	2,591.5	2,827.2	3,106.1	3,600.6
Time Deposits	1,530.6	1,680.6	1,669.5	1,787.4	1,688.0
Foreign Currency Deposits	765.8	801.5	918.7	978.1	1,176.7

Source: ECCB  
R = Revised                      P = Preliminary  
Data available at 1 April 2005

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
Total Visitors	2,663,660	2,667,936	2,329,012	2,503,271	3,235,615
Of which:					
Stay-Over Visitors	896,220	851,522	870,405	947,427	1,043,439
Visitor Arrivals by Air	873,077	829,911	850,091	925,692	1,021,269
USA	274,250	274,807	282,840	296,034	328,728
Canada	47,915	43,156	40,938	42,602	47,884
UK	217,837	194,062	192,379	223,488	246,212
Caribbean	217,888	228,112	250,393	274,989	305,440
Other Countries	115,187	89,774	83,541	88,579	93,005
Visitor Arrivals by Sea	23,143	21,611	20,314	21,735	22,170
Excursionists	108,195	97,539	104,304	107,183	107,331
Cruise Ship Passengers	1,543,301	1,582,398	1,208,885	1,313,210	1,949,670
Yacht Passengers	115,944	136,477	145,418	135,451	135,175
Number of Cruise Ship Calls	1,710	1,526	1,400	1,558	1,837
Total Visitor Expenditure (EC\$M)	2,477.99	2,311.13	2,253.26	2,624.30	2,957.73

SOURCE: Central Statistics Offices, OECS and Eastern Caribbean Central Bank  
Data as at 6 April 2005

**Notes:**

Only cruise, yacht and total arrivals data for St Kitts and Nevis are included from 2002  
Excursionists includes sea arrivals for St 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)**

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Current Account</b>	(1,237.9)	(1,389.4)	(1,578.4)	(1,759.8)	(1,519.4)
Goods and Services	(1,109.0)	1,169.9	(1,291.6)	(1,515.9)	1,479.2
Goods	(2,899.3)	(2,712.6)	(2,715.8)	(3,175.3)	(3,473.3)
Merchandise	(3,013.6)	(2,804.7)	(2,792.5)	(3,275.3)	(3,582.9)
Repair on goods	0.1	0.2	0.1	0.1	0.1
Goods procured in ports by carriers	114.1	91.8	76.6	99.9	109.6
Services	1,790.3	1,542.8	1,424.2	1,659.4	1,994.1
Transportation	(335.8)	(302.8)	(283.1)	(358.3)	(396.2)
Travel	2,182.8	2,018.1	1,952.2	2,307.4	2,618.0
Insurance Services	(59.8)	(102.7)	(122.9)	(139.8)	(70.2)
Other Business Services	60.4	(13.5)	(66.8)	(86.5)	(88.7)
Government Services	(57.4)	(56.4)	(55.2)	(63.4)	(68.9)
Income	(584.7)	(519.3)	(560.7)	(588.1)	(667.4)
Compensation of Employees	14.5	32.1	5.9	5.1	0.9
Investment Income	(599.2)	(551.4)	(566.6)	(593.3)	(668.3)
Current Transfers	455.9	299.8	274.0	344.2	627.2
General Government	104.8	79.9	60.4	121.4	140.0
Other Sectors	351.0	219.9	213.6	222.8	847.3
<b>Capital and Financial Account</b>	1,294.0	1,569.3	1,743.7	1,883.6	1,797.4
Capital Account	330.2	362.0	356.2	347.5	323.5
Capital Transfers	335.7	361.3	355.7	347.0	323.5
Acquisition and Disposal of Non-Produced, Non-Financial Assets	(5.5)	0.7	0.5	0.5	-
Financial Account	963.7	1,207.4	1,387.4	1,536.1	1,473.9
Direct Investment	896.4	1,000.9	918.7	1,399.5	1,294.0
Portfolio Investment	186.1	149.7	417.0	400.9	91.7
Other Investments	(118.7)	56.7	51.8	(264.2)	88.3
Public Sector Long Term	82.2	208.7	127.1	49.0	114.7
Other Public Sector Capital	-	-	1.3	-	-
Commercial Banks	122.8	(244.4)	(208.6)	(454.1)	(266.0)
Other Assets	(166.7)	(133.0)	(101.7)	(81.8)	(98.3)
Other Liabilities*	(157.1)	225.4	233.7	222.7	337.9
<b>Overall Balance</b>	56.1	179.9	165.3	123.8	278.0
<b>Financing</b>	(56.1)	(179.9)	(165.3)	(123.8)	(278.0)
Change in SDR holdings	0.0	-	-	-	-
Change in Reserve Position with the Fund	0.0	-	-	-	-
Change in Government Foreign Assets	(34.8)	(16.7)	(20.5)	1.1	(11.5)
Change in ECCU's Net Foreign Assets <sup>#</sup>	(21.3)	(163.2)	(144.8)	(124.9)	(266.5)

Source: ECCB

R = Revised      P = Preliminary

\* includes errors and omissions

# adjusted for valuation changes

**Data available at 8 April 2005**



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

Country	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
Anguilla	43.9	50.4	55.6	58.4	88.1
Antigua and Barbuda	2,332.6	2,423.3	2,649.1	2,818.3	2,821.7
Dominica	820.2	915.4	874.7	900.2	916.5
Grenada	657.4	881.8	1,271.5	1,378.6	1,589.6
Montserrat	29.9	25.7	16.0	14.2	12.3
St Kitts and Nevis	1,015.7	1,222.9	1,442.6	1,595.1	1,766.1
St Lucia	799.6	878.6	1,020.4	1,202.9	1,403.5
St Vincent and the Grenadines	624.9	649.5	709.9	767.6	884.1
TOTAL ECCU	6,324.2	7,047.6	8,039.8	8,735.3	9,481.9

Source: ECCB

\* Includes arrears of principal

R = Revised P = Preliminary

Data available at 20 April 2005

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

Country	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
Anguilla	19.7	24.4	29.5	35.5	69.0
Antigua and Barbuda	2,156.6	2,253.9	2,487.4	2,661.7	2,676.2
Dominica	694.7	777.0	724.7	745.1	760.5
Grenada	570.6	672.0	950.5	1,065.9	1,250.3
Montserrat	13.0	8.7	7.0	4.9	3.8
St Kitts and Nevis	673.1	834.5	1,028.6	1,165.8	1,293.7
St Lucia	563.4	639.2	777.5	966.9	1,186.5
St Vincent and the Grenadines	553.6	591.5	648.9	698.9	808.9
TOTAL ECCU	5,244.7	5,801.2	6,654.2	7,344.6	8,048.9

Source: ECCB

R = Revised P = Preliminary

Data available at 20 April 2005

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

Country	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
Anguilla	1.0	2.1	4.2	6.8	8.6
Antigua and Barbuda	131.5	109.6	96.3	100.8	131.8
Dominica	57.8	53.2	54.1	41.4	49.7
Grenada	55.3	59.3	92.5	133.3	156.5
Montserrat	0.9	2.2	2.4	1.8	1.4
St Kitts and Nevis	67.2	75.6	102.3	123.4	125.2
St Lucia	46.6	139.4	164.7	119.9	138.2
St Vincent and the Grenadines	38.3	41.2	46.2	97.0	142.2
TOTAL ECCU	398.5	482.6	562.6	624.2	753.6

Source: ECCB

R = Revised P = Preliminary

Data available at 20 April 2005

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<i>(annual percentage change unless otherwise stated)</i>					
<b>National Income and Prices</b>					
Nominal GDP at basic prices	0.2	2.7	0.9	4.5	16.3
Real GDP at basic prices	(0.3)	3.3	(3.1)	3.3	14.0
GDP Deflator	0.5	(0.6)	4.1	1.2	2.0
Consumer Prices (end of period)	6.5	2.9	(1.4)	6.9	5.1
Consumer Prices (period average)	4.7	4.7	0.5	3.2	4.4
<b>Real GDP at Factor Cost by Selected Sectors</b>					
Agriculture	(7.7)	(5.2)	15.1	1.5	2.7
Manufacturing	3.4	2.1	1.2	9.6	2.5
Electricity and Water	8.3	14.8	9.2	3.9	6.6
Construction	(6.7)	(14.6)	(8.4)	3.2	53.0
Wholesale and Retail Trade	3.3	(5.0)	(10.8)	5.9	15.0
Hotels and Restaurants	(6.4)	9.5	(8.3)	6.7	14.5
Transport	(1.6)	(3.6)	(4.7)	2.9	22.1
Banks and Insurance	25.7	22.0	(10.5)	8.7	9.6
Government Services	3.9	4.3	3.2	4.6	2.0
Other Services	8.1	4.9	2.5	8.0	5.0
<i>(as a percentage of GDP)</i>					
<b>External Sector</b>					
Current Account Balance	(56.4)	(36.2)	(31.7)	(36.6)	(43.7)
Overall Balance	0.4	3.5	1.8	6.0	0.7
Merchandise Trade Balance	(72.9)	(58.9)	(50.5)	(53.7)	(60.7)
<b>Central Government</b>					
Current Account Balance	0.0	(1.7)	1.0	0.8	5.8
Current Revenue	24.6	24.4	27.5	26.8	30.8
Current Expenditure	24.5	26.1	26.5	26.1	25.0
Capital Expenditure and Net Lending	5.2	4.2	1.1	4.0	11.1
Overall Fiscal Balance	(1.9)	(3.8)	0.6	2.8	(4.9)
Total Public Sector Debt (end of period)	15.0	16.9	18.2	18.3	23.5
<i>(per cent per annum)</i>					
<b>Monetary Sector</b>					
Weighted Deposit Interest Rates	3.8	3.3	3.2	3.9	5.4
Weighted Lending Interest Rates	11.4	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	233.5	239.8	242.0	252.9	294.3
Real GDP at basic prices	184.7	190.8	184.9	190.9	217.7
Nominal GDP at market prices	291.7	297.5	305.3	318.3	375.3
GDP per Capita (EC\$)	20,749	20,740	20,300	20,733	24,119
Merchandise Imports (f.o.b)	224.6	184.6	166.1	182.4	243.3
Merchandise Exports (f.o.b)	11.9	9.5	11.8	11.5	15.5
Gross Visitor Expenditure	152.1	166.6	153.6	162.7	187.3

Source: Statistics Department and ECCB

R = Revised P = Preliminary

\*ECCB Estimates

**Data available at 7 March 2005**

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Current Revenue</b>	71.6	72.7	83.9	85.4	115.7
Tax Revenue	58.5	58.3	63.8	65.9	95.2
Taxes on Income and Profit of Which:	--	--	--	--	--
Taxes on Property	0.4	0.6	0.5	0.6	0.6
Taxes on Domestic Goods and Services of Which:	18.1	23.0	29.0	28.1	47.1
Stamp Duties	5.6	4.8	8.8	6.9	21.9
Accommodation Tax	4.7	7.7	9.2	9.1	12.0
Bank Deposit Levy	2.0	2.4	2.5	3.5	3.2
Taxes on International Trade and Transactions of Which:	40.0	34.7	34.4	37.2	47.5
Import Duty	36.0	30.1	29.8	30.2	38.7
Foreign Currency Levy	1.1	1.1	0.9	1.3	1.1
Embarkation Tax	2.0	2.5	2.8	3.4	3.3
Non-tax Revenue	13.1	14.4	20.1	19.5	20.5
<b>Current Expenditure</b>	71.5	77.7	81.0	83.0	93.9
Personal Emoluments	36.8	39.6	41.1	42.4	36.3
Goods and Services	31.5	34.1	33.8	33.7	34.6
Interest Payments	0.5	1.8	3.4	3.5	3.2
Domestic	0.3	1.4	2.8	2.6	2.3
External	0.2	0.4	0.6	0.9	0.9
Transfers and Subsidies of Which: Pensions	2.7 1.3	2.2 1.4	2.8 1.6	3.4 1.7	19.8 1.8
<b>Current Account Balance</b>	0.1	(5.1)	3.0	2.5	21.8
Capital Revenue	--	--	--	16.5	--
Capital Grants	9.8	6.2	2.1	2.7	1.5
<b>Capital Expenditure and Net Lending</b> of which: Capital Expenditure	15.3 15.3	12.4 12.4	3.3 3.3	12.6 12.6	41.7 41.7
<b>Primary Balance (after grants)</b>	(4.9)	(9.4)	5.1	12.5	(15.1)
Overall Balance (before grants)	(15.2)	(17.5)	(0.4)	6.4	(16.7)
<b>Overall Balance (after grants)</b>	(5.4)	(11.3)	1.7	9.1	(18.4)
<b>Financing</b>	5.4	11.3	(1.7)	(9.1)	18.4
Domestic	7.2	9.5	(1.8)	(8.8)	17.6
ECCB (net)	0.3	5.0	(4.4)	(0.5)	0.2
Commercial Banks (net)	12.2	3.3	3.7	(6.3)	24.1
Other	(5.3)	1.2	(1.1)	(2.0)	(6.7)
External	(0.2)	1.8	0.1	(0.3)	0.7
Net Disbursements/(Amortisation)	(0.2)	1.8	0.1	(0.3)	0.7
Disbursements	0.2	2.0	0.5	1.1	1.2
Amortisation	(0.4)	(0.2)	(0.4)	(1.4)	(0.5)
Change in Govt. Foreign Assets	--	--	--	--	--
Arrears	(1.6)	--	--	--	--
Domestic	(1.6)	--	--	--	--
External	--	--	--	--	--

Source: Ministry of Finance and ECCB

R = Revised    P = Preliminary

Data available at 8 March 2005

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

	2000	2001	2002	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Net Foreign Assets</b>	102.5	151.7	209.4	200.6	336.4
Central Bank (net)	54.8	65.3	70.8	89.9	92.5
Commercial Banks (net)	47.7	86.4	138.6	110.8	243.9
External (net)	18.0	50.8	92.0	64.6	192.1
Assets	211.2	229.6	284.7	282.3	418.4
Liabilities	193.2	178.9	192.7	217.7	226.3
Other ECCB Territories (net)	29.7	35.7	46.6	46.2	51.7
Assets	40.2	49.9	65.8	74.0	130.1
Liabilities	10.5	14.2	19.2	27.8	78.3
<b>Net Domestic Assets</b>	329.6	332.5	336.2	386.5	361.7
<b>Domestic Credit</b>	385.2	409.8	425.7	484.7	552.6
Central Government (net)	11.6	19.8	19.1	12.3	36.7
Other Public Sector (net)	(50.6)	(57.0)	(65.8)	(67.8)	(81.4)
Non-Bank Financial Institutions (net)	(7.3)	(13.9)	(11.1)	(9.2)	(7.2)
Subsidiaries and Affiliates (net)	6.7	3.1	4.3	9.0	13.4
Private Sector	424.8	457.7	479.2	540.4	591.1
<b>Other Items (net)</b>	(55.6)	(77.2)	(89.5)	(98.2)	(190.9)
Money Supply (M2)	432.1	484.2	545.6	587.1	698.1
Money Supply (M1)	20.1	20.4	19.5	24.5	26.1
Currency with the public	8.8	9.0	8.2	9.0	9.5
Demand Deposits	11.4	11.4	11.3	15.5	16.6
Quasi Money	412.0	463.9	526.1	562.6	672.0
Savings Deposits	49.2	46.9	50.0	51.9	60.1
Time Deposits	39.9	44.5	49.2	55.6	50.3
Foreign Currency Deposits	322.9	372.6	426.8	455.1	561.6

Source: ECCB and Development Planning Unit

R = Revised      P = Preliminary

Data available at 8 March 2005

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

	2000	2001	2002	2003 <sup>R</sup>	2004 <sup>P</sup>
Total Visitor Arrivals	101,465	104,974	111,118	109,282	119,130
Of Which:					
Stay-Over Arrivals	43,737	47,944	43,969	46,915	53,711
USA	24,799	30,099	28,755	30,644	35,295
Canada	1,512	1,258	1,301	1,289	1,526
UK	2,786	2,789	2,529	2,962	3,216
Italy	3,737	2,746	707	945	1,061
Germany	522	546	537	649	1,097
Rest of Europe	2,377	1,946	1,610	1,752	2,720
Caribbean	6,816	7,369	7,455	7,362	7,269
Other Countries	1,188	1,191	1,075	1,312	1,527
Excursionist	57,728	57,030	67,149	62,367	65,419
Total Visitor Expenditure (EC\$M)	152.1	166.6	153.6	162.7	187.3

Source: ECCB and Development Planning Unit

R = Revised      P = Preliminary

Data available at 7 March 2005

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Current Account</b>	(164.6)	(107.7)	(96.9)	(116.4)	(163.9)
Goods and Services	(147.9)	(90.8)	(81.9)	(98.8)	(146.9)
Goods	(212.9)	(175.3)	(154.6)	(171.0)	(227.9)
Merchandise	(212.6)	(175.1)	(154.3)	(171.0)	(227.8)
Repair on Goods	0.0	0.1	0.0	0.0	0.0
Goods Procured in Port by Carriers	(0.3)	(0.3)	(0.3)	(0.1)	(0.1)
Services	65.0	84.5	72.7	72.2	81.0
Transportation	(34.0)	(28.6)	(23.8)	(26.7)	(34.3)
Travel	128.8	143.1	131.1	138.7	159.0
Insurance Services	(4.3)	(3.2)	(2.7)	(1.9)	(2.9)
Other Business Services	(25.9)	(24.0)	(27.7)	(34.8)	(37.6)
Government Services	0.3	(2.8)	(4.2)	(3.1)	(3.2)
Income	(24.8)	(20.3)	(17.3)	(15.9)	(17.6)
Compensation of Employees	-	-	0.6	1.3	-
Investment Income	(24.8)	(20.3)	(17.9)	(17.2)	(17.6)
Current Transfers	8.1	3.4	2.3	(1.7)	0.6
General Government	4.1	6.9	6.4	7.3	11.2
Other Sectors	4.0	(3.5)	(4.1)	(9.0)	(10.5)
<b>Capital and Financial Account</b>	165.7	118.2	102.3	135.6	166.5
Capital Account	26.3	23.8	21.6	21.1	19.4
Capital Transfers	26.3	23.8	21.6	21.1	19.4
Acquisition and Disposal of Non-Produced Non-Financial Assets	-	-	-	-	-
Financial Account	139.3	94.4	80.7	114.4	147.2
Direct Investment	112.7	88.3	98.1	83.4	277.1
Portfolio Investment	-	3.1	0.0	(2.1)	-
Other Investments	26.7	3.0	(17.5)	33.1	(129.9)
Public Sector Long Term	(0.4)	4.0	(1.0)	(0.6)	1.5
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	7.5	(38.7)	(52.2)	27.9	(133.1)
Other Assets	(1.8)	(9.4)	(1.5)	(2.9)	(3.5)
Other Liabilities*	21.4	47.1	37.3	8.8	5.1
<b>Overall Balance</b>	1.0	10.5	5.4	19.1	2.6
<b>Financing</b>	(1.0)	(10.5)	(5.4)	(19.1)	(2.6)
Change in SDR holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	-	-	-	-	-
Change in Imputed Reserves	(1.0)	(10.5)	(5.4)	(19.1)	(2.6)

Source: ECCB and Development Planning Unit

R = Revised      P = Preliminary

\* includes errors & omissions

**Data available at 7 March 2005**

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
	<i>(annual percentage change unless otherwise stated)</i>				
<b>National Income and Prices</b>					
Nominal GDP at basic prices	3.9	4.1	2.0	5.7	6.7
Real GDP at basic prices	3.3	1.5	2.1	5.5	5.2
GDP Deflator	0.6	2.6	(0.1)	0.1	1.4
Consumer Prices (end of period)	0.5	(0.8)	1.1	3.5	2.1
Consumer Prices (period average)	0.7	(0.6)	1.8	2.8	1.3
<b>Real GDP at Factor Cost by Selected Sectors</b>					
Agriculture	3.3	(0.1)	1.0	2.5	2.5
Manufacturing	3.0	2.5	3.2	5.3	3.5
Electricity and Water	10.0	1.7	4.1	(2.7)	6.4
Construction	6.5	4.0	3.5	6.7	2.5
Wholesale and Retail Trade	4.3	(2.0)	(2.8)	2.4	4.0
Hotels and Restaurants	(0.9)	(7.8)	2.1	10.2	12.0
Transport	4.6	(3.7)	(3.3)	10.3	15.3
Communications	(1.2)	5.1	0.4	2.6	2.0
Banks and Insurance	1.4	(5.9)	11.7	2.5	(4.4)
Government Services	3.4	3.8	6.2	7.6	2.0
Other Services	4.0	1.0	3.5	1.6	3.5
	<i>(as a percentage of GDP)</i>				
<b>External Sector</b>					
Current Account Balance	(9.8)	(9.3)	(15.4)	(13.0)	(12.3)
Overall Balance	(0.9)	2.3	1.1	3.4	0.8
Merchandise Trade Balance	(47.3)	(42.5)	(43.3)	(43.0)	42.9
<b>Central Government</b>					
Current Account Balance	(8.5)	(6.7)	(8.2)	(3.7)	(3.4)
Current Revenue	18.1	18.9	20.0	20.5	21.3
Current Expenditure	26.6	25.6	28.2	24.3	24.6
Capital Expenditure and Net Lending	2.2	4.8	5.1	3.2	2.4
Overall Fiscal Balance	(6.3)	(10.9)	(11.7)	(6.2)	(3.1)
Total Public Sector Debt (end of period)	129.9	128.6	136.6	137.4	128.2
	<i>(per cent per annum)</i>				
<b>Monetary Sector</b>					
Weighted Deposit Interest Rates	5.0	4.4	4.3	5.1	n.a
Weighted Lending Interest Rates	12.2	11.5	11.3	12.9	n.a
	<i>(in millions of EC dollars, unless otherwise stated)</i>				
<b>Memo</b>					
Nominal GDP at basic prices	1,555.9	1,620.2	1,653.3	1,747.2	1,864.2
Real GDP at basic prices	1,249.8	1,269.0	1,295.7	1,367.6	1,439.0
Nominal GDP at market prices	1,796.3	1,884.4	1,939.8	2,051.4	2,201.3
GDP per capita (EC\$)	21,517	21,392	21,431	22,234	23,292
Merchandise Imports (f.o.b)	913.4	847.2	887.0	932.2	997.5
Merchandise Exports (f.o.b)	64.2	46.1	47.0	50.2	53.9
Gross Visitor Expenditure	784.5	734.6	739.2	809.5	910.8

Source: Statistics Department and ECCB

R = Revised P = Preliminary

**Data available at 3 March 2005**

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Current Revenue</b>	325.6	356.7	387.6	420.8	468.2
Tax Revenue	283.7	317.3	348.0	381.1	427.2
Taxes on Income and Profit	37.5	47.6	61.4	62.6	46.4
of which:					
Company	35.1	43.0	55.6	57.0	40.5
Business Tax	2.2	1.2	1.3	0.7	0.4
Taxes on Property	4.7	6.0	7.9	11.1	10.0
Taxes on Domestic Goods and Services	59.8	68.2	70.4	83.9	97.1
of which:					
Stamp Duties	13.0	16.1	18.7	21.4	27.8
Hotel and Guest Tax	22.0	23.1	20.7	22.3	33.9
Telecommunications Tax	9.8	9.6	8.7	8.4	8.6
Taxes on International Trade and Transactions	181.8	195.6	208.3	223.5	273.7
of which:					
Import Duty	56.7	55.9	54.6	57.0	60.5
Consumption Tax	71.6	76.8	81.0	85.7	100.0
Customs Service Charge	26.4	38.9	48.8	52.8	58.8
Foreign Currency Levy	9.3	6.5	6.6	9.3	10.5
Non-Tax Revenue	41.9	39.3	39.6	39.7	41.0
<b>Current Expenditure</b>	477.6	482.6	547.5	497.5	542.2
Personal Emoluments	216.8	225.2	236.8	250.2	253.7
Goods and Services	94.6	130.0	153.1	95.9	103.7
Interest Payments	113.2	75.3	94.8	77.5	104.7
Domestic	41.8	45.2	49.7	32.7	33.4
External	71.4	30.1	45.1	44.8	71.3
Transfers and Subsidies	53.0	52.1	62.8	73.9	80.2
of Which: Pensions	16.3	17.5	22.6	31.2	29.4
<b>Current Account Balance</b>	(152.0)	(125.9)	(159.8)	(76.7)	(74.1)
Capital Revenue	6.3	1.4	3.4	3.0	5.9
Grants	71.6	10.2	28.6	12.3	53.3
of which: Capital Grants	71.6	10.2	28.6	12.3	11.1
Debt Forgiveness	-	-	-	-	42.2
<b>Capital Expenditure and Net Lending</b>	38.9	90.8	99.7	65.5	53.0
of which: Capital Expenditure	38.9	90.8	99.7	65.5	53.0
<b>Primary Balance (after grants)</b>	0.2	(129.9)	(132.7)	(49.3)	36.9
Overall Balance (before grants)	(184.6)	(215.3)	(256.2)	(139.1)	(121.2)
<b>Overall Balance (after grants)</b>	(113.0)	(205.1)	(227.6)	(126.8)	(67.8)
<b>Financing</b>	113.0	205.1	227.6	126.8	67.8
Domestic	19.9	8.8	17.6	17.8	(26.7)
ECCB (net)	11.1	(1.6)	(8.4)	0.2	(5.7)
Commercial Banks (net)	15.0	(12.6)	13.3	(1.6)	(19.3)
Other	(6.2)	23.1	12.7	19.2	(1.7)
External	2.5	57.8	37.1	6.3	5.4
Net Disbursements/(Amortisation)	2.5	57.3	36.6	6.5	5.3
Disbursements	49.3	90.2	59.5	36.3	44.4
Amortisation	(46.8)	(32.9)	(22.9)	(29.9)	(39.1)
Change in Govt. Foreign Assets	(0.0)	0.5	0.5	(0.1)	0.1
Arrears	90.6	138.5	172.9	102.7	89.1
Domestic	97.6	99.5	99.0	40.0	11.7
External	(7.0)	39.0	73.9	62.7	77.4

Source: Ministry of Finance, Treasury Department and ECCB Estimates  
R = Revised                      P = Preliminary

Data available at 3 March 2005

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

	2000	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Net Foreign Assets</b>	145.4	320.0	328.8	668.0	733.9
Central Bank (net)	171.6	215.2	236.6	307.1	324.3
Commercial Banks (net)	(26.2)	104.8	92.2	360.8	409.6
External (net)	171.5	205.4	243.5	320.5	438.8
Assets	425.4	466.1	515.8	609.7	727.2
Liabilities	253.8	260.7	272.4	289.1	288.4
Other ECCB Territories (net)	(197.7)	(100.6)	(151.2)	40.3	(29.3)
Assets	39.5	39.7	140.5	192.9	169.7
Liabilities	237.2	140.3	291.7	152.6	199.0
<b>Net Domestic Assets</b>	1,241.6	1,133.6	1,216.3	1,203.1	1,307.4
<b>Domestic Credit</b>	1,333.5	1,327.2	1,420.1	1,499.3	1,556.8
Central Government (net)	303.5	289.3	294.1	292.7	267.6
Other Public Sector (net)	(203.4)	(213.9)	(214.4)	(167.2)	(178.1)
Non-Bank Financial Institutions (net)	(44.9)	(63.5)	(82.9)	(70.1)	(14.3)
Subsidiaries and Affiliates (net)	(29.8)	(33.4)	(33.8)	(47.8)	(40.5)
Private Sector	1,308.1	1,348.7	1,457.0	1,491.6	1,522.1
<b>Other Items (net)</b>	(91.9)	(193.7)	(203.8)	(296.2)	(249.4)
<b>Money Supply (M2)</b>	1,387.0	1,453.6	1,545.1	1,871.1	2,041.3
Money Supply (M1)	284.3	307.1	308.0	369.5	444.2
Currency with the Public	84.6	78.1	88.2	98.9	113.3
Demand Deposits	199.7	229.0	219.8	270.7	330.9
Quasi Money	1,102.7	1,146.4	1,237.1	1,501.6	1,597.1
Savings Deposits	483.5	511.6	524.8	577.1	683.3
Time Deposits	522.6	554.3	594.8	817.6	780.1
Foreign Currency Deposits	96.5	80.6	117.5	106.8	133.7

Source: ECCB and Development Planning Unit

R = Revised      P = Preliminary

**Data available at 3 March 2005**

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

	2000 <sup>R</sup>	2001	2002	2003 <sup>R</sup>	2004 <sup>P</sup>
Total Visitor Arrivals	676,641	641,435	548,833	640,381	808,148
Of Which:					
Stay-Over Arrivals	230,014	214,787	218,399	239,185	267,626
USA	59,012	60,176	60,679	64,523	70,531
Canada	14,007	12,839	10,184	8,592	9,452
UK	74,957	67,785	72,401	81,275	97,829
Caribbean	34,419	34,260	37,372	43,318	48,565
Other Countries	3,188	2,697	2,465	3,801	3,135
Yacht Passengers	17,836	17,836	18,193	17,362	17,778
Cruise Ship Passengers <sup>\1</sup>	428,791	408,812	312,241	383,834	522,744
Number of Cruise Ship Calls	328	271	200	294	371
Total Visitor Expenditure (EC\$M)	784.4	734.6	739.2	809.5	910.8

Source: ECCB and Development Planning Unit

R = Revised      P = Preliminary

\1 includes Excursionists

**Data available at 3 March 2005**



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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Current Account</b>	(176.8)	(176.0)	(298.4)	(267.4)	(271.6)
Goods and Services	(81.8)	(133.7)	(201.6)	(187.9)	(168.5)
Goods	(783.1)	(757.4)	(800.1)	(832.9)	(894.3)
Merchandise	(849.2)	(801.1)	(839.9)	(882.0)	(943.5)
Repair on goods	0.0	0.0	0.0	0.0	0.0
Goods procured in ports by carriers	66.1	43.6	39.8	49.1	49.2
Services	701.3	623.7	598.5	645.0	725.8
Transportation	24.8	45.5	54.8	51.9	46.8
Travel	701.6	649.4	649.8	715.5	808.4
Insurance Services	0.6	(42.9)	(59.1)	(67.0)	(68.8)
Other Business Services	(21.6)	(22.9)	(36.2)	(44.0)	(46.7)
Government Services	(4.2)	(5.4)	(10.9)	(11.5)	(14.0)
Income	(120.2)	(66.9)	(111.9)	(113.1)	(136.2)
Compensation of Employees	18.0	35.1	8.9	9.1	9.4
Investment Income	(138.2)	(102.0)	(120.9)	(122.2)	(145.6)
Current Transfers	25.2	24.7	15.2	33.7	33.2
General Government	6.5	2.0	(1.7)	3.0	3.8
Other Sectors	18.8	22.7	16.9	30.7	29.4
<b>Capital and Financial Account</b>	160.2	219.2	319.2	338.0	288.7
Capital Account	106.2	32.2	37.6	21.3	62.3
Capital Transfers	103.6	32.2	37.6	21.3	62.3
Acquisition and Disposal of Non-Produced, Non-Financial Assets	2.6	0.0	0.0	0.0	0.0
Financial Account	54.0	187.0	281.6	316.7	226.4
Direct Investment	137.3	265.8	177.8	448.7	256.8
Portfolio Investment	6.3	(6.8)	(5.9)	7.8	4.4
Other Investments	(89.7)	(72.1)	109.7	(139.8)	(34.8)
Public Sector Long Term	3.7	27.9	(17.5)	(54.1)	(56.9)
Other Public Sector Capital	0.0	0.0	0.0	0.0	0.0
Commercial Banks	108.8	(130.9)	12.6	(268.6)	(44.7)
Other Assets	(1.0)	(10.1)	(29.2)	(33.1)	(36.1)
Other Liabilities*	(201.1)	41.1	143.8	216.0	102.7
<b>Overall Balance</b>	(16.6)	43.2	20.9	70.6	17.1
<b>Financing</b>	16.6	(43.2)	(20.9)	(70.6)	(17.1)
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	(0.0)	0.5	0.5	(0.1)	0.1
Change in Imputed Reserves	16.7	(43.7)	(21.4)	(70.5)	(17.2)

Source: CSO, Antigua and Barbuda and ECCB

R = Revised    P = Preliminary

\*includes errors & omissions

**Data available at 3 March 2005**

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
	<b>(annual percentage change unless otherwise stated)</b>				
<b>National Income and Prices</b>					
Nominal GDP at basic prices	2.0	(2.3)	(5.0)	0.2	4.7
Real GDP at basic prices	1.3	(4.2)	(5.1)	(0.3)	3.5
GDP Deflator	0.6	2.0	0.1	0.6	1.2
Consumer Prices (end of period)	1.1	1.1	0.4	2.8	0.9
Consumer Prices (period average)	0.9	1.6	0.2	1.5	2.5
<b>Real GDP at Factor Cost by Selected Sectors</b>					
Agriculture	(1.1)	(6.6)	(0.7)	(3.7)	3.1
Manufacturing	7.4	(13.6)	(2.3)	0.1	4.6
Electricity and Water	2.5	3.3	0.6	(2.0)	5.3
Construction	6.1	(2.2)	(25.6)	11.4	7.1
Wholesale and Retail Trade	2.5	(0.7)	(5.2)	3.6	4.0
Hotels and Restaurants	3.9	(7.4)	(3.3)	(3.2)	10.9
Transport	(1.0)	(5.5)	(13.1)	5.4	15.8
Communications	(4.4)	(6.5)	(1.6)	(19.5)	6.0
Banks and Insurance	0.3	(3.3)	(5.8)	2.8	2.0
Government Services	4.4	4.6	3.5	(1.6)	(4.8)
Other Services	(0.5)	2.7	4.6	3.0	2.0
	<b>(as a percentage of GDP)</b>				
<b>External Sector</b>					
Current Account Balance	(19.6)	(18.4)	(14.6)	(11.3)	(14.8)
Overall Balance	0.2	1.3	4.9	1.0	(2.4)
Merchandise Trade Balance	(28.3)	(27.2)	(23.4)	(24.8)	(27.4)
<b>Central Government</b>					
Current Account Balance	(1.5)	(4.4)	(5.3)	(0.8)	2.1
Current Revenue	29.2	28.2	28.0	28.9	30.8
Current Expenditure	30.7	32.5	33.2	29.8	28.7
Capital Expenditure and Net Lending	7.6	8.7	5.3	5.5	10.3
Overall Fiscal Balance	(5.3)	(9.0)	(8.3)	(1.4)	0.5
Total Public Sector Debt (end of period)	112.0	127.4	126.8	127.6	120.3
	<b>(per cent per annum)</b>				
<b>Monetary Sector</b>					
Weighted Deposit Interest Rates	3.9	4.0	3.6	3.5	3.0
Weighted Lending Interest Rates	11.7	11.0	11.0	11.8	9.8
	<b>(in millions of EC Dollars, unless otherwise stated)</b>				
<b>Memo</b>					
Nominal GDP at basic prices	621.6	607.5	577.0	578.4	605.7
Real GDP at basic prices	456.4	437.4	415.2	413.7	428.2
Nominal GDP at market prices	732.2	718.6	689.9	705.7	761.8
GDP per capita (EC\$)	8,690	8,517	8,263.1	8,300.3	8,692.7
Merchandise Imports (f.o.b)	352.1	312.4	276.4	283.1	320.3
Merchandise Exports (f.o.b)	144.7	117.2	115.2	108.0	111.3
Gross Visitor Expenditure	130.1	125.4	123.3	141.2	162.4

Source: Statistics Department and ECCB  
R = Revised      P = Preliminary  
**Data available at 8 March 2005**

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004
<b>Current Revenue</b>	213.7	202.3	192.9	204.3	234.6
Tax Revenue	182.1	162.9	162.0	179.4	205.2
Taxes on Income and Profit	64.1	44.5	41.6	45.2	39.2
of which:					
Personal	35.2	30.1	28.4	27.8	27.5
Company	29.6	16.0	9.8	9.5	8.6
Stabilisation Levy	0.0	0.0	4.9	9.3	4.7
Taxes on Property	2.5	2.4	2.6	1.9	4.7
Taxes on Domestic Goods and Services	26.9	30.3	32.4	40.2	55.9
of which:					
Sales Tax	12.5	16.7	17.5	23.8	32.6
Consumption Tax	5.1	5.1	5.0	5.6	4.8
Hotel Occupancy	0.6	0.6	0.5	0.6	0.8
Taxes on International Trade and Transactions	88.7	85.7	85.4	92.2	105.4
of which:					
Consumption Duty (imports)	49.9	49.6	51.4	52.7	55.9
Import Duty	25.4	21.3	19.6	21.1	25.1
Service Charge (imports)	5.6	6.5	6.0	8.3	11.6
Non-Tax Revenue	31.6	39.4	30.9	24.9	29.4
<b>Current Expenditure</b>	224.8	233.8	229.2	210.2	218.4
Personal Emoluments	121.1	123.7	123.9	115.6	109.3
Goods and Services	28.7	32.3	29.9	26.3	34.1
Interest Payments	42.5	40.0	37.4	29.8	36.9
External	14.4	18.2	18.4	12.7	24.7
Domestic	28.1	21.8	19.0	17.1	12.2
Transfers and Subsidies	32.5	37.7	38.0	38.5	38.0
of which: Pensions	9.5	10.1	10.8	11.7	12.0
<b>Current Account Balance</b>	(11.1)	(31.5)	(36.3)	(5.9)	16.2
Capital Revenue	1.9	3.3	1.8	1.4	2.6
Grants	26.0	25.9	14.0	33.2	63.3
of which: Capital Grants	26.0	25.9	14.0	24.7	55.7
<b>Capital Expenditure and Net Lending</b>	55.8	62.4	36.6	38.8	78.3
of which: Capital Expenditure	58.4	64.9	39.7	41.4	81.5
<b>Primary Balance (after grants)</b>	3.5	(24.7)	(19.7)	19.7	40.7
Overall Balance (before grants)	(65.0)	(90.5)	(71.1)	(43.3)	(60.4)
<b>Overall Balance (after grants)</b>	(39.1)	(64.7)	(57.1)	(10.1)	3.8
<b>Financing</b>	39.1	64.7	57.1	10.1	(3.8)
Domestic	(19.0)	0.2	(1.1)	(32.1)	(39.7)
ECCB (net)	(0.6)	(1.7)	0.3	(10.6)	5.9
Commercial Banks (net)	10.4	22.6	(39.4)	(12.6)	(19.2)
Other	(28.8)	(20.7)	37.9	(8.9)	(26.3)
External	37.9	40.6	60.1	29.7	35.3
Net Disbursements/(Amortisation)	45.2	44.9	55.5	31.0	31.5
Disbursements	50.8	49.8	62.2	40.1	41.5
Amortisation	(5.6)	(4.9)	(6.7)	(9.1)	(10.0)
Change in Govt. Foreign Assets	(7.2)	(4.3)	4.7	(1.3)	3.8
Arrears	20.1	23.9	(1.9)	12.5	0.5
Domestic	13.3	16.6	(4.0)	3.0	(9.3)
External	6.8	7.3	2.1	9.6	9.8

Source: Ministry of Finance, Treasury Department and ECCB Estimates

R = Revised

Data available at 1 March 2005

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

	2000	2001	2002	2003 <sup>R</sup>	2004
<b>Net Foreign Assets</b>	65.6	97.6	201.0	299.2	357.1
Central Bank (net)	79.3	84.3	122.8	128.8	114.1
Commercial Banks (net)	(13.7)	13.3	78.2	170.4	243.0
External (net)	6.8	14.8	63.3	81.0	89.2
Assets	94.5	105.7	159.2	177.0	226.4
Liabilities	87.7	90.9	95.9	96.0	137.1
Other ECCB Territories (net)	(20.5)	(1.5)	14.9	89.4	153.8
Assets	26.1	32.6	48.8	98.2	171.9
Liabilities	46.6	34.2	33.9	8.9	18.1
<b>Net Domestic Assets</b>	405.5	408.4	348.2	255.3	229.8
<b>Domestic Credit</b>	491.7	503.7	447.3	359.3	362.4
Central Government (net)	69.3	90.1	51.1	27.9	14.5
Other Public Sector (net)	5.5	10.0	10.6	(3.8)	(22.2)
Non-Bank Financial Institutions (net)	(35.8)	(37.7)	(46.6)	(81.8)	(75.9)
Subsidiaries and Affiliates (net)	(1.3)	1.6	(1.1)	(3.5)	(4.7)
Private Sector	454.1	439.6	433.3	420.6	450.7
<b>Other Items (net)</b>	(86.3)	(95.3)	(99.1)	(104.0)	(132.6)
<b>Money Supply (M2)</b>	471.0	506.0	549.2	554.5	586.9
Money Supply (M1)	90.3	91.6	106.6	107.9	111.2
Currency with the Public	35.4	34.6	35.5	34.2	37.6
Demand Deposits	54.9	57.0	71.1	73.7	73.6
Quasi Money	380.7	414.4	442.6	446.6	475.7
Savings Deposits	249.0	259.0	262.2	279.0	328.5
Time Deposits	121.7	139.5	158.2	157.4	133.8
Foreign Currency Deposits	10.0	15.9	22.3	10.2	13.4

Source: ECCB

R = Revised

Data available at 29 March 2005

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
Total Visitor Arrivals	311,264	275,999	206,963	252,334	461,700
of which:					
Stay-Over Arrivals	69,578	66,393	69,163	73,140	79,388
USA	15,077	14,493	15,464	15,717	17,602
Canada	2,173	1,870	2,039	1,954	1,619
UK	6,107	5,967	5,652	6,034	5,969
Caribbean	39,898	37,851	40,289	43,408	48,163
Other Countries	6,323	6,212	5,749	6,027	6,035
Excursionists	1,890	1,979	911	2,150	1,704
Cruise Ship Passengers	239,796	207,627	136,859	177,044	380,608
Number of Cruise Ship Calls	285	231	187	206	286
Total Visitor Expenditure (EC\$M)	130.1	125.4	123.3	141.2	162.4

Source: ECCB and Development Planning Unit

R = Revised      P = Preliminary

Data available at 1 March 2005

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Current Account</b>	(143.3)	(131.9)	(100.8)	(79.5)	(112.8)
Goods and Services	(104.2)	(123.5)	(88.4)	(81.3)	(96.9)
Goods	(204.2)	(192.5)	(158.6)	(172.4)	(206.2)
Merchandise	(207.4)	(195.2)	(161.2)	(175.1)	(209.0)
Repair on goods	--	--	--	--	--
Goods procured in ports by carriers	3.1	2.7	2.5	2.7	2.8
Services	100.1	69.0	70.2	91.1	109.3
Transportation	(39.7)	(37.5)	(35.2)	(37.9)	(41.2)
Travel	106.0	100.5	98.7	117.1	137.5
Insurance Services	(3.5)	(5.6)	(7.9)	(6.1)	(7.0)
Other Business Services	44.5	15.7	20.0	25.9	28.0
Government Services	(7.2)	(4.2)	(5.4)	(7.9)	(8.1)
Income	(87.9)	(55.6)	(49.6)	(32.7)	(58.9)
Compensation of Employees	1.7	3.8	1.5	1.7	1.7
Investment Income	(89.6)	(59.4)	(51.2)	(34.3)	(60.6)
Current Transfers	48.8	47.2	37.3	34.5	43.0
General Government	20.1	16.0	2.8	1.0	5.0
Other Sectors	28.7	31.2	34.5	33.4	38.0
<b>Capital and Financial Account</b>	144.6	141.3	134.6	86.8	94.3
Capital Account	29.4	48.5	55.3	50.7	63.7
Capital Transfers	33.2	48.5	55.3	50.7	63.7
Acquisition and Disposal of Non-Produced, Non-Financial Assets	(3.8)	--	--	--	--
Financial Account	115.2	92.8	79.3	36.1	30.6
Direct Investment	29.2	32.1	30.9	53.4	48.8
Portfolio Investment	31.7	(0.6)	32.7	3.8	0.6
Other Investments	54.2	61.3	15.7	(21.2)	(18.7)
Public Sector Long Term	26.6	60.6	35.3	27.5	28.7
Other Public Sector Capital	--	--	--	--	--
Commercial Banks	53.2	(27.0)	(64.9)	(92.2)	(72.7)
Other Assets	(28.1)	(13.6)	(7.6)	19.9	(10.2)
Other Liabilities*	2.6	41.2	52.9	23.6	35.4
<b>Overall Balance</b>	1.3	9.3	33.9	7.3	(18.6)
<b>Financing</b>	(1.3)	(9.3)	(33.9)	(7.3)	18.6
Change in SDR Holdings	0.0	--	--	--	--
Change in Reserve Position with the Fund	--	--	--	--	--
Change in Government Foreign Assets	(7.2)	(4.3)	4.7	(1.3)	3.8
Change in Imputed Reserves	5.9	(5.0)	(38.5)	(6.0)	14.8

Source: ECCB and Central Statistic Office

R = Revised      P = Preliminary

\*includes errors & omissions

**Data available at 8 March 2005**

**Table 24**  
**Grenada - Selected Economic Indicators**

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<i>(annual percentage change unless otherwise stated)</i>					
<b>National Income and Prices</b>					
Nominal GDP at basic prices	16.5	(2.9)	2.4	7.2	(0.4)
Real GDP at basic prices	14.9	(4.4)	0.8	5.8	(3.0)
GDP Deflator	1.5	1.5	1.6	1.3	2.7
Consumer Prices (end of period)	3.5	(0.7)	2.8	1.1	2.5
Consumer Prices (period average)	2.2	1.7	1.0	2.2	2.3
<b>Real GDP at Factor Cost by Selected Sectors</b>					
Agriculture	7.7	(2.9)	19.0	(2.4)	(7.3)
Manufacturing	27.5	(7.0)	(3.8)	(2.4)	(14.6)
Electricity and Water	19.5	7.0	3.3	6.7	(8.7)
Construction	25.7	(18.9)	1.0	26.0	(0.8)
Wholesale and Retail Trade	9.7	(3.2)	0.5	7.4	(5.2)
Hotels and Restaurants	14.4	(1.8)	5.6	13.8	(13.1)
Transport	5.8	(9.0)	1.8	7.5	5.2
Communications	34.2	(3.6)	(11.4)	1.9	7.2
Banks and Insurance	22.9	6.1	6.1	8.0	2.5
Government Services	0.9	(0.7)	5.2	0.6	3.5
Other Services	33.8	7.3	(14.5)	2.4	(13.8)
<i>(as a percentage of GDP)</i>					
<b>External Sector</b>					
Current Account Balance	(21.5)	(26.6)	(30.0)	(31.5)	(12.7)
Overall Balance	1.6	1.5	7.7	(2.9)	8.8
Merchandise Trade Balance	(34.9)	(34.7)	(34.8)	(41.6)	(49.1)
<b>Central Government</b>					
Current Account Balance	6.3	2.5	0.8	3.2	(1.0)
Current Revenue	27.2	26.7	26.6	27.0	25.5
Current Expenditure	20.8	24.2	25.7	23.8	26.4
Capital Expenditure and Net Lending	12.2	15.2	22.2	13.0	8.9
Overall Fiscal Balance	(2.9)	(8.5)	(19.0)	(4.8)	(2.1)
Total Public Sector Debt (end of period)	59.5	82.6	115.6	115.1	134.7
<i>(per cent per annum)</i>					
<b>Monetary Sector</b>					
Weighted Deposit Interest Rates	4.2	4.2	3.2	3.7	2.8
Weighted Lending Interest Rates	11.5	10.1	10.5	12.1	10.0
<i>(in millions of EC Dollars, unless otherwise stated)</i>					
<b>Memo</b>					
Nominal GDP at basic prices	904.3	878.2	899.4	964.3	960.0
Real GDP at basic prices	701.2	670.7	676.3	715.6	693.9
Nominal GDP at market prices	1,105.8	1,067.5	1,100.3	1,198.2	1,180.1
GDP per capita (EC\$)	8,918.4	8,557.1	8,689.5	9,200.1	9,050.6
Merchandise Imports (f.o.b)	596.4	531.4	489.8	611.4	661.5
Merchandise Exports	211.0	160.7	107.0	112.9	82.0
Gross Visitor Expenditure	249.8	225.3	247.0	279.9	248.1

Source: Statistics Department and ECCB

R = Revised      P = Preliminary

Data available at 24 May 2005

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

	2000	2001	2002	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Current Revenue</b>	300.3	284.9	292.5	323.6	300.8
Tax Revenue	262.8	256.6	262.4	298.3	279.5
Taxes on Income and Profit	51.9	57.4	43.5	47.5	43.0
of which:					
Personal <sup>1</sup>	6.6	8.5	8.8	10.1	11.3
Company <sup>2</sup>	44.2	46.5	32.5	35.5	30.3
Taxes on Property	9.4	10.0	18.0	17.0	16.4
Taxes on Domestic Goods and Services	52.0	45.4	49.6	59.0	52.0
of which:					
Value-added Tax	0.3	0.2	0.0	0.0	0.0
Consumption Tax	26.4	26.3	25.6	28.2	26.3
Stamp Duties	4.4	2.9	3.4	4.1	4.7
Licenses	11.1	5.6	11.0	14.5	8.5
Taxes on International Trade and Transactions	149.5	143.9	151.3	174.8	168.1
of which:					
Import Duty	32.1	32.2	31.7	42.4	39.8
Consumption Tax	87.4	84.7	83.7	93.6	93.0
Customs Service Charge	25.2	25.5	25.5	31.7	29.7
Foreign Currency Levy	0.0	0.0	0.0	0.0	0.0
Non-Tax Revenue	37.5	28.2	30.1	25.3	21.3
<b>Current Expenditure</b>	230.4	258.4	283.3	285.1	312.0
Personal Emoluments	114.3	127.9	124.6	130.4	147.6
Goods and Services	43.9	52.6	47.5	40.5	46.1
Interest Payments	24.2	27.9	51.8	62.5	63.1
Domestic	11.7	13.3	12.7	17.2	13.8
External	12.5	14.6	39.1	45.3	49.3
Transfers and Subsidies	48.1	50.0	59.3	51.8	55.2
of which: Pensions	16.9	14.2	14.0	14.2	17.6
<b>Current Account Balance</b>	69.9	26.5	9.2	38.5	(11.2)
Capital Revenue	0.7	0.5	2.7	0.3	1.2
Grants	32.6	45.2	23.5	59.2	90.7
of which:					
Capital Grants	25.9	33.6	19.5	59.2	18.6
<b>Capital Expenditure and Net Lending</b>	135.2	162.6	244.5	155.4	105.0
of which: Capital Expenditure	135.2	162.6	244.5	155.4	81.9
<b>Primary Balance after Grants</b>	(7.9)	(62.6)	(157.2)	5.0	38.9
Overall Balance (before grants)	(64.6)	(135.6)	(232.5)	(116.7)	(115.0)
<b>Overall Balance (after grants)</b>	(32.0)	(90.4)	(209.0)	(57.5)	(24.2)
<b>Financing</b>	32.0	90.4	209.0	57.5	24.2
Domestic	(24.9)	23.2	(43.1)	(13.2)	(151.0)
ECCB (net)	(2.8)	1.0	(30.8)	31.5	(10.3)
Commercial Banks (net)	19.0	33.9	7.2	24.1	(41.3)
Other	(41.2)	(11.7)	(19.5)	(68.7)	(99.4)
External	73.1	49.4	273.0	68.7	144.2
Net Disbursements/(Amortisation)	72.5	48.3	292.8	46.6	144.3
Disbursements	88.3	67.2	318.0	73.2	173.7
Amortisation	(15.8)	(18.9)	(25.2)	(26.6)	(29.4)
Change in Govt. Foreign Assets	0.6	1.2	(19.8)	22.1	(0.2)
Arrears	(16.2)	17.8	21.0	1.9	31.0
Domestic	(12.2)	10.8	13.0	1.8	7.7
External	(3.9)	6.9	(8.0)	0.2	23.3

Source: Ministry of Finance, Treasury Department and ECCB Estimates

R = Revised P = Preliminary

1 Includes Debt Service Levy

2 Includes Business Levy

**Data available at 3 March 2005**

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

	2000	2001	2002	2003 <sup>R</sup>	2004
<b>Net Foreign Assets</b>	136.7	208.5	327.7	392.5	618.3
Central Bank (net)	155.7	172.6	237.2	224.7	328.6
Commercial Banks (net)	(19.0)	35.9	90.6	167.8	289.7
External (net)	(65.4)	(33.8)	2.7	58.1	158.4
Assets	136.5	224.5	272.9	330.7	516.7
Liabilities	201.8	258.3	270.2	272.6	358.3
Other ECCB Territories (net)	46.3	69.7	87.9	109.8	131.3
Assets	52.0	81.2	99.6	128.5	182.3
Liabilities	5.7	11.5	11.6	18.7	51.0
<b>Net Domestic Assets</b>	849.2	881.8	839.6	867.8	865.1
Domestic Credit	911.5	968.0	928.2	991.9	929.9
Central Government (net)	59.8	94.7	71.1	126.6	75.1
Other Public Sector (net)	(19.8)	(5.5)	(31.9)	(61.4)	(91.1)
Non-Bank Financial Institutions (net)	(6.9)	(7.6)	(7.3)	(27.9)	(90.0)
Subsidiaries and Affiliates (net)	-	-	-	21.7	39.5
Private Sector	878.4	886.4	896.2	933.0	996.4
<b>Other Items (net)</b>	(62.3)	(86.1)	(88.5)	(124.1)	(64.8)
<b>Money Supply (M2)</b>	985.8	1,090.4	1,167.4	1,260.4	1,483.4
Money Supply (M1)	182.4	192.3	212.0	241.1	340.2
Currency	71.1	70.2	75.2	84.7	102.1
Demand Deposits	111.2	122.1	136.8	156.4	238.1
Quasi Money	803.5	898.0	955.4	1,019.3	1,143.1
Savings Deposits	493.8	540.0	632.1	692.6	840.5
Time Deposits	240.7	283.3	243.9	230.7	213.5
Foreign Currency Deposits	68.9	74.8	79.4	96.0	89.2

Source: ECCB  
R = Revised  
**Data available at 4 March 2005**

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

	2000	2001	2002	2003	2004 <sup>P</sup>
Total Visitor Arrivals	314,325	275,421	271,571	294,284	366,581
of which:					
Stay-Over Arrivals	126,661	121,215	121,074	133,724	127,904
USA	32,541	32,219	29,961	30,924	27,451
Canada	4,829	5,442	4,306	5,296	5,111
UK	32,236	28,488	28,688	32,506	27,564
Caribbean	24,112	27,540	33,242	36,871	39,209
Other Countries	32,943	27,526	24,877	28,127	28,569
Excursionists	7,359	6,825	4,094	4,931	6,146
Yacht Passengers	n.a.	n.a.	8,975	6,695	5,034
Cruise Ship Passengers	180,305	147,381	135,061	146,925	226,970
Number of Cruise Ship Calls	360	288	259	267	243
Total Visitor Expenditure (EC\$M)	249.8	225.3	247.0	279.9	248.1

Source: ECCB and Development Planning Unit  
P = Preliminary  
**Data available at 3 March 2005**



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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Current Account</b>	(237.9)	(284.0)	(330.3)	(377.2)	(149.3)
Goods and Services	(200.9)	(229.0)	(265.1)	(359.0)	(392.7)
Goods	(372.5)	(359.7)	(376.5)	(488.4)	(568.7)
Merchandise	(385.4)	(370.7)	(382.8)	(498.5)	(579.5)
Repair on goods	0.0	-	-	-	-
Goods procured in ports by carriers	12.9	11.0	6.4	10.1	10.9
Services	171.6	130.7	111.4	129.4	176.0
Transportation	(76.9)	(66.7)	(61.1)	(82.0)	(85.9)
Travel	229.0	204.8	226.1	257.3	226.0
Insurance Services	(13.6)	(12.4)	(8.4)	(14.8)	61.7
Other Business Services	26.4	3.6	(40.8)	(20.0)	(12.4)
Government Services	6.6	1.4	(4.4)	(11.0)	(13.4)
Income	(91.1)	(111.9)	(128.2)	(116.8)	(127.3)
Compensation of Employees	0.0	0.1	0.1	0.1	0.1
Investment Income	(91.2)	(112.0)	(128.3)	(116.9)	(127.4)
Current Transfers	54.2	56.9	63.0	98.5	370.7
General Government	6.1	5.5	6.4	48.1	58.6
Other Sectors	48.1	51.4	56.6	50.5	312.1
<b>Capital and Financial Account</b>	255.7	299.8	414.6	342.7	253.4
Capital Account	86.8	114.8	86.0	116.6	78.5
Capital Transfers	86.8	114.2	86.0	116.6	78.5
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	0.7	-	-	-
Financial Account	168.9	185.0	328.6	226.1	175.0
Direct Investment	101.0	158.6	155.6	221.7	107.8
Portfolio Investment	52.5	(0.7)	290.9	74.1	62.3
Other Investments	15.4	27.1	(117.8)	(69.8)	4.9
Public Sector Long Term	12.5	46.8	11.4	32.0	21.3
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	15.5	(54.9)	(54.7)	(77.3)	(121.8)
Other Assets	(29.9)	(14.3)	(38.4)	(26.4)	(0.6)
Other Liabilities*	17.3	49.5	(36.1)	1.8	106.1
<b>Overall Balance</b>	17.8	15.8	84.3	(34.6)	104.1
<b>Financing</b>	(17.8)	(15.8)	(84.3)	34.6	(104.1)
Change in SDR Holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	0.6	1.2	(19.8)	22.1	(0.2)
Change in Imputed Reserves	(18.4)	(17.0)	(64.5)	12.5	(103.9)

Source: ECCB and Statistical Department

R = Revised      P = Preliminary

\* includes errors & omissions

**Data available at 5 March 2005**

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
	<i>(annual percentage change unless otherwise stated)</i>				
<b>National Income and Prices</b>					
Nominal GDP at basic prices	(1.2)	4.1	6.2	2.2	5.9
Real GDP at basic prices	(3.0)	(2.8)	3.3	(0.8)	4.5
GDP Deflator	(1.2)	4.1	6.2	2.2	5.9
Consumer Prices (end of period)	1.7	4.9	3.5	1.2	3.6
Consumer Prices (period average)	0.5	4.8	4.0	1.2	3.0
<b>Real GDP at Factor Cost by Selected Sectors</b>					
Agriculture	46.5	(17.3)	38.4	(0.8)	(17.8)
Manufacturing	--	--	--	--	--
Electricity and Water	5.1	4.9	(3.3)	7.6	1.9
Construction	(35.8)	(7.7)	31.6	(15.7)	2.4
Wholesale and Retail Trade	(16.6)	(7.9)	9.0	(3.4)	--
Hotels and Restaurants	4.3	27.4	2.2	(31.6)	33.8
Transport	(5.2)	2.5	1.2	6.8	3.2
Communications	33.6	(30.3)	2.7	(1.4)	2.0
Banks and Insurance	64.5	(21.8)	19.3	8.8	10.2
Government Services	(0.5)	1.6	1.3	4.0	4.9
Other Services	13.6	4.9	4.7	(0.6)	8.6
	<i>(as a percentage of GDP)</i>				
<b>External Sector</b>					
Current Account Balance	(18.7)	(14.1)	(23.0)	(16.4)	(16.4)
Overall Balance	(10.2)	6.1	3.1	2.5	3.8
Merchandise Trade Balance	(51.5)	(47.0)	(55.1)	(59.9)	(51.5)
<b>Central Government</b>					
Current Account Balance	(23.6)	(27.7)	(33.2)	(45.4)	(45.7)
Current Revenue	29.2	26.9	28.4	29.8	29.1
Current Expenditure	52.8	54.6	61.7	75.2	74.8
Capital Expenditure and Net Lending	19.9	26.2	37.9	32.1	29.5
Overall Fiscal Balance	5.1	3.6	6.6	19.0	8.4
Total Public Sector Debt (end of period)	31.8	27.4	15.6	13.9	11.1
	<i>(per cent per annum)</i>				
<b>Monetary Sector</b>					
Weighted Deposit Interest Rates	3.5	3.4	2.9	2.9	2.3
Weighted Lending Interest Rates	11.4	11.6	11.3	12.2	11.0
	<i>(in millions of EC dollars, unless otherwise stated)</i>				
<b>Memo</b>					
Nominal GDP at basic prices	79.3	82.6	87.7	89.6	94.9
Real GDP at basic prices	58.5	56.9	58.7	58.3	60.9
Nominal GDP at market prices	93.9	93.7	102.6	102.5	111.0
GDP per capita (EC\$)	20,592	18,289	19,226	19,996	21,169
Merchandise Imports (f.o.b)	51.4	46.0	60.5	66.2	68.6
Merchandise Exports (f.o.b)	3.0	1.9	4.0	4.8	11.4
Gross Visitor Expenditure	24.2	22.9	23.4	19.8	23.2

Source: Statistics Department in Montserrat, and ECCB

R = Revised P = Preliminary

Data available at 24 May 2005

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

	2000	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Current Revenue</b>	27.4	25.2	29.2	30.6	32.3
Tax Revenue	25.5	23.6	27.2	26.6	30.3
Taxes on Income and Profit	9.6	11.9	11.0	12.8	12.8
of which:					
Company	2.4	2.5	1.6	2.0	1.7
Personal	7.3	9.4	8.9	10.5	10.8
Taxes on Property	0.8	0.1	0.8	0.5	1.0
Taxes on Domestic Goods and Services	3.6	3.1	2.9	2.6	3.2
of which:					
Hotel and Guest Tax	0.0	--	--	--	0.0
Insurance and Company Levy	0.2	0.2	0.2	0.1	0.3
Stamp Duty and Licenses	2.3	1.2	1.8	1.6	1.9
Taxes on International Trade and Transactions	11.5	8.4	12.4	10.7	13.3
of which:					
Import Duty	2.5	1.1	2.4	2.2	3.1
Consumption Tax	3.8	2.8	4.5	3.9	5.1
Customs Service Charge	3.8	2.7	4.1	3.6	3.7
Foreign Currency Levy	0.9	0.7	0.9	0.8	1.1
Non-Tax Revenue	1.9	1.7	2.0	4.0	2.0
<b>Current Expenditure</b>	49.6	51.2	63.3	77.1	83.0
Personal Emoluments	20.6	22.9	24.5	25.0	25.9
Goods and Services	23.2	22.2	17.9	27.3	29.8
Interest Payments	0.7	0.0	0.1	0.2	0.2
Domestic	0.6	--	--	0.1	0.2
External	0.0	0.0	0.1	0.1	--
Transfers and Subsidies	5.1	6.0	20.9	24.6	27.1
of which: Pensions	3.6	4.8	7.0	6.8	7.4
<b>Current Account Balance (before grants)</b>	(22.1)	(26.0)	(34.1)	(46.5)	(50.7)
Current Grants	26.9	29.4	40.9	55.8	56.4
<b>Current Account Balance (After grants)</b>	4.8	3.4	6.8	9.3	5.7
Capital Revenue	--	--	--	--	--
Capital Grants	18.7	24.6	38.9	43.1	36.3
<b>Capital Expenditure and Net Lending</b>	18.7	24.5	38.9	32.9	32.8
of which: Capital Expenditure	18.7	24.5	38.9	32.9	32.8
<b>Primary Balance (after grants)</b>	5.5	3.4	6.9	19.7	9.5
Overall Balance (before grants)					
<b>Overall Balance (after grants)</b>	4.8	3.4	6.8	19.5	9.3
<b>Financing</b>	(4.8)	(3.4)	(6.8)	(19.5)	(9.3)
Domestic	(4.4)	(1.6)	(5.2)	(17.5)	(1.9)
ECCB (net)	0.5	(1.1)	(0.6)	0.0	(0.2)
Commercial Banks (net)	3.9	(4.2)	(7.7)	(12.6)	(5.9)
Other	(8.7)	3.7	3.1	(4.9)	4.1
External	(0.4)	(0.3)	(1.6)	(2.0)	(7.4)
Net Disbursements/(Amortisation)	(0.2)	(0.2)	(2.2)	(1.7)	(0.1)
Disbursements	--	--	--	--	--
Amortisation	(0.2)	(0.2)	(2.2)	(1.7)	(0.1)
Change in Govt. Foreign Assets	(0.2)	(0.1)	0.6	(0.4)	(7.3)
Arrears	--	(1.5)	--	--	--
Domestic	--	--	--	--	--
External	--	(1.5)	--	--	--

Source: Ministry of Finance, Treasury Department  
R = Revised                      P = Preliminary  
**Data available at 4 March 2005**

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

	2000	2001	2002	2003	2004 <sup>P</sup>
<b>Net Foreign Assets</b>	119.1	130.2	136.3	163.6	173.1
Central Bank (net)	28.1	33.7	38.9	41.1	38.1
Commercial Banks (net)	91.0	96.4	97.4	122.5	135.1
External (net)	(0.9)	4.0	6.6	24.6	38.7
Assets	21.6	26.7	32.1	51.0	67.4
Liabilities	22.5	22.8	25.5	26.4	28.8
Other ECCB Territories (net)	91.9	92.4	90.8	97.9	96.4
Assets	99.9	94.6	91.9	99.4	99.3
Liabilities	8.0	2.2	1.1	1.5	2.9
<b>Net Domestic Assets</b>	(18.0)	(28.1)	(36.5)	(55.3)	(53.6)
Domestic Credit	2.6	(3.2)	(18.7)	(31.8)	(39.3)
Central Government (net)	(8.2)	(13.5)	(21.8)	(34.4)	(40.4)
Other Public Sector (net)	(10.6)	(13.2)	(14.3)	(15.1)	(17.0)
Non-Bank Financial Institutions (net)	(1.8)	(0.4)	(4.9)	(5.3)	(5.6)
Subsidiaries and Affiliates (net)	--	--	--	--	--
Private Sector	23.1	23.9	22.2	22.9	23.7
<b>Other Items (net)</b>	(20.6)	(24.9)	(17.8)	(23.6)	(14.4)
<b>Money Supply (M2)</b>	101.1	102.0	99.8	108.3	119.5
Money Supply (M1)	26.1	25.4	26.3	32.7	36.1
Currency	9.7	11.8	10.8	12.6	13.0
Demand Deposits	16.5	13.6	15.5	20.2	23.1
Quasi Money	74.9	76.6	73.5	75.5	83.5
Savings Deposits	69.2	69.9	66.9	68.2	76.0
Time Deposits	3.6	4.3	3.7	3.8	4.3
Foreign Currency Deposits	2.1	2.4	2.9	3.5	3.2

Source: ECCB

P = Provisional

Data available at 4 March 2005

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

	2000	2001	2002	2003	2004 <sup>P</sup>
Total Visitor Arrivals	14,356	15,618	14,779	14,436	15,038
Of Which:					
Stay-Over Arrivals	10,337	9,800	9,623	8,414	9,569
USA	1,561	1,652	1,950	1,601	1,871
Canada	346	368	375	302	334
UK	2,592	2,419	2,581	2,271	2,663
Caribbean	5,324	5,123	4,453	4,035	4,389
Other Countries	514	238	264	205	312
Excursionists	4,019	5,818	5,156	5,159	5,106
Cruise Ship Passengers	0	0	0	863	363
Number of Cruise Ship Calls	0	0	0	14	5
Total Visitor Expenditure (EC\$M)	24.2	22.9	23.4	19.8	23.2

Source: Ministry of Finance, Montserrat and ECCB

P = Preliminary

Data available at 4 March 2005

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Current Account</b>	(17.6)	(13.2)	(23.6)	(16.9)	(18.2)
Goods and Services	(65.7)	(63.0)	(61.7)	(77.1)	(76.1)
Goods	(48.3)	(43.6)	(55.2)	(59.9)	(55.6)
Merchandise	(48.4)	(44.1)	(56.5)	(61.4)	(57.1)
Repair on goods	-	-	-	0.0	0.0
Goods procured in ports by carriers	0.0	0.5	1.3	1.5	1.5
Services	(17.4)	(19.5)	(6.5)	(17.2)	(20.5)
Transport	(6.7)	(5.8)	(7.6)	(8.2)	(8.5)
Travel	19.4	18.0	18.4	14.5	17.5
Insurance Services	(1.1)	(0.7)	(0.9)	(0.9)	(1.0)
Other Business Services	2.9	(2.0)	(1.8)	(8.1)	(14.8)
Government Services	(31.9)	(28.9)	(14.6)	(14.5)	(13.7)
Income	(7.3)	(1.7)	(8.3)	(2.7)	(4.9)
Compensation of Employees	-	-	-	-	(2.3)
Investment Income	(7.3)	(1.7)	(8.3)	(2.7)	(2.6)
Current Transfers	55.4	51.6	46.4	63.0	62.8
General Government	55.4	54.9	52.4	68.2	68.3
Other Sectors	(0.0)	(3.3)	(6.0)	(5.2)	(5.5)
<b>Capital and Financial Account</b>	8.0	18.9	28.1	19.5	22.5
Capital Account	12.0	20.8	34.4	38.8	31.9
Capital Transfers	12.0	20.8	34.4	38.8	31.9
Acquisition and Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	(4.0)	(1.9)	(6.3)	(19.3)	(9.4)
Direct Investment	9.3	2.5	5.3	6.6	6.6
Portfolio Investment	1.5	(1.6)	(0.6)	0.2	0.2
Other Investments	(14.8)	(2.8)	(11.1)	(26.2)	(16.3)
Public Sector Long Term	(0.4)	(1.5)	(4.0)	(2.0)	(0.9)
Other Public Sector Capital	-	-	1.3	-	-
Commercial Banks	4.6	(5.4)	(1.0)	(25.0)	(12.6)
Other Assets	(12.4)	(2.3)	(0.7)	0.9	0.9
Other Liabilities*	(6.6)	6.4	(6.7)	(0.1)	(3.7)
<b>Overall Balance</b>	(9.6)	5.7	4.5	2.6	4.2
<b>Financing</b>	9.6	(5.7)	(4.5)	(2.6)	(4.2)
Change in SDR holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	(0.2)	(0.1)	0.6	(0.4)	(7.3)
Change in Imputed Reserves	9.8	(5.7)	(5.2)	(2.2)	3.1

Source: ECCB and Ministry of Finance

R = Revised      P = Preliminary

\*includes errors & omissions

**Data available at 4 March 2005**

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
	<i>(annual percentage change unless otherwise indicated)</i>				
<b>National Income and Prices</b>					
Nominal GDP at basic prices	10.2	3.6	1.2	2.4	9.0
Real GDP at basic prices	6.5	1.7	(0.3)	0.6	5.1
GDP Deflator	3.5	1.9	1.5	1.8	3.7
Consumer Prices (end of period)	3.1	2.7	1.7	3.1	1.7
Consumer Prices (period average)	2.1	2.3	2.0	2.2	2.3
<b>Real GDP at basic prices by Selected Sectors</b>					
Agriculture	(8.5)	11.1	13.3	(12.7)	10.0
Manufacturing	17.0	6.6	(4.0)	0.6	0.9
Electricity and Water	11.0	3.9	9.8	10.6	4.9
Construction	29.2	4.2	(5.6)	(4.7)	1.0
Wholesale and Retail Trade	(3.2)	(11.5)	0.3	4.5	(6.0)
Hotels and Restaurants	(23.4)	3.9	(3.6)	31.3	32.6
Transport	3.7	3.5	7.9	0.7	22.4
Communications	7.1	2.0	(6.8)	(1.1)	4.2
Banks and Insurance	11.4	(1.0)	1.8	3.3	4.6
Government Services	2.5	2.6	3.8	(1.0)	2.5
Other Services	4.0	(2.6)	1.4	2.5	2.5
	<i>(as a percentage of GDP)</i>				
<b>External Sector</b>					
Current Account Balance	(20.1)	(31.3)	(35.5)	(31.7)	(19.4)
Overall Balance	(1.3)	3.4	2.5	(0.3)	3.4
Merchandise Trade Balance	(37.4)	(33.3)	(33.1)	(33.0)	(27.6)
<b>Central Government</b>					
Current Account Balance	(4.6)	(4.3)	(2.6)	(1.2)	(1.0)
Current Revenue	28.6	28.9	31.6	32.6	33.5
Current Expenditure	33.2	33.2	34.2	33.8	34.5
Capital Expenditure and Net Lending	11.1	10.4	17.7	7.8	7.2
Overall Fiscal Balance	(14.2)	(11.8)	(16.6)	(8.1)	(7.3)
Total Public Sector Debt (end of period)	114.2	132.3	152.4	162.0	161.9
	<i>(per cent per annum)</i>				
<b>Monetary Sector</b>					
Weighted Deposit Interest Rates	4.3	4.2	3.8	4.1	3.6
Weighted Lending Interest Rates	11.1	11.1	10.4	12.0	9.9
	<i>(in millions of EC dollars, unless otherwise stated)</i>				
<b>Memo</b>					
Nominal GDP at basic prices	765.2	792.8	802.1	821.0	895.3
Real GDP at basic prices	555.0	564.1	562.5	565.7	594.7
Nominal GDP at market prices	888.9	924.0	946.4	984.4	1,090.6
GDP Per Capita (EC\$)	17,280	17,193	17,172	17,351	19,297
Merchandise Imports (f.o.b)	465.6	449.3	479.3	473.0	448.2
Merchandise Exports (f.o.b)	133.4	141.7	166.2	148.2	147.0
Gross Visitor Expenditure	157.8	167.0	154.3	203.4	288.7

Source: Statistics Department and ECCB

R = Revised P = Preliminary

Data available at 3 March 2005

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Current Revenue</b>	254.3	267.2	299.1	321.4	365.3
Tax Revenue	188.0	194.6	212.1	233.9	281.9
Taxes on Income and Profit	59.2	57.7	61.9	64.1	80.4
of which:					
Company	37.8	36.4	38.8	41.9	52.4
Social Services Levy	19.7	20.3	22.0	21.4	25.9
Taxes on Property	3.9	4.4	4.5	5.2	5.1
Taxes on Domestic Goods and Services	31.0	38.2	41.3	45.2	56.0
of which:					
Hotel Room Tax	4.7	10.0	8.2	9.4	12.5
Licences	5.0	4.8	5.4	8.3	7.4
Gasoline Levy	2.2	3.7	5.6	3.0	0.7
Taxes on International Trade and Transactions	93.9	94.3	104.3	119.3	140.5
of which:					
Import Duty	39.4	31.2	33.7	36.5	40.7
Consumption Tax	41.5	44.0	50.8	56.5	68.7
Customs Service Charge	10.1	13.7	15.7	19.1	24.3
Non-Tax Revenue	66.3	72.6	87.0	87.5	83.5
<b>Current Expenditure</b>	295.1	307.0	323.5	333.1	376.0
Personal Emoluments	137.1	140.3	144.2	144.1	159.7
Goods and Services	87.1	79.5	78.9	79.0	95.8
Interest Payments	42.6	52.4	66.9	74.5	76.1
Domestic	29.0	34.0	35.3	31.0	30.1
External	13.6	18.5	31.6	43.5	46.1
Transfers and Subsidies	28.4	34.7	33.6	35.6	44.3
of which: Pensions	15.8	17.1	19.4	16.7	21.2
<b>Current Account Balance</b>	(40.8)	(39.7)	(24.5)	(11.8)	(10.7)
Capital Revenue	4.3	3.7	6.5	2.2	4.6
Grants	8.4	22.4	28.3	6.1	4.1
of which: Capital Grants	8.4	21.7	27.9	5.7	3.8
<b>Capital Expenditure and Net Lending</b>	98.5	95.7	167.5	76.4	78.1
of which: Capital Expenditure	98.5	95.7	115.9	62.5	66.7
<b>Primary Balance (after grants)</b>	(84.0)	(57.0)	(90.3)	(5.4)	(3.9)
Overall Balance (before Grants)	(118.2)	(87.1)	(128.8)	(73.8)	(76.0)
<b>Overall Balance (after grants)</b>	(126.6)	(109.4)	(157.2)	(79.9)	(80.1)
<b>Financing</b>	126.6	109.4	157.2	79.9	80.1
Domestic	114.3	(19.2)	21.0	(62.5)	73.9
ECCB (net)	7.2	(2.4)	1.5	(13.4)	11.6
Commercial Banks (net)	107.4	14.0	(18.3)	(55.1)	61.4
Other	(0.2)	(30.7)	37.8	6.0	0.9
External	12.2	128.6	136.2	142.3	6.2
Net Disbursements/(Amortisation)	12.4	128.4	135.5	142.3	6.2
Disbursements	32.4	146.8	162.9	186.6	50.8
Amortisation	(20.0)	(18.4)	(27.4)	(44.3)	(44.7)
Change in Govt. Foreign Assets	(0.1)	0.2	0.6	-	-
Arrears	-	-	-	-	-
Domestic	-	-	-	-	-
External	-	-	-	-	-

Source: Ministry of Finance, Treasury Department and ECCB Estimates

R = Revised      P = Preliminary

Data available at 3 March 2005

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

	2000	2001	2002	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Net Foreign Assets</b>	152.5	239.3	315.1	402.3	283.5
Central Bank (net)	121.7	153.3	177.2	174.6	211.5
Commercial Banks (net)	30.7	86.0	137.9	227.6	72.0
External (net)	19.3	196.9	245.7	419.8	228.9
Assets	246.9	373.5	500.5	712.3	651.7
Liabilities	227.6	176.7	254.8	292.5	422.8
Other ECCB Territories (net)	11.4	(110.9)	(107.8)	(192.2)	(156.9)
Assets	154.1	73.5	99.2	67.6	101.7
Liabilities	142.7	184.4	207.0	259.8	258.6
<b>Net Domestic Assets</b>	624.2	555.0	529.7	500.8	815.5
<b>Domestic Credit</b>	762.9	750.1	756.8	745.3	991.2
Central Government (net)	272.0	283.5	266.7	198.2	271.2
Other Public Sector (net)	(150.7)	(154.6)	(125.7)	(146.5)	(58.9)
Non-Bank Financial Institutions (net)	(3.8)	(4.5)	(13.3)	25.1	51.3
Subsidiaries and Affiliates (net)	(35.1)	(50.0)	(30.2)	(18.9)	(21.3)
Private Sector	680.5	675.6	659.3	687.4	748.8
<b>Other Items (net)</b>	(138.7)	(195.1)	(227.1)	(244.6)	(175.6)
<b>Money Supply (M2)</b>	776.7	794.2	844.8	903.0	1,099.0
Money Supply (M1)	110.1	106.2	119.9	133.1	166.7
Currency	40.6	36.1	37.7	39.9	44.6
Demand Deposits	69.5	70.1	82.2	93.2	122.1
Quasi Money	666.6	688.1	724.9	769.9	932.3
Savings Deposits	287.1	305.9	335.0	361.2	418.1
Time Deposits	130.3	147.3	153.6	144.6	203.5
Foreign Currency Deposits	249.1	234.8	236.3	264.2	310.7

Source: ECCB

R = Revised    P = Preliminary

**Data available at 3 March 2005**

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

	2000	2001	2002	2003 <sup>E</sup>	2004 <sup>E</sup>
Total Visitor Arrivals	247,247	333,361	246,364	246,789	389,867
Stay-Over Arrivals	73,149	70,565	68,998	90,563	120,088
Excursionists	3,211	3,662	3,853	4,054	4,052
Yacht Passengers	6,276	6,962	6,283	5,855	5,606
Cruise Ship Passengers	164,611	252,172	167,230	146,317	260,121
Number of Cruise Ship Calls	348	358	245	270	379
Total Visitor Expenditure (EC\$M)	157.8	167.0	154.3	203.4	288.7

Source: Tourism Authority, Immigration Department and ECCB Estimates

E = Estimates

**Data available at 3 March 2005**



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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Current Account</b>	(178.6)	(289.0)	(335.9)	(312.3)	(211.2)
Goods and Services	(266.5)	(239.2)	(277.7)	(243.1)	(135.4)
Goods	(327.3)	(301.2)	(309.3)	(318.3)	(294.6)
Merchandise	(332.3)	(307.6)	(313.1)	(324.8)	(301.1)
Repair on goods	0.0	0.0	0.0	0.1	0.1
Goods procured in ports by carriers	5.0	6.3	3.9	6.5	6.5
Services	60.8	62.1	31.5	75.2	159.2
Transport	(56.9)	(52.3)	(59.1)	(63.5)	(64.8)
Travel	133.9	145.2	133.8	181.5	264.8
Insurance Services	(14.4)	(17.0)	(19.6)	(19.0)	(19.2)
Other Business Services	(1.2)	(13.5)	(20.5)	(19.9)	(17.3)
Government Services	(0.6)	(0.3)	(3.0)	(3.8)	(4.3)
Income	(81.3)	(93.2)	(102.5)	(118.1)	(125.5)
Compensation of Employees	(5.8)	(7.3)	(7.4)	(8.9)	(9.8)
Investment Income	(75.5)	(86.0)	(95.1)	(109.2)	(115.7)
Current Transfers	169.2	43.4	44.4	48.9	49.6
General Government	(4.0)	(3.2)	(1.1)	(1.3)	(1.0)
Other Sectors	173.2	46.5	45.5	50.2	50.6
<b>Capital and Financial Account</b>	166.8	320.3	359.2	309.7	248.1
Capital Account	16.2	29.5	39.4	14.1	11.9
Capital Transfers	16.2	29.5	38.9	13.6	11.9
Acquisition and Disposal of Non-Produced, Non-Financial Assets	0.0	0.0	0.5	0.5	0.0
Financial Account	150.6	290.9	319.8	295.6	236.2
Direct Investment	259.8	237.9	215.4	175.7	160.4
Portfolio Investment	13.5	115.2	82.0	129.7	(76.9)
Other Investments	(122.7)	(62.3)	22.4	(9.7)	152.7
Public Sector Long Term	16.6	15.4	44.5	5.9	30.3
Commercial Banks	(64.8)	(55.3)	(51.9)	(89.8)	155.7
Other Assets	(29.0)	(20.8)	8.0	(16.4)	(17.9)
Other Liabilities*	(45.5)	(1.6)	21.8	90.5	(15.4)
<b>Overall Balance</b>	(11.9)	31.3	23.3	(2.6)	36.9
<b>Financing</b>	11.9	(31.3)	(23.3)	2.6	(36.9)
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	(0.1)	0.2	0.6	0.0	0.0
Change in Imputed Reserves	12.0	(31.5)	(23.9)	2.6	(36.9)

Source: Planning Unit and ECCB

R = Revised      P = Preliminary

\* Includes Errors & Omissions

**Data available at 3 March 2005**

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<i>(annual percentage change unless otherwise stated)</i>					
<b>National Income and Prices</b>					
Nominal GDP at basic prices	2.5	(1.6)	0.4	4.8	4.7
Real GDP at basic prices	(0.3)	(4.1)	0.1	2.9	3.6
GDP Deflator	2.8	2.6	0.3	1.9	1.0
Consumer Prices (end of period)	0.3	5.5	(0.7)	0.5	3.5
Consumer Prices (period average)	3.7	5.3	(0.3)	1.0	1.5
<b>Real GDP at Factor Cost by Selected Sectors</b>					
Agriculture	3.2	(24.4)	(3.6)	(13.2)	5.1
Manufacturing	(2.6)	(4.9)	5.0	0.6	(2.5)
Electricity and Water	(4.8)	4.6	(2.5)	1.9	(3.9)
Construction	(4.6)	(5.0)	(4.8)	(3.8)	3.1
Wholesale and Retail Trade	(6.5)	(14.5)	1.2	7.8	7.8
Hotels and Restaurants	2.7	(10.5)	(0.6)	16.6	5.9
Transport	(1.3)	(1.3)	(3.8)	2.3	4.4
Communications	5.5	11.8	7.5	4.5	4.6
Banks and Insurance	3.0	2.7	1.2	1.7	5.2
Real Estate and Housing	2.2	3.4	2.4	3.3	3.3
Government Services	0.8	2.4	(1.6)	2.1	4.1
Other Services	3.3	(7.3)	1.8	(0.0)	0.6
<i>(as a percentage of GDP)</i>					
<b>External Sector</b>					
Current Account Balance	(14.1)	(16.2)	(15.4)	(20.3)	(15.9)
Overall Balance	2.0	1.9	0.9	2.6	3.6
Merchandise Trade Balance	(39.3)	(34.3)	(31.0)	(40.9)	(40.2)
<b>Central Government</b>					
Current Account Balance	6.2	1.9	2.3	0.3	2.6
Current Revenue	26.2	24.6	24.5	24.3	26.3
Current Expenditure	20.0	22.7	22.2	24.0	23.7
Capital Expenditure and Net Lending	8.2	6.9	7.6	9.4	5.6
Overall Fiscal Balance	(0.8)	(3.9)	(2.5)	(6.4)	(2.6)
Total Public Sector Debt (end of period)	43.2	49.0	55.9	62.4	69.1
<i>(per cent per annum)</i>					
<b>Monetary Sector</b>					
Weighted Deposit Interest Rates	4.9	4.8	3.8	6.8	2.8
Weighted Lending Interest Rates	13.1	12.8	12.5	15.3	10.7
<i>(in millions of EC dollars, unless otherwise stated)</i>					
<b>Memo</b>					
Nominal GDP at basic prices	1,558.9	1,534.0	1,539.6	1,614.0	1,689.7
Real GDP at basic prices	1,229.8	1,179.9	1,181.2	1,215.1	1,259.3
Nominal GDP at market prices	1,850.0	1,792.8	1,826.9	1,928.1	2,031.9
GDP per capita (EC\$)	9,993	9,708	9,675	10,048	10,290
Merchandise Imports (f.o.b)	843.6	734.6	734.1	957.2	1,034.5
Merchandise Exports (f.o.b)	116.8	119.6	167.6	167.7	218.7
Gross Visitor Expenditure	757.4	629.1	567.0	761.6	879.3

Source: Statistics Department and ECCB

R = Revised P = Preliminary

Data available at 8 April 2005

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Current Revenue</b>	484.8	440.7	447.2	468.6	535.2
Tax Revenue	428.4	396.0	404.9	433.3	494.6
Taxes on Income and Profit	136.7	133.7	107.6	111.9	116.4
of which:					
Personal	48.2	49.2	47.4	43.9	47.1
Company	62.7	62.6	45.8	44.8	44.2
Taxes on Property	1.6	1.3	6.9	4.3	3.8
Taxes on Domestic Goods and Services	58.4	54.2	68.5	60.8	93.3
of which:					
Stamp Duty	9.7	8.9	18.9	10.1	15.7
Hotel Occupancy Tax	21.2	20.9	19.7	21.1	25.1
Licenses	7.1	6.8	10.1	6.2	25.1
Taxes on International Trade and Transactions	231.7	206.7	222.0	256.4	281.0
of which:					
Consumption Tax (Imports)	90.9	93.8	110.0	110.8	116.6
Import Duty	65.5	53.7	53.0	69.8	72.7
Service Charge (Imports)	34.4	28.8	28.5	37.2	44.2
Excise Tax (Imports)	25.2	15.5	14.9	18.8	22.6
Non-Tax Revenue	56.4	44.7	42.3	35.3	40.6
<b>Current Expenditure</b>	370.5	406.2	405.5	462.0	481.8
Personal Emoluments	203.8	215.3	211.1	213.5	221.8
Goods and Services	72.2	73.8	64.7	89.5	92.4
Interest Payments	27.0	46.2	43.8	53.6	62.0
Domestic	18.4	24.9	22.2	20.5	18.3
External	8.7	21.3	21.5	33.1	43.6
Transfers and Subsidies	67.5	71.0	85.9	105.4	105.6
of which: Pensions	33.0	31.2	33.0	31.6	35.3
<b>Current Account Balance (before grants)</b>	114.3	34.5	41.7	6.7	53.4
Capital Revenue	10.7	1.3	21.3	8.6	1.0
Grants	10.7	17.5	29.0	43.0	6.0
of which: Capital Grants	10.7	17.5	29.0	43.0	6.0
<b>Capital Expenditure and Net Lending</b>	151.0	122.9	138.1	181.5	112.9
of which: Capital Expenditure	151.0	122.9	138.1	181.5	112.9
<b>Primary Balance (after grants)</b>	11.7	(23.4)	(2.3)	(69.5)	9.5
Overall Balance (before balance)	(26.1)	(87.1)	(75.1)	(166.1)	(58.5)
<b>Overall Balance (after grants)</b>	(15.4)	(69.6)	(46.1)	(123.1)	(52.5)
<b>Financing</b>	15.4	69.6	46.1	123.1	52.5
Domestic	(46.9)	27.8	(56.5)	(64.7)	(45.3)
ECCB (net)	(4.4)	7.4	(7.8)	(3.7)	(13.2)
Commercial Banks (net)	(17.6)	(34.7)	24.5	(4.4)	(13.2)
Other	(24.9)	55.1	(73.2)	(56.6)	(18.9)
External	62.3	41.8	102.6	187.8	97.8
Net Disbursements/(Amortisation)	86.3	48.5	105.3	202.7	101.2
Disbursements	100.3	100.1	152.6	220.1	134.7
Amortisation	(14.0)	(51.6)	(47.3)	(17.4)	(33.5)
Change in Govt. Foreign Assets	(24.1)	(6.7)	(2.7)	(14.9)	(3.5)
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

R = Revised                      P = Preliminary

Data available at 11 April 2005

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

	2000 <sup>R</sup>	2001	2002	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Net Foreign Assets</b>	113.6	114.5	106.8	335.2	318.7
Central Bank (net)	207.8	235.2	248.1	282.6	351.5
Commercial Banks (net)	(94.1)	(120.7)	(141.3)	52.5	(32.9)
External (net)	(86.9)	(165.2)	(191.2)	(143.6)	(65.0)
Assets	80.7	100.1	108.3	199.7	300.0
Liabilities	167.5	265.2	299.5	343.3	365.0
Other ECCB Territories (net)	(7.3)	44.4	49.9	196.1	32.1
Assets	55.3	76.0	124.3	229.2	144.3
Liabilities	62.6	31.6	74.4	33.0	112.2
<b>Net Domestic Assets</b>	1,065.7	1,119.9	1,166.5	1,035.2	1,190.5
<b>Domestic Credit</b>	1,196.7	1,381.9	1,428.0	1,323.3	1,465.2
Central Government (net)	(85.8)	(113.1)	(96.3)	(104.4)	(130.7)
Other Public Sector (net)	(172.7)	(168.6)	(158.9)	(186.4)	(194.0)
Non-Bank Financial Institutions (net)	(24.9)	(43.4)	(32.7)	(39.3)	(35.4)
Subsidiaries and Affiliates (net)	(1.6)	165.1	162.4	155.3	174.7
Private Sector	1,481.7	1,541.8	1,553.5	1,498.2	1,650.6
<b>Other Items (net)</b>	(131.0)	(262.0)	(261.5)	(288.2)	(274.7)
<b>Money Supply (M2)</b>	1,179.4	1,234.3	1,273.3	1,370.4	1,509.2
Money Supply	286.1	283.8	287.6	343.1	481.3
Currency	84.6	82.1	83.6	91.3	99.2
Demand Deposits	201.5	201.7	204.0	251.8	382.2
Quasi Money	893.3	950.5	985.7	1,027.3	1,027.8
Savings Deposits	551.1	573.3	652.3	755.2	810.4
Time Deposits	334.7	364.4	309.6	240.2	178.7
Foreign Currency Deposits	7.6	12.8	23.8	31.9	38.7

Source: ECCB

R = Revised P = Preliminary

Data available at 6 April 2005

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
Total Visitor Arrivals	742,323	767,037	673,871	704,236	813,681
of which:					
Stay-Over Arrivals	269,850	250,132	253,463	276,948	298,431
USA	97,532	91,248	94,044	98,078	107,089
Canada	14,968	12,213	12,927	13,494	15,315
UK	73,433	67,046	63,277	75,426	81,370
France	10,992	5,091	3,405	6,017	7,682
Germany	7,292	4,818	3,929	3,582	3,289
Caribbean	54,595	61,047	66,409	70,543	74,242
Excursionists	12,853	7,176	7,712	12,817	11,441
Cruise Ship Passengers	443,551	489,912	387,180	393,262	481,279
Yacht Passengers	16,069	19,817	25,516	21,209	22,530
Number of Cruise Ship Calls	389	378	245	262	328
Total Visitor Expenditure (EC\$M)	757.4	629.1	567.0	761.6	879.3

Source: St Lucia Tourist Board

R = Revised P = Preliminary

Data available at 1 April 2005

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Current Account</b>	(261.1)	(290.7)	(280.7)	(392.1)	(324.0)
Goods and Services	(191.6)	(204.2)	(218.0)	(294.0)	(213.5)
Goods	(700.9)	(588.1)	(546.9)	(763.2)	(781.7)
Merchandise	(726.9)	(615.0)	(566.6)	(789.5)	(815.9)
Repair on goods	0.0	0.0	--	0.0	0.0
Goods procured in ports by carriers	25.9	26.9	19.7	26.2	34.2
Services	509.3	383.9	328.9	469.2	568.1
Transport	(107.7)	(113.8)	(105.5)	(139.2)	(148.8)
Travel	667.5	543.4	476.1	665.4	777.9
Insurance Services	(15.6)	(11.6)	(13.1)	(17.7)	(19.2)
Other Business Services	(13.7)	(22.1)	(18.5)	(30.7)	(32.9)
Government Services	(16.1)	(12.1)	(10.1)	(8.6)	(8.9)
Income	(120.4)	(125.1)	(95.4)	(130.6)	(143.8)
Compensation of Employees	0.1	0.2	0.2	0.3	0.3
Investment Income	(120.5)	(125.3)	(95.5)	(130.9)	(144.1)
Current Transfers	51.0	38.6	32.7	32.5	33.3
General Government	9.2	(0.9)	(2.6)	(2.2)	(2.5)
Other Sectors	41.8	39.5	35.3	34.7	35.8
<b>Capital and Financial Account</b>	297.3	324.8	296.3	441.6	396.4
Capital Account	38.3	68.8	53.3	56.1	9.7
Capital Transfers	42.6	68.8	53.3	56.1	9.7
Acquisition and Disposal of Non-Produced, Non-Financial Assets	(4.3)	--	--	--	--
Financial Account	259.0	256.0	243.0	385.4	386.8
Direct Investment	145.1	158.8	134.7	261.3	286.1
Portfolio Investment	76.6	31.7	13.1	169.6	23.9
Other Investments	37.2	65.5	95.1	(35.5)	76.7
Public Sector Long Term	16.1	20.3	52.8	43.4	56.6
Other Public Sector Capital	--	--	--	--	--
Commercial Banks	(23.1)	26.6	20.6	(193.8)	85.4
Other Assets	(40.5)	(33.5)	(11.4)	8.4	(4.9)
Other Liabilities*	79.6	52.2	33.2	106.6	(60.3)
<b>Overall Balance</b>	36.2	34.1	15.6	49.4	72.4
<b>Financing</b>	(36.2)	(34.1)	(15.6)	(49.4)	(72.4)
Change in SDR Holdings	--	--	--	--	--
Change in Reserve Position with the Fund	--	--	--	--	--
Change in Government Foreign Assets	(24.1)	(6.7)	(2.7)	(14.9)	(3.5)
Change in Imputed Reserves	(12.2)	(27.4)	(12.9)	(34.6)	(68.9)

Source: ECCB and Statistics Department

R = Revised      P = Preliminary

\* includes errors & omissions

**Data available at 11 April 2005**

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
	<i>(annual percentage change unless otherwise stated)</i>				
<b>National Income and Prices</b>					
Nominal GDP at basic prices	1.7	2.0	5.2	3.4	7.9
Real GDP at basic prices	2.0	(0.1)	3.2	3.4	5.4
GDP Deflator	(0.3)	2.0	2.0	--	2.4
Consumer Prices (end of period)	1.4	1.3	0.4	2.2	1.7
Consumer Prices (period average)	0.2	2.0	0.8	0.2	3.0
<b>Real GDP at Factor Cost by Selected Sectors</b>					
Agriculture	6.6	(7.7)	7.8	(2.2)	(5.2)
Manufacturing	(9.4)	5.6	(6.1)	0.7	2.9
Electricity and Water	6.1	11.2	2.6	7.5	7.1
Construction	(13.5)	7.1	(2.9)	8.2	14.7
Wholesale and Retail Trade	7.7	3.4	3.1	4.2	9.8
Hotels and Restaurants	6.3	(3.0)	(8.0)	(5.7)	5.5
Transport	1.3	1.1	6.2	7.8	7.0
Communications	9.2	(12.2)	4.5	12.6	3.0
Banks and Insurance	5.4	(7.6)	10.1	(4.9)	3.9
Government Services	2.1	2.5	3.7	2.5	2.5
Other Services	6.0	4.0	4.7	7.9	6.0
	<i>(as a percentage of GDP)</i>				
<b>External Sector</b>					
Current Account Balance	(7.0)	(10.4)	(11.5)	(20.0)	(24.6)
Overall Balance	4.2	2.6	(1.8)	(0.1)	6.2
Merchandise Trade Balance	(27.8)	(31.7)	(32.6)	(36.7)	(40.8)
<b>Central Government</b>					
Current Account Balance	2.1	1.3	2.7	3.5	2.8
Current Revenue	28.8	29.1	31.0	30.7	28.9
Current Expenditure	26.7	27.8	28.2	27.2	26.2
Capital Expenditure and Net Lending	3.9	5.2	5.5	7.4	6.8
Overall Fiscal Balance	(0.6)	(1.7)	(2.0)	(3.2)	(3.0)
Total Public Sector Debt (end of period)	69.1	69.6	72.8	75.5	80.3
	<i>(per cent per annum)</i>				
<b>Monetary Sector</b>					
Weighted Deposit Interest Rates	4.5	4.5	4.2	4.5	2.8
Weighted Lending Interest Rates	11.5	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	761.8	776.7	817.2	845.1	911.6
Real GDP at basic prices	612.9	612.3	631.8	653.5	688.7
Nominal GDP at market prices	904.6	932.8	974.5	1,016.1	1,101.6
GDP per capita (EC\$)	6,802	7,124	7,577	7,920	8,544
Merchandise Imports (f.o.b)	388.0	408.3	424.2	475.7	539.8
Merchandise Exports (f.o.b)	136.6	112.4	106.1	102.6	90.9
Gross Visitor Expenditure	222.2	240.3	245.7	246.2	258.0

Source: Statistics Department and ECCB

R = Revised P = Preliminary

Data available at 24 May 2005

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

	2000	2001	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Current Revenue</b>	260.5	271.7	302.0	311.5	318.7
Tax Revenue	216.8	230.1	259.8	259.9	272.1
Taxes on Income and Profit	71.5	70.8	87.9	77.0	79.3
of which:					
Individual	32.1	33.8	35.0	35.1	37.4
Company Tax	36.1	33.5	45.2	38.2	37.5
Taxes on Property	2.3	3.5	2.5	2.7	2.5
Taxes on Domestic Goods and Services	40.7	43.9	42.7	47.1	51.8
of which:					
Stamp Duty	14.9	18.6	17.2	19.9	20.9
Consumption Duties	7.1	6.2	5.9	6.0	7.1
Hotel Turnover Tax	5.2	5.4	4.5	4.2	5.1
Taxes on International Trade and Transactions	102.4	111.9	126.7	133.0	138.5
of which:					
Import Duty	22.5	25.4	25.6	29.2	30.7
Consumption Tax	58.6	65.1	77.9	79.1	81.3
Customs Service Charge	15.8	16.6	18.2	19.3	20.6
Non-Tax Revenue	43.7	41.6	42.2	51.6	46.6
<b>Current Expenditure</b>	241.5	259.2	275.2	276.1	288.1
Personal Emoluments	127.4	128.6	138.3	139.1	144.8
Goods and Services	52.4	56.2	62.7	61.5	66.6
Interest Payments	24.7	24.6	26.1	27.8	27.6
Domestic	11.8	12.6	15.8	16.4	11.6
External	12.9	12.1	10.3	11.5	16.0
Transfers and Subsidies	37.0	49.7	48.1	47.6	49.1
of which: Pensions	16.0	17.5	19.3	19.7	20.2
<b>Current Account Balance</b>	19.0	12.5	26.7	35.4	30.6
Capital Revenue	1.3	1.0	0.8	1.7	3.9
Grants	9.7	18.7	6.8	6.3	7.8
of which: Capital Grants	9.7	18.7	6.8	6.3	7.8
<b>Capital Expenditure and Net Lending</b>	35.1	48.2	53.8	75.6	75.1
of which: Capital Expenditure	35.1	48.2	57.7	82.0	78.9
Primary Balance (after grants)	19.6	8.7	6.6	(4.5)	(5.2)
Overall Balance (before grants)	(14.8)	(34.7)	(26.3)	(38.6)	(40.5)
<b>Overall Balance (after grants)</b>	(5.1)	(15.9)	(19.5)	(32.3)	(32.8)
<b>Financing</b>	5.1	15.9	19.5	32.3	32.8
Domestic	(1.1)	(7.0)	(0.3)	(14.3)	(113.2)
Central Banks (net)	(7.4)	(2.1)	4.2	12.2	(54.5)
Commercial Banks (net)	13.5	(16.1)	37.9	(51.0)	2.6
Other	(7.3)	11.2	(42.3)	24.5	(61.3)
External	6.2	22.9	19.8	46.6	145.9
Net Disbursements/(Amortisation)	10.0	30.4	24.3	50.9	150.4
Disbursements	20.5	43.6	40.5	114.4	259.3
Amortisation	(10.5)	(13.2)	(16.2)	(63.5)	(108.9)
Change in Govt. Foreign Assets	(3.8)	(7.5)	(4.5)	(4.3)	(4.5)
Arrears	--	--	--	--	--
Domestic	--	--	--	--	--
External	--	--	--	--	--

Source: Ministry of Finance, Treasury Department and ECCB Estimates

R = Revised                      P = Preliminary

Data available at 08 March 2005

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Net Foreign Assets</b>	280.2	254.0	272.8	313.4	429.0
Central Bank (net)	147.0	164.1	141.7	136.2	200.3
Commercial Banks (net)	133.2	89.9	131.1	177.2	228.7
External (net)	(56.6)	(22.5)	(3.6)	88.1	106.2
Assets	75.9	142.6	143.4	220.9	245.8
Liabilities	132.5	165.1	146.9	132.8	139.5
Other ECCB Territories (net)	189.8	112.3	134.7	89.1	122.5
Assets	210.4	141.5	170.2	168.5	192.6
Liabilities	20.6	29.1	35.6	79.5	70.2
<b>Net Domestic Assets</b>	355.3	400.9	436.4	409.1	383.2
<b>Domestic Credit</b>	475.7	468.6	534.0	507.9	554.3
Central Government (net)	62.2	44.0	86.0	47.2	(4.7)
Other Public Sector (net)	(140.6)	(120.9)	(131.6)	(120.9)	(42.5)
Non-Bank Financial Institutions (net)	(37.6)	(59.9)	(53.7)	(55.9)	(34.6)
Subsidiaries and Affiliates (net)	(0.4)	--	--	--	(2.6)
Private Sector	592.1	605.5	633.4	637.5	638.6
<b>Other Items (net)</b>	(120.3)	(67.7)	(97.6)	(98.8)	(171.1)
<b>Money Supply (M2)</b>	635.5	654.9	709.3	722.4	812.3
Money Supply (M1)	212.3	219.2	239.2	253.7	279.0
Currency	52.1	51.5	54.0	56.7	64.4
Demand Deposits	160.1	167.7	185.1	197.0	214.6
Quasi Money	423.3	435.7	470.1	468.7	533.2
Savings Deposits	277.5	285.0	304.0	320.8	383.8
Time Deposits	137.1	143.1	156.4	137.5	123.3
Foreign Currency Deposits	8.6	7.6	9.7	10.5	26.1

Source: ECCB  
R = Revised    P = Preliminary  
**Data available at 7 March 2005**

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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
Total Visitor Arrivals	256,039	254,091	247,449	241,526	261,469
Of Which:					
Stay-Over Arrivals	72,894	70,686	77,622	78,535	86,721
USA	20,254	19,362	22,410	22,194	25,106
Canada	4,685	3,929	5,268	4,918	5,219
UK	12,885	10,842	11,629	11,547	12,610
Caribbean	24,211	26,432	30,223	32,779	36,011
Other Countries	10,859	10,121	8,092	7,097	7,775
Excursionists	21,135	15,049	13,062	13,696	12,936
Yacht Passengers	75,763	91,862	86,451	84,330	84,227
Cruise Ship Passengers	86,247	76,494	70,314	64,965	77,585
Number of Cruise Ship Calls	n.a.	n.a.	264	245	225
Total Visitor Expenditure (EC\$M)	222.2	240.3	245.7	246.2	258.0

Source: Department of Tourism and ECCB estimates  
R = Revised    P = Preliminary  
**Data available at 7 March 2005**



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

	2000 <sup>R</sup>	2001 <sup>R</sup>	2002 <sup>R</sup>	2003 <sup>R</sup>	2004 <sup>P</sup>
<b>Current Account</b>	(63.2)	(96.9)	(111.9)	(203.5)	(271.1)
Goods and Services	(55.5)	(86.5)	(97.2)	(174.7)	(249.2)
Goods	(250.0)	(294.9)	(314.6)	(369.1)	(444.4)
Merchandise	(251.4)	(295.9)	(318.1)	(373.1)	(448.9)
Repair on goods	0.0	0.0	0.0	--	--
Goods procured in ports by carriers	1.4	1.0	3.4	4.0	4.6
Services	194.6	208.4	217.5	194.4	195.1
Transport	(38.7)	(43.7)	(45.6)	(52.8)	(59.5)
Travel	196.6	213.7	218.2	217.5	226.9
Insurance Services	(8.0)	(9.3)	(11.3)	(12.3)	(13.9)
Other Business Services	49.0	51.8	58.6	45.0	45.0
Government Services	(4.3)	(4.2)	(2.5)	(3.0)	(3.3)
Income	(51.8)	(44.5)	(47.5)	(63.7)	(55.9)
Compensation of Employees	0.4	0.3	2.0	1.6	1.6
Investment Income	(52.1)	(44.8)	(49.5)	(65.3)	(57.6)
Current Transfers	44.1	34.1	32.8	34.8	34.1
General Government	7.5	(1.3)	(2.2)	(2.7)	(3.4)
Other Sectors	36.6	35.3	35.0	37.6	37.5
<b>Capital and Financial Account</b>	101.1	121.5	94.1	202.3	339.7
Capital Account	15.1	23.7	28.6	38.8	46.2
Capital Transfers	15.1	23.7	28.6	38.8	46.2
Acquisition and Disposal of Non-Produced, Non-Financial Assets	--	--	--	--	--
Financial Account	85.9	97.8	65.4	163.5	293.5
Direct Investment	101.9	56.8	100.8	148.6	150.3
Portfolio Investment	3.9	9.4	4.7	55.7	117.2
Other Investments	(19.9)	31.6	(40.1)	(40.8)	26.0
Public Sector Long Term	7.7	35.1	5.6	(3.1)	34.2
Other Public Sector Capital	--	--	--	--	--
Commercial Banks	(30.7)	43.3	(41.2)	(46.1)	(51.5)
Other Assets	(23.9)	(28.9)	(20.9)	(32.2)	(26.1)
Other Liabilities*	27.0	(17.9)	16.4	40.6	69.4
<b>Overall Balance</b>	37.9	24.6	(17.8)	(1.2)	68.6
<b>Financing</b>	(37.9)	(24.6)	17.8	1.2	(68.6)
Change in SDR holdings	--	--	--	--	--
Change in Reserve Position with the Fund	--	--	--	--	--
Change in Government Foreign Assets	(3.8)	(7.5)	(4.5)	(4.3)	(4.5)
Change in Imputed Reserves	(34.1)	(17.1)	22.3	5.5	(64.2)

Source: ECCB

R = Revised      P = Preliminary

\*includes errors and omissions

**Data available at 7 March 2005**