Eastern Caribbean Central Bank

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The ECCB welcomes your questions and comments on this publication.

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The Eastern Caribbean Central Bank prepares a quarterly Economic and Financial Review for the Eastern Caribbean Currency Union and each individual member territory for the periods ending March, June, September and December of each year.

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INTERNATIONAL ECONOMIC DEVELOPMENTS

Overview

The second quarter of 2017 saw growth gaining momentum in most of the advanced economies, with China and the United States of America leading the way. Stronger growth outcomes were also recorded in Canada, the Eurozone and the United Kingdom. Another important feature of the economic landscape of the aforementioned countries was the strengthening of their respective labour markets, with China and the United Kingdom recording their lowest unemployment rates since 2002 and 1975, respectively. Inflationary pressures generally rose, but were below the target rates for most central banks.

The IMF's July 2017 World Economic Outlook projects global output to rise by 3.5 per cent and 3.6 per cent in 2017 and 2018 respectively, unchanged from the April forecast. However, the distribution of the growth across countries is expected to change somewhat, with marginally lower output growth projected for the USA on account of expectations for a less expansionary fiscal policy stance. By contrast, economic activity is expected to expand in Japan and the Euro Area, based on the relatively strong performance in both economies over the first half of 2017.

Similarly, growth in China is projected to accelerate, buoyed by stronger policy support as it pertains to public investment. Inflationary pressures are anticipated to be moderate and generally remain below the target rate in advanced economies as global commodity prices continue to fluctuate within a narrow band.

Macro-economic Developments in the Major Economies

Real Sector and Labour Market Developments

Real gross domestic product in the **United States of America** increased at an annual rate of 3.0 per cent in the second quarter of 2017, compared with growth of 1.2 per cent in the first quarter and the second quarter advance estimate of 2.6 per cent. Driving the growth outcome were increases in personal consumption expenditures (PCE) and non-residential fixed investment, which were partly offset by a larger decrease in state and local government spending. Imports, which are a subtraction in GDP calculations, increased over the quarter.

The US unemployment rate stood at 4.4 per cent in June 2017, marginally lower than the 4.5 per cent rate recorded in March 2017, and significantly below the 4.9 per cent rate as at June 2016. Similarly, the number of unemployed persons fell by 3.1 per cent to 7.0 million compared with 7.2 million recorded at the end of the first quarter. Average hourly earnings for all employees on private nonfarm payrolls increased marginally by fourteen cents to $26.27 in June relative to the level in the previous quarter. On an annual basis, average hourly earnings rose by 2.5 per cent or 65 cents.

Economic activity in the **United Kingdom** expanded by 0.3 per cent during the second quarter of 2017, unchanged from the preliminary estimate and following growth of 0.2 per cent in the first quarter. Influencing the expansion was relatively strong growth in government spending and investment, while household consumption rose at a slower pace and business investment stagnated. The unemployment rate in the second quarter was 4.4 per cent, down from 4.9 per cent one year earlier and representing the lowest rate since 1975. There were 1.48 million unemployed persons, 57,000 fewer than in the first quarter and 157,000 fewer than that recorded over the comparable period in 2016. Based on the latest estimates, the average weekly earnings increased by 2.1 per cent in nominal terms, but fell marginally by 0.5 per cent in real terms.

The **Eurozone** economy is estimated to have increased by 0.6 per cent during the second quarter of 2017, in line with the initial estimate and following growth of 0.5 per cent in the previous quarter. Among Europe's largest economies, GDP growth accelerated in Spain (0.9 per cent from 0.8 per cent), remained unchanged in France and Italy (at 0.5 per cent each), and slowed in Germany (0.6 per cent from 0.7 per cent). Compared with the corresponding quarter of 2016, the Eurozone economy expanded by 2.2 per cent, following growth of 1.9 per cent in the previous period. The unemployment rate in the Eurozone fell to 9.1 per cent in June from 9.2 per cent in May 2017 and 10.1 per cent in the comparable period of 2016. The June 2017 figure represents the lowest jobless rate since 2009. The lowest unemployment rates were observed in the Czech Republic (2.9 per cent) and Germany (3.8 per cent), while Greece (21.7 per cent) and Spain (17.1 per cent) recorded the highest rates.

The **Canadian** economy expanded by 1.1 per cent in the second quarter of 2017, following growth of 0.9 per cent in the previous quarter. The second quarter outturn represents the highest rate of growth since the third quarter of 2011, driven primarily by household consumption and exports of goods. On an annualised basis, real GDP grew by 4.5 per cent in the second quarter compared with annualised growth of 3.7 per cent in the first quarter. The unemployment rate in June 2017 fell to 6.5 per cent from 6.6 per cent in the previous month. The number of unemployed persons decreased by 18,600 to 1.27 million and the participation rate increased to 65.9 per cent from 65.8 per cent in the previous month.

The economy of **China** grew by 1.7 per cent in the second quarter, stronger than the 1.3 per cent expansion in the previous quarter. On an annual basis, the economy expanded by 6.9 per cent, the same as in the previous quarter and beating market expectations for an acceleration of 6.8 per cent. Chinese output growth remained at its highest level since the third quarter of 2015, largely driven by an expansion in industrial output and retail sales, coupled with strong fixed asset investment. Fiscal spending also saw a sizable increase over the first half of the year relative to that of the same period one year earlier. The unemployment rate in China declined to 3.95 per cent in the second quarter from 3.97 per cent in the previous quarter, representing the lowest unemployment rate since the data collection began in September 2002.

Commodity and Consumer Prices

According to the June 2017 release of the World Bank Commodities Price Data, global crude oil prices declined by 6.6 per cent ($3.50 per barrel) over the second quarter of 2017 compared with the average price recorded in the first quarter. This was primarily driven by downward price movements in the two key markets, Brent and West Texas Intermediate (WTI), of 3.9 per cent and 3.6 per cent, respectively. In addition, natural gas prices fell by 0.7 per cent over the second quarter. Despite the pace of global demand edging out supply over the first half of 2017, crude stocks in OECD countries continue to sit above their five-year average levels, thus assuring ample supplies over the short term.

In respect of precious metals, gold prices increased by 3.2 per cent over the second quarter relative to first quarter prices, while platinum and silver recorded declines of 4.1 per cent and 1.7 per cent, respectively.

The FAO Food Price Index (FFPI) averaged 175.2 points in June 2017, representing a 1.4 per cent increase over the level as at May 2017.

On an annual basis, food prices rose by 7.0 per cent. June marked the second consecutive monthly increase in the FFPI which was mainly driven by higher prices for dairy (8.3 per cent) and cereal products (4.3 per cent). In addition, meat prices rose by 1.7 per cent, while prices for sugar and vegetable oils declined by 13.4 per cent and 3.9 per cent, respectively.

Consumer Prices

Consumer price inflation in the major economies generally slowed over the second quarter of 2017, consistent with a decline in energy prices. Headline consumer prices in the **USA** increased by 1.6 per cent in June 2017 relative to prices one year earlier. The June increase follows the 1.9 per cent annual gain recorded in May 2017 and represents the lowest inflation rate since October 2016. This development was partly due to a 0.4 per cent decline in gasoline prices. On a monthly basis, consumer prices in June rose marginally by 0.09 per cent, unchanged from the increase recorded in May. In the **United Kingdom** consumer prices grew by 2.6 per cent in the year to June 2017, down from a four-year high of 2.9 per cent in May. The June increase marked the lowest inflation rate in the previous three months, owing to a slower rate of growth in prices for motor fuels as well as certain recreational and cultural goods and services. For the **Eurozone**, the annual inflation rate rose by 1.3 per cent in June 2017, falling below the 1.4 per cent increase recorded in May. The June outturn was the lowest inflation rate since December 2016 and was influenced by slower increases in the cost of energy and unprocessed food.

In **Canada**, consumer prices increased by 1.0 per cent year-on-year in June 2017, following a 1.3 per cent gain in May, representing the lowest inflation rate since October 2015. The June figures were primarily influenced by a 1.4 per cent decline in gasoline prices. The Consumer price inflation in **China** rose by 1.5 per cent, year-on-year, in June 2017, unchanged from the May outturn. Influencing the price developments was an increase in non-food items of 2.2 per cent, which was partially offset with a decline of 1.2 per cent in food prices.

Monetary Policy Developments

While the pace of economic growth in the advanced economies picked up during the second quarter of 2017, the pace of expansion is still considered to be moderate. As a result, the monetary policy stance in these economies remained largely supportive of further GDP growth. In the **USA**, the Federal Open Market Committee (FOMC) at its June meeting increased the Federal Funds rate by 0.25 percentage point to a range of 1.0 per cent to 1.25 per cent. Fed officials kept open the possibility of a third rate hike in 2017, largely influenced by stronger economic growth projections and an improving labour market. The Committee also signalled its intention to start reducing its US$4.5 trillion in securities holdings, provided the economy evolves as anticipated.

At its meeting on 15th June 2017, the **Bank of England's** Monetary Policy Committee voted to maintain the Bank Rate at 0.25 per cent. Policy makers showed concern over rising inflation and the slow pace of growth in respect of wages, and the effects of these on household spending and GDP. The Monetary Policy Committee also voted unanimously to continue with the programme of non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves totalling £10 billion and to maintain the stock of UK government bond purchases at £435 billion.

The Governing Council of the **European Central Bank (ECB)** at its 8th June 2017 meeting voted to maintain its benchmark refinancing rate at 0.0 per cent for the eleventh consecutive meeting. The Governing Council also signaled its intention to do away with any further rate cuts as the Euro zone economy is expected to grow at a faster rate than previously estimated. In addition, the Council noted that risks to the growth outlook were more broadly balanced. Against this backdrop, the ECB decided to maintain its current level of bond purchases, indicating that a substantial degree of monetary easing was still required to support inflation over the medium term.

The **Bank of Canada** held its overnight rate steady at 0.5 per cent on 23 May, 2017, highlighting that inflation was generally consistent with projections and that recent economic data were broadly encouraging. The Bank Rate was also left unchanged at 0.75 per cent and the deposit rate at 0.25 per cent. In respect of monetary developments in China, the People's **Bank of China** (PBoC) decided to maintain its benchmark lending rate at 4.35 per cent, where it has been since October of 2015. Based on notes released from its last meeting, PBoC officials intend to continue to implement a prudent and neutral monetary policy stance, and keep liquidity levels in the country's financial system broadly stable.

Prospects

Global economic growth is expected to accelerate to 3.5 per cent in 2017 according to the July 2017 IMF World Economic Outlook. Economic activity is projected to expand faster in emerging market and developing economies (4.6 per cent) compared with advanced economies (2.0 per cent). Additionally, relatively stronger growth is expected for Japan, the Eurozone and China, while marginally lower growth is projected for the United States of America.

On an individual country basis, the **USA** is projected to expand by 2.1 per cent in 2017, down from the previous estimate of 2.3 per cent. The markdown in the 2017 forecast reflects the relatively weak performance of the economy in the first quarter of the year, coupled with the expectation that the country's fiscal policy may not be as expansive as previously thought, given the political challenges faced by the Trump administration. On a positive note, the labour market is expected to continue to strengthen, with the rate of unemployment remaining at the natural rate (near 4.5 per cent), and inflation is expected to be subdued.

The growth outlook for the **UK** economy calls for moderate growth of 1.7 per cent, 0.3 percentage point below the April 2017 forecast by the IMF. The subdued projection is based on weaker-than-expected activity in the first quarter of 2017, coupled with weak consumption growth by UK households, partly attributable to modest real income growth. Inflation is expected to remain above the 2.0 per cent target for the rest of the year, reflecting the continued gradual pass-through of higher import prices due to a softening in the Pound.

Growth projections for the **Eurozone** have been revised upward for 2017, reflecting stronger output growth for some of the larger economies including France, Germany, Italy and Spain. The economic block is expected to grow by 1.9 per cent in 2017, 0.2 percentage point above the April 2017 forecast, largely driven by the strong performance in the first half of the year. In addition, some strengthening in the labour market is projected, with unemployment rates in the second quarter of 2017 at their lowest level since February of 2009.

Canada's economy is expected to grow by 2.5 per cent this year partly due to stronger-than-expected household expenditure. In addition, a pick-up in commodity-related activities has been providing support to growth as well as accommodative monetary and financial conditions. The labour market is projected to continue to strengthen, with the unemployment rate reaching a new post-crisis low of 6.2 per cent in the second quarter of 2017. Additionally, inflation is anticipated to be moderate and fall below the target 2.0 per cent target, partly attributable to lower food prices and a moderation in fuel prices.

Economic activity in **China** is projected to grow by 6.7 per cent in 2017, the same as in 2016. The current year's forecast was revised up by 0.1 percentage point, largely due to the stronger-than-expected output growth over the first half of the year, partly attributable to increased spending by the government. Growth is also supported by accommodative monetary policies as well as a strong labour market, with unemployment rates at historic lows in the second quarter of 2017.

Crude oil spot prices, as captured by the Brent benchmark, are projected to average US$51 per barrel in 2017, while the West Texas Intermediate benchmark is expected to come in $2.00 lower at US$49.00 per barrel. This compares with an average price of US$44.00 per barrel for both benchmarks in 2016. The increase in prices is reflective of stronger global demand growth in 2017, consistent with higher output growth, coupled with some easing in supply brought on by the coordinated cuts of OPEC and non-OPEC partners in 2017.

It should be noted, however, that the aforementioned supply cuts were partially offset by increased shale oil production in the USA, which is now a net oil exporter.

While the short term risks are broadly balanced, medium term risks are skewed to the downside and include a more protracted period of policy uncertainty as it relates to the level of fiscal expansion in the United States of America and the outcome of post-Brexit negotiations.

Additionally, China runs the risk of a sharp slowdown partially owing to its failure to continue with policies to reduce excessive credit growth and curb financial sector risks. Such an eventuality could have negative spillovers on many countries through trade, commodity price and confidence channels.

Another key risk relates to the pace of normalisation of US policy rates. A faster-than-expected normalisation of interest rates could provoke capital reversals in emerging market economies and imperil the balance sheet positions of countries exposed to the US market.

DOMESTIC ECONOMIC DEVELOPMENTS

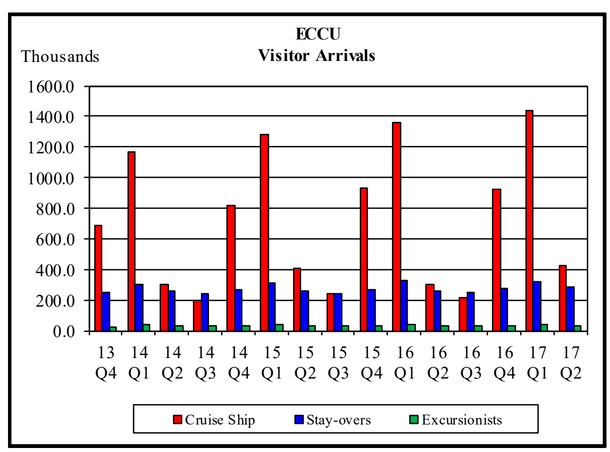
Overview

Preliminary data indicate that economic activity at the ECCU level improved in the first half of 2017, relative to the performance in the comparable period of 2016. This assessment was based primarily on improved performances in some of the major economic sectors and is in line with expectations by businesses surveyed, which anticipated favourable economic conditions for the first half of 2017 (ECCU Business Outlook Survey, 2017). Improvements were recorded in construction, tourism and manufacturing, while activity waned in the agricultural sector. The economic expansion was reflective of growth in the member countries with the exception of St Vincent and the Grenadines. An increase in overall consumer prices was noted in the Currency Union, as inflationary conditions were reported in seven countries. The consolidated accounts of the central governments resulted in a smaller overall fiscal surplus relative to the corresponding period of last year, primarily reflective of development on the current account. The outstanding debt stock of the public sector rose during the period under review. The merchandise trade deficit is estimated to have widened, on account of a decline in export receipts, supported by higher import payments. In the banking sector, monetary liabilities (M2) and net foreign assets rose, while domestic credit decreased. Meanwhile, commercial banks' liquidity improved and the spread between the weighted average interest rates on loans and deposits widened.

In light of the global economic prospects and expectations for the domestic economy for the latter half of the year, an improvement in economic activity was originally forecasted for the ECCU in 2017. However, following the widespread devastation by hurricanes Irma and Maria on three of the territories and coastal damage in St Kitts and Nevis, economic output is likely to remain flat for the year. With regard to the domestic economy, the outlook reflects growth in the key economic segments including the construction sector, as well as, the tourism industry. Notwithstanding, growth in construction activity related to the rebuilding process of these islands, their fiscal and external sectors are expected to be further challenged. Inflationary pressures are likely during the rest of the year, linked to global commodity price developments. The stability of the financial sector is expected to persist, supported by the effective implementation of policies geared towards financial sustainability. The central governments' consolidated fiscal operations are likely to yield a reduced overall surplus in 2017. In the external sector, the merchandise trade deficit is expected to widen, mainly to accommodate the anticipated increase in the imports of construction materials, in line with related expansion in that sector. In spite of the positive outlook, the ECCU continues to be challenged, due to its openness and vulnerability. A number of structural impediments that constraint growth and competitiveness persist. Other risks include the negative effects of global warming and climate change, devastation by major hurricanes, geo-political tension, a protracted decline in citizenship by investment flows, issues related to de-risking and correspondent banking relations and commodity price developments. There are also, challenges related to high rates of crime, unemployment, poverty and debt, which all impact business and competitiveness.

Output

Activity in the construction sector, one of the main drivers of economic growth in the Currency Union, is estimated to have increased in the first six months of 2017, in comparison with the corresponding period of the prior year. The up-tick in construction activity was driven largely by private sector developments in most of the territories, complemented by an increase of 6.3 per cent in capital expenditure. Strengthened construction activity was noted for Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, St Kitts and Nevis and Saint Lucia, whereas St Vincent and the Grenadines recorded a weaker performance. Private sector construction in the ECCU concentrated mainly on hotels and other tourism-related plants, while public sector activity focused on roads, schools and other infrastructural development including water projects and health facilities. Concomitant with the improved construction activity was an increase in output in the mining and quarrying sector.



Developments in the tourism industry were favourable in the first six months of 2017, relative to the first half of 2016. Total visitor arrivals rose by 9.1 per cent to 2.6m, in contrast to a decline of 1.1 per cent in the corresponding period last year. The increase in total visitor arrivals was influenced by improvements in all the sub-categories of visitors, except yacht passenger arrivals. The cruise ship visitor category, which accounted for 68.9 per cent of total visitor arrivals in the review period, rose by 12.3 per cent to 1.9m, in contrast to a decrease of 1.8 per cent recorded one year ago. This outcome partly reflected a 6.7 per cent increase in the number of cruise ship calls to 1,187. The main contributors to the improved performance in cruise passenger arrivals were Saint Lucia, where that category recorded an increase of 24.5 per cent, St Kitts and Nevis, 20.4 per cent and Antigua and Barbuda, 14.5 per cent.

The number of stay-over visitors increased by 2.4 per cent to 598,169, slightly below growth of 2.6 per cent in the first half of 2016. Stay-over visitor arrivals from the USA, the largest source market (44.0 per cent), grew marginally (0.3 per cent), compared with an increase of 7.4 per cent in the corresponding period of 2016. Meanwhile, the number of stay-over visitors from the Caribbean, the third largest source, increased by 3.0 per cent, following growth of 4.7 per cent recorded in the comparable period of the prior year. The number of stay-over visitors from Canada, the smallest market, increased by 7.0 per cent, a stark contrast to a decline of 8.4 per cent recorded in that source market in the first half of 2016. On the contrary, the number of passengers from the UK, the region's second largest market, fell by 1.5 per cent, continuing the declining trend observed in the corresponding period of the prior year. Four of the ECCU member countries recorded an increase in stay-over arrivals, ranging from 5.3 per cent in Dominica to 7.9 per cent in Saint Lucia. By contrast, reductions in stay-over arrivals were observed in the other four territories including St Kitts and Nevis (3.5 per cent), Antigua and Barbuda (5.4 per cent) and St Vincent and the Grenadines (5.9 per cent).

In the rest of the tourism industry, there was a 2.7 per cent rise to 66,246 in the number of excursionists, a turn-around from a fall of 9.5 per cent recorded in the first half of 2016. In the meanwhile, yacht passenger arrivals fell by 1.3 per cent to 100,495, in the period under review, a slower pace than the 3.6 per cent decline of the corresponding period of the previous year.

Based on preliminary data, the overall performance of the manufacturing sector in the Currency Union is estimated to have improved marginally in the review period. Manufacturing activity was buoyant in St Kitts and Nevis, one of the key manufacturing territories, largely attributable to a more than tripling in the export of manufactured electronic items. The prognosis was weak in Grenada, where although the production of beverages including beer and malt increased, the output of chemicals and paints declined. By contrast manufacturing activity in Dominica, Saint Lucia and St Vincent and the Grenadines contracted, driven by a fall in the production of a number of products including beer, paints, vanishes, paper, plastic and other beverages.

Output in the agricultural sector is estimated to have been relatively flat in the first half of 2017, comparative to developments in that sector in the first six months of last year. In the non-banana sub-category, output is estimated to have increased in Dominica, St Kitts and Nevis, Saint Lucia and St Vincent and the Grenadines, but declined in Grenada. In contrast, banana production fell by 11.5 per cent to 7,129.2 tonnes, following a decline of 9.2 per cent in the first six months of 2016. There was lower banana output in Dominica, Grenada and Saint Lucia, while production increased in St Vincent and the Grenadines.

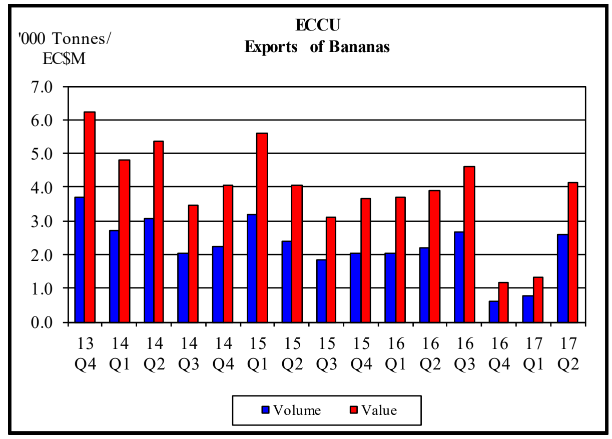
The strengthened pace of activity in the tourism industry and developments in construction and to a lesser extent, manufacturing, positively impacted the wholesale and retail trade; transport, storage and communications; and the real estate, renting and business activities sectors.

Prices

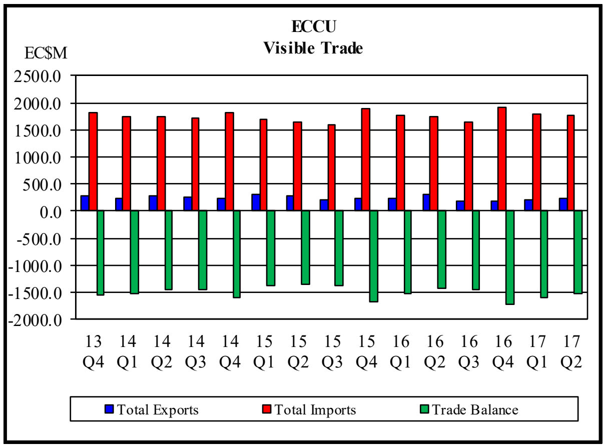
Overall, the impact of consumer prices in the Currency Union during the first six months of 2017 is estimated to be inflationary, as evidenced by higher prices in most of the member territories. The rise in the consumer price index (CPI) was partly influenced by an increase in oil prices on the domestic market. The average price of gasoline in the ECCU member territories was estimated at $12.52 per gallon, $0.85 higher than the average price recorded during the corresponding period of the prior year. As a consequence, the index for gas and fuels recorded growth in five territories, ranging from 0.1 per cent in St Kitts and Nevis to 8.1 per cent in Saint Lucia. Generally, prices rose in seven of the eight territories with the most pronounced increases recorded in Antigua and Barbuda (2.4 per cent), Montserrat (2.4 per cent), St Vincent and the Grenadines (1.8 per cent) and Saint Lucia (1.2 per cent). Grenada, Dominica and St Kitts and Nevis recorded inflation rates of 0.6 per cent, 0.5 per cent and 0.3 per cent, respectively. Anguilla, on the contrary, recorded a marginal decline (0.5 per cent) in its overall price level.

Trade and Payments

Preliminary estimates point to a deterioration of the merchandise trade balance relative to the first half of 2016. The merchandise trade deficit widened to $3112.4m from $2,955.7m largely on account of a reduction in export payments, supported by an increase in import receipts. Export receipts decreased by 19.2 per cent ($104.7m) to $440.2m, as both of its components shrank. The value of re-exports declined by 29.5 per cent ($75.9m), supported by a contraction of 9.9 per cent ($28.6m) in domestic exports. On a country basis, export earnings contracted in Antigua and Barbuda ($72.3m), Saint Lucia ($15.2m), Grenada ($8.6m), St Vincent and the Grenadines ($7.6m), Dominica ($4.2m) and Anguilla ($2.8m). Earnings from export of bananas fell by 28.2 per cent ($2.1m) to $5.5m, indicative of declines in production in Grenada and Saint Lucia.



Import payments increased by 1.5 per cent ($52.1m) to $3,552.6m, compared with growth of 5.2 per cent ($175.3m) recorded in the comparable period of last year. Import payments for manufactured goods, beverages and tobacco and food and live animals recorded the largest increases of $35.4m, $28.7m and $22.6m, respectively. On a country level, the value of imports grew by 15.1 per cent ($67.1m) in Grenada, 16.0 per cent ($62.1m) in St Kitts and Nevis, 7.1 per cent ($46.1m) in Antigua and Barbuda, 5.4 per cent ($14.5m) in Dominica and 3.5 per cent ($1.6m) in Montserrat. The other three territories recorded declines in import payments - $37.4m (5.1 per cent) in Saint Lucia, $25.8m (8.6 per cent in Anguilla and $21.4m (4.9 per cent) in St Vincent and the Grenadines.

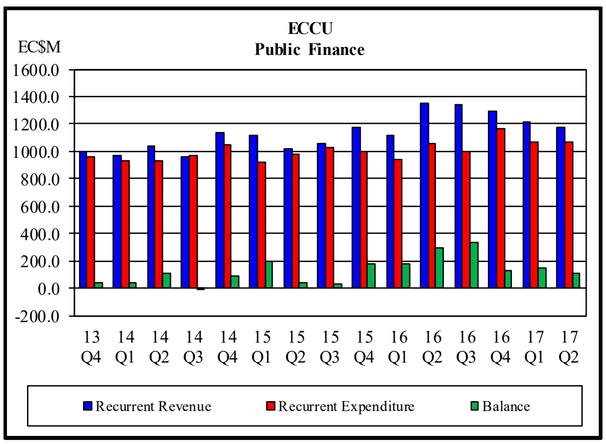


Gross travel receipts rose by 12.0 per cent to $2,683.0m, commensurate with growth in visitor arrivals, particularly stay-over visitors. The external transactions of commercial banks resulted in a net outflow of $73.7m in short-term capital compared with a net outflow of $59.6m during the corresponding period of 2016. Disbursements of foreign loans to central governments stood at $374.3m, compared with $225.2m at the end of June 2016; while loan amortisation amounted to $414.5m from $266.3m. As a result, the Currency Union was in an external net amortization position of $40.2m, marginally below that of $41.1m in the first six months of the previous year. Of the other major flows, gross inflows of official grants decreased by 26.3 per cent to $104.8m, reflecting lower inflows to Dominica, Grenada and Montserrat.

Central Government Fiscal Operations

The aggregated fiscal operations of the central governments resulted in an overall surplus of $2.8m in the first half of 2017, compared with one of $334.1m in the first six months of 2016. This deterioration in the consolidated fiscal position was primarily attributed to a smaller current account surplus, supported by an increase in capital expenditure. On a country level, the fiscal performances of six territories worsened in the review period – Antigua and Barbuda, Dominica, Montserrat, St Kitts and Nevis, Saint Lucia and St Vincent and the Grenadines. Three of these countries – Antigua and Barbuda, Dominica and St Vincent and the Grenadines moved from surplus positions to deficits, while Montserrat recorded a larger deficit and the remaining two reported smaller surpluses. On the contrary, the fiscal situation improved in Anguilla and Grenada, where the surpluses recorded were above those of the comparable period of 2016.

The central governments generated a surplus of $257.2m on their current operations compared with one of $466.9m in the corresponding period of 2016. The contraction in the current account surplus was largely influenced by a rise in current expenditure, coupled with a lower intake in current revenue. All member countries, with the exception of St Kitts and Nevis, registered increases in current expenditure, which ranged from $1.5m in Anguilla to $44.7m in Saint Lucia. The current surplus generated by Saint Lucia was almost half the amount recorded in the first six months of 2016 largely influencing the overall deterioration on the current account balance of the ECCU. Declines in the current account surpluses of Dominica ($75.5m), St Kitts and Nevis ($48.7m) and Antigua and Barbuda ($35.7m) also contributed significantly to the smaller current surplus.



Current revenue fell by 3.4 per cent to $2,386.7m, largely reflecting a 26.7 per cent ($141.6m) decline in non-tax revenue, as yields decreased in all countries, except Montserrat and Saint Lucia. By contrast, revenue from taxes increased by 3.0 per cent, influenced by larger intake from all territories except Antigua and Barbuda. On aggregate, yields from all categories of taxes grew, driven primarily by a 4.7 per cent ($25.4m) increase in revenue from international trade and transactions. The improved performance from taxes on international trade and transactions resulted mainly from growth in import duties ($9.4m) and the customs service charge ($8.2m), which more than offset an 18.0 per cent ($8.4m) decline in consumption tax. Revenue from taxes on domestic goods and services rose by 1.8 per cent ($15.4m), partially attributed to a 10.0 per cent ($5.5m) increase in receipts from stamp duties. Receipts from taxes on income and profits rose by 3.0 per cent ($13.6m), influenced by a larger intake from the company tax ($22.4m). Collections from the property tax increased by 4.2 per cent ($3.0m) when compared with the first half of last year.

Current expenditure increased by 6.3 per cent to $2,129.6m compared with growth of 5.5 per cent in the corresponding period of 2016. Outlays on transfers and subsidies rose by 9.3 per cent ($45.2m), a faster pace relative to the first six months of last year, when that category of expenditure increased by 3.2 per cent ($15.1m). The increase in spending on transfers and subsidies occurred in five territories, Saint Lucia being the most noteworthy ($21.3m). Payment for goods and services grew by 7.6 per cent ($30.1m), largely on account of developments in Dominica, which had the largest increase ($21.0m), followed by Saint Lucia ($5.2m) and Grenada ($4.1m). St Kitts and Nevis was the only country to record a decline in expenditure on goods and service of 6.2 per cent ($4.5m). An increase of 11.8 per cent ($26.3m) was reported in outlays for interest payments, as interest obligations grew in five member territories, particularly Saint Lucia ($17.0m), Antigua and Barbuda ($8.7m) and Anguilla ($2.4m). Outlays on personal emoluments, the largest sub-component, grew by 1.9 per cent ($16.8m), compared with growth of 4.6 per cent ($39.4m) recorded in the corresponding period of 2016. Expenditure on personal emoluments was higher in most of the territories; the exceptions being St Kitts and Nevis and Anguilla, which registered declines of $1.8m and $0.4m, respectively. The most significant increase was recorded in Grenada ($14.2m).

Capital expenditure totalled $371.1m representing an increase of 10.5 per cent ($35.2m) when compared with the first six months of 2016. The expansion in capital expenditure was largely influenced by growth in four member territories. The largest increases in capital outlays were recorded in Dominica, where expenditure more than doubled and in St Kitts and Nevis, where capital expenditure grew by 34.4 per cent ($15.2mAntigua and Barbuda recorded a 69.7 per cent ($43.7m) decline in capital expenditure. Commensurate with growth in capital expenditure was an increase of 5.7 per cent to $90.8m in capital grant receipts. This outcome contrasts a decline of 30.8 per cent ($38.1m) recorded in the corresponding period of the prior year. Developments in Anguilla, St Kitts and Nevis and Saint Lucia largely influenced the outturn in capital grants receipts.

Public Sector Debt

Consistent with the deteriorated fiscal position of the ECCU in the first half of 2017, there was a noted increase in the total debt stock. The total disbursed outstanding public sector debt grew by 1.4 per cent to $13,315.6m. The expansion was attributed mainly to growing indebtedness of the central governments as both their external and domestic debt levels rose. Central governments' outstanding debt grew by 1.5 per cent to $11,826.0m, reflecting a 2.2 per cent ($143.1m) rise in their external debt, coupled with marginal growth ($30.6m) in their domestic borrowing. On a country basis, increases were recorded in the total public debt of all of the countries, except Anguilla and Dominica, which recorded declines of $12.5m and $0.9m, respectively. In the rest of the public sector, public corporations' indebtedness grew slightly ($7.8m) to $1,489.6m, as growth of 3.6 per cent ($31.3m) in their domestic obligations outweighed a fall of 3.8 per cent ($23.6m) in their external debt.

In line with the rising debt obligations, debt service payments grew by 6.6 per cent to $495.4m during the former six months of 2017. This outturn compares with growth of 11.5 per cent recorded during the first half of the previous year. The increase was largely attributed to interest payments, which grew by 14.8 per cent ($16.6m) during the review period. An increase of 4.3 per cent was recorded for principal repayments, which represented 69.5 per cent of total debt servicing; while interest payments accounted for the remaining 30.5 per cent. Higher debt service payments were recorded for all countries, except Grenada, which recorded lower payments and Montserrat, where debt servicing remained virtually unchanged from the first half of the prior year.

Monetary and Financial Developments

Money and Credit

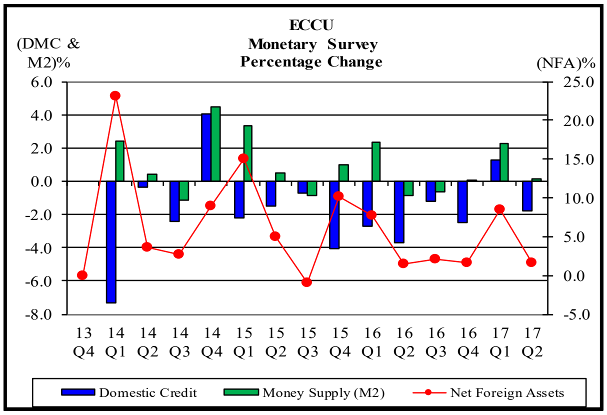
Monetary liabilities (M2) grew by 2.4 per cent to $16,242.6m during the first half of 2017, compared with growth of 1.4 per cent during the comparable period of 2016. The outturn stemmed from growth in both quasi money and narrow money (M1). Quasi money rose by 2.1 per cent ($251.4m) to $12,321.7m, resulting from growth of 3.5 per cent in private sector savings deposits and 5.9 per cent in private sector foreign currency. The increases in these components of quasi money more than offset a decline of 6.1 per cent recorded in private sector time deposits. M1 was up by 3.5 per cent ($133.3m), primarily reflecting growth of 5.2 per cent ($150.7m) in private sector demand deposits and 13.6 per cent ($10.3m) in EC dollar Cheques and Drafts Issued, which outweighed a contraction of 3.3 per cent ($27.7m) in currency with the public.

The net foreign assets of the ECCU banking system rose by 10.3 per cent to $8,162.2m during the review period, compared with an increase of 9.2 per cent during the corresponding period of the previous year. The improved net foreign assets position was primarily attributed to growth in the net foreign assets of the commercial banks, supported by an improvement in the foreign assets position of the Central Bank. Growth in the net foreign asset position of the commercial banks was the consequence of an 11.5 per cent rise in their assets, which offset a marginal increase in their external liabilities. Additionally, the Central Bank's net foreign assets amounted to 4,624.3m, largely reflecting an accumulation of assets.

Domestic credit fell marginally (0.6 per cent) to $9,944.5m during the first half of the year, compared with a decline of 6.3 per cent during the first six months of 2016. Credit to the private sector declined, mainly associated with a decrease of 5.8 per cent in credit to businesses. Developments with non-financial public enterprises also contributed to the reduction in domestic credit. By contrast, the transactions of the general government resulted in a slightly higher net credit positon than that of the corresponding period of the previous year. This outcome was partly attributable to an increase of 8.5 per cent in the central bank's credit to governments, as these governments invested more in government securities, other than Treasury bills.

An analysis of the distribution of credit by economic activity indicated that outstanding credit to the economies of the ECCU fell by 1.2 per cent during the period under review, largely reflecting declines in credit to all sectors, except for personal uses. Reductions were observed in outstanding loans for manufacturing, mining and quarrying (22.2 per cent), tourism (7.6 per cent), agriculture and fisheries (2.7 per cent), distributive trades (1.3 per cent) and construction (0.8 per cent). The decline in outstanding credit was tempered somewhat by an increase of 2.3 per cent ($153.7m) in lending for personal uses, mainly acquisition of property.

Liquidity in the commercial banking system improved during the review period, reflecting growth of 2.2 per cent in deposits, coupled with a marginal decline in total loans and advances. This assessment is also supported by an increase of 2.3 percentage points to 46.9 per cent in the ratio of liquid assets to total deposits plus liquid liabilities at the end of June 2017. That ratio remained above the stipulated minimum of 25.0 per cent. The loans and advances to total deposits ratio fell to 58.9 per cent from 60.5 per cent at the end of December 2016. The loans to deposits ratio was also within the ECCB's outer limit of 85.0 per cent.

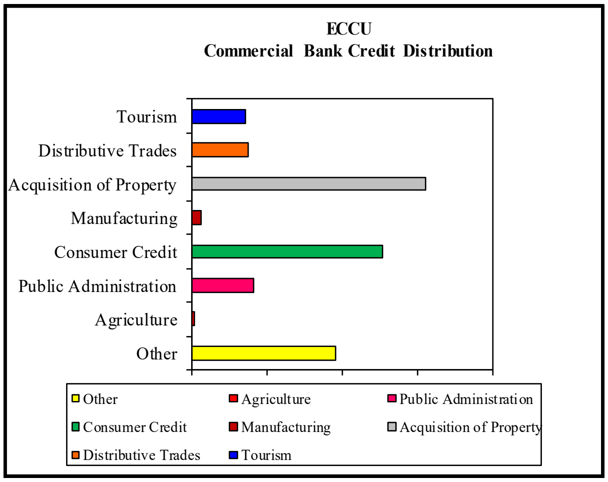


The weighted average deposit rate fell to 1.65 per cent at the end of June 2017 from 1.71 per cent at the end of December 2016. This rate gradually declined following the decision of the Monetary Council of the Eastern Caribbean Central Bank (ECCB) to reduce the minimum savings deposit rate from 3.0 per cent to 2.0 per cent, effective 01 May 2015. The weighted average lending rate fell marginally to 8.51 per cent from 8.53 per cent. As a result, the spread between the average weighted interest rate on deposits and loans widened to 6.86 per cent at the end of June 2017, from 6.81 per cent at the end of December 2016.

Developments on the RGSM

Activity on the primary market for government securities rose during the first half of 2017, amid growing amortization needs. Gross funds issuance amounted to $482.0m, up from $448.0m in the comparable period of the previous year. This total represented the issuance of twenty-five (25) securities compared with twenty-four (24) during the first six months of 2016. The increase was attributable to greater issuance by the governments of Antigua and Barbuda, Grenada and St Vincent and the Grenadines, while the government of Saint Lucia recorded less activity on the RGSM. The securities comprised of one (1) seven-year bond and twenty-four (24) Treasury bills - seventeen (17) of which were 91 days, five (5) were 180 days and one (2) were 365 days. The seven-year bond, valued at $25m, was issued by St Vincent and the Grenadines. By comparison, there were two bonds, totalling $44m, in the first half of last year, both issued by the government of Saint Lucia.

The total value of Treasury bills issued rose by 13.1 per cent to $457.0m during the first half of 2017. An increase was noted in the total value of these short term investments for the governments of Antigua and Barbuda ($20.0m), St Vincent and the Grenadines ($18.0m) and Saint Lucia ($5.0m)). The value of such investments remained unchanged for Dominica. Three of the issuing countries recorded increases in the total value of securities issued during the review period – St Vincent and the Grenadines ($43.0m), Antigua and Barbuda ($20.0m) and Grenada ($10.0m). Total value of securities issued by Dominica remained unchanged, while Saint Lucia experienced a decline of $39.0m in the value of its issuance.



The data available for analysis suggest an increase in investor sentiment in the market, as evidenced by growth in subscriptions during the period. The bid-to-cover ratio, which represents the proportion of the value of bids received in an auction to the value of bids accepted, rose to 1.44 from 1.33 during the comparable period of 2016. The value of bids received grew by 11.4 per cent to $778.8m, while the value of bids accepted rose by 33.4 per cent to $541.0m. There were two under-subscriptions during the period under review, as two 91-day T-bill, valued at $10.0m each, issued by the Government of Grenada only produced $4.0m and $9.7m. By comparison, during the first six months of 2016, there were no under-subscriptions.

The weighted average interest rate on 91-day Treasury bills fell by 127.3 basis points to 2.85 per cent during the six months ending June 2017. The average yield for 180-day Treasury bills was 2.32 per cent, compared with 4.25 per cent during the corresponding period of last year. By contrast, the yield for 365-day Treasury bills grew to 4.63 per cent, from 4.50 per cent during the first half of the prior year. The yield for the longer term, 7-year bond was 7.5 per cent, in contrast to the prior year when no instrument of that type was issued.

Trading activity on the secondary market for government securities increased during the first half of 2017. The value of secondary trading moved up to $8.6m from $2.4m during the first six months of the previous year.

Prospects

In the short run, macroeconomic conditions in the ECCU, though supported by positive developments in the global economy, may be severely constrained by the devastation from hurricanes Irma and Maria. Based on the July 2017 update of the World Economic Outlook, the International Monetary Fund projected world output for 2017 at 3.5 per cent and 3.6 per cent for 2018. Forecasts are also for expansion in the advanced economies, particularly the USA, UK and Canada, in the near term. The firming of the global recovery augurs well for the economies of the ECCU, amidst expectations for increased imports to support rehabilitation and reconstruction work in Anguilla, Antigua and Barbuda, Dominica and to a lesser extent, St Kitts and Nevis. Tourism activity and foreign investments may increase, though not sufficient to counteract the effects of the three ailing economies. Prior to the destruction of hurricanes Irma and Maria, the expectations of improved economic conditions from respondents of the 2017 ECCU Business Outlook Survey and the positive global prospects, pointed to increased economic activity in the union in 2017. However, due to the storms' crippling blow to the private sector, it is likely that the adverse macro-economic impact may negatively affect employment, the domestic labour market and overall psychological and social conditions of some parts of the population.

The overall outlook is also reliant on the successful implementation of a number of domestic policy initiatives, meant to spur growth in the region. These include continued financial reforms and developmental activities, spearheaded by the ECCB, to further bolster financial stability and ease credit conditions - revision of the new Banking Act, operationalization of the Eastern Caribbean Asset Management Corporation (ECAMC), establishment of a partial credit guarantee scheme, development of an appraisal institute and implementation of the necessary legislation to establish a credit bureau.

Expectations are that on the domestic front, any growth would be driven largely by augmented activity in the major sectors including construction and its auxiliary sectors; and hotels and restaurants, while the fiscal and external sectors remain challenged. The pace of construction activity is projected to strengthen as work on projects in the private sector progresses in most territories, mainly on real estate developments, other tourism-related plants and rebuilding of residential properties. Reconstruction work in Anguilla, Barbuda, and Dominica, following the devastation of hurricanes Irma and Maria, is expected to bolster construction activity. It is anticipated that the public sector will contribute towards the uptick in the construction sector, largely through road and other infrastructural development in most territories, especially in St Kitts and Nevis, which sustained severe road and coastal damage from rough seas related to the two storms. Further contribution from the public sector will include the post-storm reconstruction in three territories, a cruise pier and secondary school in St Kitts and Nevis and a government housing project in Antigua and Barbuda.

The short term outlook for the tourism industry is positive and also contingent on anticipated enhancements in airlift, marketing, accommodation and positive economic developments in the main source markets. While uncertainty in the aftermath of hurricanes Harvey and Irma is likely to impact arrivals from the USA, the region's largest market, the anticipated diversion from other popular destinations is expected to compensate and result in an overall improvement in visitor arrivals.

The forecasted developments in the construction sector and tourism industry may positively impact wholesale and retail trade; transport, storage and communications; and the real estate, renting and business activities sectors. Additionally, manufacturing activity may strengthen and contribute to a marginal improvement in the total export receipts of the Currency Union, although the sector's contribution to overall growth is small. These forecasts corroborate the findings of the ECCB's Business Outlook Survey, which indicated that business owners in the Currency Union have a positive outlook for construction, manufacturing and tourism.

The consolidated fiscal operations of the central governments are forecasted to deteriorate in 2017, relative to that of the prior year, as current expenditure growth is likely to outweigh revenue gains. Capital expenditure is anticipated to increase amid additional grant financing and post-hurricane activity in three of the territories. Consistent with the forecasted fiscal position and overall economic activity, the overall indebtedness of the currency union is expected to increase as some member territories are forced to borrow to finance their budgets. In the external sector, the merchandise trade deficit is projected to widen, as import payments, particularly construction-related are projected to increase. Gross travel receipts are expected to rise, concomitant with anticipated growth in visitor arrivals. Inflationary pressures are likely to persist for the rest of the year and into the near-term, as some commodity prices may increase on the hills of hurricane Irma.

In light of the nascent economic outlook for macroeconomic conditions for the ECCU significant inherent risks remain. On the international level, geo-political tension, especially between North Korea and the USA, has the potential to adversely impact the global economy and by extension the prospects for the region. The substantial cost associated with the rebuilding US states hit by hurricane Irma, could also affect FDI related flows and visitor arrivals to the ECCU. On the upside, rebuilding in the USA and additional improvement in global conditions could stimulate further activity and in turn bolster growth in the region. In addition, positive developments regarding commodity prices could lead to improvements on the balance of payments. Other risks include ongoing concerns about climate change and natural disasters - including an active hurricane season, a sudden stop in inflows from the citizenship by investment programmes and continued challenges with de-risking and correspondent banking relationships. There are also challenges that are associated with an elevated rate of unemployment, poverty, crime and a high debt overhang in the region.

A N G U I L L A

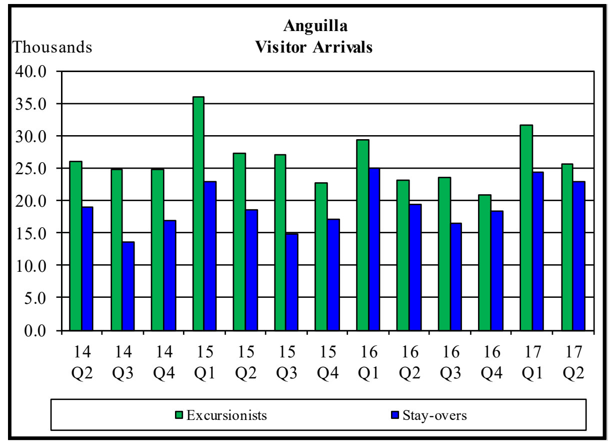
Overview

Economic activity in Anguilla is estimated to have expanded in the first half of 2017 compared with the performance in the corresponding period of 2016. The outturn was mainly influenced by an expansion in key sectors including hotels and restaurants, construction and financial intermediation. Consumer prices fell by 0.5 percent on an end-of-period basis. In the external sector, the merchandise trade deficit is estimated to have narrowed on account of a larger decline in imports relative to exports. **The fiscal operations of the central government resulted in a larger overall surplus and the total outstanding public sector debt declined during the review period**. In the banking system, net foreign assets, monetary liabilities and domestic credit increased. Commercial bank liquidity improved and the weighted average interest rate spread between loans and deposits widened.

Following the catastrophic impact of Hurricane Irma on 6 September 2017, Anguilla is projected to record a decline in economic output of approximately 2.0 percent for the year, before returning to growth in 2018. This is largely premised on the wide-ranging impact on all key industries of the domestic economy, the most important of which is tourism. Preliminary figures indicate that Anguilla's available room stock is likely to decrease by approximately 60.0 percent in the fourth quarter of 2017, mainly attributable to the closure of three of its largest resorts for renovation and repairs. In addition, the number of excursionists to the island in the second half of the year is expected to decline significantly, largely attributable to the destruction wrought on Sint Maarten/St Martin, Anguilla's main hub for this category of tourists, thereby greatly impacting its own cruise tourism product. Contractions are also anticipated for other sectors such as electricity and water; transport, storage and communication; and real estate, renting and business activities. However, the decline in economic output is expected to be mitigated by greater activity in sectors such as, construction; wholesale and retail trade; financial intermediation; and public administration, defence and compulsory social security.

Output

Activity in the hotels and restaurants sector, a proxy for the tourism industry, is estimated to have increased in the first half of 2017, compared with that in the corresponding period of 2016. This outturn was mainly attributable to a 9.2 percent (4,849) increase in the number of excursionists to 57,328, coupled with growth of 6.6 percent (2,928) in stay-over arrivals to 47,296. The increase in stay-over visitor arrivals was led by the key source markets of the USA, the UK and Canada which saw growth of 6.1 per cent, 33.0 per cent and 4.9 percent respectively. Together, these three markets accounted for 77.0 percent of total stay-over visitors. By contrast, Anguilla's second largest source market, the Caribbean, saw a decline of 3.0 percent in stay-over visitor arrivals over the review period. Contractions were also observed for Germany (4.2 percent) and Italy (0.5 percent). As a result of the increase in both visitor categories, total visitor arrivals grew by 8.0 percent (7,777) in the first half of 2017.



Data regarding the level of construction activity in the first half of 2017 were mixed, but possibly pointing to a higher level of activity compared with the outturn in the corresponding period of 2016. On the positive side, credit for construction and land development rose by 19.3 percent ($12.2m) in the review period. This outturn was also supported by an increase in credit outlays for home construction and renovation of 4.5 percent ($5.5m). Moreover, government outlays on capital projects increased by $2.8m to $4.9m relative to the $2.1m spent in the comparable period of 2016. However, the estimated increase in construction activity is likely to have been tempered by the smaller number of approved building permits which fell to 54 relative to 67 recorded in the corresponding period in 2016.

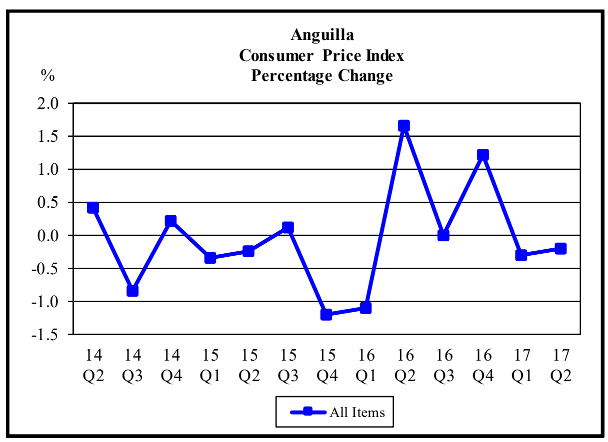
Activity in the financial intermediation sector is estimated to have expanded in the

first half of 2017, on account of an increase in the value of loans and advances extended by commercial banks. This result was supported by the ongoing recovery of the largest financial institution, the National Commercial Bank of Anguilla (NCBA).

Prices

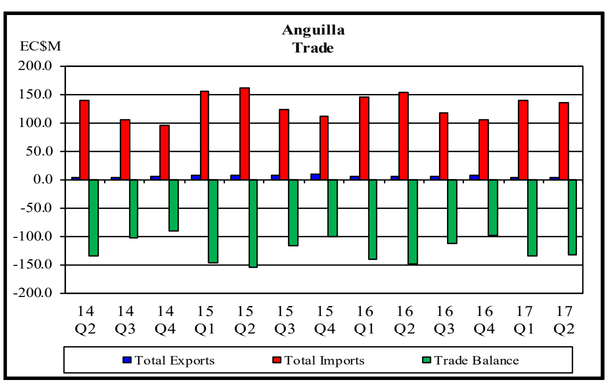
The consumer price index fell by 0.5 percent on an end-of-period basis during the first six months of 2017, in contrast to an increase of 0.5 percent during the corresponding period of 2016. The main sub-indices contributing to the contraction in prices were transport (3.2 percent), clothing and footwear (2.4 percent), hotels and restaurants (1.2 percent), housing, utilities, gas and fuels (0.8 percent) and health (0.3 percent). The reduction in the transport sub-index was largely due to a decline in airfares to the United States of America, the Dominican Republic and the US Virgin Islands, while a 10.5 percent decrease in women's clothing during the first quarter drove the decline in the clothing and footwear sub-index. Similarly, the downward movement in prices for the hotels and restaurants sub-index was influenced by a decline in the average accommodation costs in St Martin/St Maarten, a key shopping destination for residents. The housing, utilities, gas and fuels sub-index fell owing to a contraction in housing rental prices, while the health sub-index was impacted by a decline in the average cost of over-the-counter products.

The contraction in the aforementioned sub-indices was tempered by increases in the sub-indices for alcoholic beverages, tobacco and narcotics (1.5 percent), recreation and culture (1.4 percent), communication (1.2 percent) and food and non-alcoholic beverages (0.4 percent). An increase in the price of alcoholic beverages, wine and spirits drove the higher reading for the alcoholic beverages, tobacco and narcotics sub-index, while higher prices for recreational items, garden equipment and pet services influenced the increase in the recreation and culture sub-index.



Trade and Payments

A merchandise trade deficit of $267.7m was estimated in the first half of 2017, representing a 7.9 percent improvement over the $290.6m deficit recorded in the corresponding period of 2016. The lower provisional trade deficit was influenced by a $25.8m decline in import payments, while export receipts are estimated to have contracted by $2.8m. Gross travel receipts are estimated to have increased by 14.5 percent to $220.2m over the review period, consistent with the gains in the number of excursionists and the overall increase in visitor arrivals. The transactions of commercial banks resulted in a net inflow of $10.8m in short term capital during the review period, compared with an outflow of $60.4m during the corresponding period of 2016. There were no external disbursements received in the first half of the year and external principal repayments amounted of $6.6m.



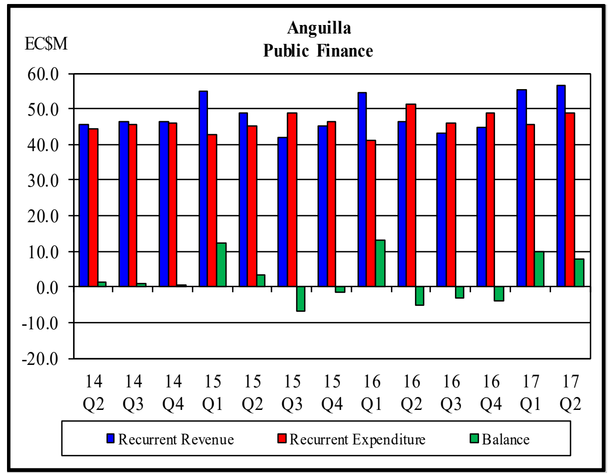
Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall surplus of $13.7m in the first half of 2017, compared with one of $6.0m in the corresponding period of 2016. The outturn was largely influenced by a widening of the current account surplus to $17.8m, from $8.0m one year ago, as growth in current revenue outpaced that of current expenditure. A primary surplus (after grants) of $21.4m was recorded, compared with one of $11.3m realised over the same period in 2016.

Current revenue increased by 11.3 percent ($11.4m) to $112.1m, mainly attributable to greater tax receipts on properties and domestic goods and services. Tax revenue totalled $98.0m, which was 13.4 percent higher than the amount collected in the comparable period of 2016. Tax receipts on domestic goods and services grew by $13.3m to $48.6m, reflective of higher inflows from stamp duties ($10.7m), accommodation tax ($2.0m), and the tourism marketing levy ($1.6m). The increased yield from stamp duties was largely associated with the sale of the Cap Juluca property to the Belmond Group in May of 2017. The higher tax inflows from domestic goods and services was moderated by lower receipts for international trade, driven by declines of $2.6m for the import duty, $0.5m for the embarkation tax and $0.4m for the customs surcharge. The aforementioned contractions were consistent with the reduced import volumes in Anguilla over the review period. Non-tax revenue declined marginally by 1.4 percent ($0.2m) to $14.1m compared with receipts totalling $14.3m in the comparable period of 2016.

Current expenditure increased by 1.6 percent ($1.5m) to $94.3m, compared with growth of 5.5 percent ($4.8m) in the corresponding period of 2016. The expansion in current expenditure was primarily driven by a 45.8 percent ($2.4m) increase in interest payments, consistent with higher levels of domestic public sector debt associated with the resolution of the domestic banks. In addition, current expenditure growth was partially supported by larger outlays on goods and services which rose by 2.4 percent ($0.5m). Of note, spending on transfers and subsidies and personal emoluments declined by 4.3 percent and 0.9 percent, respectively.

Capital expenditure more than doubled to $4.9m in the review period, compared with an outlay of $2.1m one year earlier, largely consistent with higher grant flows of $0.7m and an improved current account position.



Public Sector Debt

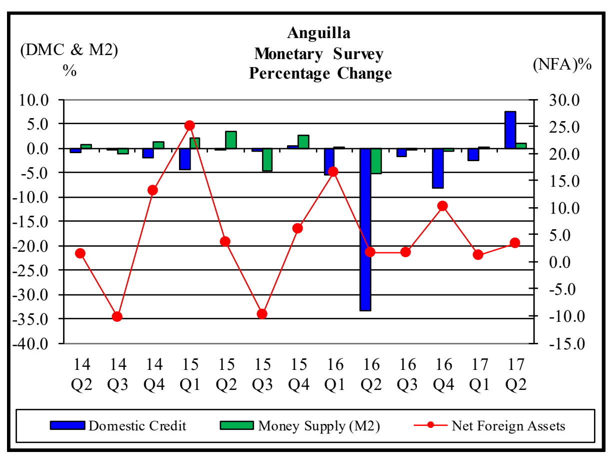
The total disbursed outstanding public sector debt was estimated at $462.7m at the end of June 2017, approximately 2.6 percent ($12.5m) lower than that recorded at the end of 2016. The reduction in the total debt stock is attributed to ongoing debt amortisation coupled with a virtual freeze on new debt by the central government, in keeping with the Framework for Fiscal Sustainability and Development (FFSD). Central government debt accounted for 97.6 percent of total disbursed outstanding debt, with domestic debt making up 56.7 percent of the total, while external debt accounted for the remaining 43.3 percent. The outstanding debt of statutory bodies fell by 7.9 percent to $11.3m.

Money and Credit

Monetary liabilities (M2) increased by 1.0 percent to $1,021.4m during the first half of 2017, in contrast to a decline of 5.2 percent during the corresponding period of 2016. The expansion in M2 was primarily attributable to a 1.3 per cent ($12.1m) increase in quasi money to $959.0m, on account of growth in private sector savings deposits (3.9 percent), time deposits (1.4 percent) and foreign currency deposits (0.8 percent). Growth in quasi money was moderated by a 2.7 percent ($1.8m) contraction in narrow money (M1), following a decline of 14.5 percent during the comparable period of 2016. The reduction in M1 was mainly influenced by a 6.5 percent contraction in private sector demand deposits, coupled with a decline of 18.1 percent in cash at commercial banks.

In an early sign that domestic activity may be picking up and, reversing the trend exhibited over the past four quarters, domestic credit expanded by 4.4 percent ($23.5m) to $555.5m, in contrast to a decline of 36.9 percent during the comparable period of 2016. The increase in credit was largely attributable to greater credit flows to the private sector, combined with an increase in the net deposit position of the non-financial public enterprises.

Private sector credit grew by 6.1 percent ($39.7m) to $687.4m during the review period, largely attributable to increases in credit of 9.1 percent and 3.9 percent to businesses and households, respectively. The net deposit position of the central government rose by 3.7 percent ($2.9m), largely influenced by a $0.9m increase in central government deposits held at commercial banks along with a $2.8m decline in commercial bank credit to the government. In the rest of the public sector, the net deposit position of non-financial public enterprises increased by 34.0 percent ($13.3m) reflecting an expansion in their deposits at commercial banks.



An analysis of changes in the distribution of credit across the sectors indicates that credit flows increased most notably for distributive trade (39.5 percent or \$16.7m), construction and land development (19.3 percent or \$12.2m), and personal use (3.0 percent or \$10.7m). Within the personal use category, a 5.6 percent (\$9.6m) increase was observed for the acquisition of property, further broken down between home construction and renovation (\$5.5m) and house and land purchases (\$4.0m). By contrast, credit flows declined for government and statutory bodies (19.4 percent or \$2.8m), tourism (3.4 percent or \$2.0m) and manufacturing (55.9 percent or \$2.0m).

The net foreign assets of the banking system grew by 4.8 percent (\$20.6m) to \$452.9m, compared with growth of 18.4 percent during the first half of 2016. The increase was primarily driven by a 21.0 percent (\$31.5m) expansion in Anguilla's imputed share of ECCB reserves, which was moderated by a 3.8 percent (\$10.8m) decline in commercial banks' net foreign assets.

The liquidity situation in the commercial banking system was mixed during the review period, partly on account of the heightened level of risk aversion among financial institutions. The ratio of liquid assets to total deposits plus liquid liabilities rose marginally by 0.6 percentage point to 43.4 percent, while the loans and advances to deposits ratio increased by 1.8 percentage points to 57.4 per cent, which is below the ECCB prudential benchmark of 75.0 - 85.0 percent.

The weighted average interest rate spread between loans and deposits grew by 1.2 percentage points to 7.66 percent, compared with a spread of 6.43 percent as at December 2016. The increase in the interest rate spread was mainly attributable to a 1.16 percentage point gain in the weighted average lending rate to 9.94 percent. The weighted average deposit rate declined marginally by 0.07 percentage point to 2.28 percent in the review period.

Prospects

Based on the July 2017 update of the World Economic Outlook (WEO), world economic growth is projected to accelerate to 3.5 percent and 3.6 percent in 2017 and 2018 respectively, unchanged from the April 2017 report published by the International Monetary Fund (IMF). Importantly, 2017 growth projections for advanced economies have remained relatively buoyant at 2.0 percent, although growth projections for the United States of America have been revised downward by 0.2 percentage point, owing to uncertainty regarding the size of fiscal policy actions to be undertaken in the year. However, growth seems to be solidifying in the Euro Area and China, with the revised July forecasts marginally above that of April 2017. In addition, growth prospects for emerging market and developing economies are likely to remain strong as commodity prices slowly rebound and growth prospects in advanced economies stabilise.

While the Anguillan economy was earlier projected to expand at a moderate pace in 2017, economic activity is now forecast to contract by approximately 3.0 percent in the wake of the destruction caused by Hurricane Irma. This is largely attributable to the significant damage to the tourism stock on the island, with two of the largest hotels (Four Seasons Resort and Residences and CuisinArt) potentially missing the 2017/2018 tourism season due to the need for extensive repairs to the physical structure. This development is compounded by the closure of the Belmond Cap Juluca until November 2018, as that property undergoes significant remodelling and expansion. As a direct consequence of these closures, initial figures indicate that Anguilla's room stock is likely to decline by approximately 60.0 percent over the upcoming tourism season. Additionally, the number of excursionists is projected to contract significantly, due to the damage inflicted on neighbouring St Maarten, a critical hub for excursionists to Anguilla.

Inflationary pressures are expected to be contained as oil prices are not projected to increase appreciably in 2017, given that the production cuts employed by OPEC and other oil-producing countries have been mitigated somewhat by a ramping up of production among US shale oil producers. In addition, oil stocks remain above their five-year averages, ensuring adequate supply for the world economy over the medium term.

The fiscal operations of the Central Government are expected to generate an overall deficit in 2017 largely due to the effects of Hurricane Irma. Current revenues are expected to decline, consistent with reduced economic activity, while both current and capital expenditures are projected to increase as the government conducts counter cyclical policies to repair critical infrastructure and mitigate the impact of the disaster on the poor and vulnerable. The fiscal stresses placed on the government are also likely to be compounded by larger interest payments in 2017 associated with the debt incurred in stabilising the domestic banking system in

2016. The aforementioned developments are projected to negatively impact the government's debt position as grant and other flows associated with relief efforts in Anguilla are expected to fall short of the required levels.

On the external front, the merchandise trade deficit is expected to widen, consistent with a projected increase in imports as the reconstruction efforts gain traction. Grant inflows are expected to increase, associated with post Irma relief efforts, however, gross inflows from travel are projected to decline in 2017, largely attributable to the significant damage sustained by key tourism assets following the passage of Hurricane Irma.

Compounding the gloomy economic picture are some very important risks which relate to the quantum of aid to be received by Anguilla, coupled with the ramping up of debt servicing costs to the central government. The cost of the damages occasioned by Hurricane Irma is estimated at US$290.0m in the first instance. To the extent that the central government will have to borrow significant sums to repair critical infrastructure and restore social services, the debt situation in Anguilla is likely to deteriorate further. Such a development will serve to increase the pressure already placed on the government of Anguilla as it seeks to find ways to honour its larger obligations falling due in 2017 associated with the more than $300.0m in debt contracted as part of the bank resolution process.

ANTIGUA AND BARBUDA

Overview

Available indicators suggest that economic activity in Antigua and Barbuda increased marginally in the first six months of 2017, relative to the corresponding period of 2016. The expansion was largely driven by construction activity coupled with increases in auxiliary sectors such as wholesale and retail trade; and transport, storage and communications. Consumer prices rose by 2.4 per cent for the six months' period ended June 2017. The Central government overall deficit widened with a concomitant increase in the total disbursed outstanding public sector debt. In the banking system there were increases in all major monetary aggregates. Commercial bank liquidity increased and the weighted average interest rate spread between loans and deposits narrowed during the review period.

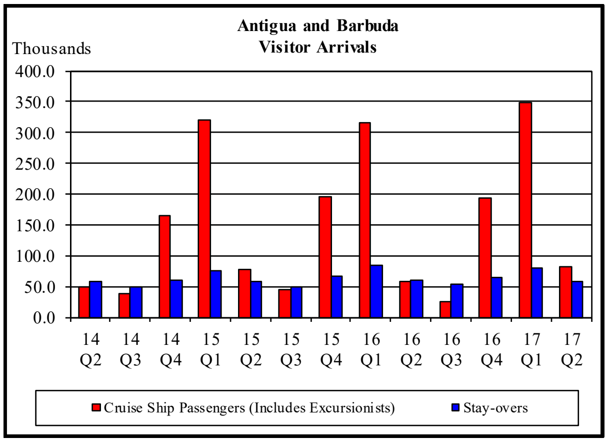
The growth momentum is projected to accelerate in the second half of the year. Growth will be fuelled particularly by developments in the construction sector, which will contribute to increased value added in ancillary sectors such as wholesale and retail trade and transport, storage and communications. Construction activity is anticipated to begin in earnest on the road rehabilitation project financed by the British Government and the Caribbean Development Bank. The passage of hurricane Irma, a Category 5 storm on 6 September 2017, caused almost total devastation to the island of Barbuda resulting in the entire island subsequently being evacuated. Much of the anticipated increase in construction activity will be directed toward the rehabilitation of the damaged public infrastructure and housing stock. A second storm, hurricane Maria also impacted Antigua and Barbuda on 20 September 2017, however damage from that tropical system was minimal. Consumer prices are forecasted to remain relatively stable as global oil prices remain subdued. The fiscal position of the government is expected to deteriorate based on developments in the first half of the year coupled with limited prospects for a reversal of this trajectory. Revenue flows will be negatively impacted by the underperformance of the new taxes that replaced the personal income tax and lower inflows from the Citizenship by Investment Programme (CIP). However, the falloff in revenue may be partly tempered by the receipt of grant funds.

The country is currently faced with a number of challenges that have implications for the growth prospects in the near term. Externally, the effects of Brexit could continue to soften tourism demand from the United Kingdom (UK). Geopolitical ramblings and an increase in terrorist attacks could also limit the demand for travel globally. Domestically, the planned closure of a major tourist resort for three months in the peak season is likely to have a negative impact on the number of stay over visitors and hence the overall tourism industry. Other threats to growth include: adverse weather based on the National Oceanic and Atmospheric Administration (NOAA) forecast for an active hurricane season this year; lower than expected fiscal revenue collections to support the capital programme; and increasing crime of late. On the upside, a proactive approach to deal with these challenges could limit their impact on the economy. This approach may include effective fiscal planning and debt management; building resilience to natural disasters; diversification of tourist source markets; and continuous improvements to the judicial system.

Output

Value added in the tourism industry is estimated to have been flat in the first six months of 2017, despite an overall increase in the number of visitors. Total visitor arrivals increased by 8.8 per cent to 581,068 in contrast to a decline of 1.9 percent in the corresponding period in 2016, largely driven by an increase in cruise ship passengers. Cruise ship passengers rose by 14.5 percent to 429,559 reflective of an additional 42 cruise ships calls to yield a total of 234. This was supported by growth in the number of yacht passengers which grew by 3.9 percent to 13,854, consistent with the increase in the number of yachts which visited the island to 3,283 from 2,993. A number of yachting activities including the 50th edition of Antigua Sailing week contributed to the spike in yacht passengers. Meanwhile, stay-over arrivals, the category of visitors with the largest contribution to GDP, fell by 5.4 percent to 137,655, reversing the 9.4 per cent growth recorded in the first six months of 2016. There were declines in major source markets of the USA (9.7 percent), Canada (6.8 percent), UK (2.3 percent), and the Caribbean (8.5 percent). These outcomes reflected a combination of factors including increasing competition from other destinations; uncertainty regarding BREXIT and the devaluation of the British

Pound; and the high cost of regional travel. Notable increases in stay over arrivals were recorded from Italy (21.0 percent) and other miscellaneous countries (10.0 percent) due to greater airlift.

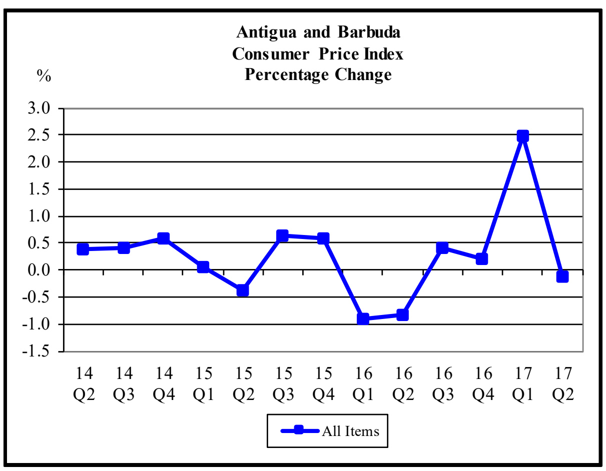


Activity in the construction sector is estimated to have increased in the first half of 2017 relative to the corresponding period in 2016. The volume of cement imports, a major indicator of construction activity, is estimated to have increased by 9.0 percent, in contrast to a decline of 4.6 percent in the corresponding period in 2016. Despite a decline in central government capital expenditure over the period, anecdotal information revealed that construction activity rose in the rest of the public sector. This was evidenced by the upgrading and expansion of three secondary schools, the construction of a new secondary school, and continued work on the Government Housing Development. In the private sector construction works included enhancements to the hotel stock and work continued apace on several CIP funded developments.

Given the developments in the tourism industry and the construction sector, it is estimated that value added in the wholesale and retail trade and; transport, storage and communications sectors increased during the period of review. This was further evidenced by a 21.6 percent expansion in the importation of general cargo. Activity in the public administration and defence, compulsory social security sector is estimated to have increased, largely driven by higher pension payments as personal emoluments remained virtually unchanged from the comparable period in 2016.

Prices

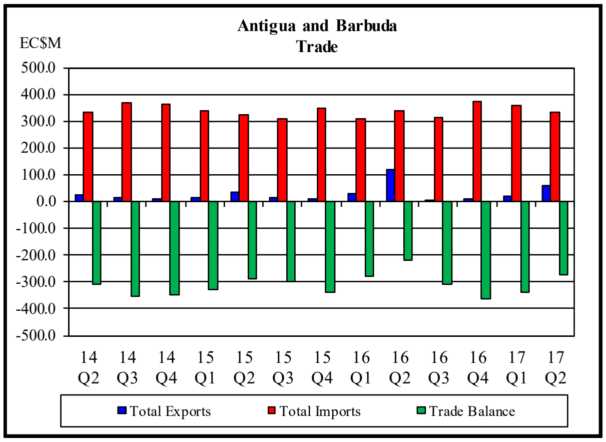
The Consumer Price Index rose by 2.4 percent during the first six months of 2017, reversing the negative effects of the change in methodology to the Geometric mean, which contributed to a contraction of 1.7 percent during the first six months of 2016. The rise in the CPI mirrored increases in the sub-indices of housing (7.4 percent), transport and communications (2.4 percent), food (1.5 percent) and personal services (3.7 percent). The upsurge in the housing sub-index reflected increases in the cost of repairs and maintenance and that of the food sub-index was mainly on account of higher prices for fruits and vegetables and sugars, jams, and confectionary. Higher costs associated with personal care including spa services and driver's license fees contributed to the increase in personal services. Growth in the transport and communications sub-index was on account of higher costs related to the operation, repairs and maintenance of personal transportation. There was no change in the fuel and light index during the period as there were no variations in gasoline prices at the pump, electricity and cooking gas. This also reflected the limited pass through of changes in global oil prices.



Trade and Payments

Preliminary trade statistics indicated that the merchandise trade deficit widened by 23.9 percent to $614.3m in the first half of 2017, relative to the corresponding period of 2016. The expansion in the deficit was largely on account of a significant fall in export earnings. Export earnings fell by 48.0 percent ($72.3m) to $78.4m on account of a reduction in the re-exports of machinery and transport equipment. The widening of the deficit also reflected an increase in import payments which rose by 7.1 percent ($46.1m) to $692.7m, owing largely to an increase in the import value and volume of mineral fuels and related materials.

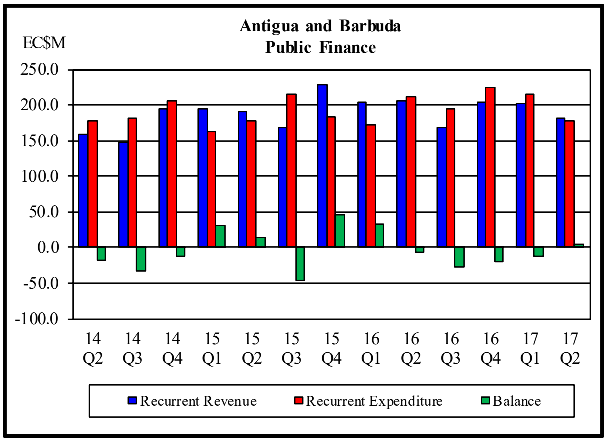
Gross travel receipts are estimated to have fallen by 4.0 percent to $486.5m in the first six months of the year, consistent with the fall-off in the number of stay-over visitors. Commercial banks' transactions resulted in a net outflow of $311.9m, mainly representing an increase in assets with external branches of foreign branch banks. This is in contrast to a net inflow of $205.7m during the comparable period of 2016. Fiscal transactions led to an increase in external loan disbursements to $60.0m from $37.1m in the corresponding period in 2016. Meanwhile external amortization contracted by 3.9 percent to $106.2m. These transactions contributed to a net amortization position of $46.2mm, relative to one of $73.4m in the comparable period of 2016.



Central Government Fiscal Operations

According to preliminary data, the operations of the central government led to an increase in the overall fiscal deficit during the first half of 2017. The overall fiscal deficit widened to $19.2m from one of $1.8m at the end of June 2016, largely due to a reduction in current revenue. Consequently, the current account balance moved to a deficit position of $8.7m from a surplus position of $20.0m. In the same vein, the primary surplus shrank to $39.6m from $55.3m at the end of June 2016.

Driven largely by lower non-tax revenue, current revenue contracted by 6.6 percent to $383.6m, relative to the comparable period in 2016. Non-tax revenue fell by 40.4 percent ($23.6m) to $34.9m mostly on account of lower inflows from the Citizenship by Investment Programme (CIP). Furthermore, tax receipts fell by 0.9 percent ($3.3m) to $348.7m associated with lower revenue from taxes on incomes and profits and international trade and transactions. Tax revenue on income and profits declined by 14.1 percent ($6.9m) to $42.3m due to the removal of the personal income tax as receipts from company tax grew by 41.4 percent akin to the collection of arrears and greater profitability of some companies. Revenue collections from taxes on international trade and transactions contracted by 4.9 percent ($6.2m) to $121.1m mirroring a decline in inflows from the consumption tax (21.8 percent) as international gas prices trended above the 2016 levels. This was partly offset by increases in the Revenue Recovery Charge (1.0 percent) and import duty (7.7 percent). In contrast, tax revenue from domestic goods and services rose by 4.8 percent ($7.8m) on account of a 17.1 per cent increase in stamp duties to $25.7m. The other major component of this tax category of taxes, the Antigua and Barbuda Sales Tax (ABST), remained virtually unchanged at $137.7m. Revenue from the property tax grew by $1.9m to $15.0m.



Current expenditure was largely contained during the period of review, increasing at a marginal rate of 0.5 percent ($1.8m) to $392.3m. Personal emoluments which accounted for 41.0 percent of current expenditure showed little movement increasing by a mere 0.4 percent ($0.7m) to $160.8m. Interest payments rose by 3.0 percent to $58.8m mainly due to domestic payments as external payments decline. The allocation towards transfers and subsidies fell by 0.7 percent ($0.8m) to $112.9m. Outlays on goods and services grew by 0.2 percent to $60.0m.

On the capital account, capital revenue amounted to $8.6m at the end of June 2017, compared with $40.9m in the corresponding period of 2016, when forfeited funds were received. Consequently, capital expenditure contracted to $19.1m from $62.8m in the corresponding period of 2016.

Public Sector Debt

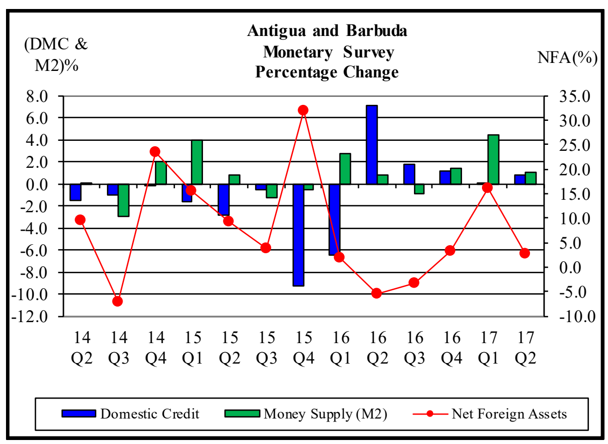
The total disbursed outstanding debt of the public sector was estimated at $3,077.6m at the end of June 2017, up from $3,030.7m at the end of December 2016.

Domestic debt rose by 3.3 percent to $1,715.3m while external debt declined by 0.6 percent to $1,362.3m. On a disaggregated level, the outstanding debt of the central government increased by 0.9 percent to $2,620.4m. The domestic debt of the central government increased by 2.1 percent ($28.1m) to $1,382.5m as a result of a greater amount of RGSM roll-over securities being taken up by domestic investors and an increase in overdraft disbursements. Meanwhile, the external debt stock of the central government fell by 0.3 percent ($4.2m) to $1,237.9m due to amortized payments to creditors such as the International Monetary Fund and the Caribbean Development Bank. The total debt stock of public corporations rose by 5.3 percent to $457.2m. Public corporation's domestic debt increased by 8.6 percent to $332.8m due to increased borrowing from the local banking sector. Meanwhile, scheduled amortization payments led to a 2.7 percent reduction in the external debt of public corporations to $124.3m.

Money and Credit

In the banking sector, monetary liabilities (M2) increased by 5.5 percent to $3,400.5m during the first six months of 2017, compared with a rate of growth of 3.6 percent during the corresponding period of 2016. The expansion in M2 was attributable to increases in both money supply (M1) and quasi money. Quasi money, which is the largest component of M2, grew by 4.6 percent to $2,546.2m, reflecting increases in both private sector savings deposits (6.1 percent) and private sector foreign currency deposits (19.4 percent). Meanwhile, private sector time deposits, another component of quasi money, fell by 7.1 percent. M1 rose by 8.0 percent to $854.4m marked by a 12.5 percent expansion in private sector demand deposits while currency with the public and EC$ Cheques and Drafts issued contracted by 2.7 percent and 22.6 percent, respectively.

The expansion in domestic credit accelerated at a moderate pace during the first six months of 2017. The stock of domestic credit rose by 0.9 percent to $2,342.0m, relative to growth of 0.2 percent recorded during the first half of 2016. This increase in domestic credit was largely driven by the activities of the central government and Non-Financial Public Enterprises. Net credit to the government rose by 5.6 percent to $415.8m largely due an increase in the Central Bank's holdings of Treasury bills. Moreover, government deposits in the banking system fell by 1.9 percent ($1.8m) to $93.6m. In the rest of the public sector, the net credit position of non-financial public enterprises rose by $8.2m to $22.8m on account of a 5.8 percent increase in loans, offset by a 0.9 percent growth in deposits. In contrast, credit to the private sector, the largest share of domestic credit, contracted by 0.5 percent to $1,903.3m on account of an 8.3 percent reduction in credit to businesses. This was partly tempered by increases in credit extended to households (0.5 percent) and more than a doubling of credit to non-bank financial institutions.



The outstanding stock of credit allocated to various sectors, indicated that of the major sectors (exceeding $100.0m), credit contracted for tourism (25.5 percent); professional and other services (9.8 percent); construction (3.1 percent); and distributive trades (0.4 percent). These declines were partly tempered by increases in credit for personal uses (0.5 percent), the largest credit category. Upon further disaggregation of this category, increases were observed for the acquisition of property (0.3 percent) and durable consumer goods (5.2 percent), while credit for other personal uses showed no change. Credit outstanding for public administration rose by 3.3 percent.

The net foreign assets of the banking system rose by 19.1 percent to $1,739.6m during the first half of 2017, in contrast to a 3.9 percent contraction during the corresponding period of 2016. This increase was on account of an expansion in commercial banks net foreign assets. Commercial banks net foreign assets rose by 54.7 percent ($311.9m) to $882.6m at the end of June 2017, relative to the amount recorded at the end of December 2016, largely on account of an increase in external assets outside the Currency Union. Commercial banks net assets with institutions outside the Currency Union more than doubled to $354.7m as banks increase their holdings with head offices and other branches. Meanwhile, commercial banks net assets with institutions within the Currency Union rose by 33.6 percent to $527.9m mainly on account of a stronger asset position. In contrast, Antigua and Barbuda's share of the imputed reserves at the Central Bank fell by 3.8 percent to $857.0m mirroring a 10.9 percent decline in notes in circulation.

Commercial banks in Antigua and Barbuda were highly liquid during the period of review. The ratio of liquid assets to total deposits plus liquid liabilities rose by 2.8 percentage points to 65.92 percent, way above the ECCB prudential limit of 20.0 - 25.0 percent. The loans and advances to total deposits ratio declined to 66.2 percent at the end of June 2017 from 69.8 percent at the end of December 2016, indicating that there was an increase in the already high liquidity levels.

The interest rate spread between loans and deposits narrowed to 7.39 percent at the end of June 2017 from 7.43 percent at the end of December 2016. The decrease in the interest rate spread was largely attributable to a contraction in the weighted average lending rate by 10 basis points to 9.01 percent and a reduction in the weighted average total deposits rate by 6 basis points to 1.62 percent. The reduction in the total deposits rate largely reflected reductions in the rate offered on time deposits.

Prospects

The pace of economy activity in Antigua and Barbuda is expected to accelerate in the second half of the year moderated by the hurricane devastation on Barbuda. Notwithstanding the potentially adverse impact on output in the fishing-subsector and the real estate sectors on that island, growth in 2017 is projected to be relatively strong. This prediction is however contingent on both global and domestic developments. The IMF World Economic Outlook (July 2017) predicts that global growth should accelerate to 3.5 percent in 2017 from 3.1 percent in 2016. This pick up in global growth is likely to translate into greater travel demand which Antigua and Barbuda could benefit from. Domestically, economic growth will be mainly fuelled by activity in the construction sector. Construction activity in both the public and private sector is expected to strengthen. In the public sector, capital works will include the road rehabilitation project, renovations of government buildings and the government housing project. Private sector construction activity will be focused on a few CIP funded real estate developments, enhancements to the hotel stock and residential construction. Meanwhile, the main economic driver, tourism, will be adversely impacted by the closure of a major hotel resort for renovation purposes during the peak season. This hotel is a major player in the industry with average occupancy rates in excess of 75.0 percent and hence the number of stay-over arrivals is likely to decline. On the other hand, cruise tourism is likely to remain robust and greater effort should be made to maximise the benefits from this category of visitors. Value added in the supportive sectors of wholesale and retail trade; and transport, storage and communications are projected to expand during the rest of the year. Inflationary pressures will remain subdued as global oil price movements are forecasted to be relatively minimal.

The fiscal operations of the central government are expected to result in a higher overall deficit as revenue will be constricted by the underperformance of the new taxes that replaced the personal income tax such as the Unincorporated Business Tax, the Gambling tax and the offshore bank tax. Moreover, the loss of visa access to Canada along with steeper competition from other countries will continue to adversely impact the performance of the CIP. Higher goods and services costs associated with efforts to rebuild damaged infrastructure in Barbuda will contribute further to the expansion in the overall deficit. On the upside, increased grants receipts, in particular those from the British Government and donor countries to finance re-construction efforts on Barbuda will temper the shortfall from tax and non-tax revenue. Furthermore, there may be some marginal gains from efforts being implemented to improve tax administration and compliance; and contain tax concessions. On the expenditure side, increases are expected to be reported for personal emoluments; goods and services; and transfers and subsidies. Financed partly by grant funding and loans, capital expenditure is likely to increase above the level recorded in 2016. An increase in the central government debt stock as a consequence of the destruction inflicted on Barbuda by hurricane Irma, represents a likely fiscal outturn.

In the external sector, the merchandise trade deficit is projected to widen in line with higher import payments to support construction activity, primarily on Barbuda and the wholesale and retail trade. Gross travel receipts are forecasted to be below the levels of 2016, as tourism activity is likely to dwindle. On the capital and financial account, lower inflows for equity investment in the CIP and some uncertainty regarding tourism related foreign direct investment are likely to shrink the surplus.

The aforementioned forecasts could be affected by some negative risks. **In the first instance, slower than anticipated global growth, either due to the effects of Brexit, geopolitical tensions, and terrorist attacks could negatively influence growth in Antigua and Barbuda. Adverse weather systems such as tropical storms or hurricanes are constant risks to growth given the geographical location of the country.** The country is also faced with a number of challenges including the underperformance of tax revenue and the CIP, high debt servicing and most recently, increasing crime.

These risks and challenges highlight the need for effective fiscal planning and debt management aimed at containing possible negative effects on growth and employment.

Efforts focused on disaster mitigation through the implementation of robust building codes for both residential and commercial properties could reduce vulnerability to natural disasters. Tackling crime should also feature high on the agenda with particular attention placed on investments in crime fighting technology, adequate training for security forces and continuous improvements to the judicial system.

DOMINICA

Overview

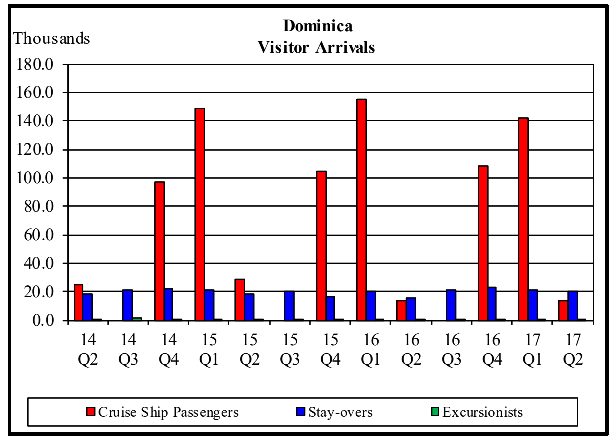
Preliminary estimates suggest that the pace of economic activity in Dominica in the first two quarters of 2017 was above that of the corresponding period of 2016. This assessment is largely based on increased activity in the construction and agricultural sectors and the tourism industry, notwithstanding subdued performance in the manufacturing sector. The consumer price index is estimated to have risen by 0.5 percent, on an end of period basis. In the external sector, the merchandise trade deficit is estimated to have widened as a result of growth in imports coupled with a contraction in exports. The central government's fiscal operations resulted in an overall deficit, in contrast to the surplus recorded in the corresponding period of the previous year. However, the total disbursed outstanding debt is estimated to have decreased, influenced by a reduction in borrowing by public corporations. Monetary liabilities, domestic credit and net foreign assets in the banking system expanded. Commercial bank liquidity deteriorated, while the weighted average interest rate spread narrowed during the review period.

Economic activity is expected to contract in the remainder of 2017 based on the damage to productive sectors and supporting infrastructure by Hurricane Maria in September. The overall fiscal balance is anticipated to deteriorate in 2017 owing to an increase in expenditure on the recovery effort, coupled with a decline in tax revenue. The merchandise trade deficit is expected to widen, reflecting increased imports of construction materials and relief supplies and; a reduction in export receipts. Risks to this outlook are skewed to the downside and include a deceleration in Citizenship by Investment programme inflows; the receipt of fewer grants than expected and adverse weather.

Output

Construction activity is estimated to have accelerated in the period under review, reflecting developments in the public and private sectors. Capital spending by the central government increased by $87.0m to $167.0m, partially reflecting a pickup in reconstruction and rehabilitation activity, associated with the passage of tropical storm Erika in August 2015; housing renovation and sanitation as well as other infrastructural improvements including works at the Douglas-Charles Airport. Private sector projects, particularly the construction of the Range Developments' Cabrits Resort Kempinski and the Jungle Bay Resort also supported the increase in construction activity. Private sector construction was however tempered by an estimated decline in residential building. Accordingly, a $5.4m decrease in the value of residential housing starts to $12.0m was observed during the period under review.

In the tourism industry, overall visitor arrivals are estimated to have declined by 3.1 percent to 207,227 compared with a 5.5 percent decrease in the first half of 2016. The contraction in arrivals was driven by a 7.7 percent reduction in the number of cruise ship passengers to 156,026, consistent with a fall in the number of cruise ship calls from 105 to 102. Mitigating the decline in cruise passengers, the number of stay over visitors rose by 16.4 percent to 41,307, influenced by an uptick in visitors from all major source markets namely the United Kingdom (25.8 percent), Canada (24.8 percent), the USA (11.8 percent) and the Caribbean (11.4 percent). The enhancement in stay over arrivals was influenced by improved flight connections to Dominica and an improvement in marketing and promotion. Increases were also observed in the number of yacht passengers (7.0 percent) but tempered by a decline in excursionists (3.5 percent).

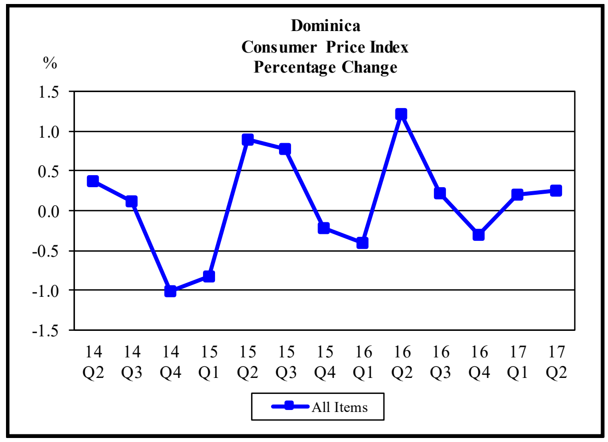


In the manufacturing sector, output is estimated to have contracted in the first half of 2017, associated with a decline in the production of paints and varnishes and beverages. The production of paints and varnishes decreased by 26.9 percent to 59,426 gallons, partially on account of a reduction in Dominica's share of the company's production budget. Additionally, the production of beverages also fell by 20.9 percent.

Output in the agricultural sector is estimated to have expanded in the period under review. Total banana production amounted to 259 tonnes, 5.0 percent more than the output recorded in the first half of 2016. Supporting the improvement, the output of non-banana crops and livestock are provisionally estimated to have increased.

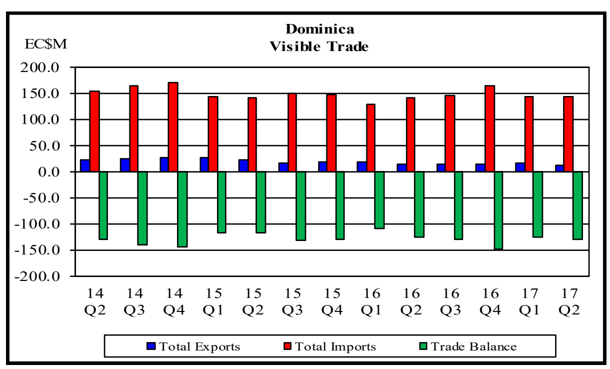
Prices

The consumer price index increased by 0.5 per cent during the first six months of 2017, compared with a 0.8 percent rise in last year's corresponding period. The inflationary pressures were primarily associated with a 2.1 percent expansion in the housing, utilities gas and fuels sub-index, which has the heaviest weighting, mainly on account of an upsurge in the prices of electricity and gas and; water supply and miscellaneous services related to the dwelling. The general rise in prices was also supported by increases in the sub-indices of transport (0.6 percent); communication (0.5 percent); health (0.5 percent) and; household furnishings, supplies and maintenance (0.3 percent). These increases were tempered by declines in the prices of miscellaneous goods and services (0.6 percent); alcoholic beverages, tobacco and narcotics (0.5 percent); recreation and culture (0.1 percent); education (0.1 percent) and; food and non-alcoholic beverages (0.1 percent). There were no changes in the prices of clothing and footwear and; hotels and restaurants.



Trade and Payments

Preliminary estimates indicate that the trade deficit widened by 7.9 percent to $256.0m during the first half of 2017. This development was attributed to an increase in import payments coupled with a decline in export receipts. The value of imports rose by 5.4 per cent to $284.5m mainly associated with upticks in the import of mineral fuels and related materials and; crude materials. The value of exports fell by 12.9 percent to $28.5m largely reflecting a 27.1 percent reduction in the export of paints and varnishes.



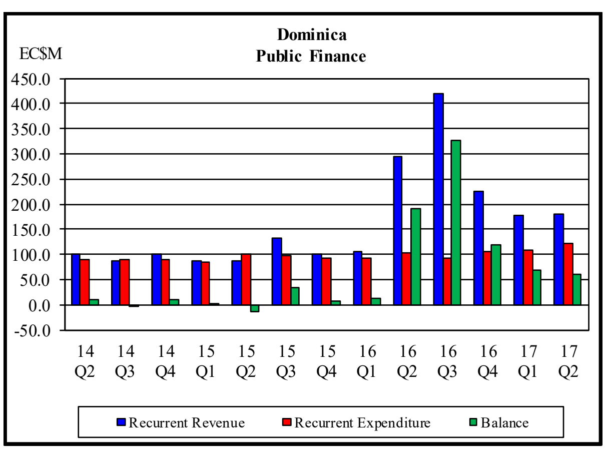
Gross travel receipts were estimated to have risen by 15.6 percent to $196.4m, partially on account of increased stayover arrivals. Commercial banks' transactions resulted in a net outflow of $142.8m in short term capital compared to one of $66.6m in the first six months of 2016. In the public sector, external loan disbursements to the central government totalled $39.0m compared with $3.8m in the corresponding period of the previous year. On the other hand, external principal repayments amounted to $41.5m, up from $25.6m at the end of June 2016. These transactions led to a net outflow of $2.4m compared to an outflow of $21.8m in the first two quarters of 2016.

Central Government Fiscal Operations

The fiscal operations of the central government, in the period under review, resulted in an overall deficit of $27.4m, in contrast to a surplus of $143.3m in first six months of 2016. The overall deficit was mainly financed by domestic sources. A primary deficit of $14.9m was realized, a deterioration from the surplus of $158.2m observed in the corresponding period of 2016. The deficits were primarily driven by developments on the capital account. Amid low capital grants of $13.4m, capital expenditure rose by $87.0m to $167.0m, mainly associated with recovery and reconstruction activities. Other infrastructural improvements such as works at the Douglas-Charles Airport; the dredging of rivers; the construction of the new West Bridge in the capital city and investments in human capital and housing; all of which were primarily funded by the Government of Dominica, also contributed to the rise in capital expenditure.

On the current account, a surplus of $125.9m was recorded compared to one of $203.3m in the first two quarters of 2016, as current revenue outpaced current expenditure. Current revenue amounted to $355.4m, registering a decrease of $44.2m from the total collected in the corresponding period of last year. This development was primarily associated with a reduction in non-tax revenue by $57.8mm to $164.7m. The decline in current revenue was however tempered by an expansion in tax revenue of $13.6m to $190.7m, reflecting an increase in revenue earned from all categories of taxes with the exception of taxes on income and profit which fell by $0.9m to $38.3m, attributable to a decrease in collections from corporation tax. An upturn of $6.0m to $40.1m was observed for taxes on international trade and transactions, mainly associated with improved collections from the customs service tax, embarkation tax and import duty. Receipts from taxes on domestic goods and services, the largest source of tax revenue, rose by $5.9m to $106.2m largely attributed to an uptick in earnings from the excise tax and value added tax. A smaller increase was observed in the collection of taxes on property ($2.6m).

Current expenditure grew by $33.2m to $229.5m during the period under review, reflecting increases in spending on all subcategories with the exception of interest payments which fell by $2.4m to $12.5m. Payments for goods and services rose by $21.2m to $80.5m partially associated with an uptick in professional and consultancy fees. Also contributing to the overall expansion in current expenditure, outlays for transfers and subsidies surged by $13.2m to $59.0m, reflecting a rise in contributions to local and regional institutions. An increase of $1.2m was observed in spending on personal emoluments.

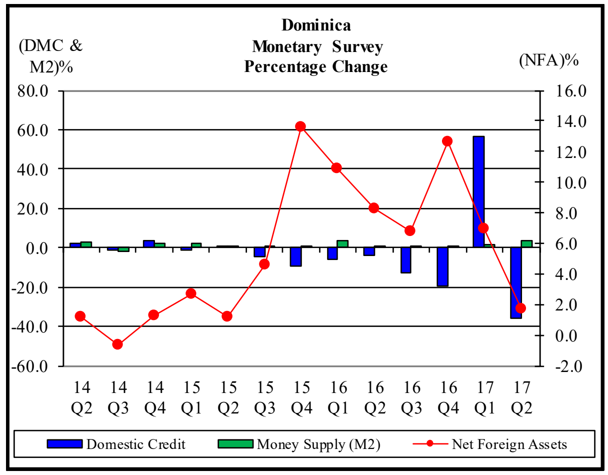


Public Sector Debt

The total disbursed outstanding debt of the public sector is estimated to have declined by 0.1 percent to $1,061.1m at the end of June 2017. This outturn was partially a consequence of a reduction in public corporations' debt by 4.1 percent to $161.7m associated with a decrease in its external debt. The contraction in the total disbursed outstanding debt was however moderated by an increase in central government debt, the largest component of public debt. Outstanding central government debt rose by 0.7 per cent to $899.4m attributable to an uptick in its external debt.

Money and Credit

Monetary liabilities (M2) expanded by 5.1 per cent to $1,445.8m during the first half of 2017, compared with growth of 4.1 per cent in the corresponding period of 2016. Growth in M2 reflected increases in both quasi money, the larger component of M2, and narrow money. Quasi money rose by 4.2 per cent to $1,118.4m, attributable to growth in private sector savings deposits (5.9 per cent) and private sector foreign currency deposits (2.3 per cent). This upsurge was however moderated by a decline in private sector time deposits (2.1 per cent). An 8.3 per cent increase in narrow money to $327.5m also supported the overall expansion in monetary liabilities. This outturn was associated with a more than doubling of EC$ Cheques and Drafts and upticks in private sector demand deposits (7.2 per cent) and currency with the public (6.5 per cent).



Meanwhile, domestic credit rose marginally by 0.2 per cent to $403.0m during the period under review, partly attributable to an 8.4 per cent fall in the net deposit position of government as the decline in its deposits more than offset the fall in credit. The growth in domestic credit was however tempered by a 2.2 per cent decline in private sector credit which constitutes the largest proportion of credit in the economy. This development was influenced by a reduction in credit to businesses, non-bank financial institutions and households. The rise in domestic credit was also moderated by a 7.2 per cent increase in the net deposit position of non-financial public enterprises.

An analysis of the distribution of commercial bank credit by economic activity indicated that total outstanding loans and advances decreased by 3.5 per cent to $926.3m during the period under review. Declines were recorded in lending to all major sectors. More specifically, contractions in credit were observed for agriculture and fisheries (25.5 per cent); manufacturing and mining and quarrying (11.4 per cent); tourism (6.4 per cent); distributive trades (2.3 per cent); construction (1.0 per cent) and for personal use (0.5 per cent). Downturns in credit were also recorded for other services including transport and storage (19.6 per cent); professional and other services (13.7 per cent); public administration (10.9 per cent); utilities, electricity and water (6.7 per cent); entertainment and catering (6.1 per cent); and financial institutions (3.5 per cent).

The commercial banking system remained highly liquid in the first half of 2017. The ratio of liquid assets to total deposits plus liquid liabilities rose by 3.5 percentage points to 60.9 per cent at the end of June 2017. However, the loans and advances to total deposits ratio fell by 2.2 percentage points to 45.6 per cent, still considerably below the ECCB's benchmark of 75.0 to 85.0 per cent.

At the end of June 2017, the net foreign assets position of the banking system stood at $1,185.7m, registering an increase of 8.8 per cent from the corresponding period of the previous year. This development was mainly the result of 28.9 per cent expansion in the net foreign assets position of commercial banks, associated with growth in their net assets position with institutions outside of the ECCU territories but partially offset by a decline in their net position in other ECCU territories. The overall upsurge in net foreign assets was however moderated by a 7.9 per cent decline in Dominica's imputed share of the Central Bank's reserves.

The weighted average total deposits rate fell by 0.03 per cent at the end of June 2017 from 1.70 per cent at the end of December 2016. Concomitantly, the weighted average lending rate declined to 8.06 per cent from 8.12 per cent in the period under review. Consequently, the weighted average interest rate spread narrowed to 6.39 percentage points at the end of June 2017 from 6.42 percentage points at the end of December 2016.

Prospects

The overall level of economic activity is expected to decline in the remainder of 2017. This assessment is based on the devastation of the productive sectors by Hurricane Maria in September.

The agricultural sector is expected to contract owing to significant damage to farming infrastructure, crop and livestock production. Similarly, activity in the tourism industry is also likely to deteriorate. The number of stayover visitors are expected to decline as many hotel plants were largely affected by the passage of the hurricane. The number of cruise ship passengers are also predicted to decrease, on account of an anticipated cancellation of cruise calls following the devastation caused by the hurricane. In the construction sector, activity is expected to contract as the reconstruction programme following tropical storm Erika has paused and efforts are now focused on clean up and relief after the passage of hurricane Maria. Manufacturing output is expected to remain subdued for the remainder of the year.

The overall fiscal balance is anticipated to deteriorate in 2017, mainly as a consequence of increased expenditure on the clean-up, relief and recovery effort; coupled with lower tax revenue, influenced by a decline in economic activity. This deterioration is expected to be partially mitigated by an increase in grants. In the external sector, the merchandise trade deficit is expected to widen, reflecting increased imports of construction materials and relief supplies in addition to depressed exports. Risks to this outlook are skewed to the downside.

A deceleration in Citizenship by Investment programme inflows; the receipt of fewer grants than expected and/or delays in the disbursement of loan or grant funds, at this critical time, could slow down the implementation of the impending recovery and reconstruction effort. This process could be additionally affected by administrative and implementation capacity constraints. In addition, Dominica remains vulnerable to external shocks such as adverse weather which would compound the unfavourable economic outlook.

G R E N A D A

Overview

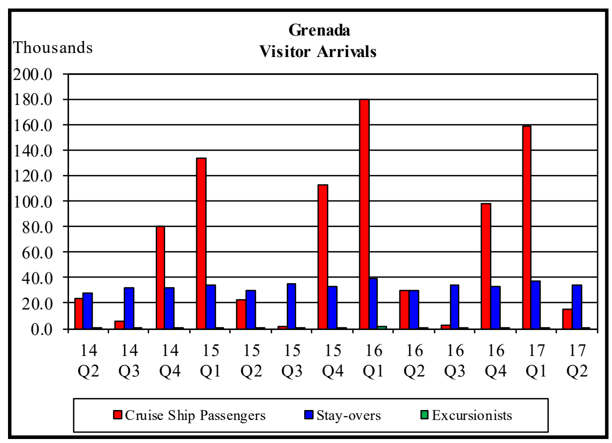
There were positive developments in the economy of Grenada in the first half of 2017, including the successful culmination of the country's three-year Home-grown Structural Adjustment Programme which commenced in 2014. Economic activity increased in the first six months of 2017, in comparison with the corresponding period of last year, driven by robust construction activity and higher stay-over visitor arrivals. Inflation remained subdued, as there was a slight uptick of 0.6 per cent in consumer prices on an end of period basis. The fiscal performance of the central government was commendable as a higher overall surplus was recorded in the review period. The disbursed outstanding public sector debt grew modestly, compared with the level at the end of December 2016. The banking sector was characterized by growth in monetary liabilities and net foreign assets, and a reduction in domestic credit. Commercial banks liquidity rose while the spread between the weighted average deposit and lending interest rates narrowed.

The macroeconomic outlook for the country in 2017 is positive, largely reflecting the assumption that higher construction activity and stay-over visitor arrivals will drive increased economic activity. The central government is expected to realise a larger overall fiscal surplus, alongside its continued commitment to implement the fiscal responsibility legislation. The positive prospects for the country following the completion of its Programme auger well for additional investments from both internal and external sources. **At this critical juncture, it is essential to safeguard and build upon the Programme's gains in order to achieve further development in the near to medium term. While the outlook is positive, there are still challenges in creating sustainable, balanced, and inclusive growth in the near to medium term.**

Output

Available indicators and information point to buoyant construction activity in the first six months of 2017. The volume and value of imports of construction materials expanded by 20.8 per cent and 19.2 per cent, respectively. The robust performance of the sector was predominantly associated with private sector led work on tourism accommodation plants, port facilities, and commercial properties. Work in the public sector, which was less intense, focused on, but not limited to, the Parliament building, roads, and schools. Positive spill-over effects from the construction sector are likely to have underpinned growth in sectors such as mining and quarrying as well as wholesale and retail trade.

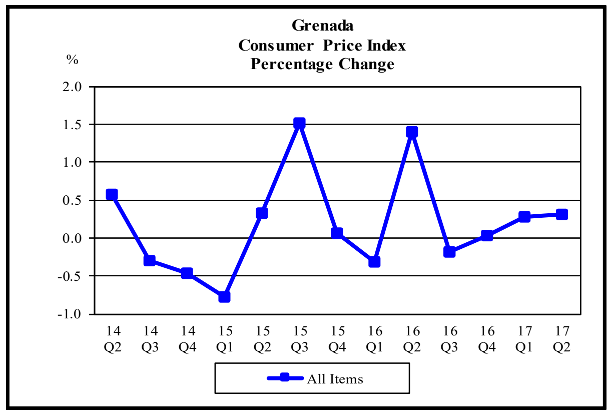
Value added in the tourism industry is estimated to have increased in the first half of 2017, on account of higher stay-over visitor arrivals. The performance of stay–over visitors remained firm, registering an increase of 5.3 per cent to 71,679 in arrivals, relatively on par with the rate of growth of 5.2 per cent witnessed in first half of 2016. This upswing was associated with strengthened efforts in marketing the destination. There was higher demand out of the USA, Canada and Caribbean with arrivals from those markets growing by 9.9 per cent, 7.9 per cent and 6.9 per cent respectively. Stay-over visitor arrivals from the European source markets dropped by 1.1 per cent, marked by a fall of 5.9 per cent in arrivals from the United Kingdom. Meanwhile, there was a dip in the number of cruise arrivals to 173,903 from 208,656. There was one additional cruise ship visit, bringing the total calls to 155, but the vessels were smaller in size relative to those which visited in the corresponding period of the prior year. Of the remaining categories of visitors, declines were recorded in the number of excursionists (66.6 per cent) and yacht passengers (1.4 per cent). Consequently, total visitor arrivals are estimated to have decreased by 11.1 per cent to 259,807 in the review period, in contrast to an expansion of 24.5 per cent in the comparable period of 2016.



The performance of the manufacturing sector was assessed as being weak in the review period, as advances in the beverage industry were inadequate to offset setbacks in other kinds of businesses. Production grew for most beverages, with the exception of rum which posted a 3.3 per cent contraction. Output of soft drinks more than doubled to 166,593 cases, since production recommenced for a particular soft drink in the third quarter of 2016 following a manufacturing halt in early 2015. Additional gains were posted in the production volumes of beer (5.6 per cent), and malt (2.9 per cent) and stout (1.4 per cent). There was a downturn in the chemicals and paints business, led by declines in the output levels of acetylene (21.6 per cent), paint (0.8 per cent), and oxygen (0.4 per cent). Among the animal feed manufacturers, contractions were recorded in the production of wheat bran (8.0 per cent) and poultry feed (4.2 per cent). Further declines were observed in the output of macaroni (13.4 per cent), flour (12.9 per cent) in addition to that of toilet paper (3.1 per cent).

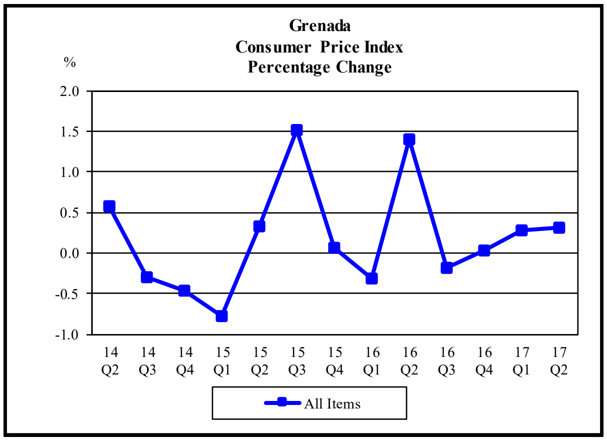
The agricultural sector is estimated to have underperformed, influenced by a downward spiral in the production of most non-banana crops. Overall output of other crops, including fruits, vegetables, and ground provisions is estimated to have contracted by 21.0 per cent to 1,252,768 pounds, registering a steeper rate of decline than the one of 17.1 per cent in the first half of 2016. The momentum in the sector was further weakened by declines in the output of cocoa (9.7 per cent) and bananas (1.4 per cent). Production of these crops remained constrained by factors including adverse weather and pests. These negative trends were partially offset by increases in the output of mace (56.5 per cent) and nutmeg (51.7 per cent).

With regard to the fishing sector, total production is estimated to have fallen by 5.0 per cent to 3,386 tonnes. This was a reversal of an increase of 4.3 per cent observed in the first half of 2016.



Prices

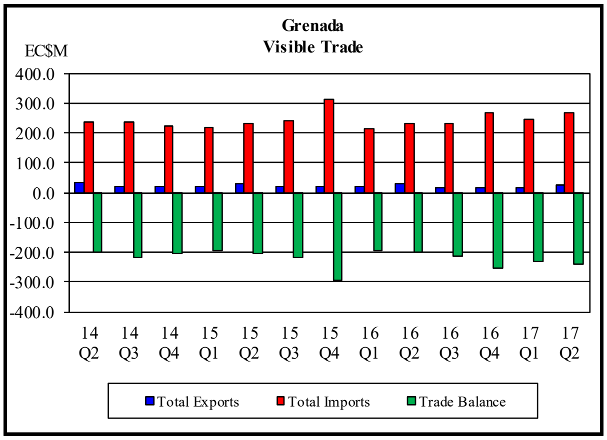
Inflationary pressures subsided during the first six months of 2017, as evidenced by an increase of 0.6 per cent in consumer price index (CPI). This was relative to an uptick of 1.1 per cent in the first half of 2016. Increases were posted by the sub-indices for education (5.7 per cent), transport (2.9 per cent), communication (0.8 per cent), and recreation and culture (0.2 per cent). The subdued inflation partly reflected declines in the two largest sub-indices, housing, utilities, gas and fuels (0.2 per cent) and food and non-alcoholic beverages (0.3 per cent). Reductions were also registered by the sub-indices for household furnishings, supplies and maintenance (0.4 per cent), health (0.2 per cent), alcoholic beverages, tobacco and narcotics (0.2 per cent), and clothing and footwear (0.1 per cent).



Trade and Payments

A merchandise trade deficit of $474.2m was realised in the first six months of 2017, above that of $398.4m recorded in the comparable period of 2016. The larger deficit mainly resulted from an increase in the value imports, compounded by a reduced value of exports. Import payments recorded growth of 15.1 per cent ($67.1m) owing in part to an expansion in construction-related imports. The highest growth in imports across categories of goods were for beverages and tobacco, machinery and transport equipment, and manufactured goods. The value of exports is estimated to have declined by 18.3 per cent ($8.6m), based on combined pitfalls in the value of re-exports and domestic exports. The total value of re-exports was down by 67.5 per cent ($4.8m) to $2.3m. Domestic export earnings fell by 9.5 per cent ($3.8m) to $36.0m, as a result of reduced export receipts from manufactured (11.5 per cent) and agricultural (7.1 per cent) goods. The decline in manufactured exports was primarily impacted by contractions in the export values of most commodities including flour, animal feed, paper products, and clothing. Lower export earnings from nutmeg, mainly led to the dismal performance in export revenue from agricultural goods.

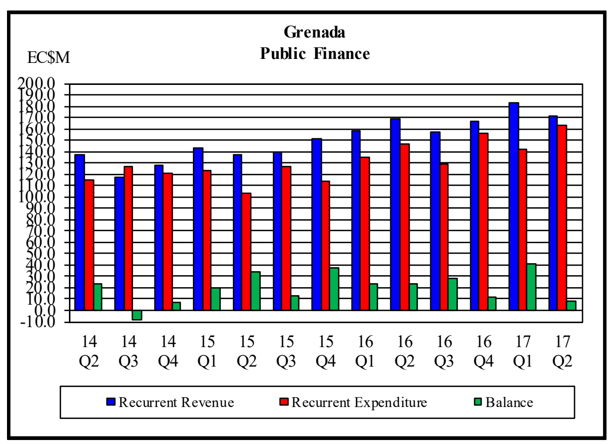
Gross travel receipts rose by 28.5 per cent to $230.8m, mirroring increases in the average daily expenditure and average length of stay of visitors. Commercial bank transactions resulted in a net outflow of $66.8m, relative to one of $15.5m during the first half of 2016. External loan disbursements surged to $37.4m from $16.8m in the first six months of 2016, while external amortization amounted to $45.8m from $41.0m. Consequently, the central government was in a net amortization position of $8.4m in the first half of 2017, down from one of $24.2m in the comparable period of 2016.



Central Government Fiscal Operations

The central government operations resulted in an overall fiscal surplus of $52.3m in the first half of 2017, up from one of $36.3m in the comparable period of 2016. The primary surplus amounted to $88.5m, which was 18.6 per cent above the corresponding surplus in the previous year. The context for this outturn is the increase in overall economic activity, in combination with ongoing efforts to strengthen tax collection and public financial management.

The current account surplus totalled $50.0m, up from $46.8m in the first six months of 2016, as growth in current revenue outpaced that of current expenditure. Current revenue increased by 8.2 per cent ($26.9m) to $354.6m. This development was on account of growth of 9.5 per cent ($29.2m) in tax receipts to $338.2m, as all major tax types recorded advancements in yields. Receipts from taxes on domestic goods and services advanced by 11.1 per cent ($14.2m), partly associated with an increase in revenue of $7.4m from the Value Added Tax. The yield from taxes on international trade and transactions rose by 7.2 per cent ($6.9m) boosted mainly by improved revenue performances for import duty, customs service charge, petrol tax and the excise tax. Revenue from taxes on income and profits moved up by 9.6 per cent ($6.6m), singlehandedly led by larger receipts of $6.8m from the company tax as personal income tax collections remained relatively flat. Receipts from taxes on property climbed upwards by 9.0 per cent ($1.5m). These gains were partially offset by a decline of 12.5 per cent ($2.3m) in non-tax revenue, owing largely to lower dividends.



Current expenditure rose by 8.4 per cent to $304.7m, on account of growth in most categories of spending. Expenditure on personal emoluments, a main sub-item, grew by 11.6 per cent ($14.2m), partly associated with salary increments and increases made to public officers during the period under review. Transfers and subsidies rose by 12.0 per cent ($7.5m), mainly influenced by higher payments for transfers made abroad and pensions. Spending on goods and services grew by 7.2 per cent ($4.1m). Interest payments, which was of exception, declined by 5.5 per cent ($2.1m) attributable to lower domestic interest obligations of $5.9m from $8.4m. By way of other developments on the current account, grant resources used for current expenditure totalled $6.3m, down from $15.4m in the first half of 2016.

On the capital account, capital grants amounted to $23.0m, down from $26.8m in the first six months of 2016. Amid lower grant financing, capital expenditure reached $27.0m, below the amount of $42.9m spent in the corresponding period of 2016.

Public Sector Debt

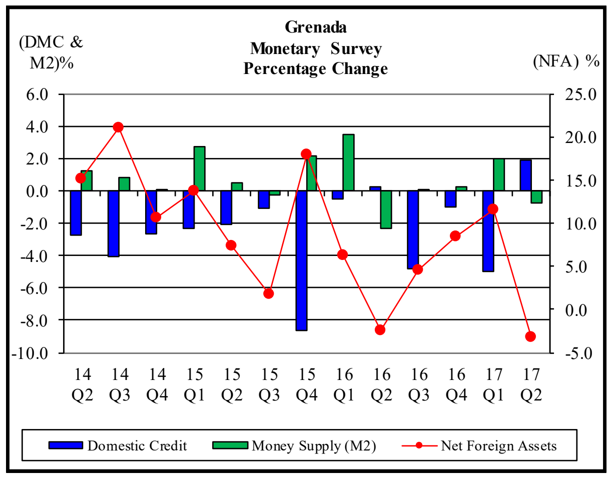
The disbursed outstanding debt of the public sector totalled $2,302.5m at the end of June 2017, roughly 0.2 per cent above the level at the end of December 2016. The outstanding debt of the public corporations, which is estimated to have accounted for the majority of the increase, is estimated to have risen by 3.2 per cent to $126.0m. The central government's outstanding debt grew to $2,176.4m from 2,175.4m, attributed to 0.2 per cent growth in its external debt. Additional debt was contracted from external multi-lateral agencies and there were unfavourable exchange rate movements in non-US denominated debt. The central government's domestic debt fell by 0.4 per cent.

Money and Credit

Monetary liabilities (M2) expanded by 1.2 per cent to $2,177.4m during the first six months of 2017, relatively on par with the rate of growth of 1.1 per cent observed in the first half of 2016. Growth of 2.6 per cent in quasi money contributed to this outturn. Among the components of quasi money, there were increases in private sector foreign currency deposits (17.4 per cent) and savings deposits (2.0 per cent), which offset a contraction of 3.8 per cent in private sector time deposits. The expansion in M2 was mitigated by a decrease of 2.5 per cent in narrow money (M1), which comprised declines in currency with the public (4.3 per cent) and private sector demand deposits (2.5 per cent). EC$ cheques and drafts issued, the remaining category of M1, increased by 17.3 per cent.

The net foreign assets of the banking system grew by 8.0 per cent to $1,083.3m, representing an acceleration from the rate of growth of 3.8 per cent during the first half of 2016. This development stemmed largely from an expansion of 14.5 per cent in the net foreign assets of commercial banks. The commercial banks expanded their net foreign asset positions with financial institutions outside the Currency Union and with those in other ECCU territories by 24.6 per cent and 9.6 per cent respectively. Grenada's imputed share of the Central Bank's reserves grew by 2.4 per cent to $557.0m.

Domestic credit continued on a downward trajectory, registering a decline of 3.2 per cent during the period of review, compared with one of 0.2 per cent in the corresponding period of 2016. Private sector credit fell by 0.4 per cent ($6.9m), on account of declines in outstanding loans to non-bank financial institutions (28.7 per cent) and households (1.5 per cent) which outweighed an increase of 2.4 per cent in loans to businesses. The central government's total credit from the entire banking system was down by 12.8 per cent, while its deposits rose by 33.2 per cent. Consequently, the net deposit position of the central government surged by 90.0 per cent to $111.7m. By way of other public sector developments, the net deposits position of non-financial public enterprises was down by 8.1 per cent ($20.1m), reflecting growth in credit and a reduction in their deposits.



Total loans and advances amounted to $1,621.9m, registering 0.8 per cent less than the level recorded at the end of December 2016 and a reversal of an increase of 1.7 per cent witnessed during the first half of 2016. An analysis of credit by economic activity indicates that the bulk of the decline in credit was channelled through a reduction in loans for personal use. Outstanding loans for this category fell by 1.3 per cent ($13.8m), partly resulting from decreases in credit for home construction and renovation (1.3 per cent) and house and land purchase (0.9 per cent). Also contributing to the downturn in credit were contractions in loans for public administration (98.4 per cent); manufacturing and mining and quarry (35.2 per cent); utilities, electricity, water (12.2 per cent); and construction (0.8 per cent). Tempering the overall decline in credit were increases in credit for financial institutions (28.3 per cent); distributive trades (9.8 per cent); agriculture and fisheries (6.3 per cent); professional and other services (1.7 per cent); and entertainment and catering (1.4 per cent). Additionally, credit doubled to $28.6m for transportation and storage; while for tourism it remained flat at $131.1m.

Liquidity in the commercial banking system rose during the period under review. The liquid assets to total deposits plus liquid liabilities ratio rose by 1.9 percentage points to 46.8 per cent. The ratio of loans and advances to total deposits contracted by 1.9 percentage points to 56.9 per cent.

The weighted average interest rate on deposits fell by 0.06 percentage points to 1.38 per cent at the end of June 2017, depicting the fourth consecutive quarter of decline following the lowering of the minimum savings rate from 3.0 per cent to 2.0 per cent from 01 May 2015. Meanwhile, the weighted average interest rate on loans declined by 0.24 percentage points to 8.19 per cent. Accordingly, the interest rate spread narrowed to 6.80 per cent from 6.99 per cent.

Prospects

The macroeconomic improvement that has been witnessed in the first half of 2017 is expected to be sustained throughout the remainder of the year. Annual growth is likely to be driven by robust construction activity and rising stay-over visitor arrivals. Additionally, ongoing policies and initiatives, to improve vocational and skills training; reduce unemployment and poverty; build resilience to climate change; strengthen marketing of the destination; and develop agricultural production are likely to provide an anchor to the economy. The context for the growth outlook for the local economy is also contingent on the realisation of an expected pick up in global growth in 2017. Against the backdrop of increased activity in the local economy and the rising tendency in global fuel prices observed in late 2016, there may be inflationary pressures in the second half of 2017, above the rate of increase witnessed in the first six months.

In the external sector, the merchandise trade deficit is projected to widen, as construction led growth is likely to be associated with higher imports. Export revenue is likely to remain weak in 2017, impacted by weak agricultural and manufacturing exports.

The central government is expected to realise a larger overall surplus in 2017, premised on continued commitment to the fiscal responsibility legislation. Notably, an oversight body responsible for monitoring implementation of the fiscal responsibility framework should be established by the second half of the year. Apart from strengthened efforts to improve tax administration and collections, the increased economic activity should underpin improved current revenue performance. Growth in revenues are likely to outpace that of expenditure enabling the attainment of the enhanced fiscal position. The level of total public sector debt is likely to remain on a sustainable trajectory in 2017 to reach the regional target of 60 per cent of GDP by 2030.

Grenada's commencement of critical growth enhancing and fiscal reforms; full implementation of a sizeable fiscal adjustment; as well as its ongoing debt restructuring efforts have placed the economy at a favourable position at the end of June 2017. The current situation of the country can engender more buoyant sentiments among investors and creditors; and reduce uncertainty among consumers to drive their spending. It is important to safeguard these gains, and build on this position to achieve further development in the near to medium term. There may be scope to make the economy more climate change resilient, and to make growth more sustainable, balanced, and inclusive.

While the outlook for the economy is favourable, there are still challenges which makes the country vulnerable to risks. Although strong implementation of reforms is progressing, there are still weaknesses, some of which are supply-side and logistics, in sectors such agriculture, fishing and manufacturing that are taking a toll on their value added. The current construction boom is likely to wane in the short term, following which the economy will become more dependent on sectors such as tourism. The local unemployment rate, remains high in the Caribbean region, albeit its decline in the last four years. The positive results of prior tax rate adjustments can eventually taper off following the Programme, especially if growth in the economy remains flat, calling for further efforts to boost revenue in the medium term. Policy priorities may have to be geared at shifting the present spending composition from current to capital expenditure over the medium term. Continued collaborative efforts with the ECCB are needed, to among other things, boost credit in the economy and also mitigate against the financial sector risks including the loss of corresponding banking relationships. Exacerbated risks in the external environment such as those related to financial vulnerabilities, climate change, geopolitical tensions, political/social discord, and policy uncertainty, can further dampen Grenada's macroeconomic prospects.

MONTSERRAT

Overview

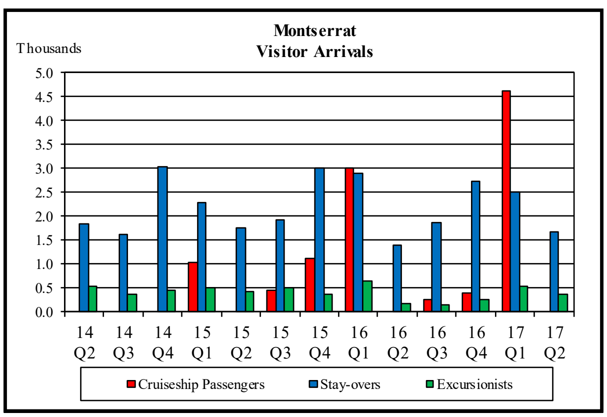
Economic activity in Montserrat is provisionally estimated to have expanded in the first six months of 2017 relative to the corresponding period of 2016. The main sectors contributing to the performance were public administration, construction, and tourism. The consumer price index grew by 2.4 per cent, on an end of period basis while the merchandise trade deficit improved as the value of exports increased. The fiscal operations of the central government resulted in an overall deficit, in the absence of grant flows during the period, which was due to extensive delays in the presentation and passage of the national budget. In the banking system, total monetary liabilities declined, net foreign assets decreased and commercial banks moved from a net deposit position to a net credit position. Overall, liquidity conditions remained relatively stable and high, while the weighted average interest rate spread between loans and deposits narrowed.

The economy of Montserrat continues to be faced with significant headwinds for the remainder of 2017, with minimal growth projected, based on the performance during the first half of the year. The most significant challenge is related to the United Kingdom's Brexit negotiations, which is likely to result in greater uncertainty for Montserrat's economy. Moreover, the depreciation in the sterling may also have implications for the level of budgetary support received by the government and thus, its fiscal balance. Concurrently, improvements related to value added in government services and the construction sector may not be realized until the latter part of the year, as it is contingent upon the resumption of a number of public sector infrastructural projects. Improvement is also expected in the construction sector, in light of the announcements in the 2017-2018 budget for a 3.0 per cent increase in the salary of civil servants as well as duty-free concessions on building materials for the construction of selected homes.

Given the recent improvement in access to the island, an enhancement in stay-over visitor arrivals and key auxiliary sectors such as transport, storage and communications and wholesale and retail trade is expected. However, a number of downside risks persist, including adverse weather conditions, disruptions related to access to the island and the slow mobilisation of budgetary support.

Output

Available data indicate an expansion in economic activity. Value added by public sector administration, defence and compulsory social security, the largest contributor to economic output, rose in the first six months of 2017. This was evidenced by increased remuneration to public servants (central government employees) as personal emoluments increased by 0.9 per cent to $21.3m.

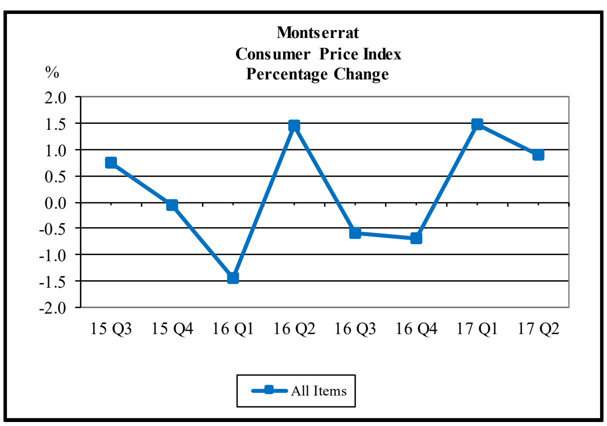


Value added in the construction sector is provisionally estimated to have increased in the January to June period of 2017. This performance was driven by an expansion in commercial and residential construction activity as credit to the sector grew by 1.4 per cent, which more than offset a decline in public sector construction. In the public sector, there was a 97.3 per cent decline in capital expenditure in the review period, primarily associated with a lack of finance for public sector projects.

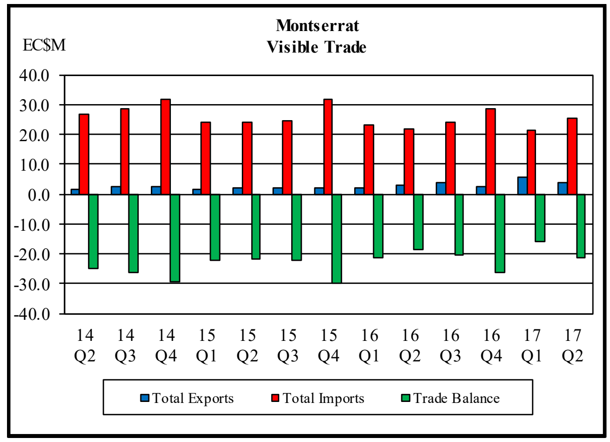
Value added in the tourism industry, as proxied by the hotels and restaurants sector, recorded an improved performance in the first six months of 2017 relative to the corresponding period in 2016. Total visitor arrivals increased by 12.4 per cent to 10,574, compared with a 57.8 per cent rise to 9,408 in the corresponding period of the previous year. This performance was fuelled by the increase of 54.4 per cent (1,624) in cruise ship passengers' arrival. Also, the number of excursionists grew by 12.2 per cent (97) in contrast with a 12.0 per cent decline in the corresponding period of the prior year. However, stay-over tourist arrivals declined by 2.6 per cent to 4,164, indicative of a decrease in the number of tourist from the UK (8.5 per cent), the USA (7.2 per cent) and the Caribbean (1.2 per cent). In the first six months of 2017, passenger arrivals by yacht fell by 32.8 per cent to 908, although the number of yachts visiting the island has increased by 137 to 477.

Prices

The consumer price index rose by 2.4 per cent, on an end of period basis, in contrast to a decrease of 0.02 per cent in the first half of 2016. The rise in prices was mainly attributed to increases in the sub-indices for transport (7.6 per cent), housing, water, electricity, gas and other fuels (3.4 per cent), alcoholic beverages, tobacco and narcotics (0.4 per cent), communication (0.3 per cent) and food and non-alcoholic beverages (0.3 per cent). Transport index continues to increase as oil prices have risen in the period under review. Meanwhile, price declines were recorded in the sub-indices for recreation and culture (1.4 per cent), furnishing, household equipment and routine household maintenance (1.4 per cent), restaurants and hotels (0.7 per cent), health (0.4 per cent) and education index remained relatively unchanged.



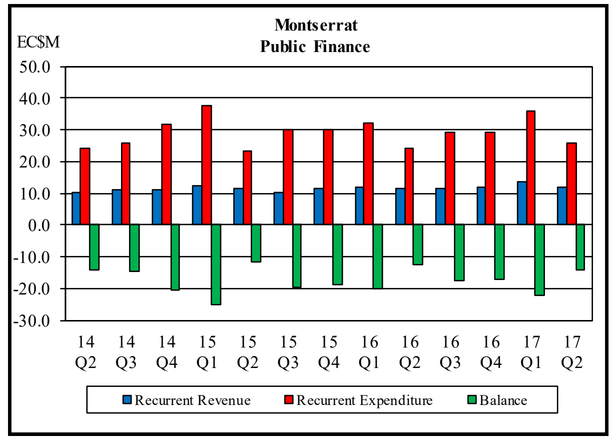
Trade and Payments



There was an improvement in the trade balance for the first six months of 2017 compared with the corresponding period last year. The trade deficit narrowed over the first half of the year by 7.1 per cent to $37.3m. This outturn was captured in an increase in exports of 90.9 per cent to $9.3m. The higher receipts from exports was associated with a rise of over 200 per cent of re-exports. This large increase in re-exports was attributed to the miscellaneous manufactured articles and machinery and transport equipment. Further, the value of domestic exports rose by 47.1 per cent in the first half of 2017 following an increase of 13.4 per cent in the corresponding period of 2016. However, the import bill rose during the first half of 2017 to $46.6m from $45.0m in 2016. Mineral fuels and other related material was the main reason for the increase in the import bill as it grew by 34.9 per cent to $8.9m.

Central Government Fiscal Operations

The fiscal operations of the central government resulted in a larger deficit in the first six months of 2017 in comparison to the corresponding period of 2016. An overall deficit (after grants) of $38.2m was recorded, in comparison to a deficit of $2.2m in the corresponding period of 2016. This development mainly reflected the deficiency in current grants, as the government was unable to access grants in the period under review given its delay in the passage of the budget. The 2017/2018 Budget Statement along with the Estimates of Revenue and Expenditure were subsequently presented on 09 June 2017. The absence of grants led to a current account deficit of $36.2m compared to $4.4m in the corresponding period last year. Capital grants totalled $0.7m for the first six months of 2017 versus $40.8m in the corresponding period of 2016.



Current expenditure increased by 10.3 per cent to $61.6m, largely due to expenditure on transfers and subsidies which increased by 27.7 per cent ($4.0m). The increase in transfers and subsidies was due to the continuation of the ferry service between Montserrat and Antigua as the governments subsidies the cost of travel between the two countries. Outlays on goods and services rose by 7.8 per cent to $22.0m and spending on personal emoluments increased by 0.9 per cent to $21.3m, and was due largely to the payment of increments. Meanwhile, interest payments primarily on external debt remained relatively unchanged. Capital expenditure declined by 97.3 per cent to $0.3m in the current period in contrast to $10.4m spent in the corresponding six months of 2016, in the absence of large investments for major public infrastructural projects and also the lack of capital grants. This outturn was also reflective of a slowdown in construction activity owing to the suspension of several new public projects as they were a delay in the budget process.

Current revenue improved by 8.8 per cent to $25.4m in contrast to a decrease of 2.3 per cent in the corresponding period of 2016. This outturn resulted primarily from an 8.4 per cent increase in tax revenue to $22.8m in comparison to an increase of 5.7 per cent in the first half of the previous year. The increase in taxes was driven largely by growth in collections from taxes on income and profits ($1.0m), taxes on international trade and transactions ($0.7m) and taxes on domestic goods and services ($0.2m). This upsurge was tempered by a decline in revenue collected from taxes on property ($0.1m). An increase in non-tax revenue ($0.3m) also contributed to the overall increase of current revenue.

Public Sector Debt

The stock of public sector external debt stood at $10.7m at the end of June 2017, compared with a balance of $8.6m at the end of December 2016. The increase in debt is attributable to the power project with the Caribbean Development Bank (CDB) as the government seeks to increase power generating capacity to attract light manufacturing firms. Of the $10.7m total debt, $6.8m was held by the central government, while the public corporation accounted for $3.9m.

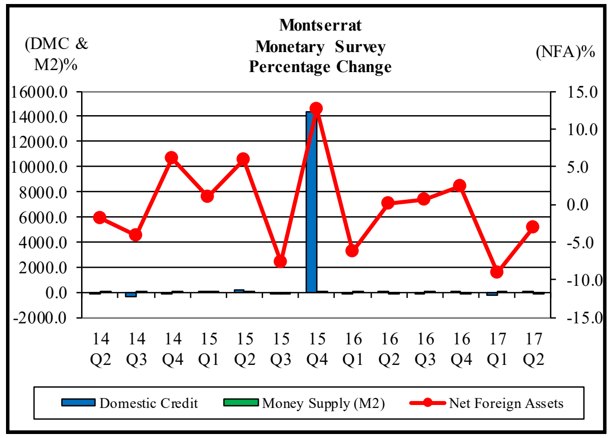
Money and Credit

The stock of monetary liabilities (M2) reflected a decline of 1.7 per cent to $243.2m during the first half of the year in contrast with an increase of 0.8 per cent during the comparable period in 2016. The reduction observed in the overall money supply was mainly influenced by a 1.6 per cent decrease in quasi money to $182.2m, which resulted primarily from a 19.8 per cent ($2.1m) decline in private sector foreign currency deposits. The reduction in the money supply was also attributable to a decline of 2.0 per cent ($1.2m) in narrow money (M1) in contrast with 1.2 per cent increase during the corresponding period in 2016. Both currency with public (6.7 per cent) and private sector demand deposits (0.1 per cent) contracted during the review period.

Montserrat registered a net domestic credit position of $20.8m, in contrast to the net deposit position of $9.5m recorded at the end of June 2016. This outturn was largely influenced by a 38.3 per cent contraction in the net deposit position of the central government to $47.2m, associated with a drawdown in deposits to meet current obligations. Credit to the private sector rose by 4.2 per cent to $83.7m, due to an expansion in household sector credit (4.6 per cent), while the business sector borrowing remained relatively unchanged over the period.

An assessment of the sectorial distribution of credit for the period showed a 3.9 per cent increase in personal credit to $83.0m, which accounted for 86.0 per cent of total credit. The major contributors to this overall outturn were increases of 3.4 per cent ($2.2m) in acquisition of property, 7.3 per cent ($1.5m) in house and land purchases along with 24.9 per cent ($0.7m) in durable consumer goods. As it relates to the private sector, there was an increase in the construction sector of 1.4 per cent ($0.1m). However, declines were recorded in key economic sectors such as manufacturing (8.1 per cent) and tourism (2.3 per cent).

The net foreign assets in the banking system declined by 11.9 per cent to $273.2m at the end of June 2017, in comparison to a 6.2 per cent decrease noted during the comparable period last year. The main contributor to this outturn was a decline of 14.2 per cent to $151.8m in commercial banks' net assets. In addition, Montserrat's imputed share of reserves held with the Central Bank fell by 8.9 per cent to $121.4m, following a decrease of 0.8 per cent during the comparable period last year.



The banking system continued to operate in an excess liquidity condition as highlighted by the ratio of liquid assets to total deposits and liquid liabilities which is noted at 83.5 per cent. This level of liquidity is consistently in excess of the ECCB's prudential benchmark of 25.0 per cent. Meanwhile, the ratio of loans and advances to total deposits stood at 29.8 per cent, which is substantially below the minimum prudential requirement of 75.0 per cent.

Interest rate spread between deposits and loans narrowed by 24 basis points to 5.8 per cent during the review period. The weighted average lending rate fell to 6.96 per cent, 11 basis points from the level recorded at the end of December 2016. However, the weighted average interest rate on deposits rose to 1.20 per cent from 1.10 per cent at the end of December 2016.

Prospects

Montserrat's economy faces some uncertainty for the remainder of 2017. Growth for the country is projected to be lower given the performance during the first half of the year. This assessment has been attributed to the less favourable outlook for key drivers of economic activity. The scale of activity generated by the construction sector is not expected to pick up as the roll-out of key transformational projects has been postponed. These include the re-instatement of fibre-optic connectivity, the new hospital and secondary school projects. Also, with the triggering of Article 50 setting the stage for Brexit, there will be some uncertainty for the economies of both the UK and Montserrat.

The slowdown in construction activity may be reversed, if maintenance and other infrastructural projects addressing road works, social housing, water supply and drainage and sanitation works are implemented within the second half of the year. Also, the on-going construction of the geothermal exploration and power generation plant is likely to boost the value of output in the construction sector. Improvement is also expected in the construction sector, in light of the announcements in the 2017-2018 budget for a 3.0 per cent increase in the salary of civil servants and duty-free concessions on building materials for the construction of selected homes.

Improvements in the tourism industry are likely for the remainder 2017 as a ferry has commenced operations between Montserrat and Antigua at least four times per week. With enhanced access and marketing, there should be a recovery in the number of stay-over visitors and excursionists to the country. These developments are likely to positively contribute to improvements in the ancillary sectors such as wholesale and retail trade and transport, storage and communications.

Improvement in tax collection and compliance, and enforcement of tax legislative requirements should provide for gains in revenues collected for the remainder of 2017. Expenditure is expected to increase during the year as the government announced the following projects; refurbishment of the Golden years' home; improvement to airport facilities to ensure compliance; repairs to the MPA ferry terminal roof and external canopies to the ferry terminal building and refurbishment of the Brades and Salem Primary Schools.

The economic performance of Montserrat for the remainder of 2017 is largely dependent on the availability and timeliness of budgetary aid, positive developments in the global macro-economic environment, access to the country.

The downside risks are the Brexit negotiations, limited air and sea access, possible disruptions in the implementation of development projects to restore the island's infrastructure and untimely access to budgetary aid. Moreover, threats posed by hurricanes and volcano related risks remain major concerns.

S T K I T T S A N D N E V I S

Overview

Data for the first half of 2017 indicate that the economy of St Kitts and Nevis expanded, albeit at a decelerated rate relative to the performance of the corresponding period of 2016. The increase in economic activity was sustained by buoyancy in the construction; hotels and restaurants; transport, storage and communications and real estate, renting and business activities sectors. Likewise, value added in the manufacturing and agricultural sectors is also estimated to have increased. Consumer prices rose by 0.3 per cent on an end of period basis. **The Federal Government recorded a smaller overall fiscal surplus during the period under review, compared with the same period in 2016 and marginally higher total outstanding debt for the public sector.** Developments in the banking system reflected decreases in the net foreign assets, domestic credit and monetary liabilities. Commercial bank liquidity increased, and the weighted average interest rate spread between loans and deposits widened.

The economy of St Kitts and Nevis is forecasted to expand further in 2017, buttressed by relative buoyancy in the real sector; primarily construction, hotels and restaurants, and manufacturing. These developments in the major productive sectors will have knock-on effects mainly on wholesale and retail trade; transport, storage and communications; and real estate, renting and business activities sectors. The performance will also be supplemented by gradual strengthening in the agricultural sector. Upward pressure on prices is anticipated to continue in line with positive real sector developments and external inflationary pressures consistent with higher global activity, mitigated somewhat by tepid demand for petroleum which is restricting both petroleum and food prices, the major contributors to headline inflation. The slower pace of expansion in the domestic economy, however, will restrict the fiscal performance of the Federal Government, contributing to a decline in total revenue, relative to the outturn in 2016. The other major impacts to the fiscal performance are the forecasted decline in receipts from the Citizenship by Investment (CBI) programme and the recovery costs to be incurred associated with damages inflicted by the passages of hurricanes Irma and Maria on the 6th and 20th September 2017, respectively.

Consequently, a forecasted decline in total revenue, is anticipated to result in a narrowing of the overall surplus.

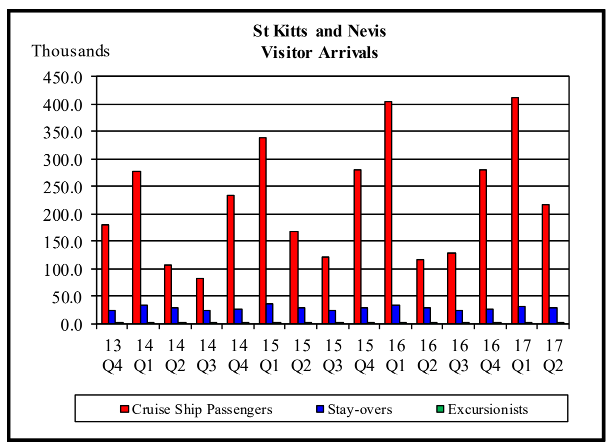
Major risks to the downside include a sustained decline in receipts from the CBI programme partly reflecting increased regional and international competition from similar arrangements offered in other jurisdictions. Developments in the CBI programme bear a close relationship with activity in the construction sector, therefore, declines in the programme's receipts could adversely impact construction activity. Other risks include, a reduction in visitor arrivals stemming from a deceleration in economic growth in the USA, the major source market, associated with a stalled domestic policy agenda and rising geo-political tensions with North Korea and China. The nature of the terms under which the UK demits the European Union may also have adverse consequences on that economy and by extension visitor arrivals to the Federation from that market. Second order risks to the outlook for 2017 point to weather related threats including hurricane and flood damage to the country's productive sectors and physical infrastructure.

Upside risks include possible positive effects stemming from the re-branded CBI programme to a Platinum Brand, which could serve to further differentiate the product from its regional and international competitors. Ongoing reforms and refinements to the delivery of services under the CBI programme, coupled with enhancements in operational efficiency and a more robust vetting process have been marketed as distinct advantages over programmes offered elsewhere.

Output

Value added in the construction sector, rose in the first half of 2017, compared with the performance in the comparable period of 2016 on account of ongoing capital outlays in both the private and public sectors. In the private sector, activity reflected completion work on the 126 room, Park Hyatt Resort which is scheduled to receive its first guests on 1 November 2017. Work also advanced on the Koi Resort and Residences, the T-Loft Pirates' Nest development in Frigate Bay and the Heldens Estate Condominium Resort and Residences in the north of St Kitts. Other construction work related to the hospitality industry included; intensified work on the Customs House at the Christophe Harbour marina and ongoing work on phase I of the Kittitian Hill development. Completion work on retail spaces adjacent to the Royal St Kitts Hotel, Frigate Bay, continued and construction activity proceeded on various commercial buildings and private residential homes. In Nevis, private sector construction centred on the Four Seasons Estates, the Candy Resort, the Nevisian Sunset development and private residential properties.

Further evidence to support the assessment of higher construction activity was an estimated 7.0 per cent increase in the volume of sand mined from the government quarry to 29,216 cubic yards, compared with a doubling in the volume mined in the first six months of 2016 and an estimated 1.1 per cent increase to 23,824 cubic yards, in the volume of stones mined, compared with a 5.0 per cent increase in the corresponding period of 2016. The assessment of increased construction activity was further buttressed by a 20.2 per cent increase in the volume of imports of construction related materials, in contrast to a 28.2 per cent decrease in the volume of imports in 2016. The expansion in construction was also supported by significant public sector investment. Capital expenditure rose by $15.2m from January to June 2017, in contrast to a decrease of $22.0m in the corresponding period in 2016, largely driven by enhancements to public infrastructure on both islands. In St Kitts, work advanced on the refurbishment of the Coast Guard Headquarters at Bird Rock, a police training facility at Lime Kiln, the National Heroes Park (US$2.0m) and refurbishment work on the Robert L Bradshaw International Airport and Ferry terminal in Basseterre. In Nevis, public investment consisted mainly of outlays on sporting and recreational facilities including an athletics track, several road projects, the Vance Amory International Airport, the Alexandra hospital and work on the Caribbean Development Bank (CDB) funded water project.



Value added in the hotels and restaurants sector, a proxy of developments in the tourism industry, is estimated to have also expanded in the first half of 2017, influenced by an increase in cruise passenger arrivals moderated by a decline in the number of stay-over visitors. The number of stay-over visitors is estimated to have declined by 3.5

per cent to 60,402 from January to June 2017, outpacing a 2.8 per cent decrease in the corresponding period of 2016. The decline in stay-over visitors reflected estimated reductions in all of the major source markets, including the United States of America (4.5 per cent), the UK (3.4 per cent), Canada (3.9 per cent) and the Caribbean (0.9 per cent). The lower performance of the USA market, was partly influenced by uncertainties leading up to and subsequent to the Presidential elections in the USA as voters customarily minimise travel arrangements at that time. Likewise, the underperformance of the UK market may reflect protracted uncertainty surrounding trade relations between the UK and the European Union post Brexit. Reduction in visitors from the Caribbean source market was attributable to ongoing challenges to regional travel associated with the high cost of regional transport and limited options. The reduction in the number of stay-over visitors was offset by an expansion in the performance of the cruise sub-sector. Cruise passenger arrivals are estimated to have risen by 20.4 per cent (106,405) to 628,023, in the first six months of 2017, compared with a more moderate 2.9 per cent (14,589) increase in the corresponding period of 2016. The improved performance was partly attributable to an increase in the number of cruise ship calls to 259 from 255. The number of passengers visiting by yacht rose by 13.0 per cent to 2,679, in contrast to an 18.6 per cent decline in the same period in 2016. In contrast the number of excursionists decreased by 13.2 per cent to 1,974, reversing a 19.6 per cent rise in the first half of 2016. The foregoing developments in the various visitor sub-categories resulted in an estimated 17.7 per cent increase to 693,078 in total visitor arrivals, compared with a 2.2 per cent increase in the corresponding first half of 2016.

Value added in the manufacturing sector, strengthened, buoyed by a near quadrupling in the volume of exports of electronic components, as demand in the USA, the major source market, rebounded after a lull leading up to the November 2016 Federal elections. Activity in manufacturing was also buttressed by relative buoyancy in the production of alcoholic beverages as the volume of exports of alcoholic beverages rose by 1.0 per cent in contrast to a decline of 45.5 per cent in the first half of 2016.

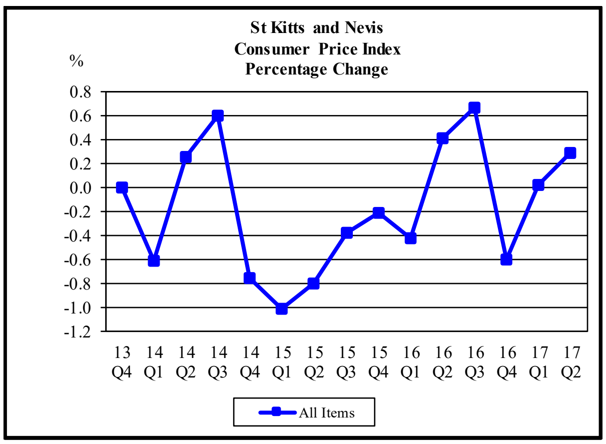
Increases in value added were also recorded for the agriculture, livestock and forestry sector, driven mainly by a rise in crop production, partly mitigated by lower output in the livestock subsector. Higher crop production largely reflected a doubling in the production of onions, coupled with increases in pumpkins (14.8 per cent), watermelons (20.1 per cent) and sweet peppers (27.8 per cent). Other major contributors to the outturn include; tomatoes and carrots of 6.4 per cent and 4.4 per cent respectively. In contrast, output in the livestock subsector registered a decrease, largely influenced by a 21.6 per cent decline in the production of beef. The decline was mitigated by a 20.0 per cent rise in the production of mutton, while the output of eggs rose by 3.8 per cent.

Positive developments in the construction, hotels and restaurants, manufacturing and agricultural sectors, would have generated positive externalities, thereby favourably impacting the transport, storage, and communications; real estate, renting and business activities and wholesale and retail trade sectors, further bolstering economic activity.

Prices

The consumer price index rose by 0.3 per cent on an end of period basis during the first six months of 2017 in contrast to virtually no change during the corresponding period of 2016. The increase in the index was attributable to higher prices for the food and non-alcoholic beverages; household furnishings, supplies and maintenance and clothing and footwear sub-indices which accounted for approximately 26.9 per cent of the total weight of the goods and services basket. The food and non-alcoholic beverages sub-index rose by 1.5 per cent, attributable to higher prices for meat, milk cheese and eggs and confectionaries. Prices for household furnishings, supply and maintenance rose by 1.8 per cent, mainly attributable to higher prices paid for appliances and the increase in the maintenance and clothing and footwear sub-index largely reflected increased prices for garments. The other sub-indices that recorded increases included; housing utilities, gas and fuels (0.1 per cent) and alcoholic beverages, tobacco and narcotics (0.8 per cent). The increase in the CPI was moderated by declines in a number of individual sub-indices including; transport and recreation and culture of 0.7 per cent and 0.2 per cent respectively. On an individual territory basis, there was on average a 0.5 per cent increase in prices in St Kitts which influenced the combined CPI for the Federation, as there was no change in prices in Nevis during the period under review. The increase in the CPI in St Kitts was primarily attributable to higher prices on average for the sub-indices; food and non-alcoholic beverages

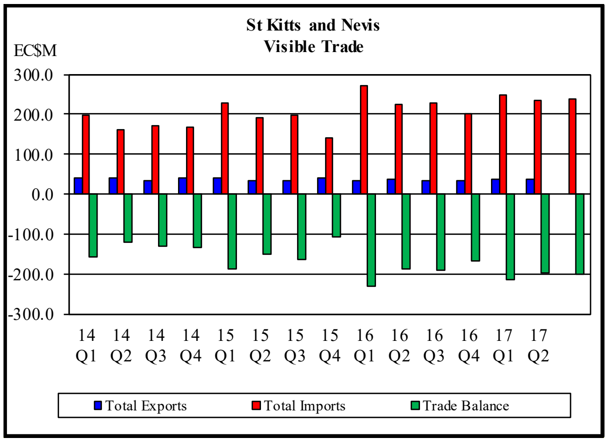
(1.9 per cent); household furnishings, supplies and maintenance (1.6 per cent) and clothing and footwear (1.4 per cent). In Nevis, the major movements in the CPI were a 1.8 per cent reduction in the transport sub-index which offset by increases in a number of other sub-indices including; household furnishings, supplies and maintenance (2.2 per cent); clothing and footwear (1.1 per cent); health (2.4 per cent) and housing utilities gas and fuels (0.2 per cent).



Trade and Payments

A merchandise trade deficit of $401.4m was recorded on the visible trade account in the first half of 2017, which exceed a deficit of $380.4m in the corresponding period of 2016. The expansion in the trade imbalance was attributable to faster growth in import payments relative to the increase in exports receipts. The value of imports rose by 5.0 per cent to $473.4m, driven by increases in the value of machinery and transport equipment; manufactured goods; food and live animals and chemicals and related products. Total exports were valued at $72.0m compared with $70.4m recorded in the same period of 2016, attributable to an increase in the value of electronic components and alcoholic beverages exported. Domestic exports rose by 0.9 per cent to $48.5m, supplemented by higher re-exports ($23.5m). The volume of trade in goods (both exports and imports) is estimated to have risen by 12.9 per cent to 206,687 tonnes.

Gross travel receipts are estimated to have increased by 13.6 per cent to $224.0m in the first six months of 2017, largely attributable to an expansion in cruise visitors. Commercial banks' transactions resulted in a net outflow of $106.6m in short-term capital, compared with an outflow of $74.4m in the corresponding period in 2016. Government transactions resulted in a reduction in the net outflow of funds attributable to lower external principal repayments ($13.2m), compared with $39.1m in the comparable period of 2016. Loan disbursements amounted to approximately $0.1m the first six months of 2017, less than the $0.6m drawn down in the corresponding period in 2016.

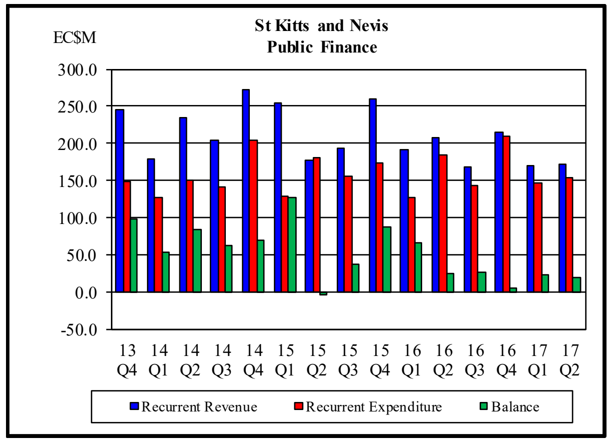


Federal Government Operations

The fiscal operations of the Federal Government resulted in an overall surplus (after grants) of $21.5m in the first six months of 2017, compared with a surplus of $91.7m in the corresponding period of 2016. A primary surplus (after grants) of $43.5m was recorded compared with one of $112.8m in the corresponding period of 2016. The narrowing of the overall fiscal surplus was mainly due to a decline in the current account balance combined with an increase in capital expenditure and the net lending position.

Current revenue fell by 14.6 per cent to $341.4m in the first half of 2017, compared with a 7.6 per cent decline in the corresponding period of 2016. The contraction in current revenue was influenced by lower non-tax receipts as tax receipts increased. Tax revenue rose by 1.3 per cent to $243.8m, associated with increases in collections for taxes on income and profits and taxes on international trade and transactions. Receipts of taxes on income and profits trended higher (11.4 per cent) primarily influenced by an increase in the collection of corporate taxes by 17.6 per cent, in contrast with a 15.1 per cent decline in the first six months of 2016. Higher collections of taxes on income and profits were also driven by an increase in withholding taxes (31.7 per cent). Receipts of taxes on international trade rose by 4.1 per cent, attributable to an increase in inflows of customs service charge, the non-refundable duty free store levy and travel tax of 4.1 per cent 27.0 per cent and 42.8 per cent respectively. The other contributor to the outturn for taxes on international trade and transactions was higher collections of import duty (0.6 per cent). The rise in the aforementioned tax categories was moderated by lower receipts from the remaining tax categories including; domestic goods and services (3.1 per cent) and property (28.5 per cent). As it relates to lower collections of taxes on domestic goods and services, the major contributor was a fall in stamp duties by 9.4 per cent, consistent with lower land sales primarily under the CBI programme. A reduction in the collection of fees from licences by 3.7 per cent also contributed to the fall in the receipt of taxes from domestic goods and services. The outturn for taxes on domestic goods and services was partly slowed by a rebound in the collection of value added tax (VAT) by 4.4 per cent, in contrast to a 21.8 per cent decline in the first half of 2016. Receipts of VAT, the largest revenue category under taxes on domestic goods and services, remained buoyant totalling $72.5m and contributed 29.7 per cent of tax revenue, in the first six months of 2017. A decline in the collection of property taxes by 28.5 per cent, reflected a reduction in condominium tax receipts by 84.3 per cent as inflows from house taxes strengthened (21.2 per cent). Non-tax revenue receipts fell by 38.6 per cent to $97.6m, largely due to a decline in inflows associated with the Citizenship by Investment (CBI) Programme.

Current expenditure fell by 3.1 per cent to $299.9m, compared with a decrease of 0.1 per cent in the first six months of 2016. This development reflected lower outlays in all of the major expenditure categories except interest payments. Decreases were recorded for outlays on goods and services (6.2 per cent), transfers and subsidies (5.9 per cent) and personal emoluments (1.0 per cent). Lower expenditure on goods and services were attributable to fiscal restraint and a decrease in transfers and subsidies, as no dividend payments were made during the first half of 2017. The decline in current expenditure was moderated by higher interest outlays in line with an increase in the total outstanding debt of the Nevis Island Administration.



Capital expenditure outlays rose by 34.4 per cent to $59.2m, driven by ongoing activity on several capital projects including; road improvement works in St Kitts and Nevis and the construction of an athletics track and enhancements to the Alexandra hospital in Nevis. Work continued on upgrades to tourism sites and the refurbishment of the Coast Guard facility in St Kitts and a water distribution project in Nevis.

Inflows of official assistance (grants) rose to $34.4m, from $21.8m in the corresponding half of 2016. This outcome was in contrast to a 36.5 per cent reduction in the first six months of the previous year and was influenced mainly by an increase in capital grants to $26.7m, compared with grant receipts of $9.m in the same period last year. This development was associated with an expansion in grant funding to the Nevis Island Administration (NIA).

An overall surplus of $25.4m was recorded by the Central Government, compared with one of $95.7m in the first six months of 2016. This outturn was largely attributable to a reduction in non-tax revenue and higher net lending. Recurrent revenues fell by 17.3 per cent to $275.2m, attributable to lower collections of non-tax receipts of 43.3 per cent. The decline in recurrent revenues was moderated by a 2.2 per cent recovery in the collection of tax revenue, in contrast to a 6.3 per cent decline in the corresponding period of 2016. Tax revenues rose on account of higher collections of taxes on income and profits, and international trade. The improved performance of taxes on income and profits was motivated by an increase in corporate tax receipts (26.1 per cent) and the collection of withholding tax (31.2 per cent) Meanwhile, the performance of taxes on international trade and transactions was buoyed by increased collections of excise duty and non-refundable duty-free store levy of 15.6 per cent and 27.0 per cent respectively. The rise in tax revenue was constrained by lower receipts of taxes on domestic goods and services and property taxes. Receipts of taxes on domestic goods and services contracted by 2.5 per cent mainly reflecting lower collections for stamp duty (47.7 per cent), while a decline in property tax collections was associated with an 84.3 per cent reduction in the condominium tax.

Non-tax revenues decreased to $80.6m compared with $142.3m in the first half of 2016, largely influenced by a 58.4 per cent reduction to $47.4m in revenue inflows from the CBI programme.

Recurrent expenditure fell by 5.7 per cent to $233.6m in the first six months of 2017, compared with a 1.5 per cent decline in the corresponding period of last year. The performance, for the most part reflected lower spending on most of the expenditure categories including; transfers and subsidies which was reduced by 5.5 per cent, while spending also declined on personal emoluments (2.7 per cent) and goods and services (12.5 per cent). In contrast, interest payments rose by 0.2 per cent to $13.4m, attributed to higher domestic payments (14.3 per cent), in line with developments in the domestic debt portfolio.

Outlays on capital expenditure fell by 8.9 per cent to $25.0m, compared with a decrease of 52.1 per cent in the corresponding period of 2016. Additionally, the central government reduced its net lending position to $0.2m from one of $21.6m as statutory bodies reduced their liability on outstanding loans previously advanced to them by the central government.

The fiscal operations of the Nevis Island Administration (NIA) resulted in an overall deficit of $3.9m in the first six months of 2016, compared with a deficit of $4.0m recorded in the corresponding period of 2016.

Current revenue declined by 1.1 per cent to $66.2m, compared with a 4.4 per cent decrease to $67.0m in the corresponding six months of 2016. Lower current revenue collections were attributable to decreased tax receipts as non-tax revenue rose. Tax revenues fell by 2.0 per cent ($6.0m) compared with collections in the corresponding six months of 2016, attributable to declines in receipts from taxes on domestic goods and services (5.0 per cent) and income and profits (17.6 per cent). Lower inflows of taxes on domestic goods and services, were attributable to declines in stamp duty collections (39.4 per cent) and declines in the receipts of licence fees (18.6 per cent). Reductions in inflows of taxes on income and profits reflected declines in both corporate taxes ($1.1m) and social service levy ($0.7m). The decrease in tax revenue was moderated by higher collections from taxes on international trade (9.9 per cent) and taxes on property (65.2 per cent). Non-tax revenue rose by 1.4 per cent ($0.2m) to $7.8m, largely attributable to increases in the revenue performance for fees, fines and sales which rose five-fold to $0.4m. Revenue growth for the non-tax category was constrained by a 2.2 per cent reduction in collections from financial services the largest component of non-tax revenue. Official assistance amounted to $22.9m in capital grants, in the period under review, compared with $7.5m grants in the corresponding six months of 2016.

Current expenditure rose by 7.2 per cent to $66.3m, compared with a 6.1 per cent increase to $61.9m in the corresponding period of 2016. Higher current expenditure was attributable to increased spending on goods and services, personal emoluments and interest payments of 25.8 per cent, 3.3 percent and 11.9 per cent respectively. The increase in current expenditure was tempered by a 9.2 per cent reduction in transfers and subsidies. Capital expenditure more than doubled to $34.2m, compared with $16.6m spent in the corresponding period of 2016.

Public Sector Debt

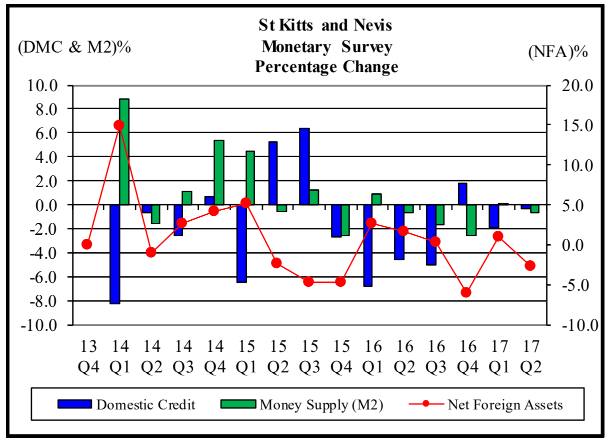
The total disbursed outstanding debt of the Federal Government rose marginally to $1,553.8m during the first six months of 2017, compared with $1,553.3m at the end of December 2016. The major influence in the outturn was a 0.2 per cent increase in the outstanding debt of public corporations to $296.2m. The increase in the outstanding debt of statutory bodies was moderated by a reduction in central government outstanding debt to $1,257.5m, driven by a decrease ($12.1m) in the domestic debt portfolio. Central government debt accounted for 80.9 per cent of total debt while statutory bodies accounted for the remaining 19.1 per cent.

Money and Credit

Monetary liabilities (M2) contracted by 0.6 per cent to $2,891.1m, compared with an increase of 0.2 per cent during the corresponding period of 2016. This development was attributable to a 2.2 per cent reduction in narrow money to $554.7m, combined with a 0.2 per cent contraction in quasi money to $2,336.3m. Narrow money fell, associated with declines in all of the major components including; demand deposits (9.1 per cent), currency with the public (1.4 per cent) and a decrease in in the issuance of EC dollar cheques and drafts (7.4 per cent). Meanwhile, the decrease in quasi money was directly related to a 5.8 per cent ($32.5m) reduction in time deposit balances.

Domestic credit declined by 2.3 per cent to $866.6m, compared to a decrease of 11.1 per cent in the first six months of 2016, for the most part attributable to an increase in the net deposit position of nonfinancial public enterprises (NFPE). The net deposit position of non-financial public enterprises (NFPEs) rose by 2.9 per cent to $1,040.8m, fuelled largely by a 2.8 per cent ($29.0m) increase in deposits held at commercial banks. The other major contributor to the decline in domestic credit was a 0.4 per cent ($5.7m) reduction in lending to the private sector driven by the extension of reduced credit to both households (1.0 per cent) and businesses (1.4 per cent), moderated by a 49.0 per cent ($10.9m) increase in the net credit position of non-bank financial institutions. Net credit to the Federal Government rose by 3.4 per cent ($20.4m) to $451.4m, largely driven by a 3.1 per cent ($6.2m) increase in borrowings by the Nevis Island Administration (NIA), mainly from commercial banks ($5.8m). The increase in net credit to the Federal Government was also supplemented by higher net borrowings of the central government by 1.3 per ($3.1m), largely attributable to a decrease in central government deposits ($3.0m) held at commercial banks.

Decreases were recorded in the distribution of credit for most of the economic sectors. Lending for personal uses; distributive trades and construction declined by 0.8 per cent, 6.4 percent and 2.2 per cent respectively. Declines were also recorded for credit to tourism (1.6 percent) and manufacturing and mining and quarrying (5.2 percent). Reduced credit for personal uses, was primarily influenced by a 2.3 percent decline in lending for other services and a 7.1 per cent decrease in lending for durable consumer goods. By contrast, there were increases in credit to other services (3.4 percent) which largely reflected higher lending for public administration, financial services and professional and other services of 3.1 per cent, 37.6 per cent and 1.0 percent respectively.



The net foreign assets of the banking system fell by 1.8 per cent to $2,128.9m during the first half of 2017, in contrast to an increase of 4.3 per cent ($94.4m) during the same period of 2016. The reduction in the net foreign assets position reflected an 8.1 per cent ($106.6m) decline in commercial bank's net foreign assets to $1,215.8m, largely on account of an increase in the net liabilities position of financial institutions within the Currency Union. This development was moderated by an 8.1 percent ($68.4m) increase in St Kitts and Nevis' imputed share of the Central Bank's reserves.

Liquidity in the commercial banking system increased during the review period as evidenced by a rise in the ratio of liquid assets to total deposits by 5.8 percentage points to 78.6 per cent, while the ratio of loans and advances to total deposits remained unchanged at 37.7 per cent at end of June 2017. Further supporting evidence of a general increase in liquidity included a reduction in the ratio of liquid assets to total deposits plus liquid liabilities which fell by 1.4 percentage points to 56.7 per cent.

The weighted average interest rate spread between loans and deposits, widened by 2 basis points to 6.73 percentage points at the end of June 2017, compared with 6.71 percentage points at the end of December 2016. This development was the result of a 19 basis points decline in the weighted average deposit rate to 1.75 per cent, exceeding an 8 basis points reduction in the weighted average lending rates to 8.48 per cent.

Prospects

The global macroeconomic outlook remains broadly optimistic based on the July 2017 update to the International Monetary Fund's World Economic Outlook (WEO). Projected global growth in 2017 remains at 3.5 per cent, compared with the previous update in April 2017 and exceeds the 3.2 per cent expansion in 2016. Although the global economic expansion forecasted in the April update which was based on a cyclical recovery in global investment, manufacturing and trade remains on track, there has been some divergence in individual country growth outcomes. Significantly, forecasted growth for the USA, the Federation's major trading partner, has been reduced by 0.2 percentage points to 2.1 per cent on the assumption of more muted expansionary fiscal policy. Likewise, the UK was downgraded by 0.3 percentage points to 1.5 per cent growth. These developments have been counterbalanced by more positive growth outlooks for other major trading partners including the Euro Area (1.9 per cent) and Canada (2.5 per cent).

Real sector prospects will for the most part be influenced by developments in the construction sector, particularly in the public sector and supported by ongoing investments in resorts in the private sector. Work on infrastructural enhancements on both islands will consist of the maintenance of roadways, enhancements to public buildings and the further development of existing touristic sites. The possible commencement of the construction of the second cruise pier ($47.0m) and the new Basseterre High School ($40.0m) would represent significant increases in activity in the sector. Private sector construction activity in St Kitts will be headlined by completion work on the Park Hyatt resort in preparation for its 1 November 2017 opening. Construction activity also continues on the Koi Resort and Residences, the T-Loft, Pirates' Nest Resort, the Heldens Condominium Resort and Residences, and several other hospitality and commercial developments. In Nevis, work continues on the Four Seasons Estates, Candy Resort and Nevisian Sunset development. Construction activity will likely be impacted by the recent passage of hurricanes Irma and Maria. Although the Federation did not sustain a direct hit from the Category 5 storms, there was considerable costal damage and impairment to some public infrastructure and a limited number of commercial buildings and private residences which will require replacement.

The performance of the tourism industry is estimated to improve in the remainder of 2017, buoyed by favourable publicity in anticipation of the opening of a new high-end property and the creditable performance of the cruise industry especially during the traditional 'slow season'. Another basis for optimism is a sustained marketing outreach to the traditional visitor sources and forays into sports tourism specifically targeting the Canadian and UK markets. The destination has been a recipient of significant amounts of positive publicity leading up to the announced opening of the Park Hyatt luxury resort. This development should complement recent investments at securing increased airlift into the destination from United Airlines as well as pre-existing seasonal airlift arrangements by American Airlines, weekly service from Delta Airlines and winter service from Air Canada Rouge. The hosting of non-traditional activities such the annual St Kitts Music Festival and matches for the Caribbean Premier League T20 Cricket tournament in July and August respectively will help to boost visitor arrivals. The favourable outlook for stay-over visitors is surpassed by more positive prospects for the cruise sub-sector which continues to expand exponentially. Continued enhancements to the cruise product have positioned the Federation to make further inroads into the markets of longstanding and more established cruise destinations. Consequently, the combination of developments in both construction and the hotels and restaurants sectors will generate positive spin-offs for wholesale and retail trade; transport, storage and communications and the real estate, renting and business activities sectors. Prospects for the manufacturing sector, particularly in the area of electronics, are encouraging consistent with the positive global growth forecast. Inflationary pressures are anticipated to mount in line with developments on the domestic front, moderated somewhat by persistently low international energy prices.

A smaller overall fiscal surplus for the two remaining quarters of 2017, is estimated based on constrained tax and non-tax revenue, combined with higher current expenditure. Pressures are likely to emanate from the non-tax revenue category as a continued reduction in inflows from the CBI programme is likely. These developments are estimated to adversely impact total revenue collections for the remainder of 2017. Tax revenue declines are also estimated to mirror more moderate real sector activity. Higher current expenditure is estimated, particularly outlays on goods and services as the authorities seek to repair some of the infrastructural damage inflicted by the recent hurricanes. Based on policy pronouncements, coupled with the effects of the recent natural disasters, higher capital expenditure outlays are anticipated.

The deficit on the current account of the balance of payments is projected to widen, contingent on higher construction and tourism services related imports, partly moderated by higher export earnings.

The major downside risk remains the decline in receipts from the Citizenship by Investment programme due to regional and international competition. Developments in the CBI programme are directly related to major tourism-related construction projects, therefore, lower activity in the CBI development would have knock-on impacts on on-going and planned construction FDI projects. Mounting geo-political tensions between the USA and North Korea, partly fomented by increasing rhetoric from both administrations have ratcheted up the level of political tensions. An increase in global uncertainty could dampen consumer sentiment in the major tourist markets and consumer spending in the major visitor source markets. Additionally, intensified global trade protectionist sentiments initiated by the new US administration and possible adverse economic impacts to the UK and Europe as a whole from a disruptive Brexit could constrain global economic prospects. Another downside risk, an observed increase in weather related activity, could translate into the increased likelihood of storm damage to the physical infrastructure.

On the upside, reforms to the CBI programme, implemented in January 2017 and targeting improvements in the administration, security robustness and user-friendliness of the programme could

redound to the benefit of the programme in increase inflows. The re-branded programme dubbed 'Platinum Standard' promises to deliver a product and service level exceeding that of regional and global competitors. The prospect of a relaxation of financial regulation by the new Republican led administration in the USA and other pro-business policies could buttress financial optimism in that country creating an environment that facilitates increased inflows of foreign direct investment into the Federation.

SAINT LUCIA

Overview

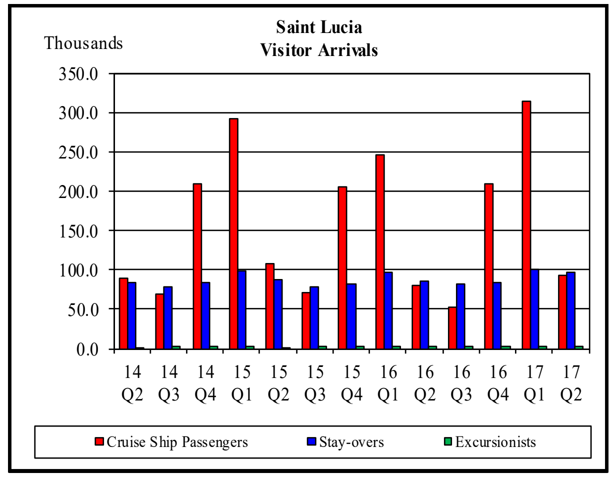
Preliminary indicators suggest that economic activity in Saint Lucia expanded in the first half of 2017. This assessment reflected increased value added in a number of economic sectors, mainly construction and hotels and restaurants. Consumer prices grew by 1.2 per cent, on an end of period basis, as Saint Lucians paid more for, inter alia, gas and fuels. A smaller merchandise trade deficit was recorded due to reduced import payments. **The central government's fiscal operations resulted in a smaller overall surplus, primarily associated with developments on the current account.** The total public sector debt increased, driven largely by an expansion of external indebtedness of the central government. In the banking system, monetary liabilities (M2) and net foreign assets increased, while domestic credit declined. The commercial banking system remained relatively liquid and the interest rate spread between loans and deposits widened during the period under review.

Despite downside risks, developments to date suggest that economic activity in Saint Lucia is poised for expansion in 2017, supported by a positive outlook for the second half of the year. The improvement is largely premised on positive expectations for construction, tourism and agriculture. It is forecasted that the private sector will fuel acceleration in the pace of construction activity for the remainder of the year, supported by some key infrastructural developments in the public sector. The improved performance in the tourism industry is expected to persist, thereby providing a boost to value added in the hotels and restaurants sector. Initiatives in the agricultural sector are expected to provide an impetus for its further strengthening in 2017. Government's fiscal operations are projected to yield a larger deficit, which is likely to be mitigated by the success of the Citizenship by Investment Programme. Inflationary pressures are anticipated, largely dependent on developments in global commodity prices. Risks, though broad, remain tilted to the downside, partly due to unexpected external shocks and vulnerabilities to climate change.
Addressing structural impediments in an effort to foster growth and improve competiveness remains critical to the socio-economic development of Saint Lucia.

Output

Construction activity is estimated to have expanded in the first half of 2017, when compared with the corresponding period of 2016. This assessment is supported in part by an estimated increase in the value of imported construction materials over the period under review, notwithstanding a decline of 4.3 per cent in commercial banks' credit towards the construction sector. In the private sector, where the bulk of activity occurred, work concentrated on a number of tourism-related projects including the Royalton, the Harbour Club, Sandals and the Landings. Activity in the public sector also increased, as reflected by larger capital outlays in the review period, and focused largely on infrastructural development including road reconstruction and rehabilitation.

It is estimated that activity in the tourism industry improved in the first six months of 2017, demonstrated by an increase in the total number of visitors. Total visitor arrivals grew by 16.6 per cent to 637,682, reflecting growth in the cruise and stay-over categories. Regarding cruise-ship visitors, the number of arrivals rose by 24.5 per cent to 406,026, in contrast to a decline of 18.4 per cent in the first half of 2016. The marked improvement in the cruise ship category was largely associated with an increase in the number of cruise ship calls to 279, from 230 in the first six months of the prior year.



Stay-over arrivals increased by 7.9 per cent to 197,548, in contrast to a decline of 1.2 per cent in the corresponding period of 2016. Growth in stay-over arrivals mainly reflected strong performances in all sub-categories of visitors, with the exception of Japan. The number of stay-over visitors from the USA, the main source market, grew by 4.4 per cent to 89,589, a faster pace than the 2.4 per cent recorded in the first six months of 2016. The number of stay-over visitors from Europe, the second largest source market, increased by 8.5 per cent to 46,443, largely attributable to growth in arrivals from the UK, France and Germany. Stay-over arrivals from Canada rose by 16.7 per cent to 27,372, which contrasts an 11.4

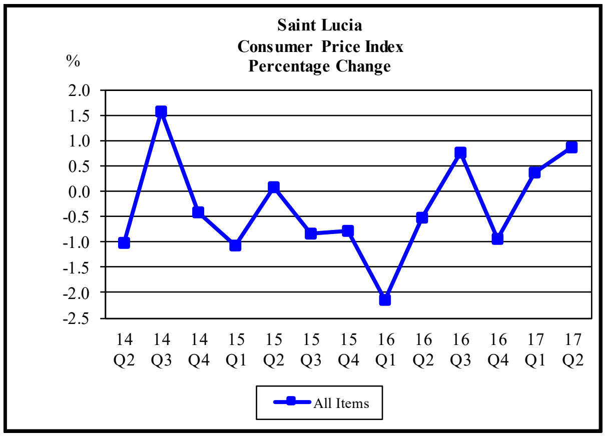
per cent fall in that market in the comparable period of the previous year. The improvement recorded in the stay-over category was bolstered by growth of 8.2 per cent (30,958) in arrivals from the Caribbean. Of the other categories, yacht visitor arrivals and the number of excursionists fell by 6.2 per cent (1,957) and 26.4 per cent (1,565) respectively.

Despite the decline recorded in banana production, output in the agricultural sector is provisionally estimated to have increased in the first half of 2017, mostly associated with non-crop production. Improvements were noted in the production of livestock and poultry, largely due to continuous efforts by the Ministry of Agriculture. On the contrary, production of bananas fell by 22.4 per cent to 3,084 tonnes, mainly as a result of the adverse impact of Tropical Storm Matthew, which affected the island in the latter half of 2016. As a consequence, revenue from banana exports declined by 29.6 per cent when compared with the outcome of the previous year.

In the manufacturing sector, output is estimated to have contracted in the review period compared with the level in the first six months of the prior year. This assessment was supported by an estimated contraction of 10.5 per cent in domestic exports, reflective of a decline in the production and export volume and value of a number of manufactured items. These include fabricated metal and products made of rubber, plastic and paper. Additionally, commercial banks' lending to the manufacturing sector fell by 30.8 per cent in the first six months of 2017.

Prices

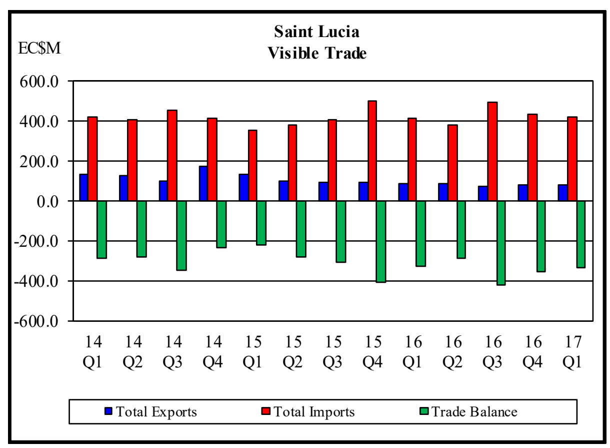
The rate of inflation as measured by the consumer price index increased by 1.2 per cent during the first six months of 2017, in contrast to a decline of 2.7 per cent during the corresponding period of 2016. The increase in prices during the review period was influenced largely by upward movements in the prices of communication (8.8 per cent); housing, utilities, gas and fuels (8.1 per cent) and transport (3.5 per cent). The expansion in overall prices was tempered somewhat by decreases in the sub-indices for recreation and culture (10.4 per cent), clothing and footwear (6.0 per cent), alcoholic beverages, tobacco and narcotics (3.9 per cent), food and non-alcoholic beverages (1.6 per cent), health (1.4 per cent) and household furnishings, supplies and maintenance (0.7 per cent).



Trade and Payments

A merchandise trade deficit of $696.4m was estimated for the first six months of 2017, compared with one of $733.9m recorded in the corresponding period of the previous year. This narrowing of the deficit was associated primarily with a decrease in the value of imports. The value of total imports was estimated to have fallen by 5.8 per cent, largely influenced by decreased spending for minerals, fuels, lubricants and related materials ($117.1m). Receipts from total exports fell by 9.0 per cent to $153.4m, driven primarily by a decline in the value of domestic exports, supported by a contraction in re-exports. Earnings from domestic exports fell by 10.5 per cent, largely due to contractions in the export of machinery and transport equipment ($8.4m), manufactured goods ($2.7m) and food and live animals ($2.5m).

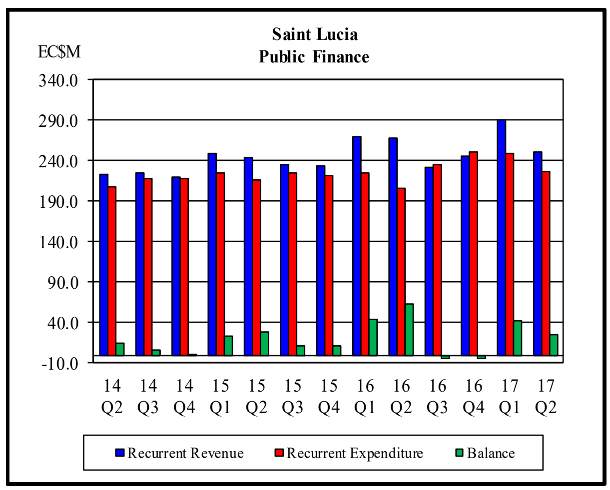
Gross receipts from travel are estimated to have increased by 18.7 per cent to $1,171.9m, reflective of growth in the number of stay-over visitors. Transactions of commercial banks resulted in a net outflow of $321.1m in short-term capital during the first half of 2017, compared with an outflow of $209.3m recorded during the corresponding period of 2016. In the period under review, external loan disbursements to the government were 9.3 per cent below the amount of the comparable period one year ago and principal repayments by the central government decreased marginally (1.5 per cent) to $35.2m. Consequently, the central government recorded a net inflow position of $25.1m, which was lower than a net disbursement position of $30.8m in the first six months of 2016.



Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall surplus of $9.2m, way below one of $48.7m recorded in the first six months of the prior year. The fiscal outturn largely reflected developments on the current account, with support from the capital side. Capital account operations resulted in a deficit of $57.1m, which was marginally below one of $58.7m recorded in the comparable period of 2016. Capital expenditure grew by 10.2 per cent ($7.1m), commensurate with an increase in capital grants. A primary surplus of $97.9m was recorded, compared with one of $120.4m realised in the corresponding period of the prior year.

A surplus of $66.3m was recorded on the current account in the initial half of 2017, compared with one of $107.4m in the corresponding period of the prior year. The narrowing of the surplus was a consequence of an expansion in current expenditure, which was slightly moderated by a marginal increase in current revenue. Current expenditure grew by 10.4 per cent to $475.8m, influenced by growth in all sub-categories of spending, principally transfers and subsidies and interest payments. Outlays for transfers and subsidies, which account for the second largest share of current expenditure, grew by 23.5 per cent ($21.3m), largely due to an increase in contributions to transfers ($15.6m). For interest payment, expenditure was up by 23.7 per cent ($17.0m), reflecting higher commitments both domestically and externally. In line with the increasing price level, spending for goods and services was 6.5 per cent ($5.2m) higher than the first half of the previous year. An additional contributor to the overall increase in current expenditure was a marginal increase in outlays for personal emoluments ($1.2m).



Current revenue grew marginally to $542.1m, buoyed by growth in non-tax revenue. A 15.7 per cent ($2.9m) increase was recorded for non-tax revenue, reflecting growth of 34.0 per cent ($4.3m) in fees, fines and sales, associated in part with receipts from the Citizenship by Investment Programme (CIP).

There was a marginal increase (0.1 per cent) to $520.7m in revenue from taxes, as falling receipts from taxes on domestic goods and services adversely impacted improvements in the other categories of taxes. Revenue from taxes on international trade and transactions grew by 14.9 per cent ($20.4m), influenced by larger collections from the excise tax on imports ($9.1m), the import duty ($6.0m), the service charge ($3.3m), the airport tax ($1.6m), throughput charges ($0.6m) and the airport service charge ($0.1m). Yields from taxes on income and profits grew by 2.5 per cent ($3.8m), largely reflecting growth of 4.1 per cent ($2.6m) in intake from the corporation tax. Receipts from the property tax continued to increase, albeit slowly, and recorded a total of $7.0m in the review period from $6.2m one year earlier. On the contrary, proceeds from taxes on domestic goods and services were 10.9 per cent ($24.3m) less than the amount collected in the corresponding period of 2016, largely attributable to lower yields from the VAT and licenses, as these rates were adjusted in the first quarter of 2017.

Public Sector Debt

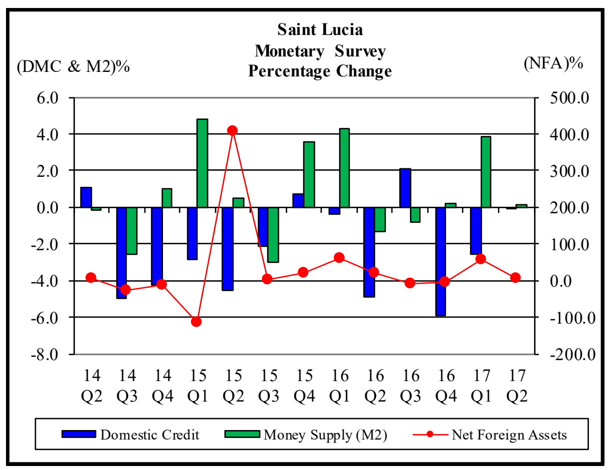
Preliminary data indicate that the total disbursed outstanding debt of the public sector stood at $3,084.9m at the end of June 2017, an increase of 2.2 per cent from the total at the end of December 2016. This outturn reflected a rise of 2.9 per cent in central government's borrowing, as its stock of external debt expanded by 8.8 per cent. However, its stock of domestic debt contracted by 2.6 per cent to $1,473.5m. The total outstanding debt of the public corporations is estimated to have contracted by 13.0 per cent to $100.8m, influenced by declines in their stock of both domestic ($10.8m) and external ($4.3m) debt.

Money and Credit

Monetary liabilities (M2) are estimated to have expanded by 4.0 per cent to $3,250.7m during the first six months of 2017, compared with growth of 2.9 per cent during the comparable period of 2016. The expansion in M2 reflected developments in both of its components. Narrow money (M1) grew by 6.7 per cent to $916.9m, mainly attributable to growth of 9.0 per cent in private sector demand deposits, supported by the issuance of EC$ cheques and drafts, which almost doubled during the review period. Quasi money rose by 3.0 per cent to $2,333.8m, reflecting growth in private sector foreign currency deposits (17.9 per cent) and savings deposits (1.7 per cent), which more than offset a decline of 4.3 per cent in private sector time deposits.

Domestic credit fell by 2.7 per cent to $2,897.1m compared with a decline of 5.2 per cent during the corresponding period of 2016. The contraction in credit was largely influenced by transactions of the non-financial public enterprises, which recorded an increase of 7.5 per cent ($39.1m) in their deposits; resulting in a net deposit position of $525.6m. There was also a 0.9 per cent decline in borrowing by the private sector, reflecting a fall of 12.4 per cent ($191.4m) in business loans. Meanwhile, credit to households increased by 10.0 per cent to $1,851.2m. The transactions of the central government resulted in a net credit position of $203.3m, marginally below the amount recorded at the end of December 2016. Net credit to central government fell slightly (0.1 per cent), attributable in part to a decline of $18.8m in commercial bank credit to government, coupled with a similar increase ($18.1m) in its deposits at these financial institutions.

An analysis of the distribution of credit by economic activity suggests that outstanding loans and advances decreased by 4.0 per cent, associated with declines in lending for all categories, with the exception of personal uses. Outstanding credit for other uses fell by 22.4 per cent ($198.8m), reflective of a 29.4 per cent decline in lending for professional and other uses. Credit to manufacturing contracted by 13.3 per cent ($9.0m), consistent with the developments in that sector. Additionally, lending to distributive trades, tourism, construction and agriculture fell by 7.8 per cent ($22.5m), 5.6 per cent ($19.6m), 4.3 per cent ($10.0m) and 14.9 per cent ($2.1m), respectively. Those declines were partially offset by an increase of 8.0 per cent ($139.2m) in credit for purposes of a personal nature.



The banking system was in a net foreign assets position of $737.7m at the end of June 2017, in comparison with one of $449.5m at the end of December 2016. The positive outturn was associated with a turnaround for the commercial banks to a net asset position of $27.0m from a net liabilities position of

$294.1m at the end of last year. Assets held with institutions within the ECCU increased by 41.7 per cent ($162.8m), while those outside the region grew by 9.7 per cent ($92.7m). Foreign liabilities held within and outside the ECCU contracted by 6.0 per cent ($53.0m) and 1.7 per cent ($12.6m), respectively. Saint Lucia's imputed share of the reserves of the Central Bank decreased by 4.4 per cent ($32.9m).

Commercial banks' liquidity improved during the review period. At the end of June 2017, the ratio of liquid assets to total deposits plus liquid liabilities was at 41.8 per cent, which was 4.2 percentage points more than the level at the end of 2016 and also above the prudential minimum of 25.0 per cent. The loans and advances to total deposits ratio was 82.6 per cent or 5.2 percentage points below the ratio at end December 2016. That ratio exceeded the ECCB's outer band of 85.0 per cent.

The weighted average interest rate on deposits continued its declining trajectory since the Monetary Council's decision to reduce the minimum savings rate on deposits to 2.0 per cent. That rate fell to 1.54 per cent, from 1.62 per cent at the end of December 2016, while the weighted average lending rate decreased marginally to 8.13 per cent from 8.15 per cent. Consequently, the weighted average interest rate spread widened by 6 basis points during the first half of the year.

Prospects

In its July 2017 update of the World Economic Outlook, the International Monetary Fund left unchanged its projections for world output in 2017 at 3.5 per cent as the global recovery firmed. Activity in the advanced economies is forecasted to expand by 2.0 per cent in 2017 and growth in the USA is projected at 2.1 per cent for that same year. Also growth of 1.7 per cent is projected for the UK and a more robust rate of 2.5 per cent for Canada. The strengthening in global economic activity, especially in the USA, augurs well for the economy of Saint Lucia. Considering the global context, the positive performance in the first half of the year and expectations for increased competitiveness and sustainable growth in the local economy, activity in Saint Lucia is projected to continue to expand in 2017. This expansion is likely to be driven primarily by robust activity in the construction sector, coupled with encouraging prospects for other productive sectors and the tourism industry.

Construction growth, which is expected to be the main impetus to economic activity in Saint Lucia will likely be private sector led. It is expected that ongoing projects like the Harbour Club, Coconut Bay, Sandals' Over-the-water Suites, Sunset Bay Resort, Black Bay Hotel Development, Fairmont Saint Lucia Resort and other new initiatives under the Citizenship by Investment Programme may fuel private sector activity for the rest of the year. Support is anticipated from the construction of a new headquarters by Guyana and Trinidad Mutual Group of Companies and other private dwellings. The public sector is also expected to contribute to construction activity through the rehabilitation and maintenance of the road networks and the development of other physical infrastructure planned for the latter half of the year.

In the tourism industry, activity is projected to remain on its current positive trajectory, largely due to expected improvements in airlift and the continued implementation of the country's tourism-led strategy. The expectations are for stay-over arrivals to continue to increase and boost activity in the hotels and restaurants sector. A forecasted expansion in the hotel room stock, accompanied by policy changes and marketing initiatives in the industry augur well for an enhanced performance. Additionally, the favourable growth prospects for the USA, the main source market; the UK and Canada may positively impact the number of stay-over arrivals to Saint Lucia. Support to the tourism industry is likely to come from a boost in airlift through the increased presence of Delta Airlines, United Airlines, JetBlue, British Airways, Virgin Atlantic and the Sun Wing. Also, strengthened collaboration with the French West Indies is expected to augment arrivals from the Caribbean region. As performance in the tourism industry improves, other ancillary sectors like wholesale and retail, transport and distributive trades are expected to benefit.

Against the backdrop of a robust tourism industry, coupled with efforts at strengthening linkages between tourism and agriculture in Saint Lucia, agricultural output is projected to expand in 2017. An increase in the production of crops, livestock and poultry is anticipated, as local farmers continue to supply hotels, restaurants and supermarkets with fresh produce. Notwithstanding the falloff in banana production in the first half of the year, the industry is expected to recover on the premise that a banana productivity improvement project, geared at expanding acreage under cultivation, materializes this year.

The central government's policy on fiscal and debt consolidation is an imperative for Saint Lucia's overall growth prospects. Recent policy shifts have impacted the revenue base and have the potential to adversely impact the fiscal performance, if additional mitigating measures are not implemented. These include the reduction in the VAT rate, the deferral of the VAT for particular sectors, income tax reform and a change in the excise tax on fuel. The fiscal outturn hinges on these and other measures as well as on the success of the Citizenship by Investment Programme. On the capital side, expenditure could increase if some of the pipe-lined projects are fast-tracked, since funding has been identified for work on a number of these projects, along with major road works as contained in the latest budget. Although concerns have been expressed over the debt overhang, the budget for the 2017/18 financial year is expected to be financed through, inter alia, bonds of $208m, treasury bills of $50m and other loans of $84.8m. These borrowing pressures are likely to result in a higher debt level by the central government, with a consequent strain on overall debt servicing. Nevertheless, a medium term debt strategy was developed to analyse the country's debt portfolio and examine debt reduction strategies, which are likely to assist in effective public debt management. A team of consultants has been engaged and discussions are on-going on the mitigation of roll-over and other risks identified in the debt strategy.

In the external sector, the merchandise trade deficit may narrow in the short term based on an anticipated increase in export earnings. It is likely that the improvement in export earnings will compensate for the projected increase in import payments, characteristic of construction-led growth. Inflows from travel are likely to grow, contingent on the performance of the stay-over visitor sub-category. Inflationary pressures may persist, largely dependent on developments in global commodity prices, particularly fuel. Although OPEC and non-OPEC allies agreed to extend oil supply cuts into 2018, the expansion of the US shale industry may assist in keeping prices subdued.

Notwithstanding widely balanced global risks in the short term, and a positive outlook for the Saint Lucian economy, risks remain skewed towards the downside. **Major downside risks to the economy include the inability to implement policies to address structural impediments that hinder growth and competitiveness, while concurrently safeguarding financial stability and fiscal and debt sustainability. Other challenges**

confronting policy makers include a sudden stop in foreign investments used for the major tourism-related projects; the dependence of the tourism industry on developments in the advanced economies, the vulnerability to external shocks, the negative impact of global warming and climate change and the high rate of unemployment, poverty and crime. On the upside, commodity price developments could produce gains on the external accounts and the Citizenship by Investment Programme provides opportunities, which could be leveraged if efficiently managed.

ST VINCENT AND THE GRENADINES

Overview

An analysis of selected indicators suggests that economic activity in St Vincent and the Grenadines declined in the first half of 2017, relative to the corresponding period of 2016. This decline was evident in weaknesses across several sectors including agriculture, construction, manufacturing and wholesale and retail trade, which was offset by a modest gain in tourism. End of period inflation stood at 1.8 per cent in June 2017, driven in part by higher pay for household maintenance services, due to the increase in national minimum wages, which came into effect in May 2017. The merchandise trade deficit is preliminarily estimated to have narrowed, attributed to falling import payments. **The operations of the central government yielded an overall deficit, while the outstanding stock of public sector debt was higher relative to that at the end of December 2016.** Developments in the banking sector were characterised by an increase in net foreign assets, moderate growth in credit and monetary liabilities and narrowing of the weighted average interest rate spreads.

Despite favourable global prospects, the growth outlook for St Vincent and the Grenadines for the remainder of 2017 has been slightly dampened since the March 2017 report, due in part to a weaker than expected outturn in the first half of the year. Domestically, the country is still expected to benefit from the recent opening of the international airport, the start of operations of Glossy Bay marina in Canouan and the continuation of a number of infrastructural projects. With respect to external developments, the International Monetary Fund (IMF) has projected that the global economy would grow by 3.5 per cent in 2017, from a rate of 3.2 per cent in 2016. This improvement is expected to be supported by favourable economic developments in both advanced and emerging economies. This anticipated strengthening is likely to have positive knock-on effects on the economies of the ECCU, including St Vincent and the Grenadines. **This optimistic outlook is however restrained by a number of downside risks associated with both the domestic and external environment. In particular, geopolitical risks related to terrorism as well as natural disasters may cloud the 2017 global and domestic outlook. Domestically, the operationalization of the airport may not facilitate a robust recovery**

in the hotels and restaurant sector, as is generally expected, particularly if there is an extended closure of the Buccament Bay Resort. If any of these risks materialise, a lower growth outcome may be likely in 2017.

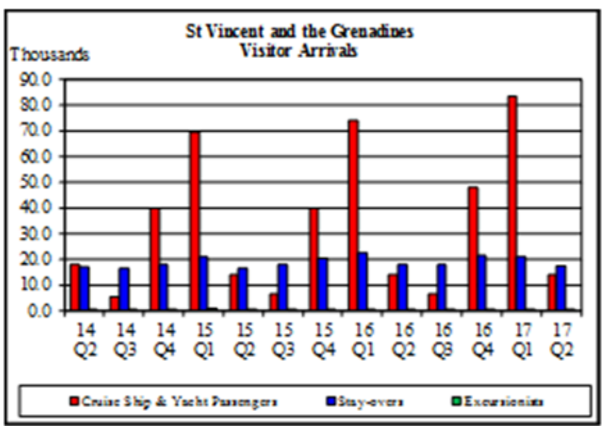
Output

Data for the first half of 2017 indicate that activity in the construction sector was weaker, compared with that in the corresponding period in 2016. The deceleration in the sector was driven by developments in both government-led infrastructural projects and residential construction. Public sector construction, proxied by capital expenditure, fell sharply by 29.1 per cent to $17.1m partly reflecting the slow start of the government's capital programme following the budget in February 2017, as well as the completion of the Argyle International Airport, which dominated the capital programme in previous years. In the residential sub-sector, the construction of private dwellings grew at a slower pace than in the previous year. This was reflected **in a rate of increase of 1.3 per cent in commercial bank lending for residential construction and renovation** relative to a rate of 2.9 per cent observed in the corresponding period of 2016 and an estimated 5.3 per cent reduction in the value of imported construction materials and supplies.

Output in the manufacturing sector is estimated to have contracted in the first six months of 2017, relative to the corresponding period in the preceding year as sluggish demand and a general decline in competitiveness, continues to weigh on the sector. Contractions were recorded in the production of beer (21.0 percent), flour (.08 per cent) and feeds (0.3 percent).

Preliminary indicators suggest that output in the agricultural sector fell in the first half, on account of lower banana production. Specifically, banana output fell by 28.5 per cent in the first half of 2017. Anecdotal information related to the non-traditional segments also suggested that non-banana crop production may have improved tentatively, as the Ministry continued to promote diversification through several initiatives under the Banana Accompanying Measures (BAM), while supporting the cultivation of arrowroot among selected farmers. Meanwhile, fish production was 9.2 per cent lower than that produced a year ago.

Activity in the hotels and restaurants sector increased in the first half 2017. Preliminary data indicate that total visitor arrivals rose by 5.4 per cent to 136,140, a less robust pace from the 6.7 per cent expansion in the corresponding period of the preceding year. Specifically, the number of cruise passengers was estimated to be 16.8 per cent higher when compared to the corresponding period of 2016, while the frequency of port calls by cruise ships fell by 16 to 144 for the six-month period. This expansion may have been due in part to larger vessels, and more cruise passengers who disembarked to enjoy the islands' amenities.

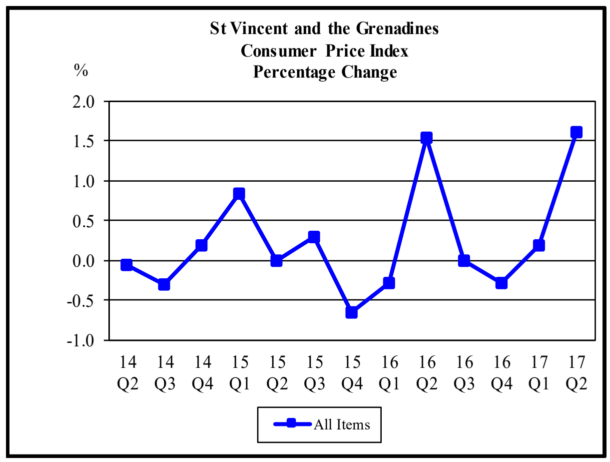


Conversely, stay-over arrivals is estimated to have fallen by 5.9 per cent to 38,118, after having increased by 9.2 per cent in the first six months of 2016. Of this total, visitors in paid accommodation was estimated to have declined by 23.0 per cent, reflective of lower occupancy rates at hotels and villas. The contraction in stay-over arrivals was attributed to declines in arrivals from three of the main source markets. The number of visitors from the United States of America, which accounted for the largest proportion of stay-over arrivals, fell by 2.0 per cent relative to that of the previous year. Visitor arrivals from the Caribbean, the second largest source market, contracted by 3.4 per cent, as St Vincent and the Grenadines hosted fewer regional meetings and conferences in the first half of 2017, relative to the corresponding period of the preceding year. Weaker economic activity in the United Kingdom, as well as the uncertainty associated with the impact of Brexit may have led to a reduction of 20.2 per cent in the number of visitors from the United Kingdom when compared to the previous year. These reductions were partly offset by expansions in the number of visitors from Canada (1.9 per cent) and an aggregate of the other smaller, less-established markets (2.2 per cent). Meanwhile, data showed prolonged declines in the number of excursionists, which registered a sharp contraction of 15.2 per cent in the first half of 2017, following one of 12.8 per cent twelve months earlier. Additionally, there was a 0.8 per cent reduction in yacht passengers to 30,124, following an expansion of 0.6 per cent one year prior.

Consistent with the observed declines in imports and stay-over visitors, the wholesale and retail trade sector is preliminarily assessed to have contracted. Meanwhile, value-added in the utilities sector is estimated to have been mixed, as the amount of electricity consumed in the period inched downwards by 0.1 per cent, while water production rose by 12.0 per cent. During the review period, the financial sector was also provisionally estimated to have recorded marginal growth evidenced by continued bank lending to the personal sector.

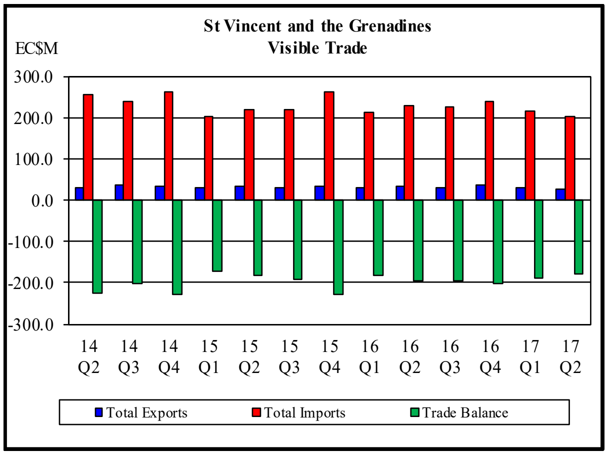
Prices

The consumer price index rose by 1.8 per cent on an end-of-period basis, in comparison to growth of 1.2 per cent in the corresponding period of 2016. The rise in the index was broad-based across components, including the three largest weighted sub-indices. The most notable advance was recorded in the "furnishing, household equipment and routine household maintenance" sub-index which accelerated by 5.0 per cent, on account of an increase in the wages of domestic workers, which was impacted by a rise in the national minimum wage, which became effective in May 2017. This was followed by the "communication" sub-index, which posted a 4.1 per cent gain, due to an upward adjustment in telephone rates. The "housing, water, electricity, gas and other fuels" sub-index, the largest weighted sub-index, registered an increase of 2.2 per cent as a result of higher prices for nails, oil paints, electricity and galvanize nails. The "food and non-alcoholic beverages" and the "transport" sub-indices recorded increases of 0.9 and 2.6 per cent respectively. The upward movement in the transport sub-index was attributable mainly to higher airfares to Trinidad and Tobago and Barbados.



Trade and Payments

The trade data indicates that the visible trade deficit narrowed to $365.2m in the first half of 2017 relative to the $379.0m recorded in the corresponding period of 2016. The narrower deficit was the result of a decrease in import payments by 4.9 per cent to $419.9m and an increase in the value of exports by 12.1 per cent to $54.8m, mainly attributable to an uptick in the re-export of machinery and transport equipment. Notable decreases in export earnings were recorded in beer (43.0 per cent) and flour (22.5 per cent).

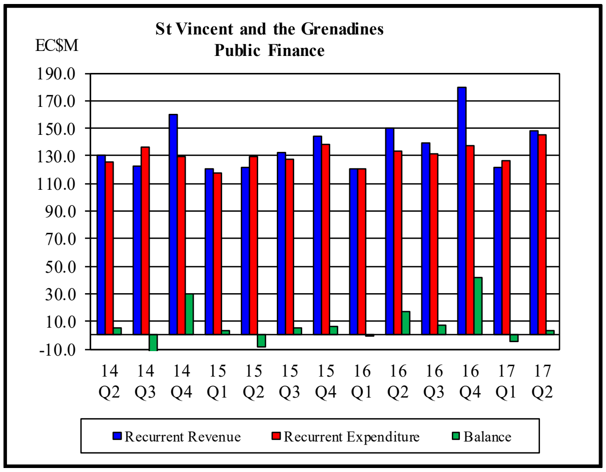


In keeping with the lower level of stay over visitors, total visitor expenditure declined by 5.9 per cent to $141.6m. The transactions of commercial banks resulted in a net inflow of $27.5m in short-term capital in the first half of 2017, compared with an outflow of $41.0m in the corresponding period of 2016. External loan disbursements to the central government rose by $83.6m to $190.4m while external principal payments almost tripled to $165.9m from $61.3m. This resulted in net disbursements of $24.5m relative to $45.6m in the comparable period of 2016.

Central Government Fiscal Operations

Provisional fiscal data for the first half of 2017 indicated a reversal in the overall balance to a deficit of $11.1m from a surplus of $5.1m in the corresponding period of 2016, as growth in expenditure was compounded by a decline in revenue. This deterioration was partially driven by a shift on the current account from a surplus to a deficit. The primary surplus narrowed to $11.7m, following one of $26.1m in the first six months of 2016.

The current account balance shifted to a deficit of $1.4m in the review period, from a surplus of $16.8m in the first half of 2016. This outturn was associated with an expansion in current expenditure coupled with a decline in revenue. Compensation to employees, which comprised approximately half of current expenditure, rose by 1.1 per cent ($1.5m) on account of increases in both wages and salaries and NIS contribution. Concurrently, spending on transfers and other social benefit payments advanced by 8.3 per cent ($5.3m), generated by increases in subventions to statutory organisations, including the operationalisation of the airport and marketing for the 40th anniversary of St Vincent and the Grenadines' carnival celebrations. Higher levels of both external and domestic debt obligations resulted in an increase of 8.3 per cent ($1.7m) in interest payments. Expenditure on goods and services grew by 6.8 per cent ($1.9m) largely due to additional outlays on miscellaneous office supplies, materials and maintenance services relative to outlays in the first half of 2016.



Current revenue declined by 0.2 per cent to $270.1m.[1] The decrease in current revenue was driven by lower collections from taxes on property ($2.7m), taxes on international trade ($1.5m) and property income ($0.3m). A contraction of $2.7m in the inflows from aliens-landholding licenses, partially led to the reduction in the collections from taxes on property; while the reduction in the intake from taxes on international trade and transactions was partly associated with lower receipts from import duties, in tandem with lower value of imports. Concurrently, there was a dip in the outturn from the sundry category - current revenue (other) - which was $1.8m lower relative to the yield in the corresponding period of 2016. These declines were partly offset by gains in three of the major revenue categories and supported by a broadening of revenue sources. The largest expansion was from taxes on income and profit, the collections of which were $3.3m higher than the level recorded in the first half of 2016, and stemmed from a $4.0m uptick in non-resident taxes. An advance of $1.6m was also recorded in the yield from taxes on goods and services, having been boosted by higher inflows from the Value Added Tax (VAT) ($4.3m), which partly reflected the impact of the increase in its standard rate from 15.0 per cent to 16.0 per cent, effective 01 May 2017. Concurrently, inflows from the sale of goods and services grew by $0.9m, and were underpinned by a marginal gain in registration fees of the Commerce and Intellectual Property Office (CIPO).

Capital expenditure stood at $17.1m in the first half of 2017, a further contraction of 29.1 per cent ($7.0m) from the comparable period in 2016. The decline was consistent with the

[1] Data submitted by the Ministry of Finance are now classified according to the Government Finance Statistics Manual 2014 (GFS 2014), so the analysis may vary slightly from that of previous years.

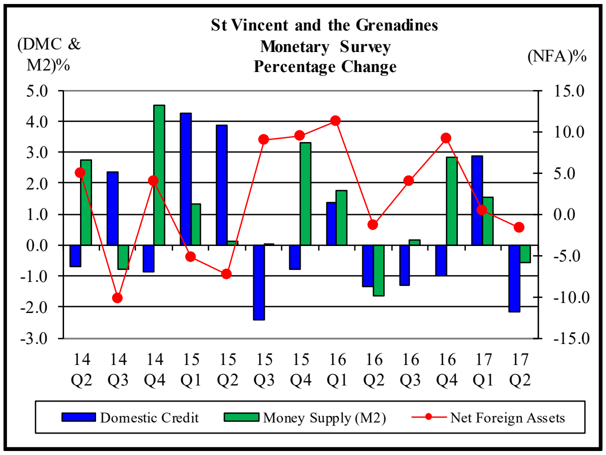
culmination of construction activity associated with a number of projects including the Argyle International Airport, which was operationalized in February 2017; the modern medical complex; as well as a post-disaster housing rehabilitation programme following the Christmas Trough of 2013. The capital programme was partially funded by capital revenue and grants totalling $7.4m, $5.0m less than the intake in the first half of the previous year.

Public Sector Debt

The total outstanding debt of the public sector stood at $1,762.4m at the end of June 2017, 4.3 per cent ($72.7m) higher than the stock at the end of December 2016. Central government outstanding debt, which at the end of June 2017 accounted for approximately four-fifths of total debt, advanced by 5.1 per cent to $1,429.4m reflecting expansions in both external (2.6 per cent) and domestic (12.2 per cent) debt. The increase in central government debt largely reflected bond issuance, partly associated with the repurchase of shares of the Bank of St Vincent and the Grenadines. Meanwhile, debt incurred by statutory corporations rose by 1.1 per cent ($3.5m) to $332.5m.

Money and Credit

Banking sector data reflect an expansion in the monetary liabilities during the first six months of 2017, relative to the comparative period in 2016. **The broad monetary supply (M2) grew by 1.0 per cent to $1,535.6m, a faster rate than the growth rate of 0.1 per cent recorded during the corresponding period in 2016.** The expansion in M2 was predominantly attributable to a 2.7 per cent increase in the narrow money supply (M1) to $492.8m, which in turn was largely influenced by a 3.8 per cent growth in private sector demand deposits. Currency with the public fell by 6.2 per cent mainly associated with 13.5 per cent reduction in currency in circulation. Meanwhile, quasi money grew at a marginal rate of 0.2 per cent, following a 1.9 per cent reduction in the corresponding period of 2016. The marginal growth in quasi money was mainly due to a 3.9 per cent increase in private sector savings deposits, as private sector foreign currency deposits and time deposits fell by 32.2 per cent and 4.4 per cent respectively.



Domestic credit grew marginally by 0.6 per cent and stood at $1,052.0m during the period under review. Of this total, net claims on the central government fell by 5.4 per cent ($3.3m) to $57.1m, and mostly stemmed from a 14.0 per cent increase in government's deposits coupled with a 6.6 per cent rise in government's outstanding credit. The net deposit position of non-financial public enterprises rose by 6.3 per cent to $105.3m due to an expansion in deposits. Credit to the private sector rose by $16.1m (1.5 per cent) at the end of June 2017, primarily associated with an increase in loans to households (2.3 per cent). Loans to the business sector slid by a further 1.4 per cent, following a 4.4 per cent decline in the previous year.

Total outstanding loans and advances grew by 2.0 per cent to $1,223.6m, largely reflective of an estimated 2.0 per cent expansion in personal credit. Credit for home construction and renovation advanced at a rate of 1.3 per cent, a slowdown from the 2.9 per cent growth of the comparable period in the preceding year; lending for consumer durables registered an increase of 6.7 per cent; and miscellaneous household lending rose by 2.7 per cent. The first half of the year was marked by contractions in outstanding credit to a number of economic sectors including tourism (10.6 per cent), distributive trades (5.6 per cent) and manufacturing (1.7 per cent). However, most of these sectors account for a smaller fraction of total credit relative to personal credit. It is noted that despite the recent opening of the Argyle International Airport in February 2017, credit extended to the tourism sector continued to decline, indicative of continued caution by the local private sector in their investment decisions.

During the first half of 2017, the net foreign assets of the banking system is estimated to have declined by 1.3 per cent to $653.1m. The contraction was mainly influenced by an 18.9 per cent ($27.5m) fall in commercial banks' net foreign asset position, but tempered by a 3.6 per cent ($18.8m) uptick in St Vincent and the Grenadines' imputed share of the Central Bank's reserves to $535.0m.

Liquidity of the commercial banking sector fell during the first six months of 2017 but remained at a comfortable level. The ratio of liquid assets to total deposits plus liquid liabilities fell to 44.7 per cent at the end of June 2017 from 46.2 per cent at the end of December 2016, but remained well above the prudential minimum of 25.0 per cent. Meanwhile, the loans and advances to deposits ratio rose by 0.9 percentage points to 68.2 per cent, which was below the prudential threshold of 75.0 to 85.0 per cent.

The weighted average interest rate spread between loans and deposits narrowed to 6.98 percentage points at the end of June 2017, relative to a spread of 7.09 at the end of December 2016. This narrowing reflected an adjustment in the weighted average rates on loans, which edged lower by 0.1 percentage points to 8.79. The weighted average deposit rate remained unchanged at 1.82 per cent.

Prospects

Despite favourable global prospects, the growth outlook for St Vincent and the Grenadines for the remainder of 2017 has been somewhat dampened since the March 2017 report, in part, due to a weaker than expected outturn in the first half of the year. Domestically, the country is expected to benefit from the recent opening of the Argyle International Airport, as well as the start of operations of the Glossy Bay marina in Canouan. In particular, the recent introduction of direct services by Caribbean Airlines and the proposed launch of international travel services by Air Canada on its winter schedule may provide unprecedented opportunities to the country for investment, trade and tourism. Additionally, the start of operations of the marina would be a significant enhancement to yachting activities and represent a valuable complement to stay-over tourism. Such facilities may also provide positive spill-over effects to the local economy by boosting entrepreneurship in the provision of yacht support trades, while increasing the demand for local agricultural produce. This outlook however, would be contingent on improved foreign and domestic private sector investment as well as enhancing productivity and economic competitiveness.

Consistent with this development, the pace of activity in the hotels and restaurants sector is projected to improve with a concomitant advance in gross travel receipts, partially associated with increased arrivals for the 40th anniversary of carnival in July 2017. However, private sector investment and enhanced marketing in both traditional and non-traditional source markets should be enhanced to capitalise on the potential of this sector. The proposed funding devoted to marketing in the 2017 budget is encouraging, but the impact may only be fully realized in the long-term. A swift resolution to the issues at the Buccament Bay Resort should also contribute positively to the outlook for this sector, if it is to materialise.

The outlook for the agricultural and manufacturing sectors is mixed. The agricultural sector continues to be negatively impacted by a number of challenges including - adverse weather; inconsistent markets for produce; rigorous food safety requirements of destination markets; and the difficulties by farmers and hucksters in obtaining foreign exchange when selling their produce in regional markets. Notwithstanding these challenges, some recovery in the agricultural sector is expected in the second half of 2017, supported by the range of ongoing initiatives related to the Banana Accompanying Measures (BAM), such as the commencement of an irrigation project; which are likely to enhance the output in crops and livestock. The Ministry of Agriculture continued to encourage replanting among banana farmers. In addition, the Ministry has partnered with a few designated agencies to conduct trials on banana farms aimed at controlling Black Sigatoka and Moko diseases, which have affected the banana industry. Unfortunately, output in the manufacturing sector is unlikely to improve substantially in light of greater competitive pressure in the grains and beverages sub-sectors.

Construction activity is projected to rebound, with additional anticipated spending by the private sector including identified foreign direct investment such as the Mt Wynne/Peter's Hope project; and by the Government, as it executes its budgeted capital programme. The latter includes the geothermal project, basic needs, and the construction and rehabilitation of roads, sea defences and bridges. Specifically, the rehabilitation of the secondary village and feeder roads would improve access to important economic and social facilities, provide markets for farmers and encourage greater investment by the private sector.

The central government's fiscal operations are expected to be counterbalanced in light of counteracting developments in revenue and expenditure. The gain in capital expenditure and possible transfers for the operations of the airport may be partly mitigated by the fiscal measures which were introduced in the 2017 budget. Those measures include the 1.0 percentage point rise in the Value-Added Tax, along with increases in departure tax and in professional fees.

With respect to external developments, the IMF in its July update of the World Economic Outlook (WEO), has projected that the global economy would grow by 3.5 per cent in 2017, from a rate of 3.2 per cent in 2016. This expansion is expected to be broad-based, supported by favourable economic developments in both advanced and emerging economies. With respect to developments in the country's largest tourism source market, the advance estimate suggested that the USA economy recovered some of the momentum in the second quarter, while its labour market remained relatively healthy at near full employment. These international developments could have positive knock-on effects on the economies of the ECCU, including St Vincent and the Grenadines.

This outlook is restrained by a number of downside risks associated with both the domestic and external environment. In particular, geopolitical risks related to terrorism may cloud the global outlook for the remainder of 2017 and adversely affect visitor sentiment.

Domestically, the operationalisation of the airport may not facilitate the sustained recovery in tourism as is generally expected, particularly if there is an extended closure of Buccament Bay Resort. Enhancements in major visitor sites and improved room stock may have to complement this major development. Additionally, the risk of natural disasters persists, particularly as St Vincent and the Grenadines has been affected by several weather-related events in recent years. With the threat of global warming, there is likelihood for increasing frequency and intensity of these disasters during this year's hurricane season. If any of these risks materialise, a lower growth outcome may be likely in 2017.

NOTES FOR STATISTICAL TABLES AND MONETARY SURVEY

STATISTICAL TABLES

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

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

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

MONETARY SURVEY

1. Central government represents central and local government.

   1.1 Domestic Credit to Central Government (net)

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

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

   plus Central Bank interest due on Securities

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

   minus Sinking Fund Call Account and Government Operating Account held with the Central Bank

2. Other Public Sector represents national insurance (social security scheme) and non-financial public enterprises.
3. Private Sector represents households, private businesses, non-bank financial institutions, and subsidiaries and affiliates.
4. Money Supply (M1) = currency plus total private sector demand deposits plus EC cheques and drafts issued.
5. Currency = total currency liabilities of the Central Bank <u>less</u> commercial banks' holdings of local currency cash.
6. Demand Deposits = total private businesses, households, non-bank financial institutions, and subsidiaries and affiliates residents' demand deposits.
7. Savings Deposits = total private businesses, households, non-bank financial institutions, and subsidiaries and affiliates residents' savings deposits.
8. Time Deposits = total private businesses, households, non-bank financial institutions, and subsidiaries and affiliates residents' time deposits.
9. Foreign Currency Deposits = total private businesses, households, non-bank financial institutions, and subsidiaries and affiliates residents' foreign currency deposits.

S T A T I S T I C A L T A B L E S I N D E X

PAGE

ECCU

ANGUILLA

ANTIGUA AND BARBUDA

DOMINICA

GRENADA

MONTSERRAT

ST KITTS AND NEVIS

SAINT LUCIA

ST VINCENT AND THE GRENADINES

Table 1
ECCU - Selected Tourism Statistics

	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017^{P} 2nd Qr	2016 Jan - Jun	2017 Jan - Jun
Total Visitors	623,820	514,925	1,263,953	1,863,686	766,514	2,411,448	2,630,200
Stay-Over Visitors	258,933	252,535	274,361	317,828	280,341	584,027	598,169
Of which:							
USA	122,976	99,127	109,642	135,071	128,089	262,438	263,160
Canada	15,949	12,979	23,037	40,543	18,541	55,223	59,084
UK	44,731	41,300	54,251	58,878	46,543	107,049	105,421
Caribbean	50,914	71,153	55,245	43,612	57,409	98,045	101,021
Other Countries	24,363	27,976	32,186	39,724	29,759	61,272	69,483
Excursionists \1	27,889	28,703	27,023	37,193	29,053	64,497	66,246
Cruise Ship Passengers \2	305,292	211,988	925,408	1,439,815	425,475	1,661,061	1,865,290
Yacht Passengers \4	31,706	21,699	37,161	68,850	31,645	101,863	100,495
Number of Cruise Ship Calls \3	181	110	581	950	237	1,113	1,187
Total Visitor Expenditure (EC$M)	**1,045.89**	**1,026.08**	**1,229.77**	**1,433.24**	**1,249.71**	**2,395.74**	**2,682.95**

Sources: ECCU Central Statistics Offices and Eastern Caribbean Central Bank

[1] Excursionists includes Sea Arrivals for Saint Lucia and excludes Antigua and Barbuda.

[2] Cruise ship passengers excludes Anguilla but includes Antigua and Barbuda.

[3] Cruise ship calls excludes Anguilla and St Vincent and the Grenadines.

[4] Yacht passengers includes St Kitts and Nevis and St Vincent and the Grenadines.

Data as at 14 August 2017

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

	2016 1st Qr	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr[P]
Net Foreign Assets	**7,033.44**	**7,133.23**	**7,286.08**	**7,399.67**	**8,031.40**	**8,162.16**
Central Bank (Net)	**4,646.97**	**4,711.83**	**4,610.64**	**4,557.25**	**4,612.23**	**4,624.29**
External Assets	4,656.05	4,715.80	4,616.90	4,565.64	4,624.35	4,639.37
External Liabilities	(9.09)	(3.97)	(6.26)	(8.39)	(12.12)	(15.07)
Commercial Banks (Net)	**2,386.48**	**2,421.40**	**2,675.44**	**2,842.42**	**3,419.17**	**3,537.86**
External Assets	5,931.57	5,825.57	5,921.09	6,159.17	6,745.31	6,865.85
External Liabilities	(3,545.09)	(3,404.18)	(3,245.65)	(3,316.75)	(3,326.14)	(3,327.99)
Net Domestic Assets	9,055.22	8,811.93	8,556.28	8,458.32	8,187.80	8,080.47
Domestic Credit	**10,785.48**	**10,387.45**	**10,272.77**	**10,017.41**	**10,139.75**	**9,944.53**
Central Government (Net)	1,058.55	1,017.13	970.04	920.45	1,107.12	928.76
Other Public Sector (Net)	(2,114.25)	(1,948.72)	(1,957.98)	(1,968.75)	(1,996.13)	(2,032.11)
Private Sector	11,841.19	11,319.05	11,260.71	11,065.71	11,028.77	11,047.88
Household	6,760.14	6,629.08	6,625.78	6,543.74	6,694.90	6,726.40
Business	4,730.45	4,322.07	4,262.30	4,150.23	3,917.79	3,909.51
Non-Bank Financial Institutions	205.57	225.16	230.27	270.55	319.06	314.96
Subsidiaries & Affiliates	145.03	142.74	142.37	101.19	97.02	97.01
Other Items (Net)	**(1,730.26)**	**(1,575.52)**	**(1,716.49)**	**(1,559.09)**	**(1,951.95)**	**(1,864.06)**
Monetary Liabilities (M2)	**16,088.66**	**15,945.16**	**15,842.36**	**15,857.99**	**16,219.20**	**16,242.63**
Money Supply (M1)	**3,734.15**	**3,708.19**	**3,682.11**	**3,787.66**	**3,918.26**	**3,920.93**
Currency with the Public	744.11	749.88	762.98	833.99	810.25	806.25
Demand Deposits	2,930.59	2,884.17	2,831.23	2,877.44	3,030.19	3,028.10
EC$ Cheques and Drafts Issued	59.46	74.15	87.90	76.23	77.83	86.58
Quasi Money	**12,354.51**	**12,236.97**	**12,160.26**	**12,070.32**	**12,300.94**	**12,321.70**
Savings Deposits	7,122.38	7,165.17	7,161.39	7,201.48	7,354.66	7,449.67
Time Deposits	2,558.68	2,500.07	2,409.64	2,349.61	2,278.15	2,205.48
Foreign Currency Deposits	2,673.46	2,571.72	2,589.22	2,519.24	2,668.13	2,666.56

Source: Eastern Caribbean Central Bank
Data as at 14 September2017

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

	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017P 2nd Qr	2016 Jan - Jun	2017 Jan - Jun
Current Revenue	1,354.07	1,337.36	1,292.66	1,212.68	1,174.06	2,470.99	2,386.73
Tax Revenue	997.52	878.73	940.59	1,016.85	981.91	1,941.47	1,998.77
Taxes on Income and Profits \1	230.07	184.59	185.01	256.13	213.21	455.78	469.34
Of which:							
Personal /1	94.38	81.95	86.55	96.51	84.46	198.03	180.97
Company/Corporation /2	109.66	83.42	80.04	130.37	99.01	206.94	229.38
Taxes on Property	44.09	26.06	31.32	26.35	47.68	71.08	74.03
Taxes on Domestic Goods and Services	443.59	402.90	417.09	455.44	432.75	872.83	888.19
Of which:							
Accommodation Tax	5.02	2.32	0.84	9.83	6.95	14.52	16.78
Licences	24.50	17.35	25.85	29.77	18.93	54.31	48.70
Sales Tax \3	67.74	56.11	57.79	73.41	64.29	137.08	137.70
Value Added Tax \5	254.13	237.17	254.41	253.21	250.08	501.48	503.29
Stamp Duties	31.94	31.89	23.21	24.24	36.23	54.96	60.46
Taxes on International Trade and Transactions	279.77	265.18	307.16	278.93	288.28	541.77	567.21
Of which:							
Import Duties	121.45	119.53	142.81	120.48	124.71	235.83	245.19
Consumption Tax \6	25.07	21.38	21.98	20.01	18.14	46.53	38.15
Customs Service Charge	56.96	57.58	67.96	56.97	60.76	109.55	117.73
Non-Tax Revenue	356.56	458.63	352.07	195.82	192.14	529.52	387.97
Current Expenditure	1,059.97	1,001.85	1,162.54	1,067.52	1,062.06	2,004.08	2,129.58
Personal Emoluments	456.29	444.87	509.77	456.60	451.47	891.26	908.06
Goods and Services	220.24	205.18	234.40	213.85	215.11	398.83	428.96
Interest Payments	113.77	111.49	112.73	119.26	129.36	222.34	248.62
Domestic	54.88	68.21	60.06	80.12	67.05	112.86	147.17
External	58.89	43.28	52.67	39.14	62.30	109.48	101.44
Transfers and Subsidies	266.75	236.96	299.54	275.67	256.97	487.43	532.64
Of which: Pensions	74.41	73.52	97.99	82.52	78.69	150.68	161.22
Current Account Balance	294.11	335.51	130.12	145.16	111.99	466.91	257.15
Capital Revenue	46.12	13.18	138.01	11.60	2.13	48.94	13.73
Grants	108.26	91.34	86.58	57.16	47.60	142.14	104.77
Of which: Capital Grants	57.96	64.29	56.16	52.46	38.31	85.85	90.77
Capital Expenditure and Net Lending	196.42	187.89	259.54	168.47	204.41	323.91	372.87
Of which: Capital Expenditure	193.05	187.84	222.99	168.73	202.31	335.82	371.05
Primary Balance after grants	365.85	363.63	207.89	164.71	86.68	556.43	251.40
Overall Balance after grants	252.08	252.14	95.16	45.46	(42.68)	334.09	2.78
Financing	(252.08)	(252.14)	(95.16)	(45.46)	42.68	(334.09)	(2.78)
Domestic	(242.23)	(301.86)	(139.36)	(41.92)	63.14	(290.18)	21.22
ECCB (net)	29.97	34.42	(68.94)	(15.29)	35.30	(7.31)	20.01
Commercial Banks (net)	(52.72)	(60.98)	(16.14)	201.32	(200.11)	(204.81)	1.21
Other	(219.48)	(275.30)	(54.27)	(227.95)	227.94	(78.06)	(0.01)
External	(4.84)	25.14	71.22	(2.91)	(41.86)	(54.59)	(44.77)
Net Disbursements/(Amortisation)	(2.25)	13.73	80.33	(0.90)	(39.27)	(41.08)	(40.17)
Disbursements	147.48	159.99	250.99	170.58	203.72	225.23	374.30
Amortisation	149.73	146.25	170.66	171.48	242.99	266.31	414.47
Change in Government Foreign Assets	(2.59)	11.40	(9.11)	(2.01)	(2.58)	(13.51)	(4.59)
Arrears \7	(5.00)	24.58	(27.03)	(0.63)	21.39	(19.76)	20.77
Domestic	(4.65)	4.89	8.99	(12.41)	21.11	(29.92)	8.69
External	(0.35)	19.69	(36.02)	11.78	0.29	10.15	12.07

Source: ECCU Ministries of Finance and Eastern Caribbean Central Bank

/1 Taxes on Income & Profits include stabilization levy collected in Anguilla and Social Services Levy in St Kitts and Nevis

/2 Excludes Anguilla

/3 Includes Antigua and Barbuda and Dominica

/4 Excludes Montserrat

/5 Excludes Anguilla, Antigua and Barbuda, Montserrat

/6 Excludes St Vincent and the Grenadines

/7 Excludes Grenada, Montserrat, St Kitts and Nevis and Saint Lucia

Data as at 18 September 2017

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

	2016P 2nd Qr	2016P 3rd Qr	2016P 4th Qr	2017P 1st Qr	2017P 2nd Qr
Anguilla	420.58	423.46	475.24	471.29	462.72
Antigua and Barbuda	2,987.06	3,008.03	3,030.74	3,078.32	3,077.59
Dominica	1,094.71	1,084.93	1,062.02	1,049.26	1,061.08
Grenada	2,312.43	2,311.67	2,297.45	2,317.01	2,302.45
Montserrat	8.83	8.72	8.62	8.51	10.68
St Kitts and Nevis[1/]	1,565.59	1,561.58	1,553.33	1,553.50	1,553.76
Saint Lucia	2,985.45	3,043.39	3,016.98	3,114.82	3,084.86
St Vincent and the Grenadines	1,575.78	1,689.46	1,689.74	1,695.31	1,762.43
TOTAL ECCU	**12,950.43**	**13,131.25**	**13,134.11**	**13,288.02**	**13,315.57**

Source: Eastern Caribbean Central Bank
* Includes arrears of principal
[1/]Debt Data for St. Kitts and Nevis is estimated as at June 2017.
Data as at 14 August 2017

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

	2016P 2nd Qr	2016P 3rd Qr	2016P 4th Qr	2017P 1st Qr	2017P 2nd Qr
Anguilla	410.15	410.68	462.99	459.52	451.43
Antigua and Barbuda	2,541.37	2,568.81	2,596.50	2,623.30	2,620.44
Dominica	929.67	916.21	893.35	882.92	899.36
Grenada	2,180.49	2,182.49	2,175.39	2,190.60	2,176.43
Montserrat	4.58	4.57	4.56	4.55	6.82
St Kitts and Nevis[1/]	1,264.94	1,263.43	1,257.71	1,257.29	1,257.52
Saint Lucia	2,850.67	2,913.63	2,901.13	3,008.63	2,984.09
St Vincent and the Grenadines	1,345.85	1,350.25	1,360.70	1,359.80	1,429.93
TOTAL ECCU	**11,527.72**	**11,610.06**	**11,652.32**	**11,786.62**	**11,826.02**

Source: Eastern Caribbean Central Bank
[1/]Debt Data for St. Kitts and Nevis is estimated as at June 2017.
Data as at 14 August 2017

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

	2016P 2nd Qr	2016P 3rd Qr	2016P 4th Qr	2017P 1st Qr	2017P 2nd Qr
Anguilla	21.04	8.19	6.70	8.24	9.22
Antigua and Barbuda	73.43	97.19	118.96	115.89	131.21
Dominica	23.56	18.31	21.58	18.45	36.32
Grenada	97.26	89.91	133.26	33.20	72.58
Montserrat	0.04	0.04	0.03	0.04	0.03
St Kitts and Nevis[1/]	25.87	14.94	25.19	27.48	33.42
Saint Lucia	67.02	68.20	68.89	74.42	71.02
St Vincent and the Grenadines	81.50	80.74	90.18	115.54	141.62
TOTAL ECCU	**389.72**	**377.52**	**464.79**	**393.25**	**495.42**

Source: Eastern Caribbean Central Bank
[1/]Debt Data for St. Kitts and Nevis is estimated as at June 2017.
Data as at 14 August 2017

Table 7
Regional Government Securities Market (RGSM)
Activity on the Primary Market (EC$M)

	2016^R 2nd Qr	2016^R 3rd Qr	2016^R 4th Qr	2017^R 1st Qr	2017^P 2nd Qr	2016 Jan to Jun	2017 Jan to Jun
Total Bid Amount	376.65	344.32	457.25	340.74	438.11	698.88	778.84
Total Offer Amount	222.00	232.00	285.00	191.00	291.00	448.00	482.00
Total Raised	261.32	259.59	310.66	216.00	319.76	528.52	535.76

Source: Eastern Caribbean Central Bank
Data as at 14 August 2017

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

	2nd Qr	2016^R 3rd Qr	2016^R 4th Qr	2017^R 1st Qr	2017^P 2nd Qr	2016 Jan to Jun	2017 Jan to Jun
91-day Treasury Bills	3.73	3.70	2.91	2.45	3.25	4.15	2.85
180-day Treasury Bills	4.18	3.00	3.58	2.00	2.40	4.25	2.32
365-day Treasury Bills	*	5.00	4.91	4.00	5.00	4.50	4.63
2-year Bond	*	*	*	*	*	*	*
3-year Bond	*	6.50	*	*	*	*	*
4-year Bond	*	*	*	*	*	*	*
5-year Bond	*	*	*	*	*	*	*
6-year Bond	*	*	*	*	*	7.00	*
7-year Bond	*	*	*	*	7.50	*	7.50
8-year Bond	*	*	*	*	*	*	*
10-year Bond	*	*	*	*	*	7.50	*
15-year Bond	*	*	*	*	*	*	*

Source: Eastern Caribbean Central Bank
Data as at 14 August 2017

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

	2016^R 2nd Qr	2016^R 3rd Qr	2016^R 4th Qr	2017^R 1st Qr	2017^P 2nd Qr	2016 Jan to Jun	2017 Jan to Jun
Volume	1.49	11.23	2.00	4.57	1.05	2.45	5.62
Value	1.49	11.10	2.68	7.69	0.89	2.44	8.57

Source: Eastern Caribbean Securities Exchange
Data as at 14 August 2017

Table 10
Anguilla - Selected Tourism Statistics

	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2016 Jan - Jun	2,017.00 Jan - Jun
Total Visitors	42,478	39,999	39,124	56,126	48,498	96,847	104,624
Stay-Over Visitors	19,385	16,542	18,329	24,445	22,851	44,368	47,296
Of which:							
USA	12,965	8,232	11,993	17,217	14,900	30,283	32,117
Canada	741	416	949	1,518	723	2,136	2,241
UK	639	733	703	1,005	1,032	1,532	2,037
Caribbean	2,972	5,012	2,677	2,135	3,439	5,746	5,574
Other Countries	2,068	2,149	2,007	2,570	2,757	4,671	5,327
Excursionists	23,093	23,457	20,795	31,681	25,647	52,479	57,328
Total Visitor Expenditure (EC$M)	**79.55**	**79.36**	**83.74**	**119.15**	**101.03**	**192.36**	**220.18**

Source: Anguilla Statistics Department, Ministry of Finance, Economic Development, Investment, Commerce and Tourism
Data as at 14 August 2017

Table 11
Anguilla - Consumer Price Index
March 2010 = 100

			Percentage Change*						
			Quarter Over Previous Quarter						
		Index	2016	2016	2016	2017	2017P	Jun-16	Jun-17
	Weight	Jun 2017	2ndQr	3rdQr	4thQr	1st Qr	2ndQr	Dec-15	Dec-16
All Items	100.0	106.38	1.65	(0.01)	1.20	(0.32)	(0.22)	0.52	(0.53)
Food & Non-Alchoholic Beverages	12.8	112.89	(0.02)	0.84	0.24	0.18	0.18	(0.42)	0.36
Alchoholic Beverages, Tobacco & Narcotics	2.3	122.68	0.97	0.06	0.18	1.23	0.25	0.93	1.48
Clothing & Footwear	3.3	104.07	0.32	0.15	(2.56)	(2.53)	0.12	5.77	(2.42)
Housing, Utilities, Gas & Fuels	25.6	94.85	0.08	(0.23)	(0.17)	0.12	(0.93)	(1.44)	(0.82)
Household Furnishings, Supplies & Maintenance	4.0	113.93	(0.61)	0.40	0.77	(0.40)	0.55	3.95	0.15
Health	2.3	115.55	7.18	-	0.08	-	(0.30)	(0.12)	(0.30)
Transport	16.0	107.15	0.45	(1.14)	8.83	(4.22)	1.08	(4.53)	(3.18)
Communication	13.4	117.25	11.60	0.45	(1.26)	2.37	(1.10)	11.60	1.23
Recreation & Culture	3.8	92.72	(2.68)	1.24	(0.44)	1.62	(0.22)	(4.26)	1.40
Education	5.9	121.84	-	-	0.00	-	-	-	-
Hotels & Restaurants	4.0	103.75	(0.77)	(0.11)	1.13	(0.31)	(0.84)	(0.98)	(1.15)
Miscellaneous	6.5	103.76	0.68	0.01	0.75	0.25	(0.02)	0.87	0.23

Source: Anguilla Statistics Department, Ministry of Finance, Economic Development, Investment, Commerce and Tourism
*at end of period
Data as at 14 August 2017

Table 12
Anguilla - Selected Trade Statistics
(EC$M)

	2016 2ndQr	2016 3rdQr	2016 4thQr	2017R 1st Qr	2017P 2ndQr	2016 Jan - Jun	2017P Jan - Jun
Total Exports	4.19	4.49	6.46	2.83	2.79	8.44	5.62
Total Imports	153.15	117.20	105.57	138.16	135.13	299.05	273.29
Trade Balance	(148.96)	(112.71)	(99.11)	(135.32)	(132.34)	(290.61)	(267.67)

Source: ECCB Estimates
Data as at 14 August 2017

Table 13
Anguilla - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2016 Jan - Jun	2017 Jan - Jun
Current Revenue	46.21	42.99	44.97	55.46	56.65	100.75	112.10
Tax Revenue	39.08	36.26	37.60	47.77	50.27	86.50	98.04
Taxes on Income and Profits	3.82	3.55	3.26	3.89	3.69	7.63	7.59
Of which: Stabilisation Levy	3.82	3.55	3.26	3.89	3.69	7.63	7.59
Taxes on Property	0.56	1.69	2.96	0.94	2.17	1.17	3.11
Taxes on Domestic Goods and Services	14.65	12.56	7.70	22.30	26.31	35.34	48.60
Of which:							
Licenses	4.45	2.93	2.39	7.15	3.31	12.03	10.45
Accommodation Tax	4.98	2.26	0.71	9.42	6.67	14.10	16.09
Stamp Duties	1.76	2.32	1.98	1.15	12.38	2.79	13.53
Taxes on International Trade and Transac	20.05	18.46	23.67	20.64	18.10	42.36	38.74
Of which:							
Import Duty	15.65	13.87	18.61	16.03	14.09	32.71	30.12
Customs Surcharge	4.11	3.78	4.91	4.36	3.89	8.63	8.24
Embarkation Tax	0.09	0.63	0.02	0.13	(0.01)	0.62	0.12
Non-Tax Revenue	7.14	6.73	7.37	7.68	6.38	14.26	14.06
Current Expenditure	51.46	45.96	48.93	45.48	48.80	92.76	94.29
Personal Emoluments	21.50	21.31	21.37	20.76	21.11	42.25	41.87
Good and Services	13.92	9.86	13.17	9.81	11.90	21.20	21.71
Interest Payments	3.31	3.43	3.27	3.56	4.14	5.28	7.70
Domestic	2.53	2.33	2.19	2.41	2.51	2.83	4.92
External	0.78	1.11	1.08	1.15	1.63	2.45	2.78
Transfers and Subsidies	12.73	11.35	11.12	11.35	11.65	24.02	23.00
Of which: Pensions	2.15	2.13	2.12	2.13	2.30	4.27	4.42
Current Account Balance	(5.24)	(2.97)	(3.96)	9.97	7.84	7.99	17.82
Capital Revenue	-	-	-	-	-	-	-
Grants	0.06	0.35	1.88	0.63	0.19	0.12	0.82
Of which: Capital Grants	0.06	0.35	1.88	0.63	0.19	0.12	0.82
Capital Expenditure and Net Lending	1.67	1.23	3.20	1.74	3.20	2.13	4.94
Of which: Capital Expenditure	1.67	1.23	3.20	1.74	3.20	2.13	4.94
Primary Balance before grants	(3.60)	(0.77)	(3.89)	11.79	8.79	11.15	20.58
Primary Balance after grants	(3.54)	(0.42)	(2.01)	12.42	8.98	11.26	21.40
Overall Balance before grants	(6.91)	(4.20)	(7.16)	8.23	4.64	5.86	12.88
Overall Balance after grants	(6.85)	(3.85)	(5.28)	8.86	4.83	5.98	13.69
Financing	6.85	3.85	5.28	(8.86)	(4.83)	(5.98)	(13.69)
Domestic	9.77	7.20	(50.51)	(8.38)	(3.13)	(0.03)	(11.51)
ECCB (net)	0.97	(0.04)	(59.51)	0.23	0.57	4.57	0.80
Commercial Banks (net)	25.71	16.03	12.82	3.03	(6.69)	14.48	(3.66)
Other	(16.91)	(8.78)	(3.82)	(11.64)	2.99	(19.08)	(8.65)
External	(3.34)	(3.36)	56.45	(3.29)	(3.29)	(6.59)	(6.57)
Net Disbursements/(Amortisation)	(3.34)	(3.36)	56.45	(3.29)	(3.29)	(6.59)	(6.57)
Disbursements	-	-	59.79	0.00	-	0.08	0.00
Amortisation	3.34	3.36	3.34	3.29	3.29	6.67	6.57
Change in Government Foreign Assets	-	-	-	-	-	-	-
Arrears	0.42	0.01	(0.65)	2.81	1.58	0.64	4.39
Domestic	0.42	0.01	(0.65)	2.81	1.58	0.64	4.39
External	-	-	-	-	-	-	-
Other Financing	-	-	-	-	-	-	-

Source: Treasury Department, Anguilla and the Eastern Caribbean Central Bank
Data as at 14 August 2017

Table 14
Anguilla - Monetary Survey
(EC$M at end of period)

	2016 1st Qr	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr
Net Foreign Assets	**379.03**	**385.74**	**392.60**	**432.23**	**437.64**	**452.88**
Central Bank (Net)	**128.91**	**129.62**	**113.61**	**149.99**	**146.77**	**181.46**
Commercial Banks (Net)	250.12	256.12	278.98	282.25	290.88	271.41
External (Net)	75.67	96.42	181.60	187.59	212.07	216.98
Assets	247.00	259.66	275.80	275.56	298.49	307.63
Liabilities	171.33	163.24	94.20	87.97	86.42	90.65
Other ECCB Territories (Net)	174.45	159.70	97.39	94.66	78.81	54.43
Assets	210.58	180.81	197.21	201.10	194.79	182.34
Liabilities	36.13	21.10	99.82	106.44	115.98	127.91
Net Domestic Assets	**696.53**	**632.25**	**625.13**	**578.78**	**574.51**	**568.48**
Domestic Credit	**882.94**	**589.35**	**579.30**	**532.01**	**517.74**	**555.53**
Central Government (Net)	(72.58)	(45.90)	(29.92)	(76.61)	(73.35)	(79.47)
Other Public Sector (Net)	(250.54)	(36.83)	(38.88)	(39.10)	(49.66)	(52.40)
Private Sector	1,206.06	672.08	648.10	647.72	640.74	687.40
Household	509.55	367.83	354.09	356.19	351.44	370.18
Business	675.19	296.49	286.13	283.80	281.61	309.61
Non-Bank Financial Institutions	3.52	1.04	1.16	1.01	0.98	0.90
Subsidiaries & Affiliates	17.80	6.72	6.72	6.72	6.72	6.72
Other Items (Net)	**(186.41)**	**42.90**	**45.83**	**46.77**	**56.77**	**12.95**
Monetary Liabilities (M2)	**1,075.56**	**1,017.99**	**1,017.72**	**1,011.02**	**1,012.15**	**1,021.36**
Money Supply (M1)	**57.50**	**59.94**	**63.07**	**64.10**	**61.67**	**62.34**
Currency with the Public	17.40	18.81	20.33	19.98	21.02	20.61
Demand Deposits	39.23	38.71	42.01	42.87	40.20	40.07
EC$ Cheques and Drafts Issued	0.87	2.42	0.73	1.26	0.45	1.66
Quasi Money	**1,018.06**	**958.06**	**954.66**	**946.92**	**950.48**	**959.02**
Savings Deposits	131.25	133.43	136.24	134.76	138.66	140.04
Time Deposits	112.97	101.72	100.15	99.37	102.15	100.76
Foreign Currency Deposits	773.85	722.90	718.27	712.80	709.67	718.23

Source: Eastern Caribbean Central Bank
Data as at 14 AUG 2017

Table 15

Antigua and Barbuda - Selected Tourism Statistics

	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017P 2nd Qr	2016 Jan - Jun	2017 Jan - Jun
Total Visitors	123,253	81,195	263,067	435,957	145,111	533,981	581,068
Stay-Over Visitors	60,998	54,621	65,002	78,982	58,673	145,564	137,655
Of which:							
USA	28,362	21,498	24,152	30,472	26,409	63,002	56,881
Canada	3,835	2,353	5,108	8,907	3,900	13,735	12,807
Europe	19,158	18,395	25,152	29,739	18,957	48,688	48,696
UK	16,442	15,099	20,830	23,967	15,692	40,583	39,659
Germany	360	157	577	937	447	1,431	1,384
Switzerland	252	137	367	374	306	652	680
Italy	1,509	2,528	2,209	2,925	1,750	3,863	4,675
France	270	224	544	600	314	864	914
Other Europe	325	250	625	936	448	1,295	1,384
Caribbean	7,132	9,726	7,593	6,000	6,545	13,717	12,545
South America	375	358	265	424	381	1,037	805
Other Countries	2,136	2,291	2,732	3,440	2,481	5,385	5,921
Cruise Ship Passengers	58,494	25,714	193,929	347,578	81,981	375,086	429,559
Number of Cruise Ship Calls	27	10	111	192	42	192	234
Yacht Passengers	3,761	860	4,136	9,397	4,457	13,331	13,854
Number of Yacht Calls	1,001	200	803	2,111	1,172	2,993	3,283
Total Visitor Expenditure (EC$M)	**202.64**	**176.31**	**226.04**	**288.57**	**197.90**	**506.80**	**486.47**

Source: Ministry of Tourism, Antigua and Barbuda
Data as at 14 August 2017

Table 16
Antigua and Barbuda - Consumer Price Index
January 2001 = 100

			Percentage Change*						
		Index	2016	2016	2016	2017	2017P	Jun-16	Jun-17
	Weight	Jun-17	2nd Qr	3rd Qr	4th Qr	1st Qr	2nd Qr	Dec-15	Dec-16
All Items	100.00	137.28	(0.83)	0.41	0.21	2.49	(0.12)	(1.73)	2.37
Food	21.42	159.53	(0.43)	0.19	0.59	2.23	(0.71)	(2.56)	1.50
Alcoholic Beverages and Tobacco	0.16	141.29	(1.48)	(0.94)	1.71	1.27	1.15	(2.98)	2.43
Housing	21.83	112.44	(2.69)	0.00	0.00	7.44	0.00	(4.10)	7.44
Fuel and Light	6.39	131.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Clothing and Footwear	11.06	105.06	(0.82)	0.43	0.11	0.02	0.71	0.33	0.73
Household Furnishings and Supplies	12.60	145.17	1.17	(0.13)	1.09	0.23	0.17	0.30	0.39
Transport and Communications	15.35	141.01	(0.43)	1.45	0.09	2.31	0.08	(1.67)	2.39
Medical Care and Expenses	2.76	136.22	(3.15)	(2.85)	(0.07)	0.07	0.81	(3.16)	0.88
Education	2.34	212.44	(2.36)	0.00	0.00	0.00	0.00	(2.36)	0.00
Personal Services	4.30	170.04	(1.22)	2.37	(1.97)	4.82	(1.08)	0.36	3.69
Miscellaneous	1.79	129.52	(1.16)	5.08	(0.25)	0.36	0.01	(0.48)	0.36

Source: Statistics Division,Ministry of Finance, The Economy and Public Administration, Antigua and Barbuda
*at end of period
Since April 2016, the Geometic Mean is used to calculate the index. The Arithmetic Mean was used prior to April 2016.
Data for June 2017 estimated
Data as at 14 August 2017

Table 17
Antigua and Barbuda - Selected Trade Statistics
(EC$M)

	2016	2016	2016	2017	2017P	2016	2017
	2nd Qr	3rd Qr	4th Qr	1st Qr	2nd Qr	Jan - Jun	Jan - Jun
Visible Trade Balance	(218.50)	(309.42)	(364.37)	(339.20)	(275.08)	(495.89)	(614.27)
Total Exports	119.25	5.18	8.74	19.08	59.30	150.65	78.38
Total Imports	337.75	314.61	373.11	358.27	334.38	646.54	692.65

Source: Statistics Division,Ministry of Finance, The Economy and Public Administration, Antigua and Barbuda
Data as at 14 August 2017

Table 18
Antigua and Barbuda - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017P 2nd Qr	2016 Jan - Jun	2017 Jan - Jun
Current Revenue	205.87	167.40	204.23	202.67	180.95	410.58	383.62
Tax Revenue	182.39	140.96	147.36	184.58	164.15	352.06	348.74
Taxes on Income and Profits	24.66	11.69	13.81	28.78	13.54	49.25	42.33
Of which:							
Personal Income	9.71	3.49	2.30	0.42	0.34	19.85	0.76
Company/Corporation	14.96	8.20	11.52	28.36	13.20	29.40	41.57
Taxes on Property	8.62	2.83	1.64	6.08	8.90	13.05	14.98
Taxes on Domestic Goods and Servic	84.56	68.60	70.35	88.73	81.57	162.46	170.30
Of which:							
Stamp Duties	15.21	10.09	10.07	11.00	14.72	21.97	25.72
Antigua and Barbuda Sales Tax	67.73	56.09	57.79	73.40	64.27	137.06	137.67
Taxes on International Trade and Tran	64.54	57.84	61.56	60.99	60.14	127.30	121.13
Of which:							
Import Duty	20.48	18.71	21.89	22.46	22.19	41.47	44.65
Consumption Tax	22.30	18.61	18.13	17.10	14.84	40.84	31.94
Passenger Facility Charge	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revenue Recovery Charge	18.51	17.69	19.68	18.41	18.80	36.83	37.21
Embarkation Tax							
Non-Tax Revenue	23.48	26.44	56.88	18.08	16.80	58.52	34.88
Current Expenditure	214.47	199.59	227.73	215.57	176.76	390.57	392.33
Personal Emoluments	85.12	81.37	87.07	79.24	81.52	160.09	160.76
Other Goods and Services	37.22	31.01	37.41	25.93	34.02	59.82	59.95
Interest Payments	20.11	35.78	17.05	42.11	16.64	57.04	58.75
Domestic	14.47	17.55	15.78	35.41	13.31	27.32	48.72
External	5.64	18.22	1.26	6.71	3.33	29.71	10.04
Transfers and Subsidies	72.02	51.44	86.21	68.29	44.58	113.62	112.87
Of which: Pensions	16.56	14.32	16.82	23.16	16.09	33.62	39.25
Current Account Balance	(8.61)	(32.19)	(23.50)	(12.90)	4.19	20.01	(8.71)
Capital Revenue	40.89	1.30	131.79	8.14	0.44	40.98	8.58
Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Of which:							
Capital Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Expenditure and Net Lending	59.14	22.93	68.15	0.42	18.63	62.77	19.05
Of which: Capital Expenditure	59.14	22.93	38.15	0.42	18.63	62.77	19.05
Primary Balance after grants	(6.75)	(18.05)	57.19	36.93	2.64	55.25	39.57
Overall Balance after grants	(26.85)	(53.82)	40.14	(5.18)	(14.00)	(1.78)	(19.18)
Financing	26.85	53.82	(40.14)	5.18	14.00	1.78	19.18
Domestic	58.82	112.29	(29.27)	33.77	11.44	43.11	45.21
ECCB (net)	58.87	32.76	20.67	(2.23)	16.93	7.90	14.71
Commercial Banks (net)	16.45	18.77	12.20	3.81	3.57	(33.85)	7.38
Other	(16.49)	60.77	(62.14)	32.19	(9.06)	69.05	23.12
External	(32.77)	(74.86)	5.58	(38.32)	(11.88)	(76.85)	(50.20)
Net Disbursements/(Amortisation)	(30.78)	(77.03)	7.56	(36.33)	(9.88)	(73.36)	(46.20)
Disbursements	24.42	10.83	59.77	9.99	50.04	37.13	60.03
Amortisation	55.20	87.86	52.21	46.32	59.92	110.49	106.24
Change in Government Foreign Asse	(1.99)	2.17	(1.98)	(1.99)	(2.00)	(3.49)	(3.99)
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Arrears	0.80	16.39	(16.45)	9.73	14.44	5.08	24.16
Domestic	1.15	(3.30)	19.56	(2.06)	14.15	(2.67)	12.09
External	(0.35)	19.69	(36.02)	11.78	0.29	7.76	12.07
Other Financing	0.00	0.00	0.00	0.00	0.00	30.44	0.00

Source: Ministry of Finance, Antigua and Barbuda and Eastern Caribbean Central Bank
Data as at 14 August 2017

Table 19
Antigua and Barbuda - Monetary Survey
(EC$M at end of period)

	2016 1st Qr	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr[p]
Net Foreign Assets	**1,550.90**	**1,464.34**	**1,415.85**	**1,461.15**	**1,694.17**	**1,739.60**
Central Bank (Net)	**1,092.88**	**1,105.88**	**1,096.87**	**890.46**	**800.98**	**857.02**
Commercial Banks (Net)	458.03	358.46	318.99	570.69	893.19	882.59
External (Net)	121.23	108.72	113.25	175.47	365.20	354.65
Assets	852.81	857.40	845.55	904.94	1,071.32	1,088.83
Liabilities	731.58	748.67	732.30	729.46	706.13	734.17
Other ECCB Territories (Net)	336.80	249.74	205.74	395.22	527.99	527.93
Assets	1,516.11	1,443.59	1,399.94	1,549.32	1,653.40	1,660.43
Liabilities	1,179.31	1,193.85	1,194.21	1,154.10	1,125.41	1,132.50
Net Domestic Assets	**1,632.88**	**1,746.19**	**1,766.25**	**1,763.50**	**1,672.33**	**1,660.94**
Domestic Credit	**2,104.38**	**2,254.79**	**2,295.49**	**2,320.75**	**2,323.40**	**2,341.96**
Central Government (Net)	234.05	309.36	360.89	393.76	395.34	415.85
Other Public Sector (Net)	(10.96)	1.23	7.78	14.66	27.82	22.82
Private Sector	1,881.29	1,944.21	1,926.82	1,912.33	1,900.23	1,903.29
Household	1,172.27	1,180.95	1,181.35	1,184.71	1,191.98	1,190.51
Business	680.31	723.98	718.33	706.14	654.02	647.24
Non-Bank Financial Institutions	23.05	21.62	21.48	15.82	48.57	47.88
Subsidiaries & Affiliates	5.66	17.66	5.66	5.66	5.66	17.66
Other Items (Net)	**(471.51)**	**(508.60)**	**(529.25)**	**(557.25)**	**(651.06)**	**(681.02)**
Monetary Liabilities (M2)	**3,183.78**	**3,210.54**	**3,182.10**	**3,224.65**	**3,366.50**	**3,400.55**
Money Supply (M1)	**764.98**	**774.43**	**760.33**	**790.98**	**852.31**	**854.37**
Currency with the Public	155.52	153.03	156.37	167.53	163.17	163.09
Demand Deposits	595.39	594.28	570.36	594.61	658.66	668.97
EC$ Cheques and Drafts Issued	14.07	27.12	33.60	28.84	30.48	22.32
Quasi Money	**2,418.80**	**2,436.11**	**2,421.77**	**2,433.66**	**2,514.19**	**2,546.18**
Savings Deposits	1,418.62	1,450.62	1,450.97	1,474.92	1,528.76	1,565.45
Time Deposits	652.69	646.97	631.57	619.97	598.52	576.22
Foreign Currency Deposits	347.48	338.53	339.23	338.78	386.91	404.51

Source: Eastern Caribbean Central Bank
Data as at 18 August 2017

Table 20
Dominica - Selected Tourism Statistics

	2016R 2ndQr	2016R 3rdQr	2016R 4thQr	2017R 1st Qr	2017P 2ndQr	2016 Jan - Jun	2017 Jan - Jun
Total Visitors	32,400	22,908	133,864	170,497	36,730	213,836	207,227
Stay-Over Visitors	15,687	21,129	23,108	21,409	19,898	35,501	41,307
USA	3,735	3,579	4,332	4,740	4,071	7,881	8,811
Canada	442	511	838	1,046	614	1,330	1,660
UK	908	1,335	1,501	1,707	1,052	2,194	2,759
Caribbean	6,999	11,722	11,979	7,535	9,131	14,964	16,666
Other Countries	3,603	3,982	4,458	6,381	5,030	9,132	11,411
Excursionists	129	432	254	214	119	345	333
Yacht Passengers	2,721	1,347	2,425	6,722	2,839	8,936	9,561
Cruise Ship Passengers	13,863	-	108,077	142,152	13,874	169,054	156,026
Number of Cruise Ship Calls	8	-	58	96	6	105	102
Total Visitor Expenditure (EC$M)	**67.50**	**89.68**	**123.75**	**106.96**	**89.39**	**169.85**	**196.35**

Sources: Discover Dominica Authority and ECCB Estimates
Data as at 14 August 2017

Table 21
Dominica - Consumer Price Index
June 2010 = 100

			Percentage Change*						
			Quarter over Previous Quarter						
		Index	2016R	2016R	2016R	2017R	2017P	Jun-16	Jun-17
	Weight	Jun 2017	2ndQr	3rdQr	4thQr	1st Qr	2ndQr	Dec-15	Dec-16
All Items	100.00	102.93	1.21	0.21	(0.30)	0.20	0.25	0.81	0.46
Food and Non-Alcoholic Beverages	18.08	111.16	(0.46)	0.84	(0.02)	(0.08)	0.03	(0.97)	(0.05)
Alcoholic Beverages, Tobacco and Narcotics	0.77	111.78	0.84	0.33	0.92	(0.10)	(0.39)	2.46	(0.49)
Clothing and Footwear	5.08	109.59	-	-	3.10	-	-	(0.09)	-
Housing, Utilities, Gas and Fuels	30.62	94.97	2.98	0.49	(2.27)	1.31	0.75	1.99	2.07
Household Furnishings, Supplies and Maintenance	5.23	105.96	(0.07)	0.37	(1.28)	0.29	-	(0.21)	0.29
Health	3.36	106.43	-	-	(0.51)	0.51	-	0.03	0.51
Transport	20.11	104.22	1.91	(0.54)	0.34	0.44	0.12	0.86	0.56
Communication	3.95	101.20	-	-	-	0.53	-	-	0.53
Recreation and Culture	3.74	101.45	-	0.07	(0.09)	(0.09)	-	3.21	(0.09)
Education	1.33	103.74	-	-	-	(0.09)	-	-	(0.09)
Hotels and Restaurants	2.88	110.42	0.07	-	0.56	-	-	3.45	-
Miscellaneous	4.85	104.64	-	0.19	0.70	(0.63)	-	0.09	(0.63)

Sources: Central Statistical Office, Dominica and ECCB Estimates
*at end of period
Data as at 22 August 2017

Table 22
Dominica - Selected Trade Statistics
(Value: EC$M; Volume: tonnes)

	2016R 2ndQr	2016R 3rdQr	2016R 4thQr	2017R 1st Qr	2017P 2ndQr	2016 Jan - Jun	2017 Jan - Jun
Visible Trade Balance	(127.00)	(131.07)	(148.24)	(125.71)	(130.31)	(237.32)	(256.02)
Total Imports	141.40	144.89	162.74	141.91	142.59	270.02	284.50
Total Exports	14.40	13.81	14.50	16.20	12.28	32.70	28.48
Re-Exports	1.79	1.34	3.69	6.66	1.83	8.30	8.48
Domestic Exports	12.62	12.48	10.81	9.54	10.45	24.40	19.99
Of which:							
Bananas							
Value	0.15	0.10	0.06	0.18	0.16	0.32	0.33
Volume	134	111	35	118	141	247	259

Source: Central Statistical Office, WINFRESH and ECCB Estimates
Data as at 14 August 2017

Table 23
Dominica - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2016R 2ndQr	2016R 3rdQr	2016R 4thQr	2017R 1st Qr	2017P 2ndQr	2016 Jan - Jun	2017 Jan - Jun
Current Revenue	294.19	418.67	224.93	176.12	181.23	399.62	355.39
Tax Revenue	90.79	83.29	90.37	94.71	95.98	177.10	190.69
Taxes on Income and Profits	19.90	15.21	13.96	21.40	16.88	39.14	38.28
Of which:							
Personal	7.96	7.29	7.08	10.37	8.02	17.81	18.39
Company/Corporation	12.92	8.58	7.70	11.74	9.68	22.75	21.41
Taxes on Property	1.99	1.80	1.78	2.75	3.38	3.57	6.13
Taxes on Domestic Goods and Services	51.11	48.14	54.18	50.90	55.29	100.32	106.19
Of which:							
Licences	6.66	3.66	4.08	6.34	7.16	12.46	13.50
Value Added Tax	32.72	33.53	37.36	31.74	36.78	64.16	68.52
Excise Tax	11.21	10.44	12.13	12.42	10.90	22.79	23.32
Taxes on International Trade and Transa	17.79	18.14	20.44	19.66	20.43	34.07	40.09
Of which:							
Import Duty	9.60	10.09	10.88	9.49	9.91	18.42	19.40
Customs Service Charge	4.05	5.16	5.48	4.77	5.32	7.40	10.09
Environmental Levy	2.47	2.51	2.70	2.47	2.73	4.89	5.21
Non-Tax Revenue	203.40	335.38	134.56	81.41	85.24	222.52	164.70
Current Expenditure	103.52	93.36	106.08	107.90	121.58	196.29	229.48
Personal Emoluments	38.69	37.87	38.63	38.04	39.47	76.36	77.52
Goods and Services [1/]	36.19	26.12	36.70	31.96	48.55	59.27	80.50
Interest Payments	5.94	6.61	5.33	6.15	6.31	14.88	12.47
Domestic	1.97	2.54	1.19	2.88	1.18	3.55	4.06
External	3.97	4.06	4.14	3.27	5.13	11.33	8.41
Transfers and Subsidies	22.70	22.76	25.42	31.75	27.25	45.78	59.00
Of which: Pensions	4.89	5.01	4.99	5.11	5.10	9.73	10.21
Current Account Balance	190.67	325.31	118.85	68.22	59.64	203.33	125.91
Capital Revenue	0.07	0.00	0.01	0.00	0.05	0.09	0.05
Grants	21.34	0.91	0.77	1.37	12.01	19.76	13.37
Of which: Capital Grants	21.34	0.91	0.77	1.37	12.01	19.76	13.37
Capital Expenditure and Net Lending	58.50	42.95	37.67	56.24	110.51	79.88	166.75
Of which: Capital Expenditure	58.62	43.05	37.70	56.35	110.68	80.08	167.03
Primary Balance after grants	159.51	289.89	87.29	19.50	(32.49)	158.17	(14.94)
Overall Balance after grants	153.57	283.28	81.96	13.34	(38.80)	143.30	(27.41)
Financing	(153.57)	(283.28)	(81.96)	(13.34)	38.80	(143.30)	27.41
Domestic	(140.63)	(282.45)	(68.03)	(24.23)	51.63	(109.96)	29.34
ECCB (net)	0.78	22.09	(20.61)	(14.04)	0.28	(19.27)	(13.76)
Commercial Banks (net)	(44.89)	(94.49)	(77.72)	247.13	(208.21)	(57.96)	38.92
Other	(96.52)	(210.05)	30.31	(257.33)	259.56	(32.73)	4.18
External	(13.15)	2.13	(10.65)	8.56	(11.60)	(31.80)	(3.04)
Net Disbursements (Amortisation)	(12.54)	(7.10)	(3.52)	8.58	(11.02)	(21.78)	(2.44)
Disbursements	2.81	4.43	12.54	20.75	18.27	3.84	39.02
Amortisation	15.35	11.53	16.06	12.18	29.28	25.63	41.46
Change in Government Foreign Assets	(0.61)	9.24	(7.13)	(0.01)	(0.59)	(10.02)	(0.60)
Arrears	0.21	(2.97)	(3.28)	2.32	(1.22)	(1.53)	1.10
Domestic	0.21	(2.97)	(3.28)	2.32	(1.22)	(1.53)	1.10
External	-	-	-	-	-	-	-
Other Financing	-	-	-	-	-	-	-

Source: Ministry of Finance, Dominica and ECCB
[1/] *Adjustments to goods and services made by the ECCB to account for unprocessed and pending claims. Corresponding adjustments are also made to domestic arrears*
Data as at 14 August 2017

Table 24
Dominica - Monetary Survey
(EC$M at end of period)

	2016 1st Qr	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr[P]
Net Foreign Assets	**837.69**	**906.80**	**968.24**	**1,090.32**	**1,165.91**	**1,185.71**
Central Bank (Net)	**356.63**	**423.32**	**454.24**	**596.43**	**648.27**	**549.05**
Commercial Banks (Net)	481.07	483.48	514.01	493.89	517.64	636.66
External (Net)	184.69	176.69	231.14	248.73	301.75	420.17
Assets	465.67	461.19	504.39	514.08	560.42	669.19
Liabilities	280.98	284.50	273.25	265.35	258.66	249.03
Other ECCB Territories (Net)	296.38	306.79	282.86	245.16	215.88	216.50
Assets	371.98	384.31	358.40	326.59	327.03	324.31
Liabilities	75.60	77.52	75.53	81.43	111.15	107.81
Net Domestic Assets	**510.86**	**444.34**	**396.38**	**285.91**	**231.12**	**260.11**
Domestic Credit	**592.81**	**569.09**	**497.90**	**402.11**	**630.12**	**403.05**
Central Government (Net)	(84.74)	(128.85)	(201.25)	(299.58)	(66.49)	(274.42)
Other Public Sector (Net)	(90.22)	(114.18)	(116.34)	(96.44)	(97.48)	(103.41)
Private Sector	767.77	812.13	815.49	798.13	794.08	780.88
Household	459.14	456.71	457.37	449.58	449.59	446.26
Business	281.38	301.03	299.82	280.82	277.67	268.75
Non-Bank Financial Institutions	27.26	54.39	58.30	67.74	66.82	65.87
Subsidiaries & Affiliates	-	-	-	-	-	-
Other Items (Net)	**(81.96)**	**(124.75)**	**(101.52)**	**(116.21)**	**(399.00)**	**(142.93)**
Monetary Liabilities (M2)	**1,348.55**	**1,351.14**	**1,364.62**	**1,376.23**	**1,397.02**	**1,445.83**
Money Supply (M1)	**282.60**	**293.64**	**285.46**	**302.43**	**300.45**	**327.46**
Currency with the Public	46.29	47.91	46.09	52.62	53.86	56.05
Demand Deposits	231.83	244.08	238.20	248.10	242.90	266.03
EC$ Cheques and Drafts Issued	4.48	1.65	1.18	1.71	3.68	5.38
Quasi Money	**1,065.95**	**1,057.51**	**1,079.16**	**1,073.80**	**1,096.58**	**1,118.37**
Savings Deposits	827.46	828.73	815.93	818.02	849.81	866.47
Time Deposits	206.76	204.13	224.21	224.13	222.11	219.52
Foreign Currency Deposits	31.73	24.64	39.02	31.66	24.65	32.38

Source: Eastern Caribbean Central Bank
Data as at 22 August 2017

Table 25
Grenada - Selected Tourism Statistics

	2016 2nd Qr	2016 3rd Qr	2016R 4th Qr	2017R 1st Qr	2017P 2nd Qr	2016 Jan - Jun	2017P Jan - Jun
Total Visitors	64,269	40,480	135,455	203,993	55,814	292,327	259,807
Stay-Over Visitors	29,328	34,111	33,116	37,395	34,284	68,074	71,679
Of which:							
USA	10,615	11,055	10,682	13,394	12,505	23,567	25,899
Canada	1,942	2,010	2,679	4,384	2,124	6,034	6,508
United Kingdom	5,185	5,559	6,038	6,866	4,908	12,507	11,774
Caribbean	5,325	7,003	5,033	4,507	7,328	11,076	11,835
Other Countries	6,261	8,484	8,684	8,244	7,419	14,890	15,663
Excursionists	728	615	904	518	78	1,782	596
Cruise Ship Passengers	29,367	2,993	97,550	158,609	15,294	208,656	173,903
Yacht Passengers	4,846	2,761	3,885	7,471	6,158	13,815	13,629
Number of Cruise Ship Calls	29	21	67	123	32	154	155
Total Visitor Expenditure (EC$M) [1/]	**69.81**	**94.69**	**94.62**	**130.82**	**100.00**	**179.68**	**230.82**

Source: Grenada Tourism Authorities

[1/] Expenditure of stay over visitors and cruiseship passengers only

Data as at 14 August 2017

Table 26
Grenada - Consumer Price Index
January 2010 = 100

			Percentage Change*						
			Quarter over Previous Quarter						
	Weight	Index Jun 2017	2016 2ndQr	2016 3rdQr	2016 4thQr	2017 1st Qr	2017P 2ndQr	Jun-16 Dec-15	Jun-17 Dec-16
All Items	100.0	110.52	1.39	(0.18)	0.03	0.28	0.32	1.07	0.59
Food & Non-Alcoholic Beverages	20.4	113.89	(0.03)	(0.12)	0.31	0.20	(0.50)	(1.54)	(0.30)
Alcoholic Beverages, Tobacco and Narcotics	1.8	124.95	(0.12)	0.46	0.14	0.04	(0.19)	0.30	(0.15)
Clothing and Footwear	3.7	102.78	0.51	-	0.34	(0.00)	(0.11)	0.28	(0.11)
Housing, Utilities, Gas and Fuels	29.1	102.16	0.69	0.43	0.16	0.23	(0.39)	(0.44)	(0.16)
Household Furnishings, Supplies and Maintenance	4.5	111.26	0.68	0.12	0.04	0.00	(0.36)	1.46	(0.36)
Health	1.9	133.82	0.02	1.89	(1.56)	(0.25)	0.08	0.50	(0.17)
Transport	18.7	113.18	3.14	(1.30)	(0.42)	0.83	2.05	4.77	2.90
Communication	10.0	121.85	5.67	-	-	(0.00)	0.78	5.67	0.78
Recreation and Culture	2.7	111.00	0.10	0.27	0.09	0.17	-	(0.14)	0.17
Education	0.8	139.58	-	6.47	(0.24)	0.00	5.69	-	5.69
Hotels and Restaurants	1.8	99.32	-	(7.39)	-	0.00	-	-	0.00
Miscellaneous	4.6	108.12	0.11	(0.03)	0.15	0.27	1.06	0.01	1.34

Source: Central Statistics Office, Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada
*at end of period
Data as at 14 August 2017

Table 27
Grenada - Selected Agricultural Production

	Unit	2016 2ndQr	2016 3rdQr	2016 4thQr	2017R 1st Qr	2017P 2ndQr	2016 Jan - Jun	2017P Jan - Jun
Bananas	(tonnes)	1,719	1,940	1,980	2,014	1,772	3,840	3,786
Cocoa	(tonnes)	140	33	243	268	170	485	438
Nutmeg	(tonnes)	117	115	119	155	219	247	374
Mace	(tonnes)	10	8	6	10	23	21	33

Source: Central Statistics Office, Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada
Data as at 14 August 2017

Table 28
Grenada - Selected Trade Statistics
(Value: EC$M; Volume: 000 tonnes)

	2016 2nd Qr	2016 3rd Qr	2016R 4th Qr	2017R 1st Qr	2017P 2nd Qr	2016 Jan - Jun	2017P Jan - Jun
Visible Trade Balance	(202.06)	(214.58)	(253.54)	(232.93)	(241.25)	(398.44)	(474.18)
Total Imports	230.15	231.88	269.10	246.59	265.94	445.39	512.53
Total Exports	28.09	17.30	15.56	13.66	24.69	46.95	38.35
Re-Exports	6.22	1.66	0.81	0.71	1.62	7.17	2.33
Domestic Exports	21.87	15.64	14.75	12.95	23.07	39.78	36.02
Of Which:							
Nutmeg							
Volume	135.36	121.78	82.66	93.73	172.90	306.63	266.63
Value	3.45	2.94	1.98	2.02	4.08	7.50	6.10
Mace							
Volume	4.04	13.81	16.76	2.47	21.09	12.91	23.56
Value	0.15	0.40	0.38	0.07	0.60	0.40	0.67
Cocoa							
Volume	148.09	49.92	105.06	295.52	176.11	419.00	471.62
Value	1.45	0.44	1.02	3.23	1.65	4.50	4.88
Manufactured Exports							
Value	9.26	8.47	8.52	7.45	7.75	17.19	15.20

Source: Central Statistics Office, Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada
Data as at 14 August 2017

Table 29
Grenada - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017P 2nd Qr	2016 Jan - Jun	2017P Jan - Jun
Current Revenue	169.33	156.95	166.91	183.34	171.27	327.72	354.61
Tax Revenue	161.97	150.07	158.08	175.51	162.69	308.97	338.20
Taxes on Income and Profits	36.87	27.53	30.82	45.99	29.55	68.92	75.54
Of which:							
Personal	15.71	13.07	14.58	17.58	13.94	31.66	31.52
Company/Corporation	21.16	14.46	16.24	28.40	15.61	37.26	44.01
Taxes on Property	11.94	3.97	3.72	6.30	11.37	16.21	17.67
Taxes on Domestic Goods and Services	63.31	66.96	66.66	73.83	68.27	127.86	142.10
Of which:							
Value-added Tax	54.30	53.57	57.54	57.94	56.47	106.98	114.41
Stamp Duties	0.74	6.04	0.71	2.69	0.83	1.91	3.52
Licences	4.70	3.08	4.01	5.45	5.04	9.55	10.49
Taxes on International Trade and Transa	49.86	51.61	56.88	49.39	53.51	95.99	102.90
Of which:							
Import Duty	16.60	18.08	20.52	16.16	17.79	31.23	33.95
Customs Service Charge	11.82	12.32	14.51	12.00	12.48	22.73	24.48
Non-Tax Revenue	7.36	6.88	8.83	7.83	8.58	18.75	16.41
Current Expenditure1/	146.12	128.86	155.65	141.90	162.76	280.95	304.66
Personal Emoluments	62.07	62.48	66.35	70.44	66.58	122.81	137.02
Goods and Services	30.12	31.91	28.60	30.12	31.08	57.11	61.20
Interest Payments	28.66	10.49	33.44	8.51	27.74	38.35	36.25
Domestic	3.07	6.32	8.26	3.19	2.68	8.38	5.87
External	25.59	4.17	25.18	5.31	25.07	29.97	30.38
Transfers and Subsidies	25.27	23.98	27.27	32.83	37.36	62.68	70.19
Of which: Pensions	8.00	7.57	8.33	8.41	9.05	15.93	17.47
Current Account Balance	23.20	28.10	11.25	41.44	8.51	46.77	49.95
Capital Revenue	-	-	-	-	-	0.00	-
Grants	26.62	25.74	32.01	14.45	14.85	42.23	29.30
Of which: Capital Grants	17.14	24.25	22.96	12.28	10.71	26.80	23.00
Capital Expenditure	26.64	31.31	50.57	14.26	12.71	52.69	26.97
Of which: Capital Expenditure	22.24	31.31	45.94	14.26	12.71	42.89	26.97
Primary Balance after grants	51.84	33.02	26.14	50.14	38.39	74.66	88.53
Overall Balance after grants	23.18	22.53	(7.30)	41.63	10.65	36.31	52.28
Financing	(23.18)	(22.53)	7.30	(41.63)	(10.65)	(36.31)	(52.28)
Domestic	(0.69)	(16.42)	(7.17)	(53.25)	9.39	(16.27)	(43.86)
ECCB (net)	(4.16)	(0.91)	6.16	(12.63)	18.41	(5.93)	5.78
Commercial Banks (net)	10.16	(26.07)	18.91	(55.09)	(3.59)	14.92	(58.68)
Other	(6.69)	10.57	(32.23)	14.47	(5.43)	(25.26)	9.04
External	(22.50)	(6.12)	14.47	11.62	(20.04)	(24.21)	(8.42)
Net Disbursements/(Amortisation)	(22.50)	(6.12)	14.47	11.62	(20.04)	(24.21)	(8.42)
Disbursements	8.85	4.21	45.57	25.47	11.88	16.75	37.35
Amortisation	31.35	10.32	31.11	13.86	31.92	40.97	45.77
Change in Government Foreign Assets	-	-	-	-	-	-	-
Arrears	(0.00)	-	-	-	-	4.17	-
Domestic	(0.00)	-	-	-	-	1.78	-
External	-	-	-	-	-	2.40	-
Other Financing	-	-	-	-	-	-	-

Source: Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada and the ECCB
1/ Some reclassifcaitions were made from January 2016 to reflect the New Chart of Accounts, where necessary
Data as at 14 August 2017

Table 30
Grenada - Monetary Survey
(EC$M at end of period)

	2016[R] 1st Qr	2016[R] 2nd Qr	2016[R] 3rd Qr	2016[R] 4th Qr	2017[P] 1st Qr	2017 2nd Qr[P]
Net Foreign Assets	**906.32**	**884.60**	**925.34**	**1,003.20**	**1,119.20**	**1,083.28**
Central Bank (Net)	**526.26**	**525.55**	**516.48**	**543.71**	**558.69**	**556.98**
Commercial Banks (Net)	380.06	359.04	408.86	459.49	560.52	526.29
External (Net)	77.49	73.83	129.07	151.70	205.45	188.95
Assets	550.16	539.59	585.10	604.88	653.26	645.34
Liabilities	472.67	465.76	456.03	453.19	447.81	456.38
Other ECCB Territories (Net)	302.56	285.21	279.79	307.79	355.06	337.34
Assets	356.73	338.96	333.36	361.94	400.95	392.93
Liabilities	54.17	53.75	53.57	54.15	45.88	55.60
Net Domestic Assets	**1,289.61**	**1,260.77**	**1,220.08**	**1,147.82**	**1,074.46**	**1,094.17**
Domestic Credit	**1,313.78**	**1,317.11**	**1,253.76**	**1,240.91**	**1,178.84**	**1,201.20**
Central Government (Net)	(62.89)	(56.89)	(83.88)	(58.81)	(126.53)	(111.71)
Other Public Sector (Net)	(212.06)	(213.14)	(229.66)	(248.87)	(235.12)	(228.81)
Private Sector	1,588.73	1,587.14	1,567.29	1,548.60	1,540.49	1,541.73
Household	1,066.61	1,076.86	1,071.55	1,054.61	1,039.51	1,038.39
Business	513.09	504.40	486.97	485.32	493.00	497.16
Non-Bank Financial Institutions	9.03	5.87	8.76	8.67	7.98	6.18
Subsidiaries & Affiliates	-	-	-	-	-	-
Other Items (Net)	**(24.16)**	**(56.34)**	**(33.68)**	**(93.10)**	**(104.38)**	**(107.03)**
Monetary Liabilities (M2)	**2,195.93**	**2,145.37**	**2,145.42**	**2,151.01**	**2,193.66**	**2,177.45**
Money Supply (M1)	**597.45**	**563.80**	**568.92**	**577.89**	**592.78**	**563.29**
Currency with the Public	123.95	123.98	125.77	135.66	133.41	129.80
Demand Deposits	464.75	429.49	432.34	430.65	451.54	419.90
EC$ Cheques and Drafts Issued	8.76	10.33	10.81	11.58	7.83	13.59
Quasi Money	**1,598.48**	**1,581.57**	**1,576.50**	**1,573.12**	**1,600.88**	**1,614.16**
Savings Deposits	1,179.30	1,174.38	1,171.98	1,174.66	1,187.25	1,197.77
Time Deposits	256.84	247.90	241.98	242.57	239.09	233.45
Foreign Currency Deposits	162.33	159.29	162.54	155.89	174.54	182.94

Source: Eastern Caribbean Central Bank
Data as at 17 August 2017

Table 31
Montserrat - Selected Tourism Statistics

	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2016 Jan-Jun	2017 Jan-Jun
Total Visitors	2,030	2,374	3,627	8,038	2,536	9,408	10,574
Stay-Over Visitors	1,395	1,849	2,718	2,503	1,661	4,275	4,164
Of which:							
USA	412	485	735	713	425	1,226	1,138
Canada	64	56	167	264	73	287	337
UK	312	496	735	634	360	1,086	994
Caribbean	530	711	927	749	712	1,478	1,461
Other Countries	77	101	154	143	91	198	234
Excursionists	159	118	253	530	361	794	891
Cruise Ship Passengers	-	237	372	4,611	-	2,987	4,611
Number of Cruise Ship Calls	-	1	4	14	-	17	14
Yacht Passengers	476	170	284	394	514	1,352	908
Number of Yachts	126	43	67	331	146	340	477
Total Visitor Expenditure (EC$M)	**3.48**	**4.32**	**6.50**	**7.60**	**4.06**	**12.10**	**11.66**

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat
Data for August and September 2016 Estimated
Data as at 14 August 2017

Table 32
Montserrat - Consumer Price Index
January 2014 = 100

			Percentage Change*						
			Quarter over Previous Quarter						
		Index	2016	2016	2016	2017	2017	Jun-16	Jun-17
	Weight	Jun-17	2nd Qr	3rd Qr	4th Qr	1st Qr	2nd Qr	Dec-15	Dec-16
All Items	99.91	99.94	1.45	(0.59)	(0.70)	1.49	0.89	(0.02)	2.39
Food & Non-Alchoholic Beverages	16.32	99.20	1.50	(0.48)	0.08	(0.99)	1.31	0.11	0.30
Alchoholic Beverages, Tobacco & Narcotics	0.43	100.02	0.61	(0.75)	0.23	0.09	0.30	0.82	0.39
Clothing & Footwear	4.76	92.60	0.01	0.05	(4.60)	1.80	(1.91)	(0.33)	(0.14)
Housing, Water, Electrcity, Gas and Other Fuels	33.05	102.07	2.74	(0.08)	(0.63)	0.75	2.64	(0.80)	3.41
Furnishing, household equipment and Routine Household Maintenance	3.48	98.12	(1.12)	(0.26)	(1.87)	(1.20)	(0.23)	(1.18)	(1.43)
Health	1.89	104.05	0.00	0.00	0.00	(0.35)	0.00	(1.03)	(0.35)
Transport	18.08	98.13	1.89	(2.56)	0.36	8.50	(0.81)	0.46	7.62
Communication	8.33	100.98	0.00	0.00	(2.61)	(0.25)	0.58	2.32	0.33
Recreation & Culture	2.44	97.80	(0.01)	(1.41)	1.71	(2.82)	1.49	(0.01)	(1.37)
Education	2.85	102.95	0.00	0.28	0.00	0.00	0.00	0.00	0.00
Restaurants and Hotels	2.11	100.32	(0.35)	0.00	0.00	0.23	(0.95)	0.98	(0.72)
Miscellaneous goods and services	6.17	99.65	(0.03)	0.35	(1.66)	(0.54)	(0.20)	0.20	(0.74)

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat
*at end of period
Data as at 14 August 2017

Table 33
Montserrat - Selected Trade Statistics
(Value: EC$M)

	2016	2016	2016	2017	2017	2016	2017
	2nd Qr	3rd Qr	4th Qr	1st Qr	2nd Qr	Jan-Jun	Jan-Jun
Visible Trade Balance	(18.74)	(20.29)	(26.32)	(15.86)	(21.45)	(40.15)	(37.30)
Total Imports	21.69	23.90	28.62	21.37	25.19	45.00	46.56
Total Exports	2.95	3.61	2.30	5.52	3.74	4.85	9.26
Total Domestic Exports	2.05	3.45	2.11	2.33	3.27	3.81	5.61
Total Re-Exports	0.90	0.15	0.18	3.18	0.47	1.04	3.65

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat and ECCB Estimates
Data as at 14 August 2017

Table 34
Montserrat - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2016 Jan-Jun	2017 Jan-Jun
Current Revenue	11.60	11.65	12.01	13.64	11.76	23.35	25.41
Tax Revenue	10.39	10.05	10.77	12.24	10.52	21.01	22.77
Taxes on Income and Profits	5.18	3.56	3.34	6.02	4.66	9.68	10.68
Of which:							
Personal	2.84	3.06	3.04	3.46	3.22	6.20	6.69
Company/Corporation	1.95	0.41	0.09	2.31	1.29	2.92	3.60
Taxes on Property	0.03	0.54	0.10	0.03	0.03	0.11	0.06
Taxes on Domestic Goods and Services	0.86	1.55	1.13	1.53	1.09	2.47	2.63
Of which:							
Licences and Stamp Duties	0.61	0.52	0.80	0.67	0.82	1.51	1.49
Hotel Occupancy	0.01	0.00	0.02	0.02	0.01	0.02	0.03
Insurance Company Levy	0.09	0.07	0.06	0.04	0.10	0.13	0.15
Taxes on International Trade and Transactions	4.32	4.40	6.21	4.66	4.74	8.76	9.40
Of which:							
Import Duty	1.56	1.62	2.23	1.68	1.47	3.15	3.15
Consumption Tax	2.47	2.63	3.70	2.77	3.16	5.03	5.93
Non-Tax Revenue	1.21	1.59	1.24	1.40	1.24	2.34	2.64
Current Expenditure	23.94	29.07	29.30	35.72	25.91	55.88	61.63
Personal Emoluments	10.45	10.31	10.74	10.82	10.47	21.10	21.29
Goods and Services*	7.03	11.34	10.58	13.83	8.19	20.41	22.01
Interest Payments	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Domestic	-	-	-	-	-	-	-
External	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Transfers and Subsidies	6.46	7.42	7.97	11.07	7.25	14.35	18.32
Of which: Pensions	2.69	2.71	2.96	3.84	2.75	6.01	6.59
Current Account Balance before grants	(12.34)	(17.43)	(17.29)	(22.07)	(14.15)	(32.53)	(36.23)
Current Account Balance after grants	15.74	7.67	3.92	(22.07)	(14.15)	(4.44)	(36.23)
Capital Revenue	-	-	-	-	-	-	-
Grants	28.08	25.56	21.28	0.00	0.67	40.75	0.67
Of which: Capital Grants	0.00	0.45	0.07	0.00	0.67	12.67	0.67
Capital Expenditure and Net Lending	1.81	7.26	3.30	0.02	2.58	10.42	2.60
Of which: Capital Expenditure	1.79	7.24	3.28	0.00	0.29	10.38	0.29
Primary Balance before grants	(14.14)	(24.68)	(20.59)	(22.09)	(16.73)	(42.93)	(38.81)
Primary Balance after grants	13.94	0.87	0.69	(22.09)	(16.06)	(2.18)	(38.15)
Overall Balance before grants	(14.15)	(24.69)	(20.59)	(22.09)	(16.73)	(42.94)	(38.83)
Overall Balance after grants	13.93	0.87	0.69	(22.09)	(16.07)	(2.19)	(38.16)
Financing	(13.93)	(0.87)	(0.69)	22.09	16.07	2.19	38.16
Domestic	(13.92)	(0.86)	(0.68)	22.10	13.80	2.21	35.90
ECCB (net)	0.13	(0.16)	(0.03)	(0.48)	(0.12)	(0.00)	(0.60)
Commercial Banks (net)	(7.43)	(2.39)	(7.42)	28.34	1.52	16.30	29.86
Other	(6.63)	1.70	6.77	(5.76)	12.40	(14.08)	6.64
External	(0.01)	(0.01)	(0.01)	(0.01)	(0.03)	(0.02)	(0.04)
Net Disbursements/(Amortisation)	(0.01)	(0.01)	(0.01)	(0.01)	2.27	(0.02)	2.26
Disbursements	0.02	0.02	0.02	0.02	2.29	0.04	2.32
Amortisation	0.03	0.03	0.03	0.03	0.03	0.06	0.06
Change in Government Foreign Assets	-	-	-	-	-	-	-
Arrears	-	-	-	-	-	-	-
Domestic	-	-	-	-	-	-	-
External	-	-	-	-	-	-	-
Other Financing	-	-	-	-	-	-	-

Source: Ministry of Finance, Montserrat and Eastern Caribbean Central Bank
*Goods and Services include Miscellaneous Payments
Data as at 14 August 2017

Table 35
Montserrat - Monetary Survey
(EC$M at end of period)

	2016 1st Qr	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr[P]
Net Foreign Assets	**300.69**	**300.75**	**302.86**	**310.18**	**282.16**	**273.21**
Central Bank (Net)	**137.38**	**137.79**	**137.50**	**133.26**	**126.57**	**121.40**
Commercial Banks (Net)	163.32	162.95	165.36	176.92	155.60	151.81
External (Net)	100.45	107.04	100.70	108.16	92.86	94.22
Assets	169.52	176.72	171.82	178.72	164.04	167.71
Liabilities	69.07	69.69	71.12	70.56	71.18	73.49
Other ECCB Territories (Net)	62.87	55.92	64.66	68.77	62.74	57.59
Assets	75.62	68.84	76.62	81.03	76.41	71.56
Liabilities	12.75	12.92	11.96	12.26	13.67	13.97
Net Domestic Assets	**(52.01)**	**(53.83)**	**(53.55)**	**(62.88)**	**(30.71)**	**(30.01)**
Domestic Credit	**(7.65)**	**(9.49)**	**(8.90)**	**(14.64)**	**14.81**	**20.80**
Central Government (Net)	(59.16)	(66.45)	(69.01)	(76.46)	(48.60)	(47.20)
Other Public Sector (Net)	(19.85)	(16.03)	(19.11)	(18.50)	(17.86)	(15.72)
Private Sector	71.36	73.00	79.23	80.32	81.27	83.72
Household	64.64	66.31	69.87	70.62	71.58	73.86
Business	6.72	6.69	9.35	9.70	9.70	9.85
Non-Bank Financial Institutions	-	-	-	-	-	-
Subsidiaries & Affiliates	-	-	-	-	-	-
Other Items (Net)	**(44.37)**	**(44.34)**	**(44.65)**	**(48.24)**	**(45.52)**	**(50.81)**
Monetary Liabilities (M2)	**248.68**	**246.92**	**249.31**	**247.31**	**251.45**	**243.19**
Money Supply (M1)	**50.33**	**48.21**	**51.27**	**62.20**	**65.57**	**60.96**
Currency with the Public	19.46	19.33	20.73	20.69	21.16	19.32
Demand Deposits	30.44	28.52	30.35	41.41	44.27	41.37
EC$ Cheques and Drafts Issued	0.43	0.36	0.20	0.09	0.14	0.27
Quasi Money	**198.35**	**198.71**	**198.04**	**185.11**	**185.89**	**182.24**
Savings Deposits	144.25	144.75	145.19	144.23	145.26	143.21
Time Deposits	44.67	44.66	43.54	30.48	30.78	30.69
Foreign Currency Deposits	9.43	9.30	9.31	10.40	9.85	8.34

Source: Eastern Caribbean Central Bank
Data as at 15 August 2017

Table 36
St Kitts and Nevis - Selected Tourism Statistics

	2016[R] 2nd Qr	2016[R] 3rd Qr	2016[R] 4th Qr	2017[R] 1st Qr	2017[P] 2nd Qr	2016[R] Jan - Jun	2017[P] Jan - Jun
Total Visitors	146,897	156,076	309,677	446,990	246,088	588,881	693,078
Stay-Over Visitors	28,227	25,026	27,704	31,786	28,616	62,619	60,402
Of which:							
USA	16,991	13,641	15,766	19,649	17,071	38,436	36,720
Canada	1,228	1,106	1,593	2,837	1,250	4,254	4,087
UK	2,328	2,166	2,761	2,674	2,401	5,254	5,075
Caribbean	6,133	6,174	5,969	4,927	6,293	11,320	11,220
Other Countries	1,547	1,939	1,615	1,699	1,601	3,355	3,300
Excursionists	862	748	1,151	1,298	676	2,273	1,974
Cruise Ship Passengers	117,342	130,115	280,497	411,827	216,196	521,618	628,023
Yacht Passengers	466	187	325	2,079	600	2,371	2,679
Number of Cruise Ship Calls	46	36	131	195	64	255	259
Total Visitor Expenditure (EC$M)	**83.91**	**78.17**	**98.16**	**121.72**	**102.30**	**197.23**	**224.02**

Source: Statistics Department, Sustainable Development, St Kitts and Central Statistics Office, Nevis and ECCB Estimates
Data as at 14 August 2017

Table 37

St Kitts and Nevis - Consumer Price Index
January 2010 = 100

			Percentage Change*						
			Quarter over Previous Quarter						
	Weight	Index Jun 2017	2016R 2ndQr	2016R 3rdQr	2016R 4thQr	2017R 1st Qr	2017P 2ndQr	Jun-16 Dec-15	Jun-17 Dec-16
All items	100.00	107.06	0.40	0.67	(0.61)	0.02	0.28	(0.03)	0.30
Food and Non-Alcoholic Beverages	15.98	98.14	0.11	(0.24)	(2.59)	0.17	1.35	(2.43)	1.52
Alcoholic Beverages, Tobacco & Narcotics	2.71	123.23	1.53	(0.51)	(0.15)	1.01	(0.20)	3.15	0.80
Clothing and Footwear	4.20	118.30	0.07	0.82	(0.07)	(0.03)	1.34	0.11	1.31
Housing, Utilities, Gas and Fuels	27.56	101.00	(0.18)	0.10	0.10	0.07	0.05	(0.49)	0.12
Household Furnishings, Supplies and Maintenance	6.10	109.52	1.64	0.67	(1.51)	1.54	0.27	1.07	1.81
Health	2.38	108.89	(0.31)	2.35	(0.36)	0.32	(0.26)	(0.19)	0.06
Transport	16.14	114.75	1.02	0.81	3.63	(1.31)	0.59	(1.38)	(0.74)
Communication	8.47	106.62	1.28	(0.25)	(8.86)	0.00	0.00	6.30	0.00
Recreation and Culture	2.92	106.77	(0.43)	1.01	0.77	2.70	(2.84)	(0.71)	(0.21)
Education	2.41	129.54	0.00	5.60	(2.63)	0.00	0.00	2.80	0.00
Hotels and Restaurants	5.60	116.52	0.00	5.05	0.41	0.00	0.00	0.00	0.00
Miscellaneous Goods and Services	5.54	106.70	0.62	0.46	0.18	0.09	(0.58)	1.51	(0.48)

Source: Statistics Department, Sustainable Development, St Kitts
* at end of period
Data as at 14 August 2017

Table 38
St Kitts and Nevis - Selected Trade Statistics
(Value: EC$M)

	2016R 2ndQr	2016R 3rdQr	2016R 4thQr	2017R 1st Qr	2017P 2ndQr	2016R Jan - Jun	2017P Jan - Jun
Visible Trade Balance	(191.22)	(167.11)	(214.62)	(198.88)	(202.48)	(380.39)	(401.36)
Total Imports /1	227.04	199.90	249.32	234.96	238.40	450.82	473.36
Total Exports	35.82	32.79	34.70	36.08	35.91	70.43	72.00
Total Domestic Exports	20.85	28.11	29.56	28.34	20.19	48.08	48.53
Total Re-Exports	14.97	4.68	5.14	7.74	15.72	22.34	23.46

Source: Statistics Department, Sustainable Development, St Kitts
/1 Excludes some fuel imports
Data as at 14 August 2017

Table 39
St Kitts and Nevis - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2016^R 2^nd Qr	2016^R 3^rd Qr	2016^R 4^th Qr	2017^R 1^st Qr	2017^P 2^nd Qr	2016^R Jan - Jun	2017^P Jan - Jun
Current Revenue	207.65	168.94	214.64	169.38	172.02	399.72	341.40
Tax Revenue	122.04	117.10	128.92	121.62	122.22	240.72	243.83
Taxes on Income and Profits	27.12	30.35	28.51	30.67	33.93	57.99	64.60
Of Which:							
Personal	12.50	12.65	14.00	12.60	13.57	25.92	26.17
Company/Corporation	12.90	13.71	12.63	14.61	17.10	26.97	31.71
Taxes on Property	7.54	4.17	1.93	1.77	5.79	10.57	7.55
Taxes on Domestic Goods and Servi	53.03	50.67	52.83	54.21	46.88	104.37	101.09
Of Which:							
Licences	1.56	0.83	4.31	3.48	1.12	4.78	4.60
Value Added Tax	37.41	35.12	36.10	37.62	34.90	69.47	72.52
Stamp Duties	10.17	9.07	6.66	6.73	4.45	20.58	11.18
Unincorporated Business Levy	0.76	1.55	2.23	1.84	1.20	2.44	3.04
Island Enhancement Levy	0.31	0.99	0.85	1.27	1.25	1.57	2.52
Taxes on International Trade and Tra	34.34	31.91	45.65	34.96	35.62	67.79	70.58
Of Which:							
Import Duty	15.96	15.43	21.75	14.95	15.74	30.53	30.69
Customs Service Charge	10.44	9.59	13.74	9.83	11.38	20.37	21.21
Excise Tax	4.14	3.24	5.09	3.42	3.61	8.71	7.03
Non-Refundable Duty Free Store I	0.72	0.53	1.74	1.75	0.66	1.90	2.41
Non-Tax Revenue	85.61	51.84	85.72	47.76	49.80	158.99	97.57
Current Expenditure	183.55	143.23	209.40	146.10	153.79	309.53	299.89
Personal Emoluments	75.14	69.18	99.20	71.10	69.42	142.34	140.52
Goods and Services	47.00	33.28	47.62	36.73	31.88	73.11	68.61
Interest Payments	13.08	8.25	9.92	7.51	14.49	21.05	21.99
Domestic	10.67	6.10	7.42	5.37	12.63	15.95	18.00
External	2.41	2.14	2.50	2.13	1.86	5.11	3.99
Transfers and Subsidies	48.33	32.51	52.65	30.76	38.00	73.04	68.76
Of Which: Pensions	8.37	8.62	24.36	8.49	9.74	16.57	18.23
Current Account Balance	24.10	25.71	5.25	23.28	18.23	90.18	41.51
Capital Revenue	0.93	1.07	2.11	3.19	1.40	2.28	4.60
Grants	21.46	26.00	18.77	21.56	12.83	21.76	34.39
Of which: Capital Grants	8.73	25.54	18.62	19.03	7.67	8.98	26.70
Capital Expenditure and Net Lending	21.15	23.40	35.08	29.90	29.11	22.50	59.02
Of which: Capital Expenditure	22.09	23.26	33.16	30.08	29.14	44.06	59.22
Primary Balance after grants	38.41	37.63	0.96	25.64	17.83	112.78	43.47
Overall Balance after grants	25.33	29.38	(8.96)	18.13	3.34	91.73	21.48
Financing	(25.33)	(29.38)	8.96	(18.13)	(3.34)	(91.73)	(21.48)
Domestic	(13.99)	(23.78)	19.90	(12.28)	3.97	(53.23)	(8.31)
ECCB (net)	(12.86)	(4.36)	(7.16)	0.92	(1.19)	(14.08)	(0.27)
Commercial Banks (net)	0.28	(16.23)	19.23	0.89	14.09	(49.80)	14.98
Other	(1.41)	(3.19)	7.84	(14.10)	(1.59)	10.65	(15.69)
External	(11.34)	(5.60)	(10.94)	(5.85)	(7.32)	(38.50)	(13.17)
Net Disbursements/(Amortisation)	(11.34)	(5.60)	(10.94)	(5.85)	(7.32)	(38.50)	(13.17)
Disbursements	0.15	0.56	0.10	0.01	0.05	0.55	0.06
Amortisation	11.49	6.16	11.04	5.86	7.37	39.05	13.23
Change in Government Foreign Ass	-	-	-	-	-	-	-
Arrears	-	-	-	-	-	-	-
Domestic	-	-	-	-	-	-	-
External	-	-	-	-	-	-	-
Other Financing	-	-	-	-	-	-	-

Source: Ministry of Finance, St Kitts and Nevis and ECCB Estimates
Data as at 14 August 2017

Table 40
St Kitts and Nevis - Monetary Survey
(EC$M at end of period)

	2016 1st Qr	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr[P]
Net Foreign Assets	**2,264.26**	**2,300.54**	**2,307.64**	**2,167.07**	**2,187.02**	**2,128.88**
Central Bank (Net)	**921.46**	**926.07**	**888.28**	**844.71**	**883.93**	**913.11**
Commercial Banks (Net)	1,342.79	1,374.47	1,419.36	1,322.36	1,303.09	1,215.77
External (Net)	1,567.87	1,642.90	1,679.37	1,698.67	1,855.34	1,896.42
Assets	2,395.51	2,314.70	2,319.25	2,447.43	2,695.00	2,683.82
Liabilities	827.64	671.80	639.88	748.76	839.66	787.40
Other ECCB Territories (Net)	(225.08)	(268.43)	(260.01)	(376.31)	(552.26)	(680.65)
Assets	834.05	734.18	724.14	676.52	632.12	609.61
Liabilities	1,059.12	1,002.60	984.15	1,052.84	1,184.37	1,290.25
Net Domestic Assets	**791.84**	**734.41**	**678.09**	**740.59**	**722.55**	**762.18**
Domestic Credit	**961.08**	**917.53**	**871.30**	**887.00**	**869.83**	**866.63**
Central Government (Net)	457.74	445.16	424.57	436.63	438.45	451.35
Other Public Sector (Net)	(946.03)	(979.60)	(1,000.78)	(1,011.46)	(1,036.75)	(1,040.84)
Private Sector	1,449.38	1,451.98	1,447.51	1,461.83	1,468.14	1,456.12
Household	859.97	862.33	864.00	875.34	869.26	866.27
Business	532.92	533.72	530.80	523.79	519.98	516.60
Non-Bank Financial Institutions	15.19	15.34	12.29	22.15	38.45	33.01
Subsidiaries & Affiliates	41.29	40.58	40.42	40.56	40.45	40.25
Other Items (Net)	**(169.24)**	**(183.12)**	**(193.20)**	**(146.41)**	**(147.28)**	**(104.45)**
Monetary Liabilities (M2)	**3,056.10**	**3,034.95**	**2,985.73**	**2,907.67**	**2,909.56**	**2,891.06**
Money Supply (M1)	**606.34**	**622.46**	**593.79**	**567.40**	**567.57**	**554.73**
Currency with the Public	162.87	164.49	166.77	178.13	174.36	175.70
Demand Deposits	429.94	441.25	406.47	373.42	372.94	364.35
EC$ Cheques and Drafts Issued	13.53	16.72	20.55	15.85	20.27	14.68
Quasi Money	**2,449.75**	**2,412.49**	**2,391.94**	**2,340.27**	**2,342.00**	**2,336.33**
Savings Deposits	952.59	942.80	944.31	955.38	968.38	975.46
Time Deposits	642.92	615.67	589.30	560.05	525.92	527.54
Foreign Currency Deposits	854.25	854.02	858.32	824.84	847.69	833.34

Source: Eastern Caribbean Central Bank
Data as at17AUG2017

Table 41
Saint Lucia - Selected Tourism Statistics

	2016R 2ndQr	2016R 3rdQr	2016R 4thQr	2017R 1st Qr	2017P 2ndQr	2016 Jan - Jun	2017 Jan - Jun
Total Visitor Arrivals	179,941	147,458	309,650	437,625	200,057	546,936	637,682
Stay Over Arrivals 1/	85,772	81,541	83,192	100,478	97,070	183,139	197,548
USA	43,989	35,729	36,059	42,511	47,078	85,788	89,589
Canada	6,083	5,092	9,231	19,054	8,318	23,449	27,372
UK	15,537	12,779	17,241	17,743	17,882	34,494	35,625
Caribbean	15,806	23,731	14,886	12,732	18,226	28,609	30,958
Other Countries	4,357	4,210	5,775	8,438	5,566	10,799	14,004
Excursionists	2,541	3,141	3,409	2,522	1,846	5,933	4,368
Cruise Ship Passenger	80,735	52,175	209,079	313,552	92,474	326,167	406,026
Number of Cruise Ships	46	24	127	211	68	230	279
Yacht Passengers 1/	10,893	10,601	13,970	21,073	8,667	31,697	29,740
Total Visitor Expenditure (EC$M)	**481.98**	**456.35**	**526.06**	**572.90**	**598.96**	**987.19**	**1,171.87**

1/ From January 2016, yacht passengers staying in paid accomodation was recorded as part of stay-over arrivals

Source: Saint Lucia Tourist Board

Data as at 14 August 2017

Table 42
Saint Lucia - Consumer Price Index
January 2008 = 100

			Percentage Change*						
			Quarter over Previous Quarter						
		Index	2016^R	2016^R	2016^R	2017^R	2017^P	Jun-16	Jun-17
	Weight	Jun 2017	2nd Qr	3rd Qr	4th Qr	1st Qr	2nd Qr	Dec-15	Dec-16
All items	99.87	114.50	(0.53)	0.76	(0.94)	0.36	0.86	(2.65)	1.23
Food and Non-Alcoholic Beverages	25.02	120.94	(1.34)	(0.32)	0.67	(2.46)	0.89	(2.43)	(1.59)
Alcoholic Beverages, Tobacco & Narcotics	6.53	133.56	2.87	0.56	0.75	(0.17)	(3.70)	3.56	(3.86)
Clothing and Footwear	1.66	120.11	0.77	(2.90)	(11.05)	(4.79)	(1.26)	(1.45)	(5.99)
Housing, Utilities, Gas and Fuels	17.36	119.88	0.85	4.11	(2.58)	5.93	2.07	(6.10)	8.13
Household Furnishings, Supplies and Maintenance	3.31	100.25	0.75	(2.67)	2.36	(1.70)	0.98	6.08	(0.74)
Health	3.96	120.22	(0.36)	(0.05)	1.66	(0.89)	(0.54)	0.20	(1.43)
Transport	16.40	109.25	2.14	(2.73)	(1.34)	0.77	2.75	0.84	3.54
Communication	12.54	129.17	-	-	0.05	8.78	-	3.65	8.78
Recreation & Culture	1.37	58.31	(21.56)	(4.65)	(0.12)	(6.59)	(4.07)	(22.52)	(10.39)
Education	3.70	158.00	(0.50)	-	-	0.13	-	2.04	0.13
Hotels & Restaurants	1.10	123.17	2.19	-	-	(0.00)	-	2.19	(0.00)
Miscellaneous Goods and Services	6.92	99.14	(1.71)	3.99	1.05	(0.59)	0.29	(2.33)	(0.30)

*at end of period

Source: Central Statistical Office, Saint Lucia and ECCB Estimates

Data as at 14 August 2017

Table 43
Saint Lucia - Banana Production

	2016R 2ndQr	2016R 3rdQr	2016R 4thQr	2017R 1st Qr	2017P 2ndQr	2016 Jan - Jun	2017 Jan - Jun
Volume (tonnes)	2,062	2,542	576	651	2,433	3,973	3,084
Value (EC$M)	3.75	4.50	1.10	1.13	3.99	7.27	5.12
Unit Price (EC$/ tonnes)	1,819.56	1,769.30	1,908.63	1,734.27	1,640.52	1,830.93	1,660.32

Source: Winfresh Ltd
Data as at 14 August 2017

Table 44
Saint Lucia - Selected Trade Statistics
(Value: EC$M)

	2016R 2ndQr	2016R 3rdQr	2016R 4thQr	2017R 1st Qr	2017P 2ndQr	2016 Jan - Jun	2017 Jan - Jun
Total Exports	80.18	85.64	68.91	75.44	77.94	168.53	153.37
Total Domestic Exports	54.15	57.31	48.23	48.61	49.91	110.13	98.52
Total Re-Exports	26.03	28.33	20.67	26.82	28.03	58.39	54.85
Total Imports	407.20	373.98	490.69	431.93	417.87	902.40	849.80
Visible Trade Balance	(327.02)	(288.34)	(421.78)	(356.50)	(339.93)	(733.87)	(696.43)

Source: Central Statistical Office, Saint Lucia and ECCB Estimates
Data as at 14 August 2017

Table 45
Saint Lucia - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2016R 2ndQr	2016R 3rdQr	2016R 4thQr	2017R 1st Qr	2017P 2ndQr	2016 Jan - Jun	2017 Jan - Jun
Current Revenue	268.91	231.83	245.25	290.52	251.62	538.53	542.14
Tax Revenue	260.60	223.16	222.72	274.83	245.88	520.01	520.71
Taxes on Income and Profits	73.18	56.97	40.53	90.53	67.41	154.09	157.93
Of which:							
Personal	26.23	24.80	24.56	30.55	25.26	57.50	55.82
Company/Corporation	29.09	23.81	5.67	40.44	25.36	63.21	65.80
Taxes on Property	1.92	3.25	2.08	4.78	2.26	6.24	7.04
Taxes on Domestic Goods and Servic	112.51	96.56	104.82	103.59	95.34	223.23	198.93
Of which:							
Consumption Duty	0.01	0.01	0.02	-	0.03	0.01	0.03
Licences	6.11	5.91	9.71	6.26	1.05	13.19	7.31
Excise Tax	0.80	1.06	0.87	1.03	0.97	1.85	2.00
Hotel Occupancy Tax	0.04	0.02	0.07	0.09	0.02	0.33	0.10
Value Added Tax	92.40	77.45	83.21	85.68	81.75	184.78	167.44
Taxes on International Trade and Tran	72.99	66.38	75.29	75.93	80.88	136.45	156.80
Of which:							
Consumption Tax	-	-	0.01	-	-	0.24	-
Import Duties	27.57	26.87	30.89	28.16	30.47	52.65	58.63
Customs Service Charge	17.87	16.42	18.93	18.13	19.10	33.89	37.23
Excise Tax	22.81	18.80	22.44	22.70	26.11	39.74	48.81
Non-Tax Revenue	8.32	8.67	22.53	15.69	5.74	18.52	21.43
Current Expenditure	205.94	235.35	250.27	248.57	227.25	431.12	475.82
Personal Emoluments	93.91	94.70	116.81	96.91	93.46	189.13	190.37
Goods and Services	32.50	43.86	42.07	53.81	31.05	79.72	84.87
Interest Payments	32.83	42.15	35.42	41.65	47.07	71.72	88.72
Domestic	18.88	28.47	21.99	26.19	31.12	47.98	57.31
External	13.95	13.68	13.43	15.46	15.95	23.74	31.41
Transfers and Subsidies	46.70	54.65	55.96	56.19	55.67	90.56	111.87
Of which: Pensions	18.67	20.67	23.47	21.14	20.34	37.40	41.48
Current Account Balance	62.98	(3.52)	(5.02)	41.95	24.37	107.41	66.32
Capital Revenue	0.09	0.06	0.08	0.02	-	0.09	0.02
Grants	4.71	2.39	8.45	18.49	0.77	10.54	19.26
Of which: Capital Grants	4.71	2.39	8.45	18.49	0.77	10.54	19.26
Capital Expenditure and Net Lending	14.93	36.18	38.03	64.79	11.62	69.34	76.41
Of which: Capital Expenditure	14.93	36.18	38.03	64.79	11.62	69.34	76.41
Primary Balance after grants	85.68	4.90	0.90	37.32	60.59	120.42	97.91
Overall Balance after grants	52.85	(37.25)	(34.52)	(4.33)	13.52	48.70	9.19
Financing	(52.85)	37.25	34.52	4.33	(13.52)	(48.70)	(9.19)
Domestic	(84.82)	(12.31)	44.31	(23.69)	(10.61)	(79.45)	(34.30)
ECCB (net)	(8.90)	(15.71)	(7.11)	27.09	10.07	11.57	37.15
Commercial Banks (net)	(44.15)	59.53	23.00	(52.14)	13.30	(93.01)	(38.84)
Other	(31.77)	(56.12)	28.42	1.36	(33.98)	1.99	(32.62)
External	31.97	49.56	(9.79)	28.02	(2.91)	30.75	25.11
Net Disbursements (Amortisation)	31.97	49.56	(9.79)	28.02	(2.91)	30.75	25.11
Disbursements	53.31	67.26	10.79	43.06	17.30	66.54	60.35
Amortisation	21.34	17.70	20.58	15.04	20.21	35.79	35.24
Change in Government Foreign Asse	-	-	-	-	-	-	-
Arrears	-	-	-	-	-	-	-
Domestic	-	-	-	-	-	-	-
External	-	-	-	-	-	-	-
Other financing	-	-	-	-	-	-	-

Source: Ministry of Finance, Saint Lucia
Data as at 14 August 2017

Table 46
Saint Lucia - Monetary Survey
(EC$M at end of period)

	2016 1st Qr	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr[P]
Net Foreign Assets	**429.74**	**511.97**	**464.49**	**449.49**	**707.53**	**737.69**
Central Bank (Net)	**826.32**	**839.16**	**789.18**	**743.60**	**798.73**	**710.67**
Commercial Banks (Net)	(396.59)	(327.19)	(324.69)	(294.11)	(91.21)	27.02
External (Net)	228.83	173.71	171.67	204.15	296.91	309.45
Assets	1,003.48	963.24	941.02	960.03	1,019.15	1,052.76
Liabilities	774.66	789.53	769.35	755.89	722.23	743.31
Other ECCB Territories (Net)	(625.41)	(500.90)	(496.35)	(498.25)	(388.12)	(282.43)
Assets	359.16	387.32	368.71	390.34	499.40	553.18
Liabilities	984.58	888.22	865.06	888.59	887.52	835.61
Net Domestic Assets	**2,755.27**	**2,630.45**	**2,653.28**	**2,675.52**	**2,538.08**	**2,513.00**
Domestic Credit	**3,256.24**	**3,097.80**	**3,163.32**	**2,976.69**	**2,899.40**	**2,897.14**
Central Government (Net)	198.32	145.28	189.09	204.98	179.93	203.30
Other Public Sector (Net)	(484.83)	(497.09)	(466.40)	(477.41)	(508.26)	(525.61)
Private Sector	3,542.75	3,449.61	3,440.62	3,249.12	3,227.72	3,219.45
Household	1,777.00	1,756.97	1,762.10	1,683.54	1,843.52	1,851.18
Business	1,703.13	1,628.92	1,614.88	1,547.59	1,370.95	1,355.53
Non-Bank Financial Institutions	15.76	17.66	17.79	17.40	12.63	12.13
Subsidiaries & Affiliates	46.85	46.06	45.86	0.59	0.62	0.62
Other Items (Net)	**(500.97)**	**(467.36)**	**(510.04)**	**(301.17)**	**(361.32)**	**(384.14)**
Monetary Liabilities (M2)	**3,185.01**	**3,142.42**	**3,117.77**	**3,125.02**	**3,245.60**	**3,250.69**
Money Supply (M1)	**836.40**	**791.32**	**832.81**	**859.74**	**892.20**	**916.89**
Currency with the Public	153.15	154.54	153.09	165.76	154.67	153.76
Demand Deposits	671.92	634.77	667.89	685.58	731.23	747.42
EC$ Cheques and Drafts Issued	11.33	2.01	11.83	8.39	6.30	15.72
Quasi Money	**2,348.60**	**2,351.10**	**2,284.96**	**2,265.28**	**2,353.40**	**2,333.80**
Savings Deposits	1,567.64	1,587.70	1,592.06	1,584.80	1,599.83	1,611.89
Time Deposits	405.95	418.90	365.22	362.13	366.70	346.70
Foreign Currency Deposits	375.02	344.50	327.68	318.35	386.87	375.21

Source: Eastern Caribbean Central Bank
Data as at 18 August 2017

Table 47
St Vincent and the Grenadines - Selected Tourism Statistics

	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017P 2nd Qr	2016 Jan - Jun	2017P Jan - Jun
Total Visitors	32,552	24,435	69,489	104,460	31,680	129,232	136,140
Stay-Over Visitors	18,141	17,716	21,192	20,830	17,288	40,487	38,118
Of which:							
USA	5,907	4,908	5,923	6,375	5,630	12,255	12,005
Canada	1,614	1,435	2,472	2,533	1,539	3,998	4,072
UK	3,380	3,133	4,442	4,282	3,216	9,399	7,498
Caribbean	6,017	7,074	6,181	5,027	5,735	11,135	10,762
Other Countries	1,223	1,166	2,174	2,613	1,168	3,700	3,781
Excursionists	377	192	257	430	326	891	756
Yacht Passengers	8,543	5,773	12,136	21,714	8,410	30,361	30,124
Cruise Ship Passengers	5,491	754	35,904	61,486	5,656	57,493	67,142
Number of Cruise Ship Calls	25	18	83	119	25	160	144
Total Visitor Expenditure (EC$M)	**57.02**	**47.20**	**70.90**	**85.52**	**56.08**	**150.54**	**141.59**

Source: St Vincent and the Grenadines Tourism Authority
Data for March to June 2017 estimated
Data as at 14 August 2017

Table 48
St Vincent and the Grenadines - Consumer Price Index
January 2010 = 100

			Percentage Change*						
			Quarter over Previous Quarter						
	Weight	Index Jun 2017	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017P 2nd Qr	Jun-16 / Dec-15	Jun-17 / Dec-16
All Items	100.0	108.00	1.53	-	(0.28)	0.19	1.60	1.24	1.79
Food and Non-Alcoholic Beverages	21.91	113.10	2.56	(0.54)	0.63	(0.98)	1.89	1.73	0.89
Alcoholic Beverages, Tobacco and Narcotics	3.87	117.60	1.15	0.88	1.13	(0.17)	1.38	2.52	1.20
Clothing and Footwear	3.22	104.90	0.57	(0.29)	-	0.10	-	2.44	0.10
Housing, Water, Electricity, Gas and Other Fu	30.06	100.40	1.23	0.81	(1.11)	0.92	1.31	0.82	2.24
Furnishing, Household Equipment and Routine	6.59	108.30	0.59	0.29	-	(0.58)	5.66	0.98	5.04
Health	1.79	107.80	(0.09)	(0.09)	(0.09)	(0.19)	0.47	(1.46)	0.28
Transport	11.84	120.80	3.18	(1.33)	(0.51)	0.68	1.85	2.56	2.55
Communications	9.41	111.20	2.16	(1.66)	-	0.09	4.02	2.16	4.12
Recreation and Culture	3.81	104.10	0.78	-	0.10	0.38	(0.38)	1.36	-
Education	1.32	109.30	-	0.74	-	-	-	(1.54)	-
Restaurants and Hotels	1.87	103.20	-	0.29	0.19	(0.58)	0.88	-	0.29
Miscellaneous Goods and Services	4.31	103.30	0.10	-	-	4.04	(2.09)	0.20	1.87

Source: Statistical Office, Central Planning Division, Ministry of Finance and Economic Planning, St Vincent and the Grenadines
*at end of period
Data as at 14 August 2017

Table 49
St Vincent and the Grenadines - Selected Trade Statistics
(Value: EC$M; Volume: 000 tonnes)

	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017P 2nd Qr	2016 Jan - Jun	2017P Jan - Jun
Visible Trade Balance	(195.11)	(195.39)	(203.26)	(187.47)	(177.68)	(378.98)	(365.16)
Total Imports	227.94	224.18	238.34	216.80	203.12	441.32	419.93
Total Exports	32.84	28.80	35.08	29.33	25.44	62.33	54.77
Re-Exports	2.54	2.50	3.81	5.73	2.76	4.10	8.50
Domestic Exports	30.30	26.29	31.26	23.60	22.68	58.23	46.27

Source: Statistical Office, Central Planning Division, Ministry of Finance and Economic Planning, St Vincent and the Grenadines
Data as at 14 August 2017

Table 50
St Vincent and the Grenadines - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017P 2nd Qr	2016 Jan - Jun	2017P Jan - Jun
Current Revenue	150.31	138.93	179.73	121.56	148.56	270.71	270.12
Taxes on Income and Profits	39.33	35.73	50.77	28.84	43.55	69.08	72.39
Individuals	19.43	17.59	21.00	21.52	20.10	39.10	41.62
Corporate	16.69	14.25	26.21	4.50	16.76	24.42	21.26
Non Resident	3.21	3.89	3.57	2.82	6.69	5.56	9.51
Taxes on Property[1]	11.48	7.81	17.13	3.71	13.78	20.17	17.49
Of which:							
Propert Tax	0.68	1.75	1.03	0.46	0.62	1.27	1.08
Taxes on Domestic Goods and Servic	63.57	57.87	59.41	60.34	58.00	116.79	118.35
Of which:							
Telecomm Broadcast licence	0.78	0.05	0.02	2.99	0.00	0.78	2.99
Excise Tax	10.63	10.39	12.08	9.99	10.45	18.83	20.43
Value Added Tax	37.31	37.50	40.20	40.23	40.17	76.08	80.39
Motor Vehicle Licence	3.97	3.58	3.18	3.06	3.62	6.34	6.68
Taxes on International Trade and Tran	15.89	16.43	17.46	12.70	14.86	29.05	27.56
Of which:							
Import Duty	14.04	14.93	16.06	11.54	13.05	25.70	24.59
Other Revenue	20.05	21.10	34.94	15.97	18.36	35.62	34.33
Current Expenditure	133.30	131.27	137.76	126.28	145.20	253.93	271.48
Compensation of Employee	69.41	67.65	69.60	69.28	69.44	137.18	138.72
Use of Goods and Services	16.26	17.81	18.25	11.66	18.44	28.18	30.09
Interest Payments	12.18	9.61	10.87	9.76	12.96	20.98	22.72
Domestic	3.29	4.90	3.24	4.67	3.63	6.86	8.30
External	8.89	4.71	7.63	5.09	9.33	14.12	14.42
Transfers	32.54	32.84	32.94	33.44	35.20	63.39	68.64
Of which:							
Other Grants and Contributions	15.12	13.84	15.38	13.07	16.43	25.80	29.50
Employment Related Social Benefit	13.08	12.50	14.92	10.25	13.32	27.15	23.56
Current Account Balance	17.02	7.67	41.97	(4.72)	3.36	16.78	(1.36)
Capital Revenue and Grants	10.13	21.15	7.43	0.91	6.53	12.47	7.43
Capital Expenditure	12.57	22.63	23.54	1.10	16.04	24.17	17.14
Primary Balance	26.74	15.80	36.73	4.85	6.80	26.06	11.65
Overall Balance	14.57	6.18	25.86	(4.91)	(6.16)	5.08	(11.07)
Financing	(14.57)	(6.18)	(25.86)	4.91	6.16	(5.08)	11.07
Domestic	(18.65)	(33.71)	(24.39)	19.24	(23.80)	(22.57)	(4.56)
ECCB (net)	(13.83)	3.04	(6.91)	(9.25)	(5.27)	2.30	(14.52)
Commercial Banks (net)	(8.86)	(16.13)	(17.16)	25.34	(14.10)	(15.89)	11.24
Other	4.04	(20.62)	(0.32)	3.15	(4.43)	(8.98)	(1.28)
External	10.51	16.39	5.17	1.15	23.37	45.62	24.52
Net Disbursements/(Amortisation)	10.51	16.39	5.17	1.15	23.37	45.62	24.52
Disbursements	61.35	73.16	71.03	76.07	114.36	106.88	190.43
Amortisation	50.84	56.77	65.86	74.91	90.99	61.26	165.91
Change in Government Foreign Asse	-	-	-	-	-	-	-
Arrears	(6.42)	11.14	(6.65)	(15.49)	6.59	(28.13)	(8.89)
Domestic	(6.42)	11.14	(6.65)	(15.49)	6.59	(28.13)	(8.89)
External	-	-	-	-	-	-	-
Other Financing	-	-	-	-	-	-	-

Source: Ministry of Finance and Economic Planning, St Vincent and the Grenadines and the Eastern Caribbean Central Bank
Note: The classification of Government Finance Statistics was changed in the first quarter of 2016
1/ For St Vincent and the Grenadines, this item includes property tax, alien land holding license and stamp duty on property
**Based on international best practice of economic classification, VAT is a tax on goods and services;*
Data as at 14 August 2017

Table 51
St Vincent and the Grenadines - Monetary Survey
(EC$M at end of period)

	2016 1st Qr	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr[P]
Net Foreign Assets	**591.62**	**583.24**	**606.72**	**661.82**	**664.03**	**653.09**
Central Bank (Net)	**493.86**	**455.16**	**440.09**	**516.24**	**486.67**	**535.00**
Commercial Banks (Net)	97.76	128.08	166.63	145.58	177.37	118.09
External (Net)	30.26	42.09	68.65	67.95	89.58	57.02
Assets	247.43	253.08	278.17	273.52	283.64	250.59
Liabilities	217.17	210.99	209.52	205.58	194.06	193.56
Other ECCB Territories (Net)	67.51	86.00	97.98	77.64	87.78	61.07
Assets	193.76	202.10	205.15	197.52	195.86	192.57
Liabilities	126.25	116.10	107.17	119.89	108.08	131.50
Net Domestic Assets	**909.79**	**893.55**	**872.21**	**858.90**	**880.35**	**882.53**
Domestic Credit	**1,084.14**	**1,069.70**	**1,055.98**	**1,045.43**	**1,075.36**	**1,051.97**
Central Government (Net)	120.26	97.57	84.49	60.42	76.51	57.14
Other Public Sector (Net)	(107.57)	(107.39)	(106.64)	(99.04)	(91.89)	(105.31)
Private Sector	1,071.45	1,079.52	1,078.13	1,084.05	1,090.74	1,100.14
Household	822.82	837.81	842.54	846.62	854.19	866.14
Business	229.32	222.59	216.24	210.02	210.01	207.04
Non-Bank Financial Institutions	15.31	15.12	15.36	23.41	22.55	22.96
Subsidiaries & Affiliates	4.00	4.00	4.00	4.00	4.00	4.00
Other Items (Net)	**(174.35)**	**(176.15)**	**(183.76)**	**(186.54)**	**(195.01)**	**(169.44)**
Monetary Liabilities (M2)	**1,501.41**	**1,476.79**	**1,478.93**	**1,520.72**	**1,544.39**	**1,535.62**
Money Supply (M1)	**462.00**	**458.00**	**452.09**	**479.79**	**494.22**	**492.77**
Currency with the Public	63.59	65.88	71.94	91.72	86.70	86.03
Demand Deposits	392.41	378.57	371.15	379.55	398.85	393.78
EC$ Cheques and Drafts Issued	5.99	13.55	9.00	8.51	8.67	12.97
Quasi Money	**1,039.41**	**1,018.79**	**1,026.84**	**1,040.93**	**1,050.17**	**1,042.85**
Savings Deposits	828.97	829.96	831.97	845.21	867.06	878.33
Time Deposits	129.06	117.57	113.68	114.25	110.68	109.28
Foreign Currency Deposits	81.39	71.26	81.19	81.47	72.43	55.25

Source: Eastern Caribbean Central Bank
Data as at 18 August 2017