Eastern Caribbean Central Bank

Economic and Financial Review

Volume 36 Number 1 March 2016

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The Quarterly Economic and Financial Review report is a publication of the Eastern Caribbean Central Bank

Quarterly Economic and Financial Review

2016

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

As outlined in the April 2016 update of the International Monetary Fund's World Economic Outlook (WEO), developments in the global economy reflected a moderate economic expansion attributable to lower growth prospects partly evidenced by protracted low commodity prices. Based on current developments the global economy is estimated to expand by 3.2 per cent in 2016, compared with 3.1 per cent in 2015. However, the performance in 2016 falls below the 3.4 per cent growth rate recorded in 2014. This relative sluggishness in the pace of the economic expansion is attributable to continued rebalancing and realignment in China and the consequential redistributive impacts of that policy decision on the rest of the global economy, especially other emerging economies. Economic contraction, notably in Brazil, Russia and a number of other commodity exporters continues to weigh on prospects in emerging markets and coupled with increasing geo-political tensions threatens to further curtail the rate of the global economic expansion.

Revised estimates of real GDP indicted that the USA economy expanded at a slower rate during the first quarter of 2016, relative to the previous, while growth for the year was estimated at 2.4 per cent. Economic growth accelerated in the Euro Area marginally, while the performance decelerated in the United Kingdom during the first quarter of 2016. Much of the expansion in global growth was attributable to growth in emerging market and developing economies largely reflecting the performances of China and India.

The year 2016 began in the middle of a steep decline in petroleum prices which began in the fall of 2015, fuelled by intensified investor uneasiness associated with the limited policy space available to global central banks including the Federal Reserve. The limited scope for monetary policy by central banks, influenced by near-zero interest rates in a number of jurisdictions, fuelled investor aversion to risky assets including commodities, placing downward pressure on energy prices. Subsequent to that financial markets recovered and petroleum prices have largely recouped much of the losses recorded at the start of 2016. Notwithstanding the recovery in valuations, petroleum prices remained significantly below the price range observed in the corresponding quarter of 2015. Likewise the prices of other commodities, including grains, metals and minerals also declined in the first three months of 2016 compared with the corresponding quarter of 2015. A protracted period of low petroleum prices contributed to fairly benign inflation rates. Unfavourable demographic trends, low productivity growth and legacies from the global financial crisis continue to hamper a more robust pickup in activity.

Growth in China and India has been broadly in line with projections, but trade growth has slowed significantly. The trade slowdown is related to the decline in investment growth across emerging market economies, which reflects rebalancing in China but also sharp right-sizing of investment in commodity exporters, particularly those facing difficult macroeconomic conditions.

Accommodative monetary policy and lower oil prices will continue to support domestic demand. However, weak external demand, combined with further exchange rate appreciation especially in the United States of America and somewhat tighter financial conditions, will weigh on the recovery.

Macro-economic Developments in the Major Economies

Real GDP and Labour Market Developments

The value of the goods and services produced in the **USA** increased at an annual rate of 0.8 per cent in the first quarter of 2016, compared with a 1.4 per cent increase in the fourth quarter of 2015 and in contrast to a 0.1 per cent contraction in the corresponding quarter of 2015. The increase in real GDP in the first quarter primarily reflected positive contributions from personal consumption expenditures (PCE), residential fixed investment, and state and local government spending that were partly offset by negative contributions from nonresidential fixed investment, exports, private inventory investment, and federal government spending. The USA economy continued to be buoyed by flexibility in the labour market and the strength of the housing market. Consumer prices in the United States of America rose by 0.9 per cent year-on-year in

March of 2016, lower than the 1.0 per cent increase in the previous month, however in contrast to the 0.1 per cent decline recorded in March of 2015.

The economy of the **United Kingdom** expanded by 0.4 per cent during the first quarter of 2016, slowing from a 0.6 per cent growth in the previous period and matching preliminary estimates. The performance was supported by household spending, partly offset by a decline in exports and business investment which contracted for two consecutive quarters on account of the uncertain results for the EU Membership referendum. Household spending rose by 0.7 per cent, slightly outpacing a 0.6 per cent increase in the previous quarter. Government spending also accelerated by 0.4 per cent compared with a 0.3 per cent increase in the final quarter of 2015. In the same quarter, the employment level of those aged 16 and over increased by 0.1 per cent in the first three months of 2016 to reach 31.6m and 1.3 per cent higher than the same quarter in 2015. In comparison, total weekly hours worked stayed unchanged during the quarter, following a substantial increase in the final quarter of 2015.

The **Eurozone** economy is estimated to have increased by 0.5 per cent during the first quarter of 2016 compared with a 0.3 per cent expansion in the final quarter of 2015. Compared with the corresponding quarter of the previous year, seasonally adjusted GDP rose by 1.5 per cent. Notwithstanding a number of external headwinds including the slowdown in emerging markets and financial market volatility at the beginning of 2016, the economy of the Eurozone continues to display resilience as evidenced by stability in domestic demand. However, the consumer price index fell in the single currency union, increasing pressure on the European Central Bank to implement policies to stave off deflation. On an individual country basis; growth accelerated in France and Germany. In France, improving labour market conditions coupled with more accommodative financing conditions supported the domestic economy, offsetting a weakness in the external sector. In Germany, the Eurozone's largest economy, growth reached a two-year high sustained by higher construction activity and buoyant private consumption. Additionally, growth remained robust in Spain, the fastest growing country in the region in the first quarter and the Italian economy recorded a marginal improvement in GDP during the first quarter. In contrast, the Greek economy contracted as austerity measures and political turmoil continued to hamper that economy.

The **Canadian** economy expanded by 0.6 per cent in the first three months of 2016, following a downwardly revised 0.1 per cent growth in the previous three months, largely attributable to a rebound in exports. The increase was also in contrast to a 0.1 per cent contraction in the corresponding quarter of 2015. The annualized growth rate advanced to 2.4 per cent from a downward revision of 0.5 per cent, but missing market expectations of a 2.9 per cent expansion. Exports represented the largest contributor to real GDP growth in the first quarter, increasing by 1.7 per cent following a 0.4 per cent decline in the previous three months. The volume of exports of goods increased by 1.9 per cent, while that of services advanced by 0.7 per cent. Imports also rose by 0.3 per cent. Consequently, Canada recorded a current account deficit of CAD16.8 billion in the first quarter of 2016, compared to a CAD15.7 billion deficit in the previous period that was in line with market expectations as lower oil prices constrained the value of exports. At the end of the first quarter, energy products accounted for 11.0 per cent of all Canadian exports, the lowest share observed since 2002.

The **Chinese** economy expanded by 1.1 per cent in the first quarter of 2016, a deceleration from a downwardly revised 1.5 per cent increase in the previous quarter. The performance represented the weakest quarterly performance figure since the data collection began in 2010. The outturn also fell short of the market consensus of a 1.5 per cent increase. Year-on-year, however, the economy advanced by an annual 6.7 per cent in the first quarter of 2016, compared to a 6.8 per cent expansion in the previous period and in line with market expectations. While the first quarter growth was the weakest performance since the first quarter of 2009, fixed-asset investment, industrial output, retail sales and new yuan denominated loans all increased more than estimated in March. From January to March 2016, exports fell by 9.6 per cent, as purchases from most of the country's trading partners declined. Imports decreased by 13.5 per cent.

Commodity and Consumer Prices

Commodity prices on average fell during the first quarter of 2016 when compared with the final quarter of 2015 and relative to the corresponding three months of 2015. This assessment is based on declines in both the energy and non-energy components of the World Bank Commodities Market Outlook. Energy prices declined by 31.0 per cent in the first quarter of 2016, largely attributable to a 22.0 per cent reduction in the price of petroleum. A persistent oversupply of petroleum, particularly from non-OPEC producing countries and higher output from Iran, coupled with weak seasonal demand contributed to the decline in petroleum prices. During the first quarter of 2016 the average monthly price of West Texas Intermediate (WTI) fell to US$33.18 per barrel compared with US$41.95 per barrel in the previous three months and US$48.54 per barrel during the corresponding quarter of 2015. Likewise, UK Brent averaged US$33.70 in the first three months of 2016 from an average of US$43.56 in the last quarter of 2015 and US$55.13 in the corresponding three months of 2015.

Non-energy commodity prices fell by 2.0 per cent in the first quarter of 2016 influenced by large inventories and excess supply. Metal prices declined based on dimming growth prospects in China and abundant supplies. Lower energy prices have generated energy efficiencies that have enabled producers to delay the closure of higher cost mines, which would have constrained the output of metals. During the first quarter of 2016 the metals index was mixed when compared with the index for the previous quarter, however, it fell relative to the first quarter of 2015, reflecting reductions in the average price of all major metals including; nickel, copper , zinc, tin, aluminium and lead. Major declines were recorded for the price per metric tonne for nickel (9.7 per cent) and copper (4.3 per cent) relative to the final quarter of 2015. However, when compared with the corresponding first quarter of 2015 all of the major metals registered price declines ranging from 40.9 per cent for nickel to 3.9 per cent for lead. With respect to precious metals, the average price of gold per ounce rose to US$1,181 in the first three months of 2016 from US$1,107 in the last quarter of 2015, however this represented a decline when compared to the first quarter of 2015 when gold prices were US$1,219 per ounce.

The price of silver averaged US$14.9 per ounce in the first quarter of 2016 from US$14.8 in the previous quarter and US$16.8 per ounce in the first quarter of 2015.

The FAO Food Price Index (FFPI) averaged 149.9 in the first three months of 2016 down from an average of 155.6 in the final quarter of 2015 and an average of 175.4 in the corresponding quarter of 2015. The major contributors to the decline in food prices compared with the previous quarter were lower prices for most of the sub-indices including diary, meat, cereals, and sugar. When compared with the corresponding quarter of 2015 declines were recorded in the indices for all of the previously identified sub-groups including vegetable oils. The largest movement was in the dairy index, which registered a decline of 22.8 per cent compared with the previous quarter and the corresponding quarter of 2015 of 22.8 per cent and 8.5 per cent respectively.

Price Inflation

Low commodity prices continued to contain inflationary pressures in the major global economies. Headline consumer prices in the USA rose by 0.1 per cent in March 2016, after declining by 0.2 per cent in February. This was the first increase in the CPI in four months and was attributable to an increase of 2.2 per cent in prices at the pump in March after declining by 13.0 per cent in February, following previous reductions of 4.8 per cent in January 2016 and December 2015. The Federal Open Market Committee (FOMC) at its April meeting left the Federal Funds rate unchanged at a range between 0.25 per cent and 0.5 per cent. The Federal Reserve Bank maintained its accommodative monetary policy stance, aimed at supporting further improvement in labour market conditions and a return to a 2.0 per cent inflation benchmark. Consumer prices in the **United Kingdom** increased by 0.5 per cent year-on-year in March of 2016, following a 0.3 per cent rise in the previous two months. The outturn fell below market expectations of a 0.4 per cent increase; however it represented the highest inflation rate since December of 2014. Higher costs for housing and utilities, restaurants and hotels and clothing and footwear, fuelled the increase, partly moderated by a decline in the transport sub-index. Consumer prices in the **Eurozone** were relatively unchanged year-on-year in March of 2016, compared to a 0.2

per cent decrease in the previous month. Preliminary estimates pointed to a 0.1 per cent reduction in the CPI. On a monthly basis, consumer prices rose by 1.2 per cent, the highest in three years. At the European Central Bank's monetary policy meeting held on 21 April, 2016, the Governing Council of the ECB cognizant of benign inflationary pressures, decided to leave unchanged the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility. The largest influence on the upward movement in prices was the sub-indices; restaurants and cafés, package holidays and rents, while reductions in fuel prices moderated the increase in the CPI. Consumer price inflation in **China** rose by 2.3 per cent year-on-year in March of 2016, similar to the inflation rate in February and below expectations of a 2.5 per cent increase. Noteworthy, is the increase in the politically sensitive food prices sub-index which expanded by 7.6 per cent, while non-food prices rose by a more moderate 1.0 per cent pace.

Monetary Policy Developments

The Federal Open Market Committee (FOMC) ended a seven year uninterrupted period during which the federal funds rate was maintained at a range between 0.0 to 0.25 per cent, by increasing the rate by 25 basis points to a range from 0.25 to 0.50 per cent in December 2015. The Federal Reserve's accommodative stance allowed for a low interest rate environment aimed at stimulating economic activity during what appears to be a prolonged weak economic recovery. The Committee also maintained its existing policy of reinvesting principal payments from its holdings of agency debt and agency mortgage-backed securities and of rolling over maturing Treasury securities at auction. The Committee anticipates that this policy stance will continue until the process of restoring the federal funds rate to normal levels ensues.

The monetary policy stance of other major central banks appears less optimistic about the scope for reduce accommodation. Generally, major central banks continued to maintain very low interest rates in the absence of robust economic growth and the absence of significant inflationary pressures. Notwithstanding an increase in the year on year CPI to 0.5 per cent in March 2016, the **Bank of England's** Monetary Policy

Committee maintained the Bank Rate at 0.5 per cent as the increase in prices in March remained well below the Bank's inflation target of 2.0 per cent. The Monetary Policy Committee also voted unanimously to maintain the stock of purchased assets at £375.0 billion. The Governing Council of the **European Central Bank (ECB),** at its 21 April monetary policy meeting decided that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.00 per cent, 0.25 per cent and -0.40 per cent respectively. This follows marginal reductions to the rates of 5 bps, 5 bps and 10 bps respectively at the previous monetary policy meeting on 10 March, 2016. Furthermore the Council indicated that there would be an expansion in the monthly purchases under the asset purchase programme to €80.0 billion, an indication of a prolonged accommodative stance. Subsequent areas of focus will include the implementation of additional refinancing options referenced in the 10 March 2016 meeting. The **Bank of Canada** on 13 April 2016 announced that it maintained its target for the overnight rate at 0.5 per cent, likewise the Bank Rate and deposit rates remained unchanged at 0.75 per cent and 0.25 per cent respectively. The **People's Bank of China** China's central bank injected US19.2 billion and US15.2 billion into the financial system via reverse repos on 05 January, 2016 and 2 February 2016 respectively. The policy measure was designed to buoy the financial system which was buffeted by reports of declining output in the manufacturing sector, a consequence of declining global trade.

Prospects

A pick up in global economic growth is anticipated based on the consensus of the April 2016 update to the World Economic Outlook. The International Monetary Fund (IMF) projected global growth at 3.2 per cent in 2016 compared with a 3.1 per cent increase in the previous year. As in previous years much of this expansion reflects the generally fast pace of economic growth in emerging market and developing economies. Emerging market and developing economies are estimated to expand by 4.1 per cent twice the 1.9 per cent increase in GDP which is estimated for more advanced economies. However, notwithstanding the fairly rapid pace of expansion relative to advanced economies, prospects across countries are varied and have progressively weakened over the past two decades. These circumstances reflect the impacts of the rebalancing exercise being undertaken in the Chinese economy and the concomitant adverse effects on commodity exporting emerging economies particularly Brazil and Russia. In the case of advance economies, the prospects too are disparate with the USA among the leaders in global growth for this country group. The USA is estimated to expand by 2.4 per cent in 2016 at a rate comparable to 2015. Economic activity is expected to be sustained by a robust housing market, partly supported by accommodative financial conditions and low oil prices which effectively increase disposable incomes. Flexibility in labour markets, albeit the result of lower participation rates will continue to support consumer spending and drive economic growth. These gains may be constrained somewhat by weak external demand for USA exports and tighter financial conditions imposed by lending institutions. Another emerging risk to the expansion in the USA is the gradual appreciation of the dollar relative to other major currencies. Ongoing geo-political developments in Britain/European Union and the Middle-East point to a further strengthening of the US dollar as investors move to safe haven assets. Additionally, with the advent of another Presidential election scheduled to take place in November 2016, there is the possibility of diminished fixed investment by corporations as market participants await the outturn of what is likely to be an intense contest. Inflation is expected to remain low in the near term, in part because of earlier declines in energy prices. The FOMC expects that, with gradual adjustments in the stance of monetary policy, economic activity will expand at a moderate pace and labour market indicators will continue to strengthen.

The **Bank of England's** growth outlook for the UK economy remains guarded in the near-to-medium term, largely based on sentiments leading up to and after the Brexit referendum. The economy is estimated to grow between 1.9 per cent and 2.1 per cent in 2016 depending on the path of the exchange rate, from a 2.2 per cent expansion in 2015. The tepid growth forecast for the economy also reflects pessimistic international trade prospects, premised on constrained growth in emerging markets, one of UK's major trading partners. The consumer price index is projected to accelerate as the economic drag caused by depressed commodity prices gradually unwinds. As the economic slack in the economy gradually dissipates, labour market conditions are forecasted to improve by the end of 2016. However, the already cautious outlook will likely be negatively impacted by the UK's vote on 23 June 2016 to leave the European Union. These risks include disruption in trade arrangements with the rest of the European Union which represents 50.0 per cent of the UK's total trade and the source of 48.0 per cent of all Foreign Direct Investment. The exit vote by Britains threatens to reduce the openness of the economy of the UK and its long-run potential supply.

The economic recovery in the **Euro Area** continues, buoyed by domestic demand, while foreign demand growth remains weak. The preliminary estimate is for an expansion of 1.5 per cent in 2016 prior to the Bexit vote. Sustained domestic demand continued to be supported by loose monetary policy measures. Consequently, the favourable impact on financing conditions from the accommodative policy stance, together with improvements in corporate profitability, has benefited investment. Moreover, the accommodative monetary policy stance, continued employment gains resulting from past structural reforms and the relatively low price of oil may provide ongoing support for households' real disposable income and private consumption. In addition, the fiscal stance in the Euro Area is slightly expansionary. At the same time, the economic recovery in the Euro Area is still dampened by the ongoing balance sheet adjustments in a number of sectors, the insufficient pace of implementation of structural reforms in some countries and subdued growth prospects in emerging markets. Euro Area headline inflation remains at near zero in recent months largely reflecting the impact of negative annual rates of change in energy prices. As a consequence domestic price pressures remain subdued. Based on current futures prices for energy, inflation rates are likely to be negative in the coming months before assuming an upward track during the second half of 2016. The risks to the Euro Area growth outlook remain firmly tilted to the downside.

The Bank of Canada estimates real GDP growth of 1.7 per cent in 2016 and a projected 2.3 per cent increase in 2017 for the **Canadian** economy. The conservative growth forecast reflects Canada's complex structural adjustment to the ongoing oil price shock which forecasters estimate will dampen growth throughout the Bank's projection horizon. Prices of oil and other commodities have recovered some of the price declines recorded earlier in the year; however, they remain substantially below historical averages. Consequently, the Bank expects larger declines in investment in Canada's energy sector than previously forecasted. Meanwhile, the Canadian dollar has stabilized, reflecting divergent expectations for monetary policy in Canada and the United States of America, as well as recent increases in commodity prices.

The economy of **China** a major global economic player is estimated to grow by 6.5 per cent compared with slightly faster growth of 6.9 per cent in 2015. China's economic performance albeit lower than recent historical trends, is second only to India (7.5 per cent) for major global economies. The economy continues to be impacted by structural reforms implemented a few years ago to transition the economy from solely a global manufacturer to a service provider. The ongoing structural reforms are also targeted at transitioning the economy to greater dependence on more consumption based domestic activity from reliance on international trade. The continued rebalancing in China will continue to impact fixed investment in emerging market economies as they cope with lower demand and low commodity prices. The economy will continue to be constrained by slower industrial output attributable to weak external demand, and overcapacity in key export sectors such as coal and steel. Monetary policy in China is expected to remain accommodative as economic growth could possibly slow to 6.2 per cent by the end of 2016.

According to the IMF the projected pickup in growth in 2017 and over the rest of the forecast horizon will be largely attributable to an expansion in emerging market and developing economies. The IMF projects accelerated economic growth in emerging market and developing economies to 4.6 per cent in 2017 from 4.1 per cent in 2016. Advanced economies are projected to expand by 2.0 per cent in 2017 compared with a more modest estimated expansion of 1.9 per cent in 2016. These developments will be premised on the gradual normalisation of conditions in a number of countries currently undergoing economic pressures; the successful rebalancing of the Chinese economy; higher global trade particularly with commodity exporting countries and the reversal of asset price declines and the relaxation of financial conditions in advanced markets.

The expansionary forecast for the global outlook could be stymied by a number of **downside risks** which include inter alia; the non-achievement of the previously outlined conditions necessary for the forecasted growth rate in 2017. However, the major economic and financial risk stems from sentiments and market reaction to the recent Brexit referendum on 23 June, 2016. The majority vote by citizens of Britain to leave the EU has caused turbulence in major financial markets and unnerved investors particularly institutions holding mortgage-backed securities and other derivatives that may face difficult unwinding their positions prior to Britain's exit from the EU. Additionally, the nascent recovery in the EU has now been put at risk as policy makers contemplate implications for the sustainability of the economic union in the wake of the Brexit result. Other major impediments to growth include the debilitating effects of intensified terrorist activity by the Islamic state (ISIS) and Al Qaeda; the destabilizing influence on oil exporting countries from a protracted period of low oil prices and other geo-political and humanitarian related (European Refugee crisis) events. One lower order risk is the possibility of another series of currency depreciations that could further impair corporate balance sheets and spill over into the wider economy.

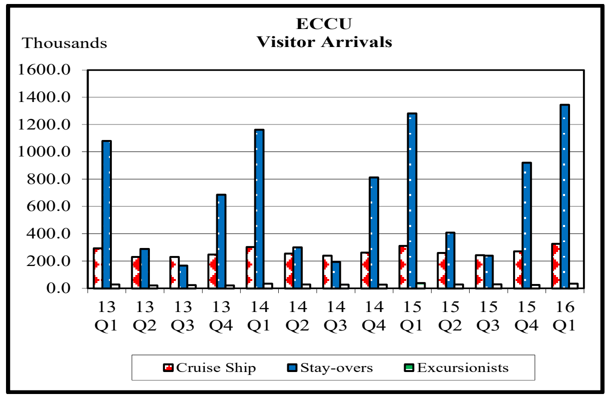
DOMESTIC ECONOMIC DEVELOPMENTS

Overview

There was an improvement in the overall economic fundamentals of the ECCU in the first quarter of 2016, relative to the corresponding period of 2015. The tourism industry and construction sector provided the boost to economic activity in the quarter under review. Five member countries registered growth; the general performance was flat in one; while activity weakened in two countries. The fiscal operations of the Central Governments resulted in a smaller overall surplus, relative to that recorded in the first quarter of 2015. Total public sector debt rose during the period under review. The merchandise trade deficit widened, primarily associated with higher import payments. In the banking sector, monetary liabilities (M2) and net foreign assets rose, while domestic credit declined. The liquidity position of commercial banks in the Currency Union increased and the spread between the weighted average interest rate on loans and deposits narrowed. **Economic activity in the ECCU is forecasted to expand in 2016, premised on a favourable external environment and a pick-up in tourism and construction activities.** Inflationary pressures in the ECCU are likely to remain subdued in 2016, in line with forecasts of low global commodity prices.A widening of the ECCU's overall fiscal deficit is anticipated, as growth in expenditure is expected to outpace revenue gains. In the external sector, the merchandise trade deficit is expected to widen, premised on larger import payments. The banking system is likely to remain stable, with some degree of tightening in lending terms and conditions. The balance of risks to the outlook is tilted to the downside. Risks include a sharper-than-expected slowdown in major trading partners; more pronounced challenges in the private sector; an outbreak of the Zika virus; a sharp reduction in inflows from the Citizenship by Investment Programmes; and adverse weather.

Output

Activity in the tourism industry increased in the first three months of 2016, relative to the outturn in the corresponding period of 2015. Total visitor arrivals rose by 4.8 per cent to 1.8m, a deceleration from the rate of 8.4 per cent recorded in the first quarter of 2015. There were improvements in all the sub-categories of visitors, with the exception of excursionists, which decreased by 11.9 per cent to 36,140. The negative performance for excursionists resulted from declines in Anguilla (18.3 per cent) and St Kitts and Nevis (39.5 per cent). The number of cruise passengers, the largest category of visitors, increased by 5.0 per cent to 1.3m, slower than the rate of growth of 10.2 per cent observed in the first quarter of 2015. This outturn was influenced by visits from larger cruise vessels as the number of cruise calls remained unchanged at 921.



Stay-over visitor arrivals, the second largest sub-category, rose by 5.2 per cent to 329,082, accelerating from the rate of growth of 2.6 per cent in the corresponding period of 2015. This outturn was partly associated with higher arrivals chiefly from the USA (8.8 per cent) and also from the Caribbean (15.6 per cent). Arrivals from the largest source market, the USA, were buoyed by improvements in this country's economy and intensified marketing. Arrivals from the UK rose by 3.8 per cent, while those from Canada fell by 8.1 per cent. There was growth in stay-over arrivals for most member countries, with the exception of St Kitts and Nevis and Saint Lucia, where declines of 3.3 per cent and 0.9 per cent respectively, were recorded. The largest increase was observed in Grenada (13.8 per cent), followed by Antigua and Barbuda (13.5 per cent) and Dominica (5.7 per cent). Of the other categories of visitors, the number of yacht passengers increased by 10.1 per cent.

Growth in arrivals is estimated to have had positive spill over effects on wholesale and retail trade; transport, storage and communications; and the real estate, renting and business activities sectors.

Construction activity is estimated to have increased in the quarter under review, compared with the first three months in 2015. Higher activity in Antigua and Barbuda, Dominica, Grenada, St Kitts and Nevis and Saint Lucia, tempered declines in Anguilla, Montserrat, and St Vincent and the Grenadines. Private sector construction expanded, fuelled by work on hotel and villa establishments in Grenada, St Kitts and Nevis and Saint Lucia. This increase offset the decline of 29.1 per cent in the expenditure on public sector capital projects, chiefly on account of developments in Grenada and Saint Lucia. Public sector activity concentrated on road, health, and air access infrastructure. There was also a pickup in storm reconstruction and rehabilitation in Dominica.

Output in the agricultural sector is estimated to have declined, partly on account of a downturn in banana output. Banana production was down by 12.1 per cent to 4,395.9 tonnes, in contrast to an expansion of 17.0 per cent in the first quarter of 2015, when weather conditions were more favourable. There was lower banana output in Dominica, Grenada and Saint Lucia. In St Vincent and the Grenadines, banana exports are estimated to have declined. The total output of non-banana crops is estimated to have contracted in Dominica and Grenada, but expanded in Saint Lucia and St Kitts and Nevis.

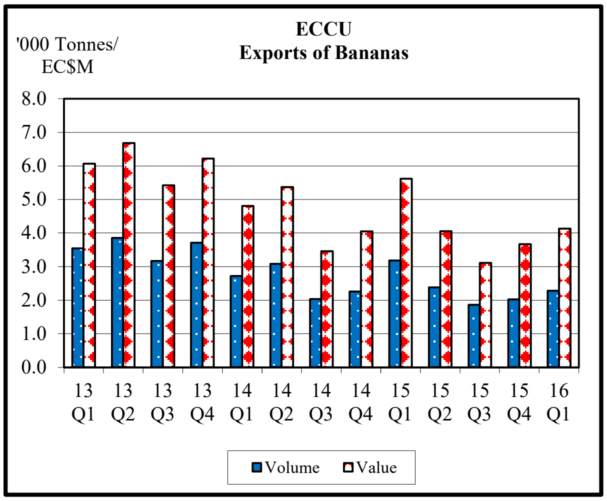
Activity in the manufacturing sector is estimated to have declined in the period under review. This sector's performance was subdued in most countries, with the exception of Saint Lucia. This assessment for Saint Lucia was based on gains in both the output and export of a number of manufactured goods. Other countries like St Kitts and Nevis did not fare as well, as the country experienced a contraction in exports of major manufactured goods such as electronic components and alcoholic beverages. Both Grenada and St Vincent and the Grenadines registered growth in the production of beer but declines in the output of flour. Total output in Dominica was constrained by the impact of the closure of a major manufacturing plant after the passage of tropical storm Erika.

Prices

Deflationary pressures remained evident across most member states, with the exception of Dominica, during the period under review. In Dominica, there was an uptick of 0.2 per cent in the general price level, mainly because of an increase in the housing, utilities, gas and fuels sub-index. The remaining countries witnessed decreases ranging from 0.3 per cent in both Grenada and St Vincent and the Grenadines to 1.3 per cent in Montserrat. The deflation mostly arose from declines in the food and fuel related sub-indices. The lower food prices ranged from a fall of 0.3 per cent in Montserrat to one of 2.1 per cent in Antigua and Barbuda. The contraction in the fuel related sub-index ranged from 0.3 per cent in St Kitts and Nevis to 3.5 per cent in Montserrat.

Trade and Payments

Preliminary estimates indicate that the merchandise trade deficit widened to $1,392.4m from $1,336.0m, largely on account of growth in import payments. Import payments rose by 3.9 per cent, to $1,700.1m, reflecting higher outlays on most categories of imports. Import payments grew chiefly for machinery and transport equipment, which registered the largest growth of $28.4m (9.1 per cent). The value of imports increased in most territories except Grenada and Montserrat. Meanwhile, the value of exports rose by 2.3 per cent to $307.8m, resulting from higher earnings from re-exports. Re-exports rose by 12.8 per cent ($17.7m) to $156.1m. Domestic exports fell by 6.7 per cent ($10.8m) to $151.7m, partly linked to the overall downturn in manufacturing output. Furthermore, earnings from export of bananas declined by 26.6 per cent ($1.5m) to $4.1m, mirroring lower production of this commodity.



Gross travel receipts increased by 7.8 per cent to $1,255.2m, in line with growth in visitor arrivals. Commercial bank transactions resulted in a net outflow of $59.6m in short-term capital compared with a net outflow of $602.5m in the corresponding period of 2015. Disbursements of external loans to central governments stood at $42.3m, down from $125.5m in the corresponding period in 2015. Loan amortisation amounted to $108.7m, up from $87.7m in the first quarter of 2015. As a result, the central government was in an external net amortisation position of $66.4m, in contrast to a net disbursement position of $37.8m in the first three months of 2015.

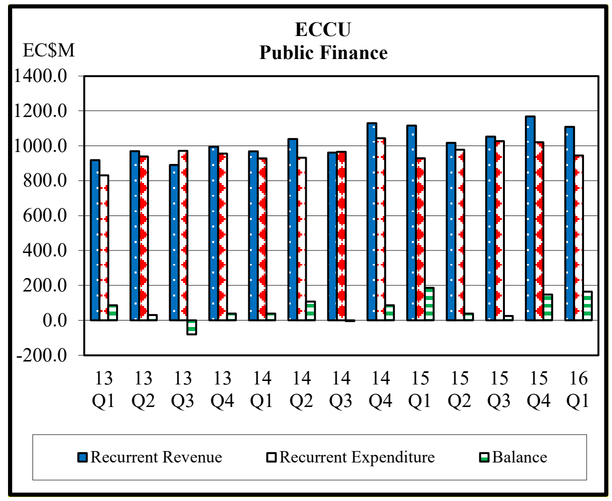
Central Government Fiscal Operations

The consolidated fiscal operations of the central governments resulted in an overall surplus of $78.4m, below one of $82.1m in the first quarter of 2015. This outturn was underpinned by surpluses registered in Anguilla, Antigua and Barbuda, Grenada, and St Kitts and Nevis. The remaining ECCU member territories recorded deficits. The smaller overall surplus for the ECCU was a consequence of widening of the deficit position in Dominica; a turnaround from a surplus to a deficit for Montserrat; and the reduction of the surplus gained by St Kitts and Nevis. A primary balance surplus of $186.7m was recorded for the ECCU, down from one of $203.2m in the first three months of 2015.

The ECCU incurred smaller overall and primary surpluses in the first quarter of 2016 due to developments on the current account. A current account surplus of $163.9m was registered down from one of $186.1m. The majority of member countries, with the exception of Montserrat and St Vincent and the Grenadines, observed current account surpluses. These surpluses ranged from $9.6m in Dominica to $66.1m in St Kitts and

Nevis. The surplus gained by St Kitts and Nevis was almost half of the amount recorded in the first quarter of 2015, contributing largely to the cut in the current account surplus of the ECCU.

On the current account, there was growth in current expenditure which was exacerbated by a reduction in current revenue. Current expenditure rose by 1.7 per cent ($15.5m) to $945.0m, reflecting increases for all spending categories, except interest payments. Interest payments fell by 10.6 per cent ($12.9m), on account of lower external interest obligations in most ECCU member states, particularly Grenada. Outlays on personal emoluments, the largest category, were up by 4.6 per cent ($18.9m). There were higher outlays for personal emoluments in all member states, ranging from an increase of $0.1m in Montserrat to one of $5.1m in Grenada. There was a 3.0 per cent ($6.3m) rise in transfers and subsidies, partly on account of higher pension payments in the majority of the member territories. Payment for goods and services rose by 1.8 per cent ($3.1m), largely on account of developments in Grenada, which had the largest increase ($10.4m), followed by Dominica ($4.9m) and then Antigua and Barbuda ($2.5m).



Current revenue fell by 0.6 per cent ($6.8m) to $1,108.8m, predominantly as a result of a decline in receipts for St Kitts and Nevis. A contraction of 23.4 per cent ($47.8m) in non-tax revenue contributed to lower current revenue. The negative performance of non-tax revenue chiefly reflected lower collections in St Kitts and Nevis ($49.5m). On the other hand, tax revenue rose by 4.5 per cent ($41.1m) predominantly led by higher intake in Saint Lucia ($20.3m), followed by Grenada ($18.6m) and Antigua and Barbuda ($12.7m). There were gains in all major tax heads. Higher receipts of 8.8 per cent ($21.8m) from taxes on international trade and transactions stemmed mainly from growth in import duties, the consumption tax and the customs service charge. All territories, with the exception of St Kitts and Nevis, observed an increase in receipts from taxes on international trade and transactions. Revenue from taxes on income and profits rose by 7.5 per cent ($15.8m), largely on account of developments in Saint Lucia and Grenada. The performance of this tax head was driven by higher receipts of both company tax (13.7 per cent) and personal income tax (6.7 per cent). Collections from taxes on domestic goods and services rose by 0.8 per cent ($3.2m), primarily attributed to growth of 9.0 per cent ($5.7m) in the sales tax in Antigua and Barbuda. Meanwhile, collections from the Value Added Tax (VAT) were not as robust, as its receipts fell by 0.6 per cent ($1.5m) to $247.4m. Decreases in the VAT intake, more so in St Kitts and Nevis and to a lesser extent in Dominica, more than offset growth in such receipts in Grenada, Saint Lucia and St Vincent and the Grenadines. The property tax yield advanced by 1.3 per cent ($0.3m), reflecting increases in this tax category mainly in Antigua and Barbuda and Saint Lucia.

On the capital account, expenditure fell by 29.1 per cent to $142.3m, amid limited financing. Notable reductions in capital outlays were recorded in Grenada ($30.5m), Saint Lucia ($22.8m) and St Kitts and Nevis ($6.3m). Capital grants totalled $29.5m, representing a contraction of 60.6 per cent from the amount received in the first quarter of 2015, chiefly resulting from developments in Grenada, Montserrat and Saint Lucia.

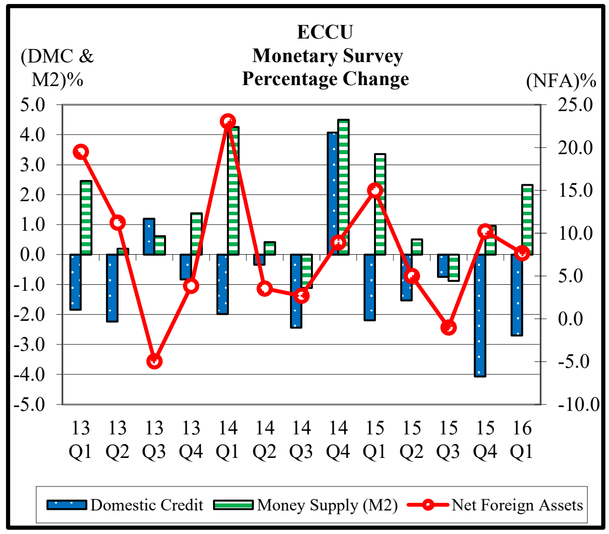
Public Sector Debt

The total outstanding debt of the public sector rose by 0.2 per cent to $ 12,832.7m during the quarter under review. The increase stemmed mainly from growth of 1.7 per cent ($108.3m) to $6,573.6m in the external debt of the central government. There was a concomitant decline of 2.1 per cent ($102.9m) in the domestic debt of central government, leading to an increase of 0.1 per cent to $11,281.8m in the total debt of central government. Meanwhile, the debt of public corporations rose by 1.0 per cent ($15.6m) to $1,550.9m. The total public sector debt rose in four of the member countries, namely Dominica, Grenada, Saint Lucia and St Vincent and the Grenadines.

Monetary and Financial Developments

Money and Credit

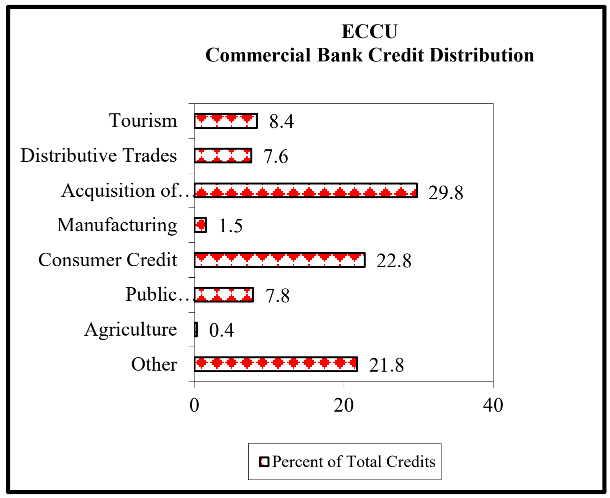
Money and credit variables remained relatively stable during the quarter under review, amid efforts by the Central Bank to successfully conclude the resolution of two intervened commercial banks in Anguilla. Monetary liabilities (M2) grew by 2.3 per cent to $16,088.7m during the first quarter of 2016, a deceleration from the rate of growth of 3.4 per cent during the corresponding quarter of the previous year. The outturn resulted from growth in both narrow money (M1) and quasi money. M1 rose by 5.9 per cent ($208.2m), stemming from an increase in private sector demand deposits (8.6 per cent), which more than offset declines in currency with the public (2.6 per cent) and EC dollar Cheques and Drafts Issued (7.9 per cent). Quasi money rose by 1.3 per cent ($157.7m) to $12,354.5m, resulting from growth in foreign currency deposits (2.0 per cent) and private sector savings deposits (1.7 per cent).



The net foreign assets of the ECCU banking system grew by 7.7 per cent to $7,033.4m during the quarter under review, representing a deceleration from the rate of growth of 15.0 per cent during the comparable period of 2015. This outturn resulted from expansions in the net foreign assets of both the Central Bank (10.5 per cent) and the commercial banks (2.6 per cent). The Central Bank's net foreign assets amounted to $4,647.0m, a major consequence of the build-up of assets at the Central Bank. Growth in the net foreign asset position of the commercial banks was spurred by a decline of 0.9 per cent in liabilities, coupled with an increase of 0.5 per cent in their assets.

Domestic credit fell by 2.7 per cent to $10,785.5m during the quarter under review, relatively on par with the rate of contraction of 2.2 per cent during the first three months of 2015. Developments on the accounts of non-financial public enterprises and of the central government largely contributed to lower domestic credit. The net deposits position of non-financial public enterprises rose by 5.6 per cent as their deposits increased by 4.6 per cent and their outstanding credit declined by 1.0 per cent. Net credit to the central government fell by 15.1 per cent, largely reflecting an increase of 9.6 per cent in deposits and a contraction of 1.9 per cent in credit to the central government from the entire banking system. There was an uptick ($1.0m) in lending to the private sector reflecting increases in credit to businesses ($11.4m) and non-bank financial institutions ($6.5m). Growth in private sector credit was dampened by declines in credit to households ($15.0m) and to subsidiaries and affiliates ($1.8m).

Outstanding credit declined for most sectors particularly for public administration (4.5 per cent), transport and storage (3.1 per cent), construction (2.4 per cent), entertainment and catering (1.9 per cent), agriculture and fisheries (1.8 per cent), and tourism (1.8 per cent). Credit for personal use, which represents the bulk of lending, fell by 0.1 per cent on account of a decline in credit for the acquisition of property. By contrast, there were notable increases in credit for utilities, water, electricity (21.7 per cent), financial institutions (3.1 per cent), professional and other services (2.5 per cent), and manufacturing and mining and quarry (1.6 per cent).



Commercial bank liquidity rose during the quarter under review, underpinned by a 0.8 percentage point increase to 43.5 per cent in the ratio of liquid assets to total deposits plus liquid liabilities. The loans and advances to deposits ratio declined to 63.3 per cent from 64.8 per cent at the end of December 2015, resulting from growth in deposits in addition to a contraction in total loans and advances.

Deposit rates continued to trend slowly downwards, 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 deposit rate fell to 1.88 per cent at the end of March 2016 from 1.98 per cent at the end of December 2015. The weighted average lending rate fell to 8.59 per cent from 8.74 per cent. Consequently, the spread between the average weighted interest rate on deposits and loans narrowed to 6.71 per cent at the end of March 2016, from 6.77 per cent at the end of December 2015.

Developments on the RGSM

Activity on the primary market for government securities rose during the first three months of 2016, amid smaller overall and current account fiscal surpluses in the ECCU. Gross funds issued amounted to $226.0m, up from $182.0m during the first quarter of 2015. This total represented the issuance of twelve (12) instruments, up from ten (10) instruments during the corresponding quarter of the prior year. There were more auctions by the governments of Saint Lucia and St Vincent and the Grenadines. There were eight (8) 91-day Treasury bills, one (1) of each in the 180-day and 365-day Treasury bills, one (1) 6-year bond and one (1) 10-year bond auctioned during the review period. This outturn compares with the corresponding quarter of 2015 when there were seven (7) 91-day Treasury bills, one (1) of each in the 180-day and 365-day Treasury bills, and one (1) 5-year bond auctioned. The securities were concentrated in the short end of the market. The value of Treasury bill issues totalled $182.0m; above the value of $157.0m registered for these instruments during the first quarter of 2015. Notably, in the long term end of the market, the value of bond issues rose to $44.0m from $25.0m. The government of Saint Lucia, which continued to be the primary issuer, increased its amount issued to $96.0m from $52.0m, maintained its January to March 2015 short term investment portfolio while concurrently moving to the longer term end of the market. This government increased its auctions to five (5) from (3), consisting of 91-day and 180-day Treasury bills of $27.0m and $25.0m respectively; and a 6-year and 10-year bond of value $27.0m and $17.0m respectively. St Vincent and the Grenadines followed with an additional auction to a total of three (3), consisting only of 91-day Treasury bills amounting to $75.0m.

The data reflected a decline investor sentiment in the market. The bid-to-cover ratio, which represents the value of bids received in an auction divided by the value of bids accepted, fell to 1.25 from 1.48 during the comparable period of 2015. The value of bids accepted grew at a faster pace relative to the rate of growth in the value of bids received. There were no under-subscriptions during the period under review. By comparison, there was one under-subscription during the first three months of 2015, as the 365-day Treasury bill valued at $10.0m and issued by the Government of Antigua and Barbuda only raised $6.4m.

The weighted average interest rate on a 91-day Treasury bill rose to 4.56 per cent from 3.58 per cent at the end of March 2015. Yields for 180-day Treasury bills rose to 4.50 per cent from 4.00 per cent, while those for the 365-day Treasury bills declined to 4.50 per cent from 6.50 per cent at the end of March 2015. The yield for the longer-term, 6-year bond was 7.0 per cent at the end of March 2016, while a rate of 7.5 per cent was recorded for the 10-year bond issued during that period. This compares to a yield of 7.0 per cent for a 5-year bond in the first quarter of 2015.

Secondary market trading activity increased during the first quarter of 2016. The value of secondary trading rose to $1.0m, from $0.4m during the corresponding period of 2015.

Prospects

The external environment confronting the ECCU is expected to be favourable in the near term. The April 2016 World Economic Outlook by the International Monetary Fund forecasts global output at 3.2 per cent in 2016. Furthermore, the economy of the USA, the largest trading partner of the ECCU, is forecasted to grow by 2.4 per cent in 2016. Against this backdrop, economic activity is projected to expand in the ECCU in the near term, supported by positive developments in the tourism industry and construction sector, on the local front. In the tourism industry, there should be public and private sector investments in new and improved airport infrastructure as well as additional airlift, marketing, and hotel room stock. The construction sector is likely to benefit immensely from the construction of hotel/villa establishments particularly in Antigua and Barbuda, Grenada, St Kitts and Nevis, and Saint Lucia. Activity in this sector will also be strengthened by reconstruction work in Dominica following the passage of tropical storm Erika. These near term prospects for the ECCU were corroborated by the results of the recent Eastern Caribbean Central Bank's Business Outlook Survey which indicated that businesses in the ECCU expect an improvement in economic conditions in the first half of 2016, relative to the corresponding period of 2015.

Inflationary pressures in the ECCU are likely to remain subdued in 2016 as global commodity prices are forecasted to remain low. Low global oil prices are expected to persist in 2016, helping to abate inflation in the region.

The fiscal performance of most member countries is likely to deteriorate in 2016, underpinned by increases in either capital or current expenditures which are likely to offset any growth in revenue. A widening of the ECCU's overall fiscal deficit is anticipated, exacerbated by a projected lower overall surplus in St Kitts and Nevis.

In the external sector, the merchandise trade deficit is projected to widen, as import payments, especially those related to construction, are expected to rise. Weaker manufacturing activity and agricultural production in some territories are likely to weigh in on total export receipts of the Currency Union. Gross travel receipts are projected to rise, consistent with forecasted growth in stay over arrivals.

The banking system is anticipated to remain stable, amid increased economic activity and the ECCB's efforts to strengthen supervision and regulation of the banking system. Those efforts include implementation of the new Banking Bill; developing the Eastern Caribbean Asset Management Corporation to assist with the management of non-performing loans; investigating increases in bank fees and charges; and assisting in the resolution of the correspondent banking issue. Despite stability in the banking system, challenges remain, and credit conditions are expected to be tight for businesses. According to the results of the ECCB Commercial Bank

Senior Loan Officers' Opinion Survey, overall lending terms and conditions are expected to tighten for all types of business loans. The Survey also indicated that overall lending terms and conditions, however, are likely to ease for mortgage and consumer loans during the first half of 2016. One of the major challenges in the financial system is the loss of correspondent banking relationships by local banks, which can potentially have adverse knock-on effects on trade and commerce activities.

The balance of risks to the outlook for the ECCU is tilted to the downside. On the external front, a sharper-than-expected slowdown in major trading partners could weaken tourism activity and be accompanied by a reduction or cancelation of planned private investment projects. Additionally, a more protracted period of recession in Trinidad and deeper economic turmoil in Venezuela can generate economic and social consequences to the Eastern Caribbean region. On the domestic front, there are challenges in the private sector as well as threats to the tourism industry and fiscal challenges. The recent Business Outlook Survey highlighted that the major problems facing businesses in the ECCU were, low sales, cash flow/receivables issues, competition from local firms, high utility rates/ fuel prices, the total tax burden, and high wage costs. These binding constraints in the private sector can dampen growth prospects if they become more pronounced.

An outbreak of the Zika virus in the ECCU can curtail travel demand and visitors to its shores. Unexpected reductions in inflows from the Citizenship by Investment Programmes pose a risk to fiscal and debt sustainability in five of the member states which now depend on this type of revenue. Moreover, adverse weather can derail the current economic progress.

A N G U I L L A

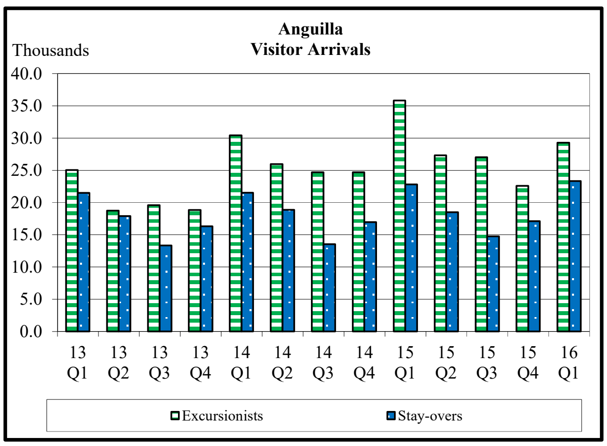
Overview

Provisional estimates suggest a weakening of the Anguillan economy in the first quarter of 2016 relative to the comparable period of 2015. There were estimated declines in the hotels and restaurants, construction and wholesale and retail trade sectors, as well as a fall in value added for financial intermediation. Consumer prices decreased by 1.1 per cent on an end-of-period basis. In the external sector, the merchandise trade deficit widened on account of an increase in imports and a reduction in exports. **The fiscal operations of the government resulted in a larger overall surplus.** Total outstanding public sector debt fell during the quarter under review. In the banking system, monetary liabilities and net foreign assets increased, while domestic credit decreased. Commercial bank liquidity improved and the weighted average interest rate spread between loans and deposits widened.

Economic activity is expected to moderately improve in 2016 premised on further strengthening in the tourism industry, the completion and opening of several boutique hotels, planned enhancements to public infrastructure and private sector construction activity. An increase in the number of excursionists combined with an improvement in stay-over visitor arrivals will sustain economic activity in the short term. Similarly, construction activity is anticipated to recover due to planned upgrades and investments in hotel developments and public financing for port (both air and sea) enhancement projects. The pace of implementation is expected to have a positive impact on the transport, storage and communications and wholesale and retail trade sectors. In the public sector, the UK government has earmarked funding for public infrastructure enhancements. **Notwithstanding the favourable prospects in the domestic economy, key downside risks exist related to the potential real and fiscal costs associated with the banking sector resolution.**

Output

The performance of the tourism industry is estimated to have weakened in the first quarter of 2016. Total visitor arrivals declined by 10.3 per cent in the first quarter of 2016 to 52,640, in contrast to a 12.9 per cent increase during the corresponding period of 2015. The fall in total visitor arrivals was largely on account of an 18.3 per cent reduction in excursionists.



Conversely, the number of stay-over visitors rose by 2.2 per cent, driven by growth in visitor arrivals from the USA, continental Europe and Caribbean markets. Developments in this sub-sector were attributed in part to increased airlift into Anguilla, improved marketing by the Anguilla Tourism Board and the addition of the Zemi Beach Resort to the hotel room stock. Stay-over visitor arrivals from USA, which accounted for 69.9 per cent of all stay-over arrivals, increased by 1.1 per cent, following an 8.6 per cent growth in the corresponding period of 2015. The performance was underpinned by marketing initiatives including through several media outlets and a US-based marketing representative. Stay-over visitor arrivals from continental Europe grew, with increased arrivals from Germany (38.9 per cent), Italy (16.2 per cent) and the Rest of Europe (18.4 per cent). In addition, there were increases in stay-over visitor arrivals from the Caribbean (5.5 per cent) and the UK (0.2 per cent). By contrast, the Canadian market recorded a decline (5.5 per cent).

Construction work is estimated to have declined in the first quarter of 2016 relative to the outturn in the first quarter of 2015. This was evident by coincident indicators such as credit for private residential construction, the level of cement imports and active employment in construction which weakened over the period. Construction developments in the private sector included the completion of Zemi Beach Resort which opened in January 2016, with ongoing work on Manoah hotel, the Reef at Cuisinart Golf

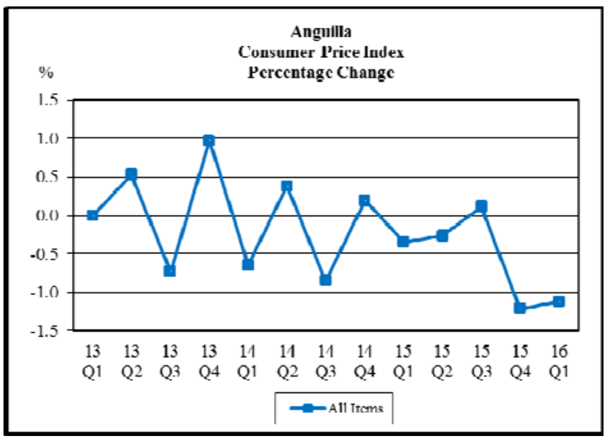
Course and Spa and the Solaire hotel and villas project. In the public sector, government outlays on capital projects fell, constrained by limited fiscal space and restrictions on borrowing.

Subdued tourism and construction activities in the first quarter of 2016 is estimated to have had an adverse impact on allied sectors including; wholesale and retail trade; transport, storage and communications; real estate, renting and business activities, as coincident indicators such as cargo landed and average wage growth also weakened over the period.

Prices, Wages and Employment

The consumer price index declined by 1.1 per cent during the quarter under review. This outturn was attributable to reductions in the sub-indices of health (6.8 per cent), transport (5.0 per cent), recreation and culture (1.6 per cent), housing, water electricity gas and other fuels (1.5 per cent), food and non-alcoholic beverages (0.4 per cent). The contraction in the health sub-index was largely influenced by decreases in the cost of pharmaceutical and over-the-counter drugs. The fall in the sub-index for transport reflected declines in airfares to the United States of America, Dominican Republic and US Virgin Islands, in addition to a fall in fuel and lubricants due to lower fuel prices. The lower sub-index for recreation and culture was attributed to declines in the price of televisions and radio stereos. The decline in the sub-index for food and non-alcoholic beverages was largely influenced by a decline in the average price of meat, oil and fats, and vegetables. The overall reduction in the CPI was partly constrained by growth in the sub-indices for household furnishings, supplies and maintenance (4.6 per cent) and clothing and footwear (4.6 per cent). The rise in the household furnishings, supplies and maintenance and, clothing and footwear sub-indices was attributable to higher average prices of furniture, as well as men and women garments.

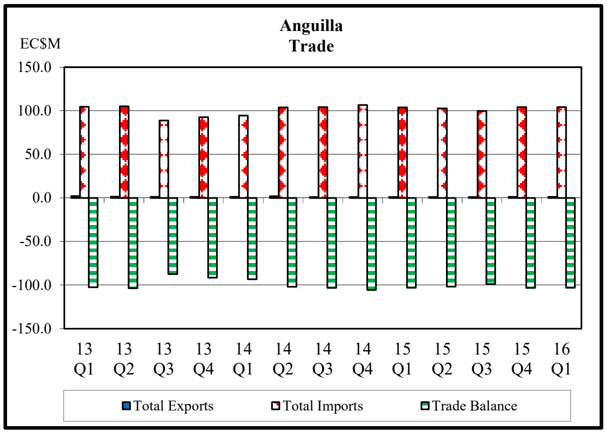
According to data from the Anguilla Social Security Board, average quarterly earnings declined by 20.8 per cent to $7,734 in the first quarter of 2016 largely on account of a reduction in public sector average wages, compared to an increase of 32.9 per cent in the previous period of 2015. Average wages in the public sector (which include bonuses) were estimated to have decrease by 40.0 per cent to $6,651 in the first quarter of 2016. The general decline in public sector wages was attributed to lower disbursements of the deferred salary owed to civil servants in first quarter of 2016 compared to first quarter 2015. In the private sector there were also downward adjustments in average salaries by 13.5 per cent to $8,688 in the first quarter of 2016 consistent with the sluggishness in the labour market and the real sector.



The total number of active employees in the first quarter of 2016 stood 6,716, about 2.5 per cent lower than the total recorded in the comparable period of 2015. Of the total actively-employed persons in Anguilla, 19.2 per cent worked in the public sector with the remaining 80.8 per cent engaged in the private sector. In the hotels and restaurants sector, the largest contributor to employment in Anguilla, the number of employed persons decreased by 12.0 per cent in the first quarter of 2016, in contrast to growth of 9.2 per cent in comparable period of 2015. Public sector employment increased by 8.0 per cent to 1,287 in the first quarter of 2016, in contrast to a 7.5 per cent decline in active employment in the comparable period of 2015. Construction-related employment declined by 13.9 per cent to 390 persons in the first quarter of 2016, in contrast to a 6.6 per cent growth in 2015.

Trade and Payments

A merchandise trade deficit of $103.1m was estimated in the first quarter of 2016 compared with an estimated deficit of $103.0m in the corresponding period of 2015. The widened deficit was attributed to a $0.2m increase in import payments compared to a $0.1m increase in the value of exports. Gross travel receipts were estimated to have decreased by 1.5 per cent to $110.8m, in line with a decline in the number of visitors. The transactions of commercial banks resulted in a net outflow of $54.4m in short-term capital compared with an outflow of $56.1m during the first quarter of 2015.



Central Government Fiscal Operations

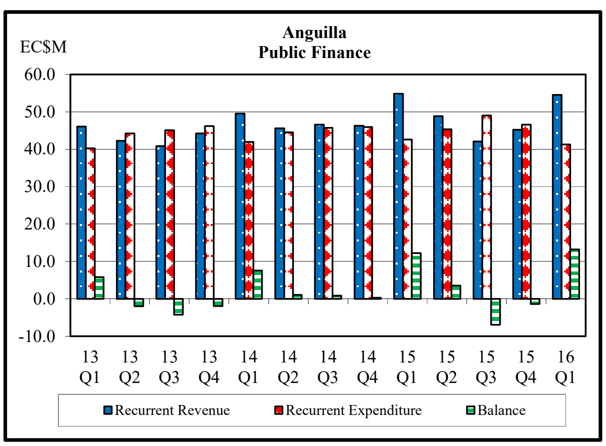
The fiscal operations of the central government resulted in an overall surplus of $12.8m in the first three months of 2016, compared with one of $12.0m recorded in the corresponding period of 2015. The fiscal outturn largely reflected developments on the current account as expenditure outlays declined proportionately more than current revenue. A primary surplus (after grants) of $14.8m was recorded, compared with one of $14.2m that was realised in the first quarter of 2015.

The central government recorded a current account surplus of $13.2m, compared with one of $12.3m in the first three months of 2015. The larger surplus reflected a decline in expenditure outlays.

Current revenue was virtually flat for the first quarter of 2016, decreasing by 0.6 per cent to $54.5m, attributable to lower property tax receipts. Tax revenue totalled $47.4m, which was 0.4 per cent lower than the amounted collected in the comparable period of 2015. The yield from property taxes declined by 65.8 per cent ($1.2m) to $0.6m, mainly due to delays in the implementation of the proposed property tax reform. Receipts from taxes on domestic goods and services fell by 2.7 per cent ($0.6m) to $20.7m, reflective of lower stamp duty ($3.4m) collection. The yield from taxes on income and profits stabilised at $3.8m similar to the first three months of 2015. In contrast, the $1.6m gain in tax receipts on international trade and transactions was on account of a $1.3m increase in collections of import duty and $0.3m in customs surcharge. Non-tax revenue stabilised at $7.1m slightly below the outturn in 2015.

Current expenditure declined by 3.0 per cent to $41.3m, in contrast to a 1.4 per cent rise in the corresponding period of 2015. Of the categories, outlays on goods and services fell by 22.0 per cent ($2.1m) and interest payments decreased by 11.7 per cent ($0.3m) driven by lower domestic obligations. Conversely, spending on personal emoluments increased by 3.1 per cent ($0.6m) and transfers and subsidies grew by 3.7 per cent ($0.4m). Higher outlays on personal emoluments reflected an increase in payment obligations during the quarter.

Capital expenditure amounted to $0.5m in the first quarter of 2016. Lower capital expenditure by historical standards partly reflected the inability of the government to increase expenditure in line with fiscal restraint measures and delays in the receipt of capital grants.



Public Sector Debt

Total disbursed outstanding debt of the public sector was estimated at $203.4m at the end of March 2016, a decrease of 4.2 per cent when compared to the total at the end of December 2015. This outturn largely mirrored a 4.4 per cent reduction in the debt of the central government to $192.6m, which accounts for 94.7 per cent of the total public sector debt. The outstanding debt of public corporations fell by 12.9 per cent to $10.8m.

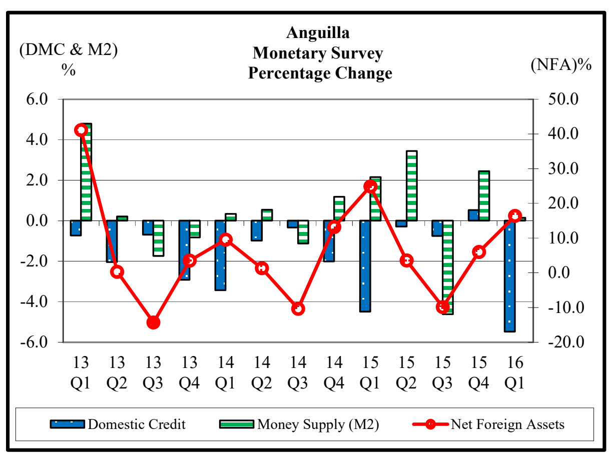
Money and Credit

Monetary liabilities (M2) were estimated to have expanded by 0.2 per cent to $1,075.6m during the first three months of 2016, compared with an increase of 2.1 per cent in the corresponding period of 2015. The expansion in M2 was influenced by a 1.4 per cent ($14.3m) increase in quasi money, as most of the components of narrow money (M1) declined. The increase in quasi money was attributable to an increase in foreign currency deposits of 3.1 per cent. Domestic credit declined by 5.5 per cent to $882.9m, largely as a result of a decrease in credit extended to the private sector coupled with an increase in the net deposits position of non-financial public enterprises. Outstanding loans to the private sector fell by 1.4 per cent ($17.1m), reflecting reductions to households and businesses of 1.5 per cent and 1.3 per cent respectively. The central government's net deposit position with the banking system rose by 11.7 per cent ($7.6m), mainly on account of a $4.3m reduction in outstanding commercial bank credit. In the rest of the public sector, the net deposits of non-financial public enterprises rose by 11.8 per cent, influenced by a reduction in outstanding credit relative to an increase in their deposits.

The distribution of credit by economic sector indicates that credit extended to the various sectors of the economy fell by 2.1 per cent ($24.6m) compared with a 2.5 per cent decline recorded during the first quarter of 2015. Decreases were observed in credit extended for most of the major categories including, other ($13.7m), public administration ($7.9m) and personal use ($9.1m). The lower credit for personal use reflected a fall in lending for the acquisition of property, home construction and renovation and for durable consumer goods. Declines were also recorded in credit for tourism ($1.0m) and distributive trades ($1.0m). The reduction in outstanding credit was slowed by a 0.3 per cent ($0.6m) increase in credit for construction.

The net foreign assets of the banking system increased by 16.4 per cent to $379.0m, compared with growth of 24.9 per cent during the first three months of 2015. The increase was primarily influenced by a 27.8 per cent rise to $250.1m in commercial banks' net foreign assets position. Anguilla's imputed share of the ECCB reserves fell by 0.8 per cent to $128.9m.

Liquidity in the commercial banking system rose during the first quarter of 2016. The ratio of liquid assets to total deposits plus liquid liabilities increased by 3.1 percentage points to 34.0 per cent, while the loans and advances to deposits ratio fell by 3.3 percentage points to 79.1 per cent.



The major development influencing movements in interest rate spreads was the reduction of the minimum savings deposit rate (MSR) from 3.0 per cent to 2.0 per cent effective 01 May, 2015. The weighted average interest rate spread between deposits and loans grew by 5 basis points to 6.48 per cent, compared to that of December 2015. The weighted average interest rate on loans fell to 9.05 per cent from 9.07 per cent while that on deposits fell to 2.57 per cent from 2.65 per cent.

Prospects

Global economic growth is forecasted at 3.2 per cent in 2016 based on the April 2016 World Economic Outlook (WEO) report by the International Monetary Fund (IMF). The expansion in global economic growth will be gradual and led largely by accelerations in the performance of advanced economies, lower fuel prices and improved confidence and labour market conditions. The global expansion is however expected to be tempered by slowing growth in emerging markets reflected in the dampening impact of lower commodity prices and the rebalancing in China. In particular growth in the USA and UK, two vital international partners, are projected to be 2.6 per cent and 2.0 percent respectively.

In the context of both global and domestic developments, the real economy of Anguilla is expected to expand towards its growth potential of 3.0 per cent in 2016, following on from the recovery of 2.2 per cent real GDP in 2015.

Continued economic activity in 2016 is expected to be fuelled mainly by improved performance of the tourism industry and on-going private sector construction activity. In the construction sector, several tourism-related construction projects are in their final phase of completion with anticipated tapering in the level of activity. Zemi Beach hotel opened in January 2016 with the Reef, Solaire Hotel and Villa project, and the Manoah Boutique Resorts targeting completion by November 2016.

The expansion in tourism activity is expected to continue, in the absence of mitigating factors and is projected to positively impact the wholesale and retail trade and real estate, renting and business activities sectors. Further, the prospects for the tourism industry is supported by increased airlift via

Seaborne Airlines from San Juan, Puerto Rico (April 2015) and LIAT via its intermediary Caribbean Helicopters (February 2016), forecasted expansion in the USA economy for 2016, lower fuel prices and improved marketing initiatives by the Anguillan Tourism Board. Inflation and inflationary pressures are anticipated to decline amid lower international commodity prices.

The fiscal operations of the Central Government are expected to generate a lower overall surplus in 2016 based on increases in current and capital expenditure. Total current expenditure is estimated to rise fuelled by higher interest payments associated with the resolution of the banking sector. Capital expenditure is expected to expand in 2016, above outlays in 2015, commensurate with an increase in grant funding and planned infrastructural works. On the external account the merchandise trade deficit is expected to widen reflecting higher imports consistent with increases in tourism-related activities. Gross inflows from travel are projected to be higher in 2016 consistent with the projected growth in visitor arrivals.

However, the downside risks to the projections remain elevated on the domestic fronts. Risks to the fiscal and growth outlook include continued tightening of credit conditions as the authorities resolve the banking sector challenges, and its associated fiscal costs.

A N T I G U A A N D B A R B U D A

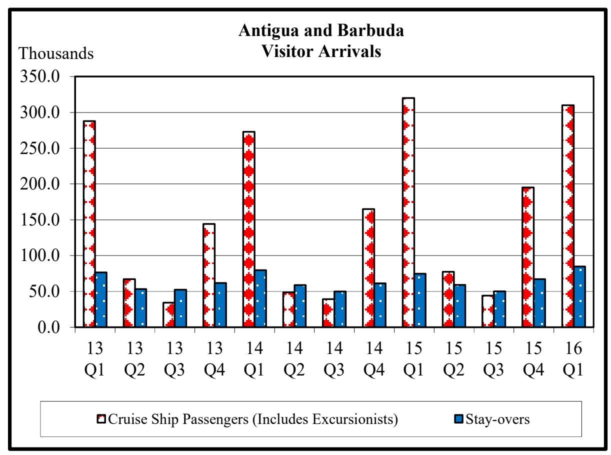
Overview

Economic activity in Antigua and Barbuda is estimated to have expanded in the first quarter of 2016, relative to the performance in the corresponding period of 2015. The expansion stemmed from positive contributions from major sectors such as hotels and restaurants; wholesale and retail trade; transport, storage and communications; and construction. The consumer price index declined by 0.9 per cent at the end of the quarter, consistent with low global oil prices. **The operations of the central government led to an increase in the overall surplus which allowed for the paying down of debt.** As a result there was a contraction in the total outstanding public sector debt. The merchandise trade deficit is estimated to have narrowed largely due to a significant increase in export receipts. In the banking system, net foreign assets, monetary liabilities and commercial bank liquidity increased while domestic credit continued on a downward trend. Commercial banks weighted average interest rate spread on loans and deposits widened during the period under review.

Economic activity for the remainder of 2016 is projected to remain robust conditioned on global developments, and an acceleration of construction activity and a boost in services in Antigua and Barbuda. Activity in the construction sector will be buoyed by developments in both the public and private sectors. The services sector, which includes tourism; wholesale and retail trade; real estate, renting and business activities; and public administration is expected to perform reasonably well during the remainder of the year. Events such as Antigua Sailing Week and other tourism promotional activities coupled with increased marketing are projected to support activity in the tourism industry and other auxiliary sectors. Based on the fiscal outturn in the first quarter of the year, the fiscal balance is expected to improve relative to 2015. Despite the expected removal of the Personal Income Tax (PIT) in July 2016, new replacement taxes and an increase in the Revenue Recovery Charge (RRC) are expected to offset the loss in revenue. Moreover, the fairly stable performance of the Citizenship by Investment Programme (CIP), improvements in tax administration and systems, and the containment of some expenditure items should redound to an overall improvement in the fiscal balance. Inflationary pressures will continue to be subdued despite the slight uptick in global oil prices observed in the second quarter of the year. **Downside risks to the outlook include slower than anticipated global economic growth especially in the USA and the UK; the slow implementation of the public sector investment programme due to financing and capacity constraints; lower than expected CIP inflows, the Zika virus and adverse weather.**

Output

Provisional data for the first quarter of 2016 point to an overall expansion in economic activity. Value added in the construction sector is estimated to have increased at a marginal rate in the first quarter of 2016. The value of imports of construction materials, the main indicator of construction activity, increased by 4.8 per cent over the corresponding period last year. However, of construction materials, the volume of cement imports fell at a steeper rate of 6.7 per cent, 0.8 percentage points over the rate recorded in the first quarter of 2015. On the downside, commercial bank outstanding credit for construction purposes contracted by 5.6 per cent, a faster rate than the 3.2 per cent decline recorded in the corresponding period of 2015. Furthermore, outstanding credit for private sector residential construction and renovation declined by 1.4 per cent, following growth of 0.1 per cent in the first quarter of 2015. The pace of public sector construction activity is estimated to have picked up slightly evidenced partly by a minor increase in capital expenditure.

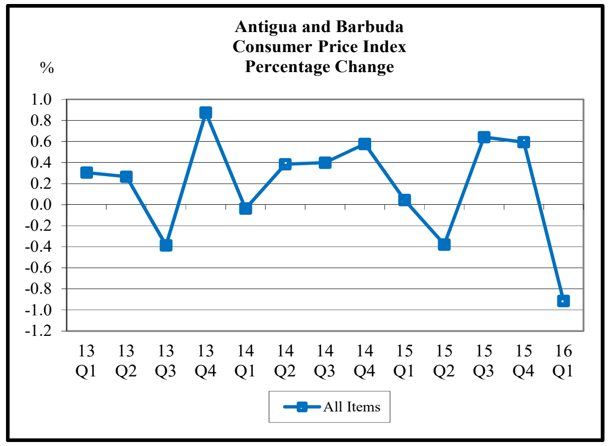


Value added in the hotels and restaurants sector, a proxy for tourism activity, is estimated to have increased in the first three months of 2016, largely due to a rise in stay-over arrivals. The number of stay-over visitors rose by 13.5 per cent to 84,566, in contrast to a decline of 6.4 per cent in the first quarter of 2015. Stay-over visitors from all major source markets increased with the exception of Canada. Buoyed by a stronger economy and higher employment rates in advanced economies, along with intensified marketing efforts stay over arrivals from the USA and the UK, the largest source markets, rose by 22.0 per cent and 10.1 per cent, respectively. The number of stay over visitors from the Caribbean rose at an accelerated rate of 23.3 per cent, relative to one of 3.7 per cent, influenced partly by lower airfares and the hosting of regional meetings. Meanwhile, continued challenges with airlift and the poor performance of the energy sector on account of low global oil prices were contributors to a third consecutive year of declines in visitors from the Canadian market. Stay-over arrivals from Canada fell by 9.0 per cent following a contraction of 21.1 per cent in the first quarter of 2015. Yacht passenger arrivals were estimated to have decreased by 1.2 per cent to 9,570 in contrast to a revised increase of 16.9 per cent in the first quarter of 2015, despite a 2.2 per cent increase in yacht calls to 1,992. The increase in the number of yachts visiting the island was due to the hosting of the RORC Caribbean 600 held in February and other yachting events held during the period under review. In the cruise industry, the number of cruise passengers including excursionists fell by 3.1 per cent to 310,045 in contrast to growth of 17.2 per cent in the corresponding period of 2015. The decline in the number of cruise passengers was consistent with a drop in the number of cruise ship calls to 162 from 181 in the first quarter of 2015. The total number of visitors remained virtually unchanged at 404,181 in the first quarter of 2016 as the increase in stay over visitors was neutralized by reductions in both cruise and yacht visitors.

The positive developments in the tourism industry and the construction sector yielded an increase in value added in the wholesale and retail trade; transport, storage and communication sectors; and real estate, rental and business activities sectors. In addition, activity in public administration and defence; compulsory social security sector is estimated to have increased while that in financial intermediation is estimated to have been flat.

Prices

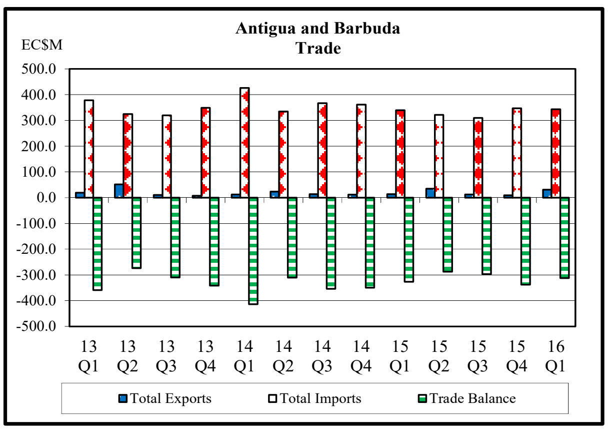
Influenced by lower global oil prices, deflationary pressures were experienced during the first quarter of 2016. **The Consumer Price Index declined by 0.9 per cent at the end of March 2016, compared with zero inflation at the end of the corresponding period in 2015.** The decline in the overall index largely reflected decreases in the three highest weighted sub-indices – food; housing; and transport and communications. The food sub-index fell by 2.1 per cent on account of lower prices for various meats and fruits and vegetables. The housing sub-index declined by 1.5 per cent due to a reduction in costs associated with accommodation. A reduction in the pricing of transport services was the main contributor to the 1.3 per cent decline in the transport and communications sub-index. Other declines were recorded in the alcoholic beverages and tobacco and household furnishings and supplies indices by 1.5 per cent and 0.9 per cent, respectively. Meanwhile, there was no movement in the fuel and light sub index during the period under review. Those decreases were partly moderated by increases in the sub-indices of clothing and footwear (1.2 per cent) and personal services (1.6 per cent).



Trade and Payments

Preliminary trade data indicated that the merchandise trade deficit narrowed by 4.4 per cent to $312.0m in the first quarter of 2016, relative to the corresponding period last year. The contraction in the deficit was largely the result of a more than doubling of export receipts. Export receipts rose to $31.4m at the end of March 2016, from $13.5m in the corresponding period of 2015, largely on account of the re-exports of machinery and transport equipment due to the completion of work on a major capital project. Meanwhile, import payments rose by 1.1 per cent to $343.4m primarily associated with an increase in the value of imports of machinery and transport equipment.

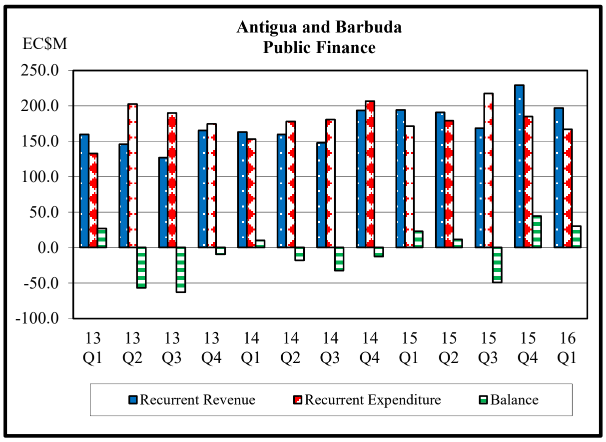
Gross travel receipts were estimated to have increased by 11.4 per cent to $303.7m, consistent with the surge in stay-over arrivals. Commercial banks' transactions resulted in a net inflow of $106.8m in short-term capital, in contrast to a net outflow of $187.9m in the comparable period of 2015. Inflows from external loan disbursements amounted to $8.6m while external principal payments increased by 0.4 per cent to $27.7m.



Central Government Fiscal Operations

Preliminary data on the fiscal operations of the central government indicated an improvement in the overall surplus to $26.7m in the first quarter of 2016 from $20.8m in the corresponding period of 2015. The improvement in the overall balance largely reflected transactions on the current account, namely an increase in tax revenue coupled with a reduction in the current expenditure. As a result, the primary surplus increased by 2.0 per cent to $54.4m. The overall surplus was used for debt reduction including the payment of domestic arrears.

The current account surplus increased to $30.2m in the first three months of 2016, from one of $23.0m for the comparable period in 2015. Current revenue rose by 1.5 per cent to $197.1m on account of increases in tax collections. Tax revenue rose by 8.0 per cent to total $172.7m, due to increases in revenue intake from all tax classifications. Tax receipts from domestic goods and services rose by 8.4 per cent to $77.9m, largely attributable to higher intake from the Antigua and Barbuda Sales Tax (ABST). Receipts from the ABST grew by 9.0 per cent to $69.3m, consistent with the expansion in economic activity. Revenue from international trade and transactions rose by 7.2 per cent to $62.8m primarily reflecting growth in receipts from the consumption tax as there was little adjustment to oil prices at the pumps. An increase in the number of registered properties contributed to an increase in property tax revenue by 29.7 per cent to $7.4m. Tax revenue on income and profits rose marginally by 3.2 per cent to $24.6m due to an increase in inflows from company tax partly due to enhanced collection efforts. Meanwhile, non-tax revenue fell by 28.8 per cent to $24.5m largely due to lower inflows from the CIP Programme.



Current expenditure declined by 2.6 per cent to $167.0m on account of decreases in interest payments and outlays on transfers and subsidies. Interest payments fell to $27.8m from $32.5m in the first three months of 2015 due to reduced domestic interest incurred. Transfer and subsidies contributions fell by 8.7 per cent to $41.6m as government reduced the amounts given to Statutory Corporations. In contrast, outlays on personal emoluments and wages rose by 2.4 per cent to $75.0m and that on goods and services grew by 12.4 per cent to $22.6m. Capital spending increased slightly to $3.6m from $3.2m in the first three months of 2015.

Public Sector Debt

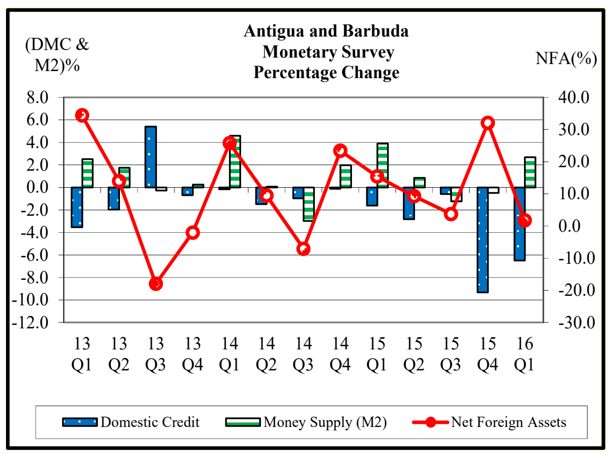
The total outstanding debt of the public sector is estimated to have declined by 1.1 per cent to $3,038.7m at the end of March 2016. Of this amount, 83.4 per cent represented central government debt and 16.6 per cent was public corporations debt. The reduction in the total debt stock was due to a fall in domestic debt. Domestic debt which accounted for 48.7 per cent of the total debt stock, decreased by 2.6 per cent to $1,480.6m associated with a debt for asset swap. The external debt stock rose marginally by 0.4 per cent to $1,558.1m. Both central government and public corporations debt stock fell by 1.1 per cent to $2,533.7m and $505.0m, respectively.

Money and Credit

Consistent with the expansion in economic activity, monetary liabilities (M2) of the

banking system grew by 2.7 per cent to $3,183.8m during the first quarter of 2016, compared with growth of 3.9 per cent during the corresponding period in 2015. The rise in M2 was largely attributable to increases in both narrow money (M1) and quasi money. M1 grew by 10.2 per cent to $765.0m mainly due to a 16.6 per cent rise in private sector demand deposits. Meanwhile, currency with the public fell by 2.6 per cent ($4.1m) due to a contraction in currency in circulation and cheques and drafts issued fell by 41.1 per cent ($9.8m). Quasi money rose by 0.5 per cent to $2,418.8m owing to growth in private sector savings deposits (3.1 per cent), the largest share. The other components of quasi money, private sector foreign currency deposits and private sector time deposits fell by 5.0 per cent and 1.8 per cent, respectively.

The stock of domestic credit in the banking system continued to contract during the review period, associated with tight lending conditions and risk aversion of commercial banks. Domestic credit fell at a faster rate of 6.5 per cent during the first quarter of 2016, relative to a contraction of 1.6 per cent in the corresponding period during 2015, marking more than three years of first quarter consecutive declines. Credit to the private sector, which constituted 89.4 per cent of total credit fell by 1.4 per cent to $1,881.3m, reflecting reductions in credit to both households ($1.7m) and businesses ($32.6m). Net credit to general government decreased by 30.2 per cent to $234.0m, on account of a 27.9 per cent ($60.4m) increase in central government deposits and a 7.4 per cent ($40.9m) reduction in loans and advances from both the central bank and commercial banks. Non-financial public enterprises recorded a net deposit position of $11.0m in contrast to a net credit position of $6.3m at the end of December 2015 as a result of a 9.7 per cent increase in deposits.



An analysis of credit allocation by economic activity indicated that outstanding loans and advances contracted for all categories of credit except for personal purposes. Declines in outstanding credit were recorded for the major sectors including utilities, electricity and water (9.6 per cent); public administration (8.2 per cent); construction (5.6 per cent), tourism (4.9 per cent), professional and other services (4.7 per cent); transportation and storage (3.5 per cent) and distributive trades (2.5 per cent). Other economic sectors such as agriculture and manufacturing, which made up less than 1.5 per cent of total outstanding credit, declined at an average rate of 4.1 per cent. Outstanding credit for personal use which accounted for 49.8 per cent of total credit remained unchanged during the period of review. Of the personal use category, increases in outstanding credit for durable consumer goods (2.1 per cent) and other personal loans (1.2 per cent) were offset by a decline in loans for the broad category of acquisition of property (0.7 per cent).

The net foreign assets of the banking system rose by 1.7 per cent to $1,550.9m during the period under review. The expansion was primarily driven by an increase in imputed reserves. Antigua and Barbuda's imputed share of the Central Bank's reserves rose by 13.9 per cent to $1,092.9m associated with additional banker's reserves. This was tempered by a reduction in commercial banks net foreign assets. Commercial banks net foreign assets fell by 18.9 per cent to $458.0m associated with a reduction in assets held with financial institutions outside the ECCU.

Commercial bank liquidity increased during the first quarter of 2016, relative to December 2015. The ratio of liquid assets to total deposits plus liquid liabilities increased to 62.4 per cent at the end of March 2016 from 62.3 per cent at the end of December 2015. The loans and advances to deposits ratio fell by 0.7 percentage points to 68.0 per cent, which was below the ECCB prudential benchmark of 75.0 - 85.0 per cent.

The weighted average interest rate spread between loans and deposits increased by 15 basis points to 7.42 percentage points at the end of March 2016. The increase in the interest rate spread reflected a reduction in deposit rates and a concomitant increase in lending rates. The weighted average deposit rate fell by 15 basis points to 1.89 per cent offsetting the increase in the weighted average lending rate which rose by one (1) basis point to 9.31 per cent.

Prospects

Economic activity in Antigua and Barbuda is expected to remain robust throughout 2016, contingent on developments in the global economy especially the USA and the UK. On the domestic front, activity in the construction sector is expected to accelerate due to road works, the upgrading and retrofitting of government buildings, and the Government's Affordable Homes Project, among others. These efforts will be supported by activity in the private sector including works on a number of CIP real estate projects and investments in tourism plants. Given intensified marketing efforts, increased airlift relative to last year, the receipt of a number of international awards and other efforts to improve the tourism product, tourism activity is projected to increase further, including the traditionally slower summer months. Economic activity in the construction sector and tourism are expected to boost growth in the transport, storage and communications; wholesale and retail trade; and real estate, renting and business activity sectors.

The fiscal operations of the central government are expected to lead to an improvement in the overall fiscal balance. Current revenue is anticipated to exceed the amount collected in 2015 despite the removal of the PIT. Inflows from replacement taxes such as the un-incorporated business tax, a tax on the profits of offshore banks and a 3.0 per cent increase in the RRC are expected to offset the loss of revenue from the removal of PIT. The implementation of ASYCUDA World during the second-third quarter of the year is expected to improve efficiency at customs and yield some savings along with increased grants and capital revenue. Despite the first quarter slowdown, there is likely to be a pickup in inflows from the CIP during the remainder of the year. On the expenditure side, efforts towards the containment of current expenditure continue, while capital expenditure is likely to be higher than the level recorded in 2015 partly due to higher grant funding.

In the external sector, the merchandise trade deficit is expected to widen at a marginal rate, notwithstanding the contraction in the first quarter of the year. Import payments are forecasted to increase to support growing demand from the construction sector and the tourism industry, while export receipts are likely to be relatively stable. While correspondent banking challenges pose a threat to banking sector activities, buoyancy in financial inflows should be maintained through foreign direct investment to finance the expansion of the tourism stock and foreign inflows from CIP.

There are a number of downside risks that could derail the projected growth path. These stem mainly from developments in Europe and emerging markets. In Europe, negative effects on global growth could be due to Greece's lingering debt problems, a mounting refugee crisis and the UK's potential exit from the European Union. In emerging markets, rising corporate debt problems and sovereign debt concerns along with greater capital flight could rattle global financial markets. Consequently, lower than projected global growth may impact confidence levels and lead to a fall out in the demand of goods and services produced by Antigua and Barbuda. Domestically, the loss of correspondent banking relationships of national banks could negatively affect foreign direct investments and banking sector activities. Furthermore, the slow implementation of the public sector investment programme due to resource constraints could adversely affect the pace of construction sector activity and employment levels which could curtail domestic demand. Other downside risks include adverse weather which may damage physical infrastructure and increase government expenditure and the Zika virus which could put a damper on tourism demand. On the upside, quicker implementation of large scale tourism projects could increase the speed of growth along with greater than anticipated inflows from the CIP.

D O M I N I C A

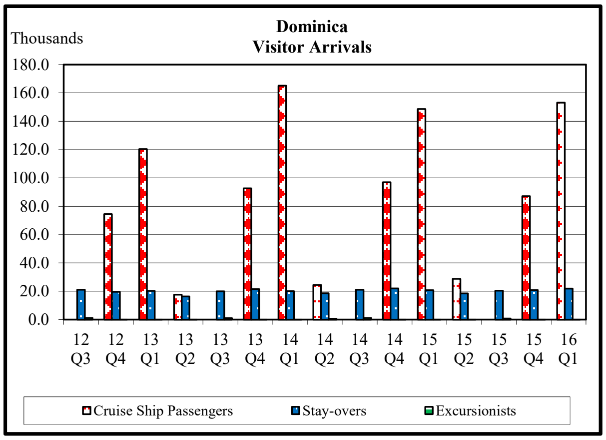
Overview

Preliminary estimates suggest that the pace of economic activity in Dominica in the first three months of 2016 was marginally above the level in 2015. This assessment is largely based on increased activity in the construction sector and tourism industry following the passage of tropical storm Erika, notwithstanding subdued performances in the manufacturing and agricultural sectors. The consumer price index is estimated to have increased by 0.2 per cent, 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 a larger overall deficit, compared to that recorded in the corresponding period of the previous year.** Consequently, the total disbursed outstanding debt is estimated to have risen, influenced by increased borrowing by the central government and public corporations. Monetary liabilities and net foreign assets in the banking system expanded while a reduction in domestic credit was observed. Commercial bank liquidity continued to improve and the weighted average interest rate spread widened during the review period.

Economic activity is expected to accelerate in the remainder of 2016, based on increased activity in the construction and agricultural sectors and the tourism industry. The overall fiscal deficit is anticipated to widen, reflecting advanced investments in reconstruction. Risks to this outlook are skewed downwards and include the receipt of fewer grants than expected, further exposure to plant diseases and adverse weather.

Output

Construction activity is estimated to have accelerated moderately in the period under review, reflecting developments in both the private and public sectors. Private sector construction is estimated to have expanded, influenced by a $1.9m increase in the value of residential starts to $8.6m. In the public sector, capital spending increased by $6.0m to $21.1m reflecting a pickup in reconstruction and rehabilitation activity associated with the passage of tropical storm Erika in August 2015.



Performance in the tourism industry is estimated to have improved during the first three months of 2016 relative to the corresponding period of the previous year. This assessment is based on a 3.3 per cent increase in the total number of tourists to 181,732, in contrast to a decline of 8.3 per cent in the previous year. The rise in arrivals was mainly driven by an uptick in the number of cruise ship passengers of 3.0 per cent to 153,093, consistent with a 2.6 per cent increase in the number of cruise calls to 120. The number of stay over visitors also rose by 5.7 per cent to 21,941 mainly associated with an upsurge in visitors from major source markets namely the USA (10.4 per cent), Europe (5.0 per cent) and the Caribbean (5.0 per cent). Increases were also observed in the number of excursionists (4.8 per cent) and the number of yacht passengers (3.0 per cent). The latter is consistent with a 2.9 per cent rise in the number of yachts visiting the country.

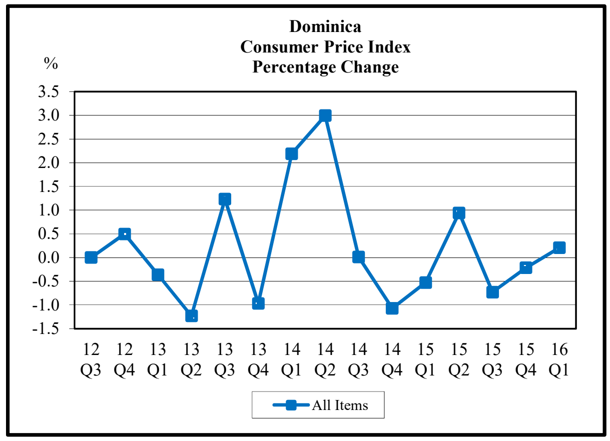
In the manufacturing sector, output is estimated to have remained flat in the first quarter of 2016. There was no output of soap during the period under review, relative to production of 1,260 tonnes in the corresponding period of 2015. The production of soap ceased following the closure of Dominica Coconut Products in November 2015. This development was largely associated with damage to the manufacturing facility related to the passage of tropical storm Erika. This decline in soap production was however moderated by estimated increases in the production of beverages (35.2 per cent) and paints and varnishes (1.4 per cent).

Output in the agricultural sector is estimated to have declined in the period under review. Total banana production amounted to 113 tonnes, 169 tonnes less than the output recorded in the first quarter of 2015, reflecting limited access to farms and the destruction of some crops following the storm. Similarly, the output of non-banana crops is estimated to have declined, also impacted by the storm.

Value added for the transport, storage and communications sector was estimated to have improved, attributed to increased activity in the construction sector and tourism industry.

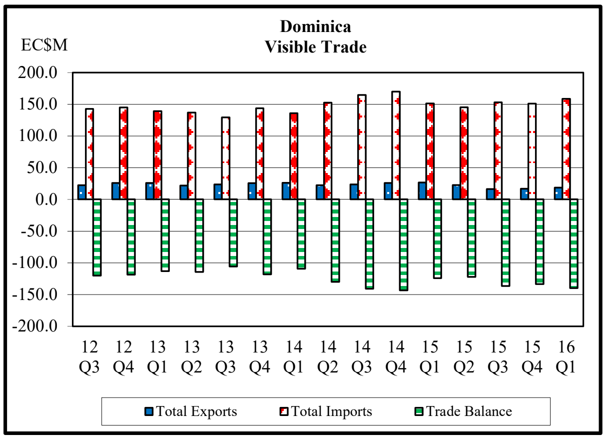
Prices

The consumer price index is estimated to have increased by 0.2 per cent during the first quarter of 2016, in contrast to a 0.5 per cent decline in the corresponding period of 2015. The inflationary pressures primarily came from price increases in the sub-indices of housing, utilities, gas and fuels (0.3 per cent) and; food and non-alcoholic beverages (0.1 per cent). These increases were however tempered by a 0.1 per cent decrease in the price of transport. The prices for the remaining sub-indices remained flat including those for clothing and footwear; household furnishings, supplies and maintenance; miscellaneous goods and services; recreation and culture and; health.



Trade and Payments

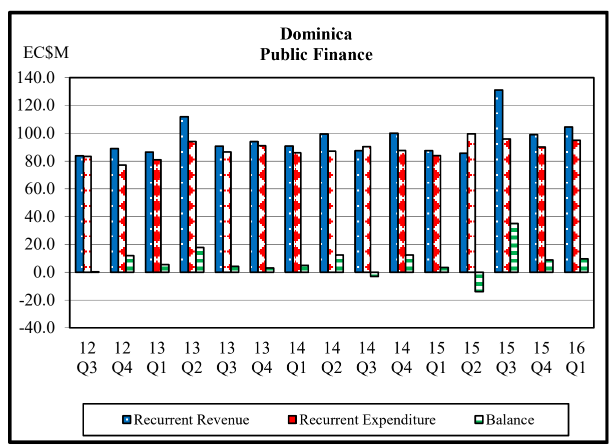
Preliminary estimates indicate that the trade deficit widened by 12.6 per cent to $140.1m during the first quarter of 2016. This outturn was largely influenced by an increase in import payments and supported by a decline in export revenue. The value of imports rose by 5.0 per cent to $158.4m, reflecting increased outlays for all items, including food and live animals, mineral fuels and related materials and manufactured goods. On the other hand, export receipts fell by 30.9 per cent to $18.3m, associated with a reduction of 41.4 per cent in the value of domestic exports. Declines in export receipts were observed for bananas (60.0 per cent), associated with disruptions in production following tropical storm Erika in August 2015. A reduction of 31.8 per cent was also observed in the export of paints and varnishes in the review period. No revenue was earned from the export of soap as a result of the halt in its production by Dominica Coconut Products following its closure, in contrast to export receipts of $6.6m in the first quarter of 2015.



Gross travel receipts are estimated to have expanded by 4.3 per cent to $100.2m, consistent with the increase in visitor arrivals. Commercial bank activities led to a net outflow of $64.2m in short term capital relative to an inflow of $1.6m in the first three months of 2015. In the public sector, external loan disbursements to the central government totalled $0.1m compared with $11.1m during the corresponding period last year. On the other hand, external principal repayments amounted to $7.4m, up from $6.4m at the end of March 2015. These transactions led to a net outflow of $7.4m in contrast to an inflow of $4.7m in the first quarter of 2015.

Central Government Fiscal Operations

The fiscal operations of the central government, in the quarter under review, were estimated to have resulted in an overall deficit of $11.4m, compared with one of $7.7m in first three months of 2015. The overall deficit was mainly financed by domestic sources. A primary deficit of $2.5m was realized, a slight deterioration from the $2.2m in the corresponding period of 2015. The deficits were largely influenced by developments on the capital account. Amid the non-receipt of capital grants, capital expenditure rose by $6.2m to $21.1m, mainly associated with payments for recovery and reconstruction activities.



On the current account, a surplus of $9.6m was recorded compared with one of $3.4m in the first quarter of 2015, as growth in current revenue outpaced that of current expenditure. Current revenue amounted to $104.5m, registering an increase of $17.1m from the total collected in the corresponding period of last year. This development was primarily associated with an expansion in non-tax revenue by $13.0m to $19.0m, mainly reflecting the inflow of funds from the Citizenship by Investment Programme. The rise in current revenue was also influenced by an expansion in tax revenue by $4.1m to $85.5m as the authorities continue efforts to improve tax compliance. An increase was observed in all categories of taxes, with the exception of taxes on property which yielded $1.6m in revenue, down by $0.4m from the corresponding period in 2015. A $1.9m expansion in taxes on international trade transactions was recorded, mainly associated with increased collections from the import duty, cruise ship passengers tax and environmental surcharge. Revenue earned from taxes on domestic goods and services, the largest source of tax revenue, rose by $1.7m to $48.9m, largely attributed to an uptick in receipts from the excise tax ($1.5m) but partially offset by a marginal decline of $0.2m in the Value Added Tax. A smaller enhancement was observed in the collection of taxes on income and profits ($0.9m), partially reflecting higher collections from the personal income tax and corporate income tax.

Current expenditure rose by $11.0m to $94.9m during the review period, reflecting increases in spending on all subcategories, primarily goods and services and interest payments. Spending on goods and services rose by $4.9m, partially associated with an upsurge in professional and consultancy fees, while interest payments, largely external, increased by $3.4m. Smaller expansions were observed in spending on transfers and subsidies ($1.8m) and personal emoluments ($0.9m).

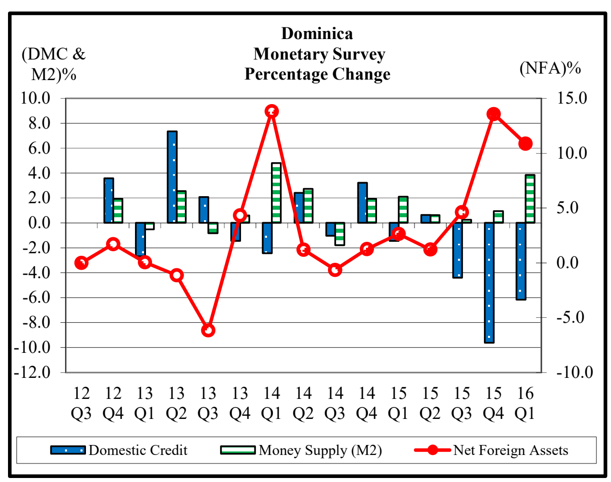
Public Sector Debt

The total disbursed outstanding debt of the public sector is estimated to have risen by 1.4 per cent to $1,108.7m at the end of March 2016. This outturn was as a consequence of an expansion in both central government debt, the largest component of public debt, and public corporations debt. Outstanding central government debt increased by 1.4 per cent to $936.0m as expansions in both its domestic and external debt stock were recorded. The debt stock of public corporations rose by 1.7 per cent to $172.7m, mainly associated with an increase in its external debt.

Money and Credit

Monetary liabilities (M2) expanded by 3.9 per cent to $1,348.5m during the first quarter of 2016, compared with growth of 2.1 per cent in the corresponding period of 2015. Growth in M2 reflected increases in both quasi money and narrow money (M1). Quasi money, the larger component of M2, rose by 2.7 per cent to $1,066.0m attributed to increases in private sector foreign currency deposits (16.6 per cent) and private sector savings deposits (3.1 per cent). These increases were tempered by a contraction in private sector time deposits (0.7 per cent). An increase of 8.4 per cent in narrow money to $282.6m reflected a doubling of EC$ cheques and drafts issued and private sector demand deposits, which was partially offset by a 0.7 per cent decline in currency with the public.

Meanwhile, domestic credit fell by 6.2 per cent to $592.8m during the period under review, mainly influenced by a reduction of 64.2 per cent in net credit to the government as the growth in its deposits (30.4 per cent) outpaced the expansion in credit (14.4 per cent). The decline in overall domestic credit was also influenced by a 1.0 per cent reduction in private sector credit which constitutes the largest share of credit in the economy. This contraction was largely associated with declines in both business (1.2 per cent) and household (1.1 per cent) credit but was moderated by a 2.8 per cent increase in credit to non-bank financial institutions. A 2.2 per cent decline in the net deposit position of non-financial public enterprises however moderated the contraction in domestic credit.



The distribution of commercial bank credit by economic activity indicated that total outstanding loans and advances remained relatively flat. Expansions were recorded in credit allocated to financial institutions (14.0 per cent), pubic administration (3.7 per cent) and mining and quarrying (7.2 per cent). These increases were largely offset by declines in credit for agriculture and fisheries (7.1 per cent), transportation and storage (4.7 per cent), manufacturing (3.4 per cent) construction (3.0 per cent), distributive trades (1.8 per cent) and personal use (0.1 per cent).

Amid weak credit conditions, liquidity in the commercial banking system improved in the first quarter of 2016. The ratio of liquid assets to total deposits plus liquid liabilities rose by 1.7 percentage points to 51.8 per cent at the end of March 2016. Accordingly, the ratio of loans and advances to total deposits fell by 2.0 percentage points to 52.6 per cent which is considerably below the ECCB's benchmark of 75.0 to 85.0 per cent.

At the end of March 2016, the net foreign assets position of the banking system stood at $837.7m, registering an increase of 10.9 per cent. This development was mainly the result of an expansion of 15.4 per cent in the net foreign assets position of commercial banks, associated with growth in their net assets positions with institutions both within and outside of the other ECCU territories. The increase in net foreign assets was also supported by a 5.3 per cent rise in Dominica's imputed share of the Central Bank's reserves.

During the review period, the interest rate spread widened by 6.8 basis points to 6.40 per cent as a result of a 7.0 basis point reduction to 2.02 per cent in the weighted average total deposit rate. The reduction in the weighted average total deposits rate was partially a reflection of the Monetary Council's decision to decrease the minimum savings rate from 3.0 to 2.0 per cent effective 1 May 2015. Growth in the interest rate spread was tempered by a marginal decline of 0.2 basis points to 8.43 per cent in the weighted average lending rate.

Prospects

Economic activity in Dominica is expected to gain momentum in the remainder of 2016, premised on increased activity in the construction and agricultural sectors and the tourism industry following the passage of tropical storm Erika in August 2015. Output in the agricultural sector is expected to increase as efforts to control Black Sigatoka, with support from the European Union under the Banana Accompanying Measures (BAM), improve banana production. Growth in the sector will also be supported by continued investments by the government in non-banana crops and livestock.

Construction activity in the public sector is anticipated to increase as investment in reconstruction accelerates. Furthermore, the Range Developments' Cabrits Resort Kempinski project, which is scheduled to begin this year, is expected to drive private sector construction activity.

In the tourism industry, the number of stay-over visitors is projected to increase as air access improves throughout the year. This assessment is based on the restoration of night landing and the reinstatement of suspended flights following tropical storm Erika in August 2015. Increased marketing efforts by Discover Dominica Authority are also expected to support growth in the industry. An increased number of cruise ship passengers are also projected from an expected improvement in the number of cruise calls.

Manufacturing output is expected to remain subdued following the closure of Dominica Coconut Products, one of Dominica's largest manufacturing plants, in November 2015.

The fiscal deficit is anticipated to widen in 2016, mainly as a consequence of increased capital expenditure for reconstruction. The increase in the deficit is however anticipated to be tempered by continued efforts to improve tax compliance and a sustained inflow of funds from the Citizenship by Investment programme.

In the external sector, the merchandise trade deficit is expected to widen as a result of a forecasted pickup in the import of reconstruction material. Gross receipts from travel are also expected to increase in line with the expected increase in stay over arrivals.

Downside risks to this outlook include the receipt of fewer grants than expected and/or delays in the disbursement of funds which could slow down the reconstruction

process and ultimately economic activity. Further exposures to plant diseases also pose a threat and could undermine the expected recovery in the agricultural sector. Dominica also remains vulnerable to external shocks such as adverse weather conditions and; downturns in the economies of development partners and major tourism source markets.

G R E N A D A

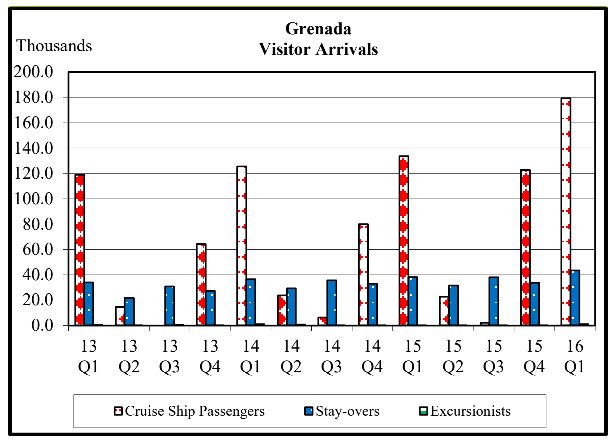
Overview

Grenada's economy continued to expand as it commenced the third year of implementation of its home-grown adjustment programme. **Economic activity is estimated to have increased in the first three months of 2016, relative to the comparable period of 2015, stemming from expansions in the tourism industry and the construction sector.** Consumer prices fell by 0.3 per cent on an end of period basis. **The fiscal position of the central government improved, registering an overall surplus in the quarter under review, in contrast to a deficit in the comparable period of 2015.** The disbursed outstanding public sector debt rose, compared with the level at the end of December 2015. In the banking sector, there was growth in monetary liabilities and net foreign assets, but a contraction in domestic credit. Commercial banks liquidity rose while the spread between the weighted average deposit and lending interest rates narrowed.

Economic activity is expected to increase in 2016, albeit at a slower pace than the previous year. The general consumer price level is likely to rise at a moderate pace. The fiscal and debt outlook is positive and is conditional on growth in the economy, completion of the comprehensive debt restructuring, and continued success with the implementation of fiscal reforms. **Factors which can derail the attainment of further economic progress include: adverse weather; the advent of de-risking in the local commercial banking sector; an outbreak of the Zika virus; and the transmission of negative spill-over effects from the downturns in Trinidad and Tobago and Venezuela to the local economy.**

Output

In the tourism industry, overall visitor arrivals are estimated to have expanded by 28.9 per cent to 232,299, surpassing the rate of growth 5.2 per cent in the corresponding period of 2015. There were marked improvements in all categories of visitors, particularly cruise ship passengers. The number of cruise ship calls increased to 121 from 98, leading to an increase of 34.3 per cent to 179,193 in the number of cruise passengers. The stay–over visitor category is estimated to have registered growth of 13.8 per cent to 43,271 in arrivals, supported, in part, by intense marketing efforts and increased airlift. The improved performance also stemmed from Grenada's hosting of regional and international sports events in the review period, namely the Confederation of North, Central America and Caribbean Association (CONCACAF) Under-17 Women's Championship and the Caribbean Free Trade Association (CARIFTA) Games. There were increases in arrivals from most source markets, with the exception of the European markets of Germany and Italy which experienced declines of 22.2 per cent and 9.2 per cent, respectively. Among the other European markets, arrivals from the UK rose by 5.2 per cent. The largest source market, the USA, posted growth of 25.6 per cent in arrivals, indicative of an increase in travel demand from an economy that is improving. The Caribbean source market registered an increase of 23.9 per cent in arrivals, largely driven by the hosting of the sports events. Arrivals from Canada are estimated to have surpassed those of the corresponding period of 2015 by 13.7 per cent. Among the other market segments, the number of excursionists almost quadrupled to 866 and yacht passenger arrivals are estimated to have increased by 4.6 per cent to 8,969. The gains in the tourism industry are likely to have translated into increased activity in the transport, storage and communications sector.



Construction activity gained momentum in the first quarter of 2016, as evidenced by the indicators for this sector. The volume and value of imports of construction materials rose by 23.4 per cent and 17.6 per cent, respectively. The private sector was the engine of growth in this sector, whereby work focused on hotel, villa and resort developments as well as marina projects. Construction activity in the public sector was less robust and mainly focused on road networks, schools, the Sendall Tunnel Rock Fall project and the General Hospital.

The performance of the manufacturing sector was mixed during the quarter under review. The volume of output rose for most beverages, with the exception of soft drinks and rum which dropped by 43.5 per cent 28.3 per cent, respectively. There were increases in the production of stout (14.1 per cent), malt (8.7 per cent) and beer (6.2 per cent). The manufacturers of paints produced 4.5 per cent additional output while those producing chemicals, namely oxygen and acetylene, witnessed declines in their production volumes of 13.1 per cent and 1.3 per cent, respectively. Among the manufacturers of grain mill and bakery products, the volume of production of flour and macaroni fell by 6.5 per cent and 2.1 per cent, respectively. The firms producing animal feed also reported a contraction of 11.5 per cent in the volume of their overall output. Likewise, the output level of toilet paper was down by 12.4 per cent.

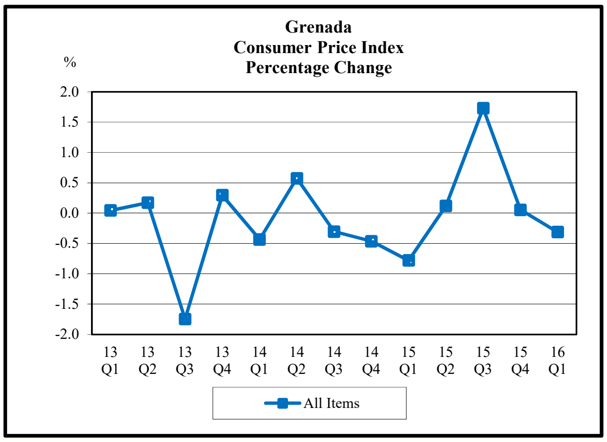
Agricultural output is estimated to have declined on the basis of a fall off from 2015 peak output levels of most non-banana crops. The total production of these crops, including fruits, vegetables, and ground provisions is estimated to have declined by 14.0 per cent to 761,265 pounds. This negative outturn was further compounded by a decrease of 39.1 per cent to 345 tonnes in the production of cocoa. Meanwhile, increases were recorded in the output of nutmeg (12.6 per cent), bananas (16.4 per cent) and mace (36.8 per cent).

The performance of the fishing sector continued to be dismal, registering a decline in output of 16.7 per cent to 1,123 tonnes. This was almost the same pace of contraction experienced in the first quarter of 2015, partly because of the lingering effects of the sargussum seaweed.

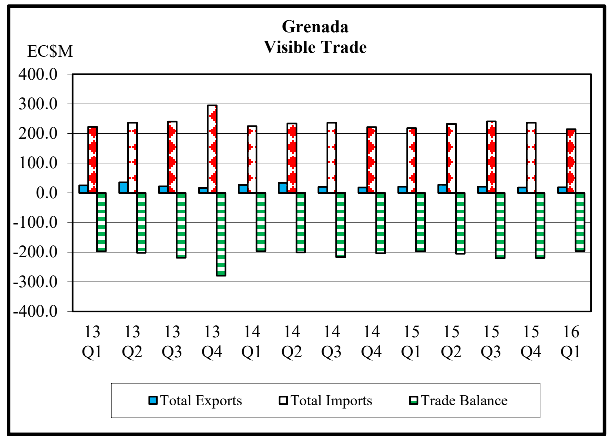
Prices

The rate of deflation slowed in the economy as the impact of low international oil prices tapered off. **The consumer price index (CPI) fell by 0.3 per cent during the first quarter of 2016, relative to a rate of contraction of 0.8 per cent in the comparable period of 2015.** There were declines in the largest sub-indices, namely, food and non-alcoholic beverages (1.5 per cent) and housing, utilities, gas and fuels (1.1

per cent). The sub-indices for clothing and footwear as well as recreation both fell by 0.2 per cent. Those declines were tempered by growth in the sub-indices for transport (1.6 per cent), household furnishings, supplies and maintenance (0.8 per cent), health (0.5 per cent), and alcoholic beverages, tobacco and narcotics (0.4 per cent).



contracted by 12.0 per cent ($2.6m) to $18.7m, largely on account of a reduction in domestic exports. The receipts from domestic exports declined by 11.0 per cent ($2.2m), primarily as a result of lower export earnings from fish; agricultural products such as cocoa and mace; and manufactured goods including flour, animal feed, and paints and varnishes.



Trade and Payments

The merchandise trade deficit narrowed by 0.4 per cent to $196.0m in the first quarter of 2016. The slightly lower deficit resulted from a decline in imports which offset the contraction in exports. Import payments were down by 1.6 per cent ($3.4m) to $214.7m largely due to the lower value of imports of mineral fuels and related materials. The value of total exports

Gross travel receipts expanded by 35.8 per cent to $158.7m, a significant improvement from the contraction of 1.6 per cent observed in the first quarter of 2015. This was consistent with the increase in all categories of visitors. Commercial bank transactions resulted in a net outflow of $36.6m, representing over half of the outflows recorded during the first quarter of 2015. External loan disbursements dropped to $5.9m from $19.4m in the first quarter of

2015, while external amortization amounted to $16.3m from $10.5m. Consequently, the central government was in a net amortization position of $10.4m in the first three months of 2016, in contrast to a net disbursement position of $8.9m in the corresponding period of 2015.

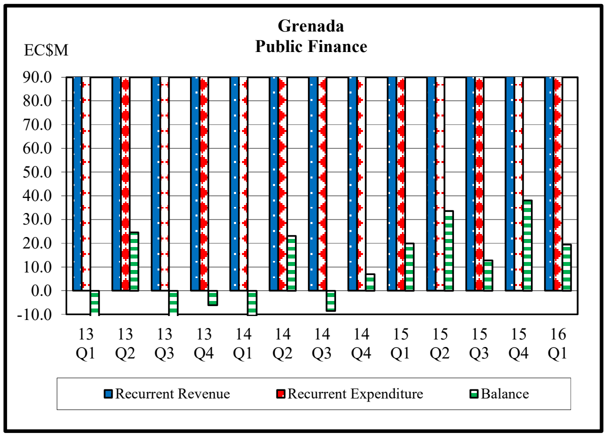
Central Government Fiscal Operations

The fiscal position of the central government continued to improve under the fiscal adjustment measures and reforms which commenced in January 2014. The central government incurred an overall fiscal surplus of $13.3m in the quarter under review, a marked turnaround from the overall deficit position of $10.7m in the corresponding period of 2015. A primary surplus of $27.2m was registered, up from one of $19.5m in the first quarter of 2015.[1]

The current account balance remained relatively flat at $19.5m. Current revenue rose by 10.3 per cent to $157.2m, slower than the rate of growth of 19.9 per cent observed in the corresponding period of 2015. The deceleration was partly associated with a reduction of 27.7 per cent ($3.9m) in non-tax revenue. Tax revenue, the larger component of current revenue, rose by 14.5 per cent ($18.6m) to $147.0m. There were higher proceeds from most of the major tax categories, with the exception of taxes on property which declined by 14.2 per cent ($0.7m). Revenue from taxes on international trade and transactions was up by 28.6 per cent ($10.3m), primarily on account of larger receipts from the petrol tax. The petrol tax on diesel and gasoline was increased to $5.50 from $3.00 per imperial gallon, in a phased approach, during the last three quarters of 2015. The yield from taxes on income and profit rose by 16.8 per cent ($4.6m) arising from growth in the collection of personal and company taxes. Collections from taxes on domestic goods and services grew by 7.4 per cent ($4.4m), largely on account of an increase of $4.3m in Value Added Tax (VAT) receipts to $52.7m. The

[1] The fiscal accounts for the first quarter of 2016 were reported using the new Chart of Accounts, unlike the data reported in the prior periods which were based on the old Chart of Accounts. Reclassifications were only applied to the data for the period January to March 2016, based on the new Chart of Accounts. Firstly, there were reclassifications of items within current expenditure. Secondly, some expenses were reclassified from capital expenditure to current expenditure categories. Thirdly, there was reclassification of the grant resources that were used for current related expenditure, from capital grants to current grants. Fourthly, there were reclassifications within non-tax revenue categories, namely fees, fines, penalties and forfeits; and miscellaneous revenue. The fiscal items that were ultimately affected by the reclassifications were: personal emoluments, goods and services, transfers, current grants, capital grants, and non-tax revenue.

VAT performance is reflective of the improvement in economic activity in the quarter under review.



Current expenditure rose by 12.3 per cent to $137.7m during the quarter under review. Some of the current expenses that were undertaken under projects/programmes were reclassified from capital expenditure to the relevant categories of current expenditure. There were increases in transfers and subsidies (73.5 per cent or $15.9m), goods and services (64.8 per cent or $10.4m) and personal emoluments (9.4 per cent or $5.1m). By contrast, interest payments fell by 54.0 per cent ($16.3m), attributable to lower external interest obligations of $7.1m from $25.2m. The reduced external interest obligations reflected less external interest arrears. Meanwhile, grant resources used for current outlays amounted to $4.8m in the quarter under review.

On the capital account, $9.7m was recorded in capital grants, relative to $20.5m in the first quarter of 2015. Capital expenditure amounted to $20.7m, compared with $51.2m in the corresponding period of 2015.

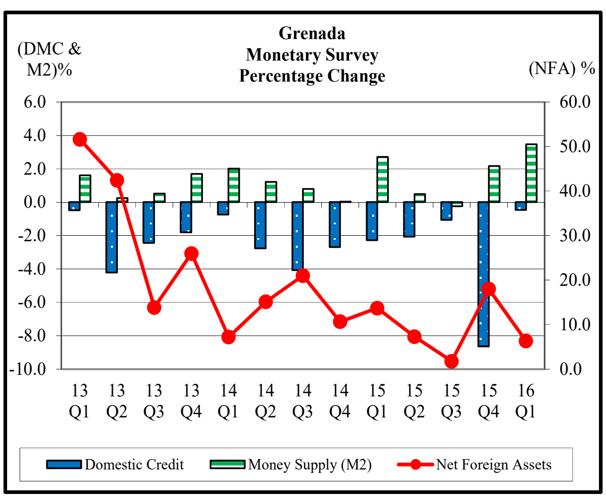
Public Sector Debt

The total disbursed outstanding debt of the public sector rose by 1.0 per cent ($23.1m) to $2,328.1 m at the end of March 2016 relative to the level at the end of December 2015. The total domestic debt fell by 5.8 per cent while the total external debt rose by 3.9 per cent, partly because of some reclassification from the former to the latter type of debt. The disbursed outstanding debt of the central government rose by 1.1 per cent to $2,152.9m. The disbursed outstanding debt of public corporations is estimated to have remained flat at $175.2m.

Money and Credit

Monetary liabilities (M2) expanded by 3.5 per cent to $2,195.9m during the first

quarter of 2016, above the pace of growth of 2.7 per cent registered during the corresponding period of 2015. The increase in M2 was largely driven by a 10.0 per cent ($54.5m) expansion in narrow money supply (M1), resulting from growth of 15.6 per cent ($62.6m) in the largest sub-component, private sector demand deposits. Decreases were observed in the remaining sub-categories of M1, namely issuances of cheques and drafts (6.2 per cent) and currency with the public (5.8 per cent). Quasi money, the remaining component of M2, rose by 1.2 per cent ($19.1m), led by increases in private sector foreign currency deposits (10.1 per cent) and private sector savings deposits (1.6 per cent). These increases were partially offset by a decline of 5.4 per cent in private sector time deposits.



The net foreign assets of the banking system stood at $906.3m at the end of March 2016, 6.3 per cent above the level recorded at the end of the previous year. The transactions of commercial banks primarily contributed to this outturn. They expanded, by six-fold, their net foreign asset position with financial institutions outside the Currency Union while concurrently reducing, by 8.7 per cent, their net foreign asset position in other ECCU territories. Grenada's imputed share of ECCB's reserves rose by 3.4 per cent to $526.3m.

Meanwhile, **domestic credit decreased by 0.5 per cent to $1,313.8m during the quarter under review, largely associated with the transactions of non-financial public enterprises in the commercial banking sector.** Credit to the non-financial public enterprises fell, compounded by an expansion in their deposits, leading to growth of 27.4 per cent in their net deposit position. There was a decline of 13.9 per cent in total credit to the central government and a reduction of 9.6 per cent in the total deposits of the central government in the entire banking system. Consequently, the central government remained in a net deposit position of $62.9m, precisely 4.5 per cent lower than the level at the end of December 2015. Meanwhile, commercial bank credit to the private sector rose by 2.3 per cent ($36.3m), in contrast to a decline of 0.8 per cent ($13.5m) in corresponding period of 2015. This private sector credit recovery bodes well for the economy. Credit to businesses grew by 9.3 per cent, offsetting the reductions in credit to non-bank financial institutions (3.4 per cent) and households (0.7 per cent).

Total loans and advances grew by 2.1 per cent to $1,699.3m during the first quarter of 2016, in contrast to the decline of 0.9 per cent in the comparable period of 2015. Credit to the utilities, electricity and water sector increased four-fold to $72.6m. There was also an increase in credit for professional and other services (2.6 per cent). On the other hand, decreases were mainly observed in credit to public administration (29.0 per cent), distributive trades (4.7 per cent) and tourism (3.2 per cent). Outstanding loans for personal use, the largest credit category, dropped by 0.4 per cent, largely on account of a decline of 1.9 per cent in credit for home construction and renovation.

With respect to commercial bank liquidity, the ratio of liquid assets to total deposits plus liquid liabilities rose by 1.2 percentage points to 42.0 per cent at the end of March 2016. The loans and advances to total deposits ratio contracted by 0.9 percentage points to 60.2 per cent.

The weighted average total deposits rate declined to 1.47 per cent at the end of March 2016, from 1.57 per cent at the end of December 2015. These developments followed the Central Bank's decision to reduce the minimum savings rate from 3.0 per cent to 2.0 per cent from 01 May 2015. Concomitantly, the weighted average interest rate on loans fell to 8.51 per cent from 8.7 per cent. Therefore, the weighted average interest rate spread narrowed to 7.04 percentage points at the end of March 2016, from 7.13 percentage points at the end of the previous year.

Prospects

Economic activity is projected to increase in 2016, albeit at a slower pace than the prior year. The tourism industry and the construction sector are likely to provide the main impetus to growth. While tourism performance in the remaining quarters of

2016 may not be as strong as the first quarter, which coincided with hosting of sporting events and the peak tourism season, continued marketing efforts should support an overall improvement in the industry for the year. Construction activity is forecasted to remain robust as private sector tourism related projects continue to be underway. Overall economic growth is expected to decelerate premised on weaker activity in the agricultural, manufacturing and fishing sectors. The general price level is expected to rise at a moderate pace in 2016, on an end of period basis, with anticipation of a slow upward trend in international oil prices.

In the external sector, the merchandise trade deficit is expected to widen, largely contingent on an increase in the value of construction related imports for tourism projects. Export receipts are likely to remain subdued during the remainder of the year, impacted by the internal supply side constraints in fishing, agriculture and manufacturing.

The central government seems to be on track in achieving an overall fiscal surplus in 2016. Current revenue is anticipated to be higher in 2016, in line with the increased economic activity. Projected gains in tax revenue are likely to offset any potential losses in grants or non-tax revenue, helping to improve the overall fiscal position. Expenditures are anticipated to be broadly in line with the rules set out in the country's fiscal responsibility legislation. An improved fiscal performance, alongside the completion of the comprehensive debt restructuring process, is likely to translate to a downward trajectory in the debt stock in 2016.

Although the near-term macroeconomic outlook for Grenada is currently positive, there are pronounced risks. These risks are associated with adverse weather; the advent of de-risking in the local banking sector; an outbreak of the Zika virus; negative spill-over effects from the downturn in economic partners such as Trinidad and Tobago and Venezuela; and a weaker global recovery.

MONTSERRAT

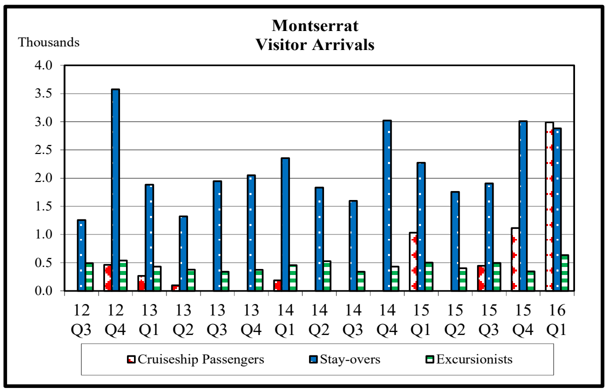
Overview

The economic performance of Montserrat weakened in the first three months of 2016 relative to the corresponding period of 2015. Among the main sectors contributing to the decline in performance were public administration and construction, moderated by an expansion in tourism activities. The consumer price index declined by 1.3 per cent, on an end of period basis. The merchandise trade deficit narrowed as the value of imports decreased. **The overall balances on the fiscal accounts (after grants) worsened due principally to a decrease in current grant flows.** In the banking system, total monetary liabilities and domestic credit increased, while net foreign assets contracted marginally. Overall, liquidity conditions remained relatively stable and high, while the weighted average interest rate spread between loans and deposits narrowed.

Montserrat's economy faces some headwinds for the remainder of 2016, with minimal growth projected based on a lower than expected first quarter performance and a less favourable outlook for key drivers of economic activity for the rest of the year. Improvements in value added by government services and construction may not be realized until the latter part of the year, as it remains contingent upon the resumption of a number of public sector infrastructural projects. The outturn on the fiscal balance depends largely on the level of budgetary support. Additionally, the finalization of funding priorities with key development partners may not be sufficient to cause the economy to rebound within 2016. These factors may be slightly mitigated by an upturn in stay-over visitor arrivals, which will enhance flows from tourism and other auxiliary sectors such as transport, storage and communications and wholesale and retail trade. However, downside risks including adverse weather, disruptions to access and the slow mobilisation of budgetary support remain a concern.

Output

Preliminary data indicate a slight increase in economic activity. Value added by public sector administration, defence and compulsory social security, the largest contributor to economic output, increased in the first quarter of 2016. The proxy indicator, the value of expenditure on personal emoluments, recorded an increase of 0.5 per cent an in the period under review in contrast to a decline of 11.6 per cent in the corresponding period last year.

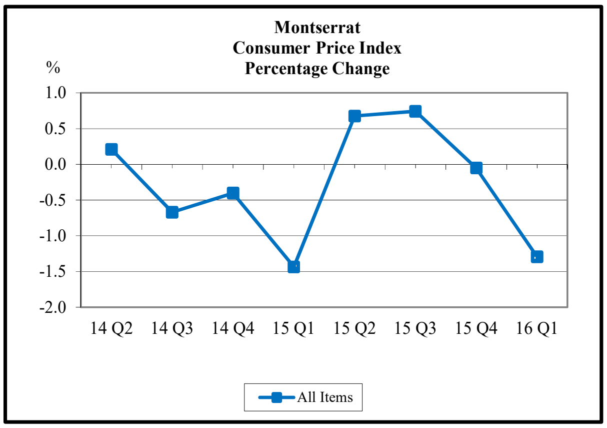


Performance in the tourism industry improved as total visitor arrivals increased by 59.6 per cent in the first quarter of 2016 in comparison to a 54.4 per cent increase in the corresponding period last year. Stay-over tourist arrivals rose by 26.8 per cent to 2,880 reflecting an increase in the number of tourists from the Caribbean (59.6 per cent), UK (35.3 per cent) and the USA (14.3 per cent). Excursionists increased by 26.5 per cent to 635, in comparison to an increase of 10.6 per cent in the first quarter of the prior year. In the first three months of 2016 passengers arriving by yacht rose by 7.4 per cent to 876 on the account of 2 additional yachts which visited the island.

Value added in the construction sector is provisionally estimated to have declined in the first quarter of 2016 compared with the corresponding period of 2015. This outturn is evidenced by a 2.7 per cent fall in a key proxy indicator, namely credit for construction activities. The decrease in the sector's performance was also driven by a 13.9 per cent fall in government capital expenditure for the review period. This development was primarily associated with a number of public sector investment projects currently on pause as they are being reviewed.

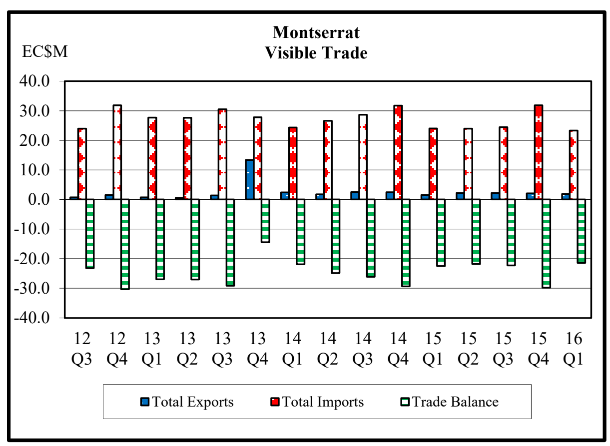
Prices

The consumer price index declined by 1.3 per cent, on an end of period basis, in comparison to a decrease of 1.4 per cent in the first three months of 2015. The fall in prices was mainly attributed to declines in the sub-indices for housing, water, gas, electricity and other (3.5 per cent) transport (1.4) and health (1.0 per cent) and was partly associated with lower oil price effects. Meanwhile, price increases were recorded in the sub-indices for restaurants and hotels (1.3 per cent), communication (0.7 per cent) and furnishing, household equipment and routine household maintenance (0.1). The recreation and culture index and education index remained unchanged.



Trade and Payments

Preliminary data revealed a narrowing of the trade deficit on the merchandise account in the first quarter of 2016 compared with the corresponding period last year. The trade balance improved by approximately 4.8 per cent to $21.4m. This outturn was partly attributable to an estimated 22.3 per cent ($0.4m) expansion in export earnings. Domestic exports expanded by 25.0 per cent to $1.8m reflecting a rise in the export receipts from crude materials and inedible, except fuels. The value of goods re-exported fell to $0.1m in 2016 from $0.2m in the first quarter of 2015, as trade revenue from the re-export of machinery and transport equipment declined by $0.05m to an estimated $0.1m. Imports totalled $23.3m, a slight decrease from $24.0m in the comparable period of the previous year. This decline was mainly due to decreases in mineral fuels and related materials ($3.8m), crude materials, inedible except fuels ($0.4m) and animal and vegetable oils, fats and waxes ($0.04m). These decreases were partially tempered by increases in expenditure on imports of food and live animals (7.2 per cent) and miscellaneous manufactured articles which more than doubled.

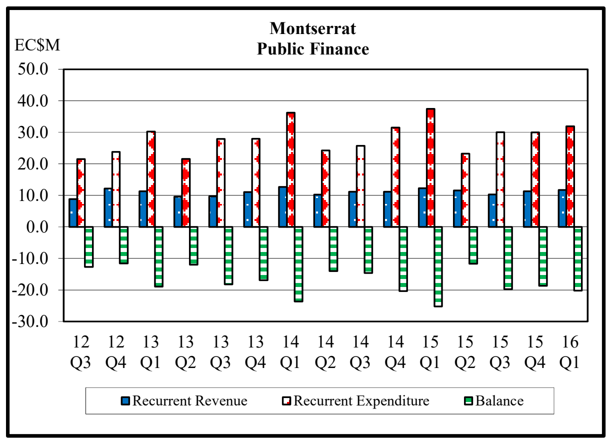


Developments on the services account were indicative of the upturn in visitor arrivals, as gross travel receipts were estimated to have increased to $8.6m from $7.1m in the first quarter of 2015. Alternatively, financial intermediation contracted, as commercial bank net outflows declined by 10.0 per cent ($18.2m), in contrast to an increase of 5.7 per cent ($9.4) in 2015.

Central Government Fiscal Operations

The central government recorded a deficit in the first quarter of 2016 in contrast to a surplus in the corresponding period of 2015. There was an overall deficit (after grants) of $16.1m, in contrast to a surplus of $12.5m in the corresponding period of 2015. The overall fiscal position worsened as the current account deficit widened, due to a lack of grants. There was no current grant received in the period under review. The downturn in grants led to a current account deficit of $20.2m from one of $2.1m in corresponding quarter of 2015. Capital grants totalled $12.7m for the first three months of 2016.

Current revenue declined by 4.4 per cent to $11.8m compared with a decrease of 3.0 per cent in the corresponding period of 2015. This outturn resulted primarily from a 43.1 per cent decrease in non-tax revenue to $1.1m. However, tax revenues increased in the first three months of 2016 by 3.0 per cent to $10.6m in contrast to a decline of 11.3 per cent in the corresponding period of the previous year. The increase in taxes was driven largely by growth in collections from taxes on income and profits ($0.2m) and taxes on international trade and transactions ($0.2m). This increase was tapered by a decline in revenue collected from taxes on domestic goods and services ($0.2m).



Current expenditure decreased by 14.8 per cent to $31.9m, as expenditure on transfers and subsidies was lower in the first quarter of 2016 by 30.1 per cent ($3.4m). Outlays on goods and services fell by 14.1 per cent to $13.4m, while spending on personal emoluments had a slight increased by 0.5 per cent to $10.7m. Meanwhile, interest payments on external debt remained unchanged. First quarter capital expenditure declined, in the absence of large investments for major public infrastructural projects. Investment outlays totalled $8.6m, 13.8 per cent ($1.4m) less than the amount spent in the corresponding three months of 2015. This outturn was also reflective of a slowdown in construction activity owing to the suspension of several new public projects.

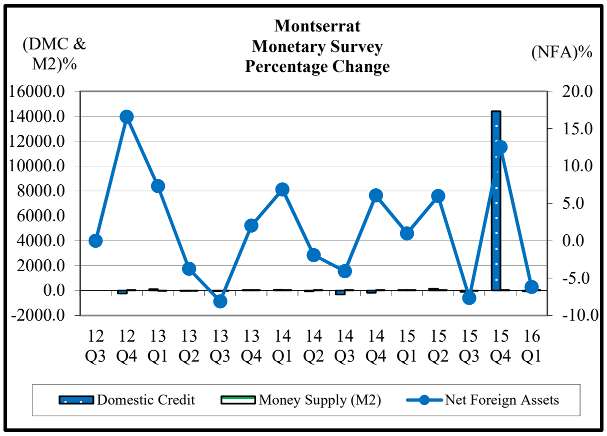
Public Sector Debt

The stock of public sector debt stood at $8.9m at the end of the first quarter of 2016 compared with a balance of $9.1m at the end of 2015. The decline in debt resulted from the amortization of the debt held with the Caribbean Development Bank. The proportion of total debt held by the central government stood at 14.6 per cent ($1.3m), while 85.4 per cent ($7.8m) was held by public corporations. The total stock of debt was contracted externally.

Money and Credit

The stock of monetary liabilities (M2) in the banking sector increased by 1.6 per cent to $248.7m during the first three months of 2016, compared with an increase of 2.9 per cent during the corresponding period of 2015. This outturn was associated with a 0.6 per cent increase in quasi money to $198.3m, which represented 79.8 per cent of the stock of money. The expansion in quasi money was driven largely by an 11.8 per cent rise in private sector foreign currency deposits. Private sector saving deposits also contributed to this development as it registered an increase of 0.6 per cent. However, private sector time deposits declined by 1.6 per cent during the review period. Narrow Money (M1) increased by 5.7 per cent to approximately $50.3m as growth in private sector demand deposits (11.5 per cent) outpaced a decline in currency with the public (3.6 per cent).

The net deposit position of commercial banks fell by 75.2 per cent to $7.6m during the period under review. This outturn was largely influenced by a 28.5 per cent contraction in the net deposit position of the central government to $59.2m, associated with a drawdown in deposits to meet current obligations. Credit to the private sector rose by 0.9 per cent to $71.4m, due to an expansion in household sector credit (1.5 per cent), which more than offset a 5.3 per cent decline in business sector borrowing.



A sectorial analysis of credit extended during the review period revealed a 2.9 per cent increase in personal credit to $69.2m, representing 86.6 per cent of total commercial bank credit. The increase in personal credit was associated with borrowing for house and land purchase (8.4 per cent) and expenditure on durable goods (32.1 per cent), along with the increase in home construction and renovation (1.6 per cent). However, there were declines in lending for manufacturing (14.2 per cent), construction (2.7 per cent), agriculture and fisheries (8.0 per cent) and tourism (3.2 per cent).

Net foreign assets in the banking system contracted by 6.2 per cent to $300.7m during the first three months of 2016. The net foreign assets of commercial banks decreased by 10.0 per cent to $163.3m, as assets held with institutions outside the currency union declined by 9.0 per cent. Montserrat's imputed share of the reserves held with the Central Bank contracted by 1.1 per cent to $137.4m.

The level of liquidity in the commercial banking system remained high during the first quarter of 2016. The proportion of total liquid assets to total deposits plus liquid liabilities was 86.7 per cent, trending consistently above the minimum prudential requirement of 25.0 per cent. The ratio of loans and advances to total deposits increased to 23.2 per cent from 21.5 per cent at the end of December 2015, consistent with an increase in private sector credit.

The interest rate spread between deposits and loans contracted by 15 basis points to 6.24 per cent during the review period. The weighted average lending rate decreased by 10 basis points to 7.39 per cent, while the weighted average interest rate on total deposits grew to 1.15 per cent from 1.10 per cent at the end of December 2015.

Prospects

Montserrat's economy faces some uncertainty for the remainder of 2016. Growth for the country is projected to be lower given the current performance. There is also a less favourable outlook for key drivers of economic activity. The scale of activity generated by the construction sector is expected to decline as the roll-out of key transformational projects are currently delayed. These include the new ferry, the re-instatement of fibre-optic connectivity, the new hospital and secondary school projects. The slowdown in construction activity may be slightly moderated 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 2016. Additionally, a number of proposed fiscal incentives and social intervention initiatives geared at creating an enabling environment for private sector investments have the potential to boost economic activity. As such, affordable housing incentives for local residents, including members of the diaspora, may boost the performance of the financial, transport and communications and construction sectors if implemented on a timely basis.

Tourism activity is likely to improve, underpinned by an increase in visitor arrivals and gross travel receipts. These developments will positively contribute to improvements in the distributive trades and services and primary sectors.

Improvement in the co-ordination in tax collection, compliance and enforcement of tax legislative requirements should continue to provide gains in revenues collected. It is expected that expenditure would remain at a stable level for the remainder of the year. Also, with the expectation of increased grants for the rest of the year, the overall fiscal position is likely to rebound to a surplus position. The April 2016 issue of the IMF World Economic Outlook has forecasted economic growth for the United Kingdom for 2016 to be 1.9 per cent. The level of budgetary aid provided to Montserrat is therefore expected to remain fairly stable.

The decline in the overall price level may persist throughout 2016, as inflationary pressures from the global market are likely to remain broadly stable. Accordingly, it is anticipated that the merchandise trade deficit will continue to contract as the import bill continues to fall.

The downside risks to growth include adverse weather, lower global growth, and insufficient access, which may hinder developments in the tourism industry and have negative price effects on related sectors, such as wholesale and retail, transport, storage and communications and construction.

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

Overview

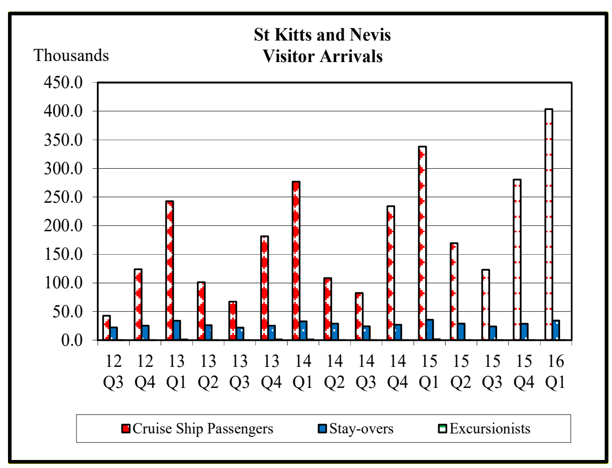
Available data suggest that economic activity in St Kitts and Nevis expanded, albeit at a slower pace in the first three months of 2016, compared with the corresponding period in 2015, albeit at a slower pace. This assessment reflects positive growth estimates for the construction; wholesale and retail; transport, storage and communications; real estate renting and business activities and agricultural sectors, moderated by an estimated decline in value added in the hotels and restaurants and manufacturing sectors. Consumer prices declined by 0.6 per cent, on an end- of-period basis. **The fiscal operations of the Federal Government resulted in a narrowing in the overall surplus and the total outstanding public sector debt fell.** In the banking system, monetary liabilities and net foreign assets increased, while domestic credit fell. Commercial bank liquidity rose and the weighted average interest rate spread between loans and deposits remained relatively unchanged.

Economic activity is expected to improve over the remainder of 2016 relative to the corresponding period of 2015, contingent on accelerated activity in construction and a rebound in the tourism industry. These developments are estimated to further positively impact the wholesale and retail; transport, storage and communications and real estate renting and business activities sectors. In the public sector capital outlays are expected to include construction work on a new Basseterre High School and a second cruise pier in the latter half of 2016 in St Kitts and completion work on the CDB funded water distribution project in Nevis.

The fiscal operations of the Federal Government are projected to be buttressed by higher tax revenues. Notwithstanding the decrease in revenue collection during the first quarter, the overall fiscal position is estimated to record a surplus, albeit smaller than in 2015, based on a recovery in tax revenue particularly in the latter half of 2016. Non tax-revenues are estimated to decline consistent with lower receipts from the Citizenship by Investment programme. Expenditure is estimated to be below the outlays in the corresponding period in 2015 constrained by stepped up efforts on the part of the authorities to control expenditure. The balance of risks is tilted to the upside based on generally favourable developments in the USA economy. However, **prospects have been dimmed by recent developments in the St Kitts and Nevis economy associated with slower construction activity reflective of lower CBI activity and a contraction in activity in the hotels and restaurants sector.** The threat posed to the major productive sectors associated with storm damage represents an on-going second order risk.

Output

Value added in the construction sector, is estimated to have increased, albeit at a decelerated pace, in the first three months of 2016 relative to the comparable 2015 period albeit at a decelerated pace. This assessment was supported by a 9.5 per cent increase in the volume of imported construction related materials, a measure of activity in the sector. This increase was attributed to sustained levels of construction activity in the private sector moderated somewhat by lower public sector activity. In the private sector, work continued on the Park Hyatt Hotel, the Koi Resort and Residences as well as the Heldens Estate Condo Resort & Residences. Construction work on the Hilton Embassy Suites, Pelican Bay Resort slowed during the quarter under review. The sector was also buoyed by residential construction. On Nevis, hospitality related developments in the private sector included on-going construction work at the Four Seasons Estate, the completion work on the Mount Nevis Hotel expansion and work on the Cades Bay Villas and Marina project. In the public sector, capital outlays declined by \$6.3m with activity concentrated on completion work to road enhancements and the renovation of government office buildings in St Kitts and water distribution in Nevis.



Value added in the agriculture, livestock and forestry sector is estimated to have risen, influenced mainly by a comprehensive increase in crop production. The output of crops rose by 1.0 per cent to 230,600 kilograms, largely reflecting increases in the output of a number of crops including; tomatoes (1.0 per cent), carrots (1.0 per cent), sweet potatoes (1.0 per cent) and watermelons (1.1 per cent). Other major contributors to the increase in crop production were output increases in sweet peppers and cabbages of 1.0 per cent respectively. Output in the livestock subsector expanded with increases registered for the production of pork (2.0 per cent), eggs (2.0 per cent) and fish (2.0 per cent) as well as higher output of mutton (2.1 per cent) and goat meat (2.3 per cent).

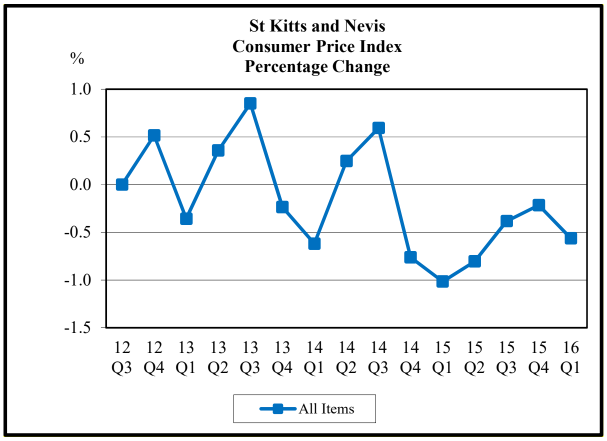
Other sectors positively impacted by economic developments include; transport, storage and communications and real estate, renting and business activities, consistent with positive developments in construction and the cruise sub-sector. Favourable spill-over effects from activities in the major productive sectors are also likely to have impacted the wholesale and retail and financial intermediation sectors.

The gains in value added in the other sectors were tempered by an estimated decline in the performance of the tourism industry, as proxied by activity in the hotels and restaurants sector. Value added in the hotels and restaurants sector is estimated to have contracted slightly in the first three months of 2016. Notwithstanding an estimated increase in the number of total visitors by 16.9 per cent to 440,831, attributable to an increase in the number of cruise passengers, declines in stay-over arrivals who on average spend considerably more than cruise passengers accounted for the contraction in value added. The number of stay-over visitors fell by 3.3 per cent to 34,256, in contrast to a 7.4 per cent increase in the corresponding period of 2015. Declines were recorded for all of the major source markets including; the United States of America (USA) of 3.1 per cent (718), the Caribbean, 4.5 per cent (219), Canada, 3.8 per cent (113) and the United Kingdom, 2.4 per cent (66). The number of cruise passengers rose by 19.5 per cent to 403,772, notwithstanding a 4.1 per cent (9) decline in the number of cruise ship calls at ports in St Kitts and Nevis. The increase was attributable to a number of initial calls by larger cruise liners. The number of passengers visiting by yacht fell by 9.0 per cent to 1,885 and there was a 39.5 per cent decrease in the number of excursionists to 918.

In the manufacturing sector activity is estimated to have contracted due to a decrease in the export of electronic components and alcoholic beverages attributable to softness in demand from external markets.

Prices

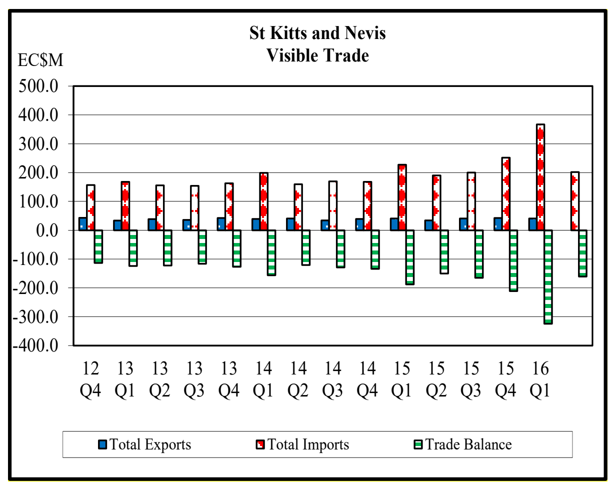
The consumer price index fell by 0.6 per cent during the first three months of 2016, compared with a 1.0 per cent decrease in the corresponding period of 2015. The decline in the CPI was broad based with major sub-indices representing 70.5 per cent of the total weight of the basket recording decreases. The major contributors to the fall in prices were the sub-indices for transport (2.4 per cent), food and non-alcoholic beverages (0.9 per cent), housing utilities gas and fuels (0.3 per cent) and household furnishings, supplies and maintenance (0.9 per cent). A decline in the recreation and culture sub index of 0.3 per cent also contributed to the suppression in inflationary pressures. Lower prices for a number of the sub-indices, generally, reflected the effects of softness in global commodity prices, particularly on food and energy, combined with the removal of the Value Added Tax (VAT) on food, funeral and medical expenses. The decrease in the overall CPI however, was tempered largely by higher prices in the education, and alcoholic beverages, tobacco and narcotics sub-indices. An increase in the price of tertiary education was the major contributing factor to the rise in the education sub-index. On an individual territory basis, prices on average declined in Nevis (0.8 per cent) outpaced those in St Kitts (0.4 per cent). The decline in the CPI in Nevis was largely associated with the transport (3.3 per cent), housing utilities gas and fuels (0.6 per cent) and food and non-alcoholic beverages (1.0 per cent) sub-indices, while in St Kitts the transport (1.8 per cent), food and non-alcoholic beverages (0.9 per cent), household furnishings, supplies and maintenance (1.4 per cent) and housing utilities, gas and fuels (0.2 per cent) sub-indices were the major contributors.



Trade and Payments

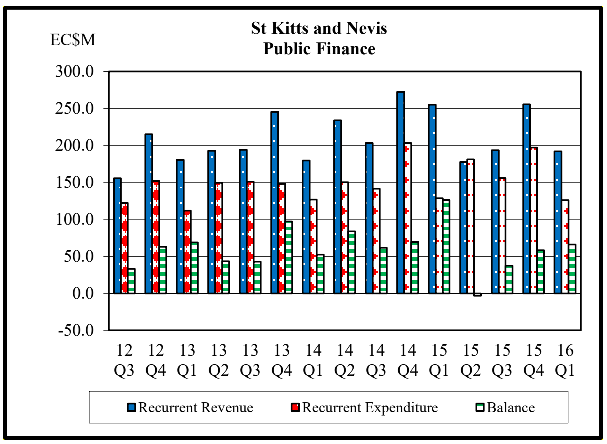
The merchandise trade deficit is preliminarily estimated at $160.4m in the first quarter of 2016 compared with one of $150.0m in the corresponding period of the previous year. This outturn was the result of an increase in the level of imports by 5.6 per cent to $201.3m, partly moderated by an increase in the level of exports by 0.4 per cent to $40.9m. The increase in imports was fuelled by the importation of manufactured goods, primarily vehicles and buildings materials, while the rise in exports can be attributed largely to higher re-exports which rose to $3.8m in the first quarter, compared with $3.5m in the same period in 2015. Domestic exports fell by 0.4 per cent to $37.1m from $32.7m in the corresponding quarter of 2015, consistent with a decline in the exports of electronic components and alcoholic beverages.

Gross travel receipts are estimated to have declined by 6.4 per cent to $106.4m in the first three months of 2016, influenced by the decrease in the number of stay-over visitors. Commercial banks' transactions resulted in a net inflow of $106.1m in short term capital during the review period, in contrast to an outflow of $124.3m in the corresponding 2015 period. External disbursements received in the first three months of the year amounted to $0.5m, compared with $0.3m in the corresponding period of 2015; while external principal repayments rose to $27.6m compared with $17.4m in the first quarter of 2015.



Federal Government Fiscal Operations

The fiscal operations of the Federal Government resulted in an overall surplus (after grants) of $66.5m in the first three months of 2016, compared with one of $103.2m in the corresponding period of 2015. Likewise, the primary surplus contracted by 33.8 per cent to $74.4m, compared with one of $112.4m in 2015. The lower overall fiscal surplus was mainly attributable to lower receipts of both tax and non-tax revenue and grant receipts.



Current revenue fell by 24.7 per cent to $192.1m in the first three months of 2016, influenced by a decrease in tax collections coupled with lower non-tax receipts. Tax revenue declined by 10.2 per cent to $118.7m, associated with reduced receipts from all of the major tax categories including: domestic goods and services (12.2 per cent), international trade and transactions (7.7 per cent), income and profits (6.9 per cent) and property (29.1 per cent). Collections for taxes on domestic goods and services fell, largely influenced by declines in value added tax (VAT). VAT receipts, which contributed 27.0 per cent of tax revenue, totalled $32.1m, representing a decrease of 20.2 per cent ($8.1m) over the amount collected in the corresponding period of 2015. The fall-off is directly related to the removal of VAT on food, medical supplies and funeral expenses in April 2015. The outturn was however, mitigated somewhat by a 14.8 per cent ($1.3m) increase in stamp duty collections. Lower receipts of taxes on international trade reflected a decrease in the collections of excise tax and customs service charge of 50.8 per cent and 13.7 per cent respectively. Decreases in the collection of taxes on property reflected lower receipts associated with condominium tax of 39.3 per cent. Likewise, the reduced collections of taxes on income and profits reflected the slower pace of economic activity as indicated by a fall in receipts for company tax (26.8 per cent). The decline in receipts for taxes on income and profits was mitigated by a 15.8 per cent rise in collections of housing and social development levy (17.1 per cent). Non-tax revenue collections fell by 40.3 per cent to $73.4m, primarily attributable to decreases in revenues associated with the Citizenship by Investment (CBI) Program.

Current expenditure declined by 2.1 per cent to \$126.0m in contrast to an increase of 1.3 per cent in the first three months of 2015. The major contributing factors to this development were a 24.4 per cent (\$8.5m) decrease in outlays on goods and services and a 12.6 per cent (\$1.2m) decline in interest payments. The contraction in outlays on goods and services reflected measures to control expenditure consistent with depressed revenues, while lower interest expenditure was attributable to decreases in both domestic and external payments consistent with lower outstanding debt. The decrease in current expenditure was moderated by higher outlays on personal emoluments and transfers and subsidies of 7.1 per cent and 11.1 per cent respectively. The increase in personal emolument is attributed to a 3.0 per cent salary increase in conformance with the tri-annum wage agreement for 2014 to 2016. The growth in outlays on transfers and subsidies is related to the financing obligations to Overseas Missions.

Capital expenditure outlays fell by 22.4 per cent to \$21.9m with spending centred on completion work to road improvements and enhancements to public buildings coupled with upgrades to the water distribution infrastructure in Nevis.

Inflows of official assistance (grants) fell by 95.9 per cent to \$0.3m, compared with a 34.7 per cent decline in the first quarter of 2015, attributable mainly to a decrease in capital grants by 96.5 per cent to \$0.3m, compared with a decrease of 34.8 per cent in the first quarter of 2015. Likewise, budgetary grants more than halved (74.8 per cent) to \$0.1m from \$0.2m in the corresponding period of 2015.

The overall surplus of the Central Government amounted to \$72.3m, compared with a balance of \$100.9m recorded in the first three months of 2015. Recurrent revenues decreased by 26.5 per cent to \$162.2m, mainly due to lower collections of tax and non-tax receipts. Tax revenues were lower on account of the reduction in the performances of all the major tax categories. A decrease in receipts of taxes on international trade and transactions by 12.6 per cent (\$3.9m), largely reflected a 60.7 per cent decline in the collection of excise duties, as well as decreased collections of customs service charge ($2.0m). The performance of tax revenue was further constrained by declines in collections from taxes on domestic goods and services, which fell by 4.2 per cent ($1.8m) largely due to lower receipts from the VAT ($5.1m). The reduction in collections of taxes on income and profits (6.3 per cent) was driven by lower receipts for company tax (26.6 per cent).

Non-tax revenues declined to $64.7m, compared with $114.6m in the first three months of 2015, attributable for the most part, to a 53.5 per cent decrease to $46.8m in receipts from the CBI programme.

Recurrent expenditure declined by 3.6 per cent to $96.8m in the first three months of 2016, primarily reflecting a 25.6 per cent ($7.2m) decline in outlays on goods and services and a 16.4 per cent decline in interest payments, particularly external interest payments by 22.2 per cent to $2.5m. The reduction in interest payments was attributable to a decline in the outstanding debt of the central government. The reduction in current expenditure was tempered by an increase in expenditure on personal emoluments by 5.7 per cent associated with the 3.0 per cent salary increase part of a 3.0 per cent tri-annum salary increase. Outlays on transfers and subsidies rose by 8.5 per cent in contrast to a 5.4 per cent decline in the corresponding period of 2015. Capital expenditure fell to $15.4m, compared with outlays of $24.5m in the corresponding period of 2015, associated with public infrastructural works entering the completion phase.

The fiscal operations of the Nevis Island Administration (NIA) recorded an overall deficit of $5.8m in the first quarter of 2016, in contrast to a surplus of $2.4m recorded in the corresponding period of 2015. The deficit was the result of increased outlays on capital expenditure combined with higher current expenditure.

Current expenditure rose by 3.5 per cent to $29.2m compared with a 7.9 per cent increase in the corresponding period of 2015. The upward movement in current expenditure was attributable to higher outlays on personal emoluments and wages, and transfers and subsidies of 11.4 per cent and 30.6 per cent respectively. The increase in current expenditure was moderated by reductions in spending on goods and services

(19.5 per cent) and interest payments (7.4 per cent). Capital expenditure increased by 74.9 per cent to $6.5m, compared with $3.7m spent in the first three months of 2015.

Current revenue amounted to $29.9m, a 12.8 per cent decrease in contrast to a 13.1 per cent increase during the corresponding first quarter of 2015. The decline in current revenue collections reflected reductions in tax receipts. Tax revenues were 18.4 per cent lower, constrained by decreases in receipts for most of the major tax revenue categories including; domestic goods and services (33.1 per cent), income and profits (11.2 per cent), and property (17.5 per cent). These developments were moderated by a 22.1 per cent rise in the collection of taxes on international trade. The other component of current revenue, non-tax revenue, rose by 4.4 per cent ($0.4m) to $8.7m. There were no grant receipts during the period under review, which corresponded with the developments in the first three months of 2015, when the NIA was also not in receipt of official grants.

Public Sector Debt

The total disbursed outstanding debt of the public sector declined by 0.9 per cent to $1,522.9m, in contrast to a 0.4 per cent increase in the comparable period of 2015. The outstanding debt of the central government, which accounted for 80.8 per cent of total debt, fell by 2.8 per cent to $1,231.2m, in contrast to that of the public sector corporations which rose, increasing by 8.5 per cent to $291.7m. A contraction of 7.6 per cent in total external debt to $531.1m, which represents 34.9 per cent of total public sector debt, influenced the overall decline in total debt outstanding. Lower total outstanding debt reflected the impact of the debt restructuring exercise undertaken between 2011 and 2014, which resulted in a reduction in the face value of existing debt, the extension of the maturity on some loans and a land-for-debt swap.

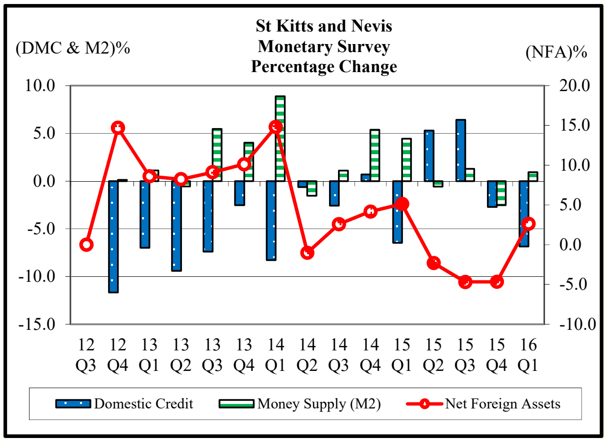
Money and Credit

Monetary liabilities (M2) rose by 0.9 per cent to $3,056.1m, compared with an increase of 4.4 per cent in the corresponding period of 2015. The rise in the monetary base reflects an increase of 1.9

per cent ($46.0m) in quasi money. Quasi money rose largely on account of higher private sector time and savings deposits of 3.6 per cent and 1.7 per cent respectively. In contrast, the narrow money supply (M1) contracted by 2.9 per cent ($17.9m), influenced by lower levels of private sector demand deposits (2.6 per cent) and currency with the public (3.2 per cent).

Domestic credit decreased by 6.9 per cent to $961.1m, compared with a decrease of 6.5 per cent in the first three months of 2015, reflective of a lower net credit position of the Federal Government. Net credit to the Federal Government fell by 10.1 per cent ($51.3m) to $457.7m, largely driven by a 17.8 per cent ($59.3m) decline in net lending to the central government. This outturn was attributable to an increase in Central government deposits held at commercial banks by 10.1 per cent ($58.2m) during the period, partly offset by a 45.1 per cent ($5.8m) reduction in the commercial bank deposits of the Nevis Island Administration (NIA). Meanwhile, deposits held at the Central bank were reduced by 6.8 per cent ($2.6m). The decrease in domestic credit was also influenced by an increase in the net deposit position of non-financial public enterprises (NFPEs). The net deposit position of NFPEs rose by 2.2 per cent to $946.0m, fuelled largely by a 2.1 per cent ($19.9m) increase in deposits held at commercial banks.

Analysis of the distribution of credit by economic activity indicates that decreases were recorded in lending to various economic sectors including; construction (1.1 per cent), manufacturing, mining and quarrying (0.9 per cent), agriculture and fisheries (2.4 per cent) and for personal uses (0.7 per cent). Among the personal loans extended, contraction was recorded in all of the major categories including the acquisition of property and durable consumer goods of 0.3 per cent and 0.9 per cent, respectively. The reduction in credit to those segments of the loan portfolio was moderated by increased lending to tourism (2.0 per cent), the distributive trades (1.4 per cent) and for other services (1.4 per cent), which largely reflected higher credit to professional and other services (2.6 per cent) and public administration (1.1 per cent).



Net foreign assets of the banking system rose by 2.6 per cent ($58.2m) to $2,264.3m in the first three months of 2016, compared with growth of 5.1 per cent ($121.2m) in the corresponding period of 2015. The increase was due to a 21.7 per cent ($164.3m) rise in St Kitts and Nevis's imputed share of the Central Bank's reserves to $921.5m, attributable to an increase ($161.1m) in imputed assets. This development was partially offset by a decrease in the net foreign asset position of commercial banks to $1,342.8m, attributable to a more rapid accumulation of liabilities relative to the increase in assets held with institutions both outside and within the Currency Union.

Liquidity in the commercial banking system expanded in the period under review. This assessment was based on a decline in the ratio of loans and advances to total deposits which fell by 0.9 percentage point to 36.6 per cent, while the ratio of liquid assets to total deposits rose by 1.2 percentage point to 77.1 per cent. Further evidence of the improvement in liquidity conditions included the increase in the ratio of liquid assets to total deposits plus liquid liabilities which rose by 0.1 percentage point to 59.9 per cent.

The minimum savings deposit rate (MSR) was decreased from 3.0 per cent to 2.0 per cent at the 81st meeting of the ECCB Monetary Council held on 27 February, 2015, and came into effect from 1 May, 2015. Prior to this recent adjustment, the previous adjustment to the (MSR) occurred in September, 2002 when it was reduced from 4.0 per cent to 3.0 per cent. Notwithstanding the revisions to the MSR, the weighted average interest rate spread between loans and deposits remained relatively unchanged at 6.49 percentage points at the end of March 2016, compared to 6.50 percentage points at the end of December 2015. This development was the result of a 0.09 percentage point decline in the weighted average deposit rate to 1.96 per cent, virtually matching a 0.10 percentage point decrease in the weighted average lending rates to 8.44 per cent.

Prospects

In the April 2016 World Economic Outlook (WEO) by the International Monetary Fund (IMF) the forecast for global output was estimated at 3.2 per cent. Furthermore, the USA economy, traditionally the largest trading partner of St Kitts and Nevis, is estimated to expand by 2.4 per cent in 2016, unchanged over 2015, laying the basis for a projected expansion in economic output in St Kitts and Nevis. Economic activity in the domestic economy will be largely driven by continued tourism related construction combined with major public sector projects; a new secondary school and a second cruise ship berthing facility to be constructed adjacent to the existing pier. The performance of the tourism industry is estimated to strengthen, boosted by continued enhancements to the physical plant and intensified marketing initiatives in major markets. Additional airlift from United Airlines and Air Canada during the high season, as well as the completion of a major 5-star resort, the Park Hyatt, are also anticipated to bolster the performance of the hotels and restaurants sector. As a consequence, the number of total visitors is projected to increase consistent with higher stay-over and cruise passenger arrivals. Allied to these developments, the wholesale and retail trade, transport, storage and communications and real estate, renting and business activities sectors are likely to be positively impacted. Price pressures are anticipated to be minimal, consistent with depressed global commodity prices, however higher economic activity in the latter half of 2016 may pose upward pressure on the CPI.

The fiscal operations of the Federal Government are expected to generate an overall surplus, albeit lower than that recorded in 2015. This development will be primarily influenced by higher capital expenditure, combined with lower grant receipts. Tax revenue is estimated, to be essentially flat, attributable to the dampening effects of the elimination of the VAT on a number of consumer items. Notwithstanding the prospects of higher economic growth, current revenue prospects are likely to be tempered by a decline in non-tax revenues as intensified competition from other jurisdictions to the Citizenship by Investment Program, constrains revenue inflows. Total current expenditure is estimated to decrease, attributable to more stringent expenditure controls, particularly on goods and services and transfers and subsidies. Declining interest payments associated with reduced outstanding debt are also estimated to favourably impact current expenditure levels. Capital expenditure is estimated to increase contingent on the commencement of planned major public sector projects during 2016. On balance, a smaller current account surplus, combined with a larger deficit on the capital account is expected to influence the narrowing of the overall surplus.

The merchandise trade deficit is anticipated to widen as imports grow in line with improved economic activity associated with a number of major on-going tourism developments. The deficit on the merchandise trade account will be further exacerbated by growth in imports relative to a contraction in exports.

The major downside risks include; further deceleration in CBI inflows due to intensified regional competition from alternative programmes and the deceleration of work on major real estate projects largely financed by the CBI programme. Further declines to these inflows could pose increased fiscal pressures and disrupt planned capital expenditure programmes. Second order risks include a disruption to the current USA economic expansion, with associated knock-on effects on inflows from tourism and FDI. The commencement of the hurricane season during the second quarter of 2016 also poses another significant second order risk as well as the latent threat of the emergence of the Zika virus. On the upside, recent reforms made to the CBI programme could reignite the competitiveness of the programme and help initiate a rebound in investment inflows.

SAINT LUCIA

Overview

Preliminary indicators for Saint Lucia suggest that economic activity expanded in the first three months of 2016 compared with the outturn in the corresponding period of 2015. The overall assessment reflected improved performances in a number of the key sectors including construction and agriculture. Consumer prices, as measured by the rate of inflation, declined by 0.7 per cent, on an end-of-period basis. The merchandise trade deficit widened, influenced by an increase in import payments, which was partly offset by rising export earnings. **The fiscal operations of the central government resulted in a smaller overall deficit compared with that in the first quarter of 2015.** The total disbursed outstanding debt of the public sector rose during the period, reflecting an increase in borrowing by the central government. In the banking system, money supply (M2) increased, while domestic credit and net foreign liabilities fell, resulting in an overall improved net foreign assets position. Liquidity in the commercial banking system improved, while the weighted average interest rate spread between loans and deposits narrowed.

Economic prospects for the remainder of 2016 are fairly positive, based largely on the outlook for the construction and agricultural sectors. The pace of construction activity is projected to increase, fuelled by private sector activity, with support from infrastructural development in the public sector. Work in the private sector will focus on ongoing hotel plants like Royalton and Harbour Club and new projects including Sunset Bay Hotel. Support is anticipated from the public sector through reconstruction and rehabilitation of roads, bridges and other physical infrastructure. Improvement in the agricultural sector is forecasted, largely contingent on expected improvement in the sub-sectors like livestock, poultry and other crops. Activity in the tourism industry is projected to remain relatively flat, challenged by the expectations for the advanced economies and increased cases of the ZIKA virus. Although a larger overall deficit is projected on the fiscal accounts, success in maintaining fiscal discipline throughout the year and anticipated inflows from the

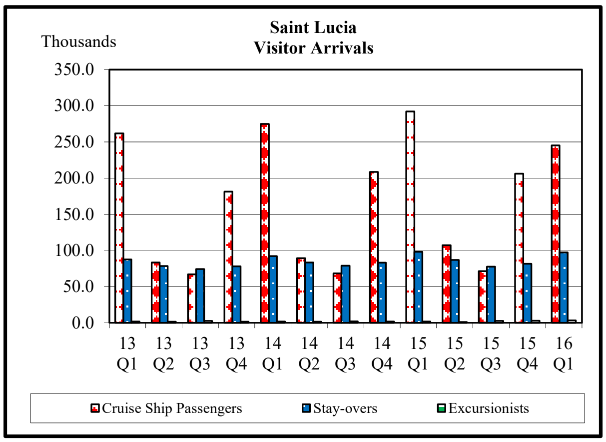
Citizenship by Investment Programme have the ability to ease fiscal pressures. Deflationary pressures are likely to persist, particularly if commodity prices, more so petroleum products, decline. **On balance, the risks remain tilted to the downside, reflecting the uncertainties in the global economy, external shocks capable of retarding growth, adverse effects of global warming, the spread of the ZIKA virus and local labour market issues.**

Output

Construction activity is estimated to have improved in the review period when compared with the first three months of 2015. This assessment is supported partially by estimated increases in the value of imported construction materials and commercial banks' credit for home construction and renovation. Growth in the construction sector was mainly fuelled by investment in the private sector, as work continued on a number of major commercial and tourism-related plants. These include the Harbour Club in Rodney Bay, the Royalton at Cap Estate, Tides Sugar Beach Resort and Bouchan Resort in Soufriere, the Unicomer Megastore in Marisule and the Dayana Commercial Centre. Public sector construction did not proceed as anticipated, nonetheless work focused on continued reconstruction and rehabilitation of infrastructure.

Manufacturing output is estimated to have expanded relative to the first quarter of 2015. This assessment was supported by growth of 1.9 per cent in domestic exports, which reflected an estimated increase of 2.0 per cent in the export of beverages – a significant commodity in the manufacturing sector, and growth of 1.9 per cent in the value of the output of a number of manufactured goods. The manufacturing sector recorded the highest increase (8.1 per cent) in commercial banks' lending to the economic sectors in the January to March 2016 period.

Output in the non-banana agricultural sub-sector including crops and livestock is provisionally estimated to have risen, hence driving overall agricultural output upwards, notwithstanding the decline in banana production. The positive performance of crops was mainly the result of an estimated increase in the purchases by hotels and supermarkets as they continue to support local production. Banana production is projected to have fallen by 25.3 per cent to 2,163 tonnes, in contrast to growth of 21.2 per cent recorded in the comparable period of 2015. As a result, revenue from banana exports was 23.9 per cent below the level of the corresponding period of the prior year.



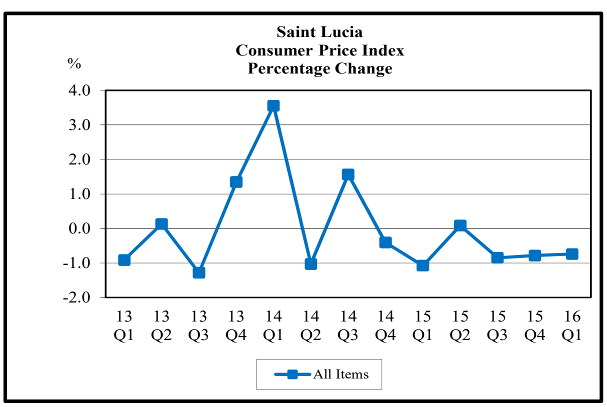
Activity in the tourism industry is estimated to have declined in the first quarter of 2016, relative to the corresponding period of 2015, indicative by a contraction in the total number of visitors, particularly stay-over arrivals. Total visitor arrivals fell by 10.1 per cent to 366,322, primarily reflecting a decline in the number of cruise passengers. The number of cruise passengers decreased by 16.0 per cent to 245,432 in contrast to growth of 6.3 per cent in the first three months of 2015. The outturn in the cruise category is attributable to a reduction in the number of cruise ship calls to 184 from 196 in the first quarter of the previous year.

Stay-over arrivals decreased marginally (0.9 per cent) to 97,367 in the period under review, in contrast to an expansion of 6.4 per cent in the first quarter of 2015. The underperformance in the stay-over arrivals sub-category mainly reflected weak outturns in the Canadian and European markets. The number of visitors from Canada decreased by 14.8 per cent, in contrast to growth of 13.6 per cent in the corresponding period of the prior year. Visitor arrivals from Europe, the second largest source market, fell by 8.8 per cent, largely driven by a 44.1 per cent fall in arrivals from the France, supported by declines of 46.4 per cent (677) and 2.5 per cent (486) in the number of visitors from Germany and the UK, respectively. On the contrary, the number of stay-over visitors from the Caribbean and the USA, the largest market, increased by 30.7 per cent (3,004) and 3.8 per cent (1,541), respectively.

Of the other categories, yacht visitor arrivals are estimated to have grown by 35.0 per cent (5,220) and the number of excursionists almost doubled to 3,392.

Prices

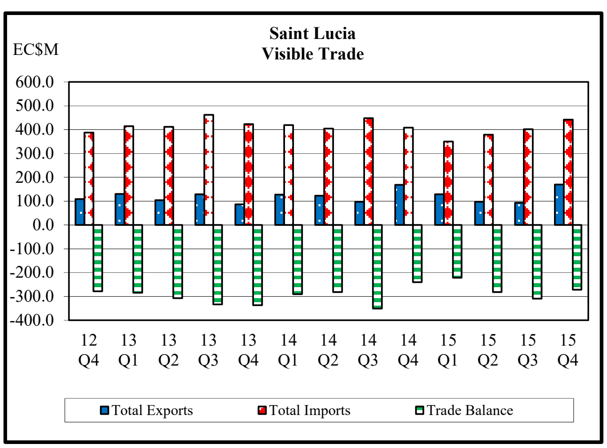
The rate of inflation as measured by the consumer price index fell by 0.7 per cent during the first three months of 2016, compared with a decline of 1.1 per cent during the comparable period one year ago. The fall in prices during the review period was underpinned by declines in the cost of housing, utilities, gas and fuels (1.8 per cent), consistent with declining fuel prices; clothing and footwear (0.9 per cent), food and non-alcoholic beverages (0.7 per cent) and to a lesser extent, transport. The reduction in overall prices was moderated by increases in the sub-indices for household furnishings supplies and maintenance (6.1 per cent), communication (3.7 per cent), education (2.6 per cent), recreation and culture (1.2 per cent), health (0.7 per cent) and alcoholic beverages, tobacco and narcotics (0.4 per cent).



Trade and Payments

Estimates of merchandise trade indicate a deficit of $271.9m for the first three months of 2016, compared with one of $239.9m in the comparable period last year. The widening of the deficit was attributed to an increase in import payments, which was partially offset by rising export earnings. Import payments were estimated to have risen by 8.2 per cent to $441.5m, in contrast to a decline of 3.5 per cent in the first three months of 2015. Growth in imports was attributed mainly to increases in outlays for minerals, fuel, lubricants and related materials ($9.7m), food and live animals ($6.4m) and machinery and transport equipment ($5.6m). Receipts from total exports increased marginally (0.8 per cent) to $169.6m, fuelled largely by an improvement in domestic exports, which grew by 1.9 per cent in the review period. Higher earnings from domestic exports predominantly reflected increases of 2.0 per cent in the export of food and live animals and 1.9 per cent in the export of both machinery and transport equipment and manufactured goods. Re-export earnings grew marginally (0.3 per cent), largely reflecting lower re-exports of minerals, fuels, lubricants and related materials.

Gross travel receipts are estimated to have risen by 5.1 per cent to $376.8m influenced by growth in the average daily expenditure of visitors from the major source markets. The activities of commercial banks resulted in a net outflow of $139.9m in short-term capital during the first quarter of 2016, compared with an outflow of $150.1m recorded during the corresponding period of 2015. In the review period, external loan disbursements to the central government more than halved to $13.2m, while debt repayment increased by $2.4m to total $14.4m. Consequently, the central government was in a net amortization position of $1.2m in the first quarter of 2016, a stark contrast to a net disbursement position of $76.2m in the comparable period a year ago.



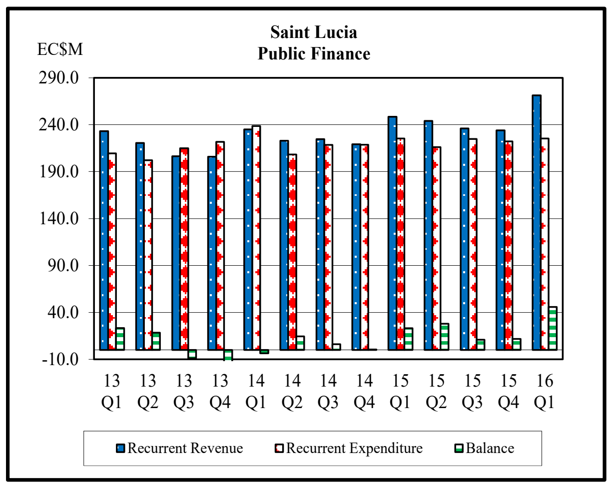
Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall deficit of $2.6m, compared with one of $37.1m recorded in the first three months of 2015. The smaller overall deficit was attributable to a larger current account surplus supported by a reduction in the capital account deficit. The capital account registered a deficit (after grants) of $48.6m, compared with one of $60.3m in the first quarter of 2015. Capital expenditure was financed predominantly through the current surplus as grant funding more than halved to $5.8m. A primary surplus of $36.3m was recorded in contrast to a primary deficit of $5.5m realised in the first three months of last year.

A current account surplus of $45.9m was recorded in the first quarter of 2016, up from one of $23.2m in the corresponding period of 2015. The main contributor to the improved outturn was growth in current revenue, which outpaced a slight increase in current expenditure. Current revenue increased by 9.2 per cent to $271.2m buoyed by larger collections of tax receipts, supported by growth in non-tax revenue. Non-tax revenue grew by 25.3 per cent ($2.5m) to $12.5m, influenced largely by gains of $3.7m on earnings from fees, fines and sales.

Tax revenue rose by 8.5 per cent ($20.3m) to $258.7m, as increases were recorded in receipts of all categories of taxes. Proceeds from taxes on income and profits grew by 16.2 per cent ($11.3m), largely reflecting growth of 36.4 per cent ($9.1m) in intake from the corporation tax and 8.8 per cent ($2.5m) in yields from personal income tax. Revenue from taxes on domestic goods and services grew by 3.7 per cent ($3.9m) to $110.0m, reflecting larger collections from all sub-categories, primarily licenses, as motor vehicle license rates were adjusted upwards last year. Yields from taxes on international trade and transactions increased by 6.4 per cent ($3.8m), largely associated with higher earnings from the service charge, partly the result of an adjustment in the service charge rate. Additionally, receipts from the property tax increased by $1.3m to $4.3m.

Current expenditure rose marginally to $225.3m, influenced mainly by an increase of 23.2 per cent ($7.3m) in outlays on interest payments, which primarily reflected larger domestic commitments. Outlays on personal emoluments edged up to $95.2m, a reflection of a slight increase in salaries. By contrast, expenditure on transfers and subsidies, which account for the third largest share of current expenditure, fell by 14.5 per cent ($7.4m), due for the most part to decreased contributions to transfers, particularly private sector subsidies. Expenditure on goods and services fell marginally ($1.0m), primarily associated with a decline in the cost of utilities, reflective of lower fuel prices.



Outlays on capital expenditure fell by 29.5 per cent to $54.4m following a decline of 12.9 per cent in the first quarter of 2015. The steeper contraction in capital spending was mainly influenced by the winding down of a few infrastructural projects and a notable decline in grant funding.

Public Sector Debt

The total disbursed outstanding debt of the public sector was estimated at $3,031.5m at the end of March 2016, approximately 0.8 per cent above the total at the end of December 2015. This outturn was largely influenced by an expansion in the outstanding debt of the central government, supported by a marginal increase in the stock of debt of the public corporations. Debt incurred by the central government increased by 0.8 per cent to $2,884.0m, as its stock of external debt grew by $32.3m (2.5 per cent), while its domestic borrowing declined by $9.4m (0.6 per cent). Total debt incurred by the public corporations grew marginally ($1.2m) to $147.5m, reflecting growth of 1.3 per cent in their stock of domestic debt.

Money and Credit

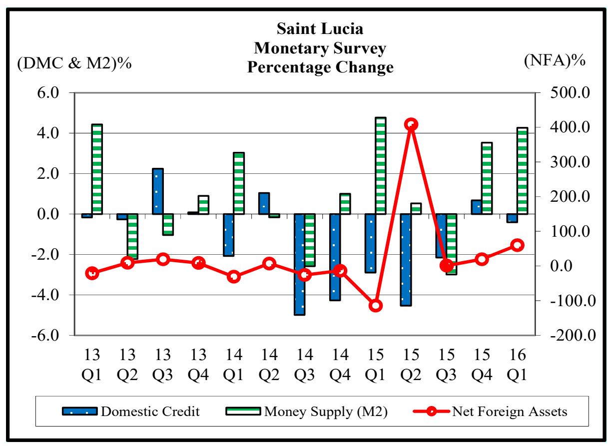
Monetary liabilities (M2) are provisionally estimated to have expanded by 4.3 per cent to $3,185.0m during the first three months of 2016, a relatively comparable pace to growth of 4.8 per cent recorded during the corresponding period of the prior year. This development mirrored increases in both the narrow money supply (M1) and quasi money. M1 rose by 8.8 per cent to $836.4m, primarily on account of an expansion of 10.1 per cent in private sector demand deposits and a more than doubling in the issuance of EC$ cheques and drafts. These increases were slightly offset by a decline of 0.5 per cent in currency with the public. Quasi money grew by 2.8 per cent ($63.0m), associated with growth in all sub-categories. Private sector foreign currency deposits rose by 9.7 per cent ($33.1m), while time deposits and savings deposits increased by 4.7 per cent ($18.2m) and 0.8 per cent ($11.6m), respectively.

Domestic credit fell marginally (0.4 per cent) to $3,256.2m during the first three months of 2016, a slower pace than the decline of 2.9 per cent recorded during the corresponding period of 2015. The contraction in credit emanated largely from decreased borrowing by the central government. Net credit to central government fell by 12.5 per cent ($28.4m), owing largely to a decline of $18.0m in its borrowing from commercial banks coupled with an increase of $10.4m in deposits. Outstanding loans to the private sector grew by 0.6 per cent ($20.8m), as credit extended to businesses and households increased by

0.8 per cent ($13.6m) and 0.4 per cent ($6.8m), respectively. In the rest of the public sector, the net deposits of non–financial public enterprises/statutory bodies rose by 1.1 per cent ($5.4m), largely influenced by an increase of 1.3 per cent ($6.9m) in their deposits.

An analysis of the distribution of credit by economic activity indicates that outstanding loans increased marginally (0.3 per cent), influenced by growth in lending for other uses, manufacturing and personal purchases. Outstanding credit for other uses grew by 2.5 per cent ($24.4m) driven predominantly by an increase of 5.2 per cent in lending for professional and other services. Outstanding credit to manufacturing rose by 8.1 per cent ($7.1), consistent with the improvement in activity in that sector, while credit for personal uses registered a marginal increase ($3.0m). Those increases were partially offset by declines in credit for tourism ($10.8m), construction ($8.6m), distributive trades ($1.9m) and agriculture and fisheries ($0.6m).

At the end of March 2016 the banking system stood in a net foreign assets position of $429.7m up from one of $268.4m at the end of December 2015. The outturn was mainly associated with a 26.1 per cent decrease in the net liabilities position of commercial banks as they increased their asset base. Assets held with institutions outside the region grew by 12.4 per cent ($110.6m), while those held within the ECCU region increased by 7.8 per cent ($25.8m). Also contributing to the improvement in the country's position was a 3.4 per cent reduction in commercial banks' foreign liabilities. Saint Lucia's imputed share of the central banks' reserves increased by 2.7 per cent to $826.3m.



Liquidity in the commercial banking system improved, during the review period. At the end of March 2016, the ratio of liquid assets to total deposits plus liquid liabilities stood at 37.2 per cent, which was above the recommended minimum of 25.0 per cent and approximately 1.7 percentage points higher than the level recorded at the end of December 2015. The loans and advances to total deposits ratio fell by 3.2 percentage points to 93.3 per cent, but continued to exceed the ECCB's recommended ceiling of 85.0 per cent.

The ECCB's Monetary Council took a decision to reduce the minimum savings rate on deposits to 2.0 per cent effective 01 May 2015. After one year, a continuous decline has been noted in the deposit rates, although senior banking officials generally opined that the Monetary Council's decision hardly influenced lending rates. The weighted average interest rate on deposits fell to 1.86 per cent from 1.94 per cent at the end of December 2015, and the weighted average lending rate was 10 basis points below December's position. These changes resulted in a decline of 2.0 basis points in the weighted average interest rate spread.

Prospects

In its April 2016 update of the World Economic Outlook, the International Monetary Fund revised its projections for global growth in 2016 slightly downwards to 3.2 per cent, but the revision remained marginally above the outturn for 2015. It is forecasted that the global recovery will gain momentum in 2017 and persist into the medium term. Despite downside risks, global activity is expected to be driven by developments in the emerging markets and developing economies, as modest growth is anticipated for advanced economies. Activity in the US economy is forecasted to be relatively flat over the next two years with growth projected at 2.4 per cent in 2016 and 2.5 per cent in 2017. Average growth of about 2.0 per cent is projected for the UK and 1.7 per cent for Canada. While these anticipated developments indicate some fragility, the prospects remain positive and consequently portend guarded optimism for the economies of the ECCU, especially that of Saint Lucia. Albeit slow, economic activity in Saint Lucia is projected to continue to expand in 2016, driven primarily by developments in the construction sector, supported by prospects for a few other sectors, including agriculture. Policy initiatives to improve the country's competitiveness and attain a sustainable level of economic growth augur well for the overall health of the island's economy.

Private sector activity, which is likely to fuel construction growth, a major contributor to overall economic activity, is expected to remain robust as work progresses on ongoing hotel plants like Royalton and Harbour Club and new projects including Sunset Bay Hotel in Choiseul, come on stream. Support from the public sector is also anticipated through reconstruction and rehabilitation of roads, bridges and other physical infrastructure. Also, the construction of the Administrative Complex in Vieux Fort and the expansion of the Choc to Gros Islet Highway are expected to add further momentum to that sector.

Production in the agricultural sector is likely to increase, based on expected improvement in the livestock, poultry and other crops sub-sectors. The commitment by some local hotels and supermarkets to continue to purchase from local farmers lend support to expansion in that sector. In spite of the decline in banana production in the first quarter of the year, the industry is expected to recover as investment and expansion policies become entrenched with the assistance of the EU's Banana Accompanying Measures (BAM).

Activity in the tourism industry is projected to remain challenged by the prospects for the advanced economies and the ZIKA advisory alert issued for Saint Lucia as the number of infected cases increase. Authorities are still hopeful that the positive ratings and awards that the country has been receiving and marketing initiatives by the Saint Lucia Hotel and Tourism Association, will counteract any fear of the ZIKA virus and boost visitor arrivals. Increased airlift from the USA, the main source for stay-over visitors, and the resilience of the US economy are likely to contribute to continued expansion from that market. The tourism numbers may be bolstered by visitor arrivals from the region as the relationship between Saint Lucia and the French West Indies strengthen. A turn-around is anticipated in the cruise sub-sector for the remainder of the year, partly attributed to Saint Lucia becoming a home port for P & O Cruises. Any improvement in the performance of the tourism industry is expected to be transmitted to other ancillary sectors like wholesale and retail, transport and distributive trades.

Prospects for growth rely heavily on the Central Government's management of the country's fiscal consolidation strategy and by extension its overall debt burden. The country has been largely successful in the implementation of measures to contain expenditure and enhance revenue. The outlook for the overall deficit is contingent on the level of inflows from the newly instituted Citizenship by Investment Programme. Capital expenditure is expected to increase, as work on a number of on-going projects may be fast-tracked and EU funding has been identified for a new bridge along with other road works. Upward debt pressures are anticipated, as more than $125m of the estimated spending for the 2016/17 financial year may be funded through borrowing, coupled with the rolling over of a substantial proportion of existing bonds and Treasury bills. These borrowing pressures are likely to result in an increase in the debt level of the central government, hence adversely impacting interest payments and overall debt servicing costs.

In the external sector, the merchandise trade deficit may narrow in the short term in anticipation of increased earnings from export. It is likely that the improvement in export earnings will more than offset projected growth in import payments to facilitate the forecasted expansion in construction activity. Inflows from travel are likely to increase, contingent on the performance of the stay-over visitor sub-category. Deflationary pressures may continue mainly due to declining global commodity prices, especially petroleum.

The global economic recovery remains susceptible to developments in the advanced economies, which have compromised overall growth prospects. The IMF advised that a three-pronged approach (structural reforms, monetary policy accommodation and fiscal support) is necessary to strengthen growth in advanced economies. Major downside risks persist if policy makers are not able to effectively implement these growth stimulating policies and the global economy slows down. Other global risks include vulnerabilities in a number of emerging markets, which also need to be addressed through appropriate policies. While attempting to safeguard the Saint Lucian economy from extrinsic shocks, a number of domestic challenges confront policy makers. These 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 impact of the continued spread of the ZIKA virus on visitor arrivals, the adverse effects of global warming and climate change and chronic unemployment in the economy.

ST VINCENT AND THE GRENADINES

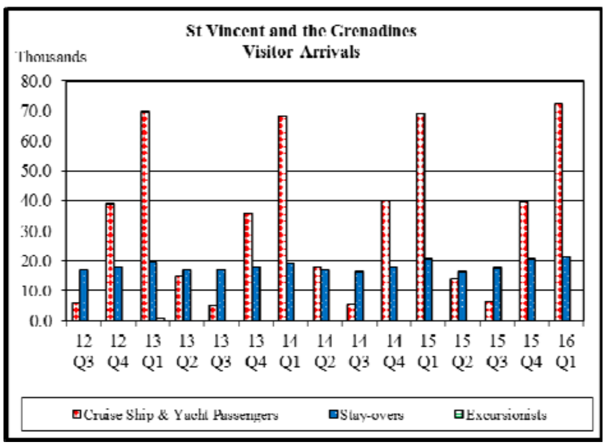
Preliminary data suggest that economic activity in St Vincent and the Grenadines remained flat in the first quarter of 2016, relative to the performance in the corresponding period of 2015. This assessment reflected positive developments in the hotels and restaurants sector, which were offset by a slowdown in construction, subdued output in manufacturing and weak private sector credit. Inflation continued to follow a declining trend, as the consumer price index fell by 0.3 per cent on an end-of-period basis, conditioned mainly by lower energy and food prices. **Fiscal operations over the review period resulted in a fractional narrowing of the overall deficit while the outstanding stock of public sector debt rose relative to that at the end of December 2015.** In the external sector, the merchandise trade deficit was preliminarily estimated to have widened influenced by a rise in the value of imports and a decline in that of exports. A marginal widening of the weighted average interest rate spread, and moderate expansions in monetary liabilities and private sector credit characterised monetary and credit conditions during the review period.

The growth outlook for St Vincent and the Grenadines for the remainder of 2016 is projected to improve, albeit at a still moderate pace, supported largely by favourable domestic and external developments. Domestically, the country is expected to benefit from the opening of the international airport, sustained initiatives in the agricultural sector and the construction of a state-of-the-art marina in Canouan. On the external front, the overall level of economic activity is expected to be positively impacted by moderate global growth, which the IMF has estimated at 3.2 per cent for 2016. In addition, the continued projection of lower oil prices is expected to support key ancillary sectors. **This outlook is however constrained by a number of downside risks which include negative growth shocks of key trading partners, geopolitical risks related to terrorism and the increasing vulnerability to disasters.** If any of these risks materialise, a lower growth outcome may be likely.

Output

While data on the construction sector are incomplete, initial proxy indicators point to a slowdown in the sector for the first three months of 2016 relative to the year earlier. The deceleration in the construction sector was influenced by a decline of 25.4 per cent in capital expenditure in the review period relative to the corresponding period of 2015. In the private sector, the period was characterised by a 6.0 per cent contraction in outstanding credit extended to the construction sector, which comprises loans to construction companies. These weaknesses were compounded by an 8.0 per cent contraction in the value of imports of building materials. The declines were partially mitigated by commercial bank lending for home construction, a proxy for residential construction, which improved during the quarter, albeit at a still moderate pace of 1.1 per cent relative to 0.8 per cent one year earlier.

Value added in the hotels and restaurants sector, proxied by visitor arrivals and expenditure, is estimated to have expanded in the first quarter of 2016 compared with the performance in the comparable period in 2015. Total visitor arrivals are estimated to have increased at a rate of 4.6 per cent to 94,607, faster than the 2.1 per cent growth rate in the corresponding quarter of 2015. The expansion in total visitor arrivals was influenced by a sharp increase in cruise ship passenger arrivals coupled with a more modest growth in stay-over arrivals. The 3.9 per cent increase in stay-over visitor arrivals was largely driven by an uptick from two of the major source markets. Increases were recorded for stay-over arrivals from the USA (9.3 per cent), and the Caribbean (6.1 per cent). By contrast, there were contractions in arrivals from Canada (0.9 per cent) and the United Kingdom (0.3 per cent), following respective expansions of 10.3 and 17.4 per cent one year earlier. The recent contraction in the Canadian market may have been partly associated with the slowdown in economic activity in Canada due to the plunge in commodity prices and a falling Canadian dollar in 2015. Following a reduction of 3.3 per cent in the first three months of 2015, arrivals from the miscellaneous subgroup (other countries), which collectively accounted for 12.2 per cent of stay-over visitors, grew by 1.5 per cent. In the yachting category, there was a 3.9 per cent expansion in passengers in contrast to a decline of 0.1 per cent on its year-ago level. Meanwhile excursionists registered an increase of 8.7 per cent, following a 7.6 per cent decline in the first quarter one year prior. An increase of 10.3 per cent in cruise ship calls in the period translated into a 5.1 per cent growth in cruise ship passenger arrivals to 51,294. Collectively, these developments resulted in a 3.9 per cent growth in estimated earnings from the sector for the period.

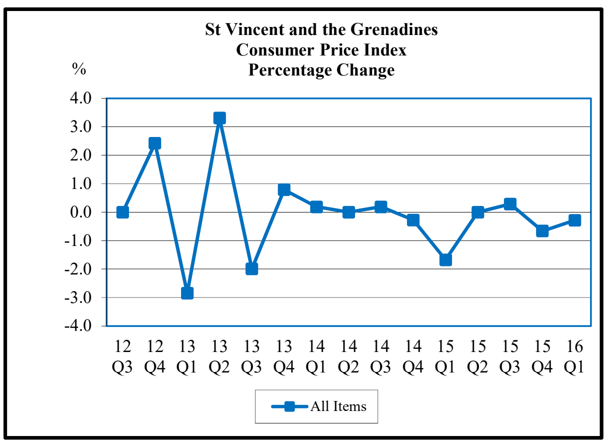


While complete data on the manufacturing sector are not available, preliminary data for the first quarter of 2016 suggest that output continued to moderate. Low foreign demand and weak competitiveness led to declines in the output of flour (1.9 per cent) and rice, the production of which was minimal. These declines were only partially mitigated by a 28.3 per cent growth in the output of animal feeds and the 4.1 increase in the production of beer, the latter remaining relatively buoyant in recent years.

Despite government's initiatives to promote the agricultural sector, initial estimates indicated that banana exports fell by 10.9 per cent in the first quarter of 2016. Meanwhile, a small positive contribution is estimated to have been recorded in utilities, as the amount of electricity consumed in the period increased by 2.2 per cent, perhaps indicative of increased usage by households.

Prices

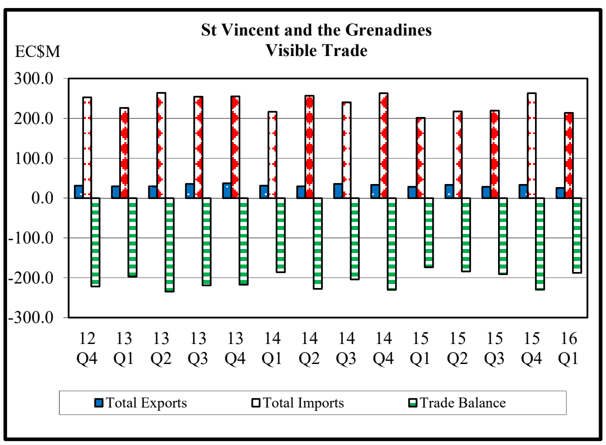
With respect to price developments, **consumer price inflation fell by 0.3 per cent during the first quarter of 2016 on an end-of-period basis, compared with a decline of 1.7 per cent during the corresponding period of 2015.** The fall primarily reflected decreases in the three highest weighted sub-indices in the consumer basket. A fall of 0.4 per cent in the largest sub-index comprising housing, water, electricity, gas and other fuels reflected a retreat in the average fuel surcharge during the period. The food and non-alcoholic beverages sub-index, the second highest weighted, was 0.8 per cent lower relative to the first quarter of 2015, signaling the impact of a decline in the end-of-period prices of selected meats and vegetables. Similarly, the price in the transport sub-index fell by 0.6 per cent, driven by lower prices for petrol and diesel. A fall in foreign tuition fees and the price of medication accounted for the downward movements in the education and health sub-indices of 1.5 and 1.4 per cent respectively. Conversely, the price of clothing and footwear and the price of alcoholic beverages, tobacco and narcotics were 1.9 and 1.4 per cent higher in March 2016 than a year earlier.



Trade and Payments

In the external sector, estimated data for the first quarter of 2016 suggest that the merchandise trade deficit widened by 8.2 per cent to $187.5m, relative to the corresponding period in the previous year. The widening of the deficit was largely associated with a 5.9 per cent increase in import payments to $213.4m, primarily driven by growth in the value of imports of machinery and transport (24.9 per cent) and mineral fuels and related materials (14.7 per cent). The expansion in machinery and transport equipment may be partly related with a moderate rise in construction activity in the Grenadines. Export receipts are estimated to have been lowered by a further 8.5 per cent to $25.9m due to a 6.6 per cent decline in domestic exports to $24.6m and a 33.8 per cent fall in re-exports, mainly of machinery and transport equipment. The lower value of domestic exports was influenced by a fall in earnings from the exports of rice (8.7 per cent), feeds (2.8 per cent) and flour (1.7 per cent), while earnings from beer rose (13.5 per cent). On the services account, gross travel receipts were estimated to have risen by 3.9 per cent to $89.9m, consistent with the increase in visitor arrivals.

The transactions of commercial banks resulted in an estimated net outflow of $10.6m in short-term capital in the first quarter of 2016 in contrast to a net inflow of $3.6m in the comparable period in 2015. Consistent with the estimated contraction in capital expenditure in the review period, external loan disbursements to the central government fell to $10.9m from a total of $15.9m in the comparable period of 2015. External principal payments rose by $1.7m to $11.9m. This resulted in net disbursements of $22.8m in the first quarter of 2016, relative to $29.5m registered in the comparable period of 2015.



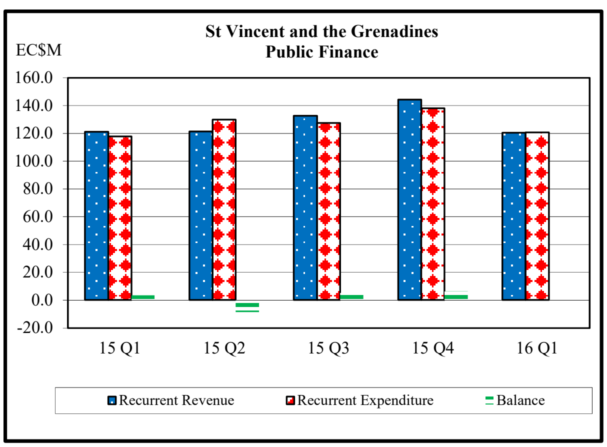
Central Government Fiscal Operations

According to preliminary estimates, the fiscal operations of the central government yielded a fractionally narrower overall deficit of $10.5m in the first quarter of 2016, compared with one of $10.7m realised in the first three months of 2015. The deficit was primarily financed from external sources. The marginal improvement was driven by countervailing developments in the current and the capital account. The current account balance registered a deficit of $0.2m, in contrast to the surplus of $3.5m in the first three months of 2015. The primary deficit widened to $1.7m from one of $0.6m.

The marginal deterioration in the current account balance was associated with a 0.6 per cent reduction in current revenue to $120.4m, largely due to a decline in tax revenue.[2] Tax revenue declined by 1.8 per cent ($1.9m) to $104.8m reflecting declines in the intake from Taxes on Property and Taxes on Goods and Services. Proceeds from Taxes on Property fell by 20.6 per cent ($2.3m), associated with declines in stamp duty on property and alien land-holding licenses. Collections from taxes on goods and services were 4.2 per cent ($1.6m) lower than the level in 2015, indicative of an estimated deceleration in economic activity. Within this category, the intake from the value-added tax expanded by 6.2 per cent ($1.3m) to $22.4m. Meanwhile, the yield

[2] Data submitted by the Ministry of Finance are now classified according to the Government Finance Statistics Manual 2014 (GFS14), so the analysis may vary slightly from that of previous years.

from taxes on income and profits rose by 1.0 per cent ($0.3m) reflecting increases in the individual and corporate tax sub-categories, which respectively rose by 4.4 per cent and 47.0 per cent during the review period. Revenue from taxes on international trade and transactions amounted to $29.5m, higher by 6.1 per cent ($1.7m) from the comparable period one year earlier. The intake from the Other Revenue category rose moderately by 7.8 per cent ($1.1m) to $15.6m, largely reflecting a $1.5m advance in the sales of goods and services. Revenue raised from property income during the period fell by more than three quarters from the preceding year's outturn to $0.3m, and has remained low in the last two years, reflecting the impact of a large pre-payment made by the Mustique Company in 2014.



Current expenditure grew by 2.5 per cent to $120,6m on account of higher outlays for employees' compensation and transfers. Expenditure directed to employees' compensation, which accounts for the largest share of current expenditure, rose by 2.6 per cent ($1.7m) to $67.8m, consistent with the recent salary increase awarded to public servants. Outlays on transfers advanced by 11.4 per cent ($3.4m), and were attributed to a jump of $3.7m in social assistance benefits at a total value of $5.4m. Partly mitigating this effect, were movements in interest payments, which declined by 12.1 per cent ($1.2m) driven by a fall in domestic obligations; and outlays on goods and services, which fell by 7.9 per cent ($0.9m).

Investment in capital expenditure stood at $11.6m in the first quarter, a further contraction of 25.4 per cent ($4.0m) from the comparable period in 2015. The consecutive declines were consistent with the winding down of construction activity associated with the Argyle International Airport project which is scheduled to be completed later this year, as well as post-disaster recovery associated with the Christmas Trough of 2013. Capital revenue and grants amounted to $1.4m, which was similar to the intake in the first quarter of the previous year.

Public Sector Debt

At the end of March 2016, the total outstanding debt of the public sector is estimated to have risen by 1.6 per cent to $1,588.3m, relative to the stock at the end of December 2015. This outturn was due to an increase in external debt while domestic debt declined. Domestic debt, which accounts for 32.8 per cent total debt, fell by 2.8 per cent to $521.6m, and the external debt stock rose by 3.9 per cent to $1,066.8m. Debt incurred by statutory corporations rose by 3.2 per cent to $240.5m while central government debt increased by 1.3 per cent to $1,347.8m.

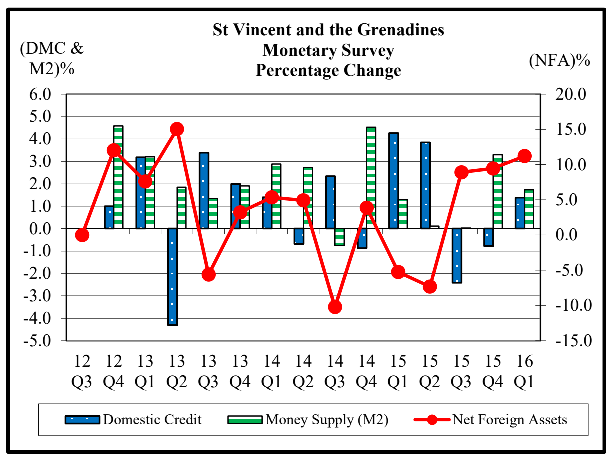
Money and Credit

Monetary liabilities (M2) of the banking system are estimated to have expanded by 1.7 per cent to $1,501.4m during the quarter ending March 2016, a slightly faster pace than the corresponding period one year ago. The increase was influenced by growth in both quasi and narrow money. Quasi money, the larger component of M2, edged up by 0.1 per cent to $1,039.4m, while narrow money advanced more sharply, at a pace of 5.5 per cent to $462.0m. The expansion in quasi money reflected growth in private sector savings (1.0 per cent), and time deposits (1.7 per cent), while the growth in narrow money (M1) was largely due to a 7.8 per cent gain in private sector demand deposits, as all other subcategories posted contractions.

Domestic credit decelerated, with growth of 1.4 per cent to $1,084.1m during the quarter under review, reflecting developments in non-financial public enterprises and government credit accounts. Net credit to the central government increased by 8.2 per cent to $120.3m, largely influenced by government's operating accounts at the Central Bank and central government deposits. Loans and advances extended by the Central Bank rose by $8.9m, and helped to fund government's operating accounts. These advances were supplemented by a drawdown in government's deposits of $1.0m. Meanwhile, the net deposit position of non-financial public enterprises fell by 3.7 per cent to $107.6m, on account of a 2.7 per cent drawdown in deposits. Outstanding loans to the private sector remained weak, as it grew by a mere 0.2 per cent to $1,071.5m. This increase was attributed to a 0.7 per cent expansion in in household credit which was almost overshadowed by a 1.5 per cent decline in loans extended to businesses, which continued to be on a downward path.

Available data for the review period continued to highlight the unfavorable developments in credit extended to key economic sectors. Outstanding loans rose marginally by 0.2 per cent to $1,208.6m, but with the bulk of credit extended to the personal sector. In particular, credit extended to households for personal use grew by 0.8 per cent, as expansions were registered in all of its sub-components, including home construction and renovation (1.1 per cent) and durable consumer goods (5.5 per cent). The other advances in credit were in the agricultural and fisheries sector (7.4 per cent) and the other (miscellaneous) category (1.5 per cent), largely attributed to the sub-categories of professional services and public administration. Notably, all other sectors posted declines, including tourism (4.0 per cent) and distributive trades (2.4 per cent) as the subdued level of economic activity may have discouraged private investment.

Gross travel receipts are estimated to have risen by 3.9 per cent to $89.9m in the period, associated with growth in the average daily expenditure of visitors. The net foreign assets of the banking system advanced by 11.2 per cent to $591.6m during the first three months of 2016, driven by an increase in St Vincent and the Grenadines imputed share of the Central Bank's reserves. The country's imputed share of the ECCB reserves grew by 11.0 per cent to $493.9, while commercial banks net foreign assets rose by 12.2 per cent to $97.8m attributed largely to an expansion in assets held with institutions outside the ECCU.



Commercial bank liquidity remained at a fairly high level during the first quarter of 2016. The ratio of liquid assets to total deposits plus liquid liabilities declined to 46.0 per cent at the end of March 2016 from

44.3 per cent at the end of December 2015. The loans and advances to deposits ratio fell to 66.8 per cent approximately 1.05 percentage points below the level at the end of December 2015.

The cost of domestic credit became marginally more favourable in the first three months of 2016 as the weighted average interest rate on loans fell by 5 basis points to 9.17 per cent. Meanwhile, consistent with the recent decision by the Monetary Council to lower the minimum savings rate beginning 01 May 2015, the weighted average deposit rate retreated by 5 basis points to 1.87 per cent. This resulted in the slight widening of the weighted average interest rate spread to 7.31 per cent relative to a rate of 7.30 per cent recorded in December 2015.

Prospects

The growth outlook for St Vincent and the Grenadines for the remainder of 2016 is projected to improve, albeit at a still moderate pace, supported by favourable domestic and external developments. Domestically, the country is expected to benefit from the opening of the airport, continued initiatives in the agricultural sector and the final stages of construction of the marina in Canouan. Accordingly, the airport's completion is expected to create new opportunities and attract greater domestic and foreign investments. With respect to the private sector, the positive impact from salary increase to public servants and the continued impulse provided by lower oil prices may provide confidence to consumers and provide a boost to economic activity.

On the external front, the overall level of economic activity is expected to be positively impacted by a moderate global growth, which the IMF has estimated at 3.2 per cent for 2016. In addition, the continued projection of lower oil prices which would help to support the wholesale and retail, transport, storage and communications and utilities sectors. Following a relatively moderate performance in the tourism sector in the first quarter and with increasing marketing efforts related to the opening of the airport, the performance in this sector is expected to improve in 2016 relative to that of 2015. This outlook is also conditioned on a general improvement in global economic activity, particularly improved prospects for the USA and UK economies. An expected decline in the arrivals from the Canadian market, though minimal, is likely to temper this expansion in light of the slowdown in that economy.

The banking sector remains sound with relatively high levels of liquidity. However, a recent increase in bank charges and fees by some commercial banks may trigger a decline in consumer confidence which could adversely impact credit for the remainder of the year.

The fiscal operations of the central government are expected to be muted, reflecting the net effect of positive and negative developments. From a positive perspective, the Government has introduced several new revenue measures in its 2016 Budget, which are expected to take effect this year and yield approximately $15.0m in additional revenue. Efforts are also ongoing in enhancing taxpayer compliance and the collection of substantial arrears. Concurrently, capital expenditure is likely to be lower but this decline may be offset by increased expenditure in transfers for the commissioning of the airport.

The merchandise trade deficit is expected to widen, as imports are forecasted to increase to support greater domestic demand. This is likely to be partially offset by the decline in import payments associated with lower international oil prices. Exports are however likely to decline, reflective of low competitiveness in some of St Vincent and the Grenadines' key export products. Gross travel receipts are projected to grow, consistent with the anticipated growth in stay over arrivals, while foreign direct investment are anticipated to increase with the expected operationalisation of the airport.

This outlook is restrained by a number of downside risks, which include weaker than projected growth of key trading partners, geopolitical risks related to terrorism and increasing vulnerability to disasters. Global growth remains modest with the risk of further slowing in light of weak first quarter activity and ongoing concerns about terrorist activity. While US economic growth in the first quarter was better than initially estimated, it remained at a more anemic pace than had been projected, increasing uncertainty for more robust growth for the remainder of the year. Other risks include further interest rate hikes in the United States of America, which could cause disruptions in financial markets or hurt vulnerable emerging economies. In addition, with the threat of global warming there is a possibility of increasing frequency and intensity of natural disasters, as the region moves into the hurricane season. If any of these risks materialise, a lower growth outcome may also be likely.

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 less 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

GRENADA

MONTSERRAT

ST KITTS AND NEVIS

SAINT LUCIA

ST VINCENT AND THE GRENADINES

Table 1
ECCU - Selected Tourism Statistics

	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016P 1st Qr
Total Visitors	1,698,347	732,600	537,998	1,260,444	1,779,990
Stay-Over Visitors	312,683	261,609	244,354	272,297	329,082
Of which:					
USA	131,139	116,887	96,513	107,446	142,663
Canada	43,956	16,717	12,076	22,099	40,410
UK	59,719	48,792	42,302	57,201	62,005
Caribbean	40,730	53,257	66,834	53,596	47,091
Other Countries	37,139	25,956	26,629	31,955	36,913
Excursionists \1	41,000	30,644	32,458	27,687	36,140
Cruise Ship Passengers \2	1,282,059	409,573	241,361	920,945	1,345,816
Yacht Passengers \4	62,605	30,774	19,825	39,515	68,952
Number of Cruise Ship Calls \3	921	190	113	578	921
Total Visitor Expenditure (EC$M)	**1,164.08**	**832.38**	**751.55**	**921.50**	**1,255.19**

Sources: ECCU Central Statistics Offices and Eastern Caribbean Central Bank and ECCB Estimates

[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 13 May 2016

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

	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016P 1st Qr
Net Foreign Assets	5,703.34	5,988.73	5,927.28	6,532.89	7,033.44
Central Bank (net)	3,945.03	4,119.79	4,080.91	4,205.97	4,646.97
External Assets	3,947.01	4,123.32	4,082.94	4,211.41	4,655.81
External Liabilities	(1.97)	(3.53)	(2.02)	(5.44)	(8.84)
Commercial Banks (net)	1,758.30	1,868.94	1,846.37	2,326.92	2,386.48
External Assets	5,633.14	5,632.84	5,616.72	5,904.76	5,931.57
External Liabilities	(3,874.83)	(3,763.90)	(3,770.35)	(3,577.84)	(3,545.09)
Net Domestic Assets	9,930.01	9,723.50	9,646.33	9,189.81	9,055.22
Domestic Credit	11,823.14	11,642.31	11,555.46	11,084.55	10,785.48
Central Government (net)	1,525.86	1,551.20	1,576.18	1,246.39	1,058.55
Other Public Sector (net)	(1,956.93)	(2,039.55)	(2,078.49)	(2,002.93)	(2,115.18)
Private Sector	12,254.20	12,130.65	12,057.77	11,841.09	11,842.12
Households	6,812.84	6,851.04	6,828.00	6,776.08	6,761.07
Business	5,111.54	4,930.77	4,895.79	4,719.03	4,730.45
Non-Bank Financial Institutions	177.29	195.09	178.94	199.12	205.57
Subsidiaries & Affiliates	152.54	153.76	155.03	146.86	145.03
Other Items (Net)	(1,893.13)	(1,918.80)	(1,909.13)	(1,894.74)	(1,730.26)
Monetary Liabilities (M2)	15,633.34	15,712.24	15,573.61	15,722.70	16,088.66
Money Supply (M1)	3,400.32	3,434.19	3,325.75	3,525.93	3,734.15
Currency with the Public	689.15	681.25	679.15	763.92	744.11
Demand Deposits	2,625.23	2,662.87	2,576.16	2,697.48	2,930.59
EC$ Cheques and Drafts Issued	85.95	90.07	70.44	64.52	59.46
Quasi Money	12,233.02	12,278.05	12,247.87	12,196.77	12,354.51
Savings Deposits	6,908.68	6,963.93	6,943.72	7,002.09	7,122.38
Time Deposits	2,778.35	2,773.71	2,730.38	2,572.90	2,558.68
Foreign Currency Deposits	2,545.98	2,540.41	2,573.77	2,621.79	2,673.46

Source: Eastern Caribbean Central Bank
13-May-16

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

	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016P 1st Qr
Current Revenue	1,115.61	1,017.40	1,053.52	1,169.13	1,108.83
Tax Revenue	910.97	892.13	846.52	939.18	952.04
Taxes on Income and Profits \1	209.94	200.80	177.29	190.49	225.71
Of which:					
Personal /1	97.17	90.52	85.09	85.13	103.65
Company/Corporation /2	85.58	78.23	75.17	84.00	97.28
Taxes on Property	21.60	32.93	19.57	15.93	21.89
Taxes on Domestic Goods and Services	431.67	398.76	394.81	418.27	434.91
Of which:					
Accommodation Tax	8.42	6.43	2.60	2.11	9.50
Licences	35.73	23.44	29.46	33.51	34.30
Sales Tax \3	63.63	60.15	51.21	56.69	69.33
Value Added Tax \5	248.82	235.23	227.80	243.80	247.35
Consumption Tax \4	0.00	0.01	0.04	0.23	0.04
Stamp Duties	32.45	29.93	30.52	31.89	29.44
Taxes on International Trade and Transactions	247.75	259.65	254.86	314.49	269.53
Of which:					
Import Duties	104.16	113.83	110.72	139.47	114.06
Consumption Tax \6	15.72	22.03	15.94	22.09	21.46
Customs Service Charge	50.39	54.01	57.64	64.85	52.49
Non-Tax Revenue	204.64	125.27	206.99	229.95	156.80
Current Expenditure	929.48	978.02	1,027.64	1,021.81	944.98
Personal Emoluments	415.46	430.71	420.88	447.72	434.40
Goods and Services	178.80	172.39	204.16	227.03	181.93
Interest Payments	121.15	111.11	133.35	100.16	108.27
Domestic	64.27	65.41	72.71	64.19	64.60
External	56.88	45.69	60.64	35.97	43.67
Transfers and Subsidies	214.07	263.81	269.25	246.90	220.38
Of which: Pensions	73.19	74.40	75.25	79.54	76.26
Current Account Balance	186.12	39.38	25.88	147.32	163.85
Capital Revenue	3.96	11.96	7.37	(0.12)	1.83
Grants	98.05	95.57	54.34	159.79	34.32
Of which: Capital Grants	74.77	49.21	54.21	114.08	29.48
Capital Expenditure and Net Lending	206.05	201.00	209.95	261.54	121.59
Of which: Capital Expenditure	200.66	185.44	180.57	285.47	142.30
Primary Balance after grants	203.24	57.01	10.99	145.62	186.67
Overall Balance after grants	82.09	(54.10)	(122.36)	45.46	78.40
Financing	(82.09)	54.10	122.36	(45.46)	(78.40)
Domestic	(134.55)	(220.24)	146.08	(501.07)	39.58
ECCB (net)	33.28	3.99	5.37	(103.01)	(37.27)
Commercial Banks (net)	(111.23)	21.64	23.23	(218.96)	(152.09)
Other	(56.60)	(2.96)	112.54	(160.84)	211.09
External	39.68	27.39	(59.02)	212.40	(77.35)
Net Disbursements/(Amortisation)	37.76	(45.25)	(62.01)	212.51	(66.43)
Disbursements	125.47	56.93	67.07	299.40	42.29
Amortisation	87.71	102.18	129.08	86.89	108.73
Change in Government Foreign Assets	1.92	72.64	2.99	(0.11)	(10.91)
Arrears \7	12.79	4.03	40.23	(18.05)	(22.79)
Domestic	(28.28)	10.33	6.95	4.89	(21.93)
External	41.06	(6.30)	33.28	(22.93)	(0.86)
Other Financing	-	-	-	243.00	-

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 21 June 2016

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

	2015R 1st Qr	2015P 2nd Qr	2015P 3rd Qr	2015P 4th Qr	2016P 1st Qr
Anguilla	212.41	206.91	213.64	212.71	203.39
Antigua and Barbuda	3,236.41	3,222.47	3,230.67	3,071.83	3,038.74
Dominica	1,078.82	1,087.82	1,083.53	1,093.04	1,110.90
Grenada	2,365.54	2,329.78	2,324.55	2,305.02	2,328.08
Montserrat	6.16	6.01	7.52	9.13	8.93
St Kitts and Nevis	1,781.65	1,761.64	1,630.90	1,549.05	1,522.88
Saint Lucia	2,938.98	2,832.88	2,902.31	3,007.36	3,031.49
St Vincent and the Grenadines	1,504.99	1,509.00	1,527.75	1,563.63	1,588.31
TOTAL ECCU	**13,124.95**	**12,956.51**	**12,920.87**	**12,811.78**	**12,832.72**

Source: ECCB
* Includes arrears of principal
Data as at 13 May 2016

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

	2015R 1st Qr	2015R 2nd Qr	2015R 3rd Qr	2015R 4th Qr	2016P 1st Qr
Anguilla	200.04	195.07	202.05	201.52	192.61
Antigua and Barbuda	2,702.17	2,695.92	2,712.41	2,561.40	2,533.73
Dominica	899.47	912.52	908.35	923.32	938.24
Grenada	2,169.66	2,146.93	2,146.11	2,129.87	2,152.92
Montserrat	1.43	1.38	1.35	1.32	1.30
St Kitts and Nevis	1,507.41	1,488.26	1,346.59	1,267.12	1,231.19
Saint Lucia	2,776.51	2,674.91	2,748.76	2,861.12	2,884.03
St Vincent and the Grenadines	1,281.90	1,280.19	1,295.54	1,330.77	1,347.81
TOTAL ECCU	**11,538.59**	**11,395.18**	**11,361.17**	**11,276.44**	**11,281.83**

Source: ECCB
Data as at 13 May 2016

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

	2015R 1st Qr	2015R 2nd Qr	2015R 3rd Qr	2015R 4th Qr	2016P 1st Qr
Anguilla	3.85	3.70	3.71	6.71	6.69
Antigua and Barbuda	98.48	130.74	80.72	105.92	121.67
Dominica	13.90	11.48	14.72	12.13	16.70
Grenada	47.11	36.31	42.66	31.13	68.76
Montserrat	0.04	0.04	0.04	0.04	0.04
St Kitts and Nevis	41.43	40.62	78.22	20.49	36.17
Saint Lucia	45.43	79.80	54.90	74.13	65.74
St Vincent and the Grenadines	32.11	37.72	29.18	36.51	29.74
TOTAL ECCU	**282.34**	**340.40**	**304.16**	**287.06**	**345.51**

Source: ECCB
Data as at 13 May 2016

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

	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016P 1st Qr
Total Bid Amount	272.10	356.70	375.80	464.50	322.20
Total Offer Amount	182.00	202.00	252.00	349.10	226.00

Source: Eastern Caribbean Central Bank
Data as at 13 May 2016

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

	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016P 1st Qr
91-day Treasury Bills	3.58	2.67	2.47	4.80	4.56
180-day Treasury Bills	4.00	4.68	2.62	5.03	4.50
365-day Treasury Bills	6.50	**	5.19	5.33	4.50
2-year Bond	**	**	4.95	**	**
3-year Bond	**	**	**	6.50	**
4-year Bond	**	**	**	**	**
5-year Bond	7.00	**	**	6.74	**
6-year Bond	**	**	**	7.25	7.00
7-year Bond	**	**	**	**	**
8-year Bond	**	**	**	**	**
10-year Bond	**	**	**	**	7.50
15-year Bond	**	**	**	**	**

Source: Eastern Caribbean Central Bank
Data as at 13 May 2016

Table 9
Regional Government Securities Market (RGSM)

	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016P 1st Qr
Volume	0.39	0.18	0.11	0.30	0.96
Value	0.38	0.19	0.12	0.30	0.95

Source: Eastern Caribbean Securities Exchange
Data as at 13 May 2016

Table 10
Anguilla - Selected Tourism Statistics

	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016P 1st Qr
Total Visitors	58,702	45,858	41,788	39,720	52,640
Stay-Over Visitors	22,836	18,519	14,759	17,118	23,348
Of which:					
USA	16,144	12,641	7,371	11,092	16,316
Canada	1,546	604	437	810	1,461
UK	834	565	666	688	832
Italy	353	126	623	221	410
Germany	126	112	60	119	175
Rest of Europe	966	880	715	817	1,144
Caribbean	2,205	3,042	4,443	2,807	2,326
Other Countries	662	549	444	564	684
Excursionists	35,866	27,339	27,029	22,602	29,292
Total Visitor Expenditure (EC$M)	**112.53**	**79.40**	**73.73**	**80.43**	**110.84**

Source: Anguilla Statistics Department, Ministry of Finance, Economic Development, Investment, Commerce and Tourism
Data as at 13 May 2016

Table 11
Anguilla - Consumer Price Index
March 2010 = 100

			Percentage Change*				
	Weights	Index Mar 2016	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016P 1st Qr
All Items	100.00	103.97	(0.35)	(0.26)	0.11	(1.21)	(1.12)
Food and Non-Alcoholic Beverages	12.83	111.31	(1.62)	0.34	0.10	(0.63)	(0.40)
Alcoholic Beverages, Tobacco and Narcotics	2.34	119.44	(0.88)	2.28	(1.40)	0.22	(0.04)
Clothing and Footwear	3.25	108.05	(0.03)	(0.97)	(1.62)	0.00	4.58
Housing, Water, Electricity, Gas and Other Fuels	25.55	95.94	(1.24)	0.05	(0.52)	0.14	(1.52)
Furnishing, Household Equipment and Routine Household Maintenance	4.03	113.14	(0.17)	0.51	(1.47)	0.63	4.59
Health	2.34	108.05	(0.22)	0.11	(1.02)	0.00	(6.81)
Transport	15.96	102.40	0.50	0.09	(0.09)	(7.99)	(4.96)
Communications	13.42	104.64	1.31	(3.09)	3.27	0.35	0.00
Recreation and Culture	3.81	93.21	(1.50)	1.62	(0.15)	0.99	(1.63)
Education	5.91	121.84	0.00	0.00	0.00	0.00	0.00
Restaurants and Hotels	4.04	104.71	0.74	(0.71)	(0.50)	0.95	(0.21)
Miscellaneous Goods and Services	6.52	102.04	(0.28)	0.29	0.13	(0.08)	0.19

Source: Anguilla Statistics Department, Ministry of Finance, Economic Development, Investment, Commerce and Tourism
*at end of period
Data as at 13 May 2016

Table 12
Anguilla - External Trade
(EC$M)

	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016P 1st Qr
Total Exports	0.99	1.03	1.05	1.08	1.11
Total Imports	103.99	102.77	99.93	104.28	104.19
Trade Balance	(103.00)	(101.74)	(98.88)	(103.19)	(103.07)

Source: ECCB Estimates
Data as at 13 May 2016

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

	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016^{P} 1st Qr
Current Revenue	54.85	48.88	42.11	45.21	54.54
Tax Revenue	47.59	42.03	36.18	36.95	47.42
Taxes on Income and Profits	3.82	3.48	3.07	3.48	3.80
Of which: Stabilisation Levy	3.82	3.48	3.07	3.48	3.80
Taxes on Property	1.76	1.18	0.87	0.99	0.60
Taxes on Domestic Goods and Services	21.26	16.55	12.32	8.84	20.70
Of which:					
Licenses	5.70	2.91	2.54	2.70	7.57
Accommodation Tax	8.03	6.10	2.31	1.90	9.13
Stamp Duties	4.46	2.60	2.05	1.82	1.02
Taxes on International Trade and Transactions	20.74	20.82	19.92	23.64	22.31
Of which:					
Import Duty	15.76	15.95	15.04	18.38	17.06
Customs Surcharge	4.25	4.36	4.16	4.92	4.52
Embarkation Tax	0.58	0.29	0.44	0.07	0.53
Non-Tax Revenue	7.26	6.85	5.93	8.26	7.12
Current Expenditure	42.59	45.35	49.01	46.57	41.30
Personal Emoluments	20.13	20.90	20.79	20.99	20.75
Good and Services	9.34	10.16	10.79	12.50	7.29
Interest Payments	2.23	2.09	2.08	1.98	1.97
Domestic	0.68	0.55	0.54	0.63	0.30
External	1.55	1.53	1.53	1.35	1.67
Transfers & Subsidies	10.89	12.20	15.35	11.10	11.29
Of which: Pensions	2.19	2.54	2.35	2.12	2.12
Current Account Balance	12.26	3.53	(6.90)	(1.36)	13.24
Capital Revenue	-	-	-	-	-
Grants	0.02	1.25	1.49	0.98	0.06
Of which: Capital Grants	0.02	1.25	1.49	0.98	0.06
Capital Expenditure and Net Lending	0.32	1.74	2.49	2.79	0.46
Of which: Capital Expenditure	0.32	1.74	2.49	2.79	0.46
Primary Balance	14.17	3.88	(7.31)	(2.17)	14.75
Overall Balance	11.96	3.04	(7.90)	(3.18)	12.83
Financing	(11.96)	(3.04)	7.90	3.18	(12.83)
Domestic	(12.04)	(2.70)	8.14	6.72	(9.80)
ECCB (net)	2.61	(3.69)	0.75	0.37	3.61
Commercial Banks (net)	(15.04)	4.88	9.02	10.65	(11.23)
Other	0.38	(3.90)	(1.64)	(4.30)	(2.18)
External	(0.23)	(0.22)	(0.25)	(3.34)	(3.25)
Net Disbursements/(Amortisation)	(0.23)	(0.22)	(0.25)	(3.34)	(3.25)
Disbursements	-	-	-	-	0.08
Amortisation	0.23	0.22	0.25	3.34	3.33
Change in Government Foreign Assets	-	-	-	-	-
Arrears	0.31	(0.11)	0.01	(0.20)	0.22
Domestic	0.31	(0.11)	0.01	(0.20)	0.22
External	-	-	-	-	-
Other Financing	-	-	-	-	-

Source: Treasury Department, Anguilla
Data as at 13 May 2016

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

	2014 4th Qr	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016[P] 1st Qr
Net Foreign Assets	**263.46**	**329.06**	**340.77**	**307.22**	**325.69**	**379.03**
Central Bank (Net)	**127.66**	**137.15**	**135.50**	**120.40**	**129.99**	**128.91**
Commercial Banks (Net)	**135.80**	**191.91**	**205.27**	**186.82**	**195.70**	**250.12**
External (Net)	31.26	84.34	70.81	40.10	35.02	75.67
Assets	182.71	251.21	231.05	205.07	198.07	247.00
Liabilities	151.45	166.87	160.24	164.97	163.05	171.33
Other ECCB Territories (Net)	104.54	107.57	134.46	146.72	160.68	174.45
Assets	157.56	169.97	187.92	187.59	201.08	210.58
Liabilities	53.02	62.40	53.46	40.87	40.40	36.13
Net Domestic Assets	**776.88**	**733.59**	**758.41**	**741.18**	**748.25**	**696.53**
Domestic Credit	**983.29**	**939.12**	**936.36**	**929.26**	**934.13**	**882.94**
Central Government (Net)	(74.52)	(86.94)	(85.75)	(75.97)	(64.95)	(72.58)
Other Public Sector (Net)	(210.23)	(219.36)	(211.20)	(225.76)	(224.05)	(250.54)
Private Sector	1,268.04	1,245.42	1,233.31	1,230.99	1,223.13	1,206.06
Household	521.37	510.05	531.81	518.39	517.30	509.55
Business	724.74	713.63	679.73	690.86	684.15	675.19
Non-Bank Financial Institutions	4.13	3.95	3.97	3.94	3.88	3.52
Subsidiaries & Affiliates	17.80	17.80	17.80	17.80	17.80	17.80
Other Items (Net)	**(206.42)**	**(205.53)**	**(177.95)**	**(188.08)**	**(185.88)**	**(186.41)**
Monetary Liabilities (M2)	**1,040.34**	**1,062.65**	**1,099.18**	**1,048.40**	**1,073.94**	**1,075.56**
Money Supply (M1)	**51.51**	**50.95**	**59.51**	**51.15**	**70.14**	**57.50**
Currency with the Public	12.31	12.59	14.17	16.22	17.38	17.40
Demand Deposits	38.35	37.79	40.27	34.46	52.04	39.23
EC$ Cheques and Drafts Issued	0.85	0.57	5.07	0.47	0.72	0.87
Quasi Money	**988.84**	**1,011.70**	**1,039.67**	**997.25**	**1,003.80**	**1,018.06**
Savings Deposits	121.66	122.62	126.84	132.25	131.43	131.25
Time Deposits	134.50	134.15	139.46	128.14	121.40	112.97
Foreign Currency Deposits	732.68	754.92	773.37	736.86	750.97	773.85

Source: Eastern Caribbean Central Bank
Dated as at 5/13/2016

Table 15

Antigua and Barbuda - Selected Tourism Statistics

	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016P 1st Qr
Total Visitors	404,156	140,190	94,890	266,438	404,181
Stay-Over Visitors	74,493	58,922	50,172	66,863	84,566
Of which:					
USA	28,398	24,037	18,745	23,437	34,640
Canada	10,879	4,322	2,500	5,569	9,900
Europe	26,532	21,122	18,220	26,543	29,530
UK	21,925	18,215	15,062	22,688	24,141
Germany	1,180	458	198	669	1,071
Switzerland	418	248	124	325	400
Italy	1,535	1,381	2,276	1,840	2,354
France	668	343	323	495	594
Other Europe	806	477	237	526	970
Caribbean	5,340	6,726	8,268	7,718	6,585
South America	345	381	513	845	662
Other Countries	2,999	2,334	1,926	2,751	3,249
Cruise Ship Passengers	319,981	77,472	43,867	195,138	310,045
Number of Cruise Ship Calls	181	32	17	109	162
Yacht Passengers	9,682	3,796	851	4,437	9,570
Number of Yacht Calls	1,949	955	190	847	1,992
Total Visitor Expenditure (EC$M)	**272.59**	**197.53**	**163.56**	**232.41**	**303.66**

Source: Ministry of Tourism, Antigua and Barbuda

Data as at 13 May 2016

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

	Weights	Index Mar-16	Percentage Change* 2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016P 1st Qr
All Items	100.00	134.38	0.04	(0.38)	0.64	0.59	(0.91)
Food	21.42	156.63	0.74	(0.31)	0.22	2.03	(2.14)
Alcoholic Beverages and Tobacco	0.16	138.96	0.66	0.23	0.11	0.06	(1.53)
Housing	21.83	107.54	(0.51)	0.00	0.00	0.00	(1.45)
Fuel and Light	6.39	131.73	(4.36)	(8.20)	0.00	0.00	0.00
Clothing and Footwear	11.06	104.60	1.02	(0.29)	0.39	0.41	1.16
Household Furnishings and Supplies	12.60	141.56	1.58	0.07	1.62	(0.01)	(0.86)
Transport and Communications	15.35	136.21	(1.20)	0.26	(0.04)	(0.01)	(1.25)
Medical Care and Expenses	2.76	143.61	(1.43)	3.27	0.00	0.31	(0.01)
Education	2.34	217.57	0.00	0.00	7.86	0.00	0.00
Personal Services	4.30	165.42	4.28	2.90	0.84	1.34	1.60
Miscellaneous	1.79	124.56	(0.25)	(0.06)	1.16	(1.13)	0.68

Source: Statistics Division,Ministry of Finance, The Economy and Public Administration, Antigua and Barbuda
*at end of period
Data as at 13 May 2016

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

	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016P 1st Qr
Visible Trade Balance	(326.24)	(287.05)	(296.81)	(337.60)	(312.01)
Total Exports	13.45	34.97	12.87	9.62	31.41
Total Imports	339.69	322.02	309.67	347.22	343.41

Source: Statistics Division,Ministry of Finance, The Economy and Public Administration, Antigua and Barbuda
Data as at 13 May 2016

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

	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016p 1st Qr
Current Revenue	194.31	191.03	168.43	229.19	197.14
Tax Revenue	159.96	164.02	135.90	162.77	172.69
	0.00	0.00	0.00	0.00	0.00
Taxes on Income and Profits	23.83	25.46	18.38	21.81	24.60
Of which:					
Personal Income	11.13	9.01	8.71	8.43	10.15
Corporation	12.70	16.45	9.67	13.38	14.45
Taxes on Property	5.73	9.65	1.67	1.30	7.43
Taxes on Domestic Goods and Services	71.84	69.26	63.45	69.84	77.90
Of which:					
Stamp Duties	5.87	7.51	10.11	10.46	6.76
Antigua and Barbuda Sales Tax	63.60	60.14	51.20	56.68	69.33
Taxes on International Trade and Transactions	58.56	59.64	52.40	69.82	62.76
Of which:					
Import Duty	20.26	19.60	18.09	24.24	20.99
Consumption Tax	13.20	19.17	13.04	18.21	18.54
Revenue Recovery Charge	18.21	17.57	17.41	22.08	18.32
Non-Tax Revenue	34.35	27.01	32.53	66.43	24.46
Current Expenditure	171.34	179.35	217.62	184.97	166.95
Personal Emoluments	73.18	75.36	78.94	79.74	74.97
Goods and Services	20.10	21.07	33.45	32.02	22.60
Interest Payments	32.51	21.41	31.60	16.46	27.78
Domestic	23.56	15.29	21.32	13.34	17.90
External	8.94	6.13	10.28	3.12	9.88
Transfers and Subsidies	45.55	61.50	73.63	56.74	41.60
Of which: Pensions	15.11	17.13	16.04	15.10	17.06
Current Account Balance	22.97	11.68	(49.19)	44.22	30.19
Capital Revenue	0.69	0.17	0.38	2.80	0.09
Grants	0.38	0.00	3.05	17.69	0.00
Of which:					
Capital Grants	0.38	0.00	3.05	17.69	0.00
Debt Forgiveness	0.00	0.00	0.00	0.00	0.00
Capital Expenditure and Net Lending	3.20	15.71	5.51	26.95	3.63
Of which: Capital Expenditure	3.20	15.71	5.51	26.95	3.63
Primary Balance after grants	53.35	17.55	(19.67)	54.23	54.43
Overall Balance after grants	20.84	(3.86)	(51.27)	37.77	26.65
Financing	(20.84)	3.86	51.27	(37.77)	(26.65)
Domestic	(24.64)	3.09	48.37	(359.57)	7.55
ECCB (net)	(1.22)	(10.84)	(5.54)	(70.45)	(50.97)
Commercial Banks (net)	(9.59)	(17.64)	2.20	(67.27)	(50.29)
Other	(13.83)	31.56	51.72	(221.86)	108.81
External	(27.63)	4.48	(5.00)	99.62	(20.59)
Net Disbursements/(Amortisation)	(27.46)	4.50	(8.00)	99.62	(19.09)
Disbursements	0.11	28.27	15.06	118.28	8.59
Amortisation	27.57	23.77	23.06	18.66	27.68
Change in Government Foreign Assets	(0.17)	(0.02)	3.01	0.00	(1.50)
Other	0.00	0.00	0.00	0.00	0.00
Arrears	31.42	(3.71)	7.90	(20.81)	(13.62)
Domestic	14.48	3.46	(4.19)	2.12	(0.93)
External	16.94	(7.17)	12.09	(22.93)	(12.69)
Other Financing	0.00	0.00	0.00	243.00	0.00

Source: Ministry of Finance, Antigua and Barbuda
Data as at 13 May 2016

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

	2014 4th Qr	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016[P] 1st Qr
Net Foreign Assets	**883.06**	**1,018.92**	**1,113.25**	**1,154.71**	**1,524.68**	**1,550.90**
Central Bank (Net)	**801.47**	**749.42**	**892.42**	**985.27**	**959.86**	**1,092.88**
Commercial Banks (Net)	**81.59**	**269.51**	**220.83**	**169.44**	**564.82**	**458.03**
External (Net)	(265.85)	(40.60)	(15.41)	20.79	319.59	121.23
Assets	540.00	726.27	768.17	751.60	1,090.41	852.81
Liabilities	805.84	766.86	783.57	730.81	770.82	731.58
Other ECCB Territories (Net)	347.44	310.10	236.23	148.65	245.24	336.80
Assets	1,418.89	1,445.59	1,411.92	1,368.87	1,422.97	1,516.11
Liabilities	1,071.45	1,135.49	1,175.69	1,220.22	1,177.73	1,179.31
Net Domestic Assets	**2,128.72**	**2,109.78**	**2,041.90**	**1,961.11**	**1,575.83**	**1,632.88**
Domestic Credit	**2,610.89**	**2,568.75**	**2,496.25**	**2,481.68**	**2,250.46**	**2,104.38**
Central Government (Net)	515.65	504.84	476.37	473.02	335.31	234.05
Other Public Sector (Net)	(56.38)	(52.40)	(74.25)	(65.36)	6.32	(10.96)
Private Sector	2,151.63	2,116.31	2,094.13	2,074.01	1,908.83	1,881.29
Household	1,238.91	1,219.45	1,217.22	1,218.12	1,173.93	1,172.27
Business	846.94	831.57	812.10	798.10	712.94	680.31
Non-Bank Financial Institutions	21.78	21.66	21.66	14.95	14.95	23.05
Subsidiaries & Affiliates	44.01	43.63	43.15	42.85	7.02	5.66
Other Items (Net)	**(482.17)**	**(458.98)**	**(454.35)**	**(520.57)**	**(674.63)**	**(471.51)**
Monetary Liabilities (M2)	**3,011.78**	**3,128.70**	**3,155.15**	**3,115.83**	**3,100.51**	**3,183.78**
Money Supply (M1)	**632.21**	**669.02**	**691.08**	**655.63**	**694.15**	**764.98**
Currency with the Public	149.23	146.76	143.24	141.04	159.59	155.52
Demand Deposits	450.67	499.60	506.99	485.98	510.67	595.39
EC$ Cheques and Drafts Issued	32.32	22.66	40.85	28.62	23.89	14.07
Quasi Money	**2,379.57**	**2,459.67**	**2,464.07**	**2,460.20**	**2,406.36**	**2,418.80**
Savings Deposits	1,310.85	1,356.24	1,376.74	1,378.07	1,375.93	1,418.62
Time Deposits	824.34	821.54	792.79	785.70	664.57	652.69
Foreign Currency Deposits	244.38	281.89	294.54	296.43	365.86	347.48

Source: Eastern Caribbean Central Bank
Data as at 13 May 2016

Table 20
Dominica - Selected Tourism Statistics

	2015R 1st Qr	2015R 2nd Qr	2015R 3rd Qr	2015R 4th Qr	2016P 1st Qr
Total Visitors	175,886	50,618	22,286	114,518	181,732
Stay-Over Visitors	20,753	18,393	20,353	20,821	21,941
Of which:					
USA	4,162	3,638	3,320	3,685	4,595
Canada	976	531	428	702	1,025
UK	1,452	985	1,244	1,251	1,525
Caribbean	8,829	9,029	11,923	11,100	9,270
Other Countries	5,334	4,210	3,438	4,083	5,526
Excursionists	312	310	679	121	327
Yacht Passengers	6,186	3,071	1,254	6,395	6,371
Cruise Ship Passengers	148,635	28,844	-	87,181	153,093
Number of Cruise Ship Calls	117	13	-	56	120
Total Visitor Expenditure (EC$M)	**96.11**	**77.94**	**79.79**	**90.70**	**100.24**

Sources: Discover Dominica Authority and ECCB Estimates
Data as at 13 May 2016

Table 21
Dominica - Consumer Price Index
June 2010 = 100

			Percentage Change*				
	Weights	Index Mar 2016	2015^R 1st Qr	2015^R 2nd Qr	2015^R 3rd Qr	2015^R 4th Qr	2016^P 1st Qr
All Items	100.00	102.06	(0.53)	0.94	(0.73)	(0.22)	0.21
Food and Non-Alcoholic Beverages	18.08	111.45	(0.65)	(0.18)	1.01	0.01	0.05
Alcoholic Beverages, Tobacco and Narcotics	0.77	108.28	1.21	0.38	(0.10)	1.47	-
Clothing and Footwear	5.08	106.39	(0.07)	-	-	0.63	-
Housing, Utilities, Gas and Fuels	30.62	93.19	(0.68)	3.06	(2.96)	(1.19)	0.32
Household Furnishings, Supplies and Maintenance	5.23	106.85	(1.02)	0.30	(0.22)	0.48	-
Health	3.36	106.40	-	-	4.24	-	-
Transport	20.11	102.83	(0.73)	0.23	(0.37)	0.09	(0.13)
Communication	3.95	100.67	-	-	0.67	-	-
Recreation and Culture	3.74	102.47	0.19	0.50	(2.51)	0.66	-
Education	1.33	102.66	-	0.08	-	-	-
Hotels and Restaurants	2.88	106.14	-	(0.57)	-	0.57	-
Miscellaneous	4.85	104.28	(0.28)	(0.02)	0.05	0.46	-

Sources: Central Statistical Office, Dominica and ECCB Estimates
*at end of period
Data as at 13 May 2016

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

	2015R 1st Qr	2015R 2nd Qr	2015R 3rd Qr	2015R 4th Qr	2016P 1st Qr
Visible Trade Balance	(124.42)	(122.43)	(136.59)	(133.80)	(140.13)
Total Imports	150.89	144.83	152.53	150.57	158.43
Total Exports	26.46	22.40	15.94	16.77	18.30
Re-Exports	6.37	1.75	1.31	3.61	6.51
Domestic Exports	20.09	20.65	14.63	13.16	11.78
Of which:					
Bananas					
Value	0.42	0.37	0.24	0.15	0.17
Volume	281	335	278	88	113

Source: Central Statistical Office, WINFRESH and ECCB Estimates
Data as at 13 May 2016

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

	2015^R 1st Qr	2015^R 2nd Qr	2015^R 3rd Qr	2015^R 4th Qr	2016^P 1st Qr
Current Revenue	87.41	85.60	131.08	98.90	104.53
Tax Revenue	81.43	80.16	82.23	85.65	85.52
Taxes on Income and Profits	18.31	15.12	14.19	17.99	19.23
Of which:					
Personal	9.21	9.29	7.13	6.91	9.84
Company/Corporation	9.66	6.25	7.40	11.89	9.83
Taxes on Property	1.99	2.52	1.71	1.56	1.58
Taxes on Domestic Goods and Services	47.19	45.77	49.41	47.34	48.90
Of which:					
Licences	5.02	4.74	6.68	3.61	5.50
Value Added Tax	31.58	31.76	32.79	31.45	31.44
Excise Tax	10.14	8.72	9.45	11.81	11.59
Taxes on International Trade and Transactions	13.95	16.75	16.92	18.75	15.81
Of which:					
Import Duty	7.61	9.59	9.47	10.87	8.50
Customs Service Charge	3.16	3.81	3.99	4.12	3.24
Environmental Levy	2.09	2.41	2.48	2.64	2.37
Non-Tax Revenue	5.97	5.45	48.85	13.25	19.01
Current Expenditure	83.99	99.57	95.95	90.06	94.93
Personal Emoluments	36.73	50.48	38.28	38.24	37.62
Goods and Services	22.99	25.20	31.51	24.33	27.86
Interest Payments	5.48	6.07	8.04	5.61	8.90
Domestic	1.51	2.10	1.53	1.58	1.59
External	3.97	3.97	6.52	4.02	7.30
Transfers and Subsidies	18.79	17.82	18.12	21.89	20.56
Of which: Pensions	4.68	4.66	4.83	4.76	4.84
Current Account Balance	3.42	(13.97)	35.13	8.84	9.59
Capital Revenue	0.02	0.01	0.04	0.00	0.02
Grants	3.85	13.28	0.72	11.80	-
Of which: Capital Grants	3.85	13.28	0.72	11.80	-
Capital Expenditure and Net Lending	14.98	40.95	3.72	22.63	20.97
Of which: Capital Expenditure	15.04	41.12	3.78	22.64	21.05
Primary Balance after grants	(2.21)	(35.55)	40.21	3.62	(2.46)
Overall Balance after grants	(7.69)	(41.63)	32.17	(1.99)	(11.36)
Financing	7.69	41.63	(32.17)	1.99	11.36
Domestic	(1.59)	33.37	(43.81)	(34.89)	29.93
ECCB (net)	(14.90)	8.98	12.78	(12.64)	(20.05)
Commercial Banks (net)	17.34	(0.67)	(55.76)	(65.73)	(13.07)
Other	(4.03)	25.06	(0.83)	43.47	63.04
External	6.77	7.34	6.32	38.56	(16.78)
Net Disbursements (Amortisation)	4.68	(1.82)	6.33	38.67	(7.36)
Disbursements	11.05	3.09	12.57	44.24	0.07
Amortisation	6.37	4.91	6.24	5.57	7.44
Change in Government Foreign Assets	2.09	9.16	(0.01)	(0.11)	(9.41)
Arrears	2.50	0.92	5.32	(1.68)	(1.79)
Domestic	2.50	0.92	5.32	(1.68)	(1.79)
External	-	-	-	-	-
Other Financing	-	-	-	-	-

Source: Ministry of Finance, Dominica and Eastern Caribbean Central Bank
Data as at 13 May 2016

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

	2014 4th Qr	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016[P] 1st Qr
Net Foreign Assets	**611.91**	**628.06**	**635.74**	**665.17**	**755.48**	**837.69**
Central Bank (Net)	**269.79**	**287.49**	**319.24**	**310.33**	**338.65**	**356.63**
Commercial Banks (Net)	**342.13**	**340.58**	**316.50**	**354.85**	**416.83**	**481.07**
External (Net)	66.81	61.91	63.10	101.03	147.03	184.69
Assets	331.65	334.36	338.91	375.26	423.54	465.67
Liabilities	264.84	272.45	275.82	274.24	276.51	280.98
Other ECCB Territories (Net)	275.32	278.67	253.41	253.82	269.80	296.38
Assets	333.88	329.35	328.13	337.37	353.82	371.98
Liabilities	58.57	50.68	74.72	83.55	84.02	75.60
Net Domestic Assets	**637.02**	**647.22**	**647.48**	**621.20**	**542.99**	**510.86**
Domestic Credit	**737.36**	**726.64**	**731.32**	**699.05**	**631.72**	**592.81**
Central Government (Net)	58.96	61.41	69.72	26.74	(51.62)	(84.74)
Other Public Sector (Net)	(94.80)	(103.45)	(101.05)	(97.81)	(92.26)	(90.22)
Private Sector	773.20	768.67	762.65	770.12	775.60	767.77
Household	456.38	453.65	460.41	463.22	464.38	459.14
Business	297.83	295.77	283.14	286.30	284.68	281.38
Non-Bank Financial Institutions	12.41	12.69	12.53	14.03	26.53	27.26
Subsidiaries & Affiliates	6.57	6.57	6.57	6.57	-	-
Other Items (Net)	**(100.34)**	**(79.42)**	**(83.84)**	**(77.85)**	**(88.73)**	**(81.96)**
Monetary Liabilities (M2)	**1,248.94**	**1,275.28**	**1,283.22**	**1,286.37**	**1,298.47**	**1,348.55**
Money Supply (M1)	**234.69**	**245.16**	**239.93**	**246.10**	**260.78**	**282.60**
Currency with the Public	46.89	43.63	42.07	42.71	46.59	46.29
Demand Deposits	185.55	196.68	194.20	199.16	212.31	231.83
EC$ Cheques and Drafts Issued	2.25	4.84	3.66	4.22	1.88	4.48
Quasi Money	**1,014.25**	**1,030.13**	**1,043.28**	**1,040.27**	**1,037.69**	**1,065.95**
Savings Deposits	760.39	778.85	801.32	797.21	802.30	827.46
Time Deposits	217.49	216.36	212.68	213.02	208.18	206.76
Foreign Currency Deposits	36.36	34.92	29.29	30.05	27.21	31.73

Source: Eastern Caribbean Central Bank
Dated as at 12 May 2016

Table 25
Grenada - Selected Tourism Statistics

	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016P 1st Qr
Total Visitors	180,249	59,228	43,932	160,982	232,299
Stay-Over Visitors	38,023	31,390	37,770	33,552	43,271
Of which:					
USA	12,551	10,010	13,650	11,014	15,766
Canada	4,646	2,282	2,034	2,499	5,284
United Kingdom	7,018	6,678	5,295	5,831	7,383
Caribbean	4,848	5,764	7,584	4,831	6,006
Other Countries	8,960	6,656	9,207	9,377	8,832
Excursionists	223	234	305	261	866
Cruise Ship Passengers	133,430	22,591	1,900	122,597	179,193
Yacht Passengers	8,573	5,013	3,957	4,572	8,969
Number of Cruise Ship Calls	98	16	11	76	121
Total Visitor Expenditure (EC$M)	**116.86**	**80.48**	**105.05**	**95.62**	**158.70**

Source: Grenada Board of Tourism
Data as at 13 May 2016

Table 26
Grenada - Selected Agricultural Production

	Unit	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015R 4th Qr	2016P 1st Qr
Bananas	(Tons)	1,822	1,496	1,630	2,031	2,121
Cocoa	(Tons)	566	109	32	67	345
Nutmeg	(Tons)	116	184	161	116	130
Mace	(Tons)	8	23	12	8	11

Source: Central Statistics Office, Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada
Data as at 13 May 2016

Table 27
Grenada - Consumer Price Index
January 2010 = 100

			Percentage Change*				
		Index	2015	2015	2015	2015	2016P
	Weights	Mar 2016	1st Qr	2nd Qr	3rd Qr	4th Qr	1st Qr
All Items	100.0	108.53	(0.78)	0.12	1.73	0.06	(0.31)
Food & Non-Alcoholic Beverages	20.4	114.05	0.05	(0.44)	(0.10)	(0.65)	(1.51)
Alcoholic Beverages, Tobacco and Narcotics	1.8	124.54	(0.58)	0.65	0.06	0.21	0.42
Clothing and Footwear	3.7	102.02	0.18	(0.91)	(0.15)	2.84	(0.22)
Housing, Utilities, Gas and Fuels	29.1	101.03	(1.52)	0.11	(0.72)	(0.52)	(1.13)
Household Furnishings, Supplies and Maintenance	4.5	110.74	(1.87)	(0.16)	1.77	(0.43)	0.77
Health	1.9	133.63	0.62	0.69	0.93	0.77	0.48
Transport	18.7	108.50	(1.33)	0.66	(2.81)	1.00	1.58
Communication	10.0	114.41	-	-	25.75	0.03	-
Recreation and Culture	2.7	110.30	(0.69)	-	3.46	0.21	(0.24)
Education	0.8	124.34	1.13	-	1.64	-	-
Hotels and Restaurants	1.8	107.25	-	-	-	-	-
Miscellaneous	4.6	106.44	(0.09)	1.53	(0.14)	0.86	(0.10)

Source: Central Statistics Office, Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada
*at end of period
Data as at 13 May 2016

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

	2015 1st Qr	2015 2nd Qr	2015R 3rd Qr	2015R 4th Qr	2016E 1st Qr
Visible Trade Balance	(196.83)	(204.72)	(220.02)	(218.80)	(195.98)
Total Imports	218.11	232.21	240.85	237.05	214.70
Total Exports	21.28	27.50	20.84	18.25	18.72
Re-Exports	1.32	2.05	0.95	0.82	0.95
Domestic Exports	19.95	25.45	19.89	17.43	17.77
Of Which:					
Bananas					
Volume	-	-	-	-	-
Value	-	-	-	-	-
Nutmeg					
Volume	48.84	139.91	163.82	160.33	104.81
Value	1.49	3.70	4.29	3.67	2.42
Mace					
Volume	14.78	16.85	11.83	15.34	7.88
Value	0.45	0.43	0.35	0.38	0.20
Cocoa					
Volume	443.28	144.88	73.88	12.99	270.92
Value	4.89	1.71	0.87	0.15	3.06
Manufactured Exports					
Value	9.54	9.17	9.62	10.02	7.92

Source: Central Statistics Office, Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada
Data as at 13 May 2016

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

	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016P 1st Qr
Current Revenue	142.52	137.26	139.75	151.73	157.23
Tax Revenue	128.38	130.40	131.01	140.44	147.01
Taxes on Income and Profits	27.43	24.84	23.35	26.12	32.05
Of which:					
Personal	14.36	12.69	12.55	13.26	15.95
Company/Corporation	13.07	12.14	10.80	12.87	16.10
Taxes on Property	4.97	9.48	5.51	3.37	4.27
Taxes on Domestic Goods and Services	60.11	56.56	58.15	57.59	64.55
Of which:					
Value-added Tax	48.38	48.57	47.57	52.49	52.68
Stamp Duties	1.00	1.04	1.13	1.07	1.17
Licences	5.86	3.78	7.02	1.74	4.85
Taxes on International Trade and Transactions	35.87	39.53	44.00	53.37	46.14
Of which:					
Import Duty	13.70	14.26	15.70	19.33	14.63
Customs Service Charge	10.52	11.19	11.82	13.35	10.91
Non-Tax Revenue	14.14	6.86	8.74	11.29	10.22
Current Expenditure	122.64	103.69	127.00	113.65	137.73
Personal Emoluments	54.84	54.20	52.96	53.26	59.97
Goods and Services	16.03	16.11	19.44	24.30	26.41
Interest Payments	30.18	10.39	33.33	16.00	13.89
Domestic	4.97	4.34	8.57	10.85	6.78
External	25.21	6.05	24.76	5.14	7.11
Transfers and Subsidies	21.59	22.99	21.28	20.10	37.46
Of which: Pensions	7.50	7.92	7.75	7.78	7.93
Current Account Balance	19.88	33.57	12.75	38.09	19.49
Capital Revenue	0.08	0.05	0.00	0.00	0.00
Grants	20.52	17.77	19.19	29.70	14.47
Of which: Capital Grants	20.52	17.77	19.19	29.70	9.68
Capital Expenditure and Net Lending	51.20	44.09	51.33	77.02	20.66
Of which: Capital Expenditure	51.20	44.09	51.33	77.02	20.66
Primary Balance after grants	19.45	17.69	13.95	6.77	27.19
Overall Balance after grants	(10.73)	7.29	(19.39)	(9.23)	13.30
Financing	10.73	(7.29)	19.39	9.23	(13.30)
Domestic	(24.02)	(3.61)	(12.26)	(62.01)	(16.97)
ECCB (net)	11.76	(7.70)	2.38	(52.48)	(1.77)
Commercial Banks (net)	(12.34)	8.94	(8.31)	(25.47)	4.75
Other	(23.44)	(4.84)	(6.33)	15.94	(19.96)
External	8.91	(5.25)	10.85	73.32	(10.43)
Net Amortisation	8.91	(5.25)	10.85	73.32	(10.43)
Disbursements	19.37	9.00	18.95	87.56	5.89
Amortisation	10.46	14.25	8.11	14.24	16.32
Change in Government Foreign Assets	-	-	-	-	-
Arrears	25.84	1.57	20.80	(2.07)	14.11
Domestic	1.71	0.70	(0.40)	(2.07)	2.28
External	24.13	0.87	21.20	-	11.83
Other Financing	-	-	-	-	-

Source: Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada and the ECCB
Data as at 13 May 2016

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

	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015[R] 4th Qr	2016[P] 1st Qr
Net Foreign Assets	**661.81**	**710.00**	**722.48**	**852.48**	**906.32**
Central Bank (Net)	**427.19**	**442.43**	**449.29**	**508.98**	**526.26**
Commercial Banks (Net)	**234.62**	**267.58**	**273.18**	**343.50**	**380.06**
External (Net)	(82.69)	(43.83)	(39.77)	12.21	77.49
Assets	400.02	458.53	468.53	493.91	550.16
Liabilities	482.71	502.36	508.30	481.70	472.67
Other ECCB Territories (Net)	317.31	311.40	312.96	331.29	302.56
Assets	350.73	341.23	353.33	362.00	356.73
Liabilities	33.42	29.83	40.37	30.71	54.17
Net Domestic Assets	**1,410.81**	**1,372.49**	**1,354.97**	**1,269.88**	**1,289.61**
Domestic Credit	**1,491.94**	**1,460.88**	**1,445.28**	**1,320.07**	**1,313.78**
Central Government (Net)	16.76	18.00	12.07	(65.88)	(62.89)
Other Public Sector (Net)	(125.15)	(152.32)	(150.53)	(166.44)	(212.06)
Private Sector	1,600.33	1,595.21	1,583.74	1,552.39	1,588.73
Household	1,101.37	1,094.63	1,081.26	1,073.59	1,066.61
Business	490.16	491.50	493.31	469.46	513.09
Non-Bank Financial Institutions	8.79	9.09	9.17	9.34	9.03
Subsidiaries & Affiliates	-	-	-	-	-
Other Items (Net)	**(81.13)**	**(88.39)**	**(90.31)**	**(50.19)**	**(24.16)**
Monetary Liabilities (M2)	**2,072.62**	**2,082.49**	**2,077.45**	**2,122.37**	**2,195.93**
Money Supply (M1)	**508.56**	**511.06**	**512.69**	**543.00**	**597.45**
Currency with the Public	122.29	121.72	120.52	131.55	123.95
Demand Deposits	377.14	378.33	383.27	402.11	464.75
EC$ Cheques and Drafts Issued	9.14	11.01	8.89	9.34	8.76
Quasi Money	**1,564.06**	**1,571.43**	**1,564.76**	**1,579.37**	**1,598.48**
Savings Deposits	1,172.28	1,167.25	1,159.22	1,160.49	1,179.30
Time Deposits	286.68	284.96	277.35	271.43	256.84
Foreign Currency Deposits	105.09	119.23	128.20	147.45	162.33

Source: Eastern Caribbean Central Bank
Dated as at 13 May 2016

Table 31
Montserrat - Selected Tourism Statistics

	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016P 1st Qr
Total Visitors	4,622	2,698	3,004	4,766	7,378
Stay-Over Visitors	2,272	1,756	1,906	3,010	2,880
Of which:					
USA	712	432	416	766	814
Canada	252	67	42	179	223
UK	572	425	512	830	774
Caribbean	594	728	850	1,149	948
Other Countries	142	104	86	86	121
Excursionists	502	400	493	345	635
Cruise Ship Passengers	1,032	-	445	1,114	2,987
Number of Cruise Ship Calls	4	-	2	5	7
Yacht Passengers	816	542	160	297	876
Number of Yachts	212	159	36	67	214
Total Visitor Expenditure (EC$M)	**7.10**	**4.32**	**4.35**	**7.12**	**8.61**

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat
Data available as at 13 May 2016

Table 32
Montserrat - Consumer Price Index
January 2014 = 100

	Weights	Index Mar-16	Percentage Change* 2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016P 1st Qr
All Items	99.9	97.62	(1.43)	0.68	0.74	(0.05)	(1.29)
Food & Non-Alchoholic Beverages	16.3	98.93	0.12	0.21	(0.19)	0.35	(0.26)
Alchoholic Beverages, Tobacco & Narcotics	0.4	99.13	0.34	0.03	(0.39)	(0.43)	(0.21)
Clothing & Footwear	4.8	97.14	0.01	0.04	0.38	0.20	(0.34)
Housing, Water, Electrcity, Gas and Other Fuels	33.1	96.73	(4.14)	1.51	4.30	(0.03)	(3.47)
Furnishing, household equipment and Routine Household Maintenance	3.5	102.97	(0.98)	0.30	1.08	1.61	0.06
Health	1.9	104.42	3.08	0.49	1.86	0.00	(1.03)
Transport	18.1	91.51	0.11	0.54	(5.32)	(0.76)	(1.40)
Communication	8.3	101.76	(1.57)	0.00	1.73	0.41	0.74
Recreation & Culture	2.4	98.89	(0.08)	(0.80)	(0.24)	0.18	0.00
Education	2.9	102.66	0.00	0.00	1.85	0.00	0.00
Restaurants and Hotels	2.1	101.41	0.22	0.00	0.37	(0.30)	1.34
Miscellaneous goods and services	6.2	100.97	0.33	0.79	1.32	(1.02)	(0.54)

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat
*at end of period
Data available as at 13 May 2016

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

	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016P 1st Qr
Visible Trade Balance	(22.47)	(21.77)	(22.26)	(29.77)	(21.38)
Total Imports	24.02	23.94	24.46	31.89	23.28
Total Exports	1.55	2.17	2.20	2.12	1.90
Total Domestic Exports	1.41	1.95	2.04	2.04	1.76
Total Re-Exports	0.15	0.22	0.15	0.09	0.14

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat
Data available as at 13 May 2016

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

	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016P 1st Qr
Current Revenue	12.29	11.60	10.34	11.31	11.75
Tax Revenue	10.32	9.56	9.06	10.10	10.63
Taxes on Income and Profits	4.27	4.57	3.62	3.37	4.50
Of which:					
Personal	3.30	2.77	2.96	2.82	3.36
Corporation	0.66	1.62	0.57	0.16	0.97
Taxes on Property	0.06	0.02	0.03	0.56	0.08
Taxes on Domestic Goods and Services	1.77	0.76	0.96	0.76	1.60
Of which:					
Hotel Occupancy	0.01	0.02	0.00	0.01	0.01
Insurance Company Levy	0.04	0.04	0.07	0.06	0.04
Licences and Stamp Duties	1.00	0.52	0.71	0.51	0.89
Taxes on International Trade and Transactions	4.21	4.21	4.46	5.41	4.44
Of which:					
Import Duty	1.41	1.37	1.47	1.89	1.58
Consumption Tax	2.47	2.54	2.72	3.18	2.56
Customs Service Charge	0.00	0.00	0.00	0.00	0.00
Non-Tax Revenue	1.98	2.04	1.28	1.21	1.13
Current Expenditure	37.47	23.22	30.04	29.99	31.94
Personal Emoluments	10.60	10.22	10.29	10.64	10.65
Goods and Services	15.58	6.07	9.46	9.36	13.39
Interest Payments	0.01	0.01	0.01	0.01	0.01
Domestic	0.00	0.00	0.00	0.00	0.00
External	0.01	0.01	0.01	0.01	0.01
Transfers and Subsidies	11.29	6.93	10.29	9.99	7.89
Of which: Pensions	3.67	2.61	2.97	3.16	3.32
Current Account Balance (before grants)	(25.18)	(11.62)	(19.70)	(18.67)	(20.19)
Current Account Balance (after grants)	(2.11)	18.65	(19.70)	26.99	(20.19)
Capital Revenue	0.00	0.00	0.00	0.00	0.00
Grants	47.63	33.19	0.00	55.16	12.67
Of which: Capital Grants	24.56	2.92	0.00	9.50	12.67
Capital Expenditure and Net Lending	9.94	3.64	5.88	6.87	8.57
Of which: Capital Expenditure	9.94	3.64	5.88	6.87	8.57
Primary Balance (before grants)	(35.12)	(15.26)	(25.57)	(25.54)	(28.75)
Primary Balance (after grants)	12.51	17.93	(25.57)	29.62	(16.08)
Overall Balance (before grants)	(35.13)	(15.27)	(25.57)	(25.55)	(28.76)
Overall Balance (after grants)	12.50	17.93	(25.57)	29.62	(16.09)
Financing	(12.50)	(17.93)	25.57	(29.62)	16.09
Domestic	(12.47)	(17.90)	23.97	(31.23)	16.10
ECCB (net)	14.30	(0.35)	(0.04)	0.13	(0.14)
Commercial Banks (net)	(12.28)	(14.15)	21.06	(38.64)	23.72
Other	(14.48)	(3.40)	2.96	7.29	(7.48)
External	(0.03)	(0.03)	1.61	1.61	(0.01)
Net Disbursements/(Amortisation)	(0.03)	(0.03)	1.61	1.61	(0.01)
Disbursements	0.00	0.00	1.64	1.64	0.02
Amortisation	0.03	0.03	0.03	0.03	0.03
Change in Government Foreign Assets	-	-	-	-	-
Arrears	-	-	-	-	-
Domestic	-	-	-	-	-
External	-	-	-	-	-
Other Financing	-	-	-	-	-

Source: Ministry of Finance, Montserrat
*Goods and Services include Miscellaneous Payments
Data available as at 13 May 2016

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

	2014 4th Qr	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016P 1st Qr
Net Foreign Assets	**288.10**	**290.95**	**308.34**	**284.77**	**320.51**	**300.69**
Central Bank (Net)	**121.77**	**115.21**	**136.24**	**133.35**	**138.96**	**137.38**
Commercial Banks (Net)	**166.33**	**175.74**	**172.10**	**151.42**	**181.55**	**163.32**
External (Net)	84.06	95.65	109.35	91.32	117.04	100.45
Assets	147.33	160.51	175.20	158.45	186.35	169.52
Liabilities	63.27	64.85	65.85	67.14	69.31	69.07
Other ECCB Territories (Net)	82.27	80.09	62.74	60.10	64.51	62.87
Assets	90.45	88.68	73.72	74.71	77.92	75.62
Liabilities	8.18	8.59	10.97	14.61	13.41	12.75
Net Domestic Assets	**(48.89)**	**(44.86)**	**(61.29)**	**(42.55)**	**(75.65)**	**(52.01)**
Domestic Credit	**(6.77)**	**(8.36)**	**(19.83)**	**(0.21)**	**(30.88)**	**(7.65)**
Central Government (Net)	(52.76)	(50.75)	(65.24)	(44.23)	(82.75)	(59.16)
Other Public Sector (Net)	(21.14)	(24.56)	(22.73)	(25.54)	(18.89)	(19.85)
Private Sector	67.13	66.96	68.15	69.56	70.76	71.36
Household	59.70	59.39	60.61	62.04	63.67	64.64
Business	7.43	7.57	7.53	7.52	7.10	6.72
Non-Bank Financial Institutions	-	-	-	-	-	-
Subsidiaries & Affiliates	-	-	-	-	-	-
Other Items (Net)	**(42.12)**	**(36.50)**	**(41.46)**	**(42.34)**	**(44.77)**	**(44.37)**
Monetary Liabilities (M2)	**239.20**	**246.09**	**247.05**	**242.22**	**244.86**	**248.68**
Money Supply (M1)	**45.07**	**49.99**	**46.95**	**43.86**	**47.64**	**50.33**
Currency with the Public	18.36	16.37	16.17	17.02	20.20	19.46
Demand Deposits	26.57	33.53	30.48	26.74	27.31	30.44
EC$ Cheques and Drafts Issued	0.15	0.10	0.30	0.11	0.14	0.43
Quasi Money	**194.13**	**196.11**	**200.10**	**198.36**	**197.22**	**198.35**
Savings Deposits	140.47	141.03	144.47	143.28	143.39	144.25
Time Deposits	46.00	46.18	46.54	45.84	45.40	44.67
Foreign Currency Deposits	7.66	8.90	9.09	9.24	8.44	9.43

Source: Eastern Caribbean Central Bank
Dated as at 5/12/2016

Table 36
St Kitts and Nevis - Selected Tourism Statistics

	2014R 1st Qr	2015R 2stQr	2015R 3ndQr	2015R 4thQr	2016P 1st Qr
Total Visitors	376,965	199,711	148,195	310,306	440,831
Stay-Over Visitors	35,429	29,010	23,936	28,598	34,256
Of which:					
USA	23,108	17,346	13,614	16,895	22,390
Canada	2,946	1,261	1,089	2,055	2,833
UK	2,779	2,404	2,196	2,679	2,713
Caribbean	4,874	6,373	5,704	5,377	4,655
Other Countries	1,722	1,626	1,333	1,592	1,665
Excursionists	1,518	778	804	856	918
Cruise Ship Passengers	337,947	169,082	122,936	280,273	403,772
Yacht Passengers	2,071	841	519	579	1,885
Number of Cruise Ship Calls	218	59	33	137	209
Total Visitor Expenditure (EC$M)	**113.70**	**87.08**	**70.96**	**89.90**	**106.42**

Source: Statistics Department, Sustainable Development, St Kitts and Central Statistics Office, Nevis and ECCB Estimates
Data available as at 13 May 2016

Table 37

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

			Percentage Change*				
		Index	2015R	2015R	2015R	2015R	2016P
	Weights	Mar 2016	1st Qr	2stQr	3ndQr	4thQr	1st Qr
All items	100.00	106.11	(1.02)	(0.80)	(0.38)	(0.22)	(0.56)
Food and Non-Alcoholic Beverages	15.98	101.02	0.01	(6.37)	(1.74)	0.21	(0.92)
Alcoholic Beverages, Tobacco & Narcotics	2.71	121.21	1.14	0.99	(1.15)	(0.65)	1.60
Clothing and Footwear	4.20	115.82	0.66	0.03	(1.68)	0.40	0.04
Housing, Utilities, Gas and Fuels	27.56	100.86	(0.32)	0.06	(0.16)	-	(0.32)
Household Furnishings, Supplies and Maintenance	6.10	106.35	0.47	(0.46)	(1.34)	(1.06)	(0.92)
Health	2.38	107.03	(1.90)	(0.75)	(0.26)	-	0.12
Transport	16.14	109.52	(5.46)	1.57	1.36	(0.65)	(2.39)
Communication	8.47	110.32	1.30	0.25	(0.01)	(0.11)	-
Recreation and Culture	2.92	105.57	0.28	1.57	(0.83)	(0.40)	(0.28)
Education	2.41	125.98	1.03	-	(5.05)	-	2.80
Hotels and Restaurants	5.60	110.46	-	(0.92)	0.56	0.02	-
Miscellaneous Goods and Services	5.54	106.13	(1.96)	(2.54)	(0.21)	(0.73)	1.11

Source: Statistics Department, Sustainable Development, St Kitts
*at end of period
Data available as at 13 May 2016

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

	2015R	2015R	2015R	2015R	2016P
	1st Qr	2stQr	3ndQr	4thQr	1st Qr
Visible Trade Balance	(149.99)	(165.33)	(210.89)	(324.75)	(160.41)
Total Imports	190.67	199.62	251.29	367.28	201.26
Total Exports	40.68	34.28	40.40	42.53	40.85
Total Domestic Exports	37.22	30.16	35.41	35.04	37.08
Total Re-Exports	3.46	4.12	5.00	7.48	3.76

Source: Statistics Department, Sustainable Development, St Kitts and ECCB Estimates
Data available as at 13 May 2016

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

	2015R 1st Qr	2015R 2ndQr	2015R 3rdQr	2015R 4thQr	2016P 1st Qr
Current Revenue	255.06	177.68	193.42	255.43	192.07
Tax Revenue	132.15	124.64	108.29	143.86	118.68
Taxes on Income and Profits	33.17	29.50	29.12	40.45	30.87
Of which:					
Personal (Social Services Levy)	11.60	14.04	12.09	12.98	13.43
Corporation	19.21	12.55	13.01	23.50	14.07
Taxes on Property	4.27	6.93	5.10	5.03	3.03
Taxes on Domestic Goods and Services	58.48	54.71	47.01	56.37	51.33
Of which:					
Stamp Duties	9.07	10.96	9.88	10.85	10.41
Value Added Tax	40.20	36.55	29.35	35.79	32.06
Licences	3.24	1.03	1.44	4.57	3.22
Unincorporated Business Levy	1.53	1.59	1.76	1.77	1.68
Island Enhancement Levy	1.45	1.43	0.89	0.82	1.26
Taxes on International Trade and Transactions	36.23	33.50	27.06	42.01	33.44
Of which:					
Import Duty	11.38	14.59	12.18	19.73	14.57
Customs Service Charge	11.51	10.38	8.71	12.39	9.93
Excise Tax	9.29	4.56	2.71	3.98	4.57
Non-Refundable Duty Free Store Levy	2.02	0.70	0.52	2.29	1.18
Non-Tax Revenue	122.91	53.04	85.13	111.57	73.39
Current Expenditure	128.68	181.08	155.77	197.33	126.00
Personal Emoluments	62.74	63.48	64.42	80.77	67.20
Goods and Services	34.60	40.28	37.20	59.10	26.14
Interest Payments	9.12	15.28	11.88	10.61	7.97
Domestic	5.66	11.78	7.42	6.26	5.28
External	3.46	3.50	4.46	4.36	2.69
Transfers and Subsidies	22.22	62.05	42.26	46.85	24.68
Of which: Pensions	7.72	7.80	7.95	10.27	8.20
Current Account Balance	126.38	(3.40)	37.65	58.10	66.07
Capital Revenue	3.02	1.33	1.92	1.31	1.35
Grants	7.50	26.76	6.24	12.72	0.31
Of which: Capital Grants	7.30	10.66	6.11	12.67	0.25
Capital Expenditure and Net Lending	33.66	53.62	60.07	21.19	1.28
Of which: Capital Expenditure	28.22	37.88	30.64	45.11	21.90
Primary Balance after grants	112.36	(13.65)	(2.38)	61.55	74.42
Overall Balance after grants	103.24	(28.93)	(14.26)	50.93	66.45
Financing	(103.24)	28.93	14.26	(50.93)	(66.45)
Domestic	(86.18)	52.92	79.68	(42.01)	(39.38)
ECCB (net)	7.01	28.74	42.73	(3.05)	(1.22)
Commercial Banks (net)	(45.19)	7.91	28.92	(20.23)	(50.08)
Other	(48.00)	16.28	8.03	(18.72)	11.91
External	(17.06)	(23.99)	(65.41)	(8.93)	(27.07)
Net Disbursements/(Amortisation)	(17.06)	(23.99)	(65.41)	(8.93)	(27.07)
Disbursements	0.29	0.63	0.72	0.38	0.50
Amortisation	17.36	24.63	66.13	9.30	27.57
Change in Government Foreign Assets	-	-	-	-	-
Arrears	-	-	-	-	-
Domestic	-	-	-	-	-
External	-	-	-	-	-
Other Financing	-	-	-	-	-

Source: Ministry of Finance, St Kitts and Nevis and ECCB Estimates
Data available as at 13 May 2016

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

	2014 4th Qr	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016[P] 1st Qr
Net Foreign Assets	**2,363.88**	**2,485.09**	**2,427.76**	**2,314.16**	**2,206.09**	**2,264.26**
Central Bank (Net)	**859.71**	**856.61**	**781.16**	**715.99**	**757.19**	**921.46**
Commercial Banks (Net)	**1,504.17**	**1,628.48**	**1,646.59**	**1,598.17**	**1,448.91**	**1,342.79**
External (Net)	1,578.86	1,769.45	1,693.39	1,597.60	1,600.48	1,567.87
Assets	2,434.82	2,743.80	2,641.89	2,570.51	2,388.23	2,395.51
Liabilities	855.96	974.35	948.50	972.91	787.75	827.64
Other ECCB Territories (Net)	(74.69)	(140.97)	(46.79)	0.57	(151.57)	(225.08)
Assets	735.16	733.28	839.67	893.23	809.89	834.05
Liabilities	809.85	874.26	886.46	892.66	961.47	1,059.12
Net Domestic Assets	**591.25**	**600.81**	**639.77**	**792.55**	**821.93**	**791.84**
Domestic Credit	**1,012.58**	**946.74**	**996.82**	**1,060.82**	**1,031.99**	**961.08**
Central Government (Net)	462.19	424.02	460.67	532.32	509.03	457.74
Other Public Sector (Net)	(854.14)	(874.01)	(894.33)	(907.84)	(926.04)	(946.03)
Private Sector	1,404.53	1,396.74	1,430.48	1,436.34	1,448.99	1,449.38
Household	866.64	851.29	859.30	861.59	865.43	859.97
Business	479.42	490.17	501.77	517.43	527.07	532.92
Non-Bank Financial Institutions	16.20	15.33	29.32	15.28	15.22	15.19
Subsidiaries & Affiliates	42.28	39.94	40.10	42.05	41.28	41.29
Other Items (Net)	**(421.33)**	**(345.93)**	**(357.05)**	**(268.27)**	**(210.06)**	**(169.24)**
Monetary Liabilities (M2)	**2,955.13**	**3,085.90**	**3,067.52**	**3,106.71**	**3,028.02**	**3,056.10**
Money Supply (M1)	**582.11**	**599.01**	**608.81**	**624.36**	**624.28**	**606.34**
Currency with the Public	154.64	150.44	152.16	155.79	168.26	162.87
Demand Deposits	411.05	417.72	445.01	454.98	441.59	429.94
EC$ Cheques and Drafts Issued	16.42	30.85	11.64	13.60	14.43	13.53
Quasi Money	**2,373.02**	**2,486.89**	**2,458.71**	**2,482.35**	**2,403.75**	**2,449.75**
Savings Deposits	908.94	903.38	917.44	917.13	936.64	952.59
Time Deposits	585.53	630.99	627.83	628.51	620.45	642.92
Foreign Currency Deposits	878.55	952.52	913.45	936.71	846.65	854.25

Source: Eastern Caribbean Central Bank
Dated as at 5/12/2016

Table 41
Saint Lucia - Selected Tourism Statistics

	2015R 1st Qr	2015R 2nd Qr	2015R 3rd Qr	2015R 4th Qr	2016P 1st Qr
Total Visitors	407,274	203,629	159,384	302,732	366,322
Stay-Over Visitors	98,219	87,205	77,771	81,713	97,367
USA	40,258	43,484	34,418	34,578	41,799
Canada	20,371	6,086	4,104	8,116	17,366
UK	19,443	16,326	13,914	18,492	18,957
Caribbean	9,799	16,557	21,351	15,038	12,803
Other Countries	8,348	4,752	3,984	5,489	6,442
Excursionists	1,926	1,214	2,836	3,104	3,392
Cruise Ship Passengers	292,218	107,528	71,475	206,173	245,432
Number of Cruise Ship Calls	196	48	22	121	184
Yacht Passengers	14,911	7,682	7,302	11,742	20,131
Total Visitor Expenditure (EC$M)	**358.69**	**252.63**	**205.23**	**255.19**	**376.82**

Source: Saint Lucia Tourist Board and ECCB Estimates
Data as at 13 May 2016

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

			Percentage Change*				
		Index	2015^R	2015^R	2015^R	2015^R	2016^P
	Weights	Mar 2016	1st Qr	2nd Qr	3rd Qr	4th Qr	1st Qr
All items	99.87	115.55	(1.08)	0.08	(0.85)	(0.78)	(0.74)
Food and Non-Alcoholic Beverages	25.02	124.64	0.58	(4.34)	0.38	0.05	(0.69)
Alcoholic Beverages, Tobacco & Narcotics	6.53	132.94	(0.62)	(2.64)	(0.32)	6.34	0.40
Clothing and Footwear	1.66	148.71	8.70	6.55	(1.93)	0.73	(0.94)
Housing, Utilities, Gas and Fuels	17.36	114.28	6.58	0.90	(0.70)	0.10	(1.84)
Household Furnishings, Supplies and Maintenance	3.31	101.36	(2.05)	0.91	(3.68)	(9.22)	6.06
Health	3.96	120.62	0.50	0.57	0.87	(0.45)	0.69
Transport	16.40	109.01	(8.83)	7.33	(4.61)	(2.72)	(0.02)
Communication	12.54	118.68	8.78	-	-	(0.00)	3.65
Recreation & Culture	1.37	89.25	2.99	(13.82)	3.38	(8.20)	1.20
Education	3.70	158.60	7.75	-	-	(0.00)	2.55
Hotels & Restaurants	1.10	120.53	0.42	10.05	(0.11)	2.57	-
Miscellaneous Goods and Services	6.92	96.67	(20.76)	0.69	0.30	(1.02)	(0.23)

*at end of period
Source: Central Statistical Office, Saint Lucia and ECCB Estimates
Data as at 13 May 2016

Table 43
Saint Lucia - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2015R 1st Qr	2015R 2ndQr	2015R 3rdQr	2015R 4thQr	2016P 1st Qr
Current Revenue	248.33	243.79	235.88	233.94	271.18
Tax Revenue	238.37	226.47	224.31	224.25	258.70
Taxes on Income and Profits	69.65	67.17	55.11	38.26	80.91
Of which:					
Personal	28.75	25.79	25.07	22.73	31.27
Corporation	25.01	18.59	22.10	3.43	34.12
Taxes on Property	2.98	2.26	2.05	2.12	4.32
Taxes on Domestic Goods and Services	106.10	95.92	101.34	109.75	110.01
Of which:					
Consumption Duty	-	-	0.02	0.00	-
Licences	4.21	4.18	5.46	11.76	6.37
Excise Tax	0.94	1.12	0.90	0.83	1.06
Hotel Occupancy Tax	0.29	0.24	0.11	0.03	0.29
Value Added Tax	91.37	82.94	85.06	85.99	92.38
Taxes on International Trade and Transactions	59.64	61.12	65.81	74.12	63.46
Of which:					
Consumption Tax (Imports)	0.00	-	0.03	-	0.24
Import Duties	23.39	26.11	25.68	29.31	25.08
Customs Service Charge (Imports)	13.93	14.40	18.92	19.52	16.01
Excise Tax	16.33	18.68	17.56	20.49	16.93
Non-Tax Revenue	9.96	17.32	11.57	9.69	12.48
Current Expenditure	225.13	215.90	224.81	222.08	225.25
Personal Emoluments	94.03	93.66	93.54	94.21	95.22
Goods and Services	48.19	36.44	43.65	40.51	47.22
Interest Payments	31.61	42.47	37.86	36.79	38.95
Domestic	22.99	23.54	28.61	22.30	29.18
External	8.62	18.93	9.26	14.50	9.76
Transfers and Subsidies	51.30	43.32	49.75	50.57	43.86
Of which: Pensions	17.41	16.55	18.79	20.37	18.73
Current Account Balance	23.20	27.90	11.07	11.87	45.94
Capital Revenue	0.00	0.05	0.01	0.01	-
Grants	16.90	1.16	15.24	18.74	5.83
Of which: Capital Grants	16.90	1.16	15.24	18.74	5.83
Capital Expenditure and Net Lending	77.19	23.83	59.51	58.57	54.41
Of which: Capital Expenditure	77.19	23.83	59.51	58.57	54.41
Primary Balance after grants	(5.48)	47.75	4.67	8.83	36.30
Overall Balance after grants	(37.08)	5.27	(33.20)	(27.96)	(2.64)
Financing	37.08	(5.27)	33.20	27.96	2.64
Domestic	(39.12)	(57.61)	39.21	43.27	3.86
ECCB (net)	(14.80)	1.35	(27.93)	14.68	20.47
Commercial Banks (net)	(43.38)	13.16	21.48	4.99	(48.86)
Other	19.05	(72.11)	45.66	23.60	32.26
External	76.21	52.33	(6.02)	(15.31)	(1.22)
Net Disbursements (Amortisation)	76.21	(11.17)	(6.02)	(15.31)	(1.22)
Disbursements	88.27	12.93	8.26	10.44	13.22
Amortisation	12.06	24.10	14.28	25.75	14.44
Change in Government Foreign Assets	-	63.50	-	-	-
Arrears	-	-	-	-	-
Domestic	-	-	-	-	-
External	-	-	-	-	-
Other Financing	-	-	-	-	-

Source: Ministry of Finance, Saint Lucia and Eastern Caribbean Central Bank
Data as at 13 May 2016

Table 44
Saint Lucia - Banana Production

	2015^R 1st Qr	2015^R 2nd Qr	2015^R 3rd Qr	2015^R 4th Qr	2016^P 1st Qr
Volume (tonnes)	2,897	2,041	1,576	1,932	2,163
Value (EC$M)	5.19	3.68	2.87	3.51	3.95
Unit Price (EC$/ tonnes)	1,791.57	1,803.47	1,818.65	1,814.89	1,827.33

Source: Winfresh Ltd
Data as at 13 May 2016

Table 45
Saint Lucia - Selected Trade Statistics
(Value: EC$M)

	2015^R 1st Qr	2015^R 2nd Qr	2015^R 3rd Qr	2015^R 4th Qr	2016^P 1st Qr
Total Exports	168.25	128.95	96.45	93.19	169.62
Total Domestic Exports	55.80	71.96	59.42	60.09	56.88
Total Re-Exports	112.45	56.99	37.04	33.10	112.74
Total Imports	408.11	350.14	378.63	402.21	441.50
Visible Trade Balance	(239.86)	(221.19)	(282.17)	(309.02)	(271.88)

Source: Central Statistical Office, Saint Lucia and ECCB Estimates
Data as at 13 May 2016

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

	2014[R] 4th Qr	2015 1st Qr	2015[R] 2nd Qr	2015[R] 3rd Qr	2015[R] 4th Qr	2016[P] 1st Qr
Net Foreign Assets	**(305.18)**	**43.70**	**222.30**	**224.74**	**268.38**	**429.74**
Central Bank (Net)	**635.38**	**834.14**	**864.15**	**816.52**	**804.87**	**826.32**
Commercial Banks (Net)	**(940.56)**	**(790.43)**	**(641.85)**	**(591.79)**	**(536.49)**	**(396.59)**
External (Net)	(200.75)	(138.66)	(2.72)	37.84	91.17	228.83
Assets	748.36	797.36	807.40	857.95	892.87	1,003.48
Liabilities	949.12	936.03	810.12	820.11	801.69	774.66
Other ECCB Territories (Net)	(739.81)	(651.77)	(639.13)	(629.62)	(627.66)	(625.41)
Assets	236.83	301.48	328.75	332.99	333.34	359.16
Liabilities	976.64	953.25	967.88	962.61	961.00	984.58
Net Domestic Assets	**3,193.12**	**2,981.87**	**2,819.26**	**2,725.78**	**2,786.32**	**2,755.27**
Domestic Credit	**3,579.47**	**3,475.85**	**3,318.40**	**3,247.06**	**3,269.23**	**3,256.24**
Central Government (Net)	257.17	198.99	213.50	207.05	226.72	198.32
Other Public Sector (Net)	(456.29)	(467.45)	(498.93)	(509.97)	(480.38)	(485.76)
Private Sector	3,778.60	3,744.31	3,603.83	3,549.98	3,522.89	3,543.68
Household	1,785.54	1,789.31	1,773.80	1,777.83	1,771.13	1,777.93
Business	1,962.33	1,926.38	1,800.12	1,742.56	1,689.50	1,703.13
Non-Bank Financial Institutions	19.17	18.96	18.71	18.71	14.93	15.76
Subsidiaries & Affiliates	11.56	9.66	11.20	10.87	47.34	46.85
Other Items (Net)	**(386.35)**	**(493.99)**	**(499.15)**	**(521.27)**	**(482.92)**	**(500.97)**
Monetary Liabilities (M2)	**2,887.94**	**3,025.57**	**3,041.56**	**2,950.52**	**3,054.70**	**3,185.01**
Money Supply (M1)	**748.57**	**790.52**	**783.98**	**714.88**	**769.09**	**836.40**
Currency with the Public	154.89	143.39	139.21	135.24	153.85	153.15
Demand Deposits	583.57	637.91	635.96	575.40	610.27	671.92
EC$ Cheques and Drafts Issued	10.10	9.22	8.81	4.24	4.97	11.33
Quasi Money	**2,139.37**	**2,235.05**	**2,257.58**	**2,235.63**	**2,285.61**	**2,348.60**
Savings Deposits	1,526.49	1,563.75	1,553.31	1,532.59	1,556.01	1,567.64
Time Deposits	369.54	385.01	408.30	389.38	387.72	405.95
Foreign Currency Deposits	243.34	286.30	295.97	313.67	341.88	375.02

Source: Eastern Caribbean Central Bank
Date as at 5/13/2016

Table 47
St Vincent and the Grenadines - Selected Tourism Statistics

	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016P 1st Qr
Total Visitors	90,493	30,668	24,519	60,982	94,607
Stay-Over Visitors	20,658	16,414	17,687	20,622	21,453
Of which:					
USA	5,806	5,299	4,979	5,979	6,343
Canada	2,340	1,564	1,442	2,169	2,318
UK	5,696	3,194	3,413	4,742	5,680
Caribbean	4,241	5,038	6,711	5,576	4,498
Other Countries	2,575	1,319	1,142	2,156	2,614
Excursionists	653	369	312	398	710
Yacht Passengers	20,366	9,829	5,782	11,493	21,150
Cruise Ship Passengers	48,816	4,056	738	28,469	51,294
Number of Cruise Ship Calls	107	22	28	74	118
Total Visitor Expenditure (EC$M)	**86.50**	**53.01**	**48.88**	**70.12**	**89.89**

Source: St Vincent and the Grenadines Tourism Authority and ECCB Estimates
Data as at 13 May 2016

Table 48
St Vincent and the Grenadines - Consumer Price Index
January 2001 = 100

			Percentage Change*				
		Index	2015	2014	2015	2015	2016P
	Weights	Mar 2016	1st Qr	2nd Qr	3rd Qr	4th Qr	1st Qr
All Items	100.0	104.80	(1.68)	-	0.28	(0.66)	(0.29)
Food and Non-Alcoholic Beverages	21.91	109.20	6.39	(7.84)	(0.09)	(0.27)	(0.82)
Alcoholic Beverages, Tobacco and Narcotics	3.87	112.60	(0.18)	0.46	0.36	0.54	1.35
Clothing and Footwear	3.22	104.50	-	-	(0.29)	0.10	1.85
Housing, Water, Electricity, Gas and Other Fuels	30.06	97.30	(3.70)	1.01	(1.00)	(1.11)	(0.41)
Furnishing, Household Equipment and Routine Household Maintenance	6.59	102.20	(0.10)	-	0.10	0.39	0.39
Health	1.79	107.80	1.07	0.96	1.90	2.15	(1.37)
Transport	11.84	116.30	(4.61)	(0.08)	0.92	(3.23)	(0.60)
Communications	9.41	106.30	1.69	(1.18)	5.36	0.09	-
Recreation and Culture	3.81	103.20	-	0.19	(0.29)	0.10	0.58
Education	1.32	108.50	-	-	1.10	-	(1.54)
Restaurants and Hotels	1.87	102.40	(0.19)	(0.10)	0.29	(1.06)	-
Miscellaneous Goods and Services	4.31	101.30	0.10	-	-	0.10	0.10

Source: Statistical Office, Central Planning Division, Ministry of Finance and Economic Planning , St Vincent and the Grenadines
*at end of period
Data as at 13 May 2016

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

	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016P 1st Qr
Visible Trade Balance	(173.21)	(183.96)	(190.86)	(229.39)	(187.49)
Total Imports	201.51	217.37	219.51	262.63	213.38
Total Exports	28.29	33.41	28.64	33.24	25.89
Re-Exports	2.02	4.21	1.92	2.78	1.34
Domestic Exports	26.27	29.20	26.73	30.46	24.55

Source: Statistical Office, Central Planning Division, Ministry of Finance and Economic Planning , St Vincent and the Grenadines
Data as at 13 May 2016

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

	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016 1st Qr
Current Revenue	121.15	121.25	132.51	144.22	120.40
Taxes	106.70	105.38	109.77	124.68	104.82
Taxes on Income and Profits	29.45	30.67	30.45	39.13	29.75
Individuals	18.83	16.93	16.57	18.10	19.66
Corporate	5.26	10.63	11.62	18.79	7.74
Non Resident	5.36	3.11	2.26	2.23	2.35
Taxes on Property	10.94	6.60	8.02	5.92	8.69
Taxes on Goods and Services	38.47	35.42	38.47	40.66	36.84
Of which:					
Telecomm Broadcast Licence	3.41	0.62	0.12	3.29	0.00
Excise Tax	6.88	8.40	9.69	10.33	8.20
Value Added Tax	21.09	16.13	14.18	15.74	22.40
Motor Vehicle Licence	2.54	2.88	2.99	2.38	2.37
Taxes on International Trade and Transactions	27.84	32.69	32.82	38.98	29.54
Of which:					
Import Duty	10.80	12.70	13.10	15.77	11.66
Value Added Tax	16.34	19.12	18.86	22.28	16.38
Other Revenue	14.45	15.86	22.74	19.54	15.57
Current Expenditure	117.65	129.86	127.44	137.95	120.63
Compensation of Employee	66.02	65.27	64.60	72.98	67.77
Use of Goods and Services	11.97	17.02	18.66	25.26	11.03
Interest Payments	10.01	13.38	8.54	12.90	8.80
Domestic	4.90	7.81	4.72	9.43	3.57
External	5.11	5.57	3.82	3.46	5.23
Transfers	29.64	34.20	35.63	26.81	33.04
Of which:					
Other Grants and Contributions	14.04	14.45	15.95	7.29	10.68
Employment Related Social Benefit	12.11	12.38	11.61	12.91	14.06
Current Account Balance	3.50	(8.62)	5.07	6.28	(0.24)
Capital Revenue and Grants	1.41	12.52	13.52	26.75	1.36
Capital Expenditure	15.55	17.54	21.33	44.81	11.60
Primary Balance	(0.64)	(0.25)	5.80	1.11	(1.68)
Overall Balance	(10.65)	(13.63)	(2.74)	(11.79)	(10.48)
Financing	10.65	13.63	2.74	11.79	10.48
Domestic	(39.54)	(11.74)	(7.84)	(45.39)	9.23
ECCB (net)	28.78	(12.18)	5.85	28.78	16.13
Commercial Banks (net)	9.23	19.21	(7.16)	9.23	(7.03)
Other	(77.55)	(18.77)	(6.53)	(83.40)	0.13
External	28.89	(7.26)	(1.11)	26.87	2.00
Net Disbursements/(Amortisation)	29.52	(7.26)	(1.11)	26.87	2.00
Disbursements	15.88	3.01	9.88	36.86	13.92
Amortisation	(13.65)	10.27	10.99	9.99	11.93
Change in Government Foreign Assets	(0.64)	-	-	-	-
Arrears	-	5.37	6.21	6.73	(21.71)
Domestic	-	5.37	6.21	6.73	(21.71)
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
Data as at 22 June 2016

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

	2014 4th Qr	2015 1st Qr	2015 2nd Qr	2015 3rd Qr	2015 4th Qr	2016[P] 1st Qr
Net Foreign Assets	**508.23**	**481.57**	**446.25**	**486.00**	**531.94**	**591.62**
Central Bank (Net)	**421.43**	**398.34**	**387.22**	**411.68**	**444.81**	**493.86**
Commercial Banks (Net)	**86.80**	**83.23**	**59.03**	**74.32**	**87.13**	**97.76**
External (Net)	5.79	8.90	(5.75)	(2.53)	4.38	30.26
Assets	215.78	219.61	211.71	229.35	231.39	247.43
Liabilities	209.99	210.71	217.45	231.88	227.01	217.17
Other ECCB Territories (Net)	81.01	74.33	64.78	76.86	82.75	67.51
Assets	200.15	200.85	190.88	203.72	200.27	193.76
Liabilities	119.13	126.52	126.10	126.86	117.52	126.25
Net Domestic Assets	**900.40**	**945.39**	**982.20**	**942.70**	**943.84**	**909.79**
Domestic Credit	**1,020.24**	**1,063.65**	**1,104.49**	**1,077.80**	**1,069.38**	**1,084.14**
Central Government (Net)	88.61	126.62	133.66	118.71	111.16	120.26
Other Public Sector (Net)	(113.63)	(107.67)	(100.84)	(112.30)	(111.66)	(107.57)
Private Sector	1,045.26	1,044.70	1,071.67	1,071.39	1,069.89	1,071.45
Household	789.59	792.20	818.60	814.42	817.52	822.82
Business	235.61	232.94	233.04	237.26	232.88	229.32
Non-Bank Financial Institutions	16.06	15.56	16.04	15.71	15.49	15.31
Subsidiaries & Affiliates	4.00	4.00	4.00	4.00	4.00	4.00
Other Items (Net)	**(119.84)**	**(118.26)**	**(122.30)**	**(135.10)**	**(125.54)**	**(174.35)**
Monetary Liabilities (M2)	**1,408.62**	**1,426.96**	**1,428.45**	**1,428.70**	**1,475.78**	**1,501.41**
Money Supply (M1)	**426.30**	**419.68**	**427.09**	**408.98**	**437.83**	**462.00**
Currency with the Public	53.61	51.82	50.63	48.73	64.62	63.59
Demand Deposits	364.30	359.31	367.73	349.95	364.05	392.41
EC$ Cheques and Drafts Issued	8.39	8.55	8.73	10.30	9.16	5.99
Quasi Money	**982.33**	**1,007.28**	**1,001.36**	**1,019.73**	**1,037.95**	**1,039.41**
Savings Deposits	779.44	799.97	807.73	807.88	820.61	828.97
Time Deposits	130.09	128.29	130.14	128.55	126.90	129.06
Foreign Currency Deposits	72.79	79.01	63.49	83.30	90.44	81.39

Source: Eastern Caribbean Central Bank
10-Jun-16

THE ECCU TOURISM INDUSTRY AND THE THREAT OF THE ZIKA VIRUS

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THE ECCU TOURISM INDUSTRY AND THE THREAT OF THE ZIKA VIRUS

1.0 Executive Summary

Zika is a threat to world tourism/travel and to the ECCU's tourism industry. Its incidence was confirmed in some ECCU member states between March and June 2016 and there is uncertainty about the actual impact it has had on the region's tourism industry. Amid the confirmations, the performance of the region's industry was positive in the first quarter of the year. ECCU member governments have been proactive in their responses to the virus - there were responses even when member states had not had reported infections. According to initial estimates by the World Bank Group, the foregone income from the short-term economic impact of the Zika epidemic on tourism dependent countries, such as those of the ECCU could be within the range of 0.8 per cent to 1.6 per cent of GDP in 2016. The paradox is that while tourism is the major economic earner in the ECCU, it also contributes to the spread of the virus. There are a total of 819 travel-associated cases of Zika in the USA, the ECCU's major tourism source market.

This policy brief serves as an initial read to the threat of the Zika virus, to prompt discussion on its potential effects on the tourism industry in the ECCU, and to ultimately craft policy responses. It emphasizes the need for urgent, coordinated and collective action in the ECCU to curb the spread of the virus and manage its risks to the industry. The key messages and recommendations from this brief are in keeping with the 2016-2020 vision of the ECCB which is geared at providing influential policy advice to member countries to elevate growth and development.

2.0 Context and Importance of Problem

2.1 Background of the Problem

On 23 March 2016, the Director-General of the World Health Organization (WHO), Margaret Chan, noted that in less than a year the status of the Zika virus had severe public health implications, and as the understanding of the disease increases, then the issues surrounding it seem more severe. Some of the issues include its medical effects such as fetal deformities and neurological disorders; and also its modes of transmission including sexual intercourse.

According to the WHO, as of 22 June 2016, 61 countries and territories reported continuing mosquito-borne transmission of Zika, comprising 47 countries which experienced a first outbreak since 2015, with no previous evidence of circulation, and with ongoing transmission by mosquitoes. The ECCU has not been spared and some member states, which have been affected, confirmed their first cases of Zika between March and June 2016 (See Table 1). Notably, the number of confirmed cases may not reflect the actual number of cases in the region since some persons may be affected by the virus and not report their symptoms and/or may not be tested. Furthermore, the symptoms associated with Zika may be mild for some persons who do not seek medical attention and are not reported.

Table 1: The Minimum Number of Confirmed Zika Cases in the ECCU

Country	Minimum Confirmed Cases
Anguilla	1
Antigua and Barbuda	1
Dominica	28
Grenada	2
Montserrat	0
St Kitts and Nevis	0
Saint Lucia	8
St Vincent and the Grenadines	8
ECCU	**48**

Data as at 24 June 2016

In light of this, the Centers for Disease Control and Prevention (CDC) issued Level 2 notices informing travelers and clinicians about practicing enhanced precautions when travelling to Anguilla, Dominica, Grenada, Saint Lucia and St Vincent and the Grenadines. Although the advisory was not at Level 3 (Avoid Non Essential Travel to the destination), the report of infection can curtail demand for travel to the ECCU, whose tourism industry remains very vulnerable to a number of factors including epidemics and diseases.

A Reuters/Ipsos Poll of 1,595 adults in the US, conducted from 01 to 05 February, revealed that the rapidly spreading Zika virus was discouraging many Americans from traveling to Latin America and the Caribbean.[3] Roughly, 41.0 per cent of those aware of the disease said that they are less likely to take such a trip. ECCU member governments, lack the available resources, financial and otherwise, to rapidly combat the spread of the virus through research and science, and salvage the tourism industry from any related devastating effects.

2.2 Current Responses to the Problem

There have been active responses to the virus by the authorities in the ECCU states. For instance, some countries took measures to reduce mosquito breeding and hold consultations on the virus even when they had not yet had reported infections.

Table 2 highlights the micro-responses to the virus among tourism stakeholders in the ECCU.

[3] Source: http://www.reuters.com/article/us-health-zika-poll-exclusive-idUSKCN0VG0L8

Table 2: Responses to Zika by Stakeholders in the ECCU

Stakeholder	Responses
Airlines	• Up to 14 March 2016, LIAT offered customers the choice to change the dates of travel to destinations with confirmed cases of Zika at no charge; change the destination without incurring a change fee but a difference in fare; and cancel the booking entirely and with the offer of a full credit and waived cancellation fee (the credit valid for a year from date of cancellation).
Hotels	• Working in conjunction with local hotel associations to practice preventative measures to keep guests safe from the virus; and to ensure that employees are properly trained to communicate effectively with guests on the issue. • Fogging areas.
Local tourism organisations	• Saint Lucia Hotel and Tourism Association (SLHTA) provided the Ministry of Health with EC$24,000 to embark on a Zika sensitization campaign geared at schools and hotels. • Provided training to hotel employees on controlling the spread of the virus at home and work. • SLHTA hosted meeting to strengthen clean up campaigns, ensure proper installation of mosquito traps and share experiences among hoteliers.
Governments	• Spearheaded consultations with stakeholders on the virus particularly in Antigua and Barbuda, Dominica and Saint Lucia. • $1m from government revenue made available in Dominica to prevent and manage the virus. • Organised clean-up campaigns in Dominica. • The Cabinet of Antigua and Barbuda allowed several items (mosquito screens, coils and repellents as well as bed nets) that would help in the fight against the Zika Virus, to be imported free of duties and other taxes. The Cabinet reduced the cost of what it called mosquito defensive systems so that all homeowners can afford the devices and materials. • The Ministry of Health in Saint Lucia continued fogging operations and health promotion activities to decrease the impact of Zika and other mosquito borne diseases. It consulted multiple stakeholders in raising awareness. • The Ministry of Health in Dominica intensified its response through integrated vector control management; public awareness campaigns; and port health programmes, epidemiological surveillance and health care services. • The Ministry of Health in St Vincent and the Grenadines increased its surveillance and response activities. • Ministry of Health in Grenada dispatched vector control teams and undertook entomological surveillance, treatment, and fogging. This Ministry also gave the public advice on the virus. The Government of Grenada is leading a national response to this threat, with assistance from private and public stakeholders.

Sources: Dominica News Online, The Antigua Observer, SLHTA Newsletter, NBC SVG, The Official Website of the Government of Grenada. Information as at June 2016.

2.3 Current and Potential Effects

In light of the ECCU's heavy dependence on the tourism industry, travel related diseases like the Zika virus have the scope to restrict travel demand to our tourist destinations, reduce value added in tourism and affect overall economic performance of member states.

The Caribbean Tourism Organization (CTO) and Caribbean Hotel and Tourism association (CHTA) have already received reports of travel cancellations in the Caribbean due to Zika.[4] Specific to the ECCU, before Zika was reported in Saint Lucia, the Saint Lucia Hotel and Tourism Association reported that despite the country not recording one case of the virus, potential visitors to the island were cancelling their vacation plans.[5] The cancellations are a direct result of fear by pregnant mothers or women who have intentions of becoming pregnant while on vacation in the country which is renowned for being a top wedding and honeymoon destination in the Caribbean. Furthermore, in February 2016, the General Manager of the Antigua Hotels and Tourist Association reported that because of the fears of Zika, some visitors had cancelled their vacations to Antigua, despite the country not being affected by the virus by then. According to the General Manager, the country counted losses of at least $50,000 in cancelled hotel bookings.[6]

The uncertainty about the complications relating to the virus makes it more difficult for officials to confirm the exact impact of the virus to date. According to the head of the Department of Economics at the University of the West Indies (UWI), Cave Hill campus, "until the facts are brought to light through research and analysis, the impact of the Zika virus – socially and economically, will not be known truly". He further went on to state that although the number of google searches for 'Zika and the Caribbean' has increased, especially

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[4] Source: http://www.onecaribbean.org/wp-content/uploads/ZikaVirusTourism.pdf

[5] Source: http://thevoiceslu.com/2016/02/tourism-zika-fears-growing/

[6] Source: http://www.barbadostoday.bb/2016/02/01/zika-fears-causing-hotel-cancellations-in-antigua/

with the number of regional confirmed instances, it cannot be said for certain that the searches led to completed bookings or cancellations.[7]

The Caribbean Tourism Organisation highlighted concerns that the mosquito-borne Zika virus could dampen projected growth of 5.0 per cent in travelers to the Caribbean in 2016. In the ECCU, the potential impact on the virus can lead to lower than anticipated growth of 2.9 per cent in value added in the hotels and restaurants sector in 2016.

Initial estimates by the World Bank Group of the short-term economic impact of the Zika Virus epidemic in the Latin American and the Caribbean region (LCR) in 2016 are a total of US$3,478.0m (0.06 per cent of GDP) in forgone income from travel/tourism. For a country like Dominica whose tourism industry is not relatively large as some other ECCU member states, the World Bank estimated that the revenue forgone would be US$4.0m (0.77 per cent of GDP). According to the estimates, the impact would be greater in more tourism dependent destinations such as Antigua and Barbuda, whereby the forgone income could be in excess of 1.0 per cent of GDP reaching as much as 1.6 per cent of GDP. On average, the foregone income of tourism dependent countries could be within the range of 0.8 per cent to 1.6 per cent of GDP. According to the World Bank, should science confirm a link between Zika or Guillain-Barré Syndrome and Zika transmission through sexual contact, or should public perceptions of risks from Zika rise sharply, the economic impacts could be significantly larger and will need to be reassessed. Furthermore, the estimates assume that there will be a swift, coordinated international response to the epidemic and that the most significant health risks, and behaviors to avoid transmission, are for women of child-bearing age, due to the association of cases of Zika virus and children born with microcephaly[8].

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[7] Source: http://tobago564.rssing.com/chan-60745558/all_p1.html

[8] According to the Centres for Disease Control and Prevention, microcephaly is a birth defect where a baby's head is smaller than expected when compared to babies of the same sex and age. Babies with microcephaly often have smaller brains that might not have developed properly.

Table 3 quantifies some of the World Bank cost estimates in ECCU member territories. The table indicates that Saint Lucia and Antigua and Barbuda, heavily tourism dependent economies, are likely to incur the greatest income forgone. Montserrat and Anguilla, however, are likely to bear the least income forgone. Expressed as a component of gross visitor expenditure, the percentages of income forgone will be highest in St Vincent and the Grenadines and Montserrat.

Table 3: Estimated Travel/Tourism Costs associated with the Zika Virus in the ECCU

	Range of Income Forgone (in EC$m) in 2016[9]	**Income Forgone as a Percentage of 2015 Gross Visitor Expenditure[10]**
Anguilla	7.3 - 14.7	2.1 - 4.2
Antigua and Barbuda	29.3 - 58.6	3.4 - 6.8
Dominica	11.6 - 23.3	3.4 - 6.8
Grenada	21.4 - 42.7	5.4 - 10.7
Montserrat	1.4 - 2.8	6.2 - 12.3
St Kitts and Nevis	21.1 - 42.2	5.8 - 11.7
Saint Lucia	32.0 - 64.0	3.0 - 6.0
St Vincent and the Grenadines	16.7 - 33.4	6.5 - 12.9
Eastern Caribbean Currency Union (ECCU)	140.8 - 281.7	3.8 - 7.7

Source: Author's calculations based on the World Bank report entitled "The Short-Term Economic Costs of Zika in Latin America and the Caribbean".

[9] The range of income forgone for travel/tourism is between 0.8 per cent of 1.6 per cent of GDP (at market prices) for each country. GDP data was as at 12 March 2016 and was sourced from the ECCB.
[10] Gross visitor expenditure data was at 24 June 2016 and sourced from the ECCB.

There are inherent risks which could compound the impact of the virus on the ECCU's tourism industry (See Figure 1).

Figure 1: Rick Factors Associated with the Zika Virus and the ECCU's Tourism Industry

The negative impact on the ECCU's tourism industry is likely to be more pronounced if...	more persons are travelling for vacation/pleasure rather than business
	more pregnant women are avoiding infection/more women are planning to get pregnant while travelling
	there is greater fear of contracting the disease by single men or women, among others, that are travelling (6 out of 10 Americans aware of Zika said the virus concerned them. *Rueters/lpsos Poll*
	there is productivity loss in the tourism workforce (World Bank estimates 1 week absence for 1 in 5 of the 4m projected by PAHO to be infected in the course of 2016.)
	airlines or cruises cut travel to countries affected by advisories
	zika outbreak leads to social unrest
	hotels are not practicing health and safety guidelines
	the outbreak reduces additional tourism investment

Sources: Author's suggestions with adaptations from the World Bank report entitled "The short-term economic costs of Zika in Latin America and the Caribbean"

2.4 The Paradox

While tourism is the major economic earner in the ECCU, it also contributes to the spread of the disease. So in essence, the very industry that we are trying to protect is itself the biggest risk in terms of the spread of the virus in the ECCU. Additional tourists increase the potential risk for visitors and locals transmitting or acquiring the virus from each other. This was evident in the cases of SARs in 2000, the H1N1 pandemic of 2009 and Chikungunya in 2013. As of 22 June, the USA, the ECCU's largest tourism source market, reported 819 cases of travel-associated Zika virus disease and no locally acquired mosquito-borne cases.[11] As travel increases, the number of Zika cases among travelers may rise, and then the potential negative effects on ECCU tourism can potentially exacerbate.

2.5 Performance of the ECCU's Tourism Industry in the First Quarter of 2016

The ECCU' tourism industry recorded growth, albeit at a slower pace, in the first three months of 2016 when there was the Zika threat, relative to the corresponding period of 2015 when there was not such a threat. Activity in the tourism industry improved in the first three months of 2016, relative to the outturn in the corresponding period of 2015. Total visitor arrivals increased by 4.8 per cent to 1.8m, a deceleration from the rate of 8.4 per cent recorded in the first quarter of 2015. There were improvements in the sub-categories of all visitors, with the exception of excursionists, which decreased by 11.9 per cent to 36,140. The negative performance for excursionists resulted from declines in these types of visitors predominantly from Anguilla and from St Kitts and Nevis which did not have confirmed cases of Zika during the period of review. The number of cruise passengers, the largest category of visitors, increased by 5.0 per cent to 1.3m, slower than the rate of growth of 10.2 per cent observed in the first quarter of 2015. This outturn was influenced by visits from larger cruise vessels as the number of cruise calls remained unchanged at 921.

Stay-over visitor arrivals, the second largest sub-category, rose by 5.2 per cent to 329,082, accelerating from the rate of growth of 2.6 per cent in the corresponding period of 2015. This outturn was partly associated with higher arrivals chiefly from the USA (8.8 per cent) and also from the Caribbean (15.6 per cent). Arrivals from the largest source market, the USA, were buoyed by improvements in this country's economy and intensified marketing. Arrivals from the UK rose by 3.8 per cent while those from Canada fell by 8.1 per cent. There was growth in stay-over arrivals for most member countries, with the exception of St Kitts and Nevis and

[11] Source: https://www.cdc.gov/zika/geo/united-states.html

Saint Lucia. Gross travel receipts increased by 7.8 per cent to $1,255.2m, reflecting acceleration from the rate of growth of 4.3 per cent in the first quarter of 2015.

This is a promising start for the ECCU's tourism industry, and despite the threat of Zika the industry's the ECCB's near term prospects are positive. Public and private sector investments in new and improved airport infrastructure as well as additional airlift, marketing, and hotel room stock should help to support growth in value added in the hotel and restaurants sector in 2016.

3.0 Critique of Policy Options

The recent health epidemics in the world - SARS (2000), HINI (2009), MERS (2012) chikungunya and Ebola (2013) – have underscored the necessity of monitoring and responding to travel related diseases. The costs of these health crises can be alarming. For instance, based on a report by the United Nations, the West African region stands to lose as much as US$6,461.0m, during 2016-2017 on average per year, due to the impact of the Ebola outbreak on total economic activity including trade, investment and tourism.[12] These epidemics have emphasized the need for the tourism industry to incorporate health crises management and to engender healthy, sanitary and environmentally friendly practices. Strengthening the tourism product includes, among, other things, improving the public health care system and reducing outbreaks.

The international declaration of a public health emergency related to this virus necessitates a coordinated international policy response. This translates to a required coordinated reaction by ECCU member governments. ECCU member states would not want to unnecessarily create panic and media frenzy by issuing an emergency status and creating unintended detrimental effects on the tourism industry. Member governments have been proactive in

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[12] Source: http://www.africa.undp.org/content/dam/rba/docs/Reports/ebola-west-africa.pdf

taking appropriate measures to curb the elimination of the mosquito population in light of the recent experience with chikungunya.

Amid the lack of resources in the region to undertake the quantum of scientific and medical research on the virus, as in the developed countries, the OECS Ministers' of Health have rightly agreed on a harmonized approach to Zika. The OECS-wide campaign, which is principled on the single economic space, will include: having close alliance between national, regional and international public health agencies to monitor the disease and attempt to anticipate trends; undertaking activities by national authorities, communities and work places aimed at the rapid elimination of the mosquito population; equipping public health services to manage cases which may occur; and embarking on wide-spread public awareness campaigns to inform and educate on preventatives measures and the status of the threat. This pooled approach is likely to lead to economies of scale, stronger expertise and cost efficiencies. In order for it to be successful, there must be strong commitment from the authorities and among the public in the member states. Member countries should consider bulk purchasing of materials or equipment needed to implement the aforementioned strategies.

The following critically examines other policy options:

i. ***Firstly, the Caribbean Public Health Agency (CARPHA) signed an Agreement on 27 January 2016 with the Inter-American Development Bank (IDB) that will allow the development of a novel regional tourism health information, monitoring and response system; Caribbean-wide health, safety and environmental (HSE) tourism standards; and a training and certification programme to build capacity in food and environmental safety.*** In signing this landmark Agreement, CARPHA will work along with the CTO and the CHTA to execute the project. The Regional Tourism Health Information, Monitoring and Response Systems and Standards to Enhance Sustainable Tourism project, as it is called, will be implemented in six participating countries (Barbados, Belize, Bahamas, Guyana, Jamaica and Trinidad and Tobago) from 2016 to 2019. It will be undertaken by CARPHA's Tourism and Health

Programme, through a Project Coordination Unit (PCU) at CARPHA, and a Regional Project Steering Committee, in addition to national focal points and a private-public team in each country. The project is being financed by the IDB in the form of a grant totaling US$800,000. The ECCU member governments should consider participating in a similar project. A project like this can help to minimize the impact of health epidemics on the ECCU tourism industry and contribute in making the region a more renowned healthy and safe destination for tourists. It will be a less costly means for tackling health security in the tourism industry, provided that there should be economies of scale. It is an opportune time for such an initiative since the Caribbean needs that framework to monitor and respond to health threats.

ii. ***Secondly, the recently commissioned UWI Regional Zika Task Force will endeavor to undertake a number of initiatives. These include establishing a laboratory molecular testing for Zika at UWI; increasing public awareness by managing a communications hub; conducting research on the health impact in the Caribbean; surveillance and reporting of the epidemic's trends and cases; strengthening outbreak preparedness; and conducting research on the social and economic impact analysis of the virus.*** This will enable the ECCU member governments to take advantage of the capacity and skills at UWI and to coordinate their responses with other Caribbean governments and institutions. ECCU authorities should continue to fully support this venture.

iii. ***Thirdly, international financing is available to respond to Zika and can be tapped whenever the need arises. The United Nations has established a Zika Response Multi-Partner Trust Funds to finance critical unfunded priorities in the response to the outbreak[13]. In addition, the World Bank Group has made US$150m available to***

[13] Source: http://www.un.org/apps/news/story.asp?NewsID=53873#.V3BkYo-cFPY

support countries in Latin America and the Caribbean impacted by the outbreak, and if additional financing is required, the development agency is prepared to provide extra assistance.[14] ECCU member governments can tap into this support to continue to promote their proactive stance against the virus. This stance can send positive signals to the international community and bode well for improving visitor perception of the health risks associated with travelling. There are likely to be conditionalities attached to any related loan financing but acting at the right time and pace could yield high returns in the medium term that can be greater than the costs.

iv. ***Fourthly, Jamaica has taken a multi-ministerial approach to tackle Zika whereby the Office of the Prime Minister heads the framework consisting health, local government and tourism stakeholders.*** This can be instructive to the ECCU. The coordination and multi-dimensional approach is commendable and should extend to the ministries of commerce, ports and finance. Any initiative, though, led by the Prime Minister's Office will be politically influenced.

4.0 Conclusions and Recommendations

Zika is a threat to world tourism/travel and to the ECCU's tourism industry. Its exact impact on the region's industry to date is not fully known, although the first quarter tourism data is positive for the Union. On the upside for the region's tourism prospects, Zika is not endemic to the ECCU; its symptoms are mild for some persons; and scientific research is enabling greater understanding of the virus and engendering more medical advances to fight it. Furthermore, if more are persons developing mild symptoms from the virus, then this may help to reduce the fears of travelling.

[14] Source: http://www.worldbank.org/en/news/press-release/2016/02/18/world-bank-provides-150-million-to-combat-zika-virus-in-latin-america-and-the-caribbean

It is an opportune time for the region to monitor and evaluate related global developments to determine the best policy responses that it can take to mitigate risks. This brief takes stock of these developments and emphasizes the need for urgent collaborative action to curb the spread of the Zika virus and its potential impact on tourism. The ECCU region must approach this in a collective manner.

First and foremost, authorities in ECCU member countries have to take stock of the current situation - understand the magnitude of the Zika outbreak (reported and unreported cases). Member governments have to consider the extent of resources that they have in dealing with it. In some member states that are more dependent on tourism, additional support from the international community may be needed to soften the impact. Further research should be done on its potential short run and long run effects on the tourism industry, as time progresses. It is also important to understand the lifecycle of the virus, since the outbreak will not last forever and the tourism industry, if severely impacted, will return to normalcy.

The electronic media is a powerful tool that can be used to inform the public, tour operators, global airlines and travel agents on local developments with Zika and help reduce fears about it, thereby encouraging travel. Furthermore, ongoing consultation and collaboration between government and private stakeholders in the tourism industry are required in dealing with this issue.

5.0 Appendices

Table 4: Potential Impact of the Zika Virus in Latin America and the Caribbean

	Income foregone		Fiscal revenues foregone	
	USD Mn	% of GDP	USD Mn	% of GDP
Latin America & Caribbean	**3478**	**0.06**	**420**	**0.01**
Largest impacts in USD				
Mexico	744	0.06	80	0.01
Cuba	664	0.86	na	na
Dominican Republic	318	0.50	43	0.07
Brazil	310	0.01	75	0.00
Argentina	229	0.04	72	0.01
Significant impacts, as % of GDP				
Belize	21	1.22	5	0.29
Cuba	664	0.86	na	na
Jamaica	112	0.81	27	0.19
Dominica	4	0.77	1	0.18
Dominican Republic	318	0.50	43	0.07

NB: Several small Caribbean Islands economies are estimated to have impacts in excess of 1 percent of their GDP. These include The Bahamas, Antigua and Barbuda, and The Barbados.

Source: http://pubdocs.worldbank.org/pubdocs/publicdoc/2016/2/410321455758564708/The-short-term-economic-costs-of-Zika-in-LCR-final-doc-autores-feb-18.pdf

Table 5: Responses to Zika by Stakeholders Worldwide

Stakeholder	Responses
Travelers	• Increase in insurance in the event that trip is cancelled. • Wedding and business conference cancellations
Airlines	• Abiding with standards for the use of insecticides for aircrafts • Pregnant customers/travelers could change their booking, delay their journey or choose an alternative destination, all free of charge.
Hotels	• Providing staff and guests with information on Zika. • Placing insect repellents in every room, or having them available for purchase. • Avoiding storing water in outdoor containers to prevent them from becoming mosquito breeding sites. • Covering water tanks or reservoirs so that mosquitoes do not get in. • Avoiding the build-up of garbage that can act as a breeding site for mosquitoes. • Putting garbage in closed plastic bags and keep it in closed containers. • Uncovering and unblocking gutters and drains to release stagnant water. • Installing mosquito screening on windows and doors to help reduce contact between mosquitoes and guests. • Supplying guests with bed nets in areas where the sleeping quarters are exposed to the outdoors.
Cruise Lines	• Added disruption from Zika to the risk factors disclosed to investors in company filings. • Waived cancellation and change fees to customers to destinations with reported cases of Zika • Issued press releases with information on travelling to Zika affected countries.
Research Institutions	• UWI Regional Task Force was commissioned.
Health Organisations	• World Health Organisation (WHO) declared a public health emergency. • WHO organized seven international meetings and published 15 documents with research that should help countries respond to the outbreak of the virus and its neurological effects. • WHO held meetings to examine, among other things, the science; the convention and new tools for mosquito control; and the management of complications related to Zika. • Issuance of travel guidelines and advisories in more than 30 countries in the Caribbean and Latin America from regional and international health agencies like the Caribbean Public Health Agency (CARPHA), Pan American Health Organization (PAHO), WHO and Centers for Disease Control and Prevention (CDC). • CARPHA, PAHO, and CARIOCOM launched the Caribbean Mosquito Awareness Week in May 2016. • Travel advisories issued particularly to pregnant women and those of child bearing age. Also advisories given on safe sex and against fertility. • CARPHA has developed Zika guidelines for travelers, hotels and guesthouses. It developed its laboratory capacity for testing Zika specimens. It also monitors regional and global developments and provides updates for Ministries of Health and other key stakeholders. CARPHA also coordinated meetings of epidemiologists, laboratory directors and chief medical officers from across the region. It also developed a mobile app game in order to educate persons, especially the youth, on the breeding sites of the mosquitoes which spread Zika. • WHO is collaborating with agencies and stakeholders internationally to develop a coordinated effective response. • WHO requested support, financial and otherwise, for member states' to help them respond to Zika and to enable these states to meet their commitments under the International Health Regulations. • CARPHA co-hosted webinars with hotel owners on vector control.
Tourism Organisations	• Monitoring and researching Zika cases • Communicating prevention and control measures to residents and visitors. • Dialogue with stakeholders to provide evidence based information on the effects of the virus. • CTO issued a public service announcement to the media on Zika. • CTO and CHTA prepared a series of Frequently Asked Questions with regard to Zika and travel to the Caribbean. • CTO and CHTA hosted webinars on Zika.
Governments	• Announced state of public health emergency • Sent requests for aid to battle the virus
Other Organisations	• OECS Commission prepared a comprehensive plan that with help to combat Zika. • CARICOM leaders endorsed a course of action to deal with the spread of the mosquito-borne Zika virus and other diseases. Governments were asked to consider the temporary reduction in import tax on items such as insecticide-treated beds and insect repellent for the duration of the epidemic in the region.

Source: Various news articles. Information as at June 2016.

Table 6: The Status, Impact and Responses to Zika in Selected Countries

Country	Minimum Reported Cases	Impact/Threat on Tourism Industry	Responses
Barbados	3	On 2 February the Minister of Tourism was quoted in a local newspaper stating that there had been no known negative effects on tourism arrivals.	• A national awareness campaign • Ministry of Tourism continues to monitor the situation and provide any relevant information that is needed to global airlines, tour operators and travel agents to ensure that they get the most up-to-date advice on Zika. .
Brazil	1.5 million	Potential threat to Rio 2016 Summer Olympic Games but Rio Olympic organising committee has not seen any evidence of people cancelling travel to the Olympics.	• Health agents do house-to-house visits. • Mandatory reporting of cases by local authorities. • Labs equipped to test for the virus.
Costa Rica	1		• Strong monitoring and screening of all entry points to detect travelers who might have symptoms. • Prepared to launch contingency protocol in the event that a traveler has symptoms. • Periodic fumigations at all entry points and parking lots. • Distributing information on the virus at all main arrival points to visitors. • Clean up campaigns at hotels and restaurants.
Cuba	8	Tourism performance was strong in January 2016.	• Epidemiological control and vector related measures.
Jamaica	6		• A multi-ministerial approach geared at streamlining the Government's Zika response efforts in a more strategic, comprehensive and systematic way.
Puerto Rico	117	Several wedding and business conference cancellations.	• Hotels implemented measures to keep the guests safe and worry free. • Spraying, fogging and misting public areas. • Chlorinating and monitoring swimming pools. • Maintain strict and preventive ground keeping practices. • Hotels are provided with welcome kits for all guests who are checking in. These kits provide information on preventing zika; and on the steps the hotel is taking to avoid the spread of zika. • Hotel employees are provided with training on practices to avoid the spread of zika; and on advising guests who are concerned about zika. • Using social media to inform travelers that Puerto Rico is a safe place to visit. • Provided insect repellents free of charge to guests. • Created online site to provide guests and potential visitors with information in regard to the spread of zika in the country. • Barred local blood donations. • Increased monitoring of pregnant women. • Received trained lab workers to allow speedy and cost detection. • Developed temporary lab to breed mosquitoes and find out if they are resistant to certain insecticides. • Crews have rounded up used tires that can collect water, installed window screens at public schools and have fumigated thousands of neighborhoods.

Source: Various news articles. Information as at March 2016.

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