

Eastern Caribbean Central Bank



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The ECCB welcomes your questions and comments on this publication.

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INTERNATIONAL ECONOMIC DEVELOPMENTS

Overview

The global economic recovery continued in the second quarter of 2014, albeit at an uneven pace, with downside risks remaining a concern. In the United States of America, the world's largest economy, real GDP expanded (year-on-year) by 4.0 per cent in the April to June quarter, in contrast to a contraction 2.1 per cent in the first three months of the year. Economic growth in Canada rebounded in the second quarter - the largest quarterly gain in three years, registering an increase of 0.8 per cent, following a marginal expansion of 0.2 per cent in the first quarter. China's economic performance improved in the second quarter, advancing by 2.0 per cent, compared with 1.5 per cent in the previous quarter. The economy of the United Kingdom continued to recover, supported by a strengthening service sector. Growth in the Euro-zone stalled in the second quarter, as contractions in Germany and Italy suppressed output gains in Spain and Netherlands. Japan's GDP contracted, following a blazing performance in the first quarter of the year, when it expanded at the fastest pace in more than two years. Going forward, projections for global growth in 2014 were marked down to 3.4 per cent as

significant risks persist. With expectations of strengthening output growth in a number of advanced economies in the short term, projections for 2015 remain optimistic at 4.0 per cent.

Developments in the Major Economies

Advanced estimates of real GDP in the **USA** for the second quarter show that output grew by 4.2 per cent in the second quarter of 2014. Year-on-year, the economy expanded by 4.0 per cent, well above market expectations of 3.0 per cent, following an abysmal first quarter performance, when the economy shrank by a revised 2.1 per cent. The expansion in real GDP was largely attributed to increased personal expenditure, private inventory investment, exports, non-residential fixed investment, government spending (state and local) and residential fixed investment. Growth in consumer spending, which accounts for more than two-thirds of US economic activity, accelerated at a pace of 2.5 per cent, driven by increased spending on durable manufactured goods and on services. Consumer spending increased at a 1.2 per cent pace in the first quarter of the year, due primarily to weak healthcare spending. The



increase in spending was consistent with developments in the labour market. The unemployment rate declined by 0.2 percentage points in June to 6.1 per cent, while the number of unemployed persons decreased by 325,000 to 9.5m.

Despite the pick-up in consumer spending, US consumers saved more in the second quarter, evidenced by a saving rate of 5.3 per cent, compared with one of 4.9 per cent in the first quarter. This development indicates a rise in incomes, which augurs well for future spending. Corporate profits grew by \$154.9b in the second quarter of the year, compared with growth of \$201.7b in the previous quarter. Consequently, corporate income taxes grew by \$39.7b, following growth of \$66.9b in the first three months. Inventories contributed 1.7 percentage points to GDP growth in the second quarter after shaving off 1.2 percentage points in the first quarter. By contrast, trade was a drag on the economy for a second consecutive quarter, since a boost in domestic demand was satisfied by increased imports. Domestic demand grew by 2.8 per cent, following an increase of 0.7 per cent in the first quarter.

The economy of the **United Kingdom (UK)** continued to recover, as real GDP grew by 0.8

per cent in the second quarter of 2014, following growth of the same magnitude in the first quarter. Based on preliminary estimates, the economy surpassed its peak - first quarter of 2008, by 0.2 per cent. Growth in the second quarter was driven largely by the services sector, which grew by 1.0 per cent and contributed 0.8 percentage points to the overall increase in economic activity. The expansion in the services sector was broad-based, with increases in each of the four major sub-categories – distribution, hotels and restaurants, transport and storage and communication. This performance was supported by an increase of 0.4 per cent in production, which was driven by growth of 4.7 per cent in energy supply. Other positive contributions came from the manufacturing and mining and quarrying sectors, which grew by 0.2 per cent and 0.9 per cent respectively. These increases were partially offset by declines of 2.5 per cent in water and waste management, 0.5 per cent in construction output and 0.2 per cent in agriculture.

The trade balance deficit widened to £2.5b in June from £2.4b in the previous month as a decline in exports outpaced falling imports. Exports of goods fell by 1.6 per cent to \$23.5b, reflecting declines of £0.2b in the export of fuels, £0.2b in the exports of



manufactured goods and £0.2b in the exports of finished manufactures. Imports of goods fell by 0.4 per cent to \$32.9m, reflecting a decline of £0.4b in imports of fuels, particularly oil.

The UK's unemployment rate for April to June 2014 was 6.4 per cent, the lowest since the latter half of 2008. For the April to June period, 30.6m people were employed, which was 167,000 more than the first three months of the year and 820,000 above the corresponding period of 2013. The number of unemployed persons (2.1m) was 132,000 below that of the January to March period and 437,000 less than a year ago.

In the **Euro-zone**, GDP stagnated in the second quarter, compared with the first quarter. Relatively strong performances in Spain and Netherlands were insufficient to offset contractions recorded in Germany and Italy. Spain's economy continued to recover with growth of 0.6 per cent and the economy of Netherlands expanded by 0.5 per cent. For the second consecutive quarter, growth stalled in France, Europe's second largest economy. France's foreign trade balance and changes in inventories, adversely impacted gains realized from an increase in domestic demand. Both

the German and Italian economies contracted by 0.2 per cent in the second quarter. The Euro Area's seasonally-adjusted unemployment rate was 11.5 per cent in June 2014, the lowest rate since September 2012.

In the second quarter of 2014, **China's** economy advanced by 2.0 per cent over the first quarter, after having expanded by a revised 1.5 per cent in the first quarter. Year-on-year, the economy grew by 7.5 per cent in the second quarter, up from growth of 7.4 per cent in the preceding quarter. The improvement is attributed to a series of deliberate stimulus measures announced by the government. These measures included further expansion of the rail network and increased expenditure on public housing construction projects. Although growth in exports rebounded in the second quarter and factory output increased above expectations in June, the economy may require additional stimulus to sustain growth in the latter half of the year. Fixed asset investments grew at an annualized pace of 17.3 per cent in the first half of the year. Retail sales in June rose by 12.4 per cent year-on-year, marginally below growth of 12.5 per cent in May. The unemployment rate remained unchanged at 4.1 per cent in the second quarter.



Chinese trade surplus narrowed to US\$31.6b in June, from US\$35.9b in May, as an increase in imports outpaced growth in exports. Imports grew at an annualized rate of 5.5 per cent to US\$155.2b, rebounding from a decline of 1.6 per cent in May. Growth in imports was largely influenced by increases in purchases from the ASEAN countries (12.5 per cent), Japan (6.6 per cent), Taiwan (14.9 per cent) and Australia (4.8 per cent).

Japan, the world's third-largest economy, shrunk by 6.8 per cent (year-on-year) in the second quarter of 2014, in contrast to an expansion of 6.1 per cent a quarter earlier. On a quarterly basis, the economy contracted by 1.7 per cent in the April to June period, after expanding by a revised 1.5 per cent in the first quarter. Private consumption, which accounts for close to 60.0 per cent of the economy, fell by 5.0 per cent as households cut back on their spending, following a 3.0 percentage point hike in the sales tax. Also contributing to the decline in economic activity were contractions of 10.3 per cent in private residential investment and 2.5 per cent in business investment. These decreases were supported by a decline of 0.2 per cent in the exports of goods and services. The weak economic fundamentals were reflected in a 5.6 per cent fall in imports of goods and services. By contrast, public demand grew by 0.2 per cent

as a decline in public investment was offset by an increase in government consumption.

Canada's economic growth rebounded in the second quarter, with the expansion including improved exports and business expenditure, which signal a complete recovery. GDP increased at an annualized pace of 3.1 per cent in the second quarter and 0.8 per cent on a quarterly basis. The expansion was the largest quarterly gain in three years and was supported by all the major sectors of the economy. Final domestic demand grew by 0.7 per cent after a relatively flat performance in the first quarter. The expansion in final domestic demand was largely driven by higher household final consumption expenditure, which grew by 0.9 per cent, due to increased outlays in goods (1.2 per cent) and services (0.7 per cent). Business gross fixed capital formation grew by 0.8 per cent after two quarters of contraction. Growth in that sector was mainly a result of a 2.9 per cent increase in investment in residential structures. Business inventories declined by \$7.5b (51.7 per cent) from the first quarter, while retail trade inventories fell by \$2.8b. Exports of goods and services rose by 4.2 per cent, in contrast to a 0.2 per cent decline registered in the first quarter. Imports of goods and



services, on the other hand, grew by 2.7 per cent.

In June, the Canadian economy lost 9,400 jobs and the jobless rate rose by 0.1 percentage point to 7.1 per cent, as more people were looking for employment. On an annualized basis, employment increased by 0.4 per cent (72,000), the lowest year-on-year growth since February 2010.

Development in Commodity, Oil and Consumer Prices

Consumer Price Inflation

While growth in domestic demand underscored the firming fundamentals of the economy of the **USA**, price pressures built up, a welcome development for officials who remained concerned about the low rate of inflation. The consumer price index rose by 2.3 per cent in the second quarter, after advancing at a 1.4 per cent pace in the first quarter. Core inflation grew by 2.0 per cent following growth of 1.2 per cent in the prior quarter. Year-on-year, US consumer prices grew by 2.1 per cent in June, influenced by increases of 3.2 per cent and 2.3 per cent in the indices for energy and food, respectively. On a monthly basis, prices increased by 0.3 per cent, compared with growth of 0.4 per

cent in May. The increase in June was largely driven by the gasoline index, which rose by 3.3 per cent. The core index decelerated in June, increasing marginally (0.1 per cent) after a 0.3 per cent rise in May.

Consumer prices in **Canada** rose by 2.4 per cent in June, following an increase of 2.3 per cent in the previous month. Price developments were influenced by upward movements in all major components, primarily the sub-indices for shelter, food and transportation. The cost of shelter increased by 2.9 per cent, as consumers paid more for natural gas, electricity and property taxes. Food prices rose by 2.9 per cent and the transportation index increased by 2.2 per cent. Prices in the **United Kingdom** unexpectedly increased to 1.9 per cent (on an annual basis) in June from 1.5 per cent in the year to March 2014. The largest contribution to the increase in the inflation rate came from clothing and footwear. On a monthly basis, prices increased by 0.6 per cent from May to June, compared with 1.9 per cent in the corresponding period of last year. The main contributor to the monthly increase was from the price of garments, particularly women's clothing. Other smaller upward effects came from the cost of food and non-alcoholic beverages, transport and furniture. These



were partially offset by a relatively small downward contribution from miscellaneous goods and services.

The **Euro-zone** annual rate of inflation was 0.5 per cent in June 2014, unchanged from its position in May. That level remains way below the Central Bank's target of 2.0 per cent. While food prices declined, the services and energy price indices increased. The largest impact came from tobacco, restaurants and cafes and rent, which all increased by 0.1 per cent. By contrast, the negative impacts came from vegetables, telecommunications and fruits, which all declined by 0.1 per cent. Monthly inflation for the area was 0.1 per cent in June.

Annual inflation in **China** eased to a rate of 2.3 per cent, down from 2.5 per cent in May. Food prices increased by 3.7 per cent and non-food prices rose by 1.7 per cent. The largest increase in the price of food was 19.8 per cent recorded for fresh fruit. The government set an inflation rate of about 3.5 per cent for the year 2014. Month-on-month, consumer prices fell by 0.1 per cent during the month of June, in contrast to an increase of the same magnitude during the previous month.

Japan's annual inflation rate eased to 3.6 per cent in June from 3.7 per cent in May. On an annualized basis, the cost of fuel, light and water increased by 8.1 per cent, a slower pace than the 8.9 per cent recorded in May. Cost of furniture and household utensils increased by 5.1 per cent, compared with gains of 5.4 per cent in May. The food sub-index grew by 5.1 per cent, slightly easing from an increase of 5.3 per cent in the previous month. The core inflation slowed marginally to 3.3 per cent in June from 3.4 per cent in May.

Commodity Prices

During the first six months of 2014, commodity prices continued to increase after declining in the previous year. The energy price index grew by 3.3 per cent from the end of the first quarter, and 1.4 per cent from December 2013. The commodity food price index, which includes the prices of cereal, vegetables, oils, meat, seafood, sugar, bananas and oranges, peaked in April at 185.04 and declined in May and June, but remained above quarter one level. By contrast, the commodity industrial inputs price index declined by 2.1 per cent, during the quarter, partly driven by a fall in metal prices.



Oil Prices

Crude oil prices increased on average in the second quarter of 2014. West Texas Intermediate (WTI) a barometer for conditions in the middle part of the USA, averaged US\$103.41 per barrel in quarter two, compared with US\$98.76 per barrel in the first quarter. Brent crude, which broadly reflects global market conditions, averaged US\$109.81 per barrel, an increase of 1.7 per cent from the first quarter. A number of factors contributed to growth in the price of crude oil, including turmoil in Iraq and strong summer gasoline demand in the USA.

Monetary Policy

Monetary policy in the major economies continued to support economic growth. The Federal Open Market Committee (FOMC), the branch of the **US Federal Reserve** that determines the direction of monetary policy, at its 17 - 18 June 2014 meeting indicated that economic activity in the USA was rebounding, supported by improvement in the labour market indicators. The consensus was that the economy had adequate underlying strength to support continued improvement in the labour market and a return of inflation towards the long-run 2.0 per cent target. The Committee's

expectation was that highly accommodative monetary policy would remain appropriate over the next few years to foster progress toward the Federal Reserve's longer-run objectives. Therefore a further measured reduction in the pace of the Committee's asset purchases was appropriate. Beginning July 2014, the FOMC would add to its mortgage-backed securities at a pace of US\$15b per month rather than \$20b per month and would add to its holdings of Treasury securities at a pace of \$20 billion per month rather than \$25b per month.

The FOMC emphasized, inter alia, that its decisions concerning the pace of purchases would be contingent on its outlook for the labour market and inflation. It was agreed that the Committee's target range for the federal funds rate would be maintained and an assessment of the appropriate timing for an increase in that target rate would be done. It is likely that this action continues until conditions in the reserve markets are consistent with federal funds trading in a range from 0.0 to 0.25 per cent. The Committee will closely evaluate upcoming economic and financial developments and persist with its purchasing and other appropriate policy tools, until the outlook for the labour market significantly improves.



The Governing Council of **European Central Bank (ECB)** at its meeting on 5 June 2014 decided to decrease the interest rate on the main refinancing operations of the Euro system, by 10 basis points to 0.15 per cent, effective 11 June 2014. Also the interest rate on marginal lending facility was reduced by 35 basis points to 0.40 per cent and that on deposit facility by 10 basis points to -0.10 per cent. The combination of monetary policy measures decided is expected to lead to a further easing of the monetary policy stance. The ECB reiterated that the monetary operations over the coming months are expected to add to this accommodation and to support bank lending. As these measures work their way through the economy, they are likely to contribute to a return of inflation rates to levels closer to the target rate of 2.0 per cent. Going forward, the ECB will keep its key interest rates at the current levels for an extended period of time, considering the outlook for inflation. The Governing Council remains committed to using unconventional instruments within its mandate, as is deemed necessary to further address risks of too prolonged a period of low inflation.

The **Bank of England** maintained the current stance of monetary policy meant to stimulate economic recovery and expansion. The Bank

of England's Monetary Policy Committee voted to maintain its benchmark rate at 0.5 per cent and the stock of purchased assets financed by the issuance of central bank reserves at £375b throughout the second quarter of the year.

Since monetary easing (quantitative and qualitative) in Japan has been exerting the intended effects, the **Bank of Japan** decided to maintain its policy of conducting money market operations so that the monetary base will increase at an annual pace of about 60 - 70 trillion yen. The intention is to persist as long as necessary until the price stability target of 2.0 per cent is achieved.

The **Bank of Canada** continues to see a gradual strengthening in the fundamental drivers of growth and inflation in the Canadian economy. However, with inflation expected to remain below the target level for a while, the downside risks to inflation remain important, coupled with elevated risks associated with household imbalances. The Bank judges that the balance of these risks remains within the zone for which its present monetary policy is relevant and therefore decided to maintain the target for its overnight rate at 1.0 per cent and will consider



reviewing when the balance of these risks have changed.

The **People's Bank of China**, in the second quarter of 2014, decided to cut its reserve requirement ratio by 2.0 percentage points for rural commercial banks and by 0.5 percentage points for rural credit cooperatives, in a continued effort to stimulate growth in sections of the economy. The intention is to increase support to the agricultural sector, as rural banks will now have more cash for lending.

Prospects

Growth in global output started slowly this year and is projected to end 2014 at a rate of 3.4 per cent from 3.2 per cent in 2013. Leading indicators point to a further strengthening of the global recovery, supported by moderated fiscal consolidation and highly accommodative monetary policy in most advanced economies. It is expected that the momentum will be carried into 2015, with global growth projected at 4.0 per cent.

Growth rebound is underway in the economy of the USA, as temporary factors wane. The US economy grew by 0.9 per cent in the first

half of this year and growth for 2014 as a whole is projected at 1.7 per cent. The overall outturn has been adversely impacted by a muted recovery in investment, however improvement in household balance sheets, low interest rates and the strengthening of the labour market provide some optimism for continued improvement in consumer spending, which drove the rebound in the second quarter.

Economic growth in Canada picked up in the second quarter and was 0.6 percentage points above the 2.5 per cent forecasted by the Bank of Canada. It is expected that the projected strengthening in global demand will lead to continued improvement in the performance of Canada's export and business investment, which will result in a more sustainable growth track. The Bank of Canada projects real GDP growth to average about 2.3 per cent during 2014 to 2016, resulting in full economic capacity by mid-2016.

Growth in the Euro area economies is forecasted to strengthen to 1.1 per cent in 2014 and 1.3 per cent in 2015, albeit uneven, reflecting continued financial fragmentation, impaired balance sheets and challenges in the labour market. As anticipated, output in Japan contracted in the second quarter, but the



economy is expected to gain some momentum in the latter half of 2014. Real GDP is forecasted to grow by 1.6 per cent in 2014 and decelerate to 1.1 per cent in 2015, as the fiscal stimulus unwinds.

In the emerging market and developing economies, growth was revised downwards to 4.6 per cent in 2014, but is expected to strengthen to 5.2 per cent in 2015. Since the Chinese authorities continue to use targeted policy measures to drive growth in the latter part of the year, economic output in China is projected at 7.4 per cent in 2014, marginally below the 7.5 per cent target. Although China's outlook for 2015 is contingent on the target set by the authorities, the IMF projected growth in that economy to moderate to 7.1 per

cent, as it transitions to a more sustainable path.

Downside risks to global projections remain significant. Geopolitical risks have intensified and risks of higher oil prices have increased as a result of developments in the Middle East and Ukraine. Global financial market risks remain relevant, particularly regarding increasing long-term interest rates. In the main advanced economies, risks of medium term stagnation coupled with persistently low inflation, especially in the Euro area, are of concern. In most economies, the need to implement reforms, towards growth sustainability and strengthening growth potential is even more acute.



DOMESTIC ECONOMIC DEVELOPMENTS

Overview

Preliminary data suggest that economic activity at the ECCU level accelerated during the period January to June 2014. Major sectors such as construction, hotels and restaurants, wholesale and retail trade and agriculture, livestock and forestry all recorded an increase in output. By contrast, output in the manufacturing and financial intermediation sectors contracted. The expansion of economic activity was reflective of the improved performance across the ECCU member countries with the exception of Saint Lucia. Prices were estimated to have increased across the Currency Union as most of the member countries showed an acceleration in the pace of inflation. The merchandise trade deficit is estimated to have widened, on account of an increase in import payments. The consolidated accounts of the central governments resulted in a smaller overall fiscal deficit relative to that in the corresponding period of 2013, a result of an increase in current revenue receipts and a decrease in capital expenditure outlays. Notwithstanding the smaller overall deficit position of the central government, the

outstanding debt of the public sector increased. In the banking sector, monetary liabilities (M2) and net foreign assets increased, while domestic credit decreased. Meanwhile, commercial bank liquidity expanded, while the spread between the weighted average interest rates on loans and deposits narrowed.

The global economy appears to be transitioning towards a period of accelerated economic growth, associated with strengthening in advanced economies, as growth moderates somewhat in emerging markets. Among advanced economies however, growth prospects remain uneven with the expansion accelerating in the USA and the UK. The Euro Area which recorded consecutive downturns in 2012 and 2013 is expected to recover during the remainder of 2014. In that regard the economic outlook for the Currency Union for the rest of 2014 is positive. The fiscal performance is likely to result in a smaller overall deficit in line with the performance of the first half of 2014.

Notwithstanding the expected macroeconomic improvements in the region's major tourist



and foreign direct investment source markets, there are still some downside risks. These include possible adverse weather, the potential erosion of global business confidence due to escalating tensions in response to on-going territorial and sectarian disputes and the fiscal and debt overhang which continues to act as a drag on the pace and sustainability of the economic recovery.

Output

Construction, which is one of the major drivers of economic activity in the Currency Union, is estimated to have increased moderately during the first six months of 2014, based on estimates of increased private capital inflows and construction related imports. The up-tick in construction sector activity was led by private sector developments as public construction was somewhat restrained. Private investment flows, especially in the tourism industry have returned, bringing renewed impetus to private non-residential construction activity. In St Kitts and Nevis and Anguilla work continued on a number of high-end tourist accommodations. Private sector residential activity appeared to have increased marginally as evidenced by a 1.8 per cent increase in commercial bank lending for home

construction and renovation. The expansion in this particular type of credit was mixed, with half of the countries recording increases, including Saint Lucia (9.7 per cent), St Vincent and the Grenadines (2.7 per cent), Anguilla (1.0 per cent) and Dominica (0.2 per cent). All other territories recorded declines. In contrast, central government capital expenditure fell by \$101.9m to \$360.9m, in contrast to a \$98.2m increase in the corresponding period of 2013. Public sector construction declined in all of the countries except St Kitts and Nevis and Antigua and Barbuda.

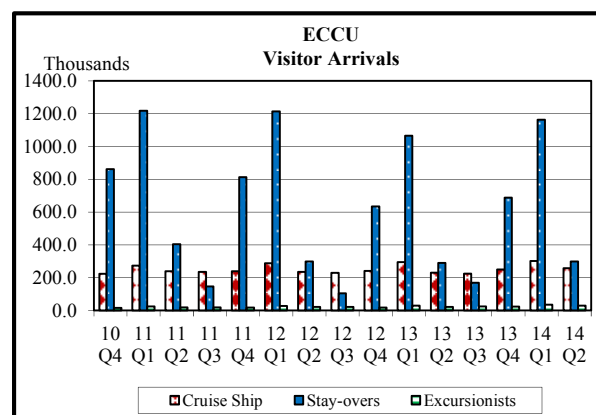
Consistent with higher construction activity, output in the mining and quarrying sector is also estimated to have increased.

Developments in the tourism industry were favourable during the first six months of 2014. Total visitor arrivals rose by 7.8 per cent to 2.2m in contrast to a 7.1 per cent reduction in the same period of 2013. The increase in total visitor arrivals was influenced by positive developments in the stay-over and cruise-visitor categories. The number of stay-over visitors rose by 6.2 per cent to 558,807, compared with a 0.5 per cent increase in the first half of 2013. Stay-over visitor arrivals from the USA, which account for



approximately 42.6 per cent of the total market share, grew by 8.2 per cent, compared to an increase of 2.1 per cent in the corresponding period of 2013. Meanwhile, arrivals from the UK, the region's second largest market, rose by 6.9 per cent in contrast to a 2.9 per cent decline in the corresponding period of 2013. Canadian visitors increased by 6.3 per cent compared with an 11.0 per cent expansion in the first half of 2013. The rise in stay-overs was tempered by 5.0 per cent decline in visitors from the Caribbean, attributable to the high cost of travel in the region. All of the countries recorded an increase in stay-over arrivals except St Vincent and the Grenadines. The performances of stay-overs in the individual countries ranged from a 2.6 per cent increase in Anguilla to a 29.5 per cent increase in Montserrat. Notable increases were also recorded in Saint Lucia, Antigua and Barbuda and Grenada of 5.0 per cent, 6.9 per cent and 13.7 per cent, respectively. Cruise ship passenger arrivals which accounted for 67.2 per cent of total visitor arrivals, rose by 7.9 per cent to 1.5m, in contrast to a 10.5 per cent decline in the first half of 2013. The increase reflected a 1.3 per cent rise in the number of cruise ship calls to 999. The rebound in cruise passenger arrivals was attributable largely to increases for St Kitts and Nevis (16.8 per

cent), Dominica (37.6 per cent), Saint Lucia (5.4 per cent) and Grenada (11.7 per cent). The number of excursionists rose by 23.5 per cent to 65,615, while the number of yacht passengers is estimated to have decreased by 6.2 per cent to 89,252.



Preliminary data indicate that the overall performance of the manufacturing sector in the Currency Union declined, with key manufacturing states recording declines except St Kitts and Nevis and St Vincent and the Grenadines. In Grenada, lower levels of output were recorded for soft drinks (11.0 per cent), beer (6.6 per cent) and rum (25.4 per cent). Declines were also observed for poultry feed and toilet paper of 35.9 per cent and 18.6 per cent respectively. Reductions in the output of soap (15.3 per cent), paints and vanish (0.2 per cent) accounted for the decline in manufacturing output in Dominica. Saint Lucia registered decreases in the output



of metal products, alcoholic beverages and paperboard associated with the decline in banana output. Lower manufacturing output was partially offset by an increase in the output of alcoholic beverages and electronic components in St Kitts and Nevis and the higher production of feeds, rice, flour and beer in St Vincent and the Grenadines.

Value added in the agricultural, livestock and forestry sector is estimated to have increased marginally in the first half of 2014, relative to that of the corresponding period of 2013. The improved performance was led by developments in the non-banana crop sub-sector, as banana output is estimated to have declined due to the effects of the Black Sigatoka disease in Saint Lucia and Dominica. Increases were recorded in the output of nutmeg and cocoa in Grenada, horticulture in Dominica and poultry in Saint Lucia. The improvement in non-banana agricultural output was tempered somewhat by declines in the output from banana by 20.7 per cent to 4,366.2 tonnes compared with a 0.4 per cent decrease in the corresponding period of 2013. Banana output declined in Saint Lucia, Dominica and Grenada by 28.8 per cent, 22.5 per cent and 8.5 per cent respectively. Of the other sub-sectors, increases were recorded in value added for livestock and forestry.

The performances of other major sectors were generally encouraging as activity in wholesale and retail trade and real estate, renting and business activities increased, consistent with the general increase in economic activity. Value added in transport, storage and communications, and public administration, defense and compulsory social security is also estimated to have expanded, while value added by the financial intermediation sector is estimated to have declined.

Prices

Overall, prices in the Currency Union increased as measured by the movement in the consumer price index. The average consumer price index rose by 1.6 per cent in contrast to a 0.1 per cent decrease in the first six months of 2013. The rise in the CPI was influenced by increases in all the major sub-indices except the transportation and communications sub-index. Of the upward movements in the major sub-indices, increases were recorded for fuel and light (4.0 per cent), clothing and footwear (4.0 per cent), housing and utilities (2.0 per cent) and food (1.3 per cent). The personal services, medical care and expenses and alcoholic drink and tobacco sub-indices recorded increases of 2.8 per cent, 0.7 per cent and 0.4 per cent, respectively. The increase in

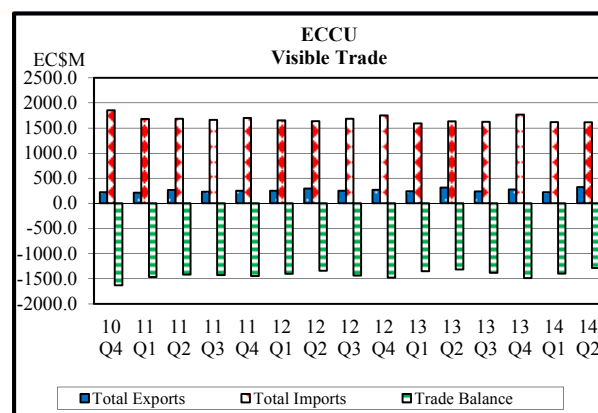


the fuel and light sub-index was mainly driven by a 4.0 per cent rise in the gas, electricity and water sub-index in Montserrat, and the upward movement in the clothing and footwear sub-index reflected an average 8.7 per cent increase in prices for clothing and footwear in Saint Lucia. These increases were moderated somewhat by a decline in the transportation and communications sub-index (0.4 per cent) driven by developments in Anguilla, Saint Lucia, St Kitts and Nevis and St Vincent and the Grenadines where the transport component of the CPI basket fell.

Trade and Payments

Preliminary estimates indicate that the merchandise trade deficit was \$2,684.2m, compared with one of \$2,666.2m during the first half of 2013, largely as a result of a decrease in export receipts coupled with an increase in import payments. Export receipts fell by 1.7 per cent to \$547.6m, in contrast with a 2.0 per cent increase in the first six months of 2013, influenced primarily by a reduction in domestic exports in Saint Lucia and Antigua and Barbuda. The declines were indicative of a fall in the output of banana and weaknesses in the performance of the manufacturing sector. In contrast, import payments rose by 0.3 per cent to \$3,231.8m,

in contrast to a 2.0 per cent decrease in the first six months of the previous year. Higher import payments were reflected larger import payments in Antigua and Barbuda and St Kitts and Nevis, while all other territories recorded a decrease in imports.

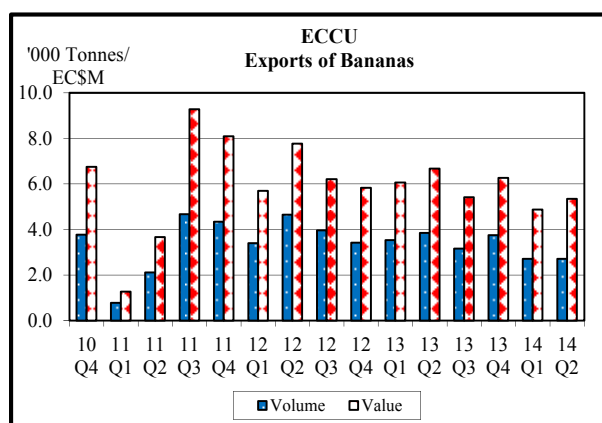


Inflows from gross travel receipts rose by 6.9 per cent to \$1,850.3m, compared with an increase of 1.4 per cent in the first half of 2013. The increase in receipts in the period under review was primarily fuelled by the robust performance in stay-over visitors and cruise passengers to the region in most of the territories, particularly in Saint Lucia, Antigua and Barbuda, Grenada and St Kitts and Nevis.

Commercial banks' external transactions resulted in a net outflow of \$479.5m in short-term capital, compared with a net outflow of \$683.4m in the corresponding period of 2013. Of the other major flows on the capital and



financial account, gross inflows of official grants increased by 2.0 per cent to \$178.0m, reflecting higher inflows to Dominica, Saint Lucia and Grenada, while Montserrat, St Kitts and Nevis and St Vincent and the Grenadines all recorded decreases in official grant flows. Both Anguilla and Antigua and Barbuda were not recipients of official grants during the period under review. Gross external disbursements to the central governments fell by 41.3 per cent to \$162.8m while external loan payments rose to \$132.3m.



Central Government Fiscal Operations

The fiscal operations of the central governments resulted in an improved fiscal position in the first half of 2014 compared with that of the corresponding period in 2013, as reflected in a lower overall deficit and larger primary surplus. The combined overall deficit fell by \$130.1m to \$6.9m while the

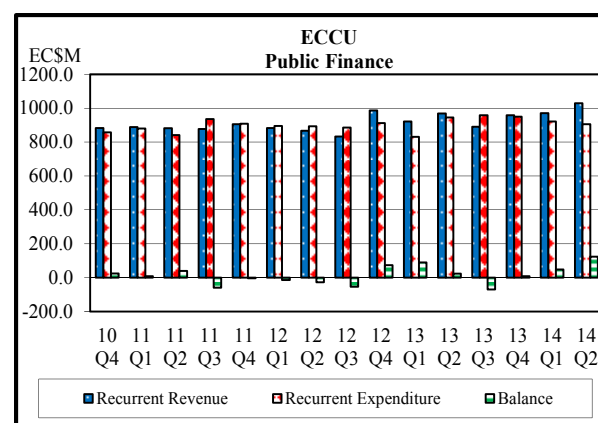
primary surplus balance improved by \$125.1m to \$205.6m. The improvement in the overall deficit was attributed to a lower deficit on the capital account coupled with a larger current account surplus as current revenue outpaced current expenditure. Among the member countries that reported improved fiscal outturns; St Kitts and Nevis and Anguilla recorded overall surpluses, Dominica moved from an overall deficit to a surplus. Saint Lucia, St Vincent and the Grenadines, Grenada and Antigua and Barbuda recorded smaller overall deficits. By way of contrast Montserrat moved from an overall surplus to a deficit.

The central governments generated a surplus of \$173.3m on their current operations compared with one of \$114.0m in the corresponding period of 2013. The larger current account surplus was influenced by a higher rate of increase in current revenue, relative to that for current expenditure. Current revenue rose by 5.8 per cent to \$1,999.7m as a result of a 5.3 per cent (\$84.5m) increase in tax revenue combined with a 2.8 per cent (\$49.5m) rise in non-tax revenue. Higher tax revenue receipts reflected increases in all of the major tax categories. Collections for taxes on domestic goods and services increased by 4.3 per cent largely



attributable to a 4.7 per cent (\$20.6m) rise in the collection of Value Added Tax receipts and a 17.3 per cent (\$18.6m) improvement in the collection of the sales tax. Higher VAT and sales tax receipts is consistent with a general strengthening of yields from transaction based taxes across much of the region, primarily in Antigua and Barbuda. Receipts from stamp duties, the other major sub-category under taxes on domestic goods and services, recorded a 10.0 per cent increase, reflective of an increase in the value of land sales as well as in the accommodation tax consistent with higher stay-over arrivals. Revenue from taxes on international trade and transactions rose by 26.1 per cent, in contrast to a 15.8 per cent decrease in the first half of 2013. Higher yields from taxes on international trade and transactions were sustained largely by a 7.0 per cent (\$13.6m) increase in import duties. Revenue for taxes on income and profits rose by 4.3 per cent influenced by larger receipts of personal income tax (10.5 per cent). Property tax receipts strengthened by 25.2 per cent, in contrast to a 3.6 per cent decrease in the corresponding period of 2013. On a country basis, increases in tax revenue ranged from 3.0 per cent in Antigua and Barbuda to 15.2 per cent in Montserrat, however a decline was recorded in Dominica. The collection of non-

tax revenue receipts grew by 8.0 per cent (\$24.3 m) largely driven by increases in collections from St Kitts and Nevis' Citizenship by Investment (CBI) programme.



Current expenditure increased by 2.8 per cent to \$1,826.5m in contrast to a 0.7 per cent decline in the corresponding period of 2013. Outlays on personal emoluments rose by 6.1 per cent (\$48.6m), compared with an increase of 2.2 per cent in the corresponding period of 2013. Expenditure on personal emoluments rose in all of the territories except Dominica. The most significant increase was recorded in Grenada (18.7 per cent) associated with retroactive salary payments to civil servants. Outlays on transfers and subsidies rose by 4.4 per cent in contrast to an 8.1 per cent decrease in the first half of 2013. The increase in spending on transfers and subsidies occurred throughout most of the Currency Union and was most significant in St Kitts and Nevis



(57.4 per cent). However outlays on transfers and subsidies fell in Antigua and Barbuda and Anguilla by 21.0 per cent and 0.8 per cent respectively. By contrast, interest payments fell by 2.3 per cent (\$5.0m) due to lower domestic interest payments (6.0 per cent), largely reflecting debt restructuring in St Kitts and Nevis. There were also decreases in spending on goods and services of 3.1 per cent (\$11.4m), primarily influenced by reduced outlays in Antigua and Barbuda, Dominica, Grenada and St Kitts and Nevis.

Capital expenditure totaled \$361.2m representing a 22.1 per cent decrease over the corresponding period of 2013. The decline in capital expenditure was largely influenced by reductions in Dominica and Saint Lucia of 56.5 per cent and 22.9 per cent respectively. Other countries registering declines in capital expenditure were St Vincent and the Grenadines, Montserrat, Grenada and Anguilla. By contrast, higher capital expenditure was recorded for St Kitts and Nevis (79.5 per cent) and Antigua and Barbuda (47.7 per cent). Receipts from capital grants rose by 2.0 per cent to \$178.0m, in contrast to a 17.6 per cent decrease in the corresponding period of 2013.

Public Sector Debt

The total stock of disbursed outstanding public sector debt of ECCU member countries rose by 1.7 per cent to \$13,107.1m during the first half of 2014. This increase was attributed mainly to a rise in indebtedness of the central governments as both domestic and external debt increased. Central governments outstanding debt grew by 2.1 per cent to \$11,302.0m, with domestic debt expanding by 3.8 per cent (\$185.1m) largely due to fiscal developments in Antigua and Barbuda and Saint Lucia. Likewise, the external debt of the central governments increased by 0.8 per cent (\$46.5m) largely due to developments in Saint Lucia and the Commonwealth of Dominica. In the rest of the public sector, public corporations indebtedness fell by 0.9 per cent (\$16.8m) to \$1,805.1m, attributable to a \$38.7m decrease in domestic debt while external debt rose by \$21.9m.

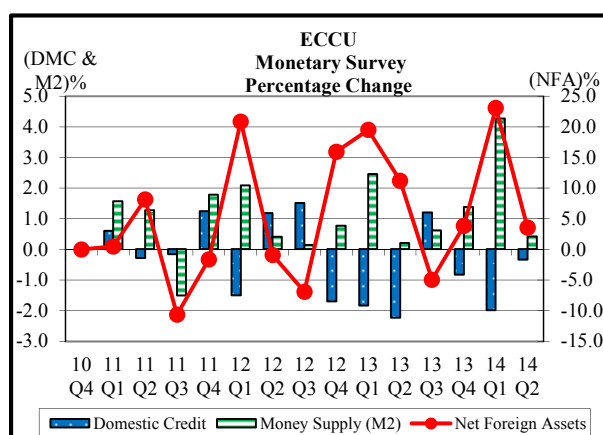
Monetary and Financial Developments

Monetary and Credit

Monetary liabilities (M2) grew by 4.7 per cent to \$14,637.7m, compared with a 2.7 per cent rate of expansion in the corresponding period of 2013. Of the components of M2, both



quasi money and narrow money increased. Quasi money rose by 3.9 per cent (\$437.0m) to \$11,537.2m; compared with growth of 3.5 per cent in the first six months of 2013. The expansion in quasi money was influenced by increases in foreign currency deposits (15.4 per cent) and savings deposits (4.4 per cent). The growth in quasi money was supplemented by a 7.6 per cent (\$220.1m) expansion in narrow money (M1), attributable to an 11.6 per cent increase in demand deposits.



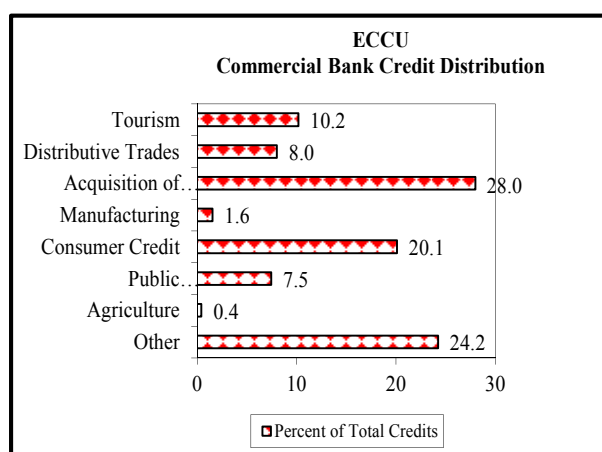
Domestic credit fell by 2.3 per cent to \$11,904.9m during the first six months of 2014 influenced mainly by a reduction in credit to the private sector and an increase in the net deposit position of non-financial public enterprises. Credit to the private sector declined by 1.2 per cent associated with decreases in credit to businesses (2.7 per cent), moderated somewhat by increased lending to households (0.3 per cent). The net deposit

position of non-financial public enterprises grew by 8.0 per cent, primarily influenced by an increase in deposits (4.2 per cent), while credit to those enterprises fell (7.2 per cent). Net credit to the general government rose by 0.2 per cent, largely attributable to increases in credit from commercial banks (1.0 per cent) and the central bank (1.8 per cent), partially offset by higher deposits at commercial banks (0.9 per cent).

An analysis of the distribution of credit by economic activity indicated that credit to the economies of the ECCU fell by 1.2 per cent for the period under review, largely reflecting a decline in credit to tourism, construction and manufacturing, mining and quarrying. Outstanding credit to the tourism industry contracted by 3.7 per cent, credit to construction fell by 2.8 per cent and manufacturing mining and quarrying recorded a 9.0 per cent decrease in outstanding credit. The decline in outstanding credit was tempered by increases in lending to distributive trades (1.1 per cent), and for personal use (0.1 per cent). The increase in lending for personal use, the largest category, was primarily influenced by an increase of 0.4 per cent in lending for the acquisition of property.



Net foreign assets of the banking system rose by 27.4 per cent to \$4,435.7m during the review period, attributable to increases in the net foreign assets of both commercial banks and the ECCB. Commercial banks' net foreign assets position grew by \$479.5m to \$810.9m associated with an increase in assets held abroad. Likewise, the net foreign assets of the ECCB grew by 15.1 per cent to \$3,624.9m, compared with an increase of 6.3 per cent during the first half of 2013.



Liquidity in the commercial banking system improved during the period under review. This assessment is based on a 3.3 percentage points increase to 37.1 per cent in the ratio of liquid assets to total deposits plus liquid liabilities at the end of June 2014. The loans and advances to total deposits ratio decreased by 4.3 percentage points to 72.3 per cent. The weighted average interest rate spread between loans and deposits widened to 6.29 per cent at

the end of June 2014, from 6.09 per cent at the end of December 2013. The weighted average interest rate on loans rose to 8.96 per cent at the end of June 2014 from 8.94 at the end of December 2013 and that on deposits decreased to 2.68 per cent from 2.85 at the end of December 2013.

Developments on the Regional Government Securities Market (RGSM)

Activity on the primary market for government securities fell during the first half of 2014. Gross funds issuance amounted to \$420.5m, a decrease of 6.3 per cent relative to the total in the six months of 2013. This total represented the issuance of twenty-three (23) securities, comprising twenty-two Treasury bills and one bond. The contraction was associated with a reduction in issuance by the governments of St Vincent and the Grenadines and Saint Lucia, which together accounted for twelve of the twenty-three securities issued on the market during the review period.

The value of bonds issued during the first half of 2014 stood at \$28.0m, compared with \$55.0m during the corresponding period in 2013. The Government of St Vincent and the Grenadines issued no long-term bonds in the period under review in contrast to a \$40.0m 10-year bond that was issued in the first half



of 2013. The Government of Saint Lucia, which continues to be the primary issuer of bonds on the market, was partly responsible for the lower performance as a result of a decline in the value of issuances to a \$28.0m 10-year bond in the first half of 2014, compared with issuance of three long-term bonds; \$15.0m 10-year, \$25.0m 6-year and \$12.0m 7-year, totalling \$52.0m in the first six months of 2013. However, this decrease in the issued value of bonds was partly offset by an increase in the value of Treasury bills issued to \$397.0m, from \$357.0m in the corresponding period of 2013. This increase was partly as a result of a rise in issuance by the Governments of Antigua and Barbuda and Grenada.

Data suggest that there was a decrease in investor sentiment in the market, as evidenced by a decline in subscriptions during the period. The bid-to-cover ratio fell to 1.26 from a ratio of 1.45 in the comparable period of 2013, as the value of bids decreased to \$531.7m. The bid-to-cover ratio represents the value of bids received in an auction divided by the value of bids accepted. The higher the demand by investors at the auction, the higher the ratio would be. There were no under-subscriptions during the first six months

of 2014 similar to the outturn in the corresponding period of 2013.

The weighted average interest rate on 91-day Treasury bills increased by 50.0 basis points to 4.05 per cent at the end of June 2014, compared with the weighted average interest rate of 3.55 per cent at the end of June 2013. Yields for 180-day Treasury bills were 6.0 per cent at the end of June 2014 in contrast to no instrument of that tenure being issued in the corresponding period of 2013. Yields for 365-day Treasury bills, rose by 114.0 basis points to 6.50 at the end of June 2014 compared with the corresponding period of 2013.

Trading in the secondary market for government securities rose in the first half of 2014, to \$6.0m from \$5.2m during the first half of 2013.

Prospects

Recent developments in the global economy have resulted in revised estimates for the global economic expansion of 3.4 per cent, compared with initial estimates earlier in the year of a 3.6 per cent increase. The impact of adverse weather on the economy of the USA coupled with a dimmed outlook for emerging economies has tempered the estimates for the



economic expansion in 2014; however, growth projections remain at 4.0 per cent for 2015.

Against this backdrop domestic economic conditions are expected to gradually improve for 2014 based on developments in the first half of the year. These developments are estimated to favourably impact labour markets in the Currency Union as the macro-economy improves and the economic performance steadily converges to pre-crisis trends. Developments in advanced economies are expected to increase the demand for the region's exports of goods and services. Elevated price conditions may complement the increase in economic activity; however, these may be tempered by limited public sector investment associated with constrained fiscal budgets.

Value added in the tourism industry is likely to exceed that of 2013, buoyed by the more positive outlook for the USA and UK economies combined with continued efforts by some jurisdictions through intensified marketing and the securing of additional airlift. The completion of the Sandals resort in Grenada, the imminent reopening of the Maliouhanna Hotel and Spa in Anguilla and commencement in operations of another large

tourism project in St Kitts and Nevis will further diversify the region's tourism plant and increase the attractiveness of the destination.

Output in the construction sector will be driven largely by developments in the private sector as a number of major investment projects get underway and activity on on-going projects intensifies. Foreign direct investment inflows continue to recover, albeit not quite to pre-crisis levels and represent the main stimulus to activity in the sector. However, developments in private sector construction appear to be lopsided, with much of the investment concentrated in a few territories while minimal activity exists in others. Recent announcements of the imminent commencement of a number of large tourism projects, strengthens prospects for the sector. Public sector fixed capital investment is estimated to be subdued constrained by limited fiscal space in most of the territories of the Currency Union. The international airport in St Vincent and the Grenadines remains the most significant public sector project in the region. In light of the foregoing, the prospects for construction activity remain buoyant in 2014.

The aggregate fiscal position is expected to



generate a smaller overall deficit for 2014, buoyed by an expansion in current revenue. The fiscal performance will be underscored by higher current revenue, from both tax and non-tax revenue sources. Central Government capital expenditure is expected to fall below levels recorded in 2013 as regional governments for the most part grapple with tight fiscal budgets, a hangover from the global economic and financial crisis. However, for those countries that have created fiscal space, outlays to enhance the physical infrastructure after years of fiscal restraint during the crisis may increase. Current expenditure is expected to increase albeit at a slower pace than that of revenue as member governments purchase goods and services. Consequently, the overall deficit is expected to decrease on the strength of a higher current account balance and a lower deficit on the capital account.

In the banking sector, monetary liabilities and liquidity are expected to increase as savings deposits grow consistent with increased economic activity. The gradual resolution of issues in the financial system which have adversely impacted the loan arrears situation

and triggered more rigorous underwriting standards by financial institutions is anticipated. Domestic credit growth is expected to remain subdued as the demand for credit remains low and commercial banks maintain higher lending standards. Developments in relation to the net foreign assets of the banking system will be influenced by the extent to which inflows of foreign direct investments, official flows and travel receipts are positively influenced given the improved economic outlook for major trading partner countries.

Downside risks to the economic outlook have abated somewhat as the global economy shows signs of accelerated growth albeit at an uneven pace. Overall, the risks are tilted to the upside with the Currency Union poised to record increased value added in 2014. Notwithstanding the more positive outlook, major downside risks to the economic forecast persist including; the threat of damage by hurricane and/or flooding, rising geo-political tensions over territorial disputes and the associated knock-on impacts on global energy prices to which the region is especially sensitive.



ANGUILLA

Overview

Preliminary data suggest that economic activity expanded in the first half of 2014, compared with the outturn in the comparable period of 2013. This expansion can be attributed to developments in the construction, hotels and restaurants, real estate and renting and business activities and public administration, defence and compulsory social security sectors. Consumer prices decreased by 0.3 per cent on an end-of-period basis. The fiscal operations of the Central Government resulted in a larger overall surplus, compared with that recorded in the corresponding period of 2013, influenced by increases in current revenue collections. Concurrently, total outstanding public sector debt decreased during the review period. On the external accounts a smaller merchandise trade deficit was recorded. In the banking system, monetary liabilities rose, domestic credit fell and the pace at which net foreign assets increased accelerated. Commercial bank liquidity increased and the weighted average interest rate spread between loans and deposits widened.

Economic activity is expected to accelerate further in the second half of the year, premised on further strengthening in the tourism industry, proxied by the hotels and restaurants sector and an uptick in construction activity. An increase in the number of excursionists combined with an improvement in stay-over visitor arrivals will buoy economic activity in the latter half of 2014. Likewise, construction activity is expected to increase and to positively impact the transportation storage and communications; and wholesale and retail trade sectors. An improved outlook for construction is supported by intensified activity associated with the near-completion of refurbishments of a number of hotel properties. In the public sector, enhancement to public infrastructure will be limited to grant funded projects from donor partners; the UK government and the European Development Fund (EDF).

The improvement in real sector activity could be moderated by possible downside risks which include; an uneven global economic recovery due to continued fragility in the labour and housing markets in the USA and diminished global capital and foreign direct investment inflows into the Caribbean region.

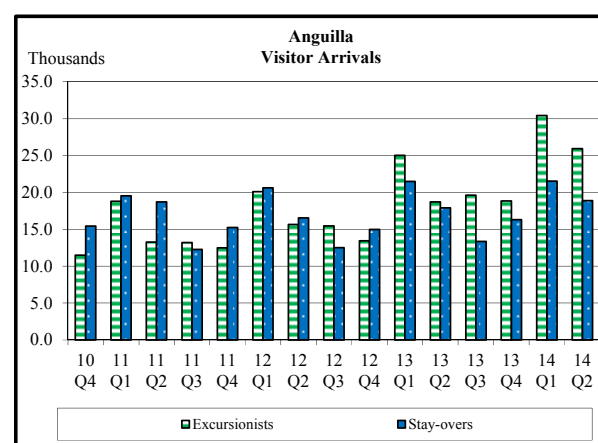


The threat of hurricane damage to the infrastructure presents another major downside risk to the forecast while other emerging risks include geo-political tensions in some oil exporting regions.

Output

Construction activity in the first half of 2014 is estimated to have increased relative to the comparable period of 2013, consistent with higher (\$4.9m) levels of credit to the construction sector. This assessment of construction activity reflected intensified activity in the private sector, moderated somewhat by lower activity in the public sector. In the private sector, construction activity is estimated to have risen relative to the corresponding period of 2013. Ongoing work consisted of completion work on the refurbishment of the Malliouhana Hotel and Spa, intensified construction on the Zemi Beach and Manoah boutique resorts during the review period. Work also accelerated on the Reef and Solaire hotel and villa projects. Higher construction activity would have positively impacted allied sectors including; transport, storage and communications; and real estate, renting and business activities. In the public sector government outlays on capital projects fell constrained by limited

fiscal space and restrictions on borrowing. Notwithstanding the decline in activity, ongoing work consisted of expenditure outlays on the Tax Reform Projects (property tax), the procurement of equipment for the Health Authority, disaster mitigation and recovery and tourism sector development.



The performance of the tourism industry, as proxied by the hotels and restaurants sector, improved based on increases in excursionists and stay-overs. Total visitor arrivals are estimated to have increased by 16.4 per cent to 96,831 in the first half of the year compared with a 14.0 per cent increase in the comparable period of 2013. The performance was fuelled primarily by a 28.8 per cent rise in the number of excursionists to 56,405. Stay-over visitor arrivals are also estimated to have risen by 2.6 per cent to 40,426 led by a near trebling in the number of visitors from Germany coupled with growth in the USA and

Canadian markets of 1.2 per cent and 11.1 per cent respectively. Those improvements were partially mitigated by lower arrivals from the Caribbean (2.0 per cent) and UK (4.4 per cent) markets, in contrast to increases of 4.9 per cent and 7.9 per cent respectively in the corresponding period of 2013. Economic expansion in the USA coupled with intensified marketing in Canada fuelled the performances of these markets. In contrast, the high cost of inter-regional travel adversely impacted the number of Caribbean visitors and limited marketing in the UK constrained the performance of that market.

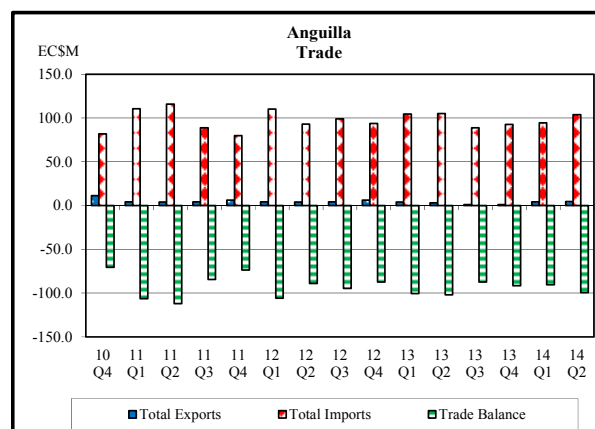
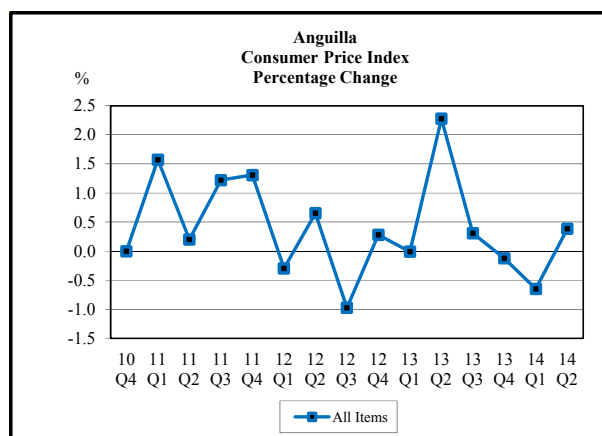
Value added is also estimated to have risen in the real estate, renting and business activities sector associated with an uptick in economic activity in the major source markets in the USA and the UK; increased value added was recorded in public administration, defence and compulsory social security associated with larger outlays for wages and salaries.

In contrast, value added by the financial intermediation sector is estimated to have declined in the first half of the year on account of estimated reductions in the value of loans and advances extended by commercial banks.

Prices

The consumer price index decreased by 0.3 per cent on an end-of-period basis during the first half of 2014, in contrast to an increase of 1.4 per cent in the corresponding period of 2013. The main sub-indices contributing to the decline in prices were transport (1.6 per cent), household furnishings, supplies and maintenance (3.5 per cent), health (2.1 per cent), communication (0.3 per cent) and clothing and footwear (0.7 per cent). Downward price pressure on transport and communications was largely due to lower airfares to New York City and the Dominican Republic. The lower sub-index for household furnishing, supplies and maintenance reflected lower prices for kitchen, dining room and bedroom furniture. A decline in the price of multivitamins influenced the reduction in the health sub-index. The decline in those sub-indices was tempered by increases in the food and non-alcoholic beverages; the recreation and culture and the housing, utilities, gas and fuels sub-indices of 4.8 per cent, 3.2 per cent and 2.8 per cent respectively. The upward movement in food and non-alcoholic beverages largely reflected increases in the price of fruits, meats soft drinks flour and cereals.





Trade and Payments

A merchandise trade deficit of \$189.8m was estimated in the first half of the year compared with one of \$202.4m in the corresponding period of 2013. The narrowing of the deficit was due to an estimated decrease in imports (5.3 per cent), supplemented by a 19.9 per cent increase in exports, largely re-exports. Gross travel receipts are estimated to have increased by 6.1 per cent to \$190.8m in the first six months of the year, in line with growth in stay-over arrivals. The transactions of commercial banks resulted in a net outflow of \$28.2m in short term capital during the review period, compared with an outflow of \$73.2m in the corresponding period of 2013. There were no external disbursements received in the first half of the year and external principal repayments totalled \$3.3m.

Central Government Fiscal Operations

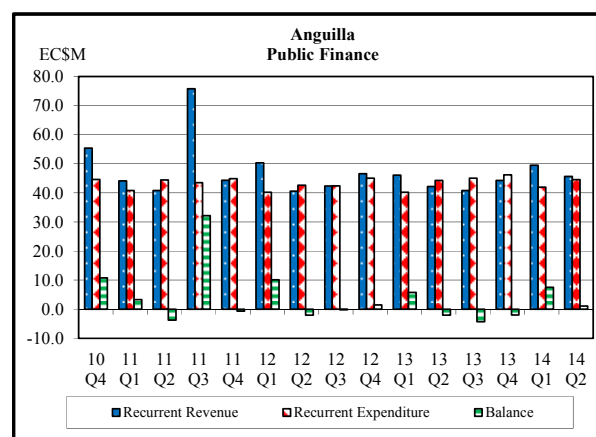
The fiscal operations of the central government resulted in an overall surplus of \$7.3m in the first half of 2014, compared with one of \$0.6m in the corresponding period of 2013. The outturn was largely influenced by an increase in the current account surplus. A primary surplus (after grants) of \$12.0m was recorded in the review period, compared with one of \$4.7m in the corresponding period of the previous year. The current account balance after grants resulted in a surplus of \$8.7m, compared with one of \$3.8m in the first six months of 2013. This outturn reflected faster growth in tax revenue collections relative to an increase in current expenditure outlays.

Current revenue rose by 7.8 per cent (\$6.9 m) to \$95.2m, due in large part to a 6.6 per cent increase in the collection of tax revenues. The

larger intake of tax revenue collections reflected increases in receipts from taxes on property, which more than trebled to \$2.8m, due mainly to strengthened tax administration and the impact of the new property tax module. Receipts from taxes on domestic goods and services rose by 6.3 per cent (\$1.8m) on account of higher receipts from accommodation tax and stamp duty. Accommodation tax collections increased by 34.7 per cent (\$2.8m) as result of an increase in stay-over visitor arrivals and the collection of outstanding accommodation taxes from some tourist accommodation establishments. Higher yields from stamp duty reflected an increase in the value of land sales. Increased collections from taxes on international trade and transactions primarily reflected larger receipts of import duties (\$2.5m), associated with the importation of a higher proportion of used automobiles which attract a higher duty, as a proportion of total imports. The increase in collections from taxes on international trade and transactions was partly moderated by lower embarkation tax receipts which fell by 51.4 per cent (\$1.4m). Higher tax revenue receipts were tempered somewhat by lower yields from taxes on income and profits, which declined by 0.9 per cent (\$0.1m), attributable to a marginal decline in the collection of the interim stabilisation levy.

Non-tax revenue increased by 14.9 per cent (\$1.9m).

Current expenditure rose by 2.4 per cent (\$2.0m) to \$86.5m compared with a 1.9 per cent increase in the first six months of 2013. Outlays on goods and services increased by 8.9 per cent (\$1.6m) and interest payments rose by 11.3 per cent (\$0.5m). Higher interest payments were influenced by increases in both the domestic components (21.1 per cent) and external (7.2 per cent). Higher current expenditure was also supported by an increase in spending on personal emoluments of 0.3 per cent, partly tempered by a decline in outlays on transfers and subsidies of 0.8 per cent.



Capital expenditure declined to \$1.3m in the review period from \$3.3m in the corresponding period of 2013, reflecting a reduction in the implementation of capital



projects consistent with a decline in available financing.

Public Sector Debt

The total disbursed outstanding debt of the public sector was estimated at \$224.9m at the end of June 2014, approximately 2.9 per cent lower than that recorded at the end of 2013. Central government debt accounted for 93.9 per cent of total disbursed outstanding debt and its external debt accounted for 69.7 per cent. The outstanding debt of statutory bodies fell by 7.2 per cent to \$13.8m. The continued reduction in the outstanding debt represents the restricted ability of the Government of Anguilla to incur additional debt.

Money and Credit

Monetary liabilities (M2) expanded by 0.9 per cent to \$1,040.0m in the first half of the year, compared with one of 5.0 per cent in the corresponding period of 2013. The rise in M2 can be attributed mainly to an increase in quasi money. Quasi money increased by 0.8 per cent (\$8.3m) on account of growth in private sector savings (4.2 per cent) and foreign currency deposits (0.6 per cent). Narrow money (M1) rose by 1.8 per cent compared with a 2.9 per cent increase

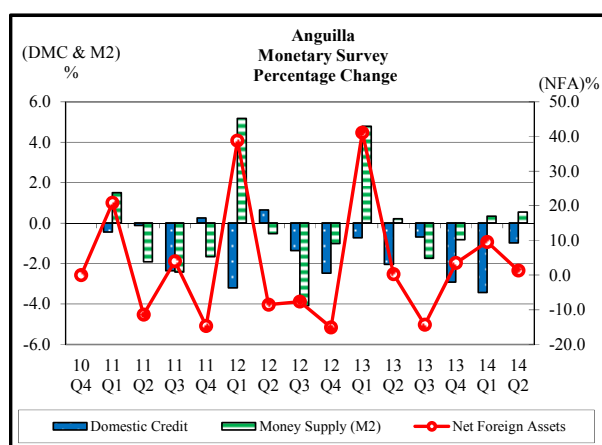
recorded in the same period of 2013. The increase in M1 is mainly attributable to the upward movement in private sector demand deposits (3.1 per cent).

Domestic credit contracted by 4.4 per cent to \$1,006.9m, compared with a decline of 2.8 per cent in the comparable 2013 period. This development was largely attributable to reductions in outstanding credit to the private sector, combined with an increase in the net deposit position of non-financial public enterprises. Private sector credit declined during the review period by 2.3 per cent (\$29.9m) largely due to a 3.6 per cent (\$27.2m) fall in credit extended to businesses, moderated by a 0.2 per cent rise in credit to households. The net deposit position of the Central Government rose by 1.6 per cent (\$1.0m) at the end of June 2013, largely influenced by a \$1.6m decrease in outstanding commercial bank credit. In the rest of the public sector, the net deposit position of non-financial public enterprises increased by 7.7 per cent reflecting growth in their deposits at commercial banks.

An analysis of changes in the distribution of credit across the sectors indicated that the decline in credit for tourism (12.7 per cent) was the largest contributing factor to the



overall contraction in credit extension. Lower credit extended for personal use (1.0 per cent) and manufacturing mining and quarrying (26.9 per cent) and other uses (7.0 per cent) were also observed. These declines were tempered by increases for construction (2.5 per cent), distributive trades (1.6 per cent) and agriculture and fisheries (18.4 per cent).



The net foreign assets of the banking system increased by 11.0 per cent to \$259.6m in the first six months of the year compared to an increase of 41.6 per cent in the corresponding 2013 period. This development is largely as a result of transactions of commercial banks, which increased their external assets held with financial institutions within the Currency Union by 64.2 per cent. Consequently, the net foreign assets position of commercial banks rose by 22.9 per cent (\$28.2m) to \$151.9m. Anguilla's imputed share of the ECCB reserves decreased by 2.2 per cent to \$108.4m.

Liquidity in the commercial banking system improved during the review period, as evidenced by a 2.5 percentage points increase in the ratio of liquid assets to total deposits plus liquid liabilities to 27.9 and a decrease of 4.6 percentage points in the loans and advances to total deposits ratio to 88.8. The weighted average interest rate spread between loans and deposits widened to 6.27 per cent at the end of the first half of the year, from 5.86 per cent at the end of December 2013. The weighted average interest rate on loans rose to 9.31 per cent from 9.17 per cent while that on deposits fell to 3.04 per cent from 3.31 per cent.

Prospects

The global economic expansion remains broadly on track to accelerate further to a 3.4 per cent rate of growth, outpacing the performance in 2013. The expansion in global economic output will be largely buoyed by advanced economies, led primarily by increased activity in the USA (1.7 per cent), recovery in the Euro Area (1.1 per cent) after two consecutive years of economic contraction, and further strengthening in the UK (3.2 per cent). The performance of emerging markets is estimated to lead that of advanced economies but to contribute less to



global growth compared with more recent historical performances.

In the context of both global and domestic developments, the economy of Anguilla is expected to expand further in 2014, following on from the recovery in 2013. An anticipated uptick in economic activity in the latter half of the year is expected to be fuelled mainly by on-going private sector construction activity and improved performance of the tourism industry. Developments in the construction sector will be fuelled by completion work on the refurbishment of the Malliouhana Hotel and Spa as well as ongoing work at the two boutique hotel properties and a condominium resort. In the tourism industry, activity is anticipated to contribute positively to growth, following on from the improvement in arrivals in the first half of the year. This trend is expected to continue, in the absence of mitigating factors in the second half of the year and is projected to positively impact the wholesale and retail trade and real estate, renting and business activities sectors.

The fiscal operations of the Central Government are expected to record a larger overall surplus associated with sustained revenue growth and constrained capital expenditure. Capital expenditure is expected

to fall below outlays in the corresponding period of 2013, as the authorities maintain continued prudence in containing public expenditures. Although grant funding from the UK government is likely to increase, it is not anticipated that funding will be applied to finance a number of public sector investment projects prior to 2015.

On the external accounts the merchandise trade deficit is projected to widen as imports associated with increased activity in the construction and wholesale and retail trade sectors increase. Additionally, consistent with expectations regarding tourist arrivals, gross visitor expenditure is expected to increase relative to earnings in 2013, contingent on the sustained performances of the tourism markets in the USA, Canada and more recently Germany. Foreign direct investment inflows are estimated to moderately increase in 2014.

Downside risks to the projections remain elevated both on the external and domestic fronts. Notwithstanding the improved global outlook, looming geo-political challenges threaten to derail the expansion through the potential adverse impact on crude oil prices and investor confidence. On the domestic front, risks include financial sector challenges attributable to limited possibilities for credit



extension, possible hurricane damage to the infrastructure and the possibility of a protracted capital investment freeze.



ANTIGUA AND BARBUDA

Overview

Economic activity in Antigua and Barbuda is provisionally estimated to have expanded during the first six months of 2014 when compared with the corresponding period of 2013. The increase in activity was buoyed by the hotels and restaurants sector as the number of stay-over tourists increased. Value added in the construction, public administration, defence and compulsory social security, and wholesale and retail trade sectors are estimated to have increased over the corresponding period of 2013. Consumer prices were relatively flat as the rate of inflation increased by 0.4 per cent, on an end of period basis. The fiscal operations of the central government improved as the overall fiscal balance yielded a smaller deficit, due to lower expenditure. Disbursed outstanding public sector debt increased, compared with the level at the end of December 2013. Monetary liabilities and the net foreign assets of the banking system increased as domestic credit fell. Commercial bank liquidity improved and the weighted average interest rate spread widened during the review period.

Economic activity for the remainder of 2014 is forecasted to be above the outturn recorded in 2013. This prospect is predicated on robust performance of stay-over visitor arrivals which is expected to positively impact activity in the hotels and restaurants sector. An uptick in construction activity is expected, supported by the commencement of a number of foreign direct investment construction projects and other construction activities in the public sector. The fiscal position of the central government is projected to weaken as expenditures and debt service payments are expected to trend higher and more than offset expected growth in revenue. Consistent with a forecasted larger deficit, the debt to GDP ratio is also expected to increase. Inflation is forecasted to be around 2.0 per cent for 2014, given the stable outlook for commodity prices.

Downside risks to the economic outlook for Antigua and Barbuda could emanate from geo-political tensions which could negatively affect the global economy through an increase in oil prices and terrorist activity. These developments could potentially derail the global economic growth path and affect the

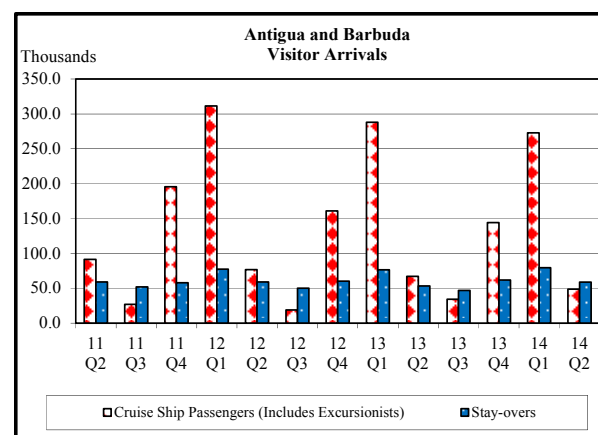


main foreign exchange earning sectors of the economy. In addition the third quarter of the year represents the peak of the Atlantic hurricane season; thus adverse weather conditions could significantly affect economic growth for 2014.

Output

Provisional data for the first half of 2014 point to broad based improvement in economic activity. The improvement in economic activity was primarily attributed to improved value added from the hotels and restaurants sector, driven by increases in the number of stay-over visitors. The number of stay-over visitors rose by 6.9 per cent to 138,317, in contrast to a decline of 5.2 per cent in the first six months of 2013. Visitor arrivals from the largest source markets, the USA and the UK, rose by 10.4 per cent and 9.9 per cent, respectively. The increase in stay-over arrivals from the USA is attributable to increased airlift from that destination, while the Test Cricket match between the West Indies and England was responsible for the rise in UK visitors. In addition, a 16.3 per cent increase in the number of German tourists also supported the increase in stay-over arrivals. By contrast, visitor arrivals from Canada, the third largest source market, declined by 4.7 per cent. In

the cruise industry, the performance was lacklustre as the number of cruise passengers visiting the island fell by 9.5 per cent to 321,467 reflecting a reduced number of cruise ship calls. Yacht passenger arrivals are estimated to have decreased by 13.5 per cent to 17,143 compared with a decline of 2.8 per cent in the first half of 2013, associated with reduction in the number yachts visiting the country.



Available indicators suggest that activity in the construction sector accelerated in the first half of 2014 relative to the corresponding period in 2013. The volume of construction material is estimated to have risen by 7.0 per cent. Likewise, government's capital expenditure rose by \$5.6m attributable to an increase in road construction activity. Other proxy indicators of construction activity such as cement imports rose by 16.8 per cent compared with a 22.3 per cent increase for the first six months of 2013. The positive



movements in those indicators were partly tempered by an estimated slowdown in private residential construction, as the Construct Antigua and Barbuda Initiative expired as well there was a reduction in credit extension for the acquisition of property, which fell by 1.4 per cent in contrast to a 0.9 per cent increase in the corresponding period of 2013.

Activity in the wholesale and retail trade sector is estimated to have increased as the real value of imports rose due to a buoyant tourism season and a recovering economy. An increase in personal emoluments paid by the government precipitated an increase in value added in the public administration and defence; compulsory social security sector.

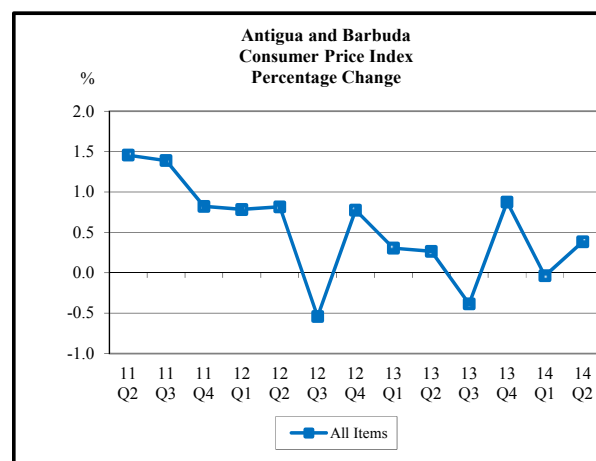
There was a mixed performance in the transport, storage and communications sector as both air and road transport increased while sea transport fell. The increase in air transport was supported by increased number of flights to Antigua and Barbuda, while road transport rose largely relating to road work construction by the government. By contrast, sea transport fell due to a reduced number of cruise ship calls to the country.

A reduction in profitability and negative credit growth at commercial banks led to a decline in

value added in the financial intermediation sector.

Prices

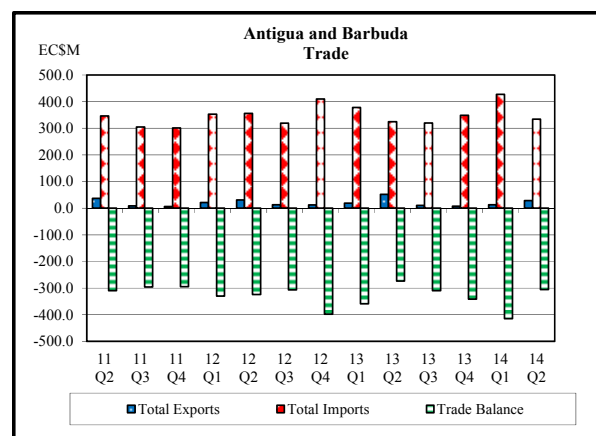
The rate of inflation eased to 0.4 per cent through the first six months of 2014 compared to a 0.6 per cent increase recorded during the corresponding period of 2013. The deceleration in the rate of inflation reflects a reduction in food prices and the cost of household furnishings and supplies. Food prices fell by 0.6 per cent in contrast to an increase of 0.3 per cent during the corresponding period of 2013. Lower food prices are attributable to a reduction in the price of oils. Offsetting the decrease in food and household furnishings and supplies prices were higher prices for alcoholic beverages and tobacco, transport and communications and fuel and light which rose by 3.2 per cent, 0.4 and 2.5 per cent, respectively.



Trade and Payments

Preliminary trade statistics for the first half of 2014 indicate that the trade deficit increased by 13.8 per cent (\$87.3m) to \$720.1m, due to an 8.3 per cent expansion in the value of imports. The rise in imports was most pronounced in the upturn for machinery and transport equipment. The cargo throughput data indicated that the volume of imports rose by 0.2 per cent, reflecting increases in general cargo and motor vehicles which grew by 12.3 per cent and 83.4 per cent respectively. By contrast, the volume of fuel imports fell by 11.6 per cent. The volume of exports fell by 3.3 per cent, attributable to a decline of 6.1 per cent in the export of general cargo.

Gross travel receipts are estimated to have increased by 4.9 per cent to \$484.5m, reflecting the increase in stay-over visitor arrivals. Commercial banks' transactions resulted in a net outflow of \$24.4m in short-term capital compared with one of \$143.6m during the first half of 2013. There was a \$2.2m disbursement in external loans to the central government for the first six months of 2014, while external debt repayment totalled \$37.3m, mostly associated with repayments to the IMF. Consequently, there was a net outflow of \$35.0m compared with a net inflow of \$74.6m in the first half 2013.

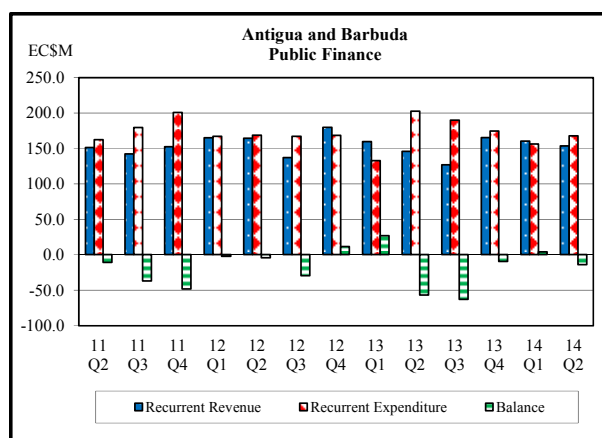


Central Government Fiscal Operations

The fiscal operations of the central government improved in the first half of 2014 relative to the outturn in the corresponding period of 2013. Preliminary data suggest that the overall balance recorded a smaller deficit of \$27.0m compared with one of \$41.3m in the corresponding period last year. A primary surplus of \$9.6m was realised, in contrast to a deficit of \$7.9m in the first half of 2013.

The current account balance recorded a smaller deficit of \$9.9m compared with one of \$30.3m in the corresponding period of 2013. The narrowing of the current account deficit reflected a reduction in current expenditure, which fell by 3.5 per cent to \$324.0m, due to a reduction in transfers and subsidies and pensions. Expenditure on transfers and subsidies declined by 21.0 per cent, attributable to less transfers to State Owned

Enterprises. By contrast, there was a 9.4 per cent increase in expenditure on personal emoluments, reflecting retroactive payments made to nurses and teachers and increased hiring under the new work experience programme by the Government. Capital expenditure in the first half of 2014 rose by \$5.6m on account of increased road and drain construction.



The improvement in the fiscal performance was supported by a 2.8 per cent (\$8.6m) rise in current revenue collections. Tax revenue improved by 3.3 per cent to \$298.9m in contrast to a 7.3 per cent decline in the period January to June 2013. The improved collection of tax revenue was attributable to a 14.7 per cent (\$18.2m) increase in tax receipts on domestic goods and services. The gain in tax receipts on domestic goods and services was on account of an \$18.4m increase in collections on the Antigua and Barbuda Sales

tax (ABST). By contrast, all other sub headings of tax revenues recorded declines. Taxes on income and profits fell by \$7.3m, taxes on international trade and transactions recorded a decrease of \$0.3m and taxes on property fell by \$0.9m.

Total debt service payments fell by \$51.8m to \$90.8m in the first half of 2014 compared with debt service payments of \$142.6m in the first half of 2013. The decrease in debt service payments is largely associated with a 69.0m reduction in domestic debt service obligations while external debt service rose by \$17.2m owing largely to repayment of the SBA loan to the IMF. The overall fiscal deficit was financed primarily through domestic debt; there was an issuance of a \$25.0m private bond placement, a \$10.9m increase in RGSM instruments and a loan from the ECCB.

Public Sector Debt

The total disbursed outstanding debt of the public sector was estimated at \$3,270.1m at the end of June 2014, up from \$3,084.1m at the end of December 2013. The increase in the debt stock was attributable to a \$159.9m increase in central government debt as the government accumulated \$179.8m in new debt from the domestic financial system. This



was mostly due to increased activity on the Regional Government Securities Market (RGSM), as securities outstanding over the period increased by \$21.1m. By contrast the stock of central government external debt fell by \$19.8m to \$1,148.6m. The total debt of the public corporations increased by \$26.2m to \$600.4m, as their external debt stock rose.

Money and Credit

In the banking sector the performance was mixed during the first half of the year, as the money supply increased while credit growth fell. Monetary liabilities (M2) increased by 4.7 per cent to \$3,043.9m during the first six months of 2014, compared with a 4.3 per cent increase during the corresponding period of 2013. The increase in M2 was largely associated with a 3.7 per cent (\$86.1m) expansion in quasi money. Growth in quasi money was driven by an 8.7 per cent and 22.3 per cent increase in private sector savings and foreign deposits, respectively. By contrast, private sector time deposits fell by 7.7 per cent. Narrow money (M1) rose by 8.3 per cent (\$49.4m) due to a 13.0 per cent (\$55.9m) increase in private sector demand.

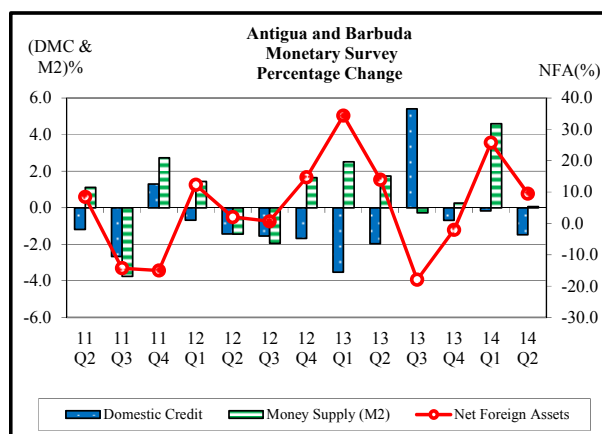
Domestic credit growth fell as banks remain cautious about lending opportunities.

Following a 5.4 per cent decrease during the first half of 2013, domestic credit fell by 1.7 per cent (\$44.3m) to \$2,640.0m at the end of June 2014. Credit to the private sector, which constitutes the bulk of credit to the economy, recorded a 2.3 per cent (\$52.1m) decline. This reduction reflected deleveraging by both households (1.0 per cent) and businesses (3.8 per cent). Net credit to the government decreased by 1.4 per cent (\$7.5m) as the Government continued to reduce its exposure to commercial banks. Commercial banks' net credit to the government fell by 2.5 (\$10.6m) per cent while Central Bank net credit to the government rose by 3.5 per cent largely owing to a short term loan granted in March 2014. In the rest of the public sector, the net deposits position of non-financial public enterprises declined by 14.0 per cent (\$15.2m), on account of an 8.3 per cent (\$23.1m) decrease in their deposits at commercial banks.

The stock of credit extended to the various sectors of the economy fell by 2.3 per cent (\$62.4m), compared with a 2.4 per cent decline recorded during the first quarter of 2013. Outstanding credit for personal use, which constitutes the majority of credit, fell by 1.7 per cent (\$21.1m) attributable largely to a reduction of \$11.6m in credit for the acquisition of property, supported by a decline



of \$9.5m for other personal use. Noted declines in credit allocation were also recorded in construction (\$19.5m) and tourism (\$14.0m). By contrast, credit to the distributive trades sector increased by 3.8 per cent (\$9.7m).



The net foreign asset of the banking system rose by 37.7 per cent to \$770.0m at the end of June 2014 associated with an increase in Antigua and Barbuda's share of the imputed reserves at the Central Bank. Antigua and Barbuda's imputed share of ECCB's reserves rose by 34.1 per cent to \$733.2m. The net foreign asset position of commercial banks increased to \$36.8mm at the end of June 2014, from \$12.4m at the end of December 2013.

Liquidity in the commercial banking system increased as the ratio of liquid assets to total deposits plus liquid liabilities rose by 2.8 percentage points to 50.0 per cent. The loans

and advances to total deposits ratio fell to 73.3 per cent at the end of June 2014, from 78.1 per cent at the end of December 2013.

The interest rate spread between loans and deposits widened to 6.75 percentage points at the end of June 2014, from 6.54 percentage points at the end of December 2013. The weighted average interest rate on loans rose by 0.13 percentage points to 9.60 per cent and that on deposits decreased to 2.85 percentage points from 2.93 percentage points as at the end December 2013.

Prospects

Global growth projections for 2014 is expected to be 2.8 per cent, according to the World Bank Global Economic prospects report, while the IMF in its July 2014 World Economic Outlook (WEO) report forecasted growth of 3.4 per cent. The USA and the UK, Antigua and Barbuda's main trading partners, are expected to grow by 1.7 per cent and 3.2 per cent, respectively according the IMF WEO forecast. Against this expected improvement in the global economy, Antigua and Barbuda economy is forecasted to grow above 2013 levels. Growth in the economy will be driven by increased output from the hotels and restaurants and the construction sectors.



Increased activity in these sectors is expected to boost growth in other ancillary sectors. Commodity prices are expected to remain at their current levels, which would help to keep domestic price inflation in check. Notwithstanding the improvement in economic activity unemployment is expected to decline gradually as the recovery process is still tepid and the economy remains below the pre-crisis era.

Under current policies, fiscal pressures would grow and debt would remain at a high level, as the overall fiscal deficit is forecasted to widen to about 4.0 per cent of GDP by the end of 2014. The government may also face downside risk in financing its activities as revenue growth remains weak. There are also considerable downside risks emanating from large amortization payments during 2014, which will put further pressure on financing. Therefore the authorities will have to consider

implementing fiscal adjustment measures, aimed at reducing the level of discretionary expenditures and improving revenue collections.

While economic activity has begun a process of recovery it's still in its infancy therefore it is expected that credit conditions will remain subdued as banks remain cautious until the recovery becomes firmly on track and employment and income prospects recover.

Overall, downside risks to growth prospects have abated but still loom. The most current down side risk to the outlook are in regard to geopolitical issues in major oil producing regions. These developments could derail the global economic recovery if oil prices rise and terrorist activities increase. In addition, the economic outlook for Antigua and Barbuda could be impacted by a hurricane as the season is well on its way.



DOMINICA

Overview

Preliminary data suggested a mixed economic performance in the first six months of 2014. There was a rebound in tourism; mixed activity in agriculture and manufacturing; and a decline in construction. The consumer price index rose by 0.8 per cent, on an end of period basis. In the external sector, the merchandise trade deficit narrowed mainly resulting from reduced import payments. The central government registered a small overall surplus and the total outstanding public sector debt rose marginally during the review period. In the banking system, monetary liabilities and net foreign assets increased, while domestic credit declined. Commercial bank liquidity rose and the weighted average interest rate spread between loans and deposits decreased.

The prospects for the economy for the remainder of the year are positive. Growth is anticipated premised on expected developments in tourism, education, agriculture, and construction. Growth is also contingent on a rebound in the economies of Dominica's main trading partners, including the USA and the Caribbean. There are risks to

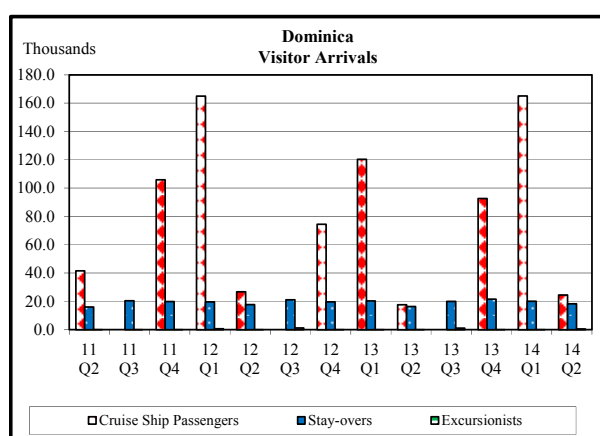
this macroeconomic outlook including those related to adverse weather; slowed pace of implementation of the PSIP; and heightened external geopolitical tensions.

Output

The performance in the tourism industry is estimated to have improved in the first half of 2014 as total visitor arrivals are estimated to have increased by 28.8 per cent to 237,304. Stay-over visitor arrivals rose by 5.1 per cent to 38,463 reflecting greater arrivals from the two largest source markets, the Caribbean (0.9 per cent) and the USA (5.8 per cent). Arrivals from Europe were also up, registering growth of 17.1 per cent in the first half of 2014, compared with a rate of 2.8 per cent in the corresponding period of 2013. These solid performances were supported by increased marketing and additional airlift from Guadeloupe and St Maarten. There was, however, a marginal decline of 0.7 per cent in arrivals from Canada. The hotel occupancy rate was estimated at 62.2 per cent during the first half of 2014, up from a rate of 47.7 per cent in the comparable period of 2013. A rebound was also observed in the cruise ship



segment of the tourism market which registered growth of 37.6 per cent to 189, 716 cruise visitors, in contrast to a decline of 28.1 per cent in the first six months of 2013. A total of 128 cruise ships visited Dominica during the period under review, roughly 26 more than the total recorded in the corresponding period of 2013. This suggests a recovery in the performance of the cruise sub-sector since the end of visits by a major cruise line in November 2010 from which time there was a declining trend in cruise passenger arrivals. Developments in the other visitor categories were lacklustre. Reductions were observed in the number of excursionists (8.4 per cent) and yacht passengers (5.9 per cent). The developments in tourism are estimated to have positively impacted activity in the transport, storage and communications sector.



Total agricultural production remained compromised by the effects of the Black

Sigatoka disease in the banana sub-sector. Output of bananas contracted by 22.5 per cent to 654 tonnes during the first half of 2014, relative to a rate of decline of 48.0 per cent in the corresponding period of 2013. The rate of contraction in banana output seemed to be stabilising amid ongoing public sector measures including the application of the necessary pesticides and cutting down of infected fields to combat the disease. Further efforts to diversify the sector are estimated to have yielded positive results for the production of non-banana crops and livestock. The ongoing horticulture programme coupled with the development of infrastructure such as farm access roads and greenhouses are likely to have contributed to an increase in the production of fruits, vegetables and flowers. Among the other related developments is the public sector support provided to fisher folk in the form of providing boats, engines and fishing gear, which may have boosted fish production.

In the manufacturing sector, there was a gain in beverage production, but there was a fall-off in the output of other major commodities. Beverage production was up by 15.9 per cent, strengthened by an increased presence in external markets. Output of soap fell by 15.3 per cent and that for paints and varnishes



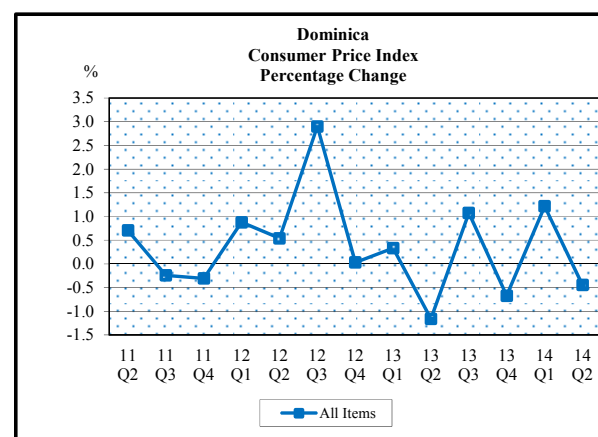
decreased by 0.2 per cent, as the export demand for these commodities declined.

Preliminary construction indicators pointed to a decline in the construction sector. Capital spending, which is a major driver of activity in the sector, is provisionally estimated to have contracted by 56.5 per cent in the period under review. Spending was mostly on road and water supply networks, the geothermal energy initiative, an abattoir for pork and poultry, housing and a coffee plant. There was also rehabilitation work done following the damage caused by the Christmas Eve trough system in December 2013. In the private sector, the number and value of construction starts fell by 12.3 per cent and 10.0 per cent respectively. Additionally, marginal declines were observed in commercial bank credit extended for construction and for private home construction and renovation.

Prices

The consumer price index is estimated to have increased by 0.8 per cent at the end of June 2014, in contrast to a contraction of 0.8 per cent in the comparable period of the previous year. The acceleration in the general price level resulted from increases in all of the sub-indices, with the exception of those for health; communication; education; and hotels and

restaurants which all recorded no change. The housing, utilities, gas and fuels sub-index, the largest weighted, rose by 1.6 per cent, primarily attributed to higher costs for electricity. The transport sub-index, the second largest weighted, was up by 0.6 per cent largely associated with an increase in the cost of operation of personal transport equipment. The food and non-alcoholic beverages sub-index rose by 0.3 per cent, partly resulting from higher prices for meat and fruits. Increases were also observed in the sub-indices for alcoholic beverages, tobacco and narcotics (0.7 per cent), clothing and footwear (0.4 per cent), household furnishings, supplies and maintenance (0.4 per cent), recreation and culture (0.3 per cent).



Trade and Payments

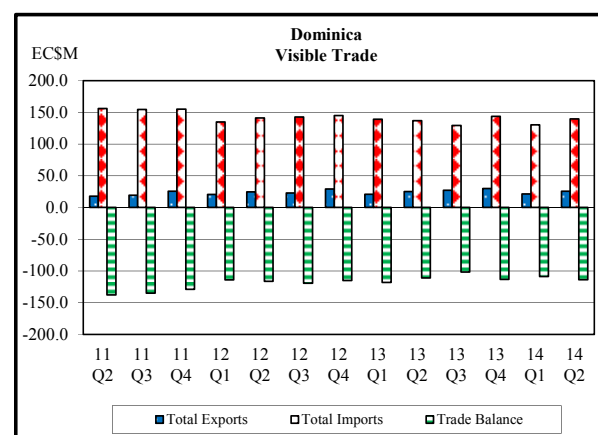
The merchandise trade deficit is estimated to have narrowed by 3.0 per cent to \$222.7m in



the first six months of 2014 largely on account of lower import payments. The value of imports is estimated to have declined by 2.3 per cent to \$269.2m primarily on account of reduced payments for mineral fuels and related materials. The value of total exports is estimated to have increased by 1.4 per cent to \$46.5m, partly associated with larger export receipts for chemicals and related products. Reductions were observed in export revenue from bananas (12.2 per cent), soap (10.1 per cent) and paints and varnishes (9.8 per cent), reflective of the declines in the output of these commodities.

Gross travel receipts expanded by 12.7 per cent to \$117.0, surpassing the levels observed in the corresponding period of the prior two years. This performance mirrored the improvement in stay-over visitors and cruise passenger arrivals. The transactions of commercial banks led to a net outflow of \$45.3m in short term capital. External loan disbursements to the central government amounted to \$29.9m, up from \$13.9m in the first half of 2013, partly associated with public sector projects like the Roseau Melville Hall Road Upgrade, the geothermal initiative and the Disaster Vulnerability Reduction Programme Project. External principal repayments also increased to \$14.7m, from

\$5.3m, partly representing scheduled payments by the central government for debt which was restructured in 2004 and became due.



Central Government Fiscal Operations

Preliminary estimates indicated that the fiscal operations of the central government resulted in an overall surplus of \$3.1m in the first half of 2014, in contrast to a deficit of \$97.4m in the corresponding period of 2013. The outturn was largely influenced by a combined effect of lower capital spending and higher capital grants. A primary surplus of \$16.1m was recorded, a turnaround from the deficit position of \$82.7m in the corresponding period of 2013.

Preliminary data for the capital account indicated that capital spending fell by 56.5 per cent to \$49.9m. Receipts for capital grants

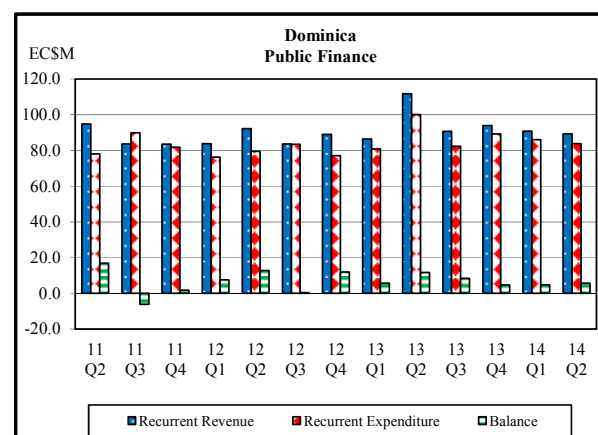


totalled \$42.8m, largely received from multi-lateral institutions.

The current account surplus amounted to \$10.3m, down from one of \$17.3m in the first half of 2013. Fiscal consolidation efforts seem to have yielded a reduction in current outlays, but both tax and non-tax revenue collections remained constrained. Current expenditure fell by 6.1 per cent to \$169.8m, reflecting declines in all sub-categories with the exception of transfers and subsidies. Outlays for personal emoluments decreased by 7.4 per cent (\$5.7m) relative to level in the first half of 2013 when salary increases and retroactive payments were granted to public service workers. Payments for goods and services contracted by 8.1 per cent (\$4.5m), partly the consequence of lower professional and consultancy fees. Interest payments fell by 12.0 per cent (\$1.8m), reflecting lower external interest obligations. Transfers and subsidies rose by 2.6 per cent (\$0.9m), largely associated with increased spending on retirement benefits.

Tax revenue decreased by 0.8 per cent to \$153.2m. Receipts from taxes on international trade and transactions were down by 6.7 per cent (\$1.8m), partly associated with lower revenue from the import duty and

customs service charge. Revenue from taxes on income, profit and capital gains fell by 2.4 per cent (\$0.8m), mainly resulting from lower collections of the personal income tax. Receipts from taxes on property contracted by 3.6 per cent (\$0.1m). The intake from taxes on domestic goods and services was up by 1.5 per cent (\$1.4m) owing, in part, to an uptick in the collections from the value added tax of \$2.8m. Non-tax revenue fell by 38.5 per cent (\$16.8m), primarily attributed to a decline in receipts from its largest sub-category, the Citizenship by Investment Programme.



Public Sector Debt

The disbursed outstanding debt of the public sector totalled \$1,055.1m at the end of June 2014, roughly 0.2 per cent above the total recorded at the end of 2013. The outstanding debt of the central government rose by 0.8 per cent to \$887.7m reflecting disbursements for



infrastructural projects. The outstanding debt of public corporations which amounted to \$167.4m, was down from \$172.3m at the end of 2013, as the corporations made their scheduled amortized payments. A decline of 2.3 per cent was observed in domestic debt, while growth of 1.2 per cent was observed in external debt.

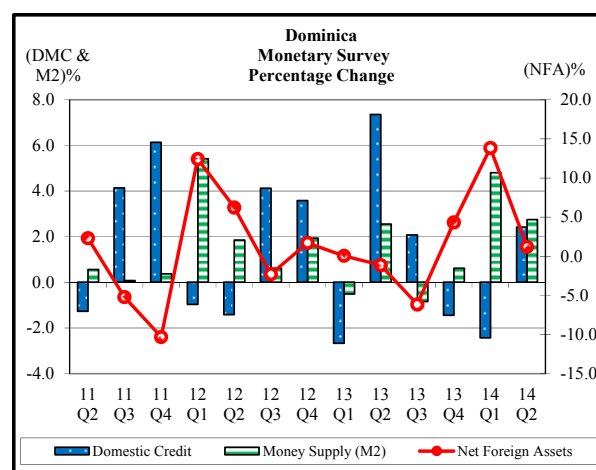
Money and Credit

Broad money (M2) rose by 7.7 per cent to \$1,247.5m during the first half of 2014, compared with growth of 2.0 per cent in the corresponding period of 2013. This outturn mainly resulted from a 7.9 per cent (\$75.1m) rise in quasi money as increases were registered in both private sector savings deposits (\$69.5m) and private sector foreign currency deposits (\$11.2m). M1 grew by 6.5 per cent (\$13.9m), on account of higher private sector demand deposits.

The net foreign assets of the banking system rose by 15.2 per cent to \$608.1m. The net foreign assets of the commercial banks grew by 15.2 per cent relative to the level at the end of December 2013, largely attributed to an expansion in assets held with institutions outside of the currency union. Dominica's

imputed share of the Central Bank's reserves also increased by 15.2 per cent to \$265.4m.

Domestic credit fell by a marginal amount of 0.1 per cent to \$721.9m, influenced largely by developments in the private sector. Credit to the private sector was down by 1.4 per cent as there was reduced lending to both businesses and households. In contrast, credit to the central government rose by 10.3 per cent. A concurrent reduction of 10.8 per cent in central government's deposits in the banking system, led to a central government net credit position of \$71.6m at the end of June 2014, from one of \$53.5m at the end of December 2013. The net deposits of the non-financial public enterprises rose by 6.1 per cent, mainly associated with an increase in deposits. Credit to non-bank financial institutions fell by 31.1 per cent.



There were reductions in credit to most economic sectors with the exception of manufacturing, mining and quarry; and tourism which rose by 4.6 per cent and 1.6 per cent, respectively. Declines were observed in credit for financial institutions (36.9 per cent), agriculture and fisheries (20.1 per cent), entertainment and catering (5.2 per cent), utilities, electricity and water (4.7 per cent), construction (2.4 per cent), professional and other services (2.0 per cent) and personal use (0.2 per cent).

Liquidity in the commercial banking system increased during the review period. The ratio of liquid assets to total deposits plus liquid liabilities rose by 3.4 percentage points to 44.3 per cent at the end of June 2014. The loans and advances to total deposits ratio decreased by 4.1 percentage points to 59.2 per cent. The weighted average interest rate spread between deposit and lending rates fell by 0.04 percentage point to 5.90 per cent at the end of June 2014. The weighted average interest rate on deposits decreased by 0.05 percentage point to 2.97 per cent, and that on loans contracted by 0.08 percentage point to 8.87 per cent.

Prospects

The pace of economic activity is expected to strengthen in the latter half of 2014 resulting in an increase in overall economic activity for the year relative to 2013. Nevertheless, growth in 2014 is likely to remain below the Government's target of 3.0 percent. The improvement in economic conditions is likely to reflect developments in agriculture, construction and tourism. Prospects are for increased agricultural production with improvements in farm infrastructure and increased marketing of agricultural produce. Activity in the construction sector is expected to pick up in the second half of the year, as new infrastructural projects become implemented including those related to rehabilitation from the Christmas Eve Trough of 2013 and those for climate change adaptation. The current development initiatives of the public and private sectors for tourism which includes site development, destination marketing, and hotel development are expected to lead to continued improvements in the performance of the tourism industry in 2014. These developments are likely to have positive spillover effects on the transport, storage and communications sector. In the other sectors of the economy, manufacturing activity is



expected to improve as manufacturers continue to restructure their operations and tap further into external markets. In the area of education, the Government has entered into new arrangements with a private medical school which will be geared at increasing the number of students and expansion of associated facilities. Therefore, in addition to creating value added in the education sector, this will help serve as a boost to the construction sector.

The overall fiscal position of the central government is likely to improve in 2014 – a smaller fiscal deficit is anticipated relative to the level in 2013. This performance is likely to result from higher inflows of grants and lower current expenditure based on on-going fiscal consolidation efforts. Furthermore, tax revenue is anticipated to pick up with improvements in the economy. These expected developments are likely to be partially offset by a reduction in the intake of non-tax revenue; upward revisions to capital expenditure for the first half of 2014 and higher levels of this kind of expenditure in the latter part of this year.

In the external sector, the merchandise trade deficit is likely to remain close to the level observed in 2013. Import payments are likely to rise in the latter half of the year with a more robust pace of activity in sectors such as construction. This would be tempered by higher export receipts from improved manufacturing activity. Gross receipts from travel are likely to increase from increased visitor arrivals.

There are significant downside risks to these projections. If there is no rebound in global growth in the latter half of 2014, then the demand for Dominica's exports of goods and services can be reduced, constraining activity in tourism, manufacturing and agriculture. Slow implementation of the public sector investment programme for the fiscal year 2014/2015 can lead to a lack of robust momentum in the construction sector. Increased geopolitical risks could lead to sharp increases in global oil prices which could translate to higher prices locally. The negative growth effects of adverse weather and plant diseases could be more protracted and stall economic recovery.



GRENADA

Overview

Economic activity in Grenada is estimated to have expanded in the first six months of 2014 relative to the corresponding period of 2013. The expansion was fairly broad-based, driven by developments in several major sectors including agriculture, tourism, education and transport, storage and communications. Consumer prices remained relatively flat with a marginal increase of 0.1 per cent on an end-of-period basis. The central government's fiscal operations resulted in a smaller deficit due to an increase in revenue. The total public sector debt increased, largely influenced by a rise in central government debt. Monetary liabilities and net foreign assets expanded, while domestic credit declined. Commercial bank liquidity rose during the period under review. The commercial banks weighted average interest rate spread between loans and deposits widened.

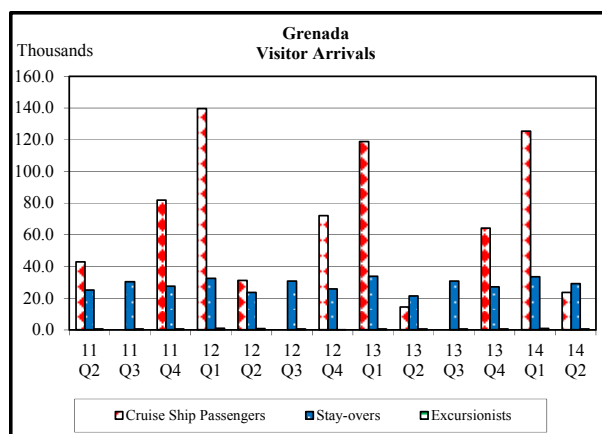
The pace of economic activity is projected to decelerate for the rest of the year as construction activity tapers off. However, positive growth in the agricultural and hotels and restaurants sectors is expected to support the growth momentum in the latter half of

2014. Risks to the prospects remain heavily skewed to the downside in part due to inherent small island economies vulnerabilities which include unfavourable weather conditions and other externalities caused by a global economy which has still not fully recovered from recent recessionary experiences; though the US economy is showing strong signs of consistent growth performance.

Output

Agricultural production expanded in the first half of 2014 compared with the outturn in the corresponding period of 2013, due in part to a combination of favourable weather conditions and an increased in acreage under production. Crop output was particularly robust and among the traditional crops, output of nutmeg and cocoa climbed by 53.7 per cent (128.5 tonnes) and 35.5 per cent (186.3 tonnes) respectively. However, banana production fell by 8.5 per cent to 3,213 tonnes. Output of other crops mainly ground provision, fruits and vegetables, expanded by 79.9 per cent. Meanwhile, fish production is also estimated to have increased.





Activity in the tourism industry expanded largely as a result of robust growth in both stay-over and cruise ship arrivals. The period January to June 2014 marks the first six months of the operation of the Grenada Tourism Authority (GTA) which was converted from the Grenada Board of Tourism early in 2014. The GTA has engaged in a new multi-faceted aggressive marketing strategy which has so far contributed to the improved performance. Total visitor arrivals rose by 12.4 per cent to 214,993, in contrast to a contraction of 17.2 per cent in the first half of 2013 when there was a sizable fall in cruise ship arrivals. The number of stay-over visitors increased by 13.7 per cent to 62,585, a considerable turn-around from a decline of 1.6 per cent in the same period of 2013. An analysis of visitors by market sources indicates an expansion in arrivals from the majority of the main traditional visitor markets, namely the USA (13.6 per cent), the United Kingdom (11.9 per

cent) and Canada (27.7 per cent). Those increases more than offset a 7.8 per cent decline in stay-over visitors from the Caribbean, which continues to suffer from high travel costs. The number of cruise ship and yacht passengers increased by 11.7 per cent to 151,279. The number of cruise ship calls to Port St George's fell to 98 from 100 in the first half of 2013. Meanwhile, the number of excursionists rose by 287 persons to 1,129.

Construction activity decelerated in the first half of 2014, due primarily to a falloff in large private sector projects, following the completion of the Sandals Resort project in late 2013. This deceleration in construction activity was reflected in part by a slower growth in the value of construction material imported; 4.4 per cent in the first six months of 2014 compared to 16.8 per cent in the corresponding period of 2013. The slower pace of private sector residential construction activity was supported in part by the reduction in commercial bank credit for construction related activity. Some construction works were however being undertaken at the St Georges University during the review period, as that institution continues to expand. In the public sector, construction activity declined marginally consistent with the recorded decline in capital expenditure. A

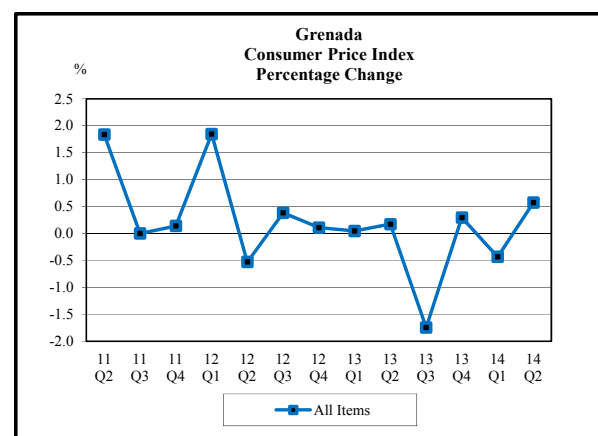
deeper decline in public works was mitigated by activity on the National Athletics Stadium and the maintenance and rehabilitation of roads, schools and other public buildings.

Production in the manufacturing sector is estimated to have declined in the first half of 2014 in contrast to an increase in the corresponding period of 2013. Lower levels of outputs in several major industrially produced goods accounted for the contraction. Accordingly, soft drinks production fell by 11.0 per cent to 118,599 cases, in contrast to an expansion in 2013. Reduced levels of output were also recorded for beer (6.6 per cent), and rum (25.4 per cent), as one major producer was out of operation during the review period. Additionally, declines in output were observed for poultry feed and toilet paper by 35.9 per cent and 18.6 per cent respectively. Mitigating these declines were expansions in the production of stout (37.9 per cent), flour (20.4 per cent) and malt (5.3 per cent), on account of increased demand.

Prices

The consumer price index (CPI) remained relatively unchanged, recording only a marginal uptick of 0.1 per cent during the first six months of 2014, with mixed performances

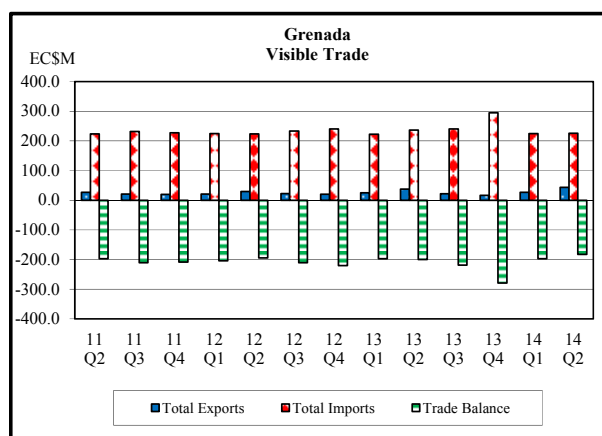
in the sub-indices. Contributing to the slight increase in the CPI were higher prices for transport (1.4 per cent) and for housing, utilities, gas & fuels (0.5 per cent). On the other hand, lower prices for communications (1.9 per cent) tempered the increase in the CPI. The sub-index food & non-alcoholic beverages was relatively unchanged during the review period.



Trade and Payments

A combination of lower imports and higher exports led to a narrowing of the merchandise trade deficit to \$379.6m in the first six months of 2014, below that of \$396.5m recorded in the comparable period of 2013. On the import side, payments contracted by 2.0 per cent (\$9.3m) reflecting a decline in construction-related imports. The value of exports is estimated to have increased by 12.0 per cent (\$7.5m), largely on account of a rise in

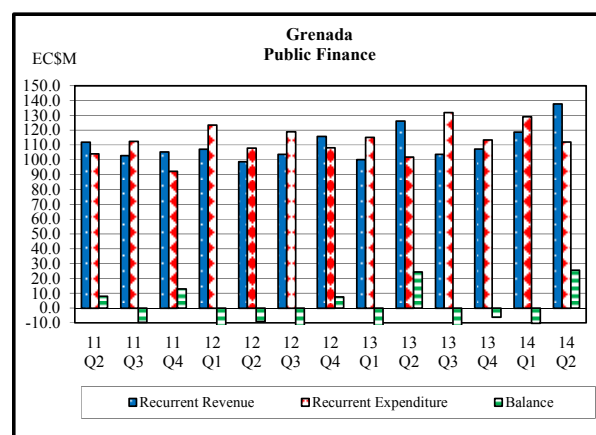
domestic exports. Domestic export earnings expanded by 11.6 per cent to \$58.5m, consistent with the increased output of agricultural products in the period under review. The rise in domestic exports earnings was moderated by a decline in manufactured exports which was largely influenced by a contraction in exports of paper products, animal feed and paints and varnishes.



Gross travel receipts rose by 9.5 per cent to \$178.1m, consistent with the growth in stay-over visitor arrivals. Commercial bank transactions resulted in a net outflow of \$84.1m in short-term capital during the period under review, following a similar net outflow of \$81.7m in the same period of 2013. The central government external loan amortisation declined by 37.1 per cent to \$20.3m, while external disbursements totalled \$13.6m, down from the \$51.8m received in the corresponding period of 2013.

Central Government Fiscal Operations

The central government's fiscal operations resulted in an overall deficit of \$37.4m in the first half of 2014, compared with one of \$51.8m in the corresponding period of 2013. The narrowing of the deficit was a consequence of an increase in total revenue and grants. The deficit was financed mainly from domestic sources. A primary surplus of \$1.0m was realised, a turnaround from the deficit position of \$18.1m recorded in the first half of 2013. The current account surplus totalled \$15.4m, compared with that of \$9.5m recorded in the first six months of 2013, as increased revenue offset the rise in current expenditure.



Current revenue expanded by 13.2 per cent (\$29.8m) associated mainly with higher yield from most major tax types especially taxes on income and profits. Following an income tax



reform enacted in January 2014 which saw the downward adjustment of the tax threshold from \$60,000.00 to \$36,000.00 per annum, receipts from taxes on income and profits have been robust. For the first half of the year the revenue collected from this tax type rose by 46.8 per cent (\$14.5m), relative to the outturn of the corresponding period in 2013. Property tax reforms also led to significant increase in receipts from taxes on property which grew by 47.5 per cent (\$4.7m) during the first half of 2014. The yield from taxes on international trade and transactions grew by 15.4 per cent (\$9.0m), consistent with a positive economic environment. By contrast, collections from taxes on domestic goods and services fell by 3.6 per cent (\$7.9m), associated in part with a 37.2 per cent (\$13.0m) reduction in the collection of license fees. However, as an indication that the domestic economy continues to show signs of positive growth, VAT receipts grew by 11.3 per cent (\$8.7m), mitigating the overall decline in taxes on domestic goods and services. Non-tax revenue almost doubled to \$14.2m, attributable to increased collections from administrative fees and service charges.

Current expenditure rose by 11.1 per cent to \$240.9m, as expenditure on personal emoluments, the largest sub-category,

expanded by 18.7 per cent (\$21.0m), due primarily to retroactive payments to civil servants. Meanwhile spending on interest payments grew by 13.8 per cent (\$4.6m), as government resumed some of its creditor obligations even as good faith negotiations proceed towards a comprehensive public sector debt restructuring. Higher spending on transfers and subsidies, up by 5.6 per cent (\$1.9m), also contributed to the overall increase in current spending. By contrast, outlays on goods and services fell by 9.3 per cent (\$3.4m), due to reduced spending on utilities, fuel and petrol and international travel, as part of a deliberate waste reduction strategy by the government.

Capital expenditure fell by 1.3 per cent to \$80.3m, as spending was limited to road maintenance and repairs of public buildings. Capital grants were higher by 37.2 per cent (\$7.5m) mainly associated with the receipt of funds from Petro Caribe.

Public Sector Debt

The disbursed outstanding debt of the public sector totalled \$2,226.3m at the end of June 2014, roughly 0.5 per cent above the level at the end of December 2013. The outstanding debt of the central government, which



accounted for the marginal increase in public sector debt itself rose slightly by 0.6 per cent to \$2,092.1m, as a result of increases in both the domestic and external debt stocks, by 1.7 per cent (\$11.3m) and 0.1 per cent (\$1.0m) respectively. The outstanding debt of the public corporations is estimated to have decreased by 1.3 per cent to \$134.3m during the first half of 2014.

Money and Credit

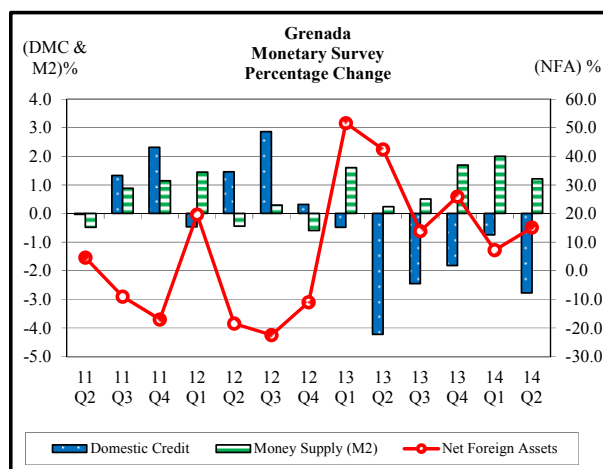
Monetary liabilities (M2) expanded by 3.2 per cent to \$2,001.4m during the first six months of 2014, as both narrow money and quasi money posted increases. Narrow money rose by 12.7 per cent, as a result of a 21.7 per cent increase in private sector demand deposits. Declines in the other sub-categories of M1 mitigated against its increase, as currency with the public by 2.3 per cent and cheques and drafts issued by 33.3 per cent. Quasi money recorded marginal growth of 0.9 per cent, underpinned by a 1.5 per cent increase in private sector savings deposits and 10.0 per cent rise in foreign currency deposits, which together outweighed the 4.2 per cent decline in private sector time deposits.

Net foreign assets increased by 23.4 per cent to \$434.9m, following a more than doubling

of the variable during the first half of 2013. Commercial banks transactions accounted for the increase as their net assets position with institutions abroad grew by 11.0 per cent, and their net asset position in other ECCB territories rose by 36.4 per cent. Meanwhile, Grenada's imputed share of the Central Bank's reserves contracted slightly by 0.5 per cent to \$364.0m.

Domestic credit contracted by 3.5 per cent reflecting a fall in credit extended to the private sector which was partly mitigated by a rise in credit to the central government. Private sector credit fell by 2.3 per cent (\$38.3m), on account of declines in outstanding loans to both businesses (2.4 per cent) and households (2.1 per cent). The net credit position of the central government in the banking system rose by 25.4 per cent (\$13.3m) to \$65.5m, primarily associated with utilization of government deposits and growth in Central Bank credit. Government deposits held in commercial banks declined by 23.4 per cent (\$16.3m) while Central Bank's credit rose by 9.0 per cent (\$1.8m) in order to meet government's operational obligations. In the rest of the public sector, the net deposits of non-financial public enterprises increased by 60.1 per cent (\$34.4m), reflecting an expansion in deposit.





An analysis of credit by economic activity indicates that the decline in credit was broad-based across the vast majority of sectors. Outstanding loans for personal use, the largest debtor group, fell by 2.3 per cent (\$26.8m), largely reflecting a 21.7 per cent contraction in credit for the acquisition and maintenance of property. Among the other sectors, there were declines in credit for construction 16.3 per cent (\$7.9m), consistent with the slowdown in construction activity, transportation and storage 28.3 per cent (\$8.8m), tourism 2.5 per cent and (\$4.1m). Meanwhile, loans for utilities, electricity and water rose by 43.9 per cent (\$7.3m) and that for professional and other services grew by 8.6 per cent (\$9.6m).

Liquidity in the commercial banking system increased during the period under review. The ratio of liquid assets to total deposits plus

liquid liabilities rose by 2.0 percentage points to 32.4 per cent. The loans and advances to total deposits ratio contracted by 4.7 percentage point to 71.9 per cent.

The weighted average interest rate on deposits declined to 2.33 per cent at the end of June 2014 from 2.46 per cent at the end of December 2013. The weighted average interest rate on loans fell to 9.03 per cent from 9.1 per cent. As a result, the interest rate spread between the weighted average deposit and lending rates increased by 0.06 percentage point to 6.7 per cent during the review period.

Prospects

Economic growth in Grenada's economy is projected to decelerate in 2014 relative to 2013, based on expected developments in the second half of the year. The construction sector which accounted for most of the growth in 2013 is expected to be considerably weaker, but tourism activity is expected to strengthen, due in large part to the presence of the Sandals brand, increased marketing effort by the Grenada Tourism Authority and expected increases in airlift to Grenada. Positive economic growth is likely to be supported also by robust performances in the agricultural sector. Agricultural production is expected to



expand, influenced by increased acreage and higher output from traditional crops. Manufacturing output is projected to decline in the face of a weaker economy.

On the central government's fiscal accounts, the overall deficit is projected to narrow in 2014 on account of revenue gains from tax reforms being undertaken as part of the home-grown structural adjustment programme. Additionally, a decline in expenditure mainly associated with reduced outlays for goods and services within the context of expressed policy reforms being pursued by the government of Grenada will also contribute to the smaller overall deficit.

In the external sector, the merchandise trade

deficit is projected to decrease, based on a slow-down in imports consistent with the deceleration in the pace of economic activity and a slight rise exports for the remainder of the year. Gross travel receipts are likely to expand based on the projected continued rise in visitor arrivals for the rest of the year.

Short term downside risks to the projections stems mainly from downward pressures created by the contractionary nature of the structural adjustment programme. Other risks include a slowdown in economic activity in the USA and in other developed countries, as well as unfavourable weather conditions. These can have negative spill-over effects on the domestic economy and dampen growth prospects.



MONTSERRAT

Overview

Preliminary data indicated that economic activity in Montserrat increased in the first half of 2014 compared with the corresponding period in 2013. Some of the sectors driving this improvement were: public administration, defense and compulsory social security; construction; tourism; and agriculture. The consumer price index increased by 0.1 per cent on an end of period basis. The merchandise trade deficit is estimated to have contracted mainly due to lower import payments. The fiscal operations of the central government resulted in an overall deficit, largely associated with lower grant inflows. Total outstanding public sector debt fell during the period under review. In the banking system, monetary liabilities and net foreign assets increased while private sector credit fell. Commercial bank liquidity rose while the weighted average interest rate spread between loans and deposits narrowed.

The outlook for Montserrat in 2014 is positive based on expected improvements particularly in construction and tourism. Growth is also likely to be strengthened by increased activity

in the public administration, defense, and compulsory social security sector. The slight upgrade in the growth forecast of the UK economy is a positive development for the economy in the near term. Downside risks in the economy, however, remain a concern, including those related to adverse weather and the weak pace of implementation of infrastructural projects.

Output

Activity in the public administration, defense and compulsory social security sector, the largest contributor to GDP, is estimated to have increased. The indicators for this sector, the value of personal emoluments and pensions, registered growth of 6.5 per cent and 34.3 per cent, respectively.

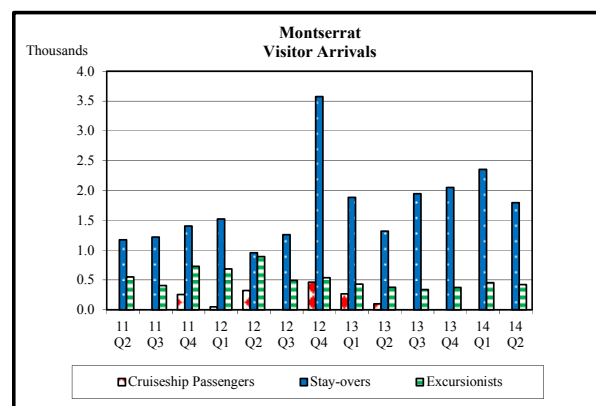
Construction activity is estimated to have increased in the first six months of 2014 compared with that in the corresponding period of 2013. This performance was driven by robust public sector construction whereby work continued apace on a number of projects including the development of Little Bay, road refurbishment, a sports center and port



development. Construction activity in the private sector was lackluster. The value of new construction starts in the residential and commercial sectors fell by \$0.6m to \$2.2m, despite a unit increase in the total volume of these starts to 11. There were declines in commercial bank credit for both construction (8.2 per cent) and home construction and renovation (0.8 per cent).

Value added in the hotels and restaurants sector is estimated to have increased, supported by continued marketing and promotional efforts as well as improvements to access including the introduction of an improved ferry service mainly between Antigua and Montserrat from December 2013. Stay-over arrivals grew by 29.5 per cent to 4,150, reflecting an increase in arrivals from the main source markets. The number of stay-over visitors from the Caribbean, the largest source market, grew by 51.8 per cent to 1,551 and those from the USA rose by 27.6 per cent to 1,021. Stay-over visitor arrivals from Canada and the UK increased by 38.8 per cent and 11.9 per cent, respectively. Of the other categories of visitors, yacht passengers were up by 16.0 per cent to 1,228 while the number of excursionists rose by 8.3 per cent to 876. These developments led to a 15.0 per cent increase in the total number of visitors to

6,254. The improvement in the performance of this sector is estimated to have led to positive spillover effects on the transport, storage and communications sector.



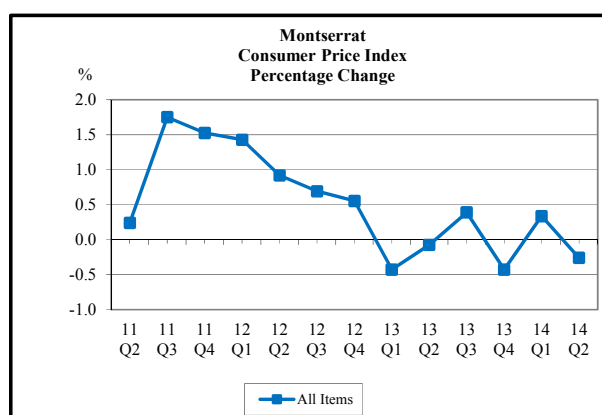
Output in the agricultural sector is estimated to have expanded during the period under review. Preliminary data suggest that the output of livestock rose, led by increased mutton, goat meat and poultry production. The production of crops is also estimated to have risen as weather conditions remained favourable.

Prices

The consumer price index increased by 0.1 per cent during the first half of 2014, in contrast to a decline of 0.5 per cent during the comparative period of 2013. The rise in consumer prices was attributable to increases in some of the highest weighted sub-indices



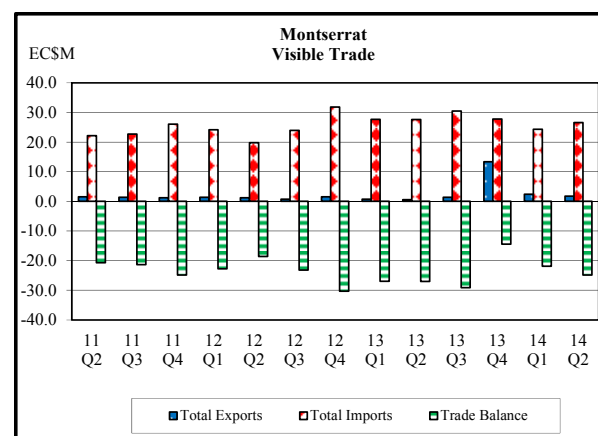
namely, clothing and footwear (0.4 per cent) and services (1.7 per cent). An increase in fuel and liquid petroleum prices contributed to a 4.0 per cent rise in the gas, electricity and water sub-index. In contrast, declines were recorded in the sub-indices for food (0.7 per cent) and household goods (0.5 per cent) while rental prices remained unchanged.



Trade and Payments

The merchandise trade deficit contracted to \$46.8m in the first half of 2014 from \$54.0m in the comparable period of 2013. The contraction of the deficit was mainly due to an 8.1 per cent fall in import payments to \$51.0m, largely associated with a decline in the value of mineral fuels and related materials and, machinery and transport equipment. Moreover, export receipts rose by \$2.8m to \$4.2m reflecting increases in both domestic exports and re-exports.

Gross travel receipts grew by 26.6 per cent to \$11.4m, consistent with the increase in stay-over visitor arrivals. Commercial bank transactions resulted in a net outflow of \$4.7m during the first half of 2014, the same level as in the comparable period of 2013. Total grant inflows fell by 43.2 per cent to \$53.3m, representing decreases in both capital (45.6 per cent) and current (38.5 per cent) grants.

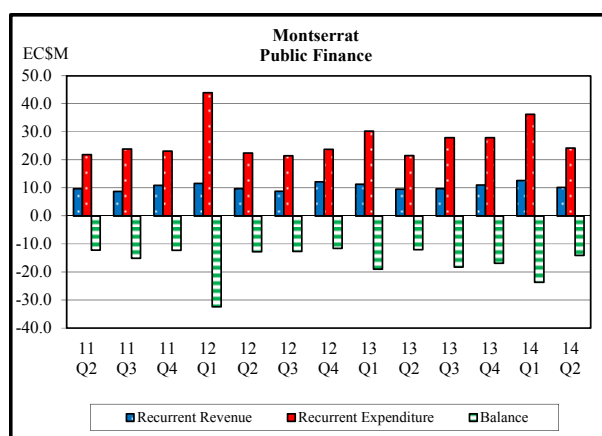


Central Government Fiscal Operations

The central government recorded an overall deficit of \$9.1m on its fiscal account for the first half of 2014, in contrast to a surplus of \$25.8m in the corresponding period of 2013. The current account recorded a deficit of \$18.5m, in contrast to a surplus of \$0.2m in the first six months of 2013, while the primary balance evolved to a deficit of \$9.0m from a surplus of \$25.8m in the corresponding period of 2013. The fiscal outturn was largely



attributable to a 43.2 per cent reduction in budgetary aid to \$53.3m in the first half of 2014, relative to the corresponding period of 2013 when substantial aid was received for the geothermal energy project.



Current expenditure expanded by 16.7 per cent to \$60.5m attributable to increases in personal emoluments and transfers and subsidies. Transfers and subsidies rose by 40.4 per cent (\$7.4m), partly on account of higher pension payments as there were increases in the number of retirements and number of persons eligible for terminal benefits. Outlays on personal emoluments grew by 6.5 per cent to \$22.2m, reflective of a bonus awarded to public servants in March 2014. Meanwhile, spending on goods and services decreased by \$0.1m while interest payments remained unchanged. Capital expenditure contracted by 33.5 per cent to \$24.7m, largely associated with the

completion of some of the initial phases of the geothermal exploration project.

Current revenue increased by 9.2 per cent to \$22.9m, primarily on account of a 15.2 per cent (\$2.7m) expansion in tax revenue. The increase in tax revenue was largely attributable to a 19.4 per cent (\$1.5m) rise in taxes on income and profits, reflecting higher intake from both corporation and personal income taxes. Receipts from taxes on domestic goods and services rose by \$0.6m due to an increase in inflows from licenses and stamp duties. Collections from international trade and transactions rose by \$0.8m mainly on account of greater inflows from import duty. In contrast, taxes on property fell by \$0.1m to \$0.2m. Non-tax revenue contracted by 28.4 per cent to \$2.0m in the period under review.

Public Sector Debt

The stock of outstanding public sector debt is estimated to have declined by 4.6 per cent to \$6.5m at the end of June 2014, relative to the amount at the end of December 2013. The debt of public corporations, which accounted for 77.1 per cent of total public sector debt, declined by 3.7 per cent to \$5.0m. Central government debt also fell by 7.6 per cent to



\$1.5m, due to scheduled amortization payments.

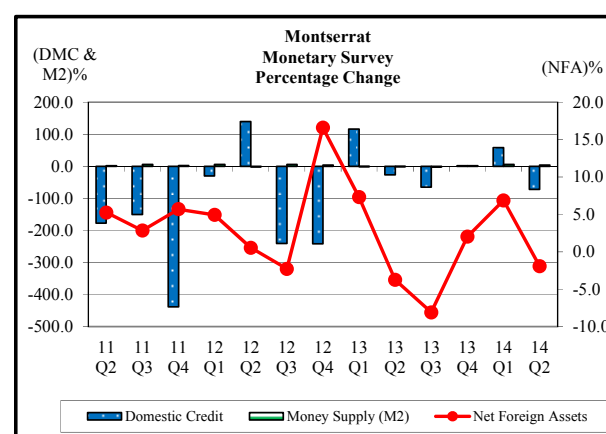
Money and Credit

Monetary liabilities of the banking system (M2) increased by 9.4 per cent to \$235.5m during the first six months of 2014, in contrast to decline of 1.6 per cent during the comparable period in 2013. The growth was mainly due to an increase of 9.5 per cent to \$177.1m in quasi money, driven by higher private sector saving deposits (14.6 per cent). The smaller components of quasi money, private sector foreign currency deposits and private sector time deposits, declined by 21.3 per cent and 0.8 per cent, respectively. There was an 8.9 per cent expansion in narrow money (M1) to \$58.4m. Of the major components of M1, private sector demand deposits grew by 18.7 per cent to \$41.7m while currency with the public fell by 9.7 per cent to \$16.6m.

The net deposit position of commercial banks fell by 55.9 per cent to \$4.3m during the period under review, largely on account of government activity. The net deposit position of the central government declined by 7.1 per cent to \$52.6m, mainly reflecting a lower level of deposits due to decreased grant inflows.

Meanwhile, non-financial public enterprises reduced their deposits with commercial banks by 16.6 per cent. Private sector credit declined by 2.8 per cent during the review period, relative to a 9.3 per cent decrease in the first six months of 2013. There were declines in credit to both businesses (18.6 per cent) and households (0.6 per cent).

There was a decline of 2.2 per cent to \$71.6m in commercial bank outstanding credit. The contraction mainly reflected a reduction in outstanding loans for the distributive trades (35.9 per cent), construction (8.2 per cent), acquisition of property (1.8 per cent) and tourism (1.5 per cent). By contrast, increases in credit were recorded for durable consumer goods (62.9 per cent), manufacturing (14.7 per cent) and other personal uses (8.5 per cent).



The net foreign assets of the banking system rose by 4.8 per cent to \$283.1m during the



period under review compared with an increase of 3.3 per cent during the comparable period in 2013. The expansion was partly driven by a 3.0 per cent increase in the net foreign assets of commercial banks, largely reflecting growth in assets held with institutions outside of the Eastern Caribbean Currency Union. At the same time, Montserrat's imputed share of the Central Bank's reserves rose by 7.6 per cent to \$117.7m, due to an increase in assets.

Liquidity in the commercial banking system rose during the first six months of 2014. The ratio of liquid assets to total deposits plus liquid liabilities increased by 0.7 percentage point to 87.6 per cent. The ratio of loans and advances to total deposits declined to 22.2 per cent from 23.8 per cent at the end of December 2013, consistent with the decline in commercial bank credit.

The weighted average interest rate on deposits rose to 1.89 per cent from 1.83 per cent at the end of 2013, and that on loans fell to 7.97 per cent from 8.02 per cent. Consequently, the weighted average interest rate spread between loans and deposits fell by 11 basis points to 6.08 per cent at the end of June 2014.

Prospects

The overall level of economic activity is expected to increase in 2014 based on developments for the first half of the year and expected developments for the remainder of the year. This growth forecast is driven by an anticipation of continued positive developments in public administration, construction and tourism. Value added in the public administration, defense and compulsory social security sector is likely to increase amid the strengthened focus on infrastructural development which should lead to further employment. In the construction sector, work is expected to intensify on public sector infrastructure such as the power station, housing, road networks, and the hospital.

Tourism activity is expected to continue to improve based on ongoing initiatives to reduce travel costs and bottlenecks; and restructure local organizations to increase their efficiency in tourism and investment promotion. The anticipated improvements in the performance of the tourism industry are likely to have a positive impact on the wholesale and retail trade and transport, storage and communications sectors.



The overall fiscal deficit is projected to widen in 2014 based on the assumptions of increases in current and capital expenditure. Higher expenditure is likely to be partially offset by an increase in current revenue and additional budgetary support provided in the latter half of 2014.

In the external sector, the merchandise trade deficit is expected to narrow. This forecast is premised on an increase in export receipts. Import payments are likely to remain relatively flat as the reduction observed in the first half of the year will be tempered by an expected increase in the latter half of the year when economic activity further intensifies.

Growth and fiscal outcomes are also contingent on the pace at which budgetary aid is received from the UK. The recent signs of economic recovery in the UK are favourable for the near term growth prospects of Montserrat. The International Monetary Fund, in July 2014, upgraded the growth forecast for the UK in 2014 to 3.2 per cent from 2.8 per cent. There are significant downside risks to Montserrat's growth outlook, however, since the economic recovery in the UK is still fragile. Moreover, slow implementation of infrastructural projects and reforms; adverse weather conditions; and heightened volcanic activity can also threaten macroeconomic performance.



ST KITTS AND NEVIS

Overview

Preliminary data point to an expansion in economic activity in St Kitts and Nevis in the first half of 2014 relative to corresponding period in 2013. The increase was led by developments in the construction, hotels and restaurants, transport, storage and communications and manufacturing sectors. Consumer prices increased by 0.2 per cent on an end of period basis. The Federal Government realised an overall surplus from its fiscal operations, although smaller than the surplus of the comparable period in 2013. The total outstanding debt of the public sector declined. In the banking system, monetary liabilities and the net foreign assets rose while domestic credit fell. Commercial bank liquidity increased, and the weighted average interest rate spread between loans and deposits widened.

The economic forecast for the rest of 2014 is for continued expansion led by activities in construction, wholesale and retail trade, transportation and manufacturing. The expectation is for a smaller surplus on the

fiscal accounts. Total revenue is projected to be higher than in 2013 supported once again by Citizenship by Investment (CBI) inflows; but expenditures will be greater as a result of increased spending on capital projects. Downside risks primarily stem from adverse publicity for the CBI programme which could lead to a decline in associated receipts and unfavourable weather systems, given the on-going hurricane season.

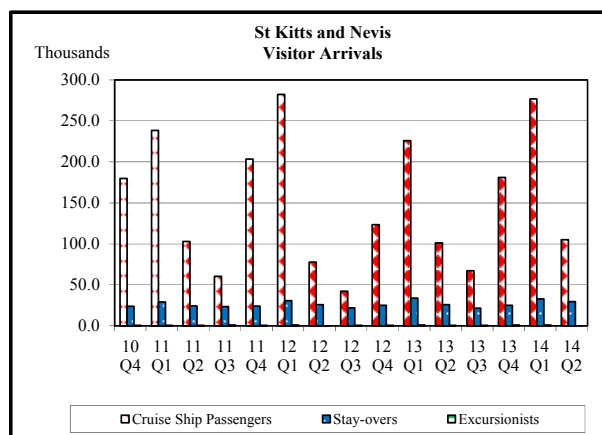
Output

The performance of the construction sector continued to improve as a result of public and sector investments in road infrastructure and private development of high-end, luxury villas and condominiums. Evidence of the growth in the sector is provided by increases of 34.1 per cent and 30.8 per cent in the imports of building materials and cement, respectively. There was also 4.1 per cent increased in commercial bank lending to the sector.

Value added in tourism, proxy by hotels and restaurants is estimated to have increased.



The total number of visitors to St Kitts and Nevis increased by 15.4 per cent to reach 450,560. Stay-over arrivals increased by 4.3 per cent to 62,592. There was growth in all major source markets, led by the United States of America and Canada with increases of 3.0 per and 17.5 per cent, respectively. There was a 16.8 per cent increase in the number of cruise ship passengers, which totalled 382, 274, consistent with a 13.5 increase in the number of ship calls to the ports of the St Kitts and Nevis. The numbers of yacht passengers almost tripled to 3,885 while the number of excursionists fell by 3.0 per cent to 1809.



There was expansion in other key sectors such as the transport, storage and communications sector on account of growth in visitor arrivals, construction and imports and the manufacturing sector which was influenced by a six-fold increase in the

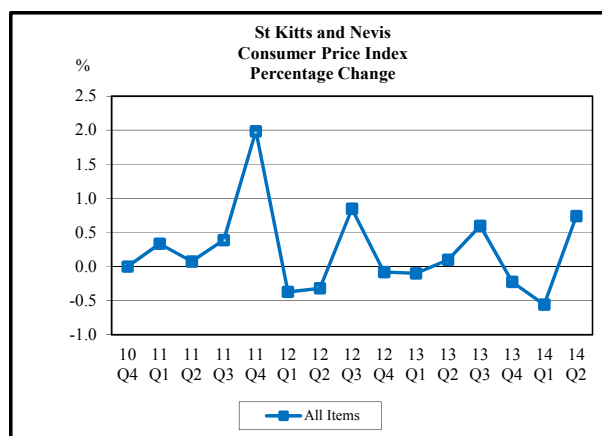
export volume of alcoholic beverages, as well as increases in electronic components.

Overall activity in the agricultural, livestock and forestry sector declined. Crop production fell by 6.7 per cent with total volume estimated at 759.4 kilograms. Livestock production showed a mixed performance. There were increases in pork (21.2 per cent), goat (45.0 per cent) and beef (0.1 per cent). The output of fish increased by 2.9 per cent. By contrast, mutton production declined by 21.8 per cent.

Prices

Prices, as measured by the Consumer Price Index, increased slightly by 0.2 per cent in the first half of the year. The sub-indices that recorded the highest increases were clothing and footwear (2.0 per cent), alcoholic beverages, tobacco and narcotics (1.8 per cent), food and non-alcoholic beverages (1.0 per cent) and household furnishings, supplies and maintenance (0.4 per cent). The price inflation was moderated by declines in the hotels and restaurants (0.8 per cent) and transport (0.7 per cent) sub-indices.



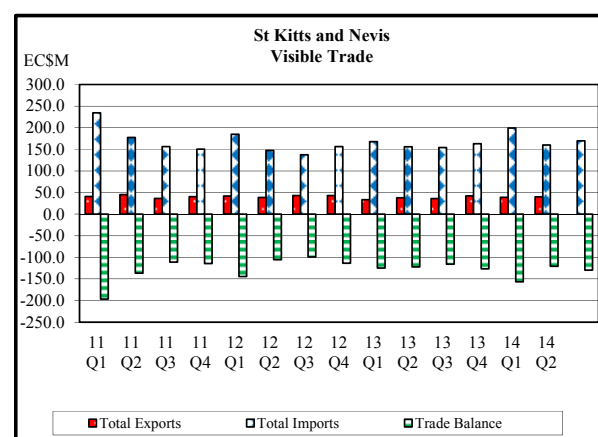


Trade and Payments

The visible trade balance recorded a deficit of \$250.6m in the first half of the year, higher than the \$238.4m deficit in the January-June period in 2013. Imports increased by 6.3 per cent to \$329.6m, mainly driven by increases in value of machinery and transport equipment imported. The value of total exports was \$79.0m compared with \$71.7m recorded in the same period of 2013. Domestic exports grew by 11.4 per cent to \$70.1m and re-exports by 1.9 per cent to \$8.9m. The volume of trade in goods (both exports and imports) expanded by 4.8 per cent to 146,791 tonnes.

Gross travel receipts are estimated to have risen by 8.3 per cent to \$164.7m in the period under review. The transactions of commercial banks resulted in a net outflow

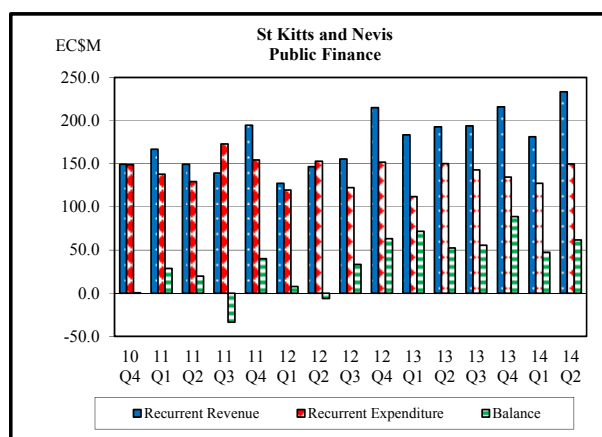
of \$97.4m in short term capital, compared with an outflow of \$118.8m in the corresponding period in 2013. External disbursements received in the six months under review amounted to \$6.5m compared with \$1.3m in the first six months of 2013. External principal repayments totalled \$17.2m compared with \$14.7m in the same period in 2013.



Federal Government Operations

The fiscal operations of the Federal Government resulted in an overall surplus (after grants) of \$109.1m in the first half of 2014, lower than the surplus of \$144.3m in the corresponding period in 2013. Similarly, the primary balance (after grants) declined by 25.6 per cent to \$139.6m. The overall performance was the result of higher levels of expenditure.

Current expenditure rose by 5.9 per cent to \$277.3m, driven primarily by a 57.4 per cent increase (\$22.6m) in transfers and subsidies, which predominantly reflected transfers to local and international institutions. Personal emoluments increased by 7.5 per cent to \$118.3m, mainly as a result of the payment of a 4.0 per cent increase in salaries. Those increases were partly tempered by a 3.5 per cent decline in spending on goods and services to \$66.6m. As a result of the restructuring of the Federation's public sector debt, interest payments fell by 29.8 per cent to \$30.5m.



Capital expenditure increased by 79.5 per cent to \$49.4 m. Major projects included road rehabilitation works and the construction and installation of a new lighting system for the Warner Park Stadium in St Kitts.

Current revenue totalled \$414.9m in the review period compared with \$376.5m in the first half of 2013. Tax revenue grew by 6.5 per cent to \$217.5m, with increases in all the broad categories of taxation: income and profits (20.5 per cent), international trade (7.4 per cent), domestic goods and services (1.4 per cent) and property (4.9 per cent). The intake from the value added tax, which contributes over one-third to total tax revenue, increased by 7.1 per cent (\$4.0m). Non-tax revenue collected amounted to \$197.4m compared with \$172.2m in the same period in 2013. Fees from the Citizenship By Investment programme were the main contributor to this growth in non-tax revenue, increasing by 24.4 per cent to \$158.0m.

At a disaggregated level, the central government realised a surplus of \$108.3m in the first half of 2014, compared with the surplus of \$136.2m in the corresponding period of 2013. The outturn was due to higher expenditures and lower grant receipts.

Current expenditure rose by 5.9 per cent to total \$223.4m due to a 62.4 per cent (\$21.6m) rise in transfers and subsidies expenses and a 7.5 per cent (\$6.2m) increase in outlay for



personal emoluments. The combined effect of a 4.0 per cent increase in salaries and a \$50 addition to the wages of civil servants who earn the minimum wage resulted in the overall increase in personal emoluments. Spending on goods and services fell by 4.0 per cent (\$2.3m) and on interest payments by 36.2 per cent (\$13.0m), the latter reflected the restructuring of the public debt. Capital expenditure was augmented to reach \$44.2m in the review period, compared with the \$23.3m spent in the same period in 2013.

The current revenue of the central government increased by 12.9 per cent to \$357.5m. The main source of the increase was non-tax revenue which rose by 15.5 per cent to \$181.6m. Of the components, the intake from the Citizenship By Investment programme was the main driver as fees collected were \$31.0m more than the \$127.1m collected between January to June 2013. Tax revenue also grew, amounting to \$175.8m compared with \$159.5m in the corresponding period in 2013. The largest increase was in taxes on income and profits (\$8.9m), as corporate tax revenue increased by 33.3 per cent to \$19.1m, reflecting the pick-up in economic activity. The intake from the social service levy was \$17.6m, an improvement of 19.3 per cent on account of

the salary increase granted at the beginning of the year. Tax receipts from domestic goods and services rose by 6.5 per cent to \$87.3m, while the tax yields from taxes on international trade and property grew by 4.1 per cent (\$1.6m) and 7.5 per cent (\$0.5m), respectively. On the other hand, grant receipts fell by 51.5 per cent to \$16.6m.

The fiscal position of the Nevis Island Administration (NIA) weakened in the first half of 2014 as the overall surplus of \$0.8m was smaller than the \$8.1m attained in the corresponding period of the previous year. The current account balance for the period was also smaller, with a surplus of \$3.5m recorded compared with one of \$8.8m in 2013. The weaker performance was the result of higher expenditures and a fall in receipts.

Current expenditure increased by 5.8 per cent to \$53.9m in the period under review. Similar to that of the central government, the largest increase was in transfers and subsidies which rose by 20.9 per cent to \$5.9m. Interest payments on debt increased by 0.7 per cent while expenditures on goods and services fell by 0.8 per cent. Capital expenditure totalled \$5.1m, a 21.0 per cent rise over the amount spent on projects in the



first six months of 2013. As a result of the spending outturns on the current and capital accounts, total expenditure rose by 7.0 per cent to \$59.1m.

Current revenue declined by 4.0 per cent to \$57.4m. There were declines in tax revenue collected on domestic goods and services (13.9 per cent), taxes on income and profits (18.9 per cent) and taxes on property (13.2 per cent). The fall was tempered by a 20.3 per cent (\$2.0m) increase in receipts on international trade and a 4.7 per cent (\$0.7m) increase in non-tax revenue. Grant receipts also decreased, amounting to \$2.5m in the review period compared with \$3.5m in the first half of 2013.

Public Sector Debt

The total disbursed outstanding debt of the public sector of the Federal Government fell by 0.4 per cent to \$2,060.1m in the first half of 2014 compared with \$2,069.1m at end December 2013. The outstanding debt of the central government, which accounted for 77.0 per cent of total debt, fell by 0.5 per cent to \$1,577.5m. The debt of the public sector corporations also declined, falling by 0.3 per cent to \$482.6m. External debt

which represents 39.0 per cent of public sector debt fell by 1.0 per cent to \$799.1m. The decline in the debt principally reflected debt relief through restructuring, successive rounds of which included discounting of the face value of some of the existing debt, extended maturity periods and a debt-for-land swap.

Money and Credit

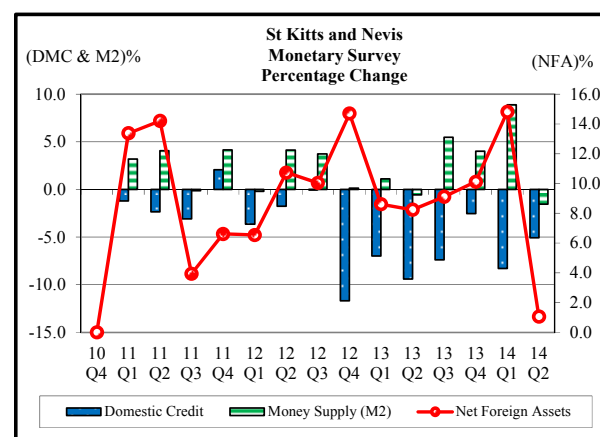
Monetary liabilities (M2) increased by 7.2 per cent to \$2,774.4m in the first six months of 2014, compared with a rate of growth of 0.5 per cent in the corresponding 2013 period. Both narrow money supply (M1) and quasi money components increased by 7.2 per cent to \$558.78m and \$2,215.60 respectively. The outturn in M1 was driven predominantly by private sector demand deposits which rose by 10.0 per cent (\$37.5m). There were also increases in all subcomponents of quasi money, namely foreign currency deposits (15.5 per cent), private sector savings deposits (4.7 per cent), and private sector time deposits (1.9 per cent).

Domestic credit continued to contract, falling by 8.9 per cent in the review period to



\$1,032.3m, compared with a decline of 15.8 per cent in the comparative period of 2013. This decline was influenced primarily by an increase in the net deposit position of both non-financial public enterprises (NFPEs) and general government in addition to lower extension of private sector credit. The net deposit position of NFPEs rose by 9.0 per cent to \$692.2m largely on account of a 6.7 per cent (\$55.5m) increase in their deposits at commercial banks. Credit extended to the private sector fell by 0.3 per cent (\$5.2m) during the review period as a result of lower levels of credit to households (1.3 per cent) and subsidiaries and affiliated financial institutions (0.2 per cent). The credit decline was further exacerbated by a 20.0 per cent increase (\$38.5m) in the net deposit position of the general government to \$231.6m. This development was a result of a 6.8 per cent (\$37.2m) increase in deposits, principally with commercial banks. Meanwhile, credit to general government fell by 0.4 per cent consistent with policy efforts aimed at restricting debt accumulation. The net deposit position of the central government rose by 8.4 per cent on account of a rise in deposits (6.1 per cent), while the net credit position of the Nevis Island Administration (NIA) declined by 2.6 per cent as a result of lower borrowings.

In terms of the distribution of credit by economic sectors, there were declines in lending for acquisition of property (0.2 per cent), durable consumer goods (3.5 per cent), other personal loans (2.4 per cent), other services (6.6 per cent) and manufacturing (40.1 per cent). These were moderated by increased financial support for construction (4.1 per cent), distributive trades (10.6 per cent), tourism (19.1 per cent) and agriculture and fisheries (1.5 per cent).



The net foreign assets of the banking system grew by 13.7 per cent (\$266.1m) in the first six months of 2014, compared with an increase of 17.6 per cent (\$241.9m) in the corresponding 2013 period. The growth reflected a 21.4 per cent increase in St Kitts and Nevis's imputed share of the Central Bank's reserves (which amounted to



\$955.1m) and an 8.4 per cent rise in commercial banks' net foreign asset position to \$1,256.8m.

Liquidity in the commercial banking system expanded in the review period. The ratio of liquid assets to total deposits plus liquid liabilities increased by 2.20 percentage points to 64.48 per cent. The ratio of liquid assets to total deposits rose by 2.76 percentage points to reach 76.61 per cent. Further supporting evidence included the decline in the ratio of loans and advances to total deposits to 39.60 per cent at the end of June 2014 from 43.06 at the end of 2013.

The weighted average interest rate spread between loans and deposits widened to 6.27 percentage points from 5.80 percentage points at end of 2013. The weighted average interest rate on loans increased to 8.93 percentage point from 8.81 percentages points. In contrast, the weighted deposit rate fell to 2.66 percentage points from 3.01 percentage points over the same period.

Prospects

The level of economic activity is expected to continue to expand in the second half of

2014. Growth will be broad-based and will be led by developments in construction, wholesale and retail trade, transportation, manufacturing and supported by tourism.

The fiscal accounts of the Federal Government will be in surplus in 2014 albeit smaller than the surplus in 2013. However, tax revenue is forecasted to increase in line with positive real GDP growth and improvements made to the administration of the taxation system. The increase in tax revenue will largely be derived from taxes on domestic goods and services and international trade. Non-tax revenue is projected to be once again bolstered by inflows of CBI fees which, based on preliminary half year outturn, could surpass the receipts of 2013. Total current expenditure is projected to be less in 2014 because of lower debt servicing as a result of debt restructuring. Nonetheless, the projected increase in capital expenditure is sharper than the increase in total revenue and the decline in current expenditure, leaving a smaller surplus than the one realised in 2013.

The merchandise trade deficit is anticipated to widen with higher imports associated with construction and tourism-related projects.



Exports should be boosted with the expansion in the manufacturing sector.

There are downside risks to the favourable economic outlook. Given the critical financing role that the inflows from the CBI programme plays in the Federation's economy, a sudden and rapid diminution of those inflows stemming from adverse publicity that affects the reputation of the programme or intensified competition from other jurisdictions offering similar programmes would adversely affect government revenues, the pace at which the

debt is reduced and the rate of economic growth. The hardest hit sector would be construction whose recovery is currently driven by the real estate option of the programme after five years of decline. The development of accommodation in the hotels and restaurants sector would be slowed down by a fall in FDI through the programme and other FDI inflows. Another major threat is presented by storms, especially now as the two-island federation is in the hurricane season that officially runs from June to November.



SAINT LUCIA

Overview

Based on preliminary indicators, economic activity in Saint Lucia is estimated to have contracted in the first six months of 2014, relative to the corresponding period of 2013. This assessment is based on decreased value added in a number of economic sectors including construction and manufacturing. The contraction in overall economic activity was tempered somewhat by an improved performance in the tourism industry. Consumer prices rose by 4.3 per cent, on an end of period basis. A smaller merchandise trade deficit was recorded largely as a result of a reduction in the value of imports. The central government's fiscal operations resulted in a smaller overall deficit, primarily associated with reduced capital expenditure. Nonetheless, the total public sector debt increased, driven mainly by a rise in the level of indebtedness of the central government. In the banking system, monetary liabilities (M2) increased, while domestic credit and net foreign liabilities declined. The commercial banking system remained relatively liquid and the weighted average interest rate spread between loans and deposits widened.

Economic activity in the second half of 2014 is projected to remain subdued, notwithstanding expected improved performance in the hotels and restaurants sector. Activity will be largely constrained by a slowdown in the construction sector, as post hurricane Thomas reconstruction and rehabilitation works near completion and the challenges associated with the start of new projects persist. Public sector activity is expected to focus on the rehabilitation of roads, bridges and drains under the Constituency Development Programme and the completion of the St Jude Hospital. In the private sector, support to construction output is likely through the expansion and development of tourism accommodation. However, these developments are not likely to drive output over the level recorded in 2013. It is anticipated that the tourism industry will continue to perform creditably and contribute to value added in the hotels and restaurants sector. Government's fiscal operations are projected to yield a smaller deficit, as spending – particularly capital is contained. Risks remain tilted to the downside, partly due to the expected unfavourable outcomes for manufacturing and distributive trades, drought conditions on the island, an active hurricane



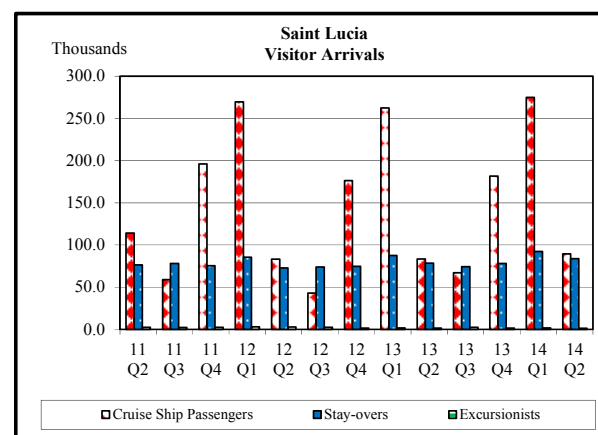
season and external factors such as an uneven global recovery and fluctuations in major commodity prices.

Output

Construction activity is estimated to have declined in the first half of 2014, in contrast to an expansion in the corresponding period of 2013. This assessment is supported in part by an 18.0 per cent decline in the value of imported construction materials and a 5.9 per cent contraction in commercial banks' credit for construction. In the private sector, construction activity was mainly centred on a number of residential properties while public sector activity concentrated largely on infrastructural development including; the St Jude Hospital, the Financial Complex and the rehabilitation and reconstruction of roads, culverts and bridges.

In the manufacturing sector, output is estimated to have declined in the review period compared with the level in the first six months of the prior year. The outturn was influenced by contractions in the production of a number of manufactured items, including, metal products, food, beverages, paper and paperboard products. The assessment was also supported by declines of 15.7 per cent in

domestic exports and 3.2 per cent in commercial banks' lending to the manufacturing sector.



In the tourism industry, activity improved in the first six months of 2014, as evidenced by an increase in the number of visitors. Total visitor arrivals grew by 6.1 per cent to 569,481, reflecting growth in all categories of visitors, except excursionists. Stay-over arrivals increased by 6.0 per cent to 176,017, compared with growth of 5.0 per cent in the first half of 2013. Growth in stay-over arrivals mainly reflected strong performances in the USA, Canadian and European markets. The number of stay-over visitors from the USA grew by 12.9 per cent, largely on account of increased airlift from that market. Stay-over visitor arrivals from Canada increased by 9.4 per cent, in contrast to a decline of 2.9 per cent in the corresponding period of the previous year. The number of



stay-over visitors from Europe rose by 7.3 per cent associated with improved performances from all sub-markets within that region, particularly the UK. These increases were tempered by declines of 16.4 per cent and 8.6 per cent in the number of stay-over visitors from the Caribbean and Latin America, respectively.

In the cruise-visitors category, the number of passengers increased by 5.4 per cent to 364,228, in contrast to a contraction of 2.0 per cent in the first half of 2013. The expansion in the number of cruise ship passengers was associated with an increase in the number of cruise ship calls to 242 from 216 in the first six months of the previous year. Of the other categories, yacht visitor arrivals grew by 19.5 per cent, while the number of excursionists fell by 6.0 per cent.

Output in the agricultural sector is provisionally estimated to have increased, partly associated with developments in the production of livestock and other crops. Chicken and pork production increased by 10.8 per cent and 26.3 per cent respectively, supported by initiatives by the Ministry of Agriculture to boost these sub-sectors. Production of bananas fell by 28.8 per cent to

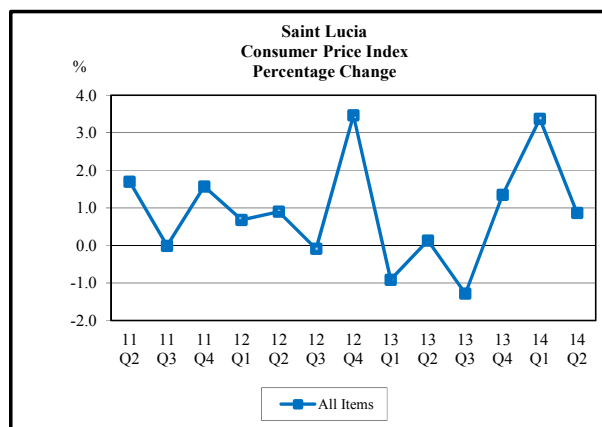
4,399 tonnes, as the sector struggled to recover from the adverse impact of Black Sigatoka, hurricane Tomas and heavy rains from the December 2013 trough. As a result, the value of banana exports declined by 21.4 per cent in contrast to an increase of 6.2 per cent recorded in the first half of 2013.

Prices

The consumer price index rose by 4.3 per cent during the first six months of 2014, in contrast to a decline of 0.8 per cent during the corresponding period of 2013. Price developments during the review period were influenced largely by upward movements in most of the price categories, primarily the sub-indices for housing, utilities, gas and fuels (6.1 per cent), communication (4.4 per cent) and food and non- alcoholic beverages (3.8 per cent), which represent three of the largest weighted indices in the basket of goods and services. Other notable upward price movements included the sub-indices for miscellaneous goods and services (9.3 per cent), education (5.0 per cent), health (2.6 per cent) and household furnishings, supplies and maintenance (1.8 per cent). The overall increase in the consumer price index was tempered somewhat by declines in the sub-



indices for transport (0.8 per cent), alcoholic beverages, tobacco and narcotics (1.4 per cent) and hotels and restaurants (2.4 per cent).

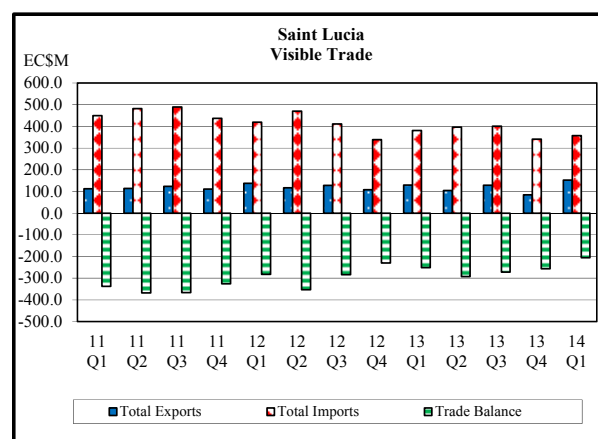


Trade and Payments

A merchandise trade deficit of \$462.2m was estimated for the first six months of 2014, compared with one of \$481.8m recorded in the comparable period of 2013. This narrowing of the deficit was associated with a 3.0 per cent decline in import payments, largely influenced by lower outlays for minerals, fuels, lubricants and related materials (23.7 per cent) and manufactured goods (9.0 per cent). Receipts from total exports were estimated to have fallen to \$236.4m; attributable to a decline in domestic exports, which outpaced growth in re-exports. Earnings from domestic exports fell by 15.7 per cent, led by lower exports of beverages and tobacco (\$9.0m) and food and live

animals (\$8.7m). Larger earnings from re-exports mainly reflected an increase in the re-export of miscellaneous manufactured articles.

Gross travel receipts increased by 7.7 per cent to \$562.4m, consistent with growth in the number of stay-over visitors, coupled with an increase in their daily expenditure. Transactions of commercial banks resulted in a net outflow of \$99.2m in short-term capital during the first half of 2014, virtually unchanged from the amount recorded during the corresponding period of 2013. In the review period, external loan disbursements to the central government increased by \$15.4m to \$58.0m, while principal repayment totalled \$21.5m.



Central Government Fiscal Operations

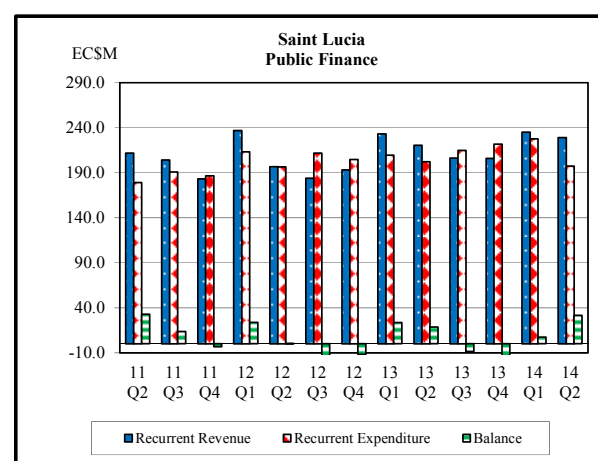
The fiscal operations of the central government resulted in an overall deficit of

\$42.0m, compared with one of \$89.2m recorded in the first half of 2013. The fiscal outturn largely reflected developments on the capital account. The capital account operations resulted in a deficit of \$81.1m, compared with one of \$131.2m in the first six months of 2013. A primary surplus of \$26.0m was recorded, in contrast to a deficit of \$22.1m realised in the January to June period of the prior year. The overall deficit was financed largely through external sources, with support from the domestic banking sector.

Capital expenditure declined by 22.9 per cent to \$112.7m, in contrast to growth of 38.0 per cent in the corresponding period of 2013. The outturn reflected the winding down of some infrastructural projects including the New National Hospital. The delayed implementation of planned projects also contributed to lower capital outlays. Notwithstanding the reduction in activity, work continued on the reconstruction of the St Jude Hospital and on the rehabilitation of roads, culverts and bridges.

A surplus of \$39.0m was recorded on the current account operations in the first half of 2014, compared with one of \$42.1m in the corresponding period of 2013. The smaller

surplus was attributed to an expansion in current spending, which more than offset an increase in current revenue collection. Current expenditure grew by 3.3 per cent to \$424.9m buoyed by an increase in all categories of spending. Outlays on personal emoluments, which account for the largest proportion of current expenditure, increased by 4.3 per cent (\$7.8m) influenced largely by growth in spending on salaries. Expenditure on transfers and subsidies grew by 4.6 per cent (\$3.8m), mainly as a result of higher pension payments. Interest payments rose by 1.6 per cent (\$1.1m), while spending on goods and services grew by 1.1 per cent (\$0.9m) reflecting higher costs of utilities.



Current revenue rose by 2.3 per cent to \$463.9m, reflecting an increase in tax revenue which was partly offset by lower non-tax revenue collections. Tax revenue grew by 4.2 per cent, occasioned by increases in receipts



from taxes on international trade and transactions, domestic goods and services and property. Revenue from taxes on international trade and transactions grew by 10.8 per cent, primarily reflecting larger collections from the excise tax on imports (\$6.0m), the import duty (\$4.2m) and the airport tax (\$4.1m). Receipts from taxes on domestic goods and services were 2.7 per cent (\$5.0m) above the amount collected in the corresponding period of 2013, attributable to increases in collections from the value added tax (\$6.3m) and stamp duties (\$1.5m).

Property tax revenue more than doubled to \$7.4m, as the new market valuation system began to take root. Meanwhile, proceeds from taxes on income and profits fell by 2.2 per cent (\$2.8m), largely associated with lower yields from the corporation tax and from the collection of arrears. Non-tax revenue fell by 23.9 per cent (\$7.4m) primarily on account of a decline in the intake from fees, fines and sales (\$5.2m) and lower receipts from interest and rents (\$2.9m).

Public Sector Debt

Preliminary data indicate that the total disbursed outstanding debt of the public sector stood at \$2,821.6m at the end of June 2014, an

increase of 2.4 per cent from the total at the end of December 2013. This outturn reflected a 3.4 per cent increase in central government's borrowing, as its stock of external and domestic debt grew by 5.2 per cent and 1.7 per cent respectively. The total outstanding debt of the public corporations is estimated to have contracted by 10.3 per cent to \$175.7m, largely influenced by a decline of 14.5 per cent in their stock of domestic debt.

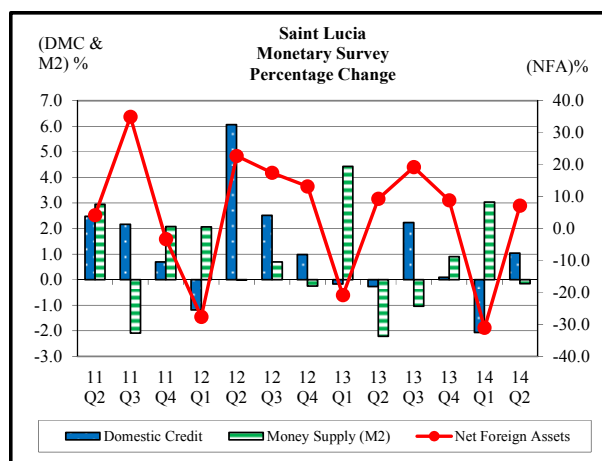
Money and Credit

Monetary liabilities (M2) expanded by 2.9 per cent to \$2,935.0m during the first six months of 2014, compared with growth of 2.1 per cent during the comparable period of 2013. This development reflected increases in both components of M2. Narrow money grew by 7.7 per cent to \$749.3m, mainly attributable to growth of 12.7 per cent in private sector demand deposits, which more than offset a decline in currency held with the public. Quasi money expanded by 1.3 per cent to \$2,185.7m, influenced by growth in private sector foreign currency deposits.

Domestic credit fell by 1.1 per cent to \$3,935.6m compared with a decline of 0.4 per cent during the corresponding period of 2013. The contraction in credit was partly influenced



by decreased borrowing by the private sector and non-financial public enterprises. Outstanding credit to the private sector fell by 0.3 per cent, attributable to a 2.9 per cent decline in loans extended to businesses; while household borrowing increased by 4.2 per cent. The transactions of the central government resulted in a net credit position of \$321.8m, compared with one of \$308.0m at the end of December 2013. In the rest of the public sector, net deposits of non-financial public enterprises increased by 10.9 per cent supported by a 5.2 per cent rise in deposits coupled with a reduction of 18.9 per cent in outstanding credit.



An analysis of the distribution of credit by economic activity indicates that outstanding loans and advances decreased by 0.2 per cent, associated with declines in lending for all categories, except personal uses. Outstanding credit for professional and other services

declined by 3.6 per cent (\$32.2m), while lending to financial institutions fell by 21.3 per cent (\$6.5m). Lending to construction declined by 5.9 per cent, consistent with the fall in overall activity in that sector. Other notable declines were in credit to the tourism industry (\$19.9m), agriculture and fisheries (\$7.1m), manufacturing (\$3.1m) and distributive trades (\$1.1m). Those declines were partially offset by a 4.3 per cent increase in credit for personal use, driven by growth in lending for acquisition of property.

The banking system was in a net foreign liabilities position of \$477.3m at the end of June 2014 compared with one of \$646.2m at the end of December 2013. This development was largely associated with a 9.0 per cent decrease in the net liabilities position of commercial banks as they increased their assets held with institutions both outside of (8.8 per cent) and within the ECCU region (8.1 per cent). Saint Lucia's imputed share of the reserves of the Central Bank grew by 15.3 per cent to \$524.5m.

Commercial banks' liquidity improved, but remained tight, during the review period. At the end of June 2014, the ratio of liquid assets to total deposits plus liquid liabilities was at 25.7 per cent – 3.0 percentage points above



the level at the end of 2013 and marginally above the prudential minimum of 25.0 per cent. The loans and advances to total deposits ratio was 115.4 per cent or 3.6 percentage points below the ratio at end December 2013. That ratio exceeded the ECCB's outer band of 85.0 per cent.

The weighted average interest rate on deposits fell to 2.61 per cent from 2.79 per cent at the end of December 2013, while the weighted average lending rate fell marginally to 8.38 per cent. Consequently, the weighted average interest rate spread increased by 15.0 basis points.

Prospects

The global growth projection for 2014 has been revised downwards to 3.4 per cent from 3.7 per cent, according to The International Monetary Fund's World Economic Outlook (WEO) July 2014 revision. The pessimism is based largely on a weak performance in the first quarter, especially in the USA, and a less optimistic outlook for growth in a number of the emerging markets. Overall recovery in the US economy has been adversely impacted by a muted recovery in investment, hence a downward revision of growth projections for 2014 to 1.7 per cent. These developments are

likely to keep economic activity in Saint Lucia and the rest of the ECCU subdued in 2014, with prospects for improvement in 2015. Buoyancy in a few economic sectors, including agriculture and tourism, is likely to provide only a partial offset to the weak performance forecasted for the other sectors, particularly construction.

Activity in the public sector, which is expected to contribute to output in construction, will focus on roads, culverts and bridges and the restoration of the St Jude Hospital. It is anticipated that work will wind down on the Financial Complex, which is being constructed under a Build Own Lease Transfer (BOLT) arrangement with the National Insurance Services. Financing constraints are likely to hinder implementation of new planned public sector projects. In the private sector, activity is expected to be driven by renovations and expansions in tourism related plants and a few residential projects. However, these developments are not sufficiently robust to push construction activity over the previous year's level.

Agricultural production is expected to increase, based on continued investments in that sector. Improved performance in the non-banana sub-sector and livestock is likely as the



Ministry of Agriculture continues to strengthen its diversification efforts in livestock farming, poultry and egg production, agro-processing and meat processing. Also, recovery in the banana industry is anticipated, as the industry benefits from an injection of funds from the EU, under the Banana Accompanying Measures (BAM).

Activity in the hotels and restaurants sector is projected to improve, associated with a larger number of stay-over visitors, driven by improvements in airlift and other marketing initiatives. Expansion from the USA, the major market, is expected, associated with increased airlift by Delta Airlines, United Airlines and JetBlue. Anticipated increased capacity from British Airways and Virgin Atlantic may contribute to improvement from the UK market. The Canadian market is also expected to contribute to the overall improvement in stay-over visitor arrivals as marketing efforts there have intensified. The number of regional visitors is likely to increase due to carnival activities and cricket matches associated with the Caribbean Premier League. Improvements are also anticipated in the other categories of visitors as the number of cruise ship calls and yacht arrivals increase. Notwithstanding, the high costs of intra-regional travel continue to pose

a major challenge to excursionists from neighbouring islands.

Central Government's fiscal operations are projected to result in a smaller overall deficit, underpinned by deliberate efforts to reduce expenditure and enhance revenue. Although the authorities have expressed a desire to contain recurrent expenditure, that category of spending has continued to increase and is unlikely to decline for the remainder of the year. Spending on personal emoluments may continue to increase as public servants have not agreed to a proposed salary cut and negotiations between the Government's Negotiating Team and the public sector unions have not officially begun for the current triennium. However, anticipated growth in current revenue is likely to offset the increasing recurrent spending. Capital expenditure, on the other hand, is expected to decline, as challenges associated with financing persist. The debt level of the central government is projected to rise as government continues to borrow to finance its overall deficit.

In the external sector, the merchandise trade deficit is forecasted to continue to narrow, concomitant with the projected contraction in economic activity and an anticipated decline



in imports of construction materials, commensurate with subdued activity in that sector. Conversely, travel inflows are projected to grow in line with the forecasted expansion in the number of stay-over visitors. Inflationary pressures are likely to be contained, contingent on global commodity prices.

Although global growth is expected to rebound in the latter half of 2014, the global recovery continues to be uneven and therefore significant downside risks remain a concern. These include current geo-politics, which could result in oil price shocks and developments in the emerging markets, where

the adverse impacts of supply-side constraints could be more protracted. Global growth could also be weakened by, inter alia, a lack of robust momentum in the advanced economies. These global risks pose added threats to the economy of Saint Lucia, since a number of projects in the private sector are expected to be financed through external sources. Additionally, the performance of the tourism industry depends on developments in the advanced economies, especially the USA. Other risks to economic prospects for Saint Lucia include domestic labour market issues, drought conditions and an active hurricane season.



ST VINCENT AND THE GRENADINES

Overview

Economic activity in St Vincent and the Grenadines is estimated to have expanded at a moderate pace in the first half of 2014, relative to the comparable period in 2013. The expansion was driven by developments in some of the key sectors such as transport, storage and communications and manufacturing. The consumer price index rose by 0.2 per cent on an end of period basis. The merchandise trade deficit is estimated to have narrowed on account of a fall in import payments. The operations of the central government led to a reduction in the overall fiscal deficit. Scheduled amortization payments and a reduction in domestic arrears contributed to a decline in the total outstanding public sector debt. In the banking system net foreign assets, domestic credit and monetary liabilities grew. Commercial bank liquidity increased, while the spread between the weighted average interest rate on loans and deposits remained unchanged.

An acceleration of activity in the construction sector, with spillover effects into the transport, storage and communications and wholesale and retail trade sectors will be the main driver

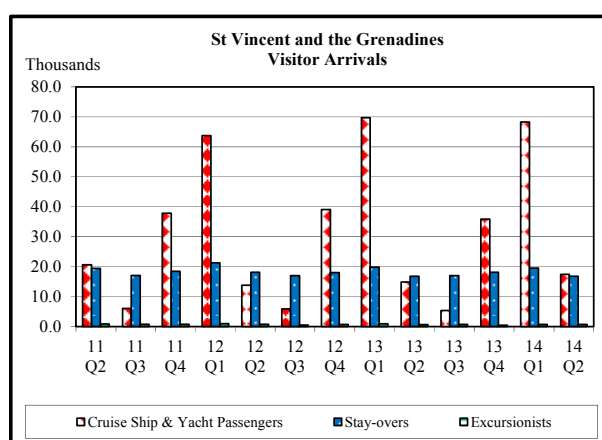
of economic expansion in the remainder of the year. The fiscal operations of the central government will likely lead to a widening of the overall fiscal deficit as projected increases in capital spending will outperform revenue growth. Global downside risks have abated somewhat, evidenced by stronger growth performance of the US and the UK economies, however, St Vincent and the Grenadines remains vulnerable to natural disasters and other external shocks. Delays in securing funds to support the capital programme coupled with limited fiscal resources could also have adverse effects on the growth forecast.

Output

The performance of the tourism industry was mixed during the first half of 2014. Total visitor arrivals rose by 0.5 per cent to 123,328 bolstered by a boost in the number of yacht passengers as all other categories of visitor arrivals contracted. The number of yacht passengers grew by 5.3 per cent to 30,439 compared with an increase of 1.5 per cent in the first six months of 2013. Meanwhile, the number of stay-over visitors fell by 0.9 per cent, albeit at a slower rate than the 7.1 per



cent recorded in the corresponding period in 2013, reflecting declines from the source markets of the USA (2.1 per cent), the Caribbean (2.6 per cent) and Canada (5.1 per cent). These declines were tempered by increases in stay-over arrivals from the UK (1.0 per cent) and an aggregate of other countries (6.9 per cent). Cruise ship passenger arrivals declined by 0.7 per cent, following a 13.5 per cent increase in the comparable period last year as the number of cruise ship calls fell by 31 to 124. The number of excursionists fell at a decelerated rate of 10.8 per cent, compared with one of 14.1 per cent for the corresponding period last year. Value added in the related transport, storage and communications sector is estimated to have increased buoyed by positive developments in the tourism industry.



Output in the manufacturing sector is estimated to have risen in the first six months

of 2014 primarily emanating from stronger domestic demand. Increases were recorded in all major goods produced such as feeds (8.9 per cent), rice (5.0 per cent), flour (3.3 per cent) and beer (1.2 per cent).

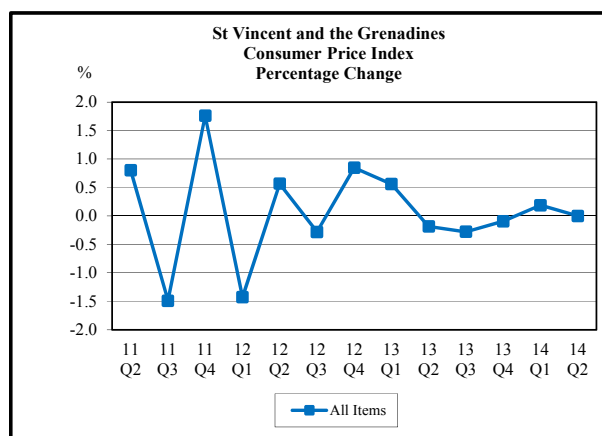
The pace of activity in the construction sector is estimated to have slowed in the period under review, relative to the corresponding period in 2013. This was evidenced by a 38.4 per cent reduction in capital expenditure to \$25.1m coupled with a 14.5 per cent decline in the value of imported construction materials and supplies, another critical indicator of construction activity. Meanwhile, the rate of increase in lending for residential home construction and renovation slowed to 2.7 per cent in the first half of 2014, relative to the rate of 4.2 per cent observed in the corresponding period of 2013.

Prices

Inflationary pressures eased in the first six months of 2014, evidenced by a 0.2 per cent rise in the Consumer Price Index (CPI), compared with a 0.4 per cent increase during the comparable period of 2013. This movement in the CPI was mainly driven by growth in the two largest weighted sub-indices of food and non-alcoholic beverages and



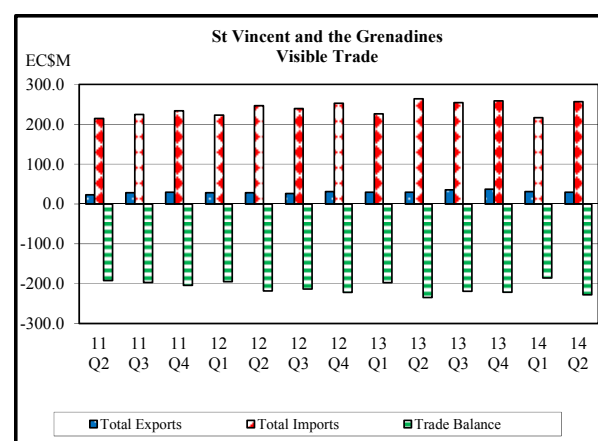
housing, water, electricity, gas and other fuels, which both rose by 0.8 per cent. The increase in the food sub-index reflected higher prices of locally grown root crops and vegetables and a rise in the fuel surcharge rate contributed to a rise in the price of electricity. Other increases were recorded in the alcoholic beverages, tobacco and narcotics (0.5 per cent) and furnishing, household equipment and routine household maintenance (0.1 per cent) sub-indices. The rise in those sub-indices was tempered by declines in the sub-indices of recreation and culture (1.9 per cent), health (0.9 per cent), and transport (0.3 per cent).



Trade and Payments

Preliminary trade data indicate that the merchandise trade deficit narrowed by 4.2 per cent to \$412.4m in the first half of 2014, relative to the corresponding period last year.

The reduction in the deficit was the result of a 3.5 per cent fall in import payments to \$473.1m coupled with a 2.3 per cent increase in total exports to \$60.6m. The decline in import payments was largely associated with contractions in the value of imports of mineral fuels and related materials and manufactured goods and articles. The growth in exports receipts reflected a rise in the re-exports of machinery and transport equipment related to construction activity. By contrast, export earnings from domestic goods fell associated with declines in receipts from rice (8.2 per cent) and beer (11.7 per cent).



Gross travel receipts are estimated to have risen by 1.0 per cent to \$141.4m, consistent with the marginal increase in total visitor arrivals. Transactions of commercial banks resulted in a net outflow of \$19.3m in short-term capital during the first half of 2014, compared with one of \$52.9m recorded during



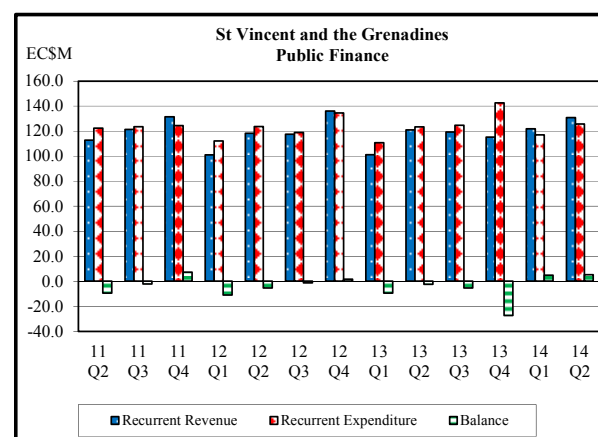
the corresponding period of 2013. Disbursements from external loans to the central government declined by 26.6 per cent to \$52.6m during the review period. Similarly, external principal repayments fell to \$20.8m from \$25.6m at the end of December 2013.

Central Government Fiscal Operations

The fiscal operations of the central government led to a contraction in the overall deficit to \$11.0m from \$28.0m in the corresponding period of 2013. This improvement was driven by an increase in current revenue coupled with a reduction in capital expenditure. A primary surplus of \$10.4m was recorded over the period, a reversal of the \$6.8m deficit obtained at the end of June 2013. The deficit was financed by borrowing from the domestic banking system and external sources.

Activity on the current account led to a surplus of \$10.0m at the end of June 2014, representing a turnaround from the performance in the comparable period of 2013 when a deficit of \$12.0m was recorded. This outturn reflected a 13.8 per cent increase in current revenue to \$252.4m which outstripped the growth in current expenditure. Tax revenue which accounted for 86.0 per cent of

current revenue increased by 6.6 per cent to \$217.0m primarily on account of increases in receipts from taxes on income and profits (\$1.8m), domestic goods and services (\$9.5m) and international trade and transactions (\$1.7m). Revenue from the Value Added Tax which is the highest contributor to income from taxes on domestic goods and services rose by 4.5 per cent (3.0m), reflecting improvements in the collection of arrears. Non-tax revenue nearly doubled to \$35.4m largely associated with higher receipts from interests and rents.



Current expenditure increased by 3.7 per cent to \$242.5m on account of higher outlays for all sub-categories. Personal emoluments and wages which comprised 51.0 per cent of current expenditure rose by 2.4 per cent (\$2.9m). Expenditure on transfers and subsidies grew by 4.3 per cent (\$2.8m) largely due to an increase in pension payments and



spending on training. Spending on goods and services rose by 9.0 per cent (\$2.6m) mainly due to an uptick in outlays on supplies and materials and maintenance services. Interest payments rose by 1.5 per cent (\$0.3m) on account of a rise in domestic payments.

Capital spending declined by 38.4 per cent to \$25.1m in the first six months of 2014, relative to the corresponding period last year, partly due to challenges in securing financing. The capital programme was partly funded by capital revenue and grants totaling \$4.1m, a stark reduction from the amount of \$24.9m recorded in the same period last year.

The overall fiscal deficit was financed primarily by external loans from bilateral creditors and international commercial sources.

Public Sector Debt

The total outstanding public sector debt is estimated to have contracted by 2.3 per cent to \$1,442.5m at the end of June 2014, relative to the amount at the end of December 2013. Central government outstanding debt which constituted 84.3 per cent of total debt contracted by \$21.0m reflecting declines in

both external (\$2.5m) and domestic (\$18.5m) debt. The significant decline in domestic debt reflected a fall in outstanding arrears, repayment to the Central Bank and scheduled amortization payments. The debt stock of public corporations fell by 5.6 per cent to \$226.0m, mainly due to scheduled amortization payments on external and domestic loans.

Money and Credit

Monetary liabilities (M2) of the banking system grew by 5.7 per cent to \$1,358.1m during the first six months of 2014, slightly above the growth rate of 5.1 per cent recorded during the corresponding period in 2013. The rise in M2 was largely attributable to an increase in quasi money which rose by 6.8 per cent to \$972.7m, reflecting increases in all of its sub-components. Private sector savings deposits which accounted for 78.2 per cent of quasi money rose by 6.0 per cent. The other two sub-components, private sector time deposits and private sector foreign currency deposits rose by 0.2 per cent and 32.1 per cent, respectively. Narrow money (M1) grew by 3.0 per cent to \$385.4m, mainly due to a 3.0 per cent increase in private sector demand deposits. Currency with the public, the second



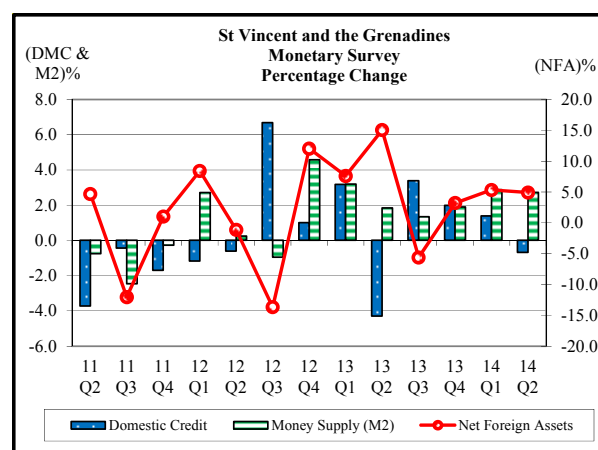
largest component of M1, contracted by 0.6 per cent, mainly due to a fall in currency in circulation.

Domestic credit expanded by 0.7 per cent to \$1,005.8m during the period under review, largely associated with the activities of the central government. Net claims on the central government rose by 0.9 per cent to \$64.6m largely on account of increased borrowing from commercial banks. The net deposit position of non-financial public enterprises fell by 5.6 per cent to \$106.7m due to a reduction in deposits. Private sector credit remained virtually unchanged as the increase in credit extended to households (\$2.8m) was offset by the contraction in credit to the business sector (\$2.0m).

Outstanding credit classified by economic activity increased by 1.2 per cent to \$1,198.2m. Of the economic categories, increases were recorded in outstanding loans for public administration (14.7 per cent), home construction and renovation (2.7 per cent), professional and other services (1.4 per cent), entertainment and catering (4.2 per cent), agriculture and fisheries (1.6 per cent), manufacturing plus mining and quarry (2.6 per cent) and construction (5.1 per cent). Meanwhile, credit extended for tourism, house

and land purchase and distributive trades, contracted by 5.3 per cent, 2.8 per cent and 1.6 per cent, respectively.

The net foreign assets of the banking system rose by 10.5 per cent to \$545.0m during the period under review. The expansion was mainly fueled by a 9.1 per cent rise in St Vincent and the Grenadines imputed share of the Central Bank's reserves to \$392.0m on account of an increase in bankers' reserves. In addition, commercial banks' net foreign assets rose by 14.4 per cent primarily due to a higher asset position with institutions outside the currency union.



Commercial bank liquidity increased during the first six months of 2014, relative to the period ended December 2013. The ratio of liquid assets to total deposits plus liquid liabilities increased to 43.1 per cent at the end of June 2014 from 42.9 per cent at the end of



December 2013. The loans and advances to deposits ratio fell by 2.0 percentage points to 70.7 per cent.

The weighted average interest rate spread between loans and deposits remained unchanged at 6.78 at the end of June 2014, relative to that at the end of December 2013. This reflected downward movements of 5.0 basis points in both the weighted average lending rate and the weighted average deposits rate.

Prospects

Economic activity is expected to strengthen in the remainder of the year, leading to an overall positive performance in 2014. However, this is contingent on developments in the global economy. Construction activity is likely to pick up as work on the international airport intensifies to meet the end of year completion date and work continues on various housing projects, the Hurricane Tomas Emergency Recovery Project, the Disaster Vulnerability Reduction Project and the Health Sector Modernization Project. Other public sector projects expected to come on stream include the South Leeward Highway and rehabilitation works on roads and bridges. In the private sector, construction activity will be

concentrated on residential buildings and commercial improvements. The increase in construction activity is expected to fuel growth in the associated sectors of mining and quarrying, transport, storage and communications and wholesale and retail trade.

Manufacturing activity is projected to remain robust as domestic demand is likely to remain relatively strong. Activity in the tourism industry should increase as labour market conditions in the main source markets improve. However, regional travel will continue to be challenged by high airfares.

The fiscal deficit is expected to widen in 2014, based on planned capital expenditure to be undertaken in the second half of the year. Tax revenue is forecasted to increase as gains are realized from efforts implemented to improve tax administration. Nonetheless, the hike in capital expenditure, along with sluggish grant inflows will override the growth in tax revenue. Current expenditure is also forecasted to increase as all sub-components are expected to grow unless a policy decision is taken to contain outlays on wages and salaries, transfers and subsidies and goods and services.



The merchandise trade deficit is anticipated to expand, despite the contraction observed in the first six months of the year. The expansion in the deficit will reflect higher import demand to support construction activity and the wholesale and retail trade. Oil prices are expected to remain stable in the near term quelling inflationary pressures and putting less strain on the current account. Foreign direct investment inflows are expected to be subdued as no major projects have been announced or are in the pipeline.

The outlook for the rest of 2014 is largely dependent on the performance of the

international economy which based on the IMF July global forecast is expected to grow at 3.4 per cent, slightly higher than the 2013 growth rate of 3.2 per cent. Foreign inflows capable of stimulating growth in St Vincent and the Grenadines, in particular tourism receipts, remittances, foreign direct investments and grants are a function of output growth, labour market conditions, and economic perceptions in the advanced economies. Downside risks to the forecast include adverse weather; the pace at which financing is secured to fund the capital programme; and implementation challenges due to capacity constraints.



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.



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Table 1
ECCU - Selected Tourism Statistics

	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 1 st Qr	2014 ^P 2 nd Qr	2013 Jan - Jun	2014 ^P Jan - Jun
Total Visitors	571,535	435,387	997,748	1,560,279	615,399	2,018,618	2,175,678
Stay-Over Visitors	231,303	225,675	250,098	301,902	256,905	526,409	558,807
Of which:							
USA	101,966	84,721	94,880	122,162	115,629	219,743	237,791
Canada	16,235	13,502	23,282	45,584	17,973	59,805	63,557
UK	42,487	38,066	53,039	61,116	46,217	100,436	107,333
Caribbean	48,614	65,617	50,238	36,893	50,192	91,697	87,085
Other Countries	22,001	23,769	28,659	36,147	26,894	54,728	63,041
Excursionists ¹	22,820	25,863	23,105	35,589	30,026	53,147	65,615
Cruise Ship Passengers ²	290,154	168,491	687,866	1,163,300	298,704	1,355,019	1,462,004
Yacht Passengers ⁴	27,258	15,358	36,679	59,488	29,764	84,043	89,252
Number of Cruise Ship Calls ³	177	65	436	819	180	986	999
Total Visitor Expenditure (EC\$M)	699.84	661.30	811.48	1,066.60	783.70	1,731.67	1,850.31

Sources: ECCU Central Statistics Offices and Eastern Caribbean Central Bank

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

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

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

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

Data as at 16 August 2014



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

	2013 ^R 1st Qr	2013 ^R 2nd Qr	2013 ^R 3rd Qr	2013 ^R 4th Qr	2014 ^R 1st Qr	2014 ^P 2nd Qr
Net Foreign Assets	3,171.08	3,526.95	3,352.16	3,481.20	4,283.95	4,435.71
Central Bank (net)	3,266.39	3,221.26	3,281.87	3,149.94	3,509.25	3,624.93
External Assets	3,289.24	3,223.18	3,287.98	3,156.59	3,515.32	3,627.77
External Liabilities	22.86	1.92	6.11	6.64	6.07	2.84
Commercial Banks (net)	(95.31)	305.69	70.29	331.26	774.70	810.79
External Assets	4,364.10	4,638.91	4,217.99	4,205.66	4,562.45	4,615.39
External Liabilities	4,459.41	4,333.22	4,147.70	3,874.41	3,787.75	3,804.60
Net Domestic Assets	10,507.82	10,179.84	10,438.40	10,499.40	10,292.89	10,202.01
Domestic Credit	12,421.51	12,143.81	12,289.64	12,187.30	11,945.55	11,904.94
Central Government (net)	1,193.90	1,086.89	615.41	618.50	560.50	619.42
Other Public Sector (net)	(1,661.54)	(1,741.05)	(1,668.85)	(1,637.26)	(1,681.02)	(1,768.29)
Private Sector	12,889.15	12,797.96	13,343.08	13,206.06	13,066.07	13,053.82
Households	6,592.31	6,605.28	6,663.70	6,680.89	6,666.16	6,700.22
Business	5,980.34	5,884.04	5,804.79	5,676.75	5,563.61	5,523.74
Non-Bank Financial Institution	152.28	149.67	150.70	149.49	141.20	140.61
Subsidiaries & Affiliates	164.20	158.97	723.90	698.93	695.11	689.25
Other Items (Net)	(1,913.69)	(1,963.97)	(1,851.23)	(1,687.90)	(1,652.67)	(1,702.93)
Monetary Liabilities (M2)	13,678.89	13,706.79	13,790.57	13,980.60	14,576.84	14,637.73
Money Supply (M1)	2,880.90	2,799.36	2,843.02	2,880.45	3,167.17	3,100.53
Currency with the Public	631.70	620.97	610.58	667.57	653.69	644.67
Demand Deposits	2,180.13	2,113.77	2,171.54	2,142.53	2,441.42	2,390.59
EC\$ Cheques and Drafts Issued	69.07	64.62	60.90	70.34	72.05	65.27
Quasi Money	10,797.99	10,907.43	10,947.55	11,100.15	11,409.67	11,537.20
Savings Deposits	6,090.65	6,203.42	6,171.30	6,327.07	6,478.25	6,608.15
Time Deposits	2,894.78	2,853.55	2,875.06	2,802.93	2,775.14	2,655.01
Foreign Currency Deposits	1,812.57	1,850.47	1,901.19	1,970.15	2,156.29	2,274.03

Source: Eastern Caribbean Central Bank

Data available as at 14 August 2014



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

	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 1 st Qr	2014 ^P 2 nd Qr	2013 Jan - Jun	2014 ^P Jan - Jun
Current Revenue	969.77	891.11	958.85	970.21	1,029.51	1,890.96	1,999.72
Tax Revenue	809.48	743.13	792.20	833.14	837.26	1,585.91	1,670.40
Taxes on Income and Profits ^{/1}	167.10	157.64	160.86	186.14	169.19	340.68	355.33
Of which:							
Personal ^{/1}	80.81	75.69	79.98	94.99	85.59	163.39	180.58
Company/Corporation ^{/2}	63.00	56.37	51.87	64.04	60.07	129.23	124.12
Taxes on Property	25.64	17.99	15.34	16.96	33.25	40.11	50.22
Taxes on Domestic Goods and Services	400.49	358.96	361.44	400.57	406.04	773.03	806.61
Of which:							
Accommodation Tax	4.23	3.46	3.27	6.84	5.01	10.08	11.86
Licences	55.19	24.56	29.56	34.40	41.74	85.07	76.14
Sales Tax ^{/3}	54.48	47.55	54.41	65.86	60.20	107.44	126.06
Value Added Tax ^{/5}	216.71	205.46	214.34	227.85	229.34	436.62	457.19
Consumption Tax ^{/4}	0.06	0.06	0.07	0.05	0.01	0.92	0.06
Stamp Duties	33.76	26.69	29.40	32.16	35.83	61.74	67.98
Taxes on International Trade and Transactions	216.24	208.54	254.56	229.47	228.78	432.10	458.24
Of which:							
Import Duties	99.82	98.29	123.12	102.40	105.39	194.19	207.79
Consumption Tax ^{/6}	11.31	9.78	8.52	13.73	13.58	22.16	27.31
Customs Service Charge	49.17	46.56	58.65	46.69	50.22	92.70	96.91
Non-Tax Revenue	160.29	147.97	166.65	137.07	192.25	305.05	329.32
Current Expenditure	945.82	959.61	950.25	921.56	904.90	1,776.95	1,826.45
Personal Emoluments	409.70	424.55	428.34	426.02	423.12	800.51	849.14
Goods and Services	208.20	194.02	212.05	183.47	167.29	362.14	350.76
Interest Payments	106.06	118.13	102.63	112.09	100.43	217.51	212.52
Domestic	62.17	75.01	61.17	55.98	58.29	121.57	114.27
External	43.90	43.12	41.46	56.11	42.14	95.94	98.24
Transfers and Subsidies	221.86	222.90	207.23	199.98	214.06	396.79	414.03
Of which: Pensions	80.80	70.58	74.36	70.14	68.30	145.16	138.44
Current Account Balance	23.94	(68.50)	8.60	48.65	124.61	114.01	173.26
Capital Revenue	6.92	14.61	3.45	2.18	0.85	38.09	3.03
Grants	79.41	53.35	76.48	118.93	59.09	174.53	178.01
Of which: Capital Grants	61.62	33.17	52.52	101.10	57.23	31.92	19.69
Capital Expenditure and Net Lending	258.58	220.61	249.64	206.81	154.38	463.57	361.19
Of which: Capital Expenditure	258.42	220.22	249.32	206.74	154.14	462.75	360.88
Primary Balance after grants	(42.24)	(103.02)	(58.49)	75.04	130.59	80.56	205.63
Overall Balance after grants	(148.31)	(221.15)	(161.11)	(37.04)	30.16	(136.95)	(6.88)
Financing	148.31	221.15	161.11	37.04	(30.16)	136.95	6.88
Domestic	42.39	152.60	93.01	(12.08)	134.30	19.34	122.22
ECCB (net)	(76.94)	40.44	(4.66)	35.81	2.04	18.71	37.85
Commercial Banks (net)	(30.07)	(511.92)	7.74	(93.81)	56.88	(194.52)	(36.93)
Other	149.40	624.08	89.93	45.92	75.38	195.15	121.30
External	154.62	24.54	53.39	0.80	25.93	146.94	26.73
Net Disbursements/(Amortisation)	156.69	24.07	55.03	3.23	27.26	149.03	30.49
Disbursements	208.37	109.62	181.56	72.94	89.82	277.29	162.75
Amortisation	51.68	85.55	126.52	69.70	62.56	128.26	132.26
Change in Government Foreign Assets	(2.07)	0.47	(1.64)	(2.43)	(1.39)	(2.09)	(3.82)
Arrears ^{/7}	-	-	-	-	-	-	-
Domestic	(48.71)	44.00	14.71	48.32	(190.38)	(29.33)	(142.06)
External	(52.61)	16.88	8.32	2.56	(197.19)	(62.96)	(194.63)

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

^{/5} Excludes Anguilla, Antigua and Barbuda, Montserrat

^{/3} Includes Antigua and Barbuda and Dominica

^{/6} Excludes St Vincent and the Grenadines

^{/4} Excludes Montserrat

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

Data as at 16 August 2014



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

	2013 ^R 2 nd Qr	2013 ^R 3 rd Qr	2013 ^R 4 th Qr	2014 ^R 1 st Qr	2014 ^P 2 nd Qr
Anguilla	231.47	238.75	231.64	226.04	224.88
Antigua and Barbuda	2,883.00	2,960.20	3,084.07	3,138.00	3,270.13
Dominica	1,013.44	1,025.01	1,053.40	1,066.09	1,055.12
Grenada	2,176.41	2,177.68	2,215.78	2,201.33	2,226.31
Montserrat	7.14	7.01	6.83	6.70	6.51
St Kitts and Nevis	2,653.87	2,062.35	2,069.05	2,063.53	2,060.07
Saint Lucia	2,668.57	2,665.16	2,754.60	2,755.67	2,821.57
St Vincent and the Grenadines	1,366.83	1,403.24	1,476.91	1,480.52	1,442.51
TOTAL ECCU	13,000.74	12,539.39	12,892.27	12,937.88	13,107.09

Source: ECCB

* Includes arrears of principal

Data as at 16 August 2014

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

	2013 ^R 2 nd Qr	2013 ^R 3 rd Qr	2013 ^R 4 th Qr	2014 ^R 1 st Qr	2014 ^P 2 nd Qr
Anguilla	215.80	223.63	216.77	211.70	211.07
Antigua and Barbuda	2,356.86	2,425.73	2,509.83	2,532.22	2,669.76
Dominica	841.90	859.91	881.07	896.34	887.72
Grenada	2,035.33	2,039.81	2,079.79	2,067.49	2,092.06
Montserrat	1.74	1.71	1.63	1.59	1.50
St Kitts and Nevis	2,106.44	1,587.22	1,585.10	1,580.27	1,577.47
Saint Lucia	2,463.73	2,467.05	2,558.69	2,559.31	2,645.89
St Vincent and the Grenadines	1,145.70	1,168.15	1,237.56	1,245.19	1,216.56
TOTAL ECCU	11,167.51	10,773.22	11,070.43	11,094.12	11,302.03

Source: ECCB

Data as at 16 August 2014

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

	2013 ^R 2 nd Qr	2013 ^R 3 rd Qr	2013 ^R 4 th Qr	2014 ^R 1 st Qr	2014 ^P 2 nd Qr	2013 ^R Jan-Jun	2014 ^P Jan-Jun
Anguilla	3.72	3.98	4.30	3.90	4.00	7.43	7.90
Antigua and Barbuda	101.64	46.06	43.61	59.14	31.61	142.57	90.75
Dominica	10.29	12.22	9.89	14.23	15.58	25.83	29.81
Grenada	30.54	43.30	31.12	44.57	37.50	79.02	82.07
Montserrat	0.04	0.04	0.04	0.04	0.04	0.08	0.07
St Kitts and Nevis	43.36	45.97	27.08	18.24	33.70	72.74	51.93
Saint Lucia	49.50	108.84	110.29	42.50	55.69	102.10	98.18
St Vincent and the Grenadines	34.27	25.15	42.73	27.19	39.36	63.02	66.55
TOTAL ECCU	273.36	285.57	269.06	209.79	217.47	492.77	427.26

Source: ECCB

Data as at 16 August 2014

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

	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 1 st Qr	2014 ^P 2 nd Qr
Total Bid Amount	290.8	362.4	308.8	254.9	276.8
Total Offer Amount	177.0	302.5	259.0	200.5	220.0

Source: Eastern Caribbean Central Bank

Data as at 16 August 2014

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

	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 1 st Qr	2014 ^P 2 nd Qr
91-day Treasury Bills	3.55	4.37	4.16	4.24	4.05
180-day Treasury Bills	-	6.00	6.00	6.00	6.00
365-day Treasury Bills	5.36	6.00	6.24	6.50	6.50
3-year Bond	*	6.75	*	*	*
4-year Bond	*	*	*	*	*
5-year Bond	*	*	7.25	*	*
6-year Bond	*	*	7.00	*	*
7-year Bond	*	7.50	*	7.50	*
8-year Bond	*	7.10	*	*	*
10-year Bond	*	7.75	*	*	7.50

Source: Eastern Caribbean Central Bank

Data as at 16 August 2014

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

	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 1 st Qr	2014 ^P 2 nd Qr
Volume	5.10	0.00	*	5.50	6.00
Value	5.20	0.00	*	5.50	6.00

Source: Eastern Caribbean Securities Exchange

Data as at 16 August 2014



Table 10
Anguilla - Selected Tourism Statistics

	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 1 st Qr	2014 ^P 2 nd Qr	2013 Jan - Jun	2014 ^P Jan - Jun
Total Visitors	36,640	32,950	35,150	51,984	44,847	83,203	96,831
Stay-Over Visitors	17,906	13,341	16,319	21,538	18,888	39,408	40,426
Of which:							
USA	12,040	7,372	10,897	14,872	12,693	27,241	27,565
Canada	858	469	940	1,573	834	2,166	2,407
UK	686	606	755	691	681	1,435	1,372
Caribbean	2,605	3,387	2,143	2,020	2,805	4,924	4,825
Other Countries	1,717	1,507	1,584	2,382	1,875	3,642	4,257
Excursionists	18,734	19,609	18,831	30,446	25,959	43,795	56,405
Total Visitor Expenditure (EC\$M)	76.71	69.87	78.97	106.54	84.27	179.88	190.81

Source: Anguilla Statistics Department, Ministry of Finance, Economic Development, Investment, Commerce and Tourism
Data as at 16 August 2014

Table 11
Anguilla - Consumer Price Index
March 2010 = 100

	Weight	Index Jun 2014	Percentage Change*						
			Quarter over Previous Quarter					Jun-13 Dec-12	Jun-14 Dec-13
			2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 1 st Qr	2014 2 nd Qr		
All Items	100.0	161.67	2.28	0.31	(0.12)	(0.65)	0.38	1.44	(0.27)
Food & Non-Alcoholic Beverages	12.8	113.16	0.37	0.72	1.61	(0.28)	0.61	1.22	0.33
Alcoholic Beverages, Tobacco & Narco	2.3	119.60	0.19	-	0.74	0.43	(0.12)	3.71	0.31
Clothing & Footwear	3.3	112.90	1.11	0.05	(0.89)	(2.60)	1.92	2.98	(0.73)
Housing, Utilities, Gas & Fuels	25.6	99.10	(0.17)	(0.04)	0.07	(0.01)	0.12	(0.65)	0.11
Household Furnishings, Supplies & Maint	4.0	109.00	0.90	5.11	(2.20)	(1.48)	(2.00)	(1.56)	(3.45)
Health	2.3	108.70	1.03	(0.05)	0.49	0.26	(2.40)	3.44	(2.14)
Transport	16.0	119.60	3.83	(6.23)	4.67	(3.37)	1.84	3.17	(1.60)
Communication	13.4	103.60	0.33	-	-	-	(0.32)	0.33	(0.32)
Recreation & Culture	3.8	96.20	(1.80)	0.38	(2.07)	(0.48)	1.36	(1.41)	0.87
Education	5.9	121.80	-	-	-	-	(0.03)	0.00	(0.03)
Hotels & Restaurants	4.0	66.76	0.42	(6.49)	0.60	0.96	(0.86)	(0.70)	0.09
Miscellaneous	6.5	101.90	(1.41)	0.02	0.46	0.22	0.71	(1.78)	0.93

Source: Anguilla Statistics Department, Ministry of Finance, Economic Development, Investment, Commerce and Tourism

*at end of period

Data as at 16 August 2014



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

	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 1 st Qr	2014 ^P 2 nd Qr	2013 Jan - Jun	2014 ^P Jan - Jun
Current Revenue	42.24	40.83	44.27	49.55	45.64	88.31	95.19
Tax Revenue	35.54	35.69	36.13	42.28	38.37	75.65	80.65
Taxes on Income and Profits	3.38	2.67	3.35	3.28	3.42	6.76	6.70
Of which: Stabilisation Levy	3.38	2.67	3.35	3.28	3.42	6.76	6.70
Taxes on Property	0.36	1.08	1.70	1.35	1.43	0.84	2.78
Taxes on Domestic Goods and Services	11.80	14.31	9.30	17.28	13.38	28.84	30.66
Of which:							
Licenses	2.67	2.51	2.73	5.46	2.79	8.29	8.26
Accommodation Tax	3.80	2.64	2.86	6.42	4.52	8.13	10.94
Stamp Duties	2.04	0.91	1.71	3.87	4.71	6.74	8.57
Taxes on International Trade and Transactions	20.00	17.63	21.78	20.38	20.14	39.21	40.52
Of which:							
Import Duty	14.56	12.66	15.83	15.51	15.24	28.28	30.74
Customs Surcharge	3.92	3.54	4.58	3.81	4.12	7.77	7.93
Embarkation Tax	1.28	1.13	1.12	0.80	0.52	2.71	1.32
Non-Tax Revenue	6.69	5.14	8.14	7.27	7.27	12.66	14.54
Current Expenditure	44.24	45.08	46.21	41.99	44.52	84.49	86.51
Personal Emoluments	20.08	19.87	20.51	19.76	20.28	39.94	40.04
Good and Services	10.79	9.90	12.32	9.16	10.68	18.23	19.84
Interest Payments	2.09	2.32	2.63	2.26	2.37	4.16	4.63
Domestic	0.59	0.81	1.04	0.72	0.77	1.23	1.49
External	1.50	1.50	1.60	1.54	1.59	2.92	3.13
Transfers and Subsidies	11.28	12.99	10.74	10.80	11.19	22.17	22.00
Of which: Pensions	2.05	2.05	2.05	1.60	2.21	4.11	3.81
Current Account Balance	(2.00)	(4.25)	(1.93)	7.56	1.12	3.81	8.68
Capital Revenue	-	-	-	-	-	-	-
Grants	-	-	15.72	-	-	-	-
Of which: Capital Grants	-	-	15.72	-	-	-	-
Capital Expenditure and Net Lending	2.73	3.82	1.19	0.46	0.89	3.25	1.34
Of which: Capital Expenditure	2.73	3.82	1.19	0.46	0.89	3.25	1.34
Primary Balance before grants	(2.64)	(5.75)	(0.49)	9.36	2.60	4.71	11.97
Primary Balance after grants	(2.64)	(5.75)	15.23	9.36	2.60	4.71	11.97
Overall Balance before grants	(4.72)	(8.07)	(3.13)	7.10	0.24	0.56	7.34
Overall Balance after grants	(4.72)	(8.07)	12.60	7.10	0.24	0.56	7.34
Financing	4.72	8.07	(12.60)	(7.10)	(0.24)	(0.56)	(7.34)
Domestic	5.78	8.55	(10.61)	(9.16)	0.24	(1.96)	(8.92)
ECCB (net)	2.49	(0.37)	(0.22)	0.17	(0.81)	0.73	(0.64)
Commercial Banks (net)	4.32	11.55	(19.14)	(0.59)	0.18	(0.69)	(0.41)
Other	(1.02)	(2.64)	8.75	(8.74)	0.87	(2.01)	(7.87)
External	(0.25)	(0.28)	(0.28)	(0.25)	(0.25)	(0.49)	(0.49)
Net Disbursements/(Amortisation)	(0.25)	(0.28)	(0.28)	(0.25)	(0.25)	(0.49)	(0.49)
Disbursements	-	-	-	-	-	-	-
Amortisation	0.25	0.28	0.28	0.25	0.25	0.49	0.49
Change in Government Foreign Assets	-	-	-	-	-	-	-
Arrears	(0.82)	(0.20)	(1.71)	2.30	(0.24)	1.89	2.07
Domestic	(0.82)	(0.20)	(1.71)	2.30	(0.24)	1.89	2.07
External	-	-	-	-	-	-	-
Other Financing	-	-	-	-	-	-	-

Source: Treasury Department, Anguilla and the Eastern Caribbean Central Bank
 Data as at 16 August 2014



Table 13
Anguilla - External Trade
(EC\$M)

	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 1 st Qr	2014 ^P 2 nd Qr	2012 Jan - Jun	2014 ^P Jan - Jun
Total Exports	3.23	1.24	1.14	4.21	4.65	7.39	8.86
Total Imports	105.15	88.71	92.65	94.63	104.01	209.75	198.63
Trade Balance	(101.91)	(87.47)	(91.51)	(90.42)	(99.36)	(202.36)	(189.77)

Source: ECCB Estimates

Data as at 16 August 2014



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

	2013 1st Qr	2013 2nd Qr	2013 3rd Qr	2013 4th Qr	2014 1st Qr	2014 ^P 2nd Qr
Net Foreign Assets	262.84	263.69	225.96	233.83	256.21	259.60
Central Bank (Net)	111.36	112.24	103.33	110.82	108.81	108.41
Commercial Banks (Net)	151.48	151.45	122.64	123.01	147.41	151.19
External (Net)	44.83	60.58	15.54	77.39	82.30	76.29
Assets	255.20	274.70	215.37	203.04	224.11	214.85
Liabilities	210.37	214.12	199.83	125.65	141.81	138.56
Other ECCB Territories (Net)	106.65	90.87	107.10	45.62	65.10	74.90
Assets	199.72	202.52	204.43	135.07	166.15	157.38
Liabilities	93.07	111.65	97.33	89.45	101.05	82.47
Net Domestic Assets	792.92	794.28	813.59	797.07	778.17	780.42
Domestic Credit	1,115.23	1,092.41	1,084.83	1,053.11	1,016.90	1,006.88
Central Government (Net)	(64.58)	(57.77)	(46.59)	(65.95)	(66.37)	(66.99)
Other Public Sector (Net)	(188.78)	(195.32)	(201.74)	(198.64)	(207.99)	(213.96)
Private Sector	1,368.59	1,345.50	1,333.16	1,317.70	1,291.26	1,287.83
Household	563.30	557.11	552.00	539.74	533.61	540.53
Business	780.89	761.10	754.45	751.46	731.18	724.30
Non-Bank Financial Institution	5.58	5.65	5.51	5.30	5.28	5.20
Subsidiaries & Affiliates	18.83	21.64	21.20	21.20	21.20	17.80
Other Items (Net)	(322.32)	(298.13)	(271.24)	(256.04)	(238.74)	(226.46)
Monetary Liabilities (M2)	1,055.76	1,057.97	1,039.55	1,030.90	1,034.38	1,040.02
Money Supply (M1)	40.48	43.84	48.76	43.06	40.97	43.85
Currency with the Public	10.85	12.26	12.46	12.21	13.19	12.20
Demand Deposits	29.04	28.36	35.74	30.13	27.53	31.05
EC\$ Cheques and Drafts Issued	0.59	3.22	0.56	0.73	0.25	0.60
Quasi Money	1,015.27	1,014.13	990.79	987.83	993.41	996.17
Savings Deposits	107.81	109.12	109.08	107.84	111.64	112.32
Time Deposits	128.75	129.26	129.16	130.09	128.83	129.84
Foreign Currency Deposits	778.71	775.76	752.55	749.90	752.93	754.02

Source: Eastern Caribbean Central Bank

Data available as at 14 August 2014

^RRevisions included changes to Imputed Reserves calculation



Table 15
Antigua and Barbuda - Selected Tourism Statistics

	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 1 st Qr	2014 ^P 2 nd Qr	2013 Jan - Jun	2014 Jan - Jun
Total Visitors	125,311	81,643	214,208	365,407	111,520	504,247	476,927
Stay-Over Visitors	53,089	46,739	61,635	79,550	58,767	129,391	138,317
Of which:							
USA	21,532	15,660	21,357	29,247	24,997	49,141	54,244
Canada	4,748	3,481	7,061	13,788	4,640	19,339	18,428
Europe	17,943	15,830	23,395	27,969	19,242	43,250	47,211
UK	14,578	12,604	19,202	23,307	15,599	35,411	38,906
Germany	448	195	841	965	640	1,380	1,605
Switzerland	230	140	410	366	263	583	629
Italy	1,885	2,333	1,785	1,542	1,860	3,526	3,402
France	296	297	552	931	416	858	1,347
Other Europe	506	261	605	858	464	1,492	1,322
Caribbean	6,536	9,651	6,849	5,148	7,202	12,133	12,350
South America	292	232	303	320	257	640	577
Other Countries	2,038	1,885	2,670	3,078	2,429	4,888	5,507
Cruise Ship Passengers	67,045	34,144	144,099	272,920	48,547	355,037	321,467
Number of Cruise Ship Calls	37	16	88	160	29	217	189
Yacht Passengers	5,177	760	8,474	12,937	4,206	19,819	17,143
Number of Yacht Calls	1,032	196	773	1,762	1,009	2,856	2,771
Total Visitor Expenditure (EC\$M)	179.96	151.82	217.00	289.14	195.36	462.05	484.50

Source: Ministry of Tourism, Antigua and Barbuda

Data available as at 25 August 2014



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

	Weight	Index Jun-14	Percentage Change*						
			2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 1 st Qr	2014 ^P 2 nd Qr	Jun-13 Dec-12	Jun-14 Dec-13
All Items	100.00	133.11	0.27	(0.39)	0.87	(0.04)	0.38	0.57	0.35
Food	21.42	153.13	0.03	(0.07)	1.93	(0.75)	0.16	0.26	(0.58)
Alcoholic Beverages and Tobacco	0.16	141.65	0.65	1.41	(1.30)	2.80	0.38	1.27	3.20
Housing	21.83	109.68	-	-	-	-	-	-	-
Fuel and Light	6.39	159.19	5.18	(3.29)	0.85	(0.84)	3.40	0.83	2.52
Clothing and Footwear	11.06	98.11	(0.02)	(0.30)	1.01	0.16	0.81	(0.27)	0.98
Household Furnishings and Supplies	12.60	137.22	(0.73)	(0.97)	0.89	0.04	(0.64)	1.83	(0.60)
Transport and Communications	15.35	135.87	(0.43)	0.05	2.17	0.26	0.14	(0.56)	0.40
Medical Care and Expenses	2.76	132.99	(1.80)	(0.03)	(0.16)	(0.39)	(0.60)	(2.00)	(0.98)
Education	2.34	192.90	-	2.78	-	-	-	-	-
Personal Services	4.30	152.50	1.94	(1.32)	(4.22)	3.34	2.14	8.02	5.56
Miscellaneous	1.79	124.21	(0.10)	(0.28)	1.06	0.49	(0.43)	(0.03)	0.06

Source: Statistics Division, Ministry of Finance, The Economy and Public Administration, Antigua and Barbuda

*at end of period

Data available as at 25 August 2014



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

	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 ^R 1 st Qr	2014 ^P 2 nd Qr	2013 Jan - Jun	2014 Jan - Jun
Current Revenue	145.78	126.96	165.38	160.40	153.69	305.48	314.09
Tax Revenue	136.72	121.08	144.94	154.51	144.35	289.22	298.86
Taxes on Income and Profits	18.61	17.89	18.84	24.79	15.83	47.96	40.62
Of which:							
Personal Income	9.96	9.41	9.39	11.89	9.08	21.53	20.97
Corporation	8.64	8.48	9.44	12.89	6.75	26.24	19.64
Taxes on Property	8.79	3.52	1.24	3.64	9.03	13.54	12.66
Taxes on Domestic Goods and Services	63.01	55.52	65.87	74.09	67.40	123.31	141.49
Of which:							
Stamp Duties	6.51	5.83	9.66	5.94	5.38	11.53	11.31
Antigua and Barbuda Sales Tax	54.47	47.54	54.38	65.65	60.18	107.42	125.83
Taxes on International Trade and Transactions	46.31	44.15	58.99	52.00	52.09	104.41	104.09
Of which:							
Import Duty	19.11	18.11	22.61	19.74	18.49	38.42	38.23
Consumption Tax	8.44	7.25	5.04	10.79	11.00	16.77	21.79
Passenger Facility Charge	-	-	-	-	-	-	-
Revenue Recovery Charge	16.42	15.89	21.06	18.72	18.70	32.96	37.42
Embarkation Tax							
Non-Tax Revenue	9.06	5.87	20.44	5.89	9.33	16.26	15.23
Current Expenditure	202.88	190.11	174.82	156.35	167.68	335.74	324.03
Personal Emoluments	71.42	69.51	70.26	75.26	74.78	137.12	150.04
Other Goods and Services	43.71	45.75	40.63	23.74	31.48	61.26	55.22
Interest Payments	14.77	13.34	19.59	20.68	15.90	33.34	36.58
Domestic	11.28	12.14	14.52	12.14	11.76	21.98	23.89
External	3.50	1.20	5.07	8.54	4.14	11.36	12.68
Transfers and Subsidies	72.98	61.50	44.33	36.67	45.52	104.02	82.19
Of which: Pensions	27.97	18.32	15.71	12.11	14.54	41.59	26.65
Current Account Balance	(57.10)	(63.15)	(9.43)	4.05	(13.99)	(30.26)	(9.94)
Capital Revenue	0.51	0.39	0.12	0.04	0.40	0.79	0.44
Grants	-	-	-	-	-	-	-
Of which:							
Capital Grants	-	-	-	-	-	-	-
Debt Forgiveness	-	-	-	-	-	-	-
Capital Expenditure and Net Lending	10.54	12.20	19.05	6.26	11.20	11.82	17.46
Of which: Capital Expenditure	10.54	12.20	19.05	6.26	11.20	11.82	17.46
Primary Balance after grants	(52.35)	(61.62)	(8.78)	18.51	(8.90)	(7.94)	9.61
Overall Balance after grants	(67.13)	(74.96)	(28.37)	(2.17)	(24.80)	(41.29)	(26.97)
Financing	67.13	74.96	28.37	2.17	24.80	41.29	26.97
Domestic	20.32	78.17	32.15	11.26	196.48	(0.51)	207.74
ECCB (net)	(25.89)	8.35	(2.11)	10.19	(7.05)	(24.03)	3.14
Commercial Banks (net)	11.10	8.59	(0.11)	(9.75)	(0.85)	(18.89)	(10.60)
Other	35.11	61.23	34.38	10.81	204.38	42.41	215.19
External	87.12	(6.60)	13.51	(29.41)	(10.20)	72.70	(39.61)
Net Disbursements/(Amortisation)	89.07	(7.08)	15.29	(26.96)	(8.05)	74.64	(35.01)
Disbursements	96.03	12.22	30.63	0.60	1.64	96.03	2.24
Amortisation	6.96	19.30	15.35	27.56	9.69	21.38	37.25
Change in Government Foreign Assets	(1.94)	0.49	(1.78)	(2.45)	(2.15)	(1.94)	(4.60)
Other	-	-	-	-	-	-	-
Arrears	(40.32)	3.39	(17.29)	20.32	(161.49)	(30.91)	(141.16)
Domestic	(43.22)	(1.68)	(21.33)	-	(168.29)	(30.04)	(168.29)
External	2.90	5.07	4.04	20.32	6.80	(0.87)	27.13
Other Financing	-	-	-	-	-	-	-

Source: Ministry of Finance, Antigua and Barbuda and Eastern Caribbean Central Bank
Data available as at 25 August 2014



Table 18
Antigua and Barbuda - External Trade
(EC\$M)

	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 ^R 1 st Qr	2014 ^P 2 nd Qr	2013 Jan - Jun	2014 Jan - Jun
Visible Trade Balance	(273.74)	(309.49)	(341.69)	(414.39)	(305.72)	(632.79)	(720.10)
Total Exports	51.51	10.85	7.40	12.97	28.87	70.64	41.85
Total Imports	325.24	320.34	349.09	427.36	334.59	703.44	761.95

Source: Statistics Division, Ministry of Finance, The Economy and Public Administration, Antigua and Barbuda
Data available as at 25 August 2014



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

	2013 ^R 1st Qr	2013 ^R 2nd Qr	2013 ^R 3rd Qr	2013 ^R 4th Qr	2014 ^R 1st Qr	2014 ^P 2nd Qr
Net Foreign Assets	610.09	695.41	570.65	559.09	703.14	770.05
Central Bank (Net)	586.76	533.24	549.92	546.72	687.95	733.23
Commercial Banks (Net)	23.34	162.17	20.73	12.37	15.19	36.82
External (Net)	(272.62)	(152.02)	(389.31)	(359.60)	(310.30)	(220.72)
Assets	977.62	1,010.23	678.55	594.52	545.22	638.00
Liabilities	1,250.24	1,162.25	1,067.85	954.11	855.53	858.72
Other ECCB Territories (Net)	295.96	314.19	410.03	371.97	325.50	257.54
Assets	1,313.36	1,337.63	1,465.88	1,393.47	1,420.07	1,378.52
Liabilities	1,017.40	1,023.44	1,055.85	1,021.50	1,094.58	1,120.98
Net Domestic Assets	2,249.88	2,214.02	2,330.58	2,349.35	2,338.68	2,273.89
Domestic Credit	2,615.91	2,564.33	2,703.02	2,684.34	2,679.65	2,640.03
Central Government (Net)	523.88	509.08	526.03	523.80	524.25	516.35
Other Public Sector (Net)	(253.22)	(263.67)	(121.17)	(109.00)	(92.02)	(93.77)
Private Sector	2,345.25	2,318.91	2,298.17	2,269.54	2,247.42	2,217.46
Household	1,260.46	1,254.47	1,254.35	1,250.66	1,255.61	1,238.10
Business	1,001.82	988.69	967.36	942.39	919.14	906.98
Non-Bank Financial Institution	28.25	28.63	30.24	30.64	27.45	27.41
Subsidiaries & Affiliates	54.72	47.12	46.23	45.85	45.23	44.97
Other Items (Net)	(366.03)	(350.31)	(372.45)	(334.99)	(340.97)	(366.14)
Monetary Liabilities (M2)	2,859.97	2,909.43	2,901.22	2,908.44	3,041.83	3,043.94
Money Supply (M1)	546.97	584.66	603.96	597.23	688.32	646.63
Currency with the Public	128.41	128.37	122.06	136.59	135.96	135.19
Demand Deposits	390.78	434.05	460.46	431.63	518.56	487.52
EC\$ Cheques and Drafts Issued	27.79	22.25	21.45	29.02	33.80	23.92
Quasi Money	2,313.00	2,324.76	2,297.26	2,311.21	2,353.51	2,397.32
Savings Deposits	1,142.64	1,154.44	1,147.49	1,181.61	1,246.30	1,285.24
Time Deposits	975.08	954.53	935.30	898.51	857.58	829.49
Foreign Currency Deposits	195.29	215.80	214.46	231.09	249.63	282.59

Source: Eastern Caribbean Central Bank

Data available as at 14 August 2014



Table 20
Dominica - Selected Tourism Statistics

	2013 ^R 2 nd Qr	2013 ^R 3 rd Qr	2013 ^R 4 th Qr	2014 ^R 1 st Qr	2014 ^P 2 nd Qr	2013 Jan - Jun	2014 ^P Jan - Jun
Total Visitors	37,565	21,973	117,193	191,202	46,102	184,216	237,304
Stay-Over Visitors	16,312	19,950	21,562	20,128	18,335	36,604	38,463
USA	3,663	3,072	3,682	4,406	3,811	7,767	8,217
Canada	485	485	784	939	418	1,367	1,357
UK	851	1,130	1,277	1,299	913	2,212	2,212
Caribbean	8,121	12,243	11,976	8,049	9,318	17,218	17,367
Other Countries	3,192	3,020	3,843	5,435	3,875	8,040	9,310
Excursionists	250	1,061	249	156	388	594	544
Yacht Passengers	3,422	962	2,694	5,694	2,887	9,119	8,581
Cruise Ship Passengers	17,581	-	92,688	165,224	24,492	137,899	189,716
Number of Cruise Ship Calls	13	-	60	111	17	102	128
Total Visitor Expenditure (EC\$M)	42.93	52.24	65.23	66.91	50.10	103.85	117.01

Sources: Discover Dominica Authority and ECCB Estimates

Data as at 02 October 2014



Table 21
Dominica - Consumer Price Index
June 2010 = 100

	Weight	Index Jun 2014	Percentage Change*						
			Quarter over Previous Quarter						Jun-14 Dec-13
			2013 ^R 2 nd Qr	2013 ^R 3 rd Qr	2013 ^R 4 th Qr	2014 ^R 1 st Qr	2014 ^P 2 nd Qr	Jun-13 Dec-12	
All Items	100.00	102.71	(1.16)	1.07	(0.67)	1.22	(0.45)	(0.83)	0.77
Food and Non-Alcoholic Beverages	18.08	110.06	0.66	0.72	0.22	0.21	0.08	(0.02)	0.29
Alcoholic Beverages, Tobacco and Narcotics	0.77	105.00	0.46	(0.01)	1.47	0.58	0.07	0.12	0.65
Clothing and Footwear	5.08	103.31	0.04	1.87	-	(0.84)	1.25	1.38	0.41
Housing, Utilities, Gas and Fuels	30.62	97.22	(4.34)	2.20	(2.08)	3.02	(1.41)	(2.37)	1.57
Household Furnishings, Supplies and Maintenance	5.23	104.87	(0.02)	1.46	0.10	0.35	-	0.84	0.35
Health	3.36	101.41	-	-	(0.31)	-	-	-	-
Transport	20.11	103.75	0.23	0.40	(0.45)	1.29	(0.67)	(0.79)	0.61
Communication	3.95	100.00	-	-	-	-	-	0.07	-
Recreation and Culture	3.74	102.38	-	0.71	(0.34)	(0.71)	0.97	(1.68)	0.25
Education	1.33	102.58	-	-	-	-	-	-	-
Hotels and Restaurants	2.88	105.02	(0.56)	-	0.56	-	-	(0.56)	-
Miscellaneous	4.85	104.39	-	0.15	0.10	1.15	-	0.53	1.15

Sources: Central Statistical Office, Dominica and ECCB Estimates

*at end of period

Data as at 02 October 2014



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

	2013 ^R 2 nd Qr	2013 ^R 3 rd Qr	2013 ^R 4 th Qr	2014 ^R 1 st Qr	2014 ^P 2 nd Qr	2013 Jan - Jun	2014 ^P Jan - Jun
Current Revenue	111.81	90.69	93.90	90.80	89.30	198.19	180.10
Tax Revenue	80.81	73.53	75.19	79.63	73.60	154.49	153.24
Taxes on Income and Profits	18.32	12.90	13.42	18.00	13.46	32.22	31.46
Of which:							
Personal	9.82	7.89	7.55	9.64	8.58	18.82	18.22
Company/Corporation	9.17	5.44	6.27	8.72	5.64	14.57	14.37
Taxes on Property	2.14	1.93	2.09	1.78	1.86	3.78	3.64
Taxes on Domestic Goods and Services	46.43	43.66	44.54	45.81	47.62	92.01	93.42
Of which:							
Licences	7.00	3.63	3.47	4.94	6.48	11.62	11.42
Value Added Tax	30.04	31.37	31.45	31.41	31.91	60.49	63.33
Excise Tax	9.04	8.25	9.21	8.74	8.70	19.10	17.44
Taxes on International Trade and Transactions	13.92	15.05	15.15	14.05	10.66	26.48	24.71
Of which:							
Import Duty	7.78	8.69	9.56	7.48	5.78	14.57	13.26
Customs Service Charge	3.38	3.43	3.44	3.19	2.48	6.39	5.67
Environmental Levy	2.12	2.21	1.98	1.80	1.46	3.75	3.27
Non-Tax Revenue	31.00	17.16	18.71	11.17	15.70	43.70	26.87
Current Expenditure	100.07	82.29	89.21	86.05	83.72	180.88	169.78
Personal Emoluments	42.55	35.89	36.37	36.19	35.65	77.54	71.83
Goods and Services	34.66	22.55	29.18	25.43	25.75	55.67	51.19
Interest Payments	7.46	6.29	7.07	7.35	5.58	14.70	12.93
Domestic	1.27	2.64	3.15	3.94	1.68	4.67	5.62
External	6.19	3.64	3.92	3.41	3.90	10.02	7.31
Transfers and Subsidies	15.39	17.56	16.60	17.08	16.74	32.97	33.82
Of which: Pensions	4.27	4.36	4.56	4.48	4.51	8.50	8.98
Current Account Balance	11.75	8.40	4.69	4.75	5.58	17.31	10.33
Capital Revenue	0.01	0.08	0.07	0.05	0.08	0.10	0.13
Grants	-	0.02	0.48	20.91	21.88	-	42.80
Of which: Capital Grants	-	0.02	0.48	20.91	21.88	-	42.80
Capital Expenditure and Net Lending	100.64	28.79	17.09	16.78	33.33	114.80	50.11
Of which: Capital Expenditure	100.62	28.46	17.03	16.71	33.21	114.76	49.91
Primary Balance after grants	(81.42)	(14.00)	(4.78)	16.28	(0.21)	(82.69)	16.07
Overall Balance after grants	(88.88)	(20.29)	(11.85)	8.93	(5.79)	(97.39)	3.14
Financing	88.88	20.29	11.85	(8.93)	5.79	97.39	(3.14)
Domestic	79.40	6.37	(9.52)	(26.35)	16.24	89.29	(10.11)
ECCB (net)	19.86	19.75	(1.82)	(24.83)	16.89	7.39	(7.94)
Commercial Banks (net)	9.36	(4.88)	7.88	9.86	16.19	31.79	26.04
Other	50.17	(8.50)	(15.58)	(11.38)	(16.83)	50.11	(28.22)
External	8.59	8.97	20.01	18.95	(2.97)	8.52	15.98
Net Disbursements (Amortisation)	8.72	8.99	19.87	18.93	(3.73)	8.66	15.20
Disbursements	11.29	14.43	22.14	24.87	5.00	13.91	29.87
Amortisation	2.57	5.44	2.26	5.94	8.72	5.25	14.67
Change in Government Foreign Assets	(0.13)	(0.02)	0.14	0.02	0.76	(0.15)	0.78
Arrears	0.89	4.94	1.36	(1.53)	(7.48)	(0.42)	(9.01)
Domestic	0.89	4.94	1.36	(1.53)	(7.48)	(0.42)	(9.01)
External	-	-	-	-	-	-	-
Other Financing	-	-	-	-	-	-	-

Source: Ministry of Finance, Dominica
 Data as at 02 October 2014



Table 23
Dominica - Selected Trade Statistics
(Value: EC\$M; Volume: tonnes)

	2013 ^R 2 nd Qr	2013 ^R 3 rd Qr	2013 ^R 4 th Qr	2014 ^R 1 st Qr	2014 ^P 2 nd Qr	2013 Jan - Jun	2014 ^P Jan - Jun
Visible Trade Balance	(111.44)	(102.15)	(113.67)	(108.88)	(113.85)	(229.63)	(222.74)
Total Imports	136.50	129.14	143.49	129.96	139.22	275.45	269.19
Total Exports	25.06	26.99	29.82	21.08	25.37	45.82	46.45
Re-Exports	5.56	3.93	8.84	5.26	5.68	10.70	10.95
Domestic Exports	19.51	23.06	20.98	15.82	19.69	35.12	35.50
Of which:							
Bananas							
Value	0.70	0.69	0.66	0.55	0.56	1.26	1.11
Volume	462	450	450	321	334	844	654

Source: Central Statistical Office, WINFRESH and ECCB Estimates

Data as at 02 October 2014



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

	2013 1st Qr	2013 2nd Qr	2013 3rd Qr	2013 4th Qr	2014 1st Qr	2014 ^P 2nd Qr
Net Foreign Assets	545.30	539.13	505.94	527.87	600.88	608.14
Central Bank (Net)	227.49	236.41	217.29	230.48	240.40	265.44
Commercial Banks (Net)	317.80	302.72	288.64	297.39	360.48	342.70
External (Net)	42.14	40.59	29.96	36.13	85.31	70.61
Assets	284.54	282.67	271.87	280.67	334.59	323.21
Liabilities	242.40	242.08	241.92	244.54	249.29	252.60
Other ECCB Territories (Net)	275.67	262.13	258.69	261.26	275.18	272.08
Assets	320.38	312.53	311.92	305.82	321.67	322.72
Liabilities	44.72	50.40	53.23	44.56	46.49	50.63
Net Domestic Assets	587.16	622.18	645.62	630.67	613.33	639.37
Domestic Credit	669.02	718.23	733.11	722.45	704.84	721.87
Central Government (Net)	3.34	32.56	47.44	53.50	38.54	71.61
Other Public Sector (Net)	(132.22)	(118.66)	(117.62)	(121.98)	(122.35)	(129.44)
Private Sector	797.90	804.32	803.30	790.93	788.66	779.71
Household	445.48	453.40	455.97	456.59	454.11	453.82
Business	332.04	331.08	329.59	318.64	320.28	311.66
Non-Bank Financial Institutions	13.80	13.28	11.17	11.13	7.69	7.66
Subsidiaries & Affiliates	6.57	6.57	6.57	4.57	6.57	6.57
Other Items (Net)	(81.86)	(96.05)	(87.50)	(91.79)	(91.51)	(82.50)
Monetary Liabilities (M2)	1,132.45	1,161.32	1,151.55	1,158.54	1,214.21	1,247.51
Money Supply (M1)	217.94	227.57	216.91	212.86	229.61	226.75
Currency with the Public	43.46	39.43	37.15	41.59	40.15	40.47
Demand Deposits	172.11	184.68	176.76	169.03	185.63	184.19
EC\$ Cheques and Drafts Issued	2.37	3.46	3.00	2.24	3.83	2.09
Quasi Money	914.51	933.75	934.64	945.68	984.60	1,020.76
Savings Deposits	639.33	660.80	671.67	686.38	721.42	755.90
Time Deposits	251.63	245.37	238.96	235.76	231.22	230.15
Foreign Currency Deposits	23.55	27.58	24.02	23.54	31.97	34.72

Source: Eastern Caribbean Central Bank

Data available as at 12 August 2014

^RRevisions included changes to Imputed Reserves calculation



Table 25
Grenada - Selected Tourism Statistics

	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 ^R 1 st Qr	2014 ^P 2 nd Qr	2013 Jan - Jun	2014 ^P Jan - Jun
Total Visitors	36,779	31,593	92,361	161,174	53,819	191,349	214,993
Stay-Over Visitors	21,325	30,673	27,041	33,535	29,050	55,063	62,585
Of which:							
USA	6,050	10,243	7,759	10,536	8,269	16,556	18,805
Canada	1,094	1,678	2,021	5,147	2,451	5,949	7,598
United Kingdom	4,178	4,332	5,440	6,745	5,350	10,814	12,095
Caribbean	5,675	7,555	5,574	4,403	6,031	11,310	10,434
Other Countries	4,328	6,865	6,247	6,704	6,949	10,434	13,653
Excursionists	326	435	329	715	414	842	1,129
Cruise Ship and Yachts Passengers	15,128	485	64,991	126,924	24,355	135,444	151,279
Number of Cruise Ship Calls	10	0	44	84	14	100	98
Total Visitor Expenditure (EC\$M)	53.57	88.82	75.99	101.98	76.10	162.67	178.08

Source: Grenada Board of Tourism

Data as at 07 October 2014



Table 26
Grenada - Consumer Price Index
January 2010 = 100

	Weight	Index Jun 2014	Percentage Change*						
			Quarter over Previous Quarter						Jun-14 Dec-13
			2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 1 st Qr	2014 ^P 2 nd Qr	Jun-13 Dec-12	
All Items	100.00	108.50	0.17	(1.75)	0.30	(0.43)	0.57	0.22	0.14
Food & Non-Alcoholic Beverages	20.35	115.46	0.51	(0.23)	0.63	(0.62)	0.67	0.70	0.04
Alcoholic Beverages, Tobacco and Narcotics	1.83	121.72	3.71	0.22	0.48	0.45	0.55	3.88	1.00
Clothing and Footwear	3.66	101.42	(1.34)	(1.40)	2.22	(1.54)	(0.22)	(2.58)	(1.75)
Housing, Utilities, Gas and Fuels	29.05	106.40	(0.32)	0.03	(0.06)	0.22	0.24	(0.13)	0.45
Household Furnishings, Supplies and Maintenance	4.50	110.34	(0.60)	(0.12)	(0.04)	(1.06)	0.33	(1.15)	(0.74)
Health	1.94	126.68	0.14	(0.01)	(0.08)	0.32	0.42	0.29	0.74
Transport	18.72	113.95	1.60	0.99	0.30	(0.49)	1.85	0.72	1.35
Communication	10.03	90.96	(2.34)	(17.28)	0.00	(1.90)	0.00	(1.46)	(1.90)
Recreation and Culture	2.71	106.37	2.10	(0.11)	1.79	0.35	0.00	2.10	0.35
Education	0.83	118.43	0.00	3.35	0.00	0.53	0.00	0.00	0.53
Hotels and Restaurants	1.81	107.25	2.23	0.00	0.01	0.00	0.00	1.58	0.00
Miscellaneous	4.59	104.32	0.28	0.36	(0.01)	(0.18)	(0.02)	2.43	(0.20)

Source: Central Statistics Office, Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada

*at end of period

Data as at 02 October 2014



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

	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 1 st Qr	2014 ^p 2 nd Qr	2013 Jan - Jun	2014 ^p Jan - Jun
Current Revenue	126.18	103.70	107.20	118.75	137.55	226.33	256.30
Tax Revenue	122.27	97.29	103.27	111.15	130.93	218.43	242.08
Taxes on Income and Profits	16.16	18.64	16.55	23.00	22.39	30.92	45.40
Of which:							
Personal	6.24	7.75	8.25	11.73	11.06	13.67	22.79
Company/Corporation	9.92	10.88	8.30	11.27	11.34	17.25	22.61
Taxes on Property	5.92	2.09	3.38	4.79	9.38	9.61	14.17
Taxes on Domestic Goods and Services	71.09	45.48	47.43	51.82	63.61	119.79	115.43
Of which:							
Value-added Tax	36.54	37.71	42.69	42.46	43.31	77.10	85.77
Stamp Duties	0.82	1.00	1.00	0.92	0.84	1.51	1.77
Licences	30.30	5.56	2.13	4.97	16.93	34.87	21.90
Taxes on International Trade and Transactions	29.10	31.08	35.91	31.54	35.54	58.11	67.08
Of which:							
Import Duty	11.01	12.12	15.36	12.04	13.27	22.89	25.30
Customs Service Charge	8.24	8.65	10.76	9.50	11.42	16.20	20.92
Non-Tax Revenue	3.91	6.41	3.93	7.59	6.62	7.90	14.21
Current Expenditure	101.75	131.88	113.38	128.94	111.98	216.87	240.92
Personal Emoluments	56.48	64.42	67.19	64.41	68.43	111.88	132.84
Goods and Services	19.25	18.88	19.93	17.48	16.15	37.08	33.63
Interest Payments	8.62	28.89	7.96	29.67	8.71	33.74	38.38
Domestic	3.89	7.13	2.96	3.66	3.56	5.09	7.22
External	4.73	21.76	5.00	26.01	5.14	28.65	31.15
Transfers and Subsidies	17.40	19.69	18.31	17.38	18.69	34.17	36.07
Of which: Pensions	7.09	7.27	8.01	7.33	7.31	13.90	14.64
Current Account Balance	24.43	(28.18)	(6.18)	(10.19)	25.57	9.46	15.37
Capital Revenue	0.02	0.01	0.01	0.02	0.09	0.02	0.11
Grants	14.99	5.99	5.24	9.90	17.57	20.03	27.48
Of which: Capital Grants	14.99	5.99	5.24	9.90	17.57	20.03	27.48
Capital Expenditure	44.67	44.65	28.33	39.55	40.78	81.34	80.33
Of which: Capital Expenditure	44.67	44.65	28.33	39.55	40.78	81.34	80.33
Primary Balance after grants	3.40	(37.94)	(21.30)	(10.15)	11.17	(18.09)	1.02
Overall Balance after grants	(5.22)	(66.83)	(29.26)	(39.82)	2.46	(51.82)	(37.36)
Financing	5.22	66.83	29.26	39.82	(2.46)	51.82	37.36
Domestic	(23.25)	36.19	3.51	16.86	1.84	(2.12)	18.70
ECCB (net)	(57.10)	38.82	0.97	1.08	0.11	(52.23)	1.20
Commercial Banks (net)	4.09	(13.76)	(34.07)	9.78	2.24	5.01	12.03
Other	29.77	11.13	36.60	6.00	(0.52)	45.10	5.48
External	27.47	8.59	23.41	(2.48)	(4.30)	19.45	(6.78)
Net Disbursements/(Amortisation)	27.47	8.59	23.41	(2.48)	(4.30)	19.45	(6.78)
Disbursements	38.51	19.10	35.15	7.38	6.19	51.81	13.57
Amortisation	11.04	10.51	11.74	9.86	10.49	32.36	20.34
Change in Government Foreign Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Arrears	1.00	22.05	2.35	25.44	0.00	34.49	25.44
Domestic	0.00	0.00	0.00	0.00	0.00	0.00	0.00
External	1.00	22.05	2.35	25.44	0.00	34.49	25.44
Other Financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Source: Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada and the ECCB
 Data as at 02 October 2014



Table 28
Grenada - Selected Agricultural Production

	Unit	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 ^R 1 st Qr	2014 ^P 2 nd Qr	2013 Jan - Jun	2014 ^P Jan - Jun
Bananas	(tonnes)	1,804	1,674	1,862	1,563	1,650	3,511	3,213
Cocoa	(tonnes)	257	109	143	363	348	525	711
Nutmeg	(tonnes)	103	74	65	174	194	239	368
Mace	(tonnes)	11	6	4	18	29	26	47

Source: Central Statistics Office, Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada

Data as at 02 October 2014

Table 29
Grenada - Selected Trade Statistics
(Value: EC\$M; Volume: 000 tonnes)

	2013 2 nd Qr	2013 3 rd Qr	2013 ^R 4 th Qr	2014 ^R 1 st Qr	2014 ^P 2 nd Qr	2013 Jan - Jun	2014 ^P Jan - Jun
Visible Trade Balance	(199.61)	(218.13)	(278.68)	(197.07)	(182.57)	(396.46)	(379.64)
Total Imports	236.86	240.20	295.33	224.20	225.75	459.25	449.95
Total Exports	37.25	22.07	16.65	27.13	43.18	62.80	70.31
Re-Exports	5.20	1.74	1.98	4.77	7.05	10.36	11.81
Domestic Exports	32.06	20.33	14.67	22.36	36.13	52.43	58.50
Of Which:							
Bananas							
Volume	0.00	0.00	0.00	0.98	1.00	0.00	1.99
Value	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Nutmeg							
Volume	116.35	83.33	95.14	105.31	153.27	196.30	258.59
Value	6.78	3.39	3.35	3.57	5.02	11.60	8.59
Mace							
Volume	17.81	4.43	9.47	11.33	34.07	23.73	45.40
Value	1.00	0.26	0.44	0.42	1.31	1.32	1.73
Cocoa							
Volume	282.75	106.35	74.16	344.26	344.71	565.14	688.97
Value	3.08	1.10	0.79	3.76	4.01	5.96	7.77
Manufactured Exports							
Value	8.90	9.51	8.32	8.38	8.68	17.49	17.07

Source: Central Statistics Office, Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada

Data as at 02 October 2014



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

	2013 1st Qr	2013 2nd Qr	2013 3rd Qr	2013 4th Qr	2014 ^R 1st Qr	2014 ^P 2nd Qr
Net Foreign Assets	172.53	245.71	279.74	352.39	377.80	434.87
Central Bank (Net)	286.24	331.01	305.59	365.60	358.21	363.97
Commercial Banks (Net)	(113.71)	(85.29)	(25.85)	(13.21)	19.59	70.90
External (Net)	(243.53)	(226.23)	(195.59)	(187.69)	(180.35)	(167.11)
Assets	262.33	284.79	274.35	285.24	300.42	314.29
Liabilities	505.87	511.02	469.94	472.93	480.76	481.40
Other ECCB Territories (Net)	129.83	140.93	169.75	174.48	199.94	238.01
Assets	231.23	246.44	257.95	260.99	263.16	278.81
Liabilities	101.40	105.51	88.20	86.51	63.23	40.81
Net Domestic Assets	1719.67	1651.07	1626.72	1586.33	1599.72	1566.57
Domestic Credit	1848.47	1770.28	1726.81	1695.39	1682.72	1635.96
Central Government (Net)	113.31	60.29	85.35	52.25	63.12	65.52
Other Public Sector (Net)	(66.97)	(76.40)	(81.78)	(57.26)	(65.51)	(91.68)
Private Sector	1802.14	1786.38	1723.24	1700.40	1685.11	1662.12
Household	1160.73	1164.61	1153.27	1147.75	1134.89	1123.79
Business	630.60	611.57	559.88	541.65	538.89	528.52
Non-Bank Financial Institutions	10.80	10.21	10.09	11.01	11.32	9.81
Subsidiaries & Affiliates	0.00	0.00	0.00	0.00	0.00	0.00
Other Items (Net)	(128.80)	(119.21)	(100.08)	(109.06)	(83.00)	(69.39)
Monetary Liabilities (M2)	1892.20	1896.78	1906.46	1938.72	1977.52	2001.44
Money Supply (M1)	335.71	322.78	352.96	381.04	399.22	429.56
Currency with the Public	110.13	104.93	104.65	115.69	113.70	113.02
Demand Deposits	217.81	209.76	239.07	253.71	275.41	308.77
EC\$ Cheques and Drafts Issued	7.76	8.08	9.24	11.64	10.11	7.77
Quasi Money	1556.49	1574.00	1553.51	1557.68	1578.31	1571.88
Savings Deposits	1129.13	1127.99	1114.36	1143.12	1162.99	1161.10
Time Deposits	335.46	343.78	332.32	318.24	310.46	304.83
Foreign Currency Deposits	91.90	102.24	106.84	96.33	104.85	105.96

Source: Eastern Caribbean Central Bank

Data available as at 13 August 2014

^RRevisions included changes to Imputed Reserves calculation



Table 31
Montserrat - Selected Tourism Statistics

	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 1 st Qr	2014 2 nd Qr	2013 Jan-Jun	2014 ^P Jan-Jun
Total Visitors	2,223	2,456	2,568	3,517	2,737	5,437	6,254
Stay-Over Visitors	1,320	1,945	2,051	2,355	1,795	3,205	4,150
Of which:							
USA	292	428	547	612	409	800	1,021
Canada	67	92	133	316	88	291	404
UK	319	506	497	558	357	818	915
Caribbean	529	805	764	705	846	1,022	1,551
Other Countries	113	114	110	164	95	274	259
Excursionists	377	338	372	454	422	809	876
Cruise Ship Passengers	98	-	-	-	-	364	-
Number of Cruise Ship Calls	2	-	-	-	-	4	-
Yacht Passengers	428	173	145	708	520	1,059	1,228
Number of Yachts	113	36	32	151	147	278	298
Total Visitor Expenditure (EC\$M)	3.27	4.50	4.80	7.10	4.32	9.02	11.42

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat
Data as at 02 October 2014

Table 32
Montserrat - Consumer Price Index
January 2001 = 100

	Weight	Index Jun-14	Percentage Change*						
			Quarter over Previous Quarter						Jun-14 Dec-13
			2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 1 st Qr	2014 ^P 2 nd Qr	Jun-13 Dec-12	
All Items	100.00	267.79	(0.07)	0.39	(0.43)	0.34	(0.26)	(0.50)	0.07
Food	49.50	281.91	(0.60)	0.71	(0.86)	0.25	(0.95)	(0.16)	(0.70)
Alcohol and Tobacco	4.60	263.36	0.18	0.28	(0.13)	-	1.99	1.64	1.99
Household Goods	10.20	194.40	(0.18)	1.09	0.71	0.33	(0.83)	0.33	(0.50)
Gas, Electricity and Water	1.80	245.79	3.81	0.22	(0.52)	6.53	(2.38)	(7.20)	3.99
Rent	0.70	955.73	-	-	0.00	-	-	-	-
Clothing and Footwear	17.90	223.20	0.04	(0.04)	0.03	0.35	-	(0.18)	0.35
Services	15.30	295.68	1.15	(0.49)	(0.11)	0.17	1.57	(2.19)	1.74

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat

*at end of period

Data as at 02 October 2014



Table 33
Montserrat - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2013 ^R 2 nd Qr	2013 ^R 3 rd Qr	2013 ^R 4 th Qr	2014 1 st Qr	2014 2 nd Qr	2013 Jan-Jun	2014 ^P Jan-Jun
Current Revenue	9.60	9.73	11.06	12.64	10.22	20.93	22.86
Tax Revenue	8.57	8.31	9.32	11.60	9.22	18.08	20.82
Taxes on Income and Profits	3.94	3.61	3.51	5.22	4.16	7.86	9.38
Of which:							
Personal	2.80	2.88	2.97	3.54	2.82	6.05	6.36
Company/Corporation	0.90	0.56	0.38	1.46	1.02	1.49	2.48
Taxes on Property	0.10	0.51	0.24	0.13	0.03	0.27	0.16
Taxes on Domestic Goods and Services	0.72	0.39	0.82	2.21	0.82	2.48	3.03
Of which:							
Licences and Stamp Duties	0.46	0.20	0.60	1.54	0.55	1.53	2.09
Hotel Occupancy	0.01	0.00	0.01	0.01	0.01	0.01	0.02
Insurance Company Levy	0.04	0.02	0.06	0.04	0.06	0.08	0.10
Taxes on International Trade and Transactions	3.81	3.79	4.75	4.04	4.21	7.47	8.25
Of which:							
Import Duty	1.14	1.19	1.65	1.17	1.52	2.27	2.69
Consumption Tax	2.43	2.38	2.87	2.59	2.43	4.75	5.02
Customs Service Charge	-	-	-	-	-	-	-
Non-Tax Revenue	1.02	1.43	1.74	1.04	1.00	2.85	2.04
Current Expenditure	21.60	27.92	27.94	36.29	24.24	51.87	60.53
Personal Emoluments	10.32	10.35	10.55	11.99	10.23	20.86	22.22
Goods and Services*	4.27	7.18	6.30	6.91	5.78	12.75	12.69
Interest Payments	0.01	0.01	0.01	0.01	0.01	0.02	0.02
Domestic	-	-	-	-	-	-	-
External	0.01	0.01	0.01	0.01	0.01	0.02	0.02
Transfers and Subsidies	7.00	10.38	11.09	17.38	8.23	18.24	25.61
Of which: Pensions	2.84	2.83	3.12	4.64	2.84	5.57	7.48
Current Account Balance before grants	(12.00)	(18.19)	(16.88)	(23.64)	(14.03)	(30.94)	(37.67)
Current Account Balance after grants	5.53	(18.19)	(16.88)	(6.13)	(12.36)	0.22	(18.49)
Capital Revenue	-	-	-	-	-	-	-
Grants	19.54	5.52	12.79	46.18	7.15	93.88	53.33
Of which: Capital Grants	2.01	5.52	12.79	28.66	5.48	62.72	34.15
Capital Expenditure and Net Lending	11.91	16.97	19.39	18.45	6.25	37.15	24.70
Of which: Capital Expenditure	11.91	16.97	19.39	18.45	6.25	37.15	24.70
Primary Balance before grants	(23.90)	(35.15)	(36.26)	(42.08)	(20.27)	(68.07)	(62.36)
Primary Balance after grants	(4.36)	(29.63)	(23.47)	4.09	(13.12)	25.81	(9.03)
Overall Balance before grants	(23.91)	(35.16)	(36.27)	(42.09)	(20.28)	(68.09)	(62.37)
Overall Balance after grants	(4.37)	(29.64)	(23.48)	4.09	(13.13)	25.79	(9.05)
Financing	4.37	29.64	23.48	(4.09)	13.13	(25.79)	9.05
Domestic	4.40	29.67	23.51	(4.06)	13.10	(25.73)	9.05
ECCB (net)	0.05	0.16	(0.14)	0.23	(0.22)	(0.11)	0.01
Commercial Banks (net)	7.97	18.68	(2.44)	(4.19)	8.18	(8.45)	4.00
Other	(3.62)	10.83	26.10	(0.10)	5.13	(17.16)	5.03
External	(0.03)	(0.03)	(0.03)	(0.03)	0.03	(0.06)	-
Net Disbursements/(Amortisation)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.06)	(0.06)
Disbursements	-	-	-	-	-	-	-
Amortisation	0.03	0.03	0.03	0.03	0.03	0.06	0.06
Change in Government Foreign Assets	-	-	-	-	-	-	-
Arrears	-	-	-	-	-	-	-
Domestic	-	-	-	-	-	-	-
External	-	-	-	-	-	-	-
Other Financing	-	-	-	-	-	-	-

Source: Ministry of Finance, Montserrat and Eastern Caribbean Central Bank

*Goods and Services include Miscellaneous Payments

Data as at 02 October 2014



Table 34
Montserrat - Selected Trade Statistics
(Value: EC\$M)

	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 ^R 1 st Qr	2014 ^P 2 nd Qr	2013 Jan-Jun	2014 ^P Jan-Jun
Visible Trade Balance	(27.05)	(29.12)	(14.42)	(21.91)	(24.86)	(54.02)	(46.77)
Total Imports	27.65	30.48	27.78	24.32	26.59	55.39	50.91
Total Exports	0.60	1.37	13.36	2.41	1.73	1.37	4.15
Total Domestic Exports	0.54	0.65	4.15	1.01	1.52	1.19	2.53
Total Re-Exports	0.06	0.72	9.20	1.40	0.21	0.18	1.62

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat

Data as at 02 October 2014



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

	2013 2nd Qr	2013 3rd Qr	2013 4th Qr	2014 ^R 1st Qr	2014 ^P 2nd Qr
Net Foreign Assets	288.01	264.69	270.08	288.64	283.14
Central Bank (Net)	91.04	112.87	109.38	121.16	117.70
Commercial Banks (Net)	196.97	151.83	160.70	167.49	165.43
External (Net)	84.58	68.12	85.61	95.60	88.65
Assets	136.34	121.35	140.84	154.67	148.29
Liabilities	51.77	53.23	55.23	59.07	59.64
Other ECCB Territories (Net)	112.39	83.71	75.09	71.89	76.79
Assets	119.26	91.22	82.09	80.03	83.70
Liabilities	6.87	7.51	7.00	8.14	6.91
Net Domestic Assets	(70.64)	(52.71)	(54.75)	(61.60)	(47.66)
Domestic Credit	(27.05)	(9.55)	(9.71)	(15.39)	(4.28)
Central Government (Net)	(72.88)	(54.04)	(56.63)	(60.59)	(52.62)
Other Public Sector (Net)	(22.36)	(21.71)	(19.94)	(21.05)	(16.63)
Private Sector	68.19	66.20	66.86	66.25	64.96
Household	57.99	57.46	58.36	57.88	58.04
Business	10.21	8.74	8.51	8.37	6.93
Non-Bank Financial Institutions	-	-	-	-	-
Subsidiaries & Affiliates	-	-	-	-	-
Other Items (Net)	(43.59)	(43.15)	(45.04)	(46.21)	(43.38)
Monetary Liabilities (M2)	217.37	211.99	215.33	227.05	235.48
Money Supply (M1)	39.53	52.42	53.62	56.51	58.40
Currency with the Public	17.61	17.76	18.39	18.95	16.61
Demand Deposits	21.85	34.49	35.10	37.48	41.66
EC\$ Cheques and Drafts Issued	0.07	0.17	0.13	0.08	0.13
Quasi Money	177.85	159.57	161.71	170.54	177.08
Savings Deposits	150.78	117.20	119.65	129.90	137.05
Time Deposits	18.34	35.05	33.71	33.82	33.45
Foreign Currency Deposits	8.73	7.32	8.36	6.82	6.58

Source: Eastern Caribbean Central Bank

Data available as at 14 August 2014

^RRevisions included changes to Imputed Reserves calculation



Table 36
St Kitts and Nevis - Selected Tourism Statistics

	2013 2 st Qr	2013 3 rd Qr	2013 4 th Qr	2014 ^R 1 st Qr	2014 ^P 2 st Qr	2013 ^R Jan - Jun	2014 ^P Jan - Jun
Total Visitors	128,444	89,947	209,997	314,067	136,493	390,524	450,560
Stay-Over Visitors	26,078	21,658	25,204	32,977	29,615	60,042	62,592
Of which:							
USA	17,352	13,206	15,339	21,110	19,923	39,840	41,033
Canada	1,194	1,135	1,753	3,773	1,295	4,314	5,068
UK	1,774	1,623	2,331	2,666	1,977	4,497	4,643
Caribbean	4,675	4,527	4,366	3,743	5,167	8,839	8,910
Other Countries	1,083	1,167	1,415	1,685	1,253	2,552	2,938
Excursionists	835	962	1,134	1,152	657	1,865	1,809
Cruise Ship Passengers	101,204	67,152	181,061	277,015	105,259	327,321	382,274
Yacht Passengers	327	175	2,598	2,923	962	1,296	3,885
Number of Cruise Ship Calls	44	22	86	171	47	192	218
Total Visitor Expenditure (EC\$M)	64.13	52.73	68.13	91.03	73.62	151.97	164.65

Source: Statistics Department, Sustainable Development, St Kitts and Central Statistics Office, Nevis and ECCB Estimates

Data as at 02 October 2014



Table 37
St Kitts and Nevis - Consumer Price Index
January 2010 = 100

	Weight	Index Sept 2012	Percentage Change*						
			Quarter over Previous Quarter						Jun-14 Dec-13
			2013 ^R 2 nd Qr	2013 ^R 3 rd Qr	2013 ^R 4 th Qr	2014 ^R 1 st Qr	2014 ^P 2 nd Qr	Jun-13 Dec-12	
All items	100.00	111.17	0.10	0.60	(0.22)	(0.56)	0.74	0.00	0.18
Food and Non-Alcoholic Beverages	15.98	121.52	1.72	2.58	(0.46)	(0.32)	1.32	2.77	1.00
Alcoholic Beverages, Tobacco & Narcotics	2.71	122.13	(0.96)	0.20	(0.05)	(1.05)	2.91	(0.47)	1.83
Clothing and Footwear	4.20	110.11	(0.03)	(0.73)	(5.01)	0.17	1.81	0.22	1.98
Housing, Utilities, Gas and Fuels	27.56	103.28	0.04	0.00	0.06	0.09	0.00	0.04	0.09
Household Furnishings, Supplies and Maintenance	6.10	109.37	(0.08)	(1.57)	0.90	(0.18)	0.62	(0.04)	0.44
Health	2.38	104.37	0.00	(2.24)	0.07	0.00	(0.00)	1.72	(0.00)
Transport	16.14	123.06	(0.50)	4.60	0.89	(2.58)	1.95	(2.30)	(0.68)
Communication	8.47	104.48	0.00	0.00	0.00	0.00	(0.00)	0.00	(0.00)
Recreation and Culture	2.92	105.27	(0.94)	(4.59)	0.72	(0.39)	0.80	(1.57)	0.41
Education	2.41	101.16	(3.44)	(10.87)	0.00	0.00	(0.00)	(5.79)	(0.00)
Hotels and Restaurants	5.60	113.40	0.00	1.38	(3.18)	(0.80)	0.00	0.00	(0.79)
Miscellaneous Goods and Services	5.54	111.25	0.78	(2.56)	0.58	(0.58)	0.66	2.22	0.07

Source: Statistics Department, Sustainable Development, St Kitts

* at end of period

Data as at 02 October 2014



Table 38
St Kitts and Nevis - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2013.00	2013.00	2013.00	2014 ^R	2014 ^P	2013 ^R	2014 ^P
	2 nd Qr	3 rd Qr	4 th Qr	1 st Qr	2 nd Qr	Jan - Jun	Jan - Jun
Current Revenue	192.91	193.89	216.12	181.32	233.54	376.45	414.86
Tax Revenue	109.66	104.77	120.36	110.21	107.31	204.23	217.51
Taxes on Income and Profits	21.25	23.99	23.65	20.96	24.69	37.88	45.65
Of Which:							
Personal	9.98	9.25	11.31	10.58	10.73	19.17	21.31
Company/Corporation	9.58	9.06	10.45	9.25	11.13	16.10	20.38
Taxes on Property	6.28	4.78	2.66	2.95	5.29	7.86	8.24
Taxes on Domestic Goods and Services	55.52	51.30	56.58	58.87	52.17	109.53	111.04
Of Which:							
Licences	1.04	1.09	3.77	2.35	1.10	3.96	3.45
Value Added Tax	37.58	36.28	38.14	38.40	36.81	75.51	75.21
Stamp Duties	11.68	7.56	10.55	13.04	8.71	20.01	21.75
Unincorporated Business Levy	1.25	1.03	1.14	1.40	1.20	2.48	2.61
Island Enhancement Levy	1.14	1.08	0.76	1.08	1.72	2.31	2.80
Taxes on International Trade and Transactions	26.62	24.70	37.48	27.42	25.16	48.95	52.58
Of Which:							
Import Duty	11.04	11.86	17.74	12.94	12.78	21.02	25.72
Customs Service Charge	9.70	8.71	13.50	9.33	9.01	16.51	18.34
Excise Tax	3.47	2.36	2.92	2.08	1.29	6.18	3.37
Non-Refundable Duty Free Store Levy	0.59	0.34	1.54	1.67	0.46	2.13	2.14
Non-Tax Revenue	83.25	89.12	95.76	71.12	126.23	172.23	197.35
Current Expenditure	150.02	142.84	134.48	127.50	149.84	261.89	277.34
Personal Emoluments	56.30	70.43	56.89	59.84	58.51	85.70	91.38
Goods and Services	44.63	26.83	41.45	34.40	32.17	68.97	66.56
Interest Payments	27.43	24.81	13.85	9.41	21.08	43.43	30.48
Domestic	24.68	21.94	9.75	6.50	16.31	38.16	22.82
External	2.75	2.86	4.10	2.90	4.77	5.27	7.67
Transfers and Subsidies	21.66	20.78	22.30	23.86	38.09	39.37	61.96
Of Which: Pensions	6.91	8.80	7.34	7.06	7.17	13.53	14.23
Current Account Balance	42.89	51.05	81.64	53.82	83.69	114.57	137.52
Capital Revenue	2.33	2.00	3.03	1.89	0.00	20.13	1.89
Grants	29.47	33.43	38.67	11.49	7.65	37.84	19.14
Of which: Capital Grants	29.21	13.24	14.71	11.19	7.45	37.08	18.64
Capital Expenditure and Net Lending	22.25	31.05	34.48	19.83	29.64	28.27	49.47
Of which: Capital Expenditure	22.12	30.98	34.23	19.84	29.51	27.49	49.35
Primary Balance after grants	79.88	80.23	102.70	56.79	82.79	149.85	120.43
Overall Balance	52.45	55.43	88.86	47.38	61.71	144.26	109.09
Financing	(52.45)	(55.43)	(88.86)	(47.38)	(61.71)	(144.26)	(109.09)
Domestic	(44.99)	(90.55)	(80.68)	(41.54)	(56.84)	(130.87)	(98.38)
ECCB (net)	0.43	(32.48)	(24.79)	55.45	(50.93)	49.27	4.52
Commercial Banks (net)	(92.34)	(558.73)	6.94	(83.53)	(5.54)	(209.42)	(89.07)
Other	46.92	500.67	(62.83)	(13.47)	(0.36)	29.27	(13.83)
External	(7.45)	35.12	(8.17)	(5.84)	(4.87)	(13.39)	(10.71)
Net Disbursements/(Amortisation)	(7.45)	35.12	(8.17)	(5.84)	(4.87)	(13.39)	(10.71)
Disbursements	0.61	41.83	3.02	1.80	4.70	1.33	6.50
Amortisation	8.07	6.70	11.19	7.64	9.57	14.72	17.21
Change in Government Foreign Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Arrears	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Domestic	0.00	0.00	0.00	0.00	0.00	0.00	0.00
External	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Source: Ministry of Finance, St Kitts and Nevis
 Data as at 02 October 2014



Table 39
St Kitts and Nevis - Selected Trade Statistics
(Value: EC\$M)

	2013 ^R 2 st Qr	2013 ^R 3 rd Qr	2013 ^R 4 th Qr	2014 ^R 1 st Qr	2014 ^P 2 st Qr	2014 ^R Jan - Jun	2014 ^P Jan - Jun
Visible Trade Balance	(115.96)	(126.49)	(156.79)	(120.79)	(129.81)	(238.41)	(250.60)
Total Imports	154.07	162.69	199.28	159.81	169.76	310.07	329.56
Total Exports	38.11	36.20	42.49	39.02	39.95	71.65	78.97
Total Domestic Exports	33.87	32.41	37.40	35.14	34.92	62.91	70.07
Total Re-Exports	4.24	3.79	5.09	3.87	5.03	8.74	8.90

Source: Statistics Department, Sustainable Development, St Kitts

Data as at 02 October 2014



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

	2013 1st Qr	2013 ^R 2nd Qr	2013 ^R 3rd Qr	2013 ^R 4th Qr	2014 ^R 1st Qr	2014 ^P 2nd Qr
Net Foreign Assets	1496.13	1619.42	1767.01	1945.84	2234.26	2211.91
Central Bank (Net)	787.44	802.48	944.90	786.50	941.01	955.12
Commercial Banks (Net)	708.69	816.94	822.11	1159.34	1293.25	1256.78
External (Net)	740.78	969.15	1014.56	1100.22	1321.55	1308.06
Assets	1679.08	1858.76	1887.93	1920.89	2150.41	2122.12
Liabilities	938.30	889.61	873.38	820.67	828.86	814.06
Other ECCB Territories (Net)	(32.09)	(152.21)	(192.44)	59.11	(28.31)	(51.28)
Assets	666.83	588.57	577.22	690.12	722.80	662.53
Liabilities	698.92	740.79	769.66	631.00	751.11	713.81
Net Domestic Assets	876.88	740.23	721.60	642.71	583.95	562.47
Domestic Credit	1386.06	1255.51	1162.54	1133.02	1039.04	1032.34
Central Government (Net)	509.07	416.90	(174.22)	(193.02)	(221.09)	(231.56)
Other Public Sector (Net)	(528.35)	(552.15)	(617.70)	(635.31)	(676.77)	(692.24)
Private Sector	1405.33	1390.76	1954.46	1961.35	1936.91	1956.14
Household	877.11	880.50	870.47	878.65	866.86	867.71
Business	437.37	422.32	427.73	428.51	416.52	431.43
Non-Bank Financial Institutions	50.26	48.86	50.54	46.88	49.30	50.80
Subsidiaries & Affiliates	40.59	39.08	605.72	607.31	604.22	606.21
Other Items (Net)	(509.18)	(515.28)	(440.94)	(490.31)	(455.09)	(469.87)
Monetary Liabilities (M2)	2373.01	2359.65	2488.61	2588.54	2818.21	2774.38
Money Supply (M1)	561.74	546.07	520.48	521.09	585.57	558.78
Currency with the Public	116.48	119.29	126.15	133.10	132.60	134.73
Demand Deposits	436.90	418.87	386.68	375.25	443.37	412.79
EC\$ Cheques and Drafts Issued	8.36	7.91	7.66	12.74	9.61	11.26
Quasi Money	1811.27	1813.58	1968.13	2067.45	2232.64	2215.60
Savings Deposits	768.93	781.53	803.09	827.89	841.38	866.57
Time Deposits	554.79	537.01	602.26	606.56	632.55	617.93
Foreign Currency Deposits	487.55	495.04	562.78	633.01	758.71	731.10

Source: Eastern Caribbean Central Bank

Data available as at 13 August 2014

^RRevisions included changes to Imputed Reserves calculation



Table 41
Saint Lucia - Selected Tourism Statistics

	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 ^R 1 st Qr	2014 ^P 2 nd Qr	2013 ^R Jan - Jun	2014 ^P Jan - Jun
Total Visitor Arrivals	172,344	151,805	271,853	384,432	185,049	536,959	569,481
Stay Over Arrivals	78,522	74,355	78,155	92,316	83,701	166,116	176,017
USA	36,048	30,508	30,238	35,768	40,553	67,585	76,321
Canada	6,257	4,782	8,726	17,926	6,666	22,477	24,592
UK	16,722	14,135	19,641	20,997	17,952	37,092	38,949
Caribbean	14,958	20,645	13,412	8,571	13,541	26,464	22,112
Other Countries	4,537	4,285	6,138	9,054	4,989	12,498	14,043
Excursionists	1,688	2,779	1,759	1,959	1,507	3,689	3,466
Cruise Ship Passenger	83,580	67,104	181,425	274,787	89,441	345,589	364,228
Number of Cruise Ships	39	22	106	192	50	216	242
Yacht Passengers	8,554	7,567	10,514	15,370	10,400	21,565	25,770
Total Visitor Expenditure (EC\$M)	223.57	194.48	238.82	319.44	242.98	522.28	562.43

Source: Saint Lucia Tourist Board

Data as at 18 August 2014



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

	Weight	Index Jun 2014	Percentage Change*						
			Quarter over Previous Quarter						
			2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 ^R 1 st Qr	2014 ^P 2 nd Qr	Jun-13 Dec-12	
All items	99.87	120.21	0.13	(1.28)	1.34	3.37	0.86	(0.78)	4.27
Food and Non-Alcoholic Beverages	25.02	126.75	0.41	(3.62)	0.61	2.11	1.61	(0.01)	3.76
Alcoholic Beverages, Tobacco & Narcotics	6.53	127.90	(0.48)	3.44	(3.02)	(0.25)	(1.17)	0.58	(1.41)
Clothing and Footwear	1.66	131.23	(13.83)	19.72	(3.49)	6.78	1.81	(19.88)	8.72
Housing, Utilities, Gas and Fuels	17.36	111.68	1.92	(5.99)	5.83	3.24	2.72	(0.42)	6.05
Household Furnishings, Supplies and Maintenance	3.31	121.11	(2.08)	5.98	(1.29)	6.99	(4.83)	2.46	1.82
Health	3.96	124.52	0.52	3.85	(3.82)	4.62	(1.95)	(0.65)	2.59
Transport	16.40	114.66	5.84	(3.72)	3.19	(1.59)	0.84	1.28	(0.76)
Communication	12.54	114.54	-	-	-	0.36	4.04	3.73	4.41
Recreation & Culture	1.37	98.74	(5.32)	(17.84)	2.80	14.96	3.05	(4.83)	18.46
Education	3.70	143.53	-	1.82	-	4.99	-	0.37	4.99
Hotels & Restaurants	1.10	121.03	(2.82)	2.68	8.15	(4.94)	2.71	(6.87)	(2.36)
Miscellaneous Goods and Services	6.92	122.50	0.39	(4.74)	(0.24)	9.98	(0.60)	1.26	9.32

*at end of period

Source: Central Statistical Office, Saint Lucia

Data as at 18 August 2014



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

	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 ^R 1 st Qr	2014 ^P 2 nd Qr	2013 Jan - Jun	2014 ^P Jan - Jun
Current Revenue	220.47	206.18	205.84	235.01	228.89	453.39	463.90
Tax Revenue	205.54	194.49	197.46	223.15	217.08	422.30	440.23
Taxes on Income and Profits	56.27	53.63	45.66	64.34	56.63	123.75	120.97
Of which:							
Personal	22.80	22.98	22.89	28.83	24.09	48.09	52.92
Company/Corporation	18.11	16.61	3.64	16.99	18.66	41.82	35.66
Taxes on Property	1.80	2.40	2.36	1.64	5.79	3.54	7.43
Taxes on Domestic Goods and Services	91.76	86.37	91.44	94.82	95.22	185.05	190.04
Of which:							
Consumption Duty	0.02	0.02	0.03	0.04	0.01	0.87	0.04
Licences	5.59	4.50	11.91	6.15	3.50	10.27	9.65
Excise Tax	0.86	1.04	0.77	0.97	0.73	1.79	1.71
Hotel Occupancy Tax	0.39	0.78	0.39	0.38	0.40	1.87	0.78
Value Added Tax	77.37	71.02	71.35	79.16	82.96	-	-
Taxes on International Trade and Transactions	55.72	52.09	57.99	62.34	59.44	109.95	121.78
Of which:							
Consumption Tax	0.04	0.07	0.37	0.14	0.06	0.05	0.20
Import Duties	23.39	22.24	26.35	23.71	25.84	45.33	49.56
Customs Service Charge	15.96	14.37	15.47	13.79	15.10	31.47	28.90
Excise Tax	13.21	14.25	14.44	15.42	16.64	26.05	32.06
Non-Tax Revenue	14.93	11.69	8.38	11.86	11.81	31.09	23.67
Current Expenditure	201.99	214.92	221.71	227.55	197.32	411.32	424.87
Personal Emoluments	92.38	94.50	95.88	97.02	93.37	182.55	190.39
Goods and Services	33.91	45.78	42.64	52.02	28.56	79.71	80.58
Interest Payments	35.55	33.89	33.88	33.47	34.62	67.04	68.09
Domestic	15.14	26.15	16.74	24.33	16.31	38.77	40.64
External	20.42	7.74	17.14	9.14	18.31	28.26	27.45
Transfers and Subsidies	40.14	40.75	49.31	45.04	40.78	82.03	85.81
Of which: Pensions	14.85	14.75	18.81	17.66	15.48	30.52	33.14
Current Account Balance	18.49	(8.74)	(15.87)	7.46	31.57	42.07	39.03
Capital Revenue	0.05	0.02	0.04	-	0.11	0.36	0.11
Grants	7.92	2.63	0.11	30.44	1.05	14.59	31.49
Of which: Capital Grants	7.92	2.63	0.11	30.44	1.05	14.59	31.49
Capital Expenditure and Net Lending	33.04	61.31	68.75	86.50	26.19	146.18	112.69
Of which: Capital Expenditure	33.04	61.31	68.75	86.50	26.19	146.18	112.69
Primary Balance after grants	28.97	(33.51)	(50.58)	(15.13)	41.17	(22.12)	26.04
Overall Balance after grants	(6.59)	(67.40)	(84.47)	(48.59)	6.55	(89.16)	(42.05)
Financing	6.59	67.40	84.47	48.59	(6.55)	89.16	42.05
Domestic	(5.59)	85.71	113.52	43.87	(38.36)	75.01	5.51
ECCB (net)	(5.97)	(1.26)	22.54	(6.21)	6.36	44.46	0.15
Commercial Banks (net)	40.81	20.21	38.63	(28.62)	42.24	21.03	13.62
Other	(40.43)	66.76	52.34	78.70	(86.97)	9.53	(8.27)
External	12.18	(18.32)	(29.05)	4.72	31.82	14.15	36.54
Net Disbursements (Amortisation)	12.18	(18.32)	(29.05)	4.72	31.82	14.15	36.54
Disbursements	21.55	14.76	42.70	12.43	45.56	42.56	57.99
Amortisation	9.37	33.08	71.75	7.71	13.74	28.41	21.45
Change in Government Foreign Assets	-	-	-	-	-	-	-
Arrears	-	-	-	-	-	-	-
Domestic	-	-	-	-	-	-	-
External	-	-	-	-	-	-	-
Other financing	-	-	-	-	-	-	-

Source: Ministry of Finance, Saint Lucia
 Data as at 18 August 2014



Table 44
Saint Lucia - Banana Production

	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 ^R 1 st Qr	2014 ^P 2 nd Qr	2013 Jan - Jun	2014 ^P Jan - Jun
Volume (tonnes)	3,204	2,615	3,139	2,206	2,193	6,176	4,399
Value (EC\$M)	5.76	4.62	5.44	4.13	4.57	11.07	8.70
Unit Price (EC\$/ tonnes)	1,798.48	1,766.02	1,731.90	1,874.43	2,081.82	3,584.35	3,956.24

Source: Winfresh Ltd

Data as at 18 August 2014

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

	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 1 st Qr	2014 ^P 2 nd Qr	2013 Jan - Jun	2014 ^P Jan - Jun
Total Exports	129.75	103.86	128.60	84.67	151.77	238.41	236.44
Total Domestic Exports	69.97	63.88	62.11	47.75	55.27	122.26	103.02
Total Re-Exports	59.78	39.98	66.49	36.92	96.49	116.15	133.42
Total Imports	381.20	396.42	400.52	341.33	357.26	720.25	698.59
Visible Trade Balance	(251.45)	(292.56)	(271.92)	(256.65)	(205.50)	(481.84)	(462.15)

Source: Central Statistical Office, Saint Lucia and ECCB Estimates

Data as at 18 August 2014



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

	2013 1st Qr	2013 2nd Qr	2013 ^R 3rd Qr	2013 ^R 4th Qr	2014 ^R 1st Qr	2014 ^P 2nd Qr
Net Foreign Assets	(456.30)	(498.48)	(594.03)	(646.15)	(445.40)	(477.30)
Central Bank (Net)	619.98	541.39	533.25	454.85	508.71	524.51
Commercial Banks (Net)	(1,076.27)	(1,039.87)	(1,127.27)	(1,101.00)	(954.11)	(1,001.80)
External (Net)	(436.87)	(447.92)	(454.77)	(390.10)	(294.29)	(337.57)
Assets	619.32	606.09	589.54	605.91	677.63	659.25
Liabilities	1,056.19	1,054.01	1,044.30	996.01	971.92	996.82
Other ECCB Territories (Net)	(639.41)	(591.95)	(672.51)	(710.90)	(659.82)	(664.23)
Assets	325.20	346.62	313.85	300.91	304.86	325.32
Liabilities	964.60	938.57	986.35	1,011.82	964.68	989.55
Net Domestic Assets	3,378.76	3,356.18	3,421.89	3,499.35	3,385.12	3,412.26
Domestic Credit	3,897.02	3,886.70	3,973.65	3,977.32	3,894.96	3,935.62
Central Government (Net)	193.03	227.86	246.82	307.99	273.17	321.77
Other Public Sector (Net)	(355.32)	(374.23)	(375.28)	(382.10)	(382.80)	(423.84)
Private Sector	4,059.31	4,033.07	4,102.10	4,051.43	4,004.60	4,037.70
Household	1,554.19	1,559.86	1,579.07	1,572.07	1,586.31	1,638.40
Business	2,438.55	2,405.99	2,455.76	2,435.26	2,380.21	2,365.62
Non-Bank Financial Institution	27.07	26.66	27.10	28.10	24.19	23.98
Subsidiaries & Affiliates	39.49	40.57	40.18	16.01	13.88	9.70
Other Items (Net)	(518.26)	(530.52)	(551.75)	(477.97)	(509.84)	(523.37)
Monetary Liabilities (M2)	2,922.46	2,857.70	2,827.86	2,853.20	2,939.72	2,934.96
Money Supply (M1)	771.50	668.64	657.64	695.44	777.95	749.29
Currency with the Public	154.90	156.53	150.48	159.97	151.65	142.70
Demand Deposits	603.28	501.38	495.68	527.61	620.04	594.86
EC\$ Cheques and Drafts Issued	13.32	10.73	11.48	7.86	6.26	11.73
Quasi Money	2,150.96	2,189.06	2,170.23	2,157.76	2,161.77	2,185.67
Savings Deposits	1,483.63	1,519.51	1,514.47	1,543.19	1,518.50	1,529.27
Time Deposits	504.48	499.70	480.71	443.79	447.40	372.81
Foreign Currency Deposits	162.85	169.85	175.05	170.78	195.87	283.59

Source: Eastern Caribbean Central Bank

Data available as at 12 August 2014

^RRevisions included changes to Imputed Reserves calculation



Table 47
St Vincent and the Grenadines - Selected Tourism Statistics

	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 1 st Qr	2014 ^P 2 nd Qr	2013 Jan - Jun	2014 ^P Jan - Jun
Total Visitors	32,229	23,020	54,418	88,496	34,832	122,683	123,328
Stay-Over Visitors	16,751	17,014	18,131	19,503	16,754	36,580	36,257
Of which:							
USA	4,989	4,232	5,061	5,611	4,974	10,813	10,585
Canada	1,532	1,380	1,864	2,122	1,581	3,902	3,703
UK	3,379	3,130	3,896	4,853	3,388	8,157	8,241
Caribbean	5,515	6,804	5,154	4,254	5,282	9,787	9,536
Other Countries	1,336	1,468	2,156	2,663	1,529	3,921	4,192
Excursionists	610	679	431	707	679	1,553	1,386
Yacht Passengers	8,545	5,236	11,408	20,393	10,046	28,904	30,439
Cruise Ship Passengers	6,323	91	24,448	47,893	7,353	55,646	55,246
Number of Cruise Ship Calls	32	5	52	101	23	155	124
Total Visitor Expenditure (EC\$M)	55.71	46.84	62.54	84.47	56.94	139.96	141.41

Source: St Vincent and the Grenadines Tourism Authority

Data as at 22 August 2014



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

	Weight	Index Jun 2014	Percentage Change*						
			Quarter over Previous Quarter						2014 ^P Jan - Jun
			2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 1 st Qr	2014 ^P 2 nd Qr	2013 Jan - Jun	
All Items	100.00	107.40	(0.19)	(0.28)	(0.09)	0.19	-	0.37	0.19
Food and Non-Alcoholic Beverages	21.91	113.30	0.27	1.36	0.45	0.36	0.44	-	0.80
Alcoholic Beverages, Tobacco and Narcotics	3.87	108.80	0.94	0.75	0.46	0.74	(0.27)	0.66	0.46
Clothing and Footwear	3.22	105.60	0.76	(0.38)	0.19	(0.09)	0.09	0.57	0.00
Housing, Water, Electricity, Gas and Other Fu	30.06	105.10	(0.85)	0.29	(0.95)	0.58	0.19	0.38	0.77
Furnishing, Household Equipment and Routine	6.59	101.00	0.90	(0.20)	(0.10)	0.20	(0.10)	1.81	0.10
Health	1.79	103.00	0.10	0.68	0.39	(0.29)	(0.58)	2.39	(0.87)
Transport	11.84	122.60	(0.97)	(0.41)	0.57	(0.57)	0.25	0.33	(0.33)
Communications	9.41	96.50	-	(7.21)	-	-	-	-	-
Recreation and Culture	3.81	101.40	0.68	0.29	(0.29)	(0.48)	(1.46)	0.98	(1.93)
Education	1.32	109.30	-	(0.27)	-	-	-	-	-
Restaurants and Hotels	1.87	103.00	(2.62)	2.99	-	(0.29)	-	(2.81)	(0.29)
Miscellaneous Goods and Services	4.31	100.70	0.30	0.20	(0.10)	-	(0.10)	0.20	(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 22 August 2014



Table 49
St Vincent and the Grenadines - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 1 st Qr	2014 ^P 2 nd Qr	2013 Jan - Jun	2014 ^P Jan - Jun
Current Revenue	120.77	119.13	115.07	121.74	130.67	221.87	252.41
Tax Revenue	110.35	107.97	105.53	100.61	116.40	203.52	217.01
Taxes on Income and Profits	29.17	24.32	35.88	26.56	28.60	53.32	55.16
Of which:							
Personal	19.21	15.53	17.62	18.77	19.24	36.06	38.00
Company/Corporation	6.67	5.34	13.39	3.45	5.53	11.75	8.98
Taxes on Property	0.26	1.67	1.67	0.68	0.44	0.67	1.12
Taxes on Domestic Goods and Services	60.16	61.94	45.47	55.67	65.82	112.02	121.50
Of which:							
Stamp Duties	9.52	7.30	3.57	3.86	12.40	15.28	16.26
Excise Tax	6.46	6.77	5.32	5.89	7.79	12.80	13.68
Value Added Tax	35.19	29.08	30.72	36.41	34.35	67.75	70.76
Licences	7.81	6.75	4.55	8.63	10.04	18.34	18.67
Taxes on International Trade and Transactions	20.77	20.04	22.50	17.69	21.54	37.51	39.23
Of which:							
Import Duty	11.82	11.42	14.10	9.87	12.49	21.44	22.37
Customs Service Charge	7.95	7.86	7.57	7.06	8.09	14.35	15.15
Non-Tax Revenue	10.42	11.16	9.54	21.13	14.27	18.35	35.40
Current Expenditure	123.29	124.57	142.50	116.89	125.58	233.88	242.47
Personal Emoluments	60.18	59.58	70.69	61.55	61.88	120.49	123.43
Goods and Services	16.98	17.15	19.60	14.32	16.72	28.47	31.05
Interest Payments	10.13	8.60	17.64	9.24	12.17	21.10	21.42
Domestic	5.32	4.20	13.01	4.69	7.90	11.66	12.59
External	4.81	4.40	4.63	4.56	4.27	9.44	8.83
Transfers and Subsidies	35.99	39.24	34.57	31.77	34.81	63.82	66.58
Of which: Pensions	14.82	12.21	14.76	15.28	14.24	27.44	29.51
Current Account Balance	(2.52)	(5.43)	(27.44)	4.85	5.09	(12.01)	9.94
Capital Revenue	3.99	12.11	0.17	0.18	0.17	16.68	0.35
Grants	7.48	5.77	3.47	0.00	3.78	8.19	3.78
Of which: Capital Grants	7.48	5.77	3.47	0.00	3.78	8.19	3.78
Capital Expenditure and Net Lending	32.80	21.83	61.34	18.99	6.11	40.75	25.09
Of which: Capital Expenditure	32.80	21.83	61.34	18.99	6.11	40.75	25.09
Primary Balance after grants	(13.72)	(0.79)	(67.50)	(4.72)	15.11	(6.80)	10.39
Overall Balance after grants	(23.85)	(9.38)	(85.14)	(13.96)	2.93	(27.90)	(11.03)
Financing	23.85	9.38	85.14	13.96	(2.93)	27.90	11.03
Domestic	6.34	(1.51)	21.14	(2.96)	1.59	16.23	(1.37)
ECCB (net)	(10.17)	7.71	4.22	2.14	(9.04)	(5.15)	(6.90)
Commercial Banks (net)	(15.12)	6.32	11.01	13.21	(5.76)	(9.57)	7.45
Other	31.63	(15.54)	5.92	(18.31)	16.39	30.95	(1.92)
External	26.98	(2.92)	34.00	15.14	16.66	46.06	31.80
Net Disbursements/(Amortisation)	26.98	(2.92)	34.00	15.14	16.66	46.06	31.80
Disbursements	40.37	7.29	47.92	25.86	26.73	71.64	52.59
Amortisation	13.39	10.21	13.92	10.72	10.07	25.58	20.79
Change in Government Foreign Assets	-	-	-	-	-	-	-
Arrears	(9.47)	13.82	30.00	1.78	(21.18)	(34.39)	(19.40)
Domestic	(9.47)	13.82	30.00	1.78	(21.18)	(34.39)	(19.40)
External	-	-	-	-	-	-	-
Other Financing	-	-	-	-	-	-	-

Source: Ministry of Finance and Economic Planning, St Vincent and the Grenadines and the Eastern Caribbean Central Bank
Data as at 02 October 2014



Table 50
St Vincent and the Grenadines - Selected Trade Statistics
(Value: EC\$M; Volume: 000 tonnes)

	2013 2 nd Qr	2013 3 rd Qr	2013 4 th Qr	2014 1 st Qr	2014 ^P 2 nd Qr	2013 Jan - Jun	2014 ^P Jan - Jun
Visible Trade Balance	(233.97)	(218.64)	(221.00)	(185.43)	(227.00)	(430.69)	(412.43)
Total Imports	263.70	254.39	258.60	216.66	256.40	489.97	473.05
Total Exports	29.73	35.75	37.60	31.23	29.40	59.28	60.62
Re-Exports	2.95	6.16	10.23	4.09	4.84	5.85	8.93
Domestic Exports	26.78	29.59	27.37	27.13	24.56	53.43	51.69

Source: Statistical Office, Central Planning Division, Ministry of Finance and Economic Planning, St Vincent and the Grenadines
Data as at 22 August 2014



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

	2013 1st Qr	2013 2nd Qr	2013 3rd Qr	2013 ^R 4th Qr	2014 ^R 1st Qr	2014 ^P 2nd Qr
Net Foreign Assets	439.88	506.12	477.71	493.08	519.40	544.97
Central Bank (Net)	318.49	339.13	321.01	359.42	379.57	392.02
Commercial Banks (Net)	121.39	166.99	156.70	133.66	139.83	152.95
External (Net)	(55.70)	(23.05)	(18.21)	(30.71)	(25.12)	(7.42)
Assets	149.42	185.32	179.04	174.55	175.40	195.39
Liabilities	205.12	208.37	197.25	205.26	200.52	202.81
Other ECCB Territories (Net)	177.10	190.04	174.92	164.37	164.95	160.38
Assets	281.08	281.68	270.43	276.13	267.04	277.10
Liabilities	103.98	91.64	95.51	111.77	102.08	116.72
Net Domestic Assets	781.91	738.20	783.35	791.95	802.61	813.12
Domestic Credit	990.06	947.39	979.46	998.91	1,012.77	1,005.80
Central Government (Net)	60.12	34.83	48.86	64.09	79.44	64.64
Other Public Sector (Net)	(111.69)	(138.26)	(131.84)	(113.02)	(112.54)	(106.74)
Private Sector	1,041.63	1,050.82	1,062.45	1,047.84	1,045.87	1,047.90
Household	672.63	677.36	741.12	777.08	776.88	779.83
Business	348.47	353.08	301.27	250.34	249.02	248.32
Non-Bank Financial Institution	16.52	16.39	16.05	16.43	15.96	15.75
Subsidiaries & Affiliates	4.00	4.00	4.00	4.00	4.00	4.00
Other Items (Net)	(208.15)	(209.19)	(196.11)	(206.96)	(210.16)	(192.68)
Monetary Liabilities (M2)	1,221.80	1,244.32	1,261.07	1,285.03	1,322.01	1,358.09
Money Supply (M1)	360.45	364.03	387.64	374.21	387.11	385.37
Currency with the Public	44.05	40.30	37.63	48.14	45.59	47.85
Demand Deposits	307.68	314.82	342.66	320.08	333.40	329.75
EC\$ Cheques and Drafts Issued	8.72	8.91	7.35	5.99	8.12	7.77
Quasi Money	861.34	880.29	873.43	910.82	934.91	972.72
Savings Deposits	670.35	699.25	693.94	717.40	746.11	760.71
Time Deposits	127.94	125.57	121.31	136.28	133.29	136.53
Foreign Currency Deposits	63.06	55.47	58.17	57.15	55.51	75.49

Source: Eastern Caribbean Central Bank

Data available as at 14 August 2014^RRevisions included changes to Imputed Reserves calculation