

# Eastern Caribbean Central Bank



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# 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

During the second quarter of 2012, the world economy seems to have endured a synchronized downshift. News out of China indicated growing concerns regarding the level of production and exports in that economy. The European economy appeared to be in recession as the combination of austerity measures, uncertainty over the fate of the euro, and the combined sovereign/banking crisis in the periphery hindered both the consumer and business sectors. European governments continued to change or fall as the political cost of the prevailing economic conditions took its toll. More broadly, the world economic slowdown was best evidenced by the retreat in commodity prices (Commodity Research Bureau raw industrials down about 7.0 per cent), oil prices (Brent crude down nearly 20.0 per cent), and stock prices (down about 4 per cent globally) in the second quarter. Global consumer confidence declined three index points to 91 in the second quarter of 2012 amid a worsening Euro zone crisis, lackluster USA job growth and China's downward GDP revision for 2012.

### Output

In the **United States of America**, economic activity expanded in the second quarter of 2012, albeit at a slower pace when compared to the previous quarter's outturn. According to the Bureau of Economic Analysis (BEA), real GDP increased at an

annual rate of 1.7 per cent following a 2.0 per cent expansion in the first quarter. The increase in real GDP in the second quarter primarily reflected positive contributions from personal consumption expenditures (PCE), exports, nonresidential fixed investment, and residential fixed investment that were partly offset by negative contributions from private inventory investment and from state and local government spending. Imports, which are a subtraction in the calculation of GDP, increased. The deceleration in real GDP in the second quarter primarily reflected decelerations in PCE, in nonresidential fixed investment, and in residential fixed investment that were partly offset by a smaller decrease in federal government spending, an acceleration in exports, and a smaller decrease in private inventory investment. More encouragingly, the housing sector is showing signs of bottoming and moving hesitantly forward. Over the last 12 months, new home sales activity has increased nearly 20.0 per cent, and existing home sales activity has increased approximately 10.0 per cent to an annualized rate, prompting an increase in the construction of new homes. However, after dropping nearly a percentage point in the second half of 2011, the unemployment rate now appears stuck in the low 8 per cent range.

Output growth in the **United Kingdom** fell by 0.5 per cent in the second quarter of 2012, the third consecutive quarterly contraction in GDP. Total output has now declined by 1.2 per cent over the last



three quarters. All four of the main sectors of the economy contracted between the first and second quarter, with construction providing the largest negative contribution to growth. Most notably, the construction sector output decreased by 3.9 per cent in the second quarter of 2012 following a decrease of 4.9 per cent in the first quarter. Output of the service industries decreased by 0.1 per cent in the second quarter of 2012 compared with the first quarter of 2012, following an increase of 0.2 per cent between fourth quarter 2011 and first quarter 2012. Output of the production industries fell by 0.9 per cent, within which manufacturing output also fell by 0.9 per cent. Unemployment in the UK fell marginally to 8.0 per cent in the second quarter from 8.2 per cent in the first quarter supported by preparation for the hosting of the 2012 Olympic Games. At the same time, in current price terms, compensation of employees rose by 1.8 per cent in the second quarter of 2012.

Economic activity in the **Euro area** declined, as real GDP contracted by 0.2 per cent in the second quarter, compared with zero growth in the first quarter. According to Eurostat, during the second quarter of 2012, household final consumption expenditure decreased further by 0.2 per cent in the Euro area after contracting by 0.2 per cent in the previous quarter. Gross fixed capital formation fell by 0.8 per cent following a decline of 1.3 per cent. Exports rose by 1.3 per cent in the Euro area following growth of 0.7 per cent in the first quarter. Imports increased by 0.9 per cent after 0.2 per cent fall in the first three months of the year. The

GDP figures showed that Germany grew by 0.3 per cent in the second quarter, while France stagnated for a third straight quarter. The largest falls in economic output were recorded in Portugal, down 1.2 per cent, and Finland, which shrank 1.1 per cent, Italy's economy contracted by 0.7 per cent. The Euro area seasonally-adjusted unemployment rate was 11.2 per cent in June 2012; stable when compared with May 2012, but was higher than the 10.0 per cent recorded in June 2011.

**Japan's** economy expanded by 0.3 per cent in the second quarter of 2012, as a rebound in consumer spending loses momentum and Europe's debt crisis weighs on worldwide demand. Private consumption weakened and exports, traditionally the driver of Japan's economic growth, shaved 0.1 percentage point off of the quarter's gross domestic product. Growth in private consumption, which makes up about 60 per cent of the economy, slowed to 0.1 per cent from 1.2 per cent in the previous quarter. On an annualized basis, the world's third-largest economy grew by 1.4 per cent in the second quarter of 2012, less than the median 2.5 per cent forecast.

**China's** economy is estimated to have expanded at its slowest pace since the depths of the global financial crisis more than three years ago. The world's second-largest economy grew by 7.6 per cent from April to June year-on-year, the worst performance since 6.6 per cent in the first quarter of 2009. The slowdown was mainly due to the continued deterioration in the international environment, which further dampened foreign



demand. Domestic demand eased also as macro-economic tightening, particularly controls on the real estate sector, continued. However, fixed asset investment which grew by 20.4 per cent in the first six months of the year was a major contributor to China's economic growth.

**Canada** has now registered four straight quarters of expansion. Solid business investment in plant and equipment, along with inventory build-ups, helped Canada to register annualized real growth of 1.8 per cent in gross domestic product in the second quarter of 2012.

### **Developments in Oil and Consumer Prices**

#### ***Oil Prices***

Crude oil prices generally declined during the second quarter of 2012. Both Brent and U.S. West Texas Intermediate (WTI) crude oil started 2012 above US\$100.0 per barrel and reached a peak in early March of just over US\$125.0 per barrel for Brent and almost US\$110.0 per barrel for WTI, as positive economic news increased prospects for stronger oil demand and worries about supply disruptions linked to Iran's nuclear program contributed to higher prices. Prices were however lower during the second quarter due, in part, to concerns about falling oil demand with a slowdown of the global economy. By the end of June, oil prices were down almost 30.0 per cent from their peak, to just under US\$78.0 per barrel for WTI and US\$91.0 per barrel for Brent.

#### ***Consumer Prices***

Global inflation continued to ease in recent months. In the OECD area, the period average consumer price inflation for the year to June 2012 was 2.0 per cent, compared with a peak of 3.3 per cent recorded in September 2011. Excluding food and energy, the annual rate of inflation declined to 1.8 per cent in June 2012, compared with 1.9 per cent in May 2012. In several emerging markets, annual rates of inflation have continued to decline in June 2012.

In the United States of America, annual CPI inflation remained unchanged at 1.7 per cent in June 2012. CPI inflation continues to be held down by the decline in energy prices, which fell by 3.9 per cent in both May and June 2012, compared with the same months of last year. On a yearly basis, food price increases continued to ease further in June 2012, standing at 2.7 per cent and down from a peak of 4.7 per cent in October 2011. Excluding these components, core inflation declined to 2.2 per cent in June 2012, after remaining at 2.3 per cent for the previous three months. The decline in core inflation is explained by lower price increases in apparel, cars and shelter. For the second quarter of 2012 as a whole, annual CPI averaged 1.9 per cent, down from 2.8 per cent in the first quarter. In the United Kingdom, annual CPI inflation declined to 2.4 per cent in June 2012, from 2.8 per cent in May, while CPI inflation excluding energy and unprocessed food slowed from 2.4 per cent to 2.2 per cent. The fall in inflation was mainly due to lower prices of commodities and clothing.



Headline inflation in the Euro zone in June 2012 remained at 2.4 per cent, unchanged from the previous month. The stable inflation rate masks a drop in the annual rate of increase of the energy component and a strong increase in that of unprocessed food. Energy prices fell to 6.1 per cent in June 2012 from 7.3 per cent in May, driven by a strong decline in energy prices on a monthly basis (-1.7 per cent). Unprocessed food inflation surged to 3.1 per cent in June 2012 from 1.8 per cent in May, reflecting an upward base effect and much higher annual rates of increase in the prices of fruit and vegetables, while those of meat and fish declined somewhat. In Japan, annual CPI inflation declined in June to -0.2 per cent from +0.2 per cent in May 2012, owing mainly to falling prices for energy and consumer durables. Excluding fresh food, annual CPI inflation declined to -0.2 per cent in June, compared with -0.1 per cent in May, whereas the annual rate of change of CPI inflation excluding food and energy remained unchanged at -0.6 per cent. In China, annual CPI inflation continued to decline in June, to 2.2 per cent.

Canadian consumer prices rose 1.5 per cent in the 12 months to June, following a 1.2 per cent gain in May. The increase in the Consumer Price Index (CPI) was led by higher prices for the purchase of passenger vehicles and, to a lesser extent, for electricity.

### **Monetary Policy Developments**

Citing strains in global financial markets from the Euro area's debt crises, leading central banks opted to keep policy rates unchanged. Although the banks affirmed their readiness to respond in the event of a shock to the global financial system, monetary policy worldwide was in a wait-and-see mode, as Europe's politicians attempted to address the debt and institutional crises. The US Federal Reserve at its meeting on 20 June 2012 decided to keep its target for the federal funds rate unchanged at 0 to 0.25 per cent, citing the weak economic recovery and the need for a highly accommodative monetary policy stance. The European Central Bank (ECB) also determined that its policy stance remained appropriate. The Governing Council of the ECB on 6 June 2012 decided that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00 per cent, 1.75 per cent and 0.25 per cent respectively.

The Bank of England (BoE) Monetary Policy Committee opted to leave interest rates unchanged at 0.5 per cent at its last policy meeting in June 2012. The BoE also decided to maintain the total quantitative easing conducted at £325bn, citing a higher than targeted inflation rate and uncertainty in the global economy.



**Outlook**

Political and economic uncertainty can continue to stoke volatility. It is expected that politics, from Eurozone negotiations to the USA presidential election to transition of leadership in China, could contribute to volatility throughout the global economies.

Economic activity in emerging market economies are expected to continue to grow, albeit more slowly. These economies are projected to continue to be the major contributors to global GDP growth, even if at a slower pace than recent years. However, secular trends relating to emerging market economies, especially the growth and maturation of the emerging consumer can continue to provide measures of economic growth opportunities around the world.

Of the advanced economies, the USA is expected remain on a slow-growth track. Economic data

continue to affirm the view that the USA would avoid a double-dip recession.

Although employment data remain bleak, housing data have improved and more consumers appear willing to spend again. The Eurozone remains a source of instability. There have been steps toward addressing the Eurozone crisis as more than a liquidity issue. While this is encouraging, far more needs to be done and the road ahead is long, difficult and unclear.

Ultimately, the pace of growth should correlate with fiscal restraint and expanding economic freedoms. Uneven growth from country to country is anticipated as some nations adapt more readily than others to evolving economic conditions. Sound fiscal policies and expanding economic freedoms, such as fair trade and reasonable regulations, can help countries capitalize on the opportunities of going forward.



## DOMESTIC ECONOMIC DEVELOPMENTS

### Overview

The pace of economic activity in the Eastern Caribbean Currency Union (ECCU) contracted during the first half of 2012 albeit at a slower rate relative to the same period in 2011. The weak global economic recovery during the review period contributed to the decline in the ECCU. Preliminary data indicate that major sectors such as construction, wholesale and retail trade and financial intermediation registered contractions in activity. However, there was a rebound in the agriculture, livestock and forestry sector combined with increased value added in the tourism industry and the manufacturing sector. Performance across the ECCU member countries was mixed, Dominica, Grenada, Saint Lucia, St Vincent and the Grenadines and Antigua and Barbuda recorded positive growth, while the remaining territories registered contractions. Consumer prices rose in the majority of the countries. Price increases ranged from 0.4 per cent in Anguilla to 2.4 per cent in Montserrat. The merchandise trade deficit is estimated to have narrowed, on account of a decrease 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 2011, partly as a result of a decline in capital expenditure. As a consequence of the overall deficit position of the central government, the outstanding

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

Real economic activity is expected to contract further in the latter half of 2012 albeit at a reduced pace following the estimated 0.5 per cent decline in real activity in 2011. This uncertain outlook is based on the fact that recovery in major trading partner countries such as the USA is still fragile, characterised by high levels of unemployment, and uncertainty regarding the soundness of their financial system and the sustainability of their macro-economic policies. The sovereign debt crisis in the Eurozone and economic contraction in the UK further cloud the forecasts and threaten to further slow the pace of the global recovery. In the context of these developments, demand in these countries for goods and services exported by ECCU member countries, is expected to remain subdued. In addition, investment flows and remittances are likely to be further constrained. Therefore, the prospects for improvements in the tourism industry and the construction sector, which are the main drivers of growth in the currency union, remain uncertain for the remainder of 2012. Risks to the outlook have intensified and are firmly tilted to the downside.



## **Output**

Construction activity, which is one of the major drivers of economic activity in the currency union, is estimated to have contracted in the first half of 2012, by a rate comparable with the corresponding period of 2011. This outturn reflected a reduction in both private and public sector construction activity. The main factor contributing to the decline in public sector construction activity was the reduction in capital spending in member countries, associated with the implementation of fiscal stabilisation measures in light of falling revenues and some constraints on accessing external financing, especially soft loans. Capital spending across the ECCU fell by 38.6 per cent (\$176.0m), as a result of cuts in the majority of the territories of the ECCU. On an individual country basis, the decline in capital spending ranged from 12.3 per cent in Saint Lucia to 65.5 per cent in Antigua and Barbuda.

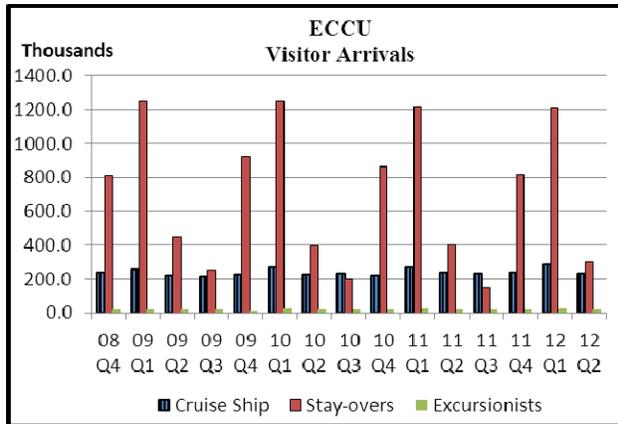
Private sector construction activity continues to be negatively impacted by persistent fragilities in the global financial system following the global economic and financial crisis. The results for the ECCU appeared to be somewhat mixed as some of the territories recorded increased private sector activity while others registered declines. Private investment flows, especially in the tourism sector have declined, leading to a fall-off in associated construction activity. Nonetheless, private sector residential activity appeared to have increased marginally across the currency union, as evidenced by a 0.7 per cent increase in commercial bank

lending for home construction and renovation. The expansion in this particular type of credit was however, concentrated in three territories Dominica (1.1 per cent), Montserrat (6.8 per cent) and Antigua and Barbuda (7.4 per cent). All other territories recorded declines.

Activity in the tourism industry rose in the first six months of 2012 relative to developments in the same period of 2011, mainly on account of growth in stay-over arrivals. The number of stay-over visitors rose by 2.3 per cent to 522,106, compared with a 2.7 per cent increase in the first half of 2011. Increases were recorded in arrivals from all major source markets except the Caribbean. Stay-over visitors from the USA, which account for approximately 41.4 per cent of the total market share, grew by 4.1 per cent, representing an improvement in the performance from the 1.9 per cent increase in the corresponding period of 2011. Meanwhile arrivals from Canada rose by 8.3 per cent compared with growth of 4.5 per cent in the corresponding period of 2011. Those increases were supplemented by a higher level of stay-over visitors from the UK (0.7 per cent). The number of stay-over visitors from the Caribbean declined by 2.1 per cent largely reflecting the impact of the high cost of inter-regional travel – a major deterrent to travel within the region. Performances across the currency union were mixed with increases in stay-over arrivals recorded in St Kitts and Nevis (13.5 per cent), Antigua and Barbuda (3.8 per cent), Dominica (3.3 per cent) and St Vincent and the Grenadines (2.6 per cent). All



the other ECCU member countries registered declines in the number of stay-over arrivals.



Of the other categories of visitors, cruise ship passenger arrivals decreased by 6.7 per cent to 1.5m, notwithstanding the 4.4 per cent increase in the number of cruise ship calls to 1,013 reflecting the use of smaller vessels by some cruise lines. The decline was largest in Grenada (24.8 per cent); significant declines were also registered for Dominica, Saint Lucia and St Vincent and the Grenadines of 18.6 per cent, 6.0 per cent and 16.6 per cent respectively. By contrast, the only increase was recorded in St Kitts and Nevis (6.8 per cent). The number of excursionists rose by 11.7 per cent to 49,114, and the number of yacht passengers increased by 6.2 per cent to 88,235. The total effect of these developments was a 3.8 per cent reduction in the total number of visitors to the ECCU.

Preliminary data indicate that aggregated manufacturing output in the currency union increased during the first half of 2012, largely attributable to developments in St Vincent and the

Grenadines, St Kitts and Nevis, Saint Lucia and Dominica. In St Vincent and the Grenadines, output of beer, flour and feeds expanded. In St Kitts and Nevis higher manufacturing output was evident in the increased export of telecommunications and electrical equipment. In Dominica increased soap production (20.7 per cent) coupled with expansions in the output of metal products (58.6 per cent) and corrugated paper and paper products (28.9 per cent) in Saint Lucia. Those increases in manufacturing output were partially offset by declines in Antigua and Barbuda and Grenada.

Value added in the agricultural, livestock and forestry sector increased in the first half of 2012 relative to that of the corresponding period of 2011, mainly due to a recovery in the output of bananas, reversing a decline caused by the effects of hurricane damage and disease infestation from black sigatoka. The increase in value added was influenced mainly by developments in Saint Lucia, Grenada, St Vincent and the Grenadines and Dominica, especially in crop production. Output of banana, the major traditional export crop of the region, is estimated to have expanded reflecting a rebound in production in the four major producing countries with the exception of Dominica. As a consequence, export earnings from banana are estimated to have increased. The rise in valued added in crop production was partially offset by declines in the output of nutmegs in Grenada, while the output of other crops increased in all of the territories except St Kitts Nevis, Saint Lucia and Montserrat. Additionally, value added in the fishing sub-sector



rose, primarily as a result of increased output in all of the territories except St Vincent and the Grenadines and St Kitts and Nevis. Of the other sub-sectors, increases were recorded in value added for livestock and forestry.

The performances of other major sectors were generally mixed as activity in wholesale and retail trade and financial intermediation contracted, while value added in transport, storage and communications, public administration, defence and compulsory social security and real estate renting and business activities increased.

### **Prices**

Consumer prices as indicated by the aggregated index increased by 1.9 per cent over the first half of 2012 in the ECCU, compared with that of the aggregated index (2.6 per cent) in the comparable period of 2011. The consumer price index (CPI) increased in all the member countries except in St Kitts and Nevis. The rise in the CPI was influenced by higher prices in major sub categories such as, food, fuel and light, household and furniture equipment, and clothing and footwear. The largest increase was recorded in clothing and footwear (5.4 per cent) which rose in all the member countries except in Dominica and Anguilla. The aggregated fuel and light sub-index increased by 3.6 per cent. Across the ECCU, the rate of increase in the fuel and light sub-index ranged from less than 0.1 per cent in St Kitts and Nevis to 9.6 per cent in Antigua and Barbuda. The increase was partly moderated by

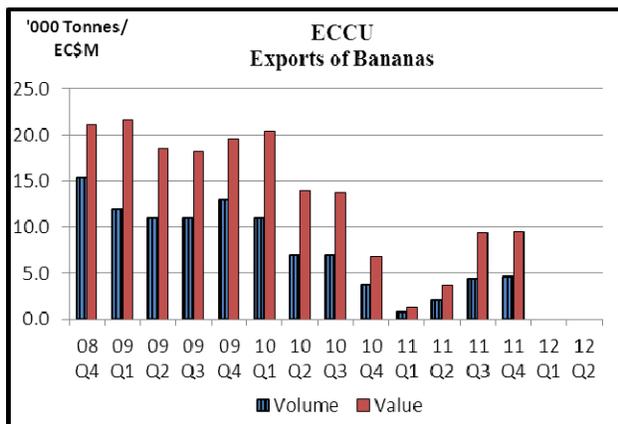
lower prices in Saint Lucia and Montserrat and unchanged prices in Anguilla. Gas prices rose by 8.2 per cent to an average of \$15.74 during the review period from an average of \$14.55 in the first six months of 2011. As indicated by the ECCU aggregated index the sub-index for food increased by 2.0 per cent. The cost of food, the largest weighted category in the basket of goods and services, rose in all the member countries except St. Vincent and the Grenadines. Higher prices for items such as fish, dairy products, oils, fats, flour and cereal contributed to the increase in the food sub-index. Anguilla recorded the largest increase in the food sub-index (2.1 per cent), while Grenada registered the lowest (0.6 per cent). The increase in the food sub-index was moderated by a reduction in the price of food and non-alcoholic beverages in St Vincent and the Grenadines. The increase in the household and furniture equipment aggregated sub-index (2.3 per cent) was largely fuelled by higher building material prices in Grenada. Of the other sub-indices, notable increases were recorded for transportation and communication and housing and utilities.

### **Trade and Payments**

Preliminary estimates indicate that the merchandise trade deficit narrowed in the first half of 2012, largely as a result of a decrease in import payments. This development is consistent with the general contraction in overall activity and in particular the importation of goods and materials. Import payments fell by 0.4 per cent to \$3,331.1m, in

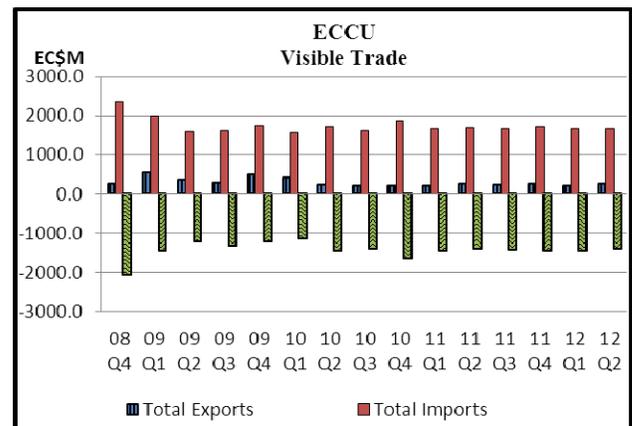


contrast to a 2.4 per cent increase in the first six months of 2011. Notwithstanding the fledgling performance of the manufacturing sector and persistent weak external demand for goods and services from the region, receipts from domestic exports grew marginally by 7.0 per cent to an estimated \$312.3m. The performance of exports was buoyed by increased exports of bananas. Total exports rose by 0.1 per cent to \$485.4m, as a 10.7 per cent decrease in re-exports, moderated a 7.0 per cent increase in domestic exports.



Complete data are not available for the review period however, estimates suggest that inflows on the external current account increased. This is evidenced by a 3.6 per cent rise in gross travel receipts to \$1,724.1m, compared with an increase of the same percentage in the first half of 2011. The increase in receipts in the period under review was primarily fuelled by the robust performance in stay-over visitors to the region, particularly in St Kitts and Nevis and Antigua and Barbuda. Commercial banks' external transactions resulted in a net outflow of \$129.9m in short-term capital, compared with a

net outflow of \$101.1m in the corresponding period of 2011. Of other major flows on the capital and financial account, gross inflows of official grants rose by 10.2 per cent to \$192.7m, reflecting higher inflows to St Kitts and Nevis and Montserrat. Gross external disbursements to the central governments rose by 78.2 per cent to \$225.0m and external loan payments more than doubled to \$377.2m.



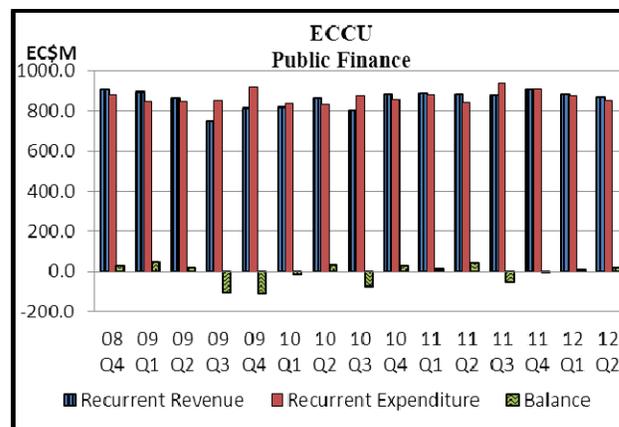
**Central Government Fiscal Operations**

The fiscal operations of the central governments resulted in an improved fiscal position in the first half of 2012, compared with that of the corresponding period in 2011, as reflected in a lower overall deficit and larger primary surplus. The combined overall deficit fell to \$57.8m from \$222.1m in the corresponding period of 2011, while a primary surplus of \$151.3m was realised in contrast to a deficit of \$5.0m in the first six months of 2011. The lower overall deficit was attributed to a decline in capital expenditure partly offset by a reduction in the surplus on the current account. Among the member countries, the performances



were mixed with some countries overall balance positions improving while others deteriorated. Of the countries that showed improvements, St Kitts and Nevis and Anguilla recorded overall surpluses, while Antigua and Barbuda, Dominica and St Vincent and the Grenadines registered lower overall deficits. The remaining countries, Grenada, Montserrat and Saint Lucia generated overall deficits which were either higher or reversed overall surpluses to deficit positions relative to the corresponding period in 2011.

Capital expenditure contracted by 38.6 per cent to \$279.8m, as countries implemented adjustment measures aimed at realigning expenditure with revenue which has been constrained by generally weak economic activity. Additionally, projects have been delayed in some of the territories due to the unavailability of financing adversely impacting implementation schedules, while work has wound down on some major projects in the public sector investment programme (PSIP). On an individual country basis, capital expenditure fell in all of the member countries except Anguilla, Montserrat and St Vincent and the Grenadines. Receipts from capital grants, which have been a major source of funding for countries like Dominica, Grenada and Saint Lucia, fell by 17.0 per cent \$163.2m, in contrast to a 44.3 per cent increase in the corresponding period of 2011.



The current operations of the central governments resulted in a surplus of \$20.6m, which was lower than the \$49.8m realised in the first six months of 2011. The smaller surplus was influenced by a decline in current revenue and an increase in current expenditure. Current revenue fell by 1.3 per cent to \$1,748.8m, as a result of a 9.2 per cent (\$20.7m) decline in non-tax revenue and a 0.1 per cent (\$1.8m) reduction in tax revenue. Lower non-tax revenue receipts reflected decline in most of the individual territories, primarily in St Kitts and Nevis as revenue formerly collected by the government operated Electricity Department was transferred to the newly corporatized body. Of tax revenue, declines were registered for taxes on international trade and transactions (3.5 per cent) and taxes on income and profits (5.2 per cent), which collectively account for 55.3 per cent of total tax revenue. All of the major sub-categories of taxes on international trade and transactions recorded reductions, of which



consumption tax collections fell by 7.9 per cent (\$5.8m). The decline in the yield for consumption tax was influenced by a reduction in the value of imports. The fall in the collection of taxes on international trade and transactions were mainly associated with declines in revenue from the consumption tax in Antigua and Barbuda and import duties in St. Kitts and Nevis and Saint Lucia. Lower receipts of taxes on income and profits were attributable to a 17.6 per cent reduction in the collection of company tax, reflective of lower corporate profits. Lower receipts from taxes on income and profits were influenced largely by developments in all of the countries with the exception of St. Vincent and the Grenadines and Anguilla. Those contractions were only partially offset by increases in tax revenue receipts for taxes on domestic goods and services and the collection of property tax receipts. On a country basis, the rise in the yield from taxes on domestic goods and services were influenced by developments in Antigua and Barbuda, Saint Lucia, St. Vincent and the Grenadines and Montserrat, while property taxes collections were higher in all of the territories except Dominica.

Current expenditure rose by 0.4 per cent to \$1,728.3m, reflecting increases in spending on transfers and subsidies - including pensions (4.4 per cent) and personal emoluments (0.6 per cent). Increases in the transfer and subsidies payments were fuelled by higher outlays for pensions (\$29.0m) in most of the territories with the exception of Dominica, Anguilla and St Vincent and the

Grenadines. Higher outlays on personal emoluments were fuelled by developments in Antigua and Barbuda, and Saint Lucia where retroactive salary payments were made to some public servants coupled with an increase in employment in the public service. The increase in current expenditure overall was moderated by reductions in outlays on goods and services (2.3 per cent) and interest payments (3.7 per cent). This outturn for goods and services was largely associated with the implementation of expenditure adjustment measures aimed at reducing overall expenditure, in order to achieve the objectives laid out in the ECCU Eight Point Stabilisation and Growth Programme. The decrease in interest payments mainly reflected lower obligations related to debt restructuring exercises undertaken in Antigua and Barbuda and St Kitts and Nevis which are currently under IMF Standby Arrangement (SBA) programmes.

### **Public Sector Debt**

The total stock of disbursed outstanding public sector debt of ECCU member countries increased by 0.6 per cent to \$12,635.7m during the first half of 2012. This increase was attributed mainly to a rise in indebtedness of the central governments, moderated by a reduction in the outstanding debt of public corporations. Central governments outstanding debt grew by 1.1 per cent to \$10,778.1m, as a number of countries sought to secure additional funding to finance government operations. In contrast, public corporations reduced their indebtedness as evidenced by a 2.0 per cent



contraction in the stock of outstanding debt, reflecting a fall in external borrowing.

In terms of the member countries, only St Kitts and Nevis, Anguilla and Montserrat recorded a decline in the total stock of outstanding debt. Among the other countries, increases ranged from 0.4 per cent in Grenada to 7.0 per cent in Dominica.

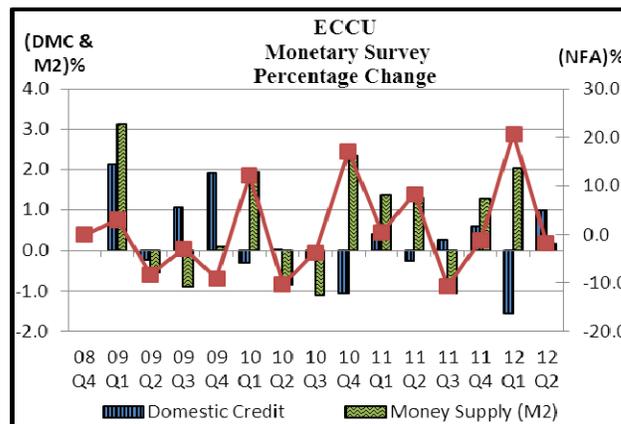
### Financial Sector Developments

#### Monetary and Credit Developments

Monetary liabilities (M2) grew by 2.2 per cent to \$13,322.1m, compared with a 2.7 per cent rate of expansion in the corresponding period of 2011. Of the components of M2, quasi money, which on average accounts for approximately 80.1 per cent of M2, rose by 3.3 per cent (\$340.7m) to \$10,676.3m; compared with growth of 3.4 per cent in the first six months of 2011. The expansion in quasi money was influenced by increases in savings deposits (5.2 per cent) and foreign currency deposits (4.2 per cent). The growth in quasi money was partially offset by a 2.0 per cent (\$54.9m) contraction in narrow money (M1), reflecting declines in all of the sub-categories.

Domestic credit fell by 0.6 per cent to \$12,557.4m during the review period as a result of developments in the public sector especially central government, and consistent with slow growth in M2. Net credit to the central government fell by 9.4 per cent to \$1,140.4m, in contrast to a 2.8 per cent increase in the comparable period of 2011. The main factor contributing to this decline was an increase of 10.8

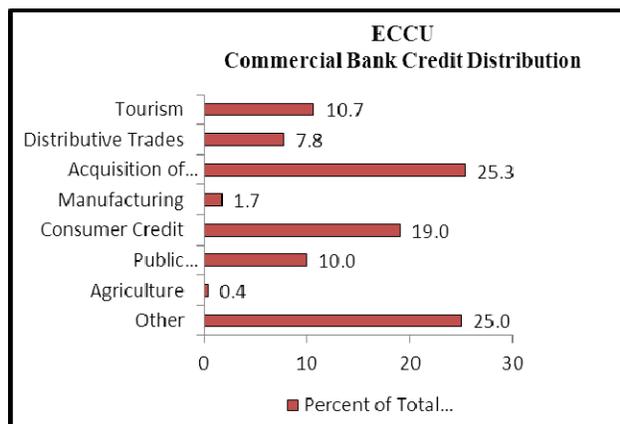
per cent (\$92.1m) in central government deposits in the commercial banking system. The net deposit position of Non-Financial Public Enterprises (NFPEs) grew by 11.9 per cent, due to a fall in credit and an increase in deposits. This outturn also contributed to the decline in domestic credit. The reduction in domestic credit overall, was only partially tempered by a 1.6 per cent (\$206.3m) expansion in credit to the private sector. This outturn was driven by a 4.1 per cent increase in credit to households (\$263.3m).



The distribution of commercial bank credit by economic activity indicates that all the major sectors recorded growth, except for the tourism and manufacturing-including mining and quarrying. Lending for personal use, the largest category, grew by 4.6 per cent, compared with a 0.9 per cent increase in the corresponding period of 2011. This expansion was driven by lending for the acquisition of property and other personal use, while credit for consumer durable goods fell. Other sectors recording increases included distributive trades (3.1 per cent), construction (1.4 per cent) and agriculture



and fisheries (3.8 per cent). Credit to the tourism industry declined by 4.0 per cent, while that to manufacturing - including mining and quarrying - contracted by 0.9 per cent.



Net foreign assets of the banking system rose by 18.5 per cent to \$2,444.0m during the period under review, as net foreign assets of the ECCB increased and commercial banks reduced their net foreign liability position. Commercial banks' net foreign liability position fell by 19.8 per cent (\$129.9m), on account of a 1.5 per cent (\$67.2m) decrease in their foreign liabilities combined with a 1.6 per cent (\$62.7m) expansion in their foreign assets. The net foreign assets of the ECCB grew by 9.3 per cent (\$251.7m), compared with an increase of 3.4 per cent during the first half of 2011.

Liquidity in the commercial banking system eased during the first half of 2012, as evidenced by a 1.0 percentage point increase in the cash reserves to deposit ratio. In addition, the loans to deposits ratio fell to 85.2 per cent from 86.4 per cent at the end of December 2011, while the liquid assets to total

deposits plus liquid liabilities ratio increased to 31.6 per cent from 30.5 per cent.

The spread between the average weighted deposit and lending narrowed to 5.39 percentage points from 6.47 percentage points during the January to June period of 2012. A decrease in lending rates coupled with a marginal increase in deposit rates were the main factors contributing to this narrowing of the spread. The weighted average lending rate decreased to 8.54 per cent from 9.53 per cent as at the end of December 2012, while the weighted average deposit rate rose to 3.15 per cent from 3.06 per cent.

#### *Developments on the Regional Government Securities Market (RGSM)*

Preliminary data indicate that activity on the primary market for government securities increased during the first half of 2012, reflecting a higher amount of issuance by member governments. Funds raised on the market more than doubled to \$486.3m compared with the level in the corresponding period of 2011. The outturn during the first six months of 2012 was partly attributable to two new market participants Dominica and Antigua and Barbuda, while the dominant participating issuing governments during the period were St Vincent and the Grenadines and Saint Lucia.

The concentration in terms of the tenor of the securities continued to be mainly on the short end of the maturity spectrum, with treasury bills comprising 86.4 per cent of the securities issued. A total of



twenty-two (22) issues were brought to the market during the review period, comprising of nineteen (19) Treasury bills and three (3) bonds. In the corresponding period of 2011 a total of thirteen (13) securities were issued.

The value of bids on the RGSM rose during the period under review, reflecting intensified demand by investors. There was only one undersubscribed issue during the review period, a Treasury bill issue.

The weighted average interest rate on 91-day Treasury bills for the first half of 2012 decreased to 4.56 per cent from 4.75 per cent in the corresponding period in 2011. The rate on the 365-day Treasury bill fell to 6.5 per cent from 6.75 per cent while that of the 180-day Treasury bill declined to 4.53 per cent compared with a rate of 4.9 per cent during the first six months of 2011.

Trading activity in the secondary market for government securities declined in the first half of 2012. Total trading in the first six months of the year fell to zero in contrast to the corresponding period of 2011, when two instruments were traded valued at \$2.1m. This development reflected the continued low liquidity in this market segment.

### **Prospects**

Real economic activity is expected to contract further in 2012 albeit at a reduced pace following the estimated 0.5 per cent decline in real activity in

2011. The outlook remains contingent on developments in the global economy given the dependence of the ECCU economies on international trade. The recovery in major trading partner countries such as the USA and the UK remains fragile characterised by high levels of unemployment, weak housing markets, and uncertainty about financial sector soundness. The unravelling crisis in the Eurozone adds further uncertainty to the outlook given the adverse impact on global capital and financial markets further constraining global capital flows. Against this backdrop demand in these countries for goods and services exported by ECCU member countries is expected to remain subdued. In addition, investment flows, as well as remittances are likely to be constrained. Performance in the tourism industry and the construction sector, which are the main drivers of growth in the currency union, is projected to remain weak for the rest of the year. Notwithstanding increased spending on marketing by some member countries and the securing of additional airlift, generally air access to the region continues to be adversely impacted by the gradual reduction of service by one international carrier to the region. Therefore during the next cycle of the tourism season the performance is not anticipated to be as robust as in previous years. The main factors contributing to this projected outturn include weak demand in source markets; high fares associated with elevated oil prices and generally reduced air access, as well as the high cost of inter-regional travel.



The pace of construction activity is expected to remain subdued limited by reduced private investment flows for major tourism related projects and public sector projects. As a consequence of the projected softness in the tourism industry and decline in construction, other related service industries such as transport as well as wholesale and retail trade will be negatively impacted.

The negative outlook for the real economy would also impact developments in the public sector and the financial sphere. In terms of government finances, notwithstanding the attempt by member countries to pursue fiscal consolidation by realigning expenditure with projected lower levels of revenue, expenditure is still expected to contract at a slower pace than revenue. The outlook is for a gradual improvement in the overall fiscal position, however at the expense of stimulating economic growth through targeted public sector investment spending. Nonetheless, public sector disbursed outstanding debt is projected to increase as regional governments supplement declining revenues to fund capital projects.

In the banking sector, growth in monetary liabilities is expected to remain subdued in line with the slow recovery of the domestic economy. Growth in domestic credit is also projected to remain positive but may moderate as demand by both the public sector and private sectors stagnate, given the uncertain outlook for the rest of the year. 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 impacted given the dimming forecast for major trading partner countries. Notwithstanding these developments, liquidity is projected to ease further by the end of 2012.

Risks to this outlook have increased since the first quarter of 2012, as the global economy is forecasted to slow during the rest of 2012. The outlook is heavily influenced by the possible contagion of the sovereign debt crisis in the Eurozone and speculation about the sustainability of the European Currency Union. Uncertainties are further magnified by the stalled recovery in the USA and the economic contraction in the UK which also cast doubt on the robustness and speed of recovery in the ECCU. The prospect of a decline in economic performance of the major trading partners of the ECCU economies threatens to further delay the recovery in the domestic economy through its effect on, tourist arrivals in the next cycle, the flow of private investment funds and official aid and grants. Other risks include the persistent threat of storm damage which could further derail some of the strides made through fiscal reforms by the region, higher commodity prices associated with drought conditions in major producing countries and the unpredictable nature of petroleum prices which in spite of the pessimistic economic outlook remain elevated.



## ANGUILLA

### Overview

Preliminary data indicate that economic activity contracted in the first half months of 2012, compared with that in the corresponding period of 2011. This assessment is based on estimates of falling value added in the construction, hotels and restaurants and financial intermediation sectors. Consumer prices rose by 0.4 per cent on an end of period basis, reflecting increases in the cost of food, housing and personal services. In the external sector, the merchandise trade deficit registered a slight increase. The fiscal operations of the central government resulted in an overall surplus on account of an improved current account balance. Total outstanding public sector debt declined as borrowing remains restricted. In the banking system, monetary liabilities, commercial bank liquidity and net foreign assets rose, while domestic credit declined. The weighted average interest rate spread between deposits and loans narrowed.

Economic activity is expected to contract in 2012 due to expectations of continued declines in the construction, hotels and restaurants and wholesale and retail trade sectors. In the construction sector private sector activity is expected to be relatively depressed and centered on completion of the Zemi Beach resort. Public sector outlays capital expenditure however is anticipated to increase but of an insufficient magnitude to compensate for the lower private sector outlays. In the tourism industry,

lower visitor arrivals from the European market are projected to continue while continued difficulties at a flagship Anguillan resort will negatively impact growth expectations. Weaknesses in key indicators; including private jet arrivals and average length of stay, support expectations of contraction in the tourism industry.

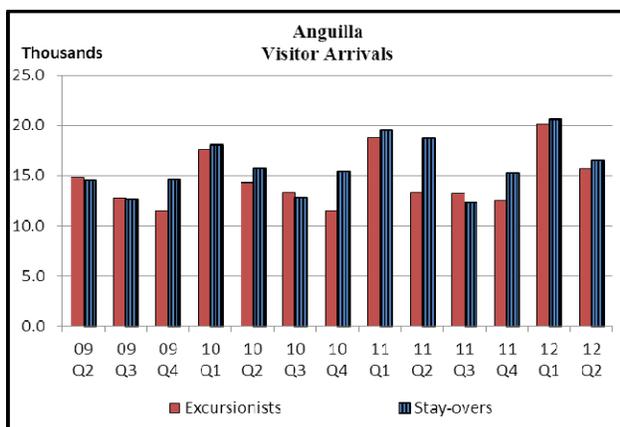
Major downside risks to the outlook include the expectation of increasing inflationary pressures brought on by an increase in the price of food items. This development is premised on the likely knock on effects of the drought conditions experienced in the United States, a major source of Anguilla's food imports.

### Output

Value added in the construction sector is estimated to have fallen in the first half of 2012 based on a decline in the importation of construction related materials, an indicative indicator. In the private sector, construction activity was centered mainly on the Zemi Beach Resort with little to no evidence of other private sector construction activities. Preliminary data suggest that activity declined for residential construction as indicated by a reduction in the number of residential building applications and in credit extended for home construction and renovation. By contrast construction activity in the public sector rose by \$2.8m reflecting work done to the Valley Primary School.



Total visitor arrivals rose by 3.7 per cent to 72,954 compared with a 7.1 per cent increase in the corresponding period of 2011, attributable to an increase in excursionist as the number of stay over visitors registered a decline. The number of excursionist increased by 11.5 per cent (3,699) to 35,765 through the first half of 2012. Stay-over arrivals fell by 2.8 per cent to 37,189 on account of declines in the arrivals from the United States of America (USA), the Caribbean and the United Kingdom. The largest contributing factor to the decline was a 3.4 per cent (901) fall in the number of visitors from the USA, and the Caribbean (14.8 per cent) (792). The decline in the number of stay over visitors was tempered primarily by increased arrivals from the Canadian market, which rose by 22.3 per cent (394).



Value added in the wholesale and retail trade sector is also estimated to have declined in the first half of 2012 on account of a lower value in real imports. Additionally, due to lower levels of real loans and advances in addition to deposits in the banking

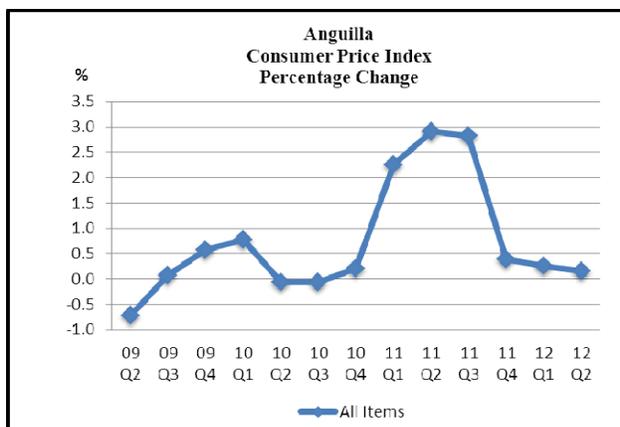
system, value added by the financial intermediation sector is estimated to have declined in the review period.

Those declines however were mitigated by positive value added in the transport, storage and communications sector. Activity in the transport sector is estimated to have increased, consistent with positive growth in the sea transport and communications sub components. Increased value added in sea transport reflected increased passenger arrivals and departures by sea, while lower value added in air transport was consistent with a reduction in arrivals by air on account of the termination of air service by American Eagle into Anguilla since April 2011.

**Prices**

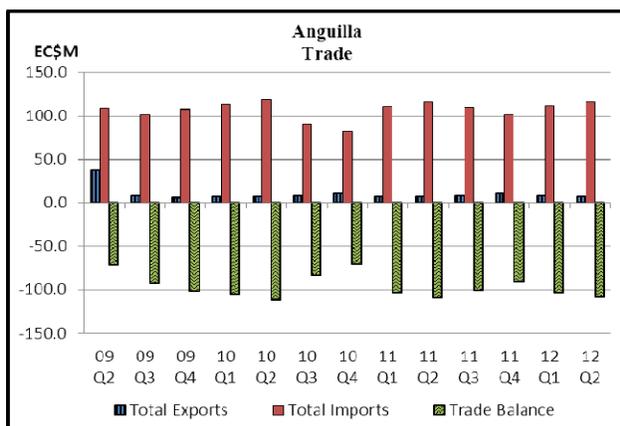
The consumer price index (CPI) rose by 0.4 per cent on an end of period basis compared with an increase of 5.2 per cent in the comparable period in 2011. The largest contributing factors to this increase were increases in the alcoholic beverages and tobacco (3.1 per cent), food (2.1 per cent) and transportation and communications (0.3 per cent) sub-indices. Higher food prices were attributable to rising global commodity prices particularly flour and cereal products. The build-up of inflationary pressures was partially eased by declines in the average price of household furnishing and supplies (4.1 per cent) and clothing and footwear (2.1 per cent) sub-indexed. The fuel and light sub-index remained unchanged.





**Trade and Payments**

A merchandise trade deficit of \$212.6m was estimated in the first half of 2012, similar to the \$212.5m in the corresponding period of 2011. Both the level of imports and exports increased marginally over the period with the level of export growth outpacing that of imports.



Gross travel receipts are estimated to have increased by 2.5 per cent to \$167.8m in the first half of 2012, despite the decline in stay-over arrivals. The transactions of commercial banks resulted in a net outflow of \$44.1m in short term capital during the

period under review, compared with a \$13.4m outflow in the corresponding 2011 period. There were no external disbursements received by the government in the review period; however external principal repayments totaled \$0.5m.

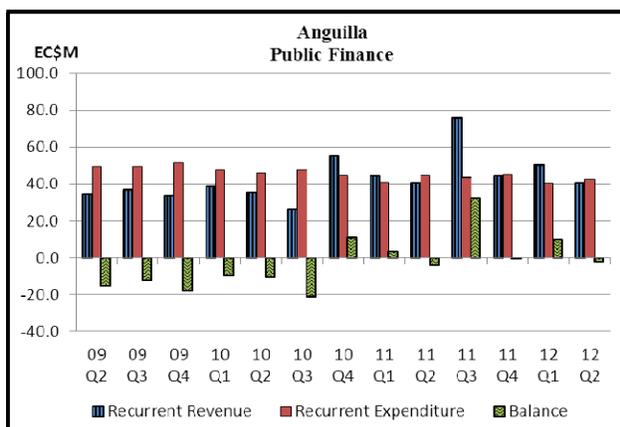
**Central Government Fiscal Operations**

The fiscal operations of Central Government resulted in an overall surplus (after grants) of \$4.0m in the first half of 2012 compared with a deficit of \$1.7m in the corresponding period of 2011. A larger primary surplus of \$8.1m was recorded, compared with one of \$2.9m in the first half of 2011. The improvement in the fiscal performance was attributable to an improved current account balance, reflecting higher current revenues and falling current expenditures.

A current account surplus (before grants) of \$8.1m was recorded in the period under review, compared with one of \$0.4m in the first half of 2011. Current revenue increased by 7.1 per cent (\$6.0m) to \$91.0m, fuelled largely by higher tax revenue. Tax revenue rose by 8.6 per cent (\$6.3m) to \$79.2m driven primarily by increased collection of taxes on international trade and transactions income. Collections from taxes on international trade and transactions rose by 14.4 per cent (\$4.4m), due to growth in the collections of customs surcharge (\$2.7m) and import duty (\$1.3m). The improved performance of the customs service charge is consistent with an increase in the rate to 6.0 per cent from 3.0 per cent in April 2011. Income tax receipts



expanded (\$5.3m) bolstered by the introduction of a stabilization levy in April 2011. By contrast, revenue from taxes on domestic goods and services fell by 10.7 per cent to \$34.0m, attributable mainly to lower accommodation tax receipts (29.0 per cent) and non-tax revenue declined by 2.4 per cent to \$11.8m.



Current expenditure decreased by 2.9 per cent (\$2.5m) to \$82.9m, attributable to declines in all of the sub-components of current expenditure except goods and services. Sustained efforts by the Government of Anguilla to balance the fiscal budget and achieve targeted surpluses by 2013, influenced the containment of expenditure. The largest component of expenditure, personal emoluments, declined by 1.1 per cent (\$0.4m), reflecting the effects of a freeze on hiring coupled with efforts by the authorities to replace retiring civil servants with officers already in the service. Interest payments declined by 10.5 per cent (\$0.5m), attributable to a 12.6 per cent (\$0.4m) reduction in external interest payments. Lower external payments were consistent with declining external debt levels given the

inability of the Government of Anguilla to incur additional borrowing. Declines were also recorded for transfers and subsidies (6.6 per cent). Meanwhile, outlays on goods and services rose by 0.5 per cent. Capital expenditure increased threefold (\$2.8m) to \$4.1m as work intensified on the Valley Primary School development project.

**Public Sector Debt**

The total disbursed outstanding debt of the public sector was estimated at \$225.1m at the end of June 2012, below the \$230.3m recorded at the end of December 2011. The reduction in the disbursed outstanding debt was largely influenced by the inability of the Government of Anguilla to engage in additional borrowing, while concurrently reducing the outstanding liability. The majority of the total disbursed outstanding debt was held by the central government (92.9 per cent), with 77.0 per cent borrowed from external sources. The disbursed outstanding debt of statutory bodies amounted to \$16.1m.

**Money and Credit**

Monetary liabilities (M2) rose by 4.6 per cent to \$1,061.4m at the end of the first half of 2012, compared with a 0.5 per cent decrease during the corresponding period of 2011. The increase in M2 was due to an expansion in quasi money, as narrow money (M1) declined. Quasi money rose by 5.9 per cent (\$56.8m) driven mainly by a 6.2 per cent (\$46.6m) increase in private sector foreign currency



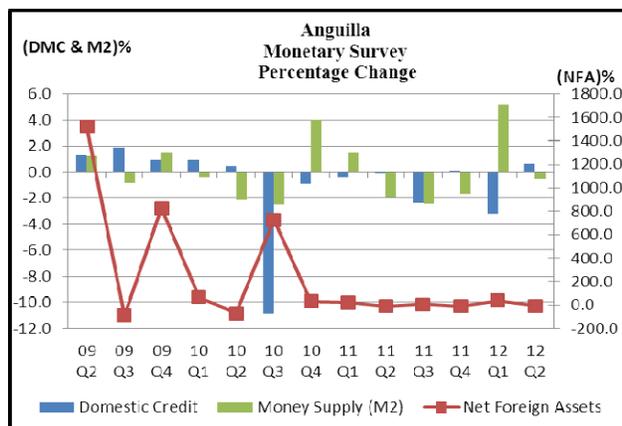
deposits. The decline in narrow money (M1) was the result of contractions in all subcomponents including currency with the public (\$1.7m), private sector demand deposits (\$6.6m) and EC\$ cheques and drafts issued (\$1.7m).

Domestic credit fell by 2.6 per cent to \$1,166.5m during the first half of 2012, compared with a 0.6 per cent reduction during the corresponding period of 2011. The reduction in domestic credit was attributable to lower credit extension in all the major sub-categories. Private sector credit declined by 0.8 per cent (\$11.6m) mainly due to reduced credit to households (\$7.7m) and business (\$1.2m). This outturn is consistent with estimates of continued contraction in economic activity. The net deposit position of non-financial public enterprises increased by 8.9 per cent (\$14.2m) and was the largest contributing factor to the outturn in domestic credit. Similarly the net deposit position of the central government rose by 9.3 per cent (\$5.0m), largely reflecting a 7.4 per cent increase in deposits at commercial banks, as outstanding credit from commercial banks remained unchanged at zero.

The distribution of commercial bank credit by economic sectors indicate that a decline in credit for construction, tourism, personal and other purposes were responsible for the decline in credit. Credit extended for other purposes fell by 3.4 per cent (\$6.7m) attributable to lower credit extended for professional and other services (\$4.7m) and public administration (\$3.8m). A 15.1 per cent (\$9.5m) reduction in credit for durable consumer goods resulted in a \$2.3m decline in credit for personal use. Other notable declines in credit extended were recorded for tourism and construction of 1.3 per cent and 2.2 per cent respectively, consistent with expectations of declines in both sectors. The overall reduction in outstanding credit was moderated by increases in lending for manufacturing and mining and quarrying (\$3.0m).

The net foreign assets of the banking system rose by 26.7 per cent to \$238.6m compared with a 7.1 per cent increase in net foreign assets during the first half of 2011. Commercial banks' net foreign assets grew by 50.7 per cent (\$44.1m) to \$131.1m, largely on account of an increase (\$30.9m) in their assets held outside the currency union. Anguilla's imputed share of the reserves of the Central Bank rose by 6.1 per cent to \$107.5m.

Liquidity in the commercial banking system improved during the first half of 2012 relative to the comparable 2012 period. This was evidenced by a 1.8 percentage point increase to 32.3 per cent in the ratio of liquid assets to total deposits plus liquid liabilities coupled with a 4.9 percentage point



reduction to 98.2 per cent in the loans and advances to total deposits ratio.

The weighted average interest rate spread between loans and deposits narrowed to 4.4 percentage points at the end of the first half of 2012, from 7.27 percentage points at the end of December 2011. The weighted average interest rate on loans fell by 2.2 percentage points to 8.0 per cent, while that on deposits increased by 0.7 percentage points 3.5 per cent.

### Prospects

Slower economic growth in the United States of America and continued economic and financial challenges in the Eurozone coupled with slower expansions in emerging markets, present a deteriorating global economic climate. Consequently, economic activity in Anguilla is expected to contract in 2012, attributable to lower value added in the construction sector and tourism industry. Private sector construction is expected to remain weak while activity is expected to increase in the public sector. Private sector construction activity is expected to be supported only by continued work on the Zemi Beach Resort. In the public sector, work is expected to advance further on the Valley Primary School. Expectations for value added in the tourism industry point to a decline due in part to uncertainty regarding the opening of a major hotel reflecting protracted ownership issues. Negative spillover effects associated with these two key

sectors is expected to contribute to decline in both the wholesale and retail trade and financial intermediation sectors.

The fiscal operations of Central Government are estimated to improve consistent with the Government of Anguilla's efforts to continue to hold the line on expenditure, as it ensures that the commitment to a balanced budget by 2013 is achieved. Revenue measures implemented in 2010 and 2011, to strengthen the fiscal outturn, will remain either in their present form or revised. The fiscal operations of government are also expected to benefit from the receipt of \$12.2m as part of disbursements under the EDF 10 program. Consequently, capital expenditure is expected to exceed that of 2011 as the EDF funds have been earmarked to fund the budgeted 2012 government capital budget.

On the external accounts, the merchandise trade balance is expected to be narrow on account of a projected decline in imports, consistent with expectations of continued economic contraction. Gross visitor expenditure is anticipated to decrease relative to the corresponding period of 2011 if one of major resorts of the island fails to reopen.

Downside risk to these projections stem mainly from inflationary pressures which could result following severe drought conditions in the United States which in turn may have knock on effects on the prices of agricultural products.



## ANTIGUA AND BARBUDA

### Overview

Economic activity in Antigua and Barbuda is estimated to have improved modestly in the first half of 2012, compared with the performance in the corresponding period of 2011. While activity in the tourism industry was positive, activity in the construction sector, the other main contributor to economic activity was down. Consumer prices rose by 1.6 per cent, on an end-of-period basis, driven primarily by increases in the household furnishings and supplies and the fuel and light sub-indices as the fuel variation charge on electricity was increased. In the external sector, the merchandise trade deficit is estimated to have widened, primarily due to an increase in import payments as the value of oil imports rose. The fiscal operations of the central government resulted in a smaller overall deficit, due in part to increased revenue collections. Total outstanding public sector debt increased during the first half of 2012. In the banking system, monetary liabilities and domestic credit declined while net foreign assets rose. Commercial bank liquidity improved and the weighted average interest rate spread between loans and deposits narrowed.

The weakening global economy is expected to pose a downside risk to the domestic economy. Against this backdrop, economic growth is expected to improve moderately through the rest of 2012. Activity in the tourism industry is expected to increase albeit at a slower pace than in 2011. A

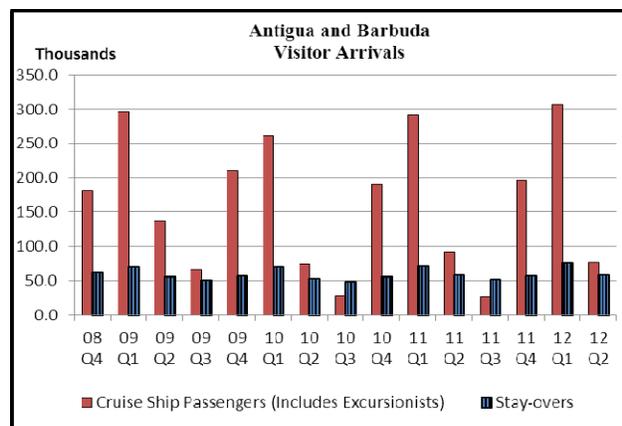
modest improvement is expected in the construction sector as work intensifies on the new terminal building at the airport and other works around the airport. In addition, residential construction activity is also expected to be vibrant as home owners take advantage of the Construct Antigua and Barbuda Initiative (CABI) which is showing positive signs. The fiscal operations of the central government are expected to improve relative to the performance in 2011. On the balance of payments, the merchandise trade deficit is expected to widen due to higher import prices. Along with the weakening global economy eminent downside risks to the outlook emanate from the recent drought in the Western Hemisphere which portend that a price shock may be underway.

### Output

Activity in the tourism industry is estimated to have increased in the first half of 2012, albeit at a slower pace compared with the corresponding period of 2011. Total visitor arrivals rose by 2.2 per cent to 540,698 compared with a 10.9 per cent expansion in the first half of 2011. Stay-over visitor arrivals, the most important category given its economic impact, increased by 3.8 per cent to 136,461 compared with a 5.6 per cent increase in corresponding period of 2011. The growth in stay-over arrivals was led by increased arrivals from the USA and Canada, while all other major markets recorded declines. Stay-over tourists from the USA rose by 14.4 per cent to



54,718 in contrast to a 0.4 per cent decline in the corresponding period of 2011, while those from Canada increased by 2.3 per cent following an 18.6 per cent increase in the same period of 2011. This growth however, was tempered by declines in arrivals from the Caribbean (10.2 per cent), Europe (1.2 per cent); in particular Italy (7.7 per cent), and the UK (1.3) markets. Weak economic performance in Europe and the Caribbean may explain these declines. The number of cruise ship visitors increased by 0.3 per cent to 383,278 persons, due to an increase in the number of cruise ship calls. Activity within the yachting industry was especially robust as the number of yacht passengers rose by 36.6 per cent to 20,959 consistent with an increase in the number of yachts making calls to the island.

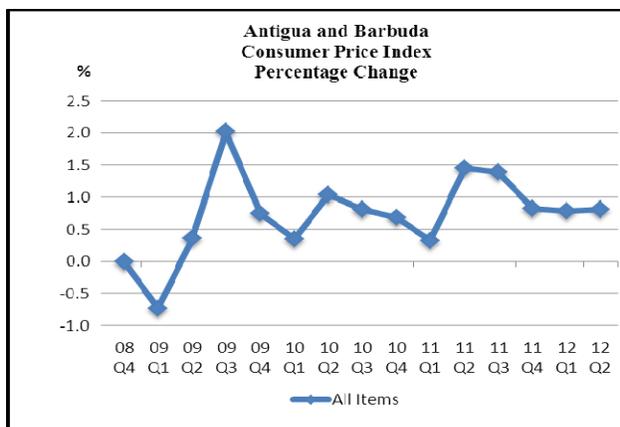


Construction activity is estimated to have declined in the first half of 2012. In the public sector, central government' capital expenditure totaled \$7.2m compared with \$20.7m in the same period of 2011.

In addition, the volume of cements imported a key indicator of construction activity, declined by 17.2 per cent. While public sector and private sector non-residential construction declined, private sector residential construction is estimated to have been buoyant. Credit extended for private sector residential construction, particularly for home construction and renovations, increased by \$36.3m for the first six months of 2012.

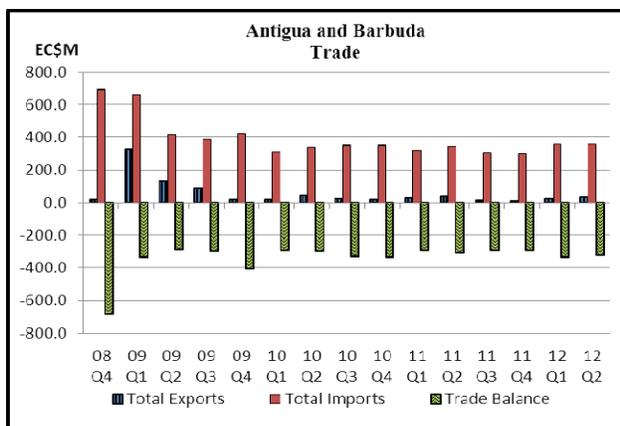
### Prices

Consumer prices rose by 1.6 per cent on an end-of period basis during the first six months of 2012, compared with a 1.8 per cent increase in the corresponding period of 2011. The increase in consumer prices was largely attributed to a 9.6 per cent rise in the fuel and light sub-index and 1.0 per cent upturn in food prices. An increase in the fuel variation charge was responsible for the growth in the fuel and light sub index. Other notable increases included; a 5.2 per cent in the household furnishing and supplies index, due to an expansion in the price of drawers and television sets, and 4.1 per cent for medical care and expenses. The increased in inflationary pressure was partially offset by declines in the sub-indices of alcoholic beverages and tobacco (1.8 per cent), and personal services (3.8 per cent).



**Trade and Payments**

An estimated merchandise trade deficit of \$660.1m was recorded in the first half of 2012, compared with one of \$603.2m in the corresponding period of 2011. The widening of the deficit was due primarily to a 7.1 per cent (\$47.1m) increase in the value of imports, largely reflecting an increase in the value of oil related imports. By contrast exports fell by 15.6 per cent (\$9.9m) for the first six months of 2012.



Gross travel receipts are estimated to have increased by 4.9 per cent to \$488.0m, consistent with the expansion in the number of tourists. Transactions by

commercial banks resulted in a net inflow of \$66.5m in short-term capital during the period under review. There was a \$58.4m in external disbursements to the government primarily attributed to disbursements received from the IMF under the Stand By Arrangement programme.

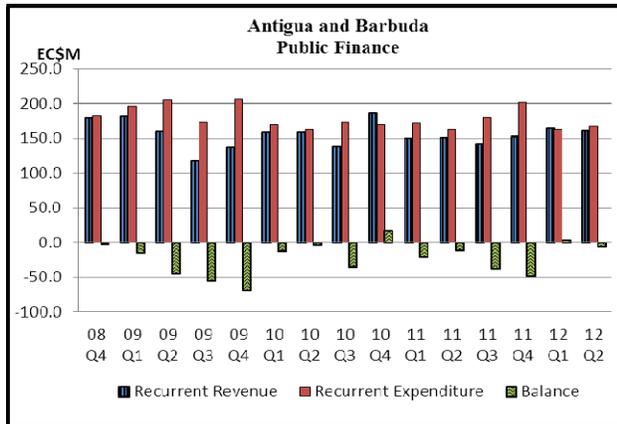
**Central Government Fiscal Operations**

The fiscal operations of the central government resulted in an overall surplus of \$9.9m in the first half of 2012, compared with a deficit of \$35.2m in the corresponding period of 2011. A primary surplus of \$20.2m was recorded, in contrast to a deficit of \$5.3m in the first six months of 2011. The overall balance outturn was primarily influenced by developments on the current account side.

The current account operations generated a deficit of \$4.2m compared with one of \$32.6m in the first six months of 2011. Current revenue rose by 8.0 per cent to \$326.0m, in contrast to a 4.5 per cent contraction in the same period in 2011. This turnaround in performance was driven by an 8.8 per cent (\$24.9m) increase in tax receipts collected, in contrast to a decline of 0.3 per cent (\$0.85m) in the first half of 2011. Of the tax categories, the largest increase was recorded in the yield from taxes on domestic goods and services, which rose by 23.7 per cent (\$27.1m), mainly influenced by larger collections from stamp duties (\$19.2m) and the Antigua and Barbuda Sales Tax (\$8.5m). By contrast, receipts from taxes on international trade and transactions decreased by 1.7 per cent (\$1.9m),



as a result of declines in all sub components, consistent with the lower levels of imports estimated for the period under review.



Current expenditure fell by 1.3 per cent to \$330.2m in the first six months of 2012, in contrast to a 0.5 per cent increase in the corresponding period of 2011, reflecting decreases in interest payments and in outlays on transfers and subsidies. Interest payments decreased by 25.5 per cent (\$10.3m). Transfers and subsidies fell by 4.6 per cent (\$5.2m) on account of reduced payments to overseas missions. By contrast outlays on personal emoluments and goods and services rose by 4.4 per cent (\$5.7m) and 11.2 per cent (\$5.6m) respectively. Central government capital expenditure totaled \$7.2m for the first half of 2012 compared with \$20.7m in the same period of 2011.

### Public Sector Debt

Total disbursed outstanding debt of the public sector was estimated to have increased by 2.0 per cent to \$2.9b in the six-month period under review. This

development was attributed mainly to a 2.3 per cent expansion in central government debt to \$2.4b, associated with an increase in external debt as the government drew down on disbursements from the IMF Stand By Arrangement. The debt of statutory bodies remained unchanged as the payments on external debt offset the increase in domestic debt.

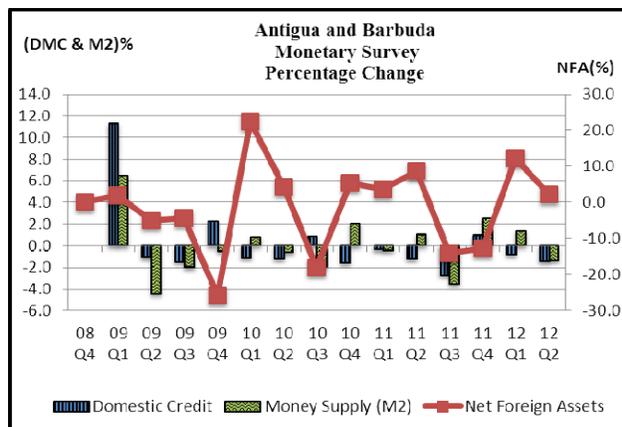
### Money and Credit

Broad money (M2) declined to \$2,992.0m during the first six months of 2012 from \$2,992.6m at the end of December 2011, attributable to a decrease in narrow money. Narrow money fell by 8.4 per cent to \$552.1m, associated with decreases in currency with the public (8.5 per cent) and demand deposits (10.5 per cent). Partly offsetting these declines was a 26.5 per cent increase in EC\$ cheques and drafts issued. By contrast, quasi money increased by 2.1 per cent to \$2,439.9m on account of expansions in private sector savings (5.9 per cent) and time deposits (1.2 per cent).

Domestic credit decreased by 2.3 per cent to \$2,780.8m attributable to declines in credit to the private sector and the government. Outstanding loans to the private sector fell by 1.1 per cent (\$27.0m); primarily reflecting reduced credit to businesses (7.9 per cent). By contrast credit to households expanded by 3.6 per cent (\$45.9m). Net credit to the central government fell by 3.0 per cent (\$16.2m) to \$518.1m. The decrease was due largely to a reduction in outstanding loans and advances with commercial banks. In the rest of the public



sector, the net deposits of the nonfinancial public enterprises decreased by 17.1 per cent to \$143.6m.



An analysis of the distribution of commercial bank credit by economic activity shows that there was a 1.9 per cent (\$55.4m) reduction in credit extended during the period under review. The largest declines were recorded in credit to companies in the construction sector and other sectors. Credit for other sectors contracted by 7.5 per cent attributable to reduced credit for professional and other services, which fell by 19.8 per cent. Credit for the construction sector declined by 11.4 per cent (\$27.8m) indicative of the weak demand for construction services. Credit extended to the tourism sector declined by 5.4 per cent (\$13.8m). Those declines were partly offset by a 2.6 per cent (\$33.2m) expansion in loans for personal use, driven by an increase in credit extended for acquisition for property (\$39.7m).

The net foreign assets of the banking system rose by 14.7 per cent (\$51.9m) to \$404.8m, marked by an increase in Antigua and Barbuda’s imputed share of

the Central Bank’s reserves which increased by 29.8 per cent (\$118.4m). Commercial banks external transactions resulted in a \$66.5m increase in their net liabilities position to \$110.8m. This outturn reflected a drawdown of their assets outside of the ECCU.

Liquidity in the commercial banking system improved during the period under review. This assessment is based on a 1.7 percentage points increase to 15.0 per cent in the ratio of liquid assets to total deposits plus liquid liabilities at the end of June 2012. The loans and advances to total deposits ratio decreased to 83.2 per cent from 85.9 per cent.

The weighted average interest rate spread between loans and deposits narrowed to 5.9 percentage points at the end of June 2012, from 7.1 percentage points at the end of December 2011. The weighted average interest rate on loans fell by a percentage point to 9.1 per cent and that on deposits rose by 0.14 percentage points to 3.22 per cent.

**Prospects**

Global economic growth has slowed considerably in the last few months. In light of this global economic growth has been revised downward for 2012. The slowdown in the global economy portends a downside risk for the economy of Antigua and Barbuda. However, economy activity is forecasted to expand modestly in 2012 hinged on positive contributions from the tourism industry and the construction sector. While activity in the tourism



industry continues to be positive, the pace of growth has decelerated, as arrivals from the UK and most of Europe has declined. This suggests that the gains made in the industry to date could be reversed if this trend continues into the new tourist season. Construction activity, especially in private non-residential sector is yet to resume at high levels, adding a further drag on economic prospects. Notwithstanding, the sector is expected to see a marginal improvement as private residential construction improves and work intensifies on the new terminal building at the airport. Other positive developments include the enlargement of the American University on Antigua; this is expected to support growth in the real estate, renting and business activities sector.

The fiscal operations of the Central Government are expected to improve primarily due to cuts in capital expenditure. On the current account operations, tight measures on the expenditure side such as reducing transfer payments to various statutory corporations and overseas offices, the restriction of expenditure on overtime and freeze on hiring, are also expected to continue. On the revenue side, activation of Personal Income Tax legislation for

taxing all forms of income including allowances, administering and enforcing Personal Income Tax on self-employed professionals, improved measurement of fuel imports by Customs, as well administrative reforms to be undertaken by Customs and Inland Revenue to strengthen compliance, should yield an improvement in revenue collections.

On the external accounts, the merchandise trade deficit is likely to widen based on a projected reduction in export earnings. While the economy is expected to record a modest improvement in economic growth for 2012 downside risk are abound.

The main downside risk to these projections includes the weakening global economy. Europe remains in recession and growth has slowed in the USA and many other large global economies; this could reduce the positive momentum seen in tourist arrivals from these major source markets. In addition, the recent drought conditions affecting producers of major agricultural products could push global inflation higher thereby affecting the domestic price level.



## DOMINICA

### Overview

Economic activity in Dominica is estimated to have risen in the first half of 2012, partly driven by increased activity in the agricultural and manufacturing sectors. The consumer price index rose by 1.5 per cent, on an end of period basis. In the external sector, the merchandise trade deficit widened on account of larger import payments. The central government's fiscal operations resulted in a smaller overall deficit, reflecting a reduction in capital spending. Total outstanding public sector debt rose during the review period. In the banking system, monetary liabilities and net foreign assets expanded. Commercial bank liquidity fell marginally, but remained at a high level. The weighted average interest rate spread between loans and deposits increased marginally during the first half of 2012.

No significant improvement is anticipated in the economy in the second half of 2012, as activity will remain constrained by global and local factors. The overall production of the agricultural sector is anticipated to increase, but this growth will be tamed by challenges posed by a disease affecting a major crop, bananas. Manufacturing activity is likely to recover, while the outlook for tourism and construction is subdued. Other than vulnerability to changes in the weather, greater difficulties in the external environment pose threats to the economy.

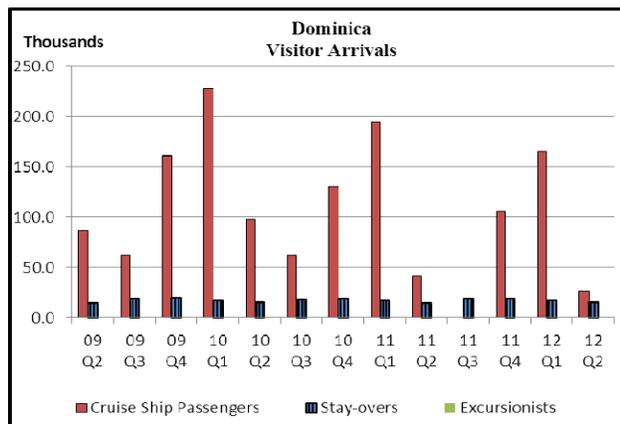
### Output

Output of the agricultural sector is estimated to have improved, fuelled by production in the non-banana sub-sectors. The output of non-banana crops, forestry and livestock is estimated to have increased reflecting continued efforts to diversify into root crops and investments in farm infrastructure. Banana output was down by 18.0 per cent to 1,624 tonnes in the first six months of 2012, influenced by reduced export demand coupled with the onset of the Black Sigatoka crop disease. Developments in the fishing sector were positive, as output increased, supported by increased investment in fisheries devices and complexes. Livestock production grew as the sector continued to realize gains from public sector investment support such as the central livestock farm.

Manufacturing activity rebounded in the period under review, fuelled by soap production. Export demand of soap increased, contributing to an overall expansion of 20.7 per cent to 3,040 tonnes in production. The output of paint and beverages fell by 23.6 per cent and 6.7 per cent respectively, partly offsetting the overall increase. The uptick in manufacturing activity is likely to have contributed to a slight increase in value added in the wholesale and retail trade sector.



Activity in the education; real estate, renting and business; and financial intermediation sectors is also estimated to have increased. Improved activity in the education sector is partly based on an estimated increase in the enrolment of students at private educational institutions. Real estate, renting and business activities are likely to have picked up with increased stay-over arrivals. Financial intermediation rose, influenced by growth in deposits as well as loans and advances in the banking system.



Activity in the tourism industry remained weak, influenced by a downturn in the cruise sub-sector. The number of cruise ship calls fell by 2 to 127, contributing to a reduction of 18.6 per cent to 191,761 in passengers. The downturn in cruise ship activity led to a contraction of 14.8 per cent to 235,039 in total visitors. The decline was tempered by an increase of 3.3 per cent in the number of stay-over visitors to 33,485. Arrivals rose from the major source markets, the USA (4.9 per cent), Caribbean (1.2 per cent), and the UK (0.6 per cent), supported by intensified marketing efforts. In the rest of the

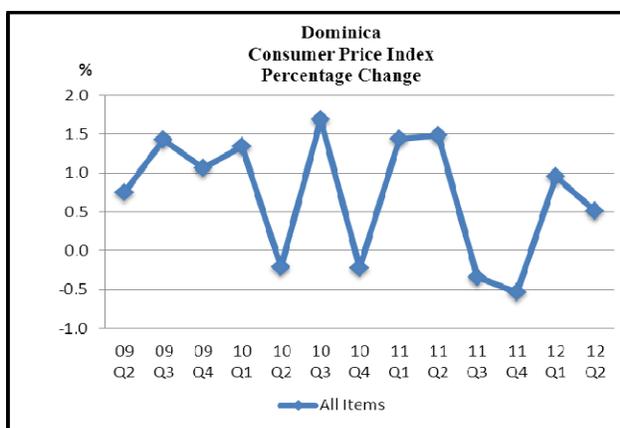
industry, the number of excursionists doubled to 757, reflecting new ferry services introduced in the latter half of 2011, and the number of yacht passengers grew by 22.5 per cent, supported by improved marine facilities and services. The lacklustre developments in the tourism industry are likely to have negatively impacted the performance of the transport, storage and communications sector.

Value added in the construction sector is estimated to have declined in the period under review. In the private sector, work slowed as the number of construction starts fell by 16.2 per cent to 62. In the public sector, capital spending fell, as some major construction projects neared completion such as the Roseau Melville Hall Road Upgrade (Lot 2) and Point Michel Sea Defence. Another major road network, the West Coast Road, was officially opened for use during the review period, and continued to be developed with safety features, drainage structures and retaining walls. Work also continued on the State House Renovation and Extension Project, State College, Moroccan Hotel Project and the geothermal initiative. The slowdown in construction activity is estimated to have contributed to a fall in the output of the mining and quarrying industry.

### Prices

The consumer price index increased by 1.5 per cent during the first six months of 2012, influenced by elevated prices for fuels and food. The housing, utilities, gas and fuels sub-index rose by 2.9 per

cent, largely on account of an increase in the cost of electricity and the provision of water supply and related services to households. The food and non-alcoholic beverages sub-index was up by 0.7 per cent, indicative of higher prices for items such as bread, cereals, meat and vegetables. The increase in the cost of fuels and lubricants contributed to a 2.5 per cent rise in the transport sub-index. Those increases were tempered by declines in the cost of clothing and footwear (1.4 per cent), furnishing, household equipment and routine household maintenance (0.4 per cent), recreation and culture (0.3 per cent), and health (0.1 per cent).

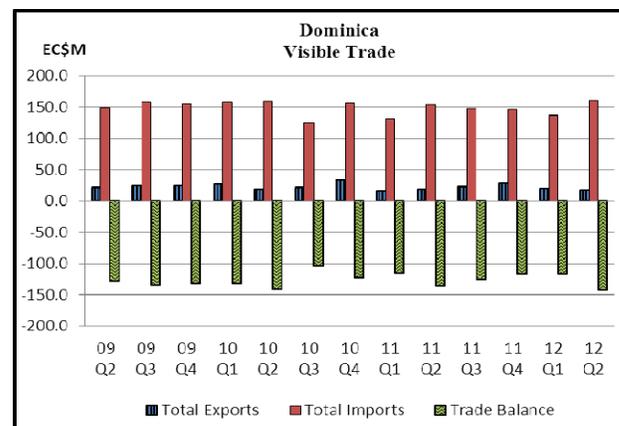


**Trade and Payments**

The merchandise trade deficit is estimated to have widened by 2.7 per cent to \$259.2m in the period January to June 2012. This development on the external account was characterised by a 3.8 per cent (\$10.9m) surge in imports, driven mainly by increases in the imported value of food, machinery and transport equipment. The value of exports grew by 12.2 per cent (\$4.2m), based on an estimated

increase in the value of re-exports. Domestic exports remained relatively unchanged at \$31.2m, reflecting declines in export receipts from paints and varnishes (\$0.9m) and bananas (\$0.8m) and an increase in revenue from soap exports (\$3.7m).

The downfall in cruise ship activity partly led to an estimated fall of 2.9 per cent to \$149.7m in gross travel receipts. The transactions of commercial banks led to a net outflow of \$89.2m in short term capital. External loan disbursements to the central government amounted to \$39.4m, partly representing financing for road development, the State House and College, and for restoration work following adverse weather during 2011. External principal repayments were \$11.4m, up from \$6.8m.



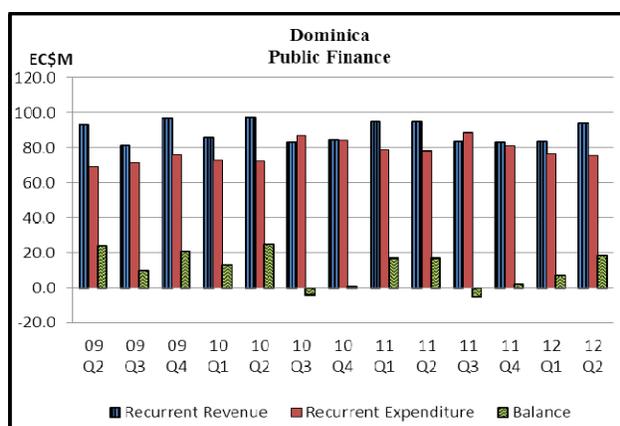
**Central Government Fiscal Operations**

The fiscal operations of the central government resulted in a smaller overall deficit of \$36.9m in the first half of 2012, compared to that of \$110.1m in the corresponding period of 2011. The outturn was largely influenced by a reduction in capital spending.



A primary deficit of \$27.1m was recorded, down from one of \$99.8m in the corresponding period of 2011.

Capital expenditure declined by 63.4 per cent (\$111.1m), as work slowed on major public sector projects which were nearing completion. Capital grants, amounted to \$1.6m, down from \$29.6m in the corresponding period of 2011.



The current account surplus fell by 24.8 per cent to \$25.5m during the period under review. Current revenue fell by 6.6 per cent to \$177.9m, mirroring declines in both tax and non-tax revenue. The yield from tax revenue contracted by 4.9 per cent to \$157.6m, reflecting a reduction in all sub-categories, indicative of weak economic activity. Collections from taxes on international trade and transactions fell by 18.0 per cent (\$6.4m), primarily associated with reduced earnings from import duty and the environmental surcharge. Revenue from taxes on property was down by 14.8 per cent (\$0.6m), on account of a lower intake from taxes and duties on land transactions. The yield from taxes on domestic

goods and services fell by 0.6 per cent (\$0.6m), primarily influence by reduced collections from the excise tax. Improved collections resulted in an increase of 8.6 per cent in receipts from the Value Added Tax (VAT), the largest component of taxes on domestic goods and services. The earnings from taxes on income, profit and capital gains declined by 1.6 per cent (\$0.5m), largely on account of a contraction in revenue from the personal income tax. Non-tax receipts decreased by 17.9 per cent (\$4.4m), partly reflecting reduced receipts from interest and rent.

Current expenditure fell by 2.6 per cent to \$152.4m, mirroring government's continued efforts to rationalize expenditure. Expenditure on personal emoluments, decreased by 5.2 per cent (\$3.6m), relative to the amount recorded in the corresponding period of 2011 when retroactive salary increases were awarded to public servants. Outlays on goods and services contracted by 0.5 per cent (\$0.2m) largely on account of a decline in payments for professional and consultancy services. Interest payments fell by 5.1 per cent (\$0.5m), resulting from less external interest obligations. By contrast, spending on transfers and subsidies was up slightly (\$0.3m), partly influenced by increases in public assistance and contributions to local institutions.

### Public Sector Debt

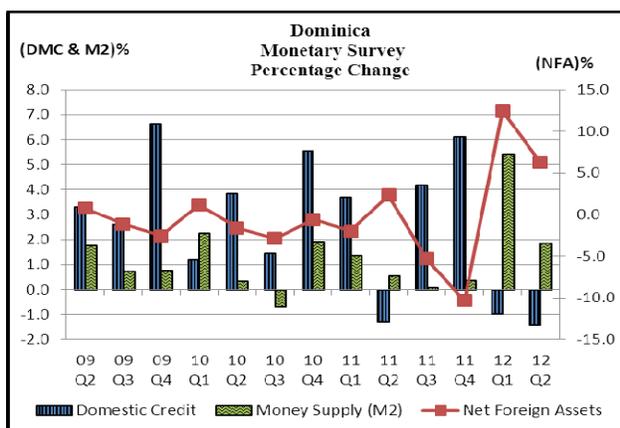
The disbursed outstanding debt of the public sector totalled \$983.8m at the end of June 2012, above the total of \$919.3m recorded at the end of 2011. The



outstanding debt of the central government rose by 9.0 per cent to \$812.3m, partly associated with the contraction of \$8.5m loan under the IMF’s Rapid Credit Facility in January 2012 and the issue of a 91-day treasury bill on the Regional Governments Securities Market (RGSM) following the redemption of the \$15.0m 91-day treasury bill in May 2012. The outstanding debt of the public corporations is estimated to have declined by 1.4 per cent to \$171.5m, on account of lower external obligations.

**Money and Credit**

Broad money (M2) increased by 7.4 per cent to \$1,110.1m during the first half of 2012, mainly resulting from growth in quasi money. Quasi money rose by 6.6 per cent (\$55.6m), driven largely by a rise in private sector savings deposits (8.1 per cent). M1 grew by 10.8 per cent (\$20.5m), largely attributed to growth of 15.5 per cent in private sector demand deposits.



The net foreign assets of the banking system expanded by 19.5 per cent to \$545.9m, influenced

largely by the transactions of commercial banks. The net foreign assets of the commercial banks increased by 23.9 per cent compared to the level at the end of December 2011, mainly resulting from a reduction in liabilities with institutions within the currency union. Dominica’s imputed share of the Central Bank’s reserves rose by 14.0 per cent to \$229.2m.

Domestic credit contracted by 2.4 per cent to \$637.4m, resulting from developments with non-financial public enterprises. The deposits of the non-financial public enterprises expanded by 57.8 per cent while the credit extended to them rose by 7.0 per cent leading to an increase in their net deposit position. Credit to the private sector was up by 3.2 per cent (\$24.3m), largely associated with growth in outstanding loans to households. There was an almost four-fold increase in net credit to non-bank financial institutions, reflecting growth in credit. The net deposits of the central government fell by 52.3 per cent, mainly on account of an increase of 42.0 per cent in commercial bank credit.

An analysis of credit by economic activity indicates growth in outstanding loans for construction (79.2 per cent), transportation and storage (66.4 per cent), financial institutions (60.7 per cent), public administration (49.2 per cent), professional and other services (6.1 per cent) and personal use (1.0 per cent). By contrast, decreases were recorded in credit for tourism (40.0 per cent), entertainment and catering (19.9 per cent), manufacturing, mining and quarrying (19.7 per cent), utilities, electricity and

water (6.2 per cent), agriculture and fisheries (5.4 per cent), and distributive trades (3.9 per cent).

Liquidity in the commercial banking system fell during the period under review, but remained at a high level. The ratio of liquid assets to total deposits plus liquid liabilities contracted by 1.0 percentage point to 38.0 per cent at the end of June 2012. The loans and advances to total deposits ratio rose by 0.8 percentage points to 65.1 per cent. The interest rate spread between deposit and lending rates rose by 0.24 percentage points to 5.87 per cent at the end of June 2012. The weighted average interest rate on deposits decreased by 0.09 percentage points to 3.05 per cent, and that on loans increased by 0.15 percentage points to 8.92 per cent.

### Prospects

Real GDP is forecasted to grow marginally in 2012, amid global uncertainty and factors in the local economy. Agricultural output is anticipated to grow slightly, driven by increased output of non-banana crops and livestock. The outbreak of the Black Sigatoka disease which was officially detected in July 2012 is expected to lead to a fall in banana output, partly offsetting any gains which may be experienced in the production of other crops. Although measures have been taken to manage the spread of the disease, the reduction in banana output experienced in the first half of 2012, is not likely to be reversed in the second half of the year, resulting in overall decline in banana output for the year. Overall, manufacturing activity is likely to be on the

upside, based on a continued upward trend in soap production. Developments in the first half of the year and indicators for the remainder of the year, point to slower activity in the construction sector this year relative to the previous one, as public sector projects near completion. Tourism performance is likely to remain weak, constrained by a slower cruise ship season. Expectations for further improvements in the stay-over visitor category remain tamed based on the protracted weaknesses in the economies of major source markets.

The fiscal operations of the central government are likely to result in an overall deficit. The deficit is anticipated to be financed in part by a draw down in deposits of central government in the overall banking system, and by the continued issuance of securities on the RGSM. Although a possible reduction in capital and current spending may narrow the overall deficit, the observed lack of tax buoyancy can continue to lead to reduced current savings.

In the external sector, the merchandise trade deficit is expected to widen, mainly on account of larger import payments. Gross receipts from travel are projected to decline reflecting the impact of lower cruise receipts.

There are significant downside risks to the projections. Increased volatility in advanced and emerging economies may have a greater impact through lower tourism receipts, grants, foreign direct investment inflows and remittances. Greater



uncertainty in the global economy can translate to depressed confidence in the local economy. Other than adverse weather, to which the economy remains vulnerable, unsuccessful efforts to contain the crop

disease can significantly hold back economy activity and trade, resulting in further strains on growth and the fiscal position of the central government.



## GRENADA

### Overview

Economic activity in Grenada is estimated to have marginally increased in the first six months of 2012 relative to the corresponding period of 2011. The growth was influenced by activity in the agricultural and education sectors, but was mitigated by declines in all other major sectors of the economy including construction and manufacturing, as well as the tourism industry. Consumer prices increased by 1.3 per cent on an end of period basis. In the external sector, preliminary estimates indicate that the merchandise trade deficit declined due to a concurrent decrease in import payments and a rise in export receipts. The fiscal operations of the central government resulted in a higher overall deficit, reflecting a considerable fall off of grant receipts. The total public sector debt increased, due mainly to a rise in central government debt. Monetary liabilities expanded influenced by an expansion in quasi money. Commercial bank liquidity fell marginally during the quarter under review. The interest rate spread between loans and deposits narrowed.

Economic performance in the second half of 2012 is likely to register a modest improvement relative to the level recorded in the corresponding period of 2011, supported mainly by the continued good performance of the agricultural sector. However, fiscal challenges are expected to persist and all fiscal balances are projected to be in deficit as economic

activity is likely to be inadequate to turn around the fiscal slippages. The merchandise trade deficit is projected to increase as import payments rise. A slowdown of the global economic recovery and the possibility of adverse weather conditions pose downside risks to the economic outlook.

### Output

Agricultural production increased in the first half of 2012 over the comparable period of 2011, largely as a result of crop replanting and rehabilitation efforts in the case of banana, and increased acreage in other crops. Among the traditional crops, banana production more than doubled to 2,897.5 tonnes, as the crop recovered from disease and the effects of drought. Cocoa production rose by 39.8 per cent (181.0 tonnes) influenced by increased crop yields as the cocoa plants continue to mature following recent replanting efforts. By contrast, output of nutmeg fell by 41.0 per cent (127.7 tonnes), due to a combination of adverse weather conditions on the crop and cyclical patterns of crop yields. Similarly, the output of mace recorded a decline by 35.0 per cent (8.2 tonnes).

Construction activity recorded a further decline in the first half of 2012 relative to the corresponding period of 2011, albeit at a slower pace. Weak performances in both private and public sector-led construction activity have contributed to the contraction. At the private sector level, there has not

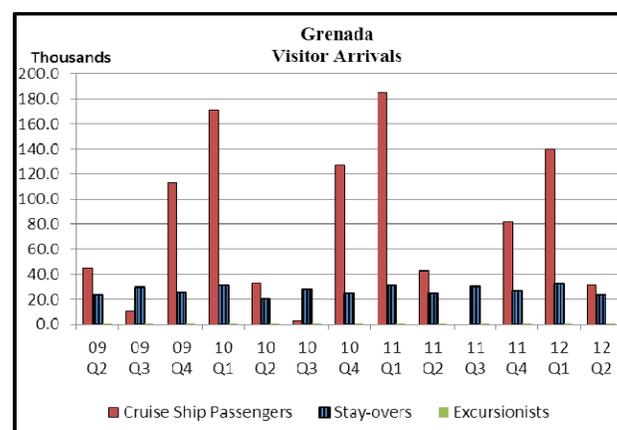


been any reversal in the downward trend for foreign direct investments, and this has continued to adversely impact major construction activity in Grenada. At the same time, the pace of residential construction is estimated to have slowed, evidenced in part by a 2.5 per cent reduction in loans extended for home construction and renovation. In the public sector, fiscal constraints led to a reduction in capital outlays; consequently, public sector construction activity was lower when compared to the first six months of 2011. Public sector projects focused on the rehabilitation and renovation of schools and other public buildings.

The performance of the manufacturing sector weakened in the first six months of 2012, marked by a decline in the production of most major commodities. Beverage production declined, influenced by reduced output of stout, beer and malt. Lower levels of demand accounted for the decline in stout (27.5 per cent), beer (14.2 per cent), and malt (1.9 per cent). The decline in beverage production however was tempered by increased rum production (15.9 per cent) as the Grenada Distillers Ltd began production of three new products. Likewise, the production of soft drinks was estimated to have expanded by 17.8 per cent. Other key products registering declines in output included flour (6.3 per cent) and paint production (1.8 per cent); as construction activity remained depressed.

Tourism data indicate that total visitor arrivals declined by 19.5 per cent to 231,953 in the first half of 2012 compared to growth of 11.2 per cent in the

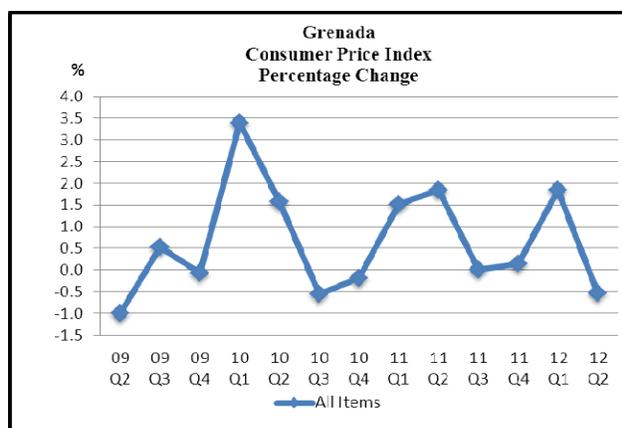
corresponding period of 2011. The deterioration was mainly due to a reduction in cruise passenger arrivals, which fell by 24.8 per cent to 171,236, compared with an increase of 12.1 per cent in the first half of 2011. The number of cruise ship calls declined by 8, to 132, as cruise operators reduced the number of calls made to Port St. George's. Stay-over arrivals also recorded a negligible decrease, of 0.6 per cent to 55,922. An analysis of stay-over visitors by country of origin indicates that visitors from the UK, the major source market, declined by 4.5 per cent, while those from the Caribbean contracted by 2.8 per cent. By contrast, arrivals from the USA rose by 9.2 per cent, while those from Canada increased by 1.4 per cent. The number of excursionists almost doubled to 1,481 in the first six months of 2012, up from 830 in the comparable period of 2011. Yacht passengers increased by 2.0 per cent (65).



## Prices

The consumer price index (CPI) rose by 1.3 per cent during the first half of 2012; on account of increases

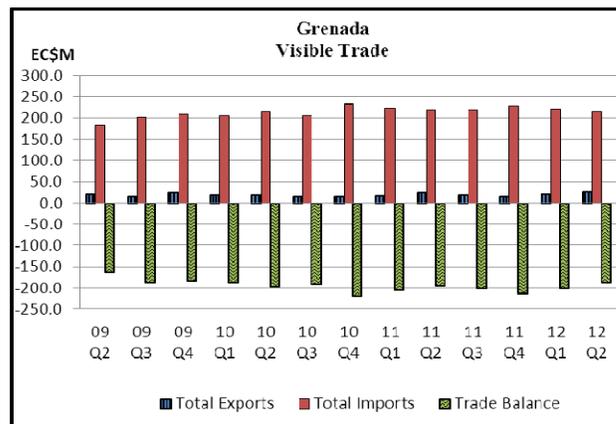
in all of the major sub-indices. Of the heavier weighted sub-indices, transport, the third heaviest, increased by 3.2 per cent, partly influenced by comparatively higher motor vehicle fuel prices. The heaviest weighted sub-index, Housing, Utilities, Gas & Fuels, recorded a marginal increase of 0.6 per cent. Similarly, prices in the Food & Non-Alcoholic Beverages sub-index also posted an increase of 0.6 per cent. The other notable increase was recorded in the Household Furnishings, Supplies and Maintenance sub-index which rose by 8.5 per cent due mainly to higher prices for material for household repairs.



**Trade and Payments**

A merchandise trade deficit of \$388.2m was recorded in the first six months of 2012, compared with a deficit of \$398.8m in the corresponding period of 2011. This outturn was largely influenced by a 13.4 per cent (\$5.8m) increase in the value of total exports and a contemporaneous reduction in import payments by 1.1 per cent (\$4.9m). The expansion in total exports is partly attributable to a

net rise in earnings from domestic exports which increased by 8.0 per cent (\$3.0m), largely as a result of an expansion in receipts from agricultural exports (26.4 per cent), led by increases in the export value of cocoa (27.9 per cent) and nutmeg (37.5 per cent). Those increases were tempered by declines in the value of manufactured exports (13.5 per cent). A rise in the value of re-exports also contributed to the increase in total export value. Re-exports were valued at \$8.4m in the first half of 2012, compared with \$5.6m in the corresponding period of 2011.



Gross travel receipts are estimated to have declined by 3.6 per cent to \$141.4m, consistent with the decline in tourist arrivals. Disbursements of external loans to the central government amounted to \$3.0m for the first half of 2012, less than half the outturn in the corresponding period of 2011. External principal repayments were halved to \$9.2m. The transactions of commercial banks resulted in a net outflow of \$16.8m in short-term capital during the period under review, on account of a build-up of assets held with institutions outside of the Currency Union.

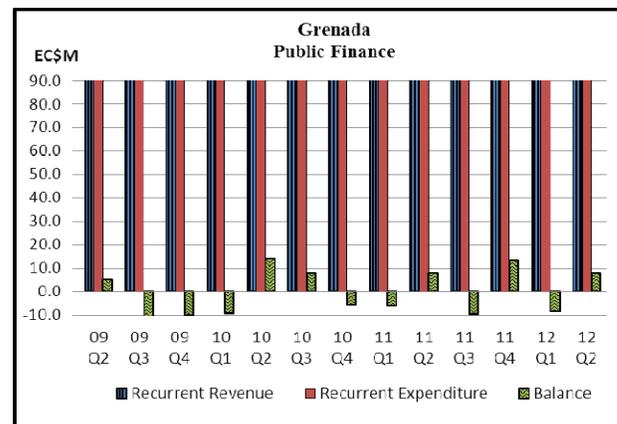


## Central Government Fiscal Operations

The central government's fiscal operations resulted in an overall deficit of \$38.1m in the first half of 2012, up from one of \$34.3m recorded in the corresponding period of 2011. The deficit was largely financed from domestic sources. The widening of the deficit stemmed mainly from an 82.0 per cent contraction in grant receipts. A primary deficit of \$13.8m was realised, compared with one of \$11.6m in the first six months of 2011.

The current account balance switched to a deficit position of \$0.9m, from a surplus of \$1.6m recorded in the first half of 2011, as a result of a decline in revenue. Current revenue contracted by 5.5 per cent to \$205.9m, indicative of the impact of slow economic conditions on revenue intake. Tax revenue collected contracted by 5.5 per cent to \$195.9m, led by a 14.0 per cent (\$5.7m) net decline in receipts from taxes on income and profit, as collection of corporate income tax contracted by 24.3 per cent (\$6.7m), consistent with the sectoral downturn in areas such as tourism, construction and manufacturing. Collections from taxes on domestic goods and services fell on a net basis by 4.0 per cent (\$3.8m), on account of a 5.7 per cent (\$4.6m) reduction in earnings from VAT. Receipts from taxes on international trade and transactions declined by 3.6 per cent (\$2.2m), mainly attributable to lower collections from import duty and customs service charges. The intake from taxes on property increased by 3.8 per cent (\$0.4m) as the Inland Revenue Department stepped up its collection

efforts. Non-tax revenue fell by 5.4 per cent to \$9.9m, reflecting in part lower receipts from administrative fees and services charges.



Current expenditure contracted by 4.4 per cent to \$206.7m, mainly due to a reduction of 15.0 per cent (\$6.0m) on spending for goods and services. Expenditures on transfers and subsidies were reduced by 8.9 per cent (\$3.4m), largely as a result of the on-going rationalisation of a number of social safety net programmes. There was also a marginal fall in outlays for personal emoluments which declined by 1.4 per cent (\$1.6m). Conversely, interest payments rose by 7.2 per cent (\$1.6m), partly due to the impact of the step up interest payment on the restructured bond.

Grant receipts totalled \$4.7m in the first half of 2012, compared with a total of \$26.1m received in the corresponding period of 2011. Consequently, the implementation of the public sector investment programme, which is largely funded by grants, declined, leading to a 32.5 per cent fall in capital expenditure to \$41.9m.



## Public Sector Debt

The disbursed outstanding debt of the public sector totalled \$2,062.0 at the end of June 2012, representing a 0.4 per cent increase on the level at the end of December 2011. The outstanding debt of the central government rose marginally by 0.6 per cent to \$1,847.6m, underpinned by growth in both domestic and external debt. The outstanding debt of the public corporations is estimated to have declined by 1.7 per cent to \$214.5m during the first half of 2012.

## Money and Credit

For the review period, broad money (M2) rose marginally by 1.1 per cent to \$1,878.4m, in contrast to a decline of 1.3 per cent during the first six months of 2011, mainly on account of increased private savings. The increase in M2 was led by growth of 2.4 per cent (\$36.7m) in quasi money. Of the components of quasi money, private sector saving deposits rose by 3.9 per cent (\$40.1m) and foreign currency deposits grew by 2.4 per cent (\$2.9m). However, declines in private sector time deposits of 1.7 per cent mitigated the increase in quasi money. Growth in M2 was however held back by a reduction in narrow money (M1) as it continued its downward trend at this time of year, contracting by 4.7 per cent, similar to the decline of 9.5 per cent during the same period of 2011. The decrease in M1 reflected declines in all sub-categories. Private sector demand deposits, the largest contributor to M1, recorded a reduction of 2.5 per cent (\$5.4m),

while currency with the public was lower by 6.9 per cent (\$7.5m). At the same time, EC\$ Cheques and Drafts Issued declined by 24.4 per cent to \$2.9m.

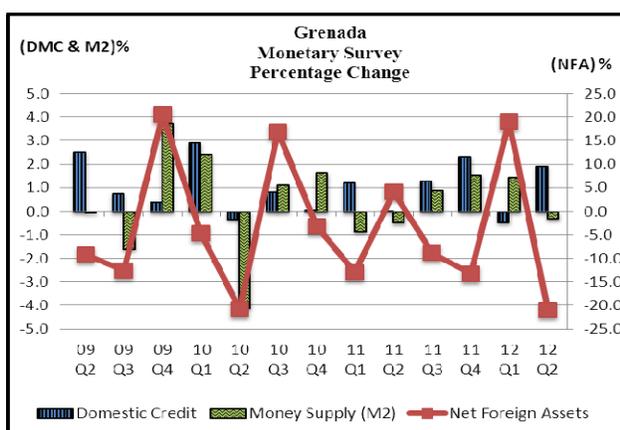
Domestic credit is estimated to have grown by 1.5 per cent to \$1,808.5m during the first six months of 2012, compared with a 1.3 per cent expansion during the corresponding period of 2011. The slight acceleration in credit expansion largely reflected a marginal increase in the rate of growth in borrowing by the private sector and a reduction in deposits of non-financial enterprises. Credit extended to the private sector grew by 0.4 per cent (\$6.9m), compared with growth of 0.2 per cent (\$3.6m) during the January to June period of 2011. The rise reflected a higher level of borrowing by businesses, by 1.4 per cent (\$8.7m). By contrast, credit extended to households was reduced by 0.1 per cent (\$1.3m), and lending to non-bank financial institutions fell by 3.3 per cent (\$0.5m). The net indebtedness of the central government to the banking system declined by 9.8 per cent (\$14.8m), in contrast to an expansion of 39.6 per cent (\$43.6m) during the first half of the prior year, indicative of the government's limit to commercial sources of financing.

The distribution of credit by economic activity indicates that credit for personal use accounted for most of the credit extended during the period under review. Credit to that category recorded a slight uptick of 0.3 per cent (\$3.4m), largely for house and land purchase. Loans for manufacturing and distributive trade rose by 22.8 per cent (\$7.5m) and



4.9 per cent (\$6.5m) respectively. Similarly, loans to the agriculture and fisheries sectors were higher by 2.3 per cent (\$0.5m). On the other hand; credit to the construction sector was reduced by 3.2 per cent (\$2.5m) as construction activity remained subdued, while lending for tourism related purposes fell by 2.8 per cent (\$4.5m).

The net foreign assets of the banking system have contracted by 5.9 per cent to \$163.3m during the first six months of 2012. The decline mainly reflected a reduction in Grenada’s imputed share of the central bank’s reserves. Grenada’s imputed share of the reserves held at the Central Bank stood at \$255.8m, down from \$282.9m at the end of December 2011. A net foreign liabilities position of \$92.4m was recorded for commercial banks at the end of June 2012, following a net liabilities position of \$109.3m at the end of December 2011, due mainly to commercial banks accumulation of assets with financial institutions outside of ECCU.



Commercial banks’ liquidity levels decreased during the first six months of 2012. The ratio of liquid

assets to total deposits plus liabilities fell marginally by 0.9 percentage points to 24.4 per cent at the end of June 2012. Similarly, the loans and advances to deposits ratio recorded a marginal decline of 0.4 percentage points to 83.0 per cent, partly attributable to faster growth in credit relative to that of deposits. The weighted average interest rate on deposits was 2.78 per cent at the end of June 2012, slightly lower than the 2.86 per cent offered at the end of December 2011. The end June 2012 reading of the weighted average interest rate on loans at 9.23 per cent was also down, compared to the 10.33 per cent at end December, 2011. As a result, the weighted average interest rate spread between deposits and lending rates narrowed by 0.95 percentage points to 6.53 per cent, during the period under review.

**Prospects**

On an annualised basis, the economic recovery which started in Grenada in 2011 is projected to improve only marginally in 2012, with growth of less than 1.0 per cent, based on the first half-year outturn and expected developments in the second half of the year. Prospects for the second half of 2012 are slightly more favourable when compared with the performance in the corresponding period of 2011, contingent on projections for agriculture and construction activity. Growth in agricultural output is projected to continue, as elevated market prices for some crops continue to influence the expansion of acreage. Construction activity is forecasted to pick up in the last quarter of the year, driven by public spending on projects such as the Phase II of

the Feeder Road Project and repairs and renovations to schools. However, the timing of the projects is likely to result in a negligible improvement in the sector. In the tourism industry, a contraction in stay-over visitor arrivals is likely, affected by the upcoming general elections in the USA and the impact of the air passenger duties (APD) on UK airfares. Cruise ship passenger arrivals are expected to fall, based on announcements of cutbacks to the number of calls to Grenada in the upcoming winter month by certain cruise lines. Low demand for major manufactured products is expected to persist, thus adversely affecting the sectors output. Consistent with the projected marginal improvement in construction activity, value added in the mining and quarrying, and wholesale and retail trade sectors could see a slight uptick.

The merchandise trade deficit is projected to widen, as inventories are built up to support the recovering construction sector; but increased agricultural exports will likely moderate the growth in the trade deficit.

On central government's fiscal accounts, current revenue is projected to increase, mainly on account of the expiration of some VAT exemptions during the third quarter of the year. The intake from taxes on international trade and transactions is likely to record some gains, consistent with increased trade activity. Current expenditure is projected to rise, based on increased outlays on interest payments associated in part with the stepwise interest payments on the restructured bond. Capital expenditure is expected to be below the level in 2011, as the pace of implementation of the public sector investment programme picks up only late in the year. In general therefore, the overall balance is forecasted to be slightly lower than the 2011 outturn.

Risks to these projections are skewed heavily to the downside as the global economic recovery has slowed. In addition, the possibility of adverse weather conditions could also exacerbate prevailing anaemic economic conditions.



## MONTSERRAT

### Overview

Economic activity in Montserrat is estimated to have declined in the first half of 2012 relative to the corresponding period in 2011. This assessment was mainly driven by declines in activities related to the construction and mining and quarrying sectors, and the tourism industry. Consumer prices rose by 2.4 per cent on an end of period basis. The deficit on the trade balance widened. The fiscal operations of the central government deteriorated as an overall deficit was realised in contrast to a surplus position in the comparable period in 2011. The level of grant inflows remained virtually unchanged. The stock of public sector debt declined marginally. In the banking system, monetary liabilities and domestic credit to the private sector grew, while the weighted average interest rate spread between loans and deposits declined. Commercial banks liquidity remained virtually unchanged and was relatively high.

The level of economic activity is expected to remain subdued in the second half of the year, as private sector activity is expected to be sluggish. Scheduled major activities in the second half of the year are not anticipated to have a strong impact on overall activity since their commencement is planned for the last quarter of 2012. Major downside risks include the recession and fiscal challenges in the United Kingdom, which funds 60.0 per cent of Montserrat's

budget, continuing fragilities in the global economy, and unfavourable weather.

### Output

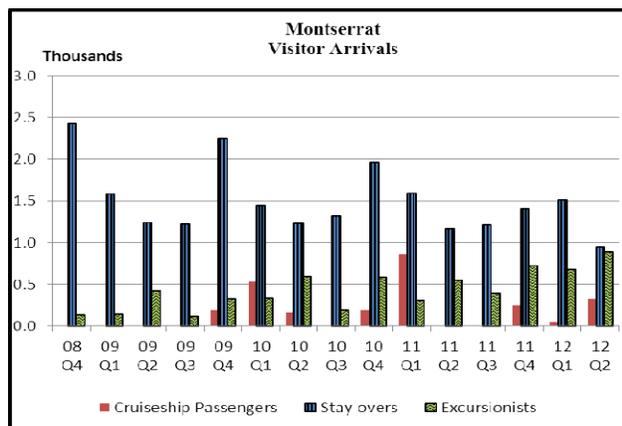
Construction activity weakened in the first six months of 2012 compared with the corresponding period in 2011. Activity in the private sector was sluggish, as the total value of new construction starts fell by 62.1 per cent to \$4.2m, while the number of reported starts was twelve (12) compared with twenty six (26) in the first half of 2011. Seventy-five per cent of new buildings were in the residential sector which was supported by a 6.8 per cent increase in commercial bank lending for home construction and renovation. The remaining starts were in the commercial sector. In addition, there was a 9.5 per cent decline in the amount of cement imported, indicative of the overall slowdown in the sector. Output in the allied mining and quarrying sector declined by 35.8 per cent, with the volume of sand and aggregate totalling 41,500 tons for the period under review.

The performance of the tourism industry declined in the first six months of 2012 compared with the outturn in the comparative period of 2011. Total visitor arrivals declined by 6.6 per cent to 5,441, on account of a fall off in arrivals in the main sub-categories. The number of stay-over visitors fell by 11.0 per cent to 2,468 reflecting a contraction in



arrivals from all source markets, except Canada.

The number of stay-over visitors from the Caribbean fell by 8.3 per cent to 801, from the United States of America by 6.8 per cent to 766 and the United Kingdom by 24.4 per cent to 532. The number of stay-over visitors from Canada increased by 3.6 per cent to 201. Of the other categories, yacht passengers fell by 23.5 per cent to 1,018. The number of cruise ship passengers totalled 376, which was 56.2 per cent lower than the figure in the corresponding period in 2011, as the vessels calling at port were smaller than the ships which visited in 2011. The number of excursionists, however, increased by 83.0 per cent to 1,579.

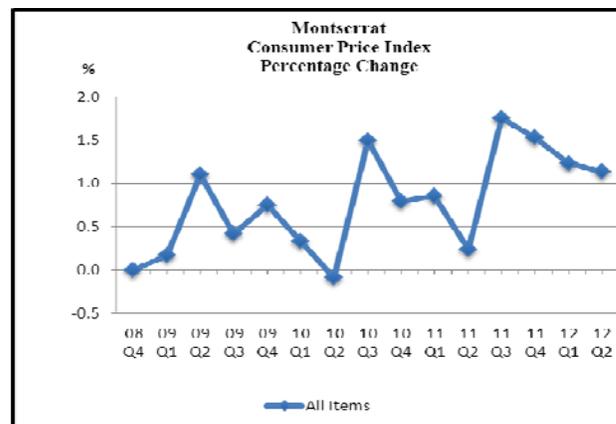


Value added in the agricultural sector was estimated to have increased during the period under review mainly driven by a rise in livestock production. Livestock production rose by 49.5 per cent largely on account of an 86.0 per cent increase in meat production. Crop production declined by 20.3 per cent as dry weather affected the conditions for planting and harvesting. In the fishing sector,

favourable sea conditions and an increase in the number of trips to catching sites contributed to the growth of 8.4 per cent in fish production. The total catch recorded for the first six months of the year was 44,300 pounds compared with 40,867 pounds in the comparable period of 2011.

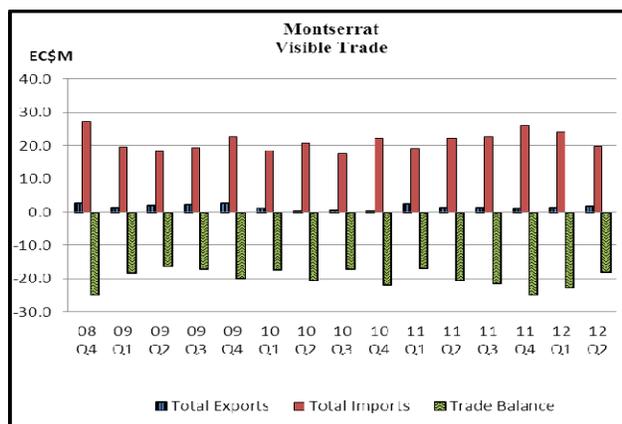
**Prices**

Consumer prices rose by 2.4 per cent on an end-period basis, higher than the rate of 1.1 per cent in the comparable period of 2011. This higher rate of inflation was mainly driven by increases in the clothing and footwear (4.8 per cent), services (4.1 per cent), household goods (5.0 per cent), and alcohol and tobacco (4.7 per cent) sub-indices. The prices of food items, which have the largest weight in the consumer basket, rose by 0.9 per cent. The overall increase in consumer prices was partially tempered by a 2.4 per cent decline in the price index for gas, electricity and water, which reflected the influence of recent decreases in the global price of fuel. Rental prices remained unchanged.



### Trade and Payments

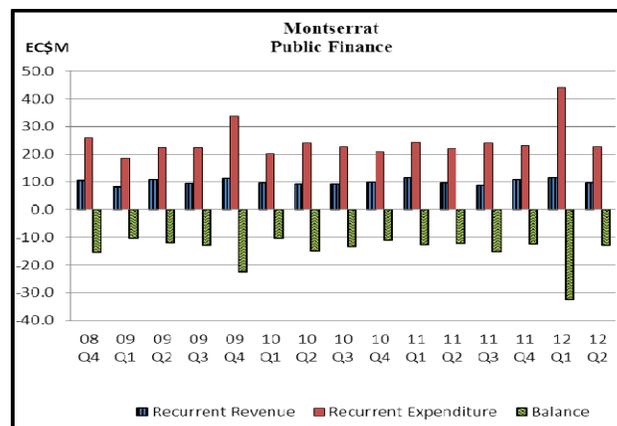
The trade balance recorded a deficit of \$40.7m in the first half of 2012, which is 8.5 per cent higher than the deficit recorded in the comparable period in 2011. Total imports stood at 15,548 tons and was valued at \$44.0m compared with 13,243 tons valued at \$41.5m in the first half of 2011. The increases in imports largely reflected a 53.6 per cent rise in the volume of fuel. The value of total exports was estimated to have declined by 16.9 per cent to \$3.3m, with domestic export earnings falling by 10.8 per cent to \$2.2m mainly associated with lower exports of aggregate and sand.



On the services account, gross receipts from travel declined by 11.6 per cent to \$7.0m in line with the fall in total tourist arrivals. Commercial bank transactions resulted in a net inflow of \$1.9m in short-term capital in contrast to an outflow of \$23.7m during the first half of 2011. In terms of official flows, external grants amounted to \$47.5m compared with \$47.4m in the corresponding period in 2011.

### Central Government Fiscal Operations

The central government recorded an overall deficit of \$16.4m (after grants) on its fiscal operations for the first half of 2012. The current account balance and the primary balance (both after grants) were also in deficit with a shortfall of \$18.6m and \$16.2m, respectively. Those outturns represented deterioration in the fiscal performance when compared with an overall surplus of \$6.9m (after grants), a current account surplus of \$6.0m and a primary surplus of \$6.9m in the corresponding period in 2011.



The primary reason for the deterioration in the fiscal accounts was a 44.6 per cent expansion in current expenditures, which totalled \$66.7m at the end of the review period. The increase was chiefly influenced by the payment of \$17.7m in outstanding pension contributions to the Social Security Fund. Pension expenditure totalled \$24.1m compared with \$5.4m for the first half of 2011. Consequently, the aggregate of transfers and subsidies more than doubled to \$33.5m. Spending on goods and services

also increased, growing by 21.2 per cent (\$2.1m) to \$11.8m. Expenditure on debt servicing increased to \$0.17m from \$0.02m. A 0.9 per cent decline to \$21.2m in outlays for personal emoluments was due to efforts by the government to reduce the wage bill which helped to partially stem the increases in current expenditure. Capital expenditure totalled \$18.7m, a 17.3 per cent increase over the expenditure level for the comparable period in 2011.

Current revenue declined marginally by 0.3 per cent to \$21.4m on account of a fall in tax revenue which fell by 3.1 per cent to \$18.4m. This decline in tax revenue was largely due to a fall in taxes on income and profits by \$0.9m to \$8.3m reflective of lower intake from company tax. This was partially offset by increases in tax revenue from international trade (\$0.2m), domestic goods and services (\$0.06m), and property (\$0.08m). Non-tax revenue increased by 21.1 per cent to \$3.0m.

Total budgetary aid, consisting of current grants and project or programme funds, amounted to \$47.5m. These inflows helped to finance the overall deficit, which would have been \$63.9m without grants, and thereby reduced the government's financing needs to \$16.4m. To close this gap, the government drew down on its deposits and obtained a line of credit from the commercial banking sector.

### **Public Sector Debt**

The total disbursed outstanding debt of the public sector stood at \$7.8m at the end of June 2012,

compared with a stock of \$8.0m at the end of the corresponding period during 2011. The amount of debt held by the central government at the end of the period under review was approximately \$2.0m, with the balance held by other public sector entities. The debt servicing expense of the central government totalled \$0.2m at the end of June 2012, compared with \$0.1m for the comparable period of 2011.

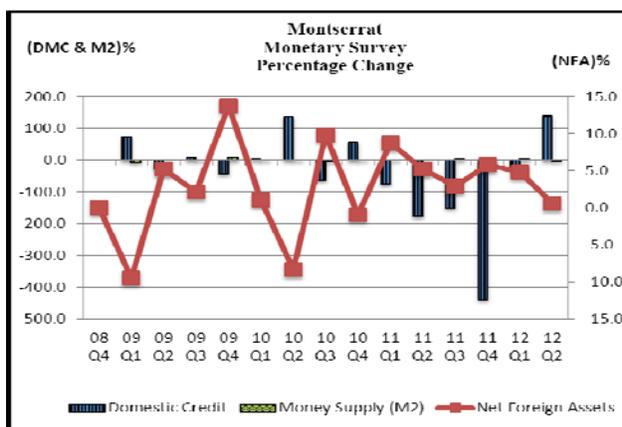
### **Money and Credit**

Monetary liabilities (M2) increased by 4.1 per cent to \$200.5m in the first half of 2012 compared with growth of 4.4 per cent for the corresponding period in 2011. Quasi money increased by 5.3 per cent (\$8m) to \$159.4m on account of an expansion in private sector savings deposit (\$5.8m), private sector time deposits (\$1.9m), and private sector foreign currency deposits (\$0.3m). Narrow money (M1) declined by 0.2 per cent to \$41.1m, as currency in circulation and the holding of cash by the commercial banks fell by 19.5 per cent and 44.9 per cent, respectively. However, private sector demand deposits increased by 14.1 per cent.

The net deposit position of the banking system increased by 67.1 per cent to \$8.5m due to developments in the rest of the public sector. The net deposit position of the non-financial public enterprises and statutory boards almost doubled to \$36.0m during the period under review, on account of an increased in deposits of \$17.1m as the government made an outstanding payment to the Social Security Fund. The net deposit position of



the central government declined to \$42.9m at end June 2012 from \$54.6m at end December 2011. Commercial bank credit to the private sector increased by 3.0 per cent to \$70.4m, compared with growth of 0.4 per cent in the corresponding period in 2011. The increased credit was channelled mainly to households while loans to businesses declined.



The distribution of credit by economic sectors was dominated by lending for home construction and renovation, which grew by 6.8 per cent to \$35.1m and accounted for nearly 50.0 per cent of total lending. Other personal loans and credit for house and land purchases increased by 3.2 per cent and 3.7 per cent, respectively. There was growth of 16.9 per cent (\$0.7m) in credit to the construction sector and 24.9 per cent (0.2m) to the manufacturing sector. Lending to tourism and the distributive trades declined by 1.5 per cent (\$0.1m) and 12.6 per cent (\$0.5m), respectively.

The net foreign assets (NFA) of the banking system increased by 5.5 per cent to \$242.0m, largely due to a 21.5 per cent increase in Montserrat’s share of the

imputed reserves held by the Central Bank. The NFA of the commercial banks, however, declined by 1.2 per cent to \$160.6m as a result of a drawdown on their external assets held outside of the currency union.

Liquidity in the commercial banking system virtually remained the same during the review period relative to the comparable period during 2011. The ratio of liquid assets to total deposits plus liquid liabilities stood at 87.7 per cent compared with 87.6 per cent at end December 2011. The ratio of loans and advances to total deposits declined to 24.6 per cent from 25.1 per cent. The spread between the weighted average interest rate on loans and deposits narrowed to 5.9 percentage points, from 6.3 percentage points at the end of December 2011. The weighted average lending rate declined to 8.2 per cent from 8.5 per cent, and the average deposit rate increased to 2.3 per cent from 2.2 per cent.

**Prospects**

The overall level of economic activity is expected to remain weak for 2012, mainly because of the slow pace of implementation of major public sector projects and the slowdown in private sector activity. Although there are a few major public sector projects scheduled for commencement in the latter part of the year, which will give a boost to the construction sector, their impact on the level of economic activity in 2012 is expected to be minimal. These projects include office buildings to accommodate the Ministry of Agriculture, Land,



Housing and the Environment, a hospital (funded by a grant of \$18 million), the Montserrat Media Corporation Building and the Volcano Interpretation Centre. The 50<sup>th</sup> Montserrat Festival celebrations are expected to give a boost to the tourism industry in the last month of 2012.

The fiscal outturn for 2012, as measured by the overall balance on the fiscal accounts, is expected to record a deficit on account of increases in expenditure commitments associated with the restructuring of government ministries and the payment of arrears. The impending adjustments to the import tariff structure, which are to be introduced in October 2012, are expected to remain revenue neutral. The performance of fiscal revenues

will depend on the timely receipt of budgetary aid to spur spending and the success of efforts to collect tax arrears.

The recession, fiscal and debt challenges of the United Kingdom are major downside risks for Montserrat. The United Kingdom is Montserrat's main development partner and is a major source of stay-over visitors. Other major downside risks include weak external demand in other major source markets for tourists and the slow pace of implementation of agreed reforms, which are tied to the disbursement of UK budgetary aid. Significant seismic activities associated with the Soufriere Hills Volcano and adverse weather continue to be major threats to growth prospects.



## ST KITTS AND NEVIS

### Overview

Preliminary data suggest that economic activity in St Kitts and Nevis declined in the first half of 2012. This decline resulted from continued contractions in the construction and wholesale and retail trade sectors. Consumer prices fell by 1.0 per cent, on an end of period basis. The fiscal operations of the Federal Government, which are presented on an accrual basis, resulted in an overall surplus. The total outstanding public sector debt of the Federal Government declined during the period under review. 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 narrowed.

Economic activity is projected to contract in 2012 based on expectations of decreases in the agricultural, construction and wholesale and retail sectors. The declines in these sectors are however expected to be mitigated in part by continued positive growth in the manufacturing sector and the tourism industry. Agricultural output is anticipated to decline on account of lower first half crop and livestock production which was the result of late replanting and inadequate refrigeration capacity respectively. The likely contraction in the construction sector is predicated on projections of historically low public sector outlays tempered by some positive developments in private sector

construction. Expectation of weak international trade and business activity influence the anticipated contraction of value added by the wholesale and retail sectors. Projections of positive value added in the tourism industry, are contingent on the successful redeployment of existing cruise lines and new initiatives such as the London Taxi Advertising promotion while the manufacturing sector is expected to continue to benefit from the transfer of product lines to St Kitts.

The fiscal operations of the Federal Government are projected to benefit from the receipt of IMF disbursements (\$90.5m) under the Stand-By Arrangement (SBA) during 2012 and the adaptation of a medium term expenditure framework in June 2012, as stipulated under the IMF (SBA). The successful completion of the debt exchange offer on 18 April 2012 will lead to lower debt servicing payments and rebound to the benefit of government's fiscal operations.

Risks to this outlook stem from expectations of a positive shock to food prices on account of severe drought conditions in major food producing countries and thereby lead to inflationary pressures.

### Output

Value added in the construction sector, is estimated to have declined in the first half of 2012, relative to the corresponding 2011 period. The decline was



attributed to reduced public sector spending. In the public sector, capital outlays declined by 48.0 per cent in the review period, in line with on-going fiscal consolidation efforts by the government under the IMF SBA. Construction activity was limited to road improvements and disaster mitigation works in St Kitts and a water enhancement project, coupled with renovation of sporting facilities in Nevis. The decline in construction activity in the public sector was partly mitigated by positive developments on the private sector side, with work intensifying on projects such as, the new private Jet Port terminal at the Robert Llewellyn Bradshaw International Airport and three condominium units. Work also continued on existing private sector projects such as the Kittitian Hill tourism project. Additionally, a 20.5 per cent decline in the importation of construction related materials, which is used as a proxy for developments in the sector, is also indicative of the contraction in the sector's value added.

Developments in the agricultural, livestock and forestry sector were also negative, as output declined due to lower levels of output of both crops and livestock. Total crop production fell by 10.5 per cent, attributable to decreases in the production of pumpkin (74.7 per cent), tomato (33.8 per cent) and sweet potato (13.8 per cent). These developments reflected weak first quarter output, due to heavier than usual rains in the fourth quarter of 2011 which adversely affected planting efforts. The replanting which commenced in the first quarter contributed to output growth in the second quarter of 2012, and

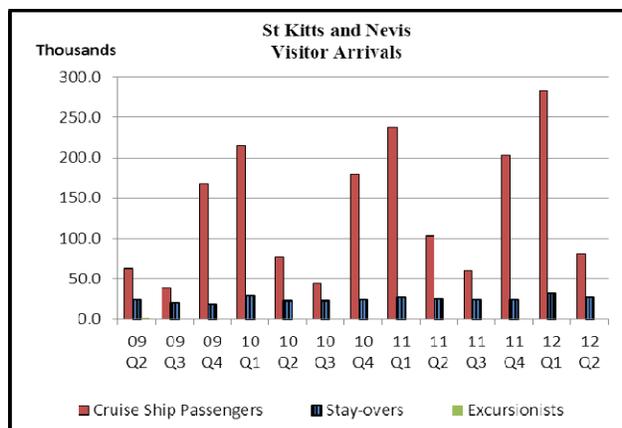
served to mitigate the overall decline in crop production in the first six months of 2012. Similarly, livestock production is estimated to have fallen with lower levels of goat (59.1 per cent), pork (19.9 per cent) and beef (13.5 per cent) output being recorded. This outturn in livestock production was mainly due to inadequate storage and refrigeration for the produce, as maintenance issues negatively impacted capacity at key storage sites. The output of fish also declined by 16.1 per cent, partly due to the presence of predatory lion fish which are lowering local fish yields.

Value added in the wholesale and retail trade sector is also estimated to have declined, in the first half of 2012. This decline was influenced by a fall in the real value of imports of consumer goods, which serves as the main proxy for developments in the sector. Additionally, value added in the real estate, renting and business sector is also estimated to have contracted by 0.9 per cent, largely due to declines in the business services and computer related sub-components, reflecting the closure of several businesses including a large call center.

Those declines however were partially mitigated by positive growth in the tourism industry and the manufacturing sector. Value added in the hotels and restaurants sector, a proxy measure of tourism activity, is estimated to have increased in the first half of 2012, consistent with improvements in arrivals from both the cruise and stay-over categories. Stay-over arrivals rose by 13.5 per cent to 58,949 in the first half of 2012, in contrast to a



slight decline in the corresponding 2011 period. The increase in the number of stay-over visitors was driven by an estimated 14.6 per cent growth in the number of visitors from the USA to 39,762. Other notable increases included markets such as Canada (47.6 per cent) and the Caribbean (1.8 per cent). The improved performance of the stay-over visitor category, particularly from the United States, was consistent with increased flights to the Federation by major carriers such as American Airlines (7.3 per cent) while for the Canadian market, was due to the introduction of direct airlift from that destination in late 2011. Cruise ship passenger arrivals rose by 6.8 per cent to 364,714 as the destination continues to benefit from on-going restructuring efforts within the global cruise industry, which focus on shorter cruises closer to transit ports such as San Juan and Miami. Meanwhile, the number of excursionists fell by 16.3 per cent to 1,643 while the number of yacht passengers rose by 10.6 per cent to 3,668.

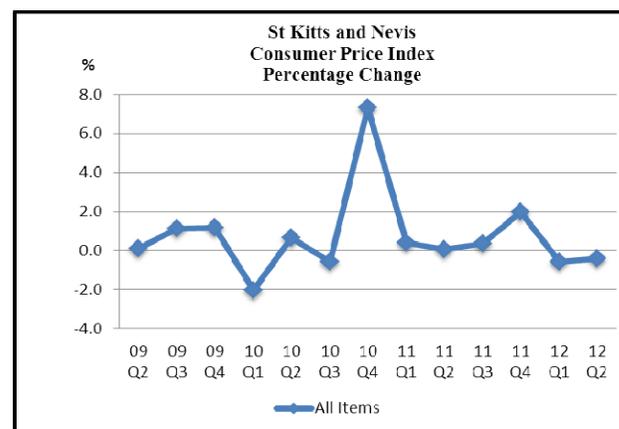


Value added in the manufacturing sector expanded in the review period. This outturn was supported in

part by growth in exports of telecommunications apparatuses and electrical machinery produced by major domestic manufacturers.

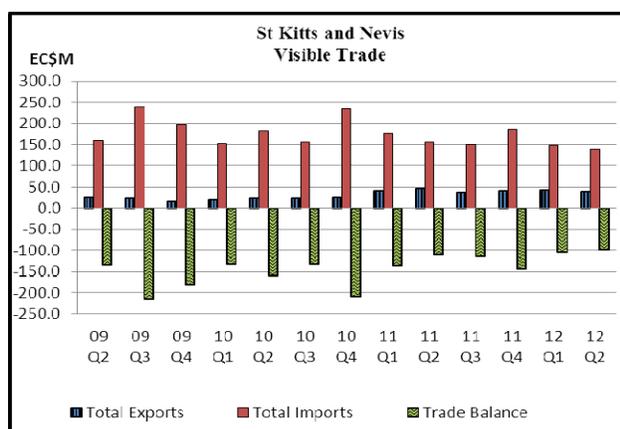
**Prices**

Inflation pressures fell during the first half of 2012 as the consumer price index (CPI) declined by 1.0 per cent compared with an increase of 0.5 per cent in the corresponding period of 2011. The largest contributing factor to this decline was a 5.6 per cent decrease in transportation prices, the second largest weighted sub-index. Contractions were also recorded for education (7.7 per cent) and hotels and restaurants (0.6 per cent) sub-indices. Lower cost of tuition and boarding at regional universities as well as travel to US destinations, led to the declines in the education and transport sub-indices respectively. However, price increases in the food and non-alcoholic beverages (0.7 per cent) and the housing, utilities, gas and fuels (0.03 per cent) sub-indices tempered the overall price deflation.



## Trade and Payments

A merchandise trade deficit of \$204.8m was estimated in the first half of the year compared with one of \$247.7m in the corresponding 2011 period. This narrowing of the deficit largely resulted from a decline in the level of imports. The fall in imports was driven primarily by reduced imports of capital and consumer goods in addition to lower manufacturing inputs, consistent with tepid economic activity and increased utilization of inventory in the manufacturing sector. The narrowing of the deficit was also a result of a 12.4 per cent increase in domestic exports which tempered the decline in total exports. Total exports declined largely due to abnormally high re-exports in the first half of 2011.



Gross travel receipts are estimated to have increased by 13.0 per cent to \$148.8m in the first half of 2012, in line with growth in stay-over arrivals. The transactions of commercial banks resulted in a net outflow of \$78.5m in short term capital during the review period, compared with an outflow of \$66.9m

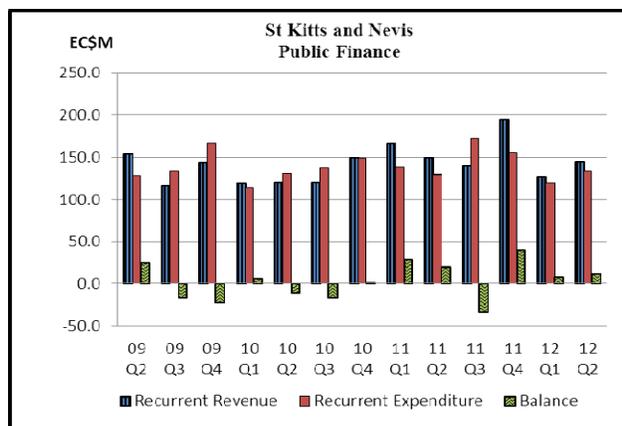
in the corresponding 2011 period. External disbursements in the first half of the year amounted to \$66.0m, mainly associated with funds received from the IMF, following the successful completion of the first (end December 2011) and second (end March 2012) reviews of the Stand-By Arrangement (SBA). Meanwhile external principal repayments totalled \$250.0m which partially reflects the receipt of \$117.9m in debt forgiveness that the Federal government received. This development is in keeping with the successful completion of a debt exchange offer by the Federation with creditors.

## Federal Government Operations

The fiscal operations of the Federal Government resulted in an overall surplus of \$122.1m in the first half of 2012, compared with one of \$15.7m in the corresponding 2011 period. This improvement in the overall balance was influenced primarily by debt forgiveness (\$117.9m) associated with the successful conclusion of a debt exchange offer in April 2012. The initiative by the Federal Government is aimed at restructuring portions of its domestic and external debt portfolio with creditors and gave applicable bondholders a choice of either par or discount bond instruments in exchange for original obligations. Two thirds of participants accepted the discount bond options and this resulted in debt stock reductions totalling \$117.9m. Lower capital outlays, consistent with fiscal consolidation efforts, also contributed to the outturn on the overall balance. A primary surplus of \$177.1m was recorded, compared with \$81.6m in the first half of 2011.



Current revenue fell by 13.2 per cent to \$274.2m in the first half of 2012, due to declines in both tax and non-tax revenues. Tax revenue contracted by 5.9 per cent, attributable to lower collections in all sub-components, with the exception of receipts from taxes on property which grew by 96.9 per cent (\$3.6m). Collections of taxes on domestic goods and services fell by 5.9 per cent (\$6.3m), largely due to lower receipts from VAT (5.0 per cent) and stamp duties (3.8 per cent). The intake from taxes on international trade also fell by 15.2 per cent (\$7.8m), attributable mainly to lower collections of import duty (10.3 per cent) and customs service charge (14.2 per cent). Those declines are consistent with lower levels of importation in the first half of 2012. Non-tax revenue were lower by 26.8 per cent (\$29.6m), as revenue collections from the previously government operated Electricity Department ceased, following successful corporatization of the department on 01 August 2011.



Current expenditure declined by 4.2 per cent to \$256.3m in the review period in contrast to an increase of 9.5 per cent in the first half of 2011. The

largest contributing factor to this decline was the reduction in interest payments (16.3 per cent) and outlays on good and services (7.6 per cent). The lower interest payments partially reflected cost savings associated with the successful debt exchange offer on 18 April 2012 and non-resumption of debt services payments on some instruments scheduled to be restructured. Lower outlays on goods and services reflect the discontinuation of fuel purchases and procurement of equipment to maintain the St Kitts Electricity Department. Outlays of personal emoluments, the largest component of expenditure, fell by 1.5 per cent (\$1.6m) consistent with hiring and increment freezes in both St Kitts and in Nevis.

On a disaggregated basis the overall surplus of the central government rose to \$126.6m, representing a fourfold increase from the \$29.3m surplus recorded in the first half of 2011. This outturn was largely a result of debt forgiveness following the successful restructuring of segments of the debt portfolio. Current account transactions tempered the improved fiscal outturn as the current account balance narrowed to a surplus of \$16.3m in the review period, from \$40.2m in the corresponding period of 2011. Recurrent revenues fell by 15.8 per cent to \$214.3m, mainly due to lower collections on all major sub-components with the exception of collection of taxes on property. Collections of taxes on international trade and transactions declined by 15.7 per cent, reflecting lower collections on import related taxes, which is consistent with lower imports. Revenues from taxes on domestic goods and services fell by 6.9 per cent, due in large part to



lower VAT receipts. VAT collections totalled \$56.2m in the first half of 2012, compared with \$59.3m in the corresponding 2011 period. Lower VAT collections are indicative of weak economic conditions, as compliance among VAT payers remains robust. Non-tax revenues intake also declined falling by 31.4 per cent (\$30.3m) to \$66.3m., due mainly to the successful corporatization of the Electricity Department in August 2011. Notwithstanding, non-tax revenues benefited from increased receipts associated with the Citizenship by Investment Programme. Meanwhile, current expenditure fell by 7.6 per cent (\$16.3m) largely on account of lower outlays on interest payments (\$11.3m) and goods and services (\$7.4m). The decline in interest payments is in line with efforts to restructure segments of the debt portfolio while lower goods and services outlays reflect the effects of the corporatization of the St Kitts Electricity Department. That development in turn led to reductions in outlays on fuel (\$7.2m) and operating and maintenance expenses (\$18.2m). Capital expenditure declined by 26.9 per cent to \$17.6m.

The fiscal operations of the Nevis Island Administration (NIA) improved in the first half of 2012, as an overall deficit of \$4.5m was recorded compared with one of \$13.6m in the corresponding 2011 period. This development was mainly a result of a fall in capital outlays. Capital expenditure fell by 71.3 per cent (\$15.7m), with activity being concentrated on renovation of sporting facilities and a water enhancement project. On the current

account, current expenditure rose while revenue fell, resulting in a 79.8 per cent fall in the surplus to \$1.7m, in the first half of 2012. Current revenue declined by 2.5 per cent to \$59.9m, largely on account of reduced collections of taxes on international trade (13.5 per cent), consistent with a reduction in imports. Current expenditure grew by 9.6 per cent, due mainly to increases in goods and services (31.9 per cent), reflecting the recording of outstanding and current payments related to supplies and materials and airlift support to regional and international airlines.

### **Public Sector Debt**

The total disbursed outstanding debt of the public sector declined by 5.5 per cent to \$2,707.2m, in the first half of 2012 compared with \$2,863.8m at end December, 2011. The outstanding debt of the Central Government, which accounted for 80.1 per cent of total debt, fell by 6.1 per cent to \$2,168.9m and was the largest contributing factor to the decline in total disbursed outstanding debt. That outturn reflected the successful completion of the debt exchange offer. Consequently, external debt, which represents 31.0 per cent of public sector debt, fell by 9.7 per cent to \$838.2m. The overall decline in the debt position of the Federal Government is also consistent with efforts to limit debt accumulation, as part of fiscal consolidation reforms under the 'home grown' IMF supported programme. The total outstanding debt of public sector corporations fell by 3.1 per cent to \$538.3m.

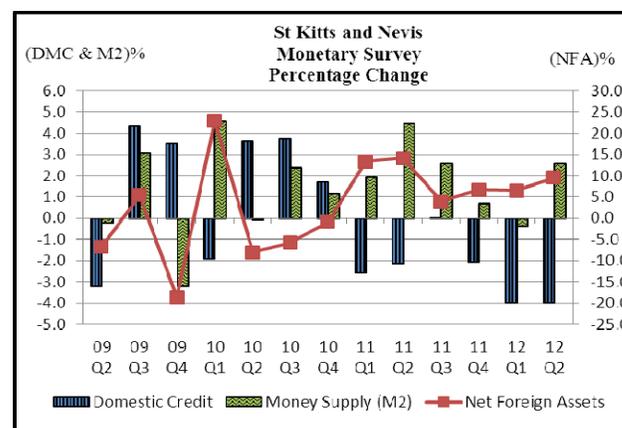


## Money and Credit

Monetary liabilities (M2) rose by 2.2 per cent to \$2,149.4m in the first half of 2012, compared with growth of 6.5 per cent in the corresponding 2011 period. The increase in M2 was due to positive growth in both the narrow money supply (M1) (1.1 per cent) and quasi money (2.5 per cent). The outturn in M1 was driven by growth in currency with the public (2.5 per cent) and EC dollar cheques and drafts issued (24.4 per cent). The increase in the other component of M2, quasi money, was influenced by an expansion in both private sector savings deposits (5.9 per cent) and private sector foreign currency deposits (2.4 per cent).

Domestic credit continued to contract, falling by 7.8 per cent in the review period to \$1,578.2m, following a decline of 4.6 per cent in the first half of 2011. This decline was influenced primarily by a fall in the net credit position of the Federal Government and the rest of the public sector. The net credit position of the Federal Government fell by 16.0 per cent to \$610.1m, as a result of the combined effects of a 4.5 per cent (\$46.4m) fall in credit and a 23.0 per cent (\$69.6m) increase in its deposits in the banking system, principally at commercial banks. The decline in credit extended to the Federal Government, is in keeping with the receipt of disbursements under the SBA and policy efforts aimed at restricting debt accumulation. The net deposit position of non-financial public enterprises increased (\$43.1m) during the review period due to minimal use of credit facilities and growing deposits

(\$44.9m). The net credit position of the Central Government declined by 22.0 per cent on account of a fall in borrowing (4.5 per cent) and an increase in deposits (23.0 per cent). Similarly, the net credit position of the Nevis Island Administration with the banking system also fell (0.2 per cent), on account of a 52.8 per cent increase in deposits, which outpaced growth in borrowings (0.4 per cent) from the banking system. The overall decline in domestic credit was mitigated by increased lending to the private sector of 1.8 per cent, reflecting expansions in loans to businesses (\$14.0m) and non-bank financial institutions (\$5.9m).



The distribution of credit by economic activity showed that the decrease in domestic lending was primarily driven by lower levels of credit extended for public administration and distributive trades. Credit for public administration fell by 2.1 per cent (\$16.6m), consistent with the Federal Government's policy of non-accumulation of debt, while the contraction in credit for distributive trades (3.1 per cent) is in line with weak levels of international trade. There was also a notable decline of 15.8 per



cent (\$4.6m) in credit to the manufacturing, mining and quarry sector. These declines however were mitigated by increased credit for construction (\$11.0m) and personal uses (\$9.9m).

Growth in the net foreign assets of the banking system decelerated to 16.7 per cent (\$153.6m) in the first half of 2012, compared with growth of 29.5 per cent (\$189.2m) in the corresponding 2011 period. The increase was influenced by 12.0 per cent growth in both Central Bank imputed reserves to \$700.3m and a 26.6 per cent expansion in the net foreign asset position of commercial banks. Commercial banks' net foreign asset position increased to \$374.2m, primarily on account of a \$100.8m increase in the asset position with other ECCB territories.

Liquidity in the commercial banking system eased in 2012. The ratio of liquid assets to total deposits rose by 1.6 percentage points to 70.5 per cent, while the ratio of liquid assets to total deposits plus liquid liabilities also increased by 1.4 percentage points to 56.7 per cent. Further supporting evidence included the decline in the ratio of loans and advances to total deposits by 3.3 percentage points to 69.7 per cent.

The weighted average interest rate spread between loans and deposits narrowed to 4.5 percentage points during the first half of 2012, from 5.73 percentage points at end of 2011. This outturn was the result of the weighted average interest rate on loans falling by 0.93 percentage points to 8.17 per cent, while that on deposits increased by 0.26 percentage points to 3.64 per cent.

## Prospects

Economic growth in the Federation of St Kitts and Nevis is expected to contract in 2012 on account of projected declines in value added in the agricultural, construction and wholesale and retail trade sectors. This projection is consistent with downward revisions to growth projections of St Kitts and Nevis's largest trading partner, the United States of America and continued weakness in the economic outlook for the Eurozone. However, expected increased output from the manufacturing sector and tourism industry should mitigate the overall decline in economic activity for the remainder of the year.

The projected decline in value added in the agricultural sector is based on expectations that agricultural output in the second half of the year will not be sufficient to compensate for the weak first half performance. Construction activity will be largely driven by a few private sector projects, given projections of tepid public sector outlays. Public sector outlays are expected to be lower than historical averages and centred mainly on road works in St Kitts and continuation of the water enhancement project in Nevis. Meanwhile in the private sector, work on the Jet Port terminal at the Robert Llewellyn Bradshaw International Airport and condominium projects of Manor International and Scotch Bonnet are expected to continue. The private sector developments are anticipated to moderate the pace of contraction in the construction sector relative to the first half of 2012. Expectations concerning the performance of the manufacturing



sector are contingent on continued efforts to produce higher valued electronic communications equipment ahead of eventual strengthening of trade to the Brazilian market when the Partial Scope Agreement is ratified by all parties. Improved prospects in the tourism industry are predicated on continued growth in the cruise sector, based on pronouncements suggesting strong cruise bookings. The tourism industry is also expected to benefit from a 12 month taxi advertising campaign in the UK which commenced in July.

The fiscal operations of the Federal Government are expected to result in a higher overall surplus relative to that of 2011. This however will be driven mainly by the positive impact of the debt forgiveness on the fiscal accounts of government. That impact should be partially tempered by the effect of lower revenues following the corporatization of the Electricity Department. In the second half of the year, the second phase of the government's debt restructuring which involves a debt for land swap is expected to be completed and therefore should contribute to lower interest and principal payments relative to 2011. On a disaggregated basis, the fiscal operations of the Central Government are expected to benefit

from several inflows of funds namely; the receipt of EU grants funds (€11.2m), associated with the 2008 and 2009 fixed tranches under the Accompanying Measures for Sugar Protocol (AMSP), the receipt of \$90.5m in disbursements under the IMF SBA and grant transfers from the Sugar Industry Diversification Fund (SIDF). In addition, efforts on the expenditure side to contain growth, via wage and hiring freezes, are expected to continue in 2012. An overall balance ceiling, which serves as a performance criteria under the SBA, should also help to limit expenditure growth. The fiscal operations of the Nevis Island Administration (NIA) should be positively influenced by sharing in the IMF disbursements of 2012 and recent Budget pronouncements which introduce hiring and wage freezes in addition to reduced discretionary duty free concessions.

Downside risks to these projections stem from a possible delay in the debt for land swap. Inflationary pressures stoked by rising food prices due to the drought conditions in the United States could further weaken consumer spending. The government also needs to ensure adherence to the SBA to avoid delays in receipts on funds under the programme.



## SAINT LUCIA

### Overview

Economic activity in Saint Lucia is estimated to have expanded slightly in the first six months of 2012 relative to the corresponding period of 2011. This assessment is based on higher value added in the construction sector, coupled with increases in the manufacturing and agricultural sectors. The expansion in overall economic activity was constrained by declines in value added for the hotels and restaurants, wholesale and retail trade and transport storage and communications sectors. Consumer prices rose by 1.6 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 larger overall deficit. As a consequence, the total public sector debt increased, driven mainly by a rise in the level of indebtedness of the central government. Monetary liabilities (M2) increased, albeit at a slower pace relative to that of the corresponding period in 2011. The commercial banking system remained fairly liquid and the weighted average interest rate spread between loans and deposits narrowed.

In the second half of 2012, economic activity is projected to remain subdued although increases in output in the construction sector and the tourism industry may buoy activity. Economic activity will be constrained however, by weakness in wholesale and retail trade and transport storage and

communications. Agricultural output is estimated to increase supported by the recovery in banana output, however the rate of recovery will largely reflect the extent to which the authorities can control the effects of the outbreak of the Black Sigatoka disease. Manufacturing activity is estimated to improve, as demand for paper and paperboard products increased to facilitate the recovery in the banana industry. Some widening of the fiscal deficit is expected during the second half of 2012 as government increases spending to rehabilitate infrastructure damaged by hurricane Tomas in 2010.

Downside risks to the projections include increasing uncertainty associated with the revolving sovereign debt crisis in the Euro zone and generally weak economic activity in Europe; the stalled recovery in the USA; and possible increases in commodity prices fuelled by drought conditions in the Western Hemisphere.

### Output

Construction activity is estimated to have recorded a marginal increase in the first half of 2012, compared with the level in the corresponding period of 2011. This assessment is based on a 4.1 per cent rise in the volume of imported construction related materials, used to advance work on a number of projects, both in the private and public sectors. In the private sector construction activity was mainly centred on the Jalousie Plantation (Tides Sugar Beach) and The

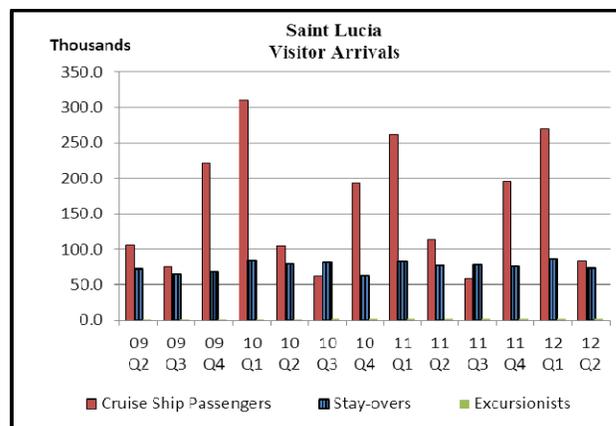


Landings resorts, as well as a number of residential properties. The pace of overall construction activity was moderated by a slowdown in the public sector activity, as reflected in lower capital expenditure by the central government. On-going construction in the public sector consisted of the New National Hospital, St Jude Hospital and continued road rehabilitation and construction.

Output in the agricultural sector is estimated to have rebounded largely associated with a recovery in banana production. The output of banana increased more than seven-fold to 6,390 tonnes, after the setbacks to production in the first half of 2011 from the effects of hurricane damage in the last quarter of 2010, as well as disease infestation from Black Sigatoka. The rest of the agricultural sector recorded mixed results as the production of other crops is estimated to have declined while the outputs of the livestock and fishing subsectors expanded.

Manufacturing output is provisionally estimated to have expanded in the period under review compared with the level in the corresponding six months of 2011. The outturn primarily reflected increases in the output of metal products (58.6 per cent), corrugated paper and paper products (28.9 per cent), food and beverages (7.7 per cent), and electrical products (5.3 per cent). By contrast, the output of rubber products, printed materials and chemicals decreased in the period under review.

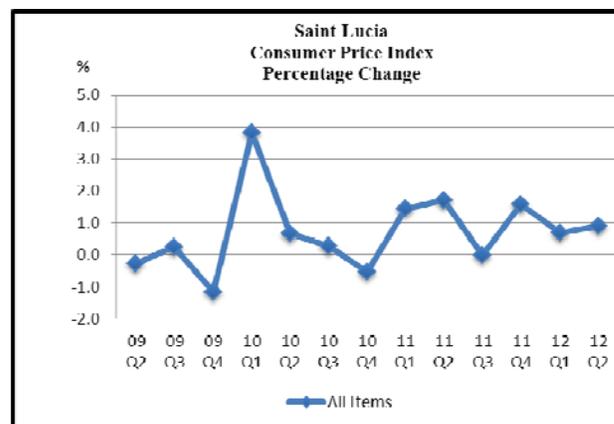
The performance of the tourism industry declined in the first six months of 2012 compared with the outturn in the corresponding period of 2011. Total visitor arrivals fell by 4.4 per cent to 539,516, influenced by reductions both in the number of cruise passengers and stay-over visitors. The relatively more important stay-over category contracted by 0.5 per cent to 158,244 largely associated with developments in the US market. Arrivals from the USA declined by 7.2 per cent to 61,336, on account of reduced airlift capacity out of that market. There were also decreases in arrivals from the French markets – France (22.7 per cent) and the French West Indies (12.5 per cent). By contrast, the number of visitors from Canada rose by 9.6 per cent to 23,137, reflecting more targeted marketing initiatives and increased airlift out of that market. Increases were also recorded for stay-over arrivals from the UK (6.3 per cent) and the Caribbean (1.5 per cent).



The number of cruise passengers declined by 6.0 per cent to 352,771 compared with a 9.6 per cent contraction in the corresponding six months of 2011. The contraction in the number of cruise ship passengers partly reflected a decline in the number of cruise ship calls, which fell by 0.5 per cent to 209 in the first half of 2012. Of the other categories, yacht visitor arrivals fell by 9.8 per cent to 22,494 while there was a 12.4 per cent rise in the number of excursionists to 6,007.

### Prices

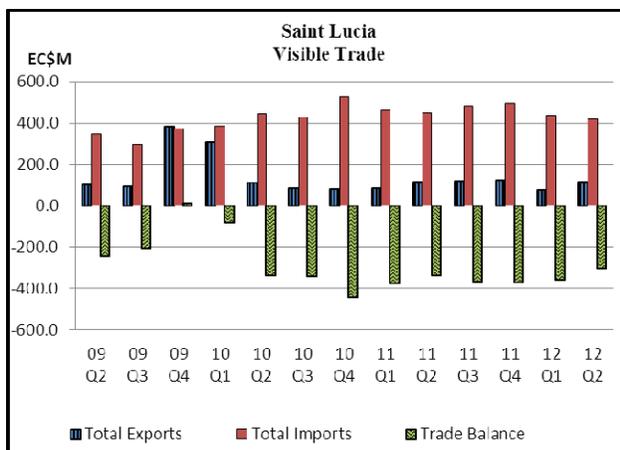
The consumer price index rose by 1.6 per cent during the first six months of 2012 compared with an increase of 3.2 per cent in the corresponding period of 2011. Price developments were influenced mainly by upward movements in most of the price categories, primarily the sub-indices for transport (3.7 per cent) and food and non-alcoholic beverages (1.7 per cent) which are two of the largest weighted indices in the basket of goods and services. The increase in the transport sub-index was fuelled by higher airfares while the rise in the food and non-alcoholic beverages sub-index reflected increases in the cost of fish and dairy products, as well as oils and fats. Other notable upward price movements included sub-indices for clothing and footwear (6.3 per cent) and communication (1.7 per cent). The overall increase in the consumer price index was tempered somewhat by declines in the sub-indices for housing, utilities, gas and fuels (0.3 per cent), education (0.4 per cent) and hotels and restaurants (5.2 per cent).



### Trade and Payments

A merchandise trade deficit of \$667.2m was recorded in the first six months of 2012, compared with one of \$715.4m in the comparable period of 2011. This narrowing of the deficit was associated with a 5.9 per cent fall in the value of imports to \$856.4m, largely associated with lower payments for the importation of minerals and fuel related lubricants (12.2 per cent), machinery and transport equipment (8.9 per cent), chemical and related products (7.7 per cent) and beverages and tobacco (10.6 per cent). Export receipts declined by 2.8 per cent to \$189.2m attributable to lower receipts for both domestic exports (2.9 per cent) mainly reflecting reductions for beverages and tobacco, and re-exports (2.8 per cent), associated with minerals, fuel, lubricants and related materials. The export of bananas the largest individual source of earnings, rose nearly ten-fold to \$17.3m as exports resumed after they were curtailed during the first half of 2011 following hurricane damage to the crop in the final quarter of 2010.





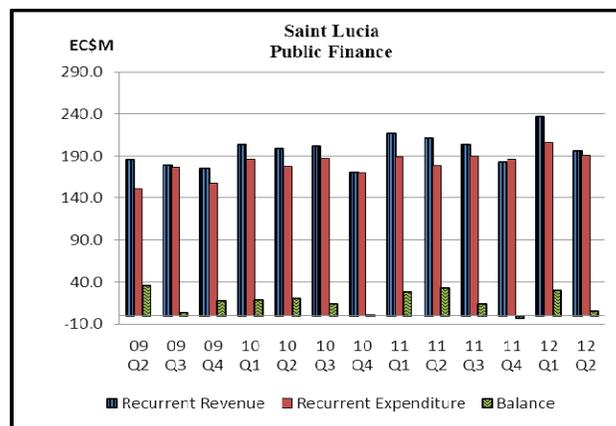
Gross travel receipts increased by 4.6 per cent to \$478.0m fuelled by a rise in the number of stay-over arrivals from the Canadian and UK markets. Commercial bank transactions resulted in a net outflow of \$75.1m in short-term capital, while net external loan disbursements to the central government totalled \$28.2m in the period under review compared with \$33.0m in the corresponding period of 2011.

**Central Government Fiscal Operations**

The fiscal operations of the Central Government resulted in an overall deficit of \$56.4m, compared with one of \$33.8m recorded in the first half of 2011. The fiscal outturn largely reflected an increase in current expenditure. A primary surplus of \$7.5m was realised, well below that of \$16.9m recorded in the first six months of 2011.

A surplus of \$35.9m was recorded on the current account operations in the first half of 2012 compared with one of \$61.0m in the corresponding period of 2011. This outturn was attributed to an expansion in

current expenditure which outpaced an increase in current revenue collections. Current revenue rose by 1.0 per cent to \$433.4m, reflecting an increase in non-tax revenue which was partially offset by lower tax revenue collections. Receipts from tax sources fell by 4.0 per cent (\$16.2m), associated with decreases in collections from taxes on income and profits (\$16.8m) and taxes on international trade and transactions (\$9.1m). Lower receipts from taxes on income and profits were largely influenced by a fall in the collection of corporation tax (\$20.7m), consistent with the adverse effects on company profitability as a result of the slow pace of economic activity. The overall reduction in the yield from taxes on international trade and transactions was attributable to reductions in the receipt of excise taxes (24.0 per cent) and consumption duty (4.4 per cent) consistent with the lower value of imports. Those decreases were partly offset by higher collections of taxes on domestic goods and services and taxes on property of 14.4 per cent and 24.7 per cent respectively. Non-tax revenue rose by 81.1 per cent primarily attributable to higher collections of accrued investment income.



Current expenditure rose by 8.0 per cent to \$397.6m, influenced by increases in all of the major components. Outlays on personal emoluments rose by 2.2 per cent (\$3.9m) fuelled by a retroactive salary payment made to top management in June 2012 and an increase in employment in the civil service. Expenditure on goods and services rose by 0.3 per cent (\$0.2m). Transfers and subsidies expanded by 17.1 per cent (\$12.1m) buoyed by larger outlays for social assistance, as well as increased social security contributions consistent with retroactive salary payments. Interest payments rose by 25.9 per cent (\$13.2m), impacted by increased borrowings by the central government from both domestic and external sources.

Capital expenditure declined by 12.3 per cent to \$105.5m, in contrast to growth of 25.6 per cent in the corresponding period of 2011, reflecting the completion of some infrastructural projects including the constituency development programme and agricultural feeder roads. The delayed implementation of new projects also contributed to lower capital outlays. Notwithstanding the reduction in activity, work continued on the European funded New General Hospital as well as the reconstruction of the St. Jude Hospital.

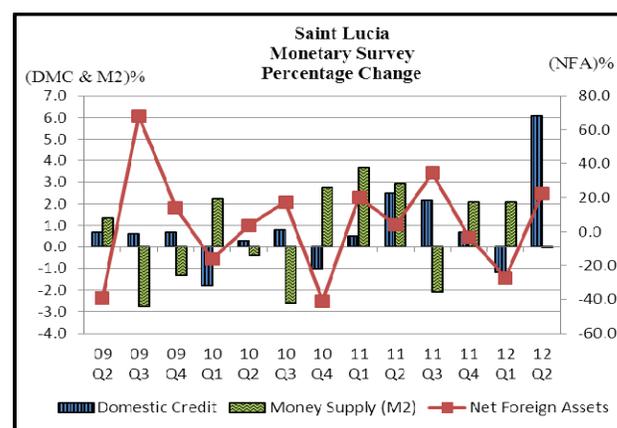
### Public Sector Debt

The disbursed outstanding debt of the public sector rose by 2.8 per cent to \$2,438.6m during the first half of 2012. This outturn was largely influenced by a 6.1 per cent increase in domestic debt of the

central government, reflecting a rise in the issuance of bond and Treasury bill instruments. The external debt stock of central government rose more slowly by 1.1 per cent (\$11.6m). The outstanding debt of the public corporations is estimated to have contracted by 4.1 per cent to \$253.0m during the first half of 2012.

### Money and Credit

Monetary liabilities (M2) expanded by 2.1 per cent to \$2,786.2m during the first half of 2012 representing a deceleration from growth of 6.7 per cent during the corresponding period of 2011. Of the components of M2, quasi money rose by 3.3 per cent, while narrow money fell by 1.6 per cent. The expansion in quasi money was led by increases in private sector savings deposits (3.9 per cent) and foreign currency deposits (18.4 per cent). All of the major components of narrow money declined during the period under review.



Domestic credit increased by 4.8 per cent to \$3,770.6m, attributable to increased borrowings by



the private sector and the central government. Outstanding credit to the private sector rose by 4.0 per cent, attributable to increases on the part of households (14.2 per cent) and businesses (2.3 per cent). The central government moved to a net credit position in contrast to a net deposit position at the end of December 2011. This development reflected a 15.4 per cent (\$45.3m) increase in the central government's indebtedness to the banking system and a 3.9 per cent (\$11.3m) decline in their deposits. In the rest of the public sector, the net deposits of nonfinancial public enterprises rose by 12.4 per cent, supported by a 7.7 per cent rise in deposits coupled with a 2.8 per cent reduction in outstanding credit.

An analysis of credit by economic activity indicates that total loans and advances rose by 6.6 per cent (\$267.0m). Of the key sectors, the largest expansions were recorded for credit for personal use (17.5 per cent); largely for the purpose of house and land purchase, distributive trades (4.9 per cent) and manufacturing, mining and quarrying (3.1 per cent). Credit for other uses also rose by 3.4 per cent (\$37.9m). Those increases were partially offset by reductions in outstanding credit for tourism (1.8 per cent) and for construction (1.9 per cent).

The net foreign liabilities position of the banking system was \$440.2m at the end of June 2012 compared with \$494.7m at the end of December 2011. This development was largely associated with a 7.5 per cent decrease in the net liabilities position of commercial banks as they increased their assets held with institutions outside of the ECCU region

(31.9 per cent). Saint Lucia's imputed share of the reserves of the central bank declined by 4.0 per cent to \$491.8m.

The commercial banking system remained fairly liquid during the period under review. The ratio of liquid assets to total deposits plus liquid liabilities was 24.2 per cent at the end of June 2012, compared with 22.5 per cent at the end of December 2011, while the loans and advances to deposits ratio rose to 115.5 per cent from 114.0 per cent at the end of December 2011.

The weighted average interest rate on deposits fell by 0.10 percentage points to 2.97 per cent, while the weighted average lending rate declined by 1.15 percentage points to 7.90 per cent. Consequently, the weighted average interest rate spread fell by 1.04 percentage points to 4.93 percentage points at the end of June 2011.

### **Prospects**

Global growth has been revised downwards to 3.5 per cent in 2012 from 3.6 per cent, according to The International Monetary Fund's World Economic Outlook (WEO) July 2012 revision. The increased pessimism is largely based on downward revisions to growth for advanced economies to 1.4 per cent compared with 1.6 per cent in the previous estimate. The downward revision reflects lower economic activity in the Euro zone, primarily in the so called peripheral states (Greece, Spain, Portugal and Ireland) which will be the most impacted by



continued economic uncertainty and fiscal tightening. These developments will have negative impacts on the rest of Europe and will further translate to weaker expansions in other advanced economies including the USA. Additionally, the expansions in emerging economies are estimated to slow to a 5.6 per cent rate related to more subdued global trade as the crisis in Europe adversely impacts the demand for goods and services from emerging economies. Protracted structural economic imbalances in the USA evidenced by a weak economic recovery, high and entrenched unemployment and fiscal austerity, further highlight the economic headwinds faced by the global economy generally and the territories of the ECCU specifically. The region's vital tourism industry continues to be negatively impacted by weak external demand for the regions' export of services, as well as intensifying competition from lower cost destinations.

Saint Lucia therefore, faces significant challenges in the context of increasing uncertainty in the global outlook, compounded by a number of domestic challenges. Notwithstanding the challenges the domestic economy is projected to expand in 2012, supported by increased value added in most of the productive sectors including construction, hotels and restaurants, manufacturing and agriculture.

Construction activity is expected to be supported by developments in the public sector as activity will likely be buoyed by completion work on the New General Hospital and the St Jude Hospital, as well as

vitaly needed infrastructural rehabilitation post-hurricane Tomas. Construction may also receive a further boost as work continues on the Financial Administrative Complex, and an office complex. In the private sector, activity will be underscored by continued work on two resorts; The Landing and the Tides Sugar Beach, as well as intensified work on a number of commercial and residential projects.

Activity in the tourism industry is estimated to improve somewhat, associated with intensified marketing efforts in the traditional markets. Efforts to secure additional airlift out of traditional markets in the USA are on-going and are likely to recoup some earlier losses associated with retrenchment initiatives by a major international carrier. However, efforts to increase the marketability of the destination may be constrained by lower consumer sentiment in the USA and the UK, as well as lower disposable income associated with slow growth in the USA and economic contraction in the UK.

Activity in the agricultural sector is estimated to rebound, associated with recovery in the banana industry, as well as some improvement in the output of other crops. The infestation of some banana fields by Black Sigatoka, however, remains a major risk to the industry. In the manufacturing sector value added is estimated to increase based on the relative buoyancy of the domestic market.

A larger overall deficit is projected for the central government fuelled by increases in capital expenditure partially offset by constrained tax



revenue inflows. However, tax revenue collections may be boosted by the implementation of the Value Added Tax (VAT) in the last quarter of 2012.

The deficit on the merchandise trade account is estimated to widen in line with increases in imports for construction activity and inputs for the hotels and restaurants sector. Pressures on the balance of payments from a wider trade deficit will be offset by higher external loan disbursements and inflows from travel. Foreign direct investment inflows will likely remain subdued.

The prospects for Saint Lucia will be adversely affected by the on-going sovereign debt crisis in the Euro zone and its associated impacts on the global economic and financial system. Down-side risks remain elevated and threaten to blunt the efficacy of major domestic policy initiatives to stimulate economic activity. These include inflationary pressures stemming from severe drought conditions impacting agricultural producers in the USA. Nonetheless, there are some upside risks such as the moderation in the cost of petroleum, which is likely to bring some needed relief to both consumers and the central government.



## ST VINCENT AND THE GRENADINES

**Overview**

Preliminary data for the first half of 2012 indicated that economic activity in St Vincent and the Grenadines increased slightly relative to the corresponding period in 2011. The outturn was mainly influenced by activity in the transport, storage and communications sector as well as the wholesale and retail trade, agricultural and manufacturing sectors. The consumer price index grew by 0.6 per cent, on an end of period basis. The merchandise trade deficit widened due to an increase in import payments. The fiscal operations of the central government yielded a smaller overall deficit (after grants) influenced by higher current revenue coupled with lower current expenditure. The disbursed outstanding public sector debt rose during the review period. Developments in the banking sector led to an increase in monetary liabilities while domestic credit fell. Commercial bank liquidity remained elevated while the weighted average interest rate spread widened.

The slight uptick in economic activity observed in the first half of 2012 should be maintained during the remainder of 2012. This is contingent on positive developments in the construction and agricultural sectors and the tourism industry and continued gains in the manufacturing sector. Downside risks to the forecast include an anemic global economy, rising food and energy prices, and adverse weather.

**Output**

Value added in the manufacturing sector was estimated to have increased in the first half of 2012, compared with the corresponding period last year. This was attributed to increases in the production of all major commodities. The volume of beer production increased by 22.5 per cent to 15,184 hectolitres partly associated with the introduction of a new beer and the transfer of production from Antigua and Barbuda. Flour and feeds production increased by 9.9 per cent to 10,000 tonnes and 10.3 per cent to 8,212 tonnes respectively, consistent with higher domestic demand. Rice production rose by 8.5 per cent to 2,320 tonnes.

In the agricultural sector higher levels of crop and livestock production were the main reasons for the increase in the sector. Crop production rose by 2.4 per cent reflecting increased production of bananas, fruits and vegetables. Livestock production was also estimated to have increased by 1.5 per cent. Increases in value added were also recorded for the wholesale and retail trade and transport, storage and communications sectors.

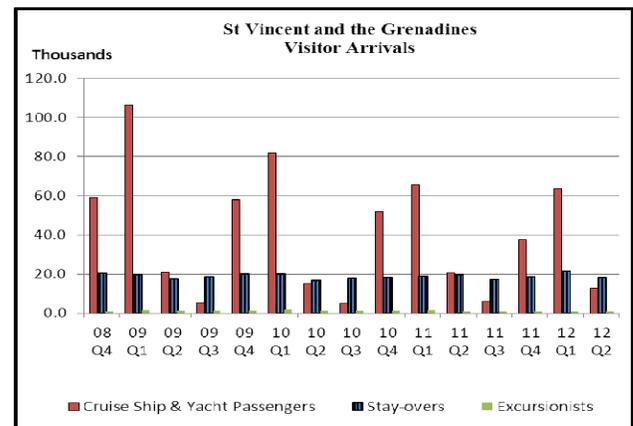
Construction activity was estimated to have contracted in the first six months of 2012, relative to the corresponding period in 2011. The outturn was partly evidenced by a 13.0 per cent fall in the value of imported construction materials and a 14.7 per



cent decline in credit to the construction sector. Capital expenditure by the government remained at the same level as in 2011 and concentrated on road maintenance and rehabilitation of some public buildings. No major project under the government’s capital programme for 2012 was implemented during the review period. In the private sector, work continued on Phase 2 of the Buccament Bay Resort while private home construction was less buoyant. The contraction in the construction sector had negative spillover effects on the related mining and quarrying sector, as output also declined.

Value added in the hotels and restaurants sector, an indicator of activity in the tourism industry, was estimated to have declined in the period under review as the growth in stay-over arrivals slowed and the number of cruise ship passengers fell. Stay over arrivals, the higher-end segment of tourist arrivals, increased by 2.6 per cent to 39,388 in the first half of 2012, compared with growth of 4.5 per cent in the corresponding period in 2011. Stay-over arrivals from all of the main source markets increased, with the exception of Canada. The number of stay-over visitors from the USA, the largest source market, rose by 5.2 per cent while arrivals from the Caribbean was less buoyant, increasing by 1.2 per cent. In addition, arrivals from the UK grew by 1.3 per cent and those from other countries rose by 4.9 per cent, reflecting increased visitors from France, Latin America and Switzerland. In the other sub-categories, yacht passengers rose by 0.7 per cent to 27,820, which was lower than the increase of 4.2 per cent recorded for

the corresponding period in 2011. By contrast, cruise ship passenger arrivals declined by 16.6 per cent to 48,943 despite an increase in the number of cruise ship calls to 105 from 69. The reduction in the number of large ships to St Vincent along with an increase in the number of small ships to the Grenadines; Union Island and Bequia, contributed to this outturn in cruise ship passenger arrivals.

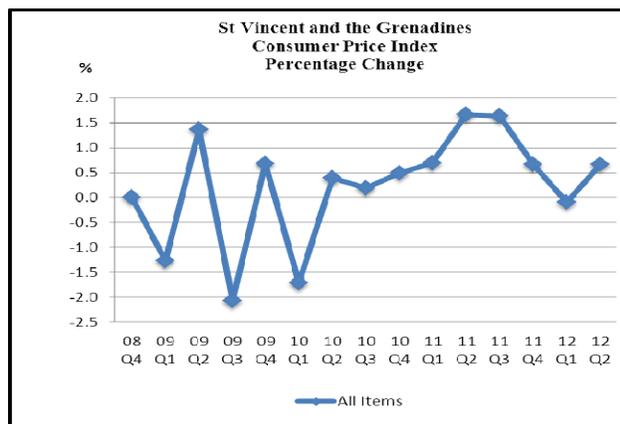


**Prices**

The consumer price index rose by 0.6 per cent during the first half of 2012, albeit much lower than the increase of 2.4 per cent during the comparable period of 2011. The increase in consumer prices was primarily driven by higher prices of housing, water, electricity, gas and other fuels (2.5 per cent), and clothing and footwear (2.1 per cent). The increase in the former, which is the highest weighted sub-index, was mainly the result of increases in building materials and the fuel surcharge while the increase in the latter was due to an increase in school blouses. The alcoholic beverages, tobacco and narcotics sub-index rose by 1.5 per cent influenced by increases in



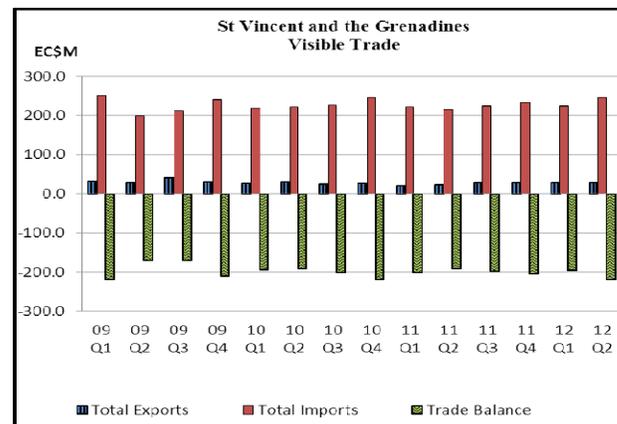
the prices of cigarettes, local white rum and black wine. Those increases were partly offset by declines in food and non-alcoholic beverages (1.1 per cent) and transport (1.0 per cent) sub-indices.



## Trade and Payments

The merchandise trade deficit rose to \$412.9m for the first six months of 2012 from \$391.8m in the first six months of 2011. The widening of the trade deficit was primarily attributed to a 7.6 per cent (\$33.2m) increase in imports payments to \$470.4m, mainly influenced by higher payments for food and mineral fuels. The increase in the value of imports outstripped that of exports, which rose by 26.5 per cent (\$12.0m) to \$57.4m reflecting higher earnings from the export of flour, rice, feeds and beer. Gross travel receipts increased by 4.2 per cent to \$143.3m, consistent with the growth in stay-over arrivals. The transactions of commercial banks resulted in a net inflow of \$21.5m in short-term capital in contrast to a net outflow of \$44.9m recorded for the first half of 2011. External loan disbursements to the central government amounted to \$30.0m, up from \$16.3m

recorded for the corresponding period in 2011, while principal repayments increased by 0.2 per cent to \$26.0m.



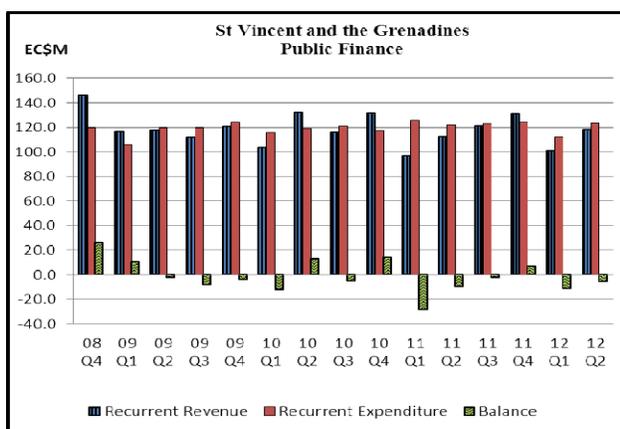
## Central Government Fiscal Operations

The fiscal operations of the central government resulted in a smaller overall deficit (after grants) of \$26.3m in the first half of 2012, compared with one of \$29.6m in the corresponding period in 2011. The narrowing of the overall deficit was due to improvements on the current account. Consequently, the primary deficit narrowed from \$7.1m to \$4.5m.

The current account deficit contracted to \$16.5m in the first six months of 2012 from \$37.6m in the comparable period in 2011. The improvement in the current account was fueled by higher current revenue coupled with lower current expenditure. Current revenue grew by 4.4 per cent to \$219.1m, attributed to an 8.2 per cent growth in tax revenue to \$203.1m. Increases were recorded in all sub-categories of tax revenue, partly impacted by the



implementation of a tax amnesty programme from April to June. The largest component of tax revenue, taxes on domestic goods and services, recorded growth of 5.7 per cent primarily due to higher collections from VAT which grew by 2.9 per cent to \$67.6m. Receipts from taxes on income and profits rose by 10.1 per cent to \$56.5m and receipts from property tax grew from \$0.7m to \$1.0m. The yield from taxes on international trade and transaction grew by 11.8 per cent to \$39.1m on account of higher intake from import duty and customs service charge, in keeping with the increase in imports.



Current expenditure declined by 4.9 per cent to \$235.6m influenced by lower outlays on all the major spending categories with the exception of personal emoluments. Interest payments declined by 3.6 per cent to \$21.8m reflecting lower payments on domestic obligations while foreign obligations remained unchanged. Spending on transfers and subsidies declined by 11.3 per cent to 67.4m, and that on goods and services fell by 14.1 per cent to \$29.8m. Those declines were mainly associated with a reversion to pre hurricane Tomas (October 2010)

and floods (April 2011) expenditure levels. Personal emoluments, which on average accounts for 47.0 per cent of spending, rose by 2.0 per cent to \$116.6m. Meanwhile, outlays on capital expenditure rose marginally by 1.5 per cent to \$14.3m.

**Public Sector Debt**

At the end of June 2012, the total public sector disbursed outstanding debt was estimated at \$1,328m, 3.9 percentage points higher than the amount recorded at the end of December 2011. This outturn was on account of a 4.9 per cent increase in central government debt to \$1,122.9m mainly due to external borrowings. In contrast, public corporations outstanding debt declined by 1.7 per cent to \$205.3m. Central government debt accounted for 85.0 per cent of total debt, of which 71.0 per cent was external debt and the residual domestic debt.

**Money and Credit**

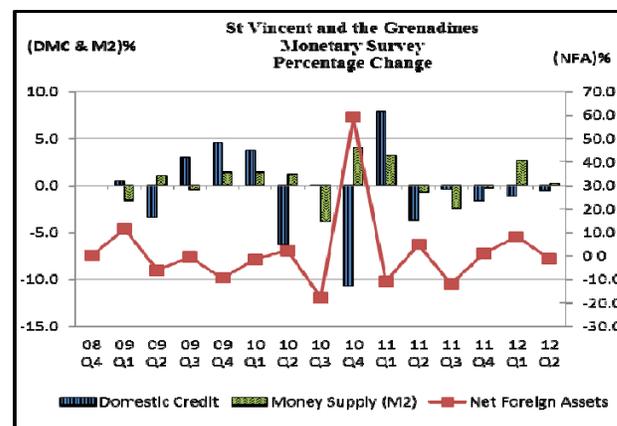
The monetary liabilities (M2) of the banking system grew by 2.9 per cent to \$1,142.0m during the first half of 2012, compared with growth of 2.5 per cent during the corresponding period in 2011. The rise in M2 was the result of increases in both narrow money (M1) and quasi money. Narrow money, which on average accounts for 30.0 per cent of the money supply, grew by 2.1 per cent (\$6.8m) to \$338.3m largely associated with a 3.7 per cent increase in private sector demand deposits, while currency with the public declined by 8.9 per cent. Quasi money grew by 3.2 per cent (\$25.0m) to \$803.7m on

account of a 5.8 per cent increase in private sector saving deposits and a 4.2 per cent increase in private sector foreign currency deposits. By contrast, private sector time deposits declined by 8.2 per cent.

Domestic credit contracted by 1.8 per cent to \$890.7m during the review period compared with growth of 3.9 per cent during the same period last year. This was influenced by transactions of the central government and the rest of the public sector. Net credit to the central government decreased to \$8.9m at the end of June 2012 from \$44.5m in December 2011, due to a 33.8 per cent increase in government deposits to \$151.7m. The net deposit position of non-financial public enterprises (NFPEs) rose by 8.1 per cent to \$148.2m owing to a 7.1 per cent rise in deposits. Private sector credit grew by 3.1 per cent to \$1,029.9m on account of increased borrowing by both households (2.9 per cent) and businesses (3.7 per cent).

The distribution of credit by economic activity showed that outstanding loans increased by 3.5 per cent mainly associated with an expansion in credit for personal use, the highest component. Outstanding loans for personal use rose by 2.8 per cent to \$673.7m. Of personal loans, credit outstanding for acquisition of property and durable consumer goods fell by 0.8 per cent and 2.1 per cent respectively, tempered by an 8.0 per cent growth in credit outstanding for other personal needs. Credit extended for other purposes rose by 10.5 per cent largely on account of a spike in loans extended for professional and other services and public

administration, the largest sub-categories. There was also increased lending for agriculture and fisheries (15.1 per cent) and distributive trades (6.7 per cent). In contrast, lending for construction and tourism, two related sectors of the economy contracted by 14.7 per cent and 7.8 per cent respectively.



The net foreign assets of the banking system amounted to \$419.9m at the end of June 2012, an increase of 6.8 per cent from the amount recorded at the end of December 2011. The increase was largely associated with an increase in St Vincent and the Grenadines imputed share of the Central Bank's reserves which rose by 20.4 per cent to \$285.2m. By contrast, commercial banks' net foreign assets fell by 13.8 per cent to \$134.7m primarily due to a reduction in their external assets held with banks within the currency union.

Liquidity in the commercial banking system tightened during the review period. The ratio of liquid assets to total deposits plus liquid liabilities declined by 0.5 percentage points to 39.1 per cent, but remained substantially above the regulated limit



of 25.0 per cent. The ratio of loans and advances to deposits rose by 0.14 percentage points to 74.3 per cent.

The weighted average interest rate spread between loans and deposits widened by 0.31 percentage point to 6.49 per cent at the end of June 2012. The weighted average interest rate on deposits fell by 0.06 percentage point to 2.8 per cent while the weighted average lending rate increased by 0.25 percentage points to 9.33 per cent.

### **Prospects**

Economic activity is likely to improve marginally in 2012 on the basis of positive developments in key sectors such as construction, tourism, manufacturing and agriculture. Construction activity is expected to improve slightly based on the intensification of work on the Terminal Building of the Argyle International Airport, continued upgrades at the Buccament Bay Resort and higher implementation of the capital programme of the government. These construction activities are expected to spur activity in other auxiliary sectors such as mining and quarrying.

In regard to the tourism industry, the outlook is positive for the remainder of 2012. Stay over arrivals is likely to increase based on heightened marketing efforts. On the other hand the number of cruise ship passengers is expected to fall below the level recorded in 2011. In the agricultural sector, output is expected to improve somewhat contingent on higher crop and livestock production. The banana sub-

sector should experience some recovery as replanting efforts intensify after measures implemented to control the spread of the Black Sigatoka disease yield positive results in the latter half of the year. Output in the manufacturing sector is expected to remain robust as the demand for manufactured goods such as flour, feeds and beer remains strong.

Central government fiscal operations are projected to yield a lower deficit as the government continues to prioritize expenditure given the less than budgeted revenue performance. Expenditure on personal emoluments is likely to be contained as the government considers measures to control the wage bill. Spending associated with transfers and subsidies is expected to decline marginally as steps are taken to improve the efficiency of social welfare programmes. To compliment these efforts, greater enforcement of the VAT Act and the Income Tax Act along with correcting other weaknesses in tax administration are likely to engender higher tax revenue collection.

In the external sector the merchandise trade deficit is projected to expand on account of an increase in imports to support the uptick in construction activity and the drought in the USA will likely lead to higher food prices (corn, wheat and soybean) which are major staples of the region. Consequently, food inflation may increase in the latter half of the year.

This outlook is closely linked to developments in the global economy, especially the USA and Europe.



Despite positive growth prospects for the USA economy and slower growth contraction in the Euro area, a still sluggish and unresponsive labour market may translate to low tourism demand and foreign direct investments in St Vincent and the Grenadines.

Domestically, limited fiscal space hinders the introduction of any stimulus to spur growth. Other downside risks include high food and energy prices and the possibility of adverse weather.



## 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**

	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 <sup>P</sup> 1 <sup>st</sup> Qr	2012 <sup>P</sup> 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 <sup>P</sup> Jan - Jun
Total Visitors	693,207	416,308	1,098,756	1,583,153	589,381	2,259,516	2,172,534
Stay-Over Visitors	239,431	234,249	238,528	288,017	234,089	510,509	522,106
Of which:							
USA	99,719	83,393	85,435	114,549	101,401	207,526	215,950
Canada	14,919	13,655	19,693	38,791	15,556	50,175	54,347
UK	47,879	42,931	55,870	59,453	44,161	102,888	103,614
Caribbean	54,388	71,223	50,434	42,572	50,758	95,367	93,330
Other Countries	22,526	23,047	27,096	32,652	22,213	54,553	54,865
Excursionists <sup>1</sup>	18,884	18,711	18,321	27,445	21,669	43,981	49,114
Cruise Ship Passengers <sup>2</sup>	403,930	146,379	813,045	1,210,098	302,981	1,621,906	1,513,079
Yacht Passengers <sup>4</sup>	30,962	16,969	28,862	57,593	30,642	83,120	88,235
Number of Cruise Ship Calls <sup>3</sup>	212	51	516	850	163	970	1,013
Total Visitor Expenditure (EC\$M)	<b>728.93</b>	<b>666.51</b>	<b>790.21</b>	<b>1,009.81</b>	<b>714.26</b>	<b>1,663.87</b>	<b>1,724.07</b>

Sources: Central Statistics Offices, OECS and ECCB

<sup>1</sup> Excursionists includes Sea Arrivals for Saint Lucia and excludes Antigua and Barbuda.

<sup>2</sup> Cruiseship passengers excludes Anguilla but includes Antigua and Barbuda.

<sup>3</sup> Cruiseship calls excludes Anguilla and St Vincent and the Grenadines.

<sup>4</sup> Yacht passengers includes St Kitts and Nevis and St Vincent and the Grenadines.

**Data available at 13 August 2012**

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

	2011 <sup>R</sup> 2 <sup>nd</sup> Qr	2011 <sup>R</sup> 3 <sup>rd</sup> Qr	2011 <sup>R</sup> 4 <sup>th</sup> Qr	2012 <sup>R</sup> 1 <sup>st</sup> Qr	2012 <sup>P</sup> 2 <sup>nd</sup> Qr
Net Foreign Assets	2,334.83	2,086.91	2,062.27	2,488.74	2,443.90
Central Bank (net)	2,583.72	2,621.71	2,717.94	2,944.52	2,969.62
External Assets	2,608.88	2,625.46	2,720.52	2,950.34	2,976.66
External Liabilities	25.15	3.75	2.58	5.81	7.03
Commercial Banks (net)	(248.89)	(534.80)	(655.67)	(455.78)	(525.73)
External Assets	3,348.81	3,143.23	3,865.12	3,960.41	3,927.83
External Liabilities	3,597.70	3,678.03	4,520.79	4,416.19	4,453.56
Net Domestic Assets	10,677.65	10,787.59	10,974.05	10,812.02	10,878.24
Domestic Credit	12,526.31	12,560.57	12,634.20	12,436.81	12,557.36
Central Government (net)	1,219.56	1,236.33	1,258.06	1,154.09	1,140.36
Other Public Sector (net)	(1,382.52)	(1,448.10)	(1,394.80)	(1,450.97)	(1,560.22)
Private Sector	12,689.27	12,772.35	12,770.94	12,733.69	12,977.22
Households	6,253.97	6,391.76	6,406.87	6,421.40	6,670.16
Business	6,033.25	5,968.97	5,958.68	5,901.30	5,966.19
Non-Bank Financial Institutions (net)	158.27	172.36	146.53	162.99	178.03
Subsidiaries and Affiliates (net)	243.77	239.27	258.86	247.99	162.85
Other Items (net)	(1,848.66)	(1,772.99)	(1,660.15)	(1,624.79)	(1,679.12)
Monetary Liabilities (M2)	13,012.49	12,874.49	13,036.33	13,300.76	13,322.13
Money Supply (M1)	2,574.63	2,565.19	2,700.70	2,653.22	2,645.82
Currency with the Public	570.69	590.23	634.59	606.84	598.70
Demand Deposits	1,935.27	1,915.37	1,991.57	1,974.81	1,967.13
Quasi Money	10,437.85	10,309.30	10,335.62	10,647.55	10,676.32
Savings Deposits	5,438.53	5,448.72	5,483.56	5,694.01	5,771.41
Time Deposits	2,968.36	2,981.60	2,982.94	2,942.20	2,957.51
Foreign Currency Deposits	2,030.97	1,878.98	1,869.12	2,011.34	1,947.40

Source: Eastern Caribbean Central Bank

**Data available at 14 August 2012**



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

	2011 <sup>R</sup> 2 <sup>nd</sup> Qr	2011 <sup>R</sup> 3 <sup>rd</sup> Qr	2011 <sup>R</sup> 4 <sup>th</sup> Qr	2012 <sup>R</sup> 1 <sup>st</sup> Qr	2012 <sup>P</sup> 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 Jan - Jun
<b>Current Revenue</b>	882.57	877.93	905.47	882.89	865.95	1,771.33	1,748.84
Tax Revenue	774.08	763.94	757.96	779.38	765.14	1,546.30	1,544.52
Taxes on Income & Profits <sup>11</sup>	186.92	161.13	149.40	172.88	169.57	361.41	342.46
Of Which:							
Personal Income Tax <sup>12</sup>	73.73	71.21	76.55	82.85	80.04	153.97	162.89
Corporation	97.09	67.60	46.79	69.28	73.83	173.62	143.12
Taxes on Property	19.79	13.07	11.96	19.84	21.69	33.14	41.53
Taxes on Domestic Goods & Services	300.80	328.91	306.99	332.99	316.14	621.67	649.13
Of Which:							
Accommodation Tax	16.09	11.17	7.47	23.48	14.67	35.53	38.14
Licences	17.95	15.34	22.20	25.50	17.47	42.72	42.97
Sales Tax <sup>13</sup>	52.22	40.99	53.06	53.25	58.42	103.28	111.67
Value Added Tax <sup>14</sup>	21.74	68.81	33.56	39.23	31.11	47.34	70.34
Consumption Tax <sup>14</sup>	1.70	1.88	1.71	2.20	1.70	4.05	3.91
Stamp Duties <sup>14</sup>	138.23	133.55	143.62	138.47	143.70	283.63	282.17
Taxes on International Trade and Transactions	266.57	260.83	289.62	253.66	257.74	530.09	511.40
Of Which:							
Import Duties	102.42	103.35	118.29	97.59	104.07	203.47	201.66
Consumption Tax <sup>15</sup>	37.70	39.46	41.70	30.87	36.36	73.00	67.23
Customs Service Charge <sup>15</sup>	45.44	46.71	51.80	44.47	45.09	90.78	89.56
Non-Tax Revenue	108.49	113.99	147.51	103.51	100.81	225.02	204.33
<b>Current Expenditure</b>	841.38	935.01	907.48	876.90	851.35	1,721.52	1,728.25
Personal Emoluments	389.31	382.89	386.68	388.58	392.27	776.55	780.85
Goods and Services	170.15	217.50	203.68	158.17	161.77	327.36	319.94
Interest Payments	89.09	118.33	97.60	116.00	93.13	217.09	209.13
Domestic	54.58	64.06	61.97	63.18	59.87	119.95	123.06
External	34.51	54.27	35.62	52.81	33.26	97.14	86.07
Transfers and Subsidies	192.83	216.29	219.52	214.15	204.17	400.53	418.33
Of Which: Pensions	60.59	58.14	65.91	87.62	70.65	129.24	158.27
<b>Current Account Balance</b>	41.18	(57.08)	(2.01)	5.99	14.61	49.81	20.60
<b>Capital Revenue</b>	4.36	10.52	5.66	3.41	5.56	8.53	8.97
<b>Grants</b>	100.30	69.13	110.31	37.36	155.30	174.85	192.66
<b>Capital Expenditure and Net Lending</b>	244.11	197.24	190.96	134.20	145.87	455.26	280.06
Of Which: Capital Expenditure	244.15	197.35	163.95	134.08	145.70	455.77	279.78
<b>Primary Balance</b>	(9.17)	(56.34)	20.60	28.57	122.72	(4.98)	151.29
<b>Overall Balance</b>	(98.26)	(174.67)	(76.99)	(87.43)	29.59	(222.06)	(57.83)
<b>Financing</b>	98.26	174.67	76.99	87.43	(29.59)	222.06	57.83
Domestic	117.41	69.33	(100.75)	128.49	79.09	239.35	207.58
ECCB (net)	(23.07)	(11.56)	25.28	(22.04)	(26.78)	54.48	(48.82)
Commercial Banks (net)	20.28	28.32	(3.55)	(81.92)	13.04	(21.18)	(68.88)
Other	120.20	52.57	(122.48)	232.45	92.82	206.04	325.28
External	(9.36)	89.16	208.40	(38.01)	(122.99)	(14.72)	(161.00)
Net Disbursements/(Amortisation)	(50.06)	89.57	209.97	(37.54)	(114.66)	(56.99)	(152.21)
Disbursements	39.60	157.18	264.22	101.45	123.56	126.24	225.01
Amortisation	(89.66)	(67.61)	(54.24)	(138.99)	(238.23)	(183.23)	(377.22)
Change in Government Foreign Assets	40.70	(0.42)	(1.58)	(0.47)	(8.33)	42.27	(8.79)
Arrears <sup>16</sup>	(9.79)	16.18	(30.65)	(3.05)	14.31	(2.56)	11.26
Domestic	(9.42)	8.80	(11.06)	(5.74)	14.82	(14.02)	9.08
External	(0.37)	7.38	(19.59)	2.69	(0.51)	11.45	2.18

Source: Ministry of Finance and ECCB

<sup>11</sup> Taxes on income and profits are not collected in Anguilla

<sup>13</sup> Dominica is the only territory with a sales tax

<sup>14</sup> Excludes Anguilla, Antigua and Barbuda and Montserrat

<sup>16</sup> Excludes Montserrat and St Vincent and the Grenadines

Data available at 13 August 2012



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

	2008 <sup>R</sup>	2009 <sup>R</sup>	2010 <sup>R</sup>	2011 <sup>R</sup>	Jun 2012 <sup>P</sup>
Anguilla	170.85	191.61	235.08	230.27	225.12
Antigua and Barbuda	2,979.07	3,136.39	2,709.42	2,827.36	2,883.02
Dominica	883.27	849.95	927.16	919.29	983.84
Grenada	1,777.07	1,883.80	1,943.12	2,054.89	2,062.04
Montserrat	11.06	9.25	8.69	7.99	7.76
St Kitts and Nevis	2,550.18	2,640.32	2,753.31	2,863.79	2,707.21
Saint Lucia	1,884.80	1,911.57	2,119.40	2,372.69	2,438.60
St Vincent and the Grenadines	1,102.35	1,173.79	1,215.31	1,278.83	1,328.14
<b>TOTAL ECCU</b>	<b>11,358.66</b>	<b>11,796.68</b>	<b>11,911.49</b>	<b>12,555.11</b>	<b>12,635.73</b>

Source: ECCB

\* Includes arrears of principal

Data available at August 2012

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

	2008 <sup>R</sup>	2009 <sup>R</sup>	2010 <sup>R</sup>	2011 <sup>R</sup>	Jun 2012 <sup>P</sup>
Anguilla	149.63	172.34	217.35	213.13	209.06
Antigua and Barbuda	2,683.64	2,630.44	2,278.76	2,374.10	2,429.80
Dominica	734.34	700.90	762.48	745.41	812.30
Grenada	1,580.23	1,684.29	1,746.68	1,836.75	1,847.56
Montserrat	4.00	2.51	2.33	2.02	1.98
St Kitts and Nevis	1,941.87	2,018.55	2,127.37	2,308.54	2,168.92
Saint Lucia	1,616.23	1,642.15	1,835.42	2,108.98	2,185.61
St Vincent and the Grenadines	860.80	930.12	1,022.49	1,070.12	1,122.87
<b>TOTAL ECCU</b>	<b>9,570.72</b>	<b>9,781.30</b>	<b>9,992.88</b>	<b>10,659.04</b>	<b>10,778.10</b>

Source: ECCB

Data available at August 2012

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

	2008 <sup>R</sup>	2009 <sup>R</sup>	2010 <sup>R</sup>	2011 <sup>R</sup>	Jan - Jun 2011 <sup>R</sup>	Jan - Jun 2012 <sup>P</sup>
Anguilla	40.32	51.02	215.84	10.18	5.05	7.39
Antigua and Barbuda	243.47	182.70	222.60	176.58	78.31	67.74
Dominica	53.83	29.25	33.52	48.79	26.58	32.61
Grenada	79.24	117.50	84.46	252.28	67.34	111.27
Montserrat	0.21	0.21	0.19	0.24	0.08	0.24
St Kitts and Nevis	211.99	204.31	218.26	326.81	173.37	328.14
Saint Lucia	156.74	173.28	290.71	192.16	100.11	139.03
St Vincent and the Grenadines	107.55	115.75	166.61	115.86	56.47	57.14
<b>TOTAL ECCU</b>	<b>893.37</b>	<b>874.00</b>	<b>1,232.18</b>	<b>1,122.91</b>	<b>507.31</b>	<b>743.56</b>

Source: ECCB

Data available at August 2012



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

	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr
Total Bid Amount	270.4	350.4	144.9	308.6	348.9
Value	147.0	243.5	128.7	251.6	234.7

Source: ECSE

Data available at end of August 2012

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

	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr
91-day Treasury Bills	4.69	4.12	4.76	4.77	4.36
180-day Treasury Bills	**	4.00	6.50	4.25	5.00
365-day Treasury Bills	6.75	5.75	5.99	6.50	6.50
5-year Bond	**	7.50	**	**	**
6-year Bond	**	**	**	**	**
7-year Bond	**	**	**	**	**
8-year Bond	**	**	**	7.10	**
10-year Bond	**	7.75	**	7.40	7.50

Source: ECSE

Data available at end of August 2012

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

	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr
Volume	3.8	0.1	0.8	0.05	2.04
Value	7.4	0.2	0.8	0.05	2.11

Source: ECSE

Data available at end of August 2012



**Table 10**  
**Anguilla - Selected Tourism Statistics**

	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 Jan - Jun
Total Visitors	31,981	25,500	27,737	40,769	32,185	70,321	72,954
Stay-Over Visitors	18,728	12,285	15,243	20,642	16,547	38,255	37,189
Of which:							
USA	12,536	6,419	10,004	14,182	11,323	26,406	25,505
Canada	658	321	734	1,506	656	1,768	2,162
UK	850	795	764	803	570	1,559	1,373
Italy	268	438	178	319	186	610	505
Germany	108	56	93	148	103	223	251
Caribbean	3,141	3,314	2,284	2,102	2,462	5,356	4,564
Other Countries	1,167	942	1,186	1,582	1,247	2,333	2,829
Excursionists	13,253	13,215	12,494	20,127	15,638	32,066	35,765
Total Visitor Expenditure (EC\$M)	<b>76.27</b>	<b>64.45</b>	<b>73.56</b>	<b>97.80</b>	<b>69.96</b>	<b>163.69</b>	<b>167.76</b>

Sources: Department of Finance and Statistical Department and ECCB estimates: April to June 2007

Data available at 13 August 2012

**Table 11**  
**Anguilla - Consumer Price Index**  
**January 2001 = 100**

	Weight	Index Jun 2012	Percentage Change*						
			2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 Jan - Jun
All Items	1,000.0	154.43	2.90	2.82	0.39	0.26	0.15	5.23	0.41
Food	321.2	159.40	1.33	2.23	0.19	1.47	0.63	2.56	2.11
Alcoholic Beverages and Tobacco	3.0	154.80	14.00	2.46	-	1.00	2.04	18.13	3.06
Housing	171.5	124.10	2.15	(0.65)	0.90	0.08	0.32	11.38	0.40
Fuel and Light	68.6	176.00	13.99	13.05	0.06	-	-	13.99	-
Clothing and Footwear	30.7	92.70	(3.33)	(1.67)	0.42	(0.32)	(1.80)	(9.10)	(2.11)
Household Furnishings and Supplies	97.3	165.40	8.02	(1.81)	(0.52)	(0.41)	(3.67)	8.02	(4.06)
Transport and Communications	235.3	162.00	1.21	6.26	1.25	(0.87)	1.19	5.04	0.31
Medical Care and Expenses	30.9	218.90	-	(0.36)	-	0.14	-	0.05	0.14
Education	9.9	218.80	-	1.94	-	(1.00)	0.18	-	(0.82)
Personal Services	16.4	137.10	4.04	(2.08)	-	0.66	-	2.58	0.66
Miscellaneous	15.3	71.80	(0.13)	(4.12)	(2.69)	(2.07)	1.27	(2.63)	(0.83)

Sources: Statistics Department, Ministry of Finance

\*at end of period

Data available as at 13 August 2012



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

	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 Jan - Jun
<b>Current Revenue</b>	40.82	75.76	44.33	50.33	40.62	84.95	90.95
Tax Revenue	34.81	70.53	37.29	44.10	35.08	72.89	79.18
Income Tax	-	2.62	3.40	4.06	3.42	2.18	7.48
Stabilisation Levy	-	2.62	3.40	4.06	3.42	2.18	7.48
Taxes on Property	0.67	0.38	0.62	1.51	0.98	1.84	2.49
Taxes on Domestic Goods & Services	15.24	51.94	14.10	21.04	12.99	38.12	34.03
Of Which:							
Accommodation Tax	5.53	2.40	2.24	7.93	3.34	15.88	11.27
Bank Deposit Levy	2.53	3.62	-	-	2.49	2.53	2.49
Licences	2.48	2.21	1.67	5.77	2.37	7.34	8.14
Stamp Duties	0.96	41.15	8.05	4.63	1.86	6.20	6.48
Communication Levy	2.02	0.83	0.70	0.84	1.10	2.63	1.94
Taxes on International Trade and Transactions	16.71	15.58	19.17	17.49	17.68	30.75	35.17
Of Which:							
Import Duty	13.55	12.39	14.98	13.76	13.52	26.03	27.28
Export Duty	-	-	-	-	-	-	-
Customs Surcharge	3.08	2.98	3.96	3.63	3.46	4.37	7.09
Ticket Tax	-	-	0.00	-	0.07	0.06	0.07
Foreign Exchange Tax	-	-	-	-	-	-	-
Embarkation Tax	-	-	-	-	0.45	-	0.45
Non-Tax Revenue	6.01	5.23	7.05	6.23	5.54	12.06	11.77
<b>Current Expenditure</b>	44.51	43.56	44.94	40.23	42.66	85.34	82.89
Goods and Services	10.28	10.14	10.84	7.90	9.95	17.76	17.84
Personal Emoluments	20.24	20.00	20.16	19.94	19.80	40.30	39.74
Interest Payments	2.27	2.43	2.12	2.02	2.07	4.57	4.09
Domestic	0.65	0.80	0.66	0.57	0.56	1.18	1.13
External	1.62	1.62	1.46	1.45	1.51	3.39	2.96
Transfers & Subsidies	11.71	10.99	11.83	10.37	10.84	22.71	21.21
Of Which: Pensions	2.10	1.57	2.20	2.09	2.07	4.34	4.16
<b>Current Account Balance</b>	(3.69)	32.20	(0.61)	10.10	(2.04)	(0.39)	8.06
<b>Capital Revenue</b>	-	-	-	-	-	-	-
<b>Grants</b>							
Of which: Capital Grants	-	-	-	-	-	-	-
<b>Capital Expenditure</b>	1.04	2.42	5.86	2.37	1.70	1.28	4.06
Of which: Capital Expenditure	1.04	2.42	5.86	2.37	1.70	1.28	4.06
<b>Primary Balance</b>	(2.47)	32.21	(4.35)	9.76	(1.67)	2.90	8.10
<b>Overall Balance</b>	(4.74)	29.78	(6.47)	7.74	(3.74)	(1.67)	4.00
<b>Financing</b>	4.74	(29.78)	6.47	(7.74)	3.74	1.67	(4.00)
Domestic	4.86	(28.27)	6.95	(7.02)	3.39	(0.26)	(3.63)
ECCB (net)	2.46	(7.66)	4.10	(3.85)	3.07	0.44	(0.78)
Commercial Banks (net)	9.10	(22.28)	6.01	(4.17)	(0.10)	11.95	(4.26)
Other	(6.70)	1.68	(3.16)	0.99	0.42	(12.65)	1.41
External	(0.24)	(0.27)	(0.31)	(0.26)	(0.26)	(0.48)	(0.51)
Net Disbursements/(Amortisation)	(0.24)	(0.27)	(0.31)	(0.26)	(0.26)	(0.48)	(0.51)
Disbursements	-	-	-	-	-	-	-
Amortisation	(0.24)	(0.27)	(0.31)	(0.26)	(0.26)	(0.48)	(0.51)
Change in Government Foreign Assets	-	-	-	-	-	-	-
<b>Arrears</b>	0.11	(1.24)	(0.18)	(0.46)	0.60	8.07	2.42

Source: Ministry of Finance and Treasury Department  
Data available at 13 August 2012



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

	2011 <sup>R</sup> 4 <sup>th</sup> Qr	2012 <sup>R</sup> 1 <sup>st</sup> Qr	2012 <sup>P</sup> 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 Jan - Jun
Total Exports (without transhipment)	10.75	7.68	7.09	14.07	14.77
Total Imports (without transhipment)	101.26	111.55	115.87	226.54	227.41
Trade Balance	(90.51)	(103.87)	(108.77)	(212.47)	(212.64)

Source: Statistical Department, Ministry of Finance and ECCB estimates: June 2012

Data available at 13 August 2012

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

	2011 1 <sup>st</sup> Qr	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr
Net Foreign Assets	237.51	210.34	218.88	188.29	260.88	238.61
Central Bank (net)	113.39	108.19	83.89	101.32	128.58	107.52
Commercial Banks (net)	124.12	102.15	134.99	86.97	132.30	131.09
External (net)	62.92	48.15	39.94	9.31	58.93	38.25
Assets	318.79	281.64	276.42	226.47	275.26	257.32
Liabilities	255.87	233.49	236.48	217.16	216.33	219.07
Other ECCB Territories	61.19	54.00	95.05	77.66	73.37	92.84
Assets	170.85	189.34	217.29	195.69	184.44	207.22
Liabilities	109.65	135.33	122.24	118.03	111.08	114.38
Net Domestic Assets	840.71	847.18	812.94	826.26	806.15	822.76
Domestic Credit	1,226.48	1,225.11	1,196.02	1,197.43	1,159.05	1,166.53
Central Government (net)	(46.05)	(34.49)	(64.43)	(54.32)	(62.33)	(59.36)
Other Public Sector (net)	(133.05)	(148.91)	(154.71)	(160.81)	(169.10)	(175.05)
Private Sector	1,405.58	1,408.50	1,415.16	1,412.55	1,390.48	1,400.94
Household	623.67	617.97	613.21	594.13	580.91	586.40
Business	757.21	765.33	775.79	792.44	785.75	791.29
Non-Bank Financial Institutions	5.69	6.19	7.14	6.96	6.14	5.58
Subsidiaries and Affiliates	19.02	19.02	19.02	19.02	17.68	17.68
Other Items (net)	(385.77)	(377.92)	(383.08)	(371.17)	(352.89)	(343.76)
Monetary Liabilities (M2)	1,078.22	1,057.52	1,031.81	1,014.55	1,067.04	1,061.37
Money Supply (M1)	49.99	34.96	36.76	45.43	39.67	35.49
Currency with the Public	12.95	9.33	10.65	11.22	12.44	9.54
Demand Deposits	36.43	22.86	25.43	31.78	26.55	25.22
EC\$ Cheques and Drafts	0.62	2.76	0.68	2.43	0.68	0.73
Quasi Money	1,028.23	1,022.57	995.06	969.12	1,027.37	1,025.88
Savings Deposits	102.93	100.48	101.02	98.41	103.05	106.30
Time Deposits	120.50	122.27	121.68	124.48	125.17	126.76
Foreign Currency Deposits	804.79	799.82	772.36	746.24	799.15	792.81

Source: Eastern Caribbean Central Bank

Data available at 8 August 2012



**Table 15**  
**Antigua and Barbuda - Selected Tourism Statistics**

	2011	2011	2011	2012	2012	2011	2012
	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
Total Visitors	155,766	79,758	261,619	399,501	141,197	529,180	540,698
Stay-Over Visitors	59,131	52,075	57,752	77,330	59,131	131,504	136,461
Of which:							
USA	23,111	17,717	19,297	28,816	25,902	47,818	54,718
Canada	3,828	2,866	4,756	11,529	3,588	14,781	15,117
Europe	20,591	18,107	23,125	26,706	19,396	46,656	46,102
UK	16,658	13,803	18,843	20,777	15,284	36,538	36,061
Germany	618	241	841	1,063	618	1,817	1,681
Switzerland	280	117	309	429	285	678	714
Italy	2,331	3,466	2,021	2,723	2,248	5,561	4,971
France	364	317	504	603	386	926	989
Other Europe	340	163	607	1,111	575	1,136	1,686
Caribbean	8,884	11,131	8,067	6,780	7,647	16,072	14,427
South America	309	240	215	351	328	627	679
Other Countries	2,408	2,014	2,292	3,148	2,270	5,550	5,418
Cruise Ship Passengers <sup>(1)</sup>	91,275	26,822	195,352	306,760	76,518	382,332	383,278
Number of Cruise Ship Calls	45	10	110	184	42	208	226
Yacht Passengers	5,360	861	8,515	15,411	5,548	15,344	20,959
Number of Yacht Calls	1,143	217	802	1,807	1,043	2,684	2,850
Total Visitor Expenditure (EC\$M)	<b>201.18</b>	<b>168.32</b>	<b>208.61</b>	<b>287.74</b>	<b>200.30</b>	<b>465.24</b>	<b>488.04</b>

Sources: Department of Tourism and Eastern Caribbean Central Bank

<sup>(1)</sup> Includes Excursionists

Data available at 13 August 2012

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

	Weight	Index Jun 2012	Percentage Change*						
			2011 <sup>R</sup>	2011 <sup>R</sup>	2011 <sup>R</sup>	2012 <sup>R</sup>	2012	2011	2012
			2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
<b>All Items</b>	1,000.0	130.96	1.46	1.39	0.82	0.78	0.82	1.78	1.61
Food	214.2	148.44	1.12	1.40	2.71	(1.63)	2.62	(0.32)	0.95
Alcoholic Beverages & Tobacco	1.6	133.98	1.11	(1.23)	1.50	(0.34)	(1.43)	1.33	(1.76)
Housing	218.3	109.68	-	-	-	-	-	-	-
Fuel & Light	63.9	164.42	14.99	(4.06)	(2.55)	2.61	6.79	18.32	9.58
Clothing & Footwear	110.6	98.59	(5.38)	4.25	0.49	1.19	(0.35)	(5.82)	0.83
Household Furnishings & Supplies	126.0	135.68	2.06	1.32	2.96	5.32	(0.08)	2.53	5.24
Transport & Communications	153.5	130.59	1.93	1.92	(0.05)	(0.87)	0.96	4.30	0.08
Medical Care & Expenses	27.6	131.32	0.82	4.44	(0.98)	4.11	-	4.64	4.11
Education	23.4	179.52	-	11.89	-	-	-	-	-
Personal Services	43.0	149.44	(0.06)	1.38	-	4.72	(8.16)	(0.06)	(3.82)
Miscellaneous	17.9	122.97	0.45	1.65	(0.43)	0.11	0.49	0.59	0.60

Source: Ministry of Finance

\*at end of period

Data available at 13 August 2012



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

	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 Jan - Jun
<b>Current Revenue</b>	151.24	142.19	152.36	165.01	160.94	301.77	325.95
Tax Revenue	141.98	123.61	143.41	156.07	153.17	284.33	309.24
Taxes on Income & Profits	19.88	14.83	14.71	16.37	19.91	40.12	36.28
Of Which:							
Personal Income	7.97	8.34	7.51	9.86	10.69	18.54	20.55
Corporation	11.78	6.44	6.44	6.49	9.22	21.43	15.72
Taxes on Property	7.61	2.75	1.81	7.56	7.47	11.48	15.04
Taxes on Domestic Goods & Services	57.86	53.29	64.35	74.94	69.18	117.00	144.12
Of Which:							
Sales Tax	52.10	40.91	52.96	53.16	58.41	103.11	111.57
Stamp Duties	3.69	10.79	9.64	19.15	8.67	8.59	27.82
Telecommunication Tax	0.13	0.03	0.02	0.21	0.03	0.26	0.24
Taxes on International Trade and Transactions	56.64	52.74	62.54	57.20	56.61	115.73	113.81
Of Which:							
Import Duty	19.31	17.10	22.27	18.54	19.69	39.00	38.23
Consumption Tax	7.06	9.28	10.02	3.22	7.13	13.90	10.36
Customs Service Charge	-	0.27	0.41	1.64	-	0.31	1.64
Environmental Tax	0.67	0.46	0.80	0.84	0.56	1.14	1.39
Passenger Facility Charge	4.42	3.97	2.81	5.33	4.35	9.76	9.69
Non-Tax Revenue	9.26	18.58	8.94	8.94	7.77	17.43	16.70
<b>Current Expenditure</b>	162.31	179.53	200.80	162.15	168.00	334.34	330.15
Personal Emoluments	65.98	66.15	67.16	66.93	69.35	130.58	136.27
Other Goods & Services	30.12	36.25	39.20	24.52	31.39	50.29	55.91
Interest Payments	13.69	21.49	15.34	16.11	14.00	40.43	30.11
Domestic	11.26	11.40	9.62	12.21	9.88	23.73	22.09
External	2.44	10.09	5.72	3.90	4.12	16.70	8.02
Transfers & Subsidies	52.52	55.64	79.10	54.59	53.27	113.05	107.85
Of Which: Pensions	15.18	13.64	13.54	20.91	20.64	37.63	41.56
<b>Current Account Balance</b>	(11.07)	(37.34)	(48.44)	2.86	(7.06)	(32.58)	(4.20)
<b>Capital Revenue</b>	0.46	0.63	0.52	0.51	0.93	1.83	1.44
Grants	0.35	6.55	-	-	-	16.31	-
Of which: Capital Grants	0.35	6.55	-	-	-	13.03	16.31
<b>Capital Expenditure and Net Lending</b>	3.30	13.82	32.99	2.10	5.06	20.74	7.16
<b>Primary Balance</b>	0.13	(22.49)	(65.57)	17.39	2.80	5.26	20.19
<b>Overall Balance</b>	(13.56)	(43.98)	(80.91)	1.28	(11.20)	(35.17)	(9.92)
<b>Financing</b>	13.56	43.98	80.91	(1.28)	11.20	35.17	9.92
Domestic	21.76	23.99	93.15	1.10	(33.90)	34.52	(32.79)
ECCB (net)	2.62	(14.05)	34.17	2.16	(15.60)	17.63	(13.43)
Commercial Banks (net)	(7.78)	(1.35)	20.69	7.55	(10.33)	16.99	(2.78)
Other	26.92	39.39	38.29	(8.61)	(7.97)	(0.11)	(16.58)
External	(3.75)	12.42	24.13	(3.52)	49.45	10.96	45.93
Net Disbursements/(Amortisation)	(3.61)	12.48	24.13	(3.38)	51.55	11.24	48.16
Disbursements	1.41	29.30	28.28	1.35	57.00	28.95	58.35
Amortisation	(5.02)	(16.82)	(4.15)	(4.73)	(5.45)	(17.70)	(10.18)
Change in Government Foreign Assets	(0.13)	(0.06)	(0.01)	(0.14)	(2.09)	(0.28)	(2.23)
Arrears	(4.45)	7.57	(36.37)	1.14	(4.36)	(10.30)	(3.22)
Domestic	(4.08)	(0.13)	(16.43)	(1.90)	(3.84)	(21.75)	(5.74)
External	(0.36)	7.70	(19.94)	3.04	(0.51)	11.45	2.53

Source: Ministry of Finance, Treasury Department and ECCB Estimates  
Data available at 13 August 2012



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

	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2nd Qr	2011 Jan - Jun	2012 Jan - Jun
Visible Trade	(309.67)	(296.02)	(294.42)	(335.72)	(324.40)	(603.15)	(660.11)
Total Exports (without transshipment)	37.08	8.92	6.24	21.91	31.46	63.22	53.37
Total Imports (without transshipment)	346.75	304.94	300.65	357.62	355.85	666.37	713.48

Source: Statistics Department

Data available at 13 August 2012

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

	2011 1 <sup>st</sup> Qr	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr
Net Foreign Assets	433.31	470.87	404.83	352.93	396.25	404.80
Central Bank (net)	345.73	349.31	400.74	397.21	481.87	515.59
Commercial Banks (net)	87.59	121.56	4.09	(44.28)	(85.61)	(110.79)
External (net)	(207.90)	(121.29)	(175.70)	(222.01)	(199.21)	(261.06)
Assets	513.14	505.56	491.41	1,331.69	1,246.88	1,208.57
Liabilities	721.04	626.85	667.11	1,553.70	1,446.09	1,469.63
Other ECCB Territories (net)	295.49	242.85	179.79	177.73	113.60	150.27
Assets	1,101.78	1,172.08	1,207.96	1,189.23	1,165.07	1,240.56
Liabilities	806.30	929.23	1,028.17	1,011.50	1,051.48	1,090.28
Net Domestic Assets	2,559.97	2,553.52	2,513.35	2,639.62	2,636.84	2,587.23
Domestic Credit	2,931.86	2,895.76	2,816.97	2,845.00	2,822.05	2,780.77
Central Government (net)	500.05	494.89	479.49	534.35	544.06	518.13
Other Public Sector (net)	(82.73)	(89.83)	(122.50)	(122.60)	(134.79)	(143.58)
Private Sector	2,514.54	2,490.70	2,459.98	2,433.24	2,412.77	2,406.22
Households	1,322.36	1,307.64	1,275.95	1,277.63	1,311.52	1,323.21
Business	1,128.79	1,119.82	1,110.44	1,076.09	1,014.86	991.47
Non-Bank Financial Institutions	18.98	18.83	29.09	20.55	30.53	35.98
Subsidiaries and Affiliates	44.41	44.41	44.51	58.98	55.87	55.56
Other Items (net)	(371.89)	(342.23)	(303.62)	(205.38)	(185.21)	(193.54)
Monetary Liabilities (M2)	2,993.28	3,024.40	2,918.18	2,992.55	3,033.10	2,992.03
Money Supply (M1)	588.30	570.60	523.73	603.09	610.10	552.12
Currency with the Public	131.36	119.48	120.44	130.06	126.02	119.03
Demand Deposits	430.37	423.99	379.67	447.29	452.32	400.53
EC\$ Cheques and Drafts	26.57	27.13	23.62	25.74	31.75	32.57
Quasi Money	2,404.99	2,453.80	2,394.45	2,389.45	2,423.00	2,439.91
Savings Deposits	990.12	987.67	979.03	995.61	1,027.72	1,053.99
Time Deposits	985.20	988.37	997.10	995.61	993.13	1,007.18
Foreign Currency Deposits	429.66	477.76	418.33	398.23	402.15	378.73

Source: Eastern Caribbean Central Bank

Data available at 10 August 2012



**Table 20**  
**Dominica - Selected Tourism Statistics**

	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 <sup>R</sup> 1 <sup>st</sup> Qr	2012 <sup>P</sup> 2 <sup>nd</sup> Qr	2011 <sup>P</sup> Jan - Jun	2012 <sup>P</sup> Jan - Jun
Total Visitors	59,285	20,463	127,154	189,698	45,341	275,807	235,039
Stay-Over Visitors	15,121	19,518	18,874	17,682	15,803	32,429	33,485
Of which:							
USA	2,949	3,213	3,111	3,728	3,372	6,771	7,100
Canada	633	698	707	900	649	1,581	1,549
UK	925	1,225	1,172	1,365	873	2,225	2,238
Caribbean	8,785	12,616	11,471	8,470	8,858	17,123	17,328
Other Countries	1,829	1,766	2,413	3,219	2,051	4,729	5,270
Excursionists	220	142	257	597	160	365	757
Yachts	2,389	803	2,158	6,365	2,671	7,377	9,036
Cruise Ship Passengers	41,555	-	105,865	165,054	26,707	235,636	191,761
Number of Cruise Ship Calls	22	-	67	112	15	129	127
Total Visitor Expenditure (EC\$M)	<b>69.01</b>	<b>75.40</b>	<b>86.24</b>	<b>84.52</b>	<b>65.21</b>	<b>154.19</b>	<b>149.73</b>

Sources: Discover Dominica, Central Statistical Office and ECCB Estimates  
Data available at 13 August 2012

**Table 21**  
**Dominica - Consumer Price Index**  
**January 2010 = 100**

	Weight	Index Jun 2012	Percentage Change*						
			2011 <sup>R</sup> 2 <sup>nd</sup> Qr	2011 <sup>R</sup> 3 <sup>rd</sup> Qr	2011 <sup>R</sup> 4 <sup>th</sup> Qr	2012 <sup>R</sup> 1 <sup>st</sup> Qr	2012 <sup>R</sup> 2 <sup>nd</sup> Qr	2011 <sup>R</sup> Jan - Jun	2012 <sup>P</sup> Jan - Jun
<b>All Items</b>	100.0	102.71	1.48	(0.34)	(0.53)	0.96	0.51	2.94	1.47
Food and Non-Alcoholic Beverages	18.1	106.22	0.82	0.88	1.27	(0.05)	0.75	1.95	0.70
Alcoholic Beverages, Tobacco and Narcotics	0.8	102.33	0.80	0.16	(0.53)	0.71	0.02	0.67	0.73
Clothing and Footwear	5.1	99.39	(0.41)	0.83	(0.16)	1.14	(2.54)	(1.32)	(1.43)
Housing, Utilities, Gas and Fuels	30.6	100.04	4.33	(1.71)	(2.55)	2.43	0.43	6.77	2.87
Furnishing, Household Equipment and Routine Household Maintenance	5.2	102.86	0.34	1.33	0.57	(0.02)	(0.37)	0.66	(0.39)
Health	3.4	101.12	0.60	(0.10)	0.18	(0.31)	0.21	0.75	(0.10)
Transport	20.1	104.03	0.05	(0.40)	(0.25)	0.69	1.84	1.48	2.54
Communication	4.0	99.93	(0.03)	-	-	(0.01)	0.01	(0.41)	-
Recreation & Culture	3.7	110.66	0.04	(0.01)	0.08	0.11	(0.39)	6.79	(0.28)
Education	1.3	104.14	1.25	1.56	1.27	-	-	1.25	-
Hotels & Restaurants	2.9	104.39	-	(0.02)	2.83	1.21	(0.56)	(0.15)	0.65
Miscellaneous Goods and Services	4.9	101.96	(0.05)	(0.08)	(0.76)	(0.44)	1.69	0.59	1.24

Source: Central Statistical Office  
\*at end of period  
Data available at 13 August 2012



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

	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 <sup>P</sup> 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 <sup>P</sup> Jan - Jun
<b>Current Revenue</b>	95.14	83.64	83.40	83.73	94.19	190.40	177.92
Tax Revenue	82.87	73.73	72.59	75.72	81.89	165.66	157.61
Taxes on Income, Profit and Capital Gains	16.81	12.60	11.66	15.26	15.80	31.57	31.06
Of Which:							
Personal Income	8.73	7.47	7.50	9.20	7.79	18.54	16.99
Corporation	9.00	5.55	4.54	6.68	8.94	14.45	15.62
Taxes on Property	2.48	1.85	2.27	1.64	1.69	3.91	3.33
Taxes on Domestic Goods and Services	44.95	41.50	42.02	44.29	49.71	94.55	94.00
Of Which:							
Licenses	6.31	2.71	3.15	4.82	6.28	11.77	11.10
Travel Tax	0.54	0.53	0.37	0.42	0.53	0.54	0.95
Value Added Tax	28.53	29.48	29.57	29.75	34.71	59.34	64.46
Excise Tax	9.35	8.58	8.76	9.13	8.07	22.11	17.20
Taxes on International Trade and Transactions	18.63	17.77	16.65	14.53	14.68	35.63	29.21
Of Which:							
Import Duty	9.55	9.33	9.89	7.87	7.89	19.16	15.76
Customs Service Charge/Customs Surcharge	3.88	3.81	3.86	3.24	3.27	7.72	6.51
Non-Tax Revenue	12.27	9.91	10.81	8.01	12.30	24.73	20.31
<b>Current Expenditure</b>	78.07	88.62	81.12	76.56	75.86	156.47	152.42
Personal Emoluments	32.26	34.82	34.42	32.73	33.29	69.61	66.01
Goods and Services	24.78	25.05	26.74	22.27	22.65	45.14	44.92
Interest Payments	5.18	8.55	4.15	5.44	4.33	10.31	9.78
Domestic	1.04	2.94	1.21	3.85	2.64	2.72	6.49
External	4.14	5.62	2.94	1.59	1.70	7.60	3.29
Transfers and Subsidies	15.85	20.19	15.80	16.12	15.59	31.40	31.71
Of Which: Pensions	4.11	4.13	4.12	2.88	4.17	8.33	7.05
<b>Current Account Balance</b>	17.07	(4.98)	2.29	7.17	18.33	33.92	25.50
<b>Capital Revenue</b>	0.59	0.15	0.22	0.16	0.27	1.09	0.43
<b>Grants</b>	18.33	0.67	1.34	1.55	-	29.64	1.55
Of which: Capital Grants	18.33	0.67	1.34	1.55	-	29.64	1.55
<b>Capital Expenditure and Net Lending</b>	123.77	9.46	7.82	17.95	46.40	174.73	64.35
Of which: Capital Expenditure	123.84	9.39	7.81	17.85	46.36	175.31	64.21
<b>Primary Balance</b>	(82.60)	(5.07)	0.18	(3.63)	(23.47)	(99.77)	(27.09)
<b>Overall Balance</b>	(87.78)	(13.63)	(3.97)	(9.07)	(27.80)	(110.08)	(36.87)
<b>Financing</b>	87.78	13.63	3.97	9.07	27.80	110.08	36.87
Domestic	77.69	11.50	(14.53)	(10.24)	25.94	96.39	15.69
ECCB (net)	0.95	(0.53)	1.55	(11.75)	(19.42)	1.19	(31.17)
Commercial Banks (net)	(21.56)	10.17	22.30	(9.04)	57.25	(15.76)	48.21
Other	98.30	1.86	(38.38)	10.54	(11.89)	110.96	(1.35)
External	9.61	3.09	14.14	23.55	(2.05)	13.67	21.50
Net Disbursements/(Amortisation)	5.27	3.45	15.71	23.89	4.18	7.62	28.07
Disbursements	8.70	7.21	18.05	27.71	11.73	14.41	39.44
Amortisation	(3.43)	(3.76)	(2.34)	(3.82)	(7.55)	(6.80)	(11.38)
Change in Government Foreign Assets	4.34	(0.36)	(1.57)	(0.33)	(6.23)	6.05	(6.57)
Other Foreign Financing	-	-	-	-	-	-	-
Arrears	0.48	(0.96)	4.36	(4.24)	3.92	0.02	(0.32)
Domestic	0.48	(0.63)	4.01	(3.89)	3.92	0.02	0.03
External	(0.00)	(0.33)	0.35	(0.35)	-	(0.00)	(0.35)

Source: Ministry of Finance

Data available at 13 August 2012



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

	2011 <sup>R</sup> 2 <sup>nd</sup> Qr	2011 <sup>R</sup> 3 <sup>rd</sup> Qr	2011 <sup>R</sup> 4 <sup>th</sup> Qr	2012 <sup>R</sup> 1 <sup>st</sup> Qr	2012 <sup>P</sup> 2 <sup>nd</sup> Qr	2011 Jan - June	2012 <sup>P</sup> Jan - June
Visible Trade Balance	(136.31)	(125.24)	(117.96)	(116.78)	(142.39)	(252.46)	(259.18)
Total Imports	154.48	147.29	146.27	137.06	160.35	286.52	297.41
Total Exports	18.17	22.04	28.31	20.27	17.96	34.06	38.23
Re-Exports	2.30	3.57	8.60	5.04	2.00	3.05	7.04
Domestic Exports	15.86	18.48	19.71	15.24	15.96	31.01	31.19
Of Which:							
Bananas							
Value	2.06	1.98	1.91	1.33	1.23	3.32	2.57
Volume	1,206.39	1,123.16	1,055.53	842.32	781.86	1,980.99	1,624.18
Soap							
Value	7.06	7.44	8.84	9.21	8.88	14.42	18.09
Volume	1,138.87	1,126.46	1,416.83	1,528.00	1,441.87	2,510.65	2,969.87

Source: Central Statistical Office, Dominica Coconut Products and WIBDECO  
Data available at 13 August 2012

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

	2011 1 <sup>st</sup> Qr	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 <sup>P</sup> 2 <sup>nd</sup> Qr
Net Foreign Assets	525.57	537.85	509.46	456.73	513.66	545.91
Central Bank (net)	178.18	174.75	184.37	201.03	227.12	229.20
Commercial Banks (net)	347.38	363.09	325.09	255.69	286.54	316.71
External Assets	11.82	41.09	(1.92)	(17.76)	(25.82)	(15.26)
Assets	180.97	213.09	168.44	166.40	164.70	168.81
Liabilities	169.15	172.00	170.36	184.16	190.52	184.06
Other ECCB Territories (net)	335.57	322.00	327.02	273.45	312.36	331.96
Assets	430.67	439.79	448.23	393.05	383.82	405.39
Liabilities	95.11	117.79	121.21	119.60	71.46	73.43
Net Domestic Assets	498.20	491.60	520.74	577.23	576.24	564.14
Domestic Credit	598.39	590.62	615.26	652.86	646.56	637.38
Central Government (net)	(45.47)	(66.08)	(56.43)	(32.58)	(53.37)	(15.54)
Other Public Sector (net)	(83.18)	(76.09)	(80.49)	(77.92)	(76.60)	(134.74)
Private Sector	727.04	732.78	752.18	763.35	776.53	787.65
Household	411.25	414.73	419.74	422.83	425.29	430.97
Business	307.69	310.00	321.42	329.52	340.31	334.20
Non-Bank Financial Institutions	1.53	1.48	4.46	4.44	4.35	15.91
Subsidiaries and Affiliates	6.57	6.57	6.57	6.57	6.57	6.57
Other Items (net)	(100.19)	(99.02)	(94.52)	(75.63)	(70.32)	(73.23)
Monetary Liabilities (M2)	1,023.77	1,029.45	1,030.20	1,033.96	1,089.90	1,110.05
Money Supply (M1)	199.14	195.84	194.27	189.77	212.90	210.27
Currency with the Public	42.79	42.29	43.44	47.00	43.63	45.58
Demand Deposits	152.57	149.72	148.80	140.17	166.30	161.83
EC\$ Cheques and Drafts	3.78	3.83	2.04	2.60	2.98	2.86
Quasi Money	824.63	833.61	835.93	844.19	877.00	899.78
Savings Deposits	541.90	544.60	555.57	564.18	594.29	610.10
Time Deposits	259.82	263.38	260.85	256.21	252.43	259.73
Foreign Currency Deposits	22.91	25.62	19.51	23.80	30.28	29.94

Source: Eastern Caribbean Central Bank  
Data available at 10 August 2012



**Table 25**  
**Grenada - Selected Tourism Statistics**

	2011 <sup>R</sup> 2 <sup>nd</sup> Qr	2011 <sup>R</sup> 3 <sup>rd</sup> Qr	2011 <sup>R</sup> 4 <sup>th</sup> Qr	2012 <sup>R</sup> 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 Jan - Jun
Total Visitors	69,666	31,509	110,309	174,826	57,127	288,169	231,953
Stay-Over Visitors	24,979	30,299	27,422	32,410	23,512	56,231	55,922
Of which:							
USA	5,388	8,055	5,509	8,921	6,140	13,792	15,061
Canada	1,090	1,664	1,625	2,989	1,016	3,948	4,005
Europe	7,357	6,959	9,069	10,695	6,340	18,430	17,035
Of which:							
West Germany	419	214	463	576	256	1,345	832
United Kingdom	5,996	5,984	7,031	8,205	5,372	14,221	13,577
Caribbean	7,085	7,925	5,841	5,837	6,512	12,710	12,349
Other Countries	913	812	1,018	1,081	736	1,728	1,817
Excursionists	377	413	346	853	628	830	1,481
Cruise Ship Passengers	42,926	0	81,802	139,598	31,638	227,772	171,236
Yacht Passengers	1,322	661	635	1,891	1,349	3,175	3,240
Number of Cruise Ship Calls	26	0	58	116	16	140	132
Total Visitor Expenditure (EC\$M)	<b>60.29</b>	<b>68.47</b>	<b>68.79</b>	<b>85.33</b>	<b>56.06</b>	<b>146.69</b>	<b>141.39</b>

Sources: Board of Tourism

**Data available at 10 August 2012**

**Table 26**  
**Grenada - Consumer Price Index**  
**January 2010 = 100**

	Weight	Index Jun 2012 <sup>P</sup>	Percentage Change*						
			2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 <sup>R</sup> 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 Jan - Jun
<b>All Items</b>	100.0	105.39	1.84	-	0.14	1.85	(0.53)	3.37	1.31
Food and Non-Alcoholic Beverages	20.4	113.41	1.65	0.87	1.05	0.75	(0.12)	3.53	0.63
Alcoholic Beverages, Tobacco & Narcotics	1.8	115.20	(0.01)	0.24	0.09	1.25	(1.06)	0.92	0.18
Clothing and Footwear	3.7	104.47	0.60	(0.18)	0.67	0.84	(0.55)	(0.22)	0.29
Housing, Utilities, Gas and Fuels	29.1	105.81	0.29	(0.21)	(0.16)	0.76	(0.16)	1.38	0.60
Household Furnishings, Supplies and Maintenance	4.5	113.36	0.13	0.17	(0.13)	8.37	0.16	(0.32)	8.54
Health	1.9	124.88	13.42	2.32	0.39	0.20	0.06	17.24	0.26
Transport	18.7	108.42	2.17	(1.18)	(0.53)	5.71	(2.34)	3.65	3.24
Communication	10.0	115.41	7.80	-	-	-	-	13.83	-
Recreation & Culture	2.7	102.66	(0.15)	1.50	-	0.45	-	(3.06)	0.45
Education	0.8	109.45	-	1.39	(0.01)	4.50	-	(0.06)	4.50
Hotels and Restaurants	1.8	106.65	-	-	-	-	-	0.10	-
Miscellaneous	4.6	99.03	(0.62)	0.25	1.12	(1.15)	0.44	(0.33)	(0.72)

Sources: Central Statistical Office and Ministry of Finance, ECCB Estimates for June 2007

\*at end of period

**Data available at 10 August 2012**

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

	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 <sup>R</sup> 1 <sup>st</sup> Qr	2012 <sup>P</sup> 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 Jan - Jun
<b>Current Revenue</b>	111.85	102.77	105.22	107.13	98.73	217.73	205.85
Tax Revenue	106.20	96.14	99.66	102.05	93.87	207.23	195.91
Taxes on Income and Profits	22.94	16.60	16.86	18.32	16.45	40.44	34.77
Of Which:							
Personal Income	5.81	5.78	6.50	8.23	5.75	12.99	13.98
Corporation	17.13	10.82	10.35	10.08	10.70	27.45	20.79
Taxes on Property	5.36	3.23	2.32	4.74	4.99	9.37	9.73
Taxes on Domestic Goods and Services	47.84	47.52	45.51	49.07	43.86	96.76	92.93
Of Which:							
Value-added Tax	40.38	37.87	40.52	40.29	36.62	81.55	76.91
Stamp Duties	0.93	0.93	0.89	1.32	1.12	2.01	2.44
Licences	3.45	5.61	2.15	4.92	3.23	7.99	8.15
Taxes on International Trade and Transactions	30.06	28.80	34.98	29.92	28.56	60.66	58.49
Of Which:							
Import Duty	11.41	12.52	13.89	11.26	11.52	23.11	22.78
Customs Service Charge	8.65	8.95	10.76	9.23	8.24	17.84	17.46
Non-Tax Revenue	5.65	6.62	5.55	5.08	4.86	10.50	9.94
<b>Current Expenditure</b>	103.92	112.41	92.23	115.89	90.85	216.13	206.74
Personal Emoluments	58.16	55.84	50.79	57.03	56.31	114.96	113.33
Goods and Services	20.95	19.57	15.71	18.59	15.24	39.81	33.83
Interest Payments	6.65	18.92	9.99	21.37	2.96	22.69	24.34
Domestic	2.60	6.41	7.09	2.75	2.51	4.52	5.26
External	4.05	12.51	2.90	18.62	0.45	18.17	19.08
Transfers and Subsidies	18.15	18.07	15.75	18.89	16.34	38.66	35.24
Of Which: Pensions	6.24	6.43	6.46	6.52	6.52	12.45	13.05
<b>Current Account Balance</b>	7.93	(9.64)	12.99	(8.76)	7.88	1.60	(0.88)
<b>Capital Revenue</b>	0.10	0.01	-	-	-	0.10	-
<b>Grants</b>	11.25	15.20	18.80	1.30	3.39	26.07	4.69
Of which: Capital Grants	11.25	15.20	18.80	1.30	1.66	26.07	2.95
<b>Capital Expenditure</b>	30.83	34.23	35.24	20.33	21.57	62.06	41.90
<b>Primary Balance</b>	(4.90)	(9.74)	6.54	(6.41)	(7.34)	(11.60)	(13.76)
<b>Overall Balance</b>	(11.55)	(28.67)	(3.45)	(27.79)	(10.30)	(34.29)	(38.09)
<b>Financing</b>	11.55	28.67	3.45	27.79	10.30	34.29	38.09
Domestic	21.94	32.53	1.08	31.04	13.23	46.09	44.28
ECCB (net)	(0.61)	0.01	17.26	(1.86)	1.38	18.33	(0.48)
Commercial Banks (net)	12.80	(4.91)	(15.53)	(11.67)	(2.60)	25.23	(14.27)
Other	9.75	37.43	(0.65)	44.57	14.46	2.53	59.03
External	(10.39)	(3.87)	2.37	(3.26)	(2.93)	(11.80)	(6.19)
Net Disbursements/(Amortisation)	(10.39)	(3.87)	2.37	(3.26)	(2.93)	(11.80)	(6.19)
Disbursements	2.75	1.97	7.48	1.41	1.59	6.99	3.00
Amortisation	(13.14)	(5.84)	(5.11)	(4.66)	(4.52)	(18.79)	(9.18)
Change in Government Foreign Assets	-	-	-	-	-	-	-
Arrears	-	-	-	-	-	-	-
Domestic	-	-	-	-	-	-	-
External	-	-	-	-	-	-	-

Source: Ministry of Finance

Data available at 10 August 2012



**Table 28**  
**Grenada - Selected Agricultural Production**

	Unit	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 <sup>P</sup> 2 <sup>nd</sup> Qr	2011 Jan - June	2012 Jan - June
Bananas	(tonnes)	681	1217	1875	1540	1357	1036	2897
Cocoa	(tonnes)	210	60	143	423	214	455	636
Nutmeg	(tonnes)	146	111	64	93	91	311	183
Mace	(tonnes)	11	7	3	8	8	23	15

Source: Central Statistical Office

**Data available at 10 August 2012**

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

	2011 2 <sup>nd</sup> Qr	2011 <sup>R</sup> 3 <sup>rd</sup> Qr	2011 <sup>R</sup> 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 <sup>P</sup> 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 Jan - Jun
<b>Visible Trade Balance</b>	(193.72)	(200.59)	(212.97)	(200.80)	(187.35)	(398.79)	(388.15)
<b>Total Imports</b>	219.61	220.21	228.80	221.90	215.21	441.96	437.11
<b>Total Exports</b>	25.89	19.62	15.84	21.10	27.86	43.17	48.96
Re-Exports	3.70	1.25	1.63	3.36	5.01	5.57	8.37
Domestic Exports	22.19	18.38	14.21	17.74	22.85	37.60	40.59
Of Which:							
Bananas							
Volume	-	-	-	-	-	-	-
Value	-	-	-	-	-	-	-
Nutmeg							
Volume	177.12	130.89	74.48	64.92	104.18	214.20	169.10
Value	5.89	5.90	3.25	3.77	5.82	6.97	9.59
Mace							
Volume	14.27	3.94	8.29	2.17	9.86	19.71	12.02
Value	0.78	0.29	0.66	0.16	0.69	1.01	0.86
Cocoa							
Volume	221.00	68.76	74.16	417.44	216.08	506.53	633.52
Value	2.14	0.72	0.75	4.13	2.17	4.93	6.30
Manufactured Exports							
Value	8.18	8.08	7.41	7.61	7.43	17.39	15.04

Source: Central Statistical Office and WIBDECO, ECCB estimates for exports for April to June

**Data available at 10 August 2012**



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

	2011 1 <sup>st</sup> Qr	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 <sup>R</sup> 4 <sup>th</sup> Qr	2012 <sup>R</sup> 1 <sup>st</sup> Qr	2012 <sup>P</sup> 2 <sup>nd</sup> Qr
Net Foreign Assets	210.78	219.60	200.38	173.60	206.70	163.33
Central Bank (net)	274.55	252.35	294.84	282.87	283.46	255.76
Commercial Banks (net)	(63.77)	(32.76)	(94.46)	(109.27)	(76.77)	(92.44)
External (net)	(197.70)	(213.31)	(242.30)	(237.81)	(213.60)	(211.21)
Assets	302.87	280.02	252.42	255.14	278.30	281.34
Liabilities	500.56	493.33	494.72	492.94	491.90	492.55
Other ECCB Territories	133.92	180.56	147.84	128.54	136.84	118.78
Assets	225.83	303.91	282.34	256.73	229.49	224.61
Liabilities	91.91	123.35	134.50	128.19	92.65	105.83
Net Domestic Assets	1,610.83	1,593.15	1,628.39	1,683.84	1,677.73	1,715.02
Domestic Credit	1,719.84	1,720.32	1,742.22	1,782.54	1,774.24	1,808.53
Central Government (net)	141.38	153.57	148.67	150.40	136.87	135.65
Other Public Sector (net)	(181.20)	(199.06)	(195.91)	(168.17)	(160.65)	(134.32)
Private Sector	1,759.66	1,765.82	1,789.47	1,800.32	1,798.02	1,807.20
Households	1,131.98	1,150.39	1,167.34	1,176.17	1,170.26	1,174.87
Business	613.95	601.87	608.09	608.24	611.33	616.95
Non-Bank Financial Institutions	13.73	13.56	14.03	15.91	16.42	15.38
Subsidiaries and Affiliates	-	-	-	-	-	-
Other Items (net)	(109.02)	(127.17)	(113.83)	(98.70)	(96.51)	(93.50)
Monetary Liabilities (M2)	1,821.60	1,812.75	1,828.77	1,857.44	1,884.42	1,878.35
Money Supply (M1)	318.61	309.24	311.37	332.29	337.21	316.55
Currency with the Public	93.78	97.97	102.21	108.66	106.25	101.17
Demand Deposits	212.06	203.12	201.55	211.83	222.44	206.45
EC\$ Cheques and Drafts Issued	12.77	8.15	7.62	11.81	8.53	8.92
Quasi Money	1,502.99	1,503.51	1,517.40	1,525.14	1,547.21	1,561.80
Savings Deposits	1,035.47	1,035.73	1,021.39	1,023.07	1,049.25	1,063.18
Time Deposits	361.81	361.54	377.76	381.44	373.58	375.12
Foreign Currency Deposits	105.72	106.24	118.26	120.63	124.38	123.50

Source: Eastern Caribbean Central Bank

Data available at 10 August 2012



**Table 31**  
**Montserrat - Selected Tourism Statistics**

	2011	2011	2011	2012	2012	2011	2012
	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
Total Visitors	2,135	1,729	2,918	2,948	2,493	5,825	5,441
Stay-Over Visitors	1,173	1,219	1,403	1,511	957	2,773	2,468
Of which:							
USA	316	328	376	461	305	822	766
Canada	42	27	99	165	36	194	201
UK	294	295	330	374	158	704	532
Caribbean	467	525	483	416	385	873	801
Other Countries	54	44	115	95	73	180	168
Excursionists	552	404	730	686	893	863	1,579
Cruise Ship Passengers	-	-	256	51	325	858	376
Number of Cruise Ship Calls	-	-	2	1	2	1	3
Yacht Passengers	410	106	529	700	318	1,331	1,018
Number of Yachts	109	26	50	158	96	276	254
Total Visitor Expenditure (EC\$M)	<b>2.96</b>	<b>2.77</b>	<b>3.29</b>	<b>4.69</b>	<b>2.33</b>	<b>7.94</b>	<b>7.02</b>

Sources: Department of Tourism and Eastern Caribbean Central Bank

Data available at 13 August 2012

**Table 32**  
**Montserrat - Consumer Price Index**  
**January 2001 = 100**

	Weight	Index Jun 2012	Percentage Change*						
			2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 Jan - Jun
<b>All Items</b>	1,000.00	265.79	0.24	1.75	1.53	1.23	0.90	1.09	2.36
Food	495.00	281.49	0.78	2.16	5.29	(0.07)	1.00	1.49	0.89
Alcoholic and Tobacco	46.00	253.25	(1.84)	(0.08)	0.71	0.04	4.65	(0.53)	4.69
Household Goods	102.00	186.27	(0.83)	3.24	(4.06)	1.01	3.95	(0.91)	5.00
Gas, Electricity and Water	18.00	236.53	8.82	(1.51)	(2.22)	1.61	(3.97)	16.71	(2.42)
Rent	7.00	955.73	-	-	-	-	0.00	(0.00)	0.00
Clothing and Footwear	179.00	222.60	(1.09)	-	(2.84)	4.52	0.27	(1.03)	4.80
Services	153.00	294.31	-	2.51	(2.65)	3.15	0.96	1.91	4.14

Sources: Statistics Department, Ministry of Finance

\*at end of period

Data available at 14 September 2012



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

	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 Jan - Jun
<b>Current Revenue</b>	9.77	8.77	10.97	11.64	9.79	21.49	21.43
Tax Revenue	8.50	7.61	10.05	9.97	8.42	18.98	18.39
Taxes on Income and Profits	4.49	4.23	4.69	4.33	3.98	9.23	8.30
Of Which:							
Personal Income	3.17	3.70	3.91	3.56	3.07	6.13	6.62
Corporation	1.15	0.41	0.66	0.51	0.67	1.99	1.18
Taxes on Property	0.07	0.12	0.50	0.14	0.09	0.15	0.23
Taxes on Domestic Goods and Services	0.62	0.48	0.30	1.87	0.59	2.40	2.46
Of Which:							
Hotel Occupancy	0.02	0.01	0.01	0.01	0.01	0.02	0.02
Insurance Company Levy	0.04	0.06	0.06	0.11	0.09	0.08	0.20
Licenses and Stamp Duties	0.37	0.29	0.09	1.22	0.34	1.57	1.56
Taxes on International Trade and Transactions	3.32	2.78	4.56	3.64	3.76	7.20	7.40
Of Which:							
Import Duty	0.95	0.84	1.37	0.99	1.14	2.03	2.14
Consumption Tax	1.48	1.20	2.08	1.56	2.22	3.20	3.78
Customs Service Charge	0.89	0.74	1.11	0.87	0.27	1.76	1.15
Non-Tax Revenue	1.27	1.16	0.92	1.66	1.37	2.51	3.04
<b>Current Expenditure</b>	21.90	23.89	23.19	43.99	22.67	46.09	66.66
Personal Emoluments	10.78	10.76	10.61	10.66	10.51	21.36	21.17
Goods and Services*	4.20	4.75	5.27	7.23	4.60	9.76	11.83
Interest Payments	0.01	0.01	0.01	-	0.17	0.02	0.17
Domestic	-	-	-	-	0.00	-	0.00
External	0.01	0.01	0.01	-	0.17	0.02	0.17
Transfers and Subsidies	6.91	8.38	7.30	26.10	7.39	14.95	33.49
Of Which: Pensions	2.66	2.77	2.90	21.03	3.02	5.43	24.05
<b>Current Account Balance</b>	2.34	(1.40)	19.72	(19.53)	0.89	6.02	(18.64)
<b>Capital Revenue</b>	-	-	-	-	-	-	-
<b>Grants</b>	23.72	21.12	31.93	22.95	24.58	47.41	47.53
Of which: Capital Grants	9.26	7.40	-	10.13	10.81	16.79	20.94
<b>Capital Expenditure and Net Lending</b>	8.27	6.54	5.34	10.45	8.22	15.93	18.68
<b>Primary Balance</b>	3.33	(0.53)	14.38	(19.86)	3.65	6.90	(16.21)
<b>Overall Balance</b>	3.32	(0.54)	14.37	(19.86)	3.48	6.88	(16.38)
<b>Financing</b>	(3.32)	0.54	(14.37)	19.86	(3.48)	(6.88)	16.38
Domestic	(3.29)	0.57	(14.34)	19.89	(3.44)	(6.82)	16.45
ECCB (net)	(0.23)	0.07	(0.22)	(0.09)	0.02	0.08	(0.07)
Commercial Banks (net)	(7.29)	2.33	(10.66)	18.15	(6.40)	(18.69)	11.74
Other	4.24	(1.83)	(3.46)	1.83	2.95	11.80	4.77
External	(0.03)	(0.03)	(0.03)	(0.03)	(0.04)	(0.06)	(0.07)
Net Disbursements/(Amortisation)	(0.03)	(0.03)	(0.03)	(0.03)	(0.04)	(0.06)	(0.07)
Disbursements	-	-	-	-	-	-	-
Amortisation	(0.03)	(0.03)	(0.03)	(0.03)	(0.04)	(0.06)	(0.07)
Change in Government Foreign Assets	-	-	-	-	-	-	-

Source: Ministry of Finance

\*Goods and Services includes Miscellaneous Payments

Data available at 14 September 2012



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

	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 Jan - Jun
Visible Trade Balance	(20.67)	(21.35)	(24.82)	(22.75)	(17.91)	(37.48)	(40.66)
Total Imports	22.18	22.71	26.05	24.15	19.82	41.46	43.97
Total Exports	1.51	1.37	1.23	1.40	1.91	3.98	3.30
Total Domestic Exports	1.19	1.35	1.22	0.80	1.41	2.48	2.21
Total Re-Exports	0.32	0.02	0.01	0.60	0.50	1.50	1.10

Source: Ministry of Finance

Data available at 14 September 2012

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

	2011 1 <sup>st</sup> Qr	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr
Net Foreign Assets	200.48	210.92	217.00	229.49	240.59	242.03
Central Bank (net)	51.81	48.31	59.60	67.00	82.61	81.42
Commercial Banks (Net)	148.67	162.61	157.40	162.50	157.98	160.61
External (net)	42.36	47.70	35.86	34.99	24.88	16.71
Assets	76.73	81.68	72.08	73.13	65.69	57.06
Liabilities	34.37	33.98	36.22	38.15	40.81	40.34
Other ECCB Territories	106.31	114.91	121.54	127.51	133.10	143.90
Assets	215.54	226.46	235.70	242.92	245.78	257.26
Liabilities	109.23	111.55	114.16	115.41	112.68	113.36
Net Domestic Assets	(25.66)	(32.90)	(29.39)	(36.93)	(36.94)	(41.53)
Domestic Credit	3.87	(2.99)	1.51	(5.10)	(3.56)	(8.52)
Central Government (net)	(38.61)	(46.14)	(43.74)	(54.62)	(36.56)	(42.95)
Other Public Sector (net)	(19.46)	(18.85)	(20.40)	(18.84)	(36.83)	(35.98)
Private Sector	61.94	62.00	65.65	68.36	69.83	70.40
Household	51.94	52.18	55.65	57.93	59.57	60.28
Business	10.00	9.81	10.00	10.43	10.26	10.13
Non-Bank Financial Institutions	-	-	-	-	-	-
Subsidiaries and Affiliates	-	-	-	-	-	-
Other Items (net)	(29.54)	(29.91)	(30.90)	(31.84)	(33.38)	(33.01)
Monetary Liabilities (M2)	174.82	178.02	187.60	192.56	203.65	200.50
Money Supply (M1)	36.02	35.77	39.95	41.17	47.50	41.11
Currency with the Public	16.91	15.83	18.69	21.63	23.26	18.60
Demand Deposits	18.95	19.84	21.05	19.41	24.04	22.14
EC\$ Cheques and Drafts Issued	0.16	0.10	0.22	0.13	0.20	0.37
Quasi Money	138.80	142.24	147.65	151.39	156.15	159.39
Savings Deposits	119.10	122.07	127.62	129.84	132.92	135.64
Time Deposits	10.60	11.61	12.68	13.23	14.73	15.09
Foreign Currency Deposits	9.11	8.56	7.35	8.32	8.50	8.66

Source: Eastern Caribbean Central Bank

Data available at 14 September 2012



**Table 36**  
**St Kitts and Nevis - Selected Tourism Statistics**

	2011	2011	2011	2012	2012	2011	2012
	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
Total Visitors	129,380	85,670	229,337	318,871	110,103	398,617	428,974
Stay-Over Visitors	24,568	23,644	24,134	31,741	27,208	51,956	58,949
Of which:							
USA	16,161	14,518	13,984	21,863	17,899	34,694	39,762
Canada	1,071	1,329	1,410	2,761	1,524	2,903	4,285
UK	1,746	1,754	2,356	2,350	1,643	4,136	3,993
Caribbean	4,720	5,271	5,337	3,555	5,071	8,477	8,626
Other Countries	870	772	1,047	1,212	1,071	1,746	2,283
Excursionists	804	1,160	900	932	711	1,963	1,643
Cruise Ship Passengers	102,945	60,470	203,555	283,824	80,890	341,382	364,714
Yacht Passengers	1,063	396	748	2,374	1,294	3,316	3,668
Number of Cruise Ship Calls	47	21	103	169	42	213	211
Total Visitor Expenditure (EC\$M)	<b>58.98</b>	<b>54.63</b>	<b>63.55</b>	<b>84.99</b>	<b>63.84</b>	<b>131.68</b>	<b>148.82</b>

Source: Statistics Division, Ministry of Sustainable Development and Eastern Caribbean Central Bank

Data available at 13 August 2012

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

	Weight	Index Jun 2012	Percentage Change*						2011 Jan - Jun	2012 Jan - Jun
			2011	2011	2011	2012	2012	2011		
			2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun		
<b>All items</b>	100.00	109.45	0.07	0.38	1.99	(0.59)	(0.42)	0.48	(1.00)	
Food and Non-Alcoholic Beverages	15.98	115.72	(0.27)	0.35	2.63	0.44	0.28	0.60	0.71	
Alcoholic Beverages, Tobacco & Narcotics	2.71	119.50	0.82	(0.20)	0.17	(0.20)	1.97	0.83	1.77	
Clothing and Footwear	4.20	113.88	-	-	(0.08)	0.85	(0.17)	1.58	0.68	
Housing, Utilities, Gas and Fuels	27.56	103.07	(0.09)	-	0.07	0.03	-	1.72	0.03	
Household Furnishings, Supplies and Maintenance	6.10	108.20	0.13	(0.13)	0.09	0.04	0.80	1.53	0.84	
Health	2.38	106.35	-	-	(0.30)	0.87	(0.11)	-	0.76	
Transport	16.14	115.60	1.44	0.81	9.48	(2.98)	(2.73)	(1.56)	(5.62)	
Communication	8.47	104.48	(1.33)	-	(0.30)	(0.12)	-	0.18	(0.12)	
Recreation and Culture	2.92	110.58	-	(0.26)	-	0.89	(0.28)	(0.07)	0.61	
Education	2.41	104.24	-	9.10	1.00	(7.71)	-	(1.58)	(7.71)	
Hotels and Restaurants	5.60	116.45	0.08	0.05	-	(0.60)	-	0.07	(0.60)	
Miscellaneous Goods and Services	5.54	109.79	(0.08)	(0.14)	0.44	(0.22)	(0.20)	(0.04)	(0.42)	

Sources: Statistics Division and Ministry of Sustainable Development

\*at end of period

Data available at 13 August 2012



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

	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 Jan - Jun
<b>Current Revenue</b>	149.22	139.35	194.69	127.31	146.90	315.95	274.20
Tax Revenue	99.75	91.72	110.80	95.76	97.58	205.52	193.34
Taxes on Income and Profits	20.68	18.18	25.69	20.77	20.31	42.78	41.08
Of Which:							
Corporation	10.72	8.53	9.72	10.41	9.81	20.11	20.22
Social Services	9.53	8.15	11.93	9.53	9.68	17.77	19.21
Taxes on Property	2.35	2.52	2.48	2.48	4.91	3.75	7.39
Taxes on Domestic Goods and Services	52.40	46.35	54.52	51.22	49.90	107.40	101.11
Of Which:							
Hotel Room Tax	0.12	0.05	0.01	0.22	0.06	0.23	0.28
Stamp Duties	8.20	7.19	6.61	5.73	8.95	15.27	14.68
Value Added Tax	37.76	33.40	39.71	37.67	35.55	77.06	73.23
Taxes on International Trade and Transactions	24.31	24.68	28.11	21.29	22.47	51.59	43.76
Of Which:							
Import Duty	11.25	11.47	12.88	10.13	11.45	24.05	21.58
Consumption Tax	0.33	0.18	0.55	0.48	0.17	1.13	0.65
Customs Service Charge	7.71	7.67	8.39	6.62	7.07	15.96	13.70
Non-Tax Revenue	49.47	47.63	83.89	31.55	49.32	110.43	80.86
<b>Current Expenditure</b>	129.35	172.92	154.58	119.46	136.81	267.43	256.26
Personal Emoluments	56.44	54.78	55.76	54.93	54.91	111.47	109.85
Goods and Services	25.62	66.54	52.25	21.11	31.85	57.29	52.96
Interest Payments	31.89	30.36	29.59	25.10	29.95	65.80	55.05
Domestic	24.68	21.81	23.35	13.78	25.12	46.77	38.89
External	7.21	8.55	6.25	11.32	4.84	19.03	16.16
Transfers and Subsidies	15.39	21.25	16.97	18.32	20.09	32.87	38.40
Of Which: Pensions	6.05	6.00	6.16	6.29	6.22	11.97	12.51
<b>Current Account Balance</b>	19.87	(33.57)	40.11	7.85	10.09	48.51	17.94
<b>Capital Revenue</b>	2.93	1.76	2.87	2.44	4.12	4.64	6.56
<b>Grants</b>	6.79	15.57	43.96	2.19	119.56	8.78	121.75
Of which: Capital Grants	2.10	1.46	1.61	1.92	118.66	3.99	120.59
<b>Capital Expenditure and Net Lending</b>	25.44	17.06	20.36	8.40	15.79	46.19	24.18
Of which: Capital Expenditure	25.41	17.68	20.38	8.38	15.66	46.12	24.04
<b>Primary Balance</b>	36.05	(2.95)	96.18	29.18	147.94	81.55	177.12
<b>Overall Balance</b>	4.15	(33.31)	66.58	4.09	117.98	15.74	122.07
<b>Financing</b>							
Domestic	(4.15)	33.31	(66.58)	(4.09)	(117.98)	(15.74)	(122.07)
ECCB (net)	(11.28)	(60.14)	(59.18)	7.23	54.73	(0.87)	61.97
Commercial Banks (net)	(36.46)	(11.21)	(8.47)	(19.96)	(10.10)	(27.32)	(30.06)
Other	5.33	(11.02)	(35.56)	(52.47)	(34.90)	(30.53)	(87.37)
External	19.85	(37.91)	(15.15)	79.66	99.73	56.98	179.39
Net Disbursements/(Amortisation)	7.13	93.44	(7.41)	(11.32)	(172.71)	(14.87)	(184.03)
Disbursements	(29.37)	93.44	(7.41)	(11.32)	(172.71)	(51.37)	(184.03)
Amortisation	13.19	103.09	3.56	52.51	13.50	26.65	66.01
Change in Government Foreign Assets	(42.56)	(9.64)	(10.97)	(63.83)	(186.21)	(78.02)	(250.04)
Arrears	36.50	-	-	-	-	36.50	-
Domestic	-	-	-	-	-	-	-
External	-	-	-	-	-	-	-

Source: Ministry of Finance and ECCB Estimates

Data available at 24 August 2012



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

	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr	2011 Jan - June	2012 Jan - June
Visible Trade Balance	(111.23)	(114.24)	(144.37)	(105.67)	(99.07)	(247.65)	(204.75)
Total Imports	156.69	150.71	184.85	147.61	137.32	334.11	284.93
Total Exports	45.46	36.48	40.49	41.93	38.25	86.46	80.18
Total Domestic Exports	32.65	32.78	34.24	38.02	34.65	64.64	72.67
Total Re-Exports	12.81	3.69	6.24	3.91	3.61	21.82	7.51

Source: Ministry of Finance

Data available at 13 August 2012

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

	2011 1 <sup>st</sup> Qr	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr
Net Foreign Assets	727.04	830.28	863.22	920.88	980.87	1074.52
Central Bank (net)	423.86	542.72	621.21	625.15	699.27	700.27
Commercial Banks (net)	303.19	287.57	242.01	295.73	281.60	374.25
External (net)	514.25	571.57	496.40	470.38	487.87	454.77
Assets	1405.01	1442.36	1376.66	1317.90	1351.72	1326.53
Liabilities	890.76	870.80	880.26	847.52	863.86	871.76
Other ECCB Territories (net)	(211.06)	(284.00)	(254.39)	(174.65)	(206.27)	(80.52)
Assets	531.75	542.65	558.46	587.61	579.05	688.37
Liabilities	742.81	826.65	812.86	762.26	785.31	768.90
Net Domestic Assets	1221.54	1205.16	1225.10	1182.20	1114.15	1074.86
Domestic Credit	1786.12	1748.01	1748.05	1712.10	1644.09	1578.19
Central Government (net)	823.61	792.46	770.22	726.20	653.77	610.12
Other Public Sector (net)	(401.17)	(419.44)	(424.47)	(420.49)	(437.20)	(463.59)
Private Sector	1363.68	1375.00	1402.30	1406.38	1427.52	1431.67
Households	848.83	766.11	889.45	891.60	894.23	897.39
Business	425.04	519.35	425.86	427.50	440.56	441.59
Non-Bank Financial Institutions	49.57	49.58	48.17	48.33	53.69	54.26
Subsidiaries and Affiliates	40.23	39.96	38.83	38.95	39.04	38.43
Other Items (net)	(564.58)	(542.85)	(522.96)	(529.89)	(529.94)	(503.33)
Monetary Liabilities (M2)	1948.58	2035.44	2088.31	2103.09	2095.03	2149.38
Money Supply (M1)	353.96	392.14	481.31	480.18	390.67	485.42
Currency with the Public	97.03	94.24	98.52	101.99	99.00	104.56
Demand Deposits	224.15	288.93	373.52	368.24	278.84	368.47
EC\$ Cheques and Drafts	32.79	8.97	9.27	9.96	12.83	12.39
Quasi Money	1594.62	1643.30	1607.00	1622.90	1704.36	1663.96
Savings Deposits	657.81	669.35	680.67	684.78	758.58	725.46
Time Deposits	544.44	578.74	578.41	581.29	557.54	572.97
Foreign Currency Deposits	392.38	395.21	347.92	356.83	388.24	365.54

Source: Eastern Caribbean Central Bank

\*\* As of January 2009 the Private Sector includes the following economic sectors: households, private businesses, non-bank financial institutions and subsidiaries and affiliates.

Data available at 10 August 2012



**Table 41**  
**Saint Lucia - Selected Tourism Statistics**

	2011	2011	2011	2012	2012	2011	2012
	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
Total Visitors	204,108	147,768	282,692	370,600	168,916	564,501	539,516
Stay-Over Visitors	76,312	78,108	75,313	85,437	72,807	158,983	158,244
Of which:							
USA	33,868	28,439	27,822	30,237	31,099	66,095	61,336
Canada	6,058	5,627	8,664	16,564	6,573	21,102	23,137
Europe	21,063	19,457	26,215	26,954	20,358	46,087	47,312
UK	17,447	16,054	21,538	20,828	16,870	35,467	37,698
France	1,285	1,650	1,394	2,119	1,271	4,384	3,390
Germany	744	289	610	1,301	407	2,142	1,708
Caribbean	14,352	23,632	11,594	10,315	13,680	23,650	23,995
Excursionists	2,750	2,492	2,685	3,182	2,825	5,346	6,007
Cruise Ship Passengers	114,026	59,087	195,986	269,551	83,220	375,231	352,771
Number of Cruise Ship Calls	58	20	121	172	37	210	209
Yacht Passengers	11,020	8,081	8,708	12,430	10,064	24,941	22,494
Total Visitor Expenditure (EC\$M)	<b>199.01</b>	<b>182.95</b>	<b>225.72</b>	<b>280.52</b>	<b>197.47</b>	<b>456.84</b>	<b>477.98</b>

Source: Saint Lucia Tourist Board  
Data available at 13 August 2012

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

	Weight	Index Jun 2012	Percentage Change*						
			2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 Jan - Jun
<b>All items</b>	99.87	112.36	1.70	(0.01)	1.57	0.68	0.90	3.17	1.58
Food and Non-Alcoholic Beverages	25.02	116.12	2.02	1.98	1.12	0.93	0.78	2.45	1.72
Alcoholic Beverages, Tobacco and Narcotics	6.53	111.25	0.95	1.01	1.42	0.50	(0.12)	0.92	0.38
Clothing and Footwear	1.66	121.12	(1.74)	(11.35)	18.85	6.06	0.26	0.90	6.33
Housing, Utilities, Gas and Fuels	17.36	107.24	1.64	0.90	0.63	(0.33)	-	2.58	(0.33)
Household Furnishings, Supplies and Maintenance	3.31	103.56	4.68	(0.22)	(0.22)	2.12	(1.16)	(0.77)	0.94
Health	3.96	117.66	0.13	1.97	1.63	0.14	(0.05)	2.15	0.09
Transport	16.40	115.31	3.52	(3.15)	2.48	(2.38)	6.28	6.01	3.74
Communication	12.54	102.49	(0.22)	-	-	1.71	-	1.39	1.71
Recreation and Culture	1.37	112.47	5.69	7.88	(0.61)	6.58	(1.74)	16.97	4.73
Education	3.70	134.28	-	(3.67)	0.57	(1.33)	0.95	-	(0.39)
Hotels and Restaurants	1.10	109.03	-	0.51	3.60	(1.65)	(3.61)	(0.44)	(5.20)
Miscellaneous Goods and Services	6.92	114.14	0.05	(0.34)	0.21	2.44	0.47	6.38	2.92

Source: Central Statistical Office  
\*at end of period  
Data available at 13 August 2012



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

	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 Jan - Jun
<b>Current Revenue</b>	211.79	204.24	183.17	236.78	196.67	429.12	433.44
Tax Revenue	201.71	188.57	171.85	202.48	185.25	403.88	387.73
Taxes on Income and Profits	70.34	61.65	39.73	69.23	57.72	143.78	126.96
Of Which:							
Personal Income	21.49	21.36	21.10	27.00	23.44	47.12	50.44
Corporation	36.09	25.22	3.53	27.61	24.18	72.50	51.79
Taxes on Property	0.91	0.72	1.35	1.39	0.98	1.90	2.37
Taxes on Domestic Goods and Services	31.85	29.37	31.71	39.69	34.25	64.65	73.94
Of Which:							
Consumption Duty	1.36	1.49	1.22	2.04	1.62	3.27	3.66
Licenses	2.50	3.54	10.64	5.63	4.01	9.09	9.64
Excise Tax	2.50	3.51	2.67	4.14	3.05	6.79	7.19
Hotel Occupancy Tax	10.41	8.68	5.20	15.32	11.26	19.40	26.58
Taxes on International Trade and Transactions	98.61	96.82	99.06	92.16	92.30	193.55	184.46
Of Which:							
Consumption Tax (Imports)	28.81	28.74	28.94	25.43	26.83	54.67	52.26
Import Duty	26.21	27.27	27.96	24.62	26.68	50.43	51.30
Service Charge (Imports)	17.06	17.07	18.48	16.55	17.84	33.51	34.40
Excise Tax	17.72	14.63	15.69	17.17	12.12	38.54	29.29
Non-Tax Revenue	10.08	15.67	11.32	34.30	11.42	25.24	45.72
<b>Current Expenditure</b>	179.14	190.70	186.40	206.60	190.96	368.14	397.56
Personal Emoluments	88.48	83.98	87.49	88.30	89.54	173.94	177.84
Goods and Services	34.46	35.64	33.55	43.47	29.41	72.64	72.88
Interest Payments	19.07	26.99	22.50	34.80	29.03	50.69	63.84
Domestic	10.40	16.57	12.02	23.83	14.90	29.77	38.73
External	8.67	10.42	10.49	10.97	14.14	20.92	25.11
Transfers and Subsidies	37.13	44.09	42.86	40.02	42.98	70.86	83.00
Of Which: Pensions	13.46	14.20	18.81	16.97	15.28	25.21	32.25
<b>Current Account Balance</b>	32.65	13.53	(3.23)	30.18	5.70	60.98	35.88
<b>Capital Revenue</b>	0.01	0.32	0.20	-	-	0.01	-
<b>Grants</b>	19.34	5.57	3.72	5.95	7.28	25.44	13.23
Of which: Capital Grants	19.34	5.57	3.72	5.95	7.28	25.44	13.23
<b>Capital Expenditure and Net Lending</b>	39.51	94.15	53.95	71.86	33.60	120.28	105.46
<b>Primary Balance</b>	31.57	(47.74)	(30.74)	(0.93)	8.41	16.85	7.49
<b>Overall Balance</b>	12.49	(74.73)	(53.24)	(35.73)	(20.62)	(33.84)	(56.35)
<b>Financing</b>	(12.49)	74.73	53.24	35.73	20.62	33.84	56.35
Domestic	(9.22)	87.92	(78.03)	68.14	29.84	36.31	97.98
ECCB (net)	5.44	7.01	(52.27)	41.99	29.39	42.57	71.38
Commercial Banks (net)	28.53	39.89	45.37	(49.28)	31.06	(31.51)	(18.22)
Other	(43.19)	41.02	(71.13)	75.43	(30.61)	25.25	44.82
External	(3.27)	(13.19)	131.28	(32.41)	(9.22)	(2.47)	(41.63)
Net Disbursements/(Amortisation)	(3.27)	(13.19)	131.28	(32.41)	(9.22)	(2.47)	(41.63)
Disbursements	8.52	6.37	148.25	16.70	11.52	32.96	28.22
Amortisation	(11.80)	(19.56)	(16.97)	(49.11)	(20.74)	(35.42)	(69.85)
Change in Government Foreign Assets	-	-	-	-	-	-	-

Source: Ministry of Finance, Treasury Department and ECCB Estimates  
Data available at 13 August 2012



**Table 44**  
**Saint Lucia - Banana Production**

	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 Jan - Jun
Volume (tonnes)	889	2,696	2,971	2,631	3,759	889	6,390
Value (EC\$M)	1.59	6.48	6.82	7.11	10.16	1.59	17.28
Unit Price (EC\$/tonnes)	1,788.62	2,403.38	2,295.21	2,704.00	2,704.04	1,788.62	5,408.05

Source: WIBDECO

Data available at 13 August 2012

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

	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 Jan - Jun
<b>Total Exports</b>	111.69	117.16	124.06	75.27	113.92	194.67	189.19
Total Domestic Exports	53.29	61.17	65.47	54.24	54.36	111.80	108.60
Total Re-Exports	58.40	55.99	58.59	21.03	59.56	82.87	80.59
<b>Total Imports</b>	449.27	484.95	494.88	436.70	419.72	910.08	856.43
<b>Trade Balance</b>	(337.59)	(367.79)	(370.82)	(361.43)	(305.80)	(715.40)	(667.24)

Source: Statistical Department, Saint Lucia and ECCB estimates

Data available at 13 August 2012



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

	2011 1 <sup>st</sup> Qr	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr
Net Foreign Assets	(365.42)	(380.41)	(511.72)	(494.69)	(359.68)	(440.16)
Central Bank (net)	551.63	571.07	446.98	512.37	517.33	491.75
Commercial Banks (net)	(917.05)	(951.48)	(958.69)	(1,007.06)	(877.01)	(931.92)
External (net)	(481.23)	(565.49)	(582.26)	(591.97)	(508.84)	(478.42)
Assets	439.37	388.97	396.58	368.37	441.14	485.77
Liabilities	920.59	954.46	978.84	960.34	949.98	964.19
Other ECCB Territories	(435.82)	(385.99)	(376.43)	(415.09)	(368.17)	(453.49)
Assets	377.45	440.26	425.95	454.50	471.64	463.74
Liabilities	813.27	826.25	802.38	869.59	839.82	917.24
Net Domestic Assets	3,018.58	3,111.78	3,185.89	3,224.45	3,145.92	3,226.38
Domestic Credit	3,412.69	3,497.28	3,573.13	3,597.63	3,554.98	3,770.61
Central Government (net)	(74.92)	(40.95)	5.94	(0.96)	(8.25)	52.20
Other Public Sector (net)	(325.40)	(315.28)	(326.27)	(288.90)	(290.37)	(324.79)
Private Sector	3,813.01	3,853.52	3,893.45	3,887.49	3,853.61	4,043.21
Households	1,311.05	1,316.82	1,339.16	1,349.27	1,337.13	1,541.14
Business	2,345.02	2,361.99	2,382.28	2,384.41	2,367.72	2,438.38
Non-Bank Financial Institutions	40.78	40.89	41.67	22.48	23.92	23.07
Subsidiaries and Affiliates	116.15	133.82	130.35	131.34	124.83	40.62
Other Items (net)	(394.10)	(385.50)	(387.24)	(373.17)	(409.07)	(544.23)
Monetary Liabilities (M2)	2,653.17	2,731.37	2,674.17	2,729.77	2,786.24	2,786.22
Money Supply (M1)	652.66	692.42	652.66	675.03	670.65	664.29
Currency with the Public	140.26	146.54	155.04	165.24	156.57	155.59
Demand Deposits	497.20	531.95	487.72	496.55	505.25	495.95
EC\$ Cheques and Drafts Issued	15.20	13.92	9.90	13.24	8.83	12.75
Quasi Money	2,000.50	2,038.96	2,021.51	2,054.73	2,115.58	2,121.93
Savings Deposits	1,351.50	1,374.39	1,379.51	1,393.50	1,422.08	1,448.07
Time Deposits	477.68	499.62	488.01	490.99	487.74	472.37
Foreign Currency Deposits	171.32	164.95	153.99	170.25	205.77	201.50

Source: Eastern Caribbean Central Bank

Data available at 10 August 2012



Table 47  
St Vincent and the Grenadines - Selected Tourism Statistics

	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 Jan - Jun
Total Visitors	40,886	23,911	56,990	85,940	32,019	127,096	117,959
Stay-Over Visitors	19,419	17,101	18,387	21,264	18,124	38,378	39,388
Of which:							
USA	5,390	4,704	5,332	6,341	5,361	11,128	11,702
Canada	1,539	1,123	1,698	2,377	1,514	3,898	3,891
UK	3,963	3,021	3,836	4,751	3,391	8,038	8,142
Caribbean	6,954	6,809	5,357	5,097	6,143	11,106	11,240
Other Countries	1,573	1,444	2,164	2,698	1,715	4,208	4,413
Excursionists	866	749	805	994	814	2,387	1,808
Yacht Passengers	9,398	6,061	7,569	18,422	9,398	27,636	27,820
Cruise Ship Passengers	11,203	0	30,229	45,260	3,683	58,695	48,943
Number of Cruise Ship Calls	14	0	55	96	9	69	105
Total Visitor Expenditure (EC\$M)	<b>61.23</b>	<b>49.51</b>	<b>60.45</b>	<b>84.23</b>	<b>59.10</b>	<b>137.59</b>	<b>143.33</b>

Sources: Department of Tourism

Data available at 13 August 2012

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

	Weight	Index Jun 2012	Percentage Change*						
			2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 Jan - Jun
<b>All Items</b>	100.00	106.70	1.67	1.64	0.66	(0.09)	0.66	2.37	0.57
Food and Non-Alcoholic Beverages	21.9	108.00	2.14	2.10	1.96	(1.01)	(0.09)	1.55	(1.10)
Alcoholic Beverages, Tobacco and Narcotics	3.9	102.30	0.70	0.59	(0.69)	1.19	0.29	0.50	1.49
Clothing and Footwear	3.2	104.50	0.30	1.00	0.89	0.88	1.16	-	2.05
Housing, Water, Electricity, Gas and Other Fuels	30.1	106.00	2.78	(0.19)	-	1.64	0.86	3.50	2.51
Furnishing, household equipment and Routine Household Maintenance	6.6	99.30	(0.40)	0.10	-	0.10	-	(0.80)	0.10
Health	1.8	98.30	0.30	(0.81)	-	0.10	-	(0.80)	0.10
Transport	11.8	120.50	2.51	9.53	0.83	(3.86)	2.99	6.99	(0.99)
Communication	9.4	104.00	-	1.08	0.78	-	-	1.39	-
Recreation and Culture	3.8	102.10	0.80	(0.10)	0.69	-	0.10	0.90	0.10
Education	1.3	108.60	-	2.45	-	-	-	-	-
Restaurants and Hotels	1.9	102.60	0.29	0.98	(0.19)	(0.19)	-	0.49	(0.19)
Miscellaneous goods and services	4.3	101.20	(0.10)	0.10	0.60	0.40	0.20	0.10	0.60

Source: Central Statistical Office, Ministry of Finance

\*at end of period

Data available at 13 August 2012



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

	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 Jan - Jun
<b>Current Revenue</b>	112.74	121.21	131.33	100.97	118.13	209.94	219.10
Tax Revenue	98.26	112.02	112.31	93.22	109.89	187.81	203.11
Taxes on Income & Profits	29.60	30.42	32.66	24.56	31.97	51.31	56.53
Of Which:							
Personal	17.03	16.41	18.10	15.47	19.63	32.87	35.10
Corporation	11.22	10.64	11.55	7.49	10.30	15.68	17.80
Taxes on Property	0.34	1.49	0.60	0.37	0.59	0.72	0.95
Taxes on Domestic Goods and Services	50.03	58.45	54.50	50.87	55.65	100.79	106.52
Of Which:							
Stamp Duties	3.04	5.05	4.21	5.05	4.82	6.46	9.87
Hotel Turnover Tax	6.13	6.40	6.28	6.56	6.71	11.60	13.27
Value Added Tax	31.55	32.81	33.82	30.76	36.81	65.68	67.57
Taxes on International Trade and Transactions	18.29	21.67	24.55	17.43	21.68	34.98	39.11
Of Which:							
Import Duty	10.19	12.44	15.03	10.41	12.18	19.65	22.59
Customs Service Charge	7.25	8.20	8.80	6.31	8.39	13.68	14.70
Non-Tax Revenue	14.48	9.19	19.02	7.74	8.24	22.13	15.98
<b>Current Expenditure</b>	122.18	123.38	124.22	112.04	123.53	247.57	235.57
Personal Emoluments	56.98	56.55	60.27	58.07	58.57	114.33	116.64
Goods and Services	19.72	19.56	20.13	13.08	16.68	34.66	29.76
Interest Payments	10.32	9.59	13.90	11.14	10.61	22.55	21.75
Domestic	3.95	4.14	8.03	6.18	4.27	11.25	10.45
External	6.37	5.45	5.87	4.96	6.34	11.30	11.30
Transfers and Subsidies	35.16	37.69	29.92	29.74	37.67	76.02	67.41
Of Which: Pensions	10.80	9.40	11.73	10.92	12.71	23.88	23.64
<b>Current Account Balance</b>	(9.45)	(2.17)	7.11	(11.07)	(5.40)	(37.63)	(16.47)
<b>Capital Revenue</b>	0.27	7.66	1.84	0.30	0.24	0.86	0.54
<b>Grants</b>	20.52	4.47	10.55	3.42	0.48	21.19	3.90
Of which: Capital Grants	20.52	4.47	10.55	3.42	0.48	21.19	3.90
<b>Capital Expenditure and Net Lending</b>	11.94	19.56	29.41	0.74	13.52	14.04	14.26
Of which: Capital Expenditure	11.94	19.56	29.41	0.74	13.52	14.04	14.26
<b>Primary Balance</b>	9.73	(0.02)	3.99	3.06	(7.60)	(7.07)	(4.53)
<b>Overall Balance</b>	(0.59)	(9.60)	(9.91)	(8.08)	(18.21)	(29.62)	(26.29)
<b>Financing</b>	0.59	9.60	9.91	8.08	18.21	29.62	26.29
Domestic	14.95	1.23	(35.86)	18.35	(10.71)	33.99	7.64
ECCB (net)	(7.23)	(4.59)	29.15	(26.96)	(6.72)	(2.86)	(33.67)
Commercial Banks (net)	1.15	15.49	(36.18)	19.00	(20.93)	21.14	(1.93)
Other	21.03	(9.67)	(28.83)	26.31	16.94	15.71	43.25
External	(8.42)	(2.44)	44.23	(10.78)	14.77	(9.67)	3.99
Net Disbursements/(Amortisation)	(8.42)	(2.44)	44.23	(10.78)	14.77	(9.67)	3.99
Disbursements	5.03	9.24	58.59	1.78	28.22	16.29	30.00
Amortisation	(13.44)	(11.68)	(14.36)	(12.55)	(13.45)	(25.96)	(26.01)
Change in Government Foreign Assets	-	-	-	-	-	-	-
Arrears	(5.94)	10.81	1.54	0.50	14.14	5.30	14.65
Domestic	(5.94)	10.81	1.54	0.50	14.14	5.30	14.65

Source: Ministry of Finance

Data available at 13 August 2012



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

	2011 <sup>R</sup> 2 <sup>nd</sup> Qr	2011 <sup>R</sup> 3 <sup>rd</sup> Qr	2011 <sup>R</sup> 4 <sup>th</sup> Qr	2012 <sup>R</sup> 1 <sup>st</sup> Qr	2012 <sup>P</sup> 2 <sup>nd</sup> Qr	2011 Jan - Jun	2012 Jan - Jun
<b>Visible Trade Balance</b>	(191.45)	(196.43)	(203.96)	(194.97)	(217.98)	(391.81)	(412.94)
<b>Total Imports</b>	214.60	224.79	233.72	223.67	246.68	437.18	470.36
<b>Total Exports</b>	23.15	28.37	29.76	28.71	28.71	45.38	57.41
Re-Exports	2.30	4.82	3.77	4.89	1.58	5.89	6.47
Domestic Exports	20.86	23.55	26.00	23.82	27.13	39.49	50.95
Of Which:							
Bananas							
Volume	0.03	0.58	0.57	n.a.	n.a.	0.03	n.a.
Value	0.08	0.86	0.79	n.a.	n.a.	0.08	n.a.
Flour							
Volume	3.39	3.12	3.55	3.55	3.36	6.50	6.90
Value	7.89	7.30	8.30	8.34	8.21	14.95	16.55
Rice							
Volume	1.16	1.19	1.03	0.88	1.29	2.13	2.18
Value	3.50	3.59	3.15	3.16	3.86	6.41	7.02
Feeds							
Volume	2.63	2.32	2.54	2.03	2.34	4.94	4.37
Value	2.56	1.86	2.28	2.11	2.50	4.54	4.60

Data available at 13 August 2012

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

	2011 1 <sup>st</sup> Qr	2011 2 <sup>nd</sup> Qr	2011 3 <sup>rd</sup> Qr	2011 4 <sup>th</sup> Qr	2012 1 <sup>st</sup> Qr	2012 <sup>P</sup> 2 <sup>nd</sup> Qr
<b>Net Foreign Assets</b>	422.78	442.67	389.24	393.15	425.05	419.90
Central Bank (net)	245.06	222.42	226.90	236.96	245.05	285.20
Commercial Banks (net)	177.72	220.25	162.34	156.19	180.00	134.70
External (net)	(64.19)	(57.30)	(104.81)	(100.81)	(79.99)	(69.51)
Assets	162.94	155.49	109.23	126.02	136.72	142.45
Liabilities	227.13	212.79	214.04	226.83	216.72	211.95
Other ECCB Territories	241.92	277.55	267.15	257.00	260.00	204.21
Assets	357.46	377.50	374.30	366.69	328.94	300.77
Liabilities	115.54	99.95	107.15	109.69	68.94	96.57
<b>Net Domestic Assets</b>	727.13	698.59	723.92	716.99	714.09	722.07
Domestic Credit	962.47	926.52	922.32	906.67	896.04	890.66
Central Government (net)	46.69	40.62	51.52	44.50	36.53	8.89
Other Public Sector (net)	(89.14)	(115.06)	(123.36)	(137.07)	(145.42)	(148.16)
Private Sector	1,004.92	1,000.96	994.16	999.25	1,004.93	1,029.93
Households	624.99	628.15	631.27	637.33	642.48	655.91
Business	353.05	345.08	335.09	330.06	330.51	342.17
Non-Bank Financial Institutions	26.87	27.74	27.81	27.86	27.94	27.86
Subsidiaries and Affiliates	-	-	-	4.00	4.00	4.00
Other Items (net)	(235.33)	(227.93)	(198.40)	(189.68)	(181.96)	(168.59)
<b>Monetary Liabilities (M2)</b>	1,149.91	1,141.25	1,113.16	1,110.14	1,139.14	1,141.97
Money Supply (M1)	355.00	341.39	322.86	331.45	342.26	338.29
Currency with the Public	40.58	42.73	38.97	46.51	37.41	42.35
Demand Deposits	308.68	294.86	277.64	276.31	299.08	286.54
EC\$ Cheques and Drafts Issued	5.74	3.80	6.26	8.62	5.76	9.40
Quasi Money	794.91	799.87	790.30	778.70	796.88	803.68
Savings Deposits	612.54	604.24	603.91	594.18	606.13	628.68
Time Deposits	130.58	142.82	145.12	139.70	137.88	128.29
Foreign Currency Deposits	51.79	52.81	41.27	44.82	52.87	46.72

Source: Eastern Caribbean Central Bank

Data available at 10 August 2012

